U. S. Congress.

Congressional Record

APPENDIX

OF THE

FIRST SESSION OF THE SEVENTY-FIFTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 81—PART 10

MAY 19, 1937, TO AUGUST 21, 1937

(Pages 1201 to 2570)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1937

DEPOSITED BY THE
UNITED STATES OF AMERICA
NOV 27 1937

Congressional Record

APPENDIX

SEVENTY-FIFTH CONGRESS, FIRST SESSION

The United States Supreme Court

EXTENSION OF REMARKS
OF
HON. ROBERT J. BULKLEY
OF OHIO
IN THE SENATE OF THE UNITED STATES
Wednesday, May 19 (legislative day of Thursday, May 13), 1937

ARTICLE BY HENRY M. HART, Jr., APRIL 16, 1937

Mr. BULKLEY. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an argument by Henry M. Hart, Jr., which appeared in the Harvard Alumni Bulletin on April 16, 1937, entitled "The United States Supreme Court: An Argument on the President's Side."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

President Conant's public statement opposing the proposed increase in the number of Supreme Court Justices raises several questions which invite further consideration, bearing both upon the merits of the proposal itself and upon the process by which opinion is being formed on the issue.

First. President Roosevelt is described as attempting to "pack" the Court in order "to affect decisions on the constitutionality of acts of Congress." Like so many expressions which achieve wide popular currency, "packing the Court" contains a critical ambiguity. Does it mean, as the analogy to juries and the House of Lords suggests, that President Roosevelt is attempting to secure specific decisions on specific legislation from subservient Justices pledged to render such decisions? If so, the charge encounters the difficulties that, under our system, Justices of the Supreme Court, once appointed, are independent of the Executive; that appointees of a character mean enough not to exercise that independence in some cases would be the surest ultimately to abuse it in others, and so to defeat the larger purpose; that, indeed, experience has shown that the independence will be exercised and that the attempt to predetermine future votes is futile. Unless those difficulties are met, the charge casts a reflection upon the integrity of the President, the Senate, and the prospective appointees, which seems out of place in anticipation of the event. And it reflects also upon present members of the Court whose concurrence would be necessary to make the scheme effective.

Or does the expression simply describe an effort to secure more Justices of a certain cast of mind—in this case Justices who will practice the judicial self-restraint exemplified by Holmes, Brandeis, Stone, and Cardozo? This is quite a different matter. For, of course, Presidents in the past have steadily thus inquired, with entire propriety, at least into the philosophic attitude of prospective appointees toward the Constitution, and often into their views on the substantive issues of the day. There remains, indeed, the serious question whether a President, with the concurrence of Congress, should be permitted to create an opportunity to do this with respect to six members of the Court all at once. But the gravity and difficulty of this question are obscured by the emotional slogan, "packing the Court."

Second. President Conant sees in the proposal, as many others have seen, a threat to "freedom of speech and inquiry", to "liberty itself." He refers to "the number of instances in which the Supreme Court served to protect the fundamental principles of a free country—freedom of speech and assembly." He does not suggest that these personal liberties will not be safe for the time being, even in the hands of the proposed new Justices. Rather are we asked to look forward to a later crisis when the foundations of democratic society are crumbling. If the second of the two meanings of "packing the Court" is the proper one, this is an expression of fear that a proposal now advanced for a defensible purpose will, if adopted, be later perverted for a sinister one.

Whether the survival of personal liberties in the United States is so largely dependent upon the Supreme Court as this warning implies is worth inquiry. That a healthy state of civil society, and not the Court, is the ultimate safeguard of all civil liberty would have seemed axiomatic were it not so widely assumed to the contrary—and now with the authority of the country's unofficial first minister of education. So far as concerns the interest most immediately dear to a university—freedom of scholarly inquiry and expression—the assumption plainly will not hold. That interest can be impaired in ways too subtle to be vindicated, in any important degree, by the relatively crude mechanism of constitutional guarantees invoked in litigation. Its protection depends, as it always has depended, upon the vigilance of a free people, convinced of its importance. Courts are not barriers against mischiefs like the teachers' oath acts. Is the case significantly different as to those other liberties of expression which members of a university exercise in common with all citizens?

To conceive of a situation in which the Supreme Court first repels an assault upon personal liberties and is then sought to be overwhelmed by Congress and the President, we must conceive also of the circumstances under which Congress or the President would either desire or dare so to act. The assumption is that what is now done will have a bearing—in such a climate of national opinion—on what then happens. But does experience show that the actions of a would-be dictator are thus determined by precedent? Are popular majorities, stirred by deep forces to give support to such a leader, thus respectful of the guidance of the past? The assumption is also that the Supreme Court itself would be unaffected by the forces which made for such a state of opinion. It is a relevant but minor point that, so far as constitutional power goes, many members of the present Court have consistently taken a restrictive view of the scope of civil liberties, even in normal times. The major point can be made by recalling that the Supreme Court did not decide Ex parte Milligan until after Appomattox; that *Abrams* v. *United States* fairly represents its attitude during the Great War. These facts should be a warning against easy confidence that in some dread cataclysm of the future the Court as an institution will set itself in such matters against the emotional temper of the times. But suppose that the Court does so set itself. What then? Decisions of the Court defending civil liberties, it must be remembered, are an infinitesimal part of all the instances occurring in the Nation, whether in normal times or emergency, in which civil liberties are brought into question. Of course, those decisions have large symbolic value. But, so far as judicial action counts at all, what is primarily decisive is the action of trial courts and juries, which the Supreme Court can only in a limited measure control; and trial courts and juries, even more than the Supreme Court, are responsive to deeply felt currents of popular opinion.

Again and again we are thus thrust back upon the question, What is it which will set those currents of anger and intolerance in motion? It is no service to the cause of civil liberty to neglect this inescapable nexus between the satisfaction of the reasonable wants of mankind and the survival of democratic processes. Two conditions will be indispensable to the success, or near success, of any movement seeking a violent break from established ways. The first will be many empty stomachs, the second widespread despair of filling those stomachs by the established ways. Consideration of the relation of President Roosevelt's proposal to the future of personal liberty must include consideration of the relation of his larger purposes to the avoidance of those two conditions.

Third. Of these broader questions, President Conant says: "I am not one who believes that the recent decisions of the Supreme Court confront the country with no serious problems. I believe they do." The limitation of this statement to the "recent decisions" of the Court may convey the impression that we have to do solely with a current controversy between President Roosevelt and a transient majority of the Supreme Court. Such, of course, is not the fact. We are witnessing the culmination of a historic process in a disaster foreseen, as long ago as 1905, by Mr. Justice Holmes in his dissenting opinion in *Lochner* v. *New York*, in which

five Justices held that a State law forbidding employees in bakeshops to work more than 60 hours a week was arbitrary and capricious, and bore no reasonable relation to any legitimate purpose of government. Such cases as the child-labor case (1918), the Adair case (1908), and *Coppage* v. *Kansas* (1915), have substantially the same contemporary significance as the A. A. A. case, the Guffey coal case, and the New York minimum-wage case.

President Conant does not elaborate upon the "serious problems" with which the country is confronted, except to express his own preference for "the present Constitution as written, but as interpreted by the minority of the present Court." Yet the implications of that statement are of the essence of the question. For the differences between the majority and the minority of the present Court are not differences as to what is good for the country. They are differences as to how far the Court can properly go, under the Constitution, in imposing its own view of what the country's good is. One who alines himself with the minority of the Court, therefore alines himself with the opinion, which is widely and seriously held, that the Supreme Court has overstepped the limits of its appropriate functions under the Constitution. But what does this mean? It means that because of the unconstitutional action—in effect—of five or six men, women in New York must continue to labor for inadequate wages. (This letter was written before the recent decision upholding, by virtue of one Justice's change of vote, the Washington minimum-wage law for women. This decision places the Court's own authority behind the statement that earlier decisions invalidating such legislation were themselves "unconstitutional." It underscores the problem presented by the continued presence of four Justices who still regard themselves as authorized, under the Constitution, to pronounce even so familiar a type of regulatory measure as this, beyond doubt, arbitrary and capricious and without reasonable relation to any legitimate purpose of government.) Children must be kept in factories. The legitimate aims of labor organizations must be frustrated. Widespread defiance of law must be encouraged by lawless judicial decisions. The efforts of Congress to master national economic problems must again and again be embarrassed, delayed, or nullified.

These are serious problems, indeed. They are the more serious because they are problems arising out of the state of mind of conscientious Justices, exercising normally unrestrained power, who, being conscientious, are, of course, outside the purview of the corrective process of impeachment. And they are problems of liberty. They are problems of actual impairment of present liberty which have to be taken into account no less fully than problems of hypothetical danger to future liberty. Diagnosis of the evil must precede consideration of the cure. The overwhelmingly important issue now before the country is to determine whether the asserted evil is a real one. The keenness with which any commentator realizes the gravity of the problem to which the President's proposal is addressed and the carefulness with which the problem is stated furnish the best index to the adequacy of the comment.

The importance of formulation of the problem in discussion of the cure is aptly illustrated at two points in President Conant's statement. Thus, attention is called to the need of examining with the greatest care the claim that an emergency exists, lest "the country may proceed under the banner of emergency legislation down a road which leads to the abolition of democratic government." A proposed whittling away of constitutional limitations is one matter. An accomplished whittling away of constitutional powers is another. If the second is the true problem, its ultimate solution, by whatever means adopted, will entail not the abolition of democratic government but its restoration. Democracy, granted a breathing spell between the last depression and the next, may hurry to restore to itself its own powers, where it should be slow to free itself from its own restraints.

Again, President Conant forcefully points out that "the appeal of law is in the last resort to the conscience of mankind", and that it is important that law should satisfy that conscience. But he considers the application of this canon only to the President's proposal. Is the New York minimum-wage case satisfactory to the conscience of mankind? Or the child-labor case? Is the conscience of mankind satisfied that a narrow majority of Supreme Court Justices should continue to hand down other decisions which it is reasonable to believe are improper for them to hand down? These questions cut deep. Responsible men, of whatever political faith, have earnestly to ask themselves whether the increasing popular dissatisfaction with the Court may not so undermine respect for the Court, and for all courts, as to threaten damage far exceeding anything which, by any calm view, may be anticipated from President Roosevelt's suggestion.

Fourth. If an evil exists, what solutions are possible other than President Roosevelt's proposal? Grave difficulties are involved in all the various drafts of a constitutional amendment. President Conant recognizes this in declaring his own preference for "the present Constitution as written." One such amendment, however, he does mention. "Even the proposal now before the Senate", he says, "if cast as a constitutional amendment (thereby fixing the size of the Court) might be defensible." Surely this amendment would be particularly difficult to defend. The clearest objection to President Roosevelt's plan is that a Court of 15 is too large. That objection can be outweighed only by the belief that greater dangers threaten the Court and the country than the danger of a cumbersome membership. Such an amendment would shackle the Court with a permanent handicap in order to remedy an evil which, it can be hoped, will be temporary. The whole American tradition of a flexible constitutionalism would be a reproach to such hand-to-mouth statesmanship.

Although President Conant concludes by urging that there is ample time "for submission of an amendment to the country", it appears from the context of the statement that his primary insistence is not upon an amendment, as such, but upon some kind of submission "to the voters." He regrets that such a submission was not made. Would a more thorough consideration and a wiser verdict have been possible had the issue been injected into the heat of the campaign? Or was it necessary or preferable to decide first the issues which were decided in the campaign? Evidently these are debatable questions. One can say only two things: First, the immediate question is the merit of the measure not of its proponent; a measure which is for the well-being of the country should not be rejected out of hand because of the circumstances under which it was proposed. Second, if the inference is that the issue will not now be settled by "time, discussion, debate, orderly processes of government", it can scarcely be accepted. If, as Senator ASHURST suggests, the Senate will not come to a vote until July, we shall have an abundance of these, though we may never count heads. The discussion, moreover, will have the benefit of being concentrated upon a single problem instead of being distracted by many. In that great national debate the transcendent need will be to defend the Court from the charge which has been brought against it, if it can be defended; and, if not, to aid in a wise choice among the various proposals for corrective action or inaction that are advanced.

Vocational Education

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. RUTHERFORD. Mr. Speaker and Members of the House, the vocational educational part of the Interior appropriation bill is of much interest to my constituents. I come from a rural district where the Democrats as well as the Republicans believe in old-fashioned economy. I came to Congress on an economy platform and as desired by my constituents. I have voted consistently against increased appropriations however without much avail. The majority of the rural citizens of my district own their own farms, and a large number of those living in the towns own their own homes. The great majority of the people living in my district know the value of a dollar because they have to work hard to get it and they do not like to see Congress spending money recklessly which will mean large tax increases in the future. Although they believe in economy, they also believe in education. Many of the families in my district deny themselves what many people consider the necessities of life in order that some member of their family may go to college or normal school. They do not begrudge the money spent for education nor do they begrudge the taxes spent for education.

Knowing the value of education and knowing the value of vocational education in their various counties, many of my constituents have written me asking me to support the Fuller amendment. For the past 15 years I have been active in Grange work in my county, and I know from experience that the judgment of the Grange members on the various phases of legislation is good and can be relied upon. Many Granges have written me asking that I give this amendment my support and the National Grange is also asking that this amendment be approved. As I stated before, I have received hundreds of letters from my constituents asking me to support this amendment, and while the volume received does not compare with that received against the President's proposal to pack the Supreme Court, nor against the reciprocal-trade agreement, yet it has been of such volume and from the best citizenry of my district that I feel compelled to comply with their requests and vote for this amendment even though it means an increase in the appropriation over and above the amount suggested by the Bureau of the Budget and the committee. Last session Congress passed the George-Deen bill authorizing the expenditure of $14,200,000

for the development of vocational training, with the understanding that the States were to match a certain percentage of the Federal grants. Many of the States have made the necessary provisions to comply with their requirements, and it seems to me that the Federal Government is morally bound to comply with the spirit of the act and provide the necessary funds so that the States can carry out their proposed programs. Let us give the boys back on the farms of our country a chance to get an education that will be beneficial to them in their chosen vocation. Money spent for vocational training is always well spent.

Land, Labor, and the Wagner Act

EXTENSION OF REMARKS

OF

HON. CHARLES R. ECKERT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. ECKERT. Mr. Speaker, the National Labor Relations Act is being acclaimed by labor as one of its greatest achievements in the long and weary struggle for its rights. The weeks and months that its life was hanging in the balance labor was filled with anxiety and despair. The actions of the courts were awaited with bated breath, and when at last, on the 12th day of April 1937, the Supreme Court of the United States pronounced the act a living thing there was great rejoicing in the ranks of the workers. And this not without reason, for the principles for which labor fought and struggled throughout the years were at last sanctified as the law of the land. The right of self-organization and collective bargaining have been regarded by the champions of labor among their most important and effective weapons.

That labor should be unduly enthusiastic about the outcome of the legal battle over the Wagner Act and anticipate greater benefits than can possibly be realized must be expected. For the rank and file of labor have not only been schooled in the efficacy of self-organization and collective bargaining by their leaders but the Supreme Court entertains and declares the same view. In the light of the teachings of the leaders of labor and the decisions of the Supreme Court, it is but natural that practically everybody is entertaining the thought that, with the Wagner Act and related legislation securely on the statute books, labor is about to enjoy its just rewards.

Without minimizing in the slightest degree the importance and value of the legislation embodied in the National Labor Relations Act, it may be well to remind ourselves that, notwithstanding the legal recognition of the much-coveted principles underlying the Wagner Act, the war for the full rights of labor has not yet been won, and that many bitter battles remain to be fought. Candor impels the necessity to remind labor that the enjoyment of the full fruits of labor can come to pass only when the basic element of production will be available to all on equal terms and the rights of the people to their God-given inheritance restored. Equality before the law and the right to life, liberty, and the pursuit of happiness are delusions so long as labor must pay tribute to the privileged few for the opportunity to labor and produce.

In the celebrated case of the National Labor Relations Board against the Jones & Laughlin Steel Corporation, recently decided, Chief Justice Hughes, who delivered the majority opinion of the Court, said:

> The right of employees to self-organization and to select representatives of their own choosing for collective bargaining or other mutual protection without restraint or coercion by their employer is a fundamental right. Employees have as clear a right to organize and select their representatives for lawful purposes as the respondent has to organize its business and select its own officers and agents. Discrimination and coercion to prevent the free exercise of the right of employees to self-organization and representation is a proper subject for condemnation by competent legislative authority. Long ago we stated the reason for labor organizations. We said that they were organized out of the necessities of the situation; that a single employee was helpless in dealing with an employer; that he was dependent ordinarily on his daily wage for the maintenance of himself and family; that if the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and resist arbitrary and unfair treatment; that union was essential to give laborers opportunity to deal on an equality with their employer.

From these words it may be fairly inferred that a laborer, as a member of a labor organization, is on a basis of equality with his employer and therefore in a position, through the power of collective bargaining, to demand his full rights. But before accepting this conclusion and ringing down the curtain on the problem of labor, let us examine the facts. And in considering this problem, let it first be observed, in order that laborers, either individually or collectively, may deal on an equality with their employer it is necessary that such laborers enjoy freedom of contract. It goes without saying that, unless the right to bargain on the part of the contracting parties is free from pressure or duress from any source whatsoever, there cannot be equality between the parties. It has been said:

> Freedom of contract begins where equality of bargaining begins.

In other words, there is no freedom of contract where the bargaining power of the contracting parties is unequal.

Freedom of contract is a deceptive phrase. Americans are boastful of their so-called freedom and accept as a matter of course that the inalienable rights with which man is endowed are theirs to enjoy. Upon examination, however, this is a bold and unjustifiable assumption. America has not yet achieved that station of economic and political development where it can be truthfully asserted that the wage workers are free and independent. True freedom is impossible in an economic order when even the most obscure worker is denied the opportunity to use his labor for the satisfaction of his wants.

Do laborers, even with the right of self-organization and collective bargaining, enjoy the economic freedom necessary to use their labor to satisfy their wants or to deal with their employers on a basis of equality?

The basic factor in production is land, and the word "land", as here used, includes the whole external world accessible to man, with all its forces and powers. Freedom of contract is impossible where equal access to land is denied. Today land is not accessible to labor on equal terms, hence labor's bargaining power or ability to use its labor for the satisfaction of its own wants is not on a par with those who enjoy special advantages over the basic element of production. Before labor will be on a basis of equality the basic factor in production, to wit, land, must be freed from the grip of monopoly.

In a state of nature there is no unemployment. The tramp, the beggar, the man without a job are concomitants of civilization. Hence the phenomenon of unemployment is due to man-made institutions, and the reason we are stumbling along without discerning the chief cause of unemployment is our failure to comprehend the relation of industry to land. When hard times overtake us, when we are in the grip of a depression, and the highways are resounding with the tramp of the army of the unemployed, we waste time and energy in a wild attempt to ascertain the number of unemployed instead of ascertaining, if possible, the reason why able-bodied men are out of work; why they are unable to find opportunities to use their powers for the satisfaction of their wants; why their services are not in demand.

We are accustomed to saying that there is no demand for the unemployed. But all we can mean by such a statement is that no employer wants their services. Inasmuch as our physical wants can be satisfied by labor and labor alone, it is obvious that there is always the same demand for the labor of every man that there was, for example, for the labor of Robinson Crusoe alone on his island, namely, the need of satisfying his own wants. Why, then, cannot the demand be met?

The denial of access to land is the chief and primary cause. As has well been said by John Sturgis Codman, in a little book entitled "Unemployment and Our Revenue Problem", Robinson Crusoe needed no employer. He required only that there be no interference with his use of the natural resources of the island. Why, then, in this country, where we have natural resources greatly exceeding the needs of our comparatively scanty population, where we have all the advantages of modern knowledge concerning the methods of facilitating production in cooperation with our fellow men, should not all of us, who are able-bodied and sane-minded, be able to earn an independent living far better than that to which Robinson Crusoe aspired, instead of being periodically obliged—many of us—to walk the streets to find work?

Why unemployment? Why do men lack opportunity to work? When it is remembered that land is the basis of all labor and all production, the answer is obvious. Without access to land, labor is at the mercy of those who control the natural resources. Unless the primary factor of production is available at the command of labor, unemployment—or employment on unfavorable terms—is inevitable. The rights of labor are so intimately related to the land question that the one cannot be considered independently of the other. They are part and parcel of the same problem.

In the District of Columbia there are thousands of unemployed. These thousands of unemployed have the same demand for labor for the satisfaction of their own wants that Robinson Crusoe had on his island. But they have no opportunity to work. Why? Because, first, no employer wants their services; and, second, the necessary and basic element in the productive process—to wit, land—is monopolized, and hence not available to the unemployed.

As illustrating the vital part land plays in the problem of employment, let us suppose that, adjoining the District of Columbia, there should arise as if by magic, out of the Potomac River, a strip of land equal in area to the District of Columbia and that the land of this new magical world is rich with gold nuggets from which a laborer, in a day's work, could produce from the land $10 worth of pure gold. And suppose that every foot of this magical island would possess an equal quantity of gold and that its production would require the same amount of labor. And, again, suppose the Government, being desirous to free itself of the present relief load, would announce that after a given day any unemployed resident of the District of Columbia would be given the exclusive possession of 1 acre of land of this magical island upon which to work. How would this affect the unemployment situation in the District of Columbia? Obviously, every able-bodied unemployed person in the District of Columbia willing to work would immediately make requisition for an acre of this gold-producing land and, without the intervention of an employer, go to work and at the end of each day's labor have in his possession at least $10 worth of gold. Under such conditions, unemployment in the District of Columbia would be at an end and would remain so as long as the land retained its gold-producing capacity. It would also raise the wage level to a minimum of practically $10 per day throughout the District in all lines of endeavor.

Of course, all this sounds fantastic, but the only fantastic part is the magical island. The other features of the illustration are facts demonstrable in every growing community, as upon reflection may be discerned. The factor in the illustration that transformed the army of unemployed in the District of Columbia into a group of free, happy, and contented workers was the accessibility of productive land. It may be said that in America all productive land is in use, and therefore the land question is irrelevant. This, however, is far from the truth. In every center of population there may be seen many areas of vacant land or land only partially used, as may be noted by the following example:

In full view of the Capitol and within a stone's throw of the White House there is a tract of land, located in the Capital City of the Nation, bounded on the west by Fifteenth Street, on the north by Pennsylvania Avenue, on the east by Fourteenth Street, and on the south by E Street, containing about 1 acre of land. This tract of land has great productive powers. It has a potential productive capacity many times that of a single acre of the magical island. That is to say, while one person working on 1 acre of the magical island would produce $3,000 of wealth per year, upon the tract described, if put into production to its maximum capacity, there would be produced, not only many thousands of dollars' worth of wealth annually by virtue of the inherent productive power due to its advantageous location and the services rendered by society and government but, at the same time, hundreds of laborers would receive employment, while millions of capital would be brought into use. The point being that land—Mother Earth—is a vast workshop wherein there is a job for everyone willing to work.

In the foregoing illustration attention is called to the fact that society and government render very distinct services in the process of producing wealth. It must be borne in mind that these services are of first importance. All proper activities of government and the normal, association and cooperation of the people of the community constitute the services that society and government render in the productive process. The net economic result of these activities attaches to and is reflected in the value of land. This may be seen in every center of population.

For example, in the city of Washington, as in all other cities of comparable size, land has great value. The most valuable is found in those sections that offer the best opportunities for trade, shopping, amusements, and other activities and conveniences that accompany modern civilized life. It will be noted that there is a very distinct and positive relation between population and the value of land. The profit arising from these values belongs to the people. J. Ramsay MacDonald, former Prime Minister of England, during his Premiership had occasion to observe that—

> Rent, "ground rent", is a toll, not a payment for services. By it social values are transferred from social pools into private pockets, and it becomes the means of vast economic exploitation. * * * Rent is obviously a common resource. Differences in fertility and value of site must be equalized by rent, but it ought to go to common funds and be spent in the common interests.

If the economic rent of land were collected and put into the Public Treasury for the common benefit of all the people, as suggested by the ex-Prime Minister, the confusion and bewilderment concerning the labor problem would immediately be in process of clarification and solution.

It may be well to pause and recount the benefits that would accrue to the people under a proper and just administration of the Nation's natural resources. Our imagination need not be stretched to see that if the value of the services rendered by society and government were appropriated for public use in lieu of the present onerous taxes on the products of labor, government would not only be simplified, but at the same time private business would be freed from many of its present burdens, vexations, restrictions, and regulations.

With the reform of our revenue system along the lines indicated, the Government would, so far as its revenue policy is concerned, function within well-defined natural law, and thus observe the principles of morality and justice. This, too, is a matter of first importance. The life of human society is dependent upon moral virtue. No nation, no civilization, can long endure unless firmly rooted in the principles of eternal justice. Whenever and wherever nations have departed from the path of righteousness and justice, then and there they were overtaken by ruin and disaster.

President Roosevelt has publicly declared that the most effective guide for the safety of this most worldly of worlds is moral principle. This is ancient wisdom, applicable at all times and under all circumstances. Unless the activities of government have the sanction of ethics and good morals, evil fruits will be the harvest. Good morals decree—

> Thou shalt not steal.

This applies to nations as well as individuals. The vice of the violation of this moral precept is the taking of the rightful property of another without his consent. Governments, in the exercise of the taxing power, ruthlessly ignore the spirit of this rule. They have a fashion of wielding the power of taxation with an abandon of good morals and ethical precepts that would put to shame the Captain Kidds and Al Capones of all times.

Let it be repeated, the essence of theft and robbery is the taking of the property of another without the other's consent. Yet governments, by the indiscriminate use of the taxing power, commit this offense without let or hindrance, as may be seen upon examination of the revenue systems of all governments.

Labor, in conjunction with capital, is the creator of all wealth. The factors involved in its production are land, labor, capital. Equity decrees that each factor shall be compensated in proportion to the contribution that each makes toward its production, and this allocation may well be left to the operation of the natural laws governing the distribution of wealth. The portion allocated to land is rent; the portion allocated to labor is wages; and the portion allocated to capital is interest.

The item "rent" is a social product, and justice decrees that it be appropriated by government for the benefit of all, and hands off wages and industry. In practice, however, governments permit rent to be collected by private interests and thus are compelled to exact tribute from the wages of labor, and the interest of capital for public revenues. In doing so they violate the commandment, "Thou shalt not steal."

But it is said that the persons whose labor created the wealth, as citizens of the country under whose government they live, are in duty bound to bear their just share of the cost of government. Granted. But it must be borne in mind that the laborers, as producers of wealth and units of society, make a distinct and decisive contribution to society and government. This contribution, as stated before, is reflected in the value of land and constitutes the fund provided by Nature and Nature's God for the support of society and governmental needs of the community. To permit this fund to be privately appropriated is an unspeakable sin of omission on the part of governments and impels governments to commit the indefensible crime of robbing labor and capital in order to obtain the necessary taxes for community needs.

Bolton Hall, a prominent lawyer and a noted publicist of New York, in a few eloquent passages expounds the principles under discussion in these words:

> Most of man's misery is made by mankind's mistakes.
>
> Man lives by applying work to land and to the products of land; land is the source of food and of all raw materials. No one can create wealth or even live without access to land. Only those who speculate or share in some monopoly can get rich without working.

Even a highjacker or a pickpocket would starve if he did not work at his business.

> Independence depends not upon someone giving you a job, but upon free access to places to work. Possession of each piece of land by all is impossible, but exclusive occupancy must be assured; therefore each possessor of land should compensate those excluded from the more desirable holdings.
>
> As land value is created by the presence and activities of the community, each landholder should pay to the community the annual rental value of whatever site or other land he holds. At present we pay these billions as land rent for permission to live on this earth to landholders who do not earn them.
>
> If the community got the full value of the service it renders, there would be ample revenue to maintain that service. Taxes would be unnecessary, and labor and capital, being tax-exempt, would get as wages all they produce and if money monopolies were destroyed, they would get whatever interest superabundant capital might bring.
>
> As nothing could be made from land without using it, land would be held only for use, and all unused land, including water power, mines, etc., would be available free of purchase price. The doors of opportunity would be open to all.
>
> If land rent were not paid to landholders, no one could get more than wages; hence, as one could not get wages by another's labor, exploitation would be impossible. Industry and progress would have a fair field.
>
> Involuntary unemployment and poverty would cease; the golden age of our dreams would be made possible.
>
> This is not bolshevism nor communism. The New York State Constitution, article I, section 10, reads: "The people, in their right of sovereignty, are deemed to possess the original and ultimate property in and to all lands within the jurisdiction of the State."

It is interesting to note that Blackstone, the great English law commentator, declares that—

> It is an undeniable principle of law that all lands in England are held immediately by the King.

And Williams, on Real Property, in the same vein, says:

> The first thing the student has to do is to get rid of the idea of absolute ownership. No man in law is absolute owner of his lands but only holds estate in them.

The Constitution of the State of New York, as pointed out by Mr. Hall, is simply in line with the well-recognized principle that the true ownership of the natural resources is in the sovereignty of the people.

Statesmen and economists, industrialists and merchants, businessmen and bankers, labor leaders, farmers, and others, meet daily in the Capital City of the Nation, planning and worrying in a vain attempt to solve the elusive and vexing problem of unemployment. If these groups would make a pilgrimage to the little plot of land lying opposite the north side of the Commerce Building, they would see a tract containing about 1 acre of land that in appearance is not unlike the thousands of acres of pasture and fallow land in all sections of the Nation. Yet if their imagination were stirred and quickened, they would perceive that this vacant tract of land has great potential productive capacity. In fact, before their very eyes there would arise a veritable El Dorado that, if put into production, would yield fabulous quantities of wealth. With this experience, perhaps their imaginations would again be stirred and comprehend the fact that labor and capital are called upon to pay billions annually as tribute to the privileged landholding interests of America for the mere privilege of producing wealth, and furthermore, realize the futility of attempting to solve fundamentally the problem of unemployment, with its attendant misery, so long as the illogical relation between land and production exists.

All our economic activities are dependent upon land. Before a farmer can till the soil, the miner produce coal, a manufacturer turn a wheel, a merchant sell a spool of thread, a banker discount a note, a lawyer write a brief, a teacher conduct her school, or a preacher expound the precepts of religion, space must be rented or bought. That is inescapable, and since such space of the earth's surface is limited in quantity, its control becomes a coveted prize because of its inherent power to exploit labor. The privileged landholding interests of America are in control of the natural resources of America. And it is this fact that enables them to demand of labor billions of dollars annually for the mere right to work and produce. This is the great iniquity of our economic order, and so long as this condition exists laborers cannot be free to contract upon just and equitable terms, even though they are clothed with the power of unionization and collective bargaining.

The importance of the land question and its relation to the labor problem are well illustrated in the anthracite coal region of Pennsylvania. There thousands of men were unemployed. The principal occupation of these unemployed is coal mining. When the depression came, the operators closed the mines. The miners, of course, lost their jobs. But something happened. Here were large quantities of virgin coal in the bowels of the earth. True, these coal beds, under the present scheme of things, are private property. But some of the miners, faced with their own and their families' wants, flouted the law, took possession of the private property and, without the aid of employers, are busily engaged in the production of coal and thus are solving their own problem of unemployment. They are solving the problem of making a living for themselves and their families without the aid of employers, the Federal Government, the W. P. A., the N. R. A., or the welfare agencies of their communities.

The factor that has made this condition possible in the anthracite coal region of Pennsylvania is access to land. Labor there, as Robinson Crusoe on his island, went to work without asking embarrassing questions about the ownership of the natural resources.

The fundamental wrong from which labor is suffering cannot be settled by merely bargaining and entering into agreements between employer and employee. The wrongs involved are so deep-rooted in the economic structure that failure to reform the iniquities inherent in the system along just and basic lines means hardship, suffering, and misery to employer and employee alike. Before labor can achieve economic freedom and enjoy the power to bargain on a basis of equality with the employer, it must recognize the great truth that "The earth", in the words of Thomas Jefferson, "belongs in usufruct to the living."

Hither, ye blind, from your futile banding!
Know the rights and the rights are won.
Wrong shall die with the understanding;
One truth clear, and the work is done.
Nature is higher than progress or knowledge
Whose need is ninety enslaved for ten;
My word shall stand against mart and college;
The planet belongs to its living men!

Authority of Army Engineers in Navigation and Flood-Control Projects

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

STATEMENT OF HON. CLEVELAND A. NEWTON BEFORE THE HOUSE RIVERS AND HARBORS COMMITTEE

Mr. MANSFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of Hon. Cleveland A. Newton, former Member of Congress, at hearing before the Rivers and Harbors Committee of the House, dealing with the Bonneville Dam project:

Mr. Chairman, I appear here on behalf of the Mississippi Valley Association. Witnesses have appeared before your committee in support of this proposed legislation, some of whom urge the curtailment of the authority of the Army engineers, and others urge the elimination of their services in connection with these proposed projects. The valley association has faith in the ability, character, and integrity of the Army engineers. That faith is based upon a long, successful, and patriotic record of achievement in the public service. The valley association urges that navigation, flood control, and all other uses of our navigable waters be kept under the direction and control of the Secretary of War and the Army engineers.

On March 12, 1937, the Valley Association held a conference in St. Louis dealing with flood control and related problems. That conference was attended by delegates from approximately 25 States in the valley. Flood control and kindred subjects were carefully and exhaustively considered. At the close of the conference, resolutions were adopted, among which was the following:

"We earnestly urge that the Corps of Engineers of the United States Army, under the authority of the Secretary of War, be continued in its present status in charge of surveying, making plans and specifications for, making contracts for, supervising the construction of, and maintaining and operating flood-control and navigation projects, with the cooperation of all related United States Government agencies."

By long experience and training the Army engineers are preeminently equipped for the construction, maintenance, and operation of waterway and flood-control projects. In order to legalize and make constitutional the production of power by the Federal Government such power must be incidental to navigation and flood control. Unquestionably, navigation and flood control can best be served by the Army engineers who have constructed and maintained these services since the foundation of the Government. The Valley Association believes that it would be a serious mistake to take these important works away from these trained and experienced officers and turn them over to any new and untried bureau, agency, or instrumentality.

Any use of our waterways which is incidental to navigation and flood control should likewise be under the direction and control of the Army engineers. A divided authority where interests may conflict is not in the public interest. There is a conflict of interest between power and flood control. A reservoir is useful for flood control when it is empty. To be useful for power it should be full. If it is full it cannot hold back the onrushing waters in flood time. If it is empty it cannot turn turbine wheels. If one authority is charged with producing power and another authority is charged with controlling floods at the same point on the same river a conflict is inevitable from which the public must suffer.

It is our conviction that the services of the Army engineers in dealing with flood control, channel improvement, and maintenance, as well as the services of other highly specialized and trained agencies of the Government, cannot be dispensed with or curtailed without disastrous results to the public and great damage to the Government itself.

The Army engineers constitute the only general engineering organization of large magnitude in the Government service. Most of the other Federal engineering organizations are specialists who devote themselves to the class of work for which they were created. No agency of national defense in our entire Military Establishment is of more vital importance in time of war than the engineers of the United States Army, and in order that they may be efficient, prepared, and ready for any sudden war necessity, they must be constantly trained and developed in time of peace.

Military experts advise us that there is no activity in peacetime which will so effectively and thoroughly train and develop our engineers for national defense as dealing with raging floods, constructing flood-control works, confining the channels of our turbulent rivers, and organizing men, equipment, and materials for relief from these great catastrophes of nature. The public records are full of evidence of the accomplishments of our Army engineers in the hour of dire national need.

Clearly there is no group of civilian engineers in the country so thoroughly skilled and so well equipped for flood control and river and harbor work as the engineers of the United States Army. For more than a century they have had charge of these works. Their records are replete with the results of study, experiments, and tests dealing with these problems. In no other place in the world is such a fund of valuable data available. After graduating from West Point near the top of his class, for he must be an honor student, an Army engineer is sent out as a student officer for 2 years with a river, harbor, or flood-control district. There he learns every duty from lockman to dredgehand, from surveyor to chief of party.

After this an Army engineer takes a postgraduate course for 1 year at one of our leading technical institutions in order that he may be in touch with the best the country affords from every available source. He then takes a special river, harbor, and flood-control course at the engineering school at Fort Belvoir, Va. He there gets the benefit of study under specially trained and skilled engineers which is not available at any other institution in the United States. After completing this course he is detailed to duty as assistant to a district. Later he is in line for promotion to district and then division engineer, for membership on the Board of Engineers and services on the force of Chief. It is impossible for a civilian engineer to procure such specialized training for river, harbor, and flood-control work anywhere in the world.

During the period of education and development Army engineers are paid from natonal-defense funds. By utilizing Army engineers on these important public works, we not only get the benefit of the most highly skilled and thoroughly trained hydraulic engineers in the country, we effect an enormous economy in engineering cost. Because of the needs of our national defense these engineers of the Army must be kept in constant training and their salaries must be paid whether their training is effected through the construction of useful public works or otherwise. If their services are to be supplanted by those of civilian engineers the engineering cost to the Government will be an added load upon the Treasury.

Pursuant to the provisions of section 1 of the Rivers and Harbors Act of January 1, 1927, the Flood Control Act of May 15, 1928, and other acts of Congress, the Army engineers have made a comprehensive survey and study of the water resources of the rivers of the United States with respect to navigation, irrigation, flood control, and power development. These surveys and studies have uniquely equipped the Army engineers to deal effectively and intelligently with navigation, flood control, irrigation, and power development on all of the navigable rivers of this country. It required a period of more than 8 years and cost $10,624,612 to make these surveys and studies, compile the results, and make a report upon each project to Congress.

Thus after long and diligent effort, the Army engineers have made a complete survey and study as to navigation, flood control, irrigation, and power development on all the rivers and streams of any consequence in the United States. Those reports are now available. The information contained in these studies and reports have served as a basis for every power development and flood-control project which has been proposed.

On January 22, 1932, the Duluth, Minn., Herald printed an editorial entitled "Keep the Engineers on the Job", in which was set forth so admirably and forcibly objections to such legislation as would remove the engineers from these public works that I beg leave to quote it here. It follows:

"There is something in this situation that is stronger than mere logic, and that is the way the Army engineers have handled these works. In all the long history of river and harbor work under

the flower of the United States Army which is assembled in the Army Engineer Corps with its high standards, its noble traditions, its freedom from politics, there is not, so far as we know, even the faintest suspicion of the graft and disorder and waste that all too commonly are associated with civilian handling of public works.

"Indeed, if all public operations were handled as well as those for which the Army engineers are responsible, the case against Government ownership and operation would be nowhere near so strong as it is now. In the face of this splendid record, it would be a grave mistake to remove these very important works from the Army and turn them over to any political agency."

No group of engineers in this country or abroad have to their credit more abundant evidence of achievement than the engineers of the United States Army. The construction of the Panama Canal was one of the world's outstanding engineering feats. This great task was first undertaken under civilian direction, and, after famous engineers had given up the job in despair, General Goethals, an Army engineer, was placed in charge. The results are well known; the work was carried on systematically and efficiently and the job was finished much earlier than expected. The Panama Canal stands as a permanent monument to the skill and ability of the Army engineers.

At Bonneville it has been proposed by some that the locks and navigation facilities shall be under the supervision of the Army engineers, but that the power plant and water control for power purposes shall be under some other Federal agency. Others propose that the Army engineers be entirely removed from the works. Why this desire to place Federal power production under political control? The Army engineers constructed and have maintained and operated the Panama Canal for more than a quarter of a century. They have operated a steamship line between New York and Panama. They have operated the Panama Railroad system. They have operated drydocks, machine shops, coal yards, oil stations, hotels, and other activities in Panama. They have constructed, maintained, and operated a power plant with transmission lines which has supplied power and light for all of these Federal activities in Panama. These operations have been independent of Panama Canal tolls, and they have not only been self-sustaining, they have yielded a substantial profit to the Federal Government. Why place the power plant at Bonneville under political control?

The Army engineers built the Wilson Dam, and a disparaging comparison has been made between that dam and the recent power dams built by the Tennessee Valley Authority on the Tennessee River. The Wilson Dam was authorized and built as a war measure for the purpose of manufacturing nitrates and other war supplies. It was built approximately 20 years ago. Tremendous progress has been made by the Army engineers since then in constructions of this kind. To compare a hydroelectric power plant of that age with one of recent construction is like comparing a "Tin Lizzie" of 1918 with an up-to-date Ford limousine.

The engineers are building the Fort Peck Dam, which, when completed, will create the largest artificial reservoir in the world. They built the locks and dams upon the Ohio River, which have successfully maintained a dependable 9-foot waterway. They have built approximately 25 locks and dams upon the upper Mississippi River, which compare favorably with the engineering works on the Panama Canal. They have constructed our harbors, opened the channels through the Great Lakes, built the locks at Sault Ste. Marie, and canalized and stabilized the banks of the alluvial Mississippi and its tributaries. They have harnessed the raging floodwaters through the lower Mississippi Delta so successfully that little damage was done in that section during the recent disastrous flood.

If you would see their monuments in Washington, you have only to look around you. The city of Washington was laid out by a French engineer, but it was surveyed by a professor of mathematics at West Point, and the development of the city was continued thereafter by the Army engineers. After the sponsors of the Washington Monument had failed, the Army engineers rebuilt the foundation and carried the structure to completion. It was the Army engineers who designed and constructed our National Capitol. They built that beautiful monument—the Library of Congress—the Government Printing Office, the State, War, and Navy Building, the Lincoln Memorial. They built Cabin John Bridge in 1855. They built the Francis Scott Key Bridge. They built the Arlington Memorial Bridge. They located, surveyed, and built the foundation of the Memorial Highway to Mount Vernon, the most beautiful highway in America, and they did it at a cost of $1,022,000 less than the lowest bidder. The low bid was $1,889,000. The Army engineers did the work at a cost of $867,000. Wherever you turn in Washington you see on every hand beautiful monuments testifying to the skill, ability, and achievements of the Army engineers. Elmo Scott Watson, in a tribute to the Army engineers, had the following to say:

"Perhaps one reason why the Corps of Engineers stands so high in the estimation of both Government officials and the public lies in the fact that the efficiency and honesty of the Army Engineers has become proverbial. Millions and millions of dollars of public money have been expended under their direction, without the slightest breath of scandal or question as to their ability. And perhaps another reason for this confidence lies in the close association of the Corps of Engineers with the United States Military Academy at West Point, where the motto is 'Duty—honor—country.' Duty, the bedrock upon which their character is founded and their careers are built; honor, the carrier, invisible but invincible, which sets the bounds to their activities; country, that august, godlike mistress to whose service their lives are dedicated."

In the face of this unparalleled record of skill, achievement, and patriotic public service, the Mississippi Valley Association appeals to you to keep the Army engineers on the job. Do not commit these important public works, so vital to the welfare of the country, to any political body, board, or bureau, bound and limited by no obligation other than that which they owe to the power which appoints them.

Compensation of Veterans' Hospital Attendants

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

RADIO ADDRESS OF HON. GLENN GRISWOLD, OF INDIANA, MAY 15, 1937

Mr. LUDLOW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. GLENN GRISWOLD, of Indiana, over radio station WJSV, Saturday, May 15:

When the newspapers carry a story that a bill has been introduced in Congress to relieve veterans' hospital attendants from compulsory deductions from their pay for quarters, subsistence, and laundry, there is no drama in such an item, and it makes little impression, probably, on those who read it, unless they happen to be hospital employees themselves.

But many a sorrow might be lightened, and perhaps many a family tragedy might be averted, if Congress were to pass such a bill. The employees at veterans' hospitals are poorly paid indeed; for many of them the base pay is only $1,020 a year, and not all of that is in cash. For the majority of these employees the actual pay checks they receive from Uncle Sam amount to only about $50 or $60 a month, for $22.50 a month is deducted for meals, and as a rule $10 for lodgings, at the institutions. The deductions are made in many instances even though the meals are not eaten and the rooms are not used.

Someone may inquire why, when employees receive so little pay, they do not use the accommodations provided for them or eat the meals offered by the institution. The reason is that in recent years, when economic hardships have beset the country, it has been found that a pretty high type of employee has come into the service of the veterans' hospitals—family men, with wives and children to care for. They must find quarters for their families outside the hospital walls, and naturally they want to be with them. For such employees quarters in the institution are valueless, but they are charged for them nevertheless. It is only fair to say that the Veterans' Administration has shown a great deal of sympathy with these employees, and through the cooperation of the American Federation of Government Employees, it has obtained appropriations sufficient to relieve the situation insofar as a number of the most meritorious cases are concerned.

As for meals, it is true that these employees take advantage of the meals offered by the institution to as great an extent as possible. They have to make every penny count, and although they would much prefer to be paid in cash, and enjoy their meals with their families at home, they are forced to eat at the hospitals whenever they can. But when a man has family responsibilities sometimes he must forego the subsistence allowance granted by the institution; those family responsibilities may call him home at the earliest possible moment. And if he does not eat the meal the hospital provides for him he has to pay for it anyway.

Now, all this seems essentially undramatic and merely one of the many examples that might be cited of men and women wage earners who find the prosaic task of making income equal outgo more than a little difficult. Perhaps the story of a tragedy that occurred only a little more than 100 miles from this city may throw the bitter hardships of this class of employees into bolder relief.

This is the tragedy of a beautiful, ambitious girl who was foully murdered because she did not have a dime. Her father was an employee of the Veterans' Administration hospital at Coatesville, Pa. It is the story of Helen Moyer, of which you have read much in the newspapers, but perhaps you did not read in the newspapers the one circumstance that cost Helen her life.

"This might never have happened if we could have afforded the 10 cents bus fare." Such was the statement Helen's mother, Mrs. Nellie Melba Moyer, made to a newspaper correspondent on the day of her daughter's funeral.

There were six in the Moyer family. Mr. Moyer was employed at $1,020 a year, from which $270 was deducted for his subsistence

at the hospital. That left the family $750, or $14 a week, to provide for all the six.

The Moyers lived at Modena. Helen wanted to go to high school at Coatesville. It was a 10-cent bus fare each way. The family wanted her to have as good an education as possible, but $1 a week for bus fare was simply out of the question. Helen solved the problem by volunteering to walk one way. She would ride on the bus to school in the morning and walk home in the afternoon.

It was while she was walking home one day—to save the 10 cents—that a young man of wealthy family, by his own confession, deliberately ran her down, attacked her, threw her body into a well, and sealed the well by blasting it with dynamite.

The lack of 10 cents for bus fare, the determination of an ambitious girl, and the lust of a wealthy moron were a combination of circumstances that resulted in murder.

When this blow struck the Moyer family it revealed to the world the hand-to-mouth existence of those employed as attendants in veterans' hospitals. It is only just and fair to the memory of Helen Moyer that the conditions among hospital employees which had so direct a connection with her death shall be remedied at the earliest possible moment in order that other attractive and ambitious girls may not suffer the day-to-day hardships that she experienced or face the menace that confronted her.

The employees of veterans' hospitals have a right, as American citizens, to expect their families to be brought up in reasonable standards of health and comfort, and with reasonable regard to the safety of children unable to protect themselves. The American Federation of Government Employees has been fighting a battle in their behalf, in which it has had my most earnest assistance.

Four years ago I introduced a bill to in a small way remedy the situation. The bill was the object of determined opposition and suffered various vicissitudes until hearings were obtained in the last session of Congress. As a result of the introduction of that bill and the constant effort of Colonel Stengel and other representatives of the employees, some progress has been made, but the general public is not yet fully aware of the conditions under which many of these people are forced to exist with a low pay scale and much even of that little taken away by legalized deductions.

Secretary of the Interior Harold L. Ickes Urges Youth of America to Its Responsibility of Future Citizenship

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

RADIO ADDRESS BY SECRETARY OF THE INTERIOR HAROLD L. ICKES ON THE NATIONAL SCHOOL ASSEMBLY PROGRAM FROM WASHINGTON, D. C., MAY 14, 1937

Mr. RANDOLPH. Mr. Speaker, a few days ago I called attention to our duty to exercise the vote which we have in our democracy. It was highly pleasing to me to read the address of Secretary Ickes, in which he urged the Nation's youth to realize its duty in this respect. For its fine expression I have included the following excellent message:

If anyone had told me, when I went to school, that an assembly of several millions of pupils would some day be held, I couldn't have believed him. But in these days we have to get used to enterprises that operate on a giant scale. Who would have dreamed, even 10 years ago, that man would have the boldness and the power to change the mighty Colorado from a treacherous torrent into a river harnessed to serve the people?

We of the older generation have had to learn to think and to act in terms of such undertakings. To learn these habits of thinking has been difficult, and sometimes painful, for us. But I know that for you it will be easier to assume roles in even larger enterprises. I know that in your classrooms you have already learned to think not only of your home and your community and your State, but also of your country as a whole.

As I set here in Washington and realize where my voice is going, the miles it is traveling, and the number of widely differing communities that it is reaching, I feel a new sense of the greatness of our country.

What is this greatness? We all know that America is large in area; that it is the home of 130,000,000 people. We know that it is so large that this program, going out over American radio stations, reaches climates varying from tropical to arctic.

However, it is not mere size that I have in mind. I am thinking of the great gifts which nature has lavished upon this country. It is these gifts which make me feel that America has a great future, in which you, more than we of an older generation, will share.

Some of these riches about which I shall speak you will never see. Some cannot be seen. Nevertheless, you will share in their development because you are a part of the Nation which they enrich.

Among these gifts are the natural resources of our country. I like to talk about our natural resources because I am the Secretary of the Department of your Government which has the stewardship of many of our resources. It is the duty of this Department to conserve them for you. By conservation I mean the prudent use of our public lands, of our national parks, of the minerals beneath the soil, of the power in the rivers; of all the life-giving and wealth-making elements of the public domain. Such use will bring the greatest good to the largest number of people.

I always like to speak of the great resources of America. But it gives me especial pleasure to speak of them to you, the youth of the Nation, who are the greatest resource of all. It is for you that we are trying to conserve the wealth of our land.

I am deeply impressed by this national school assembly program today, because you and I are now using another great natural resource, the air, for an entirely new purpose—a Nation-wide school assembly. How stimulating it is to think that radio waves can be used to bring us all more closely together as citizens of a vast Nation.

I realize that no other Secretary of the Interior has ever had the opportunity of addressing so many young people just preparing to step into the real exercise of their citizenship—young people gathered in towns and cities and rural districts that are spread out as widely as the public domain itself. You are nearer to each other and to your Government than you could possibly be without the modern miracle of radio.

At no time in our history has there been such a need for a mighty bond to tie our citizens together. At no time has there been a greater necessity for Americans to understand the problems of their fellows in distant parts of the country, so that they may live and think and work shoulder to shoulder in building the Nation as our forefathers planned.

And so, while we resolve to conserve Nature's heritage—our lands and forests and streams—let us not forget another heritage, the distinctive heritage bestowed upon us by our fathers. This heritage is the American dream.

It has been said that Americans are a materialistic people, more interested in things than in dreams. I do not think so. We have proved that we can rally to the defense of the power and the glory of the democracy which is the American dream.

In some other countries democracy is now being assailed. The right of the common man, of every man, to share in the rights of citizenship is threatened; faith in his ability to contribute to and preserve self-government is repudiated.

In this country you have been learning to practice democracy almost from the day you were born—in your homes and schools, on the baseball diamond, and in every other association. For those of you who leave school this spring, the pattern of life will change. Certain trends of our social order are being challenged. I urge you to let the philosophy you have known since childhood, the philosophy of the democratic way of life, be always your philosophy.

As I said a moment ago, you are entering a world in which we must engage in great enterprises. We must harness nature, plant forests, and generate power for the use of millions. But may I remind you of even greater tasks ahead. I warn you that it is more difficult to remove a mote of prejudice than it is to move mountains or to change the course of a river.

I leave with you two great responsibilities. The first is the conservation of our natural resources, which means using them most effectively for the common welfare. The second is the preservation of the sturdy traditions of democracy. This is a task even more difficult than the first.

We could not hope to live without natural resources. No more can a democracy hope to exist without intelligent and responsive citizens and voters. You have been learning a great many facts in your school years, but they will prove useless, unless you make them the basis of intelligent decisions. The man or woman who does not vote, and vote intelligently, has no right to complain if his city or his national government does not suit him.

And so in bidding you farewell, I make this prophecy, a prophecy for the class of 1937, If we plan intelligently and work for the preservation of nature's gifts and our fathers' dreams, the new era for which we all hope will surely come.

Benjamin Kurtz Focht

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. SNELL. Mr. Speaker, our late colleague "BEN" FOCHT, as he was affectionately known among us, whose recent sudden departure we deplore and whose passing we mourn, was a scholarly gentleman and an able legislator.

He belonged to that useful and influential profession known as the Fourth Estate. From the time he was 18 years old he was engaged in some capacity as a newspaper man, and in later life was the editor and publisher of a newspaper of wide circulation and influence in his home city of Lewisburg, Pa. He had a facile and trenchant pen which he used with equal facility as advocate or adversary.

Mr. FOCHT inherited from his father the art of public speaking and was, therefore, an orator whose rounded periods of felicitous expression delighted his audiences. A profound student of politics and of history, he would draw upon his great fund of information and knowledge with which not only to adorn but to fortify an argument or thesis. I recall that in the heyday of his long and laborious service in this House Mr. FOCHT was in demand in every campaign as an able exponent of the doctrines and principles of the political party of which he was an ardent and enthusiastic supporter. But above all he was an American whose patriotism was genuine and which found expression in earnestness of speech and action that carried conviction and sincerity.

If there was one characteristic of "BEN" FOCHT more pronounced than any other it was his humanitarianism. This was exemplified by his introduction in the House in 1915 of an old-age pension bill at a time when it seemed improbable, if not impossible, that any such proposition from a national viewpoint would ever be entertained seriously by Congress. In his very last speech here less than 2 months ago he said:

> Wipe away the tears of all the old men and women. Let them have comforts and happiness at home. There is plenty here in this world to take care of everybody. Everyone could have comfort and happiness.

He believed in the ultimate destruction of poorhouses. Truly, BEN FOCHT was a pioneer in the field of social security. He could have no better monument. Doubtless many of his bereft constituents of any and all classes whom he served well and faithfully could testify to his unfailing interest and labors in their behalf both here and in both houses of the Pennsylvania Legislature.

An able, diligent, and efficient public servant has left this House and the country poorer for his passing; but his good works will abide.

The Bonneville Power Project

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

ADDRESS OF HON. JOHN E. RANKIN, OF MISSISSIPPI, BEFORE THE RIVERS AND HARBORS COMMITTEE

Mr. MANSFIELD. Mr. Speaker, under leave to extend my remarks I take pleasure in presenting the able and informative address delivered by the gentleman from Mississippi [Mr. RANKIN] before the Committee on Rivers and Harbors when it had under consideration the question of distribution and sale of surplus hydroelectric power to be produced at Bonneville Dam. Mr. RANKIN's address is as follows:

Mr. Chairman, let me say to the members of the committee that my interest in this proposition is based on the national power policies of this administration, with which I have been somewhat closely connected for the last several years.

I went through this same fight with reference to Muscle Shoals and in connection with the creation of the Tennessee Valley Authority. This is not a local fight. This local controversy reminds me of the same battle that we had around Muscle Shoals wherein the cities of Florence, Sheffield, and Tuscumbia battled for the building of an enormous industrial community. We would have the same fight at Boulder Dam if there were any cities near Boulder Dam. The chances are that when Grand Coulee is developed we may have a repetition or a recurrence of the same controversy there. It has always happened. Nothing can grow more acute than a town fight or city fight over the promotion of its own interests, especially in competition with its neighbors.

What we are striving to do is to develop the water power of this Nation. The power in all of these navigable streams is public property, from our viewpoint, or national wealth, and should be used for the benefit of all of the American people. There is enough of it to supply every home, to supply every commercial establishment, and probably run all of the industries in America. The majority of it is now going to waste.

We started out by the development of Muscle Shoals. At Muscle Shoals we applied the yardstick which has saved the American people—and I hope that every member of the committee remembers this statement if he does not remember anything else that I say, and that is this, that in the year 1936 the Tennessee Valley Authority saved the electric light and power consumers of America $537,000,000. The Tennessee Valley Authority saved the American people enough money last year to build the Panama Canal and have enough left to build Boulder Dam. It did it by the example of its yardstick, that has forced rates down in every State in this Union. We used 62 billion kilowatt-hours of electricity in 1932, for which we paid $1,800,000,000. Last year we used 90 billion kilowatt-hours, for which we paid $2,074,000,000.

Mr. COLDEN. Mr. Rankin, do you include the whole United States in that?

Mr. RANKIN. Yes, sir; I include the whole United States in that. If we had paid the same rates last year as were paid in 1932, which we would have done had it not been for the T. V. A. and its yardstick, it would have cost the American people $537,000,000 more for the electric light and power they consumed, and yet half of the American people get no power at all.

Before I forget it——

The CHAIRMAN. One question before you get too far along. What is the condition in other countries as to the proportion of the people that get the benefit of electric light and power?

Mr. RANKIN. In all of the countries that I have investigated, Mr. Chairman, the situation is this: In Germany, France, Norway, and Sweden all of the people in the cities have access to electric light and power, and 90 percent of the farmers in those countries have access to electricity. The same is true in Denmark and probably in Italy, although I am not sure about Italy, but I think the same is true there. In Holland and Switzerland they have 100 percent of their homes electrified. In other words, every home in those countries has access to electricity if they want it. In Japan all of the people of the cities have electricity who want it and 90 percent of the people in the rural districts.

Mr. COLDEN. I might inject there that in Switzerland practically all of the railways are operated electrically.

Mr. RANKIN. Oh, yes.

Mr. SMITH. When the International Power Congress met recently here in Washington an electrical engineer from Stockholm made the statement that in Sweden there was a larger percentage of pigsties on the farms electrified than of the farm homes electrified in the United States.

Mr. RANKIN. I don't doubt it; but let me finish with this other matter.

I made that statement on the floor some time ago, and a Congressman from, I believe, Pennsylvania—although I am not sure—raised the question that those governments were more or less socialistic and that the countries were old and thickly settled. I wish to call attention to the fact that in New Zealand, a new and sparsely settled country, 65 percent of their farms are electrified.

Now, I want to reply to Mr. CLARK of Idaho. I wish that he were here. I was utterly surprised at his statement that the people of Idaho did not want this power distributed there, and that he was willing to line up with the opposition for that reason.

Mr. CULKIN. I think he amplified that to the effect that he figured that if this Bonneville power were brought into Idaho it would foreclose the creation of power dams and Government power in Idaho.

Mr. RANKIN. Yes. I find that I do not have the Idaho report with me, but I will get it and give you those figures in a moment. But I want to call your attention to this: That I found numbers and numbers of towns in Idaho where they are paying from 10 to 12 cents a kilowatt-hour for electricity. I found one town in which they are paying a maximum of 19 cents per kilowatt-hour. I will have those figures here before I complete my statement.

In other words, that was a manifestation of the attitude that opposes the development of power for the benefit of the masses of the American people. Our position is this, that this power should be developed by the Government and the transmission lines built by the Government and all charged to construction. When I say transmission lines, I mean the high-powered lines that take this power to the switchboard, where it is sold to a little community or to a cooperative or to a municipality wholesale, to be distributed to the ultimate consumers.

The CHAIRMAN. In other words, along the same line that the T. V. A. is operating?

Mr. RANKIN. Absolutely.

Now, I would also have the maximum retail rate fixed by the administrator. If you do not do that, let us see what position you are going to be in. Suppose that you go out here and build a dam on a river—we will take the T. V. A., for instance, where we have three dams finished and several others under construction. One contract has just expired by which Commonwealth & Southern purchased 556,000,000 kilowatt-hours of electricity last year. At the rate that it is being used in the average State, that would supply a million homes—that amount of power would supply a million homes. Are we going to build those dams and keep this power up there in the hope that somebody with a smelting plant

or a glass factory or an automobile plant may come there and use it? If so, why tax the rest of us to build it?

My position is that along with these dams should be built transmission lines to reach as far as 400 miles in every direction if necessary.

The CHAIRMAN. Is it not a fact that at Muscle Shoals, before the T. V. A. was created, they found it utterly impracticable, if not impossible, to try to sell power until they did put in some transmission lines?

Mr. RANKIN. Yes. They refused to build transmission lines, and therefore they left us out, and had no market for their power.

Mr. COLDEN. At some point in your remarks, Mr. RANKIN, I would like to have you discuss the management of the Wilson Dam under the Army engineers as compared with the present administration.

Mr. RANKIN. I will get to that in a moment.

Mr. COLDEN. So as to give us a viewpoint of the actual experience down there.

Mr. RANKIN. I will do that in a moment.

Mr. CULKIN. Just along the line that the gentleman is proceeding now, I would like to have him distinguish sharply between the procedure suggested in Oregon, that seems to have developed two schools of thought there—one to sell this power in bulk to the manufactories, and the other to distribute it. It seems to me that you are inevitably coming to that point of collision in this situation.

Mr. RANKIN. No question about it.

Mr. CULKIN. And I would like to have the gentleman's definite opinion on that question.

Mr. RANKIN. Let me put these Idaho figures in the record.

Mr. CULKIN. You were just at that point when I interrupted you.

Mr. RANKIN. Yes, sir. If you will excuse me, I will refer to these Idaho figures.

Now, understand that the unfortunate thing about that country out there is that they are dominated by these power companies. In Arco, Idaho, the maximum paid is 12 cents per kilowatt-hour, and from there on down this list I do not find a single town, with one exception, that pays under 7 cents. Carbarton pays 12.84 cents; Carey, 10.80 cents; Challis, 19 cents; Cascade, 12.84 cents; and so it goes down the line.

Mr. GREEN. Those power companies are privately owned.

Mr. RANKIN. Yes.

Mr. GREEN. And the power is produced by steam plants.

Mr. RANKIN. Yes; some of it. Now, just to give you an idea, let me say that those are rural districts, such as the district that I received a letter from this morning, in which the man said that he lived 20 miles from Tupelo, and he uses lights, radio, electric iron, electric refrigerator, one electric heater, electric toaster, and water pump, and that he uses 125 kilowatt-hours, at a cost of $4.25—$1 of which goes to amortize his line.

That is what we are trying to do for the people throughout the country, and I am unable to understand the attitude of a man representing those people who says that they do not want this power, when the people are being thus mercilessly held up with excessive light and power rates.

Now, let me go back to the question raised by the gentleman from New York. If you give a preferential rate to the people at or near a dam, what will happen is that you will have power on your hands that you cannot sell, for one thing, and if you do sell it you will be coaxing a few industries in there to consume it, and the rest of the people will be in the same situation that they are in Idaho. Therefore these long transmission lines should be considered a part of the project and the cost of them a part of the investment.

We built these dams on the Tennessee River. We protect the property of the people along the stream. We also improve navigation for the people along the stream and charge them nothing for it. That is charged off. The third, or whatever the amount is that is charged to power must be paid by the power consumers. The taxpayers who do not live on the streams help to pay all this. Therefore, if any difference should be made, the people away from the streams should be given preference, or at least they should be given equal treatment.

Four hundred miles from Norris Dam will reach the northern boundary of the State of Illinois, almost, or the northern boundary of the State of Ohio. It will reach the southern boundary of the State of Louisiana, and over into Virginia. We have enough power there to electrify every home in that area, the majority of which have never had any electric light.

Now, would it be right for us to say, "All right, we will build a line up into Illinois, but you people must pay for it"? Why not make it a part of the original investment? You may say that I am talking against myself there, but I am talking honesty and justice to the American people. I could go home and sit down if I assumed the attitude that this is a selfish proposition, to use a common expression, "I am sitting pretty." My town, and a majority of my district, are electrified from T. V. A.

Mr. SMITH. How far are they transmitting power from Muscle Shoals now?

Mr. RANKIN. To Tupelo, 100 miles away.

Mr. SMITH. That is the greatest distance?

Mr. RANKIN. Well, the air line is 75 miles.

Mr. SMITH. What is the closest city?

Mr. RANKIN. The tri-cities are right at the dam.

Mr. SMITH. Is the rate the same at Tupelo as it is at the tri-cities?

Mr. RANKIN. No; it is a little different, and I will go into that right now. But what I want to do is to charge these heavy lines as a part of the investment, and if a power company has a competing line and is willing to sell it to us at what it is actually worth, buy it—and that is the way that we have been doing. We do not propose for them to buy power at 1½ mills a kilowatt-hour and to sell it to us for 10 cents, as they have done in the past.

Mr. COLDEN. Has there been a definite policy established in that respect so far as the T. V. A. is concerned? I refer to this policy that you have just stated of buying competing lines at what they are worth.

Mr. RANKIN. Yes.

Mr. COLDEN. That takes care, I assume, of the actual investment, exclusive of any "water" that there may be in that situation?

Mr. RANKIN. Yes, sir; and listen—we had no trouble about that. The T. V. A. bought the power lines in about 10 counties in northeastern Mississippi, and their engineers went there, and, of course, they do not pay what it would cost to build them new, because some of the poles were rotted down, we will say, but the wires were always good, and the transformers as a rule were good. So they paid them what they were estimated to be worth.

Mr. CULKIN. How was it appraised?

Mr. RANKIN. They do not have any trouble about that. You would never have any trouble about appraising power lines, because you can take a good engineer, and he can go there and investigate it and tell you just what it is worth.

Mr. CULKIN. May I say that it seems to me that that is an intelligent policy.

Mr. RANKIN. Well, it is.

Mr. CULKIN. And it will get your proposition further and faster ahead when it is frankly declared.

I have noticed this difference between Dr. Morgan and Mr. Lilienthal, and I only know what the press says, that they had a difference on that issue. We do not think anybody questions Dr. Morgan's loyalty to the people's ownership of their own facilities, and his procedure in that respect, if correctly stated in the papers, seems to me to be sound policy.

Mr. RANKIN. It is sound policy.

Mr. CULKIN. Because in the background of these investments, irrespective of the sins of the promoters, is the little fellow that has his investment.

Mr. RANKIN. The gentleman from New York absolutely outlines the proper attitude when he says we should pay what those properties are worth, and not pay for the watered stock.

But here is what they are trying to do: They are trying to destroy this yardstick whereby we are showing the American people what electricity is worth, and saving money for the people in every State in this Union, $537,000,000 annually. But these power companies have gone and built these holding companies, and issued watered stock, and sold that stock, and what has happened? I will say that the members of this committee are above the average intelligence for Congressmen even, and yet there is not a man on it who, when he pays his power bill back home, can tell who gets the money, because there are so many holding companies stacked up on top of one another to siphon this money out of your pocket, that I doubt if any of you, and I say it with all deference, can tell where your money goes.

Under the T. V. A., under this policy, you know whom you are dealing with. The T. V. A. says, or the War Department says, "We can produce this power at Muscle Shoals at 1.32 mills per kilowatt-hour, and we can sell it 100 miles away at 1.99 mills a kilowatt-hour and pay 4 percent"—and I am reading from the report of the War Department on the Tennessee Valley, signed by Secretary Hurley when he was Secretary of War. We can deliver it 350 miles away at 2.77 mills a kilowatt-hour, and, in order to be perfectly safe, the T. V. A. adds a little to that and charges it according to the amount of electricity that we buy. It is graduated to some extent.

Mr. PARSONS. What is your rate at Tupelo for residential use?

Mr. RANKIN. Wholesale——

Mr. PARSONS. Give me the wholesale rate first, and then the residential.

Mr. RANKIN. Let me give you the wholesale rate first. As I said, we are approximately 100 miles away. We used 10,827,600 kilowatt-hours of electricity last year, and we paid 4.79 mills a kilowatt-hour for it at the city gate.

Mr. SMITH. Is that wholesale?

Mr. RANKIN. That is wholesale.

Mr. PARSONS. Tupelo is municipally owned, is it not?

Mr. RANKIN. Tupelo is municipally owned.

Athens, Ala., is slightly closer—in fact, I think that it is about 40 miles from the dam. They only used 3,459,960 kilowatt-hours, and they paid an average of 5.53 mills a kilowatt-hour.

Florence is right near, and, while they started in late, they are using a great deal more than we are, and their average rate was 4.07 mills a kilowatt-hour.

Mr. PARSONS. They are right at the dam, are they not?

Mr. RANKIN. They are right at the dam. In other words, they are paying over twice as much at the dam as the Commonwealth & Southern was paying last year at the dam; and yet when the T. V. A. was created the Commonwealth & Southern was selling this power to the people in Florence at 10 cents a kilowatt-hour, or a spread of 6,000 percent.

Mr. COLDEN. Will you distinguish between the private utilities and the publicly owned utilities in those cities? Are they all municipally owned?

Mr. RANKIN. Yes; Florence, Athens, and Tupelo are all municipally owned.

Mr. PARSONS. What about Sheffield and Tuscumbia?

Mr. RANKIN. Tuscumbia is now, but I believe that it has only become so in the last few months.

Here is Amory. Amory is 40 miles beyond Tupelo. They only used 3,459,000 kilowatt-hours and paid 5.53 mills a kilowatt-hour. So it is based, to a large extent, on the amount of electricity that one takes. For instance, the Tombigbee Electric Power Association, which gets its power at the Tupelo busbar, used 3,098,000 kilowatt-hours, and paid 5.72 mills per kilowatt-hour, a little more than the city of Tupelo, because of the amount consumed. These rates ought to be readjusted, in my opinion, and probably will be.

Mr. PARSONS. Is the cost of the transmission lines amortized in the wholesale price or in the cost to those cities?

Mr. RANKIN. The cost of the transmission lines to some extent has been figured in, but the transmission lines are largely figured as a part of the entire investment.

Mr. SMITH. Has your line lost anything?

Mr. RANKIN. Oh, yes. On the line lossage, you heard Mr. Ross say yesterday that if you increased your voltage, you could send power 400 miles with a loss of only 5 percent. The line lossage is very little. It is true that we lost considerably more than the average last year, but we had a cyclone that blew the town away, and, of course, a great deal of this power was used and never accounted for in the hub-bub of gathering up the wounded and dead and of reconstructing the town.

Now, we buy that power at wholesale, and where they sold it at a maximum of 10 cents, scaling it down to 5 cents, we sell it at a maximum of 3 cents, scaling it down to 4 mills.

Mr. CULKIN. How does that compare with the estimate that the engineers made, through Secretary Hurley?

Mr. RANKIN. What we are paying?

Mr. CULKIN. Yes. It is in excess of that figure.

Mr. RANKIN. His was approximately 2 mills per kilowatt-hour, or 1.99 mills.

Mr. CULKIN. They said that they could deliver it 100 miles away and amortize it at 5 percent at 1.99 mills?

Mr. RANKIN. Yes; 4 percent.

Mr. CULKIN. And it is now how much?

Mr. RANKIN. 4.78 mills wholesale.

A thousand kilowatt-hours 3 years ago would have cost the consumer in my town, or in Florence, Ala., $66.10, and today it is $8.90. Four years ago, when we were paying $66.10 for 1,000 kilowatt-hours, it was costing the power company $1.56. Today it costs us, wholesale, $4.78 at Tupelo.

Now, what are they kicking about? Here is what the whole fight is about. It is not about our taking their lines, but taking their right to rob the unprotected consumers of America; about our taking away their right to reach into your home and into your pockets and siphon away from the American people a billion or a billion and a half dollars in overcharges every year. And I want to say to the gentleman from New York [Mr. CULKIN] that in 1936, according to the T. V. A. rates, the people of the State of New York were overcharged $160,905,000. That is his State. According to the Ontario rates, they were overcharged $164,666,000; and according to the Tacoma rates they were overcharged $190,327,000; and as a result, your consumption is held down to where your people in the State of New York are using less than 60 kilowatt-hours a month, on an average. In Tupelo we use 167 kilowatt-hours a month, on an average.

High rates do two things. First, it is an indirect tax on you for electrical energy. Then high rates keep you from using electricity, and that keeps you from using electrical appliances.

When these new T. V. A. yardstick rates went into effect, we were using 158 electrical refrigerators in my town. Today we are using over 1,100. All other electrical appliances have increased the same way. Now, this policy is to reach everybody in America, and, unless there is some question about these rates that you want to ask, I will proceed to discuss another matter.

Mr. SMITH. I would like to ask one additional question. These rates that you have given us, of course, are based on a variation in quantity?

Mr. RANKIN. Yes.

Mr. SMITH. In comparing these rates, it seems to me that it is self-evident that if the quantity were the same, based on the figures that you have given us, there would be a higher rate at those points farthest removed from the dam.

Mr. RANKIN. Yes.

Mr. SMITH. So apparently you have no uniformity of rates. You have not such a thing as a postage-stamp rate at Muscle Shoals, and there must be figured in there somewhere the cost of transmission to those points, because there certainly is a difference in the rate for the same quantity of power to the consumer.

Mr. RANKIN. Yes; there is figured in some cost of transmission. And let me say to the gentleman from Washington that while you have cheap rates in Washington, that is, in Tacoma and Seattle, wonderful rates and wonderful systems, last year the people of the State of Washington were overcharged, according to the T. V. A. rates, which are a little higher than the Tacoma rates, $12,615,000, and, according to the Tacoma rates, they were overcharged $12,530,000, and according to the Ontario rates they were overcharged $15,662,000; and I dare say that a majority of the people of the State get no electricity at all.

Mr. CULKIN. Let me ask this——

Mr. RANKIN. Let me put the Oregon figures in.

Mr. CULKIN. Is Tacoma municipally owned?

Mr. RANKIN. Yes.

In the State of Oregon, according to the T. V. A. rates, they were overcharged $7,813,000. According to the Tacoma rates they were overcharged $7,758,000, and according to the Ontario rates they were overcharged $9,554,000.

Of course, you understand that the people in the State of Washington last year used 2,224,000,000 kilowatt-hours, and the people in the State of Oregon only used 965,000,000 kilowatt-hours. So the overcharge per kilowatt-hour is greater in the State of Oregon than it is in the State of Washington, because you have those two great public plants there, Tacoma and Seattle.

Mr. SMITH. There is a difference in population, too.

Mr. RANKIN. Well, I do not know. There are more people in Washington?

Mr. SMITH. Oh, yes; about half a million more.

Mr. COLDEN. May I ask a question?

In the early part of your remarks you made the statement that the T. V. A. would supply light and power for a distance of 400 miles.

Mr. RANKIN. Yes.

Mr. COLDEN. That would include the city of Chicago.

Mr. RANKIN. I believe that it would reach the city of Chicago, almost.

Mr. COLDEN. Let me ask you this: Have you sufficient power developed to supply all of that territory, or is it contemplated to build other dams than those of the Tennessee Valley?

Mr. RANKIN. Well, other dams are being built. We have enough power provided for now, if used only for domestic consumption, to supply every home within 400 miles of any dam. We will have enough power generated on the Tennessee River to supply the domestic consumers and the commercial consumers for 400 miles around every dam on that river, and that is a conservative estimate.

Mr. COLDEN. What about the industrial requirements?

Mr. RANKIN. Mr. COLDEN, I am not an industrialist. We are gradually building up a few small industries, locally supported, to absorb our unemployed labor and balance with our agriculture; but this cannot be universally or entirely an industrial country. I think that it is a mistake to start out on the theory that you are going to take the big industries and plant them near these dams. In the first place, the country is probably overindustrialized now; and in the next place, by such a policy we would antagonize the people in the States who are already industrialized and have to depend on industry.

Another thing, and that is that I, like the gentleman from New York, live in an agricultural country, and I would rather live in a prosperous agricultural country than to live among a lot of crowded industrial tenements.

Mr. CULKIN. Mr. RANKIN, I heard last year, from a very reputable scurce, that a representative of the T. V. A. went to a going concern on the Hudson River that was using electricity in its operation, and suggested that they move that plant down to the T. V. A. section. The owner of this plant, whose father created it, said that the thing was very attractive, and that he would think it over, but he told them finally that he could not do it, that there were employees that had been in their employ for two generations, and that they had bought homes around this plant, and that sort of thing, and that he just could not do it, because it would be disloyal to the help, would disrupt the help and their investments in the way of homes, and all of that kind of thing, and that he thought that he would stay where he was. Then this chap said to him, "If you do not do it, we will give you some competition down there."

Mr. RANKIN. I do not know anything about that. But I will say to the gentleman from New York that competition will necessarily grow. There are vast industrial resources along the Tennessee River and in the Tennessee Valley area.

Mr. CULKIN. I want to say, to make this clear on my own account, that I believe in giving every locality the benefit of its proper and rightful development——

Mr. RANKIN. That is what we are trying to do.

Mr. CULKIN. To the fullest extent.

Mr. RANKIN. That is what we are trying to do.

Mr. CULKIN. But no one should be able to foreclose any locality in that respect, and I am opposed to any governmental agency disrupting or attempting to disrupt existing conditions.

Mr. RANKIN. All right; you and I agree on that.

Let me for a moment talk to you about the divided authority. I hope that when you report this bill out it will be with the original provision of the Smith bill or the Pierce bill on that proposition. You cannot afford to have divided authority. With all of the jealousy existing, you will have complications that will retard instead of promote the development of this great project.

The reason that we are so much interested in Bonneville is that it is the key to the situation. What is done at Bonneville we propose to do at Grand Coulee; we expect to do it on the Ohio River; we expect to do it on the Connecticut River, on the St. Lawrence, on the Savannah, on the Brazos, and on every other river in the United States, and I know from experience that it is best not to have a divided authority, and I say "experience" because we have had experience along that line on the Tennessee River at Muscle Shoals.

Mr. COLDEN. Will the gentleman elaborate on that? What has been that experience?

Mr. RANKIN. There is a terrific jealousy that exists between governmental departments, and if you gentlemen have not seen it crop out in the last few days I am surprised.

Mr. SMITH. Of course, the War Department had exclusive jurisdiction there for a number of years.

Mr. RANKIN. Yes; and it was not until we changed it that it was satisfactory.

Mr. SMITH. In what respect was it unsatisfactory?

Mr. RANKIN. In the first place, we felt that the War Department leaned back on this question of the distribution of power and that we did not get the proper consideration in the surrounding area. And long before the President was elected, we know what he stood for; long before he was elected, he agreed to stand for a power policy that would use the power on the Tennessee River for the benefit of the American people, and he has done it.

Let me say another thing. Someone jumped on the Department of the Interior yesterday, said that it never developed a dam. I wonder if you do not know that a large number of these dams, or of these reclamation projects, have been built by the Department of the Interior. I wonder if you overlooked the fact that the Department of the Interior built Boulder Dam, and that it is now building Grand Coulee.

Mr. COLDEN. Mr. Rankin, they also built the Roosevelt and the Coolidge Dams in Arizona.

Mr. RANKIN. Yes; they are largely reclamation dams.

Let me say also about the Tennessee River that the War Department and the Army engineers go around and pat themselves on the back and brag about themselves—and it is all right; I don't blame them; we all do it sometimes. But I wish the members of this committee could go down to the Tennessee River and just compare the dams built by the Tennessee Valley engineers and those built by the Army engineers. There is no comparison, in my opinion, between the Wilson Dam and the Norris Dam. At the Wilson Dam they made two or three very serious mistakes. In the first place, they did not make it high enough to control the floods, only made it high enough to impound water for the generation of power and for the navigation of vessels. By building that dam higher, as was done at the Norris Dam, they could have impounded the flood waters during the period of those floods, and held them out of the Ohio River.

The CHAIRMAN. You realize, do you not, that when Wilson Dam was constructed, power for general distribution was not contemplated, as I understood it. I was here in Congress about the time, and the Wilson administration was advocating a power plant there for the purpose of manufacturing explosives in time of war and fertilizers for the farmers in time of peace.

I do not believe that they contemplated at that time the distribution and sale of power.

Mr. RANKIN. Oh, yes.

The CHAIRMAN. Did they?

Mr. RANKIN. Yes, sir.

Mr. PARSONS. But that was not the major part of Muscle Shoals' original construction, whereas power was and is the major product now at Norris Dam, together with a little flood control.

Mr. RANKIN. I will tell you what flood control in the Norris Dam did this year. It held the floodwaters out of the Ohio River and saved the city of Cairo. If that water had gone down the Tennessee River, it would have broken over at Cairo and destroyed that city.

I know that there has been a systematic attempt to discredit the Tennessee Valley Authority. In the first place, they published the statement around here that they had had a normal rainfall, and the normal rainfall there during that month was a little more than 4 inches, whereas they actually had about 11 or 12 inches; and to show you the difference, on the Cumberland River, which parallels the Tennessee, they had a terrific flood, but the Norris Dam and the Wheeler Dam held back a sufficient amount of this water until the flood crest had passed Cairo, and saved the city of Cairo; and if you had had a normal rainfall on the Missouri River and the upper Mississippi, and these dams had not been on the Tennessee, we would have had the same disastrous overflow on the lower Mississippi that we had in 1927. You cannot protect rivers with low dams and levees; it never has been done. They have been on the Mississippi River for 100 years, and the floods became more disastrous as time went on.

Mr. CULKIN. No one questions Dr. Morgan's outstanding ability as an engineer and as a worker in the social field. I think that he is probably equally preeminent in both, but I do not believe that the attitude of the engineers in connection with these dams can properly be criticized.

Mr. RANKIN. I am just making a comparison.

Mr. CULKIN. They are the greatest public servants in the world, and not only that, but it has been always their desire to keep the national assets in the hands of the people. They have always done that.

Mr. RANKIN. That is exactly what we are after here.

Mr. CULKIN. That is what they have always stood for.

Mr. RANKIN. But we do not want any divided authority. We had just that same fight in creating the Tennessee Valley Authority; we had the same battle to go through, and we decided that there should be no divided authority, and as a result, while it has been hedged about with all kinds of litigations and injunctions, we have managed there to carry on the work and to distribute a sufficient amount of power to show the American people what it was worth to reduce light and power rates to the American people, and last year that reduction, resulting from the example of the T. V. A., saved the American consumers of electricity $537,000,000 in 1 year.

Now, there was something said yesterday—and I presume that you gentlemen expect me to touch on that—with respect to the fact that we are starting in on a national policy. I am sorry that the gentleman from Massachusetts [Mr. BATES] is not here. We expect to divide the country up into seven or eight different authorities, regional areas, with an authority for each one. One of these authorities will be in New England. The principal river in that territory is the Connecticut River. The principal river that would affect the gentleman from New York is the St. Lawrence. Of course, we are having some difficulty in getting the treaty ratified, but I think that we will be able to do so.

Now, when we go to generating that power, why should we charge the people in the whole district of the gentleman from New York for their transmission line exclusively, or the people in that area, when we build a dam to protect people from floods and improve the navigation for the people along the streams? Boston and Salem, the home of the gentleman from Massachusetts, is possibly 150 or 200 miles from the Connecticut River. They are close enough to enjoy the use of electricity, but if we confine the sale of this power, or so hedge it about with rate discriminations as to make it impossible to transmit it over a long distance and sell it at reasonable rates, the result would be that eastern Massachusetts, where the great bulk of the population resides, would pay its part of the taxes, but would not enjoy the use of the electrical energy generated.

What we are trying to do is to bring this power to every home in America, just as they are doing in other countries, and for that reason we are starting out on this national program, and I for one am in hopes that we will be able to make it apply alike to every section of the country, and that in building these transmission lines we will make the differential just as small as possible—charge the people in the remote districts for the line lossage, for instance, and probably a small differential there to take up other losses, but I would not charge them for the entire amount of the construction of the line.

In other words, this is a national proposition that affects all of the American people, the majority of whom do not live along these streams.

Mr. PARSONS. I asked the Secretary of the Interior this question yesterday: What would be your objection to placing in one authority—and that is what I understand you to say, that you do not want any divided authority—in placing the operation and the administration of this matter in the hands of the Federal Power Commission.

Mr. RANKIN. I would not agree to that. I would rather have an authority for each region, and if you are going to have any authority at the head of it in Washington, I would rather have one man on whom we could fix responsibility.

Mr. PARSONS. You certainly are going to have divided authority if you set up an administrator for each one of the seven or eight regions. You will be endlessly troubled with discriminations.

Mr. RANKIN. Well, I do not know; I doubt that.

Mr. PARSONS. With industry coming down and playing ball with these seven or eight administrators, each one will try to give it the best rate in this section or that section.

Mr. RANKIN. We will do as we did with the Tennessee Valley Authority; we will write some things into the law that they cannot ignore. We wrote into the law that this power should be distributed equitably among the States, counties, municipalities, and cooperatives within the distribution radius, and we gave the Tennessee Valley Authority the right to fix the retail rates. Many of our cities would have bought this power at the rate that they are buying it today, and sold it to the ultimate consumer for 10 cents a kilowatt hour, and that is one thing that you have to watch.

Mr. SMITH. You give the preference to public bodies.

Mr. RANKIN. Yes; and now, when we should sell power to the Commonwealth & Southern, we say to them that we will not sell it to them unless they sell it at the same yardstick rate. In the past they have been buying it at 1.56 mills and selling it at these enormous rates, and Florence, Ala., buys it at the same switchboard at 4.07 mills and sells it at the Tennessee Valley Authority standard rate.

I live in a town of 8,000 people, and if we consumers paid the same rates for the power that we used last year that we were paying 3 years ago, it would have cost us $349,000 more.

Mr. PARSONS. Why should you give the Commonwealth & Southern a rate of 1.56 mills, while the other public bodies are paying 3, 4, and 5 mills?

Mr. RANKIN. Their contract was made while the Army engineers were in control of it and before the T. V. A. was created.

Mr. PARSONS. Do you propose to renew it on that same basis?

Mr. RANKIN. No. I would not have renewed it on that basis at all, but would have required them to pay what Florence is paying, for instance, and then would have required them to sell it at the T. V. A. yardstick rates and to distribute it to the people in the rural sections. In fact, I prefer not to sell to power companies at all.

Mr. CULKIN. Is the gentleman familiar with the situation today on the St. Lawrence? Under some sort of an arrangement, made pursuant, I assume, to the direction of the President, a contract has been entered into with the New York Power Authority, whereby, for the sum of approximately $89,000,000, New York State takes over the power structures and the power in the St. Lawrence.

Assuming that that is the policy of the President, is that not at variance with the program suggested here?

Mr. RANKIN. I am not sure that any such contract has been made.

Mr. CULKIN. Oh, yes; a contract was made, and might I say to the gentleman that it was ratified by the House, and it was done—I think that I am not violating any confidence—at the express request of the President, who was part and parcel of this St. Lawrence situation from the time that he became Governor.

Mr. RANKIN. I saw the report of the New York Power Authority, which I have in my office. I did not bring it here. It states that they can lay that power down 300 miles away, which would cover a large portion of the State of New York, at 3½ mills per kilowatt-hour. I presume that he meant under that contract that if they can lay this power down to reach, I think, New York City, although I am not sure——

Mr. CULKIN. Three hundred miles would not reach New York City.

Mr. RANKIN. If they can lay it down 300 miles away at 3½ mills per kilowatt-hour, they can surely carry it another hundred miles for another mill. The difference made here, I notice, between the dam and Tupelo is less than two-thirds of a mill, so that this would provide power to the people of the State of New York that would not only save you a $190,000,000 overcharge that you are paying but you would treble the use of electricity in a few years.

Mr. CULKIN. I understand that, but the passage of this bill would do violence to the present program, which I say has already been ratified by the House. The gentleman probably remembers that. It did not pass the Senate, but it passed the House, as I understand it, at the request of the President.

Mr. RANKIN. I will correct the gentleman from New York. That is a treaty between the United States and Canada.

Mr. CULKIN. No, no; it is not a treaty. I am very familiar with it.

Mr. RANKIN. All right; that treaty has to be ratified.

Mr. CULKIN. I understand that, but this was a contract entered into between the engineers and the New York Power Authority, whereby they agreed to take over $89,000,000 of the expense of the construction of the St. Lawrence Seaway, and they were to obtain the power, and that passed the House 2 years ago, and it passed the House at the request of the President, so I was informed by the chairman of the Interstate Commerce Committee.

Mr. RANKIN. Mr. Walsh is the chairman, I believe, of the New York Power Authority.

Mr. CULKIN. Yes; and they are strongly public-minded.

Mr. RANKIN. I am very well acquainted with Mr. Walsh and talked this proposition over with him, but not that particular phase; and in his report he shows that they can lay this power down 300 miles away, which I believe, if I remember correctly, was beyond the city of Utica——

Mr. CULKIN. At least that.

Mr. RANKIN. At 3½ mills per kilowatt-hour.

Mr. CULKIN. Has the gentleman talked with Mr. Walsh or with any representative of the New York Power Authority about this zoning bill?

Mr. RANKIN. No, not particularly.

Mr. CULKIN. What is the status of that bill now?

Mr. RANKIN. I cannot tell you. I presume that it is awaiting the development of this general bill.

But now, if you will, take this schedule here published by the War Department a few years ago. You will find that 100 miles away it was 1.99 mills, and at the dam it was 1.35 mills. That was an increase of about two-thirds of a mill. Two hundred miles away it was 2.31 mills, which was only an increase of about one-third of a mill. Then 300 miles away it was 2.62 mills per kilowatt-hour, which was an increase of only .31 mill for the additional 100 miles. So if you can deliver this power 300 miles from the St. Lawrence River for 3½ mills a kilowatt-hour, you can certainly deliver it 100 miles further for less than 1 mill more, and I think that would reach everybody in the State of New York.

Mr. CULKIN. What I have in mind is this: I have no quarrel with the gentleman's figures, but in the drafting of this bill did he have in mind the present status of the St. Lawrence seaway situation, of the power there, and this contract that has been made under the direction of the President?

Mr. RANKIN. You mean this general bill?

Mr. CULKIN. No. This general bill should take that into consideration.

Mr. RANKIN. Yes; I think so, too.

Mr. CULKIN. I think that it should be done in collaboration with that group.

Mr. RANKIN. I want to say to the gentleman from New York that I am the first man on our side of the House that openly espoused the cause of the St. Lawrence power development in Congress, at least since I have been here. Some on your side—at least, the minority leader, who was the majority leader, I believe, at that time, Mr. SNELL, sponsored it, and at that time I believe that I was the only man on our side of the House that took the floor in favor of it. I did it because I regard this as a national program. When you build one of these power lines up to a home it is there for all time to come if the home remains there.

I want to say another thing, and this is about the chairman's State, and I am not trying to show up any of the other States, because mine is worse than some of the others; outside of the little area we have been able to fight clear in northern Mississippi they are paying a terrific rate. We have been able to electrify quite a large number of counties there and thousands of farmers' homes have been electrified. They are the most contented, the happiest farmers that I have ever seen in that country, and especially is that true among the farm women.

But there is enough gas—and this ought to be taken into consideration in this general bill—going to waste in Texas, blown into thin air, to develop a sufficient amount of power to supply four States the size of Texas. The highest rates for power and light in the United States are in Louisiana, Arkansas, and New Hampshire, yet Louisiana and Arkansas, especially Arkansas, have an abundance of water power that has been gobbled up by the Electric Bond & Share, and they have a sufficient amount of gas going to waste in Arkansas and Louisiana both to electrify the entire States and heat every home in them. So we have come to the crux; whoever controls the water power of this Nation in the years to come will control the Nation, and if we lose it now, it is gone forever. It is the greatest wealth, outside of the soil, that America possesses, infinitely greater than all of the gold mines and all of the oil fields in the world, added to all of the diamond mines of the world. As I say, it is the richest source of wealth on earth, outside of the soil, and by using it we do not exhaust a natural resource, but we develop and conserve natural resource. Besides, it is inexhaustible; it will last as long as rains continue to fall and rivers run to the sea. For Congress to quibble along at this time when other nations are wide awake and developing water power and delivering it to the masses of their people now and for the future is, I think, nothing short of a crime. We should take advantage of this opportunity to make this the richest country the world has ever seen.

Mr. Chairman, I want to thank you——

Mr. COLDEN. I desire to ask the gentleman some questions.

Mr. RANKIN. I am always glad to yield to the distinguished gentleman from California.

Mr. COLDEN. Mr. RANKIN has discussed the building of transmission lines by the New York Power Authority. Now, what would you suggest as a remedy for a situation like that at Boulder Dam, where the city of Los Angeles has expended approximately $23,000,000 to build its own transmission lines?

Mr. RANKIN. Let me say to the gentleman from California that I heard the discussion here yesterday, and I am in thorough accord with him that a portion of that expense ought to be charged up to flood control, or navigation, or both.

Mr. COLDEN. And irrigation, too.

Mr. RANKIN. And irrigation.

The CHAIRMAN. And the interest rate.

Mr. RANKIN. And the interest rate should be reduced. Now, if that is done, you are buying power there of falling water, we will say, at 1.63 mills per kilowatt-hour, but you have to generate it yourself. It costs at the dam about 2.2 mills per kilowatt-hour, and, by the way, yesterday they said that they lost 8 percent in transmitting it to Los Angeles. If you gentlemen want to know how much loss there is when the power company gets to talking about line losses, you just multiply 2.2 mills by 8 percent, and you will see how much that line loss really amounts to to the man who pays the ultimate bill.

Mr. SMITH. Is it almost infinitesimal?

Mr. RANKIN. Of course.

Let me say to the gentleman from California that I favor his amendment to this bill, and if it is not put in this bill, I would favor it in a separate bill. By giving the consumers the benefit of this allocation to flood control, irrigation, navigation, and so forth, you will bring Boulder Dam in line.

There is not any use trying to stop this thing. Why, you might as well attempt to stand on the seashore and argue back the incoming tides of the ocean. We are going to electrify this country at the T. V. A. rates, and then reduce them as the years go on and, by doing that, we are going to bring the T. V. A., Boulder Dam, Bonneville, and Grand Coulee in line, and then come on with these other projects that will be constructed. Then we will have a uniform policy throughout the country.

Now, on your line, nobody uses that line except the city of Los Angeles.

Mr. COLDEN. Yes; I think that they are used by Pasadena and Glendale.

Mr. RANKIN. I would be willing, and I think the Government ought to be willing, to assume the same attitude toward Los Angeles that it would assume toward any other community or municipality, and should bear a portion at least of the burden of the losses. However, I am not willing to apply that policy to the transmission of power to be sold to private power companies for them to extort exorbitant rates from the ultimate consumers. But, as I understand it, Los Angeles has bought out the opposing system within the city, and the power that goes over its line goes only to public bodies or municipalities to sell, not for profit, but for service. That is the difference in this fight. We are fighting for service, and the power companies are fighting for profits.

I heard something said about salaries yesterday. I understand that the president of the Commonwealth & Southern drew $130,000 a year as his salary in 1932, which is $100,000 more than the salaries of all three of the directors of the T. V. A. So we are battling for service, to generate this power and get it to the American people at what it is worth, and they are trying to monopolize it, to squeeze you and to ring from the ultimate consumer every penny that the traffic will bear, and then use it to sell watered stock, a practice that has brought on a scandal that makes the Teapot Dome scandal look insignificant.

Mr. COLDEN. I desire to ask some further questions.

I want to ask the gentleman from Mississippi if he contemplates introducing a companion bill to the Norris bill in the Senate.

Mr. RANKIN. I probably will. We have not yet determined on it, but a bill will probably be introduced in the next few days.

Mr. COLDEN. Is there any provision made for some authority to adjust and coordinate the rate and other problems that would arise in the eight regional districts?

Mr. RANKIN. The bill is not entirely completed yet. I will say to the gentleman from California that that question is being very seriously debated. For my part, if I had my way, I would lay down a policy of having practically the same rates for every human being in the United States.

Another thing on this rural electrification is that if you undertake to charge a man for his line, the farmer in your district living on the back side of his place from the road will be shut off, and what I am trying to do is to organize a whole county system, a network, so that the man living on an isolated hillside who could not build a line himself, will get the benefit of this power at reasonable rates. I think that should be done, because we can find his son when there is a war, and the young men are being drafted, and the tax gatherer can find him also, and so we want to include him in the whole county network, or of two counties, or whatever number we may include in one complete set-up so that we can reach everybody.

Mr. COLDEN. I inferred from a former statement that you made that if there is such a superauthority, you would prefer the Secretary of the Interior to a board?

Mr. RANKIN. Most assuredly, and in saying that I have no criticism of any other department. As a Member of Congress, I usually say about what I think, but on this power question there is not a man connected with this Government who is more thoroughly in accord with the administration's program or who has devoted more time to it or who is more conscientiously committed to the policy that I have advocated here than the Secretary of the Interior. Therefore I would prefer him if anyone is to be at the head of this organization.

Mr. SMITH. That legislation would supersede the bill that we are considering now?

Mr. RANKIN. But that ought not to check this bill, because it may be some time in passing. You want to be using Bonneville power. Here is where you people will come in, and I am surprised at the arguments that have been made. They asked Mr. Corbett—you know who he was—about the rural sections, and he said that he never heard them discussed.

Mr. CULKIN. Who was Mr. Corbett?

Mr. RANKIN. The head of a chamber of commerce, and of all the people that the power companies seem to inculcate ideas into, it is the heads of the chambers of commerce. I have found that almost universally they can give Congress more information for the amount of information that they do not have than any group of men on earth.

Mr. SMITH. And misinformation.

Mr. RANKIN. Yes.

I want to thank you for your patience in listening to me.

Mr. CULKIN. They are especially vivid on the subject of Congress at times.

Mr. RANKIN. That is right. They got this thing out and sent it with their bills in Portland, Oreg., which is headed, "No miracles expected", and then they go on to say that the colonel in charge of the Bonneville Dam construction and the Chief of the United States Army Engineers have said of the northwest city that "it will be economic waste if existing transmission and distribution lines are not used to handle Bonneville power, there is no economic sense in paralleling these lines with newly constructed lines."

That is the same old doctrine that they preached to us, but we said, "Well, we won't parallel them if you will reduce your rates to what they should be or sell your lines at what they are worth." As I say, that is the same old doctrine that we had to go up against in the Tennessee Valley area.

Now, I am going to put these tables in the RECORD this morning, and I hope that every Congressman will read them, and if you do it will give you an astounding picture of the condition in your own State. It shows the amount of electricity produced for domestic consumption, for commercial consumption, and for industrial consumption in your States last year. It shows what was paid for it and how much the overcharges were according to the Tennessee Valley Authority rates, according to the Tacoma rates, and according to the Ontario rates. For instance, the gentleman from Ohio gets out rather lightly for his domestic consumers are only overcharged $18,000,000—that is, the householders are—while in Pennsylvania it is $40,000,000.

The CHAIRMAN. Can you tell me what it is in Texas?

Mr. RANKIN. Yes, sir. In the State of Texas you have 607,000 domestic consumers; and according to the Tennessee Valley Authority rates last year, the domestic consumers were overcharged $12,888,905. According to the Tacoma rates, they were overcharged $12,489,403. According to the Ontario rates, they were overcharged $14,574,164.

Of course, that is just for the domestic consumers, and then the commercial and the industrial consumers run that overcharge up to the extent that I will indicate. Under the T. V. A. rates they were overcharged in Texas last year $31,726,000; under the Tacoma rates, $32,450,000; and under the Ontario rates, $37,845,000. And that is in a State where, if the facilities that they have—the gas, the oil, and the water power—were properly used, they could have cheaper power than they can in the T. V. A. area.

Mr. GREEN. Let us have those figures for Florida. Miami, Fla., is presumed to have the highest electric rate in the world.

Mr. RANKIN. In Florida your domestic overcharge, according to the T. V. A. rates, was $6,367,000; according to the Tacoma rates, $6,350,000; and according to the Ontario rates, $7,044,000; and now your commercial consumers are overcharged about the same amount. So, for the entire State of Florida, for all purposes, your overcharge ranges from $11,939,000 under the T. V. A. rates, $11,684,000 under the Tacoma rates, to $13,679,000 under the Ontario rates.

Now, Mr. Chairman, are there any other questions?

Mr. CULKIN. One question for my own satisfaction, Mr. RANKIN.

Mr. RANKIN. I will be glad to answer it.

Mr. CULKIN. You are beautifully informed on this subject.

Now, the Supreme Court decision in the T. V. A. case was to the effect that the Government had the right to sell this power?

Mr. RANKIN. Oh, yes. Now, listen——

Mr. CULKIN. And that decision was broad enough to cover the contemplated program?

Mr. RANKIN. Listen. The Supreme Court could have reached no other conclusion. Chief Justice Marshall decided 100 years ago that we had a right to improve these streams for navigation. Well, we have assumed the right to do it for flood control—and that is not in the Constitution; it is implied power, the same implied powers that give us the right to improve for navigation, give us the right to improve for flood control on interstate streams. They do not mention electricity in the Constitution, because it was not discovered for the purposes of light and power until 80 years after the Constitution was adopted.

Then Chief Justice Hughes said, in words that nobody can fail to understand—and I sat there and listened to him—that the power in this falling water was property belonging to the United States, and, being property owned by the Government, the Government had a right to sell it, and, having the right to sell it, they had a right to do whatever was necessary to take it to a market.

So that there is not any question about it in this world, all of these injunctions to the contrary notwithstanding.

Mr. CULKIN. That decision closes that door?

Mr. RANKIN. Yes.

The CHAIRMAN. Speaking of injunctions, the people along the river on which I reside in Texas borrowed $15,000,000 to install their own dams, and the power interests have even gotten out an injunction against that.

Mr. RANKIN. You saw the decision of the circuit court of appeals yesterday?

The CHAIRMAN. Yes.

Mr. RANKIN. Every decision of the circuit court of appeals that I have found yet has upheld both the right of the T. V. A. and of the Government to improve these streams and to generate, transmit, and sell its power.

Mr. SMITH. What is the status of the Duke case now?

Mr. RANKIN. It has been decided adversely by the lower court. It is now before the circuit court of appeals—I have forgotten the number of the district—in North Carolina and Virginia; but they have already passed on it, and the circuit court of appeals yesterday quoted that opinion in the Duke case, where they upheld that right; and, by the way, the same thing was decided here yesterday, and if this case goes to the Supreme Court before they adjourn, which by all means it should, that will settle the whole thing.

This business of trying to paralyze this Government by injunctions is going to cost a lot of the lower judges their places if they don't mind. The Government will not stand for a few prejudiced judges—and I am talking about the lower court judges, not of the Supreme Court, for the Supreme Court has been fair in this proposition, and their decisions are correct, but when these judges fly in the face of the greatest movement that the Government has ever embarked on and issue injunctions in violation of law to tie up this great project, it is ground for impeachment, in my opinion, and I have so stated on the floor of the House and I think I will press it to a decision before the Congress adjourns. All of these means that they have brought to bear to paralyze this development, to prevent the local communities from installing their own distribution systems, is an abuse of judicial power that the circuit court of appeals and the Supreme Court have not indulged in.

I rather think, Mr. Chairman, that the decision by the circuit court of appeals yesterday would settle the Brazos case.

The CHAIRMAN. I wonder what the age of the judge was. [Laughter.]

Mr. RANKIN. There were five of them.

Mrs. HONEYMAN. Mr. Chairman, earlier in his remarks Mr. Rankin said that he would develop a little bit of comparison between the operation of a dam by an administrator or by the Army engineers.

Mr. RANKIN. Yes. I said that I would have an administrator operating the dam.

Mrs. HONEYMAN. I thought that you were going to give some reasons for it.

Mr. RANKIN. The main reason is that the Army engineers are not skilled in the use, development, and distribution of power. Another one is that you would likely have so much jealousy there

that, with a divided responsibility, you would have friction that ought not to exist. The man who is making the contract to deliver power ought not to have to go ask somebody else for the power, and just as surely as you put that divided responsibility in this bill you are going to regret it. Personally I say this, and with all due deference, that I will oppose any bill that will divide the responsibility. I have gone through this fight so often I know what it means. I am so thoroughly convinced that it would bring disaster that I would not be willing to support a provision that divides that responsibility.

I thank you for putting up with me for so long.

The CHAIRMAN. We thank you for the information that you have given us.

Mr. COLDEN. May I make a brief statement at this point?

The CHAIRMAN. Certainly.

Mr. COLDEN. I desire to say to the committee that I am very much in favor of these national projects, and particularly of the distribution of this power to the farm. I think that it reaches into one of the greatest problems of our country.

Young men are prompted by their hopes and their ambitions, and the old man relies upon experience; and as I look back at my life on the farm, and at the drudgery that accompanied that life, I see the reasons why I tried to make my way into some other field of activity.

On the old farm, we had to saw and chop wood; we had to shell corn; we had to pump the water or draw it up with a bucket, and I remember that in July when we would be working in the hay field, my father would frequently say to me at noontime, "Charlie, while we are resting, we will have to grind the sickle." And I remember standing under that old apple tree and turning that grindstone around with the sweat pouring off of me, and I want to say that that is real drudgery, and power on the farm relieves us of that sort of drudgery.

Mr. Rankin has said something about the women on the farm. Think about the farm wives that bend over washtubs, hot water and suds, on a hot day, and over the ironing board of the old farm home. Even this drudgery is removed from the backs of the farmers' wives by power and light in the home. I want to say that I believe that one of the reasons why people have left the farm is because these wives and mothers, when they went to the city, saw their city cousins touch a button and turn on the light, instead of having to clean globes and fill kerosene lamps, and they saw that they were free from the old broom, washtub, and the old hot iron. They saw that life was much easier in the city, and that has been one of the greatest motives that has led people from the farms and caused them to gravitate to the city, where many of them are living today in slums, and they even prefer the slums to the old farm with all of its drudgery.

Mr. RANKIN. Will the gentleman yield at that point?

Mr. COLDEN. Yes.

Mr. RANKIN. I just referred to the electrical appliances awhile ago that belonged to a man who lived 20 miles out in the country; and here is a letter from that man, which says:

"We have running water, hot and cold, in the house, and have our bathroom and kitchen fixtures just as convenient as we could have in the city. We have running water at the barn, in the chicken yard, and all over the place where it is needed. Without T. V. A. we never could have hoped to have these conveniences. T. V. A. power has taken lots of the drudgery off of our farm life, and it has helped to make farm life happy."

Last summer there was an old fellow who came into town one morning, and one of our young upstarts met him and said, "Uncle Bill, you've come to town to get the news, did you?" He looked at him and answered, "No, begad; I've come to bring it. I got up this morning before you woke up."

I have 200 letters from people telling of the benefits of this power on my desk. There is not a farmer but who has a radio. They have brought a new day to the farm home life.

Mr. SMITH. This is a powerful argument in favor of rural electrification.

Mr. RANKIN. It is.

Mr. SMITH. It is the grandest thing that we are doing.

Mr. COLDEN. You remember those hot days on the farm, when a breath of air was almost like an odor from heaven; the fan and the ice box on the farm are tremendous conveniences.

My colleague from New York smiles, because he has lived in the lap of luxury. He does not know anything about these hardships.

Mr. RANKIN. He is a farmer. What are you talking about?

Mr. CULKIN. Would the gentleman also abolish the old oaken bucket?

Mr. RANKIN. Yes.

Mr. CULKIN. Do you not intend to leave any poetry on the farm?

Mr. COLDEN. Leave it to the poetry and not to the daily life on the farm.

Mr. RANKIN. Here is a man 20 miles from a railroad station, and he says that he has lights in his home and in his garage, and a radio, an electric iron, a refrigerator, an electric stove, an electric hot-water heater, percolator, and electric water pump, and who used 171 kilowatt-hours last month, which cost him $4.90, $1 of which went to amortize his line.

That is what this program means; and nothing in the world that this Congress ever did or ever will do for the farmers of this country will amount to what this program will give them.

Sign Discharge Petition No. 12 and Help Many Millions of Worthy Americans to Obtain a Fair Hearing of H. R. 4199, General Welfare Act of 1937

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. OLIVER. Mr. Speaker and Members of the House, under permission granted me to extend my remarks, I wish to call to your attention discharge petition no. 12 filed by Hon. HARRY R. SHEPPARD, of California. An immediate consideration by this House of H. R. 4199, otherwise known as the General Welfare Act of 1937, will be made possible by the completion of 218 signatures upon this petition. I am asking you in the name of millions of good, worthy, and most deserving American citizens to cooperate with those of us who are working to bring this proposed recovery plan before this body for free and open discussion.

For more than 4 months I have listened conscientiously and carefully to the many millions of words of debate on the state of the Union from both sides of the aisle. I have observed with great interest the membership of this body develop an uneasy complex of fear as the returns from financial and economic sources have indicated that all is not well in America. I have seen the smiles and happy expressions of post-election victory slowly give way to the clouded appearance of worry and concern because of the accumulated evidence from all sides indicating that the victorious chant of Happy Days Are Here Again is now, not unalloyed with uncertainty and fear. I have been most interested to note the gradual loss of confidence and debonair cocksureness among the Members of the majority party as its consciousness has become awakened to the conditions of mass poverty and insecurity which are still overwhelming the people of this great country.

Slumping prices of Government bonds indicating that an end of deficit financing is near; labor controversies indicative of the discontent of the masses of the employed because of their inadequate annual income; rising costs of the necessities of life placing the unemployed and economically ostracized segment of our people on a further reduced standard of living; disasters of nature destroying our natural and developed resources crying loudly for intelligent human action and not getting it because of lack of a proper comprehension of the true nature and function of paper dollars—all of these factors and others too numerous to point out are slowly but surely indicating the utter failure of the temporary makeshift national program of the past 9 years of national leadership.

The President's dramatic appeal for the "third of our Nation which is ill-clad, ill-housed, and ill-nourished" finds this Congress unable to cope with the problem and unwilling to face realistically the facts of poverty that actually exist. The present economic situation stands as a forceful indictment of the failure of past and current policies of both private and public leadership. The present impasse where we recognize that the 1929 levels of employment and production are reached and yet we are confronted with mass insecurity should be reason enough for consideration of a new course of action. But no. The pendulum now seems to be swinging back to the right and we must contract and withdraw from our course of developing a consciousness of the urgent need for national application of national resources to a problem which threatens the very life of democracy.

A contraction of Federal disbursements under a policy of leadership by right-wing conservatives and reactionaries

will mean a drastic and immediate withdrawal from the markets of the Federal dollars which have been supporting and furnishing purchasing power. This must result in another deflationary spiral which again will result in utter collapse and a recurrence of the utter hopelessness and despair so overwhelmingly apparent during this depression period.

It has been truly said that communism and fascism are always best nourished on the scrap pile of human misery and insecurity. Already merchants and market manipulators are weighing very carefully the sincere and deliberate attempts which are being made here in this session of Congress to cut down on Federal disbursements. A reduction in spending will mean a contraction of business. In turn this will result in a quickened collapse. On the other hand, continued deficit-dollars financing will lead to a runaway inflationary spiral of prices which leads to a progressive increase in the amount of Federal expenditures for relief and the carrying on of regular departmental functions. So it is that we find the present situation of vacillating policies as to the future course of action.

We cannot go back any more than we can unscramble eggs. We cannot stop here without going into a nose dive that will make the period from 1929 to 1933 resemble an amateur performance of deflation.

So why not take a step forward? We have no need for fear—we have no lack of anything—on the contrary, we have an abundance of natural and developed resources; we have a wealthy nation, a large population, an intelligent and tremendous productive capacity; we have a consumers' market, wide awake and desirous of goods and services. Our people are in a position to consume all and more than we can produce.

Through the medium of H. R. 4199 we can make a start by lifting one group of our people over 60 years of age to a standard of security and consumption that will help materially to keep our productive machine occupied. By so doing we will extend to our young people an opportunity to work in productive industry rather than retaining our present policy of sending them into made-work camps at coolie wage levels.

You say H. R. 4199 is fantastic and crackpot legislation, yet today we are doing things that 2 short years ago were called impossible. The Social Security Act is being administered on a basis of card indexing that once appeared to be a monstrous fantasy of administration. You have legislated into existence the principle of old-age assistance; but because it has been placed on a poverty level through a State contributory basis, millions of worthy people of this country are being denied the slightest figment of security. The retirement age is too high under this act to meet the problems of millions of our worthy citizens who are denied any semblance of fair play. The contributory phase of the retirement annuity section of the Social Security Act is only a subterfuge to obtain dollars from the pay rolls of wage earners to help carry current Federal deficits. These present contributors are given no contractual security for pensions later on in life when they come up to the Treasury to collect. One group of workers, namely, the younger, as well as those who are better paid, are forced under this pay-roll deduction to contribute more than they will collect in proportion to their tax payments. Above all else, there has been made possible a Treasury financial bubble which will burst of its own expansion in the form of excessive and unheard-of and unnecessary reserves.

Why not get down to earth and petition H. R. 4199 out of committee? Then we shall go on a pay-as-we-go basis; then we shall give the good folks over 60 a fair break now; then we shall avoid inflation by placing on all transactions a deflationary tax; then we shall solve our problem of mass unemployment by a logical and intelligent course of putting those under 60 back into productive industries making goods and giving services to those over 60. Certainly, by any stretch of the imagination this is not as fantastic as the course we are now pursuing. Inevitable chaos and ruin is due if we continue on our dizzy deficit-financial policy of today.

H. R. 4199 perhaps is not a panacea for all our troubles, but the principle involved therein, together with the proper monetary legislation, will allow us once more to function on a normal basis where we may live and let live. At least, if you worthy Members of this House do not believe in the General Welfare Act of 1937, you do believe in fair play. All that we are asking at the present time is an opportunity to be heard and judged on the merits of our proposition. In my opinion the Ways and Means Committee of this House have not acted in the unprejudiced and impartial manner that we expect from men of the high caliber and ability who are members of this committee.

We ask you to forget the political blunders that we in this group who are supporting H. R. 4199 have made in the past, and we ask you now to help us discharge the Ways and Means Committee from further consideration of this bill by signing petition no. 12 and thereby giving to millions of good, sincere American citizens the American opportunity for free debate and discussion of H. R. 4199, the General Welfare Act of 1937.

A Program for Work Relief

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. BEITER. Mr. Speaker, the activities of the Congress during the past 4 years have been more or less confined to the single purpose of maintaining our unemployed. In 1933 an emergency confronted us, and Democrats, Republicans, Progressives, Independents, all thought alike in that a crisis was upon us and prompt action necessary and expedient. It was in every sense of the word a public crisis, and the public objective desired by a majority of all of the people of the United States was attained through granting emergency powers to the Chief Executive.

These powers were well used and the great army of unemployed put to work almost without delay. The Works Progress Administration, the Public Works Administration, the Civilian Conservation Corps, and the National Youth Administration all were created in an effort to take care of the country's idle. We confined ourselves to this specific problem because this was the problem at the time which was giving us specific concern. However, we cannot now be diverted from the important question of what can be done along permanent lines to relieve unemployment since the emergency is over, but the problem it created is definitely still with us.

Now, after 4 years of work, let us contemplate just what can be done about getting to the root of the unemployment problem and engage in a long-range program that will relieve the situation and prove less costly. There is little doubt but that the Congress will, and indeed must, at this time, make another large appropriation for work relief. Whatever the sum, it will probably be insufficient to adequately relieve the entire unemployment situation. However, we must tackle the problem and obtain facts and figures to shape future policies on the relief question. The country's needs in this matter are acute but no less so than those of the Treasury. The burden rests with the Congress, and I, for one, recognize both the need and the responsibility of it.

This entire relief problem was heretofore solely a responsibility of the 48 States. It is only too true that, during the depression period, local governments were too hard pressed financially to assume in many instances any part of the cost. Whether they can do so now is problematical but

on both W. P. A. and P. W. A. work relief projects the communities have been doing what they can to share in the cost.

I would not approve any movement at this time to increase taxes—they are large enough already—and for this reason it seems apparent that some less costly method of solving the work-relief problem must be found. In short, we are faced with the necessity of furnishing adequate means of relief and at the same time avoiding any major catastrophe in the matter of our public revenues.

The American public has something to say on the subject this week in the poll conducted by the Institute of Public Opinion. Suggestions are made that the hours of labor in business and industry be shortened to spread employment among a wider number. Undoubtedly this would help considerably. Other statements in the poll indicate that some portion of the country's citizens believe the relief appropriation should be curtailed. All seem agreed, however, that the unemployment problem can be solved in some way.

We are about to consider additional appropriations for relief and while the 6,000,000 families estimated to be still depending on public funds must be taken care of it would seem that if a method can be found whereby the States and local governments can share in this expense certainly this would be advisable.

I have proposed the earmarking of a portion of the proposed relief appropriation for worth-while public-works projects in which the local communities share a large percentage of the cost. I am convinced that this form of public relief is advisable and less costly to the Federal Treasury, and incidentally the taxpayers of the country. The Federal Emergency Administration of Public Works has a program whereby 55 percent of the cost has been borne by the local communities in the past. Proposals whereby an even greater percentage of the cost of these projects will be borne by the municipalities sponsoring them are now pending. The President of the United States has only recently fixed the grant that could be offered to applicants at a figure that would require greater participation by the sponsor. Obviously, the Government cannot continue to wholly finance a works program such as has been undertaken in many instances in the case of some W. P. A. projects. For this reason, it is desirable at this time to require the States, cities, and towns to pay a larger percentage of the cost, thus sharing in the responsibility to the unemployed.

The P. W. A. program would furnish work to the needy and at the same time reduce the cost and relieve the burden on the United States Treasury.

In providing for a program to take care of the actual relief cases we cannot forget the man who has sacrificed everything to keep from going on relief. In my district we have a problem—and I am sure the same condition exists elsewhere—presented by those men who are not on the relief rolls but are in just as much need as if they were. We have another problem—which is just as poignant—presented by the men who have reached the age of 40 years or more and are not acceptable to industry. They are too old. This, to me, is the greatest problem of all. Today we are faced with an army of unemployed—all between the ages of 40 and 60—to an extent unparalleled and unbelievable. We cannot exactly blame industry for this situation. The workmen's compensation laws in some States are so rigid industry cannot in fairness to their business hire men who have passed their first youth. It should, therefore, be the task of Congress to provide a planned work-relief program to protect these men from the dangers which threaten them in the industrial world.

The W. P. A. program could be utilized to take care of these young-old men who are too young to be definitely discarded for work opportunities and too old to secure work in private industry.

If the Government is to continue this business of relief we must sift the good from the bad, weed out those policies which are unnecessary and too expensive, and arrive at an orderly process of administration. Any appropriation made should be specifically earmarked—that is, definitely interpreted as to just what it is to be used for. Congress must write its own relief ticket. In order to do that we must understand the problem and approach intelligently a method for solving it.

We cannot have economy in relief without paring the costs. We can pare the costs, obviously in only one of two ways—by curtailing the relief program and the jobs provided by that program or by having the States and local governments share in the cost. The latter course is, of course, preferable since none of us want to deprive the needy of work relief. It is about time for us to decide what we can pay for and eliminate those things that we cannot. Let us inaugurate for ourselves a style of relief to which we can become accustomed and quit charging our deficits to the future taxpayers.

It is my honest belief that continuation of the Public Works program, wherein only a small part of the cost is shouldered by the Federal Government, is more acceptable to the jobless themselves and the taxpayers who are asked to share in the bills. The workers prefer to have jobs at decent wages in their own trades and occupations. P. W. A. provides them, not only directly but indirectly, through the materials and producer goods industries. Relief labor is employed in project construction, as well as others who are not actually on relief but who are in dire need. Home owners who are not eligible for actual relief but are in imminent danger of losing their property can find employment through this medium.

I am in favor of economy in Government insofar as it can be carried out without bringing distress to those in need. I am not asking that the relief appropriation be increased in any way. I do ask that a part of it be specifically earmarked for the Public Works program, believing that this is an economy measure that will carry on a program of work relief less expensive to the Federal Government and of lasting benefit to the Nation as a whole.

The Home Owners' Loan Corporation Foreclosures

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. BROOKS. Mr. Speaker, we have in law what is called a prima-facie case. In other words, when facts so preponderate against an individual as to leave very little doubt as to his guilt, we may say that a prima-facie case is established against him. One man falls in the street from a gunshot wound and another one stands on the curb with a smoking revolver in his hand. A prima-facie case is established against the man in whose hand is found the revolver, and the burden falls heavily upon him to so disengage himself from these clearly established facts as to show that he was not in fact the person who committed the crime of shooting.

The situation in reference to the Home Owners' Loan Corporation in Shreveport, La., presents such a prima facie case against the Corporation.

On March 22, 1937, I stood in the House of Representatives and called the attention of Congress to the situation prevailing in the Home Owners' Loan Corporation in the Fourth Congressional District of Louisiana. At that time I prophesied a campaign of foreclosures which would, within the next few months, take from the home owners of my congressional district a large percentage of the homes upon which the Home Owners' Loan Corporation had made loans. At that time, I was merely prophesying and asked the Members of the House of Representatives to accept my word to this effect.

I now no longer prophesy. I bring you the concrete evidence of what I then declared would shortly be the facts within the Fourth Congressional District. I hold in my hands copies of the morning and evening papers published in the city of Shreveport, La., recently, showing whole pages of H. O. L. C. foreclosures. Mr. Speaker, there are in these issues of the daily press of Shreveport, La., published on this one day 71 homes advertised for sale at public auction by the Home Owners' Loan Corporation.

This is indeed a prima facie case against the Home Owners' Loan Corporation and the burden falls heavily upon those in authority to show that its Louisiana offices have not been guilty of wantonly depriving our people of their homes.

But this is not all. Hundreds of additional homes have been checked with the red marks for immediate foreclosure, and when this thing finishes, the Shreveport office of the H. O. L. C. will have executed, in my opinion, against 1 out of every 4 homeowners who originally made loans with the Corporation. In addition to that, there are hundreds of persons from whom the Shreveport office have accepted deeds, thereby increasing to an alarming and astounding extent the repossessions made by the Shreveport office in this congressional district.

On March 22, in this Hall, I charged that the Home Owners' Loan Corporation in Louisiana was politicalized from top to bottom. I again make this charge, saying that it is politicalized from top to bottom, from stem to stern. Its management in Shreveport and in the State of Louisiana is a purely political appointment. Its management in Louisiana is incompetent, and has prostituted the high purposes for which this Corporation was originally organized into a skin-flint collecting and repossessing agency.

The city of Shreveport, in which most of these unfortunate homeowners reside, is, in my opinion, on the eve of a great oil and gas boom. The demand for houses in Shreveport is very real and urgent. Rents have increased and the Home Owners' Loan Corporation has seen the possibility of making money by quick foreclosures and repossessions of homes from thousands who came to them in their original misfortunes as a haven of refuge from those persons and institutions which sought to take advantage of the world-wide depressions.

In response to my complaints, the H. O. L. C. at Washington sent an investigator to this congressional district to find out what the facts are regarding this set-up. This investigator has been there and if he has viewed with an unbiased and a sympathetic eye the most unfortunate situation which surrounds the establishment and operation of the Shreveport office of the Home Owners' Loan Corporation and its incompetent and politicalized methods of collecting these loans and foreclosing upon the home owners, his report can be nothing but condemnation of the local management of the Home Owners' Loan Corporation.

But in spite of the facts that this man was in Shreveport for several days, this orgy of foreclosures still goes on. I was promised an entirely independent investigation, with an opportunity to be given all witnesses to talk to this so-called investigator. In this respect I wish to say that the investigation was made in the headquarters of the H. O. L. C. at Shreveport, and under the watchful eyes of the very man whom it was the prime purpose to investigate. He was there, present, to see that no facts hurtful to himself reached this special representative. I, therefore, charge that no fair and unbiased independent investigation has been made and that this representative who came here to investigate has failed to see the very persons whom an independent investigation would require him to see. In such a situation your report can, Mr. Investigator, and will be nothing but a whitewash. Like the Roman Emperor, Nero, who fiddled while the city of Rome burned, you have sat down in the Fourth Congressional District of Louisiana and have watched one home after the other go under the hammer.

My friends, I have accumulated a whole suitcase full of information on H. O. L. C. foreclosures, and I tell you that the Louisiana offices of this Corporation are most unfair and unjust to the home owners, especially in three respects:

First. In a large number of cases this office has refused to accept partial payments from home owners who are in arrears and who tendered partial payments in an effort to catch up with their arrearages.

Second. It refuses lump-sum payments when the home owners borrow the money to make the payments, and gives as its reason for this refusal the alleged fact that by borrowing the money to pay past due installments the home owner has not bettered himself, but has simply transferred a part of his obligation to a third person.

Third. It refuses to recognize the human element in the loan and recognizes nothing but the financial element.

I have in my files letters from persons who have tendered partial payments on the loans and I also have in my files letters from the Home Owners' Loan Corporation refusing these partial payments and returning the cashiers' checks and the money orders which have been sent by the poor struggling home owner who is not able to take up all of the past-due payments but is trying to make a partial payment on the amount past due.

I likewise have in my possession letters refusing large lump payments from men and women who, in a desperate effort to save their little homes, have gone to friends and have borrowed money from them. The cold, inhuman answer of the Home Owners' Loan Corporation is that the financial position of that man and that woman has not been improved by the borrowing of this money.

I have taken up case after case of foreclosure with the H. O. L. C., and I have the explanation of the Corporation in almost every case. You would be surprised my friends at some of the reasons cited to show the necessity of an immediate foreclosure. One instance of which I am conversant, the loan was delinquent by 48 hours, and it was marked for immediate legal action. In another case, which I investigated in my own behalf, the answer of the H. O. L. C. was:

"The borrower, age 71, is an invalid." Foreclosure was, therefore, necessary.

In another case a Mr. Smith (I am using this name as a matter of convenience) was sick with heart trouble and the Shreveport offices of the Corporation proceeded relentlessly with its foreclosure. Filled with worry and anguish over the approaching loss of his home, Mr. Smith died, and on the very day of his funeral his home was sold by the H. O. L. C. to the highest bidder at public auction.

I quote from an independent report that I have caused to be made of his particular case:

> A year ago Mr. Smith had blood poisoning which came near costing him his life. He was incapacitated so long that he lost his business and had to reestablish himself and begin all over again. Before he could get on his feet, augmented by foreclosure staring him in the face, he suffered a heart attack and is still confined to his bed.

I quote from a subsequent report that I caused to be obtained on this same case:

> With reference to the H. O. L. C., Mr. Smith died and was buried on the very day that his home was sold on the block. Mr. Smith left no insurance, no assets, and a helpless family.

In another case which has been called to my attention, the borrower, a veteran, was sent to a Veterans' Bureau hospital a short while before foreclosure proceedings were instituted because of insanity. His wife remained in the home and attempted to carry on for herself and for him as best possible pending the application of her husband for allowance of a service-connected disability claim by the Veterans' Bureau. On foreclosure, the Louisiana office of the Home Owners' Loan Corporation purchased the property and immediately following the purchase took steps to forcibly dispossess the wife of the borrower, who was left in financial straits. Within 10 days after sale of the property, the Louisiana offices of this Corporation called upon the sheriff of this parish and my congressional district and issued what we call a writ of possession to forcibly remove this lady

from her home. I am thankful to be able to say here today, Mr. Speaker, that our sheriff in a pointblank manner positively refused to forcibly eject this lady from her home, and insisted that a reasonable time be given her during which other arrangements could be made for another place of shelter for herself. I have in my files a copy of the original letter written asking that this lady be dispossessed and that her furniture and property be placed out on the streets of the city of Shreveport.

The examples which I have mentioned are merely a few of the many which I have in my possession. They show, however, the trend of the activity of this Corporation in northwest Louisiana. They show the attitude of the Corporation to distress and suffering within my congressional district.

Such are the activities of the governmental agency created to serve the home owners of America. Such is the activity of an agency created to relieve suffering and distress among the millions of the people of our land who love their homes and want to keep them for themselves and their children and during the declining days of their lives.

The old-line insurance companies who lend money on homes tell me that the average percentage of foreclosure in the entire liquidating period of a loan over 8 or 10 years is not greater than 6 percent. During the course of a few months with loans that are not over 3 years old, the H. O. L. C. has already built up an average of 11 percent in my congressional district. They contend, so I am told, that the percentage of foreclosure in the Fourth Congressional District will run as high as 16 percent of the loans made. In my opinion the percentage will run much higher and even to the point where one home out of every three or four upon which loans have been made will be forcibly repossessed by this Corporation. These foreclosures go forward in the face of a prosperous condition in the Fourth Congressional District, where homes are at a premium. The Corporation proceeds in a high-handed arbitrary manner to force its own will upon the working, struggling, distressed home owners.

In conclusion, I wish to say, my friends, that I agree that the H. O. L. C. should be run on a businesslike basis. At the same time we must remember that this institution was conceived for the purpose of saving to the men and women of America their homes. The present Louisiana policy of the Corporation is in direct violation of these objects and purposes. The Louisiana management and the management in the city of Shreveport is in the hands of one who is not even a resident of the Fourth Congressional District and is not acquainted with conditions in this area. The Louisiana management is thoroughly politicalized from Mr. Paul Habans on down. It is inefficient, and it has prostituted the high and beneficent purposes for which this organization was originally created into a money-mad skinflint collecting and foreclosing agency.

Supreme Court Decision on Louisiana Chain Store Case

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. PATMAN. Mr. Speaker, Monday, May 17, 1937, the Supreme Court of the United States sustained the validity of a statute adopted by the State of Louisiana, which provides a tax upon chain stores according to the number of stores within the State, and which provides further that where the stores outside of the State of Louisiana exceed 500 in number, the tax upon each of such stores in Louisiana shall be the maximum amount of $550. I am inserting a copy of that decision. It will be noticed that testimony secured by a special congressional investigating committee was quoted by Mr. Justice Roberts, who delivered the opinion of the Court.

SPECIAL COMMITTEE

April 24, 1935, the Honorable JOHN J. COCHRAN introduced House Resolution 203, providing for the investigation of the American Retail Federation. The resolution was adopted by the House. Mr. COCHRAN was not in a position to serve as chairman of the investigating committee, and the Honorable Joseph W. Byrns, Speaker of the House of Representatives, appointed the following committee to make the investigation: WRIGHT PATMAN, Texas, chairman; SOL BLOOM, New York; SCOTT W. LUCAS, Illinois; JOHN F. DOCKWEILER, California; DONALD H. MCLEAN, New Jersey; W. STERLING COLE, New York; GERALD J. BOILEAU, Wisconsin.

June 4, 1935, there was an amendment to this resolution, which provided for an investigation of the trade practices of individuals, partnerships, and corporations engaged in big-scale buying and selling of articles at wholesale or retail and their associations.

It was adopted June 4, 1935, and the committee commenced its work. Mr. Rowan Howard was selected as clerk of the committee, who also acted as investigator.

This committee, without the aid of counsel, spent several months making the investigation. Reports on both the American Retail Federation and that part of the resolution concerning big-scale buying and selling were made within a year from the time of the appointment of the committee.

COPY OF REPORT OF SPECIAL COMMITTEE

The report on big-scale buying and selling was as follows:

REPORT OF SPECIAL CONGRESSIONAL COMMITTEE INVESTIGATING THE AMERICAN RETAIL FEDERATION ON THAT PART OF THE RESOLUTION IN REGARD TO BIG-SCALE BUYING AND SELLING

Mr. PATMAN, from the Special Committee Investigating American Retail Federation, submitted the following report [pursuant to H. Res. 239]:

Evidence adduced (pursuant to H. Res. 239, 74th Cong., 1st and 2d sess.) during the investigation of the trade practices of individuals, partnerships, and corporations engaged in big-scale buying and selling of articles, wholesale or retail, shows that manufacturers make a practice of extending to certain buyers price concessions and other trade advantages not given to others who purchase the same quantities under the same conditions.

This committee, therefore, recommend enactment of legislation making it unlawful for any person engaged in interstate commerce in the course of such commerce either directly or indirectly to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality by granting price concessions or other advantages under the guise of—

1. Advertising, sales, promotional, or other allowances when the same are not earned and offered openly to the trade generally.
2. Brokerage fees and commissions.
3. Volume or quantity discounts not offered to the trade generally and which are not made on the basis of differences in the cost of manufacture, sale, transportation, and distribution.
4. Rebates.

We further recommend legislation to prevent every type of discrimination where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce or promotive of deception or unfair competition or tend to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with the customers of either of them.

EVERY RECOMMENDATION MADE LAW

June 19, 1936, the President of the United States signed the Robinson-Patman bill, and it, therefore, became law. This bill carried out every recommendation made by our special committee.

May 19, 1936, as chairman of this special committee, I executed a certificate which enabled the attorney for the supervisor of public accounts, State of Louisiana, the Honorable E. L. Richardson, to use in the case decided on last Monday a copy of the hearings before our special committee. This was done at Mr. Richardson's request. It was in that way the uncontradicted evidence Mr. Justice Roberts refers to in his opinion was made available for consideration by the Court. It is referred to in the brief filed for the State of Louisiana, pages 39–42.

Our special committee spent $10,000, which was an insignificant sum compared to the amount of work that was done, and the members of this committee have the consolation of knowing that our work was not in vain, that every recommendation we made was enacted into law, and almost within 1 year from the time we were appointed.

The Robinson-Patman law contains a few other provisions besides the ones incorporated in our recommendations, but our recommendations of May 19, 1936, contained all of the major ones and all of them were included in the law. The Robinson-Patman law has been enacted in more than half the States in order that it may apply to intrastate as well as interstate commerce.

OPINION IN LOUISIANA CHAIN-STORE CASE

The majority opinion of the Supreme Court of the United States in the Louisiana case is as follows:

SUPREME COURT OF THE UNITED STATES, NO. 652—OCTOBER TERM, 1936

The Great Atlantic & Pacific Tea Co. et al., appellants, v. *Alice Lee Grosjean, Supervisor of Public Accounts, State of Louisiana, et al.* Appeal from the District Court of the United States for the Eastern District of Louisiana. [May 17, 1937.]

Mr. Justice Roberts delivered the opinion of the Court.

This cause presents the questions whether the method prescribed by a chain-store tax act for ascertaining the rate of taxation offends the fourteenth amendment and the commerce clause of the Federal Constitution.

In 1932 the Legislature of Louisiana adopted an act levying an occupation or license tax upon chain stores (No. 19 of 1932; Acts of Louisiana, 1932, p. 125), under which the exaction was $15 upon each of two or more stores, not in excess of five; upon each store in excess of 5, but not exceeding 10, $25; and the amount increased in brackets for additional stores, the last bracket embracing stores in excess of 50 upon each of which the tax was $200.

By act 51 of 1934 (Acts of Louisiana 1934, p. 251), the earlier law was amended to lay the tax on "persons, firms, partnerships, corporations or associations of persons engaged in the business of operating two or more stores or mercantile establishments, one or more of which is located in this State, * * * under the same general management, supervision, ownership, or control * * *." Section 3 provides that the tax "shall be based on the number of stores or mercantile establishments included under the same general management, supervision, ownership, or control, whether operated in this State or not, and shall be fixed and graded as follows to wit: (1) Upon stores or mercantile establishments operated in this State and belonging to a chain or group having a total of not more than 10 stores, the annual license shall be $10 for each such store operated in this State." There are 15 additional paragraphs progressively increasing the rate per store in Louisiana of larger chains, the last fixing the rate for a store belonging to a chain of more than 500 at $550.

The Great Atlantic & Pacific Tea Co., an Arizona corporation, owning, operating, or controlling 15,082 stores in the United States, Canada, and elsewhere, 106 of which are in Louisiana, filed its bill in the district court to restrain the appellees, State officers, from enforcing the statute. Other corporations operating chains, some units of which are located in Louisiana, intervened as plaintiffs. A temporary restraining order issued, the appellees answered the bill, and the case was heard upon pleadings and proofs by a specially constituted court of three judges, which upheld the statute and dismissed the bill (16 F. Supp. 499).

The constitutional infirmity of the act is said to consist in arbitrary discrimination in favor of local as against national chains, in the attempt to tax property and activities which are beyond the State's jurisdiction, and in burdening interstate commerce. We hold the legislation impregnable to attack on these grounds.

First. The exaction is an occupation or license tax. The subject is the conduct of a business within Louisiana. Without contravening the equal-protection clause of the fourteenth amendment a State may separately classify for taxation the conduct of a chain store (*Tax Commissioners* v. *Jackson,* 283 U. S. 527; *Liggett Co.* v. *Lee,* 288 U. S. 517), and may increase the rate in proportion to the increase in the number of stores within the State, since the opportunities and powers of a chain-store operator become greater with the growth of the number of units maintained (*Fox* v. *Standard Oil Co.,* 294 U. S. 87, 100). The appellants assert that in adjusting the rate for a chain store in Louisiana the legislature may not take into account the size of the chain to which the store belongs, by counting the total number of its units wherever located. So to do, it is claimed, is arbitrarily to discriminate against sectional or national chains in favor of intrastate chains.

The district court found that the testimony offered by the State was similar to that in *Tax Commissioners* v. *Jackson, supra;* established the difference in type of operation between the operator of one store and the operator of many, and the variance in advantage and mode of operation with the number of units in the chain. In addition, the court found that all the stores of a retail chain contribute to the central purchasing power of the chain irrespective of State lines and location of stores, and increase the per-unit multiple advantage enjoyed by the operator of the system; that the greater the number of units the greater the purchasing power of the chain, the greater the rebates and allowances, the greater the advantages in advertising, the greater the capital employed, the greater the social and economic consequences, and the lower the cost of distribution and overhead. "In fine, the record in this case shows the contribution to the advantages made by each unit in the chain, and the per-unit advantage made possible by the whole system, and in that respect only does it differ materially from the proof which was before the court in the Jackson case." These findings are assigned as error, but they have substantial support in the record and we therefore accept them.

If the competitive advantages of a chain increase with the number of its component links, it is hard to see how these advantages cease at the State boundary. Under the findings a store belonging to a chain of 100, all located in Louisiana, has not the same competitive advantages as 1 of 100 Louisiana stores belonging to a national chain of 1,000. The appellants lean heavily on the findings of the court respecting the relative business in New Orleans of the Great Atlantic & Pacific Co. and the H. G. Hill Stores, Inc., a Louisiana corporation. The court found that the operations of the two are generally of the same character; the former conducts 106 stores in the State, 62 of which are in the city of New Orleans; the latter 92 in the State, of which 87 are in the city. Each concern conducts grocery and meat stores with substantially the same line of merchandise and their sales methods are practically the same. The gross volume of sales of Hill in New Orleans is much greater; it has more stores, and does more business per store in that city than the Atlantic & Pacific. The court further found, however, that the total purchasing power of the Atlantic & Pacific is much greater than that of Hill; that Atlantic & Pacific has field offices located at primary markets, which are in charge of specialists and supervised by central purchasing offices in New York, and maintains divisional warehouses throughout the country, whereas the operations of Hill are confined to Louisiana, and chiefly to New Orleans. Under the statute Hill is taxable at the rate of $30 per store as against $550 assessable against Atlantic & Pacific. These facts are said to demonstrate that the act denies the appellant and other intervenors the equal protection of the laws by arbitrarily discriminating against national in favor of local chains. But the contention is answered not only by the specific finding respecting the difference between the two companies' methods but by the general finding that addition of units to a chain increases the competitive advantage of each store in the chain.

The court's findings are supported by evidence bearing upon a variety of advantages enjoyed by large chains which are unavailable to smaller chains. One striking illustration is furnished by the uncontradicted proof that the Atlantic & Pacific Co. received in the year 1934 from its vendors secret rebates, allowances, and brokerage fees amounting to $8,105,000, which were demanded by the company as a condition of purchasing from the vendors in question. The leverage which accomplished this was the enormous purchasing power of the company. The amount thus obtained equals $530 for each of the Atlantic & Pacific Co.'s stores, or nearly the amount of the tax exacted by the statute. The appellants insist that these facts are not significant because there is testimony that, in the drug trade, quantity discounts usually do not increase after a certain volume of purchases is reached, but the testimony does not specify the point where quantity discounts cease to grow. The record discloses what would be plain enough without evidence, that generally volume of purchasing power spells lower prices, special terms, and other advantages. It is unnecessary to discuss the evidence supporting the findings with respect to other facilities enjoyed only or in increased measure by the larger chains.

The appellants urge that the act arbitrarily discriminates in favor of local chains because it is inconceivable that a chain operating wholly within the State would have 500 stores, not to mention upward of 15,000, the number maintained by the Atlantic & Pacific. The argument is inconsistent with the finding that additional units, wherever situate, increase the advantages and economic effects of the chain as a whole and of each unit; and ignores the possibility that a chain-store company of national scope might well be incorporated in Louisiana, whose stores in that State would be rated for taxation according to its total stores within and without the State.

Other instances of the working of the act are cited to show that it arbitrarily discriminates against national chains and in favor of local ones solely because they are such. Thus, it is said, if a national chain owning 501 stores in other States, establishes a single store in a Louisiana city where there is a local chain of two or three like establishments, the national concern must pay a license of $550 for its one store while the stores of the local chain are taxed but $10 each. The appellees retort that since the earlier law imposed a tax of $15 on each store in the local chain and none upon the one Louisiana store of the national chain it was more vulnerable to the charge of arbitrariness than the act under review. Whatever the pertinence of the reply, the facts found respecting the advantages of a larger chain as compared with a smaller justify as not unreasonable or arbitrary the imposition of a higher license tax on the units of the former which are maintained within the State. Even one unit of such a national chain located in Louisiana enjoys competitive advantages over the stores of the local proprietor consequent upon its relation to the far-flung activities and facilities of the chain.

The act under review is to be distinguished from the Florida statute considered in *Liggett Co.* v. *Lee,* supra, which increased the tax if the chain happened to have stores in two counties of the State rather than in one. The increase of rate was held arbi-

trary because it was unrelated to the size or character of the chain and was conditioned solely upon the location of one or more of its units. The Louisiana act adopts no such basis of classification. A small chain of three stores, one of which is in Louisiana and two in Mississippi, will pay exactly the same tax as a similar organization having the same number of stores all in Louisiana. A concern having 92 stores scattered over 10 States, 7 of which are in Louisiana, will pay exactly the same tax per Louisiana store as the H. G. Hill Stores, Inc., all of whose 92 stores are in Louisiana. Thus it appears that the classification is not based upon the location of the stores within or without the State but upon the type of business conducted, the scale of that business, its accompanying competitive advantages and economic results.

Finally, since the court below found that the sales and earnings of the individual stores of a chain differ in various portions of the country and those of the Louisiana stores have been below the average for all stores of many of the appellants, the claim is that the statute, by taking into account all units indiscriminately in fixing the rate, arbitrarily disregards the value of the local privilege for which the license fee is charged. We cannot say that classification of chains according to the number of units must be condemned because another method more nicely adjusted to represent the differences in earning power of the individual stores might have been chosen, for the legislature is not required to make meticulous adjustments in an effort to avoid incidental hardships (Compare *Lindsley* v. *Natural Carbonic Gas Co.*, 220 U. S. 61, 78; *Chesapeake & Ohio Ry.* v. *Conley*, 230 U. S. 513, 522; *Continental Baking Co.* v. *Woodring*, 286 U. S. 352, 371; *Fox* v. *Standard Oil Co., supra*, 101, 102). It is enough that the classification has reasonable relation to the differences in the practices of small and large chains. The statute bears equally upon all who fall into the same class, and this satisfies the guaranty of equal protection (*Tax Commissioners* v. *Jackson, supra*, p. 542; *Fox*. v. *Standard Oil Co., supra*, 101).

Second. The appellants contend the act deprives them of property without due process of law because the tax is imposed, at least in part, upon things which are beyond the jurisdiction of Louisiana. The State may not tax real property or tangible personal property lying outside her borders (*Louisville &c. Ferry Co.* v. *Kentucky*, 188 U. S. 385; *Delaware L. & W. R. Co.* v. *Pennsylvania*, 198 U. S. 341; *Union Refrigerator Transit Co.* v. *Kentucky*, 199 U. S. 194); nor may she lay an excise or privilege tax upon the exercise or enjoyment of a right or privilege in another State derived from the laws of that State and therein exercised and enjoyed (*Frick* v. *Pennsylvania*, 268 U. S. 473). But, as we have seen, the subject of the tax in question is the prosecution of a defined business activity within the State of Louisiana—the conduct of a retail store which is a part of a chain under a single management, ownership, or control—a legitimate subject of a license or occupation tax. The measure of the exaction is the number of units of the chain within the State—a measure sanctioned by our decisions. The rate of tax for each such unit is fixed by reference to the size of the entire chain. In legal contemplation the State does not lay a tax upon property lying beyond her borders nor does she tax any privilege exercised and enjoyed by the taxpayer in other States. The law rates the privilege enjoyed in Louisiana according to the nature and extent of that privilege in the light of the advantages, the capacity, and the competitive ability of the chain's stores in Louisiana considered not by themselves, as if they constituted the whole organization, but in their setting as integral parts of a much larger organization. We cannot hold that this privilege is unaffected by the status of the Louisiana stores as members of such a chain or that recognition of the advantages and capacities enjoyed by them as a result of that membership is forbidden in classifying them for progressive increase of rate. Such classification is not in legal effect the taxation of property or privileges possessed or enjoyed by the taxpayer beyond the borders of the State.

Maxwell v. *Bugbee* (250 U. S. 525) goes far to sustain the validity of the act (see the comment on *Maxwell* v. *Bugbee* in *Frick* v. *Pennsylvania*, 268 U. S. at p. 495). The exaction in the present case is even less open to the accusation of extraterritoriality than the one there under consideration, because here it cannot be claimed, as it was there, that not alone the rate, but to some extent, the measure of the tax, is affected by the enjoyment of extra State privileges.

Our decision need not, however, rest on conceptions of subject, measure and rate of tax. Much broader considerations touching the State's internal policy of police sustain the exaction. The tax is laid solely upon intrastate commerce (*Nathan* v. *Louisiana*, 8 How. 73, 80–81; *Rast* v. *Van Deman & Lewis*, 240 U. S. 342, 360). In the exercise of its police power the State may forbid, as inimical to the public welfare, the prosecution of a particular type of business (*License Cases*, 5 How. 504; *Mugler* v. *Kansas*, 123 U. S. 623, 662–663; *Williams* v. *Arkansas*, 217 U. S. 79; *Central Lumber Co.* v. *South Dakota*, 226 U. S. 157, 162), or regulate a business in such manner as to abate evils deemed to arise from its pursuit (*Ozan Lumber Co.* v. *Union County Bank*, 207 U. S. 251; *Engel* v. *O'Malley*, 219 U. S. 128, 137). Whatever a State may forbid or regulate it may permit upon condition that a fee be paid in return for the privilege (*Wiggins Ferry Co.* v. *East St. Louis*, 107 U. S. 365, 373, 374–376), and such a fee may be exacted to discourage the prosecution of a business or to adjust competitive or economic inequalities (*American Sugar Refining Co.* v. *Louisiana*, 179 U. S. 89, 92–95; *Reymann Brewing Co.* v. *Brister*, 179 U. S. 445, 453; *Williams* v. *Fears*, 179 U. S. 270, 276; *W. W. Cargill Co.* v. *Minnesota*, 180 U. S. 452, 469; *McCray* v. *United States*, 195 U. S. 27, 60; *Brown-Forman Co.* v. *Kentucky*, 217 U. S. 563, 573; *Quong Wing* v. *Kirkendall*, 223 U. S. 59, 62; *Brazee* v. *Michigan*, 241 U. S. 340, 342; *Alaska Fish Co.* v. *Smith*, 255 U. S. 44; *Liberty Warehouse Co.* v. *Tobacco Growers Assn.*, 276 U. S. 71, 96; *Sproles* v. *Binford*, 286 U. S. 374, 394; *Magnano Co.* v. *Hamilton*, 292 U. S. 40, 43, 44; *Fox* v. *Standard Oil Co.*, 294 U. S. 87, 100; *Sonzinsky* v. *United States*, No. 614, October Term, 1936). Taxation may be made the implement of the exercise of the State's police power (*Gundling* v. *Chicago*, 177 U. S. 183, 188, 189; *Rast* v. *Van Deman & Lewis, supra*, 368; *Compania General* v. *Collector*, 275 U. S. 87, 95, 96; *Sonzinsky* v. *United States, supra*); and proper and reasonable discrimination between classes to promote fair competitive conditions and to equalize economic advantages is therefore lawful (*Bradley* v. *Richmond*, 227 U. S. 477, 480, 484; *Hammond Packing Co.* v. *Montana*, 233 U. S. 331, 333–334; *Rast* v. *Van Deman & Lewis, supra*, p. 368; *Tanner* v. *Little*, 240 U. S. 369, 382–383; *St. Louis Poster Advertising Co.* v. *St. Louis*, 249 U. S. 269, 274).

If in the interest of the people of the State the legislature deemed it necessary either to mitigate evils of competition as between single stores and chains or to neutralize disadvantages of small chains in their competition with larger ones, or to discourage merchandising within the State by chains grown so large as to become a menace to the general welfare, it was at liberty to regulate the matter directly or to resort to the type of taxation evidenced by the act of 1934 as a means of regulation. The appellants, by incorporating in some other State, or by spreading their business and activities over other States, cannot set at naught the public policy of Louisiana. The claim is, essentially, that even if local evils flow from the appellant's methods the State cannot control those evils because its power is limited to conditions created by the members of the chain found within the State. The conclusion is that the State must treat these stores as if they were something different from what they really are, since to do otherwise would be to reach beyond the borders of Louisiana for the measure of the tax. The argument answers itself. The policy Louisiana is free to adopt with respect to the business activities of her own citizens she may apply to the citizens of other States who conduct the same business within her borders, and this irrespective of whether the evils requiring regulation arise solely from operations in Louisiana or are in part the result of extrastate transactions. It is not a denial of due process to adjust such license taxes as are here involved to meet the local evil resulting from business practices and superior economic power even though those advantages and that power are largely due to the fact that the taxpayer does business not only in Louisiana but in other States.

Third. Montgomery Ward & Co., one of the appellants, filed a bill of intervention. In addition to the objections already considered it contends that, as applied to its business, the act of 1934 constitutes an interference with and a regulation of interstate commerce forbidden by article I, section 8 of the Constitution. The allegation is that this appellant owns and operates 5 stores in Louisiana and 486 others spread over 45 States; owns and operates 9 mail-order houses located in States other than Louisiana and 19 so-called order stations located at various points outside Louisiana, the mail-order houses and order stations all being exclusively engaged in interstate commerce. The order stations are installed in rented spaces with one regular employee at each and with a stock of samples, the only business transacted in them being the taking of orders which are transmitted to, and filled by, the mail-order houses. With respect to the operation of the act the bill states: "Intervenor alleges that while the present administrative interpretation of said act 51 of the Louisiana Legislature of 1934 apparently limits the operation of said act to the intervenor's retail stores, the words 'mercantile establishments' used in said act apparently include the aforesaid mail-order houses and order stations owned and operated by the intervenor. Said act does not by its terms exclude from its operation said establishments engaged in interstate commerce and, therefore, violates the commerce clause of the United States Constitution * * *."

The trial court found the facts as follows:

"Montgomery, Ward & Co., an Illinois corporation, operates 9 mail-order establishments engaged in filling orders received from points in the United States and foreign countries through the mail. None of these mail-order establishments are situated in Louisiana. The company also has 19 mail-order offices, none of which are situated in Louisiana; 17 class A department stores carrying a complete line of general merchandise, none of which are situated in Louisiana; 456 class B retail stores of limited size and carrying a limited line of merchandise, of which 5 are located in Louisiana; and 16 class C stores devoted exclusively to the sale of hardware, household appliances, automobile tires and tubes, of which none are located in Louisiana. The five Louisiana class B stores take orders to be filled by mail from the company's mail-order establishment located at Fort Worth, in addition to selling merchandise at retail at its place of business to the public."

As a conclusion of law the court held: "The claim [of the intervenor] does not merit serious consideration. The statute by its express terms applies only 'where goods, wares, merchandise, or commodities of every description whatsoever are sold or offered for sale at retail.'"

Error is assigned to the district court's conclusion, and the appellant insists that the statute is bad because it imposes a single and indivisible tax for the privilege of conducting a business both interstate and intrastate, partly measured by interstate operations wholly extrastate.

As respects the regulation of interstate commerce the intervenor's bill is premature and without equity. The statute was approved July 12, 1934, and became effective for the calendar

year 1935, and subsequent years. February 27, 1935, both the bill of the Great Atlantic & Pacific Tea Co. and Montgomery Ward & Co.'s intervening bill were filed. The record discloses no rules or regulations promulgated by the appellee, Supervisor of Public Accounts, and no ruling by any responsible State official as to which of Montgomery Ward & Co.'s establishments are to be included in reckoning the total of its retail stores. For all that appears neither its mail-order houses, nor its order stations, nor its department stores, will be included in the computation.

It is manifest that Montgomery Ward & Co. cannot upon mere supposition that the act will be unconstitutionally construed and applied in respect of its five stores in Louisiana obtain an advisory decree that the act must not be so administered as to burden or regulate interstate commerce (compare *Hodge Co.* v. *Cincinnati*, 284 U. S. 335, 338; *Continental Baking Co.* v. *Woodring*, 286 U. S. 352, 369; *Ashwander* v. *Tennessee Valley Authority*, 297 U. S 288, 324).

The judgment of the district court is affirmed.

Mr. Justice Van Devanter and Mr. Justice Stone took no part in the consideration or decision of this case.

ANOTHER SPECIAL COMMITTEE HAS SIMILAR RECORD

It was my privilege to be the chairman of another investigating committee, which investigated the guardianship racket involving estates of veterans aggregating $100,000,000. It was appointed June 4, 1934, and was composed of the following Members of the House: Wright Patman, Texas, chairman; Lamar Jeffers, Alabama; Glenn Griswold, Indiana; Paul Brown, Georgia; Randolph Carpenter, Kansas; Randolph Perkins, New Jersey; Edith Nourse Rogers, Massachusetts; Charles A. Plumley, Vermont.

Mr. Carl Miller was secretary of the committee.

This committee also worked less than 1 year and within 1 year's time secured the enactment into law of every recommendation that was made by the committee, which will, for all time to come, protect estates of veterans, their widows and orphans from shocking racketeering and swindling practices that were disclosed by this investigating committee. This committee spent $7,500. It held hearings in many principal cities where there were complaints.

LOCAL BUSINESS

It is my personal belief that there is no proper place in American business for absentee ownership of either stores or banks, that national corporate chain stores and branch banks will eventually become institutions of the past. The American people realize that a profit system is the best; that one should be encouraged to work, cultivate initiative, and earn a return or profit for his knowledge and labors. The broad road of opportunity must remain open for the young people. No one objects to paying a fair price. It is only with good prices and good wages that this country can prosper, and the people can pay their debts and taxes. National corporate chains, however, require the people to pay unreasonably high prices when they destroy the local merchants.

An Investment in Citizenship

EXTENSION OF REMARKS

OF

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1937

Mr. ALLEN of Louisiana. Mr. Speaker, public-school funds for vocational education have been coming from the Smith-Hughes Act and the George-Ellzey Act. The George-Ellzey Act ends on June 30 of this year. To take its place and to further supplement the aid for vocational education Congress last year passed the George-Deen Act, which authorizes an appropriation of $14,483,000 for further vocational assistance.

The Committee on Appropriations in submitting the bill for appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, instead of writing into the bill the full amount authorized by the 1936 George-Deen Act, cut that figure in half, and now asks us to appropriate only $7,241,500 under that act. It has not been a year since Congress passed that act, and now in making the very first appropriation under the act we are asked to give this very important item only half of what Congress authorized a few months ago.

It seems hardly necessary to discuss the merits of vocational education in an enlightened day like this. I do not think that any informed or thinking person can or will question its value. It was my privilege and pleasure to give many of the best years of my life to public-school work, both as teacher and as parish superintendent of schools in Louisiana, and I believe I know from experience something of the values and needs of vocational education.

Many Members of Congress want to see the appropriation authorized by this act increased to the full amount as authorized, namely, $14,483,000. Some argue that half of that sum, $7,241,500, as provided in this appropriation bill, is sufficient, and it is argued further that we cannot afford the larger sum at this time. I wish to undertake to refute these two arguments.

IS THIS SUM NEEDED?

In the hearings (pp. 599–600), Mr. Johnson asked Dr. Studebaker, United States Commissioner of Education, the following question:

Mr. JOHNSON. Doctor, isn't it a fact that many States, assuming that the committee would follow the authorization bill for 14 million, have gone ahead and made arrangements to establish vocational training schools; and wouldn't you say that every dollar of that amount and more ought to be used in the United States in the coming year?

Dr. STUDEBAKER. I understand that what you say is a fact.

There are 15,000 rural high schools in the United States, only 6,151 of which offer courses in vocational agriculture, which means there are approximately 9,000 such schools filled with boys from the farms having no agricultural training. We are informed that 3,000 more high schools are requesting this training now. Only 17 percent of the boys enrolled in rural high schools are taking vocational agriculture. Only 17 farm boys out of a hundred are taking a course in the very thing that has supported them and their parents and will probably be the means of their support in the future. If the appropriation is increased, as we ask, then this number can be at least doubled over the 1936 figures.

There are 21,594 high schools in the United States needing a course in home economics, and only 4,285, or fewer than 20 percent of them, have it taught. More than 1,600 schools are asking additional home economics teachers now. What will our answer be to these young men and women? The vocational agriculture is confined largely to the rural high schools, to the boys in the country, on the farms. I am pleading for these country boys, born and reared in the country, just like I was, to have a chance, and I want them to have a better chance than I had. I am pleading for the thousands of young girls in country, town, and city to have a chance to learn to be better cooks, better homemakers. These boys and girls will soon step out into life; they are doing so every day; and whether or not they will be properly prepared is a question largely for us to answer. Gentlemen, what will your answer be?

I know as a former school man that the charge is often leveled at our school system that the boys and girls leaving our high schools have but very little of the practical side of life, and in many cases this is so. The great mass of high-school students never reach college; and if we fail to give them this vocational work now, they may never get it. I remember reading when a boy the old statement, "We learn to do by doing." It seems to me we might learn right here a great lesson from the Jewish people. Bible students know that every Jewish boy had to learn some trade. Saul of Tarsus, who became the great Apostle Paul, although his family was no doubt above the average in finances, was taught to make tents, and he made his living making tents while carrying on his missionary work. It is a well-known

fact even now that every Jewish boy learns his father's business at an early age. Is it any wonder why they are so successful?

THE SITUATION IN LOUISIANA

In Louisiana 104 white schools and 30 colored schools have requested assistance in establishing vocational programs and are on the waiting list. There are over 22,000 farm boys out of school and unemployed because of lack of training in some vocation. Only about 20 percent of the program needed can be handled with the funds at hand as of 1936. At least 200 schools now are in need of home economics programs. If the funds should be supplied as authorized by Congress last year, this program could be immediately launched. The need is imperative not only in Louisiana but in every other State largely engaged in farming. I give below some figures going to show what Louisiana received in Federal funds in 1936 for these purposes and how these funds were spent.

LOUISIANA

1936 allotments for vocational education

	Agriculture	Trade and industry	Home economics	Teacher training	Total
Smith-Hughes	$70,683.15	$36,522.14		$17,185.58	$124,390.87
George-Ellzey	27,119.04	13,801.93	$24,464.33		64,385.30
Total	97,802.19	50,324.07	24,464.33	17,185.58	188,776.17

1936 expenditures for vocational education

	Federal	State	Local	Total
Agriculture	$97,278.66	$5,069.70	$92,217.96	$194,575.32
Trade and industry	36,771.02		36,771.02	73,542.04
Home economics	30,474.73	2,200.00	28,234.73	60,909.46
Teacher training	17,185.58	16,089.57	1,106.01	34,381.16
Grand total	181,718.99	23,359.27	158,329.72	363,407.98

Enrollments

	Evening	Part time	All day	Day unit	Total
Agriculture	2,791	1,460	4,909	359	9,519
Trade and industry	83	2,471	2,302		4,756
Home economics	1,479		6,843		8,322
Total	4,253	3,931	14,154	359	22,697

You will note that Louisiana received a total of $188,776.17 and spent $363,407.98 for these programs, the difference being supplied by State and local taxes. In 1936 Louisiana had over 22,000 students taking these courses, as is shown. Now, if the full amount should be appropriated as authorized in the George-Deen Act, instead of receiving $188,776.17, as we did last year, we would receive $413,039.74. This would enable the State to more than double its vocational program. Who can say that all of these agricultural States do not need this?

CAN WE AFFORD THIS APPROPRIATION?

Now, let us see if we can afford the outlay of the full appropriation of $14,483,000 as authorized by law. In the interest of so-called economy, or whatever you wish to call it, we are now asked to take from these boys and girls who will be the men and women of tomorrow exactly half the amount which Congress authorized last year. Bear in mind you are taking this money, insofar as agriculture is concerned, almost wholly from the country boys. You are denying to a large part of 9,000 rural high schools a chance to teach to the boys the very thing on which they and their parents have depended for a living. We appropriate large sums for agriculture, for irrigation projects, for reclamation projects, and various other phases of agriculture, but we balk at a small appropriation to teach the boys how to farm. If we figure the population of the United States at 127,000,000 the additional sum we are seeking in order to adequately teach and train the boys and girls how to make a living amounts to only 5.7 cents per person—less than 6 cents per person. We have just passed the C. C. C. bill which will cost at least $300,000,000 per year to continue the Civilian Conservation Corps—a cost of $2.36 for every person in the United States. Nearly a billion dollars have been appropriated by this Congress for the Army and Navy—a cost of nearly $8 for every person. This very bill calls for an appropriation of $31,000,000 for the few Indians in the country—a cost of nearly 25 cents per year for each person in our country.

Yes; Congress can ask each person in the United States to pay $2.36 per year to keep up the C. C. C. camps, $8 per year to keep up the Army and Navy, 25 cents each to take care of the Indians, but when we ask for less than 6 cents to better prepare citizens to take over this great Nation, the cry is raised that we cannot afford it. Is that good business? Is that real economy?

HOW DO WE COMPARE WITH EUROPE IN VOCATIONAL EDUCATION?

Let us see what we are doing in the way of vocational education as compared with European nations. In the United States less than 2 percent of all educational expenditures go for vocational education, and when we turn to European countries we are astonished to find that we perhaps pay less for it than any of them. The figures are as follows:

Country	Year	Percent of educational expenditures going to vocational education
Belgium	1933	7
Bulgaria	1934	10
Czechoslovakia	1934	13
Denmark	1934	9
Finland	1934	9
France	1933	6
Great Britain	1932–33	7
Hungary	1933	4
Irish Free State	1932	4
Italy	1933–34	13
Latvia	1933	16
Lithuania	1933	6
Netherlands	1934	11
Norway	1931	14
Poland	1933–34	6
Portugal	1932	15
Spain	1933	3
Sweden	1933–34	4
Yugoslavia	1932–33	5

HOW AMERICANS SPEND THEIR MONEY

It is also interesting to note how the American citizen spends his dollar. In 1934 we spent $3,066,304,933 for life insurance—about $24 per person; we spent $1,299,400,000 for new passenger automobiles—about $10 per person; for tobacco we spent $1,344,000,000—about $10.50 per person; for soft drinks, ice cream, candy, and chewing gum we spent $1,229,073,000—about $9.70 per person; for theaters, movies, and other amusements, $600,000,000—a little over $4 each; and for toilet articles and beauty parlors we spent $314,368,000—nearly $2.50 per person. If the American citizens are able to spend these sums for these and similar items, don't you think we ought to spend this small additional sum of less than 6 cents per person for vocational education? I hope the Congress will not refuse less than 6 cents per person to foster the greatest asset which America has—her boys and girls.

Improvement of Federal Administrative Service

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, May 20 (legislative day of Thursday, May 13), 1937

ADDRESS BY O. R. McGUIRE BEFORE THE FEDERAL BAR ASSOCIATION

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address

delivered by Col. O. R. McGuire before the Federal Bar Association on the subject Improvement of the Federal Administrative Service.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Federal administrative service in the executive branch of the Government owes its existence to statutes and, in a few instances, to Executive orders or rules and regulations. It consists of men and women and the machinery of government to them entrusted. When we speak of improvement of that service we must necessarily think of improvement in both personnel and technique of government. Nothing substantial is accomplished in the improvement of the one without improvement of the other.

Ours is a democratic form of government; to use the late President Lincoln's fine phrase: "A government by the people, for the people, and of the people." It is conceived on the basis that the public employee is a servant of all the people and that no organized minority shall be permitted to ride booted and spurred over the unorganized majority of the people.

The people have a right to expect and demand at the hands of their public servants an efficient and economical government, and this necessarily demands not only a high grade of personnel but such machinery of government that the personnel may operate an efficient and economical government. Untrained and selfish employees and outmoded machinery find no place in any modern scheme of efficient government.

The National Civil Service Reform League and the American Bar Association are agreed that all positions in the Federal administrative service should be filled on a merit basis, except the comparatively few policy-making positions. The house of delegates of the American Bar Association, in a resolution adopted at its January 1937 meeting in Columbus, Ohio, has urged the adoption of a selective civil service for all nonpolicy-making positions except the clerical positions which would continue to be filled under existing civil-service procedure. The National Civil Service Reform League and the American Bar Association appear to differ in the belief of the latter organization that applicants for the professional or managerial grades of the Federal service should possess a college degree from a recognized institution of higher learning; should have professional training and experience in addition thereto; and after passing an examination for appointment, the appointing authority should have discretion to select that individual from the eligible list who is best fitted by temperament, etc., for the particular position. There is a serious question whether clerical employees should be permitted to advance to the professional and managerial grades until they have acquired the educational and professional experience needed for such positions.

In substance, this is the requirement of the English Civil Service. In fact, the plan is used to some extent today in the selection of employees pursuant to nonassembled examinations, and if I understand him correctly, one of our present Civil Service Commissioners considers that there is a great deal of merit in such a plan.

During the Presidential campaign last year, both the Democratic and Republican platforms contained a plank to the effect that the merit system should be extended in the selection of Federal employees to all nonpolicy making and technical positions. President Roosevelt in his January 1937 message to the Congress approved the recommendation of his Committee on Administrative Management that the civil service should be extended upward, outward, and downward. Thus, we have the President of the United States, the National Civil Service Reform League, and the American Bar Association agreed, in effect, that the Jacksonian principle to the victor belongs the spoils of office is no longer in keeping with the complexities of a government of today—however well the spoils system may have operated in the "horse and buggy" days when it was first adopted.

But may I sound a note of warning to my fellow civil-service employees in particular that we must not get the idea that the Government belongs to us; that we should never fail in being entirely human, considerate, just, and helpful in our dealings with the American public and with other organizations in the administrative service; that we must not forget that the American people, as represented by the majority in control of the legislative and executive branches of the Government are entitled to carry out their programs within the Constitution regardless of our personal views of such programs; and that it is both our responsibility and duty, whenever consulted because of our long service and experience, to advise those in control to the best of our ability. Observe the magnificient manner in which the British civil service, from top to bottom, aided and guided the recent Labor Government in Great Britain as it placed its untrained hand to the helm of state. I think that by and large the civil-service men and women in the Federal service may be equally counted on to faithfully serve whatever party may be in control of our Government.

Personally, I am convinced that within a few short years, at most, we shall see the end of a Federal administrative service with practically all key positions in the hands of political appointees, with the door to advancement closed in the face of a trained civil-service employee simply because he does not have the political support for that advancement. In fact, it would appear that the end is in sight. Witness the fact that a great many key positions in the Post Office Department during this administration have been filled by advancement from the ranks and that the President has shown himself very friendly to the career service in Government. However, the task of those interested in improving the personnel of the Federal service will be made much easier if we but do our part in whatever position in that service we may hold.

We are told that bricks cannot be made without straw and, Federal employees, however competent, are unable to properly perform their duties unless they are furnished with improved machinery of government.

There has been little, if any, improvement in administrative technique of the Federal Government since President Washington and his secretaries of Foreign Affairs, Treasury, and War Departments, with the aid of an Attorney General and a Postmaster General—brought over from the Government of the Confederation—started the wheels of our Government moving in 1789. True, we have added the Navy, Interior, Agricultural, Commerce, and Labor Departments and we have created independent establishments, boards, commissions, authorities, Government-owned corporations and other executive agencies galore. We have created a Department of Justice for the Attorney General and we have made the Postmaster General a member of the Cabinet with one of the greatest business organizations in the world under his immediate charge. With the tremendous expansion of both population and territory since 1789 we have extended the scope of activities of the original departments to such an extent that it is doubtful if Alexander Hamilton would recognize the Treasury Department as the one he presided over in the early days.

Nevertheless, with all of our improvements in technocracy, increase in population, and multiplied demands on Government we have made little, if any, improvements in the machinery of conducting the public business. Fundamentally the State, Treasury, War, and Navy Departments continue to function administratively today much as they did 140 or more years ago and while the newer departments have shared with the original departments the great increase from time to time in the activities of the Federal Government, such newer departments have made few, if any, contributions toward an improved technique of government. The independent establishments, boards, commissions, Government-owned corporations, and other executive agencies are but departments in miniature—sprawled across the governmental horizon to such an extent that President Roosevelt in his message of January 12, 1937, pointed out that there are now over 100 such organizations. He pertinently stated that: "Neither the President nor the Congress can exercise effective supervision and direction over such a chaos of establishments, nor can overlapping, duplication, and contradictory policies be avoided."

Plans for reorganization of the Federal administrative service are in the air. Men will differ, both within and without the Government, as to some of the details of any proposed plan of reorganization but I think there are few men and women in the Federal Bar Association who do not realize that there is long overdue a sane and sensible reorganization of the Federal service and who do not realize that whatever the reorganization, there can and should be made improvements in the technique within the administrative service. Such improved technique is absolutely necessary if our Government of today is to carry expediously, economically, and fairly the tremendous load now upon it.

At this point the special committee on administrative law of the American Bar Association has devoted more than 5 years of study, and it has had during the past year the intelligent and unselfish assistance and advice of the Federal Bar's committee on administrative law. Aside from the speaker, who happens to be chairman of the American Bar's committee and vice chairman of the Federal Bar's committee, we have on these two committees some of the best-trained men in America in the field of administrative law, and we have had the unselfish service of professors of administrative law in various universities, of practitioners at the bar, and of research organizations. Not once have I been able to detect in any of these men a selfish suggestion in this most important work for the good of our country.

I do not have time now to discuss in detail the improved technique as to which we have about agreed. I may summarize by saying that it is contemplated requiring the administrative service to implement by rules and regulations, not only the procedural but the substantive law requirements of the statutes each administrative department, etc., is called upon to administer and to provide a method of review in the Court of Claims for any interested individual or corporation to test any such rule or regulation to determine whether it is in accord with the Constitution and statutes under which issued. The Court of Claims is an able court. It has had long experience in hearing and determining many classes of claims against the United States.

Such implementation of the statutes with provision for testing out the implementations will result in much less litigation between the United States and its citizens. For instance, I am informed by Mr. E. Barrett Prettyman, whose ability and singleness of purpose are recognized by all those who know him, that with the passage of the workmen's compensation law for the District of Columbia he had the statute implemented in detail, and that there has not been a single case to go to judgment in the courts under that statute. The doubts were cleared up in the rules and regulations, and so fairly that employers, employees, and sureties were fairly well satisfied. Contrast that situation with the one prevailing in a certain State having a similar statute but no implementing rules and regulations with more than 600 cases in the courts.

Furthermore, the implementing of the statutes by rules and regulations will make it unnecessary for the courts to fill in the gaps in the law by judicial legislation and will remove, to a great extent, the cause for the courts coming into conflict with the other two branches of the Government. Such implementation will remove the basis of conflict between the administrative and the judicial process, except in those instances where a rule or regulation is declared void as in excess of the Constitution or statute.

Further, in most of the departments and establishments of the Federal Government there is no machinery for determining administrative appeals. Some of the departments have been compelled by the vast amount of work to create intradepartmental boards over the years but for the most part such boards have had and now have no authority to summon witnesses, take testimony, hear arguments, and get to the bottom of fact controversies. The independent boards and commissions have such authority. We are considering the recognition by statute of the intradepartmental boards with authority and jurisdiction in them to summon witnesses, take testimony, and build a record as you would in a district court or as is done now before the independent boards on which an appeal may be taken to the circuit court of appeals or to the Court of Claims if the case is otherwise within its jurisdiction. Upon such appeal and with a slight extension of the scope of review there may be corrected any substantial error or bias or exercise of the Messiah complex in the administrative findings of facts and conclusions in the various types of controversies. Such a system will permit the development of administrative law and should not result in the substitution of judicial discretion for administrative discretion honestly, fairly, and competently exercised. Furthermore, such a system will assist the President and his chief assistants in keeping the administrative service with the law whatever that may be in particular instances—the law stated in the Constitution and statutes in accordance therewith.

The plan is not radical. It is beautiful in its simplicity. And from an experience of some 20 years in the administrative service, as well as in the courts, I am convinced that such a plan will give the American people a simple, inexpensive, and an expeditous method of handling the public business as free of favoritism as it is possible to operate a democratic form of government. Political fixers cannot operate in the white-light publicity.

Bombing of Guernica in Spain

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, May 20 (legislative day of Thursday, May 13), 1937

ARTICLE FROM THE NEW YORK HERALD TRIBUNE, MAY 10, 1937

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Record an article published in the New York Herald Tribune of May 10, 1937, entitled "Guernica Raid Denounced by 76 United States Leaders."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Herald Tribune of May 10, 1937]

GUERNICA RAID DENOUNCED BY 76 UNITED STATES LEADERS—APPEAL TO CONSCIENCE OF WORLD CONDEMNS KILLING OF NONCOMBATANTS—LANDON AMONG SIGNERS—SEVEN SENATORS AND TWO GOVERNORS JOIN IN CABLING FRANCO

An "appeal to the conscience of the world", denouncing the slaughter of noncombatants, women, and children, in the bombing of the ancient Basque city of Guernica by Spanish Insurgent air forces on April 27 was issued yesterday over the signatures of 76 distinguished Americans, including seven United States Senators, five Representatives, two Governors, and four former Cabinet members.

The appeal was issued from the office of Bishop Francis J. McConnell, of the Methodist Episcopal Church, 150 Fifth Avenue. Bishop McConnell, who is chairman of the North American Committee to Aid Spanish Democracy, circularized the appeal, of which he was one of the signers. He was in Minneapolis yesterday attending the general conference of the Commission on Evangelism.

Among the signers are Senators HOMER T. BONE, of Washington; WILLIAM E. BORAH, of Idaho; ARTHUR CAPPER, of Kansas; CARTER GLASS, of Virginia; GERALD P. NYE, of North Dakota; ELMER THOMAS, of Oklahoma; and ROBERT WAGNER, of New York.

Also Alfred M. Landon, Republican candidate for President in the last election; Gov. Herbert H. Lehman; and the following college presidents: Dr. James Rowland Angell, of Yale University; Dr. Ray Lyman Wilbur, of Leland Stanford University; Miss Mary E. Woolley, of Mount Holyoke College; and Dr. William Allan Neilson, of Smith College.

TEXT OF APPEAL

The text of the appeal follows:

"The ancient Basque city of Guernion has been razed to the ground by Fascist insurgent airplanes. Unfortified and unarmed, its houses, churches, and defenseless inhabitants—10,000 men, women, and children, including refugees—were bombed and machine gunned for nearly 4 hours without ceasing. The toll of slaughtered innocents exceeds 800 persons. This is the crime of Guernica. And this is the unspeakable crime of war on women and children, waged with a brutality and callousness unparalleled in modern times.

"The massacre of Guernica has been confirmed in all its horror by such survivors as Canon Alberto Onaindia, of Valladolid Cathedral, and by foreign correspondents. One of them, a distinguished staff member of the London Times, described the machine gunning of helpless civilians, and added: 'The only counter measures the Basques could employ—for they did not possess sufficient airplanes to face the insurgent fleet—were those provided by the heroism of the Basque clergy. The clergymen blessed and prayed for kneeling crowds—Socialists, Anarchists, and Communists, in addition to the declared faithful—in crumbling dugouts' (built for safety from air raids).

"Will the prayers of Guernica's dead and dying go unanswered? Or will 300,000 civilians, women, and children soon meet a similar fate in Bilbao without the voices of civilized people being raised in overwhelming protest?

"We refuse to condone such atrocities by our silence. We do not attempt to assess the contending causes which now struggle for mastery in Spain, but we do insist that this ruthless aerial warfare upon women and children stands outside the pale of morality and of civilization. We insist that there is no such thing as partisanship where this kind of mass murder occurs or is permitted to occur. We denounce the monstrous crime of Guernica in the name of justice and humanity. We demand a revival of that noble world conscience which manifested itself in the days of the persecution of the Jews in Russia and again when the Armenian people lay prostrate before the Turks.

"For these reasons we call upon all men of good will to protest this immense crime in the name of all that is sacred to human morality and human decency—and in the name of Almighty God."

OTHER SIGNERS OF APPEAL

Other signers of the appeal were the following: Miss Grace Abbott, social worker of Chicago; Representative Thomas R. Amlie, of Wisconsin; Newton D. Baker, former Secretary of War; Dr. Albert W. Beavana, president of Colgate-Rochester Theological Seminary; Representative John T. Bernard, of Minnesota; Dr. Charles A. Beard, historian; Van Wyck Brooks, winner of the 1937 Pulitzer prize for history; the Reverend Dr. George A. Buttrick, of the Madison Avenue Presbyterian Church; Dr. Walter B. Cannon, of the Harvard Medical School; Mrs. Carrie Chapman Catt, feminist leader; the Reverend Dr. Albert Buckner Coe, of the First Congregational Church, Oak Park, Ill.; Dr. Harvey Cushing, of the Yale Medical School; Clarence Darrow, lawyer; Dr. Stephen Duggan, director of the Institute of International Education; Dr. Albert Einstein; Dr. Haven Emerson, of the College of Physicians and Surgeons, Columbia University; Edward A. Filene, of Boston; Representative Hamilton Fish, Jr., of New York; The Reverend Dr. Harry Emerson Fosdick, of the Riverside Church; Bishop James E. Freeman, of Washington; Albert F. Gilmore, former president of the First Church of Christ, Scientist of Mother Church, in Boston; William Green, president of the American Federation of Labor; Dr. Christian Gauss, dean of Princeton University; the Reverend Dr. Ivan Lee Holt, of St. Louis; Rabbi Edward L. Israel, of Baltimore; Ernest Lee Jahncke, former Assistant Secretary of the Navy; the Reverend Edgar De Witt Jones, president of the Federal Council of Churches of Christ in America; the Reverend Dr. Rufus M. Jones, of Haverford, Pa.; the Reverend Dr. John H. Lathrop, of the First Unitarian Church, Brooklyn; Louis E. Kirstein, Boston merchant; Judge Julian W. Mack, of New York; Rabbi Louis L. Mann, of Chicago; Bishop William T. Manning, of the Protestant Episcopal Diocese of New York; Dr. W. O. Mendelhall, president of Whittier College, Whittier, Calif.; Gov. Harry W. Nice, of Maryland; Representative Caroline O'Day, of New York; William Church Osborn, president of the Children's Aid Society of New York; Bishop Edward L. Parsons, of the Protestant Episcopal Diocese of California; the Reverend Dr. Harold C. Phillips, of Cleveland; former Gov. Gifford Pinchot, of Pennsylvania; the Reverend Dr. Daniel A. Poling, of Philadelphia; Mrs. Frances F. Cleveland Preston, of Princeton, N. J., widow of President Grover Cleveland; Col. Theodore Roosevelt, of Oyster Bay, Long Island; Dr. Bela Schick, of the Rockefeller Institute; Dr. Henry E. Sigerist, director, Institute of Medical History, Johns Hopkins University; Rabbi Abba Hillel Silver, of Cleveland; the Reverend Dr. Ralph W. Sockman of Christ Methodist Episcopal Church, New York City; James M. Speers, director of the Committee for Christian German Refugees; Miss Estelle Sternberger, executive secretary of World Peaceways; Henry L. Stimson, former Secretary of State; Bishop Ernest M. Stires, of the Protestant Episcopal Diocese of Long Island; Leland Stowe, of the New York Herald Tribune; Charles P. Taft, 2d, Cincinnati, attorney, son of President William Howard Taft; Dorothy Thompson, special writer for the Herald Tribune; Representative Henry G. Teigan, of Minnesota; Samuel Untermyer, New York lawyer; Miss Lillian Wald, founder of Henry Street Settlement; Frank P. Walsh, New York lawyer; Dr. Charles-Edward Amory Winslow, of the Yale Medical School; Dr. Stephen S. Wise, of the Free Synagogue; Bishop George Craig Stewart, of the Protestant

Episcopal Diocese of Chicago; William Allen White, editor of The Emporia Gazette.

The text of the appeal, with the names of the signers, is being cabled to Gen. Francisco Franco, Spanish insurgent leader. It was announced that Bishop McConnell is sending 5,000 copies of the appeal to clergymen throughout the country, with the request that it be read from the pulpit.

Communism in Colleges

EXTENSION OF REMARKS

OF

HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Thursday, May 20 (legislative day of Thursday, May 13), 1937

ARTICLE BY HON. THEODORE G. BILBO, OF MISSISSIPPI, IN THE POPLARVILLE (MISS.) FREE PRESS, MAY 13, 1937

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the subject Communism in our Colleges, written by the junior Senator from Mississippi [Mr. BILBO] and published in the Poplarville (Miss.) Free Press of the issue of May 13, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Poplarville (Miss.) Free Press of May 13, 1937]

WASHINGTON, D. C., *May 8, 1937.*

On April 16 I received the following telegram:

Senator THEODORE G. BILBO,
Washington, D. C.:

At a special meeting this afternoon a resolution was unanimously passed endorsing the Gavagan bill. We, as students who have just seen a typical example of mob violence, urge your support of this bill in its present form. We pass this expression of sentiment and this responsibility on to you.

MILLSAPS COLLEGE CHAPTER OF THE AMERICAN STUDENT UNION.

Upon receipt of this message from students in a highly reputable Mississippi college, I was astounded to learn that there could be found anywhere in Mississippi, either out or in a college, a group of young, patriotic, ambitious native Mississippians who would endorse the antilynching bill now under consideration in Congress and be so bold as to urge a Senator from their own State to support this iniquitous measure.

Naturally I was solicitous to know what sinister influences had been operating upon the minds of the college students of my State. The course of procedure recommended to me by these students of Millsaps College was so completely out of harmony and at variance with the opinions held almost unanimously by the people of Mississippi, that it aroused in my mind an irresistible urge to make a thorough investigation in an effort to ascertain the underlying causes for the expression of a sentiment so utterly inexplicable as evidenced in the above-quoted telegram.

In the outset, permit me to make it clear that practically all law-abiding citizens of this country are opposed to mob violence or to lynching in any of its hideous forms. The difference of opinion appertaining to the subject is confined exclusively to the methods for correcting the evil. The vital point at issue is whether or not it is a Federal or a State responsibility. The Representatives in Congress from the Southern States who naturally reflect the sentiments of their constituents, are practically unanimous in contending that all legislation pertaining to lynching and mob violence should be, and of constitutional right ought to be, State and not Federal.

Without discussing the constitutionality of the Gavagan antilynching bill or any of its impractical and unwise provisions, I now return to an exposé of the influences that have prompted a group of Millsaps College students to swallow this antilynching bill—hook, line, and sinker.

My first step was to call up the office of the Commissioner of Education, Washington, D. C., and make inquiry as to the origin and functions of the American Student Union, a chapter of which is in Millsaps College. I was informed that they organized about 2 years ago in a conference in Evanston, Ill., Northwestern University; that it is a combination, a merger, a coalition of two other organizations, namely, the League for Industrial Democracy and the National Student League, and that their headquarters were at 112 East Nineteenth Street, New York City. I then wired the secretary of the organization in New York, requesting information with respect to the Millsaps chapter and received the following telegram in reply:

Senator THEODORE G. BILBO,
Washington, D. C.:

We have chapter of 50 members at Millsaps College. Can be reached by addressing American Student Union, Millsaps College, Jackson, Miss. Have chapters in 185 colleges with an approximate membership of 25,000. Letter follows.

JOSEPH P. LASH,
National Secretary.

The letter referred to in the above telegram was received on April 20, and is as follows:

Senator THEODORE G. BILBO,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR BILBO: I hope my telegram gave you the information you desired in order to reach the chapter of the American Student Union at Millsaps. We have a strict rule against giving out names without the permission of the persons involved, and it is for that reason I could not give you the name of the secretary, although there is no purpose in this instance for withholding it from you. I am sending you under separate cover literature which will acquaint you with the work of the American Student Union. In general our objective is to make the American university a fortress of true democracy and to keep American students from being the shock troops of reaction in this country, as they were in Germany.

Sincerely yours,

JOSEPH P. LASH,
National Secretary.

It was interesting to note that the secretary would not give the names of any of the officers of the Millsaps chapter. The general purpose or objective of the organization was claimed to be to keep American students from being the shock troops of reaction in this country as they were in Germany, and to make the American university a fortress of true democracy. A very high-sounding and seemingly righteous purpose motivated the organization.

I then sought information through the legislative reference service of the Library of Congress and other sources and I found that the League for Industrial Democracy, one of the parent organizations of the American Student Union, was a militant Socialist body and was controlled by Robert Morss Lovett, a man who for years had been very active in Communist organizations; that it was heavily subsidized by the Garland fund, of which I shall speak later, and that its purpose was to spread Socialist-Communist propaganda and literature in colleges; that it operated chapters of intercollegiate council in about 140 colleges and that its speakers in 1933 addressed about 175,000 people in various States of the Union. Norman Thomas, Paul Blanchard, Carl Borders, and others of like faith spoke to about 60,000 students in 160 colleges and universities in 40 States. They distributed thousands of Communist leaflets and pamphlets and the organization edited and published four magazines such as Disarm, Revolt, and Student Outlook. These publications were widely used by college classes throughout the Nation and most of them were paid for by the "red" Garland Fund. The Student Outlook carried a want ad on the first page of the February edition in 1933 headed: "Wanted—Students with guts • • • with the responsibility of escorting a petition or putting up posters. If you have enlisted under the banners of socialism you have got to carry the job through." In another paragraph of the same magazine, these words were used: "Persons who give you more than a glance will not mistake our colors." The headquarters of this Communist organization was 112 East Nineteenth Street, New York City, the same headquarters now occupied by the American Student Union.

The National Student League, the other parent of the American Student Union had chapters in 150 schools and colleges. This Communist organization cooperated in riot demonstrations, "red" student tours, the Scottsboro agitation, and demonstrated in front of the Japanese Consulate in Chicago "for the defense of Chinese Soviets."

Prof. Donald Henderson was the organizer and the national executive secretary, and when he was ousted from Columbia University was tendered a riotous protest demonstration, at which Rivera, Mexican Communist, harangued the students. Henderson's wife, herself a Communist candidate at one time, was arrested in a Negro "red" riot, as reported by Elizabeth Dilling, author of Who's Who in Radicalism. The official organ for this organization was the Student Review. It advocated the whole revolutionary communistic program.

Because of the strenuous competition in communistic activities between these two parent organizations of the American Student Union, it was decided, as reported by the Department of Education in Washington, that the two organizations should be combined and thereafter known as the American Student Union.

Referring again to the letter of the national secretary of the American Student Union, it will be noted that he stated he was sending me, under separate cover, literature explaining the work of the organization. That literature was a journal entitled "The Student Advocate", issued April 1937. On page 21 of this publication I find an article entitled "I Was Railroaded From Annapolis—Is the Naval Academy Barred to Negroes?" by James Lee Johnson, Jr. This Johnson is a Negro, appointed to Annapolis by Congressman MITCHELL, a Negro from Chicago. He was dis-

missed a short time ago from Annapolis. I quote from his article in the Student Advocate: "A large number of the first and second class midshipmen are avowedly determined that no Negro shall ever receive a commission. The very first night of my stay at the Academy the second classmen threatened that every means would be used by the midshipmen from the South to insure that my life as a midshipman would be short and unpleasant—through dissemblance they led me to believe that they were interested in my welfare. I now see that their air of friendliness was merely an affectation."

Here we have a Negro star contributor to the Student Advocate charging that his dismissal from Annapolis was due to the activities of midshipmen from the South.

On the second page of this publication is another article entitled "Strike Against War" and sponsored by the United Student Peace Committee. To quote from this article, "by the strike let us demand that colleges and universities be demilitarized; oppose the billion dollar war budget; urge that the Government define the phrase 'adequate national defense.'"

Now, let us consider certain members of the United Student Peace Committee. First, the American League Against War and Fascism. This organization was formed by the Communist United States congress against war. This organization staged a demonstration in New York on November 13, 1933. A newspaper of that date, the Daily Worker, gave a graphic account of that demonstration, as follows: "Along Broadway, along Riverside Drive, through the heart of the silk-stocking district the demonstration paraded—at the monument speakers of the participating organizations emphasized the need for militantly protesting the war provocations against Soviet Russia, the workers' fatherland. They urged that the students become traitors to their country and refuse to fight to protect their profits."

The organizations participating in this march were the National Student League, League of Struggle for Negro Rights, and the Young Communists League Workers. These organizations are openly Communist.

Second, Committee on Militarism in Education. This is another supporting organization of communism. It received $12,300 from the Garland fund, $5,400 of which, according to the Garland fund report, was for preparation and distribution of pamphlets on military training in colleges and universities in the United States written by Socialist Winthrop DeLane. This pamphlet was distributed by the League for Industrial Democracy and Fellowship of Reconciliation—organizations also supported by the Garland fund.

Third, Fellowship of Reconciliation. This is a radical pacifist organization engaged principally in spreading communistic propaganda. One of the leaflets issued by this organization states its position and purpose, which was to influence churches and the Christian student movement and secure their cooperation in spreading radical Christian views on war economics and race issues and for demonstrating left-wing Christianity. The organization originated in Holland about 1914, and the American branch was organized in 1917 by Norman Thomas. A pamphlet was issued by this organization and distributed August 29, 1929, in which was stated: "We urge on all fellowship members the study of the experiment of Soviet Russia in relation to the class struggle."

The above three organizations sponsored the article in the Student Advocate entitled "Strike Against War."

Time and space will not permit discussion of further articles appearing in the American Student Union's official magazine, all of which contributed to the inevitable and inescapable conclusion that this organization that has now found root and sustenance in at least one Mississippi college has successfully camouflaged its underlying purpose and is in reality the originator and propagator of the germs of communism.

One further proof in the accumulating evidence of its communistic origin is its support indirectly, and its progenitors support directly, by the Garland fund. The American Fund for Public Service is properly known as the Garland fund, or the free-love fund. It was founded by a radical named Charles Garland, of Massachusetts, who served a term in the penitentiary for running a free-love farm. He turned over his inheritance to form this fund in order to promote the radical cause he championed. According to the official report of the Garland fund, $1,378,000 was given away and $780,000 loaned between 1922 and 1930. The directors of this fund had for their basic purpose the undermining and overthrow of our present form of government. From this fund was made contributions to practically every communistic organization in America. To the National Association for the Advancement of Colored People was given, in 1928, $31,552, and advanced a loan of $5,000 in 1930. From this fund was donated money to the American Federation of Teachers, the Teachers Union, and other educational organizations too numerous to mention, all of which were of communistic origin, and parading under names disguising their basic purpose and intent.

My purpose in giving this discussion of the source and activities of the American Student Union and its connection and cooperation with other organizations of similar objectives is to arouse an awareness in the public mind of a dark and sinister influence taking root in our colleges, spreading like a cancerous growth and feeding upon the finer attributes of our college students with appalling consequence. I have no criticism to make against any student who enrolls as a member of this organization. I know that they have been misled, misguided, and deceived.

I can understand how the New York representatives of this communistic organization can persuade unsuspecting students to enroll themselves in a crusade for peace. These representatives who are practiced in the science of deception are able to fire the ambition of youth to high and noble endeavor by convincing them that their objective is to make the "American university a fortress of true democracy." These students are not to be censured—they are to be enlightened. The president and faculty of every educational institution in Mississippi should make it their business to ferret out the underlying purposes and motives of every organization formed in the student body. Eternal vigilance is the price of freedom.

The students of our colleges are entitled to protection from the wily overtures of designing propagandists bent upon the destruction of our democratic form of government. The poison they inject into the receptive minds of youth sinks like a sensuous perfume into their impressionable souls, and only when some unaccountable manifestation of its seductive influence, as the telegram from the student group of Millsaps College, is apprehended do we become alarmingly impressed with the potency of the vile distillation.

A complete overhauling and reorganization of the teaching force of any college or university that will persist in permitting this secret spread of communistic doctrine among the student body is not only timely but imperative if we are to safely guard the lives, happiness, and fortunes of the young men and women of the country and the democratic institutions of government over which they are soon to take command.

Vocational Education

EXTENSION OF REMARKS

OF

HON. B. FRANK WHELCHEL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. WHELCHEL. Mr. Speaker, I wish to go on record as being heartily in favor of the full appropriation of $14,483,000, plus $350,000 for administrative purposes, as carried in the George-Deen vocational education bill.

This amount has been cut down in the committee, and no doubt in good faith, but on account of the great importance of this work, I think that the entire amount should be restored. It is unnecessary for me to go into the merits of vocational education, as that is conceded, and now to have this work curtailed, or crippled, in any way would be no less than a calamity, in my judgment. This does not mean that I am not in favor of economy in governmental affairs wherever and whenever feasible, but in this instance, in my opinion, it would be false economy to curtail the appropriation for this much-needed work.

There is nothing more important than education—education not only to train our minds, but our hands, our bodies; in fact, every function of our being, in order that we may more intelligently and effectively carry on for the good of ourselves, the present generation, and for posterity.

Soil Conservation Program

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Thursday, May 20 (legislative day of Thursday, May 13), 1937

RADIO ADDRESS BY HON. CLYDE L. HERRING, OF IOWA, MAY 17, 1937

Mr. SCHWARTZ. Mr. President, Tuesday, May 17, over the radio, the junior Senator from Iowa [Mr. HERRING] delivered an able address on Federal legislation affecting agriculture, and dealing principally with the soil-conservation

program. I ask unanimous consent that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Washington Star Radio Forum is a splendid institution, the facilities of which I sincerely appreciate having placed at my disposal this evening. I am glad of this opportunity to talk over with thoughtful people of city and farm who are listening, some of the current legislation, especially that part of the Federal program which directly affects agriculture.

Food, clothing, and shelter have been, and will continue to be, man's particular and universal concern. The city dweller actually has a graver problem than the farmer, because his supply of foodstuffs can so much more easily be interrupted by the willfullness of men.

Therefore the solution of our agricultural problems is of equal if not greater concern to men and women residing in cities than to families living on farms.

The farmers of the United States are to be congratulated upon the progress which they have made during the past 4 years. They have pulled themselves out of one of the most desperate and disheartening situations in which any group of people in the history of our country ever found themselves.

You farmers know how you stand today as compared with your plight of 4 years ago. You remember the disastrous prices which you received for your hogs and cattle, your wheat, cotton, corn, and tobacco. You know the great gains which have since been made, not only in the things you sell, but in the incomes of those who, in spite of drought, have had something substantial to send to market.

Because I come from a farm State, I think about recovery since 1933 in farm terms. Those days of 1933 now seem miles away, and many years removed.

RECALLS MARCH, 1933

Elected Governor of Iowa in November, 1932, I have definite recollections of March, 1933, with its bank failures and farm-mortgage foreclosures and its lengthening bread lines; farmers selling their corn for a dime or less a bushel. That admixture of bankruptcy, tragedy, and disaster, was dropped into my lap as Governor, just as it was brought to the United States Congress and President Roosevelt in a national way.

Thinking back over what the national farm program has done for Iowa since 1933, it is easiest to state the gains in dollars. The Bureau of Agricultural Economics reports that in the first 3 months of 1937, Iowa farmers were paid for their produce and for their work in conserving soil fertility, a total of $126,500,000, as compared with only $53,000,000 for the same period in 1933, or nearly two and one-quarter times as much.

Nor does this mean merely a doubling of farm income. The $53,000,000 collected in 1933 did not meet operating costs—taxes, interest, feed, and other unavoidable expense.

The farmer of 1933 was in the position of a city worker, let us say, who has worked full time for 1 week, and who, at the end of the period, instead of receiving his wages, is handed a bill showing he owes the management $10. Today, when the farmer steps up to the cashier's window, he is given $20 instead of owing $10.

Note too, that in many lines, Iowa farmers, who are now taking in twice as much money as in 1933, are paying out less. Taxes are a case in point. The average tax on farm land in Iowa is lower today than in 1932.

TAXES IN COMMODITIES COMPARED

In 1932 a farmer was required to pay in taxes on a 160-acre farm the equivalent in dollars of the return from the sale of 23 hogs, weighing 200 pounds each. Last year's tax bill was paid from the revenue from 7 such hogs, instead of 23.

More important than the increase in cash income are the things which that steadily increasing income has bought.

Increased farm incomes have been translated into long-needed improvements. Barns and houses have been repainted and reconditioned. Fences, machinery, and equipment have been repaired or replaced. Lime is being spread on sour fields. Extra dollars coming in have meant a new dress or a new hat for the farmer's wife, shoes for his children, perhaps even a new stove, or an electric washing machine. Sometimes it has meant buying a new car. The farm families' better income has been translated into better living, and has brought a modest share of security, comfort, and hope.

The restored purchasing power of the farmers has resulted in improved business conditions in the cities. Factory wheels are again turning to produce machinery and goods to fill the accumulated buying orders of farmers, who, through the lean years of depression, were unable to satisfy their actual wants.

And all this has been gained, as you will remember, in the face of natural disaster—the droughts and floods of recent years. Strangely enough, the awful consequences of natural calamity have not been as severe as the man-made disaster of 1929 to 1933.

LOT MADE UNBEARABLE

With the collapse of foreign markets in the late twenties, American farmers found themselves with the largest surpluses in our history, and without available purchasers. Then followed our own economic cataclysm. To further complicate our national problems, drought and flood conspired to make the lot of our people in the affected areas well-nigh unbearable. Only the fact that the Government stood ready to render immediate and continuing emergency assistance and relief made the situation endurable.

The farmer found himself in the situation of a man running for his life from the rising waters, and no sooner had he dragged himself to safety into a house on a bit of high ground than the house was struck by lightning and burst into flames. At one moment he was in danger of drowning; the next he was likely to burn to death.

Quite obviously the most desirable equipment would be a pump which would enable him to use some of the excess water to overcome the fire.

The Government provided such a device, and the farmers, with markedly satisfactory results, undertook to operate it.

Today the floodwaters have receded. The fire is extinguished, but the farmers are anxious to keep the pump handy. The waters may again rise. Lightning may once more strike the house.

With the facts of national recovery clearly in mind, the United States Senate last Thursday passed an agricultural appropriation measure, which included $450,000,000 for the soil-erosion, soil-conservation program, and continued in effect most of the benefits of the Triple A.

PROGRAM BASED ON NEED

The Government's present farm program and future farm policy have been evolved out of the experience of the past and in the light of the need for continued national recovery.

The improvement in conditions which I have described has not been accidental. Nor has it been restricted to my own State of Iowa.

Under the Triple A program several million farmers throughout the 48 States banded themselves together in a common effort to cooperate with State and Federal Governments in carrying out national farm programs.

The problem confronting the farmers was twofold. First, they were compelled to make disposition of great surpluses for which there was no normal market either at home or abroad; secondly, they realized that they must restore and conserve the fertility of the soil upon which the prosperity of the farmers in normal times depends.

Under the A. A. A. the Government had the difficult task of taking care of those surpluses, and also to act as a shock absorber for the farmers in years of drought. The program helped in both ways.

If you take a 40-acre field that has been in corn, and seed it to grass or legumes, you do two things. You reduce the supply of corn and thereby help the price, should the season be favorable. If it turns out to be a bad year your shift from corn to grass has given you a better crop than you would have had otherwise. Corn burns up in a dry year. Grass and legumes provide some feed.

Ask any farmer in the drought area which he would have preferred last year: A field of corn or a field of alfalfa.

SOME KNOWLEDGE CREDITED

To be forced to meet two different kinds of disaster in the space of a few years is a test for any administration. The success of the Roosevelt administration's program in meeting that test was the result of sound technical knowledge, expert management, and a healthy reliance on the ability of several million individual farmers to work together on a national program.

The interest which the Government has taken in agriculture has not been for the sake of agriculture alone. The larger aim has been national recovery. The progress made by agriculture has been of tremendous help to the entire Nation in rising from the depths of depression.

Not everybody realizes it, but the national farm program is a primary triumph for economic democracy. The farmers for the first time had the opportunity to demonstrate their ability to work together, to elect their own local administrators, and contribute their constructive ideas to the development of a sound national agrarian policy.

The Triple A operations for the benefit of agriculture are at present taking several forms. The principal operation is the conservation program, supplemented by marketing agreements, surplus removal, commodity loan, and flood and drought relief measures.

The last few years have taught us that if agriculture is to be kept in a sound condition it must have protection against the dangers of price collapse and crop failure.

Extremes of weather have brought home to farmers the reality of both of these dangers. The farmer scarcely knows which is worse: To have a bumper crop to sell at a pitifully low price or to see prices skyrocket while most of his crops are ruined by drought. The city consumer suffers quite as much from these extremes as does the farmer. Depressed prices bring on unemployment in the cities. High prices create almost prohibitive living costs. When drought sears the great producing regions, the city consumer pays the bill in sharply rising prices.

PROGRAM HAS PROVED VALUE

The soil-conservation program has demonstrated its value, and is, in my opinion, here to stay. It is the foundation of an economically sound national farm policy.

Building on this foundation, leaders of farm organizations have been working among themselves and with members of Congress on supplemental legislation, which includes safeguards for food supplies and farm incomes. A central feature of this newly proposed legislation is the plan for an ever-normal granary to store up reserves from surplus years for use in lean years. The total effect of these various measures would be to preserve and build up the fertility of the soil, stabilize the supply and prices of farm products and to protect farm income. It is my understanding that this new program can be financed and its immense usefulness to

farmers and consumers be obtained within the limitations of funds now earmarked by existing legislation for programs carried on under the Triple A.

The opponents of agriculture, with their isolated examples, completely ignore all of the essential facts about the program.

The facts are that under the 1936 program conservation practices were carried out on 53,000,000 acres of land. Nearly 34,000,000 acres of legumes and 7,000,000 acres of green manure crops were planted. More than 2,000,000 acres of pasture land were improved. After years of talk about the terrific damage from erosion, farmers for the first time had an opportunity to cooperate in an actual effort to combat erosion on the privately owned farm lands of the country. Erosion controls, such as terracing, liming, strip fallowing, and contour furrowing, were actually employed on 5,000,000 acres. Besides all of this, 30,000,000 acres of land were diverted from soil-depleting crops to soil-conserving crops or practices. Yet we are told that the farmers are simply being paid for what they would do anyway. The achievements of this program for agriculture and the Nation are the best answer to the objections raised by opponents of agriculture.

MUCH STILL TO BE DONE

We have accomplished a great deal in our efforts to restore national income. Much remains to be done. The farmer's share in national income for many years was about 13 percent. Today it is only 10½ percent. Our farmers are not demanding more than their fair share of the Nation's income. They urge such measures as will help to restore prosperity to the entire population, and they will be content if they receive their just share of the restored national income.

Just as in the Triple A Act, provisions have been made to equalize prices and prevent their rising above the pre-war level, thus protecting both the farmer and the consumer.

I have no doubt that an occasional payment has gone to a few gentlemen farmers who may have been well able to afford soil-conservation methods in the past. But I do not see that such a happenstance is a good reason for junking the whole farm program. I believe that 100 years ago arguments were made that money should not be spent to establish a public-school system. It was said that country gentlemen, with ample funds of their own to pay for the education of their sons and daughters, could have their offspring educated at public expense. The chance that they could shift the expense of education to the public was said to prove that public-school systems should not be established. But the overwhelming majority of the people regarded the general usefulness of a public-school system as vastly more important than the fact that it might help a few country gentlemen who didn't really need to be helped. In State after State public-school systems were established. The sons of the country gentlemen rubbed elbows with the other children, to the benefit of all. It is my opinion that in spite of its gratuitous assistance to a few gentlemen farmers, the overwhelming majority of the people will demand the continuance of the soil-conservation program because it serves so well the broad interests of the United States.

FARM MARKETS AMPUTATED

As fair-minded people of the country think it over and detect the sources of the opposition to the farmers' program, I believe they will be more and more astounded. It is strange, but it is true, that the same forces which compelled the farmers to turn to their Government for help are now leading the drive to take this help away. These forces backed the policy of persistent discrimination against agriculture which was pursued for 12 years prior to 1933. It was this discrimination which made the agricultural adjustment program almost inevitable. The Smoot-Hawley Tariff Act of 1930, which these same forces backed, amputated the farmers' markets. This unconscionable legislation invited retaliatory tariffs abroad and threw back upon our shores the agricultural surpluses which the farmers produced for those lost export markets.

This is the day of mass production and corporate power. Great corporations extending over many States sell their products and their securities throughout the Nation and employ tens of thousands of men and women under central direction. Some of the monopolies flourish behind the horse-high and hog-tight tariffs erected under the Smoot-Hawley law. Not a few corporations have the right and the ability to expand and to contract production at will. During the depression many of them reduced their employment and maintained their price levels, while wage levels and the price of agricultural products went crashing down.

But do these proponents of Smoot-Hawleyism concede that if farmers are to exist in an economy dominated by corporations, they must be given rights which at least partly offset the corporate powers?

They not only refuse to make any concessions to the farmers and other unorganized economic groups, but they jealously guard the special privileges accruing to the powerful beneficiaries of protection.

TRIPLE A RULING WAS HAILED

Moreover, the people who hold most tenaciously to the theory of high tariffs and other economic privileges for corporations are largely the same as those who hailed with delight the decision of the United States Supreme Court in the Triple A Hoosac Mills case, wherein the Court held that agriculture is purely a local matter. The force and effect of that decision was to deny to the farmers any rights equivalent to the rights of corporations. This legal interpretation stands in the way of effective national cooperative programs among farmers.

The farmers, on the other hand, believe that the Court holds to a legal fiction; that the requirements of agriculture are national in scope, and that the interests of the industry are nation-wide. For that reason, among others, the farmers, individually and in groups, are standing staunchly behind the President in his request for judicial reform.

The American people are not going to be misled by the arguments of those who would for purely selfish and personal reasons defeat the purposes of sound economic recovery. There is not a city or a town in the United States which is self-sustaining. The larger the city the more dependent is it upon the purchasing power of the people living in the outlying sections. The normal buying power of 30,000,000 farm people is necessary to keep the Nation marching ahead toward social security and financial independence.

Those extremists in Congress and outside, who try to strike down the farmers' economic reconstruction programs are, in effect, advocating the same policies of discrimination which this Nation followed through the twenties. Our course is clearly one of enlightened progress. A return to the old policies of those years would only serve to return us to the morass of misery and remorse out of which we have but too recently emerged.

DEMAND FOR SOIL REBUILDING

The majority of our people can be relied upon to reject the advice of reactionaries who would have us return to a policy of soil waste and overproduction; discrimination against agriculture and national depression. The people of the Nation, city dwellers as well as farmers, are demanding a farm policy which will rebuild the soil, protect farm income, safeguard the consumer, and keep agriculture moving forward in step with national recovery and returning prosperity.

Against the danger of surpluses and low prices we must continue to work for an expanded European market through the reciprocal-trade agreements and in other ways. Against the danger of natural disaster we must keep adequate reserves of food and feed on hand. Crop insurance should be developed further. A larger percentage of the land should be put into drought-resistant crops.

The great concern of all of us, whether we reside in the cities or on the farms, is the mounting cost of government and the rate of taxation. Many of our people believe that the national emergency is past for which much of the recent legislation was required. They contend, and not without some justification, that the only way to curtail expenses is to stop spending so much money. These programs for soil conservation, crop control, and rural electrification do cost money.

I am for economy in government. When I took over the responsibilities of state in Iowa one of my first demands was that governmental expenditures be placed in a strait jacket. We passed the budget and finance control act, and with a State comptroller was lodged the responsibility to keep our expenditures within our income. I believe that we should attempt to run our Federal Government on a program of "cash and carry" as nearly as is practicable. But I am impressed that it would be grave foolhardiness to withdraw from these praiseworthy enterprises the governmental assistance necessary to complete these programs and emancipate the farmers of the Nation so that they may resume their usual and independent place in the national economy.

REDUCTIONS SEEN DUE

The time is approaching, I sincerely believe, when it will be possible to make some substantial reductions in budgetary requirements, but the reductions should be made on the governmental expenditures as a whole, and should not work a hardship upon some especial and underprivileged group.

With the marked improvement in business generally, it is to be hoped that government, industry, agriculture, and labor can work out a practical basis of cooperation whereby industry and agriculture will reabsorb in increasing numbers the millions of employables, whose reemployment and restored purchasing power will add materially to our national prosperity.

The Iowa farmers and the farmers of the Nation will gladly carry their share of the tax burden if they can be protected against the grave dangers of depressed prices because of farm surpluses and scarcity in times of drought. They want, as we all want, a balanced budget. They know, as we all know, that that can be secured only through balanced abundance. Their goal is social justice and plenty for both farmer and consumer.

It cannot be too strongly stated that the administration's farm program of the past 4 years has not only brought increased buying power to the farmer but also it has brought increased prosperity to the entire country. It must now be obvious to every informed American that the farm problem is not local but national.

As Governor of a great farm state during 4 critical years, I came, through daily contacts, to know that problem not merely as one of farm income alone. It is a problem, too, of human relations. I came to see it through the eyes of farm women, who fought with all the vigor of their pioneer ancestry, against the ravages of nature, against the disasters of depression; of women who were grimly determined that in the land of plenty and equality of opportunity their children should not be made to suffer needlessly, and who were willing to make any sacrifice to assure security of their homes and families.

The vast industry, which is agriculture, is made up of millions of individual farm owners, farm tenants, and their families. If they are impoverished, the citizenry of the country as a whole is to the same degree impoverished.

Our national aim should be to improve the condition of all of our people. Certainly the Government owes it to every American citizen to deal with agriculture fairly, wisely, and with justice.

What Kind of Economy?—False Economy or True Economy?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, throughout the discussion on this appropriation measure, we have been continually reminded of the President's call for economy and the country's urgent need for the same. I am neither deaf to that call nor unappreciative of the need. I submit, however, that it is even more important that we consider the nature of the economy we are trying to effect than that we merely reduce appropriations and bring about a species of bookkeeper's economy. When the agricultural appropriation bill was before the House, and again today, I heard several gentlemen proposing or demanding a 10 percent horizontal cut, or 15 percent leeway, or something of that sort.

THE ABSOLUTE ZERO

My notion of "absolute zero" in wisdom concerning bringing about economy is a "horizontal cut" or slash. That method always is a lazy man's way of doing it. Instead of merely perpetuating the inequalities and injustices of the first arrangement, the horizontal method of modifying the figures really emphasizes and exaggerates any inequalities and injustices that may have existed in the first draft. I realize the uselessness of suggesting individual consideration of items before the Committee of the Whole. Even so, a horizontal cut is very unwise.

I recognize that the Subcommittee on Appropriations have done the best they could to recommend to us proper and just appropriation items, and I think those subcommittees, especially the one having prepared this bill, have done good work and are to be commended highly. I realize further that if changes are to be made in the committee's report, the Committee of the Whole House is not in a position to see the whole picture and view each separate item in its proper relation to the whole appropriation. I would to God that we had the knowledge and wisdom necessary to appropriate wisely and justly, and also to withhold appropriations in regard to the interest of true eeconomy.

When the measure was being voted on a while ago to go beyond the committee's recommendation for vocational education, raising it from seven millions to fourteen millions, I voted in the affirmative. I wanted a little time to make clear my views before the vote was taken, but there was insufficient time. I appeared before the subcommittee and urged the full amount at that time, and I also pointed out that it was a matter of our "keeping faith" with the educational forces of the various States. One thing not sufficiently brought out in the debate on that item today was that there was a change inaugurated in which the Federal appropriation is henceforth to be split five ways, instead of three ways as formerly. Such a fivefold division demands more money. Now, in the face of the most urgent need for national economy, I am willing to stand before any tribunal and justify my stand on this vote.

A PRIZE RAM OR A PRIZE SON?

When my Missouri friend [Mr. SHORT] spoke so eloquently of human values as compared with the material values which have received so much consideration, I was reminded as to values. In ancient Athens there was an original Missourian, long before the time of Mr. SHORT and myself, by that there has been a conflict of opinion through the ages the name of Diogenes who asked difficult questions and had most peculiar notions. Although I neither approve of his dress, nor address, I am inclined to regard Diogenes as a philosopher rather than a fool. On one occasion, he was at a neighboring city in Greece about the time of the annual fair. He observed children running around naked in the streets in inclement weather, and he also saw prize livestock carefully blanketed and housed. This caused the old sage to remark: "In Megara it is better to be a man's ram than his son."

If Diogenes should look over the appropriation bills made by this house, even after the splendid item for vocational education was raised from 7 to 14 millions, he might be prompted to say, "In America, it is better to be a man's prize ram than his neglected flesh-and-blood son."

SAVING AT THE SPIGOT, AND—

The earnest plea of Congressman LEWIS of Colorado for economy aroused my interest a little while ago. I wanted to ask the gentleman a question, but he could not yield. In view of his determination to get an appropriation item for the Gila project eliminated from this measure, he no doubt feels satisfaction for having saved at the present moment $1,250,000.

Without doubt, the gentlemen will call his move economy, since it saves an outlay. By the same logic, I suppose the gentleman from Colorado would economize in his own personal affairs, if confronted by this situation: Suppose that the gentleman should be notified of a large bequest of a million dollars left him by a distant relative, which might be his for the notarizing of some legal documents, proving his relationship, and so forth. Would not the gentleman logically say, "Oh, never mind, I will save the $10 fees required for notarizing the papers. Tell them to give that money to my nearest neighbor."

What really was more logical than the Colorado gentleman's particular items of economy was his motive prompting the economy. He begged us to remember that this is not our money we are voting away, but the money of the American people. That is a sobering thought. But somehow my mind goes back to the Gila project. The saving which the gentleman brought about through eliminating the Gila project from this measure is not his personal saving, nor a saving to the State of Colorado; it is a saving, such as it is, to the American people. And what a saving! Through the temporary saving of a few million dollars, we shall effect a permanent loss to the whole country of hundreds of millions of dollars. That is one brand of economy. I submit, gentlemen, that that is not even in a class with the ancient foolishness covered by the expression, "saving at the spigot and wasting at the bung."

Is my meaning entirely clear? Let me recall to Members of the House my frequently made assertions that, if we do not develop the Gila project, more than 3,000,000 acre-feet of water annually—water rightfully belonging to no American State other than Arizona—and all of the agricultural development which such an amount of water would make possible in Yuma County, Ariz., will be thereby donated to the Republic of Mexico. With that amount of water, over and above what they are now using, Mexicans can and will, in less than a quarter of a century, increase the value of lands in Mexico, now worthless, to the extent of from two hundred millions to four hundred millions of dollars. On the other hand, a wise annual expenditure on our part, such as was provided in this bill, of $1,250,000, or a total of $20,500,000, would in less than a quarter of a century produce this development on our own soil instead of donating the same to our neighboring Republic. By eliminating the Gila project we are "saving at the spigot and wasting at the bung."

A Suggested Substitute for the Administration Relief Bill

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. BACON. Mr. Speaker, on May 11, 1937, there was introduced in the Senate and the House identical bills on

the subject of relief. In the House the bill is H. R. 7000, and the full text is given at the conclusion of this statement. It will be offered as a suggested substitute for the administration relief bill now pending.

This proposal follows the philosophy that the responsibility for relief decisions and for relief administration shall be returned to the States where they belong. It sets up a bipartisan national relief authority which shall make general relief allocations to the States, based upon relative size, resources, and needs; requires of each State that it shall provide at least 25 cents out of each total dollar spent for relief; and leaves to each State the decision as to what type of relief shall be provided. This substantially eliminates the Federal bureaucracy and the duplication and waste and political exploitation which is involved in the present formula. It restores the only effective restraints which can ever hope to police a system of this nature—namely, the power of home responsibility and neighborhood opinion. Thus is guaranteed a bigger proportion of each relief dollar to the legitimate beneficiaries of the relief system. It still accepts the Federal responsibility for providing the financial backlog for primary relief necessities; but it puts an end to Federal experimentation in these fields and, by express terms, it terminates all prejudice and favoritism on account of race, religion, or politics.

Fundamentally, the proposal cuts away from all the fantastic experimental expenditures which burden relief with needless extravagance. It established a clean-cut definition of State responsibility, with liberal Federal assistance. It offers the best assurance that the largest possible proportion of every relief dollar shall go to those who deserve it.

A bill (H. R. 7000) to provide relief, work relief, and increase employment by grants to the States, Territories, and the District of Columbia, and for other purposes

Be it enacted, etc., That to provide relief and work relief and to increase employment, there is hereby appropriated the sum of $, which shall be available for the fiscal year ending June 30, 1938.

Sec. 2. (a) Not more than $ of the sum appropriated by section 1 shall be available for grants-in-aid to States to assist them in financing and administering such forms of relief and work relief and methods of increasing employment as may be determined upon and undertaken by them. Such amount shall be allocated by the Federal Relief Board (hereinafter established), with the approval of the President, among the several States upon the basis of the Board's findings and conclusions with respect to the facts concerning and weight to be given to unemployment and living costs in, and population and financial resources of, the several States. Not more than 15 percent of such amount shall be paid to any State.

(b) The sum allocated to a State under subsection (a) shall be paid quarterly by order of the Federal Relief Board to the State if—

(1) The Governor (or in the case of the District of Columbia, the District Commissioners) has certified to the Federal Relief Board that there has been established a board of relief trustees in such State, the membership of which is not composed solely of individuals who are members of the same political party, and that such board has the power and duty of receiving and disbursing sums which may be granted such State under this section;

(2) The State board has certified to the Federal Relief Board that the State, or its subdivisions, or both, have provided, or are prepared to provide, an amount equal to not less than 33⅓ percent of the amount allocated to it under this section for relief, work relief, or methods of increasing employment; and

(3) The State board has agreed to furnish to the Federal Relief Board such reports (respecting the administration of the relief, work relief, or methods of increasing employment with respect to which funds allocated to the State under this section are used), in such form and containing such information as the Federal Relief Board may from time to time require, and to comply with such provisions as the Federal Relief Board may from time to time find necessary to assure the correctness and verification of such reports.

(c) If the Federal Relief Board finds that any part of an amount granted to a State under this section has been diverted to a purpose not reasonably within the purpose of furnishing relief, work relief, or increasing employment, or that more than 75 percent of the amount devoted to such purposes has been expended out of grants under this section, the amount of future grants to be made to the State shall be reduced by an amount equal to the amount the Board determines has been diverted or the amount the Board determines to be such excess.

(d) The Federal Relief Board shall allocate, out of the sum specified in subsection (a), such sums as it deems necessary on the basis of the needs of Puerto Rico, the Virgin Islands, and the Canal Zone for relief, work relief, and increasing employment. Such sums shall be expended as the Board prescribes as necessary for such purposes and subject to such requirement, if any, as the Board may prescribe for contribution by the possessions to such purposes.

Sec. 3. Not more than $100,000,000 of the sum appropriated by section 1 shall be available to enable the Federal Relief Board, with the approval of the President, in its discretion and on its order, to make such grants or loans to States as it deems necessary in order to meet extraordinary and unforeseen emergencies, and such grants or loans shall be made without regard to the provisions of section 2. The sum specified in this section shall also be available for all administrative expenses of the United States in carrying out the provisions of section 2 and this section.

Sec. 4. (a) There is hereby established the Federal Relief Board which shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. Not more than two of the members of the Board shall be members of the same political party, and the President shall designate one of the members as chairman. Each member shall receive a salary at the rate of $10,000 per annum.

(b) The Board shall have the power and duty of carrying out sections 2 and 3 of this act, and such powers and duties shall be exercised under the direction and subject to the approval of the President.

(c) The Board is authorized to make such expenditures and, subject to the civil-service laws and rules and regulations made thereunder and the Classification Act of 1923, as amended, to appoint and fix the compensation of such officers and employees as may be necessary to carry out its powers and duties.

Sec. 5. Any person who knowingly makes any false statement in connection with securing a grant or loan or making any report or furnishing any information under section 2 or 3, or who solicits or receives political contributions from any person who directly or indirectly receives any part of a grant or loan made under section 2 or 3, or any person who, in administering any such grant or loan, discriminates against any person on account of race, religion, or political affiliation shall, on conviction thereof, be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both. For the purposes of this section, each payment made by a State to which a grant or loan has been made under section 2 or 3 for relief, work relief, or increasing employment shall be considered to consist one-fourth of funds of the State and three-fourths of funds of the United States.

Sec. 6. There is hereby appropriated the sum of $10,000,000 which shall be available for carrying out during the fiscal year ending June 30, 1938, the provisions of written contracts made prior to the date of the enactment of this act under authority of the Emergency Relief Appropriation Act of 1935, or the Emergency Relief Appropriation Act of 1936. Except the sums appropriated under this section, no part of the sums appropriated under this act shall be available for carrying out such acts. No contract shall be entered into under such act of 1935 or 1936 after the date of the enactment of this act.

Sec. 7. As used in this act the term "State" means the several States, Alaska, Hawaii, and the District of Columbia.

Sec. 8. This act may be cited as the Relief Appropriation Act of 1937.

Vocational Education

EXTENSION OF REMARKS
OF
HON. EDWARD W. CREAL
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. CREAL. Mr. Speaker, if enacted, this proposed amendment for vocational education is, in my judgment, capable of producing more far-reaching beneficial results than any item in this voluminous bill.

The course of study in high school and college has much that could be eliminated without material loss. The original objections in days gone, by those not in sympathy with collegiate work, was that so many things were taught in which the average man could see no real connection with practical business and life occupations.

There exists yet a large amount of material in college work which when learned has no purpose except to be able to teach it to someone else. So a large number of things are taught and learned for the sole purpose of teaching it to someone else but no one ever applies it to the methods of business or ever uses it in the practical fields of like work.

The vocational-educational work teaches that which is not only educational but is helpful in making a success of

an occupation. It popularizes an education by demonstration of knowledge acquired. Girls whose life work is to be the head of a home need domestic science, kitchen economy, and ability to properly manage a home, whether done by herself or by servants under her direction, far more than she needs to know a dead language that will be deader still when school days are over.

How many of you fellow members have ever been able to apply in business, in lawsuits, on the farm, or in your work here that algebraic theorem that the "square of the sum of two quantities is equal to the square of the first plus twice the product of the first by the second, plus the square of the second"?

A city school superintendent once told me he contacted 10 of the most successful business and professional men of his city and asked them what aid in finding the greatest common divisor had been to them and that only one of them knew it was something about arithmetic.

I would like to see the curriculum of high school and college take on more practical things, and time and public opinion will eventually force a revision. The boy who expects to become a farmer should know more of scientific facts about seed, soil, and blood lines of stock than he should about French. The county agent's work; the 4-H club; the cooking, canning, and sewing clubs all enable these students to put their newly acquired learning to a practical use in their own homes when they have one. They pass it on to their children and children's children—the benefits never cease.

We appropriate money for relief in various forms, but outside of temporary emergency there is nothing that goes on from that to enrich other generations.

What is more absurd than for a girl in an humble home, who is destined to work for a living, that cannot cook or sew, to spend 2 or 4 years reading Caesar, or studying Greek philosophy; or a boy, having no definite ideas of the difference between scrub and purebred poultry or livestock? They must learn that back at home from parents or neighbors.

But what about the parent that does not know, either? Then where is that student to get the necessary information if not at some school? The old school course was made as if all students were to be foreign diplomats or ladies of the court. But at last, in this late hour, there has come the realization that if education is to pay for its keep it must have more practical things for the millions of people who are to lead average practical lives. This arm of the work is the one that needs encouragement. Who can gage the end of the good effects of this appropriation that will be felt by children yet unborn? Some schools have such work, and others needing it are anxious to have it.

The vocational educational work is not for frills or ornament; it is for those boys and girls who will be the constructive, progressive workers in the business life of tomorrow, that make up that great mass of producers, the salt of the earth, and the bulwark of the Nation.

It should be well remembered that while the country is dotted with colleges and universities, yet only a small percent of the Americans ever attend any school except the local schools. There is something in the program of a general education that helps those who are to be business and professional people. There should be something in such schools to help the masses better their work which they are to follow in life.

The State school funds are not sufficient for this work, and the only way it could be done from State school funds would be in a reduction of salary of the rural school teachers, and this is already too low and should not be further reduced—it should be increased instead.

In the anxiety, due to necessity, to furnish this vocational course, I fear further inroads in the funds allotted rural teachers. Thus, while supporting a good cause in providing this means for vocational education, we are protecting the rural teacher's salary at the same time.

Vocational Education

EXTENSION OF REMARKS

OF

HON. HERRON PEARSON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. PEARSON. Mr. Speaker, I am very much interested in the adoption of the pending amendment to the Interior appropriation bill which will make ample provision for carrying on the vocational educational work throughout the country under the George-Ellzey and the George-Deen Acts of Congress, and hope that it will be adopted.

I realize that the increase which is asked for is not in line with the economy program which the administration is now launching, and in which I heartily concur, but I think there are many other instances where foolish expenditures are being authorized and made and in which economy could have been practiced, and I do not favor exercising an economy which would curtail a most beneficial agency being conducted under Government supervision. After all, the increase which is being required in this appropriation is comparatively small. I have had ample opportunity to observe for myself the wonderful work which is being done through the vocational educational organization, and happen to know something of its present and future needs. I felt that the Committee on Appropriations, in its wisdom and fairness, would accede to the demands of so many of us who appeared before the committee in support of this proposal and thereby save us the embarrassment of having to go contrary to their recommendations on the floor of the House. I believe that every member of the committee is in sympathy with what we are trying to do, but feel that it is their duty to make an honest effort to economize and are therefore foregoing, with sacrifice, an apportunity to make a recommendation in accordance with their personal feelings and convictions.

If this amendment is not adopted it will mean that the vocational work in every State of the Union will be hampered and curtailed to the extent that it cannot render maximum benefits. I think this would be a calamity and the Congress should not permit it to occur.

Considering the situation from the standpoint of the needs of my own State it is not amiss for me to call your attention to the fact that we have 156 high schools in which are enrolled large groups of boys from farms who are clamoring for the vocational work but cannot obtain it under present appropriations; only 56 of the 389 high schools in the State now offer courses in vocational home economics. All of them offer a course of some kind but many of them are manned by teachers lacking in training and equipment. In industrial work practically no courses, other than a few in building trades, are offered outside the largest cities and many groups even in the cities cannot be reached.

The demand for new training centers is far in excess of funds available. Sixty communities have applied for teachers of agriculture and about the same number for teachers of home economics. In many of the schools in which these training courses are being offered they are not able to carry on programs adequate to meet the needs of the communities served. The classes are too large for the teaching force and it has resolved itself into mass instruction rather than individual and personal training. A recent survey of the State shows that more farm youths between the ages of 16 and 25 are out of school than there are in school and comparatively few of these have ever enjoyed any occupational training. Only about 16,000 of the 1,308,420 on farms in my State have been reached in organized classes. Another 50,000 have been rendered in-

dividual services but such services are entirely too limited to serve their real needs. Only about 3 percent of the homemakers of the State are being reached in organized instruction, and the situation in industry is little, if any, better. It appears that this is about all that can be done under present appropriations and if this work is to be expanded and carried into the communities where it is so badly needed funds must be provided for that purpose.

I think that my district has more vocational training courses being offered than any other district in the State, and yet there are now 18 communities asking for teachers and equipment to carry on such course in their schools. These requests come from communities populated with boys and girls who need this education, and in many instances unless they can obtain vocational training through this plan they will likely never have an opportunity to do so.

I am convinced from my observation of the work which is being done through the George-Deen Act it is bringing benefits to those who need it the most and every dollar appropriated and expended is an investment in manhood, womanhood, and citizenship.

All of us have seen funds appropriated by this Government for emergency purposes wasted in many ways, but I dare say no one will make the statement that any of the money heretofore appropriated for vocational education has been wasted; but anyone who knows the facts is ready to testify that the funds have been well and wisely used for the upbuilding of farm and industrial communities which are now better places in which to live as a result of the work done among the youth of those communities, giving them an opportunity to take their proper places as citizens and leaders.

I sincerely urge the membership of the House to lend its support to this amendment and thereby have a part in the continuation and expansion of this great educational program.

Unjust Attacks on Irrigation—Western States Contribute to Entire Nation

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. COLDEN. Mr. Speaker, certain Republican Members from New York and Pennsylvania never miss an opportunity to attack reclamation and irrigation in the 11 Western States. Although the larger part of the money for these projects comes not from the National Treasury but from the sale of public lands and leases in the territory involved, and these projects repay their cost over a period of years, yet this does not protect them from these unfair assaults.

When you stop to consider the billions of dollars that have been contributed to the banks, insurance companies, the steel, the coal, and numerous other industries of these two great Eastern States, you would be inclined to think that these facts would be taken into consideration. While the Federal Government does not spend money for reclamation and irrigation in New York and Pennsylvania, yet it does spend millions upon millions annually for the improvement of rivers and harbors, for flood control, for the navy yards at Brooklyn and Philadelphia, and the academy at West Point. The 11 Western States pay their proportion to all these. To the western Members the attitude of these opponents appears to be provincial and blind to the national interest.

THE WEST A GOOD CUSTOMER

California in building its famous bridges at San Francisco and Oakland, consumed millions of pounds of steel from the industries of the East. Los Angeles has bought hundreds of miles of copper wire and also thousands of steel standards for its power transmission and distribution lines from the eastern industries. Most of the appliances and equipment used in the building of the bay-district bridges, of the Boulder Dam transmission line, and of the metropolitan water district aqueduct and the All-American Canal, came from the East. Tremendous investment has been made in drills and excavation machinery in building the great tunnels and canals from Parker Dam to the coast cities.

California is a valuable consumer of the flour and other cereals, the bacon, the ham, and the beef of the Middle West. California and the 11 Western States have a purchasing power above that of the average throughout the entire country. Complaint has been made by the gentlemen from New York and Pennsylvania concerning agricultural competition from these Western States.

THE IMPERIAL VALLEY AN EXAMPLE

Let us take the Imperial Valley in southern California as an example. One of the chief exports from this district is the winter vegetables that find a place on the dining-room tables of our eastern friends. Do they wish to be deprived of the lettuce, of the radishes, the tomatoes, the early cantaloup, or the vegetables from southern California? We believe that these products contribute to the health, the comfort, and the pleasure of those who consume them in the Eastern States. Reference has been made to the cotton growing of southern California and Arizona. This cotton is of the long-staple variety and competes with imported cotton from Egypt. It does not to any great extent compete with the cotton of the South.

Something was said on the floor of the House concerning the field of private enterprise in irrigation. Private enterprise does develop the projects that are easily financed. That has occurred all through the irrigated section of the country, but there are much larger projects where the capital involved is of a considerable amount and where it is very difficult for private enterprise to finance. Here is where the Bureau of Reclamation steps in.

A HAVEN FOR ECONOMIC REFUGEES

The fertile valleys of the 11 Western Mountain States afford a happy and prosperous refuge for thousands of worthy citizens who have fled from the congested slums of the Eastern cities or have been driven by necessity from impoverished and eroded farms. These irrigated lands afford a new life and new hope to the modern pilgrims seeking a new opportunity. These pioneers move westward with the march of time and civilization and are following the courageous example of the early settlers who laid the foundation of those industrial empires whose short-sighted Members of Congress now moan, lament, and begrude the development of the great West by irrigation and reclamation.

GET THE NATIONAL VIEWPOINT

The viewpoint of our opponents appear to be sectional rather than national. To a limited degree it may be true that these projects are local, but they have a very valuable national aspect because these projects to a great extent afford superior fruits and vegetables for the consumers of the East, and furthermore, afford a very valuable market for the multiple products of the industrialized States, which particularly includes New York and Pennsylvania.

Mr. Speaker, I appeal to my benighted colleagues to broaden their vision and to open their minds to these great projects in the progressive Western States. We, too, are a part of this grand country and we are making a just contribution to the growth and development of this great Nation. We are members of this sisterhood of States and we resent the implication that we are stepchildren of the older Commonwealths. We but request that consideration which is legally, morally, and economically ours. The results from the Boulder, Roosevelt, Coolidge, and other dams in converting the desert into fruitful fields and happy and prosperous American homes refute the opposition and afford an unanswerable argument to every witness of these monumental enterprises.

The President's Court Proposal

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, May 20 (legislative day of Thursday, May 13), 1937

RADIO ADDRESS BY PROF. ROSCOE T. STEFFEN DELIVERED AT THE DINNER OF THE NATIONAL LAWYERS' GUILD, NEW YORK CITY, APRIL 30, 1937

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address relative to the President's Court proposal, delivered at the dinner of the National Lawyers' Guild in New York City on Friday, April 30, by Prof. Roscoe T. Steffen, of the Yale Law School. There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, Judge Devaney, ladies, and gentlemen, we are now nearing the close of the third month of debate on the President's Court proposal. Every nook and cranny of the subject has been explored. The writings of our most revered ancestors have been searched painstakingly, and they have been called upon to testify, some for and some against the plan—and some I fear on both sides of the issue.

Although the proposal is entirely constitutional—no one has ever had any real doubts on that score—although it is designed simply to encourage an orderly retirement plan for the Court—something which no one seriously doubts has been long needed—and, although retirement at 70, if the Justice has already served 10 years or more on the Court, is admitted by all to be fair and reasonable—still, notwithstanding all this, the bare suggestion of a criticism of the Supreme Court has been so charged with emotion and so overlain in the minds of many people with partisan feeling and misconception that it has been difficult for them to consider the plan calmly, or in some cases to consider it at all. In the minds of many people the Court has become a sacred institution, not to be questioned by ordinary mortals, which in itself is a signal that a dangerous situation has come about. I feel that the President is to be commended for not having thrown his suggestion into the hurly burly of the last campaign. It is one deserving of a fair, impartial, and unhurried debate.

At the center of the controversy is fear, genuine on the part of some, but simulated on the part of a great many; fear that the proposal will completely change our form of government; that it will be a first step toward executive dictatorship. Of course, no one says that the President wishes to become a dictator, and no well-informed person says that the European dictatorships came by any such method. And why the retirement of one or more Justices who have reached the age of 70, should have any such far-reaching effect, no one has yet pointed out. Certainly no one seriously doubts that the President, acting by and with the advice of the Senate, can and will exercise his constitutional function of appointing successors, who are fully as able and conscientious as the Justices who retire. And, I may say, fully as independent.

The thing that really troubles most opponents of the plan is the moral certainty that many statutes which have been held unconstitutional in recent years will be found upon reexamination by a new Court to be quite within the basic law. It would seem now, in view of the recent decisions of the Court, that most of the New Deal laws invalidated last year, and made a political issue to defeat the present administration last fall, are fully constitutional. Critics who fear such an outcome convict themselves of two things, and they cannot be proud of either. In the first place, they display little or no confidence in the necessary rightness of the judgment of the conservative Justices, and by so doing they go a long way to make a case against the present Court, to say that its judgments have been political. In the second place, they show little confidence in the ability of the elected representatives of the people to pass statutes in the public welfare. It would seem that it is these people who would like to see our traditional form of government changed—changed, that is, from one having three coequal branches to one where the judicial branch is dominant and holds office for life, or until another conservative President is elected.

It is high time that the average voter should know exactly what has been happening in his courts. For a generation and more the Supreme Court has been sharply divided in the degree of tolerance with which it has viewed the efforts of the people through their legislatures to solve their own problems, and in their own way. The Court has also been sharply divided in its economic viewpoint, a narrow majority which has hung on through all these years being intent on freeing business from any Government control which it might think undesirable. No one disputes these propositions today. Indeed, it has been plain to everyone that the Justices have so spaced their retirements as to make so sure as possible that new appointees would share the personal views of the retiring members.

This is not the natural order of things; this is politics. That the Court has been increasingly trespassing upon the province of the legislature in recent years admits of no doubt. Words of the Constitution have been given meanings never intended by the forefathers in order that the economic views of the conservative majority should prevail, depressions and a changed national viewpoint to the contrary notwithstanding. Indeed, it can fairly be charged that it was this interference on the part of the Court, preventing, as it did, any adequate control of business or protection for the working population, which made this depression the sharpest in the history of the country.

The controversy over the minimum-wage laws will illustrate my point. Why did the Court hold the statute unconstitutional in *Adkins v. Children's Hospital?* The majority said that the statute infringed the fifth amendment, in that it took liberty and property without due process of law. What was the liberty or property being taken? The Court said it was the right of employees to work for less than a living wage. Where did it get this meaning for the words of the fifth amendment? The fact is that it made it up out of whole cloth, for when the words "due process" were used by the forefathers, as part of the people's Bill of Rights, they meant simply due procedure according to the usage and practice of the country. They had meant nothing else since the time of King John. There is no question that the Court in its use of the due-process clause has trespassed gravely upon the province of the legislature. The Court has now admitted as much by its recent decision overruling, by a 5-to-4 vote, the Adkins decision and sustaining the Washington statute.

The minimum-wage cases are but one illustration of what has been happening generally. So long ago as the Lochner case, decided in 1905, when the Court held that New York might not provide a 60-hour week for bakeshop employees, Mr. Justice Holmes said: "This case was decided upon an economic theory which a large part of the country does not entertain." And some years later, again speaking of the Court's distortion of the due-process clause: "As the decisions now stand, I see hardly any limit but the sky to the invalidating of those rights (of the States) if they happen to strike a majority of this Court as for any reason undesirable." Obviously the matter has gone far beyond the point where it can now be corrected by constitutional amendment—unless, indeed, the amendment were simply to provide that the Court should again return to its judicial function.

Now, I am insensible to the point that no judge ever lived who could decide a case entirely free from social and economic predilections. But I do insist upon the point that the thing is a matter of degree, and that the Court in recent years has so far allowed its economic views to intrude upon its deliberations that they have at times obscured the plain words of the Constitution. As Mr. Justice Stone said in the triple A case, "Courts are not the only agency of government that must be assumed to have capacity to govern * * *. Language, even of a constitution, may mean what it says."

The thing comes down to this, the Court was never intended to be a legislative body. When the point came up in the Constitutional Convention it was expressly denied any power to veto legislation. The Court's function was simply to construe the Constitution, not to pass upon the policy of legislative acts. That is the real issue, whether judicial dominance can be tolerated in a democracy.

This issue has come to the fore time and again in our history at times, as in the Dred Scott case, with near disastrous results. It was the thing that made the first Roosevelt advocate the recall of decisions in 1912. In my opinion, and I am happy to say in the opinion of a majority of the Yale law faculty, the President's proposal is better calculated than any other to settle the matter—at least for another 50 years. The requirement that new men be put on the Court from time to time, bringing a new viewpoint and a new tolerance, makes the point that the country, under the Constitution, is bigger than the personal views of any single Justice, however able. On that there can be no compromise. When a court enters the political arena it demands a political response.

In closing, let me say to those who seek a mandate from the people before taking action on the President's proposal, that they have a standing mandate in the words of the Declaration of Independence. In a democracy such as ours it must be true always that "Government derives its just powers from the consent of the governed." We have no place for judicial autocracy.

Bonneville Power Project

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

STATEMENT BY HON. HAROLD L. ICKES, SECRETARY OF THE INTERIOR, BEFORE THE COMMITTEE ON RIVERS AND HARBORS OF THE HOUSE

Mr. MANSFIELD. Mr. Speaker, under leave to extend my remarks I am including a statement Secretary of the In-

terior Harold L. Ickes delivered before the Rivers and Harbors Committee of the House of Representatives on Monday, May 10, 1937, as follows:

On February 24, President Roosevelt transmitted to the Congress with his approval a progress report of the National Power Policy Committee containing recommendations regarding the operation of the Bonneville project on the Columbia River. This report represents the unanimous views of the members of the committee of which I am chairman. In making its recommendations the committee regarded the Bonneville project as one unit of a great development of the Columbia River in the Northwest undertaken by the Federal Government, and endeavored to suggest a form of administration readily adaptable to the incorporation therein of the Grand Coulee project upon its completion.

Although the Bonneville project was undertaken primarily for navigation and the Grand Coulee primarily for irrigation and flood control, the power development incident to such primary purposes is so important that in the judgment of the committee it requires special consideration.

In its progress report the National Power Policy Committee accordingly recommended that all phases of the Bonneville project relating to power development should be placed under a civilian administrator who should be charged with the responsibility of generating, transmitting and marketing electric energy. Various safeguards were suggested to insure conformity with a national power policy, to give preference to public and nonprofit cooperative agencies, and otherwise to encourage the widest possible economic use of electric energy so as to distribute wisely and equitably the benefits of an integrated power development.

There are now pending before your committee three bills—the Smith bill (H. R. 4948), the Honeyman bill (H. R. 6151), and the Pierce bill (H. R. 6387)—all purporting to provide for the operation of the Bonneville project. The Smith bill (H. R. 4948), as originally introduced, conformed to the general recommendations of the national power policy committee, as do the others, but I am informed that Congressman MARTIN F. SMITH has since indicated a desire to modify his bill so as to take the control of the power-generating facilities from the civilian administrator and place them under the jurisdiction of the War Department. Mrs. HONEYMAN'S bill (H. R. 6151) likewise divides control of the power facilities between the War Department and the administrator, giving the one control of the generating facilities and the other control of the transmission facilities. In light of the proposed amendment of the Smith bill, the Pierce bill (H. R. 6387) alone would give to one administrator effective control over an unpartitioned, integrated power development at Bonneville.

It is the opinion of the National Power Committee that there should be no partition of the Government power facilities constructed in connection with the Bonneville project, but that the generation, transmission, and marketing of Government power, so far as the same is undertaken by the Government, should be under the control and direction of one civilian administrator. This implies no reflection upon the work of the War Department. The Army engineers are skilled and competent in their field; they have great experience and proficiency in the construction and operation of navigation facilities, but their primary interest does not lie in the field of power development. To sever the control of the power-house at the dam from the control of the transmission lines over which the power is to be directed and marketed would lead to inefficiency and increased cost, and endanger the achievement of the widest possible social and economic benefits to be obtained from the project. It is much more important that the power-house and transmission lines be under one management than that the operation of the locks and the power-house be in the same hands.

The generation of power is certainly more closely linked with the transmission of power than it is with the operation of the locks and fish ladders. There is a marked and important difference between the navigation and power aspects of multiple-purpose projects. Navigation requirements are usually fixed as to maximum and minimum limits and flexible within these limits. Therefore any manner of releasing water which helps within these very wide limits would fully satisfy the requirements of navigation.

The use of water for hydroelectric purposes stands on a wholly different footing. To control the release of waters so as to obtain a maximum output of salable power and to avoid the waste of water power, frequent and exacting adjustments must be made, and such adjustments must be coordinated to the requirements of the transmission system and the system loads. For example, a substation operator at the far end of transmission lines must be able to direct the power-plant operator to increase or decrease the voltage as the load rises or falls each day, or even a number of times during the day, in order to maintain a constant voltage at the customer's premises.

In order to dispose of power the agency charged with its marketing must know with certainty not merely the present generating capacity but the future increments of generating capacity which may be available. It would be difficult for the agency seeking to find market outlets to negotiate contracts for the sale of power to be generated from installations to be made in the future unless that agency could speak with authority and certainty as to the amounts of additional capacity which would be installed and the time of installation.

Generating equipment is a part of an integrated electric system. It must conform in size, type, electrical characteristics, and manner of operation with the transmission, substation, and other facilities with which it is connected. To put the installation and operation of the generating facilities under one branch of the Government and the construction and operation of the transmission lines under another and wholly independent branch of the Government is to divide responsibility and invite discord and trouble.

In the Tennessee Valley Authority Act of 1933 and in the amendments thereto in 1935 the Congress determined, and I believe very properly, that the Corps of Engineers should merely operate the locks and lifts in aid of navigation and that the Tennessee Valley Authority should control the stream flow and operate the hydroelectric power plant. This arrangement, I am informed, has worked very satisfactorily in the Tennessee Valley, and I see no reason why it should not work equally well on the Columbia River.

Another recommendation of the National Power Policy Committee which has been the subject of discussion before your committee goes to the question of uniform rates. The Power Policy Committee recommended that the administrator should have the authority to establish uniform rates or rates uniform throughout prescribed transmission areas. It was not suggested that the rates must be uniform or that the rates should be the same as those charged for power developed at other projects under substantially different conditions and costs. But it was suggested that there should be nothing in the act which should require the administrator to sell power at the switchboard at a price which should exclude all cost of transmission.

Such a policy would impose an undue cost upon distant consumers and would narrowly restrict the market outlets for power. Such a policy would be very short-sighted, because cheap power depends upon the development of wide markets. It is unthinkable that the benefits of national expenditures for the development of power should be confined to a small area near the power site and not distributed equitably among the communities within transmission distance. A wise national policy requires that the administrator be given adequate power to treat transmission costs wholly or partly as an over-all charge so as to develop the widest possible markets for power in the great Northwest.

I am informed that the Federal Power Commission has objected to the plan outlined for the establishment of rates. The Power Policy Committee suggested that the rate schedules should be prepared in the first instance by the administrator, because the fixing of rates, during the early years, at least, will depend largely upon an informed judgment of potentially available markets, which can be made only by a study at close range. Such study may, it would seem, be more effectively carried on under the direction of the administrator on the spot than under the direction of the Power Commission. On the other hand, it would be desirable that the administrator's allocation of costs between the various purposes of navigation, flood control, irrigation and power which might be served by a multiple-purpose project like Bonneville or Grand Coulee, the estimates of operating costs, and the policies to be pursued to develop the widest possible markets might appropriately be checked and audited by a national agency in the light of national policy. The primary responsibility for the development of rate schedules adaptable to regional circumstances should be the administrator's, but certain advantages might be obtained by having the rate schedules, after they are prepared by the administrator, approved by a national agency as being in conformity with national policy.

Insofar as the Power Commission's objection is that it has no clear authority to revise the schedules submitted by the administrator if it finds them unsatisfactory, that objection might be taken care of by adopting the language used in the Pierce bill (H. R. 6387). If you will turn to pages 10 and 11 of the Pierce bill and take the language running from line 17, on page 10, to line 1, on page 11, you will see that the point is taken care of. Let me read that language, with additions which I should suggest for purposes of clarification. These additions I indicate by italics in my manuscript:

"Rate schedules and revisions thereof shall from time to time be prepared and submitted by the administrator to the Federal Power Commission and shall become effective as approved by the Federal Power Commission. From time to time the administrator may, and upon the request of the Federal Power Commission shall, prepare and submit new revised or modified rate schedules to the Federal Power Commission; and such rate schedules shall become effective as approved by the Federal Power Commission. If any rate schedule submitted by the administrator is not approved by the Federal Power Commission, the Federal Power Commission may revise such schedule in conformity with the standards prescribed by this act, and, as so revised, such schedule shall become effective."

Earmarking Funds for Road Construction in the Relief Appropriation Bill

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

Mr. CARTWRIGHT. Mr. Speaker, at the proper time, when consideration of House Joint Resolution 361, making

appropriation for relief purposes, is resumed in Committee of the Whole House, I plan to offer an amendment to provide that not less than $150,000,000 of the relief funds shall be allocated for the survey and construction of public roads, to be expended by the several State highway departments on projects approved by the Bureau of Public Roads of the Department of Agriculture.

The amendment I shall offer has the unanimous support of the Committee on Roads of the House, and I regret was not drafted and approved by the Roads Committee in time to be presented to the Appropriations Committee before the relief bill was reported.

The amendment provides for $75,000,000 for highways on the Federal-aid highway system; $50,000,000 for secondary, feeder, and farm-to-market roads; and $25,000,000 for elimination of railroad grade crossings, and reads in full as follows:

Page 3, between lines 18 and 19, insert:

"Of the amount specified for highways, roads, and streets, not less than $75,000,000 shall be allocated for the survey and construction of public highways on the Federal-aid highway system and not less than $50,000,000 for the survey and construction of secondary or feeder roads, including farm-to-market roads, rural free delivery mail roads, and public-school bus routes. Such sums shall be apportioned in the manner provided by section 204 (b) of the National Industrial Recovery Act for expenditure by the State highway departments under the provisions of the Federal Highway Act, as amended and supplemented. Not less than $25,000,000 shall be allocated for the survey and construction of projects for the elimination of hazards to life at railroad grade crossings, on the Federal-aid highway system and elsewhere, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade crossing structures, and the relocation of highways to eliminate grade crossings, and shall be apportioned and expended in accordance with the provisions of section 8 of the act of June 16, 1936, entitled "An act to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes." No part of the funds apportioned to any State or Territory under this paragraph need be matched by the State or Territory. The President shall prescribe rules and regulations for carrying into effect the provisions of this paragraph."

I also wish to have printed in the RECORD a table showing approximately the amounts that will be apportioned to each State and Territory, for expenditure during the next fiscal year on State highways and roads, if the amendment is adopted. These amounts will be in addition to apportionments of regular Federal aid for roads and will not need to be matched with State funds. The table follows:

Distribution of work-relief funds for roads according to States, as provided in Cartwright amendment

State	Regular Federal aid	Secondary or feeder roads	Grade crossings	Total
Alabama	$1,588,000	$1,059,000	$508,000	$3,155,000
Arizona	985,000	657,000	157,000	1,799,000
Arkansas	1,278,000	852,000	447,000	2,577,000
California	2,957,000	1,972,000	937,000	5,866,000
Colorado	1,300,000	866,000	329,000	2,495,000
Connecticut	542,000	362,000	213,000	1,117,000
Delaware	344,000	230,000	125,000	699,000
Florida	992,000	661,000	356,000	2,009,000
Georgia	1,906,000	1,271,000	613,000	3,790,000
Idaho	849,000	566,000	209,000	1,624,000
Illinois	3,326,000	2,217,000	1,321,000	6,864,000
Indiana	1,897,000	1,265,000	654,000	3,816,000
Iowa	1,908,000	1,272,000	705,000	3,885,000
Kansas	1,908,000	1,272,000	654,000	3,834,000
Kentucky	1,423,000	949,000	460,000	2,832,000
Louisiana	1,105,000	737,000	400,000	2,242,000
Maine	638,000	425,000	176,000	1,239,000
Maryland	675,000	450,000	260,000	1,385,000
Massachusetts	1,249,000	833,000	524,000	2,606,000
Michigan	2,406,000	1,604,000	833,000	4,843,000
Minnesota	2,023,000	1,348,000	672,000	4,043,000
Mississippi	1,320,000	880,000	403,000	2,603,000
Missouri	2,302,000	1,534,000	764,000	4,600,000
Montana	1,405,000	937,000	336,000	2,678,000
Nebraska	1,478,000	985,000	447,000	2,910,000
Nevada	858,000	572,000	125,000	1,555,000
New Hampshire	361,000	241,000	125,000	727,000
New Jersey	1,201,000	800,000	499,000	2,500,000
New Mexico	1,097,000	731,000	216,000	2,044,000
New York	4,223,000	2,815,000	1,712,000	8,750,000
North Carolina	1,805,000	1,203,000	622,000	3,630,000
North Dakota	1,096,000	730,000	402,000	2,228,000
Ohio	2,932,000	1,955,000	1,071,000	5,958,000
Oklahoma	1,747,000	1,165,000	578,000	3,490,000
Oregon	1,155,000	770,000	294,000	2,219,000
Pennsylvania	3,575,000	2,384,000	1,453,000	7,412,000
Rhode Island	378,000	252,000	125,000	755,000
South Carolina	1,033,000	689,000	376,000	2,098,000
South Dakota	1,136,000	757,000	347,000	2,240,000
Tennessee	1,604,000	1,069,000	479,000	3,152,000
Texas	$4,583,000	$3,055,000	$1,362,000	$9,000,000
Utah	795,000	530,000	162,000	1,487,000
Vermont	353,000	236,000	125,000	714,000
Virginia	1,404,000	936,000	471,000	2,811,000
Washington	1,158,000	772,000	384,000	2,314,000
West Virginia	850,000	567,000	336,000	1,753,000
Wisconsin	1,842,000	1,228,000	626,000	3,696,000
Wyoming	853,000	568,000	172,000	1,593,000
District of Columbia	363,000	242,000	125,000	730,000
Hawaii	354,000	236,000	125,000	715,000
Puerto Rico	440,000	293,000	185,000	918,000
Total	75,000,000	50,000,000	25,000,000	150,000,000

Distribution of work-relief funds for roads according to States, as provided in Cartwright amendment—Continued

Emergency Relief Bill

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

STATEMENT SIGNED BY 19 MEMBERS OF THE HOUSE

Mr. TEIGAN. Mr. Speaker, the resolution before the House is of most vital importance. It is undoubtedly of greater importance to the people of the United States than any other measure that has been acted upon by this body during the present session. The greatest duty of Congress is to see that the needy and unemployed are taken care of. Under leave to extend my remarks, I am inserting a statement signed by 19 Members of the House in support of the Boileau amendment to the resolution asking for an appropriation of $3,000,000,000 for the Works Progress Administration during the fiscal year 1938.

The statement is as follows:

The greatest responsibility that we as the legislative branch of the Government have is to care for those of our people who are in want and distress.

The joint resolution before us at this time, House Joint Resolution 361, is, in our opinion, quite inadequate to meet the needs that conditions have entailed. Government figures show that the unemployed population of the United States has not been materially reduced. Moreover, the owners of industry have not as yet shown any desire or ability to absorb any appreciable portion of this standing army of unemployed.

We believe, therefore, that it is our duty as the representatives of the people to support an increased appropriation for the Works Progress Administration. In our opinion an appropriation of $3,000,000,000 for the fiscal year 1938 will be barely sufficient to meet the requirements that the conditions in industry require.

Henry G. Teigan (Minnesota), G. J. Boileau (Wisconsin), Robert G. Allen (Pennsylvania), John T. Bernard (Minnesota), Thomas R. Amlie (Wisconsin), B. J. Gehrmann (Wisconsin), Knute Hill (Washington), Dewey W. Johnson (Minnesota), Wm. Lemke (North Dakota), R. T. Buckler (Minnesota), Harry Sauthoff (Wisconsin), Merlin Hull (Wisconsin), Geo. J. Schneider (Wisconsin), Usher L. Burdick (North Dakota), Jerry J. O'Connell (Montana), Frank W. Fries (Illinois), John M. Coffee (Washington), Jerry Voorhis (California) (with this reservation: $3,000,000,000 is undoubtedly needed; if it can be raised by taxation, I should support its being appropriated), Byron N. Scott (California).

Emergency Relief Bill

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

Mr. SHAFER of Michigan. Mr. Speaker, the bill now being considered appropriates $1,500,000,000 for relief purposes for the next fiscal year.

This problem of relief has for 5 years been the greatest single problem facing this country. After having spent in one way or another in the neighborhood of $10,000,000,000, the Government is today without any accurate information as to the extent of the problem, its gravity, or the period of its probable duration.

It is inconceivable, and yet a fact, that after spending these sums, which are incomprehensible to the human mind, we have made no effort to determine how effective the expenditures have been, how many have received relief who were not entitled to it, how many who have not received relief who are entitled to it, how many may be regarded as permanent recipients of relief, and how many may be reasonably expected to be absorbed in gainful employment in the future.

Various Government authorities and private agencies have differed so greatly in their estimates of the unemployed, unemployables, and the amount necessary to take care of this situation that it has become perfectly obvious that something must be done and done quickly to ascertain the facts.

Relief is not a partisan matter. It is not regarded by any right-thinking citizen in the light of a partisan question. Unfortunately, there has been too much partisanship displayed in the administration of relief, and whether this is the fault of the present administration or whether it might be equally true under a Republican regime, is beside the point. The real question which must be determined if we are to administer relief on a sound and economical basis is what the necessities are and the most economical and practical methods of meeting those necessities.

The question must be approached basically from a standpoint of man's humanity to man. Nobody for a moment believes or advocates that any individual in the United States incapable, either through incapacity to maintain himself or inability to find an opportunity to maintain himself, should be allowed to suffer.

From the standpoint of a taxpayer it is vital that we get on a rational basis by ascertaining the facts in order that the least amount of money necessary shall be expended and that the greatest amount of money expended shall go to the direct purpose and function of relieving those who are entitled to relief.

There is no question but that there are many thousands on the relief rolls who do not belong there. Those who are ineligible for relief should be removed and that relief should be extended to those who are really and honestly entitled to it.

I cannot stress too emphatically my belief that the whole question of relief should be surveyed from a nonpartisan standpoint, with the single view of determining the facts rationally, courageously, and effectively, to the end that we may not only know the extent of this problem and the probable duration of it but that we may also know that the burden of taxation necessary to carry on essential relief is only that which is absolutely needed for the work.

No one can object to this view, and everyone interested in the welfare of both those to be relieved and those who are paying for that relief certainly must favor such a move.

Personally, I want to state beyond any possibility of misunderstanding my own position in this matter. I am, and always have been, for adequate relief for those entitled to it. And I am in favor of getting away from all partisan discussion, all political expediency, and facing this grave problem in a businesslike way, to the end that we may know what is best to do to relieve the suffering of those who are unfortunate enough to be unable to sustain themselves, and at the same time to relieve, as far as possible, what necessarily is a very great burden on the shoulders of the taxpayer.

I supported this relief appropriation asked by the administration this year. But before we are again called upon to make such an appropriation we should be furnished definite information as to the amounts needed.

National Parks Are a Sound Investment for All the People

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

Mr. COLDEN. Mr. Speaker, these watchdogs of the Treasury on the minority side who are always barking for economy seem to have a keen scent for projects of the West and South. When projects for irrigation and reclamation are under consideration from the West or the T. V. A. from Tennessee and Alabama their barks of protest and warning roll and ring up to the rafters. However, when appropriations are being considered for Federal projects in their own States they are strangely silent, and apparently succumb to a sectional coma.

The Blue Ridge Parkway, which has for its purpose the connection of the Shenandoah National Park in Virginia with the Great Smoky Mountain Park in Tennessee and North Carolina, has particularly aroused the barking and the baying of the watchdogs, who evidently thought they had discovered a mouse. The Members of the House, only too familiar with these partisan attacks, substantially supported the Honorable ROBERT L. DOUGHTON, of North Carolina, in his battle for this worthy project. This proposed highway, 30 feet wide, in a parkway 800 feet wide and 475 miles in length, is a monument not only to its sponsors but also to the broad vision of a majority of the House of Representatives.

NATIONAL PARKS IN CALIFORNIA

As a Representative from California, I feel a keen interest in national parks. My State has been favored by the Federal Government with four great parks—the Yosemite, Sequoia, Grant, and Lassen. They are valuable assets not only to the people of California but to the entire Nation. No one can sit at the foot of El Capitan, or be fascinated by the beautiful falls of Yosemite, or look upward to the gigantic sequoias without being deeply impressed by the forces of Nature. It makes one forget the little vexations of life, it broadens the vision, it opens the soul. The same is true of the Yellowstone National Park, the Grand Canyon, and other majestic portions of our great country.

PARKS PAY DIVIDENDS

It is true that these great national parks are withheld from local taxation, but it must be remembered that these great recreational areas bring millions of visitors, who are a valuable commercial asset. There is no doubt that the tourists to the Yosemite National Park contribute much more to the commercial welfare of the State of California than would the amount of the taxes if this property were taxable by the State and withdrawn for park purposes.

California has been enthused by these great recreational areas afforded by the Federal Government. In addition to these four marvelous parks—Yosemite, Sequoia, Grant, Lassen—the State has established a park system of her own. These State parks are purchased and maintained by State funds. However, some gifts have been made by benevolent citizens. Some of these State parks are scattered along the Redwood Trail in the northwestern section of the State.

This is one of the most marvelous drives to be found on the globe. Every Californian, every individual from whatever part of the world, is awed, and carries away a life impression when standing in the shadows of these leafy monuments that reach hundreds of feet toward the skies.

THIS AREA IN NEED OF PARKS

The East, where the greater population prevails, has neglected to promote these large and valuable recreational areas.

This section of the country has a great need for these national parks. The Shenandoah National Park, the Blue Ridge Parkway, and the Great Smoky Mountains will afford millions of people an opportunity for a few weeks' rest and recreation. These individuals will be inspired by the scenery, their lungs will be purged by the fresh air of the mountains, they will return rested in body and in mind. A vacation in this section will be a tonic for the soul.

In addition to the recreational value, these parks will preserve vast areas of forests, a valuable asset to future generations. These forest areas will conserve the moisture in the mountains, will furnish streams of clear and pure water and sustain the normal flow of the rivers, and, to a considerable extent, will prevent the rapid flow of the mountain rain and restrain the floods below.

DISTINCTIVE BEAUTY UNPARALLELED

Mr. Speaker, I have had the pleasure of visiting the completed portion of the Skyline Drive in the Shenandoah National Park. It is one of the beautiful drives of the world. It may lack the majestic splendor of some of the Rocky Mountain drives or the Rim-of-the-World in southern California, or the marvelous sweep of the sea and the distant mountains of the Palos Verdes Drive that leads out from my home town of San Pedro, Calif. It may lack the historic aspect of the Grand Corniche, between the Apennines and the Mediterranean, made famous by Caesar and Napoleon, but it does possess a distinctive beauty and a rarity not paralleled anywhere on this grand continent with the possible exception of the Ozark Mountains. The allurements, the inspiration of this great project, will have no competition in this section of the country, and those who have breathed its refreshing air and beheld its mountain beauties will have implanted in them a deep and irresistible desire to visit the other great national parks of our country.

A BOND OF GOOD WILL

Mr. Speaker, I desire to congratulate my colleague, "BOB" DOUGHTON, for his militant spirit in supporting and carrying to a successful conclusion in this House this monumental investment that will pay dividends for centuries to come and that will bless the generations yet unborn. It will contribute to the breaking down of prejudice between the various sections of the country; it is a bond of good will stretching from north to south; it is an asset to all the people of our country. I am happy to note the House has not been deterred from a worthy deed by the self-appointed and self-annointed watchdogs that bark with partisanship, but seldom show the teeth of statesmanship.

Proposed Amendments to the Work Relief Bill to Finance P. W. A. Projects

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

Mr. BEITER. Mr. Speaker, I am listing herewith the two amendments which I am proposing to the pending relief bill:

AMENDMENT NO. 1 TO HOUSE JOINT RESOLUTION 361

On page 2, line 20, after the semicolon, add "*Provided*, That from the amounts specified for the foregoing classes, $300,000,000 shall be allocated to the Federal Emergency Administration of Public Works."

AMENDMENT NO. 2 TO HOUSE JOINT RESOLUTION 361

Page 3, after line 24, add new paragraph:

"In order to maintain or increase employment by providing for useful public-works projects of the kind and character for which the Federal Emergency Administrator of Public Works (hereinafter called the Administrator) has heretofore made loans or grants pursuant to title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, or the Emergency Relief Appropriation Act of 1936, the Federal Emergency Administration of Public Works is hereby continued until June 30, 1939, and until said date is hereby authorized to continue to perform all functions which it is authorized to perform on the effective date of this act. The funds hereinbefore allocated to the Federal Emergency Administration of Public Works shall be used for the making of loans or grants to finance or aid in the financing of such projects, and in addition thereto the Administrator is hereby authorized to use funds on hand or to be received from the sale of securities, for the making of loans or grants to finance or aid in the financing of such projects: *Provided*, That after the effective date of this act no allotment shall be made for any project the application for which has not been approved by the examining divisions of the Federal Emergency Administration of Public Works prior to the effective date of this act: *Provided further*, That no part of the sum made available by this paragraph shall be loaned or granted for any project unless, in the determination of the Administrator, the completion thereof can be substantially accomplished prior to July 1, 1939, and adequate provision has been made or is assured for financing such part of the entire cost thereof as is not to be supplied through the Federal Emergency Administration of Public Works: *Provided further*, That this limitation upon time shall not apply to any project enjoined in any Federal or State court: *Provided further*, That any grant hereafter made by the Federal Emergency Administration of Public Works to aid in the financing of any project for which the initial allotment is made after the effective date of this act shall be 20 percent of the cost of such project, plus an amount equal to the amount paid in salaries or wages to workers employed on such project who have been certified as being in need of relief by the Works Progress Administration or any agency or agencies designated by it: *Provided further*, That for the purpose of determining the total earned grant on any project the Administrator shall exclude the cost of work, materials, or services which have not been, in his opinion, performed or supplied in accordance with the terms and conditions of the financing agreement between the Government and the grantee. The Emergency Appropriation Act, fiscal year 1935, approved June 1934, as supplemented by the Emergency Relief Appropriation Act of 1935 and the Emergency Relief Appropriation Act of 1936, is hereby amended by striking out from the paragraph authorizing the Reconstruction Finance Corporation to purchase securities from the Federal Emergency Administration of Public Works the colon and the following: '*Provided*, That the amount that the Reconstruction Finance Corporation may have invested at any one time in such securities shall not exceed $250,000,000', and inserting in lieu thereof a period. The Independent Offices Appropriation Act, 1938, is hereby amended by striking out the words 'in connection with the liquidation' in the provision relating to administrative expenses of the Administraton of Public Works, and in addition to the funds made available for administrative expenses, in said act, the Federal Emergency Administration of Public Works is hereby authorized to use not to exceed $10,000,000 of the funds allocated in this joint resolution for administrative expenses during the fiscal year 1938."

The first amendment which I will offer on Monday makes no change in the class of work to be undertaken for which this relief appropriation is made. It merely provides that $300,000,000 of the $1,500,000,000 appropriated in the bill shall be set aside for the Federal Emergency Administration of Public Works for useful public-works projects. It is designed to finance those projects now pending in the Public Works Administration approved by the examining divisions, for which no funds are otherwise available. These projects originate in congressional districts all over the United States and have been submitted in good faith by local communities which we all represent.

The second amendment which I am offering proposes a minimum base grant of 20 percent of the project cost to cover indirect relief labor. The formula which I propose for determining earned grants on P. W. A. projects will at least guarantee applicants a minimum grant of 20 percent of the total project cost. The amendment also proposes increasing the grant that can be earned by whatever amount is paid to relief labor employed directly on the project. If this formula is accepted, localities having little unemployment will receive little or no grant in addition to the base grant of 20 percent. Localities having large numbers of unemployed qualified construction workers will receive grants ranging from 30 to 45 percent of the total project cost. In any event, all sponsors of non-Federal projects would receive Federal aid in direct proportion to the direct and indirect relief labor burden they assume. The fixed minimum grant of 20 percent of the project cost will be sufficient to encourage public bodies to undertake needed improvements.

The proposed amendment also provides that workers who are certified as being in need of public relief shall have the same eligibility for employment as those who are actually on the public relief rolls. This will protect those who have sacrificed everything to keep from becoming public burdens and prevent their having to go on relief before they are eligible for employment on projects financed in whole or

in part by the Federal Government. Heretofore only those workers who were actually on the public-relief rolls have been certified for employment on such projects.

P. W. A. statistics show that for all projects constructed the average amount paid for labor was 30 percent of the total project cost. On this basis the following examples show how the grant formula suggested in the proposed amendment will apply to a project costing $100,000:

EXAMPLE 1

When 20 percent of the labor employed directly on the project is relief labor—

Base grant for indirect relief labor (20 percent of $100,000)	$20,000
Total labor cost, $30,000.	
Grant from direct relief labor (20 percent of $30,000)	6,000
Total grant	26,000

In this case the applicant would receive a total grant of 26 percent of the total project cost, and would have to put up $74,000.

EXAMPLE 2

When 40 percent of the labor employed directly on the project is relief labor—

Base grant for indirect relief labor (20 percent of $100,000)	$20,000
Total labor cost (30 percent of $100,000), $30,000.	
Grant from direct relief labor (40 percent of $30,000)	12,000
Total grant	32,000

In this case the applicant would receive a total grant of 32 percent of the total project cost, and would have to put up $68,000.

EXAMPLE 3

When 60 percent of the labor employed directly on the project is relief labor—

Base grant for indirect relief labor (20 percent of $100,000)	$20,000
Total labor cost, $30,000.	
Grant from direct relief labor (60 percent of $30,000)	18,000
Total grant	38,000

In this case the applicant would receive a total grant of 38 percent of the total project cost, and would have to put up $62,000.

Construction on a few small P. W. A. projects started about October 1, 1933. Severe cold during the winter of 1933–34 seriously retarded construction of projects on those projects that did get underway before the cold weather. P. W. A. construction did not actually become an important factor in the relief of unemployment until the late spring of 1934. There was considerable criticism of P. W. A. in the beginning on account of the slowness in getting into action, but after it did get organized it really went to town, and it is still going. The following figures will give anyone something to think about:

Up to May 1 of this year dependable statistics show that P. W. A., Federal, non-Federal, and housing projects had furnished 1,350,577,048 man-hours of direct employment. An extensive survey conducted by the Department of Labor shows that on P. W. A. projects the ratio of indirect to direct labor is 2.6 indirect to 1 direct. Therefore, the grand total of direct and indirect man-hours of labor created by P. W. A. projects was 4,862,077,373, as of May 1 of this year. It must be remembered that, with relatively few exceptions, P. W. A. has been operating on a 30-hour week. P. W. A. statistics show that on the basis of the 30-hour week workers averaged about 25 hours a week. Labor and climatic conditions and the remoteness of some of its projects made it necessary to permit some projects to proceed, at least for certain periods of time, on a 40-hour week. P. W. A. statistics show that in these cases workers have been able to average only a little over 31 hours per week. Taking the P. W. A. program as a whole, for both direct and indirect labor, it seems safe to estimate that workers have not been able to average much, if any, over 30 hours per week. Up to May 1, 1937, P. W. A. had actually been engaged in construction 186 weeks. On the basis of a 30-hour week, 871,340 workers had been kept directly or indirectly employed by the P. W. A. program from October 1, 1933, to May 1, 1937. The Works Progress Administration estimates that each person employed is equivalent to keeping five persons off the public relief rolls. If that estimate is correct, the P. W. A. program kept 4,356,700 people off the public relief rolls from October 1, 1933, to May 1, 1937.

The foregoing figures do not take into account employment furnished contractors, subcontractors, engineers, architects, and the administrative staff of the Public Works Administration. In other words, the executive, administrative, technical, and clerical staffs of the Government, public bodies, contractors, and subcontractors engaged in the planning and executing of the P. W. A. program have not been taken into account. Neither are the executive, administrative, technical, and clerical staffs of investment brokers, insurance companies, mines, mills, factories, processing and assembling plants, and transportation organizations taken into account. If accurate figures could be assembled to show this indirect effect of the P. W. A. program, another sparkling gem would be added to the already glittering crown of this organization. No wonder it is one of the most popular organizations the Federal Government ever established. No wonder tens of thousands of telegrams and letters are pouring in to Members of Congress, the President of the United States, and others who have something to do with the destiny of the Public Works Administration, pleading for its extension and money with which to keep up its good work.

For the information of the Committee of the Whole House relative to the unemployment of skilled workers, I submit herewith letter sent to me on May 20 by the American Federation of Labor which indicates that any statement to the effect that there is a shortage of skilled building-trades workers is erroneous and without foundation.

BUILDING AND CONSTRUCTION TRADES DEPARTMENT,
AMERICAN FEDERATION OF LABOR,
Washington, D. C., May 20, 1937.

Hon. ALFRED F. BEITER,
Congressman of New York,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: I believe it opportune at this time to bring to your attention the unemployment conditions which exist in the construction industry.

Within the past 30 days I sent out a questionnaire to our building and construction trades councils requesting information with respect to unemployment in our industry.

It may be of interest to you to know that to date I am in receipt of letters from the secretaries of our councils in the following cities, who report:

	Percent unemployed
New Haven, Conn	30
East St. Louis, Ill	40
Fort Wayne, Ind	40
Peoria, Ill	25
Chicago, Ill	25
Tampa, Fla	60
Florence, Ala	50
Spokane, Wash	50
Everett, Wash	50
Boston, Mass	35
Atlanta, Ga	30
Sioux City, Iowa	50
Perry County, Ohio	60
Centralia, Wash	25
Raymond, Wash	25
Charleston, W. Va	25
Watertown, Wis	50
Macon, Ga	20
St. Louis, Mo	40
Miami, Fla	20
Alton, Ill	10

The secretary of our New York Building and Construction Trades Council reports 50,000 skilled building-trades workers out of employment.

I am sure that within the next 10 days I could furnish you with a more complete report. However, I believe that the above figures will give you a general idea of the number of skilled building-trades workers without employment at the present time, particularly as this is the season when construction is at its peak.

I believe that a conservative estimate for the country as a whole is that at least 40 percent of the skilled building-trades workers are without employment.

Any statement that there is a shortage of skilled building trades workers in this country is erroneous and without foundation.

The building and construction trades department of the American Federation of Labor, which represents all of the organized building trades workers in the United States, is insisting that Congress make a substantial appropriation for the continuation of the P. W. A., also the law should include a provision providing for labor conditions which will furnish employment opportunities to unemployed building-trades workers, who in many instances at great personal sacrifice, also due to the assistance furnished by our organizations many of which depleted their treasuries have kept their members off relief rolls.

In view of the great unemployment which prevails in the construction industry, I believe that Congress will be justified in amending House Joint Resolution 361 so as to provide at least $300,000,000 for the continuation of the P. W. A. and under conditions which will not be discriminatory against large numbers of our citizens who are unemployed and not on relief rolls.

Trusting that you will be successful in amending the bill as suggested, and with best wishes for your continued success, I remain,

Very truly yours,

M. J. McDONOUGH,
Secretary-Treasurer, Building and Construction Trades Department, A. F. of L.

Extension of Titles V and VI of the Social Security Act to Puerto Rico

EXTENSION OF REMARKS
OF
HON. SANTIAGO IGLESIAS
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

Mr. IGLESIAS. Mr. Speaker, there is no community under the American flag in greater need of the benefits of titles V and VI of the Social Security Act than the island of Puerto Rico. With its exceedingly dense population of approximately 2,000,000 American citizens and a relatively low economic status; overcrowding in dwellings as a result of misery and poverty, besides its tropical environment, the island is confronted with serious health, social, and welfare problems, which cannot be properly attended to with its limited resources.

Title V of the Social Security Act provides aid through the Children's Bureau of the United States Department of Labor to the States and Territories for work in maternal and child health, aid to crippled children, and child welfare.

Title VI provides aid through the United States Public Health Service to the States and Territories in the establishment and maintenance of adequate health services, especially in predominantly rural communities.

The question of the extension of the Social Security Act to Puerto Rico has already been considered by different departments and agencies of the Federal Government. The Department of the Interior has just recently communicated with the Treasury Department and the Department of Labor, respectively, asking their assistance in securing extension of titles V and VI to Puerto Rico. After a hearing before the Social Security Board as to extension of the act to Puerto Rico, the Board indicated it would be willing to endorse the extension of titles V and VI to the island.

The insular government has a well-organized department of health, whose standards of work are recognized as satisfactory by the Children's Bureau and the United States Public Health Service, which administer titles V and VI of the Social Security Act. Insular funds are now provided by the government of Puerto Rico for public-health purposes, including maternal and child health, child welfare, and other health activities, but they are totally inadequate to meet the proper needs of the island.

The average general annual death rate in Puerto Rico during the past 5 years has been twice that of the United States registration area for deaths. The average annual tuberculosis death rate during the same period in the island has been 300 per 100,000 population, or five times the tuberculosis death rate in the continent. Hookworm is widely prevalent and, according to surveys carried out, approximately 90 percent of persons in rural communities and 40 percent of those living in urban districts are infected. Malaria is a serious problem, especially on the coast, where as many as 40 percent of the inhabitants harbor the malaria parasite in their blood. Infant mortality, considered by most sanitariums the most sensitive index of social welfare and sanitary improvement, is exceedingly high—114 per 1,000 live births during 1935—as compared with the rate for continental American communities, where rarely it exceeds 50. Mortality from causes connected with child birth is comparatively high—53.3 per 10,000 total births in 1934 and 65.8 in 1933.

A conference of State Governors, held during the year 1935, with the attendance of Maj. Gen. Blanton Winship, Governor of Puerto Rico, passed a resolution requesting that the benefits of the Social Security Act be extended to the island. The Conference of State and Provincial Health Authorities of North America, which met in Washington D. C., on April 5 and 6 of this year, passed a resolution requesting from President Roosevelt and the Members of Congress the extension of titles V and VI of this act to Puerto Rico. A resolution was introduced and approved at the annual conference of the American Federation of Labor which convened in Tampa, Fla., in November 1936 requesting from Congress the extension of the benefits of the Social Security Act to Puerto Rico.

In view of the recommendations made by the Secretary of the Interior and the Social Security Board, I introduced a bill (H. R. 6524) designed to extend the provisions of titles V and VI of the Social Security Act to Puerto Rico.

A bill was introduced and approved by the insular Legislature of Puerto Rico in its present session, which closed on April 15, 1937, to authorize the Department of Health of Puerto Rico to cooperate with the Federal Government through its appropriate agencies in administering a program of service for promoting the health of mothers and children and in maintaining adequate public-health service; also the necessary appropriation for matching Federal funds has been included in the budget approved by the insular legislature for the fiscal year 1937–38. The extension of titles V and VI to Puerto Rico will not entail the setting up of additional Federal administrative offices.

The recommendations for extending titles V and VI to the island, above referred to, are included in the following letters written by the Secretary of the Interior, Hon. Harold L. Ickes:

THE SECRETARY OF THE INTERIOR,
Washington, February 27, 1937.

Hon. ARTHUR J. ALTMEYER,
Chairman, Social Security Board, Washington, D. C.

MY DEAR MR. ALTMEYER: I am informed that the Social Security Board desires the views of this Department on H. R. 1484, introduced in the House of Representatives on January 5, 1937, by Mr. IGLESIAS, Commissioner from Puerto Rico, to amend the "Social Security Act", approved August 14, 1935, so as to include Puerto Rico. I earnestly favor the extension to Puerto Rico of those portions of the act of which the insular government may be able to avail itself at the present time, including particularly titles V and VI, "maternal and child health services", "services for crippled children", "child welfare services", "vocational rehabilitation", and "public-health work."

Probably no territory under the flag of the United States is more in need of the benefits provided in the Social Security Act, particularly of those conferred by these titles V and VI.

Insular funds are now provided by the government of Puerto Rico for public-health purposes, including maternal and child health, and the care, education, and vocational training of dependent children and of the blind. These funds approximate $1,300,000 annually, and are expended under the direction of the department of health. They are, nevertheless, entirely inadequate to care for the dense population, now averaging some 520 persons to the square mile.

The public-health service of Puerto Rico and the public-health units under its direction are at present fully able to comply with all Federal requirements, and additional funds could be used advantageously in extending public-health units to those parts of the island which are not now served; in strengthening the services now rendered by the addition of new trained personnel; in supervising social-service investigations concerning dependent children and finding homes for them; and in rehabilitating the physically disabled. Such additional resources as might be made available to Puerto Rico under the Social Security Act would be used in extending valuable services to many persons not now receiving such assistance, particularly in the rural sections.

Puerto Ricans are citizens of the United States, and there appears to be no good reason why Puerto Rico should be excluded from such of the benefits of the Social Security Act as it may be in position immediately to utilize, or from like opportunity with the other Territories and the States fully to avail itself of all of the benefits of the act as soon as it may be in financial position to do so.

A part of the unrest in Puerto Rico, aside from that derived from its difficult economic situation, has been due to a conviction on the part of many inhabitants of the island that Puerto Rico is a sort of stepchild of the United States and bears the brunt of legislation designed to benefit other sections of the country, not beneficial—or even actually detrimental—to Puerto Rico. It is difficult to explain to Puerto Ricans why their island is excluded, while Alaska and Hawaii are included in the provisions of the Social

Security Act. Immediate extension to Puerto Rico of at least those provisions of the act of which the insular government may be in position immediately to avail itself, particularly titles V and VI, would go far to offset the feeling that Puerto Rico is the object of unfair discrimination.

The Federal Government has never extended to Puerto Rico financial aid anywhere nearly comparable to that extended to the States. As shown by the detailed tables herewith, the total Federal regular and emergency aid per capita for the last 3-year period, $26.51, is less than that given to any State or other Territory. It is true that Puerto Rico receives, in addition, the benefit of the United States customs duties, internal revenues, and income taxes collected in Puerto Rico and retained there, and that the Federal internal-revenue laws, in general, have not been extended to the island; but the total of all those items has amounted for the last 3-year period to only $6.46 per capita for the island, making a total of only $32.97 per capita for Puerto Rico for all Federal regular and emergency aid, together with the benefits of the customs duties, internal revenues, and income taxes allotted to the island. As shown by the tables herewith, that total is less than one-half of the average Federal asistance per capita, of $68.41, given to the States and other Territories, including the District of Columbia; and it is only about three-fifths of the average, of $55.72, given to the other Territories.

The island is in immediate need of Federal assistance at least comparable to that given the other States and Territories, particularly because of the increasingly heavy problem facing Puerto Rico in the great and increasing density of its population.

Furthermore, it should be said, in fairness to Puerto Rico, not only that it needs and is entitled to aid, on the same basis as the States and the other Territories, but also that the people of the island have shown themselves to deserve full recognition on this basis. In the 38 years that Puerto Rico has been an integral part of the political and economic structure of the United States the island's purchases from the mainland have increased from about $9,000,000 in 1900 to about $100,000,000 in 1936. The island now ranks seventh as a purchaser of mainland products, exceeding all countries of the Western Hemisphere except Canada.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

THE SECRETARY OF THE INTERIOR,
Washington, March 9, 1937.

Hon. SANTIAGO IGLESIAS,
Resident Commissioner from Puerto Rico,
House of Representatives, Washington, D. C.

MY DEAR MR. IGLESIAS: I have your letter of February 15, in which you request that I do what I can to have the provisions of the Social Security Act extended to Puerto Rico.

Director Ernest Gruening, of the Division of Territories and Island Possessions, and Col. William C. Rigby, counsel for Puerto Rico, had a conference with the Social Security Board on February 10. At that time the question was discussed as to whether the entire Social Security Act should be made applicable to Puerto Rico at this time or only those parts of the act of which Puerto Rico would be able to avail itself immediately. It appeared to be the opinion of the Board that it probably would be better to ask, at the present time, for the extension of only titles V and VI to Puerto Rico, and then to wait perhaps until some subsequent year, or until the island is really ready to avail itself of other provisions of the act, before requesting further legislation from Congress. The Board was unanimously in favor of the extension to Puerto Rico of titles V and VI.

Following the above conference, and upon being advised that the Social Security Board desired the views of this Department concerning H. R. 1484, I wrote a letter on February 27 to Hon. Arthur J. Altmeyer, Chairman, a copy of which, together with its enclosures, I transmit herewith.

As you probably know, I made efforts to have Puerto Rico included in the original Social Security Act, but was unsuccessful. I am entirely in sympathy with having the provisions of said act extended to Puerto Rico, but Governor Winship has advised that it will be impossible to take advantage of certain of its provisions at present. I therefore believe that we should work in harmony with such recommendations as may be made by the Social Security Board.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Foreign Invasion of Alaska Fisheries

EXTENSION OF REMARKS
OF
HON. ANTHONY J. DIMOND
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 21, 1937

Mr. DIMOND. Mr. Speaker, yesterday I invited the attention of the House to the serious condition which exists with respect to the Alaska salmon fisheries by reason of the threatened, and in part actual, invasion of those fisheries by the Japanese.

This morning I received a telegram from Mr. William B. Regan, United States Commissioner at Naknek, Alaska, stating that he had just received information of the presence of two Japanese floating canneries lying off Port Moller on the west side of the Alaska Peninsula, in Bristol Bay, and stating his understanding that the Japanese had agreed to stay out of Bering Sea until the controversy is settled.

So far as I am aware, the Japanese have made no agreement to remain out of Bering Sea, but have, on the other hand, proclaimed their intention of fishing as they please in Bristol Bay and in Bering Sea, and in fact everywhere else off the Alaska coast beyond a distance of 3 miles from shore. So far as I know, they have not indicated their intention of fishing within 3 miles of the shores of Alaska. Floating canneries anchored off Port Moller indicate that the Japanese are fishing in that region. With the mile-long nets used by them, extending from the surface to the bottom of the sea, they are bound to take large quantities of salmon during the annual salmon run, and thus measurably deplete the Alaska salmon fisheries.

Since yesterday, Mr. Speaker, I have received information indicating that one statement contained in my remarks of yesterday is not entirely correct. I then said that Norway claimed exclusive fisheries rights in the Westfjord lying between the Lofoten Islands and the mainland, but that no definite limits to the waters thus claimed appear ever to have been specified. This morning I learn that a Norwegian royal decree of July 12, 1935, does definitely specify the limits of the waters claimed in the Westfjord and includes all of those waters within the Norwegian fisheries zone. The outer limit of the zone thus claimed is 4 miles beyond the outer islands which fringe the coast of Norway, and therefore the Kingdom of Norway claims the exclusive fisheries rights, not only in the Westfjord but 4 miles beyond the extreme outer limits of a line drawn from Shomvoer to Myken Islands, which lie at the northerly and southerly extremity of the entrance to the Westfjord. This claim which has been maintained by Norway down the centuries, and is reiterated and made explicit by the royal decree of 1935, is definite proof that no general 3-mile limit applying to all cases has ever been generally accepted by the civilized nations of the world, and therefore the so-called 3-mile limit for all purposes is not a part of international law.

Gen. Casimir Pulaski

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, May 21, 1937

ADDRESS BY HON. MARTIN L. SWEENEY, OF OHIO, AT CLEVELAND, OHIO, ON MAY 2, 1937

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the speech of Hon. MARTIN L. SWEENEY, delivered at the unveiling of the monument in honor of Brig. Gen. Count Casimir Pulaski, at Pulaski Square, Cleveland, Ohio, Sunday, May 2, 1937, as follows:

Mr. Chairman, Right Reverend Monsignori, distinguished guests, ladies, and gentlemen, I am very happy to have this opportunity to journey from the Nation's Capital to join with you today in paying tribute to the memory of a great character, a soldier, and a true patriot, Brig. Gen. Count Casimir Pulaski.

I bring you the greetings of my colleague the Honorable JOHN LESINSKI, Congressman from Michigan, who was to be a guest speaker on this occasion. Unfortunately, he was detained by an important engagement in his own city. It would have been a pleasure to have him with us today and to many of you a privilege to hear him address this magnificent gathering in his native Polish language. Our friend is an outstanding Member of the House of Representatives, a splendid type of Polish-American citizen, bringing credit to himself, his constituents, and the honorable race of which he is a part.

To discuss the romantic career of Brig. Gen. Count Casimir Pulaski to an audience of Polish-American citizens would be like "carrying coals to Newcastle." I direct my remarks today to those of you assembled here who are not of Polish extraction, and who undoubtedly are eager to learn something of this distinguished patriot in whose honor we dedicate this memorial today.

Unfortunately, very little has been written about the romantic career of Brig. Gen. Count Casimir Pulaski. Here is a field for some modern historian to cultivate. We know he came from a distinguished noble family, a family that was comfortably situated as far as the material things of life go, and who always had a deep sympathy for the poorer class of peasants in their homeland.

The Pulaski family were ardent lovers of liberty and took part in repelling the invaders at every opportunity. Strong believers in democracy in its truest sense of the word, this noble family led by the father, Count Joseph Pulaski, with his three sons, including Casimir, who was not yet 20 years of age, in 1768 successfully raised an army of over 8,000 men in an effort to repel the attack of Russia, bent on seizing their native country. The military accomplishments of this family were known throughout Europe, and the bravery of young Casimir Pulaski soon became known to the American Colonies, who were then organizing for battle to achieve independence for what is now known as the United States.

The story of the Pulaskis is a sad story. Often were the sons compelled to take up arms to prevent in turn the invasion of the Prussians, the Austrians, and the Russians. The Pulaski family not only gave of their physical strength but they helped to finance and sustain the newly organized armies in the struggle for Poland's independence. On August 5, 1772, after fighting in a hopeless cause Poland found herself humbled with the signing of the treaty of partition at St. Petersburg. This treaty took from Poland over one-third of her territory and placed 5,000,000 of her people under Russian domination.

Young Casimir Pulaski witnessed the humiliation of his people with the signing of this treaty. Undaunted, he fled to Turkey, where he spent considerable time seeking to incite the Turks against the Russians. After Turkey made peace with Russia in 1774 Casimir Pulaski fled to France. In Paris, fearful of exposure, he refrained from reporting to the military authorities of that country, and sought out his former schoolmate, Dr. N. Belleville, who was then serving his internship in one of the military hospitals in Paris. Dr. Belleville made possible the historic meeting with our own Benjamin Franklin, who was at that time in Europe seeking aid for the American Colonies. Franklin knew of the military record of the young Polish hero. Without hesitation he furnished him with letters of introduction to Gen. George Washington. Pulaski made known his desire to fight for independence and the American Colonies.

He sailed from Europe and arrived on America on August 17, 1777. He immediately presented his credentials to General Washington, who was so impressed with the young Polish soldier that without delay he wrote the Congress urging that Pulaski be given the command of the horse. Pulaski accepted the responsibility and in a short time thereafter he accredited himself with valor at the Battle of Brandywine. Because of his bravery in this battle, General Washington caused the Congress to issue to him a commission as brigadier general in command of all the Cavalry of the American forces. It can be truthfully asserted that Pulaski was, in fact, the "father of the American Cavalry." After distinguishing himself at the Battle of Trenton and several other engagements, we find Pulaski with 200 of his trained horsemen participating in the siege at Savannah, Ga., in which battle he received the wound that brought about his death.

I like to think of the brigadier general as a splendid military leader. I also like to think of him as a Christian gentleman. Let me read to you the statement attributed to Major Rogowski, one of his officers who was with him when he received the fatal wound. I read from the Georgia Historical Quarterly, from the edition published September 1929, on the occasion of the Pulaski sesquicentennial. This publication is sponsored by the State of Georgia Historical Society. Major Rogowski speaks:

"For half an hour the guns roared and blood flowed abundantly. Seeing an opening between the enemy's work, Pulaski resolved, with his legion and a small detachment of Georgia cavalry, to charge through, enter the city, confuse the enemy, and cheer the inhabitants with good tidings. General Lincoln approved the daring plan. Imploring the help of the Almighty, Pulaski shouted to his men, 'Forward!' and we, 200 strong, rode at full speed after him, the earth resounding under the hoofs of our chargers. For the first 2 minutes all went well. We sped like knights into the peril. Just, however, as we passed the gap between the two batteries, a cross-fire, like a pouring shower, confused our ranks. I looked around. Oh! sad moment ever to be remembered! Pulaski lies prostrate on the ground. I leaped toward him, thinking possibly his wound was not dangerous, but a canister shot had pierced his thigh and the blood was flowing from his breast, probably from a second wound. Falling on my knees, I tried to raise him. He said, in a faint voice, 'Jesus! Maria! Joseph!' Further I knew not, for at that moment a musket ball, grazing my scalp, blinded me with blood, and I fell to the ground in a state of insensibility."

This act portrays a true Christian gentleman. It dignifies the strength of the Polish people, who through centuries of oppression in their bitter struggle for independence never left the faith of their fathers. They remained steadfast and are today loyal to the Roman Catholic faith, which sustained them in their darkest hour. Pulaski gave evidence of this faith when he was mortally wounded at the Battle of Savannah.

A few years ago I was delighted to learn that the City Council of Cleveland, Ohio, had adopted a resolution sponsored by my friend, the Honorable John M. Sulzman, then a member of the city council, who graces this occasion with his presence on the platform, for the dedicating of this area of our city to be known as Pulaski Square. It was a fitting tribute on the part of the city government in honoring one who did so much to bring about the independence of our country. I trust our fellow citizens, as they pass this section of the city, will come to know more of the life and character of the man we honor today.

This cannon which we unveiled today in Pulaski's honor was used in the last World War. It is an instrument of death and ordinarily would be repulsive to the thinking men and women of the present generation. Its historical background, however, tells us that, as in Pulaski's day, physical force is the accepted weapon in any struggle for liberty or national defense. Brig. Gen. Count Casimir Pulaski, like our own Washington and Lincoln, undoubtedly in his heart despised war; but he was a practical man and, like others who are charged with responsibility of military and naval defense, knew that there was no other way to settle national and international disputes when reason and common sense are virtually destroyed.

With war clouds hanging heavy over the civilized nations of the world, with dictatorship and communism raising their ugly heads in many parts of the globe, is it not about time that we who are fortunate in being citizens of the greatest democracy of all time, in the greatest country of the world, give serious thought and consideration to protecting and retaining the freedom and liberty we now enjoy, and which is denied to many of our fellow men in other nations?

I am a strong believer in national defense and supported every reasonable national defense program in the Congress of the United States, but I pray the time is not far distant when the tremendous amount of money we spend for armaments and for weapons for the destruction of human life and property can be utilized in eradicating disease, in developing culture, and securing prosperity for our fellow beings, not only in this country, but throughout the entire world.

We are strong enough to lead a movement in a war to end wars by destroying the profits which some greedy individuals make from the blood of their fellow men. It is well that we keep aloof from the so-called League of Nations as it is now constituted, with its intrigue and selfish ideals and its concern with material advantages rather than the idealism for which it was created. When the time comes that we shall have a family of nations seriously united for the purpose of destroying war, the United States of America can properly take the lead without a surrender of any part of our national sovereignty.

There are monuments to Brig. Gen. Count Casimir Pulaski in the city of Washington, D. C., in Savannah, Ga., and the splendid Pulaski Skyway which reaches for many miles through the State of New Jersey, terminating at the gateway of the greatest metropolis of the world, New York. His greatest monument is the history of his contribution to the cause of American independence recorded in the archives of our national history. Let us and the future generations study and revere the romantic career of this young soldier who died at the early age of 31, but whose life was crowded with activities in behalf of liberty and freedom for his fellow men.

Don't Sell Out Prosperity

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

ARTICLE BY HON. H. JERRY VOORHIS, OF CALIFORNIA, AND HON. MAURY MAVERICK, OF TEXAS

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include herein an illuminating and challenging article written for The Nation, a liberal weekly periodical, by the gentleman from California [Mr. VOORHIS] and the gentleman from Texas [Mr. MAVERICK], entitled "Don't Sell Out Prosperity." This article sums up in succinct argument the entire relief situation. In it the two authors, who have but recently been written about favorably by Dr. Stanley High in the Saturday Evening Post, give a penetrating analysis of the present relief situation and conclude with their own prognosis of the future with reference to relief. I commend the reading of this article to all thoughtful and intelligent citizens. The two authors are active among the liberal groups of Congressmen, in which number may be found many men of splendid intellect, warm heart, and great promise.

The article is as follows:

[From the Nation for May 1, 1937]

DON'T SELL OUT PROSPERITY

(By H. JERRY VOORHIS and MAURY MAVERICK)

WASHINGTON, D. C., May. 4.—President Roosevelt's message asking that relief be cut to a billion and a half broke like a thunderclap over Congress. In comparison with the preceding year's outlay on W. P. A., P. W. A., and Resettlement, it meant a drastic cut.

Immediately it sent the birds of spending flying high and low. A group of Congressmen sometimes referred to as the "liberal bloc" said the amount should be two and a half billion, since there are still over 8,000,000 unemployed. This figure, on the basis of past expenditures, seems about right. Other suggestions went as high as $4,000,000,000. But many persons said the President wanted far too much. Some of the low flyers said a half billion more should be lopped off, leaving a billion. Some even said relief should be eliminated altogether. At any rate, the economy drums are beating and roaring, and the cut-to-the-bone boys are admittedly way out in front.

So what? If an armistice were declared and the thing discussed calmly, everyone would have to admit that nobody knows with any great accuracy what amount ought to be appropriated. But there is no armistice; and the economy boys, if you ask them, say, "If the money gives out, we can get a deficiency appropriation." Shut your eyes and wait and see.

But why not look reality in the face for once? There is only one sensible course. There should be a permanent department of government—call it social welfare or government works, or what you will, just so it is permanent—that would function as a national building agency. There should also be a comprehensive unemployment survey, and not just one, but a system that would provide a running record day by day. Until we have such a system we are boxing in the dark with the ghost of unemployment.

We know that several million of the persons now unemployed will remain unemployed for years to come—barring, of course, some fundamental change in our economic system. Hence, whatever Congress does with regard to the unemployed is going to determine the permanent lot in life of several million families. Even viewing the problem as a temporary one, if the present plan of reduction goes through, the amount appropriated will still be entirely insufficient. The W. P. A. has done a good job in meeting an emergency situation, but for the long run, for the permanent policies of the future, we have done practically nothing at all. For that we need a faith, a philosophy, and definite information.

Everybody should know that if America increased by 10 percent its available fertile soils, the number of its decent habitable homes, the quantity of its preserved food, the capacity of its power plants to develop electric energy, the acreage of its forests, the effectiveness of its educational and cultural facilities—everybody should know that if this happened America would be richer by approximately 10 percent than it was before. But some of us still have the ridiculous idea that we shall go broke by increasing the national wealth or by hiring people to build up the national wealth.

We know that no nation on earth has ever maintained itself as a strong and vigorous people if it condemned any considerable number of its people to become an outcast group. Yet we are in danger of doing this very thing today. And we know also that no modern nation has escaped the necessity of facing in some way, honest or dishonest, the problem of its unemployed. Japan has dealt with it by cutting wages to the point where it could undersell the world. Britain has adopted a general dole. Hitler has put his unemployed into compulsory work camps where they get no wages at all. Mussolini has carried on two wars to prevent people from discovering they were unemployed. Russia has gone Communist—or something. In America we have got to decide now whether we are going to face this problem and solve it or whether we are just going to wish the unemployed had gone back to work, and bring on another depression by cutting off their buying power.

A constructive approach to this problem assumes that the Nation will require that the work done by the unemployed on a Government program shall be of such character as to yield a dollar's value for every dollar spent. We need, in other words, to knock in the head the idea that the rest of the Nation is supporting the unemployed, and to arrange the program so that the unemployed will be clearly supporting themselves and adding to the sum total of national well-being.

We must face in this picture the problem of the very young and of those over 45. Men over 45 must be given the opportunity to earn a living and not thrown on the human junk pile. Also, the requirements that one must be "on relief" in order to get work on Government projects must be eliminated altogether. It has destroyed morale and prevented the hiring of many of the best workmen among the unemployed—those who, though out of jobs, have managed to stay off relief.

Necessary work should be done. Flood control. Our soils; they are washing and blowing away. Our homes; we need new homes by the tens of thousands, by the hundreds of thousands. And since the T. V. A. has opened our eyes to what cheap electricity will do in raising the standard of living of the people, let us have more T. V. A.'s. We need to take surplus crops from our farmers and process them, so that we can preserve the health of the children, at least, of families on relief. We need to plant trees to preserve our watersheds. We need many thousand more school teachers in our schools—not away from them—and better school buildings. And these are jobs that private industry cannot do. We must conceive it as a national duty to guarantee the unemployed the right to work and earn a living; and as a national right to use the labor and the capacities of the unemployed in accomplishing necessary national tasks.

People say, "Feed 'em; it's cheaper." But the answer is that all the permanently necessary things can be accomplished by able-bodied men doing self-respecting work. And as for "feedin' 'em", that is about as sensible as if a rich farmer had his workers lie around and do nothing at half wages instead of having them make a crop for him at full wages.

As we have said, there should be a permanent department of the Government to handle the situation. All public works should be cleared through this department. The public-works program should be run like any other business. People should be hired who can do the job well, and strictly on condition that there is no private job available for them. The program should, of course, be expanded only to the extent that it puts to work the people that private industry can't use. When private industry actually begins to hire them, Government work should be cut down. Moreover, men and women should be able to leave Government jobs to take temporary private employment without giving up their right to get back on a public-works job after the private work has ended.

Wages should be worked out on the basis of security of annual income. This is even more important than the payment of prevailing hourly wages. People's standards of living are determined not by what they make in an hour but by what they make in a year.

But now we hear the curbstone economist speaking: "Well, now, aren't you forgetting that the unemployed are a burden on society? Aren't you overlooking the fact that if one man does some work there will be that much less work for someone else to do? It's so expensive to put our unemployed people to work. Good Lord! We have to balance the Budget. We have to save money. This thing can't go on. It's got to stop sometime!"

No; we haven't forgotten. And further, we believe America's greatest and most tragic mistake has been its fixed idea that just as soon as we get started producing and consuming a little more than we did before, it's got to stop. True, "we've had depressions before." Indeed, yes. It's our all-American bad habit.

In the past few years the Government has borrowed much of its own credit from people who didn't have it. The banks' total assets amounted to $7,000,000,000. The United States Government "borrowed" eighteen billion from the banks by the sale of bonds. Worse yet, the bonds sold to effect this borrowing were tax-exempt. Then we took the credit which these banks advanced and hired unemployed people to add to the wealth of America. But before we got the wealth we had given away title to it to the people who bought the bonds, and we had even promised not to tax that amount of wealth at all.

Cockeyed? Of course. What we should have done was to extend the credit of our Government directly so long as, and on condition that, those in charge of our public-works program faithfully saw to it that, for every dollar of credit advanced, a dollar's worth of new wealth should come into existence, or a dollar's worth of new valuable service. And so long as such an expansion of credit was matched by a corresponding increase in production, no inflation could result.

The price America must pay for maintaining a system of free economic enterprise is the cost of security for those whom industry will not, and perhaps cannot, employ. We have introduced a bill asking for $2,520,000,000 for the next year and the employment of 3,000,000 people—about one out of every two and one-half or three of the unemployed. A revision of our taxes could, in our opinion, raise this amount and keep the Budget in balance. We believe many projects, such as housing, power development, flood control, and the like, can be made self-liquidating—at least in part.

No Budget is or ever will be balanced unless it includes an adequate appropriation to enable able-bodied unemployed people to work and earn a living and make their contribution to a new and better Nation. Economy is right. Thrift is right. But if every unemployed man were put to work at something necessary to the national welfare, we should be practicing better economy and thrift than by letting men go hungry and the country go to waste. Why throw a half-million able-bodied Americans back into the soup lines?

Work Relief or Soup Lines

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

RADIO ADDRESS BY HON. H. JERRY VOORHIS, OF CALIFORNIA

Mr. ALLEN of Pennsylvania. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following

address delivered over the radio by the gentleman from California [Mr. VOORHIS]:

No free nation in the world has yet discovered how to prevent periods of brief prosperity from turning into periods of depression, suffering, failure, and social confusion. Therefore, to prevent another depression in this country in the next few years we have got to do things differently from what we have done them before.

Most people admit the key to business activity and employment is consumer buying power. Most people admit our main trouble has been that buying power has not kept up with the productive power of our farms and industries.

If these things are true, then to avoid a new and worse depression we must attack the problem of buying power—and we must keep on working at it.

We must beat the next depression with a new policy, one not tried before, for the simple reason that nothing we have tried before has beaten a depression. And that new policy has to center in the buying power of the common folk.

Some people say, "Well, we've got prosperity back, so we ought to cut down on the appropriations for putting our unemployed to work." But the truth is that we've only got prosperity for part of the people. And since there is a just God in the universe, it is impossible for any nation to have prosperity if it condemns to pauperism, misery, and want a large section of its population. Poverty can't exist for some while others have plenty without having the poverty eat up the plenty. Our national well-being is measured by the well-being of the folks at the bottom of the scale. I mean the unemployed—good, earnest, self-respecting people who want to work but who, to the number of about 10,000,000, can't get work today any more than they could 5 years ago.

Some figures may be interesting. Between 1924 and 1929 income from capital—that is, profits, dividends, interest—increased 70 percent. Income in the form of wages and salaries increased only 20 percent. Farm income hardly increased at all. In the year 1936 profits increased 50 percent; wages, 11½ percent. We added $800,000,000 to the income of owners of capital and $1,600,000,000 to the income of all workers. We know what happened in 1929. It will happen again unless we bolster the income of poorly paid workers, unless we revise our taxes, and, above all, unless we maintain the buying power, the hope, the faith in America of those who otherwise will have nothing—namely, the unemployed.

During the past few years W. P. A. has been employing about 1 out of every 4 of the unemployed. Therefore W. P. A. is reducing its rolls today, not by having people put to work in private jobs but by forcing them onto relief rolls of city and county charity organizations. Production is back to 1929 levels. But even in 1929, 3,000,000 or more were unemployed, and industry is employing about 5,000,000 less people today than it did in 1929, according to Alexander Hamilton Institute figures. And each year since 1929 over 400,000 young people have graduated from school and been added to the number seeking jobs. This makes nearly 3,000,000 additional unemployed workers and brings the total up to at least 9,000,000 or 10,000,000. Half a million people now on relief are at this moment fully certified for work on W. P. A. and eagerly asking and begging for such work. We are saying they can't have it. So for every person laid off by W. P. A., one more is added to the relief rolls—not to the pay roll of industry.

Many people think of 1929 as a year of such heavenly conditions that if only we could get back to 1929 all would be well. But America's population has grown, her needs have increased, and the number of her people seeking work has risen by 3,000,000 since 1929. Even if we had reached a 1929 level in both production and employment—which we haven't—we would need to continue with the job of expanding the buying power of the Nation until we had reached a level of production and employment far beyond that of 1929 before we would be justified in cutting down the W. P. A. The time has not yet come for a deflation of the buying power, the business, and the right to work of the American people.

It will have cost the W. P. A. something over $2,000,000,000 this year to employ an average of 2,500,000 people. Right now 2,254,000 people are at work on the projects of W. P. A. If only $1,500,000,000 is appropriated, only 1,640,000 can be employed in the coming year, and 614,000 of those now working will have to be forced off W. P. A. Maybe they will get a little relief from their cities and counties. Maybe not. That means suffering, conservation, and fear in half a million homes. I've been in those homes—lots of them. I think I know what a cut in W. P. A. means.

It is important to remember that W. P. A. won't get all the billion and a half. Other so-called relief agencies will get part of it. And all the funds for the Resettlement Administration will come out of it. The Resettlement Administration has been trying to help out the poorest one-third of the Nation's farmers—people whom the regular farm program hardly affects at all. In our western Dust Bowl thousands of families have had to depend almost entirely on grants of $18 a month from the Resettlement Administration for a meager living. But if only one and one-half billion is appropriated, there will be no money for such grants after October 1, 1937. This is important. It might be very tragic.

So far as the suggestion that the appropriation be cut to $1,000,000,000 is concerned, I find it hard to speak about it. It means in my own State of California a cut from 115,000 now employed to 53,000 under that appropriation. For the Nation it means that only 1,000,000 could be employed and that over half those now on W. P. A. would have to be forced back on charity. It undoubtedly would mean reduction of wage standards all over the Nation, which is one of the things its advocates may desire. I have little doubt that this would mean the beginning of the next depression. I cannot believe Congress will do this thing.

It would be different if we were helpless. But we are not. We are taking our choice between balancing the Budget at the expense of all America's working people or balancing it by the revision of our tax laws, so we can raise revenue for this our most important governmental expenditure. I hope Congress will not decide that it is politically easier to cut off the unemployed than it is to revise our tax laws. And as we go about cutting expense, I hope we will remember that one $10,000 salary would employ 12 heads of families on the W. P. A. for a whole year.

There is a bill presented for $4,000,000,000 for W. P. A. and for direct relief. No doubt it is needed. I cannot argue against it except to say that I am convinced, like many others, that the Federal Government should have nothing to do with direct relief, and that we ought to balance our Budget as soon as we can and do it by tax revenues and not by bond sales. Because we can show that revenues can be obtained to meet the cost, some of us are struggling and will keep on struggling to the end to increase the appropriation to $2,500,000,000.

If, as seems right, we assign $300,000,000 of this to the Public Works Administration to carry through our Government's moral obligations to the communities of the Nation, if the Resettlement Administration receives an amount sufficient to put our most distressed farmers on their feet, and if W. P. A. subsistence wages are raised to somewhere near the cost of mighty simple living, then this $2,500,000,000 figure would provide barely enough to prevent W. P. A. being cut below this year's levels and to employ one out of every three or four of our unemployed on worth-while projects of permanent value.

Indeed, the United States conference of mayors has said convincingly that $2,200,000,000 should be provided for the W. P. A. alone.

Where is the money coming from? A word or two will show that the funds can be obtained if Congress will do the courageous thing. The Philadelphia Record published an editorial on April 26 which read in part as follows:

"During the last 5 years there has been a rise of $56,000,000,000 in the value of listed stocks and bonds and about forty billions more in unlisted stocks and bonds. The 5-year 'incubation' period is ending now. Liquidation has begun as the lucky owners turn their gains into cash—on which they enjoy a 60-percent income-tax exemption.

"If that exemption were wiped out on estimated profits of thirty billions on securities held 5 years, Uncle Sam would have at least $700,000,000 a year more revenue, the difference between the proposed $1,500,000,000 W. P. A. program and a $2,200,000,000 program, which would stimulate all business."

Revision of the capital-gains tax, then, would answer the major portion of the need.

But those who know the inside of things tell me that if the loopholes in our present tax laws were plugged, our upper-bracket inheritance, gift, and income taxes would yield a great deal more revenue than they do now, even at present rates. Again, the income-tax rates on the moderately wealthy—those between $4,000 and $25,000—are considerably lower than they were in 1919. They could and probably should be raised.

Finally, we must remember that people on State pay rolls are today exempt from Federal taxation.

Such recovery as we have had to date has been due mainly to the fact that our Government has seen to it that a portion of our unemployed had at least a small amount of buying power. This is our main prop. We cannot safely knock it out without threatening the whole structure.

Most of us have little sympathy with the person who demands a living from the Government.

If we have hearts, however, we have a very intense sympathy with the man or woman who demands a real job from the Government if he cannot get one elsewhere.

I think every Government job should be a real job. I think our public-works program should employ the best workers we can find among the unemployed. I think our Government work should be run as efficiently and vigorously as any job anywhere. I do not think there should be any stigma of "relief" hung onto it. And I am convinced the workers would respond to such a program. I believe the principle of P. W. A. of doing only necessary, useful work of lasting value should be combined with the principle of W. P. A. of supplying unemployed people to do the work and that one department should be given charge of the whole program.

By this time we ought to know that the problem of unemployment is not one that can be dealt with by emergency relief measures so-called. Congress ought right now to get down to its real business, which is the passage of legislation that will correct the weaknesses and faults in W. P. A., give the Nation dollar for dollar value for the money it spends, and give the unemployed a decent, honorable, challenging place in society.

We talk about supporting the unemployed. We ought instead to be talking about how very much our unemployed could do to help support the Nation if we gave them the chance.

We need flood control. We can get the work done if we use the labor of our unemployed people. We need houses. If we do not get the Wagner-Steagall bill, which I hope we will get, why not at least have the W. P. A. build some houses? We need thousands of people to work at that most important of all our national jobs—the job of saving the soils of our Nation.

We need parks and recreation centers in our big cities. They are the best security we have against crime. We need drought-prevention work. A large share of it can be done with very little cost except the labor cost. Our unemployed can do it.

America needs a policy on unemployment. She needs it desperately. True, she needs laws regulating hours and wages. True, she needs a sensible, national old-age pension system.

True, she needs to increase production. But she needs also an orderly, scientific program on Government work for the unemployed. Because I believe this so much, I have introduced a bill, H. R. 6555, now in the hands of the Labor Committee, which would establish a policy, concentrate our works program in one department of Government, and set the whole thing on a sound basis. I hope some day my bill may pass.

To close, I should like to quote the last paragraphs from an article by Congressman MAURY MAVERICK and myself which appeared this week in the Nation.

"In the past few years the Government has borrowed much of its own credit from people who didn't have it. The banks' total assets amounted to $7,000,000,000. The United States Government 'borrowed' eighteen billion from the banks by the sale of bonds. Worse yet, the bonds sold to effect this borrowing were tax-exempt. Then we took the credit which these banks advanced and hired unemployed people to add to the wealth of America. But before we got the wealth we had given away title to it to the people who bought the bonds, and we had even promised not to tax that amount of wealth at all.

"Cockeyed? Of course. What we should have done was to extend the credit of our Government directly so long as, and on condition that, those in charge of our public-works program faithfully saw to it that, for every dollar of credit advanced, a dollar's worth of new wealth should come into existence, or a dollar's worth of new valuable service. And so long as such an expansion of credit was matched by a corresponding increase in production, no inflation could result.

"The price America must pay for maintaining a system of free economic enterprise is the cost of security for those whom industry will not, and perhaps cannot, employ. We have introduced a bill asking for $2,520,000,000 for the next year and the employment of 3,000,000 people—about 1 out of every 2½ or 3 of the unemployed. A revision of our taxes could, in our opinion, raise this amount and keep the Budget in balance. We believe many projects, such as housing, power development, flood control, and the like, can be made self-liquidating—at least in part.

"No Budget is or ever will be balanced unless it includes an adequate appropriation to enable able-bodied unemployed people to work and earn a living and make their contribution to a new and better Nation. Economy is right. Thrift is right. But if every unemployed man were put to work at something necessary to the national welfare, we should be practicing better economy and thrift than by letting men go hungry and the country go to waste. Why throw a half million able-bodied Americans back into the soup lines?"

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Friday, May 21, 1937

Mr. WHITE of Idaho. Mr. Speaker and Members of the House, in considering the appropriation for emergency relief now before the House, which is primarily to provide work for the unemployed, much of this money must necessarily be used to finance relief organizations and carry out the program already undertaken by the Federal relief agencies. The most practicable and useful program for public-works projects and unemployment relief is being carried out by the Public Works Administration with an efficient organization of experienced and technical trained personnel, which has made a splendid record in handling the vast expenditures of public money invested in a Nation-wide construction program financed by Federal money. I urge that the relief money to be appropriated in this bill be set aside for the continuation of public-works projects under the direction of the Public Works Administration, and that a substantial amount of the money appropriated be allocated for the construction of public roads throughout the country.

Mr. Speaker, the people in many of the communities in the district I have the honor to represent have accepted the offer made by the Federal Government to assist in financing public-improvement projects under the terms set up by the Public Works Administration, and in many cases pursuant to these terms, rules, and regulations have at considerable expense and in good faith obligated themselves through municipal or civic organizations to construct public-works projects; and now, after all the plans have been made and expenses incurred, they have been notified that the terms have altered and the rules changed, and find themselves unable to conform to the new plan that is presented and are faced with embarrassment and serious loss. Mr. Speaker, I urge that our Government keep faith with these municipal and civic organizations, and that we amend this bill to provide for the completion of public-works projects covered by the application accepted under the terms in force at the time that the application was made. That the Members of the House may have information as to the conditions in my district and the views of the people I have the honor to represent, I include a number of telegrams received outlining the situation and urging that the necessary legislation be adopted for the completion of the projects that have been set up under the public-works program.

The telegrams are as follows:

RIGBY, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
Congressman, Washington, D. C.:

We understand Congress has under immediate consideration resolution for extension of P. W. A. for 2 more years. We urge you favor this extension upon basis of 45 percent as heretofore, particularly upon such projects wherein bond elections have been called. We are holding a bond election next Wednesday for building a much-needed courthouse based upon 45 percent assistance from the Government. Without it we will undoubtedly fail. In such cases there exists a moral obligation on the part of the Government to make funds available on terms upon which election is being held. Hundreds here, in addition to the undersigned, favorable to this plan.

A. P. SMITH,
Chairman, Democratic Central Committee.
WILLARD ADAMS,
President, Rigby Lions Club.
J. C. BISHOP,
Commander, Post 1004, V. F. W.
O. A. SNOW,
Chairman, Republican Central Committee.
SYLVIA JONES,
President, County Daughters, Utah Pioneers, Idaho Division.
GROVER MOBERY,
Chairman, Board of County Commissioners.

RUPERT, IDAHO, *May 20, 1937.*

Representative COMPTON I. WHITE,
Washington, D. C.:

We urge your support of P. W. A. appropriation bill continuing 45-percent grant by Government. City of Rupert voted and passed bonds for new civic building contingent on 45-percent grant from Government. Impossible to finance building other than on that basis. Your cooperation will be appreciated.

MAYOR E. E. FISHER,
City of Rupert.

BOISE, IDAHO, *May 19, 1937.*

Hon. COMPTON I. WHITE:

Referring to relief bill before Congress, it would be serious mistake to starve such agencies as P. W. A. and Bureau of Public Roads to feed W. P. A. Labor and industrial activity arising out of P. W. A., Bureau of Public Roads, and reclamation project more closely approach conditions of normal recovery than possible under artificial W. P. A. relief projects of doubtful benefit. Usefulness of P. W. A. projects completed with responsible administration of funds assures Nation greater value for money expended. At same time such useful activities keep more workers from turning to relief agencies for help. Please lend your support to continuance P. W. A. 2 more years and earmarking $350,000,000 for its use with grants based on percentage of total cost also adoption of Cartwright amendment, earmarking at least hundred fifty million for Bureau of Public Roads.

H. W. MORRISON,
Morrison Adsen Co., Inc.

LEWISTON, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
Washington, D. C.:

This district is alarmed about possible reduction of grants and omission of non-Federal projects. Our application for P. W. A. loan urgently needed for rehabilitation approved months ago but no allotment made. Will greatly appreciate your efforts to aid us and others in like position.

LEWISTON ORCHARDS IRRIGATION DISTRICT,
FRED B. RUDDOCK, *President.*

RUPERT, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
Washington, D. C.:

We urge your support of P. W. A. appropriation bill continuing 45-percent grant by Government. Bonds voted for city's share on civic building. City unable to continue project without Government grant. Will appreciate your support very much.

RUPERT JUNIOR CHAMBER OF COMMERCE,
WARD WOOLFORD, *President.*

RUPERT, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
Washington, D. C.:

We urge your support of P. W. A. appropriation bill continuing 45-percent grant by Government. Voters of city almost unanimously voted bonds for city's share of civic building project. City unable to build without Government grant. Your support will be very much appreciated.

RUPERT BUSINESS AND PROFESSIONAL WOMEN,
VIRGINIA HAWK, *President.*

BOISE, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
House of Representatives, Washington, D. C.:

Proposed abrogation P. W. A. grants of 45 percent placed many communities where bond issues have been voted in embarrassing position. They have proceeded in good faith. We hope for your support in sustaining original Federal-aid plan used by P. W. A.

ADA COUNTY BUILDING CONGRESS,
A. ROY FLAGLER, *Secretary.*

LEWISTON, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
House of Representatives, Washington, D. C.:

I respectfully urge you to support bill extending P. W. A. as outlined by Congressman C. ARTHUR ANDERSON, of Missouri, May 10, 1937, to earmark a substantial appropriation for the P. W. A. from whatever funds are appropriated for work relief.

HUGH RICHARDSON.

RUPERT, IDAHO, *May 20, 1937.*

Hon. COMPTON I. WHITE,
United States Representative, Washington, D. C.:

Continuation of P. W. A. 45-percent grant for taxing units who have already voted bonds urged. Rupert city in such class. Need urgent. Affects school as well as entire community.

H. M. CARTER, *Superintendent.*

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, May 24, 1937

RADIO ADDRESS BY HON. SAMUEL H. PILES, FORMER SENATOR FROM THE STATE OF WASHINGTON

Mr. SCHWELLENBACH. Mr. President, from 1905 to 1911 the State of Washington was represented in part in this body by Samuel H. Piles. He was a lifelong Republican. In 1922 he was appointed by President Harding as Minister to Colombia. He served under President Harding and under President Coolidge in that capacity.

I have here an address delivered by former Senator Piles on the President's Court proposal. I ask unanimous consent to have it printed in the RECORD, and I commend it to the Members upon the other side of the Chamber, as he is one of the great former leaders of the Republican Party speaking upon the question of the President's Court proposal.

Mr. LEWIS. Mr. President, I desire to add my word of approval to the reference just made to former Senator Piles, of the State of Washington. I beg to endorse in every respect the statement just made by the junior Senator from Washington [Mr. SCHWELLENBACH].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, the deep feeling that has been stirred with respect to the President's request that Congress authorize, under certain conditions, an increase in the membership of the Supreme Court shows that we are still alive to the welfare of our country.

Some contend that the plan should not be adopted unless previously sanctioned by a constitutional amendment; others that if an act of Congress shall provide for the enlargement it will be the opening wedge to the destruction of our form of government. Of this I have not the slightest fear, for this Government was not born to die but to live on and on in the hearts of a great free people.

The Constitution, from its adoption, has provided for a Supreme Court, but left the number of Justices of which it shall be composed to Congress. Why, then, consume time in testing a question which is clearly within the power of Congress, and upon which a vote in reality already has been taken? Everyone knew what the President's policies were during the campaign. They were discussed, extolled, and applauded, ridiculed, and derided from one end of the country to the other. On the one hand, we were told the Court, in declaring unconstitutional certain acts of Congress expressing Presidential policies, was out of touch with the march of events and the masses of our people as the election of the Democratic candidate was sure to demonstrate.

The people were assured, on the other hand, that the Court, in declaring the acts referred to unconstitutional, had saved the country from wreck and ruin; that if reelected the President would feel that his policies had been endorsed, and that he would then find some way, under the dictatorship he was charged with attempting to set up, to put his policies in force despite the rulings of the Court; that the only thing, therefore, for the people to do was to elect the Republican candidate. I am dealing with facts, not with fancies, when I say that the issues, as stated, were fully and fairly submitted to the electorate; and what it did to the Republican Party will be long and painfully remembered. It would, therefore, appear to be a mistake for anyone to attempt to dodge or obscure the meaning of the overwhelming majority the President's policies received in the late election.

Under our representative form of government the majority rules, and in the preservation of this form of government it is highly important that the voice of the majority be respected. The Congress speaks, votes for, and represents the American people in all national and international affairs; and the voters in the November election told Congress and the country that they want New Deal policies put into effect, and they spoke in the telling, loud enough to be heard clear around the world. I am sure that I, in common with every other Republican, heard what they said.

Let us assume, then, for the sake of argument, that if the bill recommended by the President shall pass, he will nominate those who will be in sympathy with New Deal policies. If they are, their views will harmonize with those of the overwhelming majority as expressed at the polls. And the men nominated by the President for the Supreme Bench can be in sympathy with his policies and still be great, honest, fearless, independent, and upright American lawyers and judges, deeply attached to the Constitution of our country. This is illustrated by the fact that many able and distinguished lawyers, now serving in the United States Senate, are supporting the bill. That others equally able, sincere, and distinguished oppose it is cumulative evidence of the deathless loyalty of the legal profession to its lofty ideals and sincere convictions.

It is of little avail to say that the precise question was not voted upon, for, judging from the election returns, it would have carried by an unheard of majority had it been specifically submitted. It may not, therefore, be seriously argued that the voters did not understand that the proposed plan, or something similar, would be attempted if they reelected the President. Besides, it is well to note here and now that, from all appearances and actions, the majority of the people of the United States, other opinions to the contrary notwithstanding, then had and now have the firm belief that the man who sits yonder in the White House is by nature the friend of humanity, and that if he lives, he will do his utmost to see that the struggling masses have, as he has designated it, "a more abundant life", more sunshine and happiness in the future than they have had in the past. Hence, it is certain that they would have stood not only at the bridge for him but that they would have taken any bridge he assured them that it was necessary for them to take in order to make his well-known policies effective.

The President has no power himself to enlarge the Court. If increased, authority therefor must come from Congress, from those the people have elected to speak for and represent them. Besides, those whom the President shall nominate for the Supreme Bench cannot sit in that great judicial tribunal unless confirmed by the United States Senate, a body composed very largely of able and experienced lawyers. To assume, therefore, that they would confirm incompetent puppets is little less than the assumption of an absurdity. Why, then, all this uneasiness about the Nation going to the damnation bow-wows?

Why worry about the Court being packed when there is not a lawyer at the American bar able enough and distinguished enough to be nominated by the President or confirmed by the Senate who would sit upon that great bench under an agreement, expressed or implied, to decide any question presented to him the way any man, President or dictator, wanted him to decide it.

Whatever his decision shall be, you may be assured that it will be the result of an honest, sincere conviction reached after a thorough consideration of the issues involved.

Here let us examine for a moment the situation from a logical standpoint. If a constitutional amendment, instead of a statute, shall authorize the increase, the President, after much delay, will

nevertheless be in a position to nominate Justices who believe in his policies, and the so-called packing could, therefore, be as successfully accomplished under a constitutional amendment as under the proposed act.

Notwithstanding all that has been said on the subject, it has been difficult, if not impossible, for the masses of a great Nation, and for many lawyers, to concur in the often expressed opinion that five out of nine judges, or any other number of judges, have power under the Constitution to declare congressional enactments unconstitutional that deal—now, mark what I say—that deal with the general welfare of the United States, for the Constitution itself expressly provides that the Congress shall have power (I quote) "to provide for the common defense and general welfare of the United States."

A great many have long believed that, since the Members of Congress are elected by a direct vote of the people and keep in close touch with them, the framers of the Constitution and those who adopted it as well as those who now live under it, were, and still are, better qualified than any other branch of the Government to say what is best for the general welfare of the United States; and that the declaration of a policy by Congress, under the general-welfare provision of the Constitution, is not a judicial but a political question over which the Supreme Court has no control.

There is also a rather wide belief in all parties, that the people, acting, of course, within the law, are entitled to have what they win at the polls. Every 4 years we enter into a contest as to whether we shall have a Republican or Democratic administration. The successful party puts its policies in force to the greatest possible extent all over the United States without let or hindrance.

Why, then, should any man attempt to fool himself with respect to the last contest. It was not a purely Democratic victory; it was a triumph of the masses, speaking for and out of all parties. There is, therefore, little, if any, reason, as I see it, for the injection of bitterness in the contest the President is making to put his policies, the policies the people approved, as he sees it, in force, or for anyone to misunderstand the meaning of that victory.

Viewed from a political angle, is it not better for the Republican Party, now lying flat on its back, that New Deal policies be tried out at an early moment? If they fail, the Democratic Party will be as badly split in 1940 as it was in 1860, and the Grand Old Party will come back with flying colors. If they succeed, the Nation will be happy and prosperous. Such a condition should not only satisfy but gratify all parties.

It was contended in the last campaign that the President had not had time, because of adverse rulings of the Supreme Court, to put his policies in force. Why, then, leave this question open for the 1940 campaign? For it is as certain as night follows day that the masses are determined to keep on fighting for New Deal policies until they shall be fully and fairly tried out.

Fear is expressed that if the bill shall be enacted into law a precedent will be established for the enlargement of the Court by any future President who shall become dissatisfied with Supreme Court decisions. Do you feel any real uneasiness on this point? I feel none, for if the bill shall pass a constitutional amendment can be adopted in due time, in order to satisfy the apprehensive, fixing the number of judges of which the Court shall be composed. In the meantime the policies for which the people undoubtedly voted may be tested.

Fear also is expressed that if the bill shall pass the Supreme Court will lose its independence and fearlessness. I find no foundation for this, since the men who now make up that Court and those who shall hereafter be inducted into it are not and will not be lawyers who fear to express their convictions. On the other hand, is it not wise for us to do a little worrying for fear that the Congress, finding its policy-making power drifting into the hands of the Court, will lose not only its independence but its usefulness as the representative of American thought and idealism.

Constitutional governments, my friends, are seldom inherited. They come from the blood and bone of great, of heroic, peoples, and the legislative body that is to give voice and action to the ideals of a free people should be preserved at all hazards. Its dignity, power, usefulness, and independence should never be impaired, much less destroyed.

The fear of impairing the independence and fearlessness of the Supreme Court comes, I imagine, more from our hesitancy to depart from old-time precedents than from anything else. At an early date the Court wisely, it is generally considered, asserted the power to determine the constitutionality of acts of Congress. We have lived for more than a hundred years under this judicial policy, and we hesitate quite naturally before modifying or changing it in any respect, and without, I think, stopping to consider that in so doing we are less venturesome, less progressive than were the framers of the Constitution and the people who adopted it, because they, in creating a republican form of government, a great democracy, in which the people rule themselves, broke all precedents.

Had they allowed fear of breaking precedents to dominate them, they would have adhered to the old forms of governments against which our Declaration of Independence so vigorously inveighs, and we would today be standing at the burial place of a hoped-for republic, a form of government under which all can, when properly administered, enjoy real life, true liberty, and supreme happiness.

If, therefore, the people, in struggling through a great crisis, have found that it best behooves the welfare of the Nation for them to overthrow old-time precedents and try a policy that is in keeping with their present-day hopes, we may rest assured that they will find a way to put that policy into execution.

It takes no profound student of events to note the vast but peaceful change that has taken place in this country during the last few years. It is folly for any man to close his eyes to the fact that we are living in a new age, an age in which the masses, and not what they have designated as the classes, are determined to try out policies which, as they see it, will give them a better chance in life.

All will admit, I think, that something must be done to change existing conditions in this, the wealthiest and most productive land on the face of the globe. Just what that something is I am unable to say since I am powerless to unveil the future. And although I am standing on the sunset slope of life, I hope to live long enough to see that day when poverty—cold, stark, and hideous poverty, that underminer and destroyer of the best there is in the human race—shall be banished from this land. I hope to live long enough to welcome the day when wretched, heart-weary women shall cease to walk floors behind closed doors, wondering how and where they shall be able to find food for their underfed or starving children.

Those days, my countrymen, and the day when youth, strong and ambitious, the day when proud gray heads, bowed in deep humiliation and grief as they recall happier days—all, all marching along public highways—in quest of what? The primitive right of man to earn and eat. Those days simply must be banished from this God-given land. And the man who finds that something which will annihilate those days will find more than a pot of gold at the end of his rainbow.

Thirteenth Anniversary of Founding of Aleph Zadik Aleph

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, May 24, 1937

RADIO ADDRESS BY SAM BEBER, OF OMAHA, NEBR.

Mr. BURKE. Mr. President, on May 9, Mr. Sam Beber, a prominent attorney of Omaha, Nebr., delivered a most interesting and instructive radio address on the occasion of the celebration of the thirteenth anniversary of the founding of Aleph Zadik Aleph, the Junior Order of B'nai B'rith. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The number "13" is considered unlucky. For generations it has been regarded as taboo and has been avoided. But the Jewish boy celebrates his thirteenth birthday as his day of maturity. Thirteen has signified manhood and the acceptance of responsibility as a member of his people for millions of Jewish boys. The thirteenth birthday of the male child is for the Jew the cause of much rejoicing and ceremony. It is the Bar Mitzvah, or the initiation into the Jewish fold. The boy becomes a son of his people—he has attained manhood. What symbolism, what preparations, and what significance a Bar Mitzvah means to the Jewish home! The boy must study. He must display his knowledge of the Bible. He is on dress parade before all his family and friends. The entire congregation joins in the celebration and turns out to do him honor. Small wonder then that the Bar Mitzvah has survived and is being observed today throughout all the civilized world wherever there are Jews.

And so, having survived these 13 years last past, A. Z. A. is celebrating its Bar Mitzvah. And what is more fitting and appropriate than that A. Z. A.'s Bar Mitzvah should be observed in connection with what is Mother's Day to the Nation and Parents' Day to A. Z. A. Incidentally, let me explain that the only reason A. Z. A. celebrates Parents' Day instead of the usual Mother's Day and Father's Day is that we prefer to merge the identity of father and mother in the celebration of a single day dedicated to parenthood for their joint share in home building and child rearing. Children should be taught not to differentiate between their parents. This can be encouraged by a combination of Mother's Day and Father's Day into a more meaningful and fulsome Parents' Day.

Thirteen years—Bar Mitzvah—the attainment of our majority. Thoughts which carry me back to May 1924. We had granted a charter to a small group of 20 boys in Omaha with all the solemnity and all the ceremony that bespoke our determination that that small group should only be the forerunner of hundreds of similar groups which would in the course of time girdle the globe. This must not be just another boys' club—just another fraternity. It should have all of the trappings and all of the

symbolism of a social fraternity and yet it would have its serious side. It should provide athletics and dances for its members, but it would minister to their ethical and religious requirements as well. And throughout the warp and woof of all of its activities which were destined to become "fivefold and full" there must be woven the fine but firm threads of Americanism and Judaism. Thus planned its founders in 1924, and so it was and has been until this eventful day.

This small group of 20 boys has multiplied in the course of these 13 years so that its counterpart is found in nearly 200 cities of the United States and Canada. Two hundred and two chapters of the A. Z. A. are today celebrating this Bar Mitzvah, and at the same time paying tribute to their fathers and mothers.

The program of A. Z. A. runs the gamut of young men's needs and desires. Its membership consists of boys between the ages of 15 and 21. It is a character-building agency assisting the home and the public school in training our Jewish boys to become better men and more useful citizens. A. Z. A. seeks to give its members a sense of responsibility by carrying on a program of big brother work. A. Z. A. chapters sponsor Boy Scout troops. In the twenty-fifth annual report given by the Boy Scouts of America to the Congress of the United States recently, the Boy Scout organization said that "the cooperation of the A. Z. A. is worthy of special mention. It has made a long stride toward its goal, 'every chapter the sponsor of a Boy Scout troop.'"

The cultural side of the boy is developed through Nation-wide essay contests, debates, and oratorical tournaments. His religious inclinations are encouraged by having A. Z. A. chapters officially conduct Sabbath services in synagogues and temples throughout the country, on which occasions the services are conducted by the boys themselves. Social activities and athletics constitute part of the program so that A. Z. A. activities are all inclusive and appealing to the many types of boys who constitute our membership.

To further develop self-reliance and train for leadership, A. Z. A. is entirely self-governing. The boys manage their own affairs and direct their own activities. Annually a convention is held in various sections of the country. Last summer it was in California, and this summer it will be in New York. The convention is held at a camp in the great out of doors, and if it were only possible for all of my listeners to visit with us at our next convention in the Catskill Mountains, the work that A. Z. A. is doing would become far more apparent than any description of it that I could give.

We are firmly committed to the proposition that "as the twig is bent so is the tree inclined", and we are trying as best we can to bend the twig in the direction of real strength of character by deepening the reverence of our youth for its ancestral faith and strengthening its loyalty as future citizens. In this day and age of material progress, the need for character is stronger than ever before. It was Martin Luther who said that "the well-being of a country depends not on the abundance of its revenues, nor on the strength of its fortifications, nor on the beauty of its public buildings, but it consists in the number of its cultivated citizens, in its men of education and character."

Character is the result of training and fits the boy for life more than anything which can be given him by our great universities. It is character which serves man in his hour of need. Men live by ideals and during the impressionable years of adolescence it is important that the plastic mind of youth be impressed with a set of standards and ideals that will carry him safely past the pitfalls which beset every young man on all sides in this age of crass materialism.

A. Z. A. gives its membership an acceptable creed of living through its seven cardinal virtues: Patriotism, Judaism, filial love, conduct, purity, charity, and fraternity. All seven create real character. And it is because the A. Z. A. movement attempts to build real character and prepare youth for the trials and triumphs of life that it has grown so rapidly in such a short period of time until it is now hailed by Jews and non-Jews alike as a constructive force in the life of American Jewish youth. Its work finds best expression in the words of the poet:

An old man, going a lone highway,
Came, at the evening, cold and gray,
To a chasm, vast and deep and wide,
Through which was flowing a sullen tide.
The old man crossed in the twilight dim;
The sullen stream had no fears for him;
But he turned, when safe on the other side,
And built a bridge to span the tide.
"Old man", said a fellow pilgrim, near,
"You are wasting strength with building here;
Your journey will end with the ending day;
You never again must pass this way;
You have crossed the chasm, deep and wide,
Why build you the bridge at the eventide?"

The builder lifted his old gray head:
"Good friend, in the path I have come", he said,
"There followeth after me today
A youth, whose feet must pass this way.
This chasm, that has been naught to me.
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim;
Good friend, I am building the bridge for him."

Five Grave Problems Confronting This Nation

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

ADDRESS BY HON. J. PARNELL THOMAS, OF NEW JERSEY, AT ROCHELLE PARK, N. J., ON MAY 19, 1937

Mr. THOMAS of New Jersey. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address I delivered at Rochelle Park, N. J., on Wednesday, May 19, 1937:

It was once said that this Nation could not survive, half free and half slave—nor did it. But neither can it survive three-fifths bureaucracy and two-fifths democracy—nor will it. We certainly cannot survive as a great power—as a true republic—if three-fifths of our people desire and demand one form of government and the other two-fifths have no government at all.

Now that our Government has become so divided, it is almost beyond the power of our people to correct the evil. It is, however, in the power of our Government to so change its character that the people have one Government for all. Such a change in governmental character must be brought about by the liberals in power becoming more conservative and by the conservatives in power becoming more liberal. The President himself, who is the titular head of the Nation, must realize he represents and governs not only the 27,000,000 people who voted for him at election time but also the 17,000,000 people who opposed him at election time. He must not look at two-fifths of the people through dark glasses and at the other three-fifths through no glasses at all.

And in order to bring about this change in character of our Government, both the executive and legislative branches must realize that certain grave problems hang over this Nation today as a fog hangs over a London street on a murky night. These problems which must be solved, at least five in number, must be solved before all of our people will feel that they are once more enjoying the true precepts of democratic government.

FINANCIAL

One of the problems is, of course, financial. Our Budget is unbalanced. We spend more than we take in. We are living on borrowed money. Our national debt of $35,000,000,000 is the largest on record, and, even worse, it is increasing with each year. Our taxes are becoming unbearable; not alone is the rich man bearing most of the burden, but through hidden taxes the small man is shouldering a top-heavy load. For instance, a man or woman making only $18 per week, without real or personal property to be taxed, pays out $115 per year in hidden taxes, and a man or woman earning $150 per month, without real or personal property to be taxed, pays out $229 per year in hidden taxes. Our corporations are being taxed so that were we to have another economic depression, they would have no surplus to fall back on, yet the President promises economy and reorganization, but what have you? Nothing but increased Federal appropriations and new bureaus. Out of nine appropriation bills passed to date in this session of Congress, six show increases of approximately $1,424,000,000 over 1937. Added to this is the precarious condition of the Federal Government bond market, which, luckily or unluckily (at the moment), prevents the Secretary of the Treasury from borrowing any more funds to finance a reckless governmental spree with long-term Federal Government bonds. As I see it, there is only one way out of our financial dilemma—either we must have economy and reorganization, or we must have increased taxation, or we must have inflation.

PUBLIC OWNERSHIP VERSUS PRIVATE OWNERSHIP OF THE NATION'S BUSINESS

Then there is the problem of whether our great industries are to be nationalized as they have been in both the communistic or Fascist states of Europe, or whether they are to be allowed to "let live" under private ownership and some governmental supervision which has been the custom in America for over 150 years.

There is already in this country a well-defined and concerted effort on the part of minority groups, bureaucrats, and demagogic politicians to nationalize our industries. This pillaging effort is exerted under the guise of liberalism, that the people have certain inherent rights in all the land, in all of the water, and in all of the air.

The power pirates would have the Government take over all the power and light sites of the Nation by any means, foul or fair. It makes no difference to them whether by taking over a power site, by breaking a public utility company franchise, by compet-

ing with a privately owned company they destroy the value of millions of dollars worth of securities now held by thrifty people, including widows and orphans or held by savings banks as security for the deposits of hundreds of thousands of poor people.

It makes no difference to these power pirates whether their chief experiment, the Tennessee Valley Authority, operates at a profit or not. Nor does it make any difference to them whether the Tennessee Valley Authority leads to the ultimate destruction of one of the Nation's leading industries, employing hundreds of thousands of workers.

However, if these bureaucrats and demagogic politicians are allowed to nationalize this industry, what is there to prevent them from moving on to another industry, such as the railroads, the steel business, or the insurance business? In fact, already there is a demand in the country from these same bureaucrats and politicians for governmental control of the munitions industry and the banking industry. And, the Government is even now competing with many smaller private industries, such as the building trades, shipbuilding, furniture, and even the making and distribution of rum. In fact, this New Deal may become the world's leading rum runner.

These demagogic power pirates are one of the worst economic nuisances facing this country today, not alone because of what they may do to a privately owned power industry, employing hundreds of thousands of hard-working Americans, but because of what future industrial destruction their present success may lead to. To my humble way of thinking, their movement is about as un-American as anything can possibly be.

LABOR'S JUST REWARD

The third acute problem facing the United States is that concerning labor. As we all know, labor is unduly restless and perhaps rightly so, for labor has seen wages decline rapidly through the depression, has seen wages rebound at what might have seemed too slow a pace, has seen the cost of food and clothing rebound at too fast a pace, and then, in addition, labor has been whipsawed between internal labor differences on the one hand and governmental oppression of management on the other hand.

The struggle for control of labor between the A. F. of L. and the C. I. O. would normally in itself be enough to keep labor stirred up to the point of dissatisfaction. In addition, however, the Labor Department, under Miss Perkins, has ever since the woman Secretary took office been stirring things up through the sowing of seeds of discontent and distrust. On top of this, the President, by pointing to management as economic royalists, princes of privilege, and dishonest, has exerted an undue and uncalled-for influence on labor. Then, by the acts of the whole New Deal, labor has had to pay increasing prices for its food, its clothing, and its rent. We should sympathize with labor. We who are in Government should exert whatever influence we have, to correct the evils which are battering labor from one side to the other. At the same time we should make certain that the laboring man is not only given an opportunity to work peacefully, live in decent surroundings, enjoy good food and clothing at reasonable prices but also he must be safely protected against future hard times and adversity.

UNEMPLOYMENT

Unemployment is the politician's pet football. It matters not to the demagogue how many unemployed there are, or what ultimately becomes of the unemployed so long as there can be shouted from the housetops a demand for vast sums of money at the expense of the wicked taxpayers.

Unemployment relief has become a joke—vast sums of money are appropriated for it out of which the unfortunate unemployed ultimately receive only a small share. For this small pittance, the unemployed are made to be political pawns to be pushed around at election time. In some cases they have even had to give up part of their meager wages for political campaign funds.

Under our system of Federal unemployment relief we find one of the world's leading examples of bureaucratic government. The whole thing is top heavy with high-salaried overseers, political parasites, and untold unravelable red tape.

There is only one answer to it—relief is a neighborhood problem, so its administration should be placed in the political subdivisions, where the worthy unemployed can receive a much larger share of relief funds. The only part in it that the Federal Government should play is to make grants or loans to the municipalities, the counties, or to the States, whichever the State legislatures determine to administer the relief. The Federal Government, however, should, without further delay, conduct a national unemployment census, which census should be conducted by some existing governmental agency, such as the postal authorities.

MR. ROOSEVELT'S DETERMINATION TO CIRCUMVENT THE CONSTITUTION BY JUDICIAL ATROCITY

The last and perhaps the most serious problem confronting this Nation which I would like to discuss tonight is the President's plan to pack the Supreme Court. This, to me, is a well thought out scheme to circumvent the Constitution by judicial atrocity. Back of it must lie a host of legislation, perhaps much more radical than anything we have yet seen. And there is even a possibility that back of it lies the determination to secure Executive power to such an extent that only a dictatorship or Fascist state will be left. It is the most insidious and diabolic political scheme ever concocted in the United States. Certainly it would give more power than a good President would want or a bad President should have. But, thank God, the people have not been caught napping. They are aware of its dangers and unless I am mistaken they will rebel against its enactment in no uncertain terms.

Briefly these are the major problems which confront America today and which must be solved before we enjoy the true precepts of democratic government. They are not unsolvable, but they cannot be solved until those in authority in this Government, from the President of the United States down, make up their minds that all of the people desire and deserve full recognition and full representation. America, since before the Declaration of Independence, has met its problems squarely, courageously, and honestly. We have succeeded where other nations have failed. We must and can do it again.

Labor Problems

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1937

RADIO ADDRESS BY HON. ROBERT L. BACON, OF NEW YORK, ON MAY 23, 1937

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address that I delivered over the Columbia Broadcasting System on Sunday, May 23. The full text of my radio address is as follows:

I speak as just one Republican. I do not claim to speak for the whole party. I speak as an eastern Republican who has represented a New York district in Congress for 15 years.

In 1912 I earnestly supported Theodore Roosevelt. I thought him the greatest Republican leader since Lincoln. I believe in his principles as more than a memory. I believe in them in their application to the new problems of right now.

Theodore Roosevelt thought the rank and file should rule the party. Of course it should, because the Republican Party seeks to bring about sane and successful human welfare among all our people. To make their rule more effective these Republicans in the ranks must take a greater interest in the selection of leaders to represent them in the party councils, not only in election districts and wards but right up the line, and see to it that these leaders reflect their views.

Republicans expect their party to sympathize with the high aspirations of American working men and working women. They want their party to move forward on the line of unending American progress.

Unending—that's the right word, I think for progress in this country. Unending! Some people seem to think that we ought to be happy because we are ahead of Europe. I say it does no good to tell Americans they are better off than Europeans. Each generation of Americans has the right to be better off than the preceding generation. Americans want to be better off tomorrow than they are today. There is no limit to the American horizon. The Republican Party must share that unlimited ambition.

And it will; because, as we all know, the Republican Party was born to promote human freedom. And freedom doesn't stop. It keeps moving.

The Republican Party, by its own nature, has to be for every lawful extension of freedom.

And we cannot tell free men just what sort of organizing unit they must have. Some wage workers want to organize themselves craft by craft. That's their right. Some other wage workers want to organize themselves industry by industry. Well, that's their right. Wage workers, it seems to me, have the right to bargain with their employers not only through any representatives but also through any units that they themselves may prefer.

I see no reason for getting hot and bothered about such questions. Forward-looking businessmen are not disturbed by these questions either. They see the justice of the situation.

A few days ago the Young Republicans of my State had a meeting. These Young Republicans, I may say, are not children. They are young men and women of responsible age. I want to quote to you their resolution on labor. These Young Republicans said:

"We believe that labor should be protected in its right to organize freely for collective bargaining without any intimidation whatsoever.

"We favor elimination of the company-controlled union.

"We favor legislation to protect all able-bodied workers from being discriminated against by reason of age.

"We favor protection of the worker against the seasonal lay-off, with provisions for an adequate minimum annual wage."

That's their resolution. It is widely recognized today, of course, that workers must have continuing protection of their right of collective bargaining, and that all abuses of company-dominated unions must be suppressed.

There is no sufficient recognition, however, of the too frequent plight of able workers who have slipped by the age of 45. They are usually just coming to some of the best years of their lives, and yet industry often stamps them arbitrarily as past the age of greatest usefulness. We cannot countenance this cold, short-sighted view. We cannot deny to these men and women their right to continue in useful active work for the benefit of themselves, of their families, and of our whole society. Here is a problem that industry must try to solve.

Now, let me ask you, too, to note in this resolution of the Young Republicans that phrase "adequate minimum annual wage." Why not? What good does it do a man to get a good living wage per day if he works only half of the year? How is he going to live the rest of the days? This is one of the great problems of the country.

In most industries collective bargaining can, and I hope will, solve this problem. I hope that employers and employees together may be able to work out a living annual wage among themselves by their own efforts. That would be the best way. As a matter of fact, many progressive businessmen have already met this problem on their own initiative. If legislation becomes necessary, and if it can be competently contrived, to help American business to give a year's work and a year's pay to every American worker every year, I will be for it. American families must be secure in their home lives, not just for a day at a time but all the year round. That is minimum humanity.

It is idle and futile in these days to think that society can always hold aloof from problems of minimum humanity. For example: I take some personal pride in the fact that my name is associated with the labor law which was passed during the last Republican administration, providing that contractors who are constructing public works for the United States Government must pay their employees the rate of wages prevailing in their community.

Some chiseling contractors were paying less than the prevailing rate of wages on Government work. So the legislation became necessary, and today through a Republican effort, skilled and unskilled labor are paid the prevailing rates in line with union standards. This law also benefited the honest, reputable contractor who wanted to pay fair wages but could not because of unfair competition by the chiseler.

We live in an age of organized cooperation. We must get that big fact into our minds. We have seen our capitalists, our investors, grouping themselves into corporations. We see our farmers grouping themselves into cooperatives and our wage workers grouping themselves into unions. I think that corporations and cooperatives and unions can all serve the cause of common progress.

But Government must not allow any of these organizations of labor, or of capital, or of agriculture to become unfairly monopolistic.

The New Deal is having a tough time trying to find out what it thinks about monopoly. Sometimes it denounces monopolistic practices in its platforms. And yet, at other times, it actually fosters monopolistic practices in its laws, as in the case of the N. R. A.

Less than a month ago the New Deal expressed a serious doubt (and I quote from the words of Attorney General Cummings), about "the adequacy of the anti-trust laws for the solution of the monopoly problem as it now exists in the United States." I say to you tonight, there is no serious problem here of a want of law. It is just lack of a sustained purpose to enforce the law.

The Republican Party knows what it thinks about monopoly. It is against monopoly. It started proving that way back in 1890 when it passed the Sherman Anti-Trust law. The Republican Party committed itself then, and it has never changed its stand.

Some businessmen complain about the anti-trust laws. I do not, and the bulk of businessmen do not. The only way to fight public monopoly is to fight private monopoly and thus assure a free, fair, competitive economic system. The Republican Party had its origin in a need for more freedom, and its proper destiny is the achievement of still greater freedom. Government sometimes has to clear the way for more freedom. But this does not mean simply more responsibility for government. It also means more responsibility for every citizen. Public opinion is more effective than law. In this corporate age, in this cooperative age, in this union age, every citizen is tangled into the fate of every other citizen.

When you drink your milk in the morning, you find yourself forced by your newspaper to ask: Is the farmer getting a fair price for his milk? When on the farm you buy a suit of clothes, you find yourself forced by some strike of wageworkers somewhere to ask: Is the textile weaver getting a fair wage for his labor?

There was a time, and it was not so long ago, when corporations either put out no reports or else gave out only the sketchiest information on their activities. Now, and some of the credit for the change goes to the New Deal, our corporations—large and small—give detailed information to their stockholders every year, in many instances every quarter. Assets and liabilities, machinery, equipment and inventories, sales, profits, all are discussed at length. But usually there is no mention of that vital factor of production—labor.

I believe that every corporation report should contain a section dealing with labor conditions in the company's plants. It should discuss hours, wages, overtime. It should tell of the working conditions of the men and women employed. It should go into a discussion of any pension system, sickness insurance, accident insurance, maternity benefits, saving fund, vacation plans, or other such company activity. Incidentally, let me remind you that these benefit plans are in operation in many more companies than is ordinarily realized.

We can no longer tolerate a situation where stockholders are carefully informed of the condition of the machinery owned by the company, but are told little or nothing about the working conditions of the men and women employed. Let me tell the stockholders of America here and now that they should demand from our corporations labor reports as well as the customary financial reports.

And I believe that labor should have a part in the writing of this section of the company report, either through the heads of the labor organizations in the plant or through some other representative of labor's own choosing.

In this age no group is sufficient to itself. In this age we all have to work together, or else all be out of luck separately. That's the world we live in—a world where progress means developing more and more mutual responsibility and mutual help.

As a Republican, I believe that in most instances this mutual responsibility and mutual help can best be promoted by the free activity of responsible individuals and groups. I admit, however, that there will be times when private efforts will not be enough. Then Government should, and I say Government must, act to insure that progress so far as it can. I believe that Republicans will guide their party on the course best guaranteed to achieve that full progress under freedom which the American people can rightfully expect.

Relief Appropriation Bill

EXTENSION OF REMARKS
OF
HON. WILLIAM L. NELSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1937

Mr. NELSON. Mr. Speaker, we have today, during discussion of the bill under consideration, had too much intemperate talk. If there is ever a time when reason should rule and politics be forgotten, it is on such an occasion as this, when the House is considering a money bill, having to do with two great classes of citizens, those needing relief and the taxpayers.

Eighteen years ago this week, a special session having been called by President Woodrow Wilson, I came to enter upon my duties in the Sixty-sixth Congress. By this do not understand that I have been a Member of the House for 18 years. I was out 6 years. Before starting to Washington at the time mentioned I went over to the old farm home. As I said good-bye to my father, he remarked, "My son, I am going to ask God to give you courage and judgment and wisdom to do what you, as a Member of Congress, should do."

At no time in the years I have been here have I felt greater need of these qualities than now. All of us need courage to do what our consciences tell us we should do. We need judgment to make use of the information or wisdom which we are able to acquire, and, as with the bill under consideration, this is sometimes lamentably limited.

Every man on this floor, I believe, wants to vote every dollar necessary to look after the needy and to carry on the work that must be done. I am equally convinced that, at the same time, all of us desire to exercise due saving. In short, we had to spend—we have to save. To continue to pour out money from Washington, as in the past, is an utter impossibility. On other other hand, we cannot at this time entirely cease spending. Nobody knows how many people are in actual need. I wish we did know. Nobody knows what the condition of our country will be in midsummer 1938. Everybody, though, knows that times are now better, far better, than at the beginning of the Roosevelt administration.

Right now I want to say a word about President Roosevelt. An effort has been made by one or two speakers to have it appear that those of us who honestly feel that $100,000,000 a month for relief, if properly expended, is enough, are not standing by the President. I regret this. No man in this Congress admires President Roosevelt more than I do. I love him for what he is, for what his valiant spirit has enabled him to overcome, for his courage, his matchless leadership, and because he has a heart.

Yet I would not have it understood that I feel bound to follow out to the letter every suggestion made under the Roosevelt administration, perhaps by the head of some department, or by some man not directly answerable to the people. The great man in the White House makes no such demands.

As I have heretofore declared on this floor, I feel that President Roosevelt is the hope not only of America but of the world. Because of the efficiency and humanity of his administration, our Nation has gone forward. Where once there was fear, now is faith; where once despair, now hope. Under him millions of homes have been saved. Times are wonderfully better.

I speak especially of the Second Missouri Congressional District, which I have the honor to represent. I have long felt myself fortunate in representing such a district, and especially do I feel so today. In this district nobody has starved. Our people would not permit starvation. If the State or Federal Government did not help, neighbors would. And nowhere in the world are there better neighbors than back there in the heart of old Missouri.

Ours is an agricultural district, and were we to pause and compare prices today with what they were under the Hoover administration, or at the time Mr. Roosevelt became President, I am sure that it would be demonstrated that the people of the congressional district which I represent are not so greatly in need of Federal aid as they once were. What we need is a good season, a bumper crop, and to share, to a reasonable extent, in a bill such as this—not a big bill, but just enough, a bill that will do justice to the taxpayer and to the man on relief.

Yesterday hogs in Chicago sold at $12 per hundredweight. Compare that with $2.85 per hundredweight under President Hoover. When Mr. Hoover was president, I sold wool from my own farm at 11 cents per pound. This year I received 40 cents.

But I hear somebody from the city say, "That is all the more reason why cities need more relief." Not so. Prosperity begins with and depends upon the farm. When the farmer has a good crop and receives a decent price for it, he has money to spend. He buys goods at the local store, the merchant orders more goods from the wholesaler, the wholesaler places orders with the jobber or manufacturer, and he, in turn, buys more raw material. In all this, labor shares. There is employment and at good wages. It is to this that, as a people, we must look with hope and confidence rather than to continued large Federal appropriations for aid, if we are to have sound and permanent prosperity.

As I have said, I wish we could actually know how much money is needed. Some have spoken for $1,500,000,000, others for less, and yet others for more than twice as much. Personally, I favor, as a compromise, and as the only one on which we can, under the rules, now get a direct vote, the amount suggested by Representative McREYNOLDS, of Tennessee, whose amendment calls for $1,200,000,000. This would represent $100,000,000 a month, in addition to some funds remaining, for relief purposes, while to the taxpayer it would, in round numbers, call for additional taxes of $10 for each man, woman, and child in the United States.

I strongly feel that $100,000,000 per month, and I favor the provision limiting expenditures by the month, would, if economically expended and wisely used, be enough. Of course, in the end if there is no option as to choice between this amount and the amount suggested by the committee, $1,500,000,000, I shall vote for the larger amount as we cannot immediately cease all relief. In spending billions of dollars we surely should have learned something, and as a result ought to be able to make a dollar go very much further than a dollar once did. One trouble has been that the spread between the cost to the taxpayer and what the man on relief receives has been too great.

Speaking of the man on relief, this man who, through no fault of his own, has had to look to the Federal Government for help, I have great sympathy for him. In the debate today we have heard frequent use of the words "racket" and "racketeering." I do not believe that these terms properly apply to many of the needy, and I am equally certain that they do not apply to most administrators, if I may judge by Missouri. Of course, it would be too much to say that this legislation or any other which the Congress might enact would make all men honest. Undoubtedly, there are in places of trust and responsibility some who have not done right. Then on the relief rolls are some names which should be stricken off while others ought to be added. In this connection I am glad that in the pending bill there is no longer a requirement that a man in order to be helped must have heretofore been on relief.

The man on relief deserves consideration. The taxpayer deserves consideration. As to the latter, I am thinking especially of the man of moderate means, the man who, patriotic and with commendable pride, has stinted and saved, perhaps by placing a mortgage on his home, using his little bank account, or borrowing on his life insurance, and so stayed off of relief, while at the same time paying his part of the additional taxes to help others. I have scant patience, though, with the big corporations and men of great wealth who complain that, because of the Roosevelt relief program, they have been called upon to pay higher taxes. The facts are that, but for the Roosevelt program, we might have had revolution in our country and as a result the rich who constantly complain might today have no property on which to pay taxes.

One of the most important features of the bill, as I see it, is to "earmark"—how the use of that word has changed since I was a boy on the farm, when we put "crops and slits" and "underbits" in the ears of our hogs—every dollar possible so as to make it certain that the money will be spent where it ought to be spent. We should see to it that provision is made for the completion of projects, buildings, and other works which have already been approved or the papers for which have been duly filed, so that communities which have voted bonds will not be disappointed. Uncle Sam can never afford to break faith with the people.

In conclusion, and bearing in mind the thought expressed in the beginning, I trust that I may have the courage and judgment and wisdom to do justice to the people of the district I represent, justice to the needy, and justice to the taxpayers.

Unofficial Steering Committee Bill for Government Ownership of the Twelve Federal Reserve Banks

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1937

Mr. PATMAN. Mr. Speaker, our group composed of Democratic Members of the House met this morning in the House Caucus Room and adopted a bill providing for Government ownership of the 12 Federal Reserve banks. This bill was prepared by all the members of this group. We had a number of meetings at which the views and suggestions of each member were given consideration in the drafting of the bill. It can, therefore, be truthfully said that each

member of our group is a coframer, coauthor, and cosponsor of the proposal. The bill is as follows:

A bill to provide for Government ownership of the Federal Reserve banks, and for other purposes

Be it enacted, etc., That it is hereby declared to be the policy of Congress to provide for Government ownership of the 12 Federal Reserve banks; to prevent injurious expansion and contraction of credit and currency; to stabilize and maintain a dollar of uniform purchasing power for the purpose of assuring the kind of dollar which a generation hence will have the same purchasing and debt-paying power; to permit all banks, the deposits of which are insured by the Federal Deposit Insurance Corporation, to receive all rights and privileges from the Federal Reserve System; and to encourage the sound local bank, recognizing the contribution that the local bank makes to the social and financial betterment of the local community.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to acquire and hold, on behalf of the United States, all shares of capital stock of the Federal Reserve banks held by member banks of the Federal Reserve System. Upon surrender by any such member bank of any such stock to the Secretary, he shall establish a credit for such bank in the Federal Reserve bank in an amount equal to its cash paid subscription, with interest at the rate of one-half of 1 percent per month from the date of the last dividend, until the enactment of this act. If any member bank fails to surrender its stock prior to the effective date of this act, it shall not be entitled to exercise any privileges of membership in the Federal Reserve System, after a tender to such bank by the Secretary of the Treasury of an amount equal to the cash paid subscription for such stock and interest as above provided; but, upon surrender of such stock and acceptance of the tender of refund in respect thereof, such bank shall be restored to the privileges of such membership.

(b) The assets, property, and records of the Federal Reserve banks shall be the property of the United States, but the transfer of shares of capital stock of the Federal Reserve banks to the Secretary shall not deprive any member bank of its rights and privileges under the Federal Reserve Act, as amended.

(c) After all necessary expenses have been paid or provided for, the net earnings of the Federal Reserve banks shall be covered into the Treasury as miscellaneous receipts.

SEC. 3. (a) The provisions of the Federal Reserve Act, as amended, relating to the subscription for stock of the Federal Reserve banks, shall not apply in respect of admission to and continuance of membership in the Federal Reserve System.

(b) Any State bank, the deposits of which are insured by the Federal Deposit Insurance Corporation, shall, under such reasonable rules and regulations as the Board of Governors of the Federal Reserve System shall prescribe, be entitled to all the rights and privileges under the Federal Reserve Act, as amended, if such bank carries its reserves with a Federal Reserve bank. Any such bank shall be permitted to withdraw at will from such affiliation upon written notice to the Board of Governors of the Federal Reserve System.

SEC. 4. Notwithstanding any other provision of law, the Board of Governors of the Federal Reserve System, upon the affirmative vote of not less than 10 of its members, in order to prevent injurious credit expansion or contraction and to carry out its duty under subsection (a), may by regulation change the requirement as to reserves to be maintained against demand or time deposits, or both, by member or affiliated banks.

SEC. 5. The Board of Governors of the Federal Reserve System shall consist of 15 members, including the Secretary of the Treasury, the Comptroller of the Currency, and the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, who shall have voting privileges and all other privileges of any member of said board, and 12 members appointed by the President of the United States, by and with the advice and consent of the Senate. Not more than one appointive member shall be selected from any one Federal Reserve district. The five additional appointive members provided for by this section shall be appointed with terms as follows: One to expire January 31, 1941; one to expire January 31, 1943; one to expire January 31, 1945; one to expire January 31, 1947; and one to expire January 31, 1949. The term of office of the member who was appointed for a term expiring January 31, 1938, is hereby extended until January 31, 1939. The term of office of each successor to any appointive member in office on the date of enactment of this act or appointed as the first incumbent of a membership created by this act, shall be 12 years from the expiration of the term of his predecessor. Whenever under existing law the concurrence of four or more of the members of the Board of Governors of the Federal Reserve System is required, such requirement of law shall be held to be complied with by the concurrence of eight members.

SEC. 6. Classes A, B, and C directors of each bank shall be appointed by the President by and with the advice and consent of the Senate. No director of any class shall be an officer, director, employee, or stockholder of any bank. Each director of any Federal Reserve bank shall be a resident of the Federal Reserve district in which such bank is located. Each director shall be appointed for a term of 9 years after the first appointment. The appointments shall be so arranged that the regular term of one director at each bank will expire each year. It shall be unlawful for any director of a Federal Reserve bank or an official of the Board of Governors of the Federal Reserve banks to be employed by any bank within 3 years from the time of service as a director or official.

SEC. 7. The Federal Advisory Council created by section 12 of the Federal Reserve Act, as amended, is hereby abolished.

SEC. 8. The Board of Governors of the Federal Reserve Board shall hereafter constitute the Federal Open Market Committee.

SEC. 9. All positions, except those of directors and officers, in the Federal Reserve banks are hereby included in the classified civil service. The incumbents of such positions shall acquire the same status under the classified civil service as though certified after examination by the Civil Service Commission, if, at the expiration of the probationary period of 6 months, their services are certified to the Commission as being satisfactory. No officer, director, or employee of any Federal Reserve bank or Federal Reserve Board shall receive an annual salary in excess of $25,000.

SEC. 10. Examinations of member and affiliated banks of the Federal Reserve System by any Federal agency shall be made without charge or assessment for costs thereof against such banks.

SEC. 11. The Board of Governors of the Federal Reserve System is authorized to prescribe such rules and regulations as may be necessary to carry out the policies and provisions of this act.

SEC. 12. This act shall take effect on January 1, 1938.

SEC. 13. All laws or parts of laws in conflict herewith are hereby repealed.

SEC. 14. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The 150 members of this group by States are as follows:

Alabama: Patrick.

Arizona: Murdock.

Arkansas: Cravens, Miller, McClellan, Kitchens.

California: McGroarty, Voorhis, Kramer, Ford, Colden, Tolan, Scott, Sheppard, Izac.

Colorado: Cummings, Martin.

Connecticut: Kopplemann.

Delaware: Allen.

Florida: Caldwell, Green, Hendricks, Peterson.

Georgia: Peterson.

Idaho: White.

Illinois: Long, Sabath, Boyer, Kelly, Rigney, McKeough, Fries, Keller.

Indiana: Schulte, Ludlow, Gray, Griswold, Crowe, Larrabee.

Iowa: Eicher, Wearin, Harrington, Jacobsen.

Kansas: Patterson, Houston.

Louisiana: Brooks, Griffith, Fernandez, Mills.

Massachusetts: Connery, Healey, Casey.

Michigan: O'Brien, Hook, Sadowski, Luecke, Dingell, Transue, Lesinski.

Minnesota: Ryan.

Mississippi: Ford, Colmer, Rankin, Collins.

Missouri: Nelson, Shannon, Wood, Zimmerman.

Montana: O'Connell, O'Connor.

Nebraska: Luckey, Binderup.

Nevada: Scrugham.

New Jersey: Kenney, O'Neill, Wene.

New York: Barry, Beiter, Gavagan, Sirovich.

North Carolina: Weaver.

Ohio: Aleshire, Dixon, Lamneck, Ashbrook, Kirwin, Kniffin, Harlan, McSweeney, Harter, Crosser, Bigelow, Fletcher, Sweeney, Fleger, Hunter, Secrest.

Oklahoma: Nichols, Rogers, Disney, Boren, Johnson, Cartwright, Massingale, Hill, Ferguson.

Oregon: Pierce, Honeyman.

Pennsylvania: Crosby, Bradley, Stack, Allen, Daly, DeMuth, Gildea, Quinn, Dunn, Flannery, Moser, Dorsey, Eckert, Drew, Haines.

Rhode Island: Forand, O'Connell.

South Carolina: Gasque.

South Dakota: Hildebrandt.

Tennessee: Chandler, Atkinson.

Texas: Sanders, Jones, Thomas, Mansfield, McFarlane, Maverick, Patman.

Utah: Murdock, Robinson.

Virginia: Hamilton.

Washington: Smith, Leavy, Wallgren, Hill, Coffee, Magnuson.

West Virginia: Randolph, Ramsay.

Wisconsin: O'Malley, Cannon.

Wyoming: Greever.

The Republican Members are organizing a similar group, and the Progressives have one already organized to support this type of legislation.

It has been called to my attention that other Members of the House were present at these meetings whose names are not contained on this list, since they inadvertently failed to leave a written request that their names be included. Any name that is omitted will be placed in the CONGRESSIONAL RECORD and become a part of this list in the bound or permanent volume.

This bill contains the following major provisions:

First. That the Secretary of the Treasury shall purchase and hold for the United States all stock in the Federal Reserve banks. As you know, this stock, now amounting to approximately $130,000,000, is held by the national banks and the State member banks of the Federal Reserve System, aggregating about 6,600 banks, which includes about 1,000 State banks.

Second. Member banks shall continue to have the same rights and privileges in the use of the Federal Reserve bank that they are affiliated with, but shall not be required to own stock or make any other investment of any kind.

Third. All net earnings after expenses to go to the Treasury. It is not our purpose to cause these banks to be money-making institutions, except insofar as they may become money-saving institutions for the Government, but all earnings acquired after expenses should go to the Government.

Fourth. All State banks, the deposits of which are insured by the Federal Deposit Insurance Corporation, shall be entitled to all privileges under the Federal Reserve Act if they carry their reserves with a Federal Reserve bank. We propose, too, that such banks shall be permitted to withdraw at will. This provision will apply to about 8,000 banks that are now denied the benefits of this great system.

Fifth. The Board of Governors to be increased from 7 to 12, so as to have one from each district and to also include the Secretary of the Treasury, Comptroller of the Currency, and the chairman of the Federal Deposit Insurance Corporation as members of the Board, which will increase the Board to 15 members.

Sixth. We propose, too, that the Board of Governors be permitted to change reserve requirements of banks, including member banks and affiliated banks, to prevent undue expansion or contraction; that the Open Market Committee that is now constituted, should be abolished and hereafter the Board of Governors to constitute the Open Market Committee; and that the Federal Advisory Council, which is now composed of one member from each Federal Reserve district, should be abolished.

Seventh. The nine directors of each of the 12 banks would be appointed by the President, one each for a term of 9 years, and confirmed by the Senate.

Eighth. All positions, except directors and officers to be placed under United States civil service.

Ninth. Examinations of member and affiliated banks by any Federal agency shall be made without charge or assessment of cost thereof against such banks. It is our hope that such examinations can be limited to one agency and that agency be permitted to draw upon the wealth of knowledge, information, and experience gained by the different departments of the Government in this type of work; that such act shall take effect on January 1, 1938; that it is declared to be the policy of Congress to prevent injurious expansion or contraction of credit and currency to stabilize and maintain a dollar of uniform purchasing power for the purpose of assuring the kind of dollar, which a generation hence will have the same purchasing and debt-paying power and to encourage the sound local bank, recognizing the contribution that the local bank makes to the social and financial betterment of the local community. Our group proposes that the Board of Governors shall accept this policy as a mandate and carry it out so far as it may be possible, practicable, and feasible under all existing facts.

HEARINGS

The chairman of the Banking and Currency Committee of the House has already been requested to grant us a hearing on this bill. A hearing is expected within a reasonable time. Every effort will be made to secure its passage at the earliest practicable date.

Politics and Courts in 1869

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Monday, May 24, 1937

ARTICLE BY FRANKLIN L. BURDETTE, OF PRINCETON UNIVERSITY

Mr. HOLT. Mr. President, I ask unanimous consent that an article on the subject "Politics and Courts in 1869", written by Franklin L. Burdette, a West Virginian and a member of the faculty of Princeton University, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Republic for April 1937]

POLITICS AND COURTS IN 1869

(By Franklin L. Burdette, Department of Politics, Princeton University)

President Roosevelt believes that he has found an 1869 precedent for his proposal to retire judges of the Federal courts at 70 or else, as an alternative, enlarge the courts. In his radio address of March 9, the President said of his plan, "It has been discussed and approved by many persons of high authority ever since a similar proposal passed the House of Representatives in 1869." It is true that a plan similar to that of the President—so similar, in fact, that one wonders if it is not the source of the President's idea—passed the House of Representatives on March 29, 1869. But one of several remarkable things about that precedent is that not a single Democrat cast his vote for it.

By March 29, 1869, Ulysses S. Grant had been more than 3 weeks President of the United States. To the Republican Congress, the days of an unreliable Chief Executive were over. In the long battle with Andrew Johnson, Congress had struck at the courts, and at the Supreme Court in particular, to strike the President. When Johnson assumed the Chief Magistracy, the Supreme Court consisted of 10 judges—a Chief Justice and nine associates. True, the membership of 10 was of recent adoption, for in 1863 Congress had added the tenth Justice ostensibly to provide for the administration of a circuit court in California and Oregon. But, whether or not 10 judges were needed to conduct the business of the highest tribunal, radical Republicans in Congress knew that if any member of the Court should be inconsiderate enough to die or resign, Andrew Johnson would hold the power of appointment. To remedy that situation, ghastly to all loyal Republicans of the radical stripe, an act was passed to reduce the size of the Court gradually as Justices should leave it. The provision was simple: no vacancy should be filled in the office of Associate Justice till the number should be reduced to six, at which it should remain. The act therefore contemplated a Court of seven members, a Chief Justice and six associates. No provision was made for the reduction of the Court in case of a vacancy in the office of Chief Justice; if the country lost the eminent services of Chief Justice Salmon P. Chase, Andrew Johnson and the Senate would fight the matter out.

In March 1869, however, in the eyes of a majority of the Members of Congress, a safe and sane man once more occupied the Presidency. When the Forty-first Congress met in session on March 4, it was patent that the time had come once more to trust the Chief Executive with the appointment of members of the Supreme Bench. Indeed, now that the appointing power could be relied upon, there would be a distinct advantage in its exercise. Congressional fears for the safety of reconstruction legislation, always in danger of hostile review by the Supreme Court, had never been at rest; and a few extra judges would be convenient and reassuring.

Though the Supreme Court had stepped warily regarding reconstruction legislation in general, men had not forgotten the 1866 decision in the case of *Ex parte Milligan*. Unanimously the Court had held that Milligan, a civilian citizen of Indiana, could not be tried or convicted by a military commission set up by the President outside the theater of war. What was worse to the Congressmen, five judges, in the written opinion of the Court, held that neither the President nor Congress could authorize a military commission to exercise such powers, except within the actual scene of war where civil courts were no longer open. Four of the judges, agreeing that the President could not establish such a military tribunal and concurring in the result of the Court's judgment, were unwilling to subscribe to the view that not even Congress could create such a military court. At the least, however, the reconstructionist Republicans were confronted with a Court potentially hostile by a division of 5 to 4. True, it was that the next year the Court, in *Mississippi* v. *Johnson*, disclaimed jurisdiction over a petition for an injunction against the President to restrain the enforcement of the reconstruction acts, on the ground that the President,

a coordinate branch of the Government, cannot be constrained by the courts; and in *Georgia* v. *Stanton* the Court declined jurisdiction over an injunction petition against Secretary of War Edwin M. Stanton on the theory that the issues involved were not judicial but political. These decisions were more heartening to the reconstructionists, but the alarm in Congress became acute when the Court assumed jurisdiction in the cause *Ex parte McCardle*, in behalf of a Mississippi editor who sought a writ of habeas corpus to escape the toils of a military commission created by a reconstruction act of Congress itself.

This case brought the constitutionality of reconstruction squarely before the Court. By this time, moreover, the membership of the Court had fallen to eight under the 1866 act to prevent President Johnson from making appointments; the death of Justice Wayne (who had joined in the protest against the majority view which held in Ex parte Milligan that even Congress had no authority to create a military tribunal in areas where hostilities did not exist—left the Court antireconstructionist, on the basis of the Milligan decision, by a margin of 5 to 3. Congress met the situation in March 1868 by repealing the appellate jurisdiction of the Supreme Court over habeas-corpus writs, and the McCardle case was snatched from the docket of the Court. All would be well for reconstruction if the issue should not be presented by artful lawyers in some new form.

With the inauguration of President Grant, Congress was not slow in taking steps to contrive a more friendly Court. Four days after the inauguration a bill was introduced in the Senate, and on March 23 that body passed a measure to increase the size of the Supreme Court to nine.

In the House of Representatives, reconstructionists were so eager to propose a more sweeping plan that they did not wait for the Senate bill to be referred to a committee. Indeed on March 29 the chairman of the Committee on the Judiciary, Representative John A. Bingham, of Ohio, whose chief claim to eminence rests in his leadership of the House managers in the impeachment trial of Andrew Johnson before the Senate, announced that he had been instructed by this committee to propose a substitute for the Senate bill. In that substitute President Franklin D. Roosevelt apparently thinks that he finds support for enlarging the Supreme and inferior courts of the United States.

Chairman Bingham confessed that the Senate bill had not been referred to his committee, but insisted that the whole question had been considered by the committee in connection with a House bill. The proposal which he submitted did not disturb the Senate plan for an immediate enlargement of the Supreme Court to nine; but it went further in provisions which left no definite limit whatever to the size of the Court. The substitute added to the Senate plan a provision that any Federal judge 70 years of age who had been 10 years in service might file with the President a statement that he wished to retire, and thereafter he should receive his full salary for life and retain the honors and privileges of office should he wish to exercise them. The President, however, should immediately appoint a successor. Moreover, if a judge of the prescribed age were too incompetent or too incapacitated to file a certificate of retirement, it might be filed for him after evidence before any judge of the Supreme Court. In a separate section, the proposal continued with the remarkable provision that, should any judge reach the age of 70 and not file a certificate of retirement within 1 year, the President should nevertheless appoint a successor.

Representative Bingham admitted at once that any judge thus superannuated might continue to sit upon the bench, or he might return to the bench to cast his vote in critical issues. But the purpose of the plan was clear; superannuated judges would be expected to know that their active services had ended. Even if they were stubborn enough to refuse to recognize it, their successors would be sitting with them and diluting the judgment of the Court.

So far as the Supreme Court was concerned, two Justices would have been affected immediately: Samuel Nelson, appointed by President Tyler; and Robert G. Grier, appointed by President Polk. Both, significantly enough, had joined the majority which had cast aspersions upon the power of Congress in Ex parte Milligan. Both were among the most conservative members of the Court, and both were likely to be hostile to reconstruction and to post-war measures of a Republican Congress.

Representative Bingham, in his explanatory remarks which opened the debate, declared "that at least two of the present Justices of the Supreme Court of the United States, although they may live for years, will not long be able, by reason of the infirmities of age, to take their places upon the Supreme bench."

Justice Grier had suffered an attack of creeping paralysis; and while he was not mentioned by name, the apt description of him made a name superfluous. Said Mr. Bingham: "It is well known that one of the most eminent members of that bench is not able today to reach the bench without being borne to it by the hands of others. It is but fit and proper that such a man should be given the opportunity to retire upon his salary, carrying with him his honors of office and holding his commission until the day of his death. I do not say that he will retire. But this amendment will give him the authority to retire, and it will be giving him notice that it is the will of a great people that he should be permitted in his old age to retire with his commission and be entitled by the will of a grateful people to his full salary during his life." To justify the proposition, Mr. Bingham urged: "In this way we will be able to secure for the people, from time to time as the emergency may arise, a Supreme Court capable physically as well as mentally of meeting the requirements of the Constitution and discharging all the trusts reposed by the Constitution in the Supreme Court of the United States, and also in the inferior courts created by your laws."

Whatever the hidden motives for political action, agitation, good or bad, is always placed upon a plane of patriotism and altruism. "The people" and "the trusts reposed by the Constitution" are never forgotten, whether the arguments are those of rich or poor, Democrats or Republicans.

Vocal opposition to the scheme came from the Democrats. In the initial skirmish, Representative Woodward, of Pennsylvania, forced from Mr. Bingham the admission that Mr. Justice Grier, though lame, was of clear and sound mind. But more vitriolic opposition came from Representative Michael C. Kerr, of Indiana, who had been the Democratic nominee for Speaker, who was one of two Democratic members of the strongly Republican Judiciary Committee, and who was destined to be elected Speaker of the Forty-fourth Congress. Said he:

"It is an attempt, by indirection, not to increase the number of judges, so as to augment their working capacity to do the business of the Court, but it is personal in its application to certain members of the Court, and it is a mode devised to get rid of them, to retire or supersede them. Those are the judges over the prescribed age of 70 years. They represent the most highly conservative part of the Court, and by their age, great learning, unselfish patriotism, and chastened or satisfied ambition, they contribute invaluable influence to divorce the entire Court from the control of politics, and to place it above the suspicion of bias from the changing and distracting events, motives, and demands of the outside world. Displace them, and put in their seats younger men of more ardent impulses and ambition, more fully identified in sympathy and feelings with the current events in the country, and you will do infinite prejudice to the exalted character and influence, if not to the judicial impartiality and purity of that great tribunal."

Continuing his denunciation, Mr. Kerr proclaimed: "It seems to me that this provision will introduce into our judicial system and into the control of Congress over it a most dangerous principle of interference, one that will go to the very fundamental idea upon which that Court was organized, upon which its great service as a coordinate department of the Government must always rest. It will go directly, most logically and most dangerously, to disturb the independence of that department of the Government, and to place it as well as all others, under the power of the legislative department * * *."

However vocal might be the opposition, the radical Republicans were sure of their ground. On two roll-call votes the scheme passed the House. On the first, to substitute the committee proposal for the Senate bill, the yeas and nays stood 99 to 50, with 47 not voting; and on the passage of the bill the vote stood 90 to 53, with 53 not voting. In neither call of the roll did a single Democrat cast an affirmative vote. (Anthony A. C. Rogers, of Arkansas, who voted for the committee substitute is sometimes classed as a Democrat, and was later defeated for Congress on the Democratic ticket; but he was elected to the Congress which met in 1869 as the "people's candidate", although, as his biographical sketch in the Congressional Directory points out, he had been for years identified with the Republican Party.) In opposition to substitution of the committee plan for the Senate bill, 11 Republicans joined 39 Democrats; and in opposition to passage of the bill, 14 Republicans voted with 39 Democrats.

In the Senate, however, the Judiciary Committee objected to the possibility of members of the bench already retired returning to cast their votes; and the committee proposed an amendment which discarded virtually all of the House scheme. Explained Senator Lyman Trumbull, of Illinois, chairman of the committee for which he spoke: "The Committee on the Judiciary thought this objectionable, as it would continue the persons upon the bench as judges still although they were retired. There would be nothing to prevent their coming back in an emergency and sitting on the bench, and we might have 20 judges of the Supreme Court. It would involve a difficulty as to what should constitute a quorum of it, and there might be some question as to the propriety of allowing those persons to be still judges who were unable to perform the duties." The Senate committee amendment permitted judges to resign voluntarily at 70 years of age and thereafter receive full pay for life. The House, after a further amendment to require 10 years of service before retirement upon full pay, accepted the arrangement and the bill became law.

If one seeks in the House plan of 1869 a precedent for the 1937 Roosevelt proposals, he must acknowledge at least one major distinction. In all the debates of 1869, not one of the advocates openly submitted the plan as a proposal to validate in the courts a legislative program which might otherwise be declared unconstitutional. Opponents charged that the scheme was intended to create a political Court; but no proponent so much as intimated that any opinion of the highest tribunal in the land would be changed by an altered membership. By their very silence upon the political motives which prompted the proposition, advocates tacitly admitted that packing the Court to change or govern its policy would be politically reprehensible. It might be done, but good politics demanded that it be done as quietly as possible.

If the plan is a precedent, there are few historians who would call it a creditable one. Today, North and South, Americans are free to admit that reconstruction, perpetrated by a Congress mad with hate, is a black chapter in the history of the Nation. Had the House plan been adopted, that chapter may well have been blacker still. As it was, President Grant within a year appointed two members of the Supreme Bench whose votes overturned the policy of the Court regarding fiat money. By reversing the decision of the Court and declaring valid as legal tender greenbacks which had already been adjudged unconstitutional, the judiciary,

notwithstanding possible merits of the decision, lost prestige and respect which it recovered only with the passage of decades. Had the House plan to alter the Court become law, the Democratic prediction of complete subjection of the judiciary to political maneuvering might well have been the result.

The Late Benjamin K. Focht

EXTENSION OF REMARKS

OF

HON. BENJAMIN JARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1937

Mr. JARRETT. Mr. Speaker and Members of the House, in the passing of BENJAMIN K. FOCHT, our colleague, Pennsylvania has lost one of its picturesque figures. He has been in public life for many years—three terms in the house of representatives of Pennsylvania and one term in the senate of Pennsylvania, State water supply commissioner and deputy secretary of the Commonwealth of Pennsylvania, and served nine terms in Congress and was reelected and entered upon his tenth term. I had known of Mr. FOCHT for many years, but it was never my pleasure to meet him personally until I came to Congress on January 5, 1937. He served Pennsylvania in the different capacities well.

I had looked forward to meeting him personally, having been acquainted with him by reputation for many years, and I was thrilled when as a new Member I was introduced to him—the years of his activities all rolled before me. The thrill came that I was meeting that man of whom I had heard so much and held in so high esteem by reputation.

In meeting him, he was the man that I had anticipated he would be—stern but kind. He was outspoken. In the State of Pennsylvania we always knew where he stood, and in my short acquaintance with him that characteristic was verified by personal contact.

We Members of Pennsylvania never had any difficulty in getting the opinion of BENJAMIN K. FOCHT. He was admired in Pennsylvania for that trait of character and we admired him here.

I observed him in the House, as no doubt many of you did. He generally sat in the front row to the left of the Speaker, and listened attentively to every Member who addressed the House. He always wanted to get the other man's view. He voted his own convictions.

I admired him for the great respect which he showed Members of the House in general and his respect for the rules of the House. He graced the floor.

His long term of service from the Eighteenth District of Pennsylvania and his other services in the State conclusively prove that he was a real public servant.

He will be missed in the State of Pennsylvania and he will be missed here.

Mecklenburg Declaration of Independence

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, May 24, 1937

ADDRESS BY HON. ROBERT R. REYNOLDS AT CHARLOTTE, N. C., MAY 20, 1937, ON THE OCCASION OF THE DEDICATION OF THE MUNICIPAL STADIUM AND THE ONE HUNDRED AND SIXTY-SECOND ANNIVERSARY OF THE MECKLENBURG DECLARATION OF INDEPENDENCE

Mr. REYNOLDS. Mr. President, a few days ago I was permitted to participate in the dedication of a municipal stadium at Charlotte, N. C., which is to be known as the American Legion Memorial Stadium, at which time I delivered an address in commemoration of the one hundred and sixty-second anniversary of the signing of the Mecklenburg Declaration of Independence. I ask unanimous consent that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, several weeks ago when I received the kind invitation from my friend Maj. Paul Younts, your distinguished postmaster, to be with you, the good citizens of the city of Charlotte and surrounding country, I accepted unhesitatingly, as it is always a pleasure to be in your midst. I am especially grateful for the invitation, as it not only affords an opportunity to participate in the dedication of this beautiful stadium to the city of Charlotte to be known as the American Legion Memorial Stadium, and it also provides me with an opportunity to dwell briefly on that great history-making event which took place here 162 years ago today. Lasting history was made here on that day in May 1775. New history is being made here today—historical insofar as this great metropolitan center of Charlotte is concerned. What is more necessary to the life and growth of a city in these days than is a municipal stadium?

As you gaze about this magnificent amphitheater surely you cannot but marvel at its imposing beauty and strength and feel a keen sense of civic pride. I think it would be in keeping on an occasion of this kind to briefly give you the history of its construction and some interesting facts concerning it.

This stadium was one of the thousands of W. P. A. projects approved throughout the entire country as the result of the desire and determination of our great Democratic leader, the President of the United States, Franklin D. Roosevelt, to give employment to the many thousands who for months and months had been without work. Many of them, as the result of the depression and through no fault of their own, had been existing on the bare necessities of life. This project was one of many which was approved by the W. P. A. officials in North Carolina, and from which fine edifices such as schools, municipal buildings, stadiums, armories, hospitals, etc., have arisen. It is just such projects as this one which will stand for years as a monument to the leadership of our President and our great Democratic Party.

Work was commenced on the stadium on January 4, 1936, and the main stadium was completed September 15, 1936, with the four auxiliary buildings to be completed by July 1, 1937. The major items of material involved in the construction are very interesting. There was used in the stadium 78,000 pounds of reinforcing steel; 86,000 square feet wire-mesh reinforcing steel; 55,000 feet form lumber; 10,800 bags of cement; 2,800 tons of gravel; 1,250 tons of sand; and 55,000 feet of seat lumber. There was also represented in the construction of the stadium 98,920 man-hours or 702½ man-months of labor. The materials cost $25,764 and the labor was paid $32,014. As the result of the steel, gravel, sand, and lumber, together with skillful engineering and efficient man power, you now have this beautiful amphitheater, and those who took part in its erection should feel proud as it is dedicated and turned over to the city of Charlotte where it will be used not only by growing youth for athletics but for all kinds of civic celebrations and large outdoor gatherings. It gives me the greatest of pleasure on behalf of the city officials to officially dedicate to the city of Charlotte this stadium, and I know that both young and old will enjoy many happy hours within its walls.

Today we celebrate the anniversary of the signing of the Mecklenburg Declaration of Independence.

In the months of March and April, 1775, the leading citizens in the county of Mecklenberg held various meetings to ascertain the feeling of the people relative to the imposition of taxes and the regulating of the internal policies of the colonies by the British Parliament. Col. Thomas Polk, the then military commandant of the county, was instructed to direct each captain of militia to call a company meeting to elect two delegates from his company to meet in general committee at Charlotte on the 19th of May and gave to the delegates ample power to adopt such measures as should seem best to promote the common cause of defending the rights of the colony and to best aid their brothers in Massachusetts. Colonel Polk issued the order and delegates were elected and met in Charlotte on the day appointed. The forms of their proceedings and the measures to be proposed had been previously agreed upon by the men at whose instance the committee was assembled.

On the day the convention met the first news of the Battle of Lexington was received in Charlotte. (Just think of it! The actions at Lexington and Concord took place on the 19th of April, and 1 month later the news had trickled only as far South as Charlotte. Today, with our radio, telephone, and telegraphic communications, it would take only a few minutes to inform the people of Charlotte what was taking place in Massachusetts.) History tells us that the news produced the most decisive effect on the large gathering of people which had assembled to witness the proceedings of the committee. There were cries of "Let us be independent! Let us declare our independence and defend it with our lives and fortunes!" Such were the feelings of the patriots.

The resolutions committee then prepared the resolutions which were submitted to the general committee. I shall not read all six of the resolutions, but shall read nos. 2 and 3.

"Resolution II: *Resolved*, That we, the citizens of Mecklenburg County, do hereby dissolve the political bonds which have connected us with the mother country, and absolve ourselves from all allegiance to the British Crown, abjuring all political connection with a nation that has wantonly trampled on our rights and liberties and inhumanly shed innocent blood of Americans at Lexington.

"Resolution III: *Resolved*, That we do hereby declare ourselves a free and independent people; that we are and of right ought to be a sovereign and self-governing people under the power of God and the General Congress; to the maintenance of which independence we solemnly pledge to each other our mutual cooperation, our lives, our fortunes, and our most sacred honor."

These resolutions, my friends, marked the first forward step toward independence, and proclaimed to the other colonies and to Great Britain that the people of North Carolina had had enough of British rule and tyranny. After the signing of the declaration the proceedings were transmitted to Philadelphia by Capt. James Jack for ratification by the Continental Congress. However, at that time the Congress deemed the subject of the resolutions "premature", and the president of the Congress declined to submit them to that body for consideration. This unwillingness to recognize the Mecklenburg Declaration of Independence was due to the fact that when the messenger arrived in Philadelphia he found the Continental Congress not only opposed to independence individually but actually preparing a petition to King George III declaring loyalty and repudiating the desire for independence. Captain Jack said to the delegates: "Gentlemen, you may debate here about reconciliation and memorialize your King, but bear in mind Mecklenburg owes no allegiance to, and is separated from the crown of Great Britain forever." Despite the action which was taken by the Continental Congress, their new government was maintained through its Committee of Safety, and British rule forever ceased at Charlotte, N. C., from May 20, 1775.

The Mecklenburg declaration was signed by 30 determined, brave, resolute, and courageous men. Little did they realize the far-reaching effect that their action would have on the other colonies. It was literally dynamic in its effect, and in my opinion crystallized sentiment in the Continental Congress in favor of the Declaration of Independence which was signed at Philadelphia on July 4, 1776.

I know that there is some conflict among historians as to the exact date of the signing of the Mecklenburg declaration, but from my study of the histories I am confident that this declaration was signed on May 20, 1775, and that there are many valid and plausible reasons why it was not the 31st of May, which contention is held by some.

Regardless of the question as to the exact date of the signing, the fact remains that there was a popular convention in session at that time, and the citizens were determined to take some affirmative action against the oppressive rule of George III. The Colonies were aflame; Paul Revere had already made his famous ride from Boston to Lexington and Concord to warn the citizenry that the "British were coming"; men everywhere throughout the entire Thirteen Colonies were calling meetings, and fiery speeches were being delivered, paving the way for an outburst of patriotism which was to result in American freedom.

At this stage in the history of our State and country rebellion against British rule was so rife in North Carolina that within 1 week after Mecklenburg County declared itself independent the King's Governor was forced to flee from New Bern, the seat of government, and to take refuge in Fort Johnston, on the Cape Fear River. Sixty days later he was forced to take refuge on a British man-of-war. Fifty days after the adoption of the Mecklenburg declaration a public call was made for the election of delegates to the Hillsborough Provincial Congress at Hillsborough, N. C. Ninety days from the declaration, and in spite of a furious proclamation from the Royal Governor forbidding the people to elect delegates to the Hillsborough Congress, and offering a reward for the arrest and delivery of the leaders of the movement, elections were held throughout the entire Province, delegates were duly chosen, and the Congress met in open session.

Every one of the 35 counties into which the Province was then divided were represented. Two hundred and fourteen delegates were elected in all, and 184 were present. The provincial assembly met at Hillsborough on August 20, 1775, and among its delegates were four signers of the Mecklenburg declaration.

On September 1 it was resolved that the Colony be immediately put in a state of defense and that 1,000 regular troops be raised to fight the King's army. On the second of the month William Hooper, Richard Caswell, and Joseph Hewes were chosen to represent North Carolina in the Continental Congress, and the next year William Hooper, Joseph Hewes, and John Penn, who was appointed in September 1775, to succeed Richard Caswell, became North Carolina's signers to that immortal document, the Declaration of Independence.

William Hooper was born in Boston, Mass., in 1742, moved to Wilmington, N. C., in 1769, and died at Hillsborough in October 1790; Joseph Hewes was born in Kingston, N. J., in 1730, settled in Edenton, N. C., and died in Philadelphia in 1779; John Penn was born in Caroline County, Va., in May 1741, died in September 1788. He succeeded Mr. Caswell as a representative of the Continental Congress from North Carolina in September 1775.

On the 9th and 10th of September, the last 2 days of the session of the Hillsborough convention, the delegates entirely severed North Carolina from Great Britain by adopting a constitution for the administration of the executive, legislative, and judicial affairs of the Province, independent of the Crown. The die was cast and North Carolina was at last a self-governing Commonwealth, whose rights, liberties, and privileges they were ready to defend with their lives and fortunes. This all took place 8 months before the Continental Congress advised the Colonies to change the form of their governments. The signers of the Mecklenburg declaration could not have desired anything better than that which was planned and executed by the Provincial Congress. The men of Mecklenburg had the great satisfaction the following spring to see the Congress, which met at Halifax on April 4, 1776, resolve on American independence as their county had done on May 20, 1775, before the representatives of any other Colony had taken this decisive step.

So my friends, it is easy to understand what a great part in the history of our State and the Nation was played by the signing of the Mecklenburg Declaration of Independence. Is there any wonder that we North Carolinians point to it with pride and feel that our very independence, our existence as a great nation and world power, free from the domination of any other country, is directly due to the courage and determination of those men and women assembled in Charlotte on those eventful days of May 19th and 20th, 1775, when they gave vent to their real feelings and through the six resolutions contained in the declaration shook from their shoulders forever the yoke of British tyranny?

I would like, on this happy anniversary date, to take a few moments to refresh in your minds some of the history of our beloved State, and to pay tribute to those heroes and patriots of the long ago, whose deeds have indelibly inscribed their names for all time on the pages of our history. Every State in the entire Union naturally points with pride to its history and to the accomplishments of its founders and settlers, and this is particularly so among our sister States that comprised the Thirteen Original Colonies. But there is no State in the East, West, South, or North that can boast of more real history than can North Carolina.

In Massachusetts its citizens cherish the memory of Paul Revere, and that epic-making ride is taught in every schoolroom throughout our country. In North Carolina we have our own Paul Revere in the person of a young girl, Betsy Dowdy, whose name is entitled to be recorded along with that of Paul Revere. History tells us that in the winter of 1775 heroic Betsy made her famous ride along the coast country of North Carolina to take word to Gen. William Skinner, of Perquimans, so that his militia might join the forces of Col. Isaac Gregory and Col. Robert Howe at Great Bridge, Va. There they were to engage the British under Lord Dunmore. If the British were successful at Great Bridge, it meant that they would overrun all that portion of Virginia and North Carolina. Betsy rode her pony all through the lonely night with only the stars to guide her to deliver the fateful message of the impending battle to General Skinner. The result of this heroic deed on the part of this young North Carolina girl was that Skinner's forces joined those of Gregory and Howe; the British were defeated at Great Bridge, forced to abandon Norfolk, and our Betsy Dowdy's ride had made history. This brave act was only an example of the determination of our citizens during those trying days.

Massachusetts also points with pride to the Boston Tea Party. Well, we had our own "tea party" in North Carolina. On the 24th day of October 1774, 51 ladies met at Edenton, N. C., and signed resolutions to the effect that they would no longer drink British tea and would boycott the use of British-manufactured clothes until the tax on tea should be repealed. This was but another instance of the fortitude and determination of our ancestry to no longer tolerate British rule.

And, of course, my friends, you are all familiar with the swelling of pride that comes to the citizens of our great sister State of Virginia when in a discussion of history or of State accomplishments they refer you to Yorktown, and to the old Moore farmhouse, where the articles of surrender were drafted by Cornwallis. This was indeed a great moment in the destiny of our country when the British arms were stacked in long rows and Cornwallis' sword was handed to General Washington. I say to you that if it had not been for those brave North Carolina pioneers who, together with their brother frontiersmen from what is now the splendid State of Tennessee, and those hearty patriots from South Carolina, who banded themselves together, fought and won the Battle of Kings Mountain, N. C., defeating the British under Colonel Ferguson, one of their most daring and courageous officers, there would not have been a surrender at Yorktown.

Historians and military strategists tell us that the crushing defeat administered to Colonel Ferguson at Kings Mountain caused Cornwallis to completely change his campaign plans, eventually leading to his retreat and his subsequent siege at Yorktown, and finally his surrender. I repeat that without the great victory of Kings Mountain, there would never have been a surrender at Yorktown.

Naturally, Virginia and Massachusetts are proud of their citizens who have attained the Presidency of this country. Here again, my friends, North Carolina keeps step. Within the confines of our own Commonwealth two men were born who later attained the highest honor which can be given to any citizen of our country; namely, elevation to the Presidency. They were President James K. Polk and President Andrew Johnson.

James Knox Polk was born on November 2, 1795, in Mecklenburg County. He left North Carolina and moved to Tennessee when 11 years of age, and was educated at the University of North Carolina, from which institution he was graduated in 1818, with

first honors in both mathematics and the classics. He returned to Tennessee after his graduation from the university, and in 1819 began the study of law, was elected to Congress in 1825, later became Speaker of the House of Representatives under President Jackson, became Governor of Tennessee on October 14, 1839; elected President March 3, 1845, and died June 15, 1849.

Andrew Johnson was born in Raleigh on December 29, 1808, and remained there until 1826 when he struck out for Greeneville, Tenn., where in 1827 he opened a shop of his own—the "A. Johnson Tailor Shop", renowned in song and story. In 1841 he was elected to the State Senate, and in 1843 the Greeneville tailor was elected to the Twenty-eighth Congress, where he served five terms until 1853. Inaugurated Governor of Tennessee in 1853, and at the end of his second term as Governor, was unanimously chosen by the legislature to a seat in the United States Senate in the Thirty-fifth Congress; served as Military Governor of the State of Tennessee in the early sixties; elected Vice President of the United States in 1864, and served until April 15, 1865, when he succeeded to the Presidency due to the death of President Lincoln; reelected to the Senate in 1875, the only ex-President ever so honored; and died July 28, 1875. Both of these native North Carolinians served their State and country with distinction and honor.

The first English settlement established in America was founded on Roanoke Island, and there the first white child born in America saw the light of day. In August of this year we are to celebrate the three hundred and fiftieth anniversary of the birth of Virginia Dare.

In addition to these outstanding historical events I call your attention to the fact that North Carolinia played a prominent role in the framing and adoption of the Constitution. Three of our notable citizens signed this sacred document. They were William Blount, of New Bern, N. C.; Richard Dobbs Spaight, of New Bern, N. C.; and Hugh Williamson, of Edenton, N. C.

My friends, we North Carolinians have much to be proud of, and whenever history and historical contributions of various States are discussed, North Carolina, the "Old North State", takes its high place with the leaders.

Our State is going forward by leaps and bounds; its progress in the past 25 years has been phenomenal; our people are happy and contented, and we must continue to forge ahead to maintain it on that pinnacle of success and leadership where our forefathers, the patriots and signers of the Mecklenberg Declaration of Independence, by their action of May 20, 1775, intended that it should be.

Civilian Conservation Corps

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, May 24, 1937

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON, ON MAY 22, 1937

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able address on the Civilian Conservation Corps, delivered over the radio by the Senator from Washington [Mr. SCHWELLENBACH] in Washington, D. C., on May 22, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the next week the Congress will determine the future of the Civilian Conservation Corps. On April 5 of this year, President Roosevelt, in a message, made the following statement to the Congress: "I trust that the Congress will deem it wise to enact legislation making permanent the Civilian Conservation Corps."

Last week, the House of Representatives passed a bill under the terms of which the Civilian Conservation Corps was classed as a temporary emergency establishment which, in the course of the next 2 years, will be terminated and abandoned.

On Thursday of this week the Senate amended the House bill so as to accept the President's recommendation and make the corps a permanent agency of government. The question as to which of these two bills will become law will be decided by conferees between the two Houses within the next week. The decision upon that question probably will depend upon the interest shown by and the activity upon the part of the American people within the next few days.

It is because of the urgency of the situation and the importance of the problem that I have asked the National Broadcasting Co. to make available their facilities in order that I might discuss it with you.

Personally, I have never looked upon the Civilian Conservation Corps as a temporary emergency institution. It is true that the necessities of governmental assistance for our youth were greater during the period of depression than under normal economic conditions. However, the need for providing a training of our young boys exists during even the most prosperous period. A rather close contact with the problems of education has convinced me that there exists in the lives of most boys who are compelled to leave school at the end of their grade-school education or during or immediately after their high-school education a period when it is necessary to break the vicious circle which arises from the fact that boys just out of school are unable to obtain jobs without experience and are unable to get experience without jobs.

Many times immediately after the war I heard the statement made that the returning soldiers who suffered no physical disabilities actually gained from their military experience. The Civilian Conservation Corps has proved that it isn't necessary to have a war in order to give those benefits to the youth of the Nation.

I don't mean by that that the Civilian Conservation Corps has been or is a military organization. It has provided and does provide physical, educational, and character-building advantages without any of the military disadvantages of Army training.

To justify a permanent continuance of the C. C. C. we must necessarily find that justification in its record of accomplishments. I assert with no fear of contradiction that every dollar which the Government has spent upon the C. C. C. has resulted in a return in the form of material benefits for its expenditure. Time will not permit a detailed statement of the work which has been done. All I can do is to give you a few of the high lights.

Under the corps 1,700,000 young men have been provided work and training in 2,652 camps located in every State in the Union. These boys have come from all walks of life; 56 percent from the cities and towns, 44 percent from the rural population. The work done by these boys has been in no sense "made work." The improvements have been of a permanent nature and have increased the value of the resources of the country. The nature of the work has extended all the way from building bridges to eradicating forest and plant pests. Let me give you a few samples of their accomplishments:

Forest improvement thinnings have been carried out in more than 2,700,000 acres of land.

Over 3,000 lookout houses and towers have been completed.

Over 54,000 miles of new telephone lines have been built.

Over 87,000 miles of new trails have been built.

Disease and insect-pest control have been carried on over an area of 15,000,000 acres.

Over 40,000 bridges have been constructed.

Over 3,300,000 check dams for erosion control have been constructed.

Public camp-ground facilities have been constructed in over 46,000 communities throughout the country.

Effective rodent control has been done on 24,600,000 acres of land.

One billion twenty-five million forest trees have been planted.

Forty thousand buildings have been constructed of 16 major types.

Two million seven hundred thousand acres of forest stand improvement have been completed.

Nine million two hundred and fifty thousand rods of fences and guard rails have been completed.

Twenty-nine million five hundred thousand acres of timber estimating has been completed.

I might go on indefinitely outlining in detail constructive work accomplished by this corps for the protection, preservation, and improvement of our national resources.

The money spent on the Civilian Conservation Corps has not been wasted.

To my mind, however, the importance of the material gain from the corps is far outshadowed by the other human benefits—benefits which cannot be measured in yards or miles or dollars. The formative period in the life of a boy is important not only because of the dangers it presents but also because of the possibilities it presents. It is the period of physical development. Even 6 months of clean living, outdoor activity will, in most instances, make the difference between a healthy maturity and a mature life in which the individual is constantly harassed by illness. Competent physical instructors, familiar with what a boy should do and what he shouldn't do to strengthen his physical being, are assigned to each one of the Civilian Conservation camps.

Upon enrollment enrollees are given a thorough physical examination, at which time a notation is made of such physical defects as are not sufficiently grave to prevent enrollment but do need corrective treatment. Throughout the period of enrollment medical attention is available in each camp and dentists visit all camps periodically to treat the teeth of the enrollees. Lectures and instructions in personal hygiene and sanitation are given. Nourishing and abundant food, vigorous physical exercise in the open air, both at work and play, and the healthful surroundings and regular routine of camp life effect marked improvements in the physique of enrollees. The average gain in weight during the first 6 months of enrollment is 7.2 pounds.

It is important, too, that our boys should be taught how to work. There is a very distinct benefit which comes from the discipline of actually working. The self-assurance, self-reliance that come from the successful performance of the tasks of a real pay job

cannot be discounted in considering the character building of the Civilian Conservation camps.

The jobs which are undertaken in the C. C. C. number more than 150 general types and vary all the way from building fire lookout towers to driving tractors. As the majority of boys, upon entering, are unfamiliar with the work done by the C. C. C., a great deal of training must be done. I think it is to the credit of all concerned that the boys are taught not only what to do but why they are doing it.

Hundreds of thousands of enrollees have left the C. C. C. to accept outside jobs which called specifically for types of practical training received on C. C. C. conservation work. When entering C. C. C. the big majority of boys do not know:

How to use tools and equipment.
How to work individually.
How to work with others.
How to work efficiently.
What a day's work is.

They learn these things by actual work in forests, parks, and fields, under competent and sympathetic foremen, and leave camp with the knowledge and the will to work.

Let me cite you only 25 of the many specific types of practical training given on the work job to C. C. C.: Auto mechanic, truck driver, tractor operator, steam-shovel operator, road grader, welding, concrete construction, blacksmith, bridge construction, telephone lines, surveying, map reading, drafting, fence building, sign painting, timber cruising, forestry practice, road and trail construction, landscaping, cabin construction, stone masonry, blasting, carpentry, drainage construction.

Although no effort is made in the camps to compel religious training and only a few chaplains are assigned to the Corps, the success of the encouragement of attendance at religious services is evidenced by the fact that during the year 1936 the average attendance of religious services by enrollees throughout the country was about once every 2 weeks. I would like you to show me any other group of boys that can boast of an attendance to that extent.

Educational work is carried on in the camps. It, too, is voluntary. And it, too, has been successful. In every camp there is a full-time educational adviser and an enrollee assistant educational adviser. I might say that the educational adviser is the nucleus around which the "after hours" educational program is built.

The academic subjects range all the way from the three R's to calculus, depending on the camp and the men in the camp. To give an idea of the size and scope of this program I cite the following figures furnished by the Director of C. C. C. Camp Education, as compiled from individual camp reports. "The average number of enrollees participating in educational activities for the year 1936 was 295,568, or 87.6 percent of the strength of the corps.

Of the 1,700,000 boys who have passed through the camps since 1933, 50,000 illiterate enrollees have been taught to read and write; 500,000 completed their grade-school subjects, 400,000 have taken high-school subjects, and 50,000 have pursued college courses.

Of particular interest is the report made public last week by the National Advisory Committee on Crime, from which I quote: "The C. C. C. has been discussed so often as an economic measure that its wider social value is sometimes overlooked. It has fashioned weapons with which to make an effective attack on many of the social conditions which may be crime conditions."

It is a fact—a discouraging, unfortunate fact, but nevertheless a fact—that today most of the crimes are committed by boys between the ages of 17 and 25. You can go into any criminal court in the country on any arraignment day and find a pitiful line of youthful defendants charged with crimes of the most serious magnitude. The boy who is idle, the boy who cannot find employment, the boy whose future holds no promise of opportunity is the most fertile field for the sowing of the thought that he should follow the easy path which leads to the reform school and the penitentiary. If the Civilian Conservation camps had done nothing more than provide the instrumentality with which to combat this evil, they would have justified every dollar of the taxpayer's money expended upon them.

Let me read to you a statement by Dr. Robert Fechner, to whom most of the credit for the successful accomplishments of the corps must be given, as he has been its Director from its inception:

"I have seen—as I wish each of you could see—thousands of youngsters come into the C. C. C. I have seen many of them come to us sullen, unwanted, unskilled, and antischool. I have watched them live and work and learn and develop with the passing months. I have seen them leave the camps upon completion of their terms of service. Most of them have regained their fine assurance, that commendable, disciplined aggressiveness which I hope may always be found in our youth. These youngsters have regained their self-respect; they have become better fitted to earn their living in private employment, and through their labors they have regained their faith in themselves and in their Nation, and in this effort these young men have launched the United States on a sound, Nation-wide program of conservation of natural resources."

To my radio audience I submit this question: "Do you want this work abandoned?" That question will be decided by the Congress within the next week. That decision will probably depend upon the interest which you and your friends and the organizations to which you belong and the localities in which you live take in this problem. If you believe in this program, if you believe in the conservation of our national resources, if you believe in the conservation and the development of that greatest of all natural resources—the skill, character, and health of the youth of the Nation—I urge that you and your friends and your organizations and your localities let the Members of Congress know how you feel.

What Do You Know About the Gila Project?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, the Interior appropriation bill, which we considered again today, carried an item of one and a quarter million dollars for the Gila project as the bill was reported to the House from the committee. This recommended appropriation was the second put up to Congress on a $20,000,000 project to irrigate 139,000 acres of land in Yuma County, Ariz., near the mouth of the Gila River. The water that the project contemplated for the land is not from the Gila River, but from the Colorado River. This particular item was ruled out in the Committee of the Whole on a point of order. The dropping of the appropriation from the Gila project is most regrettable.

While it is to be hoped that this appropriation, and other needed appropriations for the reasonable and businesslike development of the semiarid West, will be restored in the Senate and eventually become law, nevertheless, it is regrettable that the merits of this Gila proposal are not better known. Each Member of the House may say, "Well, let the Congressman from Arizona look after that; it is none of my concern." That would be very much like my saying, concerning the hole in the ground in Hardin County, Ky., in which is buried a stock of gold, "That is no concern of mine. Let Congressman CREAL look after it."

There is not quite the national value involved in this Gila proposition in Yuma County, Ariz., as the value involved in the national gold storage in Hardin County, Ky., but the concern is national, not local, in both cases. It is extremely regrettable if any Member of this House is indifferent in either of these cases to so vast a national interest involved.

Had this item on the Gila project come to a vote, as did a number of others, such as the Pine River project in Colorado, in exactly the same legal situation, it is quite likely it would have carried just exactly as the last-named item carried. However, the point of order raised against the Gila project could not otherwise have been ruled, because there was at least one possible ground on which a point of order might properly lie against it. Assuming that a point of order must necessarily be raised by someone, it should have been against the proviso attached to it in the printed bill.

One ground of the point of order made by Congressman LEWIS of Colorado was that there was no authority of law for this project and also that no work had been done on the project. Neither of these contentions is correct. A rereading of the bound CONGRESSIONAL RECORD, volume 80, part 9, June 15, 1936, pages 9392–9393, will show that the same objection was raised against this item last session—that it was not duly authorized by law—and it was conclusively shown at that time by Congressman Buchanan that the project was duly authorized. The charge that virtually no work has been done on the project is equally erroneous. I produced at the moment an official, tabulated list of projects made out by the Bureau of Reclamation for the use of the Appropriations Committee and brought down to date. This official statement shows that one Presidential allotment and one congressional appropriation have been made, and that more than a million dollars has been spent on construction and $2,000,000 obligated. While the charge that the item is out of order is not properly based on the assumption of no authorization and no work in progress, the point of order that the proviso attached was legislation was sufficient to warrant the Chairman in ruling the item out. Another regrettable thing in the minds of informed

and thoughtful Members is that there was any proviso attached.

During the hearings on this project before the subcommittee I urged that no such proviso be attached to this item. A considerable delegation from the Upper Basin States insisted that a far more stringent and questionable proviso should be attached. One of their suggestions was that not a penny should be appropriated for the Gila project until the State of Arizona had ratified the Santa Fe compact. I begged the Appropriations Committee not to tie on any such proviso on that item. While I felt that the proviso that was attached and recommended by the committee was entirely unnecessary, and while I felt further that the proviso in the bill certainly gave the upper State objectors adequate protection, Congressman LEWIS, demanding a still more extreme proviso, if any appropriation should be made at all, finally challenged the item in the House by raising the point of order against it.

The bill has gone to the Senate without the Gila appropriation, and also minus other items imperatively needed. The only hope for next year for such commendable projects is through favorable action in the other body. Should no favorable action be taken before final passage, it does not require much mathematics to figure our preliminary loss on the Gila project, which, I assure you, is merely the introductory loss—that of the $2,000,000 already spent and obligated. Since this appropriation was on a project the estimated cost of which was $20,500,000, the generous-minded may say that to throw away the tenth part is not so extravagant, since it did furnish some employment, after all; but I want to make it clear that the $2,000,000 already spent is not only not a tithe of our loss, in the event this project is killed, but the $2,000,000 gone is not even 1 percent of the ultimate loss due to our action and inaction.

REAL IMPORTANCE OF THE GILA PROJECT

I earnestly request the attention of the Members of the House to this explanation of the factors involved. I scarcely need to remind you that Boulder Dam was finished less than a year ago. It is an engineering project of which our Nation may well be proud. The great dam and power plant were built at a cost of about $135,000,000. This wild river has been stopped, or at least checked, in its mad career and is piling up in Lake Mead above the dam. From now on there will be no more floods on the main stream of the lower Colorado River below the dam. Instead of alternating floods and low stages of the river, at least seven and a half million acre-feet of water will pass the dam annually in a regulated flow. What a change this will mean in that delta near its mouth!

The Colorado River has, through untold ages, built up a delta at the head of the Gulf of California. This river runs on a hog's back to the sea. At any place in the delta, which is in Old Mexico, it is easy to irrigate the rich alluvial land on either side of the river if a constant, regular flow of water is carried at all times. Such was not the case prior to the completion of the Boulder Dam a year ago. At no time during the last 400 years, during which the Spaniards and Mexicans made infrequent entradas into that little-known waste land, was it possible for them to depend upon utilizing this "American Nile." Now, however, through American effort and our vast expenditure, they may utilize every drop of the regulated flow of that river. Do not deceive yourselves that they lack the energy and initiative to do it. But why should we Americans concern ourselves?

The gentleman from Colorado some days ago explained that there is a new water law in the arid and semiarid West. Out in the Rocky Mountain area the law is that he who first takes water and applies it in beneficial use establishes a legal claim thereto against all later comers. Right to water is a question of priority of time and beneficial use. Not only does this hold between individuals, but the Supreme Court of the United States has said that it holds between States, and it will hold in our international relations with Mexico. Our Government has recognized already that this principle holds as between two Nations—our own and Mexico. The Mexicans know exactly what they are doing and what they may rightfully and legally expect of Uncle Sam, even though he is their "Colossus of the North", if only they work fast enough to establish water rights before American lands establish a right to that same water.

While our engineering and legal arrangements now provide that at least 7,500,000 acre-feet of water shall annually pass Boulder Dam, California herself has limited her appropriation to 4,400,000 feet. After water passes Boulder Dam there are only three political units that may be interested in it, namely, Arizona, California, and Mexico.

Mexico has been using and has a claim upon 750,000 acre-feet, which she obtained by agreement with this country, out of the old international canal which supplied Imperial Valley in California. My contention is that we are under no obligation to furnish Mexico the nearly 3,000,000 acre-feet of water which marks the difference between the totals just indicated, but we may do it, and will do it, if we kill the Gila project. Not only may we turn over this 3,000,000 acre-feet of water which every sensible, patriotic American citizen thinks should go on land within our own country, but in view of the fact that the upper basin States are now using only about half of their 7,500,000 acre-feet allotted them by the Santa Fe compact there must inevitably be for several years to come nearly 4,000,000 acre-feet of their water going down to Mexico very conveniently for foreign use.

Therefore, there is a decided prospect, with the Gila project killed and no immediate plans for development in the upper basin States, that this country shall donate to Mexico about 7,000,000 acre-feet of water annually. Such would be just about the right amount required to force into abundant production Mexico's 2,000,000 acres of alluvial soil in the delta of the "American Nile." Can you imagine how much cotton, alfalfa, and all kinds of garden vegetables thrifty Japanese farmers can produce in Mexico so conveniently near our back door with water donated by this country?

During the past season just closed, up to May 17, 3,876 carloads of lettuce and other vegetables had been shipped from the Yuma Valley east over the Southern Pacific Railroad. Some of this lettuce sold on the market for as much as $4 a crate. Now, if a paltry 40,000 acres in Arizona can produce nearly 4,000 carloads at Yuma, just calculate how many carloads 2,000,000 acres, or 50 times this American acreage, can produce in Old Mexico, a few miles below Yuma. Remember that all this competition—the competition of Mexican lands and of Mexican and Japanese labor—will give our own farmers a run for their money, while we congratulate ourselves upon our good neighborliness and generosity in furnishing foreigners the water.

But you ask, "How about the objection from the gentleman from Colorado. Did he not have some motive in making the point of order other than economy and generosity?" Yes; he said that to develop the Gila project in Arizona would rob the upper States of their water rights. How absurd is this contention. Gentlemen of the opposition used a worn out figure of speech about the "camel's nose in the tent." That is a very powerful simile, but it can be, and is in this instance, misused and hence powerfully deceptive. They would have you believe that this small appropriation of one and a quarter millions commits this Government to a total of $80,000,000, whereas it really commits us to a total of only $20,500,000. Quite a different proposition. "Ah", they may say, "you have talked of reclaiming 585,000 acres at a cost of $80,000,000 haven't you?" Well, what of it? We have talked of irrigating several millions of acres in Arizona, if we only had the water and the money. We have land enough to use the Sacramento River and the Mississippi River if we could apply them.

The gentlemen of the opposition seem perfectly content to trust our State Department in any treaty making to protect their water rights against the newly acquired rights and claims of Mexico, but they are unwilling to trust this Congress to protect their water rights against the possible but improbable claims of Arizona. What a strange situation! Natural law and international law are both on the side of Mexico in her acquiring water rights now from all of us. On the other hand, so big is the undertaking and so great

the cost of utilizing Colorado water in my State, that only the United States Treasury can aid Arizona in acquiring any water rights whatsoever.

Massing of the Colors Service at Washington Cathedral

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1937

ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS, AT THE WASHINGTON CATHEDRAL, MAY 23, 1937

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. SCOTT W. LUCAS, Member of Congress from Illinois, at the massing of the colors service, Washington Cathedral, May 23, 1937:

These massed colors are emblematic of soul-stirring deeds of heroism and fidelity which have played a distinctive part in molding the destiny of a mighty Nation. In the world's most successful democracy the flag has been a most patriotic and stabilizing influence in the histrionics of statehood. For a century and a half it has been the boon companion of the daughter of liberty, and so in these days of economic uncertainty it is comforting and sustaining to find citizens by the hundreds in every walk of life stopping here momentarily in the shadow of the cathedral to witness the unfurling of these proud symbols of American sovereignty. The deep respect which devoted and loyal Americans have for Old Glory and all it represents cannot be adequately measured through the medium of expression. In peace or war, upon land or sea, the American flag commands, directs, and inspires.

One of the most impressive moments of my life is mingled with the influence of the flag. A few years ago the *Leviathan* lay anchored outside the port of Cherbourg, France. As the morning sun lifted the mist from the sea I gazed from the porthole of my cabin to find in the distance the Stars and Stripes proudly flying from an American destroyer. Joy permeated my soul and tears filled my eyes as I saluted the beautiful emblem of American power and security flying so bravely in a foreign clime. In that flag I saw the revolutionary spirits of Washington and Lafayette. In that flag I saw the crystallization of American liberty upon the high seas of the world. Mentally I returned to America and said:

"Breathes there a man with soul so dead
Who never to himself hath said,
'This is my own, my native land!'"

Many were the inspiring and picturesque scenes which passed before me in review on my visit to various European countries, but none so challenged my attention as the beauty and power of that American flag in the Bay of Cherbourg.

It has been my privilege to observe some of Nature's delicate handiwork in our own beloved America. I have been thrilled by Nature's artistic touch upon her widespread canvas. I have been moved by the radiant beauty of a hundred or more of America's picturesque scenes. But this American panorama of color, tone, and technique fades into insignificance when every morning the Stars and Stripes beckon to me from the Nation's Capitol.

Acting as a guard of honor over the three branches of Government, the flag constantly breathes a spirit of national unity, and every rippling fold tenderly embraces all of the ideals of a free and independent people. Wrapped in that flag are all of our dreams of the past and all of our hopes for the future. It is the incarnation of American liberty. We look about over a restless world of conflicting governmental theories and realize that the flags of most nations are completely immersed in an atmosphere of war. But today the American flag radiates with cheer and confidence over a nation of people who are dedicated to a national policy of peace. Monarchies despise it, dictators sneer at it, and Communists insult it, but Americans, from the schoolboy to the aged, love and cherish it, realizing that the flag represents the hopes, the dreams, and the aspirations of a true democracy.

The massing of the colors in this spiritual and patriotic atmosphere drives deep into the fundamentals upon which this Nation rests. And as we protect those ideals in a ceremony of this kind we automatically pay a lofty tribute to those who made the supreme sacrifice in order that liberty might endure.

I congratulate the Military Order of the World War for taking the initiative in these patriotic and sacred services. I commend the many organizations participating in these exercises for their faithful cooperation. I proclaim this inspired ceremony as a true manifestation of pure Americanism. It is one of the most sublime notes in the scale of patriotism. It is one of the most beautiful themes in the recognition of the spiritual. Yes; it is indeed an outstanding memorial of our unquestioned faith in God and country.

The Development of Vocational Education Should Be Encouraged

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. COLDEN. Mr. Speaker, the development of vocational education should be encouraged. H. R. 6958, the appropriation bill for the Department of the Interior, approximating $115,000,000, while a much smaller amount than the large appropriation bills, has aroused as much or more discussion than many of the others. The Interior appropriation bill covers topics of tremendous national interest, such as irrigation and reclamation in the 11 Western States; the question of national parks, which is also of a wide interest; and that of vocational education and Government aid to this modern trend in our schools. Perhaps no movement in education possesses the velocity at the present time as that of the vocational features. The fact that the House, by a substantial majority, doubled the amount of the recommendation of the Committee on Appropriations and approved the amendment providing the $14,483,000 is documentary evidence of the popular attitude toward vocational education.

A PERSONAL INCIDENT

Personally I feel a deep interest in this subject. It reminded me of an incident that occurred in the Midwest more than 30 years ago at the establishment of a State teachers college. The president of the board of regents of this particular college was an enthusiastic advocate of vocational education. He succeeded in establishing agriculture, manual training, and household economy in this new college, but aroused bitter opposition. On one occasion at the baccalaureate services a local pastor preached the graduation sermon. The president of the board of regents sat on the platform and before a large audience heard himself denounced as commercializing the schools, which would result in a citizenship of the type of Abe Ruef, the notorious grafter of San Francisco, who was being exploited on the front page of the newspapers of that time.

THE OLD SCHOOL TEXT

The older men and women of this time quite well remember the character of the teaching of the country school 50 years ago. The country teacher had no knowledge of agriculture and disregarded the needs of manual training, domestic science, and household economy. In those days many pupils were required to commit to memory long and complex rules from Ray's Arithmetic. There was the Connecticut rule for computing interest. It had no practical value. The same applied to the rules for cube root and square root and many other complex mathematical subjects. Yet not 1 teacher in 20 could tell the farm boy how to measure the hay in a stack or the corn in the crib. The arithmetic was full of problems of the counter and the bank, but absolutely ignored the mathematics of the farm.

Pupils were taught to draw maps of Africa, but nobody ever thought it worth while to trace a map of the school district and its streams, highways, bridges, and farms. Pages of history were memorized but the interesting lives of the local pioneers were never penned in biography. The young lady was prompted to study French and the piano and was utterly unaware that there was a science applicable to the rural home. The young man was lured cityward by the pictured flour mills of Minneapolis, the steel mills of Pittsburgh, the tall buildings of New York, but no instruction was available in the construction of a pig trough, a cattle feeder, a farm gate, or in the growing of corn and

wheat. Since those early days much has been done by the colleges in training teachers to prepare them in everyday practical lessons that may be applied to the life about them.

PIONEERS IN VOCATIONAL WORK

St. Louis and Kansas City early established training schools, many of which are now being developed into a wider application of trade schools. This type of education has been used extensively in the rehabilitation of veterans of the World War. It is a real step forward in education, and, like social security, the teaching of vocational subjects developed in European countries before it did in the United States. I remember my very vivid interest in the London trade schools of many years ago.

THIS INVESTMENT IS GOOD ECONOMY

Some of my colleagues expressed the opinion that we should economize and follow the committee in its recommendations to keep these appropriations within the Budget. No doubt there are many items of governmental expense that should be trimmed or eliminated, but vocational education is an investment in a field where it is very helpful. It enables the young men and the young women of this period to have some preparation and some training for their actual duties in life. It is admitted that foreign and dead languages have their value as a mental training; that the study of literature has a cultural value and broadens the mind, but the life of a great majority of the graduates of our schools and colleges and universities demands not only training of the mind but involves the strength of the arm and the skill of the fingers. We are able to appropriate a billion for national defense; we are appropriating a billion and a half for relief; we appropriate millions to war against bugs and grasshoppers; the 14 million for vocational education will render invaluable human aid and is but a "drop in the bucket" of national expenditures. It is an investment in human values and is a high type of national economy. Few appropriations afford equal results to this one in producing a better-equipped citizenship.

The Late Benjamin K. Focht

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1937

Mr. RICH. Mr. Speaker, it is my privilege today to pay tribute to a distinguished departed Member of this body, the Honorable BENJAMIN K. FOCHT, of the Eighteenth Congressional District of Pennsylvania. I had the honor to serve in the House of Representatives with Mr. FOCHT since his return to the House in the Seventy-third Congress. I considered him a good friend and a loyal party worker; I enjoyed associating with him and found him to be ever concerned in looking after the interests of his constituents and the State of Pennsylvania as well as the welfare of our United States of America. Mr. FOCHT was a great patriot.

Born at New Bloomfield, the son of a Lutheran minister, our late colleague was educated in the schools and colleges of the State of Pennsylvania and at the age of 18 years entered the newspaper field by becoming editor of the Lewisburg Saturday News. Throughout his life he kept in close touch with this early endeavor and contributed valuable articles to the News, even after his rise to high position in the world of politics, and was at the time of his death president of the Saturday News Publishing Co.

Entering the political field early in life, he served in the Pennsylvania Assembly and State Senate; was at one time State water-supply commission, and also deputy secretary of the Commonwealth. He rendered valuable service to our State and the Nation. He is known as the father of legislation to furnish free school books to Pennsylvania students; and also of other important laws of Pennsylvania.

In 1909 he entered the National House of Representatives as a Member of the Sixtieth Congress, and at the time of his death had the longest record of service in this body of any Pennsylvania Member, although such service was not continuous. Mr. FOCHT was a pioneer in the proposal of old-age pension legislation, and advocated such benefits as early as 1916, as may be seen by reference to the CONGRESSIONAL RECORD of September 8, 1916, which is a clear indication of his ability to foresee and to judge the value of legislation for the future.

He was ever interested in the principles of Americanism, and served as a valuable member of the Committee on Immigration and Naturalization of the House. Mr. FOCHT was also a member of the Committee on the Census, Committee on Pensions, and War Claims Committee.

BEN FOCHT was devoted to his family, and their welfare was his first consideration. His son, Brown, has followed in his footsteps by becoming editor of the Lewisburg Saturday News, as did the late Congressman at the beginning of his career.

He was a scholar, a man of wide knowledge, and had an unusual command of the English language. We were especially fortunate in having the benefit of his experience and seasoned judgment in our National House of Representatives during the past several years—a period of change and uncertainty—and I know that he will be sorely missed in the future.

While we shall mourn his loss from our midst, our loss will be his gain. For he has gone to that Congress of Saints, where toil and strife are no more and where all is peace, happiness, and rest.

In Memoriam

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

RESOLUTIONS OF THE COMMITTEE ON THE JUDICIARY OF THE HOUSE OF REPRESENTATIVES

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions adopted by the Judiciary Committee of the House of Representatives:

The Committee on the Judiciary of the House of Representatives hereby records its great loss and deep sorrow in the death of its esteemed fellow member, WARREN J. DUFFEY, of Ohio, who died on July 7, 1936.

WARREN J. DUFFEY entered the House of Representatives on March 4, 1932, and served as a member of the Committee on the Judiciary since March 14, 1933.

As a member of this committee, Mr. DUFFEY rendered patriotic and valuable service to Congress and to the Nation. In an outstanding degree he combined scholarly and judicial attainments with sound practical common sense. He subjected all measures and amendments coming before the committee to dispassionate judicial scrutiny and study. His convictions once reached, he acted with a courageous independence of thought and judgment which contributed substantially to the deliberations and conclusions of the committee. Sincere, honest, upright, learned, and capable, he was beloved by all on the committee for his genial good will toward all. The warmth of his nature, the benignancy of his character, and the generosity of his friendship endeared him to all who had the fortune to know him and claim him for a friend. He served during a period of intense national stress and emergency, and his lovable qualities were a comfort and inspiration to us all. The death of WARREN J. DUFFEY has lost to us not alone a capable legislator and devoted national servant but a warm, loyal, and generous friend. Individually and collectively we deplore his death as a loss to the public service of the Nation. Be it therefore

Resolved, That the members of the Committee on the Judiciary of the House of Representatives do hereby express their profound sorrow and sense of deep personal loss in the death of their former colleague, WARREN J. DUFFEY, and direct that this resolution be spread upon the minutes of this committee and a copy be sent to the members of the family of the deceased.

Attest:

ELMORE WHITEHURST,
Clerk, Committee on the Judiciary,
House of Representatives, United States.

Hon. RANDOLPH PERKINS, of New Jersey, beloved colleague of the Committee on the Judiciary, a faithful representative of his people, an able lawyer, and a courageous man, died in service May 25, 1936.

Representative PERKINS had a distinguished career. He served in the House of Representatives 15 years. Before his election to the House he had been mayor of Westfield, N. J., and a member of the New Jersey Legislature. At the time of his death he was the ranking minority member of the Committee on the Judiciary.

Courteous, modest, and friendly, he was loyal to the highest traditions of his committee. Willingly he assumed the heavy responsibilities of his membership and zealously discharged every duty assigned him. His memory will ever be cherished in the hearts of his associates: Wherefore be it

Resolved, That the Committee on the Judiciary record our deep grief at the passing of our colleague, Hon. RANDOLPH PERKINS; and

Resolved further, That these resolutions be spread at large on the minutes of the committee and a copy thereof be transmitted to the bereaved family.

Attest:

ELMORE WHITEHURST,
Clerk, Committee on the Judiciary,
House of Representatives.

Our loved colleague, Hon. WILLIAM VORIS GREGORY, of Kentucky, whose life was one of useful public service, was called to his last resting place October 10, 1936.

His constituents have lost a Representative who was faithful to his trust, and the Committee on the Judiciary has lost a loyal and cooperative member.

Prior to his election to Congress Representative GREGORY had served two terms as judge of the county court of Graves County, Ky., and had been United States attorney for the western district of Kentucky. He served with honor in the House of Representatives 10 years, and at the time of his death had been renominated for a sixth term. He was a member of the Committee on the Judiciary during the Seventy-second, Seventy-third, and Seventy-fourth Congresses.

His ability and knowledge of the law commanded our respect; his gentleness of spirit endeared him to all: Wherefore be it

Resolved, That the Committee on the Judiciary record our deep grief at the passing of our colleague, Hon. WILLIAM VORIS GREGORY; and

Resolved further, That these resolutions be spread at large on the minutes of the committee, and a copy thereof be transmitted to the bereaved family.

Attest:

ELMORE WHITEHURST,
Clerk, Committee on the Judiciary,
House of Representatives, United States.

We the members of the Committee on the Judiciary of the House of Representatives hereby record our great loss and deep sorrow in the passing of our fellow member and esteemed colleague, ANDREW JACKSON MONTAGUE, of Virginia, who died on January 24, 1937.

ANDREW JACKSON MONTAGUE, who had been one of Virginia's outstanding Governors, entered the House of Representatives on the 4th of March 1913, well-nigh a quarter of a century ago, and had served as a member of the Committee on the Judiciary since 1921.

As a member of our committee Mr. MONTAGUE rendered a unique and distinguished service to the Congress and to the Nation. To the measures that came before the committee he gave careful and considerate thought, and his opinion was always valued by his fellow members, not only because of his erudition and keenness but also because his motive was the high and unselfish one of serving his State and his Nation. He was ever the scholar, calm and collected. His frankness was only equaled by his willingness to hearken unto the views of others, even though he disagreed. Our departed colleague was not only an able debater but always the courteous gentleman.

This committee will greatly miss our departed colleague's help in its work, but far beyond the loss of a valued collaborator is the loss of a personal friend, for whom every member of the committee had a feeling of sincere affection. His death brings to us the lasting sorrow of the "vanished hand and the sound of a voice that is still": Be it therefore

Resolved, That the members of the Committee on the Judiciary of the House of Representatives do hereby express their profound sorrow and sense of deep personal loss in the death of their former colleague, ANDREW JACKSON MONTAGUE, and that a copy of this resolution be spread upon the minutes of this committee, and a copy be sent to the members of the family of the deceased.

Attest:

ELMORE WHITEHURST,
Clerk, Committee on the Judiciary,
House of Representatives, United States.

The Late John T. Buckbee

EXTENSION OF REMARKS
OF
HON. LESLIE C. ARENDS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 25, 1937

Mr. ARENDS. Mr. Speaker, in this life we come in contact with all kinds of men. It would be a queer world if all were of the same temperament, the same type, and of the same mind. So it seems that each man must conduct his life on an individual plan. Some pursue one course and others pursue another, some are more energetic than others, some prefer a business career while others prefer public service.

Today we honor the memory of one who proved himself capable of not only creating for himself a successful business career but also served his country ably and well as a Member of Congress from the Twelfth Congressional District of Illinois for a period of 10 years. Congressman JOHN T. BUCKBEE was not only an able legislator, but was a horticulturalist of no mean ability, having studied in Austria, France, Holland, Denmark, Sweden, Belgium, Italy, and Great Britain. Who amongst us being a close student of the magnificent works of Mother Nature can help but absorb some of the beauty she teaches and who can entirely suppress some of the traits of character that are bound to be in evidence by reason of such study?

While I only had the privilege of knowing Congressman BUCKBEE for a short space of time, and only served with him during the Seventy-fourth Congress, nevertheless I admired him and respected his judgment. He served his country to the very end, and even though his body was wracked with pain he refused to retire and enjoy the fruits of his labors.

The State of Illinois has indeed lost one of its valued native sons whose memory will not soon be forgotten.

Lynching Must Stop

EXTENSION OF REMARKS
OF
HON. WILLIAM T. SCHULTE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 25, 1937

Mr. SCHULTE. Mr. Speaker, in view of the recent passage and submission to the Senate by this body of House bill 1507, an act to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching, the hopes of liberal-minded citizens have taken new life at the prospect of wiping the foul scourge of lynching out of our land.

For more than 40 years the national campaign has been waged to eradicate lynching bees, which, now that slavery has ceased to be, bids fair to become our "peculiar institution." Efforts to pass a Federal antilynch law began in December 1891, when, following the wholesale lynching of 11 aliens, President Harrison recommended that the Congress enact legislation to protect aliens from mob violence. Senator Sherman, of Ohio, drew up and presented such a bill. It was the subject of a long and bitter debate, which was continued to such lengths that oblivion claimed it after interest died. Similar bills were introduced in the Senate in 1893, 1899, and 1908, and in the House in 1900, 1902, 1903, 1905, and 1907. Finally in 1908 the State Department, after another outbreak of lynchings, the victims of which were aliens, sponsored a bill for the protection of individuals against mob violence. This was the result of the serious diplomatic repercussions as the result of the lynching of aliens and the consequent demands for indemnities by foreign governments whose subjects were victims of these outrages. An antilynching law was then drawn up and presented in the House, where the usual objections were raised, but, notwithstanding, it passed the House, but only with the deciding vote of the Speaker. The bill was then referred to the Senate, where it quietly expired in committee.

In later Congresses in 1909, 1915, 1917, 1919, and 1920 like bills were introduced, all meeting the fate of their predecessors, through either failure of enactment in the body of their origin or dying in committee of the other. The Dyer Act of 1922, which also included the alien clause as originally recommended by President Harrison 30 years before, likewise

went down under an avalanche of objection coming, as usual, principally from the Southern States. The traditional feeling has been in the South that antilynch legislation was directed solely at that section of the country, regardless of the fact that most antilynch laws made provision for the similar protection of aliens.

In 1933 a series of lynchings in the States of California, Maryland, Missouri, and Tennessee brought again to the consciousness of the Nation the inability of a State to offer adequate protection against mob violence. The late Governor Rolph, in condoning the San Jose mob, drew the public censure of President Roosevelt for condoning "disrespect for law." Under the consequent wave of aroused public opinion it was only natural that demands should be made upon the National Congress for legislation to put an end to such flagrant disregard of a citizen's guarantee by the Federal Constitution to protection against violations of his right to life and liberty without due process of law.

President Roosevelt, in addressing the Federal Council of Churches of Christ of America, in December 1933, gave words to this demand when he said:

> This new generation, for example, is not content with preachings against that vile form of collective murder—lynch law—which has broken out in our midst anew. We know that it is murder, and a deliberate and definite disobedience of the commandment, "Thou shalt not kill." We do not excuse those in high places or in low who condone lynch law.

Following the President's address literally scores of antilynching bills were presented to the Congress. It has hitherto been the fate of all such bills to be filibustered out of existence. What arguments have been or can be presented against proposals that the Federal Government should punish the heinous crime of lynching? It has been contended that these bills violate the rights of the States; that the power of Congress to fine a county within a State was tantamount to destroying the independent existence of the States; that the interference of the Federal Government would result in laxity on the part of State officers; and that lynching is on the decrease and can be effectively controlled by the States without the need for Federal prompting or interference.

Mr. Speaker, it is not difficult for anyone who appreciates the vast extent of our Nation and the sovereignty of the States as the soundest basis of democratic government to respect the philosophy underlying these arguments. Certainly no rational person can take issue on pure principle with the distinguished senior Senator from Idaho who declared:

> The class of crimes to which lynchings belong can only be prevented by education of the people, by building up public opinion against it, and by bringing the people to realize that it is to their detriment and to their everlasting shame to have such crimes committed in their respective communities.

Surely every State should have the kind of local government which its people want. But when such a government, whether through indifference or deliberate plan permits the most sacred right of American citizens to be outraged, it is high time for the American people in their national will and their national strength to step in and call a halt. Under the Federal Constitution it is the most sacred duty of the National Government to provide all its citizens with protection against loss of life, liberty, or property without due process of law. The passage of House Resolution 1507 with its consequent penalties on State jurisdiction and State officers wherein these atrocities occur would result in a more diligent effort on the part of State officers charged with the protection of prisoners. In addition to the moral motive, which unfortunately is too often inadequate in itself, taxpayers would have the immediate financial incentive to see to it that their officers not only obey but also enforce the laws. Far from being on the wane, the lynching evil shows no signs of abatement; and, in fact, a new lynching season seems to have just recently begun. If the doctrine of State rights needs for its continuance the wanton and bestial sacrifice of a single innocent human life, it seems to me, Mr. Speaker, with the utmost deference to the eminent constitutional lawyers of the opposition that there is something radically wrong with the doctrine of State rights.

The problem, Mr. Speaker, is really a simple one of giving legislative form to carry out the guarantees of the fourteenth amendment to the Constitution. Any argument based on sectional or other grounds cannot refute the proposition that lynching does deprive a citizen of his right to his life without a fair and proper trial.

It is not conceivable to me that in this, the most enlightened period of American Government, this horrible practice which since 1882 has claimed over 5,000 victims, white and colored, both men and women, and which in various sections of the country causes many to live a constantly hazardous existence, shall be condoned.

Mr. Speaker, when the history of this administration is written with all its record of liberal social legislation, I hope that this law which is so plainly designed for the protection of man's most fundamental right, that right which guarantees the protection of his Federal Government against violation of his right, when accused of crime to a fair and impartial trial, shall after almost half a century of failure take its place with those other humanitarian acts that are now on the statute books.

In his poem, The Lynching Bee, William Ellery Leonard describes the horrible details of a lynching orgy. Let us hope that the day will soon come when the bitter irony of his conclusion will become a portrait of the real fact:

> You cringe and shrink?
> It makes your own eyes in their sockets ache?
> O squeamish listener, but think
> It's all a midnight dream, and no one is awake.
>
> And in the morning with the bobolink,
> We'll see together, you and I,
> The flowers, the fields, the sun, the sky,
> And the magnolia blossoms, white and pink.

Adequate Federal Relief Appropriation: A Necessity

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

On the joint resolution (H. J. Res. 361) making appropriations for relief purposes

Mr. WOLVERTON. Mr. Speaker, my attitude with respect to relief for the unemployed is well known. Time and again by speech and vote I have expressed my belief in the necessity and propriety of the Federal Government giving assistance to alleviate the distress incident to unemployment.

The problem of relief under existing conditions is necessarily one that calls for Federal action. States and municipalities are unable to carry the cost of relief because of the inability of local taxpayers to assume the burden. Already rapidly mounting tax rates have brought about a condition that is alarming. Holders of real estate, upon whom falls the burden of raising local funds, find it difficult to respond. We are all conscious of the vast number of properties being taken over by local tax authorities because the owners are unable to make payment of the taxes assessed against the properties.

Each year since the Federal Government assumed the major part of the responsibility of providing relief there has been hope expressed and promises made by the President and the other officials who administer Federal relief, that the succeeding year would find conditions so greatly improved that it would be possible to make material reduction in the amount necessary to be appropriated by the Federal Government. In each instance the prophecies have failed to materialize. Instead the amount has steadily increased until the total appropriations already made have now reached the staggering total of $8,000,000,000.

The problem is again knocking at the door of Congress for solution. At this time, under a plea for reduced governmental expenditures, an effort is being made to curtail the appropriations for relief. Nothing in the form of reliable statistics has been submitted to indicate that the need is any less or that the local municipalities are any more able to assume the burden. It is nothing more or less than a deliberate attempt to save Federal funds at the expense of the needy or to place the load on local taxpayers. I submit that this does not indicate any real, genuine, or honest economy upon the part of Federal authorities. It is in effect a mere transference of the burden to others, and those to whom it is transferred are less able to bear the burden. The net result will be less assistance to those in need or an increased burden upon State and local governments.

No one will dispute the necessity and desirability of providing economy in governmental expenses, but real economy is based upon the elimination of unnecessary expenditures. But that which is now contemplated by some is not that type of economy. It is only economy in name—it is neither real nor genuine. If this latter type of economy is desired, it can be easily attained by cutting down, or better yet, eliminating altogether the expensive, inefficient politically controlled and managed relief administration. The statement has been repeated many times that only 61 cents out of each dollar appropriated by Congress for relief actually goes to the use of those in need. The balance, with the exception of a small amount for supplies or material, goes to the use of a vast army of political workers, not on relief, who have been placed in charge of the administration of relief funds. These individuals in many instances receive large salaries far beyond what the duties of the particular office would entitle them to receive or their ability could elsewhere demand. With few, if any, exceptions the positions they occupy and the duties they perform could as well be done by those on relief, and in most cases even better. It is this kind of waste of Federal funds appropriated for the relief of the needy that should be stopped before curtailing the amounts paid to those actually in need, or placing the burden on sorely pressed local taxpayers.

Nor should those seeking reduction of Federal expenses overlook the fact that approximately 300,000 new employees have been added to the Federal pay roll since March 1, 1933, in most cases without any pretense of a civil-service examination as to fitness or qualifications and solely upon the basis of political influence and activity. Like an invading army they have taken possession and they remain untouched while the needy, now on relief rolls, are either denied adequate assistance or are turned over to local taxpayers already heavily oppressed by tax burdens.

The Republicans in Congress have recognized the injustice that is being done. While anxious to economize in every reasonable way they are not willing to do so at the expense of the needy unemployed and leave untouched the political workers, not on relief, who are enjoying such a large portion of the moneys appropriated for relief. Therefore, to provide a more efficient administration of relief funds and to insure the payment of a larger part of the relief dollar to those in need the Republicans have offered as a substitute for the present politically controlled administration of relief funds a plan that would place the system upon a nonpartisan basis and turn over to the several States Federal grants for relief to be utilized by each State in such manner as it considers best suited to the needs of its people. The adoption of this plan would not only save the relief funds for the use of those whom Congress intended to provide, but it would remove any possibility of the relief cost being placed upon local taxpayers.

The merit of this plan should appeal to those who think in terms of honest economy and yet do not wish to accomplish it at the expense of those in need. My support shall be given to providing adequate Federal relief funds and with the hope that the plan I have advocated for administration of the same from the standpoint of those in need shall be made a part of it.

Benjamin K. Focht

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

Mr. COLDEN. Mr. Speaker, as a Member of the House of Representatives, I feel keenly the loss of our colleague, BENJAMIN K. FOCHT, of Pennsylvania. He was a genial and friendly soul. He always greeted one with a word of cheer. I met and chatted with him the day before his death. He appeared to be in good health and was in fine spirits, and he talked to me about proofreading in a country newspaper office. We had a common bond and talked a common language because of a mutual experience.

Mr. FOCHT kindly placed me on the mailing list of his weekly newspaper, published at Sunbury, Pa. I read it with much pleasure. I enjoyed his splendid frank editorials. To me he was a typical country newspaperman; a man with a broad understanding; a humanitarian who sympathized with his neighbors and his constituents; a man who was well balanced in his judgments and in his opinions.

I frequently addressed him as "Ben Franklin." To me he appeared to resemble Benjamin Franklin in appearance. He deeply impressed me with his everyday common sense and with a philosophy much like that of "Poor Richard." I always enjoyed his remarks on the floor of the House, because they were always of a constructive character. Not only has the House of Representatives lost a lovable and a valuable Member but the newspaper world has lost a splendid editor of a passing type. Too few modern newspapermen give thought to an editorial page as Mr. FOCHT did. The influence of a newspaper in any community is measured by the character of the man behind the editorial pen. He did conscientious and valuable newspaper work. He furnished the same sort of service to his constituents as a Member of Congress. I share with his many friends the loss of a valuable colleague and a lovable companion.

On Earmarking Funds in a Relief Bill

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, we have had a hard struggle with this relief bill today, and on preceding days, as to the total amount to be authorized, and also with regard to the many proposed amendments directing how the money shall be spent. While I have not the least conception of the full amount needed, I feel that we must, as Leader RAYBURN says, depend upon the recommendation of the greatest humanitarian and the best-informed man in the Nation—the President. Therefore, I favor the total amount of $1,500,000,000.

I am also in favor of providing at least $300,000,000 to keep faith with hundreds of municipalities and school districts in carrying to completion P. W. A. projects already begun. I should have been willing to increase the billion and half total to $1,800,000,000 before earmarking the three hundred million for P. W. A., but since that could not be done, I was in favor of earmarking $300,000,000 for P. W. A. out of the $1,500,000,000 total amount of the bill.

The heartfelt earnestness of many of the Members who begged for a total appropriation of $2,200,000,000 up to

four billions impressed me greatly. It was not that these Members were more humane and sympathetic with the poor among us than the rest of the membership, but that those most insistently demanding the larger amounts were from areas where there is a deeper degree of suffering, such as the Dust Bowl or certain portions of our country, such as southern California, where so many thousands of homeless from other States drift with the hope of getting employment.

Mr. Speaker, I have a feeling—I hope I am not kidding myself—that conditions are actually improved generally in this country. I believe that the Representatives from those districts where the suffering is still very acute have an exaggerated picture of the present condition, and that there really is no such extreme demand for relief funds as the Congressmen from areas worst stricken really feel. Such, at least, are my sentiments in regard to the grand total of this bill. And, although we have provided that the total amount must be budgeted over 12 months, yet if we found at the opening of the next session that we had underestimated the need at this time, there is a remedy within the power of Congress.

While the leaders urged the House not to destroy "a relief measure" by earmarking the total amount for 101 different objects, even so to my mind it was certainly logical to earmark an adequate amount, say $300,000,000, for P. W. A. There is such a definite connection between relief funds and public-work funds that I can see no inconsistency in that earmarking. Certainly I cannot agree for one moment with those who contend that earmarking a part of this total relief fund means taking bread out of the mouths of hungry children. It is true that with P. W. A. funds a larger proportion of the money goes for materials and less for labor than with the W. P. A. funds.

Granting that, we must remember that the providing of the materials also calls for labor and wages, perhaps in a distant part of the country and also at a higher rate of wages than the relief funds pay. We should further remember that with P. W. A. projects we have lasting public works, well planned and well engineered.

These enduring and needed public improvements will last long enough, at least, to show our children why the burden of debt was created which will be passed on to them. Again, while it is an act of mercy and of duty for the Government to keep people from starving, it is, furthermore, an act of mercy, duty, and statesmanlike public policy in times of depression, when many laborers are thrown out of private employment, for the Government to embark upon a wise course of needed improvements, thus stimulating business and employment until prosperity shall return.

A telegram today from W. A. Sullivan, president of the Arizona Municipal League, expressed the resolution of a State meeting at Tucson of mayors of Arizona cities, voiced approval of the splendid P. W. A. program in my State, and urged continuation of the same for a time. I might say that these administrative officials are in a position to make comparisons of values, and it is significant that they expressed such appreciation of P. W. A. Let us consider, too, that with that portion of the relief fund spent through the P. W. A. each community shares in the enterprise. That is as it should be. We must not make our people too dependent upon the National Government for this vast work of relief.

The Youth of Today Is the America of Tomorrow

EXTENSION OF REMARKS

OF

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

On the bill (H. R. 6958) making appropriations for the Interior Department, and for other purposes

Mr. ROBSION of Kentucky. Mr. Speaker, one of the most important items carried in this bill is the appropriation for vocational education for the fiscal year beginning July 1, 1937.

The Bureau of the Budget and the President in his Budget message urged that Congress appropriate only $3,000,000 for this purpose. The Appropriations Committee that had this bill under consideration recommended $7,241,500. The amendment under consideration calls for $14,483,000. I strongly favor this amendment.

In all my years of service in the House and Senate I have consistently favored and strongly urged the Federal Government to cooperate with the States in vocational education. The George-Deen Act was passed in the Seventy-fourth Congress and in this act we authorized the appropriation covered by this amendment of $14,483,000. I doubt if any item of appropriation made by the Seventy-fifth Congress has provoked more interest than this item. Through the years the Federal Government, the States, counties, towns, and districts have been more or less liberal in providing educational funds. It seems, however, that the primary purpose was to make doctors, lawyers, teachers, and preachers out of everybody. Training was directed almost solely to the mind. We have discovered it is quite as important to have trained men and women in agriculture and industry as it is to have trained lawyers, doctors, teachers, and preachers. We have neglected to train the minds and hands of those who are peculiarly adapted to agriculture, industry, and home economics.

As evidence that this amount of money is necessary and can be and will be judiciously spent, the number of those enrolled in vocational education classes in trade, industry, home economics, and agriculture for the fiscal year ending June 30, 1935, was approximately 1,250,000. The number enrolled at the end of the fiscal year June 30, 1936, was approximately 1,400,000. Nearly 400,000 of these were being trained in agriculture, approximately 500,000 in home economics, and nearly 600,000 in trade and industry.

Much has been said favorable to the C. C. C. camps. In those camps the quota is approximately 300,000 boys and young men. That activity has cost the Federal Government on an average about $350,000,000 per year and approximately $1,200 per annum for each enrollee.

Here we have more than four times as many young men and young women being trained in agriculture, industry, and home economics, and we are asking for only $14,483,000.

After the passage of the George-Deen Act last year the country was led to believe that the sum authorized in that act was necessary to meet the requirements of this important activity of the Government and that Congress would appropriate approximately that sum, and with that general impression prevailing throughout the country, the States, counties, and cities developed a program, erected buildings, and employed teachers. If we should appropriate a less sum, it would disorganize and throw into confusion this splendid set-up that has been made throughout the Nation.

Roughly speaking, this sum is to be allocated as follows:

Vocational education in agriculture	$4,000,000
Vocational education in home economics	4,000,000
Vocational education in trades and industry	4,000,000
Vocational education in teacher training	1,000,000

We are spending more than $400,000,000 annually for soil conservation. The training in agriculture received by the young men and young women of these schools will bring much larger returns to the American people in developing agriculture and protecting the soil than any other like amount of money spent.

The Government is spending millions of dollars to improve health and for rural electrification. The training that young women are receiving in home economics will bring greater returns than any other similar amount of money being spent to improve American homes; and, again, the $4,000,000 spent to train young men to use their hands, as well as their minds, in improving their surroundings on the farm and home will bring rich returns. The million dollars appropriated for the training of teachers in vocational education is of first importance.

For the coming fiscal year there will be spent by the Federal Government for national defense in the neighborhood of a billion dollars. It is important to train our people to fight when and if it may become necessary. It is quite as important in my opinion to teach our young people to write, to be good farmers, good homemakers, and skilled in handicrafts.

This $14,483,000 is a modest sum for this great work. No Member of this House need apologize for his vote in behalf of this amendment. It is not a makeshift or a stopgap. It is building in a substantial, intelligent, and permanent way for the future. It is to teach our young people to use their hands as well as their minds. It will mean more and better homes and homemakers; it will mean more and better farmers; it will mean more and better hand craftsmen; it will teach self-reliance; and in all it will mean a bigger, better, and finer America; and therefore it gives me unusual pleasure to support actively and sincerely this salutary amendment.

Relief Expenditures

EXTENSION OF REMARKS

OF

HON. DAVID J. LEWIS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

Mr. LEWIS of Maryland. Mr. Speaker, perhaps the relief work could have been done better. It was being done for the first time. I always find it profitable to look over the neighbor's fence to see how he does it when I have anything new to do. Although our relief experience has been new to us, the awful depression has been common to all intensely industrialized nations, including the great triology of states, Germany, Great Britain, and our own country. Under like general conditions to what extent have these other countries undertaken to shield their citizens against physical suffering and want?

HOW MUCH DO OTHER COUNTRIES SPEND?

Well, sir, I find that Germany expends a much larger amount; that the country over which the flag of Great Britain waves has been spending a much larger amount than we on this humane and Christian object. I find that during a 3-year period of comparison, in terms of our population, England expended $10,815,300,000; Germany expended $15,968,580,000, as compared with an expenditure of $6,605,356,775 in the United States, which sum includes our city, county, State, and Federal contributions for these great purposes of public relief. The figures represent money payments to the unemployed, work projects initiated, to employ them, pensions to the indigent and dependent aged. The gross payments in Great Britain exceeded ours during the period by 64 percent, while those of Germany also exceeded United States was $18.05 per capita of our population; in each country during this period, the annual burden in the United States was $18.03 per capita of our population; in England, $29.55; and in Germany, $43.63. The figures cover the years 1933, 1934, and 1935 for the United States and Great Britain and the years 1932, 1933, and 1934 for Germany, the latest figures available. Moreover, the United States has the value of the project work done as a partial set-off for its expenditures. England has no such set-off.

It is a common saying that misery loves company, and all surely find company for our financial miseries, if a comparison of expenditures for social relief purposes is a test of misery. In no year has our highest burden been so high as their lowest burden in the years of the depression. Nevertheless, it will be argued that an expenditure of $6,605,356,775 during the 3 years 1933, 1934, 1935 is an egregious sum even for such a purpose. It is a large sum, I grant you. It should have been set aside in better times by adequate social-insurance systems. Corporate thrift did not fail to make such provision for its dependent investors.

MAKING ADVANCE PROVISION

Sir, I hold in my hand a statement showing the dividends paid in the United States during 4 years of the depression. Altogether, for the years 1930 to 1933, inclusive, $21,214,925,000 have been paid. Of this sum, $17,267,920,000 have been paid by those companies out of reserves built up from the profits of predepression years. Compare this seventeen billions with the total sums paid in relief, including R. F. C. and Public Works, and the comparative numbers of people involved.

Sir, I do not think this fact should be taken as a matter of reproach to the employers of the country. The practical circumstance is this, that boards of directors had control of the dividend funds at their source and were able to establish a system of enforced thrift for their stockholders. They did not ask the stockholders. They simply set the funds aside in the form of reserves.

Now, the workers were in no position to control such funds at their source and say, "So much shall be set aside for our day of tribulation—for the day when the factory whistles fail to blow."

WORLD OWES A MAN A CHANCE TO MAKE A LIVING

Ladies and gentlemen, I hope that our industrial order, like the industrial orders which have preceded it, will act on its obligation to meet the primary needs of the human race which it has rendered dependent upon it. Previous systems have not denied such a duty. Under the feudal system a place was found for the humblest villein. Even under slavery the owner failed not in his obligation to feed and clothe and doctor the slaves, no matter what might happen to crops or to markets. So long as industry does not, and until it does, a less efficient and surely less satisfying Government assistance system, half dole, must be employed to meet these elemental needs. The world does not owe a man a living, I grant you, but it does owe him a chance to make a living; and it is the duty of our industrial order to so administer the employment asset that any man willing and competent to work may secure his just share of the employment available.

Here, sir, is a right, the equal right to work; a right as old as civilization, a right that none will dispute. Yet this right will not assure a single worker against a breadless tomorrow or his family against eviction. What a parody on the lawmaker, who is as much bound to provide legal protection for persons as for property. My right to my property. Ah, that is fully protected—from the cat to the cow, from the cow to the castle. There the lawmaker has left no gap in the legal sanctions available for protection. But for the worker's right to work we have provided none.

Sir, I speak for a new class, the men and women denied their right to work at 45. I christen them "America's untouchables." The "competitive struggle", the employers truly say, compels them to employ only those of maximum capacity. But are the others to be culls, fit only for the dole, although able and willing to work? The most important asset society possesses today is the employment asset. The employer may naturally assume that it belongs wholly to him. It does not belong to him wholly. The employment attribute belongs also to the worker, who must have it to live. The lawmaker has a duty here. It is to so equalize the conditions between employers in competition so that the lesser efficient as well as the superefficient workers can be employed without involving the employer in a competitive disadvantage. The employer is surely entitled to a reasonable return. But our industrial system must also give recognition to the fact that it is under an obligation to provide for the whole human family. Feudalism did. Even slavery accepted an obligation to support the slave, no matter what might happen to crops or markets.

A LIGHT IN THE COAL MINES

Should we, Mr. Speaker, go to the coal mine for light on our duties as lawmakers? Well, sir, it seems we should not go there in vain. Harken, my colleagues, to the following from the coal mines of Illinois.

SHARE-THE-WORK CAMPAIGN BEGUN IN FESTIVE NIGHT 360 FEET IN EARTH—WORKERS START DRIVE TO STAGGER EMPLOYMENT WITH IDLE COLLEAGUES

GILLESPIE, ILL., May 21.—Voluntarily entombed 360 feet below the earth's surface, approximately 500 miners settled down to an underground existence today, inaugurating a sit-down strike in the Superior Coal Co.'s no. 4 mine at Wilsonville.

The strike was called late yesterday to support demands for a share-the-work plan with 300 employees of the company made idle last week by the closing of another pit for repairs.

Sir, even from the bowels of the earth comes the cry for equal rights with its torch bearers to light the way to the uplands of social justice.

May I say that I have introduced, first in 1933, a bill to legalize the right to work as a substitute for the proposed 30-hour-week bill. The bill H. R. 4955 includes a plan originally proposed by Mr. Swope, president of the General Electric Co., for the stabilization of industry. The industries covered include manufacturing, mining, transportation, building construction, electrical communication, the distribution of gas, petroleum, and the printing trades, including about 19,000,000 employees.

To effectuate stabilization of industry and some other objectives now included in the Social Security Act, Mr. Swope proposed national trade associations for each industry, each to be managed by a board of nine persons—three employers, three employees, and three representatives of the public. Mr. Swope's proposal was approved by the United States Chamber of Commerce. The trade associations complying with the act are exempted from the Sherman antitrust law if they do not fix prices.

But how about the jobless men "at the gate"? They, too, have a right to live. The world does not owe a man a living, I repeat, but just as certainly as it rests on moral foundations it does owe a man a chance to make a living. The bill makes provision for these jobless. The worker may apply for work in his trade to the workmen's accident commission of his State, and if it finds him competent it notifies the trade association, which is then placed under a legal duty to give him his share of the work available or pay him the wages it refuses him a chance to earn. The association may refuse employment for a reasonable period if the worker had been discharged for trade misconduct.

To enforce the act an excise tax of 1 percent is imposed on the gross income of corporations employing 10 or more persons, with a drawback of 99 percent to those complying with the act. No new offices are created by the bill. Its administration is entrusted to the trade associations and the existing State workmen's accident commissions, with appeals to the Federal Trade Commission.

Let industry give each his share of the work, and save us also from an unending and Budget-breaking dole.

Future Air Conquests

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 26, 1937

RADIO ADDRESS BY HON. WILLIAM GIBBS McADOO, OF CALIFORNIA, ON MAY 24, 1937

Mr. MINTON. Mr. President, on May 24, 1937, over the National Broadcasting System, the junior Senator from California [Mr. McADOO] delivered a very able address on future air conquests. I ask unanimous consent that it may be inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Twenty-nine years ago the Wright brothers made themselves immortal by their first air flight at Kitty Hawk, N. C. American genius built the first successful airplane, and from that beginning has come to the miraculous aircraft development of today.

The world was a long time awakening to the tremendous significance of the Wright achievement. Even this country, which gave the heavier-than-air craft its birth, did not grasp the full meaning of the mighty achievement of the Wright brothers until May 21, 1927, 10 years ago, when a tall, slim youth thrilled the world by dropping out of the skies to an airport in Paris after an amazing flight from New York across the turbulent Atlantic Ocean. The peewee plane he used, for it is that in comparison with the giant sky eagles of today, was commanded by a young hero whose iron nerve and dauntless heart carried him alone in his frail craft across the mighty Atlantic. The whole world was delirious over this amazing conquest; and Charles A. Lindbergh, like the Wright brothers, made his name immortal.

Another young hero appeared a few years later to carry into practical execution the great achievements of the Wrights and Lindbergh. He had the vision to see that an indispensable service to mankind could be rendered if distant countries could be connected by passenger airplanes flying over the great seas which separated them. Again American genius found expression in the person of Juan T. Trippe, whose outstanding contributions to the development of overseas flying have carried the Stars and Stripes across the Pacific Ocean, the Carribean Sea, the waters which lave the shores of Central and South America, and whose bold plans for airplane service across the Atlantic are now nearing fruition.

Across our own continent, men of like vision to Trippe have enlisted effectively for the creation of great transcontinental airways which are today the finest of their type in the world.

Other heroes of aviation are the men whose genius has developed the airplanes and navigation instruments, without which no one could successfully fly. Among them I refer to Glenn Martin, W. E. Boeing, Donald W. Douglas, Vincent Bendix, and Thomas A. Morgan.

The outstanding characteristic of modern civilization has been and continues to be a demand for speed in transportation and communication. Its progress has been marked always by speed and more speed. The telegraph led eventually to the development of the telephone on a world-wide scale, to the radio, with its amazing power to penetrate the illimitable ether and carry the human voice to the remote places of the earth. The insatiable desire for speed finally produced the automobile, which has revolutionized the economic and social life of the world. The railroads were rapidly becoming moribund until they transformed themselves again into inviting agencies of transportation by improving their equipment and providing greater speed. How are we to meet the insistent demand for speed except by development of air transport? It is the only medium through which the safest form of speed can be provided. Our city streets and our highways throughout the Nation are gorged with passenger automobiles, motor trucks, and motor buses. The hazards of automobile transportation are reflected in the appalling annual list of deaths and casualties. The day seems near at hand when we shall have to build superimposed streets in our cities and additional highways throughout the land to meet the ever-increasing demands of motor traffic. We must turn to the unlimited air as the safest medium for transportation at highest speed of the millions of people who must be accommodated in the not distant future. I stress the word "safest" because, notwitstanding some tragic accidents, the record of air flights in this Nation and throughout the world has shown conclusively that for the number of passengers carried it is the safest method of transportation of any which modern ingenuity has yet devised.

Speaking first of the international aspects of aviation, the United States stands first in monumental accomplishments. With Miami, Fla., as its base, the Pan American Co., flying the American flag, has developed a marvelous system of air transportation, reaching Mexico, the Central American republics, the Canal Zone, western and eastern South America, and the West Indies. Recently it has extended its lines across the vast Pacific Ocean so that a passenger may now go in 7 days from San Francisco, via Honolulu and Manila, to Hong Kong, China, a distance of 9,000 miles. I made this trip to Hong Kong and return last October, 18,000 miles over water, and I can testify personally to its practicability and safety.

From Hong Kong one may continue by British Imperial Airways across Indochina, Siam, India, and Egypt to London. Only the Atlantic link remains unfinished. The Pacific Ocean, though vastly wider than the Atlantic, presents far more favorable meteorological conditions for flying than the stormy and intractable Atlantic; but already this wild ocean horse is about to be subdued. Pan American Air Lines and British Imperial Airways have entered into a joint agreement for a trans-Atlantic service, and it is expected to be in operation within the next 12 months. When this is done, it will be easy to fly the entire 24,000 miles around the globe, and within an incredibly short space of time. The wildest imagination would scarcely have predicted this even 5 years ago.

It is interesting to consider some of the difficulties which must be overcome before a North Atlantic flight can be undertaken. I must try to describe some of these in nontechnical terms so that all may understand.

First, we must study the meteorological conditions across the north Atlantic. Every student knows that the cold waters from the Arctic coming down to the Gulf Stream cause dense fogs and rain and storm conditions. These are the greatest dangers to air navigation. For many months the research staffs of the great air lines have been studying the meteorology of the north and central zones of the Atlantic Ocean. By northern route, taking off from

Newfoundland, we have an overwater hop of only 1,900 miles on the route from New York to London, but it is over this zone that the meteorological conditions are most unsatisfactory. Here comes American genius to reduce those conditions to practical nothingness. It has been discovered after years of study of what we call the substratosphere, that is, the zone about 20,000 to 25,000 feet (4 to 5 miles) above sea level, is practically immune from storms and fogs. But the atmospheric pressure at those altitudes is only about 5½ pounds to the square inch. We live in an atmosphere of about 15½ pounds to the square inch at sea level. It can be seen, therefore, that it will be necessary to increase the cabin pressure artificially in order to make human transportation safe and comfortable. In the substratosphere the temperatures are subzero. Consequently the ship must be artificially heated. Again the oxygen supply is very lean and the cabin must be enriched with oxygen. These difficulties the aircraft builder has overcome by constructing what is called a sealed pressure cabin—that is, a cabin strong enough to withstand the artificial increase in the air pressure to meet human needs. It is interesting to note that the mere act of compressing the air also heats it, so that with a certain amount of regulation the air in the cabin can be compressed to the necessary pressure and heated to the necessary temperature at the same time. The next step is to enrich it with oxygen. This can be readily accomplished in such a ship.

Flying at an altitude of twenty to twenty-five thousand feet we get above fog and bad weather, except for occasional thunderheads, which come up to a peak and can be easily avoided. The lightness of the air in the substratosphere enables the supercharged engines of the airplane to send it along at a greatly increased speed—200 to 250 miles per hour.

The next question that arises is how to land the ship from these high altitudes if the home port is obscured by fog. Extraordinary advances have been made in blind-flying instruments, with which these ships will be equipped. There is no doubt that safe blind flying will be an accomplished fact before these substratosphere flights are undertaken.

The research bureaus of the transportation companies, of the air manufacturing companies, of the scientists and meteorologists have all combined to achieve the type of aircraft I have partially described.

The Pan American Co. has recently made a successful pioneering flight from Honolulu to New Zealand. This bold advance into the South Seas and the experience acquired therefrom have determined the Pan American Co. to establish an air line from Honolulu to New Zealand, thus giving a short and direct air route from San Francisco to the South Pacific.

In a remarkably short space of time admirable air transportation will be provided to all parts of the world, bringing all races into swift and dependable communication and laying the basis, I think, for a better approach to peace among the nations than any single agency or instrumentality or method yet devised by man.

While the United States is far in advance of all the other great nations in commercial aviation, it is far behind them in war-plane development.

The airplane did not figure in battle until the great World War, 1914 to 1918. The best combat planes in that war had a flying radius of only 160 miles, or about as far as from Washington, D. C., to Trenton, N. J. Their speed and armaments were comparably very feeble. We now have bombing planes with a radius of 1,500 miles and formidable armaments. These latest bombardment airplanes of our Army can fly 1,500 miles and back again without a stop and at a speed, under normal conditions, of about 200 miles per hour. Fifteen hundred miles by air is more than half the distance from Washington to San Francisco. If we translate this into European distances, using Paris as a center, one of these bombardment planes could take in any point in Europe, North Africa, Turkey, Moscow, Norway, Sweden, the whole of Great Britain and Spain, and a large part of Iceland. And this is not the last word in military airplanes. They will be made swifter and more destructive as time goes on.

One of the significant developments of the day is the race in naval and air armaments in Europe. The great nations there, divided as they are by mere artificial lines, realize that over the land the airplane is likely to prove the most effective and destructive weapon in the next war. The race for air armament, therefore, is proceeding with great intensity. As of June 30, 1938, Germany is supposed to have in commission 3,000 military planes Russia, 4,400; Italy, 3,600; France, 3,000; and England, 5,000. Japan has 2,100. United States has 3,000 naval and military planes.

The best figures available indicate that the umber of airplanes under construction by each of these nations in 1937 is as follows: Russia, 1,500; Germany, 2,400; Great Britain, 2,700; France, 2,500; Italy, 2,300; Japan, 2,000; the United States, 700, or 1,300 less than our great Pacific neighbor.

Of course, these figures are estimates. Accurate foreign data are not available.

It is not, however, the number of airplanes which determines the air strength of a nation. It is the efficiency, the speed, and the armament of the craft which determines it.

Science and engineering skill have combined to make such rapid developments in aircraft construction that planes frequently become obsolete within a short time after they have been commissioned. It is probably true that a large part of the aircraft of the United States Army and Navy is already obsolete. To what extent the air armaments of other nations are obsolete there is no means of knowing. But in any case it is our first duty to maintain our air armaments at the highest standards of efficiency and effectiveness.

Intensive development of military aviation in Europe and in the Far East compels the United States to construct a formidable air armament, so that no matter what eventuality we may have to face we shall be adequately prepared. Because the Atlantic and the Pacific Oceans offer us some protection which other nations do not have, we can get along with a smaller air force than any of them; but when the Atlantic Ocean may be flown in less than 24 hours by giant bombers the people of the United States would, indeed, be stupid if they did not realize the potential menace of these great European air armaments.

Airships and pilots are a part only of the essentials of an adequate air force either for commercial or military purposes. Back of them are the great factories which must make the planes, the staffs of scientists, engineers, and experts not only in the field of mechanics but in the field of meteorology, the ground forces to maintain the planes in first-class repair, and the airports and landing places throughout the country which are vital to successful flying.

Radio equipment is one of the most important of all the essentials to safe operation of airplanes. And an essential part of radio is, of course, the dissemination of accurate information at all stages of the journey concerning weather conditions over the route to be traversed.

In addition to that, we have the question of education—the creation of a general knowledge on the part of the growing youth of the land of the science and technique of flying and its importance to the future of civilization. In Germany and in Italy aviation is taught in the schools, and the interest of the growing population is enlisted in aviation practice and development. This educational system is a useful factor in the development not only of the commercial but the military strength as well of the Nation. In America we are giving little or no attention to the question of aerial education.

I am firmly convinced that with an adequate Navy and air force we can keep the United States at peace with the rest of the world, and I am equally convinced that without it we shall court unnecessary and grave danger in the future. I speak with some knowledge when I say this, because I am certain that if the United States had possessed a Navy in 1917 capable of taking command of the sea we would never have become involved in the World War. Let us never again repeat that error. The best guaranty of peace for America is to be prepared, not for aggression but for the assertion and maintenance of every vital American right. I am strong for peace, and I am strong, too, for national security, because our ability to maintain our national security means, in my opinion, peace.

In our country we are making a grave blunder in giving no authoritative and organized direction to the development of commercial aviation.

Of course, military and naval aviation should and must remain in the War and Navy Departments. Commercial aviation is a national problem, since the Federal Government has exclusive control over interstate and foreign commerce and because airplanes know nothing of State lines in the course of their operations. Our Government has scattered among several departments authority over commercial aviation. The Department of Commerce has certain functions to perform. The Interstate Commerce Commission is endowed with authority over certain phases of air transportation. The Post Office Department has a large measure of control through the operation of the air mail. There should be a concentration of authority over commercial aviation so that all phases of this great development may be under highly informed and skilled direction. Some of the European governments already have air ministries, which are equivalent in our country to a secretary of air commerce. In other words, they have dignified it with a cabinet status. While I do not advocate that such a cabinet position should be created now, it is essential, in my judgment, to concentrate the authority in some responsible bureau or independent commission of the Government.

In the Senate and in the House of Representatives this great and rapidly developing, highly technical, and important industry is a side issue to certain of their standing committees. There should be, in my judgment, a standing committee of each House of Congress charged with the sole duty of considering aviation legislation. More and more, as time goes on, this will become obvious and urgent.

At present our Government has no definite commercial aviation policy, and it can have none until we effect the necessary organization to study it and to formulate it. Once this is done we can drive consistently and persistently at a definite objective in the general development of aviation for our economic and social requirements. One thing is certain, and that is that our Government should give every possible aid and encouragement to the development of aviation. All nations are doing this, and we should not be indifferent or oblivious to the necessity for reasonable support—financial, scientific, and educational—by the Government.

A haphazard growth of air facilities over land and over sea will render us as a nation less capable of doing the things necessary to meet the highest demands of our people now and in the future. We shall prove recreant to the duty imposed upon us by manifest destiny if we sit complacently and with obscured vision.

Foreign Debts Versus Peace

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, May 26, 1937

RADIO ADDRESS BY HON. ALLEN J. ELLENDER, OF LOUISIANA, ON MAY 25, 1937

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by the junior Senator from Louisiana [Mr. ELLENDER] on May 25, 1937, on the subject Foreign Debts Versus Peace.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Americans, a careful study of the cause of all international wars will show, in my opinion, that few, if any, have been fought for reasons other than conquest and economic aggrandizement. The aggressors in most of these wars have had as their object the expansion of their own territory and a selfish trade advantage that would ultimately mean slavery and bondage to the defeated nations. In many instances countries have been drawn into existing conflicts, so as to protect themselves from possible oppression and future combat.

Now the questions that I propose to discuss with you this evening are: Can we maintain peace with foreign nations and at the same time help to finance them for future wars among themselves? How can we enforce the payment to our Government and to its citizens of the moneys due by our foreign debtors, except by force of arms?

The 12 years following the administration of President Woodrow Wilson will doubtless go down in history as the darkest in the triumph of selfish special interests. Concentration of wealth among the few increased by leaps and bounds.

Human rights were disregarded, labor gradually lost most of the gains it had won in the past, and agriculture was plunging toward bankruptcy, with the powers that be treating its just demands with utter indifference. At the end of this tragic period came the inevitable crash, which threatened the very foundation of our American institutions.

It was during this period that the large banking establishments of this country were permitted to mulct the small banks, countless widows and orphans and persons of moderate income, out of billions of dollars for the benefit of their foreign clients. Millions of dollars in discounts were paid to these large banking houses, and at the end the smaller banks and the investing public found themselves the holders of beautifully embossed foreign bonds, solemnly impressed with the great seal of the country issuing them. How many billions were lost by our people will never be known. Many billions were purchased by foreign agents for account of their governments for as low as $30 for each $1,000 bond. Today there still remains in the hands of our people over five billions of these almost worthless securities, with nearly two billions thereof in actual default, and the rest are not in default only because they are not as yet due.

Bear in mind that these countless billions were in addition to the thirteen billions now in default and due to our dear old Uncle Sam.

Now why was this money borrowed by these foreign governments? What was it used for? Some of you no doubt remember of reading and seeing photographs of the extensive park system, the slum clearance, and other public improvements made by Germany. Other countries did likewise and also rehabilitated many of their factories, all at the expense of the American people. How much better would it have been to carry on such work in this country? If we had, we would at least now have the parks, modernized tenements, and other public improvements on American soil.

During all of this high financing our country, of course, prospered to a certain extent. The rich got richer and the powerful more potent. These foreigners bought our goods in large quantities—they did not even ask us the prices for fear of offending us. They desired their credit maintained so that they could keep on borrowing from us and paying us for our goods with our own money.

Now what are we going to do about it? Can we keep on lending them money and maintain peace? Shall we cancel old debts and thereby open the door for further financing in our country by these defaulters? Shall we permit our selfish financiers to make more millions and at the same time pave the way for another European war? Shall we extend credit to these fighting cocks so that they can equip themselves with modern instruments of destruction and probably attempt to turn them on us? I am certain that the peace-loving American people will in unison say an emphatic "No."

Now, how are we to prevent it? We cannot, except by force, cause foreign debts to be paid. I would rather let these defaulters owe us till doomsday than to sacrifice American blood to enforce payment. The solution, as I see it, is to prevent them from further borrowing one thin dime from the American people. Let us put them on our black list until they pay up their just debts in accordance with their agreements. These debtors could have discharged their obligations to us as they had agreed to, if only they had had faith in each other. For the past several years they have been spending the millions they should have paid to us, and in addition, billions more, for war preparations.

Judging from press reports, a marathon race is on amongst them to outdo each other in preparing for the next struggle. If we are to keep peace at home, it is imperative that we do not extend them credit, lest we become involved. I have no sympathy nor patience with these defaulters, and I propose to advocate before the Congress of the United States a rigid strengthening of the so-called Johnson law. The proponents of this law had intended to prevent the sale or purchase of the bonds of any foreign government so long as such foreign governments are in default in the payment of their obligations to the Government of the United States.

On January 26 of this year I criticized before the United States Senate the sale of certain bonds of the Dominion of Canada to the American people, contending that the sale was in violation of the Johnson Act. I said at that time that I would seek an interpretation of the act from the proper Federal authority, and if contrary to my views I would seek to amend the act so as to comply with my idea of what the law ought to be in order to carry out its purpose as intended by its proponents.

To my surprise and disappointment, I was advised that the Dominion of Canada, although a part of the British Empire, was not a political subdivision thereof, and therefore did not come within the purview of the act. True, Canada has a so-called autonomous government, but the Dominion Parliament is composed of the King, who is represented by the Governor General, the Senate, comprised of 96 members, who are appointed by the Governor General for life, and the House of Commons, comprised of 245 members, elected by popular vote in their respective constituencies. The executive functions of the Government devolve upon the Governor General and the Cabinet. The Cabinet is usually selected from the House of Commons and holds office so long as it has the confidence of the House of Commons. The House of Commons, although elective, may be dissolved at the will of the Governor General, who, as I stated above, is the personal representative of the King of England. The Dominion Parliament has jurisdiction over the public debt and property, the regulation of trade and commerce, currency and coinage, banks and banking, military and naval defense, the postal service, roadways, navigation, and so forth. And to top all of this, the acts of the Dominion Parliament are subject to review by the Privy Council in London, and may be declared null and void.

Some of you will no doubt recall that last January a mass of legislation through which the Canadian Parliament sought to establish unemployment insurance, hours of labor, minimum wages, and regulation of marketing was ruled unconstitutional. If that spells independence, then Louisiana, my native State, is not a part of the Union. Canada, although an independent nation for purposes of borrowing money, is, when it comes to international commerce and trade, a member of the British Commonwealth of Nations. Under that interpretation it is clear to me that only England, France, Italy, and other defaulters are prevented from borrowing, but all of their possessions and political subdivisions, including their municipalities, not in default, can dispose of their bonds to the American people, and thereby destroy the purpose of the Johnson Act.

I was further advised that our debtor nations were not in default so long as they made small token payments. In other words, England or France could pay us a few millions per year and then borrow a few billions. Fine business!

Again I was advised that any bond issue that was floated by these defaulters prior to April 13, 1934, the date of the Johnson Act, could be renewed or adjusted and sold in this country, and such a transaction would not come within the meaning of the Johnson Act. Under that interpretation, should England, France, Germany, or Italy have five billions or more outstanding bonds dated prior to the Johnson Act, they could be disposed of here without violating the said act. I am sure that without further explanation it is plain that such an interpretation of the act defeats its purpose.

Be that as it may, I now have a bill pending before the Congress which makes it unlawful for a person to purchase or sell, or to act as the agent of another person for the collection of, or payment of interest on, the bonds of any foreign government issued after April 13, 1934, while such government is in default of its obligations, or any part thereof, to the Government of the United States. As to renewals and readjustments, the bill applies only to bonds actually owned by citizens of this country, if purchased prior to April 13, 1934. The bill defines a foreign government to be "any foreign government or political subdivision thereof and any organization or association acting for, or on behalf of, a foreign government or political subdivision thereof, and all governments owing allegiance to the same sovereign, or to the same general government, shall be considered political subdivisions of the same government and a default on the part of any of them shall be held to be a default on the part of all of them." In other words, any

possession, municipality, or subdivision of a defaulting nation is prohibited from selling its bonds to our citizens so long as the mother country remains in default.

The bill further provides that "a foreign government shall be held to be in default at any time when it has failed to pay in full any payments of principal or interest due to the United States by such foreign government." We want no more token payments that will permit them to thus borrow our cash.

I have another bill pending before Congress which adds a new section to the Securities Act, making it unlawful to sell in the United States securities issued by a foreign government unless the net proceeds derived from such securities by the issuing government are equal to the par value of the securities, except that the Securities and Exchange Commission may allow a service charge of not to exceed 2 percent of the par value to be deducted from the proceeds to be derived by the issuing government. The purpose of the bill is to reduce the spread between the price paid to foreign governments for their bonds and the price at which such bonds are offered to the public. A foreign bond for which the issuing government receives 88 percent of its face value may now be sold on the American market for 99 percent of its face value. The investing public is led to believe that it is getting a bargain since the sale price is still below par. The underwriters receive enormous profits. It is believed that such a situation leads to an unwarranted amount of foreign financing in this country and encourages unhealthy practices in the conduct of such financing.

Under the proposed bill the foreign government would receive face value for its bonds, less the service charges allowed by the commission, which could not for this purpose exceed 2 percent of such face value. Thus the profits of the underwriters could only be excessive if the bonds were offered to the public at a price above par. It is felt that this fact would tend to reduce the large price spread now possible and lead to more careful consideration of the value of such bonds by the investing public.

I feel confident that the passage of these two acts is a step in the right direction that will not only insure peace but will protect the public in their future dealings in foreign bonds. Lack of payment of just obligations to a creditor by a debtor, whether the debtor be a nation or an individual, is bound to engender unkindly feelings between the two.

Let us not be alarmed that such a policy will harm us. We are, of course, desirous of expanding our foreign trade; but if we have to lend our cash to foreigners so as to induce them to trade with us, and then find ourselves holding their worthless bonds, surely we will be better off if we extend the credit to our own people for their betterment. If money is advanced to these for improvements, we will at least have the improvements on home soil. Nations are no different from individuals when it comes to a question of trading. They will buy for cash where they can get the best bargains, and if they have no cash, then where they can get the best credit advantages. I say this with full knowledge of the views and the recent speech of Secretary Hull. I simply do not agree with him. I do not fear isolation if such a policy is followed. Isolation may follow a nation that has no credit. Premier Mussolini is preaching to his countrymen that he will make a strenuous fight for economic self-sufficiency. What bothers Il Duce is that he knows not where to get further credit, and he must therefore be content to encourage his people to grow their own living and be self-sufficient. Let Uncle Sam offer him credit, and see what happens. I'll wager he would buy a good portion of our surplus flour, rice, and sugar. He might even buy a few rifles and cannon in order to further expand his present domains.

Let us keep our money for use in our own country. Money is like any other commodity. It is subject to the laws of supply and demand. The more of it that is loaned abroad, the scarcer it becomes at home and the higher will our interest rates be. Let us use it in our Nation to aid agriculture, to provide the farmer with cheap money, to help industry, to combat illiteracy, to clear our slums, and thereby afford our own people more happiness, more prosperity, and better homes in which to live.

Our experiences in the World War have taught us what we should avoid in the future to prevent a repetition of the sorrow, misery, and the useless sacrifice made by our Nation. Charity begins at home and I mean to apply and keep it here.

The Federal Government and Our Merchant Marine

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, May 26, 1937

ADDRESS BY JOSEPH P. KENNEDY, CHAIRMAN OF THE UNITED STATES MARITIME COMMISSION

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject of the Federal Government and Our Merchant Marine, recently delivered by Joseph P. Kennedy, Chairman of the United States Maritime Commission, at National Maritime Day celebration and fifteenth anniversary banquet of the Propeller Club of the United States at the Hotel Astor, New York City, on Saturday night, May 22, 1937, broadcast over the Blue Nation-wide network of the National Broadcasting Co. and by short wave throughout the world by station W3XAL.

I heard the address over the radio. It is a very remarkable one and has an important bearing on the merchant marine.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

No one who knows what has been happening in the world since 1914 has any doubt that the American people need an adequate American merchant marine. Nor is there any doubt that one way or another the American people are going to have it. Our experience in the World War settled that. America then learned to its sorrow that it could not rely upon foreign ships to carry American commerce. And despite the disappointments of enormous expenditure and indifferent results, a resolve then formed is still strong and uncompromising to have American ships available for American commerce.

Before our entry into the World War the shortage of vessels crippled us as a commercial power. Upon our entry into the World War the shortage of vessels cripped us as a military power. Although we are self-sufficient in so many ways as to arouse the envy of most nations, our Achilles heel was and still is our shipping. Regardless of how peaceful we may desire to be or how anxious we are to spread the gospel of the "good neighbor", we do not forget that a good neighbor respects himself—that charity begins at home. Minimum prudence has made the American people legislate insistently for an adequate merchant marine.

President Roosevelt in his message to Congress on the 4th of March 1935 told us why. We had to have an adequate merchant marine, he said, to preserve fair competition in trade. A major war, even with the United States a neutral, he warned us, might seriously cripple the commerce of the country. And ships under the American flag were indispensable in times of war not only as naval auxiliaries "but also for the maintenance of reasonable and necessary commercial intercourse with other nations." He reminded us ominously that "we should remember lessons learned in the last war."

There have been sharp clashes about our maritime policies in the last 4 years not only in the committee rooms and Halls of Congress but in public forums and the press. But in all the discussions, charges, countercharges, accusations, reports, recommendations, and debates which preceded the present legislation, all contending factions agreed on one thing, to wit, that America must have an adequate merchant marine.

That resolve of the American people has been the driving force behind a quarter century of legislation. In 1911, again in 1916, and later still in 1920, Congress wrestled with the problem of providing ships under the American flag for our foreign commerce, but without success.

Immense sums of money were expended, an administrative agency with unprecedented powers was set up, and the Government itself built many ships. But for one reason or another we did not get the flag service we wanted.

In 1928 Congress finally decided that only through a comprehensive plan of subsidies could the job be done. Aid was extended through the mail contracts. The Government contracted to pay out over $30,000,000 per annum to shipowners in this way. Upon the announcement of this program shipowners and their lawyers scurried to share the "Treasury's largesse." But once again the program as a whole was a failure. Despite large grants and liberal loans, relatively few ships were constructed to replace our aging fleet.

There is no value now in arguing how far American shipping operators were to blame. Certainly the world-wide economic collapse had a lot to do with it. And I agree that the sins of the few should not be saddled upon a whole industry. Nevertheless public confidence in the shipping business was justifiably shaken as testimony before a Senate investigating committee revealed improper salaries, "milking" devices, and other abuses which showed that the "subsidies" had been abused.

It is convincing proof that the American people will never abandon their determination to have their own ships, that even after these revelations Congress was willing to make a fresh start. As the President recommended, the new act under which the Maritime Commission is functioning abolishes the subterfuge of mail contracts. In its place the Government is to pay two kinds of direct subsidies. One is payment to the shipowner of the difference between the American and foreign operating costs. The other is payment to the shipbuilder of the difference between the American and foreign costs of construction. The keynote this time is competitive equality, not favoritism.

By this act, Federal aid to shipping is put upon a frank, open, and aboveboard basis. Candor has many and obvious advantages here no less than in other phases of life. We now know what we are getting and what we are paying for. We can keep real books. And even a romantic business cannot ignore arithmetic.

So long as we know what we are doing we need not be afraid of the word "subsidy." That word has come to denote something

unfair or dishonest. Yet it means nothing but the payment of public funds to maintain and protect an industry deemed essential to the public welfare. Frankly it is a bounty—a tariff in reverse. It may fulfill the same helpful function as the tariff. It may, of course, be subject to the same abuses. Administration can make it one or the other.

Here then is the third try of Congress at what the American people desire so intensely. For the third time Congress has rejected Government ownership as a way of securing an appropriate merchant marine. Perhaps it would not be untimely to suggest that in view of such an intense purpose to have an adequate merchant marine, the failure of private enterprise this time may bring about a different method of achieving the goal. If the Government has to pull the whole load again, the people may want to own the tow as well as the tug.

It strikes me that this writing on the wall is clear enough so that private shipping interests know that if they are to save themselves they have no choice but to make the present law work.

The Commission, the ship operator, the shipbuilder, labor, and the public have a joint responsibility for the success of this law. How can each of these groups contribute to that common objective?

So far as the Commissioners are concerned, the Nation may count upon their unanimous determination to administer this act with all the skill and fairness at their command. We must meet many difficult problems of understanding and judgment. We must have more than technical skill. We must be statesmen who can both harmonize the individual interests of the various groups affected by this statute and subordinate such interests to the national welfare. We are the agents of no class. We are the servants of the whole American people.

The determination of a proper subsidy is certain to be a difficult task dependent on many variables. In the beginning our approach may not be as scientific as we would like.

But of this you may be sure: We shall not forget the terms of the statute that we do not serve as guarantors of profit. We have not been appointed to subsidize laziness, inefficiency, and poor management. No greater blight can come upon the shipping industry or, for that matter, upon any operating enterprise, than the belief that its success or failure is determined by the profit it can make out of the Government. The talent for getting money out of the Treasury is not the talent that makes a business go. We have seen too often what happens when shipping ventures are managed from Washington law offices.

On the other hand, every legitimate encouragement should be given to private enterprise so that much-needed new capital may be attracted to the shipping business. One of the principal ways in which the Commission may furnish encouragement is through the stability of its administration. Capital will not be attracted by immediate subsidies and nothing more. Investors will ask for proof that the Commission will be fair and businesslike and that its policies will not be subject to change without notice. With such an assurance there will be a real stimulus for new capital to get behind this great industry, an industry which, in my judgment, is entering upon a most profitable era.

The ship operator is, of course, the key to the success of the whole program. So far as he is concerned, if the Commission determines that he operates in an essential trade route and that he is financially able to carry out his venture, he need no longer fear the threat of unfair competition in costs. Under this law it will then become a contest of his intelligence, skill, industry, and thrift against similar qualities in his competitor. There is a deeply ingrained tradition of the American businessman on land or on sea to ask for nothing but "a fair field and no favor." The American shipping industry may take heart that any present disadvantage arising out of its position in an internationally competitive business will be eliminated and that in the application of the law political or other improper considerations are to have no standing whatsoever.

So far as the shipbuilder is concerned, we must frankly recognize that the statute represents an effort to subsidize his industry. This has not been done because the administration has a particular affection for the ship-construction companies of this country. Not at all. It was done because a realistic Congress recognized that in the scheme of national defense, as well as for the proper assurance of replacements of our merchant marine, the preservation of the shipbuilding industry must be maintained. And shipyards to be really maintained must be used as well as equipped. They must not rust while they wait—they must be going concerns.

Of course we will pay more for ships so constructed. But we will be paying for more than just the ships themselves. This construction differential subsidy is for the builder, not the operator. And even for the builder the only advantage will be his increased business. In that American labor and material men will participate.

There need be no profiteering. The Government is permitted by the statute to enter the ship-construction industry, if necessary, to stop profiteering.

But regardless of the powers the Government has to prevent unfair practices, I feel that the leaders of the industry are going voluntarily to show themselves to be broad gaged enough to recognize that the future of their business depends on the success or failure of our present efforts. If a sound and constructive administration results from the cooperation of all groups, the shipbuilding industry can be assured of an orderly program of replacements to create a steady demand for its services.

Now let's get down to cases. First things first. What have we actually got now in the way of ships flying our flag? The answer is discouraging. Most of our ships are so old that, assuming 20 years as a conservative estimate for the life of a ship, 85 percent of our fleet will be fit for retirement in 5 years.

No eloquence is needed. That single statement shows clearly the crisis facing our merchant marine. What's the sense of talking about an adequate or a first-class merchant marine in the face of such facts? For us an adequate merchant marine has to be a new merchant marine. The question comes, What are we going to do about it? The answer is, Build ships—the best and most modern ships—and build them right away.

The Government, with the assistance of the shipping industry, must begin a program which will equip our overseas trade so that it may be second to none in first-class equipment. We are going to lay the keels for new fast ships. And we are going to do it now.

How about the men to man these ships? What does the act do for them; what does it ask of them?

Anyone in the slightest way familiar with shipping must realize that the Commission's job to encourage first-class personnel on ships is far more important even than the building of the ships themselves. We know perfectly well that today, as in the days of wooden ships and iron men, the men are more important to the safety of the passengers, the cargo, and the Nation than the ships themselves. You can have a merchant marine with first-class men even if they sail second-class ships, but second-class men can't be trusted on the finest ships that float.

The act requires the Commission to establish minimum-manning scales, minimum-wage scales, and reasonable working conditions for all officers and crews employed on all types of vessels receiving an operating-differential subsidy. The act further provides that any increase in operation costs by reason of a rise in wages or a change in working conditions shall be added to the ship operator's differential subsidy. That means that the Government now determines the standards of a self-respecting life at sea—and the taxpaying public pays the additional cost.

Any oppression of American seamen that they may have chargeable to the unfair attitude of ship operators in the past is hereafter to be outlawed by force of the statute; and because the Commission does realize the importance of manpower on shipboard and that it can't be had in this day and age of competition ashore without a square deal, shipping labor can rest assured that for economic as well as humane reasons the Commission will see to it that they get a square deal.

In return the Commission trusts that the American seamen will give the Commission and the taxpaying public a square deal.

If we are going to make this thing succeed, the seamen must think and act in the spirit of this law. They must want leaders who are honest and sincere. In this business there is competition in personnel as well as in management. If we are to compete, the men who man the ships must be loyal and disciplined in the finest traditions of the sea.

Labor, the Commission believes, must demonstrate that it is worthy of the special treatment which the American public is willing to give it. It owes itself the development of a sense of voluntary responsibility. There can be no excuse for costly and bitter factionalism which is harmful to everyone in the long run. No business can survive a constant threat to its service from every sort of fanciful and irresponsible cause. In particular, labor ought to be willing to forego resort to extreme measure when there exists peaceful machinery for adjusting its grievances.

The Commission has faith that labor leaders will show wisdom and restraint, that the seamen will choose their leaders for those qualities—that they will develop confidence in the fair-mindedness of the Commission, and finally that no dispute within our jurisdiction will arise at which there will not be at least a sincere attempt at reasonable negotiation.

The greatest stake of all in this venture is the public's.

Every American must view commercial independence and national defense as primary ends of his Government—of any government. The public, most of all, must appreciate that an adequate merchant marine is the only way in which we can avoid risks to our commerce when home needs call back foreign ships from their normal routes. The fear of extortionate rates or other discriminations cannot worry the American shipper when we possess our own merchant shipping.

In turn, as we attain the kind of merchant marine we want, the public as shipper and passenger is bound in plain intelligence to support it. This is true, whether we rely upon the obligations of patriotism or the dictates of common sense. It is the height of nonsense for us, as a people, to subsidize our vessels through taxation while, as a people, we patronize exclusively the ships of our competitors.

This American merchant marine is our own flesh and blood, our own treasure, our own ships, and our own money. Get behind it with the pride and the enthusiasm and the patronage that other nations emotionally and financially give to their own. Has the time come when we will turn our back on American genius and enterprise? Congress has given an emphatic "No!" No American can do less than give it his wholehearted support.

Our merchant-marine policies are not to be regarded as a program of ruthlessness against those nations now carrying the major portion of our commerce. We do not ask that they be eliminated from the carriage of American trade. But it is our determination to create an adequate merchant marine of our own. In this program of self-defense the American people seek only what is their natural right.

This present law is, I am confident, adequate to the aims of the American people. The Maritime Commission, I pledge now, will administer this law impartially, fairly, and sympathetically. It

expects the fullest measure of honest and forthright cooperation from the operators and shipbuilders, from labor, and from the public.

Such cooperation we must have if you are to do your part in the creation of a newer America now going on.

Our ships will be laden with the fulfillments of dreams of a better country for all of us to live in.

They will be symbols of courage—the courage that we need to fight against our greatest enemy—fear. Fear is often another name for indecision and indecision is the dread of making a beginning.

Let me declare this personal and specific testimony, born of a busy life not without its worries and alarms:

I think the future of America is assured to be one of unexampled prosperity and greater happiness for greater numbers than the world has ever known.

I think the immediate outlook for business, and in that form is embraced our whole people, was never better. The few clouds to be seen will be blown away by the measures of statesmanship now in the making.

I think that a small group of us here in the East see shadows cast only in our own imaginations. We suffer from fears—unrelated to actualities.

Here we are emerging magnificently from the greatest depression in history and some of us are craven. Courage and confidence should be our passwords. We have the first, and we should have the second, for the prospects were never more promising.

Let me put to everyone the final question: "Will the dream of a quarter of a century become the reality of tomorrow—shall we have a merchant marine worthy of the title 'American'?"

Administration of Federal Relief

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 26, 1937

ARTICLE BY FRANK R. KENT

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Mr. Frank R. Kent entitled "Using Relief as a Club", and published in the Baltimore Sun of this date.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of May 26, 1937]

THE GREAT GAME OF POLITICS

By Frank R. Kent

USING RELIEF AS A CLUB

It is a little difficult for any ordinary man to keep his balance when suddenly lifted from the limited field of activity in which for years he has labored obscurely as a minor official to a position of immense power and prominence, with undreamed-of billions at his disposal, with Governors, mayors, Congressmen, and legislatures suing for favors from his heavily laden hands and a propaganda department which regularly drenches him with favorable publicity.

Such an experience has been that of Mr. Harry L. Hopkins, head of the W. P. A., and, except for Mr. Farley, who, of course, is "tops", quite the most influential and important individual among the Roosevelt aides. Under the circumstances, it is not surprising that, in addition to developing an abnormally large sense of inner rectitude, Mr. Hopkins should become completely convinced of the wisdom of his own views and the ignorance or wickedness of those who differ with them.

It is the natural result of the amazing transposition which he has undergone, and certain allowances perhaps should be made for the various evidences of headlines displayed in his past public utterances. However, as Mr. Hopkins this week will ask Congress for a new appropriation of a billion and a half dollars for next year, and as, in Congress and outside, there is an exceedingly strong feeling that to give him that much money will be a mistake; that waste, incompetence, and inefficiency saturate the W. P. A. administration; that only through reduction in relief costs can national solvency be regained—in view of these things, what Mr. Hopkins has to say is of particular interest to the people generally, because it is the people generally who will pay the bill, and not merely the higher income classes of whom Mr. Hopkins speaks with such scorn and contempt.

A year or so ago Mr. Hopkins' chief, Mr. Roosevelt, took an unequivocal and sound stand on two things—one was that the Federal Government ultimately must get out of "this business of relief"; the other was that politics should not enter or touch relief in any way, shape, or form. To the latter he gave his personal guaranty. It was taken for granted that in the desirability of the Government getting out of the relief business Mr. Hopkins, as he does in everything else, saw eye to eye with the President. Certainly in the matter of keeping politics out he did. No one could have been more indignant than he last year over the charges that the politicians were capitalizing relief and that relief had become one of the greatest of administration assets. Yet the capitalization was so crude and so wide that it could not be missed, and the great political value of relief to the New Deal campaign was generally recognized.

Upon these two points, in an interview in the New York Times last Sunday, Mr. Hopkins spoke his mind in a way that deserves public attention. The Times article said that Mr. Hopkins gets "rather irritated" when reminded of the Roosevelt declaration that "we must get out of this business of relief." The President, he explains, with, as the Times says, "a patience amounting almost to forbearance", was not referring to work relief but to direct relief. This isn't very sensible, because, despite all the talk about morale and self-respect, the only real difference between work relief and direct relief is that the first is about three times as costly. After asserting that "relief is going to cost considerably more money than we are spending now", Mr. Hopkins declared that "there can be no two ways about it. The Federal Government is in the relief business to stay. And the Government that tries to get out of it altogether probably won't remain in office very long."

That's a pretty bold statement. It reverses the Presidential announcement of 1934, and it sweeps "out the window" those who, believing as certainly Mr. Roosevelt did believe, still hold that as quickly as possible the problem should be returned to the States. It is not, however, any bolder—or perhaps brazen is a better word—than Mr. Hopkins' extraordinary utterance on the other point. "Under the works program", he said, "those who otherwise would have been idle have secured work. They have liked it. And unless I am very much mistaken they will use their political power in the future to see to it that the program is continued just as industry once used its political power to perpetuate its labor reserve at no cost to itself."

If that is not open encouragement from the head of the W. P. A. to the beneficiaries of the W. P. A. for political activity aimed at keeping the Federal Government in the relief business, then words have no meaning. It directly contradicts the position of the President both as to the permanency of Federal relief and the necessity of keeping it nonpolitical in effect, what Mr. Hopkins does is serve warning that any administration that attempts to get the Federal Government out of "this business of relief" will itself be thrown out on its ear by the relief voters, who, with their relatives and friends, form the greatest single voting group in the country.

In other words, Mr. Hopkins, representative of a President who once insisted that the Government must get out of relief and that politics and relief must not be mixed, swings the relief vote as a club to compel Congress to accept his ideas and estimates. It is the sort of utterance that ought to cause a violent reaction in both Congress and the country. There could hardly be a more striking illustration of the effect upon little men of unchecked authority and the unlimited use of other people's money. It breeds an intense desire to perpetuate themselves in power, inconsistent with a democratic form of government, and dangerous to a free people.

Some Aspects of Federal Jurisdiction

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1937

ARTICLE BY JUDGE GROVER M. MOSCOWITZ, OF THE EASTERN DISTRICT OF NEW YORK

Mr. CELLER. Mr. Speaker, United States District Judge Grover M. Moscowitz, of the eastern district of New York, a distinguished jurist who has served for many years on the Federal bench, has written a very interesting article on Some Aspects of Federal Jurisdiction for the January 1937 issue of the United States Law Review. His statements are very compelling and worthy of wide acclaim.

Judge Moscowitz begins his article with the following observations:

At a time when the scope of the domain of the Federal Government has become a subject of popular inquiry, it may not be inapropos to reconsider certain aspects of the jurisdiction of our Federal courts. Not that these questions have not been considered before, or even recently, but problems which have attracted the attention of legal scholars year after year will certainly not suffer unduly from renewed study. Perhaps repetition will even serve to

revitalize interest, with the hope that a sustained interest may bring about an ultimate solution, if one be possible.

The jurisdiction of the Federal district courts, as defined by the Judicial Code—

Judge Moscowitz continues—

may be roughly separated into two parts. First, there is that jurisdiction which is defined in terms of subject matter. As examples of this we have the bankruptcy, admiralty, and patent jurisdiction. Under this heading may be included also all the cases which involve a Federal question and which are for that reason within the jurisdiction of the district courts. The second part embraces the cases in which the Federal courts have jurisdiction by virtue of the character or situation of the parties litigant. In this group of cases the litigation in which Federal jurisdiction is involved on the ground of diversity of State citizenship is perhaps the best known and, quantitatively at least, the most important. It should be remembered that in these cases, among others, there is an additional jurisdictional requirement that the amount in controversy shall be not less than $3,000.

The briefest survey of this Federal jurisdiction reveals that the United States is not an interested party in all actions in the Federal courts. Curiously enough, there seems to be a popular misconception among laymen and to some extent even among members of the bar that the United States have an interest in all cases in the Federal courts. As a matter of fact, the report of the Attorney General of the United States for the fiscal year ending June 30, 1934, reveals that in only 26,781 out of 62,832 cases pending in the district courts at the end of the fiscal year was the United States actually an interested party, and apparently these figures do not include bankruptcy cases, of which 63,352 were pending at the same time.

Of course, where the United States has an interest, it seems reasonably clear that a Federal forum ought to be provided. As to the remainder of the present jurisdiction, the question arises whether all the cases encompassed by it merit the attention of the Federal courts. The nature of the subject matter of some naturally makes the Federal court the more appropriate forum. As to others we become more dubious. In the course of a short paper, one can neither hope nor expect to analyze the premises and reasoning by which one might justify or condemn, as to each class of cases, its inclusion among those in which the Federal courts now assume jurisdiction. It may, however, prove valuable to restate the issues created by that long-discussed problem of diversity of citizenship jurisdiction. In view of the crowded Federal calendar, the question arises whether these cases should be tried in a Federal court. The increased burden on the courts brought on by numerous 77B cases makes the problem even more urgent than it has heretofore been.

Judge Moscowitz, further dilating upon the important subject of diversity of citizenship, says that—

The ultimate source of diversity of citizenship jurisdiction is to be found, of course, in the provision of the Constitution of the United States that "the judicial power shall extend * * * to controversies * * * between citizens of different States" (art. III, sec. 2). The clause came into the Constitution as part of the Virginia plan. It has been said that the surprising thing about the clause was not the vigor of the attack which met the attempt at its inclusion, but the apathy of the defense. Even Madison, the father of the Virginia plan, when called on to comment on this proposed grant of jurisdiction to the Federal courts, said: "As to its cognizance of disputes, I will not say it is a matter of much importance. Perhaps it might be left to the State courts."

In some respects the attack on diversity jurisdiction was part of a general antipathy toward giving any substantial original jurisdiction to the Federal courts. Thus it was urged that the Federal judiciary be given only appellate jurisdiction. This suggestion conforms somewhat to the present system in Australia, where no lower federal courts have been established, although the constitution permits them, the state courts having been invested with much of the federal jurisdiction and the central high court serving largely an appellate function.

This extreme position, however, as we know, never met with general approval in the Constitutional Convention. Many arguments were offered against it, the most effective being one which answered the underlying fear that the establishment of a full set of Federal courts would tend to undermine the State judiciary. Its substance was that the authority of the State tribunals would be less undermined by a grant of original jurisdiction to the Federal courts than if only appellate jurisdiction were given, the argument being that constant appeals from the State to the Federal courts would probably have an even more fatal effect on the status of the State judiciary than any which would result from the establishment of a full set of Federal courts.

There was, of course, another factor which made the establishment of lower Federal courts necessary. The need for an admiralty court was urgently felt, and, whatever conclusions were reached on other matters, this requirement had to be met. And when provision was made for the establishment of Federal trial courts cases in which there was diversity of citizenship were included among those of which they were to have jurisdiction.

The judge, in splendid fashion, draws attention to the following:

In the attempt to lay a sound basis for an attack on "diversity jurisdiction", various attempts have been made to estimate the percentage of cases which find their way into the Federal courts on the ground of diversity of State citizenship. One estimate, based upon a study of a series of Federal Reporters, concludes that 27 percent of the cases arise in that manner. Another survey reaches the conclusion that only 11.2 percent so arise. While one of the writers has attempted to explain the discrepancy between these two figures, yet, whichever figure be accepted, the impression is certainly left that a substantial proportion of the litigation in the Federal courts is based on diversity of citizenship. If the ultimate problem be the determination of whether there is reasonable basis for a jurisdiction based on "diversity", an accurate analysis of such figures as these loses the importance it might have if one were attempting an equitable allotment of jurisdiction between State and Federal courts.

It is important also to note that a large number of the cases brought into the Federal courts on grounds of diversity of citizenship are cases in which diversity is artificially created. The devices by which this has been achieved have become fairly standardized and the courts have not frowned on them. Thus, where human persons are potential litigants, it has long been a practice to remove to another State to create diversity. As far back as 1835, Justice Story, sitting in the Circuit Court for the District of Massachusetts, said:

"It is every day's practice for a citizen of one State to remove to another State, to become a citizen of the latter, in order to enable him to prosecute suits and assert his interests in the courts of the United States. And, provided the removal be real and not merely nominal, and he has truly become a citizen of another State, I have never understood that his motive for the act is inquirable into or, if his motive is to prosecute a suit in the courts of the United States, that such a motive would defeat his right to sue."

Since corporations have come to be regarded as citizens within the meaning of the diversity of citizenship clause—and for the past 60 years their citizenship has been conclusively presumed to be that of the State of incorporation—juggling of the corporate device has been attempted to gain entrance to the Federal courts. In *Black and White Taxicab & Transfer Co.* v. *Brown and Yellow Taxicab & Transfer Co.*, decided by the Supreme Court of the United States in 1928, the prospective plaintiff had reincorporated in a different State, transferred all its assets to the new corporation, and then dissolved the old entity, all for the purpose of creating diversity of citizenship. The Court said:

"The motives which induced the creation of respondent to become successor to its Kentucky grantor and take a transfer of its property have no influence on the validity of the transactions which are the subject of the suit. The succession and transfer were actual, not feigned or merely colorable. In these circumstances, courts will not inquire into motives when deciding concerning their jurisdiction. It is enough that respondent is the real party in interest."

Thus the facility with which diversity of citizenship can be created brings within their jurisdiction many cases which even under the diversity clause might be said not to belong in the Federal courts because they are instances not of natural but rather of artificially created diversity.

Against this background—

Judge Moscowitz further states—

one can begin to consider the arguments which have been advanced pro and con on the question of diversity of citizenship jurisdiction. Traditionally the standard argument in favor of the present rule has been that local prejudices necessitate a Federal forum for cases involving citizens of different States. Historically the force of this argument has been said to be weak, because even those propounding it have been unable to point out examples of prejudice. One writer points out that a consideration of some of the pre-Constitution cases reveals that no prejudice existed. What force the argument has today, in view of the closer cohesion of the States, it is difficult to say, but it continues to be advanced with undiminished vigor.

Another contention made by those who would continue the status quo is that the present jurisdiction is necessary to the development of national commerce. This, too, is an argument susceptible of factual proof or disproof only with the greatest of difficulty.

One further argument has been advanced with much force. It has been urged that diversity of citizenship jurisdiction makes for uniformity of decision in matters of general law. To understand this it is necessary to recall the famous case of *Swift* v. *Tyson*, where it was said that in matters involving the general common law the Federal courts would follow their own concept of the common law and would not be governed by the decisions of State courts. Presumably, therefore, a single rule would govern on such issues in all cases in the Federal courts, thereby bringing about a partial uniformity. It is perhaps worth while to consider whether this is an effective and advisable means of achieving uniformity or whether such groups as the Commissions on Uniform State Laws and the American Law Institute are not in a better position to bring about an integrated uniformity, if that be desirable.

Naturally, as in all controversial issues, there have been arguments on the other side, some of more convincing force than others. One of the more interesting is that which presents other consequences of the doctrine of *Swift* v. *Tyson*. As was to be expected, the doctrine of a Federal common law often resulted in a variance in the rules prevailing in the Federal and State courts. The next

natural step was that attorneys, aware of the different rules, would, where they conflicted, choose the forum which would more probably make for the disposition of the case in their favor. With the devices for creating an artificial diversity of citizenship readily available, no small amount of legal jockeying has occurred, with the result that some have urged that diversity of citizenship, so long as it is coupled with the doctrine of *Swift* v. *Tyson*, is hostile to the reign of law. In the Black and White Taxicab case, heretofore mentioned, is a perfect example of jockeying for a favorable applicable law. The contract there involved was one in which a railroad gave a taxicab company the exclusive right to solicit business at its terminal in Bowling Green, Ky. According to the rule of the Kentucky courts, such a contract would have been void as against public policy. The Supreme Court of the United States decided that the question was one of general law. Hence the Court was not bound by the State rule, and it held that, as a matter of general law, the contract was valid.

The doctrine of *Swift* v. *Tyson* is, of course, not the sole incentive prodding lawyers to play for position in choosing between the Federal and State courts. Differences in procedural rules are also significant. Thus, in the Federal courts the burden of proving contributory negligence is on the defendant, whereas generally the New York rule is that the plaintiff has the burden of proving freedom from contributory negligence. The average person probably regards it as highly incongruous that two cases, involving the same set of facts, tried often only a few blocks apart, should be decided differently merely because the defendant in one action was a citizen of New Jersey and his plaintiff a citizen of New York, while the parties in the other action were blessed or cursed by both being citizens of New York.

Numerous ephemeral arguments have come forth in opposition to diversity jurisdiction, but they are, on the whole, technical attacks on some minor results of the present rule. Essentially, I believe, the "diversity" rule ought to stand or fall on a balancing of the local prejudice argument against the position advanced by the opponents of the status quo, namely, that diversity jurisdiction brings into the Federal courts for adjudication matters which inherently belong in the State courts. If it could be established that local prejudices actually exist against citizens of other States, this would probably justify a continuation of the status quo. But one is reminded of the fact that as yet we have no adequate survey to determine whether such prejudice exists. Then, even assuming that they exist, what of all the artificially created jurisdiction? What of the corporation incorporated in State A, but doing all of its business in State B, which seeks to invoke the aid of a Federal court when sued in State B by a citizen of State B on a transaction wholly arising in State B?

One thing would seem to be fairly basic. We are operating under a Constitution which recognizes a dual set of sovereignties. That Constitution has been interpreted as preserving the doctrine of States' rights. While we are working under such a Constitution—and I do not wish to be understood as taking any stand on the issue of whether we ought to continue the States' rights theory in our basic law or by amendment abolish it—it seems to me that the Federal courts should not reach out to bring cases to themselves, nor should they encourage the assumption of jurisdiction in situations where the subject matter of the action makes the State court the natural forum and only some unnaturally devised diversity opens the door to the Federal court. Of course, under the law as it now stands, the court is in no position to deny jurisdiction, however strongly it may feel, where, on the decided cases, jurisdiction has been properly invoked.

The difficulty as it now exists can perhaps be best illustrated by consideration of a few fairly typical cases in which the jurisdiction of the Federal court was invoked on the ground of diversity of citizenship, and in which, under the existing law, jurisdiction could not be declined, but in which, it would seem, it should have been possible to decline jurisdiction.

Judge Moscowitz sets forth these cases as follows:

Several years ago there was a case in the Federal district court in New York which involved about $100,000,000. All the interested parties were Mexicans. The issue was over a mine in Mexico. Questions of Mexican law were involved and had to be tried here as questions of fact. Practically all the witnesses had to be brought up from Mexico, so that it was apparent that Mexico was the most appropriate forum. Yet, by means of having the plaintiff incorporated in the United States, jurisdiction was given to the Federal courts, and it could not be declined. While the case really presents the international problem, it is a good example of what is happening with even greater frequency in the interstate set-up. Why should the time of the court in New York have been so taken up? The trial of the action took about 6 weeks with numerous preliminary motions before the various judges in that district.

In another case, also involving a large sum of money, a corporation, incorporated in another State but having substantially all of its assets in New York, was sued by a citizen of New York on a contract made in New York involving business to have been done in New York. Because it was nominally a citizen of another State, the defendant corporation removed the case to the Federal court, as it had the right to do under the existing law.

These examples serve to illustrate another point, namely, that many of the diversity cases are cases in which a foreign corporation, doing business in the State in which it is sued, removes to the Federal court. It has been said, in fact, that 80 percent of the diversity cases involve a corporate party. Even if it be assumed that interstate antagonisms and prejudices actually exist, the question asked by a recent writer would seem to be worthy of consideration:

"When the ordinary man who does business with a corporation rarely knows where it was formed, can one maintain seriously that there is prejudice against such a corporation in every State except that one whose law give it being?"

The same author goes on to say that whatever prejudice there is against a corporation is probably not geographical but economic in its nature. If, then, the local prejudice argument, which has been the bulwark of the supporters of diversity jurisdiction, finds no basis in the case of the foreign corporation, and if one accepts the premise that under our Constitution as it now stands the direction of the flow of cases should be to the State rather than to the Federal courts, why permit diversity jurisdiction in the case of foreign corporations?

Judge Moscowitz brings his very learned dissertation to a close with the following interesting observations:

The problem is clear, but what has been done and what is to be done about it? In 1932, during the first session of the Seventy-second Congress, there was a whole battery of proposed legislation. The most extreme suggestion advocated the abolition of all jurisdiction based on diversity of citizenship. A second bill urged an increase of the jurisdictional amount from the present figure of $3,000 to $7,500. The difficulty with such a suggestion is that, while it may aid in relieving the Federal courts of some of their present burden, it gets us nowhere in the solution of the difficulty now before us. In avoiding the real issue it merely puts off until another day the struggle for the solution. A third bill, introduced in both Houses of Congress, would have made corporations, for purposes of diversity jurisdiction, citizens of the State in which they carry on business in all litigation between them and citizens of such States arising out of such business. This was really a compromise position between those who sought the complete abolition of diversity jurisdiction and those who thought that no change was advisable. It made no attempt to strike at the root of the whole problem, but it did search out one of the most sensitive points. It is interesting to observe that if this bill had been enacted there would by now be a new series of cases on the question of what constitutes "doing of business", a question which for many years has given the courts concern when they have had to determine whether or not a corporation was sufficiently within the jurisdiction to permit service on it or to subject it to rules governing foreign corporations. For a while there was every indication that the bill would be passed. President Hoover advocated its passage in a message to Congress. Numerous legal scholars were called on to offer their comments. In the end, however, no legislation was enacted. Since that date nothing of any substantial significance can be said to have occurred.

We are left, thus, with the question, What should be done? It is difficult for a judge, in duty bound to accept the existent rules of jurisdiction, to become unduly critical or unduly commendatory of them. He cannot, however, with cases passing daily before him, fail to sense certain difficulties. The feeling thus engendered, though not statistically convincing, should serve at least as a stimulus to investigate further for the purposes of ascertaining whether there is actual basis in fact for what has heretofore been an impression.

Obviously, some intelligent, reasonably reliable study of the issue of local prejudices must be made if we are to proceed on something more substantial than conjecture. The difficulties of such a study are apparent. At the outset one is met with the question, Can convincing statistics be gathered? Perhaps they cannot. But this can only be determined by an attempt. If the attempt should prove unsuccessful, would it not reveal that heretofore we have been proceeding on hunches? Would it not imply that we should give more weight to the argument that the Federal courts are now handling much litigation which properly belongs in the State courts? Such a study, if successful, would be one means to a solution. In its absence the difficulty might perhaps be met by the abolition of diversity jurisdiction, except in those instances where a party can affirmatively show local prejudice. The proposed legislative enactments which have been mentioned present other alternatives. What remains is to make a choice.

Representative Randolph Perkins

MEMORIAL ADDRESS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey

Mr. MICHENER. Mr. Speaker, it is with sadness, indeed, that I feel called upon to say a word about the life and char-

acter of one of my closest friends in the Congress. Representative RANDOLPH PERKINS, of New Jersey, was a member of the Committee on the Judiciary, of which I am also a member. Our association on that committee began with the Seventy-fourth Congress. As a Member of the House, I had known him personally and well since he entered the Congress. He was a brilliant lawyer. He was what the practical man might term an all-round lawyer—a splendid advocate, a deep student with exceptional judgment. It did not take Mr. PERKINS long to separate the wheat from the chaff when a legal proposition was being analyzed. He made his impress on worth-while legislation. In his committee work and in performing his legislative functions he was never partisan. His whole purpose was to enact beneficial legislation, and even though he did not favor proposed legislation, he was always willing and anxious to perfect the context from a legal standpoint. Many a statute now the law of the land bears witness to his wisdom and painstaking efforts.

If RANDOLPH PERKINS was ever sick or had bad days, his friends did not know it. Such was the make-up of the man. He radiated good cheer and was always the life of the party. I am not familiar with his background before he came to Congress, but I do know that he was ever alert in behalf of all the people. To do or to say anything that would array class against class was to him abhorrent. He believed thoroughly in the American system of government, and he was ever watchful to prevent insidious inroads on fundamental, constitutional liberalism. One could not know this man without feeling personally acquainted with his splendid family. I have known few men who took greater pride and showed greater concern for the welfare of his family. A gentleman by instinct, he was lacking in artificiality. The world is better because RANDOLPH PERKINS lived in it.

Rural Electrification as a Relief Measure

EXTENSION OF REMARKS

OF

HON. FINLY H. GRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

On the joint resolution (H. J. Res. 361) making appropriations for relief purposes, and the amendment offered by Mr. RANKIN, of Mississippi

Mr. GRAY of Indiana. Mr. Speaker, I am sponsoring this amendment with the gentleman from Mississippi [Mr. RANKIN].

The demand for rural electrification lines by the farmers is far exceeding the money made available for that purpose under the rural electrification law.

As the farmers come to know the benefits and blessings of electricity on the farm, they are becoming more and more concerned, anxious, and impatient to have their distributing lines built and the system put in operation at the earliest possible date.

Farmers are coming to realize that electricity is not only lifting a great burden from them in pumping water, grinding feed, sawing wood, and operating many other labor-saving devices and machines on the farm, but that the use of electricity is increasing their earnings and income.

And the farmers' wives, as they come to know the use of electricity in the farm home and the irksome burdens and drudgery it is lifting from them in their everyday housework, are even more anxious to secure the service and help of electricity in the home than the farmers in their outside farm work.

The farmers' wives are marveling in the power coming in over one small wire to light the homes, sweep the floors, do the washing, cook their light meals, run the fan in the warm weather, and at the same time operate the refrigerator for cold storage, and pump fresh water into the house. These with many other uses and services at comparatively trivial cost are giving the farmers' wives time for rest, for entertainment, care of the body and cultivation of the mind, make electricity the most sought after and desired help which can be brought to the farm home.

Electricity wherever made available is revolutionizing life on the farm, not only in solving farm labor problems but in bringing comforts, conveniences, and entertainment at the farm home, under which the exodus of the young farm population to the cities is stopping and turning back to the farm. It is affording all the pleasures and enjoyment of life afforded in the towns and cities, and making farming the most reliable and pleasant occupation to be followed.

It is doing what all the preachers and all the editors, with all their efforts to call the young people back to the farm has failed to do.

The rural electrification law is proving a great farm-relief measure, and this amendment if adopted will go further to increase farm relief and will provide more farm comforts and conveniences than any other provision of legislation adopted by the Congress.

Many farmers have justly complained of relief appropriations bringing little or no benefit to them, but at the same time taking away their farm help at a time when seasonal aid and help to plant and harvest the crops was the most necessary and required.

This amendment if adopted will make it possible in the administration of this measure to make a broader spread of relief benefits among all the people, the rural population, heretofore overlooked and neglected, as well as the people of the towns and cities.

There are no other projects which can be promoted and which will stimulate and increase production and demand for the employment of labor as the construction of rural electric lines.

First, the project will call for the cutting of many thousands of poles, digging the holes for their placement, and finally the hanging or stringing of the wires to carry the current of electricity to the farmers, ramifying like a network over the farm territory.

But this is only one part of the labor demanded in building the lines and the manufacture of electrical equipment which will call for the employment of labor. The farmers will need many electrical appliances for using electricity on the farm, in the farm home, and in outside farm operations as well.

On the building of these lines the farmers will need and promptly demand many different kinds of electrical machinery and devices, and which will be constantly increasing from time to time, making this demand for employment permanent.

This will make the demand for labor, both skilled and unskilled, come throughout the farm territory and will be carried to hundreds of lines of manufacture and production in every city in the land.

There is no demand for manufactured articles for immediate use which in any way will compare with the demand of the rural population when the farm electrical lines are completed, and the farmers are ready to use electrical equipment.

It has been found and definitely ascertained that a substantial part of relief is invariably used and expended to pay the costs of the administration and distribution of the relief funds provided and only a part in fact goes to relieve suffering unemployed people.

It is also found and definitely known that invariably in administering relief many people are receiving relief money more able to support themselves than many others more needy, but under the technicalities of the law are unable to obtain relief or employment.

It is also known and understood that much of the relief money is expended and paid out for work sometimes of a trivial nature, or on projects of a temporary character or of no substantial or permanent benefits remaining to show for the expenditures.

And yet, because of these evils and abuses invariably attending the administration of relief money, it would be

inhuman and unthinkable to deny and stop all relief and leave the unemployed to suffer for want of food, clothing, and shelter.

While continuing a relief program, it therefore becomes our duty to follow a policy which will provide the greatest amount of employment for the greatest number of people and for the construction of projects of the most permanent and substantial nature, and at the least cost or burden to the Treasury.

The farmers of Indiana are not asking for a donation or the gift of a single dollar. They are only asking for a loan with which to build their electric lines, with every dollar of principal and interest to be paid back in full.

They are only asking that such loans be provided on long-time payments with low and reasonable interest. In their modesty they are not asking for interest as low as is being given to the Federal Reserve bankers, at three one-hundredths of 1 percent, but are willing to pay from 1½-percent to 2½-percent interest, and want to pay this to the Government.

This will afford relief provided without a cent of cost to the Government and to be used for permanent and substantial improvement, and for an expenditure which will call for more employment and labor than for a temporary relief program, with every dollar to be charged to the Treasury.

If sufficient money was loaned to the farmers, every cent of which they are to pay, to build electric lines to carry electricity to their farms and to purchase electric equipment which will at once be needed, and which would be promptly purchased to begin the even use of electricity, there are not enough unemployed men to work upon all the labor-saving machines and working night and day to supply the farmers with their needed demands, nor to keep pace with production with their ever-increasing needs for electrical machinery and equipment.

The relief problem would not only be solved but it would be promptly and permanently solved, and without the creation of an interest-bearing debt or a charge upon the Treasury.

Such a demand from the farm people would increase many factory pay rolls, increase and multiply factory production, stimulate many new enterprises, and would call for the employment of labor with the demand exceeding the supply.

In Memoriam

MEMORIAL ADDRESS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

Mr. SMITH of Washington. Mr. Speaker, these memorial services are a solemn admonition that death is ever in our midst. It seems but yesterday that our departed colleagues were here among us, alert and active in the discharge of their official duties, and now "they are gone the way whence they shall not return." All too soon shall we, in the words of Longfellow, join them on

> The fortunate isles, on whose shining beach
> The sights we see and the sounds we hear
> Will be those of joy and not of fear.

Mr. Speaker, this long roll of our honored colleagues—6 Members of the Senate and 15 Members of the House—who have been summoned away within the past year is some proof of the arduous service and exacting labors of those who are commissioned by the people to meet and discharge the many difficult tasks and trying responsibilities of public office during one of the most crucial periods of American history.

Mr. Speaker, the limit of time will not allow my paying proper and adequate tribute to each of these distinguished public servants. I shall be able to only briefly refer to some of the outstanding traits and characteristics of those of them whom I knew best.

JAMES P. BUCHANAN

I shall always recall one incident arising out of my relations with the late chairman of the Appropriations Committee, Mr. BUCHANAN, which left a lasting impression upon me. It illustrated, I think, the gentler phase of his personality which those who did not come in close intimate contact with him might never have suspected him to possess, as his attitude was generally one of firmness and militancy. In the opening days of this session, immediately preceding the hearings on the first deficiency appropriation bill, I was a member of a small group of Senators and Representatives from the Pacific Northwest who conferred with him in regard to the emergency in our section of the country caused principally by the influx of many of the sufferers from the drought area. He listened to us patiently, but did not offer us much hope for any increase in the allocations of work-relief funds to our States. A few days later, when we appeared before the subcommittee of which he was chairman and made our statements, he produced a letter from Hon. Harry L. Hopkins stating that, at his request, our allocations had been increased to meet our situation. This was a very gracious act on his part and revealed that hidden under his gruff exterior was a heart beating in sympathy with suffering humanity.

ANDREW J. MONTAGUE

Governor MONTAGUE, of Virginia, I shall always remember because of his unfailing courtesy and kindliness. He was a very interesting and charming conversationalist on account of his wide reading and rich experiences during a long distinguished public career. He was particularly devoted to the profession of the law and the courts and often referred to the important role our lawyers and judges have had in the establishment and maintenance of our Government and institutions. He rather deplored the increased demands upon Members of Congress in regard to routine matters which left them little or no time for deep study of the problems and issues facing the country.

BENJAMIN K. FOCHT

I served with our late colleague, BENJAMIN K. FOCHT, of Pennsylvania, on the Pensions Committee during the first 4 years, and believe that the veterans of our wars had no more loyal friend in Congress than he. When our committee was considering the legislation to restore the pensions to veterans of the Spanish-American War he never missed a meeting and always expressed himself in no uncertain terms in regard to the injustices inflicted upon them by the so-called Economy Act of 1933. He was also deeply interested in old-age pensions, and I am informed that he was one of the very first Members of Congress to sponsor such legislation many years ago, at a time when it was very unpopular to do so. He apparently believed that no one truly lives who lives for self alone. He believed that—

> He's true to God who's true to man whenever wrong is done
> To the humblest and the weakest 'neath the all-beholding sun.

HENRY E. STUBBS

HENRY E. STUBBS, of California, was one of Nature's noblemen, and I knew him more intimately, perhaps, than our other colleagues whom I have mentioned. He was quiet, modest, and unassuming, but followed very closely the proceedings in the House and was faithful and punctual in his attendance upon the sessions of the House and the committees of which he was a member. He was a minister of the Christian Church before his election to Congress and manifested to a marked degree that spirit of tolerance and forbearance which one would expect from a gentleman of his calling. He was sincerely interested in providing a greater measure of security to the aged citizens of the Republic, and openly espoused the Townsend plan because he believed in its principles. I have an abiding faith in the immortality of the human soul and know that men of the aspirations, the yearnings, and the desires of "PAT" STUBBS,

as he was known to his friends, can never wholly perish. We shall meet again.

MARION A. ZIONCHECK

I speak last of my friend and late colleague from my own State of Washington, MARION ZIONCHECK.

His colorful career—that of the immigrant boy who at the age of 35 rose to a seat in the Congress of the United States—was summed up in his last note, penned with his own hand:

My only hope in life was to improve the condition of an unfair economic system.

Mr. Speaker, the brave young spirit of MARION ZIONCHECK hurled itself against what to him appeared and proved to be an impassable stone wall, which he did not have the patience and fortitude to climb or surmount, nor the philosophy of life and attitude of compromise to go around.

These verses which he composed in 1934, 2 years before his tragic death, seem prophetic:

And howsoe'er the hard blows rang
Upon my battered shield,
Some lark-like, soaring spirit sang
Above my battlefield.
And through my soul of stormy night
The zigzag blue flame rang,
I asked no odds—I fought my fight—
Events against a man.

"Washington, City and Capital", Guidebook of W. P. A. Is Good Work. First Comprehensive Treatment. Necessary; Beneficial. Money Well Spent.

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 8, 1937

WHITE COLLAR WORKERS HAVE RIGHT TO LIVE

Mr. MAVERICK. Mr. Speaker, while we are considering the matter of unemployment and the Works Progress Administration, let us consider some of the things they do. W. P. A. has been criticized for making research, and having historical projects. According to an amendment adopted to the W. P. A. bill, some of the most important functions of the W. P. A. will be eliminated. Among them will be many "white collar" projects, dealing in research, and valuable studies.

Undoubtedly, there has been some waste—but on the other hand work of permanent value has been done. For instance, there has now come off the Government press a guidebook and publication known as Washington, City and Capital. It is the second volume of the American Guide series.

I shall, therefore, review the book because of its importance as a part of the Federal Writers' Project and as an event in American literature. It tells the story of the Capital and much of the reading is first class and quite fascinating.

I admit that the idea I am presenting horrifies some people. For there are those who believe that the W. P. A. should be confined to hard, dirty work; that anything clean, cultured, or thoughtful is a sin. The guidebook of the Capital, by that token, is a book of sin, because it is clean, cultured, thoughtful work.

It is a permanent contribution to our national life. It is really something Congress should be proud of. I think a majority of us are proud of it; but I have heard a lot of thoughtless criticism of some W. P. A. activities simply because the results of the labor were bound in books, others framed in frames. A picture, some think, especially if done by a living American and not by a dead master, is also a sin.

MAJOR L'ENFANT; A PLANNED CITY

But let me describe the guidebook.

Many of the people connected with the Government—some of us who are in Congress even—have been so busy that we know little of the city of Washington, what it contains, its history and background. Most of us have understood in a vague way that Washington was a "planned" city. Most of us know that it was established primarily for the purpose of a head of the Federal Government, and about the only thing that Virginia and Massachusetts had in common was a hate against old King George III.

Personally, I have never gotten beyond the school-day conception of George Washington and Major L'Enfant standing somewhere beside the Potomac laying out the Nation's Capital with a happy disregard of the Indians, Congressmen, and real-estate dealers. Instead it provides us with a comprehensive story of its life and its people as well as of its buildings and monuments.

GOVERNMENT PRINTER CAN DO EXCELLENT WORK

From a technical viewpoint it shows that the Government Printer can do excellent work. It is a snappy job. The quite comprehensive book has 400,000 words in it, and contains 130 photographs, maps, and illustrations.

It offers a complete picture of contemporary Washington and what may be termed a contemporaneous picture of its eventful early years. In addition to articles on the Federal Government departments there are articles dealing with the geographical, historical, and cultural background of the city.

There are six major sections, apart from the concise introductory chapters of general information and the calendar of events. These are the General Background, with essays on climate, topography, Indian and subsequent history, art, architecture, the L'Enfant plan, music, theater, literature, science, and religion; Washington Today, and its points of interest; tours of the city and surrounding areas; executive departments of the Federal Government; independent agencies of the Federal Government; District of Columbia agencies. The book is also supplied with historical chronology and a bibliography. The large detailed color maps enclosed in a back pocket, as well as the smaller maps, enable the reader to place each story on its proper location.

As the editors of the volume say in their preface:

This volume is one of an extensive series of American Guides, compiled and edited by the Federal Writers' Projects of the Works Progress Administration. In plan and scope, this series goes beyond the general concept of the conventional guidebook. Its objective is to present as complete a picture as possible of American communities, their political, economic, industrial, and cultural history, their contemporary scene, as well as the specific points of interest ordinarily sought out by the tourist.

The main series of regional, State, and local guides will be supplemented and reinforced by a number of separate publications dealing with American folklore, architecture, education, bibliography, Indian culture, and numerous other subjects concerning which a vast store of valuable first-hand information has been assembled by the Nation-wide organization of the Federal Writers' Projects.

That is an honest statement, and essential to show the purposes. More, it shows the purposes are worth while; quite necessary to intelligent living and governing. Why should we not spend money of the Government to find out these things?

FIRST UNDERSTANDABLE TREATMENT OF CAPITAL ARCHITECTURE

Typical of the authoritative handling of subject matter in "Washington, City and Capital", is the chapter on architecture as well as the architectural references throughout the book. It is probably the first treatment of the subject that explains to the onlooker—Congressman, home-town visitor, or tourist from abroad—the why and wherefore of the preponderantly classical motif.

Far from maligning the architectural abundance of the city, as some proponents of our architecture, right or wrong, have tried to prove by lifting phrases here and there, the city's architecture becomes fairly understandable to the reader and such controversies as range over the construction of new additions to it are made a part of his experience. Personally, I am glad to have this information; it was not heretofore easily available.

Similarly, other phases of the city's life receive from the energetic pens of the Federal Writers' Project a dynamic visualization that allows the reader to see for himself the true state of the life of the country.

OUR CAPITAL IS NEW BY SIDE OF ROME, PARIS, LONDON

A real comprehensive study of Washington has never before been made. The reason is that we are not as old as Paris, Rome, and London. This guidebook now does this—or at least forms a solid basis for it.

Washington, you must realize, is a new city as compared with other world capitals, even Mexico City. Take art. I read, for instance, something about famous American artists. There is Rembrandt Peale, of Charleston, S. C., down to Reginald Marsh of today. The galleries and walls here in Washington chart native American art that started vigorously, then got swamped in the old romantic cesspools of the nineteenth century, finally emerging as humanized, and picturing our modern industrio-agricultural life as it is.

This is a point worthy of emphasis. For the influence of art in Washington upon art throughout the country cannot be exaggerated. If Washington, City and Capital, did nothing else it would be memorable for its intelligent and frank treatment of art in the Capital, from the engaging if slightly mocking Puck to the myriad equestrian statues that leave one with the conclusion, gratifying to a Texan of course, that all great Americans rode horses.

WASHINGTON—NERVE CENTER OF AMERICAN JOURNALISM

Both literature and journalism get individual chapters, not because journalism cannot be literature, but because it is important to treat journalism in the Capital separately. There was a considerable flowering of literature though its special character was not so specifically regional as in other parts of the country.

Francis Scott Key, Walt Whitman, Mark Twain, and many others lived in Washington and contributed to its literature. It hardly need be emphasized that Washington, since its founding, has been the nerve center of journalism. In some ways this chapter is one of the most absorbing in the whole book, even to the visitor who demands such visible points of interest as famous buildings, for it contributes to the visualization of the city in introducing to the reader a substantial clue to what goes on there.

There is an absorbing tale of The Gazette, which formulated Jeffersonian policy, fought such Federalist-inspired measures as the Alien and Sedition bills, showing that journalism in Washington has been of the utmost significance in shaping public opinion. The salient details of this story, from the days of the Potowmack Packet to the present (there are more than 300 papers represented in Washington today by special agencies, in addition to the various press associations), provides the material for this chapter.

WHITE HOUSE, DOLLY MADISON, JACKSON, LINCOLN, UP TO TODAY

However, it does not have so much about art and letters that points of interest are neglected. Few guides to any world center have had such expert and complete coverage, just as few cities may boast so much of interest to be seen. Washington, City and Capital, accomplishes more than just to show us the town.

The White House, for instance, is not merely described, inside and out, but the reader is made aware of how it was when the charming Dolly Madison presided, when the Andrew Jackson reception turned into a rout with Jackson fleeing by way of a rear entrance, when Lincoln received his midwestern constituents in their cowhide boots, and so on, through the pages of White House history.

What this means in terms of an understanding of the functioning of any great city may be well understood. In the present instance, however, we are also concerned with the governmental center of an entire country. Thus, any comprehensive treatment of the city must also comprise some treatment of the Federal Government.

Governmental departments from soil conservation to astronomy (the Naval Observatory, for instance) are explained so that we get beyond the exterior columns whether they are Corinthian, Doric, or plain Corn-Husker (as in the Capitol itself) to an understanding of the functions of this or that department. The same applies to institutions and organizations outside the Government. But a catalog of the contents of this book is of less importance here and now than the recommendation that it be studied and read (for it is to be studied and read, not simply perused) by everyone interested in the Capital City.

WHAT THE PRESS THINKS OF THE WASHINGTON GUIDEBOOK

This, then, is the opinion of one individual, who happens to be a Texas Congressman. What about the reception accorded the book by critics and commentators? Their favorable reaction can hardly escape even a casual reader of newspapers. Almost unanimously the press welcomes it as more than a guide, as a splendid job of writing as well as an invaluable source of information. Mrs. Roosevelt, in her syndicated column "My Day", calls it:

> The most comprehensive and really wonderful book on Washington. Its content is quite thrilling. I am sure that anyone who visits Washington will be interested in having it.

There are many others. The Santa Fé New Mexican writes that it is—

> A dispassionate, truthful, and exhaustive treatment of Washington, D. C., omitting neither the glories nor the anomalies of that astonishing city. And unlike other books of a similar nature and content, the Washington guide contains a series of historical and descriptive essays which are readable and possessed of a genuine literary quality.

The New York Times Book Review informs us that the "general survey of the city in the first chapter is especially attractive," and that—

> In the chapter called "Literature in Washington" we may not only see the ghosts of Walt Whitman and Henry Adams in the city's streets but remember that the Battle Hymn of the Republic was written in a Washington hotel and that Uncle Tom's Cabin was first published in a Washington periodical.

The Christian Science Monitor says—

> The writers * * * have not confined themselves to cut and dried facts, but have tried to give something of the atmosphere of the Capital as well. At the close of the introductory chapter one is told that in addition to the larger and deeper impressions he is bound to carry away with him a memory of casual glimpses and fragmentary observations.

Now I should like to quote a lot of the comments that have appeared about the book in many cities and towns throughout the United States, but I will confine myself to just one, typical of the viewpoint expressed in a majority of publications in its statement that the Capital "has received not only thorough but distinguished treatment." This paper, the Chester Times of Chester, Pa., says—

> One has only to run rapidly through the pages of Washington, City and Capital, to realize that this volume deserves to be in every public and school library, and in every home that can afford the moderate cost ($3) for such a large and valuable book.

Mr. Speaker, this is one very worthy accomplishment of the W. P. A. We should not scoff at it.

Representative Andrew J. Montague

MEMORIAL ADDRESS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW J. MONTAGUE, late a Representative from Virginia

Mr. MICHENER. Mr. Speaker, I am privileged to pay my tribute of love, honor, and respect to the late Representative ANDREW J. MONTAGUE, of Virginia. When I came to Congress in 1919, one of the first men with whom I became well acquainted was Governor MONTAGUE. That friendship grew as the years passed. In those early days, together we visited the west coast as members of a congressional committee. On trips of this kind one becomes well acquainted. It was on this occasion that I came to understand and to know well the manner of man this was. Coming from the North, and with little experience in the South, I had heard and

read of the true southern gentlemen of the old South. Embodied in Governor MONTAGUE was a composite of those splendid traditions. Gentle and considerate to a fault, yet he was always resolute and firm. He was a man of strong convictions, and with courage and vigor proclaimed those convictions. At the same time his was an open mind and indulgent of the other man's viewpoint.

I served with Governor MONTAGUE on the Committee on the Judiciary, and it was here that his strong character showed itself to the best advantage. He was not only an exponent of the law but he was always a student of the law. He was a scholar in every sense of the word. There are none among us who have greater reverence and respect for the Federal Constitution and the things for which it stands. He lived in the present, but realized that the future could only be made better if we profited by the experiences of the past. During the last few years of his life Governor MONTAGUE was not the same physically. His battle against the inroads of disease, however, was fought without complaint, and, regardless of his personal feelings, he always added radiance and good cheer to any group with which he was associated.

In this passing of this good man, his friends feel a personal loss, and his State and his country are deprived of the services of a loyal public servant, a distinguished statesman, an outstanding Democrat, and, above all, a genuine patriot.

The Late Honorable John J. McSwain

MEMORIAL ADDRESS

OF

HON. G. HEYWARD MAHON, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN J. MCSWAIN, late a Representative from South Carolina

Mr. MAHON of South Carolina. Mr. Speaker, "JOHN MCSWAIN is dead." That brief message reached me at the county seat of the county in which my distinguished predecessor was born. Naturally I was shocked beyond words, for he was my friend and was for many years my neighbor. Those four words shocked the people of the district which he had faithfully served for 16 years, because they loved him. Those four words shocked the Nation, for, indeed, JOHN MCSWAIN had become a national figure through his untiring efforts in the interest of the national defense, as chairman of the Committee on Military Affairs. It is not necessary for me to say to what extent his colleagues in the House of Representatives were shocked.

Mr. MCSWAIN had announced during the spring of last year that, on the advice of his doctors, he would not again offer for reelection. He had been spending his vacation in camp with the Two Hundred and Sixty-third Coast Artillery of the South Carolina National Guard at Fort Moultrie, S. C., as an honorary member of the regiment. He was stricken on the train while returning to his home in Greenville and died at the veterans' hospital at Columbia on August 6, 1936.

This was a case of another public servant giving his life for his country. Despite his knowledge of his physical condition, he would not slow up in his efforts to render real service to his constituents and to his country. He was as hard working a man as I ever knew. It is my opinion, however, that he died as he would like to have died—"with his boots on."

I have not been surprised but I have been greatly pleased at the response that I have gotten from my colleagues here in the Congress when I have told you whom I succeeded. Without exception, when I have stated that I succeeded JOHN MCSWAIN, the reply has always been "Well, John was a wonderful fellow" or "John was a lovable character" or "MCSWAIN was a great Congressman", or similar complimentary and deserved remarks.

He apparently was known and loved by every Member of the Congresses in which he served.

JOHN MCSWAIN was a kindly man. He was friendly and therefore made friends and counted his friends by the thousands. He was sympathetic to the highest degree and always interested in everyone's troubles, as well as their achievements. He was a good mixer and liked people. Despite his success he never lost the common touch and was never more at home than when conversing with close friends on a farm or in a cotton mill. Yet he was not out of place when talking with the leading figures of the Nation. He was what we in the South like to refer to as a "southern gentleman" or "a gentleman of the old school." He was modern in his ideas but old-fashioned in his manner and habits. He no doubt had faults and made mistakes, even as all men in public office have faults and make mistakes, even as you and I have faults and make mistakes. His accomplishments, however, far outnumbered his mistakes, and his virtues were a thousand to one ahead of his faults.

JOHN JACKSON MCSWAIN was born at Cross Hill, Laurens County, S. C., on May 1, 1875, the son of Dr. E. T. McSwain and Janie McGowan McSwain. He attended the rural schools in his section and later the Wofford Fitting School at Spartanburg. In 1893 he entered the South Carolina College, and graduated with the degree of bachelor of arts, summa cum laude, in 1897. After his graduation he read law, and later entered the school of law of the University of South Carolina. He was admitted to the bar in 1901 and entered the practice of law in Greenville, serving as referee in bankruptcy from 1912 to 1917. On April 26, 1905, he married Miss Sarah C. McCullough. The widow and two daughters, Janie and Sarah, survive, and still reside in the family home in Greenville.

Immediately after the entrance of the United States into the World War Mr. MCSWAIN volunteered his services and enlisted in the officers' training camp at Fort Oglethorpe, Ga. He was sent to Camp Beauregard, La., where he received a commission as captain and was assigned to Company A, One Hundred and Fifty-fourth Infantry. He went overseas in August of 1918, where he remained for about 6 months. He was mustered out in March of 1919 and resumed the practice of law in Greenville.

JOHN MCSWAIN did not have to go to war, but he went. Even though he had a family, he did not take advantage of this exemption, nor did he wait to see whether or not he would be drafted. He volunteered for this service, as he did for so many others. I will never forget that I was in Greenwood, S. C., where a company of my battalion was on duty, when Mr. MCSWAIN came down to be examined in connection with his application for admittance to the Officers' Training Corps. I recall distinctly that when he came into the office of the examining medical officer he had an umbrella with him. I teased him about this and reminded him that soldiers never carried umbrellas, and that he should get rid of it if he expected to qualify. He had a good laugh over this, and we frequently referred to the incident in later years. He made a good soldier, just as he made a good citizen.

In November 1920 he was elected to the House of Representatives from the Fourth South Carolina District, and thereafter was returned by the people of the district for eight consecutive terms. He was assigned to the Committee on Military Affairs, and became chairman of that important body in 1932. He was deeply interested in matters pertaining to the national defense and fought valiantly to have enacted into law measures that would bring about peace and take the profit out of war. Unfortunately, he did not live long enough to see all of his cherished plans come about, but he did, during his service in this House, bring about many reforms in the Military Establishment of the Nation.

On the day that word came of his death the campaign party of which I was a member was in Laurens, S. C. The four men who were seeking the seat which he had successfully held for so long and which he no longer sought were all

close personal friends of his. We discussed the possibility of canceling the meeting for that evening, but all decided that it would have been his wish that we go ahead with the campaign and take the messages to the people whom he loved and who loved him. Each of us gave most of our time to saying the things that were in our hearts regarding our highly esteemed departed friend. I recall that I closed my talk that evening by quoting a well-known verse taken from The Bivouac of the Dead, by Theodore O'Hara, in which it was necessary that I change two words and only two in order to have it fit his case. I think that it is fitting for me to close this message today with that same verse:

On fame's eternal camping ground
His silent tent is spread,
And glory guards with solemn round
The bivouac of the dead.

Stop! Stop! W. P. A. Bill Has Been Earmarked to Death. It Is No Longer a Relief Bill; It Is a "Pork Barrel" Bill

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 25, 1937

Mr. MAVERICK. Mr. Speaker, exercising my right to revise and extend my remarks, I make this statement: That the bill on the W. P. A. now being considered by the House has been riddled through with so many holes that it is no longer a relief bill at all. Every amendment ought to be eventually defeated.

A majority have agreed that at least one billion five hundred million should be appropriated for relief. Now, by the earmarkings the bill has been cut down to where it is wholly ineffective in meeting the unemployment situation.

Let us squeeze out the pork. In that way we can adopt a bill which is beneficial to the whole country instead of having pork projects here and there which may benefit only a few heavy industries.

Relief—Reduction in Appropriations and Earmarking Will Increase Direct Relief Burden

EXTENSION OF REMARKS
OF
HON. FRANK J. G. DORSEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 27, 1937

Mr. DORSEY. Mr. Speaker, on April 20 President Roosevelt submitted his Budget message to Congress, in which he said, in part, "I recommend that an appropriation of $1,500,000,000 be provided for work relief for the fiscal year 1938."

In that same message he recommended that governmental expenditures be reduced. Since that date it is quite apparent that an economy wave has hit Congress. There has been a rush to get on record for a reduction in appropriations; and as a result of this, despite the fact that the President coupled an economy plea with a direct request for an appropriation of one and one-half billion dollars for relief, there has been a determined effort to reduce the amount of appropriation for actual relief to $1,000,000,000 or less through earmarking. Commenting on this, Mr. Harry Hopkins has been reported in the public press as saying that such a sum could not be made to meet the minimum needs of the destitute jobless.

If I were a member of the board of directors of a business organization I would have much more confidence in the recommendation of the executive officers and the engineer of a company than I would in the word of a stockholder, who is thinking solely in the terms of dividends. And so it is with the Nation. The Congress of the United States can be likened to a board of directors to determine the policies of the Government regarding what is best for the people of the country. As a member of that board of directors I would much rather take the word of the President of the United States and the administrator in charge of its works relief program, who day after day are in contact with the intimate and pressing problems involved in the administration of relief, than I would the statements of those who base their judgment on their casual observation of the results of the work.

We are prone to draw our conclusions from those conditions which are brought to our immediate attention without giving full consideration to the broad aspects of the problem.

As we work out of the worst part of the depression and as we further advance on the road to complete recovery it is recognized that we must gradually reduce governmental expenditures which were made necessary by the emergency. However, I fear that too much economy talk will eventually have its reaction on the minds of the people, as it did in the days of Hoover, resulting in a hoarding, stinting complex that will have its serious reaction on business. When the people stop spending, when fear creeps into their minds, then prepare for darker days. We have advanced too far to now take a backward step.

The American people have learned definitely from the depression that they cannot take the clamor of certain selfish groups and interests too seriously. Why all this shouting about economy? It is an undeniable fact that the spending of the Roosevelt administration saved the Nation. The Government borrowed money for recovery purposes and as a result the national income increased from less than $40,000,000,000 per year to more than $60,000,000,000 per year. Can we say that recovery is complete even now with 9,000,000 people unemployed? Are we willing to stop recovery and perhaps set back the clock, dumping thousands—yes, perhaps a million persons off works relief on to the direct relief rolls of cities and States that today cannot stand the burden? A diagnosis of the patient today would show that some people are suffering with a severe attack of debtphobia.

It was Senator BORAH who once said, in discussing the question of Budget balancing, that "we must first balance the Nation."

In October 1936 President Roosevelt was apparently impressed with the more vital needs of the Nation than to balance these needs against the necessity of balancing a budget, for at that time in Pittsburgh he said:

> A word as to this foolish fear about the crushing load this debt will impose upon your children and mine. This debt is not going to be paid by oppressive taxes on future generations; it is not going to be paid by taking away the hard-earned savings of the present generation; it is going to be paid out of an increased national income and increased individual incomes produced by increased prosperity.

The President's statement as to increased income was justified in the light of succeeding events, for, because of the spending attitude of the Government, the national income has been increased tremendously.

At Madison Square Garden on November 1 of that same year the President said:

> Of course, we will provide useful work for the needy unemployed. We prefer useful work to the pauperism of the dole. * * * Your Government is still on the same side of the street with the Good Samaritan and not with those who pass by on the other side. We will continue our successful efforts to increase purchasing power. * * * For these things * * * and others like them we have only just begun to fight.

Are we now going to throw the monkey wrench in the machinery and stop the process of recovery by a debt-phobia complex?

We cannot say that recovery has sufficiently advanced when we realize that 9,000,000 people are unemployed. We cannot base our conclusions solely on the profit statements of corporations and business which have profited most from the spending of our Government. Yes; I fear even these gains will disappear if, by not providing enough money in this appropriation, we reduce the spending power of the masses.

Perhaps, as was stated on the floor in this debate, some sections of the country have sufficiently recovered that they no longer are in need of work relief. That, however, does not hold true with our great industrial centers. As of May 8, 1937, in the industrial State of Pennsylvania, which I have the honor to represent, there was then a total of 151,459 cases on direct-relief rolls, representing relief to 455,055 persons. Eight hundred and thirty-seven cases were added to the relief rolls during the week ending on that date because they had lost works program employment.

An analysis of the appropriation recommended in this bill, $1,500,000,000, shows that it will be a decrease of 30 percent below current expenditures. The figures presented in the hearings show that there was a reduction in the number of W. P. A. projects from April 1936 to April 1937 of 18.8 percent. The decrease in the total of all works program employment during the same period was 18.9 percent. The recommended appropriation will provide employment for 1,640,000 persons on the works program, a reduction of 615,000 persons from the average of 1937, or 29.5 percent.

In the light of the optimistic statement concerning the reduction that would take place by June 30, 1937, it was shown in the hearings that the actual results were not in accord with this estimate. It is a most optimistic view to take that there will be a further reduction of such a great number during the fiscal year 1938.

The facts show that the reduction has been slower than estimated, and that expenditures were kept within the estimates, not by reducing solely the number on works program projects but mainly through reduction in administrative expense.

In the State of Pennsylvania on September 26, 1936, there were 292,990 persons on works relief projects; on March 27, 1937, there were 244,893, a reduction of 48,097 during the 6 months, or 16.4 percent.

Even if the present rate of reduction continues and relief funds are allotted to the State of Pennsylvania in the same proportion as they have been since 1933, it can be seen that this appropriation will not be sufficient to take care of the needs of that State, and the burden of relief will fall upon the State and its municipalities.

No one will deny that there has been extravagance in public expenditures; but that was inevitable. If the conditions had continued as we found them before Roosevelt, not only would we have had 16,000,000 people unemployed and on the verge of starvation, but we would have had infinitely more on short rations. The Nation was subjected to a mass-psychology strain which soon would have reached the breaking point. Relief by the Federal Government saved us from that situation. We have encouraged people to live; we have enabled the artist, the painter, the teacher, and the artisan to follow the pursuit in which they had been trained. We have freed their minds from worry. They have been shown the light of a better day. In the saving of human souls, in the strengthening of morale, in the restoration of faith and confidence in our democracy, the expenditure of billions since 1933 is justified. The dividends cannot be measured alone in tangible value as evidenced by brick and mortar and concrete, but its great value is, nevertheless, reflected in those intangibles which reflect the heart of a nation.

Beecher said:

> It is not work that kills men; it is worry. Work is healthy. You can hardly put more upon a man than he can bear. Worry is rust upon the blade.

Men and women want to work. I deny the allegation which has been made that would cloak the W. P. A. in a shroud of racketeering. Rubbing shoulders with the workingman day in and day out convinces me that the priceless possession of the average American citizen is self-respect. The men who want to work and cannot work for reasons beyond their control are doubly unfortunate. Under such conditions, can we charge them with loss of self-respect when they look for help and assistance from their Government? Can we not save them some of the shame of seeking private charity by giving them the satisfaction of a job? It is the duty of society and a charge upon Government to protect our citizens in their right to a job; otherwise the administration of government becomes a mockery and democracy fails.

Mr. Harry Hopkins very pertinently expresses it in his remark that "only a job can answer the problem of a jobless man."

The conditions have improved in some sections of the country, but the same measure of improvement has not been noted in the district and city which I represent. For 3 years before coming to Congress I served as the treasurer of a local relief organization. Day after day I saw mothers and fathers, highly respectable people in the community, coming to me with pleas for assistance—people who were willing and capable of working. They were not looking for a dole but looking for work.

Many of these people, still unable to help themselves, are depending upon works relief for their very sustenance. Are we to again drive them to the dole and dependence upon private charity?

We have a problem which goes far beyond the question of immediate appropriations to take care of the unemployed. It has been developing in this country for many years, and the seriousness of the question was forced upon us during the depression. Even in the height of prosperity, two and a half million persons were unemployed in this country. The machine age has upset the economic equilibrium and we have given very little attention to it. It is a problem national in scope and cannot be solved through State action. Only through regulation of hours and wages, giving sufficient income to the masses of the people, can we hope to eliminate this pressing problem of unemployment relief.

Until it is solved Congress must face the responsibility of providing for those who cannot help themselves. Congress has a direct responsibility to maintain relief at a level that will insure complete recovery. Saving and reducing expenditures cannot accomplish the results when it is taken out of the hides of those who have the least.

Until these adjustments are made, until those who are able and willing to work are given a job, until the problem created by technological improvements in industry and mass production can be solved to the benefit of the average workingman, who is the backbone of the Nation, then we must face the responsibility of providing, through a works program, jobs for those who cannot secure employment in private business. A nation worthy of its name for democracy must look after the welfare of its people, and those who represent them in administrative and legislative capacities must accept this responsibility, because they hold their positions through and by the will of the people.

Government House Rum

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

Mr. LUDLOW. Mr. Speaker, of all the novel paternalistic enterprises that have been wished on Uncle Sam, I submit the participation by the Government in the rum business

tops the limit. Of all the indefensible forays by the Government into the realm of business, where it ought never to enter, this one, I believe, is the worst.

The Government distillery in the Virgin Islands, financed by the dollars of the American taxpayers, has been working steadily, producing 90 percent proof rum. There was something of sadness, as well as amusement, in the statement of one connoisseur who described Government rum as a beverage of such authority that "one drink of it would make a rabbit spit in a bull-dog's face." In 1935 the Government-financed company made 230,000 gallons of this rum, in 1936 it made 239,000 gallons, and in 1937 it is expected to produce 200,000 gallons. Its inventory carries 600,000 gallons of rum on hand at the present time, valued at $690,000.

This alcoholic flood of high potency is to be turned loose in the United States.

"Where is the product of the distillery disposed of?" a witness before our subcommittee on deficiencies was asked.

"It is disposed of under a contract with the W. A. Taylor Distributing Corporation of New York," was the answer.

"For consumption in the United States?"

"Yes, sir; it is one of the large distributors of liquor. We have shipped about 10,000 cases within the last week or two to the W. A. Taylor Co."

The mildest mannered person imaginable could hardly contemplate this governmental operation with a less expressive remark than "Such a business for the United States to engage in!"

The label under which this rum is sold is a bit disingenuous and obscure. The product is not branded as Government rum, but the attractive label on the bottles introduces it to the trade as "Government House Rum." Just what the word "House" means in that connection is not entirely clear.

The laborers who develop this rum production in the Virgin Islands are paid 60 cents a day during the cultivating season and 80 cents a day during the grinding season. The operation is under control of the Virgin Islands Co., which received a P. W. A. grant of $2,000,000 as a capital fund with which to buy cane producing land and to rebuild and recondition sugar mills and the distillery. Two grants, one for $200,000 in July 1934, and one for $170,000 in October 1936, and a loan of $150,000 in July 1934, have furnished a capital fund of $520,000 from the United States Treasury to carry on the operations of the company. The testimony before our subcommittee was that the company has been "highly successful" and that if it were to be immediately liquidated it would have a profit of more than 100 percent on its operations.

I would not take a narrow or bigoted view of this matter but surely this is one business in which the United States should not engage. Surely this is one business the Government should get out of as soon as possible. I do not asperse or question the motives of the officials who have led the Government into this strange and ill-starred enterprise. I cannot find it in my heart to criticize them although I disagree with them. They have found the Virgin Islands to be a white elephant of great magnitude on their hands and they are inspired by an honest purpose to drag them out of the economic mire. But they are making a mistake. There would be money—big money—to be made by investing the dollars of the American taxpayers in the manufacture of opium or heroin to supply the trade in narcotics, but the taxpayers do not want their dollars invested in the manufacture of opium or heroin, and neither do they want their dollars invested in the manufacture of Virgin Islands rum.

If one poor inebriate, crazed by Government rum, should seize an ax and brain his children, it would take all of the "success" out of this experiment.

The moral sense of the Nation ought to demand that the Government back out of this enterprise immediately. All of the dollars in the world rolled into profits would not justify a continuance of this mistake.

Hon. Marion Zioncheck

MEMORIAL ADDRESS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. MARION A. ZIONCHECK, late a Representative from Washington

Mr. COFFEE of Washington. Mr. Speaker, the late MARION ZIONCHECK, former Member of this body, died upon the field of battle, a shell-shocked veteran. All his life he had been struggling against economic inequalities and social injustices. He had thrust his sensitive head against the stone wall of inertia on so many occasions he finally cracked under the impact.

Someone has said that in the midst of life we are in death. So was it with MARION ZIONCHECK. I had known him for many years. His voluntary act in ending his life in his thirties was a devastating blow to all of us.

It was W. J. Bryan who said: "Death is but a narrow, starlit strip between the memories of yesterday and the hopes of tomorrow." I like to think of that as applied to MARION ZIONCHECK.

In his home city of Seattle he was beloved by the humblest citizens—the unemployed, the down-and-outer, the too often forgotten man, the war veteran, the member of organized labor, the peace lover, the inarticulate masses generally—all alike felt that in MARION ZIONCHECK they had a tested friend. It was Shakespeare who said in one of his plays, "Hast thou a friend and his adoption tried? Grapple him to thy soul with hoops of steel." The people of Seattle and vicinity heeded that literary admonition.

HIS LIFE WAS A CONTEST

MARION ZIONCHECK was educated in the public schools of Olympia, Wash., the State capital. In his formative years his unusual intellect and complete freedom from regimented thought and attitudes attracted the attention of his preceptors. Attending the University of Washington at Seattle, he was an outstanding student leader. Identified prominently with nonfraternity men, he rapidly ascended the scale in student politics, and became eventually the president of the student body, known officially as the Associated Students of the University of Washington. The latter institution for many years was embroiled in hectic political turmoil, its board of regents being political appointees of the Governor. ZIONCHECK was impressed with certain features of student management of finances and inveighed against the manner and method by which certain student enterprises were financed. He clashed with certain of the socially elite students. For his temerity in condemning accepted practices he was thrown into Lake Union by student athletes.

ZIONCHECK was never afraid to attack. He bearded the lion in his den. He stormed the citadel of accepted methods and political practices with lances sharpened with satire and vitriolic wit.

SEATTLE BECAME HIS BATTLEGROUND

Graduating, he entered into the local arena of politics very promptly. Finding that a certain mayor of Seattle had, in his judgment, misconducted his office and allied himself with power interests and other groups inimical to the welfare of the metropolis of the Pacific Northwest, ZIONCHECK organized a recall movement. With a flying squadron of speakers and the able assistance of former classmates, he carried to success the recall of Mayor Frank Edwards, of Seattle, and immediately became a political figure of startling and formidable proportions. The recall movement had brought into the public eye a number of brilliant young men of great

promise, who today are among the prominent leaders of the State.

UNEMPLOYED CITIZENS' LEAGUES FOUND HIM A FRIEND

The depression caused great misery and hardship in Seattle. Unemployed citizens' leagues were formed. ZIONCHECK led in this organization. Commissaries were established. Self-help enterprises were instituted. Under ZIONCHECK's blazing importunings the county commissioners were persuaded to appropriate large sums of money with which to stock the commissaries. ZIONCHECK became attorney for these powerful unemployed citizens' groups. May 30, 1932, the senior Senator from Washington [Mr. BONE], MARION ZIONCHECK, and I attended together at Tacoma the first convention of the United Producers League of Washington. We were then in the nadir of the depression. Nobody knew what the future had in store. President Hoover was in the saddle. Hunger marches took place in eastern cities. The Farm Holiday Association was resisting farmers' evictions by force. An air of desperation pervaded all industrial groups. The people were in a restive mood.

MARION ZIONCHECK, the young Chevalier Bayard, filed in the congressional primaries as a Democrat, seeking to wear the toga held 40 years before by the now senior Senator from Illinois, Mr. JAMES HAMILTON LEWIS. In the 33-year period prior to 1932 the Seattle district had unfailingly sent to Congress a regular Republican. MARION ZIONCHECK, ambitious, sanguine, and with fire in the flesh, embarked upon the difficult task with serene confidence in the ultimate result. His charming and beautiful sister, Mrs. William Nadeau, his grand old mother, and his coworkers in the unemployed groups labored tirelessly in the political vineyards. The result was an overwhelming victory.

ZIONCHECK WAS A GOOD CONGRESSMAN

ZIONCHECK made good in Congress. A member of its most powerful committee, Appropriations, ZIONCHECK was unwilling to dodge hard work. He accepted the unpopular role of objector. He did research far into the night. He was convivial and a good mixer. Frankly, he liked a good time. But he was a creature of moods. He brooded over injustices. He worried because so few joined with him in his ultraliberalism. But he stamped his name indelibly upon the pillars of the temple of progress. Too young, alas, too young was he crushed down with the weight of the world's cares. He was aspersed, cursed, ridiculed, intemperately denounced, humiliated, and rebuked by those who failed to understand him. His last words were:

> I have tried to improve the condition of an unfair economic system that holds no promise * * * even a decent chance to survive, let alone live.

MARION ZIONCHECK was a devoted family man. Yet, though he adored his mother, his wife, his sister, Mrs. Nadeau, his last dramatic act was marked by reflecting upon the lot of the common people whom he had chosen to serve. He was a soldier leader in the patient armies of the poor. How he would have been exalted, stimulated, encouraged by the cries of affectionate anguish which arose from the thousands lugubriously overcome by the horror of his dramatic suicide!

MAY HIS WORTHY EFFORTS BE REMEMBERED

MARION ZIONCHECK now rests in his eternal abode. Those of us who succeed him are carrying on. The people of western Washington are liberal-minded. They are pioneers in a region scenically incomparable. They are unwedded to tradition, and MARION ZIONCHECK was the embodiment of their refusal to kowtow to privilege and reaction.

The great Benevolent and Protective Order of Elks has a beautiful custom. At 11 every evening in every edifice of Elkdom throughout the world the lights are turned out, the members stand up, figuratively drink a toast, and murmur, "To our absent brothers." The motto of the Elks is "Culpae nostrum fratrum in harenis scribimus, sus virtutes in tabletis amoris memoriaeque"—"The faults of our brothers we write upon the sands, their virtues upon the tablets of love and memory." So let it be with ZIONCHECK. He was a man of human faults, failings, and foibles, as are we all. But his brilliant mind, his incisive and penetrating intellect, his courage, his indomitable energy, his loyal devotion to the underprivileged will live long in our memories. May he rest in peace.

Representative Warren J. Duffey

MEMORIAL ADDRESS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. MICHENER. Mr. Speaker, it is with sincere regret that I recall the passing of our good friend and colleague, the late Representative WARREN J. DUFFEY, of Ohio. My acquaintance with Mr. DUFFEY was not of long duration. I first met him as a member of the Committee on the Judiciary in the Seventy-fourth Congress. To know WARREN DUFFEY well was to like him. He was one of those individuals of whom it might be said, "He was all wool and a yard wide." His word was as good as his bond. He was ever loyal to a principle and to a friend. He had fixed notions about the functions of government, and conceived it to be his duty as a legislator to at all times uphold the things for which we as a Nation stand. He always prided himself on the fact that he was the poor man's friend, and, as I have heard him say, "That does not mean that I am the rich man's enemy." He sought to make the country a better place in which to live, and when he had reached a conclusion it was impossible to change his attitude unless his own judgment dictated.

The congressional district which I have the honor to represent in the Congress is in the southeast corner of Michigan. Mr. DUFFEY represented the adjoining district in the northwest corner of Ohio. The environment and conditions of our respective constituencies were similar. In these circumstances our problems were often of a like nature. From him I always expected and received cooperation. I am sure that he had a reciprocal feeling. He was a Democrat and I a Republican, but that made no difference personally, and when major issues were involved.

Mr. DUFFEY's death was sudden and after the adjournment of the last session of the Seventy-fourth Congress. It was my privilege to attend the funeral services conducted in his home city. It was impressive, indeed, on that hot, summer morning to see the large turn-out of the people of his home city to do him honor and to express a feeling of sincere regret at his untimely passing. They were all WARREN DUFFEY's friends and neighbors. They had known him from boyhood. They gloried in his accomplishments and in his sterling integrity and independence. WARREN DUFFEY was human and, like all of us, had his faults, but "The faults of our brothers we write upon the sand, their virtues upon the tablets of love and memory."

American Money for Americans

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, the action of the Committee today, having under consideration the relief

bill, was in my opinion wise and generous as to whom the benefits might reach. I hope the Committee action on that amendment concerning Americans and aliens may not be reversed in the House. There were many who felt that all aliens should be excluded from the benefits of Federal relief. Others felt that only foreigners in this country unlawfully should be excluded. And some felt that no foreigners as such should be excluded, but that any and all foreigners should receive secondary consideration, in that Americans should receive first consideration. That seems to me to be fair enough.

Numerous letters have come to me complaining of the use of relief funds in Arizona to care for aliens during the depression who might have become American citizens during the prosperous years and yet failed to do so. My State lies along the international border and many aliens have slipped into this country through the back door. It was easy on account of the long and inadequately guarded border line. Then, too, the industries in my State have sometimes called for foreign labor when we might better have gotten along without such an influx. My State, like many others, during the depression has had to pay dearly in relief for the cheap labor it got in that way before the crash.

Ordinarily, I find myself disagreeing with my colleague from New York [Mr. FISH], but at least twice during the session thus far I have had to agree with him, as, for instance, this afternoon, in regard to favoring American citizens in extending relief employment. I found it easy to agree with him on that and upon the other proposal. Although a good Democrat had planned to offer the same amendment, the Committee acted upon the Fish amendment first because it was offered first. Wise and just legislation, whether on relief or any other matter, is not a partisan question. The willingness of Democratic Members to vote for the Fish amendment today is a wholesome indication of Democratic respect for fair and reasonable suggestions from the other side of the aisle.

Relief Appropriation Bill

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. MAGNUSON. Mr. Speaker, under permission of the House to extend my remarks in the RECORD relative to certain proposals affecting House Joint Resolution 361, the relief appropriation bill, I offer the following:

I submitted to the Committee of the Whole House during consideration of this bill the so-called Magnuson amendment providing for the insertion and authorization in the bill of provisions for the continuation of self-help, a cooperative program. Following an explanation of the basic principles involved in the amendment, the distinguished chairman of the Subcommittee on Appropriations handling the bill in the Committee of the Whole agreed to the insertion of the amendment and the same was carried. I want the RECORD to express my sincere appreciation and thanks, not only on behalf of myself but on behalf of those interested, to the able gentleman from Virginia [Mr. WOODRUM], the afore-mentioned chairman, for his fair treatment of this amendment.

For the past 4 years the Federal emergency-relief set-up has in a small way sponsored self-help projects in many sections of the Nation. It has been suggested that the bill now under consideration, appropriating a billion and a half for relief, may perhaps include the authority to continue these projects under the general phraseology of the bill. However, so keenly interested am I in the far-reaching and beneficial effects of these projects in our relief program that I wanted to make certain and definite the authorization for their continuance. Under my amendment, now a part of the bill, that certainty of authorization is definitely established. The self-help cooperatives have been the finest things in the entire relief set-up, both from a dollars and cents value and from the point of maintaining morale. It was probably without realization on the part of many of my colleagues of the far-reaching possibilities of this program that they voted for the amendment. I might say, however, to those who are not familiar with these projects that their vote for the amendment was a substantially liberal vote, embodying sound principles, in an attack on the relief question. That vote was entirely justifiable, and on behalf of those interested in the movement sincere thanks are deserved.

What are these self-help programs? A report from Mr. Udo Rall, Director of the Division of Self-Help Cooperatives in the Federal Emergency Administration, gives us some startling facts. From them we can draw the conclusion that, as far as they are specifically concerned, these projects have met the relief problem head-on and have solved it. I appreciate that there are many in the Halls of Congress and in the Nation who would label such an operation with the adjective "socialistic", and there are even those who would go so far as to call the self-help cooperatives "communistic", and because they believe that the principles involved fall in those categories they oppose the movement. They must fully realize, however, that regardless of how they might label these operations they are the one single method of the Federal Emergency Relief Administration which has not only met the problem in a sensible way, but has returned in dollars and cents far in excess of what has been expended. In effect, self-help cooperatives have been paying dividends into the United States Treasury. That being the case we must admit their value.

It is more than interesting, therefore, that there be laid before the Congress and the public the report of the Division of Self-Help Cooperatives taken from Extract from Hearing before the Subcommittee of the Committee on Appropriations, House of Representatives, in charge of deficiency appropriations—first deficiency appropriation bill for 1937, Seventy-fifth Congress, 1937 (copy A).

Can we now deny their value or their basic soundness in meeting the relief problem? Of course, I realize that these projects are not feasible in every locality in the country, and I realize further that there are many other ramifications to consider if these projects were to go beyond pure self-help. But it is a cardinal principle that if people are unemployed and want to help themselves to become a lesser burden on the Government that sustains them, then there can be no answer from that Government but to encourage such motives. The only alternative that Government would have would be the solution of the unemployment problem. Until that is solved the case of self-help cooperatives must receive a unanimous verdict of approval from the Government and its citizens.

I heard many statements made on the floor of the House, by Republicans and Democrats alike, that many of those on the relief rolls would not work if jobs were offered them. In substantiating that assertion those individuals invariably point to some isolated case within their personal knowledge and state that that justifies the conclusive indictment of all unemployed. I challenge those statements. I think we can safely say that the great bulk of unemployed, yes, even 99 percent of those on relief rolls, sincerely and honestly want to find work. Further, that same group would rather not, if possible, be a burden upon their Government. They have tried to find jobs and have failed. If they wish to help themselves, how can we honestly deny them that right and base that denial solely upon the grounds that in so doing—that is, in helping themselves—they embody in their organization, political, social, and economic principles that are somewhat foreign to our American system? I contend that we cannot do so. Surely the fine record of these self-help cooperatives in the past 4 years, as shown in the above report, would not justify any opposition as to results. Even those reactionaries, who eternally bemoan the cost of government,

must agree with a program that saves the Government money.

If their opposition is based on other grounds, then to be honest with themselves they will have to abandon either one principle or the other, and, until the unemployment is solved, they must accept the sensible philosophy embodied in self-help cooperatives.

In my own State of Washington during the past 2 years a group of sincere, liberal-minded thinkers have conducted a campaign of political education along the lines of self-help cooperatives. This liberal-minded group called it by another name—"production for use." The principle, however, remains the same. They met with serious opposition and in the last election, working under our initiative and referendum laws, submitted to the people of the State of Washington an initiative embodying the production-for-use principles. It was defeated, but received a very substantial vote. They had no results such as Mr. Rall's report to back up their program. Could they have shown by practical operation such splendid results as embodied in the above report, I have no doubt but that the plan would have received more substantial support.

The Federal self-help cooperative plan, however, deals only with the unemployed. Its results are down in black and white. Its continuation is wholly justified by those results. The future results and future ramifications of the basic principle behind this movement cannot be foretold, but it is safe to say that if future results bring in the same proportion of returns of unemployment solution, the matter is going to have to be given more serious consideration by the Congress, because apparently unemployment may be a permanent institution in this country. That being so, self-help cooperatives on a larger scale may be the very solution to the problem. The House of Representatives made history in recognizing this principle. The bill now goes to the Senate and it is hoped by those of us interested that that body, in its wisdom and in its earnest desire to solve the unemployment problem, will retain the House amendment authorizing self-help cooperatives. When the bill ultimately becomes a law it is hoped that the President and Mr. Harry Hopkins will continue with an increased enthusiasm to support this project. Neither the Director of Emergency Relief, the Congress, or the President can afford to ignore the record of this division as embodied in Mr. Rall's report to me.

REPORT OF DIVISION OF SELF-HELP COOPERATIVES

(Taken from extract from hearing before the subcommittee of the Committee on Appropriations, House of Representatives, in charge of deficiency appropriations—first deficiency appropriation bill for 1937, 75th Cong., 1937)

During 1931, before the Federal Government entered the relief field, unemployed and destitute people in various parts of the country formed themselves into groups that endeavored to supply their needs cooperatively by bartering their idle man-power for various goods and services. From the beginning there have been several different kinds of cooperatives. Some were trading posts where members brought in things to exchange. Some were labor exchanges trading not goods but services, such as shoe repairing, barbering, and making over of used clothing. In some the group traded its group labor. For instance, in 1931, when crops in some areas were spoiling in the fields because the cost of harvesting was greater than the sale price, agreements were made to harvest the whole crop in exchange for a part of it. In some instances the cooperatives repaired houses for a landlord in exchange for rent, and did jobs such as car repairing or painting in exchange for professional services. All this was direct barter.

In the Emergency Relief Act of 1933 the Federal Emergency Relief Administrator was given the power "to aid in assisting cooperative self-help associations for the barter of goods and services." Shortly thereafter the division of self-help cooperatives was established in the Federal Emergency Relief Administration to study the groups, to assist State emergency relief administrations desiring to sponsor self-help efforts, to advise the groups themselves in problems of organization, production, and exchange, and to make grants for working capital. A preliminary study indicated that the groups were greatly hampered by lack of adequate tools and equipment and by lack of cash for such necessities as gasoline, sugar for canning, and public utility bills.

As shown in the table on page 141, from August 1933 through October 31, 1936, $3,164,713.43 has been granted to 26 States, the District of Columbia, Puerto Rico, and the Virgin Islands for the development of self-help cooperative activities. Included in this total is a grant of $300,000 for cooperative activities sponsored by the Tennessee Valley Authority. The detailed records of the division of self-help cooperatives do not cover the self-help programs of the insular possessions nor of the Tennessee Valley Authority. Of the $2,838,513.43 granted to 26 States and the District of Columbia, $2,140,640 had been expended by October 31, 1936, but the total value of equipment and inventories on hand was reported to be $1,596,229 (see table). Goods, services, and cash income to a total value of $4,145,367 had been received by members of self-help groups as the result of their participation. Their combined activities resulted in about 15,000,000 man-hours worked by October 31, 1936, with a conservatively estimated saving of $2,753,218 in relief costs. Relief budgets have been reduced through these cooperative activities and some families have succeeded in removing themselves from the relief rolls entirely. Food, clothing, shelter, medical and dental services, etc., have been supplied through the efforts of cooperatives instead of through regular relief channels.

It must be borne in mind that not all people on relief are suited to function in such cooperative organizations. Efforts to establish effective cooperatives in the larger cities have proved unsuccessful on the whole. Except in California and a few isolated localities, the successful cooperatives are functioning in communities of less than 50,000 inhabitants. On October 31, 1936, there were 182 active associations with a membership of 10,029. However, it is estimated that over the total period about 35,000 participating families have benefited from these special grants.

Applications for grants were made either by a self-help cooperative through the State emergency relief administration or directly by the State emergency relief administration to the Federal Emergency Relief Administration. In either case an application had to be accompanied by a letter of approval from the State emergency relief administration and by a formal application from the Governor of the State. Upon approval by the Federal Emergency Relief Administrator, a special grant over and above the regular relief grants was made to the Governor of the State on behalf of the specific self-help cooperative or for the State's self-help program as a whole. The funds were turned over to the respective State emergency relief administrations which were charged with the responsibility of administering these grants and of supervising their expenditure in accordance with prescribed regulations.

All funds advanced by the Federal Emergency Relief Administration for the aid of self-help cooperatives were in the form of grants. The policy of expending these funds varied with different State emergency relief administrations. In some cases all of the grant on behalf of a specific self-help cooperative was passed on as a grant. In other cases only that part used for the purchase of equipment was passed on as a grant and the remaining balance was used for loans on operating capital which were to be repaid in time, either in the form of goods, services, or cash. The repaid funds were used for relending for the same purposes.

In States where the State emergency relief administration was discontinued, self-help grant balances and other assets were turned over either to some other State agency concerned with relief or to a semipublic nonprofit corporation, which assumed the responsibility of administering the funds and supervising the self-help program in the State.

While a few States have contributed funds of their own to this self-help program and while some other self-help cooperatives have had limited resources of their own, the results of this program are on the whole ascribable to the Federal aid extended. By comparing the amount of grant funds expended with the value of equipment and inventories still available, it appears that the net cost of the program to date has been approximately $600,000. Comparing this amount with the value of benefits received by the members of self-help cooperatives through their participation, it appears that each Federal dollar used up in this program has helped to create benefits valued at nearly $7.

Federal funds have enabled the cooperatives to engage in new types of production for their own needs. Those commodities which they cannot produce for themselves they endeavor to obtain by exchanging their surplus and their services. Los Angeles County alone has had 120 active organizations, 45 of which have gone into production with equipment bought with Federal assistance. Such a large number of units working in close proximity has enabled them to establish a federation for mutual exchange. In instances where a number of cooperatives are functioning in close proximity, central warehouses for the exchange of surpluses with other groups become feasible, thus obviating the necessity for sale of goods in the open market and also permitting specialization among groups. Experience has shown that the success of strictly local organizations is limited. The products of a small group usually will not correspond with the desires of the group as consumers. Success of the cooperative movement depends on the number and variety of products available in the exchange system. Since, by a condition of the Federal Emergency Relief Administration grants, cooperatives are restricted in their cash sales to products that will not overload a competitive market, they have gradually developed much ingenuity in arranging barter deals with people who are willing to exchange their goods and services for those of the cooperative.

Growing of foodstuffs, canning, fuel-wood cutting, and the making of clothing are activities common to most groups. A partial list of other activities includes dairying, butchering, poultry raising, plumbing, fishing, carpentry; the operation of bakeries, beauty shops, laundries, and cafeterias, and various handicrafts; the making of soap and cosmetics, maple sirup, jams, and pickles; and the repair of automobiles, shoes, and radios.

Some of these organizations pay their working members with scrip that is redeemable in goods at the commissary or in certain

services. It has generally been found more satisfactory to debit and credit members on the books of the cooperative. Since the goods and services purchasable with scrip or credits are of limited variety, there is a growing tendency to pay at least a portion of wages in cash. This necessitates a cash income for the cooperative. These groups, therefore, sometimes requested aid in the form of loans rather than grants in order not to be subject to restrictions regarding cash sales. Nevertheless, until the loan is repaid the cooperatives remain under the supervision of the Federal Emergency Relief Administration in other respects. The local relief administration is often the best customer of the cooperatives in buying their surplus production.

There are certain problems, common to nearly all cooperative groups, that thwart or handicap their development. A certain amount of cash income is essential for wages, public-utility services, gasoline, etc. Cash sales in the open market by the cooperatives that received grants are discouraged, yet the local relief administrations have never provided a sufficient market. Production is restricted largely to the demand of the producing group itself, since groups are generally too far apart to exchange with one another. The grants have generally been insufficient to facilitate efficient functioning, and periods of enforced inactivity between grants have been costly and demoralizing. The personnel of most groups was at first lacking in the training necessary for efficient production, and stable and capable management is often difficult to obtain. General supervision by the State relief administrations has been necessary, but it has been found that a gradual relaxation of this policy is possible.

On the whole, the program has been beneficial. It has conserved crops that might otherwise have gone to waste. It has reduced relief expense and has provided thousands of people with necessities which, because of the insufficiency of money income, were unavailable through the regular channels of trade. It has built up the morale of the participants by affording them work.

Since the Federal Emergency Relief Administration is at present in process of liquidation, no further grants will be made.

The names of the self-help groups which have participated in the self-help program of the Federal Emergency Relief Administration, including totals granted by States, have been listed. In many cases grants were made to the various States for the benefit of a number of self-help cooperatives in those States. In many instances there are grant balances as yet unallocated to specific groups or consisting in part of repayments of loans made to self-help groups by the State. It is therefore impossible to give exact amounts granted to each individual cooperative.

Relief Appropriation Bill

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

Mr. SWEENEY. Mr. Speaker, a few years ago—to be exact, in the year 1924—while in Europe I made a casual study of the dole system of relief. I recognized that Great Britain, especially England, because of an extensive population in her limited geographic area and because of the fact that she consumes more than she produces and is dependent upon other nations for her food supplies, faces a perpetual unemployment problem. My observation then and now is that the few shillings a week allocated to the unemployed in Britain is not enough to house, clothe, and feed decently these individuals.

At that time I never dreamt that within a few short years the United States, with her unlimited wealth and natural resources, would reach a period in our national existence when we would be forced to adopt a dole system to prevent the actual starvation of a great portion of our population. It is not necessary to review the artificial post-war prosperity of this country under the laissez-faire administrations of Harding and Coolidge. We need not review, although we cannot forget, the industrial, financial, and social collapse of the Nation under the vacillating administration of Herbert Hoover.

With the dawn of the first administration of Franklin Roosevelt bold and radical steps were taken to salvage from the debris the remains of an abused and mismanaged capitalistic system. When local and State governments were unable to assume the responsibility of clothing, feeding, and giving shelter to millions of fine American citizens who were the victims of a man-made depression, the National Government very properly undertook the responsibility of preventing revolution by taking command of a mighty dangerous situation. The administration recognized its responsibility to see that no one starved in a land of plenty. Various agencies of the Government were created to solve the problem of unemployment and relief. Billions of dollars have been spent to date seeking a solution of the problem.

Though not in accord with the Roosevelt administration on many of the fundamental approaches to the solution of the relief problem, I am happy to state that I wholeheartedly supported Federal appropriations for these purposes, recognizing full well that until such time as industry is able to absorb all able-bodied persons who are willing to work, and until we find a solution for the displacement of labor by modern machinery, the Government of the United States will have a continuous unemployment problem on its hands.

The present joint resolution under consideration seeks to appropriate $1,500,000,000 for Federal relief for the coming fiscal year. I voted for the Boileau amendment, which sought to double that amount. Had that amendment carried and the measure subsequently became law, I am fully convinced that, with the expenditure of a least $1,000,000,000 of this amount for flood and drought control, for the elimination of grade crossings, and for the construction of national highways, the people of the United States would approve the attempt to create improvements of permanent value. Why would it not be possible to take every unemployed man physically able to work and every C. C. C. enrollee physically able and place them in work on constructive projects like flood and drought control, highway projects, and the elimination of grade crossings? We have had two disastrous flood periods during the last year. No serious attempt has been made to build against the repetition of these disasters, which bring destruction of property and loss of life in many sections of our country.

We have tried one experiment after another, and the best we can claim is that we saved from actual starvation the unemployed. Why not stop the boondoggling, the trail blazing, and the tree planting? We have had enough of these projects for the time being. Let us place the unemployed on projects of a permanent value, as I indicated, and pay them the prevailing rate of wages. This will enable them to properly support their families and create an increasing purchasing power.

The Public Works Administration is an example of what is in my mind when I discuss projects that have a permanent value. I join with my courageous colleagues in the House of Representatives in earmarking funds in this appropriation bill for the creation of projects that have a permanent and lasting value, and should give the taxpayers a run for their money. Many Members of the present Congress believe that the time has passed when a blank check should be given to any Executive to spend as he or his agents arbitrarily decide. Congress from now on should exercise its prerogative and control the purse strings of the Nation.

It is folly to say that the depression is over and the problem of relief should be turned over to the local municipalities. No one seems to know how many unemployed there are in the United States. Figures still range from seven to ten million persons. Why not determine how many are unemployed? Why not determine why men of 45 are refused employment in many of our industries throughout the country? Why not approach the problem with a view of securing for those who are able to work and want to work an annual living wage? It is a mockery and sheer hypocrisy to say, as some Members have said on the floor of the House, that the wages paid W. P. A. workers represent a standard American wage. The record discloses that the average wage paid by W. P. A. throughout the country is $55 a month. How in God's name can any man provide shelter, food, clothing, and other necessities for himself and his family in the face of the rising price of commodities and enjoy an American standard of living on $55 a month?

That there has been graft and politics in the administration of this huge relief problem no one will seriously deny. Responsibility for these abuses rests with those in charge of the administration of Government funds. Let the plutocrats of Wall Street and the owners of our great industries complain of the rising cost of Government. If they refuse

to cooperate and do not assume the responsibility for creating employment for American citizens who are able to work, then we can expect, through revolution if necessary, a drastic change in our economic and social order. Recent events indicate that the employers of labor in the mass-production field especially recognize that their employees have a right to bargain collectively and demand wages sufficient for them to maintain themselves and their families decently.

Mr. Speaker, the situation today remains substantially unchanged since March 4, 1933, when the present administration came to power. Despite every serious attempt to improve the sad condition of millions of our fellow citizens, pestilence, actual hunger, and want are still waging. When President Roosevelt on May 24, 1937, in his message to the Congress urged legislation "further to help those who toil in factory and on farm", he said:

> The overwhelming majority of our population earns its daily bread either in agriculture or in industry. One-third of our population, the overwhelming majority of which is in agriculture or industry, is ill-nourished, ill-clad, and ill-housed.
>
> The overwhelming majority of this Nation has little patience with that small minority which vociferates today that prosperity has returned, that wages are good, that crop prices are high, and that the Government should take a holiday.

In the face of this startling indictment of conditions as they actually exist, coming from the leader of the greatest Nation in the world, Congress should sit up and take notice. Responsibility is ours to recognize "we are our brother's keeper", and that the humblest of our fellow citizens are entitled to the opportunity to properly feed, clothe, and shelter loved ones according to the highest American standard of living that we demand for our own immediate families.

Farm Conditions in Nebraska

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. STEFAN. Mr. Speaker, in order that the membership of this House may be informed regarding conditions in my district of Nebraska I take this means of giving you some detailed information as to what may happen if we should experience another crop failure. I do this at this time because we are about to pass the new relief bill which carries a total of $1,500,000,000. I also present these matters to you now so that the entire membership of this House will know where relief money will be needed most should nature be unkind to us in Nebraska and we again lose our corn crop. I will endeavor to apprise all of the departments of our Government interested so that they, too, shall know our condition at the present moment and what may be demanded of the Government should another emergency arise. Out there in the Third District of Nebraska, which for years past has been known as the richest agriculture section in the world, we are short of rainfall. Practically all of the feed and all of the hay and corn has been fed up. All of the corn that is now coming to us is being imported from other States and it is fed up as fast as it arrives. In other words, so far as feed for livestock is concerned, we are living from hand to mouth. Our farmers are in a worse condition to face a drouth this year than they have ever been before so far as livestock feed is concerned. We are all praying for abundant moisture, and while we pray that Nature will be kind to us, I feel that those in power here in Washington should watch our condition carefully. In any event I feel it my duty to keep you all apprised of it in order that we will be prepared far in advance should any drouth or emergency present itself.

Mr. Speaker, I am proud of our farmers in Nebraska. While many of them have been forced off their farms and while hundreds of acres of land have been left idle because the farmers were without feed and seed or money, other farmers have stepped into many voids and have planted abandoned farms. Many idle acres have been rented. Where many of these farmers got their feed and seed is a mystery to many of us. But it displays the loyalty our farmers have to our good Nebraska land. It displays their faith in nature and our soil. These farmers have faced many disappointments in the past few years. With the depression came our droughts, our blizzards, our grasshopper plagues, and starving livestock, and in many cases starving human beings. But our Nebraska farmers have been inspired by the faith of their fathers who have gone through many similar experiences and many of them have refused to abandon the homes of their forefathers and they are out there now planting their crops. For these faithful and hard-working farmers, Mr. Speaker, I am pleading today. I make the plea because of the detailed information I have at hand which already shows what the future may bring. I beg of you to read these details carefully because they represent the conditions of our land—land which produces the things you eat, the food which keeps you alive. It represents the present outlook of the best customer you people in the industrial East have today—the American farmer. Mr. Speaker, I am indebted for much of the following data on Nebraska crops to Prof. H. J. Gramlich, of the Nebraska Agricultural College, who is today in Washington and who has aided me in determining that the time has come to bring this report to you.

Permit me to say that as of May 24 practically the entire State of Nebraska was very deficient in moisture. Rainfall since January 1 has been less than 50 percent in most places. The fall moisture was very light, and consequently there is no reserve in the soil. Lack of moisture during the past few years has very definitely curtailed the wheat crop. Aside from a very limited area near the Missouri River, the wheat has been very seriously hurt, and prospects for a fair crop are all but eliminated.

Of course, it is too early to forecast anything regarding corn and late-season crops. We have a large acreage planted to corn; and should we have an unusually wet season, we could have a bumper crop. Conditions producing such a crop probably will not develop. At least, I have a feeling that we in Nebraska should give very serious thought to the worst side of this situation.

I think right today conditions with us are the worst they have been at any time since the depression, from a standpoint of livestock. Feed supplies, I would say, are practically all the old reserve and have been used up. To give you a very specific illustration: When the drought of 1936 hit Nebraska we had approximately 55,000,000 bushels of ear corn under Government seal. There was, of course, other corn on the farms which was not under seal.

In contrast, on January 1, 1937, there was estimated to be only 9,000,000 bushels of corn on all the farms in the State. On April 1 this was reduced to a little over 4,000,000 bushels. Since that date practically all of this corn has been fed and most of the corn now being used is imported from other States and fed upon arrival.

Another specific example would be the difference in the possibility of roughage at this time and 1 year ago. A wet May and June in 1935 made it possible for Nebraska to produce a very heavy crop of native hay. In most of the counties in the Third District, which produces a large tonnage of native hay, the 1935 crop was almost double the normal. This was true in all of the hay valleys in the sandhill area. A considerable quantity of this hay was not fed in the winter of 1935 and 1936, consequently when the 1936 summer drought hit us we had considerable old hay on ranches and farms. This has virtually all been used, and today Nebraska stands virtually in a hayless condition.

In the spring of 1936 we raised a pretty good small-grain crop. The wheat, rye, barley, and oats which we produced in 1936 have been fed to livestock during the past winter. These rains, coupled with shipped-in corn and supplying of old hay and such crops as were produced in 1936, enabled Nebraska

farmers to carry their stock through in fair shape. The straw which was produced with the small grain helped materially. Most of this has been used.

The agricultural extension department in the State of Nebraska, coupled with the United States Department of Agriculture, put on an intensive ensilage conservation campaign in the summer of 1936. A large number of trench silos were excavated and filled with corn, cane, and other crops. Practically all of this has been fed.

Briefly, the situation today might best be described by alluding to the Old Mother Hubbard story, as our cupboards certainly are bare.

A year ago at this time we were ripening quite a good crop of rye. Today there is practically no rye in the State. There will be very little wheat. Practically none in most of the third district. Oats and barley have made very slow growth and without considerable additional moisture will produce a very light crop. All Nebraska farmers have been holding their spring pigs and other livestock as best they could in the expectation of having some small grain by early July and later a new crop of corn.

Cattle, horses, and other livestock came through the winter in the thinnest condition ever witnessed. Pastures were very slow about starting and old feed supplies gave out, so that much stock was carried on limited rations or poor quality of roughage for considerable period waiting for grass.

Farm experts are very worried about the situation, not only in Nebraska, but likewise in the strip from the Gulf of Mexico to Canada and from the Missouri River west to the Rocky Mountains. They feel that conditions today in this area are potentially worse than at any time since the drought started.

I do not wish to alarm my colleagues, however, I think a glance at the Weather Bureau map showing rainfall from January 6, 1937, to May 1, 1937, will substantiate why I make this statement. States to the east of Nebraska have all experienced better than 100 percent normal rainfall. Admittedly in many places there has been too much spring rain, so much in fact that they are at this time planting oats in parts of Illinois. Such a condition might indicate a very small national crop of small grain and should Nebraska again be the victim of a disastrous drought, our people would have to pay very high prices for feed that would be imported, to take care of their basic animals. At the present time corn is retailing to farmers in Nebraska at about $1.40 per bushel. This is 2½ cents per pound or $2.50 per hundred. Admittedly a prohibitive price.

In conclusion, may I remind you that the total corn husked in Nebraska in the three seasons, 1934, 1935, and 1936 amounted to one-half of a normal year's production. Bear in mind that Nebraska normally husks a crop of 230,000,000 bushels—that we were the third State in corn production; that as late as 1933 we were second, being excelled by Illinois—that last year we were twenty-sixth, being excelled in total farm production by practically all the States east of the Mississippi river, which since the days of early America have been famous for everything except corn.

I trust that this word-picture of conditions in Nebraska may be useful to you. I do not wish to throw too blue a picture; on the other hand I think we might as well face conditions as they are, and be ready for the worst.

Schools, Education, and Citizenship

EXTENSION OF REMARKS

OF

HON. CHARLES R. ECKERT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1937

Mr. ECKERT. Mr. Speaker, the American people are educationally minded. That at least must be the verdict if the debate in the House of Representatives on the Interior Department appropriation bill relating to vocational education is an indication of the temper of the people. Seldom does any public matter attain such universal approbation as was accorded the vocational-education provision of this bill. No discordant note was heard. Those who publicly voiced their sentiments were as one on the subject of vocational education. The only point upon which there was any difference of opinion was as to the amount that the Federal Government ought to appropriate for this purpose in the face of a mounting deficit.

Of course, the exuberance manifested by the popular branch of the Congress in behalf of vocational education is simply in keeping with the feeling of the people on the subject of education generally. Ever since the initial prejudices that every new idea incurs were beaten down public education has been gaining popular favor by leaps and bounds; and so the enthusiastic support on the part of the House of Representatives for the full appropriation of the authorization contained in the George-Deen Act is not surprising. It is simply in line with a growing demand on the part of the American people for more and more money for educational purposes.

The founders of the American Nation—especially the group that cherished the democratic theory of government—insisted upon a scheme of public education, maintaining that the people must be informed so as to enable them to take an intelligent part in their government. Among the most enthusiastic champions of public education was Thomas Jefferson. Early in his public career he is found making plans and drafting bills for a system of public schools. Jefferson's thought, expressed in his own words, as to the need and purpose of general education, was "to enable every man to judge for himself what will secure or endanger his freedom." It will be noted that he was concerned about the freedom of the people. He realized that an ignorant people could never be free and self-governing, and fully appreciated the need of an enlightened citizenship if the liberties of the people were to be secured and maintained. Throughout his long life he insisted that the most effective means of preventing the perversion of governmental power into tyranny was to illuminate as far as possible the minds of the people. To that end he applied himself assiduously in and out of office for the creation of a plan of general education which he maintained every man must possess in order that he may judge for himself what will secure or endanger his freedom. The education of the masses, which was a burning passion during his long and colorful life, might well be reviewed with profit this late day by educators and statesmen.

Americans are vociferous in their demand for education. To such an extent has this urge for more and better and higher education progressed that America's bill for education alone exceeds $2,000,000,000 annually. America need set no limit upon the amount that can be wisely and profitably expended for educational purposes. But the funds expended for education, no less than the funds expended for other uses, ought now and then be scrutinized with an eye single to the benefits received.

Do the American people receive in true educational values their money's worth? Is our public-school system loyal to the basic principles upon which it was founded? Are the minds of the people illumined by the schools so that they may protect themselves against the perversion of governmental power? Do the American people receive at the hands of our public schools the education that enables them to judge for themselves what will secure or endanger their freedom? These are questions that are pressing for answers.

The thought uppermost in the minds of the founders of our system of public education was to equip the citizens for the intelligent exercise of the duties of citizenship. Failing in this, they rightly concluded, would defeat and mock the basic reason for the establishment of our system of public education.

Obviously, the high aims of our educational system as conceived by the founders have been a lamentable failure. The founders were quite right in their assertion that the primary purpose of any system of public education is to

prepare and develop the citizen to become a socially intelligent and socially moral unit of society. Is this end being achieved? In the light of present conditions—politically, economically, and morally—can it be truthfully and solemnly contended that our educational system is meeting the needs of the moment? If the minds of the people were illumined through the process of education so as "to enable them", as Jefferson said, "to judge for themselves what would secure or endanger their freedom", would America find herself in her present plight?

A candid examination of our Nation's political, economic, and moral conditions impels the conclusion that thus far our educational achievements along the line of social intelligence and social morals are far short of our expectations and needs. In truth, America's and the world's failure to meet and conquer the social problems of our times may be traceable to the fact that education generally is limited to a curriculum that totally ignores the subject of social understanding and social morals.

Man is a social being, and as such he must learn the art of living in concord and peace and mutual helpfulness among his fellows. Since the branch of education that fits and develops the individual to live among his fellows—not only as a well-behaved member of society but that illumines the way he must go to secure his rights and freedom—is ignored in the present-day educational system, a group of devoted and self-sacrificing citizens have organized the Henry George School of Social Science for the purpose of overcoming the defect in our educational system. The school is chartered by the State of New York, with national headquarters at No. 211 West Seventy-ninth Street, New York City, and is devoted solely to the teaching of fundamental economics and social philosophy. It is purely educational in character and method, and prohibited from taking part in political activity of any kind. It is a nonprofit institution, tuition being free, and matriculation conditioned only upon compliance with the requirements of the curriculum prescribed.

Illustrating the character of the philosophy taught by the Henry George School of Social Science, there is here quoted a brief passage from one of the textbooks used in the course of study:

> That mankind should dwell together in unity is the evident intent of the Divine mind; of that will expressed in the immutable laws of the physical and moral universe which reward obedience and punish disobedience. The dangers which menace modern society are but the reverse of blessings which modern society may grasp. The concentration that is going on in all branches of industry is a necessary tendency of our advance in the material arts. It is not in itself an evil. If in anything its results are evil, it is simply because of our bad social adjustments. The constitution of this world in which we find ourselves is such that a thousand men working together can produce many times more than the same thousand men working singly. But this does not make it necessary that the 999 must be the virtual slaves of the 1.
>
> Let me repeat it, though again and again, for it is, it seems to me, the great lesson which existing social facts impress upon him who studies them, and it is all-important that we should heed: The natural laws which permit of social advance, require that advance to be intellectual and moral as well as material. The natural laws which give us the steamship, the locomotive, the telegraph, the printing press, and all the thousand inventions by which our mastery over matter and material conditions is increased require greater social intelligence and a higher standard of social morals. Especially do they make more and more imperative that justice between man and man which demands the recognition of the equality of natural rights.
>
> "Seek ye first the kingdom of God and his righteousness" (right or just doing); "and all these things shall be added unto you."
>
> The first step toward a natural and healthy organization of society is to secure to all men their natural, equal, and inalienable rights in the material universe. To do this is not to do everything that may be necessary, but it is to make all else easier. And unless we do this nothing else will avail.

In the foregoing quotation there is indicated the high moral tone and the profound social understanding that characterizes the teachings of the Henry George School of Social Science. Its avowed purpose is the teaching of a social philosophy that is in harmony with Nature and Nature's God.

Blessed are they which do hunger and thirst after righteousness, for they shall be filled.

Blessed are the pure in heart, for they shall see God.

Representative James P. Buchanan

MEMORIAL ADDRESS
OF
HON. LYNDON JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. LYNDON JOHNSON. Mr. Speaker, it is to me a supreme and solemn privilege to pay reverent tribute to the memory of a wise and brilliant statesman, a constructive builder, a great and good man, your late fellow Member, my illustrious predecessor, the late lamented Honorable JAMES P. BUCHANAN. Twenty-four years of distinguished service to his State and Nation were terminated February 23, when the spirit of this great son of Texas passed on. Humanly speaking, a long and useful career ended on that bleak February day; but the noble deeds of that life, the great force set in motion by that indomitable spirit, the inspiration of that great influence, have not ended. On them the finger of death leaves no impress.

A great life never dies. Great deeds are imperishable. Great thoughts are as unending as eternity. He who loves his fellow men, who accomplishes something for human happiness and human good, who lives not to himself alone but freely and fully for all mankind, lives on in the hearts and minds of a grateful people. He knows not death.

Such a man was your late Member, the honored Congressman, the Honorable JAMES P. BUCHANAN, of the Tenth District of Texas. His long and successful tenure of legislative service was characterized by devotion to duty, remarkable ability, high courage, invincible determination, and unimpeachable integrity. He served ably the agricultural interests of his section with far-seeing vision. He recognized the importance of soil and water conservation, and carried forward an extensive program. The magnificent structures now nearing completion on the Colorado River, the Buchanan and Inks Dams, stand as monuments to his foresight and energy.

As chairman of the important Appropriations Committee, his policy of sound economy and practical statesmanship made him an invaluable leader. His honesty, strong convictions, fearlessness, and moral and political integrity, combined to make him secure in the confidence and affection of not only his constituency, but all America. He stood foresquare before every wind that blew. He served his people with intelligence, fidelity, and energy. It is beautiful to remember that he passed away as he wished, "In the saddle—riding hard", deeply loved and respected, leaving to the State and Nation the legacy of a life of high and honorable endeavor, of noble and splendid achievement. Peace to his ashes.

He has passed on to join that brilliant galaxy of statesmen representing the Tenth Texas District. All of them have gone to a final and rich reward save one, Congressman BUCHANAN'S immediate predecessor, Gen. Albert Sidney Burleson, who served in Congress and President Wilson's Cabinet with rare ability and distinction. He is an honored private citizen in the capital city of his beloved State. General Burleson enjoys the sunset of his wise and excellent life and a brilliant career. Others among that number are the able and eloquent Wash Jones, popular and talented John Hancock, wise and good Joseph Sayers, whom it was my fortune to know. All great men, all good men. How potent and far reaching the lives of the former Congressmen of the Tenth Texas District, my illustrious predecessors.

With deep humility and reverence I bring my laurel wreath in memory of the sainted BUCHANAN. My feeble tribute of homage to him and to those gallant souls who preceded him in his service to the Texas Tenth District,

about all of whom it may be said, "He was a man. Take him for all in all. I shall not look upon his like again."

Awed by their glorious accomplishments of consecrated service, inspired by their high purpose, though humbly conscious of my limitations, though ardently eager to emulate these heroes of Texas, I pray this fervent prayer: May God make me worthy to follow in their footsteps.

Rescue the Home Owner—Enlightened Newspapers Support the Ellenbogen Bill

EXTENSION OF REMARKS

OF

HON. HENRY ELLENBOGEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. ELLENBOGEN. Mr. Speaker, foreclosures by the Home Owners' Loan Corporation are continuing to take place at a substantial rate. As of March 31, 1937, there were 84,385 foreclosures, totaling $331,000,000. A month later, as of April 30, this had increased to 93,791, totaling $366,143,000.

The danger inherent of the ever-mounting foreclosures of homes by the Home Owners' Loan Corporation has become generally recognized. In an issue of May 13, 1937, the Philadelphia Record published an editorial, Rescue the Home Owners From Their "Rescuers." This editorial believes that the foreclosure program of the H. O. L. C. has created a national emergency.

THE REMEDY—THE ELLENBOGEN BILL

There is only one way to meet the ever-mounting number of foreclosures. We must make it possible for home owners to meet the installment payments under the H. O. L. C. plan by reducing these installments. I have introduced H. R. 6092 to reduce the rate of interest from 5 to 3.5 percent and to extend the time for amortization from the present 10 and 15 years to 25 years.

The Philadelphia Record, the New York Evening Post, and other newspapers, endorse the Ellenbogen bill as a salvation to the home owner. It points out that the reduction of the rate of interest from 5 to 6 percent, as is now being charged, to 3½ percent "still leaves H. O. L. C. a 1-percent margin, since it pays only 2.5 percent for its money"—to be exact, the H. O. L. C. pays 2.6 for its money.

REDUCE THE MONTHLY INSTALLMENTS

The editorial goes on to say that—

The Ellenbogen bill would reduce interest and amortization charges from $8 per month per $1,000 of mortgages to $5 per month per $1,000.

The difference on a $4,000 mortgage is $12 per month, a whacking big sum to the average small householder.

There must be some shiftless H. O. L. C. mortgagors. But when 25 percent of all home owners who have been "saved" by H. O. L. C. are scheduled for foreclosure it is clear the fault lies in H. O. L. C. and not in the householders.

The Ellenbogen bill corrects that fault.

IMMEDIATE COMMITTEE HEARINGS NEEDED ON H. R. 6092

I hope that the Committee on Banking and Currency, to which H. R. 6092 has been referred, will hold immediate hearings and that the Congress will speedily pass this bill, so that the burden upon the home owner will be lightened and their homes saved from foreclosure.

The following is a list of the accumulative total of the authorized foreclosures from December 31, 1935, to April 30, 1937, together with the amount of money involved:

As of—	Number	Amount
Dec. 31, 1935	4,479	$19,680,499
Mar. 31, 1936	10,435	46,266,043
June 30, 1936	27,651	117,121,222
Sept. 30, 1936	51,148	205,035,007
Dec. 31, 1936	67,735	270,319,661
Mar. 31, 1937	84,385	331,348,572
Apr. 30, 1937	93,791	366,143,000

Pass the Ellenbogen bill and rescue the home owner.

Works Progress Administration Appropriation Must Be Continued

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1937

Mr. CELLER. Mr. Speaker, all drastic efforts that are being made to whittle down the expenditures for direct relief and for the Works Progress Administration are, to my mind, most deplorable. Reducing these expenditures to one billion or to one and one-half billion dollars cuts too deeply. You cannot suddenly bar relief to so vast a number of persons without creating tragic consequences.

I am for reducing appropriations and expenditures, but this must be done gradually and not precipitously. It is estimated by the President, as well as by Harry Hopkins, head of the W. P. A., that a curtailment of appropriations to one and one-half billion dollars would mean casting onto the relief rolls one of every three persons now employed. What are these persons to do? It is inconceivable that private industry could absorb at one fell swoop such a vast number of people. The local communities and the various States have already absorbed, to the very limit of their resources, those unemployables who have to date been dropped from the Federal Government relief rolls as a result of reduced appropriations. The communities and the States are overburdened. They cannot and they will not care for and/or employ those who will be prejudiced by this proposed curtailed expenditure for the W. P. A. Stark poverty and privation; paucity of clothes and shelter; shall such hardships be the portion of these unfortunates? Shall we set up in this country a class of untouchables such as in India? Shall we return to the bread lines? Shall we create a poverty-stricken class? Does not this run counter to that which the President stated, that in this country no man, woman, or child shall starve? The matter is most serious, and commands our most profound study and thought.

It should be remembered that many of those now on relief have always been self-respecting, hard-working individuals. Through causes largely beyond their control they have been reduced to poverty. It is certainly incumbent upon us to restore their self-respect by appropriating enough money so that they may be reemployed. Otherwise, by reason of these highly unnecessary curtailments, the last vestige of hope is taken from them.

I am not unmindful of our mounting national debt. However, neither am I unmindful of the fact that in this country we have resources of a limitless nature. England, with less resources than the United States, has a national debt far greater. We can readily withstand the augmenting of our national debt by continuing the W. P. A. appropriation. Our credit is still good and will continue to be good whether we appropriate two or one billion dollars. We have not reached the point in our national indebtedness when we need fear the slightest diminution of credit.

I am not one of those who argue that the W. P. A. shall be permanent. That would be a sad commentary on our resourcefulness and our ability to extricate ourselves from the doldrums into which the depression plunged us. We must not lose heart. Recovery is well on its way. The instant year has seen tremendous strides made in reemployment. Recovery will be even greater during the ensuing year. The Government, however, must continue to stand by and offer the greatest help. Private industry still needs the props and the support of the Government through the W. P. A.

I am pleased to record that I voted by a teller vote for an appropriation of $2,500,000,000, and when this was defeated, I voted finally for the appropriation advocated by the President, namely $1,500,000,000. I did this reluctantly. I would have much preferred that my vote for the entire amount would have been successful.

We must continue our W. P. A. program so as to give to every able-bodied person amongst us an opportunity to work, to earn a livelihood. Only in this way will we be assured that there will be no let-up in the progress we are making toward real recovery.

The Golden Gate Bridge Formally Opened Today by the President of the United States

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. WELCH. Mr. Speaker, since man first pierced the wilderness of this western empire and began, with intrepid fortitude, to create in San Francisco the metropolitan city of a new era, the majestic Golden Gate—the marine highway connecting the Bay of San Francisco with the Pacific Ocean—has by its expansiveness challenged the genius of man. This serene arm of the sea in the form of a natural barrier has prohibited San Francisco from being joined with her neighboring sister counties of northern California by a system of highways which would permit the channels of agriculture, industry, and commerce to flow unrestricted into this gateway of the West.

The hope and visualization of connecting San Francisco with the hinterland by a bridge crossing the Golden Gate first received its official inception on November 12, 1918, when I, then a member of the Board of Supervisors of the City and County of San Francisco, and chairman of the San Francisco Commercial Development and Trans-Bay Bridge Committee, introduced the original resolution which was the first public and official declaration for a bridge to span the Golden Gate. This resolution, which was unanimously adopted, provided for the necessary legislation and for a topographical and sounding survey. Subsequently a definite solution of the problem of spanning the Golden Gate was specifically undertaken by the present chief engineer of the Golden Gate Bridge, Mr. Joseph B. Strauss.

The bridge has the longest single clear span in the world, 4,200 feet long, four-fifths of a mile, three times the length of the Brooklyn Bridge in New York, and 700 feet longer than the greatest previous span ever built, the famous George Washington Memorial Bridge at New York.

This bridge has a total length of 6,450 feet, or 1⅕ miles.

The towers are 121 feet wide at the bottom and 746 feet above high water, the highest and largest bridge towers in the world, extending approximately 200 feet higher than the Washington Monument.

The minimum vertical clearance is 220 feet above high water. The total bridge width is 90 feet, divided into a 60-foot roadway, with six lanes of vehicular traffic, and two 10½-foot clear width sidewalks. The two main cables are 36½ inches in diameter; each cable weighs 11,000 tons and contains 27,572 separate wires, two-tenths of an inch in diameter. The total wire length is 80,000 miles, long enough to girdle the globe more than three times.

This publicly owned public utility was constructed during the depression years at a cost of $35,000,000. It is the only major project constructed during the depression without Government financial aid.

Breath-taking in its majestic beauty, the greatest single span conceived in the mind of man gracefully soars over the mile-wide portal of the Golden Gate.

The following poem was written by our esteemed colleague, Hon. JOHN STEVEN MCGROARTY, poet laureate of the State of California, for this great occasion:

THE BRIDGE

(By JOHN STEVEN MCGROARTY, poet laureate)

Dream of the years and ages past—
Now sky and sea are spanned at last,
The severed land is joined once more
As in the aeons gone before,
And once again, bright-winged of Fate,
The gods salute the Golden Gate.

Now shall we call from Time's dim maze
The mighty ghosts of other days,
Pontists and sailormen and all
Who saw the empires rise and fall,
They that in their hour and day,
A striving world set on its way,
Striking new milestones on the land,
Teaching new cunning for the hand
Of groping, stumbling man, that he
Might mark the trails and chart the sea.

Ghosts of old Pontists, dead and gone,
Who bridged the streams at Avignon,
Who wrought where tides of Tiber ran,
Who laid the stones of Isfahan,
Builders in Albion and Cathay—
Rennie, Abbas, and Benezet.
And he who in the new-born West
Put mill and furnace to his test,
Roebling, whose vine of steel relays
The jungle vines of ancient days.
And yet upon the ghostly screen
The first man and the dark ravine
He crossed, from barriers free,
Upon a storm-flung, fallen tree.

Wraiths of the mariners who dared
The unknown tides and seas, and fared
To find in flame of sunset fire
The lotus shores of Heart's Desire,
A land that only dreams can make—
Puget, Cabrillo, and Francis Drake,
Viscaino and his ships in flight
Off Gaviota in the night.
And then the dearest of them all
That ever sailed a brig or yawl,
Swart Juan Ayala, crew and mate,
The first to win the Golden Gate
Steering from cypress-shored Carmel,
Prow of a Spanish caravel,
Eager and bold, and on its lea
A shallop from a redwood tree.

Ghosts of builders and sailormen
Come from the dust and waves again!
Look on this wonder time has sped
On the dim way your visions led.

Here on the road the cable spans
Is ceaseless clamor of caravans,
Laden with spoils of plain and field,
Fruit of the vine and orchard's yield,
Gifts of the loom, meat for the mart,
Silver and gold from earth's deep heart,
Magic lamps for Aladdin's eyes,
And furnace flame in the midnight skies.

Gods of the trees, the vine, and stone,
Lord of the Covenant, does this atone
For burdens borne and the bitter load
That left its scars on the age-old road?
Is this reward for the stone and tree?
This mighty path o'er the mighty sea,
This sky-swung, dazzling dream, elate,
A starlit roof for the Golden Gate.

Man and his servant Time stand here,
Builder and toiler and engineer
Who, in the grime of their labor, smile
And go to their tents to rest awhile.
The kingly battle they waged is won,
The bridge is builded, the task is done,
The story told that was long to tell—
And God's in His heaven and all is well.

The Cartwright Highway Amendment to Relief Bill

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. CARTWRIGHT. Mr. Speaker, under the permission granted to me late today to extend my remarks in the RECORD, I desire to make a brief statement regarding the pending relief bill.

Acting for the Committee on Roads of the House, as authorized and instructed by unanimous vote of a meeting of the committee on last Tuesday, I offered an amendment

providing that $150,000,000, or 10 percent of the total amount of the work-relief appropriation, be allocated for roads—$75,000,000 for construction on the Federal-aid highway system, $50,000,000 for construction of feeder or farm-to-market roads, and $25,000,000 for projects for the elimination of hazards to life at railroad grade crossings. This amendment was agreed to in Committee of the Whole House by a vote of more than 3 to 1.

There is nothing new or revolutionary about the proposal embodied in this amendment. Emergency road construction funds have been provided in the same manner in previous legislation enacted by Congress in practically the same words used in this amendment.

In the National Industrial Recovery Act passed in 1933 it was provided that "the President is authorized to make grants to the highway departments of the several States in an amount not less than $400,000,000, to be expended by such departments in accordance with the provisions of the Federal Highway Act, as amended and supplemented", and so forth. And, in addition, in the same act it was provided that "not less than $50,000,000 of the amount made available by this act shall be allotted for national forest highways and roads, Indian reservation roads, and roads through public lands."

In House Joint Resolution 117, making appropriations for relief purposes, passed by Congress and approved by the President on April 8, 1935, $400,000,000 was appropriated for highways, roads, streets, and grade-crossing elimination "for expenditure by the State highway departments under the provisions of the Federal Highway Act."

Thus there is ample precedent for the action of the Roads Committee in advocating this provision in a relief bill and for the action of the House in adopting this amendment.

Any references to advocacy or support of this amendment as "revolt" against the administration or as an "insurgent" move seem to me to be peculiarly inappropriate and misleading, if not unfair.

Likewise, any effort to make it appear that in sponsoring this amendment I have been actuated by any dislike of Mr. Harry L. Hopkins, Administrator of the Works Progress Administration, is contrary to the facts. This was shown in the House today when on a teller vote I voted against a proposal designed to decrease Mr. Hopkins' salary. His outstanding ability and unquestionable integrity have impressed the whole Nation and I have often said, and am glad to repeat here, that I marvel that he has successfully done the big job he has in a field where there were practically no precedents and has made so few mistakes and received so little criticism.

I also have, in common with many thousands throughout the Nation, a very high regard for the integrity, judgment, and administrative ability of Mr. Thomas H. MacDonald, the Chief of the Bureau of Public Roads, of the Department of Agriculture. As Secretary Wallace said in a recent radio address:

> During the depression, from which we are now emerging, Mr. MacDonald has administered the expenditure of a billion dollars of Federal money on roads. This money—

Mr. Wallace continued—

> has given jobs to millions of people. We have thousands of bridges and grade crossings and about 50,000 miles of improved roads to show for the labor of the men whose time might otherwise have been wasted. Yes, roads undoubtedly rank with the C. C. C. camps as one of the best ways of meeting unemployment in time of depression.

I shall not charge that the gentlemen who oppose this road amendment do so because they want to oppose Mr. MacDonald, but I shall say that I am not greatly impressed by efforts to construe as an "anti-Democratic revolt" a proposal to place administration of a fund for road construction under the direction of a great, internationally known highway engineer who has been at the head of the United States Bureau of Public Roads since he was placed in that position during a Democratic administration nearly two decades ago.

Regarding the President himself, the record of few, if any, men in Congress will show a more consistent support of his policies and proposals than my own, and no Member of Congress has a greater respect or more sincere admiration for our great national leader.

A bill (H. R. 5371) to appropriate $150,000,000 for highway construction for the next fiscal year, and an additional $150,000,000 for the fiscal year 1939, was introduced in the House on March 5 by the gentleman from Arkansas [Mr. McCLELLAN], a member of the Roads Committee, and a similar bill was sponsored in the Senate by the Senator from Alabama [Mr. BLACK].

A subcommittee of the House Roads Committee, composed of the gentleman from Arkansas [Mr. McCLELLAN], the gentleman from Mississippi [Mr. WHITTINGTON], and the gentleman from Michigan [Mr. WOLCOTT], reported a resolution to the full committee on May 11 favoring an effort to allocate or earmark $150,000,000 of the relief funds for roads, as had been done in previous relief bills, as already stated. The resolution was adopted unanimously, and as chairman of the committee I was authorized and instructed to offer the amendment and work for its adoption in the name of the committee.

Immediately upon adjournment of this meeting of the Roads Committee I went to the Appropriations Committee to request consideration of the proposed amendment by that committee and learned that the Appropriations Committee had just voted to report the relief bill; and the distinguished chairman of the subcommittee [Mr. WOODRUM] understood at that time, 16 days ago, that the amendment would be offered on the floor.

The action of the Roads Committee and the plan to offer this proposal as an amendment to the relief bill was reported to the press of the Nation that same day, May 11. The letters and telegrams which have come to me and to other Members of Congress from every State since then indicate widespread approval and support of the proposal.

At that time, and at all times, the effort in behalf of this amendment to provide for road construction, on the primary and secondary State highway systems, has been an independent, above board, all cards on the table movement, led by members of the Roads Committee and supported by others who are thinking in terms of "the 2,000,000 miles of roads that have not been improved at all and the 400,000 which have been only partially improved"—quoting again from Secretary Wallace's radio address, delivered on the very day, incidentally, that the Roads Committee endorsed this amendment.

This amendment, as I view it, is in an entirely different class, with a different history and background, and with distinctive merit and justification, from any other amendment which has been offered to the relief bill. With all due deference to all other proposals, and their sponsors, I earnestly submit that this amendment providing for road construction should not be considered in connection with any other amendment or proposal. It should stand or fall on its own merits, and I invite and urge the cooperation of all Members in ensuring individual consideration of this meritorious amendment.

The Struggle Against Monopoly

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Friday, May 28, 1937

ADDRESS BY ASSISTANT ATTORNEY GENERAL ROBERT H. JACKSON BEFORE THE GEORGIA BAR ASSOCIATION

Mr. GEORGE. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered by Hon. Robert H. Jackson, Assistant Attorney General of the United

States, at the annual meeting of the Georgia Bar Association, now in session at Sea Island, Ga.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Members of the Georgia Bar Association, few items of unfinished business present a challenge to this country so insistent as the settlement of an attitude toward the increasing concentration of business control. After 47 years of experience with the Sherman Antitrust Act, the Clayton Act, the Federal Trade Commission Act, the National Recovery Act and the Robinson-Patman Act, Senator WAGNER commented that this experience has produced no coherent system of industrial control, and said, "Half of the laws enacted by Congress represent one school of thought, the other half the other. No one can state authoritatively what our national policy is" (New York Times of May 9, 1937).

If American business were wise, it would agree that fair enforcement of a policy against monopoly is all to the good. American people will not permanently tolerate monopoly. Every businessman knows that, for he is himself against every monopoly except his own. Antitrust complaints originate almost entirely with businessmen against businessmen. Yet business as a whole has been plunging headlong down the road that leads to Government control. Merger, consolidation, concentration, and crushing of small competitors goes on apace. Complaining bitterly of Government interference and of "regimentation" they drive in a direction that leaves no alternative.

Our national policy toward monopoly, and toward regulation of the form and size of business is not to be settled solely or even predominantly by lawyers. It is a challenge to statesmanship, which affects all groups and classes of citizens. I, therefore, will not discuss the economic considerations that must enter into the formulation of a policy, nor the economic factors which have helped to neutralize antitrust laws in the past.

The lawyers are—or should be—more deeply interested and better informed than other citizens in the methods and effectiveness of enforcement of whatever policy the Nation adopts. The lawyers were originally entrusted with the entire enforcement of the antitrust policy of the United States. For about 20 years court proceedings were relied upon to carry out the policy and, when they proved inadequate, administrative proceedings before the Federal Trade Commission were added. Few policies strike root more deeply into the economic and social life of our people than the laws against monopoly. An almost unanimous verdict upon the 47 years of lawyer efforts would be that the enforcement has been more spectacular than successful, that legal prosecutions have not suppressed monopoly so much as they have educated business to avoid the cruder and more easily proven contracts and combinations in restraint of trade. A half century of litigation and judicial interpretation has not made the law either understandable or respected.

Moreover, a half century of experience has been so inconclusive and uninstructive that business today does not know what policy it wants the Government to pursue. A part of the business world vigorously demands laws to protect, preserve, and extend competition. Another part complains of the effects of too vigorous competition which it is the purpose of our laws to maintain. Most men who come to the Department of Justice, complaining of someone's else price fixing, implore us to tell them how to "stabilize" their own industry, which is a polite term for restraining of competition that they find it difficult to meet. Businessmen disagree violently whether it is to much competition or too little competition that causes most evils in business.

Results show, however, that the policy to restrain concentration of wealth through combinations or conspiracies to restrict competition have not achieved their purpose. Concentration of ownership and control of American industry was never greater than today. We cannot deny that it fell to lawyers at the bar, on the bench, and in administrative posts to execute the policy which has thus resulted in disappointment.

We hear on all hands the defeatist philosophy that this disappointment is inevitable, that no antitrust law can be enforced. I do not accept that gloomy view of our people's power over its own economy. Monopoly can be broken and prevented in most industries, it can be controlled in all if the people are ready to pay the necessary price. But it cannot be done on a half-hearted basis. Two things are necessary.

First, a national policy, in which all governmental controls are dedicated to stopping monopoly instead of part trying to suppress and part trying to foster monopoly as the situation has been for years past.

Second, a judiciary that will not sabotage that policy, which it has done in the past and is doing today.

Now as to the first. The settlement of a coherent policy is for the lawmakers, and I will only point out some of the most obvious conflicts in our policy.

While the Nation has forbidden monopoly by one set of laws it has been creating them by another. Patent laws, valuable as they may be in some respects, often father monopoly. Unless we are prepared to reconsider the conditions upon which we will extend patent protection we can have no consistent antimonopoly policy.

While the country has forbidden monopoly it has also been subsidizing it. Monopoly has had tax advantages that have aided its rise. While the sale of a small business to another who wished to continue it as such would be subject to a capital-gains tax, if it were absorbed by a big business the matter could be arranged in the form of a tax-free reorganization. The tax-free reorganization privilege has been a powerful incentive for the concentrating of business. The advantage in single transactions, at the cost of the Treasury, has often exceeded the whole annual appropriation for antitrust enforcement. Enforcement has been and is inadequately financed.

Moreover, the privilege of paying dividend profits free of tax from one corporation to another, operated as a subsidy for the holding companies one of the most favored forms of creating and operating monopoly. The recent repeal of this privilege and the substitution of an intercorporate dividend tax has already proved highly effective in dissolving holding companies, and undoubtedly an increase in that tax would prove an automatic discouragement of that particular type of antitrust violations.

Only when the patent laws, the tax laws, the Securities Act, and all other laws of the United States are brought to exert their pressures toward the encouragement of small business rather than toward its destruction, can we say that we have a national policy against monopoly.

The second necessity, if any part of the antimonopoly policy is to be made effective through litigation, is that it be administered with tolerance, if not with sympathy, by the courts. Let us look briefly and generally at a few outstanding antitrust decisions to learn the general judicial attitude.

In 1890 the Sherman antitrust law was enacted. It condemned every contract, combination, or conspiracy in restraint of trade and declared every attempt to monopolize any part of the trade or commerce among the several States to be illegal. The first case reached the Supreme Court in 1895 in *United States* v. *E. C. Knight Co.* (156 U. S. 1). This combination controlled 98 percent of the sugar-refining business of the whole United States, but the Court held that its activities "bore no direct relation to commerce between the States or with foreign nations." The holding that it could not be attacked under the Sherman antitrust law served to protect not only the monopoly in sugar refining but all other manufacturing monopolies for many years. No one doubts that the sugar monopoly was a combination of the character Congress tried to prohibit. So conservative an observer as William H. Taft has said: "The effect of the decision in the Knight case upon the popular mind, and, indeed, upon Congress as well, was to discourage hope that the statute could be used to accomplish its manifest purpose and curb the great industrial trusts. * * * So strong was the impression made by the Knight case that both Mr. Olney and Mr. Cleveland concluded that the evil must be controlled through State legislation and not through a national statute, and they said so in their communications to Congress."

The effect of that decision is well stated by Professor Corwin to be that it "did to all intents and purposes nullify the Sherman Act and kept it nullified during the most critical period in our entire history when most of the great trusts were formed, and it did this in consequence of the Court's constitutional theories." Thus, the Court erected a shelter for industrial monopolies during the period of their formation. The legal reasoning of the Knight case may be read beside the reasoning of Chief Justice Hughes in the case of Jones & Laughlin, recently decided, by those who enjoy studies in contrast.

Taking the law as now established to be sound we are forced to admit that the early struggle against monopoly was paralyzed by the Court and that its decision was not even good law.

In 1904, in the *Northern Securities case* (193 U. S. 197), the Theodore Roosevelt administration attempted a revival of the antitrust law. The Supreme Court, however, refused to apply the provisions for criminal penalties, in spite of the protest of Mr. Justice Holmes, who insisted, "So, I say, we must read the words before us as if the question were whether two small exporting grocers should go to jail." Such a reading was never made.

Professor Ernest Sutherland Bates concludes:

"The precedent established in the Northern Securities case of merely enjoining corporations found guilty of criminal conspiracy from continuing their crimes in the future was consistently followed by the Court. It is therefore unnecessary to follow in detail the prolonged and tedious farce of the Government's attempt to enforce the Sherman Act. Many trusts were nominally dissolved, but fear of the law as emasculated by the Supreme Court was so slight that all the time many more trusts of precisely the same nature were being formed."

We are all familiar with the establishment of the so-called rule of reason, whereby the Supreme Court read into the antitrust laws a limitation that they should apply only to restraints of trade which the Court should view as unreasonable, and held that Congress did not mean what it said when it condemned every restraint of trade.

No one better knows than the lawyers how quickly lower courts and judges, and the lawyers themselves, catch the cue from the Supreme Court and govern themselves according to the philosophy it announces. The cue to whittle down the antitrust acts and reduce them to impotency given by the Supreme Court in these cases was caught by district courts throughout the land, and the offense of attempting to restrain trade came to be treated as frivolously as the offense of parking overtime.

In an effort to strengthen the antitrust policy, the commodities clause was enacted as a part of the Interstate Commerce Act to divorce transportation from production and in order to put an end to discriminations which grew up where a railroad company occupied the inconsistent positions of both carrier and shipper. The Government made an effort to prevent use of the holding company as a device for evasion and the Court in 1935 rendered an opinion, Mr. Justice McReynolds writing, with reference to the

United States Steel Corporation's ownership of the Elgin, Joliet & Eastern Railroad (293 U. S. 492). The decision turned on whether the United States Steel Corporation dominated and controlled both the railroad and certain shippers over its lines.

The Government's proof of control was by such facts as these: The Steel Corporation owned all of the railroad capital stock and furnished 60 percent of its tonnage. It maintained close and constant supervision through conferences and correspondence. The railroad had not less than four officers and directors of the Steel Corporation selected from its most important officials on the railroad's board of directors. The board of directors was selected and elected by the proxy for the Steel Corporation. The president then selected the officers who were elected by the board at his suggestion. The president had a settled practice of entering into contracts without any previous approval by the board of directors, which were later ratified and affirmed. Dividends were declared and the amount fixed only after approval by the Steel Corporation. Suplus funds were deposited with the Steel Corporation at a rate of interest which it fixed. The Steel Corporation approved the expenditures for capital account and improvements when in excess of $10,000, which included about 70 percent of its total capital expenditures. Other evidences of control need not be recited if this imposing list does not convince. Nevertheless, a majority of the Supreme Court held that the proof was not sufficient to establish control of the subsidiary by the parent Steel Corporation. There was dissent by Justices Stone, Brandeis, and Cardozo which will repay reading by those interested in the way laws are not enforced.

If this decision is a standing measure of the degree of proof required in antimonopoly cases, Congress and the Executive are under a heavy handicap in any effort to enforce any antimonopoly laws.

A failure to enforce the antitrust laws would have been bad enough, but they were not merely ignored; they were perverted. In 1908 the Court discovered (*Loewe* v. *Lawlor*, 208 U. S. 274) that labor unions were monopolies in restraint of trade if they attempted to boycott the goods of any firm that was engaged in interstate commerce. Those who enjoy comparative studies of the judicial process will find it interesting to note the elasticity of the interstate commerce conception in the cases where it was utilized against labor as compared with the narrow interpretation when the Sugar Trust was under consideration.

After experimenting for many years with efforts to enforce the antitrust laws through the Court, the Congress enacted the Federal Trade Commission Act, which was designed to add to the existing remedies against monopoly proceedings before an administrative body. It was thought, apparently, that if the courts would not enforce the laws themselves, they would let someone else do so. This hope was in the main disappointed.

The Federal Trade Commission has had its powers whittled away and has been cramped by Court interpretations and judicial constructions. It was directed to prevent unfair methods of competition. Of course, it was impossible to define by statute the multitude of unfair practices. The Commission was expected, after investigation, to determine what practices were unfair methods of competition. But the Supreme Court promptly decided "It is for the courts, not the Commission, ultimately to determine as a matter of law what they include", and it went back to its old precedents for the definition (*Federal Trade Commission* v. *Warren*, 253 U. S. 420). The Court next decided that it would not only define the terms but that it would also examine the whole record in any case and ascertain the issues presented and whether there were material facts in evidence not given sufficient weight by the Commission (*Federal Trade Commission* v. *Curtis Publishing Company*, 260 U. S. 568). Chief Justice Taft filed an opinion, the substance of which is that he was unable to decide just what it was that the majority was deciding. It was apparent, however, from the outcome, as the Chairman of the Commission stated, that the Court had claimed the power to frame an issue its own and to support it by its own findings of fact.

Another blow to the Commission was dealt in *Federal Trade Commission* v. *Klesner* (280 U. S. 219) and *Federal Trade Commission* v. *Raladam* (283 U. S. 643). Professor Bates describes the effect of these two decisions to be that when the Commission "attempted to check monopoly it found that public deception was the essential, and when it attempted to check public deception it found that monopoly was the essential" of its power.

The National Recovery Act has been the source of great controversy, and whether its method of approach to the problem was economically wise or unwise I shall not discuss. The fact that is frequently overlooked is that N. R. A. would never have been attempted, nor would any necessity for it have become apparent, if the milder and more moderate remedies against business abuses had been allowed by the courts to function. Its dramatic decapitation by the Supreme Court was not a new chapter in the history of trade regulation. It was a repetition of what had happened, in substance, to the Sherman Act, the Clayton Act, and the Federal Trade Commission Act, only they were smothered with restrictive interpretations, while the N. R. A. was given a more merciful and immediate death.

At the end of this long road we read like an epitaph Senator WAGNER's statement that "no one can state authoritatively what our national policy is." The Senator spoke with characteristic restraint. He might well have added that no one can state authoritatively what our national policy can be under the attitude of the Court.

I am bound to say that this is a record in which I, as a lawyer, can find little satisfaction. No group in the United States is louder in its demands for democratic government than the bar. It is always issuing pronouncements in which it fears dictatorship, and always professing fear lest fundamental institutions be impaired or undermined. At the same time, no group in the United States has so consistently thwarted the efforts of the democratic government to establish and enforce a policy concededly within its constitutional power as have the lawyers, on the bench and off. They have systematically denatured and sterilized every statutory policy designed to repress monopoly.

It has seemed to me that the legal profession might as a group perform great service to a democracy. It could establish orderly procedure for the expression of the popular will and guide the forces of government into legally effective channels. Popular opinion today is that litigation is a blind alley down which the Government starts with great noise and fury and usually ends up against a blank wall. No realist believes that any public policy touching big business can be entrusted to the legal profession to enforce.

We lawyers have become, in fact as well as by repute, a cult of obstruction. The legal profession today is the center of reaction in the United States. The leaders of the bar are today more reactionary, less aware of pressing problems, and less sympathetic with present trends than the leaders of big business.

Private industry, as well as labor, consumers, and public interests, have grounds to doubt lawyer wisdom. Industries have embarked upon controversies with Government under the advice of lawyers whose knowledge of precedents was better than their knowledge of trends. Business received and placed widespread and mistaken trust in the unsolicited opinion of 58 leading lawyers who, under Liberty League auspices, unequivocally branded the Wagner Act unconstitutional. Leaders of the American Bar Association have declared unconstitutional one after another of the laws of recent Congresses which the courts have sustained. The attack on the constitutionality of the Social Security Act was not based on the opposition of business but upon the theoretical criticisms of lawyers. The Consolidated Edison Co. of New York joined the Government in defending the attack on old-age benefits. Businessmen generally (except during the campaign) recognized the menacing nature of the problem of old-age destitution and of uncompensated unemployment. While there was difference of opinion as to the adequacies and policies of the present legislation, business generally regarded the legislation as an attempt to solve important problems of life, while the lawyers saw in it only a technical cross-word puzzle.

Those who have counseled business to carry to court on technical grounds the battle against needed reforms have performed poor service to business and none for the courts. The courts have lately decided that such counselors did not even give sound legal advice, and the fruitless legal controversies have been costly to business in goodwill.

Government competition, "yardstick" enterprises, Government ownership or operation, and drastic types of regulation and "death sentences" are the products of disappointment over the nonenforcement of the laws governing rates, commercial practices, and restraints of trade. It behooves the lawyers, from motives of self-defense, to coldly examine the practices of our courts and our bar in the enforcement of the antitrust and other laws to see how far we are provoking automatic remedies instead of remedies through court proceedings, by which craft we have our wealth. In the revision of the antitrust laws which Attorney General Cummings has suggested and which must certainly occur within the next few years, one of the important questions for the lawmakers is the extent to which they will replace court proceedings with more effective remedies.

The legal profession is by theory an arm of the court and the court an arm of the Government. It has never been intended that the lawyer should be more powerful than the law. Yet, if our bar engaged our courts in solution of mere technical legal conundrums while great public policies are defeated or miscarry, can we blame the public for not holding us in high esteem? No service to itself or society and, in the long run to its clients, would be more distinguished or surprising than genuine cooperation from the bar to make our antitrust laws understandable and cooperation from our courts to make them respected. Such a duty fulfilled would be a contribution to maintaining our system of free enterprise, free alike from regimentation by government and from strangulation by monopoly.

Agricultural and Business Stability

EXTENSION OF REMARKS

OF

HON. GEORGE McGILL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Friday, May 28, 1937

ABSTRACT OF AN ADDRESS OF H. R. TOLLEY, ADMINISTRATOR, AGRICULTURAL ADJUSTMENT ADMINISTRATION, BEFORE THE UNITED STATES CHAMBER OF COMMERCE ON APRIL 28, 1937

Mr. McGILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address de-

livered by Mr. H. R. Tolley, Administrator of the Agricultural Adjustment Administration, before the United States Chamber of Commerce on April 28, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We have been hearing a great deal lately about a balanced National Budget. I am convinced that over a period of years agricultural stability and business stability has a close relation to a balanced Budget. But, important as it is, a balanced Budget by itself does not completely guarantee stability of business. A balanced Budget in the twenties did not prevent the excesses of 1928 and 1929 and the collapse which followed in the thirties. The trouble then was that even though the Treasury budget was balanced the National Budget was unbalanced in other respects. Farm purchasing power, instead of being based on demand of a sound and continuing nature, was based in large part on unsound foreign loans. When these loans turned out to be bad the American holders of foreign bonds and the American farmers were both left holding the bag. It was impossible to keep the Treasury budget balanced when the budgets of individuals and corporations were far askew.

Most of you are familiar with the part that agricultural recovery has played in national recovery. Farm cash income, which the Triple-A programs were intended to boost, rose from $4,400,000,000 in 1932 to $8,100,000,000 in 1936. During the same period national income rose from thirty-nine and one-half billions to an estimated sixty-one billions. Various authorities, including the National City Bank of New York, have expressed the opinion that the increase in farm income provided the initial driving force of the national recovery movement.

Now, although farm income is not yet at a parity with other income, we have arrived at a time when many individual budgets have been brought into balance, and it is possible to think about bearing down and working toward a balanced National Budget.

Stability of business depends upon continuity of markets. These markets should not be subject to sudden contractions. Neither is it healthy to have them expanding too suddenly.

Continuity and healthy expansion of markets depend upon continuity and sustained growth of purchasing power. Businessmen who saw their markets gradually disappear in 1930 and 1931 and 1932 know what continuity of purchasing power would have meant in those years.

It is clear that if purchasing power is to be kept stable and widespread without the spending of large sums in Government relief money each year the various elements of the national business mechanism must be kept in working order and in balance. Agricultural prices and nonagricultural prices, while, of course, not static, should be kept in a fairly well-balanced relation to each other. To keep them in a stable and balanced relation, supplies of farm commodities must be stabilized with a view to assuring plenty for domestic consumption and foreign markets, and nonfarm commodities must be produced in abundant quantities and sold at prices that are as low as productive efficiency and the paying of reasonable wages will permit.

Not only should farm income be restored to a full parity with nonfarm income, but as recovery continues and national income increases farm income should increase in step with it.

Do businessmen want to go through another period like that from 1930 to 1933? If they do not, they should recognize that two things are vital: First, to prevent a boom like that of 1928 and 1929; and, second, to provide shock absorbers so that when there is a recession in business it can be held within bounds.

Both kinds of preventive ought to be the objects of any long-time national farm program. The purposes of such a long-time program were defined by President Roosevelt a year ago. When he signed the Soil Conservation and Domestic Allotment Act the President said: "The new law has three major objectives which are inseparably and of necessity linked with the national welfare. The first of these aims is conservation of the soil itself through wise and proper land use. The second purpose is the reestablishment and maintenance of farm income at fair levels so that the great gains made by agriculture in the past 3 years can be preserved and national recovery can continue. The third major objective is the protection of consumers by assuring adequate supplies of food and fiber now and in the future."

There is no doubt that if the remaining soil fertility of the Nation is to be conserved, soil depletion and soil erosion must be halted. The recent erosion survey made by the Soil Conservation Service has indicated that approximately 50,000,000 acres of formerly good farm land has been destroyed for cultivated crops by gully erosion; that as the result of accelerated erosion the productive topsoil has been destroyed from another 125,000,000 acres of land still largely in cultivation, and that approximately another 100,000,000 acres of cultivated land are endangered.

If the increase of erosion on the remaining productive farm lands of the United States is to be halted, soil-conserving and soil-building practices must be encouraged.

Likewise, reestablishment and maintenance of farm income depends to an important degree on preservation of a proper balance between intensively grown soil-depleting crops and the less intensively grown soil-conserving crops such as grasses and legumes.

The third objective named by President Roosevelt—protection of consumers through the assurance of adequate supplies of food and fiber—also depends upon maintaining such a balance.

Long-time protection depends upon the preservation of soil resources. But what is perhaps not so generally realized is that short-time protection, too, is afforded by this type of program. While balanced production of soil-depleting and soil-conserving crops has the effect of minimizing price-depressing surpluses in bumper-crop years, it increases the production of feed crops in years of drought. This is because the soil-conserving crops such as grasses and legumes are drought resistant. Fewer acres in corn or wheat make little difference in total production in a drought year when average production per acre is far below normal; but increased acreage in grasses and legumes which withstand the drought materially increases the livestock feed supply over what it would be otherwise.

In the drought of 1934 it was the lack of adequate feed supplies which forced the distress marketing of livestock and led to the meat shortage and relatively high prices to consumers which followed. But in the 1936 drought the better balanced production which had been achieved afforded a much more nearly adequate supply of livestock feed and meat supplies, and prices were not drastically affected as they had been following the drought of 1934.

In the Dust Bowl conservation practices help to keep the soil from blowing. Businessmen who live in the dust-storm area or whose businesses have been affected by the dust storms can appreciate what relief from these storms may mean.

You may wonder why Government payments to farmers are needed to get them to adopt soil-conserving practices. Why do not farmers do these things, anyway, without any help from the Government?

Competitive factors are such that farmers cannot afford to shift part of their land into soil-conserving crops from soil-depleting crops without Government aid.

One reason for this is that the farmer's interests as an individual do not coincide with the interests of farmers as a group or with those of the Nation as a whole.

For another thing, the farmer's short-time interests are not the same as his long-time interests. Over a period of years the farmer will find it advantageous to maintain the fertility of his farm. But with his neighbors selling soil fertility cheap, he has to respond to the forces of competition. Economic necessity often compels him to get as much cash as he can from the current year's crops, without regard to what may happen in the future.

For these two reasons, Government aid to make up for the farmer's immediate cash sacrifice is essential if the farmer is to participate in the conservation program.

Approximately 3,000,000 applications for grants, representing perhaps 4,000,000 farmers, were filed under the 1936 program. These include more than 1,200,000 in the 10 States of the North Central region, which roughly approximates the Corn Belt, and nearly 900,000 in the South. Crop land on the 3,000,000 farms totals nearly 284,000,000 acres. This is 68 percent of all the crop land in the United States.

The total number of acres on which conservation practices were carried out under the program, according to preliminary estimates, was nearly 53,000,000. New seedings of soil-conserving crops made under the program included nearly 34,000,000 acres of legumes alone or in mixtures, around 7,500,000 acres of green-manure crops, and nearly 2,000,000 acres of new or improved pasture.

A still more important part of the program, both from the standpoint of conservation and of supporting farmers' income, was its diversion of around 30,000,000 acres of land from soil-depleting crops to soil-conserving crops or practices.

The present conservation program goes part way toward stabilizing agricultural production, but this program can be effective only up to a certain point. Additional measures may be needed to guard the Nation's supply of food and fiber and the farmers' incomes. We know that no matter how well the acreage of the various crops may be balanced, we cannot control the weather. In the past, bumper crop years have often alternated with years of crop failure. Instead of letting the farmers' business and the Nation's business be subject to such extreme ups and downs, it seems the part of common sense to store some of the crops produced in the bumper crop years for use in the years of short crops.

That, in a nutshell, is the principle of the ever-normal granary plan, which Secretary Wallace long has advocated and which representatives of the leading farm groups in the United States have endorsed.

Thus the next step in developing a national farm program should be the supplementing of the conservation program with an ever-normal granary providing for storage of farm commodities.

Two possible ways of establishing an ever-normal granary are through the use of crop insurance or through commodity loans. However, since it appears that for some time to come crop insurance by itself will not be sufficiently widespread to assure an ever-normal granary, a system of commodity loans probably will be needed to place it in effect.

In order to assure that farmers and the entire Nation would not suffer from a repetition of what happened under the Federal Farm Board, some provision would have to be made for appropriate action when the granary begins to run over. It would be neither fair nor wise to make the farmers the victims of a policy carried on in the Nation's interest. Also a financially sound policy, from the standpoint of the United States Treasury, would call for safeguards against price collapse, so that the Government would not lose heavily on commodity loans in case prices should decline after they were made. Under such circumstances, then, provision should be made for storage of fertility in the soil to supplement storage of grain in the bin.

A third step that has been proposed to meet such an overflow situation is the modification of the conservation program to

provide much more definitely than at present for influencing the acreage of certain crops. The conservation aspects of the program would not need to be weakened at all, but grants or contracts offered by the Government might be made contingent upon the adjustment of acreage of specific crops as well as upon the adoption of the conservation practices.

This national farm program would include soil conservation, storage of commodities, agricultural adjustment grants or contracts, crop insurance, surplus removal purchases, and marketing agreements. Probably all these measures, insofar as direct appropriations are needed, could be financed with the amount of money now earmarked by Congress under existing legislation for carrying on programs now administered by the Agricultural Adjustment Administration.

A combination of the conservation, commodity loan, and storage-in-the-soil programs likely would suffice to take care of all ordinary situations arising. But if favorable weather should bring a series of bumper crop years, surpluses might accumulate in such quantity that all these measures put together would not keep farmers' prices from collapsing.

To meet that kind of emergency there should be provision for a fourth type of program giving positive commodity control. Possibly the use of the taxing principle, as in the old Bankhead or Kerr-Smith Acts affecting cotton and tobacco, would be the answer. When and if such situations arise, there should be provision for invoking appropriate control measures without too long delay. Of course, there should also be provision for suspending these measures as soon as the need for them has passed.

With provision for the program I have described, agriculture and the Nation would be constantly in a state of preparedness against disaster arising either from crop failure or price collapse and would be in a position to go forward on a sound and healthy basis.

What I have given here is the outline of a farm program which, if operated sensibly and adapted to the varied situations that are sure to arise, should serve agriculture and the Nation for many years to come.

As I see it, the big question now is whether or not we really have learned an important lesson from the boom of the late twenties and the collapse of the early thirties.

Now that recovery is well under way, will we cast aside all precautions and go blithely into another boom and crash? Will we go back to the predepression lack of any national agricultural policy?

Enlargement of Supreme Court

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, May 28, 1937

ADDRESS BY HON. HERMAN WRIGHT BEFORE THE AMERICAN LEGION POST AT AMARILLO, TEX., ON MARCH 16, 1937

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have incorporated in the RECORD an address on the subject of the proposed reorganization of the Supreme Court delivered by Hon. Herman Wright, of Amarillo, Tex., on March 16, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You men here who knew the horrors of our war to make the world safe for democracy, you women here who gave your loved ones to the end that we might end all wars—you have, and rightfully so, a deep and lasting love for what we call our American institutions. And just as you fought for American institutions in 1917 and 1918, so I believe Franklin D. Roosevelt has fought for the preservation of those institutions from 1933 to 1937.

Well do I remember that dark day of March 4, 1933, when President Roosevelt declared, "I, Franklin Delano Roosevelt, pledge myself to uphold, protect, and defend the Constitution of the United States of America." All around us that day stalked fear and terror, misery and suffering. All around us was desolation. Millions of starving men and women trudged the highways of this great Nation in search of honest work. There was no work for them. Those people were desperate. Many who were employed received wages so low that they were improperly fed, improperly housed, and improperly clothed. Factories had closed down. Businesses were bankrupt. Banks had shut their doors in the face of wailing depositors. Farmers had lost their farms. Great fortunes had been destroyed overnight. Every newspaper was full of instances where men committed suicide in sheer despondency.

On that day the future of democracy in this country hung by a thread.

I am proud now, as I know President Roosevelt is proud, that we have emerged from that period of strife without the loss of a single one of our beloved institutions. Above all else I am proud that we are still a free people living under a democratic, constitutional form of government. Some other countries, faced with a like problem, have chosen remedies which mean a change in their form of government from a republic to a dictatorship or communism. America has sought and is seeking remedies within our present form of government. We must prove that a democracy can meet the situation effectively. Otherwise I fear for the future of our democratic institutions.

Furthermore, with President Roosevelt, I believe we must act and act now. The people are restless. The recent sit-down strikes are a symptom of existing unrest. We may expect other like symptoms unless and until our social and economic problems are solved. As President Roosevelt declared on March 4:

"Here is one-third of a nation ill-nourished, ill-housed, and ill-clothed—now."

"Here are thousands upon thousands of farmers wondering whether next year's prices will meet their mortgage interest—now."

"Here are thousands upon thousands of men and women laboring for long hours in factories for inadequate pay—now."

"Here are thousands upon thousands of children, who should be at school, working in mines and mills—now."

"Here are strikes more far reaching than we have ever known, costing millions of dollars—now."

"Here are spring floods threatening to roll again down our river valleys—now."

"Here is the Dust Bowl beginning to blow again—now."

Because our Constitution provides for three separate and distinct branches of government, action now—or any other time, for that matter—requires cooperation from each of those branches with the other two. Without that cooperation nothing can be done.

Under the Constitution, Congress is a policy-forming body, charged with the duty of deciding where and how our Government shall go. To the President is delegated the duty of seeing to it that we go where and how Congress shall direct. The purpose of the Supreme Court is to make sure that Congress does not go beyond the prescribed boundaries set by the Constitution. It is not a function of the Supreme Court to set itself up also as a policy-forming body by passing upon the wisdom of legislation which is within the prescribed boundaries of congressional action.

Despite the fact that the courts do not have, and have never had, the power to pass upon the wisdom of specific pieces of legislation, the Supreme Court, since the decision of John Marshall in the case of *Marbury* v. *Madison*, has gradually, case by case, undertaken to pass both upon the wisdom and reasonableness of legislation. Thomas Jefferson saw the possibility of this judicial usurpation of power and said, "It has long been my opinion, and I have never shrunk from its expression, that the germ of dissolution of our Federal Government is the judiciary—the irresponsible body working like gravity by day and by night gaining a little today and gaining a little tomorrow, and advancing its noiseless step like a thief over the field of jurisdiction until all shall be usurped."

The charge that the Supreme Court has set itself as a supreme arbiter of the wisdom, soundness, and reasonableness of economic and social policy decided upon by Congress has most often come from the judges themselves.

As early as 1895, Justice Harlan, in the case of *Pollock* v. *Farmers Loan and Trust Company*, said, "Policy and economic consideration rather than law actuated the majority in their conclusion." Justices Brown, Jackson, and White agreed.

Then in 1902 Justice McKenna, in the case of *Connally* v. *Union Sewer Pipe Co.*, said: "Courts are not to determine whether laws are arbitrary, oppressive, or capricious."

Again in 1905 Justice Harlan, with Justices White, Day, and Holmes agreeing, in the case of *Lochner* v. *New York*, said: "It is not the province of the Court to inquire, under our system of government, whether or not this be wise legislation. The courts are not concerned with the wisdom or policy of legislation. We do not regard it as within the function of the Court to determine what is sound economic theory in the realm of labor legislation."

Justice Holmes also added this: "This case is decided upon an economic theory, which a large part of the country does not entertain. If it were a question whether I agreed with that theory, I should desire to study it further and long before making up my mind. But I do not conceive that to be my duty, because I strongly believe that my agreement or disagreement has nothing to do with the right of a majority to embody their opinions in law."

Then in 1911 Justice Harlan again wrote in *Standard Oil Co.* v. *United States:* "I am impelled to say that there is abroad in our land a most harmful tendency to bring about the amending of constitutions and legislative enactments by means alone of judicial construction."

In 1923, in the *Burns Baking Co.* v. *Bryan* case, Justice Brandeis declared: "This is an exercise of the powers of a superlegislature, not the performance of the constitutional function of judicial review."

Again in 1923 Chief Justice Taft, Justices Sanford and Holmes, in the case of Adkins against Children's Hospital, said, "It is not the function of this Court to hold congressional acts invalid simply because they are passed to carry out economic views which the Court believes to be unwise or unsound."

Finally in 1936, when a majority of the Court struck down the A. A. A., Justices Stone, Brandeis, and Cardozo, said, "The courts are concerned only with the power to enact statutes, not with their wisdom.

"While unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint, the only check upon our own exercise of power is our

own sense of self-restraint. For the removal of unwise laws from the statute books, appeal lies not to the courts but to the ballot and to the processes of democratic government.

"Courts are not the only agency of government that must be assumed to have capacity to govern. Congress and the courts both unhappily may falter or be mistaken in the performance of their constitutional duty. But interpretation of our great charter of government, which proceeds upon any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of the Government, or that it alone can save them from destruction, is far more likely, in the long run, 'to obliterate the constituent members' of an indestructible union of indestructible States 'than the frank recognition that language even of a constitution may mean what it says.'"

Along with these charges by members of the Court that the Court is usurping power that never rightfully belonged to it, have come like charges by eminent men.

President Lincoln, in his inaugural address said, "The candid citizen must confess that if the policy of the Government, upon vital questions affecting the whole people, is to be irrevocably fixed by decisions of the Supreme Court the instant they are made, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal."

Theodore Roosevelt in 1912 declared: "The American people, and not the courts, are to determine their own fundamental policies. * * * Our prime concern is that in dealing with the fundamental law of the land, in assuming finally to interpret it, and therefore finally to make it, the acts of the courts should be subject to and not above the final control of the people as a whole. I deny that the American people have surrendered to any set of men, no matter what their position or their character, the final right to determine those fundamental questions upon which free self-government ultimately depends."

This growing tendency of the Supreme Court to set itself up as a superlegislature has reached an acute stage in the last 4 years. For 4 years now, the President and Congress have worked in close harmony for the gradual correction of our present social and economic maladjustments. During that same 4-year period, however, the Supreme Court has worked overtime undoing what the other two branches had done. Though it was no new or novel declaration, it was this continuous undoing by the Court that led Roosevelt to declare recently: "The judicial branch of the Government is also asked to do its part in making democracy successful. We do not ask the courts to call nonexistent powers into being, but we have a right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good. The processes of our democracy must not be imperiled by the denial of essential powers of free government."

Whether you or I agree with everything that has been done in the way of so-called New Deal legislation is not now an issue. If, after observing the disturbing social and economic conditions of the day, you agree that something, whether it be a New Deal something or not, must be done, you are then faced with the question of what can be legally done.

Here is what ROBERT M. LA FOLLETTE, Senator from Wisconsin, says, "I say, as one whose business it is to find out what can be done, that as the Supreme Court now interprets the Constitution, it is utterly impossible for either Congress or the States to take action which is anything more than a legal gamble on minimum wages, unfair competition, collective bargaining, social security, crop insurance, soil erosion, unemployment relief, housing, the protection of our river valleys from floods, or our natural resources from a waste that spells ultimate national disaster. Even the Supreme Courts itself, as the division among its Justices shows, no longer knows what the Constitution means."

If you, as laymen, were to read these recent opinions of the Court, I am confident that not only would you admit that you did not know what could be done, but that you would have to confess that none of these opinions sounded anything like what you thought the Constitution said.

Several remedies for the condition of our Court have been advanced since Roosevelt made his proposal. All of these proposals, except that of President Roosevelt, involve a constitutional amendment. And there are almost as many forms of amendments as there are individuals who oppose President Roosevelt's plan. Because they do require constitutional amendments they represent departures from tradition. Some of those amendments call for a more radical departure than others.

Out of all these dozens of suggestions for dealing with the Supreme Court's admitted usurpation of legislative power, I believe President Roosevelt has adopted the mildest. His proposition does not tinker with the Constitution. It does not curb the Supreme Court's powers in any respect. There is no suggestion for requiring unanimous decisions or two-thirds majorities or anything except the present simple majority. He suggests no restriction upon existing appellate power. The Supreme Court can continue to decide what constitutes interstate commerce and due process. Its judicial veto of clearly unconstitutional legislation remains unimpaired. In other words, his is the simplest, most conservative means of saving "the Constitution from the Court and the Court from itself."

Boiled down, President Roosevelt proposes simply this: "Whenever a judge or justice of any Federal court has reached the age of 70 and does not avail himself of the opportunity to retire on a pension, of $20,000 per year, a new member shall be appointed by the President then in office, with the approval, as required by the Constitution, of the Senate of the United States. The number of judges to be appointed would depend wholly on the decision of present judges now over 70, or those who would subsequently reach the age of 70." So if those judges on the Court now over 70 choose to retire under the plan, no new places would be created. Therefore, "although there can never be more than 15, there may be only 14 or 13 or 12, and there may be only 9."

Every man who has the ability to see and the power to think will agree with me that, as a general rule, men 70 and over have lost their physical and mental vigor. True, there are exceptions. But those exceptions do not alter the rule. So generally is the rule recognized that the age of retirement for civil service, the Army, the Navy, many universities, and practically all great private business enterprises is 70 years.

To me President Roosevelt's plan offers four benefits over and above all other proposals, each one of which proposals admits there is need for something to be done.

First. His plan is the mildest and most conservative of all.

Second. His plan can be put into operation now—not 10 or 20 years from now, when it may be too late.

Third. It will permit the continuous infusion of new and younger blood in the Court. Those men now on the Court represent a past generation. Their day in this world is almost gone. The present Justices have not, are not, and will not be confronted with the solution of our problems.

There is a wise and ancient legal doctrine, first expounded by Justice Washington, that no law will be declared unconstitutional so long as there is a "reasonable doubt" as to its constitutionality. In our criminal law there is another wise and ancient legal doctrine that every man must be proved guilty beyond a "reasonable doubt" before he can be convicted. And in our criminal law we hold that there is a "reasonable doubt" so long as 1 of 12 jurors believes in the innocence of the man being tried. Certainly, then, two, three, and four Justices on the Supreme Court being of opinion that a law is constitutional ought likewise to raise a reasonable doubt as to whether or not it be constitutional. But in the mad scramble of some of the members of the Supreme Court to decide what is good and not good for us, rather than what is constitutional and not constitutional, this rule of "reasonable doubt" has been lost somewhere among our ancient books of the law. So I list as my fourth benefit under Roosevelt's proposal over and above any other proposal that it will permit the appointment of men who believe that the concern of the Supreme Court is the constitutionality of laws, not their wisdom, and men who believe that the opinion of two, three, or four out of their nine members raises a "reasonable doubt" which ought, as in criminal law, to be resolved in favor of the constitutionality of the law under consideration.

Here, as in most matters, there are some who, for personal reasons, seek to cloud and misrepresent the issue before the people. Then there are those who, because they are not informed, take up the cry of those who maliciously misrepresent.

What about this argument of the calamity howlers that this proposal makes a dictator of Roosevelt? The procedure of appointment of judges is provided in the Constitution, and such procedure is not altered under Roosevelt's plan. So, suppose tomorrow morning six Justices of the Supreme Court were to die, which is as large a number of men as Roosevelt could appoint under his plan. Roosevelt would then have the right and duty under the Constitution to appoint men to fill the vacancies. Would he then be a dictator, assuming dictatorial powers? Certainly not. Up until Roosevelt assumed office every President normally appointed several members of the Supreme Court. President Taft appointed five members and named a Chief Justice. Was Taft then a dictator? President Wilson appointed three members. Was Wilson then a dictator? President Harding named four members. Was Harding then a dictator? President Hoover appointed three, including a Chief Justice. Was Hoover then a dictator?

Even if a President should happen to get to appoint all nine members of the Court, or any number, for that matter, would he then be a dictator? Certainly not. The Senate must confirm the appointment. That is check no. 1. The President is elected by the people. That is check no. 2. The Senate is elected by the people. That is check no. 3. After a judge is appointed he holds office for life or during good behavior. That is check no. 4. Finally, unless you and I have faith in the honor and integrity of our President and duly elected Senators, democracy is doomed to failure, anyway, and dictatorship of the Supreme Court wholly unimportant.

What, then, about the cry that such a proposal sets a dangerous precedent? If this be a dangerous precedent, now is no time to urge the argument. Those who now say it is a dangerous precedent ought to have spoken their piece at the Constitutional Convention at Philadelphia, for it was there that the precedent was set. The Constitution clearly gives to Congress the power and duty of setting up the Supreme Court and fixing the number of members thereof. Furthermore, if a future President needed precedent, there is plenty already available without using this instance. The number of Justices has been changed five times before—in the administrations of John Adams, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, and Ulysses S. Grant. "Fundamentally, if the future America cannot trust the Congress (and President) it elects from abuse of our constitutional usages democracy will have failed far beyond the importance to it of any kind of precedent concerning the judiciary." "All the laws and all the precedents will not prevent the rising of a dictator in a country

which cannot make its economic system work in balance and which has a government unwilling or unable to enact and enforce laws for the relief of such conditions."

Finally, we come to this farfetched and specious argument that the proposal amounts to "packing" the Court. If the appointment of members of the Supreme Court amounts to "packing that Court", then every President and Senate we have ever had has packed the Court. Taft, when he appointed five members, packed the Court. Hoover, when he named three, packed the Court. If those who urge this argument mean that "spineless puppets" would be appointed, then I say that those individuals have already lost faith in democracy.

That kind of Justice can only be appointed when the people, by their ballots, have elected corrupt men to the Senate and a corrupt man to the Presidency and those two are able to find a corrupt appointee. This, I think you will agree, is an impossibility so long as democracy is successful. Furthermore, if Roosevelt's proposal amounts to packing the Court in the sense of putting men on the Court who would not concern themselves with the wisdom of our laws but with the constitutionality only, and men who have had some experience with the problems of a modern civilization, then I say that the truth of the matter is that he is unpacking instead of packing it.

Though you and I often try, like the ostrich, to hide from the unpleasant inevitable, we are never successful. The seed of revolution is sowed when we permit our social and economic conditions to get too far out of adjustment. A free people will not long endure a government that does not provide an opportunity for them to live on a decently high standard. So long as our Supreme Court continues its present unwarranted course, we as a people cannot do those things necessary to bring about a better adjustment of our social and economic conditions, thereby preventing any unnatural and radical change in our institutions.

I can do no better than to take my leave with a quotation from a great and early Democrat: "These are the times that try men's souls. The summer soldier and sunshine patriot will, in this crisis, shrink from the service of their country, but he that stands it now deserves the love and thanks of men and women. * * * Yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap we esteem too lightly; it is dearness only that gives everything its value."

Foreign Trade Week

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Friday, May 28, 1937

MESSAGE OF THE PRESIDENT AND RADIO ADDRESS BY SECRETARY HULL ON MAY 22, 1937

Mr. GEORGE. Mr. President, on behalf of the senior Senator from Utah [Mr. KING], I ask unanimous consent to have inserted in the Appendix of the RECORD the message of the President on Maritime Day and Foreign Trade Week and also a radio address on the subject "The Next Step for Trade and Peace", delivered by Hon. Cordell Hull, Secretary of State, from Washington, D. C., on May 22, 1937.

There being no objection, the message and address were ordered to be printed in the RECORD, as follows:

MESSAGE OF THE PRESIDENT

NATIONAL MARITIME DAY

THE WHITE HOUSE,
Washington.

Four years have now elapsed since I had the pleasure of proclaiming the first National Maritime Day, created by act of Congress to honor the *Savannah*, pioneer transoceanic steamship. I am glad to send once more my hearty felicitations to all who are participating in its observance.

Maritime Day has now been combined with another observance—Foreign Trade Week. This is a logical development, for without the exchange of goods among nations there would be no economic reason for the maintenance of an adequate merchane marine. Foreign trade is the lifeblood of shipping. It is an indispensable part of prosperous economic activity throughout the land.

Maritime Day and Foreign Trade Week, dedicated to the single objective of a greater exchange of goods, demonstrate the active interest of the United States in foreign trade and the determination of this country to do its part in restoring and expanding international commerce and thus in building the foundations of enduring world peace.

FRANKLIN D. ROOSEVELT.

ADDRESS OF HON. CORDELL HULL, SECRETARY OF STATE

THE NEXT STEP FOR TRADE AND PEACE

If I were to walk tonight into a typical American home—any home to which at this moment the sound of my voice is carried by the miracle of the radio—I should be disappointed and distressed if I were to find the family living in that home at odds within itself, with its members lacking in mutual affection, understanding, helpfulness—in all those things which make for genuine family patriotism. But I should be even more disappointed and distressed if I were to find that family without a friend in the community, attempting to live a hermit existence, self-contained, hostile toward its neighbors, withdrawing itself from the affairs of church and school and economic betterment, and all the other communal interests that make the lives of individuals fuller and richer—in short, devoid of broader patriotism, vision, and cooperation, which are the bases of organized society.

I say I should be even more disappointed and distressed to find the family leading such an existence as I have just described, because I know that, thrown solely upon their own material and spiritual resources, its members will inevitably drift into dissension and discord, become generally decadent, and make life a burden to themselves and their actions a menace to others.

So it is with nations. International relations rest fundamentally upon simple and universal principles. In their essence they are no different from the basic relationships which exist within and among families in any community.

Domestic strife, clash among factions and groups, lack among the citizens of mutual respect and regard, and of a spirit of cooperation, all these are terrible things which in the end destroy nations. And the danger that these conditions may spring into existence and spread is far greater in a nation which attempts to isolate itself from the rest of the world than in a nation which, on the contrary, seeks to live on friendly terms with the other nations.

No country today possesses within its own frontiers sufficient resources, in terms of either natural endowment of human wisdom and skill, for its population to be prosperous and contented without a large measure of economic and cultural intercourse with the rest of the world. Countries may attempt to make themselves self-sufficient, either singly or in groups, by shutting themselves up within their borders; by foregoing mutually beneficial exchange of goods and services with other countries; by refusing to learn from the experience of others and to contribute their own experience to the treasure house of culture and progress common to all mankind. But even the largest of nations, embarking upon such a course, cannot escape paying a heavy penalty in the form of lowered living standards and lowered levels of cultural existence for its citizens.

Unless a nation is content to sink into abject degradation, the economic and spiritual impoverishment, which is the inevitable accompaniment of national self-containment and isolation, sooner or later leads to growing dissatisfaction among its people, to domestic strife and frequently to a break-down of orderly democratic government. A nation suffering from widespread unemployment, plunged into deepening economic distress, cannot be organized behind a stable structure of business, government, and peace.

A nation, falling into this unhappy state, can easily be misled into threatening to wrest from others by force of arms what it could have obtained much more satisfactorily by peaceful means, were it to follow a policy of cooperation rather than one of hostile isolation. A nation, thrown into a state of desperation, may even embark upon the supreme folly of actually attempting to attain these ends by means of military adventure.

Such a nation has no friends in the great community of nations which comprises the human race. By its misguided attempts to thwart the forces of reasonable action and thus to turn back the clock of progress, it can only bring injury upon itself, as well as upon others.

There is another way—and a far better way—of national and international life. It is the way of friendly attitude, of cooperative effort, of fair-dealing.

The world is abundantly rich in natural resources. The human race, in its ages of civilized existence, has accumulated a vast store of wisdom and knowledge. All these, humanity possesses in adequate measure to enable all nations to advance toward higher and higher levels of satisfying men's needs and aspirations through processes of peaceful and constructive effort.

The grim panoply of strife and war may bring a semblance of momentary glory. But that doubtful glory is all too soon swept into oblivion by the material and moral destruction which inexorably follow in the wake of an armed conflict.

It is not through gradually impoverishing isolation nor through the sudden catastrophe of civil strife or international war that the nations can secure for their citizens the blessings of freedom, of orderly government, of advancing cultural development, of continuing employment, and of rising standards of living. Only by a determination to live at peace, within and without, only by dealing with each other fairly and reasonably in all of the numerous worth-while international relationships, can the nations of the world enrich and ennoble the lives of their citizens.

The most basic among these relationships are those which comprise the exchange of goods among nations. Today this process of mutually beneficial trade is obstructed by a multitude of barriers expressive of the search by individual nations or groups of nations for means to ensure varying degrees of national isolation and self-containment.

To be sure, in recent years much has been done to bring down these excessive barriers and to place economic relations among

nations upon a basis of fair dealing and of equality of treatment. We in the United States have worked with vigor and determination, through our trade-agreements program, to attain these vital objectives. Many other nations have likewise made a contribution to a reversal of destructive and disruptive trends in international economic relations. A redoubling of effort in this direction is the next indispensable step in the restoration and expansion of world trade.

It is also the next step for world peace. Many nations are caught today in a stifling net of mutual mistrust, of political hostility, of exhausting and suicidal race for military power, of continuing economic warfare. A demobilization of all these armaments—moral, political, military, and economic—is necessary for durable peace.

In this vast and difficult process of rebuilding a peaceful world out of the animosities, tensions, and fears that hold sway at the present time, economic rehabilitation, conceived in terms of renewed full employment and rising standards of living, is a task of the utmost urgency. It represents the most tangible and convincing expression of hope which must replace current and widespread despair if the world is to be spared from catastrophe. And no phase of economic rehabilitation is more vital than a restoration and expansion of foreign trade through a reestablishment of fair and friendly and cooperative trade relations among the nations.

A Sensible Housing Program With Proper Emphasis Upon Residential Construction Would Not Only Put Us Definitely on the Road to Elimination of the Slums and Slatterns That Mark Our Shame but Would Go Far Toward Picking Up the Unemployment Slack and Providing the Assurance That Relief Will Not Be a Permanent Institution in This Country

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 28, 1937

Mr. DIRKSEN. Mr. Speaker, as one reviews the debate which occurred on the relief bill last week, its temper and quality inspire no especial pride. So much of it was in generalities. Some of it was mere harangue. Some of it was a bit ludicrous. And some of it was a bit pathetic.

It is a bit pathetic that impassioned and emotional utterances scarcely founded in or related to the facts should be so freely uttered and permitted to go to the country. The statement that Mr. Hoover used poison gas on the bonus marchers does not square with the facts. Tear gas may have been used but certainly nothing so inhumane as poison gas. The allegation that the economy zealots on the majority side were joining with the Republicans to make relief and the amount appropriated for relief a partisan issue was scarcely warranted. The intimation that those on both sides of the aisle who believe that a billion dollars, well administered, is sufficient for the next fiscal year are callous to suffering and insensible to distress is hardly a fair statement, even when made in the heat of the moment. The customary shafts leveled at the Economy League, the Liberty League, and the National Manufacturers Association would hardly be deemed a constructive contribution to the relief debate. The emotional appeal to the sense of loyalty of the Members on the majority side to stand by the President was indeed a bit thin. Were I a member of the majority, I believe I should feel a bit resentful about such an argument because of a reflection that it carries upon my capacity for independent judgment while, at the same time, keeping my party loyalty intact. All in all, it must be said that much of the argument was not very impressive.

Since the amount to be appropriated for relief should be directly contingent upon the state of recovery of the Nation, and since so many claims have been made as to the extent of recovery, it would have been far more interesting to have heard recovery discussed and that discussion implemented with facts and figures rather than with generalizations. Such a discussion would have disclosed the weak spots, if any, in the march of recovery and indicated the field in which Congress might direct its efforts to solve this problem of relief rather than administer it's annual economic mustard plaster. It will never be solved if we continue content to administer a palliative poultice instead of using the legislative scalpel.

I direct your attention for a moment to the figures carried in the March issue of the Federal Reserve Bulletin relative to recovery. Using the years 1923 to 1925 as an index of 100, the Federal Reserve Board finds that the manufacturing index for 1929 was 119 and for March of 1937 it was 117. Apparently factory production is near the all-time peak of 1929. In mining, the production index for 1929 was 115 and for March of 1937 it stood at 127. Mineral production is therefore well over the index of our peak year. Factory pay rolls according to the findings stood at 109 in 1929 and at 101 in March of 1927. Here is some disparity as compared with the peak year and yet it indicates a healthy approximation toward our all-time high. Factory employment in 1929 is set at 105 and for March of this year at 101. These figures would indicate a high degree of recovery and would indicate further that in dealing with this combined problem of relief and unemployment, little hope could be held for great expansion in mining and factory employment unless consuming power is greatly enlarged and plant capacity which was unused in 1929 is now put to use. If, as is alleged, we do have nearly 8,000,000 persons still unemployed, what hope is apparent for creation of jobs in industry under such circumstances and if that be true, is it not time that we were exploring the field in which jobs might be created. How else shall we ever get away from relief?

Here also the Federal Reserve findings shed some light. The construction index for 1929 stood at 117 for all forms of construction. Today it stands at 55, or substantially less than one-half of what it was 9 years ago, when both residential and heavy construction was at the peak. Here, then, is a field in which we might do some work. It is scarcely necessary to argue that there is today a pressing need for homes. The lag in home construction during the depression, the growth in population, the increase in marriages, and the present demand for homes are all too obvious to require discussion. But despite the need and the demand for homes, the findings of the Federal Reserve Board indicate too well that the construction index is far below normal. Here, then, is a field in which we might very well explore. Manifestly a rehabilitation of the construction industry would go far toward a solution of unemployment, and therefore the relief problem. It requires both skilled and unskilled help. Such a revival would set in motion the production of all forms of building supplies, in which a large percentage of unskilled help is employed. It would create a greater demand for steel and stone, for lumber and cement, for wallpaper and plaster, for flooring and nails, for brick and lime, for millwork and shingles, for plumbing and heating supplies. It would provide an incidental demand for furniture and furnishings. It will stimulate carloadings and aid the transportation industry. Here again the Reserve Board figures are eloquent. Carloadings for 1929 were at 106 as compared with 83 for March of 1937. The figures tell their own story as an indication of the lag in durable goods and particularly construction.

Revival of construction would go much further than all that in its salutary effects. Bank deposits for all banks are more than $70,000,000,000. Here is idle money that would like to go to work. Here is idle money that would like to join with idle hands in useful and necessary construction. What a boon to all people if this money could be set to work in the construction field. But there is a serious lag. It is the discordant note in the recovery symphony. Construction is the horizon to which we must look for hope from the relief load and the unemployment problem. Yet how little has been done about it.

As early as 1932 the Republican Party, in the national platform adopted in Chicago, stated that—

We favor legislation designed to stimulate, encourage, and assist in home building.

In 1936 the Democratic platform adopted in Philadelphia stated, among other things, that—

Every encouragement should be given to the building of new homes by private enterprise, and that the Government should steadily extend its housing program toward the goal of adequate housing for those forced through economic necessity to live in unhealthy and slum conditions.

After these professions of interest in housing, what have we to show in the field of housing? To be sure, the Federal Housing Administration did good work under the modernization program provided by title I of the Federal Housing Act, and the insurance of mortgage loans under title II of the same act, but these activities cannot be construed as a housing program in the accepted sense. The Resettlement Administration and the Subsistence Homesteads Division undertook some so-called low-cost housing enterprises, but the only thing we have to show are such projects as Reedsville, W. Va., where the Federal Government will lose more than $3,000 on each home that was built, and such projects as Greenbelt, Md., where it is expected that home units, costing as much as $12,000 each, are to be leased to people in the lower income brackets ranging from $1,200 to $2,000. Everything thus far undertaken in the field of home building has upon it the stamp of rare failure and inspired inefficiency. The P. W. A. Housing Division has undertaken a few large units in various sections of the country and acquired a considerable backlog of procedure and methods, but at that point our housing efforts have stopped.

Year after year we have been content to apply a poultice to the canker of unemployment and relief, instead of courageously plunging the scalpel into it. And the longer we temporize, the more difficult it will become to secure national relief from relief. Had we come to grips with this whole problem of housing, instead of blithely contending how many dollars would be necessary for relief in each of the last 3 years, we might have been able to boast of some definite progress in solving unemployment and its twin sister, relief. Great Britain has built more than one and one-quarter million housing units since 1919. I understand that another quarter of a million slatterns are marked for demolition and more than a quarter of a million home units scheduled for construction. Here, then, is work. And we have been sluggards in our approach to this possible solution of our own problem.

If, as the President has said over and over, one-third of our people are ill-housed, is it not high time that we do something about it besides confess this national shame. Yet no aggressive effort has been made to produce housing legislation. A housing bill goes just so far and then dies an ignominous and untimely death. If the Wagner housing bill, passed by the Senate, is faulty, and if the Wagner-Steagall bill, now pending, is faulty, surely by devotion and diligent effort this Congress could easily develop a residential housing and slum-clearance program, providing for a fair distribution of available funds among all the States and among all cities, large and small, that would give impetus to construction and take up this serious lag in construction, a lag which, in considerable degree, at least, bears upon the amount which we must annually appropriate for relief.

Has it ever occurred to the Members of the House that the $30,000,000 proposed to be expended on a second memorial to Thomas Jefferson in St. Louis would build 10,000 modest homes costing $3,000 each? Has it occurred to the Members that the $198,000,000 proposed to be expended upon a Florida canal that is certainly not necessary at this time, if at all, would build 66,000 modest homes for American citizens. Yet how lavishly the Congress has authorized the expenditure of money for similar enterprises when the same amount of money devoted to housing would do wonders in rehousing our people and elevating the home life of the Nation.

The shadow of adjournment is already upon us, and day by day it becomes apparent that once more we shall go home without doing something definite and constructive about the housing problem. Next winter we shall return to resume our labors and doubtless appropriate more funds for relief without having gotten at the cause of relief.

It is scarcely disputable that so long as there is enforced unemployment because of job scarcity there will be a need for relief. It may be local relief, State relief, or Federal relief, but it will be relief by whatever name. There will be abuses in the future as there have been in the past, as has been so freely admitted by both parties. But there will be no escape from the abuses nor from the drain upon the Treasury until some forthright attack is made upon the unemployment problem.

A sensible housing program, with proper emphasis upon residential construction, would not only put us definitely on the road to elimination of the slums and slatterns that mark our shame but would go far toward picking up the unemployment slack and providing assurance that relief will not be a permanent institution in this country.

Drought Conditions in Montana

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, May 28, 1937

ARTICLE BY GALE ANDERSON

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a very graphic description of conditions in one of the drought-stricken communities of Montana, being an article by Rev. Gale Anderson, published in the Missionary Herald, a national missionary magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Missionary Herald]

WHY MONTANA NEEDS AID

By Gale Anderson

In the spring of 1936 we had the greatest hopes for a good crop that we have experienced for a long time. The spring rains were perfect. But we had only a short time to rejoice, for the sun began beating down upon us in a terrific fashion. And the sun beat down day after day with no rain and no let up until we began to think we could not stand it any longer.

Crops dried up, grass stopped growing, and the bumper crop we had expected was destroyed completely. But we consoled ourselves by saying, "Well, we'll have some feed for the stock, anyway, and we'll make out some way."

Then the grasshoppers started coming. And it seemed that the harder the sun beat down the faster the grasshoppers multiplied, and, of course, the faster the grasshoppers multiplied the faster the grass and feed crop disappeared.

Then we all became panicky. What could we do? There are no factories or other means of employment to absorb the men who wanted work. To mortgage the livestock to buy hay and grain was out of the question, since hay and grain cost so much delivered in Carter County.

There was only one thing to do, ship the cattle, sheep, and horses, use the money to pay up debts and mortgages, and hope that the Government would help until we could get started again. And so in the month of August practically every bit of the livestock was shipped out of the country and most everyone tried to get relief work.

Then hope came again. Through appeals to our State government, the relief agencies, and the National Government we began to work on a water-conservation program. With the help of the relief we started building dams, for livestock but more for irrigation purposes.

Then surveyors went to work again on the "little Missouri irrigation project" which alone would supply water for irrigation purposes on 50,000 acres of land in Carter County. Most of the men and heads of families were put to work on the various projects, and we could see a great light ahead. For this meant work and something to eat and wear again; but more important, it meant that a permanent remedy was being made for our greatest problem here—drought.

But again we were not allowed to rejoice for very long, for suddenly the water conservation was stopped. That was indeed a hard blow. But we straightened up our shoulders and were thank-

ful that most of the men who were in desperate financial circumstances were still working and seemed to be assured of some income to keep from starving. And we still lived in hopes that we could get the water-conservation program going again later.

But again we had hardly time to enjoy that assurance when men were laid off by the P. W. A. right and left in the month of November. We had a very gloomy Christmas. However, the gloominess of Christmas was greatly gladdened through the boxes of toys and clothing sent to us from various churches.

Those who helped to bring joy to Carter County were the Friendly Circle at Leominster, Mass.; the Maple Street Church, at Danvers, Mass.; the boys and girls in Mr. Blakely's Sunday School in Farmington, Conn.; the Shepherd Guild at Cambridge, Mass.; and the Holbrook Congregational Church, Livingston, Mont.

But we are still faced with the heartbreaking situation of men out of work, no work available, and no indication that the Government is going to do anything to help us in the immediate future. We need help here, and need it badly. Quite a large number of folks have come to the county seat here in Ekalaka, saying that they were entirely out of food and clothes, and some were so desperate that they refused to go home until they received help.

It was certainly good to have the boxes of clothes on hand at that time. But they are all gone now, and I don't know what we'll do when more folks come.

There are some families where medical aid is needed, but it cannot be given because of lack of available funds. It's awfully hard to have a mother come to you telling what you already know is the truth, that her husband must have medical attention in order to live at all and that her children are without proper food and clothes and that she must work like a man, hauling coal and wood to keep from freezing through the winter but that she can receive no help; and you can do nothing to help out.

One thing we are all definitely agreed upon, is that we do not want doles. We do want some encouragement in working out a program that will be permanently helpful. The water-conservation program which was started last fall is exactly what will make folks in Carter County financially independent. Our soil is rich and new and will produce abundant crops with the right amount of moisture

But Carter County is only one county in Montana. There are 14 or 15 counties in this great State in a similar condition, in the eastern part of Montana. And Montana is only one of the drought States.

However, Carter County is isolated, off the main highway and off the railroad, it is thinly populated, and it is in the extreme southeastern corner of the State of Montana.

Just to give you an instance of what I mean; last fall Carter County youth were not employed on N. Y. A. projects because we were so isolated that it took 10 days or more for a letter to travel from Ekalaka to the south part of the country and for an answer to get back to Ekalaka, a distance of 100 miles or less. The quota of the State was all used up before Carter County could get their applications in to the State office. We don't ask for anything that is not just and fair, but we don't want to be left out entirely just because we live in the "sticks."

However, we are not sitting down and giving up hope. At the present time we are doing all we can to boost an eastern Montana organization to send a representative to Washington, D. C., to our State capital at Helena, and to appeal to our Congressmen for help, and especially for help in working out a long-time program of relief such as the water-conservation program.

I have mentioned all this so that you may know what I am talking about when I say that we in the Ekalaka Larger Parish, which is a territory almost as large as the State of Connecticut, are facing grave difficulties and that until we can properly develop the natural resources of the county we shall need financial assistance. And you who are sending aid into this territory should be interested. I have good reasons to believe that we can be self-supporting with the proper help.

Flood Control

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Friday, May 28, 1937

RADIO ADDRESS BY HON. BENNETT CHAMP CLARK, OF MISSOURI, ON MAY 27, 1937

Mr. HARRISON. Mr. President, I ask unanimous consent to have incorporated in the RECORD an exceedingly interesting and illuminating address delivered by the distinguished senior Senator from Missouri [Mr. CLARK] over the Columbia Broadcasting System on May 27, 1937. In the address the Senator from Missouri discusses the vital question of the control of floods on the Mississippi River and its tributaries.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nearly 5 months ago during the height of the appalling floods in the Ohio, St. Francis, Mississippi, and other valleys, in a radio address I made the statement that it was, indeed, a misfortune that such dreadful disasters should always be necessary to fix the attention of the Nation upon the vital necessity of the prevention of such catastrophes in the future. I further expressed the fear at that time that with the recession of the flood waters and the passing of the more temporary and more desperate features of the disaster, the public interest in permanent prevention of floods, then so acute in the face of the emergency, would likewise recede and that we would once more be subject to the dilatory cries of "Wait, wait. Go slow. Stop. Let us wait for reports from a lot of new commissions to be created to study all kinds of subjects, some closely and some only remotely connected with flood control." I regret to say that in both particulars my fears have in the intervening months proved only too well founded.

Despite the fact that the intervening months have witnessed a second disastrous flood in the same valleys, despite the fact that the residents of the floodway on the Missouri side of the Mississippi have once more been driven from their homes by flood, the fine public fervor of enthusiasm for prompt action has noticeably subsided, cries of "pork barrel" once more go up from sources hostile to any measures for effective flood prevention at any proposal that Congress shall authorize specific projects and appropriate the necessary money to inaugurate the work upon them. From the highest sources come proposals that the work of the prevention of floods which in any year do damage comparable to the total cost of permanent improvement to obviate forever such dangers, shall be sidetracked and postponed until a number of new agencies shall have started in a slow and halting manner a series of new studies of the problem. It is now suggested that the remarkable and comprehensive work already done by the finest body of engineers in the world—the Corps of Engineers of the United States Army—be tossed into the discard and that the vital problem of flood relief be held in abeyance while floods recur, while millions of our citizens are driven from their homes, while death and destruction and pestilence periodically stalk the land as a result of these floods.

The fact that the control of floods is a major national responsibility seems so obvious that it is difficult to understand how it could ever have been disputed. Denuding of timber lands at the headwaters of the Ohio in Pennsylvania and West Virginia may contribute mightily to the inundation of Louisville in Kentucky. Water from swollen tributaries in Pennsylvania, Ohio, Indiana, or Kentucky may destroy Cairo or Paducah or break the levees and flood rich farming lands in Missouri and Arkansas. Floods from the upper reaches of the Missouri may submerge Kansas City in Kansas and Missouri. Waters coming down from New York may do inestimable damage in the rich Susquehanna Valley in Pennsylvania and Maryland. Extraordinary floods upon any of the important tributaries of the Mississippi were, until the permanent work done in the last 8 or 9 years by the Federal Government on the lower Mississippi, almost certain to cause great loss in Louisiana, Mississippi, Arkansas, Tennessee, and Missouri. The drainage of a swamp in the St. Francis Basin in Missouri undoubtedly contributed largely to flooding citizens of Arkansas as well as Missouri out of their fertile farms many times in the last few years.

The national scope of the problem appears more clearly when we see the mayor of Louisville, Ky., forced to call for Federal troops and to appeal to the mayors of St. Louis, Chicago, Indianapolis, and other cities for policemen, doctors, nurses, blankets, and medicines, and these freely given reinforcements poured across the State lines by plane, train, truck, and boats. It is seen most plainly when Federal relief agencies are rushed to the front to ameliorate distress whether it was caused by unusual rains or any of the tributaries of the Ohio or the St. Francis or the White or any of the many interstate streams upon which floods occur. The forces of nature do not operate along the lines of arbitrary State boundaries set up by man.

In 1927, after the terrific floods which ravaged the Mississippi Valley with its loss of hundreds of millions of dollars, and after a terrific fight and virulent opposition, the principle that the prevention of flood losses and the utilization of floodwaters was a national problem was finally established. But this act applied only to the main stem of the lower Mississippi, to a lake in Florida, and to one river in California. It was still denied that floods on the tributary streams of the Mississippi, or upon other great streams of the country, such as the Merrimack, the Connecticut, the Columbia, the Susquehanna, and many more afford a national problem. Any efforts to have the subject dealt with in a comprehensive way were berated, ridiculed, and thwarted. Shouts of "pork barrel" went up in the House and Senate and in the magazines and newspapers of the country at any attempt to meet the situation. What bitter irony do these crimes seem today and how remorseful should these cynics feel as they contemplate the wreckage of the floods of 1936 and 1937 with their loss direct and indirect, of probably a billion and a half of our

national wealth, with pestilence following in their train and known deaths well into the thousands.

The extraordinary flood of 1936 in the Connecticut, Merrimack, Susquehanna, and upper Ohio Valleys finally stirred a sluggish Congress into action. A law looking toward flood prevention was passed, embracing only those projects most urgently suggested by the Army engineers as being vitally necessary for immediate construction to prevent impending disaster. This measure was passed by the Congress and signed by the President. Unfortunately, however, at a time when hundreds of millions of dollars were being spent upon matters of far less vital importance, this act contained a limitation of $50,000,000 to be expended in any 1 year. More unfortunate still, we did not get the appropriation even up to the limitation. Not one penny was appropriated under the act. Not one project was started. No loss of property or life has yet resulted from it. But during this period nearly a hundred million dollars were allocated to Dr. Tugwell for his experiments under the Resettlement Administration. Included in these expenditures were $3,600,000 for the traveling expenses of his bureaucrats and $2,400,000 for telephone and telegraph tolls alone. This sum alone would have made a substantial start upon works of enduring value in the preservation of our national wealth by the prevention of its destruction by floodwaters.

In the same period Congress and the President authorized and appropriated hundreds of millions of dollars for armament for a new war which we ought never to fight and this included $60,000,000 for the construction of two new battleships, which are obsolete before they are constructed.

The cry is now raised in the interest of economy that flood control must be definitely postponed. The fact is that the Congress should review the temporary and emergency expenditures and reduce our expenditures by the cutting off of unjustified or nonvital appropriations, rather than by the postponement of investment which will return a very high percentage of return to our national wealth in the first year and increasingly high returns year by year thereafter.

I yield to no one in my desire for economy and in my recognition for its necessity. I insist that retrenchment should take place in the field of useless activities or which may be postponed. To say that economies should now be begun at the expense of expenditures which will return such savings as will the prevention of the great losses from floods is a stupendous national folly.

The floods of the last 2 years have demonstrated that the very remarkable experiments of the Army engineers in the experimental basin near Vicksburg, where any possible situation on the main stem of the Mississippi by reason of the flooding of any of its tributaries can be reproduced in miniature, can actually be the agency of bringing about nearly complete protection to great valleys. And this was accomplished at very small expense.

General Markham, Chief of Engineers, has borne witness to the fact that at a very low estimate primary, direct property damage in the last 2 years in the Ohio Valley alone exceeds $700,000,000, and that this sum represents more than two-thirds of the amount necessary to permanently protect that rich valley forever from a recurrence of these disasters.

Let us proceed with economy in the direction of conserving our funds for vital necessities. The question of adequate provision for flood prevention lies definitely at the door of two of our three coordinate branches. It cannot be charged to the judiciary. If adequate provision for flood prevention is not made at this session of the Congress, the responsibility is chargeable squarely to the Congress and to the President.

Representative Warren Joseph Duffey

MEMORIAL ADDRESS
OF
HON. MARTIN L. SWEENEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN JOSEPH DUFFEY, late a Representative from Ohio

Mr. SWEENEY. Mr. Speaker, as I sat in the Chamber of the House of Representatives today and listened to the eloquent tributes paid to our deceased colleagues who have passed away since last we met for our annual memorial services, I am stirred to deep emotion when I realize that the Grim Reaper has exacted during the past few months a heavy toll, hastened no doubt by the stress and strain of the serious responsibility of public service required today of one who serves as a Representative in the Congress of the United States.

Among those whose memory we revere today was my personal friend and colleague, WARREN JOSEPH DUFFEY. As a Representative from the Ninth Congressional District of Ohio, he spent his physical strength without stint in behalf of his constituents.

When young lawyers we entered together on our public careers as members of the Eightieth General Assembly of Ohio in the years 1913–14. WARREN JOSEPH DUFFEY was a serious student of government. He gave evidence at an early date of a trained legal mind that was destined in later years to characterize him as one of the outstanding members of the legal profession in Lucas County, Ohio. As a member of the General Assembly of Ohio he was the author of the mechanics lien law, which legal pattern was followed subsequently by many States of the Union.

After leaving the general assembly in 1914 to enter the practice of law in his native city of Toledo, Ohio, he was for many years general counsel for the National Association of Retail Lumber Dealers of America. His character, reputation, and fine concept of a high standard of legal ethics endeared him to countless clients, rich and poor, who employed him as their advocate. During the years 1917–18 he served as a member of the Toledo City Council. In this body he distinguished himself because of his fidelity to his home city and the general welfare of its inhabitants.

He was elected to the Seventy-third Congress and subsequently to the Seventy-fourth Congress of the United States, and as a member of the Committee on the Judiciary became in a short time one of its most reliable and active members. His exceptional talent as a lawyer, his extensive knowledge of legal problems served him well in performing his duties as a member of this major committee.

He served in Congress at a time when we were experiencing our greatest national distress and when the demands of our constituents were greater than in any former sessions. It was my privilege to discuss with him on many occasions various responsibilities and duties incumbent upon the office we were honored to represent. Despite the many duties assumed by him as a member of the Judiciary Committee, he found time to participate in debate on the floor of the House and to visit various governmental agencies in the interests of his constituents.

WARREN JOSEPH DUFFEY was a splendid Christian gentleman, truly devoted to his wife and family and absolutely loyal to the many friends he was privileged to make during his short life span. In his make-up there was no animosity or vindictiveness. He exemplified in every instance tolerance, candor, and sincerity. He was not in accord with some of us on questions of economic and social improvement, but we always knew when he reached a conclusion it was after mature deliberation and that the opinion was definite.

His sudden death came a few weeks after he had celebrated his fiftieth birthday. It came as a shock to me and to many of his colleagues in the Congress of the United States. I was privileged to join the congressional committee who journeyed to Toledo to attend the funeral services at the Cathedral of St. Francis de Sales.

One of the attendants at the Requiem Mass was his personal friend and former schoolmate, the Most Reverend Bishop Karl J. Alter, of Toledo, scores of clergymen, businessmen, and professional men, with a vast throng of the common people he loved so well registering their grief on this occasion in paying public tribute to his memory.

WARREN JOSEPH DUFFEY was a sincere husband, father, and companion. He lived for his helpmate and his children, who are worthy representatives of his paternal devotion, and they represent a splendid contribution to his county, his State, and the Nation which in turn honored him with public service.

Despite the bitterness that oftentimes enters into political campaigns and sometimes attaches itself to the career of many men in public life, our friend was never known to utter an unkind word of his fellow men. He possessed that

virtue of kindness which is so rare in these days of selfishness and materialism, a virtue which is beautifully epitomized by a poet of his race, John Boyle O'Reilly, in his poem called—

WHAT IS GOOD?

What is real good?
I asked in musing mood.
Order, said the law court;
Knowledge, said the school;
Truth, said the wise man;
Pleasure, said the fool;
Love, said the maiden;
Beauty, said the page;
Freedom, said the dreamer;
Home, said the sage;
Fame, said the soldier;
Equity, the seer.

Spake my heart full sadly.
"The answer is not here."
Then within my bosom,
Softly this I heard:
"Each heart holds the secret;
Kindness is the word."

WARREN JOSEPH DUFFEY was beloved by all the Members of the Seventy-third and Seventy-fourth Congresses, irrespective of political lines. In him they saw an exponent of frankness, courage, and kindness. His place will be hard to fill among those who knew him as some of us did as a dear friend, and a faithful public servant. He died in the Christian faith he was so proud to publicly extol during his lifetime, and I close this eulogy of my dear friend and colleague with the prayer that the Roman Catholic Church utters over the mortal remains of those who have passed to the Great Beyond: "May his soul and the souls of the faithful departed rest in peace."

Sugar Legislation

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, May 28, 1937

Mr. HOOK. Mr. Speaker, yesterday afternoon the Delegate from Hawaii [Mr. KING] saw fit to refer to me in a speech on the floor of this House with reference to the sugar legislation that has been under consideration by the subcommittee and later the full Committee on Agriculture. The Delegate from Hawaii seems to be overexercised with regard to this situation. I do not know whether he is motivated by personal or party reasons, but I hold in my hand a newspaper clipping from a paper from Honolulu, referred to as Star-Bulletin Bureau, Washington, April 30, the contents of which is as follows:

CONGRESSMAN IS REBUKED BY ISLE DELEGATE—KING CRITICIZES STATEMENT REFERRING TO HAWAII RESIDENTS AS NOT AMERICAN

Delegate SAM KING in a well-received speech on the House floor late Thursday took occasion to call down Representative FRANK E. HOOK (Democrat, Michigan) on the question of sugar legislation.

Representative HOOK rose to say that in connection with sugar legislation "we must take care of Americans first."

"We are as American as your and any other State", Delegate KING shot back.

Representative HOOK then qualified his statement by saying, "We must take care of the mainland first."

Mentioning the strategic military position of Hawaii, Delegate KING then said "You always say Americans when referring to this. But on other matters you refer to us as an off-shore area, a term which I and others in the Territory regard as obnoxious."

Following a formal statement, Delegate KING, under sympathetic questioning by Representative FRED L. CRAWFORD (Republican, Michigan), developed the high Federal income-tax payments and other Hawaiian contributions to the national well-being.

The statement carried in this news item is a downright deliberate lie. It was probably motivated by the connection of the delegate from Hawaii with the Hawaiian Big Five, Republican controlled, and whose capital owns the sugar industry, shipping, light and power, gas company, telephone company, newspapers, traction company, banks and loan companies, and all other utilities, including tourist hotels, also the courts, to say nothing of the legislature, F. E. R. A., and W. P. A. funds. On Thursday, May 20, on page 4869 the speech referred to in the newspaper item quoted above is recorded in the CONGRESSIONAL RECORD. Delegate SAM KING did not at any time during that speech interpose any questions or make any suggestions, and when the newspaper item stated that Delegate KING shot back at Representative HOOK as follows: "We are as American as your and any other State", it deliberately misquoted the RECORD and the party who informed the press with regard to this deliberately lied. I am quoting for a matter of convenience and information the full contents of that speech as follows:

Mr. HOOK. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, it will be noticed this paragraph refers to the Territory of Hawaii. I want to mention at this time that we members of a subcommittee considered legislation having to do with sugar legislation have been working for about 2 months on a sugar bill, and during the consideration of that bill the question came up as to whether or not we were going to recognize the Territory of Hawaii and give it the same standing and the same benefit as a State of the United States. We saw fit to set up in the proposed bill the difference we actually see between the Territory of Hawaii, the offshore areas, and the States of the United States, and I think we were right in doing so. I think there is a difference, and to demonstrate this difference I want to read to the Committee a statement with regard to the Hawaiian sugar workers:

"The National Labor Relations Board is investigating the complaints of the sugar workers of Hawaii, who said that they were there in a state bordering on medieval servitude. The plantation guards intimidated the workers with machine guns."

May I say that in Hawaii they bring their plantation laborers from the Philippine Islands under labor contract? The fare is paid from the Philippine Islands to Hawaii, and if the workers do not live up to the contract they are not sent back with fare paid.

May I also call attention to an item in Labor Bulletin No. 534, reading as follows:

"Americans do not work on plantations in Hawaii. There was only one American adult on the pay rolls of the island of Hawaii in 1929. Eighty-eight percent of all the employees on the sugar plantations are Filipinos and Japanese."

That appears on page 3. On page 11 we find that the average wage is only $10.92 a week.

On page 14 we find this statement:

"The source of supply has largely been from the Philippines, from which labor has been imported to work on the Hawaiian plantations under labor contracts. Independent organization is not recognized. The only labor organization recognized is the barber's union."

Mr. Chairman, when the sugar legislation comes to this House for consideration we are going to be asked to place the Territory of Hawaii and the other similar areas on a plane with the States of the United States. The argument will be put forth that they are under the American flag. That may be all well and good, but Hawaii is still a Territory. I plead with you today, and will when that bill comes on the floor for consideration, to protect American labor and continental labor as well as our industry on the continent.

Mr. KENNEY. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from New Jersey.

Mr. KENNEY. Hawaii is producing and refining sugar up to its capacity now, while the sugar factories in this country are idle, and yet Hawaii wants the opportunity and the privilege of refining more sugar.

Mr. HOOK. The gentleman is correct.

Mr. Chairman, we have refined sugar coming into this country from Cuba, which we have cut in order to save industry and labor in the United States. When we started to frame this bill the members of our subcommittee decided that we were going to write our own legislation. Then some little $100 or $125 a month clerks came in and told us we could not write our own bill. But we are going to write it, and we are going to ask you to stand back of us. Let us be legislators and not take all our orders from department clerks or department heads.

Mr. HOFFMAN. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Michigan.

Mr. HOFFMAN. When is that bill going to be brought on the floor for consideration?

Mr. HOOK. I would like to know. We are going to fight to bring it out despite opposition of the department clerks and those who would sell our American labor and industry down the line for their own selfish interests and desires.

Mr. HOFFMAN. I will vote with the gentleman on it, but when is he going to bring it out?

[Here the gavel fell.]

You will note that in the above newspaper item that it was stated that Representative HOOK then qualified his statement by saying, "We must take care of the mainland first." This was not only a deliberate misrepresentation but a deliberate lie, and I charge the Delegate from Hawaii with deliberate manipulation of such misinformation. The tactics used by the Delegate from Hawaii are the tactics that have been used by the Big Five in Hawaii. I charge that they are un-American, unprincipled, and without foundation.

There are six families that control everything in the Territory of Hawaii. There are five corporations, known as the Big Five, that I just referred to above. One man is president of four of these corporations and vice president of five. Each corporation has the same secretary and the same treasurer. The corporations are interlocking so that the six families control all officers in the five corporations.

Let us see why the Delegate from Hawaii might be so much interested in this situation. Let us go back to the benefit payments under the Jones-Costigan Act and see what this Big Five received. The Big Five benefited immensely under the Jones-Costigan Act, because the benefits paid were $3,700,000, and there were only 39 contracts, and out of the 39 contracts the smallest benefit payment received in the Hawaiian Islands was a little over $40,000, the largest a little over $1,000,000.

It is worthy of note that the Big Five that controlled the Hawaiian Territory are Republicans, and I am just wondering how much was dumped into the coffers of the last campaign, where no record has been made of such contributions. It would probably be a fit subject of investigation by this Congress. Probably that accounted for the statement made on the floor of the House by the Delegate from Hawaii that his opponent received a lot of applause but did not receive the votes. I have heard of organizations manipulating votes through contributions before.

I am pleased to know that the Delegate from Hawaii in his speech in his revision of remarks admitted that there was only one American adult on the pay rolls of the island of Hawaii in 1929. I note that the Delegate referred to the average wage of $10.92 a week (refer p. 11, Bulletin 534) and later tried to justify his remarks by stating that the real wage, including value of perquisites, was found to be over $75 a month for unskilled agricultural employees. I presume that it is the Big Five that determines what the value of perquisites are; and if they have anything to do with it, it certainly is set high enough to make a record for themselves. While we are on this subject, let me say that I have a letter from Honolulu, Hawaii, dated May 18, 1937, which I am authorized to include as a part of this speech. The situation is so terrible in the island of Hawaii that even though this man holds a responsible position, he asked me to treat his name as confidential, because his job would be in jeopardy if it was ever found out that he gave out this information to anyone. The contents of the letter justifies, I believe, suggesting that a congressional investigation should be made of the conditions that now exist in that island, both from the angle of a violation of the Corrupt Practices Act and from the labor conditions and immigration conditions that exist in the Territory of Hawaii.

HONOLULU, HAWAII, *May 18, 1937.*

Hon. FRANK E. HOOK,
Representative, Washington, D. C.

MY DEAR MR. HOOK: Just feel like dashing off a few items of interest to the American Congress.

For your personal information I am taking the liberty to send you the enclosed clipping from our paper (Republican), incidentally both are owned and controlled by the Big Five—Republican.

In brevity will try and enumerate a few reasons why Hawaii should never be given statehood.

First, it is ruled and owned by the Big Five, whose capital owns the sugar industry, shipping, light and power, gas company, telephone company, newspapers, traction company, banks, loan companies, and all other utilities, including tourist hotels; also the courts, to say nothing of the legislature, F. E. R. A., and W. P. A. funds.

The revenue from Hawaii is not a comprehensive representation of status of American citizenship. There is far more moneys going out of Hawaii to England and Scotland every year than is paid in income tax to the United States Government.

There is a law issued from Japan to the effect that every Japanese away from Japan is compelled to send $10 gold per month back to Japan. Subsequent to the "off the gold standard", they pay this amount to the American-Japanese Co. here, who, in turn, forwards it through a ring to Japan. These Japs are exempt $1 for each child born here, hence the prolific breeding. Each family strives to have 10 children. In detail to illustrate, the plantations brought over from Japan laborers by the thousands and never sent them back at the termination of their labor contracts. Next they legislated for the "picture brides", women and girls at random to serve as childbearers for these laborers. These women arrived here, were not legally married (HIRAM JOHNSON, from California, can inform you of their status).

The laborers were not American citizens, neither were their "picture brides" and also their bastard offspring.

Through the smuggling ring here they are still coming in by the thousands. (Will be pleased to furnish statistics to substantiate this; also, the birth-certificate scandal or racket as practiced here.)

There are at least 100,000 young Japanese here who can neither read nor write, let alone speak English. Yes; they attended American schools here. A fact that is hardly possible to believe, but many of the school teachers are Japs, and find it easier to teach the children in Japanese than to instill American pronunciation of English words to their lessons. Each child must leave the American school after class and spend the rest of the afternoon in Japanese-language schools. (Will go into detail in my next letter if you would request it.)

Just a little thought: If these children are American cititzens, well, then, I am a monkey's uncle.

I maintain a skunk born in the New York Zoo is still a polecat and not an American buffalo.

In the next 5 years these same Japs will have control of the votes here in Hawaii. Of course, they will vote only one ticket—the Big Five ticket. They dare not vote otherwise.

Economically they have lowered the standard of living to such a low level that the poor Hawaiians are not unlike the American Indians in the mainland.

These Japanese soon leave the plantations and enter into all branches of communication in the towns and cities. There are at least 150,000 of them here; they outnumber the whites 5 to 1.

There are at least a million good, hearty, white American citizens throughout the Middle West who would give their souls to have the pleasure of living in the paradise of the Pacific, for a chance to have pleasant employment, to escape the freezing winters, the scorching summers, etc.

The cost to the United States to keep these thousands of Japs on relief is at least $10 per week or $500 per year. Why not pay their passage of approximately $90 return trip one way to Japan thus saving $400 a year to the United States on every one. When you multiply this $400 by at least 50,000 it will total quite a sum. Also it will provide 50,000 jobs for deserving white citizens of the good old United States of America.

Adding to this amount of saving would be at least 150,000 of Japs, times $10 a month going out of here to Japan.

These same Japanese never patronize a "haole" of white merchants, they patronize only their own countrymen. "Made in Japan" goods are everywhere here and they undersell by 20 percent any American-made goods.

The poor devils are compelled to live this way in order to send their $10 a month back to Japan.

Please grant me the opportunity to go into detail as per economics, civic survey which I have been compiling through the past 5 years, i. e. tax evasion; business methods; schools and education; smuggling, human and narcotics; fishing monopoly; living standards and religious organizations.

Will be pleased to enter these interesting facts and statistics to convince those men like yourself that Hawaii should not be given statehood, God forbid.

Very truly yours. ——— ———.

We have always been a nation proud of our protection of the individual, proud of our traditions, and I believe that my esteemed and beloved colleague from Colorado [Mr. CUMMINGS] should be congratulated on the stand that he has taken with reference to the Territory of Hawaii, concerning the proposed sugar legislation. Let me emphasize the contents of the letter that has just been quoted, and ask you, as representatives of great districts of the United States, whether or not the labor in the sugar industry or any other industry in the continental United States should not be protected against such un-American tactics. When an industry in one of our Territories seeks to undermine the standards of labor and undermine the industry of the States in the United States, then I say it is my duty and the duty of every real American to stand up and protect our local labor and industry.

The proposed sugar legislation has been before the subcommittee and the Committee on Agriculture for some time.

I stated in my speech on May 20 that "American labor and continental labor, as well as our industry on the continent, should be protected." I still adhere to that principle. I resent representatives of any department coming to Members of Congress and dictating to them what the principle of legislation should be. It is the duty of Members of this Congress to legislate; it is the duty of courts of this Nation to interpret the laws after we have passed upon them; it is the duty of the departments to appear before the committees and give them statistical and expert advice in connection with the drafting of legislation; and, after that legislation has been drafted, it is the duty of the departments to administer that legislation as laid down by this Congress. It seems that we have gone far afield.

Let me review what happened with regard to this sugar legislation. A very valiant and hard-working subcommittee sat for days, weeks, on into the months wrestling with very intricate problems concerning this very vital subject. We held open hearings and the proponents and opponents of the proposed legislation were heard, but when it came time for the Department of Agriculture to present their witnesses they refused to testify. One of the representatives of the Department of Agriculture informed the subcommittee that several of the different departments opposed the suggestions of the committee and said that they were going to submit a draft to the committee. When that draft was submitted to the committee we, as members of this legislative body, could not agree with the suggested draft. Every member of that committee studied the draft, and amendments were proposed. When the departments finally realized that this committee intended to be legislators instead of rubber stamps a representative from the Department of Agriculture appeared before the committee and attempted to testify off the record. The committee refused to hear him unless he testified for the record. He finally testified for the record. This committee, after hearing that representative, went into further conferences and meetings, and after much serious consideration decided on a real, true, fair piece of legislation. We were fair to Louisiana and Florida, representing the cane industry; we were fair to the Corn Belt; we were fair to the sugar-beet area, not only in the United States but in the off-shore areas and the foreign countries, but pressure was brought to stop this legislation that was suggested by the committee, and we were told that it may mean that we would not have any sugar legislation. Has this Congress come to the point where they must bow in submission to the overlords of the different departments, or are we going to be real men and act as the people of this Nation expect us to act, representing without fear or favor labor, industry, and agriculture?

The onslaughts of the press, the criticism that has been heaped upon us, has not deterred the valiant members of that committee in their honesty and fairness.

I am informed that at a press conference Secretary Wallace made the statement that the Agricultural Committee would have to accept the departmental bill as submitted or there would be no sugar legislation. Since when has Secretary Wallace become a dictator with regard to the Committee on Agriculture or with regard to the policy of legislation in this Nation? It is about time that the Members of this House act in unison and protect their committees from the onslaughts of these department heads and departmental clerks.

Secretary of State Hull appeared before the committee in an executive session, and it was my understanding that the hearing was of an executive nature, but the real facts are that his statement began at 10:30 in the morning and did not end until after 12, and without the knowledge of the members of the Committee on Agriculture a press release of the statement made in executive session was released by the Secretary. It may not be to my political advantage to resent such actions, but as a Member of this House, in the interest of fair play, in the interest of upholding the traditions of this House, I believe that the dignity of Congress should be protected. Rumors have been rife that if we as Members of Congress insist on our prerogatives and bring in the legislation as we see fit that the President will veto such a bill. I do not believe that such is the case. I believe our great President, who has been the finest leader and the greatest leader of any political party since the beginning of our history, should not be maligned in this way. He has the power to veto but he will use that to the advantage of the American people, and I, for one, will not be cowed down by such threats from men who have no authority to speak for the President of the United States.

This committee has seen fit to reduce the quota of raw sugar from Cuba and to increase the quota for the continental cane for the States, especially the States of Louisiana and Florida. I believe we are justified in our action. This committee has seen fit to reduce the amount of raw sugar that is to be imported not only from Cuba but from the offshore areas in the interest of continental industry and continental labor. I believe we are justified in that action. This committee has seen fit to eliminate the practice of bringing in liquid sugar over and above the regular quota. I believe we were justified in that action. In fact, this committee has seen fit to be fair with the foreign countries and to allow a fair margin of trading under the reciprocal-trade agreements. I believe we have been justified in that action. The legislation as proposed by this committee is a protection not only to the consumers of the United States but to the industry and labor of the United States, especially continental America.

In closing, let me say that this bill should be reported out of the Committee on Agriculture, whether the departments are opposed to it or not. Just because there are a few pets that the departments wish to protect is no reason that the American people as a whole should not be protected. It is high time that favoritism be eliminated from legislation.

When the Jones-Costigan Act was discussed recommendations were made by the Secretary of State, and such recommendations were made on the theory that the Jones-Costigan Act was purely temporary because of the acute economic distress in Cuba. This condition in Cuba is now much improved, and we should not view the sugar bill of today in the light of circumstances that attended the passage of the Jones-Costigan Act at the time of its consideration by Congress. The suggestions of the committee studying the sugar legislation are such that will protect the interests of American labor against petty bureaucrats who feel that foreign labor is of greater importance to the American system than American laborers jobs; who apparently want to formulate and right legislative policy instead of allowing the Representatives in Congress the right and privilege they are directed to have by the Constitution of this Nation.

It is with much regret that I am called away for several days on important business. However, when I return I will paint a complete picture of the sugar situation with regard to the proposed legislation, both from the standpoint of the committee and the standpoint of the departments. Let me say that I want to congratulate all the members of our committee for their valiant stand against the onslaught of those who would try to dictate. I congratulate all members of this committee on their decision to draft this legislation in the interests of the American consumers, the American public, American industry, and last but not least in the interest of American labor.

More Liberal Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. HERBERT S. BIGELOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. BIGELOW. Mr. Speaker, there is now on the Clerk's desk petition no. 19, by which it is hoped to bring out a bill to

liberalize the State old-age pension systems which are administered under title I of the Social Security Act.

This bill is H. R. 5780 by Mr. CONNERY.

My purpose in addressing the House is to explain the Connery bill and to appeal to the Members to support the bill by signing petition no. 19.

Members are aware that the Senate Committee on Finance is cooperating with the Social Security Board, and an advisory council, to consider amendments to the Social Security Act.

It is announced, however, that the intention is to amend only titles II and VIII of the act. These are the titles which provide for the payment of old-age benefits out of taxes on wages and pay rolls. The Social Security Board will propose only administrative changes on which there is general agreement and will not propose to this Congress any fundamental changes in the act.

This then is not the time to consider the general scheme of the Social Security Act in dealing with the problem of old-age dependence.

It may be well at this point, however, to state what this scheme is. The act recognizes the responsibility of society, acting through the Government, to furnish support to the aged citizens who are without private means. But in order that the tax burden may not become too heavy there is established a system of compulsory insurance, by which some twenty-five or thirty million workers are required to pay, in part, for their own old-age pensions. These workers will benefit by the fact that their employers are required to pay an equal amount. The part of the burden which falls on pay rolls will, of course, be shifted to the general public. The tax on wages is an income tax on incomes below which no income-tax law has dared to go.

It is a question as to whether this is a justifiable scheme of taxation, and it is also a question as to whether advantages to be gained can justify the appalling job of bookkeeping involved in keeping track of the wages and the shifting about of 30,000,000 workers throughout their entire working life.

These questions will not be discussed here. If it is concluded that this general scheme is unsound, it will not be until after a more extended experience with it.

However, it must be admitted that millions of workers and farmers and all housewives, and, in fact, more than half of the population are left outside the scheme.

It must also be admitted that for many years to come none of the beneficiaries of the scheme will be able to draw anything like an adequate old-age pension.

If a worker receives a wage of $100 a month, and never missed a day, and paid his wages tax every week, he would have to work and pay for 20 years, or from now until 1957, and if then he was 65 years old he could draw $32.50 a month. But to get this he would have to stop work. There would be nothing for his wife. The two would have to live the rest of their days on this allowance of $16.25 a month each. There are now 32 States that are paying a pension higher than that.

When the facts are realized, will the workers be content to pay taxes for 20 years to get a smaller pension than other workers get out of public revenues without any contributions on their part?

It is evident that most of those included within this pension scheme, as well as all those not included, will have to derive a part, if not all, of their pension support under title I of the Social Security Act—that is, from general tax funds supplied by the States and by the Federal Government. It is this title I that the Connery bill proposes to amend.

It is a duty which Congress cannot justifiably postpone, to face the question as to what is an adequate pension and how it is to be provided. We must ask ourselves, Are the pension systems as now administered in the States satisfactory; and, if not, what should Congres do about it?

Voting would sometimes be different in this House if Members had less dread of getting out of step with their own party crowd. As one Member expressed it, he did not want to get his tail in the wringer. That was the reason he gave for thinking one way and voting another. He did not want to get his tail in the wringer.

I am afraid this is a weakness of all of us. I do not want to profess to be superior to it. But now and then there will be a subject of legislation on which we are dead enough in earnest to stand alone.

Four years ago Ohio adopted what at the time we thought was an old-age-pension act. I had dreamed of this and worked for it for nearly a quarter of a century. But now, after 4 years of experience with our system, I am deeply disappointed with it.

What we have in Ohio in not an old-age pension. It is relief, grudgingly measured out to aged persons, on the basis of dire need.

We asked for a pension and they have given us a charity dole.

Having lived for so many years with these hopes of a real pension, I am the more displeased at what has happened.

I resigned from the City Council of Cincinnati to come to this Congress, because the city council could do nothing to give the people of my State a real pension system, and I hoped that I could help get such action from Congress.

It would help the people of all the States if title I of the Social Security Act were amended as the Connery bill proposes.

On this subject I hope and believe that we are going to forget party lines and perform a real act of mercy for the aged people of all our States. I hope that we are not going to worry about getting our tail in a wringer. Some tails may get in the wringer all right, but it should be the tails of those who are callous to the needs of the old people of their district.

Surely it is no longer necessary to plead for the principle of adequate old-age pensions. Let me introduce an old married couple of my acquaintance. Imagine that they are right here before you now. They are real people whom I know in Cincinnati. They are the loveliest old people you could imagine. You could wish the old lady were your own mother. It is a pity that they are not cherished in the home of sons and daughters, with an honored place at some happy fireside, with grandchildren playing at their feet.

But for this old couple, to whom I introduce you, these dreams of home and children have vanished. They are left alone, childless now, and utterly without means. They had worked, all their lives. God, how they had worked! But the race is not always to the swift, as the Bible says, nor the battle to the strong. Time and chance happeneth to all men. Time and chance has happened to them. And so, here they are, at near their journey's end, penniless and old, with nothing left of all their labors.

Now, what does my State do for these fine old people? It gives them what they call an old-age pension. But it is just what they give younger people and call it relief.

The State sends a lip-stick social worker, a professional charity doler, into their wretched tenement rooms to hold an inquisition into their affairs, to tell them how much they will be allowed for fuel and light, how much will be paid on their rent, and how many pennies a meal they may spend for food. Their allowance is pinched down to the last penny. And, on this rational budget, these old people commonly go to bed early to save fuel, and go to bed hungry. They are shabbily clothed in their old age and poorly housed and ill-fed. This is what we call an old-age pension in the State of Ohio.

What if these were your parents or mine? Should we not wish to do for all men's mothers and fathers what we would wish done for our own? Would not that be following the Golden Rule of Christian brotherhood?

Old age at best is a trial that we mortals have to face. It is the time that a poet of the Bible has described as the—

> Evil days when the keepers of the house shall tremble, and the strong men shall bow themselves, and the grinders cease because they are few * * * or ever the silver cord be loosed, or the golden bowl be broken—because man goeth to his long home and the mourners go about the streets.

To this pain of approaching dissolution shall we add the cold and hunger and pain of poverty? Surely we could wish for all old people security, at least from such needless privation. We wish they might all have a cottage of their own and security from want, to sit in this autumn time with folded hands and peace of mind waiting for that mysterious summons that men call death.

Shall we add to the distress of old age the bitterness of poverty? "Age and want", cried the poet, "Age and want! Oh, ill-matched pair!"

But this House does not need emotional appeals to its pity. Pity we have for all those who are both old and poor.

Counting on the full measure of sympathy of every Member of this House, I come at once to the practical question we must ask: What should the Congress do about this?

Such is the interest of the Members that a large number of bills have been introduced, and many different ways of dealing with the problem are proposed.

A number of Members, who had introduced plans of their own, held a series of conferences and agreed each to abandon his own proposal and unite on a compromise plan introduced by Mr. CONNERY in H. R. 5780.

I wish to commend H. R. 5780 as being in the judgment of its friends the line of least resistance, the way that we may hope to get all that it is reasonable to expect from the Congress at this time.

But, in doing so, I wish to emphasize that I have no spirit of antagonism toward any different or more ambitious proposal of any other Member.

The Connery bill leaves the pension age at 65, where it is now. I would like to see it 60 years or even less if we could afford it.

Some in the House stress the importance of having a straight Federal pension of the same amount to everybody, and paid directly by the Federal Government. I will gladly vote for such a proposal. But, if the House does not approve of such a straight Federal pension, I hope that we may, at least, pass the Connery bill.

The Connery bill does not disturb the existing plan that is operating under the Social Security Act. It leaves each State free to determine what its own contribution shall be for old-age pensions. It leaves the administration of the pension system where it is now in the hands of the States. But it does provide that the grants-in-aid from the Federal Government shall be two-thirds of what the States contribute.

It provides that the Federal Government shall pay to the States $2 for one instead of paying dollar for dollar, as at present.

The Connery bill involves no change in administration methods. It creates no new machinery. It merely pledges the Federal Government to double its contribution to the States for old-age-pension purposes.

It is true that under any pension plan the costs are certain to go up as time passes. At the present time the Federal Government is paying one hundred and twenty-five millions a year to the States to match State old-age-pension expenditures. On the basis of present pension allowances fixed by the States, the Connery bill will cost the Federal Government two hundred and fifty millions a year instead of one hundred and twenty-five millions.

But we do not disguise the fact that this sum is most certain to increase, because it must be presumed that the States will in time increase their own contributions. Under the present act, when a State adds $1 to its own pension expenditures it costs the Federal Government $1. But under the Connery bill each additional State dollar will cost the Federal Treasury $2.

To make the pension $30, under the present act, the State is compelled to contribute $15. But under the Connery bill, if a State contributes $15 of its own funds, the Federal Government would contribute $30, and the pension would be $45. The Connery bill provides, however, that if more than $45 a month is paid, the excess above that amount must be borne wholly by the State.

This bill makes no departure from the present policy, which is to leave to the judgment of each State what the pension requirements are for its own citizens and how large a contribution its own taxpayers can stand.

This is a flexible system which sacrifices uniformity to States' rights. The Connery bill has been constructed with a view to getting a substantial improvement with a minimum amount of change.

The impression prevails that old-age needs are soon to be adequately met by the compulsory insurance plan. Let me repeat that whatever may be thought of the present act it can never be extended to all the aged, and even for the most of those who come under the plan it holds out no promise of an adequate old-age pension. The maximum under the compulsory plan is $85 a month. But who could ever get that? Only the workers who for more than 40 years had never missed a pay day and had never earned less than $3,000 a year.

Mr. Albert Linton, president Provident Mutual Life Insurance Co., Philadelphia, comments on the benefits under the contributory feature of the Security Act as follows:

> The maximum pension that anyone can receive is $85 a month, and considerable publicity has been given to that figure. This is unfortunate, for it inspires false hopes.
>
> To qualify for an $85 pension a person must be credited with a total of $129,000 of earnings subject to that tax. At the maximum of $3,000 a year this means 43 years of service. Since this service must be completed before age 65, it must commence not later than the twenty-second birthday. Furthermore, since the only service that counts is that following 1936 the first pension of $85 will be payable in 1980. I imagine you will agree with me that we have more pressing problems than estimating the small number of people who will be able to qualify for an $85 pension in the years following 1979.
>
> It will assist us to see the plan in better perspective when we realize that according to the estimate the average pension that will be paid in 1980 is about $46 per month. Some will receive as low as $10. A select few will receive $85; but the average will be $46.
>
> We have been talking about the year 1980. What about the more immediate future? Here we must be prepared for something quite different from an average pension of $46. In 1945 the figure is $19 per month; in 1955 it is $25; in 1965, $33; and so on up to the 1980 average.

There is, therefore, no solution for this generation in the contributory system alone. Any adequate old-age system must lean on the noncontributory system of title I of the Social Security Act.

We must not, in our generosity, forget the serious problems that are involved in this subject. If we reduce the pension age from 65 to 60, we thereby increase the expense 60 percent.

We might prefer a pension system that could pay a flat sum to everybody, irrespective of any means test. That would relieve the system of all taint of charity.

But a pension of $50 a month to everybody 65 years of age would cost the producing part of our population over $4,020,000,000 a year, and, reduced to 60 years, such a pension would cost $6,432,000,000 a year.

It is to be hoped and expected that the States will liberalize their systems and eliminate offensive means tests. The requirement that homes must be surrendered to the State seems a cruelty that should be discontinued.

To make old people live with relatives who do not want them is a cruelty, or to make them accept support from coerced relatives. But one means test that can hardly be avoided for the present, besides that of age and residence, is the test of income. It is too much, in view of depressed economic conditions, to expect the payment of a flat sum. A person should be required to state what private income he has, and the pension should be whatever sum may be necessary which, when added to such private income, will make a total maximum income of a given amount. This is my private opinion, based on some study of how costs mount, but such questions of policy are left to the States.

So, too, the question of what such a guaranteed income should be is a matter for each State to decide. Conditions vary, and a sum which might be unnecessarily large in one State might be as much too small in another. Each State is

the judge as to any such differentials. This is the plan of the existing provisions of the Social Security Act which the Connery bill would not disutrb.

The Connery bill is conservative. It seeks no great change. It asks merely that there be increased aid from the Federal Government. If this House wishes to go further, I shall be glad. But one thing I cannot understand—how any Congressman could bear to go home and face the old people of his district after having refused to do even this much for them.

Even if thumbs are turned down on this Connery bill—even if we are not permitted to bring it to a roll call in the House—the petition which is pending on the Clerk's desk will be as good a record as a roll call and will show ineffaceably how every Member stands.

For the sake of pitiful old people whom I know in my State, and whom you must know in yours, I appeal to you, my colleagues, to sign petition no. 19, and please do so promptly.

Aviation Day and Aviation Development

EXTENSION OF REMARKS

OF

HON. CLARENCE F. LEA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 28, 1937

Mr. LEA. Mr. Speaker, under authority of an act of Congress, the President has proclaimed the 28th of May as Aviation Day. This is a tribute to the importance of aviation and the expression of the Nation's anticipation of its future development. It reflects the sentiment of the American people, who are interested in fostering and developing this newest method of transportation which so readily typifies modern progress and the American spirit of advancement.

Perhaps those who inspired this action by Congress and the President in establishing Aviation Day were not conscious of any particular date which could most appropriately be selected as the anniversary of the original event and outstanding importance to aviation. It so happens, however, that this is the very day of the month upon which America 20 years ago decided to launch one of its most forward-looking steps looking toward air superiority. That was the day on which the decision was made to design what later became known as the Liberty engine.

That decision resulted in the development of the greatest engine of that type of its day and represented America's most outstanding contribution to aeronautical construction during the World War. As a member of the investigating committee, my duties led me to take a particular interest in the history of airplane development prior to that time and with particular reference as to the activities of the United States in the World War in connection with the construction and operation of airplanes. Much of the information our investigation developed is embodied in part 2 of House Report No. 637 of the Sixty-sixth Congress, second session, and liberal excerpts from which are published in the hearings on H. R. 5234, as reported for the 8th day of April for this year.

Much misinformation concerning America's air war activities has passed as historical facts since that time. One really interested in the question of aviation would do well to familiarize himself with the facts concerning our war activities, and from them he cannot help but learn lessons of importance concerning air operations and military preparedness in general. Least among the exaggerations and misconceptions of a generation ago are many truths which establish what basically was the fault in the Federal organization of our air forces when America entered the World War.

On the 23d day of December 1907 the Army advertised for a heavier-than-air airplane, the main requirements of which were that it would remain continuously in the air for 1 hour and develop a speed of at least 36 miles an hour. The trial flight of the Wright machine fulfilled the requirements of the Army specification in September of 1908. It did so in the presence of the President, members of the Cabinet, a large group of Congressmen, military men, and the public.

If any spectator present at that exhibition flight then grasped the full significance of that event, history has failed to reveal to us who that person may have been. Many speculated upon the possible future of aerial navigation but none anticipated its real importance.

The common military viewpoint was that the airplane might become useful as a means of transporting military messages and serving as an adjunct to the Signal Service.

Pursuant to that thought, military aviation was turned over to an aviation section in the Signal Corps. The assignment of air navigation to such a minor role may have been justified in 1908. Perhaps that was a proper assignment for its early development, but the airplane for a number of years was destined to fail to gain its proper place in the military life of the United States. It was only when General Pershing was out on the ocean en route to Europe that he made the order separating aviation in the A. E. F. from the Signal Corps.

It was left to other nations, particularly France, to advance the art of air navigation, profiting by its origination in America. As measured by the support given to airplane development up to the time of the World War the United States ranked about ninth among the nations of the world.

During the World War the United States made great progress in aviation and particularly in quantity production of engines. We learned much, but we lacked much because of the want of that skill which only time and experience can give and for which there are no substitutes. We had failed to advance aviation as the circumstances demanded and as opportunity was accorded us.

Since the World War, civil and military aviation has advanced. We are now confronted particularly with the commercial aviation problem. Better construction methods, greater scientific and technical skill, better designs, improved mechanism and aviation aids with increased safety, increased speed, and greater load-carrying capacity, today places commercial aviation at the beginning of a new period in aviation development.

Again we meet a challenge somewhat like we faced in military aviation 20 years ago. Our decision is of importance to the future and success of aviation.

A decade ago there was a small field for commercial aviation outside of postal service. There was then a limited field for the civilian airplanes as there appeared to be for the military airplane in 1908. Now, with new-found ability, commercial aviation is seeking its real mission beyond the confined activities of any one economic or governmental agency.

The modern transport plane is rapidly taking its place as a very important adjunct to a national transportation plan adapted to present-day activities. By speed, load-carrying capacity, and greater safety it is attaining a new status in the transportation world.

In all probability, within two decades the rules of the road in the air are going to have new importance. Congestion on air lanes is going to be a problem of air transportation. Great numbers of passengers, great quantities of express and freight are going to be carried in the air.

Two-thirds of the income of the transport lines is now derived from the passenger and express service. In a few years relative support from the mail service has been cut in two and the revenue from the other service doubled. Much greater progress is in the near future.

Progress in commercial aviation is largely a matter of volume of business, and as that increases transportation costs are going to further decrease and thereby invite more business. As practically every student of air commerce realizes, this new development should be under the helpful regulation of the Government.

As air mail must be confined to one or a very limited number of carriers between specific points, so commercial aviation in the very nature of the present situation should be regulated as we regulate other agencies of transportation, particularly the rail and motor vehicles.

Certificates of operation should confine interstate commerce between different points to one line or such limited number of lines as are properly qualified to give good coordinated service. Cutthroat competition, seeking to succeed by starving out competitors, should be denied. The transport lines should be aided in giving security and stability to their activities by being assured certificates for their operation so long as they provide adequate service and give no just reason for revocation of their certificates.

We are trying to bring about this situation by H. R. 7273, reported to the Congress today by the Interstate and Foreign Commerce Committee. The general purpose of this proposed legislation is to constitute the Interstate Commerce Commission as the regulatory body to exercise over commercial aviation the same general regulatory powers now exercised over rail and motor vehicles in interstate commerce, so far as applicable to air transportation.

This measure provides the usual features of regulatory legislation, such as the control of rates, methods of procedure upon complaints, the control of the issuance of securities, the prevention of interlocking directorates, and the prevention of mergers and consolidations and control except under limited conditions approved by the regulatory body.

The proposed legislation would extend to existing air carriers in interstate commerce certificates of convenience and necessity to continue their existing service. It is made the duty of every air transport in interstate commerce to carry mail when requested in the manner provided by this legislation.

The Postmaster General alone would be authorized to initiate proceedings for the establishment of a new air-mail route. His petition would be granted subject only to the veto powers of the regulatory body in cases where it is determined that the creation of such new route would unreasonably impair the service of an existing certificate holder.

The Postmaster General would not be required to tender mail to any certificate holder for transmission by every plane operated by such certificate holder, but in his discretion may distribute the load as the needs of the Postal Service might require.

The Postmaster General would have sole control, so far as the Government is concerned, as to schedules.

Mail would be tendered, carried, and delivered in accordance with rules and regulations and schedules proclaimed by the Postmaster General.

At the present time all operating mail carriers have their rates fixed by the Interstate Commerce Commission. This method of fixing compensation continues to apply to all holders of certificates authorizing mail transportation, whether now existing or hereafter granted.

I think it not an undue appraisal of the importance of this proposed legislation to say that its early passage means much to the progress, orderly development, and greater expansion of commercial aviation during the next few years in the United States. It will be of greater encouragement and security to investment in commercial aviation, it will stabilize the industry, it will protect the public against unfair practices and discriminations, and give greater safety to the traveling public.

Without this legislation the Federal Government has no control over the transportation of passengers, express, or freight in interstate commerce other than a limited control exercised in reference to air-mail transportation. For some years at least commercial aviation cannot progress under conditions of cutthroat competition or unregulated interstate transportation.

Soon the time will be here when the very number of planes in the air will be an unbearable hazard unless coordinated and synchronized by intelligent regulations by some authorized body, such as the Interstate Commerce Commission.

We have received many assurances of support for this legislation. We are confident of its adoption by the Congress. We present it with assurance that it offers a practical solution of a very important problem now concerning our commercial air service.

We present this legislation with a confidence that we are doing a good service not only to commercial aviation but also promoting the business life and welfare of the country generally.

The Constitution and Religious Liberty

EXTENSION OF REMARKS

OF

HON. SAMUEL B. PETTENGILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

RADIO ADDRESS BY HON. SAMUEL B. PETTENGILL, OF INDIANA, ON MAY 23, 1937

Mr. PETTENGILL. Mr. Speaker, under leave to extend, I attach copy of a radio address given by me on Sunday, May 23, 1937, over WOL, Washington D. C., on the subject The Constitution and Religious Liberty, as follows:

Complete religious liberty exists nowhere in the world except in the United States of America. Nor did it exist in this country prior to the adoption of the Constitution and its Bill of Rights. To achieve complete separation of church and state and freedom to the individual to worship God in the light of his conscience has required a bloody struggle of 6,000 years. That struggle has been crowned with success only in this country, and in this country for only 146 years.

At first thought these statements are astonishing, but they are true. Take a survey of the world beyond our borders. Look at Mexico, Japan, Spain, Germany, Italy, Russia; where is freedom of worship among their millions of people? France is forbidden territory to certain religious orders and has passed laws to nationalize—in other words, to confiscate—the property of churches.

In England the recent coronation ceremonial and the King's oath prove the unity, rather than the separation, of the state and the established church.

In some of these countries there is, thank God, a great deal of religious tolerance; in others, very little; in some, practically none. Nevertheless, nowhere on the globe does a people live today where each and every one of its citizens enjoys, and to the same degree as we do, that priceless blessing which we call religious liberty.

There are reasons for all this. There are reasons why we have religious liberty in this country. They are, first, the fact that our fathers had suffered its denial for many centuries; second, the guaranty of free worship set forth in writing in our fundamental law; and, third, that we have courts to safeguard those guarantees, courts which we have so far maintained free from legislative domination or Executive coercion.

There are reasons, also, why the struggle of 6,000 years has in other lands yielded so little fruit. In the first place it is, and has throughout the centuries, been a human frailty for many men to believe that they can, and should, impose their religious ideas on other men against their will or desire, and so they attempt to use the power of the state to coerce their fellows to their own beliefs.

That comes from the religious side of man's nature. The other reason comes from the political side—and is probably the stronger.

Man loves power. During the age-long struggle for political, for religious, and for economic liberty, rulers have sought to gain control of the agencies of religion as a means to greater power. Thus they attempt to seize the human conscience and use it to augment and magnify the State. That is going on today in Europe, as I shall point out.

Sometimes the State and the Church have made common cause. Ambitious clerics and ambitious politicians have joined hands and made logrolling agreements for the greater glory of each.

But whatever the cause or causes religious liberty has been won only after the greatest sacrifice, and when won, is under constant and terrific pressure to whittle it away. Eternal vigilance is the price of religious as well as political liberty.

When the Constitutional Convention which met in Philadelphia 150 years ago this month submitted its final draft to the people for ratification, objection was made that the Constitution did not contain a sufficient guaranty that these rights of the individual should not be infringed upon by the new Government which it was proposed to establish.

With respect to certain matters our fathers insisted upon a "no man's land" upon which no Government official should ever be permitted to trespass, no matter how large a majority he may have

won in any election. It was therefore agreed that a Bill of Rights be added to the Constitution at the earliest opportunity. Except for this assurance the Constitution would not have been ratified.

It became the business of the First Congress, therefore, to put in writing these guaranties and submit them to the people for adoption. This was done in the form of 10 separate amendments known to all succeeding Americans as the Bill of Rights. They became a part of the Constitution on December 15, 1791.

That date may therefore be said to mark the birth of religious freedom as an effective principle of government, for the first time, and practically, for the only time anywhere in the history of the world. Although much of our Constitution has been adopted by other countries, nevertheless in the century and more which has elapsed, not a single other nation has achieved complete separation of church and State. Ours was in fact a new order of the ages.

It is significant that although our fathers desired to protect many hard-won liberties, the first article of the Bill of Rights and the first words of that article deal with this precious matter of religious liberty.

When it is remembered that it is the tendency of all legislative bodies to extend their power, it is worthy of note that the first Congress to convene under the Constitution adopted limitations or restrictions upon the power of themselves and all future Congresses. The words are "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." Elsewhere it was provided that "no religious test shall ever be required as a qualification to any office or public trust under the United States."

These prohibitions upon governmental power are absolute. They admit of no qualification. "Congress shall make no law." "No religious test shall ever be required." As long as these prohibitions stand it is plain that our fathers intended to place the rights so guarded beyond the power of any party, however powerful; any majority, however great; any mandate, however impressive; any Congress, however strong; any President, however popular; any ecclesiastic, however intolerant; any politician, however ambitious.

Stronger language could not be used. By no jot or tittle were these rights to be whittled away. They were written by men who had a profound acquaintance with and a distrust of the weaknesses and the greed and ambition of men.

The thought that prompted them has never been better expressed than by Thomas Jefferson, when he said:

"It would be a dangerous delusion if our confidence in the men of our choice should silence our fears for the safety of our rights. Confidence is everywhere the parent of despotism. Free government is founded on jealousy, not on confidence. It is jealousy and not confidence which prescribes limited constitutions to bind down those whom we are obliged to trust with power. Our Constitution has accordingly fixed the limits to which (and no further) our confidence will go. In questions of power, then, let no more be heard of confidence in men, but bind them down from mischief by the chains of the Constitution."

Upon the tomb of Jefferson are engraved the words "Author of the Statute of Religious Freedom." It is a sad but true commentary on human nature that the fears expressed by him were justified at the time and by subsequent events. Men need to be "bound down by the chains of the Constitution."

That is the deep significance of constitutional as against personal government. Under it the people rule and are the source of all power. But they rule, as it were, on second thought, not on the impulse of the moment. The Constitution represents the needs of the decade or the century, not the exigencies of the hour. It is the deliberate, sober, second thought of mankind, designed to check the snap judgments of mass emotion. It is the "stop, look, and listen" signpost erected by the past to prevent disaster to the present and the future.

But suppose Congress does make a law denying religious liberty. Suppose some State does require a religious test as a qualification for public office. But why suppose? These things have actually happened here in America, despite the words of the Constitution. What then? Will the words save our liberties? No. What will? Only a Court which will pronounce null and void any such law or any such test which the Constitution forbids, even though such law or test represents the temporary majority sentiment of the people, the will of their legislative agents, or the purpose of their Executive.

But there is still needed something more. And that is a people who will not countenance under any pretext, under any supposed temporary advantage, any attempt to deprive their courts of the freedom to exercise their own honest judgment when constitutions clash with statutes. If that freedom can be infringed upon to obtain certain judgments on economic or political questions it can, by the same token, be infringed upon to obtain certain judgments on religious questions.

The real question is not whether our courts have always been right but whether they shall always be free to act rightly. Or, putting it in other words, the question is not whether they have done a perfect job but whether any other agency of government, also composed of human beings, can do a better job. The question is whether the rights of minorities are safer in the hands of the majority, or in the hands of independent courts. And we are all members of some minority.

Volumes of law books prove that religious liberties are not safe unless our courts are free. In the absence of such courts they vanish like the mist of the morning.

A few years ago the State of Oregon passed a law requiring all children between 8 and 16 years of age to attend only the public schools. The effect of this was to close all private and parochial schools and to deprive all fathers and mothers of the right to send their children to schools where they might receive religious instruction. The act applied only to children 16 or under. But if this was a valid "legislative policy" with respect to 16 or under, it would have been equally valid with respect to 16 or over. If valid, therefore, such legislation in Oregon or any and all other States or the National Congress could close every denominational school or college in the country, whether Protestant, Jew, or Catholic, including such institutions as Notre Dame University, in my congressional district.

This case of *Pierce* v. *The Society of Sisters of Jesus and Mary* was therefore of the greatest importance and was defended not only by the schools directly concerned but by the American Jewish Committee, the Seventh-Day Adventists, and the Protestant Episcopal Church of the United States.

The Supreme Court, speaking through Justice McReynolds, held unanimously that the act was invalid and in words of simple eloquence said that "the child is not the creature of the State." Because it was a free Court and not a political Court it overrode the people of Oregon on a legislative policy which conflicted with the supreme law of the land. Because it did so it guaranteed that every father and mother in America, now or in the future, who may wish to send their boys and girls to schools or colleges where they will receive religious as well as secular education, may do so if they choose. Among the denominations which conduct private or parochial elementary and high schools in the United States are the Baptist, Congregational, Episcopal, Quakers, Latter-Day Saints, Methodist, Presbyterian, Lutheran, Catholic, Seventh-Day Adventists, and others.

If in any other State or in the National Capital there should some day be those who held similar views of legislative policy as those in Oregon, and if the Supreme Court of the United States might be controlled in its decision by creating additional judges who would overrule the case of Pierce against Society of Sisters, what would the rights of religious minorities then amount to? They would be gone with the wind.

Abroad the children of Italy are regimented as the "sons of the wolf." In Germany on May 1 Adolf Hitler declared, "I will not tolerate that the German people's authority shall be menaced from any quarter. That holds good, above all, for the churches. * * * We propose to accept full responsibility for the morals of the State and its people."

In Italy Mussolini is the constitution. In Germany Hitler is the supreme court. Both of them say in substance to their people, "Thou shalt have no other gods before me."

But in America the state is the servant of man, not his master. Here it is recognized by our fundamental law that man, because he is a child of God, has certain rights and dignities as a human soul that are beyond the power of princes or the might of majorities. Democracy is the political, as Christianity is the religious, recognition of the sovereignty of the soul and not of the state.

My friends, constitutional government is now under fire all over the world. Its first and perhaps its final refuge is here in America and in the hearts of Americans. It is ours today to have and to hold. It is not ours to give away. We hold it only as life tenants in trust. It is a precious legacy from our fathers to hand down to our children. If we breach that trust, we are traitors to all the past. If we are faithful to it, our children and our children's children will rise up and bless us, as we bless our fathers who went before.

Shall Any Funds Be Earmarked?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 28, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, a controversy has raged over this relief bill for 3 legislative days, and mostly, it seems, it is the earmarking of certain funds which is the chief contention. The newspapers would have the country believe that rebellious Democrats are in favor of earmarking the whole bill, that they may put through "pork-barrel" legislation. These independent Democrats who have suggested earmarking funds for various purposes maintain that they are merely exercising their congressional prerogative and doing their congressional duty, not as rubber stamps but as the duly accredited representatives of their constituents. They claim that the purposes for which they have demanded earmarkings are such wholesome and beneficial purposes that no true charge of "pork barrel" legislation may

be properly lodged against their efforts. On the other hand, party leaders have warned us that this bill is about to be earmarked to death, and that if we continue as during the past 3 legislative days, there will not be anything left in it for relief purposes.

In my own case I have favored earmarking funds, particularly for the P. W. A. and N. Y. A., and have given in the RECORD my reasons for earmarking P. W. A. funds. Worthy as flood control may be, I voted against earmarking anything for that purpose in this bill. Worthy as permanent roads may be, I failed to follow my inclination to vote to set apart any portion of this relief amount for road construction. I thought these could be taken care of otherwise, and I wanted to keep this a relief measure. If I could have my way, I would not earmark more than a total of $300,000,000 out of a billion and a half, thus leaving at the least one billion two hundred million to be used for relief through the W. P. A. set-up. I wish it might be more, but in view of pressing economy needs, perhaps such an amount is not far wrong.

The bill, as reported from the committee originally, contained some earmarking. I notice that $75,000,000 is suggested for the National Youth Administration. This proposal met little or no opposition in our Committee of the Whole. I sincerely trust that the setting aside of this amount for N. Y. A. will be approved both by the House and by the Senate. Such earmarking has more than my approval—it has my most earnest support.

As a college man of some years' experience, I believe I am qualified to speak concerning the need of and the benefits of such an allotment as we have sanctioned for the National Youth Administration. Of course we have not tried this new method of aiding young people to attend high school and college long enough to say that the system is perfected, but we have had sufficient experience to judge some of the results. Permit me to make a few observations about such aid and draw on my own experience as dean of a college in the West.

DOES IT PAY?

In this college in Arizona, with a student enrollment of about 1,000, we had about a third of the number of the students paying their way through school wholly or in part through student employment, which program was financed to the extent of 33⅓ percent through Federal N. Y. A. funds. I know personally that a large percentage of my own students who thus paid their way through college were the most worthy and competent of the entire student body. Incidentally, they made the best showing in the matter of scholastic records and in the various activities of college life. Presumably, none of the 335 students working their way through that college during the year of which I speak could have attended college without the opportunity to support themselves wholly or in part by Government employment.

I know by name and character several hundred students who graduated from this one college during the years of the great depression and who were enabled to do so only because of this wise Federal aid. What is most interesting to note is that these very same young college graduates who received their diplomas in the darkest economic hour of our Nation's history, and who are frequently numbered with the so-called lost generation, are today making their way in the world, self-sustaining and independent, and with high courage and hope. Who can estimate what an economic value this N. Y. A. fund has helped these young people to create and by what yardstick shall we measure the values which such young folk represent?

FORM OR REFORM

About 2 years ago, at a service club meeting in my home town, a gentleman from another State pointed out that our great neighboring State had an overwhelming problem in taking care of its wayward youth. As he bluntly expressed it, "They cannot build reform schools fast enough for the new inmates." He further pointed out that it cost about $1,500 annually to take care of boys and girls in such schools. The State director of N. Y. A. in Arizona was at the service club meeting. Seizing this favorable opportunity, I told the club of several ambitious young persons who had consulted me that very morning about enrolling as college students, provided they could get as much as $15 a month of student employment to supplement their own funds. In this way they hoped to pay their way through college. This I encouraged them to do, and it was arranged.

I further explained to the service group that on a total outlay of $400 a college year a student could attend my college and be deprived of no academic or social privileges or benefits. Thus I pointed out that a fund of fifteen or sixteen hundred dollars, which amount is required to keep a boy or girl in a reform school, would keep four college students in a good modern college. These statements were literally true 2 years ago as a comparison of college cost and values in my own community.

The National Youth Administration has been allotted money for the aid of high-school students, as well as of college students. Without quoting statistics, I feel that the money thus spent through this agency of the Government toward keeping our young people in high school and college in such panicky times is the most significant investment our country has ever made in permanent human values. If it costs four times as much to keep a boy in a reform school, or the penitentiary, than to enable him to maintain himself in my college, and such were the facts, it indicates in a small way the value of the National Youth fund. Only a few days ago we heard enthusiastic Members pointing out in this House the remarkable benefits of the C. C. C. for boys and young men of the depression. I do not want to minimize the work of the C. C. C., for I, too, recognize its valuable contribution in taking boys from railroad trains, highways, and back alleys of the Nation and giving them a sense of security and a brighter outlook on life.

However, I stoutly maintain that the same amount of money spent in keeping a young man in a high school or in a college will do much more for him and for the future of the country than such a sum spent on him in a C. C. C. camp. I would not discriminate against any of these educational agencies. I favor them all and a generous support of the same. It may be that some of our hard-headed practical businessmen may feel that we are attempting to educate too many too far in this country. But when I attempt to measure the cultural and spiritual values growing out of our educational expenditures, I become more enthusiastic that our Government shall do its uttermost for the young people of the land.

In a sense it is a misnomer to speak of this N. Y. A. fund as a part of a relief fund. It is here only because it is inconvenient to have it in any other bill. In another sense it is properly a relief fund, if "relief" means more than feeding the body. Man shall not live by bread alone. Whatever sum is earmarked ultimately for this work, whether it be seventy-five million or more, it is a national investment in the future of those whose value in leadership and service cannot be computed in monetary terms.

Positive Government for Democracy

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

ADDRESS BY JOSEPH CARR, OF KELLOGG, IDAHO

Mr. POPE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address by Mr. Joseph Carr, of Kellogg, Idaho, recently delivered at the

University of Idaho on the subject of Positive Government for Democracy.

Mr. CARR is a student at the university, and his address was awarded first place in a contest. It is significant of the frank and searching appraisal being made by young men and women of vital problems of our day. They are to be encouraged and commended in their efforts.

There being no objection, the address was ordered to be printed in the RECORD as follows:

For nearly a hundred and fifty years we have lived under the radiant beam of the American Government. In that time we have swept from the Atlantic to the Pacific, conquered forest and plain, built marvelous cities, and adorned countless hills and valley with temples of learning and tabernacles of religion. Above millions of homes ascends the smoke from family altars, where husbands and wives imbued with the pioneering spirit gather their children about them and dream of the day when their sons and daughters with minds and limbs unfettered shall run the road of opportunity of gaining the same good life that was endowed upon them. But destiny obscures their vision. The omnipotent touch of change has placed alarming and formidable circumstance before their eyes.

They see millions of men, women, and even children, working long hours for such meager compensation that they are not able to obtain the bare necessities of life. They see cherished democratic institutions falling before the machinations of selfish men.

They see the dark mist of injustice spreading over the lives of millions; those who are denied equal opportunity to an education and to improve their lot.

They see the glaring affliction of a vicious economic depression.

They see one-third of a nation ill-housed, ill-clothed, and ill-nourished.

The present rises before them like a horrible dream. For what evil spirit casts down upon them such demoralizing and devastating problems of human suffering and economic injustice. With aching hearts they set forth to seek a solution. Prescribing to the same frontier philosophy that cleared the forests, cultivated the prairies, and built the roads, they fall into the depths of confusion. Futile are their patriotic and devotional efforts. The world they have known was different.

In 1776 there were only a few million persons scattered along the Atlantic seaboard. Thirteen small, agrarian, jealous Colonies, each largely self-subsistent, naturally presented different problems. Economically, the Nation of that day was self-contained. The farm and village population depended primarily upon their own efforts for their well-being. The country was is a state of immature settlement. When economic conditions became pressing in one place instead of endeavoring to solve them the people so effected moved to the new lands in the West.

But today the economic situation is entirely different. We no longer have the frontier. People no longer live in remote villages and farms distributed sparsely throughout the country; but we live in congested cities and urbanized towns. The independent producer of the past for the most part has been supplanted by the specialist, the corporation, the cooperative association, and the trade-union. Individuals, communities, and regions have becme interdependent. All have become so interwoven into a common economic net that apart from a few primitive farmers, no one, whatever his virtues of industry and thrift may be, lives unto himself, or by his own efforts applied to Nature's resources wins security for himself and his family. The clothing and shoes of even the isolated farmers are not made at home or in a nearby village, but hundreds of miles away, and not by individual workers but by many under the direction of a large-scale enterprise.

Not only is America characterized by a highly complicated system of production and distribution, but the telegraph, the telephone, the radio, the airplane, and the utilizations of electricity and steam place the most distant portions into a highly solidified community. We live in a changed economic environment. Even former President Coolidge, who has been called the savior of our liberties, took cognizance of this when he said, "We are in an era to which I do not belong, and it would not be possible for me to adjust myself to it. When I hear of the new processes which are so popular now, I realize that my time in public affairs is past."

The American frontier era was one of the few times in human history which supported unqualified individualism. This philosophy naturally prescribed the limits and nature of our Government. Strong government was feared. In the Old World the forefathers had known a terrible yoke of oppression imposed upon them by selfish men through the medium of Government. As they saw it, government could be nothing more than an instrument of exploitation. In America the qualities of self-reliance, initiative, and resourcefulness were not to be restrained. Everyone could be free and independent. The railroad builders, oil barons, mining czars, steel magnates, and financial wizards were given free rein. They grasped opportunities when and where they saw them without asking permission or patronage, without the burden of consideration for a community that was not yet articulate, but simply on the basis of the gratification of their own self-seeking instincts. So fervently did they believe in handcuffed government that they acclaimed with enthusiasm and sincerity that government was best which governed least. Instruments and institutions of our Government became tempered from this conception. So firmly embedded in the political morality of the people did the theory of laissez faire become that in a later day we find heedless exploiters of natural resources and human beings destroying almost every vestige of control in the interest of the public with little or no resistance. Acrimonious and devastating attacks were leveled upon all newer economic and social theories in the name of patriotism by means of injunctions, blacklists, provocation, and even imprisonment. The fight against labor unions was incorporated under the banner of Americanism. The profit lords and acquisitive businessmen were enthroned as the messiahs of this Nation. It is with the deepest regret that we view the remark of a former Cabinet officer of our Government as a result of an interview on the depression He said, "Our children are apt to profit rather than suffer from what is going on." Those destitute millions could invigorate their hearts with the thought that their suffering was a tribute to our sublime institutions. As they were told, Government interference to alleviate the severity of the depression would mean tyranny and the dreadful oppression of their precious liberties.

The economic royalists from their pedestals of concentrated wealth led the successful propaganda campaigns declaring that any interference on the part of government in ironing out maladjustments in our economic structure was un-American. It would undoubtedly lead to communism, fascism, or bolshevism. Democracy could only be attained by chaining the powers of government. It is a matter of common knowledge of just how that democracy worked and works today. The advantages and opportunities bestowed upon those in economic position does not foster democracy. We see the distinctions. We have a residence meaning, exclusive suburbs for the rich, slums for the poor. We have a culture meaning: Expensive art, symphony, and opera tickets and European travel for the rich; jazz, crooners, movies, or cheap publications for the poor. We have political meaning: The rich are important members of the community, the poor are nuisances, troublemakers, beggars asking for relief and adding to the national debt. We have a legal meaning: The rich have the most expert counsel to represent them; the poor take what they can get. If the poor have no employment, which is most often due to no fault of their own, and forced upon relief, we are not sure of what becomes of their guaranteed rights in the Constitution.

For many of our people there is an immediate need for a new definition of their rights and a new assurance of protection from oppression by economic power. The guarantees of life, liberty, and the pursuit of happiness are just as important today when applied to the huge business combination and concentrated wealth as they were a century and a half ago in their application to governmental action. The extreme rugged individualist of the past must be rooted out. Our national philosophy must no longer be subservient to industrial oligarchy.

Today, if democracy is to be real under modern industrial technique, government must provide for its citizens a treasury reserve or storehouse of surpluses sufficient to nourish self-respect. In our case, this used to be land. Now it must be social insurance against the disastrous workings of a precarious economic system. No man can be called a democrat in any vital or wholesome sense if he has nowhere to turn when the impulsions of economic pressure become too much for him. There must be an escape provided, each citizen must have a card up his sleeve that no one can trump.

Today, government must experiment. To paraphrase Cardinal Newman, "To live is to change and to obtain perfection is to change often." The maladjustments in our economic society can be corrected only through the trial and error method. The mistakes of that government imbued with a moral passion to attain a better state of affairs is far more conducive to "warm-hearted" democracy than that government which lacks courage, foresight, and aggressiveness, for fear that it might err.

Today, government must keep democracy from taking a holiday. That fraternal doctrine of Jefferson and Lincoln must be seen through different lenses. The ruggedness, the selfishness, and the unsocial qualities of the individualism of the pioneers must be extracted without destroying the cardinal qualities of initiative, resourcefulness, and self-reliance which have been truly exemplified in American achievement. The freedom which government must preserve in the modern world is not the freedom of the wild beast to hunt and to live alone. But civilized man must be able to live in a well-organized community where he works with and for his fellow men, where he fulfills obligations to them and they in turn fulfill their obligations to him.

No nation faced with multitudinous economic maladjustments escapes the poison ferment of social unrest. This, as we have learned from the past, has been the mysterious counterpart of all violent resolutions. In Russia, it invoked the St. Petersburg strike. In France it sounded the alarm for the storming of the Bastile. In Italy, it beat the drums for the march upon Rome.

Let us take renewed warning from the experiences of these nations. No longer shall we see democracy as a puny flower being ravaged by pernicious weeds. Government must be dedicated to the extermination of these weeds by positive action. Then we shall see the growth of a hardy flower rooted in social good feeling.

Then we shall see a new America—the youngest, the most vigorous, the most highly intellectual and moral force in the world. We shall see this force working to rebuild democracy.

Responsibility of Government to the People

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

ADDRESS BY THE POSTMASTER GENERAL, JAMES A. FARLEY, AT CHICAGO, ILL., MAY 24, 1937

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject The Government and Its Responsibility to the People, delivered by Hon. James A. Farley, Postmaster General, at the annual dinner of the Loyola University Alumni Association at Chicago, Ill., May 24, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Those of you who have long been associated with the growth and development of Loyola University must have a feeling of warmth and satisfaction in the size and character of this impressive gathering here tonight. A scholastic institution which can bring together nearly 3,000 loyal sons on an occasion like this has ample reason to feel content with the present and confident of the future.

It is a good thing also for the State of Illinois and the city of Chicago that Loyola University is in such a flourishing condition and that its alumni are constantly playing a greater part in both civic and professional life. The students who leave Loyola have been grounded deeply, not alone in knowledge, but in the sense of their obligations to their Creator and their fellow men. The results of such a training are bound to have a wholesome effect in influencing the pattern of community life.

These are days in which momentous events tumble over each other so fast that each year seems like an epoch. Speed seems to be of the essence—even in politics. We are accustomed to high-speed communication through the telegraph, the telephone, and the radio. We are getting accustomed to high-speed transportation through the motorcar, the streamlined train, and the airplane. Even history itself seems to be taking on something of this breathless character of present-day life.

Each week seems to bring a new crisis in European affairs. In fact, before the bewildered readers of the daily press learn the facts about one crisis, they find themselves confronted with a wholly new one. The news brings reports of menacing military alliances and of growing armaments, of dictators growling at one another, and of merciless fighting in guerrilla warfare that threatens to involve a continent. Even the slumbering Orient is moving faster than it ever did before.

While the pace hasn't been quite so severe on this side of the ocean, after the past few years it could hardly be said that America is in the doldrums. There was an economic depression of unprecedented extent and severity, followed by a series of swift and vital strokes intended to help the Nation regain its economic balance. And, of course, for those who like excitement, there was the stirring Presidential election of last fall, in which each of the great political parties did its patriotic best to warn the country of the iniquities of the other. After such a series of events it could hardly be said that Americans were having a dull time.

To those people who dislike change, it is only natural that times like these should bring uneasiness. That fact alone explains why a great many folks of conservative turn of mind are dead set against any revision in the social, economic, and political order. But whether we like it or not, this is an age of change and revision. The entire world is in ferment because of the renewed aspirations of people who are impatient at the continuance of old wrongs and abuses and who are demanding a better world in which to live.

The United States has not escaped this almost universal feeling of discontent and uncertainty. The profound efforts at political change which have taken place in the last few years did not germinate in the minds of a few visionaries and idealists who happened to be in power, despite the wishful thinking of those who make that assertion. These changes had their beginnings deep down in the consciousness of a people aroused and angered at the inequities and inequalities which were permitted to exist under the old order. The Roosevelt administration was made the instrument of change because three previous administrations had sat motionless and insensitive to what was taking place.

Tonight it is my privilege to discuss the social meaning of the program which the administration has undertaken in response to this insistent demand on the part of the electorate.

The social objectives of the Roosevelt administration are twofold—the conservation of natural resources and, above all, the conservation of human beings. There is nothing new in that. In a broad sense, these objectives form the ultimate goal of every government worthy of the name and to a considerable extent of every other organization which has for its purpose the betterment of mankind.

The only new element is the fact that President Roosevelt insists we must do something about obtaining those objectives. He insists that now is the time to uproot old evils, to correct the errors of the past, to lay the foundation for a better way of living and a more equitable distribution of human justice. He has no patience for the philosophy of drift and do-nothing. He lays down the simple proposition that if we believe what we advocate, then the only course open is to strive with all our might to make it a reality.

Of course, there are some people who dissent vigorously from the proposition that the Government must attempt anything at all which has to do with the social aims of mankind. They look upon government as a policeman whose only task is to protect life and property from direct and illegal assault. They offer as an alternative for the social program of the administration the empty formula of do-nothing in the vain hope that conditions will improve and manifest abuses will correct themselves.

The only trouble with that philosophy is the fact that it won't work. If the events of the past few years failed to teach this country that the road to national security, and the road to individual security as well, lies through the adoption of wise public policies, then mankind will never learn anything from the hard lesson of experience. There was a business depression that left millions of breadwinners stranded in city areas where they were absolutely helpless to win even the bare necessities of food and shelter. Those of you who have been closely associated with the work of charitable and social agencies realize better than anyone else how futile would have been the struggle without Government aid.

There was an agricultural depression that piled up sorely needed stocks of food products upon the farms while the growers faced bankruptcy and ruin because the sale price was less than the cost of production. And to those economic evils were added the ominous perils of raging floodwaters, of withering drought, and blinding dust storms that were sweeping over the land and bringing with them death, desolation, and despair. It is easy to prate about the virtues and rewards of individual efforts, especially if a man is fortunate enough to enjoy for himself the blessing of personal security, but only a madman would have dared to advocate such a policy during the period from which we are just emerging.

There are two never-to-be-forgotten facts in connection with the situation in which America finds itself today.

The first is that the United States is industrialized to such a high degree that a humane public policy must be worked out on a national scale to protect millions of workers from the cruel hazards of uncertain employment, recurring depressions, occupational dangers, and early old age. The day has arrived when the public conscience will not permit industry to exploit men and women during the prime of life and then toss them on the human scrap heap whenever it appears that younger and more active workers will bring greater profits. The objective is no longer what is good for industry alone but what is good for industry and society as well.

The foregoing proposition is so simple and so true that no one will dissent. But the chorus of dissent will reach ear-splitting proportions if an attempt is made to do something about it. Unbelievable as it may sound in this enlightened age, it was not until the year 1937, or, to be more exact, until a few weeks ago, that it was lawful in this country for a State to enact minimum-wage legislation to protect women workers from the merciless greed of sweatshop operators. No individual who cared a whit for his reputation or honor would defend the exploitation of women workers—but thousands of reactionaries were able to find a plausible legal excuse to keep it in existence.

There is another significant factor in the present condition of the country, the importance of which may not be overlooked. That is the constant change which is taking place in the country's natural resources and in the physical content of its soil and water. This is no longer a continent composed entirely of virgin timberland, of rich lands for pasture and planting, of inexhaustible mineral deposits and streams overflowing with edible game fish.

On the contrary, the North American continent has aged at a rapid pace during the past couple of centuries. It presents a far different picture than it did in the early pioneering days when hardy settlers arrived from Europe prepared to wrest home and fortune from the wilderness with nothing but an axe and a robust faith in the goodness of God. The tremendous changes that have occurred since then have been due partly to nature and partly to man. As someone well said, the American people have ploughed the ground recklessly, laid waste the forests with lavish strokes, and caught fish from the streams and rivers as if they had definite assurance of a never-ending source of supply.

This wasteful policy toward the resources provided by nature was carried on in every section of the country. In fact, it lasted until very recent times. The idea that the vast resources of America might ever be seriously impaired seemed too remote to be considered. Men and women were too busy providing for themselves and their children to give heed to the future. What this

spendthrift policy meant to this present generation was well described by President Roosevelt in one of his messages to Congress. He said:

"In recent years little groups of earnest men and women have told us of this havoc, of the cutting of the last stands of virgin timber, of the increasing floods, of the washing away of millions of acres of our topsoils, of the lowering of our water tables, of the dangers of one-crop farming, of the depletion of our minerals—in short, the evils that we have brought upon ourselves today and the even greater evils that will attend our children unless we act."

The foregoing quotation presents briefly and accurately the situation which faces the American people today. It is not exaggerated or overdrawn. The warning which it gives to the Nation is brought home to us almost daily in the news accounts of the daily press. Each spring the country is aroused at reports of swollen floodwaters hurling themselves angrily down the principal valleys of the country. For days and days, and sometimes even weeks, the public reads of the heroic efforts made by relief agencies to get thousands of men and women out of the path of the raging waters. In the main these efforts are successful, and yet the annual death toll from floods is appalling.

When the spring freshets are over the public very often finds itself reading about another kind of national calamity. The eyes of the Nation are turned to the great Grain Belt where lands are parched and baked, crops are withering at the root, and cattle are dying off in thousands because nature has failed to provide enough moisture even to sustain life. There is something awful and terrifying about a drought which runs its blighting course over thousands of acres of good pasture and farm land. The sight of dust clouds hovering in the air, obscuring the sun, and blotting out the landscape seems like a warning from the Almighty for man to mend his ways. Of late years there have been too many such droughts.

To every person of intelligence and reasonable mind it must be apparent that it would be an act of national folly to neglect or ignore these warnings of disaster brought to us by floods and droughts. The Nation just can't sit back and wait for the situation to cure itself. To those critics who assert that the administration in Washingon is in too much haste, that it is endeavoring to do too much, the honest answer is that time and nature won't wait. The corrective measures now being attempted are long overdue. The administrations which guided the destinies of the Nation in the first decade after the World War were too well satisfied with the spectacle of a booming stock market to bother about the fundamental resources of the land.

For generations to come, the people of America will have cause to be grateful for the conservation program inaugurated by the Roosevelt administration. The forestry work of the C. C. C. boys, the flood and irrigation dams built by public works, and the rehabilitation work of other agencies, all fit into a single program, the beneficial effects of which are written across the face of America from ocean to ocean. The continuance of this program will insure the physical rebirth of the continent.

The criticism is heard frequently that the Federal Government during the past couple of years has embarked on various enterprises, none of which is related to the other. If those critics will be fair they will discover that every measure was intended for one of those two general purposes—either to conserve natural resources or to relieve the shocks and hazards of industrial life.

When the tumult and shouting of political partisanship has died away, the Roosevelt era will be recorded by historians as the period in which the average American citizen regained his economic rights. It is safe to say, despite the clamor of the opposition, that the gains made in this period will never be successfully challenged by any political party. Here is a partial box score of what has been accomplished:

Millions of bank deposits made safe by the Deposit Insurance Act.

Thousands of investors protected against fraud by the activities of the Securities and Exchange Commission.

Millions of farmers assured a decent living by the various farm-relief acts.

Huge areas of land reclaimed for cultivation by the construction of necessary dams.

States and cities enabled to care for the unemployed by the Federal work-relief program.

Millions of men and women given a guaranty against pauperism in their old age by the social-security law.

The foregoing is a partial summary of what the Roosevelt administration has endeavored to do to help the American people in surmounting the problems brought on by complex industrial life and by depleted natural resources.

Considered calmly and dispassionately, and with a proper understanding of the menacing conditions which they are designed to alleviate, it is hard to realize that a fierce storm of controversy could be evoked by the simple propositions which we have just been considering. Everyone, it seems, is willing to concede that the Federal Government must do something to remove the perils of floods and droughts. Every reasonable person is willing to concede that legislation must be enacted to set up a higher standard of security for the average man in industry and to insure a decent living for the men and women who labor on the farm. And yet the fires of political controversy have flamed forth in the last few years with a degree of intensity and a fierce consuming heat that have never been surpassed in the history of the Republic. Those people who stood with the Chief Executive have been made the target for a barrage of criticism and, at times, of blistering personal abuse heaped upon them by individuals and organizations who were ready to go to any lengths in order to defeat or to sidetrack the administration's program.

I am not one of those who believe that all wisdom is bound up in the decisions of my own political party or that everything the administration does is marked with the stamp of perfection.

Faced with the necessity of recharting the political course of the Government, at a time when every act was hurried by the pressure of a grave economic crisis, it was only natural that the efforts of the administration were subject to errors of judgment and mistakes of administration. Only a man suffering from political blindness could claim otherwise.

But despite that fact, the American people have excellent grounds for doubting the sincerity of the Tories and Bourbons who charged themselves with the dubious task of scuttling the social-reform program of the Roosevelt administration. Their insincerity was demonstrated by the character of their own acts.

These Tories did not confine themselves to opposing policies which they considered harmful to the Nation. On the contrary they battled just as relentlessly and just as stubbornly to frustrate every single administration measure which they felt was against their own personal financial interests. They were not concerned at all over the unfortunate plight of 80,000,000 fellow citizens. They fought relief for the farmer, they condemned work relief for the unemployed, they hired high-priced attorneys to overthrow State minimum-wage acts and other needed industrial regulations. They scoffed at public works and they used every known legal subterfuge to defeat the Government's housing program.

The record stands against the Tories. The evidence is overwhelming that they poured forth their money and their efforts to block badly needed reforms and to foster and protect social wrongs and injustices which have been condemned by the moral sense of mankind. If the money which they poured out to strike down minimum-wage and maximum-hour legislation had been used instead to advance rather than to retard those causes, the world today would be a happier place to live in.

The policies now being pursued by the Federal Government are partisan in a sense. And yet behind those policies is an insistent demand upon the part of the overwhelming mass of citizens for a fairer share of the world's goods and a greater degree of security against the conflicting currents of modern life. The American public is too well educated to be content with a Government that gives less. Those minority groups standing in opposition will find it easier to sweep back the tides than it will be to thwart the will of the American people.

Conservation of Natural Resources

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

RADIO ADDRESS OF HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. HATCH. Mr. President, last evening the Senator from Washington [Mr. SCHWELLENBACH] delivered over the radio a very able address on a very important subject, the conservation of our natural resources. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the outset, may I express to Mr. Kuhn and the Washington Star my appreciation for this opportunity to discuss this important question with you.

The term, "Conservation of natural resources", despite its dramatization by President Theodore Roosevelt, has always had a rather vague and far-away sort of meaning to most of us. We have thought of it as consisting of the withdrawal of acreage of forest lands or the creation of oil reserves. It was something of which everyone approved, but about which no one did anything. Were we not the richest Nation in the world? Did not we possess limitless resources? Our attitude was that while our great-grandchildren might possibly suffer from our lack of attention to conservation that probably they would have such greater knowledge than we that there was no need for worry.

A PROBLEM OF TODAY

It has been only the last few years, since the revelations by the studies of the National Resources Board that the American people have been brought to the realization that a proper use,

development, and preservation of natural resources is a current and telling problem which faces us today and which must be solved today. Let me read to you from the recent report of the National Resources Committee. I quote: "The fact is that most of the territory occupied by the United States is not naturally suited for a permanent civilization. It is like the land of the Mayas of Yucatan or the land of Babylon—a rich country where its civilization would flash into a blaze of glory and then collapse in a few generations into ruin. Our soil is not enriched by the usual methods of cultivation, but impoverished. By the normal processes of our farming, our mining, and our lumbering, we are creating a desert. The Americans need to realize that all their national hopes and aspirations are secondary to the question whether we can continue to eat. Without a fertile soil and self-renewing forests, the problem of our bankrupt cities will become a ghastly joke. Armies and navies cannot defend a nation against the scourge of wind and flood; constitutions and courts have no authority over natural law. Any nation whose land naturally tends to turn into desert must take measures to preserve the land or it will surely die."

In addition, we in this country have viewed the problem of conservation from a purely local viewpoint. We in the West have read of the floods in the East. We have shuddered at them. We have sympathized with their victims. But it was not until recently that we have appreciated the fact that our own prosperity was affected by them.

In the past we have had a similar attitude toward the droughts and the dust storms of the Middle West. You people in the East have never appreciated the fact that your prosperity and your future might be affected by the destruction of the purchasing power of the people of the Middle West through the failure of their crops or by our failure in the West to make the proper use of the resources with which we were endowed. The last few years have brought to us a much wider range of vision. We have come to know that America cannot long remain prosperous or happy when any portion of the population is neglected by the rest of the population.

The American people should not need more argument to persuade them to this conclusion. Do you realize that a dam constructed in Tennessee or Alabama on the Tennessee River or one constructed way out in Montana on the Missouri River may be the one factor which will result in the protection of the lives and the property of the people of Arkansas or Mississippi or Louisiana in the event of a flood in the lower Mississippi region? If you do, you certainly can fully comprehend the extent to which our people are interdependent.

AFFECTS THE EAST

The worker in the great industrial city of the East may find the cost of his bread and his meat too high for him to provide the necessary food for his family. He must understand the direct relationship between that cost and the failure of his Government to conserve the water supply of the Great Plains area which caused the scarcity of wheat or corn or hogs or cattle.

We hear much talk today about the necessity for Government economy. We are told that a balanced Budget is the primary requisite for future governmental stability. I have no quarrel with those who present these arguments. I recognize as well as anyone that no government, like no business, can indefinitely proceed in the red. There is, however, such a thing as wasteful economy. There is no better example of an inefficient businessman than the one who, because of his desire to make a good showing in his operating statement, permits his machinery and equipment and buildings to unduly depreciate because of lack of expenditure for maintenance.

Let us look for a moment at our national balance sheet. The American people acquired on this continent an area consisting of nearly two thousand million acres of land. We gradually extended the use of it until today about one-fifth of it is in crops, two-fifths in pasture, one-fifth in productive forest. Of the remainder, eliminating that portion which consists of deserts and snow-capped mountains, the rest is occupied by cities and roads. When our ancestors arrived 300 years ago nearly one-half of the area of the present United States was a forest. The territory contained many million acres of fertile land. It contained millions of tons of valuable metals and ores. Its coal fields contained in excess of three trillion tons of coal. The entire territory abounded in fish, wild animals, and game.

Let me give you just a few examples of how we have misused these resources: We are losing, through erosion caused by wind and water, 3,000,000,000 tons of our fertile topsoil each year. Of the 900,000,000 acres of forest land which we once possessed, only 200,000,000 acres now remain.

SENATOR WHITE'S VIEWPOINT

Let me read to you a statement made before the United States Senate on March 8 of this year by the distinguished Senator from Maine, Mr. WALLACE WHITE. I quote:

"We have seen our fish resources disappearing throughout the entire United States, along the east coast, in the area of the Gulf, and up the Pacific coast as well. Within my own time we have seen disappear from the waters of New England salmon, shad, and sturgeon. It was not many years ago that one could find the Atlantic sea salmon running into some thirty-odd rivers between New York and the Canadian border, and today there is just one river along that entire north Atlantic seaboard in which Atlantic sea salmon is found in any numbers. The same thing has happened with respect to the shad and with respect to the sturgeon. We have seen a constantly diminishing supply of fish in the Chesapeake Bay area and to the south."

We have been profligate in our use of our natural resources. We have been wasteful. The insatiable desire for immediate profit has brought about an attitude of complete forgetfulness toward our responsibility for the preservation of our resources.

If anyone doubts that this is a current problem, one that doesn't need to be solved now, I would have him visit the areas devastated by floods during the last spring. Let him go into the Ohio Valley and talk to those who were driven from their homes or those whose homes were destroyed or carried down the streams. Can anyone who listened to the radio reports of conditions in Kentucky and Indiana and Ohio doubt for a minute the necessity of dealing with the flood problem now? It is a sad commentary upon our recognition of national responsibility that even after the terrible flood of 1927 in the Mississippi Valley the only legislation for a comprehensive consideration and solution of the flood-control problem was an act which applied only to the lower Mississippi, to one river in California, and to one lake in Florida.

The people of this country must realize that we cannot denude our forests at the headwaters of streams, we cannot take from our lands the grasses and the humus that retain the moisture and fail to pay the penalty that inevitably must come when we leave the water of our streams uncontrolled by the forces which nature provided for the purpose of controlling them. The streams know no State boundaries. They have no respect for States' rights. It avails us nothing to put dikes at the lower end of the stream if we neglect to provide protection at the headwaters. It is not merely big waters that present our problems of flood control. The little waters also are of critical importance. It is the combination of flood forces from the tributaries in far distant States that will endanger and destroy the lives and property of those living nearest the mouth of the great streams that empty into the oceans or the Gulf.

WATER UNDERSUPPLY DISTRESSING

Of equal importance with the over-supply of water is the problem presented to other parts of our country from the under-supply of water. I again ask those who think that this is a problem which can be delayed for solution for some future years to go out into any portion of the Dust Bowl area and see the conditions of desolation and despair which face the inhabitants of that territory. They suffered a severe drought in 1934, a more severe one in 1936, and the probability of an even more severe condition in 1937. I wish the doubters would question some of the hundred thousand families who have given up their life's investment in the Dust Bowl States of the Middle West, piled their personal belongings and kitchen utensils onto a second-hand Ford, and proceeded almost penniless into the country west of the Rocky Mountains where they are today begging for the opportunity of acquiring some irrigated land out of which they hope to derive a living. They know the cost of our Government's neglect of its natural resources. They have paid the price for it They have come through the dark years faced not merely with the privations of the depression, but faced with the realization that the land which they had purchased and they had cultivated had lost the possibility of future productivity simply because of the failure upon the part of those responsible for the administration of government to realize the necessity for the conservation of water in that area.

If the $350,000,000 which it was necessary to spend last year to provide relief to those whose lands had become impoverished and parched for the lack of water had been spent in the years preceding in building storage dams, the necessity for the relief expenditures would never have arisen.

I realize that those living in great industrial cities find it difficult to appreciate the importance of the problem created by the oversupply and undersupply of water on other parts of the country. Let me present the problem to you in this way: Suppose that you knew that on the morrow when you awoke, the water supply of the city in which you live would be completely destroyed, that you and your family and your neighbors would have no water, you know the extent to which the clutching hand of fear would encircle your heart, and you know that you would demand that your Government do something about it. You know that if the cause of that suspension of the water supply involved an area including several States, you would demand that the Federal Government do something about it. You wouldn't want them to wait until next week or next month or next year. You would want it done right now. To the economic life of the farmer, the supply of water is just as essential as it is to your personal life and the life of your family and of your neighbors. On the other hand, suppose that you knew that tomorrow morning the pressure upon the pipes bringing water into your home would be so great as to cause them to burst and flood and destroy your furniture and drive you and your family and your neighbors into the street. You would demand governmental action about that, and you'd want that governmental action now and not some time in the distant future. The people of Paducah, Ky., and the people of other cities and towns in Kentucky and Ohio and Indiana and Illinois have precisely that same fear with the approach of every storm and of every rain.

IS CAPITAL INVESTMENT

I contend that money spent in the protection, preservation, and proper use of natural resources can only be classified as a capital investment. I further contend that those who decry an increase in the Federal debt and the expenditure of funds for these purposes

are advocating a principle of governmental finance which is not recognized by any business institution in the United States. There isn't a manager of any great business corporation in the country who would hesitate to borrow money if by the use of the money he could increase his production or decrease the destruction of the corporate property.

Let me cite you an example. It is undisputed that a very low estimate of the primary direct property damage during the last 2 years in the Ohio Valley as a result of floods exceeds $700,000,000. It is further admitted that with the expenditure of less than $1,000,000,000 for the building of flood-control dams that damage could have been prevented completely.

I challenge any businessman in the country to dispute the assertion that it would not have been good business upon the part of the Government to have borrowed that $1,000,000,000 in order to prevent a $700,000,000 loss.

Let me give you another example. The Fort Peck Dam is being built near the headwaters of the Missouri in Montana. It is costing $80,000,000. It will result in the furnishing of cheap power. It will provide flood-control advantages of the entire Missouri and Mississippi Rivers. It will insure navigability of the Missouri River. It will reduce the maintenance charge on the Missouri River and on the Mississippi River from St. Louis to Cairo to the extent of $500,000 a year. It will prevent the annual loss by erosion between St. Louis and Sioux City of 38,000 acres of fertile land. This will mean the annual saving to the farmers of that area of $3,800,000. Is there any businessman in the country who would dare to attack the borrowing of $80,000,000 upon the basis of that saving?

We hear much today about the terrible burden we are placing on the generations to come in the form of the debt with which they will be encumbered. Sound, practical common sense requires the conclusion that it is much better that these people have a debt to pay and have left to them a country with resources out of which to earn the income with which to pay the debt than to turn over to them a debt-free country with its resources so denuded, dissipated, and destroyed as to make it impossible for them to even eke out a meager existence from the soil which they have inherited.

THE WEST'S BIG PROBLEM

We of the West also have our problem, which arises from the lack of water. It, too, is national in scope and requires attention and action from the Federal Government. We take pride—I think it is a pardonable pride—in our efforts toward conservation. We have a territory in which the soil is extremely fertile. It needs but water to make it extremely productive. I know that there are many people in other parts of the country who are most critical of our reclamation program. They say that we are constantly tapping the Federal Treasury for funds raised by taxation in the East and expended upon projects two or three thousand miles away. Every cent of Federal money expended on a western reclamation project is repayable to the Federal Government by the owners of the land which have been irrigated under the projects. From 1902 to date, those repayments have been made in an amount equal to 95 percent of the legal requirements contained in the contracts and the acts of Congress. I know that you people of the other agricultural areas deplore the placing of new agricultural lands under production in competition with yours. I ask you to realize that not more than 5 percent of the total production of the irrigated lands of the West is sold in competition with the production of the other agricultural areas of the country.

THE EAST AND MIDWEST PROFIT

But you people in the East and the Middle West ask what is the value to you of the reclamation expenditures in the West. To the industrial workers of the East, the farmers of the Midwest and the South, my answer is this: You are frantically seeking a market for the products of your industry and agriculture. Your prosperity, your jobs themselves, depend upon those markets. Our Government is going to great lengths in an effort to develop foreign trade that those markets may be acquired. The Midwest, the East, and the South will find even a better market in a prosperous West. Just let me give you a few figures: Eleven irrigation States buy annually from the Midwest, the East, and the South, $123,000,000 in corn, hog, and pork products, $97,000,000 in cotton, cottonseed, and textiles, $80,000,000 of tobacco and tobacco products, $14,500,000 of hard wheat, flour, and processed cereals, $189,000,000 of automobiles and motor supplies, $200,000,000 of insurance premiums. All of this market has been made possible because we in the West have pushed on in our determination that at least to the extent of our reclamation and irrigation work we would make proper use and development of the natural resources with which we were endowed.

There is another reason why the people of the East should be interested in the development of these projects; that is the fact that on the projects themselves a very large percentage of the money at once returns to the East for the purchase of materials and supplies. We are building in the State of Washington a great dam at the Grand Coulee which will develop electrical power, which can be sold to our people cheaply. When, in the course of years, it is completed, it will make possible the cultivation of many thousands of acres of land which will be available for use by our Nation's increased population. Those who complain because of the money being expended upon it should realize that over 50 percent of the money being spent upon the Grand Coulee Dam never reaches the State of Washington. It is expended in the East, the Midwest, and the South for the materials and machinery and equipment which go into that structure. Of the remainder, which is paid to local labor, 23 percent is expended for foodstuffs and clothing which come from east of the Mississippi River. I only wish that those people in the State of Michigan who might feel inclined to criticize the expenditure upon this and similar projects could visit the Grand Coulee Dam some afternoon and view the hundreds of Michigan-manufactured automobiles which were purchased with the wages received by employees on the project. This project, like all similar projects in the West, is subject to repayment to the Federal Government for every cent of money invested by the Government in it. We of the West make no complaint over the fact that in our great conservation development we are called upon for repayment. We do not ask that the Government should make the same demands upon the people of the East and the Middle West in their projects of flood control and water conservation. We do, however, most urgently present our view that all of the problems be viewed as national ones and that we may receive, concerning our problems, the same sympathetic interest and cooperative help that we give toward the conservation problems of the East and the South and the Middle West.

MUST BAN PROVINCIALISM

There is not and there cannot be a successful solution of these problems so long as we insist in remaining provincial. Our people acquired one of the richest areas in the world. That acquisition placed upon us the responsibility which it places upon every civilized people to so use, develop, and preserve the area's natural resources that as a result of their use, development, and preservation, civilization's permanent progress may best be served. The responsibility for the fulfillment of this obligation rests upon the Federal Government. The problem is a national one and the Federal Government alone can successfully deal with it. If this Nation is to keep faith with civilization, its Government must fulfill that obligation in order that these resources may be handed down from one generation to another not merely undiminished but strengthened and preserved.

Remembering the quotation from the National Resources Board which I read at the outset and realizing that our very institution of Government itself depends for its existence and permanence upon the fulfillment of this obligation, there come to my mind the concluding words of Story in his Commentaries, which I quote:

"The future is that which may well awaken the most earnest solicitude, both for the virtue and the permanence of our Republic. The fate of other republics—their rise, their progress, their decline, and their fall—are written but too legibly on the pages of history, if indeed they were not continually before us in the startling fragments of their ruins. They have perished, and perished by their own hands. Prosperity has enervated them, corruption has debased them, and a venal populace has consummated their destruction. * * * Such are the melancholy lessons of the past history of republics down to our own."

We have paused today to pay grateful tribute to the Nation's military heroes. May I ask you to remember that no military force has ever wreaked more destructive or devastating ruin than that which may be turned upon a people and a country by nature when its wrath has been invoked by the wasteful and profligate disregard of its laws by a selfish, careless, and unthinking people.

I plead for the mobilization of the force of a national public opinion which will battle on the three fronts, flood control, water conservation, and reclamation, in order that America's national destiny will not end in disaster.

Trade With Great Britain

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

ARTICLE BY WILLIAM McBRIDE

Mr. BORAH. Mr. President, a great deal has been said recently about our trade with Great Britain. That trade has been well analyzed by Mr. William McBride in a recent article, which I ask to have printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR TRADE WITH BRITAIN SHOWS ENORMOUS LOSS—UNITED STATES UNFAVORABLE BALANCE PUT AT $777,000,000 DESPITE FOREIGN PROPAGANDA; SIR RONALD LINDSAY TELLS ONLY PART OF STORY

In the last week, May 16–21, the Nation was flooded with a barrage of propaganda in connection with the celebration of

National Foreign Trade Week. High Government officials, prominent executives of corporations, especially those doing a large export business, subsidized exporters, and the usual number of internationalists and free traders all joined hands in trying to convince the American people of the importance of foreign trade.

Perhaps the high point of the week was reached on May 19, with the address of the British Ambassador to the United States, Sir Ronald Lindsay. After all, the highest goal which our low-tariff Secretary of State Hull hopes to attain is the enactment of a reciprocal-trade treaty with the United Kingdom. Negotiations have been in progress for many months. Mr. Walter Runciman, President of the Board of Trade in the British Cabinet, was here recently in connection with such a trade pact. The Imperial Conference now in progress in London will discuss the prospect of an Anglo-American treaty. Sir Ronald's speech was merely another link in the chain that will squeeze out every possible advantage for Great Britain in any trade treaty with the United States.

ONLY PART OF STORY

Sir Ronald again reiterated the stereotyped statement that Great Britain is the United States' best customer. Sir Ronald said, in part, "I take the 2 years of 1935 and 1936. * * * During the period the United Kingdom bought merchandise from the United States, $886,000,000 and sold $328,000,000 a difference of $558,000,000."

In the minds of the average American reading this statement in his newspaper, it would seem that the United States certainly can afford to buy more merchandise from the United Kingdom. These figures, however, tell only part of the story.

First of all Sir Ronald makes no reference to the enormous adverse trade balance we have with British Malaya. The tin and rubber we import from this British colony is shipped from British-owned mines and plantations, carried in British ships, insured by British insurance companies, and paid for in pounds sterling to British banks and shippers. Britain's enormous investments in Malaya are serviced through Malaya's favorable balance of trade. Our imports from Malaya are as much British as are our imports of whisky from Scotland.

The result for the years 1935 and 1936 therefore, including the Malayan trade, would be as follows: United States exports, $882,870,000; United States imports, $655,294,000—an excess of exports of $227,576,000. (Dept. of Commerce report, Feb. 9, 1937.)

GOLD, SILVER IMPORTS

Furthermore when we include the freight and insurance charges, as is done by Great Britain and the League of Nations Economic Intelligence Service (c. i. f. basis) our import values would rise by approximately 10 percent, thus reducing our seemingly favorable trade balance to only $162,000,000.

Sir Ronald Lindsay quoted only merchandise statistics in discussing our trade with Great Britain. He said nothing about silver, of which we imported net from the United Kingdom in the past 2 years, $299,000,000; or of gold, of which our net imports from the United Kingdom were $490,000,000.

Including gold and silver (for which we paid in good American dollars and at highest prices, and which came from British-owned mines) and stating our imports in the British manner—cost, insurance, and freight—we find our imports from the United Kingdom and British Malaya exceeded our exports by $631,000,000.

Sir Ronald confined his discussion to merchandise balances because it was in that field that he could make his best case. He made no references to the enormous payments made by this country to Great Britain for various services such as shipping and insurance (not included above), the expenditures by American tourists in the British Isles and on British ships, the receipts of British investors on their investments in the United States, which far exceed contra receipts by Americans from Britain, the remittances of British immigrants living in the United States, etc. These and other so-called invisible items of trade resulted in the 2-year period, in a net payment to Britain of over $150,000,000.

A FAVORABLE BALANCE

Summed up, in its commercial relations with us, Great Britain actually had a favorable balance to its credit, in the years 1935 and 1936, of approximately $777,000,000 instead of the unfavorable balance of $558,000,000 which Sir Ronald left in the minds of his listeners.

This credit balance incidently, as reported by the United States Treasury Department, was settled by the United Kingdom by the net purchase of $483,000,000 of securities from Americans, and an increase of $341,000,000 in British bank balances and short-term deposits in this country.

It would be well for our treaty negotiators in Washington to keep the foregoing facts in mind. With a favorable balance of $777,000,000 in 2 years to its credit it is only equitable that Great Britain grant the lower tariffs to us. But when the record of the other reciprocal treaties enacted in the past 3 years is reviewed, it is hardly to be hoped for that we will ever win a treaty. When the final conditions of a trade treaty with Great Britain are completed (if they have not already been decided on), we will probably find that it is Uncle Sam and not John Bull who has given the major concessions.

Conditions in Puerto Rico

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

EDITORIAL FROM EL PAIS, SAN JUAN, P. R., MAY 24, 1937

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from El Pais, published in San Juan, Puerto Rico, dealing with Puerto Rican independence and commenting on the activities of the Civil Liberties Union in the island.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[El Pais, San Juan, P. R., May 24, 1937]

WHITEWASH BY ANY OTHER NAME IS WHITEWASH

By C. Leigh Stevenson

The one-dimensional picture drawn by Arthur Garfield Hays upon the dictation of Nationalists and their supporters seems complete in every one-dimensional detail. The Civil Liberties Union director extolled the Nationalists as heroes, fired a gun for Ayuso Valdivieso in his unremitting "Fuera Winship" campaign and concluded by inadvertently explaining why the independence cause he is championing will never be successful.

After applying a generous coat of whitewash to the Ponce affair in advance of trial of any of the accused, he suggested that the Nationalists have been guilty of very bad judgment, and he insisted that the American people will never advocate independence for Puerto Rico until the Independentistas are able to get together on a constructive program, constructive suggestions, and an understandable outline of what they want.

The gentleman from the continent calmly informed his auditors that the vast majority of Americans favor independence for Puerto Rico! He said, "The independence we all desire", but when the translator asked him to repeat he amended the somewhat inclusive estimate by having the sentence translated into Spanish as, "The independence so many of us desire."

The most interesting phase of the long, rambling Nationalist document was the usual total absence of any background material. Mr. Hays, like the Collier's magazine writer, Vito Marcantonio and other roving Americans who have been bamboozled by the independence group, very carefully avoided looking back beyond last October or upon any Nationalist skullduggery.

He insisted that it is only since October that civil liberties have been suppressed in Puerto Rico. His colleagues of the independence camp who furnished the material for the paper he read carefully avoided emphasizing the murder of Colonel Riggs, the murder of a police officer in Rio Piedras, the murders in connection with the university riot, the death list.

He held up the frame to prove that it has been beautifully gilded, but neglected to exhibit the picture. It was, perhaps, difficult for Mr. Hays to get at the facts leading up to the Ponce rioting.

His evident intention of advancing the Fuera Winship campaign and of writing a manifesto for the Nationalist Party prevented sober-minded citizens from giving him any help. The high type of resident who has been selected by Puerto Rico for public office displayed commendable judgment in avoiding contact with the self-appointed commission.

They have preferred to permit the affair to go to trial in complete conformity with legal precedent. There seems to be no reason why an American should have been imported to try to prejudge the case in the newspapers in advance of calling the case in open court.

The government could not, of course, turn its case over to an unauthorized and self-appointed judge. It was perfectly evident long before the independence group initiated its hearing that anything the government or the majority of Puerto Ricans might say would be used against them in a big way. Mr. Hays' report seems to indicate that his anti-American colleagues carefully selected tidbits in the recent history of Puerto Rico that would best serve their purpose although the document as read is less inflammable than some of the pronunciamentos of Pedro Albizu Campos. Mr. Hays has been kind enough to take great pains to give as much encouragement as possible to the otherwise demoralized forces that have advocated not civil liberties but force in their effort to impose their will upon the great majority of peace-loving Puerto Ricans.

Mr. Hays could have included in his report a few words to the effect that there are hundreds of Puerto Ricans who have been insisting for months that the government has permitted his associates all too much freedom in the past.

As a matter of fact, he intentionally omitted from his report some statements that had been given to him. He kept insisting that no public meeting in Puerto Rico has ever resulted in disorders.

In the first place, neither Mr. Hays nor any of his colleagues had the slightest qualification or authority for making an investigation. Its only purpose has been that of beating the tomtoms of independence.

The authorities revealed their wisdom in permitting Mr. Hays to read his interesting report. It is the usual practice for these people to ask for permits to speak that they do not expect to get, and then to cash in on the resultant publicity. It must have been disappointing to the gentleman from New York to have had a permit handed to him without argument. To read the report was one thing, but to have had one's picture in the papers being hauled off to the jailhouse by the policía is another! It is visual evidence presented by coached photographers that these gentlemen live for. The mantle of martyrdom does not settle down upon the shoulders of the agitator who is permitted to agitate. Very discouraging.

It is Puerto Rico's misfortune that individuals who are completely uninformed of local conditions insist upon coming down here to effect reforms after a week's residence. It invariably happens that a visit by one of these misguided and voluntary reformers is followed by a period of stress. They have no way of protecting themselves from the biased viewpoints of a very lusty minority that tries to "sell" its merchandise to every gullible newcomer who will listen.

Mr. Hays went so far Saturday night as to promise his auditors that the Civil Liberties Union will obtain the independence of Puerto Rico for the benefit of the sponsors of his junket. He seems to be convinced that the whiskers worn by his colleagues are genuine and that the last election, at which these gentlemen were overwhelmingly defeated, was not an indicator of popular opinion.

He is so disturbed over the fancied sufferings of the terrorist group that he heard not a single word in support of the Governor or the insular administration. He did not mention that Governor Winship is proving to be not only the most efficient Governor the island has had, but the most popular.

That no one took the trouble to brave the independence lions in the Hays den to defend the question does not lessen the case against the visitor. He was not a prisoner. He had the privilege of talking to as many people as he wished. Had he had the slightest disposition to learn about actual conditions in Puerto Rico there was no barrier preventing him from gaining access to both sides of the story.

As an investigator he scored 300 with the first numeral knocked off. His batting average with the whitewash brush of his own providing is 300.

Cancer Kills 140,000 Americans Each Year. A Half Million Crippled Wait for Death. Establish National Cancer Clinic

---

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1937

CANCER BILL IS GOOD ECONOMY

Mr. MAVERICK. Mr. Speaker, every year cancer kills 140,000 Americans. Between four and five hundred thousand are now crippled and helpless, suffering from this disease and awaiting a merciful death to release them. And so today I am going to talk to you about a bill which I have introduced concerning cancer. It provides for the establishment of a national cancer center.

Concerning this subject I made a radio speech Tuesday, May 25, 1937, over the National Broadcasting Co. here in Washington, embodying these facts. I said then, and I again say, that it is of exceptional human importance to enact cancer bill no. 6767, which I introduced April 29, 1937, and which has been endorsed by the Bexar County Medical Association, the Texas State Medical Association, and a great many leading cancer specialists.

The first thing I will hear is economy. But there is no occasion to talk about economy in reference to this because the establishment of the cancer clinic will cost only three, or, at the most, four million dollars to build and equip. Thereafter it will cost a million dollars a year to maintain. This is not a drop in the bucket by the side of other appropriations, normal or abnormal. This bill is good economy and vitally necessary whether times are good or bad.

ONE OUT OF EIGHT PAST 45 DIES OF CANCER

Let us see why we want this national cancer center. Besides the 140,000 a year who die tragic deaths, 1 out of 8 of us past 45 die from this disease. At least a million anxious friends and relatives of those afflicted are holding a desperate hope that something can be done. So far this hope has been in vain.

But it is not my purpose to frighten this House or the American people and make everybody scared and miserable. Nothing is accomplished by scaring people. So let us talk calmly, for diseases have been conquered before which all thought unconquerable, and it can be done again.

BUBONIC PLAGUE—CHOLERA—SCOURGES WHICH HAVE BEEN CONQUERED

In the past, great epidemics like bubonic plague and Asiatic cholera ravaged humanity like great wars, but they have been conquered and almost forgotten. I can remember when smallpox was a menace down in Texas. When I was a youngster yellow fever was a menace, and until lately diphtheria and typhoid.

Everyone in this Chamber can remember the campaign against tuberculosis, which still goes on. These diseases are now known and understood and are under control. The hope that I have is that we may do the same for this terrible scourge of cancer.

Forgetting for a moment human suffering and tragedy, the Metropolitan Life Insurance Co. paid out $19,000,000 in death claims caused by cancer in 1936. This represented people who take pretty good care of themselves and had good doctors. So you know it is a serious matter to us all.

VARIOUS APPROACHES TO PROBLEM INDICATE NECESSITY OF NATIONAL CENTER

Now, let us talk about what is being done and what can be done.

At the present time, many kinds of experiments are being made all over America in cancer. Some work on irritations said to cause the disease. Some have shown it is hereditary in mice; others have made startling chemical experiments. The American Society for the Control of Cancer has done substantial work to educate the people and the profession as to the importance of early treatment. Advances are constantly being made. The American College of Surgeons has reported something like 25,000 permanent cures.

But with all these various organizations and persons working, there should be some center for all activities. That is what this cancer bill provides, and it will make possible the accumulation of all this able work by institutions, groups, and individuals with definite coordination and cooperation. It will eliminate duplication of work that has meant great loss of effort, time, and money.

I understand from doctors it has gradually dawned on those most interested that cancer as a disease stands alone. It is not so simple of solution as our great infectious diseases.

Knowledge already indicates that a great many elements go to make it up; elements so widely separated that one person, or one group of persons, will be quite unlikely to solve the problem. Therefore, with dozens of groups and persons working independently, but with a central head for the collection of data and information, we are much more likely to solve this hideous problem.

275,000 NEW CASES CANCER EACH YEAR

Fellow Americans, there are something like 275,000 new cases, I understand, each year. It is impossible, under the present circumstances and considering the complexity of this disease, that any great progress or protection can be made. The average life of each cancer patient is only about 2 years.

It is obvious that under the present circumstances the general practitioner, who in most cases refers his cases to a specialist, can probably never become competent in the matter of diagnosis or treatment of this particular complex disease. As you know, cancer does not manifest itself immediately, but it goes ahead and develops to an incredibly dangerous point before any symptoms become apparent.

My colleagues, I have talked to numerous Members of this Chamber, and I find an exceptionally large number who have relatives who have died of cancer. All of us who were in Congress last year remember with deep affection our colleague, Mr. Jacobsen, of Iowa, whose son has succeeded him in Congress. Our deceased colleague did not even know he had cancer. He went to Mayo's for a check-up, and while there he died. Mr. JOHNSON, the gentleman from Minnesota, tells me that his father died of cancer. Several others tell me their mothers died of cancer. And listen again to this: One out of eight of us who are over 45 will die of it. I do not wish to horrify you, but it is of such grave importance that we certainly should personally consider and understand the subject, and then do something about it.

TREATMENT: SURGERY OR X-RAY AND RADIUM

I am told by doctors that there are only two methods of treating cancer—by surgery or treatment by X-ray and radium.

But the determination as to the correct treatment is a specialization of the highest order. It entails a knowledge of biochemistry, pathology, radiology, X-ray, and other sciences. With this amount of knowledge at hand and knowing the situation, it seems to me that the time has come for the American Congress and the American people to stand behind our doctors and scientific laborers, who are working against terrific odds to solve our country's problems; to stand behind the great institutions and our public-spirited citizens who have borne the burden of the research.

And the time has come to stand behind them and to help the great medical profession fighting this battle by placing at their disposal an institution to be used as a great clearing house for all cancer knowledge.

And here let me divert by repeating that this will merely be a clearing house, a central or focal point. It will not prevent the continuation of research, but will greatly encourage it; it will not prevent the continuation of work by foundations and by public-spirited citizens, but will greatly encourage them to go further. What it will do is to speed up research and interest in the subject, and will mean fresh hope to hundreds of thousands of sufferers in this country.

This bill has been drawn after the most careful consultations with practicing physicians throughout the country. In it we have incorporated the gist of the problems. It favors no special locality, no stratum of society; and there is no matter of race, creed, or color. Everybody dies, or may die, of cancer, and it is for everybody.

Let me describe the bill.

UNDER SUPERVISION NATIONAL PUBLIC HEALTH SERVICE

It provides for the erection and maintenance of a national cancer center under the supervision of the United States Public Health Service, an institution which has done most distinguished service in America. This protection by the Public Health Service places it above all possible danger of interference by any and all local and self-seeking groups. As I have said, the cost will be very small.

Here are its real purposes:

DOES NOT ESTABLISH STATE MEDICINE

First. Its primary function shall be that of aiding in the collection of scientific information, research, and giving to the medical profession the benefit of this knowledge as it becomes available. It in no way interferes with the physician's close relation with the patient and in no way establishes anything like State medicine.

Second. It brings together forces under one roof, making the availability of data to all parts of America quite prompt, which is otherwise impossible because of the scattered conditions of research laboratories and specialists.

Third. The center would be a central training bureau for the scientists and technicians, who could then be sent out to man cancer clinics throughout the country. These various classifications while receiving training could be in constant contact with specialists in varying fields.

The general physician could come to Washington and offer his data as a service to his country and at the same time obtain in exchange supplementary training in cancer. Such exchange would greatly increase the fund of knowledge available to the American people. The benefit to the public in having doctors who are willing to help and at the same time who are equipped to immediately recognize and diagnose symptoms of cancer before it is too late is immeasurable.

The permanent staff of the cancer center would at all times be in a position to cooperate fully with the State departments of health, other State institutions, any endowed group or doctor engaged in the prevention, control, and eradication of cancer. This character of service means a great deal between life and death to the sufferer.

I have pretty well described the bill and its purposes. You now know what we as Congressmen can do for ourselves and our own people if we try. And we may have the ultimate satisfaction of either eventually curing cancer, or controlling it, as our doctors and scientists have done before in other diseases.

ROMANCE, HOPE OF ACCOMPLISHMENT—RADIUM FREE

Although this is such a tragic subject, it nevertheless has its great possibilities, its romance of research, the hope of accomplishment. Take, for instance, radium. In America we have only about 117 grams available for cancer, and doctors say we need 100 to 125 more grams, which would cost us three or three and a half million dollars.

GOLD IN GROUND DOES NO GOOD

Now, listen to this: We put gold in the ground, where it does no good. Why not use just three or four buried millions of gold dollars for radium?

It could even be used to that small extent as a monetary base, because it does not depreciate. Then, radium could be available to everyone in America for the cost of insuring it. That is where the Government can do something without it costing anything, and, I think, about the only case!

What could be grander than to use some of our gold for the saving of human lives? How much finer it will be to spend at least a little money on human life rather than bilions upon billions on war? Economy is fine, but we can always spend a little to save human lives. Here is something we can be proud of.

I do not believe there is a single Member of Congress against this bill, whether he is Democrat, Republican, Farmer-Labor, or Progressive. But, I repeat, everybody is talking about economy and there is legislative confusion. But this is worth while. Let us have hearings and pass it.

Mr. Speaker, this bill will be a great thing, and, as I said before, something that we as Congressmen can be proud of. It is much more noble to fight disease and to provide for human happiness than it is to fight enemies in battle and cause more misery and death. And the happy thing about this, is that although we do not know we can cure cancer, we do know we can do much to correct the situation and probably help control it. We may save the lives of millions of human beings at very small expense in money.

In any event, it is quite imperative that we make the effort. My colleagues, I ask your support of this bill.

Present Day Governmental Problems

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

ADDRESS BY HON. HARRY FLOOD BYRD, RICHMOND, VA., MAY 28, 1937

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the

Senator from Virginia [Mr. BYRD] at the University of Richmond, Richmond, Va., on May 28, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am most appreciative of the high honor paid me by your president, Mr. Boatwright, in inviting me to speak to you today. In his invitation he recalled the time in the past days of Virginia when United States Senators regularly returned to their home State to address college students on the dominant issues of the times. I know of no other forum I would prefer to address, giving an account of my stewardship as one of your Senators, and discussing the momentous issues of government under consideration in the National Congress. With you, I take great pride in the contributions made by the University of Richmond, through those who obtained their training in this great institution of learning, toward the progress and welfare of the American people.

There was a time when the opportunity to make this address would have been regarded more as a pleasant honor, but this is a difficult day, when the privilege of talking seriously to you is a duty that rests upon me. Rarely, if ever before in the history of our Nation, have issues of greater significance and importance been before the American people.

The great problems that trouble us must be solved by the sane and intelligent judgment of the citizens of America who are honest in the protection of their right to live as free men and women and who are firmly resolved to preserve the institutions that protect that right. At the same time we must concede that the present problems of our modern civilization make necessary some definite modifications of our original conception of the activities of government.

CAN ERADICATE EVILS

Remedies for the problems in the days of Jefferson and Hamilton cannot in all instances be applied effectively to the problems of this century, but the evils of today can be eradicated and the necessary reforms can be instituted not only strictly within the framework of the Constitution but in harmony with the fundamental principles and ideals of our democratic form of government. The trend of American Government has so quickened its pace that the aspect of the Government today is in striking and dramatic contrast to the ideas and ideals that were emphasized by either Thomas Jefferson or Alexander Hamilton in their struggle over the founding of our fundamental institutions. Different as these two men were, and fierce as their conflict was, each of them believed in the fundamental rights guaranteed by the Constitution. The original philosophy of our Government was designed to protect the individual in the free exercise of his abilities and ambitions. The founders insisted that government should protect the life of the citizen, the property of the citizen, and the liberty of the citizen, and should then give him a free and open road to the pursuit of his happiness, so long only as he did not abuse the privileges given him. The very heart of our American system is the right of the individual to make a living unhindered by the Government except when necessary to protect every other individual in the exercise of the same right, and to preserve a safe, secure, and peaceful society.

MORE ENJOY BLESSINGS

As a nation we have had our ups and downs, but under our constitutional democracy more individuals have enjoyed life, liberty, and happiness than have ever experienced these blessings in any other country in the history of the world.

The American standard of living became the highest, and even with the depression there are at least 12,000,000 families who own their homes; there are at least 50,000,000 of our citizens who have money in the savings banks, and there are 75,000,000 of our citizens who are able to maintain insurance on their lives.

The very importance and vitality of the political issues before us encourages an extravagance of criticism by those who disagree, and often a misconception of the true motives of the public man engaged in the task of contributing something worth while to the solution of the problems confronting us. If a Senator opposes what he regards as wasteful and unnecessary expenditures of public money which must be paid by the people in the form of taxation, some are inclined to brand him as a Tory and a reactionary. If another Senator promotes a new plan of social service or governmental regulation in some new field, he is labeled as radical. If another advocates legislation which, in the opinion of others, conflicts with accepted principles of the founders of our Republic, he is given the title of a destructor of vital principles, and perhaps may be called a supporter of fascism, communism, or socialism.

This sharp division of public sentiment and intolerance of public expression are merely evidences of the volcanic movements now in progress in America having as their objective increased happiness and contentment of all the people. And so today in the heat and passion of the great political conflict raging in Washington, the safest and best course, as it has been in every crisis of our past, is a sane middle road—a common ground between the extremes of reaction and the extremes of radicalism. We must not live in the traditions of the past, but the experiences of our past can always be useful in determining our future course.

Let our minds not be closed to new thoughts and ideas but hospitable to those measures sound, practical, and wise to meet our changing conditions and problems.

DANIEL WEBSTER CITED

Daniel Webster was a wise man. In the famous Hayne-Webster debate in the Senate a century ago he said: "When the mariner has been tossed for many days in the rough weather and on tempestuous seas he naturally avails himself of the first pause in the storms, the earliest glance of the sun, to get his bearings and ascertain how far the elements have carried him out of his true course. Let us imitate," said Mr. Webster, "this prudence of the mariner, and before we float farther refer to the point from which we departed so that we may at least be able to conjecture where we are."

Our energies must be directed to eliminate abuses existing in our national life. We must continue striving to raise our standards of living. Equal opportunities must be given to the average man and woman so that in our onward march of progress the American people will live in happiness and contentment. The danger is that in meeting and overcoming one crisis we must not create another one. Government must operate its affairs with machinery of administration as simple and effective as private business would provide. One government—the Federal Government—should no more be given all power than one business establishment should be allowed a monopoly. Relief must be afforded but economic servitude to Government should not be necessary to provide it.

In the formative period of our Republic, when Jefferson and Hamilton were striving to lay down the proper province of government, extremists on both sides made immoderate and unwise recommendations.

In the 150 years since then the American Nation has lived under a blend of the fundamental principles then enunciated in the main by these two great men as arbitrated by George Washington. To me, George Washington is our greatest American—great not because of brilliancy of intellect, great not because of originality of thought and ideas, but great because of a supreme good judgment and a profound common sense. To his calm and considered decisions is due the avoidance in the formation of our Republic of the pitfalls and the distress that would have resulted by the adoption of the views of the extremists on either side.

ISSUES ARE INTENSE

As a politician it would perhaps be wiser for me to stop here, because I have so far spoken only in generalities, but to continue in generalities, I feel certain, would disappoint you. The issues before the American people today are too intense and momentous to indulge in academic discussion. I think it is the duty of those of us in public life openly and frankly to present our views for such consideration as they deserve, as these issues affect directly the lives and happiness of all the people. Political dynamite may be involved in the discussion by public men of these policies of government, but solutions can only be reached after free and constructive debate.

So today, now that thoughtful men and women will concede that we have reached an epoch in the development of our Nation, let us, without passion or prejudice or personal selfish interest, give thoughtful consideration to the problems confronting us. Remember that the views of those on both sides of these great questions are entitled to full consideration, and that, as in the past, our best solution will come by reaching a common ground, taking the best of the ideas of each side and discarding the impractical and unwise, but preserving always our fundamental principles.

CHECKS AND BALANCES

To a layman, as I am, the principle of our Government we should be most zealous to preserve is the system of checks and balances—the very foundation stone upon which our representative democracy is founded. The check on uncontrolled spending is that taxes must be collected to pay for the money spent by the Government. The check to protect the inalienable rights of the individual is the Bill of Rights. Three branches of our Government—the executive, the legislative, and the judiciary—act as a check and balance, one upon the other, in accordance with the terms of the Constitution.

The courage, capacity, and integrity of the Supreme Court of the United States have been demonstrated under many trials and tests. For generations it has stood as an assurance against the confiscation of property or the invasion of constitutional rights. It would be a national calamity were public faith to decline in its honesty and independence of judgment. No principle foreign or hostile to our constitutional democracy can ever find permanent lodgment in America so long as we preserve in the letter as well as in the spirit the moderation of the checks and balances established by those illustrious Americans who made possible the greatest representative democracy the world has ever known.

I want to discuss frankly the vast spending of public money as a peril to a continuance of those things we must treasure and which are the most essential for our future progress. With a government, as with an individual, financial solvency is the foundation upon which must be builded all progress and development. Operations of government should be administered with the utmost efficiency and simplicity. Overlapping and duplicated activities mean confusion and extravagance; simplicity means economy. Bureaucracy and concentration of power are inseparably linked together.

The Federal Government has no magic treasure chest. The Government must get the money it spends by collecting it in taxes, by borrowing it, or by disastrous inflation. Ultimately the taxpayers and consumers must sustain the tremendous burden of Government.

As one who, as chairman of the Senate Committee on Reorganization, has been investigating for months the operations of the Federal Government, I make the statement that there exists at Washington the most wasteful and bureaucratic form of govern-

ment that has been known in our history. With the extended operations of the Federal Government, some of which may be beneficient and desirable, the cost of these numerous bureaucratic machines of duplicated activities is too great to be borne. Great bureaucratic machines, once established and made operative, can rarely be dismantled.

I know, and you know, that some extension of the activities of the Federal Government has been necessary to meet our problems and the very necessity for this extension makes more imperative the simplification of governmental machinery and the utmost economy in administration. Simplicity and economy mean not only a reduction in taxation but a more effective accomplishment of desired performances.

EXPLAINS SITUATION TODAY

What is the situation today?

The Federal Government has extended its operations until 1 out of every 80 men, women, and children in the United States is now on the regular national pay roll and naturally is a supporter of legislation that has given him or her a job. In Washington City alone there are 117,000 employees of the Federal Government—more than at any time—even at the peak of the World War. In 4 years we have added 70,000 new employees at Washington alone. If we add to the 824,259 persons on the Federal departmental pay roll the number in the Regular Army, the Navy, the Marine Corps, the legislative and judicial branches of the Government, and then the 300,000 members of the Civilian Conservation Corps, made permanent by the action of the Senate, we have a grand total of regular Federal employees of 1,466,263.

Thus I explain my assertion that 1 out of every 80 of all the men, women, and children in this country is drawing regular pay from the Federal Government alone. With the dependents for each employee, we have a substantial portion of our population living on the Federal Government in regular employment. But this is not all. Now add to this number of nearly 1,500,000 regular employees about 1,000,000 Federal pensioners (not including old-age pensions) who receive regularly a check from the Federal Treasury, and then add the millions receiving Federal relief. It is not fanciful to apprehend that the day may come when organized minorities receiving Federal support may combine to make and maintain administrations pledged to a progressive continuance of this prolific distribution of the money wrung from the taxpayers.

But even this is not all. To the Federal employees, pensioners, and those on relief must be added the great army of employees of the States, cities, and counties, estimated at about 3,000,000. The total pay roll of all Federal, State, and local employees in 1935 was $5,670,000,000, or 10 percent of our national income. Is it any wonder that our total expenditure for all governments is estimated to be fully one-fourth of our national income? In other words, each laborer and worker in private business is working a day and a half each 6-day week to pay taxes. He may not be conscious of this because many taxes are invisible, yet no man who earns or buys can escape paying a terrific penalty of tax contribution.

ECONOMY NEED IMPERATIVE

For that reason, the need for simplification and economy becomes more imperative to perform those necessary functions of government with a minimum of overhead cost and red tape.

You should not escape taxes, and you don't. If the tax collector doesn't get you the hard, direct, way he is sure to get you in the far-flung, invisible net of indirect levies which bring in half of the Federal funds and doubtless a sizable portion of local and State revenues. You pay Federal taxes on nearly everything you buy.

Advisedly, I say we have the most complicated bureaucracy in all history. Just a few instances of this Federal jungle: We have 50 Federal agency legal divisions in Washington, 34 agencies concerned with dealing in Government bonds, three agencies insuring deposits and loans, 34 agencies concerned with the acquisition of land, 16 agencies with wildlife preservation, 10 agencies dealing with Government construction, 9 agencies with credit and finance, and at least 1 dozen agencies concerned with home and community planning. The duplication is apparently not only in Washington but in every nook and corner in the country.

Make the test in your own community here in Virginia. Check your telephone directories. Government offices at the seat of the Government are sprawled from Alexandria, Va., to Baltimore, Md. The Resettlement Administration had 13 separate Washington addresses. Forty-six personnel officers are listed at Washington. Available records show 104 information and publication offices. There are 126 Federal agency libraries listed at Washington.

In 1930 the Federal and District Governments paid in Washington alone for 17,142 telephones. In 1936 the number had increased to 32,882. Uncle Sam pays an annual rent bill of $25,000,000 and spends many other millions building new buildings every year. More new jobs have been created since 1933 than in the first century of the Nation's existence, and even now we are adding at the rate of 100 new employees each day.

FORTY-EIGHT MINIATURE GOVERNMENTS

In addition to the bureaucracy built up at Washington, we have set up 48 miniature Federal Governments, one in every State in the Union. The evidence of this is the fact that on March 1, 1933, the Federal Government leased 6,084 buildings or parts of buildings outside of Washington. In the period of March 1, 1933, to July 1, 1936, the Government built 664 new buildings outside of Washington at a cost of $239,000,000. Yet on July 1, 1936, notwithstanding the buildings constructed, we had leased buildings outside of Washington to the number of 11,842—twice as many—and today the number is greater.

The floor space of leased and Government-owned buildings outside of Washington is twice as much as it was 4 years ago. It is 102,319,199 square feet. The magnitude of this expansion is illustrated by the fact that outside of Washington we lease or own space equivalent to 52 Empire State Buildings or more than 1 Empire State Building for each State in the Union.

Until I began this investigation it was my impression that the expansion of governmental activities in the past 4 years had occurred mainly in the city of Washington. But this is not true. As I have just shown by a comparison of floor space—a good index of activity—in each State Washington departments have established Federal bureaus and agencies. In Virginia we have 75 Federal branch bureaus and branch departments and occupying space, mostly rented, equivalent to an Empire State Building. I am not including the county agricultural agents and numerous other Federal employees, but only separate bureaus responsible only to Washington.

I never conceived that it would be possible to have 75 separate and distinct Federal bureaus, each with a staff of employees, operating in one State. The bureaus duplicate the work of the Washington departments and often perform similar work within the same State. So it is not necessary to go to Washington to see the duplication and expansion of the Federal activities. We have it here at home before our eyes.

FOURTEEN THOUSAND DOLLARS PER MINUTE

We may think we are not paying the bill, but we are.

For 4 years we have spent $14,000 every minute of every day, including Sundays, by the Federal Government alone, and added $7,000 each minute to the public debt, as we have spent $2 for every $1 of income. Including all governments—State, local, and Federal—we are spending $34,333 every minute of every day.

For recovery and relief in the past 6 years we have expended the vast sum of $13,780,000,000, and now have pending before Congress another relief bill for the year beginning July 1, 1938, which if enacted will not result in a substantial reduction in the rate at which we have been spending.

The Secretary of Labor, Miss Perkins, recently announced that in March 1937 we had 8,241,000 more employees in nonagricultural industries than in 1933. There are only 1,000,000 less employed now than there were in the great boom year of 1929. If Miss Perkins is correct and we add to this the reemployment in the industry of agriculture due to more prosperous conditions, we can reasonably assume that today we have a least 12,000,000 more people employed than in 1933. Yet today we are spending more on relief than we spent in 1933. In 1933 we spent for relief $1,276,795,622. In 1938, $1,500,000,000 is recommended by the President. Relief expenditures are being made without a census of the unemployed. No businessman would spend money blindly and without a knowledge of the conditions he is endeavoring to improve.

RELIEF COSTS ARE HIGH

On the present basis, the average relief expenditures are $800 per year for each man or woman on relief. In the prosperous year of 1929 the average income in America was $692, so that the average cost to those on relief is greater than the average income in the most prosperous year of the country's existence. Can we, as an organized democracy, pay out more on relief per man than the average income of the citizens of the democracy?

I approve of the Civilian Conservation Corps as now constituted for emergency purposes. I offered an amendment, however, to limit the operation of this agency of Government to 2 years in lieu of the permanent establishment passed, on the principle that the average cost of the C. C. C. camps is $1,200 per man, which is nearly twice as great as the income of the average person. The Senate voted to make the Civilian Conservation Corps permanent, thus adding 300,000 regular employees to the Government. The House voted for 2 years and the bill is now in conference.

The first and most effective step to curb wasteful spending would be to establish the Federal Government on a strictly pay-as-you-go basis, beginning July 1, 1938. This can be done. The Federal Government can continue the activities that are desirable and necessary. Hundreds of millions of dollars can at once be saved by retrenchment and consolidations of departments and agencies. The relief should be locally administered and the Federal Government should not contribute more than one-half of the total expense.

The people of the localities are best informed as to the need of those requiring relief. Instead of the costly work relief of $800 for each man and woman on relief, a choice should be given to the States and localities for direct relief, costing about one-third of work relief. The cost should be divided equally between the States and the Federal Government. If a more economical direct relief is desired by a community, and especially where worth-while projects are not available, then this flexibility of the administration should be permitted by the Federal Government.

MUST DECENTRALIZE RELIEF

With the vast organization that has been created for the administration of Federal relief, I can see no hope for a substantial reduction until the relief is decentralized. The costly standards established by the Federal Government should be modified in accordance with the needs of the respective communities. I confidently predict that if the States and localities are denied Federal grants for relief unless dollar for dollar is contributed, we will soon see our total relief loan and cost cut more than half.

With the support of the Executive together with a spirit of economy that is now increasing in Congress, I am convinced that

definite steps can be taken to place the Federal Government on a strictly pay-as-you-go basis beginning the first of next July, and then we should begin to pay off our indebtedness.

For the period just prior to the World War in 1916 our total expenses of government were less than $1,000,000,000 each year. Today we pay nearly as much in interest as the total expenses were in 1916.

After the World War, in the prosperous period of the twenties, our expenses were $3,000,000,000 each year. Today our expenses are on a basis of $7,500,000,000, or two and one-half times as much as during the most prosperous period America has ever known.

What of the debt?

DEBT MOUNTS RAPIDLY

In 1930, when the depression began, our Federal indebtedness was $16,000,000,000. At the end of this fiscal year it will be $36,000,000,000. We have added $20,000,000,000 to the public debt. I can best emphasize the magnitude of $20,000,000,000 when I tell you it is four times the gross and total wealth of the State of Virginia. In other words, if every citizen in Virginia, and all communities, were out of debt, and we sold all the property in Virginia—every house, every manufacturing plant, every head of livestock, and all else we own—by the Federal estimates, we would realize only one-fourth as much as the amount of this increase in our Federal debt. Since the depression began we have dissipated public money to the extent of four times the complete wealth of our State. Virginia happens to be an average State in wealth, although we are the seventh State in the payment of taxes to the Federal Government.

To bring this debt still closer to us, on a basis of our wealth, Virginia's direct share in the repayment of this new debt is $400,000,000, or an average of $4,000,000 for each county in Virginia. Don't let us fool ourselves because sooner or later Virginia will pay at least $400,000,000, plus all accrued interest charges toward the repayment of this new debt that has been created since 1930. It will be paid by taxing Virginia citizens.

The wealth of Virginia has been created by the industry and frugality and self-denial of our citizens beginning more than 320 years ago, when the first permanent English settlers landed at Cape Henry. In 6 years this wealth multiplied four times is added to our public debt with few tangible assets to show for the expenditure.

We fully recognize that in times of crisis and emergencies the Budget of the Federal Government cannot be balanced, but with the end of the depression our thoughts should turn to a reduction of governmental expenditures and substantial reductions in the public debt. We are in the ninth consecutive year of great deficits. Never before in our history have we had more than three deficit years in succession, and that was during the period of the World War.

MUST CONSERVE RESOURCES

We were told when we fought the World War that we were fighting to end all wars. Yet today we find the nations of the world in armed camps. We were told we were fighting a battle to end all depressions, but even now another depression is predicted by those high in authority. Is it a part of prudence to exhaust our resources in fighting one battle when we may be called upon to fight another? If another depression occurs, it is essential that the credit of the United States Government be in such condition as to enable expenditures on borrowed funds. This cannot be done unless we curb our present spending and begin to reduce the public debt. Every citizen and every public man should be alert to condemn waste and extravagance in spending public money in his own locality.

It was a disagreeable task for me when I publicly asked that a $1,500,000 Resettlement Administration allocation in my own community be salvaged. I did so, however, because of my belief that the money was wastefully expended and because I believe that economy, if effective, must begin at home. So long as public officials and citizens generally demand expenditures of Federal money in their own communities we will be unable to reduce the distribution of Federal money. This will result in an insidious undermining of the character of our people and the principles of our Government and an overwhelming debt to harass generations to come.

STATE RIGHTS VANISH

It is true that the rights of the States have been vanishing for years. It is true that the States have bartered away much of their prestige and power for Federal grants, but, after all, let us remember that all the income the Federal Government has comes from 48 States. We may think we are getting a gift from the Federal Government when we receive a grant, but, in fact, we are merely receiving something which we must pay back and pay back severalfold on account of the red tape and bureaucracy with which the funds are disbursed.

TAX-EXEMPT CLASSES

I cannot conclude without calling attention to another great evil inherent in any great spending program in a democracy. When the people of America are faced with the imposition of taxes heavier than at any time in our history excepting during the brief period of the World War, above everything else we should strive for an equalization of the tax burden.

Yet in the issuance of Government bonds we are offering to the rich of the country a haven of refuge where they may invest their money in tax-free securities. Today it is estimated that the total of tax-free securities in this country—local, State, and National—is $55,000,000,000. It is only natural that the well-to-do will seek investment of their funds in such tax-free securities and avoid in this way their fair contribution to the excessive taxation which is inevitable.

Again, in increasing the number of Federal and State employees, we are building up another tax-free class in the sense that Federal employees are exempted from the State taxation and State employees are exempted from Federal taxation. Equalization of taxes is the very first principle of equality in government. There should be no tax-free classes. There should be no tax-free employees. All should be compelled to contribute in proportion to their wealth and income.

I have already introduced legislation providing for taxation of tax-exempt bonds and for the taxation of tax-free officeholders. Vested interest of great wealth will oppose the taxation of tax-free bonds. Unless the classes of citizens who are engaged in business interests themselves will assert that this injustice be removed, then little likelihood of the passage of this legislation can be expected.

PAY-AS-YOU-GO PLAN

Virginia, as contrasted with other States and the Federal Government, has chosen the path of pay-as-you-go and conservative fiscal policies. We are the only State in the Union not to issue a bond since the War between the States.

We are virtually out of debt. Our taxes on land, for example, in proportion to true values, are the second lowest of the 48 States. We have problems in Virginia as have all other governments, but the solution of these problems is easier because our resources are unimpaired by great indebtedness.

I agree with President Roosevelt in his economy message to Congress on April 20, 1937, when he said: "While I recognize many opportunities to improve social and economic conditions through Federal action, I am convinced that the success of our whole program and the permanent security of our people demand that we adjust all expenditures within the limits of my Budget estimate."

The only way to stop spending is to stop writing checks.

Talk will not do it.

The time has come to cut out every wasteful and unnecessary public expenditure—Federal, State, and local—and to simplify our governmental administration, which, under the bureaucracy in Washington, is becoming so unwieldly as to defeat the very purposes and objectives desired.

After all, the old principle is of what we spend we must pay is as valid today as it has been since the beginning of time. The way to permanent prosperity is still the difficult path of economy and efficiency in government, the balancing of budgets of States and the Nation. For the individual, independence, industry, economy, and self-reliance remain the only certain pathways to success and individual development.

Representative Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. MILTON A. ROMJUE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. ROMJUE. Mr. Speaker, the memorial services which are held by this body in memory of departed Members present an eloquent tribute which is fully due those who have laid down their lives and quit their labors in their distinguished and helpful public service.

When I first came to Congress, I soon met and formed a warm friendship for Hon. ANDREW JACKSON MONTAGUE, of Virginia. He had served in this body some time before my coming, and I was glad to have the benefit of his experience, judgment, and friendship. At least two of my great-great-grandfathers had been born and had grown to manhood in Virginia, Mr. MONTAGUE's native State, and I found that he was quite familiar with my family history, and thus our association in this body soon ripened into a close and warm personal friendship which endured without abatement. Had he been spared to live to finish his present term, he would have completed 26 years of splendid service in this body. His people in Virginia had honored him by electing him Governor of his State, where he had a distinguished service, after which they honored him by sending him to represent them in Congress until death stepped in and took its toll.

Mr. MONTAGUE gave a full measure of service to his constituents. I frequently had occasion to talk with him concerning public questions and public interests, and always

found his heart sympathetic and his mind and energies alert to what he believed to be the best interest of the public. He was immensely devoted to a careful study of the fundamental principals upon which this Government was founded. Very few men who have served in this body have had such a thorough comprehension of the scope, limitation, and power of the Federal Constitution. He possessed a rare spirit; was always kindly and courageous; and was full of confidence and consideration.

If the world could be blessed throughout with men of his mold and character it would indeed be a most wonderful place in which to live. Those of us who have had the pleasure of his acquaintance and who have really known him thoroughly are happier because of that acquaintance, and his State and country is the better for his example and influence. Those who were fortunate in having a close personal acquaintance with ANDREW JACKSON MONTAGUE found it easy to know and understand him and safe to trust him.

His influence and the benefits of his good work is continued and will live on.

There is no such thing as death.
In nature nothing dies;
From each sad remnant of decay
Some forms of life arise.

Congress Pays Tribute to Secretary Ickes

EXTENSION OF REMARKS
OF
HON. JAMES L. QUINN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

Mr. QUINN. Mr. Speaker, the efforts of a patriotic group of Members of this House to earmark relief funds for public works have not been in vain, and I rise to pay tribute to the one Government agency which has achieved the greatest success in bringing us out of the slough of depression.

The only inexorable question which we must answer our constituents is, "Where does the money go?" American taxpayers have been generous to the last degree in their acquiescence to huge levies to feed and clothe the needy, to provide shelter for the destitute, and to furnish decent living conditions for the underprivileged, but they insist that the money shall be spent honestly, to a practical purpose, and that the relief dollar shall provide as nearly as possible 100 cents for actual relief.

More than this, taxpayers and our citizens generally demand a practical method in administering relief—to save the deserving needy from pauperization, to maintain American standards by helping those who are struggling to help themselves and to encourage industry in establishing reemployment.

I believe you all agree that the most efficient step in the President's program to bring us out of the depression by putting as many people as possible immediately to work was through the Emergency Administration of Public Works. This agency back in 1933 held out hope not only for idle men and women but also for idle mills and shops and farms. It meant Nation-wide activity on necessary permanent public improvements. When the P. W. A. whistle blew it called to work not only the pick-and-shovel men but sounded the signal for all lines of industry to resume operations. It was a cheerful sound alike for the butcher, the baker, the candlestick maker, and so on down the line. It started the mines. It started the axmen in the woods. It started the trains moving. Not the leaf rakers but artisans and sturdy workers heard the call, and when regular pay days came again it meant that homes were saved, old debts were paid, professional people enjoyed the returning prosperity, merchants began refilling their shelves, individual credit was restored, and the banks saw the reopening of savings accounts. All this gave the people and the Nation new courage, which today is realized in the business and industrial expansion which is witnessed on every hand.

I say to you, Mr. Speaker, that the greatest factor in our battle against the depression and unemployment was the Public Works Administration. The P. W. A. gave us victory. It provided the fuel that generated the power that started the wheels of business and industry moving. It has kept them moving until now we see them revolving with ever-increasing momentum.

Nothing succeeds like success, and I ask if it is at all surprising that the majority of the Members of this House sought to have this great work of the P. W. A. continued? Was it not only natural that practical-minded Members should seek to earmark a portion of this immense fund of one and one-half billions in order to continue this great work? Is it not better economy to use relief employment in permanent works?

The greatest building program in the world's history has been carried out by the Public Works Administration. I shall not bore you with statistics. You know as well as I the vast amount that has been expended. You know as well as I the magnitude of the work. You are familiar with the projects in your home districts and the number of men and women employed, and you know how indirectly an impetus was given to all lines of business and industry and transportation, and the increase of employment thereby.

The world's greatest builder is Harold L. Ickes, Secretary of the Department of the Interior, to whom was entrusted this mammoth construction program. I am proud to testify to the efficiency and honesty with which this great work was carried on.

With the expenditure of billions in money, the establishment of tens of thousands of projects throughout the Union, and with the employment of millions of men, you have heard no charge of graft or dishonesty. Mr. Ickes' record is without a parallel. He set up an organization wherein the personnel was engaged on merit alone, and it has given its best in energy, service, and loyalty. Only a man of the outstanding capabilities of Secretary Ickes could mobilize such an army of thoroughgoing assistants. In P. W. A. they employ no drones.

The great majority of the Members of this House, by their action in the past few days have attested affirmatively all that I am saying today. It is a tribute in every sense deserved. In all the undertakings directed by Mr. Ickes there has not been the slightest hint of graft. In all the billions he has spent there is not a single tainted dollar. For energy, ability, courage, and downright honesty no public official in the American Government has a record that equals that of Mr. Ickes.

Yesterday was Memorial Day, and it was as a devout duty that we honored the dead. Today let us honor ourselves by paying a small tribute to the living and acknowledge the service and sacrifices of distinguished public servants. In so doing let us pause for a moment and acclaim the record of Secretary Ickes for a magnificent job magnificently accomplished. Moreover, it was honestly done. Is there any higher aspect of patriotism?

Memorial Day Address

EXTENSION OF REMARKS
OF
HON. CHARLES D. MILLARD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

ADDRESS OF HON. CHARLES D. MILLARD AT THE PEEKSKILL MILITARY ACADEMY, MAY 30, 1937

Mr. MILLARD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address

delivered by me on May 30 at the Peekskill Military Academy:

Mr. Chairman, young men of Peekskill Military Academy, and friends; again on May 30 we, like other American people throughout the United States are gathered together in groups large and small, through long-established custom to pay a tribute of respect to those who bore arms in our defense and in the defense of our flag. This day we celebrate their inspiring influence of heroic loyalty. It is our privilege to honor those who summed up and perfected by one supreme act, the highest virtues of men and citizens: For love of country they accepted death, made immortal their patriotism and their virtue. Martyrs of patriotism, they gave their lives for an ideal.

Though we all abhor war and will do anything within our power to prevent it, when our country has taken up arms it has always been for a justifiable cause, never for unprovoked conflict, for unwarranted attack. We can proudly remember that no lust for conquest, no craving for power, no greed for territory nor desire for revenge has ever caused us to violate the covenants of peace and tranquillity. We have robbed no people of independence. We have laid on no country the hand of oppression. On the contrary when our armed forces have taken the field they have done so to extend the scope of freedom; to defend the principles of liberty; to establish our independence and to maintain our National Union. And so today to those living and dead who on land and sea offered their blood that our cause triumph, our citizenry brings its affectionate garland of honor.

We are fortunate in that the lapse of silent years and the influence of time have softened the realization of the scenes of war. The ring of steel that set men's hearts aflame, the mighty armies of our Nation have long since folded their torn banners, stacked their muskets, discarded their uniforms. The bugles that sounded the charge and the drums that beat to battle are silenced. We have said solemn requiems for the dead. We have ceased to brood over war's memory.

We can best honor our heroic and patriotic dead by being true men, as true men as faithfully fighting the battles of our day as they fought the battles of theirs. No heroic sacrifice is ever lost, for our characters are molded and inspired by what our forefathers did. We who have passed our youth want to believe that our children will in turn be molded by what we do, and so each succeeding generation rises to a higher plane than the preceding one. Some call this progress, some idealism. To all of us it is service, a service that requires a type of valor which sometimes goes unsung. Your country needs this type of service today. As each young man and woman approaches maturity he and she indirectly enter their country's service by gathering up the cherished purposes of life, its aims and ambitions, its dearest affections, and weaving life's tapestry into good citizenship. To you young people, for whom the door of accomplishment is swinging ajar, there should be real inspiration. There is a crying need for service, not on the battlefield but in the solution of the manifold problems and conditions which confront the world today.

Before the World War things were different. During the preceding century humanitarianism had grown. The individual was looked upon as the source of creative effort and progress. Men asserted their right to govern themselves, to chart their own destinies. Free speech was demanded, as was free thought and freedom of worship. The age when men were the pawns of the State had been replaced by the age of individuals. Men with exceptional ability came to the front and their creative efforts, their powers of leadership, and business acumen received the recognition they deserved. In this age of freedom, however, some found license to bargain unjustly for the services of their employees. A vast amount of inequality, poverty, and injustice was the result. While the standard of living in most countries of the world was rising in the pre-war century so as to give the average man and woman greater abundance, security, and progress, autocratic and unwise leaders catapulted the world into the greatest war in all history. Its frightful slaughter, immense destruction of wealth, unnatural expansion, and diversion of productive energy stifling to the delicate and intricate mechanism of trade and monetary system, needs no expansion here. But worst of all was the complete centralization of all power in the hands of governments.

This is the picture which we must see as we glance back down the historical road as it looked just prior and during the Great War. This was the foundation upon which post-war activities were builded. Immediately following the cessation of hostilities the energies of the Government were concentrated on demobilizing the war machine. This called for a restoration of peacetime conditions, the reduction of burdensome taxes, and in general putting the Government's house in order. So the world gradually readjusted itself, but as things settled back into normalcy deep-seated maladjustments made themselves felt. The inevitable result was the depression. Unhealthy speculative activities brought their retribution. In the natural sequence the Government stepped in. It was right that the Government should have assumed the leadership, but it was not right that the Government should have resorted to coercion. There is a vast distinction between the temporary departure from traditional practices and violence to basic principle. We have no reason to assume that the principles born of the accumulated experience of our race cannot be fully adapted to new problems of a new world, for we have not yet tried to make the adaptation. If we had, our steps would point the way to progress and to freedom.

And so today's picture deals with the struggle to find the solution of the problem and the manner in which adjustments must be made to accommodate change. This is the challenge held out to American youth. At no time of which I am aware has there been more opportunity for public service than awaits the American youth today. And while you young men are not yet ready to grapple with the problems of the age, you soon will be. And don't be discouraged that all will be done before your time comes. This I can promise you: If your immediate predecessors do not progress faster than we have in the last 10 years, a full quota will await your generation.

It shall be yours to decide whether the Government shall lead or coerce; whether the abundance so essential to a higher standard of living is more likely to be generated by the creative energy of the individual operating in a system of free enterprise than by the sterile direction of governmental bureaucracy. It shall be yours to determine whether the heretofore high standard of living in the United States shall fall, whether individual liberties shall be curtailed, even destroyed; whether self-government shall be thrown into the discard, and whether individuals shall once more become the pawns of dictators. It will be yours to choose.

When the choice is made, give to the Government the same support, the same backing given the armies in time of war. Enlist in and fight in the public service. Do this not for personal gain either honorary or monetary. In the olden days politics was the avocation of the gentleman. You could not do better today than to emulate this. There will always be room at the loom to untangle and weave the threads of a life of service into the tapestry of justice. It is for you, the youth of the land, to snatch the falling torches borne by our veteran heroes and carry them through the darkness of doubt and depression. It is for you in these days of bewilderment and despair for so many millions of our countrymen, to hold unflinchingly to the faith of our fathers, to support by deed and word a popular confidence in the institutions and ideals which have made America great.

To help to prepare you for the place you must take in the world you are receiving as a part of your education, military training, the primary purpose of which is to teach thorough discipline, development of organization, and teamwork. I want to speak briefly on the educational value of such training. One of its most important functions, to my mind, is to afford practical training in leadership, academic or technical, by emphasizing those things which make for personal efficiency. It has often been pointed out that military training is responsible for the signal success of some young men in large industrial corporations. They apply the practical training in principles of organization, cooperation, and leadership which they learned in school to the problems of the business world. The out-of-doors serves as the laboratory for the disciplinary training, the classroom for the study and solution of military problems. All of these require of the student analytical treatment, skill in judgment, and accuracy in decision. This training makes for a disciplined mind ready for application to the practical daily tasks of life. Disciplinary exercises, too, teach courtesy and respect for authority. Military training too is a means of developing confidence, coordination of mind and muscle. These are important to young people. Its teachings awaken an interest in national affairs and the conviction that there are duties and obligations of citizens in time of peace. We find then that military training develops the physical as well as the mental and has demonstrated real value in the development of the youth of our country. In the first trying years following graduation a young man with military training who possesses the art of command which breeds confidence and initiative, has a real advantage over his nonmilitary competitor.

We cannot pass over Decoration Day without a word about neutrality. We have recently passed a new neutrality law in Washington. By proclamation duly signed and sealed it becomes unlawful after July 1 next for any American citizen or corporation to sell or ship certain articles to any belligerent. The new law reflects the work of conscientious persons and is probably as good as any that could be written. But because few will read the Neutrality Act, and because of an American trait of people not to read the acts of Congress, some will assume that the new measure settled everything. The new law will be especially appealing because an alluring phrase goes with it. It is the "cash and carry law"; we won't sell any goods on credit, nor send them in American ships—a belligerent who wants our goods must come after them, pay cash, and carry them home in his own ships. Some may assume, therefore, that the whole matter is cared for and that we shall not be involved in any war. We can go about our affairs in peace.

That optimism may give comfort to youths who began to read yesterday. But some persons who are middle-aged or older will recall some history of the past 20 years or so. Let us call the roll of some other laws and proclamations, and conferences and slogans, which, we thought, settled things.

There was that sonorous proclamation of President Wilson a few weeks after the Great War broke out in Europe, "We must be impartial in thought as well as in action, the United States must be neutral in fact as well as in name." That admonition everyone thought would keep us out of war.

Then there was the slogan that President Wilson ran for reelection on in 1916, "He kept us out of war"—with the implication that he would continue to keep us out (which undoubtedly he wished to do). But a few weeks after Wilson was reinaugurated we were in the war.

For the war Wilson had a slogan, "The war to end all wars." We fought the war believing that—but 21 years later we are still trying to keep out of war. Wilson had another slogan, "The war to make the world safe for democracy", and today we in America are trying desperately to save democracy in a world in which for 20 years, beginning with the coming of communism in Russia in October 1917, democracy has been submerged in one country after another.

Then there was the Paris Peace Conference and the Versailles Treaty. That was going to set up a league of nations, and the league was going to prevent all future wars. All the nations, everywhere, could turn their swords back into plowshares. But today the League of Nations, as respects preventing wars—well, Ethiopia knows.

There was the Washington Conference for the Limitation of Armament, held with great éclat in 1922. That is long over the dam. So are the two London conferences for the same purpose. There is no limitation of armament anywhere; on the contrary, an immense competition in armament is under way. And there was the Kellogg Pact, and the Geneva Pact; indeed, several Geneva pacts and Geneva conferences.

If anybody still has faith in the power of conferences and pacts and slogans and laws to prevent war, consider a few in another field. The peace conference was going to make Germany pay reparations. On paper the peace conference did fix German reparations, but presently we learned that reparations must be refixed. So there was another conference, from which emerged the Dawes plan. The Americans who bought German bonds that were called "Dawes" plan bonds will remember the Dawes plan. After the Dawes plan blew up there was the Young plan. Once more the world thought reparations were all fixed up. But presently there was yet another conference, from which emerged another phrase, "German moratorium." In the end Germany isn't paying any reparations.

Then there were those other conferences, a long series of them, at Washington, in which Britain, France, and some 15 other nations contracted to repay us the money they had borrowed during the war. And what President Coolidge said: "They hired the money, didn't they?" we thought was very smart, the essence of Yankee common sense, and we made it into a slogan meaning, of course, that they would pay. But they didn't; only sturdy little Finland is paying the installments regularly in full.

Now, we can't keep out of war by relying on conferences, slogans, pacts, or laws or formulas. Keeping out of war, when a war is under way, is accomplished by meeting each situation as it arises—and they arise with great suddenness and frequency. It's a job for hard thinking and prompt acting.

It's a 24-hour job, literally a daytime and nighttime job. In 1914 it was 2:30 of a spring morning when three of Wilson's official family telephoned the White House and got Wilson out of bed to tell him of a critical turn in the already strained relations between the United States and Mexico. The crisis was one which might have been solved by patience, without bloodshed. But Wilson, obliged to decide quickly, told Mr. Daniels to have the Navy take Vera Cruz. Then he went back to bed. Next morning when he got up he called in Chief Usher "Ike" Hoover and admonished him never again to rouse him in the middle of the night. Wilson added a bit of wisdom, saying a man can't have his best judgment when wakened from sleep. That was sound. Had Woodrow Wilson had his full night's sleep on the night of April 21, 1914, he might have taken some different course.

For keeping out of war, if we must have a slogan, the best one is Theodore Roosevelt's, "Speak softly—and carry a big stick." Quietly, without saying much about it, we are building up a Navy to a strength with which we can lay down a policy of neutrality and then make others respect it.

I do not care to discuss further the subject of neutrality but rather we should come back to a further short discussion of Memorial Day. It is not a day of regret. It is not a day of weakening memory. It is a day of stimulation. But, my friends, these stimulating memories we are sometimes apt to minimize because we do not see the full significance of them. We are constantly speaking of the great war of which we think today as a war which saved the Union, and it did indeed save the Union, but it was a war that did a great deal more than that. It created in this country what had never existed before—a national consciousness. It was not the salvation of the Union; it was the rebirth of the Union. It was the time when America for the first time realized its unity and saw the vision of its united destiny.

Then came the World War, which further and more generally cemented the North, South, East, and West.

It does not do to talk too much about one's self, and I do not think that it is wholesome for the United States to talk too much about itself. I do not want to know what you are today so much as I want to know what you are going to do tomorrow. The only test I know of that is competent to determine what you are is the test of what you do. Let us not think of our characters; let us think of our duties and of the actions that lie before us. I have always maintained that the man who lives to cultivate his own character will result only in cultivating an intolerable prig, because his object will be himself. Character, my friends, is a by-product; it is produced in the great manufacture of daily duty.

America was reborn by the struggle of the Civil War, but America is reborn every day of her life by the purposes we form, the conceptions we entertain, the hopes that we cherish. We live in our visions. We live in the things that we see. We live, and hope abounds in us as we live, in the things that we propose. Let us go away from this place renewing our devotion to daily duty and to those ideals which keep a nation young, keep it noble, keep it rich in enterprise and achievement; make it lead the nations of the world in those things that make for hope and for the benefit of mankind.

The Court Reorganization Bill

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

ARTICLE BY RUBY M. HULEN, GENERAL COUNSEL FOR THE MISSOURI FARMERS' ASSOCIATION

Mr. CLARK. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD a very able article recently published in the Missouri Farmer, the organ of the Missouri Farmers' Association, by the Honorable Ruby M. Hulen, general counsel for the Missouri Farmers' Association, and formerly chairman of the Democratic State Committee of Missouri, under whose inspiring leadership President Roosevelt received in 1932 the greatest majority ever given in the history of Missouri to any Presidential candidate. The article has to do with the proposed reorganization of the courts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TRIAL OF THE SUPREME COURT

The hearing of the Senate Judiciary Committee on the plan to reorganize the Supreme Court having concluded, a survey of the situation is in order. While much of the testimony before the committee was cumulative in nature, one result is certain—the issue has been clarified.

The President precipitated the issue by presenting to Congress, with the Court reorganization bill, a message stating that the purpose of the law providing for appointment of six additional judges, or one for each of the present judges over the age of 70 who refuse to resign, was to expedite business and increase the Court's efficiency. A fireside talk followed this message, in which the Nation was frankly told that the purpose was to remove from the Court those members whose opinions were not in harmony with the constitutionality of contemplated legislation, and to substitute for such members men who, acting as judges, would sanction those measures now in process of incubation.

The objective was further revealed by Senator BYRNES, of South Carolina, often referred to as the President's spokesman in the Senate, who stated on February 18:

"If by packing the Court it is meant that the President would name only persons who agree with him as to the fundamental interpretation of the Constitution, I hope that is true."

The issue is clear. What will the effect be? Does it justify prolonged debate upon a national scale? Is there cause for a split in the ranks of the administration party? Why do we find leaders of liberal thought in Congress, and throughout the country, dissenting for the first time from a major administrative policy?

Advocates of the Court plan answer: "They are misinformed", "unduly alarmed", or "have availed themselves of the occasion as a smoke screen behind which to attack policies they have never been in sympathy with."

Can the opposition be answered so easily? Does the public record of men like BORAH, WHEELER, NORRIS, and JOHNSON bespeak for their opinions a serious and respectful hearing, or shall we turn for guidance to statesmen of the type of Brookhart, who was publicly repudiated by the citizens of his State? Are men like GLASS, CONNALLY, CLARK, and BURKE, with an ancestry and record of life-long service to the Democratic Party, to be taught the principles of democracy by recruits of the Ickes and Wallace pattern?

It is claimed that reorganization of the Supreme Court is necessary to the establishment of effective agricultural relief, yet we find the leaders of nonsubsidized farm organizations among the ranks of the opposition.

What character of liberal thought champions the measure, when newspapers like the St. Louis Post-Dispatch, with years of distinguished service to the liberal cause, enter the lists against the measure with a zeal equal to the highest traditions of the press? Oswald Villard Garrison, editor of the Socialist Nation, takes his place with the opposition.

The solemn admonition of the first President, along with that of Woodrow Wilson, the last Democratic President of the Republic, is entered in the record against the bill. Since when did these

forces fight behind smoke screens or fail to bring mature, deliberate, and patriotic judgment to public questions? Can they all be wrong?

We do not take these men at their word; they do not ask it. They have laid their case before the bar of public opinion. It is the duty of citizens to consider the issue, free of political restraint, because upon its determination forces may be set in motion that will have far-reaching effect upon the well-being of our country.

The opposing forces in this battle do not approach the question from the same premise.

Those in charge of the Court plan reason that the end, namely, legislation sponsored by the administration, being desirable, any means to accomplish that end is acceptable. There they rest their case.

Because the legislation sought, and what that legislation is we are left to conjecture, cannot with the present Court meet the test of constitutionality, the Court must be revamped and a majority obtained "who agree with the President" as to the interpretation of the Constitution.

A liberal or conservative Court will not meet the demand. Only an administration Court will serve the present purpose, a Court committed to policies to the public unknown, regardless of constitutional prohibitions. Stone, Brandeis, and Cardozo, judges whose liberal views are known and recognized, joined in nullifying the heart of the administrative program as contained in the N. R. A. and branded it "delegation running riot."

It has been intimated that the administration desires to pass laws regulating hours of labor and wages. In both the N. R. A. case and the recent decisions sustaining the Wagner Labor Act it was held by the entire Court that Congress had no power to regulate hours of labor and wages in intrastate commerce.

With the virtue of legislation the opposition to the Court plan is not now concerned; its concern is that the constitutionality of legislation shall be determined in the manner directed by the people.

The opposition is based upon fundamental principles of government. These principles do not change. The people chartered our Government by the adoption of the Constitution, and by that charter have said to every public official in Washington: The Federal Government shall be divided into three separate and independent departments—legislative, judicial, and executive. Neither of these departments has any moral or legal right to challenge the independence of the other. When the Chief Executive demands of the legislative department a law authorizing him to select and place upon the Court six members "who agree with him as to the interpretation of the Constitution", he strikes at the independence of the judicial department of government and the form of government constitutionally commanded by the people.

Whenever laws not authorized under the Constitution are considered necessary by the Federal Government the people have commanded, by the Constitution, that such measures be submitted for their consideration.

To this constitutional procedure advocates of the Court reorganization plan say "No", because, first, the country, facing a crisis (the exact nature of which they refuse to reveal), must have immediate action, and it would take too long to submit a constitutional amendment to the people; second, the phraseology of a constitutional amendment cannot now be agreed upon; third, two-thirds of the States would not ratify a constitutional amendment.

These are new doctrines for a democracy. Truly they did not belong to the "horse and buggy" days. They are purely of 1937 vintage. If they, individually or collectively, justify nullifying the plain mandate of the Constitution, then it follows we have reached a stage where constitutional government is wrong.

When men in high official position publicly declare that constitutional procedure should be avoided because the people would not ratify an amendment, constitutional government is in grave danger. No position could be more antagonistic to constitutional government. Sane men would view such reception of a proposed amendment as evidence that the people do not approve it.

If there are influences in this country which admit a given constitutional amendment cannot be carried, but which still have sufficient power to effect the change by subversive methods, then it follows that the people have in that power a master. By such methods democracies are destroyed; by such means dictatorships are created.

Argument in support of the Court measure presents an all-time high in political hypocrisy, demagoguery, and muddy thinking. We are told that judges should bring themselves abreast of modern public thought and action. Who are the clairvoyants that are so certain of the state of modern public thought? Does modern public thought approve the sit-down strike, and if so should the Supreme Court likewise approve it as legal? When the fruit of these false doctrines is revealed in a destroyed confidence in the courts of the land, let it be recalled that those who now set themselves up to declare modern public thought did not have the courage to put it to a test in the constitutional manner.

What type of jurisprudence offers precedent for men to publicly urge that judges "put their ears to the ground and attempt to gage modern public thought" in determining lawsuits? Such a man would be a disgrace to the bench. He would not be a judge but a common politician.

The Chief Executive condemns the Court, charging that they have assumed legislative powers and presumed to pass upon the policy of measures adopted by Congress; supporters of the reorganization bill condemn the Court for its failure to do just that thing.

It would be sheer hypocrisy to refer to a body of subservient men sitting on the bench as a supreme court. A judiciary presumes independence—independence and courage to declare the law as they find it and not as they may think certain sections of the people want the law declared, nor as their private opinions may think the law should be.

And if the supreme law of the land is to be interpreted according to the whims of what judges think the people desire and what judges think is best for the people, then why not the same rule with respect to every other law? Certainly the language of an act of Congress, State legislature, or city council is entitled to no greater weight than the words of the Federal Constitution.

If Congress passes and the President signs the court bill, as submitted, then for the first time in the Nation's history a law will be passed whose constitutionality cannot fairly be tested. The six new judges, appointed by the President, cannot be expected to hold invalid the law which created their jobs. Suppose the present Court should decide that the law under which the six new brethren were seated beside them was invalid, who would execute the decision of the Court? What a novelty it would be to argue to a Court of 15 judges and urge 9 of them to hold that the remaining 6 have no right to be there.

Students of constitutional government are divided upon the constitutionality of the court reorganization bill, but whether or not it violates the letter of the Constitution, there can be no doubt but that it does strike at the spirit and plan of constitutional government.

Legislation which violates the spirit and plan of the Constitution is more dangerous to the commonwealth than a law which violates the letter of the Constitution. The courts are a safeguard against the latter; there is no defense to the former except an aroused public opinion. Strike at the spirit of the Constitution and you undermine constitutional government. Such would be the effect of the court reorganization plan.

In reality we now witness the trial of the Supreme Court. The Chief Executive drew the indictment and filed the charges. Congress acts as the jury. Said Senator McGILL, of Kansas, with reference to the pending bill:

"I am a member of a jury and not permitted to express an opinion until all the evidence is in."

If the Federal Union is founded upon the principle of three separate and independent departments of government—executive, legislative, and judicial—and nothing is more firmly established in the framework of our Government, then by what right does the executive department indict the judicial department and the legislative department resolve itself into a court to pass judgment as to whether the judicial department is discharging its constitutional duties? Was such a travesty on constitutional government ever contemplated? Can such a practice be indulged in and constitutional government survive?

The legislative department of government has surrendered its independence to the executive department, without battle; the judicial department refuses to surrender, with the result that the executive department hales it before a subservient legislative department for trial. Charges reach us from Washington that patronage—bribery and coercion of that jury is now the order of the day. A verdict of guilty, the passage of the Court reorganization bill, means the destruction of the judiciary as an independent department of the Government.

Speaking on the subject of separation of the departments of government, liberal Mr. Justice Brandeis in the course of an opinion wrote: "The doctrine of the separation of powers was adopted by the Convention of 1787, not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction but by means of the inevitable friction incident to the distribution of the governmental powers among three departments to save the people from autocracy."

When other nations embark upon the course we are now urged to take, we do not hesitate to recognize the trend to dictatorship. Could it happen here—or was that just a fairy tale that came to us from the State of Louisiana during the reign of Huey Long?

Specifically, what crime is the Supreme Court as a whole guilty of? Foremost in the instruction given the members of that body is the oath taken to uphold, defend, and support the Constitution of the United States. If that oath is antiquated and belongs to "horse and buggy" days then common fairness suggests that before we condemn men for living up to it, we should repeal it.

Have the members of the Supreme Court disregarded their oath and thereby justified being paraded before the country for misconduct and held up to public ignominy?

By the plain mandate of the Constitution the Supreme Court holds that our National Government is one of limited powers; all others have been retained by the several States and the people. Decisions founded upon that principle constitute the charge against the Court. That principle represents the heart of the controversy. To override that principle, evade and nullify its purpose, is the sole object in the attempt to pack the Supreme Court.

The Constitution of the United States, which the Judges of the Supreme Court are by oath bound to defend, support, and uphold, after enumerating the powers of Federal Government, such as regulating interstate commerce and providing for the general welfare,

lays down a solemn command to the Court by the ninth and tenth amendments:

"The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people."

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

Could the English language be used to more definitely state principles of government? You search in vain for any authority in the Constitution that these amendments shall be construed liberally to effect grants to Congress of further power. Would not the Supreme Court be derelict in its duty if it failed to recognize in some measure at least and give effect to this mandate to all persons charged with government responsibility? It is for doing just that thing that they are now haled before the Senate tribunal for trial.

The members of the Court over the age of 70 years are urged to resign under a charge of neglect of duty and to accept the brand of failure as the climax to a judicial career. No greater injustice was ever done a body of men. A judge who permits himself to be driven from the bench under these circumstances will forfeit public esteem and find himself relegated to that niche in history reserved for those who quit in the face of the enemy.

These amendments to the Federal Constitution were, and still are, a matter of serious concern to the States, as evidenced by article I of section 3 of the constitution of Missouri:

"That Missouri is a free and independent State, subject only to the Constitution of the United States; and as the preservation of the States and the maintenance of their governments are necessary to an indestructible Union, and were intended to coexist with it, the legislature is not authorized to adopt, nor will the people of this State ever assent to any amendment or change of the Constitution of the United States which may in anywise impair the right of local self-government belonging to the people of this State."

That provision was written into the constitution of Missouri for the first time in 1875 and still remains.

With a mandate of the foregoing character from the State they represent, what alternative have its representatives on an issue of the character now confronting the country? Missouri should be proud of the stand taken by its distinguished senior Senator, BENNETT CHAMP CLARK. Time was when these were first principles of the Democratic Party.

In the final analysis the will of the people is the supreme law of this land. If the Federal Government desires to invade the province of the States and obtain from the people certain of the rights reserved to them, then let the question be submitted to the people in the ordained manner, by constitutional amendment.

Washington, in his farewell address, anticipating the Nation would some day be faced with this question, gave solemn warning:

"The basis of our political systems is the right of the people to make and to alter their constitutions of government; but the constitution which at any time exists, till changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presupposes the duty of every individual to obey the established government."

The people of this country may be willing to give Congress a blanket power of attorney to regulate life in all its activities, but until they have so expressed themselves on the question in the constitutional manner, no man should be heard to criticize the Court for upholding the Constitution as it is now written.

Our Constitution is as old as our Government. Our Government is the oldest constitutional form of government in the world today. Under this charter we passed from struggling colonies to a leading world power. To reach this position we have successfully weathered every economic problem that has beset us. Then by what process of reasoning is one to arrive at the conclusion that it would now be good judgment to abandon fundamental principles of government in preparation for the problems of tomorrow?

Is there a government in the world today, does history record a single example where the people have advanced their position by concentrating power or by surrendering to a centralized government rights of local self-government?

If the founders of the Republic could speak to us, is there any doubt what their advice would be? If the people of dictator-ruled countries of the Old World had freedom of speech, is there any doubt what they would say?

Does a divine providence watch over and favor the United States to the extent that we can violate and disregard all lessons of history and still escape the consequences?

It is no answer to these questions that President Roosevelt can safely be trusted with extraordinary power and that the country is in no danger of a dictatorship from that direction. This is a Government of law, not of men. We do not alter forms of government for a day, month, or year. In 3 short years we will be in the midst of a campaign to elect a new President. Who will follow Roosevelt? Lewis, Wallace, and Ickes are prominently mentioned.

Constitutional government and kindred questions may seem academic to most people, but hundreds of cases decided by our Supreme Court, where the rights of a free people having been attacked were protected by that Court's decisions, testify to the fact that they can become very serious and personal. There was recently before the legislature of Missouri a bill by which the majority of the "occupiers" of a given district of farm lands may incorporate, and after having incorporated, a majority of the "occupiers" may determine how all the land within the district shall be cultivated and tended down to the most minute detail. Should the owner of any farm resist the dictates of the majority of the "occupiers", the proposed law authorizes entry upon the farm for the purpose of carrying out the decision of the majority, subjects the resisting owner or "occupier" to a fine, and provides that the expense of carrying out the program may be made a lien against his land. This bill came from Washington with the approval of Secretary Wallace. If this bill had become a law, as recommended from Washington, many farmers in the State of Missouri would be looking to the Supreme Court of the United States for protection of those rights reserved to them by the Constitution and which, as yet, they have not surrendered in a constitutional manner. They would look in vain to a packed Court.

The world today constitutes an armed camp. War, not declared, is nevertheless being waged by dictatorships against democratic forms of government. Referring to democracies and their survival, Mussolini has publicly declared: "It is we or they." Sooner than we expect we may have to defend our free institutions from the outside; we will be unworthy of the heritage bequeathed to us should we fail to jealously guard them from the inside.

On the eve of the World War President Wilson said: "The Old World is on fire and the flames are spreading." We are not without like warning today. Shall we be found apathetic in the guardianship of our Republic, within as well as without? The people must now answer, and again the sole responsibility for their action will be theirs.

Strengthening Social Security

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

RECAPITULATION OF CONCLUSIONS OF NONPARTISAN SOCIAL SECURITY COMMISSION

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a recapitulation of conclusions reached by the Nonpartisan Social Security Commission of which I am a member. The sole purpose of presenting these conclusions is to help make social security more secure and to strengthen the existing legislation.

There being no objection, the recapitulation was ordered to be printed in the RECORD, as follows:

MAKING SOCIAL SECURITY SECURE—RECAPITULATION OF CONCLUSIONS

Following a 3 months' study of social-security problems, with the aid of consultants at home and abroad, the Nonpartisan Social Security Commission, sponsored by the Hearst newspapers, authorizes the subjoined statement:

The Nonpartisan Social Security Commission, sponsored by the Hearst newspapers, recognizes in the Social Security Act a humane and many-sided effort to provide for persons in need.

The comprehensive program sets up contributory and noncontributory annuities for the aged. Whereas the contributory old-age benefits are financed principally by direct levies on the covered workers and their employers, the noncontributory old-age assistance scheme, which is supported by Federal and State contributions, is limited to those who submit to a means test. In addition to taking care of the impoverished superannuated, the act also makes provision for Federal assistance to the States for the blind, for dependent children, and for maternal and child-health activities. The task of providing for these people and for those now employed who lose their jobs is well outlined in various features of the Social Security Act.

In the noncontributory activities, the biggest item of expense comes from the necessity of making a decent contribution for old-age assistance, which is administered by the States. This project introduces a present and prospective cost of large proportions.

However, for more than half the gainfully employed—for a total of 27,051,976 persons as of May 1—who qualify for contributory old-age benefits, provision is made for the payment of a retirement annuity. This is, of course, granted as a matter of right without the stigma of a means test. This section of the act accordingly fulfills the American tradition of self-help and individual initiative, particularly since benefit payments are related to the actual earnings of individual workers. Covered workers during their productive years contribute to their own retirement fund through pay-roll taxes, which are matched by their employers.

In the nature of things, the principal costs inherent in the contributory old-age-benefit scheme will be borne by a tax on current production. In effect, active workers will surrender claims to a small fraction of the total goods produced, in order that it may be diverted to the use of the retired annuitants. In consideration of this sacrifice, the active workers, in turn, will be assured a retirement income at the age of 65.

An effort should be made to meet the necessary costs of social insurance out of the fruits of further improvement in industrial efficiency and productivity, lest the standard of living of employed workers suffer as a consequence of the social-security taxes to which they have been subjected.

Inasmuch as part of the cost may be passed along to consumers in the price of goods, it is desirable to make the benefits as nearly universal as the costs. Such comprehensive coverage would not be feasible without governmental participation. As a next step, it would be desirable to bring under the terms of the act as rapidly as is administratively feasible the exempt groups. As the coverage is widened, contributions by general taxpayers become increasingly justified.

The essential advantage inherent in governmental action is that participation in old-age benefits becomes compulsory and is supported by taxation—a set of circumstances which makes operation on a virtual pay-as-you-go principle feasible. Without the assurance of future participation in the scheme by covered workers and without the taxing power of Government, a large actuarial reserve, such as is carried by private insurance companies, would be needed.

It seems desirable to augment and strengthen the contributory old-age benefit plan, supported largely out of worker and employer payments of pay-roll taxes, so that this scheme can promptly supplement and eventually supplant, in large part, the noncontributory old-age assistance costs. To enable the contributory plan effectively to compete with the old-age assistance scheme, in popular acceptance, the Social Security Act should be promptly amended to advance the time for starting benefit payments, probably from 1942 to 1940, and to increase the benefits planned under the act in the immediate introductory period of the next decade or two.

In the specific recommendations which follow, the commission recommends liberalizing the provisions in these two respects, and also urges retardation of the schedule for proposed increments in pay-roll taxes on workers and employers.

The effect of such a series of revisions will be automatically to avoid the accumulation of excessive reserves. The present plan for a large actuarial reserve, the commission believes, constitutes a gratuitous waiver of the greatest advantages inherent in compulsory old-age insurance. It places a needlessly heavy load on taxpayers and tends to distort the whole economic and political system by a mandatory provision for accumulation of such huge reserves to be invested in present and prospective Federal debt.

The commission regards unemployment benefits as a desirable palliative, provided the limitations as to the extent to which it is practicable to provide such benefits are kept clearly in mind. Through more efficient business management, through better cooperation between Government and business, and through improved understanding of the conditions making for a balanced economy, efforts should be made to reduce the social cost of unemployment. At best unemployment compensation is an inadequate substitute for the economic security to the individual which comes from productive employment.

The commission believes that the act establishes a more humane and a more systematic method for meeting burdens that in the main are already existent—costs that arise from hazards to workers' earnings in a fluctuating and highly dynamic economic society. Failure to include in the cost of production reserves against such accruing costs as old age and unemployment constitutes a defect in social bookkeeping which the Social Security Act is designed to correct.

The commission's recommendations, offered in a friendly spirit, are summarized as follows:

1. RESERVE UNDER FEDERAL OLD-AGE BENEFITS PROGRAM

The Nonpartisan Social Security Commission recommends a contingency reserve fund only large enough to assure full benefit payments during poor tax years. Some authorities consulted by the commission suggested that a contingency reserve of $5,500,000,000 would probably be adequate for such purposes during the next quarter of a century.

The commission is opposed to the accumulation of the contemplated huge reserve fund which is estimated to run as high as $47,000,000,000 in 1980, because (1) it would make an increase in the Federal debt mandatory, (2) because it would be a constant temptation to reckless spenders and might be used for political purposes, (3) because the fund would fail to perform an economic function unless it was spent in a way to increase our productive power and the national income, (4) because it makes the entire old-age benefit program rigid and inflexible to changes in the price level or in the rate of industrial progress, and (5) because the procedure is contrary to practice and experience abroad. In Sweden, after a comprehensive study of this subject by a commission of experts, over a 6-year period, the full reserve principle was abandoned at the beginning of the year, after 24 years of experience.

The original argument used in behalf of the large fund was that the interest-bearing Federal debt would in the later years provide as much as 40 percent of the annual cost of old-age benefits. But the taxpayers must pay the interest on the Federal debt. If the Federal debt increases with the expansion in the reserve account, such contributions might just as well come directly out of general taxation as to be paid in indirectly through interest payments on the additional Federal debt.

If the full benefits of an approach to a pay-as-you-go policy are to be achieved it is important to attempt to reduce the Federal debt in prosperous years. Otherwise there is a risk that in the later years when a Federal subsidy may be needed to support the old-age benefit program there will also be large demands on taxpayers to service the Federal debt. Reliance on the general taxpayer for contributions likewise emphasizes the desirability of making old-age benefit coverage as nearly universal as administrative feasibility will permit.

2. BENEFIT PAYMENTS UNDER FEDERAL OLD-AGE PROGRAM

The Nonpartisan Social Security Commission recommends that Federal old-age benefit payments commence before 1942, say, in 1940, and that average benefit payments in the early years be raised to a basis more nearly comparable with the payments provided in the act for those retiring 25 or 30 years hence. While recommending more adequate benefits during the next decade or two, the commission strongly believes that the principle of relating benefits to previous contributions by a benefit formula should be preserved.

These recommendations on Federal old-age benefit payments are based on several considerations: (1) Special treatment for those now approaching retirement age is justified by the fact that it will not be possible with contributions commencing this year, for them to contribute for many years. Consequently, unless the law is changed, benefit payments to the aged under the Federal contributory program will average but from $18 to $20 a month during the first 5 years (1942 to 1947). (2) Such small benefits will often be inadequate, so that many beneficiaries will be forced to apply for noncontributory old-age relief under State assistance programs. That will tend to discredit the Federal contributory program. (3) State old-age relief or assistance is expanding rapidly, and in a number of States such assistance grants now average $25 or more per recipient and higher still per couple. Much lower benefits under the Federal contributory program would be unfair and would put the Federal progam in an unfavorable light by comparison with noncontributory State old-age relief. (4) Earlier and larger benefits under the Federal program will relieve general taxpayers, both State and Federal, of the load which otherwise they will have to meet through increased old-age assistance under the Social Security Act and State assistance programs. (5) Finally, more liberal benefit payments will prevent the accumulation of such a huge reserve account.

Some formula tying benefit payment to contributions should be maintained to keep the benefits out of the realm of public charity, to spur workers to achieve good employment records, and to keep the factor of cost clearly before the public mind. In these respects it seems to us that the philosophy behind the American act is superior to that prevailing in most European social-security projects.

The Nonpartisan Social Security Commission favors postponing the tax increases scheduled to begin in 1940 and keeping the taxes on employers and employees during the early years at a lower level than is contemplated in the act. The commission believes that, after some years of experience, Congress can better decide the schedule of taxes to levy in the more distant future. In the opinion of the commission, some support for the Federal contributory program from general taxation may be justified, at least in certain circumstances and situations.

There are a number of reasons for postponing the tax increases after 1939: (1) Longer intervals between tax advances give the economy time to adjust better to such tax increases. (2) Unduly high pay-roll taxes have a bad effect on employment and tend to stimulate technological unemployment. (3) The present tax schedules will, after 1948, overcharge younger workers and their employers, forcing them to pay the accrued liability represented by workers already old, who will retire too soon to pay in full for their benefits. (4) Most of the taxes collected during the early years are being levied to build up the huge reserve. Under present provisions of the law, about 90 cents out of every dollar raised by these taxes during the next 10 years are to be used for the reserve and only 10 cents will be used for benefit payments. Keeping the tax excess down will keep the reserve down to a reasonable figure.

The commission believes that special situations, such as the accrued liability represented by workers already old, might well be met out of general taxation rather than exclusively out of pay-roll taxes. There are good grounds for suggesting some subsidy to the Federal contributory old-age program. According to estimates, successful operation of the Federal contributory program will hold down old-age relief expenditures paid from general taxes to less than 40 percent of the amount they would have reached by 1980 had the present contributory program not been established. Furthermore, those contributing to the Federal old-age benefits program are, as general taxpayers, helping to pay for the old-age relief that persons not covered get when they can prove need. In other words, workers covered by the Federal contributory program are contributing to their own support in old age, to the support of those on old-age relief, and to the support of those covered by the Federal program who are now too near retirement age to pay in full for their benefits. Their triple load might well be somewhat lightened by contributions from general taxation.

4. RECORDS OF OLD-AGE BENEFIT FUNDS AND FUTURE LIABILITIES

The commission recommends that a definite accounting procedure be adopted by the Federal Government to earmark receipts intended for old-age benefits which exceed disbursements in any fiscal year, designating such net sums clearly and definitely as liabilities in the financial statements of the Federal Government. It also recommends that methods be developed so that we may visualize the mounting costs of old-age benefits assumed by the Federal Government.

5. COVERAGE OF OLD-AGE BENEFITS AND UNEMPLOYMENT COMPENSATION

The Nonpartisan Social Security Commission believes that the ultimate goal should be to include all workers under both the old-age and the unemployment compensation features of the act. It recommends that certain groups now excluded from the Federal old-age benefits program, such as maritime workers and employees of national banks, be promptly brought under the terms of the act. It recommends that full-time employees on pay rolls of nonprofit institutions and maritime workers be covered by unemployment compensation, recognizing that a Federal system may be necessary to cover maritime workers. The commission also recommends that the Federal tax relating to unemployment compensation be extended in the near future to employers of four or more, and soon thereafter to those employing less than four, so that the coverage under unemployment compensation may correspond more closely to the coverage of the Federal old-age benefits program.

Reasons for these recommendations on coverage: (1) To extend the advantages of both programs to as many workers as possible, thus eliminating many present inequities, and helping to protect the social-insurance funds from demands upon them by excluded groups; (2) to reduce unemployment relief and old-age relief expenditures, thus relieving pressure on public finances and taxpayers and strengthening the contributory programs; (3) to avoid any interference with the mobility of labor from industry to industry, firm to firm, or area to area; (4) to eliminate in connection with unemployment compensation certain administrative difficulties and injustices. If the taxes for old-age benefits and unemployment compensation covered the same groups it would simplify the administration and do away with administrative problems now caused by borderline concerns being brought in and out of State unemployment-compensation systems by fluctuations in the number of their employees. Also it is unfair to tax some employers and not to tax their competitors.

Insofar as administratively feasible, the commission believes that employers and employees wishing to come under the provisions of the Social Security Act should be afforded an opportunity to be included, recognizing, however, the administrative problems involved in including agricultural workers and domestic servants in the near future.

6. EXTENSION OF BENEFITS TO SURVIVORS

The Nonpartisan Social Security Commission recommends the adoption of the principle involved in joint and survivorship annuity provision as contained in the railroad retirement proposal. Under this plan a covered employee would have the privilege of electing to get part of his normal annuity when he retires and making provision that the balance be used to purchase an annuity for his wife in case she survives him.

7. APPOINTMENTS TO STATE UNEMPLOYMENT ADMINISTRATIONS ON MERIT

Pointing out that in many States appointments to State unemployment-compensation administration have been largely on a patronage basis, the commission recommends that all such appointments be strictly on a merit basis under civil service. Two alternative methods of achieving this result have been suggested: (1) A provision in the Social Security Act authorizing the Social Security Board to pass upon the adequacy of civil-service procedures of the State before granting it Federal funds for the administration of unemployment compensation, or (2) clear delineation in the act of minimum standards to which State unemployment-compensation agencies would have to conform to receive Federal aid for administration.

8. SOLVENCY OF STATE UNEMPLOYMENT-COMPENSATION FUNDS

A number of experts and State administrators fear that State funds will become exhausted unless State laws are changed to increase tax contributions or to reduce benefit liabilities; yet recently there has been a tendency in some States toward further reducing contributions and promising still larger benefits.

To help prevent insolvency of State funds, the commission recommends (1) that all covered employers be required to make basic minimum contributions to State pooled funds, and (2) that merit rating, where adopted, work upward as well as downward, so that it will not threaten the solvency of State funds. In other words, tax reductions granted as a reward for superior employment records should be offset by added tax penalties on employers making undue demands on the funds, to the extent needed to assure sufficient resources to meet the obligations imposed on State funds.

The commission believes that activities on the part of employers that promote better management and a large volume of employment should be rewarded, whenever feasible and economical to do so, and that employers who put an unnecessarily large drain on the fund should be penalized by a rising scale of taxes. Recognizing that there may be need for distinguishing between results ascribable to good management and those due to the nature of the industry, the commission recommends that further studies be made of such incentives for good business management as merit rating, guaranteed employment plans, and individual company reserves, especially in regard to their bearing on total employment and assurance of adequate tax receipts by the State funds. At all times solvency of State funds should be a guiding factor in determining policy.

In seeking to keep unemployment-compensation funds solvent, pay-roll taxes should not be increased to a level that will definitely discourage the employment of labor. If new sources of tax funds are needed, the commission believes that a proportion of such additional funds should come from general taxation rather than from higher tax rates on pay rolls than at present contemplated. Such use of general tax funds can be justified by the expectation that unemployment compensation will reduce unemployment relief costs for the general taxpayer.

The commission feels that the contributory system of social insurance has the distinct merit of lifting payment to retired or unemployed workers above the taint of charity. The philosophy of the act in relating the benefits to the previous earnings of such workers is in accord with the American system of individual initiative.

Likewise, the provisions of the Social Security Act, in providing little more than minimum wages for the idle and the retired, leaves a wide field for supplementary individual thrift. The prudent will be encouraged to augment such benefits with the proceeds of private savings. Moreover, the commission strongly urges employers to consider the wisdom of adding voluntary pensions to those which are now compulsory.

Since in the nature of things no soundly conceived social-security scheme can do more than prevent destitution, there is still a wide inducement for workers and employers to add voluntary savings and insurances.

Insofar as unemployment benefits are concerned, it is important that they should not be large enough in amount or in duration to compete with the will to become gainfully employed. The commission accordingly approves the principle adopted in this country of limiting ordinary benefits to approximately 50 percent of normal weekly wages and to 12 to 16 weeks in a year. The commission also recommends the payment of benefits through employment exchanges so that there is a continuous check on the willingness of those drawing benefits to accept available work.

Experience in Great Britain and elsewhere indicates that in major depressions many unemployed workers exhaust their benefit rights before they find regular employment again. Under such conditions there is pressure to relax rules and to extend the length of benefits. Such relaxation of the rules may not only make the funds insolvent but would also interfere with the character of unemployment compensation as a payment related to previous work or contributions. Unemployment compensation is only designed as a first line of defense that at times must be supplemented by relief or by work relief.

The membership of the commission includes Senator James J. Davis, Henry I. Harriman, Samuel W. Reyburn, William J. Graham, Dr. Herman Feldman, Dr. Richard A. Lester, and Merryle Stanley Rukeyser.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. HARRY L. ENGLEBRIGHT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

ADDRESS BY HON. JAMES M. FITZPATRICK, OF NEW YORK

Mr. ENGLEBRIGHT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorial address delivered by the gentleman from New York, Mr. FITZPATRICK, at the memorial services of the Bureau of Engraving and Printing Post of American Legion, on May 28, 1937:

Commander, members, and friends of the American Legion Post of the Bureau of Engraving and Printing, we are here today to honor the memory of your departed comrades, many who made the supreme sacrifice and others who have been called since the war to the world beyond.

I am not going into detail of the heroic acts of our soldiers from the beginning of the Revolutionary War down to the present day. I doubt if any country produced greater soldiers or greater heroes than were produced in this beloved country of ours. That love of country was instilled into their hearts because of their love for freedom and justice for which our great Government stands. Well I remember 20 years ago this very day. The youth of our country, yes, the very flower of our manhood, were marching from the North, from the South, from the East, and from the West to the call of our President as democracy was supposed to be threatened at the time.

What a picture those boys made, what a thrill they gave to the American people as they marched through our streets throughout the breadth of our land. I hope that day will never arrive again when it will be necessary to call our boys to arms. I hope that civilization will so improve that war will be abolished from the face of the earth.

I am positively and absolutely against any war unless it is one of defense. However, I trust that will never be necessary. At the same time, I believe it is the duty of our country to be sufficiently prepared in case that we are ever threatened by enemies abroad or at home to defend our country. I also feel it is the duty of every citizen that if this great Government of ours should ever be threatened that he should willingly give up not only his financial possessions but life itself, if necessary to save the destruction of our Republic.

Unfortunately we have in our midst today, a small group that would like to destroy our Government. There may not be many in that group and I doubt that there are, but nevertheless we, as citizens of this Republic must see that that small minority and destructive group will never get a foothold so as to destroy this Government that was won, protected, and saved by the boys whose memory we honor here today. May their memory always remain honored and respected by the American people.

Vincent B. Costello

EXTENSION OF REMARKS

OF

HON. JOSEPH T. ROBINSON

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 1, 1937

ARLINGTON MEMORIAL ADDRESS BY SENATOR PEPPER

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a memorial address on Vincent B. Costello delivered by the Senator from Florida [Mr. PEPPER] at Arlington National Cemetery on May 23, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Commander, members of the Costello Post of the American Legion, Mrs. Vincent B. Costello, members of the family of the deceased, friends, and fellow citizens, before his family and loved ones, in the presence of his comrades, both living and dead, we are come today to pay tribute to the memory of Vincent B. Costello, one of America's heroic dead in the World War.

One night, on the 8th of September 1918, Vincent B. Costello went forward over his front-line trench to an observation post in No Man's land. During the night the sputter of machine-gun fire was heard and the next day the body of this Washington boy lay in the bright sunlight stiff in death.

We come here today not to mourn Vincent B. Costello but to honor him. Thank God that America has such heroes to honor. Wherever they be in sacred dust there lies the spirit of this people. In a true sense this young man, like that young man who trod the Galilean hills, gave his life that others might live after the high destiny of man.

A score of years ago America was called in derision a decadent nation and her people degenerate successors of a noble past. They, beyond the seas, who looked upon this paragon of power, the accumulation of our wealth, the vastness of our industrial system, the terrible fervor with which we enter into the business of life—a little envious, perhaps, of it all—said that America had lost her heart; that her idealism, once as pure as a virgin's smile, had been consumed in the fierceness of her lusts and passions; that her instincts of freedom and love of liberty, her boasted experiment of democracy, had been blasted on the iron feet of Mammon and machine. No more did pilgrims' feet tread this treasured land, won by countless sacrifices; no more did patriot's heart beat in the breasts of this people whose fathers had dared to ordain this soil as the birthplace of hope, the cradle of liberty, and the home of freedom.

Then came the chaos of war, war waged with all the terrible and destructive energies of civilization and none of its refinements. War so terrible that it, like a hideous monster, opened its jaws to devour all that ages had attained or eons ennobled.

For 3 terrible, anxious years America looked upon this maelstrom aghast, unwilling to believe it possible that the twentieth century, boasting the proudest civilization of history, should be the end of it all and mark the time of man's destruction by his own hand, to leave again, barren, stark, and cold the lands he had made to flow with milk and honey.

We were a nation devoted to peace; we cherished a tradition that we had never warred save for the divine right of freedom and in defense of the weak and oppressed. But this thing could not go on—it was too terrible, too horrible, too unthinkable to be endured, and fired by the leadership of that great President who spoke with a prophet's fire and passion, who saw with a prophet's eye, America again saw ahead of her distinct and clear as a prophet's dream, her path of duty. She would not war for war but against war. She would guarantee to generations yet unborn that never again should this monster raise its ghastly head to devour mothers' sons and loved ones' hearts. Let the sacrifice be what it might, she would not shirk. With a Christian fervor and crusader's zeal she threw herself into the affray. Her sons came from their peaceful pursuits to the training camps and those who in June were despised civilians—in January were the first soldiers of the earth. From her mighty machines poured in ceaseless streams the tools of war, and her financial system took on its shoulders the weight of an impoverished world. A vicarious sacrifice never seen in history's annals save on Golgotha's hill—a nation unloosing its terrible energies in war, not for the grandeur of a throne, not for the garlands of fame, not to expand its territory or increase its bursting wealth, but to serve an ideal, eternally to destroy the philosophy that might makes right to keep alive in human hearts the gleam of hope and continually to refresh the fires of freedom.

What a passion did that event stir in the heart of the world. Suppressed peoples threw off the yokes of a thousand years of slavery and dreamed again visions of a nation's destiny. Races torn into warring groups by conqueror's hand, saw visions of being reunited. Poets, dreamers, and philosophers despairing of a debauched world had kindled again in their hearts a conviction that nobler and finer things of the spirit, once thought lost beyond recovery, yet were nurtured in the human heart.

How they carried on in that struggle is the brightest gem of history—an inheritance of glory to generations yet unborn. In the face of battle, in the jaws of death, they marched with a soldier's courage, a patriot's heart. A battered foe, a score of battlefields, a thousand guarded and impregnable entrenchments torn into a thousand fragments, attested with what valor they carried on—insensible of any aim save victory, heedless of death or destruction.

Grateful governments have erected shafts and mausoleums in memoriam. These are the expressions that are customary in remembrance of departed heroes. But those heroes who sleep out there beneath the crosses, their remains blended with nature's soil, or rest in sailors' graves, their souls at peace with God, and that one who sleeps beneath the Unknown Soldier's Tomb, to the steady tread of sentinels' feet, they fought not for shaft or mausoleum—they fought for remembance in the human heart, for memorials of gratitude in the souls of men living and generations yet to come—an inheritance of honor from generation to generation to be cherished, esteemed, and defended.

Their work is done; ours remains. They have been vindicated; we remain to vindicate ourselves. They have given us a new vision, the right to entertain new hopes, a feeling of brotherhood and human responsibility before undreamed of in our individualism. They have brought into one great family the nations of the earth. They have given themselves as hostages for peace that all of man's splendid energies might be devoted to the services of his higher self. They have torn away the shackles of mind, broken down the prejudices of eons of antiquity, and made for all mankind one common purpose to be defended, to be fought for, to be cherished by all the races of the earth. From them as they sleep in heroes' graves beneath the crosses of Flanders fields, and on the bottom of the seas, comes their message of reminder in matchless song, clear as a bugle call:

In Flanders fields the poppies blow,
Between the crosses row on row
That mark our place, and in the sky
The larks still singing bravely fly,
Scarce heard amid the guns below.

We are the dead. Short days ago
We lived, felt dawn and sunset glow,
Loved and were loved, and now we lie
In Flanders fields.

Take up our quarrel with the foe;
To you with failing hands we throw
The torch; be yours to hold it high;
If ye break faith with us who die
We shall not sleep though poppies grow
In Flanders fields.

God grant that that message shall bear fruit in every God-created human heart, for we are all debtors more than we can ever pay to these dead. But whether others shall keep that faith or not, we who are the surviving comrades of these men have with them a covenant of blood, sealed with their blood. It must, as long as life in us shall reside, be the ark of our determination that they shall not have died in vain—that not only this Nation but this world shall have a new birth of freedom, a new quality of liberty; that every widow who sorrows behind, every child orphaned by their sacrifice, shall be woven into our heartstrings and forever the object of our tenderest care and most loyal devotion.

That these ideals shall be achieved and this memory shall never grow faint in our minds, let us, with an eye lifted toward a never-forgetting God, keep fresh upon our lips a prayer for remembrance.

"Lord, God of Hosts, be with us yet,
Lest we forget, lest we forget."

Federal Theater Project Under the Superb Guidance of Mrs. Hallie Flanagan

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. CELLER. Mr. Speaker, with comparative modicum of experience, Mrs. Hallie Flanagan has rendered exceptional service in developing the Federal theater project. Her productions have given enjoyment to over 20,000,000 people, most of whom had never gone to the theater. Our hats indeed must go off to her for the stirring and exceptional work she is performing.

I have become vastly interested in her Federal theater, designed to succor indigent and idle actors and actresses.

As a result of the appropriation made by Congress and under the splendid directorship of Hallie Flanagan, as first well known to her students at Vassar, actors taken from the relief rolls are no longer merely existing on relief but are utilizing their ability as thespians. In many parts of the country, the Federal theater is a huge success. The drama is being brought to the masses. The Federal theater is a wholly cooperative effort. Designers, carpenters, electricians, sceneshifters, technicians, actors, and many in the audience, most likely, are dependent upon the Public Works Administration.

Mrs. Flanagan has stated the problem as follows:

> It is a timid wasting of an unprecedented chance to regard the theater only in terms of what we have hitherto experienced. We must see the relationship between the men at work on Boulder Dam and the Greek chorus; we must study Pavlowa as well as Pavlov, Einstein as well as Eisenstein, must derive not only from ancient Bagdad but from modern Ethiopia.

She has caused the Negro unit at Birmingham, Ala., to produce a comedy of local life, Home in Glory, which was well received. In Reading, Pa., she produced Feet on the Ground. It concerned the life of the Dunkards, the early Dutch settlers of that region, which was enthusiastically received. Indianapolis was offered The Campbells Are Coming, a play of Hoosier life. In Asheville, N. C., Smoky Joe was produced, which was a portrait of the mountaineers.

Mrs. Flanagan has developed in the theater projects entirely new talents. She has made a great departure from traditional methods. She revived for the masses many old successes—the Old Homestead, the Texas Steer, the Octoroon, Secret Service, and Everyman. She has been a boon to unemployed actors, especially vaudevillians in New York and Los Angeles.

Her variety unit produced Follow the Parade, a full evening's entertainment of sketches, lyrics, and fine music.

Twelve thousand five hundred theater people were engaged. They were divided into nearly 270 units, playing to a weekly audience of 500,000 persons, of whom about 100,000 paid admission fee.

Mrs. Flanagan supervised the largest theatrical enterprise in the world, involving players, musicians, technicians, and audience. Her commercial touring companies penetrated into the far West and South. In many places the townsmen and the country people never saw a theater performance. The drama to them was as extinct as the dodo. She literally gave performances in the backwoods, deep in the mountains, where there was no auditorium or church which could be used as a theater. Productions were given outdoors on an improvised stage.

One of her best productions was Murder in the Cathedral, based on the life of Thomas à Becket, which was written by T. S. Eliot. After its 10-week run in New York, it toured the country. She assembled a Negro cast for the production of Macbeth. It toured the road after a run in New York of 3 months.

Over 75 plays have been given since the establishment of the Federal theater. The total audience seeing the plays almost reached 5,000,000. Up until June the Government took in almost $120,000. The cost of the entire project has been over $6,000,000.

Sinclair Lewis' It Can't Happen Here created a considerable stir, as did Elmer Rice's Living Newspaper.

Uncle Sam has become patron of the arts. He has brought a boon to the downtrodden.

Our Government is more and more inserting itself in the private lives of men. Our Government has also, happily, seen its responsibility with reference to bringing some brightness and light into the regimented lives of laboring men throughout the land. The administration and Congress are realizing that there is nothing more important in our social life than the theater. It brings us surcease from intense industrialism—relief from the humdrum of hard work and the tedium and monotony of regimentation. The Federal theater project has given mental and spiritual relaxation to thousands of our huddled masses.

It is all very well for us in Congress to make man a sort of machine, 8 hours a day for 5 days a week; but what about the rest of his hours? Even the worker must have a dream life. He can find it in the theater. There he can transfix himself and imagine he is a hero, a crusader, an apostle, or even a bandit, a king, a Columbus, a Don Juan or Don Quixote. There he loosens his life, as it were. Unlocks the closed doors of his soul. He soars to new heights. He feels he is far from hammers, engines, dynamos, autos, machines. He travels to a higher sphere where there are no repressions, no time clocks, no hastily devoured lunches, no heartaches, no overtime, no foreman, no fear of discharge.

There, in the dream life of the theater, he finds sheer enjoyment and happiness.

Mrs. Hallie Flanagan has made all this possible through her Federal theater project. Shall this project become permanent, or shall we treat the cultural projects of the Public Works Administration merely as a question of unemployment? I think not. They must, in part, become permanent features of our national life. And the Federal theater project, which has given culture and enjoyment to so many, must be permitted to continue its splendid work. The Federal theater project is here to stay.

Mrs. Flanagan has done a splendid piece of work, worthy always of our defense and encouragement. Her Federal theater project started out as a partial succor for those who are unemployed. It has gone far beyond unemployment. It has awakened the esthetic values in the minds of countless of our citizens. That work must go on, regardless of the status of the unemployed.

House Joint Resolution 275—Memorial to Memory of Haym Salomon, Revolutionary Patriot

EXTENSION OF REMARKS

OF

HON. JOHN P. HIGGINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. HIGGINS. Mr. Speaker, may I take the opportunity today to present to the Members of this House a few brief remarks regarding House Joint Resolution 275, to authorize the selection of a site and the erection of a statue or other form of memorial to the memory of Haym Salomon, Revolutionary patriot, now before the House Committee on the Library:

> I speak, not to eulogize this hero and seemingly forgotten patriot of the American Revolution, but rather do I base my remarks upon the fact that Americans owe a debt of gratitude to this courageous, kind, and generous man. This effort on my part is one to ask America to recognize a debt that this Republic has long permitted to become overdue. Standing beside Salomon throughout the troublesome years of the Revolution, while the

Colonies fought for their independence, were the distinguished Von Steuben of Germany, the youthful Lafayette, of France, the heroic Pulaski and Kosciusko of Poland, all of them aliens to the soil of America, but men whose hearts beat in sympathy with the principles of liberty and self-government. Time has recognized the services of these men and history has preserved the story of their contribution to democracy. The exception to the rule that has given recognition to all these great men is that charitable and generous merchant, Haym Salomon of Philadelphia, whose services to the cause of American independence have gone unrecognized for over 150 years.

History textbooks in our public schools are silent on the subject of Haym Salomon, although his services to America are recorded by every historian of note, among them Fiske, Bancroft, A. B. Hart, Russell, and others. I feel that a thoughtful and considerate Congress, always having manifested a tender reverence for its devoted heroes, cannot and must not fail to pay respect to the memory of this patriot, who gave immeasurable moral and financial support to the cause of George Washington, James Madison, Robert Morris, and other Revolutionary patriots.

Haym Salomon has raised a monument in the minds and memories of many leaders of present and past generations, yet there is no statue or other form of memorial in the Capital to symbolize the gratitude of the American people for his outstanding services in the early struggle of the Colonies to build an enduring nation. The huge fortune he earned by hard labor was gladly placed at the disposal of Revolutionary leaders. Prominent men of both political parties cast aside their differences on matters political and join in urging the erection of a memorial to perpetuate Salomon's deeds of valor and philanthropy. On several occasions in the past, resolutions have been presented to Congress by Members possessed of a profound sense of duty and a deep sense of gratitude, and their efforts were of little avail. Passing years, however, have done something which words and platitudes fail to do. They revealed clearly and vividly the need of fostering and fulfilling the idea of such a shrine to the memory of a great American.

The words of Charles Edward Russell, in discussing the services of Haym Salomon during the Revolution, in an address in New York in 1930, very aptly describe the contribution and support that Salomon gave to the revolutionary Government:

"He had supported the needy Members of Congress, advanced money to any public servant that was in want of it, staked William Morris, scraped together the funds that had kept the Treasury going, and ruined himself—ruined himself and impoverished his children."

President James Madison, in 1793, expressed his indebtedness to Salomon and the contributions he made toward the success of the Revolution by saying:

"I have been a pensioner for some time on the favor of Haym Salomon. I am almost ashamed to reiterate my wants too incessantly to you. The kindness of our friend near the coffee house (Haym Salomon) is a fund that will preserve me from extremities, but I never resort to it without great mortification, as he obstinately rejects all recompense. To necessitious delegates he always spares them supplies, etc."

Speaking in Washington on May 3, 1925, the late President Calvin Coolidge voiced his tribute of respect for Salomon's loyalty in the following language:

"There is a romance in the story of Haym Salomon, Polish Jew, financier of the revolution. Born in Poland, he was made prisoner by the British forces in New York, and when he escaped set up in business in Philadelphia. He negotiated for Robert Morris and the loans raised in France and Holland, pledged his personal faith and fortune for enormous amounts, and personally advanced large sums to such men as James Madison, Thomas Jefferson, Baron Steuben, General St. Clair, and many other patriot leaders, who testified that without his aid they could not have carried on in the cause."

The words of former President Hoover, on February 24, 1931, endorsing an undertaking that would bring about the erection of a memorial to the memory of Haym Salomon, further describe the debt of gratitude owed the memory of this man:

"The noble and disinterested public services of Haym Salomon deserve the undying gratitude of all Americans. The aid of his financial genius and his wealth was of critical importance in the Revolutionary struggle which created us a nation. It is, indeed, fitting that these services should be commemorated with an enduring monument that will remind us of his patriotism and self-sacrifice."

The wholehearted approval of President Franklin D. Roosevelt will appeal to the sense of justice of my colleagues. I quote from a letter dated August 24, 1936, which reads as follows:

"I am, indeed, gratified to learn that belated recognition is to be made of the invaluable services rendered to the cause of the American Revolution by Haym Salomon. History was for a long time strangely silent concerning the unselfish and munificent financial support accorded the struggling Colonies by this Philadelphia banker.

"It was never disputed that at a critical period in the affairs of the Revolution Haym Salomon came to the rescue of the Continental Congress with large loans freely extended. The debt of gratitude which the Nation owes Salomon's memory will in part be paid through the fulfillment of plans of the Patriotic Foundation to erect in Chicago a monument which will portray Salomon with his fellow patriots, George Washington and Robert Morris, I bespeak for the undertaking the fullest measure of success."

The words of Prof. Albert Bushnell Hart, eminent American historian of Harvard University, presents briefly an excellent summary in the following:

"All Americans of all races may acclaim Salomon as a patriot, a benefactor to his country, an inciter of patriotism to members of his race, to his countrymen of all races, and to later generations."

The expression of distinguished men in public life, which include at least four Presidents of the United States, supplemented by tributes from men such as former Gov. Alfred E. Smith, of New York, United States Senators Copeland and Wagner, of New York; Dr. Walter D. Scott, president of Northwestern University; Ambassador William E. Dodd, and many others merit consideration.

The time is opportune for the building of a monument to a noble patriot and true American, Haym Salomon, an emigrant from Poland, who has won his place among the truly great; America, land of liberty and opportunity, should accord him the honor and glory which time and gratitude have so clearly signified belong to him. It is the belief of good Americans everywhere that the Nation should provide a site and the funds for the erection of this memorial in the Nation's Capital as a belated but wholly deserved tribute to this gentleman, patriot, and merchant whose only interest was the interest of his country.

Law Other Than Patent Law Which a Patent Lawyer Ought to Know

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

ADDRESS OF HON. CLARENCE G. GALSTON, NEW YORK CITY, MAY 3, 1937

Mr. CELLER. Mr. Speaker, in a masterful address delivered May 3, 1935, at the Hotel Roosevelt in New York, before the New York Patent Law Association, Hon. Clarence G. Galston, United States district judge of the eastern district of New York, made the following interesting and instructive observations:

Your president, Mr. v. Briesen, in inviting me to deliver this talk, appropriately, as one practicing his particular specialty, outlined the specifications to be followed. This went a little beyond a mere selection of the title. He desired me to avoid old matter; and the novelty of the address was to consist in telling patent lawyers, not how able but how generally inadequate they are in the trial of cases. I knew exactly what was running through his mind, because throughout the years, from the first annual dinner of the Patent Bar Association, with the exception of the last, at which, so far as I recall, no Federal judge spoke, there has been no occasion when patent lawyers were not selected for especial praise. Perhaps the most eulogistic of all was Chief Justice Hughes just a year or two before he ascended the bench. Novelty will, therefore, not be difficult; but to draw a specification that will disclose something operative is another matter.

Well, be that as it may, I shall endeavor to live up to instructions; but it must be with due regard to another imposed limitation. In no circumstances am I to become philosophical. Hence you will be spared any speculation on my part as to what the law ought to be. That concession, I must admit, was made with no little hidden regret, for it is much safer to state what the law ought to be than to affirm what it is.

Seriously, I have been hard pressed to make a contribution that could be of any real value to those patent lawyers whom I have known throughout the years. It is, therefore, with diffidence that I offer the following subjects for your consideration.

EVIDENCE

Under the old equity rules and practice, living as we did in an age that had not been geared to its present high speeds, roaming about the country, leisurely taking testimony hither and yon, little or no heed was given to the rules of evidence. Everything went into the record (*Blease* v. *Garlington*, 92 U. S. 1). The practice made for carelessness and much in intellectual pleasure was lost, for evidence in itself is an entrancing subject. It is a central subject in the law, radiating in all directions. In all essential respects the law of evidence is a concrete embodiment of logical processes of thought. Since a patent lawyer should above all be a lawyer first and a patent lawyer only secondarily, he should not ignore its teachings. Indeed, to do so under existing practice might easily do great injury to his client's case.

For example, in taking depositions de bene esse, it is imperative for the party offering the testimony to protect himself against the

possible exclusion of testimony of matters of vital importance at the trial. It is not sufficient merely to guard against objections going to the form.

Then, too, consider the subject of prior uses. The highest degree of proof required to sustain them, proof beyond a reasonable doubt, makes imperative the closest scrutiny of the evidence offered. Little should go by favor and counsel cannot be too familiar with the fundamental rules in respect to the admission and the exclusion of evidence. Now this, of course, does not mean captious objection such as one frequently meets, all too frequently, indeed, in the trial of jury cases, objections so often that spring from no rationale except a periodic impulse. Against such interpositions of objections any fair appreciation of court room phychology should be a sufficient deterrent.

Then, too, in the aftermath of the trial, in the accounting proceedings before the special master, the rules should be rigidly followed. If properly conducted, such proceedings should be carried on expeditiously, with strict adherence to the rules of admission or exclusion, in the effort to present a compact record, weighty but not voluminous.

Cross-examination itself is one of the fine arts—indeed one of the finer arts. It is a field of practice which emphasizes the difference between the able trial lawyer and the unskilled. Every witness presents a psychological study to the examiner—a study though which calls for instant decisions. My observation has been, particularly in respect to experts, that the value of the cross-examination is in indirect ratio to its length. As to fact witnesses, one of the most potent judicial soporifics is the line of examination which begins with, "Did you discuss this case with anyone before taking the stand?", for the rest of the examination is usually equally lustreless.

CONTRACTS

Now a second fundamental subject which must be the common possession of all lawyers, including those in whatever specialty engaged, is the law of contracts. After all, assignments and licenses are only particular forms of contracts. How are these to be interpreted? What is the scope of the agreement? Is it free from ambiguity? If reversion or forfeiture clauses are intended, are they definitely stated?

In a case recently tried before me, I had to construe a contract made between employer and employee. On its face it appeared to have been the work of the parties to the contract. The employee agreed to devote his time to the affairs of the corporation and to assign all his inventions and improvements to the employer. In consideration thereof he was to receive a salary and royalties. During the course of his employment he obtained a patent which was assigned under the terms of the agreement. Thereafter from time to time he received royalties. Controversy arose. Then on the ostensible ground that he had received no recent accounting he left the employ of the assignee and with some associates manufactured and sold machines which infringed the patent. Sued for infringement he defended on the ground that the employer had breached the contract because of his failure to pay royalties as provided for in the agreement. Unfortunately for him there was no defeasance clause in this laymen-prepared contract.

The same case presented another question of considerable interest. Could the doctrine of estoppel which was soundly urged against the employee be asserted against his partners? The facts become all important. From the authorities I drew the conclusion that where there is evidence of concerted action and reasonable grounds to believe that associates of the person estopped acted with a knowledge of the relationship which had existed between assignee and assignor, the partners were likewise estopped from asserting invalidity of the assigned patent. (See *Mellor* v. *Carroll*, 141 Fed. 992; *Continental Wire Fence Co.* v. *Pendergast*, 126 Fed. 381; *Climax Lock & Ventilator Co.* v. *Ajax Hardware Co.*, 192 Fed. 126; *Martin Gauge Co.* v. *Pollock, et al.*, 251 Fed. 295.)

In one matter before me, leading members of this bar with some ingenuity contended that the doctrine of *Lawrence* v. *Fox* could be invoked in support of the doctrine of estoppel. The defendant in that infringement suit had entered into an agreement with a licensee, the Popsicle Corporation of America, for a limited license to manufacture "confections comprising a body of flavored sirup, water ice, or sherbet (but not ice cream) frozen on a stick", and the defendant for such privilege agreed not to contest or deny the validity of the patent.

The licensee, the Popsicle Corporation, was not a party to the suit. From the record what its relationship to the plaintiff was did not appear. It was held that the only parties who could sue for the breach of the license agreement were the parties to the agreement, and in consequence that the defendant as a sublicensee was not estopped in an action brought by the owner of the patent (not the licensor) from denying the validity of the patent (*Good Humor Corporation of America* v. *Bluebird Ice Cream & Charlotte Russe, Inc.*, 1 Fed. Supp. 850, affirmed 66 Fed. (2d) 1013).

Contractual obligations in respect to patents also make necessary a consideration of the anti-trust acts. Up to and including the decision in *Henry* v. *Dick* (224 U. S. 1), the monopoly right conferred by letters-patent was deemed broad enough to enable the owner of a patent on the sale of a specimen of the patented invention, to impose restrictions as to time, place, method, or conditions of its use so as to render an unauthorized use an infringement. You will recall that in that case the court was called upon to determine an issue of contributory infringement arising out of the sale by the defendants of a can of ink suitable for use on a mimeographing machine which had been sold by the patentee with a license restriction that it might be used only with the stencil paper, ink, and other supplies made by the patentee; and it was held that the license restriction was lawful and that the sale of the ink was an act of contributory infringement. The prevailing opinion stressed the distinction between the property right in the materials composing a patented machine and the right to use for the purpose and in the manner pointed out by the patentee. "The latter right", said Mr. Justice Lurton, "may be and often is the greater element of value * * *. But the two things are separable rights."

Then only a few years thereafter that distinction was ignored or abandoned in *Motion Picture Patents Company* v. *Universal Film Manufacturing Company* (243 U. S. 502). *Henry* v. *Dick* was expressly overruled and it was held that a patentee who licenses another to manufacture and sell a patented machine, may not by mere notice attached to it limit the use of the machine by the purchaser or by the purchaser's lessee to articles which are no part of the patented machine and which are not patented. And this doctrine was reiterated in *Carbice Corporation* v. *American Patents Corporation* (283 U. S. 27).

The comparison of the two cases, *Henry* v. *Dick* and *Motion Pictures* v. *Universal Film*, to the patent lawyer must ever present a situation as colorful, dramatic, and vital as perhaps any of the greatest cases decided by the United States Supreme Court. The four opinions filed, for in each case there was a dissenting opinion, show how widely great jurists may differ in seeking for the truth. Chief Justice White in the dissenting opinion in the Dick case, to sustain his position that the restriction was unlawful, urged the "rule of reason"; and Justice Holmes in the dissenting opinion in the Motion Picture case contended with strictest logic, and almost syllogistically, that a patentee could validly impose conditions of use of the patented thing. The reasoning of Justice Holmes particularly arrests attention because it is from him that there has come to us the celebrated aphorism, "Experience, not logic, is the life of the law." He did add, though, that a limit to a patentee's rights might be reached when a predominant public interest intervenes.

ANTITRUST ACTS

Meanwhile Congress, on October 15, 1914, enacted the Clayton Act, which made it unlawful for any person engaged in commerce to lease or make a sale of any commodities, whether patented or unpatented, or fix a price charge therefor with any restriction which would prevent the lessee or purchaser from using or dealing in the goods of a competitor of the lessor or seller, and where the effect of such lease or sale would be substantially to lessen competition or tend to create a monopoly in any line of commerce.

Such in substance are the provisions of section 3 of the Clayton Act (title 15, sec. 14, U. S. C.). It has been held that the object of the section was to make unlawful, acts which were not unlawful under the Sherman Act or other anti-trust acts. (*United Shoe Machinery Corporation* v. *United States*, 258 U. S. 451.) That same case is authority also for the proposition that section 3 of the Clayton Act is constitutional even in its application to patented commodities.

Another interesting decision under the Clayton Act is *Radio Corporation of America* v. *Lord et al.* (28 Fed. (2d) 257). Suit was brought by manufacturers of tubes for radio receiving sets against the Radio Corporation of America, the sole seller of the radio tubes made by General Electric Co. and Westinghouse Electric, to enjoin the enforcement by the defendant of a certain provision in license agreements alleged to constitute an unfair method of competition and in violation of the Clayton Act as well as of the Sherman Act. The license agreements in question were made between the Radio Corporation, the General Electric, and the Westinghouse Electric and 25 manufacturers of radio receiving sets, and assented to by the American Telephone & Telegraph Co.

The agreements disclosed that the licensors owned or controlled a number of patents relating to tuned radio-frequency receivers. Paragraph 9 of the agreement was assailed as a violation of the Clayton Act. It provided:

"Nothing herein contained shall be construed as conveying any licenses * * * to manufacture, use, or sell vacuum tubes, except to use and sell the vacuum tubes purchased from the Radio Corporation as provided herein. The Radio Corporation hereby agrees to sell to the licensee and the licensee hereby agrees to purchase from the Radio Corporation the number, and only the number, of vacuum tubes to be used as parts of the circuits licensed hereunder and required to make initially operative the apparatus licensed under this agreement, * * * but the sale of such tubes by the Radio Corporation to the licensee shall not be construed as granting any licenses except the right to use such tubes for use in, and to use them in, the apparatus made and sold hereunder."

Plaintiffs' affidavits showed that the 25 licensees combined did approximately 95 percent of the total business done in radio receiving sets. Defendant admitted 70 percent of the total.

It was urged that the provision did not constitute a contract for the sale of goods. The Circuit Court of Appeals for the Third Circuit, affirming Judge Morris, however, held that the contract was one for the sale of goods and that the limitation imposed was such as is prohibited by section 3 of the Clayton Act, since the practical effect was to prevent licensees from dealing in tubes other than those sold by the defendant.

Though there was a dissent in the case, certiorari was denied by the Supreme Court.

Under the Sherman Act, the interchange of licenses under patents covering processes for the manufacture of an article sold in interstate commerce, was held to be illegal, if part of a larger plan to control interstate commerce, or if the necessary effect of such agreements is to suppress or unduly to restrict competition (*Standard Oil Company* v. *U. S.*, 283 U. S. 163). In that case it was held also that the limited monopolies granted to patent owners do not exempt them from the prohibitions of the Sherman Act and supplementary legislation. This, of course, does not mean that every exchange of patent agreements or licenses will work a violation of the antitrust acts. Nor does a mere inclusion of provisions for the division of royalties constitute an unlawful combination, for as Mr. Justice Brandeis said:

"An interchange of patent rights and a divsion of royalties according to the value attributed by the parties to their respective patent claims, is frequently necessary if technical advancement is not to be blocked by threatened litigation. If the available advantages are open on reasonable terms to all manufacturers desiring to participate such exchange may promote rather than restrain competition."

And again:

"Unless the industry is dominated, or interstate commerce directly restrained, the Sherman Act does not require cross-licensing patentees to license at reasonable rates others engaged in interstate commerce."

NATIONAL RECOVERY ACT

In these days of economic shifts, when at times the law of supply and demand seems to be held in suspension, no patent lawyer can safely ignore a reasonable familiarity not only with the antitrust laws as I have just noted, but also with the National Recovery Act and with the amendments of the Bankruptcy Act for the relief of debtors.

The National Recovery Act may give concern, for the codes that are established under and pursuant to the provisions thereof have the force and effect of statutes. At once the interesting speculation arises as to whether such codes which make reference to the making, using, or selling of a patented invention conflict with the provisions of the patent statutes. So far as I know there have been no such cases reported, but I have been informed that some of the codes, as for example, those relating to corsets and brassieres, iron and steel, wallpaper, leather, oil burners, luggage and leather goods, knitting machines, and silk and textile codes among others, have provisions relating to the copying of a design.

In the code relating to corsets and brassieres in rule K the following provision appears:

"The code authority shall set up a bureau for the registration of original and unique designs and it shall adopt such regulations as the Administrator may approve for the purpose of eliminating style piracy."

In the wallpaper code it is stated that "the copying of designs and/or patents" constitutes an unfair method of competition.

The leather code provides (art. XIII):

"Designs: No member of the industry shall imitate or simulate within 1 year from date of registration any new embossed or decorative design or pattern originated by any other member of the industry and registered with the Tanners' Council of America, or its designated agency."

Obviously some of these provisions are quite different from those in the patent statutes covering the issuance of design patents. Such provisions in the patent statutes were intended to protect the public as well as the merchant by having safeguards with respect to notice, originality of design, and duration of patent rights. Provisions to that end do not seem to have been included in the code provisions that I have seen. Thus it would appear to be possible to obtain design protection at least within the industry without reference to the originality of the design. My recollection is that bills to secure similar rights were submitted to Congress but failed of enactment.

REORGANIZATION OF CORPORATIONS

I pass now to another recently enacted statute of general interest which should give some concern to those at the patent bar. It is the act which provides for the reorganization of corporations. The statute is a very elaborate one, and it would be futile, within the limits of this talk, to do more than give an outline of its novel and essential features.

The amendment popularly referred to as section 77B is an addition to chapter 8 of the Bankruptcy Act with its main objective stated in the title of that chapter, "Provisions for the relief of debtors." It enables any corporation which could before the adoption of the act become a bankrupt, and any railroad or other transportation company except railroad corporations authorized to file a petition under section 77 of the act, to file an original petition showing, among other matters, that the corporation is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of reorganization. The matter of jurisdiction is novel, for the petition may be filed with the court in the territorial jurisdiction of which the corporation, during the preceding 6 months or the greater part thereof, has had its principal place of business, or its principal assets, or in any territorial jurisdiction of the State in which it was incorporated.

The act requires that on the filing of a petition or answer the judge shall enter an order either approving it as properly filed and that it has been filed in good faith or dismissing it. The effect of the approval of the petition is interesting to note, for the court in which the order of approval is entered shall, during the pendency of the proceedings, have exclusive jurisdiction of the debtor and its property wherever located. That court shall have and may exercise all the powers which a Federal court would have, had a receiver in equity of the property of the debtor been appointed.

Recently there was an involuntary petition filed in the southern district of New York in the matter of the Kelly-Springfield Tire Co. Three days later the debtor itself filed a voluntary petition in the United States District Court of Maryland. Each court had jurisdiction under the statute, for in the southern district the corporation had its principal place of business, whereas its principal assets were in Maryland. The Maryland court was the first to approve the petition. On that ground Judge Patterson granted a motion to transfer the proceeding in the southern district of New York to the district court of Maryland.

It is the provisions in respect to a plan or reorganization which may have a greater interest for you than other provisions of the act. Such a plan shall include provisions modifying the rights of creditors generally, whether secured or unsecured, either through the issuance of new securities or otherwise. It may include provisions for altering the rights of stockholders, or any class of them, by the issuance of new securities or otherwise. It shall provide for the payment in cash of all costs of administration and other allowances made by the court. It shall provide in respect of each class of stockholders of which less than a majority shall accept the plan (unless the judge shall determine that the debtor is insolvent or that the interest of such class of stockholders will not be affected adversely by the plan) adequate protection for realization of the value of their equity. It shall provide in respect of each class of creditors of which less than two-thirds shall accept such plan (unless the claims of such class of creditors will not be affected by the plan) adequate protection for the realization by them of the value of their interests. It may reject contracts of the debtor which are executory in whole or in part, including unexpired leases. It shall, in case any creditor or stockholder shall not be affected by the plan, specify such creditor or stockholder or class. It shall specify what claims, if any, are to be paid in full. It shall provide adequate means for the execution of a plan, as, for example, the transfer of the property of the debtor to another corporation, or the consolidation of the properties of a debtor with those of another corporation. Provision is made which will ward off the attacks of a nuisance creditor or stockholder, for the section recites, "No creditor or stockholder shall, for the purposes of this section, be deemed to be affected by any plan of reorganization unless the same shall affect his interests materially and adversely."

Now, how are the owners of patents, assignees, licensees, or those holding any interest in and to patents, affected by this act? How are they to be classed among the creditors of the debtor? The term "creditors" as defined in the act includes "all holders of claims of whatever character against the debtor or its property, including claims under executory contracts, whether or not such claims would otherwise constitute probable claims under this act. The term 'claims' includes debts, securities other than stock, liens, or other interests of whatever character." Is the patentee, assignor, or licensor under the terms of his contract with the debtor, secured or unsecured? Is he a general creditor or a special class of creditor? Has he a lien of any kind? You can see that such questions are important because the plan to be approved requires the consent of two-thirds in amount of each class of creditors. How is the amount of his claim to be determined? Does it include not merely amounts which might be owing at the time of the filing of the petition, but claims which may arise for future royalties? The status of such creditor might prove important in the vote of his class.

All executory contracts are subject to rejection. In the event of such rejection any person injured thereby shall for all the purposes of the act, be deemed to be a creditor, and it is incumbent upon him to file his claim so as to establish the amount of his damage.

Prior to the adoption of 77B, claims for patent infringement were not provable under section 63A of the Bankruptcy Act as was held in Paramount Publix Corporation (8 Fed. Supp. 644), although a contrary view is indicated in *Schiff* v. *Hammond Clock Co.* (69 Fed. (2d) 742); 77B certainly broadens the term "creditors", as I have heretofore indicated, so that for the purposes of the section and of the reorganization plan it appears to include those having claims for patent infringement.

Patent infringement suits may be pending against the debtor, and since there is a broad provision in the act for staying pending suits, or enjoining the commencement of suits against the debtor until after final decree on the petition, such infringement suits may be stayed, wherever pending. In a proper case, perhaps the trustee should be made a party and the stay vacated.

All of these questions are suppositions. I know of none that has arisen in any adjudicated case nor in any pending proceeding. However, the act is in its infancy, since it was approved by the President only on June 7, 1934, and much of the field to be covered in interpretation and adjudication is still virginal.

Within the limits of this talk perhaps enough has been said to indicate some of the possible bearings that the act might have in respect to patent questions. As a study in economics it is complementary to the legislation that was effected in the previous session of Congress relating to relief for individual debtors, agricultural compositions, municipal and railroad reorganizations. Excellent studies of the act are presented in the Harvard Law Review for November 1934, in an article written by Mr. Henry

J. Friendly, and in the Brooklyn Law Review for March 1935, by Prof. Walter J. Fried on the effect of section 77B on real estate reorganizations, and on the jurisdiction of the court by Prof. John Gerdes.

The constitutionality of the act has not been passed upon by the United States Supreme Court, but perhaps such decision may be regarded as foreshadowed in the opinion recently delivered by Mr. Justice Sutherland (not yet officially reported in *Continental Illinois National Bank and Trust Company of Chicago v. The Chicago, Rock Island & Pacific Railway Co. et al.*, a case which involved the scope and effect of section 77, reorganization of railroads.

Though the constitutional validity of that section in its general scope and application was not assailed, nevertheless such grave doubt had been expressed in respect to the question of constitutionality that the Court deemed it necessary to consider and dispose of the question. The broad base for holding the act valid was found in article I, section 8, clause 4 of the Constitution, which vests Congress with the power "to establish * * * uniform laws on the subject of bankruptcies throughout the United States." The Court brushed aside the attempt to distinguish between bankruptcy and insolvency, holding that it has long been settled that within the meaning of the constitutional provision the terms are convertible. The opinion pursues a historical consideration of the subject from the early adjudication by the Supreme Court, and concludes that the phrase "unable to meet its debts as they mature" as used in section 77, is intended as an alternative for the word "insolvent", though meaning something less than a condition of bankruptcy or insolvency as those words are employed in the law. Therefore the conclusion is reached that section 77 is properly a bankruptcy law and therefore within the power of Congress to enact.

In endeavoring to keep to the assigned topic, I have traveled over a considerable distance and at a high rate of speed, touching only the high spots of the subject matter indicated. I am afraid that the going must have been found to be jumpy, but I trust that in some respects the specifications have been met. In conclusion, I express the hope, if not the expectation, that I can escape without being subjected to the very obvious counterattack of being told what law, judges in general, and this judge in particular ought to know.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

ADDRESS OF HON. MATTHEW J. MERRITT, OF NEW YORK, MAY 31, 1937

Mr. MERRITT. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address by myself at the Woodside memorial exercises, under the auspices of the Woodside Post, No. 886, American Legion, May 31, 1937:

In assembling here today to commemorate the memories of our comrades who fell in the great World War, in paying tribute to all our Nation's heroic dead, we are carrying out a beautiful and impressive custom. A custom that makes no distinction of wealth or rank, one that recognizes only the reverent homage we owe those who offered up their lives and careers on the altar of patriotism.

It was both a happy and holy thought that inspired this beautiful observance of Memorial Day as a day set apart for rededication of ourselves in loving remembrance of those who died in the performance of a real service to their country and the world. They died that democracy might live.

Today, everywhere throughout the land, Americans will gather around the last resting place of our country's dead. With tears of love, words of eloquence, and fragrance of flowers, they will recall the deathless deeds of valor of our patriotic and historic dead.

But, my comrades, there are others, who call themselves Americans, who will profane the sacredness of this hallowed day, who will forget the respect and loyalty which the deeds of those we venerate here today inspired. For them Memorial Day is just another opportunity to seize the public spotlight, and while basking in its rays recite what they have done or think they are doing to save America.

Flaunting the sacredness of the hour, pushing aside all thought of tribute to the dead, these demagogues will make of the Memorial Day rostrum a soap box from which to prate their own self-glorification—to tell of what they would do were they in certain positions of authority in our law-enforcement agencies and educational institutions. Others, with thunderous oratory, will strip great historic figures of everything that is sacred, and while standing within the very shadows of our country's flag, boldly declaim that democracy is a failure, our dead have been sacrificed in vain, because the right for labor to organize, the right for labor to bargain with management, has been written into the law of the land.

Still others will wave the flag with one hand and with the other thump their chests while they expound on their own virtues. They will tell what great fellows they are—how they are protecting and preserving the Constitution. How their voices and theirs alone are raised against insidious forces that would destroy our American institutions.

Of course, my friends, there are elements and forces which would have us abandon the ideals and traditions of this country's democratic form of government. There are sporadic demonstrations here and there, some insidious propaganda, and deliberate blinding of certain small minorities of our people to the true purposes of certain organizations. But these are trivial and harmless when compared to the spontaneous response of our Nation and its people to the summons of Memorial Day.

Memorial Day is a day of memories and a day of thanksgiving because we, as Americans, know that the man who dies in the service of our great Nation makes this sacrifice that the hopes and ambitions of the founding fathers might be realized, that the Constitution upon which our form of government is based might stand today—strong and triumphant—the bulwark of our Nation, an assurance to every citizen of liberty, freedom, and opportunity.

In our observance of this Memorial Day, let us not forget the sacrifices of the men, women, and children who contributed the major share of the patriotic and unselfish service which has maintained this Nation's supremacy in the world. Let us not forget the thousands of disabled veterans, many still confined to hospitals 20 years after the great war, their dependents and the widows and orphans of those deceased veterans whose lives were shattered or forfeited in our Nation's behalf.

We honor the memory of our soldier dead. Those who gave their lives in the Revolutionary War, the Civil War, the Spanish-American War, and the World War. Let us not fail to honor with equal gratitude the service of the men, women, and children who did not die but who are living out incomplete lives of pain and disability because of war service, or the war service of their husbands and fathers. No pension or disability compensation, no war bonus that our Federal Government can offer, no material benefits that Congress can confer upon them, can adequately repay the great sacrifices that they have made.

Work-Relief Bill

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. ANDERSON of Missouri. Mr. Speaker, it is a great satisfaction to me, and I know to the people of my district, to know that a compromise on the so-called earmarking of relief funds is about to be effected. We, who have fought for P. W. A., have suffered blistering criticism that we were fighting the President and promoting "pork barrel" legislation. However, the President, through his great wisdom and kindly understanding, has met us at the half-way mark.

We are assured that administrative order 197 will be immediately withdrawn; that P. W. A. will be continued until June 30, 1939; that all funds now in hand and funds received from the sale of securities and funds to be received from the sale of securities will be made available for P. W. A. to make loans and grants.

Grants on projects on which bond elections have been held and carried or 55 percent of the project cost otherwise secured will be 45 percent. On other projects the grant will be 20 percent of the project cost plus the amount paid for relief labor employed directly on the project.

As a result of this amicable and satisfactory settlement or compromise, at least eight major projects in my district alone will be saved from the scrap heap, and we may proceed to enhance public health by the construction of Lemay Ferry sewer project no. 1230, and Ladue sewer project no. 1278.

We can continue to eliminate fire hazards in schools by the fulfillment of project 1221, Clayton School addition;

project 1318, Des Peres School; project 1315, Overland School; project 1305, Ladue School; project 1140, Kirkwood School; and project 1135, the Clayton Library.

It will mean that the Government will keep faith with all these communities that have relied on P. W. A. promises for the completion of anticipated and necessary public construction.

I am grateful for the opportunity accorded me to work for the people of my district and of every district in which P. W. A. is helping to build a greater nation.

Father Jacques Marquette, S. J.

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

ADDRESS OF HON. LOUIS C. RABAUT OF MICHIGAN

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert my speech in Statuary Hall, Capitol Building, Washington, D. C., on the occasion of the tercentenary of the birth of the famous Jesuit priest:

For one whose lot is cast with the problems of legislation, it is indeed refreshing to be assigned to a task of recognition of him whose life was spent in the love of his fellow man, and for me, a graduate of the Black Robe and the father of a Jesuit scholastic, Francis Dermott Rabaut, S. J., here beneath the dome of the Capitol, in Statuary Hall, at the National shrine of the men and women famed for achievement, in this country, before the statue of Father Marquette, it is an occasion of importance and extraordinary significance.

Gentle, courageous, and religious by nature, the son of Nicholas and Rose de la Salle Marquette, his father from a family famed as warriors and officials and the de la Salles recognized for their religious fervor, we find the joining of these strains mingled in the glorious character of the discoverer of the Mississippi River, the follower of St. Ignatius, and favored at his death as a close imitator of St. Francis Xavier.

So much of his life has been most perfectly covered in the address a few moments ago delivered by Father Edward Walsh of Georgetown University that I have resolved to meditate publicly upon such portions of his life as it would be well for us to dwell upon.

I like to think of him as a boy making the decision to follow the life of the Black Robe. I like to think of him in the zeal that characterized his pursuit of study, to the mastering of the difficult Indian languages. I like to think of him in his devotion to duty, in the acceptance from his superior, of the assignment to the distant and dangerous post at La Pointe, the mission of the Holy Spirit on the far-away western shore of Lake Superior. I like to think of him as a messenger of peace, taking flight with the Hurons because of their quarrel with the Sioux, avoiding bloody Indian warfare, and returning to Lake Michigan to establish the mission of St. Ignace on the northern shores of the Straits of Mackinac. There is a controversy between this city and Mackinac as to which was the cradle of Christianity in the Wolverine State. Were the decision left to me, I would decide on the former because of its name, in honor of the founder of the Society of Jesus. I like to think of him as a leader, so readily recognized when he left his companions on the shore of the Mississippi and proceeded inland into unknown regions for a distance of 5 miles with only his crucifix for his protection, and imagine his reward at finding the villages reported as the fires of 700 families beneath his gaze. They proved to be the habitations of the friendly Illinois. I like to think of him as a missionary going from cabin to cabin bringing the Word of God and resolving because of his diminished strength, to have a great meeting in the open. I like to picture him upon that Holy Thursday with the sachems gathered about him, and next in the circle the braves, and finally the whole population of the place, even to the children.

As was the custom of the tribes, skins and colored blankets were hung all about the place. Father Marquette also had raised pictures of the Blessed Mother. I like to think of him as the explorer crossing the divide leaving the waters that flow to Quebec and embarking on unknown streams destined to enter into the Gulf of Mexico. I like to read his descriptions of tribes, forests, and flowers; of grasses, animals, and birds; of rivers, fishes, and game. I like to think of him as having done so much for my State and of his burial on the shore where the waters of the lake of the same name wash its sands. I like to think of him in his priestly character, anxious to return to the mission at St. Ignace, but his Heavenly Father had destined otherwise. It was near the mouth of the river on the eastern shore of Lake Michigan, near the present city of Ludington, that Father Marquette on May 18, 1675, stopped with his two companions, selecting as he did his place for burial. I like to think of him when he knew his hour was at hand, consoling his companions, instilling in them confidence in the goodness of God Who would not neglect them in this new and little-known region.

I like to think of his instruction for his own burial, asking that they ring the sacristy bell as they carried him to his last resting place. I like to think of his charity in this, his hour of tribulation, telling his companions that they should rest a while and that he would call them, and whether in the spirit of human frailty or whether in the spirit of obedience, we know not which, they gave heed to his command. He called them as promised, and as his last priestly duty heard their confessions and then wrote his own shortcomings upon a piece of paper, requesting their deliverance to his superior, impressing thereby the necessity of their prayers for the peaceful repose of his soul.

Finally, taking his crucifix from his neck, he asked one to hold it on high that he might gaze upon the Savior of the world, and thus he died.

Truly what he was speaks so loud it dulls to silence what he says. Privileged are we, my friends, on this the tercentenary of his birth, to recall the works of this Jesuit priest, missionary to the Indians, explorer and discoverer of the Mississippi.

A National Flood-Control Policy

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

ADDRESS OF HON. WILL M. WHITTINGTON, OF MISSISSIPPI, BEFORE THE AMERICAN FORESTRY ASSOCIATION ON MAY 31, 1937

Mr. WHITTINGTON. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include the following address which I delivered on Monday, May 31, 1937, in Cincinnati, Ohio, at the Sixty-second Annual Meeting of the American Forestry Association, to wit:

I am honored by the privilege of this address before the American Forestry Association today at its sixty-second annual meeting.

It is appropriate to speak of great floods in the city of Cincinnati, located as it is on the Ohio River, the most prolific flood-breeding stream in the United States.

Every river and the inhabitants of every valley are familiar with its greatest flood. In the lower Mississippi, for two generations, the citizens of that valley believed that the Mississippi River in 1882 had reached its greatest height, but now the year of the great flood in that valley is 1927.

For more than 50 years the citizens of Cincinnati believed that the year 1884 saw the greatest flood along the Ohio River. On January 26, 1937, the crest of the Ohio had risen more than 9 feet above the high-water mark of 1884 before the yellow, swirling waters swept on to engulf cities, towns, and farms in the lower Ohio Basin and to thunder and roar for days and days at the walls and levees of Cairo, threatening death and destruction to that important city.

The Army engineers had predicted a possible 83-foot flood stage for Cincinnati. Their warnings had gone unheeded. We may recall many "black Fridays", but "black" Sunday, January 24, 1937, will always be remembered in Cincinnati. Business activity was largely suspended; water, electric light, hospital and communication services were interrupted; gasoline storage tanks were undermined and their contents were spread over the waters. There was a $2,000,000 fire in the midst of the raging flood. The highly industrialized Mill Creek section resembled an inland lake. There were damages to 1,400 homes, 500 stores, and 200 industrial plants.

The year 1937 will hereafter be known as the year of the greatest flood in the lower Ohio Valley. Nobody knows the amount of damages. When the waters receded it was estimated that the direct damages along the Ohio River amounted to more than $400,000,000. But this is not the whole story; families were made bankrupt; citizens lost the savings of a lifetime; there was a cessation of business. The direct loss of life bears little relation to the size of the disaster. The Johnstown flood of 1889 came without warning; 2,009 lives were lost; the damages amounted to $10,000,000, but in 1936 there were warnings. Weather forecasts were accurate, the telephone and telegraph and radio enabled people to escape. The citizens of Johnstown had built their homes higher up the hillsides and had made the reservoirs more secure, but business and commerce obtained

along the river and in the valley. The damages in 1936 amounted to $30,000,000 while less than a dozen lives in Johnstown were lost.

In the Ohio Valley in 1937 there were hundreds of deaths directly due to the flood, but it is difficult to estimate the loss of life through accident, disease, and sickness caused by the flood, through undernourishment and lack of clothing and other necessaries of life and because of the destruction of the means of livelihood. There were Americans who lost their all through no fault of their own, and their discouragement will drag into the years. There is no yardstick by which we can measure the intangible losses. Some day we may be able to estimate more accurately in dollars and cents the direct losses of life and property, but it will be difficult, if not impossible, to measure the intangible and indirect losses. It is safe, however, to state that in the great flood of 1937 the direct and indirect losses aggregate the staggering total of $800,000,000.

A great flood can only be compared to the advance of a mighty army. Hundreds of thousands were driven from their homes and their farms by the onward sweep of the yellow waters of 1937. We sent the flower of American manhood across the Atlantic in 1917 to make the world safe for democracy. We expended billions of treasure. What has the United States of America done about making the Ohio Valley safe for American citizens? What will the Congress of the United States do about it?

The conscience of the Nation has been aroused; the American people who contributed $20,000,000 through the American Red Cross and expended from their Public Treasury millions and millions more in rehabilitation know that the flood losses must ultimately be absorbed by the Nation. Will the people of the United States approve a do-nothing policy by Congress?

The Ohio River is practically without flood-control works along the main stream and along its chief tributaries. There are no flood-control improvements today along the Monongahela and Allegheny Rivers, nor are there any flood-control works along the Connecticut and the Merrimack Rivers in New England.

The public knows the loss of life, the staggering havoc wrought, especially in the larger cities of Huntington, Cincinnati, Louisville, and Paducah, and in the 150 smaller towns and communities along the Ohio River. We recall the vivid stories of muddy waters as they reached the second stories of homes and stores, as they submerged waterworks, as they crippled light and sanitary systems. We recall the deaths by drowning and the greater number of deaths resulting from exposure and undernourishment. We remember the refugee camps; we know that the relief forces of the Nation were mobilized. Apparently, the flood sufferers of the Ohio Valley are the forgotten citizens of the United States. The story of devastation and destruction should appeal to Congress as it has appealed to the country.

GREAT FLOODS NOT MORE FREQUENT

It has been said that the floods of our great rivers have increased in frequency, duration, and magnitude as the result of the activities of man. There are no data to support this erroneous statement. The processes of nature are similar in all ages, but the hazards from floods are more numerous and the destruction is much greater.

The population of the United States has increased from 3,000,000 to 130,000,000. Unable to wrest a living from the barren hills, people have combatted floods to cultivate the fertile valleys. Industries must have water and are located along streams and rivers. The factories and fields of America surpass those of any other nation.

The annual losses from floods are enormous; they are widespread; every State is affected. It is estimated that the annual losses amount to more than $300,000,000.

FANTASTIC SCHEMES

The deluge follows the flood. After great floods come the great deluge of plans and schemes to end floods. Following the Ohio-Mississippi flood of 1937 the entire range of the fantastic has been covered; weird and wonderful schemes have been advanced.

A series of paddle wheels across the river to paddle the high waters back up stream has been proposed; another advocates the sinking of wells in the river beds to open traps to drop the floodwaters in. A scheme has been proposed for the construction of gigantic boilers to convert floodwaters into steam and vapor.

Major floods always bring, therefore, a new brood of half-baked solutions of the problem of flood control. Not only are unsound and fantastic schemes advanced, but new and untried agencies are proposed to plan and execute programs of flood control for the great rivers and valleys.

Again, selfish interests with proposals that are unworthy and unsound, with projects that are unable to stand on their own merits, insist they advance the only solution. Designing agencies, under the guise of need for further thinking and planning but in reality to perpetuate a dictatorial bureaucracy, advocate delay. All of the visionary schemes have one thing in common—they show that the authors lack an utter comprehension of the real problem of flood control, which is to carry in the lower Mississippi Valley two and a quarter million cubic feet per second, representing the combined maximum flows of the Mississippi and Ohio Rivers, and representing more than 20 times all of the water flowing over Niagara Falls, from Cairo to the Gulf of Mexico. At its crest at Cairo about 1,900,000 cubic feet of water went by each second in 1937 in the Ohio. During the 50 days that the river was above flood stage there were 80,000,000 acre-feet of water in excess of the below-flood flow of the river. This amount staggers the imagination. If poured into an inland depression with an average depth of 20 feet, it would make a lake two-thirds the area of Lake Erie.

There are those who say that reservoirs are the only remedy. Reservoirs are to keep the water away; levees and flood walls are to keep it out. It is manifest that reservoirs alone will not do the job.

NO SINGLE SOLUTION OF FLOOD PROBLEM

Enthusiastic advocates of power development insist that all dams should provide for the generation of hydroelectric power. I must not be misunderstood. I believe that all dams constructed for flood control should provide for the generation of hydroelectric power wherever it is practicable and feasible. Arthur E. Morgan, chairman of the Tennessee Valley Authority, and author of the Miami Conservancy project, recently said:

"There is an overexpectation as to the possibilities of power development, associated with flood control in the eastern United States. Few eastern rivers are so favorable in that respect as the Tennessee, and the possibilities of that river system fall far short of those on the Pacific coast. Moreover, flood control and power in some cases are mutually exclusive."

Again, in the same article, in the Engineering News Record of March 18, 1937, Mr. Morgan stated:

"In my opinion there has recently been exaggeration of the possibilities of flood control by soil management, forestry, and the construction of reservoirs on very small headwater streams."

I am familiar with flood-control projects in every State of the Union. In my judgment the two outstanding flood-control projects in the United States are the Miami conservancy project in the Dayton, Ohio, area and the Muskingum project along the tributaries of the Muskingum River in Ohio.

There are five detention reservoirs in the Miami project; there is no provision for hydroelectric power. On a plain tablet over one of the conduits in one of the five dams there is this inscription:

"The dams of the Miami conservancy district are for flood-prevention purposes. Their use for power development or storage would be a menace to cities below."

There are 14 dams in the Muskingum conservancy project. There is no provision for the generation of hydroelectric power. They do provide for conservation. In my judgment the 14 dams in the Muskingum project are the most efficient flood-control dams ever constructed to prevent floods; they embrace the very last word in dams for flood prevention.

Reservoirs are often accompanied by both levee and channel control. Projects involve both. While the detention reservoirs are the outstanding features of the Miami conservancy project, yet a considerable part of the project is composed of levees and channel improvement. Flood control does not mean levees alone or channel improvements alone.

Flood-control improvements must not be confused with conservation works. Levees, river walls, and reservoirs are for flood-control purposes. The growing of grasses and the management of the land and soil-erosion prevention will retard floods. The planting of trees and the maintenance of the forests will help to keep back waters. Each has its own proper place. I know of no single remedy. All possible solutions must be explored. Power, navigation, and water storage have their place; forestry and conservation cannot be ignored.

Civilization has destroyed the forests that covered the hills and has turned under the grass that sodded the plains. Wheat and corn have replaced the soil-building top of the earth and cotton has succeeded the matted grasses that held the soil in place. There is need for proper plowing and crop management; there must be the conservation of moisture.

FORESTS AND LANDS ROBBED

The soil has been robbed of its roots and of its grasses; the crust of the earth has lost much of its topsoil; the sod has been plowed; the timber has been cut; the forests have been cleared; the swamps have been drained; canals have been constructed and rivers have been straightened. The floods come down on homes, farms, factories, and cities, especially in the alluvial valleys of the lower Mississippi River in ever-increasing volume.

Floods have been accentuated by the clearing of the hills and mountains. The velocity of streams has been increased by the building of ditches and the construction of canals. Floods, sometimes caused by cloudbursts, are usually caused by unprecedented rainfall. The advance and the conquest of the forces of Nature, the clearing of the forests, and the cultivation of the soil have contributed to the perils of floods.

CONSERVATION AND FORESTRY

I believe in the conservation of the soil, as well as the conservation of our national resources. Our national heritage has been squandered. I favor a policy of conservation; I believe in reforestation. There is no conflict between these measures and plans for flood control; they are worth while; they can stand on their own merits. It is not necessary for those who advocate the conservation of our national resources to maintain that that policy will result in the control of floods.

Foresters and conservationists do not advocate reforestation and soil conservation as substitutes for flood-control works, but they do insist that flood-control improvements downstream should be supplemented by conservation and forestry practices upstream. Downstream levees and flood walls should be reinforced by upstream forests and land restoration. Forestry and conservation properly reinforce actual engineering works to prevent floods. It

will be remembered that before forests were cleared and lands were plowed there are records of great floods in the United States.

The planned use of land, the growing of grasses and other vegetable covers and the management of forests have a proper place in the job of soil erosion prevention and flood control. Strip cropping and farm check dams aid in the control of erosion and reduce the water run-off.

Nations have lost their civilizations because they have mismanaged their lands and because they have destroyed their forests.

There are outstanding examples of forestry cultivation in France and Japan. Different reasons obtain in the two countries. In France, there was not enough timber for domestic supply. France is growing and cultivating timber for domestic uses. Japan would have been washed into the ocean centuries ago were it not for the protection given to her forests and vegetation. The run-off in Japan is tremendous. It often rains torrents in a few hours. The country is of volcanic formation and the slopes are steep. A policy of maintaining the thick verdure of the hillsides provided by nature was initiated; a sound policy of cutting forests has been adopted; forestry and conservation have saved Japan.

But, in China, with less rainfall, the situation is different. China is the victim of famine and recurring disastrous floods largely as a result of land abuse and mismanagement.

We point to the destructive floods of China as an evidence of the backwardness of her millions of people, but China is without adequate engineering skill; moreover, widespread poverty obtains.

In the United States we are fortunate in having the best engineering skill in the world; we have the wealth. The frequent destructive floods are a challenge to our democracy.

Pestilence and floods for a long time were considered the acts of Providence. From time immemorial man has been prone to lay his ignorance and incompetence at the feet of Providence. Modern medicine and modern surgery have eliminated pestilence. Engineering skill and science and the wealth of America can eliminate floods; they can make floods as unnecessary as yellow fever or smallpox.

NATIONAL POLICY OF 1936

After years of bitter experience and after a long and difficult campaign, in 1936 Congress adopted and declared for the first time a national flood-control policy. Prior to 1917 the Federal Government for some 35 years in the lower Mississippi Valley in a small way had aided in the building of levees, but only as incidental to navigation. It was not, however, until after the great flood of 1927 that Congress declared the policy of flood control in the lower Mississippi Valley was a national problem. In the Flood Control Act of 1936 destructive floods were recognized as a menace to national welfare and flood control on the navigable rivers or their tributaries, including the watersheds thereof, was declared a national policy.

Existing Federal agencies were utilized. The oldest Federal bureau dealing with the improvement of rivers is the Corps of Engineers of the War Department. The national forestry policy has been administered by the Forest Service of the Department of Agriculture. The Soil Conservation Service is administered by the Department of Agriculture. Under the policy laid down Congress placed flood control and allied works in the Corps of Engineers under the War Department, and it placed such related problems as run-off and water retardation under the Forest Service and the Soil Conservation Service in the Department of Agriculture. It has been less than a year since the national policy was adopted, but the agencies vested with the execution of the policy have been tested; they are not experiments. The policy of national flood control has just been approved, but we have done no more than scratch the surface in the execution of a national flood-control policy, a national forestry policy, an a national conservation policy.

Moreover, in the Flood Control Act of 1936, in all dams to be constructed for flood control adequate provision is made, in proper cases, for the development of hydroelectric power. Pen stocks and other similar facilities are to be installed in dams constructed by the Corps of Engineers.

It has been erroneously said that the Corps of Engineers oppose reservoirs for flood control. Antagonistic interests have repeated the charge. Reservoirs have not been opposed, but they have been given their rightful place; they have been recommended where they will promote flood control; they have not been recommended where they would not afford protection.

The 14 reservoirs now being constructed in the Muskingum Valley are being built by the Corps of Engineers; conservation is provided for.

Similar dams were recommended by the Corps of Engineers, and they are embraced in the Flood Control Act of 1936.

The Corps of Engineers, I repeat, advocate reservoirs, and as the policy of national flood control expands and enlarges they will continue to propose reservoirs. It is to the credit of the engineers that they recommended for inclusion in the Flood Control Act of 1936 only projects where the benefits exceeded the costs, in compliance with the declared policy of the act.

The Army engineers have been criticized because they have not recommended in all cases the construction of dams for both flood control and power, but they have given the facts. An empty reservoir is essential for flood control; a full reservoir is necessary for a constant head for the development of power. Probably the outstanding power development in recent years is the Bonneville Dam, on the Columbia River, constructed by the Corps of Engineers.

The act of 1936 is not perfect. It provides for a national flood-control policy and at the same time it provides for a national conservation policy and a national forestry policy. It does not contemplate merging these policies; each policy is entitled to its separate identity and its own technique. Each of the policies would suffer if all of the plans were merged on a regional basis. Neither soil conservation nor reforestation can prevent great floods, but they can reduce great floods.

Excessive rains which cause floods usually affect only a part of a large drainage basin. Cities on the main streams must be protected by levees, river walls, and aided by channel improvements. The 1937 Ohio flood was caused by a severe rainstorm that affected only the central and southern portion of the drainage basin. The reservoir sites on the Tennessee and on the tributaries of the Ohio above the Pennsylvania-Ohio line were very largely eliminated from beneficial effects. The rains in 1937 fell below the reservoir sites on the Tennessee and below the reservoir sites along the other tributaries of the Ohio River.

The act of 1936 recognizes that there is a place for the prevention of soil erosion and the growing of trees. There is a proper place for stream flow, land management, and water and land conservation. It has been estimated that the water drunk up by the forests in 1 year amounts to 12 inches of rain. To me there is nothing so interesting or attractive as a forest. To me there is nothing comparable to the grandeur of a mighty tree. Trees appeal to me, and I always delight in the poem of Joyce Kilmer entitled "Trees":

I think that I shall never see
A poem lovely as a tree.
A tree whose hungry mouth is prest
Against the earth's sweet flowing breast;
A tree that looks at God all day,
And lifts her leafy arms to pray;
A tree that may in summer wear
A nest of robins in her hair;
Upon whose bosom snow has lain;
Who intimately lives with rain.
Poems are made by fools like me,
But only God can make a tree.

We have made a proper beginning. It will take time to perfect the program. There is no conflict between the War Department and the Department of Agriculture; there is no conflict between downstream works and upstream land management; the one reinforces the other; they are integrated and they cooperate and coordinate. The agencies that plan land management should execute the plans and the agencies that plan flood-control works should build them.

ADEQUATE FLOOD-CONTROL PLANS

The Congress of the United States has not been derelict in plans for flood control. I have advocated national flood control for years. In 1927 and again in 1928 Congress made provisions for thorough investigations. The Corps of Engineers were directed to report on flood control, navigation, power, and reclamation on the principal streams of the country. In 9 years the Corps of Engineers have made the most comprehensive survey of the water resources of the country ever undertaken. At a cost of $12,000,000 more than 200 streams have been investigated for flood control, navigation, and power. The Corps of Engineers were thus prepared to recommend projects to prevent a recurrence of floods along the Connecticut, the Merrimack, the Susquehanna, the Monongahela, and the Allegheny Rivers, after the floods of 1935 and 1936.

After the great flood of 1937 the Corps of Engineers, in response to the resolution of the Committee on Flood Control of the House of Representatives, submitted a comprehensive plan for flood control for the Ohio and Mississippi Rivers and their tributaries. It provides for a long-range program; it contemplates reasonable appropriations over a period of from 10 to 20 years; it contemplates the construction of 45 flood-control reservoirs along the Ohio River; the building of 24 flood-control reservoirs along the tributaries of the Mississippi River; the construction of levees and flood walls to protect the cities and towns along the Ohio Valley. It provides for conservation works; it provides for the production of hydroelectric power where practical; it contemplates that reservoirs should be under the supervision and direction of the United States and that all hydroelectric power should be utilized for the benefit of the public.

Congress was requested to delay the consideration of the comprehensive plan until next session. I have urged that at least priority and emergency projects in the lower Ohio Valley should be provided for at the present session. I have insisted that the administration would be recreant to its duty to the flood sufferers in the greatest flood disaster known to the Nation if it failed to adopt a program for their protection.

Concessions have been made. A flood-control bill for at least some of the priority and emergency projects to protect some of the areas and some of the populations in the lower Ohio Valley has been recommended. Personally, I believe that a comprehensive plan should be adopted. Only worth-while projects should be included. It is a big problem, and it will take time to complete it. It took 10 years to complete the main Mississippi River project. It will take 6 years to complete the projects in the National Flood Control Act of 1936. The comprehensive plan contemplates the

expenditure of $800,000,000 over a series of years. The losses in the flood of 1937 alone will exceed the total appropriations.

NEW PROPOSALS

New proposals for flood control have been made; new agencies are advocated; a new policy has been proposed. A type of regional administration patterned after the Tennessee Valley Authority is being advocated. Eight administrative authorities are suggested; each would be an independent branch of the Federal Government. The authority is intended to function as an operating and administrative agency; lump-sum appropriations would be made by Congress to each regional authority. Under the new proposal, flood control would not continue as a national policy; neither would forestry nor soil conservation continue as national policies; each would be delegated to a regional board. The new proposal would scrap the Flood Control Act of 1936 before it has been tried. The gains in the campaign for flood control would be sacrificed. The policy laid down by Congress in 1936 deserves a trial. All of the regions that suffered from floods supported the policy of that act. Instead of attempting a new policy involving new governmental agencies, relationships, and varied objectives, I believe the wiser course is a united and concerted attack on the flood problem by established, existing, and experienced agencies.

PLANNING AGENCIES SHOULD BE ADVISORY AND NOT ADMINISTRATIVE

The advocates of reclamation, flood control, navigation, and power make their demands. I can understand the attitude of the President when he seeks the aid of planning agencies. His ideal has apparently been appropriated by designing agencies who would convert the planning agencies desired by the Executive into administrative authorities, which I understand he opposes. Personally, it occurs to me that the establishment of a national planning or advisory board with representatives from the eight great watersheds of the Nation, to be selected by the President, might be better than the agencies for each of the regions. There should be a chairman of the board who would have the final say. Representatives of the Corps of Engineers, the Forest Service, and the Soil Conservation Service might properly be included in the board. Eminent citizens representing the public could be included. Such a board should be of benefit to the President and to the Director of the Budget. Regional planning agencies with an executive head could be of assistance to the President. Representatives of existing agencies should be utilized as far as possible. I repeat to emphasize, however, that such a board or regional planning agencies should be advisory and not administrative. Flood-control works, reclamation works, navigation works, forestry works, and conservation works and their administration should be left with existing agencies. However, proper provision should be made for the disposition of all power at all dams built by the Government for the benefit of the public.

FORESTRY AND CONSERVATION UNDER THE LEADERSHIP OF PRESIDENT FRANKLIN D. ROOSEVELT

I have already indicated that the first national flood-control act ever passed by Congress was passed by the present administration under the leadership of President Franklin D. Roosevelt. No President has ever been more sympathetic with better land uses and improved land management; no Chief Executive has ever been more cooperative in soil-conservation practices and in the extension of the Forest Service. While the Forest Service was established a little more than 30 years ago, it has made greater strides since 1933 than in its previous history. The Soil Conservation Service was just established some 3 years ago. Larger appropriations have been made for the expansion and enlargement of forestry and soil conservation during the administration of Franklin D. Roosevelt than all previous administrations in the history of the Republic. It would be most unfortunate if the gains of flood control during the present administration were sacrificed by the advocacy of a program that would hinder and delay, if not prevent, flood-control works that must sooner or later be constructed for the protection of populous cities and communities, no matter what policy may be pursued for the expansion and enlargement of the flood-control program in the future.

The time for planning is when flood-control legislation is being adopted. After Congress and the President have approved projects there is no especial difficulty with respect to the duty of the Executive in recommending funds for their execution. The advisory or planning agencies can best be utilized in the consideration of authorization measures. Congress will not consent to lump-sum appropriations nor to the abject surrender of its power to approve and adopt projects.

I maintain that the interests of flood control will best be promoted by retaining the plans and execution of projects in the War Department, an executive department responsible alone to the President and to Congress. If the advice of an independent agency will be of benefit to the Executive, the administration should be left to the executive department charged with the construction of the projects.

The President of the United States has utilized the Corps of Engineers in public-works and works-progress projects. I believe I speak the sentiment of Congress when I say that an aroused Congress will refuse to strip the Army engineers of the functions now exercised by them. Congress will insist upon flood-control works being planned and executed by the Corps of Engineers. Their work is their monument; they are efficient; they are patriotic; they are honest; they represent no group or section; they serve the country and the people. Whatever may be said of other departments at a time when publicity and publicity agencies abound in the Capital of the Nation, it must be said that the Corps of Engineers have no publicity agents. The taxpayers get a dollar of service for every dollar spent by the Corps of Engineers.

For the first time a record flood in the lower Mississippi Valley has been carried in safety between the levees from Cairo to the Gulf of Mexico. The works were constructed by the Corps of Engineers. Prior to these works being placed under the supervision of the Chief of Engineers in 1928 the levees broke somewhere along the line and often in many places, without exception, in every major flood.

Flood control is continuous and progressive. The Corps of Engineers are not only the outstanding flood-control engineers in this or any other country, but they are original and constructive. They not only plan but they think. They have utilized the last word in experiment and in engineering research. They are responsible for the establishment and utilization of the waterways experiment station at Vicksburg, Miss., the best-equipped flood-control laboratory in the world. In the upper Ohio, they utilize the hydraulic research laboratory of the Carnegie Institute of Technology at Pittsburgh, Pa. The engineering skill and ability of the Corps of Engineers in both planning and execution is unexcelled. Probably the outstanding achievement in modern flood-control engineering is the system of cut-offs between the mouth of the Arkansas River and the mouth of the Red River along the lower Mississippi River, whereby the distance between Helena, Ark., and Baton Rouge, La., has been shortened 100 miles. At the same time the discharge capacity of the river has been materially increased, and flood heights have been lowered.

It was Maj. Gen. Edward M. Markham, Chief of Engineers, who was responsible for the most successful flood fight in the history of the lower Mississippi Valley, and the people of that valley, as well as the people of the Nation generally also owe to him a debt of gratitude for the fact that the levees from Cairo to New Orleans carried the largest flood in history without breaks or crevasses.

ADEQUATE PROGRAM AND SOUND POLICY

As a citizen of the lower Mississippi Valley, I know from experience in the greatest of all floods, the greatest of all peacetime disasters, the damages and destruction from floods. During the last 200 years the people of the lower Mississippi Valley, and in the past 10 years, the Federal Government, have expended large amounts for flood control in the lower Mississippi Valley. The annual expenditures have been relatively small, but the valley has developed from a region of swamps into the most fertile area in the world.

The Ohio Basin, from the earliest days of the Republic, was regarded as a great empire. Its forests, its fields, and its unlimited mineral resources afford opportunities for marvelous development. The industries along the Ohio and its tributaries exceed those of any other river in this or any other country. That development must not be retarded or destroyed by floods. Protection should and will be given to the valley.

It is the poor who suffer most in great floods. The rich are able to move their homes farther up the hillsides, but it is the poor who dwell in the valleys and along the rivers, close to industries where they earn their daily bread by the sweat of their brow, who suffer most.

There is a reason for settlement along rivers. Throughout the centuries man has dwelt in the valleys and settled along the gulfs and oceans. Proximity to water is essential to improvements that provide for labor and the means of earning a living. The elimination of such settlements will never be humanly practicable.

There must be proper planning in the cities and in the communities. There must be evacuation in some cases, but the wholesale evacuation of valleys is unthinkable. That is not civilized man's way. Great rivers have added billions to the wealth of the land and have provided a livelihood for millions of people.

If there are to be public expenditures for unemployment, I know of no better way to disburse these funds than a flood-control program that will give priority to emergency works to prevent a recurrence of the 1937 record floods in the lower Ohio and Mississippi Valleys.

The ruin and desolation of the 1937 flood are constantly in my mind. I am thinking of the farmer who is undertaking to wrest a living from the bottom lands along the river because such a living could not be obtained in the hills. I am thinking of the industrial worker who earns his livelihood by working in the factories that must be located on river banks because only near waters can these industrial plants survive.

Great floods, like the sword of Damocles, hang over thousands and thousands of men, women, and children, who reside in the Ohio Basin. What reason is there for further delay? Plans have been studied for years—they have been submitted. Why should the execution of these plans be postponed?

I know of no more satisfactory way to expend public funds than to provide for protection from flood hazards. In addition to providing for protection, flood-control works, and especially reservoirs, provide for conservation, reclamation and, where practicable, the development of hydroelectric energy.

The remedy is not to delay; the remedy is to expand, improve, and perfect the flood-control policy of 1936 to include projects to prevent a recurrence of the 1937 floods in the Ohio and other

valleys of the United States. In perfecting our flood-control policy, I believe that there should be a liberalization of the Federal contribution for reservoirs, especially where two or more States are affected or where the benefited areas are contributing at present to flood-control protection.

There were floods along the Ohio when Columbus discovered America in 1492. The Mississippi River was in flood when De Soto was buried in its bosom in 1543. Unless the American citizens living along the mighty rivers are provided with flood protection, thousands and thousands will be periodically driven from their homes or reduced to starvation because of the devestation of ever-recurring floods.

We are citizens of a common country. I like to think of America not so much as a land of banks and factories, not so much as a country of great cities and magnificent highways, but as a home of the greatest and best people in all the world. The first duty of the Government is to protect the lives and property of its citizens.

I believe in internal improvements. Public works obtain in all progressive countries. I sympathize with the problem of unemployment in the great cities and populous communities. If the problem is to be solved, many workmen must leave their present places of abode. The Panama Canal was not constructed by those who lived in the vicinity of that monumental improvement. Laborers were transported for the work. The transcontinental railways in the United States were not built by those who lived on the plains and in the mountains. Here again labor was transported. Unemployment in the congested centers was relieved. Permanent public works will provide for unemployment; the funds will not be wasted or dissipated; permanent improvements will result.

Our land and our rivers are the principal material foundations of our civilization. Our rivers are larger and our floods are more destructive than in other countries. The mastery of the problem will, therefore, be without a precedent in human history. The costs will be great, but the savings will be greater.

Policies of national flood control, as well as policies of national forestry and conservation, have just been begun. These policies should be tried before they are abandoned. They were not established without opposition; they cannot be maintained, nor can they be advanced without successful leadership. Progress usually springs from necessity rather than from wisdom. It took the sufferings of the War of Independence to establish the Republic; it took the War between the States to provide for the abolition of slavery; it took the great flood of 1927 in the lower Mississippi Valley to provide a national flood-control program along the lower Mississippi River. The people in the lower Ohio Valley will not have suffered in vain if an adequate flood-control program is adopted to prevent a recurrence of the deaths and destruction of 1937.

The United States has made a good start in flood control, forestry, and conservation, but the real conquest and the execution of the program lie ahead.

For my part I believe the hour has struck for the expansion and enlargement of our national policies for flood control, forestry, and conservation. The program is to perfect the existing national policies adopted in 1936.

Don't Economize at the Expense of the Needy—Continuation of the W. P. A. Program

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. COFFEE of Washington. Mr. Speaker, the issue presented to this Congress today is momentous. Under H. R. 5822, known as the Boileau bill, an effort is being made to secure an appropriation of three billions for Public Works jobs and one billion for Federal relief grants to the States. The gentleman from Wisconsin [Mr. BOILEAU] has sought in this debate to substitute $3,000,000,000 for the item one and a half billion provided in the pending bill. The gentleman from Virginia [Mr. WOODRUM] has au contraire sought to reduce the meager amount provided in this measure to $1,000,000,000.

THE ISSUE IS CLEAR

Thus, Mr. Speaker, the issue is clear cut. He who runs may read. No prolix arguments nor lengthy explanatory statements are required at this juncture in order that we may determine our course. Either we are unreservedly for the New Deal and its repeated promise to provide succor for the forgotten man and hope and security for the underprivileged, or we favor strict economy in government at the expense of the most needy of our people.

It is intensely intriguing to note that those Budget protectors who beat their breasts in ululations before the altar of the Treasury and ostensibly champion the program of drastic curtailment of governmental expenditures—these solons are those who, in stentorian tones, demand a bigger and a better Navy, greater appropriations for the Army, and prate repetitiously anent the virtues of arming to the teeth to prepare apparently for a defensive war.

SAUCE FOR THE GOOSE IS NOT SAUCE FOR THE GANDER

All the more reprehensible to my mind is the inconsistency of those Congressmen who voted to increase the committee provision for the Skyline National Parks Highway from three to five millions. This is a highway 800 feet wide and approximately 1,000 miles long which, it is proposed, shall be a perpetual parkway. Mr. Speaker, I voted for this measure as being something which would contribute to increased employment, but certainly I would have felt that I would have stultified myself had I favored this increase in the road funds and yet take a stand in favor of cutting the unemployed in their niggardly allotment.

GREATEST ECONOMY CUT IS BEING IMPOSED UPON THE UNEMPLOYED

Employment in the W. P. A. has decreased from a peak of a little above 3 million 15 months ago to 2 million the first of this month. This represents a decline of one-third, and in my judgment has been too swift a reduction. In the State of Washington single men and women and people approaching old age who have attained the age of 60 years were laid off. This has worked already untold hardships. Yet, with the reduction provided in the committee bill, 600,000 more will be required to be paid off. This is a greater curtailment than proposed in any other branch of the Government. Paraphrasing historic Madame Roland's mournful wail during the French Revolution about liberty, I exclaim: "O Economy! What crimes are committed in thy name!"

If rigid economy is imperatively needed to satisfy certain skeptics and detractors of the New Deal, and to placate certain bankers unloading low-interest-bearing Government bonds to secure ready cash for juicier investments, it would seem that the last place upon which its inevitable trail of unhappiness should be imposed was the W. P. A. and the general program of relief of the unemployed.

W. P. A. IS PALLIATIVE—WE SHOULD STRIVE TO PREVENT RECURRENCE OF HARD TIMES

All liberals recognize that the W. P. A. program is only a stopgap, an emergency palliative. It does not represent the Federal embarkation upon a program designed to eradicate the causes of hard times. It is, however, in keeping with campaign promises. It means a pledge fulfilled. In it the unemployed are assured of partial competence. At its peak only one-third of the unemployed were taken care of. Its highest monthly wage for unskilled labor was $55; it did not provide competition with private industry.

OBJECTIONS TO FAIR TREATMENT ARE UNTENABLE

Many objections have been made to the W. P. A. program. Some Congressmen are indignant at certain politically appointed officials therein for failure to cooperate with them in the matter of placing worthy and deserving political camp followers in the choicest berths. Some have observed an occasional W. P. A. worker conspicuously resting on the job, and wrath has been engendered by the contemplation of this philosophic individual in a ruminatory attitude, whereas he he should be (sic) assiduously and perspiringly performing the tasks assigned. Too frequently by reason thereof general criticism against the whole system has been provoked because of all too human isolated instances of inefficiency. Lawyers are familiar with the doctrine "falsus in uno, falsus in omnibus", but we should not permit ourselves to be misled by the same reasoning in this debate.

MONEY FOR EVERYTHING!—WHY BE NIGGARDLY WITH HUMAN NEEDY?

Then there are those why cry out amidst the din with ever-monotonous regularity "Where are you going to get the

money?" My answer is that the richest nation on earth, with more gold stored within its borders than has all the rest of the world combined, can well afford to combat misery and unrest by using some of its national largess to preserve its form of government, and protect its institutions from the inroads of terror and desperation that would follow inescapably any program which forsook the unemployed. "Where are you going to get the money?" My answer is that a country which is so generous in providing fifty millions each for battleships, which has just voted the largest peacetime naval appropriation in American history, which has increased its Army, which has money for Florida ship canals, and limitless funds for combating soil erosion, fruitflies, blister rust, plant pests, and for protection of birds in the air, beasts in the forest, and bugs under the ground, should be able without straining too many entrails to provide a minimum of comfort and a modicum of opportunity for those forced out of employment by the impact of economic disaster.

ARE WE AFRAID TO TAX?

Apparently we lack the courage of England in imposing a real income tax. We have been too cowardly to inaugurate a genuine inheritance tax. We permit the wealthy to isolate swollen incomes from the distressing contact of the Internal Revenue Department. We provide convenient means and methods for the sequestration of wealth in the United States. There appears to be little intestinal fortitude among public officials to tackle this problem head-on. Let us have temerity forthrightly to grapple with wealth and make it pay its share.

THE LATE JOHN D. ROCKEFELLER

The past few days John D. Rockefeller passed to his reward. His funeral obsequies are drowned in the flood of encomiums publicly paid him by admiring citizens. Yet this nonagenarian amassed a swollen fortune by combinations in restraint of trade, by stifling competition through unspeakable rebates and corruption-secured subsidies, by thwarting and "bloodying" organized labor, by drying up competitors, by every and any form and species of shady business practice. He was a ruthless freebooter of big business. Granted that he generously made charities to pet institutions. It is noteworthy, however, that when citizens of vast wealth pass on, it is found that their wealth has been somehow placed in trust funds to be administered by trustees for certain designated purposes. It is significant that such wealth thus translated into trust funds avoids the payment of inheritance taxes. "O charity! What crimes are committed in thy name!"

ARE TAX-EXEMPT SECURITIES SACROSANCT?

When America is willing to tax tax-exempt securities, now totaling forty billions, and refuses longer to become an accessory after the fact with the rich in defeating income-tax payments, we can then say assuredly we are collecting a fair share of the cost of government from those most able to pay.

In the instant bill I am alarmed lest the amount provided be reduced to $1,000,000,000 for the ensuing fiscal year. This would require the cutting off of 1,200,000 from relief rolls.

Today throughout the United States, figuratively, a sword of Damocles is suspended over the heads of every man and woman on the W. P. A. rolls. A Damoclean sword whose tenuous thread threatens every moment to break—a sword of worry and anxiety lest an enforced lay-off be next meted out to him or her. When once we take the security away from American citizens we substitute in its place hopelessness and demoralization.

WHAT DO YOU AND I DO IN A FAMILY EMERGENCY?—BALANCE THE FAMILY BUDGET?

The average husband of America, when suddenly confronted by an emergency, does not pause to balance the family budget.

What husband, finding his wife in dire need of an emergency appendectomy, will first look in the family check book or savings passbook, if any, and then total up his current bills; in other words, balance his liabilities against his assets, before contracting with a surgeon to excise the intransigent organ? None. Men do not worry about expense in such an hour. Family budgets do not intrude. The appendix must be removed at whatever cost, to save the life of the loved one. The American people insist that the unemployed must be taken care of at whatever cost to save the life of the Nation and insure its honor, its safety, and its preservation.

Mr. Speaker, I am voting for an increased appropriation for the W. P. A. As a Democrat I campaigned for a party whose program contained a promise that no deserving and willing and able-bodied unemployed person should fail to get employment. The Government pledged that it would take care of it until private industry absorbed the slack.

ORGANIZED LABOR SPEAKS IN THE SIXTH DISTRICT OF WASHINGTON

The Tacoma Labor Advocate, a brilliantly edited weekly publication, the official organ of organized labor in Pierce County, Wash., recently said editorially:

Nothing should occasion more concern than the attempt now being made on the score of economy to eliminate the W. P. A., or to so cut down the appropriations for relief as to throw the entire burden on cities, counties, and States. It is obviously impossible for States, for counties, or for cities to take care of the unemployed and it would be a body blow to the situation were the appropriations to be discontinued.

* * * It is believed by many large industrial interests, and the view is reflected by their stooges in the public press and their political stooges in Congress, that the W. P. A. by keeping many off the breadline has been an aid to strikers and to militant action. They argue, that were there no such relief and were millions clamoring for a job to keep body and soul together, and did the employed workers know it, they would be less keen for union action and still less keen for strike action. It may be frankly admitted that there is undoubtedly some truth in this. In almost every depression heretofore that was the custom. Starving worker was pitted against starving worker in the competition for the job, and the employers could cut down wages while they sent up profits.

Undoubtedly now that is the method in the madness which demands a general curtailment of relief and a general suspension of W. P. A. It may be hidden behind the clamor for balancing the Budget * * * but the real reason is, as one man brutally put it, "to take advantage of the enormous resources of labor power which could be absorbed at lower cost but which are lying fallow under the direction of the W. P. A., which is responsible for this waste of opportunity for industrial expansion."

The situation is very grave. It must be realized that in the last election many pretended New Dealers were not New Dealers at all. They merely arrayed themselves in a New Deal cloak to conceal the Bourbon shoddy that their reaction wears. Many of these are taking advantage of the situation that has arisen in the opposition of the court-reform program of the administration to follow through with organized opposition to the President's plans in regard to relief. * * * The attempt being made to minimize the number that are unemployed is not founded upon good faith or sincere belief. * * * The expenditures for relief do not vanish into thin air because the commodities bought with them are consumed. Those expenditures have been valuable to the community, as all expending dollars are.

They help the businessman and the professional man, and are no small element in the general revival that needs to expand instead of being artificially diminished under the plea of economy, balancing the Budget, or such economic "horse feathers" that are spread to conceal the real designs back of such trumpery demands.

FEDERAL SPENDING CONTRIBUTES TO PROSPERITY

I am of the firm opinion that such prosperity as has taken place since the inception of the New Deal was due in large part to the forced infiltration of Federal moneys through generous national spending into the channels of trade. A major portion of this was effectuated through the W. P. A.

Some farmers mistakenly advocate reduction of W. P. A. funds because they find that they cannot wean away from W. P. A. rolls men for employment as farm laborers at starvation wages. It is unfortunate that these misguided citizens inveigh against the program because they want to hire cheap labor and force down the general wage scale.

Mr. Speaker, I pray that further reduction in W. P. A. will not prevail, that the New Deal will go forward on its original program untarnished by intimidating pressure from those who are its avowed enemies from without and unweakened by attacks from apostates from within.

Tercentenary of the Birth of Pere Jacques Marquette

EXTENSION OF REMARKS

OF

HON. EDWARD L. O'NEILL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. O'NEILL of New Jersey. Mr. Speaker, 300 years ago today Jacques Marquette was born at Laon, France. This morning in the Capitol Building of the United States of America, pursuant to a resolution introduced in this Chamber by our colleague from Illinois [Mr. McKEOUGH], upon which the President of the United States formally directed that the day be officially observed, an impressive ceremony was held in Statuary Hall. In attendance were Senators and Representatives from many of the States, the Most Reverend John M. McNamara, D. D., the Honorable Jules Henry, Minister Plenipotentiary and Counselor of the Embassy of France, and men and women from every walk of life. Under leave to extend my remarks I include herein the proclamation of the President of the United States and some excerpts from the address delivered during the ceremony by Rev. Edward Walsh, S. J., Ph. D., LL. D., vice president of Georgetown University.

TERCENTENARY OF BIRTH OF PERE MARQUETTE

By the President of the United States of America

A PROCLAMATION

Whereas the preamble to Public Resolution No. 33, Seventy-fifth Congress, first session, approved May 27, 1937, requesting the President to proclaim the tercentenary of the birth of Pere Jacques Marquette, recites:

"Whereas the 1st day of June 1937 marks the three hundredth anniversary of the birth of Pere Jacques Marquette, the first white man to explore the upper Mississippi Valley; and

"Whereas it is eminently fitting that the tercentenary of the birth of this zealous missionary and fearless explorer should be commemorated by suitable patriotic, religious, and public exercises during such year; and

Whereas the text of said public resolution provides:

"That the President of the United States is authorized and requested to issue a proclamation calling upon all officials of the Government to display the flag of the United States on all Government buildings on June 1, 1937, and inviting all people of the United States to observe the day and the anniversary year in schools, churches, and other suitable places with appropriate ceremonies commemorating the tercentenary of the birth of Pere Jacques Marquette."

Now, therefore, I, Franklin D. Roosevelt, President of the United States, do hereby direct all Government officials to display the flag of the United States on all Government buildings on the 1st day of June 1937, and I invite all people of the United States to observe that day and anniversary year in schools, churches, and other suitable places with appropriate ceremonies commemorating the tercentenary of the birth of Pere Jacques Marquette.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 27th day of May in the year of our Lord nineteen hundred and thirty-seven and of the independence of the United States of America the one hundred and sixty-first.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,

Secretary of State.

Dr. Walsh said in part:

To Jacques Marquette was not vouchsafed the accolade of martyrdom which the First Martyr of Christianity sometimes accords to chosen followers. Testimony to their faith was sealed in blood by many other fellow Jesuits in northern New York and Canada during the pioneer days of our history. The hideous tortures inflicted by the Iroquois on Jogues and Brebeuf—and the final manner of their death—furnish astounding commentary on what the human frame can endure, and constitute an enduring reminder of what a precious amalgam of blood, heroism, intelligence, and human agony went into the making of these United States.

It was Marquette's destiny to serve as missionary among tribes less sanguinary than the Iroquois. At some date before 1672 a delegation of Illinois appeared at Marquette's mission on the southwestern shores of Lake Superior, near the present site of the city of Ashland, and brought news that was to influence profoundly not only his own life but even the future history of the Middle West. They told him of a mighty river that flowed beside their wigwams far to the south where no white man had yet penetrated. They besought the young Black Robe to come among them to be their father and teacher. To this call Marquette, then 33, responded, and preparations were made for the great adventure. Simultaneously, a youth of 21, then in the service of the Hundred Associates and named Louis Jolliet, a hardy woodsman, trader, and interpreter who had been educated by the Jesuits at Quebec, was designated by Frontenac to serve as leader for the state as Marquette was for the church.

Together they fronted the great unknown, and together on June 17, 1673, their frail canoes glided into the broad swift current of the Father of Waters, the Mississippi. Though known as early as 1519, and explored by the Spaniards from the direction of the south, it was left to Marquette and Joliet to explore its greatest length and leave the most authoritative and scientific account of the discovery. Unfortunately, Joliet's account was lost in an accident, and it is Marquette's journal that furnishes the historian with the ample data of an exact observer. Hence it is that his name is forever associated with that historic event. His documents constitute one of the most important contributions to early Americana containing, as they do, comments on geography, topography, and ethnology—on the location of villages and settlements, on tides and tributary waters, on the customs of the aborigines, on the nature of the vegetation, game, and all animal life. He even includes some shrewd estimates concerning the possibilities of future commercial developments.

It was natural that much of the technical and incidental leadership of the flotilla should be committed to the robust layman Joliet, as the mind of Marquette was focussed more particularly on the missionary and spiritual features. But his was the inspiration, his the commanding intellect, his the driving force, that had envisioned the exploration even before the arrival of Joliet and his the first maps of the new region.

The expedition paddled its way as far south as the mouth of the Arkansas River where it became clear from the information supplied by friendly Indians that this mighty river which they were navigating emptied into the Gulf of Mexico. As further penetration would have brought them dangerously near the Spaniards who were not friendly, the party then retraced its course. But Marquette was never to see Quebec again. In the course of time he reached the eastern shore of Lake Michigan, where his intrepid soul felt the last hour had come. He bade his two sorrowing companions to bring him to land near the present city of Ludington. They built a rude shelter of saplings, branches, and bark of trees, to serve as a death chamber for this son of a proud and distinguished family of ancient France. Then on May 19, 1675, his life work done, this gentle missionary of Christ, this accomplished scholar, master of six Indian dialects, explorer, and leader of men, expired.

Rightly did the historian, Bancroft, say of him: "The people of the West will build his monument." Rightly and generously did the people of Wisconsin erect this noble effigy in perpetual memory of an indomitable pioneer who helped, perhaps better than he knew, to build the future empire of the West.

Mr. Speaker, the salutation to the memory of this great priest by the President and the Congress of the United States is not only fitting and proper but most significant in these days of irreligion and the attitude toward religion in certain social states. It is refreshing that the government of the greatest nation in the world should take pause to applaud the memory of so great a character as Pere Jacques Marquette. Though Father Marquette lived but 38 years, his contribution to the development of what is now our country will ever endure in the pages of the Nation's history.

Lt. Norman Prince

EXTENSION OF REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

STATEMENT OF REPRESENTATIVE GEORGE J. BATES (REPUBLICAN), SIXTH MASSACHUSETTS DISTRICT, ON THE OCCASION OF ENTOMBMENT SERVICES IN WASHINGTON NATIONAL CATHEDRAL ON TUESDAY MORNING, JUNE 1, 1937, FOR LT. NORMAN PRINCE, WORLD WAR AVIATOR HERO, WHO DIED IN THE SERVICE IN 1916

Mr. BATES. Mr. Speaker, one of the United States' most outstanding World War heroes, Lt. Norman Prince, today

concluded a long journey to his final resting place within the walls of beautiful Washington Cathedral, to join in eternal honor the former Commander in Chief of those who followed him in action, the late beloved President Woodrow Wilson.

The memory of Lieutenant Prince is highly cherished, especially in the communities of the North Shore of Massachusetts, where he grew to manhood and became a prominent citizen of Wenham, the town in which his distinguished father and mother, Mr. and Mrs. Frederick H. Prince, who made today's solemn occasion possible, resided at their Princemere estate. An aviation pioneer in Massachusetts before the war in which he died, Lieutenant Prince experimented in flying his own planes at Chebacco Lake in Hamilton and Wenham. He was known as an ardent sportsman, finding polo his favorite pastime next to aviation.

Young Prince graduated from Harvard in 1909 and was practicing law in Chicago when the World War began. He went to France and joined the French Army aviation service, and with William K. Thaw he founded the famous Lafayette Escadrille. After numerous spectacular exploits in the air, many times escaping death by inches in his daring undertaking, he died on October 15, 1916, from injuries received when his plane cracked up following a harrowing entanglement. While he lay unconscious immediately after his accident, he was commissioned a second lieutenant and decorated with the Legion of Honor medal of the French Government, but he never recovered to learn of these honors.

That this man was regarded as a gallant hero to France was demonstrated by the fact that his remains were originally interred in a Paris cathedral, from whence they were removed to this country to rest permanently in the Chapel of St. John at Mount St. Alban Cathedral here in Washington.

The name of Norman Prince stands high in the memories of those who knew him and the courageous story of his all too brief career. Two American veterans' posts bear his name, the Veterans of Foreign Wars post in Boston and the American Legion post in Wenham, the community in which he spent most of his younger years. It is fitting, therefore, that a humble tribute from the Sixth Massachusetts District be added at this time to the memory of this great soldier who has come to rest in what may be called the Westminster Abbey of the United States.

The Spirit of America

EXTENSION OF REMARKS

OF

HON. JOSEPH GRAY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

MEMORIAL DAY ADDRESS DELIVERED AT JOHNSTOWN, PA., MAY 31, 1937

Mr. GRAY of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD I include my Memorial Day Address at Johnstown, Pa., May 31, 1937:

Fellow citizens, this is the one hundred and fiftieth year of government of the United States under the Constitution of 1787. Not a long era in respect of world history or of life on this globe, but lengthy enough for our country to have encountered, and overcome, during that century and a half, more than one political and economic disturbance, storms which rocked the entire structure of the Nation.

Since the days of 1776 and the Revolutionary period, which in the victory at Yorktown sealed the independence of the American colonies; since a few short years of uncertain existence as a Confederation of States, later to blossom full into a National Union by popular adoption of our present Constitution, the gravest challenge to our national integrity was the bitter and fateful war between the States of the North and of the South.

A generation ago every American was in some degree acquainted with the causes of that conflict. At this date such knowledge cannot be assumed as universally held. Chattel slavery was an issue, indirectly. The immediate question, however, was whether any one of the States, or any combination of them, had the political right or power to withdraw itself from the established organization and assert an independent sovereignty. Reason failed, as is not uncommon in a crisis. Ambitions commingled with emotions forced an appeal to arms; the success of battle decided the central issue. The Civil War was fought to protect and preserve the integrity of the United States as one and indivisible. It was a victory for conservatism.

After the termination of that war, a day was set apart in this and other States as a holiday for the commemoration of the soldiers and sailors of the Union Army who, having served their country, had passed into the land whence none return. Today, therefore, in many parts of this fair land, we assemble and bow our heads in humble manly homage to the courage of heart and nobility of spirit of those heroic men. More recently we have come to ideate the occasion as enveloping the memory of the men and women who answered the country's call and served its need in all the wars in which the Nation has engaged.

Veterans' organizations expectedly do, and the general public should, take a prominent part in such commemorative activities. Any disposition to neglect the respectful attitude is hardly worthy of the day. There is more gain to be had by some reflection of the "why" of this public celebration than by indiscriminate use of the whole day in utter disregard of its historical and emotional significance. Veterans living know more of the strain of military and naval service to which the honored dead were subject; and also of the depths of their sacrifices. They salute their fallen comrades, and all the thoughtful world salutes both the living and the dead. Rivalries, dissensions, and animosities dissolve themselves in the divine light of sympathetic mutual respect. When a man's nobility is signed with the seal of immortality, envies and bickerings recede into unapproachable abodes.

It is not necessary that we retell the deeds of valor and acts of heroism done by those whom we thus solemnly honor today. On the frozen ground of Valley Forge, in the bloody angle at Gettysburg, under the blistering tropic sun of Manila, and on the tortured fields of France the record of unstained devotion to our common country has been written not only for earth but as well for heaven. Those who gave, gave all; and we who praise, praise all. There was no limit to their devotion; there can be no boundary to our tribute. When great deeds speak the tongue is dumb.

What may be helpful is that we here today try to understand the spirit of those who were and are America. More than once the direct assault on our institutions has been repelled. Today there is a more ominous attack—a deliberate, insidious, subtle attack which likely enough is going to require just as high a degree of courage as has been exhibited in the past.

Permit me to proceed to examine some fundamental ideas which are being propagated in America today. A philosophy of economic determinism is expounded as the only directing force in life. Those ancient and higher motives of the mind and heart which have caused men to sacrifice immediate things for a more distant and permanent good, are being spurned by a new philosophy of the belly. This latter is being exaggerated out of all proportion to its relative worth. If moral obligations are to be no longer binding, then every manner of criminality is justifiable so long as it can escape the policeman's club. If this chant of the belly is to become our national anthem, the operation of our higher faculties will be automatically suspended.

In such an atmosphere the individual with his inalienable rights and natural responsibilities will inevitably sink lower and lower. Today the populace is being encouraged more and more to run to the Government for the cure of all ills, real or imaginary. Are Americans no longer to be expected to have some personal thought of their own welfare and future happiness? Shall the county, or the State, or the Nation prescribe the quality and quantity of our existence? Demagogues may delude the people into the belief that government is the goddess of fortune, always and forever a benevolent and abundant fortune. But it is not true. How many people are coming to accept the doctrine that the "Government" somehow is an inexhaustible storehouse of plenty and abundance, an illimitable, unfathomable oceanic granary with an invisible and mystical supply of moneys, of leisure, of time, of ease, or luxury. Alluring preachments, indeed, and altogether too magnetic to be very much resisted. Of course, there is no such mythical granary, but its repetition has practical uses in stimulating mass action. Such doctrines, however, do not make for sound citizenship; therefore, they do not make for a sound America. The whole idea may be summed up in the lines of Goldsmith.

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay;
> Princes and lords may flourish, or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.

It was the moral and religious character of the men who went down into the valley of death—and stayed there—that saved America for posterity. It was not to glorify the god of war that they gave up their lives. It was individual character, in deadliest

earnestness, striving to hold for itself and the future rights and liberties precious beyond all telling.

Would that these revered dead could walk amongst us now. What answer would they give to some of the prevailing preachments? For sometime all the changes have been rung on beautiful phrases such as "human rights before property rights." Is there something diabolical about property rights? Of what avail is life if the individual must be the slave of the dictatorial or totalitarian state? Of what value is the pursuit of happiness to the farmer if he can possess none of the fruits of husbandry? Of what value is the right to live to the workman if he have no possession of the products of his labor? Of what conceivable purpose is liberty to anyone, except a jungle savage, if he can have no field, no clothes, no home, no child which he can call his own. All those are property rights, inextricably woven in and necessary to all civilized existence. Life, liberty, and the pursuit of happiness are mere abstractions if the individual has no property rights in those things which anchor those abstractions to reality. The right to private property is a natural inalienable human right; and the abuse of that right need not be condoned, and neither does any abuse destroy the right.

I have made these brief references because the squawks of political and economic quacks are sounding daily upon our ears and disturbing the atmosphere of America. In the midst of the tappings and rappings demonstrated by our politico-spiritualists the common sense of man rolls and pitches like a rudderless ship on a storm-tossed sea. But more discordant tunes than those are being struck from the instruments played by the advocates of certain theories of government. Western civilization is being battered by the barbaric guns of oriental savagery.

In the face of all the ridicule and contempt that is being flung at anyone who so much as utters a conserving opinion, let me here insist that the Civil War was a victory for conservatism. All worth-while political reforms have been the same. When the barons at Runnymede, under the leadership of Archbishop Langton, in 1215, wrested from the unwilling hands of King John that document known as Magna Carta, the angels of the Lord sang a hymn of conservatism. They had only restored to the people those rights which the autocracy of kings had taken from them before.

Again, in the Bill of Rights of 1689, after a long series of violations of their fundamental rights, the people of England, through Parliament, again wrote those rights into the law. What they gained was nothing new. It was a restoration of what they had once had and lost. It was another victory for the conservative idea.

A look at the Declaration of Independence indicates very conclusively that the document was directed against those in authority who had drawn to themselves powers which were autocratic and in controvention of the people's rights. The American Declaration of Independence was another victory for conservatism.

The Constitution of the United States, of which the stars and stripes is the emblem, and of which we on occasions such as this, and always, are so very proud, is in its statements of rights and liberties another conservative achievement.

We should keep in mind through all this present clamor of liberalism that the pages of history tell the tale again and again of rights and liberties of the individual, acknowledged or guaranteed by rulers, to be slowly and almost imperceptibly chiseled away by designing men, and then later being reclaimed through political upheaval or armed resistance and war. Liberty in a real sense is not something new and unheard of until the day of the modern apostles of a spurious freedom; and eternal vigilance is still its price.

It is well that we continue to look forward for a larger life for the common man; but the current declamations on Utopia, unlimited by more than one dynamic soothsayer, properly deserve something more than a careless examination.

The example given to us by the sufferings and supreme sacrifices of those whose earthly careers were shortened by their devotion to enduring ideals should help us of today to spiritualize our actions for our country's greater glory and our children's greater good.

Tom Mooney Should Be Pardoned

EXTENSION OF REMARKS
OF
HON. JERRY J. O'CONNELL
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, under leave to extend, and in connection with my resolution asking the Congress of the United States to memorialize the Governor of California to grant a full and complete pardon to Tom Mooney, who has served 21 years of a life sentence as punishment for a crime which he did not commit, an injustice that ranks as the greatest in the history of American jurisprudence, I would like to include in the RECORD a copy of a letter from the Tom Mooney Defense Committee of Washington, through its chairman, John W. Jenkins, setting forth various points of evidence proving beyond a shadow of a doubt Mooney's innocence; also a resolution adopted by the Women's International League for Peace and Freedom at their annual meeting April 30 to May 3, 1937; and a further letter of evidence which is a copy of a letter written by C. M. Fickert, the district attorney for the city and county of San Francisco:

TOM MOONEY DEFENSE COMMITTEE OF WASHINGTON, D. C.,
May 26, 1937.

Hon. JERRY J. O'CONNELL,
Room 458, House Office Building, Washington, D. C.

DEAR JERRY: From the Government files I have taken the evidence showing that C. C. Crowley (with credentials from Fickert's office) met in the room of Baron von Brinken and that the baron had room no. 7076, and in this room at the Palace Hotel Baron von Brinken gave the drawing of the infernal machine of death that was published in San Francisco Examiner a few hours after the explosion on July 22, 1916. I have evidence and have made replicas of both death machines that killed 10 of our people and injured 40.

I have a copy of the credential given to C. C. Crowley by Tom Mooney's framer and prosecutor, Charles M. Fickert, and that this same Crowley paid $550 in six payments; $250 was paid by C. C. Crowley to Lewis (Lew) Smith for dynamiting the barge at Puget Sound that destroyed tons of high explosives and killed the night watchman. This Lewis (Lew) Smith is the man who confessed that he and not Tom Mooney committed this crime, and further that Crowley (Fickert's agent), while in prison for dynamiting, said that Tom Mooney is paying for another man's crime; that the man who did the job was safe in Mexico.

Further, I will prove by an eye witness and associate of Martin Swanson's silent partner (the cover-up man) that they manufactured these infernal machines on Market Street after they had taken the idea from J. H. Van Koolbergen and after that the ball bearings and .22 and .32 caliber cartridges found in Warren K. Billiangs' room came from Martin Swanson's other secret private office and that from this place the death car left at 1:35 (the occupants are known), that the suitcase bomb and the thrown bomb were both used and both came from this Swanson's office, and I will produce replicas of the two bombs for the hearing on Senate Joint Resolution 127 and House Joint Resolution 297 and make haste if it be possible. Tom Mooney has been taken to hospital and we at least can clear the name of Mooney and cause a Federal action to bring these German dynamiters to trial.

Gen. Franz Bopp, Baron von Brinken, and C. C. Crowley are ex-convicts, served time, but are protected by the special-interest crowd known in California as "the higher ups."

Please hasten this action.

TOM MOONEY DEFENSE COMMITTEE,
JOHN W. JENKINS, *Chairman.*

This letter subscribed and sworn to before me this 27th day of May 1937.

[SEAL]

C. MAURICE WEIDEMEYER,
Notary Public, District of Columbia.

My commission expires February 1, 1942.

Resolution to release Tom Mooney adopted by the annual meeting of the Women's International League for Peace and Freedom, April 30–May 3, 1937

Whereas Governor Merriam, of California, has refused to reopen the case for the release of Tom Mooney, and the Legislature of California has refused to petition the Governor to act;

Whereas a petition for Federal investigation of the Mooney case is being circulated by Congressman FITZGERALD, and at the same time a resolution requesting unconditional pardon for Tom Mooney has been introduced in the House and Senate by Congressman O'CONNELL and Senator MURRAY: Therefore be it

Resolved, That we urge immediate signature to the petition for investigation, together with support of the resolution to Governor Merriam for unconditional pardon.

[Copy]

[City and county of San Francisco, district attorney, Hall of Justice]

SAN FRANCISCO, CALIF., *June 14, 1915.*

To the Officials and Officers throughout the United States and Canada:

The bearer of this note, Mr. C. C. Crowley, whose signature appears hereon, is a special agent of this office and connected with the department of justice of this city and county of San Francisco, State of California.

At present, and for some time to come, he will be especially assigned to the duty of investigating the illicit drug and poison traffic between this city, Canada, and the Eastern States, and particularly of the shipment of such articles from Canada into the United States. A number of officials here are under investigation for their alleged connection with the illicit traffic in these drugs. As a result Mr. Crowley will have to work secretly in

his investigation, and I earnestly request that all officers to whom Mr. Crowley may present this letter will cooperate with him to the ends outlined herein.

Respectfully yours,

C. M. FICKERT,
District Attorney.
C. C. CROWLEY,
District Attorney,
City and County of San Francisco.

Veterans' Insurance

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

Mr. FORD of California. Mr. Speaker, if Congress desires to aid those veterans who have failed to convert their term insurance, I suggest that it exercise its legislative prerogative and pass an appropriation that will protect the reserve fund of those veterans who have converted their insurance.

In passing this bill over the President's veto you are simply being generous to 23,000 veterans, at the expense of 423,000 veterans.

We are told that the veterans who have converted are willing that this be done. That is commendable generosity, but it should not be permitted.

Personally, I refuse to indulge in that kind of generosity; hence, I am voting to sustain the President's veto of H. R. 5478.

An Appeal to Members to Sign Mr. Fish's Discharge Petition

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

Mr. LUDLOW. Mr. Speaker, the gentleman from New York [Mr. HAMILTON FISH], availing himself of his parliamentary privileges, has filed at the Speaker's desk a discharge petition (No. 18) to bring his House Joint Resolution No. 300 out of the Committee on Foreign Affairs and before the House for debate and a vote.

House Joint Resolution 300 has been overshadowed by other legislation and has not received the attention its importance deserves. It is one of the most worthy measures that ever came before this Congress, and I appeal to every Member of the House to sign Mr. FISH's discharge petition in order that this resolution may have a fair chance for consideration and a record vote in the House.

The purpose of the resolution is best expressed by its title. It is a resolution "to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States."

The existing neutrality law forbids the shipment of arms, ammunition, and implements of war to countries that are at war. The Fish resolution goes farther and inhibits such shipments altogether, "except to nations on the American Continents engaged in war against a non-American state or states", this exception being a recognition of our obligation under the Monroe Doctrine. Under the Fish resolution the United States could not be used, as it is now, as the great storehouse and source of supplies to equip foreign nations with the implements of destruction necessary in carrying out their bloody war schemes.

Mr. FISH's proposal to ban peacetime exports of arms, ammunition, and implements of war was first offered suddenly on the floor of the House as an amendment to the neutrality bill when that measure was being discussed. Every legislator knows what a poor chance an amendment has of adoption when it comes as an entirely new proposal in the excitement and hurly-burly of a hectic debate. Yet even in such unpropitious surroundings there were many Members who were quick to recognize the merit of Mr. FISH's proposition. All around me Members who first looked upon Mr. FISH's amendment askance were changing their views, and I believe that with more time and more deliberation it would have been adopted. After the neutrality bill passed Mr. FISH offered his proposal as a separate measure, and it is that measure (H. J. Res. 300) that is now pending before the Committee on Foreign Affairs.

If 218 Members of the House sign Mr. FISH's discharge petition, which is known as Discharge Petition No. 18, the resolution will be drawn from the committee's catacombs and brought to the floor of the House where we can discuss it, amend it if deemed advisable, and pass it. I can think of one amendment which, it seems to me, might be wise. That would be an amendment allowing the shipment of powder or other explosives for blasting and similar operations, when a definite showing of positive evidence is presented to the Secretary of State that such shipments will be for strictly nonmilitary uses.

The moral sense of the Nation ought to rise and demand the enactment of Mr. FISH's resolution because a great moral issue is involved.

We should ask ourselves these questions: Are we, a professedly Christian people, going to furnish to foreign nations the implements to make war on nations and thus destroy human beings by wholesale?

Are we going to continue to allow American munitions racketeers to send their agents around the world and work up wars for the sake of the hellish profits to be derived from the sale of munitions manufactured in the United States?

If the Fish resolution is adopted, this sort of business will stop. If the Fish resolution is not adopted, it will go on. What a travesty on civilization this is! What a mockery of Christianity!

I recommend to all of you who have not done so that you read the testimony brought out by the Nye committee that investigated the munitions traffic, showing the activities of these American merchants of death all around the world; how they have sold munitions to potential enemies of the United States that may sometime be used to kill our own men; how they have shamelessly resorted to bribery of foreign officials in innumerable instances; how they have time after time put obstacles in the way of the peacemaking plans of our State Department; how they have thumbed their noses at solemn treaties and embargoes; and how they have deliberately fomented strife in foreign lands in order that they may get their princely rake-off from human misery.

The nature of the operations of these antisocial American munitions profiteers was well illustrated down in Chile in 1933 when the avid agent of one American munitions firm herded a number of prisoners in a penitentiary room where they could not escape, then squirted war gases on these cringing and terror-stricken human beings in order to demonstrate the efficacy of the American-made munitions to the Chilean authorities, winding up his performance with the following exultant report to the home firm:

> I gave a demonstration at the department of investigations on about 120 prisoners. It was a great success.

Activities such as that would be reached and stopped by the Fish resolution. God knows, they ought to be stopped. "Blessed are the peacemakers", declared the greatest leader that ever wore the robes of mortality.

In these times of distress, when the whole world is sickened with war and its aftermath, we may well recall those words of the Prince of Peace, from whose lips flowed the

Beatitudes. We have tolerated the activities of the war profiteers long enough. We now have an opportunity to do something real, something tangible for the cause of peace by adopting the Fish resolution, thus putting a curb on the peace destroyers.

North Carolina University and Its Press Among the Best. The South Should Be Solid—With America

---

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1937

NORTH CAROLINA UNIVERSITY BOLDLY TEACHES TRUTH

Mr. MAVERICK. Mr. Speaker, last week the House adjourned, so I drove down into Virginia and North Carolina, to Chapel Hill, where there is one of the very best State universities in America. The university also has the North Carolina Press, a publishing house which rates among the first of America.

"Chapel Hill" is truly a university. It is the center of ferment of thought, and it may yet prove to be the greatest force of economic and political knowledge in the United States of America. I say this because the University of North Carolina and the University Press have courageously and boldly told the truth about the South, as well as the United States of America. The South has been torn apart, held down, and cursed by many problems for a century and a half. These problems are being adequately discussed at the University of North Carolina. There is an air of academic freedom, and it is not considered wrong to use your own head.

It was my honor to be invited to the North Carolina Political Union, a student organization. There was a banquet at the Carolina Inn first, and where my distinguished colleague, Mr. BREWSTER, of Maine, also spoke, along with Mr. Thomas Dixon, of North Carolina, author of The Clansman, and other books.

CHAPEL HILL BROAD-MINDED PLACE

At the meeting were representatives of many different organizations. A former candidate for the Governorship of North Carolina on the Communist ticket was there, a Republican—and that there shall be no question as to the limit of their broad-mindedness—a Jeffersonian Democrat.

Under unanimous consent, I offer the address that I made at the banquet. It was as follows:

ADDRESS OF HON. MAURY MAVERICK, OF TEXAS, BEFORE NORTH CAROLINA UNION, CHAPEL HILL, N. C., MAY 11, 1937

Mr. Chairman, distinguished guests, president of the university, and students and professors of the University of North Carolina, I have never before been in Chapel Hill, N. C. I have spent the last few days traveling around your State visiting tobacco mills, textile plants, and textile villages. Before I came here I knew about the North Carolina Press as one of the most distinguished in America. I also knew of the North Carolina Political Union.

The reason that I am glad to come here is because this is a real university where education and a free mind is paramount. We of the South have been under the thumb of our inhibitions long enough. The Civil War is over. [Laughter.]

SLAVERY, THE COTTON GIN, SLAVE SHIPPERS, AND SLAVE OWNERS

Also we have had many bad breaks in history. Mr. Thomas Jefferson, who wrote the Declaration of Independence, had a long section abolishing the slave trade and, in effect, abolishing slavery in the United States of America. Even then, before the Revolution, there was no decent opinion in favor of slavery.

But as the delegates went into the Convention for the Declaration of Independence this clause was cut out. Why? It was done to satisfy a few slave owners in the South, but more particularly to satisfy the New England shippers of slaves who were making money out of selling them to southerners. And so the South started off with the curse of slavery. She also had the enmity of New England, who was already piously denouncing slavery—and selling the slaves.

SLAVERY FLOURISHES—DRED SCOTT DECISION LEADS TO CIVIL WAR

Then in 1793 Eli Whitney invented the cotton gin. This made the sale of cotton very profitable, and so the plantation system grew up and slavery was fastened on the South.

Slavery continued to flourish—and the abolition controversy went on at the same time. As we know, the Supreme Court in 1857 validated and expanded slavery in the Dred Scott decision. The people did not know what to do, so they went to war on account of this Supreme Court decision.

Since the Battle of Appomattox we of the South have been a colony. My friends, I repeat, we lost the Civil War. It has taken me a long time to make this discovery, but we really lost it. By reading the works of your professors in your North Carolina Press, I find that from 70 to 85 percent of the southern white people, preceding the Civil War, were nonslave owners. I had always thought that the South rose en masse to fight against the North. The truth of the matter is that there were many antislavery societies in the South, and the contemporary documents of the times tend to prove that the South, so far as the white people were concerned, were opposed to slavery by a large majority. Also, there are indications that a majority of the white southerners were at first opposed to entering the Civil War.

THE SOUTH IS A COLONY

But once we went to war it was like any other war. You were a slacker if you didn't fight; and ever since then we have been a colony of the North and have lived off the scent of the magnolia blossoms.

The time has come for us to entirely eliminate all of our illusions about being southerners. I am proud of my Confederate ancestors and my southern blood—but we must realize that our beautiful southland is a part of the United States of America. [Applause.] I am in favor of a solid South—that is, a South that is solid with the United States of America. [Applause.]

Let us keep all of our romantic traditions, but let us face the facts. We have the lowest soil fertility, the lowest wages, the worst housing, more child labor, and the worst labor legislation in the United States of America. But with the Wagner Labor Relations Act we have a chance to raise the standards of our people and their purchasing power. In doing this we will benefit not only our own people in the South but the people of the whole United States of America. Let us be progressive, let us go forward, and forget all of our illusions and ideas that hold us back.

UNCLE TOM'S CABIN AND MARCHING THROUGH GEORGIA

I am not going into any long explanation, but I am going to mention a vote that I cast recently. I am on southern ground. I voted for the antilynching bill. I am a southerner. I still hate abolitionists, although I do not know what they are. I have never read Uncle Tom's Cabin, and I would shoot anybody who would play Marching Through Georgia in my presence. [Laughter.]

But I make the simple statement that I voted for the antilynching bill. There has been practically no criticism of my vote. I have not received any letters of criticism. The answer is the South opposes lynching as much as any other portion of America.

Frankness causes me to say that there is some question of the constitutionality of the bill. The Gavagan bill that I voted for is a rather severe one, and better legislation could be written on the subject.

And I am not coming into my South with any idea of embarrassing any of my colleagues who voted and fought against that bill. The gentlemen who did so were conscientious and honorable. The people who voted against the antilynching bill believed that the bill was unconstitutional. One Republican, Mr. WADSWORTH, of New York, voted against the bill. Also one of the most liberal and conscientious Democrats of the State of Washington, Mr. LEAVY, did the same. So I will admit openly that there is a grave question as to its constitutionality.

LYNCHING IS A NATIONAL DISGRACE

But the problem is still with us, and it is a national one. I have a feeling that the South should give bond as to its faith in the matter of lynching. Here in North Carolina it seems unnecessary because there has not been a lynching in North Carolina in many, many years—I understand 15 or 20. In Virginia there has been no lynching for some 10 years.

But all over the United States of America there are lynchings—of white people as well as black people. American citizens should have right of trial by a jury and the courts. Lynching is not a southern, but a national disgrace. Therefore, I hope the South will join in with the rest of the Nation to wipe out this curse.

Indeed, my fellow Americans, I again say that I am very happy to have come here. Truth to tell, one State is about as good as another. It is a good country that we live in. But as a matter of fact, your president, Mr. Graham, has a record of achievement, courage, and intelligence which is not equaled by very many persons. And another thing that I like about the University of North Carolina is that it is not too expensive. It is about come to pass that when one goes to a university the cost is so excessive that either one cannot go or their parents cannot send them.

COST LOW, QUALITY HIGH FOR NORTH CAROLINA EDUCATION

I hope that the University of North Carolina will not build itself up into an institution which will make the cost of education prohibitive. At the present time I believe that the cost of education here among the students—board, room, lodging—is one of the lowest in the entire country. And in addition to that you get a superior quality of education, and that is what I call getting your money's worth.

Riding over your hills, talking to your people in gas stations and in mills, reading your books of the North Carolina Press, I have learned a great deal. I thank you very much, and I hope that I can come and see you again. [Applause.]

Following my talk the union was addressed by Hon. Thomas Dixon, famous North Carolinian, who vigorously attacked the antilynching bill. Mr. Dixon sponsored a convention in Atlanta with Hon. John H. Kirby, of Texas, and Hon. Eugene Talmadge, of Georgia, known as the "Grass Roots Convention", and also called "The Southern Committee to Uphold the Constitution."

Mr. Dixon also campaigned for Hon. Alf Landon in the recent Presidential election. He stumped the State of North Carolina for him. Mr. Dixon is a fine looking gentleman, over 6 feet tall, and an able orator.

The Charlotte Observer of Thursday, May 13, 1937, reported as follows:

DIXON ATTACKS ANTILYNCH BILL—AUTHOR OF THE CLANSMAN HEARD AT CHAPEL HILL PRIOR TO MAVERICK-BREWSTER DEBATE

CHAPEL HILL, May 12.—Thomas Dixon, author and lecturer, recently appointed clerk of Federal court for the eastern district of North Carolina, denounced the antilynching bill pending in Congress at a banquet here last night preceding a debate of President Roosevelt's court plan by Representative MAVERICK, Democrat, of Texas, and Representative RALPH O. BREWSTER, Republican, of Maine.

"Lynching has nothing to do with that bill", said Dixon, author of The Clansman, novel on which the motion picture The Birth of a Nation was based. "The bill is simply a blind for a veiled attack that is being made upon the South. It is another attempt to put the South back under a reconstruction regime."

Mr. Dixon received applause, as I did. But if I am any judge, the people do not much care one way or the other, and are not excited about the antilynching legislation. What they are really interested in is to carry out the President's plan of judiciary reform.

They know there is no chance of the reconstruction days coming back. Moreover, since North Carolina has the best record of any Southern State in the matter of preventing lynchings, no Federal law would affect the State one way or the other.

DEBATE ON SUPREME COURT—NORTH CAROLINA FOR JUDICIARY REFORM

After the banquet the debate on the Supreme Court was held. I shall not go into the details of the debate between myself and Mr. BREWSTER. There was nothing much new said on either side.

I believe the people of North Carolina are overwhelmingly for the President's plan. I asked person after person and found but very few opposed to the plan. If I am any judge at all the people there are as strong for the reform of the judiciary as any State in the entire Union.

I am not able to furnish any statistics, but I should say that 80 or 90 percent of the people are for backing the President. It is all the bunk to say that Roosevelt is not as popular with the people as he was at any other time. The people in this country have faith in President Roosevelt, have faith in his sincerity, and have faith in his wish to make this a decent country in which to live.

Sesquicentennial at Martins Ferry, Ohio

EXTENSION OF REMARKS

OF

HON. ROBERT CROSSER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 2, 1937

RADIO ADDRESS BY HON. LAWRENCE E. IMHOFF, OF OHIO, ON MAY 31, 1937

Mr. CROSSER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by Hon. LAWRENCE E. IMHOFF, M. C., on May 31, 1937, over WWVA:

Good afternoon, friends. It is a real pleasure and a privilege to be associated with the sesquicentennial observance now in progress in the city of Martins Ferry, Ohio.

Eastern Ohio has played an enviable part in the history of our Nation. In time of peace or in time of war its sons and daughters have had a dominant role. In industry it has been in the van of the Nation's progress. In the world of art and letters eastern Ohio men and women have established for themselves enviable places in history.

From frontier days to modern times this section of the State, the Eighteenth Congressional District of Ohio, has been outstanding not only in the Ohio Valley but in the great Middle West.

It is fitting the oldest city in Ohio should honor the memory of its founders. Pioneers, explorers, conquerors, they laid the foundation for present-day eastern Ohio, an integral part of the Ruhr of America. And Martins Ferry, Belmont County, and eastern Ohio are to be congratulated upon the splendid structure they have erected on that foundation, a foundation which dates back to 1785, at least.

It was before that year that those hardy pioneers who made history along the American frontier settled on the present site of Martins Ferry. They hewed their modest homes from the virgin forest. Gardens were tilled within the veritable shadow of those homes, always with those long-barreled frontier rifles close at hand. Despite the fact their homes were pitched almost in view of historic Fort Henry, in what is now Wheeling, those brave first settlers of Martins Ferry encountered danger at every hand.

The first threat to the city-to-be came, not from their savage neighbors but from their own government. Land west of the Ohio River at that time, by treaty, was regarded by the United States Government as the hunting ground for the Indian tribes which, being driven westward, roamed the wooded hills between Virginia and the Muskingum River.

These Indians, under the provisions of their treaty with the white men, a pact sealed with all the colorful ceremonies of tribal councils, complained to the Great White Father at Washington that whites had encroached upon Indian territory.

Our Government then, as well as now, believed treaty provisions were meant to be observed. On April 12, 1785, according to J. A. Caldwell, writing in his History of Belmont County, Ensign John Armstrong was sent from Fort McIntosh with a party of soldiers to evacuate these settlers from their homes.

After warning various small settlements, en route, Ensign Armstrong's party arrived at the site of what is now called Martins Ferry. Then, according to Caldwell, it was called Mercers Town, or Hoglins, the latter name being a tribute to Captain Hoglin, a leader in the settlement.

Now mark you this, my friends: Armstrong found at Mercers Town, now Martins Ferry, a settlement of some 60 souls, a settlement having its own government and its own provisions for law and order.

This announcement by Mr. Caldwell effectively eliminates contentions of rival cities for first honors in Ohio, that Martins Ferry had no legal government until later years.

Two justices of the peace, John Carpenter and Charles Norris by name, elected by the community, administered rough frontier justice.

Following a parley with the settlers Ensign Armstrong gave the colony until April 19 to evacuate their homes. Mercers Town, Caldwell declares, was the largest community on the west bank of the Ohio River in 1785.

Further, Caldwell writes, Armstrong failed to daunt the spirit of those pioneer founders of the present-day city of Martins Ferry. He encountered such bitter opposition he stopped to compromise.

And so did those Martins Ferry pioneers. They agreed to move but once Armstrong and his men were out of sight preparations to that effect were abandoned. The settlers remained in their homes.

Thus matters stood in October of the same year when another expedition was outfitted at Fort McIntosh, intended to treat with the Indian tribes at Miami. En route down the river they found all settlements intact. Another warning was issued.

At Mercers Town, or Martins Ferry, they found the original settlement intact with Justices Carpenter and Norris still on the judicial bench. Captain Hoglin parleyed with General Butler, in command of the expedition, on behalf of the colony. Hoglin agreed to abandon the village and the various families actually did so, retiring across the river to Wheeling.

No sooner had General Butler's men disappeared from sight on their way down the river than the settlers returned and reoccupied their homes. Those dauntless frontier families were intent upon keeping the homes they had wrested from the rolling wilderness of Ohio and refused to heed either the warlike cries of the Delawares, who resented the occupation of their hunting grounds, or the well-meant intervention of their own Government.

Names familiar to Martins Ferry people even unto this day were to be found in that village of 1785. For instance, the Tiltons, Kerrs, Mensers, Dunns, McDonalds, and Manns were among those who defied both the Indians and the orders from Washington. The colony includes the Baileys, Nowles, Nixons, Cassills, Fitzpatricks, Edgertons, Clarks, Platts, and the Deckers. They fought alongside the Godards, Chambers, Hills, and Mapins.

Those were time-honored names in the American Colonies. Those were some of the families responsible for the founding of the city of Martins Ferry, eastern Ohio, and the territory now embraced by the Eighteenth Congressional District of the State.

This week Martins Ferry and eastern Ohio will pay tribute to the memory of those hardy pioneers. At least 152 years old, the city claims the distinction of being the oldest city in the State of Ohio. History bears out that contention.

And I think most of the spirit of self-sacrifice and denial which made possible that conquest of 1785 is still in existence in eastern

Ohio, which includes Belmont, Jefferson, Harrison, Carroll, and Columbiana Counties.

Foremost in progress in the Buckeye State, eastern Ohio points with pride to more than a century and a half of achievement.

First of all Ohio cities to establish a self-governed colony, Martins Ferry, points to 152 years of patriotic endeavor. Located in the heart of the greatest industrial district in the United States the city is typical of industry. With its mines, its steel mills, its potteries, and its railroads the district strides forth with America.

Martins Ferry and Ohio may well be proud of the distinction accorded the city and of its splendid niche in frontier history. Within the sacred precincts of Walnut Grove Cemetery rest the remains of many of its pioneers, including the Zanes, Martins, and kindred families. There rests the body of Betty Zane, whose exploit at Fort Henry is a classic of heroism familiar to every school child in America. There sleep the first settlers of Ohio.

Even as those first settlers carried on in the face of adversity so have their descendants carried on for home and country.

It is the proud boast of Martins Ferry and Belmont County that never has the call of country fallen on heedless ears. In time of danger, when the Nation calls, that frontier spirit walks again through those communities on the western banks of the Ohio.

An industrial district, the ranks of those descendants of pioneers have been swelled by men and women of foreign parentage, seeking freedom and liberty in a new land. And they, too, have absorbed that hardy, self-sacrificial spirit which gave birth to the sovereign State of Ohio.

You ask for proof? You may have it.

History records the fact that in every national crisis eastern Ohio, and Belmont County in particular, trooped to the colors in numbers at variance with the actual population.

Most of the early settlers of Martins Ferry and eastern Ohio fought throughout the War of the Revolution—patriots all. Again in 1812 those early settlers left their frontier homes and traveled great distances to fight on land and sea. Their sons and grandsons fought in the Mexican War. The number of troops sent to the front during the civil conflict was out of all proportion to the population. During the Spanish-American War and the World War eastern Ohio upheld the familiar tradition. Truly that pioneer spirit is alive today, but we pray that its manifestation may never again be needed.

This week the entire Ohio Valley and eastern Ohio joins with Martins Ferry in paying tribute to the memory of those first families of Ohio. And it is with real pleasure that I extend to you, on behalf of that city, a cordial invitation to participate in that tribute.

Camp Merritt and Memorial Day

EXTENSION OF REMARKS

OF

HON. EDWARD A. KENNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 2, 1937

ARTICLE BY JOHN BORG

Mr. KENNEY. Mr. Speaker, in my congressional district Memorial Day revives memories of Camp Merritt. A bill to nationalize the camp site as a national shrine has been reported favorably by the Committee on the Public Lands and is awaiting action by the House. To focus attention of my colleagues on its significance I can perhaps do no better than to insert in the CONGRESSIONAL RECORD, under leave of the House, an excellent article appearing in the Bergen Evening Record of May 29 last, and written by John Borg, its editor and publisher:

[From the Bergen (N. J.) Evening Record of May 29, 1937]

LEST WE FORGET

Thoughtful residents of Bergen County will unite tomorrow in paying solemn tribute to the Nation's hero dead. By common consent the exercises at Camp Merritt, great embarkation center during the World War, are recognized as the feature of Memorial Day observance in Bergen County.

Rich in historical associations which grow with the passing years, it seems entirely fitting that these commemorative ceremonies be held on such hallowed ground. The patriotic, fraternal, and civic organizations which participate honor themselves and glorify American citizenship when they revere the memory of the 578 men who died there and the million troops who passed through in response to the call of the Nation.

The people will never forget that Memorial Day was set apart to honor the Grand Army of the Republic, which preserved the Union. Widely known as Decoration Day, it is a national day of reverent memory for loved ones who have gone from our midst yet remain enshrined in our hearts till time shall be no more.

Those who join tomorrow's pilgrimage to Camp Merritt should come away with their patriotic ideals rejuvenated, imbued with a determination to perform manfully the task that confronts a country involved in an economic and social readjustment unlike anything in the memory of this generation. It is a national problem which must be solved not with arms or armaments but with the same fortitude and spirit of individual sacrifice and patriotic subordination that inspired our boys to sing, "We won't come back till it's over over there."

Urging a large participation of Bergen's citizenry in the Camp Merritt ceremonies, we can think of nothing better fitted to this occasion than the thoughts expressed in these columns a year ago:

"This annual pilgrimage to Camp Merritt is more than a mere tribute to those who have made the supreme sacrifice. These men have earned our devotion, but any memorial, no matter how imposing, fails in its purpose unless the ideals for which they died remain enshrined in the heart of the Nation.

"Let us fittingly observe Memorial Day—reverential to our human sacrifices on the altar of union and liberty, confident in the knowledge that they have not died in vain, and firm in our determination that this Nation shall never strive to conquer but ever remain unconquered down through the ages for future generations to enjoy."

We Are Jeopardizing the Future of This Nation by Our Failure to Maintain an Adequate Defense Against Possible Aggression

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 2, 1937

Mr. THOMAS of New Jersey. Mr. Speaker, in relation to the other nations, this country is now more unprepared for war than it was just prior to our entrance into the World War.

While no one in America wants another war and many are agreed that in the event of war we should not cross the seas, nevertheless war is like the weather—it happens every so often as does a thunderstorm in August.

For us, then, to sit back and say there will be no more wars or that by disarming we will avoid war is just plain foolishness.

First of all, no one or no group can safely determine whether or not there will be another war. Secondly, if we lay down our arms in the hope that we will set an example of disarmament for the whole world, we may be passing out an engraved invitation to some foreign nation to heap upon us so much insult and abuse that not even our most sincere pacifists could tolerate it.

Therefore is it not logical, whether we like war or not, that we should have some semblance of preparedness; that perhaps the easiest way to maintain peace is to show the world powers that we have no chip on our shoulders; that all we want is to be left alone, but if they strike us we are prepared to defend?

In considering our preparedness it may be said that our geographical position makes us immune from attack. I do not deny this in whole, for it is true that the Atlantic and Pacific Oceans make an attack from most foreign nations difficult; but in this we are banking almost entirely on our Navy. Suppose that our Navy does not live up to its fine past record—and, after all, no one can deny that our Navy, our first line of defense, is today plowing the seas in antiquated battleships, most of them over age. While it is true that our naval tonnage is second to Great Britain, it is said that our battleships "are obsolete and slow, our cruisers deficient, our destroyers of ancient design, and half of our submarines too old to be of much value." In view of this, should we depend entirely upon the invincibility of our Navy to alleviate the possibility of attack by way of the seas?

As for attack by land, both Canada and Mexico are today friendly to us. Canada, for more reasons than one, should continue to be friendly. Mexico, however, is a different matter. Mexico's record in the past should make us a trifle skeptical. I personally feel that she would, in the event of an entanglement between the United States and some foreign nation, sell out to the highest bidder.

Then, if this, or even part of it, be true, we are open to attack either by land or by sea, in which event it is our solemn duty to our peace-loving people to maintain an adequate defense—to maintain a good Navy, a worth-while Army, and an Air Corps which will rank better than sixth—our present position—among the world powers. We should, of course, maintain an adequate coastal and antiaircraft defense. But this increased preparedness should be a building-up process over a period of years. The increased expenditure which it would entail makes a sudden change from our present policy impossible. I do think, however, that some of the vast funds which we now spend on boondoggling projects could be spent to better advantage, both from the taxpayers' standpoint and from the unemployment standpoint, if we diverted some of the moneys now being spent for useless projects to the acquisition of things with which to perfect our national defense.

This matter of national defense reminds me of an iron chain with each link having its relative importance. No one link should be weaker than its adjoining link. Each link is a part of our defense and each is a vast subject in itself—too vast to discuss in its entirety at any one time, so for today I will discuss what is to me the weakest link in our entire national defense, one so weak that it is ludicrous, and one so weak that it hardly exists. I refer particularly to our antiaircraft defense.

ANTIAIRCRAFT DEFENSE

Of all the large nations in the world in the matter of antiaircraft defense, we stand a bad last.

By antiaircraft defense I refer to machine guns and to 3-inch artillery. One is perhaps as necessary as the other. Both have separate functions. On a declaration of war, however, it might be easier and quicker for us to manufacture machine guns than to manufacture the artillery pieces, so I will now discuss only the artillery side of our antiaircraft defense.

These 3-inch pieces, if war were declared, would take over 8 months to manufacture, yet we have no more than 41 of the mobile type—9 of which are for National Guard use—in the entire United States. If a foreign nation declared war on us tomorrow it would be about January or February of next year before we had our forty-second gun. In the meantime, we would have to pray to God that our Navy could hold at bay the enemy ships, including their plane carriers. In the World War, of course, we had allies which held off the enemy while we were starting to prepare from away behind scratch. In another war we might not be so fortunate to have allies which would keep the enemy at bay until we could get under way.

In addition to our present small number of mobile guns there are also in the process of manufacture 38 more. I use the word "mobile" because there is a fixed 3-inch antiaircraft gun, but which are used almost exclusively in the defense of our heavy coastal 16-inch batteries, so vulnerable to air attack. It is the mobile type which is used to defend our cities, our airports, our munitions works, our large reservoirs, and so forth, against airplane raids.

Under the 1938 congressional appropriation we expect to start building another 23 guns—7 of which are for National Guard use—but at the present time, as I have already said, we only have 41 guns ready for immediate firing.

On the other hand, Great Britain has 432; Russia, 72; Japan over 100; France over 300; Germany, 480; and Italy, 168. These figures are, of course, changing daily, for every one of these countries has begun to manufacture or purchase enormous quantities of new armaments.

Our small covey of mobile antiaircraft guns are scattered so thinly throughout the United States that their usefulness at their present strength in time of war would be nil. The large city of New York, for instance—and I am letting out no Army secret, because this could easily be determined by any foreign nation—has only eight such guns (two batteries) defending it. Chicago also has two, Los Angeles four, and Galveston four. There is not one antiaircraft gun defending all of New England and not a single one defending any of our large airports, such as Moffett Field, Marsh Field, or Hamilton Field on the Pacific coast, or Randolph and Kelly Fields in Texas. It would be just too bad for us if some foreign nation—Russia or Japan, for instance, attacked by airplane and otherwise through Mexico. And, in this instance, it is not beyond the realm of possibility if a general uprising of Communists should take place in this country, but that Russia would come to the aid of the American "reds." Mexico, therefore, would be the logical point through which Russia would send its hordes of infantry, tanks, and airplanes.

Someone may say that our air force could act as our air defense until we had gotten under way (8 months) in the manufacture of our antiaircraft artillery, but let me answer this by quoting Maj. Gen. Frank M. Andrews, commander, general headquarters air force, who recently said:

> The United States air force is so inadequate it could only defend one front should two be attacked.

I may appear to be somewhat of an alarmist about the lack of preparedness in this country, but our unpreparedness, particularly our antiaircraft defense, is so alarming that we are actually jeopardizing the future peace of this Nation. Even the pacifist organizations in this country cannot deny the dangers to peace which this pitiful state of unpreparedness against air attacks places us.

I, of course, sincerely hope that we in the United States will never have another war. My experience in the World War certainly showed me that war is something we should all strive to avoid, and then, too, I have two sons, who, if a war were to be declared by or on this country, within the next 15 years, would be called to the colors, so I am therefore, both publicly and personally, opposed to any war if it can possibly be avoided. However, I feel very strongly that we can best avoid such a war by showing to the entire world that we are really capable of defending ourselves against attack from any quarter.

Representative Benjamin Kurtz Focht

MEMORIAL ADDRESS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. BENJAMIN KURTZ FOCHT, late a Representative from Pennsylvania

Mr. SIMPSON. Mr. Speaker, under the leave to extend my remarks in the RECORD I submit at this time a poem dedicated to my predecessor, the Honorable BENJAMIN KURTZ FOCHT.

THE FATHER OF OLD-AGE PENSIONS—BENJAMIN KURTZ FOCHT

Out of the country of Penn's woods,
Of rugged mountains and rivers blue,
Came a native son whose work now is done,
Who set a hard course and steered it true.

Many the storms he weathered,
With hardships and struggles, too,
Battles to fight, goals to win,
For the good of you, and you.

Straight from the heart it came,
This plea for all that was right,
Never a task too mighty,
N'er a request too slight.

Now that journey is ended,
A favorite son has gone home,
To rest with God in the eternal,
To receive an earned "Well done."

Down in the pages of history,
Will go this stateman's name,
As the father of old-age pensions,
He carved his niche in the Hall of Fame.

—F. U. F.

Written May 22, 1937, in memory of my beloved father-in-law.
FLORENCE UTT FOCHT.

LEWISBURG, PA.

Relief, Unemployment, and Recovery

EXTENSION OF REMARKS
OF
HON. FRANCIS H. CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 2, 1937

RADIO ADDRESS BY HON. FRANCIS H. CASE, OF SOUTH DAKOTA, ON JUNE 2, 1937

Mr. CASE of South Dakota. Mr. Speaker, under the permission to extend my remarks, I include the following address delivered by me over the Columbia Broadcasting network in their "Questions Before Congress" hour this afternoon:

Ladies and gentlemen, the Columbia Broadcasting network is giving this period to a discussion of public questions before Congress. Developing an informed public opinion is a public service. Nothing is more important in a democracy. I apprecate this invitation and hope my remarks may be helpful.

During the drought of 1934 a very able political leader said to me, "CASE, there is only one issue this year. When 40,000 farmers in this State haven't raised chicken feed, there's only one issue—how do we eat?"

That same thought has been in the minds of others who have said, "You can't eat the Constitution." I know the truth in those remarks. I have seen once well-to-do people not know where the next meal was coming from.

The past week the House of Representatives has been considering the relief appropriation bill. While we were on it, the President's labor message came. In it he said, "The time has arrived for us to take further action to extend the frontiers of social progress. * * * Government must have some control over maximum hours, minimum wages, the evil of child labor, and the exploitation of unorganized labor."

I cheer his words. A New Jersey Republican beside me said, "That was a strong message." To me it said, "Take a long look, and make labor conditions better so these people now on relief can have a better chance and won't be in this fix again." Many others received the same idea. Some applied their thinking to the relief bill. "Why not earmark some of this money," they said, "for real jobs at real wages?" You may read or you may hear that the earmarking proposals in the House were a "pork barrel" proposition. But if you will get a copy of the CONGRESSIONAL RECORD and read the debates, you will see that Members of the House, both Democrats and Republicans, were concerned with making the relief appropriation bill something more than a mere appropriation of money.

In the amendments offered, and the amendment adopted, you will see a definite trend toward making relief money provide more happiness and greater security. There is no security of liberty or happiness on a relief wage or grant of $12, $19, $26, $42, or $54 a month. Children in relief families on such an income cannot get the medical attention they ought to have, cannot get the books they ought to read, cannot have the opportunities they deserve. A relief standard of living is not the American standard.

WILL A NEW N. R. A. HELP?

And so interest naturally attaches to the labor bill that has been proposed to carry out the fine purposes expressed in the President's labor message. It is known as the Black-Connery bill. The bill has several blank spaces yet to fill in, but most of those who have read it agree that it sets up a new N. R. A. In a statement to the Associated Press, Senator KING, of Utah, a Democrat, says, "It is worse than the N. R. A." He says, "It commits absolute power to a governmental bureau to determine wages and hours."

Briefly, it sets up a new Federal board with broad powers to bar from interstate commerce the products of any industry which pays less than a minimum wage to be set by the board, or which violates maximum hours also to be fixed by the board, or which employs children under 16, or which refuses to deal with labor unions. The board can require records from every industry and can change regulations or make new ones from time to time so that the final meaning is uncertain.

Paul Mallon, one of the most unbiased commentators, in his column, News Behind the News, in the Daily Journal of Rapid City, S. Dak., May 27, says, "If there has ever been such confusion, misunderstanding, and conflict about the contents of an important piece of legislation, it has not occurred within the memories of legislators now living."

Child labor is an evil. Sweatshops are a disgrace. Low wages destroy the security of industry as well as of labor. But there is a vast difference between hurling adjectives at these things and establishing the conditions that permit and produce correction of the evils condemned.

You remember the Coolidge story about sin. The Yankee President had gone to church. On his return, Mrs. Coolidge asked him what the preacher talked about. "Sin", the taciturn Coolidge replied. "What did he say about it?", Mrs. Coolidge continued. "He was against it."

And so are we all against a lot of evil things—child labor, sweatshops, low wages, labor spies, war, and what not. But the translation of those hates into laws and into conditions which mean more jobs and better wages, is not a simple task.

A WIDER PROTECTION IS NEEDED

The interstate-commerce clause can protect the Boston shoemaker against low-wage shoes from Vermont and call them contraband, but who guards the workman's job against shoes made in Czechoslovakia?

The interstate-commerce power may tell the American farmer his pork cannot go to market if the hogs are slopped before 8 o'clock in the morning, or, if a 15-year old boy helps with the chores, but who will protect him against low-priced hams from Poland, where no such standards exist?

The problem of recovery has many angles. Improvement calls for an increase in the purchasing power of incomes. Sound wage increases are those which result from increased production with consequent reduction in selling costs. Recovery will be here when we have better wages based on the increased ability of industry to pay them.

Protection against unfair goods at home must be extended to provide protection from unfair goods coming in from foreign countries.

It is all very well to command American textile shops to pay better wages, but permitting Japanese goods to compete with those shops for American markets may destroy the industry and the job itself.

It is easy to say that Florida fruit and vegetables go into interstate commerce and must pay a certain wage and work men only so many hours a day, but Florida growers have a right to ask that their workmen be protected against unequal competition from Cuba.

It sounds well to speak of a good-neighbor policy—we all want to be neighborly—but cattlemen find it hard to understand a treaty that throws down the bars to beef products from the wide-open ranges of Argentine while we spend millions of dollars to stamp out the hoof-and-mouth disease in domestic herds.

Should we make domestic production difficult while we import from abroad? Does that promote recovery? America's best market is her home market.

Dr. Moulton, head of the Brookings Institution, recently published findings which indicate that if America were to regain the standard of living that we had in 1929 every workingman in the country would be employed 43 hours a week. I am not advocating a 43-hour week, but I do suggest that the abundant life is produced by abundant production.

The true American goal is not to bring all life down to a low standard, but to raise all life to a higher standard. To do that we must increase the national income. And to increase national income we must increase the production of new wealth. Tying up the country's working capital in Government bonds, putting all jobs in a sack that can be opened only by political pull, won't do it. We need more free jobs in America if we are to have a free people. By free jobs I mean jobs that a man can get and keep on his own merit. By a free people I mean people who can live without fear.

We can protect our workers against unfair goods without establishing a stifling bureaucratic control. The Bacon and the Ashurst-Sumners bills simply say that goods produced under low standards shall not be sold in States with higher standards. It is the principle we had in the old Webb-Kenyon Act, which said that liquor could not be transported into dry States. Years ago we said the same thing on products of prison labor; we can say it for child labor or exploited labor today.

USE THE STATES; DON'T DESTROY THEM

Such a procedure uses the States instead of destroying them. Such a procedure preserves the checks and balances in our form of government. It places a premium on high standards through representative government instead of arbitrary standards through boards subject to political control. Of course, dust storms and floods run across State lines. But we have done work on interstate streams for years. We have both interstate compacts and Federal laws according to the needs of the situation. That is the glory of the Union—that we have a system where each State can develop according to its natural advantages and conditions, yet all work in the Union for common benefits. The answer to part of our problems is the development of America.

This has never been better stated than by Mr. Roosevelt in 1930, when he was Governor of New York. Then he said: "The vastness of our territory represents geographical and climatic differences which give to the States wide differences in the nature of their industry, their agriculture, and their commerce. * * * Thus it was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole nation, such as was wholly practical in Great Britain, would inevitably result at some future time in a dissolution of the Union itself. The preservation of this home rule by the States", he said, "is not a cry of jealous Commonwealths seeking their own aggrandizement at the expense of their sister States. It is a fundamental necessity if we are to remain a truly united country."

I have mentioned these things today because we need to check and double check the sweeping powers proposed in the new labor bill. It proposes to set up a board with complete control over working conditions throughout the country. One section says, "For the purposes of regulations and orders, the board may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of people or matters." Thus, the board will make new rules from time to time, administer them, and then be judge, jury, and sheriff. There will be no need for labor unions, little need for State governments. Will that be a good thing for labor? Will it solve unemployment? Will that provide better wages for all workers? Is it a good thing to destroy State standards and pour the whole country into one mold? America is to decide these things.

Our form of government has been described as a three-horse plow team, every horse doing his job. But a government without checks and balances is like a team of horses with eveners broken, heads high, bits in teeth, singletrees flying at their heels, charging down the road, any road—nobody knows where. Witness unchecked one-party government in Europe today!

My message—if I have one—is merely this: Let's use a little horse sense in America today. Let's adopt the rule of the old horse trader in David Harum, and "always look a new horse in the mouth."

War Profit and Blood Money

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 2, 1937

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, ON JUNE 1, 1937

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my radio speech made over the Inter-City Broadcasting System Tuesday, June 1, 1937, as follows:

With a world filled with rumors of war and predictions freely made that a new world war would break out within a year, the time has come for the United States to put its house in order and to determine its peace policies.

The American people have determined that they will make every legitimate sacrifice to keep out of any more world wars. The Congress has already enacted legislation to prohibit the shipment of arms, ammunition, and implements of war to belligerent nations. Senator NYE and I have introduced identical resolutions to make it unlawful to ship arms, ammunition, and implements of war in time of peace as well as in war.

Why should we sell arms to nations preparing for war in order to go to war for sake of profit, greed, and blood money? Why should we prepare the nations of the world for war, and become the symbol of armaments and the dollar sign for wholesale slaughter?

I submit in all good faith that with many foreign nations arming to the teeth, going mad building armaments, and spending $15,000,000,000 this year—three times as much as they spent back in 1914—that if we are sincere we ought to prohibit the shipment of arms in time of peace as well as in time of war.

If we are against the sale of implements of war in time of war, the logical thing to do is to stop it in time of peace. We have signed the Briand-Kellogg Pact to renounce war as an instrument of policy, except for national defense. Having done this, we have outlawed war except for national defense. Having outlawed war, it is only logical and proper that the next step should be to outlaw the sale of ammunition and implements of war. This is what I am proposing to do—to extend the prohibition to times of peace. Otherwise we become the potential slaughterhouse of the world. We will be selling armaments right up to the day a nation declares war. To my mind it is actually worse to prepare these nations for war than to supply them with arms and ammunition once they have declared war. Once they have entered into war we cannot stop it; but before they enter into war we can stop it by not selling them ammunition and implements of war which might also be used against our own soldiers. My proposal constitutes a real neutrality policy in time of peace as well as of war and would be an effective step toward promoting peace.

I do not desire to interfere with our legitimate trade in commodities and foodstuffs, because then you would have a total embargo; you would have a Jeffersonian embargo, and I am absolutely opposed to that.

Everybody knows that our contention for the freedom of the seas has dragged us into every single European war in the last 150 years. What have we got to do with the form of government in Russia, in Germany, in Italy, in Great Britain, or in any of the small nations? That is not our business. The American people have decided to modify the doctrine of the freedom of the seas that has involved us in past wars.

As signers of the Briand-Kellogg Peace Pact, I believe that the United States, Great Britain, and France should request Germany, Italy, and Soviet Russia to recall all their volunteers and armed forces from Spain, and, if they refuse, then to call an immediate meeting of all the signatories to the Kellogg-Briand Pact to determine on a united policy against these disturbers of world peace.

Communism, fascism, and nazi-ism are all brothers under the skin—all advocating force and compulsion against democratic and free institutions; all standing for autocracy, militarism, and despotism to enforce their will regardless of world peace. If Nazi Germany and Fascist Italy want to fight, let them pick on Soviet Russia, but not on republican Spain. If there must be a war to the bitter end between the dictatorships of the extreme left and the extreme right, let them fight each other, but not drag into their conflict the rest of the world.

I have repeatedly said that if nations of the Old World insist on arming to the teeth and going to war, it is their war and not ours. However, we still should exert our moral influence in behalf of peace and denounce those militaristic adventurers, Mussolini and Hitler, who are endangering the peace of the world and let them know that public sentiment in America condemns their invasion by armed force of a foreign nation.

It must be apparent to all that Hitler and Mussolini are deliberately fostering the culture of war on the basis that might makes right. These two warlike dictators are trying to make another Abyssinia out of Spain.

The world is faced with a grave and serious crisis, brought on by the armed invasion of Spain by Fascist armies and Nazi airplanes, artillery, and tanks. The present crisis was inevitable from the moment Mussolini and Hitler literally began an undeclared war on the Spanish Government by using their military and naval forces to support the Spanish rebels. No nation in the world worthy of the name can supinely permit invasion of their country by the armed forces of foreign nations. No nation can long endure the slaughter of its people by foreign armies, the massacre of its women and children by foreign aircraft, and the bombardment of its cities by foreign navies.

The reprisal for the attack on the German battleship *Deutschland* by a couple of Spanish airplanes is a typical example of Hitler's brutal mailed fist and arrogant militaristic policies. Having played with war by virtually invading Spain, he cries for vengeance because a fully armed German battleship is attacked by planes in a rebel harbor, where it had no right to be.

Although I deplore the loss of life on the German battleship *Deutschland*, the attack by Spanish airplanes was probably justifiable within rebel territory whether the Germans fired their anti-aircraft guns first or not. A battleship has the means for its own defense. The reprisal, however, by the German Government by bombarding the city of Almeria and not the forts and killing and wounding a hundred civilians is an outrage against humanity and might be the cause of starting a world war. The reprisal of the Hitler government by murdering defenseless women and children calls for the condemnation of world public opinion upon this new form of Nazi schrecklichkeit.

The sacking of Guernica, the holy and sacred city of the Basques, and the horrible butchery of helpless women and children by Nazi aircraft shocked the American people. How long will these acts of horror and of war be tolerated by world opinion and those who love peace and loathe war?

Whom the gods would destroy they first make mad. Mussolini and Hitler apparently are madmen who would not hesitate to start another world war and bring on the senseless slaughter of millions of peaceful people for their own aggrandizement. Such is the stuff of which dictators are made.

The Congress should immediately adopt the resolution introduced by Senator NYE and myself to prohibit the shipment of arms, ammunition, and implements of war in time of peace as well as of war. We should refuse to help arm the world for a world conflict for sake of war profits and blood money. I hope the people back home will communicate with their Members of Congress and ask them to sign the petition I have placed on the Speaker's desk to discharge the committee from further consideration of this resolution—House Joint Resolution 300—so that it can be brought up on the floor of the House for consideration, and to ask that they give the proposal their support in order to take the profit out of war, promote world peace, and keep us out of European or world wars. If we are to have a war in the future it must be in defense of the United States and not in defense of war profiteers, munition makers, or of any foreign country.

We are willing to spend millions for defense, but not one dollar to send American soldiers to foreign lands to fight other people's battles.

If a full-fledged world war springs out of the present Spanish conflict, then the nations of the world will know that Nazi and Fascist imperialism is responsible, and the blame for starting it will be upon both Hitler and Mussolini. It is almost axiomatic that wars and dictatorships are one and inseparable.

I appeal to the radio audience to communicate with Members of the House of Representatives to sign Petition No. 18, now on the Speaker's desk, to discharge the Committee on Foreign Affairs of further consideration of House Joint Resolution 300, to prohibit the sale and shipment of arms, ammunition, and implements of war in

time of peace in order to take the profit out of war and to promote peace and good will in the world.

Practically all the peace organizations in America have endorsed it, and if the American people back home approve it all they have to do to get favorable action from Congress is to make their wishes known.

The American people are peace loving and hate all wars except for national defense. I believe in adequate national defense for purposes of defense and not for aggression, but I can see no moral rhyme or reason why we should be a party to the war system by selling arms, ammunition, and implements of war to foreign nations in time of peace or war to kill people with whom we are at peace for the sake of profit and blood money.

Relief Bill—House Wisely Eliminates Earmarking Over $500,000,000 of Relief Money That Would Have Seriously Affected the Handling of the Relief Problem For the Next Fiscal Year

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. COCHRAN. Mr. Speaker, the bill making appropriations for relief purposes which has just passed the House, while not entirely satisfactory, will not only be welcomed by the hundreds of thousands of people who are looking forward to the appropriation of additional money so that they might be able to earn a livelihood until they could secure employment with private concerns, but will likewise be a relief to the President and the Public Works Administrator.

The action of the House in voting down the amendments earmarking over $500,000,000 of the funds for certain public works is to be commended.

Much was said in reference to giving the President a free hand in the expenditure of $1,500,000,000. The Republicans, as well as many on the Democratic side, assailed the bill from this standpoint, and therefore insisted that the money should be earmarked to be spent for specific purposes. In my opinion their arguments were very misleading, because anyone who would read the bill would find that section I specifically provided for the earmarking of the entire amount. I quote the provisions that I refer to:

> That this appropriation shall be available for the following classes of public projects, Federal and non-Federal, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (a) Highways, roads, and streets, $415,000,000; (b) public buildings, parks and other recreational facilities, including buildings therein, public utilities, including sewer systems, water supply and purification, airports and other transportation facilities, flood control and other conservation, and miscellaneous work projects, $630,000,000; (c) assistance for educational, professional, and clerical persons and women's projects, $380,000,000; and (d) National Youth Administration, $75,000,000: *Provided further*, That the amount specified for any of the foregoing classes may be increased proportionately in accordance with the amount of such unexpended balances as the President transfers for the purposes of this section from the appropriations made by (a) the Emergency Relief Appropriation Act of 1935 and (b) the Emergency Relief Appropriation Act of 1936, as supplemented: *Provided further*, That the amount specified for any of the foregoing classes may be increased by not to exceed 15 percent thereof by transfer of an amount or amounts from any other class or classes in order to effectuate the purposes of the foregoing appropriation.

This should convince anyone that the committee earmarked every dollar of the $1,500,000,000.

The charge made that the bill would have been a "pork barrel" measure if specific amendments had been agreed to was fully justified by the facts.

Those of us who come from large cities realize the seriousness of the situation that confronts the Government, States, and the municipalities. My State, Missouri, and my city, St. Louis, for instance, are doing everything in their power to alleviate distress among the unemployed. When anyone indicates that the Government is carrying the whole load, he surely is not in possession of the facts. My State and my city have increased their bonded indebtedness and have devised various ways to raise money that can be used only for relief purposes. This supplements the allocations made by the Federal Government for W. P. A. work-relief projects. The Government long since discontinued allocating money for direct-relief purposes, but the State and the city have continued to grant direct relief to those who are classed as unemployable. The unemployable include those well along in years who are not yet entitled to old-age pensions, the sick, and the disabled, as well as widows with young children who cannot leave home to accept employment. What would become of them, let me ask, if the direct relief was abandoned?

If the Congress wants to appropriate additional money for the P. W. A. projects for additional construction of hard-surface highways, the money to be spent through the various State highway commissions, for additional flood control, rural electrification, and for conservation purposes in the Dust Bowl, then let us meet those projects in separate bills; but it would have been a grave mistake had we destroyed this relief measure by taking funds from those who are so badly in need of employment, who would not have been recognized if the earmarking of over $500,000,000 would have been finally agreed to. It must be remembered that each amendment did not provide for an additional sum, but was so worded as to reduce the amount earmarked by the committee to be spent on projects where relief labor is to be employed.

I agree with those who feel that there is an obligation on the part of the Government to allocate money to the States and the subdivision of States for public-work projects where the bonds have already been voted and, in many instances, sold. The question as to whether or not Congress wants to continue indefinitely the Public Works Administration and provide for additional allocation other than those where the bonds have already been voted is debatable. Right now I think we would be justified in carrying on the Public Works Administration and allocate the Government's share of the money as was done under the old policy for those projects which I specifically refer to.

As to allocating money to the State highway departments for the construction of hard-surface roads, I am sure that the Congress will continue the liberal policy that has been followed in the past few years. Now what have we done for public roads? I am not going back and tell you of the hundreds of millions of dollars that the Congress has voted for this purpose but I am going to quote the gentleman from North Carolina [Mr. WARREN], a member of the Committee on Roads, and who happens to be the Member who handled the two bills which provided for large appropriations for State road-building programs which did not require, as had been the policy, the matching of the money by the various States. There is no better friend of the Federal-aid road-building program than the gentleman from North Carolina [Mr. WARREN]. He calls attention to the fact that only a month ago we passed an appropriation bill for $165,000,000 for roads and for next year we have already authorized $214,000,000 for roads, which, as he says, is the highest amount that has ever been authorized by any Congress for that purpose. Mr. WARREN is absolutely right when he says that there is not a Member of the House who would give the least consideration to a bill to appropriate $150,000,000 additional to be dispensed by the State highway commission for roads next year. The Cartwright amendment would have taken $150,000,000 from the $415,000,000 of this bill which must be spent for highways, roads, and streets.

If that amendment prevailed the work would be done by contract, but when the amendment was defeated, then we know that the entire $415,000,000 will be spent for highways, roads, and streets by the Works Progress Administration, and relief labor will be employed in the expenditure of that money, whereas if the Cartwright amendment had prevailed relief labor would not have been employed, because the contractors would not have engaged relief labor for that purpose, but

would have used their own organization, where the wages paid far exceed that allowed under the relief program.

Yes, Mr. Speaker, I say the House performed a real public service when it defeated the amendments on roll calls that had been placed in the bill while it was under consideration.

That the House at times was not in a proper frame of mind to intelligently legislate was clearly evident when the amendment of the gentleman from Kentucky [Mr. MAY] was adopted. This amendment provided for a reduction of $2,000 in the salary of Harry Hopkins, the Public Works Administrator. I know that there are a great many who criticize Mr. Hopkins, but if you will give Mr. Hopkins an opportunity to answer this criticism you will find that in most instances the criticism is not justified. I am one Member of Congress who has never attempted to inject politics in connection with the expenditure of relief money, and I do not intend to do so. No one who has ever visited my office or who has written me has ever been asked their politics who sought assistance from me in securing work with the W. P. A. Every letter that has left my office and in every personal interview that I have had I have stated frankly that a letter from a Congressman is not and should not be sufficient to secure work on a relief project. I have written many letters to the Relief Administrator calling attention to individuals, but in all those letters I state that if an investigation discloses that the applicant is entitled, under the W. P. A. policy, to employment, I express the hope that the man or woman would be put to work. I have had many cases investigated where people complained bitterly that they had not been recognized, and I can say in the great majority of the cases the reports that I received from my investigators disclose that there was earning power in the family and that the W. P. A. was justified in not placing the applicant to work.

Mr. Hopkins nor none of his assistants have extended any special favors to me, nor have I asked for any, but I am broad enough and big enough not to vote to reduce his salary because some would like to punish him because they have not received a special recognition from him. I sincerely hope that Mr. Hopkins will insist that all subordinates in the field purge the rolls of those who are not entitled to be employed on a relief project. This money is being appropriated to take care of people in distress who have no earning power and cannot secure work, and where there is no earning power in the home. That is the intent of Congress in appropriating this money, and Mr. Hopkins and his subordinates should always bear that in mind.

While there are some amendments that have been adopted that do not meet with my approval, there is one amendment that should be stricken from the bill when it reaches the Senate. That amendment was offered by the gentleman from Alabama [Mr. STARNES]. It reads as follows:

Provided, That with the approval of the President, materials, equipment, and personnel of the Corps of Engineers, War Department, may be assigned to service in connection with flood-control and water-conservation projects prosecuted under this act, notwithstanding that such projects have not been duly authorized by act of Congress: *Provided further*, That the requirements hereinafter established that no Federal construction project shall be undertaken unless and until there have been allocated and irrevocably set aside sufficient funds for its completion shall not apply to flood-control and water-conservation projects prosecuted hereunder.

Let me tell you what that amendment means. Recently I called your attention when the Interior Department appropriation bill was under consideration to the fact that we have a rule in the House which provides that when a project is initiated, even though it has not been authorized by the Congress, if that project is in progress when an amendment is offered to an appropriation bill to appropriate money to continue or complete the project, the amendment is in order and the House is required to vote upon it. In other words, if this amendment is carried in the bill when it becomes a law, and projects are started, when we come back here in January and an appropriation bill is under consideration an amendment can be offered to continue or complete the project or to enlarge it, and the presiding officer must hold that that amendment is in order.

The members of the Committee on Roads, the Committee on Rivers and Harbors, the Committee on Flood Control, the Committee on Naval Affairs, and the Committee on Military Affairs should have considered just exactly what the amendment means. In other words, it is unnecessary for those legislative committees to authorize any project which might be started from funds in this bill if an additional appropriation is desired. You have heard a great deal about delegating power to the Chief Executive, but here the Members of the House delegate to the House itself the power to provide money for unauthorized projects, many of which might have been considered by our legislative committees and those committees have refused to recommend them favorably to the House. The amendment, with the House rule, gives the status of authorization to all the projects that might be initiated by money provided in this bill, provided any part of the work is in progress.

It is my sincere hope that the Senate will see the wisdom of striking this amendment from the bill as it is most dangerous legislation.

Mr. Speaker, despite the fact that I received hundreds of letters and telegrams urging me to earmark part of the relief appropriation, I stood squarely behind the President and the House Committee on Appropriations throughout the consideration of the bill. I am sure if those back home fully understood the situation they would commend rather than condemn those of us who followed this course.

Representative James P. Buchanan

MEMORIAL ADDRESS
OF
HON. MILTON A. ROMJUE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. ROMJUE. Mr. Speaker, we are often at a loss to understand why death should lay its hands on some of our Members whom, according to our human standards, we feel are so much needed. When Hon. JAMES P. BUCHANAN, Representative from the State of Texas, was taken from us death claimed one of this body's most useful Members. Aside from severing ties of friendship and family his death removed one of the most diligent, painstaking, and hard-working Members of this body. Largely in his hands and under his guidance were some of the most perplexing problems that have confronted this Congress for quite some time.

I remember having met Mr. BUCHANAN, who had then been serving some time in this body, soon after my coming here. I found him then as I always found him afterward, to be just himself—no gloss, no deception, no false pretense, no desire to parade himself or his achievements, but possessed of a plain and useful trait, which was always to do that which he believed to be right and that which he believed was for the best and proper service to his constituency and his country.

If you will look in the Congressional Directory, you will see his name entered "JAMES P. BUCHANAN, Democrat, of Brenham, Tex." That is all he had to say of and for himself. Even that entry had great significance. Coupling that with what one would be bound to know of Mr. BUCHANAN, if they thoroughly understood him, was the fact that he was intensely devoted to a desire to represent faithfully and properly the best interests of the people whom he was sent here to serve. He performed well his services in this body.

The fact that he was repeatedly returned by his people to this body for a quarter of a century or more shows the faith and confidence the people who knew him best had in him and how much they appreciated his real genuine work.

The last few years of service in this body have taxed the energies and strength of the Members to the utmost.

JAMES P. BUCHANAN was not a man who could lay a thing down and neglect it if he had anything to do. By his very nature he was so devoted to public interests and duties of his office that he made sure to attend to whatever task it was in the best way he knew, and he did that work well. He never laid claim to perfection or infallibility, and that very trait marked him as being the more dependable, reliable, trustworthy, and serviceable. He was not given to flattery and neither was he misled by it.

As chairman of the Appropriations Committee in this House, he was doing a splendid work, and his death came at a time when he was most needed, it seems, by his country and friends. He was of a type that the more and better you knew him the more admiration, respect, and regard you had for him. He was a genuine coin, nothing spurious. He was honest, sincere, and fearless in the highest degree.

He was appreciated and loved by the Members of the House, regardless of politics. He did not talk a great deal, but thought much, and it seems the following verse may be fitting:

We live in deeds, not years; in thoughts, not breaths;
In feelings, not in figures on a dial.
We should count time by heartthrobs. He most lives
Who thinks most, feels the noblest, acts the best.

Monopoly and Unfair Trade Practices

EXTENSION OF REMARKS

OF

HON. JOSEPH T. ROBINSON

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, June 3 (legislative day of Tuesday, June 1), 1937

ADDRESS BY HON. CHARLES H. MARCH, MEMBER OF THE FEDERAL TRADE COMMISSION, BEFORE THE NATIONAL CONFECTIONERS ASSOCIATION, AT CHICAGO, MAY 27, 1937

Mr. ROBINSON. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an address by Hon. Charles H. March, a member of the Federal Trade Commission, on the subject of Evils of Monopoly and Unfair Trade Practices. My request is accompanied with an estimate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is indeed a great pleasure to have this opportunity to discuss with your important industry certain competitive problems and the facilities of the Federal Trade Commission in relation thereto.

Yours is a truly national industry with an almost unanimous appeal, touching the lives and habits of nearly every man, woman, and child throughout the country. Nearly all of our people have had some share in bringing about the consumption of nearly 1,500,000,000 pounds of candy, which, statistics indicate, was the Nation's candy consumption in 1935. The manufacture and distribution of candy and confectionery products give employment to thousands of persons and add substantially to the country's volume of trade and commerce. The welfare of your industry necessarily affects the country's economic welfare, and we of the Federal Trade Commission have a very real interest in promoting this particular and general prosperity on a sound and lasting basis.

It is both the purpose and the function of the Commission to retain the benefits of the advances made to date and to continue to improve business, individually as well as collectively. To achieve this improvement we must frankly and courageously notice and take corrective action as to those trade practices which are harmful, or which block or stifle improvement, or which are unfair to industry as a whole, or to the consuming public whose patronage and good will are vital for the existence and growth of all industry.

Perhaps there never was a time when the need for holding fast to old-fashioned truths, ideals, and ethics was so emphasized and so necessary as at present. The public's growing consciousness of its right to and its apparently determined insistence on truth in advertising, decent and honest trade standards, money's worth for money paid out, and a fair deal certainly never before were so strong.

A fair and reasonable profit is vital to healthy business, but the picking of the public's pockets by means of monopoly and its attendant exorbitant prices by the sale of inferior goods, by false advertising, and by use of numerous other methods of that ilk is little less than criminal larceny, on whatever scale it may be practiced.

American growth and prosperity have been founded upon competition, which in our economic system is relied upon to insure the availability of goods at prices representing efficient cost of production and of distribution, plus a fair profit. No economic system employed in any other part of the world has been so productive of blessings to the people as has ours. This reward of prosperity and progress has been accomplished by initiative, by intelligence, by honesty, and by everlasting industry and effort, and always with a wholesome regard for the rights of others. A competitive economy tends toward freedom and expansion of business activity. Monopoly stifles and restrains it.

Under a fair competitive system, the allocation of income adjusts itself among the various classes of our economic body. When competition ceases, prices tend to rise above honest values. Purchasers have only so much money with which to buy. They cannot, and will not, long pay the enhanced prices which result from overcapitalization of industry and trade, inefficiency of production and distribution, or the marketing of undesirable merchandise. When their purses have been emptied, trading must cease until they can again return to the markets as purchasers. Thus a failure on the part of producers to maintain a healthy state of competition dries up the very wells of their prosperity and results, in the end, to their own detriment as well as to the distress and injury of the public. "The public" is not merely a figure of speech, but is a very real, composite whole of you, and of me, and of our families, friends, neighbors, and of all our people throughout the land. Inflicting damage upon one part of the public body necessarily damages the whole.

Much sentiment seems to exist, particularly today in various branches of industry, for the theory that the principal self-help of competitors is an effective agreement to eliminate competition. Let me assure you that such a policy is fallacious, unsound in principle, and doubtless contrary to law. Controlled and stifled competition breeds monopoly with its attendant evils of arbitrarily fixed prices unrelated to costs. It leads to gouging of the public. Ultimately it brings about the collapse of business. The inevitable effect of stifling competition is to prevent the maintenance of the public's purchasing power which is the key to business prosperity. Any general monopolization of the means of production and distribution restricts the market. The inability of millions to purchase, to consume, or to produce, is likely to be the reflection of such monopolization.

You producers and distributors have as much at stake in this matter as the average citizen. If monopoly is allowed to grow, you and thousands of other businessmen must eventually go down as victims.

The exact cause of the depression, which too many businessmen seem prone to forget in the first flush of better times, has been the subject of much analysis and discussion. In my own mind there is no doubt but that one of the very serious contributing causes was interference with the normal operation of competition and its subsequent effect upon prices, supply, and demand.

Business became too much characterized by excessive prices, based upon unsound and overcapitalized company set-ups. Monopolistic enterprises charged more than the traffic could bear. By eliminating competition, by levying highest possible prices, or by means of frenzied finance, too many companies were attempting to chart their way to easy profits. As an inevitable effect, fewer people were able to buy so as to keep the products of industry moving through the channels of distribution. The result, which was so often called overproduction, might more properly have been termed underconsumption.

The streams of commerce must be kept open and free to insure national well-being. Questionable or unfair trade practices are among the main obstructions to this steady flow of commerce which too frequently interfere with the forces of supply and demand and disturb the competitive balance. I refer principally to those acts of unfair competition which the Commission and the courts have held to be unlawful, such as:

Misrepresentation and misbranding of product, defamation of competitor and false disparagement of his products, illegal price discrimination, illegal selling below cost, commercial bribery, illegal use of loss leaders, illegal rebating, inducing breach of contract willfully to injure competitor, circulating threats of infringement suits in bad faith, full-line forcing to suppress competition, passing off and imitation of trade marks.

Each and every one of these practices, together with others of the same class too numerous to mention here, is as harmful to the perpetrator in the long run as it is to the industry as a whole. Each unfair act, whether it be an isolated instance or but one of a successive number, exacts its toll, and the price is usually too demoralizing to ethical trade and commerce, too costly in its economic consequences, and too hurtful in its general effect to be tolerated.

Each member should take his part in effective housecleaning within an industry. He should give his cooperation and full share of fair dealing to his fellow members and in return merit fair treatment and a proper respect for his rights. I have said elsewhere that life is a mirror; we see what we reflect; we receive what we contribute—no more and no less.

The work of maintaining a wholesome competitive condition in your industry and preventing the inception and existence of unfair trade practices rests largely upon yourselves. The Federal Trade Commission is your law enforcement officer, prepared to give friendly counsel and to support your efforts to conduct your business within the law of good conscience and fairness. The Commission frequently has been characterized as the "policeman of business." If one's purposes are lawful, he will find the Commission to be a helpful friend. If one's purposes be objectionable, he will find the Commission determined to perform its duty, which is to give effect to the purposes and objectives of Congress as expressed in the various statutes whereby it clothed the Commission with its mandate on the question of fair conduct in business. The Commission will help you to the limit of its power to attain all proper and lawful objectives. That is our message of cooperation and good wishes for the successful outcome of your endeavors.

The Federal Trade Commission is an administrative and quasi-judicial tribunal. It is one of the oldest independent governmental agencies. Having been functioning for the last 22 years, it has accumulated a fund of valuable experience and information. Its work is both legal and economic and falls naturally into several divisions. While it has powers of general investigation and certain other duties, a principal function of the Commission is to prevent "unfair methods of competition in commerce."

In this work the purpose of the Commission is to protect honest competition and the consuming public from harmful or unfair practices in commerce. As to "unfair methods of competition in commerce", the Commission functions under a positive mandate from Congress to prevent those subject to its jurisdiction from using such methods. Wisely, Congress did not attempt to define the exact meaning of the phrase "unfair methods of competition in commerce." The Supreme Court, in construing the intent and purpose of Congress in enacting the provisions of the Trade Commission Act, has said:

"In the nature of things, it was impossible to describe and define in advance just what constituted unfair competition, and in the final analysis it became a question of law after the facts were ascertained."

Therefore, every case must be considered on its own facts. Whatever the guise or character of an alleged unfair practice, it is the intent or substance or effect of such practice that counts, and we must concern ourselves with all the facts in the case.

Generally it has been our experience that unfair trade practices fall within two broad classes: (1) Those which involve an element of fraud or dishonesty; (2) those not inherently dishonest, but which are restrictive of fair competition within the meaning of the antitrust laws.

No honest businessman ever feared fair competition or asked for undue favor. The Commission subscribes to that tenet of good business and backs it to the limit of its powers. It has for its purpose the aiding of legitimate business in the establishment of standards of sound and honest business ethics and principles. It insists that the rules of business conduct must come within the law. In the eyes of the Commission all members of a given industry are on the same basis of competitive rights, with equal opportunity for all. The role of the Commission is that of a disinterested and impartial umpire, who insists that the game of competition be played fairly and within the boundaries of law.

The Commission's procedure is both informal and effective. Any interested party may write a letter to the Commission setting forth facts which he believes indicate a violation of law. Without disclosing at any time the identity of the complaining party, the Commission proceeds to obtain the facts and thereupon to form an opinion as to whether there is reason to believe that the party complained of is violating or has violated any of the provisions of the law and whether corrective proceedings would be to the interest of the public. The alleged offender in a proper case is afforded the opportunity to stipulate to cease and desist. If such fails of correcting the evil, the Commission issues a complaint stating its charges. If upon the evidence the Commission finds that the facts bear out the allegations of the complaint, it may issue an order requiring the offending party to cease and desist from the practice in question. Right of appeal to the United States Circuit Court of Appeals for review or for enforcement of the order is provided by statute. Such cease and desist order proceeding is what might conveniently be termed the compulsory procedure for the prevention of unfair methods of competition.

The Commission, however, has made available to industries still another plan, that of a voluntary cooperative procedure whereunder members of an industry, with the aid of the Commission, may set up machinery for cooperation among themselves in establishing rules for the elimination of unfair methods of competition and trade abuses. This is known as the trade-practice conference procedure of the Commission. It is this procedure as to which the United States Chamber of Commerce in its recent deliberations adopted the following resolution:

"The principle of the trade-practice conference procedure of the Federal Trade Commission is endorsed as a useful and proper means of promoting better standards of business and the elimination of unfair competitive practices. There should be a full examination of the possibilities of the trade-practice conference procedure by each industry desirous of raising the level of its competitive standards, in order that it may properly evaluate the benefits which this method offers under the conditions confronting the industry involved."

Businessmen who are interested in taking voluntary group action to improve standards of ethical and fair practices in their industry will find the necessary governmental aid and assistance in the Commission to make such honest efforts workable and effective. Problems of general concern to an industry may be effectively dealt with. The unfair competitive practices of entire industries, many of which may be the unwitting results of overzealousness rather than intentional wrongdoing, are corrected by such conference proceedings held under the auspices of the Commission. The adoption and observance of fair-trade rules make unnecessary the institution of a multiplicity of compulsory proceedings against offending members.

Any group substantially reflecting the sentiment of the majority interests in an industry may file with the Commission an application for trade-practice conference proceedings. There is no strict formality required in the application. The problems to be treated are studied by our staff, and informal discussions between the representatives of the industry and ourselves are usually arranged in the interest of a clear understanding of the questions and the assistance which may be rendered by the Commission in their solution.

If upon such application it appears that conference proceedings are feasible, in the light of all the circumstances, the Commission will authorize the holding of an industry conference. Official invitation is then extended to all members of the industry, inviting them to attend the conference and take part in the deliberations. At the conference the members propose trade-practice rules and submit them to the Commission for its consideration and approval. In the Commission the provisions are studied in their relationship to the law and to determine whether they will accomplish constructive purposes and at the same time not work undue hardship or inequities.

Before final action is taken, the proposed rules are made available to all interested or affected parties upon public notice, affording them opportunity to express their views and suggestions, if any, and to have the same given due consideration. Thereafter the rules, if satisfactory, are approved by the Commission and officially promulgated as fair trade-practice rules for the industry. Each member of the industry is supplied with a copy and afforded opportunity to signify his intention or willingness to observe the rules in the conduct of his business.

In this procedure the members of the industry have a voice in formulating their own regulations within the scope of the law and the public interest; and the rights of affected parties are amply safeguarded.

A question frequently asked is, How can trade-practice rules be enforced? Most of us know from past experience that unless rules in any worth-while undertaking are enforceable, where necessary to bring about substantial compliance, they may become more honored in the breach than in the observance. Therefore, means of effectuating compliance are quite important.

In approved rules under the Federal Trade Commission procedure, the means available for bringing about compliance have proved adequate in the test of experience. An explanation of enforceability brings up the matter of classification. Trade-practice rules in their legal aspects naturally fall into two groups; and this classification is followed by the Commission. In group I the Commission places all rules which prohibit practices that are contrary to existing law. Therefore, those practices which are described as unfair and classified in group I are illegal practices; and engaging therein subjects the offender to prosecution or corrective action under statute. Group I rules include all types of unfair methods of competition which are known to the law and which have been crystallized and determined by decisions of the courts and the Commission over the last 20 years. The number of these practices is large. You could easily count a score of important illegal business practices and by no means cover them all.

Group I rules also embrace those prohibiting all other types of illegal trade practices. Because group I rules express law, it may be said that they are binding upon all as matters of law quite irrespective of the fact that the alleged offender may have refused to take part in the establishment of the rules or refused or failed to sign or pledge obedience thereto. We are all bound by the law, whether we like it or not. And obedience to its requirements is not a matter of choice.

The enforceable group I class of rules usually embraces all the more important rules for an industry. An average of 90 percent of approved rules are of this class, and these have, in effect, the power and enforcement of the law behind them. Adequate means, therefore, are available to bring about compliance by compulsory proceedings against the recalcitrant few in cases where voluntary adherence is not forthcoming.

In group II are placed rules as to which compliance ordinarily is voluntary. They are usually rules which recommend practices which the industry desires to foster and to promote as desirable in the interest of good business. The opportunity to adhere to such rules on a voluntary basis has proved to be adequate assurance of compliance. This may be accounted for by the fact that usually group II rules are such that members of the industry generally are only too glad to follow, once they are assured, through Commission acceptance, that it is proper to follow, and to cooperate with others in observing them. If, however, group II rules are violated in such a way as to bring about an infraction of the law, the offender may be subjected to compulsory corrective

proceedings by the Commission. Experience has shown that observance of approved rules, whether of group I or group II, is readily forthcoming and presents no great difficulty.

Trade-practice conferences have proven to be of inestimable value to business. Roundly, 200 industries have to date availed themselves of this voluntary cooperative procedure. It affords a means whereby the honest businessmen may join forces and cooperate among themselves, with governmental aid, to eliminate bad practices and keep competition on the high plane of justice and fairness. A combined effort to uphold the right is a powerful and effective weapon.

This procedure was the logical development of the Commission's efforts, in cooperation with business and industry, to protect honest competitors and the public from unlawful practices by an unscrupulous minority who are willing to resort to any scheme or method that gives promise of quick and ruthless profits.

The plan is not new or untried. It has been in use for many years and has long since passed beyond the experimental stage. In it full protection of one's legal and constitutional rights is adequately provided for and safeguarded.

We proceed on the principle that an unnecessary multiplicity of regulations is to be avoided; that American business has the right to grow and develop with as much freedom as possible, subject only to the minimum of restriction necessary to insure protection of the public and fair and honorable conduct in the exercise of every man's right to engage in legitimate activity.

In this work of correcting unfair trade practices the applicable principle of law was well stated by the Supreme Court in a recent case when it said, "The careless and the unscrupulous must rise to the standards of the scrupulous and diligent" (*F. T. C.* v. *Algoma Lumber Co. et al.*, 291 U. S. 67, 79). Under our procedure the honest are afforded the opportunity of practicing their ethics without being put to the disadvantage of contending with the unethical practices of the unscrupulous.

We receive many letters from all sections of our business life indicative of good fruits flowing from trade-practice rules. Recently two such expressions came to my attention, one from an industrial counsel of wide experience and a deep student of business problems, who said:

"It (the Commission) has made a real contribution to the guidance of industry in the trade-practice conference rules approved under its present procedure—which have been welcomed and approved by businessmen throughout the country."

In the other instance, the President of a large business concern wrote:

"We feel that these conferences on trade practices are the most vital and worth-while work any department in Washington can render the commercial interests. They are most timely, and we are deeply interested in the results to be obtained."

The voluntary correction of bad practices is always preferable. Our Commission is only too glad to assist in bringing about such voluntary action. It avoids the necessity of calling into play compulsory legal processes against offenders, a procedure which is costly alike to business and the Government. We all know how expensive litigation is and how disruptive it may be to business good will. Friendly, voluntary correction in the proper way serves the public interest and one's own interest.

In the Sugar Institute case last year, Chief Justice Hughes, speaking for the Supreme Court, recognized the value of voluntary cooperation in eliminating bad practices, when he said:

"Voluntary action to end abuses and to foster fair competitive opportunities in the public interest may be more effective than legal processes. And cooperative endeavor may appropriately have wider objectives than merely the removal of evils which are infractions of positive law."

Self-correction of bad competitive practices through proper cooperative endeavor is a most wholesome thing. Its value in the avoidance of more expensive methods is tremendous. As a stimulant to sound and prosperous business its benevolent influence may be felt in every detail of operation. In it industry has much to gain and nothing to lose. I commend it to your consideration.

ROBINSON-PATMAN ACT

Another major function of the Federal Trade Commission is the enforcement of the Robinson-Patman Act. This is one of our important antimonopoly laws, and the most recently enacted. It prohibits certain forms of price discrimination and related practices. The act is essentially an amendment to or revision of section 2 of the Clayton Act, which was passed in 1914. Under the Clayton Act it has long been recognized that discrimination in price is one of the strongest weapons of monopoly. The dissolution suits against the Standard Oil and American Tobacco combinations strongly revealed this fact. There the Supreme Court specifically found that price discrimination had been an important factor in building up monopoly. Section 2 of the Clayton Act was intended to outlaw that method, and it was to strengthen such provisions of our antitrust laws that the Robinson-Patman Act was passed as the amending statute.

Under this new law, price discrimination is now declared unlawful where the effect may be "to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them." There is also retained in the Robinson-Patman Act the provision of original section 2 of the Clayton Act prohibiting discriminations in price where the effect thereof "may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

On the whole, this new law in substance applies the philosophy which the Supreme Court held to underlie the Clayton Act, namely, to prevent practices, which if not stopped, tend toward monopoly. Its general effect is to enlarge enormously the ability of a competitor to protect himself when he is unlawfully discriminated against.

Proof of violation of the old law involved difficulties because of a proviso that discrimination in price was not unlawful when made "on account of" differences in the quantity sold, or which made "only due allowance" for differences in cost of selling or of transportation, or when made in good faith to meet competition.

In this respect the new law provides that upon proof that there has been a discrimination in price or in services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with the violation; and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination. It is also provided that the terms of the act shall not prevent the seller from rebutting the prima-facie case proved against him by showing that his lower price was made or the services or facilities were furnished in good faith to meet an equally low price of a competitor or the services or facilities furnished by the competitor.

Also the new law extends the principle of nondiscrimination into other areas than price as such. Whether they might be regarded as forms of indirect price discrimination under section 2 (a), or not, the act specifically declares it unlawful: (a) To grant or receive, "except for services rendered", anything in the way of commission, brokerage, or other compensation to an intermediary who is acting for or is subject to the control of any party to the transaction other than the one paying such compensation; (b) to pay or agree to pay compensation to, or for the benefit of, a customer for his services or facilities, unless the same compensation "is available on proportionally equal terms" to competing customers; (c) to furnish or agree to furnish any services or facilities to one purchaser that are not "accorded to all purchasers on proportionally equal terms."

The act concerns itself with transactions in commerce, as defined in the Clayton Act, which, in general, means interstate or foreign commerce and commerce in the various Territories of the United States.

It also is declared unlawful for any person "knowingly to induce or receive" a prohibited discrimination in price. This provision is very important to buyers, and the word "knowingly" appears to have been inserted for their protection.

In the application of the law the Commission to date has issued 21 formal complaints. These cover all the more important phases of the law. Many of the cases have advanced to trial and to other stages along the path of legal procedure which they must follow to final decision. In one case the brokerage concern complained of was dissolved by its organizers and, upon proper showing of discontinuance, the proceeding was closed without prejudice to reopening it if the circumstances should warrant. The proceedings in the several other cases are being expedited with the view of having decisions by the Commission rendered at as early a date as possible. These proceedings may be considered in the nature of test cases on many disputed points. One group of cases presents alleged direct discrimination in price. This practice, it will be recalled, becomes unlawful in commerce when it injuriously affects competition and exceeds savings in cost of manufacture, sale, or delivery resulting from differing methods or quantities in which the commodities are sold or delivered.

Alleged discrimination in the selling price of raw materials with the alleged effect of injuring competition between competing purchasers engaged in selling finished products, is involved in some of the cases. The question of the legality of certain functional discounts also is raised. Likewise, violation of the brokerage section of the act is alleged. Two cases involve the question of the buyer's responsibility under section 2 (f).

Under sections 2 (d) and (e) falls the question of the legality of discrimination in advertising or promotional allowances. Certain of the pending cases raise these issues, and decision thereon will be entered in due course. Also, in relation to section 2 (d), several of the complaints attack the practice of paying "push money" in the cosmetic trade.

The Commission has, through formal and informal action, effected compliance with the statute throughout various industries. We know that many have radically revised their selling prices and practices, resulting in compliance with the law to the benefit of the small-business man and the public.

In this brief sketch I have undertaken a description of the Robinson-Patman Act, and not an interpretation. Neither the Commission nor I can appropriately express in advance an opinion concerning application of the act to the facts of particular cases. One reason for that policy is that the Commission is required by statute to exercise the quasi-judicial function of officially and formally deciding specific cases of alleged discrimination presented to it under the procedure specified by the statute.

In devoting thought to the Robinson-Patman Act, as we have, and also to the questions of monopoly and unfair trade practices, it is well to be ever mindful of the fact that the broad general policy of our law is one of fairness and of equality of opportunity to all. That policy is of fundamental importance to the American people. It must be preserved.

CONCLUSION

And now, as a sincere friend, may I in closing suggest that we avail ourselves of the means and opportunities already at hand for constructive work in protecting honest business and the public. Let us rid ourselves of monopoly. Let cooperative action be within the law and directed not toward monopolistic ends but to

bring about elimination of harmful restraints of trade and unfair practices. Thus may we merit the good will and support of all fair-minded people and avoid the necessity of more exacting and more stringent processes which may be required in compulsory correction. Let us actively proceed to protect the public and honest business.

The rights of the individual should be protected, and individual initiative and capacity should have a fair chance to assert themselves honestly and efficiently and receive the just reward to which they are entitled.

In these aims the interest of the public, of the Government, and of business itself should be one. We can join forces and advance together. The men and women of business and those of that great body we call the public can depend upon the Federal Trade Commission to aid in such laudable undertakings.

Southern Society Banquet

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, June 3 (legislative day of Tuesday, June 1), 1937

ADDRESS BY GOVERNOR EARLE, OF PENNSYLVANIA, AND INTRODUCTORY REMARKS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Governor Earle, of Pennsylvania, at the banquet of the Southern Society, held at the Willard Hotel in Washington on last evening, and also the remarks of the Senator from North Carolina [Mr. REYNOLDS] in introducing Governor Earle.

There being no objection, the address and introductory remarks were ordered to be printed in the RECORD, as follows:

TEXT OF GOVERNOR EARLE'S ADDRESS

A few miles from my home there is an imaginary line. Historically, that line divides the North and South.

When Mason and Dixon were surveying it, they thought they were merely settling a boundary dispute. Instead, they were establishing a tradition.

That boundary dispute has long been forgotten. The tradition remains.

From my present home it is only an hour's drive to the Mason and Dixon's line. From my birthplace in Chester County it is even closer.

Tradition makes that line significant. Whether I am north of it, in my home, or south of it, on my farm in Cambridge, Md., I find men and women occupied with similar problems, similar responsibilities.

Whether I am north or south of that line, I find friends, and good friends.

The Mason and Dixon's line is not a Chinese Wall, it is not a fortified frontier. It is not an economic boundary.

I would say, rather, that it is a sentimental landmark. It stands for a great tradition, the tradition of the South.

Below it lies a land rich in historic memories, proud in its heritage of valor, mighty in the courage and resourcefulness of its people.

It is right and proper that the South should cherish its hallowed associations with the past and should move forward as a unit toward the solution of its present problems. It is a poor man who does not love his homeland and its people, or who lacks in devotion to the best interests of the land that gave him birth.

SHOULD BE A SYMBOL

It is equally right and proper that the Mason and Dixon's line should be as it is today, a symbol rather than a line of demarcation. Traffic, commerce, culture—all ebb and flow across it uninterrupted. No good-will ambassadors are needed to maintain friendship between the people on the north and the people on the south.

That friendship is built on a sounder basis than diplomatic exchanges ever could make possible. Different as they may be in tradition and background, North and South are united with the strongest of all ties—the ties of blood, common interest, and mutual need.

You have paid me great honor in inviting me to address you this evening. I am deeply grateful for the opportunity you have afforded me, particularly so since I feel you regard me as neither northener nor southerner. Living so close to the line that divides the two, understanding both through my visits to the Northern and Southern States, I speak to you not as an ambassador of good will but simply as a friend.

I feel that swiftly changing methods of transportation have brought all the States into closer relationship, and have made our mutual needs greater than ever before. When transportation was slow, single States formed almost independent economic units. Today, when airplanes span the continent from dawn to sunset, we move toward greater national unity. With that come greater national problems.

In the solution of those problems, the South has played a distinguished part and promises to play a far greater part in the days to come.

First, because of its heroic self-reliance, it has met and is meeting the problem of changing times, changing economic conditions. There is no doubt that the South suffered, and suffered terribly, through the swift evolution of our new machine age.

What I do want to point out is that the same united action, the same solidarity of the South, promises to be our salvation in the future.

I say that because the sectional tradition of unity which prevades the South—as well it might when we consider all that lies behind that tradition—that very tradition is the greatest strength of the South. And with that strength beside it, the South is powerful in the councils of the Nation. It speaks with a single voice, and that voice is the voice of Jeffersonian democracy.

GAVE US ROOSEVELT

The South, by giving us Franklin Roosevelt, gave us as well an enlightened concept of economic relationships. We realize today, more than ever before, that the States—every one of them, north, south, east, and west—stand or fall together.

This interdependence of the States intensifies our national problems. And it is to the South, which gave us Jeffersonian democracy, and which gave us Franklin Roosevelt, that we must look for solution. I say that because it has been the support of the South which has made our recovery measures possible, and with that same support we shall go forward to a solution of the grave problems that confront us today.

Our greatest danger, as I see it, is the terrible menace of the machine. Designed to be man's servant, in many ways it has been the curse of our civilization—simply because we have not yet learned to use it for the public good.

The machine has created two major problems. In the first place, it has tremendously increased unemployment. For example, not so long ago I had occasion to watch the Rust Bros.' cotton-picking machine in action. I realized how easily such a machine, once perfected, could destroy the entire economic balance of the South.

The second problem created by the machine is the concentration of vast wealth in a few hands. Wealth is power—both economic and political. That power, unwisely or greedily used, is a direct threat to the entire principle of democracy and a direct invitation to fascism or communism.

If our system of democratic government is to survive, we must have a great many little capitalists, not just a few big ones. To do that, we must curb predatory monopoly, must keep the doors of opportunity open for the little fellow.

The South traditionally has been the champion of the little fellow. It was a Virginian, George Washington, who forsook his landed estates to lead the struggling little colonies against the might of Great Britain.

If the South had given up and admitted defeat, the blight upon that rich land would have spread decay throughout the Nation. But the South had its pride. The South had its indomitable courage. The South was not beaten. It has met, and it is meeting, the problem of economic reconstruction. It is keeping pace with the Nation despite almost impossible obstacles. As a result, a new and greater South is rising today out of the ashes of depression—a vigorous, aggressive, potent factor in the life of our Nation.

UNSWERVING IDEALS

The South is rich in great traditions, and not least of these is the tradition of democracy. Through long years, and some of them dark years, the South never faltered in its devotion to the inspired ideals of Thomas Jefferson and to the party which he founded.

All America may well give thanks today for that devotion. Had it not been for the Solid South in the bitter days of 1932, when the dark forces of fascism and communism were gathering for a final assault upon our American liberties, who can say what course our Nation would have taken?

Was it not the Solid South, bulwark and Gibraltar of Democracy, that gave us Franklin Delano Roosevelt as President of the United States?

I need not tell you how that solid, united support of the South saved our Nation from destruction. All that is history.

It was another Virginian, Thomas Jefferson, who wrote the world's greatest charter of liberty for the little fellow, and founded the Democratic Party to fight the little fellow's battles.

It was Old Hickory Jackson, from Tennessee, who fought our country's first great battle against the despotism of intrenched wealth and special privilege. All through our history it has been the South, through the Democratic Party of Thomas Jefferson and Andrew Jackson, that has supported and defended the rights of the average man.

Today that tradition of human liberty is being upheld in our economic as well as our political life, and as always the South is in the forefront.

We are turning our eyes inward toward the solution of our problems at home. For that solution we need, above all else, peace. A great southerner today guards and maintains that peace in a troubled and war-ridden world—our great Secretary of State, Cordell Hull, of Tennessee. It was my proud privilege to serve under this most distinguished southern gentleman as United States Minister to Austria. His patient and far-seeing diplomacy has protected us from entangling alliances, established us as the "good neighbor" of our fellow men.

At the same time, pursuing faithfully the traditional Democratic policy, he has been steadily overcoming tariff barriers. Through reciprocal-trade agreements with nation after nation, he has opened the avenues of world trade for our people without disrupting our internal economy.

APOSTLE OF PEACE

In a world that grows increasingly bitter, with general conflict imminent, he is a patient and persistent apostle of peace and good will. While others talk of peace, Cordell Hull quietly maintains it through crisis after crisis. With the sad memories of another Memorial Day fresh in our minds, it is well that we can look to such a man as Cordell Hull to protect us from the bloody strife that today is racking all Europe.

There is no doubt that the barbarous conflict in Spain is today an ominous prelude to another world war. God grant that we may stay out of it. Our destiny lies elsewhere than on foreign fields; our duty and responsibility lie at home. Ours is the task of preserving and developing the great civilization we have created on the American continent. We have nothing in common with either communism or fascism, and they are the forces contending for power in Europe today.

Our course is clear. We must heed the warning of the Father of his Country against entangling alliances. We must support and uphold the good-neighbor policy, as laid down by President Roosevelt and exemplified by the diplomacy of Cordell Hull. That support is more vital today than ever before, because even now the propaganda for intervention is beginning to permeate our country. Once the die is cast, organizations of all kinds will arise to plunge us into the battle.

Every known method of persuasion will be used—including the inducement of profit. Let us resolve now, fervently and firmly, to let nothing on earth swerve us from our appointed path of peace.

It is easy enough to be a good neighbor when all is well. Let us prove we can be a good neighbor when our doctrine is put to the ultimate tests.

As I close, my friends of the Southern Society, let me bring you another message of peace, close to all of our hearts because of the hallowed memories it evokes. There is to be dedicated and unveiled in Pennsylvania a great monument, supporting an "eternal light of peace", which will burn forever as a symbol of peace and unity in our United States.

INVITES ALL TO REUNION

That dedication will take place upon the sacred ground of Gettysburg at next year's Nation-wide observance of the seventy-fifth anniversary reunion of the Blue and Gray.

Mrs. Earle and I are both proud that it fell to my administration to make provision for this reunion, she as a daughter of the Blue-grass State of Kentucky, and I as a Pennsylvanian.

The States of the South and the States of the North—and the Federal Government as representative of all the States—will join there in reverence for the memory of the men who fought and died, so sincerely and heroically, on that battlefield, and in honor of the living who will meet there.

May I, then, invite all of you here tonight, and all within the sound of my voice, to join with us on that great occasion, that we may rededicate ourselves to the great ideals of love of country and eternal peace.

REMARKS BY HON. ROBERT R. REYNOLDS INTRODUCING GOVERNOR EARLE

Mr. Chairman, members of the Southern Society, honored guests: One of the gravest problems confronting our people today is how we shall make use of the forces of Government in interpreting and applying new social ideas and attitudes which are on the way. We are truly in the midst of one of those eventful periods of transformation which we, as a people, have passed many times in building the greatest of all nations.

Fortunately, we face this problem at a time when there is a high degree of national understanding. Our ramparts for defense against the enemies of progress are well built. Our guns are loaded and sighted on those who seek to preserve the old order—an order in which profit at the expense of the weak was the god of the economic strong. Our flags are unfurled and are flying.

Perhaps never before has our country been so free from sectional differences. Our 48 States and the District of Columbia are knitted together, along with our Territories and insular possessions, in a great desire to make of these United States all that our founding fathers intended.

True, we are faced with many conditions that are essentially local in character. But there is universal sentiment for giving first thought to the common good of all our people. It is living proof that the spirit of '76 still lives in this crucial year of '37.

I spoke of national understanding. It is based on widespread knowledge of the widening gap between numbers and wealth, between power and responsibility. It is founded on the knowledge that as we come closer to technical efficiency we are getting further away from social and economic security for those displaced by machines. It rests on realization by our people that there must be popular control over the great leviathan of government. It has developed from a great appreciation for the need of a reasonable balance between the center and the circumference—between national unity and local self-government. And this national understanding is evidenced in no better form than the current demand for action that swells from the throats of our citizens.

Tonight we are fortunate in having with us a man who understands fully the conditions with which we are confronted. He comes to us from a State that has contributed much to the making of these United States. He comes from a State that has gloriously marched ahead as one of the United States. He comes to speak to you with a heart that is warm for the South, of which we are so proud and as evidence of his appreciation of our own beloved southland. When shortly after he had reached the age of maturity, he began to cast his eyes over the face of the universe in search of a mate for life, those eyes finally rested and feasted themselves upon a fair flower of the State of Kentucky, noted for its growth of feminine beauty, and from that State he selected his desired life's mate, who accompanies him here tonight. And, my friends, he arrives at a time when the North, the South, the East, and the West are united and when the true statesman owes allegiance to all.

It is my pleasure now to present to you Gov. George H. Earle, of Pennsylvania.

Isaac Ingalls Stevens

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, June 3 (legislative day of Tuesday, June 1), 1937

ADDRESS OF HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON, AT THE MEMORIAL EXERCISES HELD UNDER THE AUSPICES OF THE DISTRICT OF COLUMBIA GRAND ARMY OF THE REPUBLIC, AT BATTLEGROUND NATIONAL CEMETERY, ON MAY 31, 1937

Mr. BURKE. Mr. President, I ask unanimous consent that there be inserted in the Appendix of the RECORD an address on the life of Isaac Ingalls Stevens, delivered by the junior Senator from Washington [Mr. SCHWELLENBACH] at the memorial exercises held under the auspices of the District of Columbia Grand Army of the Republic at Battleground National Cemetery, Brightwood, D. C., on May 31, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I ask your indulgence today that I may be permitted to substitute for the usual Memorial Day oration a brief talk on the life and the accomplishments of Isaac Ingalls Stevens. It seems but natural that I should make this substitution. We meet today at the site of Brightwood Cemetery. Here lie the bodies of those brave men who, in July 1864, gave their lives that the Capital of their Nation might be protected. The place of that defense was Fort Stevens, just a few rods from here. This fort was given its name in commemoration of the bravery of the man about whom I wish to speak, Maj. Gen. Isaac Ingalls Stevens, whose life was sacrificed upon the altar of his country's cause in the near-by town of Chantilly, on September 1, 1862.

While General Stevens' claim to the right to rank among America's military immortals comes from his sacrifice and death, he holds a place in the hearts of the people of the State of Washington for his services during times of peace. He was the first Territorial Governor of the State, which I represent in the Senate of the United States. Meeting here today at the very threshold of the historic site, which our Government had honored with his name, it seems to me but fitting and proper on this Memorial Day that I should discuss his life.

With his New England Revolutionary forebears it was but natural that Isaac Stevens should be a military man. His ambition as a youth was to serve his Nation in its military forces. He sought and received appointment to the academy at West Point. So diligent was he with his efforts and so efficient was he in his work that upon graduation from the academy he won the coveted distinction of being the ranking member of his class. This carried with it the privilege of selection of the service with which he might choose to affiliate. He chose the Engineering Corps, and on July 1, 1839, at the age of 21, took his oath as a second lieutenant of engineers. The first 8 years of his military life were

spent in the arduous and nonspectacular tasks of designing and constructing fortifications, which later became so important in the defense of the Union. His aptitude for this work is probably best demonstrated by the fact that within a period of exactly 1 year from the day he received his commission he was advanced to the rank of first lieutenant.

The next epoch in the life of this soldier came with the War with Mexico. He served in that war with the combat units. The nature and the character of that service may be best valued by the fact that he was twice breveted for bravery and gallantry in the service and returned to Washington with the brevet rank of major. He also brought back with him from the war a severe wound, which pained and inconvenienced him for many years.

It was at about the time of Major Steven's return to Washington that Prof. A. D. Bache, Chief of the United States Coast Survey, was seeking an assistant in charge of the Coast Survey office. Professor Bache had at his command for selection the whole of the Engineering Corps of the United States Army. He selected Major Stevens. During the years immediately following, the work of Major Stevens consisted in cooperating with Professor Bache in the establishment and the perfection of that important function of our Government. Among other duties involved in his position was the joining with Professor Bache for the securing of funds from Congress for the consummation of this work. In other words, even in those days it was necessary for Government officials to lobby with the committees of Congress in order to secure appropriations. During the course of the work Major Stevens wrote a letter to his wife, which to such an extent delineates his character and makes it more understandable that I want to read that letter to you.

"The professor is in one respect a most skillful manager, but his skill consists in his perfect directness, truthfulness, disinterestedness, and good temper. He is perfectly frank and open. Such men have most influence with all men of sense, whether Members of Congress, or men in official station, or in private life. This is the secret of his getting along so well. You know I have always insisted that such a course was the most sure and reliable. You stand on solid rock, and nothing can move you when you cast aside all intrigue and low cunning, and pursue an open, truthful, manly course. Cunning men cannot cope with you. This is my experiece."

The year 1853 opened up to Isaac Ingalls Stevens a new ambition and a new opportunity. In March of that year, Congress formed the new Territory of Washington out of the northern half of what was then Oregon. It consisted of an area larger than New England and New York combined. A mere handful of white Americans inhabited the Territory. It was rich with resources and surfeited with possibilities of development. To a young, ambitious, courageous, military engineer, it offered a field for a career of accomplishment seldom conceived of even in the dreams of the most ambitious. Major Stevens applied for appointment as Territorial Governor. He fully realized the dangers and the hardships and the privations incident to such service. He realized the dangers and the hardships and the privations incident to such service. He realized that for the time, at least, it meant leaving his family behind him. Such was his record and so outstanding were his accomplishments that though he was but 34 years old, he was appointed by the President and confirmed by the Senate on March 17, 1853. It was with regret that he resigned from the Army, but at the same time it was with a firm belief that the new tasks involved dangers and opportunities which far exceed those of military life.

The office of Territorial Governor of Washington State carried with it two ex-officio duties. One was the superintendency of Indian Affairs in the new Territory, and the other was the making of a reconnaissance survey from the headwaters of the Mississippi to the tidewaters of Puget Sound.

So stupendous were the difficulties involved in the latter task that it alone would have challenged the ordinary man. It was necessary for Governor Stevens to traverse and explore a primitive domain 2,000 miles in length and 250 miles in breadth. The area included 1,000 miles of arid plains and two great mountain ranges. The area was unexplored, and within it were powerful, unfriendly, warlike tribes of Indians. The task which Governor Stevens undertook included the examination of mountain passes, the accumulation of all possible information concerning the geology, climate, flora, and fauna of the region, as well as the acquisition of all possible information concerning the natural customs, habits, and traditions of the Indian tribes occupying the area.

Immediately upon his appointment, Governor Stevens commenced his task, assembling a group of officers and scientists to proceed with this work. He enlisted the services of soldiers, geologists, astronomers, zoologists, and botanists, surgeons, and naturalists, and within a month started out for St. Paul to begin the expedition. He left Washington on May 9 and on June 7 the party proceeded from their camp at St. Anthony on their westward journey.

I do not propose to discuss in detail the dangers and vicissitudes with which that expedition was confronted. The valleys of two great rivers were traversed—the Missouri and the Columbia. Two mountain ranges were pierced. To me it would seem sufficient in evaluating the success of the expedition to call attention to the fact that the notes and the surveys of this reconnaissance expedition were so detailed and so accurate that they were later accepted in their entirety by the engineers of two great transcontinental railroads in the construction of the Northern Pacific and the Milwaukee Railroads to the Pacific coast.

Governor Stevens arrived at Olympia, the capital of the Territory on November 25, 1853. It was a wild country, untouched by civilization and with a scanty white population, which was sparsely sprinkled over its immense area. For example, in western Washington there were only 3,965 settlers. With his customary energy the Governor launched into the task of organizing the Territorial government. He issued the necessary proclamations, established election districts, ordered an election for Territorial legislature and a delegate to Congress, fixing January 30, 1854, as the day of the election, and he summoned the legislature to meet at Olympia on February 28. He visited the various parts of the Territory and made a survey of the assets of the Hudson Bay Co., which company he gave until July to wind up their business in the Territory. The legislature met and in the first session adopted a code of laws, provided for a school system, made a grant of land for the State university, laid the plans for the building of roads. By the conclusion of the session of the legislature, the government of the Territory was completely and firmly established. Then, on March 26, Governor Stevens proceeded to the Capital City of Washington, made his reports to the officials of Government, and returned to Olympia with his family.

Probably the most important work done by Governor Stevens was that of conducting councils with and signing treaties with the various Indian tribes of the Territory. These councils were held in the various parts of the Territory. With patience, frankness, and firmness, Governor Stevens succeeded in securing the signatures of the chiefs of the 10 leading tribes of the Territory. As an example of the fairness of these treaties, I need but call your attention to the fact that today here in the city of Washington there is under consideration a suit on behalf of the Indians of western Washington, in which those Indians are basing their rights upon the treaties entered into by them with Governor Stevens. These treaties were sent to the Senate of the United States for ratification. There they met with delay and dilatory processes. It was unfortunate that most of the time during the remainder of Governor Stevens' term as Governor was spent in conducting defense warfare against these Indian tribes which had become justifiedly impatient with the failure of the Government here to ratify those treaties and to insure to the Indians the carrying out of the just provisions which had been provided for their protection by the Governor of the Territory.

It was the failure of the Delegate to secure this ratification, which led Isaac Stevens in 1857 to place himself before the electorate of the Territory as a candidate for delegate to the National Congress. On July 13 of that year he was elected and resigned as Governor on August 11. During the fall of 1857, with his family he proceeded to the National Capital. By March of 1858 he had convinced the Senate committee as to the necessity and desirability of ratifying the treaties. On March 8, 1859, the treaties were ratified and confirmed by the Senate and the debt which he had created in the defense against the Indians was assumed and paid by the Federal Government.

It was during these days that there formed over the Nation the darkening and ominous clouds of threatened civil war. Stevens was out in the Territory during the spring of 1861 when those clouds finally burst and Sumpter was fired upon. He hurried to Washington to make offer of his sword and his services to the Government from which he had received his military education. He was assigned the post as colonel of the Seventy-ninth Highlanders.

For many years in New York City there had existed a battalion composed of Scots, or men of Scottish lineage. They wore the kilt as their uniform, and they called themselves the Highland Guard. At the outbreak of the war they were recruited to full regimental strength, and on May 14, 1861, entered the Federal services as the Seventy-ninth Highlanders, New York Volunteers. The regiment suffered disastrously at the first battle of Bull Run, losing 198, killed, wounded, and missing, including 11 officers. Their colonel was killed in action, and the regiment was brought to a camp on Meridian Hill and promised by the Secretary of War that they would be sent to New York for recruiting and recuperation. Weeks went by and no further orders were received. The Secretary permitted his promise to be disregarded, but no notice of revocation was given to the regiment. Finally, on August 10, Colonel Stevens was ordered to take the men and prepare the regiment for duty. The promises made to the regiment had been so ruthlessly broken and their personal welfare so carelessly neglected, that rebellion ensued in the ranks of the regiment. Colonel Stevens visited the companies and argued with the men. They refused to obey orders. For several days efforts at amicable settlement were made by the colonel. They were of no avail. Finally the Highlanders were surrounded by Regular troops with guns trained upon their camp. Colonel Stevens addressed them as follows:

"I know you have been deceived. You have been told you were to go to your homes, when no such orders had been given. But you are soldiers, and your duty is to obey. I am your colonel, and obedience is due to me. I am a soldier of the Regular Army. I have spent many years on the frontier fighting the Indians. I have been surrounded by the red devils, fighting for my scalp. I have been a soldier in the War with Mexico, and bear honorable wounds received in battle, and have been in far greater danger than that surrounding me now. All the morning I have begged you to do your duty. Now I shall order you; and if you hesitate to obey instantly my next order will be to those troops to fire upon you. Soldiers of the Seventy-ninth Highlanders, fall in!"

Silently and sullenly the men of the Seventy-ninth Highlanders fell in. Their regimental colors were taken from them and the regiment marched into camp on Kalorama Hill, a mile from Chain Bridge. In the evening of the 6th of September the regiment crossed Chain Bridge to the south side of the Potomac and took up position on the left of Arlington. The work of the next few days was that of felling forests and digging forts. On the 11th of the month, the regiment was engaged in the capture of Lewinville and conducted itself with such gallantry and bravery that its colors were restored. Colonel Stevens had no further trouble with his Scotch regiment. The only indications of rebellious spirit on their part came a few months later when Colonel Stevens had received his commission as brigadier general and was taken from his Highland regiment and ordered to report at Annapolis; but he promised these men, who in the beginning he had been compelled to threaten with death, that he would send for them. He kept this promise and on the 18th of October the regiment of Highlanders joined with the other regiments in General Stevens' brigade. The brigade effectively functioned during the next year and finally on August 5, 1862, joined the forces of General Pope at Fredericksburg and participated in the second disastrous Battle of Bull Run. As Pope's defeated armies were retreating from that engagement along the Warrenton-Alexandria pike, with Longstreet's victorious forces battering at their rear, Gen. Phil Kearney was ordered to throw out a flank protection, but met with an onslaught from Jackson's flanking march; and General Stevens, who had been ordered by Pope to protect the rear, answered the imploring requests of runners from Kearney's command, that he proceed into Chantilly to protect Kearney and his men. Without hesitation Stevens called upon his Highlanders to follow him into Chantilly. He was too late to save Phil Kearney. The troops were under a withering hail of bullets. Five color bearers of the Highlanders had fallen in succession and the colors were on the ground. Seizing the colors, which meant so much to the Scottish troops because they had been deprived of them, General Stevens led his Highlanders forward against the enemy line. They repulsed it and the long line of Pope's defeated army passed along the pike in safety. The army had been saved, but at the end of the day under the cover and safety of darkness when men could dare to enter the field to pick up their dead and wounded, they found lying near the fence the lifeless body of Isaac Ingalls Stevens, his head pierced by a bullet and his body covered by the colors of his beloved Highlanders. At the age of 44 years, on September 1, 1862, he died. His Government attempted to pay him honor by giving to him the rank of major general and dating it back to July 4. It was announced that had he lived he would have become commander of the armies in Virginia. Of him the following was anonymously written:

"He fell—that glowing eye
In sudden night was quenched;
But still the flag he lifted high,
And onward bore to victory,
In his dead hand was clenched.

"He sank—but o'er his head
The drooping ensign fell,
As if its folds it fondly spread
Above the forehead, pale and dead,
Of him who loved it well.

"He sleeps—unlock that clasp!
The hero's work is done!
Another hand that staff shall grasp,
And, if need be, till life's last gasp,
Like him shall bear it on.

"He rests—the true and brave!
And where his relics lie,
In holier beauty long shall wave,
Fit canopy for freeman's grave,
God's starry flag on high.

"He lives—his deeds inspire
New strength for duty's strife;
Now myriads burn with nobler fire
Onward to press—to mount up higher
And win the eternal life."

Administration of W. P. A.

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, June 3 (legislative day of Tuesday, June 1), 1937

ARTICLES FROM THE CHARLESTON (S. C.) COURIER AND JOURNAL AND THE MEMPHIS (TENN.) COMMERCIAL-APPEAL

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD articles from two of the leading newspapers of the South, one from the Charleston (S. C.) Courier and Journal of the issue of June 1, 1937, and the other from the Commercial Appeal, of Memphis, Tenn., of the issue of May 29, 1937, having to do with the administration of the W. P. A.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Charleston (S. C.) Courier and Journal of June 1, 1937]

NONE OF THE PUBLIC'S BUSINESS!

Aubrey Williams, Acting Administrator of the P. W. A., bears out what the News and Courier has said that in the viewpoint of bureaucrats their spendings are none of the public's business albeit the public supplies the funds which are scattered.

Here is Mr. Williams' answer to a United States Senator, RUSH HOLT, of West Virginia:

"We have not made it a practice to give out information concerning the individual salaries and addresses of employees except those in a position to formulate policy or direct major portions of the operations. We have felt that the public should have no legitimate interest in such information and that its release would very probably result in those persons being subjected to solicitation from salesmen and the gossip of neighbors."

Federal bureaucrats insist upon knowing all about private financial affairs. They have exposed to the public the salaries of American citizens and "very probably" subjected them "to solicitation from salesmen and the gossip of neighbors." Private citizens must have no secrets from Federal bureaucrats, in the official viewpoint, but the public records of these bureaucrats are none of the public's business!

It is not likely that Senator HOLT will take this impertinent answer sitting down. He is a young man with political courage. He speaks plainly when he chooses. He has an opportunity to speak plainly about the insolence of Aubrey Williams in telling him that the record of spending by a Federal agency is none of his business. One shall be disappointed if Senator HOLT does not press his advantage.

There is no question that Aubrey Williams is right in his opinion that "release" of the names and addresses of Federal salary beneficiaries would result in gossip by neighbors. Mr. Williams probably understands that this gossip would be in the public interest, for it would give the public an opportunity to decide for itself whether the bureaucrats should be supported by government.

Senator HOLT has failed where the News and Courier has failed, for this newspaper has declared itself ready and willing to publish the names and addresses of salary receivers who are given $100 a month and upward. It is the fault of the American Congress that a Senator should receive so impertinent an answer from a creature of government, for the Congress waived its own powers in the establishment of the W. P. A., the P. W. A., and other spending agencies. The creature thinks itself greater than its creator.

When Aubrey Williams tells a Senator that a bureau does not have to tell the public how the public's funds are being disbursed, he is telling that Senator to crawl into a hole and to close the hole after he enters. He is telling the Senator that a public servant is not required to account to the public which should be the master. Of such stuff are bureaucrats made.

Senator HOLT has been challenged to do his worst. If his colleagues in the Senate choose to put patronage of their own supplying before their unquestioned right to know about spendings to the last item, Senator HOLT will be halted—and humiliated. With its itch for investigation, the Senate should proceed to investigate the spending bureaus it has created. There being no politics in the spendings the bureaucrats, including Aubrey Williams, should court a searching investigation.

[From the Memphis (Tenn.) Commercial Appeal of May 29, 1937]

IN WASHINGTON WITH GEORGE MORRIS

HOLT VERSUS RELIEF

WASHINGTON, May 28.—Senator RUSH HOLT, of West Virginia, is an example of what happens to a Democratic Member of Congress when he finds himself in conflict with the Relief Administration. He has been shorn of his patronage, and faithful Members avoid him as they would contamination with something unclean.

Senator HOLT is not only objectionable because he suggested that relief was administered in his State for political ends but for the further reason that he refused to vote as directed by the labor organizations of his State. That, of course, made him a pariah and an outcast.

Technically, one Senator is as important as another. Each Senator has one vote and each State has two Senators, charged with responsibility to promote the welfare of the country. In other words, a Senator is a Senator and, if elected by the people, he is presumably satisfactory to them.

A Senator's colleagues may give him a back seat, place him on inconsequential committees, reject whatever he proposes, and kick and cuff him around generally, but he is still a Senator for all that. Acting upon his authority as a Senator and with the responsibility assumed when he took office, Senator HOLT telephoned a request to the Relief Administrator asking for "names, addresses, and salaries of persons holding supervisory or administrative positions in the W. P. A. in West Virginia."

Aubrey Williams, acting administrator, replied that "we have not made it a practice to give out information concerning the individual salaries and addresses of employees except those in

position to formulate policy or direct major portions of the operations."

The information Mr. Williams generously agrees to give Senator HOLT is already known to the public. There is no secret about who is State director of W. P. A., or who are charged with different branches of its operation. On the contrary, the policy is to give them all publicity possible, and prove by ex-parte evidence what excellent, constructive, and permanent work they are doing; how economically projects are constructed and what a whale of a job they are doing to save money for the taxpayers.

But lesser executives are required to have a passion for anonymity. What they receive and what they do is nobody's business, and least of all it is none of Senator HOLT's business. He has not cooperated with the W. P. A. and it isn't going to give him any information, United States Senator or not.

It is not necessary to hold a brief for Senator HOLT to conclude that the supercilious attitude of Mr. Williams toward a Senator is a fair but glaring example of how the W. P. A. looks down upon a Member of Congress who has the temerity to inquire into the operation of its private business. "The public", Mr. Williams continues from his lofty heights, "could have no legitimate interest in such information."

In all probability Mr. Williams' contempt for the public, which is equaled only by his contempt for a Senator who made a polite inquiry, is basically unsound. The taxpayers of the country are manifesting belated interest in the waste and extravagance that is making a distinct impression on their pocketbooks.

Mr. Williams is one of that shiny-eyed group of social workers that Harry Hopkins has attracted to himself as kindred spirits with a fanatical desire to spend. The public didn't put him in the office he holds. He was never elected to any office. He is a miniature dictator who probably doesn't believe in elections and has a contempt for anyone who takes the time and trouble to be elected.

Furthermore, Mr. Williams wrote Senator HOLT, with reference to the inquiry regarding those holding executive positions, such information very possibly would result in these persons being subjected to "the gossip of neighbors."

Gossip, Mr. Williams implies, is something to be avoided, and the best way to prevent it is to keep a scandal secret. If the public is not permitted to know what is going on and the information is kept from Senators, there couldn't possibly be anything for neighbors to gossip about. The business of a Senator, according to the instructions given Senator HOLT by Mr. Williams, is to vote a relief appropriation of $1,500,000,000 and ask no questions. Mr. Williams, acting administrator, is running this country, and how he runs it is nobody's business.

The Relief Bill

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

Mr. FORAND. Mr. Speaker and ladies and gentlemen of the House, the relief bill before us today is to my mind one of the most important bills to come before the Congress during this session.

The relief of destitution is a very serious matter and while Federal relief under the various agencies of the Federal Government during the past few years has done much to alleviate suffering and to reduce unemployment, it has not yet done a complete job.

It is impossible for anyone to know today the exact number of persons who are employable but who cannot find jobs. It is not possible to say definitely today the number of persons who are receiving relief. But it is an accepted fact that Federal aid must be continued for some time to come to enable thousands of families to keep body and soul together, and for that reason I shall vote for House Joint Resolution 361, making appropriations for relief purposes in the amount of $1,500,000,000.

It was my intention to vote for the earmarking of $300,000,000 of this sum for P. W. A. I believe that the Federal Government has a moral obligation to provide funds for the many projects sponsored by States and municipalities for which applications have been approved by the Public Works Administration.

These projects were submitted in good faith by the sponsors at a time when the P. W. A. was accepting such projects but allocation of funds for these projects was held up because of the President's Executive order.

However, we now have the assurance of the leaders of the House that the President has agreed to withdraw his Executive order and permit the expenditure of $131,000,000 left in the P. W. A. revolving fund to be used on projects for which bond issues have been voted and for schoolhouses.

In view of the fact that this money will be available to discharge this moral obligation of the Federal Government and with the further assurance that the life of the P. W. A. will be extended in a bill soon to be reported to the House, I shall not vote to earmark any of the funds in this bill but shall cast my vote for the $1,500,000,000 for relief purposes to be allocated as the President sees fit.

Memorial Day Eulogy

EXTENSION OF REMARKS
OF
HON. J. BUELL SNYDER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

ADDRESS OF HON. J. BUELL SNYDER, OF PENNSYLVANIA, BEFORE THE MEMORIAL DAY AUDIENCE AT BERLIN, SOMERSET COUNTY, PA.

Mr. SNYDER of Pennsylvania. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include the following address which I delivered on Monday, May 31, 1937, at Berlin, Pa., before the Memorial Day assemblage of that community, to wit:

Ladies and gentlemen, Decoration Day was born in the South. Two years after the close of the War of the Rebellion a New York paper published an item concerning the strewing of flowers over the graves of both the Confederate and the Union soldiers by the women of Columbus, Miss. Francis Miles Finch caught the inspiration of their act and embalmed its spirit in his poem, The Blue and the Gray:

"By the flow of the inland river
Whence the fleets of iron have fled,
Where the blades of the grave grass quiver,
Asleep are the ranks of the dead.
Under the sod and the dew,
Awaiting the judgment day;
Under the one the Blue,
Under the other the Gray.

"No more shall the war cry sever,
Or the winding rivers be red;
They banish our anger forever
When they laurel the graves of our dead.
Under the sod and the dew,
Waiting the judgment day;
Love and tears for the Blue,
Tears and love for the Gray."

In May 1868 Gen. John A. Logan, commander of the Grand Army of the Republic, issued an order setting apart May 30 as a day for decoration by the Grand Army of the graves of comrades, and now that day is a legal holiday in nearly every Northern State.

In keeping with the spirit which animated the survivors of the greatest tragedy in American history, and to perpetuate the memory of those who fell and do honor to the unselfishness that placed service to others above all else in life, we meet in this historic environment today. The grass of forgiveness, but not forgetfulness, has grown over the scars of battle on the face of our beloved country, and it is appropriate that we, in whose hearts forgiveness has long since banished hatred, should see that forgetfulness is never permitted to banish from the heart and mind of America the love of country and loyalty to conviction which dominated those heroic dead in memory of whom we meet today.

To the ranks of those heroes of the War between the States who have taken their place on "fame's eternal camping ground", have been added the thousands who made the supreme sacrifice in the War with Spain and in the world catastrophe; and on Decoration Day, America, standing with bowed head in the presence of the throng of countless dead who gave their lives for their ideal, merges their individualities into the personality of an American soldier, and reverently says of him:

"As a perfume doth remain
In the folds where it has lain,
So the thought of you remaining
Deeply folded on my brain,
Will not leave me.
All things leave me,—
You remain."

Wars differ in method, strategy, equipment, armament, but the spirit of war knows no change. From time immemorial to the present day a ghastly horror of war has appalled the heart of humanity. What was true of war when those we meet in memory of is true of war today and will be true of war when, if ever, your son and perhaps your daughter is called upon to "pass under the rod." Always War has said, always War will say:

"I am War. The upturned eyeballs of piled dead men greet my eye.
And the sons of mothers perish—and I laugh to see them die—
Mine the demon lust for torture, mine the devil lust for pain,
And there is to me no beauty like the pale brows of the slain!

"When I speak the centuried towers of old cities melt in smoke,
And the fortressed ports sink reeling at my far-aimed thunder strokes;
And an immemorial empire flings its last flag to the breeze,
Sinking with its splintered navies down in the unpitying seas.

"Pagan, heathen, and inhuman, devilish as the heart of hell,
Wild as chaos, strong for ruin, clothed in hate unspeakable—
So they call me—and I care not—still I work my waste afar,
Heeding not your weeping mother and your widows—I am War!"

Today is the day of the soldier. The day when America listens, and the American soldier, "being dead, yet speaketh." Foremost among the lessons he imparts is the insanity of war—the glory of peace. More and more as the ingenuity of man provides more rapid transportation and communication, more devastating implements of death, more powerful agents of destruction, the voice of those who fed the flames of war's conflagration in the past thunder denunciation of war and thrill the heart of humanity with hope of a world at peace.

All of the golden-tongued orators of all the ages, all of the masters of logic of all lands, all of the pens of poets and masters of prose, all of the inspired brushes of all the artists who have graced the canvas of the world, all of the imagery wrought in bronze and marble by the great sculptors of the race sink into silence in comparison with the eloquence of the garlanded graves that mark around the world the resting places of brave men who died in war.

If these dear dead shall not have died in vain, if their supreme sacrifices bear the fruit the value of the sowing should insure, then from every hallowed grave where sleeps an American soldier, known or unknown, today, from every place where Americans meet in memory of their heroic dead, the heart of humankind will swell with hope of the dawning of a day of peace on earth, good will to men.

Those who sleep beneath our flowers or whose memories are baptized anew with our tears are cold in death, but their graves will be transfigured into mounts of resurrection when war shall be no more. They died, but they did not fail. They must not fail. Under their leadership the grim phantom of war must ultimately be driven back into the caves of darkness and the angel of peace bring happiness to all mankind.

They died, but in death they will be the victors:

"Speak, history! Who are life's victors?
Unfurl thy long annals and say.
Are they those whom the world called the victors,
Who won the success of a day?
The martyrs or Nero,
The Spartans who fell at Thermopylae's tryst,
Or the Persians and Xerxes;
His judges or Socrates,
Pilate or Christ?"

So, my countrymen, I join with you today, not in sorrow with the defeated, but in rejoicing with the victors, and so deeply envious am I of their good fortune in the part they were permitted to play that I am determined to share in the glory that shall be theirs by making every effort in my power to see that war shall be no more. It is a glorious challenge they fling to us from their graves. Let us, with hearts grateful for the privilege, take the torches from their hands and carry on until war shall be unknown.

Randolph Perkins

MEMORIAL ADDRESS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

Mr. THOMAS of New Jersey. Mr. Speaker and Members of the House of Representatives, it is my privilege to pay tribute today to the memory of one of New Jersey's favorite sons, the late RANDOLPH PERKINS, who for many years represented the Seventh Congressional District of New Jersey in the House of Representatives. It is also my honor to have known Mr. PERKINS intimately for most of this time. We were neighbors and friends, and during all the years of our friendship I found him to be a man devoted to his family, and to his country, one who untiringly and without complaint spent his life in an effort to make the lives of others more happy and contented. He possessed in a higher degree than I have seen in most people an ability to understand and appreciate his fellow man.

Everyone who knew him, no matter how slightly, felt him a friend. His tact, his good fellowship, his humor were proverbial. He knew when to laugh and when to be solemn. In all matters of large or small importance he was ready and willing to aid those who sought his help. He was an indefatigable worker and never tired in his efforts for his constituency, and this was the secret of his long incumbency as a Congressman.

Before coming to Congress, however, RANDOLPH PERKINS was active in both municipal and State political affairs and in many civic enterprises. While in the New Jersey State Legislature he was very active in all of the movements for the establishment of educational institutions in New Jersey. It was during one of his terms in the New Jersey Assembly that he introduced and was successful in having passed what has come to be known as the Perkins Act, which act has done so much to benefit the public schools throughout our great State.

Mr. PERKINS was diligent, industrious, and thorough in his work in Congress. He served on a number of important congressional committees; had been chairman of the Committee on Coinage, Weights, and Measures; and at the time of his death was ranking member of the important Committee on the Judiciary.

When I was selected by my party to stand for the vacant seat of RANDOLPH PERKINS I felt the honor keenly. It was more than being selected to run for Congress. It was being asked to succeed one of the ablest men in our country, and in this spirit I accepted the honor. It was the prestige and position of my distinguished predecessor which has so greatly benefited me. I know well that it was because of the love of Mr. PERKINS' colleagues for him that I was made particularly welcome in the Halls of Congress.

After being here these 5 months I know that the memory of RANDOLPH PERKINS will always be alive, both in Congress and at home. The memory of his lovable and capable personality will ever be among us. That memory should be an inspiration not only to the thousands of people who knew him intimately but also to the thousands of others who are to follow in his footsteps.

Sending Relief Administration Back to the States

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. LUDLOW. Mr. Speaker, I voted today for the proposal of the gentleman from New York [Mr. BACON] to send the administration of relief back to the States. I believe the House made a big mistake when it failed to adopt Mr. BACON's proposition to recommit the relief bill so as to transfer the administration of relief from a vast set-up headed in Washington to the State and local authorities, who are in direct touch with the relief problem in their various States and communities.

The Federal Government should get out of the relief business as soon as possible and Mr. BACON's motion offered a sane and practicable way to accomplish that purpose. It is

to be regretted, I think, that only 79 Members of the House voted for his motion and 296 voted against it.

Mr. BACON's proposal would not have diminished by one cent the amount of the Government appropriation to be spent for relief during the next fiscal year. In fact, by eliminating the Washington overhead it would have made the relief appropriation stretch much farther than otherwise will be possible. It provided that $1,500,000,000, the full amount agreed upon for that purpose, should be appropriated, but it removed Federal agencies from the equation and left the administration of each State's proportionate share of the relief fund to the State and local authorities in that State.

In other words, the Bacon amendment, if it had been adopted, would have withdrawn the Federal Government from the administration of relief. Under the plan proposed, each State would have been free to decide on the character of the relief to be administered within its borders, whether it should be direct relief or work relief, or some other method of restoring employment.

Only the direst distress caused by the depression ever justified the Federal Government in taking over relief in the first place. With the return of better times the task should be transferred to the States and cities, where it belongs, and what the Bacon amendment attempted was a start in that direction. Ultimately the Bacon amendment, or something similar to it, must prevail, if this problem is ever to be solved along sound and constructive lines.

I do not approve the criticism that has been heaped upon Harry L. Hopkins, the Works Progress Administrator. As a member of the deficiencies subcommittee of the Appropriations Committee I have come into close contact with him. I have found him to be a very zealous and earnest official, the soul of honesty and honor, and I think it is one of the phenomena of modern times, reflecting great credit upon him, that the staggering sums spent under his direction have been administered without any taint of scandal and corruption. When the history of this period is written it must be said of Mr. Hopkins that he has been a faithful and honorable public servant.

That much must be admitted by any honest critic. But to say that the Works Progress Administration, with its great bureaucratic and cumbersome overhead and its enormous salaried personnel, must be saddled on the American people forever is to belie sanity and reason. Who could possibly be better qualified to administer relief with the greatest satisfaction and the utmost economy to those unfortunates who need it than the local officials who live day by day with the relief problem at their very doors? As soon as possible relief administration should be shifted back to the States, with the Federal Government doing its part while the need lasts by contributing whatever amount may be necessary to supplement local revenues necessary to feed the hungry, clothe the naked, and alleviate dire distress. That is what the Bacon amendment proposed to do, and it is a pity that such a promising beginning of a real solution of this vexing problem should have had such a dismal ending.

Representative John McSwain

MEMORIAL ADDRESS
OF
HON. MILTON A. ROMJUE
OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN MCSWAIN, late a Representative from South Carolina

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, this day has been set apart as a day of tribute and respect to the memory of 15 Members of this body, all of whom have so recently passed on in answer to the last roll call. The arduous labor falling upon these men has been so diligently performed, without counting the cost to their health and own welfare, that like a mighty sickle it has mowed them down. Among them has gone the genial, able, energetic, and hard-working MCSWAIN.

JOHN MCSWAIN, who departed this life August 6, 1936, was a lovable character, honest, faithful, and trustworthy, and a man always ready to help his friends when he could do so. I do not believe his district in South Carolina has had a more loyal, able, or more dependable Representative than was JOHN MCSWAIN. I had an opportunity to know him well, as his office was located on the same corridor in the House Office Building as was my own, and I had occasion to meet and see him almost every day. After we had formed an acquaintance, after coming to Congress, I shall never forget his unfailing greeting: "How is my good friend today?" When we would have time to have a brief conversation on departing he would always say, "If there is ever anything I can do to help you, just let me know." When I did need help, as we all sometimes do in the passing of legislation here in which we are interested, he came to my assistance and actually made personal sacrifices, turning his energies to assist me and my constituents.

I believe Mr. MCSWAIN commanded the respect, good will, and confidence of every Member of the House of Representatives, and his passing from this body is a distinct loss, not only to his district and State but to the entire country. He literally worked himself to death. Undoubtedly, a man of his type, his energies, and his devotion to his duties must have left behind a host of friends who could not see a night too dark or a distance too great to help MCSWAIN if he were ever in need. He was of this type himself and must necessarily have commanded the strong friendship of many.

It was with great regret that I learned of his death, which came at a time during the recess of Congress. His service in the House of Representatives was marked by a very continuous devotion to the duties of his office. If there was any work or duties in connection with his office that needed attention, he never delayed—he got to it as quickly as he possibly could.

I count myself fortunate in having known him intimately as I did. He was always affable, pleasant, and vigorous, and he would be living today had he been able to stop and rest when nature called upon him to do so.

He was loyal, sincere, and firm, and blessed not only with ability but with a good portion of humor. I remember one day when sitting by him in the House he arose and asked permission to extend his remarks in the RECORD on the subject, The Battle of the Cowpens. As he sat down by me I said to him, "John, you did not go far enough." He looked at me seriously and asked me why and in what particular, and I said, "You should have coupled it with the Battle of Bull Run." He enjoyed this reference, as he was never too serious to enjoy a bit of humor.

His name will remain engraved in the memory of the people of his district in South Carolina as well as in the memory of his host of friends elsewhere. By honoring his memory we thus do honor to ourselves. In reality our friend is not dead; he has just passed into a higher life, and beyond a shadow of a doubt we shall meet again. The world is brighter and better because he has lived, and when I think of his passing I am reminded of a stanza from Crossing the Bar:

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark;
For tho' from out our bourne of time and place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crossed the bar.

On the Life, Character, and Public Service of Hon. Joseph W. Byrns, of Tennessee

MEMORIAL ADDRESS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 4, 1937

Mr. SMITH of Washington. Mr. Speaker, those of us who entered upon our service as Members of this body at the commencement of the first administration of President Franklin D. Roosevelt in 1933 have already served under three different Speakers of the House: First, the distinguished, scholarly, courtly Rainey, of Illinois; then the kindly, friendly, able BYRNS, of Tennessee, to whose memory we are paying loving tribute today; and we are now serving under our third Speaker, the tactful and resourceful Bankhead, of Alabama, whom we hope and trust may long continue to serve as our leader in that high office. The fact that in the short space of 4 years we have had three Speakers is evidence of the heavy toll the Angel of Death has levied upon the incumbents of that trying and exacting position in these crucial years in our history.

Speaker JOSEPH W. BYRNS was a man of the highest integrity, and his word was his bond, which, I feel, is the finest trait of character which any human being can possess. I mention this fact particularly because I had occasion in regard to a piece of legislation in which many of my constituents were deeply interested to receive his assurance as to what his attitude as Speaker would be concerning the course it would be permitted to take in the House. I know that efforts were afterward made to induce him to change his attitude, but he steadfastly refused to do so and kept faith with me once I had convinced him of the real facts and background behind that legislation and how the public interests would be affected.

On another occasion Speaker BYRNS promised his cooperation to a small group of Members of the House, of whom I was one, who were pressing for enactment of the legislation to restore the pensions to the veterans of the Spanish-American War. He kept his promise to the letter and extended to us the aid and cooperation which were necessary in order to bring about the passage of that meritorious and just legislation which meant so much to the grizzled veterans of that great Volunteer army who answered the call of the martyred McKinley. Of Speaker BYRNS it can be truthfully said that he was—

> Statesman, yet a friend of truth. Of soul sincere,
> In action faithful, and in honor clear;
> Who broke no promise, served no private ends.

JOSEPH W. BYRNS was a man of a deeply religious nature, although he seldom discussed the subject of religion and never made any pretensions to piety. We are informed by his loving wife, who survived him, that during all the many years of their blissful married life she never knew him to retire a single night without his first having knelt at his bedside and communed with our Heavenly Father in prayer and thanksgiving. This fact gives us the keynote in his splendid character and reveals the source of his daily strength and guidance through life on the pathway which led him to the high pinnacle of success which he finally achieved and the warm place which he won in the hearts and affections of his associates in this body and the people of the Fifth Congressional District of Tennessee, who kept sending him to Congress with increased majorities for a quarter of a century.

Late at night a year ago, after a hard, strenuous day in the House in the closing weeks of the session, Speaker BYRNS suddenly and quietly took his departure to his Lord's and our Lord's "house of many mansions."

> 'Tis hard to part when friends are dear;
> Perhaps 'twill cost a sigh, a tear;
> Then steal away, give little warning,
> Choose thine own time;
> Say not "Good night", but in some brighter clime
> Bid us "Good morning."

War or Peace

EXTENSION OF REMARKS

OF

HON. JOSEPH T. ROBINSON

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, June 7, 1937

ADDRESS BY HON. KEY PITTMAN, OF NEVADA, ON JUNE 3, 1937

Mr. ROBINSON. Mr. President, I ask that there be printed in the RECORD, as part of my remarks, a very interesting and instructive address, although very brief, on the subject of War or Peace, delivered by the Senator from Nevada [Mr. PITTMAN], chairman of the Committee on Foreign Relations of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The address referred to is as follows:

War or peace! No two words are more frequently uttered today; and the horror brought to mind by one and the hope inspired by the other confuse the minds of men.

Airplanes of the Spanish Government have bombed a German warship, with the destruction of many lives and with the wounding of many more of Germany's Nationals. German warships have bombed a peaceful town on the coast of Spain, with the loss of the lives of many noncombatants, defenseless men, women, and children. Both of these acts were violent acts of war. Who is to blame, our Government has not determined. In a grave matter of such character a great neutral, peace-loving Government like ours must act only upon conclusive facts ascertained through its own authoritative sources. Even when these facts have been clearly proven to the satisfaction of our own Government, its duty to its citizens and to other great neutral powers, and the spirit of neutrality and impartiality which it must at all times maintain both in word and deed, requires that it act with the utmost caution and deliberation.

There are resolutions that have been introduced in the United States Senate, referred to the Foreign Relations Committee, and which have been under consideration, that have for their purpose the urging of the President of the United States to declare that the German Government is in a state of war with the Government of Spain. If such declaration is made, it must follow that the President places in force and effect the Embargo Act against the Government of Germany. Such a judgment by our President, followed by such act as the law requires in aid of such judgment, is as grave an act as could be committed short of an overt act of war.

According to the press, which, of course, our Government cannot accept as authoritative in such a matter, the Spanish Government contends that the German battleship fired first upon her airships, and that the bombing of the battleship was in retaliation, if not in self-defense.

On the other hand, according to the press, the German Government asserts that her battleship was bombed first, without notice and without excuse, by the airships of Spain.

If the facts reported to be alleged by Spain are true, then the German battleship is guilty not only of a violent act of war but an unjustifiable and inhumane attack. If, on the other hand, the facts alleged on behalf of the German Government are true, then the bombing of the town in Spain, while a cruel act of war, is in accordance with the customs of war which are claimed to justify retaliation in such cases.

Is it not evident that our Government should not be influenced by hasty action by the clamor of excitable and thoughtless people, or by those actuated by prejudice against one of the parties to the unfortunate incident?

There are resolutions pending before the Foreign Relations Committee that have for their purpose the urging of the Congress of the United States to appeal to the President to declare that both the Governments of Germany and Italy are using their armed forces in Spain against the Spanish Government, and, therefore, are engaged in war with the Spanish Government; and that the President should, after making such proclamation, put in force and effect the embargo law against both the Governments of Germany and Italy. The press reports are so unanimous that we may

safely admit that soldiers who served in the German Army and the Italian Army are now serving in Spain with the insurgent forces and against the forces of the Spanish Government.

It may be also admitted that there are soldiers serving with the Loyalist Army—that is, the army of the Government of Spain—who were soldiers in the armies of Russia, France, Great Britain, and even the United States. We know that the American citizens who are serving in the respective armies engaged in war in Spain are not a part of the armed forces of the United States, and are, therefore, not under the control of the United States Government. Whether this same state of facts exists with regard to the nationals of other countries who are serving in one or the other of the conflicting forces in Spain we are unable to prove. These charges have been made time and again by the representatives of various European governments to the Committee on Nonintervention. And let us remember that this Committee on Nonintervention represents over 20 great neutral governments who are threatened by the spread of the Spanish War and are doing everything in their power to prevent the importation of arms, ammunition, and implements of war into Spain, and to prevent the nationals of other countries from entering Spain for the purpose of engaging in war on one side or the other in the conflict, and are even trying to have the nationals of various foreign countries now engaged in war in Spain withdrawn from that country. This committee has listened to the various charges made by Russia against Germany and Italy, and on the other hand made by Germany and Italy against Russia. The committee apparently has been unable to obtain sufficient proof that these foreign nationals are connected with the armed forces of their respective governments.

There is another resolution pending before the Foreign Relations Committee which has had some consideration. It proposes to amend the present embargo law by prohibiting the exportation of arms, ammunition, and implements of war to all countries, whether at peace or at war, except to South America when any republic there is engaged in war with a foreign country.

The proponents of this legislation urge that committees of the Senate now consider an act which will provide that substantially all arms, ammunition, and implements of war manufactured in the United States shall be under the operation and control of the United States Government. Whether this act will become law or not, it is evident that it will encounter great opposition, and it cannot be expected that it will be acted upon at this session of Congress. It is evident that if a law is enacted prohibiting the export of arms, ammunition, and implements of war that three-fourths of the demand for such manufactures will be instantly cut off. In that event such manufacturing institutions will necessarily have to reduce the capacity of their plants, ultimately abandoning three-fourths of such capacity. Unless we admit that an Army and Navy are not essential to the protection of our Government and the lives and liberties of our people, then it is our duty to prepare other supplies of such war materials before we destroy the private institutions that are now manufacturing them for our Government as well as for other governments.

While I believe that the Government of the United States can do much to keep out of foreign wars, I am unprepared to concede that the desire for conquest in the world is dead, that morality and justice are universal, and that there are not governments who today would not hesitate to conquer the United States and subject its people and its resources to their own demands if they were not afraid to attempt the undertaking.

The whole history of the world since the last great war proves this fact. Every effort at collective action of governments has failed. Our most sacred and important peace treaties have been ruthlessly violated. Conquests have been carried on on both sides of the world, and governments are preparing feverishly for another war. They are demanding raw materials; they are demanding territories in which to expand their colonization. They are giving no indications of desire to acquire them peacefully but are openly preparing to obtain them by conquest. So long as this spirit exists in civilized nations throughout the world, our Government would not only be foolish but would be negligent of its sacred duty if it did not prepare to meet any and every attack that might be made by foreign powers. We are a peacable people; we abhor war; we have done everything to maintain peace in the world and will continue to do so. We want it universally known and understood, however, that if necessary we will meet war with war and with such a force that we will win that war. It is only such preparation that protects a peaceful people against a warlike, brutal bully.

In any event, the conditions are such that our Government must act calmly and deliberately for the best interests of our own country. We have granted to the President every power to prevent rash and unneutral acts, and we can depend upon his patriotism and his judgment to so protect our citizens. The nonintervention committee, in the gravest situation, has successfully—and for months—prevented the spread of the war in Spain. Let us do nothing to obstruct or embarrass or interfere with the governments who control this committee. It is the only hope for world peace. If these great governments cannot succeed, then there will be a world war and we will have to be prepared to do everything that we can possibly do in honor to keep out of that war; but if that war spreads to our country, we must also be in a position to protect our Government, our institutions, and the lives of our citizens.

Trade Relations Between Mexico and the United States

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, June 7, 1937

ADDRESSES BY DR. FRANCISCO CASTILLO NAJERA AND HON. JOSEPHUS DANIELS AT DALLAS, TEX., MAY 21, 1937

Mr. SHEPPARD. Mr. President, on the occasion of "Foreign Trade Observance Week" at Dallas, Tex., May 21, 1937, two interesting and important addresses were delivered on the subject of the importance of trade relations between Mexico and the United States. One address was delivered by Dr. Francisco Castillo Najera, Ambassador from Mexico to the United States, and the other by Hon. Josephus Daniels, our Ambassador to Mexico. I ask unanimous consent that the addresses may be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY DR. FRANCISCO CASTILLO NÁJERA, AMBASSADOR OF MEXICO TO THE UNITED STATES, DELIVERED AT DALLAS, TEX., ON MAY 21, 1937, ON THE OCCASION OF "FOREIGN TRADE OBSERVANCE WEEK"

Ladies and gentlemen, it was a privilege for me, I assure you, to have been invited by the Greater Texas and Pan American Exposition, by the Dallas Chamber of Commerce, and by other local civic groups to be here on the closing day of this "foreign trade observance week." It meant another delightful visit to one of the most progressive cities not only of the Southwest but of the whole United States. It meant meeting my very good friend Ambassador Josephus Daniels. It meant the renewal of old acquaintances, for what traveler who has had occasion to go often through this hospitable city does not leave here a host of friends! With great pleasure and appreciation I accepted, therefore, the invitation.

The war, which for 4 years laid waste to the old Continent, produced an unexpected cataclysm in the economic world. The incredible destruction of property, the paralyzation of industry, and the decrease of business in general reduced considerably the acquisitive power of most European countries.

The struggle concluded, Europe suddenly discovered that its clients across the sea were now more self-sufficient or were obtaining goods they needed from non-European markets. Once this painful surprise was over, Europe tried to reconquer its lost markets. Its strenuous efforts did not meet with complete success.

In the nineteenth century and the beginning of the twentieth the United States was the refuge for surplus populations of Europe, its best customer, and, at the same time, became the outstanding borrower. But having reached great prosperity, the United States limited immigration, developed its industries, intensified its agricultural production, and its economic growth converted it into a creditor instead of a debtor nation.

The extent of progress attained by the powerful North American Republic is of paramount importance in the modern organization of the world. Its raw materials and manufactured products not only satisfied the domestic market whenever possible but have gradually taken the place of European goods, particularly in the various countries of the Western Hemisphere.

During the war an economic revolution, unparalleled in history, began and continued in its process. It brought forth well-known problems whose natural solution has to be of an economic character. It is impossible to establish normal conditions on a new basis by resorting solely to political expediencies. Legislative modifications, applied locally, are measures directed toward the effects without suppressing the causes of evil. They constitute, at best, transitory remedies but do not assure the desired recovery.

To obtain integral progress for all countries, to provide the greatest amount of material comfort and welfare for the human race, it is imperative that governments and economists embrace with ample and profound vision the universal panorama, and that they uncover the hidden threads that hold and unite all countries in one entity. Unification is felt. Interdependency is undeniable. And no country is self-sufficient. Not even those countries that possess vast colonial empires, scattered in diverse latitudes and rich in various products, can escape the relentless laws of interdependence. The salvation of humanity, spiritually tortured by uncertainties, and the happiness due to generations to come are to be found in the only logical solution—international cooperation.

If the aforesaid legislative innovations are not capable of obtaining equilibrium by satisfying all interests and encouraging harmonious collective progress, military alliances which were failures in the past can do more to influence the preparation and provocation of conflicts than to maintain the organic peace of the world. Exalted nationalism, a natural reaction in the period immediately following the war, and still in existence, forced the intervention of the States that wished to favor their own industry and commerce. Unfortunately, looking only toward their own national benefit, they forgot international interests, with the result that the problems whose solution they attempted were ignored but reappeared more acute in other countries who in their turn resorted to means that had international repercussions.

Thus arose new difficulties that modified the aspect of those problems and created new obstacles, culminating finally in the world upheaval called collapse, crisis, and depression. Normality, up to now, has not been reestablished; and facing a situation, ever more alarming, governments are preoccupied with adjusting fundamental problems to eradicate the evil from its very roots by taking recourse to united action, international collaboration.

The historical period through which the United States now passes, is without precedent. The mission of this country in the economic field is preponderant and of the first importance in the destiny of the world. As far as Mexico is concerned, the United States finds itself in a situation equally exceptional and without parallel in the past.

The mutual understanding between our two nations has become widespread and strengthened. In the mind and heart of both countries, the ideas and feelings of sincere and wide collaboration have already germinated and borne fruit.

Our models of civilization and culture, the diversity of our natural resources and the differences in the development of our industries should impel us, we Mexicans and Americans of the present generation, to take advantage of what each of our countries has to offer the other.

If it is necessary to submit ourselves to the imperative dictates of interdependence, let us go to it like good neighbors and better friends, by cooperating with intelligence and loyalty.

Present harmony between our two countries, reached and sustained by reciprocal support, will contribute effectively to the great work of universal understanding and progress.

Fully realizing the importance of commerce in international relations, which constitutes an intimate connection of economic interchange with the peace and the well-being of nations; and given the geographical position of Mexico and the United States, it is with a feeling of satisfaction that we pore over statistics to find that in the year 1936, Mexico kept her place as the best Latin American customer of the United States, and advanced from seventh to sixth place in the list of the United States' chief markets throughout the world.

What is more important from your point of view, that is, from the point of view of the American businessman, is that while Mexico is your sixth best customer, she occupies the seventeenth place in the list of countries from which you buy. In other words, 11 countries, purchasing less than Mexico in the United States, are selling you more goods than Mexico. This relation also holds good when we consider Mexican-American trade alone. In 1935, for instance, we bought from you 23½ million dollars more than what we sold you. In 1936 the balance in favor of the United States amounted to nearly $30,000,000. Mexico, you must agree, is a good customer.

As conditions in the United States and Mexico continue to improve—as efforts such as the coming Greater Texas and Pan American Exposition commence to bear results—this trade between our two countries is bound to increase. And Texas in general and Dallas in particular, with their strategical locations and intimate knowledge of the Mexican markets, shall profit thereby. Our trade runs through easy channels. Instead of competing with each other, we complement each other. Mexico needs your agricultural machinery, tractors, road-building machinery, electrical appliances, and automobiles. You need our noncompetitive raw materials and semimanufactures.

In the years following the World War, and especially since the beginning of the world-wide economic depression in 1929, many countries have imposed restrictions and prohibitions which have impaired greatly the natural flow and development of international commerce. Some nations have imposed exchange control and quotas on imports. Others have adopted measures to bring about a bilateral balancing of trade. Mexico, I am pleased to say, has imposed no such restrictions. We have no exchange control and no quantitative limitation of imports. We have no unfair or discriminatory commercial practices. We have simplified greatly the procedure for shipping goods into the country. Thus, Mexico does her share for freer trade relations in this day of rabid economic nationalism.

The leadership taken by the United States in the world movement for economic peace, as an essential foundation of international political stability, is too well known for me to dwell upon. Suffice it to say that the medal recently awarded by the Woodrow Wilson Foundation to the Honorable Cordell Hull, Secretary of State of the United States, for his "unremitting labor to remove economic barriers to peace" could not have been more deserved.

In accepting the Foundation's medal Secretary Hull stated: "* * * the removal of excessive trade barriers and the establishment of fair dealing and of equality of treatment in international commercial relations are indispensable to the welfare of all nations." The American democracies south of the Rio Grande agree with him, and resolutions to this effect, which are to be carried into practice as conditions allow, were unanimously adopted at the Pan American Peace Conference held in Buenos Aires last December.

The betterment of economic conditions within our respective countries, as I said before, will surely result in an increase of our commercial intercourse. It is with gratification that I tell you, therefore, that in spite of the rumors to the contrary spread abroad by certain elements Mexico's economic conditions continue to improve from day to day as the unremitting efforts of the Mexican Government to better the condition of its people and to raise their standard of living begin to bear fruit.

Some critics would have you believe that the social reforms carried out by the Mexican administration have disrupted the economic life of the nation, have resulted in greatly diminished crops and in a loss of confidence on the part of businessmen and investors. Let us see what an impartial observer, the commercial attaché of the United States Department of Commerce in Mexico City, has to say about the present condition of the country. I quote from a report of this official which appeared in the May 8 issue of Commerce Reports, published by the Department of Commerce in Washington:

"The very satisfactory business conditions which began in December and continued through the first quarter of 1937, improved still more in April, with heavy industry operating generally at capacity. There are indications that the business movement in April will exceed March and surpass April of last year by a substantial margin. Large Government expenditures, increased industrial activity, plant remodeling and additions, higher prices for minerals and agricultural products, active public and private construction, easier loan conditions, and a feeling of confidence are all contributing to place more spending money in the hands of the average citizen.

"Automobile tire producers and steel plants are working to capacity, with demand exceeding production. The cigarette and soap industries continue in a very satisfactory condition. The 1936 cotton production was 57 percent greater than during the preceding year. In comparison with 1935, the 1936 wheat production increased 27 percent * * *."

If this is the picture of a country in a state of uncertainty, by all means, then, give us uncertainty. We can afford a little more of it.

Let us now consider, briefly, Mexico's foreign trade, since we are still observing foreign-trade week. According to statistics just released by the Department of National Economy, Mexico's exports in 1936 amounted to ₱775,000,000, compared with ₱750,000,000 in 1935 and ₱365,000,000 in 1933.

Mexico's imports, on the other hand, show also a remarkable increase, having amounted to ₱464,000,000 in 1936, compared with ₱406,000,000 in 1935 and ₱244,000,000 in 1933.

The foreign trade of Mexico, as you may see, is highly satisfactory, and it undoubtedly shall continue to expand, as conditions the world over return to normal.

The close connection of economic intercourse to peace and the welfare of nations, I repeat, is an established fact. Any effort to create good will and friendliness in this field is worthy of praise and admiration. Dallas might well be proud of her contribution and her vision.

The Greater Texas and Pan American Exposition, to be held here beginning June 12, represents an enormous amount of energy, of planning, of toil behind the scenes. This expenditure of money and energy, this planning, this toil, shall not have been wasted. The whole Southwest shall benefit from it in the form of increased business and increased prosperity.

What is just as important, Dallas shall have worked for the future. Your exposition shall be a new milestone in the ever-widening road leading to complete friendship, understanding, and cooperation among the countries and peoples of the Americas.

ADDRESS BY AMBASSADOR JOSEPHUS DANIELS AT THE FOREIGN TRADE WEEK, DALLAS, TEX., FRIDAY, MAY 21

NO NATION LIVETH UNTO ITSELF

Asked by your chairman, before I had prepared it, the subject of my address, I informed him that I would take the liberty of paraphrasing a sound scriptural phrase into the topic, "No nation liveth unto itself." Experience of individuals for 2,000 years has proved the wisdom of the words of the Good Book, "No man liveth unto himself." Men have scoffed at it, replacing it with "Look after no. 1", only to find that such a selfish maxim brought neither happiness nor satisfaction. Even in the jungle, men and animals sense the fact that there is dependence upon one another. To preserve life and security there must be a recognition that selfishness is short-sighted. Men on shore are like sailors on the ocean, and when perils assail, the lives and well-being of all are dependent upon mutual sacrifice. Now and then some man who has a foothold on easy street says, "I thank God that I can take care of myself and am dependent upon nobody." That very utterance disproves his boast. He recognizes dependence upon his Maker in his vain boastings, and when the first storm hits him amidship he cries out to his neighbor for help. He then recognizes that security is possible by every man's readiness to consider the rights and welfare of those with whom he is associated.

Long after individuals learned they must "mix with men to prosper", nations held to a different rule. There have, indeed, been men in high station who have taught that, while it was immoral for an individual to lie, to kill, or to practice deception, it was not only right for nations to violate the code applicable to individuals but that it was proper and necessary for citizens collectively to violate the personal moral codes, if thereby national expansion or national interests could be advanced. The World War witnessed conspicuous examples of differentiating individual from national conduct. It was deemed an act of patriotism for warships to sail under flags other than their own to gain advantage, to reward spies for service that invited the death penalty, for flyers to drop bombs for the purpose of killing noncombatants, and like practices which no man as an individual would condone.

In the aftermath of the World War, most nations saw security only in being self-sufficient. They undertook to grow and manufacture everything needed for their nationals. They forgot that in the distribution of the blessings in this world, the God of all nations did not shower all upon one continent or clime or people, but gave to every portion of the globe a portion of those things which are needed for all peoples. Supernationalism induced nations to try to be self-contained, and to be independent of all others for the comforts and necessities of life. Economists without vision predicted prosperity in this policy of aloofness. That doctrine numbered many advocates in the United States. This prevailing narrow philosophy could be summed up in the old prayer:

"God bless me and my wife,
My son John and his wife,
Us four and no more."

Animated by that parochial short-sightedness, we undertook, with all the feverish haste and folly of those who built the Tower of Babel, to erect a sort of Chinese wall of high-tariff barriers to keep out what was produced in other countries. The argument was that if we bought nothing from others and sold them our surplus, our country would be rich and its people prosperous. We forgot that drying up interchange of products is a game that two can play. We ignored the experience of ages, that if one would sell to another what the other needed, he must buy from him some of his surplus. For 10 years, in a decade where frenzied finance and isolation held sway, we vainly believed we could live unto ourselves, and find comfort and satisfaction in withdrawal from interchange with other countries. With prices high, labor employed, large demand for the products of the farm, and stocks and bonds soaring to heights hitherto unknown, the whole country preened itself upon the success of the policy of isolation.

When domestic demand for increased products threatened a glut the self-elected prophets of the parochial policy said in effect: "We have more money than we need. Let us lend it to other nations, so they may buy those things of which we have a surplus." This soothsaying pleased the powers that be. Money was lent freely, often recklessly, to those who would use it to purchase American goods. In the 5 years before 1929 many billions of American money had been loaned to people or governments in other lands to bolster up foreign demand for American goods. Industry expanded under that artificial stimulus, new lands were brought into cultivation, presses to print more stocks and bonds were working overtime, and the people gave themselves over to a life of speculation, of extravagance, and cocksureness with the feeling that they had discovered a permanent fountain of economic plenty. Exports of American products rose during the years between 1926 and 1929 to an average of over $4,000,000,000, only to drop a billion and a third when the prop of borrowed money was withdrawn. If any economist raised a voice of warning in those hectic days, saying that the foundations were of shifting sands, he was silenced by denunciations that he was a short-sighted pessimist, who had failed to sense that the twentieth century alchemist had found a way to convert base metal into gold.

Suddenly, as the modern Belshazzars were feasting and glorying in their splendor of plenty, the foundations toppled and the edifice of isolation and reckless finance fell, carrying down in the crash a system which its creators believed was proof against disaster.

When the day of assessment of the causes of the debacle arrived there were those who at first denied that the panic was really a collapse. They essayed to repair the walls with the same imperfect brick of isolation that had shown their weakness when the financial cyclone broke. They were not unlike the man in Bunyan's Pilgrim's Progress who denied the existence of Tophet as he beheld the flames of emerging from his mouth and nose and eyes. The method of restoration they prescribed in the crisis was to return to the system which had collapsed.

"Build the tariff walls higher so that nothing which can be produced in hot houses here can find entrance into our country", cried the rattled captains. "Carry on business as usual", they announced as fire died down in furnaces because manufacturers could not sell their products. "The remedy for falling stocks is to use broader gold borders on the certificates" was the creed of the paper alchemist.

The men whose sophistry stood exposed in the unprecedented distress really had no solvent. Their diagnosis was incorrect and the remedies they proposed were worse than the disease. The people, refusing to resort to revolution or to be stampeded by loss of faith that wise leadership could lift the country out of the morass into which it had fallen, turned to men who were not afraid, to men who believed in their country, to men who dared new methods of restoration. The first step was to restore faith in banks, in industry, in agriculture, in agencies that could restore prosperity. Domestic security was the initial turn-around. The destruction was caused by denial of sufficient wages to labor and fair prices for products of the farm that could enable the bulk of Americans to buy what they needed and which were being piled up in warehouses for lack of home purchasers. A contributing cause was the loss of essential foreign markets. All contributed to the collapse.

Statesmen were face to face with the truth which sound economists understood: to wit, that the United States must find a way to increase the purchasing power of those at home and restore lost customers abroad. It was necessary to relearn that no country can live unto itself unless it is willing to forego the standards of comfort to which its people have become accustomed and which their skill and industry entitle them to enjoy. In the era of frenzied finance, as soon as it developed that financing purchasers abroad to buy from us with our own money could no longer artificially assure foreign markets, the question that pressed for answer was how to restore the customers who had been lost overseas, in Canada, and south of the Rio Grande.

Manifestly no remedy could succeed that did not first of all have in view the welfare of the American people—a place upon which they could stand, be of service to themselves, and, in turn, be of service to others. Free trade was unthinkable. World conditions being what they were, with supernationalism and low wages prevailing, our markets could not be thrown open without endangering national recovery. Just as we had learned that no nation liveth unto itself, we recognized another scriptural truth that "the man who provideth not for his own household is worse than an infidel." Whatever policy we adopted must insure the welfare of the home folks.

The high tariff walls upon which we had depended did not provide prosperity. Foreign loans had turned to ashes and many were uncollectible. It was a condition and not a theory that confronted the American people in 1933. Old theories had been exploded. Others that were camouflaged to look real had to be discarded. In that emergency statesmen found the best method to recover ground in a simple and old-fashioned formula. It was that we should trade—use Yankee trading genius—and sell those things of which we had an abundance, in order to purchase those things we needed, and to proceed upon the sound principle that no commerce between individuals or nations is good unless both parties are benefited. It was so simple a remedy that many who looked to some sleight-of-hand performance or some miracle were slow to see that a new deal in fair dealing could change the trend and restore the purchaser who had been lost. Cordell Hull, no believer in taking rabbits out of silk hats and knowing that "God's fruit of justice ripens slow", asked in effect, "If reciprocity in trade with all countries insuring equal advantages to all is not the road toward recovery and peace, what route that has not failed do you propose we shall take?" The Jeremiahs, critics, and isolationists stood dumb when reciprocity was proposed. Up to this hour they have not recovered their voices. The early result of reciprocity, trade treaties authorized by Congress, is seen in enlarged foreign markets and improved international relations.

The tide of disaster has turned. Already the United States is freeing itself from the danger of being smothered by its excess of production. Our exports have risen steadily since 1933. These increases are but the first fruits of a policy which is based upon sound principles. International commerce will broaden as the world recovers from war losses and from the present craze of militarism. Its full attainment is hampered because the nations are spending billions on armament, a course which instead of preventing war endangers precipitation into another world war. We are slow to learn the truth that world commerce makes for world brotherhood and world brotherhood makes for peace.

Brotherhood was lacking in 1933. We hadn't many friends in the world. In Europe there were not wanting those who resented the attempt of Uncle Sam to collect the money he had loaned them. South of the Rio Grande, nations and peoples believed we had avid eyes on their lands, as well as abundant stores of minerals and other rich resources. Before we could hope to recover foreign markets, friendlier relations had to be brought about. In his good-neighbor policy, announced almost immediately after his inauguration, President Roosevelt, with words backed up by deeds, dissipated suspicion. All Pan America became a family of friendly, independent nations. Almost overnight they were united by common purpose and a common destiny. This new neighborliness was cemented by the steps taken at Montevideo and made indissoluble by the spirit of peace and plans for commercial and spiritual cooperation that marked the Buenos Aires conference, at which the distinguished Ambassador from Mexico to the United States, Dr. Francisco Castillo Najera, was one of the ablest leaders.

The way is now open. Secretary Hull truly says that "the policy laid down in the Trade Agreement Act is one of the greatest corrective forces working for a better balanced, saner, more peaceful world. At a time when other forms of international cooperation are faltering, or being entirely abandoned, and emergency economic conditions still exist, our trade-agreement policy holds firm to a recognized code of fair and mutually profitable commercial relations for all the nations of the world."

As we meet here in this beautiful and thriving city of Dallas in the empire State of Texas to discuss the necessity of enlarged

foreign commerce, there pass before our minds innumerable mental pictures that indelibly impress upon us the vital importance of our foreign trade. We see the southern farmers planting, picking, baling, and transporting to market some 12,387,000 bales of cotton in 1936, of which 2,940,000 bales were grown on Texas fields. We vision the ships that plowed the seas carrying 5,409,000 bales of American cotton to foreign ports in 1936. These pictures become more vivid when we realize that about 20,000,000 of our fellow citizens depend for their economic welfare on foreign markets to absorb at least one-half of our cotton crop.

Again there passes before us the panorama of the fabulous oil fields that gave from the earth 1,098,516,000 barrels of crude in 1936, with a value of about $1,165,000,000. This great State of Texas produced 427,280,000 barrels of petroleum with a value of approximately $453,000,000. We picture further the flowing into tank cars and tankers of some 50,321,000 barrels of crude, valued at $66,143,000, which went to foreign markets in 1936.

However, although Texas is the largest States in our Union, and one of the wealthiest, its trade is but a part of the trade of this whole United States.

Our merchandise exports to Central and South America increased from $217,045,000 in 1932 to $429,582,000 in 1936. Similarly, we purchased $358,011,000 of products from our southern neighbors in 1932 and that was increased to $528,722,000 in 1936. It is a wonderful example of friendliness and cooperation and demonstrates the magnificent progress that has been made here and in the countries to the south.

In regard to Mexico, our nearest neighbor beyond the Rio Grande, I have good tidings to bring you concerning our interchange of commerce. There is a growing tendency in Mexico to buy more and more from the United States and, likewise, American interests are looking toward that country for a larger supply of products which we need.

The formal opening of the international highway from Laredo to Mexico City and direct connections by rail, air, and steamship between the two countries are forging chains that bind the two peoples closer and closer together in understanding and cooperation. An eloquent example is the fact that our merchandise exports to Mexico increased from $32,575,000 in 1932 to $76,042,000 in 1936. A demonstration of our neighbor's good will is that fact that in 1936 Mexico bought 59 percent of its world purchases from the United States. Our country reciprocated in 1936 by purchasing 61 percent of all products sold by Mexico to the world.

The celebration of foreign-trade week more forcibly impresses upon our minds that international trade is an essential factor in world prosperity. We take stock of our production; survey world markets for the sale of our surpluses; examine domestic markets to determine what we need from abroad and, putting all these facts together, we go forth to trade with the nations of the world. International trade, comprising both exports and imports, soars almost beyond the conception of man and reached the huge sum of almost $69,000,000,000 in 1929. In that year the total production of movable goods in the United States was valued at almost $53,000,000,000. While the amazing value of world trade is almost inconceivable, we must not forget the happiness and prosperity which it brings to the people of every nation. It is estimated that in 1929 international commerce furnished a means of livelihood to a population nearly as great as that of the United States. The decline in world trade from 1929 to 1933 meant a loss of income for some 40,000,000 persons and plunged the nations farther into the jaws of depression. Since 1933 that condition has materially improved to the economic advancement and happiness of the people. It is to regain essential foreign markets that Texas holds this foreign-trade week. I am sure the influence set in motion here will overflow the borders of this imperial Commonwealth and impress upon all the truth that "No nation liveth unto itself."

Reds Again Boring From Within

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

RADIO ADDRESS OF HON. CLARE E. HOFFMAN, OF MICHIGAN, AT NEW YORK CITY ON JUNE 3, 1937

Mr. WOODRUFF. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered over the radio from New York City on June 3, 1937, by my colleague from Michigan, Representative CLARE E. HOFFMAN:

THE SIT-DOWN STRIKE

It was Earl Browder, Communist candidate for President, who said:

"We industrial unionists are going to take over the industries some day for three very good reasons:

"1. Because we need them.

"2. Because we want them.

"3. Because we have the power to get them."

It is John L. Lewis, self-appointed head of the C. I. O., who, with millions at his command, by brute force, is translating those words into action.

On Sunday last, a day set apart for the worship of the One who gave us life, the C. I. O. brought death to Chicago, furnishing a typical illustration of the extent to which Lewis will go to attain his ends.

Like all men who have visions of grandeur, he does not hesitate to send men to their death.

He pretends he is fighting for human rights, for the advancement of the worker. He had no quarrel with the management of the struck plants over wages, hours, or conditions of labor.

Nevertheless, in his determination to make these employers bend the knee and bow the head and acknowledge in writing his supremacy, he decreed that their plants throughout the country should be closed.

He knew that, in the Illinois plant, 1,400 workers who did not desire to follow his leadership, over whom he had no control, were working and desired to remain at work. He knew that those workers and that plant were protected.

Knowing this, yet determined to win at any cost, following the procedure he had sanctioned elsewhere, a mob of more than a thousand, armed with clubs, knives, stones, and bricks, was formed; and, cowardly placing its women in the vanguard, marched down upon and brutally attacked the police, the guardians of law and order.

Riot, battle, and bloodshed followed. In a few short moments, the battle over, four of those who had been deluded and misled by Lewis' words and actions, lay dead upon the field. Two more have since died, and over a hundred, including 25 uniformed policemen, were seriously injured.

The C. I. O. plans still further bloodshed. Determined to impose its will, regardless of consequences, Lewis' fieldman, Leo Krozyski, only day before yesterday at Chicago said:

"We are going to fight on to victory, regardless of the cost in lives. * * *

"We are ready to spill our blood in large quantities in the middle of the road."

If C. I. O. persists, blood will be spilled, but it will not be Krozyski's blood, it will not be the blood of C. I. O. Communist agitators, it will not be the blood of John L. Lewis, it will be the blood of the workers, of women, and of innocent children.

Lewis has adopted the methods of the Red Communists. In 1924 he described their purpose in these words:

"Imported revolution is knocking at the door of the United Mine Workers of America and of the American people. * * * The overthrow and destruction of this Government, with the establishment of an absolute and arbitrary dictatorship, and the elimination of all forms of popular voice in governmental affairs is being attempted."

Today John L. Lewis, by the same methods, with the aid of the same men, some of whom he denounced as "fakirs, repudiated leaders, traitors to the unions, opportunitists and purveyors of every falsehood, slander and deception", is paving the way for the destruction of our Government; for the establishment of an absolute and arbitrary dictatorship, with himself as dictator. To use his own words: "Revolution is knocking at the door of the American people."

Shoulder to shoulder with Communists who have become his friends, disregarding all law, ignoring the rights of all those who disagree with him or who will not follow his banner, the C. I. O., under his leadership, while the Government is spending billions of dollars to give men work, is driving hundreds of thousands from their jobs.

Lewis and his "red" bedfellows, as Communist Browder prophesied, are taking over industrial plants because they want them; because, so far, no hand has been raised to stay them; because, as Browder said, they have the power to take them.

They have kidnaped and held to ransom industrial plants until workers and owners met their demands. They have put a burden upon interstate commerce. They have stopped production at its source.

They have entered industrial plants and places of business whose employees did not want their assistance. By armed pickets in massed formation, they have prevented men and women entering their usual places of employment. They have prevented hundreds of thousands of workers from performing their usual tasks.

In General Motors alone they caused a loss to wage earners of $1,000,000 a day for 42 days. In Chrysler they caused a wage loss of $10,000,000; they caused a loss to the retail merchants of Detroit and vicinity of $6,000,000; to the wholesalers, $7,750,000.

The loss they have caused throughout the country since the first of this year runs to hundreds of millions, and the workers, whom they are pretending to help, are paying the cost.

By force and arms they have taken and held possession of the executive offices of General Motors and of Chrysler. They seized

hotels, used the rooms, helped themselves to food, and the contents of the bar.

They have blockaded the United States highways, forcing citizens to detour for miles to reach their destination.

They have taken possession of railroads engaged in interstate commerce—prevented the movement of freight.

They have shot down airplanes carrying food to besieged workers, endangering the lives of pilots.

In Pontiac, Mich., they have taken steps toward the confiscation of property, a necessary prelude to a successful Communist revolution, by refusing to pay rent for their homes unless and until the rentals are reduced to a figure which they care to pay.

They have caused men to endanger their lives by swimming the river at Warren, Ohio, in order to get to their work.

They have marched, armed and breathing threats of violence, from one city to another, from one State to another.

They have assaulted and beaten peaceful workers. By sending their pickets to homes, they have intimidated the wives and children of workers.

They have defied the orders of the courts. They have refused to abide by those laws which govern all others, claiming a special privilege to beat workers, to destroy property, and to escape punishment therefor, because they were members of the C. I. O.

They have successfully defied local, State, and National Governments. They are the first to successfully twist the beard and slap the face of Uncle Sam by interfering with the United States mail, as they have done and are doing at Youngstown, Ohio.

They have sufficient political influence to obtain from the Post Office Department of the United States, according to the papers of your city, a ruling which bars from the mail parcels of food intended for those barricaded in factories who desire to work.

This defiance of Federal laws, this interference with Federal activities, is but the natural result of that course followed by the administration which, by silence, on occasion by act, often by forbearance, has given its full approval to the acts of those who defy lawful authority.

All these things they do—not once but repeatedly, almost continuously—and the Senate La Follette Civil Liberties Committee remains silent. That committee is ever alert to call witnesses to bring to public attention every partisan, every unlawful act of employer.

The committee is blind to the hundreds of acts of violence, of intimidation, of oppression, of the C. I. O. members. That committee refuses to protect those who desire to work. That committee does not prohibit the C. I. O. from using the committee's name in its organizing campaign.

On the hoods of cars accompanying C. I. O.'s "flying squadron" there has been displayed a banner with the legend, "United States Senate car, La Follette Civil Liberties Committee, investigators."

This committee is a partisan supporter of the C. I. O. Upon its shoulders rests a portion of the responsibility for the bloodshed which has come, which will follow. When anarchy is widespread, when civil war comes, when streets run red with blood, after thousands of innocent people have been killed, it will be too late for this committee to take action against the C. I. O.

C. I. O. is fraudulently using the name of the President to further its purpose.

It has issued literature stating in substance:

"The President desires you to join the C. I. O. President Roosevelt is back of us."

So far as known, the President has not authorized this use of his name. So far as known, he has never condemned its use.

The C. I. O. proudly boasts that, under its leadership, under the C. I. O. banner, labor is on the march.

Let us look at the color of the banner, examine the kind of leadership, and determine the goal toward which they are marching.

The banner is the red banner of Soviet Russia. About this there can be no mistake. The placards on the picket lines bear the mottoes made popular by "red" Moscow. Their leadership is largely Communist and with them march anarchists, I. W. W.'s, and preachers and doers of violence. Their goal is fittingly expressed by two major C. I. O. leaders, Victor and Walter Reuther, who have urged, "Carry on the fight for a Soviet America."

American labor is not on the march. Communism is on the march. Lawlessness is on the march. The destruction of property rights, the destruction of human rights, the destruction of our Government are next. This is the goal toward which Lewis and his C. I. O. are heading.

The Communists know this and already they have undertaken to show their appreciation. They have placed the name of John L. Lewis on their honor roll for 1937, along with such Communist luminaries as Stalin, Browder, Caballero, and Krhypnin. In Moscow, in the Museum of Revolution, the map of the United States has been changed and the city of Detroit has been renamed Lewistown.

A clergyman, a national figure, discloses that shortly after Frank Murphy returned from the Philippines to become a candidate for Governor of Michigan, he quoted President Roosevelt as saying:

"If communism breaks in America, it will be in the Detroit area, where it will first manifest itself."

That prophecy, according to Murphy, has come true, for Murphy, at the time of the Detroit strikes, according to the same authority, said:

"Communism is not coming. It is here. The only thing now needed is for them to begin confiscating property."

Confiscation of property is here. At Pontiac, Mich., C. I. O. tenants now hold possession of the landlord's property, announcing their intention of refusing to pay rent, even though the amount charged as rent be reasonable.

The C. I. O. is not an organization either devised or used to advance the welfare of the worker.

John L. Lewis, in 1924, before his viewpoint had been warped by his consuming personal ambition, speaking of a similar movement, accurately described his own present organization and its purpose in these words:

"The movement is aimed not only at the labor unions but at the entire industrial, social, and political structure of the country, and with the single aim of eventually establishing a Soviet dictatorship in the United States."

He was then talking good sense. He was then speaking for the worker. The advice which he then gave we can adopt and follow. It was this:

"This is one occasion when labor and the employer might very well join hands and fight together."

Law is the safeguard of liberty, the defense of human society. Without law there may be license but not liberty. The law violator allies himself with the enemies of organized government. The C. I. O. violates the law and allies itself with the enemies of human progress.

Today the fight is on. Labor, the employer, and the public must not go down before the onward march of communism. True Americans must join hands and fight together to triumph over the disloyal forces of disorder and destruction.

That must be America's answer.

The Pony Express

EXTENSION OF REMARKS

OF

HON. RICHARD M. DUNCAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

ADDRESS DELIVERED BY POSTMASTER GENERAL JAMES A. FARLEY AT A CIVIC LUNCHEON GIVEN IN HIS HONOR AT ST. JOSEPH, MO., MAY 25, 1937

Mr. DUNCAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, at St. Joseph, Mo., on May 25, 1937:

It was most gracious of you to invite me here today to partake of the hospitality for which the people of this city are justly famed, and I wish to assure you of my appreciation of the honor you have conferred upon me.

"St. Joe", as this beautiful and progressive city is known throughout the country, is closely identified with the picturesque and pioneer history of the West. The dauntless spirit which characterizes the citizens of this city today has existed since its beginning as a small trading post 111 years ago, and accounts for the city's steady and substantial growth into one of the important commercial, industrial, and agricultural centers of the United States.

It is appropriate that in addressing a St. Joseph audience I should discuss the postal service of the United States, which I have the honor to head, for this city is linked with a highly romantic era in the history of mail transportation.

It was here in St. Joe that the famous pony express service was inaugurated on April 3, 1860, with the route extending across 2,000 miles of wild and most inaccessible country to Sacramento, Calif. This service was destined in the short span of its existence to mark one of the most interesting chapters in the Nation's history.

The value of the pony express service cannot be judged solely on the volume of letters and parcels that it transported across the desolate western plains and rugged mountain ranges, for the pony express formed the fastest link of communication between the East and the Pacific coast. As a result the western frontier of the rapidly developing country was pushed inland still further, while the pioneers on the Pacific were able to keep in closer touch with their business interests, their friends, and their relatives in the East. The pony express likewise paved the way for the transcontinental railroads, which years later played such a vital role in the opening up of the new West.

The history of the pony express is one of romance, drama, and heroism, and as we look back upon this service it is difficult for us to realize the tremendous handicaps and hazards that had to be constantly overcome in order that the mail might go through on schedule.

Prior to the inauguration of the pony express there were few people who believed that the undertaking could ever be accomplished. The hardships of weather and the almost constant

Indian raids in the territory to be covered would, they pointed out, militate against the operation of this service from the very outset.

The eyes of the entire Nation were focused on St. Joe on Tuesday, April 3, 1860, the date on which the pony-express service was scheduled to get under way. The records of the Department in Washington indicate that it was early in the evening of that day when the mail was hastily stowed away in the saddle. Mayor Thompson shook hands with the rider who then edged through the crowd of several thousand that had gathered to witness the departure of the new through-mail service to the West. A cannon in front of the old Patee House boomed forth a signal which told the entire town and the surrounding area that the pony express rider was on his way. Once past the shouting throng, the rider urged his horse to Jule Street at the foot of which was waiting the ferryboat *Denver*.

Across the river a crowd roared its welcome as the pony express sped through the village of Elwood and on over the winding creek road to the West, past Cold Spring, Troy, Lancaster, Kennekuk, and Granada where a second rider was waiting with his pony to resume the journey. In the trip from St. Joe to Granada the first rider made four changes of horses.

I was interested in looking over the accounts of that day to learn that the St. Joseph Gazette had run a special edition, the first page being made over to include a brief account of the celebration of the event. A few moments before departure the rider tucked away copies of this souvenir edition which were to be delivered at Salt Lake City, Sacramento, and San Francisco.

Meanwhile Sacramento likewise was giving a roaring send-off to the first pony-express rider to leave California for Salt Lake City, which was to be the east-west terminus of the route. Up into the high Sierras the pony express galloped on its eastward journey, beset by blizzards and bitter cold weather, for it was this stretch from California to Salt Lake City that provided the greatest barrier to the successful completion of the first schedule of the new service.

Over the western plains raced the pony express from St. Joe with Salt Lake City as its goal, where the mail would be immediately placed in the saddlebags of a fresh rider and pony for the trip to California, while over mountain peaks and through valley passes the pony express from the West continued to battle against tremendous odds.

The success of the undertaking was assured by the completion of the first schedule, and during the brief history of its operation the pony express continued to transport the mails between the East and the West with amazing speed and regularity. Indian raids on the pony express were numerous, and the heroic feats of the riders are to this day recounted throughout the Nation.

Speaking of the pony express brings to mind the remarkable development in the transportation of the mail. The Post Office Department began its operations in 1789. At that time there were but 75 post offices in the country and some 1,800 miles of post routes. Available records do not reveal the amount of mail carried over those routes during the first year, but we can take for granted that it was quite limited.

It is interesting to note that during the last fiscal year ending June 30, 1936, we had 45,233 post offices which served more than 517,000 miles of post routes, and that nearly 671,000,000 miles of mail service were performed over these routes in that year.

The gross revenue of the Post Office Department for the fiscal year 1790, the year after the creation of the Department, was approximately $38,000, as compared with $635,000,000 for 1936.

Compensation paid to postmasters in 1790 was approximately $8,000, while in 1936 compensation paid to postmasters amounted to more than $47,000,000.

The objective of the Post Office has always been "certainty, security, and celerity" in the handling of the mails. With this objective in mind, the Department contributed largely to the development of the stage coaches, the canals, and the railroads. It is at present the principal factor in developing air-transportation service.

Each new method of transportation had many difficulties to overcome, and at first all were objects of skepticism and apprehension. One of the first stage coaches was loaded until it became top-heavy. It tipped over, killing a passenger, and there was an immediate demand for the discontinuance of what was described by its critics as a hazardous and dangerous service. Those who criticized clamored for a return to the old saddle bags. The canal boats encountered much opposition, as did the railroads in their turn. Today many still entertain fears concerning air transportation, but each year safer equipment and aids are being provided and these fears are being overcome.

Last year the commercial air lines in the United States transported nearly 18,000,000 pounds of mail, approximately 7,000,000 pounds of express, and 1,020,000 passengers. This year the record will be broken, and it is safe to predict that for each year, for many years to come, our air lines will show substantial increases in their business.

The Government is subsidizing airlines carrying air mail and will probably continue to do so for a few years to come. However, the margin between the air-mail transportation cost and the income from the sale of air-mail postage is steadily being narrowed. In 1932 the Government, through the Post Office Department, paid out $19,936,000 for air-mail transportation, and its air-mail postage revenue for that year was $6,016,000. Last year the pay to air-mail contractors was $12,035,000 and the air-mail postage revenue amounted to $9,700,000. While the air-mail transportation cost for the present fiscal year will be approximately $12,900,000 it is estimated that the revenue from air-mail postage will probably run as high as $12,000,000, and possibly higher.

From the beginning the Postal Service has been a major factor in the progress and development of the country. It has not only played a prominent part in its commerce and contributed largely to its culture and education through the prompt dissemination of information, but it has been and still is a most important agency in the development of transportation.

While, as I have pointed out, the early postal services were only concerned with the transportation of mail from one post office to another, additional services have been added from time to time. We now have delivery service in practically every town and city in the country, and 35,000 carriers deliver the mail to and collect mail from between twenty-five and thirty million people residing in the rural sections of the country. Money orders, registered mail, parcel post, and postal savings have been provided.

Many extraordinary services have been performed by our organization. It paid more than 26,000,000 adjusted-service bonds to two and a half million World War veterans, amounting to more than $1,300,000,000. Post offices throughout the country are sales agencies for United States savings bonds. A few months ago the Post Office Department, acting for the Social Security Board, registered more than 25,000,000 of the country's workers. During the fiscal year 1936 the Post Office Department sold for the Department of Agriculture migratory-bird-hunting stamps amounting to nearly one and a half million dollars.

Postal facilities in St. Joseph have kept pace with the development of the city and the growth and increased efficiency of the National Postal Service. You are soon to have a new Federal building here which will house your post office, the Federal court, and other Federal agencies. Authorization for this new building is contained in the act of Congress of June 22, 1936, which allotted $775,000 for the purchase of additional land adjoining the present Federal property and for the construction of the building. The plans for this new structure are now in course of preparation by the Procurement Division of the Treasury Department, and it is expected that bids will be advertised for in the near future.

When this building is completed St. Joseph will have a post office and Federal court in keeping with its dignity and importance, and I am sure, one of which the citizens will be proud. With the new building the Post Office Department will be able to provide improved facilities for handling your mail.

Before closing, I want to take this opportunity of saying a word about the fine spirit of loyalty and devotion to duty which is so evident in the ranks of the quarter of a million postal employees in this country.

The records of the Post Office Department are filled with outstanding and heroic deeds of postal workers from the days of the early posts. That spirit of devotion to duty and the traditional manner in which the postal worker puts his desire "to see that the mail goes through" before everything else, was never better exemplified than it was during the days of the pony express service.

Scarcely a day passes in which postal workers in various sections of the country do not perform some outstanding feat of heroism and courage in the course of their duties as public servants. It is little wonder that such a sacred tradition of loyalty, courage, and diligence has grown up around the Postal Service in the more than 150 years of its existence.

I shall never forget the cooperation and assistance which has been so willingly rendered to me by postal workers everywhere, and I shall always look back with pride on my association with that great body of men and women who comprise the United States Postal Service.

Democracy and Dictatorship

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, June 7, 1937

EDITORIAL FROM THE NEW YORK TIMES OF JUNE 6, 1937

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Democracy and Dictatorship" published in the New York Times of Sunday, June 6, 1937.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 6, 1937]

DEMOCRACY AND DICTATORSHIP

The fact that M. Leon Blum was able last week to round out a full year as Premier of France—despite the predictions freely made, when he took office, that France was headed for dictator-

ship—is no doubt largely the consequence of M. Blum's own qualities as a good tactician, a man of principle and a timely advocate of social reform. But this in itself is not enough to explain why prophecies of a dictatorship in France have gone astray. A year's buffeting has shown that democracy in France, for all its periodic crises, rests on a much more secure foundation than the prophets of its downfall were prepared to believe a year ago.

To this day dictatorship has failed to convert to its own cause a single nation experienced in the ways of democratic government. Where has it scored its victories? In Russia, which lived for centuries under political absolutism and has now returned to it, after a brief interlude, lacking any means of measuring the loss of something it has never really had. In Italy, which had 50 years of national unity before the war, but comparatively little success in achieving a stable parliamentary system. In Germany, where democracy before the war was always something of a screen concealing the authority of those in positions of real power, and where democracy after the war was a makeshift device ordained to failure by the adversities which beset a vanquished nation. It is no great triumph for dictatorship to have established itself in these three nations. It is no real triumph when dictatorship gains the upper hand in some South American State which has had little training in the ways of democratic government. But it would be a very great triumph for dictatorship if the people of some nation which has really known the meaning of democracy were deliberately to scrap that system in favor of dictatorship. This has not happened in any one of the nations in which the ways of democracy have been put to the test of experience: in France or Belgium, in Switzerland or Holland, in Britain or any of her great dominions, in our own country, in any of the Scandinavian nations.

What do these countries see, in the present experience of the nations living under dictatorship, which could lead them to believe that they have something to gain by swapping systems? They have been told that by ridding themselves of the superfluous custom of consulting the electorate they will discover a new means of organizing industry for production and achieving a new national unity. But what does this mean, in terms of personal value, to the trade unionist who would lose his right to strike, to the farmer who would become a cog in the machinery of state, or to the businessman who would find himself exterminated under a dictatorship of the left, or ordered about at every turn, with a steadily diminishing margin of profit, under a dictatorship of the right?

On the basis of the record it has written thus far, dictatorship has nothing substantial to offer as compensation for the sacrifices it involves. Soviet Russia, concentrating primarily on the problem of converting an undeveloped country into an armed camp, has its impressive army, its few large mass-production industries and its few great power plants; but the real wages of the skilled Russian workman have not reached a point which enables him to approximate the earnings of the unskilled worker in the democratic nations. Italy has accomplished many ambitious public projects under the aegis of fascism and conquered an empire in Ethiopia; but it is still the real problem of Italy to raise the standard of living of the great masses of its people. Germany has stimulated her war industries by the device of inflating credit; but there are 20,000,000 people in Germany who need food cards to obtain meat at manageable prices, and the boom in the war industries has been aptly described as a process of using all the means of the present, pledging much of the earnings of the future and spending the capital inherited from the past. To this point, the evidence in favor of a switch from democracy to dictatorship is not impressive.

Col. E. E. Ellsworth Centennial

EXTENSION OF REMARKS

OF

HON. E. HAROLD CLUETT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

ADDRESS BY HON. E. HAROLD CLUETT, OF NEW YORK, AT MECHANICVILLE, N. Y., MAY 22, 1937

Mr. CLUETT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me on May 22, 1937, at Mechanicville, N. Y., at the celebration honoring the one hundredth anniversary of the birth of Col. Ephraim Elmer Ellsworth:

To answer the call of your anniversary committee was a privilege and honor. I have come from the scenes of the last days on earth of the man we honor here today. How he spent his last days in Washington, and how he died, have been familiar stories to me for many, many years, and have made a great impression upon me. This account has been carefully preserved, and can be found in the archives of the Government. Would that every citizen, young and old, could go back to those far-off days of seventy-six years ago and find in that story inspiration and gratitude that this man came from our midst, and now rests in the hallowed home from whence he went forth to die for his country. The youth of today would do well to read and reread the record of Ellsworth's life. Too often such men are forgotten, and only anniversaries such as this bring them back to memory.

This man, the anniversary of whose birth we honor here today, was born April 11, 1837, at Malta, a small village near this city. Twenty-four years later, 14 days after Lincoln's call for 75,000 volunteers to defend the Union, Colonel Ellsworth's regiment of 1,100 Zouaves recruited from New York firemen, marched through the streets of that city. In less than 30 days that gallant soldier lay dead at Alexandria, Va., the first commissioned officer to lose his life in the Civil War.

Now to turn back to Ellsworth's youth. After a few uneventful boyhood days his family moved to Mechanicville, where young Elmer attended the local school, but always with an ambition to enter West Point. The family's financial position was such that it became necessary for the boy to earn his own way, and in 1852 he secured employment in a Troy establishment. After a short apprenticeship he moved West, and then later returned to New York, and began acquiring knowledge of military tactics, which became the foundation of his military experience. A few years later the young Ellsworth moved to Chicago, and there met a former surgeon in the French Army, and there commenced his interest in the French Zouave system, which was to mold and influence his future military activities.

About the year 1858 he commanded the Rockford City Grays, an Illinois company, and here began his first instructions in the French Zouave system. Soon the restless young man began the study of law, but his keen desire for a military life prevented any such plans, and he gave himself over entirely to this profession and became commander of the National Guard Cadets of Chicago.

Ellsworth's diary beginning in April 1859, gives a most interesting account of his life. It was one of hardship and privation, with barely enough to eat, and destitute of every comfort of life. On April 18 of that year one entry states: "I am afraid that my strength will not hold out. I have contracted a cold by sleeping on the floor."

During the summer of 1860 the Zouaves made a tour of several Eastern States, visiting Troy on July 12. The company was met at the Troy station by General Allen, Colonel Carr, and other officers of the Twenty-fourth Regiment. After a reception at the Troy House the regiment marched up Ida Hill to Camp Wool, where General Wool in his carriage reviewed the movements of the complicated Zouave drill, and the general congratulated the officers and men on the splendid exhibition. After visits to Philadelphia and Baltimore the corps arrived in Washington on August 4 and gave their drill on the White House lawn in the presence of President Buchanan. After visiting Pittsburgh, Cincinnati, St. Louis, and Springfield, Ill., the Zouaves arrived home on August 14, to meet with a most enthusiastic reception. This tour was the crowning success of Ellsworth's career, and at this most critical time did much to encourage a real respect for strict discipline and intelligent organization, encouraging all the military units in the several States visited, and was of inestimable value during the recruiting period which was soon to usher in the call for volunteers.

In October 1860 the Zouave organization was disbanded, and Ellsworth went to Springfield, Ill., and accepted Mr. Lincoln's offer to enter his law office. It was here that the friendship between these two men became real, and lasted to the day of Ellsworth's death. Lincoln's campaign for the Presidency was in progress, and it was natural that the young colonel was called upon to take an active part in what proved to be a successful effort for the man he so much admired and trusted. When the time came for Lincoln to leave Springfield for Washington, Ellsworth was appointed as his bodyguard, and the journey was accomplished without mishap.

Little word is found in any of Ellsworth's writings to his relatives and friends of any intimation of the tragic events which were soon to envelop the Nation. All unknowingly he had fitted himself to play his part in the opening scenes of what was to be a great and cruel civil war. Only a few months before war was declared Ellsworth recruited a regiment of Illinois men, and this is said to have been the first volunteered for the defense of the Union, but this offer was not accepted by the Governor of Illinois.

With the election of Lincoln to the Presidency, Ellsworth desired a position as a clerk in the War Department, which was not at once forthcoming. In Washington, Ellsworth again attempted to gain a position in the War Department, and failing in that, a second lieutenancy in the Army. In both attempts he failed, but finally through his friendship with Lincoln and his secretary, John Nicolay, he was offered the position of Chief of a Bureau of Militia Affairs, with the rank of Adjutant General. This rank was never given him because of jealousy in the Army, and because of his desire to protect the President from political antagonisms, but he finally attained a commission as second lieutenant.

Hardly had this commission been received than the clouds of civil war broke upon the nation, followed by the call for volunteers. Ellsworth resigned his commission to recruit a regiment, and his eyes turned naturally to the firemen of New York. He had seen them in action, and knew that their strength, courage, and experience would provide the material he sought for a well disciplined fighting regiment. "I want", he said, "New York firemen, for there are no more effective men in the country. I want men who can go into a fight now." In this he made no mistake.

The record made by Ellsworth's Zouaves will never be forgotten. The New York Tribune of May 1, 1861, said:

"The impression Ellsworth made upon us was that of a fearless, gallant, and energetic man. One of those possessed of the qualities that distinguish those who have them as soldiers, and of powers that especially fit them to be leaders of men."

We welcome especially to this celebration today the successors of these men.

The regiment left New York for the front on April 29, 1861, after a review by Gen. John E. Wool, commanding the Department of the East, reaching Washington May 2. There they occupied the Hall of the House of Representatives, and in their hilarity went into executive session and elected a speaker, clerk, and other officers. On May 7, Colonel Ellsworth formed his regiment in front of the Capitol, and in the presence of President Lincoln they were sworn into the service of the Government, 1,100 strong.

Soon after the arrival of the Zouaves in Washington they were called upon to fight a fire which had broken out in the Willard Hotel. So well did they perform this duty that Mr. Willard presented Ellsworth with $500, which was at once given over to the committee of the First Regiment of Fire Zouaves. Strange to relate, this money, together with $2,000 received from the State of New York, and other contributions, made up the total of $5,000, which made possible the erection of the beautiful monument to Ellsworth in your cemetery. On May 27, 1874, this granite memorial was dedicated in the presence of thousands of his friends and admirers.

This was a most critical period for Lincoln. His ability as a leader had not been tried, and the North was uncertain as to what States they could depend upon. Could the city of Washington be held against an invasion from the South? Already Confederate flags could be seen flying across the Potomac. Lee had cast his lot with the Confederacy, and with him the State of Virginia. Sumter had been fired on and evacuated and the North was sadly in need of military leaders. A Massachusetts regiment had been attacked in the streets of Baltimore on the way to Washington. This was the situation which faced Ellsworth when he arrived with his small force of Zouaves. Was it not right here that he planned the very act which cost him his life? He could easily see the flags of the Confederacy flying from the housetops in Alexandria, and at once his desire must have been to replace them with flags of the Union.

At this time Washington was garrisoned with 20,000 troops. On the 23d of May 1861 orders came for 13,000 men to advance into Virginia. Ellsworth sought at once the privilege of having his men among the first to advance. This request was granted, and he was ordered to go down the Potomac by boat, and enter Alexandria in the front, while others were to cross by bridge and enter the city from the rear. His last words to his men on the eve of their departure were: "Act as men. Do nothing to shame the regiment. Show the enemy that you are men as well as soldiers."

In the early morning of May 24, 1861, Ellsworth's regiment was ordered to cross the Potomac and enter Alexandria, Va. The colonel, after proper disposition of his men, started with a small squad through the streets of the town. For many months a Confederate flag had been noted flying from the Marshall House, and had been easily seen from across the river. This flag at once caught the notice of the gallant colonel. The rest of the story is well known. Ellsworth and his men rushed up the stairs, cutting down the flag, and descending, the group were met by James W. Jackson, the proprietor of the inn, who discharged his shotgun, instantly killing Ellsworth. Jackson in turn was shot and killed by Corp. Francis Edwin Brownell, of Troy.

It was said Ellsworth had a premonition of death. His letters home on the eve of his ill-fated departure gave that impression. This is part of what he wrote his parents:

"Whatever may happen, cherish the consolation that I was engaged in the performance of a sacred duty. I am perfectly content to accept whatever my fortune may be."

Ellsworth's body arrived in Washington May 24, and was placed in the Navy Yard. Both the President and Mrs. Lincoln were deeply affected by the tragic death of their friend. A correspondent for the New York Herald wrote a few hours after the assassination that President Lincoln burst into tears and concealed his face in his handkerchief. He again remarked: "This act only shows the heroic spirit that animates our soldiers in the righteous cause of ours." Ellsworth's body was removed from the navy yard and lay in state, clad in full uniform, in the White House. The whole North was plunged into sorrow as the President and other high dignitaries of state gathered at the religious service. The letter sent by the President to the bereaved parents in Mechanicville is a classic, and shows the very high esteem in which Ellsworth was held by Lincoln and his official family:

"In the untimely loss of your noble son, our affliction here is scarcely less than your own. So much of promised usefulness to one's country and of bright hopes for one's self and friends have rarely been so suddenly darkened as in his fall. In size, in years, and in youthful appearance, a boy only, his power to command men was surpassingly great. This power, combined with a fine intellect and indomitable energy and a taste altogether military, constituted in him, as seemed to me, the best natural talent in that department I ever knew. And yet he was singularly modest and deferential in social intercourse. My acquaintance with him began less than two years ago, yet through the latter half of the intervening period it was as intimate as the disparity of our ages and my engrossing engagements would permit. To me he appeared to have no indulgences or pastimes, and I never heard him utter a profane or an intemperate word. What was conclusive of his good heart, he never forgot his parents. The honors he labored for so laudably, and, in the sad end, so gallantly gave his life, he meant for them no less then for himself.

"In the hope that it may be no intrusion upon the sacredness of your sorrow, I have ventured to address you this tribute to the memory of my young friend and your brave and early fallen child.

"May God give you the consolation which is beyond all earthly power.

"Sincerely your friend in common affliction,

"A. LINCOLN."

The body of Ellsworth was brought home after impressive ceremonies in New York and Albany, where the Governor and his staff paid their final respects. So ended the short career of one of the most promising soldiers of that time.

A few days ago I visited Alexandria, Va., to view the scene of Ellsworth's death. The Marshall House has been remodeled and is now an apartment house, but on the outside of the building is a bronze tablet with this inscription:

"MARSHALL HOUSE

"Within this building in the early morning of May 24, 1861, James W. Jackson was killed by Federal soldiers while defending his property and personal rights, as stated in the verdict of the coroner's jury. He was the first martyr to the cause of Southern independence, but the justice of history does not permit his name to be forgotten.

"Not in the excitement of battle but coolly and for a great principle he laid down his life, an example to all, in defense of his home and the sacred soil of his native State, Virginia.

"Erected by the Sons and Daughters of the Confederate Soldiers."

Nothing now remains to indicate that in this house Ellsworth received his mortal wound. Even the stairway on which he fell has been removed. How fitting and proper if a memorial tablet to him could be erected there also.

Here it may be fitting to mention that Corporal Francis Edwin Brownell was born in Troy July 13, 1840, and died in Washington March 15, 1894. Congress rewarded him with a Medal of Honor, and he was made a first lieutenant in the Regular Army. Because of severe wounds received in battle, he was retired in 1863, and three years later was advanced to the rank of captain. For many years he made his home in Washington and was known as "Ellsworth's Avenger."

This celebration does more than mark the hundredth anniversary of the birth of Elmer Ellsworth. There was something in his life and death that set him apart from other men and gave him a prominence usually reserved for older men. Perhaps the fact that he was born near our own homes brings him more vividly before us, and yet how very few of the younger generation ever heard his name. Thousands and tens of thousands knew him during his lifetime. How strange that, having made himself so proficient and so outstanding in his chosen profession, he should be called upon to play the part and then for scarcely a day. At a time when leaders were so needed by Lincoln, what an opportunity was presented this young genius to become a great commander. He had all the qualifications for leadership. What cruel destiny was it that prevented the full accomplishment of his great purpose?

It is quite possible that Ellsworth's military ambitions came from his greatgrandfather, George Ellsworth, who at the age of fifteen joined the American Army and took part in the Battle of Saratoga. This fact may have profoundly influenced his desire for a military career. Also there is no doubt that during Ellsworth's boyhood he had read the stories of the historic Hudson River Valley, the stories of Fort William Henry, Lake George, Ticonderoga, Lake Champlain, and the decisive victory of the American Army at Saratoga. All these events must have made a deep impression upon the mind of this young man who was so soon to become an illustrious soldier.

This great gathering has not come here today in idle curiosity. Many of you have traveled hundreds of miles to honor this young American; and if you do not take home with you a great respect for him and a high resolve to emulate in some small measure the principles for which he lived and died, then your journey here will not have served its purpose.

Seventy-six years ago almost to this day thousands stood here with bowed heads to receive all that was mortal of Elmer Ellsworth, and again we come here to honor him, not with bowed heads and sorrowful hearts but with heads raised high and hearts full of gratitude that such a man was given to us.

His active life, his splendid character, his devotion to his country are examples worthy of emulation by the youth of today. He set out in the world to hew his own path, not for himself but for those he loved. He was a leader because leadership was born in him, and he lived and died as he would have wished.

America today is facing a great task. As the Civil War tried men's hearts, so now we need calm consideration and determination and a high purpose to preserve and make greater all that has been given us.

His work was not finished. He still saw before him a great work to do, but he would have been satisfied to know that his country honored him for what in such a pitifully few years he had accomplished.

All we do here today will avail little if it does not serve to instill into the hearts and minds of all of us a greater admiration

and reverence for this man we honor. Even taking into consideration his short life, I believe we can call Elmer Ellsworth a great citizen. As we read his life, we know he was born and brought up in humble circumstances. He struggled to overcome every hardship, and by sheer courage and determination he obtained high regard and position among his fellow men. We find no word of reproach concerning his character. As a military man he was a strict disciplinarian, but yet kind and considerate in his dealings with his men.

We who live in this part of the Empire State, one of Nature's most beautiful spots, have reason to be proud of the fact that Ellsworth came from among us and knew this neighborhood as we know it.

All the possibilities of advancement and high command in the Army were within his grasp. Probably no man in his time, certainly in military affairs, so caught the imagination and praise of the public. His life reads like a romance. Imbued with the military spirit, he had all the requirements of a leader of men. Mentally and morally he was sound, and all those who surrounded him knew instinctively that he was the one man they could look to for leadership; and he did not disappoint them. His record was that of a gentleman, a loving son, a soldier in the highest meaning of that word.

We do well to celebrate here near the town where he was born, and his burial place, the one hundredth anniversary of his birth. Few men in so short a period of time have so impressed their fellow citizens. It was not his heroic deed alone which will mark him for all time, but the record of his life. John Hay, Secretary to Lincoln, wrote of him: "The world can never compute, can hardly even guess what was lost in his untimely end. No one ever possessed greater power of enforcing the respect and fashioning the affections of men." It may be said of Ellsworth that his final act was one of rashness, but no one can deny that in the midst of all the excitement and dangers of the moment it was an act of loyalty to the Union and set an example to his men, which was followed by their splendid services to the Nation.

Let us hope that these ceremonies honoring your heroic son will keep alive the traditions he so faithfully followed. It is good to honor such a life. Countless numbers of our children never heard his name. Let us see to it that from this day on they may know and remember why we are here so that they, too, can have the inspiration of his splendid example. Just as we hate war, so much do we love and honor those who gladly give their lives to uphold a great principle. Such men do not die in vain. To cherish and to ever hold in loving remembrance such men as Ephraim Elmer Ellsworth is why we gather here today. We and future generations must not forget him.

The Essence of Our Constitutional Democracy

EXTENSION OF REMARKS

OF

HON. PETE JARMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

ADDRESS DELIVERED BY HON. WILLIAM B. BANKHEAD, SPEAKER OF THE HOUSE OF REPRESENTATIVES, BEFORE THE ALUMNI SOCIETY OF THE UNIVERSITY OF ALABAMA ON MAY 24, 1937

Mr. JARMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Speaker BANKHEAD:

Probably there is never a more difficult task confronting a public speaker than that of determining the selection of a subject for discussion on an occasion like this. If a subject of intense contemporaneous interest is chosen, one is likely to become too partisan to meet the proprieties of the time and place. If he essays to discuss some abstract problem inherent in an atmosphere of the campus, he is likely to prove "weary, stale, flat, and unprofitable."

And so, out of such dilemma, and mindful that there is wisdom in the old adage that "A shoemaker should stick to his last", I have chosen to submit some observations upon what may be termed the essence of our Federal Constitution as applied to our present social and economic conditions.

In all probability, there has not been any era in modern history during which so much as now the minds, and indeed the hearts, of men have given such profound consideration to the problems of government for an organized national society.

Let us take but a brief glance backward, say to the year 1914. Surely that is but a moment of time as compared to the centuries that had preceded in the infinite changes which had occurred in the ceaseless quest for formulae of national action. In that long stretch of centuries dating back to the very twilight of civilization, the student of social progress will find an amazing field for investigation of what problems for the fixing of rights and privileges have been running through the individual and aggregate minds of men.

It had run the gamut of law, precedents, restraint, privilege, all the way from tribal customs to the absolutism of unlimited monarchy. For all those centuries men had been asking, "What are my inherent natural rights as an individual?" "What neighbor of mine has the right and to what extent to limit or prescribe my course of action?" "If there shall be a surrender of any of my natural rights to some form of social compact for a better protection of all, then what assurance shall I demand from society that my surrendered prerogatives will be protected against the avarice or power of my neighbor?" "Shall the units of society trust their fellows with verbal agreements or insist upon the solemnity of written compacts?" "How shall they be made—how enforced—how modified or repealed?"

And through all this groping for an adequate answer to these questions, ofttimes witnessed by bitter strife, bloodshed, and havoc, there must inevitably have gone the conclusion that men in the mass were passionately seeking a way to some form of security, tranquility, and peace for themselves and their posterity.

So that at the period I have suggested at the beginning of the World War, two recognized forms of government existed among the great powers of Europe. The so-called constitutional monarchy of Great Britain, the Republics of Switzerland and France, on one side, and monarchy as the established order in the others.

How swiftly and with what totally unanticipated results has the whole scene changed! As an inevitable result of the World War, the subsequent peace treaty, and the resentments, bitterness, and challenges which followed it, there have have been titanic upheavals in the structure of government in a majority of the continental powers of Europe. These have been developments of the most far-reaching and epoch-making significance to all the peoples of the world. Indeed, some of their implications cannot be ignored by the people of the United States.

Where rules with imperious power the Czar of all the Russias, for centuries the symbol of autocratic sovereignty, now stands dominant the very antithesis of that symbol, but none the less autocratic rule of Stalin, the Communist.

Germany, for a few short years a quasi-republic, has reverted to a one-man absolutism almost without parallel in all the tide of time, in a new political philosophy of the totalitarian state called nazism.

The throne of the Caesars in Italy is now held not in name, but in fact, by a dictator, answerable only to his own passionate will.

The population of old Bourbon Spain is now daily devastated with unspeakable savagery by a civil schism as to whether Moscow, or Berlin, and Rome shall dominate its destiny.

I have traveled so far afield from the announced subject of discussion in order that there may be a fair comparison between what I regard as the dangerous doctrines of other world powers as compared to the comfort and felicity of the constitutional status in our own beloved United States of America.

The limitation of time will not permit an excursion into the inviting field of the organization of the structure of our constitutional system. It is singularly appropriate that we should reflect upon it now, for upon the 17th day of September 1787, 150 years ago, the 100 days of labor of the Delegates to the Convention were ended, and our Constitution signed.

Probably the greatest compliment ever paid to the genius, if not the inspiration of our organic law, was that of William E. Gladstone, the very great English statesman, who, to use his full quotation, said of it:

"As the British Constitution is the most subtle organism which has proceeded from the womb and long gestation of progressive history, so the American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man."

That compliment paid by an eminent statesman who always measured his words is peculiarly impressive when we stop to consider that the American Constitution was an absolutely new venture in the field of statesmanship. It will be recalled that it was the very first pattern or experiment in the field of a rigid Constitution. There had been no pioneering in such field by statesmen of other countries. The document was absolutely original and generic. The conclusion must be fairly drawn, however, that the men who framed the Constitution must have been profound students in the field of Government and must have not only brought to bear their studies and observations of other forms of Government, but also necessarily had to utilize a remarkable amount of native genius and imagination in order to frame our fundamental law along lines adequate to meet not only their conception of a Government for a free people, but also elastic enough in contemplation to govern contingencies that they knew must necessarily arise in the development of a great nation.

In any study of our Federal governmental structure, it must always be remembered that every single power possessed by the Federal Government is a specific power that was delegated to it by the sovereign States of the old Confederation and the people thereof. As an evidence, however, of the prophetic wisdom of the framers, ample provision was made with due safeguards for such changes in the organic structure as the evolution of time

and events might make necessary in order to meet the constantly changing conditions of the future. This through the process of amendments.

The great underlying political principle of the entire fabric is based upon the everlasting conception that a Government for a free and independent people must always, under all circumstances, under all contingencies, be a Government by the sovereign will of the people who are to be governed. And another most vital principle is that all men and women who can qualify for citizenship are upon terms of absolute equality in political power. As a handmaiden to that conception, it was provided that all governmental action should be taken by the express will of the majority. That, of course, did not mean and does not now mean, that the temporary majority should be clothed with any ruthless and unrestrained power. Meticulous care was taken in framing the Constitution to see that the rights and privileges of the minority should always be amply safeguarded and protected, and this remedy was adequately provided not only by the restraint of the Constitution itself, but provision was made through the processes of the courts to see to it that no property or personal rights guaranteed to any citizen, even the humblest and most obscure, should be invaded or forgotten.

And so these very wise framers of the Constitution set about in simple terms to establish the framework of a philosophical, political structure which is, in truth, a veritable model for simplicity and strength.

There are three pedestals, and three alone, upon which the entire superstructure is builded; the legislative power, the executive power, and the judicial power. To each was assigned a very definite and circumscribed limit of operation. Within the "dead lines" of each of these coordinate powers of the Federal Government, the authority which may be exercised therein is absolute and untrammeled, subject, however, to a very wise and at the same time necessary provision of a system of checks and balances which in the ultimate were not intended to make nugatory the authority of either branch, but that the final action of each should rest upon a sound basis of restraint. For the purposes of this discussion, it is not necessary to elaborate upon that phase of constitutional power.

It will be recalled that it was necessary to have the ratification of nine of the Original Thirteen States before the new Constitution became effective. There were very grave objections to the ratification of the Constitution in many of the States, notably in Virginia, Massachusetts, and New York. The resistance of Mason, Patrick Henry, and Thomas Jefferson, of Virginia, especially Jefferson, were based upon the ground that the original Constitution did not sufficiently safeguard the individual rights and liberties of the people, and these remonstrances, urged with passionate zeal, finally eventuated in an understanding that the first Congress assembled under the Constitution should propose 10 amendments to the Constitution which are now commonly called the Bill of Rights. They constitute, to my mind, the vital essence of our organic law. All of the sanctity and security of these 10 amendments are inestimably precious to the American people.

"Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

So that under the benevolent protection of that amendment here in this blessed land of ours, of real personal liberty, a man may speak as he pleases, he may think as he chooses, he may worship as his conscience dictates, and he shall have the inalienable right to appeal to his Government for a redress of grievances.

A few weeks ago I was a guest at one of the famous Gridiron Club dinners in Washington. Next to me at the table sat the German Ambassador. The President of the United States was there. As usual on such occasions, the Chief Executive was the target for many satirical lampoons and severe criticisms. I asked the German Ambassador if such a performance as that would be tolerated in the presence of Hitler, the Imperial Chancellor of Germany, and he instantly replied that such a performance in Nazi Germany would be absolutely unthinkable. Such is the difference between the liberties of a free people and those who live under dictatorship.

The other nine amendments constituting the Bill of Rights are of equal dignity and force. The right of the people to bear arms; the prohibition against quartering soldiers on private property without the consent of the owner; the right of the people to be secure in their persons, houses, and effects against unreasonable searches and seizures; the right to demand an indictment by a grand jury; the right to speedy trial by an impartial jury of the State in which a crime shall have been committed; the right of jury trial in civil cases; the prohibition against excessive bail and cruel and unjust punishment and of peculiar and outstanding importance, the provisions that, "The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively, or to the people." Every one of these 10 amendments is a negation of power in the Federal Government, to be preserved as a matter of supreme importance to all our people, now and hereafter.

In discussing the vital principle of our democracy, it may not be amiss to refer most briefly to the preamble of the Constitution and a short statement from the Declaration of Independence. Their repetition can certainly do no harm, especially to the youth of America who are now forming their own conclusions as to what type of government shall restrain or encourage them in the years to come. The preamble to the Constitution, which is a vital part of that immortal document, is clothed in the following language:

"We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Note those impressive words, "to establish justice, insure domestic tranquillity, promote the general welfare, and to secure the blessings of liberty to ourselves and our posterity", and the careful student, upon investigation, will find that all that follows in the Constitution is but an effort to carry forward those benevolent purposes.

A sentence from the Declaration of Independence, old with age but ever new with vital significance, "We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain inalienable rights, and that among these are life, liberty, and the pursuit of happiness." Those were the words of Thomas Jefferson, and it may be appropriate to quote a sentence or two from Jefferson's inaugural address when he was undertaking to more clearly define the purposes for which our Government was established:

"Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations—entangling alliances with none; the support of the State governments in all their rights, as the most competent administrations for our domestic concerns and the surest bulwarks against antirepublican tendencies; the preservation of the general Government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad; a jealous care of the right of election by the people—a mild and safe corrective of abuses which are lopped by the sword of the revolution where peaceable remedies are unprovided; absolute acquiescence in the decisions of the majority—the vital principle of republics, from which there is no appeal but to force, the vital principle and immediate parent of despotism."

Now I have reminded you of some of the essential considerations in the minds of the framers of the Constitution. I think it fair to take the position that those of us in Washington under the present administration who have been largely responsible for Federal laws and policies, have undertaken in a broad way to carry out and to carry forward the essence and sacrament of the real spirit of our Constitution. Our major problem has been based largely upon a conception of the general welfare. We have undertaken to preserve, as far as possible, the elemental rights of the masses of our people to a fair preservation of their health, their security, and their progress toward a more abundant life. We have been confronted in the last few years with conditions of unparalleled misery, distress, and unhappiness. At times during that period the very pillars of the temple of our National Government seemed to tremble with auguries of disaster. Every segment of our society from the highest to the lowest, in greater or less degree, has been the victim of some form of desperation. In such a social and economic cataclysm it has appeared vitally essential that we should venture into some new fields of legislative pioneering, some of them unthinkable as governmental policies a quarter of a century ago.

We concluded that the first duty of a democracy like ours is to save democracy itself, and to save democracy it was essential to also save the respect and confidence of millions of almost forgotten men and women in the confidence that their Government in such desperate days was not unmindful of them. Hunger and nakedness and destitution cannot be appeased by statements of academic principles. An impoverished and hopeless agricultural system, the most basic of all industries, had not only to be salvaged, but restored to some assurance of permanent prosperity. The public confidence of the people in our Federal and State banking systems had to be restored by Federal activities insuring the safety of deposits against panic and collapse. The millions of men and women who toil, the so-called laboring classes of the country, were entitled to some emancipation from the slavery of long hours, inadequate pay, child labor, and cut-throat practices of competition. The unemployed and bewildered youth of the country were entitled and have received the beneficent encouragement and support of a Federal Government which realizes that a generation from now that same youth will be the burden bearers of the Republic in all realms of human activity.

We have embarked and expect to go still further forward in a Nation-wide program for the salvation and conservation of our soil and all of our natural resources which have been and always will be the greatest heritage of our people. We are seeking practical methods of undertaking to abolish, in large measure, the great evils and unhappiness attendant upon our farm-tenant and sharecropper situation and to give back to these men with the hoe something of the "upward looking and the light."

We have already laid deeply, and I trust permanently and successfully, the mud sills of a great social security program giving to the unemployed, the aged, the blind, the benefit of some measure of solace and security against the ravages of age and the fell blows of misfortune.

And all of these and many other objectives which I have not named, despite the merciless and capable opposition of many

powerful influences of the old order, are, in my humble judgment, but carrying out the vital conceptions of the fathers of the Constitution, that if any democratic form of government is to be assured of permanency and perpetuity, it must obtain and it must deserve not only the confidence but the admiration and affection of the great masses of the people who constitute such Government.

P. W. A. or W. P. A.?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, the limited time of 20 minutes for discussion of House bill 7363 allotted to Members on each side of the aisle is hardly enough to permit one to express his views adequately. For that reason, I have, in addition to the few remarks made on the floor of the House, asked this leave for extension. It seems to me that there is a misconception in the public mind as to the nature of these two agencies, the P. W. A. and the W. P. A., and as to the purpose and merits of each. It has been suggested that the recent conflict in this body between P. W. A. and W. P. A. has been more a matter of personalities than of respective merits. I know nothing about that and care less, for I am favorably impressed with the workings of both of these agencies as I have observed them and come in contact with them in Arizona.

The educational equipment and facilities of the State of Arizona, from the university down to hundreds of school districts, have profited in a building program through the agencies of P. W. A. At a time when the State of Arizona was scarcely able to barely maintain her university and two teachers colleges, this P. W. A. agency permitted a building program on each campus, which was very much needed and which the State itself would probably not have been able to carry out within the next 25 years. This is what I regard as a wise building program at public expense during a time of depression when private employment was almost nil. On the other hand, W. P. A. did on one campus alone $100,000 worth of needed, useful work.

Many school districts in Arizona have been greatly aided by W. P. A. where needed construction was done and much-needed employment offered locally. In financing education in Arizona, the State is fortunate in having a plan whereby a large portion of the funds come out of the State Treasury. This is known as State aid in education. It explains in large part the progress and up-to-date conditions of Arizona schools. However, this State aid in Arizona has never applied to the building program. As a result, at the beginning of the depression, we had some very modern and satisfactory building in some districts and, in contrast, in some of the poorer districts we had buildings that were unsafe and discreditable. W. P. A. has been a blessing to those poorer districts.

I have often heard the charge of "politics" hurled at our relief work. Whenever it is held up to scorn, the so-called temporary nature and makeshift purpose is usually referred to as "leaf raking" and "made work." I have seen some of that temporary and makeshift work, but comparatively little, and I am agreeably surprised that both P. W. A. and W. P. A. programs have been as effective and productive as they have been in the State of Arizona. Accordingly, it is not strange that the Governor of the State, the State legislature, various county boards of supervisors, city officials, and school-board members, have communicated to me their wishes regarding and favoring both of these agencies. Although I, at first, sought to earmark a fifth of the relief bill for P. W. A., and still favor that organization which builds most permanently and enduringly, nevertheless, I feel that it is good public policy, as well as the humane necessity, to give the administration adequate leeway to take care of our army of unemployed.

Critical Relationships Between Labor, Capital, and Government

EXTENSION OF REMARKS

OF

HON. WALLACE H. WHITE, JR.

OF MAINE

IN THE SENATE OF THE UNITED STATES

Monday, June 7, 1937

RADIO ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN, JUNE 5, 1937

Mr. WHITE. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD a radio broadcast made by the senior Senator from Michigan [Mr. VANDENBERG] on Saturday night last on the general subject of the relationships between labor, capital, and the Government.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The relationships between labor, capital, and government have reached a point which requires of all concerned that we frankly take common counsel together lest each, in its own zeals, shall jeopardize, if not destroy, our chances for common advantage under the Republic. We are in the midst of severe industrial controversy all over America, plus a sudden purpose on the part of government to add new and highly speculative industrial restraints to the existing statute code. Some phases of this controversy cannot be dismissed as less than ominous—particularly whenever and wherever the integrity of law hangs in the balances. No citizen who intelligently loves his country and its institutions can ever compromise with this latter challenge, no matter who offends. Nothing else matters if civil liberties—whether human rights or legitimate property rights—go by the board. But long before we reach such a tragic climax, whether precipitated thoughtlessly or by design, there are some fundamental realities which no straight-thinker can ignore. I want to discuss some of these realities tonight with particular reference to the proposed new hours and wages laws; and I want to do it analytically as an appeal to reason, rather than emotionally as an appeal to class hatreds which could wreck the United States.

Looking to a secure and prosperous industrial future under law and order for our country, it will make no useful contribution to speak of this problem solely in the passions engendered by years of what labor condemns as employer oppression; nor to speak in the prejudices which attribute nothing but communism to an employee revolution. There has been plenty of maddening indefensible exploitation upon the one hand; and there is plenty of evidence of sanguinary communistic activity upon the other. But these are minority factors in both instances; and I prefer, for the time being, to reason with all concerned on the basis that a devotion to equity and fair play—under the American system—can still control our destiny.

Our paramount necessity at this hour is enlightened self-interest on the part of both labor and capital—not to say of Government itself—to the end that we shall not destroy the profitable American productivity upon which labor, capital, and country must rely for progress and prosperity. It does no one any good to win a battle and lose a war. None of us, including labor, can afford what were called Pyrrhic victories in olden times, named for the triumph over the Romans at Asculum, which moved King Pyrrhus to exclaim: "Another such victory and we are lost."

Enlightened self-interest calls upon capital to accept the true spirit of collective bargaining, free from all coercion, and fair labor practice as written into law and morals. Enlightened self-interest calls upon labor to use its new-found power with an eye to the maintenance of profitable industry lest its reservoir of contemplated benefits dries up. Enlightened self-interest calls upon Government to enforce all laws, without fear or favor; and upon citizens to obey all laws, lest there be no stabilized society in which to enjoy the fruits of a more equitable economy. Enlightened self-interest also calls upon Government not to force the process of industrial regulation by statute any faster than successful industrial management can assimilate. Successful industrial management is not a matter of statutes. It cannot be ordered by law. It is dependent upon human initiative and courage and vision and upon legitimate opportunity and legitimate rewards. It cannot be unionized. It is the human element which distinguishes America from both fascism on the one hand and communism on the other. If it be discouraged or destroyed, there is nothing under the American system to take its place.

In the midst of these controversies and uncertainties I am particularly raising the question whether this is a propitious time for the Federal Government to thrust new industrial statutes into the existing situation—I refer to the proposal to write a quick Federal code covering minimum wages, maximum hours, and child labor—before existing statutes are safely and wisely stabilized

and mutualized with a legal recognition of the blunt necessity that "fair-labor practices" involve reciprocal obligations upon employee and employer alike.

I attach myself to the view suggested by the distinguished junior Senator from Nevada [Mr. McCARRAN], that we had best postpone these new statutory controls until we may be confident that we have found the right answer in terms of real advantage for the vast army of American workers who now hold profitable jobs and who want to keep them.

Of course, there can be prompt agreement on a constitutional amendment against the exploitation of children in industry. My own recent proposal has the virtual endorsement of most of the forces which have fought kindred propositions heretofore. There can be prompt agreement on the Wheeler-Johnson ban against the products of child labor in interstate commerce. But the question of hours and wages—only recently committed to legalized collective bargaining by Congress—is inevitably involved in today's whole industrial controversy, insofar as that controversy is not a sheer and naked reach for arbitrary power. It is involved in today's whole problem of equitable labor peace which is antecedent to labor prosperity, or prosperity for anybody. It is a grave question in public policy whether this latter sector is not already so belligerently complicated that no good purpose, for anybody, is to be served by opening up new and added legislative regulations and resultant controversies at the moment, no matter how inherently persuasive. There is such a thing, unfortunately, as economic indigestion. There is also such a thing as suicide.

Now, there is a strong case to be made for minimum wage and maximum hour laws in the States, and for the theory of a basic Federal standard to equalize competitive conditions. There is an equally strong case to be made against a national strait jacket in these matters; but a still stronger case against the creation of a new Federal bureaucracy with large discretionary and dictatorial powers—as seems inevitable under the formula thus far proposed. But I submit that there is no case whatever to be made in favor of rushing pell-mell into all the implications of any such legislative program when, with our monitory N. R. A. experience as a background, we know the sinister possibilities in this ultimate field of action. Nor is there any case to be made in favor of piling new and uncertain mandates of law upon industry before industry has learned to live under mandates already created. The idea suggested in the press that such a program might be perfected by June 15 and rushed to quick conclusion—involving, as it ultimately does, the whole American economy—is a travesty upon prudence.

Constantly to be borne in mind is the fundamental proposition that not law but successful and profitable commerce, within the reasonable price reach of the ultimate consumer, is the key to more jobs and better wages. This does not argue against vigorous statutory protection of labor against exploitation; emphatically otherwise. But it does argue against needlessly multiplied or premature statutory experiments which are so rapidly precipitated upon American business that it sinks instead of swims. There is a limit to endurance. Only Heaven can help us if this endurance fails. There can be no substitute in statesmanship—unless it be vain reliance on dictatorship.

American industry, although beset with strikes, is struggling back to production and employment peaks. This is the prime prerequisite to any mass prosperity because no amount of legislative prescription, no matter how nobly meditated, and no end of revolutionary parades, no matter how enthusiastically organized, can substitute for business itself as a producer of jobs and wages. The finest reforms are fruitless—and this goes for the whole contemplation today—if they create more problems than they solve, and if, in the language of the street, they "kill the goose that lays the golden egg."

Our estimated production index for May is 117, as compared with 119 in 1929. Employment is at the index of 102, as compared with 105 in 1929. Pay rolls are at 105, as compared with 109 in 1929. Manifestly there is no such emergency as justified hasty experimentation at the depth of the depression. On the contrary, the paramount need at the moment is to consolidate our gains, stabilize our progress, and standardize a rational and mutually helpful relationship through reasonable collective bargaining under the newly authenticated Wagner Act, before precipitating new complications through new mechanisms of dubious implication. There is such a thing as giving a recuperating patient too much medicine when he is convalescing.

Labor is entitled to a constantly broadening share in the fruits of its own production. Labor is entitled to be free, whether in or out of a union. I continue to believe that an ultimate formula for definite profit-sharing, encouraged through tax exemptions, plus as near as possible an approach to the idea of an annual wage, is capitalism's saving grace in this connection. But it profits labor or government nothing to force prematurely heavy burdens upon industry before they can be assimilated; particularly if it results in the abandonment and liquidation of enterprise entirely. This, unfortunately, is happening in many instances; and there will, I fear, be many more to come if the responsibility of business becomes unbearable. This does not produce real wealth. There is simply less wealth to divide and share.

These practical phases cannot be safely ignored. Furthermore, they touch many angles. From labor's viewpoint, for example, I should say that this would be an exceedingly poor time to fix even a minimum statutory wage, because the real value of wages, measured in purchasing power, is in such a state of flux. Real wages already are in the grip of a vicious circle—pay scales up, then production costs up, then living costs up, then buying curtailed, then scarcer jobs, then real wages lower, then another readjustment, and the spiral starts all over again. Meanwhile, the uncertainties of an unbalanced Federal Budget and the restless implications of our giddy gold and silver purchase policies warn all realists that the value of money is utterly speculative until these inflationary forces come to curb. Until money values are standardized, wage values cannot be standardized. In other words, there are other problems that ought to be settled first.

Again, before we may proceed with prudence and reasonable security to establish wages and hours by Federal fiat, the whole related economic problem must be painstakingly explored lest our zeals lead us unwittingly astray. These related economic problems include new dislocations in relative agricultural parity. They include the deadly menace of an ultimate consumer who will one day himself strike against commodity prices which are driven too swiftly upward by artificial governmental means. They include the probability that Federal wage fixing, once initiated, may lead to Federal price fixing, which as a general proposition, never worked and never will. They include the probability that Federal wage fixing and price fixing together will lead to compulsory arbitration in labor relations—not voluntarily, but by sheer force of necessity as we are driven closer and ever closer to the centralized, authoritarian state with its tyranny of oppressive government-blessed monopolies. They include the probability of an enforced return to the exploded economics of "controlled scarcity", which vainly promises more wealth by producing less wealth—a sort of "share-the-poverty" movement.

There are many other equally vital relationships which require to be thought through to their ultimate conclusion before we set our feet upon these yet newer roads. The whole fabric of the Nation is ultimately involved. When we have thought these things through—and at least a few recognized economists approve our findings—I bespeak the willingness and the courage to proceed though it be in undiscovered country. But it is folly to suggest that we can think them through in 2 weeks or 2 months. Particularly is this true when available seasoned advise, from the President himself on down the line, usually is unable to do more than to recommend the creation of a delegated authority to find the answers which we are unable to find ourselves. That is the essence of fascism, however far it be from the inherent purpose. Certainly the mountain will have labored to produce a mouse if our present hasty product is in reality but an admission that no truly uniform hours-and-wages rule is universally feasible in so expansive a country as America, and that the best we can do is to turn over the power of effective decision—the power of life and death over industry—to a new and all-powerful bureaucracy.

The President submitted an able message upon this subject in respect to its humane objectives. But good motives alone are not enough. The business problems in America today is a battle of realities which must be taken as they are. It is one thing to meet a pay roll. It is quite something else to talk philosophy.

Let it be remembered that American business—our sole producer of industrial jobs and farm markets—already is struggling to accommodate itself to many new situations. It has, for example, loyally accepted new social-security laws and taxes and is moving forward under them—the first of many far-flung innovations. It is struggling under a new surplus tax which, in many instances, dangerously prohibits the use of earnings to cushion prudent operations, to protect against "rainy days", or to expand into operations that would make more jobs. In many units, business must accommodate itself to the Wagner Act—another innovation which already deals with hours and wages through collective bargaining rather than through direct statute. It is beset with such uncertainties on every hand—such utter inability to figure reliable costs so much as a week ahead, particularly in view of precarious money values—that long-range planning for bigger and better things is becoming next to impossible. Yet it—and it alone—can take up what remains of the unemployment slack. The achievement of this latter goal is bound to be less a matter of legislative formula now than a matter of legitimate opportunity to forge ahead in competitive pursuit of more trade which shall produce more jobs and higher wages. The production of more things for more people at prices within their reach will do more for labor and for the common prosperity than all the vague and wishful legislation, no matter how worthily sustained by theory, which we might add at the moment to the current schedule.

This does not say that continuing protection statutes for industrial equity shall be forgotten; exactly contrary. It simply says, as a matter of reality, that existing statutes are adequate for the time being and that legitimate business—if it is to have any time and opportunity left to create the jobs and wages that are demanded of it—must have a reasonable "breathing spell" from more, new, inconclusive, experimental statutes.

There is no imminent emergency which calls for Federal control of hours and wages at the moment, and there is less than no experienced assurance that the proposed control would contribute to trade and employment and the general welfare, even if there were an emergency. Probably we are coming to some sort of ultimate Federal direction in these fields. But haste makes waste. I respectfully submit that a joint study of the hours and wages problem, with all its related implications, by the appropriate Senate and House committees during a congressional recess, which the country craves, could hope to bring us seasoned, sustained, and

matured recommendations of a specific nature at the beginning of another session; whereas the hasty, snap-judgment enactment of more uncertain, speculative, bureaucratic legislation at the moment—freighted as it is with an infinity of other industrial problems—is definitely calculated to do more harm than good.

In conclusion, I respectfully beg to recall the advice to labor which once fell from the lips of its greatest single friend in the American labor movement—one who fought aggressively for labor but who never neglected the national vision in respect to labor's sound and reliable progress. Of course, it always will be true that labor cannot disassociate itself from the welfare of the country any more than the country can disassociate itself from the welfare of labor. Except as both welfares develop simultaneously there can be no permanent advantage for anybody. This truth is too frequently in danger of being overlooked today on many fronts. The greatest labor statesman who ever lived was Samuel Gompers. His imposing statue adorns Massachusetts Avenue. Labor will never lose when it spares a moment to consult with the bronze Gompers on his pedestal. There is graven for all time where he who runs may read, the following eternal admonition which today needs greatly to be reiterated:

"So long as we have held fast to voluntary principles and have been actuated and inspired by the spirit of service, we have sustained our forward progress, and we have made our labor movement something to be respected and accorded a place in the councils of our Republic. Where we have blundered into trying to force a policy or a decision, even though wise and right, we have impeded, if not interrupted, the realization of our own aims."

Flood Control

EXTENSION OF REMARKS

OF

HON. PETER J. DEMUTH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

TESTIMONY OF HON. PETER J. DEMUTH, OF PENNSYLVANIA, BEFORE THE SUBCOMMITTEE ON APPROPRIATIONS FOR THE WAR DEPARTMENT

Mr. DEMUTH. Mr. Speaker, under leave to extend my remarks I include the following testimony before the subcommittee on appropriations for the War Department:

Mr. DEMUTH. Mr. Chairman and gentlemen of the committee, floods have occurred in the Allegheny, Monongahela, and Ohio River Basins far beyond the memory of man. According to the records available, the first major flood occurred in the year 1762, before a plow had struck the ground or a tree had been cut in the forests of this watershed.

We have had 100 floods during the last 96 years. The two major floods occurred on March 15, 1907, and March 18, 1936. The damage done by the flood of March 18, 1936, in Allegheny County was estimated at $50,000,000.

You were speaking a while ago about what would be ultimately paid over to the Government in the form of taxes, or what would be the write-off in income-tax returns on account of these flood damages. You may form your own conclusion on this point, but it is safe to estimate that the Government lost on income-tax returns, an amount equal to 10 percent of the flood losses. These flood losses are an important reason why the Government income did not reach the estimated yield for the fiscal year 1936. They will also have a marked effect upon the yield of the income tax for the year of 1937. The total flood loss recorded from major floods for the year 1936 in the United States are $175,390,000, while the loss so far recorded for the year 1937 in the United States is $400,000,000. These figures do not include losses due to other ordinary floods which have occurred during 1936 and 1937. The loss in income actually suffered by the United States in income-tax returns for these 2 years will probably amount to $61,000,000. It must be remembered too, that a large part of the $27,000,000 raised by the Red Cross will be charged against the income of the United States Government on the individual income-tax returns. It therefore behooves our Government to conduct its affairs with consideration of the interests of the lives and property of the people in the flood districts. Flood prevention is humane and economically wise. Delay is cruel and wasteful. In order to balance the Budget, we must prevent flood losses.

The damage done by the flood of March 1907 in the city of Pittsburgh was estimated at $6,500,000.

Since 1907, that is, during the past 30 years, there have been 37 floods in addition to the two already mentioned. The amount of direct loss to the city of Pittsburgh by each of these floods varies from two to three hundred thousand dollars. It has been estimated that the total loss of the entire Ohio Valley, in the flood of 1937, is in excess of $250,000,000, and the total loss in the Ohio Valley for the past 50 years has been conservatively estimated to be in excess of $1,000,000,000. This amount is in addition to the loss of lives and the loss due to sickness and other indirect damage. At this time I wish to present exhibit A, showing the United States Weather Bureau record of floods at Pittsburgh.

Accompanying these major floods are the dangers of epidemics of contagious diseases and threats of perilous fires. These dangers are caused by the disabling of the water plants in the various municipalities which furnish drinking water and fire protection.

Following the great flood of 1907, the Flood Commission of Pittsburgh, a public-spirited citizen's organization, supplied funds to the extent of $110,600 for an extensive survey of the Allegheny and Monongahela River watersheds. In making this survey many prominent engineers furnished their services free. I understand that Morris Knowles, one of the outstanding engineers of this country, did not charge one cent for his services. This service was conservatively estimated at $250,000. Since 1907 many other studies of these watersheds have been made. After the disastrous flood of March 18, 1936, $6,000 was spent for a supplemental survey and report, which was made in November 1936. Under the authority of the Flood Control Act of June 22, 1936, the surveys were completed.

The designs for most of the reservoirs are now completed. The plans and specifications have been completed for the construction of the dams at Tionesta and Crooked Creek. Incidentally, both of these are earth dams, and the contract could be let within a month. They are already designed. The dams at Red Bank and Loyal Hanna can be started during the summer. The remaining dams on the Mahoning Creek, French Creek, and Conemaugh River and the dams to protect Johnstown can be started by next fall. These dams will reduce the crest of a major flood at Pittsburgh 10½ feet. You can appreciate their importance to the Pittsburgh district and the upper Ohio River Basin.

I know of no project that has been studied and surveyed so thoroughly, over so many years, as has been the flood prevention, water, and soil conservation project for this district. At this late date we still beg for action—an appropriation. This is most reprehensible and, in my estimation, not sound economy nor good management. Pennsylvania is known as the Keystone State. In the protection of floods of the entire Ohio Valley, including the Mississippi Valley, Pennsylvania is the keystone of the project. The waters that run into the Monongahela and Allegheny Rivers from their watersheds flow through every mile of the Ohio and Mississippi River Valleys. No doubt it is apparent to you gentlemen that the water retained in the reservoirs of the upper regions of the Allegheny and Monongahela Rivers, benefits every town, county, and State on the lower Ohio and Mississippi Rivers. Therefore, any money spent below Pittsburgh or any other point lower down the river will benefit only those towns farther down the river.

While the flood-control program must necessarily cover the entire Ohio Valley and Mississippi Basin, you will agree that the most economical place to start is at the headwaters. The use value of the flood-control dams decrease in direct proportion as they approach the mouth of the Ohio and Mississippi Rivers. This is because they protect only the valley below their location. The Pennsylvania dams, together with the one now about to be completed on the Tygart River of West Virginia and the one on the West Fork River, will protect 100 miles of Allegheny and Monongahela River Valley and 93 miles of the Ohio River Valley down to and including the district of Wheeling, W. Va. In addition thereto, these dams help to prevent floods in the 841 miles of Ohio River Valley from the Wheeling district to the mouth of the Tennessee River. From there on down, the economic weight value of any water retained by the Tennessee Valley dams will be equal only to that retained by the Pennsylvania dams. The Tennessee Valley dams, you should note, will be of no value to the 1,034 miles in the Ohio River Basin above the mouth of the Tennessee River.

The total gross cost of all the dams to protect Pittsburgh will be $65,000,000 and will remove a flood crest of 170,000 cubic feet per second. The cost per 1,000 second-feet will be $38.25. Here is an interesting comparison between the work of the Army engineers and the T. V. A.: The proposed Gilbertsville Dam of the Tennessee Valley Authority on the Tennessee River, costing $110,000,000, will remove a flood crest of only 200,000 cubic feet per second. The cost will be $55 per 1,000 second-feet.

Aside from the favorable geographical location, the economic weight value of the mammoth industrial district extending up the Allegheny, and Monongahela Rivers, and down the Ohio River beyond Wheeling, W. Va., adds further to the importance of this Pennsylvania project. The assessed value of the city of Pittsburgh alone is over $1,200,000,000. One county in the State of Pennsylvania, namely, Allegheny, is assessed more than the entire State of Tennessee. Yet, we spend millions in flood prevention and power dams for that State, while we in the upper Ohio district must continue to beg for an appropriation to protect the Pittsburgh district and our States bordering upon the Ohio Basin. While the Tennessee Valley projects have merit, nevertheless, this project to protect Pittsburgh and the upper Ohio River Basin, you must agree has not received due consideration.

The dams designed to protect this district have taken into consideration all matters such as water and soil conservation and power development. Every dam will have constructed therein penstocks for power development.

I know of no section where power can be put to better use than in this, the greatest industrial section of the world, the Pittsburgh area.

This map is a forest map of the watersheds of the Allegheny and Monongahela Rivers. The mountains of Pennsylvania are covered to a very great extent with forests. It is a matter of record of the United States Weather Bureau that the rainfall and snowfall in the Pennsylvania mountains is as much as three times as great as in the lower lying lands.

In the great floods of March 1907 and March 1936 it was found that the cause of these floods was due to snow which had accumulated in the forests upon the mountains of the headwaters of the Allegheny and Monongahela Rivers, due, to a great extent, to the protection afforded them by the trees covering the mountains. It is of particular interest to note that while forests in general prevent run-off, when the atmospheric conditions are such as to cause a snow run-off in addition to rainfall, great floods result as was experienced in the years of 1907 and 1936. Run-off conditions favorable to a great flood may again prevail in the spring of 1939 or any year thereafter, no one knows when, but they are inevitable.

The State of Pennsylvania has already appropriated $5,000,000 for this work and has agreed to share equally the cost of this work with the Federal Government.

I wish to point out that this is something that Pennsylvania and New York have set up and agreed to do.

The money they are spending in Tennessee is all furnished by the Federal Government. The other day, without a chirp, we gave an additional $14,000,000 to the T. V. A.

Mr. STARNES. May I say that this committee has never recommended the appropriation of a dollar for the Tennessee Valley project. That is not handled by us.

Mr. DEMUTH. I appreciate that, but, nevertheless, it is going on.

Mr. STARNES. In that respect your remarks are not quite apropos.

Mr. DEMUTH. It distorts the spending of money, so far as equality and justice are concerned.

Our only salvation rests with the wisdom and good judgment of this committee in deciding to appropriate now at least $10,250,000 to start this most vital project in the State of Pennsylvania for the benefit not only of the Pittsburgh district but the entire Ohio and Mississippi Valley.

I thank you gentlemen for your attention.

Mr. SNYDER. I might make one observation in connection with your last sentence there. As you know, it is not within the power of this committee to designate any one particular project or any particular sum.

Mr. DEMUTH. You are not permitted to earmark it?

Mr. SNYDER. No.

Mr. DEMUTH. There is earmarking done, but not by the Appropriations Committee.

Mr. SNYDER. That is true.

Mr. DEMUTH. Unfortunately so.

Mr. STARNES. We are in entire sympathy with you in your problem, but I wanted to make that statement in explanation of our position here. You do subscribe to the theory that flood control is a national problem.

Mr. DEMUTH. Yes.

Mr. SNYDER. We thank you for your illuminating statements. I am sure you have contributed a great deal of information for the consideration of the committee.

Mr. DEMUTH. I am happy to know that you feel that way.

The Gallatin Valley Dam in Western Montana Should Be Constructed Immediately

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, I regret sincerely that both the Appropriations Committee and the House has refused to provide funds for the construction of the Gallatin Valley Dam in Gallatin County, Mont., within the Interior appropriation bill. It is a great mistake because this is, in my estimation, one of the most worthy and most feasible projects presented to this body. In order to carry on the fight for its construction I have introduced a bill appropriating $6,000,000 and demanding that construction begin immediately. That bill is known as H. R. 7313.

I wish to point out some pertinent facts in connection with irrigation and reclamation projects in the West. Notwithstanding the great drive for economy, it would seem to me that it would be very sensible to place great emphasis on expenditures which would provide work thus cutting down the relief load and at the same time construct projects which would be self-liquidating. The Gallatin Valley Dam is such a project and it is not to be classed with those which simply drain money out of the Treasury.

Montana now faces the greatest drought situation in its entire history. In addition to drought, Mormon crickets and grasshoppers are taking heavy toll throughout the entire State. Something must be done for these people and must be done now, and one of the most sane and most feasible plans would be the construction of reclamation projects such as the one proposed in my bill.

The battle for supplementary water is a major one and would be an outstanding means of keeping farmers out of the relief class. The farmers of Montana have put up a game fight in the last few years but tremendous obstacles confront them and the continued water shortage which has now become more acute than ever in the past seems to point directly to constant dust-bowl conditions unless some remedial action is taken immediately.

Farm programs which have been carried on during the past few years were primarily designed to meet a national emergency and were admittedly only temporary measures. How well we may plan for successful utilization of our resources in the future will depend upon our knowledge and interpretation of the facts covering past and present conditions.

The study of the present needs of Agriculture in the Gallatin Valley shows the problem is one of water supply throughout the growing season. This adequate supply can only be secured by storing excess water run-off.

The United States Bureau of Reclamation in a preliminary report on the Gallatin Valley project, December 1936, shows the West Gallatin River has an average discharge of 650,000 acre-feet where it enters the valley. Seventy-two percent of this flow occurs during the normal irrigating months of May to September, inclusive. In years of low run-off the annual discharge falls to 400,000 acre-feet, and in 1 year has fallen as low as 296,000 acre-feet. In such low years there is little surplus water in the flood months. The main project plan presented in the report is limited to a reservoir on the West Gallatin River with utilization of canals now diverting therefrom.

The general trend of precipitation, as shown by figures from the Montana State College weather station, has been steadily downward. During the period 1880–99 the average was 20.29 inches, and in the past 20 years, 1917–36, it has been only 16.40 inches, a loss on the average of 3.89 inches, or 19 percent. This accounts for the recurring shortage of water for irrigation and definitely points the urgent need for a storage reservoir which will hold flood waters until later in the season when growing crops must have needed moisture if they are to develop.

The Gallatin Valley is one of the finest sections of Montana. Its people are hard-working, industrious, respectable American citizens who have fought successfully through drought and depression to maintain themselves and their families. The Gallatin Valley Recovery Association, whose membership comprises farmers who would benefit from this project, have agreed to reimburse the Government, and I know that they will, because their word is as good as gold. I sincerely hope that the House will adopt and send to the Senate my bill providing for the construction of the Gallatin Valley Dam and show these sturdy Americans in this section that Congress appreciates their fight to live as American citizens ought to live in the richest country in all the world.

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. WADE H. KITCHENS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 1, 1937

Mr. KITCHENS. Mr. Speaker and Members of the House, this House joint resolution proposes one and a half billions for relief for the coming fiscal year. The President and the House committee recommend the appropriation.

The Government, due to complete collapse of business and lack of employment, was compelled to enter the field of general relief until business recovers sufficiently to give employment to those desiring work. It is not the purpose of the Government to lead anyone to believe that it will continue to spend the taxpayers' money and create a psychology amongst the people that some need not concern themselves about their own welfare.

It would be most harmful if in this country any of us could be led to believe that the Government owes us a living or that we are entitled to be "on the Government" or that any able-bodied sane person is to be supported at the expense of his neighbors. However, it is the duty of this Government to see that no one starves where he is able to work, makes an honest effort to secure work, and is unable to do so. If his disability be due to other causes, he is entitled to protection and help. Further, I do not believe this Government should make its relief problem compete with business. In other words, relief should not be so alluring as to dull efforts to secure employment and thus be demoralizing.

The object of this resolution is to continue to provide relief where necessary and work relief on useful public projects in this country, its Territories, and possessions, including useful projects heretofore approved by the Works Progress Administration. As the money is to be spent under the President's direction, then none will be necessarily wasted and all of it may not be spent. There is an unexpended balance now of some $225,000,000 available for relief work from prior appropriations. This resolution provides that $415,000,000 may be spent for highways, roads, and streets, and $630,000,000 for public buildings, parks, and other recreational facilities, including sewerage system, water supply purification, airports, flood control, conservation, and other work projects. It provides $380,000,000 for educational, professional, self-help, clerical positions, and women's projects. It likewise provides $75,000,000 for National Youth Administration. The amount specified for any of the foregoing purposes may be increased from the unexpended balances heretofore appropriated as I have just mentioned.

The President is given authority to transfer from one fund to another, but no Federal construction project can be undertaken, nor carried on, under this appropriation until there has been set aside sufficient Federal funds for the completion of the project; nor until adequate finance has been assured for financing such part of the entire cost as the Government will not supply. This appropriation is available to the President also for such loans, relief, and rural help, for needy persons as the President may desire. Furthermore, the funds herein allocated to Works Progress Administration shall be apportioned and used over the 12 months of fiscal year ending June 30, 1938, and must be administered during such year so as to constitute total amount furnished during such year through such agency for relief purposes. In other words, no other relief funds will be available for next fiscal year.

The resolution further provides that the pay for persons engaged upon projects provided for herein shall not be less than the prevailing rates of pay for work of a similar nature in the locality. I am not in accord with this provision, because in some sections people on relief get much more than people in other sections, and the difference in cost of living does not justify it. For example, in some States a person on relief gets $21 to $35 per month, while in others from $40 to $55 per month.

The act further provides that applicants in actual need, although not heretofore on the relief rolls, shall be given the same right of employment as though on the rolls. No aliens illegally in the United States shall be employed, but where aliens have applied for citizenship papers they may be given relief subject to priority of American citizens. This resolution authorizes and directs the Works Progress Administration to wind up the affairs of Federal Emergency Relief Administration established May 12, 1933, and to make report of its operations. These provisions meet my approval.

It will be seen that under this resolution the President is authorized to handle the relief problem as heretofore, and that relief, as we go along, is to be tapered off. This should be significant to all that the Government does not intend, if possible, to enter upon a policy of the dole and all thoughtful people must agree with this policy.

At first I was inclined to support and did support what is known as the Starnes amendment to further allocate part of the relief funds for relief work in connection with floods, building of pools, reservoirs at the sources of our rivers and streams, and in the plains of the West, for I felt such work would be most useful and true relief to those who desire work. In fact, I favor only useful work and expenditure of relief money. For the same reason I supported the Beiter amendment which likewise earmarked part of the relief funds for projects such as school buildings, and so forth. My reason for doing so was because in many cases the people have arranged financially for same, and they are needed and most worth while. But, having listened to the assurances given regarding these amendments, have reached the conclusion that the President and agencies for relief will carry out really the purposes of the Starnes and Beiter amendments. Therefore I must vote against them on the bill.

My State being very much interested in roads, particularly farm-to-market roads, and believing many other States are similarly situated, and being further of the knowledge such work is useful and permanent to the largest number, I voted to amend and allocate $150,000,000 of the appropriation to the States to be supervised by the States for farm-to-market and other roads. However, the statements made by the leadership of the House as emanating from the President convince me that the purposes for which the amendments were offered will be fully carried out by the President.

I voted against increasing or decreasing the appropriation for relief because on such matters I am compelled to rely upon the recommendations of the President and the committee which held the hearings, and who are more familiar and capable of determining the amount for relief than anyone else, and they recommend a billion and a half dollars.

The act has another feature not in other relief bills which I approve and supported in the committee. Hereafter the employees and those in charge and administering relief will be selected in the States and apportioned proportionately to the States according to population, and some States and District of Columbia will no longer be unduly favored here in Washington and elsewhere, and the jobs will be more equitably distributed.

The relief program has had a twofold objective: First, to assist the needy, and secondly, to put money in circulation where needed. The amount of actual money was so scarce that a dollar in many sections was worth 200 cents or more of labor or property. It was too precious to spend and too many had none to spend. Practically all credit money was destroyed.

The result of the program has been quite successful. The income of the American people in 1932 was $32,000,000,000,

while in 1936 it was $60,000,000,000, a net increase of twenty-eight billion in 1 year, or twice as much as the President has increased our public debt in four and a half years. Such an annual increase in income of the people certainly cannot make alarming our national debt. We have every assurance that the annual income will grow increasingly greater, prosperity more certain, and the national debt less. However, I warn that we have not yet removed the cause for these large appropriations for relief. What we do is merely palliative. The price level must be raised and stabilized through the control by the people of their money.

What Private Monopoly of Oil Costs

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

RADIO ADDRESS BY HON. JOHN M. COFFEE, OF WASHINGTON, AT PEOPLES' LOBBY LUNCHEON ON MAY 29, 1937

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include herein an address delivered by myself over a Nation-wide network of radio stations of the Mutual Broadcasting System, as follows:

Mr. Chairman and distinguished guests, the subject assigned to me is so tremendous in its ramifications I will be able merely to discuss a few outstanding aspects of the oil situation in America today.

THE SCOPE OF THE OIL INDUSTRY

The oil industry in the United States commenced in Pennsylvania in 1859, when the first commercial possibilities of oil seepage were recognized. Since that time it has grown to such proportions it can truthfully be said to be the most powerful business in the world today. Five-gallon cans of the Standard Oil Co. of New York may be found in the fastnesses of Tibet or 500 miles up the Yangtze Kiang above Hankow. "Oil for the lamps of China." Indeed oil is so important to the Chinese, and our Government has been so sympathetic with the oil business in the Orient, that we maintain a fleet of warships to patrol that great Chinese River to prevent raids upon the heavy investments of the Standard Oil groups.

The late John D. Rockefeller in his twentieth year adopted a motto, "Oily to bed, and oily to rise makes a man healthy, wealthy, and wise." John D. practiced what he preached. It might even be said that the "oily bird catches the worm", for the Rockefeller family and their business associates have made that phrase come literally true. For 70 years oil has been a dominating influence in American politics. It has lubricated the legislative workings of such oil-producing States as Texas, Oklahoma, California, Montana, Louisiana, Kansas, Ohio, and Pennsylvania. It wrecked the Republican Party under Harding. It drove Cabinet ministers out of official life. It forced a Secretary of Interior into prison. It was the basis for a national scandal.

Under the late John D.'s leadership the Standard Oil Trust was formed in 1882. For ruthless freebooting, bribery, intimidation, corruption of public officials, secret rebates from railroads—its growth had no parallel in American history. During the kerosene age it drove all competitors to the wall and then absorbed them. With the automobile and gasoline it became more outrageous in its methods. Finally the Standard Oil was forced nominally to dissolve, when it controlled 89 percent of the entire oil business of the country. Judge Landis, in Chicago, fined the company more than $29,000,000 for unlawful combination in restraint of trade but was reversed on appeal on a technicality. The Oil Trust broke up into subsidiary groups, but today the Standard Oil group still sells 52 percent of all the oil products in America and 75 percent of exports.

OIL! A WORD THAT INTRIGUES AND ATTRACTS

Oil! The very word appeals to our imagination. Black gold which flows with explosive force out of the ground. Explorers track the jungles and uncharted deserts seeking it. The wildcatter persistently drills one well after another through a long succession of dry holes, sanguinely praying for the big strike. Hundreds of millions of dollars have been mulcted from a gullible public by promoters preying upon man's stupidity, selling him a blueprint oil well.

THE OIL MAJORS CRUSH THEIR COMPETITORS

It is the fashion today to speak of the oil business as competitive, that production be limited, that wells be capped, that prices be stabilized—all under the guise of the hypnotic word "conservation." Just as lumbermen have laid waste vast acreage by a ruthless despoliation of Nature's bounty so have oil companies exhausted vast areas of the oil lying underground. Originally, independent dealers were permitted a degree of competition in retailing lubricants to the public. Today they are heartlessly exploited.

The day of the independent is gone. Seventy-five percent of the business is company-controlled. If the independent retailer will not conform, he is liquidated. If he undersells the price set for him by the integrated or major companies, he is "dried up." He can buy from no other company. He is spied upon, intimidated, coerced, and in effect becomes a servile slave of his industrial overlord. The boycott, the blacklist, the moratorium, the lease-and-license method, the consignment method are used to control the price.

In my home State of Washington no oil is produced. We are at the mercy of the companies. In that State the majors put coloring in millions of gallons of good gasoline belonging to independents so that it would look like cheap gasoline. They leased all available storage tanks so that independents would have no place in which to store their supplies. They sell gasoline to the Government for 4 cents a gallon, though citizens alongside must pay 17 cents plus the tax. They form subsidiary companies apparently competing with themselves so that when they force an independent to sell to them it would appear the company continues independent. They have absorbed all independent distributors in the State of Washington.

THE OIL MONOPOLY CHRONICALLY UNDERSELLS THE INDEPENDENTS

The oil industry claims to have a $14,000,000,000 investment. It can afford to sell gasoline below cost wherever an optimistic independent attempts to compete with it. In my home State, in two gasoline wars, the major companies retailed gasoline to the public at 5 cents per gallon and paid a State and Federal tax on the same gallonage of 6½ cents, thus actually paying out 1½ cents per gallon for taxes alone, more than the amount received, and, in addition, themselves paying for refining, transportation, commission, investment charge, storage, and distribution, but the public paid the bill, as always. We now pay 21 cents per gallon for gasoline in that State. How long, O Lord, how long will the long-suffering and too credulous American public allow this condition to continue? Can we regulate? The answer is we should operate.

WE ARE EXPECTED TO FINANCE OVEREXPANSION

The oil industry is coupled with as much public interest as is the electric-power business. The public needs cheap gasoline even more than it does cheap electric power. Something should be done about the 200,000 service stations in the United States. Are we expected to underwrite the insensate expansion of oil companies and the idiotic construction of three times too many service stations? Must we guarantee so much profit to each man in the business, even though there are three times too many therein engaged? Should we approve the erection of 500 percent excess construction of oil wells, erected on the theory of surface capture, for fear some neighbor might drain off the oil?

THE OIL CODE AND CONNALLY ACT HAVE TENDED TO ENTRENCH MONOPOLY

In 1934 the Government set up an oil code based upon the need for conservation of oil. Hot oil was being sold in the enormous new east Texas field. State Governors had called out troops to force the capping of oil wells. The average price of crude oil at the well had been about $1.20 per barrel for 50 years. It dropped to 10 cents per barrel. The oil code allocated and limited oil production. The oil industry, at first suspicious of Federal interference, flirted with, then embraced, Uncle Sam. When this code was declared unconstitutional the Connally "hot oil" bill was rushed into Congress and passed. This expires shortly, and its renewal is now pending in the House Committee on Interstate and Foreign Commerce. Independent oil distributors and businessmen bitterly oppose the bill, but Secretary of Interior Ickes, again stressing the need for conservation, insists upon its passage.

The merits of the bill are controversial, but I know that the effect of it has been to reintrench the great oil companies and circumscribe the new little ones. A new gusher is not such a find today. The oil companies are in the money, with Federal cooperation. The executives of these companies are given the highest salaries paid by any corporations in the Nation. Oil pipe-line companies earned more than 20 percent on their investment in the first 6 years of the twenties. Likewise, the refinery companies paid dividends up to 12½ percent. The Standard Oil of California had a consolidated net income of twenty-three and one-half millions after all deductions, and a gross income of one hundred fifty-three and one-half millions in the year 1936. The Standard of New Jersey announced that its net income was one hundred and forty-four millions for the same period. The total net income of the 14 major companies for 1936 was $432,233,000, based upon a working capital total for the same companies of $659,650,000. What could be sweeter? Remember this income is computed after depreciation, fabulous salaries, loan payments, and replacement charges are deducted, including all expenses.

PUBLIC EXPLOITATION AND GASOLINE PRICES ARE NOW AT THE MERCY OF MONOPOLY

Here is a great natural resource being heedlessly exploited. Twenty billions of gallons of gasoline were sold last year. The crude was taken from the ground, a natural resource commercialized for private property. Think of how much 1 cent increase in the cost of gasoline means to the people of the nation—$200,-

000,000 a year. If the price of gas increases 5 cents to the public we are compelled to pay $1,000,000,000 extra upon the altar of the oil colossus. Last year 16,000,000,000 gallons of fuel oil, 2,300,000,000 gallons of illuminating oil, 230,000,000 gallons of naphtha, 50,000,000 gallons of benzine, plus countless byproducts, such as medicines, mineral oils, lipsticks, were sold. From these figures all of us can appreciate oil's gigantic proportion. Its cost to the people is tremendous.

LET'S DO SOMETHING ABOUT IT

Shall we remain complacently supine and accept servility enforced upon us by the oil monopoly? My answer is "no." Let us nationalize this great Federal resource. Let us own and operate it for the benefit of all the people. I am not satisfied to witness the spectacle of an announced increase in the price of gasoline of one-half cent per gallon by one company, whereupon all other so-called competing companies, by a mere coincidence, announce the same price. Who sets this same price, and why? You know the answer. In no other competing business is the retail price the same for rival products. I cannot enthuse over my Government lending any aid, even indirectly, to such a practice. It savors of a high protective tariff to protect infant industries like the Aluminum Trust. The people's lobby is sponsoring my bill for the nationalization of the oil industry, H. R. 7024. Advise your Congressman of your views in this matter. We owe it to the American people to divorce them from subservience to industrial greed, to give them the blessings of cheap gasoline, just as we are trying to give them cheap power.

This is Congressman JOHN M. COFFEE, of Washington, signing off.

Gavel Made from Hardwoods Grown in Monongahela National Forest of West Virginia Presented to Speaker Bankhead

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1937

Mr. RANDOLPH. Mr. Speaker, it now appears that Congress will be in session for a rather long-extended period. Knowing that it is necessary to have substantial gavels for your use in presiding over the deliberations of our body, I have had the pleasure of presenting to you at a ceremony in your office a gavel which comes direct from the woodlands of the Monongahela National Forest in West Virginia. The white ash handle and black cherry head are typical of the many fine hardwood species now prolifically thriving within its mountainous borders, protected and scientifically managed by the United States Forest Service.

As you perhaps know, the Monongahela National Forest was established in West Virginia after the Weeks law was put into effect in 1911. The primary purpose of creating this national forest was to maintain a perpetual growth of trees on the watersheds of navigable streams, where such growth would aid in preventing floods.

Since the first land was acquired for the Monongahela Forest in 1914, the boundaries have been expanded until they now include 1,600,000 acres, one-sixteenth of the total land area of the State. Seven hundred and eighty thousand acres of this great area are now owned by the Federal Government and under the administration of the Forest Service.

In order to protect the soil and soil cover of the steep slopes from destruction by forest fires, a 500-mile road system has been developed. In addition, 18 fire observatories have been constructed, 600 miles of trails built, and 700 miles of telephone line strung to insure rapid and efficient communication.

Of the 34,000 acres of denuded waste land within the Monongahela Forest, 8,000 acres have been reforested with trees grown at the forest nursery in Parsons, W. Va. This immense work of reforestation prevents erosion on the steep slopes and helps preserve the purity and regularity of flow of the mountain streams. Reforestation work in the rich soils of the West Virginia mountains and protection of the expansive young forests also insure a continuance of a timber supply capable of meeting much of the industrial need of the country.

In the work of preserving the beauty and attractiveness of the West Virginia uplands for the recreation and pleasure of the American people, five recreational areas, known as forest camps, have been developed. Seventy-five thousand people were registered users of these facilities last year. Game management and stream improvement work is progressing in collaboration with the State conservation commission, resulting in a rapid improvement of wildlife conditions.

Since 1933 thousands of C. C. C. boys have taken an active part in all activities of the Monongahela National Forest, receiving great physical and mental benefits thereby.

You will understand that this gavel and these few facts are indicative of action and progress well in keeping with the spirit of our time. Please use the gavel as long as possible, keeping the facts in mind after its usefulness is terminated.

"Domestic Economy and Foreign Trade"

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, June 8 (legislative day of Monday, June 7), 1937

ADDRESS BY HON. DANIEL C. ROPER, SECRETARY OF COMMERCE, AT A MEETING SPONSORED BY THE NEW ORLEANS ASSOCIATION OF COMMERCE AND OTHER CIVIC AND TRADE GROUPS, INAUGURATING THE OBSERVANCE OF NATIONAL FOREIGN TRADE WEEK AT NEW ORLEANS, LA., MAY 17, 1937

Mr. COPELAND. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address entitled "Relating Our Domestic Economy to Foreign Trade" delivered by Hon. Daniel C. Roper, Secretary of Commerce, at New Orleans, La., Monday, May 17, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am glad to be in New Orleans to assist in opening National Foreign Trade Week. This annual observance, sponsored cooperatively by many national and local organizations, has done much to give our people a definite consciousness of the necessity of developing our foreign trade and of the importance of our ports as trade outlets. Among the ports of great importance in this regard is the port of New Orleans, and I wish to compliment the association of commerce of this city and the other civic and trade organizations responsible for this meeting.

While much of the economic activity of our port cities centers around foreign trade, the movement of commerce affects all the people throughout our country. Therefore, I appreciate the courtesy of the radio facilities of the Columbia Broadcasting System, enabling me at this time to speak to regional and Nation-wide audiences.

I have brought from a great friend of our foreign-trade program, the following message:

THE WHITE HOUSE,
Washington.

The Honorable the SECRETARY OF COMMERCE,
Washington, D. C.

MY DEAR MR. SECRETARY: It is a source of encouragement that such widespread interest is being taken in the annual observance of Foreign Trade week. There is nothing more important than bringing our people into a consciousness of economic problems. Certainly one of the most important of these is the development of foreign trade, and the instrumentalities for the accomplishment of this objective are well illustrated in the encouraging results under our reciprocal trade agreement program.

I wish to express my personal appreciation to each cooperating agency, collectively and individually, for the valuable assistance they are rendering in our effort to assure safe and peaceful progress in our international economic relations.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

I believe that the production mechanism of this country can be safely geared to a long-time schedule of improved domestic demand for both durable and consumer goods. Particularly will

this be possible in such lines as building supplies, electrical equipment, automotive equipment, house furnishings, machinery, air-conditioning and refrigeration equipment, clothing, and food products. This is a natural consequence of our rising standard of living, based on increased consumer purchasing power, but the price structure must be wisely protected against price disparities and abnormal changes if volume production is to be sustained. Present trends are encouraging. In the first quarter of this year domestic industrial activity was one-fifth greater than in the same quarter of last year, and retail sales gained 15 percent over the 1936 period.

If we may assume that the strike situation in major industries is easing, and if we may assume that industrial agreements in the interest of both employer and employee are in process of righteous adjustment, then we can contemplate the future with increased confidence and fewer misgivings.

Of prime importance, however, is careful consideration of the encouraging and tempting business opportunities, to the end that we insure against pitfalls. This precaution calls for the cooperative effort of all groups from raw-material producer to laborer, to manufacturer, to transporter, to wholesaler, to retailer, and to consumer. In this connection, we should be alert to forestall segmentary booms; that is, not promote one important enterprise to the neglect of others of equal importance or permit one to lag, as in the case of low-cost housing. Our gains can be effectively consolidated only if we recognize the interdependence of all groups and heed danger signals.

In our foreign-trade program, permit me now to enumerate some of the fundamental factors needed to be recognized for a safe future course:

First. Make continuous study of the individual tastes and requirements of the peoples with whom we would trade.

This selling technique will require research into the customs of desired customers and will reinforce us with a more enlightened understanding of their needs and attitudes.

Second. Reduction of production and maufacturing costs without impairment of American standard of living, so as to safeguard the markets for our surplus products under the highly competitive conditions in world trade.

Third. Continuous research and study by business and Government of conditions affecting world trade, guarding against overexpansion under the impetus of war preparations and other temporary emergency demands.

Fourth. Improved transportation through swifter vessels on the water and expanding air facilities.

Fifth. Keeping constantly informed on actual and potential changes in world standards of living as a means of measuring possible future opportunities for our goods.

Sixth. Better understanding of the relation of our domestic economy to world trade so as to intelligently safeguard our production schedules in fields and factories.

Seventh. Exercise care in securing lasting goodwill through liberal and fair trade practices and thus assist in maintaining international peace.

I am glad that I live at a time when problems like the development of our domestic and international trade must be studied in one pattern, in broad, national fashion in order to be constructive and lasting. This should result in closer world cooperation.

In our plans for the future, we must recognize that we are already in the most competitive foreign trade era in our national history. Expanding production capacity in the fields and factories of other countries is beginning to reflect the utilization of machinery and methods acquired from this country, so that in many instances our former customers are now our trade rivals. Not only must we encounter competition in goods and services, but we must contend with self-containment propaganda at home and abroad. In this situation, progress will come through broader and more intensive research and production in field and factory looking to the lowest possible cost to the consumer.

Our attitude in the future should be to service other nations in the light of their requirements and not think solely of what we regard as staple merchandise. We should lay more stress on that part of our national production which our foreign customers need and desire.

The Federal Government can assist businessmen to keep informed on conditions prevailing in the countries with which trade relations are desired, but the actual selling of goods should be the business of those who are actually engaged in manufacture and trade. It is a function of the Department of Commerce and its agents at home and abroad to promote American industries, stressing their importance to social and economic welfare and the intrinsic value and importance of their products. Furthermore, through the Department, there is made possible an interchange of knowledge as to customs, ideals, competitive practices, trade barriers, trade trends, and demands. In our domestic field, the Department of Commerce is experiencing good results from studies made and from radio broadcasts over a national network, in a series of weekly programs, descriptive of individual industries. Thus we are endeavoring to create a better knowledge and appreciation of industry in our social order. The fact that school teachers also throughout the country are showing great interest in this program encourages us to believe that American industry will be educationally sustained.

Research and experimentation, both economic and scientific, have always been the advance guards of progress in the United States. Technology that has given us mass production and thus raised the standard of living is one of the significant rewards of patient research and scientific curiosity.

Research has been defined as "trying to find out what you are going to do when you cannot keep on doing what you are doing now." More specifically, it is an insurance policy against the future.

Cultivation of a better perspective of foreign markets should not obscure the need of modern facilities for reaching those markets. Adequate shipping facilities are basic to the satisfactory development of foreign trade. Our merchant marine should, and I believe will, be provided with facilities that will make possible faster travel and thus enhance the opportunity for more rapid shipments as well as for passenger service through which understanding and good will are best effected. Particularly do we need comfortable ships that will maintain swift and efficient schedules between our important ports and those of Latin America and compete in passenger requirements with vessels of other countries, thus equalizing competitive opportunities from the standpoint of transportation. Our ships are already as safe as any in the world.

We must keep them so and add to their speed and comfort, and at the same time endeavor to inculcate in the American people a higher appreciation of their own ships and a greater desire to translate that appreciation into patronage.

It is most encouraging that in the field of air commerce, the United States stands at the top of similar developments in other countries. Furthermore, the recently inaugurated trans-Pacific air service is already operating satisfactorily, while only a few weeks ago similar service was consummated for trans-Atlantic scheduled flying. These marvelous developments in air commerce look to the bringing of the peoples of the world into closer communication with our country, affording opportunities for removing false conceptions and prejudices, as well as building that good will which is the foundation of all lasting trade relations.

We must recognize the interrelationship of our increasingly comprehensive transportation system. This involves proper coordination looking to the safeguarding of the best interests of all and for the promotion of the needs and demands of the public.

The rapid development of aviation is proof that air commerce has a definite field of service. We have advanced rapidly in the development of heavier than air, because it was adapted to volume production and hence the immediate opportunities for encouraging its more general use.

We should not cease to study lighter-than-air possibilities because of the terrible tragedy that befell the *Hindenburg* on May 6. In fairness to this type of aviation we should refrain from prejudicial judgment.

Every accident, however serious, may prompt improvements that would contribute to safer development in the future. It is not too much to believe that all its problems will be solved and lighter than air will assume a useful place in our coordinated transportation system.

The complete approach to foreign trade under present conditions calls for the coordinated thought and action of agriculture, labor, business and industry, and the Government. Beyond the boundaries of governmental functions is a vast area which can be occupied only by private segments themselves.

We have never thoroughly analyzed and mastered, in our economic studies, the interdependent relationship between cause and effect. It should be recognized that the producer of raw materials expects the maximum return the market will justify for his products. The converter naturally wishes the most for his contribution to the increased value of the raw material. The transporter and distributor of both raw material and finished articles are entitled to their proper share. The worker makes the largest contribution of all and is due his proper compensation. Finally, the consumer must be considered, because if costs and profits create an ultimate price level beyond his purchasing power the entire economy will be affected and the interdependent structure endangered. It should be the responsibility of some Federal agency to conduct a research program that would be of assistance in keeping consumers informed when prices are not justified by conditions. Study of cost factors must also comprehend the importance of wise taxation and the necessity of early balancing the National Budget. Federal spending for direct relief and for relief projects can be curtailed by local communities assuming their equitable share of the responsibility toward diminishing the number of unemployed and by private enterprise absorbing the maximum of employables. We must strive for an equitable balancing of the legitimate demands of dependent humanity and the financial ability of the taxpaying public, keeping in mind also the obligation to aid the individual in our society to maintain his own self-respect and to keep his own budget in balance.

Retrenchment, as advocated by President Roosevelt, which requires the cooperation of the public, is the best safeguard against increased taxes. In the field of relief the obligation of local communities is to make a careful survey of their rolls for a proper determination of cases that are worthy and those that are not, with the view to assuming responsibility for their care, with such cooperation and assistance by the Federal Government as may be found by the States to be absolutely necessary.

The proper effort is to maintain a balance among the various participants in the creation of wealth, from field to consumer, that will operate to conserve the welfare of all. A perfectly operating democracy is one in which the circuit of cooperative endeavor and equitably distributed responsibility among the several communities and their individuals is made complete.

The problem of management is to work between rising costs, which must be covered with a profit to maintain business health

and safety, on the one hand, and consumers' demand, on the other, for prices that will insure continued buying.

Good wages and purchasing power for the worker and profits for industry can only be sustained by keeping costs down. This requires added efficiency and the elimination of waste and it involves the economical use of man and machine power working smoothly together with a genuinely cooperative business and governmental policy that is fair and just to all.

In the field of housing, for example, the objective sought by the needed widespread home-building campaign in the United States will be defeated if rising costs go beyond the ceiling that can be reached in home purchasing by the average family. In foreign trade, if our costs pass the point where we cannot deliver our goods in competition with similar goods from other countries, losses may be expected in such competitive markets and the repercussions on our domestic economy will be very harmful. One cannot study our foreign-trade activity without recognizing its definite interrelationship with our domestic economy and, therefore, sensing the importance of bringing our fundamental industrial groupings into the closest possible cooperative relationships.

Students of present and future foreign-commerce possibilities recognize that particularly great opportunities for trade development are offered by the neighbor countries to the south, naturally served in a large measure through the port of New Orleans. Aside from the economy of the Latin American countries which is affected by exports to us in exchange for our manufactures, these improving commercial relations are being further prompted by the spirit of the "good neighbor" policy, so effectively proclaimed by President Roosevelt and reciprocated by those sister republics. These relationships are now also being fostered through increasing and improved transportation facilities by air, land, and sea.

Thus are we definitely accentuating greater opportunities for the mutually profitable exchange of goods and services and the perpetuity of a shining example of peace as a beacon of hope for all the world through understanding and good will.

The fact that our national economy is geared to international trade involves the procedure of importing many needed items, as well as exporting quantities of our manufactures and raw materials in order to safeguard economic equilibrium.

Last year the value of our stake in foreign trade, represented by imports and exports, was nearly $5,000,000,000. During the first quarter of this year exports have amounted to $711,000,000 and imports $825,000,000, so that we had a moderate net balance of merchandise imports. Some are inclined to become alarmed by a trend of this kind, that is, an import surplus. Before we form definite conclusions in this regard we should bring our thinking up to date.

An analysis of trade statistics shows that in some countries there is a relatively sharper rise in the value of imports than in exports. This is attributed to the fact that many important countries are experiencing an accelerated rate of industrial activity, due to armament programs in some cases and to peaceful domestic expansion in others. For example, Great Britain's imports last year were 12 percent greater in terms of pounds than the previous year, while exports, including re-exports, increased only 4 percent. In France imports were 21 percent higher than the year before, but exports were approximately the same in value. How much of this import rise is influenced by temporary armament programs it is difficult to determine.

When all the factors underlying the trend to heavier imports in this country are intelligently analyzed, the impulse to visualize danger is minimized, if not entirely removed. Before we permit favorable trade balance to become an obsession, we should comprehend the effect on our national economy. The United States is a creditor nation. Our debtors who cannot liquidate with gold can only do so through trade, which for us must be wisely safeguarded.

Some years ago a nation which imported more than it exported paid the difference from its accumulated reserves and thus gradually became impoverished. Under modern world economy current sales and purchases are not the only factors that relate people and nations. An equitable balance in the exchange of goods may be compensated for by tourist expenditures, immigration remittances, and other services.

Imports in quantities that do not upset the price structure for those domestic producers who supply our raw materials or manufacture them thus tend to enrich rather than impoverish our country. When we import articles which we do not produce at all, or do not produce in sufficient quantities for our needs, then such commodities certainly contribute to the improvement of our standard of living and to the enrichment of our national life. There is no occasion for alarm when a creditor nation accepts more in goods and services than it furnishes to other countries, yet we should study the responsible factors. Prominent among these influences last year was the more rapid rise of import than export prices.

A period of rising prices always stimulates stocking up for the period ahead. In the United States we are increasing our imports of crude rubber, tin, flaxseed, raw silk, wool, precious and imitation stones, which is a reflection of our improved domestic situation.

Another important but abnormal factor was the domestic crop shortage resulting from drought, which necessitated purchases abroad of certain agricultural products, with a consequent diminution of our normal exports of those commodities. The west coast maritime strike was another factor affecting exports to a greater extent than imports.

In the aggregate, these unusual situations were responsible for a large part of the reduction in our export balance last year and are contributing to that sustained trend this year. It is obvious, therefore, that our domestic economy has not been impaired by this shift in trade balance represented by the increased purchase of needed goods from other countries.

It should be recognized that imports, no less than exports, are an index of a nation's prosperity. Employment has always been highest when imports were highest and lowest when imports were lowest. Those who decry those imports which are definitely essential to our economy should make some constructive explanation of what disposition they would make of our surplus cotton, our cereals, fruits, tobacco, automobiles, machinery, copper, oil, and many other products which we normally produce in quantities 10 to 50 percent greater than we need at home. We cannot reasonably expect to successfully approach markets abroad unless we take a reasonable amount of goods in return. Depression in these branches of production resulting from lost markets would lead to stagnation and unemployment such as was experienced during the epidemic of intense nationalism and insurmountable trade barriers that ended in an economic cataclysm.

We should discourage hidebound tradition and political prejudice in our realistic approach to tariff reform and comport ourselves as our world-creditor position requires. This would have us keep in mind the marketing of surpluses, for example, cotton, for which we must, under present conditions, accept foreign goods in payment or impound such surplus in loans. Illusions and delusions that have hampered world commerce must yield to recognition of the imperative need of an economic interchange of goods in international commerce. We cannot, in safety to our industries, reduce barriers until other countries reciprocate in that policy.

To a great nation that produces many surplus commodities like ours, a policy of economic self-containment would inevitably demand fundamental and sweeping readjustment and reorganization of the whole domestic agricultural, industrial, commercial, and general economic structure. The result would be a decrease in the capacity of our people to purchase and consume.

Under the terms of the reciprocal trade agreement program inaugurated by President Roosevelt and so successfully carried forward by Secretary Hull, the mutual benefits derived from a liberal flow of two-way trade are recognized. Results of the agreements now in effect, combined with our domestic recovery, have been of substantial benefit to us and to the world in general. Evidence of the trade stimulus derived thereunder is afforded by the official returns of the United States foreign trade during 1936, when compared with 1935 and 1934. In the case of most of the agreements which had been in effect for a sufficient period of time and under circumstances that allow a fair judgment, the trade of the United States with each has shown gratifying results.

In our foreign-trade attitude we Americans should not overlook the debt of gratitude we owe to that great Scotch metaphysician, Adam Smith. This forerunner of a liberal trade policy in the world inspired the doctrine that trade between nations could be mutually advantageous to both buyer and seller and not a form of piracy on the part of the one that did the selling. That philosophy is the essence of our present foreign-trade policy. We should ask ourselves whether we could make any greater contribution toward world peace than by so opening up the channels of fair and proper trade that would enable every country to secure in trade its foods and raw materials instead of, in many instances, having to fight for them. The more goods needed for normal sustenance that we can send across national boundaries in peaceful relationships, the less occasion will there be for soldiers defending those boundaries.

Under conditions of the past we were not greatly concerned with ways and means because our export trade naturally grew out of the world-wide demand for distinctive American products. In the case of many important commodities we were the only source of supply and hence sales initiative was not essential. With respect to many manufactured products we could offer the world low prices, unquestionable quality, and alluring novelty, and the very conspicuousness of these values was in itself adequate to entice volume orders. However, our advantages in technology have to some extent been overcome by competing countries, with machinery equal to ours; yes, with machines made by us. Thus our remaining outstanding advantage lies in volume production made possible by our mass production technique, sustained by the general distribution of large purchasing power. The challenge then is not only to maintain this advantage of volume production and volume purchasing power but to readapt our foreign commercial program to meet the changed conditions throughout the world.

In this commercially minded city of New Orleans, resplendent with modern marine equipment, natural endowments and geographical location have made it a great gateway to our extensive Mississippi Valley, as well as a junction for the movement of a goodly part of our commerce with Latin America and other important countries. Hence the rank of this among the greatest ports of the world.

At the Pan American Peace Conference the countries of the Western Hemisphere revived the principle of collective security. This pledge to the doctrine of peace stands out in bold relief against the European background of extensive rearmament and civil war. We must continue to exemplify the principles enunciated at that conference.

Its success confirms the belief that new world unity can and should be the first step in a much more far-reaching program. Standing between the East and the West, with unfortified frontiers to the North and the South, with good neighbors in both directions, the United States has thus set a practical example and

one that should signal to the entire world the wisdom of the conference method, looking to the cultivation of understandings, the dissolution of prejudices and passions, the promotion of trade, and the restoration of that peace which the distraught peoples of the earth so earnestly crave.

Our experience has been and will continue to be, under the 3-year renewal of the trade-agreement program authorized by the Congress, that these treaties eliminate trade barriers with a consequent trade increase in both directions. This stimulation points the direction which the new fight for peace must take. Economic peace is the soundest basis for political peace. A stable monetary system, elimination of unreasonable trade barriers, a sensible policy of live and help live, buying and selling, giving and taking constitute the safest course to that higher standard of living which looks to enlarged human welfare and contentment among the peoples of the earth.

These are not times for rifts and selfish contentions in any portion of our ranks. Unity and cooperation throughout is needed to give labor, capital, and consumer equitable opportunity for peace and plenty. America is the world workshop to prove this possible. Let none fail to contribute his best efforts to accomplish this worthy end for humanity.

The Supreme Court

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 8 (legislative day of Monday, June 7), 1937

SPEECH BY WILLIAM H. LEWIS, OF THE MASSACHUSETTS BAR, GENERAL COUNSEL OF THE NATIONAL COUNCIL FOR NEGRO CONSTITUTIONAL DEFENSE

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD a speech on the subject, Mr. Roosevelt and the Supreme Court, delivered by William H. Lewis, Esq., of the Massachusetts Bar.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Edmund Burke in his thoughts on The Cause of the Present Discontents, written in 1770 when the English Parliament acted under royal orders, when the King's will was supreme, said: "In cases of tumult and disorder, our law has invested every man in some sort with the authority of a magistrate. When the affairs of the nation are distracted, private people are, by the spirit of that law, justified in stepping a little out of the ordinary sphere."

My earliest consciousness of citizenship came to me as a schoolboy in Virginia, which was shortly after the war. I had a feeling then that I was a citizen of the United States first, and that citizenship of the State of my birth counted for little or nothing. I had a feeling that I had to look to the National Government for the protection of all of my rights. It is needless to say that I came to realize later that I was all wrong about that. The Constitution of the United States was my idol; it was the great Magna Carta of American liberty so far as I was concerned. I not only read it early in my teens but committed the whole document to memory and more than once was called upon to recite the Constitution before visiting school officials.

Of course, the provisions of the thirteenth, fourteenth, and fifteenth amendments strongly appealed to me. I had absolutely no real conception as to what my citizenship meant or the nature and functions of the Federal State or the relations between the United States and the separate States of the Union. I came to realize later that, in spite of the provisions of the fourteenth amendment, I was first a citizen of the State in which I was born or the State in which I resided. When I came to Massachusetts to live I soon found out that I must look to the State in which I resided for the protection of all my fundamental rights; to life, liberty, and the pursuit of happiness. I found that there was some difference between my civil and political rights in Massachusetts and those that I had enjoyed in Virginia. The Constitution of the United States was my political bible; the Declaration of Independence, which overlooked slavery, counted for little in my youthful mind.

At the Harvard Law School I sat at the feet of Prof. James Bradley Thayer, a great teacher of constitutional law. I recall many discussions with Professor Thayer over the civil rights cases which held that Congress had no authority to go into a separate State and to enact a code of police laws. I found later, much to my disgust, that the right to suffrage rested upon the laws of the State rather than the Constitution and laws of the United States. I learned also that a corporation was a citizen of the United States and that the fourteenth amendment protected the corporation and corporate property to a greater extent than it did the individual or class of citizens for whom the provision was enacted. It seemed to me that, after all, the United States was a sort of far away godfather and the State in which I lived, where I exercised my political rights, where my civil rights were protected, where I had the benefit of police, fire and health establishments, after all was the citizenship that counted most. In my discussions with Professor Thayer his final answer to any arguments of mine as to why I thought the Supreme Court was wrong was: "Well, Mr. Lewis, the Supreme Court has said it." That ended the discussion usually with the finality of a decision of the Supreme Court itself.

Many years later when I had the happiness and satisfaction of arguing my first case before that august tribunal, the Chief Justice, in deciding the question at issue in that case, said "We live in the jurisdiction of two sovereignties, each having its own system of courts to declare and enforce its laws in common territory. The people, for whose benefit these two systems are maintained, are deeply interested that each system shall be effective and unhindered in its vindication of its laws.

"The situation requires, therefore, not only definite rules fixing the powers of the courts in cases of jurisdiction over the same persons and things in actual litigation but also a spirit of reciprocal comity and mutual assistance to promote due and orderly procedure." This statement from the case of *Ponzi* v. *Fessenden* (258 U. S. 255) seems to me now to state the true concept of the relations between our Federal and State Governments.

The New Deal, in the last 4 or 5 years, has undertaken to change all this, to make over our form of government without making any change in our Constitution. The Supreme Court has been in a most trying and crucial position during these years to see to it that both the Federal and the State Governments should keep within the limitations prescribed by the Federal Constitution. It is a great tribunal, charged with the performance of difficult and delicate tasks and vested with greater power than any tribunal in the world. No one who has come in contact with the personnel of that Court, officially or otherwise, cannot but be impressed with the great learning, ability, character, and the almost superhuman industry of the members of that Court from their desire to decide every case right as far as it is humanly possible to do so, because the decision of that Court is the supreme law of the land; and unless its decisions are respected and the people are taught to yield a quick and willing obedience to its decisions, then liberty is at an end and chaos has begun.

Only once in 4 years is the average citizen much concerned with the doings of the National Government. Only in time of war is the individual made conscious of the fact that he is a citizen of the United States and that he must support and defend the Constitution of the United States, even with his life.

The decade that followed the World War probably made us conscious of the fact that we lived in the most prosperous country in the world, where there was relatively a wider distribution of wealth and higher average of well-being and happiness than anywhere else. The average citizen was hardly cognizant of the existence of the courts of the United States until the national prohibition era turned our Federal courts into sort of glorified police courts. Questions of unlawful searches and seizures came to the fore and made large groups conscious of the fact that there was a provision of the United States Constitution that protected them. Then came the depression, stagnation of business, difficulties in agriculture, and unemployment, and hence suffering. The Democratic Party capitalized this situation and elected Franklin D. Roosevelt President. He conceived the idea of making over our form of government. Congress surrendered its powers to make the laws to the President. This was natural because of the President's great personal popularity and patronage at his command. The States were seduced by vast appropriations and allotments of money to various localities to surrender many of their rights to the National Government.

The N. R. A. attempted to go into every State and subdivision thereof and regulate wages and the hours of labor of the individual citizen. When that act, the A. A. A., and the Guffey Coal Act came before the Supreme Court the attention of the people was riveted upon the Supreme Court as never before in the history of this country. The President and his followers did not hesitate to assail the Supreme Court for the failure of his economic and socialistic program. Never before was there given to the Supreme Court a task so tremendous, and in a way so momentous, as to arbitrate between individual litigants and to determine the limitation of Federal and State powers.

The Supreme Court was in much the same situation as the Court of International Arbitration. Whether we look upon the United States as a Federal Union of separate States or a Federal State the relation of the Federal Government is in many respects the same as if they were foreign states. The 48 States are foreign to each other in many respects.

The full faith and credit clause (art. IV, sec. 1), the fugitive from justice clause (art. IV, sec. 2, clause 2), the privileges and immunities clause (art. IV, sec. 2, clause 1) are in substance like provisions of treaties existing between the United States and foreign states.

Neither the States nor the people thereof had ever surrendered or intended to surrender to the National Government the right to regulate relations between its citizens and to exercise a local police power over them. The Supreme Court had to declare without reference to personal preferences, or economic beliefs, the law as it was, and to determine the limitations of the Federal power just as it had to determine the limitations of State power in any litigated case.

The Supreme Court was called upon to perform a similar function when many reconstruction acts after the Civil War were

brought before it. There was a great outcry then as now; but the findings of the Court stood as the supreme law of the land to which all citizens yielded willing obedience.

The President says in effect he received a mandate from the people to put over his program and it is futile for Congress to reenact New Deal legislation until he can make over the Supreme Court.

The independence of the judiciary is essential to liberty. Washington, in making an appointment to the Supreme Court considered "the judicial system as the chief pillar upon which our National Government must rest." It may be justifiable upon the theory of party leadership for the President to control and direct Congress by any legitimate means. The coercion of Congress to the extent of destroying the independence of the judicial department of the Government is neither justifiable in law or morals. To attempt to take away the independence of the courts and to control their decisions by any means is not only indefensible but wrecks the whole Government.

A political court is an unthinkable thing. If the Court is constituted favorable to the economic or legislative program of the Government, it is but a step in the degradation of justice to the point where other litigants than the Government, because of political or financial influence, may claim the right to some superior consideration.

It is impossible to exaggerate the importance of the judicial system and the necessity for its independence. Lord Brougham, speaking upon law reform in England, said, "Such—administration of justice—is the cause of the establishment of government; such is the use of government. It is this purpose which can alone justify restraints on natural liberty; it is this only which can excuse constant interference with the rights and property of men."

The true relations between the three branches of the Government, the legislative, the executive, and the judicial, is best expressed by article XXX, Constitution of Massachusetts, "The legislative department shall never exercise the executive and judicial powers, or either of them; the executive department shall never exercise the legislative and judicial powers, or either of them; the judicial shall never exercise the legislative and executive powers, or either of them, to the end that it may be a government of laws and not of men."

The Constitution makes the President Commander in Chief of the Army and Navy of the United States, article II, section 2. But nowhere is he made commander in chief of the Congress or of the courts.

The bone of contention is as to the right of the Supreme Court to declare an act of Congress unconstitutional or an act of the State legislature unconstitutional.

A Federal democracy such as ours cannot exist without a written constitution, which defines and limits powers of Congress and of the State. Those who oppose the power of the Court to declare an act of Congress or a State law unconstitutional must take the view that every act of Congress or the State legislature is an amendment to the Constitution.

The old Articles of Confederation made no provision for Federal courts of any kind. Article XIII provided that every State should abide by the determination of the United States in Congress assembled on all questions submitted to them. The Articles of Confederation failed. Was it by accident that the Constitution provided for a Supreme Court? If not, what was to be the function of such a court except to take care that the State and Federal Governments kept within their jurisdiction, whenever controversies arose between litigants which made it necessary to decide questions of limitations upon the Federal or State powers? The power must rest somewhere unless Congress is supreme; if Congress is supreme in the Federal jurisdiction, why not the State legislatures in theirs? The Constitution is not a self-enforcing document.

Did the American people, in the recent election, give the President a mandate to create a superstate succeeding to the powers of both the Federal and State Governments? One would truly think so.

As to the age of retirement of judges, who is the better judge of that than the judge himself? The judicial function seems to be conducive to great age. The country is entitled to the experience and training it has given to its judges; to the wisdom which comes through service, the independence and the detached point of view that goes with high judicial character. "New blood" for trained jurists does not seem to me to be a fair exchange for the country.

It is recalled that President Roosevelt wished to name a Chief Justice in place of Justice Fuller and that the President suggested his resignation because he was entitled to take a rest. The Chief Justice is reported to have said, "Mr. President, my resignation is in the hands of God Almighty, and he can have it any time he sees fit." Did Oliver Wendell Holmes sit too long upon the Supreme Bench? Did he keep pace with his age? Was he ever held back by the "dead hand" of judicial precedent? Surely the President would not seek to remove Mr. Justice Brandeis because of his age. That would, indeed, be a national calamity—to deprive the Court of so great an original and pioneering legal mind.

The Court has never had a greater leader in all of the history than the present Chief Justice.

In case of death or resignation or removal by impeachment it would be the President's prerogative to appoint a political adherent provided he was otherwise qualified, and no complaint could be made. John Adams appointed Marshall because he was a Federalist and a broad constructionist. Andrew Jackson appointed Taney because he reflected the political thought of the President in regard to the United States Bank and slavery. President Lincoln said when he appointed Salmon P. Chase Chief Justice, "I believe that as long as he is Chief Justice the war amendments are safe."

If the time has come for judicial reforms to make over the Supreme Court, it should not be for revenge or for political or partisan purposes, but solely for a better administration of justice. It should not be done hastily or by politicians. Congress undoubtedly controls the make-up of the Court. The Chief Justice is created by an act of Congress. It would be competent for Congress to enact a law that the Supreme Court should consist of one person if there was any means of ridding the Court of the other eight Justices. It might be contended that a Court of nine gives the nine too much power and makes a majority of five the last word upon what is permissible legislation by both Congress and the legislatures of the different States.

It is to be doubted whether Congress can decide by what vote the Supreme Court may act in a given case; that would be invading the province of the Court itself.

The present bill should be rejected at all events and altogether. The President says to the six judges over 70, "Retire or I will appoint an assistant judge for each of you." Is the additional judge to have a full vote or half a vote? Are the six additional judges to be placed upon the Supreme Bench simply to outvote the six who refuse to retire?

In my youth the Constitution was my idol. I became disillusioned as to many things I thought it stood for; but it is still my idol.

It is the last defense to any invasion of my freedom, personal and property rights. I had read the great arguments of the early American lawyers before the Supreme Court. To stand where they stood now and then has been a realized dream. It is a great Court charged with a greater responsibility than any court on earth—to keep the Federal Government and the States within the limitations fixed by the Constitution for both sovereignties, to the end that we may have a smoothly working harmonious National Government.

Shall the President be permitted to bend the Constitution to his will instead of amending it in accordance with the ascertained will of the people? To accomplish a roundabout amendment of the Constitution, shall the President be permitted to "bump off" six aged Justices whose only offense has been the performance of a sworn duty? The answer by an independent Congress will and should be an emphatic "No."

World Peace

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, June 8 (legislative day of Monday, June 7), 1937

ADDRESS BY HON. KEY PITTMAN, OF NEVADA, BEFORE NEVADA CHAPTER OF PHI KAPPA PHI, AT THE UNIVERSITY OF NEVADA, ON MAY 8, 1937

Mr. HARRISON. Mr. President, I have in my hand an address delivered by the Senator from Nevada [Mr. PITTMAN], chairman of the Foreign Relations Committee, at the banquet of the Nevada Chapter, Phi Kappa Phi, national honor fraternity, University of Nevada, Reno, Nev., Saturday evening, May 8, 1937.

The subject of the address is World Peace. The Senator from Nevada has very carefully analyzed the situation in the world which is threatening world peace. He has very clearly and accurately outlined the various actions taken by our Government looking to the preservation of peace and defining the policy of our Government relative to world situations which threaten peace.

I deem this address so valuable a contribution, both from the standpoint of history and a pronouncement of our Government's foreign policy, that I feel it should be perpetuated in the CONGRESSIONAL RECORD and made available for all who are interested in the subject. I ask unanimous consent that this address be published in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The question of world peace is the most vital that challenges the statesmanship of the world. The results of war are fresh in the minds of our people, as well as the other millions of people who suffered during and ever since the World War.

Prior to the last great war there had existed a period of about 50 years when comparative peace existed on the earth. The horrors of war were almost unknown to the generation that were faced with the problem in 1914.

Of course even our school children had read of the wars that continued down through the ages from the dawn of history. They read of the tremendous destruction of life and of property. They had knowledge, even, of the conquest and enslavement of peoples. And yet it was an unreal thing; it was but an historical picture, without present touch to the nerves, the imagination, and the soul.

And then, in 1914, there burst upon the world a war between great powers, where millions of peoples were involved, the existence of governments was placed in the balance, and the liberties of the people were at stake. To us it was but another war of the kind that for thousands of years had here and there placed its blight upon certain countries, and then passed. We might never have known—at least have realized—the disastrous effect of war, had we not been dragged into it. But we were dragged into it, and though we suffered but little by comparison with the peoples of the great warring powers of Europe, we suffered beyond reparation and to an extent that we hope we shall never suffer again. In some respects that war was the most destructive and terrible in all history.

Prior to the last Great War conflicts were conducted almost exclusively by armies and navies. They alone were the chief sufferers. Transportation on land was slow and difficult, and the effective cruising radii of battleships covered but short distances. The submarine and the airship were undeveloped. Incendiary bombs were not generally used, and poisonous gases were new as an instrument of warfare. War became a war of peoples rather than a war of armies and of navies. Ships were sunk upon the high seas by unseen, submerged submarines, without notice and without a chance for those on board the attacked vessels to escape. Aircraft traveled thousands of miles in the skies beyond vision to drop their explosive and incendiary and poisonous gas bombs upon unsuspecting and undefended noncombatants—men, women, and children—with a cruel and destructive force beyond the imagination of man.

We read of these things as they occurred, but it was impossible for us to realize the terrible conditions. President Wilson warned the people of the United States that the sparks of war were falling everywhere and threatened even our own country. And still our people were happy; they were even joyous; there was a fictitious prosperity throughout our broad land. We danced while European war went on. We considered it no concern of ours. We would not alter our ways on account of the foolish fighting in foreign countries. We demanded that our right to the freedom of the seas be not interfered with. We claimed the right, under international law, to supply our products to any of the warring powers that through control of the seas could obtain them. We asserted for ourselves what constituted contraband in conflict with the prescriptions of all the belligerent powers. We placed no restrictions upon the supplying of arms, ammunition, and implements of war to those warring powers who could protect their transportation across the ocean. We would not even restrict the extending of credit to the war powers dominating the seas with which to purchase our arms, ammunition, and implements of war, and the other articles and materials essential to their victory. Our Government contended that all of these acts were just, within our rights, and in accordance with international law.

Great Britain seized our merchantmen on the high seas, which were in transit to neutrals, carried them into her ports under the excuse of search for contraband of war and there delayed the transportation of the cargoes to their destination or appropriated them. This was an open violation of the customs of naval warfare embraced in what is called international law. Such merchantmen, it is true, might be stopped, visited, and searched upon the high seas, but, it being determined then that they carried no contraband but were carrying cargoes to neutrals, they must be permitted to pass on. These illegal and unjust acts threatened the involvement of our country in war with Great Britain. Great Britain attempted to excuse herself upon the grounds that such acts were necessary by reason of the illegal use of the submarine by the Germans, and that they were, therefore, justified methods of retaliation.

On the other hand, Germany contended that Great Britain controlled the seas with surface war vessels and that Germany's only naval strength lay in the submarine. She excused herself for sinking merchantmen with submerged submarines without notice because of the alleged illegal acts of Great Britain and because she claimed it was a justifiable method of retaliation.

Great Britain early in the war declared the whole of the North Sea a military area and warned all neutrals that they entered that area at their own risk. She notified them that she had strewn the North Sea with mines and that her war vessels, in searching for the enemy ships at night, might make mistakes and sink a neutral, and that, in such event, she would not be responsible. This was a violation of the law of blockade and of every custom of naval warfare and so-called international law. Again Great Britain justified this act as a legal retaliation against the unlawful use of the submarine by the Germans.

And then Germany in 1917 proclaimed a war zone upon the open seas surrounding Great Britain, France, Italy, and the eastern Mediterranean, and she proclaimed to the world that she would sink every vessel that entered that zone, merchantman, neutral, or belligerent, with submerged submarines and without notice, and without a chance for those on board such vessels to escape. This also was in violation of every naval custom, every custom of humanity, and every rule of so-called international law.

And we protested, and we threatened, and we insisted upon our asserted rights. And our ships were destroyed and the lives of our citizens were lost.

Sometimes the question arises in my mind as to whether it would not have been better had we suspended some of our understood rights and placed reasonable restraints upon our citizens, rather than to have injected ourselves into that fight that was being waged to the death. We were not in danger, whilst the peoples involved in that great war were fighting for their lives, their liberties, and their institutions that they loved. In such a fight the rights of neutrals, in the very nature of things, cannot be calmly and judiciously considered and weighed. They never will be. And when we entered the war we acted as the other belligerents had acted before we entered the war. It is true that the German Government in 1917, while we were at peace with Germany, through its privileged embassy in the United States, attempted to conspire with Mexico, our neighbor, and with Japan, a powerful government, to join her in war for our destruction. It was evident then that Germany intended to fight us either in the existing conflict or after that war was over, and probably in alliance with other great powers. That act alone justifies us in entering the war against Germany. It was the chief cause that urged me to vote for war.

And yet, we must be tolerant with Germany. We had lent every aid to her enemies, legally, it is true. The hatred of the German people had been aroused to the point that they had determined to destroy us if possible, and so we were dragged, step by step, into the World War.

How our false profits disappeared; how prosperity turned out to be but a myth! We spent billions in that war, and we lent billions to foreign governments that will never be paid back, and for which our people today are being taxed. We lost hundreds of thousands of lives of the best blood of our country, the boys essential to the best in the coming generations. We had hundreds of thousands of them returned to our shores maimed, blind, deranged, and shattered, many to spend the rest of their pitiable lives in hospitals and asylums. And so we understand the horrors of war, and the sacrifices that we are justified in making to preserve peace.

There are many remedies intensely urged, each as a panacea to prevent war and preserve world peace. There are those who contend that the only way to keep out of war is to prevent war; that the only way to prevent war is through collective action by all governments.

Well, we have tried collective action. Even before the Great War, President Taft was head of a society in the United States which was intended to preserve world-wide peace, entitled, "The League to Enforce Peace." When the war was over, Woodrow Wilson, together with other great world statesmen and humanitarians, sought to organize collective action for the purpose of preventing war. The League of Nations was organized and established. The Covenant of the League of Nations laid down just and ample laws which, if they could have been enforced, would have prevented most wars, and would have localized those it could not stop. But the League of Nations failed of its chief purpose.

I realize that it is lese majesty to make this assertion. It is true that the League in its early history settled a number of minor disputes that might have developed into major controversies; and yet when vital controversies arose, it was impotent.

General Tellini, an Italian officer, on August 27, 1923, and four Italian soldiers were killed near Yannina, on the border of Greece. Mussolini threatened war. Greece proposed to submit the controversy to the League of Nations, of which both Greece and Italy were members. Mussolini refused. The controversy was settled, however, by a committee of diplomats. In 1931 Japan invaded Manchuria, a part of China. China submitted the controversy to the League of Nations. Both were members of the League. China and Japan appeared before the League. Their respective causes were presented and tried. The Assembly of the League of Nations, exclusive of the vote of China and Japan, unanimously found that the invasion was unjustified, that Japan had violated the Covenant of the League of Nations, and decreed that Japan should withdraw her armed forces from China. Japan challenged the authority of the League, treated its decree with contempt, continued its invasion until it had conquered Manchuria and established a puppet state.

Hitler defied the Versailles Treaty and the Covenant of the League of Nations, and proceeded to build up the army, the navy, and the armaments of Germany. Nothing was done by the League of Nations. Hitler then again violated the Versailles Treaty and the Covenant of the League of Nations and fortified the demilitarized zone on the Rhine. And then Mussolini followed these examples and defied the League of Nations and carried on the war against Ethiopia to a complete conquest.

I am not discussing the causes asserted by these various countries as an excuse for the violation of their covenants. I am not in a position to judge them, nor is our country in a position to judge them, because we have never been a member of the League of Nations. I simply cite these historical facts as an evidence of the utter failure up to the present time of collective action of governments.

There are groups of scholars and educated people who contend that large armaments are the chief cause of war, and that, therefore, if all countries disarmed there would be no more war. Cave men fought with stone axes. I admit that when men are armed they are more fearful of each other and are quicker to interpret an act as one of attack. Lack of efficient arms, however, has never

prevented angry men from fighting. Certainty of defeat, however, generally deters a brutal bully from an unjustifiable attack.

No government has sought more sincerely and intensely than the United States to limit armament. In 1922 all of the powerful governments of the world assembled in Washington to consummate such an end. Our Government made the first great gesture in offering to destroy six battleships constructed or in process of construction, if other governments would destroy the blueprints of battleships that they proposed to build. We destroyed our battleships. We surrendered the right to fortify our possessions in the far Pacific. We yielded to the demands of the other governments that there be no restraint upon the building of 10,000-ton cruisers, submarines, air warships, and use of poisonous gases. We trusted they would not build such weapons. We kept the implied covenant. Some of the other great governments violated it. The spirit of the covenants adopted at that conference was violated from the very beginning by some of the adherents.

And today as never before in all history great governments are burdening their people to human limits, if not beyond human limits, in the building up of enormous instruments of human destruction. It is with sincere sadness that I admit that our every effort for the limitation of armaments has been an utter failure. Today the black clouds of war are swirling over Europe and Asia, and the cyclone of battle may strike any time with its devastating effect.

I believe that the world will admit that our Government has made every effort, through its own example and through the treaties which it has advocated, to substitute for war, methods of peaceful adjustment of controversies, to the end that war may be avoided. Our Government has kept the covenants of its treaties, both in letter and in spirit. This is not true of some other great governments. They have violated their solemn word. They have violated their executed treaties. They have destroyed every confidence that makes collective action possible. Treaty action between two governments, collective action between many governments, is futile and is a fraud until there is a higher standard of morality established in government. Today the word of honor of a government is a jest. The principles of Christ by some are held up to ridicule. In their opinion those who believe in them and trust them are but innocents.

The natural fear of peoples and governments of each other in Europe is intensified today by political fanaticism. As in the past there have been religious wars, so today there are wars by intolerant theorists of government. The great governments, believing that war is inevitable, are preparing to defend the lives of their citizens, their liberties, and their institutions. They will not listen patiently to our peace arguments and to our urging limitation of armament unless we are willing to insure their security. This demand for security commenced at the Versailles Conference. They are not interested in our moral support. What they seek and demand is an alliance wherein our Government shall guarantee the use of our Army and our Navy for their protection in the event they are attacked. Our people will make many sacrifices for world peace, but they will not tolerate such an alliance.

The hopelessness and the futility, the suffering, the destruction of war may sometime convert these selfish civilized nations to peaceful action. At present our interposition in foreign quarrels would but involve our own destruction.

The question that faces the representatives of our Government today is, What can we do to prevent that war from involving our people, if and when it comes? Some of us who in part bear the responsibility in this behalf are determined that no pride, no false assertion of dignity, no reasonable sacrifices of what we may deem our international rights, no reasonable restraints upon our citizens during such war, in fact, nothing save our honor shall interfere with our determination to keep out of a foreign war.

We lost 128 of our loyal, peaceful citizens on the *Lusitania*, which was sunk off the coast of Ireland by a submerged submarine. Our sympathy goes out to the families and friends of those so unhappily and so untimely destroyed. And yet our sympathy is broader and greater for the families of those whose sons died because, in part, of the unnecessary death of those on the *Lusitania*. The *Lusitania* was a British ship, carrying war materials to Great Britain, an enemy of Germany. Germany had warned against travel on that ship, and our citizens had no business on it. Our citizens will not be allowed, in the next war, to travel on belligerent ships. We armed our merchantmen, and the arms on board such vessels were no defense against submerged submarines, and only invited—if they did not justify—destruction. We will have no such thing as armed neutrality during the next war. Our ships will not be permitted to arm. We will not depend upon the identification of our vessels by the flying of flags, which are misused by all warring powers. We will so mark our vessels each trip from our harbors that the belligerents will know that they are American vessels. We will notify all belligerents that our vessels are not armed; that they will stop when signaled, and submit to peaceful visit and search. And then there will be no excuse to sink one of our vessels: and I am satisfied that no government in another war, in such circumstances, will permit one of our merchant vessels to be sunk. We will not permit arms, ammunition, and implements of war to be exported to any belligerent country. We will permit any country to buy our products in our country, but we will not take the responsibility of delivering them across a sea infested with submarines and covered with surface war vessels and aircraft bent upon the destruction of such cargoes. We will not permit warring powers to obtain credit in our country for the purpose of the conduct of their wars.

There are all sorts of thoughtless expressions, such as that these things will lead us into war rather than keep us out of war. There is no argument offered in support of such silly expression. They say that to require the payment for goods before transportation is an alliance with the rich powers. It is no more an alliance with the rich powers who control the seas than it would be if goods were shipped with draft attached. They proclaim that we should rely upon international law.

Well, there is no such thing as international law. The so-called international law of which I speak is the so-called common law of nations. I do not refer to laws prescribed by treaties. The so-called law of nations is based upon precepts of philosophers and lawgivers and customs based on concepts of justice and morality that have been more or less followed in intercourse between nations. Such rules relative to visit and search upon the high seas and to blockades were generally obeyed prior to the World War. Even these rules were challenged, avoided, and violated during the World War. These customs and rules are morally persuasive because they are based upon justice and morality, but they are not legally binding.

Treaties are construed as laws in some particulars. They possess the essential of laws. They are prescribed by powers having authority to enact them. They are even legally binding. They lack, however, an involuntary judiciary to construe them and to adjudge the wrongs and the remedies. They lack any peaceful power to enforce them. They are subject to so many exceptions, such as the right of self-defense, the protection of the honor of a government, the right of retaliation, etc., which exceptions are solely determined by the government asserting them, that treaties in time of war are of little effect.

Philosophers from the earliest times have written upon the law of the seas. These rules of conduct, universally designated as international law, have relation generally to the rights of neutrals and the rights of belligerents upon the high seas during war. Grotius, one of the earliest writers upon the subject, as far back as 1625, in dealing with the question of contraband, divided contraband into three classes, namely:

"1. Those that were of use only in war;

"2. Those that were of no use in war but served only for pleasure; and

"3. Those that were useful both in war and in peace."

He held that the first was contraband of war subject to seizure and confiscation, that the second was free, and that the third became contraband of war if the belligerent could not protect himself without seizing it.

This rule has been substantially approved by all of the great governments of the world and has been restated in treaties at various times with various modifications. The difficulty arises in the application of the rule. What are the articles and materials that constitute contraband, noncontraband, and conditional contraband? Some belligerent governments by their proclamations, while others by their treaties, have abandoned the classification of noncontraband, dividing contraband into the two classes; that is, contraband and conditional contraband. The question then arises during naval warfare as to the circumstances that change conditional contraband into absolute contraband. Who is to determine whether the "belligerent could not protect himself without seizing it"; that is, seizing conditional contraband of war? Undoubtedly Grotius meant that the belligerent should primarily determine this question. This has been and ever will be a source of violent controversy between belligerents and neutrals. Primarily, the belligerents determine and proclaim what constitutes absolute contraband and conditional contraband, and the conditions under which conditional contraband will be treated as absolute contraband.

The neutrals, on the other hand, desiring that their commerce and trade shall be interfered with as little as possible, make and assert their own definitions of contraband, noncontraband, and conditional contraband. They also for themselves declare the rule as to what state of facts results in the conversion of conditional contraband to absolute contraband.

During the World War all of the belligerent governments, even our own Government after it entered the war, practically destroyed all distinction between contraband and conditional contraband, even going so far as to include foodstuffs and clothing in the list of contraband of war.

For 20 years committees of statesmen from various countries have attempted to codify what is called international law, and until the present time all that governments have agreed upon is as to the question of the nationality of various nationals naturalized in other countries. As Prof. John Bassett Moore, than whom there is no greater international writer, said in his last lecture:

"The ancient maxim inter arma leges silent merely states a fundamental legal principle, which was happily expressed by Shakespeare in the line, 'The law hath not been dead, though it hath slept.'"

A law that sleeps in the time of emergency—the only time that we need it—is not the kind of law upon which we desire to risk the lives of our citizens and the peace of our country.

Our Government is most vitally interested at the present time in the enactment of laws prescribing rules of conduct for our own citizens, during a foreign war, that will eliminate some of the chief causes that have heretofore dragged us into such wars.

At a time when another world war of even greater magnitude and destructiveness is threatened, if not impending, we have little time to discuss the academic questions involved in the rules of

contraband, blockade, mining the open seas, and other questions generally included in the hazy doctrine of the freedom of the seas.

In preparing for the next world war, and in determining what action we shall take on our own behalf in such event, it would seem wise and profitable that we should consider our relations to the last World War, and the causes that involved us in that great catastrophe.

We will have our own restraining laws during war. We relied upon international law prior to the World War, and it was our undoing.

The picture seems almost hopeless, and yet there is a hope. Possibly, had the United States entered the League of Nations, and had the conquered powers and Russia entered the League of Nations, the great alliances for war that have been made since that time might not have come into existence. As it is, the alliances are made, and governments which are members of the League of Nations have stronger obligations to their alliances than they have to the covenant of the League. It is possible that European governments like Great Britain, who are striving intensely for peace, may hold the status quo until the war threat has passed. The fear and necessities of peoples and the intolerance of political fanaticism which today is the greatest threat of peace in Europe, may precipitate war. Then, in time, that war must exhaust itself and end. In any event, when peace is assured for a time the United States will be the most powerful country in the world. It will be in a position, then, to take the leadership in an effort which it is its duty to make, to bring about collective action through treaties that will tend to readjust the economic and monetary condition of the world and establish peaceful instrumentalities for the just settlement of controversies that will tend to avert war. Our Government and our people are sympathetic and generous. They are willing and ready to lend every reasonable aid to governments and peoples who will abandon war hysteria and sanely help themselves. Until that time comes, any aid rendered would be wasteful, futile, and dangerous.

But let us not too confidently maintain that these things that we propose to do will prevent us from becoming involved in war. They may, and probably will, keep us out of war. But selfishness, greed, and jealousy are still characteristics of human nature that affect all mankind from the lowly citizen to the highest ruler. These characteristics sometimes urge powerful governments to conquest, and so long as that is possible it is the duty of our Government to be prepared to defend itself, its institutions, and the lives and liberty of its citizens. Let us be neutral in our expressions as well as in our acts. Let us give to foreign governments every safe and reasonable cooperation for world peace. Let us do everything honorable to keep out of war, but let us at all times be in the position that if war is brought to our door we can protect our Government and the lives and liberties of our citizens.

Federal Taxation

EXTENSION OF REMARKS

OF

HON. ROBERT L. DOUGHTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

SPEECH BY HON. ROBERT L. DOUGHTON, OF NORTH CAROLINA, BEFORE THE ANNUAL CONVENTION OF THE NORTH CAROLINA MERCHANTS' ASSOCIATION, AT NEW BERN, N. C., JUNE 7, 1937

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me before the annual convention of the North Carolina Merchants' Association:

It is an honor, a privilege, and a source of real personal pleasure to have this opportunity of talking to this representative group of North Carolina merchants. Your fine record of progressive activity and attitude of civic responsibility and cooperation in matters of public concern have earned for the North Carolina Merchants Association an important and honored place in the public esteem. I know of no other group of citizens of this great State who are in position to do more for the betterment of our people than you merchants. In your daily activity you come in contact with a great number of your fellow citizens and are in position to keep abreast of public affairs and to influence to a considerable degree the public attitude with regard thereto.

In times past, when our country was more sparsely settled, the crossroads store was a meeting place where people lingered after making their purchases to discuss matters of common interest. It became a place for the exchange of news and ideas and the storekeeper himself became a sort of bulletin board and an authority on what was going on in the world. In spite of the hurry and bustle in these modern days this tradition still continues. In any community the merchants will be found to be certainly as well informed as any other group of citizens and are ever ready and willing to participate in any move for community betterment.

Upon my acceptance of your kind invitation to speak here at this convention I was particularly pleased at the suggestion that I talk to you principally about taxation. It is a subject that is of increasingly vital importance to each of us, and it is of particular interest to me in the light of my duties on the Committee on Ways and Means, in which committee all Federal tax legislation must originate. In your capacity as merchants and taxpayers I trust this subject will be of equal interest to you.

From the program I see that I am to discuss Federal taxation with respect to its effect upon retail merchants. On this point I am delighted to be able to say that, in general, Federal taxes burden retail merchants, as a class, little more heavily than they burden any other comparable group of citizens. It has been said that retailers pay directly or indirectly one-tenth of our total taxes. I have no definite information upon which I can affirm or deny this statement. However, with the exception of the license taxes imposed upon retailers of alcoholic beverages, and the small, purely regulatory taxes upon relatively few commodities, I know of no Federal tax levied upon retail merchants in their capacity as such. Of course, it is possible that the special taxes imposed by the Federal Government upon a selected group of products burden retailers unduly as compared with other taxpayers. These taxes may be passed on by the manufacturer in such a manner that the retailer would be compelled either to absorb a portion of the tax or find his volume of sales reduced. With these exceptions, each of you pay your proportionate share of the general Federal taxes just as do taxpayers in other walks of life.

Therefore in order to discuss our Federal taxes with respect to their effect upon retail merchants, I shall need to discuss them in the light of their general effect upon all taxpayers.

The power to tax is not only a well-recognized privilege of any government but it is a duty that must be exercised if such government is to exist and function. While it is undoubtedly true that both the Federal Government and the States and their subdivisions at times abuse this power by excessive, discriminatory, or unwise use, the greatest abuse possible would be the failure to provide by adequate taxation for the funds required for the governmental functions necessary to the defense and preservation of such government and the welfare of its citizens. Under our dual system of government two sovereigns, Federal and State, exercise virtually independent taxing authority within the same territory and upon the same people. Each government renders certain services to its citizens, and in turn must look to these same citizens for the taxes necessary to provide its revenue. In exacting such taxes governmental officials owe these citizens the duty of a scrupulous regard for their interest and welfare. No person or class ought to be preferred and allowed to avoid a proportionate share of the tax load while those who are less fortunate are burdened with undue taxes. Legislators fail in their duty unless they continually keep in mind the taxpayer's viewpoint and not only strive to distribute the tax load as equitably as possible but also strive to give the taxpayer his money's worth in the spending of his tax dollar.

It has remained a mystery to me how the logic of strong criticism of taxation seems to fit in so well at the same time with the incessant demands on almost every hand for greater and more costly governmental service. If we are to have efficient and widespread governmental functions, we must realize that they must be paid for with taxes. It is a common occurrence for groups of citizens to protest taxes with one breath and soon thereafter appear as a delegation for the obtaining of a governmental service that entails the expenditure of large sums of money.

If citizenship is regarded in its proper lights, and if our conception of our duties as component parts of the community is on the proper plane, the payment of taxes should be regarded as a privilege rather than a dreaded duty. No one should be willing to accept the benefits of organized society without at the same time being willing to pay, as far as he is able, his proportionate part of the costs of such benefits. However, even when the benefits are direct and in exact ratio to the cost there is often complaint. For example, when property owners are assessed for street or other improvements adjoining their property, objection is frequently heard although such improvements almost always increase the value of the property far in excess of the amount of the assessment. Ordinarily there is no such direct relationship between costs of governmental functions and benefits resulting therefrom. Persons are taxed for the support of schools who have no children to be educated. Money from taxes levied on merchants may go to the support and fostering of agriculture and taxes levied on farmers may eventually be spent for the promotion of trade and commerce.

However, if we take the broad view, we know that when society on the whole is improved that such improvement will inure to the benefit of each member of the community. Moreover, the farmer will benefit from improvements in the fields of trade and commerce and the merchant will find his lot bettered by increased prosperity among the farmers.

The taxpayers may have, however, two just causes for complaint. The first lies in the equity and fairness with which the tax load is distributed, and the second has to do with the expenditure of the public funds and the pledging of the public credit. It is not only the privilege, but it is the definite duty of the citizenship to protest the unfair distribution of the tax burden, and it is no less its duty to condemn the waste and unwise expenditure of the public money.

Of course, it is largely a matter of opinion and judgment as to whether an expenditure is justified or as to whether the tax load is fairly distributed. Usually those who receive the chief benefit from a governmental service consider the cost thereof well justified, regardless of its effect upon their fellow citizens; and those who have to pay heavy taxes are firmly convinced that they are being imposed upon and are bearing an undue proportion of the total burden, regardless of the amount of taxes that are being paid by others.

The dependable yardstick in matters of this kind can be gained only by an analysis of the broad effects of such policies and by their influence on the general good of the whole people.

Experience has taught us that the fairest method of taxation is that which is based on ability to pay. While this yardstick cannot be mathmatically determined to a precision that will satisfy all minds, it is recognized as being our most equitable principle. In the income tax we have an outstanding example of a tax based on the ability to pay.

In the last analysis, income is the chief source of money with which to pay taxes. The only exception to this rule is in the case of estate, inheritance, or gift taxes, where the tax is usually paid with a portion of the capital itself. These facts are of primary interest to us all, particularly in the light of the growing inclination of legislators to soften the impact of additional tax levies by hiding and intermingling the tax itself in the purchase price of goods.

Of course, the Federal Government will continue to levy other taxes. The estate and gift taxes are recognized as economically sound in addition to being good revenue producers. The taxes on tobacco and alcoholic beverages are firmly embedded in our internal revenue system, having been in force since the beginning of our country, and probably will continue to be levied and defended on the ground that the subjects of the taxes are luxuries. Import duties will very likely continue to accomplish their double purpose of providing revenue and encouraging domestic enterprise.

In 1932 the awful effects of the depression had so seriously impaired the revenues that additional taxes were considered indispensable by the administration then in power. To help meet this emergency, special excise taxes were imposed at various rates upon a series of selected commodities, none of which might be considered, in the strictest sense, necessities.

As business has improved and conditions have warranted, the "ability to pay" taxes have been increased, and some of the excise taxes as were considered most obnoxious have been repealed. The taxes on checks, soft drinks, and candy were among those thus abandoned.

It is hoped and expected that the balance of these temporary excises may be allowed to lapse as soon as the revenue from other sources and the decrease in expenditures for relief purposes will justify the loss of the revenue now gained therefrom.

During times of depression when the stress of financial conditions dries up the tax sources, or greatly curtails receipts, particularly that of the income tax, and, at the same time, the demands for governmental service are sharply increased by necessity for relief and other emergency measures, there is a strong temptation to legislators to resort to that class of taxes that are levied upon sales and transfers and have no relation to ability to pay. It is possible that this course might prove absolutely necessary or justifiable under extraordinary conditions, if the Government's credit and stability is to be maintained. However, I take great pride in the fact that the Federal Government has been able to finance its extraordinarily heavy depression expenditures without having to resort to a general sales tax.

The affairs of our Government should be to all of us one of the most important matters which we have to consider. Governmental activities exert a marked influence on our social and economic structure and intimately affect the daily lives of every citizen. It is a lamentable fact that the American people as a whole do not take the interest in their Government that they should. We are all prone to go along taking our Government for granted, giving primary consideration to private affairs, until some crisis causes us to turn to it either for help or in protest, one or both. We should not let our private interests keep us from giving due thought and attention to matters of government.

The establishment of a sound, workable, and understanding relationship between taxpayers and their legislative representatives is of extreme importance to the proper solution of our fiscal difficulties. The desirability for a legislator to know how his constituents feel toward any policy cannot be overemphasized. The voice of the people is strong and impressive and when they make their desires evident in firm and definite tones, it usually follows that their wants are met and that legislation is adopted in their furtherance.

The great difficulty with the establishment of sound governmental policy lies in the inability or unwillingness of too many of our people and of too many of our governmental officials to see beyond momentary gains and losses which will result from temporarily expedient measures, to the broader scope of a permanent and forward-moving democracy. It is entirely too easy to get away from fundamentals which experience should have lastingly proven to us are necessary to the peace and prosperity of our Nation.

If we could establish and maintain in our business of government the same efficiency and cooperation that most of you are able to achieve in your mercantile operation, there can be no doubt but that government could be greatly improved and its cost lessened.

The second of these needed improvements is a change of attitude on the part of a great number of our governmental officials, particularly some of our legislative representatives. No member of a legislative body can properly represent his constituents nor fulfill his obligations to his State or Nation if he is unwilling to buckle down and really work at his job. No matter how keen his mind nor how fine his motives and aims, if he doesn't devote himself to his duties and thoroughly study his legislative problems, it is impossible for him to keep abreast of his work and to intelligently and effectively serve the public. Therefore, scrupulous care should be taken in the selection of public officials, especially those filling legislative positions, with regard to their qualifications, and after they are chosen their constituency should keep them under watchful observation to see that they apply themselves diligently, assiduously, and unselfishly in discharging their public responsibilities, and that they do not use their positions primarily to further their own political interests.

It would be difficult for me to discuss frankly with you the Federal tax policy without saying something relative to the undistributed profits tax levied by the Revenue Act of 1936. The principle of this tax is not new, but this is the first time it has been applied in actual practice. It has long been recognized that there has existed considerable disparity between the income tax on business conducted in the corporate form and that carried on by individuals or partnerships. The flat income tax on corporations imposed the same burdens upon all companies, regardless of whether the corporate income was paid out in dividends and subjected to the surtax on the individual recipient stockholder or was withheld by the company.

Thus where the bulk of the corporate income was paid out in dividends, stockholders were being unfairly penalized. Moreover, where, through the efforts of wealthy majority stockholders, very small portions of the company's earnings were paid out, a distinct injustice was done the small stockholder who might be in real need of his dividends.

But there was a huge and unfair advantage to a relatively small number of persons. They were those whose incomes were in the high brackets, or would have been had they received all of their corporate earnings regularly. Only a small portion of their earnings was paid to them in dividends, because it was to their interest to plow the money back into the business without being subjected to the individual surtax thereon. Moreover, they were able to control the policies of the corporations in which they were investors and could establish a small or no-dividend policy, regardless of the desires of the minority stockholders whose holdings were small and whose dividends, if received, would not have raised them out of the low-tax brackets.

The undistributed profits tax is fundamentally sound and seems to me to be one of the most feasible and equitable plans we have yet tried. No one contends that it is perfect. In fact, we know that there are a number of inequalities in the existing law and that hardships are caused in many instances. However, this is more or less true of all taxes. We are now making a thorough study of this tax and will analyze the returns for the year 1936 and report to Congress, through the Committee on Ways and Means, the results of our findings.

The problem of relief for debt-ridden companies, and for those that are forbidden by State law from the payment of dividends, is receiving careful attention. The necessity on the part of small companies to retain a sufficient portion of their income to take care of reasonable expansion and development is also receiving consideration. It will probably prove feasible, also, to make some provision whereby losses for preceding years may be carried forward and used as deductions against net income for a current year for the purposes of this tax. Careful studies are being made on these and other possible reforms, and we are hopeful that an equitable solution can be worked out to take care of these problems in the near future.

I think it is appropriate, also, to discuss briefly the revenue situation and our present fiscal condition.

In 1933 the revenue from taxes totaled only one billion eight hundred and fifty-five millions, and of this sum the income tax produced only seven hundred and forty-six millions. In 1934 the total tax revenue was two billions nine hundred and fifty-four millions, and in 1935 three billions six hundred and twenty-one millions. By 1936 the Federal Government's tax revenue had risen to three billions nine hundred millions, of which the income tax produced almost one and one-half billions. Conservative estimates, based on the revenue secured thus far in this fiscal year, indicate that our total taxes for 1937 will approximate five billions two hundred millions, of which two billions one hundred millions will come from the income taxes.

Since 1933 Federal tax revenues have increased from less than two billions to more than five billions. This increase is not attributable chiefly to the imposition of new taxes, nor wholly to raised rates in existing levies. It is the combination of these with the greatly improved business activity that is responsible. The restoration of income and values to their proper level and the increase in the production of articles subject to the excise taxes have contributed more to our present encouraging tax revenue than either the new levies or the increased rates in the old taxes.

It is true that we have not yet balanced the Budget, and, I, for one, do not consider this fact within itself alarming. The payment of the veterans' adjusted-service certificates unexpectedly added over one and one-half billions to the expenditure side of the Federal ledger last year; the invalidation of the A. A. A. taxes by the Supreme Court deducted over one-half billion from the

revenue side. These two unexpected factors added over two billions to the 1936 deficit.

I believe the great bulk of the American people have been in sympathy with the necessary emergency expenditures which the administration has employed to pull us out of the depression and to relieve the want, suffering, and misery caused thereby. However, now that the wheels of industry are again humming and that unemployment is rapidly receding, I believe we are all agreed that the stand taken by the administration for economy and the drastic curtailment of expenditures is a necessary one. With reasonable decreases in expenditures and the present encouraging increases in tax revenues there is no reason why our Budget should not soon be in balance and curtailment begun on our public debt.

One of the chief difficulties involved in the enactment of fair Federal tax legislation lies in the fact that consideration must continually be given, not only to the burden of Federal taxes, but also to that of State and locally imposed taxes. Even under the high levies now imposed by the Federal Government considerably over half of our total taxes are paid to the States and their political subdivisions.

Out of the approximately $12,000,000,000 that will be paid in taxes by the American people during the current year the Federal Government will collect about five billions, leaving seven billions, or 60 percent, to be collected by the States and local governments.

Under conditions as they prevail today there is little basis for hope that Federal taxes can be substantially reduced in amount in the near future. The public credit has been heavily pledged and governmental projects have been undertaken that may not readily be abandoned. The conditions apply to States and local units as well as to the Federal Government.

If then we cannot reduce the load on the average taxpayer, we can at least concentrate our best efforts to distribute the load as fairly as possible, keeping in mind always the yardstick of ability to pay.

In recent years there has been considerable comment regarding "soak-the-rich taxes." It is true that in our income and estate taxes the rates in the top brackets are high. Because of this the impression has been created, and accentuated by those whose ends it will serve, that the ultra wealthy are paying the greater part of our taxes. This is far from true. Even if it were desired to lay the bulk of the tax burden upon their shoulders it would be impossible to carry out such a plan, for the fact is that there is not enough income from wealth in the top brackets alone to provide the necessary revenue even if it were all taken in taxes. Under present conditions it is necessary, however, to impose heavy taxes on the rich and moderately rich in order to avoid crushing the poor by taxation.

I am convinced that the American people do not approve, and will not willingly accept, as a permanent policy, taxes on poverty. The efforts that have been made to get the Federal Government to impose such taxes have met with effective opposition and justified resistance.

It is obvious that the great middle class of American citizens is now bearing, and must continue to bear, the bulk of the tax burden. This is true for the reason that while none of this class holds great wealth or receives a huge income the sum of their incomes constitutes the greater portion of the income for the whole Nation simply through their numerical strength.

If I comprehend the attitude of this great class of citizens and understand their reaction to our tax problems, I believe I can say for them that they will not protest the continued imposition of this burden if they believe it is necessary for good government and that it is being distributed among them as fairly as possible, and if they know at the same time that their wealthier neighbors are not being permitted to evade their just proportion of taxation.

Taxation furnishes the very lifeblood of all governments. Without it governmental functions would cease and organized society as we know it would not long endure. Each member of the American community, no matter how great or how lowly, shares in the benefits of government. The Army and Navy defend the humble as well as the mighty; the fire trucks rush to the burning shanty with the same promptness and efficiency as if the greatest mansion were on fire. Police protection is available to all regardless of their station in life. The benefits and facilities of our Federal Government are open to any citizen, regardless of rank, who has need of them.

An education may be obtained by every American boy or girl, regardless of his or her financial condition, and libraries and other sources of information are open to everyone, who, notwithstanding his age or former opportunities, wishes to improve his mind and his capabilities. There are eleemosynary establishments in almost every community for the care of the aged and destitute. There is no State that does not provide for those of its citizens who are physically or mentally afflicted, and the education of the blind and of the deaf and dumb should be to all of us a great source of pride in the efficiency and humanitarianism of our governmental institutions.

Anyone who dislikes any portion of our governmental activity can rise up and say so and need have no fear of vindictive retaliation. Our Government has its faults, some of which are apparent and call loudly for reform, but on the whole the American citizen enjoys the best government, the greatest freedom of individual thought and activity, the greatest economic security and chance to earn a decent livelihood, of any citizen of any country in the world. And in addition, he pays a smaller per-capita cost for government than do the citizens of any other leading nations.

For these benefits no taxpayer should shirk his proportionate share of the costs.

The intelligent citizen owes to himself and to his Government a definite duty to keep himself thoroughly informed on public affairs and to use his influence and persuasive ability and his ballot if necessary to bring about needed reforms.

In this respect you merchants, both as individuals and as an association, have a golden opportunity to exert a tremendous influence for good in your communities. The American citizens do have control of the destiny of this great Nation, and we will have exactly the kind of country and government that we make for ourselves through the sincerity, intelligence, and efficiency of our efforts. And it follows that our system of taxation, as well as our Government as a whole, will be just as good as we make it or just as bad as we will suffer it to be.

The Neutrality Bill and Spanish Atrocities—Why Do We Not Enforce the Neutrality Bill Against Admitted Belligerents?

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

Mr. COFFEE of Washington. Mr. Speaker, recently the world was shocked by the unspeakable infamy of wholesale slaughter of innocent women and children by bombs dropped mercilessly from German military planes upon the holy city of Guernica. Here noncombatant women and children, amid ineffable agony, were blown to bits or maimed for life in a civil war prolonged and magnified from a mere skirmish into a major conflict by the wanton intervention of Nazi Germany and Fascist Italy under the control of megalomaniac dictators.

THE HORROR OF ALMERIA

Everywhere in the United States indignation was expressed freely at this atrocity. Protests arose. In the centers of American intellectual life feeling became bitter. At the capitol of the movie world, Hollywood, the foremost directors, scenarists, actors and actresss, cameramen, all branches of the industry, joined in pointed denunciation of this tragedy. Hardly had the fever of horror subsided mildly when the entire world was shocked again, inexpressibly, by the spectacle of a sleeping small city of Almeria blockaded by a German squadron at 5 a. m., sending shells and shrapnel into private homes, killing and frightfully maiming more innocent women and children and noncombatant men, on the trumped-up excuse that the destruction of the city and its inhabitants was a reprisal for the dropping of bombs upon the German pocket battleship *Deutschland* by Spanish loyalist planes. The facts are that the *Deutschland* was in a harbor in the Balearic Islands at Palma, contrary to the nonintervention pact and in palpable violation of her own solemn agreement not to approach closer than 15 miles, and further that the German ships would refuel only in Spanish Morocco. When Spanish Government planes were reconnoitering over the Balearic Islands, part of which are in control of the rebels, they were fired upon by the German naval vessel and the bombing was in retaliation therefor. Regardless of these facts, nothing could justify the wanton, criminal, brutal, and cowardly shelling of Almeria under the circumstances.

DOES THE NEUTRALITY BILL MEAN ANYTHING?

Many Members of Congress feel that this Government should invoke the neutrality law and impose an embargo of arms against Italy and Germany, who are, in fact if not technically, engaged in war in Spain against the existing friendly democratic Government of that country. Our Secretary of State appears unwilling to apply the law which was drafted for just such purposes. Under the neutrality law Americans would be prohibited from riding as passengers on ships flying the flags of Nazi Germany and Fascist Italy. Perhaps our State Department is apprehensive lest repercussions arise having a deleterious effect upon American business with these countries. Are we to continue to put consideration of profit above consideration of humanity and fair play? It is contended that the imposition of the arms em-

bargo would constitute partisanship and in effect make us espouse one sied of the Spanish controversy. It has even been heartlessly said that the Spanish civil war is a factional dispute. Recently the gentleman from Minnesota [Mr. BERNARD], the gentleman from California [Mr. SCOTT], the gentleman from Montana [Mr. O'CONNELL], and myself, Mr. Speaker, interviewed the Secretary of State, from whom we could get no assurance on our plea that the neutrality law be invoked against Germany and Italy on the ground that these countries had committed acts of belligerence under international law. Throughout America newspapers of many political persuasions and viewpoints are expressing editorially their strong feeling about the Almeria incident and demanding that America be consistent and forthright and unafraid in applying the neutrality law to the offending countries.

THE WASHINGTON COMMONWEALTH FEDERATION PLEADS FOR ACTION

That many people in the State of Washington are aroused to the situation appears piquantly in the following telegram:

SEATTLE, WASH., *June 1, 1937.*

WASHINGTON CONGRESSIONAL DELEGATION,
Care John Coffee, House of Representatives,
Washington, D. C.:

With the shelling of Almeria, the last vestige of Nazi nonintervention in Spain is stripped aside. The Nazi Government covertly at war against Spanish democracy, since the rebellion now threatens an open invasion of Spanish territory and surrounding waters while flying the Nazi flag. This is an act of war in any language. Continued shipment of war materials to Italy, Germany, and Portugal from the United States, while an embargo against the shipment of similar goods to the Spanish people is an actual violation of the spirit of neutrality—actual aid to the Fascist belligerents. For the sake of world peace and world democracy, the Washington Commonwealth Federation asks that the Washington congressional delegation press for the extension of the neutrality embargo now enforced against Spain to the other belligerents in the conflict, Germany and Italy. Only this can bring American policy back to a neutral position in the Fascist war of aggression against Spanish democracy.

WASHINGTON COMMONWEALTH FEDERATION EXECUTIVE BOARD,
HOWARD COSTIGAN, *Secretary.*

NEUTRALITY LEGISLATION IS A CHALLENGE REQUIRING DECISION

Mr. Speaker, is our foreign policy to be supine and spiritless because we are afraid that perhaps the chip on the shoulders of dictators might fall off? Are we worried lest power-mad mentalities, now temporarily hypnotizing the once enlightened populace of great nations, be offended? Are we to be kicked around like the late Champ Clark's "houn' dawg" and take it and like it? Why, then, was the neutrality law put through Congress? Does it mean nothing, or will it be applied only to small and impotent nations whose reactions, no matter how bellicose, would make no dent on our national honor? Are we to have the same attitude as has been exhibited by the League of Nations toward powerful violators of international law? On our State Department and administration rests the responsibility. I pray that we will receive a decisive answer.

Is the Democratic Party Going Fascist?

EXTENSION OF REMARKS

OF

HON. SAMUEL B. PETTENGILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

Mr. PETTENGILL. Mr. Speaker, an item in the New York Times of Sunday should not go unnoticed.

Governor Murphy, of Michigan, is reported as sponsoring a bill in the legislature of that State which would authorize him to take over industrial plants and operate them when they have been closed by labor disputes. It is said that the bill has already passed the lower house of the legislature and is now pending in the senate, where no determined opposition is expected.

Let the historian note that this is the way fascism made its start in Italy.

Has Mussolini come to Michigan?

Governor Murphy is considered the "friend of labor." So was Mussolini. Mussolini was, in fact, a spokesman for labor when he started his climb to power. But where are the rights of labor in Italy today?

Where is collective bargaining, the right to strike, the right to organize, the right to petition, the right to criticize government, the right to impartial courts, even the right to vote?

What would Sam Gompers say about all this? What will labor say about it if and when the sequence of events in America brings to them the same result that it brought in Italy—in Germany?

Some laboring men are now supporting this movement under the belief that public officials now in power are their friends. But can they count on the immortality of public officials or their constant friendship? Can they count on keeping their friends in office? And, if not, what?—

In the hands of political puppets of an economic autocracy, such power would provide shackles for the liberties of the people.

If the State takes over the factories, who will fix wages then; who will fix hours then? After the State takes over a factory, will it permit its workers to strike? The State then has the responsibility of operating the plant at a profit, without running up a deficit for the taxpayers to absorb. Will the State then permit an interruption of operations? Will it?

The same item in the New York Times reports a somewhat similar proposal in Pennsylvania by Governor Earle with respect to the anthracite coal fields, a proposal as to which congressional support is apparently desired.

Again I ask the question: If the State of Pennsylvania undertakes the responsibility of operating the anthracite mines, will it stop there? Soft coal competes with anthracite. So does petroleum—fuel oil—and natural and artificial gas, as well as electricity. Will the State permit its competitors to further invade its anthracite markets, or will it take over the competitors? Can the State pay such wages in anthracite as to lose its market to soft coal, fuel oil, or gas?

I hope the men of labor will give these questions a long answer and ask where labor will come out, not in the next 5 or 10 months but in the next 5 or 10 years.

All history proves that labor makes a mistake in going partners with the state.

Sam Gompers said:

If I were in a minority of one in this convention, I would want to cast my vote so that the men of labor shall not willingly enslave themselves to Government authority in their industrial struggle for freedom.

It is a cardinal tenet of my political creed that those at the bottom of the economic pyramid are entitled to more of the wealth that industry creates. I believe capital has diverted to itself an undue share of that wealth. I believe wealth has become too concentrated, too unjustly distributed.

But there are democratic ways to solve this problem without going Fascist. One is high income and inheritance taxes. I would place these taxes at the highest point that will not discourage men from taking the risks of developing the new industries and maintaining the old industries vitally necessary to keep the economic machine going.

And then I would protect the right of collective bargaining by the men of labor.

And then I would go after the monopolists and the price fixers, big and little.

And then I would prevent the sale of tax-exempt bonds, Federal, State, and municipal.

And when that is done I would wish the state to be kept from controlling labor or labor from controlling the state. The state should be the impartial umpire and insist on all playing the game according to rules fair for all.

There are some who call themselves Democrats—"oligarchy masquerading as democracy", as F. D. R. once said—who are knowingly promoting fascism. There are other Democrats who are innocently promoting fascism. But these are a small minority. The great rank and file of the Democratic Party—labor, farmer, merchant, and professional

men—are not going to permit Fascists to take over the party, not when they understand what the termites of democracy are up to.

For myself, I vote to keep Democracy from going Fascist. If I understand the temper of my colleagues, the Democrats of the House of Representatives will vote to keep Democracy from going Fascist.

Before trading Democracy for fascism we want someone to demonstrate from an actual working model—not a professor's blue print—that fascism has been the friend of the poor and the protector of the weak.

Proposed Child-Labor Amendment

EXTENSION OF REMARKS
OF
HON. DUDLEY A. WHITE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 8, 1937

Mr. WHITE of Ohio. Mr. Speaker, yesterday I introduced a new proposal for a child-labor amendment which is a simplified, practical form, carefully framed to meet the objections which have prevented ratification of the original proposal submitted to the States in 1924. Senator WARREN AUSTIN has expressed his willingness to introduce the same proposal simultaneously in the Senate, but he is out of town, and therefore his action will have to follow upon his return.

The measure conforms to the new pattern suggested in Massachusetts by President Emeritus A. Lawrence Lowell, of Harvard, who is recognized as an outstanding pioneer in the child-labor movement.

This amendment would deal only with labor for hire in bona-fide industrial plants. It specifies children under 16 years of age, instead of 18, in recognition of the contention that there is a legitimate and wholesome field for certain types of youngsters in the 16-to-18 classification.

It is designed specifically to meet the objections of those who have feared that the old amendment might be interpreted as giving the Federal Government control over child training and education.

It must be ratified within 5 years, in contrast to the pending amendment which has been floating around for 13 years, because of objectionable features and no time limit.

This new form does not presume to interfere with any phase of a child's life, except protection against labor exploitation, and it confines the authority of the Government to child labor in mines, quarries, mills, workshops, factories, and manufacturing establishments. Everyone can readily see that the classifications specified in this resolution cover the places where oppressive and unhealthful abuses can be practiced on the largest scale and with most harmful results.

The boy who has enough industry to mow the neighbor's lawn should not be and is not penalized by this plan. It never hurt any child to help with the work around his own home or his father's farm. In fact, this sort of training has been the making of many a young man.

There is considerable difference between a lad working out-of-doors, setting his own pace of production, and the boy who works inside a mine or factory and tries to meet factory standards of hours and production. One of the strong points of this proposal is that it deals with the latter, but does not attempt to regulate farm or home work, it does not affect the newsboy, the delivery boy, the caddy, or young folks engaged in similar outside work. It does not encourage idleness.

Because of the undesirable form and objections raised by the general public, the old child-labor amendment, pending since 1924, has not been ratified by the States, although submitted 13 years ago. Parents have feared the questions discussed in this statement. Church and farm groups have been opposed to its provisions. This proposal eliminates those objectionable features. Indirectly it has been indicated that important leaders of church and farm groups have expressed their approval. It would be supported by public sentiment and, therefore, could be quickly enacted into law.

The text of the proposed amendment provides:

SEC. 1. The Congress shall have power to limit, regulate, and prohibit labor in mines, quarries, mills, workshops, factories, and manufacturing establishments, of all persons under 16 years of age.

SEC. 2. The power of the several States is unimpaired by this article, except that operation of the State laws shall be suspended to the extent necessary to give effect to legislation enacted by Congress hereunder.

It would demonstrate once more that there need not be unnecessary delay on constitutional amendments if they are supported with the proper degree of public approval.

Representative William Voris Gregory

MEMORIAL ADDRESS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM VORIS GREGORY, late a Representative from Kentucky

Mr. MICHENER. Mr. Speaker, the Judiciary Committee of the House consists of 25 members. During the last year four of our members have answered the final summons. With but one exception all four were in the prime of life. The duties of this committee are exacting and arduous. Of course it is optional whether or not a member assumes his full responsibility or is content to drift along while others do the work.

I pay my respects today to our departed colleague and member of the Judiciary Committee, the late Representative WILLIAM VORIS GREGORY, of Kentucky. Judge GREGORY always assumed his full responsibility and performed well every task assigned to him. He was primarily a lawyer. His active life before coming to Congress had been devoted to his profession. As a practicing young lawyer he succeeded. As a United States district attorney he was a success. As the presiding judge in his own circuit, he dispensed justice to the satisfaction of his people, and it was but natural that he should become a member of the one exclusively legal committee when he entered this body.

Somehow or other, it seemed perfectly natural to call him Judge GREGORY. He was in no sense spectacular, and when he did address the House he commanded the attention of all. The country needs more men of this type. There has been no member of the committee during my time who worked harder and accomplished more in a quiet way than did Judge GREGORY. As chairman of his subcommittee, he was always prepared when the roll was called. He took much pride in the fact that he was a Democrat and took just as much pride in the fact that he was not partisan in framing legislation. He died in the prime of manhood, and it is difficult for us to understand why a man of this type should be called from an active field where his services are so beneficial, not only to his district but to his country. He will be greatly missed, and the memory of him will linger with us long.

Keep America Out of War—Invoke Arms Embargo Against Germany and Italy

EXTENSION OF REMARKS
OF
HON. JERRY J. O'CONNELL
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 8, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, under leave to extend and in connection with my House joint resolution

requesting the President of the United States to declare Germany and Italy nations at war with Spain under the terms of the Neutrality Act of 1937 and to invoke the terms thereof against Germany and Italy, I would like to introduce the following statement which was presented to Secretary of State Cordell Hull by me at a conference in which my colleagues, Hon. JOHN T. BERNARD, Hon. JOHN M. COFFEE, and Hon. BYRON N. SCOTT, requested the Secretary of State to advise the President that Germany and Italy are nations at war under the terms of the Neutrality Act:

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 2, 1937.

The Honorable CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: On behalf of a large group of my colleagues, headed by the Honorable JOHN T. BERNARD, Honorable JOHN M. COFFEE, Honorable ROBERT G. ALLEN, Honorable HENRY G. TEIGAN, Honorable GERALD J. BOILEAU, and Honorable DEWEY W. JOHNSON, I wish to bring to your attention our views in connection with the House joint resolution which I introduced yesterday requesting that Germany and Italy be declared nations at war with Spain under the terms of the Neutrality Act of 1937.

The wanton bombardment of Almeria by Nazi warships is an act of war. It is the latest in a long series of brutal and warlike attacks by the Italian and German Governments upon the brave Spanish people.

No one has denied that Nazi warships murdered 100 noncombatants, the defenseless women and children who made their homes in the nonmilitary area of Almeria. It is generally admitted that Italian bombing planes have mercilessly slaughtered the civil populations of Valencia and Barcelona. It has been established that Guernica and its 800 peaceful inhabitants were systematically destroyed by Nazi war planes and machine guns. These are hard facts, known to every reader of the daily newspapers—facts which have aroused the indignation of civilized people throughout the world. It is no longer possible to evade these facts or escape from the conclusion which must be drawn from them that Italy and Germany are waging an undeclared war against Spain, a democratic government friendly to the United States. Failure to recognize these facts and to accept their logical conclusion would be an unequivocal violation of our own neutrality laws. Further delay in including Italy and Germany within the embargo now enforced against the legitimate Government of Spain is tantamount to a declaration that the United States Government, despite all official statements to the contrary, has sided with the traitor, Gen. Francisco Franco and his allies, the Fascist invaders of Spanish soil.

After Almeria the American people certainly cannot accept the reply made by you on a former occasion, namely, that German and Italian participation in the Spanish war has not been established by evidence. To the plain people of this country evidence of Italian and German aggression now appears overwhelming. We also have found the evidence more than sufficient to warrant prompt action.

In the name of our own constituents, and in the name of millions of American citizens who cherish the American ideals of democracy and peace, we ask the Department of State to proclaim Italy and Germany nations at war as defined by the Neutrality Act of 1937, and to invoke the terms of that act accordingly.

Yours very truly,

JERRY J. O'CONNELL.

How Shall the Colorado River Be Further Developed?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, we listened on Thursday, June 3, to a very significant message from the President of the United States. No policy initiated by this statesman who sees adown the years is more vital to us as a nation and to our posterity than the President's far-seeing and far-reaching pronouncement in this message. For brevity's sake, we speak of it as the flood-control message, but it is far more than that. It is a statesmanlike policy for converting the great forces of nature into servants of man instead of permitting them to be the destructive agencies that they so frequently have been of late years. Our President's plan is one of river utilization, which is a much broader conception than that of mere flood control, though of course flood control is contained within it.

We consumed more than an hour in the House determining whether the handling of the President's suggestions as outlined in this message shall be in charge of the Flood Control Committee of the House, or of the Rivers and Harbors Committee. In view of the fact that the Flood Control Committee has so limited a jurisdiction, it occurs to me that the House has shown wisdom in giving this comprehensive planning on the part of our prophetic leader into the hands of that committee of longer standing and of wider jurisdiction. While the debate was in progress, the thought struck we that flood control need is now negligible on some of the larger rivers of the country, as for instance the great Colorado River of the Southwest.

A decade or more ago flood control on the Colorado River and its tributaries was a crying need. However, at this moment, the tremendous Boulder Dam has been completed about a year, rendering the main Colorado River practically immune to floods. One of the tributaries of the Colorado is the Gila River in Arizona, including the Salt River as its main tributary. Already six great storage dams have been built on the Salt River and the Gila River, with plans for still other dams to bring those two streams under complete control. I feel that there should be at least two more dams on the Gila River before we can say that it will never again be visited by a disastrous flood. But with the several dams referred to above, I feel that the Colorado River is comparatively safe from floods.

PLANNING RIVER UTILIZATION

According to the suggestions made in the President's message, the Colorado River Basin will constitute the sixth regional authority or agency in his country-wide scheme of organization. The whole Southwest is vitally interested in the "Red River of the West." Portions of seven States of the Southwest constitute the Colorado River Basin. It might be assumed by the unthinking that the Colorado River has been developed, considering Boulder Dam and what goes with it, but I assure you that only a beginning has been made.

The President refers to interstate contacts and the united cooperation of local, State, and Federal agencies to render complete development adequate and successful. This sort of thing has been tried on the Colorado, as, for instance, the Santa Fe compact of 1922, which was only partially successful, having been signed by only six of the seven States involved. Later a tri-State compact was negotiated, but not ratified, by all of the three lower-basin States. This experience shows the difficulty of getting agreement among several States involved, especially when their interests are so vital and their divergent views so great. As an abstract proposition, all States concerned in an interstate stream must cooperate to the best advantage, and yet the great difficulty of such interstate treaties is well illustrated by the failure of the Santa Fe compact among the seven Colorado Basin States; the failure of the proposed tri-State compact between Arizona, California, and Nevada; and the long delay, practically amounting to failure, between Colorado and New Mexico, in regard to the waters of the Rio Grande River.

What does this illustrate other than the difficulties involved? To my mind, it illustrates that substantial justice must be accorded each State in order to obtain agreement. Just exactly as heirs frequently fall out over the division of an estate, so do the States of our Union sadly disagree over an equitable division of some great natural heritage. Nor should we be too quick to condemn the balky action of an apparently recalcitrant State, for it may be that in the compact prepared substantial justice has not been done one or more of the States affected.

For the past decade and a half, all over this country, the State of Arizona has been harshly criticized for blocking progress on the Colorado River, and the action of that State has been held up to scorn and contempt for not having joined the other six in the ratification of the Santa Fe compact. I feel that such criticism is not justified in the light of all the facts. I believe that the historian of the

future will pronounce a different verdict when he can calmly assess and weigh the evidence. However, I have no time now to go into an explanation of or justification of Arizona's course in regard to the Santa Fe compact.

THE COLORADO BASIN NOT YET DEVELOPED

The fact that Boulder Dam is now finished and a half dozen minor dams on the lesser tributaries have long been functioning, as for instance the Roosevelt Dam in Arizona completed in 1911, it may seem that the physical development of the river has just about been completed. Such is far from the truth. A wonderful beginning has been made, but my emphasis is that after all, it is only a beginning. In view of the efforts that I made in this House about 3 weeks ago on behalf of the Gila irrigation project in Yuma County, Ariz., Members are apt to think that I now refer to continuing work on that project as the finishing touches of the completed Colorado River development. No; that is not what I have in mind. That is not the only thing lacking.

If all of the development legally and physically possible in Yuma County, Ariz., were completed, I still maintain that only a beginning would have been made on the Colorado Basin as a whole. There are vast irrigation and power-production possibilities in the upper-basin States. These must be a part of the complete utilization. There are yet vaster power developments along the Colorado River and its tributaries than those already completed. Not until that marvelous stream shall be fully utilized, from its rivulet beginnings in the high Rocky Mountain area, along its entire course to its delta at the head of the Gulf of California, in regard to irrigation first, reforestation second, and power production third, will the Colorado River be, in my opinion, developed as the President has indicated in his message recently. Time will not permit me here to touch upon but one of the three phases of possible future development.

MAXIMUM POWER PRODUCTION

Beginning with the least important of these items first, the last of the three named above, power production—and power production is the least beneficial use of such water—I wish to say that the vast power production at Boulder Dam is but a drop in the bucket compared with the ultimate possibilities of that river. Of course, there may not exist today the market for an extended power production now, but the market will develop. The need will grow, and when the need has developed the engineering possibilities are in the river. Let me remind the committee that there are more than a dozen good dam sites within the Grand Canyon of the Colorado and within the State of Arizona alone, to say nothing of the splendid sites above Lees Ferry. When all the available dam sites along the Colorado River and its tributaries above Boulder Dam are enumerated, it will be found there are more than a score of them which will rival Boulder Dam in possibility. Some of them will exceed Boulder Dam in regard to power output. Surely our far-seeing President must have envisioned, sometime adown the years, the development of these engineering resources to their limits. It is interesting to speculate on what he saw.

What Niagara Falls is to the Northeast, what the Tennessee Valley Authority is to the Southeast, what the Columbia River development is to the Northwest, the Colorado River is to the Southwest. I maintain that the full possibilities of the Colorado River exceed any of the other three in regard to possible power development. Granted that there is not today the population within reasonable transportation distances to consume the electricity that might be produced by that river, it is only a question of the future when the population will be there and the need will exist. Who knows when engineering science will develop better and more efficient means of transporting electric power long distances cheaply? In such an event we shall be able to consume the power which that stream can so easily produce. With such complete utilization of the whole Colorado Basin, and because of it, the growth of that entire area in wealth and population will be undoubtedly comparable with that of southern California within the lifetime of a single generation.

It should be remarked here that the program of future Colorado River development which I have gleaned from other thoughtful statesmen, as well as our President, and of which this statement merely hints, is a much bigger and more complete utilization than has heretofore been attempted. It is not a program primarily for the interest of any one State, but contemplates benefits for each and every one of the seven basin States, in due proportion to the demands of justice. The national development involved in such a thoroughgoing plan would be second to none in all the plans of our empire builders.

Let me also positively say in this introductory statement that such a comprehensive plan would, in my opinion, be no substitute for the present remarkable construction already finished or nearing completion. It would build upon what has already been done, supplementing the works already constructed, doing no injury to vested interests in achievements up to the present time. When what I conceive to be the President's plan on the sixth regional area is fully carried out, in a spirit of justice and broad statesmanship, a greater economy and national investment will have been made in the name of the second Roosevelt far surpassing the notable attainments in the name of the first Roosevelt—and those have been most remarkable—toward the development of the mighty West.

"Where there is no vision the people perish." That sage remark seems especially applicable to the basin of the Colorado River. We shall not now contemplate the possible greater developments of the Colorado River in the significant fields of reforestation, revegetation, and the production of food through the multiple use of water in irrigation. All of these are as susceptible of greater development as is electric power production along that unique river. All of this is in the lap of the future, in the power of Congress, and in the wisdom and justice of a planning authority such as the President would have set to the great task.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. CLARENCE W. TURNER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Friday, June 4, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, of Tennessee, late Speaker of the House of Representatives

Mr. TURNER. Mr. Speaker and fellow Members, I wish to say just a few words in simple, heartfelt tribute to the memory of my good friend, JOE BYRNS.

JOE was a personal friend of mine for many years. It was my privilege to serve with him as early as 1901, when we became intimately associated as members of the State Senate of Tennessee, and that friendship continued as our pathways crossed many times down through the years until his death.

JOE BYRNS was true and loyal to his friends and just in his dealings with his fellow man. He was always ready and willing to do his part, dependable and courageous in fighting for those things which were for the good of humanity, and during his long career he won and held the esteem of friend and foe alike by his fairness, by his aggressiveness, and by his ability.

During his long and active career as a public servant he was faithful to the Democratic Party. He served the State of Tennessee in both branches of the legislature, being speaker of the house of representatives, was a Democratic Presidential elector in 1904, was a Member of Congress from the Fifth District for 14 consecutive terms, and his election as Speaker of the House was a fitting recognition of his party loyalty and leadership.

It is significant that Tennessee sent its three sons, who became Speakers of this body, from the same section of the State. It might be of interest to historians to know that two of them served consecutively—Bell and Polk—and lived

in adjoining districts. One of these served later for one term as Governor of the State, and then, after twice suffering defeat as a candidate for Governor, became President of the United States—James K. Polk.

I believe one of JOE BYRNS' greatest virtues was that of kindness. During his terms in Congress innumerable young Members of this body were the beneficiaries of his kindness. It is generally understood that an unfortunate Member of this House, led on by a series of exploits which almost ended in his expulsion from this body, was saved from that tragedy through the kindly intervention of the noble-hearted Speaker BYRNS.

An American orator, speaking at the grave of his own brother, who had been a Member of Congress, said:

If everyone favored by his kindness should bring a flower to his grave, he would rest under a mountain of roses.

That was true of JOE BYRNS. His friends were legion. He had no personal enemies. As Robert Louis Stevenson expressed it:

So many gods, so many creeds,
So many paths that wind and wind.
When all this old world needs,
Is the simple art of being kind.

Back of the fine and noble personality of JOE BYRNS lay a deep foundation of Christian character. He had a simple faith which followed him to the end. On the day of his sudden departure from the walks of man, his companion for a lifetime related to a close friend, how, throughout his married life, he had kept up the simple devotions of his childhood. In that lay something of the secret of his sweet and winsome personality. He had in his nature those qualities which not only draw one human being to another, but which bind man to man with hooks of steel.

It was not mere accident that JOE BYRNS remained in Congress continuously for 28 years after his first election. It was soon apparent to those who had aided him in achieving that ambition that a man among men had been chosen to represent that historic district, a district once represented by Sam Houston, and in whose historic soil rests the ashes of Old Hickory. While JOE BYRNS lifted no sword in battle, nor led a charge in war, he was one of the finest influences at work to sustain a distressed nation when war was on. When peace came he continued his important role as one of the keepers at the gate. We sometimes forget that our heroes of peace deserve as enduring monuments as our heroes of war.

Dream not that sword and helmet
Are signs of valor true,
For peace hath greater virtues,
Than battle ever knew.

During the recess periods of Congress JOE BYRNS did not find his surcease from labor in quiet places away from the maddening throng where rest and peace might have come to his tired body. Instead, he went out among the folks who had honored him with their suffrage, and not, as the statesman he was, but, as a friend come back home, mixed and mingled among men. He was at home at countryside schools and churches, where he often took part in the programs. To those who had honored him so much he was a simple public servant who had come back to find out anew their wants that he might better serve them when again at his post of duty.

One of the greatest hopes of our Republic is that out of the strife of political rivalry and the clash of economic ideas, and far and above the smoke of conflicts of every kind, stand great personalities who represent in their characters the finest fruit of our years of progress and development. JOE BYRNS belongs to that ever-growing group who, at any price, always responded in a fine way when any crisis arose, whether it was a crisis in the life of a personal friend or some period of anxiety on the part of the Nation as a whole. He was truly a public servant. If it is true that the greatest among us are those who are the servants of all, then our dear, departed friend truly belongs among the great men of our Nation.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. HERRON PEARSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Friday, June 4, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, of Tennessee, late Speaker of the House of Representatives

Mr. PEARSON. Mr. Speaker, this is the first anniversary of the death of a great Tennessean and a great American, JOSEPH W. BYRNS. In this historic Chamber, where he spent the best years of his life and rendered his most useful service to this Nation, we gather to pay tribute to him and to spread upon the permanent records of the Congress of the United States the spoken words of love and esteem of his friends and colleagues. This record may grow dim with age, but the love and admiration of those who honor his memory today shall live in verdant splendor in the hearts of all who came under the spell of his benign influence and useful life.

As a Tennessean I am proud that my first official act as a new Member of Congress in January 1935 was to vote for my friend and colleague, JOE BYRNS, for Speaker. Proud because of the record which he made in that exalted position during the ensuing 2 years, distinguishing him as one whom historians will record as able, just, and loyal. He was all that the Speaker of the House should be, a man of exalted character, unimpeachable integrity, and superlative ability. When the news came that his labors were at an end every Member in this body felt deeply the loss of a political leader who knew no partisanship and countenanced no unfair practices when it came to respecting and protecting the views, rights, and privileges of those who served under him and with him.

I do not believe JOE BYRNS had a personal enemy in the world. On the other hand, he possessed every qualification which endeared him to men. I have never known his equal for patience and forbearance under trying circumstances, and frequently, by his kindness, courtesy, and consideration, he put to rout those who saw fit to test his ability to maintain an even temper and calm demeanor under pressure. Loyalty to a friend was a sacred thing with him, and those of us who had occasion to rely upon it know that he never wavered when that loyalty might be brought into question.

A prince once said of a king struck down:
"Taller he seems in death."
And the word holds good for now as then,
It is after death that we measure men.

Well can we afford to measure this friend after death, and certainly even taller does he seem.

After serving his party long and faithfully as a member and chairman of the Committee on Appropriations and as floor leader, his record justified his elevation to the Speakership, an ambition he had long cherished. You will recall that he assumed the duties of this position during one of the most crucial periods in American history. Our people were demanding new and progressive legislation which was an innovation under our system of government, and the responsibility of meeting that demand and charting a new and untried legislative course rested in a large measure upon him.

When he was elected Speaker he accepted that responsibility, and this is his acceptance as it fell from his own lips on January 3, 1935:

We live in a progressive age. Time does not march backward. We must march forward with time. We have done so in the last few years. We must continue to do so if our country is to maintain its present proud place at the head of the nations of the world.

There doubtless will be times when some of us disagree as to the proper path. I feel sure, though, that finally we shall all head in the same direction and do so willingly, without bitterness or recriminations.

In seeking to honorably and faithfully fulfill his duty to his party and his responsibility to the people of America, he

sacrificed his own life but through his efforts carved his name upon the indestructible tablets of love and memory as they exist in the hearts of an admiring and appreciative populace.

Since 1796 Tennessee has furnished the Nation two speakers of the House of Representatives—James K. Polk and JOSEPH W. BYRNS. Their periods of service were separated by a hundred years and both shall continue to live on in the brighter pages of American history as gentlemen, scholars, and statesmen. They have taken their places beside Andrew Jackson and Andrew Johnson and with them constitute the four horsemen of Tennessee democracy.

My mind goes back today to June, a year ago, when the remains of JOE BYRNS were being carried to the last resting place in his native State. The President and Secretary of State of the United States had gone with other friends over a thousand miles to do what they could to comfort his bereaved family and pay their last respects; as the procession moved through the streets of Nashville literally tens of thousands stood with bowed heads and in awed silence while the rays of a withering sun beat upon them. He was being returned to his own and they received him with an affection and love that make me know that his useful life, his public service, and his faithfulness in all things had enshrined him in their hearts forever.

I knew, too, that according to his own prophecy when accepting the Speakership we were indeed "all headed in the same direction", that he was then talking "without bitterness and recriminations", and I could not help but cherish the hope that all men who served their State and Nation as long as JOE BYRNS had served them might by emulating him deserve the same degree of love, respect, and esteem which was his at the end of the journey; and while

> Before us, he passed the door of darkness through,
> The road to which, to discover, we must travel, too.

Income-Tax Dodging

EXTENSION OF REMARKS
OF
HON. KENT E. KELLER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

Mr. KELLER. Mr. Speaker, on June 1, 1937, I listened to the President's message on income-tax dodging with absorbing interest. I heard as a part of that message the report of the Secretary of the Treasury setting out in great detail the methods in use to swindle the Government of the United States. In view of this report and of the President's message based on it it seemed to make my own duty clear in relation to this income-tax dodging matter. The message and statement created extraordinary interest in the House and in the country at large. It seemed to be regarded as a new development. If this had been true it would have been bad enough. But a study of the subject will make quite clear that this is an old crime committed through many years by the racketeers of big business. We may as well face the facts that we are at present poor nationally only because we have not collected the income tax due under the law. The Budget would be balanced and a surplus in hand if we had only collected the income taxes actually due.

If this seems to anyone like a too strong statement, I only ask that he suspend judgment until I put the record before him. It had been my good fortune to spend a lot of time in investigating the cause of unemployment with a possible cure for it. Three things were evident: First, that labor was receiving far too little for its part of the wealth produced. It was equally true that legitimate investment in industry was not receiving too much; and third, that somebody else was receiving a vast amount that ought naturally to have come to labor and to investment in industry. In this study I was denied the privilege of learning the facts about income-tax collections. This continued after I was elected to Congress. I found that the Congressman had no more opportunity to learn the facts about income-tax collections than the man outside of Congress. I had observed that every time a great panic occurred on the stock exchange of the country a corresponding panic, with its inevitable depression, followed all over the country in proportion to the extent and intensity of the stock panic. The panics of 1873, 1893, 1907, 1921, and 1929 all followed stock panics of great extent and intensity. The five smaller panics of the same period followed only smaller stock-market panics; and following these panics and depressions, of course, unemployment assumed its full proportion of the disaster which the panic brought.

This naturally resulted in the conviction that the connection between stock panics and unemployment was beyond question. I observed also that certain great forces during each one of these panics had benefited tremendously from the panics themselves. This took place on an ever-increasing scale as these panics were repeated. The further conviction is inevitable that panics were brought about deliberately for the purpose of making money out of them; that if benefit were taken from panics, the panics would cease. Evidently an entirely callous disregard for human suffering was the basis for provoking panics and benefiting out of the poverty of the American people.

I was elected to Congress in November 1930, before the "lame duck" amendment, so that I did not take my place in this body until December 1931. Immediately upon my entry into this body I offered a resolution for investigation of the cause of panics and depressions. I had been compelled to observe that notwithstanding all the large number of panics we have had since the Civil War, that the Congress had never made any attempt to discover the cause of panics, that a cure and prevention might be prescribed. The whole subject was one of dispute. I was sure that a thoroughgoing investigation by an able and honest committee of this body could actually discover, at least, the principal cause and through that prescribe the remedy that would prevent or at least minimize any future panics; because it had occurred to me, in view of the history of these panics and the terrible suffering wrought by them, that unless we stop panics in this country the capitalistic system will be thrown out as inadequate for the growth and prosperity of our people. That possibility I regarded as a great misfortune. Wherefore, I repeat, upon my entry into this body I offered a resolution for such an investigation as my experience suggested; but being new to the House and its rules and methods, I withdrew my first resolution and rewrote another more specific and comprehensive, and introduced that resolution in this body on December 21, 1931. I submit herewith copy of that original resolution, House Concurrent Resolution No. 6, of the Seventy-second Congress, first session:

[H. Con. Res. 6, 72d Cong., 1st sess.]

In the House of Representatives, December 21, 1931. Mr. KELLER submitted the following concurrent resolution, which was referred to the Committee on Rules and ordered to be printed

CONCURRENT RESOLUTION

Whereas the country is suffering from the most profound industrial depression in its history, entailing enormous losses and widespread unemployment; and

Whereas many different causes have been assigned by economists, financiers, and other students of business and public affairs for the condition to which reference has been made; and

Whereas the condition referred to became generally evident after, and was greatly intensified by, the debacle on the New York Stock Exchange in the month of October 1929; and

Whereas the sudden collapse of prices of securities dealt in on the said exchange was preceded by an extraordinary inflation in the prices of such securities and of loans through which transactions therein were effected, was accompanied by a tremendous contraction in bank credits, and was followed by a rapid and continuing fall in the prices of commodities generally and particularly of agricultural products; and

Whereas measures to avert the recurrence of similar catastrophes and to alleviate the disastrous results of the existing crisis can be predicated only upon an accurate knowledge and appreciation of the causes giving rise to the same: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That a joint committee, consisting of five Members of the House of Representatives and five Members of the Senate, be appointed, the House Members by the Speaker thereof and the Senate Members by the Vice President, and the said committee

be, and it hereby is, authorized to inquire into the causes of the depression so existing, and particularly the relation of the collapse of prices of securities dealt in on the said stock exchange, to hear and take testimony concerning the means that should be employed and the legislation that should be enacted, either to prevent a recurrence of such periods of depression or to lessen or reduce the malign effects thereof.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpenas or otherwise; to require the production of books, papers, and documents; and to employ stenographers, at a cost not exceeding 25 cents per hundred words. The chairman of the committee, or any member thereof, may administer oaths to and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of the committee, which shall not exceed $20,000, shall be paid one-half from the contingent fund of the House of Representatives and one-half from the contingent fund of the Senate, upon vouchers approved by the chairman of the committee.

This was referred to the Committee on Rules. I waited for about 3 weeks. I then approached the splendid, lovable chairman of that committee, who possessed the wisdom of many years in this body. He said to me that 3 weeks was not an unusual time to wait and suggested my waiting a little longer. I did wait, as a matter of fact, over into the month of February. Again I went to Mr. Pugh, and he finally said to me, "Kent, you will have to go to Jack [Garner]. The Speaker is the boss; he is running this business; I am not." With hesitancy and trepidation I went to the Speaker, laid the case before him, and in his characteristic way Speaker Garner replied, "Nothing doing." I was very insistent, however, and finally said to him, "Yes, I accept the fact that you are the boss, but I do not agree with you. I wish you would tell me just why. I think I have a right to know that." And then dropping that outside coat of mail, which he possessed and possesses to a remarkable degree, he gave me in a simple and friendly way, as I afterward learned was his best manner, all the consideration that a father could have given a son. He said in all frankness as I recall the words, "If the American people really knew what has been done to bring about this panic there would be a revolution in this country. I am not going to let you rock the boat." I took the privilege of saying to him that there was no subject upon which I did not feel myself not only at liberty, but under obligation, to discuss with the people of my district, including every fact obtainable in relation to this panic, and that I believed that it was a mistake not to take this view of the American people as a whole; but that view did not appeal to Speaker Garner, and I was compelled to go elsewhere for consolation and cooperation.

This, however, was not difficult. At that time the Republican Party was still in possession of the Senate. Senator Peter Norbeck, of South Dakota, was chairman of the great Committee on Banking and Currency. Senator Norbeck and I had been intimate friends for more than 20 years. He was a man of unusual clarity of thought and almost unerring precision in his political judgment. We sometimes spent an evening together just visiting and talking politics. He was a great liberal. I knew I could lay my ideas before him, certain of receiving sympathetic consideration if no more. We spent an evening together the latter part of February. I laid the whole thing before him, my resolution, the object, the reasons, and with the injunction to him "to take up this idea of investigating the subject of panics and depressions in view of the part which the stock exchanges unquestionably played in these matters." I ended up by saying, "Pete, this is the biggest thing on the political horizon. Take it; it will be of great service." He thought it over for a while and then said, "There is such a resolution already before the Senate. It was introduced very early in the session, in the early days of December as I remember it, but nothing has come of it. I wonder if it would fit the case."

Senator Norbeck and I kept in very close touch on this matter. On the 4th day of March a resolution covering much of what I had desired, the very resolution which he had referred to, was brought out and adopted by the Senate—Senate Resolution No. 84—and the great investigation of the stock exchanges fell into the hands of the Senate Committee on Banking and Currency under the very able leadership of its chairman, Senator Peter Norbeck, of South Dakota.

[S. Res. 84, 72d Cong., 1st sess.]

In the Senate of the United States, December 14, 1931. Mr. TOWNSEND (for Mr. Hastings) submitted the following resolution, which was referred to the Committee on Banking and Currency. March 2 (calendar day, Mar. 3), 1932, reported by Mr. Norbeck, with amendments, and referred to the Committee to Audit and Control the Contingent Expenses of the Senate. March 2 (calendar day, Mar. 4), 1932, reported by Mr. TOWNSEND, without additional amendment; considered, amended, and agreed to; preamble stricken out

RESOLUTION

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed (1) to make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of listed securities upon the various stock exchanges, the values of such securities, and the effect of such practices upon interstate and foreign commerce, upon the operation of the national banking system and the Federal Reserve System, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such securities; and (2) to report to the Senate as soon as practicable the results of such investigation and, if in its judgment such practices should be regulated, to submit with such report its recommendations for the necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the first session of the Seventy-second Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The first meeting of the Norbeck Committee took place in room 301 of the Senate Office Building on April 11, 1932. It was in this room, as I remember, that the entire hearings were heard.

Senator Norbeck gave me every opportunity to learn the inside of this entire matter of the stock exchange. I came to know intimately the most intelligent among the investigators who secured the information for the committee. I attended committee meetings and listened to much of the evidence. This great Senator from South Dakota encountered many difficulties in his own committee. Every obstacle was thrown in his way to prevent the facts coming out; but his persistence, courage, and ability to keep the main thing in mind served him and his country in a way that should never be forgotten. He tore the mask from the faces of the thieving outfit who through fraud and chicanery, through deception, cheating, and swindling on stock exchanges took from the American people more than $50,000,000,000. He provided by this investigation under his steady hand abundant information in relation to the stock exchanges of the country. I had gotten much information during the months I had worked with Senator Norbeck. I had not only heard the testimony before this Norbeck committee but had associated most intimately with the accountants who were serving the committee as investigators and commentators. From them I gathered the methods which were being used at that time to defraud the country of its income under the income-tax law. I felt it necessary at that time to call attention of the country to the facts so largely affecting its interests. I therefore prepared and inserted in the RECORD on July 16, 1932—the first session of the Seventy-second Congress, page 15743 and following—the address which I referred to this afternoon in my comments insisting that the Members of Congress not deny themselves the opportunity of attending investigations into the income-tax frauds which the President recommended to the Congress. I here submit the entire address as taken verbatim from the RECORD of July 16th, 1932.

THE INCOME TAX

Mr. KELLER. Mr. Speaker, it may be remembered that at the opening of the present session of Congress, I, a new Member, offered

a resolution calling for a full investigation of the causes which had led to this unprecedented depression, with its Nation-wide unemployment, bankruptcy, poverty, destitution, and misery. It was perfectly evident that it was no accident that had brought this financial and social chaos. It had certain understandable causes. Quite as certainly it took place as the result of human action. It could have been prevented by human action intelligently directed. It can be cured by human intelligence. The coming of other depressions can be prevented.

It seemed to me futile to attempt to cure such a condition without first determining the causes which led to that condition. In a body such as this it is not only necessary that the causes of a national disaster shall be known, but that they must be so thoroughly understood as to permit of a general meeting of minds as to the remedies to be applied. It seemed to me, as it does today, that nothing less than an investigation of the widest scope and the most searching intensity could develop the facts sufficiently to inform the Congress and the country just why our great, opulent, thriving America should fall so suddenly into such economic and social chaos.

But at that time the representatives of the administration were telling us such tales of impending disaster in securing the $2,000,000,000 for the Reconstruction Finance Corporation that the leaders of my party thought it unwise to take any chance at precipitating any greater disaster upon our country. So we left the way open to the Senate to take action on a much narrower scale, true enough, but resulting in an investigation that is destined to rock the foundations of many institutions which we have regarded so indulgently in the past.

This Senate Committee on Banking and Currency has already pointed the way toward one of the causes which led to this devastating panic. It is rendering a service of historic import. It will increase in importance as the months roll along. The men whose courage and consideration of the rights of the American people are pushing the investigation of the stock market are rendering a great service. They will be kindly remembered for it.

Because of the studies I had made along this same line, I was from the first deeply interested in the testimony being brought out by that committee. I kept tab on it, and am here today to lay before my colleagues three matters of primary importance, every one of which has been brought out very clearly in the evidence before the Senate committee. I do not offer the evidence as a part of my address, because it is already on the way toward publication in full as a public document. However, I offer nothing that is not clearly brought out and well proven before this Senate committee.

More than a year ago I undertook a study of the income-tax problem. The first thing I ran against was a stone wall around all income-tax returns—in the form of a law making the whole matter entirely secret. A United States Congressman, who must know the subject from every angle if he is to legislate rationally on the subject, is denied all knowledge of the most important matter in our revenue system. I could not but feel that such secrecy must depend on a very powerful reason. The reason remained a secret until the Senate Committee on Banking and Currency, of whom Senator NORBECK is chairman, began its investigations under the authority granted by Senate Resolution No. 84.

As will be seen, there was only one subject under investigation—that of investigating the practices in the stock exchanges. But in carrying out that object, incidentally, three other matters of tremendous import came out in the evidence:

First. That the Government has been defrauded out of a large amount of income taxes, part of which at least may still be recoverable.

Second. That a vast deal of plain swindling has been carried on in the process of taking from the people $50,000,000,000 of their savings from 1925 to 1932, a part of which at least may still be recoverable under existing law by the victims from those who swindled them.

Third. It appears that under what is supposed to be "within the law" American individuals and corporations have established and now maintain numerous Canadian corporations purely for the purpose of defrauding the American Government out of the income taxes due to it under our law.

I have, therefore, introduced three resolutions—one directed to the Attorney General and two to the Secretary of the Treasury covering the three statements and directing each of them to take steps to protect the Government's interests in these matters and to render such service to the victims of the robberies as may be incidental in their duties of securing the Government's rights in these matters.

I am not standing here guessing at any of these three charges. The evidence is all of record in the hands of the Norbeck committee, bearing out fully every statement I make.

I now take up and submit to you the statement of fact in proof of the first charge that the Government has been defrauded out of large amounts of income taxes, part of which at least is still recoverable. In support of that I cite the following facts:

The three outstanding instances which were thus encountered without at all being sought for were as follows:

First. The sale of the stock of Frosted Foods (Inc.) to Goldman, Sachs Trading Corporation and Postum (Inc.) for $23,000,000 shows that $20,000,000 of this consideration was paid by a check payable to Frosted Foods which was not deposited by it but was endorsed to a Canadian corporation set up for that purpose, which in turn deposited this money to J. P. Morgan & Co. as agents for still a third corporation set up in Delaware for the purpose of putting through this transaction. The profit involved in this transaction was over $20,000,000. No income tax was paid to the United States Government, and it is an inescapable conclusion that this subtle process, if subtle it be, was used for the purpose of depriving our Government of income taxes which, as figured on the lowest basis, that of corporation tax, would be about two and a half million dollars. It is quite likely that a further investigation of this transaction will disclose that the individuals involved as ultimate recipients of these profits have avoided the payment of even larger taxes than this amount.

Second. The investigation of the operations of Cyrus S. Eaton and the companies which he controlled shows that it was a sale of securities by a Canadian corporation called Foreign Utilities, owned and controlled by Mr. Eaton, to Continental Shares, a Maryland corporation, for $57,000,000. The securities involved in this sale were shipped from New York and Cleveland where they were held as collateral by various banks, to St. Johns, New Brunswick, for the purpose of having a notary public attest the fact that he saw them delivered there, and were immediately returned to New York and Cleveland. The letters showing this whole transaction, its object, aim, intent, and methods of carrying it out are on file with the Norbeck committee, and the evidence is complete. The expenses of shipping these securities back and forth was shown to have been over $34,000. The Senate committee was unable to ascertain what the total profit on this sale was, but was able to establish the fact that the profit on one item alone, United Light & Power stocks, was $17,000,000. On the lowest tax basis, the corporation rate, the tax to this Government would have been over $2,000,000.

Third. The investigation of the operation of Fox Film Co. and Fox Theaters showed that in one instance alone William Fox, the president of the Fox Theater Co., had charged to the company a loss of $3,300,000, which he claimed he incurred on behalf of the company. But in his own personal-income tax return he claimed credit for this loss and deducted it. Without knowing what surtax bracket Mr. Fox's income fell in, in that year, it is impossible to state exactly how much the tax fraud was, but it well may have been at least a million dollars.

In these three instances, which were casually encountered and not looked for, the United States Government was deprived of at least five and a half million dollars, and there is no reason why the Government should not proceed to collect this income now. This investigation has, therefore, accidentally uncovered five and a half million dollars in three transactions. It is unlikely that this covers any large part of 1 percent of the income-tax evasions by corporations not yet investigated. If this is a fair conclusion, then we stand to lose half a billion dollars in clearly fraudulent transactions of what is called big business. And we need this money.

I now state outside of the testimony referred to, that every accountant and investigator knows that in the selling of one business to another as in making combinations, that it has been and now is the common practice to cheat the Government out of the income on the profits made by the company or individuals selling the business. And it is equally well known that little or no attempt has been made to uncover these frauds and compel payment of the money due the people under the law.

I now revert to the second charge, and the evidence that a vast deal of plain swindling has been carried on in the process of taking from the people fifty billions of their savings from 1925 to 1932, a part of which, at least, may still be recoverable under existing law by the victims from those who swindled them.

The Norbeck committee has been deluged by complaints of stockholders of the companies which were investigated and inquiries as to how these people can recover the moneys of which they were defrauded. It is not, of course, the function of the committee to engage in any such matters. There is, however, every reason why the Attorney General of the United States and the prosecuting officers of New York State should set about the prosecutions clearly indicated by the testimony now available and hereafter to be made available by this committee. This would not only serve to prosecute the criminals who have robbed the people but would help the victims of these robbers to secure judgments against them for the return of their money. It would take several pages merely to catalog the things which have been presented in 2,500 pages of testimony, which indicate clearly conspiracy to defraud, criminal use of the mails, breach of trust by agents and fiduciaries, and other criminal and civil violations of stockholders' rights under the laws of the United States and the respective States.

For instance, one market racketeer testified that in a period of 2 years he had operated in 250 stocks in conjunction with many brokerage houses, in which he had bribed newspaper writers, and how other unlawful methods of defrauding the people in the doing of which he was acting as agent for corporations and for brokers who were agents of customers. As a matter of fact, the testimony presented to the Committee on Banking and Currency covers the entire country, involves millions of stockholders, hundreds of corporations, and dozens of brokerage houses and banking firms. It discloses the dissemination of false information and false earning statements by the directors of corporations to induce the purchase and to stimulate the sale of securities by stockholders to the enrichment of the officers of the corporations. The testimony in relation to Warner Bros., Fox Film and Fox Theaters, Continental Shares of Cyrus Eaton, Anaconda Copper, and many others is entirely conclusive. The evidence in all these is perfectly clear that fraud was committed. The whole thing, indeed, is one grand conspiracy in which many of the very rich men of this country and their brokers, salesmen, agents, and publicity agents conspired to defraud and did defraud the people

of this country not out of a few millions but out of many billions of their hard-earned cash.

The general law is that where people are swindled or defrauded they may recover a judgment against those who defraud them of their money. On this subject the law is plain and sufficient. The evidence in the cases here cited shows the abuses to be so flagrant that if sufficient cooperation between those who were defrauded could be attained, with strong, courageous, and persistent lawyers, there should be little question of securing judgment against these conspirators.

No other remedy would so fit the case as a recovery from the thieves who through chicanery and fraud have robbed the American people of $50,000,000,000 of their hard-earned money. If we make those who rob people pay them back it will go a long way toward preventing robbery hereafter.

I now come to the third subject—it appears that under what is supposed to be "within the law" American individuals and corporations have established and now maintain numerous Canadian corporations purely for the purpose of defrauding the American Government out of income taxes due it.

The evidence in the Cyrus Eaton case above referred to shows clearly the legal fiction depended on to defraud the United States Government out of the income tax due it. But a look backward to the Teapot Dome scandal shows the method of using Canadian corporations already existing at that time. Since that time the method has largely been perfected and apparently used to an extent little apprehended, if at all known, by the American people.

I find it necessary here to again go only very partially outside the evidence for stating specifically just how the fraud is perpetrated within the law. I do this without hesitation, because the matter is so well understood in circles of "high finance" as to be quite common property. It is also clearly indicated in the testimony. Here is how it is done: John Doe, an American citizen, sets up a Canadian corporation, in which he owns all the stock, and transfers to it various stocks and the title to various properties. When he sells such stocks or properties, the profit legally is not supposed to be his, but that of the Canadian corporation. If he personally took that profit from the Canadian corporation by means of dividends, he would have to pay income tax; but instead of doing that, he arranges for the Canadian corporation to lend the money represented by the profits to an American corporation, in which he also owns all the stock, and in turn has the American corporation lend the money to him.

The result of this procedure is that while the Canadian corporation has legally incurred an income tax to the Canadian Government, it has no cash or property in Canada which can be reached by the Canadian Government. It has merely a set of books there. It is even impossible for the Canadian Government to get to the American corporation, because the American corporation has no cash or property, having in turn loaned it to the American citizen, John Doe himself, the owner of both the swindling corporations. The American citizen legally owes nothing to the Canadian corporation so that the Canadian Government has no legal means of proceeding against him. It is, of course, impossible to state with exactitude how much money annually has been taken from the American Government by this system of buying and selling the stocks and properties in the United States through Canadian corporations, but accountants who have been kept busy in handling these transactions have ventured $250,000,000 a year as a reasonable estimate. In the past 10 years we have, through this method alone, lost sufficient to balance our decrepit Budget, and enough is here concealed in America to provide a surplus.

This system is well known to lawyers and accountants. In fact, so many American accountants engaged in this business can be found in the hotels of Canadian cities that it is an inescapable conclusion that it has long ago come to the attention of the Treasury officials, and that they have known of it for many years. It would be interesting to know whether the large companies in which Mr. Mellon is interested have engaged in this same practice. This seems to raise the question whether the big fight made in passing the recently enacted revenue bill to excuse American-owned foreign corporations from paying their proportionate share of their earnings into the United States Treasury may not have been a fight to protect the American tax-dodging corporations and individuals from being compelled to pay the taxes due on the profits of corporations earned here in the United States—not on the actual earnings of American-owned corporations doing profitable business in foreign countries as Congress was told. It seems to be a fact that these tax-evading corporations are also being formed in other countries.

It is indeed a common report among accountants that in making sales of property, various and sundry means along this same line are almost invariably used to defraud the Government of the income tax due it. Whether these things are done within the law or not is a question that ought to be solved. If it is not within the law, of course, the Government should certainly proceed to the collection of these taxes. If it is within the law as at present written, clearly the law ought to be changed so as to prevent these frauds.

This practice has continued for some years and has, of course, attracted the attention of Canadian officials. One of the Crown prosecutors of one of the Canadian Provinces has complained that these Canadian corporations neither pay the United States nor Canada. He suggested a treaty arrangement covering the case. But it occurs to me that we do not need the cooperation of any other government if we can get the active aggressive cooperation of our own income-tax department.

I had watched the income-tax returns for a good many years. I was unable to understand why the years of 1928 and 1929—wonder years for great profits in big business—had failed to show the very large increases which conditions seemed to warrant. I could not make heads or tails of it. But in view of the frauds already brought out before the Norbeck committee the reason seems clear.

It now appears that we are poor because we have a poor tax-collecting department. There is abundant money available to balance our Budget if we collect it.

At the same time I presented this address I presented also three resolutions, which I here quote:

[H. Res. 291, 72d Cong., 1st sess.]

In the House of Representatives, July 16, 1932. Mr. KELLER submitted the following resolution, which was referred to the Committee on Ways and Means and ordered to be printed

RESOLUTION

Resolved, That it is the sense of Congress that the Secretary of the Treasury shall proceed to examine the record of the testimony and other evidence introduced, and to be introduced hereafter, in the hearings of the Committee on Banking and Currency of the Senate, held in the present Congress pursuant to Senate Resolution 84, to ascertain whether such testimony and evidence discloses or indicates any violations of the revenue statutes of the United States, and to cause to be investigated and prosecuted any such violations; and that the Secretary of the Treasury is directed to inform the House of Representatives immediately what steps, if any, have already been taken by the Treasury Department or are under consideration of the Treasury Department, to examine such record of testimony and other evidence to determine whether they disclose or indicate any violations of the revenue statutes of the United States, and to investigate and prosecute any such violations; and be it further

Resolved, That the Secretary of the Treasury is directed to take the necessary steps to collect such taxes and fines as may be found to be due under the statutes of the United States.

[H. Res. 292, 72d Cong., 1st sess.]

In the House of Representatives, July 16, 1932. Mr. KELLER submitted the following resolution; which was referred to the Committee on the Judiciary and ordered to be printed

RESOLUTION

Resolved, That it is the sense of Congress that the Attorney General shall proceed to examine the record of the testimony and other evidence introduced in the hearings of the Committee on Banking and Currency of the Senate, held in the present session pursuant to S. Res. 84, to determine whether such testimony and evidence disclose or indicate any violations of the criminal statutes relating to the use of the mails or of any other criminal statutes and to investigate and prosecute any such violations; and that the Attorney General is directed to inform the House of Representatives immediately what steps, if any, have already been taken or are under consideration by the Department of Justice to examine such record of testimony and other evidence to determine whether they disclose or indicate any violations of the criminal statutes relating to the use of the mails or of any other criminal statutes and to investigate and prosecute any such violations.

[H. Res. 293, 72d Cong., 1st sess.]

In the House of Representatives, July 16, 1932. Mr. KELLER submitted the following resolution, which was referred to the Committee on Ways and Means and ordered to be printed

RESOLUTION

Whereas it appears from the record of the testimony and other evidence introduced in the hearings of the Committee on Banking and Currency of the Senate here in the present Congress pursuant to Senate Resolution 84, and from other sources, that it has been and is a common practice to avoid and evade the payment of income taxes and the revenue statutes of the United States by the creation and maintenance of corporations in Canada by citizens and corporations of the United States: Therefore be it

Resolved, That the Secretary of the Treasury is directed to investigate the existence, nature, and scope of this practice, and its duration, and to report to this Congress the result thereof, together with recommendations for such legislation as may be necessary to prevent any further deprivation of revenues by such practices; and be it further

Resolved, That the Secretary of the Treasury is directed to ascertain in his investigation of such practice whether there have been any violations of the revenue statutes of the United States, and he is directed to investigate and prosecute any such violations; and he is further directed to take the necessary steps to collect such taxes and fines as may be found to be due under the statutes of the United States.

When the Democrats came into control of the Senate in 1933 this work was carried on with no less vigor nor less achievement with Senator Fletcher as Chairman of the Banking and Currency Committee. But the pioneering work had already been done, and this Senate committee with much opposition from the inside nevertheless presented to the

Congress all the evidence necessary to justify the formation of the Security and Exchange Commission.

In the later work of this Senate Banking and Currency Committee, Ferdinand Pecora, able, courageous, and patriotic lawyer, was of mountainous strength to the committee and the country at large. His services should never be forgotten. This Security and Exchange Commission law was the first step. But this law did not go as far as it should have gone, because of the opposition from "the powers that be"—from many racketeers who have distinguished themselves in recent years by tax dodging and other forms of swindling.

As the fuller information is reached on this subject it will become more and more certain as time goes along that the stock exchanges will ultimately be reduced to their proper service—a very important one—and that is, a place for the buying and selling of actual, honest securities based on actual values. The gambling will be eliminated and that constitutes 95 percent of the business of the exchanges at the present time.

The President's message with the report of the Secretary of the Treasury on the tax-dodging practice, makes clear that this is only a continuation of the practices set out in my address of June 16, 1932. It shows that the plan is exactly the same, except that the dodgers have become more adept in the application of it with experience, and that they have sought out countries less difficult to get along with than Canada. I said, "It seems to be a fact that these tax-evading corporations are also being formed in other countries." These practices had already been going on for many years in 1932, as made evident in that address.

The importance of all of this is no temporary thing. We find outselves at the present time reaching out for money to do the absolutely necessary things. We find ourselves greatly handicapped in the amount of money to do the things that ought to be done. This winter more than a million of deserving unemployed will be on starvation because these men have refused to pay the taxes to the country which gave them the opportunity and protected them in their wealth. If these poor faces do not haunt those men in next winter's cold, it is because they have no souls worth saving.

We may as well face the facts that the solution of this whole problem of unemployment is going to depend on our ability to collect taxes and spend money, until the ability of the people to purchase puts business on its feet again, and we ought to hold constantly in mind this fact that we cannot pinch and scrimp ourselves out of panics and depressions. We surely have learned that much by this time.

We also ought to remember that if a rational income tax had been maintained from 1921 to 1933 the national debt could have been wiped out without difficulty. If a rational control of the stock exchanges had existed and been put into force in 1921 and 1929, there need have been no panic nor depression. But the five income-tax reductions of 1921, 1924, 1926, 1928, and 1929 reduced the annual national income from that source from $4,000,000,000 in 1921 to no more than a billion and a half dollars in 1932. Even then, if the men who owed everything to the Government had paid the tax actually due over all of these years, instead of defrauding and swindling the Government out of the many billions of that period, we still might have a balanced Budget, as well as abundant cash to furnish employment to those otherwise on relief.

In closing this statement, permit me to say that I have had some pleasure in making it, possibly even as a personal matter. But my principal reason has been to show the continuity of a disgraceful condition that must have been known to the department directly engaged in collecting the internal revenues of the country. This clear implication should first be investigated by the committee provided for the investigation of this whole tax-dodging matter. Because if this department of Government has known of these conditions and not reported them to the administration they represent, all those having knowledge should be replaced and those who occupy positions where ordinary intelligence should inform them but has not are certainly too dumb to retain in Government service. This matter should be investigated first, because whatever laws we may pass can be spoiled by incompetency or disloyalty of its administrators.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

RADIO ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT, ON MAY 31, 1937

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Memorial Day address which I delivered to the people of Vermont over station WDEV at Waterbury, Vt., on May 31, 1937:

Fellow Vermonters: On this day of all days, it is most fitting that we take note of the fact that liberty was baptized in the blood of soldiers who died that we might all be free. For us the year 1776 marks the beginning of an age of freedom, and back of that date stretches a night of a thousand years through the darkness of which men groped almost hopeless, borne down by the triple chains of ignorance, superstition, and fear. So soon as the light of the Renaissance began to penetrate the gloom, occasional heroic souls rose in revolt to fall before the sword of tyranny. But in 1776 a race of men rose who declared to the world that they preferred to die than to submit to tyranny. With no army and no ships of war they defied the masters of the seven seas, the mightiest empire of the earth, with a courage more sublime than ever glorified the page of time.

We may do well to ask whence came this valor of battle and sacrifice. I say to you it was gained here in the solitude of a new world, by men who in its conflicts, amidst its vastness, came to know that all men stand on equal ground, kept the spirit of independence, penetrated the false philosophy of the past, exposed the shams of tradition, came to hate a master, and to despise a slave.

On the hills of Massachusetts; in the mountains of Virginia, the torches of liberty were lighted and they refused to answer the commands of, to obey the order of a petty and a petulant and a distant individual who happened to be crowned a king.

Now, in this presence, I do not propose to temporize. I am not a militarist; I am opposed to war. It does no harm for dreamers to dream and poets to sing the songs of eternal peace, or for prophets to proclaim an eternal millenium, but it was those men and women with iron in their souls, those pioneers who led the march, whose gallant swords shook off the shackles of tyranny and gave us all the liberty we have.

Today we pay our tribute of respect and affection to all those who have marched with aching hearts from myriad homes, entered camp and field with hearts steeled against the tremors of fear, endured the fatigues of march and the rigors of the camp, the horrors of the hospital, looked death in the face, and knew the price they paid, and gave their lives that this great country should maintain its dignity and place amidst the constellations of the earth, and that you and I should remain secure in the possession of our rights, our privileges, and our liberty.

From the red blood of the supreme and holy sacrifices they made the flowers of freedom spring. The spirit of 1776 has never died; it inspired Jackson's frontiersmen at New Orleans, led the troops of Ransom as they stormed Chapultepec's heights, walked ahead of Roosevelt's men as they charged the hill of San Juan. It hovered over Grant and Lee and their embattled hosts in the fratricidal and deadly conflicts of the Civil War, guided the ship of Dewey at Manila Bay, was with Schley as he sunk the Spanish fleet off Santiago, and thrilled the heroes of Pershing's hosts as they rolled back the tide of German valor on the fields of France.

So long as it shall be our guide and our inspiration, our liberties will be secure. But today, as perhaps at no other time in the history of this land since 1776, can it be so truly said that eternal vigilance is the price of our liberty.

We talk about liberty. It is a commonplace one of those things which everyone takes for granted. We seldom stop to contemplate and to consider what it is; for the liberty which we enjoy and fail to appreciate as we should is the source, the mother of virtue, knowledge, wealth, national strength, and national independence. She is to virtue what light is to color; to wealth what sunshine is to grain; to knowledge what eyes are to sight. She is the genius of invention, the brawn of national strength, and the spirit of national independence.

Where liberty rises there virtue grows, wealth increases, knowledge expands, invention multiplies human powers, and in strength

and spirit the freer nation rises among her neighbors as Saul amid his brethren, taller and fairer. Where liberty sinks or is lost, where the individual is swallowed up in the mass, there virtue fades, wealth diminishes, knowledge is forgotten, invention ceases, and the day is done.

Liberty came long centuries ago to a race of slaves crouching under Egyptian whips, brought them from the house of bondage, calloused them in the desert and metamorphosed them into a race of conquerors.

The spirit of the Mosaic law lifted these thinkers up to mountaintops and sunlighted heights where they beheld the unity of God, and their poets were inspired with the sublimest of thought.

Liberty smiled on the Phoenician coast, and Phoenician ships passed the Pillars of Hercules to plow the uncharted seas. She shed her light on Greece, and marble grew to shapes of ideal beauty, words became the flaming instruments of subtlest thoughts, and born of her strength a power came forth that conquered the world.

Every nation's history has enscrolled on its pages the same truths. The strength born of the Magna Carta won Crecy at Agincourt. It was the rebirth of freedom from the despotism of the Tudors that glorified the Elizabethan age, and the Renaissance of liberty from the tyranny of the Stuarts which brought on the golden era of Victorian culture. And so we might follow her down the years, reviving, restoring, renewing, encouraging, sustaining the enfranchisement of the people, with a power that in our homes has defied defeat.

Today those same insidious forces she has fought so long, and which have but her destruction as their purpose, creep on. The clouds are again beginning to lower. Babylon, Persia, Syria, and Egypt all passed into the pit and cavern of oblivion when the modicum of liberty their rulers allowed them was taken away. Rome flourished under the republic when liberty inspired the people, but with the coming of the empire at the time of the birth of Christ, the sappers and miners dug caves under freedom's superstructure, and the beauty and learning of Rome under the lashings of regimentation, wasteful extravagance, and the decadence and moral disintegration of the emperors faded away. Why will we not learn the lessons history teaches?

King John, in the year 1215, on the field of Runnymede signed or sealed the Magna Carta, the first great palladium of liberty vouchsafed the common people in the Christian era; the beginning of the change from medievalism into the form of representative government.

Once given a taste of liberty, the common people will not knowingly surrender the prize. Beating with deathless pulsations in human breasts is the yearning for a free home, a free speech, a free press, and freedom of religion.

Liberty for oppressed peoples has been fought for by us in every war. We have fought to make men happy and have died to make men free.

The time has come again when the drums should beat and the lights gleam from the church towers, for whether we know it or not, our liberty is at stake.

In spite of all our blunders, with the help of the sacrifices of the sacred dead, we are still one nation, inseparably united and unfettered by any foreign alliance. We have developed under our united flag the richest nation of all time, yet in which the humblest child may have his opportunity to achieve his destiny to the limit of his capacity. That is the spirit of '76! That is the ideal for which our heroes died: To give to every boy and girl and man and woman an equal opportunity in life. That we have such a Republic under our Constitution we owe to those who sleep on fame's eternal camping ground, where their silent tents are spread.

"The little green tents where the soldiers sleep,
And the sunbeams play and the women weep,
Are covered with flowers today;
And between the tents walk the weary few
Who were young and stalwart in sixty-two,
When they went to the war away.

"The little green tents are built of sod,
They are not long and they are not broad,
But the soldiers have lots of room;
For the sod is a part of the land they saved,
When the flag of the enemy darkly waved,
The signal of dole and doom.

"The little green tent is a thing divine;
The little green tent is a nation's shrine,
Where patriots kneel and pray;
And the brave men left, so old, so few,
Were young and stalwart in sixty-two,
When they went to the war away."

We owe it to them and to their comrades on a hundred battlefields who fought that men might be free to work out their destiny, that we have such a Republic under such a Constitution as is ours. When that Constitution was signed we had imprisonment for debt and thousands wore the shackles of slavery. The orderly evolution of liberty under the Constitution eradicated imprisonment for debt and a sea of human blood washed out the stain of slavery. And thus we will meet every new emergency that confronts the Republic, remembering what Washington said of the Constitution in that great address: "But the Constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all."

So let us continue to build this Republic, which these soldiers, living and dead, preserve; build it in ever-widening circles of union, liberty, and freedom in order that here on this Western Hemisphere justice and equality may find sanctuary; that here the Constitution may be revered and enshrined; that here tolerance and true fraternity may abound; that here may still abide the refuge for the weak and oppressed and shelter for the innocent. Here let this Republic stand, the symbol of intelligence, virtue, and righteousness, of honor and integrity, for all the centuries to come. Without these qualities all its wealth is chaff, all its majesty is but mockery, all its strength is sand, for when—

"The tumult and the shouting dies,
The captains and the kings depart,
Still stands thine ancient sacrifice,
An humble and a contrite heart.
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!"

How to Keep Our Boys Out of Foreign Wars

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

RADIO ADDRESS BY HON. LOUIS LUDLOW, OF INDIANA, ON JUNE 9, 1937

Mr. LUDLOW. Mr. Speaker, by unanimous consent I insert in the RECORD an address I delivered over the national network of the Columbia Broadcasting System, Wednesday afternoon, June 9:

Friends of the radio audience, in the hurry and press of the public business I have come to you today without a carefully prepared address and without any discourse very clearly delineated in my mind, but as I shall deal with a subject that is intimately related with the highest and most sacred of all human values I do not believe that I shall need any linguistic embellishments or dramatic arts to enable my mind to meet your minds and my heart to touch your hearts. I wish, in the most simple, earnest, and sincere way, to talk to you fathers and mothers, young men and young women, about a subject that is more vital to all of us than all things else, a subject that is uppermost, I think, in all of our minds, and that is, War, and how to keep out of it.

Let us take a look at the world picture. He would need to be a stout-hearted person, indeed, who could survey world conditions at this hour with any degree of equanimity. Where is the patriot who does not shudder for the peace and security of America amid such uncertain and precarious surroundings? Next year will mark the twentieth anniversary of that scene in the railroad car on the western front when the signing of the armistice ended the most horrible war that had taken place in the world up to that time. Many experts and competent observers believe that by the time the twentieth anniversary of the armistice arrives the world will be aflame with another war which, with all of the modern improvements in the implements of destruction, will be the most awful calamity that could befall this earth.

In every chancellery in the world there is a feeling of nervousness as developments of the most ominous and unsettled nature point the trend of events away from peace and in the direction of war. All of the great nations are feverishly piling up armaments and drawing their paper plans in anticipation of the time when fate will strike.

Dictators are ruthlessly crushing liberty beneath their iron heels and are strumming the strings of war in anticipation of another mass slaughter. Bald, stark-naked war is raging in one country, threatening to drag into its maelstrom at least two and possibly four great powers at any moment and thus set the world on fire. War at this hour broods over three-quarters of the globe. And if another general war comes, what a war it will be!

The war we got into in the belief that it was to be a war to end war settled nothing beyond establishing the fact that the appetite for war grows with what it feeds on, and if we whet that appetite by intrigues, competitive races of armaments, and intense rivalries in perfecting inventions of destruction it requires bigger and more horrible wars to appease its insatiate purposes. During the last 20 years science has communed with hell and has set a trap to make the next world war the crowning act in the wreck and ruin of the world.

FATE THAT AWAITS OUR BOYS

Contemplate for a moment the fate that awaits our boys if we permit them to be drawn into another foreign war. The very thought of what the next war will be like with its cornucopia of horrors, its refinements of cruelty based on the development of scientific war-making processes; its aerial bombardments raining

death from the skies; its lethal gases and disease germs hellishly spawned in foreign laboratories to torture and kill by wholesale, staggers the imagination, blinds the intellect, and sickens the heart of long-suffering humanity.

If we send our boys into another foreign war we may as well know that we are more than likely consigning them to death in some one of a number of horrible forms—perhaps to be burned to a crisp by flame-throwing devices; possibly to be blown to bits by bombs dropped from the skies; maybe to die in awful convulsions from the strangling effects of poison gas. The next war will not be like any other war that has ever gone before.

It will not be a contest between visible armies made memorable by the conduct of brave and heroic men on the battle lines, but it will be a scientific slaughter fest. Science will step in and direct the implements of destruction for a reign of carnage and a harvest of death that will make all previous wars pale into insignificance.

While the skies already are reddening with approaching war I want to ask you one question. I ask you solemnly and earnestly this question:

WHAT ARE WE GOING TO DO?

Are we going to permit our boys to be sent into foreign countries to be slaughtered in the settlement of quarrels of alien origin? Are we?

I think I can hear a thousand "Nos" coming in accents which indicate that you mean it. But don't be too sure about it. One thing is certain: We are going to permit it unless we do something to prevent it.

Whatever that something is, it must be done now. It must be done when we are at peace, when we can talk and act rationally, and before the war spirit is aroused for then the war lords will have everything their own way and nothing can hold them in leash. Whatever that something is that must be done to keep us out of war, it must be in the form of a constitutional amendment. A mere statute will never suffice because the forces that would sweep the Nation into war could and would repeal in a jiffy any statute that conflicts with their purpose. Only a constitutional amendment has the permanency and stability to keep us free from the foreign entanglements that are threatening to be woven all around us.

I have said that we are going to permit our boys to be drawn into the slaughter pens in foreign countries unless we do something to prevent it, and I mean it. There are crimes of inaction that are even greater than crimes of commission. In God's name let us not go to sleep right at this time when America so vitally needs our help to avert impending war. Let us not through smug adherence to laissez faire permit ourselves to be dragged up right to the edge of the chasm without making some preparation to keep from being sucked into it.

If we are earnest, if we are sincere in wanting to keep our boys out of the shambles of foreign wars we had better wake up and do something about it. Otherwise there will come along a time when special interests will begin to pull the strings and when they pull the strings, the war fever will begin to rise, the propagandists will get into action, the bands will begin to play, a conscription act will be clapped on our precious young men and they will be torn from their families and sent away to God knows what terrible fate. You may say that there is no need to worry and borrow trouble; that you and the other people of America will never permit such a thing to happen. But you will. You will permit it to happen because you cannot help yourselves. Unless you take steps now to reserve to yourselves in time of peace the right to vote on war you will be as helpless as new-born babes when the war hullabaloo starts.

NEUTRALITY LAW AN ABORTION

I speak knowingly when I say that the recently enacted, much-heralded neutrality law is no adequate safeguard against our involvement in a world war. That act is an abortion. I would not stultify my conscience by voting for a mere gesture which purports to give to the people of America what it actually denies them—security from war. During the debate on the measure in the House a distinguished Congressman from New York asked whether the bill did not make America an ally of Great Britain and in my speech I said that I did not ask the question but I asserted it as a fact.

If you will examine the Department of Commerce statistics you will find that America furnishes to Britain goods amounting to well up to a billion dollars a year, or many times the total amount sent to all of Britain's potential enemies combined. The neutrality law by continuing this trade on a cash-and-carry basis in wartime means just this: It means that with Britain having the mastery of the seas America will be the great British storehouse and source of supplies in any international situation in which British interests are involved. Not in terms but in effect it definitely freezes America into the world picture as the provisioner of Britain in everything except actual implements of war in any future war in which Britain may see fit to engage. Is that neutrality?

Furthermore, the discretionary powers vested in the President of the United States are dangerous in the extreme. The power given to him to levy and to shift embargoes between nations at war is tantamount to giving him the power to declare war! With such a power resting in the Chief Executive how can the Nation feel secure at any time in the future? I never played a game of poker in my life but I think I know something about the peculiarities of that game.

I at least can visualize a poker game out on the fringe of civilization when the wild West was at its wildest, the grim-visaged players seated around a table with arsenals strapped to their belts, and I know that if the manager of the house had suddenly announced after the game started a change in the rules that would have made the prospective winner the prospective loser, there certainly would have been some shooting.

If the President of the United States announces a change of embargoes between two nations already at war, that in itself will be an unneutral act which, unless human nature has changed entirely, will turn the shooting in the direction of the United States. So today instead of having our neutrality position defined by statute, fixed and immutable where all nations may behold it, we have neutrality by Executive discretion which may be as variable as the winds, depending upon the poise of the person who happens at any given time to be the President of the United States.

PEACE AMENDMENT EXPLAINED

I have introduced in the Congress of the United States a peace resolution which is now prominently before that body and which, if it becomes effective will prevent our boys from being sent into foreign slaughter pens to die in the settlement of controversies growing out of the age-old hatreds and rivalries of foreign governments.

If my resolution is adopted it will overcome the weaknesses of our neutrality statute, and will place America in an impregnable position to resist being dragged into foreign conflicts. The magazine Good Housekeeping, which is ardently supporting my resolution has given it the name "Peace Amendment" by which it is widely known throughout the country. As the author of this resolution—known in the records of Congress as House Joint Resolution No. 199—believing as I do that it would stabilize the peace of America and keep our boys out of foreign shambles, I wish to express my unfeigned gratitude and my sincere thanks to the Columbia Broadcasting Company for this opportunity to present the proposal to the Nation.

The talk I shall make will be in the nature of an urgent appeal to you to come to the support of this resolution while time yet remains to erect safeguards to prevent our embroilment in another world war which, in the opinion of all qualified experts who are acquainted with world trends, is certain to come.

In the face of all of these sinister signs and portents there is vast meaning, I think, in a declaration issued by the 21 railroad brotherhoods in support of my resolution. That organization of workers, comprising the flower of organized labor, one million strong, says in closing an appeal for the enactment of my proposal:

"This legislation—the Ludlow resolution—is racing against the danger of war and there is no time to spare."

TEXT OF PEACE AMENDMENT

The resolution I have offered is a very simple one and at the same time I believe it would be most effective in keeping America out of war. With your permission I shall read its text. It proposes to amend the Constitution of the United States so that the war power shall be decentralized; so that the authority to declare war shall be taken away from a little group in Washington that is subject to all kinds of pulls and influences and shall be vested with the people themselves, to be exercised in a national referendum. My resolution proposes to amend the United States Constitution by inserting a new section as follows:

"SECTION 1. Except in the event of an invasion of the United States or its Territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress, when it deems a national crisis to exist, may by concurrent resolution refer the question of war or peace to the citizens of the States, the question to be voted on being, Shall the United States declare war on ———? Congress may otherwise by law provide for the enforcement of this section."

Under the existing constitutional mechanism, war, as I have stated, is declared by a little group in Washington, infinitesimal in size compared with the vast number who have to do the dying and suffering in war and every member of that group is immune from military service. The Constitution vests the power to declare war in the Congress, which is composed of 531 Members, House and Senate. As a matter of fact, war can now be actually and officially declared by only 267 individuals, comprising a majority of the House and Senate, while the great masses of our population who have to do the fighting and pay the bills have nothing to say about it. War is too important a venture to be precipitated by the agent, acting under the thousand and one special pressures and influences that are brought to bear on Congress when the war fever is at its height. It is a case where the principal, and not the agent, should act, and in this case the principal is the 130,000,000 people who comprise the American Nation. I have no criticism of Members of Congress but after all they are human, and are likely to crack under the terrific war strain and vote for war under high pressure, when otherwise they would not want to do so.

The referendum on war which I have proposed in the pending resolution is based on the philosophy that those who have to suffer and, if need be, to die and to bear the awful burdens and griefs of war should have something to say as to whether war shall be declared. What could be more elementally just than that?

War should be declared, if it is declared at all, by all of the citizens of America, in the privacy of the ballot booths, each citizen alone with his Maker. In that way we will have the

real verdict of the judgment and conscience of America on the question of war. A declaration of war is no idle and inconsequential thing. It signs the death warrant of our fine young manhood. Surely it is a matter of sufficient importance to entrust to the decision of all of our people, with women having equal voting rights with men, as is proposed in my resolution.

WOMEN'S RIGHT TO VOTE ON WAR

And why should not women have the right to vote on a declaration of war? War is the supreme calamity affecting family ties. It breaks up happy homes and tears heartstrings asunder. Women go down into the shadow of the valley of death to bring our boys into the world. Why should not they have something to say as to whether their own flesh and blood shall be hurled into the hell of a foreign conflict? In every war, terrible as is the fate that awaits many men, the women are the worst sufferers. Of the 531 Members of Congress only 6 at this time are women, so you can see how pathetically impotent is the opportunity afforded to give expression to whatever may be women's viewpoint on any particular war proposal.

It would have to be a mighty good cause that would drag America into war under this constitutional provision. I sincerely believe that it would keep America out of all foreign wars and, indeed, out of all wars, unless the occasion should arise for a righteous war of defense. It will be observed that my resolution does not interfere in any way with adequate national defense.

What the referendum on war does is merely to change the mechanism that brings the Nation's military forces into action. And therein lies its vast importance as a peace stabilizer and as a guarantee of no more participation in foreign wars. It changes the Constitution so that the trigger that starts the war machinery will be pulled, not by a little group subject to being cajoled and bulldozed by selfish special interests, but by all the people of the United States registering their judgment at the polls in a national referendum. It is a very simple proposition and that is all there is to it, but there is no doubt that it would keep our boys out of the shambles of foreign wars.

Under its operation, America could not go to war (except in the case of attack or invasion) unless a majority of American citizens so vote in a national referendum. It is impossible to imagine that the fathers and mothers, the wives and sisters and sweethearts of potential soldiers would vote to sacrifice their loved ones in a war of aggression, to send them abroad to kill, and to be killed, by persons they have never seen and whose language they do not speak; to be strangled by lethal gases in foreign trenches; to be blown to bits by foreign bombs; to be subjected to merciless and agonizing death by disease germs.

I imagine that at this moment I see before me many fine young men whose faces bear the imprint of character and high resolve, who desire under all circumstances to do your duty as God gives you light to see your duty, and I think I know what you are thinking. I think you are thinking that you love your country and that you would pour out the last drop of your blood, if necessary, to defend it from attack or invasion by a foreign foe, but you are resenting, just as I resent, the idea that if a world war comes you shall be conscripted and sent away to distant countries to die in foreign slaughter pens.

Such a thing will never happen, if the people of America acquire the right to vote on a declaration of war. The fathers and mothers, the wives and sisters and sweethearts will see that this cruel fate does not befall our young men, even though under the impulse and promptings of an acute sense of patriotism they themselves would be willing to go.

VALID IN 1837 BUT NOT IN 1937

The only tenable argument ever made against the plan is the time required to take a referendum.

That was a valid argument in 1837 but not in 1937.

In the early days of the Republic the time objection was, indeed, an insuperable obstacle. The railroad, the telegraph, the telephone, the radio, the airplane were in the bosom of the unknown future. Even the pony express was as yet undreamed of. Letters mailed on the eastern seaboard were 6 months arriving at the uttermost frontiers, if indeed they ever reached there at all. Now it is all different. The fast train roars its way across the continent in 100 hours, the airplane in 24. The President sitting before the microphone in Washington talks to the entire Nation. Communication has annihilated the only real objection ever urged against a war referendum.

In America today we have a dual autocratic and popular control where popular sovereignty stops at the water's edge. Our citizens can elect their constables and their dog catchers; they can express themselves on the location of a pesthouse or a waterworks, but they do not have one word to say on the greatest of all questions—a declaration of war that involves the happiness of their homes and the life or death of their children, husbands, and sweethearts. In its foreign relations our Government is a pure autocracy. This situation hearkens back to the Dark Ages, the ages of tyranny and oppression. It recalls the black, heart-breaking centuries when men, with unspeakable suffering and travail, toiled slowly upward toward the light of freedom, and now the advancement in the means of communication has made it possible in this twentieth century for us to complete the free processes of Government so nobly begun in the Bill of Rights by giving to all of our people an equal right to vote on declarations of war, the vote of every citizen to have equal weight with the vote of every other citizen. The time has come in the development of free government to give the people the right to vote on war.

This is such a big subject and my mind and heart are so full of it that I would like to talk to you all day about it. I would like to point out the real danger that unless we decentralize the war power and give it to the people, a tyrant may some time appear in the White House and grab that power. We cannot overlook the fact that governments all around the world have been going centripetal at an amazing rate.

Since the World War—the war that was to save democracy—19 democracies have died and the liberty of the people has died with them. Our own country has not escaped the centripetal trend.

In the Seventy-third and Seventy-fourth Congresses 77 major laws were enacted. Of these, 18 originated in Congress and 59 originated in the executive departments. I mention this trend of executive influence over Congress not in criticism, because executive leadership was necessary to bring our country out of the darkest night of economic distress and despair it ever has known, but if the man who happens at any given time to be President has so much influence over Congress in an economic emergency, less serious than war, to what lengths might not a tyrannical President go in usurping the war power and plunging America into war to satisfy his own whims? If we are to stabilize peace in America and do our part toward stabilizing the peace of the world we should decentralize the war power and vest it with the people themselves. That is where it ought to be. That is where sovereignty abides, and we should do this before it is everlastingly too late, before some tyrant makes his appearance in the White House. No stauncher friend of peace ever occupied the Executive Office than President Roosevelt, but, after all, the period of one President's service is but a second in the life of a nation and I shudder to think what might happen to our beloved country sometime in the future if a tyrant should appear in the White House, grab the war power, and run amuck.

STAGE SET FOR A NAPOLEON

With the war power vested in Congress as it is at present and with Congress so cordial to executive influence as that body has been in modern times if a twentieth century Napoleon should make his appearance in the White House he probably would find everything to his liking. His attitude toward the common people probably would be about the same as that expressed in a letter written by the old Napoleon to his Empress Marie Louise after the sanguinary battle of Bautzen on May 30, 1813.

"My health is good", he wrote. "I lost no one of any importance. I put my losses at 3,000 killed and wounded."

This letter, just recently made public, throws a flood of light on the inhuman characteristics of the tyrant who terrorized Europe over a century ago. More than that, it shows the mental attitude of all of Napoleon's ilk, including, I regret to say, international financiers and munitions dealers of modern times, who are perfectly heartless in their willingness to soak battlefields in the blood of fine young men and bathe nations in tears if by so doing they can attain their own selfish objectives.

One can easily visualize the honest, confiding peasants of France, consumed by a hero worship that knew no bounds when the call from the emperor comes, tearing themselves away from their weeping wives and children, leaving their little huts and homes which they will never see again, giving up all that life holds most dear to rush to the alluring standard of Napoleon. One can almost hear the cheering and the tumultuous shouts of "vive l'Empereur!" and with the eye of imagination one can note the ecstasy with which these deluded mortals throw their lives into the scales on the side of their supreme idol as if it were a rare and blessed privilege to be permitted to die for the great Napoleon. One can see them fighting like demons at Jena and Austerlitz, at the bridge of Lodi, and on a score of other bloody battle grounds, carrying the banner of Napoleon through hell itself.

AND THEN COMES BAUTZEN

And then comes Bautzen. Three thousands of these loyal, loving human pawns fall before the rain of lead; and then, in summing up the results of the battle, the incarnation of imperial despotism who led them to their slaughter dismisses them with the brief paragraph "I lost no one of any importance."

The man who discovered these century-old letters of Napoleon and gave them to the world has made a contribution to history without a parallel. Among all of the human documents recorded on paper, on papyrus, on stone from the beginning of time he has found the very acme of heartlessness; this expression of Napoleon "I lost no one of any importance."

AT NAPOLEON'S TOMB

A few years ago I stood at the palatial tomb of Napoleon on the banks of the Seine he said he loved so well and looked over the balustrade at the sarcophagus where rest the remains of that incarnation of blood and murder, surrounded in magnificent panoply by the battle flags he had captured in his amazing career of conquest and of violence. I could not become enthused, even amid these surroundings of imperial majesty, because I had a sickening sense of the widows and orphans he had made and how he had brought sorrow and grief and desolation into nearly every household in Europe.

As I paused there surrounded by depressing reminders of the bloody Napoleonic campaigns I resolved when I returned to America I would visit another tomb where I knew my emotions would be different. I would visit the tomb of Thomas Jefferson who wrote into the Declaration of Independence the precious doctrine that "all men are created equal."

AT JEFFERSON'S TOMB

And later when I stood on that Virginia mountainside, while the rays of early morning gilded the shaft where rest the remains of the greatest humanitarian since Jesus of Nazareth, I was thrilled as I never had been before.

"Here", I thought, "lies a man whose passion it was to save and to serve and not, like Napoleon's, to destroy humanity. Here lies the great champion and defender of human rights."

And I was thrilled beyond my feeble powers of language to describe by the inscription on his tombstone which he himself wrote and commanded to be placed there.

"Here", it reads, "lies Thomas Jefferson, the author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia."

That inscription is more eloquent for what it does not say than for what it says.

Not one word in it to indicate that he had been a Member of Congress, minister to France, Secretary of State of the United States, and President of the United States. He wanted to be remembered by posterity not for the positions of distinction he had held but for the service he had rendered to humanity. That was Thomas Jefferson, the most incomparably grand figure in American history and I believe that if Jefferson, who hurled into the teeth of tyrants the defiant doctrine that all men are created equal and Lincoln who said that God must love the common people because He made so many of them, were living today they would be supporters of my proposed Constitutional peace amendment which makes all citizens equal in the greatest of all decisions—the decision that registers a nation's verdict for war or for peace.

I have presented to you the broad outlines of my peace proposal and what it is hoped to accomplish by it. Much remains to be said but time will not permit further discourse. It is intended to overcome the special influences which, whether rooted in trade and profits or lust for power, will be a continual menace to peace as long as the war authority rests where it is at present and until it is transferred to the people.

The common people of America are asking why a question so tragic in its nature as a declaration of war, so intimately interwoven with life and death; a question which involves the very existence as well as the welfare and happiness of the millions of our people should not be submitted to the people for decision in a national referendum. This resolution is the answer to their prayers.

218 SIGNATURES NEEDED

Assuming that you may think favorably of the resolution I will tell you how you—every one of you—can assist in securing its passage. I have filed at the Speaker's desk what is known in our parliamentary usage as a discharge petition to bring my war referendum peace resolution out of committee and before the House for debate and a record vote. The discharge petition will not become effective unless or until 218 Members of the House have affixed their signatures. If it does not get that number of signatures my resolution, which means so much for the peace and happiness of America, will die in committee.

So far 120 Members, representing more than 30,000,000 American citizens, have signed it. If each and every one of you will write to your Member of Congress asking him to sign discharge petition no. 11, the Ludlow war referendum petition, you can do a whole lot to promote this worthy peace proposal. For your kind indulgence in listening to me so long and so patiently I am most grateful.

As far as finite vision can discern, some wars are foreordained and inescapable as, for instance, the War of the American Revolution, which forged into our social structure great principles of right and justice, and the War Between the States, which was destined to write in blood—and tears—the fate of the institution of slavery. But some wars, and I think most wars, are not unavoidable. Most wars are caused by ambition and hate and greed and selfishness and are initiated by plots and machinations that are in the highest degree antisocial and antipathetic to every principle of humanity. It is to protect your boy and my boy, our children and our children's children, and the America of posterity down through the centuries from such ungodly wars that my peace amendment is directed.

The Unwept Florida Ship Canal Project

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. BEITER. Mr. Speaker, no bill that has been presented to the Congress since I have been a Member of the House of Representatives has given me graver concern than this measure.

The House Rivers and Harbors Committee by a 12-to-5 vote favorably reported the bill. Six of the twelve members, however, reserved the right to oppose it on the floor, so that the unwept Florida ship-canal project, which we thought we had decently buried last year, is walking again.

A new idea has been sprung by the frightened advocates of the Florida State canal, driven to extremes in their mad efforts to put over this dangerous and inexcusable scheme to slice the State for the sake of a few selfish interests.

And I use the words "a few selfish interests" advisedly, for I received but one favorable reply to 50 letters and telegrams I sent out to shipping companies and citrus growers. I do not want to use any information which is not justified at any time in this connection, first, because I want to be fair, and, second, because I have a great respect for my colleagues who represent the State of Florida.

As I have stated, I sent out 50 letters and telegrams to citrus growers and shippers and have received but one favorable reply. That letter was sent to me by the Brooks-Scanlon Corporation, Foley, Fla. The letter is dated April 13, 1937, and is signed by Mr. J. S. Foley, president, and reads as follows:

Your telegram of the 9th, our letter of January 2, 1936, conveys our opinion as of today.

We did not undertake to persuade the Senate to take unfavorable action. We quote below our letter of the above-mentioned date:

"We have prepared no data on the saving, but it is our belief that it would be useful and timesaving for vessels from the Gulf to the Atlantic. Whether the expenditure is warranted or not we are not in position to say."

Here is new data that I am anxious to have called to the attention of this body. It is one of the many letters I received recently. It is a letter from Chase & Co., Sanford, Fla. This letter to me under date of April 15, 1937, reads as follows, the pertinent portion:

1. It is economically unjustified. We have in our possession copies of letters from important shipping companies saying that they would not use the canal if it was constructed. Personal conversations the writer has had with navigating officers and shipping officials indicate that steamers operating on schedules could not afford to run the risk of damage and grounding incident to passage through the canal. That the prospective tonnage accredited to the canal was merely assumed by the proponents and not actual. Records show that between 75 and 80 percent of the Gulf tonnage is petroleum products. Every important petroleum company which we have contacted states definitely that they would not use the canal. The records will show that the Gulf tonnage, exclusive of petroleum products, was less in 1935 than it was in 1920.

2. The United States Army engineers, with one exception, have all held that the canal is unsound and not justified. The only report that might be construed as favorable included provisions that the canal could be built for approximately $150,000,000, with further provisions that the local interests provide terminal facilities, assume the operations and maintenance of bridges, assume the expense of building additional bridges and maintain them, and, further, that the local interests agree to relieve the United States Government of all claims for damages. The local interests are in no position to assume these expenses or relieve the Government of liability on account of damage.

3. All geologists and engineers that we have been able to contact having no financial interest in the canal project agree that there is a grave danger of irreparably damaging Florida's underground water supply, particularly in the St. Johns River Valley. Many of Florida's lakes are connected with the underground water supply. To diminish or reduce that supply might materially lower the lakes, but would very likely drain them dry. Any lessening or disturbance of the underground water supply of Florida would have a very serious and devastating effect on the agricultural interests in those regions affected. It would mean utter ruin to hundreds of thousands of people dependent directly or indirectly on agriculture. It would mean the loss of hundreds of millions of dollars. The question of geology is such an important and complicated one that it is impossible for anyone, or any group of men, to determine within a few months with any reasonable degree of accuracy the effect of the cross-State canal on Florida's underground water supply. Years of intensive study would be necessary in order to determine with any certainty how far reaching the effects of cutting such a canal would be.

In view of the above reasons, as citizens and taxpayers of the United States, we object to the useless expenditure on the project; as taxpayers of Florida we object on account of the additional expenses on this State and local interests; and we object on account of the grave danger of the irreparable damage attendant to agriculture.

Now, Mr. Speaker, the second of these letters is from the Exchange National Bank, of Tampa, Fla., signed by J. A. Griffin, president. The pertinent portion reads as follows:

It is my sober judgment, however, that the expenditure of upward of $200,000,000 by the Federal Government for the so-called

ship canal across central Florida would not be compensatory to the State, and neither would it contribute to the general welfare of the people of the United States.

Florida already has one cross-State waterway via the Caloosahatchee River, Lake Okeechobee, and Palm Beach, on which the Federal Government has spent considerable money; by spending a much smaller sum to widen and deepen that canal we could easily have a cross-State ship canal if the transportation interests believe that such a waterway would be of material aid to the coastwise traffic and interstate commerce.

Of course, if Congress is determined to spend what is left in the United States Treasury on projects of this kind, I am perfectly willing for it to spend the $200,000,000 in this State, even though it is a noncompensatory expenditure.

I know that all of us, i. e., all of the people of the United States, will have to pay the bill sooner or later.

Perhaps the next letter will indicate why the shippers will not use the canal. It is from the Gulf Oil Corporation, successor to the Gulf Refining Co., Miami, Fla., signed by C. D. Leffler, dated April 13, 1937:

On many occasions I have had conversations with the operators of these ships and they all, without exception, say that they see no advantage in the Florida cross-State canal. They offer numerous reasons, among them being the fact that the canal at the Gulf of Mexico end will extend 13 miles or more into the open Gulf and will have to be protected by jetties; that the negotiating of this comparatively narrow channel for 13 miles in the open sea will be quite difficult with cross winds. Another feature brought out is that the section of Florida through which this canal will pass is subject to heavy fogs, which will make it extremely difficult to operate during the winter season.

A ship negotiating this canal would have to cut its speed to approximately 6 miles per hour, and with the new type of tank ships stepping up from 10 to 12 knots per hour to 14 or 15 knots per hour the time saved would be practically nothing. They further state that in making this long passage both engine and navigating crews would have to be on watch for approximately 24 hours, and it would be very exhausting and nerve-wracking to these men.

I have noticed much talk about the tremendous volume of oil cargoes out of the Gulf ports. This is true, but in my opinion it is not on the increase for pipe lines from Oklahoma and Texas are now taking much of this volume direct to midwestern locations for refining, instead of to eastern refineries, as heretofore has been the case. However, my great opposition to the canal is because of the damage it will do to the underground water supply. I was reared in the immediate vicinity of this canal and we depended for fresh water for almost all purposes largely on the artesian wells or fresh-water lakes in that region. The entire central section of Florida is dotted with large and small fresh-water lakes. These are generally supposed to be fed by springs, as the stage of water in them varies very little as between dry and wet weather. To cut a ditch across the backbone of the State, which at its maximum will be about 175 feet and about 900 feet wide, is bound to influence the water in these lakes, and particularly the artesian water which in the neighborhood where I was reared was reached at from 60 to 75 feet. Here in Miami we get water from wells that have to be pumped at about 70 feet. If we go much deeper we strike salt water, so that our great concern is about our water supply and the effect this canal would undoubtedly have on it in central and southern Florida. Our water table, reduced by even a foot or two, would practically destroy our winter gardens and citrus groves.

There is no demand for this canal from the mass of people in the State of Florida, particularly those south of the proposed canal, and in this particular section there is intense antagonism to it.

The canal will badly upset our fine road system, for it will cut through the State and necessitate bridges or ferries on 10 or more trunkline highways. If this number of bridges is not put in, it will force long detours to reach bridges built at points far apart. If ferries are utilized, it will make the going very much slower. It would seem to me that the canal gets its backing almost entirely from a comparatively few people in the northern part of the State who expect to sell land or have contracts for its construction. When the canal is completed, interest in the enterprise will practically cease.

There is now a perfectly feasible canal across the State, passing through natural waterways which have been improved from Stuart to Fort Myers. This canal takes care of all small traffic up to 7 feet, which are about the only type of boats which would utilize any canal in any really big way.

Now, the marine department of that same oil company, the Gulf Oil Corporation, of 17 Battery Place, New York City, had this to say about it in a letter to Senator A. H. VANDENBERG, under date of January 15, 1936, and have advised me under date of April 13, 1937, that "we see no reason for changing our previously expressed views on this subject."

We did not have a representative present at the hearings, and consequently there is no testimony on our part in the document mentioned by you.

On consulting our file we find that under date of January 15, 1936, we wrote Senator VANDENBERG, per copy attached, in reply to his telegram of the same date; and on December 23, 1936, telegraphed the Senator, per copy attached, in response to his telegram of December 19.

As advised, we see no reason for changing our previously expressed views on this project.

NEW YORK, N. Y., *December 23, 1936.*

United States Senator A. H. VANDENBERG,
Washington, D. C.:

Answering your message 19th, no change our opinion canal matter.

GULF OIL CORPORATION.

We have on different occasions made careful surveys of the practical and economical features of such a waterway, but it is our conclusion from either standpoint that even if it were completed, it probably never would be used by our sea-going vessels.

It is, therefore, our opinion that such an expenditure as would be necessary to construct a canal as projected could not be economically justified and the expense would be unwarranted.

The fourth letter comes from the Sabine Towing Co., Inc., of Port Arthur, Tex., dated April 22, 1937, and signed by M. T. Ball, president and general manager, from which I quote the pertinent portion:

As far as our company is concerned, it would not be practical for us to use this canal, as in all of our ocean tows we are towing two barges in a tow, and on our ocean steamer towing we are towing one large barge in a tow. It would not be practical to take these tows through a canal where the width is limited and the meeting of other traffic would be hazardous.

Then again you would be confronted with the use of tugboats and also with the use of pilots through the canal, which would increase the cost to the shipowners. Personally, I feel that there is no particular need for this canal at the present time.

While it is entirely feasible to build the canal, I doubt seriously whether its use could be practical and economical to the extent that would warrant the Federal Government spending millions of dollars in its construction at this time when there are many other meritorious projects that should be taken care of. Certainly any unwarranted project that would tend to increase taxation should be discouraged at the present time.

This is another reply from the Richfield Oil Corporation, Los Angeles, Calif., dated April 19, 1937, and signed by P. C. Lamb, and concludes:

In our opinion there is no necessity for the canal from the standpoint of navigation and marine commerce. It is doubtful if any saving in operating costs to marine commerce on a toll-free basis would equal the cost of canal maintenance and we do not believe the expenditure is justified.

Here is one under date of April 20, 1937, signed by Clifford B. Longley, a member of the firm of Bodman, Longley, Bogle, Middleton & Farley, Detroit, Mich. They are the attorneys representing the Ford Motor Co., and here is what they have to say about the expenditure of this vast amount of money for a canal across Florida.

The Ford Motor Co. still takes the same position which it did last year in connection with the Florida ship canal project. If this canal were completed, it would offer no benefit to the shipments we would make to the territory served by this waterway. The expenditure we regard as uneconomic and quite unnecessary for the welfare of the country.

Now, let us examine a letter from the Polk Co., canners, at Haines City, Fla. The letter is dated April 23, 1937, and is signed by Ralph Polk, Sr.:

We ship a heavy tonnage by boat from Tampa to the eastern seaboard, but the shipowners tell us that with a 12- to 15-knot ship they can go around Florida as quickly as they could go through the canal and with less hazard. Our personal opinion is that there would not be enough tonnage to go through the canal to justify one-tenth of the outlay in its building. We have no objection to the canal if the Government wants to throw away the investment. On the other hand, we feel quite strongly, from a citizenship viewpoint, that it is not at all justifiable.

This letter comes from my own congressional district. While the people there send me to Congress to represent them, they are credited with having some intelligence. This letter is from the editor of the Buffalo Evening News, one of the finest and most widely circulated papers in the State of New York. It is signed by Mr. Edward H. Butler and is dated April 12, 1937.

We are absolutely and unalterably opposed to the Florida ship canal as being entirely unnecessary and an economic extravagance.

Just to be a little different and to break the monotony of reading excerpts from letters, let me now read you a

telegram, received from the Deerfield Groves Co., Wabasso, Fla., signed by A. B. Michael, and dated April 14, 1937:

We deeply appreciate your active opposition to proposed Florida cross-State canal. Feel sure fully three-fourths citizens south Florida opposed for different reasons, principally damage to underground water supply, and fear that lowering water in central Florida lakes will increase our frost hazards.

The next one relied upon is the Miami Chamber of Commerce, Miami, Fla. The letter is signed by C. D. Leffler, president, who refers me to a letter of April 20, 1937, written to him by F. Page Wilson on the subject of water supply. I quote from Mr. Leffler's letter and Mr. Wilson's letter to Mr. Leffler:

I am handing you herewith a letter from F. Page Wilson, who is an agriculturist very familiar with the industry in Florida. While his letter does not bear directly on the cross-State canal, it does bring out the fact that the lower east coast is already being overdrained.

Along about 1908 we began to have visions of draining the Everglades, and Florida created the Everglades drainage district, which loaded the south end of the State with a tremendous debt (now in default). The net result of our drainage activities was that all the marginal lands around the glades have been very much overdrained and many acres have had to be abandoned. This drainage, you understand, was by shallow ditches only about 9 feet deep, and when the experts talk about rainfall keeping this sandy land wet they are just talking about something they don't know anything about, because we have an actual demonstration right here in the Miami and Palm Beach area where the water table has been lowered, and we are now in Washington panhandling Santa Claus to please give us the money to help undo what we have already done.

The fact is that south Florida does not want the canal. A further fact is that we are terribly handicapped for money to hire experts to testify in our behalf, whereas the Government has unlimited funds to put up an argument against us. What money we have had has been a hat collection, and most of the people in Washington in our behalf are there at their own expense.

In connection with the hearings of the House Rivers and Harbors Committee on the cross-State canal, I understand from Mr. Wilcox and others that the great need is for positive testimony showing that damage to water supplies will result from canal construction in order to refute positive testimony on the other side. Unfortunately it is difficult or impossible to actually prove either contention in advance. The tragedy is that so many people are prepared to take a chance on damage to this great natural resource of Florida, damage which once done cannot be undone.

Our only hope would appear to lie in showing up the falsity of testimony of the canal "experts" in cases where we know it to be misrepresentative of the facts.

For example, Malcolm Pirnie, according to the news reports, made the statement that growth in Florida depends entirely on the rainfall, not on underground water supplies. If he knew anything of the subject, he would know that proper growing conditions, both for trees and vegetable crops, etc., are greatly affected by the height of the water table. With a low water table average seasonal rains are not sufficient for best results, while with concurrent deficiency in both—that is, a low water table plus below-average precipitation—there is apt to be a near or actual disaster.

The Pocomoonshine prairie and other large districts northwest of Miami, formerly highly productive, are so no longer. The lowering of the water table in the Redland district has already made itself felt detrimentally. And all this is the result of a few shallow canals for mere drainage purposes, and in no way comparable with the possible effects of a huge cut across the vitals of the State such as that proposed. In central Florida, in years when the lakes are low, not an infrequent occurrence in recent years, the bad effect is visible in the groves.

It is altogether probable that the abnormally low temperatures, which did so much harm to crops and even trees in south Florida in mid-December a couple of winters ago, were due to that very combination—that is, a low water table plus a deficiency in rainfall. As a matter of fact, the latter is no great factor in south Florida's winter growing season anyhow.

The "argument from analogy" is one on which scientists place great reliance. If one statement by a so-called expert can be shown misleading it is apt to discredit his other testimony.

Now, here is one from the Florida Water Conservation League, under date of May 17, 1937. It is signed by E. S. Macdonald, president, and covers an important point which was not called to the attention of our committee at the time hearings were held on the Florida ship canal. It is very important, and I call your particular attention to the last three paragraphs:

FLORIDA WATER CONSERVATION LEAGUE,
Bradenton, Fla., May 17, 1937.

Re Florida ship canal.
Hon. ALFRED F. BEITER, M. C.,
House Office Building, Washington, D. C.

DEAR SIR: While I stated at the hearing that I had devoted myself solely to the question of the hazard to our water supply, and while that also is the attitude of our league, there is one economic phase of the matter as to which, if my memory serves me correctly, there was no discussion, and to which I would like to call your attention.

You will remember that General Markham differed with the Board of Engineers for Rivers and Harbors on the cost of excavating the canal, claiming that the rock, being relatively soft, would be readily pulverized or blasted into small pieces that the dredges would have no difficulty in handling very expeditiously and economically.

It was also stated that the rock excavated in the cut extending 19 or more miles in the Gulf would be used for breakwaters.

Now, anyone having knowledge of the force of the tremendous waves set up by our periodical hurricanes will realize that a breakwater built of that excavated material, as described by General Markham, would be unable to withstand the forces nature turns loose on such occasions.

As you are aware, a hurricane, in approaching a certain fixed point, draws the wind from one direction, and when the storm center passes that point the wind comes from the opposite direction.

Thus, a hurricane passing up the Gulf from the south, as many of them do, with the storm center approaching the canal cut, would cause a blow from the north, and the heavy seas would attack the north breakwater and tend to fill up the cut; and when the storm center passes the canal cut, the wind would be from the south and the seas would attack the south breakwater and would tend to fill the canal from the south side.

It would seem that much costly dredging would be necessary to keep the canal clear, with interruption to traffic through the canal likely to happen at any time during the hurricane season.

There may be a rock that will withstand our hurricane seas and protect the canal, but it would seem that the rock handled by General Markham's dredges is not of that character.

Very truly yours,

E. S. MACDONALD.

I have a large number of other letters from potential ship operators. I do not suppose it is worth-while to burden the RECORD with them, although they are very interesting and important. I just want to read one further letter bearing upon the question. Carl Hanton, editor and general manager of the News-Press Publishing Co. at Fort Myers, Fla.:

NEWS-PRESS PUBLISHING CO.,
Fort Myers, Fla., April 12, 1937.

DEAR CONGRESSMAN BEITER: About a year ago the News-Press polled Florida daily newspapers as to their stand on the ship canal, finding 22 opposed, 9 favorable, 6 neutral, and 4 unreported. This information was supplied in response to a question asked by Senator NORRIS in the course of a Senate discussion. It was published in the form of an Associated Press dispatch, and the accuracy of the poll has never been disputed. I am enclosing a clipping of the item which appeared in the St. Petersburg Times, one of the favorable papers. As there has been no change in this attitude I thought you might like to insert it in the RECORD as an answer to Governor Cone's letter reporting that "the great majority of the people of Florida are wholeheartedly in favor of this canal."

The canal has never been an issue in a State-wide election. Governor Cone avoided any mention of it in his race for Governor. He carried this county and others in south Florida which are overwhelmingly opposed to the canal.

Congressman PETERSON will verify the accuracy of this report.

With best wishes.

Sincerely,

CARL HANTON.

The Federal Government would get no return from the $197,000,000 necessary to construct the Florida ship canal. But the proponents of the enterprise represent that American ship operators would save about $7,000,000 a year through the shortening of the route, New Orleans to New York. However, the shipping men never have urged it. But if the canal were to prove advantageous to shippers it might prove disastrous to the Florida growers of citrus fruits.

Picture the misery, destitution, and lack of employment that would immediately exist in south Florida if the construction of such a canal would affect the water table. It would drain off water circulation underground, which is the source of domestic supplies and which provides moisture for crops. For the privilege of expending $197,000,000 in building a canal of no economic or commercial value we would destroy God's most bountiful gift to Florida. No amount of money could ever replace it. The damage to their growers, municipalities, and business houses could be measured only in billions. That is a disaster neither Florida nor the Nation can risk. So long as this threat remains the canal must not be built.

There is no demand for this canal from shipping interests and from the numerous letters I received in opposition I am convinced the canal will not be used, and that negotiating it during the winter will be very difficult on account of fogs and in the fall of the year on account of high cross winds.

The demand for the canal is too limited for such vast expenditure, and the objections which defeated the original proposal still obtain. I feel that the situation has changed; that while the Government at one time had to seek public-works projects for relief work that emergency no longer exists.

Mr. Knutson's Parable of the Jackass and the T. V. A.

EXTENSION OF REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 9, 1937

Mr. RANKIN. Mr. Speaker, on last Thursday, June 3, the gentleman from Minnesota [Mr. KNUTSON] waged an attack on the Tennessee Valley Authority, in which he criticized every activity of that organization, from the purchase of land to the sale of power, and gave the House what he called a parable of unusual savor and significance.

It certainly sounds strange to hear a man from Minnesota criticizing the T. V. A., in view of the benefits which T. V. A. has brought to the people of that State, and in view of the tremendous burden of overcharges for electric light and power the people of Minnesota are now paying, and which the T. V. A. and other power activities of this administration are designed to relieve.

The Tennessee Valley Authority is the most profitable investment this Government has ever made. By publishing its yardstick rates and showing the American people for the first time what electricity should cost them, the T. V. A. has been largely responsible for a reduction in light and power rates to the ultimate consumers of this country that amounted in 1936 to $537,000,000. These reductions took place in every city, every town, and every community throughout the land that uses electricity, and, therefore, benefited everyone who switched on an electric light.

On May 31, just 4 days before the gentleman from Minnesota made his speech in the House, the Alexander Hamilton Institute pointed out the fact that there had been a recent reduction of 1.3 mills a kilowatt-hour in the average cost of electricity to the ultimate consumers in the United States. We used about 90,000,000,000 kilowatt-hours last year. This reduction of 1.3 mills per kilowatt-hour would amount to about $117,000,000.

Add that to the $537,000,000 which the consumers of electricity saved in 1936 as result of the T. V. A. and the other power policies of this administration, and it will show an annual saving of $654,000,000 a year to the ultimate consumers who pay the bills.

The gentleman from Minnesota tells the Congress that—

> An examination of the Budget shows that we have already spent upward of $150,000,000 on the T. V. A., and this year we are asked for more than $40,000,000 more.

Even conceding that these figures are correct, if we have spent or appropriated altogether $190,000,000 on the T. V. A., think what returns such an investment is yielding when it shows a reduction of more than $600,000,000 a year in electric light and power rates to the ultimate consumers throughout the country every year that rolls round. When the people get a little better informed, wake up, and demand that electricity be supplied to them at rates based upon the cost of production and distribution, this saving will amount to more than a billion dollars a year. I know it will be contended that the T. V. A. is not responsible for all these reductions. But remember there were no reductions until after the T. V. A. began operations.

Now, let us see how much the people of Minnesota are overcharged for electric lights and power, and how much the T. V. A. is saving them, and how much it would save them if the T. V. A. rates were extended to reach them. In 1936 the people of the State of Minnesota used 1,308,826,000 kilowatt-hours of electric energy, for which they paid $36,457,575. Under the T. V. A. rates the cost would have been $20,053,646, or $16,403,929 less than they did pay. Under the Ontario rates, or rates charged by the Public Power System in the Province of Ontario, Canada, the cost would have been $16,795,864, or $19,661,711 less than the people of Minnesota actually paid.

Now, let us see what part of this charge the domestic consumers, the householders of Minnesota, had to bear. According to the T. V. A. rates, the overcharges to the domestic consumers in Minnesota for the year 1936 was $7,134,929, and according to the Ontario rates the overcharge was $8,189,711.

It is passing strange to me that Mr. KNUTSON does not exercise himself more to relieve the people of Minnesota of these tremendous burdens, and less in criticizing the greatest benefactor, from a national standpoint, the electric-light and power consumers of this Nation have ever had.

In 1936 the commercial consumers in Minnesota, which includes the small merchants, hotel and restaurant operators, filling-station operators, and other men engaged in various and sundry commercial activities, according to the T. V. A. rates, were overcharged $5,792,000, and according to the Ontario rates $6,662,000.

I wonder why the gentleman from Minnesota [Mr. KNUTSON] does not exercise himself more to help lift this enormous burden from the already overburdened commercial consumers of electricity in his own State.

In 1934, the year the T. V. A. rates first went into effect, the domestic or residential consumers in the State of Minnesota used 238,205,000 kilowatt-hours of electricity, for which they paid $13,519,000. In 1936 the residential consumers in Minnesota used 288,658,000 kilowatt-hours of electricity, for which they paid $13,938,000.

At the rate they paid in 1934, this 288,658,000 kilowatt-hours would have cost them $17,553,000, instead of $13,938,000, or $3,615,000 more than they actually paid. In other words, the domestic consumers of electricity in Minnesota alone saved $3,615,000 in 1936 as result of the T. V. A., assisted by the R. E. A. and the other power agencies and policies of this administration.

I note from the Congressional Directory that the gentleman from Minnesota [Mr. KNUTSON] lives at St. Cloud, where the people buy their power from the Northern States Power Co. The power company not only levies a tremendous overcharge for lights and power in St. Cloud but even imposes a room tax on the consumer. Listen to this: Prior to the time the T. V. A. was created, rates in St. Cloud, as published by the National Electric Light and Power Association, ran like this: Nine cents per kilowatt-hour for the first 3 kilowatt-hours per room; 8 cents per kilowatt-hour for the next 3 kilowatt-hours per room; and so forth.

Although all electricity that went into a house went through one meter and was paid for by the kilowatt-hour, the price was increased according to the number of rooms. While the T. V. A. yardstick has forced these rates down in St. Cloud, the power company still levies the room tax, or charges according to the number of rooms in the house. If a man had eight rooms in his house and used 48 kilowatt-hours of electricity in 1 month, under the old rates he paid $4.03 for it. Under the T. V. A. rates it would have cost him $1.44. Even now, 25 kilowatt-hours a month, which would cost a consumer 75 cents under the T. V. A. rates, costs $1.78 in St. Cloud; and 40 kilowatt-hours a month, which costs a consumer under the T. V. A. rates $1.20, costs $2.38 in St. Cloud.

Minnesota borders on the Canadian line. This 40 kilowatt-hours a month, which costs a consumer $2.38 in St. Cloud, would cost him $1.20 in Winnipeg, or $1.02 in Ottawa.

While the gentleman from Minnesota was criticizing the T. V. A., even though he was unwilling to acknowledge the great benefits it is bringing to the people of his State, he might at least have given this administration credit for what it is doing for the farmers of Minnesota. In 1935 there were only 8,319 rural consumers of electricity in the entire State of Minnesota. The Rural Electrification Administration is

now providing for the electrification of 6,232 farm homes in Mr. KNUTSON's district alone.

In Aitkin County, Minn., the Rural Electrification Administration has spent $100,000 in the construction of a hundred miles of rural power lines to serve 300 farmers. These lines are now partially energized. In the same county another project is being developed to cost $150,000 to build 150 miles of line and to serve 450 farmers. Two projects are under way in Crow Wing County which will cost, all told, $640,000 and will serve 1,840 farmers. In Kanabec County projects to cost $211,000 to serve 587 farmers; in Mille Lacs $145,000 is being spent to build rural lines to serve 420 farms; and in Stearns County $493,000 is to be spent to serve 1,235 farmers.

In other words, $2,215,000 is provided by the Rural Electrification Administration for 2,095 miles of rural power lines to serve 6,232 farmers in the district now represented by the gentleman from Minnesota [Mr. KNUTSON]. The chances are that, had it not been for the power policies of this administration, these farmers would have lived and died and their children would have lived and died without ever having electric lights and power extended to their homes.

These farmers are not only to receive this electric energy at rates far below what farmers in other sections of the State are now paying, but at the same time they will be amortizing their lines, which will belong to them when they are paid for.

Now let us see what other farmers in Minnesota are paying for electricity. I find that according to the reports of the Federal Power Commission, the Eastern Minnesota Power Corporation is charging farmers in the Pine City territory $4.04 a month for 25 kilowatt-hours. Interstate Power Co. is charging $5.40 a month for 25 kilowatt-hours; Northern States Power Co. charges $6.25 a month for 25 kilowatt-hours, which under the T. V. A. rates would cost a farmer $1 a month, 25 cents of which would go to amortize his line.

If a farmer of Minnesota patronizing one of these private power companies uses 1,000 kilowatt-hours a month, under the Eastern Minnesota Power Co. rates, he would pay $32.26 for it; under the Interstate Power Co. rates it would cost him $41.44; and under the Northern States Power Co. rates it would cost him $38.90. While under the T. V. A. rates it would cost him $9.90, $1 of which would go to amortize his line.

In Winnipeg, Canada, this 1,000 kilowatt-hours a month would cost him $7.38, while in Ottawa it would cost $6.17.

So, Mr. Speaker, instead of criticizing the T. V. A. and abusing the present administration, the gentleman from Minnesota [Mr. KNUTSON] ought to give credit for what has been done to relieve the people of Minnesota of the great burdens they have been bearing in overcharges for lights and power, and for the tremendous efforts now being put forth to electrify the farm homes in his State, and especially in his own district.

With apologies to the House and the readers of the RECORD, let me call attention to the fact that the gentleman from Minnesota [Mr. KNUTSON], in his remarks to which I have referred, tells a long-drawn-out story of a jackass which he alleges the T. V. A. purchased and which he says finally died of a broken heart. He then proceeds to tell his tearful readers—this jackass, by the way, appeared only in the gentleman's extension of remarks in the RECORD, and was never introduced on the floor of the House—he proceeds to tell his readers that "this is only a parable."

In other words, he lets us know that this donkey was only a creature of the gentleman's own imagination and never really lived and suffered death.

What a relief!

From reading this story of the mythical donkey described by the gentleman from Minnesota, we are unable to tell whether he died from humiliation at his own stupidity in being unable to comprehend what the T. V. A. was trying to do for him, or whether it was from compunction of conscience at his own ingratitude.

In either case, I submit that the gentleman from Minnesota [Mr. KNUTSON] might well take a lesson from his own parable.

June 15 Due Date for War-Debt Payments

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 9, 1937

Mr. PLUMLEY. Mr. Speaker, once more the 15th day of June, historic date, is approaching, the due date for payment of war debts still overdue and not paid. Worse luck, there is little, if any, prospect of any payment by anybody but Finland on account or ever.

GARGOYLES ON THE NORTH SIDE OF A BARN

The other day when it was suggested in Parliament that the debt of England to the United States had not been repudiated, the laughter which followed such a statement evidenced the real opinion and state of mind and understanding of the British people. It made us Americans look as dumb as a gargoyle on the north side of a barn.

TAX ON TAX ON THE AMERICAN PEOPLE

We have been imposing tax after tax on the backs of the American people under our sycophantic "good neighbor" policy long enough. The more abundant life is best exemplified by the enlargement of the opportunities afforded to dig down in our pockets and by the increased burden occasioned by the necessity for having ourselves to meet the constantly increasing financial burden due to the failure of our debtors to discharge their obligations. These are the facts, stripped of fine phrasing and all superficial blandishments.

SICK AND TIRED OF SYCOPHANCY

Why try to fool the people any longer or more? If these debts are not to be paid voluntarily, and we will not undertake to collect them by force, then why not call it a day? Write up the books as they are instead of falsifying them by including as assets items known to be not worth the paper on which they were written, in which class all such debts are, if there is no intention on the part of the debtor to pay or we have no disposition or intention to collect.

Some time ago I called attention to certain figures and tables and suggestions made by John C. LeClair, of the College of the City of New York. Now, I do not agree with all of his premises, and necessarily not with some of his conclusions, nevertheless, he does suggest a solution; that is more than most people have done.

IS THE PROBLEM SOLUBLE?

The public ought to know that there are those who believe that the problem is susceptible of solution. Hear what Mr. LeClair has to offer as a suggestion. It is worth your very careful consideration. It is apparent that unless somebody who believes the debts can and should be paid, and has a plan to offer, is supported in his efforts to bring about such a desired result, there will be absolutely nothing done. June 15 again! Debt payment day is almost here. Are we going to do anything about it or them?

Mr. LeClair thinks that there is a prospect under the plan he offers that we might get $9,000,000,000 on account of those debts, which now look to be a total loss. Here is a debt payment plan to cover $9,000,000,000 into our Treasury. While some of those who are shoveling the money out of our Treasury by the billions desist from their devastation and rest a while, let us look into this proposition of Mr. LeClair who suggests it may be possible to make somebody other than the American taxpayer contribute something to help replenish the Treasury's depletions.

WHAT ARE WE GOING TO DO ABOUT IT?

With certain modifications, which perforce of circumstances will have to be made, the plan suggested offers a rational basis for a start toward the actual business of negotiating settlements which will result in payment. It at least affords an opportunity for somebody to show us why the plan will not work, if it will not.

Mr. LeClair says:

The recent stabilization agreement as well as previous reciprocal tariff compacts would seem to indicate a possibility of solution for many of the barriers which up to now have obstructed world economic readjustment.

The question of the war debts, however, still remains. For the past several years negotiations for their payment have been at a standstill. The approach of each payment date occasions a momentary stir of interest but with the customary default on the part of the various debtor countries, the matter is forgotten until the next time. Even political opportunists on both sides of the water have ceased to make use of the topic as a medium of appeal to popular prejudice, yet, although the debt question appears to have passed from general discussion, it remains in the public mind as a source of resentment and suspicion, and as such constitutes an obstacle to possible world economic cooperation.

The arguments for payment of the war debts in general consist of our claim that the sums in question were lent in the expectation, and on the promise, of repayment and that, by reason of the default of the countries concerned, the burden has been shifted to the shoulders of the American taxpayer. The debtors, on the other hand, contend that the loans represented to some extent our contribution toward effecting the defeat of the Central Powers. They claim, furthermore, that the money was never actually paid to them but was kept on deposit in this country for the purchase of war materials so that our people received the benefit of these huge expenditures in the form of high wages and profits. In addition, there is usually the statement that no repudiation is intended, with the implication that payments are merely being held up pending a settlement that will take into consideration, in the form of a downward revision, the points at issue.

Another factor which served to keep the matter of the war-debt payments in dispute was the question of reparations. The allied powers from the outset claimed that the payment of their debts was predicated on the receipt of reparations from Germany, a point, incidentally, with which we took issue. Therefore, when the Hoover moratorium of 1931 passed into the Lausanne agreement of 1932, under which Germany was to be released from all reparations on the payment of $714,000,000, less than 1 percent of the amount required of her in 1920, the powers believed that they in turn were entitled to similar concessions. When none were forthcoming, defaults on their semiannual payments soon followed.

Unfortunately, as is often the case in matters which affect the interrelations of nations, the war-debt question has become the medium through which political demagogues and certain sections of the press, both here and abroad, have sought to impress the people with their complete patriotism. As a result, possibilities of repayment have grown less with the passing of the years.

After the war the amounts due the United States from the various powers were made up as follows:

Advanced under the Liberty Loan Acts	$9,610,403,575.45
From sale of surplus war materials on credit (act of July 9, 1918)	599,122,733.21
Obligations received from American Relief Administration on credit (act of Feb. 25, 1919)	84,093,963.55
Obligations held by U. S. Grain Corporation (act of Mar. 30, 1920)	56,858,820.49
Total	10,350,479,074.70

TABLE 1

	Debt prior to funding agreement, including interest at original rate	Debt as funded	Total to be received over funding period, principal and interest
Belgium	$483,426,000	$417,780,000	$727,830,500
Czechoslovakia	123,854,000	115,000,000	312,811,433
Estonia	14,143,000	13,830,000	37,707,645
Finland	9,190,000	9,000,000	21,695,055
France	4,230,777,000	4,025,000,000	6,847,674,104
Great Britain	4,715,310,000	4,600,000,000	11,105,965,000
Hungary	1,984,000	1,939,000	4,754,431
Italy	2,150,150,000	2,042,000,000	2,407,677,500
Latvia	5,893,000	5,775,000	15,790,523
Lithuania	6,216,000	6,030,000	15,089,541
Poland	182,324,000	178,560,000	481,674,781
Rumania	46,945,000	44,590,000	122,506,260
Yugoslavia	66,164,000	62,850,000	95,177,635
Total	12,036,376,000	11,522,354,000	22,196,334,408

Between May 1, 1923, and May 3, 1926, debt-funding agreements were signed with the various debtor nations for the amounts listed on table 1. Interest rates were based on what was termed the "capacity to pay." These funding operations extended the time in which loans were to be paid to 62 years. Although in general the interest rates were low, averaging 2.14 percent, yet, under the agreements, the original debt total over the period of repayment would amount to approximately 22 billion, as the chart will indicate.

WHY EXACT INTEREST?

It was expected that these amounts would be remitted in gold or exchange. For obvious reasons the possibility of repayment in goods or services was not given consideration. However, apparently little attention was paid to the question of whether a nation could undertake payments of this magnitude apart from the usual returns required in the normal course of international transactions. This shows the futility of the entire procedure. As a matter of fact, unless we were to agree to accept payment in goods and services for a good portion of the amounts involved, possibilities of repayment—in accordance with the yearly sums stipulated in the agreements—were remote. To demand, however, in addition to the huge sum due, interest over the payment period, was a species of folly quite in keeping with the other plans which sought to collect reparations from Germany amounting to $63,000,000,000. While this conclusion involves comparatively little prescience at this time, it is remarkable that so little practical statesmanship was evidenced in the handling of problems so vital to world economic recovery as reparations and war debts.

TABLE 2

	Total to be received over funding period, principal and interest	Total payments received as of Dec. 1, 1936	Total due and unpaid as of Dec. 1, 1936
Belgium	$727,830,500	$52,191,273	$42,772,722
Czechoslovakia	312,811,433	20,134,092	11,266,961
Estonia	37,707,645	1,248,432	2,934,736
Finland	21,695,055	4,310,117	
France	6,847,674,104	486,675,891	325,080,017
Great Britain	11,105,965,000	2,024,848,817	668,674,071
Hungary	4,754,431	468,466	327,791
Italy	2,407,677,500	100,829,980	63,494,978
Latvia	15,790,523	761,549	1,096,878
Lithuania	15,089,541	1,237,956	942,760
Poland	481,674,781	22,646,297	36,575,027
Rumania	122,506,260	4,791,007	5,492,500
Yugoslavia	95,177,635	2,588,771	1,500,000
Total	22,196,334,408	2,722,132,548	1,160,158,439

A brief analysis of the figures in table 1 indicates that the total sum expected over the period of repayment was, in the case of several of the powers, several times the original amount. The impossibility of repayment, in terms of what has actually transpired, can be observed from the figures in table 2, where, for purposes of comparison, the total amount to be paid over the 62-year period is again set up. However, in adjacent columns are listed the actual amounts received by this Government since the beginning of payments, along with the total sums unpaid to date.

We see from the charts that less than three billion has been paid against the twenty-two billion eventually to be collected, according to expectations. The default this last year has been more than a billion. Sincere, although ill-advised, statements have frequently been made on the apparent unwillingness of the powers to pay up, with the suggestion that a sincere determination toward that end could be achieved by a reduction in the cost of their respective armaments. Others have concerned themselves with plans for repayment based on the renunciation in our favor of the various colonial possessions of the debtor countries. However, the fact of the matter is that in dealing with nations where there are no instruments for forcible collection, repayment is to be obtained only on conditions which involve the minimum of sacrifice to them. Any plan entailing loss of prestige, by the surrender of colonies or a possible weakening of defenses, for the purpose of meeting obligations of this type, has little possibility of receiving consideration.

TABLE 3

	Debt as funded	Total payments received	Net to be paid
Belgium	$417,780,000	$52,191,273	$365,588,727
Czechoslovakia	115,000,000	20,134,092	94,865,908
Estonia	13,830,000	1,248,432	12,581,563
Finland	9,000,000	4,310,117	4,689,883
France	4,025,000,000	486,675,891	3,538,324,109
Great Britain	4,600,000,000	2,024,848,817	2,575,151,183
Hungary	1,939,000	468,466	1,470,534
Italy	2,042,000,000	100,829,988	1,941,170,112
Latvia	5,775,000	761,549	5,013,451
Lithuania	6,030,000	1,237,956	4,792,044
Poland	178,560,000	22,646,297	155,913,703
Rumania	44,590,000	4,791,007	39,798,993
Yugoslavia	62,850,000	2,588,771	60,261,229
Total	11,522,354,000	2,722,732,556	8,799,621,444

It would appear, therefore, that there is little prospect of repayment if we continue to insist that it be made under the original conditions. In this respect it might be pointed out that there is little consolation in the oft-expressed statement that the failure of the debtor nations to satisfy these obligations places upon them the stigma of default. The position of the debtors has been that there has been no actual default, but that they are merely awaiting our proposal of conditions of repayment which will meet their particular claims and needs. Consequently, despite our feelings with regard to the moral obligations involved, we must devise a plan which will enable us to begin to receive payments, under terms acceptable to the debtor countries.

The plan proposed here is that all interest on the amounts due be waived. This would leave the indebtedness of the various countries as originally funded. From these amounts would be deducted all

moneys heretofore paid, whether applying on interest or principal. In this way the total due would be brought down to approximately $8,800,000,000, reducing it to a figure reasonable enough to merit the consideration of the powers and within their capacity to pay (table 3).

The question of the manner of payment must next be considered. Payments by debtor countries should consist of credits on the basis of their exports to us for which they would not be paid. As indicated in the accompanying chart drawing, an American importer of merchandise from one of the debtor nations, instead of buying exchange to send abroad, would purchase from a central Government agency set up for the purpose or from an office of the Federal Reserve System a draft for the amount of the purchase. This would be sent by him to the seller of the merchandise, who, on its presentation to an agency of his own government, would receive the amount of the transaction. The sums necessary to meet these payments would be raised by the sale of bonds to the nationals of the debtor countries, the acceptance of which could be encouraged by their being redeemable at a premium for the payment of taxes and excise duties.

As a further inducement toward repayment on this basis, those countries which had entered into agreements with us along the lines indicated would be credited against the amount of their indebtedness with a further credit of 20 percent on the basis of their importations of American merchandise. It would seem logical that this would bring about an increase in the purchase of American products by the countries concerned. In table 4 are listed the 1935 import and export figures for the various debtor nations to this country as well as the amount of their credits toward payment of their indebtedness if such a plan were followed. The figures on the side indicate the approximate time of payment.

TABLE 4

	Exports to United States 1935, to be credited in full	Imports from United States 1935, 20 percent to be credited	20 percent as indicated	Total to be credited	Time years
Belgium	$39,759,908	$58,207,891	$11,641,578	$51,401,486	7
Czechoslovakia	21,365,760	3,244,457	648,891	22,014,651	4
Estonia	681,967	1,436,782	287,356	969,323	12
Finland	12,167,788	6,107,794	1,221,559	13,379,347	(1)
France	58,332,861	116,920,014	23,384,003	81,716,864	40
Great Britain	155,322,776	433,384,884	86,676,977	241,999,753	11
Hungary	3,164,081	350,675	70,135	3,234,216	(1)
Italy	38,671,829	72,450,043	14,490,009	53,161,838	40
Latvia	1,361,491	649,156	129,831	1,491,322	3½
Lithuania	372,496	350,013	70,003	442,499	10
Poland	9,811,312	24,485,703	4,897,141	14,708,453	11
Rumania	1,097,902	2,965,423	597,085	1,695,077	19
Yugoslavia	3,971,233	801,997	160,399	4,131,632	15
Total	346,371,494	721,374,832	144,274,967	490,646,461	

[1] In the case of Finland and Hungary the figures used in the last column are more than enough to pay the total indebtedness of these countries within a single year.

It might be argued that the amount of the exports to this country for which no money would be forthcoming under this plan might tend to disrupt the budgets of the various debtor nations. However, an analysis of their total exports for 1935, as well as their revenue from all sources, indicates that their exports to us represent on an average about 3 percent of their general exports and 2 percent of their revenuue. It would appear, therefore, that adherence to this plan would not affect their budgets to any appreciable extent.

MAINTAIN GOOD WILL

Naturally this or any plan by which payment of the war debts is to be obtained must be predicated on the good will of the debtor countries and their willingness to meet their obligations. They have previously attempted to explain their successive defaults as being due to their belief that the amounts were too great from the point of view of their sacrifices in the winning of the war, as well as the fact that the huge sums demanded were impossible of payment under the conditions laid down without materially crippling their economic resources. This, they contended, would have served merely to prolong and intensify the conditions of world-wide economic stress that, because of mutual interdependence, have affected both debtor and creditor.

Today the apparent realization of the powers of the need for economic cooperation would appear to indicate that we have arrived at that moment when the question of the war debts can be brought forward with some prospect of their receiving consideration. In this respect one thing must be kept in mind. Our claims as to the moral issues involved mean little. If we expect to get paid we must make our terms so advantageous to the debtors that they will be attracted to pay. If agreements along the lines indicated can be arrived at with the various debtor nations we will have a medium which, coupled with stabilization and reciprocal-tariff agreements, will go far toward accomplishing a return to the normal in international trade.

For our part the prospect of receiving some $9,000,000,000 on account of debts, which to all practical purposes have become a total loss, should prove welcome. If we bear in mind also that this sum, plus the two billion seven hundred million already received, will approximate the original amounts advanced, we cannot but be convinced that we have much to gain by obtaining the adoption of a debt-payment plan at this time.

Save the Sugar Pines

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. IZAC. Mr. Speaker and gentlemen of the House, I rise for the express purpose of voicing my unqualified support of this bill. As I view the matter, it is not something for just the people of the State of California. The conservation of this beautiful grove of sugar pines is a national asset. Although my district is nearly 500 miles away, I believe I voice the sentiments of all the people in my district when I say that we have a solemn obligation to help preserve for coming generations the beautiful stand of sugar pines, the equal of which cannot be found elsewhere on the face of the earth.

It has been stated in this debate that sugar pines may be found along the whole western slope of the United States and Mexico. At least that was the impression gained by several listeners. I want to assure the Members of the House that in no other part of the world is this type of pine to be found in its natural setting. Not even in my district nor in other parts of southern California, and certainly not in Mexico can we find this magnificent type of tree.

I am sure we would be doing a disservice to the people of this country, far removed though they may be, if we did not use every legitimate means in our power to preserve the trees in this 7,000-acre plot and thus guarantee to them the enjoyment of this work of God.

Mr. Speaker and my colleagues, I beg for a favorable vote on this bill.

Branch Banks and Chain Stores

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. PATMAN. Mr. Speaker, the Indiana Bankers' Association has surveyed 20 years of banking in that State. One important question the committee answered was, What are the important factors that have cut into banks' lending business? Mr. H. D. Wells, dean of Indiana University's school of business administration, and former head of the State department of financial institutions, I am informed, is responsible for much of the report. He was honorary chairman of the research committee. Early in its report the committee points out that the great strides forward by chain stores in recent years, by and with the development of the automobile and other means of transportation, have hit the demand for bank credit by retailers. Chain stores are better financed, and, operating largely on a cash basis, tend to get what credit they do need in large cities. This shift in retailing methods, therefore, has affected the small country banks chiefly. The chain-store move, too, has made less and less necessary the jobber and wholesaler, and similarly has reduced the demand for funds from those sources.

ABSENTEE OWNERSHIP

This report is of tremendous interest at this time, since independent banks and independent merchants are beginning to realize that they have a common cause for which they should wage the battle of their lives. The lines are rapidly forming; the issue to be determined is, Will the business of the future be conducted by absentee owners and landlords or will local business, locally owned and owner operated, be encouraged?

MONOPOLY MUST BE CURBED

If we expect the broad road of opportunity to remain open for the young men and young women of our Nation monopoly must be curbed. There is no place in our American system for national corporate chain stores or a branch banking system operated by a few large banks. The officers of large corporations practice nepotism to the extent that it is not practiced by the officers of any government, local, State, or Federal.

HUNDRED MEN CONTROLLING WEALTH

Twenty-four banks with 484 directors own 30.88 percent of the banking resources of this Nation. There are 16,000 banks in all. These banks through their directors interlock with the 175 largest corporations in America, which represent 58.6 percent of the corporate wealth of the entire Nation. A hundred men are now controlling the wealth of this Nation. It will not be long, if the trend continues, until the young man or young woman of the future will be compelled to seek and obtain the influence of one of these financial and industrial leaders in offices on Wall Street in order to obtain an opportunity to carry on life's work. If that industrial leader has some relative or special friend who can be placed in such a position, what chance will the local aspirant have?

SERIOUSNESS OF SITUATION SHOULD BE REALIZED

The citizens of our country who believe in protecting the consumers against monopolistic practices and prices, and who believe in equal rights to all and special privileges to none, should realize the seriousness of the present situation and work unceasingly in the interest of local business, including banking, locally owned and owner operated.

Katahdin National Park

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

ARTICLE BY MYRON H. AVERY, OF LUBEC, MAINE

Mr. BREWSTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article entitled "Katahdin National Park", by Myron H. Avery, of Lubec, Maine, chairman of the Appalachian Trail Conference, a federation of mountain clubs developing and maintaining a 2,050-mile foot trail extending from Mount Katahdin in Maine through the Appalachian Ranges of the eastern United States to Mount Oglethorpe in Georgia; co-author of 78-page bibliography of the Mount Katahdin region; Bowdoin College, 1920; Harvard Law School, 1923; traveled extensively and author of many articles on Katahdin and the mountain regions of the eastern United States; registered Maine guide; employed by Maine Forest Service for four summer seasons; supervisor of trails, Maine Appalachian Trail Club:

As Katahdin is the northern terminus of the 2,050-mile Appalachian Trail, which has been developed and maintained as an amateur recreational project by the Appalachian Trail Conference, with which I am associated, the future of this outstanding region is a matter of very real concern to the Appalachian Trail Conference. Apart from this, as a resident of Maine and long familiar with the area, I have been extremely interested in the region. During the past years I have realized with growing apprehension the increasing problems at Katahdin and the need for some effective solution. These problems cannot be longer ignored. Since Congressman BREWSTER introduced a bill (H. R. 6599) to make the Katahdin area a national park there have appeared occasional statements which convey an entirely erroneous impression as to what this bill is intended to accomplish. This problem is one of so great an importance that I feel that the situation should be made entirely clear, so that the judgment of interested people may rest upon the true facts of the matter rather than upon some fanciful unsubstantial allegations which only confuse the situation.

In the first instance, this bill arises out of the necessity for preserving the Katahdin area. The motive is the same which inspired ex-Gov. Percival P. Baxter in 1931 to purchase the top of the mountain and donate it to the State. It is merely a further development of the original project. Except that the greater whole would bear the name of Katahdin National Park rather than the present Baxter State Park, there can be nothing inimical to the interests of ex-Governor Baxter. This bill, which it has been suggested is a menace to the "wilderness nature" of the Katahdin area, is the only guaranty of its protection which is now feasible. The need for action is imperative. Not merely the bare granite top of Katahdin (the present State park) but the whole area embraced by this bill, including some 69 distinct peaks and 55 lakes, as an outstanding type of the Maine north woods wilderness, should be forever preserved as a heritage of the American people. The area to be preserved should not be restricted and limited to the bare rock of the mountain top. Yet this is surely the situation if the present bill is defeated. It is clear beyond question that the State is in no position to care for this area and provide the necessary maintenance, protection, and other facilities so urgently required. The action of the Maine Legislature during the past few years has indicated that a national forest cannot be established in this area.

There seems to be some confusion as to exactly what the present State park, under discussion, comprises. This should be thoroughly appreciated. It is an area of only 9 square miles comprising the mountain top. Its boundaries have not been precisely located but, presumably, on the eastern side the State park extends to near Basin Ponds; on the western side of the mountain it extends to "The Gateway" on the Appalachian Trail; from the north it extends 4 miles south from the north line of T. 3, R. 9. This is all, a very narrow restricted area, obviously insufficient for any purpose. Even if the Katahdin region were forever State owned, the surrounding territory is needed in order to properly protect the mountain. In 1931 a portion of this 9-mile tract was conveyed to the State by Governor Baxter. In 1933, after the conclusion of the litigation, following his conveyance to the State of an undivided interest in this area, Governor Baxter conveyed to the State, by a deed accepted by the legislature, some 9 square miles. This conveyance was subject to certain conditions. No road or way for motor vehicles was to be built in this 9 square miles and Governor Baxter reserved the right to determine what markers or inscriptions should be placed on the mountain as well as certain control over its nomenclature. The name of the highest peak, "Monument Peak", was changed to "Baxter Peak", and the area was given the name of Baxter State Park. By act of the legislature, it was placed under the supervision of the Baxter State Park Commission, of which Governor Baxter is a member. No expenditure has been made by the State in connection with the area. No custodian has ever been employed there. What there is in the way of trail systems and shelters is merely a result of a haphazard and casual development.

Katahdin is probably the outstanding mountain in the East, and its extraordinary geological formations and its Arctic flora have attracted Nation-wide attention. Last year, Congressman Brewster has said, there were 10,000 visitors to Katahdin. The recent increase in the visitors to Katahdin is startling. Apart from the majesty of the mountain itself, the visitor here is most impressed by the complete lack of any supervision or protection of the area. There is no custodian or anyone in the park area to represent law or authority or to prevent depredations. The stranger who is drawn to the region by its extensive publicity is astounded to find an utter lack of any public accommodations. The nearest approaches are the three open lean-tos built years ago at Chimney Pond and a small two-room log cabin, originally built in 1923 for the game warden, where LeRoy Dudley, well known to all Katahdin enthusiasts, without any authority or portfolio, attempts to provide sleeping space for 12 people in a space suitable for 4. That conditions are not more chaotic is due to the chance activity of the C. C. C. in 1933 and 1934, which established a camp site in the old gravel-washed field at Katahdin stream and built there some six lean-tos. The obvious inadequacy of this can be gleaned from the fact that over Labor Day some 400 people were at this particular spot. Apart from the chance of these conditions resulting in irreparable damage, this situation is a serious reflection upon the State. Visitors comment most critically upon this, pointing out that there is nowhere a region of the quality of the Katahdin area where such conditions prevail. The nearest regular fire warden at Togue Ponds, some 15 miles away, has no authority over the Katahdin State Park. In the Great Basin, that transplanted bit of the High Sierra, campers recklessly cut down and use for firewood trees which have been hundreds of years in growing. One camper may have just been washing where the next draws drinking water from Chimney Pond. Whoever wishes to open or cut trails at Katahdin does so without restraint. As far as he is able to do so, Dudley exerts himself to protect the area against such devastations, but he is powerless in the face of those who flout his warnings.

I recently noted the statement "God made Katahdin, let not man despoil it" as an argument against the proposed bill. It is just what man has done, is doing, and may do in the future in the Katahdin region, to despoil it, and the necessity of restraining man from these things, which makes imperative this bill or some similar effective action. No better argument could be advanced for the park bill than this very slogan. It is difficult to understand how anyone can urge that the present conditions and lack of any control or supervision over the area embraced by this bill constitutes any protection from despoliation. More so, how a desire to have the State retain control over the 9 miles of the Baxter State Park—one-fourth of a township—furnishes any reason for opposing a plan to bring the larger area of 504 square miles, or 14 townships, into public ownership. Apart from a manifested fear of a "spoliation" of the Katahdin area, there has been expressed a thought that the

region is not of national-park caliber, which those who know the region strenuously deny. This viewpoint is inspired by comparison with the great western parks and a school of thought which holds that there is no wilderness in the East worthy of national-park status, pointing out that portions of the region were lumbered many years ago, the existing haphazard development at Katahdin, and the fires in that region. These objections certainly emphasize the danger of a continuation of the present situation. The Katahdin area, like many other wildernesses, has suffered in the worst fires which have ravaged the State.

Pamola and part of the basin were denuded by a fire in about 1814. The 1884 fire burned 22,000 acres. The "great burn" of 1903 swept over 132 square miles. The damage done in 1923 Basin Ponds fire is a most decided scar in that area, but far more impressive is the stretch of fire-killed timber along the roads to Katahdin from Millinocket, resulting from the 1933 fire. The devastation around Togue Ponds and the near loss of the camps there is an all too vivid reminder of the necessity for action. These fire losses are inseparably connected with the existing economic situations. The Maine Forest Service has waged a gallant and most praiseworthy battle against the fire ravages, but the stake in this area is too great to risk the loss of a single acre.

The suggestion that this is a State matter and the larger region should be a State park has failed to appreciate the limitation in size on State parks in Maine—10,000 acres—established by the 1935 State Park Act. No progress can now be made in that direction.

If the State wishes to have the title of the 9 square miles remain with the State, as Governor Baxter has urged, there would seem no reason why the national park could not be created around the State park. Who owns the area is immaterial; the essential is public ownership and protection. A desire to have the State, rather than the Federal Government, hold title to 9 miles seems an extraordinary reason for opposing efforts to bring the surrounding area into public ownership.

Katahdin and the Katahdin area belong not only to the people of Maine but to the United States. As much as we regret to do so, we must honestly recognize that the great increase in the number of people who come to the mountain makes necessary certain regulations and supervision. For those who wish to get beyond this there is still the trailless untraveled country north of Katahdin embraced in this bill, which few ever see.

As an instance of the damage which has been wrought through ill-considered, haphazard development, we only need to refer to an occurrence of last fall which has been the subject of so much criticism. Thinking that it would relieve conditions at Chimney Pond, a detachment was sent in to build five lean-tos. The result was most unfortunate. Three of the shelters are located on an open, denuded knoll, exposed to every storm. The debris and slash left along the route was most unsightly, apart from the fact that the timber was cut in the Great Basin, where no trees should ever be cut. The situation would never occur in a national park. Those responsible for this situation should have considerable temerity in criticizing national-park standards.

We must recognize the fact that adequate provision must be made for the people who are coming to Katahdin. The improvement this year, by means of the legislative appropriation of $5,000 for the Millinocket-Nesowadnehunk Road, can only increase travel to Katahdin. The Great Basin Ponds Road, extending to Roaring Brook, will also be completed this year. People cannot be kept away. Moreover, who has a right to do so? Specialists who have studied this area for the National Park Service have pointed out the necessity for eliminating any development at Chimney Pond and leaving this basin entirely wild and isolated. Sooner or later, however, ample public accommodations in keeping with the region must be provided for those who go to Katahdin. These should be away from the mountain, certainly as far down as Basin Ponds, and perhaps even nearer to the terminus of the road at Roaring Brook.

No one who has the least knowledge of Katahdin conditions will attempt to minimize their seriousness. The price of pulpwood is rising. Adjoining landowners feel that their holdings are endangered by the increased fire hazard of the Katahdin travelers. They need to realize upon their investment. Lumbering operations are creeping in from the west and the south. Soon the region to the north will be ripe for cutting. Last year the Abol Trail, the route of Thoreau's historic ascent of Katahdin, was blocked off, and unusable because of the recent lumbering operations there. The dam at Basin Ponds and the grim evidences of the fire around the moraines there, following the lumbering operations in 1921–23, are an all too eloquent reminder of the fate that may overtake the area. It seems incredible that anyone should wish to take a course of action which would enhance this possibility. And yet we are told that this course of action is a preservation of the wilderness.

The pending proposal to establish Katahdin National Park offers a solution of these problems. The large area embraced in the bill has already been noted. There had been earlier suggestions that the Katahdin area should be a national park, but then, with the exception of Acadia, there were no national parks in the East. Subsequently the Shenandoah and Great Smoky Mountain areas were acquired through public donations and these regions forever preserved. This development undoubtedly paved the way for the consideration of the Katahdin area as of proper national-park caliber. Congressman BREWSTER'S bill has been specifically designed to meet the problem at Katahdin. In other instances the National Park Service has insisted that a substantial area of the projected park be ceded to the Federal Government before it would undertake to protect and supervise that region. Recognizing the difficulties and the threatened danger to the Katahdin region, Congressman BREWSTER'S bill cares for this particular problem by providing that if the Baxter Park area should be placed in the control of the National Park Service by the State, with or without any other area, then the Secretary of the Interior, in his discretion, may administer and protect the area. The bill also provides that, if at the end of 10 years, the major portion of the contemplated national park has not been acquired, then the project fails, and the land is returned to the State. The State retains control through its power to cede.

When the background and the reasons for these particular provisions are examined it will be seen that there is nothing invidious in the Katahdin bill, as has been suggested by some of its opponents, but to the contrary it is a very practical means of meeting the problems, and the only one which seems workable.

The plain fact of the situation is that, with the exception of the 9 square miles of the mountain top, there is today no guaranty or no method of maintaining the wilderness of the Katahdin area. This is a fact which must not be lost sight of. There is nothing to prevent enterprising individuals from establishing on the private land around the mountain any type of obnoxious or offensive developments which may flourish under the patronage of those who come to the region. There is no possible control over this. And yet, with an astonishing blindness, we are told that the status quo will preserve the wilderness. The charge that under the National Park Service development the region would become "developed" with hot-dog stands and post-card emporia and other objectionable developments can be explained only as totally a fiction of the imagination of those who have never had the privilege of traveling in our great western parks or as an inexcusable attempt to frighten with the bugaboo of a nonexisting situation. There are no such things in the national parks. All buildings and structures there are carefully designed by architects, supervised and maintained by trained personnel. Every structure must harmonize and fit into the background of the locality. Is it likely that private interests would have donated the five millions for the Great Smoky Mountains National, acquired the additions to the Grand Teton and Yosemite National Parks if the National Park Service improperly administer these trusts?

The national parks, of which there are 26, totaling 8,744,447 square acres, in addition to the 78 national monuments, are an outstanding part of our American system. They are universally admired and other countries are attempting to create similar reservations. We have a national park in Maine—Acadia—presented to the people of America by the residents of Mount Desert, who recognized that this was the one method of preserving a unique area. Do Maine people regard Acadia as a stigma to the State? As to the point of view which attempts to condemn the national-park system in toto and would prefer that our wonderlands embraced in this system should have been left to whatever vicissitudes of fate would have ultimately overtaken them in the form of exploitation through uncontrolled lumbering, mining, grazing, erosion, and commercial development, and would, therefore, prefer to see the Katahdin region left to fire, lumbering, and unrestricted development, in preference to being embraced in the national-park chain, it seems only necessary to state that point of view. For an example nearest to us, had it prevailed, when the Great Smoky Mountains National Park was proposed, the primeval timber of this region, with more species than exist in all Europe, would now be a thing of the past. This policy was settled as far back as 1872, when Cornelius Hedges and other pioneers in Yellowstone decided to dedicate their findings to the American people rather than exploit them for private gain. I have noticed references to the "development" of Yosemite National Park. The fact is that the valley, the "developed area", where most people go, comprises 8 square miles. The rest of the park, 1,168 square miles, is the high Sierra wilderness. Such charges only manifest a total ignorance of the national parks.

Contrary to the suggestion that nature lovers and mountain lovers are well content with what they now have in the Katahdin area, the plain fact is that they are filled with the greatest apprehension lest this unique area be devastated and ruined beyond redemption. It is this feeling, and no other, which has prompted the bill to make the entire area a national park, in order to protect and preserve it. It is the people who best know the area who are asking for this action. Their efforts to obtain aid from those responsible for supervision of the area had been ignored. The records of the Committee on Public Lands, to which this bill has been referred, show that, with one exception, the out-of-door organizations have enthusiastically endorsed this bill.

Congressman BREWSTER has explained the need for this bill and what it will accomplish both for the area and the State. It is such a logical extension of the motive which inspired Governor Baxter that the project should receive his support. If there is any feeling that his interests are not properly cared for and that some revision might be made in the bill to more specifically provide for the preservation of the wilderness area in the Katahdin region—to allay the fear that the National Park Service will not justly and competently perform its duty—this should be the subject of discussion, so that we may have a cooperative effort to solve the Katahdin problems. Those who by opposing any constructive effort to go forward, encourage, and sanction the devastation which is becoming more threatening daily assume a very real responsibility for the future of the Katahdin area. Soon the Katahdin wilderness may be a thing of the past, and we shall have to answer for what we could have, but have failed to conserve.

Seventh World's Poultry Congress and Exposition

EXTENSION OF REMARKS

OF

HON. LEWIS M. LONG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. LONG. Mr. Speaker, on Monday last the House passed House Joint Resolution 365, which I had the honor and privilege to introduce. This resolution provides for the participation by the Federal Government in the Seventh World's Poultry Congress and Exposition, to be held in the United States in 1939, and authorizes an appropriation of $100,000 for that purpose.

I desire to bring to the attention of the Members of the House some idea of the importance of the poultry industry in the United States and the importance of the World's Poultry Congress and Exposition to that industry.

The poultry industry in 1935 ranked third in importance in agricultural products, ranking third only to dairy products and cattle. It might be of interest to know that in 1935 the value of poultry and poultry products in the United States exceeded that of hogs.

Engaged in the industry are nearly 6,000,000 producers, and the value of the industry as a whole in the United States in 1935 was $884,000,000, or nearly $1,000,000,000. In my home State of Illinois alone there are engaged in the business 215,363 producers, and the annual production has a value of approximately $54,000,000.

America is still primarily an agricultural nation. There are engaged in that industry a far greater number of persons than in any other single industry in the country.

In the United States we produce 40 percent, or nearly one-half, of all the poultry and poultry products that are produced in the entire world.

When we stop to consider the magnitude of the business and its importance to our basic industry, that of agriculture, we cannot help but realize the duty that devolves upon Congress and the Federal Government to exert every possible means to further and advance the business of the products of the farm.

Upon the farmer we must and do depend for everything we eat and wear, and upon his success and prosperity depends the success and prosperity of our entire land. When he prospers everyone prospers, and when he suffers we all suffer with him.

This is the seventh of the triennial world's Congresses. Former Congresses were held as follows:

Where held	Year	Countries represented
1. The Hague, Holland	1921	27
2. Barcelona, Spain	1924	37
3. Ottawa, Canada	1927	42
4. London, England	1930	60
5. Rome, Italy	1933	49
6. Berlin-Leipzig, Germany	1936	41
7. United States (city to be selected)	[1] 1939	60

[1] Expected.

The United States has participated in all the previous Congresses, and now has the opportunity of having this international educational feature at home.

These Congresses have a twofold object—first, to increase information concerning poultry keeping throughout the world; and, second, to encourage world-wide fellowship. From the above table it is apparent both objectives are being attained, and particularly is it noticeable that the number of countries participating has consistently increased since the first Congress in 1921. This makes for greater friendliness and understanding in international relations, and cannot help but have its direct effect in the promotion of peace among the nations.

In commenting on the first objective, that of education, may I not quote from my own experience and knowledge? The production of poultry has passed from a barnyard enterprise to a highly scientific and specialized business in the last few years. No longer is any appreciable amount of hatching of eggs done on the farm. It is now done by vast hatcheries, whose output of baby chicks runs into millions per day. These newly hatched chicks can be handled in transportation for a period of not more than 72 hours after hatching without material mortality. Thus is the field of operation expanded from a few miles to cover the entire Nation.

Nowadays the farmer, instead of attempting to produce his poultry flock by hatching his eggs on his own farm by such crude means as he may have at hand, turns his attention to the production of eggs to be hatched by professional hatchers. The production of eggs for hatching depends entirely upon the health and physical condition of the farmer's flock of laying poultry.

About the middle of the winter the professional hatchers make their contracts with the farmers in their respective areas for hatching eggs for spring. They go onto the farm and inspect the flock. This inspection is highly scientific and detects any physical defects which might prevent the production of first-class hatching eggs and strong virile baby chicks. Such hens as are found to react to these tests are culled out, and the farmer must dispose of them for such market price as he can obtain at the time. The value of the bird thus culled out and sold at prevailing market is negligible as compared with its value if it could be retained as an egg producer.

A large department of the Poultry Congress is devoted to education and information available to the farmer so that he may know how to handle his flock in order to reduce the number of culled-out birds to a minimum and thus increase his income.

Another highly important educational field of these congresses has to do with the handling and marketing of poultry and poultry products to avoid deterioration. The present loss in this country from this source is staggering. The loss from mortality of poultry alone amounts to $50,000,000 per year, and the loss from deterioration of dressed poultry and products from improper marketing, handling, and refrigeration reaches the overwhelming figure of $100,000,000 per year.

A great portion of this appalling loss can be overcome by increased knowledge on the part of the producers and marketers as to improved methods, both in handling and keeping poultry and its products. Every dollar saved to the farmer by this means is just that much more income for him. With every increase in income for the farmer comes that much additional buying power for the products of other industries and the betterment of conditions generally throughout the country. There is no class of people who buy more freely than do the farmers. His buying power is limited only by the extent of his income.

How important is the poultry industry to the farmer? From a first-hand knowledge gained through many years of observation and acquaintance I feel that I am qualified to furnish pertinent facts.

The farmer's wife on Saturday night brings her eggs to town and delivers them to the grocer. From the proceeds of the eggs she supplies the farm table for the coming week. In addition to this there are many times enough left over to reach a long way in clothing the farmer's family. In my experience there have been many occasions when this "egg money", as the farmers term it, has helped with the payment of taxes and other general farm expenses. In other words, it may be stated that as a general rule the products of the poultry yard meet the running expenses both as to food and clothing for the farmer's household.

When we summarize and consider the importance of this branch of agriculture and that the educational advantages of the Poultry Congress will increase the advantages of over 5,000,000 farmers, then I feel that the House is to be congratulated on passing this bill, and will have earned and will receive gratitude of all those engaged in the industry.

The Sales and Income Tax and Publicity

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. COLDEN. Mr. Speaker, the sales tax levies its penalty on the mite of the widow and on the last dollar of the poor. It is a tax on need and necessity, on sickness and suffering. The sales tax never considers the fundamental principle of taxation—the ability to pay. No assessor interrogates as to the resources or the buying power of the man or woman who stands at the counter to purchase the needs of life.

The long-established principle of taxation, sometimes called the American plan, is to tax according to the ability to pay. The man with wealth and property receives a greater protection from his Government than the man with none. The fire wagon and the fire service protect the man with buildings and merchandise. They afford much less protection to the tenant and to the man and woman without a home. The police department protects life as well as property, but it incurs a majority of its responsibilities in the protection of property. The Army and Navy have for their purpose the protection of life and liberty of the people, but they both assume serious obligations in protecting the property, including the merchandise and the profits, particularly of big business. So it is with the courts of our land—a function for protecting both life and property. And following through the responsibilities and functions of the Government, you discover that most of its ramifications and expenses deal with corporations, land and buildings and merchandise, and the property rights of citizens; so on this basis the man of the greatest wealth is the man who requires the greatest degree of public protection and adds the greatest cost of government. Consequently the centuries have evolved the fair principle of taxation based upon the wealth and the ability of the taxpayer to pay.

TAXES INCREASE YEAR BY YEAR

A sales tax on luxuries, such as liquor, tobacco, cosmetics, yachts, and furnishings of splendor, has a justification, but a tax on the bread, the bacon, the beans, the potatoes, the overalls, the calico dress, and all the other modest requirements of decent life is a tax on the right to exist.

Sales taxes have been inflicted by various States because of emergencies. The cost of government, regardless of protests, marches onward and upward. One of the principal reasons for this increase is that the functions of the Government are growing. This is especially true of the municipalities of the country and of the Federal Government, which have been expanding in their programs and continually assuming new responsibilities. On the other hand, taxes have more nearly maintained a mean level in the States, the counties, and the townships, where governmental agencies are at a standstill. There is one notable exception in States in the construction of modern highways, built largely from gasoline taxes. This has tremendously increased the demands for taxes in all the States in the Union.

There is no serious objection to a sales tax on luxuries, nor on gasoline by the States and the Federal Government, which apply this revenue to highly improved highways that are so necessary to facilitate modern commerce and to add to the efficiency of transportation. It is obviously unfair to tax the farmer on his land to pay for the adjacent highway for the use of the motorist. The river and highway have always been the paths along which civilization marches. The attempt on the part of certain individuals and special interests to shift the burden of taxes from incomes and inheritance to a sales tax is clearly an effort to shift the burden of government from the rich, who can afford to pay, to the backs of the poor, who must suffer privations to uphold the Government.

AN EXAMPLE OF THE SALES TAX

The sales tax in California was first levied on the basis of 2½ percent. It has since been revised, and foods have been eliminated, but the rate has been increased to 3 percent. Let us examine how this sales tax is applied in California restaurants. The poor man stops at a lunch counter for a cup of coffee and a sandwich, and pays 15 cents for his lunch and 1 cent for sales tax. When he pays for seven lunches, he has expended $1.05 of his income for food and 7 cents for a sales tax. Now, the man with a much greater income steps into a restaurant and buys himself one luncheon at a cost of $1.05; he pays a 3-cent sales tax on his lunch. In other words, on $1.05 expended for food the poor man pays 7 cents as against 3 cents for the rich man, or 233⅓ percent higher rate on this sales-tax set-up than does the man with an income a thousand times greater; consequently, the poor man's dollar pays 2⅓ times more sales tax than does the dollar of the rich citizen. And it must be remembered also that the poor man's dollar is a much larger percentage of his total income than that of his more fortunate neighbor.

GRADUATED TAX IS JUST

The graduated income tax is one of the fairest taxes ever devised. It is based absolutely on the principle of ability to pay. Under its provisions a man with $100,000 income pays a higher tax, while a man with $1,000 income pays no income tax. This is fair, for the reason that every man who works is entitled to food and clothing and shelter. If his yearly income merely provides for the bare necessities of life for himself and his family, then, surely, the man who has an abundant income, not only sufficient to provide for the necessities of life but also for the finest clothing, best foods, and best automobiles, and all the other requirements of the age, and still has a surplus remaining, should bear the greater burden of the cost of government. Even though the families of low income escape income taxes and own no real estate and escape property taxes, yet they pay on every cigar, cigarette, every glass of beer, and many other so-called luxury taxes. It cannot be said that the poor pay no taxes. They who have no property pay tax indirectly in their rents, gasoline, and various other expenditures.

The graduated inheritance tax is also a fair system of taxation. A shrewd business man may accumulate a million dollars or a billion or more. He has done so because he has employed labor at a profit—men and women who are workers at his plant and who have made material contributions to his wealth—because of a great consuming public he sells his goods at a profit, but both his manufacturing and his marketing depend upon somebody else, upon society and population in general. The laws of the country, its institutions, such as banks and railways; its rivers, forests, mines, and its various facilities have enabled him to amass a fortune. He has enjoyed protection of his government, has been enriched by his workers and his consumers, and owes all that he has to those about him. When he passes on it is right and proper that the Government should step in and take a reasonable proportion of his estate for the use of the citizens who enabled him to amass it. They have been silent partners in his prosperity but have not shared it.

GRADUATED LAND TAX

One of the deficiencies of our system of taxation is that in our local systems we do not use the principle of a graduated tax as is used by the Federal and State governments in income and inheritance taxes. As a general rule, a man with a $2,000 home has not the proportional ability to pay his taxes as a man with a $100,000 home. It is further true that a man with the 40-acre farm and a family to support has not the same ability to pay as the man with 1,000 or 2,000 or 10,000 acres. A graduated land tax would encourage the man with a small farm and it would discourage the monopolization of land by landlords, who frequently live in the cities and maintain the poorest kind of housing and equipment for their tenants and wring from the soil every dollar of profit that is possible. One of the most menacing tendencies of our times is the growth of tenants and landlordism. A graduated land tax, both in the city and in the

country, would retard speculation and monopolization of land and result in a better opportunity for the small home owner and landowner and contribute to the general welfare.

CORPORATIONS ARE PRIVILEGED

Corporations should pay higher taxes than the individual. The corporation has a tremendous advantage. The life of the individual is limited. The corporation may measure its life tenure by the centuries. The corporation enjoys limitations as to its liabilities.

A citizen may be worth a million; and if he owns $10,000 stock in a bank that becomes bankrupt, usually the liability is limited to the value of the stock; but if a poor man, in business for himself, becomes bankrupt, he is lucky if he saves even a modest home for his future use. Because of this and other special privileges, those who enjoy the protection of a corporation should pay society and the Government a reasonable price for this special privilege. It might be noted here that nearly all of the abuses of wealth and of special privilege are exercised by great corporations, and some of these have become so great and powerful as to defy States, courts, cities, and counties, and even the Federal Government.

PUBLICITY PROTECTS PUBLIC

Publicity is a powerful agency in any system of honest taxation. When the home owner makes returns on his real estate and personal property, the rolls are open to all the neighbors of his township, his county, his city, and his State. His neighbors have a right to know whether he has rendered an honest tax roll, because both he and his neighbors are partners in all the agencies of the Government. Because of this publicity, many errors in assessments are corrected. State laws promote machinery of appeal so that the injured taxpayer may have relief. No factor is so powerful as the so-called pitiless publicity in the elimination of favoritism, the evasion and avoidance of just taxation.

PUBLICITY REPEAL A MISTAKE

The recent message of President Roosevelt exposing the scandalous evasion of income taxes by the selfish and unpatriotic rich is due in part, in my opinion, to the repeal of the publicity feature of the income tax and that of high-salaried corporation officials. There is no defense of secrecy in the swollen incomes of a favored few. The tax on large incomes is as legitimate as the tax on a farm or a home. Why turn the limelight on the small property owner and enshroud the huge incomes in darkness? It has but one outstanding result—it enables the privileged overlords to cover up, to cheat the Government. Cheating the Government is cheating fellow citizens who pay their taxes patriotically. Cheaters in time of war are enemies of their country, and in time of peace they are nothing more than legalistic robbers and should be dealt with accordingly.

A MONSTROUS DOCTRINE

J. P. Morgan is reported as making the amazing statement that—

Taxing is a legal question, pure and simple, and not a moral one.

That utterance sounds like the cynical philosophy of an Al Capone. It is unworthy of any honest banker or upright businessman. It indicates that the author denies that he owes an honest obligation to his Government. Rather than pay his just share of the cost of protection and opportunity his country affords, he justifies the employment of unscrupulous attorneys who betray the law and sell the rights of patriotic neighbors and shift a greater burden on the backs of those less able to pay. Men of this type rob the worker, the widow, and the orphan of their last dollar of savings with phony securities and worthless foreign bonds. They underwrite the "blue sky" stocks of crooked promoters and wreck railroads, banks, and industry, and prey like wild beasts upon the products of agriculture to gratify their perpetual appetite of greed. And when labor battles for decent hours and living wages, and when Congress legislates to protect the innocent investor, and when President Roosevelt challenges their ruthless reign of economic brigandage, they shout "dictator", "rubber stamps", prate about liberty and the rights of man, and flee from the wrath of outraged victims to the columns of a subsidized press and to the legalistic mazes of reactionary courts. Morgan's doctrine is a moral monstrosity, a violation of Christian and patriotic principles, an arrogant social assumption, and belongs to the antediluvian age of the tooth and the claw. It is a camouflaged iniquity.

The sales tax is subtle. It is paid penny by penny, and there is no record, no manner of inspecting and analyzing who pays or the fairness of its payment. Because publicity is a great protector of the taxpayer and the Government as well, every form of taxation should be an open book, subject to the inspection of any citizen at will.

SALES TAX FAVORS RICH

The future of democracy depends upon the social security of the masses. Unfair taxation is one of the sources of economic injustice. The evasion and avoidance of just taxes is an infraction of the ethics of good neighbors. It is cheating both friends and strangers. It is wrong legally and is civil treason.

The sales tax avoids publicity. It is one of the shrewdest systems of taxation ever devised to place the cost of the Government on the masses who have low incomes. Most of the propaganda in this country for the sales tax is devised by the unscrupulous rich and by newspapermen who have been enriched by great corporations and those who live by special privilege. The sales tax preys on the poor, the unprotected, the defenseless—those least able to bear it. The graduated income and inheritance taxes fall on those who enjoy the greatest protection and opportunity afforded by the Government and best able to pay. And every system of taxation should be levied and collected openly with unrestricted publicity because it is a question of public interest and fosters fair play and a square deal.

What Should the Catholics of America Do About Hitler's Attacks on Their Coreligionists in Germany?

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, ON JUNE 4, 1937

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include a radio address I delivered over station WMCA on Friday, June 4, 1937, as follows:

As most of my listeners realize, there is a bitter struggle going on today between the cross and the swastika. On one side are all the Christian churches, from the Catholic to the ultra Protestant, united beyond denominational differences by a common peril, all cemented by the necessity of upholding the fundamentals of Christianity, with its liberty of conscience and liberty of confession. On the other side stands Hitler, Goering, Goebbels, pledged to a sort of pagan totalitarian weltanschauung. They wish to set themselves up as gods of Valhalla. They would substitute pitiless heroism for Christian charity in Germany. All priests and ministers who will not bow down in servile obeisance are received with a policeman's club and consigned to concentration camps. Small wonder, therefore, that priests and nuns, ministers, and Masons, are fleeing Germany—fleeing the new national socialist paganism.

We, on this side of the Atlantic, cannot remain supine in the face of the insults and cruelties which are being heaped on the Catholic Church in Germany. The Catholics are now facing the same bullying, the same hectoring, the same bloody deeds, the same atrocities that the Jews have suffered at the hands of the Hitler hoodlums and storm troopers, with the connivance and encouragement of Government officials. The Vatican, after great patience and forbearance, is compelled to assail the violations of its concordat with Berlin. The Nazi sterilization laws, the fake

charges of immorality against nuns and monks, the denying to Catholics of the right of free speech and the freedom of the press in religious matters, have all very properly stirred up the Vatican and Catholics the world over. The campaign against Catholicism is following the same paths trod by Jewish martyrs.

We applaud the courage of the Vatican in thus voicing its disapproval of the insane and brutal atrocities of Hitler and his gang.

The real motives behind the anti-Catholic drive in Germany today is Hitler's determination to control completely the education of German youth. Hitler made known his intentions in his recent May Day address to German labor.

"There are still among us old fogies who, according to their leanings, stand either to the right or to the left and pass one another much as do hostile dogs and cats", he said. "But this does not disturb us. We will take away their children. These we will train and educate to become new Germans.

"We will not permit them to lapse into the old way of thinking but will give them a thorough training. We will take them when they are 10 years old and bring them up in the spirit of the community until they are 18. They shall not escape us."

In Germany, Hitler is bent upon the absolute extinction of the Catholic schools, despite Germany's treaty or concordat with the Catholic Vatican. All Catholic youth societies have been disbanded; their leaders have already been imprisoned and sent to concentration camps, where they undergo terrible hardships. The charges of immorality against brothers of the lay orders and similar charges against the monks, are only "red herrings" across the trail. They are conjured up in a rascally fashion, simply to hide the main purpose of that marplot Hitler and his cabinet of bandits.

These accusations of immoral practices are despicable though effective weapons for discrediting the church in the interests of the totalitarian state. Hitler says: "The Catholics must be utterly destroyed. They interfere with my dictatorship. Otherwise my dictatorship will not be complete. I brook no rival." Herr Goebbels has declared that faith in priests must be destroyed. There can only be faith in Hitler.

Militarism and all it implies is the ultimate aim of Germany under Hitler. Christianity, involving the doctrine of turning the other cheek and the deification of the Redeemer, must give way to a sort of paganism, whereby Hitler and his cronies are to be fairly worshipped as the gods of a new regime. No longer shall there be ways of Christian peace. All roads shall lead to war and to militarism.

It was refreshing to notice the censure of Adolph Hitler by the Presbyterian General Assembly at Columbus, Ohio, on May 31. It was expressed, in part, in the following manner: "Alongside the revelation of God is Christ Jesus; national socialism is demanding from the church the recognition of a divine revelation in itself, in the person of the Reichsfuehrer Adolf Hitler and in reality and history of the German Nation.

"The church in Germany is facing extinction. The church which cradled the reformation is today carrying the cross. We dare not stand aside and let our brethren fight the battle alone. If we do, and the battle is lost, the time will come when we, too, will fight the battle alone."

Sadder even than the havoc being wrought to the minds and the bodies and the souls of the adults in Germany through the inhuman treatment of the fantastic and fanatic German regime is the stark tragedy which the Jewish children in Germany are being forced to undergo. These waifs and youngsters are the most pathetic victims of Adolf Hitler's slow massacre. These children, though they are too young to know what it is all about, are subjected to a method of torture far worse than the baby killing which was charged against German infantry in the early days of the Great War in cartoons depicting little bodies wriggling on the bayonets of the marching armies.

Hitler's torture of the Jewish children is truly ingenious, for he has invented a way to convert the period of childhood into a term of unrelieved sorrow, fear, dread, and suffering. It is commonly accepted among the peoples of the civilized world that any man who would inflict suffering on a child wantonly or for the purpose of avenging some offense, real or imaginary, attributed to the child's parents, or for any other reason, is not quite right mentally and ought to be put away. Hitler's little victims are not allowed to die. They have no such luck. Hitler keeps them alive, and they suffer day after horrible day at the hands of a nation as a matter of national policy.

The German child who is a Jew is compelled to listen to the most unspeakable vilification of his parents, and the child's first attempts at spelling out public notices on the billboards will inform him that he is not a human being like other children, but a beast, whose parents were not human beings either, but loathsome animals.

If the child lives in a country town where there are not sufficient Jewish children to warrant the establishment of a ghetto school in which to segregate little Jews, then the torture of the victim is even more artistic. In that case the child may be compelled to sit in the classroom and pay attention while the teacher explains that the little Jewish child is a vile creature, a species or vermin, and a menace to the German Nation. If the teacher so desires, the Jewish child may be dismissed from the room during the lecture, in which case the Aryan children, with characteristic cruelty of children, plus the sadistic delight in the infliction of pain which is now being fostered in young Nazis, will catch the young Jewish boy or girl after class to tell what the teacher said.

If the radio is turned on in the home of a Jewish family, the children will hear an orator somewhere in Berlin or Munich explaining that their parents are a species of beast and that they are little beasts themselves.

A lone Jewish child, in a small community, must play alone, for the true Nazi children, of course, will not admit him to their company, and a gentile child, with pity in its heart, would be afraid to offer the victim any sympathy. They might both be beaten up.

And then, of course, it is fair sport for the Nazi children to kick and beat and throw rocks at the little Jewish children, because that is preliminary training for one of the highest functions of Nazi citizenship in days to come.

All children have a trusting attitude toward grown people, and a harsh word may leave an ineffaceable scar on the soul of the young one. The souls of the children of the Jews in Germany will be cross-hacked with a thousand cuts, for they will never know anything in childhood but insults to themselves and the foulest aspersions on the only adults to whom they can turn for comfort—their parents and other relatives.

It is absolutely certain that their childhood, the few hours of innocence which are given to all of us and which civilized people try to invest with beauty and joy, has been destroyed by a man who has been seriously nominated by some of his followers, not as a king, not merely as a ruler, but as a god, the redeemer of the German race. It would be a mistake to call him a baby killer. You can't torture a dead child.

I predict these refined Hitler cruelties against Jewish children, that would challenge even Torquemada, will be repeated against Catholic children.

It is well to recall the statement of our President before a committee of Congress, of which I was proud to be a member, which visited the President at the White House, to protest against Mexican atrocities against Catholics. What the President said may well be restated in reference to German brutalities against Jews and Catholics. The statement is as follows: "The President stated that he is in entire sympathy with all people who make it clear that the American people and the Government believe in freedom of religious worship not only in the United States but also in other nations."

What shall the American Catholics and the American Jews do? How can they stop the machinations, the plunder, the rapine, the terrorisms of these German dictators? There must be some punishment. It certainly must be within our rights not only to rebel but to invoke sanctions. There is but one way. Germany must be thoroughly boycotted. Germany is an industrial nation. It cannot live without foreign trade. Hitler must be made to feel the scourge of a thoroughgoing boycott. If the 30,000,000 Catholics of this country, supplemented by the six and one-half million Jews, make up their minds to refuse to accept German-made goods, the effect would be revolutionary. Germany then would be deeply stirred. Then Hitler might be forced to realize the sense of his responsibilities and cease his brutal attacks on the defenseless members of the Catholic and Jewish faith, who refuse to adopt the Nazi ritual and who refuse to worship the Nazi leaders.

Catholics generally would indeed be spineless jellyfish if they refuse to resent and retaliate. Boycott must be their watchword. They must heed and follow their great leader, Cardinal Mundelein. He is unafraid. He is a match for these cowardly German dictators.

To use language that the Nazi bullies can best understand, Hitler must gestraft werden. Boycott will be his punishment.

H. R. 4724, to Create the Mount Olympus National Park

EXTENSION OF REMARKS

OF

HON. MONRAD C. WALLGREN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. WALLGREN. Mr. Speaker, may I talk today of beautiful forests, crystal waters, and majestic mountains; of giant Douglas firs, whose 14-foot diameters and 300-foot heights, known only to the Pacific Northwest, are the products of a thousand years' growth; of moss-carpeted and fern-bedecked forest floor; of broad-leaf maple, whose spreading branches, festooned with long, trailing moss, form a ceiling to the first story of near tropical verdure under the towering fir, spruce, and hemlock; of the myriad of clear streams and lakes whose source is in the pure, live glaciers and snow-capped mountains only hiking distance away; of that unique panorama of Olympic mountain peaks scattered there in a way that sets their beauty off to best advantage?

Ladies and gentlemen, these many beauties can be placed in one national park and become an everlasting asset to our

Nation. On the other hand, if the logger is allowed to cut the trees, this rare combination of Nature's bounties will be forever lost.

The passage of the bill (H. R. 4724) to create the Mount Olympus National Park will enforce the conservation and development of these forests and mountains for our benefit and for the benefit of all posterity.

In 1935 my bill to create this park was first introduced. In 1936, after full hearings, the Public Lands Committee of the House favorably reported the bill to Congress. A crowded legislative calendar prevented a final vote in the closing days of the 1936 session.

Reintroduced this year after thorough restudy of the area, the measure was amended to meet previous objections. The proposed area was reduced to approximately 600,000 acres. But in reduction of acreage the boundaries were so placed as to include adequate examples of primeval forests of Douglas fir, Sitka spruce, hemlock, and red cedar.

By this effort to eliminate all commercially available timberlands not needed for the park unit, 140,000 acres, upon which grows some 5,000,000,000 board feet of timber, were returned to the Olympic National Forest. The amended bill, if passed, will leave approximately 1,000,000 acres of timberland in the national forest for commercial use.

Despite this effort to adjust park needs to potential commercial timber needs, the lumber interests have continued to fight the park proposal. This, even after full presentation of commercial statistics by park opponents last year, had failed to convince the Public Lands Committee that withdrawal of park timber would jeopardize commercial development. Various individuals and organizations, among them the Washington State Planning Council, have now made hasty recommendations which, if adopted, would result in there being no park at all.

The problem today can be concisely stated in the words of the Secretary of the Interior, Mr. Ickes:

> I insist that it would be a stupid thing for this country to do, an unpardonable thing, to surrender this area to become a laboratory for the working out of a theory of multiple use which inevitably, sooner or later, would mean the exhaustion of everything in the area capable of being converted into a money profit.

Of sustained yield and multiple use I shall have more to say later. If the future is foretold by events of the past, there will be no effective sustained yield in our forests. The disappearance of great timber wealth in many States of the Nation is proof of this.

The Pacific Northwest today is one of the last remaining timber empires of the United States. There the present generation can remember the day when mighty forests grew right at the city limits. In the older timber districts of the Nation the greatness of their forests remain but stories on the printed page. Today in Washington State the logger is moving into the last virgin stands of timber. Until recently these stands were ignored, for the timber near the seacoast could be cut at a greater profit.

What now if this timber is turned over to the logger? What will be the future benefit to our State and the Nation? Will pay rolls boom in some section for a few years and then disappear? Will only charred stumps be left to remind us of former grandeur?

The story of the lumber industry is one of slashed and burned-over forests, of low wages, of stranded populations, and of eventually useless lands. What proof have we that it will be different in the future? Only the promise of a not very reliable industry.

When logging and milling is in process settlements are built. Homes, schools, churches, and stores represent the investment of workers who thought the timber assets were everlasting. Then suddenly the timber in the area is exhausted and assets become liabilities. The result is a ghost town amid fire-blackened snags and stumps, the unburied skeletons of forest beauty.

It is the old story that has been reenacted in many States. Michigan and Minnesota have played their scenes. The closing act was directed by the F. E. R. A., which moved stump ranchers to Alaska's Matanuska Valley.

We in Washington know these problems. We have our ghost towns and our stump ranches. Hadlock, Getchell, Robe, Port Crescent, and many other similar deserted towns are but a few which watched great lumber mills being built and then abandoned. The trouble is that too many forget all this when they stand in a million and a half acres of virgin forest whose giant trees obliterate the sky. Today there are thousands of acres of unproductive stump land immediately surrounding this beautiful national forest. Perhaps these will remind us.

But I am interested today, not in past destruction, but in future conservation. Conservation which will mean real development is the aim of the park bill.

To recognize the possibilities for development you must realize the true beauty of this area. I am at a loss as to how this realization can be brought to you except through a visit. But even a visit would be unsatisfactory, for this last outpost of wilderness defies superficial investigation.

But there on the Olympic Peninsula of the State of Washington is a truly ideal combination—vast virgin forests, tumbling streams, timber-locked lakes, rugged mountains, and a temperate climate.

When such a combination is to be found on land owned by the Federal Government, it is almost unbelievable that there should be objection to the creation of a national park.

But objections there are—objections which come from timber interests which want to cut all of the timber and conservationist organizations which want none of the timber cut. To follow the dictates of either would mean the end of the national park.

Despite all objections, it seems to me that there are only two valid questions to be answered. First, is the present suggested area of sufficient size to include and protect a truly representative stand of the distinctive forests of the Pacific Northwest. Second, will the amount of timber included have a measurable adverse effect on the industrial well-being of the State or will that adverse effect be absorbed by increasing tourist travel once the park is created and developed?

I am willing to take the affirmative answer of the National Park Service to the first question. I think the testimony given at the Public Lands Committee last year, plus the elimination of timber stands called for in the 1937 bill, answer the second question.

In drafting the 1937 bill, H. R. 4724, the aim was to include all the timber essential for an ideal park unit and to exclude all timber nonessential to such a unit. This exclusion was thought worth while as a means of assisting in projected sustained-yield plans announced by the Forest Service.

In agreeing to the elimination of timberlands the practical friends of the park are hoping, with varying degrees of confidence, that the announced sustained-yield program will be successful.

After all, the aim of H. R. 4724 is an ideal national park. If this aim can be reached with a minimum of interference to the Forest Service ideal of sustained yield, then that minimum of interference should be sought. Therefore, in drafting the 1937 bill every attempt was made to meet justified economic and practical objections to the original boundary agreed upon by the Public Lands Committee last year.

In trying to reach a middle ground, 140,000 acres of land with a growth of 5,000,000,000 feet of timber was eliminated. In addition, all privately owned lands were lopped off.

Before these new boundaries were agreed upon, however, a careful study was made to make sure that the beauties of the included lands were such as to insure one of the most attractive parks in the Nation. Even with the reductions, fully three-fourths of the finest lowland forests of Douglas fir, Sitka spruce, and giant cedar included in the original bill, are retained in the new one.

The present bill eliminates about 140,000 acres on the west and southwest sides of the proposed park ,but includes 496 square miles of lowland forest and 312 square miles of additional beautiful subalpine forest. There is no doubt but

that these forests include the finest examples of the distinctive trees to be found only on the Olympic Peninsula.

Although great sections have been eliminated because of the desire to cooperate with those people who honestly think that the economic well-being of the State of Washington is thus protected, the area proposed in the bill is a much more adequate and better rounded recreational conservation area than that suggested by the Washington State Planning Council.

With apparent disregard for the requirement of the National Park Service and with the needs for conservation, the planning council made hasty recommendations. Recommendations which did not provide for the inclusion of adequate examples of the primeval forests. Its plan would strip the park and deny to posterity these unreplaceable forests, the heritage of Washington State. It would leave this area for commercial use despite the fact that a careful study will show that the economic return of the area would be greater as a national recreational reservation which would draw millions of people throughout the untold years to come.

For no apparent reason the planning council would lop off a beautiful lake section in the southeast portion of the park. Similar mystery shrouds its reasons for eliminating the beautiful Lake Crescent. No one knows why one of the most beautiful lakes in the United States should be excluded from what can be one of its most beautiful parks.

The reasons for the elimination of the beautiful timbered areas on the western side of the proposed park can be understood more easily. The reasons here are purely commercial even though very short-sighted. The timber interests want to be able to cut these trees when they get ready.

Serious study was given to these commercial interests. Recognition of the needs of the lumber industry was made with the elimination of timberlands.

Despite such recognition, however, the real "sustained yield", in which we who favor the park have confidence, is the constantly increasing value of these forests from a recreational and tourist viewpoint.

We want the people of this Nation and other nations to visit the park. They will visit the park to see the trees. They will not come thousands of miles to see cut-over sustained-yield acres even though the mountains are beautiful. Congressman MASSINGALE, of Oklahoma, expressed this attitude at the hearings when he said:

> If you confine your attractiveness to mountain scenery, will you not lose the tourist trade because the things that distinguish the State of Washington down in our part of the world are the very things that you seem to want to get rid of, and that is the huge trees and the jungle growths.

I should like to bring hundreds of citizens of Washington State here to tell you what has happened to our trees. Very few of them are impressed by the high-sounding phrases regarding sustained yield and selective cutting.

They know many things about logging which you people, who have not been in our forests, cannot visualize. Selective cutting means that the big tree will be felled and the smaller ones left for the future. Can you evaluate the efficiency of such a system where a tree 14 feet in diameter stands closely flanked on all sides by smaller trees.

You who have never seen logging operations in such a forest cannot visualize the felling of a giant Douglas fir 200 to 300 feet tall. You cannot know how the loggers scramble for safety when the last cut is finished and the tree starts to fall. They run for life if within hearing of the shout that announces the cut completed. Never does one know what other trees will be crushed, mangled, and hurtled through the air by the falling giant.

And these trees that are crushed may be bigger than those which the eastern logger cuts for lumber. In the West more timber is wasted per acre by felling and other logging operations than ever stood on many forests in the East. It has been estimated that this waste is from twenty to thirty thousand board feet per acre. Steel spar skidders are supposed to have displaced high lead logging, but as used one system is about as destructive as the other. At the end of either operation the combination of logging and slash burning results in practically complete destruction of the forest.

There is probably no doubt that logging operations can be made less destructive, but the time when this is done depends upon the profit which can be made from those trees which are now knocked down instead of logged. High lead logging is no respecter of obstacles when the felled tree is jerked through the forest by cable powered by a donkey engine; everything in the path is shattered and broken.

In the heavy timber country there seems to have been developed a fatalistic attitude toward the destruction of trees. Fodder for sawmills is the first thought, and destruction the second.

The necessity for sustained yield and selective cutting is admitted, but the possibilities of its becoming generally practiced is doubted.

To illustrate this, I should like to quote a few excerpts from a speech made this year by William B. Greeley, a former head of the United States Forest Service and now secretary-manager of the West Coast Lumbermen's Association, as reported in the Forest Digest. At a western lumbermen's conference, he said:

> Mr. Silcox has said in effect that it is his purpose to bring all forest lands in the country upon the sustained-yield basis and to contribute to that broad term of social security which comprehends in a single phrase everything that is implied in sustained yield. * * *
>
> I am willing to say that our industry is willing and ready to accept sustained yield as the reasonable and proper objective toward which our efforts should be headed. * * *
>
> How can we stay the process of liquidation and put our industry upon a basis of sufficient security to bring this sustained-yield principle out of the clouds and make it something that we can practically recommend, that you and I as foresters, or economists, can practically recommend to the timber owners?

I have no quarrel with those who would stabilize the lumber industry. I do have a quarrel with those who insist that every tree be made available for an experiment in stabilization. I say that sustained yield to have a stabilization effect will have to be dependent upon much more than the few acres under discussion for the park. It is much more important to bring back into production those blackened stump lands which logging waste has made unproductive. The best lands for sustained yield and reforestation are outside of the proposed park.

I have a quarrel, too, with those statisticians who build fairy castles with unproved sustained-yield hopes. Such statistics are little more than the desires of the statistician.

Most of the cry against the park is based on the necessity of this timber being made commercially available to maintain pay rolls in the State.

First, these statisticians said that the creation of the park would jeopardize the pulp industry. This argument was knocked sky high at the Public Lands Committee hearing last year. The argument is now forgotten.

No one disputed the statement of Chris Morgenroth, of Port Angeles, who has lived on the Olympic Peninsula 47 years. He said the 42,000,000 cords of pulpwood in western Clallam and Jefferson Counties would support present pulp mills, without regrowth, for 100 years; that it would keep 10 mills, as big as the largest present mill, with normal regrowth, going forever.

With the deflation of this claim, the opponents turned their statistical manipulators loose on sawmill-industry figures. And up they come with figures supposedly proving that the proposed park timber used as sawmill fodder will give 9,000 men permanent employment with an annual pay roll of $1,500,000. Let us see—a million and a half dollars divided among 9,000 men—that is about $166 per man per year.

Think of it, they want to cut this beautiful timber to give annual salaries of $166. Figure it out yourself; here is what they say:

> The said national forest area of 300,310 acres referred to are capable of permanently supporting, under sustained timber-yield management, approximately 9,000 persons, with annual sustained yield for all time of 100,000,000 to 110,000,000 feet, board measure, and paying labor under present wage-scale standards approximately one and one-half million dollars per annum also for all time.

Perhaps Congress, after reading such a black testimonial for wage scales, will want to investigate wage standards instead of timber stands.

But let us check into these sustained-yield figures. The best estimate of merchantable timber on the proposed park lands now in the forest reserve, the above-mentioned 300,310 acres, approximates two and one-half billion board feet.

Now, let us do a little figuring for ourselves. If two and one-half billion feet will give employment to 9,000 men, why should we worry about lumber-industry employment, when 119,043,000,000 board feet of timber is available in the Puget Sound and Grays Harbor-Willapa areas alone? C. Welden Kline, of the Pacific Northwest Forest Experiment Station, estimates that of the 204,953,000,000 board feet in these regions, 119,043,000,000 would be readily merchantable in normal times.

Doing our own multiplying and dividing on the basis of 2,500,000,000 board feet giving employment to 9,000, we find that 119,000,000,000 feet should give employment to about 47 times as many, or 423,000 men. And, I suppose, using their figures, that these men would get an annual pay roll of $69,218,000. But what is the use of such a pay roll if each man can get only $166? We will let them answer that.

But we will have to leave such metaphysical reasoning and get back to realities, however distasteful. Such a distasteful statement which we must face is that made by the Pacific Northwest staff report to the National Resources Committee. Pointing to possibilities, it states:

> It is quite likely that the number of workers engaged in lumbering will be considerably less by 1960. A number of conditions lend force to this presumption. There is a considerable prospect of the introduction of labor-saving machinery. If cutting continues at the present rate, available timber supplies will be largely depleted in 25 years. It is conceivable that the necessary steps to stabilize the industry will be taken, but it will require energetic cooperative efforts along a number of lines. There is real possibility that the necessary measures will not be taken, or that action will be too slow to prevent considerable decline in the industry.

These are sobering observations which should make the most violent opponent of the park stop to reconsider. With a prospect of only 25 years' logging at anything comparable to the present operations, all of us should be more than ready to consider new industries.

The tourist industry may not be as definite as the lumber industry, yet it is a real industry. With only a vague set of promises as the foundation for sustained yield on the timber side of the argument, I think that definite experience can show that the real sustained yield for this area is to be found in the tourist trade which cannot but be attracted to such a unique recreational area.

Ten billion dollars annually is said to be the expenditure of the American people for recreation. And it is an expenditure which builds up and aids almost every kind of industry.

How welcome would be such an investment in the now denuded areas of Minnesota and Michigan where they had hoped the lumber industry would last forever. Many cut-area sections of the Nation stand as proof that one of the best possible investments years ago would have been to forego logging for conservation in suitable recreational spots.

As a tourist attraction the effect of the name, national park, is definite and real. In 1935, Mount Rainier National Park was visited by 239,309 people, while only 2,200 visited the Mount Olympus National Monument. Tourists will not travel long distances to visit scenic areas unless some stamp of approval has been given. The best of all stamps of approval is the name, national park. The National Park Service has tested the area now proposed for the Olympic Peninsula by every yardstick and enthusiastically approves it for inclusion in the exclusive circle of parks in this Nation.

Forests, glaciers, mountains, rivers, and lakes would combine to make this park unique in the United States. Such a combination is possible only if the primeval forests, such as are known only in the Pacific Northwest, are preserved from the logger.

The glaciers and mountains are beautiful. The forests are magnificent. But for a national park it must be glaciers, mountains, and forests. To separate one part from the whole steals from the area that blended quality which today makes it so preeminently suited for a national park.

National Safety and Accident Prevention

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I wish to call attention to H. R. 7433, which I introduced yesterday and which calls for an appropriation of $35,000 to advance a program of national safety and accident prevention.

The Seventy-fourth Congress appropriated the sum of $50,000 for this work, as a result of a bill which I introduced. The Accident Prevention Conference, under Secretary of Commerce Roper, has done an exceedingly fine job with the money they received. A great deal of help has been given the conference by public-spirited citizens who are anxious to help in stopping the horrible slaughter caused by accidents. For instance, one person has just contributed $250,000 worth of street car advertising space, and the total cost of that to the conference will be the actual printing of the cards, which will not exceed $3,000. Most of the expenses of the conference will be for printing and clerical help. I earnestly hope that Congress will pass the bill without delay. Thousands of these needless deaths can be prevented. The sum asked for is absurdly small in comparison with the work accomplished by the conference.

Following is a copy of a memorandum submitted by the director of the conference, Mr. Labert St. Clair, to Secretary of Commerce Roper. It outlines the work of the conference during the past year and explains what it hopes to do in the the coming fiscal year:

JUNE 4, 1937.

Memorandum for Secretary Roper.

The Accident Prevention Conference, organized by you at the request of President Roosevelt, now is closing its first fiscal year of activity. At the request of members of the general committee, I desire to submit this brief summary of the outstanding activities of the conference. The committee members who today suggested this preliminary report say that if you or the President desire further information in person they will be glad to call upon you, but do not wish to take your time unless you think it necessary.

The conference, as you know, was formed primarily to arouse local activities in States and communities with the ultimate object of decreasing deaths. How well these objectives have been achieved probably is best shown by the fact that the largest number of State and local accident-prevention organizations in the history of the Nation now are working actively, and Bureau of Census figures show that safety efforts were more productive in 1936 than any single year since the automobile became a factor in accidental deaths. The actual increase in highway fatalities was only slightly more than 1 percent above 1935, while there was a tremendous increase in the number of vehicles in use and miles traveled.

Of course, not all of the accomplishment was due to conference activities, but here follows definite conference results:

Obtained passage of drivers' license laws in seven States—Arkansas, Oklahoma, New Mexico, Georgia, Tennessee, Missouri, and Wyoming (a technical error in the Wyoming Legislature compels repassage, but there was no objection). In two States—Illinois and Florida—campaigns for the bills are still being waged, with fair prospects for passage in both. The bill was defeated in South Dakota. The National Conference on Street and Highway Safety, which was succeeded by the Accident Prevention Conference, had tried unsuccessfully since 1924 to obtain passage of the drivers' license bill in the 10 States just mentioned.

Set up State safety organizations, financed locally, in 48 States and many cities. These local committees have been supplied with information on how to organize for safety economically and effectively. They have been working steadily under the general direction of the conference.

Launched a poster campaign to 33,500 public schools designed to induce children to learn to swim. The object of this move was to cut down the 7,500 annual swimming deaths.

Prepared and disseminated to all police departments in the United States in cities of 10,000 and over a booklet instructing officials how to organize and conduct schools of instruction for traffic violators.

In cooperation with C. C. C. camp officials is launching a campaign in all camps to instruct the members in the fundamentals of successful general safety work.

In cooperation with the Bureau of the Census greatly increased, at no additional cost, the weekly, monthly, and annual accident statistical information service.

Supplied newspapers and other publications with important factual matter.

The conference requests $35,000 with which to carry on its work another year, and intends to devote $15,000 of this amount to the question of highway fatalities. It plans to obtain the services of a competent engineer and have him make a careful research into the facts.

The remaining $20,000 would be devoted principally to accelerating rural and home accident prevention work, a very important phase of conference activities headed by Senator CAPPER, of Kansas. Such accidents caused about 37,500 annual deaths, or more than are killed on the highways. Unfortunately, this work has not had due attention this year because of the pressure of drivers' license law campaigns. Senator CAPPER has been active in aiding the conference, and his opinion of its work is reflected in the following quotation from a recent address he made to the Senate:

"Mr. President, in conclusion, I wish to reiterate my position that Congress cannot make a better investment of a small amount of public funds than by providing a more adequate sum for research work by the general committee of the Accident Prevention Conference."

The general committee first entered a request to the Budget Bureau for $50,000 with which to carry on its work during the next fiscal year, but in line with the President's request for economy, a study of the situation has convinced the conference that it can do its work effectively for $35,000, the same amount as was appropriated for the present fiscal year.

LABERT ST. CLAIR, *Director.*

ACCIDENT PREVENTION CONFERENCE,
Washington, D. C., June 8, 1937.

Memorandum for Mrs. ROGERS.

Here is a copy of the memorandum I wrote a few days ago for the Secretary. You may want to make reference to part of it, though I imagine the last three paragraphs on the second page you would not care to include at this time.

I am going to Illinois today and if there are any developments on the drivers' license bill, I will wire you. This would make a good lead for any remarks you might care to make in the House.

As to the expenses of the conference during the last year, they have been very light. We have been able to get our friends to give us a great deal of help. For instance, Barron Collier has just contributed $250,000 worth of street-car advertising space to us, and the total cost of that to the conference will be the actual printing of the cards, which will not exceed $3,000.

I have carried the work of directing the conference in addition to my other duties in the Department without additional compensation, so there has been no charge against conference funds for my work. Other than stenographic and clerical help, the only man on the conference pay roll has been a field worker who has visited various State legislatures and is drawing a basic salary of $7,500 a year.

Most of our expenses will be for printing. We have been able to get booklets written and art work done very reasonably, because I have called on men who have regular jobs and have been glad to do this extra work for small fees. If we had not had the advantage of these savings, the work of the conference could not have been carried on for less than at least double its 1936 cost.

LABERT ST. CLAIR, *Director.*

Dedication of New Federal Building, Magnolia, Ark.

EXTENSION OF REMARKS
OF
HON. WADE H. KITCHENS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 9, 1937

ADDRESS BY HON. JAMES A. FARLEY, POSTMASTER GENERAL

Mr. KITCHENS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, Postmaster General of the United States, at the dedication of the new Federal building at Magnolia, Ark., Tuesday evening, June 1, 1937:

It is not often that I have had the opportunity of visiting the State of Arkansas, and for that reason I am particularly pleased to be in Magnolia today for the purpose of taking part with the citizens of this community in the ceremonies incident to the dedication of your new Federal building.

There is civic and patriotic fervor in ceremonies of this kind, and on an occasion such as this it is only natural that our thoughts go back to an earlier era in order that we may have a better understanding of the circumstances which led to the growth and development of this State.

Even before Arkansas was admitted to statehood the increase in population brought about a demand from the settlers in this territory for new roads and post offices. Before 1819 a road was opened from a point near Benton to Hot Springs and Mound Prairie, and a short time later a road was laid out between Little Rock and Arkansas Post.

The first post office in this State was located at Davidsonville, in Lawrence County, and was established in 1817, and a second post office was opened in the same year at Arkansas Post. The first through-mail service into this section followed the old post trail from St. Louis to Monroe, La., with stops listed at both Davidsonville and Arkansas Post. The mail was carried by post riders on horseback, and the frequency of schedule was once a month.

This new Federal building which we are dedicating here today marks another milestone in the history of the mail service in Magnolia. The first post office to serve this community was established in 1854 with George P. Smoote as first postmaster. This new building has been erected by the present administration for the purpose of enabling the residents of this community to receive better mail service than they have had at any time in the past.

It is one of several hundred post offices that have been and are being constructed throughout the country under the present administration's post-office building program. It was authorized under the act of Congress of August 12, 1935, at which time the sum of $65,000 was allotted for the acquisition of a site and the construction of a new Federal building at this point. On August 13, 1936, this amount was increased by $10,000, making a total limit cost of $75,000.

This building offers visible evidence of the fact that we have in Washington a President and an administration which is actually trying to be of help to the people. Only the historian of the future will be able to properly appraise the far-reaching effects of President Roosevelt's many measures designed to make life a more pleasant and safer experience for us all.

Everything that has been done in Washington since March 4, 1933, has been planned as a help to the worker. Today if he feels that he has been unfairly treated by his employer, he has the right to appeal to an unbiased umpire, the National Labor Relations Board.

If he has saved a little money, he can put it in a bank with the absolute assurance that it will still be there when he wants it; that assurance backed by the financial power of the Federal Government itself. Only those who have seen their life's savings swept away because some bank went under can appreciate what that means. Never again will this country see those long lines of panic-stricken people outside banks hoping that they can get to the window and withdraw their money before that window closes for all time.

With the aid of his Government the small wage earner is today providing for his future security with that nightmare of all, a dependent old age, gone forever.

Perhaps of even greater importance than any of these is the President's determination that what happened in 1929 and the resulting 4 years of disappointment, must never happen again. Overextension of credit for unbridled speculation, palming off of worthless stocks and bonds, whose chief value is the pretty paper they are printed on, are all being eliminated as rapidly as possible. The day of the stock-market racketeer is over.

There is no need for me to cover the whole list. Everybody knows of the work of the National Youth Administration, the Civilian Conservation Corps, which gave to thousands of young men a chance to get off street corners, to earn money, and keep their self-respect. The Federal Government came to the rescue of thousands of communities with money for public improvements already too long delayed. Farms and homes have been saved. Great strides have been made in the fight against soil erosion and floods.

Thanks to President Roosevelt the time is coming when the fact that this is the finest country in the world will really mean that to all and not to the privileged few.

While on the subject of what has been accomplished by the present administration at Washington, I want to take this opportunity of paying particular tribute to your own great statesman, my good friend JOE ROBINSON, the majority leader of the United States Senate. The fulfillment of many of the objectives of the Roosevelt administration has been made possible in a large degree by his brilliant and untiring leadership in the upper branch of Congress. Arkansas has likewise been well represented in the Senate by Mrs. HATTIE CARAWAY, another of a long list of able legislators who have been sent to the Halls of Congress from this State.

Reverting to the subject of postal service, it is surprising the little knowledge the average person has of the Post Office Department, its many duties, and the manner in which it functions.

For that reason I am sure you will be interested in hearing a few words about several of the special mail services. The registry service, undoubtedly the finest in the world, was established in 1855, and down through the years, through its system of records and receipts and protective measures, has provided a safe and

reliable method of transporting valuable or important matter. The losses of such mail are negligible, and for many years the service has been largely utilized by the Treasury Department, the Federal Reserve and other banks, financial institutions, including bonding and brokerage houses, for the safe transmission of huge values of currency, coin, securities, and other valuable commercial paper.

In 1934 gold valued at approximately $3,000,000,000 was safely transmitted from the mint at San Francisco to the mint at Denver in 25 special trains. Quite recently you have read in many newspapers and magazines about the movement by registered mail of gold valued at several billion dollars to the Government depository at Fort Knox.

The insured-mail service is very popular and is extensively used by business concerns and by the public, particularly during Christmas and other holiday seasons for the transmission of gifts. Many persons residing on farms use the insurance service to a considerable extent in shipping their products to the cities. This service is increasing rapidly and during the last fiscal year there was an increase of over 5,000,000 parcels as compared with the insured mailings of the previous year.

The C. O. D. service supplied a long-felt want, as it permits the purchase of articles without the necessity of the shippers granting credit or of customers making payment in advance of the arrival of the goods. It also affords a convenient method of obtaining merchandise which may not be available in the immediate vicinity.

One of the important divisions of the Department is the Postal Savings System. Postal savings first was started in England in 1861 and it is reported that the plan was immediately successful in that country. In the course of time Great Britain was followed by other countries, for it was found that the postal machinery was well fitted to adequately handle the work, but it was not started in this country until January 1911.

The Postal Savings System encourages thrift by supplementing the activities of savings institutions and it affords absolute security in times of financial stress. The Postal Savings System has been called a refuge for the timid. Experience has shown that many individuals will put their money into hiding before they will trust it to a bank, regardless of the financial condition of such institution. I want to say, however, that the Post Office Department is not in the banking business. It is doing everything possible to avoid competing with banks. It has no thought of prying a single depositor away from a regular savings institution. The System is now in operation at 7,300 post offices throughout the United States and its possessions. At the present time we have about 2,700,000 depositors and the total of the deposits amount to approximately $1,270,000,000. Of this amount approximately $120,000,000 are deposited in some 3,500 banks and over $1,000,000,000 are invested in Government securities.

For the convenience of the public, the Post Office Department is also engaged in the sale of United States savings bonds. This activity was started March 1, 1935, and the sales have grown by leaps and bounds. Their popularity is attested by the fact that during the short period that we have been handling them our sales have amounted to approximately $700,000,000.

Another postal facility for the convenience of the public is the postal money order. The popularity of this safe method of transmitting money has grown so rapidly in the 70 years of its existence that there is now scarcely a person in the whole country who does not send or receive money orders. This can be readily realized when it is remembered that last year over 200,000,000 money orders were issued with a value of nearly $2,000,000,000.

The convenience of the American public is considered to such an extent that national boundaries no longer limit the service that can be rendered by the postal money order. In practically every country in the world money-order service is assured, so that families traveling by trailer or by the most luxurious ocean liner may be assured of funds in the country to which they journey. For certain of the European countries the purchaser of a money order in the United States obtains foreign currency at a rate approximating the market rate for foreign exchange. In other countries the amount of the money order is expressed in dollars, and conversion is made into foreign money by the postal service of the place of payment.

The magnitude of the business transacted testifies eloquently to the popularity of the various special activities, and we feel we can be justly proud of the valuable service rendered to the American public through the medium of these postal facilities.

At this time I want to say a word about the fine spirit of loyalty that is at all times displayed by those connected with the Postal Service and to whose care is entrusted the United States mails. It is the one thing that has impressed me more than anything else since I have been in the Post Office Department.

And while on the subject of postal employees, I want to commend your own acting postmaster here in Magnolia, Mrs. Martha C. Monroe, who, with her staff of efficient employees is rendering a fine public service to the residents of this community.

Mrs. Monroe is but one of many women who have been given recognition in the handling of the affairs of Government by the present administration. Several key positions in the executive branch of the Government at Washington are held by women, and in my own Department we have appointed several hundred women postmasters throughout the country, including some at large first-class offices. They have made excellent postmasters, and services performed by women in other branches of the Postal Service is of a similar high quality.

In conclusion I want to place emphasis upon the fact that the main purpose and function of the Post Office Department has always been to render the best possible service to everyone and it has been the aim of the Department through constant research and study to determine how this service could be improved. It has been a pleasure to participate in this dedication and in turning over this building to the citizens of Magnolia I want to express the hope that in making use of its facilities you will enjoy the finest mail service that this community has ever had.

Branch Banking

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. THOMAS of New Jersey. Mr. Speaker, there have been introduced in the United States Senate two bills, S. 2347 and S. 2348, which relate to the establishment and operation of branches of national banks and to the amount of stock of member banks of the Federal Reserve System, which may be owned or held by corporations. These two bills, while seemingly harmless in intent, would bring about untold hardships on the smaller banks operating within State lines in many States of the Union. The bills are a serious threat to not only the autonomy but also the security of many of our State banking systems. I can best illustrate how they would affect the banks in my own State, New Jersey, by reading a telegram from Carl K. Withers, commissioner of banking and insurance in the State of New Jersey, which reads as follows:

Consider proposed McAdoo branch banking bill a serious threat to not only the autonomy but more important the security of our State banking system. Urge your determined opposition and would appreciate knowing your attitude.

I should like to also read various letters which I have received from the officers of banks in New Jersey, every letter, as you will see, being strongly opposed to the passage of these bills.

THE HACKENSACK TRUST CO.,
Hackensack, N. J., May 28, 1937.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN THOMAS: On May 6, 1937, Senate bill 2347 was introduced by Senator MCADOO providing Federal Reserve district-wide branch banking.

New Jersey provides for branch banking within the county in which the parent bank is located The passage of Senate bill 2347 will not only widen the scope of branch banking for New Jersey institutions but will also permit New York and Philadelphia institutions to come into New Jersey.

Too much has already been said concerning the detrimental effects of branch banking on local industry and endeavor so I do not feel it necessary to repeat to you what you already have heard so many times, but I do earnestly beseech you as our representative in Congress to use every effort to bring about the defeat of this undesirable bill.

Yours very truly,

C. H. PLENTY, *Vice President.*

FIRST NATIONAL BANK IN GARFIELD,
Garfield, N. J., May 27, 1937.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

HONORABLE SIR: In behalf of this institution, its 1,300 stockholders, and its thousands of depositors, I am urging you to exert your utmost influence in defeating Senate bills nos. 2347 and 2348, recently introduced by Senator MCADOO.

We feel that these bills, if passed, would be to the serious detriment of the banking interests of this State, especially so inasmuch as we are located adjacent to the financial center of New York City; consequently, their passage would not only seriously affect the banks but also all financial interests of this State. We also believe this would be detrimental to most States in the Union, and it would seem most unfair to allow branch banking in States where the banks of an individual State are opposed to branch banking.

I feel quite confident that you are opposed to these bills but wish to urge your untiring efforts in defeating the passage of the same. Thanking you, I am,

Yours very truly,

B. N. BEAUMONT, *President.*

THE WOOD-RIDGE NATIONAL BANK,
Wood-Ridge, N. J., May 27, 1937.

Hon. J. PARNELL THOMAS,
Washington, D. C.

DEAR SIR: Senator WILLIAM G. MCADOO, of California, as you already know, introduced to the Senate of the United States of America on May 6, 1937, bills no. 2347 and 2348.

It is quite evident that upon passage of both of the above-mentioned bills, banks of the State of New Jersey, especially those located in Bergen County, would witness a loss of deposits and chance of serving their local communities.

We feel, as do the majority of the banks in the State, that it would be improper for Congress to force branch banking upon any State in which the opposition is so unanimously against such measures as put forth in bill no. 2347.

We therefore request that you oppose these two bills, which are a matter of vital importance to unit banks, such as ours, and help carry out the thought of the New Jersey Bankers' Association that the individual State should decide and make laws governing branch banking within its own State lines.

Very truly yours,

J. F. KURZENKNABE,
Assistant Cashier.

RUTHERFORD TRUST CO.,
Rutherford, N. J., May 29, 1937.

Hon. J. PARNELL THOMAS,
Washington, D. C.

MY DEAR CONGRESSMAN: I am taking the liberty of writing you with regard to Senate bills 2347 and 2348, introduced at Washington on May 6 by Senator MCADOO, of California.

You can very readily realize the damage these bills would cause to the banks in a State such as New Jersey, situated in the metropolitan area, and our own banks in the county of Bergen would be extremely hard hit by these two bills. The New Jersey Bankers Association, at their recent convention, held at Atlantic City, went on record as firmly opposed to both of these branch-banking bills and asked that Congress pass no legislation at this time that would in any way extend or increase branch banking.

The legislative committee of our own county believes it would be improper for Congress to force branch banking upon any State in which the majority of the banks are opposed to branch banking as referred to in the bills mentioned.

I would, therefore, greatly appreciate your cooperation in vigorously opposing the two bills.

Very truly yours,

CHARLES A. VAN WINKLE,
President.

CLOSTER NATIONAL BANK & TRUST CO.,
Closter, N. J., May 27, 1937.

Hon. J. PARNELL THOMAS,
Congressional Building, Washington, D. C.

DEAR SIR: We understand that on May 6, 1937, Senator WILLIAM G. MCADOO, of California, introduced Senate bills no. 2347 and no. 2348.

Senate bill no. 2347 would authorize national banks, with the approval of the Comptroller of the Currency, to establish branches within the boundaries of Federal Reserve bank districts in any State which permits branch banking.

In our opinion, such a law, if enacted, would be unjust to the banks licensed to do business in the State of New Jersey, of which there are plenty. If this bill were enacted into law, we see nothing to hinder New York City banks from opening branches in Bergen County in competition with New Jersey bankers, which, in our opinion, would have a most detrimental effect. We believe that both of the Senate bills should be vigorously opposed.

We sincerely trust that it will be possible for you to direct your efforts to the defeat of this legislation.

Sincerely yours,

ALBERT T. SNEDEN, *President.*

THE BANK OF BOGOTA,
Bogota, N. J., May 28, 1937.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

MY DEAR MR. THOMAS: We wish to register with you our objections to Senate bill no. 2347, introduced by Senator MCADOO, of California, which would permit the establishment of branches by banks within its respective Federal Reserve district.

We in New Jersey would be particularly affected by the passage of this bill on account of our proximity to New York City, the main financial section of the country. The southern part of the State would be affected similarly on account of its proximity to Philadelphia.

Senate bill no. 2348 would likewise be detrimental to the interests of the private banks in this State. Accordingly, we solicit your assistance in doing everything within your power to defeat both of these measures.

Very truly yours,

ANTHONY POPE, *Cashier.*

THE NATIONAL BANK OF PALISADES PARK,
Palisades Park, N. J., May 28, 1937.

The Honorable J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

DEAR SIR: At the bankers' convention held in Atlantic City on May 20, 21, and 22, the undersigned had the privilege of listening to the proper explanation of Senate bills 2347 and 2348, which has reference to branch banking and the establishment of branches in the boundary of the Federal Reserve bank district in any State.

The information was submitted to our board of directors on Monday evening, May 24, and it was unanimously agreed that any bill adopted such as the aforementioned will be detrimental to any individual bank and its progress.

We therefore urge you, our Representative, to please oppose Senate bills 2347 and 2348. It is our belief that this is the unanimous opinion of all of the banks of the Bergen County Bankers' Association as well as the New Jersey State groups.

Thanking you for your attention in this matter, we remain,

Yours very truly,

THE NATIONAL BANK OF PALISADES PARK,
EDWARD R. BOYD,
Vice President and Cashier.

THE DUMONT NATIONAL BANK,
Dumont, N. J., June 2, 1937.

Hon. J. PARNELL THOMAS,
Washington, D. C.

DEAR SIR: The directors of our institution respectfully request that you cooperate with them by vigorously opposing Senate bills nos. 2347 and 2348, concerning branch banking, introduced by Senator WILLIAM G. MCADOO, of California; which bills, in their opinion, will if passed work a great hardship on all the smaller banks in the State of New Jersey and the Nation.

Respectfully,

THE DUMONT NATIONAL BANK,
JACOB HILL, *Cashier.*

THE NORTHERN VALLEY NATIONAL BANK,
Tenafly, N. J., June 2, 1937.

Congressman J. PARNELL THOMAS,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN THOMAS: The board of directors and officers of The Northern Valley National Bank of Tenafly wish to go on record as opposing the passage of Senate bills no. 2347 and no. 2348 relating to a change in the laws affecting branch banks.

We trust you will register your vote against their passage.

Yours respectfully,

H. N. WADHAM, *President.*

THE NORTH JERSEY TRUST CO.,
Ridgewood, N. J., May 28, 1937.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

SIR: It has come to our attention that Senate bills no. 2347 and no. 2348 have been introduced at Washington.

We would appreciate any effort you might put forth to have these bills defeated.

Respectfully,

DAVID E. ROMAN, *Treasurer.*

PALISADES TRUST & GUARANTY CO.,
Englewood, N. J., May 28, 1937.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

DEAR MR. THOMAS: Referring to proposed Federal legislation looking toward further authority in connection with branch banking, you are advised that this institution is opposed to any legislation of this sort, as we believe are banks generally in the State.

We trust that you will use your best endeavor to defeat any such legislation, which we believe is in the best interest of bank depositors and patrons of the State.

Respectfully yours,

J. F. MCKINNEY, *Treasurer.*

BOGOTA NATIONAL BANK,
Bogota, N. J., May 27, 1937.

Hon. J. PARNELL THOMAS,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: We want to register with you our opposition to Senate bills nos. 2347 and 2348, permitting national banks to establish branches within the boundaries of Federal reserve bank districts, and prohibiting holding companies from owning more than 10 percent of the stock of any bank which is a member of the Federal Reserve System.

We hope you will see your way clear to oppose this legislation.

Yours very truly,

FRANK O. HORDICH, *Cashier.*

WESTWOOD TRUST CO.,
Westwood, N. J., May 27, 1937.

Hon. J. PARNELL THOMAS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN THOMAS: For reasons probably made known to you through our State and county bankers associations, may we respectfully request that you use your best efforts to defeat Senate bills nos. 2347 and 2348.

Very truly yours,

C. M. CHRISTIE,
Secretary-Treasurer.

Identical Sealed Bids Received by Government Agencies

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 9, 1937

LETTER FROM THE ATTORNEY GENERAL OF THE UNITED STATES

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following letter written to the President by the Attorney General of the United States.

The PRESIDENT, APRIL 26, 1937.
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: By direction of the President, this Department has considered the question of identical sealed bids received by Government agencies seeking to purchase steel products to determine whether court proceedings should be instituted under the antitrust laws.

The Federal Trade Commission made a report to the President dated June 10, 1936, reaching the conclusion that collusion in maintaining prices accounted for identical bids, and that this collusion was particularly evidenced by an agreement of steel producers on June 6, 1935, when, following the decision of the Supreme Court invalidating the N. R. A. codes, they adopted a resolution declaring their intention "during the present uncertainty to maintain * * * the standards of fair competition which are described in the Steel Code."

The question, therefore, in which this Department is concerned is whether the administrative remedies in the control of the Federal Trade Commission, by way of a cease and desist order, should be superseded by criminal or civil proceedings instituted in the courts by this Department.

This Department has conducted an extensive investigation over a large part of the country, which included examination of the correspondence, files, minutes of directors' meetings, and other records of 38 large steel producers, and interviews with 48 steel fabricators, 66 jobbers, many large consumers, and the directors who were present at the June meetings of the American Iron and Steel Institute.

After examining the information obtained in the above manner, I conclude that the investigation has not produced sufficient evidence admissible in civil and criminal litigations to make advisable proceedings in court or under the antitrust acts, as they have been construed by the courts.

The administrative and quasi-judicial remedies in the hands of the Federal Trade Commission may be better adapted to the control of the subject matter of this particular complaint than action by the Department of Justice. The identical bids in the steel industry are produced, in part, by the basing point system of price determination. This system, long used in the steel industry, not only affects the manufacturers who utilize it and the consumers who are subject to it but it also presents economic and social questions, due to the fact that communities as well as plants have been located and developed with reference to the price structure developed by this system. The machinery of the courts is not geared to the handling of the social and economic factors necessarily involved, and many persons and communities seriously affected cannot be parties to a court proceeding under the antitrust laws. It appears, therefore, that a problem is presented which can be more satisfactorily investigated and dealt with through the more flexible remedies of the Federal Trade Commission.

The question before us is broader, however, than that of identical bidding in the steel industry. The type of practices complained of in this instance is widespread throughout many of the basic industries of the country. The difficulty in correcting this situation raises the whole question as to the adequacy of the present antitrust laws for the solution of the monopoly problem as it now exists in the United States.

In my opinion the time has come for the Federal Government to undertake a restatement of the law designed to prevent monopoly and unfair competition. This proceeds from the conviction that the present laws have not operated to give adequate protection to the public against monopolistic practices.

After 24 years' experience with the Sherman law and its judicial interpretations, the Congress enacted the Clayton Act and set up the Federal Trade Commission. After nearly 20 years' experience, in 1933, the National Recovery Administration was established. Many other laws dealing with phases of the industrial question have been enacted and others are in contemplation. A review of the accumulated experience of the last 47 years would indicate many things to be avoided, as well as many to be accomplished, by a revision of our antitrust laws.

Moreover, these laws have been subjected to court interpretations which from time to time have limited their application, modified their meaning, and imposed upon the Government impossible burdens of proof.

A long experience with the difficulties of enforcement furnishes a sound basis for improving the enforcement machinery. This Department has labored with inadequate means to enforce laws that do not provide sufficient legal weapons to make enforcement effective. In the face of a present tendency to increase prices and a necessity for a corresponding increase in the vigilance of the Department the question is forcibly presented as to whether the country can afford to leave the enforcement of a vital economic policy so poorly sustained. The present machinery of enforcement through the Federal Trade Commission also should be made more adequate and effective, and the devitalizing effect of some of the court interpretations upon its powers should be overcome by legislation.

I therefore recommend that there be set up a committee to study the antitrust laws as to their adequacy, their enforcement, and the desirability of amendment, extension, and clarification. The committee should have power to enlist the aid of consultant groups, both within and without the Government, as the studies will naturally cover a wide area, including the relation of antimonopoly policies to such subjects as patents, taxation, commerce, manufacturing, farming, and labor.

Respectfully,

HOMER CUMMINGS, *Attorney General.*

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. JOHN W. GWYNNE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 21, 1937

On the joint resolution (H. J. Res. 361) making appropriations for relief purposes

Mr. GWYNNE. Mr. Speaker, the so-called relief bill is an example of government at its worst. It is the latest but not the last chapter in the history of a relief program whose adoption was one of the great mistakes made by this country. It is a glaring example of improper relief and improper government. Of course it is an unpopular thing to criticize relief. The cry is immediately raised, "Do you want to starve the people?" If people ever starve in this country it will be the result of our own fallacious policies. It will be when the Government has eaten up its own resources, ruined its credit, and destroyed the opportunities of the people to support themselves. That we are rapidly traveling the road to that tragic end seems to me clearly apparent.

Of course, everyone believes the unemployed and the unemployable should be taken care of. To the general welfare of all, every dollar of money and every drop of blood is pledged. Civilization has given an affirmative answer to the question, "Am I my brother's keeper?" However, no relief program should be adopted which is in utter defiance of the laws of economics, of good government, and of human nature.

In the first place, it should be borne in mind that we are an individualistic people, maintaining an individualistic government. It is a government based upon constitutional limitations and definitely reserving to the individual both his liberty and the responsibility for his own welfare. This Government is supported by a society based upon personal initiative and ingenuity and rewarding individual success. That great progress and great happiness is possible under such a government and society is demonstrated by our own history. That march of progress was temporarily halted by the World War and the world-wide depression which followed it. In that perfectly natural and temporary crisis the determination of this administration that the entire resources of the Federal Government should be placed behind every individual was a wise and humane decision. It was inevitable that the Federal Government must do something about relief. It was unfortunate that the method adopted was unwise and dangerous in the extreme.

What should be demanded of a relief program? First, it should be economical; second, it should not destroy the morale of those getting relief; third, it should be designed to assist in every way possible those on relief getting back to their regular work; fourth, it should not endanger the form

of government and society which, after all, makes the relief possible. Judged by these standards, the present relief set-up is wrong.

Much has been said about the wastefulness of the Relief Administration, of the expenditure of millions for projects, completely useless, and in many cases undesirable—of Passamaquoddy, of the Florida ship canal, of the hundreds of leaf-raking, book-measuring jobs all over the country—of the ridiculous Tugwell made-to-order cities, of the many socialistic experiments conducted with tax money, taken from people who, in the main, do not believe in socialism.

Some day the story of Federal relief will be written by the impartial historian and conclusions drawn for its shortcomings. I suspect he will not put the blame on any one individual, but rather on the general plan of centralized, undemocratic administration. Every one who has had experience with relief knows its difficulties. The supervision of the work for one county requires the skill and energy of the best man in that county. Imagine multiplying this task 3,000 times and putting in charge of it a man whose principal experience has been in social work. It is a sufficient commentary to say that the figures disclose that of every Federal dollar appropriated for relief approximately 61 cents actually gets into the hands of the person on relief.

How different the story would have been had we recognized the theory accepted at the very beginning of our Government, that relief is first of all a local problem; that the order of liability for any individual's welfare is: First, the individual himself; second, his immediate relatives; third, his local community; fourth, his State; and, last, the Federal Government. The administration of relief should have been by local people, preferably by a nonpartisan board made up of the most responsible and capable people in each community. A matching of part of the funds by States and local communities would have improved the chances for economical administration. A nonpartisan administration of it would have removed many of the dangers now clearly apparent.

In testifying before the Appropriations Committee Mr. Harry Hopkins said that, in his judgment, the Federal Government must forever remain in the relief business. If this be true, then it is imperative that the administration be placed at once on an economical and nonpartisan basis. We are being told that we shall have permanently five or six million unemployed in America. If we keep on with our present policies, this will probably be true. We seem to have returned to the old fallacy that the way to prosperity is to get by law higher prices for producing less. If this plan has ever worked successfully, history fails to record it. If we continue a system of vast Federal directed relief, we must expect a Government control of our daily lives such as Americans have never experienced. The pressure of various groups demanding more and more from the Public Treasury will constitute a baneful influence over good Government. No one has stated this better than Jay Franklin in the Washington Star of May 27:

> Indeed, much of the political success of the New Deal is due * * * to a shrewd use of relief funds and Federal projects to keep the faithful in line.

In the interest of those on relief, those who pay the taxes and those who desire good Government, this bill should be defeated.

Party Responsibility

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, June 10 (legislative day of Monday, June 7), 1937

ADDRESS BY AMBASSADOR JOSEPHUS DANIELS BEFORE THE LEGISLATURE OF TEXAS AT AUSTIN, MAY 21, 1937

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD an address by Ambassador Josephus Daniels before the Legislature of Texas on May 21, 1937, on the subject of Party Responsibility.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In thanking you for this honor, I cannot fail to acknowledge the debt I owe to Texas statesmen. Not long ago, at Palestine, I paused to remove my hat and pay silent tribute at the grave of John H. Reagan, whose leadership in curbing railroad rebates and like evils resulted in the establishment of the Interstate Commerce Commission. I was proud, as a young editor, to be one of his followers. Coming to this empire State carries me back to the Cleveland era. The Democratic Party at that time was torn between a robust advocacy of genuine tariff reform and a sham policy of high protection masquerading under the term "incidental protection." It was that great Texan, Roger Q. Mills, who stood in Congress foursquare as the uncompromising apostle of genuine reform. I learned lessons about tariff principles from him from which I have never departed. Those who recall the bitter conflict of those days between real and camouflaged tariff reform are confident that if the Democratic Party had been united behind Grover Cleveland and Roger Q. Mills in their sound tariff policy the tragedy of long exclusion of the party from power would not have been witnessed. Lack of party responsibility and solidarity defeated the goal of the party in those days.

Because of like convictions I have almost always found myself closely associated with Texans in national political affairs. I can never forget with what joy the advocates of the nomination of Woodrow Wilson hailed the result of the primaries in Texas, the first State of importance to send a solid delegation to Baltimore, where it took the leading part in bringing about the nomination of the great war President. That was a notable convention, and Texas militant Wilsonians formed the phalanx of victory. After Wilson's inauguration there was a saying at Washington, "This is the Government of the United States by the Commonwealth of Texas." Three Texans were in the Cabinet, including your townsman, my valued friend Albert S. Burleson, who set a record as Postmaster General so high that no successor has even approached it until Jim Farley's accession. With Colonel House as an intimate adviser of the President, and stanch Tom Love, and beloved Cone Johnson, and many other Texans in high positions, it could be truly said in those days that "where Texas sat was the head of the table." This was not only true in the administrative field but also in the Halls of Congress. Though in declining health, Senator Culbertson was a tower of strength in upholding the Wilson policies, and Senator MORRIS SHEPPARD, then as always, stood consistently foursquare in advancing the principles and policies which gave glory to the Wilson administration. Again, as in Cleveland's time, after the distinction of winning a great war without scandal or graft, a division in Democratic ranks sent the party into the wilderness for 16 years. However, it is to the glory of the Lone Star State that there was no defection in the ranks of the Texans in and out of Congress, where others were faithless. Texans stood firm in fidelity to their principles and to the forward-looking leader in the White House, who incarnated their convictions and aspirations. They bore large part in securing his elevation and stood without wavering or division in the upholding of his hands.

Again in 1932, at a critical moment in the Democratic national convention in Chicago, it was the vote of Texas, along with that of California, thrown solidly for Roosevelt, which insured the nomination of that illustrious statesman, who has led the country out of the slough of despond to the high hill of more diffused prosperity than the Republic has hitherto known. It was a scene never to be forgotten when the tall figure of Senator TOM CONNALLY, speaking for all Texas, announced that the vote of Texas would be cast for Franklin D. Roosevelt. That ended the contest. That convention, partly in high appreciation of the decisive action of Texas, but chiefly in recognition of his fitness for the high office, evidenced by a distinguished career in the House, named a great Texan, John Nance Garner, for the Vice Presidency. That winning team was elected in 1932 by a great majority and in 1936 received a vote of confidence unprecedented in history. It was given them in the shape of a mandate to carry on until equality of opportunity is guaranteed to every citizen of the Republic. In the measures to carry out the pledges of their party the country has looked to Texas now as in the Wilson days to be as solid as the Rock of Gibraltar. And in almost every instance it has not been disappointed. Indeed, seeing that Texas statesmen have held the chairmanship of more important committees in Congress than any other two or three States, in addition to high public positions held by Jesse Jones, SAM RAYBURN, and other able men of your State, it is often said in Washington that Texas is again a dominant force in national affairs. I wish time permitted me to speak more fully of the leadership of your State at Washington, but here in Texas as well as in all the Republic, the splendid record is familiar, and to express appreciation of the able leadership of your young and progressive Governor and the constructive legislation of this body.

In this cursory reference to the highlights in the modern politics of Texas, I have not sought to speak in a partisan sense but rather to illustrate the American plan of government by parties as shown in the instances cited. Of late we have heard much of the possible changes in the American policy. From the election of Adams—for Washington was above party allegiance and feared the effect of party spirit—ours has been a government of parties. Will it continue thus to depend upon two great parties, or will the voters, as in some European countries, become divided into a

number of small parties or blocs, or look to nonpartisan bodies to shape the policy of government?

One of the most significant trends of recent years discloses an attempt of a State to free its legislators from party and, by the introduction of a single legislation house, with members free from party tradition or platform, to initiate and carry out the policies of State legislation. All thoughtful citizens will watch with interest the experiment which that great American, GEORGE W. NORRIS, has enterprised in Nebraska. He is the best illustration America boasts of pure nonpartisanship. The fact that he is the author of a nonpartisan one-chamber legislature insures serious consideration of its value. Reports from Nebraska last week indicate a large measure of satisfaction in the proceedings of the session just closed. If it works well we may witness its adoption—for it has the virtue of economy and celerity—it may be adopted in other States, and is indicative of the growth of sentiment in its favor. It is enough to say that a proposition for Texas to adopt a like plan received nearly fourscore votes at this session of your legislature.

Even so, and a one-chamber legislature need have no connection with replacing party government, the plan and other movements raise the question whether disintegration of parties is to be expected; or if not disintegrated, the possible establishment of a new political party to meet new conditions.

Along with the new creeds of Americans in politics and government and economics that voters should examine all things and hold fast to that which is good, we have witnessed a transformation as to party allegiance, the significance of which may not have been fully appraised. It is only a few years ago that 90 percent of the voters were enrolled for life in one of the two great political parties. They were not only enrolled but regarded themselves as members of a militant army whose orders it must obey under penalty of being regarded as guilty of party treason. This alinement was so deeply rooted that not even the panic of 1890–96 could do more than make a temporary dent in its solidarity. To be sure, in the West many liberal Republicans crossed over and voted for Bryan in 1896, and in the East many Democrats called conservatives declined to vote their party ticket. That split had a short life and the old line of cleavage soon again manifested itself.

Again in 1912 we were invited to behold the breaking up of the old parties when, under the leadership of the strenuous and militant Theodore Roosevelt, the Republican Party was cut in two, and, except in New England and the South, where tradition is more deeply embedded than in any other part of the country, political shifts seemed to justify the prediction that the Republican Party was dead and that a new party, as when the Whig Party passed out, was in the offing.

Eight years later all such prophecies went into the scrap heap, as the elephant moved ponderously into the White House for an uninterrupted occupation of 12 years. During that period, when an attractive Democratic candidate carried only two Northern States and lost all the Southern States except five, a call was sent out and the date fixed for the funeral of that Democratic Party. But the mistake of the funeral orator was that he stood at the foot of the donkey as he conducted the obsequies, and when the donkey's heels hurled through the air the conductor of the funeral was so dazed that he never recovered sufficiently to know what struck him. The donkey has refused to repose in the sepulcher prepared for his remains, and thrown off the habiliments of death as completely as the elephant had done in 1920. In his resurrection in 1932 he had not only been restored to vitality but his heels had made such dents on the hide of the elephant as to make him groggy, and in 1936 had driven him to a narrow pasture on the Canadian border line. And now they are preaching the funeral of the Republican Party again. My advice is that the funeral orators beware of the fate of those who sought years ago to inter the donkey. The elephant's hide is thick, and he does not even know when a javelin of antivotes has pierced his body.

The two dominant parties, with some changes in the parties opposing the Jeffersonians, have for over a century, sometimes up and sometimes down, shown such strong hold on life and possessed, and still possess, so many adherents, that I am skeptical about current prophecies of the demise of either of them to make room for such party adjustments as could put all the liberals in one party and all the conservatives in another party, so that in elections the issue would be clear-cut. Such a condition would be gladly hailed by many. It is an anomaly, for example, that in the most important issues Editor William Allen White in Kansas, and Editor Josephus Daniels in North Carolina, regularly go to the polls and kill each other's vote, with the frequent result that the very causes dear to their hearts are crucified. Logic certainly demands a shift in political parties, but when an attempt is made to move men as pawns on the board, the syllogisms taught in the schools do not work out according to rule. Rather the statement of Woodrow Wilson as to logic seems to be proven. There was one member of his Cabinet—Secretary Redfield; he had a heart of gold—who had great reverence for logic, spelling it with a capital "L", and invoked it on all occasions. He had the habit of concluding every argument upholding his position with the query: "But, Mr. President, does not the logic of the situation conclusively prove this position?"

After listening many times to that too-simple settlement of every question, one day President Wilson made this answer: "Yes, Mr. Secretary, you are quite right, except for one thing."

"And what may that be?" asked the Secretary, who could not be persuaded to admit that any of his conclusions were not correct. The President laconically repeated, "You are quite right, Mr. Secretary, except for one thing, and that one thing is, 'There ain't no sech a thing as logic.'"

Logically voters who think alike should vote together, and parties should be made up of men who hold to common principles. And that ideal has been reached in some periods of our history. In other periods, judging from the lack of difference in platforms and candidates, and in acts of government, the man seems justified who said that "party platforms are made to get in on, not to stand on." While the genius of democratic government seems to require administration by a responsible political party, with a strong opposition party, history of elections and administrations in recent years must convince all that the day of organizing political parties like armies and drilling them for battle, with punishment if one soldier passes over to the opposition, has gone into innocuous desuetude. If there be any who doubt that there has occurred a revolution in party allegiance, it is needed only to examine the election returns when Al Smith was defeated by Hoover in 1928 by an impressive vote and to contrast it with the swing-over in the two recent elections that placed Roosevelt in the White House. In both instances, and in every case for decades, the voters have not turned to a new party, though several have arisen, but have given their suffrage to the party whose candidate convinced the majority that its policies and its spokesman represented the best in government. Even Texas, rock-ribbed in its democracy, is not proof against voting for the opposition Presidential candidate, as witness the vote in 1928. Other great States make a habit of shifting their votes from one party to another. California made possible the election of Cleveland, and Wilson in 1916. In all other elections until 1932 regularly gave its majority to the Republican candidate. Outside of New England and the South, party ties sit so lightly that no man can safely predict the result of the vote in any election.

I am one of those who believe that party government is a fixed American institution and will continue to be, but I am also profoundly convinced that old-time blind allegiance and party regimentation belong to a past that is dead beyond recall. As to the future alinements, in view of the fact that in 1936 California gave Roosevelt a majority of nearly a million, Pennsylvania gave him three quarters of a million, and New York gave him a majority of over a million, and he had a majority in the Republic of over 11,000,000 with every electoral vote of the 531 except 8, who can safely predict the future status of the political parties?

One thing is sure; no party that does not keep its promises may hope to continue long in power. Inasmuch as it is the Democratic Party which has been chosen as the present instrument of reform, is it not clear that if it should falter and fail, help and deliverance would come from another quarter and the recreant party in power would be cast aside? In this connection, the country which overwhelmingly voted for the Roosevelt program as set forth in the Democratic platform and in the President's promises in the campaign, expects all public officials to find ways by which government by popular mandate will be effective. What were the pledges that were approved in November by 28,000,000 voters? They were succinctly set forth in downright plainness by Mr. Roosevelt in his last political speech of the campaign in these words, significant of his earnestness and sincerity:

"Of course we will continue to seek to improve working conditions for the workers of America—to reduce hours that are overlong, to increase wages that spell starvation, to end the labor of children, and to wipe out sweatshops. Of course we will continue every effort to end monopoly in business, to support collective bargaining, to stop unfair competition and to abolish dishonorable trade practices. For all these we have just begun to fight.

"Of course we will continue to work for cheaper electricity in the homes and on the farms of America, for better and cheaper transportation, for low-interest rates, for sounder home financing, for better banking, for the regulation of security issues, for reciprocal trade among nations, for the wiping out of slums. And, my friends, for all these we have only just begun to fight."

Of course, we will continue our efforts in behalf of the farmers of America. With their continued cooperation we will do all in our power to end the piling up of huge surpluses, which spelled ruinous prices for their crops. We will persist in successful action for better land use, for reforestation, for the conservation of water all the way from its source to the sea, for drought and flood control, for better marketing facilities for farm commodities, for a reduction of farm tenancy, for encouragement of farmer cooperatives, for crop insurance, and for a stable food supply for the Nation. For all these, too, we have only just begun to fight.

Of course, we will provide useful work for the needy unemployed, because we prefer useful work to the pauperism of a dole.

Of course, we will continue our efforts for young men and women so that they may obtain an education and an opportunity to put it to use. Of course, we will continue our help for the crippled, for the blind, for the mothers—our insurance for the unemployed—our security for the aged. Of course, we will continue to protect the consumer against unnecessary price spreads, against the costs that are added by monopoly and speculation. We will continue our successful efforts to increase his purchasing power and to keep it constant.

And for these things, too, and for a multitude of things like them we have only just begun to fight.

If the Republicans were in control, the people would expect them to fulfill their promises under the penalty of condemnation and defeat. The country—this means all parties—looks to the party in power to make good its pledges. It will accept no excuses or explanation. If by recreancy to promises, or division as to ways and means, the Democratic Party fails in this crisis, only

in that emergency—which would mean political suicide for a party with a peremptory mandate—would there be the possibility of a strong new party to carry forward the measures decreed by the people at the ballot box in 1936.

The Republicans have preempted the position as the conservative party. There is no place or future for the Democratic Party except as a militantly liberal and progressive party, blazing new trails for the common weal. If men charged by the voters as trustees should fail, as certain as that night follows day a new party with courage and vision would rise up to meet the natural and proper demand of a people who will not permit any retreat in their mobilization for social justice.

No party can escape responsibility and not pay the penalty. But party government will not end. With all its limitations, it is a fixed American institution, and the only one devised to combine responsibility with opportunity of carrying out the will of free men.

Louisiana State University Commencement

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Thursday, June 10 (legislative day of Monday, June 7), 1937

SPEECH BY THE HONORABLE JAMES A. FARLEY BEFORE THE LOUISIANA STATE UNIVERSITY COMMENCEMENT AT BATON ROUGE, LA., MAY 31, 1937

Mr. OVERTON. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an address delivered by Hon. James A. Farley at the commencement exercises of the Louisiana State University at Baton Rouge, La., on May 31, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is an inspiring experience to come here and see this great, and in its present form, almost new educational institution. The growth of its student body, of its buildings and of the character of its work is almost without parallel among American institutions of learning. The record is impressive. In 12 years your student body has grown from 1,400 to 7,300, a number which ranks Louisiana State among the great universities of the Nation. Over a period of 7 years which covers the worst depression in history you have found the money to increase the sums appropriated by the State from $800,000 to $2,500,000, a mark of generosity and devotion to education that will find few parallels. I want to compliment those in charge of the university, those administering the State government and the citizens of Louisiana as a whole for this magnificent achievement.

What you have spent on this university is the most lasting investment that your State can make. It will pay dividends for generations to come. Leaders trained here will go out into the life of the State, enriching it in all of its aspects. Your excellent medical school, respected throughout the United States, is building for better health and better citizens. Your law school, already outstanding, builds for statesmanship and law and order among the people. Your agricultural department means better farms and better farmers. Your graduate school, the largest in the South, means the extension of research and the training of experts. It has wisely instituted a method by which the results of this research can be made known to the public at large through the publications of its University Press. And so with all of the other departments of this great institution. A university gives vitality and strength to all of the public and private schools of the State. It is the capstone of the whole educational structure. Jefferson recognized that in building up the educational system of Virginia. At the end of his long life, he built the most lasting monument to his memory—the University of Virginia.

We whose duty it is to study national trends have observed with genuine pleasure the recent and remarkable growth of southern leadership. It is apparent today in countless fields. In the field of government it is illustrated by the record number of southerners occupying major positions in both Houses of the Congress and by the thousands of men and women of the South who are proving capable and dependable public servants in the administrative branch of the Government.

In science this new leadership is reflected in the remarkable series of discoveries which are paving the way for great new southern industries utilizing once useless raw materials.

In literature we see this leadership reflected in the number of southern men and women who have produced great books justly awarded national prices for excellence. Again we see it in the increasing number of thought-provoking southern periodicals. The Journal of Southern History and the Southern Review, both published here at the Louisiana State University, are outstanding examples.

Behind such encouraging signs of southern progress we can observe even more encouraging signs for the future. I refer to the laying of a foundation for leadership far surpassing anything either the past or present has witnessed. That foundation, of course, is a thorough and widespread system of education for all. No better example can be found than the Louisiana school system, which has made such amazing strides toward stamping out illiteracy in the last 15 years. Louisiana State University is an admirable capstone for such a system.

I have been interested in government all my life and, as you know, I have given a great part of my life to active participation in public affairs. It is therefore with a special satisfacton that I see what can be done for the citizens of a State by their government. The building of this great institution of higher learning through the determined efforts of your leaders shows clearly what can be done when government devotes itself to the real service of the people.

First of all, this institution is a living example of what a State can do for education. And in the second place, it offers the promise of what a university can do in the long years ahead for the public life and government of the State.

Experience has taught me that a State administration cannot long remain in power unless it actually serves the public. It must give the people the substantial and permanent things that they need. Otherwise it will crumble away and disappear. Such a victory as the Democratic administration enjoyed nationally in the last election could not have occurred if the Roosevelt government had not done two things: First, pursued a set of policies which helped the Nation out af the depression, and, second, embarked upon a course of action which was designed, in the long, as well as in the short, run, to improve the well-being of the average citizen.

I am glad, too, that in the spirit of a true public institution this university has made it possible for the benefits of education to be enjoyed by all of the people and not merely by a small group of people whose economic well-being sets them aside from the rank and file of citizens. In the true spirit of democracy this university has given students of limited means opportunities for education enjoyed in the past by only a limited few. It has provided inexpensive board and lodging for them, and, through foresight in the planning of its stadium, it has combined in one building the opportunity for the enjoyment of healthful outdoor sports and for the housing of students. It has also observed a sound and just principle in creating broad opportunities for education to women as well as to men. It is in truth an institution which embodies the democratic principle of opportunity for all—rich and poor, young and old, men and women.

It is fitting, therefore, that adequate recognition be given by the State and by the Nation to the part played by one of your outstanding leaders in the development of this institution. Some of his accomplishments may grow dim with the passing of time, but this university will remain for centuries as a monument to the unselfish zeal in the cause of education of your late distinguished United States Senator Huey P. Long.

So much for what a government can do for education. But what of the service that universities can perform for government? Universities can train professional specialists who are indispensable to the conduct of modern government. Practical people realize that specialists are necessary to a greater and greater extent as our economic and social life becomes more and more complex. For that reason in all of our departments in Washington, including my own, we are bringing in trained men selected on the merit basis and protected in their positions in order that they may serve the broad interests of the country. I frankly do not want to see government entirely conducted by men appointed on a permanent basis. That would introduce too much of the element of bureaucracy into the Government. Our public service must be refreshed constantly by men in private life who are in broad sympathy with the humane purposes for which the people vote at the polls. But there is a dividing line that we all recognize between those who are introduced into the Government for the purposes of directing policy and those who are employed for the technical and professional services they can render.

Another service that universities can provide for government is to offer, under the great American principle of freedom, a public debating ground for the discussion of public policies. A free government cannot exist without debate. Wherever there is an attempt to bring all people into conformity with some established authority and to prevent a free examination of public questions, autocracy grows and liberty dies. A great university is dedicated to such freedom, and those who participate in its benefits should be limited only by their sense of good taste and of obedience to the law. All government needs active and free-spoken criticism. It is true that criticisms of one's public acts are not always pleasant things to hear. I have probably been subjected to as much criticism as anyone. But I have always recognized that it is only good sportsmanship to take it with a smile. Jefferson once said that he would rather have newspapers without government than government without newspapers. Something like that might well be said of universities.

But this university is only one of the many reasons why the people of Louisiana should feel proud in their achievements in the past few years. This great State, through its public roads and other public works, through its aid to farmers and workers, through its many legislative acts intended to offer broader social justice to all classes of the people, has shown how vital a part a State can play in our Federal Union. Under our Constitution the National Government is allowed to do only a limited number of things. Practically all the rest are left to the States. The American State is a great proving ground for progressive governmental efforts in behalf of human welfare.

We live under a Federal system. No matter how much the Government at Washington may do for the people, basically the States must play an equally important part in government. Whenever the States, through indifference to these responsibilities, tend to throw upon the Federal Government the major responsibility for the great tasks that confront modern government, the end of our Federal system will be at hand. Some things can best be directed from Washington. But there are many others that can best be done by the States and by the local communities.

The State of Louisiana, through its self-reliance and its intimate concern for its citizens' needs and rights, has set a good example. Let us keep alive the great principle embodied in our Constitution—the principle of 48 Commonwealths united in a great Federal system. The rights and responsibilities of the States must never be overshadowed. The Federal idea is the cornerstone of our liberties.

And so I want to extend my gratitude to the State of Louisiana, to its people, to those in positions of authority in its government, and to this university for the greeting and honor that have been bestowed upon me. And in so doing I offer my congratulations to this State for its progressive government, for its many services to the people, and, in particular, for its great service to the cause of education for all the people.

New England Flood Compact

EXTENSION OF REMARKS

OF

HON. AUGUSTINE LONERGAN

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, June 10 (legislative day of Monday, June 7), 1937

EDITORIAL FROM THE HARTFORD TIMES, JUNE 7, 1937

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Hartford Times of Monday, June 7, 1937, on the subject of New England Flood Compact.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE NEW ENGLAND FLOOD COMPACT SITUATION

A year ago Congress told New England that if it would buy the land for reservoirs that would control floods in three of its river valleys the Federal Government would build the reservoirs.

The States have practically completed their part of that bargain as far as the Connecticut River Valley is concerned. Vermont, New Hampshire, Massachusetts, and Connecticut have written a compact which apportions the cost of doing what the Federal Government asked. Vermont and Connecticut have ratified the compact, Massachusetts and New Hampshire are on the way to doing so.

In face of that prospective agreement the Federal Government has seemed to retreat from its own offer and to plan to tie New England into a country-wide scheme for flood control, conservation, soil protection, and hydroelectric power development, all under Federal auspices.

Clashing views on this, expressed in bills offered by Senator NORRIS and Representative CONNERY, threaten to delay all action.

In his message to Congress President Roosevelt said that "It is not wise to direct everything from Washington." That applies directly to the Connnecticut Valley situation, and the States concerned are fully justified in asking that their peculiar local situation be understood by the lawmakers, as it is by the Army engineers who proposed the plan under which New England hoped to act. If it were so understood by men like Senator NORRIS, who are honest in their purposes and sincere in their desire to check monopoly and preserve the rights of the people, we believe New England would be allowed to go ahead and find protection against disasters.

That is all New England asks. The procedure of doing it, as far as regional action is concerned, is fairly simple, although the interests that have had to be harmonized are somewhat conflicting. They have been harmonized, however, and it will be a great pity if Congress tosses overboard all that has been accomplished in that direction and compels a new start, delayed, perhaps years, until it can decide what it wants to do.

How familiar the Senator is with New England we do not know. We wish he might understand its situation on a basis other than is afforded by charts of feet-flow per second and horsepower development possibilities.

The Connecticut Valley problem is primarily and almost entirely one of flood control. "Conservation, restoration of forests and grasses, and encouragement of farming practices which diminish run-off and prevent erosion on arable land", all of which the President mentions as complicating problems, enter into it scarcely at all. Power development, to any considerable extent, enters into it only if thrust in. Indeed, to attempt to make power development important would be to diminish flood-control protection dangerously.

In the Connecticut Valley two States—Massachusetts and Connecticut—seek flood protection. Connecticut itself can contribute nothing to that end beyond purely local works. The effectiveness of those depends upon general control works which must be established beyond her borders. Connecticut has no power sites to develop. If that were attempted it would enhance rather than decrease flood danger.

Massachusetts is somewhat in the situation of Connecticut. It can contribute something in the way of works that will impound tributary floodwaters and thus help in general protection.

Vermont and New Hampshire, on the other hand, have no reason to ask for or desire vast works for flood control. They suffer from Connecticut River floods only in a minor way, as compared to Massachusetts, and in the case of New Hampshire scarcely at all.

Yet they are called upon to bear the physical burden of furnishing the relief for which Massachusetts and Connecticut clamor. And again, this affects New Hampshire scarcely at all, for few of the streams on which reservoirs would be built are in the State.

The burden in this respect falls almost wholly on Vermont. That State, without getting anything like compensatory advantage in flood protection, would have to permit inundation of her valleys, diminution of the areas of her towns and their population, with consequent reduction of their ability to maintain governmental functions and detriment to their business, growth, and prosperity.

Yet Vermont was willing to cooperate, and became the first State to ratify the flood compact.

Vermont suffers under another disadvantage which is an important factor, and bears on the insistence in Congress that Federal power development must be tied in with flood control.

Originally part of New Hampshire, Vermont's territory was granted to individual owners by that State. When it was finally allowed to be set off as a separate Commonwealth, New Hampshire saw to it that her own boundary was the west bank of the Connecticut River.

So Vermont owns not an inch of that stream. It cannot authorize a power development on the river or derive any benefits through taxation from such developments granted by New Hampshire, except to the limited extent that dam foundations and power-houses rest on Vermont soil. Power companies are New Hampshire corporations, and that State enjoys the benefits they carry.

Vermont has no power resources to develop except rivers wholly within her own boundaries. The great river on her border is useless to her. She feels, justifiably, that the privilege of developing her own rivers ought to be left to her. If she allows her usable areas to be diminished and her streams to be dammed, for the benefit, not of herself but of Massachusetts and even far away Connecticut, she feels she should be allowed to retain whatever advantages of power development might arise out of flood-control projects on rivers entirely within her borders.

To one who knows his New England, that seems a fair enough proposition. We cannot believe that the Connecticut Members of Congress who have objected to this reservation in the compact would do so if their knowledge of the situation were intimate. We cannot believe that so just a man as Senator NORRIS would press a contrary point if he thoroughly understood the purely local peculiarities of the situation.

There are no vast power possibilities here. The Vermont rivers are small. If harnessed for flood control, they will yield but a small amount of power. Vermont is a small State, sparsely settled, with no great industries and little wealth. Surely if in a neighborly spirit she has agreed to supply the land whereby her neighbors may be protected from floods, the little she asks may be yielded to her.

To yield it need not interfere with country-wide plans for flood control, soil preservation, and power development. Indeed, the Federal Government might see to it that Vermont's reservation of power rights is not abused. We do not believe that reservation should stand in the way of the carrying out of the plan along the general line to which the States have agreed.

We believe there is nothing in the New England compact which violates the principles of those who believe in protecting the public interest with respect to power resources. And four States with diverse interests have been brought into agreement on the plan. We trust the Federal Government will respect the value of that accomplishment and the value of such a regional understanding. Latest interpretation of the President's position is that he will not interfere with the New England plan. We hope that is correct and that Congress will acquiesce.

Representative Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. THOMAS G. BURCH
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. BURCH. Mr. Speaker, under leave to extend my remarks, I wish to pay tribute to the memory of our friend and associate, Hon. ANDREW JACKSON MONTAGUE, whom we deeply loved, honored, and respected.

Governor MONTAGUE was a great American and in his passing we are conscious of the loss of a statesman and patriot who accomplished much for his country. Keen of intellect, politically courageous, gracious in manner, with integrity of spirit and warmth of affection unsurpassed, he gained the honor and esteem of all who knew him.

He was a lawyer of excellent skill and ability and served his State as attorney general with distinction for 4 years commencing January 1, 1898. Prior to that time he had served as United States attorney for the western district of Virginia. Later he became dean of the law school of Richmond College. At all times dignified and polished, he was eloquent in debate and convincing in his arguments.

Mr. MONTAGUE was a valiant political campaigner and became Governor of the Commonwealth of Virginia on January 1, 1902, after a vigorous contest for nomination to that high office. His was the historic task and duty to proclaim the new constitution for the State of Virginia on June 27, 1902. During his administration many sound and progressive measures were enacted into law. He espoused pure elections, public education, and highway improvement, and at a time when the public mind was not alive to the need for better educational facilities and improved roads. In fact, many were sceptical of such movements, and it was necessary to mold public opinion and sentiment along that line. Valiant fighter and convincing speaker that he was, he accomplished many forward movements for his beloved State. He was generally popular with his people, and Virginia remembers him with gratitude and affection.

As a Representative in Congress from the Third Congressional District at each succeeding Congress since the Sixty-third to the present, he served his constituency painstakingly and well. He possessed a complete knowledge of the Constitution and constitutional law and was a valuable member of the Committee on the Judiciary.

We shall miss Governor MONTAGUE more than we can say. His fine character and noble traits will always be treasured in our memories.

Mackinac Straits Bridge

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 9, 1937

Mr. DONDERO. Mr. Speaker, unanimous consent having been granted to me by the House today to extend my remarks on the subject of the Mackinac Straits Bridge bill (S. 1104), I desire that the people of my State and my district should know the reasons for my opposition to that legislation.

The bill before the House proposed to give the consent of Congress to the Mackinac Straits Bridge Authority to construct, maintain, and operate a toll bridge across the Straits of Mackinac.

This subject is not a new one before the Congress of the United States. It came before the House of Representatives in the Seventy-third and Seventy-fourth Congresses, as it did in the present session of Congress under a rule known as unanimous consent, which precludes debate and a full, free, and complete discussion of the subject matter. On each occasion it was objected to. I have no objection to the bill coming before the House under a rule which will permit the facts relating to this subject to be presented. But a proposal which involves the huge sum of $35,000,000 or more should not be passed by the Congress of the United States without full knowledge of the meaning of its act. As long ago as June 16, 1934, I set forth my reasons in the CONGRESSIONAL RECORD of that date on page 11826 why I was opposed to the passage of this kind of legislation. Nothing has occurred or transpired since that time to change conditions or my views on the subject. To the contrary, other reasons have become apparent why it should not be passed by the Congress of the United States.

A Federal grant or a Federal loan for a bridge across the Straits of Mackinac has on previous occasions been rejected by the Government of the United States during the present administration. The project is no better now from an economic standpoint than it was then. The estimated cost of the bridge, which is to be more than 4 miles in length, is approximately $35,000,000.

At no time have the receipts from the use of the State ferries, maintained under the State Highway Department of Michigan and owned by the State of Michigan, exceeded $400,000, and the receipts as recent as the year 1936 show they were less than $360,000.

I have consistently maintained that the bridge is not necessary.

Second, that it would mar one of nature's great beauty spots and undoubtedly one of the finest national bodies of water in the entire Northwest.

Third, that the minimum cost of such a proposal makes it economically unsound.

The State administrator of the United States Coast and Geodetic Survey under the Department of Commerce said in his report that this project was fantastic in its conception.

In addition to my reasons for opposing this bridge, as set out in my remarks of June 16, 1934, a further and valid reason presents itself in the legislation passed by the Michigan State Legislature, extra session of 1934, Public Act No. 35. That act created what is known as the Mackinac Straits Bridge Authority. Among the many powers granted the authority under the act is that found in section 6 to issue bonds not exceeding $35,000,000 bearing interest at not more than 5 percent per annum, with a further provision that in case $35,000,000 in bonds should not be sufficient to build the bridge, then additional bonds, no matter what the amount might be, may in like manner be issued to provide the necessary amount of the deficit.

The Bridge Authority is a corporation or a legal entity created by the Michigan Legislature and has no connection with the administration of the State government in Michigan.

Any reasonable person would naturally conclude that such bonds, amounting to $35,000,000 or more, would be signed by the authorized corporation officers of such company or corporation, but an examination of section 6 of Public Act No. 35 reveals the fact that the bonds are to be signed by the Governor of Michigan and the chairman of the corporation; that the great seal of the State of Michigan shall be attached to the bonds and they shall be attested or countersigned by the secretary of state; and the bonds, both principal and interest, shall be payable at the office of the treasurer of the State of Michigan at the capitol in Lansing, Mich.

To pass S. 1104, which came before the House of Representatives on June 7, would be putting the camel's nose under the tent. It would be the first act required to set in motion the machinery of the corporation known as the Mackinac Straits Bridge Authority, and those who sponsor and pro-

mote this idea, to place on the market $35,000,000 revenue bonds. An unsuspecting public would be made to believe that such bonds were the instrumentalities or obligations of the State of Michigan. The gullible, the weak, the unlearned, and the trusting people who have funds to invest might very well be led to believe, through high-pressure salesmanship, that a bond which is signed by the Governor and secretary of state, with the seal of the State impressed on it, and made payable, principal and interest at the treasurer's office in the capitol of the State, were State-obligation bonds, and that the State of Michigan would stand behind the payment of such bonds.

Nothing could be further from the truth. Such bonds and the payment of the principal and interest thereof, under the act referred to, are payable only out of the revenue or tolls to be received from the use of the bridge.

With a total revenue thus far received not exceeding $400,000, it will become apparent to the ordinary individual that sufficient revenue would not be received to pay the interest on such bonds much less to retire the principal thereof. It would require an income of $2,000,000 a year from tolls or five times as much as has ever been received from the State ferries to pay the interest. It might be argued that additional revenue would be received by an increased use of the bridge by motor traffic and possibly by the railroads; and that the railroads would suspend the operation of their ferries. I point out, however, that one of the railroads running to Mackinaw City has heretofore made application to suspend the operation of its line running to that point.

If anyone doubts that the bonds are not to be the debt of the State of Michigan, I call attention to section 11 of said Public Act No. 35 of the extra session of 1934 of the Michigan Legislature, which reads as follows:

> Nothing in this act contained shall be so construed or interpreted as to authorize or permit the incurring of State debt of any kind or nature as contemplated by the provisions of the constitution of the State of Michigan in relation to State debt.

If this project were to be financed by Federal money, it might present a different picture than the present proposed legislation. But this proposal has been rejected by the present administration. Any project that has been rejected, undoubtedly because it was found to be economically unsound, by an administration that has seen fit to squander public money on such unusual proposals as the Passamaquoddy backwash power idea and the Florida ship canal, must indeed be unworthy of serious consideration.

On the question of the necessity for the project—and I insist there is no necessity—I call attention to the fact that iron ore from upper Michigan will go down the Lakes in ships as it has in the past. Lumber is a vanished industry. Agricultural products are limited to the east half of the Upper Peninsula, and the amount produced is mostly consumed in the Upper Peninsula.

The only reason then that exists for the proposed bridge is the tourist trade, the hunters in the fall of the year, and the keeping open of traffic between the two peninsulas in the wintertime.

The brief period of the hunting season in the fall of the year could not be claimed as a necessity for building the bridge. If the State ferries were discontinued by the building of this bridge the tourists in the summertime would lose one of the finest links in the journey on their vacation if they were denied the right of a cool, clean, healthful, invigorating, and safe passage over the 9 miles of sky-blue water between Mackinaw City, in the Lower Peninsula, to the city of St. Ignace, in the Upper Peninsula, on the splendid ferries now operated by the State of Michigan under the able management and direction of Hon Murray D. Van Wagoner, State highway commissioner.

If any congestion should appear in the amount of traffic desiring to cross the Straits of Mackinac, let the State of Michigan add to its fine fleet of State ferries and the problem is solved.

The people who would unknowingly and unwisely invest their money in the bridge bonds, which would depend for their repayment entirely out of the tolls received from the use of the bridge, would stand to lose perhaps their entire investment or a large portion of it. The passage of this bill, S. 1104, by this House would simply mean that the Congress of the United States, by granting consent to the Mackinac Straits Bridge Authority to construct and maintain a bridge across the straits, would become a party to a great deception and an injury to the people who innocently invested their money in bridge bonds believing them to be a debt which the State of Michigan would pay.

Wages and Hours Legislation

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 10, 1937

RADIO ADDRESS BY HON. WILLIAM P. CONNERY, OF MASSACHUSETTS, ON JUNE 8, 1937

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Representative WILLIAM P. CONNERY, of Massachusetts, over the Columbia Broadcasting System, Tuesday, June 8, 1937:

Since the memory of man runneth not to the contrary, every political spokesman in this country has professed to be a defender of the American standard of living, a full dinner pail, and even a chicken in every pot. In years past the rapid growth of our population and the opening and development of new lands gave constant stimulus to new enterprise and afforded abundant opportunity for employment. Before the World War there was no real unemployment problem except in the most temporary periods of aggravated depression. Although the lowest-paid workers received but meager wages, the opportunities for advancement were great, and there was a widespread and not unjustifiable belief that a decent standard of living was within the reach of every worker who diligently applied himself to his job. In years past the ranks of our lowest paid workers were filled largely with newly arrived immigrants and so when we spoke of American standard of living we had in mind the relatively higher standard of the American-born skilled workers—which standard we assumed that the newly arrived immigrants would attain in the natural course of time.

But in recent years not only has the natural growth of our population slackened, not only has the flow of immigration abated, not only has the frontier of new lands disappeared, but technological improvements have given us machines which enable one man to do the work previously done by ten or even a hundred men. With the machine age has come technological unemployment, and many able and willing workers are unable to find employment, seek as they may. The existence of unemployment and low wages cannot be blamed upon the influx of new immigrants. The great mass of workers in this country today are American born and American bred. These workers may not be skilled craftsmen in the traditional sense but they cannot be regarded as common laborers. Modern methods of volume production have resulted in the employment of thousands of workers trained to perform some small operation in the complicated technique of straight-line method of mass output. Though their tasks are too specialized to qualify them for the skilled crafts, still these workers are too intelligent and capable to be treated as the poorest paid, illiterate workers were treated in times past.

And so while we continue to talk with satisfaction and even pride about the American standard of living we find that one-third of our population is ill-nourished, ill-clad, and ill-housed. Over 42 percent of our American families have an annual income of less than fifteen hundred dollars a year. Actually more than one-fifth of the families in rich America are forced to eke out a bare existence on less than a thousand dollars a year. *Ill-nourished* are such workers' families whose budgets will allow them little else than an unbalanced diet of potatoes, bread, and pork. To such families, green vegetables and fresh fruit are luxuries rarely to be had and even an adequate supply of milk for their children is too costly to be obtained. *Ill-clad* are such workers' families because their meager incomes will afford the head of the family only one new suit of clothes in 3 years and a new overcoat only once every 5 years. *Ill-housed* are such workers' families because their budget cannot stand more than $20 a month for rent. Only one out of three families in typical American cities can afford gas or electricity for cooking, and electric refrigeration and steam heat are luxuries which few can afford.

As President Roosevelt stated in his recent message to the Congress, "Our Nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work. A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours."

There is ample justification for the President's insistence that "the time has arrived for us to take further action to extend the frontiers of social progress." Our fathers worked and toiled to open new lands and to develop a new nation. It is now our task to improve the standard of living of the men and women of America for whom our fathers labored to build up this great Nation. Our fathers did not toil to build up a nation whose working men and women should be harried by fear of unemployment or condemned to labor long hours for impersonal corporate employers at wages insufficient to maintain the most rudimentary standards of civilized life.

With the development of rapid transportation and communication, the trade and commerce of the country has become largely interstate. There are relatively few industries which produce exclusively for the local markets. If one State attempts to improve labor conditions within its borders, it always runs the risk of its industries moving into other States. These risks deter not only the Northern States but the Southern States from making any effective efforts to improve the conditions of labor of their own citizens. Sweated industries are confined to no one section of the country. It is for that reason that Senator BLACK, of Alabama, and I, a Congressman from New England, can join together most heartily in sponsoring legislation which will prohibit the shipment in interstate commerce of goods produced under substandard labor conditions. As the President has said, "Goods produced under conditions which do not meet rudimentary standards of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade."

In this way we propose to rule out of the interstate markets the products of child labor, the products of labor employed for unduly low wages or unduly long hours, and the products of employers who flout the rights of free labor by the use of strike-breakers or labor spies.

The proposed bill does not affect the hours and wages of workers in enterprises whose products do not enter the channels of interstate commerce. It does not affect local service trades or local retail stores or agricultural workers. The proposed bill does not sanction the fixing of prices or the curbing of production; it does not condone monopoly, nor does it legalize agreements in restraint of trade. It deals only with labor standards in a field in which, experience has demonstrated, State regulation cannot effectively operate.

The Black-Connery bill recognizes the practical necessities which make it impossible to prescribe for all goods which enter into interstate commerce any single minimum fair wage standard or any single maximum workweek standard. We all know that it is impractical to ignore the differences and diversities among industries and localities. We all know that uniform national standards cannot suddenly be imposed upon many and diverse industries without causing industrial dislocations which might seriously curtail the earning power of the workers and their opportunities for employment. The proposed legislation deals realistically with the tough realities of American industry. It states clearly and definitely the objectives to be achieved and the standards to be applied. But it leaves the application of these standards and the progressive realization of these objectives to an administrative board because that is the only practically feasible way that such legislation can be enacted and administered. As Mr. Justice Cardozo has stated, "The industries of this country are too many and diverse to make it possible for Congress in respect to matters such as these to legislate directly with adequate appreciation of varying conditions" (Schechter Case, 295 U. S. 495, 552).

Now don't be fooled by the crocodile tears that will be shed over this legislation. Don't be fooled by the pretty speeches and pretty editorials in which faint hearts will beat for the welfare of free labor, but in which technical reasons will regretfully be found why any proposed method of getting results in black and white is somehow objectionable, either for immediate application, or as a bugaboo precedent with indefinite dangers in an indefinite future.

It is a strange and unfortunate habit of smugly contented economic Bourbons to worry about the dangers which will befall the workers if the Government intervenes to protect workers from exploitation and oppression. These Bourbons are never concerned about the indefinite dangers of precedent when they desire Government aid and protection for themselves. These old dealers did not hesitate to request and to take Government aid and protection when they got caught in the net of their own incompetence and greed during the depression. But their theory of government is that the Government should help only those at the top of the economic pyramid and that the mass of men and women at the bottom of the pyramid should be content with whatever benefits may happen to trickle down from the top. Now, when the Government is taking steps to protect those who are earning less than $1,200 a year, those who are unable to fend for themselves and are completely helpless to protect themselves from their exploiters, up goes the cry that the Government is seeking dictatorial powers to suppress freedom of contract and to regiment industry.

Some corporate employers who have ruthlessly and irresponsibly exercised far greater powers over the lives of their employees than the carefully circumscribed powers given to responsible Government officials under the Black-Connery bill are already trying to scare workers into believing that legislation designed for their protection will subject them to the oppressive regime of an irresponsible bureaucracy. Some absentee-corporate employers who have never shown any real interest in the communities in which their plants are situated are already trying to make these communities believe that they are going to lose their industries.

But the truth is that this legislation carefully safeguards the rights of the workers in all parts of the United States. The very terms of the proposed legislation prevent its use to hurt industry in any section of the country. It insures a fair chance in the competitive markets to all industry. The administrative board is expressly enjoined from taking any action which will unreasonably curtail the earning power of the workers or their opportunities for employment.

The effect of the proposed bill when enacted will be to reduce unemployment, to increase the purchasing power of industrial workers, and thereby to enlarge the markets for the farmers' products. And what is of even greater importance, the Black-Connery bill, when in successful operation, will renew faith in the ability of a modern constitutional democracy to meet its social and economic problems.

In 1933, when the present Administration took office, American industry was at its lowest ebb. It was the leadership of President Roosevelt which inspired all America to drop their fears and to again stick out their chins.

Since 1933 American industrialists have seen a new light.

They are now more cheerful and again have visions of independence of the Government after being saved from the rocks of bankruptcy.

We heard little of the cry of radicalism when the railroads, the insurance companies, and the banks were saved by loans and advances from the Federal Treasury.

Despite the profits which industry has received, little, other than a pittance, has been received by the workers. This Black-Connery bill, we hope, will do for the workers what the Administration has, through other legislation, done for those of wealth.

Senator BLACK and I, as well as all friends of labor in Congress, contend that this legislation is necessary if we are to provide employment for some eight or ten millions of American workers now unable to secure employment.

We are not dealing in theories. We are dealing with actualities.

The Congress, the elected representatives of the American people, have an obligation and a duty to perform. We must, under the Constitution, provide for the general welfare of our people. We have waited patiently for American industry to provide voluntarily jobs for those millions unable to secure employment. We have waited in vain.

American industry must either provide jobs for those millions unemployed or industry must provide the taxes with which the Government will provide those workers with necessary relief jobs.

The Brewster Housing Project in Detroit, Mich.

EXTENSION OF REMARKS

OF

HON. GEORGE D. O'BRIEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1937

Mr. O'BRIEN of Michigan. Mr. Speaker, one of the gravest problems confronting the people of our larger cities today is the difficulty of providing adequate housing facilities for the dense and ever-increasing population in the lower-income brackets. Slum areas exist in all of our principal cities; they are a menace to the physical and moral health of the community; they constitute an impediment to progress paramount to any other evil that may be cited, since most of our social ills may be traced to causes having their origin in these blighted areas. Such overcrowded sections are social and economic losses; not only the hazard of fire but the moral hazard and the detrimental effect upon the health of the people place upon the taxpayer an expense far in excess of the cost of proper housing.

The most important step taken toward the solving of this problem of inadequate housing was the action of the Government in creating the housing division of the Federal Emergency Administration of Public Works. This agency has shown marked intelligence; it has exhibited a sincere desire to ameliorate the conditions of the improperly housed masses, who have been forced in many instances to live in

quarters characterized by trained investigators as "unfit for human habitation."

Time does not permit me to dwell longer upon the achievements of this agency for social advancement in its general aspect. Therefore, I shall restrict myself to a discussion of a project in the city of Detroit known as the Brewster slum clearance.

For the purpose of presenting a comprehensive description of the Brewster project as to the area embraced, together with a brief outline of the sociological background, I desire to submit these pertinent facts:

The Brewster project is bounded as follows: North by Rowena Street; south by Brewster between Hastings and St. Antoine Streets—the greater portion of the frontage on Wilkins Street is excluded—and Wilkins Street between St. Antoine and Beaubien Streets; east by Hastings Street; west by Beaubien Street.

The selection of the project site, a portion of the area recommended by the mayor of Detroit, was based upon survey data obtained and compiled by local sponsors. A comprehensive survey of a neighborhood containing 50 blocks, in which this project of 10½ blocks is located, indicated very clearly that some of the most deplorable conditions in Detroit existed in this section. For instance, crime was 7.5 times the average for the city; juvenile delinquency, 10.4; tuberculosis, 6.5; pneumonia, 8; and infant mortality, 1.5. In addition, 64 percent of all buildings were pronounced by inspectors as being unfit for human habitation unless extensive and costly repairs were undertaken. The increased cost of hospitalization, due to the high ratio of disease in these areas, is significant.

In its first annual report issued in 1935, the Detroit Housing Commission stigmatized the Brewster area as a "great public liability" and recommended the demolition of the buildings to make way for the erection of proper homes.

During the early part of 1934, the mayor of Detroit made application to the P. W. A. to undertake the Brewster project. The request received favorable consideration and an allocation of $5,500,000 was approved for the acquisition and development of the site, with a view of providing decent, sanitary housing for approximately 2,350 persons, upon a standard of one person to a room. This would mean a decrease in density of population from 2,565 persons to the number given before, or, 2,350.

Some difficulties were encountered in the negotiations for the purchase of the site but, by November 1935, matters had progressed to a point that warranted instructions to the architects to proceed with the plans; and on June 8, 1936 a contract for foundations was let. Bids for superstructures were advertised for June 31 and opened on September 23, only to be rejected on September 30 because "they were considered so excessive that acceptance would have jeopardized the purpose of the project." It was necessary, then, to redesign the project to bring the cost to a figure that would provide rentals within the ability to pay of the lower-income groups.

There followed a period of discouragement. The foundations built, the section took on more and more an appearance which justified its sobriquet, "blighted area." Cameramen from local newspapers delighted in photographing these so-called ruins to illustrate derisive articles for their Sunday editions. Much criticism was leveled at the administration. Such epithets as "boondogglers" and harsher terms were hurled at the Housing Division. Nevertheless, bids were again advertised in accordance with the new plans; the Housing Division awaited patiently the date for the opening of these bids.

Upon being elected to the Seventy-fifth Congress, one of my first acts was a thorough study of the Brewster clearance. In this, I received the hearty cooperation of Mayor Frank Couzens and the Common Council of the City of Detroit; Mr. Anthony J. Rathnaw and Mrs. Josephine Gomon, president and director, respectively, of the Detroit Housing Commission; Mr. Ed Thal, of the Detroit Building Trades Council; Mr. Robert Ewald and Mr. Joseph Mayer, president and secretary, respectively, of the Bricklayers and Masons' Union of Detroit; Senator Charles C. Diggs, Attorney Ernest C. Mitchell, and Mr. Frank Sherman, all of Detroit. I feel especially indebted to Mr. Leo Lippa, editor of the Wayne County Democrat, Mr. Blair Moody, of the Detroit News, Mr. Clifford Prevost, of the Detroit Free Press, and the managing editor of the Detroit Times for their work in publicizing the project. Many distinguished citizens in private life and the heads of civic organizations gave me splendid support in this action. The Housing Division showed me every consideration, permitting my office force to check with them on every phase of the project.

It is now my privilege to state that our efforts have not been in vain; developments of the past few weeks indicate that the Brewster clearance will be carried to completion.

The following bids for the construction of superstructures of Brewster project were received June 3, 1937, Washington, D. C.:

John Griffiths & Sons Construction Co., 228 North La Salle St., Chicago, Ill	$3,035,000
A. Kutsche & Co., 2111 Woodward Ave., Detroit, Mich	3,589,000
L. L. Leveque Co., Edgehill Rd. and West Fourth, Columbus, Ohio	3,211,500
Great Lakes Construction Co., 333 North Michigan Ave., Chicago, Ill	3,059,000
Coath & Goss, 228 North La Salle St., Chicago, Ill	3,069,000
Fleisher Engineering & Construction Co., 233 Langfield Drive, Buffalo, N. Y	3,366,000
Henry Ericsson Co., 228 North La Salle St., Chicago, Ill	3,759,000
Maurice L. Bein, Inc., 1159 Roosevelt Rd., Chicago, Ill	2,974,500

The following bids were received for landscaping:

The Greening Nursery Co., Monroe, Mich	$40,490.45
Greenbrier Farms, Inc., R. F. D. No. 3, Norfolk, Va	47,470.00
Oliver J. Trudeau, Detroit, Mich	39,760.00

A study of these figures shows that the Bein Co. were the lowest bidders, and within 48 hours after the bids were opened the contract for the building of homes was let.

The people of Detroit, especially those who reside in my district, the Thirteenth Michigan, look forward to the day when these units will be ready for occupancy with decent, sanitary homes for the healthful and comfortable housing of honest and industrious families.

The Japanese Fishing Situation

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1937

Mr. MAGNUSON. Mr. Speaker, under leave granted me to extend my remarks, I desire to call the attention of the Congress to an extremely grave threat to the welfare of the Pacific Northwest fisheries, particularly involving the entire salmon industry. Commercial salmon fishing is one of the most important industries on the entire Pacific coast. Of late years its operation has shifted to Alaska. There are employed in this industry 77,026 people; over 20,000 boats and vessels are used in the operation. The value to the fishermen of the fish caught in the eastern Pacific runs over $35,000,000 annually and the value of manufacturers' canned fish products is well over $95,000,000 annually. It is impossible to estimate the indirect employment resulting from these operations. In developing the Pacific coast fisheries the United States and the Canadian Governments have expended over $16,000,000, or an annual average expenditure of approximately $1,610,000 in conservation work. This is pointed out to apprise the Congress that not only is this industry of major importance to the Nation but also that the Government itself has a large investment in these fisheries.

The fish people themselves, in the past few years, aided and abetted by the Governments of the United States and Canada, have a definite program of sensible conservation which assures, if continued, the availability of these fish for

hundreds of years. For the past decade this vast industry has progressed rapidly, not only in enhancing the value of the fish products, not only in conservation, but in stabilizing the entire Pacific fishery situation to the extent that the people employed in this activity have been earning a decent American livelihood, subject only to the normal fluctuation of the fish run as it may occur from year to year. So far removed were these vast fishing haunts of the Pacific Northwest and Alaska, from foreign interference that little or no preconceived thought was given to any possibility of a disturbance. The threat has arrived.

The entire population of the Pacific Northwest States, British Columbia, and Alaska, is today aroused over an intolerable situation occurring in these fishing banks. If this problem is not met immediately there is no question in my mind but that grave international difficulties will result.

While developing these great fish banks, far to the eastward across the Pacific, the population of a great nation was overflowing its bounds. So rapidly have the inhabitants of Japan multiplied, with accompanying social and economic problems, that the Japanese archipelago does today not contain enough natural resources necessary to feed and clothe its population. Japan again must move outward. She first cast her eyes to the westward, and outside the Japanese archipelago she has developed agricultural and commercial protectorates all throughout northeastern Asia. The Japanese have for centuries been the world's most extensive and intensive fishermen. Long ago they exhausted the fish supply of their shore waters. Long ago they began deep-sea fishing. For many years they have conducted operations up and down the Siberian coast with the rich salmon beds of Alaska and the Pacific Northwest only beckoning them. Whether or not normal increase and growth of the Japanese Empire or an acute situation relative to its fish supply have caused the present threat has not been recorded. Nevertheless, the past 5 or 6 years have found the Japanese gradually moving eastward with their fishing operations, until today we find them on the very shores of Alaska, seriously and definitely threatening the entire fishing industry of the Pacific Northwest. No conservation laws apply to their activities. Without restriction and with increasing numbers, they could completely exhaust the entire fishing banks within a few years, and it is assumed that such a condition is not a far-fetched possibility because year by year, for the past 5 or 6 years, has found the number of Japanese fishing ships off the Alaska coast increasing. It can be further assumed that these operations have been profitable to the Japanese.

That being true, coupled with the fact that there are difficulties and regulations existing on the Siberian coast, it is only logical to believe that the threat will become ever-increasing. It has now reached serious proportions. On June 8 of this year I received the following wire:

Representative WARREN G. MAGNUSON,
Washington, D. C.:

Following wire received from Alaska:

"Japanese destroying Bristol Bay red-salmon run. Now over 26 big boats, also numerous small boats, fishing close to shore. Wire Senators JOHNSON, WELCH, SCHWELLENBACH. Take matter up Maritime Federation and have cargo originating Japan boycotted. Washington officials aware this menace but no action or backbone. Japs jeopardizing thousands of jobs, millions of invested capital, also destroying feed of fish. These fish originate American waters. This condition, if allowed to exist 5 years, run will be destroyed." Message signed by Paul Gerhardt, delegate, Alaska Fishermen's Union; Edward Coffey, member, Alaska Territorial Legislature.

Immediate action urgent.

ANDREW VIGEN,
Secretary, Alaska Fishermen's Union.

Previous wires have reiterated the same situation.

Our Government must take some action. The ransacking of Pacific coast salmon banks not only affects the adjacent States and Territories, but the entire Nation. What can be done? There are many courses open, any one of which might lead to a solution. It should be our objective to prevent American entanglements with foreign countries.

That policy can be definitely adhered to if the controversy lies strictly between two other nations. But this Government has not only the responsibility but the duty to meet squarely controversies involving itself and one or more other nations. Such is the Japanese-American fishing controversy. We have in the past many times given ground in order that we might remove all possibility of entanglements. Here, however, is a question so important that we cannot follow this past procedure. The distinguished junior Senator from the State of Washington, speaking before the United States Senate on March 8 of this year, discussing this situation, said:

> I believe, and I may say it is the unanimous opinion of all who are fully familiar with the problems of the threat of invasion of American fishing, that this problem contains potentialities which may more seriously threaten peace for the United States than any other on the immediate horizon.

He further pointed out that our friendly relations with Japan should not be and need not be involved, but that the solution of the problem depends upon a complete understanding by both Governments. The problem is dangerous to our international relations only if it is permitted to continue to be submerged.

The Congress of the United States has no authority to take legal action. The jurisdiction of the United States does not extend offshore. The Congress might, in retaliation, pass an embargo upon Japanese products. To have any retaliation effective, such an embargo would have to extend beyond fish products, for close examination of figures show that the Japanese export to this country little or no fish and specifically export only about 1,000 pounds of salmon annually.

The best solution seems to me for us to lay claim to a proprietary right to these fish and treat the invasion as one of an unlawful appropriation of property. The basis for this theory is somewhat new, but it has some justification when one considers the natural habits of salmon. Salmon spawn in fresh water. They leave these fresh-water streams, go to sea, and 4 years later come back to the very same spawning stream, repeating the spawning process, and die. Because of this it might well be advanced that the country which owns the spawning grounds owns the fish, and that even though these fish may wander out to open sea for a period, such migration would not give any other country the right to confiscate them.

A somewhat parallel situation occurred between the United States, Japan, and Russia relative to seals. Seals act peculiarly like salmon. They live on certain islands, propagate and die there, but during their lifetime take migratory jaunts up and down the Pacific Ocean. A destructive policy was early applied to these seals, which resulted in free-for-all sealing expeditions by citizens of Russia, Japan, and the United States. A full understanding of this problem finally culminated in a treaty. That treaty, signed by Russia, Japan, and the United States, has been successful. Today the benefits of sealing go to each country and the rich herds of seal have been preserved. The same situation could easily apply to salmon. A full understanding of this problem by Japan and the United States could culminate in the same type of treaty. It is my understanding that the Department of State has made overtures to the Japanese Government. The Department has assured those of us in Congress interested in this problem that they are doing their utmost to bring about a solution. However, at the present time no solution is apparent. Frankly speaking, in view of several reports, such as the quoted telegram, it is not unreasonable that the Pacific Northwest fishing industry is, and rightfully so, becoming impatient.

I have no information as to the facts behind the failure to negotiate such a treaty. Whether or not the fault lies with the Japanese Foreign Office or our Foreign Office is not known to me. I do know, however, that the condition exists and is growing increasingly worse. I have little information as to how the Japanese feel about this situation, but I do, however, have enough faith in the character and intelligence of the Japanese race to assume that they will be fair. Any attitude of unfairness on their part might cause serious complications. Should this Nation follow, even to a degree, some of the proprietary theories followed by other nations, we could claim the salmon as our own, in all jus-

tice, and any interference, even on the high seas, with these fish could be considered an unlawful appropriation. It has come to a point where this may be necessary. It is to be hoped, however, that no such steps need be taken and this situation will be cleared up by international negotiations. The controversy involves many ramifications of international law. The senior and junior Senators from the State of Washington, the Delegate to the Congress from the Territory of Alaska, and all of the members of the Washington delegation have given this matter a great deal of study and thought. Many suggestions for a solution have come forth. I personally feel that the Japanese should abide by what is just and equitable under principles of international law dealing with this situation. These principles of international law are well set forth by Edward Weber Allen, of Seattle, Wash., in an article published in Pacific Affairs, June 1937, a quarterly publication by the Institute of Pacific Relations. The Honorable Speaker granted me permission to include this article in my remarks. The article clearly points out the difficulties involved in this situation.

How do the Japanese feel about this condition? Their attitude makes the solution of the problem more difficult. We have the statement of Mr. T. Takasaki of February 23, 1937. It is an amazing memorandum. Whether or not he speaks for his countrymen in their claim for unrestricted fishing outside our Territorial waters, even though the salmon to be caught were hatched in American streams and lakes, I do not know. Nevertheless his statement is indicative of the Japanese attitude. Mr. Takasaki left this memorandum with the president of the Association of Pacific Fishermen, Mr. William Timson, on February 23, 1937. Mr. Takasaki represents a large company in Japan interested in canning and the manufacture of cans, and so forth, and he called at the association office to discuss the entrance of Japanese floating salmon canneries into the coast of Alaska. He advances the theory that the Japanese, by long heritage, have a prior right in the Pacific to deep-sea fishing, because they, the Japanese, have first established the art of deep sea and offshore fishing, such as they are practicing off the coast of Alaska relative to salmon. He also suggests a joint operation.

Of course, even a joint operation with Japan would not be satisfactory to us because the Japanese would catch the salmon and pack it by such cheap labor that American fishermen and cannery workers would be thrown out of employment. This memorandum is a surprising document and clearly indicates that our Government should take action immediately. The Government of the United States must recognize the threat that exists and must protect one of our most valuable resources. Mr. Speaker, I hope this House, containing representatives of the entire Nation, will help us meet this problem squarely.

THE NORTH PACIFIC FISHERIES

By Edward Weber Allen

It is significant that the history of the North Pacific begins with a Japanese fisherman being wrecked on the Siberian coast. The Cossacks pushing eastward to the Pacific Ocean, in their conquest of Siberia, found this strange person in the hands of Kamchatkan natives. He was transported to the Russian capital at the request of the Czar. It was partly the interest that this Japanese fisherman aroused in Peter the Great which prompted the launching of the two Russian expeditions which explored the North Pacific Ocean. Thus were the Commander and the Aleutian Islands, Bering Sea, and Alaska discovered, and North America and Asia found to be separate continents.

The episode of the Japanese fisherman has cast its slender shadow over succeeding events in that region. For the greatest natural asset of the North Pacific is its fisheries; their adjustment its greatest problem. Properly adjusted to maximum use consistent with the maintenance of an adequate stock, these assets may be annual in perpetuity. Improperly adjusted, these assets may bring a few years of return and then become impoverished.

The first stumbling block in adjustment is the threat of applying to the North Pacific situation rules of international law which grew up in the North Atlantic, but have proved to be inadequate, even vicious, when applied to fisheries. The 3-mile rule of territorial waters, a rule of comparatively modern recognition regardless of its early Dutch origin, would restrict the fishery control of a nation or group of nations, as against nationals of nonconcurring nations, to a strip of water only 3 miles wide along the coast. This would leave all fisheries which are more than 3 miles offshore free to unregulated, unlimited exploitation, even to the extent of destruction.

In this connection, it is interesting to note that this 3-mile rule grew out of the agitation over mare clausum and mare liberum. It developed from the idea that a nation should have control over a strip of water as wide as could be defended by cannon shooting from the shore. This range was later considered to be 3 miles. Insofar as fisheries are concerned, there inhered in the rule the further belief that deep-sea fisheries were inexhaustible, therefore needed no protection. It should also be remembered that the 3-mile rule is not universally accepted even among the nations of Europe. Certain northern countries claim 4 miles and certain southern countries 6 miles. The basic unsoundness of the 3-mile rule is apparent when it is realized that cannon now shoot many times 3 miles, and that it has been demonstrated that deep-sea fisheries are susceptible to commercial exhaustion.

Courts frequently remark that an accurate understanding of the facts is essential to a correct application of the law. Before any rule of international law should irrevocably be applied to the fishery situation of the North Pacific, it is appropriate to consider the physical and historical facts presented. The growth of international law itself shows, in theory at least, that it is plastic and adaptable, not absolute and dogmatic. The situation on the Atlantic may have resulted in the more or less general adoption of certain unsound compromises, which those beneficially interested now term "rules", but this should not be conclusive that the same compromises must ipso facto be applied on the Pacific.

The late Walther Schucking, honored member of the Permanent Court of International Justice, wrote: "When new circumstances arise, the world employs new norms. It is the task of scholarship in this case to bear in advance the torch for the development of law. But whence does the scholar receive the light wherewith to enkindle this torch, if he occupies himself only with the material of positive law, which perhaps long since has ceased to be the just law which the nations need? In such circumstances particularly the other tendency of the science of international law, that of the natural law, regains increased meaning. It seeks to develop the law philosophically out of the idea of justice and the necessities of the nations. For centuries, in regard to the legal principles developed by it, it has laid claim to immediate validity."

Physically the North Pacific, like the North Atlantic, is suitable for the abundant natural propagation of a large variety of commercially valuable fish—salmon, herring, halibut, cod, and other kinds. A unique feature of the North Pacific is the pronounced predominance of the salmon fishery. There are five species of these salmon, king, coho, red, pink, and chum—to use common names. These salmon are all different from the fish called salmon on the Atlantic.

On both sides of the Pacific Ocean, streams of various sizes enter the sea, some of them from lake regions. The larger streams have their runs of king salmon which are particularly desired for mild curing, a salting process, as well as for canning. It is believed that the long, arduous route up these rivers causes these fish to lay up in their bodies such a store of energy-furnishing material as gives their flesh, when the fish are caught before the deterioration of spawning sets in, its exceedingly fine quality.

Lake-draining streams especially attract the red salmon, which (except for Columbia River king salmon—Chinook) when canned finds the choicest market. Medium red, pink, and chum salmon also frequent fresh-water streams, pink being far the most numerous. All varieties are canned. Salting of all varieties was extensive in the past, and is to some extent continued. Salmon is also sold dried, smoked, fresh, or frozen.

Those characteristics of salmon which are of particular interest from an international standpoint pertain to its life history. Salmon spawn only in fresh-water streams or lakes, that is, within national land boundaries. The young normally go to sea in their first or second year. They normally return to the stream of their birth in the second, third, fourth, or fifth year, depending upon the variety and the district. They attempt to spawn in the stream or lake of their birth; then they die. There is just the single, simple life cycle which commences and terminates in the same location within the same national boundary, but includes a period of voyaging into deep-sea water. Such fish are commonly referred to as anadromous.

Salmon reach their physical perfection from the standpoint of size and quality as they conclude their deep-sea feeding period and prepare to ascend the streams. While in the deep sea they have not reached this perfection. As they ascend the streams, deterioration progresses. The change is believed to be due to the maturity of the fish, rather than to any effect of the change of water. Nature, however, has so timed her processes that the period when deterioration commences is almost always coincident with reaching the coastal streams. Accordingly, it is believed that the ideal time at which to catch salmon for food is just before they contact fresh water. This is normally close to shore, well within 3 miles.

There have been times when streams have had excessive runs of salmon. Such overstocking generally resulted in less reproduction than understocking. Why, the scientists have not yet agreed, but the fact is strongly asserted. Salmon will die at the end of their specific cycle after spawning. The spawned fish is undesirable for food. Therefore, in order to accomplish true conservation, a sufficient number of fish should be permitted to escape to their specific natal streams so that each stream may be adequately stocked with spawn; then, all the remaining fish might

as well be caught and utilized for food. Otherwise, they may overstock a stream and in any event will constitute an economic loss.

In order to provide adequate escapement to any stream, it would appear to be essential that the point of control should be as close to the stream as is possible without undue interference with commercial fishing operations. Such point of control would naturally fall within waters which are clearly territorial.

Extending seaward from the North American coast are ocean banks, the so-called continental shelf, constituting a submerged extension of the continent. The shoal southern portions of the Okhotsk Sea of Asia are analogous to the southeastern shoals of Bering Sea extending westerly from Alaska. Otherwise, with the exception of a small bank off the Japanese island of Hokkaido, there is practically no continental shelf of any consequence upon the northern Asiatic coast.

Bering Sea and Okhotsk Sea banks are particularly suitable to large king crabs. Such crabs and smaller varieties are also found in some of the inner coastal waters of North America and along the easterly coast of Hokkaido. Ocean banks are also the great source for halibut and cod, as well as other varieties of fish of less consequence. Of these fish the halibut have received the most intensive study. They spawn upon the banks; the young drift inshore. Soon the young fish sink to the bottom again and spend practically their entire lives upon the ocean banks. These fish migrate to a limited extent, but their habitat is the continental shelf. It is the only place where they are caught. The home of cod, like that of halibut, is on the banks. Halibut are sold commercially frozen or fresh. Cod are largely salted. Bottom fish which live upon such ocean banks are generally termed "demersal." It is apparent that effective conservation of such fish should be coextensive with the continental shelf.

Herring and whales (the latter though mammals are conveniently classed with fish) differ from the fish previously referred to in that they roam the sea at large, through herring and some whales approach the shores for the purpose of spawning. Herring are salted or reduced to meal and oil. Whales are now sought mostly for oil, but there are important byproducts. Such fish spending their entire lives with no shore or sea-bottom affiliation are generally termed "pelagic." Localized conservation of herring may be possible, but as to whales any regulation to be effective must disregard territorial waters, regardless of their birth.

There are other species of fish in the North Pacific, but the foregoing are characteristic and are the ones which so far enter into any probable controversies.

Fur seals are often discussed with fish. They are prominent in North Pacific literature. The history of the fur-seal controversies is well known. The disputes were solved by a treaty between Japan, Russia, Great Britain, and the United States, whereby pelagic killing was prohibited. The protection and utilization of the large herd frequenting the Pribilof Islands are under the administration of the United States. This country in turn was to render an annual accounting to the other nations. Without this treaty the fur seals might have been exterminated, just as were those most peculiar creatures, the sea cows, which were entirely killed off by the early Russian voyagers. As a result of the treaty the herd of fur seals is rapidly being restored.

Comparing the North Atlantic with the North Pacific, it is found that physical conditions are somewhat different in the former in that extensive banks suitable for demersal fish are found on both sides of the ocean, as well as midway around Iceland. Fish bearing the same names as those mentioned, including whales as fish, but no fur seals, are found in the North Atlantic. In most instances they are considered similar for commercial purposes though of different species. There is the notable exception previously referred to in the case of salmon. The Pacific Ocean salmon are unlike the Atlantic salmon and find the market mostly in cans, whereas the Atlantic salmon have not been canned to any commercial extent.

Methods for catching fish in the North Pacific vary greatly for different species in different areas, and even in the same areas. Salmon are caught by means of pound nets, commonly termed traps, which are of two types—pile and floating. Both types are in fixed locations extending out from shore and necessarily in territorial waters. Salmon are also extensively caught by means of purse seines, gill nets, and trolling (and other ways which may be disregarded for present purposes). Purse seines catch all varieties. Gill nets are used largely for red salmon, but may catch other varieties. Trolling is used for kings and to a lesser extent for medium reds. These three methods may be pursued more than 3 miles off shore, as well as within that distance.

Salmon canneries formerly were all built on shore. Almost all those in Alaska, British Columbia, and Washington are so located. Regardless of the type of gear employed, the salmon were necessarily caught within easy range of a shore cannery. The fishery was therefore local to specific territorial locations. Most of the Russian and Japanese salmon canneries in Siberia and Japan were also shore points. The Japanese, however, successfully developed the use of floating salmon canneries, often referred to as "mother ships." These, accompanied by their separate fleets of fishing vessels, are capable of several months' operations wholly independent of the shore. Such vessels are accordingly capable of hovering more than 3 miles off the coast of another nation. Their fishing tenders equipped with gill nets or purse seines may then intercept the salmon as they are returning from the sea to their natal streams. It is improbable that floating salmon canneries could be successfully operated if they, with their tenders, should be prevented from coming within 10 miles of shore, except in a few cases, such as Bristol Bay.

Crabs are also canned on mother ships. In Alaska the plants are shore plants, but in Siberian waters the Japanese and Russians use many floaters. In recent years Japanese floating crab canneries have operated extensively on the American side of Bering Sea. Crab fishing is confined to comparatively shallow water, which in both the Okhotsk and Bering Seas extends far beyond 3 miles from shore.

In the North Pacific the normal method of halibut fishing is by means of power vessels having crews of from 2 to 12, which make trips of from a few days to several weeks. The fishing method generally employed is known as long-lining. The fish are put down in ice carried for that purpose, and sold ashore, either for the fresh-fish market or for freezing. Such boats are independently owned, the captain usually being sole or part owner. These halibut fishermen of the United States and British Columbia are strong, independent individualists, and among the finest sailors in the world. In the Atlantic, on the other hand, although long-lining is extensively employed, there has also been developed the use of very large refrigerator ships, each with its fleet of dependent fishing vessels. The mother ships are very costly affairs, necessitating strong financial ownership. They may be away from their home port for 6 months or more.

Operations in the Atlantic have been so excessive that bank after bank has been depleted, even those in Davis Strait west of Greenland, to the extent of making further operations by mother ships questionable from an economic standpoint. Recently there has been a threat to divert some of these ships to the North Pacific so that they might take advantage of the supply resulting from the conservation which has been practiced there. Of course a few seasons of exploitation similar to that pursued in the Atlantic would strip the North Pacific banks to a similar status of depletion. It is not merely the mother-ship method of fishing which threatens to affect the condition of these banks; it is more particularly the increased intensity of the fishery which will prove disastrous.

Cod have heretofore been caught by dories operating from shore points or from schooners operating independently of shore plants. Recently, however, the Japanese have entered the Bering Sea with powerful trawlers and large floating factories. These ships are said to be equipped to freeze any halibut that may be taken, freeze or salt the cod, and run hake or any other so-called scrap fish through a reduction plant to make meal and oil. There is probably no more effective method for the rapid exploitation of a fishery bank than the use of trawlers.

Herring are normally caught by means of purse seine boats operated out of shore plants, although there are a number of floating plants in use. Operations may extend more than 3 miles from shore, but normally do not. Some shore plants do only salting. Some, and all the floating plants also, are mechanically equipped to reduce herring unsuitable for salting to oil and meal.

Pilchards (called sardines in California) are caught from British Columbia southward. In the northern part of their range they are reduced to oil and meal. In California some of them are canned. Most of the plants are shore plants, but there are quite a number of floating plants which are capable of operating more than 3 miles offshore and usually do so.

Recent whaling on both sides of the North Pacific has been done by means of comparatively small boats, "killers", operating from shore plants but catching whales at long distances from shore.

From the foregoing it will be noted that the anadromous fish can be most effectively handled from shore plants and caught in best condition wholly within territorial waters, but are capable of being caught and canned more than 3 miles at sea. The demersal fish may or may not be caught inshore, but fishing for them is confined to the continental shelf. Pelagic fishing is naturally without limitation, though Pacific Ocean herring are largely localized, and the fishery is pursued within comparatively short distances from shore.

When one turns from the physical to the political side of the fishery, a striking contrast is found between the North Atlantic and the North Pacific. In the North Pacific but four nations are involved—the Union of Soviet Socialist Republics and Japan on the Asiatic side; Canada and the United States on the American side. In the North Atlantic, Canada, Newfoundland (Crown colony of Great Britain), France, Greenland (owned by Denmark), and the United States—five nations—are involved on the American side, and on the European side at least double that number.

Historically also conditions in the two oceans show fundamental differences. The numerous European countries entered and dominated both sides of the ocean long before Canada or the United States rose to national power. It is vastly more than 10 times as difficult to get 10 nations to concur as to get 2. There has never been anything like a general accord among the European nations on fishery matters, and there is not now. It requires no more than a casual perusal of the proceedings of the League of Nations in its commendable effort to establish uniform and rational rules as to territorial waters, to appreciate how hopelessly in discord nations still find themselves. It is true that the League of Nations initiated a far-sighted program concerning the international protection of whales. Enough nations have accepted the treaty which the League prepared to make it operative according to its terms. These include most of the leading whaling nations, except Japan. There are also a number of treaties of a specific regulatory nature between two or more nations. And organizations such as the Permanent Council for the Exploration of the Sea have splendid records. The fact remains that the fisheries of the Atlantic have in many instances become sadly depleted, and

that the firmly established practice of deep-sea fishing is that of unlimited exploitation. Each operator being generally subject to no legal restraint seeks to take all fish possible before a competitor of his own or another nation takes them.

This European system, which some exploiters seek to make worldwide in application, has resulted in the development of bigger fishing vessels and more effective apparatus. As adjacent fishing areas are commercially exhausted the fishermen push farther and farther out to unexhausted areas, where the same process is pursued.

Far different is the history of the North Pacific. Until recently, with the exception of the early whale and cod fisheries and a few negligible incidents, it may be said that the ocean bank and coastal fisheries of the two sides of the ocean have developed separately and differently. There has been practically no invasion of the fisheries of one side by vessels of the nations on the other side. Some Japanese vessels have crossed to the American side of Bering Sea, and individual Japanese have entered both the British Columbia and United States operations, but they have done this as residents.

On the Asiatic side the story is one of a rapidly expanding Japanese fishery to the north and south along typical European lines of exploitation. Japanese scientists have made splendid progress, but commercially there has been an almost total disregard of conservation. In Siberia there has always been a Russian coastal fishery, but in Czarist days salmon canneries were largely operated by foreigners. The Soviet Government, however, has sought to build up its Siberian fisheries, has purchased American cannery machinery, and imported American mechanics. It operates a substantial number of shore salmon canneries, also shore and floating crab canneries, and there is some other fishery activity.

Briefly, it may be said that by a convention following the Russo-Japanese War, Japan was granted certain shore-plant locations on the Kamchatka Peninsula, together with substantial fishery rights in adjacent waters. The Japanese invasion of Siberia during the World War and the subsequent Soviet control of Siberia brought on bitter fishery disputes. By the treaty of 1925, whereby Japan gave diplomatic recognition to the U. S. S. R., perhaps in consideration of such recognition Japanese fishery rights in Siberia were again recognized. They were embodied in a subsequent convention, but have each year been the subject of renewed disputes, in some instances involving a possible threat of war. The last convention having expired at the end of 1936 and a new convention having fallen through, a temporary agreement has been reached for 1937 only.

One of the most significant features of the Japanese-Siberian situation is the development by Japan of the floating salmon canneries referred to. Literally hundreds of miles of nets have been spread by fishing vessels serving these floaters to intercept the salmon before they reach the Kamchatka coast. In fishing parlance there has resulted the partial or total "corking" of streams and shore traps.

Offshore salmon fishing of this character is considered exceedingly detrimental for several reasons. First, vessels fishing off the coast of another nation, but beyond the jurisdiction of the coastal nation, cannot be regulated by the coastal nation and are not likely to be effectually regulated by the nation of the vessel's flag. Consequently, such fishing will most naturally have the characteristics of exploitation, rather than of conservation. Second, it is believed that in such a fishery many immature fish are taken. Japanese scientists themselves report that since the advent of floating canneries the average size of fish taken has decreased. Economic loss results from not permitting the salmon to mature. It is asserted in the trade, though not as yet confirmed scientifically, that the quality is inferior, probably due to the immaturity of the fish. Third, such a fishery is almost certain to arouse international bitterness, if not conflict.

In the particular instance of Kamchatka, a peculiar result was that Japan's greatest salmon fishing company was one of the greatest sufferers. The shore concessions in that peninsula granted to the Japanese were all held by a company commonly known by its abbreviated name of "Nichiro." The plants of this concern were as severely affected as the adjacent plants operated by the Soviet. Accordingly, the Japanese Government stepped in and forced a merger of Japanese salmon operators in this area. The Government, whether for conservation purposes or the protection of the shore plants, has required some curtailment in the floating operations.

Before leaving the Asiatic side of the ocean, it should be mentioned that much of Japan's crab pack is sold to the United States, while most of its canned-salmon pack and frozen fish is exported to various foreign countries, as well as some of the meal and oil produced by the Bering Sea floating reduction plants. It should also be recognized that the Japanese are great fish consumers, and claim to be the greatest fishing people in the world. Using approximations, the Japanese claim to produce 3,000,000 out of a total world fish catch of 14,000,000 tons. They also assert their catch to be worth a half billion out of a total valuation of $2,000,000,000. What is even more significant, Japan claims to have a million and a half people engaged in its fisheries.

A recent report of the United States Tariff Commission (Rept. 116, 2d series, 1936) contains considerable statistical data concerning the leading fishery nations. Exact comparison cannot be made from it because different years (1932, 1933, and 1934) are used for the last available figures. However, some comparison may be obtained from the following values of the annual catch in millions of dollars: Japan, 87; United Kingdom, 65; Canada, 20; United States, 61.

On the east side of the North Pacific there has been a development which is not only unique in world history, but affords an example well worth emulation. Canada and the United States entered a virgin fishery—that of the Pacific shores and continental shelf of North America. From the very beginning of this fishery on a commercial scale their operations have been exclusive. At first both nations pursued the old methods of exploitation, and some of the fisheries continue largely on this basis. Canada, Washington, Oregon, and California, however, soon adopted local regulations which were more or less effectual within their respective jurisdictions. The United States Government later vested its Bureau of Fisheries with regulatory power over the Alaska fisheries.

In the United States two essentially different systems of regulation have been pursued. Some States prescribe the very minutiae of regulations by fixed legislation, thereby requiring subsequent legislation in order to make any change, regardless of changing conditions. As the passage of such legislation usually entails bargains and trades between legislators, it is seldom logical and is frequently ineffective. Moreover, as the legislatures of most States meet only biennially, and then for limited periods, it is often difficult to secure desirable changes even when there is no opposition.

Another and much better system of regulation is that which lays down general principles and then directs an administrative officer or body to work out and to change specific regulations to meet changing conditions. This is the system which prevails under Federal authority in Alaska. The result has been to build up the salmon run of the Territory so that Alaska now produces more than half of the entire world pack; and not only was the canned salmon pack of 1936 the largest of all time, but it is believed that in spite of the recent large packs the salmon run now is larger than at any time since commercial fishing commenced. There have been rumors that the Japanese, during 1937, will send floating canneries to the Alaska coast, remain 3 miles offshore, and endeavor to intercept the salmon headed for the Alaska streams, just as they have done off the the coast of Kamchatka. Reports from Washington, however, indicate that this will not occur this year, and that negotiations may be undertaken to govern the future.

Where the fishermen from both Canada and the United States were in rivalry over catching the Fraser River sockeye salmon which coursed through the State of Washington waters before entering British Columbia, disastrous depletion occurred. However, Canada and the United States are apparently about to put into effect a treaty which eventually should result in the restoration of this valuable run of fish. This treaty involves joint control of waters more than 3 miles offshore, as well as inshore waters.

Neither Canada nor the United States may equal Japan in the number of persons engaged in the fishery industry. But it should be noted that fishery products constitute substantially more than half the value of the total annual production of Alaska, including gold; that the fishing industry pays about 80 percent of the Territory's entire tax revenue; and that in British Columbia, Alaska, and the Pacific Coast States the number of persons directly engaged in the industry is given as 77,026, with a very large additional number secondarily engaged; and the annual value of fishery products from this region is estimated at about $100,000,000. Home consumption far exceeds exports, although British Columbia ships substantial quantities of frozen halibut and salmon to England; mild cured salmon has a European market; and canned salmon is shipped all over the world, but mainly to England.

In considering the facts pertinent to the American side of the North Pacific it should be noted that the United States Government, the three Pacific Coast States, Canada, and British Columbia, have spent and are spending annually large sums for the propagation, preservation, and development of the coastal and deep-sea fisheries. The amount of such expenditures has averaged more than $1,600,000 annually over the past 10 years.

Regulations of a deep-sea fishery by international cooperation originated on the American side of the North Pacific. Halibut banks off British Columbia and southeastern Alaska were probably as rich as any in the world. In 1 year they produced 60,000,000 pounds. In halibut fishing there is a convenient unit of measurement known as the "skate", which represents a setting of a certain number of hooks attached by short lines (ganging) to a heavy ground line. In 1906 the fish were so plentiful that the catch averaged 300 pounds per skate. Due to overfishing and despite improved and increased equipment, the catch of this area by 1929 had fallen to 22,000,000 pounds, and the catch per unit of effort had fallen to 35 pounds per skate.

By 1924 the depletion of the grounds had already become so great that the fishermen, vessel owners, and dealers of Alaska, British Columbia, and the State of Washington had joined in demanding action from their Governments. A treaty that year created a joint commission—two Canadian and two United States Commissioners—to investigate the situation. This Commission immediately engaged the services of the ablest scientific staff it could assemble, headed by Dr. W. F. Thompson, who had already won recognition in this field by work in British Columbia. Greatest of all policies which the Commission adopted was its solemn determination always to ascertain the facts by the best available scientific methods before it reached conclusions or acted, and to be governed by the facts, welcome or unwelcome as they might be. Among other things, it was found that there were distinct varieties of halibut inhabiting different banks, with negligible intermingling; also that halibut are found only on such banks as conform to certain limitations of depth and range of water temperature.

In 1930, as a result of the effective investigation of the Commission, it was granted wide discretionary powers of regulation by a new treaty. This treaty is essentially unique. Many fishery treaties have been entered into between various nations, but in no other treaty (there was an abortive attempt at such a treaty beween the United States and Mexico) has an international body been vested with jurisdiction to regulate the activities of fishermen and vessels of the signatories in both international waters and the national waters of such nations. The Commission has the power, among other things, to restrict the appliances which may be used, to close spawning areas, to change the time of a closed winter season, to divide the fishing grounds into area, and to fix a catch limit for each area.

Regulations prepared by the Commission first took effect in 1931. The limit of catch was set approximately at that which had been taken without regulation during the previous year, so that the fishermen were not limited to an amount less than they would actually have taken otherwise. In fact, the total catch limit has been set at a figure which in each succeeding year has become increasingly more than the fishermen could otherwise have taken, yet the Commission has built up the stock so that the catch per skate (or unit of effort) has risen from about 35 pounds to 65 pounds.

The International Fisheries Commission takes pride in its demonstration of what can be accomplished by international cooperation intelligently undertaken in a spirit of fairness and candor. But the very success of the Commission now brings an unforeseen threat. Tempted by the increased abundance of halibut built up solely as a result of this cooperation between Canada and the United States and the enforced sacrifices of their nationals, British and Norwegian fishing interests, which have in no way contributed to the rehabilitation of these fisheries, are now threatening to invade this field with their floating cold-storage plants, carrying their own fishery flotilla and alien fishermen.

A few seasons of unregulated fishing—the Atlantic Ocean system of exploitation—applied to the supply carefully built up by the restrictions imposed upon the fishermen of Canada and the United States will deplete these Pacific coast banks to the same sad condition as those Atlantic banks already stripped by the ruthless mother-ship method. Then the banks will constitute unprofitable fishing both for the alien mother-ship operators and for the domestic fishermen; and the public in Canada, England, and the United States will lack a desirable food supply.

Demersal fish protected by the nations to which the banks are adjacent, and anadromous fish protected in the waters where they are hatched and die, should be immune from the assaults of all despoilers. If international law, as conceived on the Atlantic, is ineffective for the purpose, it may be desirable for the Pacific, with its other differentiations, to evolve some new rules of international law relating to fisheries based upon ethics and principle, not upon compromise and blind precedent.

SEATTLE, February 1937.

Southeastern University Commencement

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 10, 1937

ADDRESS BY HON. JOHN W. McCORMACK, OF MASSACHUSETTS, AT THE ANNUAL COMMENCEMENT OF SOUTHEASTERN UNIVERSITY

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from Massachusetts [Mr. McCORMACK] at the commencement exercises of Southeastern University, Washington, D. C.:

I am pleased to join with you on this happy occasion and to have the opportunity to congratulate you, the members of the class of 1937 of the Southeastern University, and to extend to you my best wishes for your future success in your chosen fields. This is a very happy occasion for all of you, and the happiness and joy it brings you has been well merited. As members of the graduating class you are, and should be, proud and happy in the realization that you have successfully completed a course of study in law or accountancy which has been designed to prepare you to meet the problems of a modern world. The satisfaction that you possess today proceeds from the knowledge that you have achieved, through your own industry and perseverance, what you set out to accomplish. It has not been easy to win the honors which have come to you. It has entailed hard work, intensive study, self-denial, and very often the sacrifice of the material pleasures of life.

This has been part of your training. You have learned that hard work is the price of true success. No doubt many of you were denied the opportunities of an education during the early years of your lives due to conditions over which you had no control. This did not deter your determination to obtain an education that would entitle you to membership in honorable professions so that you might contribute to the progress of your fellow men. The fulfillment of your hopes and desires has required a faithful attention to duty and a will to win. Your achievement is an all-inspiring lesson of what democratic processes of government mean, what they stand for, and what they afford. It is a lesson to all of what can be accomplished by an individual possessed of laudable ambitions and courage.

You are the living answers to the fallaciousness of the remark so often heard, "I am too old to learn—I am too old to study." On the contrary, you are the living example which proves the maxim for which this university stands: "It is never too late to learn."

This is a very happy occasion for the president and the faculty of this university. Under their able guidance and direction you have been prepared to go forth from this university well qualified to enter the professional and economic life of this Nation. They are justly proud of you as products of their labors, and they will follow your careers with genuine solicitude. Their pride and joy will increase with every success that comes to you. It is your success that will bring glory and credit to them and to the university they represent. They will stand ready at all times to aid you with their advice and assistance. They have confidence in you. Do not fail them.

As you go forth from this university to seek success in business or law, have confidence in yourselves, be courageous. Face the future without fear or uncertainty. The training you have received has prepared you to meet and solve the intricate problems that will confront you. You have been grounded in the fundamental principles of law or accountancy. If you follow these principles and continue to strive you will not fail. The professions you have chosen for your career are worthy of your greatest efforts and highest ideals.

Law is one of the oldest professions known to mankind. Its position in society and its contributions to the progress of mankind are well known. It will always have its important part to play in society.

Accountancy is one of the most important professions of this industrial and commercial age. Today the most efficient is not he of infinite learning but he whose learning in a given direction is intensified by specialization. The course of study you have received here has been designed to prepare you for the current problems of a changing economic era.

But whether it be in law or accountancy, there is a crying need for honest workers and constructive thinkers. Let your ideals be high—your purpose steady—and success will crown your efforts. Do not make the mistake of thinking your days of study and research are over. They have just begun. Education continues through life—it is never finished. This university has simply prepared you to acquire that education. It is up to you to continue it. While you were students here you formed a habit for study. The value of that habit will become more and more evident as you are called upon to meet each new problem. The discipline and high educational ideals of this university have strengthened your character. The thoughts and ideal which you have assimilated here will be carried by you through life. Never disregard the lessons you have learned—honesty, sincerity, character, and industry are the prime factors of a successful life.

There is another phase of university life which will be of inestimable help to you in your struggle for recognition. You have made many friends among your classmates and students while attending Southeastern University. These friends will be your colleagues and associates in business and professional life. Continue these friendships. A common bond exists between you and every alumnus of this university. The mutual help and benefit you can give each other will bring much happiness and pleasure to you and accrue to the benefit of the university. It is the success of its alumni which brings prestige and fame to any university, and, in turn, the renown and reputation of the university inures to the success of its graduates.

The vitality and courage which has brought you through many years of struggle and adversity and enabled you to complete your courses will be a valuable asset to you during your life. You have overcome many difficulties by your toil and perseverance. There is no problem so complex that will not yield to energy and application. And so I say to you, with all thy knowledge, with all thy courage, go forward, proceed confidently, and win success.

America has often been called the land of opportunity, and rightly so. No other nation in the world offers the splendid opportunities to its people which we enjoy under our system of government. Here ability, talent, and character are recognized and rewarded. This democracy of ours has provided an opportunity for all to reach the pinnacle of success. Leadership in industry, art, finance, law, medicine, and every other field of endeavor is open to all regardless of race, color, or religion.

We can choose our profession and make it our career. All our Government asks of us is that we be law abiding and fair in our dealings with our fellow men. We are free to work out our own salvation in the way we think best. Our Nation safeguards us against any unlawful interference by others. We can express our own convictions and make our own criticisms. We are free to worship God as our conscience dictates. Few other nations of the world offer such freedom. Contrast our opportunities with those of the people living in some of the other countries of the world where persecution, oppression, and fear are prevalent, either

among all or a portion of the people. Public opinion is stifled. Rights recognized as inherent in the individual are destroyed. Protected civil rights of the individual and a dictatorship cannot exist at the same time. What privileges exist, are permitted only by sufferance, and whenever their continuance commences to interfere with dictatorial government, they can be and are destroyed. Democratic countries always have a government based upon extensive suffrage, with its lawmaking machinery consisting of a legislative body chosen by the people in a free election. A true democracy is found in countries where popular education is widespread, and where an active public opinion not only is permitted to exist, but does exist. The personal rights of the individual citizen are respected and carefully protected by constitutional enactments concerning freedom of a religious conscience; the free exercise thereof; freedom of speech; or the press; freedom from arbitrary arrest and imprisonment; the right of a trial by jury; of the right of proper individual initiativeness, and to protection of property legally obtained and possessed; of the sacredness of marriage, and the sanctity of the home; and of the other great rights enumerated in the Constitution, necessary for the existence of a free people.

The police exist to watch criminal classes rather than to control the people. Their purpose is to maintain internal order. An essential function of any Government. In a democracy, government flourishes for the purpose of serving the governed, by whose consent it exists. Under our form of government the State has certain duties to perform, but the individuals possess certain rights that can only be taken away by the people themselves, acting in accordance with the Constitution. As we view world conditions and the happenings in governments where a dictatorship exists, we find conditions the opposite of what we enjoy by constitutional right. In all such countries freedom of speech and of the press are nonexistent. The only freedom that exists in this respect is what the dictator will permit. History and experience have shown that where discussion is used in place of force as a means of solving the problems of our times, a social and political stability is enhanced. We also see the attempt to destroy the right of a free religious conscience. In some dictatorial countries it is evidenced by outright prohibition; in another by attempting to nationalize religion. Making it simply a department of government, and to ultimately impose upon its people, without regard to their opinions, one religion, that of the State; in another the hypocrisy of allowing religious freedom, but denying the free exercise thereof; and in others, some degree of religious freedom exists only because it has not as yet come in conflict with the wishes or the will of the dictator. Spiritual advisers have been arrested, jailed, persecuted, simply because their religious views interfered with the wish or will of the dictator. Wherever a dictatorship exists, whether of the proletariat, of military, or of any other kind, freedom of the individual in the possession of those rights essential to life, liberty, and pursuit of happiness, either has been destroyed, or permitted to exist only by sufferance.

It is very significant to note that where dictatorships exist today the history and tradition of the people of such countries were definitely linked up in the past with a strong military control. In any event, their history has shown very little, if any effort, in the experiment of democratic government. It also must be borne in mind that under our form of government the machinery exists, as a matter of right of the people, to make necessary adjustments of our laws to the economic or social changes that are constantly taking place. The success of the exercise of this power, the right of suffrage in the selection of our Representatives, depends, in the main, upon an honest and enlightened public opinion—in the average citizen performing his duty in a fearless and courageous manner.

In talking to you tonight I am able to do so because it is my constitutional right to express my opinions, which right cannot be taken away from me by government so long as I do so within the law. Throughout this great land are persons of all religious beliefs, safe in the possession and expression of their views. And yet in other lands are people persecuted, arrested, jailed for daring to entertain and express a free religious conscience. The same situation applies to other great human rights that we possess and which the peoples of all lands should, and I hope some day will, possess. Viewing impersonally the strength and weaknesses of the various forms of governments, democracy, dictatorship, autocracy, the democratic government is the form that brings to a people the greatest degree of satisfaction and of service. Despite the civil rights that we possess, there are some within our borders who would like to destroy what Washington and his contemporaries builded, which Lincoln and his contemporaries preserved, and which we possess.

In the defense of that which we possess we should not and cannot distinguish between enemy from within or from without. As a matter of fact, the one who accepts the benefits of our institutions, and undertakes to use those benefits to destroy, is far more dangerous and sinister in his objectives than the enemy from without.

When we compare the rights of the individual in the United States with those of other nations, we profoundly appreciate what it means to be an American citizen.

We have our problems to meet. So did past generations of Americans. In their day they had depressions and great questions arising therefrom which had to be met and decided. History shows that they performed their duty well. We of this generation have great problems confronting us which we must meet and decide not only for our best interests but for the best interests of the generations to come. The past generations met their problems effectively and successfully, as a free people, as a result of honest differences of opinion being capable of expression, of the feeling of satisfaction with the possession of the great rights to which I have referred. Each generation passed on to the next generation the fundamental rights of a free people preserved, and the structure, called government, improved upon.

We of today will meet our problems in the same way, passing on to Americans yet unborn, preserved, the glorious democracy that we inherited.

The complex problems that will confront us are as important as any that have been met by mankind. Our Nation has passed through a crisis. The advance of science and technology is pressing against our laws and customs. Under the pressure of new inventions and new processes, with changes of economic law, we are faced wth new problems. Our job is to solve these problems. This university has prepared you for this work. This is a government of the people and you are among the men and women who must help administer the affairs of the Nation. The duty to work out the problems of the Nation and to adjust conditions so that they will make a workable civilization is in our hands.

The peace, progress, and prosperity of our Nation depend upon our ability to cope with the situations that arise. This country needs men of learning and culture to settle the stupendous and far-reaching problems, or it must stumble through the very chaos of blind experiment. It needs lawyers and businessmen who can think in the terms of society itself, mediate between interests, establish equity, and bring the peace that will come with genuine and hearty cooperation which will come in no other way.

Fred Sington

EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1937

ADDRESS OF HON. SAM HOBBS, OF ALABAMA, UPON THE OCCASION OF THE PRESENTATION OF THE SPORTING NEWS TROPHY TO FRED SINGTON, BETWEEN THE GAMES OF THE MEMORIAL DAY DOUBLE-HEADER, MAY 31, 1937, GRIFFITH STADIUM, WASHINGTON, D. C.

Mr. PATRICK. Of course, Mr. Speaker, we feel that this is the greatest nation the world has ever seen. While in our manner of march down time's highway we have not only annexed culture, education, and the things that mentally elevate and refine, but have remembered to keep alive athletic and manly arts, to encourage the American youth to have a keen mind in a strong body. Our colleges are proud of their athletic achievements and our Nation of its physical activities in its fine field of sports. We call baseball our national sport, as football crowns the athletic efforts of college life. It is my proud opportunity to have come from the congressional district represented by your humble speaker, which district has one who is a challenge to rising America. His name is Fred Sington. He is living, glowing proof of the fact that the youth of this land may excel in scholarly accomplishments and athletic achievements in the same academic career. I shall not make a speech, further, but merely recommend to your attention a speech made by my colleague from my State, the scholarly and accomplished Judge SAM HOBBS, Congressman from the Fourth District of Alabama who, like the subject of his address, ran up a college career of both athletic and literary accomplishment of merit.

Mr. Griffith, members of the "Senators", the press generally and the staff of the Sporting News in particular, ladies and gentlemen, it is difficult upon occasions such as this to sail the barque of our thinking between the Scylla of faint praise and the Charybdis of fulsome flattery. For we and this monster Memorial Day crowd are pausing here to pay tribute to no ordinary mortal. Fred Sington is not only one of the greatest athletes who ever stepped in shoe leather, but we must also crown him with the laurels due an outstanding scholar and a great son.

During his collegiate days in the University of Alabama he was an all-American tackle on the football teams, each of which is known to history as "The Crimson Tide." Always a tower of strength, he was aggressive enough to lead in many a hard-won victory, and was one of the heroes of the Rose Bowl game of 1931. Not only did he star in football, but also on the diamond and track. But during all of the stirring athletic history written by

the teams on which he played he never once forgot his higher duties. While working his way through the university he supported his widowed mother. The relationship between them is beautiful and inspiring. In spite of the time which was necessarily consumed in making a living for himself and his mother, and the additional time claimed by athletic sports, he made the honor roll in each of his 4 years in the university and Phi Beta Kappa.

This thumbnail sketch of his most remarkable background prepares us more appreciatively to join in this simple ceremony attending the presentation to him of this trophy, awarded annually by the Sporting News to the most valuable player in the Southern Association. Last year he was a member of the Chattanooga Baseball Club and was voted the most valuable player in the league. Today the Sporting News has done me the honor and given me the pleasure of presenting this trophy so well earned and abundantly merited. He not only fielded his position in a way to place him in the class with the best in any league but he also batted .384 for the season.

To you, then, Fred Sington, with all the joy and pride of one native-born Alabaman to another, I present this trophy. You are an all-American athlete in the best and highest sense of that distinguished term. But you are more. You are an all-American scholar, son, and friend. I congratulate you, but I also congratulate the State and Nation which produced you.

Representative Warren J. Duffey

MEMORIAL ADDRESS
OF
HON. CLARENCE E. HANCOCK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. HANCOCK of New York. Mr. Speaker, the beautiful and impressive memorial services held a few days ago for our colleagues who departed this life during the past year brought us vivid memories of those with whom we were closely associated. My thoughts turned toward the late WARREN DUFFEY, of Ohio.

We became members of the Judiciary Committee at the same time and served together for 4 years. He was a loyal and sincere party man, but he did not permit any narrow spirit of partisanship to influence his judgment when principle was involved or when human rights were in question.

He was a clear thinker and he was endowed with that precious type of mind which can brush aside the trivialities and nonessentials and go directly to the heart of any question. His work was earnest and conscientious, and his speech honest and frank. He abominated sham and hypocrisy in any form.

There was a genuineness about him that was most engaging. I was fond of him.

We like to feel that our departed friends are conscious of the things that we who survive say and do and think. I wish to send this message to WARREN DUFFEY across the unknown mysterious chasm: Good friend, good citizen, good American, we miss you and hold you in affectionate remembrance.

Representative Randolph Perkins

MEMORIAL ADDRESS
OF
HON. CLARENCE E. HANCOCK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey

Mr. HANCOCK of New York. Mr. Speaker, When RANDOLPH PERKINS died, the House lost one of its most gallant Members. No matter how heavily his personal problems weighed upon him, he faced the world with a cheerful and undaunted spirit. He was a good soldier.

RANDOLPH PERKINS was a splendid example of the value of a first-class lawyer in politics. With a legal mind trained and ripened by a wealth of experience in the practice of the law, he brought to the Judiciary Committee of the House mature judgment, unbiased opinion, and a refreshingly independent and human approach to the problems that committee must face. And perhaps more valuable, he brought to our deliberations a delightful sense of humor which punctured the ponderosities and hypocricies of witnesses and advocates in our committee room and stripped questions to their bare bones.

He was not a blatant or noisy Member of the House, but a truly useful one. When he spoke, it was done briefly, succinctly, and directly to the point in issue. He was an omnivorous student and reader, and he used quotations with great effectiveness in debate because he almost invariably drew them from the Bible.

Because he was kindly and democratic by nature, he knew thousands of his constituents personally, and because they knew him they sent him to Congress by huge majorities. And because we on the Judiciary Committee knew his fine character and good works we mourn his loss to us and to the country he loved and served.

Young People Today Have More Serious Problems Than Their Grandfathers—War—Dictators—Unemployment—Waste

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 10, 1937

ADDRESS OF HON. MAURY MAVERICK, OF TEXAS, AT VAIL-DEANE SCHOOL COMMENCEMENT EXERCISES, ELIZABETH, N. J., ON JUNE 8, 1937

Mr. MAVERICK. Mr. Speaker, exercising my right to revise and extend my remarks, I include herewith an address which I delivered before the Vail-Deane School in Elizabeth, N. J. I do not believe that this address is of any great importance, but in it I express certain viewpoints which I believe are important to the youngsters today. We are told that in making graduation addresses the best thing to do is to say something nice and not to worry "the children" with all kinds of serious problems. But in a world of war, unemployment, distress, and the serious problems of today, I think it is quite necessary to say something.

The Vail-Deane School is a private school for girls. The graduates were Mary Margaret Aylsworth, Marjorie Moffat Charlock, Charlotte Bowes Dimock, Elizabeth Corbet, Hannita Evelyn Janney, Marguerite Elizabeth Goerke, Fontaine Maury Maverick, Ellona Frances Mook, Adeline Carol Peters, Barbara McKay Smith, Winifred Wrightson Smith, Charlotte Felicity Staub, and Marie Eloise Winans.

My address was as follows:

Mme. Headmistress, Mr. Chairman, young ladies, teachers, mothers, and fathers, long ago I swore that I never would make an address to a graduating class at a school or college. I have a good reason for this. Being one of the worst students that ever lived, I never did graduate from anything. I have heard numerous baccalaureate sermons addressed to students and have received tons of advice. The net result is that I do not now remember a single thing that was ever told me by these lofty lecturers. [Laughter.]

That, of course, was the reason that I made this solemn promise to myself. But in coming here I was faced with the situation where one of your graduates is my niece, and when it gets to be a family matter you are in a fix. [Laughter.] So I consented, and here I am.

AN UNCLE SPEAKS—LIKE A DUTCH UNCLE

Inasmuch as I'm an uncle, I shall talk to all of you like a "Dutch uncle." And to be certain that you will not do as I have always done, in never remembering what is said, I am going to put this address in the CONGRESSIONAL RECORD, along with your names, and send you a copy. Some of you may object to this, and possibly you would prefer to be heralded in the society news. But you can at least say that your name will go in with such names as George Washington; Lincoln; Jefferson Davis; Thomas Jefferson; Aaron Burr; Mr. Hoover; your own Congressman, my friend Mr. McLean; a Texas Congressman, who happens to be myself; and Mr. Franklin D. Roosevelt. Take your choice, young ladies. [Laughter.]

Thus you will be in the official proceedings of the United States of America; and when you get married—if ever you do—50 years from now your grandchildren can look in the CONGRESSIONAL RECORD and find you slipped in between speeches on the tariff, denunciations of the President of the United States for being a Communist, praise of him as a great man. For all I know, your name will be sitting right next to some appropriation bill of hundreds of millions of dollars—nay, billions.

I am really happy to talk to you. I have two children; one of them is 11, the other 16. I say this so you will know that my interest is not just in making a speech.

PRIDE OF PARENTS—THE LIFE AHEAD—WAR

Now, your parents do not care for anything—except you. Sometime you may think they are a little harsh, but they are very proud of you. You have a life ahead of you, and although one person cannot set the course of the world, each of you must make your own life and can undoubtedly assist in molding the course of others.

It would be a nice thing if I could make a sweet-girl-graduate speech, tell you you are pretty, to be good, read good poetry, and let it go at that. Nor do I want to make you unhappy talking about terrible problems.

But, my young friends, it will not be long before you are full-grown. You are just at the happy age I was in the years 1913 and 1914 before the war, in school and in college. I had no idea there would ever be a war, and certainly never dreamed of being in a war myself.

You read in the paper the other day about the shelling of a Spanish town. You know of the civil war there.

You know that over the world there is war, huge armies are being built, dictators are arrogantly marching across the face of the earth. Everywhere we hear the marching feet of soldiers instead of hearing calm and constructive speech.

As for Spain, do not forget that today young ladies like you and very young children like your sisters and brothers are being killed in the war there. What is much more horrifying, the spark of this civil war may ignite another world war, greater than any that has ever come before.

I am supposed to tell you, I presume, a few things that may help you along the path of life. I doubt if I can. But one of the main thoughts that I hope to leave with you is not that you are little girls who do not amount to anything, but that you are young ladies who amount to a great deal.

SOME GREAT AMERICAN WILL COME FROM THIS GROUP

Out of the students in this room two or three will be very wealthy and influential; two or three will marry men who will become Congressmen, Governors, Senators. Also, according to the law of averages, some of you will be very poor. And, for all I know, one of you may marry a king [laughter]; but watch out, for you may not get the title you want, and it will make you sad.

But seriously, out of this group, by the simple rule of mathematics, some of you will become what are termed "great Americans."

IF YOU MUST HAVE COMPLEXES, GET SUPERIORITY BRAND

You have heard of superiority and inferiority complexes. Well, if you must have them, get the superiority brand; they are much better. For you are told to be respectful, to believe your "elders", and to revere your "forefathers" as people who never made mistakes. Indeed, we had wise forefathers; indeed, we Americans have a glorious history, but our forefathers made mistakes, and they were just as human as we are.

Sometimes we are told what a hard time our fathers, mothers, and grandparents had. It is true that you will not have to fight Indians or ride in covered wagons across the West. But you will have to fight hard conditions, enter a world torn with war and strife, and for that you must be prepared. Confidentially, my young friends, you will have even a more difficult time than your grandparents. You cannot move to a new country. You will have to use your heads, really and surely.

For the next few years you can go along more or less easily, I hope. But let us think along and gather inspiration for the time when we enter life as full-grown citizens. That is so we can hope to make this a happy world in which all men can live.

When I left high school, and also college, jobs were waiting for us all. But conditions are different now, and even if you, personally, have nothing to worry about, there are millions who will. This will have its effect on the Nation as a whole. Jobs do not wait for youngsters any more. In the old days many young people normally went into their father's or other relative's business. That was in the day of small business, but now we have big business. Thus a very small proportion of our students today enter a life ready-made by their own people.

This applies to your brothers and the young men with whom you may associate as friends. And young ladies no longer go home to merely live around the house. Either they go to college, they get jobs, go into some business for themselves—or get a husband. Sure enough, though, we can't laugh things off any more.

STUDENTS TODAY OFTEN MORE SERIOUS THAN PARENTS

Sometimes you are told that you are frivolous. But I can tell you one thing, you are much more serious than were young people in my time. When I visit colleges now I see serious young men and women. There is less foolishness and college boy and college girl stuff than when I went to college. I often find, in high schools and colleges, that the students are more serious than their parents.

I suppose you have been getting advice all of your life, so I know it will not hurt you if I offer you some more. My advice is, don't take anybody's advice when it comes to thinking. Use your own brains.

Now, I am not telling you to be disrespectful to your parents, teachers, or your elders. Nor am I telling you to be unmannerly or to hurt anyone's feelings. And yet, in the matter of education, you do not get it from teachers; they put the information before you, and you digest it or not as you please. Your parents give you life, but they cannot live your life for you.

LIVE YOUR OWN LIFE; USE YOUR OWN BRAINS

So you must teach yourself and, although I am sure it is bad grammer, you must learn yourself. So also must you live your own life.

Even now, at this late period of life, I am beginning to find out a great many false ideas that I learned early in life. So I would have you think honestly and freely now, that you may learn the better. Also if you do not act independently and bravely, you will not be yourself but someone else. And if you are someone else, you cannot serve your country intelligently.

Using your own mind, you will sometimes clash with others; sometimes make those you love the most very sad. But in the end you will succeed the better and make your friends and parents the happier if you use your own head, think honestly, and make your own conclusions.

Now, I mentioned to you the matter of our history and how we are told our forefathers were wise fellows and did almost everything right. So I will give you a rule by which to judge historical characters and what they actually did and said. Just ask yourself what you would have done and said under the same circumstances. The reason I say this is that our forefathers had no more intelligence nor patriotism nor wisdom than have the people who live today. I say this in order that we may have confidence in ourselves.

OLD IDEAS AND THE NEW FRONTIERS

We live in a new world, a world of science and accomplishment. Old ideas must go and, just as our ancestors rode across the plains and marked out new frontiers, we must ride the plains of science and knowledge and mark new frontiers in a new world. To express a new and bold idea is to get called names—radical, Communist, atheist; but we must pay no attention to this name calling.

One other thing that I mentioned was war. Someone told me that you were too young to think of war, and that I really should talk to you about literature and Shakespeare and poetry and things. But in European countries today youngsters are putting on uniforms at 8 years of age, and I am sure that according to those standards you are already old soldiers.

I am thinking of a Memorial Day address I recently delivered over in Maryland. I had never delivered one before, because I had hoped in my own heart that I would not do so, unless I could tell the truth. And so, what did I say on that occasion? In fine, I said that we let men starve and die in poverty and then erect monuments to them. As soldiers, we let them go into useless wars; and while they are still living we give them medals. When they die we pray for them.

I am not opposed to praying for the dead. I think prayer is a fine and noble thing; but I think there is another thing which might make this prayer unnecessary, and that is to stay out of wars. If we study our wars closely in this country, few of them have any excuse.

NO EXCUSE FOR CIVIL, SPANISH, WORLD WARS

There was no excuse for the Civil War. In that war the ordinary man gained nothing whatsoever. For that matter, neither did the rich gain anything. For, indeed, many rich men's sons went into the war and were killed and wounded, and many rich men suffered the loss of their fortunes. Of course, there were war profiteers in those days as there are now. But there was nothing whatsoever gained by that war. That applies to both North and South.

I'll not go into any history of the Civil War or discuss it at length. I merely say that we should not mislead ourselves about that war any more than any other.

And then we come to the Spanish-American War. There was no occasion for our country entering it. What good did we do in it? Our soldiers were sent away, many were killed, many wounded, and many were infected with tropical diseases, horrible in nature. We spent millions upon millions of dollars.

We did nothing of any value whatsoever. In Cuba we displaced Spanish militarism with American dollar government. Our own financiers went there and began to exploit the country, and there have been a series of revolutions ever since. The Philippines we have given up.

And now the World War. We are expected to twist ourselves into thinking that it was a wonderful thing that we went into the World War and that we did so to make the world safe for democracy. But the truth of the matter is that when the war broke out in 1914 we were never neutral from the very beginning.

We took sides.

But we did one thing much more dangerous, and that is, we began to sell our goods and merchandise.

We sold munitions.

All over the United States we did this, too. In the South it was cotton; in the Middle West it was corn and hogs; in the West, wheat; industries were everywhere. We were selling night and day and making huge amounts of money. I can remember people bragging about selling munitions stocks and about how much money was being made. People would say things like this: "All of those Europeans are killing themselves off and we are making the money!" People thought that was funny.

But the rise in prices and the selling of supplies, food, and munitions kept going on. We were finally pushed into the war. We must remember that if we had not been selling to the nations at war, in the first place, we may never have joined the war in a military way.

THERE IS NO GLORY IN WAR

So you have this problem in front of you—the problem of war. Remember this from an old soldier: There is no glory in war. There is no glory in marching on a battlefield and being wounded and killed. There is no glory in destruction and death. There is no glory for the folks back home, either. So, as young citizens, find a way that this Nation can live in peace. One thing we must do: As a Nation we must maintain neutrality; we must promise ourselves that we will not send our boys away to foreign soils. [Applause.]

But in reference to the matter of war in general, study the real true causes of war. History books do not tell all of the truth. In this you must make deep research if you really want to know the truth. These are some of the things which you as young women, going into the world of business, or life, or college, must know.

THREE ESSENTIAL THOUGHTS

Now, young ladies, I hope to leave three positive and essential thoughts with you.

FIRST—LIBERTY, TOLERANCE

The first of these things is for us to be thoughtful and tolerant of each other. When I say tolerant of each other, we must be tolerant of each other's opinions, each other's religion, each other's thoughts, and each other's conscience. That's one of the reasons that we have a great nation in which to live. That is because we have a Bill of Rights that guarantees civil and religious liberty.

Now, you must understand what that means. It means that in order for you to be guaranteed your right of freedom you must maintain it for others. Many of the things which other people will say may sound to you outrageous, unpatriotic, and quite wrong. But you must maintain and defend that right for all others in order to enjoy it yourself.

Someone expressing a new opinion is frequently called an anarchist, a radical. But remember, even if you are a conservative, if you deny the rights of others, such rights will be denied you. The basis of our democracy is freedom of speech and freedom of religion. That is one thing that you must think about all the time.

SECOND—DEPENDENCE ON NATURE

The second thought that I would leave with you is that after all everything proceeds from Nature. In this I am not offering you some very difficult problem of the natural philosophers, some philosophy which you cannot understand, but something that is very fundamental and quite simple.

It is that the ground upon which we stand is the basis of everything. Over this Nation we have destroyed tens and tens of millions of acres. We have great floods and dust storms. It is because we have not saved our soil. It is because we have forgotten that we are entirely dependent on Nature.

But here in the various cities of New Jersey, in the high tenements and apartments of New York, everything goes back to the soil. If the soil washes away, we lose its fertility, its mineral resources, its trees, its shrubs, its flowers, and its produce, and we will starve also. So remember that we have done a bad thing in wasting our resources, and that we must regain them. Agriculture, farming, means as much to you young ladies as it does to the man who lives on the farm.

THIRD—PEACE, THE HORROR OF WAR

And the third thought that I would leave with you is that we must maintain peace. You who are young people cannot realize the horror of war. Nor can old people who have not endured it. You come into life full of happiness and joy; you think of war as the beating of drums, the waving of flags, and marching feet. But that is all a sham and a fraud. A war is not the beating of drums, the waving of flags, and the singing of songs, but is death, sorrow, and sadness.

Therefore, do not be fooled by others. Demand peace and demand happiness. Demand that your Nation be a good neighbor to all the rest of the world.

My young friends, I repeat, I am very happy to have come here. Really, now, it is a privilege to talk to you. You are quite serious people. You are just as smart as your mothers and fathers. I hope—and I hope the same for my children—that you are smarter, and that you will make this a finer country in which to live. I thank you very much for the honor of being here, and I hope that we can look on our problems seriously, but at the same time with happiness and joy.

The Marihuana Taxing Bill

EXTENSION OF REMARKS
OF
HON. FRANK H. BUCK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 11, 1937

Mr. BUCK. Mr. Speaker, just a month ago today the Committee on Ways and Means reported favorably H. R. 6906, a bill to impose an occupational excise tax on certain dealers in marihuana, to impose a transfer tax on certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording. Late yesterday afternoon, the chairman of the Ways and Means Committee [Mr. DOUGHTON] endeavored to secure unanimous consent for the immediate consideration of the bill, to the enactment of which I am sure there can be no serious or well-founded opposition. In view of the lateness of the hour and in view of the fact that some of the Members then present on the floor were apparently not informed as to the necessity for this legislation, Chairman DOUGHTON did not press his request. The bill, however, will be called up, if not on Monday next, at the earliest practicable opportunity.

In the hope of saving time in its consideration and in order that Members of the House may be familiarized with just what the bill proposes to do, I am taking this opportunity, Mr. Speaker, of setting forth as briefly as possible the reasons which have impelled the Committee on Ways and Means to report this proposed legislation, and to briefly explain the bill itself.

Marihuana is a dangerous narcotic drug found in the flowering tops, leaves, and seeds of the hemp plant—*Cannibas sativa* L. The plant has a number of industrial uses, but the drug is used by the medical profession only to a negligible extent. The industrial uses include the extraction of oil from the seeds, which is used in the manufacture of paint and varnish; and the production of hemp fiber from the mature stalks, which is manufactured into twine. Cattle feed and fertilizer are also manufactured from the residue of the seed, and the seed itself is mixed with other seeds, as birdseed. The bill protects all of these legitimate uses of the plant, the word "marihuana" being defined in section 1 of the bill so as to cover solely the illegitimate use of the plant as a narcotic.

Illicitly, marihuana is used principally by smoking it in the form of cigarettes, which are now readily obtainable throughout the country at a comparatively cheap price. The toxic effects of these cigarettes are self-satisfaction, merriment, often uncontrollable laughter, leading to a state where ideas are lacking in continuity and control of thought and power of directing it are lost. Large doses produce a tendency to willful damage and violence, and the testimony produced before the Ways and Means Committee showed that many violent crimes have been committed by persons under the influence of this drug. Inhibitions are released generally, and in particular a rapid flow of ideas of sexual nature takes place, ending with complete loss of judgment and restraint.

Marihuana is used by criminals to fortify themselves for the commission of crime. The saddest and most pitiful aspect of the marihuana trade, however, is the fact that it is being placed in the hands of high-school children in the form of these cigarettes sold by itinerant peddlers. These children are thus started on the road to becoming drug addicts, and testimony before our committee showed that they have in many cases been driven to crime and to insanity. Insanity and impotency are often the results of its continued uses.

The growth of the traffic in this drug during recent years has been phenomenal. About 10 years ago there was little traffic in marihuana, except in parts of the Southwest. The weed now grows wild in almost every State in the Union. In spite of State laws directed against the traffic in marihuana for improper purposes, it is easily obtainable and has come to be widely misused in many States. In 1936, in 28 States and the District of Columbia, State and municipal enforcement officers made 338 seizures of marihuana. In the course of these seizures 181,000 pounds of marihuana in the form of growing plants, besides 11,000 plants themselves, nearly 6,000 cigarettes, and approximately 5 tons of bulk marihuana were taken and destroyed. This represents only the figures reported by enforcement officers. It by no means represents the extent of the illicit traffic since not many of the States have begun real enforcement against marihuana, lacking special enforcement facilities and requiring the further education of their enforcement officers in the detection of the drug.

The purpose of H. R. 6906 is to develop a plan of taxation that will raise revenue and at the same time render extremely difficult the acquisition of marihuana by persons who desire it for illicit uses, and, secondly, the publicizing of dealings in marihuana in order to tax and control the traffic effectively. The bill represents a combination of the Harrison Narcotic Act and the National Firearms Act, both of which were designed to accomplish the same purposes—the first with respect to opium and coca leaves and the second with respect to firearms. It is not believed feasible to amend the Harrison Act by the inclusion of marihuana, for the reason that its control presents a problem different from that of opium and coca leaves, neither of which are grown in the United States. But marihuana is, and a portion of each plant may be used legitimately. Hence, it seems necessary to provide a separate bill to cover legitimate dealings in marihuana as well as to control and prevent, if possible, illicit dealings. Under this bill, an occupational tax will be levied upon persons who deal in marihuana, and such persons are required to register with the collector of internal revenue. It is made unlawful for any person who is required to register and pay a special tax to engage in any dealing in marihuana without such registry and payment. Shipment of marihuana in interstate commerce without such registry and payment is made illegal.

It is further made illegal to transfer marihuana except in pursuance of a written order from the transferee on a form to be issued by the Secretary of the Treasury, and upon all such transfers is levied a tax at the rate of $1 per ounce, or fraction thereof, on transfers to persons registered under the act, and at the rate of $100 per ounce, or fraction thereof, on transfers to persons not registered under the act. It is made illegal for a transferee to acquire marihuana without payment of the transfer tax. Certain exceptions are made with reference to medical practitioners, transfers by druggists on prescriptions, export shipments and transfers of the seed to manufacturers of birdseed, seed oil, seed cakes, and similar products.

The remaining sections of the bill provide for the forfeiture to the United States of contraband marihuana, provide the administrative regulations and the penalties for violation of the act.

No one who has heard the testimony before the Ways and Means Committee, or who has read the hearings which are in printed form, can remain long in doubt as to the advisability, and even the necessity, of Federal action along the lines of this bill. Nearly every State has legislated against the traffic, but State legislation is not uniform and requires to be supplemented by Federal aid. I am happy to say that my own State of California has taken a lead in this matter.

For many years past in California marihuana has been a prohibited drug. Some years ago, in addition to its sale, its transportation was forbidden, and at the session of our State legislature, just adjourned, a bill was passed to prohibit the growing, cultivation, or even possession of the marihuana plant. Yet with all the precautions that we have taken, there still remains the need of Federal aid and assistance to control and suppress the traffic. In some other States the definition of marihuana is too narrow, and in other States it is felt that the Bureau of Narcotics is needed as a coordinating agency in the enforcement of the State law.

When this bill was under consideration by our committee I received a letter from Capt. E. J. Cox, then retiring after 25 years of service as head of the narcotic detail of the police department of the city of Sacramento, which discussed the evils of marihuana from the point of view of an expert, and which concluded:

> I want to thank you and your committee in Congress for making that noble fight against the scourge of marihuana, and I say, "God bless you."

It is not my intention to shock the sensibilities of those who review this in the RECORD by quoting some of the horrible and fiendish examples of depravity that have been cited as resulting from the use of this drug. The evidence is spread upon the hearings for those who care to see. I only want to say that in helping to enact this bill into law next week, each Member of the House can feel he has done something to eliminate one of the most devilish causes of human wreckage that exists uncontrolled today.

The Repeal of Nuisance Taxes

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 11, 1937

Mr. HOUSTON. Mr. Speaker, we are today asked to reenact the same schedule of nuisance taxes that has been in existence for several years. I am going to vote against this bill. In my opinion, it saddles on the backs of the poor tax burdens which should be borne by the rich.

When the present schedule was enacted in 1932, it was done because Congress was told that these taxes were only emergency taxes, that they were designed and created to balance the Budget which was out of balance because of the depression and panic that was then beginning to manifest its worst phases in hard times, bankruptcies, receiverships, and fallen fortunes. In 1933 the Interstate Commerce Commission made the following recommendation:

> Since Congress has declared that the Federal tax on gasoline was levied only as a temporary expedient on account of the emergency, the Commission urges the Federal Government to relinquish this source of revenue for the exclusive use of the States at the end of the next Federal fiscal year.

Four years later we are again told that these taxes should be reenacted in order that the Budget may be balanced, but I am wondering how long a hard-working, long-suffering, tolerant, and ever-patient citizenry is going to stand for that line of reasoning.

The continuance of these taxes seemingly is justified by its supporters solely on the ground that they produce revenue and not upon the ground that there is a sound principle underlying them. The gentleman from New York [Mr. O'CONNOR] objects to the tax on furs and fur-trimmed garments; others object to that on cosmetics, and they are justified in doing so; but I am especially interested in the tax on gasoline and lubricating oils. The petroleum industry, which is an important one in the State of Kansas, has been carrying an unusual tax burden. Both the number and the amount of these taxes have been variously estimated. It seems accepted by the best authorities that there are now over 70 special taxes levied on the oil industry alone, and that there are over 130 general taxes which are levied on the industry, many of them falling also upon others.

Since, ultimately, the consuming public pays these taxes, it might be more accurate to point out that the motoring public is today carrying this tremendous tax burden. From

1919 to 1935, a period of 16 years, motorists have paid over $12,000,000,000 in taxes. It has been estimated that the 1935 tax bill of the whole country amounted to $9,650,000,000. Of the State taxes collected in the 48 States, 32 percent is from gasoline taxes paid by the motorists. Those heavy taxes are largely paid by those who are in the lower income brackets. Under the theory that taxes should be levied upon the basis of the ability to pay, it seems inequitable that groups who are exempted from payment of income taxes on the theory that they are not able to pay should be the very ones upon whom falls probably the largest amount and the heaviest burden of these gasoline and lubricating-oil sales taxes.

If revenue must come from oil, then let it come through taxes on oil produced in foreign countries, oil produced at low cost, oil that for years has prevented our producers from receiving anything like a reasonable price for the domestic product. Kansas and the other oil-producing States are regulating their output of crude. Because of the invasion of cheap foreign oil they have been forced to curtail production, but the price of that production is governed largely by the competing price of the foreign crude which threatens the domestic market. I favor the repeal of this tax on gasoline and lubricating oils and the maintenance or increase of the excise tax on imported crude.

Mr. Speaker, emergency measures should be reserved for emergencies, and present economic conditions cannot be compared with those of the dark days of 1932. It seems reasonable to me that if these levies, so appropriately termed "nuisances", are abandoned industrial recovery will be advanced and the additional Federal revenues received from other taxes, due to this promotion of recovery, would compensate either wholly or largely for the elimination of taxes which are so hard to justify.

Nation-Wide Support for Repeal of Long-and-Short Haul

EXTENSION OF REMARKS
OF
HON. SAMUEL B. PETTENGILL
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 11, 1937

Mr. PETTENGILL. Mr. Speaker, on April 14 the House passed H. R. 1668 for the repeal of the long-and-short haul by a vote of about 70 to 30 in percentage.

Since that time the Chamber of Commerce of the United States has conducted a poll of its constituent memberships on the desirability of eliminating the long-and-short-haul clause from the fourth section of the Interstate Commerce Act.

That poll has just been concluded. The vote was 1,068 for repeal to 545 against repeal, thus showing that the vote in the House was an accurate index of the public opinion of the Nation. Each vote represents a group of men—often composing many hundreds if not thousands of individuals.

The vote in this poll was not of the railroads, but of the shippers. It represents the views of shippers and consumers of all commodities. Railroad and other transportation agencies as such cast not a single ballot. The ballots were those of the producers, manufacturers, processors, distributors, and consumers of commodities, originating in mines, factories, and farms.

The shippers and consumers have thus demonstrated by a 2-to-1 vote that they want the long-and-short haul repealed.

In not a single section of the Nation was the vote against repeal. It represents not only the prevailing opinion of the Nation as a whole, but the prevailing opinion of each section.

I attach a summary of the vote broken down into six sections:

Vote cast

	For	Against	Total
Northeastern division	260½	161½	422
Southeastern division	120	100	220
Northern central division	343½	110½	454
Southwestern division	124	101	225
Northwestern division	110	19	129
Western division	110	53	163
Total	1,068	545	1,613

A True Account of the Memorial Day Massacre, Not the Garbled One Furnished by the Corporation Press—Such Atrocities Must be Stopped

EXTENSION OF REMARKS
OF
HON. JERRY J. O'CONNELL
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 11, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, there have been so many garbled press reports about the Memorial Day massacre at the Republic steel plant in Chicago that I feel it my duty to bring to the attention of the Members of this body a true and correct statement of facts as evidenced by a report made by five individuals who were eyewitnesses at this brutal attack.

This group of individuals, because of their interest in social problems, attended the meeting which preceded the massacre in order to obtain first-hand information on labor problems. Their statement is the result of questioning physicians and surgeons, students of theology, social workers, an author, housewives, and professional and manual workers.

In perusing the statement made by this representative group you will find a state of facts much different than that given out by the corporation press. It would attempt to lead people to believe that a mob tried to invade the plant. Instead, you will find that, without warning and without justification, the police of the city of Chicago charged upon the crowd, fired at them point blank, and as a result seven are already dead. In addition, many with abdominal wounds and fractured skulls may die, and many are crippled. Over a hundred persons were injured in this premeditated atrocity, which shall forever remain a blot on the escutcheon of the city of Chicago.

After reading this report I feel certain that many will agree with me that no agency of the Government, either State or municipal, should be permitted to carry on such warfare against the workers of our country. Such police violence and brutality against workers must be stopped. Gun rule by politicians and corporations must be ended.

No justification can be made for this brutal and barbarous treatment by the city of Chicago of these good people who sought only those rights which should be accorded every American workingman. So long as such atrocities are permitted to continue will we have industrial, economic, and social unrest in this country.

On industry and the corporate interests rests the burden in this great conflict. How much longer will we permit them to run rampant over those who work and toil?

The report is as follows:

To the people of Chicago:

We are a number from amongst yourselves; we saw the Memorial Day massacre at the Republic steel plant, and as impartial witnesses we have been drawn together by the necessity of making known the truth about this deliberate and unprovoked mass murder. Having seen this, we can no longer remain silent citizens of a municipality whose law force is being used as a private army to support violation of the law of a city which is shamed all over the United States because its police force is the most brutal and its government the most irresponsibly autocratic in the entire Nation.

We came as individuals actuated by an interest in social problems, even by curiosity, to an open meeting of the striking steel workers. Some of us first became acquainted with each other in hastily volunteered first-aid cars, in hospital operating rooms, and on the open prairie where we tried to pick up the slaughtered men, women, and children, many of whom, like ourselves, had only come to see whether Chicagoans could be arbitrarily prohibited from exercising their constitutional rights. Among the witnesses whose stories we have taken are physicians and surgeons, students of theology, social workers, an author, housewives, and other professional and manual workers.

This is what we saw: At 3 o'clock Sunday afternoon there was a strike meeting in the yard of the union headquarters. This meeting was no secret; it had been widely announced. About a thousand people were grouped in front of the speaker's truck. It was a holiday crowd, being Memorial Day; wives and children were with the strikers, and there was a heavy sprinkling of visitors like ourselves.

All the speakers addressed the group on the subject of their civil liberties, pointing out that President, Governor, and mayor had guaranteed them the right to picket.

You must know that the Republic plant is situated in the midst of a prairie, except for a block of houses before the gates of the plant. A public highway runs in front of these houses. Strikers have a full right to picket upon that street.

Access to the street is by two roads through the prairie. The police have closed those roads.

At the meeting the strikers voted unanimously to establish their right to picket in front of the plant.

We have seen the stories in the newspapers, the frightening statements of police, about the "attempts of the mob to invade the plant." They are lies. At no point was entrance of the plant contemplated or attempted. The strikers publicly announced and demonstrated their desire to picket outside the plant. The police have stated that they are familiar with what took place at this meeting.

A column of people, headed by two bearers of American flags, started on a short-cut path across the prairie toward the street that fronts the steel plant. Many of us walked in or alongside that column. We heard the remarks of the people, we know the temper of that crowd, and you must believe us, they were utterly in faith that the police would "make no trouble" when they saw the peaceful, almost holiday air of the crowd, when they saw that Sunday-dressed women and children were walking with their husbands.

The police were drawn up in a line across the street end, and further into the prairie. We could see them as we approached, waiting with drawn clubs and hands on revolvers.

The police made no attempt to ascertain the nature of the group or its intentions. Events proved that they had only one set of orders—to shoot.

The flag bearers came to a halt face to face with the police. One of us, a social worker, was in the first line of marchers and he can tell you that the spokesman for the strikers repeatedly explained to the police that the people wished to exercise their rights to picket the plant.

Several minutes passed while the men were talking to the police. Behind, hundreds of people, in line, and spectators spread out over the fields, waited quietly. This has been described to you in your prejudiced Chicago newspapers as a killing, attacking mob armed with everything from razors to parts wrenched off cars and pistols. We were there and we can tell you this simple fact: The people were unarmed when they approached the police.

One of us saw Captain Mooney walk to the far edge of the crowd and announce perfunctorily, "I command you in the name of the law to disperse." A moment later at some signal from the police captains the line of policemen advanced upon the crowd.

The crowd turned and many began to walk, some to run, back across the prairie.

You have read in the papers of attacks upon the police, of a bloody battle; you have had the impression of a prolonged struggle. There was no battle. There was no attempt to use tear gas before shooting into the crowd. There was no warning fusillade of blank cartridges.

The police fired in volley point-blank at the people. They also used tear gas. We all of us as witnesses can tell you that if the police had wished merely to disperse the assembly tear gas would have sufficed. The wind was with the police. Many cases of gassing treated in the hospitals give the lie to the newspaper reports that gas proved ineffective.

We turned and ran as soon as the shooting began. Some of the strikers picked up stones and hurled them back at the police as they ran. There was no shooting from among the strikers; the first shots were fired in volley, at a given signal, by attacking police upon a waiting crowd.

As the people ran the police advanced after them, still firing. Almost all of the bullet wounds are in the backs and sides of the people; you have heard that the merciful police fired low; we have seen bullet wounds in the neck, in the abdomen, in the back; one man had an eye shot out.

One of us, running, heard a boy say, "I'm shot in the leg." It was a boy of about 10. Our witness picked him up, ran with him toward the strike headquarters four blocks away. He attempted to put him into a passing car, but it was already full of wounded. Only the third car had room for the shot child.

Another of us saw a man picked up and put into a first-aid car. Two policemen seized the wounded man and yelled, "We want that ———." They jerked him out of the car. His leg was bleeding profusely; an artery had been severed. The first-aid driver cried that the wounded man might die, that a tourniquet was necessary, and could be applied at strike headquarters. The police refused to wait for the man's leg to be tied. They threw him onto the floor of a patrol wagon. You may read the fate of that man in your newspapers; in this case they were accurate. They report him in the list of dead unidentified. He is no. 3: Man, 40 years old, 5 feet 10 inches, 190 pounds, brown hair and brown eyes, shot in leg, apparently bled to death. He died in the patrol wagon on an hour-long trip to Bridewell Hospital.

Another of us tried to help a man who was on the ground shot. A policeman fired at the citizen attempting to aid the wounded man. He had to run and leave the man on the ground.

Those with bullet wounds were taken to the nearest hospitals. These hospitals, overwhelmed by the emergency, sent back a call for helpers. One of us was in a car full of volunteers who responded to a call from the Burnside Hospital for assistants. Police would not permit them to enter the hospital. One managed to get inside the hospital and found the nurses frantically calling for aid as several patients were in delirium. The police three times attempted to evict this volunteer, though the nurses each time intervened and insisted he was needed.

The police informed the nurses that the patients were victims of "a gun fight in a drunken brawl."

We saw patients with gun wounds taken from hospital beds, even though still feeble, and sent to jail. At a second hospital one of the doctors who makes this report to you steadfastly refused to permit police to remove wounded patients. It was 3 hours before they would recognize medical authority.

Seven are already dead, others with abdominal wounds and fractured skulls may die, many are crippled, over a hundred were injured in this premeditated atrocity. The people of Chicago must put an end to police warfare upon the public. We thought we had done with gun rule in this country; we thought we had voted it out of existence. Detroit was able to handle a strike situation involving a hundred thousand people to every thousand here over a period of months, yet there was not a single fatality. Outside of Chicago, only a few miles beyond the Republic steel plant, larger numbers of men are on strike outside of bigger steel plants; mass picketing goes on quietly and peacefully at the gates of these plants.

We believe that every human being who lives in this city must make it his duty for the safety of our democracy to learn what really happened in the Memorial Day massacre. We cannot give any credence to the statements of police officials or of most of the Chicago newspapers. Even the photographs published in the newspapers give them the lie. Although we well know that every attempt would have been made to select and give prominence to pictures of strikers attacking police, no such pictures appeared for the simple reason that such was not the situation. Study those photographs; the event was well photographed. They show again and again police charging with drawn guns after a fleeing crowd, police stumbling over the bodies of fallen citizens. There is not one picture of strikers attacking. You have heard that strikers fired upon police. There are about 100 bullet casualties; not one of them is a policeman.

We feel that the people of Chicago can no longer permit this lawless, murderous use of their agencies of government. The suppression of civil rights in Chicago must be stopped. Police violence and brutality in Chicago must be stopped. Gun rule by politicians must be ended. We call upon the people of Chicago to meet with us, to examine evidence on this slaughter, and to initiate a complete investigation of the state of our liberties. The people of Chicago must call Mayor Kelly, Police Commissioner Allman, and State's Attorney Courtney to account for the Memorial Day massacre.

LAWRENCE JAQUES, M. D.
I. KRECHEVSKY,
University of Chicago.
MEYER LEVIN.
VIRGINIA W. CROSLEY.
ISOBEL CERNEY, *Teacher.*

Representative John T. Buckbee

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN T. BUCKBEE, late a Representative from Illinois

Mr. TABER. Mr. Speaker, JOHN T. BUCKBEE served in Congress from the Twelfth District of Illinois for 9 years.

During his last two terms he was a member of the Committee on Appropriations.

He was a loyal friend, but, more than all, he was one who never hesitated to stand up and be counted for what he thought was right. I counted his friendship one of the fine things in my service in the House.

Representative James P. Buchanan

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. TABER. Mr. Speaker, JAMES P. BUCHANAN had nearly 30 years of service in Congress. He was a quiet-spoken man, but a very effective one. My relations with him became very close after his selection as chairman of the Appropriations Committee took place in March 1933.

He was a very lovable character, and he was a great chairman of the Committee on Appropriations. In spite of poor health during all of his incumbency as chairman, Mr. BUCHANAN kept the closest track of all legislation before all the subcommittees of the full committee. He overtaxed his strength repeatedly, and in this way neglected his own physical condition. No man was his superior in steering a bill through the House of Representatives. No man gave himself more wholeheartedly to his job. He truly died in the service of his country, and his passing is a great loss to his country, to his party, and to his own community.

Most of all I shall miss his fine spirit and his friendly greetings.

Representative John T. Buckbee

MEMORIAL ADDRESS
OF
HON. CHAUNCEY W. REED
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN T. BUCKBEE, late a Representative from Illinois

Mr. REED of Illinois. Mr. Speaker, prior to my first election as a Member of this body it was my pleasure to have been personally acquainted with Congressman JOHN T. BUCKBEE for only a few months. His reputation as a businessman, civic leader, and legislator I had known for many years.

Shortly after the Seventy-fourth Congress had convened, the slight acquaintanceship with him that I had previously enjoyed ripened into a deep and lasting friendship, broken only by his untimely death. I shall cherish that friendship as long as I live. His kindly words and generous advice helped me many times to solve some of the perplexing problems that confront a freshman Member.

He was ever loyal to the interests of the people of his district, who had for five consecutive terms chosen him as their Representative. The requests and desires of the most humble of his constituents received the same courtesies and efforts as those of the most powerful.

No one will ever know the extent to which his purse suffered when he provided clothing, food, comforts, sustenance, and railroad fares for those unfortunates in the "bonus army" a few years ago. JOHN BUCKBEE never made a practice of publishing his charities. It was his custom each year to take the page boys of the House to a baseball game that they might have an afternoon of pleasure at his expense. Never did he leave Washington but that on his return thereto the employees of the committee of which he was a member would be remembered by some little token of his generosity. He enjoyed making others happy.

The arduous labors he performed during the lengthy first session of the Seventy-fourth Congress severely taxed his vitality. Many times have I seen him in the Chamber when I knew he was in the throes of intense physical distress, but he always denied even the suggestion of ill health and insisted on performing his official duties until sheer exhaustion itself forced him to desist.

It was my privilege to be one of the committee appointed by the Speaker to pay the last tribute of respect to our departed colleague. The services were held in his home city of Rockford in Illinois, a city which he loved so well and for which he had contributed so much of his time and energy. Thousands of its citizens attended his funeral and paid mute respect to their distinguished fellow townsman whom they loved and admired.

Kindness, generosity, diligence, loyalty, and fortitude—these virtues with which JOHN T. BUCKBEE was bountifully endowed—endeared him to his colleagues in Congress.

To live in hearts we leave behind is not to die.

His useful and faithful life is over. He rests from his labors. His record here is an honor to himself and to his people.

Speaker Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. TABER. Mr. Speaker, JOSEPH W. BYRNS was the ranking Democratic member on the Committee on Appropriations under Chairman Good, Chairman Madden, Chairman Anthony, and Chairman Wood. He had the closest possible relations with those men and fought with them for economy in government. His service upon that committee was longer than that of any other man with whom I have had the privilege of serving in Congress. When he became chairman of the committee at a time when it was necessary for the Government to cut down expenses, his work in that respect reflected his great ability and his long experience.

He had courage, absolute patriotism, and a fine character. Later on he was called to be the majority leader and then Speaker of the House. I think it can be truthfully said that he was probably the most popular Speaker the House has had in many years, but with all that he was a fine parliamentarian and a magnificent presiding officer.

He was one of the first with whom I became acquainted when I came to Washington, and my friendship with him continued to the end. The least I can do is to pay this tribute of sincere admiration and affection for a great American.

Representative Randolph Perkins

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey

Mr. TABER. Mr. Speaker, RANDOLPH PERKINS was elected to Congress in 1920 and served continuously until his sudden

death on May 25, 1936. He was here when I first came to Congress. At that time he was in charge of the examination of the witnesses in a very important investigation that was being carried on by a special committee of the House of which he was a member in connection with air defenses of this Government. The results of his examination of these witnesses and the facts he developed has had a lasting effect upon the air policy of the Government. Much more efficiency resulted and the planes with which our military forces were equipped were required to be of a much higher and more useful type as a result of his efforts. Later on he became the ranking member of the Committee on Patents and Copyrights and the ranking member of the Committee on the Judiciary. His keen legal mind made him a very valuable asset in the work of those committees and he did a great deal to protect the country from the evils of poorly drawn and ill-considered legislation and bad judicial practices.

He was a man of courage and of the finest character. Such men as RANDOLPH PERKINS sacrifice a great deal when they come to Congress and place upon themselves burdens which are difficult to bear. The country is the richer because men of his type have been willing to serve it.

Representative William D. Thomas

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. TABER. Mr. Speaker, WILLIAM D. THOMAS came to Congress after a long period of public service in his own county and own locality. He was one of the most lovable characters I have ever known. He took his work in Congress very seriously, and was on the floor of the House all day every day of the session.

He was a real American—one who could always be counted on to vote his own convictions and fearlessly to support the fights that were being made during his service here to sustain the American form of government. The loss of one who should have had many years to live and render useful and efficient service is something that it is difficult for us to understand.

Our sincerest sympathy will go out to his family and his friends, and we are all hoping that the Twenty-ninth Congressional District will continue to send men of BILL THOMAS' type here to Washington to represent them.

The Public's Concern in Labor Disputes and Labor Legislation

EXTENSION OF REMARKS
OF
HON. AUGUSTINE LONERGAN
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Monday, June 14 (legislative day of Monday, June 7), 1937

SPEECH OF HON. DAVID I. WALSH, OF MASSACHUSETTS, BEFORE THE BOSTON CHAMBER OF COMMERCE, JUNE 7, 1937

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "Public Concern in Labor Disputes and Labor Legislation", relating to the expansion of labor organizations and recent labor legislation. The address was delivered by the senior Senator from Massachusetts [Mr. WALSH] before the Boston Chamber of Commerce on June 7, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I assume we all believe not merely in theory but in actual application that wages should be "just and reasonable" and "sufficient to provide a standard of living in decency and comfort", and that working hours for wage earners should be as low as economically possible.

The keen industrial competition that has been going on for several years, the wide difference in the cost of production due to efficient or inefficient management, the ever-increasing use of modern machinery that is displacing manpower, and the growth of mass production has brought about a wide difference in the standard of wages and hours of employment in different sections of the country and in different industries.

The smaller producers have sought locations in rural communities and overcrowded sections of cities where cheap labor was obtainable in order to compete with the large industries, strongly financed, efficiently managed, and able to obtain the most efficient labor at increased wages beyond those of its competitors in smaller comparable industries. Where State legislatures have enacted legislation requiring short hours and minimum wages there have been movements of industries to locate in the lower labor standard States. This intense rivalry and sharp competition in industry has added to the number of sweatshops, and their competition with each other in turn has brought about in many sections of the country and in many industries conditions where the wages are not "just and reasonable" and "sufficient to provide a standard of living in decency and comfort." The depression, with its large numbers of unemployed, has added to these unfortunate social and industrial conditions.

Most of us believe in the principle of lower working hours not only for social reasons but for lessening unemployment. A reduction in the hours of labor by legislative decree, without any provision for the maintenance of minimum wages is necessarily fraught with danger and hardships to the wage earners.

In democracies like ours there is constant agitation between rival political groups as to the manner in which abuses—social, industrial, and economical—may be eliminated. We are living in a period when there is an unmistakable urge to advance the social welfare of those who rely upon manual labor for a livelihood. We should rejoice in the opportunity to have a part in the movement to extend social justice to the millions of men and women who toil for an inadequate wage.

Child labor, the sweatshops, low wages, unsanitary housing conditions have all been recognized as outstanding social evils that must be eliminated. Some States have attempted to move forward in advancing the standards of living and working conditions, but we must admit the progress has been slow and the public is becoming restless as a result and competitive industrial conditions have favored the backward communities.

In more recent years there has been a powerful movement to transfer many of the social problems that were heretofore considered purely State functions to the Federal Government. Recent decisions of the United States Supreme Court have given sanction to this movement and as a result the Federal Government is assuming power and control over activities—social, economical, and industrial—that heretofore were not considered to be functions of the Federal Government.

Whether we realize it or not and whether we like it or not we must recognize that a new era has arrived, an era concerned about the solution on a large and extensive scale of all our social and industrial problems through Federal laws and administration.

All this is merely stating the background of the subject we are to discuss today. No special advantage either would be gained by enumerating and discussing the selfishness and greed that some industrial groups have practiced in the past and which are to a considerable degree responsible for the present urge and demand for speedy and national action, looking to the elimination of many well-known social and industrial evils. If labor at times shows stubbornness and elements of autocracy, we can in part charge it to the example of some of the methods of industrial groups in the past.

At the very outset, therefore, let us realize we have entered upon a new era in the relationship between labor and capital. We are witnessing a unionization of labor to a degree and extent previously unknown. I believe it to be entirely probable that within the space of a few years virtually all industrial labor, and the so-called white-collar workers as well, will be unionized, and that we may have in every trade and craft, in every plant and factory, and in almost every business, large and small, the so-called "closed shop."

It seems to me that any realistic discussion of labor's program, the policies and objectives of industrial management, the public's place and concern in the present industrial stress and strife, and in the relations of labor and capital, and the future industrial picture must proceed upon the premise that labor is to be fully organized and completely unionized.

I am proposing to discuss with you today the public's place and concern in this situation which obviously is to have very far-reaching consequences and to very vitally concern everyone in the land, not only as employer or employee, and almost all of us

are one or the other, but also as the purchaser and the consumer of goods, wares, and merchandise, the product of labor and the output of industry.

It is a great mistake to imagine that the public generally has no large stake in the matter of social and industrial reforms, in labor unions, strikes, wage and hour agreements, and the closed shop. It is quite the contrary.

The public interest and concern in this industrial evolution or revolution, whichever you prefer to call it, is, indeed, the paramount consideration. There are many reasons why this is so.

One reason is the fact that any large interruption to industrial production hurts an entire community, and perhaps impairs a dozen related industries, and may even disrupt business far removed from the immediate scene of the conflict. Shut off the plate-glass supply and automobile production 500 miles away comes to a halt. Shut down a large automobile plant and an entire community suffers; railroad freight slumps; distributors from coast to coast are in trouble.

Another reason is the fact that the consumers of goods, and we are all consumers, are vitally concerned with the prices they must pay—and wages and hours in industry have a very direct relationship to prices. Here again we are confronted with fact rather than theory. Shorter hours, higher wages, and excessive profits almost invariably result in higher production costs which are translated into higher prices. This however, is in part offset by the increase in purchasing power of the employees.

A third reason why the public interest and concern is paramount, goes beyond the simple question of public loss and inconvenience when a dispute occurs. It goes beyond the question of higher prices that are embraced in shorter hours and higher wages—the wage earner's primary goal. It goes to the broad question of whether we are to live in a prosperous and thriving industrial world, with full and well-paid employment for labor, and a reasonable profit for capital and a better social order, or whether we are to continue to experience widespread unemployment, low standards of living, and impaired and impoverished business.

Finally there is a political question. What will be the consequences under our democratic form of government and universal suffrage, of the joining together in unionism and under able and aggressive leadership of a large segment of our adult and voting population?

There are no immediate and certain answers to these questions. Time and events alone will supply the answers.

In the long run, following interims of class misunderstandings and animosities, enlightened public opinion, the public conscience and the public welfare will prove the controlling factors in shaping the future destinies of labor and capital. In the past, some employers have pursued at times a rule-or-ruin policy. Labor with its new power may follow a similar course. However, in the long run, I repeat, the public conscience and the public welfare will prove the controlling factors.

Let us examine the public conscience. Certainly it does not sanction the exploitation of child labor. The difficulty is over the political unit that will stop the exploitation. The public conscience condemns the sweatshop. Child labor and the sweatshop were first outlawed by public opinion and are now in process of being prohibited by Federal statutes.

Public conscience today recognizes and approves the right of labor to bargain collectively with the employer—unrestrained and uncoerced by the employer. Employers who seek to deny or subvert the right of labor to bargain collectively through union organization, find themselves in trouble, not only with the law but with the public. The statutory grant to labor of the right to bargain collectively, as embodied in the Wagner Labor Act, was no more than the writing into law of a principle already established by public acceptance.

The public conscience today does not approve or condone the so-called sit-down strikes. On that account, and if for no other reason, the resort to the sit-down strike that has manifested itself as a weapon to coerce the employer is doomed to failure. It is doomed to failure for the same reason that the Boston police strike was doomed to failure, because it is against public policy and condemned by the public conscience.

This new era in industrial relationships is bringing new power to organized labor and carries with it new responsibilities. Both society and the Government require that the employer deal justly with his employees. Likewise they require the employer to keep inviolate the agreements that he enters into with his employees. There is a similar moral obligation on employees. It is a reciprocal duty. Organized labor owes a duty to deal fairly with the employer, and when a settlement is reached and a fair and just—I emphasize the word "just"—agreement is entered into respecting the terms and conditions of employment, the obligation is on the employees quite as much as on the employer to conform to the terms of the agreement.

In this connection we should recognize the inherent difficulties of controlling large groups of employees who may change or repudiate their own agents at any time. Where men are free to work or not, according to their will, or employers are free to employ whom and when they will, labor unrest and strikes cannot be entirely eliminated. What we must strive to do is to eliminate the cause. We all concede this to be a most difficult problem. There is no power extant in democracies to deny wage earners the right to strike except in circumstances where public safety is jeopardized. The necessity of the operation of our railroads is paramount and has been upheld by the courts. Strikes by railroad employees are exceptions to the rule. As matters stand today, it is neither lawfully possible nor, in my judgment, socially expedient to attempt, under the guise of public safety, to outlaw all strikes.

If we accept the foregoing premise, then it is obvious that we cannot by statute make arbitration of all labor disputes mandatory, for compulsory arbitration, if it is to be effective, must carry with it compulsory obedience, and that destroys the right to strike or the right to suspend business.

Disputes between employer and employee resulting in strikes and lockouts have been said to be a usual accompaniment of a period of increasing production and rising prices. That has been the record in the past. Labor disputes at the height of a boom or at the bottom of a depression have been less common. At the bottom, the worker has been willing to work on any terms. At the top the employer has been willing to employ on any terms. These are broad generalities but sufficient for the present discussion.

I repeat, we must seek out the causes of the unrest under these strikes and eliminate them as far as possible. In my opinion, the public conscience, which in the final analysis is the protector of law and order, will not tolerate for long the repudiation or the sabotage of an agreement prompted by principles of justice on the part of the employees any more than it will tolerate such conduct by the employer.

I believe that the responsible leaders of labor recognize this and intend to keep faith with the employers and with the public. I believe they are fully mindful of the obligations that are on labor and that are embraced in the principle of collective bargaining.

Some responsible labor leaders agree that even if organized labor abuses its power, shirks its responsibilities, and violates its agreements with the employers, sooner or later an aroused and outraged public will demand the imposition of statutory controls, legal compulsions, and civil liability.

Today there is talk of such things in the press and in Congress—proposals that labor unions should be required to incorporate; should be required to make public accounting of their receipts and expenditures, and be made answerable to the National Labor Relations Board to the same degree that is now required of the employers.

Legislation of this character is not desired by organized labor and is, indeed, opposed by labor leadership. In my judgment no such legislation is imminent but it is in the background. It is a real prospect only in the event labor fails to measure up—of its own volition—to its new responsibilities.

Foremost in any consideration of the changing relationship between labor and capital are the two acts of Congress with which you are all familiar, and which have loomed so large during the past year. One, the National Labor Relations Act, popularly known as the Wagner Act, which became law 2 years ago. The other, the so-called Government Contracts Act, popularly known as the Walsh-Healey Act, which was enacted by Congress a year ago. A third major labor statute has been proposed and presented to Congress during the past 2 weeks, the so-called minimum wage and maximum hours bill which bears the title "The Fair Labor Standards Act of 1937." I want to speak to you briefly concerning all three of these measures.

The purpose and intent of the National Labor Relations Act was to provide the mechanism for insuring and guaranteeing to labor certain rights—rights which the Supreme Court in the decision upholding the act termed "fundamental." These rights are set forth in the act in the following paragraph:

"Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection."

No one, so far as I know, has any quarrel with that statement, and with the objective which the law sought. The criticism and the controversies which have arisen respecting this law have related to the mechanism which it contained and the methods of enforcement rather than with the principle. The challenges of the constitutionality of the act rested solely on the question of the limits of the jurisdiction of a Federal agency over business and industry generally, as to where the line was to be drawn beyond which the Federal authority was inoperative.

The decision of the Supreme Court on April 12 in the series of cases arising under this act confirmed the authority of the Federal Government and the jurisdiction of the National Labor Relations Board over a very wide area of business and industry—the effect being to make most of the employers of labor subject to this law.

No one contends that the Federal agency created by the act has functioned to perfection. A tremendous task has been imposed on the Board, and the host of difficulties with which it has been confronted are as yet far from settled. It has been and for some time will be sailing through uncharted shoals.

It cannot be repeated too often that the National Labor Relations Act does not insure industrial peace. It is intended to promote and facilitate peaceful settlement of disputes in industry by encouraging and promoting collective bargaining, and thereby minimize strikes and lock-outs, but it does not preclude them. Indeed, temporarily it would appear to have had somewhat the opposite effect. Most of the strikes that have followed the enactment of this law have been caused by conflicts between rival labor organizations seeking recognition. This act is intended merely to enforce, if the need arises, the right of labor to organize and to bargain collectively. It is a safeguard for labor, but it is

not a cure-all; and as for the question of wages and hours, it has no application whatsoever, except by providing the means intended to facilitate collective bargaining to this end.

Nothing in this law allows the Federal Government or any agency to fix wages, regulate rates of pay, limit hours of employment, or to affect or govern any working conditions in any establishment or place of employment. Nothing in this law requires any employee to join any form of labor organization. All employees are free to choose to organize or not to organize; to join any or whatever labor organization or union they choose. There is nothing in this law that compels any employer to make any agreement about wages, hours of employment, or working conditions with his employees. Let me quote from the United States Supreme Court decision:

"The act does not compel agreements between employers and employees. It does not compel any agreement whatever. It does not prevent the employer 'from refusing to make a collective contract and hiring individuals on whatever terms' the employer 'may by unilateral action determine.' The act expressly provides in section 9 (a) that any individual employee or a group of employees shall have the right at any time to present grievances to their employer. The theory of the act is that free opportunity for negotiation with accredited representatives of employees is likely to promote industrial peace and may bring about the adjustments and agreements which the act in itself does not attempt to compel. The act does not interfere with the normal exercise of the right of the employer to select its employees or to discharge them. The employer may not, under cover of that right, intimidate or coerce its employees with respect to their self-organization and representation, and, on the other hand, the Board is not entitled to make its authority a pretext for interference with the right of discharge when that right is exercised for other reasons than such intimidation and coercion. The true purpose is the subject of investigation, with full opportunity to show the facts. It would seem that when employers freely recognize the right of their employees to their own organizations and their unrestricted right of representation there will be much less occasion for controversy in respect to the free and appropriate exercise of the right of selection and discharge."

It should be added, however, that the enactment of the law greatly activated the organization of wage earners in labor-union organizations, and has had the effect of greatly stimulating collective bargaining between employers and their employees.

Now, let me say a word about the so-called Walsh-Healey law, with respect to which I have an intimate knowledge. This law was enacted for the purpose of correcting another class of abuses other than those dealt with in the Wagner law. The Wagner law was prompted by reason of interference by some employers with the right of the employees to organize and to choose their own representatives in matters of collective bargaining. It was an effort to offset the economic pressure which an employer could exercise if he chose by discharging employees, by demoting employees, and by the exercise of favoritism, thereby preventing the freedom of his workers to organize for their own mutual protection in any way they chose.

Let me digress here to point out that we enact laws against reckless driving, larceny, etc., though even a very small minority commit such offenses. Unfortunately, many industrialists believe every law against substandard conditions in industry is against industry as a whole.

The public-contracts law was enacted for the purpose of preventing abuses growing out of the treatment of workers and legitimate business as a result of an existing general Federal statute requiring the lowest bidder for Government supplies to be given the contract regardless of whether the supplies were produced by child labor, in sweatshops, or in the substandard industries. One of the results of the depression and this law was that many Government contracts were being made with manufacturers and producers who worked their employees the longest hours and paid their employees the lowest wages. In other words, the Government was purchasing supplies from sweatshops and other manufacturers who were taking advantage of the wide unemployment to increase hours of labor and lower the standards of working conditions. This occurred very generally after the N. I. R. A. ended, though the larger units of responsible industries strove to retain the shorter hours and reasonable wages then established.

An illustration in point, and this is only one of many cases, was an overall manufacturer in Philadelphia, the lowest bidder, received a Government contract for trousers, coats, and caps. An investigation made to determine whether he was complying with the law revealed that seven employees were working overtime for as much as 9 hours, and the piece-rate system in effect at the plant was such that even experienced operators, in some cases, could make no more than 16 cents an hour. Further investigation disclosed that the State workshop permit under which the company was operating had expired some time previously and had not been renewed. The plant was located on the upper floor of an old building and the sanitary and safety conditions in the shop were deplorable.

The public-contracts law removed the necessity of the Government making its contracts with sweatshops and substandard industries by requiring that certain labor standards and conditions should be specified in the contracts. These conditions were four in number:

First. The provision that in the manufacture of such supplies no child labor should be employed;

Second. No convict labor should be employed;

Third. That a reasonable minimum wage should be fixed by the Department of Labor and paid; and

Fourth. That the hours of labor should be 40 per week.

With such labor conditions in Government contracts, who can reasonably complain?

The third measure of major concern to employers and to labor in industry and of vital public concern is the one which was introduced in both branches of Congress 2 weeks ago upon the recommendation of the President in a special message, and which is now in process of hearings before the Labor Committees of the House and Senate sitting jointly. This is the so-called fair labor standards bill, which is commonly referred to in the press as the wage and hour bill.

In broad outline the bill proposes to establish fair labor standards in industry and trade in and affecting interstate commerce. These standards are:

First. A general maximum workweek. The number of hours is not yet specified but will probably be 40. Time and one-half pay is authorized for overtime.

Second. A general minimum wage, not yet specified, where the total amount of annual income of an employee is under $1,200. The American Federation of Labor recommends $16 per week. The Department of Labor has fixed $15 per week in some cases under the public contracts law. The bill as presented leaves the fixing of a minimum wage to a board of five members who are to administer the act, but permits wage differentials in different industries and in different sections of the country. The American Federation of Labor and the Secretary of Labor indicate that there should be no wage differentials to firms and industries selling in the same market. They urge the factor of competition rather than locality, cost of living, and the other usual wage factors. If this recommendation, which is highly controversial, is adopted, for instance, the same minimum wage would be uniform in the textile industry.

Third. The prohibition of child labor under 16 years of age for all employment and under 18 years of age for hazardous employment.

Fourth. The prohibition of the employment of strike breakers in labor controversies and of persons engaged in industrial espionage.

The broad powers of the administration of the bill are to be handled by a Federal labor standard board. Their orders and decisions would be enforced by the prevention of the interstate movement of goods produced in violation of the terms of the bill, by direct board orders to compel compliance with assistance of the courts, and by criminal prosecutions.

Since May 1935, when the N. I. R. A. was declared unconstitutional, the administration and other interested groups have been planning legislation to control hours and wages and working conditions. Because the powers of the Federal Government have been strengthened during the past year by decisions of the United States Supreme Court, the administration relies upon these decisions in writing the new bill and in having its constitutionality upheld.

If this bill is enacted into law, and I am of the opinion that favorable action will ultimately be taken on this measure, although probably amended in some particulars, it will result in giving tremendous impetus to the principle of culminating collective-bargaining agreements between employers and employees.

William Green, president of the American Federation of Labor, in testifying before the joint congressional committee a few days ago, stated:

"In my opinion, the employers of the country will accept the inevitable and will prefer to have wages fixed by collective bargaining rather than have wages fixed by a fair wage standard board. If wages are fixed by a fair wage standard board, papers, books, and records of employers may have to be brought in for public inspection by the board. If fixed through collective bargaining, he can avoid that experience and I think he would rather fix a wage through collective bargaining than go through all that other experience."

It is quite clear that Mr. Green believes in maintaining for labor the very vital principle of industrial democracy, which, of course, means employers and employees making their own agreements without Government edict. He favors this present proposal on the ground that it will compel that seemingly large number of small industries, employing even more unorganized wage earners than the so-called union-organized industries, to reduce their hours of employment and increase their rates of pay, thereby making it easier for organized wage earners to obtain more favorable bargaining agreements and to remove the competitive arguments of employers. It is to be noted that approximately 85 percent of all business establishments employ under 50 employees, and they represent about 20 percent of all wage earners and constitute over 100,000 establishments. These wage earners are mostly unorganized, and for them the Government will do the collective bargaining by statutory enactment under this proposed bill.

If this bill is enacted into law, it seems to me employers and employees are bound to get together in collective-bargaining agreements more universally than ever before. The law will set forth the minima for reaching agreements.

We all recognize the difficulty of attempting by Federal statute to impose arbitrarily uniform and inflexible minima with reference to wages and hours of employment, for all labor, under all circumstances, everywhere, at all times. Unless the law is prudently administered, grave harm and irreparable injury is likely to follow to those industries that have not ample capital, the latest type of machinery, and efficient management. In my opinion, this harm

will fall more heavily on industries in those sections of the country where progressive labor legislation has not advanced toward the minima in wages and hours of employment fixed in the pending bill.

In my opinion, the law, the objectives of which are, of course, most commendable, must be administered with the care and caution of a physician rather than the brash officiousness of a police officer.

I believe Congress should proceed most cautiously and give special attention to the effect these proposals will have on small industries and businesses to the end that the social evils sought to be eliminated may be accomplished with the least possible disturbance to the general economic and industrial system of the country. In my opinion, the larger industries can readily adjust themselves to the law.

It seems to me entirely reasonable to anticipate that at the present rate of progress in the unionization of labor and in collective bargaining, regardless of the enactment of this bill, the day will come very soon when the wages and hours of virtually all wage earners will have been established by mutual agreement and contract between employers and their employees at fair and generous levels as respects minimum wages and maximum hours.

Thus we get back to the underlying factor in our present industrial situation—the new power of organized labor and labor's own successful drive for higher wages, shorter hours, and better working conditions—the new responsibilities that go hand in hand with the new power—and all of the readjustments in the relations between employers and their employees that are now taking place.

We have come a long distance in the past few years. We know pretty clearly labor's objectives and labor's program. We see these objectives in process of attainment, but not without attendant struggle and strife, not only between labor and management but also between rival labor groups. We have seen greed and selfishness and ruthlessness on the part of some employers in the past. We are seeing today some instances of this same spirit in the ranks of the workers.

The present transition is presenting many difficult adjustments. The employers' position today is not an easy one. From the public standpoint the industrial situation is not to be taken lightly. It seems to me that higher prices are inevitable and a higher cost of living hand in hand with a higher standard of living and higher pay for the workers. A new and powerful factor in our political life is in the making.

We must take courage. We must have faith. We must go forward under new conditions beset with new difficulties. We are not in process of achieving a utopia. We shall not see the millennium. But we may rightfully hope that America in the future as in the past may be a land of peace and plenty, a land of opportunity, freedom, and justice and that the new economic and social security which we are seeking may be attained without sacrificing our democracy, our Constitution, and our courts.

The Works Program

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, June 14 (legislative day of Monday, June 7), 1937

COMMENCEMENT ADDRESS OF HARRY L. HOPKINS, WORKS PROGRESS ADMINISTRATOR, AT BABSON INSTITUTE, JUNE 12, 1937, AT BABSON PARK, MASS.

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD the interesting address delivered by Hon. Harry L. Hopkins, Works Progress Administrator, on the occasion of the commencement exercises at Babson Institute, at Babson Park, Mass., on June 12, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am to speak to you on the Business of Relief and the Relief of Business. I am aware that this may bring a somewhat apoplectic reaction from certain old-line businessmen who have now come to believe that because business in general no longer needs large-scale Government assistance the unemployed no longer need it either.

But I am not talking to them today. I am talking to young men whose problem it will be, during the next 20 or 30 years, to adjust the great industrial system which older men have built to the rapidly changing economic, social, and political order in America. What will happen between now and 1957 or 1967? Well, what has happened since 1907, or even 1917? What has happened in transportation and in communication? What has happened in world politics? Or, to get closer to the basis of this discussion, what has happened to a large segment of the population of this country, mainly through mechanization and technical change in industry and commerce?

Last week at Grinnell, Iowa, my college class had its twenty-fifth reunion. I couldn't be there, although I wanted to go. But I fell to thinking how little I dreamed, on the day I got my degree, of the changes that would come to this country in 25 years, or of what my part in them would be.

I believe that further changes, perhaps somewhat different in nature, will come even more rapidly during the next two or three decades. They will come, in my opinion, because the people of the United States want them and will approve them by the democratic method provided for testing the popular will. Certainly the basis for several profound changes has been laid during the past 4 years.

Most of your futures are assured. You have been favored with the destiny of leadership. How far you will go toward really achieving it depends on the way in which you meet your responsibilities.

What does your comparative security do to you? Does it make you smug and self-satisfied, or does it bring you a certain humility and a real determination to use this flying start that has been given you in a big and humane way?

All over the country, this month, thousands of bewildered students are finishing college and university courses with no jobs to go to. For them, also, it is called commencement. Commencement of what? Perhaps only of a long, heartbreaking wait. Perhaps of an endless round of futile interviews, ending in a breadline or on a W. P. A. project.

As you move from this institution into junior executive offices, what are you thinking about these other fellows? They have worked just as hard as you have—perhaps, in many cases, harder.

You can tell them, "Root, hog, or die." You can deny moral responsibility. You can—but I don't believe you will. I believe you will recognize the barriers which this system built by your fathers has placed in front of them, and that you will come halfway. That is why I am here, without any trick patent-medicine panacea, but merely with a few questions to raise and a few ideas to present, which may be of help in thinking the whole thing through.

In the first place there seems to be a wide assumption that business operates on one principle, and relief, or aid to the needy, on quite a different principle. Business, it is said, operates on the principle of self-interest; charitable relief operates on the principle of altruism. That is the reasoning on which we were all brought up, and during a certain period in our national development it was true.

But one of the great changes in the past two or three decades was the change which made it no longer true—the complete change in relationship between business and the standard of living of all the people.

This change arrived a good many years before either business or the Government was willing to recognize or acknowledge it, and the result was the tragically aggravated conditions of 1929 to 1933.

The crash did not come a number of years earlier merely because, although the stage in this country was all set for it, we managed to keep up our prosperity through a succession of ingenious but destructive devices. During the World War we raised $40,000,000,000 and sent it all abroad to be destroyed by us and by our allies. The Allies obliged us by not paying back the capital we loaned them and which they destroyed. After the war we worked out a still more ingenious method of keeping up American prosperity. Our investment bankers raised tens of billions of dollars from private investors and loaned this money abroad. Many of these loans have since been defaulted. But while we were shipping the money out of the country we kept up a feverish prosperity, because the foreign countries which received it were able to buy our goods with our money and thus keep our workmen employed. A dole to the foreigner was regarded as sound finance. Also, I might add, there was no constitutional question raised, since the foreign worker is not protected by American constitutional guarantees.

We launched with haste, in 1933, a vast program of Government aid for the unemployed. But in that year the speed with which we worked, and which is now so severely criticized, was not fast enough for many of the people who now deplore it. Many important business leaders came to Washington as the winter of 1933–34 approached and pleaded for additional Government spending to keep millions of unemployed busy and give them subsistence. That was when the Civil Works Administration was launched on top of the Federal Emergency Relief Administration, and 4,000,000 idle and needy Americans went to work in 90 days. These two organizations have since been succeeded by the Works Progress Administration, which took advantage of the experience gained by its predecessors and limited Federal aid to those persons in need who could be employed on useful public projects which were requested by local officials.

For the present it is enough to say that I will not plead for Government aid to the unemployed merely on humanitarian grounds, but will ask you to look at the whole question from a business angle on the basis of its relation to the economic system as a whole.

All through the nineteenth and the first part of the twentieth century business was working for a rapid accumulation of capital resources and capital plant. We did not consume all that we produced; each year we set aside a large part of our production

to build and finance our capital plant in order to produce goods more efficiently and more abundantly. This was necessary in a new country which was making a rapid transition from a simple agrarian economy to a modern industrial system. And regardless of the fact that a large part of our national income was being diverted into an accumulation of capital rather than into direct consumption, the system operated so as to maintain our growing population in comparatively full employment. And as long as there was an opportunity for capital to invest its savings, the investment in the capital-goods industries put men to work. Thus we had employment, and thus we had prosperity of a certain kind. It is true that there were periodic depressions brought about by overconfidence in the capacity of the system, but in the end they were overcome through the opening of new markets in foreign trade, the development of big new industries or the expansion of capital plant through the mechanization of old industries.

All through this period popular standards of living were held down in order that more money might be available for the perfecting and expanding of industry. But early in this century a few industrialists began to realize that the very perfection of modern mass production might cause it to fall of its own weight unless more buyers could be found for its products.

Henry Ford was the first great manufacturer to act upon this theory, with his extreme reductions in prices and substantial increases in wages. That was a good many years ago. Since that time virtually every industrialist in the country has recognized that mass production depends upon the ability of the mass to consume, whether the product be silk stockings or electric razors. Business has spent billions of dollars in advertising campaigns, carefully calculated to make more people want luxuries; that is, a higher standard of living. It has arranged all kinds of long-time systems of paying by installments, so that people can have luxuries even if they do not have the cash on hand to pay for them.

Yet at the same time a great many elements in business, through its chambers of commerce and trade associations, have been opposing the movements of labor and of agriculture to achieve more buying power. And they have been the spear head of the attack against Government spending to provide work and buying power for millions whom they could not themselves employ.

One of the most puzzling things about this question to me has been this basic inconsistency in the thinking of so many businessmen. They will exert every possible sales effort upon the masses, but they will cry out against almost any plan which makes the masses better able to buy.

I do not grant that the argument for lower costs instead of higher wages has any real validity in the sense that it is a separate school of thought. Both elements are needed, and instead of being opposites, they are really inseparable. They are being achieved every day, and have been for a good many years.

The trouble, it seems to me, is that many businessmen are not clear about what they want. Half of their thinking is based on the old viewpoint of a low standard of living to have more dollars to put into plant and improvement, half is based on the new mass-production viewpoint, of which mass buying power is the keystone. And their thinking on the twin questions of unemployment and relief is not a part of the new concept but of the old.

For example, if the cost of relief is the whole question, and our aim is to save Federal money, why spend any at all?

A friend of mine who was feeling somewhat bitter about this sort of thing recently suggested sarcastically to me that the Liberty League should sponsor a W. P. A. project to haul all the unemployed out into the middle of the ocean and drown them. He had thought it all out in great detail.

He assumed that there are 9,000,000 unemployed, and that they have the average of 1½ persons dependent on each of them, or a total of 23,000,000 persons either unemployed or dependent upon the unemployed. This is about 19 percent of the total population which could be drowned.

But then he got to figuring that since 1933 some $10,000,000,000 have been spent by local and Federal Governments to support or provide work for these people. Nearly seven billions of this have gone for wages or relief benefits, most of which went quickly for food and clothes and rent. And nearly three billions went for other purposes, largely for materials such as cloth, iron and steel, lumber, paint, cement, tools, etc.

Now, if the unemployed were all drowned these purchases would not be made. I will let you imagine for yourself how many stores and factories would close, how many transportation companies would fail. After all, our total retail trade in 1935 was only three times that amount.

So this cure for unemployment would only result in more unemployment. Of course, it is an extreme and absurd idea, but the consequences point to a perfectly valid conclusion. That conclusion is that we cannot view the Federal work program and other official efforts to aid the underprivileged as activities of a purely parasitic nature without economic implications over and beyond the mere aid to people in need.

A noted English economist has summed up the problem of purchasing power in an instructive parable concerning two imaginary communities. It is granted at the outset that the two communities possess equal technical knowledge. One, however, has its capital plant already fully built up, while the other is still in the process of completing its plant. On ordinary standards, says the economist, the first community would be regarded as the richer of the two. But the second or poorer community would actually be able to enjoy a higher standard of living, because the opportunity for new investment would permit all of its people to be employed. It would be able to do this, the economist added with considerable irony, until it had completed its plant and caught up with the richer community. Then it would become just as poor as the rich community.

Of course, all this is predicated on the old-time relationship between business and popular standards of living, and it does not take into account the efforts either of government or of business to raise those standards.

Thus far I have assumed that you will admit we have mass unemployment, even in the face of industrial production almost at the 1929 level. There is a marked tendency on the part of some people to quibble over whether the jobless total seven million or nine million. But we know that, due to better machines and more efficient methods, 9 workers can do the work today which required 10 in 1929, and 6 workers can do the work that required 10 in 1920. We also know that, despite this increase in the amount that each worker can do, the number of workers who need jobs is increasing by 500,000 each year because of the growth in our population. We know further that in their search for greater efficiency, industries are on the move, leaving stranded workmen and, in fact, whole stranded areas behind them. And we know that the problems of agriculture are grinding down more and more farmers into the status of tenants and share-croppers.

What will put the job seekers of America back to work? The only way private business can do it is by heavy expansion in the service field and a tremendous increase in the level of industrial production. We must not forget that even in 1929 there were 2,000,000 unemployed, and the experts tell us that the only way industry can reduce unemployment even to that level is by producing 20 percent more goods than it did in 1929.

What will we do with one-fifth more of everything made in America than we had in the greatest year of our industrial history? These things must be consumed, and on any realistic basis the backbone of this consumption must be the domestic market. In short, the American people must have both the desire and the income to buy.

What about the American income? You know the Brookings figures on 1929, when the average American family needed $2,000 a year for the minimum of comfort and had only $1,500. You know that the average annual wage was down to $1,100 by 1933, and that probably half of all the families in the Nation got along on less than $1,000 that year.

You know that in the lower strata are large submerged groups with almost no buying power. At any rate, we came to great grief shortly after a President had held forth the hope that poverty might be abolished, with a chicken in every pot and perhaps two cars in every garage. I have no quarrel with his idea; only his method was wrong.

To recognize the fact that government must come to the aid of a large number of its people under circumstances such as we face today is not an attack upon private business or upon the principle of private enterprise. It does not impeach the idea of private enterprise any more than does the theory of the protective tariff—the theory that many private industries could not develop without the shelter of a government tariff wall. Whether or not we believe in this tariff theory, the fact remains that it has been accepted by the major sections of American business, and that rightly or wrongly it has guided our Government policies during the greater part of our history.

The truth of the matter is that we must not confound the principle of private enterprise with the doctrine of laissez faire and a do-nothing government. Private enterprise has never been able to operate without government intervention of one sort or another, and different conditions necessitate different types and degrees of government intervention in the economic order.

It is impossible for me to present to you in a single talk the details of the Federal Government's relief program. It began as a dole because the need was so pressing. At every stage since then—through the C. W. A., the latter stage of the F. E. R. A., and the entire existence of the W. P. A.—our conviction has been strengthened that the providing of useful public jobs is by far the best way to help the able-bodied unemployed. The quality of the public work which these unemployed have been given to perform likewise has improved steadily. The projects are originated and requested by local officials everywhere, and these local officials demonstrate their communities' desire for the improvements by contributing an average of one-fifth of the cost in local money. Thousands of these local officials, of all political faiths, have given public testimonials both to the usefulness of the projects and the quality of the work.

Nearly a million people have left the W. P. A. rolls to take private jobs as recovery has progressed. It is our belief, supported by thousands of testimonials, that the Federal jobs they have had have kept their chins up and maintained their working ability so that they were fit for private jobs when such jobs came along.

I hope you will never forget that, no matter how much we talk about economics, we are dealing with human beings—with the Nation's human resources. One of your responsibilities is to be able to discriminate between what makes sense and what does not regardless of whether the correct answer pleases or annoys you.

There are three or four sweeping charges which businessmen have brought repeatedly against the unemployed which are not only cruel but which do not make sense.

It is ridiculous to say that millions of unemployed are loafers, that their work is no good or that they will refuse decent private jobs to stay on Federal subsistence. It is ridiculous because there

are too many of them. These millions are no better and no worse than the American people, though they may be less fortunate. Of course, they include some who are lazy and stupid, just as the national population does. But 85 percent of the letters we receive from them are simply requests for a chance to work. Do those letters mean they don't want to work? Thousands of communities have praised their work. Is that because it is poor? During the past 2 months we have investigated 75 separate charges, in 20 States, that W. P. A. workers have refused private jobs, but not a single case of unjustified job refusal has been found. I can document these statements with whole filing cases of evidence, containing stories of courage, patriotism, and character that would amaze you; but to do so would require a whole course of lectures. Instead, I must pin my faith on your common sense—on your willingness to recognize that there must be average honesty, and industry and ambition among several million jobless people distributed over every section of the land.

Summed up, then, the manner in which the works program interacts with the economic system is exceedingly simple. Insofar as there is a jam in private capital investment, the Government sets the people to work on building up the public capital plant of the Nation—building schoolhouses, hospitals, airports.

Insofar as there is a shortage of purchasing power for the various professional and cultural services, the Government sets people to work providing such services—hospital and nursery care, education, recreation, theatrical and artistic entertainment—either gratis or at low cost. But all the time the two or three millions of workers who have been employed by the Government in building up the social plant and providing needed social services are getting paid, and what they are paid they immediately spend. Their spending helps definitely to keep the economic machine moving upward instead of downward, as it was moving from 1929 to 1933. And all the time the workers are being maintained as a reserve labor pool for business, whenever needed.

Now, what is the cost of such a policy? President Roosevelt has asked for an appropriation of a billion and a half dollars for the W. P. A. To that figure we must add, to be sure, the cost of local and State direct relief for those not on the W. P. A. rolls. Even if we include in one total all expenditures for relief, the combined figure is less than 5 percent of our present national income. England, which is considered a model of financial conservatism, is spending 11 percent of its national income for social services, notwithstanding the fact that its proportion of unemployed in relation to its population is much lower than our own.

Compare this expenditure, this insurance fee against depression, with the financial cost of the 1929 collapse. For the 3 years 1928, 1929, and 1930, despite the big decline in 1930, our national income totaled $228,000,000,000. For the 3 years 1931, 1932, and 1933 it totaled $133,000,000,000. That is a depression loss in 3 years of $95,000,000,000. True, it somewhat overstates the decline because of falling prices; yet in terms of money income it averaged $31,000,000,000 a year for 3 consecutive years.

Perhaps as prospective leaders of American business you would also be interested to hear what the depression did to business profits. I am not going to bore you with detailed totals. But the figures as to the return on invested capital are simple and significant. For the 5 years, 1925 to 1929, the average rate of profit for all corporations, figured on capital assets—land, building, and equipment—was 6.3 percent. For the 5 years, 1930 to 1934, the average rate of profit has to be figured in red—it was minus 2.5 percent figured on capital assets. And if we chart in dollars all profits and losses during the 10-year period, we find that while capital made substantial profits in prosperity years, two-thirds of those profits were ultimately put back and only one-third left as net.

Now, I am not going to extol the virtues of abstinence from profits—to tell you, for example, that if capital had restrained its profits to the modest total which in the end it actually retained, and had distributed the rest in consumer-purchasing power, the community would have been saved the staggering cost of the depression, and the capitalist would have been just as well off as he was in making higher profits and then losing two-thirds of them. All this is visionary, and, besides, under free enterprise business cannot limit its profits to an average fixed rate because there is no one to guarantee that it will get its modest profits once it decides to seek only modest profits.

But this much I can say. Let the memory of what 1929 did to profits keep you from demolishing the system of protective insurance which the Government has set up in the work and social-security programs. To demolish this program before business has absorbed the unemployed will save for business a few pennies in taxes, but for every penny it will save from Uncle Sam it will have to give dollars to future depressions.

In manifold ways, the prospect of steady income is brightening for the depressed groups. The wages-and-hours legislation now before Congress should open private jobs to many who cannot now find them. Federal and State Governments already have begun to supply benefits to those who are aged or handicapped, or, for a variety of reasons, unable to work. I do not say that any of these plans is perfect, any more than the Federal Works Program is perfect; but they all represent a beginning in broadening the buying power of the American people so that it can support a sufficiently increased level of production to make important inroads into the ranks of the unemployed.

There is no gainsaying the fact that the depression has been stopped and that recovery has advanced to the point where production, measured in absolute terms, is about equal to 1929. If we measure it in relative terms, we still have a good distance to go, in view of the increase in population since 1929. Nevertheless, we have gone a long way, and it would take a pretty severely prejudiced individual to deny that the Federal Works Program has played an important part in this recovery. Instead of 15,000,000 unemployed that we had in March 1933, we now have eight or nine million.

The crucial question is what we should do in the face of this reduction in unemployment and increase in production. Should we dismantle the Federal works program on the theory of an approach to normalcy? Or should we consolidate our hard-won gains by maintaining the purchasing power of the unemployed? I can see no choice, short of inviting a repetition of 1929, other than to carry on with a policy of protective spending against depression.

The larger aspect of the picture—the whole question of an adequate income for the mass of the people—is one of such infinite complexity that we need to approach it in all humility and without prejudice. The answer will be worked out, and the system preserved or destroyed, by those of your generation. You must decide what this country and its tradition of democracy are worth to you. You must determine the price you are willing to pay, whether it is in cash or hard work or public spirit, for the American system. Those of you who go into public life must have tolerance for the needs of business and the honest motives of businessmen. Those of you who go into business must have equal tolerance toward the efforts of the Government to assist in balancing the intricate mechanism of this Nation. All of you must give, importantly and honestly, of your brains and your fine training if you are to justify yourselves, for you have had a better chance than most of your generation.

Some day our children will laugh at us for the way we have kept people in idleness—let human resources rust and decay—while great segments of the population were in desperate need of the things that might have been produced.

I believe we have made important beginnings in the right direction, but they are only beginnings. As business technicians, their development is to a large extent in your hands.

Suppose you had a big industrial plant, in which from 10 to 20 percent of the workers had nothing to do all the time. Suppose about one-third of its employees could not afford adequate food or clothing or shelter.

Well, you have the greatest plant in the world—the United States of America—and these same things are true about it.

To what higher purpose could you use your excellent training than the adjustment of this American system so that a decent minimum of its comforts is available even unto the least of its people?

There was a certain carpenter of Galilee who had some very important ideas along this line. If you need guidance in the big job you face, I would recommend His teachings and philosophy. They are as good as new, they have been used so seldom.

Air Transport Act of 1937

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, June 14 (legislative day of Monday, June 7), 1937

ARTICLE FROM AMERICAN AVIATION MAGAZINE

Mr. McCARRAN. Mr. President, in the June issue of the magazine known as the American Aviation Magazine there was published an article entitled "Pawns in the Game", pertaining to Senate bill 2, now on the Senate Calendar. I ask that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Aviation Magazine, June 1937]

PAWNS IN THE GAME

The present air-mail situation is about as sordid a commentary of political manipulation as can be found in American history. It isn't enough that the Post Office Department is playing the air-line operators for a bunch of suckers; even some of the air-line boys "down the line" have fallen like a ton of bricks for subtle Post Office propaganda and have been hypnotized to the proper Post Office frame of mind.

What we are referring to is the legislative program for the air lines now pending before Congress and the new air-mail contracts which the Post Office is about to advertise. The two cannot be considered separately. They have formed a political battlefield, the results of which might even lead to such an extreme as another cancelation and a ruinous price war.

In the first place, this is an extremely important year for the air lines. All previous efforts to secure constructive legislation which

would take the air lines out of the political realm of the Post Office and place them under the sane and fair regulation of the Interstate Commerce Commission (along with the railroads and bus carriers) have failed. When the present Seventy-fifth Congress opened, air-line legislation was introduced immediately (Senator McCARRAN's S. 2 bill). Representative CLARENCE LEA, of California, probably the air lines' best friend in the House, introduced another bill which pleased the air lines even more. Senator McCARRAN promptly introduced the Lea bill into the Senate as substitute S. 2, so that when the bills are finally reported out for debate, which will be soon, they will be identical.

It is important to note that the McCarran-Lea bill is opposed by only two groups—the Post Office and the Department of Commerce. At the hearings held earlier this year the Department of Commerce had a difficult time explaining why it opposed the bill, but the Post Office opposition is no mystery. A politician has to have in his bag of tricks a group of favorites. In the present situation the air lines are one of the pawns. Political groups must pay communities off in the cheapest coin necessary. Air mail is one way of paying off political debts.

BID LOW OR ELSE

There is nothing mystical about all this. It is common everyday procedure. The political system is inherent in our form of government and we have seen it exercised in hundreds of ways. The big question before aviation, however, is whether this sort of control over air transportation is going to mean a healthy development of a new industry and a new mode of travel that hasn't even begun to reach into its infinite possibilities.

It is no secret in Washington that Representative JIM MEAD is going to get his Washington-Buffalo air mail that he's been fighting for. But it is not unrelated that JIM MEAD's bills pending before Congress are probably the least constructive and least progressive legislation proposed since the Air Mail Act of 1934. A Congressman cannot fight the Post Office and still get his pet route. It also is no secret about the Denver intermediate stop granted to United Air Lines; a political debt was paid to Denver, which wanted the air-mail route, but the Post Office had to stretch a long point of law to find a justification for tiptoeing around the Air Mail Act of 1934. (Incidentally in so doing, the Post Office set a precedent of far-reaching magnitude which it may not even be aware of itself.) Also, it is no secret that First Assistant Postmaster General Bill Howes wants a new air-mail route through South Dakota, his home State, as part of the gravy he can take home with him.

All this is chicken feed, though, when it comes to the new air-mail routes which the Post Office will shortly advertise. The inside manipulation has reached almost scandalous proportions. Air-line operators have been called upon one by one. Independent operators have been contacted. The word has been passed around, as the Post Office can only pass word around, that "We're not interested in any bids over 17 cents a mile." Even lower bids are suggested "if you want the business—and if you don't want it, we know somebody that does." The Post Office has made it clear that unless low bids are received, the contracts will not be let. It is certainly no secret that the Post Office is high-pressuring the air-mail contracts to force through the Mead bill. "If you boys want some air mail, you'd better help us get the Mead bills through."

DEFEATISM IS RIDICULOUS

Now, any air-line operator knows that a 17-cent rate for carrying the mail is too low. Why shouldn't the Government pay a fair rate for what it gets? Anything under 30 cents a mile should not be considered for multimotored equipment. The cost of operating one major air line is 60 cents a mile, while Lockheed service costs over 30 cents a mile. Then why should the Post Office play the air lines for a bunch of boobs?

The irony of all this is that some of the minor air-line executives have become victims of the Post Office. They have been spreading the word around that "S. 2 hasn't a chance." That's just what the Post Office wants. As a matter of fact, the McCarran-Lea bill has an excellent chance to pass the Seventy-fifth Congress. It is natural for the Post Office to try to defeat it, but it is ridiculous apathy for any air-line man not to resist pressure. The McCarran-Lea bill is the finest legislation the air lines have ever had proposed. Most of them have been working hard for it—but the laggards ought to wake up before it's too late.

Another unfortunate note of despair was the statement made in our hearing by an air-line man to the effect that "There are some changes that will have to be made in the McCarran bill before we'll let it go through. If they make the changes, then we will let it go through." This is childish talk. In the first place, no bill ever introduced or reported out in Congress was ever perfect. The best anyone can expect is to get a general principle adopted and take the best that can be obtained. Also, this individual was bragging in a way that is most damaging to the whole cause. Passage of the bill in no way depends upon the "say so" or the air lines. This individual was in a spot where he should know that.

If it wasn't so serious, the situation would be amusing. Only the other day some ebullient Congressman introduced a bill to set aside May 28 as Aviation Day. What a travesty! If Congress wants to recognize aviation, it can do so by giving air transportation a chance to grow constructively, and it isn't getting that chance now. Congressmen can talk about Aviation Days when they do something to merit the honor.

The air lines have the best opportunity in air-line history to obtain constructive legislation at this session. Whether the McCarran-Lea bill is perfect or imperfect is beside the point. Everyone will agree that it would do more to advance air transportation than any other one factor. No air-line official should ever be caught talking pessimistically or bragging about his "influence." The air lines aren't out of the political woods yet by a long shot.

Agricultural Marketing

EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, June 14 (legislative day of Monday, June 7), 1937

ADDRESS BY HON. GUY M. GILLETTE, OF IOWA, ON JUNE 10, 1937

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the RECORD an able and informative radio address on the subject of agricultural marketing delivered by my colleague the distinguished senior Senator from Iowa [Mr. GILLETTE] on June 10, 1937. The address is a valuable contribution to the literature of this important subject.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For many years the Congress of the United States has been wrestling with the problem of rehabilitating agricultural industry and securing its future. Since the beginning of the Roosevelt administration in 1933, when the industry was at the lowest point in its history, unceasing studies and efforts have been made and many legislative enactments secured looking to improving the economic condition of our farmers. The success attained has been marked, but the fact remains that a permanent long-range solution of the problem of agriculture has not been reached and enacted into law. Able Members of Congress and many earnest farmers and representatives of farm interests and organizations are wrestling unceasingly with the problem. Many of us are thoroughly convinced that as a supplement to the rehabilitation of agriculture must be found a method of controlling largely the marketing of farm products and the reduction of the spread between prices paid the producer of the product and the ultimate consumer of the processed goods, or, to put it succinctly, to see that the producer receives as large a percentage share of the consumer's dollar as is consistent with sound marketing methods. It is astounding to find that in many industries producing food and fiber the producer is receiving as small as 29 percent of the dollar the consumer pays for the product. Our Bureau of Agricultural Economics shows the average for all agriculture in our markets to be below 50 percent of the consumer's payment, while in Europe figures show that in many countries and products the producer receives as high as 75 percent. It goes without saying that there are proper and legitimate charges that must be paid in moving our raw agricultural material to the consumer. Transportation, legitimate commissions, processing charges, salaries, the cost of preserving, canning, boxing, and the proper wholesale and retail charges by way of profit are all elements that must be considered, whatever method of distribution or control is adopted.

But there is obvious difference between legitimate distribution charges and an initial bottle-neck control, which bottle-neck is found in almost all major farm products and is the agency of a great part of the exploitive costs. This is clearly true as to dairy products. It is true as to tobacco, fruits, vegetables, and fish, and is, I think, demonstrable as to cattle, hogs, and at least some of the major Middle Western products. It is this bottle-neck, often in essence, a single buyer or group of buyers, that is the most offensive, not only in its financial cost, but in the cost to the freedom and independence of our farmer-producers.

When any group finds its market only at the will of some other group and this other group is hostile in interest, there necessarily results a loss of liberty, of dignity, and of the essential things that we Americans consider life itself. It might be interesting to advert by comparison to the condition of France prior to the Revolution when everything passed through the wine press, the mill, and the markets of the censor or landlord.

Every major commodity involves a different approach. The bottle-neck as to dairy products is the pasteurization plant, which operates directly on its 12,000,000,000 quarts of milk that go into fluid consumption, and indirectly on the 24,000,000,000 quarts that go into butter, cheese, and manufactured products. As two major dairy corporations in this country have a practical monopoly through the ownership of pasteurization plants, and as this group, plus the meat packers of Chicago, control from 60 to 70 percent of the manufactured products, it is obvious that this bottle-neck can be used to fix the price of fluid milk and, by concerted operation, the price of surplus milk as well. The bottle-neck of the tobacco industry is the method of auctioning and the competition

of the six major buyers. Fish are bottle-necked through three or four fish trusts operating in New England, New York, and along the Atlantic seaboard. Vegetables, fruits, and other commodities in New York City are subject to outright criminal methods and racketeering.

Criminal proceedings fail, however, because of the fear that is thrown around witnesses whose testimony is sought to prove the racketeering methods. Food costs in the metropolitan area of New York City alone amount to between a billion and a billion and a half dollars a year. We know that prices go up in the New York market 200, 300, and 400 percent—food passing through eight to ten fictitious hands.

In the Seventy-fourth Congress, a resolution was passed asking the Federal Trade Commission to investigate the spread between the producer and consumer of agricultural products, to determine the facts relative to the decline of farm income and its causes, to study the income of corporations handling farm products and income decline in the same years, to report on the value of cooperative marketing, and other items incident to the distribution of farm products.

When the Congress passed that resolution in August 1935, it did a splendid thing. There was made available some $150,000 for this investigation. On the 2d day of last March, the Commission filed a supplemental report representing the expenditure of this sum of money, and months and months of painstaking investigation. Unfortunately, there were but four copies of the report made, and there have been hundreds of requests for the material represented in this report. Through the activity of the Senate Agriculture Committee, we hope to have printed 1,600 copies of this report so that it may be made available to all parts of the country.

I believe everyone will note with dismay the opening sentence of the Commission's conclusion. I quote:

"This Commission records with dismay its belief that the survival of independent farming by farmers who own their own farms and maintain an American standard of living is in jeopardy."

Of course, in determining the processor's share and the distributor's share of the consumer's dollar, one must bear in mind that this share must cover all their expenses after paying for the farm product purchased before they can reckon a profit. The Commission went exhaustively into the study of the small number of companies who control the major part of farm products' distribution, showing the constant tendency and trend toward monopoly in these fields. For instance, 13 principal tobacco manufacturers bought the equivalent of 64 percent of the tobacco crop of 1934, and 3 of them had no less than 46 percent. The 10 leading meat-packing companies bought in 1 year cattle and calves in a quantity equal to 51 percent of the total production and 37.4 percent of the hogs. The major purchaser, both of cattle and hogs, was Swift & Co., with the equivalent of 18.14 percent and 12.42 percent of the cattle and hogs, respectively. A brief illustration must suffice to show the complexity of these channels of supply and distribution. Of the livestock purchases reported by 13 of the larger livestock commission companies, more than 69 percent of the cattle, 39 percent of the hogs, and 36 percent of the calves were purchased directly from livestock producers. Commission houses operating at public stockyards supplied about 21 percent of the cattle and about 50 percent of both hogs and calves. Together these two sources furnished about nine-tenths of these meat-producing animals handled by these companies. There is no objection, and can be no objection on the part of fair-minded people, to these companies enlarging their facilities and becoming a power in their particular field. The thing that Government must concern itself with is to see that the charges are legitimate, reasonable, and proper, and prevent monopolistic control by destruction of competition.

We of the Middle West well know that one of the controlling elements that brought about the passing of the Clayton Anti-trust Act was the local discrimination by oil companies, line elevators, and lumber yards against independents until such independents were practically down and out, and then they were purchased, if there was anything left worth buying, by such monopolistic groups or chains. But the Clayton Act struck only at monopolistic control and buying of capital stock in competing companies, so that it did not take lawyers long to discover an opening big enough to drive a team of oxen through, by which the monopolies could buy the assets of the competing company or business. In many cases they proceeded to acquire the controlling stock in these companies illegally and by means of this control were able to take over the entire assets, and our Supreme Court held that though the first steps were illegal, the later steps were legal and there was no remedy. It was also held in 1934 that even after the Federal Trade Commission had commenced action because of illegal stock control, if the company immediately divested itself of the stock and later acquired control of the assets before the Commission could enter an order or finish its hearings, the remedy again would fail. To meet this situation, on recommendation of the Federal Trade Commission in its report, I introduced a bill in the Senate within the last few days which, I believe, if enacted into law, will prevent a continuance of this monopolistic control of farm products through their markets.

The Commission also went carefully into the painful effect on our Middle Western grain markets through control of the grain terminal elevator situation. Time and time again the Commission has made recommendations calling attention to the fact that the monopolistic control and improper use of grain exchanges were having an uneconomic effect on all the grain-growing farmers. I quote from their report:

"The futures contract for grain on the Chicago Board of Trade stipulates delivery of grain in Chicago. The control of terminal elevators at low rentals by large grain merchandisers and speculators gives them an undue competitive advantage in handling cash grain and in making delivery on future contracts. These facts have favored manipulative squeezes and corners and often forced an uneconomic movement of grain to Chicago in order to make delivery."

To meet this condition the Commission in its report makes several specific recommendations as to legislation that would prevent the control of these large terminal elevators, secured by lease at rentals far below the cost of maintenance which enables certain interests to dominate in a speculative way the market for the grain products of the great garden valley of the Middle West. Senator CAPPER, Senator FRAZIER, and other Senators are, I am informed, preparing legislation for introduction to correct this situation. I sincerely hope that Congress can act upon it at this session.

How long must farmers suffer from such uneconomic practices and abuses? Several of us have determined that this report made by the Federal Trade Commission and its further report in the field of fruit and vegetable marketing, which will be forthcoming in the next few weeks, will not be allowed to lie unused and unavailable. There are those who feel that the farmer is too persistent in his demands for relief from the uneconomic forces that are throttling him, but it would be well for these to bear in mind two statements.

First, that the whole course of the world's history shows that the downfall of any nation has not been far behind the destruction of its free and prosperous agrarian population.

Second, that the tie-up between the producers of our raw materials and all other industry and business is complete. Their routes may temporarily detour, but the general direction of their courses is parallel, and their objectives must be identical.

I am well aware that the long-range problems of agriculture cannot be solved in a moment and that the road of necessity will be long and difficult; but I am just as positive that there will be no prosperity in America without the prosperity of the producers of raw materials, and that the elements over which the farmer has no control, such as drought, heat, frost, insect pests, erosion, and destruction by elements are enough of a hazard for the farmer to be compelled to meet without asking him to continue to face unfair, unjust, unreasonable, inequitable, and even criminal conditions in getting his product to the consumer-buyer.

Aliens

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 14 (legislative day of Monday, June 7), 1937

RADIO ADDRESS OF HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, ON JUNE 9, 1937

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject of Aliens, delivered by me last Wednesday evening in Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to thank the Columbia Broadcasting System for this opportunity of addressing the people of the United States. The subject of my remarks tonight, as the announcer has told you, is the Alien's Heaven—the Alien's Heaven in America.

You and I have the same interest in this problem, and I want you to feel as I speak to you over this marvelous radio chain that I am coming into your home as a friend to talk to you intimately and personally.

America has certainly been the alien's heaven. Just contrast the condition of affairs which confronts the men, women, and children who live in Europe, Asia, or Africa with our own surroundings here in the United States. Abroad we find a whole world arming as never before for another war. I think I do not exaggerate if I say to you that out of 550,000,000 people who live in Europe today, 380,000,000 are living under the crushing yoke of ruthless dictatorships. These dictatorships have absolutely no regard for those human rights which Thomas Jefferson immortalized in the declaration of our independence. Today in Spain we see the Communists seeking to obliterate religion, and I say to you that no matter on which side of this struggle your sympathies may lie, the horrors of that war-torn country are a blight upon what we are pleased to call modern civilization.

Is it strange that we have now in this country over 14,000,000 people who were born abroad? I do not think so. And it is beyond dispute that if we did not have the restrictions upon immigration now on the statute books, which I believe are still in-

adequate, we would have millions more. But let me tell you what strikes me as very strange. It is that there are millions upon millions of aliens now living in the United States who earn their sustenance here, who are protected by our laws, and who enjoy our liberties, and yet are so indifferent to the privileges accorded to them that they are unwilling to assume the slight obligations which citizenship in the United States imposes on the individual man and woman. You, of course, realize that the foreigner in our midst is a beneficiary of our social-security law. That is something for you to think about. And here is another item which I want every one of you to carry in your mind until this alien problem is settled, as I think it should be settled. The foreign-born population of the United States have shipped abroad 1,000,000,000 American dollars during the period in which we have wallowed through a great depression. Think of that, my friends, $1,000,000,000 shipped abroad to support people in foreign lands to whom we owe no obligation whatsoever. Sometimes I wonder if we are as intelligent a people as some of our fellow citizens are inclined to believe. I wonder if we are not childlike, deluded by fantasies painted for us by international sentimentalists who have injected themselves or seek to inject themselves into the solution of the alien problem in the United States.

I take it that no one in any home to which I have been admitted tonight to talk with you will dispute the fact that we have had an unemployment problem which demands a solution. The unemployment problem, my friends, has not been confined to the United States. It has existed in every other country in the world throughout the past decade to a greater or less extent, but what, I venture to say, a very large number of Americans do not appreciate is the fact that foreign countries are putting the rights of their citizens to enjoy the employment afforded by their industries and their agriculture first. To my mind it is preposterous, it is almost unthinkable, that we should be probably the only country in the world which does not by law give preferential employment to our citizens and secondary consideration to the alien. Worse than that, to me it is a shocking thing that our Government should carry upon the pay roll aliens who owe us no legal obligation and to whom the Government of the United States owes no moral obligation. I want you to think about the fact that the late Commissioner of Immigration of the United States repeatedly said in the past 4 years that there are 20,000 alien criminals in this country who could not be reached by our existing deportation statutes. Let me ask you a question, my fellow citizens. How long are we going to make this country of ours a heaven for 20,000, or any other number of thousands, of alien criminals? More than that, let me ask you why we should maintain thousands upon thousands of aliens who are insane, aliens who are physically defective, aliens who are morally undesirable, to pollute the breeding stock of our people?

Why should we allow thousands of aliens to enter this country every year? Why should we have allowed 50 percent more immigrants to enter the United States in 1936 than we did in 1933? Why is it that we deported less than half the number of aliens in 1936 than we did in 1933? I will tell you: In the first place, because there has been a disposition to relax the regulations formerly in force which excluded aliens likely to become a public charge and, secondly, because our statutes dealing with this question are unquestionably defective. Some people will tell you that we no longer have an alien problem. I will prove to you the contrary. Tomorrow afternoon, June 10, the House of Representatives of the United States will have under consideration a bill sponsored by people who are unsympathetic with the wholly American viewpoint of this problem. Under the provisions of this bill, if it is passed, no criminal alien can be deported unless he falls once more into the clutches of the law and is committed to an institution. Think of it. Our existing statutes are bad enough, but here is virtual amnesty for the 20,000 alien criminals about whom the representatives of the Labor Department have been talking for 4 years. This grotesque measure would actually make mandatory the deportation of some poor alien who failed to get a license for carrying a gun while out shooting rabbits even though he was not sent to jail after conviction for this misdemeanor, but does not provide for the elimination of the alien who has in the past committed murder, larceny, rape, or some other heinous crime. I contend that the fact the people who sponsor such a measure as this can actually get it before Congress for serious consideration demonstrates we still have an alien problem in the United States.

I wonder how many of you realize that over 46,000,000 people wandered back and forth across the Canadian and Mexican borders of our country during the last fiscal year, and the report of the Secretary of Labor for 1936 says that over half of these people were aliens. Now, my fellow citizens, I want to tell you something, that nobody in the Department of Labor or anyone else can tell you how many of these people remained illegally in the United States. I will go further than that and I will assert positively without fear of contradiction that nobody can truthfully tell you or tell me how many aliens there are now actually living in the United States. My fellow citizens, I want to ask you how long are we going to tolerate such a condition of affairs. I want to ask you why it is that we cannot register the foreigner within our gates. Why? I want to say now to the law-abiding alien who is in the United States who may be listening to me this evening that the greatest protection which he could have from the racketeer and the blackmailer would be a fingerprint registration in the custody of the Government of the United States. Any alien in possession of such a registration could defy a blackmailer who threatened deportation on any unlawful or framed-up charge that he was illegally in the United States. Other nations protect themselves and their people and the alien within their gates by adequate systems of registration. May I say to you that on my recent trip through South America, Central America, and Mexico, I learned that these nations are determined to protect the labor of their citizens from unfair competition by aliens. In one of the great republics of South America I know from personal knowledge that an American citizen cannot secure employment if the percentage of the domestic population required by law to be engaged, is not employed.

In the Republic of Mexico, our next-door neighbor on the south, no one can employ more than 10 percent foreign labor, and I have it on good authority that in practical experience the ability of a foreigner to secure employment in that country today is almost negligible. Do you realize that an American train crew is forced to leave its cars when it reaches the Mexican frontier and give way to a Mexican train crew? On the other hand, by way of contrast, I understand that a Mexican crew carries its train not only to the American border but up to the next division point and, on occasion, even farther. In bringing this matter to your attention do not imagine for a moment that I am condemning the action of the Mexican Government. Far from it. I commend the Mexican Government for protecting domestic labor to the very limit of its ability, even if on this one point it may go to lengths which seem extreme. Let me add to what I have just said by assuring you that there is no country in Europe, to my knowledge, which does not guarantee a preference to its own labor and guard its citizens or subjects from the unfair competition of an alien immigrant seeking to exploit its resources. England has rightly been called the most democratic and liberal country of Europe and it is even regarded by some to be the most liberal country in the world today. But do you think that the British Government will permit an alien to land on its shores to seek employment if there is in England a British subject able and qualified to fill the job? No, my friends; the British Government protects its people.

My fellow citizens, if anybody tells you that America is not the alien's heaven or that the alien is not seeking to reach this heaven, you can tell him this: The State Department estimates that through the enforcement of regulations designed to exclude aliens liable to become a public charge, 1,000,000 aliens were not admitted to the United States and were not added to the ranks of our unemployed between October 1, 1930, and June 30, 1936. It is my contention that these regulations, which are constantly under assault by the foreign bloc in the United States, must be crystallized into law, and into law which cannot be evaded by those charged with its enforcement.

Now, in conclusion, let me say that I have introduced in Congress five bills. One to clean the country of the alien undesirable and do it in a humane fashion. A second bill to restrict immigration into the United States and do it in a way which can offend no friendly nation in any part of the world. A third measure which I have introduced is for the protection of American labor during times of stress and emergency. A fourth provides that every alien in the United States be registered. The fifth bill is to guarantee to American citizens preference in employment by their own Government.

My fellow citizens, you are of the sovereign people of this great country. I appeal to you for support, and I urge upon you to express your will and demand that your rights be protected through the action of your Senators and Representatives in Congress.

Good night.

Agricultural Legislation as It Affects Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. IGLESIAS. Mr. Speaker, in view of the agricultural and sugar legislation pending before the Committee on Agriculture, I feel it my duty, as Resident Commissioner of Puerto Rico, to set forth Puerto Rico's position relative to this proposed legislation.

At the outset I would like to make clear Puerto Rico's legal and economic status in the Union. By the Treaty of 1898 Spain ceded Puerto Rico to the United States. By that treaty Puerto Rico came to the Union as a permanent addition to our territory with the acquiescence and consent of all Americans. General Miles, in his proclamation to the people of Puerto Rico, on July 28, 1898, said:

> We bring you protection, not only to yourselves, but to your property, to promote your prosperity, and bestow upon you the immunities and blessings of the liberal institutions of our Government.

Following the proclamation and Spain's cession in the treaty, Puerto Rico, a completely organized territory, became an integral part of the Union. All of its resources duly became a part of those of the mainland, and by congressional act in 1917, all of its inhabitants became citizens of the United States.

Since then Puerto Rico has stood by the flag in peace and in war. Her soldiers fought side by side with those from the States in the great World War.

Puerto Rico is now the greatest territory of the United States; largest from the standpoint of population; and largest from the standpoint of purchases of mainland products. It ranks ahead of all areas in the Western Hemisphere, except Canada, as a market for mainland products. It purchases more products from continental United States than all other market areas except five—United Kingdom, Canada, Japan, France, and Germany. Puerto Rico purchases more from the States than do such countries as Belgium, Italy, Netherlands, China, or Mexico, or than Cuba.

Its purchases include those of the farm and factory. It ranks first as a market for rice, purchasing from the mainland in 1936 more than 10 times as much as all foreign countries combined. It ranks third as a market for mainland lard, and second as a market for all our meat products. It ranks second as a purchaser of wheat flour, first as a market for shoes, and holds a high rank for many other products of the farm and factory.

Rank of Puerto Rico as a market for specified products of continental United States, 1935 and 1936

Product	Rank in—	
	1935	1936
All edible animal products	2	2
All meat products	2	2
Lard	3	3
Dairy products	3	2
All inedible animal products	3	3
Shoes	1	1
All edible vegetable products	3	3
Rice	1	1
Wheat flour	2	2
All inedible vegetable products	9	7
Cigarettes	2	2
Rubber footwear	2	1
Textiles	9	7
Wood and paper products	7	5
Chemicals	5	3
Medicinal and pharmaceutical preparations	5	4
Fertilizer	5	3
Soap and toilet preparations	1	1

All of its purchases from the mainland are transported in American bottoms. It purchases practically all of its services, such as insurance and the like, from the mainland. It returns a higher percentage of its trade dollar to the mainland than any other area selling sugar in the continental United States markets.

Puerto Rico not only ranks next to the five leading markets of the world as a market for mainland products but purchases are increasing faster than those of all other areas. Purchases from the mainland increased 23 percent in 1936 over 1935, whereas exports to foreign countries increased only about 8 percent. Since American occupation the island has risen from almost nothing as a market for mainland goods to a ranking of sixth among all the areas of the world.

Rank of customers of continental United States in order of amount purchased during 1936

[Thousand dollars]

1. United Kingdom	439,950
2. Canada	383,952
3. Japan	204,312
4. France	129,535
5. Germany	100,585
6. Puerto Rico	86,352
7. Hawaii	85,744
Cuba	67,432
Philippines	60,351

Not only does Puerto Rico rank sixth as a market for continental goods, but it buys a smaller proportion of what it consumes from foreign countries than does the United States as a whole. In 1936 Puerto Rico bought only 6 percent of its total consumption from foreign countries, whereas the United States (no data for individual States available) bought from foreign countries approximately 7 percent of all goods consumed.

Puerto Rico is an integral part of our national defense, and serves as the first line of defense for the Panama Canal. It is the gateway to our Latin-American countries. The policies of the mainland toward Puerto Rico are carefully scrutinized by Latin-American countries generally as a basis of their policy toward the United States. The graduates of its University and School of Tropical Medicine are among the leading scientists of pan-American and South American countries, many of them holding responsible official positions in these countries.

With its large population, and its productive farm land, the island possesses the qualifications for becoming an even larger purchaser of the products of the mainland farms and factories. Its large population, in proportion to its natural resources, forces the island to become an effective trading center. It must sell in our mainland markets the products for which its resources are adapted, and in turn purchase a very large part of all it consumes.

For more than a century sugar has been one of the leading sources of income. In most years since 1905 the income from sugar has represented around two-thirds of the income of the entire island. This is not because it prefers to produce sugar in preference to other products, but because sugar enables it to make the most intensive use of its land resources. Sugar provides a larger income per acre, and more work per acre, than any other crop for which the island's agricultural resources are adapted. In fact, more dollars are paid to labor alone for producing a ton of sugar than the total returns from practically any other crop that can be grown on the land.

Puerto Rico has supplied the mainland with sugar since American occupation and the island's increase in production has been about in proportion to the increases in other domestic areas. Its share of the mainland's sugar requirements is still small, being only about 12.4 percent of the total. However, Puerto Rico's share is more important to Puerto Rico than is the share of any other area to that respective area. This is due, of course, to the fact that Puerto Rico is more dependent upon the income from sugar than is the case of any State.

Sugar is truly the lifeblood of the island, providing more employment than any other industry, and paying directly or indirectly about three-fourths of the island's public revenue. It provides the backbone of the economic structure of the island and directly or indirectly is the basis for nearly all industrial activity.

The dependence of Puerto Rico upon sugar was recognized by the Secretary of Agriculture in a press release of May 1, 1937, when he said that if the distribution of quotas were to be made on the basis of the need of the members of local sugar-producing communities, it was believed that Puerto Rico would be the first area to receive an increase.

At the time the agricultural-adjustment program went into effect Puerto Rico had just recovered from two serious outbreaks of sugarcane disease. These diseases struck other areas as well as Puerto Rico, and for a time threatened to annihilate the cane-sugar industry. They reduced yields by about one-half in Puerto Rico, and even more in some other areas.

The series of years provided in the Jones-Costigan Act (1925–33) from which to select 3 years as a basis for quotas included mostly this period of low production. The 3 years used for establishing a base quota fell in this recovery period, and it so happened that in 2 of the years designated as base years, yields in Puerto Rico was reduced substantially because of abnormal weather conditions. In 1931, rainfall in the island was only about one-half of normal, and as a result yields were very low. In October 1932 a devastating hurricane struck the northern part of the island and reduced production there by approximately 40 percent, which was reflected in the 1933 output. The result of in-

cluding these two subnormal years in the years used as the basis for computing quotas was to give the island a base quota approximately 100,000 tons below that which it would have obtained if the yield had been normal in the base years. This situation was recognized by Congress at the time the legislation was passed and was given consideration in the early stages of the formation of the legislation, but, due to the necessity for a compromise to facilitate the passage of the legislation, Puerto Rico was forced to take a quota below that to which it was justly entitled.

Effect of sugarcane diseases upon production in Puerto Rico

Year	Quantity of sugar produced per acre in sugarcane	Year	Quantity of sugar produced per acre in sugarcane
	Tons		*Tons*
1925	2.752	1930	3.403
1926	2.498	1931	2.805
1927	2.669	1932	3.376
1928	3.160	1933	2.780
1929	2.337	1934	3.710

These data show a gradual increase from 1926 to 1934 resulting from increased use of disease-resistant varieties of cane. The exceptions are 1929, when production was reduced by the hurricane of October 1928; 1931, when production was reduced by lack of moisture; and 1933, when production was reduced by the hurricane of October 1932.

By 1934, disease-resistant varieties of sugarcane were in use throughout the island, and the production of that year was approximately one-third larger than the year before, although the acreage was the same. The final quota for Puerto Rico (including local consumption) for 1934 was approximately 230,000 tons below the production of that year, all of which was completed prior to the Jones-Costigan legislation.

At that time a modern refinery had been developed in the island but had not reached its maximum production capacity. Puerto Rico's refined quota was established on the basis of what it had refined for the mainland market prior to the enactment of the legislation when the refining of sugar in the island was in process of development. Other refineries were being considered before the enactment of the Jones-Costigan legislation. Consequently, Puerto Rico's refined quota not only failed to provide a sufficient amount to enable the then existing refinery to operate efficiently and at capacity level, but precluded any further increase in refining.

In addition to receiving reduced raw quotas by reason of the abnormal weather conditions, the island did not participate in benefit payments on the basis of other areas. Neither the principle of parity, nor that of returning taxes paid on Puerto Rican sugar, was established as a basis for making benefit payments. The island was paid for the surplus cane in the 1935 crop an amount estimated to equal the expense of producing the cane at the time it was taken over by the Government. This was in no sense a benefit payment; neither was such a payment made to other domestic areas, owing to the fact that the adjustment of production in these other areas was negligible.

Puerto Rico received a benefit payment of 35 cents per ton of cane on the 1936 crop, which was by far the lowest rate of payment made to any of the domestic areas. At the same time it was forced to carry at a heavy expense approximately 230,000 tons of surplus sugar from the 1934 crop, the first year in which production was normal following the period of cane diseases and abnormal weather conditions.

Puerto Rico made by far the greatest reduction in the production of sugar under the Jones-Costigan Act of any domestic area supplying the mainland. It actually reduced its production by approximately 370,000 tons in 1935 in order to come within its quota. Production in the 2 years 1935 and 1936 was reduced by around 600,000 tons, and more than 100,000 tons were still held in producers' warehouses at the beginning of 1937. Puerto Rico lived up to the letter and spirit of the Jones-Costigan Act, even though this reduction in production of approximately 600,000 tons of sugar resulted in a tremendous increase in the already burdensome unemployed population. Not only did this reduction in income and wages work a hardship upon farmers and labor but it resulted in a reduction in the already low revenues available for schools and health facilities.

Puerto Rico endured these discriminations and hardships with the feeling that it was contributing its part toward the rehabilitation of the sugar industry in all areas and with the full belief that when more permanent legislation was being developed its just quota would be restored.

The legislation that was proposed not only fails to restore the quota to which Puerto Rico was entitled at the time the Jones-Costigan Act was effected but it actually proposes a reduction of 8,000 tons of raw sugar, and continues to treat Puerto Rico on the basis of a foreign area in the matter of refined sugar.

Puerto Rico's rights to share in the mainland sugar requirements on the same basis as other domestic areas are not based alone on a legal and moral basis but also on an economic basis. Puerto Rico buys more farm products per ton of sugar than does any other area supplying the mainland markets. Its purchases of farm products are equivalent to the yield of approximately 1,000,000 acres of mainland farm lands, divided principally among livestock producers, dairy farms, grain producers, rice growers, and truck farmers. This is nearly twice the amount of acreage required to produce the farm products purchased by Cuba. When freight, insurance, and capital payments are included with commodities Puerto Rico returns to the mainland every dollar received for goods sold there.

While Puerto Rico's needs for increased quotas of raw and refined sugar are much greater than those of other areas, due to its heavy population and its lack of opportunity in other fields of production, it asks simply for equal treatment with that of other domestic areas, based on its traditional record as one of the domestic sugar-producing areas, and on the basis of its record as a market for products of the mainland farms and factories. Puerto Rico has always spent practically every dollar received from the sale of products to the mainland in purchases of goods and services from the mainland.

We ask for the consideration which Puerto Rico, as an integral part of the United States, and which its record of supplying the mainland with sugar and providing the mainland with a market, rightfully deserves.

PROGRAM FOR PUERTO RICO

I think it proper at this point that a presentation of some of the high spots of the program elaborated for the reconstruction of Puerto Rico as represented by the administration of Gov. Blanton Winship be submitted for the information of Members of Congress. These official declarations are worthy of Congress' best consideration.

Inauguration of plans for resettling thousands of Puerto Rican families on farm lands, where they may raise food crops for sale and for their own use, has been proposed as the next major step in Puerto Rico's extensive program of economic improvement.

It is estimated that there are 500,000 acres of farm land available for resettlement purposes, and plans have been drawn up for resettling on those lands many of the small farmers whose homes and crops were destroyed by the devastating hurricanes of 1928 and 1932. Most of those families, having no other place to go, moved down to the lowlands near San Juan, the island's capital, and other cities, where they now reside under unsatisfactory conditions.

Funds now being sought from the Resettlement Administration and other Federal agencies by Gov. Blanton Winship and the insular authorities would be used to purchase the lands, provide low-cost houses, supply the families with livestock, and train them in efficient farming methods. Most of the lands which would be acquired are located in the foothills in the interior of the island. The lands and equipment would be sold to the settlers on a long-term payment basis.

A start on the resettlement program already has been made by the Puerto Rico Reconstruction Administration (P. R. R. A.), which recently purchased one of the largest sugar mills in Puerto Rico and is now perfecting a cooperative plan of operation in which 1,000 or more families will

each acquire a share in the mill along with land on which to grow foods for their own use.

Realizing that the task of putting the island on a more satisfactory economic basis involves taking advantage of every possible source of increased employment and income for the people of the crowded island, Governor Winship has been encouraging the insular government, the P. R. R. A., and other Federal agencies, to exhaust every opportunity.

By following an aggressive program, the island has been improved along many lines, economically, physically, and socially. Living standards have been rising steadily during recent years, public education has been improved markedly, new sources of employment have been found, and new cash crops are being developed. Progress has been made at such a rate, according to Governor Winship, that individuals whose knowledge of Puerto Rico was acquired 4 or 5 years ago, or longer, are now quite out of date.

Unemployment has been a serious problem on the island for many years, just as it is on the mainland, but recent developments are encouraging. Until recently there were relatively few industries there, owing to the lack of capital and the scarcity of raw materials. Persistent research and ingenuity, however, have uncovered a number of new possibilities.

Glass manufacture, rum distilling, and gem cutting are among the more promising industries. Puerto Rico has a grade of sand which is particularly suitable for manufacturing glass, and the possibilities of that industry are being investigated carefully. The island last year supplied well over half of all the rum shipped into the States, and production is even greater so far this year. Gem cutting is expected to expand also, as more laborers acquire skill at the trade.

The needlework and embroidery industry, for which the Puerto Ricans are famous, has been growing rapidly in the last 4 years, the value of the products shipped back to the States having increased from less than $12,000,000 in 1932 to more than $21,000,000 in 1936. Included in those figures are the linen manufactures, including linen clothing which now provides considerable employment.

There even is a strong chance that the island will become a fairly important source of gold. One individual is reported to have invested about $100,000 in equipment for taking gold from the mountain streams. Marble and manganese are being produced now in important quantities, and the hair-net, straw-hat, and button industries show signs of expanding. Each new industry and each one that can be expanded means more employment and greater income for the people.

In the field of agriculture, also, important developments are taking place. Puerto Rico is trying particularly to develop new crops which can be sold in the States without competing with domestic agricultural products. The production of vanilla beans has been started and will receive close attention. Sea-island cotton is another promising crop for which there is a market in the States. Successful experiments are also being conducted with quinine plants and perfume-bearing plants. In addition, Puerto Rico is endeavoring to grow new types of bamboo which can be used for making furniture and for other uses, and is hoping to produce a grade of light tobacco which can be used for cigarettes. Its present tobacco crop is suitable only for higher-priced cigars, and the market for that crop is limited.

Concerted efforts also are being made to revive coffee production. The hurricanes almost wiped out the coffee crop so that the island subsequently lost its foreign markets. The insular government soon will start a compaign to popularize Puerto Rican coffee in continental United States. The island produces a rich, full-bodied coffee especially suitable for demitasse, but consumers in the States are not yet familiar with it. Inasmuch as all our coffee now is imported from foreign countries, Puerto Rico is determined to get a share of the huge market here.

As a further aid to agriculture, and as a means of increasing the island's food supply, the authorities also are encouraging the growing of vegetables, such as tomatoes and lettuce, and also corn. Puerto Rico now spends about $28,000,000 a year for food purchased from farmers and manufacturers in the States, buying more food here than any foreign country except the United Kingdom. Even so, many of the island's people need a better-balanced and more adequate diet.

Cooperatives have been formed to assist in the marketing of coffee and tobacco outside Puerto Rico, and other cooperative organizations are working toward more orderly marketing of food crops within the island.

Puerto Rico is particularly proud of what has been accomplished in recent years on behalf of labor. Indeed, the island has set the pace for many of the States in this respect. It has, for example, a workmen's compensation law which is generally regarded as a model for any State, applying both to industrial and to agricultural labor. In addition, it has and strictly observes a child-labor law and an 8-hour day, which also is unique in that it applies to both the factory and farm laborers. Strikes are infrequent and are settled peacefully and promptly, often through arbitration conducted by the insular government. Wages still are relatively low, but they have been increasing in the last few years to the point where total pay rolls on the island now are the highest in history. In the larger industries, wages are established under collective bargaining, with capital and labor working in harmony.

The laboring classes are well represented in the insular government. The island's treasurer and the commissioner of labor both are members of the Labor Party. Of the 19 senators in the insular legislature, 7 are members of that party; of the 39 representatives in the lower house, 15 represent labor.

Collective bargaining, just referred to, is only one of the many New Deal policies and programs which have been applied profitably to the island. Although Puerto Rico has had less regular and emergency Federal assistance per capita than any of the 48 States, it nevertheless has been treated generously and appreciates the help received. The P. W. A. has been improving waterworks, sewers, and schools. The P. R. R. A. is conducting reforestation and rural electrification projects which will permanently benefit the island.

In the reforestation work 20,000,000 young mahogany trees have been made available for planting to replace the once-plentiful timber supply of the island.

Through various Federal Government agencies Puerto Rico has received the benefits of soil-conservation programs and has had needed help from the Home Owners' Loan Corporation, the Federal land bank, the Farm Credit Administration, and others. In addition a terracing program is to be undertaken in connection with the Resettlement project to preserve the soil on the inland slopes.

Other physical improvements also are contributing to the economic betterment of the island. The harbor at San Juan has been deepened and the turning basin enlarged, so that the largest ships now can enter. Further improvements are contemplated. Other ports have been or are to be improved, thus facilitating commerce with the mainland of the United States.

A genuine building boom has been in progress during recent months and more building is contemplated. The splendid road system, consisting of almost 1,200 miles of hard-surfaced highway and other roads, is being added to and improved each year. Trout and other fish are being placed in some of the many mountain streams as an added attraction to tourists, who can travel to any part of the island on the highway system. Deep-sea tuna fishing from April through July is as good there as any other place in the world.

Development of the tourist trade is being counted on to add to Puerto Rico's income. The island has a combination of climate, scenery, and other natural attractions which few resorts anywhere in the world can match. Visitors are especially interested in the historic monuments, including El Morro, the former home of Ponce de Leon's family; La Forteleza, in which the Governor resides; and other appealing places of interest.

The Caribbean National Forest at Luquillo is described as a place of rare beauty with luxuriant tropical vegetation. It has been equipped with tourist cabins, mountain walks, and two swimming pools fed by mountain streams.

The island is hoping that additional ships soon will be available to carry tourists there in greater numbers, and it is reported that private capital plans to provide still greater accommodations for visitors.

Federal funds have been available for some of these developments, but much of the progress has been effected through the funds of the insular government. Yet, even in the trying years just passed, the insular government has balanced its budgets and increased its surpluses. Greater spending for the public good has been accomplished under such conditions only by a policy of wise economy and by more efficient tax collections.

The credit of the island is good, with the result that it has been able to refinance certain of its bonded obligations at a reduced rate of interest and to sell the bonds at a premium. This resulted in an annual saving of $60,000. In line with the policy of economy and businesslike administration of the island's affairs, the cost of electric lights and power to the consumers in the three principal cities has been reduced about half a million dollars annually, and usury has been practically eliminated. Interest rates until a few years ago were quite high, and by reducing them, capital has been made available to many individuals who otherwise could not afford to borrow.

Puerto Rico has not hesitated to spend its revenues for worthy purposes, and one such purpose is education. Last year the insular and municipal governments spent more than $6,000,000 for public-school education. That sum is nearly twice what the insular government spent for all purposes in 1898, indicating clearly that the Puerto Rican people are doing everything possible to raise their standards. There now is more than $11,000,000 invested in school property, whereas in 1898 there was only one public building on the whole island which had been built to serve as a school.

And in the face of the already generous appropriations for public education, an additional million dollars has been budgeted for the coming fiscal year.

The island still has its problems, in spite of the tremendous progress it has made in recent years, but the people are attacking those problems intelligently and aggressively. It is doubtful whether any groups of 1,800,000 people ever has equaled in the short space of 38 years the progress which Puerto Rico has made since it became a part of the United States. Socially and economically, the island already stands out among its Caribbean neighbors and can be expected to raise its status still higher as progress continues in the future.

War Debts and Trade Treaties

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

Mr. WHITE of Ohio. Mr. Speaker, under the leave granted to revise and extend my remarks in the RECORD, I wish to discuss war debts and trade treaties.

The troublesome question of war debts seems to be in the same position that Mark Twain described when he remarked that "everybody talks about the weather, but nobody does anything about it."

The Government has been strangely silent and inactive over a period of several years about the 11½ billions of dollars that was taken from the pockets of American citizens to provide these loans. However, the people themselves have not forgotten and they rightfully expect the Government to use every resource at its command to recover their cash. An unbalanced Budget, tremendous expenditures on all sides, continuous deficits, and an ever-expanding tax burden, give added force to their demands for collection.

European nations seem to have plenty of money for armaments; and yet they tell us they cannot pay their obligations to the United States. This odd spectacle presents another reason why our own people insist that definite action be taken on the debt question.

As a practical means of accomplishing this greatly desired definite action, I introduced a bill, H. R. 5782, on March 19, 1937, which I believe offers an approach to the problem. It provides that so long as we are going to negotiate trade treaties with foreign nations, we should include the question of war debts and base our negotiations on both trade concessions and debt payments.

Shortly thereafter various newspapers carried stories on the proposal, as follows:

WASHINGTON, April 5.—In submitting his plan for the collection of the war debts from foreign nations, Congressman DUDLEY A. WHITE has afforded Congress the opportunity to consider a new approach to the settlement of that troublesome problem.

The plan, itself, by making use of reciprocal trade agreements to secure payment of the war debts either in cash or trade, it would appear, constitutes a practical suggestion that seemingly should be acceptable both in this country and abroad.

Broadly drafted, the White bill amends the Tariff Act of 1930, prohibiting the President from entering into reciprocal trade agreements with foreign debtor nations, unless some provision is made for regular payments on the war debts due from such nations. WHITE says he also favors an additional amendment to provide "that trade concessions granted to the United States by debtor nations may be used in determining the requirements and terms of said debt payments."

As virtually no reciprocal trade agreements have thus far been negotiated with defaulting nations, the White measure would be applicable as means of collecting from practically all of the war debtor countries.

The war debts which the United States has been unable to collect could be paid under terms including cash and trade and tariff concessions granted American products in foreign countries.

White contends it isn't good common sense to call representatives of foreign nations over here to talk about trade agreements and everything else except the money they owe us. Under similar conditions, he says, individuals would insist upon some plan for payment of old debts before negotiating new business transactions.

From this description one may see that the plan is an extension of the Johnson Act which was designed to prohibit financial transactions with a nation in default on its obligations with the United States. Congress passed this law and the President signed it. If we prohibit transactions in securities under these circumstances, why should not we also apply similar rules to trade transactions. For trade transactions, however, under my proposal, leeway would be given for the arrangement of payments on a regular basis of debt amortization, the same as banks use with individuals to keep loans in a healthy, decreasing condition.

Just recently an error has been discovered in the printing of H. R. 5782. The beginning of the sentence in line 4, page 2, should be designated as section "3C", instead of section "3B."

Although the bill was introduced on March 19, 1937, no hearings have been announced. Nevertheless it appears that support is growing in behalf of its principles.

Under date of June 5, 1937, news dispatches in the Washington Herald related:

SETTLEMENT PLAN CONSIDERED—BRITAIN OPENS WAR-DEBT TALKS—CONCESSIONS TO UNITED STATES ASKED OF DOMINIONS

The story by William Hillman said:

The British Treasury, the board of trade, and the dominion premiers are busy discussing various angles.

All these are interested because the war-debt settlement and negotiations are tied up with and must be accompanied by an Anglo-American trade agreement through Dominions' concessions, monetary stabilization, and a gold accord, it was stated.

* * * * * * *

In return for a United States debt concession Britain would offer trade concessions in the British market through revision of the Ottawa agreement, under which Britain and her Dominions exchanged special trade favors and also through revision of certain British foreign-trade agreements.

A few days later another news dispatch quoted Senator J. HAMILTON LEWIS as proposing in the Senate that "debtor nations grant trade concessions to the United States in reciprocal agreements to compensate in part for debts."

Even though hearings have not been granted for H. R. 5782, you may see by these developments that consideration is now being given in high places to the very thing included in its plan.

If H. R. 5782 is made a law, together with the amendment I have suggested, it will make the tie-up between war-debt payments and trade concessions to our own country a definite policy, and will specifically bar "the negotiation of any trade agreement with any foreign nation in default on its obligations to the United States, unless such foreign nation agrees to make regular, specific payments in amortization of its defaulted obligations to the United States on a quarterly or semiannual basis."

It also specifies that hereafter any trade agreements in this class must contain a clause providing for cancelation of the trade treaty if the debtor nation fails to comply with the terms of its amortization agreement.

National University Commencement

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, June 14 (legislative day of Monday, June 7), 1937

ADDRESS DELIVERED AT COMMENCEMENT EXERCISES OF NATIONAL UNIVERSITY, CONVENTION HALL, WASHINGTON, D. C., JUNE 11, 1937, BY HON. ELBERT D. THOMAS, OF UTAH

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD the address delivered by the junior Senator from Utah [Mr. THOMAS] at the commencement exercises of National University, Convention Hall, Washington, D. C., June 11, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I face you this evening with mixed emotions. Connected as I have been with educational institutions, I have for many years been both a victim and a perpetrator of the ordeal which universities call commencements. For the most part I have enjoyed nearly all that goes with commencement ceremonies; the thrill of graduation, the spirit of celebration, the joy of parents and friends, and the happiness of both faculty and students at being done with one another. Tonight, therefore, is a pleasant occasion which will be long remembered, provided I can do my part, for I must confess that the agonies produced by many a commencement speaker still cause my soul to stir with resentment.

I want you to know, then, that I am not here out of sweet revenge, because my ideas of social justice have at least evolved to the point wherein I realize that taking revenge on you could not satisfy me for the grudge I have against men who have held me sweating in the discomfort of academic robes many a time during the last generation. But as commencements are as much a custom with universities as law is a convention of society, we must go through with them. I promise you, though, to temper the ordeal with thoughtfulness by remembrance of that which I have endured.

One thing surely I shall not do. I am not going to congratulate you because I do not know whether the joke is on you or on society. But more than that, I am not to tell you that you now stand prepared for life, because in this day and age a university experience is not a preparation for life. It is in very deed life itself. No longer is it an event in one's youthful development, for it is an experience to which all long to return, and one to which the thoughtful of our land constantly do return if they do not remain continually under the university's stimulating influence. Your university experiences are probably as broad as any you will ever have and quite as brutal, for there is nothing mild in the American educational drive. The contacts with thoughtful men have been probably as many as you will ever have in life. Your opportunities to explore primarily for the sake of gaining truth have been unlimited. There remains but one deadening ill in the university environment, and that is the apparently eternal necessity of having to please the teacher.

I might add that your opportunities of learning wisdom have been unlimited, but I dare not, because in this age of controversy concerning both the nature of man and society, while man may still be spoken of as "homo", no longer may he be called "sapiens." The word "wise" has no place among those who are far to the front in either the right or the left. I have said that advisedly, because in our world today we truly have those states and those societies, at least in theory, in such lands as Soviet Russia, Fascist Italy, and Nazi Germany, where the basic philosophy of their systems drives men to the instinctive endeavor instead of sapient labor, thus reducing the ideal resultant position in society to that of the efficiency of the anthill or the beaver colony.

I do not say this in any depreciation of the three systems I have mentioned and the law which is the result of that philosophy in those lands, for ant governments are efficient and beaver communities produce great engineers. In the orderly scheme of the totalitarian (or authoritative) state, the whole may gain from the labor of all its parts a greater abundance and may even attain a mightier accomplishment than any democracy has ever produced. But, according to my thinking, in respect to both man and society the totalitarian state is as much a reversion to the past as if we in this land of ours, because we accept the theory of public opinion and the popular expression of the community's will, should return to executions by stoning, letting each individual in the entire group throw one stone at the culprit, thus becoming a party to the group action.

Probably no class ever graduated has had a more sure opportunity to build a mighty future from the ideas of the present as do the great masses of 1937 graduates. My reference to the totalitarian state shows that as far as my thoughts are concerned I do not deem the age of purely instinctive activity as illustrated by the lives of the ants and the beavers to be a thing of the past. Perhaps man can fulfill his purpose by submitting completely to the will of the leader. But for me that philosophy does not satisfy my political ideals, my moral responsibilities, my theories of man and his worth. The dignity of the individual, the permanence of personality, and the purposefulness of life seem less important under it. In my opinion, whenever I sacrifice the oneness of me for the oneness of society I abandon a great fundamental of my religion, and to do so would not be good for me even though the whole of society, including me, is saved by all others instinctively following along.

Man goes forward as a result of institutional development. Institutions come into existence, grow and develop as a result of ideas. The birth of a new idea is the advent of an age. Ancient man invented the concept of time and from it religion evolved. Man was bound by law growing out of that which was the customary behavior of the group long before he developed the concept of law. Once the idea of law was conceived a new range of thought was made possible, and the time came when for centuries it was assumed, for example, that if there was law there must be a lawgiver. And from such reasoning came tremendously great schools of thought, not only concerning law but also concerning the theory of the State, and man's relations to it and its relations to the world and Heaven.

Fundamental to the theories evolved and existing down to the near present were the two absolutes beyond which man's logic could not carry him: The law of nature or the fiat of a perfect being. In either case man was caught and bound by a chain which could not be broken, and law resulting from either premise became as much a preserver of iniquity and slavery as a dispenser of justice and freedom.

The world in its social, political, and legal theory has never got ahead of a deduction drawn from a generalization of its latest accepted truth. That being true, when we read the conclusions of the thinkers of the past their conclusions may only be interpreted in the light of the accepted fundamental truth. This, then, is a key to the meaning of the thought of the past.

Since our Constitution was established, political thinking and the law incident to it have passed rapidly through three mighty changes or fundamental concepts. All theory must in its final analysis rest upon physical or ideal fact or upon that which is assumed to be a physical or ideal fact. One works quite as well as the other.

Our Constitution was conceived and first interpreted when Newton's theory dominated the world. Justice, liberty, equality, governmental good both for man and the Government, were based upon the theory of balance. Mathematical exactness, the push and pull in nature, negative and positive influences in society, were accepted as unquestioned absolutes. Balance of power, which we call checks, within the Nation and balance of power between the nations were controlling factors. Then followed Darwin's mighty ideas, the growth principle, the evolutionary theory, the thought that man went forward either as a result of survival after contest and strife, or that he moved forward as a result of mutual aid and cooperation with his neighbor. Either of these two great theories, acceptable to the basic evolutionary notion, gave us the idea of growth. Whenever Condorcet's eighteenth-century concept of progress was jointly used with either the Newtonian balance or the Darwinian change, we had a theory of advancement either through constant relations or as a result of forward-moving growth. States and nations thus became entities of destiny, working in accordance with a divine or eternal plan to accomplish purposes of God for the good of man. One, you see, was incidental to the other. Without the concept of progress much of the forward-looking thinking of the nineteenth century would never have been indulged in, and without the faith, which the concept produced, and which gave man his energy to explore in unknown fields, the advancement of man's culture could never have been attained. At the end of this great period of thought, the theory

of the perfectibility of man and society in progressive growth did more to make modern man what he is and to make modern institutions what they are than any other single thing.

Of course, we are regarding not a technical analysis, evaluation, or even acceptance or rejection of theories but the layman's normal deductions from a consideration of the theories.

The theory of law was the last of man's conventions to bridge the gap between the constancy of Newton and the change of Darwin. So much had it remained an absolute based upon Newton's mathematical exactness and tempered only slightly by Darwin's theory of growth that laws remained as binding almost as the unchangeable laws of the Medes and the Persians. Man could not get away from what he considered a physical fact. But the tempering influence of progressive growth gained an ascendancy even in the theory of law. And one leader in American legal thought was able to say: "We live in a world of change. If a body of laws were in existence adequate for the civilization of today, it could not meet the demands of the civilization of tomorrow. Society is inconstant. So long as it is inconstant, and to the extent of such inconstancy, there can be no constancy in law." (Cardozo—Columbia lecture.)

Ancient man conceived of laws capable of holding man and society bound to the same habits and customs for generations and centuries. Change was deemed economically, socially, and religiously an evil, and law was resorted to, to prevent it. Confucius wrote history even to sustain what he thought to be proper law and to "hold men for 2,000 years."

Benjamin Franklin reflects so much the Newtonian fundamental thought that he had an answer for almost everything. Under Newton if we found the proper key we could open any lock. If we got the cause we could overcome the effect. The cure of society's ills was so simple under Franklin that we are captivated by his expressions to this day. Note: "Temperance puts wood on the fire, meal in the barrel, flour in the tubs, money in the purse, credits in the country, contentment in the house, clothes on the children, vigor in the body, intelligence in the brain, and spirit in the whole constitution." What a perfect balance! Would to God it were true!

Under Newton, Condorcet, and Darwin, splendid as were the fruits of their thinking, we got no further than the recognition of change, progressive, to be sure, and far enough away from the binding logic of the past to free us from the dulling notion that man was made for the law instead of law for the man, and Emerson taught us a proper understanding of even our fundamental law when he wrote:

"In dealing with the State, we ought to remember that its institutions are not aboriginal, though they existed before we were born; that they are not superior to the citizen; that every one of them was once the act of a single man; every law and usage was a man's expedient to meet a particular case; that they all are imitable, all alterable; we may make as good, we may better.

* * * * * * *

"The law is only a memorandum. We are superstitious, and esteem the statute somewhat: so much life as it has in the character of living men is its force. The statute stands there to say, yesterday we agreed so and so, but how feel ye this article today? Our statute is a currency, which we stamp with our own portrait: it soon becomes unrecognizable, and in process of time will return to the mint." (Emerson's essay on Politics.)

But a better day is dawning.

Perhaps you will say that I am being too harsh with our theories of law, and that I have forgotten that in Anglo-Saxon and American thought, reason has come to temper the harshness. This, of course, is true. All law has become tempered in its administration and in its determination. Only in remote instances such flats as "Thou shalt not kill", even backed as they are by the authority of Heaven, have been consistently binding and noncompromising to an absolute end. The Jain priests of India wear masks lest they might breathe an insect and thereby kill, and it is said that they sometimes have servants enter their beds before them to sleep a few hours so that if there might be insect life there the servant will roll on the bug and do the killing, thus saving the priest from condemnation.

My point, though, is still valid. In reasoned law the damage to society remains as a result of recording the arguments in defense of a particular stand. Think what Marshall's statement "the power to tax is the power to destroy" has done in the creation of faulty reasoning in regard to the fundamental law of our Federal system. "The power to tax is the power to destroy" is a proper deduction, but it no more covers a proper definition of the taxing power than does the statement, "the ability to commit suicide is the glory of man" cover a definition of manhood.

Imagine what a statement such as the following uttered by one of our present justices in a dissenting opinion in a recent case would do if carried to its logical conclusions:

"* * * If freedom of the press does not include the right to adopt and pursue a policy without governmental restriction, it is a misnomer to call it freedom."

Freedom to anyone, person or corporation, could never be quite that, or government could not exist. For the press to stand in society without responsibility would utterly destroy the social fabric. And a great attorney pleading a case before the Supreme Court uses the same sloganized approach:

"* * * For you cannot divorce in this field the author from his product. * * * What is written is the news, and the man who writes it is utterly inseparable from it."

Think that through, and then answer for yourselves whether or not the law of absolute remains in our scheme.

I like reasoned law. I would not want to condemn it in the least. But it is the premise behind the reasoning that counts, and it is the idea behind the premise that I am talking about tonight. We in the Western Hemisphere feel that we alone have had reasoned law. That, of course, is not true. Logic, to be sure, was developed in both the East and the West during periods of decline, and our rushing to logic today probably is a sign that we are passing through such a period.

In this connection I cannot refrain from citing an actual case which illustrates in a rather vague way, to be sure, the point which I am trying to make. Reasoned law, or the law which is based upon reasonable deduction, is found in every step in the following case: The partnership idea grew up in the West in one way and in the East in quite a different way. A partnership in China never becomes a single entity.

The individuals who are party to a partnership always maintain definite and particular rights and individual property interest. For example, if four persons in China share a safe and have access to its contents, they do not have merely four keys to the same lock but they have four separate locks and the safe can never be opened until all four are present. Carrying this reasoning to its ultimate conclusion, four Chinese partners invested in cotton. They stored the cotton, then discovered that it was being damaged by rats. After a conference the four invested in a cat, each paying his share, and, in order that the individual interest of each might remain, each man became the owner of a particular leg. The cat burned one of its paws. That was not the concern of all four. That was the concern only of the partner who owned the burned paw. The partner treated the burn by applying salve to it and wrapping up the paw with a big bandage. The cat then got too near to the fire, causing the salve and the bandage to catch on fire, and the cat, in its excitement, rushed to the cotton, setting it on fire and thus it was destroyed. The owners of the three unburned legs brought suit against the owner of the injured paw for the loss they had sustained to their particular interest in the cotton as a result of the fire. The case went to court and the judge heard the argument. He handed down a reasoned decision and he did it in this way. It is true, he reasoned, that it was the injured paw that set the cotton afire. But it was the other three paws that carried the flaming bandage to the cotton. Therefore, the plaintiffs were as responsible for the fire as the defendant, and damages were not allowed. That ended the case, and no one can object to the logic.

The point I want to make is that law ends with the decision in the East, but with us much litigation has its beginning in the decision of a previous case.

I am not condemning the use of reason, but I do condemn the building of future law upon deductions made in the sustaining of a political decision. Thus we see that that which has been absolute is in the long run tempered by contradictions, and when a decision deals with abstractions like freedom, even if it is called a practical reality, freedom remains exactly where it was before the decision was made. The physical or ideal facts should control—not a definition. The reasoned-out deduction may do lasting harm to the people's well-being if a court is controlled by an untrue definition based upon a theory of a fundamental law instead of a theory based upon an actual fact.

For the purpose of this evening's address, I have been trying to make the point that society builds its justification for its actions upon theories and those theories are basically connected with what is assumed to be physical fact. Therefore, as long as Newton's theory held in all fields of endeavor we had conclusions ending with deductions consistent with that theory. As long as Darwin's theories are accepted as facts we could never avoid the idea of growth, and when the Darwinian theory is connected with Condorcet's notion of progress, the idea of change for the better underlies all reasoned conclusions. Each of these theories, though, like its predecessors, leaves us with conclusions that are absolute. It is, therefore, in the discovery of a new idea that we may hope for the next necessary change in our social, political, and legal theory. That idea has come into the world. It need not be explained any more than I have explained Newton's theories of balance and Darwin's theories of change, because other deductions do not come from the actual truthfulness of a theory. They come from the acceptance of the theory idea.

Thus, when Einstein puts forth the notion that even in the physical world things may be relative rather than exact, that idea will temper all branches of human theory. It will have its effect upon the person, it will have its effect upon the state, it will have its effect upon international relations, it will have its effect upon religion, it will have its effect upon morals and ethics, it will have its effect even upon our concept of time.

It is from this idea, then, that I base my hope for a better world. There have been three great centers of human thought that have remained quite consistent throughout history. The Chinese influenced part of the world, the Indian influenced part, and the European influenced part. Separate as these great fields are both in thought and custom, they show striking unity in their responses throughout history to world-wide stimulus. The theory that all things are relative will have less effect upon the Chinese world than anywhere else, because the Chinese have assumed the relative idea from the beginning in much of their thinking. They have sought and have advocated the gospel of the mean, the middle road, and in all their thinking they have never gotten outside of man and nature, or, we may put it, man in nature. I may illustrate this point by

using a simple quotation. The Chinese maintained for centuries the theory that "the voice of the people is the voice of Heaven." We had the same idea in the late Roman and early European periods of thought and we have it today as a political concept in America. But in each place while the words are similar, the thought behind them is different. In China "the voice of the people is the voice of Heaven" actually and literally means that, because if it is the voice of the people it is the voice of Heaven, for heaven was always influenced and controlled by living man. The European notion assumed that man in his nature was closely allied to God in his nature and that ultimately man would reflect that nature. Therefore that which the people proclaimed would be that which God would proclaim. Our American thinking is in accordance with the European thought and in addition a rationalized argument in support of the theory that the democratic method is Heaven's method and that democracy can be justified, therefore, as a heavenly principle.

India has brought the eternal processes, in a metaphysical sense, into all her system of thinking. Socially and religiously, she has been so intolerant and class conscious that the relative idea, when applied to society, to law, and to custom, may become the foundation stepping stone for her out of the social and religious bonds which hold her. Caste, of course, has to be absolute. It cannot be relative. The tempering influence, therefore, of the idea of relativity may break these chains, grown harsher even with the ages of centuries. An idea is the only thing that will.

With us, heirs as we are to the thinking which has always been related to the idea of a higher absolute perfection—call it God, if you wish, or think of its medium of operation, revelation, if you so desire—influences will come slowly. The fiat of a perfect lawgiver has been so much a process of our thinking that it has been unquestioned. So much have we been partakers of this fundamental reasoning that even to this day we have thoughtless ones who tell us that there cannot be an international law because we have no international lawgiver. Our reasoning, our social conflicts, our constitutional law systems, our graded law, with its system of appeal to higher authority, all end in this great fundamental notice of the fiat and the ultimate fiat issuer. The premises behind the legal processes of our American constitutional system all reflect this age-old habit of thought. The system is good, but it stands in need of a tempering influence to remove it from the realm of the absolute.

We have much to overcome. There is the Hebrew experience, the Greek experience, the Mohammedan experience, and the Christian experience, each of them accepting the ultimate perfection. Thus the theory of relativity will have a greater struggle with us than in middle or eastern Asia. But it will ultimately become the controlling thought underlying most of our conclusions. And it will be found that it will not be destructive of anything that we call dear today. In fact, I am sure it will magnify and enlarge the good already gained. It will merely modify our attitudes and temper our approaches. It will add respect for our institutions and reverence for our fundamental axioms, be they concerning either heaven or earth.

Let us pause for a moment and use our own constitutional history to illustrate further my point. Under the theory of relativity our Constitution will in very deed attain Marshall's dream and endure for the ages because it will cease to be considered the mere symbol of sovereignty of its Newtonian-influenced times, or the living law of the Darwinian period. It will for the poet and orator remain both of these but to them will be added a new significance of usefulness capable of being not only the peoples' protector but also the medium through which the people shall attain their desired ends. Newtonian influence made it the symbol of a perfected plan; Darwinian theory caused it to become the living, growing soul of our national entity; Einsteinian thought may make it the companion of the people in the accomplishment of their purposes.

And in the wake of this new theory will come toleration and appreciation in the field of religion, a tempering and a softening in the field of law, a new approach to better understanding and friendlier intercourse between nations, and a mutual and therefore better fellowship among men. Ethics will follow the middle way, morality will be measured in its effect more upon society than upon the individual, and the Golden Rule will have a meaning for me instead of being a mere preachment for you. Cooperation between individuals may be on a horizontal basis instead of on a vertical one, that is, cooperation between equals instead of cooperation between leader and follower.

As we read history, and especially the ideas of men in the past, we will find that the wisdom of the ages will survive and new meanings will come to the words that have been so often quoted. Thus we may date the beginning of the new world from the time when men developed their thinking upon the lastest demonstrated physical fact and the idea of relativity controlled the thoughtful of the earth.

Thus to you, who are graduating in 1937, has been added an idea which may become quite as revolutionary in its effect as have the great ideas of the past. May you make the most of it and may you face your daily task and your future labors with the faith your fathers have had, and also with the added understanding that an idea that things are relative and not absolute will make your epoch in the world's history one of tremendous growth, advancement, and reform. You may be parties to this better day and I trust you may be doers in its fulfillment.

Air Transport Act of 1937

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, June 14 (legislative day of Monday, June 7), 1937

ARTICLE FROM NATIONAL AERONAUTICS MAGAZINE

Mr. McCARRAN. Mr. President, in the June issue of the National Aeronautics Magazine an article was published under the caption "A Good Bill", referring to Senate bill 2. I ask that the article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Aeronautics Magazine, June 1937]

A GOOD BILL

The McCarran-Lea bill should be passed at this session of Congress.

In taking this definite stand we realize that there may be a number of minor features of the bill which may need clarification or revision. Neither we nor a large percentage of our readers are legal experts. Our stand is based merely upon the significance of the main features of the bill and the very urgent need for their enactment into law if we are to give our air transport system a timely opportunity for orderly development.

By far the most important feature of this legislation is that it will turn over to the Interstate Commerce Commission the control of the economic phases of scheduled air transport.

At the present time only those air-transport companies which have air-mail contracts are subject to regulation. Under this bill, all operators of interstate transport service, whether they have mail contracts or not, will be placed under the jurisdiction of the Interstate Commerce Commission. Since it is imperative that this highly specialized form of transportation should be conducted on the highest possible plane, there is no place in it for cutthroat and unregulated competition.

It is significant to note that this bill provides for the air lines identically the same type of regulation now in force for railroads and motorbus lines. In fact, wherever possible, the language of this bill is copied verbatim from similar laws covering rail and bus transportation.

The provision for the issuance of certificates of convenience and necessity will relieve the Government of the burden of making up the losses to air-mail contractors because of the competition of unregulated groups.

We take issue directly with the Department of Commerce when they state that the issuance of such certificates is apt to retard the expansion of our air transport system. As a matter of fact, by having these certificates issued by the Interstate Commerce Commission wherever the potential passenger and express service warrants such extension, rather than having extensions controlled entirely by the Post Office Department merely on the basis of the air-mail possibilities along the routes, it is evident to anyone that our system will grow much more rapidly and soundly than it has in the past.

The bill vests in the Interstate Commerce Commission the right to grant or refuse authority to operate from one point to another with all classes of traffic except mail. In the case of mail, the Postmaster General must initiate any requests for additional service. However, the Interstate Commerce Commission may refuse to grant the authority for such service if it does not consider it warranted in the interests of the public's convenience and necessity. The vesting of this authority in the Interstate Commerce Commission is entirely logical, because with the development of our air transport system practically two-thirds of the revenue is now derived from passenger and express service. Consequently it just doesn't make good sense to leave the control of the air transport systems in the hands of the Post Office Department now that the air-mail revenue represents only one-third of the total and is growing less.

We do not consider the advocacy of this change as a slap at the Post Office Department. It is merely an admission that the air transport industry has grown to the point where the interests of the Post Office Department are subordinate to passenger and express service. The Department can turn over to the Interstate Commerce Commission its broader control of air transport with considerable satisfaction over the progress which has already been made in this newest of all forms of transportation. Obviously the Post Office Department will continue to exercise its legitimate control over the strictly Air Mail Service.

It should be noted also that the bill does not interfere in the least with the activities of the Bureau of Air Commerce in its airway inspection and regulation service.

To summarize, then, the highly important and desirable features of the bill are simply (1) the provision for the issuance of certificates of convenience and necessity, so as to avoid unfair and destructive competition; and (2) the vesting in the Interstate Commerce Commission of authority to approve or disapprove requests for extensions of or additions to our air transport system.

Of course, the bill contains other provisions which legislative experts must either approve, revise, or eliminate before its final passage. We have enough faith in Congress to feel that there are sufficient brains, ambition, and interest in the welfare of our Nation to see that all the details are properly taken care of.

Graduation Exercises at the United States Naval Academy

EXTENSION OF REMARKS
OF
HON. DAVID I. WALSH
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Monday, June 14 (legislative day of Monday, June 7), 1937

ADDRESS BY REAR ADMIRAL ADOLPHUS ANDREWS, UNITED STATES NAVY, AT THE GRADUATION EXERCISES, UNITED STATES NAVAL ACADEMY, JUNE 3, 1937

Mr. WALSH. Mr. President, I ask to have inserted in the Appendix of the CONGRESSIONAL RECORD the very appropriate and practical address delivered by Rear Admiral Adolphus Andrews, United States Navy, Chief of the Bureau of Navigation, to the graduating class of the United States Naval Academy at Annapolis, Md., on June 3, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Admiral Sellers, distinguished guests, ladies and gentlemen, officers and midshipmen of the United States Navy, and especially, gentlemen of the graduating class of 1937, today marks an important milestone in your lives. Until this time you have been, here and elsewhere, students under instruction. This morning you will leave this hall no longer midshipmen but commissioned officers of the United States Navy; no longer boys but men, entering upon a man's job and taking up a man's responsibilities. Today you become accredited members of a profession which will demand every ounce of physical and mental energy which you have to give. You will find that it is a life filled to the brim with interest, a life perhaps of greater thrill, action, and expectation than any you could choose.

Your future lies upon the sea and among those who follow the sea. You will put out in strong ships equipped with every mechanical aid man's ingenuity has developed. But you will find it still the eternal sea—as it was when Columbus and his intrepid mariners ventured their frail craft upon it.

On land, man has scaled all the high mountains, pushed back all the frontiers, mapped the jungles and surveyed the rivers. He has, moreover, succeeded in charting the ocean currents, plumbing the ocean depths, and in working out tables for the ebb and flow of tides. But the sea remains inscrutable and mysterious; its winds and fogs whimsical and unknowable; and its enormous force not yet mastered by human agency.

The sea is kind to men who love it and know it; for them it is a highway, a drill ground, a sure avenue of strong defense and an endless delight. But it visits swift disaster upon the ignorant, the unready, and the timid, today no less than in the times that Homer sang.

The sea waits for you with nothing easy, but with hard work and endless strain. Its rewards are those that strong men win, and they only. I congratulate you upon enrolling yourselves in the goodly company of seafarers and in a profession which has endured since Athenian mariners broke the power of Persia at Salamis.

Looking at you with the morning in your faces I cannot help but think what a splendid thing it would be for us who once sat here where you sit to turn back the years, to toss away again our midshipman's caps and start afresh. Perhaps some of us feel our voyaging already well accomplished and would hesitate to try it again. Most of us would be wiser, a few sadder, and perhaps some of us would not make as many mistakes. Speaking only for myself, I have found my life in the Navy such that I would like to be one of you young men today, with all of it to go over again. That does not mean that in our time we have had a life of ease and comfort or that you will find it so. You have chosen a profession exacting in all its phases. There will be moments and even days which will test to the very limit your nerve, your endurance, your courage, and your ability. You have placed yourselves in the way of assuming certain increasing responsibilities, and your career will depend upon your decision and the way in which you meet those responsibilities. Because of this your superiors will note regularly their honest and professional appraisal of your efficiency, your integrity, your industry, your ability, your judgment, and the sum of it all—your character. Such reports as they accumulate will form the basis upon which your success or nonsuccess will be established. The test is severe. You will be judged by high standards. It is right and proper that these standards be high, for the Navy is a national institution dedicated to the great end of national security and national honor.

Throughout your careers you will find that the principal incentive, the mainspring of your efforts will be, first of all, the pride in your profession. Your compensation will not be counted in gold, but will be counted in the self-satisfaction that you have given the very best you have to the service of your country. And when your career is ended, when you salute the quarterdeck for the last time and go ashore, if then you may look back and behold the signal flying "Well done", that, gentlemen, will be your priceless reward.

The Naval Academy is unlike any civil institution of learning. A young man entering its gates takes a solemn oath to bear true and faithful allegiance to his country and to well and faithfully discharge his duties. He cannot here, as in other schools, elect his course of instruction. His exercises and training are planned for him in the light of long and profound experience—both sea experience and human experience—to make him an efficient naval officer, trained to meet the requirements that naval generations before him met, prepared to take his assigned place in the fleet, and, insofar as it is humanly possible, to meet any emergency.

We stress here professional subjects, for first of all you must know your job and know it thoroughly; then after that each of you must strive to broaden your education and knowledge. It is not enough that an officer be capable and fully conversant with his profession, but, as John Paul Jones has said, "He should be as well a gentleman of liberal education, refined manners, punctilious courtesy, and the nicest sense of personal honor. He should be the soul of tact, patience, justice, firmness, and charity." The Bureau of Navigation will attend to your travel education, but it is your own responsibility to inform yourself in the phases of life that intermesh with your calling by reading, by observation, and above all by thinking.

While at the Naval Academy you have been taught the theoretical and elementary sides of your profession. Now you will go to sea and have an opportunity to practice and apply what you have learned. You will be given an opportunity to take responsibility, to make decisions, to assert your leadership, and to show what you really are. Your places await you in the fleet in close association with officers and men. You will find your brother officers willing and eager to help you, and you will find also that the enlisted men whom you will eventually command are the very highest type of clean-cut, strong, alert, and patriotic young Americans who will take a just pride in you if you deserve that pride. Your shipmates will size you up and have your number, as they say, before you realize it.

You will be a unit in a vast organization—not a very large unit at first, you may be sure, but every unit must function. It will come to you very quickly that each individual of the ship's company has his own dependability. The fate of a ship—yes, even the result of a battle and the destiny of a nation—may depend upon one man. See, then, that your obligations are capably met and competently discharged whether small or great. See that you understand your profession so thoroughly that in the event of an emergency you will do instinctively the right thing. It will be too late then to look into a book or ask a fellow shipmate what to do.

It may not be amiss to remind you that every man should take stock of himself from time to time in order that he may see and judge himself as he would see and judge other men.

Your careers will lead to command of ships, or formations of ships, and even the fleet itself. We have all heard the saying of Napoleon's soldiers—how each one of them carried a marshal's baton in his knapsack. It was perfectly true, and a number of them became marshals in those remarkable armies of the first empire. Nor have the ranks of the American combatant forces ever been closed against such advancement. So, each one of you may be carrying an admiral's flag in your sea bag. It is up to you, however, to make that a reality.

But to follow the analogy a little farther: From the quarter century of the Napoleonic wars there emerged less than 20 marshals. Just so there can be only a few admirals of our Navy. The lower grades of the Navy are large, due to the necessity of having junior officers to fill the many billets aboard ship. As you advance in age and experience, assignments appropriate to senior rank become fewer. The Navy must choose between permitting its officers to mark time and grow old in one grade without opportunity of experience or responsibility—or selecting the best for promotion. The first alternative leads inescapably to stagnation; the other maintains efficiency and offers to every officer an opportunity to advance by his own efforts. Therefore we have in the Navy the selection system of promotion, and it follows that your diploma and your commission are not in themselves a guarantee or an inherent right of a lifetime career.

I have stated the case very briefly, but it is not as simple as that—not quite. The selection system is one which is receiving today close and serious study by the Navy Department and all

of our officers. I think it has materially advanced the efficiency of the commissioned personnel of the Navy. It is not a perfect system, and I know of nothing human that is perfect. But it is the best system we have yet devised. It is not in its final form. We are working now to make it more equitable and to bring it nearer to perfection in all its applications. Unfortunately, in any system which sets one man above another, some personal heart burning and disappointment cannot be avoided; but I would have you remember that our mission is to plan and to work for the good of the entire Navy—the naval service at large, the efficiency of the fleet—and that is a bigger and a more important thing than the welfare of any individual.

We have heard criticism of the selection system—some well informed and some not. It is competitive and naturally must be. In this modern world there is no system of advancement, military or civil, which is not competitive. Many of you competed with the boys of your district to win an appointment. I could tell you how many young men compete annually for the very few Presidential and Naval Reserve appointments. You have competed honorably and fairly with your classmates throughout the 4 years here, resulting in your present class standing. So long as you stay out of the cemetery you will always be faced with competition in one form or another.

Some claim that the system of selection tends to ruin initiative, to lessen morale, to thwart the zeal and independence of officers, turning them into subsequent bootlickers. I can assure you that such is not the truth. On the contrary, I believe that selection encourages initiative and individual effort; that it even places a premium upon it, which promotion by seniority never did.

It offers an incentive for an officer to show his nerve, his independence, his manhood, his leadership, and his outstanding qualities to his superiors. As to subservience, you will find, on the contrary, that your seniors in the naval service will welcome your opinions. Indeed, no officer in the naval service is worth his salt unless he has opinions of his own. If I should find an officer on my staff who hesitated to express his own views and opinions to me on any subject because his views were opposed to mine, I would immediately get rid of him. We need a limited number of rubber stamps on the yeoman's desk, but they are provided by the supply department according to the table of allowances, and that is the only place for rubber stamps in the Navy. Naturally, after an officer has expressed his opinion and finds that the superior authority does not agree with him, it is his obligation and the tradition of the naval service that he give a cheerful "aye, aye, sir" and execute the decision of his senior with a whole heart and to the best of his ability. In this more than anything else is expressed the splendid quality of loyalty.

I have talked to you about selection in some of its phases because it is a subject of vital importance to you and to all of us. The Navy is not ships alone; it is ships and men. The old system whereby an officer was assured of his promotion provided only that he avoid the doctor and the judge advocate is not good enough for the modern age and the pressing and urgent complications of modern life. The Navy must move with the times; to stand still is to rot and die. It must go forward, or it will go backward.

If we had a Navy wherein each officer was absolutely assured of promotion, no matter if he were mediocre; if we had a Navy where each officer would be absolutely assured of advancement in a lifetime career, provided he kept out of trouble, provided he were never court-martialed, provided he be only average, I ask you what kind of a Navy do you think we would have? We are not looking for officers who do only fairly well and stand up only under average conditions. You can never count on average conditions at sea, or average strains in the naval profession; you must be prepared and ready to cope with extremes of circumstance.

The Navy must have outstanding men who think, men who have courage and ability; men who are willing, and not afraid to face the world and the problems of life, who can take blow for blow, finding in honorable competition a stimulus and a challenge to their manhood. If you are willing to submit yourselves to these terms; if you are willing to keep your bodies fit, to arm your minds with knowledge and pursue your tasks with energy and decision, to meet your brother officers and men with frankness, courtesy, and friendliness; if you have the moral courage, stamina, industry, and ability to make such an officer—then the Navy should prove a successful career for you, and some day you will command the fleet. Otherwise, you will be left behind exactly as you would be in any other walk of life, and your admiral's flag will remain furled and perfectly secure in your sea bag.

It was Carlyle who said:

"The life of every man is as the well spring of a stream, whose small beginnings are indeed plain to all but whose ulterior course and destination as it winds through the expanse of infinite years only the omniscient can discern. Will it mingle with neighboring riverlets as a tributary, or receive them as their sovereign? Is it to be a nameless brook, and will its tiny waters, among millions of other brooks and rills, increase the current of some world river? Or is it to be itself a Rhone or Danaw, the bulwark and highway of whole kingdoms and continents?"

Let each of you ask himself Carlyle's question, for each has his answer within his own hands. You can be as the nameless small brooks, inconsequential and brief in course, or your careers can become important to all people and all times. By your own efforts you can see to it that your career will culminate as he says "Not tributary to, but a mighty river itself." In striving for this goal—remember always that character, honor, industry, courage, and ability are the absolute requisites of a naval officer.

You gentlemen of the graduating class and all other midshipmen here, have been extremely fortunate in having as the head of this academy Admiral Sellers, an officer who exemplifies in a marked degree these very attributes which go to make the outstanding naval officer and gentleman. He has launched you here, the future rests with you.

Now, we have been serious long enough. More pleasant things await you. This, gentlemen, is the happy day in your lives. Your mothers, sweethearts, and friends are ready and waiting to cheer you on. May I congratulate you on work well done. I congratulate you most heartily upon the rare opportunity for further service in our splendid Navy. May I wish for you Godspeed, happy landings, and good luck.

Charles P. Taft Addresses D. A. R.—Exceptional and Able Speech—Calls for Protection of Liberty and for Sympathy of Youth

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1937

ADDRESS OF HON. CHARLES P. TAFT BEFORE THE CONTINENTAL CONGRESS OF THE DAUGHTERS OF THE AMERICAN REVOLUTION, APRIL 22, 1937

Mr. MAVERICK. Mr. Speaker, I include herewith an address delivered by Hon. Charles P. Taft, of Cincinnati, at the Continental Congress of the Daughters of the American Revolution on April 22, 1937, in Washington, D. C. I am including this address, which is entitled "Wise Men or Fools?", because I believe it is an exceptional one.

There have been too many "red" hunts in this country. That Mr. Taft, a Republican and son of a great President of the United States, should make this address is pleasing. No patriot, no Son of the American Revolution, or D. A. R. can find fault with anything that Mr. Taft says. Many patriotic organizations have gotten off on the wrong track in damning every new idea and intelligent thought submitted to the people and in criticizing youth because they do not complacently accept things as they are. I consider the address by Mr. Taft to be a milestone in American thought and one of the ablest addresses delivered in recent times.

It is as follows:

ADDRESS OF HON. CHARLES P. TAFT, OF CINCINNATI, BEFORE THE CONTINENTAL CONGRESS OF THE DAUGHTERS OF THE AMERICAN REVOLUTION ON APRIL 22, 1937, IN WASHINGTON, D. C.

WISE MEN OR FOOLS?

By Charles P. Taft

We are as a nation growing older; a larger proportion of people each year is over 65 and a smaller proportion is under 25. Each year we have to fight harder to overcome the discouragement of age, and to cultivate the very life blood of our Nation, the energy, imagination, and initiative of young men and women. I need hardly remind you that young men won the American Revolution, wrote the Constitution, and made the new Government work. It was young men who gave their lives in the war, 14 of them from my own class at Yale.

But why should the youth of today be the center of our attention? Why do we watch the young men and women of the new generation with curiosity and irritation and anger and affection? Because each of us knows that we must leave our work unto the man that shall come after us, and who knows whether he shall be a wise man or a fool?

We do well to cultivate the past if we do it with discrimination and common sense. You and I, and especially the youth of today, need a sense of the continuity of history. History probably does not repeat itself, but it is a procession, not a series of disconnected tableux. Moreover it is like a procession of elephants with the tail of one in the trunk of the next. Let me break into the procession for a moment at the point of the American Revolution.

The revolutionary past

The American Revolution was a social movement, as Dr. Jameson showed more than 10 years ago, and its leaders were vigorous young men who were not afraid of being called subversive influences. I can't help thinking that Governor Hutchinson, whose history of the Massachusetts Bay Colony has just been reprinted, must have felt toward Samuel Adams and John Hancock a good deal as some high automobile officials feel toward sit-down strikes. The wild Irish immigrants, among whom I number some of my ancestors, did a lot of the fighting for us in 1776, while a lot of the "best people" were British sympathizers, who after the peace treaty were driven out of the colonies to Canada. As they trudged sorrowfully northward into the wilderness of Ontario, as they

looked back in the next 4 years upon the quarrels, jealousies, weakness, and confusion of the United States under the confederation, they must have felt that much of their own lives had been wasted, and wished like Richard II to sit upon the ground and tell sad stories of the death of progress if not of kings.

But they were wrong, and it was youth joining hands with experience that picked up the torch from the past and molded that matchless instrument of government, the Constitution of the United States. The Constitution did not spring full-panoplied from the brow of Jove; it grew from the distilled wisdom of the greatest political thinkers of the last 2,000 years, adapted to the needs of our own country by those keen minds of the convention who gave honor to the title politician. The document which those men shaped and smoothed will live through crises even greater than the one through which it has just passed, because those men put in it the qualities of youth and life.

But the Revolution did not end with the treaty of peace or the Constitution. Do you remember that in the States only 1 person in 25 could vote in 1789? My State of Ohio put manhood suffrage in its constitution in 1803, but it took the Dorr rebellion in 1841 to do it, and not until 1850 did Rhode Island, the last State, go along. They called that the Jeffersonian and the Jacksonian revolution, but Jefferson and Jackson were only the symbols. It was a revolution of youth, of young frontier families, and the Methodist and Baptist revival had a lot to do with it.

A look at modern times

Look at modern times with that revolutionary past marshalled behind them, and surely you will understand youth better. Millions of men and women today do need work, and often when they get a job, it is in an organization whose constitution and frame of government is closer to the authoritarian state than to the democratic self-government of a free people. Young people are excited about that. Perhaps they do emphasize too much the dark side of modern times, but it does the rest of us no good to close our eyes to it. How can we marshal the energy of youth, and join hands to make a better world?

We must begin by intelligent observation of the younger generation. In many parts of the world they have come together in mass movements, marshalled behind programs that promise to cure the ills of the world. England and the United States have not seen that phenomenon in its full force; perhaps we may never see it. But the influence of the ideas in those mass movements we cannot escape. Young people are disturbed and finally aroused by economic insecurity, the denial of a chance to make their contribution to progress. They are tremendously stirred by the ideal of peace in our time. They have a real passion, many of them, for the under dog. They are offered the sure cure of the medicine men, and over against it they see only a well-meaning philanthropy, bumbling self-seeking politicians, and reactionary manufacturers. At least so they are told and so they believe. In a modern scientific world they are sometimes as sentimental as old lavender and lace, and occasionally like their elders they swallow as gospel propositions lacking any semblance of logic and reason.

But how can you meet that situation? You can't do it by trying to compete with the promisers. The most unscrupulous and ruthless will always win out in that kind of competition. The panaceas of the social gospel and production for use, for instance, and all the other tag words of the intellectuals become a little silly when the brickbat crashes through the factory windows or the man on horseback appears on the avenue.

Neither can you get anywhere by preaching liberty, damning Fascist dictators, or painting "red" networks of communism across every evening sky. I don't say that because those sermons and curses are false, although many are. I say it because nobody is converted by that process of controversy. The one who shouts about communism is always discounted as a Fascist at heart and vice versa. The Liberty League becomes the whipping boy of the have nots.

Especially futile are the current efforts to identify pacifism with socialism. Young people hate war with a deep hatred, and they should. They will never admit that it is inevitable. They demand that it be stamped out like disease. They cannot see why "defense" means protection of foreign trade and foreign investments, and they demand, with some reason, I must say, why we should spend a billion and a quarter dollars a year for that defense without any reliable study of what we are defending and how we should do the job. That may be wrong, but it is the product of intelligent cerebration and should be treated as such.

Recipe for the treatment of youth

Well, what can you do with these irritating young whippersnappers, then—like me? With some trepidations I offer a recipe for the treatment of youth in modern times.

Begin with a big self-application of patience. I don't mean something lazy and passive. I mean the kind of endurance that produces character and hope. That kind of patience grows from convictions of your own, that are tough and elastic from rubbing against other contrary convictions; they are not something hard and brittle from a protected life. Don't forget that steel is the most elastic substance we know—it gives and springs back into place. And it is designed even to resist destructive stresses and strains, without censorship. We are going through hard times for those that love and appreciate tradition. But remember that traditions were once innovations; remember that we had to have the 5 terrible years of the confederation in order to get the Constitution; and remember that the Constitution itself was close to revolutionary in its day.

Give youth responsibility and experience. How can young people learn otherwise? We shut them out from participation in life itself and then damn them for trying to set up an artificial life of their own. I don't believe in youth movements because I want youth in the stream of life, but I am not surprised at what they do when they can't get into the stream. It is just like damning labor unions for being irresponsible in bargaining when they are given responsibility only for war, not for bargaining. War breeds ruthlessness, peace breeds honor. For labor unions and for youth, give them a chance and give them time.

Love of country

Build a real love of country that endures 365 days in the year. Its foundation must be a love of land and soil and neighborhood, difficult as that is for an urban and a mobile people. Perhaps it is the feel of the soil about the plow, or the loveliness of the parks and little garden plots and flowering trees bursting into color. Or it may be the familiar vista and the old rock with the carved initials, or the familiar corner of the old haunts with the worn table and the voices of old friends. Doesn't that feeling for country make you rage down deep in your soul when you see some of the eyesores vile men make or the wrecks of human lives that equally vile men help to produce? I rode though the near South recently and saw farm after farm whose once black soil was bare red gullies. Like trees, only God can make top soil in quantities, and I wanted to cheer when I passed one lonely farm whose tenant was trying to help Him by brushfilling the gullies and contour plowing and ditching. Youth understands city and country planning for land and water and mineral resources, for streets and housing and public buildings. That, I say, is part of patriotism to young men and women today.

To youth love of country is all inextricably mixed with love of people, individual people. The real heart of our democracy began with the conviction of the Levellers in England 300 years ago that the poorest he in England had a life to live as the richest he. There is no sight like that of a great minister of God in a downtown church welding into a huge but very real family, people from every walk of life, and building in each one a feeling that he or she is making some contribution to the community life. Young people fit into that family and young people get excited when members of that family suffer. They demand, and rightly, that every one of us shall be concerned with that suffering and do something about it. They want action and they are entitled to get it.

But young people today are bred with the scientific spirit. They may be taken in for a while by muddle-headed sentiment, but in the end they understand and admire hard-headed common sense, and are willing to have proposals and ideas discussed critically back and forth before action starts. Reaction they despise, but fundamentally they are intelligent conservatives, whether they admit it or not. When it comes to the method of accomplishing the goal, a new social order, for instance, they will listen with respect to an intelligent presentation of ways and means. See to it that you give them such a constructive alternative for the cure-alls and nostrums.

The question of motive

Finally after method of reform you come to the question of motive. There, and there only, have we the great advantage over the promisers. They promise everything for the body and not much for the soul. Even the church convention pronouncements for a new economic order are mostly couched in terms of creature comfort. In this lonely passage of each soul through life the promisers help little. Young people want something spiritually permanent and enduring, a cause to which they can attach themselves. They believe that we are progressing toward a goal, an ideal commonwealth on earth, a city with foundations. And they have a passionate conviction that a moral power working through men in each generation can change that generation for the better.

So there you are. I have seven of this younger generation who don't pay much attention to me, or so it seems. In the youngest the repetition of discipline shows results finally. But in the older ones—well, I thought I was persuasive last year, but I discovered recently under the lapel of the last fall's suit of my oldest daughter, 18, a Roosevelt button. Or perhaps it is the question, to smoke or not to smoke, in which my opinion seems unimportant. Similar experiences may seem to shake the foundations of our faith now and then, but that is the nature of faith. It was the royal pessimist in Ecclesiastes who hated the work he had made because he did not know whether his successor would be a wise man or a fool. But it was that grand old optimist Paul who said that troubles bring endurance, and endurance brings character, and character brings hope. Faith returns and we know that modern times are solidly built on youth.

Appropriation for a Worth-While Flood-Control Program

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, the disastrous floods of 1937 in the Ohio River and southern tributaries of the Mississippi River, following the severe floods of

1936 with their heavy toll of damages in Pennsylvania, New York, and the New England States, have made the American people realize that a national problem is involved which can be solved only with the aid of the Federal Government. The record stages reached in these floods has developed a widespread belief that the severity and frequency of floods are increasing due to reduction in forested lands, the removal of vegetative cover through intensive agricultural development, and a rapid increase in run-off from paved roads and man-made drainage. These views are not entirely borne out by statistical records. The early Spanish explorers found the Mississippi River in full flood. Bienville selected the site for New Orleans on high ground above the flood stage found on his arrival. Great floods also occurred in the Mississippi River Basin in 1862, 1865, 1867, 1874, and 1882. It is difficult to imagine the restoration of natural conditions in the Mississippi Valley as they existed at that time. Reforestation and proper vegetative cover are desirable as conservation measures to reduce the soil erosion which is destroying the value of our agricultural lands.

They will prevent the silting of reservoirs built for flood-control purposes and retard run-off sufficiently to reduce normal flood stages and to increase the normal low-water flow. However, these measures cannot control major floods resulting from heavy precipitation of rain under abnormal weather conditions. Frequently this rainfall occurs in large part in the main valley itself where reservoirs are not feasible. Under such conditions, the stages may be reduced by reservoirs on tributary streams, but these reservoirs cannot provide full protection. An adequate flood-control plan must combine all possible measures of protection. Although floods may not have increased in frequency and severity, the damages which they occasion are constantly increasing. Our rivers have been arteries of commerce from the earliest days of America. Their valleys not only contain rich agricultural lands but also important lines of communication, including both rail and highway, and major cities and towns. The toll of damages now exacted by each flood may be expected to increase with industrial progress unless these floods are checked.

The recent flood of record in the Ohio River demonstrates conclusively the decrease in national worth which may be expected from similar floods in the future. Direct damages are conservatively estimated at more than $500,000,000. More than 500,000 people were driven from their homes under conditions of dire stress and heart-rending anguish. Main highway and railway lines were severed; communications were disrupted. All business and industrial activities in the valley were at a complete standstill for a period of several weeks.

The relief activities of the Federal Government, augmented by the contribution of the American people to the Red Cross, required the expenditures of sums in the neighborhood of $20,000,000, exclusive of millions of dollars required for rehabilitation. The flood was truly a national disaster which justifies the expenditure of whatever may be necessary for preventive measures for the future.

On the contrary this record flood was carried through the lower Mississippi River without damage as the result of protective structures provided in the lower valley since the flood of 1927. The expenditures of the Federal Government since that date, aggregating about $275,000,000, have been more than offset by the damages prevented during this one flood.

Congress in the River and Harbor Act of 1927 authorized the Army engineers to undertake comprehensive surveys of some 200 streams throughout the United States in the combined interest of flood control, navigation, irrigation, and the development of hydroelectric power. These surveys, undertaken at a cost of approximately $12,000,000 over a perod of 7 years, have made available for the consideration of Congress, considered plans for flood control in our major streams. The Army engineers are now engaged in the preparation of a comprehensive program for the Ohio Valley which must be carried out for the protection of that great industrial region.

Their studies have given consideration to more than 80 reservoir sites selected as the most promising locations for flood-control reservoirs. This reservoir system, at a cost of several hundred million dollars, would provide material protection for the tributary streams and, in addition, would reduce flood heights on the main river. However, even this vast system will reduce the flood stages at Paducah, Ky., by only about 2 feet. It will lower heights at Pittsburgh by about 6 feet; at Cincinnati by about 7 feet, and by reduced amounts as we proceed downstream. It must be augmented by walls and dikes for the more densely settled areas of population located along the main river to eliminate the necessity for people leaving their homes during flood stages, and to eliminate the damages now sustained. Channel rectification to include the enlargement of the channel in restricted sections, and the elimination of bends must also be considered. A final plan must include those measures which guarantee protection at the lowest possible cost.

The records of Congress from the earliest days of our country indicate a continued and growing interest in flood control. Henry Clay, Abraham Lincoln, Thomas H. Benton, and John C. Calhoun participated in flood-control debates, and as early as 1847 attended conventions advocating flood control by the Federal Government. Nevertheless, public interest and public demand did not crystallize sufficiently until 1936 to obtain an enunciation of Federal policy.

Congress, in the Flood Control Act of June 22, 1936, declared it to be the policy of the Federal Government to participate in the construction of flood-control works wherever economically justified or necessary for the protection of lives and property. It authorized the construction of flood-control projects, having an estimated cost of $315,000,000 located in 31 States. It recognized the local benefits which result from these projects, and established as a condition to their construction the furnishing of rights-of-way free of cost to the United States, and the acceptance of responsibility for damages during construction and for the maintenance and improvement of the completed structures by the local people. Many proponents of flood control believe that the interstate nature of the work demands that all costs be borne by the Federal Government, but I think the safe and economical way to proceed with this flood-control set-up is to have a 6- to 10-year program and the States to participate in the contribution. The present Federal law is in keeping with the spirit that should dominate, and States like Pennsylvania, New York, and Oklahoma find that their laws that they have enacted to dovetail into the Federal laws, governing the financing of flood control, are generally fair and equitable.

The Flood Control Act of 1936 was adopted too late in the session to permit an appropriation being made for application thereto. The annual nonmilitary bill known as the civil-functions bill, will be before the House of Representatives for passage tomorrow. It contains funds which may be applied to these projects. Some think that the amount set forth in this bill is not sufficient ($52,500,000), but this amount coupled with the amount that Mr. Hopkins contemplates spending on flood-control projects of various types, which he says will not be less than $45,000,000, is believed to be adequate for the time being.

In a little more than 6 months, the House will be back in session, and if there is additional money needed for flood-control work, the first deficiency bill of 1938 can take care of it.

President Roosevelt is to be congratulated on the broad comprehensive and far-reaching flood-control program, he is shaping and applying for the Nation.

Buchanan's Ghost

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

Mr. SNELL. Mr. Speaker, under permission to extend my remarks by printing an editorial from the United States

News, I present the following from the United States News of June 14, 1937, and written by David Lawrence:

[From the United States News of June 14, 1937]

BUCHANAN'S GHOST—LABOR WARFARE, RIOTS, AND STATE OF ANARCHY IN MIDDLE WEST REVEAL THE TRAGIC CONSEQUENCES OF A VACILLATING POLICY IN THE WHITE HOUSE—WILL THE NATION BE GOADED AGAIN INTO CIVIL WAR THROUGH THE FAILURE OF STATESMANSHIP?

By David Lawrence

President Roosevelt told a Nation-wide radio audience on March 4 last that he did not want to leave the country in the condition in which Buchanan left it to Lincoln.

Since that speech was delivered the country has drifted slowly into a condition not unlike that which brought on the bitter conflict of more than 75 years ago.

Many historians believe that the War Between the States could have been averted had there been in the White House a man of intelligent decisiveness and conviction.

There is in the United States today a class war.

No good can come from blinking our eyes to the realistic truth which is reported every day in the headlines and news dispatches from our western front.

Blood is being spilled.

Brothers are at war against brothers. Women are in the front lines of the picket warfare.

Faithful police charged with the difficult duty of preserving order are attacked by civilians.

Riots and violence are accepted by the Governors of Illinois, Ohio, and Michigan as an inevitable counterpart of a Presidential policy of acquiescence.

Government which has the obligation to preserve order has declared itself neutral, a bystander, a passive counselor with seeming indifference to the fact that Goverment—the voice of authority—has a sacred duty to preserve the peace.

Three Democratic Governors, acting under the inspiration of the leader of the New Deal party in the White House, have adopted a course of acquiescence.

Resort to the courts by aggrieved citizens is futile because the judiciary itself has been held up to contempt by the Chief Executive. The masses have been taught to tear court decrees into scraps of paper.

The right to work, a human right, a privilege born of centuries of struggle for freedom from despotism, is now superseded by the assumed right to punish a fellow workman for failing to do the bidding of local bosses, local agitators, local coercionists.

INFLUENCES ON COURSE TAKEN BY PRESIDENT

Let us examine the theory which presumably prompts the President to follow his present course. Isolated in the White House, guarded carefully from the critical opinions of persons in the outside world, fed only the one-sided story of impassioned partisans and sycophants who do not tell him the truth, distrustful as he is of newspaper reports, he must have at least some governing philosophy which from the administration point of view assumes to justify its course. Maybe it is this:

First of all, the administration holds that for years the bargaining power of labor and capital has been unequal, that employers have fought unionism by devious methods, including the financing and fostering of "company" unions, to fight from within labor's ranks the growth of collective-bargaining units.

Second, the administration conceives that negotiation and parleying get nowhere unless economic force is brought to bear sharply on employers, that wage and hour injustices are never corrected except by strikes or the threat of strikes, and that in the final analysis labor has been the under dog, because employers have used deputized guards and friendly sheriffs to strong-arm the agitators and organizers and break up strikes.

Third, the administration regards the sit-down as a logical, even though illegal, weapon of attack and considers all concerted action which effectually stops the operations of the employer plant as the only way to advance the cause of unionism.

GOVERNMENT HAS YIELDED TO MOB RULE

Such a concept of public policy is not surprising considering the manner in which the last national election was won. But even if it be politically consistent to pay campaign debts at the expense of other economic groups in the Nation, the resultant effect is not to diminish but to increase the area of warfare and the intensity of the class strife.

Let us grant that labor has been exploited, that collective bargaining has been resisted, that labor has too long seen the courts and the police power availed of on the side of the employer.

Let us grant that labor has been wronged. But do two wrongs make a single right? Does this mean that labor must now adopt lynch law? Is there no greater sense of justice or tolerance in labor's ranks than labor itself claims to have witnessed in the ranks of employers?

If this be true, if labor must now avenge itself, if labor must take the law into its own hands, if labor must put armed civilians at the gates of plants and by violence stop the ingress or egress of those who wish to work, if labor unions must fight with fists, with clubs, with sniping bullets, does it not mean that labor, too, has lost faith in the efficacy and impartiality of government as an instrument of peace and conciliation in labor war?

The complete collapse of the Federal machinery for mediation, the humiliating demise of the Wagner Labor Relations Act after all the hullabaloo in the movietones when the law was signed, prophesying labor peace, the brazen interference with the mails and with the shipment of goods in interstate commerce all tend to prove that government in Washington, as well as in the capitals of Michigan, Ohio, and Illinois, has met its master—the mob.

BULLDOZED BY BIG CAMPAIGN CONTRIBUTORS

To call a labor union a mob and an employer an outlaw is to characterize both by their right names when they defy government. But what shall we say of government itself when, in the face of plain violation of law, duty is neglected, especially when the threat of the biggest campaign contributors and the biggest vote-getters stares the Government in the face and dares said Government to take a single step that might possibly affect adversely the fortunes of labor in the wars and riots the unions have become emboldened to use as a means of forcing their objectives?

Anyone, like Senator WAGNER, of New York, who is naive enough to believe that a simple issue of collective bargaining is involved, or as innocent as Secretary Perkins appears to be in her belief that violence is but the outcroppings here and there of undisciplined groups, may indulgently accept present-day conditions as the passing phenomena of a transitional era.

But more devastating than an exploitation of human labor is the tendency today to compromise with the law. It is a worse crime against organized society, a worse example of nonfeasance on the part of elected officials, than all the failures put together of other officials for 150 years and their neglect of social injustices.

For without a government of law and order social injustice cannot be remedied. And without a government of law and order production processes cannot be maintained, and unemployment and misery follow the break-down of the whole economic system.

PLAYING INTO HANDS OF FOES OF DEMOCRACY

I am not one of those who think the Communists have any substantial power in America. I am not one of those who think the persons who want to overthrow the Government of the United States by force are numerous. But I and others who watch the trend of events are rapidly coming to believe that the objectives of the malcontents fit in nicely with the supine and craven attitude of public officials who are either afraid to do their duty or who are mistakenly convinced that bloodshed brings its own corrective.

The pacifist has long maintained that bloodshed settles nothing. He has argued that war is an uncivilized act; that organized savagery, sometimes called war, is a lower form of human development than the processes of organized reason. The spectacle of a government spending billions to arm against an imaginary enemy thousands of miles away whilst an actual enemy eats at the vitals of democracy from within is not conducive to public faith in the administration of President Roosevelt.

Perhaps it is old-fashioned to suggest that the duty of a President of the United States is to protect all the people against any groups who in the name of the general welfare assume powers greater than the Government itself.

Perhaps it is old-fashioned also to suggest that partisanship in the execution of public laws is but a breeder of lynch law. The arbitrary and capricious use of public power in reconstruction days, it will be recalled, led to the formation of vigilantes and night riders.

Does history repeat itself as we read of the mayors of western towns calling for volunteers of military age to help the city fight the mobs?

Do we read aright the dispatches which tell us of labor "holidays" declared so that thousands may march to assist pickets who happen to be outnumbered by special police? Do we note accurately that cities are plunged into darkness and those who commit such sabotage go unpunished?

Labor excesses, of course, are not new. Two generations at least have passed since the Homestead strikes in Pennsylvania and the tragic massacres in Illinois which attended the era of labor conflict in the decade just before the turn of the century.

It was a resolute President of the United States, a man of great personal courage, a man of real conviction and rugged character, and a Democrat, too, who insisted that the United States mails should go through Illinois if only a single postcard were delivered to the city of Chicago.

There was no silence in the White House then, no pussyfooting, no timidity, no shirking of duty, no indifference to public obligation, no carefree neglect of an oath of office obligating the Chief Executive to support a Constitution which tells him "to take care that the laws are faithfully executed."

And what has history said of Grover Cleveland? To this day he is remembered as the President who, when the country was emerging from a depression even as severe as the one from which we have been recovering, stood foursquare on the Constitution and the statutes.

INDEPENDENCE AND COURAGE ARE NEEDED

History looks upon Grover Cleveland as a hero because his own political henchmen were incapable of swerving him from his sworn duty, because he did what he knew was right—the upholding of law and order—and the malcontents knew that under his outspoken administration democracy would not tolerate mob rule.

The contrast between Cleveland in 1894 and Buchanan in 1860 is the difference between two personalities who, granting their equal fidelity to duty, saw with different eyes the dangers of drifting policies.

The one hoped against hope that conditions would right themselves without decisive intervention and clear delineation of purpose. The other knew that definition and clearly enunciated principle were the only bulwarks of stability and peace.

It seems incredible that the man in the White House today is the same man who 4 years ago in the banking crisis stood before the Nation with heroic forcefulness. It would be an injustice perhaps to suggest that it requires less political courage to close the banks than to close in on those who tamper with the mails and interfere with interstate commerce.

But it is, nevertheless, true that, while in all his acts as President Mr. Roosevelt has not hesitated to bully the "economic royalists" whose numerical strength at the polls is infinitesimal, he has failed to utter a public word against the labor zealots and the John Lewises who constitute his political allies.

It seems a harsh inference to accept. One is loath to believe that Mr. Roosevelt has capitulated to John Lewis just because the latter threatened him and reminded him of the big campaign contributions. There must be some other explanation.

CHAOS CREATED BY A DECREPIT STATESMANSHIP

For my part, I prefer to believe that Mr. Roosevelt, possessed of a limited experience with the realities of human conflict in the industrial world, with his limited knowledge, too, of the forces which really keep an economic system operating, has tried again an experiment with the laws of gravitation. He has mistakenly conceived that the economic system could be bolstered up by Government billions or by Government tolerance of group warfare, and that the social order could be adjusted by economic messiahs today, though such "master minds" never before have been able by clever turns of a gadget here and there to readjust human destiny.

Mr. Roosevelt has risen to heights of great popularity. The depths are not so far away when one loses his footing through ineptitude.

Reluctantly many of Mr. Roosevelt's admirers are coming to believe that he spoke with curiously prophetic accuracy when he said he didn't want to be a second Buchanan.

Today, however, as the picture of revolution and civil war in the Middle West is painted in the day-by-day story of fratricide in Ohio and Michigan and Illinois, the citizenry of America may well pray to God that He shall soon give the Nation another Lincoln, who, with malice toward none and charity for all, will by his leadership rescue America once more from the chaos of a decrepit statesmanship.

Flag Day

EXTENSION OF REMARKS

OF

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

Mr. POAGE. Mr. Speaker, 160 years ago, on June 14, 1777, the Continental Congress passed the following resolution:

Resolved, That the flag of the United States be 13 stripes, alternate red and white; that the Union be 13 stars, white in a blue field representing a new constellation.

On this anniversary of that momentous date in our history and the history of the world, it is fitting, therefore, that the people living under the protective shadow of that flag and partaking of the benefits of our Government should be fully informed as to the history of the flag, the significance of the flag, and the proper respect that the flag deserves.

With this in mind, I have compiled the following data in the form of questions and answers with the purpose that it answers this need.

First. How is the flag of the United States properly described?

The flag of the United States has 13 horizontal stripes—7 red and 6 white—the red and white stripes alternating, and a union which consists of white stars of five points on a blue field placed in the upper quarter next the staff and extending to the lower edge of the fourth red stripe from the top. The number of stars is the same as the number of the States in the Union. The canton or union now contains 48 stars arranged in six horizontal and eight vertical rows, each star with one point upward. On the admission of a State into the Union a star will be added to the union of the flag, and such addition will take effect on the 4th day of July next succeeeding such admission.

Second. What is the symbolism of the stars in their arrangement in the Union?

President William Howard Taft issued an Executive order in 1912 fixing the arrangement of the stars as six rows of eight stars each, the stars symbolizing the State in the order of their ratification of the Constitution and their admission to the Union as follows: Delaware, Pennsylvania, New Jersey, Georgia, Connecticut, Massachusetts, Maryland, South Carolina, New Hampshire, Virginia, New York, North Carolina, Rhode Island, Vermont, Kentucky, Tennessee, Ohio, Louisiana, Indiana, Mississippi, Illinois, Alabama, Maine, Missouri, Arkansas, Michigan, Florida, Texas, Iowa, Wisconsin, California, Minnesota, Oregon, Kansas, West Virginia, Nevada, Nebraska, Colorado, North Dakota, South Dakota, Montana, Washington, Idaho, Wyoming, Utah, Oklahoma, New Mexico, and Arizona.

Third. What is the symbolism in the colors of the flag?

A remark attributed to Will Barton, designer of the seal of the Confederation in 1782 states that "White signifies purity, innocence; red, hardiness and valor. Blue is the ground of the American uniform and this color signifies vigilance, perseverance, and justice."

Fourth. What type of flags were used in the early history of our country?

It is often pointed out that the so-called Union or Grand Union flag, raised at Cambridge, Mass., by General Washington, January 2, 1776, was in all particulars the flag of the British East India Co. It is said that at a dinner in Philadelphia, December 13, 1775, Benjamin Franklin suggested the use of the greatest design of this flag, which had 13 alternating red and white stripes with a union in which appeared the crosses of St. George and St. Andrew on a blue field. The 13 stripes symbolized the union of the Colonies, while the union jack represented their allegiance to Great Britain. Throughout the Revolution many different Colonial and regimental flags were used, in which red and white stripes, stars, and the blue field appear in various combinations. After the Declaration of Independence, the design of the Grand Union flag was inappropriate.

Fifth. How did the Stars and Stripes originate?

The Rough Journal of the Second Continental Congress recites what is now known as the original flag law or national flag resolve in the words, "*Resolved*, That the flag of the United States be 13 stripes, alternate red and white; that the union be 13 stars, white in a blue field representing a new constellation." The records are not clear as to the author of this resolution. It is simply known that the resolution was passed on June 14, 1777; was published to the world on September 3, 1777.

Sixth. Who made and designed this first flag of stars and stripes that was presented to the Continental Congress?

Records on this matter are very incomplete, but tradition has handed down to us the story of Betsy Ross, of Philadelphia, Pa. Certain it is that someone must have designed and made the flag as adopted by the Continental Congress. Someone was the author of the congressional resolution, but these facts are lost as far as documentary evidence is concerned and the legendary story of Betsy Ross still persists.

Seventh. What changes did succeeding Congresses make in the design of the flag?

With the admission to the Union of Vermont in 1791, and Kentucky in 1792, the original flag law was superseded by the congressional act of January 13, 1794, in order to provide proper representation for these States. This act provided for 15 stripes, and 15 stars. But with the further admission to the union of Tennessee in 1796, Ohio in 1802, Louisiana in 1812, and Indiana in 1816, and Mississippi in 1817, the Congress on April 4, 1818, approved the measure under the authorship of Representative Peter H. Wendover, of New York, which was based on his slogan of "a star for every State and a State for every star." This Wendover resolution provided as follows: "An act to establish the flag of the United States. Section 1. * * * That from and after the 4th day of July next, the flag of the United States be 13 horizontal stripes, alternate red and white; that the Union have 20 stars, white in a blue field. Section 2. And be it further enacted, that on the admission of every State into the Union, one star be added to the Union of the flag, and that such addition shall take effect on the 4th of July next succeeding admission."

Eighth. What other acts of Congress pertain to the flag?

The act of Congress of February 20, 1905, provided that no trade mark could be registered which consisted in whole

or in part of the flag, the coat of arms, or other insignia of the United States or any simulation of them. The act of Congress of February 8, 1917, provided definite penalties for desecration, mutilation, or improper use of the flag within the District of Columbia. The act of Congress of May 16, 1918, provided for the dismissal of any employee or official of the United States Government who would criticize in an abusive manner the flag of the United States.

Ninth. Are there any other laws governing the flag?

Yes; most every State in the United States has passed their own particular laws governing the proper use and display of the flag, but there are no Federal laws other than the ones referred to above, and it will be noted that the Federal law governing the proper use of the flag applies only to the District of Columbia.

As a matter of fact the Supreme Court of the United States in the case of Halter & Haywood against the State of Nebraska held that "One who loves the Union will love the State in which he resides, and love, both of the common country and of the State will diminish in proportion as respect for the flag is weakened * * *. To every true American the flag is the symbol of the Nation's power; the emblem of freedom in its truest, best sense. It may reasonably be affirmed that a duty rests upon each State in every legal way to encourage its people to love the Union with which the State is indissolubly connected."

Tenth. What is National Flag Day?

National Flag Day is taken as June 14 of each year, this being the anniversary of the passage of the National Flag Resolution by the Continental Congress on June 14, 1777. President Woodrow Wilson, viewing the threat and havoc of the World War in 1915, by a proclamation established June 14 as National Flag Day. He said in part:

> It has seemed to me fitting that I should call your attention to the approach of the anniversary of the day upon which the flag of the United States was adopted by the Congress as the emblem of the Union, and to suggest to you that it should, this year and in the years to come, be given special significance as a day of renewal and reminder, a day upon which we should direct our minds with a special desire of renewal of the ideals and principles of which we have sought to make our great Government the embodiment.

At the present time, however, no enactment of the Congress has established this day as a national holiday although some bills providing for this have been introduced at various sessions of Congress.

Eleventh. Does the War Department prescribe the rules and regulations governing the use of the flag?

The flag circular of the Adjutant General's Office of the War Department states that—

> While it is within the province of the War Department to prescribe the rules and regulations governing the use of the flag for observance within the Army, yet it is beyond its province to prescribe any such rules or regulations for the guidance of civilians or to undertake to decide questions concerning this subject that are presented by civilians.

Twelfth. What rules are generally accepted as authentic flag etiquette? On Flag Day, June 14, 1923, representatives of over 68 patriotic organizations met in Washington for a conference under the auspices of the National Americanism Commission of the American Legion to draft an authentic code of flag etiquette. The rules adopted by this conference represent the opinion of the patriotic organizations represented at this conference. The flag circular of the War Department was incorporated almost in toto in the conference flag code.

Thirteenth. What does the conference code of flag etiquette provide?

(a) The flag should be displayed only from sunrise to sunset, or between such hours as may be designated by proper authority. It should be displayed on National and State holidays and on historic and special occasions. The flag should always be hoisted briskly and lowered slowly and ceremoniously.

(b) When carried in a procession with another flag or flags, the flag of the United States should be either on the marching right, that is, the flag's own right, or when there is a line of other flags the flag of the United States may be in front of the center of that line.

(c) When displayed with another flag against a wall from crossed staffs, the flag of the United States should be on the right, the flag's own right, and its staff should be in front of the staff of the other flag.

(d) When a number of flags are grouped and displayed from staffs, the flag of the United States should be in the center or at the highest point of the group.

(e) When flags of States or cities or pennants of societies are flown on the same halyard with the flag of the United States, the national flag should always be at the peak. When flown from adjacent staffs the flag of the United States should be hoisted first. No flag or pennant should be placed above or to the right of the flag of the United States.

(f) When flags of two or more nations are displayed they should be flown from separate staffs of the same height and the flags should be of approximately equal size. (International usage forbids the display of the flag of one nation above that of another nation in time of peace.)

(g) When the flag is displayed from a staff projecting horizontally or at an angle from the window sill, balcony, or front of building, the union of the flag should go clear to the head of the staff unless the flag is at half mast.

(h) When the flag of the United States is displayed in a manner other than by being flown from a staff it should be displayed flat, whether indoors or out. When displayed either horizontally or vertically against a wall, the union should be uppermost and to the flag's own right, i. e., to the observer's left. When displayed in a window it should be displayed in the same way, that is, with the union or blue field to the left of the observer in the street. When festoons, rosettes, or drapings of blue, white, and red are desired, bunting should be used, but never the flag.

(i) When displayed over the middle of the street, as between buildings, the flag of the United States should be suspended vertically with the union to the north in an east and west street or to the east in a north and south street.

(j) When used on a speaker's platform, the flag should be displayed above and behind the speaker. It should never be used to cover the speaker's desk nor to drape over the front of the platform. If flown from a staff it should be on the speaker's right.

(k) When used in unveiling a statue or monument, the flag should not be allowed to fall to the ground but should be carried aloft to wave out, forming a distinctive feature during the remainder of the ceremony.

(l) When flown at half staff, the flag is first hoisted to the peak and then lowered to the half-staff position, but before lowering the flag for the day it is raised again to the peak. On Memorial Day, May 30, the flag is displayed at half staff from sunrise until noon and at full staff from noon until sunset, for the Nation lives and the flag is the symbol of the living Nation.

(m) When used to cover a casket the flag should be placed so that the union is at the head and over the left shoulder. The flag should not be lowered into the grave nor allowed to touch the ground. The casket should be carried foot first.

(n) When the flag is displayed in church, it should be from a staff placed on the congregation's right as they face the clergyman. The service flag, the State flag, or other flag should be at the left of the congregation. If in the chancel, the flag of the United States should be placed on the clergyman's right as he faces the congregation and other flags on his left.

(o) When the flag is in such a condition that it is no longer a fitting emblem for display, it should not be cast aside or used in any way that might be viewed as disrespectful to the national colors, but should be destroyed as a whole, privately, preferably, by burning or by some other method in harmony with the reverence and respect we owe to the emblem representing our country.

Fourteenth. What cautions should one observe with respect to the flag?

(a) Do not permit disrespect to be shown to the flag of the United States.

(b) Do not dip the flag of the United States to any person or any thing. The regimental color, State flag, organization or institutional flag will render this honor.

(c) Do not display the flag of the United States with the union down except as a signal of distress.

(d) Do not place any other flag or pennant above or to the right of the flag of the United States.

(e) Do not let the flag of the United States touch the ground or trail in the water.

(f) Do not place any object or emblem of any kind on or above the flag of the United States.

(g) Do not use the flag as drapery in any form whatever. Use bunting of blue, white, and red.

(h) Do not fasten the flag in such manner as will permit it to be easily torn.

(i) Do not drape the flag over the hood, top, sides, or back of a vehicle or of a railroad train or boat. When the flag is displayed on a motor car, the staff should be affixed firmly to the chassis or clamped to the radiator cap.

(j) Do not display the flag on a float in a parade except from a staff.

(k) Do not use the flag as a covering for a ceiling.

(l) Do not use the flag as a portion of a costume or of an athletic uniform. Do not embroider it upon cushions or handkerchiefs or print it upon paper napkins or boxes.

(m) Do not put lettering of any kind upon the flag.

(n) Do not use the flag in any form of advertising nor fasten an advertising sign to a pole from which the flag of the United States is flying.

(o) Do not display, use, or store the flag in such a manner as will permit it to be easily soiled or damaged.

Fifteenth. What is the proper use of bunting?

Bunting of the national colors should be used for covering a speaker's desk, draping over the front of a platform, and for decoration in general. Bunting should be arranged with the blue above, the white in the middle, and the red below.

Sixteenth. What is the proper salute to the flag?

During the ceremony of hoisting or lowering the flag or when the flag is passing in a parade or in a review, all persons present should face the flag, stand at attention, and salute. Those present in uniform should render the right-hand salute. When not in uniform men should remove the headdress with the right hand and hold it at the left shoulder. Women should salute by placing the right hand over the heart. The salute to the flag in the moving column is rendered at the moment the flag passes.

When the national anthem is played those present in uniform should salute at the first note of the anthem, retaining this position until the last note of the anthem. When not in uniform men should remove the headdress and hold it as in the salute to the flag. Women should render the salute as to the flag. When there is no flag displayed all should face toward the music.

Seventeenth. What is the proper salute when giving the pledge to the flag? Standing with the right hand over the heart, all present repeat together the pledge: "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation indivisible, with liberty and justice for all." At the words "to the flag" the right hand is extended, palm upward, toward the flag, and this position is held until the end, when the hand, after the words "justice for all", is dropped to the side. This pledge to the flag is commonly given in schools and full respect should be given by adults by merely standing at attention when the pledge is being given, men removing the headdress. Persons in uniform should give the right-hand salute.

THE NATIONAL ANTHEM

By Francis Scott Key

Oh! say, can you see by the dawn's early light
What so proudly we hail'd at the twilight's last gleaming?
Whose broad stripes and bright stars, thro' the perilous fight
O'er the ramparts we watch'd, were so gallantly streaming?
And the rockets' red glare, the bombs bursting in air,
Gave proof thro' the night that our flag was still there.
Oh! say, does that Star-Spangled Banner yet wave
O'er the land of the free and the home of the brave?

On the shore, dimly seen thro' the mist of the deep,
Where the foe's haughty host in dread silence reposes,
What is that which the breeze, o'er the towering steep,
As it fitfully blows, half conceals, half discloses,
Now it catches the gleam of the morning's first beam,
In full glory reflected, now shines on the stream—
'Tis the Star-Spangled Banner; oh! long may it wave
O'er the land of the free and the home of the brave.

Oh! thus be it ever when free men shall stand
Between their loved homes and the war's desolation;
Blest with vict'ry and peace, may the Heav'n-rescued land
Praise the Pow'r that hath made and preserve us a Nation.
Then conquer we must, when our cause it is just,
And this be our motto, "In God is our trust."
And the Star-Spangled Banner in triumph shall wave
O'er the land of the free and the home of the brave.

Flag Day

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

ADDRESS BY HON. MATTHEW J. MERRITT, OF NEW YORK, ON JUNE 13, 1937, AT THE FLAG DAY EXERCISE HELD BY THE WASHINGTON ELKS AT THE SYLVAN THEATER

Mr. MERRITT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered at the Flag Day exercises of the Washington Elks, at the Sylvan Theater, on Sunday, June 13, 1937:

In the beautiful month of June comes a day that stirs the hearts of all Americans. That is Flag Day—the anniversary of the day on which the American flag, known as the Stars and Stripes, became the official national emblem. This year June 14 will mark the one hundred and sixtieth anniversary of that historic day, for it was in 1777 that the flag of 13 alternate stripes of red and white and a field of blue with 13 stars was, by decree of the Congress, made the emblem of the new, young Republic, the giant now of the world.

Literally viewed, a flag is but a piece of cloth with perhaps a mark or some marks upon it. But no one so regards a flag. For, to the thinker, a flag embodies the history of the nation that claims it. And what a history is embodied in our Stars and Stripes!

Men and women from England, Scotland, Wales, and Ireland; from Sweden, Holland, Belgium, and France; from Germany, Spain, Portugal—all these in considerable numbers with others—daring emigrants and adventurers, explorers, pioneers, and hunters, as well as farmers, millers, mechanics, and professional men, were among the colonists who made up the Colonies of Great Britain in North America in 1775.

Treated as subjects without representative rights, denied those liberties of vote, power, and action, they would have had and have exercised, if remaining at home under the Parliament of Great Britain and Ireland; they, who were conquering a new empire for that very Parliament and its King; they who constituted the very stock that has dominated the world and revealed its treasures—the men who do not fear to leave old homes and old lands, to test and venture life under new and strange conditions—these were the men who peopled America.

Not theirs to endure denial of rights; not theirs to submit to injustice and oppression. The spirit that made them fearless against novel conditions and dangers in a new, strange land; the spirit that made them risk 3,000 miles of ocean in tiny sailing craft; the spirit that stirred them to conquer the wilderness and meet all dangers—danger of cruel savage foes, or dangers of wild nature—that was the spirit that stirred them to resent injustice, to battle King, Parliament, hired soldiery, or their own blood relatives, because these patriots sought justice, because they saw, clearer than their oppressors, the basic rights of humanity.

They fought and won a long, bloody, and painful battle. Their unity and power of service and sacrifice triumphed. They forgot their racial and religious differences in the unity of service for freedom. They served under a great and inspiring leader—George Washington. They chose a banner that told of the blood of freemen in its red, of the white of purity of motive and service in its white stripes, or undying stars of God's Heaven in its field of blue and its white stars thereon; and, holding fast to their hope of national freedom, they beat back the hordes of a cruel king, they made the Nation one, they caused the emblem of the United States to take an honored place among the flags of the world.

Beneath that flag have marched and worked the peoples of the world. In a great civil war, brother fought against brother, and the spirit of freedom embodied in all that pertains to that flag found eternal victory over prejudices of color or creed, for out of

that war came the death of human slavery under our flag. The black man stood erect, free and unshackled. The flag has truly been the flag of the free. It went into Cuba because American hearts could no longer witness the cruel treatment of men and women, honestly fighting for freedom, but subjected to inhuman cruelties by a foreign oppressor. It came out of Cuba victorious, and free Cuba, erect and vigorous among the nations of the world, has vindicated the conduct of the United States of America, whose embattled patriots brought freedom to Cuba.

Under that flag in the World War marched white, yellow, brown, black, and Red Americans. They crossed thousands of miles of sea, they entered European fields of battle, and they fought, forgetful of religious or racial differences as one army. They marched beneath a single flag, the flag of red, and white, and blue. They wore but a single uniform, the livery of the embattled soldiers of freedom. They inherited the deathless spirit of that flag that has never known defeat. And out of that war, victorious as ever, came back, triumphant, the red and white and blue of America, waving over a united people, who had suffered and served, who had cheered their soldiers and sailors, who had given again the priceless example of unity in service and sacrifice, which makes that flag the promise of the world. For it holds out to all the world the call to come and live in the land of opportunity, the land where the son of the poor and lowly may reach the heights of power, of wealth, of learning, of public esteem. It is a flag which calls around the world. Beneath it, spoken by Americans whose ancestry represents the five continents and most of the islands of the world, is the voice of a united people. That voice calls for unity of Americans for national advance, for national success, for national power and for national service.

A flag day in the United States of America in the year 1937 is an inspiration to all of us. Old or young, rich or poor, powerful or weak, we assemble as Americans. We forget strains of origin, we forget differences of religious or political belief. We see a single flag, one emblem that proclaims our national union, our history of effort and of service, our hope of continued freedom and progress. And, saluting that flag, every American thanks God for the success of his country, for her glorious record in the preservation and advance of human freedom, and fervently prays that never may the flag be dishonored by injustice to any nation. May it wave forever, unsullied by hate, ever sanctified by love and service, the proud emblem of a happy, united, free people.

Dedication of the Vicksburg, Miss., Post Office

EXTENSION OF REMARKS

OF

HON. DAN R. McGEHEE

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

ADDRESS BY POSTMASTER GENERAL JAMES A. FARLEY AT THE DEDICATION OF THE VICKSBURG, MISS., POST OFFICE ON JUNE 1, 1937

Mr. McGEHEE. Mr. Speaker, under the leave granted me to extend my remarks, I want to say that I had the distinct pleasure of entertaining in my congressional district on June 1, 1937, the Honorable James A. Farley and Smith W. Purdum. While on this visit these distinguished gentlemen were present and General Farley delivered the principal dedicatory address at the opening and dedication of that wonderful governmental building, the Vicksburg, Miss., post office.

General Farley and his party were greeted on this occasion by the Governor of our State, Hon. Hugh White; the chairman of the State Democratic executive committee, Hon. Herbert Holmes; National Committeeman Louis M. Jiggitts; Fielding Wright, speaker of the house of representatives; and many other notable persons from my State, as well as thousands of residents of the city of Vicksburg and surrounding territory.

On this occasion General Farley outlined the progress of the post office in this historic and beautiful city; also told this vast throng of people of the efforts of this administration in behalf of the people not only in Mississippi but the entire country.

I appreciate the privilege of extending my remarks so as to include the full address of our outstanding, efficient, and genial Postmaster General, James A. Farley:

It is always a pleasure for me to visit Mississippi, and I was particularly pleased to receive an invitation to join with the residents of this city of the Walnut Hills in the dedication of your new Federal building which is to be the official headquarters in this community of the American Government.

Vicksburg is one of the most important historic centers in the entire South, and of late years it has grown and prospered until it has taken rank as one of the largest commercial centers in the State of Mississippi. The French built old Fort St. Peter near the present site of this city as far back as the early years of the eighteenth century, and on the 2d of January in 1730 its garrison was annihilated by the Yazoo Indians. In 1783 the Spanish erected Fort Nogales and in 1798 this was taken by United States troops and renamed Fort McHenry.

The first permanent settlement in this vicinity, I learned, was made by the Reverend Newett or Newell Vick about 1811. In accordance with the provisions of his will a town was laid out in 1824 and Vicksburg was incorporated the following year. Eleven years later its growth warranted its incorporation as a city.

As for the origin of postal service in Vicksburg, the official records in Washington indicate that the Vicksburg post office was established February 9, 1824, with Hartwell Vick as its first postmaster.

Available records do not reveal how Vicksburg received its first mail. On January 1, 1826, it was listed on a mail route running from Jackson to Port Gibson by way of Vicksburg, Warrenton, and Rocky Spring. The net receipts of the Vicksburg post office for the fiscal year 1827 amounted to $675, which is in striking contrast to the receipts at this office for the last calendar year, which totaled $92,605.

This figure represents an increase of more than 8 percent over the previous year and more than 13 percent over the calendar year 1934.

No better indication could be offered in support of the statement that prosperity and happiness are once again being restored not only to Vicksburg but to the entire United States as well. For postal receipts, which for many years have been looked upon as a reliable barometer of economic conditions, show a corresponding upturn in every corner of this country. Taking the State of Mississippi as a whole, postal receipts for the last calendar year revealed an increase of more than 21 percent over the calendar year 1934.

This imposing new edifice which we are dedicating today is but one of hundreds of new post-office buildings that have been and are now being constructed throughout the country under the present administration's public-building program. This particular project was authorized by Congress on June 19, 1934, at which time $690,000 was allotted for the acquisition of a site and the construction of a Federal building.

In addition to the modern and improved postal facilities which will be found in this new building, space has also been provided for other governmental activities, including a large Federal courtroom.

The new post office which we are dedicating today is one of 45,000 post offices throughout the country designated solely for the service of all the people. The welfare of the entire country is definitely interwoven with the successful operation of the postal establishment, although the average person has but scant knowledge and information as to its operations and far-flung ramifications. It appears to him to go on automatically in a matter-of-fact manner after he deposits his mail in the letter box, and little does he realize the tremendous amount of work and planning that enters into the transmission of a single letter. Nowhere in the world can one get so much value for 3 cents as he does when he purchases a 3-cent stamp, places it on a letter, and drops it into a letter box.

At the present moment there are being carried for you and for me letters and packages we have sent or that are being sent to us. These are speeding over the rails, in motor vehicles and wagons, through the skies, over the water, through desolate wastes, in pneumatic tubes under the streets of our great cities, on sleds in our far outposts in the north, and by every other conceivable method of transportation.

It is difficult to realize the enormous investment in buildings, equipment, motortrucks, belt conveyors, devices of all kinds and personnel that is necessary to insure your receiving your mail promptly and safely. Whether your letter is of great value or contains a short social message, it is guarded by watchful eyes from the moment you deposit it in the mail box until it is delivered.

I do not attempt to claim that the Post Office Department does not make mistakes, but you may be surprised to learn that a very large number of complaints directed against the Postal Service are found to be the fault of the sender. Inquiries have disclosed that many a letter thought to have been mailed was afterward found on the inside pocket of the complainant or that some member of the family had received it other than the one to whom it was addressed, or that it had been sent to a town of the same name in some other State. It is surprising how many people can make the abbreviations for New York and New Hampshire look just alike, as well as the abbreviations for Pennsylvania and Tennessee.

At this time, I want to pay tribute to the quarter million postal employees who form an army which makes possible throughout the country a network of communication which is precise in its execution and unrivaled for dependability.

The results that have been attained in providing a better mail service not only in Vicksburg but throughout the Nation are due largely to the splendid cooperation, loyal assistance, and diligent effort of every postal employee in the service, for which I am deeply grateful. I shall always remember the fine spirit of

cooperation which has been shown me during my years as Postmaster General by that fine body of men and women who comprise the United States Postal Service.

In visiting this section of the country, which suffered so severely from the business stagnation and ruinous prices of the recent depression, it is appropriate to consider briefly the program sponsored by the Roosevelt administration to insure against a repetition of that disaster.

It is fair to state that the present man in the White House is the first President in recent history with the statesmanship to realize that the prosperity of the country depends upon the prosperity of its farming population. His knowledge of America is broad enough and deep enough for him to understand that when cotton, tobacco, wheat, corn, and other basic products are selling at prices below even the cost of production, then the economic structure of the Nation itself is endangered.

What a different picture might have been told if the Republican administrations which ruled the country during the era of stock-market inflation which preceded the crash, had realized that one important fact! Instead of that, during the economic reign of Mellon and Mills, the promoters and exploiters of inflated stocks and securities were coddled and pampered by the Government at Washington while that same Government was turning a deaf ear to every plea for adequate farm-relief legislation.

The break-down which followed was inevitable. Fortunately for the country, when he came to power, Mr. Roosevelt lost no time in fulfilling his pledge to the farmers by bringing about the enactment of a workable farm-relief program which insured the growers of at least a reasonable return for their labors. It is no exaggeration to say that the return of prosperity was founded in great measure upon the agricultural program of the Roosevelt administration.

The original Agricultural Adjustment Act was outlawed by the United States Supreme Court, but the country by that time was so aroused to the need for such legislation that the demand for a substitute was almost universal. A new program was immediately enacted into law, and the administration is constantly working upon further plans that will make the agricultural program as nearly perfect as possible.

In view of what has ocurred in the United States in the past few years, I believe it is safe to predict that the Nation will never again permit its farming population to become the victim of glutted markets, ruinous prices, and staggering debt loads. The vital economic principle of adequate protection for growers and producers is now written deeply into the consciousness of America. And, my friends, it is only fair and just to say that the one individual above all others who is responsible for that fact is President Franklin D. Roosevelt.

Situated as you are in the lower valley of the majestic Mississippi River, most of you are also personally interested in the flood-relief policies of the Federal Government. Nature has been giving the people of the United States some very ominous warnings in the past few years. Apparently the time has come when the country must pay the price for the reckless cutting of timber stands and the negligent misuse of the soil.

The floods of the past few years have seldom been equaled in intensity, and the men who make a study of their causes are fearful that they may continue to reoccur in the immediate future. The country has been forewarned by what has happened. Hardly anyone would deny the obvious fact that the people must first look for protection to the Federal Government. Floodwaters pursue their mad plunge without regard to State lines or other geographical limitations. Because the cause is so widespread, the remedy must be national.

Without pausing to discuss the details of what is being done, I wish to remind you that the grave problem of the cause, control, and cure of floods has received more sympathetic attention from the present administration in Washington than it did in any previous administration. This patent and intelligent treatment of the flood menace will continue until the best possible relief plan becomes the accepted policy of the Nation.

Under the wise and vigorous policies pursued during the past four and a quarter years, the United States is now back on its feet economically. In the face of overwhelming odds, and with the added handicap of timid followers who took fright at each passing cloud, President Roosevelt has restored the purchasing power of the American people and he has given his fellow citizens a never-to-be-forgotten example of intrepid leadership.

The greatness of his accomplishment is magnified by the fact that he was opposed at every single step by a chorus of carping critics and obstructionists who resorted to every kind of strategy, both fair and unfair, to halt his onward progress. They fought relief for the farmer, they fought relief for the unemployed, they opposed expenditures for flood and drought relief, and they battled with all their might against the administration's efforts to curb speculation and exploitation.

The ironic part of it was that in many cases, these critics were the very men who were in power prior to 1933 and whose policies entangled the country in the worst financial mess in its history. They opposed President Roosevelt's program, not because they feared his policies were wrong, but because, down deep in their hearts, they knew his policies were right.

The present proud and prosperous condition of the American people is a mocking reality to those prophets of disaster who wanted the New Deal to fail. The very policies against which they fought the hardest—like the farm-relief program—are today the backbone of the country's improved economic condition.

After a series of victories there is always the danger of overconfidence. When the enemy has been pushed back in confusion, it is always a temptation for the winners to assume that the war is over and that further effort is useless. That spirit is prevalent today in some quarters. Because the first objectives have been gained some people want to abandon the struggle and to leave the field to the enemy.

Let me assure you that President Roosevelt has no such purpose in mind. He will not yield until he has made certain that the economic rights of the farmer, the workingman, and the small-business man, are made secure and sound against the encroachments of the powerful financial overlords who have robbed them in the past.

I hope that none of my hearers is deceived by the clamor of those who pretend that their opposition to President Roosevelt's program is dictated by a patriotic desire to preserve the cherished institutions of America. Let me assure you that if the Chief Executive would listen to the advice and counsel of selfish groups promoting their own personal interests, you would not be hearing a whisper of opposition to his program.

It is an old political custom to bewail the policies of the party in power and to warn the electorate that unless a change is made the very foundations of the Nation are endangered. During the past few years we have had an overdose of that kind of scarecrow campaigning. Unable to meet the Roosevelt administration on clear-cut issues, the opposition is working overtime trying to undermine the faith of the American people in the character and purposes of the Chief Executive.

Let me assure you that these guerrilla attacks will accomplish nothing. The institutions and the future of the United States are safer in the hands of President Roosevelt than they would be in the hands of those who assail his motives and who belittle his efforts. He has no need of a lesson in patriotism from any man. Running through each act of his official life is a fervent and burning desire to strengthen and restore the traditional institutions of democracy. His dominant purpose is to break the grip of those minority groups which have maintained a strangle hold on the financial and economic lifeblood of the country. His ambition is to make the American ideal of free government by a free people a reality for generations to come.

Those who oppose President Roosevelt's program will continue their sniping tactics in the hope that if they can undermine public confidence in him personally the defeat of his program will then be easy. They are mistaken. The American people will never again permit the Government to become the plaything and possession of those who think that only the rich and powerful are entitled to its protection. The hard-fought victories won for the farmer and workingman during the past few years are not going to be given up. There is going to be just one outcome to the present political struggle going on in this country, and that is complete victory for the mass of American citizens under the gallant leadership of President Roosevelt.

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. LEON SACKS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 14, 1937

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. SACKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Record:

[From the Philadelphia Record of June 14, 1937]

"NOBODY IS GOING TO STARVE"

For those Congressmen—Democratic as well as Republican—who are fighting to cut Federal relief appropriations, we reprint without comment this news note from page 24, New York Times, Thursday, June 10—

"Dorothy Rizzo, 3½-month-old daughter of a Queens W. P. A. worker, died yesterday in her home, a small store with some rooms in the rear, at 223-07 One Hundred Forty-seventh Avenue, Springfield. Dr. John McNamara, of the ambulance service at St. Joseph's Hospital, expressed the opinion that malnutrition was responsible for the infant's death, but declined to make an official diagnosis until an autopsy had been performed. * * *

"According to W. P. A. records, Rizzo (the child's father), who is 31 years old and has been on work relief since January 1935, is in poor health. In the last 3 weeks, the records show, he worked only 32 hours. His pay for this work was $16.32 (for family of seven). * * *

"At the Rizzo home, Mrs. Lillian Rizzo, who is 26, said the family had been forced to live almost exclusively on soda crackers

and evaporated milk diluted with water. The eldest of the children is 5 years old."

For those same Congressmen, we also reprint this United Press dispatch:

"BOSTON, June 12.—Between 425,000 and 450,000 workers will be dropped from the Nation's W. P. A. rolls within 3 months, Deputy Federal Relief Administrator Aubrey Williams announced today.

"He urged that discharges be made 'where they will least hurt.'"

So "nobody is going to starve."

Valley Forge

EXTENSION OF REMARKS

OF

HON. LEWIS M. LONG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

ADDRESS BY HON. LEWIS M. LONG, OF ILLINOIS, AT THE ILLINOIS STATE SUNDAY CELEBRATION AT VALLEY FORGE, JUNE 13, 1937

Mr. LONG. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered at Valley Forge, Pa., at the Illinois State celebration, on Sunday, June 13, 1937:

First of all, I wish to acknowledge my sense of full appreciation of the honor conferred upon me in my appointment by the Governor of my native State of Illinois to deliver this address here this afternoon as a part of the celebration of Illinois State Sunday at this hallowed shrine. It is in the light of such appreciation that I undertake to bring to your attention something of the history and ideals of Valley Forge as related to present-day conditions.

May I not first pause for just a moment to pay tribute to that eminent scholar and jurist, the Honorable Henry Horner, Governor of Illinois. It is my privilege to enjoy a personal acquaintance with Governor Horner and to understand the ease and grace and with what eloquence he would address you were he here. I know that you are all disappointed in that he is unable to be here today, and that disappointment I share with you.

May I not further pause to pay my highest respects to the Illinois Chapter of the Daughters of the American Revolution, through whom the State of Illinois is represented in this memorial at Valley Forge. This Illinois Sunday is in fact their Sunday, and it is to this distinguished organization and the ideals for which they stand that I dedicate this address today.

Illinois is further represented in a physical way in the Valley Forge Memorial in that one of the large bells of the carillon is the gift of the State of Illinois by act of its legislature. It is fitting that the voice of Illinois should be expressed in the tones of one of the bells of this most beautiful carillon. In every playing of this sweet and delightful instrument of chimes, again and again comes the expressive note from Illinois bringing to all the world the word that my great State is a living part of this hallowed and noble shrine.

I must not pass without adding my word of praise for Rev. Dr. W. Herbert Burk, the founder and builder of this chapel, for his contribution in establishing here a Nation's altar of worship. I have read something of the trials that confronted Dr. Burk in this enterprise and appreciate the discouragements with which the Doctor was met. Surmounting all these, he pressed forward with his ideal and lived to see the realization of his hopes.

It is to Dr. Burk that we are indebted for this beautiful chapel which has been aptly spoken of by President Wilson as "the shrine of the American people", and has been further appropriately termed "the American Westminster" by Mr. Wilfred Powell.

We are gathered here today in celebration of Illinois State Sunday as a part of the memorial conducted throughout the entire year by the various States in the order of their admission to the Union. It is eminently fitting and proper that we do this. It is fitting and proper: First, that we stop for a moment in the busy affairs of life and devote ourselves to the memory of those heroes who suffered the privations and hardships of that terrible winter and to whom we owe the debt of undying gratitude for the peace and freedom of our land. Second, that, mindful of rapidly changing world conditions and revolutionary evolutions in the ideals of civilization, we should pause and look around us and see from whence we have come and where we may be destined. When we turn our eyes across the sea and observe the destruction of democracies by the changing ideals of society; when we observe the horrors of war and bloodshed now taking place in foreign lands; when we observe the tyranny under which civilized people live and the utter loss of freedom and liberty, we should suddenly stop and take stock of ourselves.

That we may properly do this let us turn back 160 years and live for a few moments with those loyal and noble patriots who were here encamped and in whose honor this memorial has been erected and dedicated.

Their experience here was not attended by the glamor of shot and shell or the spectacular achievements of the field of battle, yet upon their heroism against the forces of hunger, cold, and disease rested, in no small degree, the birth of this great Nation.

In the history of nations how frequently we overlook the accomplishments of peace, for the glittering page that records their conquests and their military fame. The absorbing interest attached to scenes of strife and carnage chiefly engross the attention of the reader; they pass over the less exciting incidents of the story, and hasten on to those scenes, whose terrible realities far exceed the wildest illusions of romance. The historian, aware of this proclivity of the human mind, imparts interest to his page, by presenting in glowing language all that can allure and startle the reader.

What varied emotions are excited by the thrilling narrative of combat. From the first onset, to the final overthrow, every event is presented with terrible distinctness; and the blood-stained field, ghastly with its burden of death, is vividly portrayed, dimly revealed in the pale moonbeams, or illumined by the glare of burning villages, adding new horrors to the scene it discloses.

Although the brilliant achievements of the battlefield may dazzle by their evanescent splendor, and excite the most vivid emotions of the mind by presenting in fearful reality all that the wildest imagination can conceive of what is dreadful and appalling; although the martial theme may glow with brightest luster on the historic page, a nation's most enduring glory is not to be won in scenes like these.

The courage that nerves the arm, and sustains the spirit in the battle's shock, is but a savage attribute; it exists in the bosom of the hireling soldier, and animates the savage beast of the forest in search of its prey. But the sublime heroism, the constancy and resignation that sustain the patriot in his country's cause, are far nobler attributes than those which animate the mere adventurer in the bloody game.

When fate is adverse, and cruel fortune presses him to earth, with what pure devotion and self-sacrifice he calmly awaits the propitious moment when Heaven shall reward his struggles and bid his sufferings cease.

He fights not for the spoils of conquest, not the oppression of a race, but for a home, rich in all the blessings that flow from a free and enlightened country.

This was the spirit that animated and sustained the patriot army when it lay encamped at Valley Forge, in the memorable winter of 1777–78. How many recollections, endearing to human hearts, are associated with this sacred spot. It was here, after a campaign of 4 months, harassed by tiresome marches and perpetual alarms, their life one continued scene of hardship and danger, they came with naked and bleeding feet amidst the driving snows of winter, and lay down in that dreary camp to become acquainted with hunger, cold, and watchfulness. Here, in the midst of frost and snow, they erected liberty's altar; and the history of the world has no parallel to the sublime heroism which, animated and sustained by the immortal Washington, upheld the cause of freedom through the gloomiest period of American history.

How the heart thrills with admiration at their devotion and courage, or is moved with pity at the recital of their sufferings. Unhappy men, far from home and the tender assiduities of friendship, their sufferings unmitigated and unrelieved by their almost despairing country, with no well-known voices of home to soothe their sorrows, no wife, nor mother near, to relieve their wants or close their eyes in death; they sank into the grave almost unnoticed and unnumbered, with no friendly tear but those of sorrowing comrades shed for their sufferings or mingled with their dust.

But their sufferings have consecrated the spot in every patriot heart, while history, tradition, and art shall transmit the tragic story to remotest posterity, as a sublime incentive to emulation when the liberties of their country shall be confronted with peril.

Such is the story of the spirit which animated and sustained those intrepid champions of liberty in that early day, but we must turn from the mellowing effect of the long passage of years and to the recounts of history to acquaint ourselves in some small way with the physical sufferings endured by them during the dark hours of their sojourn here.

On the 19th of December in 1777 General Washington, with his armies, moved into this historic valley and prepared for their winter's stay. Washington, mighty general that he was, never set for his men any task that he himself was not ready and willing to perform. Following this rule of conduct, he set himself up in his marquee or tent upon his arrival, and in this fragile shelter he lived until his men had finished the task of building for themselves their cabins which were to be their dwelling places for the dreary months to come. After the men were as well housed as was possible, and not until then, General Washington took up his abode and headquarters in a nearby dwelling.

Nearly 17,000 noble patriots went into winter camp in this valley on December 19, 1777, and endured hardships the nature and terror of which it is impossible for us to imagine in this day. Through hunger, pestilence, disease, and exposure this 17,000 men had been reduced by the following February to barely 5,000 who were fit for service.

When it is realized that approximately 9,000 Americans were killed in the various battles of the Revolutionary War, and that

during the dreadful 6 months of the Valley Forge encampment 3,000 men died as a result of the hardships of that winter, it will be seen what a heroic task it was for any to survive. Like a battle that goes on unceasingly, not for a day or a week, but month after month, until a half year has been spanned—that is Valley Forge. The suffering was well described by General Washington in these words: "To see men without clothes to cover their nakedness, without blankets to lie on, without shoes, by which their marches might be traced by the blood from their feet, and almost as often without provisions as with them, marching through the frost and snow, and at Christmas taking up their winter quarters within a day's march of the enemy, without a house or hut to cover them, till they could be built, and submitting to it without a murmur, is a proof of patience and obedience, which, in my opinion, can scarcely be paralleled."

Stand with me, if you will, by the side of General Washington as he gazes out of the window in the gathering dusk of the winter evening. See with him the suffering of his men. See with him his men attacked by pestilence and disease, weak from hunger and destitution, sink by the hundreds, yea, by thousands, into their cold and desolate graves. What agony is expressed in this great man's face! Witness the struggle with his emotions as his heart bleeds for these men. Reflect, if you will, upon what must have been the thoughts of General Washington as he saw his little band become weaker and weaker as the interminable days passed one after another.

Go with me now, if you will, out into the valley. Proceed quietly and with reverence, for we are treading on holy ground. Yonder in the dim light a kneeling figure is pouring out his soul to God. In a voice fraught with emotion, George Washington is pleading that the suffering of his men might be lightened and that the noble cause of liberty might succeed.

As we stand here in silent reverence a group of soldiers approach. We hear their conversation. They are asking each other if they can possibly survive the hardships of the winter and if they can ever hope to win in the struggle for independence. Suddenly they pause. Silently they bare their heads and listen. They exchange looks of mutual understanding which speak more eloquently than words: "With such a leader we can and must win."

These are the inspiring incidents that may escape our minds unless we, in our imaginations, take excursions into the lives of Washington and his men during the dark days of that terrible winter. Without these we cannot bring ourselves to realize the principles for which they bled and died.

It is entirely appropriate at this time, with conditions that are troubled throughout the world, with the passing of events that have shaken us to the depth of our beings taking place in many lands; it is entirely appropriate that we think today of the men at Valley Forge, and the ideals for which they suffered. It is entirely appropriate that we span the years between then and now and observe the changes in society in this and in other countries. It is most appropriate that we examine the forces seeking to destroy democracy and to learn what danger may confront us here in America.

It is a far cry, indeed, from the civilization as it was known in the days of Valley Forge to the present complex status of society today. Consider, if you please, the narrow fringe of population along the Atlantic seaboard which was the new United States. Beyond the western edge of those pioneer States the vast country was unexplored and unknown. Means of communication and transportation were slow, indeed. Weeks were required to travel distances that are now covered in a few hours. Communication which required days and weeks for transmission is now instantaneous.

The lives of the people were simple and the impression of outside influences was very slight. From the few hundred thousands of souls who constituted our population in that day, our land has now grown to nearly 130,000,000.

With this revolutionary change in the lives of people and countries have come new theories. Entirely new ideas of government have arisen in many lands. Governments abroad under which the people enjoyed freedom have been overthrown and have been replaced by governments wherein liberty of the people is unknown. The world has grown close together. Communication and travel are quick. The seeds of the ideas of change in government are cast upon the wind of modern-day communication and are quickly disseminated to the four corners of the world, and they may easily take root and flourish in the breasts of people who are fraught with the fevered unrest of the present day.

When we look around and observe what has happened to freedom and democracy in other lands in the last very few years, we are inclined to satisfy ourselves by saying "It cannot happen here." Well, let us see whether there is danger or not.

In the Seventy-third Congress of the United States there was appointed a special committee to investigate the charge that propaganda of various kinds was being circulated in this country by those agencies seeking to overthrow democratic forms of government. The report of this special committee, filed in the Seventy-fourth Congress, is one of the most revealing and amazing documents on record. Without going into detail may I not quote one or two paragraphs from the committee report? "These activities your committee believes to be distinctly and dangerously un-American and we denounce, without qualification, any attempt, from any source, to stir up hatreds and prejudices against any one or more groups of our people because of either race, color, or creed. The guaranty of freedom of religion, of press, of speech, and the equality of all persons under the law is not only expressly written into our Constitution, but it is the very essence of American freedom, and any assault upon these guaranties is dangerous and un-American. We believe that the surest safeguard for those fundamental principles of American liberty is an aroused and intelligent public opinion."

Further quoting from the committee report: "This committee does not believe that these movements in this country are sufficiently strong numerically nor an influence to constitute a danger to American institutions at the present time. Their increase in activity during the past year is plain evidence that, unless checked, such activities will increase in scope and interferences so that they will inevitably constitute a menace."

I am not speaking in any element of alarm that democracy in the United States is about to be overthrown; but I wish to sound a note of warning. There is no danger if we are on the alert and have a realization of what can happen and be on guard to see that it does not happen.

The present forms of government in Italy, Germany, and Russia are not Mussolini nor Hitler nor Stalin. They are the result of a change in ideals of the people of those countries themselves; a change brought about by propaganda such as we are now confronted with in America. It is encouraging to note, however, that the field for propagation of the new ideas was more fertile in those countries because the theory of the divine right of kings still exists in the minds of the people there as a tradition handed down from the hearthstones of generations.

While in America we recognize no such doctrine as the divine right of kings, yet there are large fertile fields among our people for the reception of the ideas of overthrow of our present system of freedom of government, and I say to you, with all the force of which I am capable, that unless we are on guard, "It can happen here."

Oh, my friends, this is no time to, like the ostrich, bury our heads in the sands of smug self-satisfaction and blind our eyes to the existence of stern realities. These sinister influences that hope to destroy freedom in America are at work today, right here in the United States, to a degree little thought of by those who have not made a special study of the scope and extent of their operations. It is our duty as citizens, inspired by the heroism and sacrifice of our forefathers in this valley, to arm ourselves with information and band ourselves together in the common cause of saving the ideals for which they suffered, and preserving the freedom of democracy in this our native land.

Let us then today again dedicate ourselves to the task of preservation of our freedom and liberty which was won for us with the suffering and blood of those whose memory we are today celebrating. Let us not break faith with them, but let us each take our part in the direction and education of all our people and exercise our right of participation in our Government by seeing to it that we select with care those to whom we will entrust the affairs of State.

Finally, then, let us awaken to impending dangers and take our stand against them so that we may insure to ourselves and our posterity and security and safety of knowing "that government of the people, by the people, for the people shall not perish from the earth."

The Lawyer of Tomorrow

EXTENSION OF REMARKS

OF

HON. R. EWING THOMASON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

ADDRESS BY HON. LUTHER A. JOHNSON, OF TEXAS, TO THE LAW GRADUATES OF CUMBERLAND UNIVERSITY, AT LEBANON, TENN., ON JUNE 1, 1937

Mr. THOMASON of Texas. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address delivered by my colleague, Hon. LUTHER A. JOHNSON, of Texas. Mr. JOHNSON is a graduate of Cumberland University and, on the next day, had conferred upon him the honorary degree of doctor of laws:

It is good to be in old Lebanon again, to walk down West Main as I did in my boyhood, to see Caruthers Hall, and to breathe once more the atmosphere of this historic school where so many lawyers of the Nation were first initiated into the mysteries of the law.

This scene brings back memories of the past, but of these I shall not speak, yet I would be ungrateful and untrue to myself if I did not in this presence and at the very outset of my remarks pay a brief tribute to two men who long labored here and who played such a large part in molding my career as a lawyer—my two law professors, Judge Nathan Green and Dr. A. B. Martin. No finer men, no better and sounder lawyers, and no greater teachers

ever expounded the law in any university, great or small, than they. God bless their sainted memories.

It is gratifying to know that the high standards and traditions of this university, now nearly 100 years old, are still maintained, and that its president today and all members of the faculty are men of excellent ability, and that the teachers in the law school are worthy successors of the great men of whom I spoke.

I am especially pleased to find as dean of the law school, Judge A. B. Neil, for 25 years a judge in the courts of Tennessee, who was my classmate when I was a student here. We emerged together from this institution as young lawyers, with no clients, with no reputation, and wondering what the future held in store for us, just as you who compose the graduating class of the law school are doing today. Let me give you this word of encouragement: If any of you have, upon occasion, failed to correctly answer the questions propounded to you in the classroom by Judge Neil, especially upon the law of real property, I will let you in on this secret—he and I both had the same experience when Judge Green was quizzing us on the intricacies of Fourth Kent.

But enough of reminiscence. It is my understanding that indulgence in retrospection is a sign of advancing years, and I refuse to incriminate either Judge Neil or myself in any such fashion. It is not of the past I shall speak but the future. I shall talk to you about The Lawyer of Tomorrow.

I have chosen this subject for two reasons: First, because you members of this graduating class who go out from these walls to take your places in the great profession of the law are more interested in this subject than any other, because you will be the lawyers of tomorrow; and in the second place because of the period of transition through which we are passing. The vast changes that are taking place not only in our country but throughout the world, socially, economically, and politically, make pertinent the query, what effect, if any, these changes will have upon the professional and business life of the future.

Being neither a soothsayer nor a prophet, I realize my limitations in trying to forecast the future of the legal profession, and my only justification for making the attempt is that my entire life, since I was 20 years of age, has had to do with the law. As a public prosecutor, as an active practitioner in the general practice for many years, and as a Member of Congress, I have had to do with the making of law, the enforcing of law, and the practice of law, which experience gives me some slight knowledge from three different angles of the law and the lawyers of the past. We must know something of the past, if we would attempt to forecast the future.

To contemplate the lawyer of tomorrow, we must consider the lawyer of the past. To forecast the changes of the future, we must recount some of the changes of the past.

Life is like a kaleidoscope, constantly changing. This is true of every business and profession. The merchant, the manufacturer, the banker, the farmer, the doctor, have all revolutionized their methods, and those who have not done so have long since been eliminated.

It has been the popular belief that lawyers, being disciples and students of an ancient science and sticklers for precedent, do not change or are slow to do so, but this belief is not sustained by the facts.

Laws change, lawyers change. The lawyers of today are different in dress, speech, and mannerism from what they were 30 years ago. When Dean Neil and I became members of the profession, lawyers dressed differently from other men. They wore long-tailed coats, black and white string ties. Their hair was longer than that of the average man. In Texas they wore wide-brimmed black hats, creased in the middle. We young lawyers were so afraid the people would not discover that we were lawyers that we meticulously followed the dress of the profession which was recognized, at least by the lawyers, as a badge of distinction.

The young lawyers of that generation, in conversation and writing, would use any Latin phrase which they chanced to know, so as to impress the public that they were learned in the languages and the law. You have doubtless heard of the story Champ Clark used to tell that when he was first elected to Congress he turned over to a young lawyer a case in which he had been employed, and told his client that the young lawyer would thereafter represent him in the matter. Upon returning home, after the adjourning of Congress, he met his old client and inquired how the young lawyer was doing with his lawsuit. The client replied that he did not know, that every time he asked him about the case the young lawyer replied, "It is in status quo"; and he said, "Champ, what does that mean?", to which Champ replied, "The English to that expression is, 'It's in a hell of a fix.'"

The letters of the young lawyers of that day contained stiff, formal, legal phrases, with a frequent use of "the aforesaid", "whereas", "thereof", and "the said", being inserted to give a legal flavor to literary productions of the young barrister.

The style of oratory is now different. Lawyers and preachers in those days were about the only public speakers available in most communities. Businessmen would not attempt to speak in public. Luncheon clubs and other modern institutions have now developed businessmen as speakers, so that lawyers no longer have a monopoly on public speaking.

The oratory of that day was of the florid and flamboyant type. Rhetorical figures of speech and imagery were flung at the jury, and speeches, especially those of the younger lawyers, were flowery to the *n*th degree.

Lawyers now no longer "thank God that they are not like other men." In fact, our modern democracy has in a measure eliminated cast and social barriers. Practically all men dress alike. When I was a boy, the lawyer, the businessman, the farmer, and the laborer all dressed differently, but today you can see all of these groups together, and you are unable to detect from their dress the business in which they are engaged.

Do not misunderstand me. I do not mean to disparage the ability of the lawyers of the past. There were legal giants in those days. They had fewer books, fewer stenographers, and fewer typewriters, but they worked, and in ability many of them left their imprint upon not only our jurisprudence but upon the political and economic life of the Nation.

In this realistic and practical age, the speeches of the past would not only be inappropriate but ineffective. The lawyers of today realize that it is not what a lawyer wears, or how he talks, but what he knows that will determine his status as a lawyer. As Dr. Martin so often said in the classroom, "If you know the law, the people will find it out." Society now requires proof that a young lawyer does know something of the law before he is given license to practice. A few decades ago anyone could become a lawyer by having a committee of lawyers appointed by the local court to interrogate the applicant, and these committees, usually composed of partial friends of the applicant, were not always strict in their requirements, but during the past few years the standards and educational tests and requirements have grown more rigid and exacting, and practically all States now require not only educational qualifications but the applicant must undergo a real examination as to his knowledge of the law by a State board of examiners. And so today we have the lawyer of the streamlined model, modernized, democratized, and educated to conform to the generation in which we live.

Not only have lawyers changed but laws have changed. Of course, statutory law has always been subject to change without notice, but courts, in the interpretation of these laws and the application of the principles of the common law to modern conditions, have expanded not only the volume of law but the type and temperament of the judges who construe the law, and the effect of modern conditions and ideals has naturally been reflected in the opinions of the courts in the interpretation and construction of both the written and unwritten law.

The principles upon which the science of law is based are immutable. The foundation of law is justice, and not only our jurisprudence but our civilization has been built upon that foundation, and it is the duty of the lawyers of all generations to see that the foundation is not weakened or destroyed.

Modern inventions, increased population, changing tastes and ideals, and the complex civilization of today constantly raise new questions and applications of old principles to existing problems. The subject matter of legislation has been changed and enlarged by reason of all of this I recall that when automobiles first began to be used, there were numerous damage suits filed in Texas against owners and operators of automobiles by citizens whose horses were frightened on the highway at these queer and unusual machines, and the courts held that the horse-drawn vehicles had paramount rights upon the highways and that the operators of automobiles must drive them, not only with due care to pedestrians, but so as not to offend and injure horse-drawn vehicles, and it was the legal duty of the driver of an automobile upon the highway that when the horse first showed signs of fright, the automobile must be brought to a full stop until the frightened horse could be pacified and driven past the trembling and noisy automobile. Today, all of this is reversed, and now the drivers of horse-drawn vehicles are almost considered trespassers when they attempt to use the public highways.

Radio, to me the most marvelous of modern inventions, has raised new and interesting questions that have to be determined by the courts, and a number of lawyers are now specializing in radio law.

Aviation is yet in its infancy, and I predict its rapid development and general use, which will open up a new field of specialized practice.

So highly specialized has the practice of law become in recent years, and is destined to become more so, it behooves young lawyers starting into the practice to consider the advisability of specializing in some particular branch for which his taste and talents might best equip him.

Science and inventions have changed our mode of living, but of even greater importance to those engaged in the practice of law is the fact that the spirit of democracy is transforming the relative rights of men. The so-called New Deal is but a crystallization of the doctrine that was preached by William J. Bryan, Woodrow Wilson, and other great progressive leaders, and its essence is that the rights of humanity are paramount, and that government must intervene to protect the rights of the common man. More than 20 years ago Woodrow Wilson used language which seems to have been accurately prophetic of the need and justification of some of the legislation of the present day, when he said:

"We are coming now to realize that life is so complicated that we are not dealing with the old conditions and that the law has to step in and create new conditions which will make it more tolerable for us to live. * * * We are facing the necessity of fitting a new social organization, as we did once fit the old organization, to the happiness and prosperity of the great body of citizens; for we are conscious that the new order of society has not been made to fit and provide the convenience

or prosperity of the average man. The life of the Nation has grown infinitely varied. It does not center now upon questions of governmental structure or of the distribution of governmental powers. It centers upon questions of the very structure and operation of society itself, of which government is only the instrument * * *."

"I feel confident that if Jefferson were living in our day he would see what we see; that the individual is caught in a great confused nexus of all sorts of complicated circumstances, and that to let him alone is to leave him helpless as against the obstacles with which he has to contend; that therefore law in our day, must come to the assistance of the individual. It must come to his assistance to see that he gets fair play; that is all, but that is much."

The decision of the United States Supreme Court last week, in the two cases from Alabama, upholding the constitutionality of the Social Security Act, marks a new milestone in the exercise of the power of the Federal Government and the State governments acting cooperatively to provide old-age benefits, old-age insurance, and unemployment insurance.

This invasion of a new field in the domain of Federal legislation signifies that the Court's interpretation of the general-welfare clause of the Constitution is sufficient to meet the changed and changing needs of this and future generations.

Justice Cardozo, in his opinion, points out that the humanitarian purposes sought to be achieved by the legislation are made vital, not alone for the welfare of the individuals benefited thereby, but for the public good, in that poverty and unemployment have a far-reaching effect upon the social and economic welfare of the Nation as a whole.

Legislation of this character, thus exploring new fields, creates new rights, new obligations, and new relationships, which will further enlarge and expand the domain of activities of the lawyer of the future. When it is recalled that this legislation will either directly or indirectly affect practically the entire population it is evident that a great many of the lawyers of the future may specialize in this branch of the law.

Federal laws regulating stock exchanges, utility and holding companies, and other kindred legislation recently passed to protect the rights of the public will still further enlarge the field of activity of the lawyer of tomorrow.

Fear has been expressed in some quarters that the tendency of modern legislation will ultimately lead to the abolition of the legal profession and that lawyers will no longer be needed. This fear is groundless. As long as we are ruled by laws, lawyers will be necessary in the protection of the rights of individuals, not only between themselves but in their relations to the Government.

These pessimists and false prophets base their fears upon the alleged ground that the present reform movement will drift into communism or fascism or some other ism and overthrow our democratic form of government. It is doubtless their opposition to liberalism which prompts at least some of these critics to make this charge. Whether they believe it to be true or not, it is good propaganda to use in opposition to progressive legislation. I do not entertain any such gloomy forebodings. The American people will not tolerate ar overthrow of our democracy. They believe in enlarging the powers of government to meet the needs of humanity, but only within the limits of the Constitution, and no man and no group of men will ever persuade the American people to overthrow the democratic form of government under which we live.

Fascism, communism, and other isms have taken root on foreign soil, but it has been among people whose ideals, whose heritage, and whose patriotism are wholly different and unlike that of the people comprising our great Nation.

The profession of the law is one of the fruits of civilization, and will endure as long as civilization lasts. Legislative bodies deal with the rights of the public. Lawyers deal with the rights of individuals. Lawyers have also played a conspicuous part in the framing and maintaining of our Government. To me there is no higher service and more sacred duty than defending the rights of the individual citizen and protecting him in his life, liberty, and property against invasion, either by another individual or by his Government. All honor to the great profession which throughout the centuries has stood guard in the defense and the preservation of the rights of their clients and of their country. While there may have been some members of the bar who have rendered a disservice and have not reflected credit upon the profession, yet the legal profession as a whole has made a notable contribution to the civilization in which we live.

You who are about to identify yourselves as members of this great profession need have no apprehension that there will be no work to be done. There will be plenty of work for lawyers to do, and if you are prepared and well prepared to do it and give the best that is in you, you will not want for clients.

As I visualize the lawyer of tomorrow, and I mean by that term the lawyer who will succeed and leave his imprint upon the generation in which he lives, these are the characteristics which will form the foundation, not only of his success, but of his service to the country.

He will revere the past and the precedents established by our jurisprudence, and will preserve inviolate the fundamental principles upon which the science of the law is built. He will realize the wisdom that comes from experience, and he will delve into the history of the past and will look to these principles enunciated by the fathers for a solution of the problems of the present.

While revering the past, he will adjust himself to the changing world in which he lives. He will grow and expand, and will not remain static.

He will play his part in the changes that take place, either in jurisprudence or in government. He will be a factor in helping to preserve an even balance between the clash and conflict of antagonistic interests. He will be a tower of strength in assisting in the preservation and the maintenance of constitutional government, and his influence will always be opposed to revolution, overthrow, or even the impairment of a democratic form of government. His education, background, experience, and reverence for law and order will splendidly equip him for this task.

The lawyer of tomorrow, as in the past, will be independent. His profession enables him to be so. There is one thing about the legal profession that has always appealed to me—that a lawyer more so than those engaged in business pursuits can think and act independently. Those engaged in business, who have competition, by force of necessity cannot be outspoken and independent for fear of driving their customers to their competitors, but the lawyer sells his services and his legal ability. He does not depend on favoritism or fawning, but upon sheer ability and service performed. The lawyer sells his service to his clients, but the real lawyer never sells his conscience, his conviction, or his soul. These he does not have to sell, if he has the ability to achieve results.

The lawyer of tomorrow will be a worker. No lawyer in the past has, and no lawyer in the future will achieve success unless he gives unremitting toil and persistent labor to his work. At a commencement exercise a few years ago, in one of our eastern colleges, one of the lawyer graduates, in considering what would be the subject of his address first chose one dealing with some theoretical question of law, but upon second thought he decided to speak upon a more practical question, and the subject of his address was, "We Want Jobs." A member of one of the largest firms in Chicago was present and heard this young man's plea for a job, and was impressed, not only with his earnestness but his willingness to pay the price of success by hard work, and on the same day, after the address had been delivered, the Chicago lawyer approached the young man and offered him a minor position with his firm, which the young man immediately accepted, and he is today one of the senior members of that great firm.

He will be true to his clients. The fidelity with which attorneys have remained steadfast and loyal to their clients' interests is an outstanding characteristic of the legal profession. During my entire life I have never known a lawyer, notwithstanding his other faults, to be lacking in fidelity to his client.

He will realize that character counts, and that no legal career can permanently succeed that is not built upon honesty and fair dealing. No law can endure which is not founded upon justice, equity, and right, and no lawyer can succeed and attain a real measure of permanent success unless these principles are woven into the warp and woof of his very life.

The members of this law class are fortunate in having received your instruction in this school, many of whose alumni have attained positions of eminence and rendered distinguished public service.

An incomplete list made 3 years ago and which has since grown, is as follows: College and university presidents, 47; college and university professors, 106; moderators of church national assemblies, 21; Justices, United States Supreme Court, 2; United States Senators, 9; Congressmen, 66; Federal district judges, 10; Federal circuit judges, 4; Federal district attorneys, 12; generals, 8, Governors, 11; State supreme judges, 42; judges, court of appeals, 12; State attorneys general, 14; chancelors, 20; district judges, 65; United States ministers, 4; Secretary of State, 1 (Hon. Cordell Hull); other high positions, 50.

In your work here, you have only laid the foundation of your law education. The mastery of the law and determining the part that you shall play as practitioners rests with you and you alone.

I am personally acquainted with three members of this class, and from what Dean Neil tells me of the others, I think I am justified in expressing the hope, aye, even more, the belief that you have within you the ideals I have sought to describe and the willingness to pay the price of unremitting toil, and I therefore salute you as lawyers of tomorrow, lawyers who will bring glory and not shame, honor and not humiliation, to this university which sends you forth to battle.

Representative Warren J. Duffey

MEMORIAL ADDRESS

OF

HON. WILLIAM A. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. ASHBROOK. Mr. Speaker, I feel that I should pay just a word of tribute to my late colleague WARREN J.

DUFFEY, of the Toledo, Ohio, district. My acquaintance with him was short, but in the 2 years we were associated together in Congress I learned his worth and to appreciate his many fine qualities of heart and mind. His bright beaming countenance reflected a big, warm heart and a desire to help his fellow man. He was quick and ready to respond to each and every opportunity to be of service where service was needed. I would say his outstanding virtue was his fine, generous disposition.

He was an able and valuable member of the important Judiciary Committee of the House and rendered a splendid service to his district and the Nation. He easily made friends and easily held them, for he never abused or betrayed the confidence of his friends or the public. Thousands will remember WARREN DUFFEY kindly and affectionately and long mourn his untimely passing. Let us throw the mantle of charity about his few frailties—and we all have our share—and cherish and strive to emulate his sterling qualities and many good deeds.

The Flag of the United States

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 15, 1937

RADIO ADDRESS BY HON. JOSH LEE, OF OKLAHOMA, ON JUNE 14, 1937

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the junior Senator from Oklahoma [Mr. LEE] on Flag Day.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the air, to me this is a double pleasure. First it is a pleasure as a citizen to honor our flag, and second it is a pleasure as a member of the American Legion to represent the District of Columbia Department of the American Legion in this program.

One hundred and sixty years ago today Congress met in Independence Hall in Philadelphia. The honorable Members wore powdered wigs, silver buckles, and ruffled collars, and passed a number of resolutions pertaining to the Navy. Two of the resolutions that passed that day are of interest to us just now. The first reads as follows: "*Resolved*, That the flag of the United States be 13 stripes alternate red and white, that the Union be 13 stars, white in a blue field, representing a new constellation."

A few lines farther down on the same page was another resolution that reads as follows: "*Resolved*, That Capt. John Paul Jones be appointed to command the said ship *Ranger*."

That is why John Paul Jones shouted, "That flag and I are twins, born the same day and the same hour. We cannot be parted in life or in death. So long as we can float, we shall float together; if we must sink, we shall go down as one."

Eighteen years later Congress passed another flag resolution adding two stars and two stripes to represent Vermont and Kentucky. That made a flag of 15 stars and 15 stripes. That was the design of the Stars and Stripes that flew above Fort McHenry when Francis Scott Key strained his eyes at the crack of dawn to determine if the Star-Spangled Banner still waved "o'er the land of the free and the home of the brave."

But it was soon decided that the flag must be brought up to date to represent the many new States that had joined the Union. So, again, in 1818, Congress passed another flag resolution fixing the number of stripes at 13, to represent the original 13 States, and adding a new star for each State—and that is the flag that we have today—a flag of 13 stripes and 48 stars.

It was a long time after Betsy Ross' nimble fingers sewed on the last star that our flag had an official birthday. It was not until 1916 that President Woodrow Wilson issued a proclamation nationalizing Flag Day.

President Wilson said in part: "I therefore suggest and request that throughout the Nation and, if possible, in every community, the 14th day of June be observed as Flag Day. * * * Let us on that day rededicate ourselves to the Nation, 'one and inseparable.'"

Although that flag is a different design from the first American flag, which was called the Grand Union, and closely resembled the flag of England; although it is different in design from the Star Spangled Banner of 15 stripes, yet it is the same flag because it represents the same spirit of freedom.

For 160 years it has waved from the Capitol of our Nation. Thousands of men have died for that flag, but millions are left to live for it. The flag that flies above the Capitol today represents the same high ideal of Government that it represented in the beginning, and it is a patriotic duty for the living to keep our Government performing the services for which it was ordained.

What is the purpose of our Government anyhow? Why have a government? Because if we did not have a government, we would have the law of the jungle, where might makes right. But our Government was formed in order "to establish justice * * *, promote the general welfare * * *, and secure the blessings of liberty * * *."

The flag of the United States is the symbol that represents this program of human welfare, and the citizens of the Nation are charged with the duty of seeing that this program of human service is carried out.

The principles underlying liberty are eternal, and do not change, but just as it was necessary to increase the number of stars in the flag to represent a growing nation, just so is it necessary to increase the services performed by the Government in order to meet the needs of an increasingly complex civilization.

Mere standpatism is not necessarily patriotism. A streamlined civilization like ours requires a progressive government in order to perform the functions for which it was ordained. If mechanical giants have put thousands of workingmen out of employment, then our Government must readjust that displacement of labor and the consequent maldistribution of income.

True patriotism and true Americanism mean more than the mere hoisting of a flag. They mean sacrifice for principle. The flag is the symbol of that sacrifice and idealism that goes deeper than the surface.

The men were marching away to war; the flag was passing, when some fellow, who wanted to show his great patriotism, snatched off a little boy's cap and threw it on the ground.

"Take off your cap when the flag goes by", he snapped.

The little boy said, "I am sorry, sir. I did not see the flag. I was looking at the man who is carrying it. He is my brother."

And that was the last time he ever saw his brother.

True patriotism is that love of country that calls for real sacrifice in order to promote the highest ideals in government. I think of the flag of the United States as the emblem of a government that is willing and able to adjust itself to the needs of a scientific age. I think of a nation where every man has the opportunity to earn a living for his family and enjoy some of the sunshine of life.

Our flag represents the highest ideals of a growing nation. This morning I saw it waving from the Nation's Capitol. There it has waved for 160 years. When John Paul Jones, with his own hands, placed that flag on the flagstaff of the good ship *Ranger*, it represented 13 States and 3,000,000 people. Today it represents 48 States and 140,000,000 people and flies half way around the globe. But it represents the same purpose and the same spirit that it represented when it was first designated as the flag of the United States.

It is the same flag that fluttered above George Washington's victorious troops as he marched into Yorktown in 1781. It is the same flag that waved above Andrew Jackson's barricade of cotton bales in the Battle of New Orleans. It is the same flag that rode with the Rough Riders up San Juan Hill.

It is the same flag that flew with Captain Peary to the North Pole and with Admiral Byrd to the South Pole. It crossed the Atlantic with Lindbergh and circled the globe with Wiley Post. It is the same flag that answered the call of the Allies in 1917.

> "Come on, America, allied the voices call,
> For by your aid, no longer stayed,
> The world will stand or fall."

Then, riding the waves of the Atlantic, America sent the answer:

> "The Yanks are coming, the Yanks are coming
> The drums are drumming everywhere.
> So prepare. Send the word. Send a prayer.
> The Yanks are coming."

Then the clatter of hobnails was heard on the cobblestones of Paris. They did not stop in Paris. They went on out to Chateau Thierry, to Cantigne, Belleau Wood, and waited for the cannons. Then every cannon from Ostend to Noeland opened its red and angry mouth in the greatest cannonade the world has ever known, a cannonade that shook monarchs from their thrones. Then up out of the earth there arose a long, thin line of olive drab. With heads down and bayonets fixed, those doughboys charged across "no man's land" to the first-line trenches. But they did not stop there. They drove the enemy back, back across beautiful Alsace-Lorraine, back across shell-tortured Belgium, back to the very border of France, and hung that old banner of the stars over the highest castle on the Rhine.

Some of them with this same flag as a shroud are sleeping there today. And thus thousands have died for our flag, but millions are left to live for it. May we live as heroically as they died.

Memorial Day

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, June 15, 1937

ADDRESS BY HON. ERNEST W. GIBSON, OF VERMONT, AT WEST RUTLAND, VT., MAY 31, 1937

Mr. GIBSON. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the CONGRESSIONAL RECORD a Memorial Day address which I delivered at West Rutland, Vt., on the 31st of May 1937.

I take the liberty of making this request since the address contains reference to a personal matter for which I assume sole responsibility.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is Memorial Day. It is the day we honor the memory of the Nation's defenders; the day we revive our ideals and renew our spirit of patriotism.

With flowers that breathe gratitude from every petal, and with flags—

"Your flag and my flag,
Oh, how much it holds;
Your heart and my heart,
Secure within its folds."

We pay the grateful and loving tribute of the living to our glorious dead.

We are proud of the achievement of building a great nation dedicated to the principle that the just powers of government are derived from the consent of the governed; that we developed, extended, and defended the idea through a century and a half until our country became the leader of the world's thought and action, the hope of all Christendom.

History reminds us, however, that other nations have grown rich in resources, great in area, powerful in influence, and boastful of destiny. We see their wreckage strewn along the pathway of time. We are digging their ruins out of the accumulated sands of the centuries. The story of their rise and fall carry a solemn warning. A command to us seems to come from the graves of the men we honor today to maintain our heritage and to fight with renewed zeal the forces of destruction that surge about established governments:

"Take up the quarrel with the foe!
To you from failing hands we throw
The torch; be yours to hold it high!
We shall not sleep, though poppies grow
In Flanders fields."

A mother once wrote to the War Department that she did not wish the body of her son, who had fallen on a field in France, returned to her, because she preferred to think of him as still in the service. Those who sleep here and in other lands are still serving their country. Their spirits live and shape the destiny of the Nation.

So it is fitting that on the annual return of this day we, the living, should pay loving and reverent tribute to the men who helped create and save America, the soldier and sailor dead.

Those who served and sacrificed saved the country and a civilization and made the ideals of our Government a guide to the peoples of the world. Truthfully did the poet write:

"He who saves his country saves all things,
And all things saved bless him."

Our soldiers and sailors who saved the country deserve the richest blessings of the ages.

The day calls us to a keener realization of our duties as citizens and bids us to heed the lessons of the past, to survey the dangers that confront us, and to resolve how we will surmount them.

Many people accept the theory that to correct an evil all that is needed is to pass a law. They fail to remember that a law is the result of an orderly growth, and to be effective must have the force of public opinion back of it.

The situation in Congress is illuminating. We have before us at this session 10,000 proposals of legislation. Congress has passed thousands of public acts, and the 48 State legislatures are making laws in great numbers. Municipalities, departments, and bureaus are putting forth regulations, with the force and effect of laws, in uncounted numbers. It may be safely stated that we have more laws in this land of the free than Germany had under the Kaiser or Russia under the Czar.

Too many laws lead to tyranny, not to freedom. They breed contempt of government. Moses came when similar conditions existed in his land, and he reduced the number to 10. The time is ripe for another lawgiver to harmonize, clarify, and reduce the cumbersome codes of the day.

Many of our people fail in the duties of citizenship by refusing to take part in public affairs. The level of a government in a republic rises no higher than the people under it. Those who fail to register their votes at election time are the slackers of peace and unworthy to demand protection from the Government to which they owe allegiance. It is my desire that every comrade who comes to me for help from his Government will be able to say that he discharged his duty by voting at the last election.

We are today facing the gravest crisis of the ages in our fight for democracy. America is the outstanding Government that clings to democracy, and it is the duty of every service man to join in the battle peace for the preservation of that form of rule that has cost us so much of blood and treasure. Every man who has served his country faces the problems of peace with the same courage and resolution that they exhibited in war. Stand manfully for every good cause and oppose every wrong one.

The Federal Government is gradually usurping functions that should be exercised by the States; the States those that should be taken care of by the municipalities. We are going back over the road down which we have struggled for hundreds of years.

Centralization is a destructive movement and has been the cause of the tearing down of the civilization of the past.

Our Nation had its birth out of the travail of centuries of struggle for human rights. Experience has demonstrated that its Government is the best form devised by man. Emerson said it was "God's best effort in behalf of the human race."

There are groups which would tear down this structure and replace it with a dictatorship like that of Germany, Russia, Italy, and other nations of Europe. Such a movement appears to be under way here and must not be lightly regarded. It is well organized and is steadily working to attain its objective. It thrives on unrest, unemployment, and the lawless schemes of the racketeer and the spying operations of big business.

At the same time we witness a movement that threatens to stifle individual competition and initiative and substitute competition between groups of capital. Combinations of producers, retail stores, and public utilities are leading us step by step in the direction of an economic dictatorship. One movement grows out of poverty, the other out of the greed of wealth; both are equally dangerous.

The common ally of the Communist is the uncompromising pacifist, with no sense of nationalism. One of the objects for which the people ordained and established the Constitution was for common defense, and to that end vested authority in Congress to raise and support armies and navies. The framers not only created a nation but they provided for its preservation.

We have no desire to become a military power, enforcing our will by the might of the sword. We aim to have friendly relations with all our neighbors. We do not care to become entangled in their affairs or involved in diplomacy burdened with suspicion and direc.ed by intrigue. We will not tolerate European interference with matters that concern only the people of America. We desire peace that we may work out our home problems. We will never engage in a war of aggression, but we must be prepared to repel any attack from without and to meet any assault from within. A policy of adequate national defense, as provided by the Constitution, is necessary for peace and security. A government unable to protect its people at home and abroad has no excuse for existence.

What is our best practical guaranty of peace? We drafted our manpower for the World War. Property was exempt and the profiteer waxed rich while our boys fought and died. Now, clothe our Government with the authority to call manpower, property, and all resources in an emergency and no nation will challenge us.

We read that our Nation is greatly in debt, and so it is. But if our foreign debtors would pay us the $11,000,000,000 they owe us we would not be in such bad shape financially. So long as I am a Member of the United States Senate there will be one vote against granting them a cent of credit until they pay us what they owe us.

Let us offer a prayer on each Memorial Day that the generations as they come and go may be inspired with a genuine spirit of patriotism. "Its value", said an eminent Catholic churchman, "is above gold and precious stones, above commerce and industry, above citadels and warships. Patriotism is the vital spark of the Nation's honor, the shield of the Nation's safety. Take away patriotism and the Nation's soul is dead."

God grant that patriotism and love of the United States may never pass from the hearts of her people or that any of them may not be proud to say, "This is my land."

The strength of a nation is determined by the spirit of its people, not by its army, navy, its wealth, or members within its border. We saw the American spirit leading at Bunker Hill, Saratoga, and Yorktown; on the seas during the War of 1812; at Buena Vista and Chapultepec; at Antietam, the Wilderness, and Appomattox; at El Caney, Santiago, and in the harbor of Manila when the gates of Asia opened to the civilization of the west; at Chateau Thierry, Apremont, Belleau Wood, and along the Argonne; during the great commercial development of the country, in the winning of the West, and in all the victories of peace. Here let us pledge that this spirit shall never die. With it we can go into the future with confidence and self-reliance, and attain the highest development of an orderly and free government.

A PERSONAL MATTER

Now, if you will pardon me in closing, just a word in regard to a personal matter.

To those who pin their faith in controlled newspapers, my appearance here must be in the nature of a resurrection.

I have been going through an experience I never anticipated would come to me again, namely, reading my own obituary and speculations as to a successor. The best that can be said of such a situation is that it originates with the Old Guard and involves politics of the most questionable kind.

I have had many experiences since it has been my lot to become a public official. I have even been read out of my own party for doing my duty as I conscientiously saw it. And, strange to say, some of those who were active in the attempted political burial of 1924 are still active in the attempted burial of 1937. They bungled in 1924; they are bungling today. I am not going to have that kind of pallbearers. There is honor even in death.

I am aware that those who went with me to war in 1917, in order that the world might be safe for democracy, are fast passing beyond. But, so far as I am concerned, I intend to be here at least as long as some of my self-appointed undertakers who were of military age at the outbreak of the war and who didn't have the courage to go.

But you can depend upon it, that as long as I do live, I will be fighting for the rights of the common people, without regard to party affiliations, whether it be in the United States Senate in Washington or in the much more coveted atmosphere of good old Vermont.

America's New Trade Ships

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 15, 1937

RADIO ADDRESS BY HON. JOSEPH P. GUFFEY, OF PENNSYLVANIA, ON JUNE 14, 1937

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address on the subject America's New Trade Ships, delivered over the National Broadcasting Co. system by the Senator from Pennsylvania [Mr. GUFFEY] on June 14, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

From time to time, you have read in the newspapers, or you have heard some speakers make the perfunctory statement: "This country must have an adequate merchant marine."

Just what does that statement mean? Is it important and, if so, how important? Does "must" mean something imperative? My answer is my appearance here tonight.

Seventeen years ago, in the Merchant Marine Act of 1920, Congress declared it to be our national policy that the United States shall have and maintain a privately-owned merchant marine, sufficient to carry the greater portion of its commerce.

That act was adopted by a Congress that remembered the staggering cost to build ships—upward of $3,000,000,000 was spent—when we were confronted with the emergency of war.

Soon after the 1920 act was passed we had a surplus of new ships. Many people thought we were literally "sitting on top of the world", so far as merchant seapower was concerned, because we had our new emergency fleet, while the other great maritime nations had lost a great many of their vessels through enemy sinkings, and the remainder had grown old.

But, as we learned later, our new fleet was unbalanced. We had too many ships of one type. We had too many slow cargo vessels and not enough oil tankers and speedy passenger carriers. We had built for quantity and not to meet trade needs.

Soon after the 1920 act was approved the world-wide postwar depression set in. Our foreign trade fell off. Ocean-freight rates declined and, to make matters worse, our American steamship operators began to meet severe competition from new and fast foreign-built tonnage. All of the maritime nations had started to rebuild their merchant marines. And they kept on building.

In 1928 it was represented to Congress that owners and operators of American merchant vessels were at a great disadvantage in competing with foreign-owned vessels. This was so because it costs less to build ships in foreign yards and it costs less to operate foreign ships.

The foreigner's cost is less because his wage scales are lower and hours of labor are longer and working conditions are less wholesome than those paid to and worked and enjoyed by workers in our shipyards and the crews on American vessels. Besides, the foreigner's ships were new and ours were growing old.

Congress tried to meet this foreign competition by passing a new act. The 1928 act authorized the Postmaster General to enter into long-term contracts for the carriage of mails between the United States and foreign countries on established mail routes.

The holders of such contracts were to be paid—not on a poundage basis for the mail carried—but on the basis of the speed of the ship that carried the mail and the number of miles that ship traveled. This was a subsidy under an alias.

In the same act Congress authorized the Shipping Board to finance the cost of building new vessels for private owners by granting long-term loans at low interest rates. That was another subsidy under another alias.

I am convinced that the Senators and Members of the House who supported the 1928 act were sincere in their belief that the mail pay, which amounted to twenty-five or thirty million dollars per year, and the low interest-bearing loans, would supply the American shipping industry with the necessary capital to build new ships. Congress realized fully that our merchant fleet was becoming obsolete and that we must build new ships.

But the 1928 act did not produce the expected ship replacements. A few vessels were built—a very few—but a great deal of this subsidy, disguised as "mail pay", was diverted to the payment of excessive salaries, bonuses, and dividends to officials and stockholders of the steamship lines favored with the mail contracts.

The hearings before the Senate investigating committee, which was headed by my able colleague, Senator HUGO BLACK, of Alabama—and the investigations carried on under the direction of Postmaster General Farley—demonstrated the necessity for a better plan for Government aid to the merchant marine—a plan that would insure the building of the ships now so badly needed.

President Roosevelt is ship-minded. He has not forgotten the crisis of 1917, when the cry was for ships, and more ships.

In a special message to Congress, delivered on March 4, 1935, the President referred to our necessity for a merchant marine—not merely to serve the needs of our commerce but also as a naval auxiliary, if we became involved in another war. He commented vigorously upon the failure of the 1928 act to accomplish the expected results. He then said—I quote:

"This lending of money for shipbuilding has in practice been a failure. Few ships have been built and many difficulties have arisen over the repayment of the loans. Similar difficulties have attended the granting of ocean-mail contracts. The Government today is paying annually about $30,000,000 for the carrying of mails which would cost, under normal ocean rates, only $3,000,000. The difference, $27,000,000, is a subsidy and nothing but a subsidy. But, given under this disguised form, it is an unsatisfactory and not an honest way of providing the aid that Government ought to give to shipping.

"I propose that we end this subterfuge. If the Congress decides that it will maintain a reasonably adequate American merchant marine, I believe that it can well afford honestly to call a subsidy by its right name."

The President's message referred to the higher cost of shipbuilding in this country and the higher wages and living standards enjoyed by our seamen, which makes a subsidy necessary, as I have stated tonight. He then said:

I quote:

"Approached in this way, a subsidy amounts to a comparatively simple thing. It must be based upon providing for American shipping—Government aid to make up the differential between American and foreign shipping costs. It should cover, first, the difference in the cost of building ships; second, the difference in the cost of operating ships; and, finally, it should take into consideration the liberal subsidies that many foreign governments provide for their shipping.

"Only by meeting this threefold differential can we expect to maintain a reasonable place in ocean commerce for ships flying the American flag and at the same time maintain American standards."

In the Seventy-fourth Congress I introduced a bill designed to carry out the President's recommendations. I confess to you listeners in the radio audience that I found I had thrown my hat into a ring where the hats of several of my distinguished colleagues were already resting.

In fact, the ring was crowded with hats—and good hats, too. Several other bills, sponsored by able gentlemen on both sides of the Capitol, and dealing with the same subject had been introduced. There was a great diversity of opinion as to what should be done with the existing ocean mail contracts and what new aids to shipping, if any, should be substituted.

Finally a compromise measure was worked out between Senator GIBSON, other members of the Senate Commerce Committee, and myself. This compromise measure was enacted as the Merchant Marine Act, 1936. It became a law on June 29, 1936.

No one has ever claimed that this new act is perfect. A compromise is almost by necessity imperfect. It was formulated and passed in the hectic rush that usually precedes an adjournment of Congress. There may be minor defects in the act that should be cured by amendments.

But I believe the fundamental principles of the act are sound, constructive, and workable. I believe the more the act is studied, the more its merits will be appreciated.

The outstanding feature of this new act is, that it assures in any event the building of the ships we sorely need. America is to have an adequate fleet of new trade ships and we can start building them now.

The act is to be administered by a Maritime Commission of five members. That Commission has recently taken office. The President exercised great care in selecting the Commissioners. I understand the names of nearly 300 persons were suggested.

President Roosevelt prevailed upon Mr. Joseph P. Kennedy to accept the chairmanship. Mr. Kennedy had made a distinguished record as the first Chairman of the Securities and Exchange Commission. He had accomplished the difficult task of regulating the stock exchanges of the country and having them like it. He has

now received a more difficult assignment. The way he has started out on his new job—as I shall hereafter point out—shows that the President picked the right man for the task.

The other four Commissioners were selected for their special qualifications. Mr. Moran, a former Congressman from Maine, had, for a long time, been a student of our shipping problems, and had introduced a bill in the House of Representatives which contained many provisions subsequently incorporated in the 1936 act.

Mr. Woodward had served as a member of the Advisory Committee of the Shipping Board Bureau and thus became familiar with the administrative and regulatory problems that must be met and solved.

Admiral Land is a ship-construction expert, and, up to the beginning of this year, he was Chief of the Bureau of Construction and Repair of the Navy.

Admiral Wiley has had a distinguished career in the Navy and brings to the Commission a wealth of experience.

I am convinced we have a good law. We have an able Commission.

We are now ready to go places!

All I have said so far is preliminary to my real message to you tonight.

Last Tuesday, upon the recommendation of Chairman Kennedy, the President sent to Congress a request for the immediate appropriation of $10,000,000 and for authority to the Maritime Commission to make contracts for $150,000,000 additional for ship construction. The Commission already has to its credit about $69,000,000 in the construction loan fund, which was established under the 1928 act. Altogether the Commission plans to use about $256,000,000 for the new program in the next 2 years. Thus, the money to build ships is immediately available.

Its program involves the construction of cargo ships, combined passenger and cargo ships, high-speed tankers, and one fast passenger liner. Altogether, contracts for 95 new ships are to be awarded on competitive bids.

The cargo ships will be completed in from 12 to 24 months. The passenger ships will be completed in from 24 to 36 months.

You may question whether we have immediate need for so many new vessels.

The answer to that question is, that after making a survey, the new Commission has found that with the exception of oil tankers there is not a single sea-going vessel now under construction in any American shipyard.

More than that, for the past 15 years not a single sea-going vessel of the general cargo-carrying type has been built in an American shipyard for foreign trade, and during the same period very few have been constructed for our coastal and intercoastal trade.

Most of our ships are so old that 85 percent of them will be ready for the scrap heap in the next 5 years. This does not mean that they are unsafe, but most of them should be retired now because they are slow and more expensive to operate than the newer foreign ships that are competing for our foreign trade.

Quite a number of these new ships are to be built for private owners for operation in our foreign trade. Under the new act the Commission is authorized to contribute up to 33⅓ percent of the cost of building a vessel in an American yard, to make up the difference between American and foreign shipbuilding costs.

In very exceptional cases the Commission may contribute up to 50 percent of the American cost.

This construction differential subsidy does not go to the private owner of the new ship. The private owner pays the shipyard the amount it would cost to build the same ship in a foreign yard. The Government pays the shipbuilder the balance of his price for building the vessel. So the shipowner does not receive one penny of the construction differential subsidy.

Moreover, the shipbuilder's profit, on the actual cost of construction, is limited to 10 percent. Upon completion of the job, if the shipbuilder's books show a profit of more than 10 percent, he must return the excess to the Government.

And let me assure you right here, that the Commission's auditors will go over the shipbuilder's costs with a fine-tooth comb. There will be no profiteering on these contracts.

Who, then—you may inquire—benefits by the construction subsidy?

First, the Government and the people of this country benefit, because it provides a way to obtain American-built vessels which will be available to the Nation in an emergency.

Second, our farmers and other producers will have the protection of an adequate number of American vessels to carry their products to our foreign customers. A protection that was lacking in 1917.

Third, American ship operators will benefit because they will be able to obtain modern and faster vessels to meet present-day competition.

Fourth, the shipyard owners will be benefited because it will provide work for their yards.

Fifth, and most important, tens of thousands of skilled and unskilled mechanics will benefit by steady employment at good wages in the shipyards, and other thousands of workmen will have employment in the steel, copper, electric, lumber, paint, glass, and other industries, that supply materials for ships. The American workman, above all others, will benefit by the ship-construction subsidies. This should lighten the burden of unemployment relief in many communities. In fact, the whole Nation is benefited by the contemplated shipbuilding program.

Not only will there be new ships but there is a new plan for operating them. Should the Government build the ships entirely with public money, they will be chartered to private operators, who will hire the ships for a specified time and operate them on trade routes considered, by the Commission, essential to the Nation's foreign trade.

This plan of Government ownership and private operation is one of the outstanding features of the new act. But there will be no repetition of the errors of the past in the operation of the Government-owned fleet.

Under the old plan the Shipping Board assigned its vessels to private operators who managed them as the Government's agents. The operator took no risks. He was paid a certain percentage on the freight revenues. The Government paid all the expenses of operation and repairs—took all the risks of profit or loss. And usually it took a loss.

The operator had no incentive to be careful, prudent, and thrifty. If the Government lost money it was just too bad, but the operator received his compensation just the same.

Under the new act such form of operation is prohibited. In future the Government will rent the ships to the operator for a specified rate per month or per year and it will be up to the operator to make a profit if he can. If he loses money on a voyage it is his loss, not the Government's loss.

Another aid to the American ship operator authorized by the act is the operating differential subsidy. This aid applies equally to the operator of privately owned and Government-owned vessels.

It is the intent of the new act to put our American operators in foreign trade upon an equality with the operators of foreign ships. The Commission is authorized to pay to the American operator an agreed sum, which will make up the difference between the high cost for crew's wages, subsistence, repairs, and other voyage expenses on American ships, as compared with the lower costs for such expenses on foreign vessels.

Who benefits by this subsidy?

Of course, the operator benefits, because it puts him upon a parity with his competitor in the foreign trade. He can operate with the assurance that he is not at a disadvantage because his competitor has lower operating costs.

However, the American operator who receives such a subsidy will not be allowed to pile up excessive profits at the expense of the Government. The new law provides that if the operator's profits, in any 5-year period, exceed 10 percent per annum on his invested capital, then half of such excess shall be paid to the Commission, until the amount so paid has reimbursed the Government for the amounts it has advanced for the operating subsidy.

The operator is not prevented from making high profits, but if he does, he must repay the Government for the aid it has extended.

But the outstanding beneficiaries of the operating subsidies are the crews of American vessels. The Commission fixes their wages, hours of employment, and working conditions. Any increase in their wages is borne by the Government through the operating subsidy. The ship operator has no incentive to haggle over wages and hours. The Commission attends to that. This feature of the new act should remove all excuse for labor disturbances between operators and maritime workers.

I confidently predict that Congress will act favorably upon the President's recommendation for the modest appropriation requested now and will give the Maritime Commission authority to proceed with its plan.

I also predict that within the next 3 years we shall see the American flag floating over a fleet of new ships, modern in every respect, and providing adequate protection for passengers and crew from every peril of the sea. Those are the kind of vessels authorized by the new act. I predict that through their construction the businessmen of the Nation will receive a new impetus; that the farmer will have the facilities required to carry his grain to foreign markets; that the worker will experience a pride in having produced vessels comparable with those of any nation on earth; and that all our people will again feel secure in the possession of a second line of defense, capable of meeting any contingency which may face the Nation.

I am satisfied the American people will approve the investment we shall make in America's new trade ships.

"Anybody Is Justified in Doing Anything So Long as the Law Doesn't Say It's Wrong"—J. P. Morgan. Ford "Service Men"—Gunmen, Ex-Pugs, Racketeers, Thugs, Convicts. Edgerton and His "Church Work"

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 28, 1937

J. P. MORGAN ARRIVES FROM ENGLAND—AND BLURTS WHAT HE REALLY THINKS

Mr. MAVERICK. Mr. Speaker, arriving in New York early in June 1937, Mr. J. P. Morgan made a public statement as follows:

Anybody is justified in doing anything so long as the law doesn't say it's wrong.

Since the above statement, Mr. Morgan has issued explanations. His excuse was that the statement was merely an "offhand remark." Undoubtedly, had he issued a formal statement he would have been more cautious.

I do not wish to waste any time moralizing on J. P. Morgan. The fact that he admitted his statement was offhand is sufficient to understand that he meant what he said. The unfortunate thing is that he pretty well stated what is the prevailing idea of a great many of our big industrial leaders. If there is no law, but a question of ethics and morals, they feel it unnecessary to observe a moral or ethical course. Mr. Morgan therefore stated for himself and his class that the only way they can be kept from doing wrong is to have a law providing that they be forced to do so under penalty.

Truthfully, the statement by Mr. Morgan is a monstrous doctrine. Mind you, he says anybody is justified in doing anything—mind you, anything—"so long as the law doesn't say it's wrong." In other words, if you can work young ladies for five or six dollars a week, who will be forced into prostitution—and the law does not say it is wrong—then you are justified in doing it.

PROFIT ON WAR O. K.; LAW DOESN'T SAY IT'S WRONG

Mr. Morgan has, as a matter of fact, followed this philosophy all of his life. In the Nye investigation it was shown the financial profit that he and his partners made out of the World War. I do not say that he alone, with evil intent, caused the war, but he and his partners and the character of their operations had a great deal to do with our entering it.

Certainly it was the extension of credit and the consequent inflation of prices that directly led to our getting into the war. This was Mr. Morgan's big job. After he had done his job, he got his money out of the United States Government and out of the American taxpayers. Then 5,000,000 Americans got in the Army and Navy and thousands of them got killed. Mr. Morgan got the cash and the American people got the war, the deaths, and the taxes.

Apparently he believes he was justified in his course because the law doesn't say it's wrong.

Mr. Morgan, in stating what he believed to be the truth, brought out strongly the necessity of having laws for the protection of the welfare of the American people. That means the necessity of minimum wages, social security, and other legislation to establish fixed minimum rights.

HENRY FORD HAS A PRIVATE ARMY

Mr. Henry Ford, for instance, has a police force of gunmen, ex-pugs, racketeers, thugs, and former convicts which he calls "Ford's Service Men", which really is a private army used to intimidate his employees. Mr. Ford uses these men in order to be above the law of his country.

Now, if the United States Government had "service men" to the extent of Mr. Ford, we would have a standing army of six and one-half million men. Undoubtedly Mr. Ford believes his private army and their practices are justified, because the law does not say they are wrong.

INSULL—HIS PAPER EMPIRE; THE LAW DID NOT SAY IT WAS WRONG

Mr. Insull built up a great paper empire. Thousands of people bought his phony stocks and hundreds of millions of dollars of American people's money was lost. Apparently he, too, thought that he was "justified" because the law did not say it was wrong.

Returning to Mr. Morgan, I am not trying to make Mr. Morgan any special kind of a villain. Indeed, the unfortunate thing is that his ideas do not necessarily apply to people who are rich, but many people who are poor. The people as a whole made profits out of the war, too. Mr. Morgan was not alone.

But the idea of many of our great industrial leaders, that they have no social and moral responsibility to the people of the United States, is a distressing one.

PRAYER AND POVERTY. "CHURCH WORK"—EDGERTON

For further instance, the other day John E. Edgerton, who opens his mills regularly with prayer—and poverty—in Nashville, Tenn., and who is one of the worst labor haters in America, refused to answer a question before the Joint Congressional Committee on Minimum Wages, whether a man and his family could live on $16 a week. He said it was absolutely irrelevant to the minimum-wage bill. When the crowd laughed at him he smugged into a contemptuous smirk and spoke of his church work.

The truth is that he has been one of the most reactionary leaders of the South and has continuously done everything to degrade the South and bring lower wages to the southern people. Such misleaders as he should be required to follow the law, in order that other employers who have social consciousness may be protected in their decent standards.

PUBLIC MORALITY AND THE PHILOSOPHY OF ANYTHING GOES

I could go on giving these examples by the dozen for weeks upon weeks. For, indeed, much of our public morality is based on the idea that anything goes—if you do not get caught, or if the law does not say it is wrong. The moral is, jump through a loophole if you get the money, even though you land on thousands of other people's rights and cause suffering and poverty by the act.

There are literally thousands upon thousands of practices which are indecent, immoral, which are not prohibited by the law. One of the big cries of the businessmen, and especially the big businessmen, is that the Government should stay out of business, and that business should be let alone and have self-government. Still, when remarks are made of an offhand nature it generally comes to the surface that you can do anything—whatever you care to do, whether it is honest or dishonest, whether it is cruel, brutal, indecent, immoral, or unpatriotic, just so there is not a law to put you in prison.

COMMON SENSE DEMANDS LAWS AND STANDARD PRACTICES

That is the reason we need laws to protect the people of this country, laws which which can be enforced. That is the reason labor must organize and be protected in that right by the dignity of American law. That should be done without reference to people being rich or poor.

But again, the people must exercise restraint, and not blame everything on the rich. I have heard very poor people say: "Well, Morgan is smart. Wouldn't you do the same thing if you had the chance?" I have heard men refer to Henry Ford as though he were some grand old patriarch. I have heard others say that anybody would do what Insull did if they had half a chance.

All of this indicates to me that we cannot depend on a patriarch as the head of a factory, for even if he is good he may die. Nor can we depend on business institutions any more than on human beings, when operating without laws. That is because there are enough men without social responsibility who will make it impossible for the decent people to comply with high ethical and moral standards.

We need not complain too much of Mr. Morgan's statement; too many people believe the same thing. For that matter, I pay my income tax, but no more than required.

But the statement of Mr. Morgan leads me to repeat that, in plain common sense, we must have laws.

Fair Labor Standards Bill

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 15, 1937

ADDRESS BY HON. HUGO L. BLACK, OF ALABAMA, DELIVERED DURING THE NATIONAL RADIO FORUM ON JUNE 7, 1937

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting address delivered by the Senator from Alabama [Mr. BLACK], on the 7th instant, relative to the so-called fair labor standards bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Over 4 years ago when I first introduced in the Senate a bill for a 5-day 6-hour working week I was given the courtesy of speaking to the national radio audience over this same network of the Star Forum.

At that time I said:

"One thing is clear in all the tumult of conflicting views and clashing theories—our people will not permit the starvation of these unemployed millions. Two courses are open to prevent this. It will not stand delay. In some way they should be given a chance to earn an honest living by work. Failing this, we must broaden, expand, and probably perpetuate a system of public care. We are now unmistakably at the crossroads, where we must choose between the evils of a dole system and some method of supplying work for our people."

Subsequent events—the continuing magnitude of the relief problem even in the midst of our new prosperity—have borne out that prediction.

The Black-Connery bill, introduced 2 weeks ago, is an attempt to provide that chance for private work my first bill was intended to give.

The people of the United States have long been ready and anxious to protect American workers from sweatshop hours and sweatshop wages. Hearings now are going on before a Joint Committee of the House and Senate on this definite proposal to meet the problem. Every person who has expressed a desire to testify has been invited to be heard. At last the American people are getting action on this subject which has so long been close to their hearts.

This bill has been introduced for action at this session of Congress because Franklin D. Roosevelt and the Democratic Party keep their promises and carry out their pledges.

This bill keeps as plain a promise as a party platform and a party candidate ever made to this Nation. And it carries out a voters' mandate to perform that promise unprecedented in American history.

I was one of the members of the Platform Committee at the Democratic National Convention last fall. I remember the enthusiasm with which the Committee and the Convention drafted and adopted this plank for the Democratic platform: "We know that * * * minimum wages, maximum hours, child labor, and working conditions in industry cannot be adequately handled by 48 separate State legislatures, 48 separate State administrations, and 48 separate State courts. * * * We have sought and will continue to seek to meet these problems through legislation within the Constitution."

To an American people who had been starving in the midst of plenty, who were paying heavy taxes for relief of the unemployed while sweatshops were working longer and longer hours, and too frequently paying smaller and smaller wages, that plank represented common sense as well as humanity.

In his closing campaign speech at Madison Square Garden President Roosevelt proclaimed: "Of course we will continue to seek to improve working conditions for the workers of America—to reduce hours overlong, to increase wages that spell starvation, to end the labor of children, to wipe out sweatshops. * * * For all these things we have only just begun to fight."

You remember the way he said that. He said it as if he meant it and as if the Democratic Party meant it. And 27,000,000 people believed that he—and the Democratic Party—meant it.

But Madison Square wasn't the first time in the campaign when he made that promise. He had made substantially the same promise at Omaha when he addressed the farmers of the country and promised intelligent reorganization of the farmers' domestic market. In that speech at Omaha he pointed out that one of the big answers to the problems of the farming population was to give the mass of city workers enough purchasing power to buy the products of the farm, and thereby to increase the cash income of the American farmer.

Every farmer will remember how he said it: "Increasing production alone in an unlimited way appeals to no person who thinks the problem through. Increasing consumption must go hand in hand with it. Here is a simple figure to mull over. If every family in the United States had enough money to live on what the doctors and dietitians call a class A diet, we would need foodstuffs from 45,000,000 acres more than we are using today. * * * I seek to increase purchasing power so that people can pay for more food and better food, and in turn provide larger and larger domestic market for the farmer."

Again in his Inaugural Speech, the President promised to put an end to conditions under which one-third of the population were ill-nourished, ill-clad, and ill-housed.

It is to carry out all of these promises of the President and of the Democratic Party that the Black-Connery bill has been introduced—promises to the wage earner and to the farmer—promises to the humanity and to the economic common sense of the whole Nation—promises which were to be performed as soon after election as possible.

In those industries which sell their product in interstate commerce the bill would eliminate child labor, trouble-breeding privately-paid strikebreakers and labor spies, and those unnecessarily long hours which wear out part of the working population while they keep the rest from having work to do. In addition it would provide a way by which those who get less than $1,200 a year in nonagricultural employment may, within that limit, get wages fairly representing the value of what they give and the cost of what they need to live on.

Last week, over a national radio hook-up, I tried to tell what the bill proposed to do. I will be glad to send a copy of that address and a sectional analysis of the bill to anyone who will send a request for them to my office in Washington.

To summarize briefly, the Black-Connery bill applies to the working conditions in nonagricultural industries whose product is transported across State lines or competes locally with products from other States. The bill does not apply to workers on farms.

It does not apply to workers in purely local services like restaurants and hotels and laundries and stores and newspapers. All these are left to the States to handle.

For those industrial employees working in interstate products to whom it does apply, the bill proposes first to set a number of hours per week and a number of cents per hour as standards below which, except under exceptional circumstances or in exceptional localities, American working conditions should not be chiseled. At present no figures have been set in the bill for the number of hours or the number of cents per hour. From 30 up to 40 hours a week have been suggested, and from 40 to 80 cents an hour. The committees have not yet decided what figures to recommend to Congress.

Then the bill gives a Labor Board of five members, appointed by the President and passed upon by the United States Senate, power to fix for particular industries, crafts, and localities wages at rates differing from the figures which will be written in the bill.

The top limit of this power in the Board as the bill is now drafted is to give workers as minimum fair wages for particular industries, crafts, or localities 80 cents an hour, or an annual income of $1,200 a year. A bottom limit to which the Board may reduce hours is as yet blank in the bill.

The law contemplates that the different parts of the United States shall be recognized in the appointment of these members, so that the Board shall be familiar with the industrial, commercial, and agricultural problems of all parts of the United States. The Board is given a flexible power to fix these higher wages industry by industry, craft by craft, locality by locality, after separate investigations and hearings and according to certain directions, which lawyers call "standards", written in the bill. Those standards require, for instance, that in determining what shall be a minimum wage the board shall take into consideration the cost of living, the wages established for work of a like nature by collective labor agreement, the wages paid for work of a like character by employers who voluntarily pay a fair wage, and facts which would influence a court in determining a fair and reasonable value of services rendered. There are similar standards for the establishment of the basic workweek.

The bill then tries to stop employment at lower wages or at longer hours than have been fixed by the Board as fair. It also tries to stop the use of strikebreakers and the use of labor spies in the ways that Senator LA FOLLETTE's recent investigation has shown are the practice of some, and fortunately only some, employers. To accomplish these things the bill forbids the transportation across State lines of the products of businesses which do not obey the law.

Now notice how different this bill is from the N. R. A.

First. It applies only to interstate industries and those local industries which substantially and materially compete with interstate industries. It leaves the entirely local employer and the small employer alone.

Second. It deals with labor conditions only; it has nothing to do with fixing prices, with trade practices, with production controls, and with monopolies.

Third. All the wage and hour regulation is done by the Government Labor Board itself, not by private code authorities in the industry. Under this bill one crowd in an industry cannot gang up on the others or run up expenses on the others.

Fourth. Its jurisdiction stops short at the equivalent of an annual worker's income of $1,200 a year—usually far below the wage scale for unionized industry.

Fifth. The new Labor Board is instructed under the bill to put the new labor regulations into effect slowly enough so that industry will not be dislocated and men thrown out of work in the process and to put them into effect in such a way that they will help rather than supplant collective bargaining.

How many workers are affected?

That depends upon the figures which will be written into the bill or which the Board may later fix under its flexible powers over hours and wages. We have had evidence before the Committee that something under 3,000,000 people are now getting less than 40 cents an hour. If, for instance, the Committee should write 40 cents an hour into the bill as a minimum wage figure, these 3,000,000 would be directly affected.

We have also had evidence that at least 6,000,000 people are now working more than 40 hours a week in industries affected by the bill. If the Committee writes 40 hours into the bill as a maximum work week, these 6,000,000 people would be affected. And different results would follow if different figures are written into the bill. Estimates before our Committee are that the establishment of even a 40-hour week would result in the reemployment of one and one-half million workers. Shorter hours would employ still more.

The net effect of this bill for labor as a whole will be incalculable.

By shortening hours it will create new jobs in the unskilled categories for millions of our unskilled unemployed.

By setting up better standards of wages in the interstate industries directly affected, it will indirectly create competition for

labor which should affect wages in all industries where the labor is interchangeable between interstate and local industries. The Federal standards will also stimulate State legislation for local industry, and bring about better labor standards for all workers.

And finally, the bill will underpin the whole wage structure, by law, at a point from which collective bargaining can build more surely and which will be a bulwark against the collapse of higher wages in the event of a business recession.

With comparatively little direct administrative application to industry, therefore, the effect of the bill and of action by the Board will have indirect repercussions all through the labor market to the great benefit of all workers now employed—to the great benefit of millions on relief who want private employment—to the great benefit of the purchasing power supporting the commerce throughout the country on which the permanence of all employment depends—to the great benefit of the Budget and the taxpayers of the United States.

Now what are the objections to the bill?

Two of them were stated the other night by a distinguished Republican Senator from the State of Michigan in a Nation-wide broadcast.

His first objection was that Congress was acting "pell-mell", that there was no pressing need for doing anything about Federal regulation of hours and wages now and that therefore we should proceed leisurely with the subject. He suggested that we leave wages and hours to the States for the time being and study the problem with all its related implications for at least another year in the hope that what he called "seasoned, sustained, and matured recommendations of a specific nature" could be considered in the next year's Congress. This Republican "do-nothing-yet" policy was overwhelmingly repudiated by American voters in 1936.

His second objection was a familiar double-barreled shot. He complained that the bill subjected industry to "a national strait jacket" while at the same time no one could tell what would be done with what he called the "large discretionary and dictatorial powers" given to an administrative agency. In other words, he said that the bill was too tight; but if he was wrong in that, then he wanted the people to believe it was too loose. In fact, he is wrong in both.

Let us consider these "pot shot" objections one at a time.

Of course, to an old-line Republican Senator there is no present emergency about the condition of that third of the population who earn less than $1,200 a year. There never was any old-line Republican emergency about such people. Reactionary Republicans and Liberty Leaguers have never been concerned with that part of our population.

To them there is no emergency today because the portion of the population they are interested in are enjoying our recovery at the top and taking big returns for capital while they fight what they call the "labor menace" tooth and nail. The present existence of six to eight million unemployed, the fact that a third of our working population are still toiling for long hours at starvation wages, do not press upon their conscience or their intelligence.

In my hand I have letters from workers written me within the last week saying they now work 64 and some of them even 91 hours per week. The same letters show that women are working in a nearby city, for net weekly earnings of $7.85 for a 65-hour week. But underpaid and overworked laboring men and women like that can wait in the relief line or in the sweatshop forever while these objectors leisurely make up their minds to "seasoned, sustained, and matured recommendations"—and it won't make any difference to these objectors.

But I cannot agree. Nor do I think that the vast majority of the American people entertain any such conception of the indefinite and interminable postponement of the interests of the working population of this country. The idea that the Government should do nothing to help the lowest-paid workers so long as it can be put off—that the workers can really share in the prosperity of the country only as the prosperity of the upper classes trickles down to the lower classes is an idea I thought had been definitely discredited with the unmourned demise of the Hoover administration. Evidently there is today an effort to resurrect this dead Republican ideal.

The critical Senator says that the prompt consideration of a well-worked-out legislative proposal on a subject which has commanded the attention and thought of statesmen and economists for years, would be "a travesty upon prudence." On the contrary, I should think the "travesty on prudence" would be to abandon the 1936 Democratic campaign pledge and adopt the 1936 Republican promise to do nothing.

There may yet remain a few individuals in public life who have not thought through again and again the terrible problem of mass unemployment; the contradiction that some workers should be toiling long hours when others cannot find work to do; the contradiction that a third of the population should not have adequate purchasing power to acquire the necessities of life, when millions of unemployed would be happy to produce those needed necessities if they were only given the opportunity. But the common man, fearful of the future, of his job, his wife, and his children has thought about those things in the last 10 years as he has thought of little else. He cannot think any harder about it next year than he has thought already.

Most men in public life have for years been giving the most prayerful consideration to these problems and to these contradictions. As I have said, more than 4 years ago I introduced a 30-hour-week bill which passed the Senate. And the subject of maximum hours and minimum wages had been receiving the constant thought and study of the American people since before that time.

My bill of 4 years ago was sidetracked for the N. R. A. I then warned against the confusion of labor standards with the price-fixing and production controls provided in N. R. A. I should have been happy to join with the Senator from Michigan if he had then—4 years ago—desired a real study of the subject.

But since then we have had the lesson of the N. R. A. experiment, the lesson of the Wagner Labor Act, the lesson of the greatest labor troubles in history, the lesson of the Supreme Court's re-examination of the Federal Government's powers over interstate commerce, and the lesson of what the American people want as demonstrated in the last election. There is not one provision in this bill, the substance of which has not been debated and re-debated or even experimented with over the past 4 years, and some of it long before.

We know now as much as we will ever know from just sitting and thinking. We know that it is hard to set up machinery that will adjust an ultimate ideal of a single national standard of decent working conditions and of a single national standard of living and purchasing power in a single national competitive market, to the inescapable fact that there are great variations of local living costs and competitive advantage in this big country.

But we also know that the problem will get no easier by just waiting for it to become easier. Hours get longer and wages get lower while these apostles of delay and do-nothing sit, think, and talk. As a matter of fact, the problem will get harder the longer the expectations of those who heard the Madison Square Garden speech are deferred. When people lose hope they want change. When enough people lose hope they make change.

Pending the time when the Federal Government acts the States can do nothing to meet the situation. Each State which takes separate action to improve working standards only puts its own industry at a competitive disadvantage with the industry of States which tarry. This has been the only legitimate objection of employers to useful State labor legislation. A national bill, on the contrary, may be the good employers' chief protection against invasion of his market by unfair methods which his own standards forbid.

To anyone who actually is anxious to help the third of our population with the lowest income the time for study and further delay has passed. The time for decision and action has belatedly arrived. The time has arrived to separate the sheep from the goats, to separate those who will give lip service "in principle" to decent treatment to the millions who make less than $1,200 a year from those who are willing to act on their principles. Four years—10 years—of study and waiting is not acting "pell-mell." Rather it is acting shamefully and unwisely late.

Now, for the Republican criticism of the administrative discretion given by the bill to the proposed new Labor Board.

It is easy to pass off any program of comprehensive reform with the suggestion that it involves far-reaching implications not thoroughly understood. It is always easy to profess sympathy with the humane general objectives of social legislation and then find technical objection to any specific proposal. It is easy to object to legislation dealing with complex economic and industrial conditions on the ground that any rule of general application, however qualified, imposes a strait jacket on American industry, or to say that any discretion, however circumscribed, vested in an administrative agency, confers arbitrary and dictatorial powers upon a Federal bureaucracy.

But it is a little disingenuous for the opponents of the wage and hour legislation to say both things at once—to protest at one and the same time that the provisions of the bill prescribing general standards put widely diverse industries into a "national strait jacket" and that the provisions of the bill enabling the proposed Labor Board to apply these general but flexible standards to the varying local and industrial conditions bestow arbitrary and dictatorial powers upon a Federal bureaucracy.

Two facts face the Senator from Michigan in his criticism of these flexible powers of the Board. The first fact, admitted by all familiar with this subject, is that the variations between localities must be adjusted by administrative action. Those variations are based on and reflect ever-changing facts which can only be fairly found and followed by hearings before a Board.

And the second fact is that the administrative provisions of the proposed Black-Connery bill have been based upon the most carefully drawn State statutes which have already been before the courts. Perhaps the most important sections have been borrowed from the New York minimum wage statute. Chief Justice Hughes, in the New York minimum wage case, expressly commended that statute for its flexible "provisions for careful and deliberate procedure."

There are some who loudly cry that reasonable working hours and fair wages will decrease production. I deny this. If every able-bodied worker in the land were now working to produce as much as he could, and the goods produced were being distributed as rapidly and as equitably as possible, there might be some basis for this theory. But when many millions of our working population are unemployed and their work is going to waste, and even those lucky ones at work have not the means to buy the things which they would like to have and which the unemployed could produce, there is obviously some catch in a theory that tells us higher wages and shorter hours will hurt our working population.

That theory ignores the two most important facts of our business life—the growing displacement of industrial workers by machines and the growing dependence of a cash-crop agricultural population upon the purchasing power of the industrial worker.

Increased output per man between 1920 and 1927 was 27 percent in agriculture, 38 percent in mining, and 43 percent in manufacturing. I do not have the figures for the improvement between 1927 and 1937. But it is certain that the ingenuity forced upon management to achieve lower costs during the depression has materially further increased efficiency, at least in manufacturing and mining, and there is evidence before our Joint Committee to show that industrial output per man has increased 40 percent since 1929.

That increased efficiency may not have been the only reason why we got into the depression. But it is a very important reason why we are coming out of it in a curious unstable way—with great prosperity at the top, millions of unemployed at the bottom, and a tax burden for the support of the purchasing power of those unemployed which can permanently threaten the Budget.

We have been gradually reducing hours and raising the real standard of living of our lowest paid workers for years. But if we would keep pace with the raids which the improvements of machines are now making upon the balance of our economic system, upon the number of men who can find work in the city which permits them to buy the surplus on the farm, we must adjust wages and hours approximately as fast as the machine changes output per man. Perhaps it may be theoretically possible over a period of time to have machines create new wants and absorb displaced labor. But that is not actually happening today. And it will not happen unless by governmental direction of some kind we create those wants and absorption by deliberately shortening the working day and deliberately increasing the standard of living of the poorest paid worker. Otherwise all will suffer together—farmer, laborer, financier, man of property.

There is no reason why the prices of goods, commodities, and services should rise in a vicious circle merely because the poorest paid wage earner gets part of the benefit of a machine civilization in increased leisure and a fair return for his work. The wages of the lower ranks of labor are becoming less and less important in the final cost of the machine-made product. Probably they do not amount on the average today to more than 20 percent of the cost of the product. The additional benefit to labor granted by this bill can safely come out of what now is the share of the owner of the machine and the financier in the profits of industry, augmented as it will be by the increased purchasing power of the working population. And it will undoubtedly cost the owner of the machine less to pay his contribution to society in the shape of higher wages than in the 25-percent normal income tax with which he today pays that contribution in England.

Economic theories are "sound" only when they work. In the last 4 years a small group, both powerful and noisy, has insisted that everything that worked was theoretically "unsound." We are wisely beginning to trust our own common sense rather than the charts and tables of that group. That common sense tells us that unless we solve the practical and moral problem of unemployment—unless we find ways to create jobs in private industry for those now supported against their will out of the Public Treasury—our economic problems will steadily grow worse for farmer, for city dweller, for laborer, and employer alike.

That common sense also tells us that it will help create those jobs and supply necessary purchasing power, if we shorten unreasonably long hours and raise the wages of the whole lower-income third of our industrial population to an American standard of living; and the common sense of the farmer tells him that his interests, here as elsewhere, lie with the welfare of the farmer's best customer and natural economic ally—the workingman of the city.

I do not say that Federal wage and hour regulation is the complete answer to the unemployment problem, or to the problem of keeping our economy in balance. But I do say that it is a part, and a large part, of the answer—and a part that we can no longer delay putting in operation.

We have waited too long for it already—at what cost in dollars and cents, as well as in flesh and blood, no one will ever know.

Now we are through waiting. The Democratic Party has promised the country this kind of legislation. The President has pledged it. The mandate of the election has ordered it.

And at long last the American people are going to have it.

American-Japanese Trade Relations

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, June 15, 1937

ADDRESS BY HON. DANIEL C. ROPER, SECRETARY OF COMMERCE, AT THE LUNCHEON IN HONOR OF THE JAPAN ECONOMIC MISSION, IN WASHINGTON, D. C., JUNE 11, 1937

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD the interesting address delivered by Hon. Daniel C. Roper, Secretary of Commerce, on the subject "American-Japanese Trade Relations" on the occasion of the luncheon in Washington, D. C., on June 11, 1937, in honor of the Japan economic mission.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Chairman Harriman, Secretary Hull, Chairman Kadono, and members of the Japanese Economic Mission to the United States, gentlemen, significant of this luncheon, I am glad to join a long list of American citizens throughout this country in welcoming this distinguished group of visitors, which symbolizes the business and industrial leadership of Japan. Permit me to say at the outset that I am glad the itinerary of the mission has included the Department of Commerce and its Nation-wide business service stations. We in Washington and the managers of our district offices wish to contribute in every way possible to the pleasure and profit of your studies in this country. In other words, we wish to make you feel at home.

Our one regret is that you cannot have the rare pleasure of seeing our Japanese cherry trees at the stage of their greatest charm. But their beautiful and harmonious spring blossoming was a forerunner of your welcome visit. These colorful trees are annual reminders of the natural beauty of Japan and the corrollary of cultural influences.

Your country has thus made a most valuable contribution to the beautification of our National Capital. We recognize this as an appropriate symbol of mutual harmony in human relations.

Whether by coincidence or design, this appreciated return visit of an American economic mission to your country a few years ago has deep significance. It marks the eighty-fourth anniversary of an episode that was primarily responsible for recharting the commercial program of the Orient.

I refer to that historic occasion in the summer of 1853 when an intrepid American mariner and trade diplomat was permitted to dock his sailing craft at a previously hostile Japanese port. The armament of Commodore Matthew C. Perry on that occasion consisted of good will. This equipment was supported by a friendly determination to penetrate peaceably the policy of your country's traditional isolation and through understanding establish mutually beneficial trade relations. The disarming tact of this American trade crusader in the approach to his objective quickly dissolved the nationalistic prejudice of the great Japanese Empire. Yes, it marked a distinct change in Japanese world outlook.

Previous trade expeditions having been unsuccessful, the American Congress in 1845 resolved that "immediate measures be taken for effecting commercial arrangements with the Empire of Japan." Prompted by the opportunities under this resolution and undaunted by three earlier futile missions, President Fillmore in 1852 commissioned Commodore Perry to deliver a good-will letter to the Emperor of Japan. Perry encountered at first discouraging opposition, but by quiet and diplomatic persistency he was admitted to Tokyo. This rapprochement was the first stepping stone to a successful trade treaty. Thus the opening of the commerce of Japan in 1854 marked the beginning of a constantly expanding volume of trade between the United States and that country.

The influence of this relationship on the economy of the two countries may be appreciated by reference to current trade figures. Statistics for 1936, for example, show that the United States took 85 percent of all the Japanese exports of raw silk last year.

Cotton cloth, oils, tea, crab meat, and other items brought the value of our total imports from that country to $171,700,000. In the same year Japan bought 25 percent of all our raw-cotton exports, as well as quantities of crude petroleum, refined mineral oils, iron and scrap steel, wood pulp, and other items, making a total of $204,348,000 of purchases in this country. Thus both countries have made substantial progress under exchange of those commodities which are best suited to their respective resources and technology.

After more than fourscore years of commercial intercourse, I am glad that I can address you as friends. Likewise, geographical considerations enable me to recognize the relationship of neighbors. In fact, with the exception of Cuba and Russia and our border neighbors, Japan is our nearest neighbor, separated from our most remote Aleutian Islands by less than 700 miles.

This should suggest pertinent implications, including the thought that our economic interests are closely interwoven and can best be served my mutually friendly relationships. I am confident that practical students of both nations realize that under these circumstances the conference method, guided by exchange of visits such as yours, and resulting in agreements and salutary treaties, is the proper procedure for the settlement of mutual problems.

It is natural for each nation to desire to conserve its natural resources and do the best it can to promote the welfare of its human resources. Furthermore, reflection on this objective will convince all concerned that all peoples are entitled to live and develop their own civilization; that constructive cooperation among nations should and will control distinctive selfishness and find the way through peaceful procedure to help each other to security and happiness.

An excellent illustration of wise procedure in dealing with common property interests is found in our seal-control treaty. Until a few years ago, the seal herds of the Pribilof Islands were being rapidly depleted. It became apparent that conservation of this asset required the placing of responsibility for supervision and handling in one nation. Wise leadership found the way through a treaty that functions to the satisfaction of all. The success of

these endeavors is further found in the fact that the herd of seals is now the largest in the world. Thus, from the economic and conservation standpoints, success of this enterprise illustrates the fruitful results of treaty procedure.

Under the operation of this treaty between the United States, Japan, Russia, and Canada not only are the respective equities of these interested countries protected, but the fur-seal resources are being conserved for the benefit of this and future generations of all nations involved.

If such a course is wise in the case of the fur-seal industry, why should we not apply the conference method to all controversial matters, looking to the utilization and conservation of all interests common to the United States and Japan.

The objectives of every nation should be at all times twofold. First, to solve individual national problems in the best interest and for promoting the greatest happiness. Second, to think and act cooperatively through broad understanding and good will, looking to the success of the interwoven relationship of all nations.

It should therefore be our purpose to find the way to promote the progress and prosperity of our own Nation but with proper consideration for the needs and objectives of other nations.

The best and most enduring results of life's relations are frequently its byproducts. If we wisely pursue the constructive policies and ideals of a given nation through the process of good will and understanding conferences, we have solved the major problems of international relations.

There is great appreciation in this country of the constructive attitude of the distinguished Ambassador from Japan (the Honorable Hirosi Saito). In a recent address before the Japan Society annual banquet in New York he gave voice to mutual study and conference relationships between our two nations. It is through representatives of his vision and understanding that our international relationship, supported by good will, can be most effectively safeguarded and perpetuated.

The recent Japanese-American cotton-textile conference held in your country is a splendid example of wise procedure. The lesson taught is to have frequent and frank conferences and never let any temporary differences defeat our abiding objective of solving any and all problems through peaceful means. Let us resolve to now and forever outlaw war between these nations which have all to gain through peace and good will.

Members of the mission, we welcome you into our midst; please remain with us as long as you will and come back to see us as frequently as you can.

Fair Labor Standards Bill

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, June 15, 1937

STATEMENT OF HON. FRANCES PERKINS, SECRETARY OF LABOR, ON FRIDAY, JUNE 4, 1937, BEFORE JOINT HEARING OF SENATE COMMITTEE ON EDUCATION AND LABOR AND HOUSE OF REPRESENTATIVES COMMITTEE ON LABOR

Mr. WAGNER. Mr. President, I ask unanimous consent that the very able and instructive address or statement by the Secretary of Labor before the joint hearing of the Senate Committee on Education and Labor and the House Committee on Labor on June 4, 1937, relative to the so-called fair labor standards bill of 1937 may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The bill which is pending before your Committees deals with one of the most pressing social problems in the country. As the President stated in his message to Congress 2 weeks ago, "One-third of our population, the overwhelming majority of which is in agriculture or industry, is ill-nourished, ill-clad, and ill-housed."

There are few modern industrial societies today which have not attempted to buttress the attempts of industry itself to solve these evils with some system of maximum hours and minimum wages established by national statute. One of the most successful of these statutes, the British Trade Board Act, has been in effect for almost 20 years and has helped that country weather two severe depressions.

The need of such legislation for the United States was recognized by Congress in 1933, and resulted in the passage of the National Industrial Recovery Act, under which codes were adopted for nearly every industry containing wage, hour, and child-labor provisions. Administrative difficulties in the handling of the codes and constitutional objections incident thereto resulted in little effort being made for new legislation following decision of the Supreme Court.

The failure to propose a substitute for the Recovery Act was not due to lack of interest but rather to the forbidding language of the Supreme Court in holding the codes unconstitutional. A way has been opened, however, for accomplishing certain basic objectives by the recent trend of judicial decisions establishing the power of Congress to legislate on our most basic national problems. With this vista cleared of constitutional debris, the view is still marred by need for the elimination of child labor and sweatshops and the establishment of fair wages and a reasonable workweek.

The charge frequently has been made that the benefits to labor which attended the N. R. A., and there were many, were soon lost by the reinstitution by certain industrialists of unfair labor practices shortly after the Schechter decision. In the main this contention is well founded. An examination of recent studies completed by the Bureau of Labor Statistics shows that the refusal of a limited number of industrialists to respect the wage and hour standards of the N. R. A. after the Court ruling has resulted in lowering of labor standards in entire industries. Since other witnesses will present to the Committees at a later date detailed reports on labor conditions existing throughout the country today, I shall dwell only briefly on this point.

Taking the cotton garment industry as an example, 177 establishments reported to the Bureau of Labor Statistics in May 1935 and May 1936 on hours and wages. While the number of man-hours worked increased from 938,020 in 1935 to 1,068,349 in May 1936, a gain of 13.9 percent, the number of persons employed increased only 2.6 percent. By lengthening hours, hourly earnings were reduced, and during that period the aggregate pay roll of all employees in these plants declined 1.2 percent, or by $5,016 per week. Responsibility for this situation lay on the heads of a small number of the 177 establishments, for 11 cut hourly earnings by more than 37½ percent, primarily by increasing the workweek. This chart, entitled "Business Goes to the Wage Cutter", which I should like to introduce into the record as an exhibit, succinctly tells the story for this industry.

Furthermore, in the cotton textile industry studies covering 448 mills for April 1935 and April 1936 disclose similar conditions. In almost half of these mills little change occurred in hourly earnings, and in 71 establishments wages were increased by more than 2.5 percent. But 168 of these firms decreased wages to such an extent that the total average hourly earnings for all of these mills fell from 38 to 36.8 cents, or 3.2 percent.

Thus it is seen that a minority may demoralize the labor conditions of an entire industry. And such a situation can be remedied only by the adoption of fair labor standards, the enforcement of which will curtail the parasitical practices of this relatively small group.

I have no desire to see the N. R. A. system reenacted, but its primary aims, the elimination of child labor and sweatshops and the establishment of fair wages and a reasonable workweek, are ideals which are profoundly worth striving for.

I know that the Committee is also sympathetic to these objectives, so I shall address myself to the principal question that is now before you for consideration, namely, whether the best device for achieving these ends is embodied in this bill. In view of the statement of the Assistant Attorney General made before these committees a few days ago on the constitutionality of this bill, I shall limit my remarks to the administrative rather than the legal features involved. Permit me to say, however, that, even were I qualified as an expert in the law, I do not believe that I could add anything of value to the thorough and scholarly testimony of Mr. Jackson on the constitutional problems with which this proposed legislation is confronted.

The present draft of the Fair Labor Standards Bill has three main objectives, (1) to exclude from the channels of commerce goods produced by industries employing child labor and engaging in other oppressive labor practices, (2) to establish basic nonoppressive wage and hour standards and to apply them as rapidly as possible to industries of an interstate character, and (3) to create a Board to fix fair minimum wages and a reasonable workweek for industries where the bargaining power of workers has not been sufficiently great to achieve fair working conditions under collective agreements. The bill contains provisions for imposing criminal penalties upon willful violators of the labor standards and authorizes the Board to invoke the equity jurisdiction of the Federal Courts for enforcement of its orders. It contains well-defined guides for the determination of the fair labor standard orders and gives the board latitude in establishing geographic differentials and special exemptions and tolerances in situations which the Board deems desirable in order to prevent any impairment of industrial activity through too rigid a coverage.

I trust that the Committee, in its consideration of the bill, will not be deterred by the objection raised from some quarters that a bill which contains merely labor provisions is one-sided. In my opinion, one of the lessons which our N. R. A. experiences taught us is that it is not necessary for legislation of this character to bestow upon private industry the legal right to fix prices, limit production, and to formulate codes of fair trade practices. It is a mistake to think of minimum wages or maximum hours as exclusively labor measures, necessitating the grant of some corresponding privileges to industry. These labor provisions are themselves general economic measures. Moreover, fair trade practice acts like the Robinson-Patman Act, the pure food and drug laws, and others, each deal with the particular problem and need not be supplemented with unrelated provisions.

One of the objects of such a bill as this is to make certain that competition will work in favor of efficient management and high standards of productive quality. The overwhelming majority of American business men will gain a new sense of security if the law provides that basic labor standards be stabilized and hence removed from the arena of unfair competition. Only where there is some definite guarantee of uniformity of labor standards can management be assured that efficiency will be rewarded. Another element of security is the inexorable influence which the establishment of fair labor conditions will have in avoiding labor disputes. With the removal of oppressive wages and long hours of employment the likelihood of strikes should diminish. The free flow of commerce will not be interrupted and the interests of management, labor, and the public will thus be benefited. I say, therefore, in all confidence, that provisions for reasonably fair minimum labor standards are not to be regarded as merely a welfare measure undertaken for humanitarian reasons. Such provisions work to the advantage of the majority of employers quite as much as to the advantage of the workers.

There has already been considerable controversy over the wage provisions of this bill. Subsection 2 (10) as it is written imposes upon your Committee the difficult task of fixing the basic standard, the payment of any sum below which is to be regarded as "oppressive" unless such figure is varied upward or downward by regulation of the Board under section 4 (c). Conditions in different industries vary so much that I am not at all convinced of the wisdom of inserting any specific figure in the bill. I should prefer that even the determination of this basic wage be left to the Board to be set industry by industry pursuant to the same machinery established for the determination of reasonable fair wages and after notice of hearing.

In this conclusion I feel that we might draw upon the experience of the States and other countries. The war created an unemployment situation in Great Britain in many respects analogous to that produced by the depression in the United States. In line with the trend of the times the British Government, as we have done under the National Labor Relations Act, encouraged voluntary collective bargaining in well-organized industries by sponsoring the Whitley Councils, but it also went one step further for industries inadequately organized for effective collective bargaining. Trade boards were set up under the new Trade Boards Act of 1918 composed of an equal number of persons representing workers and employers plus three independent persons appointed by the Minister of Labor. If the labor and employer members could agree upon fair minimum rates the three impartial members did little but preside over the meeting. In the case of disagreement they acted in the capacity of conciliators attempting eventually to bring the two sides together. The operations and decisions of the different trade boards were coordinated by a central division in the Ministry of Labor. Minimum wage commissions in our own States have pursued similar policies.

I do not mean to advocate any return to the code authority system for I am strongly of the opinion that the formulation and enforcement of any Federal law should be confided entirely to sworn officers of the Government who are responsible to the public.

I do feel, however, that the rudimentary standards as to minimum wages might well be established with the assistance of advisory committees of representative employers-employees and disinterested persons as is contemplated in section 14 with respect to the fair labor standard orders.

I also feel that this section should make it clear that whenever the Board is about to consider a minimum fair wage order that committees of this character be utilized. From a practical administrative standpoint, the use of such bodies for recommending minimum wages has proved distinctly advantageous. When minimum wages are agreed upon by employers and workers engaged in the industry and cognizant with the situation, the chances of arriving at a realistic and suitable wage are greater even than when set by experts outside the industry. This procedure tends to prevent standards being imposed which are too sudden for the industry to adjust its practices to. Moreover, when wages are agreed upon in this way greater elasticity is given to the wage structure when variations are required in times of rising or falling prices.

It is also important that provisions be made for participation by both employers and employees in the proceedings before a wage board since it makes the task of enforcement easier. The employer stands to gain by the establishment of fair wages which will eliminate the competitive element of undercutting rates. And participation in wage procedure stimulates the interest of labor unions and trade associations in making complaints of violations and thus reduces the temptation to disregard the law.

Great care should be exercised in framing this legislation to make certain that the objections of labor unions to the Federal Government taking over their functions and establishing minimum wages which have a tendency to bring down higher wages established by collective agreement be avoided. For this reason I am thoroughly in sympathy with the statement of policy contained in section 5 which makes it incumbent upon the Board to fix fair labor standards with respect to wages and hours as distinguished from nonoppressive standards only in those industries where through lack of workers organization their bargaining power has been insufficient to secure reasonable standards. By insuring fair standards in these industries and by protecting the lowest class of workers in other industries from exploitation through the setting of the rudimentary standards, I think that the objectives of minimum wage legislation will be achieved without encroaching upon in any degree the orbit of organizational activity. For this reason I should suggest that the bill make it clear that the Board is not to involve itself in delicate questions of classification which are better left to collective agreement and it therefore should not be empowered to fix any graduated scales by occupations.

While the bill does not differentiate between men and women employees there is sufficient latitude given to the Board to subject it to considerable pressure to establishing different minima for men and women. It might be desirable, therefore, to incorporate a provision in section 5 which would make it certain that the minimum wage should be established on the basis of occupation and not on the basis of sex.

One of the greatest difficulties to be overcome if legislation of this character is to be successful is that of enforcement. The experience of the Compliance Division of the N. R. A. indicated that small as well as large employers were tempted to disregard the code standards. For this reason I have grave doubts of the wisdom of including so broad an exemption in the act as that contemplated by section 6 (a) which empowers the Board to grant a blanket exemption to persons employing less than a certain number of employees.

Another method of evading the provisions of wage and hour legislation is by the use of industrial homework. I, therefore, should favor an amendment which would give the Board upon an appropriate finding of fact the power to prohibit entirely the use of such devices.

Among the most important features of the bill are those relating to investigation and reporting, most of which are contained in sections 16, 17, and 18. I believe section 18 could be improved by empowering the Federal agencies to avail themselves of the services of State and local departments of labor for purposes of enforcement and reimbursing such agencies for such service when it is undertaken solely for the purpose of the Federal Government. Participation by the States is particularly advantageous in such administrative duties as the issuance of certificates, learners, apprentices, and handicapped workers and other exempt classes which must be dealt with on an individual basis.

Attention should be given to the inclusion of provisions which would harmonize all the authorities and duties vested in the Board by this act with those performed by other Federal agencies operating regulatory labor statutes. For this reason I deem it desirable to include some provision which would make the Labor Relations Board the fact-finding body on questions concerning certain oppressive labor practices, namely, the employment of labor spies and the use of strikebreakers. They are so closely akin to the practices prescribed by the National Labor Relations Act that the vesting of these additional duties in the Labor Relations Board would tend to prevent duplication of effort and potential jurisdictional disputes.

The bill also overlaps to some extent the administrative functions performed with respect to Government contracts under the Walsh-Healey Act. This act has been in effect for almost a year and has played a part in bringing about reemployment through its provisions for a 40-hour week and other standards by firms having contracts with the Government. This measure was enacted after the invalidation of the codes, as it was considered at that time that it provided the only safe constitutional avenue of approach to preservation of wage and hour standards by the Federal Government. It applies to persons contracting with the Government, regardless of the effect of the activities of the contractor on interstate commerce. A case in point would be certain distributive concerns engaged in intrastate business. Since it therefore covers employers outside the ambit of the fair labor standards bill, I believe it should be continued in full force and effect, subject to the qualification that its labor standards should be integrated with the child labor standards and the fair labor standard orders which this bill contemplates, for it does not seem desirable to have two sets of standards for the same industry.

This suggestion finds support in the history of the N. R. A. when the President, for similar reasons, issued an Executive Order requiring that no contract be awarded to a bidder unless he could furnish a certificate showing that he was complying with the code of fair competition appropriate to his industry.

Section 17 (b), relating to the keeping of records and the posting of labor standard orders, might well be strengthened by the inclusion of a provision regarding the posting of a schedule of hours for particular employees. Such provisions appear in better State labor acts, and under them the presence of employees at hours other than the posted hours is deemed to be prima facie evidence of violation of the act.

There is another proposal regarding a matter of administration which I should like to leave with your committees, and that relates to the child labor sections of the bill. The child labor standards fixed in this bill—a minimum age of 16 years, with exclusion of those under the age of 18 from occupations declared to be particularly hazardous to the employment of children or detrimental to their health or well-being—are highly commendable and so universally accepted by all right-thinking people as to be outside the realm of controversy.

The adoption of these provisions, however, will not per se solve the child labor problem. Child labor should be eliminated from all industrial and commercial employment, whether interstate or intrastate in character. Therefore the effort to secure the ratification of the child labor amendment by the favorable action of eight addi-

tional States should proceed with vigor, whatever action the Congress may take with reference to the proposals which we now have before us.

In child labor legislation, as in other forms of labor laws, the object is prevention, not prosecution. The administration should be so devised as to work in collaboration with the administration of State child labor and compulsory educational laws, which are designed to keep children in school until such time as they can find employment under conditions which are not prejudicial to their health, safety, and well-being. Fortunately we had 20 years ago practical demonstration of the administration of the first Federal child labor law by the Department of Labor, of the practicability of Federal and State cooperation in this field.

It seems to me that we should profit by this experience and continue on the road which was opened at that time. The problems connected with the abolition of child labor are separate and distinct from those which will confront a board establishing and enforcing fair wage and hour standards. The key to the successful administration of child labor laws is the employment certificate or work permit which is the child's credential entitling him to leave school and enter upon specified employment from which, by the operation of the child labor law, he is not excluded. And since the determination of the conditions under which children leave school is a function of the States, a Federal minimum age standard should reenforce and supplement State legislation, which is in existence in some form in every State. Only minor studies are necessary before we could proceed under the provisions contained in this measure.

For these reasons I believe it wise to differentiate the duties of administration and enforcement of the child labor sections from the administration of the wage and hour sections.

In conclusion may I advert to the problem of wage differentials. This is one of the most difficult questions demanding consideration by the Congress in the enactment of legislation of this character. On the one hand, it is necessary to avoid the establishment of such rigid standards that the industrial possibilities of certain undeveloped areas will be permanently frustrated, and yet at the same time it is necessary to avoid any mandatory differentials which would impose a hardship upon the industrial population of our great cities by encouraging industries to migrate to low-wage areas. It is very important that no differential be set which would give a competitive advantage to industries in one section of the country selling into the same market as industries with high labor standards. The delicate task of preserving the proper economic balance between town and country should be performed administratively, I believe, rather than by the placing of specific figures respecting differentials in the bill.

In my opinion, section 12 (5) of the present draft of the bill provides the proper solution by permitting the Board to take into account occupational differences according to localities and the population of the community in which such employment occurs, but the factors I have mentioned should also be enumerated as guides for the action of the Board.

If the Committee so desires, I shall be glad to have the Solicitor's Office of the Department of Labor submit amendments embodying the proposals I have made in this statement, as well as certain other matters of detail.

The Supreme Court and the South

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, June 15, 1937

LETTER FROM FREDERICK H. ALLEN, OF CHARLESTON, S. C.

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a letter in reference to the Supreme Court written to the New York Herald Tribune by Frederick H. Allen, of Charleston, S. C., on May 27, 1937.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, May 1937]

COURT "SAVED THE SOUTH"—ALTHOUGH REPUBLICAN, IT STOOD FIRM FOR STATES' RIGHTS, DESPITE MUCH VIOLENT ATTACK

To the New York Herald Tribune:

I have noticed in your issue of May 25 a letter signed Molly Clinton, referring to the reconstruction era in the Southern States after the Civil War, and the so-called radical group "who insisted upon regarding the Southern States as conquered provinces to be ruled by martial law", and the article is headed "When Congress Fettered the Court." But I should like to point out the fact, as stated by Senator GLASS, that it was the Supreme Court that "saved the civilization of the South" and its people during this reconstruction era.

It was during this time that Thaddeus Stevens, of Pennsylvania, that vindictive spirit, and his cohorts, passed a series of laws to hold the South in subjection by means of the Negro vote and the denial of the vote to most of the white population.

The South had been disfranchised and its members expelled from Congress, and under a law passed by Congress the soldiers who had fought in the Confederate Army were required to take test oaths, denied the right to hold office, the right to vote, and other oppressive laws were passed. Among others a law was passed that all lawyers in the South could not practice their profession in the Federal courts unless they could swear that they had supported the Union. And this meant that practically no lawyers in the South could practice in the Federal courts.

These laws were held unconstitutional by the Supreme Court, and, mind you, that Court was made up entirely of Republican Judges, who would naturally, if they could, sustain a law passed by a Republican Congress. What did that Republican Court do? It held these acts unconstitutional and void; that they invaded the rights of the States in controlling their own internal affairs.

Another law was passed, the so-called civil rights bill, which provided that hotels, boarding houses, theaters, trains, or any public assembly should be open to all, whether black or white, and any refusal to do so made a person subject to penal offense. Whoever refused social equality became a felon. Of course, it was unconstitutional, but it was passed by the Congress. Finally, the case reached the Supreme Court, and that Republican Court held the act unconstitutional and void, saying again that it invaded the rights of the States in controlling their own internal affairs, and I fain would quote Horace Greeley, the editor at the time of your great newspaper: "Greedy and malignant partisanship demanded, as necessary to the public welfare, measures which were only needful for the maintenance of unworthy and corrupt men in power. Of these measures the enforcement act was one of the most odious. Under it shameful abuses have been perpetrated."

Political power would have passed nominally to masses of newly freed and enfranchised Negroes and actually to military rulers and carpetbagger civil authorities.

I will mention one other case, the Milligan case. Milligan was a citizen of Indiana. He was a southern sympathizer and did not conceal the fact. He was arrested by the military authorities, tried by a Federal military court, and sentenced to death. His attorney sued out a writ of habeas corpus. The Supreme Court held that since the Federal courts in Indiana were open during the entire time that Milligan was entitled to be tried in a civil court before a jury that the trial before the military tribunal was void. Judge David Davis rendered the decision, and in the course of it he said to a fanatical Congress: "You have violated the Constitution. It is true that the man at bar has odium all over him and he is humble; but he has a right, and that right is given him by the Constitution of the United States, to be tried by a civil jury in a civil court." Milligan's life was saved because the Court was brave enough to uphold the Constitution against both the President and Congress.

As a result of these various decisions a storm of denunciation broke out more violent than anything that has been said against the President's proposal to pack the Court. The Court "had made itself the support of the advocates of rebellion", had provided "a secure shelter for treason vanquished on the battlefield." It had "destroyed the congressional plan for reconstruction." "Verbal sophistries" had been applied "to conceal iniquitous doctrines", and the Court was attacked as "rebel hirelings", as "traitors", betrayers of the "great revolution", and the Justices were assailed as "antediluvian judges", "old fossils", "nine old superior pettifoggers."

Bills were introduced to deny the right of the Court to pass upon constitutional questions, and as today proposals were made for 6-3 or 7-2 decisions to restrict the Court's power of review of the acts of Congress, and the one proposal made to enlarge the Court's membership was so strongly opposed by both Republicans and Democrats of the North as a scheme to pack the Court that it was quickly dropped.

The Supreme Court saved the South because it saved the Constitution.

The South has every chance of again being in the minority and of being submerged by the votes of the proletariat in our great cities. The New England States seem to sense this threat for themselves, and all but 1 of their 12 Senators are against the Roosevelt plan.

The Supreme Court is the "balance wheel" of our Government, as President Wilson called it. It is the only factor for stability we have in this country, with a population easily swayed by emotions and influenced by slogans.

With the growth of administrative government and the great increase in the power of the Executive through the submersion of Congress, which has abdicated from many of its constitutional powers by delegating them to the Executive, it is all the more necessary that the situation of the Court should be assured and that the position which it early assumed and has always maintained of independence from every external influence be sustained.

As that great jurist, Justice Story, said in his famous Commentaries on the Constitution, "There can be no security for a minority in a free government except through the judicial department."

FREDERICK H. ALLEN.

CHARLESTON, S. C., *May 27, 1937.*

Annual Conference of the Women's Division, New York State Democratic Committee

EXTENSION OF REMARKS
OF
HON. CAROLINE O'DAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1937

ADDRESS OF POSTMASTER GENERAL JAMES A. FARLEY, DELIVERED AT THE DINNER OF ANNUAL CONFERENCE OF WOMEN'S DIVISION, NEW YORK STATE DEMOCRATIC COMMITTEE, SYRACUSE, N. Y., JUNE 8, 1937

Mrs. O'DAY. Mr. Speaker, I ask to have inserted in the CONGRESSIONAL RECORD the address of Postmaster General Farley at the dinner of the annual conference of the Women's Division, New York State Democratic committee, in Syracuse, N. Y., June 8. I was present at the dinner, and feel that Mr. Farley's address will be of interest to women generally.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It occurred to me, when I first began thinking of what I might say to you tonight, that the most original contribution I could make to this gathering would be to give my own reaction to the emergence of women upon the political scene. One of the most interesting aspects of human beings is their adaptability. You are gathered here today to discuss politics. No one seems to consider it an extraordinary occasion and, yet, 18 years ago the question of whether women were to be accorded suffrage was agitating most of the women and all of the men of the country. Now, less than two decades after they were granted the vote, women participate in government in a major way much to the betterment of government itself and greatly to the credit of modern womanhood.

My political life covers the entire era of "votes for women." I was in politics before you were allowed to vote, and I have had a considerable amount of political experience since then. I think we can all look back with amazement at the fears of those conservatives who held that the extension of suffrage to women was a blow at our Government. Instead, women's emergence in the political arena has caused a quickening social consciousness in government. This is fortunate because the social processes, the protection of the home, the human treatment of people in industry, the regulation of the hours and conditions of labor for women—these are essentially questions in which women have a real and fundamental interest. I do not in any way wish to accuse my own sex of any lack in this respect, but I must confess that these questions appeal more immediately to women. I think that the great interest of the women of this country in the President's program for social legislation in the last election indicates clearly how much women think and feel upon these subjects.

I have in mind one rather oldish lady who, I think, illustrates what I mean. A few days before election she was asked how she intended voting. She answered, "I generally vote the Republican ticket, but I think the time comes when you must do the right thing regardless of prejudices. So, I am going to vote for Mr. Roosevelt."

As our civilization grows more complex the area of our lives upon which Government intrudes becomes greater and greater. And as it does it becomes more and more necessary to have those who participate in Government better trained for their positions, so that the very business of Government can be carried on more efficiently and more intelligently. Government, like life itself, or any other living organism, is constantly evolving. There are no formulas by which its evolution in any particular direction can be guaranteed. One guaranty only can we give, and that is that the people, if they be intelligently informed, will concern themselves intelligently with their Government. They can in this way give to themselves the best that human experience and wisdom can bring in the way of self-government.

I have said that government becomes more and more complex, and if our Government is not to become an outworn and archaic form, it must respond to its newer responsibilities. With the attraction of women's interest to public affairs, I have high hopes of the future; for women, fundamentally interested as they are in the social aspects of life, can, through their concern in the problems of the day, help Government to the proper solutions of the difficulties that confront us. I have seen in my time the growth of public affairs from where they were the interest almost exclusively of a few who were active in party councils to now, where they are at the point of interesting every citizen of the country.

And now that it is accepted as proper and right that women's interest in Government is real, intelligent, and earnest, I look upon meetings like these as happy portents for the future. There are problems ahead of us, especially in the field of social legislation, which I, for one, can face with much more confidence when I know that you are weighing the pros and cons of those problems and are prepared to indicate your desire for their solution.

Already women have had a major part in the molding of public opinion to such an extent that we have as actual accomplishments such far-reaching acts as those to promote world peace and child welfare. It has been the activities of women that have facilitated the attainment of such social reforms as old-age pensions, unemployment insurance, minimum wages for women in industry and humane immigration laws. Women have demanded and Government has provided playgrounds and parks, hospitals and sanitariums and an extension of educational facilities. You have been willing to work and fight for these through defeat and victory for all these years, and tonight as you sit in this room, I am sure you have a great sense of satisfaction in knowing that these early dreams have come true.

But, great as had been your accomplishment, there is still much to be done. In the first place, women must be on guard to see to it that some untoward event does not occur to cause a slip back from the advanced position attained. Progress has too often been obstructed by a temporary shift in mass opinion caused usually by a let down of effort on the part of those who, having attained some of their goals, allowed for a time their enthusiasm to become dormant. Continued vigilance will insure continued progress, and I know that the enthusiasm of your leaders will keep you continually vigilant so as to avoid any temporary retrogression.

Secondly, the progressive enactments which you have brought about have come so quickly that the administrative machinery of these progressive laws have had to be set up with practically no experience as a guide. Consequently, the administration of the various phases of social legislation must be watched carefully so that any defects can be quickly remedied to the end that a simple and efficient administration of all these laws may be brought about without undue delay. The quicker this is accomplished, the less effective will be the criticism on the part of those who disagree with our policies and the sooner will these enactments be accepted as a permanent part of our government.

Thirdly, many things are yet to be done. We must solve the problem of child labor, nationally. Everyone knows that child labor must be abolished, and I am sure that in due course a formula can be reached which will erase forever child labor from our national picture.

While great strides have been made in the way of slum clearance and better housing, the field is still of great magnitude. This is a problem that should be extremely interesting to women. We must not in any way let up in our efforts until decent living quarters are within reach of all.

Labor has gained more leisure and more income, and when the proper balance is finally struck and laws enacted to insure its permanency, the country will be more prosperous, more contented, and closer to the ideals which inspired the founding of the Republic.

Agriculture must be protected so that those who work the land will have the same benefits that accrue to those who live in the cities. This means good roads, rural electrification, adequate marketing facilities, and actual protection against drought and flood.

Labor and agriculture, which I have both mentioned separately, have also a mutual responsibility to each other, which, of course, will ultimately be recognized, thus opening the way for each group to insure the prosperity of the other group. Women can take a great part in bringing about an understanding between these two great groups of our population through the dissemination of information which will promote the working out of their problems. Here again we must work toward a balance, and here again, once we obtain the balance, we will have made permanent strides toward permanent prosperity and permanent contentment.

Some may say that I am giving too much credit to the women of the country for the social progress we have made. Some will say that I am leaning too heavily upon the women of the country for the solution of problems yet to be solved. This is not the case. Both men and women will have to work together as they have done in the past. However, women by their nature supply elements which, when coupled with the elements common to men, facilitate progress. It is hard to put your finger on just what each can do best, but you cannot deny that there has been more social progress in the United States in the past 18 years since the women have had the vote and have cooperated with men in public affairs, than there was in the whole of our history before women were enfranchised.

Now I want to inject a personal note. It is almost 10 years since I became associated in an official way with the State organization of our party. For almost half of that time I have also been chairman of the national organization of our party. My way has been made easier by the cooperation that has been given me by the Democratic women of America and of New York. They have performed a patriotic service for which I shall forever be grateful. There is no need of me repeating that I am for equal rights for women in politics. There is no need of me saying that the credit for what we have accomplished belongs to women equally with men. There is no need of me adding, but I will add, that the participation of women in our party councils has been responsible for the great strides made by our party in the State and the Nation. I bespeak your continued interest, your continued enthusiasm, and your continued support. Keep up the good work and we will have nothing to fear in the future. Our State will re-

main Democratic, and we shall elect a majority to the constitutional convention to insure writing into our fundamental laws of the State those progressive enactments which have been so ably fostered and approved during the administration of our present great Governor, Herbert H. Lehman.

Nationally, too, your support and effort will assist in the continuation of liberal government, and there will be no end to the crusade of progress so well under way under the inspiring leadership of the people's warrior, our great President, Franklin D. Roosevelt.

Stand of Roads Committee on Cartwright Amendment

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1937

Mr. CARTWRIGHT. Mr. Speaker, inasmuch as there have been some inquiries and indications of interest as to the position of members of the Committee on Roads of the House on the amendment, which I offered to the work-relief bill (H. J. Res. 361) to allocate $150,000,000 for highway construction, I wish to place in the RECORD the votes of members of the committee on the roll call vote on June 1, as follows:

Yeas—12

Democrats: Wilburn Cartwright, of Oklahoma; William M. Whittington, of Mississippi; Thomas O'Malley, of Wisconsin; Jennings Randolph, of West Virginia; Hugh Peterson, of Georgia; John L. McClellan, of Arkansas; Nat Patton, of Texas; and John J. Sparkman, of Alabama.

Progressive: Bernard J. Gehrmann, of Wisconsin.

Republicans: James W. Mott, of Oregon; Karl Steffan, of Nebraska; and Cassius C. Dowell, of Iowa.

Nays—5

Democrats: Lindsay C. Warren, of North Carolina; Monrad C. Wallgren, of Washington; Orville Zimmerman, of Missouri; Lewis L. Boyer, of Illinois; and William S. Jacobsen, of Iowa.

Paired for—1

Republican: Jesse P. Wolcott, of Michigan.

Not voting—3

Democrats: J. W. Robinson, of Utah, and Robert T. Secrest, of Ohio.

Republican: Bert Lord, of New York.

A total of 178 Members from 39 States were recorded in support of the amendment on the final vote, including a majority of 20 State delegations, while a majority of 19 State delegations voted against it. The vote in seven other States was tied. Positions of Members from two States—New Mexico and Vermont—were not recorded. Under the circumstances I am proud of the vote.

National Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1937

Mr. LEAVY. Mr. Speaker, I feel now, more than ever, that as a matter of economic recovery and, looming even larger than that, as a matter of social justice a tax plan should be devised that will guarantee to every American citizen who desires to accept its benefits a sufficient and decent competence through his declining years.

The Social Security Act passed under the leadership of President Roosevelt is a step in the right direction, but it falls woefully short of accomplishing what must be done. The numerous bills now pending before the Ways and Means Committee in Congress are all further steps in the same general direction. I can and do support the McGroarty bill and the General Welfare Act, as both of them recognize the principle that I have just stated. Each of them, as well as any other similar type of legislation introduced, would of necessity undergo such modifications and changes as discussion and experience disclosed were needed.

DR. TOWNSEND HAS ASSUMED AN ARBITRARY ATTITUDE

I am convinced that Dr. Townsend, by his unusual and arbitrary actions, has driven from himself almost every Member of Congress. His statement that the $200-a-month proposal was "holding a whiff of straw tied to a stick in front of a cow's nose to get the cow to follow you" was to me shocking and disappointing. His statement that any Congressman who supported President Roosevelt and parts of his New Deal program, even though he supported the General Welfare Act, should be marked for defeat in 1938, and his further statement that he considered other matters of greater importance than the national old-age pension matter resulted in driving from him every vestige of congressional support that he had. Mr. Arthur L. Johnson, the legislative representative of the Townsend movement here, I have found to be an able, capable, and sincere lawyer and gentleman. I am not in accord with Congressman MCGROARTY'S references to him. Mr. Johnson was as deeply surprised and shocked at the attitude Dr. Townsend took as I was, and as were others who heard him make such statements.

I was opposed to the money-raising program of Dr. Townsend, referred to by Congressman MCGROARTY in his speech, and I earlier made my opposition known to my Townsend friends in Washington. I did sign the discharge petition on the Clerk's desk to bring the General Welfare Act on to the floor of the House, and I did so with full knowledge of its contents, believing then and now that it is a long step in the right direction looking toward social justice and entitled to be given consideration on the floor of the House.

Some of the very finest friends that I have in my district are among the Townsend supporters. I shall work for them and the thousands of other good people in my district who are entitled to comfort and decency and happiness in their declining years instead of misery, poverty, and heartrending suffering and humiliation such as is now prevalent.

STATE PENSION NOT SUCCESSFUL

I am glad that my State is in the forefront in the matter of old-age pensions but we are a long way from solving the problem. We must completely abandon the Federal system of contributions and must set up a national system of old-age pensions giving to every American citizen, irrespective of the State in which he lives, an equal competence, so that he may live in comfort and decency throughout the remaining years of his life. This can only be done and provided for by national legislation. If there are some who believe that a national transaction tax or sales tax is not the proper method of raising the money, then some other method must be devised.

GROSS-INCOME TAX

The Social Security Act, as now administered, levies a gross-income tax on 26,000,000 American people, all of extremely low incomes. It may be that this points the way to the type of tax that will distribute national annual income, will guarantee security to every American, and will open the way for the youth of our land to find employment and to grow into useful citizens with an opportunity for full realization of their hopes, aspirations, and ambitions.

In order to accomplish this, the principle of a gross income tax would, of necessity, have to be a graduated tax, substantially increasing as it went into the higher brackets of income. It would have to be levied upon every income of individuals, copartnerships, associations, and corporations, that were engaged in profit-making enterprises and it would have to be collected monthly instead of annually and disbursed monthly. The foregoing suggestion is purely my own and comes to me as a result of the methods now being practiced under the Social Security Act, which, while moving in the right direction, is totally inadequate because it denies its meager benefits to the millions of Americans engaged in the greatest industry of all, to wit: Agriculture.

Likewise it denies its benefits to every individual who has the courage to engage in business for himself in an independent way and to that great army of professional and semiprofessional workers, as well as all older people who cannot or will not qualify as being destitute.

PRINCIPLES MUST BE PARAMOUNT

An analysis of my stand here taken is merely a reiteration of what I said upon hundreds of occasions in talking to old-age pension groups during the last 2 years of this subject and that is, that I was not concerned with individualities or personalities, but solely with principles.

I am convinced that no sound recovery can ever come until we first completely control and regulate our national finances and second, until we justly and equitably distribute our national annual production and to accomplish this latter, there is no more deserving and appropriate agency than the fathers and mothers of America by whose genius, toil, and struggle, the productive America of today was made possible.

Be Fair to Boulder Dam—Southern California Asks for a Square Deal

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1937

Mr. COLDEN. Mr. Speaker, on June 1, 14 days ago, the water in Lake Mead, that great artificial reservoir created by Boulder Dam on the Colorado River, reached an elevation such that the huge electric generators at the dam were able to start the production of firm electric power. It is true that before that date some power was produced, but this was of an interim or temporary character. From now on, as the water in the lake rises higher and higher, additional firm power will be generated until the ultimate capacity of the project is reached, which is 1,760,000 horsepower.

Sometime before the end of this year the United States will start the generation and sale of electric power at another great Federal dam—that at Bonneville on the Columbia River. Thus practically concurrently two fine Federal projects necessary for the prevention of flood and improvement of navigation, but at the same time capable of producing vast quantities of electric power will become going enterprises.

TWO GREAT PROJECTS

The United States may well be proud of these two projects, and I trust my colleagues will pardon me if I take a few minutes in which to speak to them of these two public enterprises of such far-reaching importance to the Pacific coast. I am more familiar with the first of these because it is of particular interest to the section from which I come. I am hardly less interested, however, in the project on the Columbia River because we of the West realize that what is beneficial to one section of our country is beneficial to the rest. Besides this, it was my privilege to be a member of the Committee on Rivers and Harbors, which recommended the development at Bonneville.

Boulder Dam was authorized by the Swing-Johnson bill which passed the Congress and was approved by President Coolidge late in the year 1928. The authorizing act became a law only after many years of hearing and struggle.

Located as the dam is, in the lower reaches of the Colorado River, the upper Colorado River States were fearful that upon its construction, rights to the water impounded and made captive would become fixed in favor of lower States users and that the upper States in years to come might find that much of the water of the river had become appropriated so that their use of such water would be frustrated. It was under these circumstances that there was launched by these States an effort to bring about an interstate compact whereby the upper States might be given a firm title to water which they could use 10 years hence, or 30 years hence, or 50 years hence. Finally, at Santa Fe, N. Mex., in 1922, representatives of the seven States of the Colorado River Basin signed the so-called Colorado River compact, which gave these upper-division States the protection which they so greatly desired and needed. This compact was not of particular benefit to the lower States of the Colorado River Basin. The State of Arizona never has ratified it. California finally ratified it, whether Arizona did or not, but upon condition that her ratification should become effective only when the Congress of the United States had—

> Duly authorized and directed the construction by the United States of a dam in the main stream of the Colorado River at or below Boulder Canyon adequate to create a storage reservoir of a capacity of not less than 20,000,000 acre-feet of water." (Ch. 33, Statutes of California, 1925.)

PURPOSES OF BOULDER DAM

A few years thereafter the Swing-Johnson bill was passed. Thus the upper basin States of the Colorado River secured the protection they desired through the Colorado River compact; the lower basin States secured a great development at Boulder Canyon.

The Boulder Canyon Project Act really authorizes two projects as follows:

First. The All-American Canal, which takes water from the river just above the international boundary line between the United States and Mexico and carries it into the Imperial Valley. This part of the project is by the express terms of the act handled as a reclamation development.

Second. Boulder Dam, which stores water to protect Imperial Valley from floods, aids in a small way navigation, facilitates reclamation, provides a source of domestic water to southern California and furnishes ultimately 1,760,000 horsepower of electricity. According to the act which authorizes these two projects, essentially separate in nature, all financial transactions affecting them are cleared through a special fund called the Colorado River Dam fund into which and out of which flow all advances, costs of construction, revenues, expenses, and repayments to the Government of principal and interest.

PIONEERING IN PUBLIC POWER

When Boulder Dam was authorized the public development of power was not looked upon with favor. At that time the Government was generating a small amount of electric energy at small plants constructed in connection with some of its reclamation projects. Where a navigation dam had been built and hydroelectric power became available as an incident thereto such power privilege was usually leased to a private corporation. There was a strong sentiment against the Government in any wise getting into the power business.

In a way, the Boulder project broke through this opposition to the Government having anything to do with power, but only at the price of having the power possibilities at Boulder loaded up with many onerous restrictions and conditions which seem strangely out of line with the present liberal policy of the Government toward the Federal production and sale of power. Thus the legislation passed in 1928 provided that not one cent of money should be appropriated for construction until the Secretary of the Interior had made—

> Provision for revenues by contract * * * adequate in his judgment to insure payment of all expense of operation and maintenance * * * incurred by the United States and the repayment within 50 years * * * of all amounts advanced * * * together with interest thereon made reimbursable under this act.

An interest rate of 4 percent was fixed which was marginally higher than the then interest cost of money to the Government. While the dam concededly served an important flood-control purpose and while Congress declared in the act that $25,000,000 of the cost was allocated to flood control, the act itself contemplated that power should repay this item with 4-percent interest as well as the remaining cost of the dam. As it was a serious matter for anyone to

enter into a contract for as long as 50 years, the act did give to those who assumed the obligation a modicum of protection by providing that the price fixed in the contracts should be readjusted 15 years after date of contract and every 10 years thereafter—

Either upward or downward as to price as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers.

SOUTHERN CALIFORNIA UNDERWROTE PROJECT

Pursuant to the terms of the act, contracts were negotiated, mostly for power, by which the Government's investment was definitely and firmly assured in advance of the expenditure of a single cent of public money.

It is of interest to point out who made these contracts. First, there was the Metropolitan Water District of Southern California which was about to construct an aqueduct from the Colorado River to the coast and needed a large block of power in order to elevate this water some 1,700 feet over the mountains. This district was allocated and contracted for 36 percent of the total firm power available. The States of Arizona and Nevada were each allocated 18 percent of the power which they were permitted to take upon notice at any time during the 50-year period. The cities of Los Angeles, Pasadena, Glendale, and Burbank, which had going and successful municipal plants, were allocated 19 percent of the firm power, and three private utilities were allocated the 9 percent remaining. Since the date of the original contracts, the city of Los Angeles has acquired one of these utilities and its allotment so that the firm power allocated to private utilities represents only about 8 percent of the total. In order to further protect the Government the city of Los Angeles and one of the private companies were obligated to take and pay for such of the power as the States of Arizona and Nevada could not use. It will thus be seen that this project of the Government was, in effect, underwritten in a very large part by public agencies not engaged in business as a matter of profit but for the benefit of their citizens.

The price which these agencies were required to pay for the use of falling water was such that 64 percent of the obligation was adequate to reimburse the Government for its entire estimated investment with 4-percent interest in 50 years.

After these contracts were secured, appropriations were made and contracts let for the construction of Boulder Dam. Construction proceeded rapidly and the dam was completed in 1936 and water began to fill up the great reservoir behind the dam.

COST OF DAM, GENERATION, AND TRANSMISSION

When the contracts were negotiated it was decided that the Government should not actually generate any power at the dam, but should lease the right of falling water, and that it should provide generating machinery, but lease such machinery to the parties on such terms that as to the machinery the Government would be repaid the cost within 10 years at 4-percent interest.

The dam, including the $25,000,000 of the cost allocated to flood control, cost, in round figures, $100,000,000. The machinery which has thus far been installed has cost between nine and ten million dollars. The city of Los Angeles has built two transmission lines to the coast entirely at its own expense at a cost, including receiving facilities, of approximately $23,000,000. The Metropolitan Water District has built a transmission line to its pumping stations at a cost of approximately $3,400,000. One of the private companies has built a transmission line and another is building a line to the coast at the present time.

TAXES AND FUTURE PROFITS

There are one or two other rather interesting features of this Boulder Dam project which justify passing mention.

While the Boulder Canyon Project Act was working its way through the Congress the States of Arizona and Nevada insisted that some provision should be made whereby they would receive payments out of revenues from the dam as a substitute for the taxes they would receive if it were built by private capital. The Congress decided that it was fair to pay to each State, during the period of amortization, 18¾ percent of the excess revenue, if any, realized from the sale of power.

The second interesting feature of the act was this: It was realized that after the Government had gotten all of its money back from the dam, the project would still be a going affair capable of yielding revenue in substantial amount. Under these circumstances Congress in its wisdom provided in section 5 of the Boulder Canyon Project Act that—

After the payments to the United States of all money advanced, with interest, charges should be on such basis, and the revenue derived therefrom shall be kept in a separate fund to be expended within the Colorado River Basin as may hereafter be prescribed by the Congress.

Thus, after the project had paid itself out it was to be operated for the benefit of the seven Colorado River Basin States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

OTHER PROJECTS GET FAVORED TERMS

While this great dam was being built under the conditions thus sketchily outlined, marked changes were taking place in the United States. A depression of unexampled severity brought about an entire different outlook upon things by our people. A different attitude toward power gradually took form. Our people began to see the social significance of low-cost power.

Timidity over the idea of the Government generating and disposing of hydroelectric power produced at projects established for navigation, flood control, and the like began to disappear. The great Tennessee Valley Authority took form. Bonneville Dam was authorized. The servicing cost of money, perhaps because of Federal policy, perhaps due to the play of economic forces, dropped measurably.

As to these later projects, the idea was not to load power up with all manner of burdens and restrictions as was done at Boulder Dam, but to see that it stood on its own feet and was widely distributed to the public at as low a cost as was consistent with business principles.

Now, the cost of hydroelectric power, unlike the cost of steam-generated power, depends primarily upon what may roughly be termed "capital cost." By that I mean the extent of the cost allocated to power, the period of time within which it is to be repaid, and the interest rate assessed. Operating expenses are insignificant.

SOUTHERN CALIFORNIA ASKS FOR A SQUARE DEAL

In these later projects, unlike Boulder, it seems to be the idea of the Government that power should bear the burden of amortizing only that portion of the cost which is fairly allocable to power. In all of the numerous bills setting up an administration for Bonneville, for instance, no suggestion appears that power do more than pay its own way. No mandatory interest rate or amortization is laid down. No fixed period of years is prescribed within which the Government must get its money back. Contracts in advance of construction have not been required.

This changed attitude of the Government toward power has naturally given rise to grave concern and anxiety upon the part of those who have entered into 50-year contracts at Boulder. Does the Government propose to undercut its own project at Boulder? Is it going to leave those public agencies who are paying for Boulder in a strait jacket until 1945 when their contracts may be revised? Is it going to insist upon making a side profit of over $1,000,000 a year out of these agencies by charging them 4 percent interest for money that costs the Government less than 3 percent and have power users at its other projects provide in the rates they pay for only a reasonable interest charge? Is it going to make these agencies at Boulder pay enough for power to amortize with interest the cost of the dam allocated to flood control while treating patrons of other projects on a different basis?

Of course, the answer is clear. This Government of ours cannot thus discriminate between its own projects and the territories they serve. Many years ago the Congress forbade discrimination by the railroads. It has forbidden discrimination by interstate telephone companies and power

companies. If discrimination by private utilities is wrong, it is even more wrong when done by the Government itself.

Rates at different Government projects should not necessarily be the same. One project may be better than another. But certainly if the Government is not to lay itself open to just and deserved criticism it must see that in the financial requirements it makes as to its several enterprises, it applies the same basis and the same yardstick.

The People of Norway, Like Those of the Other Scandinavian Countries, Are Far More Radical Politically Than Are Their Kinsmen in the United States

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1937

Mr. TEIGAN. Mr. Speaker, on May 17 last I had the pleasure of addressing the "Syttende Mai" (17th of May) celebration of the Sons of Norway at Baltimore, Md. On that date each year the Norwegian people celebrate the anniversary of the founding of their constitutional government in 1814, under which political democracy has been permitted to hold sway in their land. I have no hesitancy in saying that the Government of Norway is in a practical sense the most democratic governmental set-up on the European Continent.

The legislative power is vested in the Storthing—Parliament—the members numbering 150, elected for 3 years by direct vote on universal suffrage of citizens, both male and female of 23 years of age. The Storthing divides itself into two sections, one-fourth of the membership forming the Lagthing and three-fourths the Odelsthing, which consider the legislation separately, sitting in joint session on failure to agree separately, when decision is made by a two-thirds majority. The King may exercise the veto twice, but if the same bill is passed a third time it becomes law. The King appoints an executive Cabinet of at least eight Ministers, who may speak in the Storthing but have no vote.

PARLIAMENT HAS SUPREME POWER

This democratic machinery affords the Norwegian people an opportunity to make such changes in their economic and political organization as the exigencies may from time to time require. No Supreme Court or other political oligarchy, including the King, is permitted to stand in the way of the enactment of wholesome and worth-while legislation in the interests of the people.

I believe that a few facts concerning the conditions in the Land of the Midnight Sun with references to the other Scandinavian countries will prove of interest to the Members of the House. Their ways of meeting the depression, unemployment, business stagnation, and so forth, must be of some interest to us.

SCANDINAVIANS STRIVE FOR WORLD PEACE

Though the Norwegian people are among the most pacifist in the world today, and though their Government in collaboration with the Governments of Sweden, Denmark, and Finland have definitely taken steps to reduce armaments and have reduced expenditures for military purposes, Norway now finds herself in the awkward position of being compelled to make some slight alteration in her plan to reduce military expenditures.

The Norwegians fear that fascism, which has taken possession of several of the larger countries of Europe, is striving to establish its rule throughout all of Europe. Norway is particularly afraid of Hitler and his regime in Germany. There is also some slight, though perhaps unjustified, fear that Russia may impose its rule upon Scandinavia. This is no doubt due to the fact that under the rule of the Czar, Russia was at all times a potential enemy of the Scandinavian countries. In other words, this condition may be psychological rather than real, as every indication is that Soviet Russia is today the outstanding advocate of peace in the world. But it is quite otherwise with fascism, which desires the complete subjugation of the working classes to the rule of their plunderers. And so the Parliament of Norway has recently extended annual military service from 72 to 75 days.

In passing it may be well to observe that the Norwegian merchant marine has already suffered considerably at the hands of the Fascist forces now striving to destroy the democratic government of Spain. According to recent information that I have just received from a friend in Norway, the Spanish rebels, consisting of Moors, Germans, Italians, and Spanish capitalists, have seized 25 vessels of the Norwegian merchant marine.

NORWAY MAKES PROGRESS

With respect to Norway's financial status, it can be stated that it is suffering less than most of the countries of Europe from the world depression. While its prosperity is not equal to that of its nearest neighbor, Sweden, it is nevertheless much in advance of that of the average country on the Continent.

The iron mines at Mo, which have not been in operation since 1931, have now been reopened, with the employment of 500 men, and it is estimated that the exportable iron ore in these mines amounts to 100,000,000 metric tons. It is also estimated that there are 200,000,000 tons of iron ore in the country. Besides iron, Norway has other natural resources, such as silver, copper, nickel, and zinc. There was exported in 1936 some 700,000 metric tons of coal from Svalbard—the island of Spitzbergen. The annual production of Norway's industries, including mining, totals one and a half billion crowns, or approximately $375,000,000, which compares with $75,000,000 for agriculture, $35,000,000 for fishing, including whaling, and the net receipts from its merchant marine, which approximate $60,000,000 per year.

I have just referred here briefly to the production of Norway's industries in order to show that we Americans of Norwegian origin may be laboring under something of a misapprehension when we assume that "det er bare fattigdom i Norge"—there is only poverty in Norway.

PEOPLE OF NORWAY DECIDEDLY RADICAL

It may be a bit surprising to some of the Members of the House to know that the people of Norway like those of the other Scandinavian countries are far more radical politically than are their kinsmen in the United States. Norway has today a Labor or Socialist government. The same is true of Denmark and Sweden. Finland has a Liberal government, with participation in the same by representatives of the Socialist Party.

To those of us who live in Minnesota and in the Northwest where the Norwegians constitute a high percentage of the total population, it is of interest to note that the program of the Norwegian Labor Party is comparable to that advocated by the Farmer-Labor and Progressive Parties of Minnesota and Wisconsin.

During the campaign last year preceding the parliamentary elections the opposition parties attacked the Labor government on the ground that it was piling up a huge public debt and was moreover guilty of waste and extravagance, of levying unduly heavy taxes, and was desirous of establishing a dictatorship. The Laborites replied by pointing to the fact that the country had been successful in improving the living conditions of the average man and insisted that they were "spending to save." The Labor government has been putting into operation work-relief programs of public works with the workers being paid as in the open market, financed by supertaxes on big fortunes. The conservatives there, as the conservatives here, have opposed the taxing of the rich to make possible improved conditions for the poor, and especially for the unemployed.

The Labor Party after 3 years of administration following its success in the election of 1933, continued in power to the election of October 19, last. At that time it increased its representation in Parliament by one member. The party now has 70 members out of a total of 150. Curiously enough, the Agrarian or Farmers' Party launched a few years ago as

an opponent of the Labor Party has been its principal supporter since the latter party took charge of the Government in January 1934.

RETURNS SHOW LABOR PARTY GROWTH

Under the list system of proportional representation now in use Norway's political parties fared at the 1933 and 1936 elections as shown in the table printed below:

Parties	Popular vote		Members elected	
	1933	1936	1933	1936
Labor	499,421	617,456	69	70
Conservative	270,658	301,334	31	36
Liberal	218,545	226,030	25	23
Agrarian	175,108	157,132	23	18
Communist	23,301	4,376	0	0
National Union (Fascist)	27,775	26,406	0	0
Commonwealth Party	18,974	44,797	1	1
Christian People's	10,237	19,454	1	2
Total			150	150

But, Mr. Speaker, after sizing up the growth of the Labor Party of Norway and its comparative strength in that country, let us look for a moment at the neighboring country of Sweden and note what has taken place there. The following table shows the comparative strength of the Social-Democratic (Labor) Party and the opposition parties in the election of 1932 and 1936:

Parties	Popular vote		Members elected	
	1932	1936	1932	1936
Social Democrat	1,040,698	1,338,057	102	112
Conservative	570,784	512,425	53	44
Agrarian	351,215	418,830	37	36
Peoples' Party	204,055	376,179	25	27
Left Socialist	132,564	127,827	8	6
National Union (Fascist)	6,019	26,741	3	0
Communist	74,245	96,474	2	5
National Socialist	15,170	20,306	0	0
			230	230

COOPERATIVE MOVEMENT MAKES HEADWAY

Norway has an excellent cooperative movement. There are both producers' and consumers' cooperatives, but the latter rank first in importance. In the development of cooperatives, Norway can teach us much here in the United States. The Norwegians have not only built up their enterprises to a high point but they have developed the spirit of cooperation in their membership to an extent far beyond that existent among the people in America.

The consumers' cooperative movement in Norway can properly be said to have begun with the organization of the Cooperative Union of Norway 30 years ago. The federation was at first only an educational and propaganda organization, but the member societies almost immediately enlarged their functions to include wholesaling services, and to these were later added production, banking, and insurance.

The growth of these cooperative societies has been simply phenomenal. For example, in 1907 there were 19 societies, with 6,347 members, having an annual turn-over in business of $600,000. By 1920 there were 401 societies, with 88,000 members, and a business turn-over of $18,600,000. By 1935 the cooperative union had grown to 497 societies, with a total membership of 138,000 and an annual retail turn-over of $32,000,000.

The cooperative union today is not only engaged in the retail business but has a large central wholesale establishment and is the owner of many factories producing goods for their own use. Among these are included three margarine plants, a tobacco-products factory, a soap factory, a coffee roasting and blending plant, a flour mill, a chocolate factory, a shoe factory, and a branch factory of the Swedish Luma electric-lamp factory.

BUSINESS TURN-OVER $32,000,000

The following table shows how consumers' cooperatives have progressed in Norway during the past 30 years:

Year	Societies	Members	Retail turn-over
1907	19	6,347	$600,000
1911	77	19,000	1,500,000
1915	172	36,000	4,000,000
1920	401	88,000	18,600,000
1925	437	103,000	21,000,000
1930	455	110,000	29,500,000
1935	497	138,000	32,000,000

In connection with this table it must be pointed out that during the war the cooperatitves were hampered by an insufficient quota of imports, based on their consumption in 1913. The post-war crisis in 1920, which threw many private banks, insurance companies, industrial and commercial concerns into bankruptcy, also retarded the cooperative movement. On the whole, however, consumer cooperatives pulled through without serious losses, and have continued to build up capital resources. Share capital of the societies in 1935 was 17,300,000 kroner and their reserves 13,800,000 kroner. (Report of the Inquiry on Cooperative Enterprise in Europe, 1937; U. S. Government Printing Office, Washington, D. C.)

PUBLIC OWNERSHIP PLAYS PART

But it would be a mistake to assume that cooperation alone is the means employed for liberating the Norwegian people from economic bondage. Public ownership has played a prominent part in this endeavor. National and municipal ownership is very highly developed in Norway. From the very beginning, the National Government has built and operated practically every mile of the railway system. The Government owns extensive forest areas, some of the principal waterfalls and mines, the postal service, and the telegraph and telephone lines. A number of municipalities, and, to some extent, the National Government, own and operate a large number of electrical undertakings, waterworks, gas plants, street railways, motion-picture theaters, and other services.

It would, however, be erroneous to assume that capitalism has been abolished in the Scandinavian countries. It is indeed not so, and it is not my intention to create any such impression. The trend is decidedly in that direction, and it would be well to note what has been accomplished or what the Labor and Socialist Parties now in control of the several Scandinavian countries have in contemplation.

OBJECTIVE—"PRODUCTION FOR USE"

In his most excellent article entitled "Does Norwegian Labor Seek the Middle Way?" Finn Moe, foreign editor of Arbeiderbladet, of Oslo, Norway, has no illusions on this point and admits that ultimate freedom can only be found under a social order "where goods are produced for use." He says:

> Scandinavian labor agrees with those admirers of Scandinavia who declare that social change is possible without a type of proletarian dictatorship now found in the Soviet Union. But Scandinavian labor does not believe that it is possible to create a just and happy society on a capitalist basis. It is convinced that the only solution to the social problems lies in the social ownership and operation of basic industries by a strong labor government as the starting point for a transformation of an economic system wherein goods are produced for profit into a social order where goods are produced for use.

But while the ultimate objective of the Labor and Socialist Parties of the Scandinavian countries is a system of production for use, they are not unmindful of the fact that years will elapse before their objective will be fully attained. In the meantime they advocate and work for reforms to ameliorate the conditions of the workers, farmers, and business people.

GOVERNMENT AIDS AGRICULTURE

During the incumbency of the Labor government in Norway legislation has been enacted in behalf of agriculture. It has granted the farmers large sums of money for the development of new farms with the result that twice as many new farms have been opened up as in years gone by and 60,000 men and women have in this way obtained steady employment since 1921.

The Government has guaranteed sums needed to increase production in manufacturing establishments and has provided the capital necessary to build new plants. "It has founded a Government-controlled industrial bank to finance the development of industries, especially in new fields." Aid has been given the fisheries in providing them with needed

financing and also the Government has guaranteed a minimum price on cod.

EDITOR DEFINES LABOR'S POLICIES

In respect to the budget policy of the Labor government, Mr. Moe has the following to say:

Formerly the budget policy of the Labor Party was based on the old liberal conception—that is, its principal task was to effect a more equitable distribution of the burdens of society and of the national income by its taxation policy. But today the Labor government stresses the point that the budget is an expression of the increasing role of government in the economic life of the Nation. From being administrative and social in its character it has become more and more economic. Today it is considered the duty of the Government not only to inaugurate great public works but to step directly into fields which have hitherto been monopolized by private enterprise.

When the Labor government took office in March 1935 the budget for the coming year was already prepared by the liberal government and the Labor government had to confine its efforts to putting through an additional budget. In this additional budget it made appropriations for public works, for aid to municipalities, and the equalization of the municipal taxes; for relief, housing, assistance to fishermen in the form of grants for boats, implements, and the reduction of debts; for harbors and lighthouses; for the cultivation of noncultivated land and other agricultural purposes; for the building of highways and railways; for the reduction of interest on loans in certain cases where borrowers were in distress, and for other purposes.

The succeeding budget of the Labor government, a budget entirely prepared by it, gives a clearer picture of labor's policy. This budget provided for the increase in expenditure from four hundred and thirty-six and nine-tenths millions to four hundred and eighty-one and four-tenths millions. (The original budget of the last Liberal government was much below the four hundred and thirty-six and nine-tenths million figure.) The Labor government doubled the sums for public works, especially for the building of railways and highways.

SCANDINAVIAN CULTURE STANDS HIGH

We Americans of Norwegian ancestry have good reason for celebrating May 17. By so doing we manifest, first, an interest in the land of our ancestors and our kinsmen across the sea, and, second, we express our appreciation in these celebrations of that fine democratic spirit and culture that has made the comparatively small population of Norway one of great influence in world affairs. Its culture has made itself felt in every civilized land. The works of Ibsen, Bjornsen, Hamsun, and other literary giants have been translated into a multitude of languages and dialects.

Incidentally, there is today no such thing as illiteracy in Norway. The man or woman in Norway who cannot read or write has not in recent years been located by the enumerators of the census department. Scandinavia as a whole leads the world in literacy, and that in itself bears testimony to the general intelligence that prevails in that part of the world. The political democracy of these countries is also reflected in the social life of their people, as snobbery and caste are all but nonexistent. This omens well for the future.

Representative Warren J. Duffey

MEMORIAL ADDRESS

OF

HON. BROOKS FLETCHER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. FLETCHER. Mr. Speaker, Hon. WARREN JOSEPH DUFFEY, Representative in Congress from the Ninth District of the State of Ohio, was one of the most likeable and brilliant Members of the House.

His genial manner and his sympathetic understanding of our everyday problems made him a beloved character in the House of Representatives. He was never too busy to counsel with his colleagues regarding any problem or legislative proposal they wished to discuss with him. His popularity was well deserved.

He was a native of the great State of Ohio, educated in the schools of Toledo, Ohio. He received the degrees of A. B. and A. M. from St. John's University at Toledo, and his LL. B. degree from the University of Michigan.

His interesting and active career included membership in the Lucas County, Ohio State, and American Bar Associations. He was a member of the Eightieth General Assembly of Ohio, 1913–14; member of Toledo City Council, 1917–18; and elected as a Representative in Congress, serving in the Seventy-third Congress and reelected to the Seventy-fourth Congress; his untimely death occurring July 7, 1936.

This is an impressive record of private and political activities which won for him the friendship, loyalty, and confidence of everyone who learned to know him through the years of his useful and active life.

As my colleague in the House and one of our membership in the Ohio delegation he was actively engaged at all times in the faithful discharge of his duties, and his untiring efforts in behalf of the district he had the honor to represent is well shown by the record he made in Congress.

He served with distinction as a member of the important Committee on the Judiciary of the House of Representatives.

His congressional district, the Ninth Ohio, which he so ably represented, has lost an able Representative and an outstanding statesman.

Representative William D. Thomas

MEMORIAL ADDRESS

OF

HON. FRANCIS D. CULKIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. CULKIN. Mr. Speaker, WILLIAM D. THOMAS had a long and distinguished career in the public service before coming to Congress. In his own locality and county the people repeatedly called him to positions of public trust and importance where he served with fidelity, loyalty, and unimpeachable integrity. He was a member of the New York State Legislature, representing his county in the assembly side of that body, and functioned so admirably that when his predecessor passed away, the Republicans of his district, by a well-nigh unanimous vote, sent him to the National Legislature.

His was a modest nature, but he had a rare genius for separating the legislative wheat from the chaff, and his vote always voiced sound Americanism, which was one of our beloved colleague's most outstanding traits. He was loyal and devoted to the interests of his district, State, and Nation, and no man took a more understanding or faithful part in the deliberations of Congress.

His modesty and charm won the affections of all, but he was particularly loved by the members of the New York delegation with whom he was more closely affiliated. The House mourns his passing and extends to his devoted and affectionate wife and family its sincere and earnest sympathy upon the passing of their loved one.

Banking

EXTENSION OF REMARKS

OF

HON. NAN WOOD HONEYMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1937

EXCERPTS FROM ADDRESS BY HON. J. F. T. O'CONNOR, COMPTROLLER OF THE CURRENCY, ON JUNE 14, 1937

Mrs. HONEYMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts

from an address of Hon. J. F. T. O'Connor, Comptroller of the Currency, before the annual convention of the Oregon Bankers Association at Bend, Oreg., on June 14, 1937:

Under the original National Banking Act charters expired at a definite time. In some instances the original charters expired before Congress passed the Bank Act of July 12, 1882, permitting an extension of charters, and it was therefore necessary for those banks to go into voluntary liquidation and for new charters to be issued to the institutions under the same title.

The banking structure of the Nation is in a healthy condition. Remarkable improvement has been shown since the banking holiday in March 1933. The first bank call following the holiday was on June 30, 1933. At that time deposits in the 4,902 national banks in operation amounted to $16,774,115,000. On March 31, 1937, the date of the most recent call, total deposits in the 5,311 active national banks aggregated $26,515,110,000. This represents an increase of $9,740,995,000, or 58.07 percent, over the 4-year period. The March 31, 1937, deposit figure shows a decrease of $1,093,287,000, or 3.96 percent, in the deposits of national banks since the call on December 31, 1936; but, compared with the call of a year ago, on March 4, 1936, the deposits show an increase of $1,655,655,000, or 6.66 percent. The report further shows an excess of reserves of $820,311,000.

In view of the decrease in deposits, it is rather interesting to note that the loans and discounts have increased $201,876,000 since the December 31 call, and that since the March call a year ago they have increased $1,038,340,000. The percentage of loans and discounts to total deposits on March 31, 1937, was 31.94, compared with 29.94 on December 31, 1936, or 29.89 on March 4, 1936.

Investments in United States Government obligations decreased $520,329,000, or 5.99 percent, since the December call, but increased $379,246,000, of 4.87 percent, since March of last year.

Surplus funds, undivided profits, reserves for contingencies, and preferred-stock retirement fund increased $39,136,000 during the quarter and $231,362,000 since the March 4, 1936, call.

The remarkable recovery which has been made by the national banks of the United States since the depression is clerly indicated by the figures reported for net additions to profits. For the calendar year 1930 the consolidated returns of all national banks showed net additions to profits of $158,411,000. For 1931, national banks reported a deficit of $54,550,000. The deficit reported for the calendar year 1931 was the first ever reported for a similar period in the history of the national banking system. For each of the calendar years 1932, 1933, and 1934 the national banks continued to show a deficit. For 1932, the deficit reported was $164,737,000; for 1933, $286,116,000; and for 1934, $153,451,000. For 1935, however, net additions to profits of $158,491,000 were reported, and for 1936, $314,143,000.

It will be noted that the earnings for 1936 represent a gain of $600,259,000 over the deficit reported for 1933.

You will be interested in the following comparative figures for national banks in the Nation as a whole.

Earnings and dividends of active national banks in the United States, years ended Dec. 31, 1932 and 1936

Date	1936	1932	Increase or decrease 1936 over 1932	
			Amount	Percent
TOTAL UNITED STATES				
Number of banks	5,331	6,016	−685	−11.39
Capital (par value)	$1,605,011,000	$1,634,484,000	−$29,473,000	−1.80
Net earnings from current operations	$260,134,000	$250,016,000	$10,118,000	4.05
Recoveries, profits on securities, etc	$360,617,000	$73,173,000	$287,444,000	392.83
Losses and depreciation charged off	$306,608,000	$487,926,000	−$181,318,000	−37.16
Net additions to profits	$314,143,000	−$164,737,000	$478,880,000	
Dividends declared	$137,676,000	$135,381,000	$2,295,000	1.70
Percent of dividends to capital	5.75	8.28		

Statement relative to active national banks in the United States June 30, 1933, and Mar. 31, 1937

	June 30, 1933	Mar. 31, 1937	Increase or decrease	
			Amount	Percent
UNITED STATES				
Number of banks	4,902	5,311	409	8.34
Loans and investments	$15,491,403,000	$20,721,862,000	$5,230,459,000	33.76
Total assets	20,860,491,000	30,049,172,000	9,188,681,000	44.05
Total deposits	16,774,115,000	26,515,110,000	9,740,995,000	58.07
Capital stock (book value)	1,515,647,000	1,586,072,000	70,425,000	4.65
Surplus, profits, and reserves	1,340,907,000	1,611,331,000	270,424,000	20.17

Among the important functions of the Bureau of the Comptroller of the Currency is the appointment of receivers for failed national banks and supervision over the administration of these trusts. At the time of the banking holiday in March 1933 there were 1,070 national banks in receivership with total deposits at closing of $889,800,000, and as the result of the banking holiday there were added 661 more receiverships with deposits at time of closing of $1,113,901,130, making a total of 1,731 receiverships with total deposits of $2,003,701,130. Of this amount, $1,428,502,134, or 71.3 percent, has been made available to creditors. It is not necessary to make any comment on the Herculean task involved in the distribution of this huge sum.

Since the banking holiday some 6,617,500 checks have been issued to receivers for use in the payment of dividends to depositors and other creditors, and since that time there has been made available to creditors in closed national banks the sum of $1,138,502,134.

Over a period of more than 20 months only one small national bank has failed in the entire United States, and that failure was caused by embezzlement. The deposits in this failed bank amounted to $507,687, of which $416,005, or 82 percent, was insured by the Federal Deposit Insurance Corporation. On December 31, 1936, there were insured by the Federal Deposit Insurance Corporation 14,026 banks with deposits of $50,255,719,000, of which approximately $22,000,000,000, or 44 percent, was insured. Deposits up to $5,000 in all national banks in the continental United States and all State banks which are members of the Federal Deposit System are insured under the law. Of these 14,026 banks, 5,325 with deposits of $27,555,856,000, or 54.83 percent of the total deposits of insured banks, are national member banks; 1,051 with deposits of $15,329,470,000, or 30.50 percent of all insured bank deposits, are State member banks; 7,594 with deposits of $6,372,658,000, or 12.68 percent, are State commercial nonmember banks, including 3 nonmember national banks; and 56 with deposits of $997,735,000, or 1.99 percent, are mutual savings banks. The deposits of 1,167 nonmember commercial banks, 509 mutual savings banks, and 3 nonmember national banks are not insured. These 1,679 uninsured banks have deposits of $10,870,206,000, or 17.78 percent of the deposits in all active banks in the country. It is hoped that the depositors in these uninsured banks will some day be protected by the Federal Deposit Insurance Corporation.

Since deposit insurance went into effect, 88 insured banks have failed. Since March 31, 1937, 8 State banks have failed and figures are not yet available concerning them. Of the remaining 80 banks, 6 were national institutions and 74 were State institutions. The total deposits of all 80 banks were $21,947,000, of which $15,795,000, or 72 percent, were insured by the Corporation. Recoveries made by the Corporation in these banks up to March 31 amounted to $4,088,474.

The establishment of this Corporation by an act of Congress in June 1933 was one of the most constructive and far-reaching additions ever made to the banking law of this country. The income of the Corporation from its investments in Government bonds has been more than sufficient to date to pay the losses and the overhead expenses of the Corporation, leaving the original capital and the assessments paid by the banks unimpaired.

Immediately following the banking holiday the President of the United States was anxious to improve the impaired condition of the banking structure of the Nation. He accordingly appointed a committee to work with the Reconstruction Finance Corporation in buying preferred stock in national banks, and purchasing notes and debentures in State banks. The Reconstruction Finance Corporation invested in State and national banks $1,052,802,103.23. It purchased preferred stock in national banks in the sum of $519,501,136.98, of which $236,541,305.12 has been retired in full or in part. It purchased notes and debentures in State banks in the amount of $533,300,966.25, of which $206,739,261.89 has been repaid. In other words, the Government has received back $443,280,567.01, with interest, of its investment of $1,052,802,103.23 in the banks of the country.

The President was also greatly interested in making possible the distribution of dividends to depositors in all closed banks, and he appointed another committee to cooperate with the Reconstruction Finance Corporation in making loans to receivers for dividend purposes.

The Reconstruction Finance Corporation has loaned to receivers and conservators of national banks $484,232,333.64, of which all has been repaid, except $11,616,981.80, and to liquidating agents of State banks $417,473,428.54, of which $347,884,354.46 has been repaid.

In looking over the past 4 years and in reviewing the part that was played by the effect of court decisions and statutes upon the work of the Comptroller's office, we find that many of the problems facing the office at the time of the banking emergency were legal in nature.

At the conclusion of the banking holiday we were confronted with problems attendant upon the closing, the reorganization, the reopening, and the administration in receivership of more banks than have ever before been so supervised.

To reorganize these banks legally, speedily, and soundly involved many legal questions. Of course, the trained examiners and chief examiners had to know the assets of the bank. They had to know what assets were acceptable to the reorganized banks, and a practical solution of the legal problems could not be reached without a simultaneous solution of the administrative problems.

It will be interesting to review some of the more important legal questions which came before the office in the last 4 years.

It is true that the reorganization of banks is practically over, yet it is certainly of interest to going banks to know that prior

to March 1933 there were no statutory means for the reorganization of banks which were flexible enough to take care of the situation.

The Bank Conservation Act was passed March 9, 1933, and it contained a provision known as section 207, which permitted the reorganization of banks without obtaining 100-percent consent of the depositors or creditors. Before the Bank Conservation Act, if it were necessary to restore a bank's solvency by a "write down" or waiver of some of its liabilities, this could be accomplished only by obtaining individual waivers from the individual creditors, and those who did not sign were paid in full, thereby creating a very inequitable situation. The provisions of section 207 made it possible to obtain the consent of three-fourths of the total deposits and liabilities and the consent of the shareholders owning at least two-thirds of its stock. When such consents were obtained, the non-assenting depositors were bound thereby.

The President's proclamation closed all the banks, and when many failed to reopen at the conclusion of the banking holiday, it was necessary to arrive at a legal conclusion as to the date on which the banks closed and as to the date on which an act of insolvency was created. There were various gubernatorial proclamations as well as the President's proclamation. In the case of *Bryce* v. *The National City Bank of New Rochelle* it was decided that the date of closing related back to the proclamation and that a contract entered into or an agreement made during the holiday period could create no new rights or claims against the bank (17 Fed. Supp. 792).

It is interesting to note in passing, although it is of primary interest only in cases of insolvency, that the right of the Comptroller of the Currency to determine whether or not a bank was insolvent was upheld in many decisions, and it was further held that a creditor did not have the right to go into the bank to inspect its books to determine whether or not the Comptroller had arrived at the correct decision that the bank was insolvent.

The courts held that in the absence of fraud or collusion the Comptroller's judgment was not subject to question by an examination of the books and records of the closed bank.

In addition to the cases above indicated as being emergency and banking holiday cases and constituting largely a new type of litigation since they involved situations not theretofore confronted, the office was faced with a deluge of suits involving illegal withdrawals. Immediately prior to the closing of many of the banks, customers who had better information than others or who by reason of certain contacts and associations had reason to be worried about the safety of their deposits, withdrew large sums upon the eve of closing.

These withdrawals were not made in the regular course of business but created on the part of the bank an intention to prefer these creditors. It was necessary for the receiver to institute suits to recover all such illegal withdrawals, and the right to recover withdrawals under such circumstances has been generally upheld.

The numerous national-bank failures prior to and incident to the banking holiday of March 1933 resulted in a tremendous increase in the claims filed with the Comptroller and cases filed in the courts by claimants seeking to avoid the pro-rata distribution provided by law and to obtain payment of 100 cents on the dollar through (1) priority or preferred claims, (2) secured claims, and (3) set-off of nonmutual obligations. In many instances illegal preferences were made by the bank's officers prior to suspension. Those obligated to the receiver resisted payment. Directors defended against claims based on their common-law and statutory liability. Shareholders vigorously resisted against the payment of their double liability and obligations incident to restoration of capital impairment. Shareholders and other groups organized and retained competent counsel to defend against the receiver's efforts to collect. Numerous novel questions were presented.

Approximately 1,000 cases have been published in the reported decisions incident to the liquidation of banks. Cases reported up to volume 295 (U. S. 81 Fed. (2d) and 13 Fed. Supp.), decided in the last 4 years, have been digested by our office. Most of the routine litigation was and is being disposed of in the local State courts. Thousands of cases involving insolvent national banks have been disposed of and are still pending in the United States district courts. Hundreds of such cases have been heard in the United States circuit courts of appeals and scores have been presented to the Supreme Court of the United States. The final decisions of the Federal courts, including those of the Supreme Court of the United States, evidence a clear intent to require all persons who were creditors when the bank suspended to participate in the pro-rata distribution and to require all persons obligated to the bank to pay their obligations, thus permitting a maximum distribution to depositors and creditors.

The Supreme Court has decided four cases where parties sought to force the receivers to make payment in full of their claims as against a pro-rata payment of general creditors. It is interesting to note that in each of the four both the United States district court and the circuit court of appeals held that the parties were entitled to a preferred payment in full.

The receivers and this office, representing the interest of the general creditors to share in these funds, asserted that the parties should share pro rata with other creditors, and took the cases to the Supreme Court, where, in all four instances, that Court agreed basically with our contentions, and in *Jennings* v. *U. S. F. & G. Co.* (294 U. S. 216) reversed the allowance of a priority claim by the two courts below. *Old Company's Lehigh* v. *Meeker* (294 U. S. 227) affirms the disallowance of a priority claim by the two courts below. *Adams* v. *Champion* (294 U. S. 231) reverses the decisions of the two courts below allowing a priority claim based on a finding that the bank received an illegal preference in bankruptcy. *Hoffman* v. *Rauch* (81 L. Ed. 421) reverses the allowance of a priority claim by the two courts below based upon the bank's conversion of an item left for safekeeping, no funds being traceable to the receiver.

If the decisions of the circuit court of appeals are compared with the decisions of the United States district court below, it will be found that the circuit court of appeals has denied many claims allowed as preferred by the lower court, and again, in turn, the Supreme Court of the United States has still more clearly shown the trend to strictly construe such claims against being preferred and to cause all creditors to share alike unless they are very clearly and unquestionably entitled to preferred treatment. This tendency of strict construction against preferred claimants has resulted, of course, in much benefit to depositors and other general creditors.

We will not take more time upon those cases which, though interesting and novel, are primarily of concern to insolvent banks. There are, however, three groups of cases which should be of interest in the operation of going banks. These cases involve (1) the pledge power of banks as going banks to secure certain deposits, (2) the liability and responsibility of directors in the operation of going banks and (3) the liability of other banks in the clearing house upon guaranties or agreements to share the loss of another bank in the clearing house.

In February 1934 the Supreme Court handed down two decisions construing the pledge powers of national banks. In *Texas & Pacific R. R. Co.* v. *Pottorff* (291 U. S. 245), it was held that national banks lacked the power to pledge their assets as security for deposits of private funds and that national banks had no power to pledge assets as security for any kind of deposits unless such authority was expressly granted in the Federal statutes. In *Marion* v. *Sneeden* (291 U. S. 262), the Supreme Court held that under the provisions of section 5153 of the Revised Statutes (title 12, U. S. C. A., sec. 90), national banks had no power legally to pledge assets as security for deposits of public moneys belonging to a State or a political subdivision of a State unless State banks in the State where the national bank was located had the power to pledge its assets as security for such deposits.

As a result of the decision of the Supreme Court in the Sneeden and Pottorff cases, this office instructed national-bank receivers to take all necessary steps to recover pledged assets or their proceeds in cases where secured deposits had, under a mistake of law, been paid in full. In all cases where it was found that secured depositors had been the recipients of preferences because of the payment in full of deposits illegally by pledges of bank assets, suits were commenced where necessary to recover such preferential payments. Many of these cases are still pending in the Federal Courts, but to date recoveries have been effected by national-bank receivers of over $3,200,000 in 142 cases resulting from the determining of the pledge power question by the Supreme Court in 1934. Substantial additional recoveries are expected when other pending cases are concluded.

The circuit courts of appeal of the third, ninth, and tenth circuits have held that a secured depositor is not entitled to any interest after closing; that the rights of all creditors become fixed as of suspension; and that it is against Federal public policy to permit the payment of interest accrued upon a secured deposit after the date of suspension until the assets of the bank are sufficient to pay all creditors in full plus interest.

There are many legal principles which have arisen chiefly in litigation by receivers, but which are nevertheless more important and more keenly interesting to the directors of going banks at the present time.

When one is elected and qualified as a member of the board of directors of a national bank, no matter how large nor how small the bank, there is immediately imposed upon him both by the common law and by the National Banking Act a keen responsibility in the management and affairs of the bank. If the director fails or neglects to perform these duties imposed upon him, he becomes, together with the other directors involved in the failure of duty, both severally and jointly liable for the losses sustained by the bank due to such action. He may be sued by a stockholder if the bank is a going bank, or by a stockholder or creditor if the bank is an insolvent bank. The proper performance, therefore, of the duties of a director affect both his moral and financial responsibility. The fact that within the space of approximately 1 year the office of the Comptroller of the Currency has compromised and settled, by amicable adjustment, claims against former directors of insolvent banks in excess of $10,000,000, demonstrates the financial importance of such suits to directors.

In many cases, perhaps in the vast majority of cases, this neglect of duty by the directors was neither fraudulent nor dishonest, but resulted primarily from the infringement of a prohibition in the national banking law against the doing of the particular act. For instance, regardless of whether or not a loan was made to a debtor with ample financial responsibility, if the amount of the loan exceeds 10 percent of the unimpaired capital and surplus, the director participating in the loan or ratifying it with either actual knowledge or constructive knowledge is held liable not only for the excess over the 10 percent but for the entire amount of the loss upon the loan.

Some cases which probably should be read by every director before entering upon his duties as such are *Corsicana National Bank* v. *Johnston* (251 U. S. 68); *Gamble* v. *Brown* (29 Fed. (2d) 366); *Bates* v. *Dresser* (251 U. S. 524); *McRoberts* v. *Spaulding* (32 Fed. (2d)); *First National Bank* v. *National Exchange Bank* (92

U. S. 122); *Bowerman* v. *Hamner* (250 U. S. 504); and *Briggs* v. *Spaulding* (131 U. S. 132).

Prior to the banking emergency and holiday a bank in a community would sometimes become weakened through persistent withdrawals or otherwise, and in some cases it appeared to be to the advantage of the other banks in the community, or associated with the weak bank through the clearing house, to guarantee the bank against any failure on its part to meet its liabilities. In this way some banks were permitted to stay open and runs or persistent withdrawals were stopped by giving confidence to the depositors through these guaranties. In other instances one bank would take over the assets of the weak bank and assume its liabilities and the other banks in the community associated with it in the clearing house would guarantee their proportionate part of any loss which the purchaser might sustain by a failure of the assets taken over in meeting the liabilities assumed. In the first class enumerated is the now famous Harriman Bank case against the clearing-house banks in New York. In this case there was alleged to be an oral agreement to guarantee the liabilities of the bank. The case has been tried in the lower court and the court held against the receiver of the Harriman National Bank. Many defenses were urged, including ultra vires, failure of the banks to contract through one cause or another, failure of the officers to have a proper action taken by the board of directors to make the contract the bank's corporate action, and other defenses. The lower court held that the clearing-house banks did not validly contract to guarantee the liabilities of the Harriman Bank. The very important question of whether or not it is ultra vires of a bank to guarantee the liabilities of another bank was not directly made the subject of its decision. The receiver of the bank has appealed from this decision and that appeal is now pending.

In a very notable case under the second classification, one bank took over the other, and then other banks guaranteed the purchasing bank. In this case a settlement was made upon approximately a 50-percent basis. The development of this law and the decisions which will eventually be made settling this important question should furnish interesting legal history for banks in the near future.

National Flag Day Address

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1937

ADDRESS OF HON. CLIFTON A. WOODRUM, OF VIRGINIA, DELIVERED AT MONTICELLO ON THE OCCASION OF THE BENEVOLENT PROTECTIVE ORDER OF ELKS' NATIONAL FLAG DAY SERVICE, JUNE 13, 1937

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered at Monticello on June 13, 1937:

Amid the tempestuous waters of a troubled sea the American ship of state today proudly, serenely, and securely is riding out the storm that for a season almost threatened its destruction. Floating aloft, kissed by the summer breeze, is an inspiring banner, symbolic of all the hopes and the ambitions of a great people. It is the Stars and Stripes. This flag came into official existence 160 years ago. It was born in the turbulent days of the Revolutionary struggle. It was hoisted aloft as the emblem of a people struggling against the forces that seemed overpowering, and seeking to establish for themselves and posterity a new order of things wherein freedom, opportunity, and domestic tranquillity should be the heritage of every man who lived beneath its protecting folds.

ELKDOM

It is eminently fitting and proper that this great order, the Benevolent Protective Order of Elks, should have in its ritualistic ceremony, perhaps for its most inspiring and uplifting occasion, the annual Flag Day service. This order came into existence also at a crucial time in the history of our country, 69 years ago. There were sectional and geographic conferences among our people; the hearts and souls of men were worn and weary, torn and bleeding from pain and suffering. Our land lay in waste. Then came this great order, standing as it does for the cardinal principles of charity, justice, brotherly love, and fidelity. Through all these years it has grown and flourished, stretching forth a helping hand to the needy, and speaking a word of encouragement to the downhearted.

Not only does this order emulate and teach great principles of charity, benevolence, and helpfulness, but it inspires men to be better citizens, to have a greater reverence for constituted authority, and in every respect to be worthy to live under the flag of their country.

Elkdom might be likened to a mighty stream penetrating through every field and valley of the earth, bearing in its beneficent bosom the abundant waters of love for the poor, the widow, and the orphan in every land. Its pathway down the years has been bordered by the roses of love, carpeted by unobtrusive acts of friendship, and kept green by the grateful tears of the widows and orphans and the dependents who have been the recipients of its charity and benevolence.

THE FLAG

Today, as we look upon this inspiring banner floating atop the ship of state, we know that again it is a battle flag. True it is that this battle today is not of shot and shell, but is nonetheless as sinister, as destructive, as capable of leaving its wake of sorrow and disaster.

Whereas 160 years ago this flag was raised as the emblem of a great cause, which sought to secure political freedom and to establish the principles of truth and justice; today it is a flag of a great people, who seek in an orderly way, through their established and accepted instrumentalities of government, to save and to perpetuate those same principles.

What a flag it is! As we look upon it today, do we see just a beautiful silken banner with lovely inspiring colors and insignia? Or are we able to look beyond its beauty and loveliness and to discover that wrapped within its silken folds may be found 160 fatal and tragic years of national existence? Years fraught with struggle and with alternating success and failure; are we able to see and to realize that this flag of flags is not only the beloved emblem of a great people but that it is the symbol of free and independent government in all the earth? Are we able to understand that should this banner ever be hauled down from its lofty place of honor, and another substituted in its place, that then will have dawned the darkest hour in the history of civilized government?

As we look upon this flag today, may we not with pardonable pride recall that our flag has never been unfurled in any war of conquest or oppression; that it has never been carried at the head of an invading army; that it has never been lowered in the face of any foe. How happy we are that our flag symbolizes a people who have no enemies to punish, no new territory which we desire to attain; no ancient grudges or feuds which we wish to avenge; that we only ask of the world the right to live our own lives in our own way, according to our customs, and in domestic peace and tranquillity.

Not only do we ask this of civilization but we demand it, and because of the patriotism and foresight of our leaders the children of this flag may rest secure in the thought that the Government it represents is, and will be, amply prepared to enforce those rights should it ever become necessary so to do.

JEFFERSON

It is very fitting that we should now recall very vividly and clearly just exactly what were the fundamental principles involved in the great struggle, out of which was born our national emblem. A novel proposition was laid down to the world by Thomas Jefferson, who penned the immortal Declaration of Independence. He held that there was no Heaven-ordained class to govern men; that every man was a king in his own right, and as such entitled to an equality of opportunity, to the right to work, and to live, and to provide for himself and his dependents; to the right to have a fair return for his labor, and to enjoy domestic tranquillity. He laid down the proposition that all just powers in Government were derived from the people, and that the Government belonged to the people and not to any ruling class, party, or faction. He held further that it was not only the right but the duty of the people, if and when, in their good judgment it was wise to do so, to alter or change those institutions of Government, as might be necessary to meet the need of all the people—sort of a new deal in human rights, if you know what I mean.

It is most fitting and appropriate that this meeting today should be held at Monticello, the home of Jefferson. What a place of history! What momentous struggles and far-reaching issues were considered in this tragic place! It was in this place of beauty, solace, tranquillity, and loveliness that Jefferson dreamed and wrought mightily of free and democratic institutions and of the rights of men. It was here that he dreamed of a great government of people, where individual rights and considerations would be paramount. It was from this beautiful spot that he looked out on the country below and there dreamed of a great educational institution that would gather to its beneficent confines the youth of the land and offer them opportunities that they might be better trained for citizenship and for service.

And it is here that his remains rest in final sleep. No imposing structure, no marble palace, or ornamented edifice is necessary to perpetuate the name of Jefferson. Monticello is his monument, and his life of service is his lasting memorial.

A short time ago, in a leisure moment, I happened to read a speech made by the late Senator John W. Daniel, of Virginia, one of Virginia's most notable sons. Daniel was speaking here at Monticello on April 13, 1893, and I quote here a portion of his remarks. I am confident you will not fail to see the deadly and striking parallel of present-day conditions and happenings. Speaking of Jefferson, Daniel said:

"When he stood for justice, they said, 'Communist.' When he stood for religious freedom, they cried, 'infidel.' When he aroused the people against monarchy and concentrated power, they said, 'demagogue.' But the common people heard him gladly. They knew their ears, and with one acclaim they said, 'All hail our friend.'"

Under this flag, and with this declaration as its chart and compass, the American ship of state has sailed on and on, ever

freer and ever greater. Shifting winds and contrary tides have often caused her to alter her course, but she has ever headed for the pleasant harbor of justice and freedom.

TODAY

Today there are some Americans who express great concern and alarm over the course which this great ship of state is now traveling. They fear we have lost our bearings, and that we are sailing without chart or compass for disastrous rocks ahead. Many of these Americans are of high and unquestioned patriotic purpose. For myself, I also share the very deep concern which they express, but I do not share in their great fear. I see in the course of the American ship of state a getting back to the first principles, where the rights of the individual must be paramount to any group or any class.

It is undeniably true that out of the chastening fires through which we have passed in these last fateful years America as a nation has come to impart a new meaning to the word "freedom." Never again in the years to come shall we as a nation be content to sit idly by in smug complacency and see millions of our fellow citizens driven down into the depths of despair and degradation with no feeling or obligation on our part to try to alleviate their condition. We have learned some lessons in these last years. Individuality, self-reliance, and self-responsibility must and will be preserved in our citizens; but the great Government over which this flag flies owes a duty to her children, a duty to see fair play, an equality of opportunity, and to stay the hand of greed and to thwart the purpose of the exploiter. And to those not able to care for themselves because of age, infirmities, and other causes beyond their control, the National Government, in cooperation and collaboration with State governments, will lend a helping hand. We also have a new concept of our duty to give advantages to the youth of our land. From this new vision, from these great humanitarian purposes, our people will not retreat.

I have an unbounded faith in the ultimate wisdom and good judgment of the American people that leads me to believe devoutly that if that day should come when any leader or group of leaders, when any party or faction should forsake these sacred principles and considerations which gave birth to this banner of banners, on the same day will this great people arise in their sovereign power and take such course of action as may be necessary to preserve them. All hail the Stars and Stripes!

PRESENT PROBLEMS

In closing I would like to leave with you this thought, that loyalty to the flag is not a monopoly enjoyed exclusively by the soldier on the battlefield, but is frequently displayed just as effectively by the private citizen in time of peace. For example, we can all be heroes in times such as these, when industrial and agricultural dislocation with its attendant widespread unemployment, not only of men but of natural resources and credit, has resulted in unprecedented suffering and discontent.

Capitalizing the human misery thus engendered, agitators, political quacks, and would-be revolutionists have sought to gain converts to new and dangerous doctrines, to tear down the governmental structures erected by our forefathers, preserved by Washington, Jefferson, and Lincoln, and supported today by the vast majority of our citizens. In spite of the splendid efforts launched by those now in authority to relieve distress, ease credit, and maintain the American standard of living, subversive ideas have found lodgment here and there throughout the country. The soap-box radical has been in his element. The red flag of anarchy has been upon occasion publicly displayed. The cunning doctrinaire with political and economic sophistries has sought to becloud the paramount issues of the day. Men otherwise intelligent scoff at patriotism and preach lawlessness as the only way to attain the true brotherhood of man. Never in our whole history has there been a finer opportunity for the patriotic American to display his loyalty to his Government and its flag. Never has there been a finer opportunity for this great order to foster patriotism and preach loyalty to its membership. Let us therefore, today, upon the birthday of the Stars and Stripes, rededicate ourselves to this flag, to what it has meant to us, and to what it shall be to us in the future.

I give you, in closing, A Patriotic Wish, by Edgar Guest:

"I'd like to be the sort of man the flag could boast about;
I'd like to be the sort of man it cannot live without;
I'd like to be the type of man
That really is American:
The head erect and shoulders square,
Clean-minded fellow, just and fair,
That all men picture when they see
The glorious banner of the free.

"I'd like to be the sort of man the flag now typifies,
The kind of man we really want the flag to symbolize;
The loyal brother to a trust,
The big, unselfish soul, and just;
The friend of every man oppressed,
The strong support of all that's best,
The sturdy chap the banner's meant,
Where'er it flies, to represent.

"I'd like to be the sort of man the flag's supposed to mean,
The man that all in fancy see wherever it is seen;
The chap that's ready for a fight
Wherever there's a wrong to right,
The friend in every time of need,
The doer of the daring deed,
The clean and generous-handed man
That is a real American."

America and the World Challenge to Democracy

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, June 16 (legislative day of Tuesday, June 15), 1937

COMMENCEMENT ADDRESS BY GEORGE W. ALGER, OF NEW YORK, AT THE UNIVERSITY OF VERMONT, JUNE 14, 1937

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. George W. Alger, of New York, at the University of Vermont commencement exercises June 14, 1937. The address is entitled "America and the World Challenge to Democracy."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I shall try to present to you today what must be, of course, a meager consideration of some of the forces which now constitute a challenge to democracy in the world; and some of the problems of democracy which more immediately affect ourselves.

A study of the cultural and social movements of the past 2,500 years has just been completed, and was made public last month at Harvard University. This report declares that the first quarter of the twentieth century was the bloodiest period in human history. After an analysis of 902 wars and 1,615 international disturbances in 2,500 years, it reports that the war index for the twentieth century reached a total six times greater than all the preceding centuries. The average man in the thirteenth century had, for example, 6,500 more chances of dying peaceably in his bed than his descendants in the first quarter of the twentieth century. The report says that "the organism of western society and culture seems now to have not merely a number of local or superficial ailments, but to be undergoing one of the deepest crises of its life. In this sense we are experiencing one of the sharpest turns on the historical road."

This background of war inevitably affects our civilization, and the color and content of our conceptions of life and living. This war background is still with us, and the second quarter of this century affords no better basis for careless optimism than the first.

A few weeks ago there appeared a little book by one of the best-informed Americans on matters of foreign policy—Hamilton Fish Armstrong. It bears the significant title "We or They." It is a study of the conflict between two worlds; between two rivals, incompatible conceptions of life, the democratic and the dictatorial, locked in conflict all over the world. It is a sober-minded book, written not by a sensational alarmist but by a serious and informed student of international affairs.

What, in brief, is this conflict which forms the background for what I want to talk about with you today?

It is in the main the disappearance from the Government of many of what we once considered the great, educated, intelligent, and highly civilized countries of Europe, of anything resembling individual freedom.

It is something more—it is the disappearance in them of most of what in centuries past we have regarded as morals in government.

It is the disappearance of public opinion and the possibility of international friendships between peoples, based upon the exchange of intelligence between them through the medium of a free press.

Hitler says in Mein Kampf:

"Either the world will be governed by the ideology of modern democracy, in which case every issue will be decided in favor of the numerically stronger races, or it will be ruled by the laws of force when the people of brutal determination, not those who show restraint, will triumph."

Mussolini announced in October 1930:

"The struggle between these two worlds can permit no compromise * * * either we or they, either their ideas or ours, either our state or theirs."

Each, observed Mr. Armstrong, showed that he knew the law of survival expressed in the Bolshevik query, "Who, whom, who shall destroy whom?" Lenin put the application of that law to the current case in specific terms, when he said that:

"The existence of the Soviet Republic side by side with the imperialist states for any length of time is inconceivable. 'An obituary will be sung either over the death of world capitalism or the death of the Soviet Republic.'"

Hitler and Mussolini give utterance to principles which, coming from anyone but a supreme dictator in a great country, would seem almost insane in their scorn of all those fundamental principles of morality and political decency heretofore accepted in the world. "Peace", to Hitler, is something far different from the word as humanity has accepted it either as an ideal or a philosophy. To him it means a peace "established by the victorious sword of a master nation which leads the world to serve a higher culture." "Indeed", he says, "the pacifists' humane ideal

may be quite good enough after the most superior persons have conquered and subdued the world in such a measure as to make them its exclusive master * * * therefore, fight first, and then perhaps pacifism. Anyone who really from his heart desires the victory of the pacifist ideal in this world should support by all means the conquest of the world by the Germans."

Mussolini shares Hitler's view that peace is absurd.

Let us look for a moment at the world of education as this conflict shows itself in these concepts. Here are we, college men and women, meeting together to renew our allegiance to the ideals of an old institution of education to which we owe so much. We are repudiating no part of the past when we come here today. We have a sense of continuity with the ideals and philosophy which this institution and other like institutions have maintained for centuries.

Heidelberg celebrated her five hundred and fiftieth anniversary last year. How strange to our ears are the words of Dr. Rust, German Minister of Education, who, on that occasion, announced that, "The old idea of science, based on the sovereign right of abstract intellectual activity, has gone forever."

"Symbolically", says Mr. Armstrong, "the statue of Athena, goddess of wisdom, had already been removed from before one of the great college buildings (given by American friends of Heidelberg, many of them of Jewish descent) and replaced by the German eagle. And above the portal the inscription 'To the living spirit' had been blotted out and replaced by the words, 'To the German spirit.' Obedient to Dr. Rust's admonition, German scholarship the next day buried its dead with these fateful words of Dr. Ernst Kreick, professor of philosophy at Heidelberg: 'We do not know of or recognize truth for truth's sake, or science for science's sake.' "

Professor Hocking, in his recent book on individualism, says of communism and fascism:

"They have taken the upper inch off every head, the inch which thinks, aspires, exercises individual knowledge, doubts, demurs, and therefore means something when it assents." *

It is unnecessary to consider the minor dictatorships of continental Europe which follow with slight and unimportant variations the major plans of Germany and Italy.

From the picture of regimented life, directed thinking, poisoned education, militarized sport, international agreements broken with startling effrontery by both Germany and Italy, we find in Russia and Japan a picture somewhat different but almost equally foreign to every traditional principle to which we in America have been accustomed and consider essential to the realities of life.

Those who read Bernhardi's book World Power or Downfall which appeared shortly before the outbreak of the Great War, will remember our own incredulity that any sane person could conceive the folly and arrogance with which its pages were filled, or be willing to follow the road to hell to which it so clearly pointed. We were, alas, wrong. We should be foolish if we made the same mistake in underestimating the nature and extent of the brutal forces in the world with which democracy must now contend, and to meet which must adjust her powers.

Why this long disquieting preface? Why at this moment speak of the menace of the militaristic dictators and the spiritual goose-step of the regimented minds of their followers? My answer is that I think it is high time that we considered the liberty which these people have lost, and study the inevitable conflict in the world of organized governments between those forces of evil power and the great democracies of the world.

It is a challenge which comes not only to us and to the English-speaking world of which we are a part, but to the great self-governing countries of similar character, like Sweden, Denmark, Norway, and finally hard-pressed France. We realize that despots now control countries in which the middle classes and the rulers of large industry preferred order to the necessary confusion of freedom. They preferred efficiency to freedom.

They hoped for order. They got industrial and personal slavery. They have shown us with startling clearness that there is no safe substitute for freedom.

Democratic countries in which individual freedom still exists and expresses itself, are confronted as perhaps never before, with the task of reestablishing and revitalizing the loyalties of their people to the principles and purposes of democracy.

We are not, I think, in any real sense in danger of a flood of fascism or communism, or the establishment of a dictator in our country. History tells us that no country in which democracy in any real sense ever existed has given it up. Nevertheless, with the forces to which I have referred in the world, with this constant talk about communism or fascism, something is bound to happen and is happening to our processes of thinking about our own Government, our own laws, and our own ideals of civilized life. It is, in the main, a healthy ferment. Moreover, the depression made quite inevitable not only thought but action on social questions which had existed long in the minds of economic thinkers, but which only recently have reached the stage of legislation.

There is a logic in the affairs of nations, as there is in the life of the individual. Economic nationalism expressed in the effort of nations to be self-sufficient, without international friends or neighbors bound to it by the ties of commerce, has in it an insane logic which inevitably tends toward war. If you have no friends, you will, of course, have or fancy you have enemies. If you have enemies, you must be prepared to meet their attacks. If they are likely to attack you, might it not be better to strike first? This logic is having its inevitable consequence in the rearmament of the world. With this process of rearmament now so definitely under way, all democratic countries and all free countries must consider together what processes of peace can protect them against a return to the Dark Ages.

We must recognize that there is no machinery which can be effective for peace among nations which are economically at war. Economic isolation inevitably creates unemployment, falling living standards, and economic unrest. It has been said, if goods cannot cross frontiers, armies will.

If we are to have peace, we must reduce the increasing tension which makes for war by economic policies and trade agreements which make for international friendships, and which will permit higher standards of living among countries now suffering from poverty through the lack of natural resources. We must be prepared to recognize the stubborn reality of the interdependence of nations in the modern world. We must be prepared to do the decent thing in the matter of trade restrictions and tariffs. The ancient tariff traditions of older America must be changed to meet the future.

I am not intending to consider here international questions, but to confine myself to America's present problem of meeting on her own soil the challenge to democracy which now confronts us. It is high time, it seems to me, that our own democratic traditions be revitalized. Tested by the depression, we have been found wanting. We had delayed too long, for example, in the establishment of the machinery either for preventing or handling unemployment, or for meeting many of the economic problems which came to a head during the last decade. We have found ourselves wanting also in the legislation necessary to curb rapacity and chicanery in the financial world by men in high places found faithless to every fiduciary principle in the handling of other people's money, who abused the machinery of finance and of the security markets, and whose misconduct contributed so largely to the disaster of 1929.

In this changing world, therefore, it is necessary, I think, that we reconsider what democracy must do with us for its own preservation as a way of life.

It is not, and should not be a partisan question, and needs an approach divorced from political considerations. We need to take stock in sober seriousness how we can avoid tendencies which have wrecked for a time great European civilizations, and which threaten the peace of the world.

The first essential is, of course, the clear recognition that these changes must be made, that there is no sense and no safety to be found in a vain belief that they need not come, that we can hope to relapse again into old ways, that the fever will leave us, and that we will wake up to find it all a bad dream—the long depression, the problems of the unemployed and the aged, the widespread sense of insecurity, the lack of opportunity for youth and for enterprise.

No one, I think, has put our problem more clearly in words than has Frederick L. Allen, in one of the most illuminating of our recent books on the era which ended with the collapse of 1929. I quote from the Lords of Creation, his last sentence:

"The problem is nothing less than how to adjust our institutions under the new circumstances created by the vast financial and economic changes of the past generation so as to multiply effectively, and distribute with a more decent approach to fairness, the products of the earth, the fruits of labor and unprecedented gifts of science—and do this without destroying human liberty."

I am talking to you today in particular about freedom, for I think we should be more anxious about it today than in any past period of our history. Freedom is changing its form. We must be sure it does not lose its substance.

There is, I am convinced, no hope for a democracy whose youth is more interested in security than in freedom. Let us frankly recognize the fact that a large part of our young people today are less shocked and outraged by any sense of loss of freedom by bureaucratic planning, the encroachment of Government upon the fields of private industry, than those of the older generations who built their own security on the exercise of their own individual freedom.

Let us recognize that the freedom in which so many of our people are interested is a social freedom in a better ordered world, and not the lawless individual freedom of the days of the mining camp and the frontier.

If, however, our freedom is to change its form, let us be sure that it continues to be freedom. Let us be sure, moreover, that the exchange of individual for social freedom, when made, is a fair exchange, that for individual freedom surrendered there is received in exchange a social freedom of greater value and not a shoddy, specious, overpriced, spurious substitute.

As we seek to apply this test, there is, I think, a clear line of distinction between two streams of tendencies now evident in our recent legislation. The Wagner Labor Relations Act, whose constitutionality has been recently sustained, for example, while inadequate in many respects, nevertheless does tend to create an essential basis on which capital and labor may meet more nearly as equals, working out together with what should be a minimum of governmental interference their own problems, may establish labor relations on a sounder basis, and with a fairer distribution of the proceeds of industry.

It is fairly arguable that this act gives to the industrial worker a social freedom through collective bargaining which he should have and which he did not have before. When labor unions have been made more responsible not only to their members but to the law and order of civilized society, when the 44 days of sit-down strikes in Michigan are regarded as a blot on the record of trade unions as well as the low-water mark of law enforcement in this country, we may be able to consider the principles of the

Wagner Labor Act more dispassionately and more fairly; and find in it from the standpoint of freedom not a loss but a gain.

The other of these two streams of tendencies to which I have referred is fairly illustrated by those three laws which the Supreme Court has declared unconstitutional—the National Recovery Act, the Agricultural Adjustment Act, and the Guffey Coal Act. And by two or three more recent grandiose programs, the latest being one which proposes to fix minimum standards of labor and maximum hours throughout the whole United States, subject to such variations as some Federal governmental board at Washington may deem proper.

This last class of legislative enactments and proposals seems to me closely related to a class of laws which in Anglo-Saxon history had been tried for hundreds of years with an unbroken spectacle of failure, laws which were manacles upon freedom and which had to be broken and were broken to make the great industrial revolution of a century and a half ago possible.

Consider for a moment what we already know from history about this type of regulatory legislation. In England, for example, they tried labor price fixing centuries ago. The Statute of Laborers, enacted in 1349, was the first of these experiments. It was, as usual, emergency legislation whose excuse was the pestilence called the "black death" which had destroyed a large percentage of English laborers. It was a law enacted, to be sure, not to increase the price of labor but to reduce it. This difference in purpose, as results show, was not important. The act required every able-bodied person "to serve him that doth require him or else to be committed to the gaol until he find surety to serve."

It declared that:

"The old wages and no more shall be given to servants."

"If an artificer or workman takes more wages than they were wont to be paid, he shall be committed to the gaol."

It provided that "Victuals shall be sold at reasonable prices" and fixed a series of punishments for bakers, butchers, and fishmongers taking excessive prices. Details of that enactment are familiar to students of English law.

The first statute did not succeed, and it was followed by a flood of statutes following what history shows as an inevitable tendency in such endeavors, statutes which tried to make up the deficiencies of previous legislation by making more specific, more definite, more drastic regulatory provisions for those already found ineffective. They fixed the wages of every class of employee in British industry by amendments to this statute of laborers.

They fixed the price of every conceivable article of food; they fixed the regulations under which industry should be carried on; the diet and apparel of servants, the width of cloth, the price of cloth, the style of clothing of different classes of citizens. There were literally hundreds of these statutes covering all classes of prices. None of these statutes was effective, and after the experiments had been tried out for centuries the great majority of them were repealed in 1772, and the preamble of the act which repealed them is not without contemporary interest (Act 12, George III, ch. 71, A. D. 1772):

"Whereas it hath been found by experience that the restraints laid by several statutes upon the dealings in corn, meal, flour, cattle, and sundry other sorts of victuals by preventing a free trade in the said commodities, have a tendency to discourage the growth and to enhance the price of the same; which statutes when put in execution would bring great distress upon the inhabitants of many parts of the kingdom, and in particular upon those of the city of London and Westminster: Therefore," etc.

A learned American lawyer, Albert Stickney, in his book State Control of Trade and Commerce, said in commenting on these statutes:

"These statutes are quoted at length for two purposes; the one is to show how thorough and complete was the experience already had under the English law prior to our separation from the mother country in attempts to control trade and commerce and especially prices by statute; the other is to show the magnitude and intricacy of the undertaking which lies before legislators of the present day if they enter on that line of legislation. Utterly hopeless and utterly fruitless in anything save annoyance, all such legislation always has been and, so far as we can form a judgment in the light of history, always will be."

France had the same experience, and the jurandes and maitres of her ancient law were repealed by the wisdom of Turgot before her great revolution. Nor was America herself without experience along similar lines.

New York passed an act in 1778 entitled "An act to regulate the wages of mechanics and laborers, the prices of food and commodities, and the charges of innholders within this State, and for other purposes therein mentioned." Its lack of success was such that it was repealed in the year of its passage.

Massachusetts and Rhode Island had similar short-lived experiments in 1777.

The Constitution of the United States was made by men familiar with this legislation whose folly and impotence had been to them so amply demonstrated in a state of society far less complicated than our own. As the New York Court of Appeals said some 40 years ago, in commenting on these ancient laws.

"The merchant and manufacturer, the artisan and laborer under our system of government are left to pursue and provide for their own interests in their own way, untrammeled by burdensome and restrictive regulations which, however common in rude and irregular times, are inconsistent with constitutional liberty."

There is one fatal and inherent defect and danger in this type of legislation. It is the opportunity and temptation it invariably affords to politicians to crucify industry to get votes of the more numerous members of the industry itself. A few months ago the State of New York repealed the New York Emergency Milk Control Act which had attempted to regulate the flow and price of milk to farmers and consumers, to fix prices for milk in the stores of grocers and in the hands of milk dealers. It was repealed after a few years of bitter experience at the urgent request of farmers, consumers, and dealers alike. Commenting upon it, the president of the Dairymen's League said a few days ago:

"Foolish legislation is like a drought. Its depressing effects continue after the law itself is dead."

No reasonable man can question the duty and the right at times of the State and the Federal Congress to require regulations of industries affected with the public interest, or to question that there may be justification for such enactments under present conditions which did not exist a generation ago. But to every proposed bureau, department, or governmental agency in the ever-increasing mass of regulatory place-making legislation, Federal and State, with which we are deluged today, let us ask, "What does it do to freedom? Does it enlarge the range of social freedom in reality, or is it merely a specious excuse for buying political popularity with taxpayers' money and furnishing jobs for party followers, in a country whose civil-service laws either are nonexistent or are still rudimentary?"

The National Civil Service Commission said a few days ago that the spoils system adds $500,000,000 to our tax bills every year. It declared that the placing of inefficient, incapable, and irresponsible persons in jobs which affect business, the home, and the safety of individual citizens, was an even more serious aspect of the cost of the spoils system, a cancerous growth on American democracy, and which cries for effective and early eradication. There are 826,000 employees today in the Federal Government alone. Every unjustifiable bureau or department of the Government not only adds to the mounting cost of government itself, but it is also, and far more important, a burden upon freedom.

Father Divine, our contemporary colored messiah, gives a diagnosis of the evils of our day, in a sentence which contained one delightful and useful new word which I ask you to add to your vocabulary. He says:

"The trouble with this world is that it is too full of metaphysicians who don't know how to 'tangibilitate.'"

Let us also apply this test to this flood of legislation. Whatever its general theory or alleged purpose—does it "tangibilitate"? Does it make sense as effective legislation? Social security, unemployment insurance as a principle may and should be accepted, but does that include of necessity our acceptance of the $47,000,000,000 reserve fund subject to the control of Congress or the employment of 250,000 willing workers in the management of the enterprise?

Let us recognize the fact before it is too late to do us any good that we are trying to do too much too soon. The elder Morgan years ago diagnosed a then existing depression as due to undigested securities. Undigested progress may produce the same result. It is not conservatism but common sense which should tell us to go slow when we are changing the balance of power from State to Nation, which the Constitution never intended. These vital matters need far larger public discussion and assent in a country whose institutions depend on the will of the people. When a democracy delegates its thinking on such matters, it is dead.

This is no time for reactionary conservatism. We must expect to meet real needs for growth and change with fair minds. Social security and protection of old age and against the ravages of unemployment, the prevention of child labor are parts of these changes. But while so much is being done for the underprivileged, which is needed to restore tone to our democratic civilization, we must not destroy the civilization itself in the process. Freedom may change its form, but it must still be freedom. The theory and purpose of our Federal Constitution was to maintain freedom as well as order.

So long as the division of powers provided by that Constitution continues as landmarks of our freedom, and the Supreme Court maintains its character and integrity, so long and no longer will there be no serious danger of personal government in our country.

If I may paraphrase Froude, the life of a democracy is like the flight of a bird in the air—it is sustained only by its efforts, and when it ceases those efforts it falls.

What America needs today as never before is an aroused and effective public opinion from that vast mass of her citizens who are neither economic royalists nor proletarian seekers for relief or bounty; who have no favor to ask from the Government and who pay its bills; that great middle class, which in this disordered and menacing world is the main bulwark for American democracy, which still believes in freedom and will not consent knowingly to its being destroyed.

The greatest danger confronting democracy today is that of overburdening the competent, the resourceful, the enterprising, and self-reliant leaders in this great middle class.

Psychologists tell us that we as human beings are mainly motivated by two primary urges—sex and the instinct for growth—and that the latter is the more powerful of the two. The instinct for growth can be expressed only when there is freedom to grow. The main danger in the overplanned society, the over-

regulated society, is what it does to the basic individual urge for growth which needs a fair field of freedom and cannot live without it.

I have talked too long, and must stop. It is a great joy to me to find myself once more among my own people. In these days of unbalanced budgets and reckless expenditures, I find myself today in a State which balances its budget and has reduced its debt, a State in which sturdy self-respect and self-reliance are a part of the commonplaces of living, a State which when confronted with dire emergencies of the great flood 10 years ago took care of its own and sought no aid from either private generosity or governmental dispensation. There are still to be found in the people of these green hills those great basic qualities, never more needed than now in our national life. Proud I am to be able to say that I am one of her sons.

Wages and Inflation

EXTENSION OF REMARKS

OF

HON. HUGO L. BLACK

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 16 (legislative day of Tuesday, June 15), 1937

RADIO TALK BY LEON HENDERSON AT PEOPLE'S LOBBY LUNCHEON, NATIONAL PRESS CLUB AUDITORIUM, ON APRIL 24, 1937

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the RECORD a radio address entitled "Can Wages Beat Inflation?", delivered by Leon Henderson, on Saturday, April 24, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My question is phrased, "Can wages beat inflation?" This is a push-over. I suspect Ben Marsh wanted me to say, "No; wages can't beat inflation", and then sit down, thus giving Dr. Gill and Dr. Ezekiel more time.

But I do not propose to be a sit-downer. I propose to make my topic more difficult by contending that total wages in recent years, due to our technological improvements, in conjunction with controlled prices, have not been large enough to take goods and services off the market even when prices were stable.

Let's look at the 1920's.

The price level remained about the same from 1922 to 1929—that is, the prices of goods and services. We did have an inflation of credit and stock prices, of course. But during this period of the 1920's there was a gain of 30 percent in labor's productivity, which produced a reduction in manufacturing labor costs of about 14 percent, according to Paul Douglas and Frederick C. Mills. In order to keep purchasing power in balance with production, wages should have increased more than they did—but most important of all, prices should have come down substantially. I suppose it could be stoutly maintained that if prices do not go down when they should we are then experiencing a silent, static inflation.

The deficit in purchasing power was concealed for a time by consumer borrowing. Installment credit alone in 1929 was between six and seven billion dollars, and it is generally conceded that this huge spending of future wages dried up buying considerably.

If wage income could not keep up with prices in the twenties, how could anyone put forward a logical argument that wages can keep pace with rising prices? Certainly not an economist who is devoted to purchasing-power concepts.

Since 1929 there has been an additional increase in labor's productivity of 20 percent. This is not in manufacturing alone, but throughout the entire system. In other words, we can run the American economic system at the present speed with 20 percent less workers. One does not need to be an economist to know that prices should be lower, not higher, and that real wages should be on the increase. There is now a sustained drive by labor to get some wage increase. Unfortunately only that small portion of labor which is organized can hope to gain enough to equal the rise in the cost of living. Less than 15 percent of workers are organized; but prices affect all workers.

What is the situation? Well, just look at installment credit. Last year it amounted to $9,000,000,000, or 50 percent more than the insane days of 1929. Yet business activity and prices were both lower. If these had not been lower, perhaps installment credit might have been 100 percent larger than in 1929; that is, if this back-breaking load could have been carried. In 1929 only 50 percent of automobile sales were made on installment terms—in 1936 the percentage had risen to 65 percent. Yet despite the easing of installment credit terms, and the extremely substantial increases in pay rolls, huge stocks of goods remained on the shelves of retailers.

Businessmen are seriously alarmed by the falling off in retail business which accompanied the recent price increases.

Kenneth Collins, of Gimbel Brothers, says, "An alarming impasse has developed in retail trade during the last 4 to 5 weeks. Price resistance on the part of the public has developed." Mr. Collins added that retailers' inventories are "dangerously high", being 20 to 25 percent above last year.

Buyers resistance? This is just one of those high-toned, $2 weasel words. The ordinary person needing food and clothing has no resistance when he has money in his pocket. The real truth of the matter is that buyers lack money.

The American Federation of Labor has made some estimates recently. As of February 1937, total workers' income was 81.5 of 1929, while wholesale prices were 90.9 and the cost of living was 87.0 of 1929. Retail prices have not yet registered the full effects of wholesale price increases. By fall we can expect that retail prices will be 5 to 7½ percent higher generally—and this "impasse" and "price resistance" stuff will be worse.

Please note that I have discussed the total of workers' income. I am aware that the indexes show that the individual who is employed can enjoy a higher average standard of living than he did in 1929. The employed worker's food bill is still less than 1929.

But any argument based on the individual worker overlooks two important items—(1) 1929 wages, as I have shown, were insufficient to buy the products of labor mainly because prices had not come down, and (2) as Dr. Gill will point out, the income of those unemployed and on relief is inadequate, and will be distressingly inadequate if the upward movement of prices continues.

Every time I hear that inflation is due to the unbalanced Budget and New Deal monetary policies, or that rising wages cause a spiral of rising prices, I go back to my N. R. A. experience, in which the price-making policies of nearly all American industries passed in review. Then I know how much poppycock there is in this inflation business. Frankly, most of the recent price increases in basic commodities have been due to manipulations by monopolies. Do you believe that the devaluation of the dollar, or anything similar, put copper up to 16 cents. If you do, you forget that all the copper producers in the world deliberately ganged up and restricted the production of copper sometime ago. When business got better, scarcity of copper stimulated prices. The next time someone says that copper prices are due to national forces and the working of the law of supply and demand, which neither God, government, or man can set aside, just grin, wink, and keep your mind on the copper cartel which really controls prices. And if you wish to make a case study of inflation, I suggest aluminum, whose price went down only a fraction in the recent depression. It's easy to put up prices when business is strong; it takes a real good inflationist, like the Aluminum Trust, to keep prices up during the world's worst depression.

Copper, steel, rubber, tin, lead, aluminum, zinc, many building materials, sulphur—the list is a long and impresive one. Back of each is a group of interested persons, and sometimes interested governments, pulling the wires for better prices. By the time these have put their prices as far as the situation can stand the worker and his wages are behind the eight ball.

Perhaps we can't get away from controlled prices by monopolies or huge concentrations of ownership. But even so, must we continue the superstition that prices are subject solely to the influence of monetary policies, unbalanced budgets, and relief spending? Can't we face the fact that government has some powers to affect prices just as the President's recent statement halted the panicky, unhealthy forward buying which was driving speculative prices to dizzy heights?

Finally, can't we assume that the Wagner Act decisions pave the way for minimum-wage legislation, which would enormously increase the purchasing power of the lowest paid groups, which suffer most from rising prices. In other words, while the Government is influencing prices at the top, it can help wages at the bottom—wages of workers who spend 120 percent of their income, if we can trust the figures on workers' debt.

This brings me logically to the most important and serious phase of my topic. I mean the complete annihilation of labor's wage gains by higher prices. Workers resist, sometimes at great personal loss, any reduction in money wages or wage rates—yet they offer, and seemingly can offer, no resistance to advancing prices. At long last the joint efforts of a sympathetic political administration and the emergence of strong labor leaders have given bright hopes of better bargaining power for labor. The papers, with that magnifying quality for which they are noted, have full accounts of the spectacular wage increases—increases which touch the pocketbooks of only a fraction of the working population. The Bureau of Labor Statistics just this week details the gains in pay rolls, most of which have come from increased production, which means that more products are on the shelves waiting for workers' dollars to claim them.

But I say, with all seriousness, that the rise in retail prices alone has probably nullified the wage gains, and that the prospective rise for the fall of from 5 to 7½ percent, when applied to all workers, will undoubtedly reduce purchasing power, which, as retail sales show, is even now faltering a bit.

My conclusion, therefore, is that wages cannot get a tie in the race with prices—let alone win if inflation, by some remote chance, should come.

Patrick Henry, the forest-born Demosthenes, became famous at the age of 27 in maintaining the cause of the people against the Parsons, at Hanover Court House, and at 29 in the Virginia House of Burgesses made a speech in defense of the rights of the Colonies that caused George III to tremble on his throne.

Daniel Webster, the godlike Daniel, the great logician and matchless orator, whose reply to Hayne in the Senate of the United States was perhaps the greatest speech that has ever been delivered since the oration of Demosthenes on the crown, was a conspicuous Member of Congress at the age of 31.

Henry Clay, the great commoner and fearless tribune of the people, entered the Senate of the United States at the age of 29 and was afterward elected Speaker of the House of Representatives at the age of 34.

When America marshaled hosts to send against the Huns, she didn't pick old men with plumes in their hats, but young men with fire in their blood and ambition in their hearts.

God so loved the world that He gave His only begotten son to redeem it. At 30, Jesus was ready for His ministry. At 34, He hung upon Calvary's cross as a ransom for the sins of men.

So, it can be said that youth is the mainspring of the universe.

THE FUTURE

What are you going to do with this great priceless treasure which is yours today? Sometimes that is a pretty hard problem. I wonder if you have heard the story of the husband and wife who were very much concerned as to what they were going to make out of their little 4-year-old boy. They felt that this momentous decision should be made at once in order that they might properly chart his course through life. They had great difficulty in arriving at any conclusion. Finally, the husband with a burst of wisdom decided upon a method. He put the little fellow on the floor of a great room to play. In there he put a Bible, an apple, and a silver dollar. He said to his wife: "Now we will leave him in here with these things for a little while and when we come back if he is playing with the Bible, that's a sign he should be a preacher. If he is eating the apple, that is a sign he should be a farmer. If he is playing with the silver dollar, that's a sign he should be a banker." That seemed to be a reasonable proposition, so they left the young man in the room for a while and after a season they returned. They were very much interested to find that he was sitting on the Bible, with the dollar in one hand and eating the apple out of the other. The husband looked at him for a while and shook his head and said: "Well, under those circumstances, I guess we shall have to make out of him a politician."

Or perhaps you will say that "It is my ambition to do so-and-so, but I do not have the opportunity. Billy Jones or Susie Smith can be whatever they wish, but I do not have influential parents nor the financial assistance with which to fight my way through life, and therefore I am under a serious handicap." If you have this idea, then I commend to your consideration the homely bit of doggerel:

"The June bug has a silver wing,
The lightning bug the flame.
The bed bug has no wing at all,
But he gets there just the same."

Of course I know that most of you fellows are now saying that you never intend to get married. That's "what they all say." But just you wait, and some girl with hair like a raven's wing, large, lustrous brown eyes set far apart in an intelligent forehead, shapely nose, teeth like ledges of pearls behind lips of coral, and with a neck like a swan—well, when she comes along then it's all off. Life immediately changes and new responsibilities come into our lives. And to you young ladies—what shall I say? Well, you just about boss the whole job, anyway. You didn't need the ballot to make you our master. Your's is a great influence and a heavy responsibility.

But, seriously, my young friends, and this is a serious moment. I think I may congratulate you and felicitate you upon coming into your own at a period in the history of our country when the opportunities of youth and the responsibilities that society and the Government owe to you are fully appreciated. There has never been a time in the history of our country when so much has been given to the youth of the country and such a determined effort to help him.

Today the great Government under which we are proud to claim citizenship is interested in the youth of the land. There are opportunities for education that never existed before. And I think it may truly be said that any young man or any young woman who really wishes to secure a good education or specialized training will have abundant opportunity to do so in the present day.

PARENTS

I would not feel satisfied with my part in this ceremony if I did not pay a humble tribute to the teachers and to the parents. I charge you, my young friends, with all the solemnity at my command that as you go out from this day henceforth never let the indictment lay upon your conscience that you have not appreciated the loving care and kind attention of and the unselfish sacrifice made by your parents in your homes, and because of which you have been permitted to come to this splendid graduation ceremony. I know, as a matter of experience, that to bring educational opportunities to our children often calls for serious sacrifice on the part of fathers and mothers. This has been especially true during these past fateful years.

Young ladies and young gentlemen of this graduation class, I do hope at this moment from your hearts there will go up a prayer of thanksgiving for these splendid efforts and this unselfish sacrifice.

TEACHERS

Then, too, I wish to pay tribute to the teachers, those of the elementary grades and on up through the high school. Verily, in the life to come their crown should be set with many choice jewels.

Next to the sacred influence of the church, the fine moral, mental, and physical training which our boys and girls receive in the schools of this country is, in my judgment, the most potent influence in giving to America this splendid, this gallant, this unconquerable citizenship of which we boast.

I take my hat off to the school teachers! Usually they are men and women who have spent years of patient toil in preparing themselves for this career. They then are forced to go out into the world in an entirely unfair and unequal economic struggle. I do hope the time will speedily come when in our States, in our counties, and in our cities we shall show our appreciation of the fine work being done by the public-school teachers of this country by making more ample and adequate provision for them.

INDIAN LEGEND

I would not wish to throw any cloud over the beauty of this ceremony or to inject anything but a happy thought, but I must tell you, my young friends, that as you step out into the battle of life you will find your way of progress challenged at many points.

There is a legend among the American Indians that is strange and beautiful. Once a tribe of Indians lived not far from the western sea. At some distance from that camp was a high mountain. It was the ambition of all the youths when they came of age to climb to the top of that mountain. And it was said among the mothers and fathers of the Indian camps that the youth that could scale the side of this mountain and stand upon the summit would thereby be designated as a chief among the tribes and would be destined for success and prosperity.

The way to the mountain was across a barren desert, and the mountain was steep and rugged. One spring the young men of the tribe presented themselves before the chief and he gave them these instructions:

"Go as far as you can; some of you may cross the burning sands; some may get part the way up the mountain; perhaps some of you may reach the top, and from there you will see the shining water. But when you have gone as far as your strength will allow, pluck there some token, a twig, a stone, or some such thing and bring it back to me. Go!"

They went, high of heart and light of step. Along in the afternoon one came back. He was spent and drooping.

"It was the heat", he said. "I did not get far." And he gave the chief his token, a cactus leaf.

"By this I see you got only halfway across the desert," said the chief. "That is where the cactus grows."

Then, one after another the boys returned. One bore a twig of sagebrush, which indicated that he had reached the mountain's foot. Another brought a leaf of maple, as he got to the lake a little way up the mountainside, for there were the maples. Another held in his hand a bit of hemlock, for he attained the slanting rock, a thousand feet up. Another brought a branch of stunted pine, whereupon the chief said, "Good! You reached the timber line."

At sunset came the last young man. He was very weary; yet his eye was not dim.

"And what token did you bring?" asked the chief, as the youth spread out his empty hands.

"Nothing", he said.

Then the chief frowned; but the young men gnashed upon him with their teeth.

"Where I stood", said the youth, "there was nothing, but I saw the sea."

LIFE

The course of life lies before you. Between you and success, or the mountaintops, or the vision glorious, lie many obstacles. Every foot of the path will have some obstacle to overcome; every turn of the road some force that challenges your advance toward the goal of your ambition.

Every great accomplishment is the result of painful and consecrated effort. Every step of progress made by the human race has been by overcoming opposing forces. Every great victory in war, in peace, has called for sacrifice.

The poet once said, "Only he deserves liberty and life who has to conquer them every day for himself."

Keep your head up, your chest out, fix your eyes upon the mountain peak, and keep pressing.

Remember the great men and women who have stood on the mountain peak of success, and who have had the vision glorious, did not get up there in an elevator or by an airship. They climbed and toiled up the tortuous mountainside.

Oh, yes; there will be some along the way who will discourage you, but remember this poem, if you please:

"Somebody said it couldn't be done,
But he with a chuckle replied
That "maybe it couldn't", but he would be one
Who wouldn't say so till he'd tried.
So he buckled right in with the trace of a grin
On his face. If he worried he hid it.
He started to sing as he tackled the thing
That couldn't be done, and he did it.

The world needs real men today as never before. The call of the hour is for manhood and womanhood pure and undefiled.

My young friends, civilization calls you, humanity needs you. Your young manhood, your young womanhood, your opportunities, all are needed in this world in which we live.

Success awaits you on the mountaintop ahead—let's go!

Power Carriers' Responsibility—Will Words of Wisdom Be Heeded by the Very Ones for Whom It Is Intended?

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1937

EDITORIAL FROM THE ST. PAUL PIONEER PRESS

Mr. KNUTSON. Mr. Speaker, a few days ago there appeared in the St. Paul Pioneer Press an editorial of unusual merit and timeliness which is herewith appended that it may be given the greatest possible circulation.

May I say, Mr. Speaker, that as one who has carried a card in the typographical union for many years, I heartily endorse and concur in every word contained in the letter recently sent to the Seattle Construction Council by President Green, of the American Federation of Labor. Mr. Green's advice is most timely and, as is usual with him, his words are words of wisdom. The American laboring man has no better or more trusted friend than Mr. Green, who has spent a long and useful life in promoting the welfare of those who toil.

A WORD FROM GREEN

The letter of President Green, of the A. F. of L., to the Seattle Construction Council is the voice of experience trying to make itself heard over the raucous din of the present labor troubles. He tells organized labor that it must be as fair, reasonable, and restrained as it expects the employer to be, or in the end be destroyed. He is trying to tell labor a truth as old as human experience, that power exerted in an irresponsible way always defeats itself. It is a significant insight into the misgivings which the current undisciplined fury of labor militancy has aroused in the experienced leaders of labor who have been to the wars many times and know whereof they speak.

Mr. Green will probably be shouted down by a new school of labor leadership, which will call this stuffy and stodgy conservatism, and which, in some cases, is more interested in the doctrines of the class struggle and revolution than in those of trade-unionism. Perhaps to his own surprise, Mr. Lewis now finds among the key men in his organization labor figures who a few short years ago he was denouncing as "fakirs, repudiated leaders, traitors to the unions." For example, the present executive director of the C. I. O. is the same man whom Mr. Lewis' newspaper, the Miners' Journal, once accused of being in the pay of the Soviet Government.

But labor will either listen to Mr. Green or regret it. There is not going to be any revolution in America, but if this epidemic of ridiculous demands, outlaw strikes, and violent methods continues, there will be a reaction of public opinion in this country just as surely as there was in England a dozen years ago and with the same result for the regulation and control of trade-unionism.

Mr. Green might have gone much further in his warning and still have been within the bounds of immediately probable consequences. The most dangerous form of this present irresponsible temper in labor is not the demand for higher wages, which often is certainly justified, but in the tendency to cut down on production and labor efficiency. The attitude of the independent steel producers in the present strike is in no small part the result of the experience of some of the larger producers under agreements with the steel workers' union. Productive efficiency has fallen off, apparently because of a feeling that sabotage and slacking can be practiced with impunity. A comparatively minor but significant incident was the sabotaging of production in the Crown Hat Co., of Detroit, with the consequence that the company has gone out of business, the machinery is being sold, and the workmen are looking for new jobs.

American labor standards depend in last analysis on the productive efficiency of the individual workman. This efficiency is high, but still, under present technological advancement, it is still not high enough to maintain the standards which are the goal in America. This fact should be clear to any person who will pause to estimate how far a national income of sixty to sixty-five billions can go in a nation of 130,000,000 persons.

With labor's new power and its aspiration goes a responsibility and a necessity for not only maintaining present levels of per-capita productivity but of increasing them. There is no other way for labor to reach its objectives. They have their organization, but organization is only a means to the end. Everything depends on how it is used.

Commencement at Nanticoke High School

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1937

ADDRESS OF HON. CLIFTON A. WOODRUM, OF VIRGINIA, DELIVERED AT THE NANTICOKE HIGH SCHOOL, NANTICOKE, PA., JUNE 11, 1937

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered at Nanticoke, Pa., on June 11, 1937:

I count it an unusual pleasure to have the honor of addressing this inspiring audience today. Even the pressure of official duties at Washington could not force me to forego the pleasure of accepting the invitation so graciously extended by your distinguished Congressman. May I say at this point, without meaning to flatter the gentleman, that down at Washington we have come to know Congressman FLANNERY and to appreciate him as a real Representative who is going places. His splendid attainments, his industrious application to duty, his fine concept of Americanism, and his genial and gracious personality have endeared him to us. We congratulate you upon having such a Congressman in Washington, and it is my great pleasure to work and labor with him from day to day.

YOUTH

It thrills me to stand before youth. Youth is the mainspring of the world. The experience of age is wise in action only when it is electrified by the enthusiasm of youth.

Oh, glorious youth, with its hyacinth locks, its smooth, unwrinkled brow, its fresh and rounded cheeks, its pearly and perfect teeth, its lustrous eyes, its light and agile step, its frame full of energy, its exalting spirit, its high hopes, and its generous impulses! If I knew where, amid myrtle bowers and flowers that never wither, gushed from the ground the fountain of perpetual youth, so long sought in vain, I would offer to the lips of every one of you a beaker of its fresh and sparkling waters and bid you drink unfading youth. As I can't do that, I will do what is probably better; that is, wish for each of you a long life, filled with happiness and service.

Someone has said that all that a man does after he is 21 is to try to realize a little bit of what he conceives before reaching that age. All of Caesar's conquests, Webster's eloquence, and Gladstone's statecraft were but the consummation of what each had seen and experienced before reaching his majority.

And so today I bring a tribute to youth. I salute you as you stand upon the threshold of life. The world is yours for the taking.

Almost everything that has been done has been done by youth. The great men of all ages have been among the young men.

At 16 Bacon sketched his philosophy.

At 17 Sir Walter Raleigh had gone out to find new worlds.

At 14 Napoleon wrote home from the military school to his mother, "With my Homer in my pocket and my sword at my side, I will fight my way to the top."

At 17 Edmund Spencer had published.

Before 20 Alexander Farnece, Prince of Parma, and the greatest general of his time, had revealed his masterly genius.

The Prince of Conde and Henry of Navarre were leaders while yet boys.

At 21 William of Orange, the Washington of England, commanded the army of Charles V.

George Washington was entrusted with the memorable mission to the French at 21 and flashed his sword at Fort Necessity at 22.

At 27 Napoleon Bonaparte was triumphant over Italy.

At 32 Alexander wept for other worlds to conquer.

On his thirty-seventh birthday Raphael lay dead beneath his last picture.

At 36 Mozart had sung his swan song.

At 39 Stonewall Jackson had passed over the river to rest beneath the shady trees.

The younger Pitt, at the early age of 22, astonished Europe by his brilliant feats of statesmanship in the British Parliament.

Charles Fox at 25 was the recognized leader of the Whig Party in the House of Commons.

Thomas Jefferson was elected to the Virginia House of Burgesses at the age of 25, became a Member of the Continental Congress at the age of 32, and at the age of 33 wrote the Declaration of Independence.

Alexander Hamilton, his great rival, was distinguished as a speaker and writer at the age of 17, was a lieutenant colonel in the Continental Army at 21, led a gallant charge at Yorktown when he was 24, took his seat in Congress at 25, and was Secretary of the Treasury at the age of 32.

James Madison was a Member of the first Constitutional Convention of Virginia at the age of 25, entered the Continental Congress at the age of 28, and at the age of 38 was called the Father of the Constitution.

the Congress in casting aside a half century of legislative experience in providing for the administrative handling of modern complexities too numerous and diverse to be subjected to a single and inflexible rule directly imposed by the Congress. There is, it should be remembered, no case where congressional delegation of power has been adjudged invalid where the delegation has been made to a permanent governmental, administrative commission, independent of the executive branch of the Government. *Panama Refining Co.* v. *Ryan* (293 U. S. 388), involved delegation directly to the Executive; the *Schechter* case involved not only theoretical delegation to the Executive but practical delegation to substantially private code authorities. Insofar as the decision in *Carter* v. *Carter Coal Co.* (298 U. S. 238, 310–311), rested on the grounds of faulty delegation, the vice lay in the delegation having been made not to an official or official body but "to private persons whose interests may be, and often are, adverse to the interests of others in the same business."

Indeed, congressional delegations of power to official administrative agencies have been held invalid in only two cases—the *Panama Refining Co.* case and the *Schechter* case. In the *Panama Refining Co.* case, the subject of the statutory prohibition, the transportation in interstate commerce of petroleum produced in violation of State law, was defined, but the delegation was held to be improper because the range of administrative discretion was not only unlimited, but wholly undefined (*Panama Refining Co.* v. *Ryan*, 293 U. S. 388, 415; *Schechter Poultry Corporation* v. *United States*, 295 U. S. 495, 350). In the *Schechter* case, on the other hand, the Court was not disturbed so much by the range of discretion granted with respect to any particular subject matter as it was by the fact that it could find no "adequate definition of the subject to which the codes were addressed." As the Chief Justice stated: "Congress cannot delegate legislative power to the President to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade and industry" (295 U. S. at 537–538). The National Industrial Recovery Act had authorized the President to approve codes of fair competition for trade and industry without attempting to limit or define the subject matter of the codes. As Mr. Justice Cardozo pointed out, such codes were not restricted, and were not (in the opinion of the Court) intended by the Congress to be restricted, to "the elimination of business practices that would be characterized by general acceptation as oppressive or unfair" (295 U. S. at 552). There is, as a matter of fact, nothing in either the opinion of Chief Justice Hughes or of that of Mr. Justice Cardozo which suggests that, if the Congress had restricted the subject matter of the codes to the labor provisions of the National Recovery Act instead of merely requiring that codes drafted for other undefined purposes should comply with such labor provisions, the Court would have considered the labor standards, vague as they were, fatally defective.

It must, of course, be borne in mind that the courts have never required the same definiteness of a standard which is set forth for the guidance of an administrative agency and which cannot be enforced against the individual before it has been specifically implemented by the orders or regulations of the administrative agency, as the courts have required of a standard which operates directly upon the rights of the individual and to which the individual must conform at his peril. A standard too vague to support a self-operating provision enforced by criminal liability (*United States* v. *Cohen Grocery Co.*, 255 U. S. 81) may well state a policy and purpose sufficiently definite to serve as an appropriate standard for the guidance of administrative action (*Highland* v. *Russell Car & Snow Plow Co.*, 279 U. S. 253; *Continental Baking Co.* v. *Woodring*, 286 U. S. 352, 368).

The *Panama Refining Co.* case and the *Schechter* case never purported to question the authority of numerous earlier cases which sustained congressional delegations of power to administrative agencies under extremely vague and general standards for the sole reason that the Court was convinced that in light of the nature and complexity of the subject matter of the legislation the prescription of a more detailed standard would be difficult or impractical. Cases in which the use of general expressions as a standard has been upheld as proper in view of the nature and character of the specific statute or provision involved are *Federal Radio Commission* v. *Nelson Bros. Bond & Mortgage Co.* (289 U. S. 266, 385), (public convenience, interest, or necessity); *Avent* v. *United States* (266 U. S. 127), and *United States* v. *Chemical Foundation* (272 U. S. 1), (in the public interest); *Colorado* v. *United States* (271 U. S. 153, 168), and *Chesapeake & Ohio Ry.* v. *United States* (283 U. S. 35, 42), (certificates of public convenience and necessity); *Tagg Bros. & Moorhead* v. *United States* (280 U. S. 420), (just and reasonable commissions); *Wayman* v. *Southard* (10 Wheat. 1), (in their discretion deem expedient); *Buttfield* v. *Stranahan*, 192 U. S. 470 (purity, quality, and fitness for consumption); *Union Bridge Co.* v. *United States* (204 U. S. 364); *Monongahela Bridge Co.* v. *United States* (216 U. S. 177); *Hannibal Bridge Co.* v. *United States* (221 U. S. 194); *Louisville Bridge Co.* v. *United States* (242 U. S. 409), (unreasonable obstruction to navigation); *Mahler* v. *Eby* (264 U. S. 32), (undesirable resident); *McKinley* v. *United States* (249 U. S. 397), (war powers); *United States* v. *Grimaud* (220 U. S. 506), (regulation of forest reserves).

The leading decisions reflect the importance of practical considerations and the necessity for delegation as a means of administering the law, in determining how definite a standard set by Congress for the guidance of an administrative agency must be. Beginning with *Wayman* v. *Southard* (10 Wheat. 1), the Supreme Court, speaking through Chief Justice Marshall, adverted (pp. 34–35, 46–47) to the need for flexibility in conforming the Federal practice to the judicial systems of the States in a statute delegating to the Federal judiciary power to alter the rules relating to process, as the courts "in their discretion deem expedient" (p. 39). The statute upheld in *Field* v. *Clark* (143 U. S. 649), permitted the President to impose reciprocal duties on goods imported from countries which discriminated against American products, a function which could best be exercised by a governmental agency capable of prompt action after forming a judgment based upon changing conditions. The law sustained in *Buttfield* v. *Stranahan* (192 U. S. 470), authorized the Secretary of the Treasury to fix standards of purity, quality, and fitness for consumption with which imported tea must comply. The Court declared: "Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute. To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted" (192 U. S. at 496).

In upholding the statute authorizing the Secretary of War to determine whether a bridge was an "unreasonable obstruction" to navigation, the Court in *Union Bridge Co.* v. *United States* (204 U. S. 364, 386), emphasized the fact: "* * * investigations by Congress as to each particular bridge alleged to constitute an unreasonable obstruction to free navigation and direct legislation covering each case, separately, would be impracticable in view of the vast and varied interests which require national legislation from time to time." And the Court stated (204 U. S. at 387) that a denial of the rights of delegation "would be 'to stop the wheels of government' and bring about confusion, if not paralysis, in the conduct of the public business."

Similarly, in *United States* v. *Grimaud* (220 U. S. 506), the impracticability of having Congress provide general regulations for each of the many different forest reservations was held to justify an authorization to the Secretary of Agriculture to "make such rules and regulations * * * as will insure the objects of such reservations." The Court said: "In the nature of things it was impracticable for Congress to provide general regulations for these various and varying details of management. Each reservation had its peculiar and special features * * *." (220 U. S. at 516.)

Again, in upholding the provision of the Interstate Commerce Act which authorizes the Interstate Commerce Commission to make rules in case of car shortage, the Court declared in *Avent* v. *United States* (266 U. S. 127, 130): "* * * the requirement that the rules shall be reasonable and in the interest of the public and of commerce fixes the only standard that is practicable or needed." (See also *Mutual Film Corp.* v. *Ohio Industrial Commission*, 236 U. S. 230, 245; *Mahler* v. *Eby*, 264 U. S. 32, 40; *United States* v. *Chemical Foundation*, 272 U. S. 1, 12.)

The emphasis upon the practical need for the delegation is clear in *Hampton, Jr., & Co.* v. *United States* (276 U. S. 394). In upholding the Flexible Tariff Act, which authorized the President to adjust tariff rates so that they would correspond to the differences in costs of production here and abroad, the Court took into account the inability of Congress to make the necessary adjustments (276 U. S. at 405), the need for readjustment because of everchanging conditions (276 U. S. at 406), and the uncertainty as to the time when the adjustments should be made (276 U. S. at 407). By way of analogy, it referred to the fixing of just and reasonable rates by the Interstate Commerce Commission, stating that: "If Congress were to be required to fix every rate, it would be impossible to exercise the power at all" (276 U. S. at 407). In view of these considerations, it was held sufficient for Congress to establish a general rule declaring an "intelligible principle": "In determining what it may do in seeking assistance from another branch, the extent and character of that assistance must be fixed according to common sense and the inherent necessities of the governmental coordination" (276 U. S. at 406). Mr. Justice Sutherland in *United States* v. *Curtiss-Wright Corporation* (299 U. S. 304, 315), suggests that in the tariff cases involving foreign relations a broader discretion may be vested in the President than in matters relating solely to internal affairs, but the reasoning of the Court in the tariff cases there cited is based upon no such distinction.

There is nothing in the adjudicated cases which suggests that the constitutional rule against the delegation of essential legislative powers is violated by a bill, like the proposed bill, which dealing with many and diverse industries not only defines the subject-matter to which an administrative agency may address its discretionary powers, but clearly states the purposes for which the administrative discretion may be exercised. Unlike the statute in the Schechter case, the proposed bill carefully defines the subject matter to which the administrative agency may address itself. Unlike the statute in the Panama Refining Co. case, the bill does not omit to state the range of the administrative discretion vested in the board, but clearly states the purposes for which it may be exercised.

The extent to which the Supreme Court has gone in sustaining a delegation of power to an administrative agency where the subject-matter of the delegation is defined, and the purpose for which such power is to be exercised is indicated in most general terms, is strikingly illustrated in the case of *New York Central*

William P. Connery, Jr.

EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 16, 1937

Mr. DUNN. Mr. Speaker, I desire to make a brief statement in behalf of Congressman WILLIAM P. CONNERY, Jr., who represented the State of Massachusetts.

While he lived, a great deal of his time was devoted in rendering assistance to the downtrodden. He was a progressive and a humanitarian.

The death of Congressman CONNERY means that our country has lost one of its noblest champions of the laboring people.

Delegation of Power Under Proposed Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, June 17 (legislative day of Tuesday, June 15), 1937

STATEMENT BY ROBERT H. JACKSON, ASSISTANT ATTORNEY GENERAL

Mr. GUFFY. Mr. President, I ask to have printed in the Appendix of the RECORD a statement by Hon. Robert H. Jackson, Assistant Attorney General, on the subject of Delegation of Power Under the Proposed Fair Labor Standards Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Nearly every legislative proposal dealing with complex economic conditions involves problems of delegation. For such a legislative proposal must meet the charge that it entrusts arbitrary discretion to an administrative agency, or else it must resist the attack that it put industrial enterprise into a strait-jacket and imposes a rigid and inflexible rule without regard to industrial and geographical diversities. The proposed Fair Labor Standards Bill has at one and the same time been criticized on both of these grounds. The inconsistency of the attack suggests that the draftsmen of the bill have at least sought to achieve a fair and constitutional balance between the practical requirement of workable flexibility and the legal requirement of adequate standards.

The bill contemplates that the Congress should write into the statute some definite figures to be used as a guide by the administrative agency in establishing a floor below which wages shall not be cut and a ceiling beyond which hours should not be stretched. Let us assume, for the sake of an example, that the Congress fixes 40 cents an hour as the basic minimum nonoppressive wage, and 40 hours a week as the basic maximum workweek. That would be $16 for a 40-hour week or $800 for a year of 50 weeks. It will scarcely be questioned that in most sections of the country a worker with $800 a year will have no more than is necessary to provide a minimum standard of living to maintain himself and his family. It is also to be noted that the board cannot fix even a minimum fair wage which yields an annual income in excess of $1,200. That means that the board cannot fix a wage in excess of 60 cents an hour for a worker employed 50 weeks a year. A higher hourly week may be fixed in occupations which do not give the worker full employment, but such hourly rate can in no case be in excess of 80 cents. It is clear that the bill protects only poorly paid workers who are not in position to protect themselves.

In the *Washington Minimum Wage* case (*West Coast Hotel Co. v. Parrish*, October term, 1936, decided Mar. 29, 1937), the Supreme Court held that the cost of living was a sufficient standard for purposes of the fourteenth amendment, even though no approximate figure was inserted in the statute for the guidance of the administrative agency. Under the proposed bill not only is an approximate figure given to the administrative agency as a guide in fixing a minimum nonoppressive wage, but that figure is not to be applied and may be revised downward, if the board finds it necessary to avoid unreasonably curtailing the workers' opportunity for employment. The figure may be revised upward if the board finds it possible without unreasonably curtailing the opportunities for employment, but not above what may fairly be regarded as a minimum standard of living necessary for health and efficiency, i. e., substantially the same standard as was approved in the *Washington Minimum Wage* case.

The situation is similar with regard to the number of hours which the Congress may write into the bill as the basic nonoppressive workweek. Under the proposed bill not only is an approximate figure given to the board as a guide in establishing a nonoppressive maximum workweek, but the basic number of hours specified is not to be applied and may be increased by the board if the board finds it necessary to avoid unreasonably curtailing the workers' earning power. The basic workweek may also be shortened by the board if the board finds it possible to do so without unreasonably curtailing the worker's earning power, but the board may not so shorten the workweek beyond what it finds is required in the interest of the health, efficiency, and well-being of the workers. And in no event may a workweek be shortened below a fixed number of hours, say 30 or 35, which it is contemplated shall be specified in the bill.

The minimum fair wage standards and maximum workweek standards which the board may apply to industries where the facilities for collective bargaining are not adequate or effective are defined in section 5. These standards are patterned upon the standards used in the New York minimum fair wage statute. While a bare majority of the Supreme Court refused to enforce that statute in *Morehead v. New York ex rel Tipaldo* (298 U. S. 587), on the ground that the Court was bound by its decision in *Adkins v. Children's Hospital* (261 U. S. 525), and on the further ground that the Court had not been asked to overrule the Adkins decision, the Chief Justice and three of his colleagues, dissenting, were of the opinion that the New York statute's "provisions for careful and deliberate procedure" made the New York statute constitutional even though the cost of living statute involved in the *Adkins* case might be regarded as unconstitutional. And there can be no doubt that a majority of the Court, having expressly overruled the *Adkins* case in the *Washington Minimum Wage* case, would today view the more carefully drawn New York statute as constitutional. There can be no doubt that the opinion of the Chief Justice in the *Morehead* case may today be accepted as the law of the land.

The signposts to guide the Board in determining a nonoppressive minimum wage and nonoppressive maximum workweek, as well as a reasonable minimum wage and reasonable maximum workweek in any particular occupation, are much clearer and more distinct than those approved by the Court in the recent *Washington Minimum Wage* case. It is significant that the Court in that case attempted to draw no subtle distinction between the *Adkins* case, which dealt with a congressional enactment, and the *Washington* case, which dealt with a State statute, but expressly overruled the *Adkins* case.

A number of the provisions of the present bill give the board power to make exemptions and qualifications necessary to make the act workable and effective. The purposes of these provisions are plainly stated, and the standards to govern their application are defined as definitely as the practical exigencies will allow. "The industries of this country", as Mr. Justice Cardozo has stated, "are too many and diverse to make it possible for Congress in respect of matters such as these, to legislate directly with adequate appreciation of varying conditions." (*Schechter Poultry Corporation v. United States*, 295 U. S. 495, 552.)

Although the power to exempt, to except, or to qualify may not be left to the arbitrary discretion of the board to exercise for purposes bearing no relation to legislatively defined policy, the Supreme Court has never nullified such administrative powers to relax the rigors of a rule of law when required to avoid injustice or unnecessary hardship. In invalidating the N. R. A. statute in the *Schechter* case, the Chief Justice was careful to point out that the statute did not "seek merely to endow * * * groups with privileges or immunities", but it involved "the coercive exercise of the lawmaking power." (*Schechter Poultry Corporation v. United States*, 295 U. S. 495, 529.) Both kinds of standards are employed in the act and both kinds of standards find their counterparts and analogies in State, as well as Federal, labor legislation. But a distinction must be drawn between those standards in the proposed bill which empower the board to implement the general rules fixed by the Congress and those standards which permit the board to relax the generality of the rules fixed by the Congress. A broader and wider discretion may be delegated in applying exemptions and exceptions than in applying the primary rule in regulation to be enforced. (*United States v. Shreveport Grain Co.*, 287 U. S. 77, 82, 85 (delegation of power to allow exemptions and tolerances under the Pure Food Act); *Intermountain Rate Cases*, 234 U. S. 476, 484, 486 (delegation of power to allow exceptions from long and short haul); *Chemical Foundation v. United States*, 272 U. S. 1, 12 (delegation of power to except from public sale requirement); *Heiner v. Diamond Alkali Co.*, 288 U. S. 502 (power to relax application of excess profits tax); *Hampton v. United States*, 276 U. S. 394, 407 (delegation of power to make tariff provisions effective).)

It is important to remember that the Supreme Court very rarely finds fault with a congressional delegation of power. There is nothing in the recent decisions of the Court which would justify

Securities Corporation v. *United States* (287 U. S. 12), sustaining the validity of the consolidation provisions of the Transportation Act of 1920. In that case Chief Justice Hughes stated (287 U. S. at 24–25):

"Appellant insists that the delegation of authority to the Commission is invalid because the stated criterion is uncertain. That criterion is the 'public interest.' It is a mistaken assumption that this is a mere general reference to public welfare without any standard to guide determinations. The purpose of the act, the requirements it imposes, and the context of the provision in question show the contrary. * * * The provisions now before us were among the additional made by Transportation Act, 1920, and the term 'public interest', as thus used, is not a concept without ascertainable criteria, but has direct relation to adequacy of transportation service, to its essential conditions of economy and efficiency, and to appropriate provision and best use of transportation facilities, questions to which the Interstate Commerce Commission has constantly addressed itself in the exercise of the authority conferred. So far as constitutional delegation of authority is concerned, the question is not essentially different from that which is raised by provisions with respect to reasonableness of rates, to discrimination, and to the issue of certificates of public convenience and necessity. *Intermountain Rate Case*, 234 U. S. 476, 486; *Railroad Commission* v. *Southern Pacific Co.*, 264 U. S. 331, 343, 344; *Avent* v. *United States*, 266 U. S. 127, 130; *Colorado* v. *United States*, 271 U. S. 153, 163; *Chesapeake & Ohio Ry. Co.* v. *United States*, 283 U. S. 35, 42" (287 U. S. at 24–25).

In *Panama Refining Co.* v. *Ryan*, 293 U. S. 388, Chief Justice Hughes emphatically stated (293 U. S. at 421):

"Undoubtedly legislation must often be adapted to complex conditions involving a host of details with which the national legislature cannot deal directly. The Constitution has never been regarded as denying to the Congress the necessary resources of flexibility and practicality, which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. Without capacity to give authorizations of that sort we should have the anomaly of a legislative power which in many circumstances calling for its exertion would be but a futility."

The Chief Justice subsequently employed virtually the same language in *Schechter Poultry Corporation* v. *United States* (295 U. S. 495).

The proposed bill deals with difficult and complex industrial situations. A careful and deliberate procedure has been provided; orders of the board may be entered only after hearing. The draftsmen have been careful and painstaking to make the standards as definite and specific as the conditions with which they have had to deal permit, without imposing upon the diversities of American industry inflexible and unworkable rules provocative of serious industrial dislocations. These standards are well within constitutional limitations, assuming, of course, that constitutional limitations are to be construed to make a constitutional democracy workable and not to render it impotent.

Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. GEORGE McGILL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, June 17 (legislative day of Tuesday, June 15), 1937

A PREPARED DIGEST OF FAIR LABOR STANDARDS ACT OF 1937, (BLACK-CONNERY BILL, S. 2475)

Mr. McGILL. Mr. President, I ask leave to have printed in the RECORD a prepared digest of the Fair Labor Standards Act of 1937.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

The bill proposes to bar from the channels of interstate commerce the products of child labor and of workers employed for unduly low wages, unduly long hours, or under conditions which violate the rights of labor by the use of strikebreakers or spies. The bill further authorizes administrative action to require the elimination of substandard wages and hours, child labor, and other oppressive labor practices which place goods produced under fair labor conditions at a competitive disadvantage in interstate markets, or which lead to labor disputes that burden interstate commerce or disrupt the orderly and fair marketing of goods in interstate markets.

The bill, therefore, calls for the exercise of the constitutional power of the Congress to regulate commerce among the States, for the purpose of putting a stop to traffic among the States in goods produced under substandard labor conditions and of giving protection to commerce among the States in goods produced under fair labor standards—standards which we should like to regard as American standards of labor.

The bill recognizes, however, the very practical exigencies which make it impossible to prescribe for all goods which enter into interstate commerce any single minimum fair wage standard, or any single maximum reasonable workweek standard. Even in the treatment of national problems there are geographic and industrial diversities which cannot be ignored. For that reason the bill makes a distinction between labor conditions which are *clearly oppressive* under any circumstances and labor conditions which may be found *unreasonable* under circumstances prevailing in particular industries or in particular geographic areas. As to labor conditions which are clearly oppressive, the regulatory provisions of the bill are largely automatic; but as to labor conditions which depend for their unreasonableness upon particular circumstances, the regulations become effective only after appropriate administrative findings and orders. The administration of these provisions is placed in a Labor Standards Board of five members.

The bill proposes that as rapidly as possible the board shall extend the automatic exclusion of goods from interstate commerce to goods which are produced under conditions so oppressive—according to any reasonable standard of social or economic justice—that little differentiation is required as between different industries or localities. These rudimentary standards demanded by the conditions of modern economic life are defined in the bill. The products of the labor of children under 16 years of age ought not to be accepted in any fair market. Workers ought not to be denied the right of self-organization by the fear of labor spies. The right to strike ought not to be rendered ineffective by use of strikebreakers. Allowing for appropriate qualifications and general classifications, the bill provides a floor below which the hourly wage ought not to fall and a limit beyond which the working week should not be stretched.

These are the rudimentary standards of human decency at which the relatively automatic provisions of the bill are directed. But even in the application of these rudimentary standards, a certain discretion is given to the enforcement agency so that it can protect the earning power of the workers and their opportunities for employment from unreasonable curtailment; and the board is permitted to make necessary classifications and exemptions in appropriate circumstances. A degree of general flexibility is achieved by authorizing the board to vary the minimum wage and hour standards upward or downward and by permitting work for longer hours without the necessity of a specific exemption if the incentive to abuse is removed by the payment of time and a half for the excess hours.

But the bill recognizes that it is not enough merely to outlaw from the channels of interstate commerce goods produced under these very low and oppressive labor conditions. The bill, therefore, further seeks to build up, through appropriate administrative machinery, standards of fairness and reasonableness, industry by industry, with due regard to local and geographical diversities—that is, to bring about in interstate industries the payment of a minimum "fair wage" and the maintenance of a maximum "reasonable workweek." The bill carefully safeguards the rights of the workers to obtain by their own efforts, singly or collectively, a wage higher or a workweek shorter than that required by the bill.

A fair wage is defined as a wage fairly and reasonably commensurate with the value of the service or class of service rendered; and a reasonable workweek as a number of hours of employment in a week which is reasonably appropriate to the nature of the service or class of service rendered. The bill requires the Labor Standards Board to establish a minimum fair wage or a maximum reasonable workweek for a particular occupation whenever the board determines that, owing to the inadequacy or ineffectiveness of the facilities for collective bargaining, the payment of a lower wage or the maintenance of a longer workweek prevails to a substantial extent in such occupation or threatens to undermine fair labor standards maintained by other employers. In establishing these standards, the board would consider the needs and requirements of each industry and would give due regard to geographical and other diversities. Once a minimum fair wage or maximum reasonable hour standard is established by order of the board, it is made unlawful to ship in interstate commerce any goods on which workers have been employed for less than such minimum fair wage or for more hours per week than such maximum reasonable workweek. Similarly, when the Children's Bureau of the Department of Labor determines that the employment of children between the ages of 16 and 18 in any occupation is particularly hazardous or detrimental to the health or well-being of such children, the employment of such children in that occupation constitutes oppressive child labor and the products of that labor are barred from the channels of interstate commerce.

In addition to its regulation of conditions of employment by the prohibition against the interstate shipment of "unfair goods", the bill, by Part IV, further regulates conditions of employment by requiring the maintenance of fair labor standards in particular situations directly affecting interstate commerce. Thus, when goods produced under substandard conditions compete to a substantial extent in interstate commerce with fair goods, the board is authorized to require the elimination of such substandard labor conditions and the maintenance of a fair labor standard in the production of goods which so compete. Further, whenever

the board determines that substandard labor conditions will lead to labor disputes directly burdening or obstructing interstate commerce, or otherwise will directly affect the movement or price of goods in interstate commerce, the Board is similarly authorized to require by order the elimination of such substandard conditions. Finally, if the board determines that such substandard labor conditions are maintained with an intent to divert or control the movement or price of goods in interstate commerce, the Board may by order require their elimination.

These provisions of Part IV are designed to be supplementary to the provisions which bar interstate shipment of unfair goods. They also provide an alternative legal basis for regulation since they are based upon the theory that substandard labor conditions which directly affect interstate commerce may be controlled by Congress. While there is some overlapping between the provisions of Part IV and those which bar the interstate shipment of unfair goods, there can be no inconsistency between the two in operation.

The administration of Part IV may, it is true, present practical difficulties. It may not always be possible for the Board to make the administrative findings necessary, even though the industrial facts urgently require the establishment of fair labor standards. Standing alone, Part IV would be of value in protecting existing standards but would be seriously deficient where the industrial need is to establish decent standards where none now exist.

Throughout the bill the standards for the determination of fair wages and reasonable working hours are drawn with the fullest consideration of fairness to the employer. The standards are based on the value of the service rendered and the reasonableness of the period of working time considering the nature of the employment. Furthermore, fairness to all parties concerned and reasonable treatment of special cases is assured by the provisions of the bill, which require the board to grant exemptions from the wage and hour regulations as the need appears. Neither in its general scope nor in its special treatment of particular cases can the bill be pronounced arbitrary, for fair labor standards are required to be maintained only to the extent necessary in order to accomplish the purposes of the legislation.

While the bill closes the channels of interstate commerce to goods produced under unfair labor conditions, the bill does not attempt to cover purely local pursuits or intrastate service trades.

Do the States Want Federal Aid for Roads?

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

STATEMENT OF HON. WILBURN CARTWRIGHT, OF OKLAHOMA, CHAIRMAN OF THE COMMITTEE ON ROADS, UNITED STATES HOUSE OF REPRESENTATIVES

Mr. WHITTINGTON. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I am glad to testify to the efficient and indefatigable efforts of Hon. WILBURN CARTWRIGHT, chairman of the Committee on Roads, House of Representatives, to promote Federal aid for highways. He has not only taken a conspicuous part in the program, but he has been on guard to protect the integrity of the program.

One of the constructive features of the Hayden-Cartwright Act of June 18, 1934, was a penalty against the diversion of highway funds to other uses.

Chairman Cartwright believes that highways are among the most satisfactory of public improvements; he has taken advantage of every opportunity in all emergency programs and emergency appropriations to include highway construction. Such works are permanent as well as beneficial; they are needed in every State.

A short time ago, in line with his policy to protect the integrity of highway legislation, Chairman Cartwright issued a very constructive statement under the title "Do the States Want Federal Aid for Roads?" It was widely published and it appeared in Better Roads, April 1937, as well as in other extensively circulated publications.

Under the leave to extend my remarks, I include the said statement by Chairman Wilburn Cartwright, the efficient chairman of the Committee on Roads, as follows:

On March 9, 1937, the first penalty under section 12 of the Hayden-Cartwright Act of 1934 was invoked against the State of Maryland, when formal notice was given to the Maryland State Roads Commission that the Bureau of Public Roads "will proceed to deduct" $341,666.66 "from the apportionment to Maryland for the fiscal year 1937."

This action was based on the conclusion of the Bureau that "there has been substantial diversion of the revenues derived from motor-vehicle license fees and gasoline taxes to other than highway purposes * * * within the meaning of section 12 of the Hayden-Cartwright Act of June 18, 1934, and that, as a result, the State is subject to the deduction required by said act from its apportionment of Federal-aid funds."

My information is that other States are now being considered by the Bureau, and it is likely that further penalties will be invoked.

The sentiment in Congress regarding diversion is, I think, fairly represented by a recent statement by Senator CARL HAYDEN, ranking member of the Senate Committee on Post Offices and Post Roads and coauthor of the Hayden-Cartwright highway acts, in which he said:

"The enactment of State laws diverting gasoline and other motor-vehicle taxes from highway purposes to other uses can only be construed by the National Congress as a clear indication that these States are not interested in the continuation of a program of highway construction and, consequently, do not care to continue to receive the benefits of Federal aid for roads."

At about the same time, in reply to an inquiry from officials of the Nebraska Farm Bureau Federation, I stated:

"Section 12 of the Hayden-Cartwright act of 1934 provides that States diverting highway funds to other uses shall be penalized not to exceed one-third of Federal-aid apportionments for highways after July 1935. It seems certain that the Secretary of Agriculture will soon take definite action to penalize several States through loss of Federal aid for diversions heretofore made.

"There is strong sentiment in the Roads Committee and in Congress for increasing the penalty at this session to two-thirds of apportionments, or denying Federal aid altogether to States that persist in the indefensible practice of diverting their own gasoline and other motor-vehicle tax revenues to nonhighway purposes. In fact, some consideration is being given to suggestions that the policy of Federal aid for roads be discontinued if the States by continued diversion defeat the purpose of Congress to hasten the completion of the State highway systems."

Despite widespread opposition, the practice of diversion has increased at an alarming rate in recent years. It constitutes a most unfair method of taxation because it is applied without reference to the taxpayers' interests, benefits, or ability to pay.

Motor-fuel taxes are paid by the vehicle owner in proportion to his use of the highway. The extent of this use constitutes a fair measure of the tax or "toll" he should be required to contribute to the construction and maintenance bill. On the other hand, it bears no relationship whatsoever to the taxes he should be expected to pay toward the general expenses of government.

An unfair yardstick is used when gasoline taxes, levied on a special class of citizens for a special purpose, are diverted to any other purpose. The measure of a farmer's gas tax, for example, is the distance that he lives from market. If one farmer lives 15 miles from town he will not object to paying more for construction and maintenance of the road he uses than a farmer who lives 1 mile from town. But it is manifestly unfair and absurd to require the one farmer, solely on the basis of where he lives, to pay 15 times as much tax as another, when the tax is used to pay State debts or General Government costs.

This alarming misuse by States of highway funds has increased from less than $12,000,000 in 1928 to more than $200,000,000 in 1936, and combined diversions by States amount now to almost as much as the total Federal-aid highway appropriations.

In Washington we hear over and over the question: Why should the Federal Government continue to make grants of highway funds when these funds in effect replace diversions by States of highway funds to other uses?

Prosperity for Labor and Industry

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, June 17 (legislative day of Tuesday, June 15), 1937

ADDRESS BY ROBERT W. JOHNSON BEFORE THE JOINT COMMITTEE ON LABOR RELATIONS

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the

address delivered to the Joint Committee on Labor Relations of the Senate and House of Representatives by Robert W. Johnson, of the Johnson & Johnson Manufacturing Co., of New Brunswick, N. J.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Senator Black, Congressman Connery, members of the committee, ladies and gentlemen, let us take as our premise the statement of the President of the United States, "We cannot achieve lasting prosperity or political stability in this country so long as one-third of our people earn less than a decent living and many millions are unable to find work in private industry and business." Those of us who look forward to a career in commerce and industry want to see the country prosperous for selfish reasons. We cannot conduct our business unless our currency is stable, which means that at a reasonably early date we must have a balanced Budget and some adjustment of the present burdensome tax structure.

I mention these things not in condemnation of this administration, but in the hope that by bringing these elements into our consideration of the hours and wages bill we will gain the support of many realistic business men who naturally must think of the welfare of their private business. Roughly speaking, 60,000,000 people are supported by commerce and industry, and another sixty million supported by agriculture. This leaves 10,000,000 people whose livelihood is derived from a long list of miscellaneous professions and services.

The prosperity of all American industry and commerce rests in the final analysis on the buying power of the masses and therefore we have a direct and selfish interest in the welfare of these people. Of course, it is difficult for men who are devoting every hour of their lives to the development of a private business to see clearly the relation between the prosperity of their own business and the prosperity of the Nation as a whole. This administration has wisely taken upon itself the duty of raising the standards of living, particularly of those underprivileged millions who now reside in our country, and the administration is also striving to give jobs to the millions who would trade their souls for an honest day's work.

I can imagine no more valuable service at this time than the work that you and your committee are doing. Liberal-minded business leaders throughout the country believe in the principle of shorter hours and higher wages, and while some years ago the number of such men was unfortunately too few, today their ranks are being augmented each week. They now see prosperity returning and yet do not see in the return of that prosperity the solution to our national unemployment problem and the raising of the standards of those who are now employed but who work excessively long hours and receive less than a decent minimum pay.

It would be helpful to know exactly how many men and women are now out of employment, but the situation is so obvious that we can well afford to take corrective measures without a detailed understanding of the exact figure. We know, for example, that in the prosperous year of 1929 there were many millions who could not find work, and we also know that in the reasonably prosperous year of 1936 there were more millions who could not find work. From this we can all accept the fact that something has got to be done to correct this situation. The Department of Labor has available many statistics which go to prove that the average wages in a number of industries in this country are today below that which is necessary to maintain a decent standard of living.

A number of authorities and economic analysists have pointed out that if we could raise the pay of the underprivileged third of this country to even as small a degree as 10 percent we would increase the buying power of the public tremendously; in fact, enough to put nearly all our factories into full-time operation. Those of us who have had to do with this project for the last 4 or 5 years realize that a great many reasonable-minded business men do resent and turn away from the notion of any form of Federal control; at the same time organized business has failed to come forward with any constructive plan aimed toward the solution of national unemployment.

Much has been said for the scheme of having individual States pass legislation dealing with hours and wages. I am confident that many of those who have suggested this form of correction have not fully thought out the problem. At the same time, I also feel that some of those who are suggesting State legislation versus Federal legislation are doing so to hinder and delay the consideration of the solution to the national unemployment problem. We have all of us seen what happens when these questions are put before State legislators. It would no doubt take many years to get a few States to pass the required legislation, and after that we would be faced with confusion and a different level of cost of manufacture by States.

We cannot suffer this delay even though the program of passing State legislation were practical. Our present National Budget requires a balance. Our present taxes deserve revision. And we cannot wait 5 to 10 years to find a solution to this question.

Anything that we do must be simple. Let us avoid the complexities which contributed so much to the failure of N. R. A. The purpose of this bill, as I understand it, is to set a floor for wages below which we may not go and to set a maximum hour beyond which we may not go. This is obviously fair to all and it only remains for us to work out the right number of hours which is to be our maximum, and the right weekly wage which will establish a decent standard of living for those who are paid the minimum.

Beyond setting the minimum wages and maximum hours for industry I understand this bill gives authority to the Commission to set higher levels up to 80 cents an hour, and also authorizes the Commission to establish differentials between Territories, States, trading areas, or sections of the country. This phase of the situation is a particularly difficult one. However, the problem must be faced—those who are opposed to Government control of minimum wages and maximum hours will use these difficulties as one of their strongest arguments against any effort in the direction of a solution for unemployment.

It seems clear that the Congress and the Senate would not find it practical to lay down in the law wage rates by industries and by areas. If this were to be attempted and any such question were open for debate on the floor of the House and Senate, it would mean the collapse of the legislation as each and every State would have different ideas. It would seem to be your duty to lay before the Congress and the Senate some practical formula which may be acceptable to the majority and capable of effective execution.

There seems to be but two formulae available—either you give the Commission the authority to establish the rate by areas and by industries or you set up some such scheme as I shall outline in a few moments, namely, a simple measuring device which can be applied to all industrial and commercial activities which would automatically give these operating units a rating and, therefore, place them under certain regulations which would be covered by not over three codes for the whole Nation.

No doubt there will be criticisms from certain low wage areas. Southern business may bring to your attention that the cotton textile industry in particular is unable to pay a reasonable minimum wage. The examples that are usually cited are small cotton mills in little rural communities where the mill is the sole source of profit and employment in the neighborhood. It is frequently pointed out that the cost of living in the South and especially in the community under consideration is very low indeed and it is further said that the demands of the people are simple and moderate. To put it another way, however, these people are saying that the standard of living in these small communities is extremely low. The argument against legislation, however, is based on the statement that should reasonable wages and moderate hours be established it would put these small mills out of business and hence the entire community would be in eclipse.

Let us look at the facts. First, while those who use this argument against such legislation as we are considering always refer to the little mill because of the sympathetic reception given to the use of the word "little", let me point out that in the cotton textile business low wages and ineffectual management are not confined to little mills. There are probably more poorly managed large units in the textile industry than small units. For many years it was said, with a good deal of truth, that the cotton textile business was unprofitable. Cotton textile business has been in what might be termed a depression since 1918 except for a very brief period just prior to the N. R. A. This brief period before the N. R. A. is interesting as it seems to indicate that as soon as the industry was forced to better wages and moderate hours it became profitable.

However, let's see where we are today. The cotton textile industry has been more profitable since last fall than at any time during the past 20 years. As many of these large and small units in the South have claimed in the past that their reason for working long hours and paying low wages was the lack of profit, let's see what happened when very large profits returned to the cotton textile industry. Were wages raised to a reasonable level? The answer to this is best disclosed in the report by the Labor Department. Comprehensive and representative studies of two branches of textiles—seamless hosiery and men's knit underwear—indicate that the average hourly wage for women was 32 cents, and the average hourly wage for men was 39 cents. Please remember these are averages. The weekly earnings run as follows: Almost four-fifths of the women as compared with one-half of the men earned less than $15 per week. Over one-third of the women as compared with one-fifth of the men earned less than $10 per week.

Choosing some other figures at random, we find the full-fashioned hosiery industry in the State of Tennessee—of the women in these mills not quite two-thirds earned less than $15 per week, and a little over one fourth earned less than $10 per week. In miscellaneous cotton textile mills some figures for the State of Tennessee and the State of Texas seem to indicate that four-fifths of the women in the cotton-textile mills in Tennessee earned less than $15 a week, and one-fourth earned less than $10 a week, and in Texas 95 percent of the women earned less than $15 a week, and 46 percent earned less than $10 per week.

Adding further to the textile figures, in the States of Delaware and West Virginia 16 percent in West Virginia earned less than $10 per week, and 59 percent earned less than $15 per week. In Delaware these figures show that 17 percent earned less than $10 a week, and 56.6 percent earned less than $15 per week.

To avoid singling out the textile business, however, I shall give you a few miscellaneous figures. Brick tile and terra cotta for the State of Alabama averaged $14.43; men's clothing, $10.97; cotton goods, $13.40; fertilizer, $10.54. These are average wages for men and women, per week. Arkansas—average wages—cotton goods, $11.09; furniture, $15.61; lumber and saw mills, $14.22; cottonseed oil, cake, and meal, $10.76. May I mention that when there are average wages as low as $10.76—what must the minimum

wages in that industry be? Florida—fertilizer, $15.24; lumber and saw mills, $13.49; cigars and cigarettes, $16.04; canning and preserving, $10.66; average weekly earnings. The State of Georgia—brick tile, and terra cotta, $14.57; men's clothing, $11.92; cotton goods, $14; fertilizer, $11.22; furniture, $14.75; knit goods, $13.90; cottonseed oil, cake, and meal, $10.28; marble, granite, slate, and other products, $14.95. May I remind you that these are average wages including men and women.

All of this would seem to prove rather conclusively that returning prosperity did not of itself raise the wages of those who were now employed. I feel quite confident that if a reasonable minimum wage is established it will be the greatest step forward for the low-wage areas, whether they be South, West, East, or North, and in this connection let me say that we have low wages in all directions of the compass in this country. Any attempt to write into this legislation wage differentials by territories or by industries will result in confusion and probably in the defeat of the effort.

As I understand it, the average family in America consists of a man and wife and two children. It would seem most improbable that any public official or responsible business man would come forward to propose that such a man could maintain his wife and children on less than $16 a week in 1937. We sometimes hear that where a man has grown children the family should exist on a total pay of $16 a week and that they should not have the advantage of more than one worker. This seems to me to be a very unsound approach to the problem. If the head of the house is fortunate enough to have other members of his family in good jobs, that should be his advantage and his good fortune and his earnings should not be reduced because of it.

In all the discussions which have taken place regarding better wages and shorter hours, I have heard but one good reason for paying low wages and working long hours, and that is because some competitor down the street is doing so. If we have proper Federal legislation effectively executed that one reason is removed and it will immediately become possible for all commerce and industry to pay not less than a reasonable wage and to work more than reasonable hours.

I have often heard it said, if we do this thing we will greatly increase the cost of our products. Analyses would seem to indicate that we will slightly increase the cost of some products and perhaps materially increase the cost of others, but a careful study of costs shows that were we to raise wages as much as 25 percent that it will not result in a 25-percent increase in the cost of the finished product. One very simple way to prove that this statement is correct is to look at the average manufacturing cost sheet. In modern industry one usually finds that the labor content in the finished product is below 25 percent, in some few cases higher. Obviously, if you increase 25 percent of the labor cost an additional 25 percent you do not increase the total cost 25 percent.

This question of adding to the cost of the finished product is one that does deserve careful study. It is a question which seems to be greatly confused today by many apparently rather loose statements that are made in connection with increased prices. Let those who believe that increased wages would mean greatly increased costs consider at the same time the present tax structure. We are meeting the national unemployment problem today by public works, and by direct doles under the heading of relief. And we are paying these bills by a combination of taxes and currency inflation, combined with the constant addition to our national debt. All of these things must, of course, be added to the cost of production.

In other words, the present situation and the present method of attempting to meet that situation probably adds more to the cost of finished products than would be added by the provisions of this bill. Many of us are confident that the plan of employing all our people in private business is a far less expensive way to meet our problem of unemployment than to continue the present system. Let me again point out in this connection that it is not a question of no expense on the one hand and higher wages and shorter hours on the other hand—it is a question of the present inadequate and unsatisfactory method of meeting unemployment on the one hand versus what seems to be a more satisfactory method on the other hand—the cost of both plans go into the cost of finished goods.

Some people raise the issue of export business—let us make a rough analysis of this situation and see just how much harm might come from an increase in wages and a reduction in hours. As I understand it, the United States exports between 10 and 11 percent of the total production of the Nation per year. Of this, about 4 percent is cotton; of the remaining, miscellaneous fabricated products exported, which pay transoceanic freight, which jump tariff walls, which meet quotas set by other countries, and which finally compete with low-price native labor, are very largely the products of the so-called high-wage, short-hour industry. In my rather limited study of this part of the problem, I have found no case where the product of our low-wage, long-hour industries successfully compete with overseas products in foreign markets. This would lead one to suppose that in many cases high wages and short hours, when coupled with good management, result in low costs. While I admit it is dangerous to use any one business as an argument to substantiate this statement, nevertheless it must be fairly clear to all of us Americans that the motorcar industry 25 years ago proved through the manufacture of the automobile that as they increased wages and shortened hours, they decreased the cost of their final product. This demonstration has been followed in many other industries.

We have, all of us, seen what happens in a number of industries when the management is confronted with a severe competitive situation. This is especially true where there is a close personal contact between the owner and the employees. The owner calls the employees into a meeting and points out to them that the business is facing difficulties, that others are quoting a lower price on the product than they have been able to do, that it would, therefore, seem best for all the people employed in the factory to take a small decrease in pay rather than to lose their job altogether.

It may be said that with proper legislation it will no longer be possible for these business owners to carry out that type of cost reduction, and therefore it may be concluded that these companies will be forced to close. I wonder if this is true—these men are not going to give up their businesses without some struggle. Perhaps in the past they have followed the line of least resistance. Won't they consider the new scheme of things and perhaps look into some other factors of cost, we will say waste, for example? Won't they begin to investigate improved methods of production and a lower cost of sales? I am confident that they will and in the end we may find that the small manufacturer instead of being at a disadvantage in comparison with his large competitor may really be at a considerable advantage if he comes to see that he can actually reduce his costs and pay more reasonable wages and work more reasonable hours.

Some observers have mentioned that all this could be and should be done by organized labor unions and especially since the recent Supreme Court decision validating the Wagner Labor Relations Act. It might be a very fine thing if all of our 43,000,000 wage earners were members of well-organized and intelligently led unions. No doubt at some very distant time this or something near it may exist. But it will take many years to organize into well-administered unions the great body of wage earners in the United States. We cannot delay for that many years.

While it is a very fine thing to set a floor below which we must not go in weekly wages and to set a maximum number of hours beyond which we may not operate, it does seem as if it might be wise to carry this a little further. Perhaps the Commission which proposed to establish this bill should consider three major codes for the Nation, into which it might be possible to classify most commercial and industrial activities. We will call code A modern industry, code B semimodern industry, code C backward industry. Code A would be a 6-hour day and a 30-hour week. Code B a 7-hour day and a 35-hour week. Code C an 8-hour day and a 40-hour week.

One way to classify industries which would be quite simple is to arrive at the percentage of labor in the cost of the final product. We might say, for example, that a product in which the labor element was less than 25 percent would fall into code A and should therefore go to the 6-hour day and the 30-hour week at once. Products in which the labor content in the final cost was greater than 25 percent but not in excess of 50 percent would automatically fall into the B code and operate on the 7-hour day and the 35-hour week. Such products as had a labor content in excess of 50 percent would fall into the C code and work an 8-hour day and a 40-hour week. But in this case the industry would be asked to get ready to move to the 35-hour week within some given period, such as 6 months or a year. Believing as I do that the 6-hour day is the most efficient arrangement of hours for modern industry, I feel that we should lose no opportunity in establishing this day for all industry that is now equipped to operate under such a plan. Furthermore, it seems to be necessary to place as much of American industry on the 6-hour day as possible to accomplish the end we have in mind, namely, the solution of the unemployment problem.

I am urging that this bill be approved in accordance with the principle of enlightened self-interest and that in passing this legislation you will be doing a great thing for business and a great thing for millions of American employees. May I recommend that you establish a $16-per-week minimum wage and a maximum week of 40 hours, and perhaps give some thought to shorter hours for the more modern units of industry and commerce? Private management must assume new social responsibilities or forego the privileges of management and the satisfaction of creative enterprise.

John L. Lewis

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1937

Mr. THOMAS of New Jersey. Mr. Speaker, for over 150 years the people of this great country have enjoyed the fruits of real democracy. We have grown from a small beginning

into one of the most powerful nations in the world. Our people are better off in every way than are the people of any other nation. Even those on the lowest rung of the economic and social ladder are far happier and far richer in worldly goods than are those of other countries. Our institutions, religious, educational, civic, industrial, and financial, are incomparable. Our national resources are almost without limit. Our Government, which has been responsible for much of our development, is more democratic, more representative of the people, and more beneficial to the people than is the government of any other world power.

And yet, there comes on our horizon today an ominous cloud of political and economic discontent—perhaps more ominous than any we have yet seen. It is not one of ordinary political party differences, nor is it sectional. It is so ominous that it is the main topic of conversation throughout the entire land, and hardly a news sheet comes off any press without columns being devoted to the current rumbling of class hatred, fostered by the personal political ambitions of one individual, John L. Lewis, backed up by his radical and communistic groups, the Workers' Alliance and others.

The news is filled with labor disorders, riots and bloodshed, destruction of property and even wholesale disregard of the law. Strike after strike is called until hundreds of thousands of conscientious workers are forced out of employment and, with the assistance of demagogic politicians, unprecedented class strife is ever widening. We are veritably living on a political and enconomic powder keg.

While Mr. Lewis and the radicals who are backing him up are in the main responsible for this discontent the President of the United States and his Secretary of Labor are almost as much to blame. The President, as soon as he took office and to this day, has fanned the flames of class prejudices. He has at all times been blind to one side of any question where capital and labor were both involved. In fact, while he received three-fifths of the electoral vote at the last Presidential election he at no time ever was really friendly to three-fifths of the people. Take labor's own internal strife, for instance. Did Mr. Roosevelt ever take the side of Mr. Green? No; it was always Mr. Lewis whom he favored. And Miss Perkins, the President's Labor Secretary, has she at any time handed out the olive branch to the American Federation of Labor as she has to the C. I. O.? On the contrary, she has almost ignored the Federation. So, I say that Mr. Roosevelt, Miss Perkins, and many other members of the New Deal select inner circle, including Mr. Farley, are just as responsible for today's class hatred, discontent, labor's internal strife, and the disregard for law and order—in fact, the current rebellion—as are the C. I. O. leader and the wild-eyed, yellow-complexioned radicals.

With each day the disturbances become more aggravated, more and more people are injured and killed, property is being destroyed at will; many governing officials of political subdivisions are unable or unwilling to show the necessary courage to revise ordinary respect of the laws. In parts of some States there is no law and order except that enforced by vigilantes. The people have looked in vain for President Roosevelt to stop the labor violence which already has resulted in death and serious injury to many and wanton destruction to private and public property, yet he continues to vacillate.

Mr. Speaker, I ask this question of this House today: Must this Nation continue to witness riots, bloodshed, and destruction of life and property just because our President is too supine or too indifferent to the seriousness of the current labor disorders?

I admit that honest labor is entitled to every consideration from capital, but honest labor is now being exploited and terrorized by professional agitators under orders of Lewis, who brazenly flouts the law of our land. We have read many times of late where as few as 500 striking workers prevented 5,000 willing workers from earning their daily bread. Surely this is not the sort of thing which has made historians call America the land of opportunity. Under such conditions workers are not even free beings. They are but pawns in a game played with loaded dice and by players drunk with selfish political ambitions.

It is a situation which rightfully challenges all of us—governmental officials, employers, and honest labor itself. We must fight this battle together or a tragic chapter in American history will be written with a bloody pen wielded by either John L. Lewis or by the emissaries of the U. S. S. R., or by both. Certainly, no one can deny that the United States is facing its most serious crisis in recent years, and unless something is done soon to check the unbridled law-defying tactics of John L. Lewis, the front man of the radicals, one does not have to be an alarmist to foresee the day when the red flag will be flying over the White House. Lewis is the greatest single radical menace this democracy has known, not alone because he is backed up by the Soviet Union through the Workers' Alliance and similar radical organizations in an attempt to disrupt American industry and thereby sow the seeds of revolution here, but also because he, himself, through his own conceit and ignorance, has not a semblance of realization of the extent to which he may be destroying the future peace and happiness of 120,000,000 people.

Press reports indicate that Lewis may already be guilty of treason, in which event it is the solemn duty of our national administration to forthwith take the necessary action against him. Furthermore, Mr. Roosevelt should, without delay, show his real Americanism, his courage, and perform the executive duties expected of him as President of all the people, by asking for the immediate resignation of his two Cabinet members, Miss Perkins and Mr. Farley, who have so brazenly flaunted the laws of these United States by repeatedly aiding and abetting the C. I. O. leader in his attempts to destroy American institutions and American government.

The crisis demands a firm stand. The time for wishy-washy palaveral Rooseveltian tactics is past—the people demand action because they themselves thoroughly visualize what may happen if conditions are allowed to go on as they have, without the Government stepping in to protect not only the people and property but the Government as well. And so, Mr. Speaker, I hope that Members of this Congress, both Republican and Democratic, conservative and liberal, will use their influence without delay to persuade our Chief Executive to see the light of day to the end that he will act on this momentous problem in a forceful and courageous manner as other Presidents before him have acted.

Old-Age Annuities as a Means of Promoting General Welfare

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

LETTER FROM GEORGE A. HORMEL, BEVERLY HILLS, CALIF.

Mr. SHEPPARD. Mr. Speaker, I desire at this time to extend my remarks in the RECORD to include a letter sent to every Member of the House and Senate of the Seventy-fifth Congress by Mr. George A. Hormel, of Beverly Hills, Calif., chairman of the board of George A. Hormel & Co., which reads as follows:

JUNE 14, 1937.

To the Members of the House and Senate of the Seventy-fifth Congress:

Views on not alone the most humane bill that the present Congress should consider but a bill that will contribute most effectually toward solving the unemployment problem and will add greatly to business recovery are presented herein.

No matter in what position we serve, whether as an executive in business or as a wage earner in the shop or the office, we are all supplying one another's needs; we are interdependent one upon the other and all are entitled to an adequate and comfortable living after years of work.

All wage earners are making their contribution to the welfare of the Nation, as are those on the Federal pay roll. Therefore an old-age pension should not be left to the discretion of our employers or State legislators. It should be strictly a Federal obligation, to be paid in the same spirit and for the same purpose as the pension provided for the Army and Navy, and for those serving in other Federal departments.

Wage earners work for your interest and mine. They contribute their part in giving us the highest living standards in the world. They have labored in the development of the world's greatest industrial and financial Nation, yet when these workers pass the age of 50 their efficiency decreases. The younger generations come on and take their places, and they go into the discard like a worn-out machine, and frequently even before 60 become dependents either upon the community or their relatives.

Beyond this, at no time has the wage earner received more than enough to barely house, feed, and clothe his family and educate his children. In many instances the worker has also suffered accidents and because of exposure incident to industry, he may have fallen into ill health. Finally, it has been impossible for him to accumulate a surplus or reserve for his old age.

Look at this picture. The writer started business in 1892 with a retail meat market, employing three men. The first year 610 hogs were slaughtered. In financial worth he was on an equal basis with his men for he used borrowed money. He had no educational or other advantage over these men except that he was proprietor of the business. The men were paid top wages, but in spite of careful spending could save very little by the end of the year. Because of their labors, however, there was sufficient profit for the business to finance double the activities the following year. The second year 8 and 10 men were employed, and the pay roll has increased each succeeding year until now it numbers more than 4,000, and the average slaughter of animals for 1936 was 5,800 daily.

In the beginning the three men employed were skilled workmen and knew more than the writer did about the meat business. As additional skilled men were employed they were constantly urged to produce quality product at a minimum of cost. The writer worked with his men in overalls until he was 40 and he was aware that they were thinking as hard as he was how to improve the product and put into practice efficiency methods. Each step forward meant increased business and greater profits. The commonest laborer made his contribution toward the success of the business. Every industrial employer can tell the same story if he will speak the truth.

We have reached a crisis. Business America, in order to keep pace with the progress made through science and invention, must wake up and share more liberally the wealth of our Nation with those who have contributed so largely in the creation of that wealth. It is not scriptural for people to suffer want and hunger and go poorly clad or housed in a land where there is plenty for all and much to spare.

Business America is abundantly able to support an adequate annuity plan of at least $100 per month for those past their earning years. However, pressure must be brought to bear upon American business leadership to the point where they will recognize this responsibility as theirs and cooperate with government in the solution of this economic problem. If this is not done—and I hope it may be done during the present session of Congress—it will be difficult to maintain our democratic form of government.

A retirement plan will help solve the unemployment problem and open positions for our younger people. It will greatly increase buying power that will be permanent, and will stabilize business. In a large measure it will prevent depressions. It will lighten the problem of farm relief. It will eliminate to a large degree charitable institutions. It will greatly reduce Federal relief spending. A retirement plan is the paramount need of today.

Respectfully yours,

GEORGE A. HORMEL,
Chairman of the Board, Geo. A. Hormel & Co.

This letter from Mr. Hormel to the Members of Congress was sent by him immediately after he was notified by the chairman of the General Welfare Act Legislative Committee, Mr. Arthur L. Johnson, of the latest developments in the Townsend movement, which developments are so concisely and accurately stated in a news release sent to the Members of Congress by the Honorable CHARLES N. CROSBY, of Pennsylvania, that I desire at this time to also include it in my extension of remarks. It reads as follows:

CONGRESSMAN CROSBY STATES G. W. A. STEERING COMMITTEE UNITED

JUNE 15, 1937.—Refuting statements made yesterday by Blair Coan, Dr. Townsend's newly adopted publicity manager, Charles N. Crosby, Democrat, of Pennsylvania, today denied that there was any friction in the General Welfare Act Steering Committee, of which he is chairman.

"Our committee, which is composed of 40 Congressmen", he stated, "voted unanimously on June 8 to drop the Townsend name and be known in the future as the General Welfare Act Steering Committee. We also recommended by a unanimous vote that the Townsend Clubs of the Nation change to General Welfare Clubs as well. This action was necessitated by the statements made by Dr. Francis E. Townsend when he appeared before our committee on June 3, to the effect that the passage of the bill we are advocating, H. R. 4199, was of secondary importance, that he would fight all members of the committee that disagreed with him on other issues, and referred to the $200 per month maximum provided for in the bill, instead of a means of industrial recovery as we feel, as a wisp of straw tied to a stick in front of a cow which the cow would follow but never reach. This wisp of straw broke the back of the Townsend movement, as it made it necessary for every Congressman to completely repudiate Dr. Townsend personally.

We are united, however, in our adherence to the principles embodied in our bill as we feel that the Supreme Court was right in its recent decision when it said that aid to the aged does promote the general welfare. Seventy-five of our members have signed a written request to the Ways and Means Committee for a hearing on the bill and we shall press it now unhampered by any individual or "ism." The General Welfare Act now belongs to the American people and Congress alone will control its destiny. We feel that it is the most important bill before Congress and are recognizing Arthur L. Johnson, labor attorney of Los Angeles, who drafted it, as the legislative spokesman for the General Welfare Clubs springing up throughout the Nation to sponsor it. Forty-six such clubs are being organized in Oakland, Calif., alone. A club of 3,000 members in Springfield, Mass., has just wired its support, and a huge G. W. A. mass meeting is being held tonight in Indianapolis, Ind. The general welfare movement, born last Tuesday, 5 days after Dr. Townsend killed his Townsend movement by his statements before our committee, is spreading like wildfire throughout the country. Last Thursday the local Townsend Club, Columbia Townsend Club No. 1, dissolved, returned its charter to Chicago headquarters, and organized General Welfare Club No. 1. Baltimore Townsend Club No. 107 likewise reorganized under the new name suggested by our steering committee and I am advised that scores of other clubs throughout the country contemplate changing in the near future.

I don't know this Blair Coan and don't care to know him. He presumes a lot when he undertakes to speak for me. I am perfectly competent to do my own talking and I make these statements so that the public will have no misconceptions in this regard.

These new developments will, I am sure, be of interest to every Member of Congress and to the people of the Nation generally as they mean that from this time on we are no longer concerned with individuals in promoting the idea that aid to the aged is conducive to the general welfare. The mad scramble for credit for promoting the idea and the days of "isms" in this field are over. The big men of the Nation are turning to it, as is shown by the letter from Mr. Hormel, one of the foremost industrialists of the country. They and the millions of people in the ordinary walks of life that will benefit from the enactment of this idea into law should be left free to sponsor it without being tied up to any individual or group of individuals. The idea is greater than any individual and should not be kept from becoming a law by being tied to any individual or personality, as this invariably tends to create antagonisms and friction that may prevent its ever becoming the law of the land.

Take, for instance, the attempt on the floor of this House last Monday by my honored and esteemed colleague from the Eleventh District of California to claim credit for one Roberts E. Clements, who merely rode on the crest of a wave to the place where he received a final $50,000 of the old people's money for easing himself out of the picture. Why he should, after accepting his "30 pieces of silver" be now paraded across the stage as a red herring is beyond my ken of knowledge. The same applies to the man with the vituperative and vicious tongue from Los Angeles, Mr. George H. Highley, whose boasted claims of a large membership in one club in that city have never been proved. Even the notorious Edward J. Margett is making his bid to get back into the picture to further bleed the old people. A tremendous responsibility, therefore, rests on every Member of Congress not to be a party to these maneuvers to give personal gain or credit to individuals.

An all-around housecleaning is in order. Let us eliminate all personalities in this fight to assist the old and young by

means of adequate old-age annuities. Let us not tie this noble movement up to the name of any individual and thereby foreclose the possibility of harmonious action so necessary to achieve our goal. Let us, as Members of Congress, carry on this battle, under our own colors, not as adherents to this or that individual. This issue is too big—far too important. Individuals should be willing to sacrifice this much to the common weal.

Let us, therefore, go under the banner given us by the Constitution of the United States—the general-welfare banner. That is one banner under which we can all unite and fight shoulder to shoulder for the most worthy cause ever presented to this Nation. "United we stand—divided we fall." Let us remember this and place our country and the welfare of its people above any petty considerations that are bound to hamper the efforts of so many millions who are hanging on to the slim thread of life in the hope that tomorrow a new day will dawn for them and for their children and children's children by the enactment into law of this only rational solution that has been presented to date to the problems of unemployment, relief, old-age security, and taxation now confronting the Nation.

I feel from my observations that my colleagues in this House are deeply interested in the welfare of approximately 8,000,000 old ladies and gentlemen in this country that industry or our modern-day economics will never have a place for and that this tremendous responsibility justifies the deep concern and activity for some type of relief legislation in this session of Congress, and with all personalities eliminated I call to your attention the General Welfare Act, H. R. 4199, for studious investigation.

Mr. Speaker and colleagues, I thank you.

Flag Day

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

ADDRESS OF HON. J. WILLIAM DITTER, OF PENNSYLVANIA

Mr. DITTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert my address at Flag Day exercises at Betsy Ross House, Philadelphia, under auspices of the Patriotic Order Sons of America, on Monday, June 14, 1937:

Mr. Chairman and fellow Americans, it is an honor to join with the Patriotic Order Sons of America in this Flag Day celebration. Your order merits the commendation of everyone for its praiseworthy ideals, its patriotic fervor and its contribution to character and citizenship building. It stands for a free church and an open Bible. It demands the preservation of the Constitution as the fundamental law of the land and the protection of the independence of the judiciary from corruption or control. It defends the public-school system as an indispensable institution of educational opportunity for all classes and creeds. It has an abiding faith in the American home as the soundest molding influence and believes that the hearthstone is still the holiest altar of intercession. It insists that citizenship requires faith in our form of government, fidelity to its institutions, and fearlessness in the defense of the Nation's honor. Established upon a trinity of purpose, the worship of God, the defense of our country, and the advancement of the order, the Patriotic Order Sons of America looks to the Holy Bible for its precepts, to our Government for its service, and to fellowship and fraternity for its inspiration.

It is fitting and proper therefore that this service of commemoration should be conducted by your order, the organization which for almost 100 years has inspired its members to patriotic sacrifice and service, and which for 21 years has made this annual Flag Day celebration a notable occasion and an outstanding success.

One hundred and sixty years ago a resolute and courageous people unfurled a new banner to the nations of the world as the flag of freedom, as the insignia of independence and as the symbol of self-government. On June 14, 1777, the Continental Congress ordained the flag of 13 stripes and 13 stars as the emblem of a new national sovereignty, as the standard of a new national authority. Less than 1 year before, 13 colonies along the Atlantic seacoast had declared their independence of Great Britain. By the adoption of a national emblem these colonies declared to the nations of the world a unified purpose to perpetuate a common sovereignty which they believed would command the respect and inspire the confidence of other nations in their venture of freedom.

Today we gather to commemorate that day when to the breezes was flung a standard to which those who loved liberty might rally with faith, a beacon to which the oppressed might turn with hope, and a banner to which the colonists might look with determination. To these colonists it was an inspiration. They were engaged in a venture which tested their courage. They pledged their lives, their fortunes and their sacred honor to the common cause of independence, dedicating themselves to the establishment of liberty and justice as the fundamental principle upon which their government should be founded. In such a venture they sorely needed the inspiring presence and the challenging command which the stars and stripes proved to be and which it has always been in times of national need.

Our flag typifies the courage, the initiative, and the resourcefulness of the American people in establishing and perfecting a science of Government which has so well answered their needs that it has provided a model for all nations seeking liberty and individual freedom. It typifies the daring of the pioneer who blazed the trail to conquer a continent. It typifies the fearlessness of the patriot who suffered and sacrificed to defend our democracy. It typifies the ingenuity of the inventor who endured privation to develop our resources.

Our flag represents the strength and ruggedness of a people who resolutely applied themselves to the development of a domain and the establishment and perfection of a democracy.

But the flag is more than this. The flag is the heart and soul and spirit of a liberty-loving people seeking a pathway from the tyranny of kingcraft to the freedom of self government and from the anarchy of mob rule to a government of law and order under a written constitution.

I have felt the protecting presence of this flag on the billowing Atlantic and over the calm of the Pacific, under the torrid sun of the Tropics, and on the snow-capped summits of the Sierras, in the jungle of the Isthmus, and the far-flung islands of the sea. Everywhere it was honored, respected, and revered because it was the dynamic heart, the sublime soul, the pulsating spirit of America.

O beautiful for patriot dream
That sees beyond the years
Thine alabaster cities gleam
Undimmed by human tears!
America! America!
God shed His grace on thee
And crown thy good with brotherhood
From sea to shining sea!

It will avail us little today if our thoughts are confined to a glorification of the past. History has written the record of the valor and devotion of our forefathers. This record commands admiration. It should compel emulation. In worthy hearts it arouses a sense of duty for the present—a sense of obligation for the future. To praise a heroic ancestry is futile unless such praise includes an earnest endeavor to rear a worthy posterity.

While self-government is the hope of mankind generally, and while our own ambition in this field has justified the yearning of other peoples for similar adventures in democracy, nevertheless we must be on our guard lest the name democracy become an empty shibboleth making a mockery of the real spirit of our institutions and leaving ultimately a lifeless corpse from which the spirit of freedom will have departed.

In this time of testing the influence of the public schools cannot be overemphasized. A serious responsibility rests upon our schools to fashion the future of America. Our young people should be required to know and reflect upon the origin, history and character of our institutions, and upon the blessings they have given to America. I believe patriotism still has its place in the classroom. The public schools must be democratic institutions but they need not deteriorate into hotbeds of radicalism. We honor the army of loyal teachers who eagerly evidence a love of country but we might with profit purge the system by rooting out the dangerous influences, teachers and textbooks, which attempt to undermine confidence in our system of government and our free institutions.

The most dangerous enemy with which our public-school system must contend is the enemy within its gates—the enemy which holds up to scorn and ridicule the philosophy of government upon which our free institutions are based; the enemy which denies that a self-reliant, courageous people imbued with the spirit of freedom have the capacity for self-government; the enemy which teaches that our representative democracy cannot answer completely the needs of our modern complex society and that either dictatorship or dictatorial methods provide our only hope for the future.

Let us plant a flag in every schoolhouse to shame those who would besmirch the glorious facts in our Nation's history in order to entice a credulous young people with the delusions of dictators and the snare of supposed security.

The flag should continue to welcome the oppressed who come to our shores sincerely seeking the blessings of liberty under the law, but it should be a barrier to those destructive agitators who claim its protection to stir strife and advocate anarchy. Industrial differences provide no excuse for mob rule, nor for the wanton destruction of property nor for the defiance of accepted rules of law and order. Nor should these differences provide the avenue for extended activity on the part of leaders of rebellious movements to exploit labor for their own pernicious purposes. The right of employees to organize for their mutual advantage must be safeguarded and guaranteed. It should not be destroyed by the subtle machinations of demagogues or by the arbitrary will of autocrats. The freedom of the individual must be protected.

The blessings of liberty depend to a large degree upon domestic tranquillity, and domestic tranquillity depends upon the maintenance of law and order. The protection of the lives and property of the citizens against acts which are in violation of every established rule of society is a duty of government, and a solemn obligation rests upon those public officials who have been entrusted with power to see to it that this duty of government is discharged. A government is only as stable as the officials of that government determine to make it, and respect for law and order is in direct proportion to the insistence of public officials to maintain it. Representative democracy does not mean mob rule. Liberty has not degenerated into license. Obedience to law is still the heart of self-government, and respect for the rights of others still determines our capacity to exercise it.

A leadership which gives consent by a sphinx-like silence to continued acts of violence gives a color of right to lawlessness which inevitably leads to disrespect for authority and a consequent collapse of the confidence of a people to govern themselves. Violence and lawlessness are the worst enemies of a self-governing people. They are the confessions of failure by the people to maintain a government of the people and for the people. They invite autocratic domination and can lead only to despotic authority. They are the ominous signs which have always pointed the way to anarchy and which have marked the pathway to ultimate serfdom. Liberty can only live under a respect for law. Lawlessness is its death knell. The flag has no place in the ranks of those who are at war with constituted authority. Law-abiding citizens have a right to its protection. There is little to distinguish piratical seizure and search on the high seas from unlawful seizure and search in industrial areas. Organized society has condemned the one. It cannot condone the other.

Liberty is a solemn thing. The flag stands for liberty. But it must be liberty within the law, otherwise liberty becomes license, order becomes anarchy, might becomes right, and the defined processes of established government become the rictous confusion of rebellious barbarism.

The world has again become an armed camp. Nationalistic ambitions and dictatorial lusts seek selfish satisfaction. Pacts, agreements, and treaties have been cast into the discard in a mad rush to develop gigantic war machines. The nations of Europe seem bent upon destruction. On all sides the grim specter of war haunts us. They are not content with massing their manpower into military machines. Children of tender years are robbed of playtime and toys; guns and gas masks take the place of games, and the dreams of childhood are distorted into the horrifying nightmares of death and destruction. The ingenuity of man is directed to fashion devices for an exhibition of depravity which threatens our very civilization. Malicious vindictiveness, cruel covetousness, and artful deception have taken possession as the altruism of the twenties has given way to the sordidness of the thirties. While their people suffer privation and want, destitute of body and dismayed of heart, the war lords of Europe gloat over contemplated conquests.

Fear and foreboding paralyzes the energies of men and women as the future holds out nothing for them but the grim prospect of carnage and destruction. Europe worships in the temple of Mars.

America is challenged today, challenged to exert every influence and to expend every energy for the preservation of the peace of the world. As a Nation we have demonstrated abundantly our desire for peace and our revulsion of war. We fervently pray that the day will soon dawn when the nations of the world "shall beat their swords into plowshares and their spears into pruning hooks." In this grave world crisis let us adopt every reasonable and practical precaution not only to avoid involvement, but also to dispel any hope to combatants for a contribution irom us of munitions, money or men to encourage their ambitions of aggrandizement.

What does our flag symbolize today? If it no longer typifies the aspirations of freemen in this day of dictatorships, if righteous individualism must needs give way to regimented collectivism, if the dynamic of initiative must be suppressed by the solace of a static society, if the love of liberty must be surrendered for the security of slavery, if the will to do and the courage to dare no longer exemplifies the spirit of American manhood and womanhood, if in a word, American representative democracy has failed in its mission at home and abroad, then the flag must needs be lowered and the hopes of mankind for liberty surrendered.

Shall the flag come down? From the blood-marked snow of Valley Forge the spirit of patriots cries, "No!" From Gettysburg and Appomattox both the Blue and the Gray cry, "No!" From San Juan to the Marne and the Argonne a swelling chorus thunders, "No!" From men and women throughout the world who love liberty and long for peace comes the tumultuous echo, "No!"

But the flag is in our keeping. Ours to protect and defend, ours to respect and cherish, ours to pass on to others, its bars unstained its stars undimmed.

"Stand by the flag! Its stars, like meteors gleaming,
Have lighted Arctic iceberg, southern seas,
And shone responsive to the story beaming
Of old Arcturus and the Pleiades.

Stand by the flag! Its stripes have streamed in glory,
To foes a fear, to friends a festal robe,
And spread in rhythmic lines the sacred story
Of freedom's triumphs over all the globe.

Stand by the flag! Immortal heroes bore it
Through sulphurous smoke, deep moat and armed defense;
And their imperial shades still hover o'er it,
A guard celestial from omnipotence."

—*John Nichols Wilder.*

May the sacred inspiration of this hallowed shrine—dear to the heart of every American and to the lovers of liberty throughout the world—challenge our loyalty, faith, and courage to a dedication of ourselves for the perpetuation of our self-government and our representative democracy.

Be Fair With Americans as Well as Filipinos in Formulating a Trade Policy

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

STATEMENT ON PHILIPPINE TRADE RELATIONS

Mr. CRAWFORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement I made this morning before the Joint Preparatory Committee on Philippine Affairs which was created with the approval of President Roosevelt and President Quezon, of the Philippine Commonwealth, to study United States-Philippine trade relations and to recommend a program for the adjustment of Philippine national economy. Hearings are now being held in the United States and will be held in Manila in September. My statement before the Joint Preparatory Committee follows:

Mr. Chairman, when I direct thought to the question of Philippine economic adjustment, I find constantly before me another question: "What position does Japan now hold and what part will Japan play in the future, insofar as the Philippine-American relations are concerned?"

Japan enters into all the consideration I am able to give the Philippine question, because of the position of Japan with respect to—

1. Her geographical location.

2. Her centuries of culture, keen analysis, and understanding of the peoples and races of the earth, and their problems and policies.

3. The pressure of her population and its need and aggressiveness to occupy and acquire the unutilized space and raw material of the earth.

4. Her racial instincts, blood stream, national pride, inherent and developed sheer ability to cope with the economic problems of today on a local and world-wide basis.

5. The dissimilarity of her mode of living and her political, social, educational, and religious institutions, and her form of government and desired goal, as compared to that of our people.

6. Her attitude toward other world powers and the aggressive program which she has consistently and persistently followed in the racial, political, productive, and economic zone which we term the "Asiatic front."

7. The political and economic interest and rights which she claims to hold in the contiguous territories in the zone which she so clearly dominates.

8. The insistency on the part of Japan for the acceptance of the doctrine of "territorial propinquity", and I might say as more clearly set forth in the Asiastic Monroe Doctrine wherein Japan so insistently claims that what she does is in "behalf of peace of Asia."

9. The conflict between the social, economic, and political philosophies of the Far East and those which have heretofore governed in the United States.

Mr. Chairman, on the other hand, I find myself thinking in terms of factors which involve—

1. Almost four decades of time wherein the record causes me to feel that we have been more interested in practicing our idealistic and altruistic philosophy than in the development of a race of people and a great empire destined to hold for years to come a key position in the affairs of nations.

2. A great increase in the population of the islands. A staggering low level of individual possessions among the people.

3. Millions of the Filipinos with only a sheer veneerism of American philosophy, comprehension of American institutions, and desire to go along and make the necessary sacrifices involved in the planting, cultivating, and firm establishment of our institutions in the world we designate as the Far East.

4. Satisfactory evidence that when given the light in which to walk, the Filipino has the intelligence, capacity, and energy which makes it possible for him to be developed into a creative worker and thus be placed in a position to assume his responsibility as a member of the human race and fill his particular niche in working out the purpose of mankind.

5. The treasure chest of the Far East. The islands remind me of vast untouched storehouses, filled with most precious materials for the conduct of war as well as peace. Nowhere else have I seen or do I ever expect to see a territory so strategically situated and so blessed with deposits of gold, iron, copper, lead, coal, timber; with water power, fertile acres, and diversity of climate as I saw in the Philippine Islands. In my opinion, half the story has not been told. Insofar as I have been able to find, the islands are excelled in richness and expanse of territory and accessibility and underpopulated (as compared to the number of people who can be accommodated) by no other place on the face of the earth.

6. The capacity of the people, the material at hand, the pressure of population, the low level of individual possessions, the means of production in the form of scientific knowledge, machinery, and ability to finance—the operation of these forces will not long permit this vast empire to remain in its present primitive form.

7. As this development takes form, what part is to be played by the United States? As I study the past, I am impressed with the lack of a proper mixture of the iron and steel of economics with the idealism and altruism which has been applied. Some leader or some nation will now have to get down to brass tacks and proceed with an administrative program which will remove a great deal of the caciquism, exploitation, and poverty now so prevalent among the people. When that leader appears on the scene I believe the Filipinos will go along with him to far greater success than has heretofore been attained.

8. The position of the United States citizen engaged in industrial activity in the islands reminds me of the "old man's son" who attempts to work his way up from the bottom. I feel that he has been engaged in business in an area where every move was made toward creating "Utopia" for the nationals of other countries such as Chinese, Japanese, Greek, and others. One only needs to carefully analyze the penetration of the islands by these nationals to realize the full significance of what I am here attempting to point out. I am satisfied the program has heretofore been conducted in a manner which favored the "non-American" enterprise, and discriminated against the citizen of the United States. If this policy is to be followed, I feel that due consideration should be given in the trade relations that are to be established. Of course, I do not in any way agree that such a policy should be further followed or encouraged or permitted. I implore you to give our citizens a fair shake.

9. Economic adjustment, in terms of our American comprehension, involves the use of capital. If the Philippines are to be able to adjust their economy to the changed conditions that are to follow independence, we must declare (in the light of our present comprehension) that private capital will be needed, unless we assume that through Government financing the means of increased production are to be provided. Of course, if capital is to be furnished by Government and if Government is to set the pace of competition, then we are concerned with the status not only of those American citizens who have invested their private capital in the islands by even more so with those who have their private funds invested in continental United States, Hawaii, and Alaska, and who will have to directly compete with the Government financed and operated industries of the islands.

10. In these days of "hot money", wherein not only individuals but governments are playing the international exchange markets with the stabilization funds and equalization accounts and at a time capital, in appalling sums, has taken on a "roving disposition", I can appreciate that this question of economic adjustments involves the highest policy of the Nation. I cannot forget the Japanese position in this respect. In what spot on earth could Japan more safely invest capital—as a nation or as private individuals—than in the islands? I repeat that the pressure of population, proximity to Japan proper, racial ties, simplicity of living, availability of space, need for raw material, the distance from operting headquarters of other great powers such as France, Britain, United States, Russia, Italy, and Germany, and the ever-present protection of the Japanese military, naval, and air forces, all make the Philippine Islands a triple A investment for the Japanese. The entire world now offers little safety for investment of capital as we have heretofore defined safety. New concepts of safety, financial return, stability must now be accepted by the people of the world. Now, all is uncertainty. "Hot money" or capital now flees through the back door from nation to nation—it takes its departure from minute to minute. Each investor attempts to remain liquid. Each is concerned about "today's safety."

But, Mr. Chairman, in the case of Japan and the Philippine Islands this is not true. What does Japan care about "today's safety" insofar as her investments in the islands are concerned? Japan "knows" there is no safer place on earth for her to invest. This is true whether she looks at the picture from the standpoint of safety today or tomorrow or 100 years from now. If Japan is to survive as a race—as an empire—she must move forward and she is cognizant of the fact that character grows in the stream of life—where there is effort, application, work, production. Therefore, Japan is "digging in" in the Philippines. She is there investing for "the long pull." She is willing to do the "stoop" labor that pioneering calls for. She is there today. She will be there tomorrow—50 years from now, with her religion, her concept of life, her blood stream.

What the people of the United States desire and what we believe, does not in the least alter the geography of the earth. It does not necessarily change the quantum blood of races. Scientific advances in solving the problems of distance can be applied to other countries as well as to ours.

11. The heavy burdens which have been imposed upon the taxpayers of the United States, in the prosecution of the expensive policy followed wherein we have developed the "spoiled child" of the Philippines. We have financed the military and naval operations and carried other costs pertaining to the maintenance of their government to such an extent that it is quite natural for them to not only expect but to demand that we go along and provide further financial assistance.

12. Under the present program I am impressed with the thought that we have in a way assumed unusual responsibility and at the same time have retained little authority. Whatever the price of this action on our part may be, it appears we shall have to pay. However, there is still time left for us to make some hedges against too great a cost. I trust and believe the committee will undoubtedly keep these factors in mind and provide as great an insurance against too great a cost to our people as can be under the circumstances.

13. A decade today is a long, long time in the political flux in which we find ourselves. We are discussing the matter of economic adjustments under a western form of government about to be imposed on a territory located in the Far East. Before the 10-year period has expired our own form of government may have materially changed. As I view the situation, we have little to assume that our form of government will survive in the Far East. It does, however, appear to me that, in making this adjustment, those in charge of the affairs of the Philippine Islands will perhaps need the progress of the west to go along with the life, environment, customs, and traditions of the east, and all to the end that economic development will follow, and thus prevent government tumbling and organized society crumbling, with all of the unrest and misery that inevitably follows such an occurrence.

The study I have been able to give the question leads me to believe that capital will flow to the islands after the withdrawal of the United States. It may increase its flow when more certainty is established and a greater degree of responsibility is assumed by the people and their leaders. In that event economic development should occur, with consequent production of goods and services and the ability to contribute the necessary costs of government.

When one adds up the debits and credits and considers all of the uncertainty which pervades the entire far eastern field of international relations—the problem of the Pacific—I think there is some degree of room to feel that the future of the islands may be as serene as that of our own fair land. This to a great extent is due to the fact that world destiny has down through the centuries been preparing a great power and a magnificent race to assume a peculiar role in the affairs of the Far East and the Philippines. That nation is the Empire of the Rising Sun—Japan.

The Japanese people know the economic, social, and spiritual benefits which flow from simple living. They possess a willingness to coordinate and work; they are accustomed to spending their energy in the creation and production of more goods with which to supply the needs and wants of their rapidly growing population. The Japanese are better equipped mentally to do these very things than any other race of people now operating in the world. They look upon waste as heathenish, as something to be abhorred. Therefore, in this day of unbelievable extravagance, these characteristics make the Japanese a force to be reckoned with.

And, Mr. Chairman, the third set of major factors which concern me may be summarized under the following:

1. Nearby the Philippine Islands, we find an unusual community of interests made up of fortifications, industrial, banking, transportation, trade routes—air, water, and rail; and belonging to the British, the French, the Dutch, the Russians, the Japanese, ourselves, and others. This presents a unique problem when dealing with the question of complete independence for the Filipinos—the creation of a new republic. In dealing with these economic and political questions we shall find that the highest policy of our Government will have to be called into action.

2. It appears to me to be in order to suggest that this problem with which we are dealing today challenges the highest ideals and capacities of the whole philosophy of democracy. The responsibility resting upon the shoulders of the personnel of your committee is of the highest order. Your findings and recom-

mendations will constitute history. Before we are out of the Philippine Islands, I surmise that we may find a genuine contest between the white and yellow races, between democracy and other distinct forms of government.

3. If there could be stripped from the problem all cleavages other than those directly affecting the Filipinos and the people of the United States, your problem would indeed be much simplified; but that is not the situation. I hope that as progress is made our people may better comprehend the forces with which you have to deal.

In conclusion, this whole problem is one of the big issues before our people. It deserves consecrated thought, and I shall watch your progress with the greatest of interest, and I hope with some degree of patience.

For almost four decades we have been in the Philippines. Its resources are very largely undeveloped. With the exception of three or four basic commodities which are largely of an agricultural nature, there has been accomplished startlingly little under our administration. Transportation and communication are strikingly inadequate. The people as a whole are in a state of poverty and are being too much exploited. There is not even a common language spoken, and of course this is a tremendous handicap.

NAVAL AND MILITARY BASES

It is my belief that if we retain, after independence is granted, a naval or military base in the islands, that action on our part will invite trouble on a large scale. I believe that it would eventually lead to such bitter protests on the part of other nationals, with economic and political interests in that vicinity, that it would be impossible for us to prevent most serious international complications which would eventually lead to military action. Therefore, Mr. Chairman, it appears to me that we should be prepared, on the granting of complete independence, to simultaneously remove from the islands every trace of our military and naval forces and at the same time discontinue all financial assistance in the support of the local Philippine Scouts and other peace-preserving agencies. With the granting of independence, on what grounds can we justify the presence of military and naval domination? I feel that President Quezon made this all very definite in his testimony before the Insular Affairs Committee of the House, April 4, 1935.

Furthermore, I personally feel that when the people of the United States fulfill the obligations incurred under our promulgation of the Monroe Doctrine with respect to giving the necessary protection to North, Central, and South America, that we shall have carried about all the burden possible for us to bear. What other country in the Western Hemisphere is prepared to carry its share of the burden in the event of a world-wide offensive drive on the part of a combination of powers and which in their campaign of operations would deem it advisable to make attacks simultaneously on Alaska, Canada, the United States, Central, and South America? We have a very long seacoast to guard and defend without attempting to spread our small Navy and still smaller merchant marine out into Asiatic waters. In the absence of a great naval base comparable to that of Britain or Japan, any attempt on our part to do effective work in the Philippine waters would, in my opinion, only lead to embarrassment and final defeat, but all after incurring a tremendous cost in dollars and men.

In our own country we today have a rapidly mounting Federal debt. A staggering number of our own able-bodied workers are not engaged in private enterprise but, instead, are being fed, clothed, and housed from the productive effort of those creative workers who are engaged in private industry. Taxes are high and will continue to increase, and expenditures are entirely out of proportion to our total national income representing goods and services produced by our people. There is ample evidence that we have an economic adjustment to make here at home. We need to put our own house in order and I may say that it is imperative that we do so.

In our dealings with the Filipinos and as we now rapidly move toward bidding them good-bye, we should be fair because it will always pay us to be fair. We do not need to be too generous because our own people have some rights as well as the Filipinos.

RECIPROCAL-TRADE AGREEMENTS

As for myself, it does not appear to me that if it is to be the policy of our country to maintain present and consummate additional trade treaties that in all fairness to the Filipino people, we should accord them as favorable treatment as we do to other foreign countries for at least the first 5- or 10-year period. On what grounds can we allow Cuba her present trade advantages and in the light of what has gone on between the Filipinos and our people deny to them a trade treaty carrying similar advantages? This is a matter of great concern to those in the United States who must compete with both Cuba and the Filipinos. If the Filipinos are not entitled to preferred treatment, on what grounds can we extend the preference to Cuba? In one case it is to preserve peace in the Latin American countries and on the other hand, it is to assist a people who have been under our wardship for four decades to establish themselves on their own and make themselves capable of defending their own rights and paying their own way and thereby relieve the taxpayers of the United States of the load we have been bearing for the Filipinos.

SUGAR

My observation has been such as to lead me to this suggestion. It has to do with the island's principal product—sugar. It seems to me that the Filipino people must, as individuals or through government ownership and activity, which I understand they are considering, make a choice of policy. If they are to proceed with further expansion of the industry, let them now begin to take such steps as are necessary, looking forward to a division of the far eastern producing and marketing field with the other interested parties—primarily Formosa, Java, India. Let that be one sugar zone with reference to production and marketing. On what grounds can the Filipinos further expand and expect the Western Hemisphere (United States, Hawaii, Cuba, Puerto Rico, Central and South American countries) share its market when production is now being restricted? Again, there is the European producing and marketing field and it will no doubt hesitate in willingly sharing its market with increased production from the Philippines. If the Filipinos are unwilling to proceed along this line, then it appears to me they should be quite willing to not only prevent further expansion, but accommodate their future production to such markets as they may be able to obtain outside the United States or be prepared to pay the full duty on shipments that they may be sent to our shores after independence is granted. With the most unusual subsidy which we are now giving the industry and the government of the Philippines, it seems to me they will have their properties so completely written off as to cost that the industry in the islands will be in position to meet competition throughout the world and in whatever form it may be presented.

Just one other thought, Mr. Chairman. It has to do with the guarantee of peace for and in the islands. With the granting of independence I hope that our people will let it be thoroughly understood and take such steps to guarantee that we shall not have to assume any responsibility in this respect beyond that assumed by other world powers, all acting in a cooperative manner.

Annual Conference of the International Labor Organization

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

Mr. HOFFMAN. Mr. Speaker, this House undoubtedly is familiar with the fact that the United States is a member of the International Labor Organization of the League of Nations, although not a member of the League itself. With the exception of this fact, the membership of the League and the membership of the International Labor Organization are interlocking, and to some extent the Labor Organization can be considered as a subsidiary of the League.

At the present time the annual conference of the International Labor Organization is in session in Geneva, Switzerland. The composition of this conference consists of one representative of the principal workers' organization, one representative of the principal employers' organization, and two representatives of the government of each member nation.

The American delegation to this conference consists of: Representatives of the Government, the Honorable Edward McGrady, Assistant Secretary of the United States Department of Labor, and Miss Grace Abbot, of the Chicago School of Social Studies; representative of the principal workers' organization in the United States, Robert Watt, secretary-treasurer of the Massachusetts State Federation of Labor, which is an American Federation of Labor affiliate; and representative of the principal employers' organization, Mr. Henry J. Harriman, former president of the Chamber of Commerce of the United States.

I am advised that under the procedure of the International Labor Organization the duty of naming the principal workers' organization and the principal employers' organization devolves upon the government of each member nation. I am also advised that the present conference, or the governing body of the International Labor Organization, may be faced with the question as to what is the principal workers' organization in the United States, and that there is the possibility of a demand on the part of John L. Lewis and his

communistic Committee for Industrial Organization that the C. I. O. be declared the representative of American labor in place of the American Federation of Labor.

If I am correct in assuming that any dispute as to what labor organization shall be considered the principal workers' organization in the United States, and therefore entitled to represent American workers in the International Labor Conference, will be left to the Government of the United States, and therefore to the United States Department of Labor, for adjudication, it is quite obvious that the sympathies of the Secretary of Labor will be entirely with Mr. Lewis and his C. I. O., and it is just as obvious that she will have the support of the President in her final decision.

If the Madam Secretary should decide that the C. I. O. is the principal workers' organization in these United States and therefore entitled to select the representative of American labor who shall sit in future international labor conferences—if such a catastrophe should happen, how will we appear in the eyes of the world?

The question is not difficult to answer. The world at large will be made to understand that the Government of these United States is behind the Communist Party of America, its offspring known as the Committee for Industrial Organization, and behind all of their subversive activities, their acts of mob violence, their disregard of everything even remotely resembling law and order, their flouting of the courts and court orders, and their method of accomplishing their purposes by organized terrorism and bloodshed. In the eyes of the world we will have enlisted under the banner of Gen. John L. Lewis and his "red" high command for the duration of the war on private enterprise, personal liberty, and all of the guaranties provided the citizens of these United States by our Constitution.

It is for these reasons, and because I wish to bring this question of membership in the International Labor Organization out in the open, that I have today cabled the Hon. Edward McGrady, as chairman of the American delegation, as follows:

Hon. EDWARD MCGRADY,
Chairman, American Delegation, International Labor Conference, Geneva, Switzerland:

Under terms of part 13, Treaty of Peace, composition of International Labor Conference consists of one representative of principal workers' organization, one representative of principal employers' organization, and two representatives of government of each member nation. Understand that present conference may be faced with the question as to what is the principal workers' organization in the United States, and that there is the possibility of a demand on the part of Committee for Industrial Organization that it be declared the representative of American labor in place of the American Federation of Labor. Legitimate labor unions, as well as all honest American workers and every patriotic American citizen, look to you as our official Government representative to settle this question for all time and formally request the International Labor Organization to recognize the American Federation of Labor as the principal labor organization, and condemn the subversive activities of Lewis and the Communist Party in America in their attempt to destroy the organized-labor movement in this country. A reply will be appreciated.

CLARE E. HOFFMAN, M. C.

In addition, I have cabled to Mr. Watt, the workers' representative, and Mr. Harriman, the employers' representative.

I have also cabled Mr. Harold Butler, the director general of the International Labor Organization, asking for his cooperation, as follows:

Hon. HAROLD BUTLER,
Director General, International Labor Organization, Geneva, Switzerland:

Am advised that question of what organization is the principal workers' organization in the United States may come before the governing body of the International Labor Organization and the Conference which is now in session. Have requested American delegation to declare in no uncertain terms that American Federation of Labor is the only organization entitled to represent the workers of the United States, and to ask the Conference to condemn John L. Lewis, the Committee for Industrial Organization, and the Communist Party of America for their subversive activities and their attempt to destroy the organized-labor movement in this country. Your cooperation is requested.

CLARE E. HOFFMAN, M. C.

I have also written a letter to the Madam Secretary of Labor enclosing a copy of my cablegram to Assistant Secretary of Labor McGrady, urging her to instruct him by cable to formally notify the organization that the American Federation of Labor is the principal workers' organization in the United States and that recognition of it as such be reaffirmed.

In order to conclude this matter and to make a definite record of the attitude of this House, I wish to offer the following resolution:

Whereas the United States of America is a member of the International Labor Organization of the League of Nations; and

Whereas the composition of the annual conference of the International Labor Organization is made up of one representative of the principal workers' organization, one representative of the principal employers' organization, and two representatives of the government of each member nation: Now, therefore, be it

Resolved, That this House of Representatives in Congress assembled hereby declares that the American Federation of Labor is the principal workers' organization in the United States and is therefore entitled to name any representative of the American workers in the International Labor Conference and on all other bodies connected with the work of said International Labor Organization; and be it further

Resolved, That a copy of these resolutions be sent to the President of the United States, to the Secretary of Labor, to the American Federation of Labor, and to the Chamber of Commerce of the United States.

I have written the following letter to the Secretary of Labor:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 17, 1937.

Hon. FRANCIS PERKINS,
Secretary of Labor, Washington, D. C.

MY DEAR MADAM SECRETARY: Am enclosing copy of a cablegram which I have just sent to Assistant Secretary of Labor Edward McGrady as chairman of the American delegation to the International Labor Conference, which is self-explanatory.

I urge you with all the emphasis at my command that you instruct him by cable to formally notify the International Labor Organization that the American Federation of Labor is the principal workers' organization in the United States and that recognition of it as such be reaffirmed.

Very truly yours,

CLARE E. HOFFMAN.

Warren Joseph Duffey

MEMORIAL ADDRESS
OF
HON. WILLIAM M. CITRON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937.

On the life, character, and public service of Hon. WARREN JOSEPH DUFFEY, late a Representative from Ohio

Mr. CITRON. Mr. Speaker, in this hurried, mechanical existence of today, when time seems to rush faster than the hours of the clock, we scarcely pause to note a man's departure from our busy world.

Only when the ever-following memories of the past overtake us do we pause at the painful thought that the voice of our colleague of yesteryear does not answer the call of the House or the debate in the committee room.

Time will not erase the memory of WARREN J. DUFFEY, of Ohio, our late colleague. He was a friend to those who knew him, ever showing that spirit of helpfulness so necessary to create harmony and cooperation in parliamentary bodies.

As a public servant he was fearless, expressing his own ideas forcefully and candidly, but always maintaining foremost those considerations requisite for the welfare of his constitutents.

I remember especially his readiness in debate, his keen perception, and his depth of logic. We did not always agree with him, but we came to value his sound opinions.

Away from his official duties in Congress, he was an entertaining companion, a jovial friend, radiating happiness and

good fellowship. His friends and colleagues will ever remember him for his splendid record as a hard worker and for his cheerful friendliness and the happy smile so characteristic of him.

My Friend—Joe Byrns

MEMORIAL ADDRESS
OF
HON. KARL STEFAN
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 4, 1937

On the life, character, and public service of Hon. JOSEPH WELLINGTON BYRNS, late Speaker of the House of Representatives

Mr. STEFAN. Mr. Speaker, a year ago today the Honorable JOSEPH W. BYRNS, of Tennessee, our beloved Speaker of this House of Representatives suddenly passed away. Every Member of this greatest deliberative body in the world lost a personal friend. The country lost a valuable servant and the State of Tennessee lost a valuable and distinguished citizen and representative. As a close friend and neighbor to JOE BYRNS and his faithful wife during our abode in this Nation's Capital, I feel I have lost my best friend in this great city. In my humble way I wish to add my brief tribute to his memory.

I had known JOE BYRNS for only 2 years of my service in the National House of Representatives. He was made our Speaker on the day I was sworn into the service of my country. He was a member of the Democratic Party, and I am a member of the Republican Party. He came from the South and I come from what is commonly known as the North, from the great State of Nebraska. I have traveled in practically every country on this globe and have had the honor of knowing many men. But in all my travels and all of my meeting with mankind I have never known a better man than JOE BYRNS. He was a friend to all mankind.

Mr. Speaker, JOE BYRNS was one of the first men I met when I came to Congress. He seemed to know I was a new Member. He had an uncanny way of knowing where people came from and was quick to learn a great deal about them. He was easy to talk to and he radiated personality and magnetism. Especially that sort of magnetism which attracted men. JOE BYRNS was kind to new Members. He made no distinction regarding party affiliations. Although a strict Democrat, he put his country's interest ahead of party politics. He gave me much of my early information regarding the rules of the House, and it was from him that I learned much of the history of this great House of Representatives. It was from JOE BYRNS I learned the stories of the lives of the great men who served with him here, and it was this great man I learned to be tolerant and respect the efforts of all other Members of the House of Representatives.

Mr. Speaker, to me JOE BYRNS typified that manner of man who, throughout his life, lived by the side of the road in order to help his fellow man. His chair in this great Chamber will always be vacant as a symbol that something is missing. I believe that many Members, especially the new Members, will agree with me when I tell you that it does not seem like the United States House of Representatives to us without the presence of our friend JOE BYRNS. I know most of the Members of this House personally today. I know scores of them who have told me how they were helped, one way or another, by him. To me he had been the guiding hand through many serious struggles. When my mind became almost a blank with worry over the serious consideration of tremendously important legislation, I always found a refuge in the kindly, serious, and unselfish advice given to me willingly by JOE BYRNS.

Mr. Speaker, to me, a younger man from the prairies of Nebraska, JOE BYRNS will always stand out as one of the greatest American statesmen I have ever had the honor of calling friend. He typifies to me that class of American statesman in whose hand I would gladly leave the destinies of my beloved country. JOE BYRNS was a Member of this House 26 years before I ever met him. He had forgotten more things about the management of American Government than I perhaps shall ever learn. Yet the lessons he has left imprinted in my mind will be of great service to the people of the Third Nebraska District, whom I have the honor of representing here. It was JOE BYRNS who early told me that the people from my district did not send me here to represent the Republican Party. That they did not send me here to represent the Democratic Party, but that they sent me here to represent all of the people. This one lesson from this great man I shall never forget.

Mr. Speaker, it was from JOE BYRNS I learned so much early history about the humble farmers and the early statesmen of the State of Tennessee. It was JOE BYRNS who told us so many stories of James Polk and Andrew Jackson, the Tennessee Presidents whom our late beloved Speaker so closely resembled in speech and service. To this Representative from the Middle Western State of Nebraska the life of JOE BYRNS will live in American history along with these other great Tennessee statesmen.

Mr. Speaker, from the lips of JOE BYRNS I heard the story of his first coming to Washington 28 years ago. He told me how lonesome he was when he arrived in this city from his home town in Nashville. How the chilly northern wind penetrated his skin and how people talked a strange language. How he noticed another man standing in the chilly winds during the Presidential inauguration ceremony. A man from the rugged West, who, too, seemed lonesome and lost.

"I walked up to this stranger and introduced myself. I told him I was a new Member of Congress, and I wondered if he was thinking about the same things I was", said JOE BYRNS to me. "The stranger said that he, too, was a new Member, and he wanted to know what I was thinking. I told him I wondered what the folks at home would think if they saw me here so alone, shivering in this cold wind, and I was wondering if they wouldn't really wonder themselves why they sent me here."

This rugged westerner was our present colleague, JOHN MARTIN, of Colorado, who, when I told him this story, confirmed it as one of his early memories as a Member of this House.

It seems to me, Mr. Speaker, that this true story about the first coming to Washington of our late Speaker illustrates his human touch, his closeness to his people at home, and with all mankind. A part of his life which he always displayed and by which most of us remember him best.

Mr. Speaker, on June 3, 1936, the day before on which our beloved Speaker passed away he delivered his last public address to Nebraska women. You will recall that on that day most important and serious legislation was planned for the House. The Speaker's office was filled with committee chairmen and important leaders of the House, waiting their time to discuss serious matters with the Speaker. On that same day thousands of farm women were in Washington attending the International Farm Women's Conference. Among them were a score or more of fine farm women from my own third district of Nebraska. Some of them wanted to meet our Speaker as did so many people who came to our Capitol. I talked to JOE BYRNS about

these women. I told him they lived on Nebraska farms. Many of them had never visited the Nation's capital. With the voluminous important work before him; with distinguished house leaders waiting, our Speaker shoved aside the papers on his desk and requested that these farm women wait for him in his rooms and he came to them with his hands outstretched in warm and honest greeting.

Mr. Speaker, I wish I could give you a word picture of that meeting between our late Speaker and these fine farm women from Nebraska. I wish I could tell you how he spoke to them for nearly 20 minutes. How he told them of his own daddy and his own mother in the days of his childhood when he worked on the old Tennessee farm. I wish I could tell you how happy he made those wonderful women with his stories of home life and how he transmitted his own joy at being among farm folk again. I wish I could tell you Mr. Speaker of the pain and anguish with which these fine Nebraska farm women received the news of the passing of our Speaker the following day. It is because this little story in the life of JOE BYRNS somehow relates his memory to our Nebraska farm women, that I want you to know that the name of JOE BYRNS will live forever in the hearts of these fine farm families which these Nebraska women represent.

Mr. Speaker, it is my privilege to have been selected in 1935 to travel to Japan, China, and the Philippine Islands and back again with JOE BYRNS, to help inaugurate the Philippine Commonwealth. Many of the duties to officially speak for this great Nation fell upon the shoulders of JOE BYRNS. I wish every Member of this House knew that over there on the other side of the world, the name of JOE BYRNS is revered and respected and honored because of the statesmanlike manner in which he represented our Nation when he appeared before the great throngs and the great dignitaries of foreign lands.

On high seas when a member of our delegation became seriously ill it was JOE BYRNS and his wonderful wife who offered their quarters on board ship and all of their services toward helping that friend.

Mr. Speaker, a year ago I was honored by this House to accompany the President and Members of the House and the Senate to escort the body of our late beloved Speaker to its last resting place in his home town of Nashville, Tenn. Words cannot describe the scenes in Nashville upon our arrival. Men, women, and children in all walks of life numbering into the many thousands stood in sorrow with bowed heads for many hours as a final tribute, representing their love for this great statesman and their neighbor.

Mr. Speaker, these are only a few of the thousands of true tributes to the life of JOE BYRNS which are embodied deeply in my memory. Most of the recollections of other Members regarding the life of this great man will be told and retold as we grow older. To me, Mr. Speaker, he was a friend I shall never forget.

To me, Mr. Speaker, he typified this kind of man:

I want to walk by the side of a man
  Who has suffered and seen and knows,
Who has measured his pace on the battle line
  And given and taken the blows.

Who has never whined when the scheme went wrong,
  Nor scoffed at the failing plan,
But taken his dose with a heart of trust
  And the faith of a gentleman.

Who has parried and struck and sought and given,
  And scarred with a thousand spears—
Can lift his head to the stars of heaven
  And isn't ashamed of his tears.

I want to grasp the hand of the man
  Who has been through it all and seen,
Who has walked with the night of an unseen dread
  And stuck to the world machine.

Who has bared his breast to the wind of dawn,
  And thirsted and starved and felt
The sting and the bite of the bitter blasts,
  That the mouths of the foul have dealt.

Who has tempted and fell and rose again,
  And has gone on, trusty and true,
With God supreme in his manly heart,
  And his courage burning anew.

I'd give my all, be it little or great,
  To walk by his side today;
To stand up there with the man who has known
  The bite of the burning fray.

Who has gritted his teeth and clinched his fist
  And has gone on doing his best,
Because of the love for his fellowman
  And the faith in his manly breast.

I would love to walk with him hand in hand,
  Together journey along;
For the man who has fought and struggled and won
  Is the man who can make men strong.

Safety—A National Problem—A Proposal

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 17, 1937

Mr. VOORHIS. Mr. Speaker, the protection of American citizens from the many occupational hazards incident to their employment and from the dangers to which they are otherwise frequently exposed in their daily lives is widely recognized as a major national problem.

The economic loss due to accidents each year in the United States far exceeds the total cost of operating the Federal Government, without reference to the mental anguish and physical suffering of the thousands of unfortunate victims. Yet it has been conclusively demonstrated that 98 percent of all accidents are preventable.

No Government activity can contribute more to the general welfare and happiness of the citizens than a well-organized and directed Federal program of accident prevention, and no other expenditure of public money will result in greater financial and economic savings. The records of the United States Employees Compensation Commission, State industrial accident commissioners, and all casualty insurance underwriters reveal the rapidly increasing losses due to accidents and indicate the urgent need for greater safety effort.

The United States Government is now one of the largest peacetime employers in the world, and the safety of Federal employees in rightfully a matter of serious concern. The promotion and coordination of local safety measures in the various States may also be considered as important functions of the National Government.

Many departments and independent agencies of the United States Government have already developed effective safety programs and now maintain their separate safety organizations. The low accident frequencies and the savings in compensation payments resulting from the activities of these safety organizations are matters of official record and are referred to as evidence of a sound and humane policy. It is apparent, however, that much better results could have been obtained were it not for the fact that a safety organization within a department and subject to the orders of the head of that department is not always in a position to enforce a safety code.

For the purpose, therefore, of properly coordinating the safety activities of the departments and agencies of the Federal Government, and of promoting and coordinating accident prevention measures in the various States, it is proposed that provision be made in pending legislation relating to the reorganization of the executive branch of the Government for the appointment of an executive assistant to the President, who shall be qualified and be charged with these important duties under the direction of the Chief Executive. The qualifications, duties, and salary of this official should be fixed by law, and his appointment by the President should be made subject to confirmation by the United States Senate. Provision should also be made for the employment of a sufficient number of qualified assistants, field representatives, inspectors, and other personnel to properly perform the functions described herein.

Automobile Workers in Detroit Organize—30 to 40 Percent Southerners; All Good Americans—C. I. O. Major Move

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

UNITED AUTOMOBILE WORKERS HOLD CONVENTION IN DETROIT

Mr. MAVERICK. Mr. Speaker, about 10 days ago I visited Detroit and addressed the United Automobile Workers of America, which was Saturday, June 5, 1937. This was one of the most interesting trips I have ever made, and which I shall describe before I include a copy of my address.

Arriving in Detroit, I found a thousand automobile workers in General Motors plants from all over the country were meeting to consider their agreement with General Motors and to appoint a committee to negotiate for them. It was like any national convention, although it represented only one single union of one automobile corporation. Think of it! This is a whale of a big union. They have 350,000 members at present, and more are joining daily.

There was a great crowd in a hall downtown, and I walked among the men, having to push my way through at one point. I thought that I was bumping my way through a hall crowded with granite pillars, the men were so hard and strong. Before I arrived at the platform, from the number of southerners who spoke to me, it seemed as if half of them were from the South. Since then, upon investigation, I find that probably 30 or 40 percent of them are actually from the South.

I stayed around Detroit for a couple of days and had the pleasure of meeting a great many of the automobile workers. If there ever was an authentic American movement it is this organization. As foi any foreign ideas of any kind these men have none whatever. Of course, I presume that there may have been a Communist here and there, but not any more Communists than you would find anywhere else. There are all kinds of men in the movement. But, on the whole, they were the finest looking bunch of men that I have ever seen in the United States of America.

MEN OF ORGANIZATION ARE WELL INFORMED AND ENTHUSIASTIC

I have seen other organizations where men have been starved down; others where the people were erratic, some who were crackpots, some that were neurotic. But these were all strapping, fine, clean, decent young American men, most of them between 21 and 35 years of age.

Which brings up a point. When you are about 35, and an industrial worker, it is time to be kicked out in the street. And that is one of the problems these men face, and they know it.

I talked to a great many of them on various subjects. They are well informed and enthusiastic. I do not mean that they have Ph. D. degrees, but I do mean that the ones I met read, study, and think. Another thing that interested me was that the headquarters of the organization was not like some union organizations I have seen. There are no "bums" hanging around with a bar off at the side in which to drink, "shoot the bull", and carouse.

UNION HEADQUARTERS LIKE ANY BUSINESS OFFICE

There was a neat office, with a lady at the switchboard in front—just like at Mr. J. P. Morgan's, Mr. Ford's, or anybody else's office. There were various economists, statisticians, and men who had education and who were advising the head of the organization, Homer Martin.

I have read some things about Homer Martin and how tough he is. He is no pansy, but in the vulgar sense is certainly not tough. He was once a preacher, although he has been in organized labor for a long period of time. He is not in any way pretentious, but a simple, religious, sincere man, typically American, and who makes a very good speech.

At the big mass meeting I attended, which was near Dearborn and Mr. Ford's plant, but specifically at Baby Creek Park, Detroit, there were assembled some 10,000 men. It had rained hard all day long, and I did not expect to see anyone at the park at all. It was muddy, and the people stood up to their ankles in the mud. The rain slowed down to a drizzle, just as we arrived, but after I had spoken a while it broke into a heavy shower. I looked closely and did not see a single person leave during all the speeches.

My address was as follows:

ADDRESS OF HON. MAURY MAVERICK ON SATURDAY, JUNE 5, 1937, BEFORE THE UNITED AUTOMOBILE WORKERS OF AMERICA, AT BABY CREEK PARK, DETROIT, MICH.

ORGANIZE TO PROTECT AMERICAN LIBERTY AND STANDARD OF LIVING

Mr. Chairman and fellow Americans, I am very happy to be here. I am speaking in the Baby Creek Park, and before we are through organizing it's going to be a Big River Forest full of organized men. [Applause.]

Oh, my friends, I want you to know in the first place that down my way labor is not very well organized; labor is not very well organized anywhere in the South. But let us get organized North, South, East, and West, and let us do it for the purpose of preserving American liberty and the American standard of living.

You know, my friends, I thought it a little bit significant and that it really meant something, because the very first tune you played was John Brown's Body Lies A'Moldering in the Grave. That is the same tune they played and the same song they sang when the slaves were freed in the South.

Yes, fellow Americans; that's what we are going to do for the people of the Ford plant. [Applause.] Or, better, in modern parlance, we will cooperate with them in organizing so that they may protect their own rights.

FORD BEATS FRANKENSTEEN UP—THE STORY OF FRANKENSTEIN

Then I sort of laughed a little bit, you know, when I thought of the story of Frankenstein. Frankenstein—your Frankensteen—was a fellow who built a monster.

The story goes that he made a mechanical robot. He played around with his robot and made him do everything he told him to. The job was perfect.

But it was such a perfect job that finally the robot ate his creator alive. Mr. Ford has tried to play Frankenstein, but his beating up our Frankensteen will do no good. Ford's gangsters will make a monster of Ford, and the spirit of your Frankensteen will go marching on. [Applause.]

This business of organizing is all plain common sense. Why shouldn't free-born Americans organize? It is sensible and proper, and to say that American citizens should not have the right to organize is to say that democracy is wrong and that we have not sense enough to get along with each other or to govern ourselves.

In speaking of this we must realize that we now have an opportunity which may never come again. Everywhere I go I see the people are alive, that they are trying to understand their problems, and that they want a decent country for themselves and their children in which to live.

LABOR MARCHES ON—A MAJOR MOVEMENT—ORGANIZE!

This is a major sweep—this movement of the United Automobile Workers and the C. I. O.—it is a major move of the citizens of the United States of America. It is in the cards! We hear a lot of propaganda against organization, but whenever you hear it just realize where it comes from.

Sensible Americans will not be moved by this misleading propaganda. People who try to organize are called all kinds of names—radicals, Communists—and are said to be un-American. Let me tell you, it always makes me sick when somebody says that because a man wants to get a decent living for his wife and children, "Oh, he is a Communist."

Well, I want to know, since when came the time that an American couldn't stand up on his hind legs and fight like hell for his rights? [Applause.] Unionism, my friends, is good Americanism and true democracy.

BIG CORPORATIONS REVOLT AGAINST LAW OF THEIR COUNTRY

Let us review some labor and business history of the past year and a half. Who was it that defied the Government of the United States of America? Well, when Congress—the Congress you elected—enacted the Wagner law, and when the President—the President you elected [applause]—signed the law, 57 of these big, big Liberty League lawyers [boos] got together, representing the great corporations. And what did they do? They told the big corporations that the law was unconstitutional and void and to violate it. Yes; they told them to violate the Wagner law, the law of the land, the law of the United States of America—for it was only a labor law!

I ask you, did any lawyers of organized labor order that any law be destroyed and broken? Have they told unions to violate the law? No! There hasn't been anything like that.

Now, let's follow what happened to the Wagner Labor Act. Those 57 lawyers, the biggest ones in America—they claim for themselves—had declared, in their arrogance, the law to be unconstitutional, and said that it should be violated.

In the meantime, the President of the United States suggested that the judiciary be reformed. What happens? Along comes the Supreme Court of the United States and says that the law is constitutional and that the big corporations must obey it! These 57 big corporation lawyers "held it unconstitutional" in advance, defied the law of the land, and conspired to break these laws.

WORKERS HAVE AS MUCH BRAINS, AND BETTER LEADERSHIP

Listen to this: You people have your rights. You are free-born Americans, and if you have any inferiority complex get rid of it. You have just as much brains, you have just as much sense, and you have better leadership than the industrialists of this country. [Applause.] Sometimes you do not believe this. But the "upper crusters" always try to make the people believe that they're dumb and are being betrayed by their own leaders; and when I say that you have the brains and you have better leadership you know I am telling you the truth.

I want to talk to you just a few minutes about some of the serious problems we have in this country. Labor is not the only problem. So I am going to discuss with you the subject of the Supreme Court of the United States of America. [Boos.]

THE SUPREME COURT SHOULD MIND ITS OWN BUSINESS

Now, fellow Americans, there is a function for the Supreme Court of the United States. I am a lawyer, too, like the judge over there, and I belong to the National Lawyers Guild.

But that's not the point. There is a function for the Supreme Court, which I will explain later.

PEOPLE CAN READ CONSTITUTION AS WELL AS JUDGES

But, first of all, there is one simple thing which you can understand as well as anybody. It is that you don't have to be a lawyer at all to understand what the Constitution says. You know how to read as well as any judge does.

I am not going to give you any complicated arguments, because it's raining anyhow. What is happening is that the Supreme Court has entered the field of legislation and is breaking down the laws which you have enacted through the men whom you elect to office. This hurts business as well as labor, because there is no stability and no one knows what is going to happen next.

Believe me, fellow Americans, it is none of the business of judges to decide whether a law is wise or not, discreet or not, or whether they like it or not. The trouble is that the Supreme Court has not been attending to its own business—and when it begins to attend to its own business the controversy will all be over. Just remember that.

FUNCTION OF COURTS TO PRESERVE, NOT TO BREAK DOWN THE LAWS

What are the functions of the courts of the United States? Their functions are to enforce the laws, including labor laws, protect the liberties of the people, settle cases between people, and to decide conflicts of State and National laws, and to declare acts of the Congress and the various States unconstitutional when they violate the liberties of the people, and the actual wording of the Constitution.

It is not their function to use all kinds of magic words to break down the laws, but their function to uphold them.

For instance, the Guffey coal law, the Agricultural Adjustment Act, neither of these laws were violating any liberties. No laborer, no State, no farmer came into court in either case. But the Court said it was protecting "States' rights", laborers, farmers, and then went out of its way to break down a law of the people. Now, if the Court wishes to protect the liberties of the people, it should protect the civil and religious liberties, protect a man against police brutality and persecution and unlawful arrest, guarantee him habeas corpus, and preserve his rights as an American citizen.

RAIN POURS DOWN, BUT NOT ALL WET

Well, the rain is coming down and we are all getting wet. But we are not "all wet" in what we are doing and saying. [Laughter.] It is mighty nice of you people to listen, and it means to me that you are going to get organized. [Applause.]

TRUST IN FORD—AND THROW AWAY CONSTITUTIONAL RIGHTS

Well, for the last few days I have been reading in the papers about Mr. Ford and how he wants all the boys to be good boys and to be loyal to him. Trust in Mr. Ford! One of my friends came up here and gave me one of these papers that employees had been signing at the Ford plant. So I read it over.

Now, I haven't talked to the 100,000 Ford workers; but I know Americans all over the United States of America. I know people who work in the Ford plant are as good people as any and certainly as intelligent. And I know that no man of average intelligence is going to readily throw away his constitutional rights and give up the welfare of himself and his family and his future to one single man, as this pledge does.

INTIMIDATION OF FORD EMPLOYEES

It starts off: "We, the following employees of the Ford Motor Co., wish to take this means of voluntarily"—get that [laughter]—"expressing our complete confidence and agreement with the policies of Mr. Henry Ford."

Oh, me. That's not so, and everybody knows it. [Applause.]

Then Mr. Ford's publicity man, aided by the "service man", says this: "It is our hope that these policies shall be continued in the future as they have been in the past." Imagine that!

I am quoting again: "That is without interference or hindrance from any source whatever"—in a pig's eye!—except to get busted on the nose and lose your job if you don't sign on the dotted line. There is intimidation, of course. But remember, the Wagner Labor Act is the law, and the Government of the United States protects you now!

It says down here at the bottom, "Cost of printing is borne by employees." Well, if that don't beat the Dutch. That's the funniest one of all. [Laughter.]

UNION PRINTING BY FORD—WHY NOT UNION AUTO WORKERS?

Down at the bottom of the page they have a little union bug, but there isn't any number of the plant. They are probably hoping that nobody would notice that. Let's discuss that frankly for a minute. I think the union label is phony. Anyhow, Ford uses it to make people think he is friendly to organized labor.

But get this; if he is really in favor of union printing, why doesn't he favor unionization for the automobile workers? [Applause.] He wants to force automobile workers to be scabs, so why doesn't he get a scab printer? Or, vice versa, if he has a union printer, why doesn't he have union automobile workers?

The truth is, this is a lot of hypocrisy. They must think the workers of the United States are a set of fools. Well, boys, go on and sign this thing all you want to, but then get organized so you can protect the rights of yourselves and your families. [Applause.] On the way up here I read some more stuff supposed to be very wise, indeed. They are what they call "Fordisms." You see, Mr. Ford, not being such a literary man himself, hires men who can read and write to get these "Fordisms" out for him.

Let me read what they have written for him:

"FORDISM" IS NOT AMERICANISM

"Our men ought to consider whether it is necessary for them to pay some outsider every month for the privilege of working at Ford's. Figure it out for yourself. If you go into a union, they have got you. What have you got? We have made a better bargain than you could."

That is Fordism, and you are supposed to take that and read it like a kid reads a catechism, and believe it all. You are supposed to bow your head like a baby. You are supposed to be a bunch of dunces to swallow all that.

Well, after reading that I wrote some myself, and this is the answer you want to give Henry Ford. Here is what it is. We will call it, not Fordism, but we will call it Americanism.

LETTER TO FORD—"AMERICANISMS" BY AUTO WORKERS

Let me read:

"We men ought to consider whether it is sensible or wise to pay small dues every month in order to obtain our God-given right to protect our rights, liberty, our jobs, and our property. We have figured it out for ourselves with our own brains"—I want to suggest you use your own brains—"which we propose to use from now on. We will get our union. We will get protection. We can make a better bargain when we work together and bargain collectively.

"Mr. Ford, we have always been loyal to you, and always will, but we must also be loyal to our wives and children, our fellow Americans, who also have the right of collective bargaining, which is guaranteed by the law of the United States of America. Mr. Ford, we trust that you will not defy the law of the United States of America." [Applause.]

"'What has been the result of strikes?' you ask, Mr. Ford. The result has been recognition of tens of thousands of free-born Americans who can live without fear of company police, spies, hired thugs, murderers, and private armies. Mr. Ford, you cannot stop the march of progress nor break down the self-respect of your fellow Americans. We call upon you now in peace and good will to consider these things." And that is the message to Mr. Ford. [Applause.]

I am told that Mr. Ford has some of his "service men" in this crowd and a few spies. If any are carrying back messages to him, let them take what I have just said with a few words in addition.

"Mr. Ford, they say you are a great producer and that you can speed up production more than any man in America. We can attest that this is true; that you are a great producer. But outside of that, Mr. Ford, you are not what is called a great man. It is possible that you may think that you are a great man, and you may have so many 'yes' men around you, so many men who fear you, that you cannot learn the truth about yourself or learn your own mind. But so far, Mr. Ford, you have not proved to be anywhere near a great man."

PEOPLE SHOULD NOT STAND HUMBLY, LIKE DUMB OXEN

Now, my fellow Americans, listen to this: Mr. Ford may be a multimillionaire—and it seems to me it has been mentioned that he is a billionaire—but listen to this; this is sensible; this is the truth, when it comes down to books, when it comes down to spirit, when it comes down to the love of your country, your home, and

your children, well, Mr. Ford isn't a damn bit better than any person in this audience, nor a bit better than any other decent American in this country. [Applause.]

It is not that we have no confidence in big men. We have confidence in one big man, and he is our President, Franklin D. Roosevelt. [Applause.] He is the President of a great democracy.

Listen. One thing the American people must learn, and that is we can't stand up and have our laws handed down to us when the judges get ready. We can't stand humbly, with our heads hanging, like dumb yoked oxen, and have our bosses telling us what wages they care to hand us when they get ready. We are not slaves. We are free-born Americans!

This old business of being told something is coming from on high to be handed to the people is the same old stuff they've peddled for centuries. It is the same old argument they pulled in the time of the Civil War. My people all over the South—and, say, I know we've got a lot of southerners in this audience—well, the slave owners said: "Why, it's an outrage to take our Negro slaves from us. We know how to take care of these slaves better than anyone else can tell us. The slaves are our property and we will do with them as we please."

And all of the slave owners felt absolutely righteous because the Supreme Court said that they could not only have their slaves and slavery forever but that the Congress of the United States couldn't even prohibit slavery in the new Territories of the United States, where the labor market would have been ruined for every white man and every farmer and every merchant.

The truth of the matter is we are in a similar position economically, socially, and politically, as we were just preceding the Civil War. Mr. Ford is no more enlightened than were the slave owners in 1861, and less cultured and educated. And if he has any spies in the audience, they can go back and tell him that, too.

JOHN L. LEWIS HAS CHARACTER, INTELLIGENCE, AND HONESTY

Fellow Americans, we must realize that we have a job on our hands, that it's a hard job, but that we can succeed. And while I am doing it I want to tell you something about John L. Lewis. I am not a laboring man, but I know and appreciate John L. Lewis. I think he is the greatest labor organizer in America, because he has intelligence and character and because he is honest. [Applause.] Of course, I get letters telling how he is un-American, but take a look at him. I see nothing un-American in having a strong body, a strong mind, and better leadership than the other side. The fact that he stands up for the rights of the ordinary man certainly is not un-American.

Somebody says to me, "What about Bill Green?" [Boos.] Well, my friends, you ought not boo Bill Green, because Bill is a nice man, a nice fellow. We are not fighting Bill Green, and certainly we are not fighting any labor organization. We are trying to build America. The point is the United Automobile Workers is a fine organization; it is the strongest one in the field; and Lewis is the strongest man in the field; and Homer Martin, your leader, is absolutely O. K. [Applause.]

They say comparisons are odious, but let us make them, anyway. The truth is, I have met some of these big industrialists, not many, but enough to know what they are in a representative way; and I can tell you that the reason you are going to win is because John Lewis has more brains than Mr. Knudsen, Mr. Ford, and the rest of those fellows put together. [Applause.]

Well, I see it's raining cats, dogs, alarm clocks, cylinder heads, nuts, bolts, car bodies—anyhow, it is raining, yet you stay to listen, and that shows that you are going to win.

OUR CHILDREN MUST HAVE A DECENT COUNTRY IN WHICH TO LIVE

Just look at those boys up there on that high fence [indicating]. Those young men are Americans who have got to live. They have got to have a country to live in; they've got to have jobs. Say, you kids, go back to your parents and say: "Papa, you join that union, by golly. I'm growing up and I want to have a free country to live in."

Look at all these posters around here. Look at all of them. There's one over there that says, "General Motors 100 percent behind Ford workers." That is the American spirit! Over here is the Chrysler promise of cooperation, "Ford motor employees, you are not alone."

Then over here [indicating] is the best one of all, "Make Dearborn a part of the United States of America." [Applause.] When Dearborn has become a part of the United States the first thing we will do is to establish a museum. In it we will put Henry Ford, just as in the Museum down in Washington they have the Indians. For, indeed, Ford appears to have about as much knowledge of decent industrial relations as the red Indians we found when our forefathers arrived 300 years ago.

PUBLIC OPINION OF AMERICA WILL DECIDE

What I want to say to you is this—this final thing. And that is that the Automobile Workers of America, Henry Ford, Chrysler, the owners of the General Motors Corporation, the Fisher Body Co.—all of these persons, organizations, and corporations—have got to stand up before public opinion of the United States of America. Mr. Ford has announced in effect that he will not recognize a union nor bargain with them collectively. He has thereby announced that he is above the people of the United States, its Government, and all three branches at that—Congress, the President, and the Supreme Court. Personally, I do not think that public opinion will stand for Mr. Henry Ford getting away with that.

As far as I am concerned, I am willing to go anywhere in this country and fight for ordinary American rights and the right to organize into a union is merely an ordinary American right. There is nothing extreme about it. Also, I am frank in saying that I have a selfish reason, because I want my own people to be organized; I want my own people to have a decent purchasing power, so they can get one of your Fords and ride around in it. Also, I might say, live in decent houses and educate their children.

If Mr. Ford doesn't want to show himself up to be a stupid man, he had better get behind these people here and recognize their union rights.

The immediate objective is the organization of the Ford plant. But there are greater things, my fellow Americans, than Mr. Ford, and what we want to do is to build the United States of America. We want to be a part of this great country in a dignified way. We abhor violence in ourselves and we abhor it in thugs and gangsters and Ford service men and murderers of steelworkers, too. We do not believe in violence and we do not practice it. What we want is a square deal for all Americans, where people can grow and live and prosper and be happy and decent.

I believe there are a lot of other Congressmen and Senators and millions of others in this country who will go down the line with you 100 percent.

I thank you for the honor of being here. [Applause.]

Immigration from the Philippine Islands Into the Territory of Hawaii

EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

Mr. KING. Mr. Speaker, I have just introduced a bill to repeal a provision of the Philippine Independence Act which would permit, under certain conditions and restrictions, the immigration of a limited number of persons from the Philippine Islands into the Territory of Hawaii, subject to a determination of the needs of the Territory by the United States Department of the Interior. No Filipinos have ever come to Hawaii under this provision, and in fact there has been a very large exodus of Filipinos from Hawaii back to their native country.

I personally have never been and am not in favor of this particular provision, and have already stated to several colleagues that at the first appropriate opportunity I would propose an amendment that would repeal it. That time has now arrived.

The mere existence of this conditional provision has been used at times in support of opposition to Hawaii's rightful claim to equal treatment with the rest of the United States in legislation. I have repeatedly corrected the erroneous statements made in this regard, but find that the same misunderstandings of the situation are again advanced to our detriment. Some interests have attempted to show that there is ground for discrimination in other legislation because under this act there is a conditional provision which might be applied to Hawaii, but not to other parts of our country.

There is no merit in this viewpoint. The provision has never been used; no Filipinos have entered under it, and many thousands have returned home since and prior to the enactment of the Philippine Independence Act. It seems desirable, as I had in any case planned to request Congress to repeal this provision, that it now be repealed, so that it can no longer be used as a basis for propaganda against Hawaii's right to equal treatment with other parts of our country.

Bernhard Martin Jacobsen

MEMORIAL ADDRESS
OF
HON. FRED BIERMANN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. BERNHARD MARTIN JACOBSEN, late a Representative from Iowa

Mr. BIERMANN. Mr. Speaker, the late Congressman B. M. JACOBSEN was one of the most lovable men that it has ever been my good fortune to know. He was always thoughtful in doing kindnesses to his friends in particular and to any human being to whom he could show kindness. It was natural that he was beloved by all who knew him. The affection in which he was held by the people of the Second Congressional District of Iowa was shown in the large majorities with which he was elected to Congress.

Congressman JACOBSEN kept himself amazingly well informed on public questions. Rarely did I ever talk with him regarding any measure before this body that I did not find him well informed even to the smallest details of the measure. We all knew him as a modest, unassuming Member. We all knew him also as one who attended the sessions steadily and took an intelligent interest in the debates.

In the last session of the Seventy-fourth Congress Congressman JACOBSEN was very evidently in bad health, yet he made no complaint and he attended to his duties in the Hall of the House of Representatives and in his office. On the 20th of June he was present on this floor. Ten days later, with a smile on his face and with cheerful words to those about his bedside, he passed away.

I believe that few men have had a family life so happy as that of our late beloved colleague. I think it is not inaccurate to say that he was an ideal husband and father. His wife and children returned his affection most warmly. Those of us who knew Congressman JACOBSEN and his family most sincerely sympathize with them in their bereavement, but we trust that as time goes on they will draw much consolation out of the memory of the many happy years they spent with their beloved husband and father.

Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. WILLIAM M. CITRON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. CITRON. Mr. Speaker, during the Seventy-fourth Congress I became acquainted with ANDREW JACKSON MONTAGUE in the rooms of the Judiciary Committee, where he was regularly present at all important meetings.

Already beyond the noonday of life, he was a man with a wealth of experience and training, and his words were ever listened to with respect and reverence.

While other men at his age might withdraw to the quiet shelter of home, family, and the memories of the past, he was physically and mentally too alert to retire, and remained active to the end.

To the younger Members of Congress he was helpful and friendly; to the older, a respected and admired colleague. A former Governor of the great State of Virginia, he found happiness in the continuation of his services to his people.

Members of the committee appreciated his lofty character and modest personality. His masterly analysis of problems revealed the depth of his learning; his sympathy, kindness, and faith in human beings were an inspiration to all around him.

On the many happy occasions of our meetings and talks with each other I discerned in him the sage of the historic State of Virginia who, nevertheless, looking upon the present world and into the future, understood that a new day had come for industry, labor, and agriculture. He envisioned progress, not from the viewpoint of class or section but in terms of the country as a whole. He understood the relation of the industrial problems of the East to the agricultural problems of the South and West. He was a good lawyer, a true scholar, and an amiable colleague. He respected others and was in turn respected by all. He was an inspiration to fellow Members, and his loss is keenly felt by those of us who knew him and worked with him.

Louis Murphy

MEMORIAL ADDRESS
OF
HON. FRED BIERMANN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from Iowa

Mr. BIERMANN. Mr. Speaker, I first met LOUIS MURPHY in 1912, when he was engaged in the campaign to nominate and elect Woodrow Wilson President. He was then the brilliant editor of the Dubuque Telegram-Herald. His editorials were widely quoted throughout the Central West. He came naturally by his editorial talent, because his father, John S. Murphy, also for many years editor of the Dubuque Telegraph-Herald, was one of the most forceful writers that Iowa has produced.

Under the administration of Woodrow Wilson, LOUIS MURPHY was collector of internal revenue for Iowa. In that occupation he made a conspicuous success. The experience that he gained as collector of internal revenue was valuable to him in consideration of tax matters after he entered the United States Senate.

In 1932 Mr. MURPHY became the Democratic nominee for the United States Senate. A clear thinker, he had with it an uncommon ability to put his thoughts into easily understood and convincing language. With his ability as a speaker he combined an engaging personality. He was elected by a large majority and he enjoyed the confidence and esteem of the people of Iowa until his untimely death.

He was struck down in the fullness of his mental powers, and his usefulness to his State and to his Nation. Iowa will long revere his memory.

Henry Elbert Stubbs

MEMORIAL ADDRESS
OF
HON. JOHN S. McGROARTY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY STUBBS, late a Representative from California

Mr. McGROARTY. Mr. Speaker, the late Hon. HENRY E. STUBBS, sometime Member of the Congress of the United States, was above all things else a man of great gentleness and deep kindness. I would almost say he was the kindest man, and the gentlest, that I have ever known. The world is always better because men like him have lived in it.

William D. Thomas

MEMORIAL ADDRESS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. MEAD. Mr. Speaker, I am proud to have this privilege of paying tribute to the late Representative WILLIAM D. THOMAS, of New York, one of the most lovable men our House has ever known.

Mr. THOMAS was not only a member of the Committee on the Post Office and Post Roads of which I have the honor of being chairman, but he came from my own State, New York. He entered Congress early in 1934, following the death of Hon. James S. Parker, whose unexpired term he rounded out. He was assigned to our committee promptly and remained with us until his death on April 23, 1936. I respected his judgment and sought his counsel in legislative matters considered by our committee. Every member of our committee, without exception, developed a strong feeling of friendship for him. He was considerate, just, kind, and thoughtful in all the postal work we shared together, and our committee as well as the Congress lost a valuable Member in his death.

The postal employees had a strong advocate in Representative THOMAS and they too suffered an irreparable loss.

While a loyal member of his party, his partisanship was tempered by an innate feeling of friendliness for his colleagues of the opposition. We feel a deep personal loss in his absence and wish he might have been spared to us for many years longer.

Abram Piatt Andrew

MEMORIAL ADDRESS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the Life, Character, and Public Service of Hon. ABRAM PIATT ANDREW, late a Representative from Massachusetts

Mr. MARTIN of Massachusetts. Mr. Speaker, these memorial services bring back to mind memories of men who labored with us here in the noble service of country. They have departed for the spirit land to which all must eventually go. But they will never be forgotten.

It was my precious privilege to know A. PIATT ANDREW for nearly 20 years. More than half of that time we lived at the same club and invariably dined together. This close association gave me the opportunity to appreciate fully the noble character and splendid ability of the man.

He was the possessor of a great heart—he loved all mankind and never harbored prejudice against anyone. He typified thoroughly the American spirit of tolerance and respect for the opinions and beliefs of others. Live and let live was to him a natural inclination.

By education and training, no man was better equipped to serve his country in these troublesome, trying, and chaoitc days. He had served gallantly in war, and although his health was fast ebbing, he continued at his post to give the country the benefit of his rich experience and wise counsel. His declining health was obvious, and I urged him to seek rest, in order that his life might be prolonged. His devotion to his work was too compelling, and unquestionably his days were shortened as a result.

As an educator, administrator, soldier, and statesman, he left his impress upon the life of the country. The United States could ill afford his untimely death.

Men like A. PIATT ANDREW are not quickly forgotten. The example he set and the inspiring work he performed live on in the memories of his associates in life.

As he crosses the bar, we may well say: "Well done, thou good and faithful servant."

The Centenary of Associate Justice John Catron of the United States Supreme Court

EXTENSION OF REMARKS

OF

HON. WALTER CHANDLER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

ADDRESS OF HON. WALTER CHANDLER, OF TENNESSEE, AT THE FIFTY-SIXTH ANNUAL SESSION OF THE BAR ASSOCIATION OF TENNESSEE, AT MEMPHIS, FRIDAY, JUNE 11, 1937

Mr. CHANDLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me at the Fifty-sixth Annual Session of the Bar Association of Tennessee, on June 11, 1937:

Mr. President, distinguished guests, members and friends of the Bar Association of Tennessee, on the 3d day of March 100 years ago, in the last hours of his second administration, President Jackson sent to the Senate the name of John Catron of Tennessee to be Associate Justice of the United States Supreme Court. Five days later and, singularly, in the administration of a different President, Martin Van Buren, the nomination was confirmed; and John Catron entered on a distinguished service which was to continue for 28 years through one of the critical periods of our country's history. Justice Catron was the only man ever nominated by one President for the highest Court in the land and confirmed on that nomination in the term of another Chief Executive, and was the first Tennessean to sit on the "supremest supreme court in the world."

John Catron was of German descent. His grandfather, Christopher (Stauffie) Catron, immigrated to Pennsylvania from Holland in 1764, with his wife and several children, the oldest being Peter Catron, father of our subject. The family removed to Virginia, and Peter Catron, born in Germany, served in the American Revolution. John Catron was born in the now Grayson County, Va., in the year 1781. In 1804 Peter Catron and his family moved to Wayne County, Ky., where the parents resided during the remainder of their lives.

Probably because John Catron's father could not read English, the son insisted on studying English grammar in preference to Latin, much to the disgust of his teacher, James Witherspoon, a Presbyterian clergyman. The story is told in the diary of S. H. Laughlin that Catron was passing through McMinnville, Tenn., on one occasion in 1812 and saw a copy of Blair's Rhetoric on a counter of Buchanan & Laughlin's store. Although without ready cash, he arranged to buy the book on credit and returned later and paid the purchase price. Those familiar with that textbook know that it was used in the colleges for advanced study of the English language. Schools were few and far between in the western country in those days, and it is no small wonder that young Catron was able to attain enviable proficiency in history, geography, and literature. The Bible, being the daily reader in the early schools, was thoroughly absorbed by the young student. Throughout his life John Catron enjoyed reading the classics, and was fascinated by Irving's Knickerbocker History of New York, Hume's History of England, and Gibbons' History of the Decline and Fall of the Roman Empire.

John Catron's first appearance in Tennessee was as a driver of cattle and groom of his father's racing stallion Agricola, about which many stories were told. One story related on very reliable authority is that both Catron and his wife first rode into Sparta, Tenn., astride Agricola. In 1812 Catron settled at Sparta and took up the study of law with George W. Gibbs. Shortly afterward the massacre of the garrison at Fort Mims by the Creek Indians stirred the people of Tennessee to a spirit of revenge, and Catron volunteered in Capt. John H. Anderson's company of the Second Tennessee Regiment and marched away to Alabama as a private soldier under Andrew Jackson. He participated in the campaigns on the Coosa River and around Talladega and Fort Strother, and for a short time was sergeant major to Col. William Martin,

commander of the regiment. Catron had not been ill a day in his life until the hardships and privations of the Creek War so incapacitated him that he was brought back to Tennessee in a wagon.

Establishing a friendship with Isaac Thomas, who was attorney general of the then third judicial circuit, comprising the counties of Smith, Warren, Sumner, Franklin, Overton, White, and Jackson, Catron succeeded to much of Thomas' law practice when the latter was elected to the Fourteenth Congress in March 1815, shortly before Mr. Catron received his law license. In the fall of 1815 the Tennessee Legislature elected Catron to a 2-year term as attorney general for the circuit, and there he widened his acquaintance and gained the practical experience which set him on his way. The dockets were crowded with indictments, and the judge, Nathaniel W. Williams, was an excellent criminal lawyer who "stood firmly by the State and leaned strongly against the culprit." So, according to the attorney general himself, "I got on very well, but often with an arrogance that would have done credit to Castlereagh, for blundering in my law, certainly, if not bad grammar." But he strove to learn, and, when not actually engaged in trial work, or in writing bills of exceptions for adversaries whom he had defeated, Catron was listening to his seniors present civil causes, principally ejectment and unlawful detainer, and soon became well-grounded in his profession.

The lawyers traveled the circuit on horseback, usually on Sundays, and each man was well equipped. He carried pistols and holsters, chiefly but not entirely for show, and generally afforded a negro waiter on a second horse and a large portmanteau on a led third horse as a parade. Stopping at the taverns just outside of the county towns and associating with the attorneys and attachés who followed the court, Catron gained an indispensable knowledge of men and events. The times demanded the common touch, and no western statesman had arrived without it. Indeed, Jackson, Benton, Clay, Polk, and others made certain that they did not lose it.

On the advice of General Jackson, John Catron moved to Nashville at the end of the year 1818. The next year was a disastrous one in the commercial history of the Nation, and the courts of middle Tennessee accumulated more than 2,000 cases. Almost immediately Mr. Catron had a large and profitable practice. The Nashville bar was inferior to none in the United States in contests involving conflicting titles to land. In this branch of the law Mr. Catron excelled also, and, with his uncommon capacity for labor and his ambition to win, he became a formidable antagonist in any controversy. He was not an orator, did not have a pleasing voice, or graceful gestures, did not present an especially methodical argument, but was earnest and resourceful, and his tenacity was without limit. In appearance John Catron was a commanding figure, more than 6 feet tall, and of large frame. He had penetrating black eyes, ample dark hair, a large nose, and a square jaw. His manner attracted attention, and his supreme self-confidence begat the confidence of his clients.

After 6 years of very active practice of the law in Nashville, John Catron was elected a justice of the Supreme Court of Errors and Appeals to fill a vacancy created by the resignation of Judge William L. Brown, one of the greatest of the early Tennessee lawyers. Judge Robert Whyte, Judge Jacob Peck, and Judge Nathan Green, and for a time Judge John Haywood and Judge Henry Crabb, were Judge Catron's first associates on the Supreme Court of Errors and Appeals, and the earlier volumes of Yerger's Reports reflect the excellence of that court. There are dissenting opinions in abundance, although Judge Catron opposed them except when questions of constitutional law were involved, and the court did not hesitate to declare acts of the legislature unconstitutional.

The appellate judges also held the chancery courts from 1821 to 1827, and Justice Catron, sitting as chancellor, held the first chancery court in West Tennessee at Jackson in 1825. Common law and equity became deeply ingrained in Tennessee, and the judges laid the foundations of the new era in Tennessee jurisprudence which followed adoption of the Constitution of 1834.

It was said that Judge Catron was elevated to the Supreme Court of Tennessee for the purpose of breaking an impasse which existed on a question involving the law of real property. The controversy had lasted for almost a quarter of a century, partly because of a very inadequate system of case reporting. One school of judges maintained that 7 years open, adverse possession of land under color of title had to be connected with a grant from the State, and another insisted that the statute did not require the occupant to deraign his title from the State in order to establish his right to the land after 7 years' actual, continuous, adverse possession under color of title. The question came on squarely before the court in the case of *Love* v. *Love* (2 Yerger, 288 (1828)), and was set at rest by the opinion of Judge Catron, who held that title did not have to be deraigned from the State if the statutory requirements of adverse possession and color of title had been established.

"The statute having made no exceptions against one purchasing and holding possession, with the knowledge he was not acquiring a good title at the time he obtained the conveyance under which he seeks protection, the courts have no power to make any; to do so would be legislating. * * * Exceptions engrafted by the courts upon statutes have sufficiently afflicted other countries to warn Tennessee of so great an evil; the present court has rejected every such aberration."

The courts of the early days molded as effectively as the schools and churches the conduct of the people, and the habits and practices of frontier days often had to be dealt with summarily in order to be controlled. The reports indicate that convictions for infamous crimes were few, but that killings growing out of affrays were most numerous. Personal courage was an outstanding virtue. Justice Catron's famous opinion in *Calvin M. Smith* v. *State*, 1 Yerger, 228 (1829), put an end to the code duello in Tennessee, probably because the lawyers, more often than other citizens, became involved in the manly art of dueling.

The Tennessee Legislature of 1809 passed an act disqualifying from holding any office of honor or profit a person guilty of giving or receiving a challenge for the purpose of fighting a duel within or without the State. In sustaining the judgment of the circuit court striking Smith's name from the roll of members of the bar of Maury County, because he had fought a duel in Kentucky, Judge Catron wrote an opinion which is a fine example of diction, sound common sense, and judicial judgment. It is also a scathing arraignment of the false ideas of honor and bravery which led to what the justice characterized as "wicked and willful murder." Invective and sarcasm are presented in a masterly fashion, and the opinion can be read with profit by the members of the bar today.

After describing the types of people who gave and accepted challenges and their reasons for so doing, Judge Catron asserts that murder and revenge do not constitute redress: "This is not the precept our Savior taught, our religion inculcates, and our laws enjoin; malice, vengeance, and crime have no place but in the catalog of iniquity. If one respectable man says a harsh and injurious thing of another, it is almost uniformly in some moment of high excitement, in the bar or elsewhere—the result of instant and angry passion, of which the offending party in a few hours, when he becomes cool, is heartily ashamed. Most willingly would he make reparation, had he an opportunity; but he cannot nor will not be bullied into it by threats of punishment. Let the offended party wait until the excitement has passed off, and he will generally find half the sin resting upon himself; were the writer to judge from his own experience, this would be a small allowance. He should then go to the offender in a firm, serious, and just temper and inquire of him the reason for the injury; he will then hear his own fault for half the excuse, the angry and excited passions of his neighbor for the other half; here the matter will end, almost as assuredly as that God is just. I ask every gray-headed man in American society, Did this course ever fail you with a man worthy of your notice?"

Nine years later, when Justice Catron was on the United States Supreme Court, the reverberations of his antiduelling opinion must have been heard there, because the Supreme Court spread a resolution on its minutes declining to attend the funeral of Congressman Jonathan Cilley, who had been killed in a duel with Congressman William J. Graves. It is not unreasonable to believe that Justice Catron's vehemence on the subject was reasserted.

The case of *State* v. *Smith and Lane* (2 Yerger, 272 (1829)), disqualifying the defendants from holding public office for 5 years because of gaming, is a rugged analysis of the early statutes on the subject of lotteries, and Judge Catron waxed eloquent in inveighing against the games of faro, high card, loo, and other highly speculative enterprises which have not altogether disappeared from modern society.

"Not only ruin and beggary, but drunkenness, is almost uniformly the effect of gaming; the two vices combined are more likely to sap the foundations of our institutions than all others put together. There is implanted in the nature of man an inclination to gamble, which of all others is most difficult to bring within the restraints of law. The Indian will stake his wife, the ancient German would stake himself, to gratify the passion. From these, Sir William Blackstone supposes our ancestors must have inherited it, and entailed it upon their descendants. * * *

"We wish to set forth the wise policy of Tennessee, not by declamation but by our knowledge of practical truths; still the melancholy desolation of the mind of man in ruins cannot be given as a fact; it must be described. To protect man against the frenzy of his own mind, we have legislated. We are called upon to execute the laws up to their highest penal sanction, that of depriving a citizen of his equal rights to hold office with his fellow men; we find the law constitutional, imperious in its commands, and are determined firmly and fully to execute it. * * * The officer entrusted with public money who gambles, be his intentions ever so honest, is as dangerous so far as the public is concerned, as the man who deals at faro, or who cheats with balls and thimbles. * * * Many will exclaim, the statute could not have meant us whose offense is too slight to deserve any punishment, much less so severe a penalty as the loss of our dearest right as citizens of a free country. The legislature has said, and we repeat it, 'If you have ever gambled for a dollar, thou art the man intended.'"

A salutary construction by Judge Catron of the early statutes relating to bastardy proceedings may not accord with the present-day demands of women for equal rights, but it has survived the intervening 112 years. It is the case of *Goddard* v. *State* (2 Yerger, 96 (1825)), in which an effort was made to compel examination in open court of the mother of an illegitimate child. Although a defendant in a criminal case has the right to be faced by his accusers, this is a wholesome exception for the reasons given:

"Both decency and policy forbid that she should be brought into court, and compelled to expose her own shame. It requires little knowledge of the female character to predict that such an open exposure of the frailty and vice of the woman would tend to tear away the film of modesty she has left, and turn her loose upon society, profligate and shameless; whereas every days' experience proves that if women thus unfortunate are abstracted from exposure to the ridicule of society for a length of time, they recover in some degree their standing, and in very

many instances their virtuous habits. Hardly any situation can be conceived better calculated to drive into desperate profligacy a woman who has already departed from the path of virtue, than an open examination before a court and large crowd, in which she is compelled to expose her own abandonment."

Judge Catron's first 6 years on the bench evidently increased his popularity because, when the legislature of 1831 passed an act providing for a chief justice of the Court of Errors and Appeals to be elected by the general assembly, Judge Catron resigned as associate justice and was elected chief justice, Judge Nathan Green being elected to the vacant place of associate justice.

To a considerable degree, the work of the Tennessee supreme court under Chief Justice Catron has been forgotten in the passage of time and in the sweeping away of the refinements of the common law by statutory enactments. The Tennessee Constitution of 1834, in effect, separated the past from the future, but a study of the work of the Supreme Court of Errors and Appeals from 1831 to 1836 will whet the appetite of any legal historian. The population of the State was composed principally of pioneers, settlers, slaves, and Indians, and Chief Justice Catron's opinions evince exceptional knowledge of the customs and problems of those groups.

One of the greatest cases in the judicial history of Tennessee is that of *State* v. *Foreman* (8 Yerger, 256 (1835)). Foreman, a Cherokee Indian, had been indicted for the murder of John Walker, a Cherokee Indian chief. The crime was committed in McMinn County, which was then in the Cherokee nation. Walker had been a striking figure, and had so attracted the young daughter of Col. Return J. Meigs, the Indian agent, that she ran away and married him, and became an Indian queen. The Tennessee legislature of 1833 had passed an act extending the criminal laws of Tennessee to the crimes of murder, rape, and larceny committed in that part of the Cherokee nation lying within the State.

The act was attacked as unconstitutional and, in sustaining its constitutionality, Chief Justice Catron delivered the opinion of the court, Justice Green wrote a concurring opinion, and Judge Peck dissented. Joshua W. Caldwell, author of The Bench and Bar of Tennessee, says that "the opinions are undoubtedly the most learned in our reports", and that "Justice Catron's opinion is of incalculable value to the student of history, as well as to the lawyer." He traces the European background of the settlement of the New World, the colonial charters, the Indian treaties, Congressional acts, State statutes, and other documents embracing almost 400 years. He establishes brilliantly that the conquest of America had some of the attributes of a crusade, and that the right to subdue and govern infidel savages was given to the first Christian discoverer. By successive steps Judge Catron develops the extension of this authority from the English Crown to North Carolina, then to Tennessee, and then lawfully exercised by the General Assembly of our State.

Slavery furnished many questions which had to be answered, and the Court was often called on during Justice Catron's incumbency to determine difficult issues relating to slaves. *Fisher's Negroes* v. *Dabbs*, 6 Yerger, 119 (1834), involved the status of emancipated slaves under various statutes, particularly the act of 1831, which required slaves, when manumitted, to be removed beyond the limits of the State. Chief Justice Catron wrote a prophetic opinion, declaring one of the statutes void but upholding the others, and deciding that it would be necessary for the freed negroes to be deported to Africa. Anyone who might have sought the views of Associate Justice Catron of the United States Supreme Court when the Dred Scott case was under consideration could have ascertained from *Fisher's Negroes* v. *Dabbs* the bent of mind of one of the majority in the Dred Scott decision.

"The injustice of forcing our freed negroes on our sister States without their consent, when we are wholly unwilling to be afflicted with them ourselves, is so plain and direct a violation of moral duty as to inhibit this court from taking such a step. To treat our neighbors unjustly and cruelly, and thereby make them our enemies, is bad policy and contrary to our interest * * *.

"Suppose the nonslaveholding States northwest of the Ohio were willing to receive our freed negroes (a supposition, by the way, wholly untrue), would it be good policy in us to locate them on our borders, beside our great rivers, forming wretched free negro colonies in constant intercourse with our slaves? They must live in neighborhoods separated from the whites. Their condition has and will preclude intermarriages and close association. That such a population inhabiting a country near us would become a most dangerous receptacle to our runaway slaves and a grievous affliction to the State where situated, as well as ourselves, need only be stated to gain universal admission. The time would soon come when the attempt to seize on the harbored slaves would produce war with such a people and serious collision with the State within whose jurisdiction they resided * * *.

"The slave who receives the protection and care of a tolerable master holds a condition here superior to the negro who is freed from domestic slavery. He is a reproach and a byword with the slave himself, who taunts his fellow slave by telling him 'he is worthless as a free negro' * * *. Nothing can be more untrue than that the free negro is more respectable as a member of society in the nonslaveholding than in the slaveholding States. In each he is a degraded outcast and his fancied freedom a delusion."

In these days of the rise of the doctrine of the superiority of human rights over property, it is interesting to record that John Catron, in *Combs* v. *Young* (4 Yerger, 218 (1833)), criticized with all his might the statute of dower which still prevails in our Commonwealth.

"Few provisions in our statute book have been fraught with worse consequences than the repeal of the principle of the common law, founded on the wisdom of ages; so ancient that neither Coke nor Blackstone can trace it to its origin; widespread as the Christian religion, and entering into the contract of marriage among all Christians, the husband on the most solemn occasion of his life, contracting that all of his worldly goods he endows his wife.

"All these high sanctions of the first of rights of married women are set at naught by the act of 1784, so celebrated in other respects. Widowhood and poverty in the State of Tennessee are associated in the mind, with but now and then a partial and rare exception to relieve our suffering sympathies from the general misery. The affluent wife reduced in an hour to the impoverished widow presents a contrast which for bold abruptness has few parallels in the ordinary misfortunes incident to human life. Cut off from dower, at the freak, or by the occasional ill will or dissipated habits of the husband, until nothing of the real estate, worthy of the name of dower, is left to her on his death; allowed the sorry pittance of a child's part of the personal property, with generally a large and often a helpless family of children on her hands, neither energy nor dignity of conduct can be expected from the widow, or is possible in most cases. The children are of necessity raised in accordance with the destitute circumstances of the mother. It matters little that they have property; to her they look for support and education; there it is that morality, industry and propriety should and must be mainly taught. To this end, the widow's means are greatly inadequate in this State; wholly so in most instances."

Thus, at the risk of being wearisome, I have sketched the work of Chief Justice Catron while on the bench of Tennessee, because it is there that his accomplishments appear and his ample capacity for larger service on the United States Supreme Court is evident. No mention is possible of many other leading Tennessee cases in which Judge Catron wrote opinions. For example, *Grainger* v. *State* (5 Yerger, 459 (1830)), is the forerunner of a long line of self-defense cases, in which proof of pursuit and retreat, coupled with fear of bodily harm, required acquittal; and the two dramatic cases of *Campbell* v. *Taul* (3 Yerger, 548 (1832)), and *Taul* v. *Campbell* (7 Yerger, 319 (1835)), in which Judge Catron wrote both opinions, and, in the latter, reversed his former decision, are noteworthy in Tennessee annals.

Although not as scholarly as his associates, Judge Catron dominated the court by his intelligent persistence. He was unmoved by the political dangers of just but unpopular rulings, and was unwavering in his conviction that no legal question was ever decided finally until it was decided correctly. And when he believed that he was right, Justice Catron undertook to sustain his position by every argument at his command, consequently being charged at times by his enemies as being an intensely partisan judge.

Judge Catron continued as Chief Justice until the Court of Errors and Appeals was superseded by the Supreme Court of Tennessee in 1836, and was the first and the only man to hold the title of chief justice in Tennessee prior to the War between the States. He was a candidate before the legislature for a place on the new court, but was defeated through Whig influence by Judge Green. Catron's friend, Andrew Jackson, had left the State to become President of the United States, and his political enemies had taken advantage of his absence to build an opposing party in Tennessee. Judge Catron had been defeated, but he was undaunted and threw all his energies into the movement to counteract the campaign being made by the Whigs to elect Hugh Lawson White of Tennessee to the Presidency of the United States. Catron had been an advisor and correspondent of General Jackson, and, with Felix Grundy, James K. Polk, and Cave Johnson, became one of the four pillars of Jacksonism in Tennessee. Judge White having been nominated as the Whig candidate for President, a determined fight was made to prevent his carrying Tennessee over Martin Van Buren, and Judge Catron made a stubborn but unavailing struggle against the rising tide of Whigism in the State. General Jackson and the then Senator White had admired each other, but White was of an independent nature, and "Old Hickory" could not brook political independence. Judge Catron's willingness to engage the scholarly and impeccable East Tennessean gained General Jackson's lasting gratitude, as well as the political obligation of the President's chosen successor.

Obviously, the career of John Catron on the Supreme Court of the United States cannot be reviewed in one address. Beginning within the year after the confirmation of Roger B. Taney and ending within a similar interval after the death of the Chief Justice, Associate Justice Catron served through the terms of nine Presidents and the Civil War. In no period of the history of our country was the Supreme Court put to severer tests than those experienced by the Taney Court. "The period between 1830 and 1860 was an era of liberal legislation", says Charles Warren, one of the biographers of the Court, and "it was but natural that the courts, amid such progressive conditions, should acquire a new outlook responsive thereto"; but the change of emphasis from vested property rights to personal rights and the general welfare of the community naturally generated a controversial spirit which persisted until secession. The Supreme Court was the object of harsh criticism and sheer gossip but, stresses Mr. Warren, "continued to decide its cases without regard to party, and pursued its common majestic course, protecting national sovereignty, the rights of the States, the rights of individuals, and the rights

of property, uncontrolled by the political views of its members or by the desires of officials at whose hands individual judges received their appointments."

Judge Catron was confirmed by a vote of 28 to 15, and took his seat on the Court in Washington at the beginning of 1838. He was assigned to the newly created eighth circuit, composed of the States of Missouri, Kentucky, and Tennessee, where he served until 1862, when Congress reorganized the circuits, and he was assigned to the sixth, which included Kentucky, Tennessee, Arkansas, Louisiana, and Texas. It should be said that some of Justice Catron's most effective work was done on circuit. Cases involving real property were plentiful, and Judge Catron's knowledge of the land laws was uncanny. Primarily he believed in giving full force and effect to statutes of repose and sought to apply them to make each settler safe in his landed rights; but, on the other hand, throughout his judicial career he remonstrated against the claims of land speculators, and be it said to his credit that he was consistently in the minority on the Supreme Court when the gigantic land frauds so graphically recounted by Gustavus Myers were being perpetrated on the courts.

The field of bankruptcy law, hitherto unexplored by Judge Catron, was mastered by him on the circuit. He treated bankruptcy as a misfortune and not a crime. Commercial law was a growing branch of litigation and Judge Catron gave it special study. Homestead laws were already familiar to him, and border controversies were peculiarly within his grasp. Judge Catron never sought to take a leading part in the great public questions before the Supreme Court. On those issues he deferred to his seniors, but he was of tremendous value to the Court in the routine work of the bench, an assignment conquerable only by one of tireless energy.

The first case in which Justice Catron wrote the opinion of the Supreme Court is that of *Bank of the United States* v. *Daniel et al.* (12 Pet. 32). It involved questions of business law, chancery practice, and limitations of actions. The opinion is clear, concise, and sound, and was a favorable introduction of Judge Catron to the company of the Chief Justice and Justices Story, Thompson, McLean, Baldwin, Wayne, Barbour, and McKinley.

The interesting case of *Amos Kendall* v. *United States, ex rel. Stokes et al.* (12 Pet. 524), also reached the United States Supreme Court in 1838. Kendall had been Postmaster General in Jackson's Cabinet, and, presumably under instructions from the President, had declined to recognize certain postal contract claims which he thought unjust, although Congress had referred the disputed items to the Solicitor of the Treasury for adjustment and settlement. The circuit court ordered a peremptory mandamus, and the Postmaster General prosecuted a writ of error to the Supreme Court. Judge Thompson delivered the opinion of a divided Court, holding that the proceedings did not interfere with the rights and duties of the Executive, did not involve any conflict of powers between the executive and judicial departments of the Government, and that mandamus issued properly to enforce performance of the merely ministerial act which neither the Postmaster General nor the President had authority to deny or control. Chief Justice Taney and Associate Justice Catron wrote separate dissenting opinions denying the right of the Court to order mandamus and sustaining the position taken by the Postmaster General. Justice Catron's fine opinion is published in the appendix to 13 Peters.

In the following year Stokes brought suit for damages against Amos Kendall because of Kendall's alleged wrongful act and, at a trial in November 1841, obtained a verdict for $11,000. Andrew Jackson and Martin Van Buren testified in the case by deposition. Kendall was a poor man, and the judgment meant bankruptcy if not set aside. General Jackson felt so outraged over the verdict that, at the request of Mr. Kendall, he asked Justice Catron to take a special interest in the case to the end that full justice would be given Kendall by the United States Supreme Court. Justice Catron assured his old friend that the case would be heard by the Supreme Court and it was (*Kendall* v. *Stokes*, 3 Howard 86 (1845). Chief Justice Taney, in an opinion from which only Justice McLean dissented, held that the Postmaster General was not liable for an honest mistake in the discharge of his official duties, and that Stokes having proceeded to judgment in the mandamus case, could not afterward maintain the separate action for damages. The judgment was reversed.

One of the longest of the cases published in the 32 volumes of United States Reports during the membership of Justice Catron on the Court is that of *Gaines* v. *Relf et al.* (12 Howard, 472 (1851)). The case involved the claim of Mrs. Myra Clark Gaines to a part of the land on which the city of New Orleans is now situated. The case had been to the United States Supreme Court three times, and it fell to Judge Catron to write the opinion of the Court on the fourth hearing. The determinative point was the legitimacy of Mrs. Gaines, who sued as the only legitimate child of one Daniel Clark. The amount of work necessary to a thorough understanding of the complicated cause must have been tremendous, because Judge Catron's opinion (and he strove manfully to write short opinions) consumed 33 pages printed in small type. The Court decided that the claimant was not the lawful child of Daniel Clark and that she could inherit nothing from him. In closing the majority opinion, Justice Catron said: "The harshness of judicial duty requires that we should deal with witnesses and evidences and with men's rights as we find them; and it is done so here. But we sincerely regret that it could not be satisfactorily done without making exposures that would most willingly have been avoided."

The celebrated case of *In re Kaine* (14 Howard, 103 (1852)), gained international notice for Justice Catron, and his opinion for the Court in a 5-to-4 decision vividly portrayed the strength of character of the Tennessean. Thomas Kaine, a fugitive from Great Britain, was arrested on a warrant issued by a United States commissioner at the instance of the British consul in New York. The Secretary of State ordered Kaine to be delivered to the consul for deportation, and the prisoner presented a writ of habeas corpus to Mr. Justice Nelson in chambers because the Supreme Court was not in session. The writ was granted, and the case was heard. An excerpt from Justice Catron's opinion dismissing the writ of habeas corpus is quoted:

"There is another striking consideration that must have had weight with our Government, when the act of 1848 was passed. Judges and State magistrates arrest and commit our own citizens, without exception, in all instances, and for every grade of crime and offence against our State and Federal laws; they determine on the rights of the prosecutor to commence the proceeding; on the sufficiency of the affidavit on which the warrant of arrest is founded, on the evidence of criminality after the arrest is made, and imprison or take bail preparatory to a trial in court. Of this there is no complaint, nor any supposed danger of oppression, as the writ of habeas corpus promptly corrects all irregularities. Why, then, should a foreign criminal be more tenderly dealt by? He too, has every benefit of the writ of habeas corpus, and furthermore can only be arrested by the authority of his own government, whereas our citizens can be arrested at the instance of any person making the proper affidavit that the crime had been committed within our jurisdiction.

"This country is open to all men who wish to come to it. No question or demand of a passport meets them at the border. He who flees from crimes committed in other countries, like all others, is admitted; nor can the common thief be reclaimed by any foreign power. To this effect we have no treaty. But it is certainly due to our own citizens that they should be protected against murderers, and those who attempt to murder; and against pirates, house burners, robbers, and forgers. That these should be extruded, on the demands of a foreign government where the crime was committed, and there punished, is due to humanity. Such wicked and dangerous men ought not to remain here."

One who reads Justice Catron's Supreme Court opinions on questions of land titles and conveyances is attracted by the number of Tennessee cases cited by him and by the familiar doctrines which he laid down. Readily we recognize the rule in *Love* v. *Love, supra*, when we read the case of *French's Lessee* v. *Spencer, et al.*, 21 Howard, 228 (1858), concerning the validity of a conveyance of lands given by Congress to American citizens living in Canada at the time of the War of 1812 but returning to the service of the United States.

"The act of 1816 involves considerations different from the previous provisions for the protection of the enlisted common soldier. A class of active, efficient American citizens who had emigrated to Canada were compelled to leave there on the War of 1812 breaking out; they returned to their own country and went into service and when the war was ended, both officers and soldiers were compensated in land and money for this extraordinary service. The act of Congress orders the warrants to be delivered to the respective owners, to be located by them; whereas the common soldier, provided for in the acts of 1811 and 1812, did not receive his warrant, but the Government bound itself to locate the land at its own expense. Congress may have thought it not at all necessary to guard the Canadian volunteers against being overreached by speculators and deprived of their bounty lands. This, however, is mere conjecture. The act of March 5, 1816, has no reference to or necessary connection with any other bounty-land act; it is plain on its face and single in its purpose. And, then, what is the rule? One that cannot be departed from without assuming on part of the judicial tribunals legislative power. It is that where the legislature makes a plain provision, without making any exception, the courts can make none. *McIver* v. *Reagain* (2 Wheat. 25); *Patton* v. *McClure* (Martin and Yerger's Ten. R., 345, and cases cited); *Cocke & Jack* v. *McGinnis* (ib., 365); *Smith* v. *Troup* (20 Johns., 33)."

To the incessant reader who may wish to pursue further the study of Justice Catron's opinions for the Supreme Court, the following are commended as demonstrating the versality of the jurist: *Harpending* v. *The Dutch Church* (16 Pet. 455 (1842)); *the United States* v. *Boisdoré* (11 How. 62 (1850)); *Ives* v. *the Merchants' Bank of Boston* (Admiralty), (12 How. 159 (1851)); *United States* v. *The Bank of the United States* (5 How. 382 (1847)); *Missouri* v. *Iowa* (7 How. 659 (1849)); and many others too numerous to list.

Of the great landmarks in the judicial history of the United States Supreme Court decided during Justice Catron's tenure are those which the giving of the style of the case will call readily to mind the constitutional questions involved and decided. In these cases Justice Catron usually filed a concurring or a dissenting opinion, and the student of constitutional law has read or will read them as a part of his legal education: *Rhode Island* v. *Massachusetts* (12 Pet. 657, 15 Pet. 232, 4 How. 591); *Bank of Augusta* v. *Earle et al.* (13 Pet. 519); *United States* v. *Schooner Amistad* (15 Pet. 518); *Groves* v. *Slaughter* (15 Pet. 449); *Prigg* v. *Pennsylvania* (16 Pet. 539); *the License Cases* (15 How. 554); *the Passenger Cases* (7 How. 283); *the Genesee Chief et al.* v. *Fitzhugh et al.* (12 How. 443); *Fremont* v. *United States* (17 How. 542); *Piqua Branch Bank* v. *Knoop* (16 How. 369); *Dodge* v. *Woolsey* (18 How. 331); *Strader* v. *Graham* (10 How. 82); *Ableman* v. *Booth* (21 How. 506); *the Prize Cases* (2 Black, 635); and *Dred Scott* v. *Sanford* (19 How. 393).

The Dred Scott case is too well known for discussion here, and expressions of opinion as to the wisdom or unwisdom of the

decision usually revive controversies that should remain closed. Justice Catron delivered a separate opinion in which he concurred generally with Chief Justice Taney and Justices Wayne, Daniel, Grier, and Campbell in holding, not only that a Negro could not be a citizen of the United States, but that Congress had no power to exclude slavery from the territories, thereby holding the Missouri Compromise Act unconstitutional. However, Judge Catron was of the opinion that the judgment of the circuit court in Missouri on the insufficiency of the plea in abatement was conclusive as to the jurisdiction of the Supreme Court.

Judge Catron's view that Scott's status after his return to the State of Missouri must depend upon the law of that State would have prevailed, and no opinion upon the constitutionality of the Missouri Compromise Act would have been written by the majority, but for the fact that Justices McLean and Curtis decided to write opinions discussing and sustaining the constitutionality of the Compromise Act. Their determination required the majority to reconsider the original plan to avoid passing on that point. Thereupon, all of the majority, except Justice Grier, agreed that the Chief Justice should write the opinion of the Court and should cover all of the points involved; and, in order to urge Judge Grier to adopt that plan, Judge Catron took the unusual course of writing a confidential letter to President-elect Buchanan, informing him that the question of the constitutionality of the Missouri compromise line would be determined, and suggesting that Mr. Buchanan write a letter to Judge Grier urging that he follow the course decided upon by all of the Justices except Judges McLean and Curtis. President-elect Buchanan complied with Judge Catron's request and wrote to Judge Grier, who replied in confidence giving a forecast of the outcome of the case.

The letters of Judges Catron and Grier and President-elect Buchanan would not be regarded as ethical or proper at the present time, but the writing of such letters in times past was not considered reprehensible. Indeed, according to Mr. Warren, "It was not an infrequent occurrence for the judges to impart, in confidence to an intimate friend or relative, the probable outcome of a pending case. Judge Curtis had so written to his uncle, as to this very case, during the previous year; Judge Story frequently indulged in the habit; and it seems to have been regarded as a proper practice, provided the seal of secrecy was imposed."

The Dred Scott decision not only precipitated the Civil War. It deprived the Supreme Court of its influence for more than 10 years. The Court, under Chief Justice Taney, had begun as a progressive tribunal and had continued so until 1853, when the reactionary phase of the Court set in, largely because of changes in personnel. During the Civil War the Court was handicapped in its work and assumed a general attitude of silence to the end.

At the outbreak of the Civil War Mr. Justice Catron, then 80 years of age, hastened from Washington with Mrs. Catron, who was ill. Deeply depressed over the direful forbodings, and hoping until the last that his beloved Tennessee would not leave the Union, he went to Nashville to try to induce the leaders in the State to adhere. Hardly had Judge Catron reached Nashville when a group of friends called on him and told him that his life would not be safe in his home city if he maintained his allegiance to the Federal Government. He loved his country, which he had learned to look upon as an indissoluble Union, and he left Nashville with a saddened heart. In his old age, he had found himself alienated from the associations of a lifetime. He turned his attention to the care of Mrs. Catron, and nursed her back to health about the time that his own health began to fail. In the winter of 1864–65 Judge Catron was necessarily absent from the Court, and, at the close of the war, returned to his home in Nashville, where he died on May 30, 1865. Providence had spared him to live long enough to see peace again in the land he loved, and restoration of the Union in which he so staunchly and consistently believed. At the last, he must have derived solemn consolation and satisfaction from the realization that his hopes and prayers for a reunited country had been answered.

It would be inappropriate to close this sketch without mentioning the home life of Judge Catron. In 1807, he married Miss Matilda Childress, of Nashville. Her father, Judge John Childress, was a man of wealth and prominence, and for many years was United States marshal of the western district. Her grandfather was General James Robertson, one of the founders of Nashville. Mrs. Catron was a woman of charm and refinement, and possessed also the resolve and diligence to make certain that every opportunity for her husband's advancement was pursued to fruition. She and Judge Catron had no children, and their spacious home on Cherry Street, opposite the Maxwell House, was a center of the social life of Nashville. Their friends were welcome always; distinguished visitors to the State capital usually were entertained in the Catron home; and a room was kept ready for General Jackson whenever he went to the city. Judge Catron accumulated one of the largest private libraries in the South, and owned a collection of valuable paintings and rare works of art.

John Catron exemplified to a marked degree one of the distinctive advantages of the American form of Government—the widest possible latitude for individual success. Born before the Federal Constitution was written, and of a backwoods pioneer family of immigrants, he rose by effort and perseverance to one of the highest positions of trust in our Nation. The term "backwoods pioneer" is used with a feeling of pride, because it represents the rugged and hardy forbears of the people of Tennessee today. "The pioneers and their descendants have been dominant throughout the history of Tennessee, and society, while greatly improved and refined, has retained the general tone which the early settlers gave it. Tennessee has never been an aristocratic State, but always essentially democratic", and although John Catron lived in a golden age in the State's history, and at a time when the political control of the Federal Government was directed from The Hermitage, we cannot take from him his personal achievements. He cultivated his native ability, and grew with his increasing responsibilities. His manners were simple and unaffected, and although sometimes audacious in his youth, his life was one of dignity and usefulness.

Chief Justice Taney wrote to ex-President Jackson in the fall of 1838: "You see Judge Catron, I presume, frequently. The more I have seen him the more I have been impressed with the strength of his judgment, legal knowledge, and high integrity of character. He is a most valuable acquisition to the bench of the Supreme Court, and will, I am confident, continue to rise in public estimation as he becomes more generally known in those States in which he was a stranger at the time of his appointment."

Chief Justice Chase said of John Catron, on the occasion of the announcement of his death, to the Supreme Court:

"His brethren affectionately remember him as an upright man and an excellent judge. It is their testimony that, in the learning of the common law and of equity jurisprudence, and especially in its application to questions of real property, he had few equals, and hardly a superior.

"He was even more distinguished by strong, practical good sense, by firmness of will, and straightforward honesty of purpose. Ever frank and earnest in the expression of his opinions, he was yet void of desire to impose them arbitrarily on others.

"The candor and patience with which he listened to argument found fitting counterparts in the impartiality and equity of his judgments. These judgments remain, and are his best monument.

"While the records of this Court endure they will recall the memory of the just and fearless magistrate who pronounced them, and will be esteemed as valuable contributions to the jurisprudence of his country."

Trial of Good Behavior of United States District Judges (H. R. 2271)

EXTENSION OF REMARKS

OF

HON. CLARENCE E. HANCOCK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

Mr. HANCOCK of New York. Mr. Speaker, until yesterday it was the intention of the Rules Committee to bring up the so-called Sumners good-behavior bill today, but it has been displaced by the District of Columbia tax measure. I understand that it is now planned to consider the Sumners bill tomorrow. Since it will be impossible for me to attend tomorrow's session, I have asked permission to extend my remarks on the bill in the RECORD.

The scholarly chairman of the Judiciary Committee has given more thought and study to the subject of impeachment than any other Member of the House. Probably there is no one in the country more conversant with the subject than he. He has actively participated in the impeachments of three Federal judges as one of the managers on the part of the House and assisted in presenting the evidence to the Senate. His opinion is always worthy of respect and on the subject of impeachment it carries great weight. For a long time he has sought to find a way to remove Federal judges from office without resorting to the cumbersome machinery of impeachment trials, and the bill before us is the result of his labors.

Since our Federal judges are appointed to hold office "during good behavior", he argues that this language establishes their tenure of office and that when good behavior ceases the term of office comes to an end. Good behavior, he contends, is a question of fact which may properly be determined by a court of law. The bill provides that the House shall have power to pass a resolution directed to the Chief Justice of the Supreme Court stating that in the opinion of the House reasonable grounds exist for believing that the behavior of a certain judge has been other than good behavior, whereupon the Chief Justice must convene a court of three circuit judges to hear and determine the issue and if the court finds the accused

judge's behavior to be other than good, he is removed from office. The bill does not apply to Justices of the Supreme Court, of the circuit court of appeals, or of the Court of Appeals of the District of Columbia. The distinguished author of the bill finds his authority for it in section 1 of article III, without reference or regard to section 4 of article II of the Constitution.

I regret that I cannot follow my honored chairman's reasoning. Suppose section 1 of article III had provided that judges should hold office indefinitely instead of during good behavior. It could then be contended that "indefinitely" simply means an undetermined tenure of office, from 1 day to many years, but not a life term of office, and that since the term is indefinite it must lie within the power of some Government authority to make it definite. But you would not be convinced by such an argument. You would look elsewhere in the Constitution for language specifically covering the question of removal from office and when you found the impeachment provision in section 4 of article II clearly stating that "the President, Vice President, and all other civil officers of the United States shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors" you would be satisfied that you had found your remedy.

If it can be inferred that section 1 of article III has any connection with the question of removing judges in its vague general language, it must be interpreted in the light of the definite, precise, express provision on the same subject contained in section 4 of article II. The latter specifies the behavior for which a judge can be removed and sets forth the method. To say that judges may be removed from office for other causes than treason, bribery, or other high crimes and misdemeanors, or that they can be tried by any court other than the United States Senate, is to read something into the Constitution which is not there.

Generally speaking, the President may remove officials in the executive branch because that is a power inherent in the office of the Chief Executive; both the House and the Senate have the constitutional right to expel their own Members, but the only way to remove the President, Vice President, or members of the Federal judiciary is through impeachment. If the framers had wanted it otherwise they could easily have made provision for it. They created the judiciary as an independent coordinate branch of the Government and made every effort to make the members of it free from influences, financial or political, which might corrupt their judgment. They knew then and their descendants know now that popular executives can become despots and that legislatures sometimes become subservient to strong leaders and are likely to be responsive to temporary waves of hysteria and emotionalism. It was not by accident or carelessness that judges were protected in their tenure of office and removal was made difficult. You remember that after the Constitutional Convention had completed its labors a lady in Philadelphia asked Franklin whether we had a monarchy or a republic. He replied, "A republic if you can keep it." We cannot keep it with packed, subservient, or cowardly courts.

Whatever your conclusion on the constitutionality of the bill before us, please think seriously about the wisdom of putting such a law on the statute books. This bill would make it possible for a judge to be haled into court and removed from office on conviction of behavior other than good behavior within the meaning of section 1, article III. But the mouth-filling phrase "within the meaning of section 1 of article III" has no meaning, because there is no definition whatever of good behavior, fair behavior, or bad behavior in the section. Let us look at it again. It reads:

> The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the supreme and inferior courts, shall hold their offices during good behavior, and shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office.

Of course, a judge might refuse to accept this salary at stated intervals or insist on a reduction in salary but, except for those ridiculous possibilities, what hint is there in the section as to what good behavior may be?

It seems to me the bill leaves the door wide open for the House to bring the most trivial of charges against the judges and label them "behavior other than good behavior." The bill sets up no standard whatever by which good behavior can be judged or measured. I think that the court trying an accused judge might very well take the position that a resolution of the House charging a judge with behavior other than good behavior in that he granted a certain injunction or refused one, or charged a jury incorrectly on the law, or got drunk, or did or failed to do any one of a thousand other things—that such a resolution is a legislative determination of the sufficiency of the charge and that the court's function is simply to pass on the truth or falsity of the charge.

In any event, the passage of this bill would subject a judge to removal from office for offenses much less serious than treason, bribery, or other high crimes and misdemeanors. It would make it possible for the House to persecute the courageous and high-minded judges and intimidate the rest, and thus to destroy in large measure the value of the judiciary.

I think perhaps the grounds for impeachment specified in section 4 of article II are too narrow. In practice, however, both the House and the Senate have given a very broad meaning to the words "high crimes and misdemeanors." The Members will remember that a year ago Judge Ritter was acquitted of all the specific charges against him but convicted of the blanket charge of high crimes and misdemeanors which rested on the specific charges.

The proponents of this measure point out that an impeachment trial is a lengthy proceeding sometimes monopolizing the time of the Senate for several weeks, while other public business is held in abeyance. Let us see how serious that is. There have been but 12 impeachment trials in the 150 years of our history. Only eight of the defendants would have been affected by this bill had it been the law—seven district judges and one judge of commerce court. Eight cases in 150 years!

Conceding that it is advisable to save the time of the Senate, the proposed legislation is not necessary to accomplish the purpose. There is no requirement that impeachment trials must be held in the Senate Chamber; there is no requirement that the whole Senate listen to the evidence. As a matter of fact, it is only a very few Senators who ever sit through an impeachment trial. The proper remedy has been suggested by the gentleman from Texas himself. I have heard him discuss it on a number of occasions. Inasmuch as the Senate sits and acts as a court, it has the powers of a court; and just as a court of law appoints special masters or referees to hear protracted litigation and make findings, let the Senate appoint a committee of their own Members to take the evidence in an impeachment case and report back to the Senate, which could then take final action.

In my humble judgment, the bill we are considering is unconstitutional, unwise, and unnecessary; and I am convinced that it offers a dangerous threat to the usefulness and the independence of the Federal judiciary.

Hon. John Theodore Buckbee

MEMORIAL ADDRESS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN THEODORE BUCKBEE, late a Representative from Illinois

Mr. DIRKSEN. Mr. Speaker, somewhere the Scripture characterizes a certain person by saying that he was a "good

man." I would pay tribute to my friend and colleague JOHN BUCKBEE by saying that he was a good man.

There was an essential and solid goodness in the patient and kindly way in which he counseled his junior colleagues from Illinois when they first arrived in Congress in 1933 and the subsequent years. There was a genuine goodness in the solicitude which he always exhibited toward them that they might succeed and make progress. There was goodness in his tolerance and in his devotion to the interests of his constituents.

We shall remember him, not because he passed from this scene, but because he lived and was a part of it. Like thousands of other Members of this body who have long since gone, he lived, he made an intelligent and constructive contribution to the cause of human progress, he labored diligently and undramatically, and passed on. When the record of social, economic, and political progress is written, it will reflect in no small degree the earnestness, the sympathy, and the devotion of this good man whose labors were terminated a year ago, my friend and my colleague, JOHN T. BUCKBEE.

Benjamin Kurtz Focht

MEMORIAL ADDRESS
OF
HON. JAMES WOLFENDEN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. BENJAMIN KURTZ FOCHT, late a Representative from Pennsylvania

Mr. WOLFENDEN. Mr. Speaker, I would feel remiss if I did not say a few words out of respect to the memory of my distinguished colleague, BENJAMIN K. FOCHT, who has been so suddenly called from our midst. I take this opportunity to pay tribute to his memory.

He was a man of high principles and ideals, one who always followed what he considered to be the path of truth and wisdom. He served his State and his district well. While a loyal partisan member of his party he followed its leadership only when it was his conviction that to do so was the right and just thing for the best interests of his country, his State, and his district. The Nation has lost an unselfish public servant.

He served with ability in the Pennsylvania Assembly and the Pennsylvania State Senate and was the author of important legislation in Pennsylvania. He served here for many years and won for himself a place of distinction with his colleagues. The public service rendered by Congressman FOCHT will be written into the pages of history of Pennsylvania and the Nation. His departure is a severe blow to his party, especially at this particular time when there is such a tragic dearth of those who dare to speak their mind on current events and happenings.

To Mrs. Focht and his immediate family my heartfelt condolences are extended.

Warren Joseph Duffey

MEMORIAL ADDRESS
OF
HON. ARTHUR W. ALESHIRE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. ALESHIRE. Mr. Speaker, I was not a Member of the Congress during the incumbency of the late Honorable WARREN JOSEPH DUFFEY, a Representative in Congress from the Ninth District of the State of Ohio. I knew him only slightly, but the record that he made here will be a lasting memorial to a man who put personal rights above property rights and who labored long and hard through 4 years to make it just as easy for the little fellow to live and to enjoy the fruits of living as it was for the more favorably situated classes in Ohio and in the United States in general.

I need not recite his long service to his native State of Ohio, and particularly to his home county of Lucas. He was both a member of the Toledo City Council and the General Assembly of Ohio. He was an active member of the American Bar Association, and his record of private and political activity was both impressive and commendable.

The life of the late WARREN J. DUFFEY reminds me of the lines of an unknown author, who once said:

When the one Great Scorer
Comes to write against your name,
He marks—not that you won or lost—
But how you played the game.

The Cancer Record of 1936—Appalling Consequences of This Horrible Disease—Dreadful Scourge is Increasing; Cause Unknown

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 14, 1937

CANCER STATISTICS ARE INTERESTING AND OF GRAVE IMPORTANCE

Mr. MAVERICK. Mr. Speaker, with the consent of the House I am including herewith "The Cancer Record of 1936." This contribution appeared in The Spectator, which is the American Review of Life Insurance. I am introducing this information because of the bill I have introduced on cancer, H. R. 6767.

Statistics often bore people and a great many statistics are included in the report. However, they are very interesting and with the exception of a very few technical medical words everything can easily be understood with ordinary application. The information submitted shows the appalling prevalence of the disease.

These facts and statistics have been accumulated by one of the ablest authorities in the entire world, Hon. Frederick L. Hoffman, LL. D., who is consulting statistician for the Biochemical Research Foundation of the Franklin Institute in Philadelphia. This Institute is also doing some of the most important biological, chemical, and medical work today.

The report is as follows:

[From the Spectator for June 10, 1937]

THE CANCER RECORD OF 1936—DEATH RATE CONTINUES TO MOUNT—PRESENT STATUS OF PROBLEM DESCRIBED AS STATE OF DISTURBING CONFUSION

(By Frederick L. Hoffman, LL. D., consulting statistician, the Biochemical Research Foundation of the Franklin Institute, Philadelphia)

The question as to whether the death rate from cancer is or is not on the increase in this country is of decidedly secondary importance to the immense quantitative aspects of the cancer problem as it affects modern populations the world over. To say that the situation is not alarming is to lull the public into a false sense of security which must needs hinder the progress of research into the underlying causative factors as well as into better methods of diagnosis, treatment, and measures of prevention. The status of the problem at present is one of disturbing confusion. Overspecialization in cancer research has led to lines of cleavage which show no tendency of coming together to produce more encouraging results. Statements are put forward almost from day to day which are simply guesswork excursions into a realm of almost fathomless confusion of facts and conclusions.

DISTINCT LACK OF PROGRESS

It is certainly an appalling indication of a lack of genuine progress in cancer control based on sound principles of rational procedure in medical practice that the annual mortality from this dreadful scourge should now be approximately 150,000, and that

for 187 American cities the actual mortality from cancer shows an increase from 57,897 in 1935 to 60,327 in 1936. The corresponding increase in the death rate per 100,000 of population was from 130.4 in 1935 to 134.3 in 1936. The details for the individual cities are given in table 8.

Before discussing the cancer mortality of American cities in 1935 and 1936, I wish to call attention to table 3 showing cancer deaths and death rates in the United States, 1916–35.

According to this tabulation the aggregate mortality from cancer in the United States, 1916–35, was almost two and a quarter million. When allowance is made for errors in diagnosis, probably not far from two and a half million persons have died from cancer during this period. If this is not an appalling situation, I do not know what mortality is required to arouse a more active public interest in measures yielding better methods of control. The table shows that the death rate per 100,000 increased from 81.6 in 1916–20 to 89 in 1921–25, 96 in 1926–30, and 103.6 in 1931–35. In my judgment most of this increase is real and not the result of increasing average age or improved methods of diagnosis, which, however, are of considerable importance; but not so much when we consider the curative effects of certain methods of treatment in saving a number of lives, best illustrated by a publication of the College of Surgeons on Cancer Is Curable delivered at their clinical congress in 1934. According to this paper, during the 3 years, 1932, 1933, and 1934, there were 24,440 total cancer cures, 5 years and over, reported to the college, later returns not yet being available.

It requires to be pointed out that in this large number of cases the major portion represented external cancers or cancers readily accessible for treatment. For example, 7,453 cures were reported for cancer of the cervix, 6,467 for cancer of the breast, 2,351 for cancer of the mouth and lip, 2,275 for cancer of the colon and rectum, and 1,060 for cancer of the skin. For the most important form of cancer, or cancer of the stomach, only 756 cures were reported, while for cancer of the prostate there were only 55. Unfortunately the report does not give any statement as to the cases not cured or in which surgery and radiological treatment were not effective.

RESULTS FOLLOWING OPERATIONS

I also quote a few significant observations from a paper on the Curability of Cancer, by Drs. Judd and Hoerner, of the Mayo Foundation, Rochester, Minn. In carcinoma of the stomach, following resection, the percentage traced living 5 years or more was 25; 10 years or more, 16.4; 15 years or more, 13.5; and 20 years or more, 9.3. In cases of cancer of the stomach the results following excision alone or excision and plastic operation show that 46.4 percent of those traced were living 5 years or more after operation, 40 percent 10 years or more, 27.3 percent 15 years or more, and 12.5 percent 20 years or more. The results following excision, with gastroenterostomy, gastroduodenostomy, or jejunostomy, showed that 53.6 percent of those traced were living 5 years or more and 47.4 percent 10 years or more, the figures for the remainder being too small for safe conclusions.

Information for cancer of the breast, with lymph nodes involved, shows that 27.5 percent of those traced were living 5 years or more after resection, and 71.5 percent of the cases without lymph nodes involved. Here it is shown that when metastases are avoided the chances are enormously improved, it all being a question of the earliest possible attention in surgery or radium, which for the time being are the only methods offering a hopeful outlook.

I give next table 4 for different forms of cancer deaths in the United States by 5-year periods for useful reference. This table must be used with care due to changes in classification during the years to conform to the method of classification at present in use. I call attention to one particular factor of cancer of the female breast showing an increase in the rate from 7.6 per 100,000 during the first 5 years to 10 during the last. Cancer of the stomach and liver increased from 31 to 32.3.

Table 5 gives the corresponding death rates for England and Wales, by organs and parts, for the 5 years ending with 1935. This table also shows an increase in cancer of the breast from 16.1 per 100,000 in 1931 to 16.8 in 1935, the figures being much in excess of those for this country. No satisfactory explanation has thus far been forthcoming for this astonishing contrast.

Table 6 gives the death rates from cancer and other malignant tumors in 35 countries, showing a range in the rate from 9 per 100,000 for Ceylon to 168 for Austria. I give the table in two 5-year periods in most cases, a few being behind in their returns. It requires to be pointed out in this connection that it is not always entirely clear whether the returns include or exclude sarcomas. Sarcomas in modern countries constitute about 5 percent of all malignant tumors. These countries, of course, have different age compositions, particularly the tropical countries like Ceylon, which introduces another factor of uncertainty in international comparisons. Highly significant in the table under review is the high cancer death rate of Iceland, which 30 years ago was practically free from cancer, according to a special investigation made at the time.

To illustrate the age factor in cancer, I give table 1 showing the age distribution in the United States in 1935 of deaths from all causes and deaths from cancer and the ratio of one to the other for the two age periods under 45 and over 45.

Returning to table 8 showing detailed returns for 187 American cities, I may say at the outset that the rate increased in 105 cities and decreased in 82, the returns being based on a total population of about 45,000,000. Arranged according to geographical divisions the results are shown in table 7.

This table shows that the rate was highest in the Pacific region where, in 15 cities, it was 162.6 per 100,000, a marked excess over the average rate for all the cities combined. The lowest rate, or 102.1, was returned for the East South Central region, but even this rate must be considered excessive.

The 10 American cities with lowest cancer death rates in 1936 were: Hamtramck, Mich., 30.5; Cicero, Ill., 49.9; Hoboken, N. J., 50.0; Waco, Tex., 57.9; Knoxville, Tenn., 58.6; Oklahoma City, 60.0; Flint, Mich., 62.1; Montgomery, Ala., 67.8; Union City, N. J., 70.8; and Charlotte, N. C., 71.5. These are in marked contrast to the 10 cities with highest rates for that year, or, respectively, Madison, Wis., 307.4; Fall River, Mass., 287.9; Portland, Maine, 213.3; Pasadena, Calif., 211.2; Concord, N. H., 194.1; Portland, Oreg., 192.7; Tacoma, Wash., 189.8; Seattle, Wash., 189.3; San Francisco, Calif., 188.6; and New Haven, Conn., 187.5.

Table 2 shows the consolidated rates for the last 10 years in American cities, starting with 143 cities in 1927 and ending with 187 cities in 1936.

Table 9 shows the cancer deaths and death rates for the five largest American cities for the 2 years 1935 and 1936, with the combined mortality increasing from 20,675 deaths in 1935 to 21,740 in 1936. The corresponding increase in the rate per 100,000 was from 130.1 to 135.6. The rate was highest in Los Angeles and lowest in Detroit, where, however, the age distribution is somewhat abnormal. The rate increased in all five cities.

Table 10 is for 13 Canadian cities with an aggregate population in 1936 of 2,669,450, showing an increase in the rate from 135.9 per 100,000 in 1935 to 137.6 in 1936. The rate was highest in Victoria, or 320 per 100,000, highly suggestive of local conditions calling for investigation into causative factors as yet unrevealed.

The cancer death rate increases according to the size of the cities, due, of course, in large measure to local facilities for specialized treatment. This factor, unfortunately, cannot be allowed for in comparing individual cities at the present time, but the Census Office in the near future is contemplating the distribution of deaths according to place of residence, which will bring about a much to be desired improvement in cancer mortality statistics. Table 8 illustrates this point and must be interpreted with care.

I add to the foregoing statistical survey of the present cancer situation table 12 limited to a few States for which I have the information for 1935.

It is clearly realized that the foregoing statistics of cancer mortality have serious limitations as regards accuracy, completeness, and conclusiveness, but for the time being they represent the only data available for the purpose of presenting a fairly accurate picture of the existing situation. Further progress in cancer research is urgently required and many suggestions may be made of which I select a few of outstanding merit.

1. The Division of Vital Statistics of the Census Office should undertake a thorough analysis of the cancer-death certificates, say, for the year 1935, with due consideration to all the facts on the certificates, particularly the known duration of the disease, institutional care at the time of death, and operative treatment as far as recorded. The facts revealed by my San Francisco cancer survey, representing over 60,000 death certificates for this country and Canada, fully justify the foregoing recommendation.

2. The Division of Vital Statistics of the Census Office should make a thorough study of the whole question of cancer increase, utilizing both standardized death rates and specific death rates by divisional periods of life. Such a study would set at rest present questions of doubt as to the validity of the conclusions advanced concerning cancer increase in this country. Comparing two 5-year periods for the registration area of 1920, or 1921–25 and 1930–35 would be sufficient for the purpose.

3. A study is required to draw attention to the increasing mortality from cancer among Negroes, particularly the excessive mortality from cancer of the uterus and genital organs among Negro women, which is decidedly higher than among white women in the same localities. Such a study should include the Virgin Islands, where the cancer death rate is relatively very high for a primitive race, suggestive of local conditions deserving of consideration.

4. A comprehensive survey of cancer cures by surgery and radiological methods, including unsuccessful cases as well as those in which the treatment was successful. There is an urgent need for such data for publicity purposes to illustrate the advantages of the earliest possible treatment by an appeal to trustworthy statistics. The commendable effort of the American College of Surgeons in this direction should be extended to produce results of greater conclusiveness. The data should be brought down to date from year to year to show the progress that is being made.

5. No field, in my opinion, offers better opportunities for useful results than a more extended study of cancer in relation to diet and nutrition. My own work[1] in this respect reveals a number of growth-promoting food factors which should be clearly recognized and studied in their application to human cancer patients.

[1] Cancer and Diet (767 pp.), published by Williams & Wilkins, Baltimore, 1937.

TABLE 1.—*Deaths in the United States, 1935*

	Total deaths	Cancer deaths	Ratio
Under 45	449,899	15,959	1 in 28.
Over 45	941,553	121,603	1 in 8.
All ages [1]	1,392,752	137,649	1 in 10.

[1] Includes unknowns.

TABLE 2.—*Cancer in selected American cities, 1927–36*

[Rate per 100,000]

Year	Number of cities	Population	Deaths	Rate
1927	143	37,295,675	41,121	110.3
1928	146	37,996,870	43,426	114.4
1929	146	38,679,620	44,262	114.4
1930	177	41,440,122	48,648	117.4
1931	177	42,201,584	49,318	116.9
1932	177	43,005,389	50,347	117.1
1933	177	43,748,862	51,759	118.3
1934	184	44,840,442	55,201	123.1
1935	187	44,392,917	57,897	130.4
1936	187	44,906,171	60,327	134.3

TABLE 3.—*Cancer in the United States registration area, 1916–35*

[Rate per 100,000]

Year	Population	Percent total population	Deaths	Rate	Estimated deaths in total United States of America
1916	71,349,162	70.8	58,600	82.1	82,722
1917	74,984,498	73.4	61,452	82.0	83,782
1918	81,333,675	78.5	65,340	80.3	83,181
1919	85,166,043	81.1	68,551	80.5	84,527
1920	87,632,592	82.3	72,931	83.2	88,644
1921	89,102,434	82.3	76,274	85.6	92,626
1922	93,866,240	85.4	80,938	86.2	94,710
1923	97,816,104	87.7	86,754	88.7	98,934
1924	100,082,062	88.4	91,138	91.1	103,127
1925	102,951,999	89.6	95,504	92.8	106,567
1926	104,938,301	90.1	99,833	95.1	110,822
1927	108,177,568	91.5	103,578	95.7	113,114
1928	114,258,516	95.3	109,770	96.1	115,187
1929	116,317,515	95.7	111,569	95.9	116,544
1930	118,560,800	96.2	115,265	97.2	119,742
1931	119,421,000	96.3	118,141	98.9	122,705
1932	120,122,200	96.3	122,739	102.1	127,443
1933	125,693,000	100.0	128,479	102.2	128,479
1934	126,626,000	100.0	134,428	106.3	134,428
1935	127,521,000	100.0	137,649	107.9	137,649
1916–20	400,465,970	----------	326,874	81.6	422,856
1921–25	483,818,839	----------	430,608	89.0	495,994
1926–30	562,252,700	----------	540,015	96.0	575,409
1931–35	619,383,200	----------	641,436	103.6	650,704
1916–35	2,065,920,709	----------	1,938,933	93.9	2,144,963

TABLE 4.—*Cancer in United States registration area, 1916–35*

[Rates per 100,000]

	1916–20		1921–25		1926–30		1931–35	
	Deaths	Rate	Deaths	Rate	Deaths	Rate	Deaths	Rate
Cancer and other malignant tumors	326,874	81.6	430,608	89.0	540,015	96.0	641,436	103.6
Buccal cavity	11,908	3.0	14,746	3.1	17,016	3.0	19,085	3.1
Lip	1,975	.5	2,454	.5	2,812	.5	3,431	.6
Tongue	2,978	.7	3,854	.8	4,456	.8	5,033	.8
Mouth	1,164	.3	1,483	.3	1,967	.4	2,513	.4
Jaw	4,649	1.2	5,212	1.1	5,444	1.0	5,153	.8
Others	1,142	.3	1,743	.4	2,337	.4	2,955	.5
Stomach and liver	124,039	31.0	161,699	33.2	187,314	33.4	199,877	32.3
Pharynx [1]	517	.1	4,030	.8	5,102	.9	4,837	.8
Esophagus	4,238	1.1	7,237	1.5	9,054	1.6	10,711	1.7
Stomach	79,576	19.9	102,480	21.1	122,538	21.8	131,845	21.3
Liver and gall bladder	39,708	9.9	47,952	9.9	50,621	9.0	52,484	8.5
Peritoneum, intestines and rectum	43,368	10.8	59,746	12.3	79,841	14.2	101,696	16.4
Mesentery and peritoneum	3,108	.8	3,742	.8	4,456	.8	4,702	.8
Intestines	27,303	6.8	38,084	7.8	51,383	9.1	65,174	10.5

[1] Prior to 1922 cancer of fauces and cancer of the throat were included in cancer of other and unspecified organs; subsequent to 1922 they were included in pharynx.

TABLE 4.—*Cancer in United States registration area, 1916–35*—Con.

	1916–20		1921–25		1926–30		1931–35	
	Deaths	Rate	Deaths	Rate	Deaths	Rate	Deaths	Rate
Peritoneum, intestines and rectum—Contd.								
Rectum and anus	12,737	3.2	17,593	3.6	23,656	4.2	31,514	5.1
Others	220	.1	327	.1	346	.1	306	.1
Female genital organs	49,476	12.3	62,180	12.8	77,600	13.8	90,836	14.6
Ovary and Fallopian tubes	2,836	0.7	4,819	1.0	7,866	1.4	11,993	1.9
Uterus	45,104	11.3	55,458	11.4	67,360	12.0	76,081	12.3
Vagina and vulva	1,204	0.3	1,623	0.3	2,100	0.4	2,544	0.4
Others	332	0.1	280	0.1	274	0.1	218	(3)
Breast	30,237	7.6	38,806	8.0	49,942	8.9	62,214	10.0
Skin	11,258	2.8	12,922	2.7	14,533	2.6	16,187	2.6
Others and unspecified	56,568	14.1	80,509	16.7	113,769	20.4	151,541	24.5
Larynx	2,272	.6	3,379	.7	4,332	.8	5,304	.9
Lungs and pleura	3,840	1.0	7,120	1.5	11,242	2.0	17,655	2.9
Pancreas	4,959	1.2	8,096	1.7	12,830	2.3	17,970	2.9
Kidneys and suprarenals	3,550	.9	5,116	1.1	7,151	1.3	9,272	1.5
Prostate	5,983	1.5	11,602	2.4	20,523	3.6	29,713	4.8
Bladder	8,801	2.2	13,941	2.9	17,174	3.1	20,401	3.3
Brain	1,040	.3	1,543	.3	3,355	.6	5,099	.8
Bones (except jaw)	3,204	.8	4,908	1.0	7,156	1.3	8,693	1.4
Scrotum	(2)	----	(2)	----	159	(3)	179	(3)
Testes	565	.1	898	.2	1,326	.2	1,955	.3
Others	22,365	5.6	23,908	5.0	28,721	5.1	35,300	5.7

[2] Not separately tabulated. [3] Less than 1/10 of 1 percent.

TABLE 5.—*Death rates from cancer and other malignant tumors in England and Wales*

[Rate per 100,000]

	1931	1932	1933	1934	1935
Buccal cavity	8.7	8.9	8.3	8.8	8.6
Digestive organs and peritoneum	81.1	82.6	83.4	84.9	86.1
Respiratory organs	8.6	9.0	9.7	10.6	11.3
Uterus	20.8	20.8	20.5	21.1	21.1
Other female genital organs	8.0	8.3	8.9	9.2	9.4
Breast	16.1	16.0	16.4	16.7	16.8
Male genito-urinary organs	16.6	16.0	16.9	17.7	18.3
Skin	2.9	2.9	2.8	2.7	2.7
Others and unspecified	8.1	8.5	8.6	8.4	8.4

TABLE 6.—*International death rates from cancer and other malignant tumors*

[Rate per 100,000]

	Period	Rate	Period	Rate
Ceylon	1926–30	9.6	1931–35	9.0
British Guiana	1926–30	24.4	1931–35	31.9
Lithuania	1926–30	32.6	1931–35	42.1
Maltese Islands	1926–30	62.1	1931–35	63.8
Chile	1926–30	54.2	1931–35	68.7
Spain	1926–30	60.4	1931–35	69.0
Japan	1926–30	68.5	1931–34	69.1
Southern Rhodesia [1]	1926–30	87.5	1931–35	75.4
Italy	1926–30	62.6	1931–35	77.2
Finland	1927–30	68.2	1931–34	78.0
Uruguay	1926–30	78.1	1931–34	82.0
Estonia	1926–30	83.0	1931–33	90.3
Union of South Africa [1]	1926–30	76.5	1931–35	91.8
Faroe Islands	1926–30	101.7	1931–35	95.8
France	1926–30	93.0	1931–32	96.3
Canada	1926–30	85.8	1931–35	97.5
Belgium	1926–30	91.0	1931–34	103.2
United States	1926–30	96.0	1931–35	103.6
Australia	1926–30	95.0	1931–34	104.0
Hungary	1926–30	95.3	1931–35	105.3
New Zealand	1926–30	100.2	1931–35	108.5
Irish Free State	1926–30	108.8	1931–35	112.0
Iceland	1926–30	125.6	[2] 1931–34	119.5
Czechoslovakia	1926–30	109.8	1931–35	119.9
Holland	1926–30	119.8	1931–34	123.8
Northern Ireland	1926–30	116.7	1931–35	124.5
Norway	1926–30	119.0	1931–33	127.9
Sweden	1926–30	123.7	1931–33	129.5
Germany	1926–30	113.0	1931–35	135.7
Denmark	1926–30	142.1	1931–35	145.1
Bavaria	1926–30	128.0	1931–35	149.9
Scotland	1926–30	143.2	1931–35	152.9
England and Wales	1926–30	141.1	1931–35	153.4
Switzerland	1926–30	147.3	1931–35	153.7
Austria	1926–30	152.8	1931–32	168.0
Average rate	1926–30	95.7	1931–35	105.8

[1] European population only. [2] Incomplete.

TABLE 7.—*Regional distribution of cancer in American cities, 1935–36*

[Rate per 100,000]

Region[1]	Number of cities	1935			1936		
		Population	Deaths	Rate	Population	Deaths	Rate
Pacific	15	4,069,711	6,311	155.1	4,114,005	6,683	162.6
New England	31	3,609,642	5,397	149.5	3,630,273	5,622	154.9
West North Central	13	3,038,180	4,518	148.7	3,075,293	4,631	150.6
Mountain	3	495,800	716	144.4	499,949	719	143.8
Middle Atlantic	43	14,844,781	20,104	135.4	14,943,073	21,189	141.8
South Atlantic	20	3,230,461	3,820	121.3	3,284,010	4,077	124.1
East North Central	41	11,411,347	13,114	114.9	11,559,704	13,505	116.8
West South Central	12	2,285,485	2,327	101.8	2,354,710	2,420	102.8
East South Central	9	1,407,510	1,590	113.0	1,445,154	1,476	102.1
Total	187	44,392,917	57,897	130.4	44,906,171	60,327	134.3

[1] Regions are as follows:
Pacific: Washington, Oregon, California.
New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.
West North Central: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas.
Mountain: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada.
Middle Atlantic: New York, New Jersey, Pennsylvania.
South Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida.
East North Central: Ohio, Indiana, Illinois, Michigan, Wisconsin.
West South Central: Arkansas, Louisiana, Oklahoma, Texas.
East South Central: Kentucky, Tennessee, Alabama, Mississippi.

TABLE 8.—*Cancer death rates in 187 American cities*

[Rate per 100,000 [1]]

	1935			1936		
	Population	Deaths	Rate	Population	Deaths	Rate
Akron, Ohio	272,000	218	80.1	275,500	221	80.2
Albany, N. Y	131,400	213	162.1	132,062	206	156.0
Allentown, Pa	97,975	155	158.2	99,000	169	170.7
Altoona, Pa	83,260	85	102.1	83,510	90	107.8
Atlanta, Ga	287,300	278	96.8	290,830	267	91.8
Atlantic City, N. J	70,300	86	122.3	71,070	96	135.1
Auburn, N. Y	36,750	43	117.0	36,770	57	155.0
Augusta, Ga	64,210	59	91.9	65,094	67	102.9
Austin, Tex	66,930	72	107.6	69,600	61	87.6
Baltimore, Md	841,900	1,284	152.6	848,196	1,268	149.5
Bayonne, N. J	92,320	65	70.4	92,131	75	81.4
Berkeley, Calif	95,500	116	121.5	97,193	97	99.8
Bethlehem, Pa	58,840	50	85.0	59,000	46	78.0
Binghamton, N. Y	79,140	86	108.3	79,970	116	145.1
Birmingham, Ala	282,800	237	83.8	285,600	228	79.8
Boston, Mass	801,000	1,500	187.3	801,880	1,501	187.2
Bridgeport, Conn	148,900	209	140.4	148,645	213	143.3
Buffalo, N. Y	592,000	897	151.5	592,794	940	158.6
Cambridge, Mass	114,740	159	138.6	114,970	210	182.7
Camden, N. J	120,000	138	115.0	120,380	166	137.9
Canton, Ohio	109,260	127	116.2	110,140	113	102.6
Charleston, S. C	63,550	74	116.4	62,265	85	136.5
Charlotte, N. C	92,430	56	60.6	93,684	67	71.5
Chelsea, Mass	42,673	52	121.9	46,790	66	141.1
Chicago, Ill	3,569,000	4,505	126.3	3,608,000	4,599	127.5
Cicero, Ill	72,880	36	49.4	74,210	37	49.9
Cincinnati, Ohio	466,200	741	158.9	469,200	749	159.6
Cleveland, Ohio	930,600	1,173	126.0	936,700	1,263	134.8
Columbus, Ohio	318,000	474	149.1	323,202	422	130.6
Concord, N. H	26,190	64	244.4	26,794	52	194.1
Covington, Ky	65,000	81	124.6	66,200	78	117.8
Dallas, Tex	311,185	269	86.4	311,185	318	102.2
Davenport, Iowa	61,500	75	122.0	61,650	78	126.5
Dayton, Ohio	210,450	241	114.5	220,043	263	119.5
Decatur, Ill	60,010	89	148.3	60,530	90	148.7
Denver, Colo	296,800	451	152.0	298,255	479	160.6
Des Moines, Iowa	147,150	190	129.1	148,100	205	138.4
Detroit, Mich	1,734,000	1,265	73.0	1,769,300	1,472	83.2
Duluth, Minn	102,200	166	162.4	102,340	157	153.4
East Orange, N. J	72,790	91	125.0	73,700	123	166.9
East St. Louis, Ill	76,330	89	116.6	76,700	65	84.7
Elizabeth, N. J	120,160	98	81.6	121,300	129	106.3
Elmira, N. Y	47,900	66	137.8	48,000	88	183.3
El Paso, Tex	108,150	98	90.6	109,300	93	85.1
Erie, Pa	122,700	148	120.6	123,497	151	122.3
Evansville, Ind	107,040	115	107.4	108,030	99	91.6
Fall River, Mass	117,547	251	213.5	116,353	335	287.9
Fitchburg, Mass	40,400	40	99.0	41,700	44	105.5
Flint, Mich	174,740	127	72.7	178,640	111	62.1
Fort Wayne, Ind	120,560	146	121.1	122,329	113	92.4
Fort Worth, Tex	173,150	146	84.3	175,160	181	103.3
Fresno, Calif	52,500	34	64.8	56,600	46	81.3
Galveston, Tex	55,800	76	136.1	57,000	65	114.0
Gary, Ind	108,340	66	60.9	110,000	80	72.7
Gloucester, Mass	24,164	42	173.8	25,060	38	151.6
Grand Rapids, Mich	175,650	207	117.8	176,006	194	110.2
Greensboro, N. C	60,100	40	66.6	61,500	51	82.9
Hamilton, Ohio	55,530	62	111.7	56,242	57	101.3
Hamtramck, Mich	58,500	29	49.6	58,960	18	30.5
Harrisburg, Pa	81,280	114	140.3	84,500	141	166.9
Hartford, Conn	171,520	215	125.3	173,040	216	124.8
Haverhill, Mass	50,250	65	129.3	50,250	90	179.1
Highland Park, Mich	54,870	50	91.1	55,270	48	86.8
Hoboken, N. J	58,210	33	56.7	58,000	29	50.0
Holyoke, Mass	57,750	59	102.2	56,000	89	158.9
Honolulu, Hawaii	147,140	131	89.0	147,926	157	106.1
Houston, Tex	336,200	251	74.7	343,000	273	79.6
Indianapolis, Ind	377,500	472	125.0	380,200	455	119.7
Jackson, Mich	57,050	80	140.2	58,724	77	131.1
Jacksonville, Fla	145,500	146	100.3	148,920	146	98.0
Jersey City, N. J	326,500	438	134.2	328,027	468	142.4
Johnstown, Pa	67,280	85	126.2	70,500	86	122.0
Kalamazoo, Mich	58,050	72	124.0	59,058	79	133.8
Kansas City, Kans	124,440	201	161.5	124,960	204	163.3
Kansas City, Mo	421,400	588	139.5	423,600	588	138[2]
Kenosha, Wis	53,250	54	101.3	53,558	58	108.3
Knoxville, Tenn	120,400	77	64.0	122,840	72	58.6
Lakewood, Ohio	78,340	72	91.9	79,850	59	73.9
Lancaster, Pa	61,880	111	179.4	63,100	94	149.0
Lansing, Mich	83,980	80	95.3	84,000	92	109.5
Lawrence, Mass	85,068	104	122.3	86,817	84	96.8
Lexington, Ky	46,340	58	125.2	46,470	69	148.5
Lincoln, Nebr	83,860	123	146.7	86,000	143	166.3
Long Beach, Calif	150,000	176	117.3	155,000	183	118.1
Los Angeles, Calif	1,288,200	1,960	152.2	1,298,375	2,048	157.7
Louisville, Ky	324,100	429	132.4	340,500	358	105.1
Lowell, Mass	93,750	123	131.2	100,234	147	146.7
Lynn, Mass	103,500	102	98.6	100,909	117	115.9
McKeesport, Pa	56,930	56	98.4	57,500	60	104.3
Macon, Ga	53,950	49	90.8	53,970	62	114.9
Madison, Wis	64,150	184	286.8	69,611	214	307.4
Manchester, N. H	77,700	126	162.2	77,700	122	157.0
Massillon, Ohio	26,700	21	78.6	26,435	26	98.4
Medford, Mass	61,600	88	142.9	61,984	98	158.1
Memphis, Tenn	270,220	363	134.3	275,518	352	127.8
Miami, Fla	124,600	136	109.1	127,600	133	104.2
Milwaukee, Wis	605,000	674	111.4	610,000	739	121.1
Minneapolis, Minn	486,820	763	156.5	492,113	783	159.1
Mobile, Ala	71,900	79	109.9	72,727	101	138.9
Montgomery, Ala	68,970	72	104.4	76,729	52	67.8
Mount Vernon, N. Y	67,500	57	84.5	67,705	71	104.9
Nashville, Tenn	157,780	194	123.0	158,570	166	104.7
Newark, N. J	455,000	533	117.1	457,640	566	123.7
New Bedford, Mass	109,200	130	119.0	110,622	118	107.3
New Britain, Conn	70,600	85	120.4	71,100	62	87.2
Newburgh, N. Y	31,700	47	148.3	31,542	57	180.7
New Haven, Conn	162,750	226	138.9	162,700	305	187.5
New Orleans, La	479,340	749	156.3	509,000	742	145.8
Newport, R. I	29,960	50	166.9	29,967	48	160.2
New Rochelle, N. Y	59,700	41	68.7	59,880	58	96.9
Newton, Mass	70,910	96	135.4	72,090	81	112.4
New York City, N. Y	7,311,000	9,969	136.4	7,364,620	10,506	142.7
Niagara Falls, N. Y	81,620	59	72.3	82,365	84	102.0
Norfolk, Va	129,700	102	78.6	130,000	110	84.6
Oakland, Calif	303,550	412	135.7	305,531	401	131.2
Oak Park, Ill	66,900	122	182.4	67,500	116	171.9
Oklahoma City, Okla	206,100	125	60.7	210,000	126	60.0
Omaha, Nebr	214,660	351	163.5	215,000	306	142.3
Orange, N. J	36,500	33	90.4	36,500	36	98.6
Pasadena, Calif	84,800	200	235.8	86,660	183	211.2
Passaic, N. J	62,550	92	147.0	62,550	82	131.1
Paterson, N. J	139,310	211	151.5	139,842	212	151.6
Pawtucket, R. I	80,000	65	81.3	80,000	98	122.5
Peoria, Ill	110,550	151	136.6	112,200	149	132.8
Petersburg, Va	29,780	25	84.0	30,076	30	99.7
Philadelphia, Pa	1,987,800	2,976	149.7	1,994,800	3,115	156.2
Pittsburgh, Pa	684,350	925	135.2	690,500	926	134.1
Pittsfield, Mass	51,900	98	188.8	52,360	75	143.2
Pontiac, Mich	66,227	53	80.0	66,488	72	108.3
Portland, Maine	71,500	164	229.4	71,735	153	213.3
Portland, Oreg	314,070	537	171.0	315,000	607	192.7
Portsmouth, Va	41,250	42	101.8	41,250	40	97.0
Providence, R. I	260,000	431	165.8	263,006	410	155.9
Pueblo, Colo	52,120	58	111.3	52,194	55	105.4
Quincy, Ill	39,700	73	183.9	40,000	70	175.0
Quincy, Mass	78,970	105	133.0	78,465	92	117.2
Racine, Wis	69,650	102	146.4	71,800	92	128.1
Reading, Pa	113,100	129	114.1	113,199	163	144.0
Richmond, Va	186,240	236	126.7	186,900	293	156.9
Roanoke, Va	73,920	71	96.0	75,000	68	90.7
Rochester, N. Y	335,100	463	138.2	336,527	483	143.5
Rockford, Ill	91,960	94	102.2	92,664	97	104.7
Sacramento, Calif	107,671	109	157.0	110,460	177	160.2
Saginaw, Mich	85,070	93	109.3	85,500	84	98.2
St. Louis, Mo	835,930	1,332	159.3	838,740	1,405	167.5
St. Paul, Minn	290,800	402	138.2	306,000	388	126.8
Salem, Mass	43,800	56	127.7	43,472	64	147.2
Salt Lake City, Utah	146,880	207	140.9	149,500	185	123.7
San Antonio, Tex	251,800	234	92.9	256,080	240	93.7
San Diego, Calif	166,280	277	166.6	170,200	308	181.0
San Francisco, Calif	682,860	1,198	175.4	693,000	1,307	188.6
San Jose, Calif	67,200	77	114.5	68,450	77	112.5
Savannah, Ga	85,750	71	82.8	90,820	100	110.1
Schenectady, N. Y	96,880	132	136.3	97,179	121	124.5
Scranton, Pa	146,700	211	143.9	151,000	212	140.4
Seattle, Wash	379,900	638	167.9	375,000	710	189.3
Shreveport, La	81,000	150	185.2	81,000	149	184.0
Sioux City, Iowa	80,500	101	125.5	85,000	104	122.4
Somerville, Mass	107,080	102	95.3	107,740	108	100.2
South Bend, Ind	113,360	108	95.3	115,280	101	87.6

[1] In most cases the populations used are those provided by the cities; wherever the city failed to send an estimate, populations were derived from the census estimate of 1933 and the official figures of 1930.

TABLE 8.—*Cancer death rates in 187 American cities*—Continued

	1935			1936		
	Population	Deaths	Rate	Population	Deaths	Rate
Spokane, Wash.	120,900	221	182.8	125,000	179	143.2
Springfield, Ill.	78,250	109	139.2	82,000	129	157.3
Springfield, Mass.	154,140	218	141.4	155,000	212	136.8
Springfield, Ohio	71,980	99	137.5	72,500	101	139.3
Syracuse, N. Y.	216,490	320	147.8	217,954	318	145.9
Tacoma, Wash.	109,140	165	151.2	109,610	208	189.8
Tampa, Fla.	100,151	115	114.8	100,151	136	135.8
Terre Haute, Ind.	61,000	94	154.0	61,000	82	134.4
Toledo, Ohio	304,500	383	125.8	307,340	424	138.0
Topeka, Kans.	66,780	82	122.8	67,320	102	151.5
Trenton, N. J.	125,000	198	158.4	125,800	201	159.8
Troy, N. Y.	73,050	137	187.6	73,100	115	157.3
Tulsa, Okla.	152,670	107	70.1	166,000	133	80.1
Union City, N. J.	60,776	38	62.5	60,776	43	70.8
Utica, N. Y.	103,180	157	152.2	103,470	156	150.8
Waco, Tex.	63,160	50	79.2	67,385	39	57.9
Washington, D. C.	594,000	779	131.1	619,000	851	137.5
Waterbury, Conn.	102,240	94	91.9	102,720	94	91.5
Wheeling, W. Va.	64,210	87	135.5	65,030	78	119.9
Wichita, Kans.	122,140	144	117.9	124,470	168	135.0
Wilkes-Barre, Pa.	87,420	127	145.3	87,580	145	165.6
Williamsport, Pa.	47,630	69	144.9	47,692	55	115.3
Wilmington, Del.	110,850	121	109.2	111,724	164	146.8
Winston-Salem, N. C.	81,070	49	60.4	82,000	61	74.4
Worcester, Mass.	199,840	278	139.1	200,770	280	139.5
Yonkers, N. Y.	144,540	122	84.4	146,041	134	91.8
Youngstown, Ohio	174,160	164	94.2	175,000	175	100.0
Total, 187 cities	44,392,917	57,897	130.4	44,906,171	60,327	134.3

Increased rate 105
Decreased rate 82

TABLE 9.—*Cancer in five largest American cities, 1935–36*

[Rate per 100,000]

	1935			1936		
	Population	Deaths	Rate	Population	Deaths	Rate
Chicago	3,509,000	4,505	126.3	3,608,000	4,590	127.5
Detroit	1,734,000	1,265	73.0	1,769,300	1,472	83.2
Los Angeles	1,288,200	1,960	152.2	1,298,375	2,048	157.7
New York	7,311,000	9,969	136.4	7,364,620	10,506	142.7
Philadelphia	1,987,800	2,976	149.7	1,994,800	3,115	156.2
Total	15,890,000	20,675	130.1	16,035,095	21,740	135.6

TABLE 10.—*Cancer in 13 Canadian cities, 1935–36*

[Rate per 100,000]

	1935			1936		
	Population	Deaths	Rate	Population	Deaths	Rate
Brantford, Ontario	31,000	59	190.3	31,382	41	130.6
Calgary, Alberta	83,324	111	133.2	83,304	100	120.0
Edmonton, Alberta	83,810	87	103.8	85,000	93	109.4
Hamilton, Ontario	153,750	185	120.3	153,358	193	125.8
London, Ontario	75,280	105	139.5	76,252	95	124.6
Montreal, Quebec	863,000	995	115.3	875,000	990	113.1
Ottawa, Ontario	143,280	163	113.8	148,960	189	126.9
Quebec, Quebec	137,200	186	135.5	140,000	198	141.4
Saskatoon, Saskatchewan	43,445	67	154.2	41,606	42	100.9
Toronto, Ontario	638,271	1,038	162.6	645,462	1,080	167.3
Vancouver, British Columbia	247,220	379	153.3	247,558	425	171.7
Victoria, British Columbia	40,000	125	312.5	40,000	128	320.0
Windsor, Ontario	101,157	88	87.0	101,568	98	96.5
Total	2,640,797	3,588	135.9	2,669,450	3,672	137.6

TABLE 11.—*Cancer by population of cities, 1935–36*

[Rate per 100,000]

	1935				1936			
	Number of cities	Population	Deaths	Rate	Number of cities	Population	Deaths	Rate
SIZES OF CITIES								
25,000–100,000	93	6,032,093	7,324	121.4	92	6,027,371	7,464	123.8
100,000–250,000	56	7,752,039	9,382	121.0	57	7,945,041	9,991	125.6
250,000–500,000	24	8,151,145	10,754	131.9	25	7,758,854	10,190	131.3
500,000 and over	14	22,457,640	30,437	135.5	15	23,174,905	32,682	141.0
Total	187	44,392,917	57,897	130.4	187	44,906,171	60,327	134.3

TABLE 12.—*Cancer in 10 States, United States registration area, 1931–35*

[Rate per 100,000]

	1931	1932	1933	1934	1935
Maine	139.8	147.3	146.5	140.6	148.5
Massachusetts	136.3	143.0	147.0	153.6	147.7
New York	125.9	127.5	131.6	137.8	140.6
Washington	116.1	113.4	121.7	130.3	132.5
Wisconsin	119.5	122.1	123.2	128.3	132.2
Minnesota	123.4	127.7	131.6	130.5	131.4
New Jersey	112.2	111.0	116.1	119.8	120.3
Michigan	94.5	96.6	98.3	111.9	110.8
Louisiana	70.4	74.5	74.2	74.0	80.8
Mississippi	55.8	56.5	56.8	58.5	59.8

Mr. Speaker, I hope that if anyone has not studied these statistics over that they will go back and do it. They are quite simple. They speak for themselves.

The money for the establishment of a central cancer clinic, as provided in my bill (H. R. 6767), is absolutely not a drop in the bucket by the side of many of our appropriations, even the minor ones. To start this great work, the most important now facing the human race, will take only $3,000,000, and a further amount of a million a year.

Communicating with dozens of the greatest authorities over the United States, I have not found a single person opposed to the bill, whether he is in the medical profession or an ordinary layman.

I urge upon my colleagues that this bill be immediately considered and passed by the House.

Administration of Agricultural Policies

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, June 18 (legislative day of Tuesday, June 15), 1937

RADIO ADDRESS OF HON. GEORGE McGILL, OF KANSAS, ON JUNE 17, 1937

Mr. McKELLAR. Mr. President, the Senator from Kansas [Mr. McGILL] on June 17, 1937, delivered a radio address on the subject of Administration of Agricultural Policies, and a most excellent address it is. I ask unanimous consent to have it published in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is a measure pertaining to the subject of wheat-crop insurance which has, during the present session of Congress, been passed by the Senate of the United States and now is pending before the Committee on Agriculture of the House of Representatives, and doubtless will in a short period of time be before the House of Representatives for their consideration, and which I regard to be of great importance to the wheat-growing farmers of America.

By crop insurance, as provided by the terms of the bill, it should be understood that such insurance is in no way comparable to the term "insurance", as generally used, nor is such insurance similar to that heretofore carried on by private insurance companies by whom an insurance policy would be written to insure a crop at so many dollars per acre and, if failure or losses occurred, to pay indemnities in money based on a percentage of the loss. The type of crop insurance provided in the bill is in no wise similar to such insurance, and no private corporation, insofar as I am advised, has ever issued policies of insurance such as are provided in the measure referred to. In my judgment the measure in no wise interferes with the business of private insurance concerns.

Those who in Congress have sponsored this measure are of the view that the problems of the American farmer cannot be met by virtue of any one measure or any one method of approach. Under the terms of the bill premiums must be paid in bushels of wheat or in cash equivalent at the time of payment in order that a similar grade of wheat may be acquired so that the premium wheat will be stored in warehouses to form a reserve for the payment of indemnities in wheat. The philosophy of the ever-normal granary would be by this method established.

During the years of large yield premiums will exceed indemnities, and during years of general crop failure indemnities will exceed premiums. During the years of large yields a portion of the surplus will be stored, and during the years when production is below normal such stored carry-over will be paid in the

commodity of wheat to the insured farmer. It is believed that this method will operate to stabilize the supply of wheat to the benefit of the consumer and also the producer.

It is not intended by the terms of the measure that it should never be made operative relative to the production of commodities other than wheat, and the question may arise in the minds of those who have not studied the problem as to why such insurance should in this measure at the present time be limited to the production of wheat.

It is the view of those who sponsored the bill that such insurance finally should be made applicable to all staple crops, but that adequate reason exists now for a limitation at this time. Sufficient actuarial data from every county in the United States has been obtained and is available on which to base a sound program relative to crop insurance in the production of wheat. Such actuarial data pertaining to the production of other farm commodities is not at this time available. Therefore, the only commodity produced by American farmers concerning which the Congress is at this time able to base a sound program is the one relating to the production of wheat as contained in the terms of the bill. Should this program prove, as we have every reason to believe it will, to be of great benefit to the wheat producers of the United States, then doubtless sufficient data from an actuarial standpoint will be soon obtained in order to make the program applicable to other commodities. I desire to express the hope that this measure may speedily be adopted by the House of Representatives.

The commerce of the United States in 1929 with foreign nations amounted to $9,500,000,000, and our tremendous loss in foreign commerce was so great that it had in 1932 dropped to $3,100,000,000, a loss of $6,400,000,000. This condition was largely due to indefensible trade barriers erected by our Government during that period and retaliation by nearly every nation in the world. This program in its entirety was destructive of the interests and welfare of the agricultural sections of our country.

The act providing for reciprocal trade agreements and the reciprocal trade agreements negotiated under and by virtue of the act are for the direct benefit of American agriculture and to rehabilitate, insofar as it is possible, our commerce with foreign countries. Inequities may inevitably creep into trade agreements. They can be adjusted. The administration with an eye single to the best interests of all our people is, through such agreements, honestly endeavoring to improve our foreign commerce. Adequate foreign trade is necessary to a rehabilitated agriculture and the welfare of American labor.

The goal set has not been reached. Nevertheless, by reason of the varied recovery programs farm life is becoming more attractive, which is evidenced by the fact that in the Nation the farm population is increasing, and this notwithstanding the fact that over a long period of years prior to 1932 farm population had been on the decline. In 1932 there were 30,534,000 of our people living on farms. The Nation's farm population since that time has increased nearly two and one-half million.

It shall be my purpose during the remaining portion of time alloted to me to discuss the accomplishments of this administration relating to agricultural problems—not only because of the immediate importance of that subject but also by reason of the fact that agriculure is our basic national industry.

That American agriculture for many years had not been on a basis of economic equality is a fact which had been well recognized, but no worth-while measure looking to its economic rehabilitation was enacted into law until during the first administration of President Roosevelt.

It is a fact recognized by every fair-minded citizen that for a number of years prior to March of 1933 agriculture had been on an economic decline and that at the very beginning of the first administration of President Roosevelt business, industry, and agriculture were at the lowest ebb at which they had ever been during the period of our national history. We had witnessed the building of a great surplusage, the continual falling of commodity prices, the strangulation of industry, of business, and the weakening of our financial institutions. Not only had labor and industry lost their purchasing power for the products of the soil but the products of the farm had so depreciated in value in comparison to their exchange value for other commodities as to cause a breaking down of the orderly exchange of commodities and to render those engaged in agricultural pursuits to be without a purchasing power for the products of industry.

When a condition exists wherein farm life becomes unattractive and the farmer's labor becomes a thing wasted, the Nation as a whole is on the road to disintegration. Cities and towns may rise and fall and can be rebuilded. Their very existence is dependent upon what I choose to call the backbone of the Nation—its natural resources. These must, and, if the course of President Roosevelt is followed, will be preserved to this generation and to the generations of the future.

In 1920 the gross income of the American farmers amounted to $13,600,000,000 and from that time this gross income gradually declined until in 1932 it amounted only to the sum of $5,337,000,000—a decline of approximately $8,000,000,000—or more than one-half. This was due to a policy of economic isolation, a destruction thereby of foreign markets, many of which may never be regained to our people, and the encouragement by governmental policies to grow a large surplusage, thereby depressing more and more as time passed on market values until the American farmer was producing the necessities of life at much below the cost of production.

Let me repeat—the gross income from American agricultural production in the United States in 1932 was $5,337,000,000. In 1933, the first year after Roosevelt became President, the gross income from agricultural production in the United States rose to the sum of $6,406,000,000. In 1934 this gross income amounted to the sum of $7,276,000,000. In 1935 this gross income amounted to the sum of $8,508,000,000. In 1936 this gross income continued to rise and amounted to the sum of $9,530,000,000, an increase over 1932 of approximately $4,193,000,000 or approximately 80 percent.

Let the present critics of President Roosevelt put their stamp of disapproval, if they will, upon that degree of improvement accomplished within a period of 4 years, or after having had 4 years to meditate upon the subject, tell us what program would have accomplished greater results.

In 1933 a program of agricultural rehabilitation was set in motion. A method to reduce and dispose of the accumulated unsalable surplus of farm commodities was necessary and to accomplish this end and give the farmer a reasonable return for his labor on his investment in cooperating with the Government in attaining the necessary end, the Agricultural Adjustment Act was adopted.

While the decision of the Supreme Court of the United States with reference to the Agricultural Adjustment Act was felt as one of the most severe blows which could have been delivered to American agriculture, nevertheless long prior to that decision a program had been set in motion for the prevention of soil erosion and for the conservation of our soil. Such a program is vital to the rehabilitation of American agriculture and after the ruling of the Court amendments were adopted to the Soil Conservation Act which have accomplished many of the objectives of previous enactments. Due to the reasoning upon which more recent decisions of the Supreme Court have been based it can no longer logically be contended that the decision in the Agricultural Adjustment Act case is the law.

Soil erosion is rapidly becoming one of the most serious problems confronting the American people. Experts in the Soil Conservation Service advise that 50,000,000 acres of farm land in the United States have been ruined because the productive portion of the soil has been destroyed or washed away. Of the 360,000,000 acres of land under cultivation in the United States these experts advise that in addition to the 50,000,000 acres now destroyed by erosion an additional 50,000,000 acres are in almost as bad condition, an additional 100,000,000 acres partially impaired by erosion, and that on another 100,000,000 acres erosion has begun. This is costing the American farmer approximately $400,000,000 annually through the loss of soil fertility.

It would seem that even to those who would give but casual notice to the subject the problem is national in scope and that our people should cooperate in every reasonable way with the soil conservation agencies of the Government. Natural economic laws cannot be suspended, set aside, or abandoned and Nature has decreed that in this country in particular agriculture is basic in our industrial and economic system, a fact which has been recognized by virtually all historians, statesmen, and economists throughout our national history.

There has been a distinct degree of recovery in the agricultural industry, not accomplished so much by benefit payments as by increased commodity prices, the recovery being achieved by virtue of the helpful programs carried forward under the leadership of our President since March of 1933. Recovery in every form of industry has been in proportion to the recovery of agriculture. This is borne out by available statistics and is evidenced in the corresponding increase in the annual manufacturers' pay roll as compared with the increase in agricultural income.

Statistics from the Bureau of Census, Department of Commerce, and the United States Bureau of Labor Statistics, Department of Labor, disclose that in each year the annual manufacturers' pay roll is approximately the same in amount as the gross income from agricultural production and that therefore as the agricultural income increases in like proportion the wage pay roll increases, clearly disclosing that the wage pay roll in every form of industry and the welfare of the laboring class is dependent almost in its entirety upon the income of the basic industry—agriculture—upon the prosperity of which the permanent prosperity of each and every legitimate industry necessary to the welfare of our people depends.

Additional Judges for Inferior Federal Courts

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, June 18 (legislative day of Tuesday, June 15), 1937

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "A Flying Squadron of Itinerant Judges", which appeared in the Philadelphia Inquirer of Friday morning, June 18, 1937.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of June 18, 1937]

A FLYING SQUADRON OF ITINERANT JUDGES

Public attention has been centered to so great a degree on President Roosevelt's unprecedented proposal for peremptory changes in the personnel of the Supreme Court as to obscure to a considerable extent a complementary feature of his plan, fraught with equal dangers to our American system of government.

It is contained in the provision for appointment of additional judges in all Federal courts where there are incumbent judges of retirement age who do not choose to retire or resign. Thus far this Presidential recommendation accords with that advanced for the Supreme Court which has been so caustically and convincingly denounced by the Senate Judiciary Committee.

It is built upon the same fallacious idea that judges over 70 are suffering from mental and physical impairment which contributes to congestion of court business. The Senate committee took the practical course of finding out in how many districts Federal judges have passed the age of threescore and ten and ascertaining the precise condition of the docket in their courts.

The committee discovered that the President's plan would call for the appointment of 44 new judges to sit with the septuagenarians. Most of these elder judges have been shown to be equal to their duties and they preside over courts in which no congestion of business exists. The proposed rough-and-ready appointment of new judges to courts which happen to possess judges over 70 manifestly would do little toward expediting the processes of justice.

If the real objective sought is efficiency, and not the placing on the bench of judges known to favor certain legislative measures advocated by the President, it can be attained through legislation for more judges in those districts where an abnormal accumulation of cases waits adjudication.

But this provision for the lower Federal courts is a double-barreled shotgun aimed at the American judicial system and its traditional freedom from direct or indirect official interference. It contains a second feature which the Senate committee views with gravest misgivings. If adopted it would, in the words of the committee, create "a flying squadron of itinerant judges, appointed for districts and circuits where they are not needed, to be transferred to other parts of the country for judicial service."

Such procedure the committee condemns as violative of "the salutary American custom that all public officials should be citizens of the jurisdiction in which they serve or which they represent." In this plan is perceived "a possibility of real danger."

The danger, to speak plainly, is this: The opening of a way whereby particular judges might be selected to try particular cases in which the Federal Government is a party at interest. There are countless such cases. Some represent the attempts of business, of industry, and of individuals, frequently of humble lot, to restrain or prevent alleged injurious acts by the Government. There are cases where the issue is one of personal freedom, with the plaintiff invoking constitutional safeguards which he believes to have been violated.

On this issue the Senate committee did not go into such particulars. But there was a wealth of meaning in its remark that to an increasing degree under modern conditions the Government is being involved in civil litigation with its citizens.

The motives of the present occupant of the White House are not impugned, but the mischief that might be wrought under this provision by a Chief Justice subservient to the will of a President is painfully plain.

Under the existing system, as the committee points out, assignment of Federal judges within a circuit is made by the senior circuit judge. Assignment of a judge from outside the district may be made only when the senior circuit judge certifies the district's special need to the Chief Justice. "Thus is the principle of local self-government preserved" even in the case of the Federal judiciary.

Destruction of this principle, as proposed in the President's plan, would, in the Senate committee's opinion, centralize the administration of justice. The country has been witnessing an unprecedented centralization of other governmental powers. Now it is planned to fit the Federal courts into this new picture.

The Senate Judiciary Committee's indictment of the Court packing bill as "needless, futile, and dangerous" applies with equal force to the proposal for "a flying squadron of itinerant judges" at beck and call to adjudicate issues in which this or any other administration may be deeply concerned.

Its lucid exposure of this second objectionable feature makes the President's bill appear doubly objectionable to all supporters of a free and independent American judiciary.

The Residents of the District of Columbia Should Pay Their Fair Share of Taxes

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

Mr. REES of Kansas. Mr. Speaker, first I want to agree with the sentiment expressed by the distinguished Member from Kentucky, as well as that of a number of Members of this House, that the people of this country are being broken down because of excessive tax burdens that are growing heavier each year. I also agree that our methods of taxation have become somewhat antiquated, and should, above all things, be reorganized.

But with reference to this bill that is being considered this afternoon, it seems to me that the people of the District of Columbia are not in very good position to complain about a tax burden, when an investigation plainly shows that the people who live in the District of Columbia and in this beautiful and most attractive city of Washington are paying far less taxes than any other group in any other community or city of comparative size in the United States. I just do not see how there could be any justification for the appropriation by this Congress for the support of the government of the city of Washington, when the people who live in it are paying such a small share of taxes as compared with people who live on the outside. This Congress has already appropriated $5,000,000 to help pay the deficit of governmental expenses of the city of Washington. We are using the money of your States and mine to pay this deficit.

In addition to this, Congress does now and at all times has provided for all expenses required for the care, maintenance, and protection of all Government property within the District, including its parks and roadways.

According to the report we have before us, the deficit is $11,149,119. As I said a moment ago, this deficit has been reduced by the recommendation of a contribution from the United States of $5,000,000, leaving something more than $6,000,000 of a deficit at this time. Under the bill before us, it is anticipated that this $6,000,000 can be raised by local taxation. If the people of Washington were paying more than their fair share of taxes, there might not be any objection to a Federal contribution.

A move has been made to strike out title 9, the income-tax title, of this bill and to insert in lieu thereof a small increase on the taxes on real estate. It is my contention that title 9 should not be stricken out. It should remain in the bill, and the substitute for it, providing for an additional tax on real estate, should also be made a part of this legislation, and not make it necessary for this Congress to appropriate half a million dollars of the taxpayers' money of other communities to pay the bill.

Let us look at the situation briefly for just a moment. I agree that the real estate and personal property should not bear more than its fair share of taxes. I am informed, and the evidence shows, that the tax rate on property in the city of Washington is $1.50 per hundred of valuation. This is less than half of the tax that is charged on property in cities of comparative size in the United States; and let us not forget that that is all the tax which is imposed on real estate, because they have no State, county, or district school taxes in the District of Columbia. Furthermore, the city of Washington has never known a depression. The owners of real estate are getting more rent for the use of their property here than they do anywhere else in cities of comparative size. I am also informed that the Jacobs report, which was prepared at the request of the President, shows that the real estate in this city is being assessed at about 70 percent of its actual value. In other words, real estate in Washington is being taxed at the rate of about $1 per hundred. I am informed that if real estate in the District were assessed at $1.80 per hundred at its actual value that it would produce sufficient funds so it would not be necessary to ask Congress to appropriate funds of taxpayers from your State and mine to support its government.

Then I would like to call your attention again to the fact that the people of the city of Washington have been paying the ridiculously low price of only $1 for license tax on automobiles. The average price for license fees throughout the United States is $8.70. This bill provides for an increase in these taxes, which amounts to about $7 on the average automobile—which is still less than the average price paid. Furthermore, gasoline taxes are lower here than they are anywhere else, being 2 cents per gallon. This bill does not provide for an increase in gasoline tax.

Up to this time there have been no inheritance or estate taxes charged against the people of this District. Upon examination of this bill you will find that the taxes imposed are far less than are being paid in the average States of this country.

I would also like to call your attention to the question of income taxes as provided by title 9 of this bill. More than 30 States of the Union have State income-tax laws. You will observe, upon examination of this section of the bill, that the rates and charges for income taxes are comparatively low, and I do not understand why the thousands of persons who live in the city of Washington and who enjoy the protection of its government, and the pleasures and culture this city affords, should want to object to the payment of a small contribution in support of that government. As I have said, the income taxes charged under this section of the bill are comparatively low. Something has been said about the payment of income taxes as provided by this bill. It should be understood that Members of Congress are required to pay a Federal income tax upon their salaries. I believe that all salaries, regardless of the source from which they come, should be subjected to income taxes, both Federal and State, in just the same manner as other income is subjected to tax. I am in favor of an amendment to the Constitution that will provide for the taxation of such incomes.

This bill should be passed, and there should be an increase in the tax on real estate for an amount that would take care of all the deficit so it would not be necessary for Congress to appropriate the taxpayers' funds of this country for the support of this city; and I do not see why there should be any criticism by anyone regarding such a plan, when, under these methods the people of the District and this city are still being favored by paying far less taxes than other folks are paying who live in smaller cities or cities of comparative size.

There has been some criticism also, to the effect that there might be taxation without representation. I believe if the people of the city of Washington were represented in Congress as States are represented they would not object to assuming their fair responsibility in the payment of taxes for the support of their institutions. I am in favor of the passage of this bill, together with a further amendment that will provide for an increase in the real-estate tax to the rate of $1.80 per hundred on the fair value of the property. The people of Washington will then carry their own fair share of the expenses of the government of their city, and at the same time will enjoy a far less tax rate than is being paid by the average citizen of our country.

Blasting Careers in the Navy

EXTENSION OF REMARKS
OF
HON. J. WILLIAM DITTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 18, 1937

Mr. DITTER. Mr. Speaker, as a result of the attention which has been directed during the past 2 months to the selection system of promotion in the Navy, strenuous efforts have been made by those who defend the system to justify its continuance. In the hope of presenting to the House pertinent facts bearing upon the subject, I believe a résumé would be helpful with respect to a group of officers who are vitally effected and in whom the Congress should have a particular interest.

With the end of the war the officer situation became quite acute. As the wartime officers' strength grew due to the commissioning of temporary and Reserve officers, a general fleeting-up process ensued, and officers above the rank of lieutenant were advanced permanently one or two ranks very quickly, according to the rank they were holding, by virtue of "temporary promotion." The end of the war found practically all regular officers holding rank one or two grades above their regular position, and holding this higher rank by virtue of the presence in the Navy of several thousand temporary and Reserve officers. After the armistice the pyramid started to collapse as the Reserve officers left the Navy. This threatened to cause all of the officers serving under temporary commissions in advance of their normal rank to revert to the latter—this, of course, they did not want to do. Another factor enters the equation at this point—a great number of the old chief petty officers had during the war reached the total service necessary for their retirement and were anxious to do so as soon as they could; the ranks of the chief petty officers were further depleted by the number of them who had been given temporary commissions during the war. The Navy was in a bad way—the junior officers of the Regular Establishment had all been promoted to higher ranks, leaving the junior ranks full of Reserve and temporary officers who would soon leave the service, and the senior petty officers would also retire as soon as permissible.

To fill in the line-officer gap thus created, it was decided to (a) graduate one-half of the Naval Academy class of 1920, 1 year ahead of time, and (b) to commission in the Regular Navy some 1,200 of the 8,000 or so Reserve and temporary officers. When this proposal was broached to the Reserve and temporary officers, it met with a cold reception, and volunteers for Regular Navy commissions were not forthcoming in the numbers desired. To overcome the reluctance of these officers, they were then promised a certain definite tenure upon the active list if they should qualify for a commission in the Regular service. Some 8,000 then took the examination, and 1,200 were commissioned as a result of this competitive examination.

The opinion is frequently voiced that these men were actually taken into the Navy so as to prevent the collapse of the pyramid and to allow the "higher-ups" to retain the rank that the war had enabled them to acquire years ahead of time. I do not believe this to be true. There was a real and urgent demand for junior officers from 1919 on that could have been met in no other way, and while the commissioning of the wartime officers did permit the higher-ups to hold their advanced rank still, without these temporary and Reserve officers, the Navy would have been in an impossible situation during the 15 years that followed the war.

However, the promotional hump, which has since been a source of embarrassment, is a direct result of the fact that these men were commissioned at that time and the Naval Academy graduated very large classes during this period.

The present situation is that those remaining of this "hump", consisting of around 600 temporary and ex-Reserve officers and the Naval Academy classes of 1919 and 1920, all with service from 17 years and upward and ages ranging from 38 to 45 years, are due to be promoted to the rank of lieutenant commander and still have up to 13 years to serve before they "make" 30 years. If promoted to lieutenant commander, they will fill that rank up for the next 5 or 6 years and stop all promotion, and at the same time, as the ranks of lieutenant commander are now filled with fairly young men, there will not be any vacancies for promotion for the lieutenant commanders of this group.

It will thus be seen that the present situation is an abnormal one caused by the war. In seeking a remedy the Navy Department makes the mistake of trying to tie the matter of the hump up with a normal promotion plan for the Navy. They should, instead, have the courage to come before Congress and request legislation to allow them to handle the hump in an entirely different manner from normal promotion and not try to hide the special situation in the general.

The present law, extending selection into the rank of lieutenant and forcing retirement with 21 years' service for officers not selected is an effort to handle the hump as a routine promotional problem. It violates the first principle

of the military organization—the principle of loyalty—by ruthlessly throwing out of the service the good, efficient, and loyal men that have been largely responsible for the excellent administration in the Navy during the past 19 years. When seniors in a military organization permit or encourage unfair treatment of their juniors they immediately forfeit the confidence of their juniors. When confidence ceases in a military organization the organization ceases to function. Mutual confidence, trust, and faith are the first requirements of a service wherein men are trained to lay down their lives at the command of their seniors.

To men of the caliber with which we are dealing the economic life of their families, dependents, and themselves is considered as important as their physical existence. To throw a man out of the profession in which he has spent his youth, on a pension such as goes with 21 years' retirement as a lieutenant, would deprive him of the economic security for which he has worked, and worked hard, during his creative years. No man will ever forgive or forget this. He considers that he has been betrayed by the seniors he has helped to make.

In addition, there is a direct violation of the promise made in 1920, in section 5 of the Personnel Act of that year. As the law read, and as it was explained when these men were induced into the service in 1920, there was no doubt then that they were to be permitted 10 years' service as a lieutenant commander before retirement, and they by inference and arithmetic guaranteed them a 30-year career in the Navy.

The present set-up is destroying the morale and outlook of the young men now entering the service—instead of being all-Navy, Navy in thought, ambition, and act, the young officers of today are keeping a sharp lookout for careers outside of the Navy. They are picturing themselves as being put on the bench when they are 28, 35, or 42 years of age and having to start over again from there.

Appointments to our service academies have always been looked upon by the Members of the House not only as a prerogative but as a serious obligation. Members have been conscientious in the selection of appointees. Qualifying examinations have been held by many Members in the hope of securing the best possible men for appointment. The privilege of appointment has been cherished as an opportunity to give young men the foundation for careers. I believe we still cherish this hope and that we will take immediate steps to correct the system which has accomplished little but blast the careers of many of the men whom we have appointed to the Naval Academy and those who have entered the service expecting utmost good faith from the establishment. There is but one way by which good faith can be shown. Forced involuntary retirements by the selection system on June 30 should be halted by the Congress now. This would enable the consideration, in a careful way, of necessary legislation to cure the conditions.

The Crisis in America

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, June 18 (legislative day of Tuesday, June 15), 1937

COMMENCEMENT ADDRESS BY PAUL BLOCK, PUBLISHER OF THE NEWARK STAR-EAGLE, AT ST. FRANCIS COLLEGE, LORETTO, PA.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "The Crisis in America", delivered by Mr. Paul Block at St. Francis College, Loretto, Pa., and published in the Newark (N. J.) Star-Eagle on June 11, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It seems fitting, in speaking at an institution under the able guidance of the order founded by St. Francis of Assisi, to talk of the principle which, above all others in his life of sacrifice, St. Francis himself held most dear. That principle is the principle of brotherhood.

I need hardly remind you who are here keeping alive the spirit of his work that to St. Francis all things, even the humbiest animals, the planets, the winds of heaven, were his brothers and sisters.

More than 500 years later this spirit of universal brotherhood was once more affirmed by 56 men who gathered in a room in Philadelphia and put their names to an immortal document, our Declaration of Independence.

Upon this faith in the brotherhood of man our Nation was founded, and upon brotherhood only can it survive.

In our modern world, forces are at work which seek to deny and to destroy this brotherhood. These forces strive to extinguish the political expression of brotherhood—democracy. They strive, too, to extinguish the liberties inherent in democracy, the liberties of freedom of speech, freedom of the press, freedom of assembly; and they also strive to destroy our spiritual freedom, the right to worship our God.

Only a few days ago a prince of the church and a great American, Cardinal Mundelein, revealed the malicious propaganda by which the party in power in Germany is attempting to destroy freedom of worship there. These charges have not deceived the world about the fundamental soundness of the church, nor about the high motives and morals of its members.

What these charges do show, however, is the dangerous and reprehensible uses to which power too greatly concentrated in one person can be put. Only in a dictatorship could such propaganda flourish. We have seen that it thrives in Germany and in Russia and, except for religious worship, also in Italy.

In short, it is the rise of personal government, and the consequent possession of supreme power by a single man, which is the great enemy of the principle of brotherhood and of its political manifestation—democracy.

The forces which have brought about the rise of personal government in Europe are not sleeping in our country. The day has passed when Americans can observe European affairs with calm confidence in a barrier of 3,000 miles of water. What we formerly felt certain could never happen to us here is not so certain today.

The fashion in which these forces have shown themselves in America thus far is the gradual increase in power of the executive branch of our Government. That this increase has been in general within the strictly legal limits of a constitutional system makes the change all the more dangerous, since its full implications are concealed from the great mass of the people.

And, although the President himself stated only recently that the crisis is past, his powers nevertheless remain. And what is more disturbing is the desire of our President for added powers, including the right to pack our Supreme Court.

The independence of the Cabinet and Congress is already delegated, almost in its entirety, to the Executive. The judiciary alone remains the challenge to the assumption of complete authority by the President, and steps are now being taken by him to remove this obstacle.

It is a necessary part of the pattern of dictatorship that the courts should be controlled, as they are in all the European one-man governments. Mock trials, such as were held some months ago in Russia, and such as have recently replaced real justice in Germany, are a vital element in the full success of a dictator.

To achieve complete control of a country, it is not necessary for a dictator to turn the whole land upside down, or to stage a bloody revolution in the streets. This becomes plain by an examination of what happened in Germany when Hitler came into power. In making secure the possession of the power he assumed he changed very little the actual institutions of German life—the parliament, the civil service, the church, or the courts. What he did was simply to bring these institutions into accordance with his ideas. Parliament was not abolished; it was simply made a rubber stamp to approve Hitler's bills. The civil service remained; only its spirit was changed. Churches were not closed; but the religion taught in them was modified to meet political necessity. The courts continued to dispense justice; the justice they dispensed, however, was predetermined by Hitler.

This is not to suggest that Mr. Roosevelt is planning a Fascist America and to become its dictator.

He is a God-fearing, patriotic American. But intentionally or unintentionally, the machinery is being pieced together which will give him or any successor the same powers that foreign dictators now have.

Among the rights we, as free Americans, possess is the right of trial by jury, and if this was ever denied us we would have the right to go to the Supreme Court for protection of these rights.

One of the great decisions in the history of our country is that of the Milligan case. Milligan was a citizen of Indiana, and during the war between the North and South he was a southern sympathizer and he gave utterance to his sympathies. He was arrested by the military authorities and brought before a military court by the commanding general of the department of Indiana and he was sentenced to death. Finally his attorney brought the suit before the Supreme Court of the United States. That Court

held that he had not had the right of a trial by jury, one of the most sacred possessions of the Anglo-Saxon race.

Judge Davis, although a Republican from the North, rendered the decision in that case. He held that since Federal courts in Indiana were open during the entire time of the war Milligan was entitled to be tried in a civil court and was entitled to a jury trial, and he held that the action of the military court was unconstitutional.

Recently the Supreme Court handed down an important decision on a case which took place in the State of Oregon. The defendant was charged with violating a State law called a law against syndicalism. He had been tried and sentenced to 8 years in a penitentiary. He had attended a political meeting, a so-called radical political meeting. He had made no speech. He had said nothing to incite the people to violence or to breaking the law; but they found his name on a membership list of the organization under whose auspices the meeting was held and on that kind of proof he was condemned to spend 8 years in the penitentiary.

But the United States Supreme Court held that this citizen, humble and poor though he was, had not had due process of law under the Oregon statute. It held that his trial without more proof than had been adduced was a travesty upon justice. It held that he had not been given due process of law—and he was liberated.

One of the clearest cases in which our fundamental liberties were preserved by the action of an independent judiciary alone took place in the same State of Oregon. In 1922 the Oregon Legislature passed a compulsory school law, making it a misdemeanor for anyone responsible for a child between the ages of 8 and 16 to refrain from sending that child to a public school.

This misbegotten act plainly aimed a death blow at both parochial and private schools. A church school brought suit to have the act declared unconstitutional.

As Judge Charles E. Wolverhampton, of the United States District Court for Oregon, declared in rendering his decision, the vital question at stake was, "Has the State, through its legislative functions, the power, under the guise of police regulations, to deprive parochial- and private-school organizations of the liberty and right to carry on their schools?"

The Court replied to this question, as any American would reply, with a conclusive "No." The act was declared unconstitutional; the right of private property and the cause of free education had won a real victory.

The first article of the American Bill of Rights provides as follows:

"Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

That is one of the most sacred possessions of the American people. Now, there is no single creed or denomination in America that is not within itself a minority. You know what is happening to minorities in Russia, and in Germany, and in Italy, and you know what is happening to religion in some of these countries.

You may think that these things cannot happen to us, but if a wild majority in Congress should some day see fit to pass a law giving some particular preference to this or that creed or this or that religion, and if your religion happened to be the one that was to be attacked, where could you go for your rights and for justice except to an independent Supreme Court?

That is why the plan of President Roosevelt to reorganize our courts, and particularly the Supreme Court, has met with such widespread opposition, causing a deep division even in the President's own party. Entirely without reference to Mr. Roosevelt in particular, I say that the control of the courts by any President, or by any single individual, is the greatest possible blow to all liberties.

Security of liberty, possible only under constitutional government, is vital to the highest civilization in all fields. It is perhaps most vital in the field of education. Concerned with the absolutes of truth, education must be free from all outside pressures if it is to accomplish its task at all.

Let me remind you as to what has happened to education and science in a country like Germany. Where formerly the lamp of learning shone brightly, today, dictatorship is snuffing out.

No wonder then, that Dr. Ernst Krieck, Nazi professor of philosophy at Heidelberg, scornfully says: "We do not know of or recognize truth for truth's sake, or science for science's sake."

It is because education must be devoted to truth, and dictatorship cannot survive truth, that personal governments attack academic freedoms. And with no independent court of recourse, education has no protection against the inroads of the dictator.

We all believe that democracy can and must survive. We should all be willing, even eager, to make any sacrifice to preserve it—such sacrifices, if necessary, as St. Francis made for his ideals, and as the fathers of our country made for theirs.

It is the young men, those just really starting along the road of life and its problems, on whom we must depend to make these sacrifices. It is they on whom we must rely to fight for our continued liberties and the survival of our freedom.

It is customary, on occasions of this kind, to paint a glowing picture of what lies ahead, and to wish those who are going out into the world a Godspeed in their various careers.

Rather than doing this pleasant task, I am going to perform a more serious duty. I am going to place on the shoulders of every person within sound of my voice a grave and solemn obligation.

This obligation is to bend all your energies and to spend all of your powers in the defense of those American liberties which have made your education here possible and which will make your success and happiness possible in future years.

I say to you, young gentlemen, that the fate of our country lies in your hands, to do with what you will. Eight generations of Americans, who have struggled and bled and even died that our liberties might survive, stand behind you, wondering whether their labors have been in vain. As you have benefited from their sacrifices, so you must yourself make sacrifices, in order that the generations which come after you may know what it is to be born and to live a free man.

This is your high and sacred trust. And I know in my heart that you will be worthy of it.

Our Flag Craves Our Devotion; It Commands Our Adherence and Allegiance to the Principles for Which It Stands

EXTENSION OF REMARKS

OF

HON. DONALD H. McLEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 18, 1937

ADDRESS OF HON. DONALD H. McLEAN, OF NEW JERSEY, DELIVERED AT THE FLAG DAY CELEBRATION OF THE ELIZABETH LODGE OF ELKS, WARINANCO PARK, ELIZABETH, N. J., ON JUNE 13, 1937

Mr. McLEAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address I delivered at the Flag Day exercises of the Elizabeth, N. J., Lodge of Elks, on June 13, 1937:

Exalted ruler, Mr. Mayor, brother Elks, ladies, and gentlemen, it is a distinct honor, which I very highly appreciate, to address this patriotic audience under the auspices of the Elizabeth Lodge of Elks. My mind goes back some 20 years when I was privileged to read in the lodge room of the then recently constructed new home the Elks' Flag Day oration and pledge to the flag. Since that time the lodge has prospered, its membership has materially increased, there is a wider knowledge on the part of the public of its objects and purposes, and it has been able to conduct its charitable and patriotic activities on a steadily increasing scale.

We are assembled tonight to commemorate the anniversary of the adoption of the flag of the United States and to renew our pledge of allegiance to it. It is the emblem of the blessings we enjoy as a free people. It craves our devotion; it commands our support in the maintenance of our Government. It is fitting that such a ceremony should be held on the Lord's Day. We are a religious people and our principles of government are founded on Christian ideals.

The Continental Congress on June 14, 1777, adopted the American flag to represent the common cause of the Colonies. Like many of our traditions, it had its inception in the mind of Gen. George Washington. Its 13 bars of red and white signify the Thirteen Original States bound together in unity. The stars on the field of heavenly blue, the new constellation in the firmament of nations, an indisoluble Union of indestructible States.

For a hundred years and more prior to the adoption of our national emblem, there was developing a will for independence and liberty that was to manifest itself in a race of men and women who should bring it about, culminating in the Revolutionary War. The flag was adopted by the Continental Congress in the midst of the war, 1 year after the Declaration of Independence, and 10 years prior to the formation of our Government under the Federal Constitution. There is a significance to these circumstances. Our Government as established in 1787, and which has endured for 150 years, was the result of the development of the capacity of the people to govern themselves. When the Continental Army assembled under General Washington, the Colonies were jealous of their sovereignty and independence, which each desired to maintain, with a purpose to return to its own devices as soon as the common enemy was destroyed. The troops of each of the Colonies rallied about a separate standard. The birth of the flag, under which all should pledge allegiance to a common cause, indicated a growing realization of the need for a more perfect Union. All those human rights stated in the Declaration of Independence were wrapt in its folds to be afterward made the foundation of our liberties under the Constitution.

Critics and students agree that the Government thus developed is the best form of government yet devised for a free people. It has met and survived every contingency and every crisis in our national life. Its strength is in its system of checks and balances, of distribution of powers to its several departments—legislative, executive, and judicial. It provides every opportunity for the free expression of the people's will with ample protection against hasty ill-considered action and assumption of dictatorial power. These restraints should not be lightly swept aside. The three depart-

ments of government should remain coordinate, each independent of the influence of the other.

In the early days American life was primitive. It was easy, in fact necessary, for the Thirteen Colonies, far removed from each other, to live self-contained and remain independent. Little thought was given by one to the concerns of the others.

Over the years our means of transportation and communication, intensified by the increase in population, have annihilated distances and brought the people of the various sections of the country into closer contact. This has created a more common interest until now we must think in terms of nationalism. The interests of any section of the country must be the concern of the entire country, whether it be in the realm of economic and social readjustment, relief of suffering from disaster, the conservation of our resources, or any other activity affecting our daily lives. Rarely, if ever before, in the history of our Nation have issues of greater importance or greater significance been before the American people. The Federal Government cannot resist the demand to participate in their solution. There is the danger of abuses by those intrusted with the management of governmental affairs but our flag is the emblem of a government which guarantees to the people the power of restraint where restraint is necessary. Even though clouds may gather and we may become anxious and not agree on public questions, we must not lose faith in a constitution which made and preserved us a nation.

Government is an established state of legal authority. It exists only with the consent of the governed. No government can exist without a realization on the part of the people that there are restraints to which all must be amenable. We are guaranteed—and our flag is the symbol of—religious freedom, freedom of speech, of a right to participate in governmental affairs, the right to possess private property, of personal liberty, and equal protection under the law, and these rights will continue to be enjoyed by us as long as our institutions under the Constitution are supported and maintained.

There are those who, under the guise of so-called liberalization, would substitute new forms of government to solve our present-day problems. Their methods of attack are not open and in the forum of public opinion, but through insidious means. To these nefarious schemes the American people must always be on guard. Those of us who love our country and would preserve our institutions are obligated to resist these efforts toward destruction of constituted authority. The warning is not new. George Washington sensed the need of it. He said, "it was easy to foresee that much pains would be taken, many artifices employed, to weaken the conviction that the Government of the United States is a main pillar in the edifice of our real independence, and is the point in our political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed."

Our Government is a government in which all may participate. It is "of the people, by the people, for the people." We are governed by the will of the majority, and ways are provided for recording that will. We have no place for those who by force or insidious means would interfere with the orderly course of our lives or who would inject false doctrines into our governmental affairs. We must have it known that the guaranty of freedom of speech is not a license for subversive propaganda. We are too richly endowed with the lessons of the past to let go of the things we know to be true.

We cannot disregard the lessons of the past. Our flag is the symbol of the progress we have made, the happiness we have enjoyed, and the blessings of human liberty we have been able to carry to less fortunate people throughout the world. Our boast is that under our flag the initiative, resourcefulness, and self-reliance of the American people have made us the strongest, most vigorous, and the most intellectual in the family of nations. Our flag craves our devotion; it commands our adherence and allegiance to the principles for which it stands. It should be an inspiration to any American, to every adherent of constituted authority to do his individual part in the maintenance of our Government.

True Story of Townsend Disruption—Not a "Wisp of Straw" to Deceive an Ignorant Cow; Not a Secondary Issue, But Paramount—Real Security for America's Aged

---

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 18, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, there have been sensational developments in respect to the Townsend plan and the Townsend organization in the past few weeks. Accordingly I think it my duty to inform the people of Montana and the United States who are interested in this great movement, who are interested in security of old age and in the employment for the youth of our country, who are interested in a real national recovery for this Nation, just what the true facts in the situation are.

I feel that, far better than I can say it, the statements made by the Honorable Arthur L. Johnson, formerly an attorney with the California State Labor Commission and general chairman of the Townsend legislative committee here in Washington, as stated in his letter of resignation to Dr. Francis Townsend, can tell the real, true facts in the situation as they actually exist.

Accordingly I am including in my remarks the letter written by Mr. Johnson submitting his resignation to Dr. Townsend and a subsequent letter written by Mr. Johnson to Dr. Townsend when requested by the latter to reconsider his resignation.

ARTHUR JOHNSON SINCERE, ABLE LEADER

I do not subscribe to the remarks made by Congressman McGROARTY in his speech last week with regard to Mr. Johnson. I feel that Arthur Johnson is one of the most sincere, one of the ablest, one of the finest, one of the grandest men that has ever worked in the city of Washington in regard to legislative affairs.

He worked night and day. He worked sincerely and honestly and truthfully, and he did a wonderful job. It was his influence and his wonderful work which was driving the General Welfare Act to passage in the House of Representatives and in the Congress of the United States.

Although Mr. Johnson declined to accept any leadership in this movement which we intend to carry on; although he declines to be the leader or to be known as the leader of such a movement, I feel that he, above all others in the United States, could lead us on to a great victory and to final adoption of the General Welfare Act.

However, he is working as he has always worked before, industriously and sincerely and honestly, to promote the passage of the General Welfare Act. His actions in regard to everything were to my mind never dishonest, never insincere, never crooked in any way, and it was his effort that is purging the Townsend movement of many of the nefarious parasites who were actually destroying it.

BLAIR COAN, OHIO GANG RASCAL, CREEPS IN

It was he who railed against this rascal Blair Coan, who stands indicted before all of the American people because of his connections with Harry Daugherty and all of the Ohio gang in the Harding administration, of ill repute and ill fame, and a detriment to the Townsend movement or any movement in this country.

No honest Townsend Club member ought to—no honest Townsend Club member ever should permit his name or his membership to place Blair Coan back into the American political picture—ever let him come back to try his crooked ways—and I feel that this, more than anything else, has led to the disturbances in the last few weeks, because it was he who was trying to steal the movement for sinister influences and for sinister purposes, and we have stopped him in his tracks. Here is the true story as told by Mr. Johnson.

JOHNSON TELLS TRUE STORY

DR. FRANCIS E. TOWNSEND,
President, Townsend National Recovery Plan, Inc.,
720 North Michigan Avenue, Chicago, Ill.

DEAR DR. TOWNSEND: Much as I dislike to do so, I am compelled to tender to you my resignation as chairman of the Townsend plan legislative committee at Washington and do so at this time.

Your statements to the General Welfare Act steering committee yesterday to the effect that the General Welfare Act is of secondary importance, that you will fight the Congressman who has taken the lead in the battle for the enactment of the General Welfare Act into law if he does not conform to your views on the Supreme Court issue, that the Townsend Weekly is your paper and that you intend to express your political views therein at all times, that one Blair Coan's connection with the movement is not to be completely severed, and that in your opinion the reason we are advocating the $200 per month maximum feature of the bill is akin to holding a "wisp of straw" tied on a stick in front of a cow's nose to get the cow to follow you, instead of considering this feature of your program, as I do most sincerely, as the only means of industrial recovery before the Nation or that can give to the Nation the purchasing power sufficient to bring us out of industrial chaos if and when the $200 mark could be anywhere near approached on the pro-rata basis, make it impossible

for me to continue legislative work on the Hill as your representative.

Nor can I be a party to your obtaining money from the old people of the Nation for one purpose and using it for another, to wit, to promote your own pet theories on issues before the public having no relation to the General Welfare Act.

I do not question your right to express your own political views as a citizen at all times, but to express them in the official organ built up and paid for by the old people of the Nation to promote the most worthy cause ever placed before the people of this Nation is but to divide their strength and disrupt the movement, besides being unfair to those who have been donating money to you for the sole and exclusive purpose of securing the enactment into law of the General Welfare Act at the earliest possible moment.

You will realize, Doctor, that I take this step only after weeks of pleading with you by letter, wire, and a personal visit to Chicago to implore you to change your course in this regard. Yesterday you stated your final stand in the matter so forcefully that there is nothing left for me to do if I desire to retain my self-respect and the reputation I have taken a quarter of a century to build up, and I, therefore, hereby tender my resignation to take effect immediately.

I trust that my transportation back to California and moving charges will be taken care of in accordance with the arrangements made when I consented to come here at your request.

Assuring you that my action in this regard does not in any way lessen my enthusiasm for the enactment of the General Welfare Act (H. R. 4199) into law as the only genuine recovery measure before the Nation and that I will, in my small way, continue to exert every ounce of energy I possess to secure its early enactment even though I have to do so from a distance, and with kindest personal regards and no animosity in my heart whatever, I remain,

Very sincerely yours,

ARTHUR L. JOHNSON,
Chairman, Legislative Committee.

[Copy]

725 NATIONAL PRESS BUILDING,
Washington, D. C., June 6, 1937.

DR. FRANCIS E. TOWNSEND,
President, Townsend National Recovery Plan, Inc.,
720 North Michigan Avenue, Chicago, Ill.

DEAR DR. TOWNSEND: In reply to your telegram asking me to reconsider my decision and stay on the job in Washington, will state that the decision I made was not mine but yours. You brought it on yourself and stated it publicly in the presence of 20 Congressmen. Even the words used in my letter of resignation were your own words. They were uttered deliberately after weeks of meditation on your part and were so contrary to what you told me privately before we went into the meeting that I could hardly believe my ears and, as I told you afterward, I would not have been surprised to see every one of the Congressmen present walk out on you.

They did not walk out, but the reaction afterward was such that it would be an absolute impossibility for me to make any headway on the Hill as your representative. The entire Congress is against you to a man, Doctor. By your words at this meeting you destroyed the last vestige of support you ever had in Congress. I say this in all kindness and without any desire to hurt you. I feel that you should know the truth and I have tried in the gentlest way possible in my conversation with you in the 2 days you were here and in my letters to you to convey the idea to you that the consensus of opinion on the Hill is that the Townsend name is the greatest handicap the General Welfare Act carries, not only in Congress but outside among the labor and industrial groups. There is a marked hesitancy on the part of everyone to espouse the cause because no one could tell what outside issue you would take up the next day, whose toes you would step on, or what man of shady reputation you would tie up to next.

Personally I was advised by influential friends before I left Los Angeles that if I tied up to you my reputation would be gone in no time. I had implicit confidence in you and in your plan, however, and I told them that I would take that chance, even to the extent of risking a life civil-service job along with the reputation I value more than anything else. I even went to the extent of playing you up as a second Lincoln on the radio on occasions too numerous to mention.

Imagine, then, my surprise and disillusionment when you publicly abandoned your plan on behalf of another issue and told 20 Congressmen who had risked their reputations as I did that the $200 per month was just a "wisp of straw" tied on a stick in front of a cow, which the cow would follow but never reach and, as many present undoubtedly thought and expressed the next day, "would follow presumably to the milking shed."

By these public statements putting your plan in the light of a fraud upon the old people, and your complete abandonment of your plan for the Supreme Court issue, and express statement that you would endeavor to defeat anyone who voted for your plan and at the same time voted for the enlargement of the Supreme Court, you destroyed all confidence in you among the Congressmen; and for me to continue as your representative under the circumstances would have been useless, as I would be laughed at wherever I went, besides being classed as a man with no self-respect or honesty of purpose.

What the future will be, Doctor, I don't know. I feel terribly sorry for you and for sweet and lovable Mrs. Townsend at this hour of disillusionment, and assure you that I will do all I can to urge your followers to see that neither of you will ever suffer want and that you are given the credit you deserve for originating the idea of adequate old-age pensions as a means of promoting the general welfare. I do hope your name will go down in history in this regard, Doctor. Whether it will or not depends on your actions in the future. If you simply retire, as you expressed to me to be your desire, and do it gracefully, the demand for the enactment of the General Welfare Act will go on, and when it becomes a law you can look back and say, "Well, anyway, my idea was adopted, the Nation has benefited from my efforts, and I have left my footprints in the sands of time."

If, on the other hand, you decide to continue, you must do so with the knowledge that you haven't a single Congressman behind you at Washington, and that all of your activities will react most strongly against the enactment of your plan into law and may keep it from ever becoming the law of the land.

I say these things to you, Doctor, because I know they are the truth and because of the love and respect I have carried for you since I have known you. You have done the Nation a service. If you preserve what you have done, the Nation will in the long run respect you. If you attempt to undo it now by standing in the way of the enactment of your plan into law, all of your work will have been in vain.

As for myself, I will state that nothing can deter me from continuing to battle for the plan I know is right. As a result of my asking for another 3 months' leave of absence from my State position in California, I am foot-loose and without a job for the first time in 20 years. I will stay here at Washington for a week or two at my own expense to see what develops. I am receiving letters and telegrams from all parts of the Nation imploring me to stay on the job to continue to fight for the enactment of the General Welfare Act into law. Clubs that have changed their names from Townsend Clubs to General Welfare Clubs have indicated a desire to keep me here. If they want me, I will do all I can to help, as my whole heart and soul are in the work, and whatever I do will in the long run redound to your credit and help secure the enactment of your plan into law, but I cannot accept another Townsend dollar in view of the statement and decisions you made before the steering committee last Friday.

If the Townsend Weekly and the Townsend National Recovery Plan, Inc., fold up and go bankrupt, it certainly won't be my fault, as I feel that I have given value received since I have been here at Washington, working night and day, and that the night, Sunday, and holiday work I donated to the movement in drafting the General Welfare Act and in speaking and working for the plan for 3 years before that more than make up for any deficiencies there may have been in my work here.

I tried my best, moreover, to save you from yourself, Doctor, but was not successful. You made your final decision public here on Friday, and I must abide by it, much as I hate to hurt you personally. Personal loyalty ends when one makes it impossible to follow and keep one's self-respect.

This does not mean that personal friendship ends, and I trust, Doctor, that we can still continue to be friends, even though I can no longer continue as your official representative in any capacity whatever. I will help wind up things here at the office on my own time but will prepare no more radio talks or take any other action on Townsend money.

Assuring you that I have greatly enjoyed our association in the past and trusting that nothing will mar our personal friendship in the future, I remain,

Very sincerely yours,

ARTHUR L. JOHNSON.

LET'S CARRY ON AS GENERAL WELFARE CLUBS

Yes, Mr. Speaker, this old-age pension movement is now stripped of its personalities, of its deification and idolatry of one man who would dictate to his followers and supporters their vote on every public question. Now the General Welfare Act lives and breathes a fresher air, moves on now more than it ever did before, with much greater hope and promise of its enactment by the Congress of the United States.

The steering committee, of which I was a member, has now become the General Welfare Act steering committee. It is working harder—is working more unitedly than it ever worked before, to bring about the passage this session, or if that is not possible, then in the next session of this Congress, of the General Welfare Act.

We appeal to all the so-called Townsend Clubs all over the Nation to follow our leadership—to change their names from Townsend Clubs to General Welfare Clubs so that we can carry on—so that we can enact this great general-welfare plan into law. We ask them to save their nickels and dimes, for God knows they need them. Make this a great movement to bring lasting prosperity for all, not a movement to finance and aggrandize some personality.

I do not agree with Congressman McGroarty that any Member of this House ought to withdraw his name from the discharge petition on the desk which asks the discharge of the General Welfare Act (H. R. 4199) from the Committee on Ways and Means. I deny that my signature on there or the signature of any other Member assists or will assist Dr. Townsend or anyone else to defraud the old people of this country. We are not responsible for such fraud and deceit. As Congressmen we are interested only in the enactment of this legislation which is the greatest piece of legislation which has ever been presented to this Congress or any other Congress in the history of the United States.

I urge every Member of this House interested in real old-age pensions to sign the discharge petition, so we can fight it out here on the floor of the House, and give the aged citizens of this country real security and not starvation at $30 a month or less.

Centennial Celebration of Passaic County, N. J.

EXTENSION OF REMARKS

OF

HON. GEORGE N. SEGER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 18, 1937

ADDRESS BY HON. GEORGE N. SEGER, OF NEW JERSEY, AT THE CENTENNIAL CELEBRATION OF PASSAIC COUNTY, AT PATERSON, N. J., ON JUNE 5, 1937.

Mr. SEGER. Mr. Speaker, I desire to extend my remarks by inserting in the Record copy of a brief address I made at the centennial celebration of Passaic County, N. J., held in Paterson, N. J., on Saturday, June 5, 1937. The district I represent in the Congress embraces the lower part of Passaic County, the larger part of its population—a district I have always held to be the finest in the United States.

The address is as follows:

Freeholder Director Scheidemann, distinguished guests, ladies, and gentlemen, a century ago today a Patersonian was Governor of New Jersey. He was Philemon Dickerson. Your Representative in the Congress of the United States was Dr. John B. Aycrigg, then of Hackensack, later of Passaic. My home in Passaic is on a street named in his honor.

Congressman Aycrigg and Governor Dickerson lived in the "horse and buggy" days. There was no automobile and very little in the way of railroads. While I can today get to Washington from Newark by plane in little more than an hour's time I can picture my 1837 predecessor spending many weary hours, sometimes possibly days, negotiating the journey. He had to go by boat from New York to Philadelphia and from there he had to make two train connections. Where Congressman Aycrigg roomed on Capitol Hill no one had ever heard of anything like the modern heating furnace and the ladies had never seen a sewing machine. No news came from the Nation's Capital by telegraph or telephone. And it was 13 years after the Congressman's arrival in Washington that the White House broke the startling story "the President had arranged for the installation of a bathtub."

TELLS OF EARLY DAYS

Passaic County was one of several counties making up Congressman Aycrigg's district—now I represent only the lower portion of Passaic County. In 1837 I believe 15,000 would be a fair estimate of the county's population while today it exceeds 300,000. Historians describe Passaic county as the most irregularly shaped of all the counties of New Jersey. It has been said to have the appearance of an old-fashioned hour-glass. Historians also say Passaic is one of the best known counties of the State because of the enterprise and courage of its citizenry from its very beginning. That the people of Passaic County do things is borne out in endless testimony found in the pages of the press.

Passaic County has had its ups and downs, its good times and its hard times. I believe, however, it is quite true that the first 100 years are the hardest.

When Congressman Aycrigg took his seat in the National Legislature, he found our country in the throes of the great panic of 1837. It is recorded that business in New York City and surrounding communities was almost at a standstill. Nine-tenths of the factories in the East were closed and debtors were asking creditors to accept 5 cents on the dollar.

A century ago our people had never heard of the expression, "throwing up the sponge." They were builders. Adversity made them strong. They applied themselves to the task of reconstruction and invention. Prosperity ensued.

The thought I would like to leave with you today is just this: We have inherited too much to neglect. Every word spoken from this platform today and this lovely pageant we have witnessed emphasize how much we owe to the struggling men and women of Passaic County a century ago. Theirs was not a path of roses. Ours has not been such, and years hence it will be just the same. We will always have to work for things worth while.

LOOKS INTO FUTURE

When we consider all that has happened in the last 100 years, we cannot help but realize how futile it is to picture a situation 100 years in the future. Who knows but at some bicentennial celebration speakers may be addressing the assemblage something like this: "One hundred years ago there were men called freeholders and there was still a Congress of the United States"?

Seriously, I congratulate the Passaic County board of chosen freeholders on their program today, and I join them in wishing the people of our county all health and happiness in the years ahead.

The Late Marion Zioncheck

MEMORIAL ADDRESS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. Marion Zioncheck, late a Representative from Washington

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks I include herewith a beautiful and touching tribute paid to the life and achievements of the late Marion Zioncheck, former Member of this body from the State of Washington, by the Reverend Fred Shorter. This was a funeral oration delivered at the public funeral services of the late Mr. Zioncheck at the Eagles Auditorium, Seattle, in August 1936.

MARION ZIONCHECK—A SHELL-SHOCKED SOLDIER

By Rev. Fred W. Shorter

I have had us read together the words of Victor Hugo, because they seem eminently fitting to this service. Marion Zioncheck died at the barricade. He died a shell-shocked comrade fighting to the very last for the poor and dispossessed. He was a casualty in a war greater in magnitude and significance than the World War, veterans of which found in him their best friend.

How tenderly we cared for the shell-shocked soldier. How cruel the unconscious neglect which was the lot of Marion Zioncheck in his last hours. His very last words revealed the passion of his young life: "I have tried to improve the condition of an unfair economic system that holds no promise * * * even a decent chance to survive, let alone live." Note the significance of that final message. Compare it with the last message of ordinary people.

No one loved his family more than Marion Zioncheck. But much as he loved his wife, his mother, his sister, his relatives, his first thought as he contemplated his last dramatic act was of the common people whom he delighted to serve. He always felt himself the instrument of their will. He often said that he did not represent the rich and influential. They were well represented by others. In the last hour of his life there crowded into his poor, tired mind "the patient armies of the poor."

He saw so many of them—farmers on the land, workers in the factory, sailors on the sea, miners in the bowels of the earth. He saw their suffering faces; he had heard their heart-breaking stories. Many a time he had given them a lift over the rough road. And he saw standing between them and happiness the dark greed of "an unfair economic system."

He pledged his life to change that unfair condition. Perhaps the fact that he was an immigrant boy gave him a serious attitude toward life. Coming from a land whose history is one of blood and oppression and poverty, he took his adopted country seriously. It was to him and his people the land of plenty and freedom. Then, as he grew to young manhood he saw the darker shadows of his new home. He set his mind to get rid of them and to help make it a land of light and beauty. From his student days at the university until his death he felt the call to battle against the hidden powers of greed and graft and hypocrisy.

He found those powers even greater than he imagined. "We battle," said the apostle Paul, "not against flesh and blood but against principalities and powers; against the world rulers of this darkness." The fighter for social justice becomes at times

oppressed with the intangibility of the thing he fights. The more sensitive the more he feels its terrible impenetrability.

MARION ZIONCHECK was a sensitive man, who took life seriously. He took it so seriously, indeed, that it crushed him. That is why those who knew him best feel deep resentment at the false pictures that were painted of him in the daily press. To dub him "playboy Congressman" revealed at best, stupidity; at worst base cruelty. But this is not the time for resentment. That is always short-sighted. He himself said, "It is simply the bitter fruit of a bad system", a system for which we are all responsible and thereby must all share guilt.

But long after MARION'S traducers are dust, students of history will pore over the pages of the RECORD of the Seventy-third and Seventy-fourth sessions of the Congress. They will note there the names of those who served the people. In a happier day they will mark those who helped humanity climb to a freer life. And they will put in their book of remembrance the name of a Polish immigrant boy, the name of Congressman MARION A. ZIONCHECK, of the State of Washington.

For whatever people may say of conduct that hurt himself, no one can say with truth that MARION ZIONCHECK by any vote of his hurt the people whom he represented. It has been said of Congressmen, "By their votes will ye know them." By his votes we do know with surety that our Congressman was true to the trust we placed in him. He felt himself to be the instrument of the people. He took pains, time and time again, to find out what the thoughts of his people were about bills that were coming before Congress. Not that he thought of himself as a "rubber stamp"—far from it. But he wanted at all times to keep in touch with the minds of those he represented.

When he voted he accepted full responsibility. And there in the pages of the RECORD his record stands: "Yea", when it is in the interests of the people; "nay", when it is in the interest of privilege. There in the RECORD stand burning and biting speeches against the throttling of free speech, of teachers' loyalty oaths, of the use of the National Guard for the breaking of strikes. And there in the RECORD his championship of the right to all to economic security. Yes; any Congressman might well be proud of such a record.

Not only in the record of Congress but also in the record of the city of Seattle his name will be inscribed in honor. In its struggle for freedom and justice he played his part. When men without influence, men without the pale of so-called respectable society, became entangled in legal difficulties they knew one man who would never refuse them aid, the young attorney, MARION ZIONCHECK. Above all, in the hearts of innumerable men and women will be found his name inscribed in letters of gratitude for help in time of trouble.

For all this and more we face his death as at the same time tragic and bearable. Tragic because of the loss to the cause of human progress the vitality and consecration of one so young. Bearable because his record remains an inspiration to all men. There is one deeper source of power by which to bear, and that is the consideration that pain and death and sorrow bring mankind closer together than anything else. When first it strikes we think we cannot bear it. We are so empty, so helpless. We feel "like a child crying in the night, a child crying for the light and with no language but a cry."

Then we reach out and touch the hands of understanding friends. We tap the resources of their characters. We feel that they are part of us and we are part of them. But not only do we reach out in space but our minds reach back in time—back and back to the far reaches of humanity's painful progress. We see that we are human, suffering as all human beings have suffered. We begin to get an inkling of the greatest of all truths—the deep underlying unity of humankind. We are all—white and black, of whatever creed or race—brothers and sisters in sorrow. To wife, mother, sister, and dear friends we therefore say: This experience, hard to bear as it is, may etch into the soul a new appreciation of human life.

He died young, people say. Yes; but he lived an immortal life. And how can one really die when one's life is immortal? What is immortal life? Is it not a quality of life?—the very quality of political and intellectual integrity that shone forth in his life? The very quality that caused him to take upon his shoulders the burdens of his fellows? The very quality that expressed itself in those intimate personal relations? Such quality cannot be measured in minutes or in years. It becomes part of the warp and woof of the tapestry of human life. It cannot disintegrate.

He died young. Yes; and that makes the challenge of his life come to us with greater power. We, his friends, have assembled here to do him honor. It must not be mere lip service to the principles for which he fought. That would be horrible hypocrisy, and his death for us vain. Let us say to him: The struggle against the powers of darkness is not futile. We take up the torch. We shall by the help of God and the inspiration of His heroes scatter the darkness and set the prisoners free. Will you, with me, make a solemn pledge to carry on with ever greater vigor the fight to "improve the conditions of an unfair economic system" and make life worth living in this land of plenty?

"Mourn not the dead that in the cool earth lie—
  Dust unto dust;
The calm sweet earth that mothers all who die
  As all men must;
But rather mourn the apathetic throng—
  The cowed and meek—
Who see the world's great anguish and its wrong
  And dare not speak!"

Glover H. Cary

MEMORIAL ADDRESS
OF
HON. J. WILLIAM DITTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. GLOVER H. CARY, late a Representative from Kentucky

Mr. DITTER. Mr. Speaker, one of the most pleasant memories which I shall cherish always is the memory of the friendship of our colleague, GLOVER H. CARY.

It was my privilege to serve with him on the Naval Appropriations Committee, where he distinguished himself by his keen analysis and comprehensive understanding of the many intricate problems connected with our national-defense program. The needs of the Navy as our first line of defense were his constant care.

Mr. CARY was a brilliant lawyer. He established an enviable reputation at the Kentucky bar, where his ability was recognized by his brother lawyers and by a wide and influential clientele. He was always mindful that his oath required fidelity to the court as well as to the client.

For 12 years he served as State's attorney in the district in which he lived, during which time his outstanding ability brought him the admiration of both friend and foe.

GLOVER CARY represented the finest traditions of the South. He was a gentleman. He was always sympathetic, chivalrous, and courteous. He was positive, but not arbitrary. But, most of all, he was a friend. As such I will always remember him. His everyday life exemplified the idealism so beautifully expressed in the lines:

Let me live in my house by the side of the road
  Where the race of men go by.
They are good, they are bad, they are weak, they are strong,
  Wise, foolish—so am I.
Then why should I sit in the scorner's seat
  Or hurl the cynic's ban?
Let me live in my house by the side of the road
  And be a friend to man.

William David Thomas

MEMORIAL ADDRESS
OF
HON. BERTRAND H. SNELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM DAVID THOMAS, late a Representative from New York

Mr. SNELL. Mr. Speaker, when announcing the death of my late colleague, WILLIAM D. THOMAS, of the Twenty-ninth Congressional District of New York, I said: "Mr. THOMAS had not been a Member of the House as long as some of us, but his genial personality and his friendly manner won for him a warm spot in the affections of his colleagues on both sides of the aisle. His sudden death in the prime of vigorous manhood will not only be a great loss to his family and the community in which he lived, and where he played such an important part for many years, but it is a real loss to the State and the Nation."

I wish now to amplify those remarks.

Mr. THOMAS and I were neighbors; that is to say, his congressional district and mine are contiguous. I know, therefore, at short range the appraisal of him by the people with whom he lived all his life. In their estimation he was the embodiment of civic righteousness. They saw in him a man of family, that great unit in society in which American character is molded and without which our boasted civilization would decay; they saw in him a man of impeccable char-

acter, true and just in all his dealings, a man whose word was his bond, a man who, though utterly devoid of cant or hypocrisy, was nevertheless of deep religious convictions and who demonstrated his faith by his works.

By profession Mr. THOMAS was a pharmacist, receiving his degree of Ph. G. from Union College, Schenectady, and as such was known to his fellow townsmen of Hoosick Falls. I am inclined to think his profession had much to do with shaping his methodical and serene habits and his meticulous attention to details. While administering healing potions to the physical man he glimpsed beyond the outer casement and sensed the alchemy of man's spirit. Thus it was, perhaps, that he understood sympathetically the viewpoints of his fellow men. It was this phase of his character that endeared him to them. He radiated good will and a spirit of friendliness. Without uttering a word his smile spoke volumes. He exemplified an old proverb:

The spoken word is your master, the unspoken word your slave.

BILL THOMAS was "no spendthrift of his tongue." But when he spoke, his words, brief and to the point, commanded attention, carried force, and left no doubt of his sincerity and mental honesty.

Mr. THOMAS was successful in business and politics. In both spheres he adhered to the same high standard of ethics that always motivated him. He enjoyed the confidence of his neighbors and of his constituency, for they recognized in him a man of strict integrity and probity. His name was synonymous with square dealing and straight shooting; his "yea" was his yea, and his "nay" was his nay, and this was understood and respected.

Vacillation and equivocation were not in his lexicon; he had none of the wiles of designing men who prey upon society, nor of the deceits and demagogy of cheap politicians. Hence his advice and counsel were sought for the wisdom of his judgment and for the soundness of an honest conviction. He would not compromise either his convictions of right either in business or in the realm of politics. Yet, although a Republican and a party man, having been chairman of the Republican committee of Rensselaer County for some years, he was not offensively partisan, but always tolerant of the views of others.

Looking back upon the fine attributes and character of this man it can readily be seen, I think, why he was selected from among his people to represent them in the General Assembly of New York and in the National House of Representatives. Had he been spared greater length of days, I am convinced he would inevitably have won his way to an ever greater degree of affection and esteem in which the Members of the House held him during his abridged career here; as it was, he came to be regarded as a dependable legislator.

This House has an uncanny way of classifying its Members and of placing each man in his proper niche. If I judged BILL THOMAS accurately, I would say that his colleagues looked upon him as ruggedly honest and sincere, and perhaps impressed, as I was, that here was a man whose quiet and unassuming manner and genial and pleasant countenance denoted and reflected the reserve force of a strong character—the type of an American which has made and kept America great.

Senators Fletcher and Trammell of Florida

MEMORIAL ADDRESS
OF
HON. LEX GREEN
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. DUNCAN U. FLETCHER and Hon. PARK TRAMMELL, late Senators from Florida

Mr. GREEN. Mr. Speaker, the Senate and the House have very appropriately set aside one day in each session to permit us to pause and pay solemn tribute to our departed colleagues.

During the past 14 months, death has entered our portals and carried away 23 of our colleagues. They have passed from us to the realm of immortality. They have answered their last roll call. Among these departed, Florida lost two distinguished and able servants. Probably no other State has sustained the loss through death of two United States Senators in a span of time so short.

PARK TRAMMELL, Senator from the State of Florida: Lawyer; editor; mayor of Lakeland, 1899–1903; member of the State legislature; attorney general of Florida; Governor of Florida, 1913–17; elected to the United States Senate in 1916, 1922, 1928, 1934. Died May 8, 1936.

DUNCAN UPSHAW FLETCHER, Senator from the State of Florida: Lawyer; member of the Florida State Legislature; mayor of Jacksonville; chairman, board of public instruction of Duval County, 1900–1906; chairman, State Democratic executive committee; elected to the United States Senate, 1908, 1914, 1920, 1926, 1932. Died June 17, 1936.

It was my privilege to know them and to be associated with them for many years. We were colleagues in the Congress for about 11 years. Our acquaintance, through long years of mutual service to our State, ripened into close friendships. They were patient, affable, courageous, and earnest in their service to State and Nation. Their accomplishments were outstanding and carried benefits to Florida and to the Nation which will be appreciated more and more with time. The fruits of their services live after them and grow brighter in the hearts of all Floridians as the days pass on.

Their passing was untimely and so remindful to us that life is short at the longest and that death is inevitable. They were profound in wisdom and knew the eternal beauty of truth, faith, and virtue. They lived these lines of Santayana:

O world, thou choosest not the better part!
It is not wisdom to be only wise,
And on the inward vision close the eyes,
But it is wisdom to believe the heart.
Columbus found a world and had no chart,
Save one that faith deciphered in the skies;
To trust the soul's invincible surmise
Was all his science and his only art.
Our knowledge is a torch of smoky pine
That lights the pathway but one step ahead,
Across a void of mystery and dread.
Bid, then, the tender light of faith to shine
By which alone the mortal heart is led
Unto the thinking of the thought divine.

Nations have risen, nations have fallen; generations come, generations go. Our eternal destinies are shaped and made; as individuals we are as but small grains of sand sparsely sprinkled upon the eternal beach of time. To our destinies we are guided by the great and shining star of hope. Hope is the beacon which guides us over uncharted seas and springs eternal in the breast of man. It surmounts sorrow and despair and fills our souls with joyous anticipations of tomorrow. It has inspired philosophers who have sought to penetrate the secrets of the stars. It has filled soldiers who have fought their way to fame beneath the flashes of the sword. It has ruled emperors whose scepters have been the symbols of universal power. It has embellished poets whose songs have been the mirrors of the passions and the hopes and glories of the times. It has imbued teachers and preachers who have led their flocks to the height of spiritual excellency. It has saved the weak and lifted up the unfortunate. It is the inspiration which leads us beyond the valley of the shadow of death.

If on a quiet sea,
Toward heaven we calmly sail,
With grateful hearts, O God, to Thee
We'll own the favoring gale.

But should the surges rise,
And rest delay to come,
Blest be the tempest, kind the storm
That drives us nearer home.

The Alien in America

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, June 21 (legislative day of Tuesday, June 15), 1937

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, ON JUNE 18, 1937

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered last Friday night, June 18, over a Nation-wide network of the Mutual Broadcasting Co. from Washington on the subject of "The Alien in America", at which time I also took occasion to discuss the Dies bill which recently was passed by the House of Representatives and which bill I shall oppose when it comes to the Senate for debate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, through the courtesy of the Mutual Broadcasting Co., it is my great privilege to be able to talk with you this evening about the alien in America. I wish to talk to you very seriously, intimately, and personally, because I deem your interest and mine in this question to be identical.

If you agree with what I am going to say to you, it is absolutely essential that we stand together, shoulder to shoulder, for an American America. Look at Europe, armed to the teeth. We have here in this country some 14,000,000 of her people, but we must not tolerate within our borders divided allegiances and the eternal hatreds of the Old World.

There are some people in official position who have said that the alien is vanishing just as the buffalo has disappeared from the Great Plains of our West. I don't believe there ever were as many buffaloes as there are aliens in the United States, but one thing is certain, the fallacy of this contention, my friends, was well demonstrated a few days ago by the House of Representatives. It has passed a bill introduced by Congressman DIES, of Texas, which establishes the principle, for the first time, that violations of our immigration statutes may be condoned at the discretion of the Secretary of Labor. That bill has come to the Senate for our consideration. I am going to take this occasion to explain its defects, and I ask your immediate support to secure its drastic amendment or its defeat by your representatives in the Senate.

As a measure designed to clear the United States of alien habitual criminals who have infested our country for many years, the Dies bill, I contend, is a delusion and a snare. It is a strangely worded document.

The first subsection of section 1 of the Dies bill provides that an alien who entered the United States shall be promptly deported, regardless of when he entered, if he is hereafter convicted in the United States, within 5 years, of the institution of deportation proceedings against him, of a crime involving moral turpitude, for which he is committed to an institution as a result of such conviction. What does that section mean? If the English language means anything, the inclusion of the word "hereafter" indicates that the alien must have a subsequent conviction in order to come within the provisions of this bill. This bill is an amnesty for all past crimes committed by alien criminals. It would seem that the curious phraseology of this section of the Dies bill might imply that deportation proceedings must be commenced before the alien is convicted.

I want to call your attention to the fact that in addition to the time limitation, in order to get a criminal alien out of this country, he must be convicted of a crime involving moral turpitude and he must be sent to jail. An alien convicted of crime and hiding out in the United States would not be deportable under the provisions of this bill.

Now let me point out to you more safeguards which the sponsors of this bill have cast around the alien criminal and the alien who enters the United States in violation of its immigration laws. If an alien who is illegally in the United States can escape detection for 10 years, the Secretary of Labor is granted discretionary power to leave him here, or—now get this—if the alien has lived continuously in the United States for 1 year and has a relative living here, including a legally recognized child, he may be left in the United States. My friends, I want to be reasonable about this question; but I defy anybody to point out an alien who has entered the United States in violation of the law and is residing here now in defiance of the statutes, who cannot escape deportation from the United States, if the Dies bill becomes a law.

Of course, if the American people wish to make a joke of the restrictions imposed upon immigration into the United States, or, perhaps, I had better say, if the American people wish the foreigner to look upon our statutes as scraps of paper and our enforcement of these laws as a farce, why, then, these safeguards embodied in the Dies bill can be defended. Let me repeat myself. I am going to exert my utmost energy to defeat this pernicious bill and I want your help to do it, and I want it now.

My friends, here is one of the craziest provisions of this crazy bill (the Dies bill). Subsection (b) of section 2 would grant to the Secretary of Labor permission in the first year, in which this bill is enforced, to allow not more than 3,500 aliens who are illegally in the United States to remain here, if the bill is enacted. Furthermore, the Secretary is granted permission to pardon 1,500 alien lawbreakers in the 3 succeeding years; in other words, the Secretary of Labor is to be allowed, if the Senate agrees to the passage of the Dies bill, to turn loose in this country 8,000 alien criminals, to whom the Government of the United States owes no obligation whatsoever.

I will tell you what the sponsors of the Dies bill are trying to do. They are trying to establish the principle that broad discretionary power shall be given to the executive branch of the Government to deal with the deportation of alien criminals as it sees fit. Once you establish that principle of administration of our immigration laws, restriction upon immigration into the United States is sunk out of sight.

Are we going to have restriction upon immigration into the United States, or are we not? If we are going to have restriction upon immigration, we have got to have a deportation law with teeth in it. We must have a law which will make it impossible for the alien to evade its provisions and get away with it.

Last year I took occasion to examine in person the records of the so-called hardship cases. Let me tell you that I was amazed by what I discovered in the Department of Labor.

In the first place, I found that, in response to a resolution passed by the House of Representatives calling for the records in the hardship cases, the records were never sent to the House at all. Instead the Department made digests, and these digests, to my personal knowledge, suppressed material evidence respecting the characters of the aliens concerned. I wish you could have seen the records of some of these aliens classified as lily white in character for whom an amnesty is desired. My friends, you would be surprised at the filth I unearthed. One man the Department of Labor had not the heart to separate from his alleged wife, according to the digest, was actually keeping the woman as a mistress after smuggling her into the United States for immoral purposes. This lily-white alien, I found, had abandoned a wife and family in the country he came from. Do you think those aliens are a desirable addition to our population? I will answer for you. No! My friends, are you going to telegraph your Senators today and urge them to defeat this bill, the Dies bill—D-i-e-s. I hope so.

Recently I looked over a memorandum prepared by the Department of Labor in relation to proposed changes in the immigration law, which was sent to the Senate and House 2 or 3 years ago. In this memorandum there is a selection from the records of some 235 cases relating to alien habitual criminals who were picked up in the course of a 15-day period in only two cities.

The first case of which an analysis is published relative to an alien habitual criminal who has been in the United States for 27 years. He had been arrested eight times, and as a result had spent 10 years and 3 months in jail. Now, my friends, according to the record in this memorandum, under no interpretation of the Dies bill which I believe can reasonably be made would it be possible to deport this alien.

The second case, and note, please, I am reading in the order in which they are printed, relates to an alien who has been in the country for 22 years. He was arrested 10 times and imprisoned in the aggregate for 2½ years, but, my friends, he is not deportable either under the Dies bill, which we are asked to pass.

Now, let me skip a few of these interesting characters with only a handful of convictions to their credit. Here is an alien who really amounts to something. He has been in the country for 27 years. He was arrested 16 times in the course of that period, and he reposed for 5 years, 6 months, and 1 day in jail. The result of his last encounter with the law is indicated as "pending." It is not clear whether he was convicted and sent to jail, or fined, or acquitted; but as the record stands, there is nothing to show that he could be deported from the United States, although out of the 27 years in our country he has fallen 16 times within the clutches of the law. I ask you, my friends, if you think that a bill which purports to clear our country of alien habitual criminals and cannot reach such scoundrels is worthy of serious consideration by the Congress of the United States. I do not.

Let me tell you the reason why these people cannot be reached by the Dies bill. It is because of the 5-year limitation on the period during which conviction must have taken place, which it contains, although, as I have already said, I am by no means sure what the courts will say it means when it comes to be tested. However, assuming that it has the broadest possible intepretation in relation to the cases which I have set before you, I am certain not one of the aliens whose records I have cited could be expelled. That is bad enough, but inasmuch as representatives of the Department of Labor have sponsored this Dies bill, let me call your attention to the following fact:

On January 15, 1936, the Secretary of Labor transmitted to the Speaker of the House of Representatives a letter which included a report of the Commissioner of Immigration and Naturalization, bearing the same date. This matter is so important that I am going to read you what the Commissioner had to say about limitations in regard to time, which in existing statutes precludes the deportation of the alien habitual criminal:

"Criminal aliens who have had as many as 30 separate convictions, others who have spent half of their time in this country in prison, aliens guilty of the most serious crimes, including homicide, rape, kidnaping, grand larceny, counterfeiting, debauching the morals of minors, cannot in many cases be deported under the present law.

"This is due to the fact that the present law requires convictions of a crime involving moral turpitude punished by imprisonment of 1 year or more within 5 years of the alien's entry into the country, or two such convictions and sentences since May 1, 1917.

"These limitations as to the time of commission of the crime and the length of sentence have permitted many of the most dangerous alien criminals to escape. It is also possible for them to escape deportation by pleading guilty to a lesser offense which will not call for imprisonment of a year. Or their cases are nol prossed. Or they are released on bail, which they can then jump. Or they are given a suspended sentence, or a sentence just under the year required for deportation. If all else fails, they can request the judge or magistrate to recommend against deportation, and if any judge or even any police-court magistrate so recommends, deportation cannot be effected."

Now, if you wish Congress to pass a bill to deport the alien habitual criminal in the United States a grave responsibility rests upon the voters who send us to Congress. Very few people in the United States, unfortunately, read the CONGRESSIONAL RECORD and, for this reason, very few people realize that when the Dies bill came before the House of Representatives, a Congressman introduced an amendment to exempt aliens who had been guilty of fraud, perjury, or bribery in securing their entry into the United States from the penalty of their crime. That amendment actually passed the House of Representatives by a vote of 67 ayes to 57 nays.

In the course of this speech I have repeatedly called upon you to aid in defeating the Dies bill. Again I ask you to telegraph, write or, if possible, call upon your Senators and voice, in no uncertain terms, your opposition to the passage of such a bill.

My fellow citizens, nobody in the United States can truthfully tell you how many aliens there are lawfully residing within our borders. No one can tell how many aliens there are living among us who have entered this country in violation of our laws. No one knows how many aliens are residing here in violation of the law as a result of the commission of crimes committed here or abroad.

The question before the country is, What are we going to do about this matter? I recently called your attention to the fact that throughout the period of depression the foreign-born population sent out of the United States one billion American dollars to support foreigners. I also said there were millions upon millions of aliens in the United States who have been so indifferent to the privileges which they have enjoyed, that they have not even taken the first step toward assuming the slightest responsibility which citizenship imposes upon men and women of our country. Some of these people have been here for 20 or 30 years, or more, and some of these people are preying upon the community in which they live like predatory animals. Some of these people are seeking to destroy the Government of the United States. These are matters which demand your consideration and your action.

My colleague, Congressman STARNES, in the House, and I, in the Senate, have introduced a series of bills, five in all, which deal comprehensively with the alien problem, and in order that you may understand their purpose and scope, I will briefly describe them.

First. I have introduced a bill (S. 1365) to provide for the prompt deportation of alien habitual criminals and other undesirable aliens now in the United States, and to prevent unnecessary hardship or separation of families. Now, this bill is so drafted that it would secure the innocent offender from hasty and arbitrary action, but it would sweep away all the barriers which officials of the Department of Labor have repeatedly said protected the alien habitual criminal. This bill would also clear the country of hordes of undesirable aliens who menace the breeding stock of this Nation by their physical and mental defects.

Second. I have introduced a bill, S. 1366, which would permanently cut the quotas by 90 percent, exclude any alien whose entry into the United States is inimical to the public interest, and prohibits the separation of families through the entry of aliens leaving dependents abroad.

This bill would close the door to unlimited immigration from the Western Hemisphere. I yield to no one in a desire to be friendly with all our neighbors in the Western Hemisphere, but on a recent trip through most of the countries of Central and South America I found that the people of these countries were legislating upon their immigration problem in accordance with their interests and not our interests.

Do you know that an American train crew cannot take its train over the Mexican frontier? On the other hand, we allow a Mexican train crew to carry one of their trains through to the next division point in the United States, and even further.

Do you know that Mexico will not allow more than 10 percent of the employees in a domestic industry to be foreigners? I understand that the practical application of this law results in 100-percent Mexicans and no foreigners.

Now, my fellow citizens, I am not criticizing the Republic of Mexico—far from it. I think the Republic of Mexico in adopting this policy is intelligent, and I do not think that in adopting this policy, it is unneighborly to the United States. The Republic of Brazil has recently adopted a policy toward alien labor which closely parallels that now enforced by Mexico. Under these circumstances I assert that the policy of the State Department in opposing an extension of the quota system to countries of the Western Hemisphere is without the vestige of justification. It merely represents the perpetuation of a vicious tradition. It is putting the interests of foreign countries ahead of the interests of the United States.

Third. I have introduced a bill (S. 1364) which provides for the registration of aliens in the United States, and for other purposes. We have got to face the facts. Until we compel the alien in our midst to register and be fingerprinted we will never have effective enforcement of our immigration statutes. We will not know who the alien is, or why he is here. Virtually every country in the world, great and small, requires some form of direct or indirect registration of foreigners within their territories. I venture to say that if we secure registration by fingerprinting in the United States, there will be a voluntary exodus of aliens whose criminal proclivities have, at one time or another, brought them in conflict with the laws of foreign lands.

Fourth. I have introduced a bill (S. 1363) which would protect the American standard of living in time of stress and free the taxpayers from supporting scores of indigent foreigners for an indefinite time. The purpose of this bill is to enable the Government of the United States to place the burden for the support of unemployed aliens where it belongs, that is, on the nations from whose lands those aliens have migrated.

Finally, I have introduced a bill (S. 1195) to check the employment of aliens by the Government. Think of it, my fellow citizens, this Government of ours, elected by the people of the United States, is employing aliens to perform administrative or quasi-judicial functions, while millions of our own citizens have been walking the streets. I think this fact alone is a shocking demonstration of disloyalty to the American people and a betrayal of every taxpayer in the United States.

My friends, I have been a Democrat all my life, but, thank God, this immigration problem has never been allowed by Congress to become in the past a partisan question, but I may say to you, frankly, that unless all the people in both the great parties of this country rise up and force action by the present Congress, the time, I believe, is not far distant when an American bloc will arise in this land which will call to its standards every loyal American who believes that the interests of the people of the United States are paramount and the interests of the rest of the world are secondary, and this bloc will demand that the Democratic and Republican Parties take action.

The Government of the United States is your Government. The Members of the Senate and House are your representatives. The power which they exercise is power delegated to them by you under the Constitution of the United States. The ultimate sovereignty of this Nation is yours. See to it that you exercise it and that your representatives speak your will.

I thank you; good night.

Annual Convention of the Washington State Bankers' Association

---

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, June 21 (legislative day of Tuesday, June 15), 1937

ADDRESS OF HON. J. F. T. O'CONNOR, COMPTROLLER OF THE CURRENCY, BEFORE THE ANNUAL CONVENTION OF THE WASHINGTON BANKERS' ASSOCIATION, AT BELLINGHAM, WASH., ON JUNE 17, 1937

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD the very interesting address delivered by Hon. J. F. T. O'Connor, Comptroller of the Currency, at the annual convention of the Washington Bankers' Association, held at Bellingham, Wash., on June 17, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Under the original National Banking Act, charters expired at a definite time. In some instances the original charters expired before Congress passed the Bank Act of July 12, 1882, permitting an extension of charters, and it was therefore necessary for these banks to go into voluntary liquidation and for new charters to be issued to the institutions under the same title. Some of the banks in Washington, which, by original charters or by direct succession, may be regarded as among the oldest national banks in the State, still remaining active are:

The First National Bank of Walla Walla, charter no. 2380; chartered March 18, 1878.

The Columbia National Bank of Dayton, charter no. 2772; chartered September 5, 1882.

The National Bank of Tacoma, charter no. 3417; chartered December 2, 1885.

The First National Bank of Snohomish, charter no. 3887; chartered May 28, 1888.

The Baker-Boyer National Bank of Walla Walla, charter no. 3956; chartered January 8, 1889.

The banking structure of the Nation is in a healthy condition. Remarkable improvement has been shown since the banking holiday in March 1933. The first bank call following the holiday was on June 30, 1933. At that time deposits in the 4,902 national banks in operation amounted to $16,774,115,000. On March 31, 1937, the date of the most recent call, total deposits in the 5,311 active national banks aggregated $26,515,110,000. This represents an increase of $9,740,995,000, or 58.07 percent, over the 4-year period. The March 31, 1937, deposit figure shows a decrease of $1,093,287,000, or 3.96 percent, in the deposits of national banks since the call on December 31, 1936, but, compared with the call of a year ago, on March 4, 1936, the deposits show an increase of $1,655,655,000, or 6.66 percent. The report further shows an excess of reserves of $820,311,000.

In view of the decrease in deposits, it is rather interesting to note that the loans and discounts have increased $201,876,000 since the December 31 call, and that since the March call a year ago, they have increased $1,038,340,000. The percentage of loans and discounts to total deposits on March 31, 1937, was 31.94, compared with 29.94 on December 31, 1936, or 29.89 on March 4, 1936.

Investments in United States Government obligations decreased $520,329,000, or 5.99 percent, since the December call, but increased $379,246,000, or 4.87 percent, since March of last year.

Surplus funds, undivided profits, reserves for contingencies, and preferred-stock retirement fund, increased $39,136,000 during the quarter, and $231,362,000 since the March 4, 1936, call.

The remarkable recovery which has been made by the national banks of the United States since the depression is clearly indicated by the figures reported for net additions to profits. For the calendar year 1930 the consolidated returns of all national banks showed net additions to profits of $158,411,000. For 1931 national banks reported a deficit of $54,550,000. The deficit reported for the calendar year 1931 was the first ever reported for a similar period in the history of the national banking system. For each of the calendar years 1932, 1933, and 1934 the national banks continued to show a deficit. For 1932 the deficit reported was $164,737,000; for 1933, $286,116,000; and for 1934, $153,451,000. For 1935, however, net additions to profits of $158,491,000 were reported, and for 1936, $314,143,000.

It will be noted that the earnings for 1936 represent a gain of $600,259,000 over the deficit reported for 1933.

The course of the depression in your State and your return journey upon the road of recovery can be traced through the following figures for deposits in your national banks:

Number and deposits of national banks in the State of Washington

Date	Number of banks	Total deposits	Increase or decrease each year	
			Amount	Percent
Apr. 3, 1923	113	$244,491,000		
Mar. 31, 1924	113	257,224,000	$12,733,000	5.21
Apr. 6, 1925	111	270,872,000	13,648,000	5.31
Apr. 12, 1926	109	291,783,000	20,911,000	7.72
Mar. 23, 1927	107	277,652,000	−14,131,000	−4.84
Feb. 28, 1928	110	283,083,000	5,431,000	1.96
Mar. 27, 1929	108	300,934,000	17,851,000	6.31
Mar. 27, 1930	103	286,413,000	−14,521,000	−4.83
Mar. 25, 1931	102	284,378,000	−2,035,000	−.71
June 30, 1932	86	210,201,000	−74,177,000	−26.08
June 30, 1933	63	181,801,000	−28,400,000	−13.51
Mar. 5, 1934	67	214,907,000	33,106,000	18.21
Mar. 4, 1935	67	238,970,000	24,063,000	11.20
Mar. 4, 1936	58	297,751,000	58,781,000	24.60
Mar. 31, 1937	55	344,493,000	46,742,000	15.70

The deposits of the 55 active national banks in the State of Washington on March 31, 1937, were the largest ever reported at the date of a spring call and were exceeded on only one other call date, namely, December 31, 1936, when the 56 banks in Washington held deposits aggregating $351,061,000.

You will be interested in the following comparative figures for national banks in Washington and national banks in the Nation as a whole:

Earnings and dividends of active national banks in the State of Washington and in the United States, years ended Dec. 31, 1932 and 1936

	1936	1932	Increase or decrease 1936 over 1932	
			Amount	Percent
Number of banks	56	83	−27	−32.53
Capital (par value)	$22,076,000	$23,505,000	−$1,429,000	−6.08
Net earnings from current operation	$3,828,000	$2,925,000	$903,000	30.87
Recoveries, profits on securities, etc.	$2,423,000	$1,079,000	$1,344,000	124.56
Losses and depreciation charged off	$2,080,000	$4,976,000	−$2,896,000	−58.20
Net addition to profits	$4,171,000	−$972,000	$5,143,000	
Dividends declared	$1,686,000	$1,011,000	$675,000	66.77
Percent of dividends to capital	7.64	4.30		
TOTAL UNITED STATES				
Number of banks	5,531	6,016	−685	−11.39
Capital (par value)	$1,605,011,000	$1,634,484,000	−$29,473,000	−1.80
Net earnings from current operation	$260,134,000	$250,016,000	$10,118,000	4.05
Recoveries, profits on securities, etc.	$360,617,000	$73,173,000	$287,444,000	392.83
Losses and depreciation charged off	$306,608,000	$487,926,000	−$181,318,000	−37.16
Net additions to profits	$314,143,000	−$164,737,000	$478,880,000	
Dividends declared	$137,676,000	$135,381,000	$2,295,000	1.70
Percent of dividends to capital	8.58	8.28		

Statement relative to active national banks in the State of Washington and in the United States, June 30, 1933, and Mar. 31, 1937

	June 30, 1933	Mar. 31, 1937	Increase or decrease	
			Amount	Percent
WASHINGTON				
Number of banks	63	55	−8	−12.70
Loans and investments	$174,559,000	$258,784,000	$84,225,000	48.25
Total assets	$229,052,000	$382,473,000	$153,421,000	66.98
Total deposits	$181,801,000	$344,493,000	$162,692,000	89.49
Capital stock (book value)	$20,800,000	$21,923,000	$1,123,000	5.40
Surplus, profits, and reserves	$9,417,000	$13,950,000	$4,533,000	48.14
UNITED STATES				
Number of banks	4,902	5,311	409	8.34
Loans and investments	$15,491,403,000	$20,721,862,000	$5,230,459,000	33.76
Total assets	$20,860,491,000	$30,049,172,000	$9,188,681,000	44.05
Total deposits	$16,774,115,000	$26,515,110,000	$9,740,995,000	58.07
Capital stock (book value)	$1,515,647,000	$1,586,072,000	$70,425,000	4.65
Surplus, profits, and reserves	$1,340,907,000	$1,611,331,000	$270,424,000	20.17

You will also be interested in the following figures for all classes of banks in Washington:

Statement relative to all banks in the State of Washington, June 30, 1933, and Mar. 31, 1937

	June 30, 1933	Mar. 31, 1937	Increase or decrease	
			Amount	Percent
Number of banks	183	185	2	1.09
Loans and investments	$276,147,000	$392,436,000	$116,289,000	42.11
Total assets	$356,822,000	$562,457,000	$205,635,000	57.63
Total deposits	$289,181,000	$507,799,000	$218,618,000	75.60
Capital stock (book value)	$28,523,000	$29,099,000	$576,000	2.02
Surplus, profits, and reserves	$18,435,000	$22,521,000	$4,086,000	22.16

Among the important functions of the Bureau of the Comptroller of the Currency is the appointment of receivers for failed national banks and supervision over the administration of these trusts. At the time of the banking holiday in March 1933 there were 1,070 national banks in receivership, with total deposits at closing of $889,800,000, and as the result of the banking holiday there were added 661 more receiverships with deposits at time of closing of $1,113,901,130, making a total of 1,731 receiverships, with total deposits of $2,003,701,130. Of this amount, $1,428,502,134, or 71.3 percent, has been made available to creditors. It is not necessary to make any comment on the Herculean task involved in the distribution of this huge sum.

Since the banking holiday some 6,617,500 checks have been issued to receivers for use in the payment of dividends to depositors and other creditors, and since that time there has been made available to creditors in closed national banks the sum of $1,138,502,134.

At the conclusion of the banking holiday on March 16, 1933, there were 15 active receiverships of national banks in Washington. Since that time, six banks, which remained unlicensed after the holiday, have been placed in receivership. None of these six receiverships represents an active failure since the holiday. Of the total of 21 receiverships administered since March 16, 1933, 1 has been restored to solvency, and 8 have been completely liquidated. These eight had liabilities at date of closing of $10,660,264, of which $10,410,987, or 97.7 percent, was made available to depositors and other creditors, including offsets allowed. Two of these trusts paid 100 percent, including interest. The average expense of liquidation in these trusts was 5.9 percent of total collections, including offsets allowed. This means that out of every dollar collected by the receivers a little over 94 cents was made available to creditors.

There are 12 national bank receiverships in Washington, whose deposits at date of failure amounted to $10,007,751. By March 31, 1937, dividends paid to depositors, including offsets allowed, in these trusts amounted to $7,707,009, the average percentage of total disbursements to total liabilities being 78.2 percent. The average expense of liquidation to that date was 6.1 percent of total collections.

In order to make possible the distribution of dividends to depositors in closed national banks in your State, 14 receivers obtained loans from the Reconstruction Finance Corporation amounting to $1,757,700, all of which had been repaid by March 31, 1937.

Over a period of more than 20 months only one small national bank has failed in the entire United States, and that failure was caused by embezzlement. The deposits in this failed bank amounted to $507,687, of which $416,005, or 82 percent, was insured by the Federal Deposit Insurance Corporation.

On December 31, 1936, there were insured by the Federal Deposit Insurance Corporation 14,026 banks with deposits of $50,255,719,000, of which approximately $22,000,000,000, or 44 percent, was insured. Deposits up to $5,000 in all national banks in the continental United States and all State banks which are members of the Federal Deposit System are insured under the law. Of these 14,026 banks, 5,325 with deposits of $27,555,856,000, or 54.83 percent, of the total deposits of insured banks are national member banks; 1,051 with deposits of $15,329,470,000, or 30.50 percent, of all insured bank deposits are State member banks; 7,594 with deposits of $6,372,658,000, or 12.68 percent, are State commercial nonmember banks, including 3 nonmember national banks; and 56 with deposits of $997,735,000, or 1.99 percent, are mutual savings banks. The deposits of 1,167 nonmember commercial banks, 509 mutual savings banks, and 3 nonmember national banks are not insured. These 1,679 uninsured banks have deposits of $10,870,206,000, or 17.78 percent of the deposits of all active banks in the country. It is hoped that the depositors in these uninsured banks will some day be protected by the Federal Deposit Insurance Corporation.

Since deposit insurance went into effect, 88 insured banks have failed. Since March 31, 1937, 8 State banks have failed, and figures are not yet available concerning them. Of the remaining 80 banks, 6 were national institutions and 74 were State institutions. The total deposits of all 80 banks were $21,947,000, of which $15,795,000, or 72 percent, were insured by the Corporation. Recoveries made by the Corporation in these banks up to March 31 amounted to $4,088,474.

The establishment of this Corporation by an act of Congress in June 1933 was one of the most constructive and far-reaching additions ever made to the banking law of this country. The income of the Corporation from its investments in Government bonds has been more than sufficient to date to pay the losses and the overhead expenses of the Corporation, leaving the original capital and the assessments paid by the banks unimpaired.

Immediately following the banking holiday the President of the United States was anxious to improve the impaired condition of the banking structure of the Nation. He accordingly appointed a committee to work with the Reconstruction Finance Corporation in buying preferred stock in national banks and purchasing notes and debentures in State banks. The Reconstruction Finance Corporation invested in State and National banks $1,052,802,103.23. It purchased preferred stock in national banks in the sum of $519,501,136.98, of which $236,541,305.12 has been retired in full or in part. It purchased notes and debentures in State banks in the amount of $533,300,966.25, of which $206,739,261.89 has been repaid. In other words, the Government has received back $443,280,567.01, with interest, of its investment of $1,052,802,103.23 in the banks of the country.

The President was also greatly interested in making possible the distribution of dividends to depositors in all closed banks, and he appointed another committee to cooperate with the Reconstruction Finance Corporation in making loans to receivers for dividend purposes.

The Reconstruction Finance Corporation has loaned to receivers and conservators of national banks $484,232,333.64, of which all has been repaid except $11,616,931.80; and to liquidating agents of State banks $417,473,428.54, of which $347,884,354.46 has been repaid.

In Washington the Reconstruction Finance Corporation has purchased preferred stock in national banks amounting to $2,740,000, of which $658,070 has been repaid; and notes and debentures of State banks amounting to $3,324,000, of which $1,726,550 has been repaid.

The constitutionality and wisdom of legislation by the Federal Congress and by the several States providing for the escheat of dormant or inactive accounts and deposits in national banks has been the subject of considerable study on the part of the Treasury Department, the Comptroller of the Currency, and the Congress.

Several of the State legislatures have enacted so-called escheat of dormant deposit laws. In some of the States, the officers charged with the administration of the escheat law enforce or attempt to enforce such law only against banks organized under the laws of that State, whereas other State authorities take the position that the State law is applicable to national as well as State banks.

In general, the Comptroller's office has taken the position that where the law of a particular State is purely an escheat law, national banks are subject thereto, but where the State law, on the other hand, amounts to a forfeiture statute rather than an escheat, then the national banks located in that State are not subject to the State law. This difference is exemplified by the decision of the Supreme Court of the United States in *First National Bank of San Jose* v. *California* (262 U. S. 366) wherein it was held that the California escheat law was not applicable to national banks, whereas the Circuit Court of Appeals for the Ninth Circuit, in the case of *Territory of Alaska* v. *First National Bank* (22 Fed. (2d) 377 and 41 Fed. (2d) 186) held that the Alaska statute is applicable to national banks because, in the opinion of that court, the Alaska act was purely an escheat law requiring a judicial determination of death of the depositor. The right of that State to claim the property of a deceased person who dies without heirs is not questioned.

The difficulty that is experienced in drafting and construing State acts is demonstrated by the comparatively recent decision of the Michigan Supreme Court in the case of *Braun* v. *McPherson* (277 (Mich.) 396, 269 N. W. 211) wherein the majority of the court (four) held that the Michigan act (as applied to State banks) is constitutional, whereas the minority of the court (three) said in a vigorous dissenting opinion that the Michigan act of 1929 as amended by the acts of 1933, should be held unconstitutional.

The Supreme Court of the Philippine Islands, in September 1936 rendered a final opinion in the case of *The People of the Philippine Islands* v. *The National City Bank of New York*, wherein it was concluded by a divided court that the Philippine escheat law is applicable to a branch of the National City Bank doing business in the islands. The Supreme Court of the United States, on June 1, 1937, granted a writ of certiorari on the petition of the National City Bank. It is interesting to observe that the Philippine court, in its first decision rendered in January 1936, held in a divided opinion (7 to 3) that the Philippine act was not applicable to national banks. As a result of a rehearing, the Philippine court reversed its previous position and held that the act was applicable to the National City Bank. Five of the justices joined in the majority opinion, while two of the justices dissented, adhering to the original opinion of the majority.

The Treasury Department, as well as the present and previous Comptrollers of the Currency, have recommended proposed Federal legislation looking toward the escheat to the United States of dormant accounts in national banks but refused to recommend the passage of a bill introduced in the first session of the Seventy-fifth Congress (S. 376), which was designed to subject unclaimed deposits in any national bank to the escheat laws in force in the State, Territory, or District in which such bank is located.

The Secretary of the Treasury (Wayne C. Taylor, Acting Secretary) expressed the views of the Treasury Department and the Comptroller of the Currency in a letter to Senator ROBERT F. WAGNER, chairman of the Senate Committee on Banking and Currency, dated February 17, 1937. These views may be summarized as follows:

1. A uniform Federal escheat plan, with adequate safeguards, is to be preferred to the uncertainties and variations of the laws of the several States.

2. State laws have been held to, and conceivably may, impair the proper performance of the functions of national banks.

3. Where the State legislation is purely an escheat law, uniform Federal legislation which has been recommended would not impair the operation of those State escheat laws which adequately protect rights of depositors and banks by requiring judicial determination upon due process of the death of each depositor.

There has recently been compiled by the Comptroller's office a summary of the causes of bank failures in the national system from April 14, 1865, the date of the first national bank failure, to October 13, 1936. During that period there were 2,955 receiverships, including 15 State banks, and one building and loan association, which were under the national banking system because of their location in the District of Columbia. These failures have been attributed to the following causes: 1,523 to local financial depression; 1,407 to incompetent management; 489 to depreciation of securities and in value of collateral; 385 to runs on the banks, due to lack of public confidence; 271 to defalcations of officers and employees; 160 to other miscellaneous causes; 123 to excessive loans to officers or directors or to others for their benefit; and 86 to excessive investment in bank building. These causes total 4,449, and the discrepancy between the number of failures and the number of causes to which they were attributed is due to the fact that in many cases, several causes contributed to a failure, any one of which would have made necessary the appointment of a receiver.

With reference to national bank failures, Hon. William B. Ridgely, who was Comptroller of the Currency from 1901 to 1908, stated in his annual report to Congress for 1905: "A bank does not fail suddenly. The condition which leads to it is apt to be comparatively slow growth. Far the most frequent cause of failure is a large line of loans to some concern or group of concerns in

which the officers are interested, or to the officers themselves. When the loans are new they look all right and frequently are good; but if things go wrong and this outside venture loses money, the loans begin to increase, and soon good money begins to go after bad with the inevitable result."

Fair Labor Standards

EXTENSION OF REMARKS
OF
HON. HUGO L. BLACK
OF ALABAMA
IN THE SENATE OF THE UNITED STATES

Monday, June 21 (legislative day of Tuesday, June 15), 1937

STATEMENT OF SIDNEY HILLMAN, PRESIDENT OF THE AMALGAMATED CLOTHING WORKERS OF AMERICA AND MEMBER OF THE COMMITTEE FOR INDUSTRIAL ORGANIZATION, BEFORE JOINT SESSION OF THE COMMITTEES ON LABOR OF THE SENATE AND HOUSE OF REPRESENTATIVES WITH REGARD TO THE BLACK-CONNERY BILL FOR THE ESTABLISHMENT OF FAIR LABOR STANDARDS

Mr. BLACK. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD the statement of Sidney Hillman, president of the Amalgamated Clothing Workers of America and member of the Committee for Industrial Organization, on June 15, 1937, before the joint session of the Committees on Labor of the Senate and House of Representatives, with regard to the Black-Connery bill for the establishment of fair labor standards.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I appear before you to support the measure introduced by Senator BLACK and Congressman CONNERY to establish fair labor standards.

For more than 25 years I have worked in the interest of organized labor in this country. In the course of that work I have often had to consider legislative measures affecting the rights and interests of the working men and women. I regard the proposed Black-Connery Fair Labor Standards Bill and the Wagner-Connery National Labor Relations Act as companion measures. No more important labor legislation has ever been introduced into the Congress.

It is important not only as proof of the sincerity of the promises of the Democratic Party and a great President to American labor. It is important as a courageous pioneer effort to reconcile industrial progress with industrial democracy and to make the machine the servant and benefactor and not the master and destroyer of men. Upon the ultimate success of this effort, modestly and cautiously begun in the Black-Connery bill, may well depend not only the welfare of American labor but the very future of American democracy.

PURPOSE OF THE BLACK-CONNERY BILL

In the last 25 years, due largely to technological improvements, the productivity of the individual worker has increased approximately 75 percent. But with this increase in productivity has come no comparable increase in the standard of living of the average American. And, what is even more disturbing, this great increase in productivity has not brought an increased sense of economic security to the average American, be he industrial employer, worker, or farmer. On the contrary, it has brought to all of them a great fear for the future. After 3 years of rising business activity, what do we find? A full one-third of our population ill-nourished, ill-clad, and ill-housed, and millions of workers are unemployed, and everyone uneasy at the thought of the possibility of another depression.

The purpose of the Black-Connery bill, as I understand it, is to speed up the natural but lagging trend of industry, to shorten the working day, and to increase the worker's pay, as technological improvements increase the productivity of the individual worker.

I call this a natural trend. Despite overlong hours and woefully short pay in some industries, few, if any, people today would dare to defend a 12-hour day in public as did Judge Gary scarcely 20 years ago.

But I say that this natural trend toward shorter hours and higher pay is lagging and too slow. We waste much of the increased productivity due to the machine, because we allow the machine to throw too many workers out of work, instead of insisting that the machine shall lighten the work of men and increase their purchasing power. What we need to do is to increase the pay and shorten the hours of workers and thus permit them to share directly in some of the increased productivity the machine makes possible. Then we will not only absorb a good portion of the unemployed into existing economic enterprises, but we will increase purchasing power at the bottom where purchasing power is needed and where it will be spent. This increased purchasing power will create an effective demand for the goods and services which those now employed, if given half a chance, would be glad to produce. You have had at least one modern manufacturer before you who understood that.

Certainly, as President Roosevelt has said, "Our Nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work."

NONOPPRESSIVE WAGE AND HOUR STANDARDS

There should, I hope, be no real question that Congress should write into the bill some definite bottom floor below which wages should not fall and some definite top ceiling above which hours should not be stretched. That floor and ceiling are provided by section 4 of this bill and I should hope there would be no question as to what that floor and ceiling should be. Certainly 40 cents an hour is low enough, and certainly 40 hours a week and not more than 8 hours in any one day is long enough. It may not be possible to apply these standards immediately to all trades and industries. Some minor administrative relaxation may be necessary in special or exceptional situations just as section 4 provides to prevent temporary dislocations, temporary curtailment of opportunities for employment, or temporary curtailment of earning power. But as the objectives toward which we should move in the application of a generally applicable nonoppressive wage or nonoppressive workweek, no wage lower than 40 cents per hour and no workweek longer than 40 hours should be set by the Congress. As I have said, I think such a definite wage figure and hour figure, intended to be of substantially general application, should be written into the bill.

THE PROBLEM OF DIFFERENTIALS

My own judgment is that there will be little need for differentials or classifications in the application of nonoppressive standards of 40 cents an hour and 40 hours a week. The differences in cost of living, in cost of production, and in other respects are not nearly as great or as marked as many people have been led to believe.

I should be unalterably opposed to the writing into the bill of any rigid requirement of a geographical differential in the nonoppressive hour and wage scale. The Congress simply has not the necessary facilities to enable it to pass upon these questions of fact and write them into legislation in definite terms.

This question of differentials is a matter that depends upon a knowledge of the economics of production in particular instances. Its solution will not be aided by political divisions upon sectional lines. Organized labor is interested in the welfare of labor in the South as well as in the North, in the West as well as in the East. It so happens, for example, that my colleague, Mr. Steve Nance, of Georgia, is as opposed to any geographical differential in respect to wages and hours in the textile industry as I am, because he believes, as I believe, that it would be injurious to the welfare of labor in the South.

With all respect to the Congress, differentials written into the statute cannot be scientific—cannot be based upon the economics of production in particular instances.

But findings of an expert Board after examination and hearings, as provided in section 5 of this bill, are something else. There is no reason why those of us who oppose differentials as well as those who favor them should not be willing to abide by the judgment of an impartial and informed board of experts.

THE IMPORTANCE OF SECTION 5

There has been considerable discussion before this Joint Committee as to the need or the wisdom of the Congress attempting to enforce any standard above the nonoppressive wage and hours standards set in section 4. It has even been suggested that section 5 be omitted entirely. Section 5 is the section which provides for the establishment of the shorter hours and higher wages in any particular industry where the facts are found to justify the establishment of such higher standards and the processes of collective bargaining have proved inadequate to establish such standards throughout that industry.

The omission of section 5 would in my judgment go far to emasculate the bill and to deprive it of many of its most valuable features.

I do not think that the Congress will have begun to meet its obligations to the submerged third of our working population by merely providing a 40-hour week which will give them, if they are lucky enough to be fully employed, an income of not more than $800 a year, or by providing a 35-hour week which will give them an income of not more than $700 a year. It would be practically impossible to attempt a shorter workweek than 40 hours in any industry, however urgently needed, if the result of such an attempt is to reduce the income of the workers from $800 to $700. I understand the Chief of the Statistical Bureau of the Department of Labor testified before you last week to show how low a standard of living even $1,200 a year represents.

Now it should be borne in mind that section 5 does not give the Board power to fix a minimum wage which will yield an income in excess of $1,200 a year. That top limit means in the case of a worker who has employment 50 weeks in the year, 60 cents an hour for a 40-hour week, or 80 cents an hour for a 30-hour week. In other words, section 5 applies only to those workers, organized and unorganized, who obviously have so little to spare and to save over the necessities of life that they are not economically strong enough to protect their own interests in a struggle with their employers.

The provisions of section 5 are so worded that they will aid and not retard the process of collective bargaining. The Board may act under this section only if it finds that the facilities for collective bargaining have proved inadequate or ineffective. I have no worry that the Board cannot effectively make and apply such a finding.

If the Board should fix a wage in an industry below that which some employers in the industry have promised to pay under collective bargaining agreements, the workers would be entitled under the terms of the bill to continue to obtain from such employers the higher wages specified under the collective bargaining agreements. Nor is there anything in the bill which impairs the rights of the workers to strike for higher wages or shorter hours than those fixed by the Board. I believe that these rights of labor are now fully safeguarded under the bill, but if there should be any doubt, of course, language to dispel this doubt can and should be added to the bill.

But section 5 would be helpful in the process of collective bargaining. Although in those industries which are completely covered by national collective-bargaining agreements there may be no need or occasion for the use of section 5, none the less, in those industries with which I have had to deal, where plants may migrate more readily than labor, where new units are not infrequently deliberately established in places most difficult for the unions to reach effectively, it is vitally necessary that the law should recognize and protect fair labor standards. And the law certainly should not stop short when the worker's income reaches $800 a year. I do not think that a top limit of $800 a year keeps the Democratic Party's pledges to working men and women in the last election.

It is difficult to induce employers to enter into collective bargaining agreements when the unions are not in position to protect the employers from the undercutting of labor costs in other areas. Even when collective agreements are made, the unions do not want to see those employers, who have been decent enough to cooperate with them, suffer in the competitive markets because of the piratical sabotaging of labor standards by their socially irresponsible competitors. If section 5 were omitted from the bill, efforts to make collective bargaining effective among the lowest paid workers in many industries might continue to be frustrated to the great disadvantage, not only of the workers, but of those employers who graciously or grudgingly participate in the collective-bargaining arrangements.

It is important to bear in mind that if the Board is deprived of the power to fix fair labor standards under section 5, the Board will be unable to protect employers from unfair competition under sections 8, 9, and 10 of the bill except against goods produced under conditions so bad as to offend against the relatively low nonoppressive standards set in section 4. For goods are not unfair or substandard under the bill unless they are produced under standards lower than those fixed by the Board; and consequently, if section 5 is eliminated, sections 8, 9, and 10 will apply only to goods produced under even poorer conditions than 40 cents an hour and 40 hours a week.

Therefore, I regard section 5 not as a threat but as an aid to collective bargaining. As a leader of organized labor, I welcome the efforts of the Government to bolster up labor standards for those poorly paid and overworked, whether they be organized or unorganized, whether they are earning $800 a year or $1,200 a year.

It is not easy to support a family in health and decency on an income less than $1,200 a year. The appeal of organized labor to American workers is not merely an appeal for the improvement of the wage, hour, and other working conditions, but it is an appeal of a democratic movement to the workers' sense of self-respect and self-responsibility. And the standard of living that organized labor is seeking to obtain does not stop at $1,200 a year.

CONCLUSION

I have had experience with labor legislation. I have had considerable experience in the administration of the labor provisions of N. R. A. Although I am no lawyer and cannot pass upon the refinements of legislative draftsmanship, I have some idea of the practical and administrative problems a labor statute must meet.

I do not say that the proposed bill is perfect or that it cannot be improved. But it appears to be an unusually carefully prepared piece of legislation. It is not excessively rigid, but whenever administrative discretion is allowed, that discretion is carefully circumscribed. It lays down a rule where a rule is needed and it allows administrative flexibility where administrative flexibility is needed. And considering the nature and extent of the subject-matter which it covers, I am surprised to find that it is as simple and as little complicated as it is.

It is fair to American labor and it is fair to American industry. The bill is a well constructed unified whole, and I hope that the Committee will scrutinize with exacting care any amendments which may be offered to make certain that they will not weaken the effectiveness or impair the administration of this great constructive legislative measure.

American labor has for years waited for this legislation, which has been overlong delayed. Economic distress may be over for those who are worried about how they can reduce or avoid their income and surplus-profit taxes, but economic distress is not over for those who do not earn enough to pay even the normal income tax and who have to worry how they are going to pay the grocer, the butcher, and the doctor. If we want to avert or even alleviate the catastrophe of another depression, it is high time that we set up machinery to protect the minimum wage and maximum hour standards from the onslaughts of such an economic recession. Those who talk about reserves for a rainy day forget that the average working man has no reserves.

I therefore respectfully suggest that the Congress should see that the carefully devised administrative machinery provided by the proposed bill is set up without a moment's unnecessary delay, so that we shall be able to acquire additional experience and knowledge in handling that machinery before it must bear the full impact of an economic recession, if it should come. Those who complain that the country is being subject to too much legislation at this time should remember that this congestion, if it be congestion, is due to the fact that for 12 long years we allowed our economic problems to be the subject only of procrastinating study and innocuous investigation. The American people have a right to look to the Congress for prompt action this session on this important legislation. The American people will not regard those who play for delay as friends of the American workers or as supporters of progressive labor legislation.

Mrs. Boeckel Approves Ludlow Plan to Keep American Boys Out of Foreign Wars

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1937

Mr. LUDLOW. Mr. Speaker, Mrs. Florence Brewer Boeckel, an author and writer of renown, whose splendid work for the cause of peace has brought to her honor and distinction in both hemispheres, has made a careful analysis of the resolution I have introduced—House Joint Resolution No. 199—to keep our American boys from being plunged into foreign wars, and she has given the measure her wholehearted approval.

House Joint Resolution No. 199 provides that before our boys can be sent into foreign wars to die in the settlement of quarrels of alien origin, the people of America shall have a right to vote on the proposal in a Nation-wide referendum. It provides that, except in the case of attack or invasion, war shall not be declared until the question has been submitted to the people and that their vote shall be decisive. It is based on the philosophy that those who have to suffer and, if need be, to die and to bear the awful burdens and griefs of war, should have something to say as to whether war shall be declared.

It has been two and a half years since my proposal was first submitted to Congress and it has never been acted upon in committee. I have filed at the Speaker's desk, in accordance with parliamentary usage, discharge petition no. 11 to bring the resolution out of committee and before the House for debate and a vote. Surely a measure that is backed by the hopes and prayers of millions of people is entitled to a fair chance in the House.

If 218 Members of the House will sign discharge petition no. 11, this worthy measure will come up in the House under a rule allowing 6 hours of debate and unlimited privilege of amendment. I plead with my colleagues in the House to sign discharge petition no. 11 so that we may have a chance to debate and vote on this substantial peace proposition in which so many millions of our people are sincerely and genuinely interested.

Mrs. Boeckel has devoted her fine mind to an intensive study of the factors that make for war in many countries, and she sees no reason why the flower of our American manhood should be sent into foreign lands to be sacrificed in the settlement of quarrels that are rooted in the age-old hatreds and rivalries of foreign governments.

But I think it would be well for Mrs. Boeckel to state in her own words why she thinks it is for the best interest of our country that Congress shall pass, without delay, the resolution I have introduced to keep America out of foreign wars. Therefore, by unanimous consent of my colleagues, I present herewith the article she has written explaining

the purposes of the peace resolution I have introduced and why it is important that it shall be written into the Constitution to protect us from involvement in war:

THE LUDLOW AMENDMENT FOR A FOREIGN WAR REFERENDUM

By Florence Brewer Boeckel

An amendment to the Constitution has been introduced in Congress by Representative LUDLOW, of Indiana, to give the American people power to decide, except in the case of invasion, whether this country shall or shall not go to war. It in no way affects actual defense of the country.

This amendment is of vital importance from the point of view not only of peace but of democracy, and is in direct line with the purposes of the Constitution.

When the Constitution was being drafted, the question of how to keep the war-making power in the hands of the people was vigorously discussed.

The Constitution made two unique provisions designed to control the war-making power and the growth of militarism. It gave Congress—not the President—power to declare war and to make rules "for the government and regulation of the land and naval forces." Further, it gave the people a check on Congress, so far as the development of an army was concerned, by providing that no appropriation of money for the support of the Army should be "for a longer term than 2 years."

Commenting on these constitutional provisions, Jefferson wrote Madison:

"We have already given in example one effectual check to the dog of war by transferring the power of declaring war from the executive to the legislative body, from those who are to spend to those who are to pay."

No suggestion was made to allow the people to vote on war for two reasons: The possibility of this country's sending an army to make an attack on foreign soil was not contemplated; it was physically impossible at that time to gather quickly the results of a vote by the people.

The Ludlow amendment (H. J. Res. 199) was introduced in January 1937 and referred to the House Judiciary Committee, which has up to date failed to report it for action by Congress. A similar measure has been introduced in the Senate by Senator CAPPER, of Kansas.

A petition to discharge the House committee and allow Congress to vote on the measure is now being circulated. Of the 218 signatures of Members required, over 100 have already been obtained.

The amendment reads in full: "Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress, when it deems a national crisis to exist, may by concurrent resolution refer the question of war or peace to the citizens of the States, the question to be voted on being, 'Shall the United States declare war on ———.' Congress may otherwise by law provide for the enforcement of this section."

Various changes have been suggested in the wording of the amendment but the principle it embodies is widely endorsed by the peace movement.

Among the groups and individuals who are urging such a referendum are 21 railway brotherhoods and many other unions; State farm organizations; women's organizations; church groups, including Catholic, Protestant, and Jewish; 65 university presidents; and statesmen, such as former Secretary of State Kellogg and former Ambassador Houghton. Thousands of individuals are showing their interest by letters to Representative LUDLOW.

Representative LUDLOW has pointed out that his amendment is "predicated on the understanding, which is deeply grounded in basic American philosophy and traditions, that the only kind of a war the United States has any business to engage in is a war of defense." It provides that "the trigger that starts the war machinery" can be pulled only "by all the people of the United States registering their judgment at the polls in a national referendum."

Today the entire people of a country are involved in and suffer from war, and all, therefore, are fully entitled to vote on war.

To quote Representative LUDLOW again:

"The peace amendment proposes to take from a little group in Washington the power of declaring war—the most solemn, awful responsibility that can be imagined—and rest that authority with the people. It proposes to bring the Constitution and the Bill of Rights down to date. It is grounded in the belief that the framers of that instrument, if they could have foreseen the future, would have provided for a referendum on war to become effective as soon as means of communication would make such a referendum possible. It is based on the philosophy that those who have to suffer and, if need to, to die and to bear up under the crushing burdens and costs of war, shall have something to say as to whether war shall be declared. What could be more elementally just than that?"

The Ludlow or peace amendment is in line with the recent neutrality legislation and points toward the needed redefinition of our national-defense policy.

Has your Representative in Congress signed the petition to allow this measure to be acted upon?

Does your Congressman know how you want him to vote on this measure?

The Railroad Retirement Bill

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. REES of Kansas. Mr. Speaker, in view of the fact that only 40 minutes have been allowed for the discussion of this important measure this afternoon, and since all of that time has been allotted to members of the committee in charge of the bill, I have secured permission to extend my remarks in the RECORD.

First, I want to compliment the committee which has had this legislation in charge upon its ability to formulate this important piece of legislation, so that it has met with the approval of all the parties concerned and connected with it.

But, most important of all, I want to commend the railroad brotherhoods and railroad organizations in having promoted this constructive piece of legislation that is of such great importance to them, and want to commend, as well, the managers on the part of the railroad companies for having been able to get together and work out a measure that is agreeable to both sides. It is not claimed that this bill is perfect. In all probability it will need to be amended; but it is a constructive step in the right direction.

It occurs to me that the promulgation of this legislation is significant and should be an outstanding example of what may be done on the part of the employees and employers, when both sides are willing to get together in an attempt to solve problems of this kind. And it is especially significant, I believe, in the light of the situation today, when there is so much strife and misunderstanding in other fields of labor.

Someone has suggested that it is a sign of democracy in industry. It is at least a realization of a settlement of the question which has been more or less controversial over a period of years. I regard this as one of the most important pieces of legislation that has been passed during the present Congress, because of its significance and because of the example it has set; and furthermore, by reason of the fact that it is a measure that affects immediately some 50,000 workers who have earned a right to retire with a peace of mind, that they will be protected so far as the necessities of life are concerned, for the remainder of their days, and because it also affects something over a million workers, who will not need to look forward with any particular dread on their part, but who will have the assurance that they may be also fairly protected in their later years by reason of having performed their services faithfully and well.

An Unemployment Census Is Imperatively Needed. Without It We Are Legislating in the Dark

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1937

Mr. COFFEE of Washington. Mr. Speaker, recently the Congress treated itself to the spectacle of arguing the amount of relief funds to be appropriated, without having any definite knowledge within wide limits as regards the extent of the needs. After 7 years of mass unemployment and mass poverty, we must still rely on private guesses as to the extent of unemployment. It is almost funny, if the implications were not so tragic, that Congress has appro-

priated billions without first ascertaining the extent of the need. Congress should provide for an unemployment census and demand of the administration that the census be taken within the next few months, before it meets again next fall.

DR. RICE DEPRECATES IMPORTANCE OF SUCH A CENSUS

For reasons which have never been fully explained by it the administration has been opposed to an unemployment census. Members of the Congress may surmise the reasons. It is sufficient to state that the semiofficial reasons given against taking such a census reveal the very need for it. Thus recently a letter appeared in the New York Times over the signature of Dr. Stuart A. Rice, May 10, 1937. Dr. Rice is Assistant Director of the Bureau of the Census. He is also the chairman of the Central Statistical Board. It is the latter title that he chose to attach to his signature in that letter to give his statements the semblance of authority and impartiality. It was a sorry letter. He would not have us take an unemployment census now because of the impending decennial census of 1940. He would defer the unployment census until that time, with the consequence that the information then gathered would not become public until 1941 or 1942.

It is true—

He says—

that an unemployment census would have been highly useful in 1935, 1936, or even in the spring of the present year. It was provided for by the Lozier bill, which passed the House of Representatives with administrative support in the Seventy-third Congress, but was crowded off the Senate calendar at the end of that season.

But now that we have not done it, we should not. Such is the specious argument of the head of the Central Statistical Board of the United States.

I DISAGREE—A PLAN SHOULD PRECEDE CONSTRUCTION

Of course, Dr. Rice realized that that is not a convincing argument, so he falls back on several other arguments. You cannot take an unemployment census, says Dr. Rice, without at the same time taking a population census. But that can be taken only at the constitutionally set time, namely, every 10 years, and that we will not reach until 1940, and, therefore, no unemployment census now. Quite clearly this is purely an artificial obstacle. We can take an unemployment census without at the same time taking a general population census if we are really honest in our purpose and we really seek to get at an understanding of the extent of poverty and misery which unemployment involves. It becomes a matter of definition, and it is for this reason that Dr. Rice devotes several paragraphs in his letter to show why a definition of unemployment is impossible. But, if it is impossible now, it will be equally impossible in 1940, and so we should never know its extent.

To honest men, what does unemployment mean? It means the failure of a man, otherwise capable, to earn a living through the sale of his labor because there is no market for it. Then all we need to find out is how many people, willing and able to work, can find no market for their labor for sufficient time and pay to provide them with a living wage. Such an inquiry does not involve the taking of a full population census. A few simple questions can reveal all that we need know on the subject for practical purposes. It is feasible by means of a house-to-house canvass with a questionnaire containing no more than 10 or 12 questions to get at all the information we need.

SUCH STATISTICS WOULD BE HELPFUL

What we need to know, to repeat more specifically, is how many persons of working age available for work are at the time of the inquiry working, for how many hours per week, at what total weekly earnings—this, by sex, age, and occupations. Any persons working less than the normal working hours per week, for any given occupation, or earning less than the customary union wage in that occupation will be considered partially employed, if the weekly hours worked and weekly wages earned are not less than one-half the normal amounts. If they are less than that, these persons would be considered fully unemployed. Congress might define these categories to its own satisfaction, but a census taken within these definitions would reveal the full extent of the existing needs of the people for congressional action with respect to relief appropriations and other social aid to the needy. The statistical conclusions would always be drawn within the limits of the definitions thus set.

WHY NOT USE A SIMPLE QUESTIONNAIRE?

As a matter of convenience a sample questionnaire is presented, which, with the accompanying definition of terms, would make it perfectly clear how easy it would be to collect this information so much needed at this time as a rational guide to congressional action.

UNITED STATES CENSUS OF UNEMPLOYMENT, NOVEMBER 1937

Enumerator ——— ———

State ——— City ——— Street address ——— ——— Name, head of family ——— ———.

The questions apply only to persons of legal working age in this State.

A. For each person in this family of this age and over, give:
1. Name ——— ———. 2. Sex ———. 3. Age ———. 4. Regular occupation ——— ———.

B. If now employed on salary or wage in private industry, give:
1. Hours worked weekly ———. 2. Wage or salary earned weekly ———. 3. Present occupation ——— ———.

C. If self-employed give:
1. Occupation ——— ———. 2. Weekly earnings ———.

D. If employed by governmental emergency agency:
1. State which ——— ———. 2. Weekly earnings ———.

E. If not employed in any remunerative employment, state what cause:
1. Old age ———. 2. Physical incapacity ———. 3. Mental incapacity ———. 4. Other ———.

F. If employed the corresponding month a year ago, state whether:
1. In private industry on wage or salary ———. 2. Self-employed ———. 3. Governmental emergency agency ———. 4. Weekly earnings ———.

G. If not employed the corresponding month a year ago, state principal source of family income ———.

H. Give amount of other family earnings ——— ———.

I. Give weekly amount of private or public relief receiving ———.

J. Total family weekly income ———.

Commencement Day Address at the United States Military Academy

EXTENSION OF REMARKS

OF

HON. D. LANE POWERS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

ADDRESS OF GEN. MALIN CRAIG, CHIEF OF STAFF OF THE UNITED STATES ARMY, AT THE GRADUATION EXERCISES OF THE UNITED STATES MILITARY ACADEMY, WEST POINT, N. Y., JUNE 12, 1937

Mr. POWERS. Mr. Speaker, on Saturday, June 12, I had the pleasure of listening to one of the finest commencement day speeches I have ever heard. It was the occasion of the graduation exercises of the United States Military Academy at West Point. The speaker was Gen. Malin Craig, Chief of Staff of the United States Army. I liked particularly the philosophy it emphasized, its forcefulness, and its clarity of thought. It is with great pleasure, therefore, under the unanimous consent granted me by the House, to read Gener Craig's speech into the RECORD of this Congress.

The address is as follows:

To visit West Point under any circumstances is always a pleasure; to witness the graduation exercises stirs deeply the emotions of everyone who has been privileged to attend this academy.

The joy of this occasion is enhanced for me by the opportunity to join with my lifelong friend General Connor in welcoming the graduating class as officers of the United States Army. My association with General Connor began more than 42 years ago when we were members of the corps of cadets. As almost invariably happens, the same intense, eager devotion to duty that marked

his cadet days has been a characteristic of his long and brilliant military career.

The physical aspect of West Point has changed much since I was privileged to wear the cadet gray. There are many new and beautiful buildings of recent construction. The grounds are larger and better landscaped. The population has multiplied. There are now more cadets in every class than we had in the entire corps. But there are many things, and basic ones, that are unchanged. I have often longed to be a cadet again—to wander around the grounds seeking out the old, well-loved spots, passing somewhat rapidly certain areas with unpleasant connotations. Memory quickly spans the years and restores in softened hues the scenes of long ago. Happy associations, gay comradeship, the joys and sorrows of cadet life come trooping back amid these familiar surroundings. With them come all the traditions of West Point, enhanced and enriched by the years.

It is now 40 years to the day since your distinguished Superintendent was given his first commission. My own graduation followed his in less than a year. Twoscore years are but a moment in the march of time. They form only a brief chapter in the history of a nation. But they are all important in the life of an individual. They embrace the greater part of an adult life, and they encompass nearly all of the active career of the most fortunate Army officer. How well those years may be spent, how successful a career one may have depends in large measure on the vital preparatory years. You are singularly fortunate in having been selected to spend those years of preparation at West Point. Four years of earnest work at this school should result in 40 years of splendid service.

Those of you who today are leaving this grand old institution are experiencing a thrill that can never be duplicated. It is as certain as anything in life is certain that some of you will become national figures; some of you will become great leaders; some of you will be showered with honors. Nevertheless no laurels that you may receive will bring you the happiness that comes with this fitting climax to your 4 years of devoted service at West Point.

All of you are to be felicitated on the opportunity you have had to attend this great school. I am sure that the country is likewise to be congratulated on securing hundreds of young leaders who are to continue to serve our Government in positions of honor and trust.

The good fortune you have enjoyed comes to relatively few among our millions of young men. It is a blessing for which you will ever be grateful. The enjoyment of this privilege entails the obligation of service. Opportunity and responsibility march together. You cannot embrace the one without acquiring the other. To you much has been given. From you much is expected.

Though it may come as a surprise you are soon to learn that your military education has not been completed at West Point. Indeed it will never be completed. So long as you remain in the Army your advancement in the knowledge of military science must be continuous if you are to be worthy of your commission. The art of war is never static. If you would serve your country you must go forward.

However, though the last word of your professional education has not been spoken, you have acquired at this institution a fundamental knowledge that will take you far on the road to successful leadership. More important still the influences of this school have greatly aided in developing character, without which no officer can hope to succeed. Here you have learned—if you have learned anything—that the basic qualities of truth, honor, loyalty, and devotion to duty are the prize essentials of an American officer.

It is said that one of the objects of education is to permit us to attain the highest degree of happiness. Some find the pursuit of happiness a difficult chase at best. Men of renown have frequently sought to grasp happiness, only to find in their hands the dead ashes of fleeting fame. The effective guide to happiness will ever be found in the moral principles on which your education at West Point is grounded. Here you have been taught straight thinking and the right way of life. It may not always seem to be the easiest way, but it is the surest way to success and happiness. Here you have learned that happiness comes not from what you have but from what you do; not from what you get but from what you give.

Today a new vista opens before you. Your West Point experiences pass to the realm of reminiscence. Ranks are leveled. You enter the Army as subalterns, each on the same identical basis. Your career lies before you. The orderly room, the drill field, and the skirmish line constitute a universal solvent for cadet standings and academic ratings. The test of time will determine your qualifications as an officer. Intelligence, energy, initiative, as well as moral and physical courage are all attributes of great importance, but in the crucible of experience it is dependability that always stands the hardest test. On the relative list of the human qualities of a soldier, loyalty outranks brilliance.

Your professional reputation is yet to be made. The composite estimate of your ability by your fellow officers is not apt to be wrong. Gradually and steadily your reputation for good or for ill becomes known throughout the service. No young officer can be unconscious of the impression he is making on others. And yet he would be wrong to govern his conduct solely by the opinions of others. First of all he must to himself be true. Fortunately, by a happy paradox of human nature, we best serve ourselves when we think only of serving others. An officer should undertake every task, great or small, with a sincere pride in its accomplishment. He should make it a cardinal principle of life that by no act of commission or of omission on his part will he permit his immediate superior to make a mistake. Once an officer establishes such a professional reputation his future is assured. His services will be eagerly sought and his assignment to duties of the highest importance is certain.

As you leave the academy today you join a great generation of young Americans emerging from our colleges to take part in contemporary activities. Your part is of special importance. You are to keep vigilant watch over the citadel of our independence. You have the solemn duty to preserve and defend the great Nation that has nurtured you here. To this task you have dedicated your lives. In a very special way your country's future is in your hands.

Upon the loom of time is woven the tapestry of American history. At irregular intervals there appear the red threads of sacrifice, spun from the courage of soldiers who gave their lives in battle. By the deft hands of the Master Weaver these threads are fashioned in a pattern of infinite beauty. To this fabric we must all contribute. Whether your contribution be the golden threads of service rather than the scarlet threads of sacrifice, in the tapestry that is woven it is not the color but the quality that counts. In devotion in peace or in courage in war, the texture of our service must be unblemished.

Today you have completed the apprenticeship of your profession. You now enter into full comradeship with those who have borne arms as defenders of the Republic. Your novitiate has been spent in the greatest of all military schools. West Point and service are synonymous. Its origin was inspired by the men whose bleeding feet reddened the snows at Valley Forge. It was visioned by Washington and his patriot followers who founded our country and started it on the road to its high destiny. Sons of West Point have been our distinguished leaders in every conflict. They have served their country with an unswerving loyalty in peace as in war. There is a golden chain that links the West Point graduates of every generation.

Today as I welcome you to the commissioned ranks of the United States Army, I feel the presence of the shadowy battalions of our soldiers of the past—soldiers who have hallowed our traditions by their sacrifices. They, too, I am sure, join in my heartfelt greeting. They, too, bid you a soldier's Godspeed. In their phantom presence we of an older generation pass to you the torch of leadership. Carry it to new heights—an ever-beckoning beacon for those who serve.

No Demand for Florida Ship Canal

EXTENSION OF REMARKS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. BEITER. Mr. Speaker, I am in sympathy with the President's economy objectives. I shall continue to support him in all of his essential aspects. I decline, however, to consider the Florida ship canal as an essential part of emergency spending.

Southern and central Florida is against the ship canal. Shippers say they will not use it, the citrus growers oppose it, every informed resident of the State of Florida is against it.

If that opposition were nothing more than an instinctive reaction to a proposal which might injure southern and central Florida but confer vast benefits upon the rest of the country, then I believe the opposition could be dismissed and should be. If it can be shown that the ship canal will accomplish all its proponents claim for it, then those in Florida might be expected to take their medicine like good sportsmen and keep still. But for all the persuasive arguments of the proponents, there is no assurance that the canal will benefit the Nation as a whole.

Consider the cost first. The Board of Army Engineers set the figure at $263,838,000. The cost of operation and maintenance is estimated by the revisory board as not less than $650,000 annually. However, the Board of Army Engineers for Rivers and Harbors in their review of the estimate for the annual cost of navigation aids and signal system in the light of the restrictions placed by law on the hours of employment, together with leave privileges, shows that this cost, based on actual experience at the Cape Cod and Chesapeake and Delaware Canals, must be increased to a minimum of $220,000. But this is only part of the cost. To this figure must be added the consequential damages to the growers, municipalities, and business houses which could be

measured only in millions. Some estimates which I believe to be conservative place the probable cost at a billion dollars.

For that expenditure, many times the cost of the Panama Canal, what would the country get? Ask that question, and you make the startling discovery that nobody can tell you with any definiteness just what we would get for the money.

Originally the Florida ship canal was "sold" to the residents of Florida on the claims that it would promote transportation and communication, aid agriculture and industrial development, and give the State additional facilities for entertaining and taking care of the constantly increasing number of winter visitors. It is my sober judgment, however, that the expenditure of over $250,000,000 by the Federal Government would not be compensatory to the State, and neither would it contribute to the general welfare of the people of the United States. It is economically unjustified. I have in my possession letters and telegrams from important shipping companies saying that they would not use the canal if it was constructed. Prospective tonnage accredited to the canal was merely assumed by proponents, and not actual. Records show that between 75 percent and 80 percent of the Gulf tonnage is petroleum products. Every important petroleum company which I have contacted states definitely that they would not use the canal. The records will show that the Gulf tonnage, exclusive of petroleum products, was less in 1935 than it was in 1920.

The Transportation Division of Foreign and Domestic Commerce, United States Department of Commerce, reports that the consensus of opinion of that part of the shipping industry with which contact has been established in the preparation of this study appears to be that the probable cost of building the projected waterway is not justified through any benefits which might thereby accrue to the cargo or the vessel. The significance of this is that it rests primarily upon the considered opinion of the principal and, naturally, most interested group, the tanker trade.

Among the oil companies I cannot find one that expressed an interest in Florida canal or was willing to say that he would use it.

The reason is not hard to seek. Their long narrow vessels could not safely negotiate a 27-mile approach between jetties jutting out into the Gulf of Mexico where cross winds would throw them on the rocks.

Why, Mr. Speaker, 10 days after I sent out queries to these oil companies I received so much mail in opposition to the canal I thought I was Sears-Roebuck.

THREAT TO WATER

The most pronounced objection to construction of a sea-level canal arises from the threat that the canal, if dug, will so disturb the water supplies of the State as to destroy much of the present fresh-water supplies over a large area of the State, lower the level of spring-fed lakes and marshes sufficiently to permit numerous frosts to sweep south Florida, permit the encroachment of salt water into the fresh-water supplies of the State, and destroy much of the artesian supplies of water now employed in giving life to the winter vegetable and citrus crops of south Florida. This danger is definitely pointed out by State Geologist Herman Gunter and the United States Geological Survey, based upon studies of the Florida water supply dating back to 1907; by several other geologists who have studied this situation; by the Pirnie and Burwell reports to the War Department, which were suppressed. This charge is refuted by engineers who are not geologists, by a special board of review hastily convened in the fall of 1935 and reporting in December of that same year and by one geologist brought to Florida from extensive work in Turkey, who stands out as the principal geological authority in opposition to the State and Federal geologists.

DANGER TO PRODUCE

The territory south of the canal route, in which the water supplies are threatened, contains 97 percent of the citrus groves to Florida, and produces 96 percent of the winter vegetables. Increase of frost hazard by reducing the lake, marsh, and river water area would make most of this production impossible. Reducing the present water supply or salting the wells also would end such plantings.

SALT-WATER CONTAMINATION

Cutting the canal to sea level and 33 feet below, as would be necessary, would result in going 170 feet below the present ground level in parts of the State where the Ocala limestone formation is close to the surface. In this formation, like a great sponge, is the principal fresh-water source of the peninsula. Under it is the heavier salt water, held in place by this fresh-water layer. Cutting so deeply into the Ocala would result in enormous leakage from the fresh-water supplies, permitting the salt water to encroach and possibly, according to geologists, permanently salting the springs of the peninsula and the wells of at least 80 cities drawing their water from this formation. Once this is done, it can never be corrected. Great care must be exercised in some parts of the State now to prevent salting of wells by too heavy withdrawals. Cutting the canal would be equivalent to letting 80,000,000 ordinary artesian wells run wild, turning this great natural asset into the sea.

There is no demand for this canal from the mass of people in the State of Florida, particularly those south of the proposed canal, and it seems to me that the canal gets its backing almost entirely from a comparatively few people in the northern part of the State who expect to sell land or have contracts for its construction. If and when the canal is completed, interest in the enterprise will practically cease.

Certainly, any unwarranted project that would tend to increase taxation should be discouraged at the present time.

POSITION OF SHIPPING INDUSTRY IN RESPECT TO PROPOSED FLORIDA SHIP CANAL

(Prepared in the Transportation Division of Foreign and Domestic Commerce, United States Department of Commerce)

POSITION OF SHIPPING INDUSTRY IN RESPECT TO PROPOSED WATERWAY

In order to obtain views of the shipping industry on the practicability of the proposed waterway from the standpoint of commercial operation, shipowners were invited to state or discuss their position in regard to it. Since probable service charges for waterway use were not known, it was not practicable for members of the industry to arrive at any final position based on costs and charges. But certain operations problems were generally recognized in connection with the use of the waterway and some of these were common to most of the operators concerned.

Length of waterway: A significant question which has been generally raised relates to the length of time a vessel would be confined to restricted waters. It is pointed out by the ship operator that the proposed waterway would be practically twice as long as the world's longest canal, the Suez, and that roughly 36 to 40 hours (operator's estimate) would be required to move a vessel from open water to open water over this distance. The question reflects directly the reluctance of those responsible for the operation of ships to have them confined to restricted waters. Generally the problem deals with matters of relief pilots, extra or relief watches, and lookouts, necessity for night operation, upset ship routine to an unknown extent, and to weather conditions. It is held by some that with radio equipment and other devices for the safety of a vessel, navigation of the Florida Straits has less hazards, even during the hurricane season, than navigation through a waterway of the length proposed.

The possible adverse effect on the passenger trade through confining passenger vessels to inland navigation for so long a period of time under unknown weather conditions was another factor presented. Conversely, it was stated that the existence of the waterway might augment passenger traffic, by adding variety, scenic beauty, and general interest to the route, and would constitute a good advertising point.

Time savings: Quite aside from time savings translated into dollar savings which is discussed previously in this text, the question was raised as to what use could be made of any time saved. Theoretically time saved must be made commercially useful if it is to be of value. A ship arriving in port at a time or under circumstances which do not permit of working cargo saves nothing by early arrival. (For discussion, see pp. 19, 20, Bureau of Foreign and Domestic Commerce, Trade Promotion Series, Bulletin No. 129.) Operators stated that in case of certain vessels which arrive in the early afternoon cargo is not worked until 8 o'clock on the following morning in order to avoid overtime payments for labor. If such vessels could be brought into port during the early morning, a full port day would be saved for the ship without overtime payments. In this case the use of a waterway might be dictated by conditions affecting a ship's port time irrespective of any possible direct savings due to navigation through the waterway.

Other operators serving Florida coastal districts saw changes in schedules and service requirements. Possibilities of revised schedules, change in coastal movement and in competitive position of local ports and services materially affect the probable value of the proposed waterway. Operators stated that in these trades at least

a third or more of their operations would not be interested in the use of a waterway.

Public interest value: Conflicting views were held in respect of the ultimate definition of public interest in the waterway—reduction in transportation cost to the shipper. Some operators held that under current tonnage conditions rates approximate costs of operation; that shortening of route tends to increase tonnage surplus and thus further to depress rates.

Other operators held that use of the projected waterway would reduce transportation costs to them by a small amount if vessel transit could be made free of all charges whatever. Any charge would materially affect the margin of savings and under no circumstances could this saving be passed on to cargo and consumer.

Car-carrying vessels: The position of car-carrying vessel operators indicated possible utilization of one or more points along the waterway as points of transfer and classification. It is considered that cost figures for this type of vessel are not typical for purposes of waterway calculations and they are omitted from this report.

Foreign tonnage: Charterers of foreign tonnage were interested in possible time-savings features of the proposed waterway as a further advantage to them in connection with vessels on a time-charter basis. Foreign vessels operate at considerably lower cost, which in turn would make any service charges for use of the waterway materially alter the position of a foreign vessel in respect of using the waterway. Time savings, however, in this case, especially in regard to bulk carriers like tankers would be of direct benefit to operators of vessels on long-time charters.

The consensus of opinion of that part of the shipping industry with which contact has been established in the preparation of this study appears to be that the probable cost of building the projected waterway is not justified through any benefits which might thereby accrue to the cargo or the vessel. The significance of this is that it rests primarily upon the considered opinion of the principal and naturally most interested group, the tanker trade. While there appears some division of interest in the general trade as to the use of a waterway, based more nearly on the regional services involved than on the navigational features, the obvious benefits to a strictly navigational problem like the tanker trade, appears too obvious not to have had the considered thought of that trade.

In the face of figures and reports such as these, and the depleted state of Government finances, is it not time to call a halt on a $200,000,000 expenditure and return to saner counsels?

Railroad Retirement Legislation Results From Cooperation of Industry and Labor—Representative Robert Crosser Merits Highest Praise for His Leadership

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. RANDOLPH of West Virginia. Mr. Speaker, passage in this body of H. R. 7519, known as the Railroad Retirement Act, causes me to realize once again that management and men, industry and labor, employer and employee, have shown that they can cooperate to bring about progressive measures for the benefit of those who toil in one of the Nation's greatest enterprises.

In times of controversy in matters of capital and labor, it is indicative of a fine feeling and desire for fair dealing when we can see the harmony which has been manifest in this matter.

It is to be hoped that other industries may see in this measure that which points the way and may serve as a guidepost. To provide for the men who have given long and loyal service to the successful operation of the railroads of the Nation is proper and right.

Representative ROBERT CROSSER, through his championship of this type of legislation, merits the enthusiastic commendation of all of us. When I became a Member of this House in the Seventy-third Congress he was one of the veterans to whom I came for advice and counsel. He was most helpful to me in many matters, and today I join with my colleagues in wishing for him many years of continued service to his district, State, and Nation.

His leadership is inspiring.

William D. Thomas

MEMORIAL ADDRESS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. BEITER. Mr. Speaker, it is with a feeling of profound sorrow and regret that I speak of the death of my good friend and colleague WILLIAM D. THOMAS. Mr. THOMAS served with me as a member of the Committee on War Claims and always proved most willing to cooperate with the other members of the committee. He was a valued member of the committee because of his great interest in the measures under consideration.

WILLIAM D. THOMAS was born in New York State in the district which he later represented in Congress. He entered public life in 1917 as town clerk of the town of Hoosick and served in that capacity until 1925 when he was elected to the New York State Legislature. From 1927 to 1933 he served as Rensselaer County treasurer and came to Congress on January 30, 1934, to fill the unexpired term of James S. Parker, deceased. He was reelected to the Seventy-fourth Congress and represented his district well until his untimely death on May 17, 1936.

His value to his district and to the Nation at large was unsurpassed, and his primary interest at all times was the welfare of his people. He was a man of high principles and ideals, and he earned by his conduct the respect and confidence of his colleagues. By his death the State of New York lost a distinguished citizen, and the memory of WILLIAM D. THOMAS will long remain with us.

Construction of a Battleship at the Philadelphia Navy Yard

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

EDITORIAL FROM THE PHILADELPHIA INQUIRER, JUNE 21, 1937

Mr. STACK. Mr. Speaker, under the leave to extend and revise my remarks in the RECORD, I include the following brief editorial from the Philadelphia Inquirer of Monday, June 21, 1937.

In a very few and telling words the editorial sums up why one of the new battleships should be built in the Philadelphia Navy Yard, and I want to congratulate the Inquirer for bringing out the facts so pointedly, and to add that the Philadelphia Navy Yard is the only yard that has a ways large enough to handle a battleship 725 feet in length, which will be the length of the new battleships. The yard also has the largest crane in the world.

THE NAVY YARD SHOULD HAVE THIS JOB

Having submitted the lowest bid for construction of one of the two 35,000-ton battleships to be built this year, the Philadelphia Navy Yard should be awarded the contract by the Navy Department.

Its offer was substantially below that of the Brooklyn Navy Yard for construction of the same vessel and so much less than estimates of private companies for one of the ships as to make possible building of both in Government yards.

League Island is well equipped on every score—experience, personnel, facilities, in proximity to sources of material—for battleship building. It has always given satisfaction before and doubtless it would again on this new job.

Award of this contract, amounting to some $37,000,000, means a great deal to Philadelphia in providing employment and in helping business generally. Every effort should be made to have the job come here.

Bernhard M. Jacobsen

MEMORIAL ADDRESS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. BERNHARD M. JACOBSEN, late a Representative from the State of Iowa

Mr. HARRINGTON. Mr. Speaker, it is always a sad and solemn occasion when we gather to pay tribute to a departed one, and yet in the case of Hon. BERNHARD MARTIN JACOBSEN, late a Member of this body from the Second District of Iowa, the task need not be funereal, for Representative JACOBSEN lived a rich, full, constructive, and well-rounded life, and such was his kindly nature, his noble character, and his practical outlook on life that as he neared the brink he must have looked back with a feeling of satisfaction with having performed well his allotted task.

At the time of his passing into the Great Beyond BERNHARD JACOBSEN was in his seventy-fifth year, and because of the wide differences in our ages my privilege of association with him was necessarily all too brief. And so in my humble estimation of his contribution to his country and his fellow men I judge not so greatly by personal contact as by the evaluation placed upon him by others closer and longer in association—by his friends and neighbors in Iowa and by his colleagues in the House of Representatives in Washington. The feeling of respect and friendship for BERNHARD JACOBSEN is almost universal in his home city and district and in that section of Iowa where he was best known. A prophet may be without honor in his own country, and still the stiffest test a man's character must meet is right among his own neighbors. The honor and esteem in which BERNHARD JACOBSEN was held is an eloquent answer to that test.

To review BERNHARD JACOBSEN'S long and useful life would be but to duplicate in different language what others of his friends and colleagues have already said. Therefore I confine myself to this brief eulogy and to the consoling reflection that the spirit of BERNHARD JACOBSEN still carries on in this Chamber in the personage of a loved, able, and respected son.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Representative from the State of Tennessee

Mr. MICHENER. Mr. Speaker, of the hundreds of men with whom I have served in Congress, I know of no man who was more respected and more affectionately admired than the late Speaker BYRNS. Whether or not one is respected and loved here must of necessity depend upon the man himself. If we seek the common denominator by which Members rise to positions of leadership and influence in this body, I am sure that we will find the answer in the one word "confidence."

The seniority rule in the House determines our positions at the committee table. It makes chairmen of committees, regardless of the particular qualifications of the individuals for the positions. The rule has its faults, but it seems to be the best solution of a problem. The seniority rule, however, does not in itself make leaders and Speakers. Ability, industry, courage, and honesty are always present in the make-up of the successful Member of Congress. One may be possessed of all four of these attributes, however, but if he lacks the confidence of his colleagues, his progress is limited to that obtainable under the seniority rule.

JOE BYRNS, as we all loved to call him, had the confidence of all. He was a partisan Democrat, but he was not a fanatic. He had served as a member of the minority, and he realized the necessity of a tolerant majority. By temperament, character, and experience he was well-fitted for the exalted position of Speaker. The rights of the humblest Member were always protected by Speaker BYRNS. Starting at scratch, he climbed the ladder of success a step at a time. He was a credit to his family, to his State, and to his Nation. This is a better Congress because JOE BYRNS was Speaker of it, and this is a better country because he lived in it. High position did not turn his head. Power did not spoil him. In his passing another name is added to the list of deceased illustrious Speakers of the House of Representatives.

Louis Murphy

MEMORIAL ADDRESS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from the State of Iowa

Mr. HARRINGTON. Mr. Speaker, sorrow and shock must mingle with pride in any reference to the life of the late LOUIS MURPHY, United States Senator from Iowa, whose memory we honor on this sad occasion. As a personal friend and admirer, I lament his untimely passing, cutting short as it did a brilliant political career. As a fellow Iowan I share the general feeling of pride toward his accomplishments and contributions to the Government of his country during a critical chapter in its history.

Had sudden accident not prematurely intervened, there is no telling what heights he might have scaled in the service of his country. Only this we know, that during his comparatively short time in the Senate he rose to a position where his statesmanship was nationally recognized, his counsel respected and his value to the great agricultural Middle West acknowledged on every side.

Outstanding among Senator MURPHY'S many virtues was his courage. At a time when political hypocrisy was spawned by the controversial prohibition question, LOUIS MURPHY had the moral intrepidity to speak his honest convictions and campaign on what was then considered the unpopular side of the issue. So there would be no misunderstanding as to his position on this generally evaded question he plastered the billboards across the State of Iowa with a declaration of his stand. This was so typical of Senator MURPHY—his hatred of hypocrisy and his willingness at all times to fight out in the open for what he thought right.

Time does not permit any general review of his life and achievements. I leave that to others better qualified by closer and longer association. To my mind, however, the honor and esteem with which he was held is best exemplified by the action of our gallant President last summer in making a special trip to the late Senator's home in Dubuque, simply to offer a word of sympathy and condolence to his helpmate and widow. In the passing of LOUIS MURPHY, those of us who knew him have lost a friend and Iowa has truly lost a great statesman.

The New United States Marine Hospital at Memphis

EXTENSION OF REMARKS

OF

HON. WALTER CHANDLER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

ADDRESS OF HON. WALTER CHANDLER, OF TENNESSEE, AT THE DEDICATION OF THE NEW UNITED STATES MARINE HOSPITAL AT MEMPHIS, ON JUNE 12, 1937

Mr. CHANDLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me at the dedication of the new United States Marine Hospital at Memphis, Tenn., on June 12, 1937:

Mr. Chairman, distinguished guests, ladies, and gentlemen, this is a happy occasion for us all. Not only because we have assembled to dedicate these beautiful new buildings of the United States Marine Hospital at Memphis, but primarily because of our realization that this great institution of mercy is to increase its usefulness in the service of suffering humanity. A magnificent record of 53 years is to be rewarded by a new home in which to do more and better work, and with the finest facilities that skill can contrive.

This reservation of 4½ acres is historic ground. Here, tradition has it and original records present convincing proof to establish that Hernando De Soto first saw the "Father of Waters" in the month of May 1541. He called it "the River of the Holy Ghost." If the intrepid but ill-fated Spanish explorer did not look first at the Mississippi from this spot, and I believe he did, he missed the most beautiful view of the majestic stream, and the most thrilling of American sunsets. But beyond the peradventure of a doubt, we know that this commanding site on the fourth Chickasaw Bluff was part of the Indian village of Chisca, with the ancient Jackson Mound that is in full view of us today, and, after the coming of the Americans, was the locus of Fort Pickering.

Built in 1801, and named for Timothy Pickering, Secretary of State in President Washington's Cabinet, Fort Pickering was an outpost of the new Republic, although actually situated on land of the Chickasaw Nation until 1818. Gov. William C. C. Claiborne of the Mississippi territory visited the fort on November 23, 1801, and, in a report to James Madison, Secretary of State to President Jefferson, recommended the erection of other military posts on the Mississippi, stating that "boats were often stranded or sunk or disabled by the illness of their crews, and, except at Fort Pickering, there were no stations where relief could be obtained." The Governor added: "A few posts to render aid in such cases, with hospital stores for the sick, would greatly promote the commerce and the peopling of this remote territory." So this spot seems to have been destined for a marine hospital 80 years before the land was bought for the purpose. That is fascinating history to me.

Indeed, in the midst of these historic associations and lofty surroundings, what could better symbolize the warm and sympathetic heart of the Mississippi Valley than this wonderful new unit of our National Public Health Service? This setting is ideal for such a hospital. Advantageously placed near the United States engineer depot and the wharves, accessible to the chain of service stations along the Mississippi River from New Orleans to St. Louis, within the limits of a city which has been a haven of refuge for a century, and where the best physicians and surgeons are available whenever needed, I cannot visualize a more perfect location.

Interestingly, we also witness here today the child paying homage to the parent. The distinguished official of the United States Public Health Service, Dr. S. L. Christian, who honors us by his presence here this afternoon, is not in the role of proud and indulgent parent come to honor an illustrious offspring; but rather the reverse, because the Marine Hospital Service is 114 years older than the United States Public Health Service, and the latter had its origin in the former. Verily, "the child is father to the man."

The United States Marine Hospital Service, the parent organization, was established by act of Congress on July 16, 1798, during the administration of President John Adams, "for the relief of sick and disabled seamen." The original function of the Marine Hospital Service was to provide hospitalization and medical treatment for sailors of the merchant marine and, until 1811, sailors of the United States Navy. The merchant marine then was one of the most important enterprises of the young Nation, and Congress recognized that sailors who were overtaken by disease while away from their home ports should be given hospital treatment rather than be left on the local communities when the ships had to sail away and leave them.

With the passage of time and the development of the country, medical science has made truly remarkable discoveries in epidemiology, preventive medicine, and sanitation, and it is quite natural that additional functions of a public health nature have been imposed gradually on the Marine Hospital Service. In keeping with these new duties, the words "Public Health" were added to the name in 1902, and for 10 years the organization was called United States Public Health and Marine Hospital Service. By 1912 the scope had become so broadened and the service so expanded that the present title of United States Public Health Service was affixed.

Aid was first administered to sick and disabled seamen at the port of Memphis by the Federal Government in May 1870, although it was not until March 31, 1884, that the marine hospital was opened for the reception of patients. During the interim, patients were cared for at the first Memphis City Hospital and medical attention was furnished by a local physician, serving in the capacity of Acting Assistant Surgeon, until August 22, 1882, when a regular officer of the United States Marine Hospital Service was detailed for duty in Memphis and assigned to quarters in the customhouse. Those requiring hospitalization were still sent to the city hospital, pending the construction and opening of the marine hospital, for which Congress had provided an initial appropriation of $30,000 in 1880.

The ground upon which we now stand was selected in 1881 out of what was then known as the Fort Pickering addition to Memphis, and was purchased by the Federal Government for approximately $4,725. Because of the refusal at the outset of the State of Tennessee to surrender the land to the United States, much delay and considerable expense were entailed in obtaining title so that construction might be started. As a result, there was not enough remaining of appropriated funds with which to erect the buildings, and it was necessary for Congress to make a second appropriation of $30,000 which was granted in 1883. The original hospital plant consisted of two frame pavilion wards, a brick executive building (recently moved to the rear to be remodeled), a brick laundry and kitchen building, the frame residence now occupied by the medical officer in charge, and a few small frame buildings.

For a number of years, well beyond the turn of the present century, the original hospital and its equipment were adequate to meet the demands. However, with the enlargement of the jurisdiction, it became increasingly apparent that the facilities were insufficient. The buildings, once the pride of Memphis, became antiquated, and the equipment obsolete. In the meantime the benefits of the marine hospitals throughout the Nation were extended by leaps and bounds to the following classes of Government employees in addition to their original beneficiaries: Officers and enlisted men, active and retired, of the United States Coast Guard; officers and seamen on vessels of the United States Coast and Geodetic Survey; officers and crews of vessels and employees of the Lighthouse Service, active and retired; officers and crews of vessels of the Bureau of Fisheries; seamen from vessels of the Army Engineer Corps, Army transports, and other vessels of the United States Army; seamen on vessels of the Mississippi River Commission; seamen employed on vessels of the United States Government of more than 5 tons burden and on State school ships; cadets on State school ships; aliens detained in hospitals of the Public Health Service under the immigration laws and regulations; beneficiaries of the United States Employees' Compensation Commission; officers of the Public Health Service and those employees thereof on national quarantine stations, on board quarantine vessels, and on field duty; and Federal prisoners confined in public institutions under the control of the Department of Justice.

In addition to the above nonpay beneficiaries, the marine hospitals are open also to certain pay patients, including foreign seamen, patients of the United States Veterans' Administration, officers and enlisted men of the United States Army, officers and enlisted men of the United States Navy, and enrollees of the Civilian Conservation Corps.

Through the untiring efforts of Senator MCKELLAR and Congressman Crump, the imperative need for increased and modern facilities at the Memphis Marine Hospital was recognized, and, under the act of March 4, 1931, the construction of a new surgical building was authorized. This building, which contains ward space for 35 patients, an operating suite, dressing and examination rooms, kitchen and dining rooms, was completed at a cost of approximately $150,000, and occupied in August 1934.

During that summer Dr. Christian came to Memphis to inspect the new surgical building, and Dr. Lombard impressed upon him the absolute necessity of further improvements; and before I went to Washington in December 1934, Commissioner Clifford Davis, who had been watching the wooden buildings as fire hazards, brought me down here, and he and Dr. Lombard fired me with the determination to supplement the successful efforts which already had been made. I claim no credit for what has been accomplished, but it was my privilege and pleasure to cooperate with all of the officials and agencies of the Federal and local governments toward the fruition of their efforts.

Under the act of August 12, 1935, an amount of $535,000 was made available for the construction of a new ward building, nurses' home, two sets of junior officers' quarters, for the relocation, rehabilitation, and conversion into quarters for junior officers of the old administration building, the relocation and alteration of the old building known as building no. 6 to be used for housing attendants, the construction of a new retaining wall, and a building to house the garage, shops, and laundry. It was found that this amount was not sufficient to provide for all these requirements, and under the act of June 22, 1936, an additional $150,000 was made available. The new ward building, nurses' homes, one set of new junior officers' quarters, and the relocation and re-

habilitation of certain existing buildings to convert them into quarters as mentioned above are now about completed and will be ready for occupancy within a very short time. These are the edifices dedicated today.

Steps are being taken for the purchase of certain additional land adjoining the hospital reservation on the east, and as soon as the Government acquires title thereto, a contract will be awarded for one additional duplex house for junior officers and for the construction of a building to house the shops, garage, and laundry. When the new laundry has been completed the space now occupied by the present laundry in the surgical building will be remodeled for other hospital purposes.

The completion of the construction program in its entirety will make available the following: The new ward building and surgical unit; quarters for the medical officer in charge; three double houses for junior officers, nurses' homes, attendants' quarters, and laundry, garage, and shops building. Of the amount of $685,000 allotted for the construction program, there still remains an unobligated balance which will be available for the acquisition of the additional land mentioned and the completion of the project as contemplated.

I would be remiss if I did not tell you of the essential part played by the city of Memphis in this building program. Already the city has donated a strip of land to the United States for the retaining wall which is being built on the west and north sides of the reservation, and has consented to close Armstrong Place just east of us as soon as the frontage on Delaware Street is acquired. Furthermore, behold the new roadway which will circle the mound and provide an unequaled river view with an approach from California Avenue. This will be a great scenic drive, and will bring the new marine hospital to the eyes of thousands of people of the South for the first time. Indeed, our sincerest thanks are extended to Mayor Overton, Engineer Fowler, and the city commission for their uniform cooperation and their actual contributions. As usual, the Memphis Chamber of Commerce was called upon for important data and responded promptly and effectively.

This new marine hospital is a fitting complement to the group of renowned hospitals which have served the people of the Midsouth for generations, and have made Memphis a widely known hospital center. We are proud of our hospitals and their enviable records. St. Joseph's Hospital, the oldest of the group and yet modern and up to date in every way, has a splendid record of service. The new John Gaston Hospital, owned by the city of Memphis and named in memory of a kindly disposed progressive citizen of the days gone by, is one of the greatest medical institutions in the land. The Baptist Hospital, opened in 1912 and achieving success from the start, has increased its size and its benefits, and is our largest nursing home today. The Gartley-Ramsey Hospital is a smaller unit, and of a high standard.

The Methodist Hospital, also new and complete, is doing excellent work. The magnificent Veterans' Facility No. 88 is one of the ornaments of Memphis, and furnishes treatment for thousands of veterans of the Spanish-American and the World Wars. The Shelby County Hospital and the tuberculosis sanitarium at Oakville are unexcelled in their utility. The crippled children's hospital, and the crippled adults' hospital, and the eye, ear, nose, and throat hospital are all especially fine institutions in their respective fields; and now the new marine hospital has come to take its place and meet the needs of the vast territory which it serves. So, we welcome this latest addition to our modern hospitals, and congratulate ourselves and the people of our section that the Federal Government has seen fit to rebuild the illustrious institution which it founded on this bluff nearly 56 years ago, and extend its blessings to the sick and injured who are eligible from the States of Tennessee, Arkansas, Mississippi, northern Alabama, and southeastern Missouri.

May I express our appreciation to Surg. Gen. Thomas Parran and Assistant Surgeon General Christian for the uniform cooperation which they have given us in the operation of the marine hospital in Memphis and in the formulation, development, and completion of the new buildings? We regret that Dr. Parran is not with us today, but we are most happy to have Dr. Christian. It was he who took back to Washington the vision of the new marine hospital and he has worked loyally and faithfully for its fulfillment. Although I have called on him personally or by telephone a multitude of times, he has never failed to respond readily and willingly. We are very much indebted to him.

Also, let me welcome to Memphis Mr. W. E. Reynolds, the Assistant Director of Procurement of the Treasury Department. Mr. Reynolds is one of the most important officials in the Government at Washington, and the office which he holds involves tremendous responsibility. He is well known for his most excellent judgment, for his solicitous care of public funds, and for his impartiality. He has been most courteous and considerate, and, has pressed the construction of the new buildings with all proper diligence.

We cannot commend too highly the outstanding work of Lt. Col. Marion S. Lombard, senior surgeon in charge of the hospital for the last 4 years. He came to Memphis a stranger, and upon taking over the assignment recognized the absolute necessity for modernizing the hospital. This he set about to do with a fine type of determination and persistence. He generated great enthusiasm for the project, and it was he who challenged my interest in the reconstruction of the hospital shortly before I went to Congress. He has worked on the plans and at the same time has operated the existing facilities with scrupulous attention and proficiency. Dr. Lombard has become a real Memphian, and we regret that the rules of the service require that he must be transferred to a different station, even though it is a promotion well deserved. The members of the staff of the hospital, the consultants, internes, nurses, and attendants have been efficient in their work and enthusiastic in their support of the new program, and I wish that I could call each of them by name. Today we are particularly obligated to Col. Edward McGowan and the Memphis chapter of the Reserve Officers' Association for sponsoring this delightful program, and I want to thank everyone who has had a part in it. It is most appropriate and in keeping with this patriotic occasion.

Therefore, with a deep sense of gratitude for this splendid gift from our generous Government, and with the fervent hope that this noble institution may daily increase its usefulness in the field of mercy, we dedicate the new buildings of the Memphis Marine Hospital in the spirit of these beautiful lines which our charming Mrs. Virginia Frazer Boyle, one of the South's most gifted poets, has written especially for us today:

"Here he may rest, the warder of the seas,
And find the ease from pain that skill can give;
Where Science waits with healing in her hands,
To bind the wounds, to give the hope to live."

Ireland's New Deal

EXTENSION OF REMARKS
OF
HON. JAMES L. QUINN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 22, 1937

ADDRESS OF DAVID L. LAWRENCE, SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA, AT THE THIRTY-THIRD ANNUAL REUNION, ANCIENT ORDER OF HIBERNIANS, AT PITTSBURGH, PA., JUNE 19, 1937

Mr. QUINN. Mr. Speaker, under leave to extend my remarks, I include the following address of David L. Lawrence, secretary of the Commonwealth of Pennsylvania, at the Thirty-third Annual Reunion of the Ancient Order of Hibernians, at Kennewood Park, Pittsburgh, Saturday, June 19, 1937:

Mr. Chairman, honored guests, and friends of Ireland, we meet here today in a holiday spirit, but I am sure that we all recognize in this occasion something symbolic of those great traditions nurtured by the Irish people on American soil.

For the past 33 years reunions such as this have given us opportunity to review the long and honorable history of the sons and daughters of Ireland in the New World. More than that, we have taken from them increased devotion to the great principles of American democracy. Proud as we are of the magnificent part the Irish and those of Irish descent have played in the upbuilding of America, that very pride makes all of us better citizens, confirming as it does our loyalty to a Nation that Irish brain and Irish blood has helped to create.

When America looked for help in the struggle against oppression, where could it find more loyal supporters than in a people whose history for a thousand years had been one of struggle against oppression?

When it looked for defenders of democracy and human liberty, where better could it look than to Ireland, whose proud spirit of human independence and passionate love of liberty are known the world over.

And when it wanted men ready to offer their lives in the cause of justice, again it was Ireland that offered fighting men—Moylan, Knox, Sullivan, Montgomery, and the thousands of others who fought side by side with General Washington in the dark early days of the Republic.

It was no accident that on the roll of Revolutionary heroes are inscribed such Irish names as Mad Anthony Wayne, Commodore John Barry, Stephen Moylan. Nor is it any accident that 13 of the 57 signers of the Declaration of Independence were of Irish blood.

I need not speak of the great public officials, the great statesmen, the great scientists, and men of letters, who have helped down the years to make the United States a great Nation. The great traditions of the Irish people are part of the very warp and woof of our history.

All this is well known to all of you. It is a story that never grows old. But we do not live in the past—we live in the present, and for the future. It is of the present I would speak today.

In the blackest hours of our recent depression Americans of Irish descent by the millions rallied to the banners of America's New Deal. In that crisis, as in all other crises, they responded to the challenge of the times with rare courage and high idealism.

Why were they for the New Deal? They believed in it, and they still believe in it, because it represents the things they have always stood for—fair play, equality of opportunity, and liberal democracy.

Ireland had a new deal long before we had it, and today the new-deal measures in operation there far surpass our own in scope and significance.

Since 1922, when the Irish Free State was established, Ireland has had a new deal. It was begun under the Cosgrave government, and it has been developed under the De Valera government.

The growth of Ireland's new deal has been amazing, particularly when we consider that the Irish Free State has only one-third the population of Pennsylvania.

We here in America are proud of our Tennessee Valley Authority. But Ireland has had a T. V. A. for years on the River Shannon. The Shannon hydroelectric development was built at a cost of $80,000,000. It represents one of the largest developments in Europe in a quarter of a century. Work was started in 1925, and 4 years later the Shannon was furnishing steady, cheap electric power to practically all of the 26 counties of the Free State. With that has come the spread of home comforts, of new civilization, to people in remote areas—and from the very beginning it has more than paid its way.

We think we are advanced in housing and slum clearance. Yet, while our own housing program lags, Ireland goes ahead. Already more than 50,000 houses have been built or reconstructed, including thousands of low-cost laborers' cottages, as well as low-cost homes for average workers. The city of Dublin alone is building 15,000 homes and the city of Cork 4,000.

We have only recently established old-age pensions, blind pensions, and unemployment compensation. Ireland has had them for years, spending far more per capita than we.

In education the trend in Ireland has been the same. We are just beginning to consolidate rural schools on a large scale. They did it years ago. They have built new teachers colleges and new vocational training schools. They furnish free school busses, free meals and lunches for poor children, free dental and medical care, free college scholarships for honor pupils.

Their public-health program is considered a model for the world. Substantial loans and expert help have been given to local communities for new sanitary facilities and new hospitals. In a short 10 years they have made a 50-percent reduction in deaths from contagious diseases—an almost unprecedented achievement.

For new roads alone the Free State has spent well over $46,000,000, and in a country less than half the size of Pennsylvania, that represents a vast and comprehensive highway program.

You may recall that the Roosevelt administration's resettlement project was considered wildly radical. Yet Ireland has been steadily resettling its farmers, taking them from barren lands, and reestablishing them in the rich and fertile counties. Its entire agricultural program in many ways was a forerunner of our own A. A. A. The Government guarantees the farmer a market for his product and guarantees a normal market price. Control of imports, subsidies, and expert laboratory and experimental services, all have contributed to make possible in 4 short years the preservation of the entire Irish market for the Irish farmer. Back in 1928 Ireland produced only 3½ percent of the wheat it consumed. Now it produces 100 percent and has no wheat imports at all. The same is true with beet sugar. Four years ago Ireland bought all of its beet sugar from other countries. Today it produces 90 percent of its own supply.

We in America are rightly proud of our legislation for the protection of labor. In Ireland, over a period of only 3 years, employment has increased 46 percent and more than 300 new factories have been opened. The Irish worker was protected by his Government when the American worker was still the "forgotten man." Before any manufacturer receives a license to operate in Ireland he must comply with Government-maintained wage standards, maximum-hour laws, and strict sanitary requirements.

The bogs of Ireland, formerly practically wasteland, are being developed. Airports and seaports are being constructed with almost unbelievable rapidity. Plans are now under way for international air service. Radio stations and telephone lines are going up on all sides.

Socially and economically, Ireland is developing through its own new deal, and through the courageous pioneering spirit of its people. It is that same spirit in our country which has helped to make our own New Deal the wonder of the world. Nor is there anything radical in these developments. Conservatives and liberals alike have put their shoulder to the wheel to make them possible. No one complains that the cost is too great. In fact, the first Government loan of $50,000,000, as far back as 1922, was oversubscribed by $30,000,000 in a few days. Nor has there been any conflict between this swift social development and the ancient faith of the Irish people. The Free State is 80 percent Catholic, as firm in its faith as ever before in history. The parish priest or the local bishop almost invariably dedicates the new-deal enterprises of the Irish Free State, whether they be housing, hydroelectric plants, or new highways.

The story of Ireland's new deal is almost as inspiring as the great history of Ireland. I cannot do much more than touch upon it here. But it is a demonstration of the great spirit of the Irish people, the same spirit that has helped so nobly not only in the building of our country but in the solution of its problems in times of chaos and distress.

The spirit of humanity which shows itself in our great social measures, and the progressive spirit which is manifested in our new economic developments, has its counterpart in Ireland as well—and we who have faced the problems of depression during these past few years can well afford to take off our hats to Ireland.

Love of country is among the greatest of all virtues. I feel that in this gathering today there is demonstrated that love of our own land is amplified rather than diminished by our reverence for the great traditions of Ireland. It seems to me that while we at all times profess our allegiance to our country, on such occasions as this we make a public pledge of that allegiance not only as individuals but as a group—a group dedicated to the highest and best ideals of American life, ready as our forbears have always been to make any sacrifice in order that our American democracy may go forward.

Today America is pioneering in a new social and economic era, and the spirit of a people who built a T. V. A. on the Shannon, while ours was only an economist's dream, will be with us all and with America in the years that lie before us.

General Welfare Act of 1937

EXTENSION OF REMARKS

OF

HON. WILL ROGERS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

RESOLUTION ENACTED BY OKLAHOMA LEGISLATURE

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave to revise and extend my remarks in the CONGRESSIONAL RECORD, I wish to insert a resolution enacted by the regular session of the Sixteenth Legislature of Oklahoma. The author of this resolution is the Honorable Felix Church, a member of the Oklahoma State Senate. The resolution is as follows:

A resolution memorializing the Congress of the United States of America to pass H. R. 4199, introduced in the House of Representatives on the 2d day of February 1937 and known as the General Welfare Act of 1937

To the President and the Congress of the United States of America:

Your memorialist, the Sixteenth Legislature of the State of Oklahoma, respectfully represents:

Our Nation as a whole and our people as individual units of the Nation are suffering from and because of a general paralysis of business, industry, and trade.

The stagnation in business, from whatever cause or causes originated, has and still is causing enormous loss everywhere equally to concentrated capital engaged in the basic industries of our country and also the individual citizenry of our Nation, carrying with it on the crest of its foremost waves, misery, suffering, and want to those of limited means, who, because of this depression in industry and trade are deprived of earning their daily wage, in order that they might relieve the gnawing pangs of hunger or clothe the weakening body against the rigors of misery and poverty.

These deplorable conditions are so widespread and universal in the extent to which they affect the citizenry of the Nation that it is breeding a dangerous discontent, fostering strikes, instilling the idea of communism, and is wholly destructive of the morale of a large and growing number of people to such extent as to give the gravest warning and apprehension for the safety of the General Government.

It is apparent that so long as the general populace of the Nation has no buying power nor the opportunity to create a buying power that any effort to stimulate either trade or industry must of necessity be sporadic in its nature and in the end a failure as has been repeatedly proven.

All efforts so far in the giving of relief have either been local in character or applied for the relief of certain classes of citizens or to stabilize or stimulate certain trades or industries, and that all like proposals made by financial and industrial leaders and by many Members of the honorable the Congress of the United States are of a like character and, as your memorialists fully believe, must in the end also fail to meet the Nation's needs.

Without decrying the potential local or class benefits to be derived from such measures so sponsored, we would call your attention to a measure of proposed legislation which we believe would meet the Nation's need and give immediate relief to all who need. The proposed legislation we propose is known as the General Welfare Act of 1937, H. R. 4199, which is simple, self-executing, self-liquidating, and Nation-wide in its application. It does not contemplate any changes in our Government or the establishment of any new departments. In support of this constructive legislation, it is the primary duty of all civilized governments to provide its subjects and citizens with a flexible, liquid, rapid-moving medium of exchange, whose value must be kept fairly constant and whose flow through channels of trade and commerce must be constant and uninterrupted.

First. Available records indicate the following burdens now borne by citizens of the United States, to wit:

In 28 States costs and upkeep of poorhouses with 775,000 inmates	$2,500,000,000
All forms of relief work	36,000,000,000
Cost of all forms of crime	18,000,000,000
Cost to labor by reason of lower wages and loss of time (1932)	25,000,000,000

Loss by strikes (1927), 37,800,000 days.

Loss to trade and industry unknown, but appalling.

Second. It will bring about the abolishment of the "poorhouses" and "poorfarms" now maintained by the counties and States at a cost of billions of dollars.

Third. It will save billions of dollars now being spent by the State and Federal Governments to feed and clothe the unemployed and unprofitable and questionable projects.

Fourth. It will save millions of dollars now being contributed to provide State and local charities, work for the unemployed, and it will enormously reduce the necessity of contributions to such organizations as the Red Cross and community chests which is now a direct drain on business and wage earners, amounting to millions of dollars.

Fifth. It will save millions of dollars to those now paying hard-earned premiums for old-age annuity insurance, maintained now by private corporations and sold now by insurance companies for commissions and profit.

Sixth. It will save millions of dollars now spent to maintain old soldiers' homes by the Government, as well as old people's homes maintained by trade-unions and professions.

Seventh. It will save millions of dollars now spent by the taxpayers to pay pensions to old soldiers, Army officers, judges, and other retired civil-service Government employees and other aged citizens who are now receiving an inadequate amount as a pension.

Eighth. It will save billions of dollars annually in the field of crime. Our penal institutions are now overcrowded with the youth who turned to crime in desperation and resentment against want and lack of opportunity in a land of wealth and abundance. Millions of our youths will be saved from a life of crime, and thousands now in penal institutions will be saved by society and be put to work in respectable and self-sustaining occupations.

It will make room for the thousands of young people who are every year being graduated from our institutions of learning, so that they might be profitably employed. Through inventive genius relief-saving machines of every kind and description have caused a discharge of millions of employees and have increased unemployment, while increasing a profit for a few, while the common people pay taxes to support the unemployed which these labor-saving machines and devices have created.

Wherefore your memorialist prays that you examine carefully into all of the merits of the aforesaid General Welfare Act of 1937, House Resolution No. 4199, and that you devote to it your most searching analysis of its merits, and if you find, as we believe you will, that this plan has to its credit all of the merits that we claim for it, that your honorable body will at once enact it into law, to the end that industry and trade may be placed at normal, that labor may have a chance to earn its wage, that the general morale of the country may be restored, and that want and suffering may be driven from our land, as we believe it will—

(1) Preserve and perpetuate our political industry;
(2) Will produce economic freedom for our people;
(3) Will result in a high degree of social justice; and
(4) Will restore prosperity to our Nation.

The Veterans of Our Wars—The Fight in Congress for the Bonus—Neutrality and Antiprofiteering Legislation

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

ADDRESS OF HON. MARTIN F. SMITH, OF WASHINGTON, AT THE NATIONAL ANNUAL LOYALTY CELEBRATION, HELD IN THE CITY AUDITORIUM AT NORFOLK, VA., MARCH 21, 1937

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert an address delivered by me at the National Annual Loyalty Celebration, held in the city auditorium at Norfolk, Va., March 21, 1937.

The address is as follows:

Mr. Chairman, distinguished guests, my comrades, and ladies and gentlemen, this has been a most delightful day for Mrs. Smith and myself, and our appreciation of your wonderful hospitality cannot be expressed in words. Our visit to the navy yard at Portsmouth, the Norfolk Naval Base, Cape Henry, Virginia Beach, and other points of interest has been most enjoyable.

I am more than happy to be a guest in the congressional district of my colleague, Hon. NORMAN R. HAMILTON. I am a member of the Committee on Rivers and Harbors of the House of Representatives, and during this session your Congressman has appeared before our committee on three different occasions in the interest of your Lafayette River channel-deepening project for yacht-basin anchorage, for dredging for general anchorage in your Portsmouth-Norfolk Harbor, and in the interest of anti-pollution legislation to protect and save your oyster and fish industries as well as your valuable bathing beaches. Needless to say, Congressman HAMILTON has been active in his own Committee on Naval Affairs, and is making a record at Washington of which you, his constituents, and he himself may well feel proud.

I deeply appreciate the generous words of introduction by my friend, Hon. W. B. Shafer, Jr., who at a meeting held in this very building a few days after the armistice was signed in 1918, started the campaign for the payment of adjusted-service compensation to the veterans of the World War, and I esteem it a high honor to be your speaker at this annual celebration of that important event. It is true, as Comrade Shafer has stated, that I voted against the so-called Economy Act in the opening days of the Seventy-third Congress in 1933, that I served for two terms as a member of the steering committee selected by Congressman WRIGHT PATMAN, of Texas, to lead the fight for payment of the adjusted-service compensation, and that in the last Congress I sponsored the bill which restored in full the pensions to the veterans of the Spanish-American War.

I count it one of the happiest privileges of my life that I have had the opportunity to cooperate with my colleagues in these worthy efforts to mete out justice to the veterans of our wars, whose cause has been just; and I wish I had the time to call the roll of names of the hundreds of my colleagues in Congress who deserve to be remembered in this loyalty celebration—which I note in your program you describe as being held "in honor of the veterans' friends in Congress." I am also glad to note the presence on this platform of Comrade Morris A. Beale, editor and publisher of Plain Talk Magazine, who has been one of the leaders for many years in every fight for legislation in the interest of veterans.

THE ECONOMY ACT OF 1933

I opposed the so-called Economy Act in 1933 because it reduced the benefits to the veterans, and particularly the disabled and hospitalized veterans of the World War and the grizzled veterans of the great volunteer army of the Spanish-American War. Well do I recall the assurances given on the floor of the House, which influenced some Members, but which I refused to accept, that the disabled veterans would be protected and the Spanish War veterans would be treated generously. You know what happened. The benefits to the disabled, crippled—the halt, the lame, and the blind—were cut ruthlessly, thousands of veterans in hospitals were forcibly ejected from their beds of pain, and even our comrades afflicted with the dread malady of tuberculosis were turned adrift to die. I am proud of my vote against that vicious measure. I said then, and repeat now, that rather than take $1 away from the defenders of our country we should increase the income taxes in the higher brackets on the "swollen" fortunes of this country and the inheritance taxes on the big million-dollar estates.

THE BONUS

The contest for payment of the adjusted-service certificates to the veterans of the World War was long and bitter and had to be waged against tremendous odds. I salute our comrade, Mr. SHAFER of Michigan, for the noble part he had in starting the agitation, and to Congressman WRIGHT PATMAN, of Texas, who was with you at your celebration last year, I give the greatest credit for the long fight he carried on in the Halls of Congress which culminated in final victory last year. I have often remarked that it was ironical, if not tragic, that we settled promptly and liberally with the war contractors who had the 10-percent-plus-cost contracts, with the war profiteers who presented large claims against the Government, and with the railroads whose claims arose out of the administration of their properties by the Federal Government during the war, and we thus paid out millions and billions of dollars; but the men who went down into the trenches for $1 per day and faced death and many of whom were maimed and crippled had to wait 18 years before their compensation was adjusted. However, "'Tis better late than never."

NEUTRALITY LEGISLATION

Last week we passed further neutrality legislation in the House of Representatives, and I was glad to join with Congressman HAMILTON and our other colleagues in giving it my active support and voting for its passage. I believe that public sentiment in our country is overwhelmingly in favor of honorable peace and against war. We all loathe and hate war, which is a disgrace to mankind. We are determined to never again become involved in a foreign war if we can possibly prevent it. We are therefore providing that our citizens who travel on the high seas in war zones shall do so at their own peril and that all trade, commercial, and financial dealings with those nations engaged in war shall cease, so that our pursuit of dollars will not jeopardize and endanger the lives of our young men.

The life of one American boy is worth more than all the blood-stained millions that J. P. Morgan & Co. made out of the World War. I hold in my hand excerpts from the autobiography of Walter Hines

Page, who was our Ambassador to Germany during the war, which establish the fact that out of the proceeds of the first Liberty Loan we took up the overdrafts of $400,000,000 due J. P. Morgan & Co. from the Allied Powers. This fact was carefully concealed from the American people and has only been revealed in the past few years.

PROFITEERING IN THE WORLD WAR

I have perused one of the few copies which are still extant of Senate Document No. 259, Sixty-fourth Congress, second session, Corporate Earnings and Government Revenues, which shows the earnings of some 31,500 corporations which earned in excess of 15 percent on their capital stock during the war period, most of them as high as several hundred and many of them as high as a thousand percent on their capitalization. This report, my friends, proved so astonishing in its revelations and disclosures that Congress back there following the war feared to make it public, and it was immediately suppressed and withdrawn from circulation. It is without doubt the most damnable and damning indictment of profiteering in wartime to be found anywhere in the history of the world and very few persons know of its existence. This document presents in its many thousands of columns of cold figures a lurid tale of perfidy, avarice, greed, high crime, and treason which cannot fail to arouse the righteous indignation, anger, and hatred toward war of every normal human being. My fellow Americans, it presents, indeed, a diabolical and hellish contrast to the casualty lists, lists of the names of the wounded and killed, who sacrificed life, limb, and health, and the myriads who sustained financial and material losses as a result of the war, which President Woodrow Wilson, after his sad experiences with the diplomats and statesmen of Europe, declared in his disillusionment was nothing but a commercial war after all.

TAKE THE PROFITS OUT OF WAR

I strongly favor the enactment of legislation during this session of Congress which will absolutely prevent profiteering in wartime, so that never again will be repeated this tragedy of the World War which we have described when our young men faced death in the trenches for a dollar a day while at home thousands became millionaires and coined huge fortunes out of the blood and tears and sacrifices of the multitudes of our people. If man power is to be conscripted, then I favor conscripting every dollar of wealth and every piece of serviceable property in the land for the duration of the war. I also favor the manufacture of war munitions by the Federal Government itself, for I firmly believe that if this policy were in effect and enforced throughout the world we would end war and the Angel of Peace would spread her snow-white wings over all the homes of mankind, for when we demonetize war we end war.

JUSTICE FOR THE VETERANS

My friends, there is one debt our Government can never fully discharge, and that is the debt we owe to those noble men and women who have served our country in its hour of greatest need. We can only partially discharge this obligation by the payment of pensions and benefits to our soldiers and sailors, their widows and orphans. Since I have been a Member of Congress I have bitterly opposed all legislation designed to reduce these payments to the veterans of our wars and their dependents, and have actively favored all legislation to increase such payments, and intend to continue this policy as long as I am in public life, for I am deeply convinced that any other policy is un-American and is unworthy of the richest, the noblest, the grandest, and the most glorious Republic upon which the sun has ever shone, our own beloved United States of America.

Chesapeake Bay Bridge

EXTENSION OF REMARKS

OF

HON. WILLIAM F. ALLEN

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

Mr. ALLEN of Delaware. Mr. Speaker, I have introduced in the House a bill numbered H. R. 7597, which seeks to provide for the construction of a bridge across Chesapeake Bay at the most advantageous location in the immediate vicinity of Annapolis, Md., and Matapeake, Md. There has long been a real need for such a bridge and the question as to why it has not heretofore been built can be best answered by the citizens of Maryland. It is now a national issue, however, and the bill I have introduced providing for its construction is as much an emergency bill as any bill that has ever been introduced in Congress.

So strongly do I believe in the real merit of my bill that I intend to work for its passage every minute of my stay in Congress. If my efforts in this direction are helpful to this project, I will consider my time well spent.

The bill I have introduced authorizes the Secretary of Agriculture, through the Bureau of Public Roads, to construct this bridge at a cost of $10,000,000. It also provides that the bridge shall be operated by the Bureau of Public Roads as a toll bridge until the sum of $10,000,000 has been collected and is returned to the United States at a reasonable interest rate. After this is done the bridge is to be turned over to a State agency, or otherwise disposed of, as Congress may see fit. The $10,000,000 cost of this bridge, therefore, will not be a gift or a grant to any particular section, but simply a loan, the repayment of which is backed up by gilt-edged security. The bridge will have 25 years in which to pay for itself, and I am convinced that it will do so in half that time.

The project is most certainly economically sound, and the small amount of money involved for the great amount of good that will result will be returned to the Government manyfold for future generations to come.

Not only would this bridge benefit the citizens of Delaware, but also those living on the entire Eastern Shore of Maryland and Virginia. In giving quicker transportation to this area it would benefit also every State in the Union east of the Mississippi River. It will eliminate the nuisance of ferries, which are the only present means of transportation across the bay, necessitating a delay at times of from 40 minutes to 2 hours and 40 minutes. I have on many occasions seen automobiles lined up for miles waiting for an opportunity to find a place on an overcrowded ferry. As a matter of fact, such a condition is not unusual at all. It can be seen most any time, and in this age of activity time means money, and this bridge would certainly be a real timesaver.

The bridge is bound to come eventually. There is a public demand for it on every hand that will not go unanswered. In my short experience in Congress I have conferred with many of my colleagues, and I have yet to find one who is not sympathetic to this project. They all feel that it would be one of the greatest benefits that could be given to the eastern section of the United States. The steadily increasing population in the territory to be served by this bridge not only demands such a bridge as an economic measure, but also as a public necessity.

From a post-office and post-roads standpoint there is a real need for this bridge. It would insure proper mail delivery at all times, and at all seasons of the year; whereas, in the past, on many occasions, there has been no mail delivery. In bad weather it would save a drive of 160 miles around the head of Chesapeake Bay to reach a given point in southern Delaware.

I also consider this bridge a real military necessity. In support of this statement I understand that very recently a group of high Army officers visited Lewes, Del., to look into local conditions and inspect sites in the vicinity of Lewes for the purpose of establishing a new Army coast-defense unit. While no official announcement has been made that Lewes will be made the headquarters for this new link in our coast-defense system, yet, the strategic location of Lewes at the mouth of the bay is expected to carry much weight. Should Lewes be selected that town will again assume the militaristic importance it experienced during the Revolutionary War, the War of 1812, and the late World War.

The only way to get from Lewes, Del., to Washington, D. C., without going 160 miles out of your way is via a ferry, which as I have stated, requires from 40 minutes to 2 hours and 40 minutes to cross Chesapeake Bay. With the bridge I hope to see built the bay could be crossed in from 4 to 8 minutes continually in all kinds of weather.

The construction of this bridge would also bring the Atlantic Ocean, with Delaware's noted beach resorts and its wonderful fishing grounds, within 3 hours of where my colleagues are now sitting.

I urgently appeal to the Members of the House to support my bill. If you will do this you will earn the gratitude of not only myself, but of all those loyal citizens living in the Del-Mar-Va area who are asking you to help them by making this bridge possible. They are not asking such help as a gift, but are simply asking their Government to loan them

$10,000,000 to construct the bridge and guaranteeing that every cent of this $10,000,000 will be returned to the Government with interest in a very short time.

If this bridge could be built in the near future, it would help very materially in relieving the unemployment situation.

Memorial Address

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 22, 1937

ADDRESS OF HON. MARTIN F. SMITH, OF WASHINGTON, AT THE MEMORIAL SERVICES HELD BY THE DEPARTMENT OF THE DISTRICT OF COLUMBIA, NATIONAL AUXILIARY, UNITED SPANISH WAR VETERANS, ON THE STEPS OF THE WATER GATE, ARLINGTON MEMORIAL BRIDGE, MAY 23, 1937

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I insert an address delivered by me at the annual memorial services held under the auspices of the Department of the District of Columbia, National Auxiliary, United Spanish War Veterans, on the steps of the water gate, Arlington Memorial Bridge, Sunday, May 23, 1937.

The address is as follows:

Mme. Department President, ladies of the auxiliary, my comrades, and friends, we are assembled here on this bright, sunny morning on the shores of the historic Potomac River in the Nation's Capital, near that majestic shrine built to honor the memory of Abraham Lincoln, to join in paying loving tribute to the soldiers and sailors, living and dead, who have served our country. This is a service which we love to render; and with the passage of each recurring year, as we continue to enjoy the blessings and privileges of our free American institutions, we come to appreciate more fully than ever the extent of the debt we owe to these noble men. It has always seemed to me that the services conducted by the members of the Auxiliary of the United Spanish War Veterans in strewing Nature's beautiful flowers on the waters in memory of those who lost their lives at sea is one of the most impressive of all the rites of the memorial season.

HEROES OF THE SPANISH-AMERICAN WAR

Upon this occasion we naturally and especially remember with tenderness and depth of feeling those brave sailors on the battleship *Maine* who found a watery grave in the harbor of Manila, and whose deaths we avenged by waging the war against Spain. We also remember the more than 6,000 men and women who sacrificed their lives in the Spanish-American War and the 200,000 veterans of that great volunteer army who have since passed away, and we gladly pay tribute also to those veterans of that most important conflict who are still living, and some of whom we rejoice to have with us today. We recall in reverent memory our leaders in that memorable contest—President William McKinley, Col. Theodore Roosevelt, Gen. Joe Wheeler, General Merritt, Admirals Dewey, Sampson, Schley, Bob Evans, and that intrepid hero Admiral Richmond Pearson Hobson, who has just recently gone to his eternal rest.

AMERICA'S WARS HAVE BEEN RIGHTEOUS

We are no less grateful to the veterans of the World War, and we reverently honor the memories of the veterans of all the wars in which we as a nation have engaged. Our Nation has never engaged in a war of aggression or aggrandizement, and our soldiers and sailors have always fought for the principles of liberty, freedom, and justice. To Washington and the Continental Army we are indebted for our independence and liberty as a free people. In the naval War of 1812 we vindicated the freedom of our citizens upon the seas, and in the Mexican War of 1846 the rights of our nationals upon foreign soil. The Civil War, under Abraham Lincoln, was fought to save the Union and liberate a race. The Spanish-American War, in 1898, was also waged to liberate an oppressed people and to vindicate the honor and integrity of our Nation throughout the world. For the first time since 1861–65, there were blended the blue of the North and the gray of the South into the khaki of our comrades who answered the call of the martyred McKinley. In 1917 we entered the World War to protect the rights and lives of American citizens and to defeat the most cruel military despotism the world has ever seen; and when our object was achieved we did not demand one dollar of indemnity or one foot of territory from our conquered foe. We therefore bow our heads and our hearts in holy greeting to every soldier and sailor living or dead whose name is inscribed honorably on the muster rolls of the wars of the Republic. We also honor and revere the women living and dead who, as the mothers, wives, daughters, sisters, and sweethearts of these heroes, played an important and dramatic role in every conflict.

OUR DEBT TO THE VETERANS

There is one debt our Government can never pay; that is the debt we owe to these noble men and women, and which we can only partially discharge by the payment of adequate pensions and benefits to our soldiers and sailors, their widows and orphans. Since I have been a Member of Congress I have bitterly opposed all legislation designed to reduce these payments to our veterans and their dependents, and I have actively favored all legislation to increase such payments, and intend to continue to do so as long as I am in public life, for I am deeply convinced that any other policy is un-American and unworthy of the great Republic of the United States of America.

LET US DEMONETIZE WAR

Our love for our war heroes living and dead is equaled only by our hatred of war itself, because war is cruel, devastating, immoral, uncivilized, and un-Christian. In this troubled world of today, however, it behooves us to be properly prepared to defend our country and our people against foreign attack. If war does come, and we cannot avoid it, then we should conscript every dollar of wealth and every material resource as well as every able-bodied citizen in order to prosecute the war as effectively and successfully as can be done. It must never again be possible for a few to profiteer and gain fortunes out of the blood and tears and sacrifices of men and women as occurred during the last war. We must absolutely and wholly demonetize war—take every bit of profit out of war—and if we can do that in every nation in the world we shall have accomplished more to end war and to bring lasting peace than any other single thing which can be done.

CLOSING TRIBUTE

My friends, may we not close our tribute to the veterans of our wars and their loved ones, by breathing a prayer of reverence, of honor, of undying affection, of everlasting gratitude for them, and express the hope that in the years to come we may prove to be true and loyal citizens and defenders of the Republic for which they fought and died.

Father's Day

EXTENSION OF REMARKS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 22, 1937

RADIO ADDRESS BY HON. MATTHEW J. MERRITT, OF NEW YORK, ON JUNE 20, 1937

Mr. MERRITT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, which I delivered over the radio on June 20:

Good afternoon, radio friends. We Americans do not, as a rule, parade our affections before the public. Indeed, it is characteristic of our people to joke about the things we hold dearest, to apply nicknames to high officials and men of affairs, to deride and laugh at our political institutions, and invest our home life with a familiar flippancy that disguises the true feelings of our hearts.

Many a father in this land is referred to as the "old man", "pater", "pop", or even called by his first name, by sons and daughters. But this apparent flippancy is only used to camouflage the deep regard, sincere love, and respect our children hold for dad.

Sometimes we fathers complain somewhat about this flippant manner of address, but most of us, deep down in our hearts, like to have our youngsters address us familiarly. Father, of course, is dignified, but none of us want to be on our dignity with our families all the time. We like to be natural, and whether we all admit it or not, most of us like the spirit of equality that the greeting of "Hello, Dad", or "Hello, Jim" implies.

Today in order to be admired and respected by our families we must merit such recognition. In fact, we must earn the respect and admiration of our families by our daily life and deeds.

It is possible, as they say in the vernacular of the day, to "get away" with a bluff outside the home, at the club, office, or business. But fooling our families into believing that we are better than we really are, or more important than we are in reality, is another thing. False fronts, subterfuges, and bluffs fall down in the home.

Fortunate for American home life today, and more fortunate for most of our sons and daughters, the father who poses to the world as something other than he really is, is in the minority. Most fathers are little concerned with "chucking a bluff" or painting

highly colored pictures of themselves, their virtues, and abilities. The greatest concern of most of our Nation's dads is to provide a home, a real American home, where sons and daughters may live in an atmosphere of wholesomeness, an atmosphere of love, respect, religion, and virtue. Show me a home where the tone of life is selfishness, where righteousness, service, and respect are ignored, where youth is permitted to ignore religion and duty to parents, and I will show you a place where there is neither filial nor parental love—a household headed by a father in name only. My friends, the very foundation stone of the home and family life rests, as it always has rested in this land, on the shoulders of the fathers of the Nation.

The very progress of our national life, of civilization itself, can be traced to the fathers of the world. Back in the state of savagery it was the father, the head of the family, who shouldered his crude war club, wrapped his bearskin tightly around him, and plunged into the darkness of the forest to fight off the wild beasts who threatened his home, although that home was nothing but a crude mountain cave, or a hole scooped out of the earth, the father, savage as he was, uncultured and untutored, was its protector.

It was the fathers of our Nation's founders, oppressed by tyrants and intolerance, who gathered their little family groups about them and bravely set off on long voyages across unknown seas to carve new homes out of the wilderness of an unexplored continent. It was the fathers who led these brave bands of adventurous pioneers into a new world to find freedom, liberty, and tolerance. It was these pioneer fathers who felled the trees and cleared the sites for the erection of homes to shelter the family through long, cold, bleak, and weary winters. When spring came it was the father who tilled the soil, planted the corn, and hunted the deer that the family, his family, might have bread and meat to sustain life. It was the father, the family protector, who clutched his firearms when the war whoops of the red man or the cries of wild beast were heard in the wildness of the forest.

When oxcarts trekked from New England villages bearing settlers in search of more fertile lands in the plains of the West, it was the fathers who rode ahead as scouts to blaze the way and make it safe against attacking savages. It was the fathers who comforted the mothers and children when the heat of the unbroken trail and the weariness of travel seemed more than human nature could bear. It was the fathers who foraged the vastness of the prairie in search of food when larders were bare. It was the fathers who sought the cool trickling streams, the water holes and river beds when the water supply proved insufficient for the journey.

Today there are few new lands to be explored, there are fewer trails to blaze, but contributions to the Nation's greatness continue to be made by the fathers of our land. It is the fathers of today who are still making the home the great civilizer of the world, the seat of the family life, the symbol of freedom, and the shrine of law and order. It is in the home that fathers—and mothers, too—are nurturing the most important characteristic needed for the preservation of our Nation—true patriotism—for it is on the home life that patriotism relies for inspiration and power.

If men are wanted who can be relied upon in an hour when the Nation is imperiled, select the father, the lover of his home, for in proportion that he loves his family, loves his home, so will he love his country that has protected his home. The homes of our people, the fathers who head the household, the families, are the bulwarks of our Nation's security. Huge buildings, rolling acres, vast machines, national resources, wealth, do not make a nation secure. The strength and security of any nation, its powers, are built on the character of its citizens, its fathers, its families, and homes.

Neither king, emperor, dictator, statesman, grimed warrior, or millionaire rule the destinies of civilization, but the fathers of the world, radiating light, leading, counseling the young to remember that the greatest men whose names are revered by all mankind were great, not because they were mighty in intellect but because behind their influence, character, and destiny was a father who was noble and grand in soul.

Here in America we owe a great obligation to the country's fathers, who are tapping their own great storehouses and reservoirs of experience, to make contribution to the character, development, and upbuilding of good citizenship among our youth. Youth looks to the father for inspiration and guidance. The contributions, the inspiration, the guidance that fathers give today will form the ideals of the future, out of which will come a greater, a better, and, yes, a new America in the future.

The primary basis of success for nations, peoples, or individuals is character and ideals; without ideals, all is lost. So we look to the fathers to lead the plastic minds of youth into idealistic channels that will guide them to good citizenship.

If democracy is to be preserved, if civic responsibility is to be assumed, if better government is to be sought, if education is to advance, if freedom unshackled and unfettered is to continue to be the heritage of America, then the fathers of America must continue to assume the character training of our youth, until they graduate into adult citizenship with all its responsibilities.

Of course, my friends, I know there are fathers who are falling down on their jobs. I know, as you know too, that there are parents and fathers who are blind to their responsibilities, who fail to recognize their duty to youth. There are fathers who fail to measure up to the ideals of parenthood, who forget their duty and responsibility to organized society, who are dominated by selfishness and materialism. There are fathers who have no appreciation of the fact that the development of character toward good citizenship is an extremely important educational process that will aid youth in making the great decisions in life, to take his place in society, and repay society in full for the heritage it has left him.

But, my friends, we all rejoice that there are fathers who have the vision to recognize the responsibilities and privileges of fatherhood, fathers who accept the training of their sons and daughters as a sacred duty to God and country. A great and grave responsibility that they must not and will not shirk. * * * Thoughtful fathers who are careful to do only those things which they would like to see their boys and girls do in imitation of them * * * fathers who do not set themselves up as supermen, who are tolerant of the weaknesses and failings of youth, but are not tolerant of evil. These are the fathers who are interested in the intellectual, spiritual, and physical development of their families. These are the fathers who lead the family march to church on Sunday.

These are the fathers who make it possible for their boys and girls to become active in church organizations, the junior-service clubs, the affiliates of fraternities, boys' clubs, girls' clubs, the Boy Scouts, the Girl Scouts, and other character-developing agencies for youth.

These are the fathers who are careful to see that the recreation of their children is found in a clean, wholesome, healthful environment * * * fathers for whom no sacrifice is too great to secure educational opportunities to fit the son or the daughter to face the economic battles of life * * * fathers who scrimp and save, watch every expenditure, that daughter may have the material she needs for her art course, that 5-year-old Bud will have a sand toy to take to the beach, the shoes, stockings, the dresses, the suits, that all wear out only too fast.

Ladies and gentlemen, I have introduced in the Congress of the United States a resolution which authorizes the President to issue a proclamation designating the third Sunday in June of each year as Fathers' Day, and inviting the people of the United States to observe the day with appropriate ceremonies. I have done so, because I believe that the fathers of this Nation are more than family protectors, more than family providers * * * they are the fountain heads and inspiration of family life, the counselors, leaders, and mentors of the youth of today, who will be the men and women of tomorrow, yet, with it all, still remain * * * men among men * * * the Republic's very lifeblood itself.

Another Judicial Reform

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, this is the third judicial bill on which I have had opportunity to vote since becoming a Member of this House last January. From the fiery discussion of this measure which we have just heard, it would seem that some of the Members regard it as a part of the President's "attack upon the judiciary." Now, while I am in general agreement with the President's hope to improve the judicial department as well as the executive department in this session of Congress, I do not regard the present bill as more than one phase of the judicial reform needed, and not necessarily a part of the President's plan at all in regard to the judiciary.

Sometime ago when the distinguished chairman of the Judiciary Committee [Mr. SUMNERS] brought a bill into this Chamber to insure the salary of a Justice of the Supreme Court when he retires from office, it was contended by the opposition that it was just another phase of the President's "tyrannical and dictatorial scheme" to bring the courts under personal control. In that case, as in this case, such an idea is ridiculous. In that first case Congress merely did what should have been done a hundred years ago in affording the Supreme Court Judges that degree of independence which the founders of the Republic wished them to have. In the present bill we merely seek to bring about that degree of respect for and integrity in the lower Federal courts which the Constitution makers intended for those courts.

We know personally that the chairman of the House Judiciary Committee is an outstanding constitutional lawyer and has an intense desire to maintain the dignity and independence of our judiciary. As a Member of this body I take second place to him only in such a desire. I was glad to vote "yes" on the earlier Sumners bill and shall gladly vote "yes" on the present measure unless too greatly distorted by amendment. To my mind, it would bring about such a change as is imperatively needed in our judicial system.

Scarcely have I seen such vehemence and spirited debate as this measure has occasioned this afternoon. Some of it seems to be as unreasonable as most of the radio and newspaper discussion of the President's Supreme Court proposal. It looks to me as though much of this strong language and vehement speech is prompted more by emotion than by calm and sane judgment.

Considerable controversy arises over whether this bill should provide that the Attorney General shall prosecute a case arising under it, or whether the House managers shall handle such a case. It has been urged that the executive department must have nothing whatsoever to do in such cases. We are told that this is "a government of separation of powers" into three equal and coordinate branches, and that no one of the three should be subservient to either of the other two, or to both. I agree completely with that statement, and this is not the first time I have expressed my sentiments thus in this House. Certainly, we should so legislate, and the Government should so function, that we shall preserve this tripartite division as it was furnished us by the fathers. In that way we will not only be carrying out the notions of the great French philosopher, Montesquieu, but we will be carrying out the wise plan of the founders based upon their judgment and experience.

As, however, this is a "government of checks and balances", which were also designed to protect our liberty, it is impossible that any department shall be absolutely without check or control by the other departments, or either one of them. Since this bill proposes that an accused district judge shall be tried by a group of three circuit judges, selected by the Chief Justice of the Supreme Court, I certainly can see no reason why the Attorney General may not act as a sort of public prosecutor. To cry out against this because the Attorney General is a member of the executive department seems to be about as logical as for a felon to complain against the action of a prosecuting attorney on the ground that the prosecuting attorney was trying to rid the community of the presence of a dangerous criminal.

What more can the friends of the courts ask than that an accused district judge shall be tried before a picked high court such as this bill provides? I have a slight suspicion in my mind concerning our courts, and I will confess that while this debate has run on, I have been wondering about the wisdom of the provision in this bill to try an accused judge before three other judges. I have heard it suggested by the opposition here this afternoon that in the operation of this act the trial judges might be unduly harsh in their judgment upon an accused district judge. What right has anyone to assume that?

Is it not more likely to work the other way if there is any doubt about the proper workings of this proposed law? Is it not more reasonable for us to be skeptical and suspect that a court of three judges would be more apt to show undue leniency for an accused judge? History affords us somewhat of a parallel. Do you not recall the medieval state of affairs in Europe when the church was all-powerful and the clergy arrogated unto themselves the sole right to try members of their own order of society? In fact, the first great reform step toward modernizing our civil government was to deprive the clergy, or any other class, of that class privilege and monopolistic power of trying its own offenders. I do not entertain it, but I can understand a fear on the part of anyone "to let judges try judges."

Certainly I have no fears that a judge rightfully accused might be shown favoritism by such a high court of unimpeachable integrity such as the Chief Justice would summons for the trial. Truly, the American judiciary has had an enviable high record. History records that in the 150 years of this Government only five district judges have been impeached, and I believe only one of them convicted.

When we consider that Federal district judges, of which we have nearly 200 at any given time, are men like the rest of us, subject to all the human frailties, I sincerely believe that on the whole we have had a remarkably large percentage of honorable and upright men in this court—men who have performed their duties faithfully and worn the judicial ermine for years without a single spot or stain.

On the other hand, I think the remarkably small percentage of Federal district judges convicted is not a correct index of the number of dishonest and dishonorable district judges which we have had throughout these years. I believe there have been more of them than have been proceeded against by this House. For some reason or other they have escaped impeachment, or, if impeached, have escaped conviction.

Thomas Jefferson said, "Impeachment is a scarecrow", implying, I suppose, that Federal judges have little or no fear of it. For a number of years, long before I entered political life or could possibly have had any partisan ideas on this question, I have felt that we should have something more than the impeachment process to keep dishonorable judges from continuing on the bench. Undoubtedly there must be or must have been judges unworthy to serve in such capacity because of their "behavior" who yet are not or were not guilty of crimes for which they could logically and practically be impeached and convicted. I believe that this bill puts new life and meaning into those words of the Constitution "or during good behavior." In this respect, Mr. Speaker, it fills a long-felt need.

Income-Tax Evasions

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

Mr. COCHRAN. Mr. Speaker, the people of this country were shocked and very properly so by the President's message calling attention to how some of our leading businessmen evaded the payment of income taxes. I have often made the statement that the most despisable man in our country is the one who has made a great fortune through the protection of his country and then refuses to pay his just share toward the upkeep of the country. Of what benefit would money or property be if the Government, Federal, State, and local, did not furnish proper police power to protect the money or property.

I voted for the resolution providing for the Special Tax Committee to make a thorough investigation with a view to closing the loopholes through which these citizens have escaped the payment of just taxes and I want to express the hope that if it is possible the committee bring in a bill at this session of Congress that will stop this vicious practice. Further, I hope that committee will examine all decisions with a view to providing, if possible, ways and means, by which we can make these individuals still pay on the incomes they have diverted in various ways. If that can be done it certainly should be done. The intent of Congress was plain but through the aid of legal advice these men have stooped to methods to which no decent citizen of this country would even give the least thought. It might be too late to reach this class but I sincerely hope some way can be found to upset their schemes not only in the future, but their

practices in the past. That these individuals entered a conspiracy to defraud the Government I am thoroughly convinced. The Congress felt that we had met a similar situation when the last tax bill was enacted only to find now that more vicious practices have been adopted.

While the special committee are going after the big evaders I am trying through a proposed constitutional amendment to reach another class.

The Supreme Court has interpreted the Constitution in such a way in decisions it has handed down that over 4,000,000 of our citizens are now exempt from the payment of either Federal or State income taxes. Federal officials and employees do not have to pay State income taxes, while State officials and employees do not have to pay Federal income taxes on their salaries or fees. My amendment will cure this evil and place all in the same category. There is no sound reason why we should not be required to pay State income taxes, and likewise there is no sound reason why State officials and employees should not be required to contribute toward the upkeep of the Federal Government.

It is my opinion the more publicity given this matter of tax evasion the quicker we will pass laws that will meet the situation. Therefore, Mr. Speaker, under the leave granted me I include as part of my remarks the statement made by Hon. Elmer L. Irey, Chief of the Intelligence Unit of the Bureau of Internal Revenue.

STATEMENT OF ELMER L. IREY, CHIEF OF THE INTELLIGENCE UNIT, BUREAU OF INTERNAL REVENUE, BEFORE THE JOINT COMMITTEE ON TAX EVASION AND AVOIDANCE, FRIDAY, JUNE 18, 1937

As Mr. Magill has pointed out, one of the most dangerous methods of tax avoidance consists in the use by American citizens of corporations formed in countries where taxes are low. Some of these countries make a sort of ambulance-chasing racket out of the possibility of attracting wealthy American taxpayers. The scheme has sufficient plausibility so that no one can be sure at this time whether it is or is not a legal method of tax avoidance under our present law. However, it has an important effect in the avoidance of tax and the consequent loss of revenue. It permits the taxpayer to transfer his income to countries where tax investigation by American Treasury officials is almost impossible. The cases which we will present to you were uncovered only after considerable expense and under great difficulties. Such have been these difficulties that I am inclined to say that adequate enforcement of the tax laws is impossible so long as this loophole exists.

I am unable to say how much money is lost by the Government through this device. A conservative estimate is that 585 personal holding companies have been formed by Americans in the following places:

Bahama Islands	94
Newfoundland	202
Panama	46
Prince Edward Island	243
Total	585

An examination of the financial conditions in these places shows no justification whatever for such extensive business organization.

In order to make clear the significance of the cases which are to follow I must do two things. First, I must give a very brief survey of the situation in all the different countries where this device is used. Second, I must show you in detail the handicap under which the Bureau must work in collecting information in these countries, and which makes efficient investigation and collection of taxes impossible.

I will take up the situation in the Bahama Islands first.

The use of foreign corporations as a tax-avoidance method dates from 1935. Prior to that time the Bahama Islands were not financial centers for any considerable amount of American wealth. The population consists of about 60,000 Negroes, who work for small wages, and several thousand whites, who control the limited business of the island. During the prohibition era in the United States a great deal of liquor was shipped from these islands to this country. However, since the repeal of prohibition and prior to 1935 the business of the islands has consisted almost entirely of gathering sponges, fishing, and catering to tourists.

Beginning with 1935 corporations began to be formed in the islands in astonishing numbers. Some of them, of course, are for legitimate business. However, there is frequently no way of checking the precise character of the business of these corporations because of the fact that the directors and stockholders are dummies. The law requires that the real ownership of the corporations be disclosed within 1 year. This provision, however, has not been of any advantage to us as yet, for two reasons. In the first place, for most of the corporations the year has not yet elapsed, and, in the second place, there are not sufficient facilities in the colonial office of the islands to take care of the recent rush of business. They are far behind in the filing of these registrations.

While we do not know in the case of each individual corporation whether it has been formed for a business or a tax-avoidance purpose, the economic conditions in the islands clearly indicate that a great majority must have been formed because of attempts to avoid the effects of taxation.

This is further corroborated by the experience of our agent, Mr. Brenner, who investigated the situation in the islands. He remarks the existence of a thriving business among attorneys whose chief occupation seems to be the formation of such companies. Those corporations have no regular places of business and, therefore, use for their headquarters merely the office of the attorney who incorporates them. There is a peculiar law in the islands requiring the name of the corporation to be posted on the outside of the building in which it maintains its resident office. The building occupied by Mr. Kenneth Solomon, one of the most prominent attorneys on the islands, who has been instrumental in the organization of perhaps 50 percent of the companies, is literally plastered from foundation to roof with these corporate names. The nameplates are about 30 inches long and 6 inches wide and the building is so covered with them as to constitute one of the major curiosities of Nassau.

There are other attorneys whose office buildings present a similar appearance, although not quite so spectacular.

This method of avoiding taxes has become so popular and has grown so rapidly that it is one of the outstanding topics of conversation and comment in the islands.

Mr. John Herbert Anderson, a Nassau accountant, advises that the formation of personal holding corporations in the Bahama Islands has created a shortage of bank vault space there. A company called the Bahamas General Trust Co., Ltd., has been formed with a capitalization of $100,000 to erect a building which will contain large-sized vaults for the storage of the securities which are being transferred there.

In the Bahama News of March 11, in an article entitled "Let's Pay Our Share", we find this observation:

"Why should not the rich people who are coming down here, building homes, setting up enterprises, escaping taxation in their own countries—help John Bull to carry the burden that he is carrying—and the load is going to be greater to make the seas safe for the property boom in the Bahamas? We ask the Americans who are using these islands as 'the promised land' to band together and help the Old Country make the British Empire a place safe for Americans to live in."

On June 1 the Nassau Guardian published an editorial which started with the following paragraph:

"The question of tax evasion in the United States has now been definitely brought into the open by President Roosevelt who, according to a report published in another column, 'accused a group of rich Americans of immorally and unethically evading payment of millions of dollars in income taxes.' The position of the Bahamas in this matter is fundamentally much the same as the one they occupied in the days of prohibition. There was nothing in our laws to prevent Bahamians from selling spirits to Americans outside of American waters at that time and there is nothing now to prevent Americans from organizing as many companies here as they like so long as they meet our requirements. Of course, in the former case our customers were law breakers, while now we are only dealing with evaders of the law, but the moral difference could hardly be located with a microscope."

The editor then went on to discuss whether the Bahama Islands had any additional responsibility on account of this condition. He came to the following very sensible conclusion:

"In the last analysis the whole problem is for the United States to make its laws proof against evasion or nearer to that ideal than they have yet been able to come, and that is evidently the next move being planned by the present administration. It will be strange, indeed, if these new laws do not affect the revenue of the Bahamas from registration fees."

In other words, the Bahama Islands quite justifiably feel that if the United States chooses to permit this kind of tax avoidance it is not their moral responsibility. Even the Bahamas editor expects, however, that the Congress will act to stop this loophole, which is rapidly becoming notorious.

In 1935 there were 41 personal holding companies formed. In 1936 there were 51. In the first 4 months of 1937 there were approximately 30 companies, making a total of personal holding companies for foreigners incorporated in the Bahama Islands of 122 in a little more than 2 years. Some of these corporations were formed by Americans. Others were set up by Canadians, but the personal holding company formed by Canadians can be used as a device for American tax avoidance as readily as those formed by Americans. Under Canadian laws personal holding companies formed by Canadians cannot be used by them for tax-avoidance purposes. Compared with this growth of corporations in the last 2 years, we find that in the 45 years, from 1880 to 1924, only 93 corporations were formed for any purpose, business or otherwise, and that during the next 10 years new corporations averaged 20 a year. In our computation we have left out the 60 business corporations formed since the beginning of 1935. Mr. Brenner learned in the islands that it is customary for the attorneys forming these corporations to meet wealthy Americans on winter vacations and if the opportunity presents itself to explain the advantages of Bahama corporations for avoiding American taxes.

Mr. Magill has already described in broad outline how this device operates, and I will, therefore, not repeat it here. It will be illustrated in detail by the individual cases which will follow.

Among the personal holding corporations formed in the Bahama Islands by Americans are the following: Southern Securities, Ltd.;

Foley Securities Co.; United Securities, Ltd.; Foreign Investments, Ltd.; Bahamas Investments, Ltd.; Schick Industries, Ltd.; Schick Shaver, Ltd.; Schick International, Ltd.

We will file with the committee a complete list of all the companies understood to have been formed by Americans in the last 2 years.

We will now describe a few striking examples of the use of these personal holding companies for the avoidance of United States taxes.

Mr. Philip De Ronde is a native-born American citizen who was formerly president of the Hibernia Trust Co., of New York; director of the Empire Trust Co., of New York; chairman of the board of Phoenix Securities Corporation, of New York, and also engaged in financing and operating steamships. He now owes the United States Government $33,000 for unpaid taxes and interest. On January 7 last he made a sworn statement that he was without any substantial funds and that he was seeking to settle his liability of $33,000 by offering a compromise of $1,700, to be paid in installments. We learned that on January 6, 1937—1 day before he submitted his offer in compromise—he received $250,000 from the General Investment Co., an American corporation, for which he had acted as agent in the sale of the subway in Buenos Aires, Argentina. He instructed the General Investment Co. to pay this $250,000 to a Bahama corporation named Philip De Ronde, Ltd., instead of to him. The records of the registrar in the Bahamas show that this corporation had been formed just 3 months before this transaction, apparently in anticipation of the completion of contract of sale and his receipt of this large commission.

In a hearing before the Securities and Exchange Commission on May 7, 1937, it appeared that the $250,000 was received from the General Investment Co. by Mr. De Ronde in person in the form of a check for $100,000 and currency in the amount of $150,000.

The testimony continued as follows:

"Q. Now, how was the check to be drawn in the first instance, in whose name?—A. In my corporation.

"Q. What is the name of the corporation?—A. Philip De Ronde, Ltd.

"Q. Where was that organized?—A. In Nassau.

"Q. Are you an officer of the corporation?—A. I am.

"Q. Are you a director?—A. Yes, sir.

"Q. Are you a stockholder?—A. No.

"Q. So in this corporation which bears your name, you are just an officer and director and don't own a single share of stock of that corporation?—A. Correct.

"Q. The check for $100,000, what did you do with that?—A. Took it to Buenos Aires.

"Q. And deposited where?—A. In Buenos Aires in the corporate name. I delivered it to the corporation.

"Q. What did you do with the $150,000 cash?—A. I delivered that also to the corporation.

"Q. Did you deposit it in the bank?—A. Sir, I can only say I delivered it to this corporation, which is a foreign corporation.

"Q. I understand that; but I have not only legal difficulties but natural difficulties. I can't visualize you walking up to Philip De Ronde, Ltd., and handing the money to Philip De Ronde, Ltd. You turned that money over to somebody?—A. I turned it over to the corporation, who disposed of it in various manners.

"Q. As far as the payment of $250,000 was concerned, you carried on all the negotiations?—A. That is right.

"Q. You were the one hired by Mr. Warrener?—A. That is right.

"Q. You were the one that did the work and you were the one entitled to the compensation. Is that so?—A. My corporation was.

"Q. You did the work?—A. Yes, sir.

"Q. Who are the stockholders in Philip De Ronde, Ltd.?—A. They constitute a group of Argentinean, Paraguayan, and English friends of mine.

"Q. What are their names?—A. I must decline, even if I knew, at this time.

"Q. Did you have an agreement with Philip De Ronde, Ltd., that your compensation was to be out of this $250,000?—A. No; because this firm of Philip De Ronde, Ltd., was not organized for that sole purpose. It is actively engaged in many lines of business, and has been in spite of its organization in 1936."

The ultimate result of this manipulation was that Mr. Philip De Ronde took out of the United States $250,000, of which $33,000 belonged to the United States Government, and the whole of it was subject to United States income taxes as his income. This transaction took place on January 7, 1937, and Mr. De Ronde may still think it wise to file an income-tax return and report this income for tax purposes. This case clearly illustrates how a foreign corporation may be used by assigning to it income belonging to an American taxpayer, who thus tries to avoid paying income taxes therein to the United States.

This De Ronde case illustrates a tax avoidance device of doubtful legality, to say the least. Many of the uses of this tax avoidance plan, however, are probably legal.

We cite the case of Mr. Jules S. Bache, a prominent capitalist who has been connected for a long time with many financial concerns. As will appear from the details of this case, Mr. Bache apparently acted with an honest conviction that he was within his legal rights in utilizing foreign corporations as he did. We, therefore, cite the case not in criticism of Mr. Bache but to illustrate the fact that if the law is as Mr. Bache interpreted it, the present situation regarding foreign personal holding companies offers great inducements to the wealthy taxpayers for tax savings.

Mr. Bache organized two Canadian corporations, through which he traded extensively in stocks and bonds. In 1930 he transferred assets to a Canadian corporation in excess of $13,000,000. Efforts have been made by internal-revenue agents of the United States often and again to obtain complete information about this Canadian foreign corporation which is called the Wenonah Development Co., Ltd.

The transfer of this sum of money to the Wenonah Development Co., Ltd., relieved Bache of the receipt of incomes which had previously resulted in the payment of substantial taxes to the United States Government. Apparently this Canadian company has been very prosperous, because its assets appear to have been increasing constantly. In 1932 Mr. Bache obtained $2,390,000 from the Wenonah Development Co., Ltd., as a loan, and on his 1934 return he deducted $225,000, representing interest paid to a corporation which he personally owned. This deduction was sufficient to reduce his return to a nontaxable status. He repeated the same operation in 1935 and 1936. The interest charge was under $100,000 annually, with the result that he paid little tax in 1935 and no tax in 1936. On May 23, 1934, Mr. Bache formed another corporation under the laws of the Bahama Islands by the name of Richmill Bahamas Co., Ltd., which was capitalized at $500,000 and owned by the Wenonah Development Co., Ltd. It is understood that this corporation was formed to hold all or part of the capital stock which Mr. Bache owned of Domes Mines, Ltd., a Canadian corporation. It appears that by this means Mr. Bache is attempting to avoid the payment of American taxes on dividends received from Domes Mines, Ltd., although indirectly retaining control of the stock and its income through his domination of the Wenonah Development Co., Ltd.

A very much more doubtful case from a legal standpoint is that of Mr. Wallace Groves, who is prominent in New York financial circles and has been associated with the Interstate Equities Corporation, later succeeded by the Equity Corporation, the Chain & General Equities, Inc., the Yosemite Holding Corporation, and the Franklin Plan Investment Trust of Philadelphia. Through his control of holding corporations or investment trusts, he is understood to control the United Cigar Store chain and also the Whelan Drug Store chain. He has been in constant litigation with the Bureau of Internal Revenue for many years.

From testimony and documentary evidence produced at recent hearings before the Securities and Exchange Commission, it appears that in 1936 Mr. Groves owned the Nassau Securities, Ltd., which he had organized the year before in the Bahama Islands. This corporation had a capital stock of $50,000 and only five shares were issued. Mr. Groves was able to control the General Investment Corporation which, unlike the Nassau Securities, Ltd., was a substantial business enterprise having many stockholders. The General Investment Corporation deposited $2,500,000 in the Royal Bank of Canada. Then Mr. Groves caused the General Investment Corporation, which he controlled, to agree to buy its own stock from the Nassau Securities, Ltd., at $102 a share—the transaction to be consummated in Montreal, Canada.

At the time the agreement was made the Nassau Securities, Ltd., owned no stock in General Investment Corporation. It, therefore, made an open offer to all the stockholders of General Investment Corporation to purchase their stock at $87.50 a share. It was stipulated that any stock so acquired should be deposited in escrow in Montreal. The agreement further provided that such stock was to be deposited on January 23 and paid for on January 25, 1937. It is important to note that the delivery to the General Investment Corporation of its own stock by Nassau Securities, Ltd., was also to be consummated on January 23. In other words, by this agreement Nassau Securities, Ltd., did not have to pay the individual stockholders of General Investment Corporation (from whom it had purchased stock at $87.50 a share) anything until after General Investment Corporation had paid Nassau Securities, Ltd., $102 a share for that same stock.

The details of this financial legerdemain are very difficult to explain without a chart. The net effect, however, was this: Mr. Groves, acting through his personal corporation, Nassau Securities, Ltd., bought stock from the stockholders of General Investment Corporation and sold the same stock to General Investment Corporation at a profit of $14 a share.

The Securities and Exchange Commission is engaged in determining whether these transactions were a fraud on the stockholders of General Investment Corporation. With that question we are not here concerned. We are concerned with the fact that the method by which Mr. Groves attempted to free the gains from the transactions from income taxation in this country was the use of a foreign corporation, which apparently had no function other than that of making possible an avoidance of United States taxes.

Mr. Percy K. Hudson, who was formerly a member of the New York Stock Exchange, has availed himself of a Newfoundland personal holding company in a rather novel way. It should be stated in fairness to Mr. Hudson that his transactions seem to fall within the letter of the law.

Under the present income-tax law, deductions for losses on sales of securities by individuals are limited to only $2,000 in excess of any reported capital gains. Mr. Hudson, in 1936, lost $130,000 on a sale of securities on the stock exchange. He had realized no profits against which the offset could be made. Therefore he created a profit of $130,000 by selling other securities to his own corporaton. He accomplished this in the following way:

He was the owner of 78 percent of the stock in a Newfoundland corporation, Laurentian Mines, Ltd., the balance being held by his

brother and a close friend. He sold $400,000 of his personally owned securities to this foreign corporation, which he dominated. This transaction gave him the needed profit of $130,000 to which we have referred. Moreover, the securties which he sold to the Newfoundland corporation now have a basis for the purpose of computing future profits which is increased by $130,000. By this method if the Newfoundland corporation, which Mr. Hudson controls, sells these securities in a later year for $130,000 more than Mr. Hudson originally paid for them, its income-tax return for that year will show no profit.

This same method might have been employed, so far as stepping up the value of the securities is concerned, with a domestic personal holding corporation. However, the foreign corporation was no doubt used for this purpose in order to attempt to escape surtaxes on the dividends on the stock held by the foreign corporation.

While this particular situation does not represent tax avoidance of a very large amount, the method can very readily be used time and time again, and thus enable not only this taxpayer, but all others resorting to the same scheme, to step up cost bases of securities and to have their American income paid to foreign personal holding corporations.

Now, we have the case of Mr. Jacob Schick. He was commissioned in the Engineer Corps of the United States Army. He served his country with distinction until his retirement some years ago as a lieutenant colonel. He drew a pension as a retired United States Army officer until December 18, 1935, when he became a Canadian citizen by special dispensation from the Prime Minister of Canada. Colonel Schick is the inventor of the Schick electric dry shaver, which article is manufactured by the Schick Dry Shaver Co., of New Haven, Conn., and is sold universally. It is common knowledge that this invention has proved very profitable to the inventor through sales to citizens of the United States. Naturally such profits are taxable under the United States income-tax laws.

In November 1933 Colonel Schick formed a corporation in Nassau, Bahama Islands, which he named Schick, Ltd., and assigned his royalty income from the American operating company to that foreign corporation. This royalty amounted to $129,000 in 1934, and there was a withholding tax thereon of $17,737. If Colonel Schick had received and reported this money in his personal return, he would have been liable for a much larger income tax.

Apparently Colonel Schick was not satisfied with this saving in taxes, so on December 18, 1935, he became a Canadian citizen and 5 days later formed three other companies in Nassau, Bahama Islands. He named these companies Schick Industries, Ltd., Schick Shaver, Ltd., and Schick International, Ltd., and he transferred to them 57,791 shares of Schick Dry Shaver, Inc., the American manufacturing company. This was practically all the stock outstanding of the American company. It is very interesting to note at this time that Colonel Schick's change of citizenshp was absolutely necessary for him to consummate this transaction and avoid taxes in the United States. There are tax laws designed to prevent American citizens or resident aliens from transferring American holdings abroad for tax-avoidance purposes. If an individual is neither a citizen of the United States nor a resident, then there is no way in which our law as presently constituted can prevent him from transferring his securities to whomever he pleases, even though all the stock owned by this individual yielded income through American companies.

Most of these cases are selected from the Bahama Islands because that was the only locality which the Bureau has had sufficient time to investigate thoroughly. However, in order to show the possibilities of the foreign personal holding company we thought it important to review briefly conditions in other countries which make them equally available for tax avoidance.

The principal foreign localities where it is becoming evident that this type of tax avoidance is being used are Newfoundland, Panama, the principality of Lichtenstein, and Prince Edward Island, in Canada. We will briefly review the probable extent of the use of foreign corporations to avoid taxes in these countries.

We will first take up Newfoundland.

From all indications it appears that the device of the personal holding company has been used for some time in Newfoundland. Here there are a total of 202 personal holding companies which appear to have been formed by Americans in the last 4 years; 46 of them were formed in the 18 months after November 1935. The Bureau has not been able as yet to send an agent to Newfoundland, so details are not available. Nevertheless, it is difficult to see any reason why 202 personal holding companies should be in operation in that country except for tax-avoidance purposes. The principal industries are the production of paper, which amounts to $12,000,000 annually, and fishing, which produces $6,000,000.

In a cable dated May 7, 1937, the United States consul at St. John's, Newfoundland, reports:

"Large majority of corporations are shown to have been organized by the law firm of Hunt, Emerson, Sterling, and Higgins, by subscription for 1 share by each of three of the partners. Shares are immediately transferred to members of Canadian law firms. Since in most cases American shareholders are not indicated, it is believed that most corporations, although American-controlled, are organized for the purpose of tax evasion. This cannot be corroborated except by reference to corporations previously investigated, where it was shown that organization was completed in the same manner and the American shareholders were not shown until long after incorporation. It is presumed the same procedure is now being followed."

The annual report of the Commission of Government of Newfoundland shows Government fees from personal holding corporations for calendar years as follows:

1934	$10,857
1935	11,864
1936	17,323

This increase in revenues to the Newfoundland Government is clearly due to the increased formation of such companies, because the corporation tax rate has not been changed.

We will next take up Panama. Here we find laws very favorable toward the formation of foreign corporations. No annual statements are required as to the stockholders or financial condition. There is no tax on income or profits from sources outside Panama.

In Panama there were 46 personal holding companies formed by Americans from January 1935 to March 8, 1937. Practically every company which has been formed by Americans has the firm of Fabrega & Fabrega as resident agent. They are the ranking lawyers in Panama City. The head of the firm was once secretary of the Republic.

For reasons which we will set out later it has been impossible to ascertain the exact nature of the business of these personal holding companies. There is every indication, however, that they were formed for no other purpose than the purchase and sale of securities. In connection with this, it is interesting to note that Mr. Ofilio Hazera, chief of the section of receipts, Department of Treasury, Republic of Panama, advises that a special decree has been issued exempting profits from the sale of foreign securities from the Panamanian income tax.

Next comes Lichtenstein. From the information available, we believe that there are a large number of corporations formed for tax avoidance in this small principality. This belief is based upon the fact that the tax incorporation laws of Lichtenstein offer unusual opportunities for the operation of this device. It is impossible, however, to give the committee definite information here. The American consul on May 13, 1937, reported to the Bureau that the government officials of Lichtenstein declined to supply any information whatever concerning incorporation of American companies in that country. The following information given to us by the consul, however, is very significant:

"In the year 1935 the total tax revenue is stated as 747,749 Swiss francs. The income from incorporation taxes in that year amounted to 349,128 Swiss francs.

"One person is sufficient to constitute a company or trust. It is not necessary for a promoter to go to Lichtenstein for that purpose. All that is required is representation by a firm or citizen of Lichtenstein."

We have no real information available about Prince Edward Island. Nevertheless, it offers another excellent field for the incorporation of personal holding companies by foreigners. Under the provincial act, holding companies are required to give only very limited information when registering. The information on their annual returns is still more limited. The public accounts of the island for 1936 show receipts of $120,919.90 from corporation taxes, of which $70,208.34 was from investment companies. Only the lawyers know the real names of the investors.

OTHER FOREIGN COUNTRIES

The use of foreign corporations in countries other than those listed here for tax-avoidance purposes is, of course, possible. It is, however, extremely difficult to locate such companies. We have at this time only one case—the case of Mr. Charles Laughton, motion-picture actor, who has caused his salary earned in this country to be paid to an English corporation.

Mr. Laughton is a British citizen. He formed a personal holding company in England. He then entered into a contract with that holding company to pay him a salary of $20,000 for the year 1935. By virtue of that contract the foreign holding company became entitled to all of his earnings in this country as a motion-picture actor, which amounted to $190,280.22 in 1935. The earnings of the British company consisted entirely of the Laughton American income. It is true that his personally owned British company paid a tax here. Yet through that company Laughton effected a substantial reduction in the amount of taxes which otherwise would have been payable to the United States Government on these earnings.

The conduct of Mr. Laughton in this instance may be perfectly legal. The case, however, is cited as another illustration of the rapidly increasing use of the foreign corporation for the purpose of reducing the amount of taxes which an individual would otherwise be required to pay on his earnings within the United States.

The difficulties of gaining any information about foreign corporations in the countries which we have discussed create a situation in which only the personal ethics of the taxpayer determine whether he will indulge in deliberate tax evasion rather than tax avoidance. The expense of sending agents to these countries is prohibitive. Moreover, when agents are sent they are unfamiliar with the law and the governmental institutions with which they are dealing, and often with the language itself. There is no possible pressure which can be put upon the foreign attorneys

who form these foreign corporations, or upon the foreign corporation itself, to compel them to disclose its ownership, the extent of its activities, or its American income.

Therefore no one knows, or ever will know until our income-tax law is made more stringent, how many of the hundreds of corporations organized by Americans in these countries are used for tax evasion, how many of them for tax avoidance, and how many represent genuine business activity. As the editorial quoted from the Bahamas newspaper indicates, the present situation is a challenge to Congress and to the Treasury to make our revenue laws really effective against those of our citizens who seek sanctuary for their investments by taking them to foreign shores.

The Railroad Retirement Bill—A Guide For Employers and Employees

EXTENSION OF REMARKS

OF

HON. ALFRED L. BULWINKLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. BULWINKLE. Mr. Speaker, in my opinion, the bill under consideration, H. R. 7519, "An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act and for other purposes", is one of the most remarkable bills upon which the Members of the House of Representatives have ever voted. This bill should serve as a guiding star for all legislation affecting employers and employees in the future.

Formulated and considered in conference by the representatives of the Railway Labor Executive Association, representing the 21 standard railroad labor organizations, consisting of 1,150,000 railway workers in the United States, of the one part, and of the representatives of the Association of American Railroads representing the greater part of all the railroad mileage of the country, of the second part, it is in fact an agreement between these two groups. And I wish to say that Mr. George M. Harrison, the president of the Railway Clerks and chairman of the Railway Labor Executive Association, and his associates, as well as Mr. R. V. Fletcher, the general counsel for the Association of American Railroads, and his associates, are to be congratulated upon this fine piece of work, which they prepared in conference. It is not out of place for me to congratulate also Hon. ROBERT CROSSER, Member of Congress from Ohio and also a member of the Committee of Interstate and Foreign Commerce of the House of Representatives, for the culmination of 7 or more years of effort spent in perfecting a retirement system and law for the railway employees of the United States.

The bill now before the House for consideration differs slightly from the existing law, and in order to show these changes to the House it would be best for me to read a statement prepared by Charles M. Hay, an attorney for the Committee of Railway Labor Executives, which gives complete information:

	Present act	Proposed bill
Persons subject		Persons covered by present act and railway associations, bureaus, etc., and standard railroad labor organizations; and employees of all these and "employee representatives" of certain other labor organizations. See sec. 1 (a) and (b).
Service covered	In United States	For United States roads, wherever rendered; for Canadian roads service in United States.
Employment relation	On furlough or leave of absence and subject to call for service and ready and willing to serve.	On furlough and subject to call for service and ready and willing to serve or on leave of absence or absent on account of sickness or disability.
Persons eligible for annuities	On retirement from railroad service. Persons 65 years of age Persons 50 years of age with 30 years' service but with reduction of 1/15 for each year under age 65. Persons retired by company on account of disability with 30 years' service.	On retirement from employment. Persons 65 years of age. Persons 60 years of age with 30 years' service but with reduction of 1/15 for each year under age 65. Persons 60 years of age totally and permanently disabled for regular employment for hire, with reduction of 1/15 for each year under 65. Persons totally and permanently disabled for regular employment for hire, regardless of age, with 30 years of service. Such persons also eligible on recovery before age 65 to return to service and receive age annuity but with recomputation of such annuity to compensate for disability annuity.
Conditions influencing retirement.	Reduces annuity 1/15 for each year employee in service after 65 unless agreed to by carrier and unconditionally for each yearafter 70.	Eliminates reductions in present act but adds no service after July 1, 1937, of persons 65 years of age or over. Compensation received by such persons after said date may be used in computing annuity unless to use it would diminish annuity.
Computation of annuities	Multiply years of service by a figure representing the aggregate of 2 percent of the first $50 of average monthly compensation, 1½ percent of next $100, and 1 percent of next $150.	Same as present act.
Years of service included in computation of annuity.	For persons in service or employment relation on or after enactment date, all service prior and subsequent to such date not exceeding 30 years.	For all persons all service, without limit, rendered after Dec. 31, 1937. For persons in employment relation or totally and permanently disabled on enactment date, service prior and subsequent to such date not exceeding 30 years. Persons on Canadian roads get only proportion of prior service as provided in sec. 3 (b) (1).
Monthly compensation	Average compensation determined from pay-roll records of all subsequent service and for prior service from pay-roll records of service from 1924–31.	Same as present act with authority in Board to determine fair average for prior service if records from 1924 to 1931 are inadequate.
Maximum annuity	$120	$120 when service prior to Jan. 1, 1937, is included in years of service. No limit when based on service subsequent to such date.
Minimum annuity	None	When employee 65 with 20 years' service, $40 if monthly compensation $50 or more; if less than $50, then 80 percent thereof, and if monthly compensation is less than $20, the full amount of monthly compensation.
Joint and survivor annuity	Right given employee to elect	Same, with regulations governing exercise of right.
Death benefit	Provision only for ½ of 1 year's annuity to widow of one eligible for annuity or receiving annuity at time of death.	A sum equal to 4 percent of the aggregate compensation earned after Dec. 31, 1936, less amount, if any, paid to employee or widow as annuity.
Persons on carrier pension rolls	Board directed to study subject and work out plan for bringing such persons under act.	Payment of pensions in amount originally allowed by carrier up to $120 per month.
Administration	By Retirement Board with powers and duties prescribed	By Retirement Board with substantially same powers and duties as under present act. Board authorized to engage employees without civil service examinations but with provision to come under such service after 6 months.
Payment of annuities	Out of Treasury of United States	Same, with provision for a "Railroad retirement account" in the Treasury.

The cost of the annuities under this bill is estimated for the year 1938 at about $113,250,000, rising each year until it reaches its height in 1975, which is estimated then to be $231,390,000. Of course, it is hard to state exactly the cost each year, because of the uncertainties as to the exact number of employees. There are employed now 1,150,000. If business would return to what it was in 1929, there would be 1,400,000 employed by the railroads. The taxes to carry the annuities for the beneficiaries and for the entire cost of the administration is paid by the railroads and their employees. I understand that today the Ways and Means Committee of the House of Representatives will favorably report out of its committee the companion bill to this, which carries the taxes. This bill will soon be enacted into law; and when it is, it is my hope that the administration of it by the Railroad Retirement Board will be of such high order that it will redound to the honor and glory of those employees and employers who set a new standard for American labor and American capital.

In conclusion, may I not say that it has been a great pleasure for me to have been one of the members of the Committee on Interstate and Foreign Commerce, which has reported out three retirement bills. I have voted for both the others in the House, and I am today likewise pleased to vote upon the final passage in support of this measure.

Payment of War Debts to America Urged by Congresswoman Jenckes in Address at Martinsburg, W. Va.

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 22, 1937

SPEECH BY MRS. VIRGINIA E. JENCKES, MEMBER OF CONGRESS FROM THE SIXTH CONGRESSIONAL DISTRICT OF INDIANA, TO THE WOMEN'S DEMOCRATIC CLUB OF BERKELEY COUNTY AT MARTINSBURG, W. VA., JUNE 17, 1937

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Mrs. VIRGINIA E. JENCKES, of Indiana:

I was very happy when I learned that I had an opportunity to come to the great State of West Virginia and meet with an organization of loyal Democratic women, and tell you some of the good things the Democratic Party has accomplished for us women.

I am proud that I am a Democrat. I am proud that the citizens of the great State of Indiana are solidly supporting the Democratic Party, from President Roosevelt down to the officials in the smallest precinct of our great State; and when I tell you this, you must realize that at one time the State of Indiana was a rock-ribbed Republican State, and the Democrats were discouraged and unorganized. But that is not the condition today. The Democratic women and the Democratic men in Indiana are standing shoulder to shoulder supporting our great leader, Franklin Delano Roosevelt, and his administration.

All women should be grateful to the Democratic Party. For centuries women were never considered in the party councils. For many decades it was recognized that women should have the right of sufferage. equal with the man in this country, but it was not until the administration of that great Democratic President, Woodrow Wilson, that the Congress passed a constitutional amendment, and the people duly voted equal sufferage for the women of the country. Thus, we women owe our right of sufferage to the Democratic Party.

This was less than two decades ago, and in that time already we women take much pride in the acknowledged fact that this gift of the right of suffrage has had a tremendously uplifting effect all over our broad land. American women appreciate the right to vote. Women cast 50 percent of the votes in every municipal, State, and national election.

The influence of women has entered into the party politic in every department of the Government, both State and Federal, and in all of the political subdivisions of the various States, from the smallest hamlets to the greatest cities.

This great step forward in the history of our beloved country has long since passed the stage of experiment, and now in the councils of both of the great parties the voice of the women of the land is heard and heeded and given the attention and respect that they deserve.

I think of all the great and fundamental virtues which have through the ages been regarded by humanity of every creed and race as essential the great principle of loyalty stands out almost foremost from all of the others.

In order to have parties or worth-while organizations of any character, it is essential that its members always remain loyal to its principles and to its leader. Otherwise, chaos and ruin are certain to result.

In the presence of this splendid audience, however, I feel like apologizing for referring to such a fundamental principle as that, because I know that you, and each of you, will always remain true to the fundamental principles of the Democratic Party, and to its chosen leaders.

From a woman's viewpoint, I think it is the just right of our great and honored President that we all join hands and support him as our great leader.

Of course, in the topsy-turvy of these unprecedented times there may arise occasions of honest difference of opinion, which is not improper, but in every such instance one should be outspoken and not at any time work like sappers, secretly undermining the great structure of our great Democratic Party.

Let us be true to the President, remembering and recognizing the tremendous burden and heavy load which Franklin Delano Roosevelt is compelled to carry from day to day.

We women have always been the protectors of the home and the fireside. We know that while politics is a science of government, the type of government which politics give us, often influences favorably or unfavorably the conditions in our homes and we women recognize that fact. We women have been schooled through the ages to judge values, we make the purchases for the homes, and I feel that if the women of the great State of West Virginia, as well as the Nation, will judge public service with the same discretion and consideration that they give when judging purchases for the home, that they will always demand, and get, the highest type of public service, from their elected or appointed Representatives.

And I am proud to say that the Democratic Party has always considered service to the people as their first consideration.

I wish I could avail myself of this opportunity to tell you what I think of your great State and its wonderful people, but my time does not permit. We people of Indiana have from time immemorable looked to you good people for inspiration and guidance when we were confronted with new and apparently unsolvable problems and difficulties.

With the troubled conditions in continental Europe, we Americans should be grateful that the various States of these United States are at peace and that a citizen can travel from ocean to ocean and from border to border in the United States, without showing passports, in perfect safety and comfort. That is not the condition today in Europe, where unhappy conditions prevail almost to the extent of warfare.

We American women hate war. I am sure that American women will never countenance the United States going into another war. However, I do believe and I feel that every woman should be permanently interested in seeing this country have a proper national defense—national defense consisting of the best armed forces, for home protection, on the face of the earth, and a feeling of patriotic loyalty to our country, existing in the hearts of all of the people, which will provide a real national defense.

Women must become familiar with these conditions. Women must understand how to prevent wars. And I say to you women assembled here tonight, in all sincerity, that if you will learn how to intelligently use your greatest influence and your greatest power, the ballot, the United States will never engage in another war of offense like we did during the World War.

We women traveled the highways and the byways during those troubled times and urged the people to buy liberty bonds, in order that the world might be made safe for democracy. I sold those bonds and you sold them.

We sent billions of American dollars to Europe, and what happened? We helped to win the war for the Allies and today the Allies have repudiated their financial obligations to the United States in a most shameful manner, while they are spending the peoples' money for armament and for warfare.

I call on every American woman to protest against this condition. Send letters and telegrams and messages to your Congressmen and to your Senators. Yes, send them to the President of the United States, and appeal to them to demand that these foreign nations pay their honest debts to the United States, instead of using the money which rightfully belongs to the citizens of the United States for horrible purposes of war.

If the women of America will speak, the Congress and the Nation will listen.

American taxpayers are groaning under heavy taxation necessary to keep the Federal Government going. We are seeking the cause of the depression. The real cause of the depression in the United States was due to the breach of faith and repudiation of debts by our allies in the World War.

I ask you women to demand of the Department of State, to demand of your Congressmen and your Senators, that they advise you of the efforts they are making to collect these debts.

If the European governments who are now planning and plotting wars on each other, would repay to the United States the money which they owe, we would have taken the first step toward a world-wide recovery from the depression. But as long as we

Americans stand by and do not register a vigorous protest and vigorous denunciation, then we might as well realize that the $11,000,000,000 which these foreign nations owe the United States will never be paid.

I call on the taxpayers of America to become interested, and to become active. I say to the taxpayers of America, you would be justified in going on a sit-down strike and refuse to pay taxes as long as our Federal Government permits these foreign governments to evade the payment of the debts that are justly due the citizens of the United States.

I do not know of any work or of any public service which would be of greater value to our United States which could be rendered by the women of America than that of arousing public sentiment and creating a Nation-wide demand upon these foreign debt-evading governments that they keep faith with the United States or stand repudiated for all time in the minds and hearts of the American people.

I say to the women, Arouse yourselves!

This concerns your home, this concerns your family, and this concerns your everyday life. Eleven billions of dollars would go a long way toward solving the depression and bringing prosperity back to America. Will you sit idly by or will you become active? I am appealing to you to make this your business. Discuss it before your various women's clubs and your various women's organizations. Part of that $11,000,000,000 belongs to you and belongs to me, and I am asking the women of America to demand that this just debt be paid immediately. Let us not accept mealy-mouthed excuses which are sugar-coated with diplomatic phraseology which very few people understand.

Let us raise our voices and let the world know that the women of America demand that the war debts be paid.

Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. A. WILLIS ROBERTSON
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. ROBERTSON. Mr. Speaker, in the death of Representative ANDREW JACKSON MONTAGUE, Virginia lost one of her ablest and most cultured men. All who knew him recognized in him the attributes of the scholar and the high qualities of the statesman.

Governor MONTAGUE sprang from a distinguished Colonial Virginia family that traced its ancestry to the famous Montague family of England. He inherited not only his courtly manners, but his zeal for the public service. The State campaign of 1860 in Virginia for the election of Governor and other State officials was one of the most stirring the Old Dominion has ever known. Everyone realized that the North and the South were approaching the parting of the ways. Political passions ran high. Opinion with respect to the merits and demerits of secession were sharply divided. Virginia, the mother of Presidents, had many close ties with the Union. The State ticket that favored a peaceable adjustment of the economic differences between the North and the South, and the preservation, if possible, of the Union was headed by John Letcher, of my home town of Lexington, a former member of the Ways and Means Committee of the House of Representatives. On the ticket with him for the position of attorney general of the State was John Randolph Tucker, who subsequently moved to Lexington, served with great distinction as a member of the Ways and Means Committee of the House, and who concluded his public service as professor of law at Washington and Lee University. Also on the same ticket for the position of Lieutenant Governor was Robert Latane Montague, who led the ticket.

About 10 years ago a reunion was held in Lexington by three sons of these three wartime political leaders. The host was Harry St. George Tucker, who succeeded his father, John Randolph Tucker, in Congress, and who on one occasion came within 4,000 votes of being elected Governor of Virginia. One of the guests was a son of Gov. John Letcher, Capt. Greenlee D. Letcher, of Lexington, who started on a political career as a member of the General Assembly of Virginia and then gave up politics to devote his exclusive attention to the practice of law. The third guest was ANDREW JACKSON MONTAGUE, the son of Lt. Gov. Robert Latane Montague.

From that patriotic and public-spirited father, Governor MONTAGUE inherited his zeal for the public service and to him he was indebted for the early training that determined the qualities of his character, including a desire for a college education. The late Speaker, Joe Cannon, when asked what he thought of a college education, is said to have replied: "It won't hurt a young man if he has enough common sense." Evidently Governor MONTAGUE was a young man of that type because he received a college education both in liberal arts and in the law, and put to good use throughout his life that college training. The very name the father gave the son is significant of the type of man the father hoped the son would be.

I did not know Governor MONTAGUE when he was the attorney general of Virginia, my acquaintanceship with him dating from 1905, when I was a student in the Academic School of the University of Richmond and he was the Governor of Virginia. When he retired from the governorship he was elected dean of the Richmond Law School, and as a student in the law school I had classes under him in pleading and practice and constitutional law. Thus was formed a warm friendship that lasted until his death. No one was more pleased than Governor MONTAGUE when his former law student was elected to the House in 1932. And it has been a source of great satisfaction to me to have been privileged to serve with him in the House and there to learn the high esteem in which he was held by the entire membership of that body.

ANDREW JACKSON MONTAGUE embodied in his political career the highest and best traditions of Virginia statesmanship. He grew to manhood during what Claude Bowers has termed "the tragic era." For many the era was tragic; family fortunes, including that of the Montagues, had been wiped out; political control was first in the hands of the army of occupation, Virginia being military district no. 1, and then in the hands of carpetbaggers and Negroes. Economic conditions had been turned topsy-turvy. For the older generation the times were indeed tragic. But for some of the younger generation the very tragedy of the situation was the necessary spur to their ambitions to overcome the handicaps resulting from a disastrous war. It has been said:

> Tragedy, it has ever seemed to me, is not sorrow or misfortune, but the dullness and deadened imagination which loses all sense of past happiness and sees in present trouble the fact and not the meaning.

And Lord Bacon, in his essay Of Adversity, tells us:

> Certainly virtue is like precious odors, more fragrant when they are incensed or crushed. For prosperity doth best discover vice, but adversity doth best discover virtue.

The adversity of the period discovered outstanding virtue in ANDREW JACKSON MONTAGUE. He did not fold his hands in helpless resignation and in idleness complain of adverse economic conditions imposed upon a conquered territory by a hostile Federal Government. Rather did he embrace the philosophy of Sir James M. Barrie, who in his play Dear Brutus said:

> It is not the fault of our stars, dear Brutus, but of ourselves that we are underlings.

Steeped in the traditions of the old South, he saw in its destruction not the end of opportunity for a Virginia boy, but rather the opening of the door of opportunity for those who wished to contribute to the rebuilding of a new South.

He lived long enough to see another economic crisis in the Nation and it is only natural that he should have felt that the new crisis should be approached and solved in the same manner in which the crisis of reconstruction days in Virginia had been met and solved. As the attorney general of Virginia and as a law professor he had upheld the sanctity of contracts as announced by the Virginia Supreme Court of Appeals in the case of Taylor against Stearns. That was a decision indicative of the manner in which the men of Governor MONTAGUE's mold met the issues of the tragic era.

Following the war, Virginia was not only prostrate but bankrupt. A large percentage of her real estate had been mortgaged. To relieve hard-pressed debtors the General Assembly of Virginia, yielding to military pressure, passed an act to stay the foreclosure of mortgages for a period of 2 years. The constitutionality of that act was questioned in the State supreme court. In rendering the opinion of the court declaring the act unconstitutional, Judge Alexander Rives said:

> It only remains for me to notice a consideration that was pressed upon us with much feeling by the counsel, who concluded the argument for the appellant; and I do this to disclaim any insensibility on my part or that of my associates on this bench to this appeal. I mean the allusion that was made to the distresses that might ensue upon a decision against this law, unless counteracted here as it has been elsewhere by the military authorities. That appeal has not been without its legitimate influence upon us. It has subserved the only proper purpose for which it could have been designed, and that was to persuade us to the fullest scrutiny, the most patient investigation, and the most careful reflection touching every branch of this important inquiry. Further than this it could not avail with this tribunal. No matter what consequences may follow nor what action may be taken by the military authorities in our present unsettled State, the apprehension of them cannot, and ought not to, deter us from the fearless discharge of our responsible duties. But it should not be forgotten that there are opposite evils of perhaps greater magnitude than those which have been so feelingly depicted and deprecated. It has already been seen how these high constitutional sanctions of private right have no other means of vindication but by the judiciary.
>
> Is it not, then, worth while to consider on this side of the question what deplorable calamities, moral and political, might attend the surrender of this last bulwark by its sworn defenders through a subserviency to temporary interests or passions; or a timid disposition to sacrifice convictions to motives of expediency? No greater or more enduring misfortune, it seems to me, could befall a people, blessed with a constitutional form of government, than a sacrifice of any of its fundamental guaranties of that department of its service which, by the nature of its organization and functions, has ever been counted on to uphold with a stern inflexibility private rights and public morals. Great as might be the suffering growing out of a judicial sentence against this law, and widespread as might be the ruin of individuals and the sacrifice of property under it, they are not, for one moment, to be compared with the evils likely to attend the demoralizing example of a judiciary seeking, however covertly, popular favor by some skillfully disguised compromise of its highest and most imperious duty—that of disdaining any pretext, however plausible, and withstanding every temptation, however strong, to betray in the slightest particular the requirements of the State and Federal Constitutions. Such a spectacle of weakness and subserviency upon the bench, if it did not shock, would incurably deprave public sentiment, destroy confidence in the administration of the laws, spread corruption through other branches of the public service, and fearfully depress the hopes of the friends of constitutional freedom.

During the Seventy-third and Seventy-fourth Congresses failing health prevented Governor MONTAGUE from taking as active a part in the legislative program of that period as would otherwise have been the case. Wherein I think not only Virginia but the Nation at large was the loser. The machine age brought us new economic problems, but it did not bring us a new type of human nature. Therefore in the solution of "machine age" problems we needed as much as ever the knowledge of human nature that our elder statesmen had gained from practical experience. We needed men who had successfully passed through previous depressions to tell us that the present crisis could be successfully met without throwing overboard the fundamental principles of government upon which for 150 years the greatness of our Nation had been built. We needed men who, from experience in life, could tell us that forces that influence character building are not different today from what they were 50 to 75 years ago. We needed men in the Congress who could with authority say to their colleagues, as did Chief Justice Hughes on last Monday to the graduating class of Brown University:

> The security of our democratic institutions is not in existing constitutional provisions or framework of government, but in the dominant sentiment that maintains them.

It was Governor MONTAGUE's belief that Government assistance to those who have suffered misfortune can be extended to the point where their energy, ambition, and self-reliance have been utterly sapped, leaving them as drones upon society.

It was Governor MONTAGUE's belief that the separation in the Constitution of the powers of the National Government and those of the respective States was wise and proper, and that the perpetuity of our inherited institutions would be imperiled by the merging of all powers in one strong centralized government.

It was Governor MONTAGUE's belief that the first and primary duty of a public servant was to be true to his own conscience without "subserviency to temporary interests or passions, or a timid disposition to sacrifice convictions to motives of expediency."

It was, therefore, a source of disappointment to me that in the trying and difficult times of the past 5 years our Nation did not have the benefit, in the fullness of his one-time vigor and brilliancy, of the deep learning, wide experience, and great soundness of Governor MONTAGUE. In his prime he was the best orator in Virginia. In his prime he was a recognized leader in Virginia. Throughout his life and at all times he was the cultured Virginia gentleman. I share not only with my colleagues of the House but with all who were privileged to know him a deep and sincere regret at his passing. He has left a record for honest and able public service worthy of the Jackson and Montague names, and one that all may well strive to emulate.

The Late Franklin W. Fort

EXTENSION OF REMARKS

OF

HON. ROBERT LUCE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. LUCE. Mr. Speaker, Members who served in the House with Franklin W. Fort, of New Jersey, grieve to learn of his death. Not only in his 6 years of service here did his personal qualities make for him warm friends, but also he won admiration as a statesman and patriot. He was a man of righteous character, unimpeachable integrity, complete purity of purpose. His ideals were lofty, his devotion to them was earnest, his labor for them unremitting. A strong believer in the importance of political parties in our system of government, he zealously and honorably worked in behalf of the principles he espoused. In the House, as a man of experience and success in large affairs, he brought important help to his committees and played an influential part in constructive legislation for the public welfare. The country loses when the life of such a man comes to an untimely end.

Low-Cost Housing Legislation

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, June 23 (legislative day of Tuesday, June 15), 1937

STATEMENT BY WILLIAM GREEN, JUNE 23, 1937

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement issued today by William Green, president of the American Federation of Labor, pertaining to delay in acting on the pending low-cost housing bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The American Federation of Labor and its entire membership throughout the Nation finds it is necessary at this time to register publicly a strong and vehement protest at the inexcusable delay in the enactment of the Wagner-Steagall low-rent housing bill.

Some months ago I said that the Wagner-Steagall bill was no. 1 bill on the American Federation of Labor's legislative program for this session of Congress. Today this legislative measure stands not only as one that is foremost in importance to organized labor but one that has enlisted more direct and solid support than any other legislative proposal designed to improve the economic and physical welfare of the wage earners throughout the Nation.

Labor wants to know what has happened to this bill. Hearings were held by the Senate Committee on Education and Labor long ago. At these hearings representatives of labor, of consumers, of social and welfare organizations, of religious groups of all denominations, of housing authorities and local governments, of the administrative agencies of the Federal Government, all spoke as one in support of this measure and presented an accumulation of unassailable evidence that the United States housing bill of 1937 represents the most practicable, most sound, and most economical program of housing for low-income groups yet devised. The hearings were completed and there the legislative machinery stopped. There has been no committee report, no hearings have been scheduled in the House, and there is no immediate promise of action.

Congress is pulling into the home stretch. Yet most of the major legislation before it has been barely touched. The housing bill must not be permitted to be caught in the last minute legislative jam. A further "delay" on the housing bill will inevitably have to be given an uglier name—particularly if it results in no legislation this year.

President Roosevelt has strongly expressed himself as favoring the purpose of the Wagner-Steagall bill. At practically every public utterance since his inauguration he has told the people of America of the urgent need to provide good housing for that third of our population which is ill-housed now. He has stressed in his statements the need to remedy this situation without delay.

What then is the obstacle in the path of the bill's enactment? Apparently the main obstacle can be traced to the objections of the Secretary of the Treasury to some of the financial provisions of the bill. In its present form the Wagner-Steagall bill provides for loans at the going Federal rate of interest, to local housing authorities, to help them finance their projects. In addition it provides for contractual annual contributions toward the rentals of housing projects, to bring them within reach of low-income families.

Public and expert opinion is in unanimous agreement that this is the most practical way to achieve low-rent housing with governmental aid.

Mr. Morgenthau, however, would like to substitute capital grants—that is, outright gifts to cover part of the original cost—in place of annual contributions to bring rents down.

It is my opinion, and that of all the labor representatives who have been working closely with the problem of national housing policy, that annual grants are to be preferred to capital grants as a form of housing subsidy. Capital grants have been tried, thoroughly discredited, and finally rejected in favor of annual grants in housing experience abroad. They have a tendency to raise initial costs instead of bringing rents down. They do not guarantee enough continuing control by the United States Housing Authority to make sure that the housing projects remain low rental. And they make this year's taxpayers unjustly responsible for the entire cost of benefits which will be spread over a generation and more.

I do not propose to enter here into a lengthy technical discussion on the merits or demerits of this and other proposals made by the Treasury Department, but I do feel that the vast amount of mature thought and representative experience which is behind each and every paragraph in the Wagner-Steagall bill should not be underestimated or ignored.

I do not claim that there exists a perfect solution of this difficult and complex question of low-rent housing, but I do claim, together with every responsible and social-minded housing expert in the country, that the United States housing bill of 1937 is far and away the most satisfactory formula yet devised. I also claim that any attempt to alter fundamentally at this late date the entire framework of a housing program which has in its present form the support of the whole country cannot be taken as an act of good faith. The provisions of the bill are not the result of half-baked thinking. They are more than a legislative experiment. The form of the bill has grown, been revised, corrected, battled over—and is now heartily endorsed—by the individual and collective energy, interest, and experience of hundreds of responsible individuals and representative agencies all over the country who speak for millions of men and women of America. The bill is the result of a particularly successful operation of the democratic process and it must not be nullified by arbitrary, unrepresentative action which rests upon obscure motives.

Twenty-nine States, representing 70 percent of our population, have already enacted special legislation recognizing housing as a public purpose and setting up permanent State housing agencies. More than 50 cities have established permanent public housing authorities. The recognized need is so great that all this local action has been taken before any Federal housing program or permanent Federal agency has been set up. Yet no local housing authority can even begin to function until there is a Federal agency such as the United States Housing Authority established under the Wagner-Steagall bill ready to cooperate in making low-rent housing a reality.

In my whole legislative experience I cannot recall a single piece of social or economic legislation on whose detailed provisions there was such unanimous agreement. This unanimity represents a remarkable contrast to the situation which preceded the enactment of our basic social-security legislation 2 years ago, when even those most in favor of the principles could not agree on the legislative form.

The local housing authorities are unanimous in endorsing the Wagner-Steagall bill, not merely in principle but in its detailed administrative and financial provisions. They know they can work with it. City councils and mayors, State legislatures, and Governors, have officially endorsed this bill. Welfare and religious organizations, national and local, endorsed the bill wholeheartedly—not by any perfunctory action but after long technical consideration by special committees and experts.

The American Institute of Architects, which seldom takes any sort of political action, specifically endorsed the Wagner-Steagall bill at their convention 2 weeks ago.

The solid strength of organized labor is behind this bill. Labor has worked on this measure from its earliest stages more than 2 years ago. Its support reflects a basic and vital need for low-rent housing on the part of the workers everywhere. Labor knows that the initiation of a housing program will bring more jobs and more stable employment for the building-trades workers. It will help relieve employment in all basic industries on which the construction of houses depends for raw materials and equipment. It will relieve the housing shortage which is already critical, and above all it will make new and better housing available to wage earners and their families at rents which they can afford. Labor knows that ordinary private enterprise cannot make decent housing available for those whose incomes are low. Labor knows that the only way open to better housing for workers is to combine Federal and local action, permanent agencies, and a sound, practicable, long-term program of financial aid and control. Labor is satisfied that all these conditions are met in the Wagner-Steagall bill in its present form and labor stands united with every other organization representative of the public interest on one program and in one demand: The enactment of the Wagner-Steagall bill as is.

Maximum Hours, Minimum Wages, and Child Labor

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, June 23 (legislative day of Tuesday, June 15), 1937

ADDRESS OF HON. H. STYLES BRIDGES, OF NEW HAMPSHIRE, JUNE 21, 1937

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and instructive address made over the National Broadcasting System, June 21, 1937, by the able Senator from New Hampshire [Mr. BRIDGES] on the purposes and provisions of the so-called Black-Connery bill and his substitute therefor.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to thank the National Radio Forum for inviting me to talk to you tonight on the Black-Connery bill. You recently heard Senator BLACK, as spokesman for the administration, express his views on this measure.

In what I say tonight I am in no sense debating with Senator BLACK. I am sure his social objectives are in all respects the same as my own. I am sure my social objectives are the same as those of the late Congressman Connery. Labor will miss Billy Connery's sympathetic interest in their cause.

We Republicans differ from our political opponents only as to the methods for raising the standards of living and the level of happiness and prosperity for all our people.

Therefore, tonight I shall disagree with Senator BLACK most vigorously in his approval of this bill.

But, before doing so, let me say to you that I sincerely believe in a Federal minimum-wage law. I would like to see the present Congress pass such a law.

In 1935, as Governor of New Hampshire, I put into actual operation a minimum-wage law which has operated successfully. But its operations have convinced me that a Federal law is necessary to make it more effective. I want to see the people of the entire country protected by such a law with Federal authority behind it.

Nevertheless, I am certain that the Black-Connery bill will defeat its own purpose. I am sure it will set back the cause for which I stand by many long years. I am convinced that it will soon become a millstone around the necks of both employee and employer. I am confident it will be more destructive of the standards of living of all our people than helpful.

For these reasons I shall vigorously oppose its passage. But if I stopped here, you could in all fairness say that I am only giving lip service to this cause—that I have nothing constructive to offer in its place. Such is not the case.

As a result of conferences held with other Republicans I have developed my ideas in the specific form of a bill. I shall tell you of these ideas and let you draw your own conclusions. I shall challenge the New Deal administration to sponsor my bill, for I am sure you will agree with me that under the provisions of my bill we will reach our common objectives without reducing our standards of living and seriously setting back our cause.

First, however, let's examine the Black-Connery bill briefly and analyze its certain results to labor and the people as a whole.

The bill sets up a national labor standards board of five men with powers to fix maximum hours of work and minimum rates of pay for all persons subject to the act and employed in producing or processing goods either to be shipped in interstate commerce or competing with such goods. It excludes, however, workers paid more than 80 cents per hour, and presumably will not apply to farmers, the service trades, and units employing less than eight workers. In its effect, however, it covers all industry and mining, whether operating in inter- or intra-state commerce.

The bill will set a standard of hours of work, say, 30 or 40 hours per week, to be fixed in the first instance by Congress. The board will have power to vary this standard between industries and even between competing units within any one industry. Even worse, it can exempt any industry or any unit of any one industry from the operations of the act.

Again, the board will have power, at its discretion, to grant licenses to industries or individual units to operate longer hours than the fixed maximum, provided the employee is paid time and one-half for such extra hours. The bill provides no common or fixed standard on which the board may use its discretion in granting exemptions to discriminate between industries or competing units in any industry, or in permitting overtime work.

This is a grant of absolute and arbitrary power to five men over the lives, fortunes, income, earnings, and destinies of all industry and its employees. The Black bill not only seems to me to be unconstitutional as an improper delegation of power lodged with Congress by the Constitution, but is unworkable and is destructive of the very objectives it has in view.

This broad discretion of the board means that certain industries or competing units in any industry may be destroyed by arbitrary orders discriminating against them in applying or exempting them from the act or in refusing overtime to them. Other units or industries may be granted special favors. Small companies not able to meet the costs of lobbying before the board, will be subject to impositions which larger companies may avoid.

In brief, this bill is the triumph of the theory of arbitrary rule by men in place of rule by law applicable to all and enforceable without favor or prejudice.

Whether the standard set be 30 hours, which is not likely, in view of the general appreciation of what such a maximum would mean, in the form of reduced production, higher costs, and lowered standards of living, or whether it be 40 hours, which is more generally advocated, the board at its discretion can apply, say, a 30-hour standard to one industry or company and a 40-hour standard to another. In this manner one industry or company can be destroyed for the benefit of another.

Furthermore, while the standard may be set by Congress at 40 hours, the board may change that standard to 30 hours, if it so wills, for all industry, thereby in effect enacting the 30-hour Black bill, which was repudiated by Congress in 1934. Such power should never be granted to any man or any board. Are you surprised I cannot follow Senator BLACK's methods?

Now let's examine the further powers given this board of five men in respect to control of wages. It can, of course, exempt any industry or unit of any industry entirely from the operations of the act. In addition it can fix not only the minimum rates of pay for a given type of work or class of employment in a given industry or company, but it can also fix rates above that minimum up to 80 cents per hour.

In other words, it is not a minimum-wage bill but gives authority to the board to fix rates in the higher categories of labor. It can also, with the power to classify employment, fix the minimum rate of pay of a machine tender without experience at 40 cents per hour, and for a machine tender with 1 year's experience at 50 cents per hour, and so on. Thus the board could fix the entire wage scale for all persons subject to the act.

What, then, becomes of collective bargaining? If the board is to fix the rates of pay, then at their discretion these five men may ignore the results of collective bargaining and raise or lower the rates fixed by mutual consent of the employer and employee.

Labor should rise up in protest against this outrageous imposition. Organized labor has for years been unanimously opposed to compulsory arbitration which has failed wherever it has been tried.

This bill is worse than compulsory arbitration. There is no arbitration. There is only arbitrary determination by five men. And let me emphasize that the rate of pay can be lowered, as well as raised, without the consent of either employer or employee.

Again, Congress goes through the motions of fixing the minimum rate of pay for all industries and their units. The most commonly suggested rate is 40 cents per hour. But the board can at will discriminate between these industries and between competing units in any industry. This will place a premium on lobbying—it may place the small companies and their employees at a decided disadvantage. It may, of course, raise havoc with the larger companies, but, depending on the whims of the board, it may also greatly favor them.

The bill also confers upon the board the power to fix geographical differentials in wages. Thus it may permit employers in one section of the country to pay lower wages than in another. Is not this a matter which should be determined by Congress after careful consideration of available data and experience? For this is a matter of major social and economic as well as political policy.

Thus we see that the bill, in respect to both its major features—control of hours and control of wages—is a barefaced attempt to straight jacket both employers and employees under the will and discretion of five men who may act arbitrarily and without responsibility. It is another instance of congressional abdication—just as much as in the N. R. A., which the Supreme Court by unanimous decision declared void as an improper delegation of sweeping power.

Another aspect of the administration bill is worthy of comment. The House version of the bill excludes all imports produced abroad under labor standards inferior to those imposed by the board on American industry. Practically all imports would be excluded unless the board is authorized to exempt specific commodities at its discretion. Imagine this power in the hands of any board. It is power of life or death over any industry and the employees of that industry. Furthermore, if we should authorize the Tariff Commission to increase tariffs to compensate for increased costs of production here, we would have to cancel every trade agreement negotiated by Mr. Hull in his efforts to reopen foreign-trade channels.

On the other hand, the Senate version of this bill, introduced by Senator BLACK, makes no provision for the protection of American labor and capital from substandard labor practices of foreign producers. The Black version will exclude from interstate commerce all merchandise produced in the United States under labor standards inferior to those fixed by the board. An American manufacturer in any State, if he adopts substandard practices, will be excluded from the richest market in the world—the rest of the United States. At the same time, a Japanese producer, with labor standards only one-fourth of those adopted by this American manufacturer, will have free access to our markets. The result will be that many American companies or industries will have to suspend operations and lay off their present workers who will be forced upon the relief rolls.

These bills, as conceived and drawn, thus hang us on one or the other horn of a trade dilemma.

Have I given you sufficient insight into the bill to convince you that, as is typical of so much of the New Deal legislation, it has been hastily drawn and poorly conceived, with reckless disregard of the consequences to the American people? I think I have.

Yet under the administration's favorite guise of doing something for the underprivileged, President Roosevelt will attempt to jam it through as another piece of "must" legislation, damning all who have the courage to denounce it, Republicans and Democrats alike, as economic royalists and sweaters of labor—antisocial, un-American, and the like.

Do not be fooled by the smoke screen of the cuttle fish. This measure is a definite trend toward "planned economy" not only in hours and wages, but also in prices, production, quotas, and employment.

Another attempt to draw a red herring across the trail and confuse the public in respect to the bill is made by prohibiting the production of goods by children below the age of 16. We Republicans have been consistently opposed to child labor. Feeling the necessity of immediate action and believing that the recent decisions of the Supreme Court are broad enough to permit Federal legislation on this subject, I have introduced a bill into the Senate to provide for the elimination of child labor without an amendment.

The child-labor amendment now before the country has failed to win acceptance because of the fact that it is too broad in its implications, covering farm labor and permitting control of education. Senator VANDENBERG has recently introduced a new proposed amendment into the Senate avoiding the unpopular implications of the old amendment. A similar new amendment has been introduced by Senator AUSTIN, of Vermont, and Representative WHITE, of Ohio. Let us push one of these amendments to enactment.

Child labor must be abolished in this country and quickly, but it should not be used to becloud this wage and hour bill in an attempt to obtain sympathy for a bad bill badly drawn.

To administer this Black-Connery Act a tremendous bureaucracy will be required far greater than under the N. R. A. While only about 4,500 persons were employed directly by N. R. A., close to 75,000 people were directly engaged by the code authorities. The Black-Connery bill will require, according to a well-qualified authority, the addition of a minimum of 100,000 persons to the Federal pay rolls, and many more to industrial pay rolls. The N. R. A. cost the Nation in direct expenditures by the Government and overhead expenditures by industry between two hundred and three hundred million dollars per year. A board, which will have power to fix minimum wages and maximum hours, group and sectional differentials, with power to discriminate at will between industries or units of industries in many ways, will cost the country close to half a billion dollars annually.

Have we not reached the limit of bureaucracy already in this country? When Mr. Roosevelt went into office the total number of executive employees of the Federal Government was 583,000. Today it is 835,250. If this bill passes, it may well be 1,000,000 next year.

As I said earlier, I firmly believe in a Federal minimum-wage law. If the administration is really sincere in its professed desire to help the underprivileged, the social objectives of the bill can be obtained by a simple statute, clear-cut, concise, definite in its standards, and impartial, yet fair in its operations.

I would, therefore, propose as a substitute the following measure:

(1) Let Congress fix a national standard of 40 hours per week for all industry, covering both interstate commerce and all intrastate commerce competing with it. Here is a definite standard set by Congress itself without a board authorized to exempt any industry or unit at will or vary it between industries or units of any one industry.

(2) Let Congress provide, however, that any company may work 48 hours per week, provided it pays time and one-quarter up to 44 hours and time and one-half beyond 44 hours. Then companies, in order to work more than 40 hours, would not need to beg permission of a Federal board unfamiliar with the needs of various businesses. Congress should, however, contrary to the provisions of the Black bill, permit collective bargaining to reduce these hours or increase overtime rates of pay. Here we have a national standard fixed by law, not subject to change either upward or downward at the discretion of an arbitrary board as the Black bill would permit. A final provision would be necessary to permit highly seasonal industries, working 26 weeks or less a year, to work even 50 hours or longer without overtime, such hours and rates to be fixed by collective bargaining.

(3) Let Congress fix a national standard of 40 cents per hour for all as a Federal minimum wage. Eliminate the board which under the Black bill could reduce this rate to 30 cents or 20 cents or exempt industries or units in any one industry at will. Congress should, however, permit industry or units thereof to pay below this 40-cent hourly rate to subnormal workers with partial physical or mental disabilities who otherwise would be shut out of employment and forced on relief. The N. R. A. produced many instances of this sort. The same permission should be granted for apprentices, but in each instance the employer should be required to file with the Department of Labor a report of all such exceptions and the reasons therefor, with the right in the Department of Labor to investigate and report any abuses to Congress.

(4) Let Congress, after mature consideration based upon expert testimony before its committees, determine whether sectional wage differentials should be permitted between different areas. If such differentials appear wise or advisable, Congress can establish sectional areas and then authorize the Department of Labor through its present staff to determine the varying costs or standards of living and fix differentials for those areas. The Department of Labor should be authorized to establish such wage differentials above or below the 40-cent hourly rate only once each year, and be required to justify its changes to Congress by an annual report directly to Congress.

(5) Let Congress then provide that wages paid on all work-relief projects, so long as they are continued, shall be only 80 percent of the minimum rate fixed under this law. This will provide a genuine incentive to those on work relief to obtain employment in private industry. It will prevent such disruption of industry as is found at present in many sections of the country as a result of relief wages higher than wages in regular employment.

Such a Federal wages and hours law will be easily enforceable without the necessity of a board and without the waste and expense of a tremendous bureau. There need be no additions to the Federal pay roll. There will be no occasion for an arbitrary, autocratic, or discretionary board which can make law or unmake law at its will. Finally, there will be no overriding of collective bargaining.

In conclusion let me say this. I have little patience with a political party or an individual who criticises, blocks, or tears down the other fellow's attempted solution of a serious problem and offers nothing constructive and forward-looking in its place.

That has been one of the chief criticisms of my party during the past few years. Unfortunately, some of this criticism has been all too true. We want a constructive program of action for our party which will leave no room for such criticism.

At the same time, we must remember that opposition to reckless or wrong action is our duty, and change is not always necessary or wise. A party isn't blocking progress when it blocks change which is foolish or dangerous. An illustration is the President's Supreme Court proposal. We Republicans are fighting it and we will fight any compromise. We are offering no substitute. There isn't any. We are simply against it because it is totally wrong. But the problem of wages and hours is another and a different sort of problem. On this we offer a substitute, a substitute of constructive action. I say to you now, with full knowledge of the wishes of other Republican leaders that the Republican Party today wants action, proposes action, will get action.

Greater Texas and Pan American Exposition

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Wednesday, June 23 (legislative day of Tuesday, June 15), 1937

ADDRESS BY HON. TOM CONNALLY, OF TEXAS, AT OPENING OF GREATER TEXAS AND PAN AMERICAN EXPOSITION, DALLAS, TEX.

SPEECH OF UNITED STATES SENATOR TOM CONNALLY AT OPENING OF THE GREATER TEXAS AND PAN AMERICAN EXPOSITION, DALLAS, TEX., JUNE 12, 1937, NOON

Mr. HATCH. Mr. President, on the 12th day of the present month the distinguished junior Senator from Texas [Mr. CONNALLY] delivered two addresses on the occasion of the opening of the Greater Texas and Pan American Exposition at Dallas, Tex. I ask unanimous consent that the addresses be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

One year ago Texas and the city of Dallas inaugurated the Texas Centennial Exposition. It was the symbol of a century of Texas life—of the Republic and of the State. It portrayed an epochal period of development—political and economic, spiritual and material, commercial and intellectual—a century of advancement and achievement. From a few straggling settlements to a commonwealth of 6,000,000 souls, from a colonial status to the sovereignty of a powerful State in the American Union, from the dangers and hardships of the frontier to majestic cities and thriving industries—from a land of primitive educational facilities to one in which the public school has been brought to the threshold of every home, and college and university radiate culture from many seats of learning.

Today Dallas and Texas initiate the Greater Texas and Pan American Exposition. It is dedicated to the next hundred years, not simply the life of Texas as it affects our own selfish interests but that life as it touches and as we hope it may touch more and more the peoples, the institutions, the industries, and the commerce and cultural contacts of the peoples who reside to the south of the Rio Grande. What a challenge to the enterprise and to the ambition of the people of Texas is the second century into which we look. This Commonwealth has moved over a tremendous distance in the past 100 years. Our struggles during that period were largely concerned with political and governmental problems—the construction of constitutions and the formation of institutions—the securing of political liberty and guarantees of individual rights.

While we still must jealously guard constitutional rights and constitutional government against every attack, whether direct and violent or insidious and persuasive and cloaked with a plausible pretense, economic issues of tremendous importance to a free people press upon our attention. The preservation of free institutions will always require the utmost vigilance, but their enjoyment does not always mean complete freedom from economic or monopolistic tyranny. Political liberty does not contain all of liberty.

The destiny, the security, and the welfare of businessmen and industrialists and the sanctity of their property are all bound up in the general welfare of all of the people—in a fair wage to the laboring man, a just profit to the farmer, a decent income for the small merchant, the small proprietor, and all other classes of our people. An aristocracy built on greed and gold, a nobility founded on economic despotism and financial tyranny, cannot survive in a land of freemen any more than an aristocracy of birth or a nobility of privilege can survive in a world of men from whose limbs the shackles of slavery have been broken and their eyes uplifted to the light of freedom. Here lie many of our problems and struggles of tomorrow. These are problems that affect

our neighbors to the south as well. This exposition is a pledge of our friendship for our pan-American neighbors.

A little more than a hundred years ago Bolivar and O'Higgins and San Martin and Hidalgo and other Latin American patriots were carrying forward to triumph in Latin America the struggle for liberty and independence just as Washington and the Continental Army had carried on the War of the Revolution to its crashing triumph at Yorktown twoscore of years before. The same thirst for free government and the same high resolve to work out their own national destiny and to shape their own institutions led them to sacrifice and suffer and serve through a long and bitter struggle. At last they triumphed. They are thus linked with us in a common tradition and are comrades in the same lofty purpose.

All of Pan America are residents of the New World—the western world. Our political, our cultural, and our commercial future are interrelated and the threads of our future are inextricably interwoven and intertwined. Texas stands at the gateway. Our gates stand ajar. We welcome, we covet the friendship, the good will, the cultural and commercial intercourse with the peoples of Pan America. The Greater Texas and Pan American Exposition is a material expression of the grandeur of our mighty commonwealth and a prophetic pledge of a future greater and nobler and more splendid for all of Pan America to be achieved under the sanctions of international amity, mutual regard, peace, and profitable intercourse among the nations of the Western Hemisphere. Texas welcomes Pan America without vulgar boasting. We want to acquaint you with greater Texas.

We invite visitors to gaze upon the far-flung domain of this great commonwealth. Peering into the vast panhandle they may see the wheatfields of Minnesota and Kansas and Nebraska sprawling on the plains, the ranches of Wyoming and Montana and the Dakotas stretch away to the horizon; turning the gaze toward the Rio Grande may be seen more than the citrus groves of Florida and California; from the rich black-land sections and the river bottoms the white banners of one-fifth of the total production of cotton of the entire world wave in triumph; in the forests of east Texas, Oregon and Washington slumber amidst the pines; under our feet, buried in Nature's storehouses, more than Pennsylvania and West Virginia and Oklahoma lie in the natural resources of petroleum and natural gas; turning our faces toward the sea the flags of every seafaring nation on the globe carry from Texas ports a commerce mightier than that of all the Pacific, second only to the single port of New York itself. But these resources are material things. They are lifeless, pulseless things—without spirit and without intelligence. These rich resources in the next hundred years only can be made to serve mankind in the loftiest and most fitting fashion—only when developed and conserved and wisely utilized by the greater resources of manhood, character, intelligence, and justice of a mighty and heroic people.

In the sixteenth century Coronado, marching eastward from the Pacific, touched the soil of Texas. He was in search of the "Seven Cities of the Cibolo"—famed and rich cities of mystery—dream cities. He found them not. He could not peer into the future. They were beneath his feet—in the soil, in the mineral wealth, and the untouched resources, dormant and yet latent—awaiting the genius and enterprise of man. The "Seven Cities of Cibolo", like the mirage of the desert, were but the prophetic picture of the busy marts and cities, whose destiny was wrapped up in more than three centuries which Coronado's vision could not fathom. Coronado's cities no longer live only in myth and mystery. They are here in greater Texas. Texas will be greater Texas during her next hundred years if the masters of her enterprises and the workers in all the busy avenues of her life are moved by principles of justice and fair dealing which are the hope of the world when applied to individuals as well as to nations. The people of Texas pledge themselves that the second hundred years will be mightier and nobler and better than the first hundred years. We strike hands with the peoples of Pan America, and pledge our faith with them and to them to build with them and develop with them and consecrate with them here on the Western Hemisphere, here on the last frontier, the most splendid and the noblest civilization, political and economic, that the world has yet known in all of the troubled centuries which have gone.

PAN-AMERICAN RELATIONS—TRADE, COMMERCE, AND PEACE—SPEECH OF UNITED STATES SENATOR TOM CONNALLY AT THE OPENING OF THE GREATER TEXAS AND PAN AMERICAN EXPOSITION, THE EVENING OF SATURDAY, JUNE 12, 1937, AT DALLAS, TEX.

More than a hundred years ago new political systems were erected in the Western Hemisphere. They were in contrast to the institutions of the Old World. Republics and constitutions were departures from the absolution and divine right of kings of European monarchies. The ambitions of the Holy Alliance to extirpate the American republics and to smother the independence of lately enfranchised peoples were frustrated by the political and international solidarity of North and Central and South America in resisting imperial pretensions. For more than a century the republics and free institutions of the western world have grown and developed in strength and permanence. In mutual respect and cooperation the world may be assured that they will continue to grow in strength and in influence.

The western world is now face to face with imperative problems of national and international economics. Peaceful peoples are concerned with the development of their industries and the production and interchange of useful articles of commerce, trade, and industry. As we share political ideals it is to the mutual advantage of the peoples and nations of the western world that we build up in increasing measure the commerce and industries to which the activities of our people are devoted.

The United States covets not a foot of Latin American territory. There is no imperial ambition residing within the heart of her people. America covets the good will of the people south of the Rio Grande. We want to trade and exchange with them the goods useful alike for their comfort and our comfort, for their prosperity and our prosperity. Washing our shores is the mighty Gulf whose broad and ample bosom can carry the commerce of the busy western world.

In the Old World we constantly hear the cry that many nations lack raw materials. Insistent demands are heard for reallocation of these sources of supply. The American republics are rich in resources bounteously provided by nature and yet scarcely developed. Within them lies opportunity for the peoples of Pan America to create an industry and civilization which will stagger the imagination as did the dream of Peru's gold fan the flame of conquest of Pizarro's legions or push forward the banners of the conquering Cortez.

A few months ago at Buenos Aires the United States and other American republics concluded a series of treaties designed to establish a closer and more cordial relationship between all the nations of the Western World. These treaties are now pending before the Committee on Foreign Relations of the Senate of the United States. They soon will be ratified. Paramount among them was a treaty for the maintenance of peace among the republics of this hemisphere. It is the hope of the signatories that mutual respect for the rights of other nations and peoples, international amity and concord, will be so maintained and stimulated to work out their destiny without the clash of hostile arms and the shedding of seas of blood. Pan America is setting an example which might be emulated with profit by the nations of the whole world who are now sharpening their swords and drying their powder, perhaps for another supreme tragedy. Among the treaties is one providing for nonintervention in international or domestic affairs of the republics concerned. Another is designed to prevent international controversies and the settlement of such controversies by conciliation and mediation. Still another provides for the tender of good offices and mediation. Yet another coordinates, extends, and undertakes to assure the fulfillment of existing treaties between the American states. Another provides for the promotion of inter-American cultural relations, while another relates to artistic exhibitions to be held by nations of Pan America in other nations of the Western World. It is significant that one of the treaties provides for the Pan American highway.

This modern artery of travel and transportation has already been extended to the city of Mexico. It is hoped that it may speedily be extended to Central America and thence onward to South America. Travel is highly educational and cultural. If the people of the United States and the peoples of Latin America could come to know each other in more intimate contact tremendous impulse would be given to international understanding and good will and to the volume of trade and commerce throughout the western world. Already the establishment and maintenance of lines of airways from North America to Central and South America have provided new contacts and have awakened latent energies wherever they reach.

It is gratifying to note that commerce as reflected in official statistics of imports and exports between the United States and Latin American countries has steadily improved since 1932. In 1933 the imports from 20 Latin American countries to the United States amounted to a total of $316,040,000; in 1934 to $370,935,000, a percentage of increase of 17.3; in 1935 to $460,997,000, a percentage of increase of 24.3; and in 1936 to $501,791,000, a percentage of increase of 8.8. In 1933 the exports from the United States to 20 Latin American countries amounted to a total of $215,944,000; in 1934 to $307,276,000, a percentage of increase of 42.8; in 1935 to $344,360,000, a percentage of increase of 12.0, and in 1936 to $395,229,000, a percetnage of increase of 14.6.

Mutual profit and mutual prosperity come from the interchange between peoples and nations of the surplus production not required for their own needs and the production of useful articles from other lands. Such is the essence of trade and commerce. With increase in the facilities of transportation by sea, by rail, by land, and by air, the world ought in larger and ever larger measure, through international trade and the exchange of industrial products, to share more and more in a greater comfort, in higher standards of living, in more leisure for the enjoyment of cultural activities, and the lifting of the level of every phase of human life.

Texas is prepared to do her share. She welcomes the opportunity to give of her enterprise and initiative and industry. She welcomes the opportunity to be a participant in the policy of the good neighbor—the good neighbor, who is not alone friendly and peaceful, but the good neighbor who exchanges the products of his own toil for the products of his neighbor's enterprise and industry.

The Greater Texas and Pan American Exposition is dedicated to this ambitious and worthy program. We want Pan America to have a large and valuable share in the rich rewards that an alluring future offers. We strike hands with the nations and peoples of Pan America and pledge them peace and friendship, trade and commerce, and interchange of educational and cultural influences and impulses. May Pan America come to be Pan America in fact and in truth.

Should Old Aquinas Be Forgot

EXTENSION OF REMARKS

OF

HON. EDWARD A. KENNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1937

THE VALEDICTORY ADDRESS OF 1937 DELIVERED AT THE ONE HUNDRED AND FORTY-THIRD COMMENCEMENT OF WILLIAMS COLLEGE BY C. WALLACE JORDAN, OF PITTSFIELD, MASS.

Mr. KENNEY. Mr. Speaker, in the light of the character of the commencement day speeches at our colleges and universities, which had the current events trend, it is refreshing to hearken to the voice of the youth of the land.

As an example, the orators of the graduating class at Williams College dealt with the problem of education, considered so vital that a commission to investigate the education of youth in all its phases has recently been ordered by the President of the United States.

One of the class, taking for his subject Williams and the Liberal Spirit, advocated balance between right- and left-wing professors, closer contact between student and professor, and greater opportunity to get out of the "conventional groove."

Another of the class had for his text The Opportunity of the Privileged Colleges. In his discussion he dwelt upon the vantage points of a college like Williams and insisted that Williams College justified its existence by graduating men of different views, who respected the opinions of others.

The concluding address of the graduates was made by C. Wallace Jordan, valedictorian and winner of the Dewey prize for excellence in speaking on the commencement stage. His topic was Should Old Aquinas Be Forgot? Departing from the modern tendency toward social sciences in college, he proposes a return to the literature, philosophy, and classics—the humanities—of Thomas Aquinas.

Mr. Speaker, under leave of the House, I include in my remarks Mr. Jordan's address.

Mr. President, ladies and gentlemen, I have listened with interest to the remarks of my colleagues. They appear to have settled with some finality the question as to what the demands of modern life require that education should be. It is, therefore, with no little temerity that I venture to offer my own views on this subject of education which by some chance has occupied the attention of all three of our speakers this morning. I would not presume so much as to prolong this discussion at all did not my own views differ essentially from those which have been already expressed. Now, I am fully aware that as valedictorian I am not supposed to have any very definite ideas on contemporary problems, and that in invoking the spirit of Thomas Aquinas and espousing the cause of the liberal arts I shall merely be running true to the traditional form. The popular conception of the high ranking man of the class seems to picture him as sitting apart in seclusion with his books in this cloistered Berkshire retreat, meanwhile losing all consciousness of contemporary currents. Now it is not, I assure you, from any lack of familiarity with recent advances in education that I would plead for the return of the strict liberal arts tradition in our colleges, but rather because I can see all too clearly that these advances, if they may be called that, are tending in the wrong direction.

Education in America today has assumed a strangely vacillating character. It becomes the servant of every new movement that appears in society, however transitory and superficial. Thus at the moment a highly advertised depression has made us more than normally conscious of the social and economic foundations of our civilization, and immediately in response to this newly awakened consciousness our colleges place a greater emphasis on the social sciences, and everyone starts studying economics and political science. Frequently there is a convenient elastic course in the social science division of the curriculum that can be nicely stretched to include in its content almost anything at all that seems at the moment significant. Thus our American curricula are in a constant state of flux, poorly integrated, offering little that is of any permanent value. We at Williams, of the class of '37 particularly, have seen changes taking place in 4 short years with bewildering rapidity.

Furthermore, because there is a present widespread demand for utility values in education and a general contempt for all so-called useless knowledge, we see colleges that were formerly loyal strongholds of the liberal arts now renouncing their intellectual heritage, rejecting the classics, for example, to make way on their programs for courses in salesmanship or millinery. Thus education, the aim of which should be to prepare the student for life through the cultivation of the intellect, is in imminent danger of deteriorating into mere technical training. In thus prostituting education to the demands of those practical men who seek from life only a sense of material well-being, who do not realize with Phaedrus that the learned man has always a fund of riches within himself, our educators are betraying their larger duty to society.

That men who have been graduated in this country since the war actually do feel a definite intellectual inferiority is attested by an entry that appears in the London journals of John Gunther. Here is a brilliant young journalist, who was graduated in 1922 from the University of Chicago. His is the sort of life that by my colleagues' own standards would be classed as truly significant. He has served as foreign correspondent in all the major capitals of Europe. He has interviewed Lloyd George, President Masaryk, King Carol, Trotzky, DeValera, and Dollfuss. In this entry in his journal for February 27, 1936, he describes having lunch in London with a group of young British journalists. Let me quote it for you: "Lunch at Rule's with Voight, Graham Hutton, and the political correspondent of the Observer, Hugh Massingham. Whenever I am with a group like this I want to crawl away for 6 weeks or 6 years and read all the books in the world from Plato down. These people, all about my own age, know so much more than I do. They have a stronger point of view. They can back up any assertion with literary or historical allusions. They know Spinoza and Rousseau and Marx and Thomas Jefferson and John Milton and Lucretius and Mein Kampf by heart. They are, in a word, educated in a way that I am not." Note that the particular subjects in which Gunther feels that he is deficient are precisely those which have suffered most as a result of the swing to the left in education—literature, philosophy, and the classics—the humanities of Thomas Aquinas. The remarkable thing here is that this man who complains because he does not know more Plato and Lucretius and Milton is not a scholar, but an active participant in actual history-making events. His testimony clearly indicates that emphasizing the social sciences, or anything else, at the expense of the liberal arts is not a sound educational policy. His experience proves it.

John Gunther, together with his luncheon companions, has come to realize that the interpretation of the present and the future, which is his job, can best be done on the basis of the past, and that only as education can reveal to us the best that previous generations have thought and accomplished can it succeed in preparing us for the most useful lives. Here is what Nicholas Murray Butler has said in this connection: "Only the scholar can realize how little that is being thought and said in the modern world is in any sense new. It was the colossal triumph of the Greeks and Romans and the great thinkers of the Middle Ages to fathom the depths of almost every problem that human nature has to offer and to interpret human thought and aspiration with astounding profundity and insight." Evidently, then, the key to the future is to be found in the past. Studies in the classics, then—history, literature, and philosophy—would form the nucleus of the ideal curriculum. And if we recall that a primary aim of education is the development of correct techniques of thinking as a basis for intelligent action, we will include also mathematics, which embodies reasoning in its clearest and most precise form. These subjects should have a permanent place on any course of study, since they deal with purely human values which do not change. Education of this type does not need to change to meet varying demands of life, and it is equally essential, as we have seen, to the training of the scholar and the statesman.

I have now only time to address a final word to the members of my class. Fellow classmates, the farewell that is implied in the word "valedictory" can certainly not be addressed to our education. True, for most of us the formal education of the classroom is over, but education in its broader sense is a process that is coextensive with life, and largely under our own control. Thus if we find that the world is making demands upon us that lie beyond the scope of our formal education we need not despair, for we can always repair that deficiency by crawling away, like John Gunther, and reading Plato or Rousseau or Milton in our leisure moments.

It is the same way with Williams. We cannot address our farewell to these encircling hills and ivied halls, to our teachers and our classmates, for all these we shall carry away with us, as we go, within our hearts. These we shall look forward to meeting again year after year. We must reserve our "vale", rather, for our undergraduate years, for they, indeed, are gone. But we need not mourn their passing when we realize that in their end we are to find the beginning of a newer, richer, and in many respects more significant relationship with our alma mater. Williams has served us as best she could as undergraduates. When presently we shall pass from within these portals and emerge into a waiting world as alumni, let it be our sacred duty in turn to serve her by respecting her traditions, by extending her prestige, and by perpetuating her ideals.

Democracy in Industry and Finance

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1937

ADDRESS OF WILLIAM O. DOUGLAS, COMMISSIONER, SECURITIES AND EXCHANGE COMMISSION, BEFORE THE BOND CLUB OF NEW YORK, MEETING AT THE BANKERS' CLUB, NEW YORK, N. Y., MARCH 24, 1937

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

DEMOCRACY IN INDUSTRY AND FINANCE

Looking back over the past 5 years it is obvious that a reaction has set in against acute centralization of industrial control. The demand has been more and more insistent for greater democracy in industry and in finance. The voices of the investor and the worker (not to mention the consumer) have been heard with increasing persistence. The legislation of the past few years has been a partial response to that demand. I feel that the solution of current industrial and financial problems is to be found in large measure through democratization of industry and finance. In examining this thesis today I want to emphasize the fact that I am not speaking from the viewpoint of the Securities and Exchange Commission and its role in the regulation of financial markets. Rather, I want to look at this question as one of the greater economic problems of today and tomorrow with which we in government have a deep concern and you in finance have a vital and abiding interest.

Today I am gratified at this opportunity to discuss with you a few of those problems which arise when we think in terms of democracy in industry and more particularly of democracy in finance.

JOSEPH P. KENNEDY QUOTED ON INVESTMENT BANKERS SERVING ON INDUSTRIAL CORPORATIONS

First. As we all know, a noncompetitive condition prevails in large segments of the business of investment banking. Writing in January of this year, Joseph P. Kennedy said:

"Today we see on all sides the evils of investment bankers serving on industrial corporations. If our premise be valid, this practice must end, and I venture to predict that it will be outlawed.

"I could fill many pages with recitals of how this relationship has been prostituted in favor of the banker and against the best interests of the issuer. Excessive financing, excessive underwriting charges, excessive bonuses, improper loans, and a host of other evils—which, if they occurred in public life, would be unequivocally condemned as graft—are of frequent occurrence where this relationship persists.

"Quite apart from the morality of the situation, the economic arguments seem to favor the abolition of this conflict of interest. The investment banker, if he is conscientious, has a full day's task attending to the job of being an investment banker."

I concur heartily in that opinion and I sincerely believe that no time should be lost in making it a reality. But in final analysis such a program indicates a courageous beginning rather than the end itself. All of the hazards and dangers to investors arising by reason of the fact that bankers are represented on the boards of issuers may continue though such relationship is abolished. Such hazards and dangers are inherent in control. That control may result not only from having a representative on the board but also from having a voting trusteeship or a strategic investment position—usually though not necessarily in stock—or it may result from subtle ties of friendship, from long periods of association, from favors rendered, from zones of influence in financial circles, or from an inertia which has never been challenged.

SUBTLE CONTROL

When I speak of control I do not speak legalistically. I do not mean possession of the necessary implements with which to emerge successfully from a contest over election of a majority of directors. Rather, I mean not only working control but also domination and controlling influence over policies however obtained or preserved. You know better than do I how subtle that control is. You also know better than I how valuable it is or can be. Certainly when that control is in the form of directorships, voting trusteeships, or a strategic investment position, the bankers who have it can commonly claim that company as their own. It amounts to a "no trespassing" sign on a financial empire. With control, underwritings, as well as other patronage, are commonly assured. These emoluments cover a wide range—depositaryships, paying agencies, indenture trusteeships, registrarships, stock transfer agencies, brokerage accounts, protective committees, and sometimes even the minutiae such as printing and stationery. Those who are in a position to control cannot and do not always absorb all of these themselves; they frequently disperse them to others in return for favors received or for favors expected. Nor can many of these emoluments be classified as illegitimate; nor are they always exploited. But the weakness in the situation lies in the fact that he who is in such dominant position is not on competitive ground; he is dispensing the patronage of a monopoly. He is in a position to take unto himself all that he wants or needs or all that he can conveniently absorb and to dispense to others such as he deems wise or expedient. Furthermore, he may frequently levy toll on the company with little or no economic justification. As a result of his entrenched position he may exact fees for underwriting when there is no real need for it. Thus it may not be necessary for strong issuers to go through the steps of underwriting, syndication, and dealer distribution when it is known that most of the issue will be taken by institutions or that the price at which rights are offered is such that the stockholders will take practically all the offering. Yet instead of advising use of some form of agency distribution (such as that used for two large issues in early 1935) or instead of recommending no underwriting at all, self-interest of the banker has often dictated the use of more expensive machinery.

RELATION OF COMPENSATION OF BANKERS TO RISKS UNDERTAKEN

This raises the whole question of the relation of present compensation of bankers to risks undertaken. This question is particularly significant as it relates to offerings to stockholders by means of rights. When such offerings are made at substantial discounts from the market price of the outstanding shares, as they generally are, there are often grounds for questioning the need of any "banking insurance." Some issuers have found that they have been able to dispense with underwriters entirely. The actual experience in connection with seven offerings of rights of over $1,000,000 on listed issues made between June 1935 and June 1936 illustrates the absence of substantial risk. In six of the seven cases underwriters took less than 5 percent of the issue; in one case, 11.7 percent. Nevertheless underwriters received overriding commissions at the rate of about 3½ percent of the value of the whole issue, which would be equal to about 70 percent on the amount actually taken up. In addition, in four cases there was also an underwriting commission payable on the shares actually taken by the underwriters. It is clear that we cannot measure the reasonableness of the compensation by saying that the underwriter is receiving only 50 cents per share, when it is clear that 90 percent or more of the stock will be taken by right holders. The trend toward democratization may well result in the elimination of the double load, so that there may be either reasonable payment for insurance or for selling the balance not taken by stockholders, but not both.

The use of options as compensation to underwriters would certainly also come into question. This does not necessarily mean that the underwriters might not distribute as agents or under an option agreement. But the interests of investors and the issuers might better be served if the securities taken down were distributed as if the underwriters had made a firm purchase, at a fixed return to the company and a stated maximum price to the public. It is not necessarily valid to say that the option route is a cheaper way for a corporation to raise money, for in the long run it is likely to be more expensive for the stockholders. If a corporation is raising capital, it should obtain enough to cover the expenses of raising the money. In the past, options frequently have been gratuities to the underwriters who have received, in cash, the fair value of their services, and then taken options on top of that. And the existence of options stimulates endeavors to "jackup" prices to make the option valuable, and thus tends to work to the disadvantage of the public stockholder. Here too is a situation which more competitive conditions might rectify.

BUSINESS PATRONAGE MONOPOLIZED

These are but a few of many like conditions which are nurtured by monopoly in finance. Under our present form of corporate organization there is no effective restraint on the banker in such a dominant position. His conscience and integrity supply the only safeguard to investors. The history of finance reveals the dangers which result from allowing such business patronage to be monopolized in that manner. The result frequently has been that under those circumstances legitimate business became preserves for exploitation. By reason of that monopoly tribute was exacted from investors. That monopoly made it possible for finance to become the master rather than the servant of business. The end result was a perversion of the banker's true function. The history of banker domination of industries, such as public utilities and other types of holding companies, shows how destructive such influences have been and may be.

BUSINESS OF UNDERWRITING

I mention this problem merely to stress one matter. That is the business of underwriting. A banker in that dominant position is the arbiter of the reasonableness of his fees and commissions. Again regardless of the strictly legal aspects, he is on both sides of the bargain. The situation is often not apparent since issuers and bankers can with facility dress the particular transactions in the garb of fairness and equity so as to give an appearance of arm's length negotiation. Furthermore, in fairness to investors it should be said that what may appear to be modest fees may in fact conceal additional compensation, past or prospective, in other forms. Realistically the sum total of all such business patronage must be accounted for in measuring the

reasonableness or propriety of any one single item. Restraint in one case may provide only the occasion for liberality, overreaching, or greed in another. Thus investors, under the impression that their company has succeeded in obtaining an underwriting on provident and modest terms, may in fact pay manyfold for the ostensible sacrifices which the bankers are making.

BONA FIDE COMPETITIVE BIDDING SHOULD BE REQUIRED

The problem, however, is a manageable one. In my judgment the least which should transpire is that where the bankers are dispensing to themselves the patronage of a monopoly (whether by reason of directorships, voting trusteeships, strategic investment positions or otherwise) a private sale of securities by the issuer to those bankers should not be made. Bona-fide competitive bidding should be had in such cases in absence of affirmative proof that it would be impracticable. As a matter of broad policy I am convinced that the interests of investors can be served only by that practice. Those who are in a dominant position then could no longer dictate.

Such a system would remove the premium presently resting on domination or control and place a premium on disinterestedness; a step consistent with the broad objectives of a vitalized democracy; a necessary step if our financial processes are to be made healthy and above reproach. Such competitive bidding would effectively curb excessive practices. It would mitigate the practice of having the banker on both sides of the bargain. In this connection it should be observed that the economic utility of continuity of banking relationships is of unestablished value to anyone except the banker. It is the more difficult to prove where that continuity is based on control or on ownership of securities whose substantial value may lie in business patronage made available by reason of the fact of domination. Certainly revitalization of the profession is not to be found in monopoly. Democratization under such safeguards points the way to development of the service rather than the profit standards of the profession. When that phase comes into the ascendency, health and vitality are assured.

Second. It may be that competitive bidding alone will not give sufficient protection to the public interest, in its broadest sense. As against its many obvious advantages may be put the disadvantage that lively competition for stylish and readily salable securities may induce overissuance. One phase of this is well illustrated by the large number of investment company issues that came out in 1928–29. Their popularity made it possible for brokers and bankers to make themselves sponsors, incorporate an investment company, and go on producing stylish and popular merchandise until the crash came.

BIG PROBLEM NOT PRICE BUT OVERISSUANCE AND OVERSALESMANSHIP

In its broadest phases, the investment banking problem reaches out beyond the mere question of pricing and of striking a fair bargaining balance between the interests of the issuer and those of the investing public. It is concerned with the basis of economic balance and stability, the accumulation of capital funds and their proper distribution among industries. The bigger problem is not one of price but one of overissuance and oversalesmanship. It is one of making sure that the industries which are most in need of capital and not necessarily those whose securities are most salable, will have ready access to the capital market. That is to say, the problem is to direct the capital flow to those industries which can make the best use, both economically and socially, of the available capital supply, and to prevent an exhaustion of this reservoir, with available funds being siphoned to the type of security which can arouse the greatest consumer appetite. Therein lies the banker's most important function, to which all others become secondary. And the problem is, finally, one of building a system of adequate checks and balances in the issuing process.

Unfortunately, the investment banking process often has been controlled by the salesmen. Then the investment banker tends to manufacture what the salesmen can readily sell; and he, himself, is often nothing more than the general in command of an army of salesmen. In other words, a type of dynamic salesmanship has taken root within the securities business in which it has no proper place. On the other hand, if conditions are created under which the banker who acts as underwriter is compelled to take graver risks, he will not be as promiscuous in the production of securities which do not answer a deep-rooted need, but which are merely a passing fad. To the extent that the production of such so-called salable merchandise is reduced, the opportunity for merchandising economically sound securities will be increased.

UNDERWRITER SHOULD BE TRUE TO HIS REAL FUNCTION

The question then hinges, to a large extent, upon requiring that the underwriter be true to his real function—that is, to carry economic risks—and, hence, act as a selective agent as well as a profound student of economic and industrial conditions. Today he is not required to act in this capacity, and often does not, except for such studies as may cover the short period of the marketing process, which is practically nonexistent in the case of highly popular securities. Such steps will, in the long run, work to the self-interest of the bankers themselves, since what is good for our industries and our economy is good for everybody who participates in that economy. That this is so is exemplified again by investment trust history. In many cases there are definite indications that, while the underwriting profits of the bankers were large, these profits and more disappeared in the subsequent debacle, caused indirectly by the overissuance of securities and ease of issuing securities which permitted unsound capital structures, unreasonable management contracts, and a paucity of sound investment policies. It may be well to recall at this point that a number of large banking houses which resisted the trend up to 1929, realizing very well that these investment trust securities would eventually bring no good either to the investor or to the banker, finally succumbed and, in one form or another, capitalized upon the popularity of these securities by bringing out issues of investment and semiholding companies.

ISSUER, DISTRIBUTOR, AND RETAILER SHOULD BE INDEPENDENT OF UNDERWRITER

The problem is to make the issuer on the one hand and the distributor and the retailer on the other independent of the underwriter. If that were done, the underwriter would fulfill the true function of an insurer, with all the constructive features that go with a risk-taking function. It should come closer to providing an independent middle man who would stand between the buyer and the seller and represent the public generally. What is needed is someone to prevent economically wasteful issuance and sale of securities. Only theoreticians can leave this task to the forces of the "market", for the market too often likes the wrong thing at the wrong time. And there are always a number of people willing to oblige by cultivating such wrong predilections.

To be sure, this course might tend to slow up the process; certainly make it much more discriminating and, possibly, somewhat more immediately expensive. But that it will pay in the long run, seems reasonable. It doubtless will require a number of important changes in the banking machinery, foremost among which is the increase of capital resources available for underwriting. This might entail the assumption of such functions by other agencies, either by themselves or in conjunction with the banking houses. But given supervised competitive conditions, these new sources should be readily found.

BANKERS SHOULD BE DIVORCED FROM CONTROL OF INDUSTRY

Third. All current indicia make clear that the position of the banker will in years ahead be more and more restricted to the performance of one of the two functions I have mentioned, namely either underwriting or selling. Insofar as management, formulation of industrial policies, domination or control over reorganizations are concerned, it is my belief that the banker will be superseded. The financial power which he has exercised in the past over such processes will pass into other hands. It is not merely a question of finding some other agency or single group which will perform its functions. It is a question of finding proper and adequate devices for passing that power back to the owners of industry, where it properly belongs. The key to the solution of current industrial problems is to be found in large measure in a process of democratization of industry.

New tools to express and serve the investors' interests have to be found. One current development of foremost importance is vitalization of indenture trustees. Enlightened indenture trustees will be found exercising wholesome influences in the cause of the security holders. This step, however, cannot be taken without necessary precautions against the ever tempting opportunities for aggrandizement and power which are within reach of those who are in a dominant position in our financial empires. Measures designed to purge these trustees of conflicting interests cannot be thwarted or defeated by the pressure of the sheer self-interest of the trustees. Should they at any time lack the foresight or vision to undertake the exacting tasks of their new stewardship, other competent and reliable agencies will be found. The fact is that the job must and can be done.

FINANCIAL ROYALISM

The vitalization of the indenture trustee is only one of the necessary steps in the program of democratization in industrial control. Today, as you well know, we have a practical usurpation of the rights of the great body of investors which can only be described as financial royalism. Our present situation is a carry-over from a previous age when there were only a small number of security holders. It should not apply when we are today a nation of investors. The problem is how to achieve some form of real representation for those security holders who are not associated with the management. One phase of this is an implementation of the position of preferred stockholders. If preferred stockholders are entitled to elect a majority of the board of directors after a stated number of dividend defaults, then they should have real representation from such directors. When the old management stays in control of the proxy machine, the preferred stock is not given real protection. If the preferred stock is sold on the theory that it will assume control of the corporation if the dividends are not paid, then some method must be devised to make this control a real thing. Another phase of this problem relates to obtaining directors who will represent the public interest. This involves a reconsideration of the basis of directors' compensation and of the practice of directors acting on many boards.

Possible solutions may exist in the principle of rotation of directors and the creation of so-called public directors. Advances in the same direction can be made through a series of related proposals. The elimination of nonvoting stock is one. The elimination of voting trusts ase they are currently known is another. The latter are merely the apotheosis of the process of divesting the stockholders who own the company from control of or any voice in

the affairs of the company. They afford promoters convenient devices for eating the cake and having it too. They merely make the stockholder an easier prey to whatever pressures are brought upon him by management or other dominant groups, whose power the stockholder is rarely in a position to challenge. If the corporation really needs continuity of personnel and policies, there are other ways by which to attain them. In sum the voting trust as currently observed is little more than a vehicle for corporate kidnapping.

Another or complementary method of reaching the same objective may be the development of some permanent national organization to which grievances could be carried and which could effectively intervene. Through such an agency views of the real owners of these vast enterprises could be articulated. They could be influential in assuring that management policies were dictated in the public interest and in the interest of investors and not in terms of the immediate and selfish interests of the management. The investors who today are by and large orphans of our financial economy must by some such methods be provided with adequate representation. Perhaps industry rather than Government can provide it.

You know better than I the basic needs for such representation. You have seen it in oppressive plans for mergers and consolidations; in bold but selfish endeavors to deprive preferred stock of its accumulated dividends; in inequitable plans for recapitalization; in management contracts and bonus arrangements which put a premium on inventory and other speculation; and in vicious and unsound labor policies. Many of these matters reach national proportions; all of them affect, directly or indirectly, national savings. They have an obvious and intimate relationship to our economic and social stability and cannot safely be left to the whim or caprice of a few.

INTERESTS OF LABOR, INVESTORS, AND CONSUMERS MUST BE PROTECTED

The labor problem which I mentioned is one of the pressing contemporary conditions which cannot be imperiously treated. Management has a place in our economic sun; but so does labor; so does the investor; and so does the consumer. The real owners of these industrial empires have a growing feeling of distrust and lack of confidence in a management which treats imperiously, unfairly, or selfishly the contemporary demands of labor; they have an increasing recognition of the fact that mid-Victorian attitudes are neither wise nor expedient on the one hand, nor fair and equitable on the other; they have a growing resistance to any course which will sacrifice and not protect the human values at stake.

Ways must be found to make management responsive to the desires and demands of the real owners of the business. To allow management to continue to place itself above or to pay no heed to the interests of labor, investors, and consumers is to invite disaster. Remote control by an inside few of these fundamental economic and human matters is fatal. There can be in our form of corporate and industrial organizations no royalism which can long dictate or control these basic matters.

In this trend toward democratization in industrial management, bankers can play an important role, though they lose their position of dominance over industry. In final analysis they are the ones who control the lifeblood of the enterprise—its supply of capital. From this position they can provide a large measure of protection. They can exercise a wholesome influence on protective clauses and provisions in charters, trust indentures, and the like. They can, if they desire, assert an influence second to none to prevent complicated and unsound capital structures. An insistent demand on their part for respectable and healthy corporation laws could have a profound effect in legislative halls. They could make certain before the underwriting is consummated that adequate and proper provision is made for giving security holders an opportunity to participate directly or indirectly through competent and honest representatives, in the formulation of management policies. The bankers stand in a peculiarly strategic position to make constructive advances along the lines indicated. This progress cannot be delayed so as to await future developments. It is a course of action made insistent by the increasing rapidity of the rate of change in our social and economic order.

Coordinated Expansion of Both Production and Consumption Is Possible and Offers Us Our Most Substantial Hope—The Industrial Expansion Act—N. R. A. Revised and Corrected

---

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1937

Mr. VOORHIS. Mr. Speaker, a most important question must be answered by the American people and their representatives in Congress in the next few years. It is this. Are we to sit with folded hands and wait for the next depression to engulf us? Or are we going to take steps now which will stop that depression before it gets here?

Production is back very nearly to 1929 levels in a number of industries. But our national income as a whole is still about 20 percent below that of 1929 and we still have between 8,000,000 and 10,000,000 unemployed, as well as countless old people attempting to subsist on pitifully small allowances.

These people are important. Their lack of purchasing power will eventually prove a fatal weakness in the recovery of business prosperity now taking place. Moreover, prices have been rising in recent months so that those whose incomes are not sharply increased find themselves actually worse off than they were before. And the fear is certainly not unfounded that this recovery may turn out to be like all previous ones—with a boom and collapse at the end.

The stout resistance of conservatives generally and of big business and financial interests, particularly to appropriations for a works program for the unemployed, is but one demonstration of the difficulty of solving the unemployment problem without considering it in relation to the economic system as a whole and from a long-range point of view.

This is a matter of deep concern to those who value democracy. More than one great nation has been wracked to pieces by the conflicts resulting from an attempt to segregate a portion of a once free people into a subject, outcast, and economically helpless caste. No recovery which includes only a portion of the people in its benefits can last. For such a recovery is inevitably founded on a great injustice.

In America such an outcome cannot be tolerated. It is contrary to every tradition of the Nation.

Any thinking person knows that neither business "recovery" nor congressional oratory will put the unemployed back to work. The machine is here to stay. Monopoly in certain industries is here to stay. Inequitable distribution of income from production has not been done away with.

The question remains: What are we to do about the unemployed? It is the one great question not only from the standpoint of unemployed people themselves but also from the standpoint of the whole future of the Nation.

Opponents of public works employment are continually appealing that business should be allowed to absorb the unemployed into private jobs. Their appeals are eloquent, but honest businessmen will tell us any time that without some help, private business just can't absorb them. And yet we all would like to see the unemployed put to work in private productive jobs.

It is clear that only by increasing production can employment be increased. It is equally clear that producers in one line of industry will not increase production unless they can be reasonably sure of selling their products. Of this they cannot be sure unless they know that producers in other lines are going to increase their production and hence their payrolls. In other words, it is generally true that increased production is only possible if it takes place pretty well all along the line. Moreover, the sale of an increased quantity of goods must, if the market is to be maintained, be accompanied by a better distribution of the purchasing power represented by the new production. That is to say a larger percentage must go to wages or to the advantages of consumers in the form of lower prices and a smaller percentage must go to profits. This is so not because anyone wants to "sock" the owners of industry but just as a practical matter of fact.

Fundamentally, then, what we need is increased production and better distribution. Better distribution alone will not do the job. Certainly better distribution and restricted production will not do it.

One big trouble today is that we are only producing about three-fourths of the wealth we produced in 1929—in spite of the fact that we have a larger population and more people needing both work and goods. We cannot give them work unless and until we give them goods as well.

What method shall we use? One thing that certainly must be done is to raise the wages of labor. A minimum-

wage law already proposed by the President is all to the good. As a matter of justice, also, hours should be shortened to enable the toilers of the Nation to share the leisure the machine has made possible. This, too, is part of the current proposal of the President. We are wholeheartedly for these measures.

Two further steps, however, that must go along with these are, first, machinery to bring about increased production, and, second, machinery to prevent a rise in prices from taking away from employed labor all the advantages of higher wages, thus leaving the unemployed and salaried workers and those dependent on fixed incomes in an even worse position than they have been in before.

Already the broad outlines of this machinery have been suggested in the N. R. A. and the A. A. A. In both these cases, however, the method of straightening out the business tangle was, roughly, a restriction of production down to the level of effective demand. Also the N. R. A. attempted to include too many small industries in its scope—industries which should be left free and which do not affect general economic conditions enough to require any sharp control over them.

Four Members of the House, Mr. ALLEN of Pennsylvania; Mr. AMLIE, of Wisconsin; Mr. MAVERICK, of Texas; and myself, have introduced identical bills, which if enacted into law would give to the American Nation a new method of bringing about the reemployment of the unemployed by private industry with governmental assistance to industry and governmental protection of the worker and the consumer. Our suggestion is an Industrial Expansion Act through which machinery will be set up to bring about voluntary agreements in the major industries which will provide (1) for the inclusion in all agreements of provisions against any rise in price (there may be, probably are, a few "sweated" industries wherein prices would have to be allowed to rise somewhat at first, however, in order to make possible the payment of fair wages), (2) for coordinated increase of output, planned according to national needs, and (3) for an equitable division of the new purchasing power resulting from increased production. Such a division of new purchasing power is to be secured by limiting the share of profits to 10 percent of the advantage given to wage earners in higher wages and to consumers in lower prices. Industry will be protected against loss if it cooperates in the plan by a system of purchase agreements covering possible unsalable surpluses. Labor will be protected because wages must be increased under the plan, because prices will be prevented from rising and because it will have equal representation with capital on every industry authority.

A brief outline of the main provisions of the bill follows:

First. An Industrial Expansion Board, consisting of nine members to be appointed by the President and to include the Secretaries of Agriculture, Commerce, Labor, and Interior, is to control general policy, advise the Administrator of the act, and make regular recommendations and reports to the Congress.

Second. Working under the general supervision of this Board, as a general manager would work under a board of directors, is the administrator of the Industrial Expansion Administration, appointed by the President with the advice and consent of the Senate. He is to choose his staff in accordance with civil-service laws.

Third. Independent of the administrator and appoined like him by the President is the consumer counsel, whose duty it is to represent the interests of the consuming public in all proceedings to be carried on by the Administration. The consumer counsel has power to make recommendations either to the administrator or direct to the President and he is to have access to any information available to the administrator.

Fourth. The first task to be undertaken by the administrator is the formulation of a comprehensive plan for the coordinated expansion of production in the United States. This plan is to take into account first, the needs of the consumers of the Nation; second, the capacity of our present industrial equipment to produce goods and to fill these needs; third, the desirable output of all types of raw materials and of finished goods; fourth, the conservation of national resources, the minimizing of hazardous and harmful conditions of work, the reduction of waste and consequent shortening of hours of labor, and finally the rehabilitation of our now unemployed population.

There is to be an immediate and a long-range plan of expansion; the immediate plan to deal with the actual present situation and what can practically be done to increase production during the first year of operation of the plan. The long-range plan will be subject to modifications as the whole program is tested by experience.

Fifth. The administration is then to recommend to those industries whose cooperation is essential to the realization of the objectives of the expansion plan that they form industry authorities, upon which management and labor shall have equal representation and on each of which a consumer representative from the office of the consumer counsel shall sit. These industry authorities, working with the administration, shall then work out the details of an expansion program for their industry.

Sixth. Small industries, those which are not basic to the economic life of the Nation, and those whose present operation or failure to operate does not affect or obstruct the free flow of interstate commerce are not to be included in the workings of the administration.

Seventh. But if any essential industry which vitally affects interstate commerce and whose cooperation is necessary in making the plan a success fails, after a reasonable passage of time, to form an authority and develop and bring forward an expansion plan, then the Administrator may, with the President's approval, appoint an authority for that industry and formulate an expansion program for it.

Eighth. Expansion programs to be approved must in every case be offered by employers of at least 60 percent of the workers in the industry; they must not discriminate against any member of the industry; they must provide for an increase in the income of the workers in the industry, for increased production of commodities (except in the few cases where production is already at a level where it can meet all actual consumer needs), and for a stable or reduced general-price level. In addition, each expansion program must provide that the increase in profits shall not exceed 10 percent of the sum of the increases in pay rolls plus the total amount saved to consumers by reductions in prices.

Ninth. As soon as the administrator finds that enough expansion plans have been developed and approved to assure a general increase in buying power in the Nation—but not until then—he shall put in operation the entire program for all the industries then organized under authorities and whose plans have been approved.

Tenth. The motive power behind the whole program has its rise in a processing tax of 25 percent to be levied upon all producing units in industries covered by the program, whether or not they are cooperating with the program.

Eleventh. But to those producers who do cooperate 95 percent of this tax is refundable; and in addition the act provides for a system of grants, guaranties, and purchase agreements on the part of the Government such as will protect cooperating industries against any loss that might result from the production of unsalable surpluses. No payments or purchases are to be made, however, excepting after proof of compliance with the provisions of the act has been submitted by the producing company.

Twelfth. Certain special provisions are made for housing on the ground that the low-cost housing problem cannot possibly be solved by private industry alone. A Federal building finance corporation is set up and given power to provide for as much housing construction as possible by private enterprise, and, failing to provide a sufficient expansion of low-cost housing construction by this method, to undertake the direct construction of such houses through local housing corporations of a public nature.

Such in rough outline are the provisions of the Industrial Expansion Act. It is no doubt a great and ambitious

undertaking. But America is great and so are her problems, and probably only heroic measures can meet her need.

Some may have misgivings over the apparent concentration of authority under the act, but, after all, is not that our only way out under existing circumstances? Industry would like to increase production and go on increasing it. But no one industry dares do so since its market depends on increased buying power on the part of workers in other industries. A central plan is essential.

Our proposal preserves all in American economic life which conservatives would preserve except curtailment of production, unemployment, and cutthroat competition. Our most radical people will cry "fascism", but they will be wrong, since our plan will protect the common man instead of enslaving him, and will employ the machinery of government on his behalf and not for his suppression.

In essence, the plan is to see to it that our unemployed people are employed in private industry under a plan which will encourage labor and capital to face together the problem of production of abundance. That, in the light of recent Supreme Court decisions, Congress has the right to pass legislation of this kind under its power to regulate interstate commerce and free it from artificial restraints and obstructions, can scarcely be doubted. Furthermore, the problem of balancing the Budget must always depend fundamentally upon the volume of production in the Nation.

It would, of course, be presumptuous to expect an early passage of this act. It is the authors' hope, however, that this bill may offer a basis of discussion and a stimulation to earnest and fruitful consideration of the way out of our present uncertain, not to say dangerous, situation. We are confident that the merit and necessity of this type of legislation will become increasingly apparent to those who study it carefully in the light of present circumstances in the Nation.

Bigger Game In Tax Avoidance

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1937

Mr. DIRKSEN. Mr. Speaker, to meet deficits that result from Government spending the Treasury Department must borrow money from the people. To obtain this money, it issues bonds. To enhance the sale of such bonds and make them attractive, the Treasury announces the patent fact that these bonds are exempt from various Federal taxes. To justify the existence of present deficits, the astounding national debt, and the need for borrowing, the Treasury informs Congress and the country that taxpayers are evading and avoiding Federal taxes. Thus the same Federal agency on the one hand induces the citizenry to buy bonds because they are tax-exempt and on the other hand lodges complaint that by fair means or foul, taxpayers in the higher income brackets are employing devices to exempt themselves. So what?

This painfully amusing state of affairs calls attention once more to the fact that more than $50,000,000,000 of State and Federal bonds are at large which are exempt from either State or Federal taxes or both. As the pretentious man hunt begins for tax evaders and tax avoiders, is it not high time that we give attention to the problem of tax avoidance through legal exemption which is deliberately aided and abetted by both Congress and the Treasury.

The enormity of the thing can be seen most any day as the newspapers announce the passing of some wealthy person whose taxable estate is probably 10 percent of the entire estate, the balance being in the form of tax-exempt securities.

Since my advent to Congress in 1933, I have witnessed many spasmodic fits and starts to provide a remedy and put an end to tax-exempt bonds. I have listened to a multitude of speeches, decrying this evil. I have seen resolutions go into the hopper proposing an end to tax exemptions on Government bonds. There has been a singular unanimity of sentiment on this subject, but nothing is ever done, and nothing has been done. Like Mark Twain's observation on the weather, "Much has been said about it, but very little has been done."

As the Federal machinery in all its ponderous majesty is set in motion to ferret out the evaders and avoiders of taxes, would it not be proper to look for some bigger game in the form of tax exemptions on $35,000,000,000 of Federal bonds that have been issued by Uncle Sam himself with the accompanying lure that they are most attractive investments because exempt from taxes?

Un-American Activities

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1937

RESOLUTION OF THE CAVAN CATHOLIC SOCIAL AND BENEFICIAL SOCIETY OF PHILADELPHIA, PA.

Mr. STACK. Mr. Speaker, under leave to revise and extend my remarks I want to include a resolution recently adopted by the Cavan Catholic Social and Beneficial Society of Philadelphia, and to add that as long as we have societies like these who are on the "qui vive" we need have no fear for our Republic.

CAVAN CATHOLIC, SOCIAL, AND BENEFICIAL SOCIETY

Philadelphia, Pa.

Resolution

Whereas a determined effort, supported by alien influences, is being made to undermine our present form of government, and to destroy our free institutions;

Whereas we consider it our privileged duty to assume our share of responsibility for the preservation of said institutions and Government, which were transmitted to us by our ancestors, who fought and died, when necessary, to establish and preserve them: Be it hereby

Resolved, That we declare our unswerving allegiance to our flag and our Republic, and everything for which they stand; that we denounce any attempt to supplant them, and that we will combat all foreign atheistic movements which have this goal in view; be it also

Resolved, That we call upon our elected representatives in Washington to support the Reynolds-Starnes bill, which seeks to control foreign communistic activities in the United States; be it further

Resolved, That we acclaim the recent action of the Knights of Columbus in this matter, and we hereby assure them, and all other patriotic organizations, that they shall have our full cooperation in this fight.

Law Enforcement

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 23 (legislative day of Tuesday, June 15), 1937

ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, TO LAW ENFORCEMENT OFFICERS' ASSOCIATION OF NORTH AND SOUTH CAROLINA, ASHEVILLE, N. C., JUNE 20, 1937

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an

address delivered by me last Sunday before the Law Enforcement Officers' Association of North and South Carolina.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want you to feel that I am truly glad to be here. I speak, as you know, at many gatherings of various organizations of all kinds and types, but I can assure you that the pleasure I feel at the privilege of addressing a meeting of law-enforcement officers has never been surpassed. I consider it an honor to be permitted to talk to those who are the real defenders of the lives and liberties of our citizens. Years ago, in a poem that was better known then than it is in these days, Rudyard Kipling referred to the soldiers of the British Army as "a thin, red line of heroes." The color may differ somewhat in these later times, but the law-enforcement officers of the country are truly a thin line of heroes upon which we depend, waking and sleeping, for all in life that we hold dear and precious.

It is only in recent years that the debt of the country to our police officials has been fully realized. It is only since the development of modern methods of criminality, in the past decade or so, that the average citizen has really felt that his own life and property are in constant and serious danger. It is only recently that the average citizen has had reason to fear for the safety of his family in the pursuit of their daily vocations.

The causes of this widespread growth of lawlessness are probably many and difficult to analyze in detail. Since the war, however, the fact that lawless conditions have constituted a serious menace in various sections of our country, particularly in our large cities, has been a truism that need not be argued with any intelligent audience. The columns of the press have been replete with instances of criminality that have shocked the moral sense of the community and have caused legislators, both National and State, to give serious thought to the revision or amplification of our laws in order that law-enforcement officers might be better equipped to combat this constant menace.

It has been increasingly evident that modern criminality is of such a character that local and State law-enforcement officials alone are unable to comprehensively cope with its varied manifestations. Modern major crime is at least potentially interstate, either in its commission or in the method of escape of its perpetrators. The time has long since passed when a local crime was committed by a local criminal, who remained at or near the scene of his crime. Crime in its wider implications in these days is of national importance and calls for a Nation-wide solution.

I do not mean to imply that it can be possible at any time for the country to rely upon the Federal Government to supplant or usurp the functions of local police officers and local police organizations. In the last analysis, we must and do rely upon our local law-enforcement officers for any real protection that we may expect to receive. Our individual lives, our individual homes are protected by our own local law-enforcement organizations, and to the extent that they manifest loyalty, courage, and efficiency, to that extent only are we safe. It is a source of great satisfaction to us, as American citizens, to know that our law-enforcement officers have met gallantly and efficiently the grave problems with which they have been confronted and, as a whole, on a broad front have checked the onslaughts of the hordes of crime. I do not mean by this to indicate that the battle is won, and that any of us may rest upon our laurels. The menace of crime and of the criminal still confronts us throughout the country. It is a hopeful sign, however, that our people are now cognizant of this grave menace and are taking steps in their various communities, here as well as at Washington, to face realistically the problems that confront them.

I have indicated that crime is more than a local problem. The combating of modern crime depends upon the development of a broad, far-flung spirit of cooperation amongst all law-enforcement officers that will recognize the fact that they are all members of one great army and that crime, committed anywhere, seriously affects the safety of all of us.

The spirit of cooperation in modern law enforcement is such that it impels our local police officers to afford at least as much attention to reports of criminals from other jurisdictions appearing in their midst as they do to crimes perpetrated within their own legal borders. It has been found, however, that something more than this voluntary spirit of country-wide cooperation amongst police officers, which finds expression at gatherings such as these in all parts of the country, has been necessary. The Congress of the United States realized that fully when, in recent years, it placed on the statute books certain legislation designed to amplify and support the efforts of all law-enforcement officers and organizations by affording to them the support of the Federal Government in major crimes which were of such a character, both in method of perpetration and means of escape, as to preclude successful local solution.

As an instance of legislation of this kind and type, advocated by Attorney General Homer S. Cummings and the assistant to the Attorney General, Joseph B. Keenan, I might cite the passage of the Federal Kidnaping Act on June 22, 1932; the Federal Bank Robbery Act on May 18, 1934, and the amendment thereto on August 23, 1935; the act penalizing interstate flight to avoid prosecution, approved May 18, 1934; the Extortion Act, approved the same date; as well as the act providing punishment for the killing or assaulting of Federal officers. I might mention also the Federal antiracketeering statute of June 18, 1934, and the National Firearms Act, approved June 26, 1934. All of these acts, as well as others of the same type, voice the realization by Congress that crime, as reflected in its country-wide sweep, was of such a character as to require the active, intensive efforts of the Federal Government to support and supplement those of our local law-enforcement organizations.

In this connection it would seem appropriate to here refer to the Federal organization upon which devolved the greater part of the responsibility for the enforcement of these acts. I refer to the Federal Bureau of Investigation of the United States Department of Justice. It was fortunate, indeed, that at the time of the country's need for an efficient and honest Federal law-enforcement organization to combat federally the growing menace of a country-wide crime wave, the Federal Bureau of Investigation was commanded by a man who typified in his person the ideal modern law-enforcement officer, from the standpoint of honesty, efficiency, devotion, and loyalty. I refer to J. Edgar Hoover, the Director of the Federal Bureau of Investigation, then and now. Through his efforts and those of the men under his command the Federal Bureau of Investigation has constituted the chief Federal bulwark which has kept the country's criminal forces from overruning our domain.

As an instance of the more or less recent development of this continuing battle, I might cite that the power of arrest and the right to carry firearms was only afforded the members of the Federal Bureau of Investigation during this administration in an act approved June 18, 1934. Previous to that date they had no power to make arrests. Previous to that date they did not possess the right to carry firearms, although their men had been killed in attempting to enforce Federal laws even before then.

The columns of the press at various times in recent years have reflected how well the members of this organization, under their gallant and efficient leader, J. Edgar Hoover, have succeeded in combating such dastardly crimes as kidnaping, bank robbery, and the like. The menace of kidnaping in particular is one which strikes terror to the hearts of every father and mother, husband and wife, in the country. Unless our peaceful law-abiding citizens can be assured of the safety of their loved ones, unless they may know that their homes may not be entered by some fiend, such as the perpetrator of the dastardly Lindbergh kidnaping and the kidnaper of the little Mattson boy in the State of Washington only recently, happiness of any kind is impossible and the guarantees of liberty afforded by the Constitution and the basic law of our land are truly a mockery.

We all of us know how well this arm of the Government has enforced the Kidnaping Act. We all of us know of the progress that has been made in meeting the various serious situations which existed a few years ago when numerous bands of bank robbers in all parts of the country, particularly in the Central West—although the Carolinas were not immune from their depredations—practically defied all duly constituted law-enforcement authorities and roamed at will from one State to another, causing a reign of terror amongst the larger and smaller banks in the greater part of the country. These roving bands of desperadoes, of course, could not be conquered in individual local communities because they struck suddenly at the financial institutions of a community and then disappeared, traveling for miles, remaining quiet for a while until all semblance of the hue and cry disappeared, and then striking again just as suddenly and just as murderously. The lives of many law-abiding citizens who opposed them were truly in jeopardy and numberless murders were committed by these desperadoes.

The Federal Bureau of Investigation reports that, as a whole, the situation with regard to this grave menace has been met. Sporadic crimes still occur, but the progress that has been made is reflected in a substantial decrease in bank-robbery insurance, which has been made by the institutions responsible therefor.

The dastardly crime of extortion is another type of criminality that has been combated under this recent legislation by this efficient arm of the Federal Government under its great leader, J. Edgar Hoover.

My primary purpose in calling attention to the exploits of Mr. Hoover and the accomplishments of his Bureau is to indicate the methods to be pursued and the results to be expected from similar efficiency and devotion displayed by other law enforcement organizations in all parts of the country. My purpose is also to bring to the citizens and taxpayers of the country the truth with regard to the necessity for a modern viewpoint to be adopted relative to law enforcement and law enforcement organizations. The time has long since passed when a law enforcement officer must possess brawn and brawn alone. Modern law enforcement battles are not fought with machine guns, rifles, and modern artillery, but with brains. Developed, cultured, educated mentalities are possessed by truly modern law enforcement officers and our various communities must adopt totally different points of view with regard to the respect and honor to be afforded our modern law enforcement organizations and officers, as well as with regard to the necessity for expending considerably more in support of the efforts of these men, efforts which, if not supported, will mean the break-down of civilized government in our various communities and the overrunning of our country by hordes of uncontrolled criminals. Modern law enforcement is expensive. Again, I desire to refer to the Federal Bureau of Investigation and its leader, J. Edgar Hoover, as indicating, however, that in this, as in other instances, a well balanced, liberal expenditure of money for definitely necessary purposes is the truest economy. During the fiscal year of 1936, 3,905 convictions were secured in cases wherein special agents of the Federal Bureau of Investigation performed investigative work. Sentences imposed totaled

2 deaths, 9 life, and a total of 11,067 years, 2 months, and 7 days. I want you to note that the total value of recoveries effected and savings to the Government in cases handled by the Federal Bureau of Investigation during the fiscal year amounted to $34,708,815.39, whereas the expense of operating the Bureau during the year was approximately $5,000,000. This proves that money, wisely and honestly expended in support of efficient, scientifically directed efforts, is not a burden upon any community, but a real, actual monetary saving thereto.

I do not speak of the savings in lives and property effected during that same period, because these savings are more intangible and may not be as truly and clearly reflected in cold, seemingly uninteresting statistics. In speaking to the taxpayers, however, probably these figures will prove of definite importance and may enable them to realize that their local law enforcement organizations are worthy of considerably more financial support than they have ever received.

The salaries paid the average law-enforcement officer in our various States have been such as to render it a matter of marvel that our communities have received any law enforcement whatsoever. So far as a police officer is concerned, he has been looked upon as a stepchild of the various communities with regard to the compensation considered his due. The fact that the very lives of the dwellers in our villages, towns, and cities are in his capable hands never seems to indicate that he, the law-enforcement officer, who at any and all times is ready to risk his life and often does lay down his life in defense of his fellow citizens, might himself need sustenance for himself and his family beyond a bare pitiful, insufficient livelihood. This condition must change. It is changing, but not sufficiently rapidly as should be the case.

The men of the Federal Bureau of Investigation, under J. Edgar Hoover, receive individual compensation which compares favorably with that received by those entering the various learned professions. Mr. Hoover has conceived it to be true that law enforcement is or should be a learned profession and that those who practice this profession should be paid in accordance with their responsibilities, the danger they face, and the value of the service they render to the men, women, and children of the country. They practice law enforcement not as an ordinary vocation but as a profession, and they are trained to such an extent that they are qualified to have their efforts compared with those of the members of any other profession. We need better pay for our law-enforcement officers in order that they may be better able to render the service to their communities which these communities require.

We need better equipment for our law-enforcement officers, in order that they may avail themselves of all modern inventions and developments of the past decade which have resulted in providing better and more effective guns, protective devices, and similar equipment. It is sadly true that about 10 years ago the criminal was far better equipped than the average law enforcement officer. This was a tragedy which often became an individual tragedy, as the bodies of numberless gallant law-enforcement officers attested, who were compelled to meet well-armed criminals while themselves inadequately and archaically equipped. This should not be so. A law-enforcement officer should have the advantages of the best modern equipment in order not only that his life might be properly defended but that the lives of those whom he is sworn to defend should not be unduly and unnecessarily jeopardized.

Law enforcement in these modern times is practiced as a science. It is necessary that there be developed identification units in our law-enforcement organizations similar to that possessed by the Federal Bureau of Investigation at Washington, in which on March 31, 1937, there were 6,981,866 fingerprint cards on file, as well as 8,162,739 index cards. The development of identification units is expensive. That they are necessary, vitally necessary, it is needless to argue before intelligent modern law-enforcement officers. The science of fingerprinting as an infallible mode of identity has been thoroughly established during the past 20 years. There is no other method of identification so completely effective, no other so practically infallible. No local community should disregard the necessity for the proper taking of fingerprints and the regular exchange of fingerprint records with the Federal Bureau of Investigation as well as State organizations.

It might also be said at this point that technical laboratories for the development of technicians skilled in the art of handling all scientific devices which lend themselves to the better detection and prosecution of criminality must be maintained in various sections of our country. Again, I may take for an illustration and as an example the technical laboratory developed through the years which has been the pride and joy of Mr. J. Edgar Hoover and which has so notably supplemented the work of special agents in the field. Here are instances, both with regard to the Identification Division of the Federal Bureau of Investigation and its technical laboratory, wherein service is rendered by a Federal organization to law-enforcement officers and organizations in all parts of the country without cost. Such an invasion of States by Federal organizations cannot at any time be subject to criticism, even by those who hold most dearly the rights of their States to govern themselves.

As you doubtless know, the Identification Division of the Federal Bureau of Investigation affords an exchange of criminal identification on fingerprints of criminals received to all regularly constituted law-enforcement officers everywhere. As you may also know, laboratory assistance is rendered by the laboratory of the Federal Bureau of Investigation to State and local law-enforcement officers in various sections of the country when such assistance is required. This latter includes the examination of questioned documents, microscopic examinations, chemical analyses, the examination of bullets and firearms, metallurgical and metallographic examinations, the development of latent fingerprints, footprint comparisons, code examinations, diphenylamine and gunpowder tests, examination of glass fractures, spectographic, photographic, and stereoscopic examinations, tire-tread comparisons, examinations of bombs or infernal machines, X-ray examinations, and moulage work.

I have said all that I can say in the time allotted to me as to the problem of law enforcement, as it directly affects law-enforcement officers and organizations. For the few moments remaining it is my desire to emphasize that phase of the law-enforcement problem which I conceive to be of transcendent importance. There have been many suggested solutions of the crime problem. There is only one fundamental, far-reaching, comprehensive solution and that is let us cease the education of criminals, let us educate the children in our homes to be law-abiding, law-respecting, law-loving citizens. When this is done, if this is done, there will no longer be a crime problem. We will no longer need to pour millions of the taxpayers' money into the coffers of the law-enforcement organizations for necessary, defensive work. There will no longer be hundreds of thousands of active enemies of society abroad, prepared to slay and rob whenever their individual interests seem to demand the violation of the rights of their fellow citizens.

Law enforcement is not solely a problem of law enforcement organizations. It is an individual problem, the problem of each and every one of us, and can be solved best and first in the home. Neither schools nor any other public or civic organizations can be substituted for the proper, necessary kind of parental training and parental example, the same that we received when we were young and which, I regret to say, is sadly lacking in many parts of our communities. All the teaching in the world cannot compare in vital significance or value with the influence of a law-abiding example afforded by parents to children in the home. Too often have the moral maxims placed before children by teachers and parents been definitely contradicted by the personal example set them. The element of discipline that existed in the past should be resuscitated in a proper, adequate, constructive degree in order that the moral development of children will not be jeopardized by a lack of proper control. Discipline comes to all of us in later adult life. Our children should be trained in this essential phase of human development in order that they may not be unprepared and unfit to solve the problems of life which will confront them and which will demand proper self-control as a necessary element in their successful solution.

We have been sadly derelict as a people in the recognition of the responsibilities we owe to the coming generations. Whether the men and women of tomorrow are to be criminals or saints depends solely upon the training, instruction, and development of the children of today. No law-enforcement organization, no matter how competent, will be able to cope with the problem of crime unless the vast majority of our future citizens are properly trained and developed. The cost, whether it be in the construction and upkeep of schools, colleges, or other forms of educational advantage, are inconsequential, as compared with the results that we are sure to obtain.

Our failure to accomplish this educational task is reflected by the startling figures which tell us that 4,300,000 criminals at the present time are pursuing their antisocial careers; that based on monthly crime reports received from police agencies throughout the country the estimate of the Federal Bureau of Investigation of the number of major crimes or felonies committed during 1936 constituted 1,335,536—almost a million and a half. I could pursue these figures further. I could startle you by saying that authentic figures reveal that in this country of ours there is more than one willful, felonious homicide—a deliberate murder—committed every hour of every day of every year. This is true, and what does it mean? Simply that we have been derelict; that we have failed to fully realize our responsibilities; that we have failed primarily in our homes, in our schools, in our colleges, to develop that true ideal of American citizenship that results in the rearing of men and women who will look upon the observance of the laws of their country as not only their duty, but the highest possible privilege.

The people of our country can retain the freedom that has been transmitted to them only so long as they respect our country's institutions. A lawless people has never continued to be a free people. This is the verdict of history. It is also, fortunately, the verdict of history that whenever the citizenry of our country have become thoroughly aroused to the real nature of a menace to their peace, happiness, and safety, almost invariably have they demanded an effective solution, which has brought about a definite improvement. That the citizens of these United States

will become fully cognizant of their duty to the country and to themselves is my sincere belief.

Again let me express the overwhelming sense of gratification that I feel at being permitted to address the law-enforcement officers of North and South Carolina. I am certain that these great States will continue to appear in the van of those who realize the necessity for continued improvement in law enforcement and primarily, in order that this may be achieved, a continued and increasing realization of the necessity for law observance.

The Fair Labor Standards Bill

EXTENSION OF REMARKS
OF
HON. WILLIAM M. CITRON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 23, 1937

RADIO ADDRESS OF HON. WILLIAM J. FITZGERALD, OF CONNECTICUT, JUNE 22, 1937

Mr. CITRON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by my colleague from Connecticut [Mr. FITZGERALD]:

The day of the sweatshop in American industry is not yet over. It is true hours have been shortened and wages increased in many industries. Young children are pretty well out of the big textile mills. But practically every part of this country still has its substandard industries—its problem employers.

There are still far too many instances of the 60-, 70-, and even 84-hour week. Youngsters are still kept at work late at night in their own homes, stringing beads for fancy handbags, sorting labels, carding snaps, and doing other kinds of industrial home work.

We still see factories in prosperous, well-paid communities closing down because of cutthroat competition and reopening later in a distant place where hours are unregulated and wages a mere pittance.

The Federal fair labor standards bill, now up for hearings before the Labor Committees of the two Houses of Congress, is aimed squarely at these practices, which are now generally agreed to be unfair. It will help the employers who continue to maintain fair standards and good conditions, and it will also help other employers who may want to maintain these standards and conditions, who prefer to operate that way but feel they can't afford to. It will put an end to industries shopping around for cheap labor to exploit. It will not put any obstacles in the way of opening up new plants and new industries under decent standards.

How will this bill accomplish these results? There are still differences of opinion to iron out as to methods, but briefly the fair labor standards bill prohibits the shipment in interstate commerce of goods produced under substandard labor conditions. It prohibits the employment of children under the age of 16 years and authorizes the United States Children's Bureau to determine the occupations which are especially dangerous to workers between the ages of 16 and 18. The bill prohibits such oppressive labor practices as the employment of labor spies and strikebreakers. It provides for the establishment of maximum hours of labor and minimum rates of pay.

The bill will apply to industries that enter into and are affected by interstate commerce. There will still be room for State standards, and the bill is not intended to interfere with fair standards established through collective bargaining. Instead it would assure that such standards will be maintained, by putting an end to wage cutting on the part of employers where the workers are not organized.

I should like to direct particular attention, however, to one way in which I believe the fair labor standards bill can be extended to insure its greater effectiveness. For many years the practice of industrial home work has been found a frequent method of evading wage and hour regulations. Some manufacturers, by sending factory work into private homes, shift to the home workers the responsibility for rent, light, heat, and power, which their competitors, who have their work done in modern, sanitary factories, must include in their overhead costs.

Industrial home work has long been identified with such practices as long hours, low wages, night work, and child labor. It is my belief that if the labor-standards bill is to meet our objectives as effectively as we should wish, it must provide for adequate control of industrial home work in those industries coming within the scope of the bill.

In my preliminary study of this fair labor standards bill my attention was quickly caught by the section which deals with the problem of apprenticeship, because, in my opinion, apprenticeship is one of the country's foremost problems. It is a problem that has not had anything like adequate attention in this country. This section authorizes the Board to grant exemptions from the payment of the established industry wage to employers for the employment and development of apprentices. In making such exemptions the Board would be required to establish certain minimum standards. It is my hope that through this bill and other steps which are now being taken by Federal and State Governments a sound system of apprenticeship will be developed, which will provide America's future workers with this fine method for entrance into the skilled trades.

I determined, when I came to Washington, to use such influence as I had to help American young men and women get their chance to enter the skilled trades by the best road. That road has a signpost marked, "Apprenticeship." Running off the road are many side roads. Some lead to exploitation, some to specialization, some to crowding the present journeymen out of their jobs; but the right road leads to full preparation in every process and operation of the trade. In order that these young people may arrive at their destination as fully qualified journeymen it is essential that signposts be erected; that there be someone to erect those signposts, which are called standards, and keep them there.

Testimony before the subcommittee of the House Labor Committee forcefully showed that the United States has never had a national system for the development of apprentices. We have depended on the apprenticeship systems of some of the more forward-looking employers and trade-unions.

Skilled workers from European countries have come to the United States by the hundreds of thousands. In the 25-year period 1912 to 1936, inclusive, there was a net increase from abroad of 1,214,291 skilled workers, even though beginning in 1932, more skilled workers left the country each year than came in. That largely accounts for the startling fact that we let our young people shift for themselves, and is one of the big reasons why we have not had an apprenticeship system. In 1930 there were three-quarters of a million young Americans employed in the skilled trades who were getting only such training as they could pick up. If there were places for that number, then they should have been receiving the benefits of apprenticeship.

Now, I want to make it clear that this chaotic situation with respect to apprenticeship has a tremendous bearing on the future welfare of our country. We have millions of men and women on relief right now. They want jobs and want them badly. On the other hand, we have innumerable statements from employers from practically all sections of the country that they are unable to hire men who are sufficiently prepared to do some of the very highly skilled jobs. Frequently there is a difference of opinion between labor leaders and employers on whether there is or is not an adequate number of skilled men available in any trade. In view of the evidence submitted to the committee, it seems probable that both may be right. The difference in opinion may be caused by a difference in the degree of skill of the men about whom they argue. A man may be quite competent to do a certain skilled operation under the direction of another man, but that is no assurance that he will be able to read a blueprint, set up the job, and direct others.

Nevertheless, there is substantial agreement on the part of management and labor that constructive action must be taken now to assure the proper development in the future of those young men and women who can be absorbed into the skilled trades.

It was shown clearly at the hearings that had Government, labor, and management cooperated in setting up a national apprenticeship system during the 1920's, some of the current stress with respect to unemployment, crime, and security would be greatly lessened.

The section of the fair labor standards bill dealing with apprenticeship will provide a powerful stimulus in setting up an adequate national system for the training of American boys and girls. There are countless employers who employ workers in nearly all trades, who will not, however, be subject to that bill. For the bill embraces those employers who are in interstate commerce, or whose business practices, directly affect the employers who are in interstate commerce. I maintain that young people employed by any employer, whether he is or is not subject to the provisions of this bill, are entitled to trade preparation under conditions that will prevent exploitation. This must be done not only because it is a right of the young to receive protection and training from their elders but because the economic welfare of the whole Nation depends upon it.

The evidence shows that some special agency must handle this apprenticeship problem. And it must be so established that the boys and girls concerned will be properly trained whether their employer is subject to the fair-labor-standards bill or not.

In short, the adoption of the fair-labor-standards bill will put an end to some of the most pressing social and economic abuses of our time, and will give an impetus to some of the constructive efforts that are now being made to improve the lot of the worker and in particular of the young worker with whom the future of America rests.

Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. HERBERT S. BIGELOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1937

RADIO ADDRESS OF HON. HERBERT S. BIGELOW, OF OHIO

Mr. BIGELOW. Mr. Speaker, under leave to extend my remarks in the RECORD I include my address over the radio, June 23, 1937:

As a Member of Congress, I appreciate this opportunity to speak not only to some of my own constituents, but to the constituents of other Congressmen. For this broadcast will not be wasted in mere talk. I want you to help get your Congressman to support a certain old-age pension bill that is pending in Congress.

I am not trying to sell you any rainbows. But this I say: If the venerable Dr. Townsend promised a bigger old-age pension than was possible, the present Social Security Act offers you much less than is reasonable, and much less than is possible and right.

But in passing the Social Security Act the Federal Government has recognized its obligation to set up and maintain an old-age pension system. That is a great gain, no matter how poorly this obligation is being met. And in egging the Government on to this act, we must give the Townsend movement a large part of the credit, no matter what we may have thought of the Townsend plan itself.

But let us take a look at this Security Act. Do you know that hundreds of millions of dollars a year are now being collected in a tax on pay rolls, to build up a reserve fund to pay pensions to only about half of those needing pensions? Do you realize that these pay-roll taxes are necessarily handed on to you in increased prices? Do you realize that all of you are paying while the benefits of the system apply to only half of you? Perhaps you, yourself, belong to that half of the population that is on the paying end of this system while excluded from the benefits.

What right has a government to tax the whole people to give pension benefits to only half the people, when one half needs this pension support as much as the other half?

I suppose I am talking to a good many women and housewives this afternoon. As housewives you are just nobody. This Social Security Act ignores you entirely. This act puts a tax on your market basket. But when you are old it will put nothing in your purse. The benefits all go to a certain class of workers. Housewives are excluded from that class. So are all the millions of farm people, men as well as women, excluded.

But what about that half of our wage and salary workers who do come under the benefits of this system? They are compelled to come under the system whether they like it or not. Every Saturday night, by force of law, something is taken from their pay and turned over to the Treasurer of the United States. Then when this worker has been made to pay every working week of his life until he is 65 years old he will draw a pension. But what will he draw under this system? They tell you that the maximum pension under this system will be $85 a month. But so few can ever hope to draw that much that it is almost a fraud on the public for the Government to mention that figure. The fact is that the worker will work all his life and pay all his life, and he will be lucky if his pension amounts to $30 a month when at 65 he is forced to quit work. That is about what the average pension will be, $30 a month. And mark this also—that this $30 is just for the husband. There is nothing for the wife. So the two of you will be expected to live on this $30 the rest of your days. And mark you this also—the husband is required to stop working and stop earning before he is permitted to draw this pension. So the Government is going to make dead sure that this $30 for both of you is all that you are going to get.

Now this is the truth about the Social Security Act as at present set up. It is a crude, partial, inadequate, and I would say, almost an insulting piece of legislation to foist onto the public in the name of social justice. Now what is to be done about it? I would say that this contributory old-age pension part of the act should be repealed and discarded altogether. But there is one part of the act that I would save. That is the part that provides that the Federal Government shall contribute to the States and help them to finance their State pension systems. You see, the main pension scheme of the Social Security Act is not a pension plan at all. It is compulsory insurance. It is a scheme to save the rich taxpayers and make the poor pay for their own pensions. But on the contrary the State systems are noncontributory. The pension money comes directly out of public revenues. This is what I favor. The all-too-slender wages of the workers should not be taxed to pay pensions.

The pension system should be used to increase wages and not to tax them down. The pension money should be added to wages. The money should be drawn from surplus and unearned wealth by a proper system of taxation, so as to insure a wider distribution of purchasing power.

I would tax drastically the excessive incomes, and especially would I cut the barbaric fortunes down by steep inheritance taxes. It is better that workers, after their working days are over, should inherit a pension income on which they can live out their days in peace, than that the sons of millionaires should inherit the right to be wasters and loafers all their lives.

The one good thing in this Social Security Act is this provision that the Federal Government shall contribute to the support of these State pension systems.

But the State systems are niggardly and humiliating and the Federal Government does not contribute enough to them. These State systems should be liberalized. In most States you have to take virtually a pauper's oath before you can get anything. You are usually made to sign over your home if you have one, and to hand over any little insurance policy you may have, and the last little savings that you may have in the bank. That sort of thing is just a charity dole. It does not deserve to be called a pension system.

For the present I would say that a decent pension would be $50 a month per person and $75 a month at least for married couples. And I certainly would not take people's homes away from them. I would put a premium on thrift, and encourage them to try to acquire a home of their own by assuring them that no deduction would be made from their pension on account of their home, but that they could keep their home and have the use of it in addition to their pension. I would, in fact, exempt from taxation $3,000 of value of all homes, so that any couple with a $3,000 cottage might have a tax-free home and a pension income besides. And that much is possible. Congress could make this possible immediately if it would. At least Congress could take a step for bigger and better pensions by passing the bill which a few of us in Congress have worked over and introduced. This bill provides that the Federal Government shall contribute $2 to the States for every dollar that the States spend on their pension systems.

Now the Federal Government pays dollar for dollar. I propose that the Federal Government shall pay $2 for one. That would give the States more pension money without increasing their own taxes. That would automatically raise all old-age pensions one-third at the start. It would give the States less excuse to be niggardly. I think that this boost in the Federal contributions to the pension funds of the States is the most that we can hope to get out of this Congress. But we have to fight even for this much. That is today, there is no chance of getting a committee to report this bill to the House for a vote. So we are compelled to try to take the bill away from the committee and force it out on the floor. This is done by what is called a discharge petition. We have to put a petition on the desk of the Clerk of the House, demanding a vote on the bill. Under the gag rule of the House, half of all the Members of the House must go up to the Clerk's desk and sign the petition.

If we get this bill to a vote it would be sure to pass. This is my opinion, for what Congressman would want to go home and face the old people of his district, after he had voted to refuse to raise the miserable little pension that they are now getting? There would be no trouble about this bill if we could once get a roll call on it and put the Members on record. But my purpose in talking to you now is to impress upon you that your Congressman can help to defeat this bill, without exposing his opposition. All he has to do is not to sign this petition. This petition on the Clerk's desk is petition no. 19. I ask you to write at once to your own Congressman and ask him to sign discharge petition no. 19, to require the Federal Government to double its contribution to the pension funds of the States. Your Congressman has already voted a billion dollars for the Army and Navy. Ask him to sign that petition 19 and give the old people something better than a poverty dole. It is important, not only to ask your Congressman to sign this petition, but to write me, and let me know that you have made this request. Then I will write you and tell you whether or not your Congressman signs. I am HERBERT BIGELOW. B-I-G-E-L-O-W. I am a Congressman from Cincinnati. Just address me Washington, D. C.

A liberal pension system is one of the best possible ways to distribute purchasing power and make a better home market for our mass production. A liberal old-age pension will make more and better customers for all our merchants. It will make more orders for factories and more jobs for workers. It will benefit young as well as old. Too many are struggling with restricted house space and scant wages to take care of three generations, their children, themselves, and their parents. What a mercy it would be for all such families if the old folks had the means to live by themselves, or contribute to the upkeep of these homes. A liberal pension system would be emancipation for both young and old.

But over and above these economic benefits, there is a religious obligation. Honor thy father and thy mother! How often have we thrilled to that injunction when we have had in mind our own father and mother. But what about all these other fathers

and mothers? Should we not do for all of them as we would have done for our own? Is not this the way to build a Christian state? Is not this the sort of thing that He meant who, 2,000 years ago on the shores of old Galilee, told men to work for the kingdom of heaven or earth?

So I conclude by repeating my request. Please write to your Congressman and ask him to sign discharge petition no. 19, and then write to me and let me know that you have done this. When you write me tell me who your Congressman is and I will inspect the petition and let you know if he heeds your request.

The South American Consultive Pact

EXTENSION OF REMARKS
OF
HON. GEORGE HOLDEN TINKHAM
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 23, 1937

Mr. TINKHAM. Mr. Speaker, there are now before the Senate for approval eight treaties which were negotiated at the Inter-American Conference held at Buenos Aires in December last.

One of these treaties provides for consultation between the United States and the 20 republics of Central and South America in the event of war in the Americas or elsewhere. This strikes a fatal blow at American neutrality.

This treaty entangles the United States in the political affairs of other countries in direct contradiction to the traditional foreign policy of the United States.

It constitutes a definite and dangerous commitment which will involve the United States in war not only in Central and South America but in Europe as well.

Sixteen of the 21 republics which signed this treaty are signatories of the Covenant of the League of Nations. The Covenant abolishes neutrality for members of the League.

The United States should not discuss its neutrality, its policy of war or peace, with any nation. More particularly it should not discuss its neutrality, its policy of war or peace, with nations which are pledged not to be neutral.

Under this treaty the United States in all discussions would have but 1 vote out of 21 votes. However, in case of war it is the United States, not the smaller nations, that would have to fight the war.

For the United States the treaty is merely a bridge to the League of Nations. The treaty itself states that it "would supplement and reinforce" the action of the League. Essentially, the treaty is a plain imitation of the Covenant of the League of Nations. Like the Covenant, it provides for political consultation, a practice which several times has brought Europe to the very brink of war.

The treaty attempts to perpetuate the dangerous myth of collective security and the indivisibility of peace. Collective security and the indivisibility of peace, in fact, can mean only one thing—that every war shall be a world war in which the United States must take a part.

The peace of the United States can be preserved in only one way, by strict adherence to a policy of national neutrality. It can be preserved in no other way.

This treaty is a "needless, futile, and utterly dangerous abandonment of" the traditional foreign policy of the United States. Like the proposal to destroy the independence of our judiciary, this proposal to destroy the neutrality of the United States was presented in the Congress "in a most intricate form and for reasons that obscured its real purpose." It would not banish war for the United States, as its proponents allege, but it would promote war for this country.

Collective action among governments to curb war has been proved futile and a fraud.

The nine-power treaty in relation to the Pacific signed in 1922 has been torn into shreds. The naval agreements which the United States, Great Britain, and Japan entered into in 1922 have disappeared and have led to the greatest naval competition the world has ever seen. The Covenant of the League of Nations has been repudiated by Japan, Italy, and Germany, and now is constantly violated even by the League of Nations itself. The Briand-Kellogg Pact has been universally treated as a scrap of paper.

The worst enemies of peace today are those who write treaties which pretend to insure peace but which in reality promote war.

This treaty is the high mark of the decay in the United States of national values.

It would seem that there is no folly that the present administration cannot commit in its present state of intoxication with political power.

Memorial Day in Funkstown, Md., Typical Small American Town. In Memory of Dead Let Us Resolve Peace

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 1, 1937

MEMORIAL DAY ADDRESS OF HON. MAURY MAVERICK, OF TEXAS, IN FUNKSTOWN, MD., MAY 30, 1937

STUDY OF TYPICAL SMALL TOWN VALUABLE

Mr. MAVERICK. Mr. Speaker, on Memorial Day of May 30, 1937, I was invited to make the Memorial Day address before the various organizations and people of Funkstown, Md., a small town 70 miles from Washington.

The following is from Herbert C. Bell's History of Washington County, Md.:

> Funkstown (in Washington County) derives its name from Jacob Funk. Here he built a mill prior to 1768, and before the Revolution he founded the town, of which the original name was Jerusalem. Since the early part of the present century the town has been a manufacturing point of local importance. It is situated on the Boonsboro turnpike (now known as the National Highway, U. S. 40), 2 miles from Hagerstown, with which it is connected by an electric railway.

It was interesting to visit there because it is a typical American town. In exercising my right of extending my remarks and describing the functions of the day, I believe that it is worth while as a discussion of the small American town. Recently a book, Middletown, was published by Robert Staughton Lynd and Helen Lynd, and it has been recognized as one of the most important books of the decade. It tells the life of the city of Muncie, Ind., which has a population around 50,000, and is a study of a typical American community. It also tells of the change from the old style of business up to the present day of big business, mass production, and mechanization of industry. (See below, I. Middletown.)

The purpose, therefore, of this insertion is not only to include my address but to give a short study of the small town—or to suggest that such a study be made. The problems of the small town are very great. Thousands of towns have been practically destroyed by the march of events and the industrial revolution.

What is going to happen to the children in these small towns? Will the present-day methods of agriculture tend further to destroy them and blot them out? What about highways which now pass them and are rerouted? Will this tend to destroy them also? We must consider what is to happen with the people there, with the children growing up, and what they will do. I am therefore hoping that a study will be made of the very small American town or

village, with the hope that eventually a plan of rural, urban, and national life can be evolved, or at least understood.

FUNKSTOWN DIFFERENT FROM SOUTHERN OR WESTERN TOWNS IN HOUSING

I will tell a little of Funkstown, a much smaller place than "Middletown" and located in the South Mountain, which is a part of the Blue Ridge that runs through Maryland. Entirely different from a southern or western town is this village. The houses are built of brick as in big cities, close to the streets, and people sit on the sidewalks and talk.

Driving in, we stopped at the volunteer fire department; the volunteer firemen were there as well as several veterans in uniform. Everybody seemed to know each other. Down the street came a man pushing a baby carriage with twins. I stopped and talked about the twins and soon found that the town had four pairs of twins.

Starting from the Red Men's Hall (see below, II. Old Buildings), we had a parade. I marched at the head, and with a lot of pleasure. We proceeded to the statue of the town which has a monument to the soldiers who lost their lives in the World War. It is right at the turn as you enter the town from Washington, and everyone who goes through the town sees this monument.

The thing that impressed me the most were the beautiful children who had assembled for the ceremony. There were youngsters from all of the schools, 4–H clubs, and every other kind of organization. The senior organizations were Antietam Council, No. 38, Junior Order United American Mechanics, and Bald Eagle Tribe, No. 113, Improved Order of Red Men.

I am going to describe as well as I can the ceremonies. The master of ceremonies was R. Glenn Williams, who has been postmaster at Funkstown for over 23 years. He opened with an earnest address, stating that the memorial was for the men who died in the World War. He then directed the observation of the ceremony of raising the flag on the memorial staff. The Boy Scouts of the Funkstown Troop had this honor, which they did with great competency. They were handsome young men looking very snappy in their uniforms. As this was done, members of the American Legion of the Hagerstown Post sounded a salute to the colors.

ALLEGIANCE PLEDGED TO THE FLAG

Mr. Williams then said it was a duty to renew the pledge of allegiance to the flag, and all saluted and said as follows:

I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands; one Nation, indivisible, with liberty and justice for all.

This pledge of allegiance to the flag was written by James B. Upham, an associate editor of the Youth's Companion. It was created in about the year 1892. (See below, III. Allegiance to the Flag.)

After the recitation of the pledge of allegiance, Mr. J. William Hartman with his sons Preston and Frank sang a song, Faith of Our Fathers. This was one of the most picturesque scenes of the ceremonies, the father and his two sons singing with very good voices and fine feeling.

After this was concluded Mr. Williams said:

The Junior Order United American Mechanics and the Improved Order of Red Men of Funkstown, Md., and the Morris Frock Post, American Legion, Hagerstown, Md., are pleased to honor our dead heroes this day with several wreaths of flowers which will be presented to our memorial association by Mr. John D. Hollyday to be placed at the base of this monument in honor of the following boys from this, the Funkstown, district, who lie with the great dead, and for whom we all mourn this day.

They are Pvts. John L. Biser, Rodney E. Dixon, Herbert A. Ingram, Sgts. James B. Newcomer, Louis E. Stockslager, Pvts. Harry E. Stotlemeyer, H. Vernon Talbert.

These are the boys who died in order that our Union, the United States of America, might live and grow strong, and who died not in vain. On behalf of the organizations, Mr. Hollyday will present these wreaths and Mr. John W. Johnson will accept them on behalf of the memorial association. Mr. Hollyday.

Mr. Hollyday, a local citizen, then made a very inspiring address, presenting several beautiful floral wreaths, concluding with Lincoln's Gettysburg Address.

John W. Johnson, Great Sachem of the Great Council of Maryland, Improved Order of Red Men, then accepted the memorial and floral decorations. He expressed hope that the young people would realize the true meaning of the exercises. He concluded:

May there be no more wars. May the Stars and Stripes lead our Nation and the world to universal peace.

GIRLS OF 4–H CLUB PRESENT PAGEANT OF AMERICA

This was followed by one of the most interesting and impressive parts of the ceremony, the presentation of the girls of the 4–H clubs. There were 55 of these girls from the Funkstown district under the direction of Mary Rohrer. She took charge of the girls and then introduced each one as they did their part. The presentation was as follows:

DORIS SCHINDEL. Memorial Day or Decoration Day is set aside as a legal holiday in most States to do honor to those who fought on either side in the War of Secession. The celebration of the day has been extended to include the honored dead of the Spanish-American and World Wars. The 4–H Club of Funkstown will honor these dead in word and song.

ANN JEANETTE DICK. In the Civil War both the boys of the North and the boys of the South fought bravely. Each side, when the war was over, rejoiced that slavery was abolished and that in our flag there was no missing star. We find that—

"During these hours of indecision,
These hours of irresolution,
Of mental and physical anguish,
A gifted son of Maryland
Sent an appeal from Dixie,
Sent a touching appeal to his homeland
To join her southern sisters.

"Thus was Maryland, My Maryland,
The State song that has ever thrilled us,
Written by James Ryder Randall.
Maryland accepted the tribute,
She loved and esteemed its composer,
But loyal, ever loyal,
Our State remained in the Union."

ASSEMBLED GROUP SANG "MARYLAND, MY MARYLAND"

Then the young ladies, under the leadership of Miss Rohrer, sang Maryland, My Maryland, in stirring youthful voices. Some of the men joined in. With the people massed around the public square, and with the houses, some of them built before the Revolution, and the sun shining brightly on the flags and colors being guarded by veterans, it was very beautiful. (II, Old Buildings.)

Then Alice Rohrer, one of the girls, going beyond the Civil War and taking up the Spanish-American War, recited as follows:

(Alice Rohrer)

When peace had been reestablished
When all mistakes had been forgiven
United in interest and effort
Maryland moved steadily forward
In culture, in education.
Then again our peace was threatened
When the *Maine* was sunk by the Spanish.
Then the war clouds hovered over us.
To that call of suffering thousands
President McKinley sent the answer—
We will send both food and clothing
In the interest of humanity
In the name of civilization
In behalf of endangered interests,
As a Christian, peace-loving people.
Then we sent our sons so brave and steadfast;
And as they went they sang * * *.

And then the entire group joined together and sang Oh! Susanna.

Then Miss Ann Cross quoted as follows:

(Ann Cross)

In the last gigantic struggle,
When we accepted autocracy's challenge
When the whole world became apprehensive,
Maryland again sent her boys,
Her fittest, her best, her bravest,
To Flanders' Field, if God willed it,
That Democracy might endure
That peace might last through the ages
As our boys went to France they sang—

Then the girls, joined by everybody in the square, sang Over There.

Miss Margaret Hoffmaster concluded:

Thus the spirit of '76
Has ever been unextinguished,
Has been expressed in each of our struggles.
We proudly applaud the glory of it,
Yet we sadly deplore the gory of it.
We eagerly lay down the sword
To take up the branch of the olive.
Our desire, our hope is peace,
Peace that is universal,
Peace that is eternal.

Which was followed by singing O Columbia, the Gem of the Ocean.

GRAVES OF SOLDIERS DECORATED; TAPS SOUNDED

Following these ceremonies Mr. Williams, the chairman, announced that the graves of all soldiers of all past wars, and the graves of members of the fraternities holding the celebration who were buried in the Funkstown Cemetery had been decorated during the day. Mr. Hartman and his two sons then sang The Vacant Chair. The firing squad of the Brunswick Legion fired a salute in honor of the dead, after which taps were sounded by the bugler, Mr. Barker, of Brunswick, Md.

The citizenship then joined together and marched to the church where the services were held.

SERVICES IN OLD LUTHERAN CHURCH ON MAIN STREET

This was an old Lutheran church with the inscription "1850" on the front. It is simply and severely built but of dignified and graceful appearance both inside and outside.

Rev. Harry M. Young directed the singing of America and then gave the invocation.

He followed this with responsive reading, first line by himself and second the response of the people. It was as follows:

Behold a king shall reign in righteousness,
And he shall bring forth justice to the nations.
He shall stand and shall feed his flock in the strength of the Lord,
In the majesty of the name of the Lord, his God.
And this man shall be our peace;
And he will teach us of his ways, and we will walk in his paths;
And he shall judge between the nations,
And arbitrate for many peoples:
And they shall beat their swords into plowshares, and their spears into pruning hooks;
Nations shall not lift up sword against nation, neither shall they learn war any more.

MEMORIAL ADDRESS OF MAURY MAVERICK

I then delivered my address:

Mr. Pastor of this church, friends, comrades, and fellow Americans, the memorial exercises which you have each year are well known. Your exercises are dignified and thoughtful. Because I knew of your services, and because I received an invitation from the Honorable DAVID J. LEWIS, the Representative in Congress from this district, I was very glad to come here and talk to you on this Memorial Day.

You all know DAVY LEWIS. But some of you may not know that he is one of the greatest scholars in Congress. He is really father of the Social Security Act. As a member of the Maryland Senate, he wrote the first industrial accident act written in America. He is one of these simple, hard-working fellows who loves mankind, and works for his fellow man.

Fellow Americans, in this small town I have today taken part in an impressive ceremony. It is a pleasant thing to live in a small town. Others think it is wonderful to live in a great city, but after all, there is probably more happiness in places like this. You know each other and are a little bit closer to nature.

In the ceremonies which we have just left, Mr. Glenn Williams has presided with fine grace, and I appreciated the short statement of Mr. John Hollyday who laid the wreath on your beautiful memorial. Also in the acceptance of the wreath by your fellow citizen Mr. John Johnson who concluded his memorial to the war dead with the hope that this Nation would stand before the whole world for peace. And now you have just heard your preacher the Reverend Harry M. Young of this church conclude his prayer by saying that we should love our enemies.

MARYLAND'S SPECTACULAR HISTORY, THE DRUMS OF WAR

Maryland, my fellow Americans, is a State with a spectacular history. The drums of your veterans' organizations are not the first drums that have been heard beating along your long Main Street. There were the drums of the Revolution, of the War of 1812, the Mexican War in 1846, of the Civil War, the Spanish War, and the World War. That ought to be enough war for one little Maryland town.

Not far from here in Frederick, Md., was the home of Chief Justice Taney of the Supreme Court, who wrote the Dred Scott decision. This decision denied Congress the right to adjust the problem of slavery and led to the Civil War. In that same Maryland city is the home of Barbara Fritchie, who is supposed to have denounced the Confederate troops, and to have waved the American flag. It is very romantic, but pretty much of a myth, or a legend. (See below, IV. City of Frederick.)

Not far, either, is Harpers Ferry, where John Brown made his raid, which stirred men's minds to fury. (See V, John Brown and Harpers Ferry.)

Yes, my fellow Americans, this part of the country has had enough of bloodshed and misery. The Mason and Dixon line, supposed to be the border line between the slave and free States, is your own county line. And here your sons marched off to fight on both sides of the Civil War.

I do not know in what proportion, but I presume that more enlisted on the southern side than on the northern side in the State, but around here the majority enlisted on the Federal side. But in any event, it was a useless war, a bitter war of 4½ years of fighting. Had the people of the United States adhered to representative government they could have saved themselves this war.

MEMORIALS FOR THE DEAD—SEPARATE FOR FRIEND AND ENEMY

However, that was so long ago its bitterness has been forgotten. It was once the rule for memorial services to be held separately in the same towns where bitter things were said about the "enemy dead." But even now in the United States of America on this very day, memorial services will be held separately where the Confederates pay memory to their dead, and the Federals pay memory to theirs.

For my part I should not like to have these separate services, but would rather that we join together in memory of all the soldiers who died in the Civil War, as you are doing today. That is because the soldiers fought for what they thought was right. Or more likely, they died never knowing why. In any event, they were fellow Americans and their memory should be respected.

This church we stand in was built in 1850. So you know it was built 11 years before the Civil War, and that its own members fought on both sides of that conflict. Close by here was fought the bloody battle of Antietam. (See below, VI. Battle of Antietam.)

SPANISH WAR. GLORY (MALARIA, YELLOW FEVER, TROPICAL DISEASES)

Down this street and past this church, as I have already said, the drums were also heard in the Spanish-American War. Away our brave soldiers went to fight in that war, too.

What did the soldiers get out of that war? Malaria, yellow fever, tropical diseases, and death. We took the Philippines, Cuba, and other provinces of Spain. What good did that do?

Our services today, however, are for soldiers of the World War, and members of certain lodges and fraternities who have sponsored the services. I was a soldier of the World War, and so were most of you. Today we think of our comrades who are dead, and whom before long we may join.

Comrades, we are not so young any more. A little silver is beginning to touch the hair of our heads and we are approaching the last long march to eternity. But when we memorialize these dead, let us do so not altogether with weeping and sentiment, and with thoughts of the past, but with good, clear thinking and thoughts of the future.

SONS OF FRENCH, GERMAN, AMERICAN MOTHERS

There is one sad thing about a man dying, whether it is on a battlefield or otherwise. For, indeed, the one who loves him most is his own mother, and she must go on living, thinking of that son who went before her. It would be a grand thing from a viewpoint of happiness if our mothers could live forever, or that they should live as long as their sons. But death comes to us both, and death comes to our fathers, and it comes to us all.

So when we think of our dead comrades, those who died in France and those who have died on our own soil, we must also think of humanity in general and those whom we called our "enemies." For they, too, had exactly the same relations as we do. The pangs of a German or Austrian mother are as great as those of an American or French or English mother.

IN MEMORY OF ALL—PEACE IN THE FUTURE

So today let us not alone meet in memory of our fallen comrades but in memory of our fallen enemies also. We meet in a Christian church. I think it proper to mention that Christ did not die for any special group but He died for all suffering humanity. Christ did not bless the bayonets and bullets of any special nation as against another. The compassion of Christ goes out to all. Let us think in those terms.

Now, my fellow Americans, we are taught to believe as we march to war that we are dying for a noble cause. Humanity has fought for noble causes occasionally, but not very often. The common man has always done the fighting and has practically never gained anything by it.

Yes, my fellow Americans, let us speak in memory of all those who have died in wars and in hope of there being no wars in the future. I speak, therefore, not only in memory of the dead but also in the hope of peace.

WE HAD NO REASON TO ENTER WORLD WAR

Let me discuss the subject of the World War frankly. My personal opinion is that there was no reason for our going into the World War. There may have been "causes", and there may be "reasons" of a kind, but there were no real reasons why the common man of America should have been taken into the Army and sent across the seas to be killed on foreign soil. (See VII. We Can Defend America.)

So, for the sake of our sons and daughters, and for those who will come after us, let us try to think this thing out. The men who have died would prefer for us, should they arise from their graves, to prevent all future wars in order that the youngsters coming up shall not suffer the same fate.

Let us search our souls and brains for the reasons of the last war. In the first place we were not neutral at all in 1914 when war came in Europe. We began by taking sides and by selling commodities to the warring nations in order that they might kill each other.

We kept on selling, our financiers kept on making money, and so to save that money and to keep up that war-boom trade we went into that war. That does not mean that the soldiers were not conscientious and patriotic. I claim we who were soldiers did our duty, but I hope to save our sons from having the same duty that was ours, or of suffering the same fate as those whom we memorialize today.

In order to stay out of war we must also observe neutrality. I have no time to go into a technical discussion of neutrality in all of its ramifications; and I do not ask you to believe in selfish national isolation. I do not ask you to enter the League of Nations, and yet I believe Wilson's ideal of international cooperation and peace was a great one. For the time we must observe neutrality, but we must eventually find some method of international cooperation.

RESOLVE TO SHIP NO SOLDIERS TO FOREIGN FIELDS

So, fellow Americans, let us make a high resolve today. In memory of our fallen comrades, we resolve that no young American shall be shipped to foreign soil, there to fight any war. We solemnly resolve that our soldiers shall stay at home. If we die, let us die on our own soil and let America enjoy the fruits of peace.

Let the whole world know that we do not want a single solitary half inch of any territory except our own. We will not give a single half inch away, nor do we want any other nation's.

And, fellow Americans, if we are to stay out of wars, we must understand in the first place that it will include the elimination of great profits by selling commodities and munitions in foreign wars. I can remember in the World War when people bragged about how much money they were making out of selling munitions to foreign countries. Men bragged about owning stocks in munitions factories. Wheat went sky high and people never realized what was happening.

If we want to stay out of war we must make the necessary sacrifices in eliminating selling war goods and not just munitions, but corn, hogs, cotton, and all kinds of merchandise. It is necessary that we resolve not to make profits out of war. We must make that resolution of sacrifice in order that this Nation may live in peace and in order that our children shall not go to war.

MONUMENTS FOR DEAD SOLDIERS AND STARVED WRITERS

Monuments are erected to the dead. Men starve and die and then great monuments are erected for them. Recently an American song writer who was not appreciated in his day, and who died in poverty and hunger in a slum, had a $500,000 monument erected for him. That was Stephen Collins Foster, who was the composer of My Old Kentucky Home, Massa's in de Cold Ground, and Way Down Upon the Swanee River.

MONUMENTS FOR THE LIVING BEFORE IT IS TOO LATE

Men are brought into wars, killed for no reason at all, and then a monument is erected for them. Monuments are all over Maryland, all over the United States—and you can get in your car, ride for a few minutes and see them by the dozens over in Gettysburg, Pa.

Our hope is that we shall build monuments for the living. We must do that in advance, before it is too late. Heretofore, it seems, the motto has been, "You have to die or get killed to be appreciated."

Fellow Americans, we have talked, and conducted ourselves in a very solemn way today. We feel that way. It is only natural. But, my fellow Americans, I have an idea if those who are in their graves could rise from the dead they would say to us, "Be happy, live with kindly thoughts, laugh and be joyful." It is hard for us to keep a command like that on a day like this, but I am sure that is the kind of a command that the dead would give us.

U. S. A., CANADA, MEXICO FRIENDLY NEIGHBORS

But, after all, my friends and fellow Americans, it is a grand and glorious thing to live in America. From a viewpoint of national defense we are very fortunately situated. To the north of us is Canada, to the south of us is Mexico, both friendly neighbors, and on both sides are friendly oceans. Unlike Europe, there are no military forts on our frontiers nor on that of any American nation, including the Dominion of Canada. For this we can be grateful to the Almighty God. (See VII. We Can Defend America.)

We know that we shall not wake up some morning, or in the dead of night, and hear the roar of planes bombing our homes and killing us and our children. That is the fear of the Belgian, the Frenchman, the German, and every European.

They live in the horror of war.

As I speak a fierce war wages in Spain and human beings are killing each other.

Indeed, my fellow citizens, this cruel war in Spain is one of the bloodiest in history. I understand that in the first few months many more men were killed than in our own Civil War, which lasted for 4½ years.

War is now a scientific matter. We have developed gases, rapid-fire guns of all kinds, gigantic artillery, and planes that bomb from the sky. Let us remember, fellow Americans, war today is no respecter of sex, age, or person. If bombs are dropped today they drop on women and children alike.

It is no gentleman's game.

It is death and destruction, followed by a trail of poverty, sadness, disease, and horror. There is absolutely no glory in it and just remember that there never was any glory in any war that was ever fought.

In memory of the dead, therefore, let us resolve peace. In memory of them, let us promise that we shall not be continuously having new wars, in order to keep on having memorials and putting up new monuments. Let us, as a Nation, have national defense, but national defense only, and let the world know that our policy is peace and good will to all the nations of the earth.

TOWNS AND VILLAGES MEMORIALIZE THE DEAD

Mr. Speaker, these ceremonies were over by 11:30, so we got in our car and traveled on through the green hills of Maryland and Pennsylvania. We visited Hagerstown, which is an industrial city of about 30,000 population. Many of the people of Funkstown work in Hagerstown.

Near that city is Mercersburg Academy, and mothers and fathers were present from all over the United States to attend the final school ceremonies.

Traveling through the towns and villages of Maryland and Pennsylvania, everywhere memorial services were being held. Some were for the Grand Army of the Republic; some were for the Confederate dead; others were for the American soldiers who fought in France.

Arriving in Gettysburg I witnessed a scene which is typical. Here and there were men in uniforms of different lodges and fraternities. The uniforms were rather attractive. The men wore shakos, or high hats, and also high feathers. There were organizations, such as Sons of the Grand Army of the Republic. All had drum corps and bands.

BAYONETS GLITTER IN THE SUN—"ONWARD CHRISTIAN SOLDIERS"

Then a students' cadet corps of a Christian college whose main object is teaching for the ministry marched by with cadenced steps, led by their band, as fine a one as I ever heard. The bayonets of these fine boys gleamed in the sun. The band played Onward Christian Soldiers Marching As to War. As they disappeared and the sound died out it seemed I heard, but I am sure I did not, "And with the Cross of Jesus marching as to war."

We then visited the Gettysburg battlefield. I had not studied the facts of this field for a long time. But I was shown the field where General Pickett charged, and I could see in my imagination the Confederates as their cavalry sabers flashed in the sun, bravely advancing in futile attack. When I was young I was taught this was a place of heroic deeds of the Confederacy, and how "we nearly won."

FUTILITY AND DREAD HORROR OF WAR

Then I drove along and saw the monuments of the Federal and Confederate officers. Over the field were monuments to the brave deeds of the North and South, where Americans killed each other. The uselessness, the utter futility, and dread horror of war seemed written on every monument. There stands a bronze monument to a Yankee colonel who was killed—the monument cost thousands of dollars—but outside of being a Yankee colonel, the poor fellow was a human being who died very young in life. Monuments, also, to Confederate officers. Then, of course, there were other men—privates, noncommissioned officers, and lieutenants—all dead and forgotten. And being dead, it did not seem to me that it made much difference whether they were Federals or Confederates, or whether the uniform was blue or gray.

Mr. Speaker, after we left we drove through many more little cities where people were also memorializing the dead.

Here were people, alive and happy, good people, patriotic people, who want nothing except to live and let live. Near them are the graves of their uncles, fathers, and grandfathers. It all seemed unreal, impossible.

For centuries our ancestors in western Europe, in the small towns of France, Germany, England, and other countries, have marched to the sound of trumpet and drum. In America, generation after generation, we have done the same thing.

What a grand thing it would be if all of this great and glorious human feeling for peace and love of humanity could be harnessed into human cooperation that would eliminate wars. What a grand thing the life of small villages would be if the people could devote themselves to the art of peace, the conservation of soil, building good houses, schools, streets, better souls, and a better humanity.

Seeing all these good people and hearing all these beating drums and thinking of bloody and cruel wars is a rather sad experience if we really understand the background of it. That men should rise and march with guns and bayonets and kill each other, even though they love each other so much, is a strange and terrible thing that I cannot understand.

I

MIDDLETOWN IN TRANSITION—BOOK, BY LYND

A study in cultural conflict in the small city

There is a little town in Maryland near Funkstown called Middletown, but it is not the "Middletown" of the book which I have mentioned. Middletown is a study of Muncie, Ind., of the effect of the industrial revolution upon it, the mode of life of the people, and their economic opportunities and lack of opportunities. It is one of the most valuable books published in recent years.

The Lynds first published a book about this city in 1929. It was of great importance, and was considered more or less final; but this latest book indicates gigantic changes and is considered to be more important than the first one.

The New York Times book review says:

> The Lynds discovered signs of a growing tension among the different economic levels in Middletown, but a tension of which many of the inhabitants were unconscious and which others tried to make themselves believe did not exist. The axiom that by hard work and saving a worker can become an employer persists, even though the gap between the wage earner and the wage payer seems to have widened greatly. Radical movements have not had a ghost of a show in Middletown—professing Communists are as scarce as zebras, and in the last election more than 98 percent of the total vote went for the two major parties, with Roosevelt in the lead.

Middletown, and Main Street, by Lewis, compared

The reason Middletown is of great importance is because it is a new approach to the town life. Main Street, by Sinclair Lewis, was important in its time, and may still be, as a picture of that period.

But the Lynds' book, although a sort of sociological survey by "investigators", is nevertheless well written and has drama and punch. It is packed with statistics, reports, tabulations of all kinds, from causes of divorce to crime, politics, religion. It is amazingly interesting and well done. The trouble with Sinclair Lewis' Main Street was that it caused a lot of small-town minds to scoff at small towns. I have myself seen many a gal in Greenwich Village in New York scoffing at things back in the old home town—and where she really belonged.

Bankers benefit by—and criticize—New Deal agencies

The authors of Middletown show the attitude of many businessmen and bankers unloading on the H. O. L. C. and other New Deal institutions, who are now denouncing such institutions for accepting "bad securities", with the further admonition that it is an interference with "the normal functioning of business." It shows the resentment of various groups of absolutely inevitable changes.

Speaking of the people living in the city, the authors say:

> They live in a culture built around competition, the private acquisition of property, and the necessity for eternal vigilance in holding on to what one has. In such an exposed situation, rife with threats, and occasions for personal tension, human beings tend to react primitively in the direction of warding off threats and seeking to conserve whatever stability they have personally been able to wrest from their environment.

But Middletown does not make villains of the rich, and proceeds as follows:

> Across the railroad tracks from this world of businessmen is the other world of wage earners—constituting a majority of the city's population, nurtured largely in the same habits of thought as the north side, but with less coherence, leadership, and morale.

The New Deal, they say, briskly fanned for a brief period local labor organizations. The town had entered the depression as an industrially open-shop town, the unions having been previously broken down. There is the rise and fall of the N. R. A.; then the last collapse of the labor movement.

Further, hundreds of hillbillies are entering from Southern States; there is intimidation of union workers—but to a large extent many of those who become citizens of Middletown have the individualistic philosophy so strong that they do not understand labor organization.

On the whole, this is a book which should be read by all studious persons in America. It is hard for one to believe that a book with so many figures and "reports" would be interesting, but it really is. My hope is that the new literature concerning towns and cities will not be of the old sarcastic, destructive, comic, or silly school, but of a new constructive school which is frank, points out the faults boldly, and tells the truth.

Books of the "Arkansaw Traveler" may have been funny in their day, but not now. We want to know the actual conditions of the sharecroppers and tenants in Arkansas, and not funny stories. Concerning the Negroes of the South—and of Harlem, for that matter—we want to know their economic problems. The old romantic and magnolia-blossom stuff is out of date.

We can no longer scoff off, laugh off, or ignore our serious problems. And little American towns like Funkstown have many interesting features.

I hope that the Lynds will devote themselves to writing a book on some small town like Funkstown.

II

OLD BUILDINGS AND OLD SETTLEMENTS AROUND FUNKSTOWN

Religious sects devoted to peace established—War continues

The Red Men's Hall, which I mentioned, was once a Dunkard Church. The old buildings in and around Funkstown are significant of early times. Many of them are of the finest type of architecture and the best example of the simple colonial style.

Funkstown is an old pre-Revolutionary community. There was a steady stream of Scotch-Irish, Germans, and other groups who settled a generation before the Revolution. Reading old histories of the county, and of that part of Maryland, I see the names of those living there today are the same as those who came before the Revolution. Most of the people are of old American stock.

Funkstown was on the main road of travel to the then very wild West—the same trail over which traveled a young, unknown British officer, George Washington, with Braddock in 1755. Thirty-five years later he came, President of what was to become the mightiest republic on the face of the earth. This was in 1790, and he was looking up and down on the Potomac for a place to establish the national capital of the young and struggling Nation. He visited Williamsport, close by Funkstown.

The Dunkards, Mennonites, and other large groups of religious people, who were pacifists and devoted to peace, largely settled the area. Unfortunately, however, this particular section of the country—Antietam, Monocacy, Harpers Ferry, Gettysburg, and others—is the area of the bloodiest warfare in the United States.

The problem that presents itself to my mind is to combine the virtues of these early religious pioneers into peaceful and constructive work. So far, however much Americans have religious groups, the more it seems we go to war and kill each other.

III

ALLEGIANCE TO THE FLAG

It is also interesting to note that another summary of the views of Americans was composed by Hon. William Tyler Page, who is minority clerk of the House of Representatives. Mr. Page, who was born in Frederick, Md., and who came to the House of Representatives as a page when he was 13 years old, and has been connected with the House ever since, received the national prize for drafting it.

His creation is as follows:

THE AMERICAN'S CREED

I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

I therefore believe it is my duty to my country to love it; to support its Constitution; to obey its laws; to respect its flag; and to defend it against all enemies.

IV

CITY OF FREDERICK, MD.

Famous old city; home of Taney. The true story of Barbara Frietchie

Frederick, Md., is a very interesting city, an old historic town established in 1745. It was the passing point of the Confederate and northern troops during the Civil War. One day it would be under the United States troops and the next it would be under the Confederate troops. The Battle of Monocacy was fought near here, the Northern troops commanded by famed Gen. Lew Wallace, author of Ben Hur, and the Southern troops by Gen. Jubal A. Early.

This is a small city which is interesting from a historical viewpoint.

Home of Chief Justice Roger Brook Taney

The house of Chief Justice Taney, who wrote the Dred Scott decision, is in Frederick. It is called the Home of Chief Justice Roger Brook Taney and the Francis Scott Key Museum. Justice Taney married Key's sister and lived in this house when he was a young lawyer. It is small and of two stories.

In it is placed the original desk on which Chief Justice Taney penned the decision in the Dred Scott case—which decision, says a card on the wall, brought on the Civil War. The Justice did not live there at the time—the desk has been brought there for show purposes. There are numerous other historical features in the Justice's former home.

The first copy of the Star-Spangled Banner to be printed in a newspaper is there. Also I had forgotten that the Star-Spangled Banner was written in 1814, at the time of the British attack on Baltimore. I have always had some vague idea that it was written during the Revolution and was a Revolutionary song.

Star-Spangled Banner Becomes National Anthem in 1931

As a matter of fact, it might be said that the United States of America had no national anthem until 1931. On March 3 of that year we see (Statutes at Large of the United States, vol. 46, pt. 1, 1508) as follows:

Chapter 436. An act to make The Star-Spangled Banner the national anthem of the United States of America.

Be it enacted, etc., That the composition consisting of the words and music known as "The Star-Spangled Banner" is designated the national anthem of the United States of America.

Approved, March 3, 1931.

Many Americans do not know that the tune of America was the same as that of God Save the King. It was also the tune of the national anthems of Germany, Switzerland, Denmark, Bavaria, Brunswick, Hanover, Prussia, Saxony, Wurtemberg, Austria, Hungary, and Russia.

Apparently "America", to the tune of "God Save the King", or the numerous other anthems of nations or principalities mentioned above, was generally considered our national anthem. As I remember it, public opinion did not adopt The Star-Spangled Banner until the war, and as noted, not officially until 1931.

"Who Touches a Hair of Yon Gray Head Dies Like a Dog! March On!" He Said

The story of Dame Barbara Frietchie (spelling different in Civil War literature) is only one of the great American illusions, although no longer taken seriously. We Americans also see a picture of George Washington crossing the Delaware, painted by a foreigner many years afterward, and begin to believe that the event really happened that way; and all of us remember as children George Washington and the cherry tree—and a lot of other things we have had to unlearn.

Concerning Barbara Frietchie, all of us remember especially Whittier's heroic and bombastic poem, which I shall not repeat here, but it was about the old lady who waved the American flag, and how Jackson came up. This is Civil War propaganda of Whittier, poetically done, but nevertheless propaganda against the South.

I find, in the Memoirs of Stonewall Jackson, by his widow, the following:

Whittier's celebrated war poem, Barbara Frietchie, claims to be founded upon an incident which was supposed to have taken place upon the entrance of General Jackson with his troops into Frederick city • • • [text of poem].

Alas for the poet, that rude hands should have to sweep away this graphic picture, which his many admirers have so long regarded as drawn from life; but I have been told by members of General Jackson's staff that this pretty story was a myth. This is confirmed by Dame Barbara's own nephew, Valerius Ebert, of Frederick city.

The report then shows that General Jackson did not pass the place at all; that Dame Barbara was then 96 years of age, and, according to her nephew, was "at the moment bedridden and helpless, and had lost the power of locomotion."

There are others who claim that it happened; but there is no evidence that it did. I have no wish to make anyone unhappy, and I hope that this house will continue to be commercially successful. Indeed, it is not a bad myth. But I only give it as an example of one American legend—which for a time probably did a great deal of harm toward crystallizing ill feeling toward the South, and engendering false patriotism and a sloppy, false, sentimental attitude toward war.

V

JOHN BROWN AND HARPERS FERRY

"John Brown's body lies a'moldering in the grave"
"Hang John Brown's body on a sour apple tree"

Also near Funkstown is Harpers Ferry, W. Va., where three States meet—West Virginia, Maryland, and Virginia. Harpers Ferry will always be in the minds of the American people as the place where John Brown made his bold and desperate raid in 1859, to free the slaves.

Being reared a southerner, I am not very familiar with the correct words of the battle song about John Brown. The way I learned to sing it was "Hang John Brown's body on a sour apple tree", and the words still seem more natural to me. I had an idea that John Brown was some sort of vicious, villainous, crazy fanatic.

Oswald Garrison Villard in John Brown—A Biography 50 Years Later, says as follows:

There had come to him, as by a revelation, the knowledge that through the portals of death alone lay the way to the success denied in life. His eagle eye had pierced the veil of the future; it was as if it had been given to him to see tramping over the hills of Virginia those blue-coated hosts to whom, 2 years later, John Brown was neither lunatic, nor fanatic, nor murderer.

There had been considerable bitterness in the area; there had been a battle; citizens, as well as some of John Brown's handful of men, had been killed. The whole State of Virginia was in an uproar; reports of slave uprisings, wholly false, spread like wildfire over the South, and were believed. Everywhere in the Nation the people were excited.

Col. Robert E. Lee was in command of the Marines who captured John Brown and those of his men who were not killed or did not escape. Gov. Henry Wise, of Virginia, came soon after and personally questioned Brown. He was

deeply impressed, but was inflexible when requests for Brown's pardon were made from over the Nation.

Attending also was a deeply religious officer, teacher at the Virginia Military Institute, and commanding the Virginia Militia—the man who was later to become the great general, Stonewall Jackson. Also, Jeb Stuart. These, and others, including several Congressmen, were to be pitted against each other in the awful and needless War between the States.

The demeanor and behavior of John Brown was so earnest throughout the trial, that when the jury came in and pronounced the sentence of death the people did not cheer. But strangely enough, when he was convicted several doctors wrote and asked, as a result of some grim and perverted emotion, that they would like to have his head—one of them desiring the head to be on exhibition at a university.

John Brown's "last prophecy"

John Brown, just before he was about to die, wrote as follows:

Charlestown, Va., 2d December, 1859. I John Brown am now quite certain that the crimes of this guilty, land: will never be purged away; but with Blood. I had as I now think: vainly flattered myself that without very much bloodshed; it might be done.

John Brown was calm. When he arrived at the gallows he sat on his own coffin without any bravado or without any smile other than a natural one. He may have been sitting in a church or in the park for all anyone knew. As he approached the gallows to meet death, he looked over the hills of Virginia, and only remarked in a simple way that the territory thereabout was quite beautiful. He stood at the gallows neither boldly nor in a cringing manner; he thanked the officers; he stood patiently as the noose was put over his neck, then the black hood; the trap was sprung.

The soul of John Brown marched on.

VI

BATTLE OF ANTIETAM

Twenty-four thousand Americans kill each other from the rise of the sun to the setting of the sun

At another time I visited the scene of the Battle of Antietam, which was around Sharpsburg. Sharpsburg is within a very few minutes' drive of Funkstown. During the Battle of Antietam one or two buildings were destroyed by shell fire in the village of Funkstown.

The field is called Antietam because a beautiful creek runs down the middle from the Maryland hills. The bridges over the Antietam are famous for their beauty. Books have been written upon those bridges.

On the day we drove there it was quite early and the sun had not become very hot. To see the beautiful fields, the well-tended road of the Department of Interior, made it all of a joyful and bright appearance; yet on these happy fields, from sunrise to sunset, 24,000 Americans, many of them close blood relatives, killed or wounded each other.

Soldiers charge over dead bodies in fierce battle

Dawn broke on the 17th of September in 1862 with a great screaming and tearing artillery duel. It was slaughter, killing, and death all day long. The brave men made charge after charge. In one instance 2,000 men fell dead in 20 minutes. Men kept charging until human beings piled up three, four, and five men high—still charging over dead bodies.

And while we are thinking of the Civil War we must remember that historically it was not a comedy of errors but a tragedy of blunders. First, the great men of America, the leaders in the Senate and the House of Representatives, were too stubborn to really compromise. When the Supreme Court invaded their field of jurisdiction in the Dred Scott decision and decreed that there should be slavery forever, and said Congress had no right to make regulations for the territory of the country they were elected to represent, they did nothing.

Blunders upon blunders were made, and then there came the Harpers Ferry incident of John Brown. Then they continued their blunders and the war started. After the war began there were more and more blunders. Armies went out of their way to meet and destroy each other, and their tactics were brave and courageous, but foolhardy to the extreme.

VII

WE CAN DEFEND AMERICA—BOOK BY GENERAL HAGOOD

We must not be drawn into another World War

This is written by General Hagood, one of the ablest generals in the United States Army. After showing that we had no business in the World War he says:

Nothing could be more foolish than to talk about the United States being inevitably drawn into another World War. The only way we can get into a war is by our own voluntary act. We go to war when the people demand war, vote for it, appropriate the money for it, and buy the bonds to support it.

General Hagood thinks that we should seek the true causes of war. That we should not be ashamed to speak the naked and bare truth. Then he says, and proves conclusively, the following:

Considered from a defensive standpoint America is the strongest military nation on earth.

To which he adds that back in our minds we have the old idea of an expeditionary force, and which we should get rid of in our minds.

He says again:

Separated on the east and west by oceans, protected on the north and south by physical barriers, as well as by people who share in our common interests, it is easy for us to formulate a defensive policy.

The basis of national defense

In chapter V he emphasizes the most important part, it seems to me, of national defense. He says:

The basis of our system of national defense should be:
First. The world's best navy—in our own waters.
Second. The world's best air corps—in our own air.
Third. The world's best army—on our own land.

Then he sums up:

But the biggest is not the best.

In the book is shown the difficulty of any foreign nation attacking us; how difficult it was for us to transport food, commodities, munitions, and troops to France—all with a friendly navy, convoys, and allied troops. For an enemy to do the same to America would be almost impossible.

Also, it is shown the general idea of "going out and getting somebody" is wrong. He suggests that we protect our shores from Newfoundland, through the Gulf of Mexico to the Panama Canal, and from there over to Honolulu up to Alaska—and no more. Why should we bring the Philippines in it? He shows our Nation has no more business meddling in the China Sea than Japan has meddling in the Gulf of Mexico.

The important thing for the American people to do is to develop the idea that our military and naval forces should be for defense only.

James A. Couzens

MEMORIAL ADDRESS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES A. COUZENS, late a United States Senator from Michigan

Mr. HOOK. Mr. Speaker, the hand of destiny hovers over all mankind. Some men are not spoiled by success but are given new life that they may do things for others. To some men the smile of one who has been discouraged means more than gold. It is a pleasure for some men to help others out of their difficulties and smile with them instead of reminding them of the black past and of the shortcomings.

The hand of destiny made the late Senator JAMES A. COUZENS a rich man in worldly goods, but he himself built within him the attributes of God and goodness. It so happened that because of the change in the ways of living and the coming of a new means of transportation he became a rich man. After he gained his riches the people of the State of Michigan recognized in him a real man, imbued with the idea of service. He was chosen by the people of the great metropolitan center of Detroit as their mayor, and later by the people of the State of Michigan as their United States Senator to represent them at Washington.

He was successful in business and in politics. He was not spoiled by success, but success gave him new life, and with the advantage gained he immediately set out to do things for others. He took great pleasure in relieving the burdens of the less fortunate and reveled in the smiles of those who appreciated his kindness. He enjoyed living because he loved to help others.

Some men look for praise; some for glory; still others for power, and use their money to those ends. Not so with Senator COUZENS. He looked neither for praise, glory, nor power, although he, in the hearts of his friends, gained all three. He did all that a good man could do. He loved his fellow men and, because of this, was one of the greatest, if not the greatest, progressive statesman that ever represented Michigan or any other State in the Senate of the United States of America.

As a friend and acquaintance of the late Senator, I loved his philosophy of life and respected his good judgment at all times. Michigan and the world witnessed the passing of a great man. He may be dead physically, but his spirit, his teachings, his acts of kindness, and his real goodness have made an indelible mark upon mankind and the world that will go down into history, never to be blotted from its pages.

Henry Elbert Stubbs

MEMORIAL ADDRESS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY ELBERT STUBBS, late a Representative from California

Mr. VOORHIS. Mr. Speaker, my acquaintance with HENRY ELBERT STUBBS, Representative in the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses from the Tenth District of California, began only after the Seventy-fifth Congress had convened; but in that short time I learned to admire and respect him as a capable public servant.

Practically his whole life was spent in serving other people. Following his graduation from Phillips University, Enid, Okla., he became a minister; and he never gave up active participation in that work until November 8, 1932, when his fellow citizens drafted him to serve as their Representative in Congress.

The last days of his life were marked by severely painful suffering, but it was characteristic of the man that he endured them cheerfully and with no complaint, sustained to the end by a trusting faith in his Creator.

There are all too few men in the public service with the ability, integrity, patriotism, and fine character of HENRY ELBERT STUBBS. His passing is a profound loss to this House, to his constituents, and to everybody who knew him; yet the memory of his useful life will remain a source of inspiration.

Were a star quenched on high,
For ages would its light,
Still traveling downward from the sky,
Shine on our mortal sight.

So when a good man dies;
For years beyond our ken,
The light he leaves behind him lies
Along the paths of men.

William P. Connery, Jr.

EXTENSION OF REMARKS
OF
HON. GLENN GRISWOLD
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 23, 1937

Mr. GRISWOLD. Mr. Speaker, BILLY CONNERY, Jr., is gone. Brave soldier, conscientious legislator, merry trouper, and lovable friend. Gently, unobtrusively, he has dropped his burdens by the wayside of life and gone to face the last horizon men may know—alone and unafraid.

No man can live one life alone. His existence is woven into many lives. Some he only brushes a little, others he changes materially. No man knows where BILLY CONNERY'S influence began; none may know where it ends. Mortal wisdom is so limited that it cannot comprehend the vast sphere of a good man's influence. The little thoughts and kindly acts that pluck the heartstrings of another being send off into eternal space a tone so beautiful that ever after it remains enshrined in the high soul of some man.

On the floor of the House and in committee room BILLY CONNERY fought the battle of the underprivileged—speaking for those whose voice was so low they could not be heard above the din of the great struggle for power, privilege, and wealth. He was the advocate of the weak and downtrodden. He gave to mankind all he had to give—the priceless gift of self.

The silent "bourne from whence no traveler returns" will be less fearful now with Billy there.

We, the company of your comrades who still await the final assembly call, stand at attention and salute you. Pass on, brave American, and be rewarded with the distinguished service cross of the Great Commander of the Universe.

William P. Connery, Jr.

EXTENSION OF REMARKS
OF
HON. E. E. COX
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 23, 1937

RESOLUTION ADOPTED BY THE RAILWAY LABOR ORGANIZATIONS

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by the railway labor organizations on the death of our late comrade, WILLIAM CONNERY, Jr., of Massachusetts:

In the death of Congressman WILLIAM P. CONNERY, Jr., of the Seventh Massachusetts Congressional District, the railroad workers of America have lost one of their most valued friends. He has always supported legislation calculated to aid those who toil, and his passing saddens the hearts of the millions of American workers for whom he so valiantly fought both in and out of the Halls of Congress.

Congressman CONNERY was always "right" on issues affecting the workers. He has consistently been on the side of labor in every legislative battle; he refused to be cajoled or coerced; he stood like a rock for the principles he believed to be right. In the face of almost overwhelming opposition he has defended by voice and vote every proposal to bring a larger measure of the good things of America to the underprivileged, the underpaid, and the downtrodden.

Probably the most outstanding achievements of Congressman CONNERY'S career was his part in the passage of the amended Railway Labor Act and the Wagner-Connery Labor Relations Act, which gave to American workers the right to organize. Those remarkable documents told the employers of America that henceforth their employees were free men, free to join the union of

their choice, free to bargain collectively for the betterment of their working conditions.

When the United States Supreme Court declared the Wagner-Connery Labor Relations Act to be constitutional, Congressman CONNERY was one of the happiest men in America, and other workers rejoiced with him and realized that his untiring efforts in securing the passage of the legislation had been rewarded with victory—not only in Congress but in the highest court of the land.

Congressman CONNERY was not satisfied to be with the workers "most of the time"; he was consistently on their side, always fighting for economic democracy.

Therefore be it resolved that the railway labor organizations signatory hereto, in Washington, D. C., this 17th day of June, 1937, extend to Mrs. Connery and other members of Congressman CONNERY's family the sincere sympathy of the railroad workers of America. We know they will find solace in the knowledge that those who knew "BILL" CONNERY best—loved him most.

E. J. Manion, president, Order of Railroad Telegraphers; A. O. Wharton, president, International Association of Machinists; J. A. Franklin, president, International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers; Roy Horn, president, International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; L. M. Wicklein, vice president, Sheet Metal Workers International Association; Felix H. Knight, president, Brotherhood Railway Carmen of America; C. J. McGloan, vice president, International Brotherhood of Electrical Workers; J. T. McNamara, president, International Brotherhood of Firemen and Oilers; G. M. Harrison, president, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; F. H. Fljozdal, president, Brotherhood of Maintenance of Way Employees; A. E. Lyon, president, Brotherhood of Railroad Signalmen; James J. Delaney, president, National Organization Masters, Mates, and Pilots; S. J. Hogan, president, National Marine Engineers Beneficial Association; John R. Owens, secretary-treasurer, International Longshoremen's Association.

Henry Elbert Stubbs

MEMORIAL ADDRESS
OF
HON. ALBERT E. CARTER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY ELBERT STUBBS, late a Representative from California

Mr. CARTER. Mr. Speaker, it was with extreme pleasure that I could be among the first to greet my good friend and neighbor, HENRY ELBERT STUBBS, of Santa Maria, Calif., on his entry into this House; recently it was with the deepest sorrow that I had to say good-bye to this dear friend. There was no hesitancy or embarrassment on his part in our last good-byes, for as hopeful as we all tried to appear, our good minister friend knew that his physical work here was finished. However, his good deeds and spiritual influence will remain.

Although knowing for many months that his days here were numbered, HENRY STUBBS carried on as he had always done in his quiet and efficient manner. He would not desert his constituents and friends back home, but continued with his good work here until the day of his last sleep. While he was a man of quiet, unassuming disposition, he was very effective in his work and ever kept constantly before him the best interests not only of his own constituents but of the people of his State and of the Nation. With sincere earnestness and devotion to the trust the people had reposed in him—a trust that he never in the least betrayed—he kept constantly and tenaciously at his work. To know him was to appreciate the real lovable, hard-working straight shooter, who never relinquished that spiritual faith which he brought with him into the Halls of Congress. With his passing on, the State of California lost a distinguished and lovable citizen, and the memory of HENRY STUBBS will long remain with us.

Aviation Reserves

EXTENSION OF REMARKS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 22, 1937

Mr. MERRITT. Mr. Speaker, the McCormack bill (H. R. 6107) authorizing the expansion of the Aviation Reserves of the Army, Navy, and Marine Corps, and enlarging the aviation divisions of the Coast Guard and the National Guard is one of the far-reaching bills introduced in this session of Congress for aviation and should have the support of not only the Congress, but the people as well, because it is for the expansion of one of our newest and increasingly important branches of national defense.

Under the National Defense Act passed by Congress in 1920, the Army, Navy, Marine Corps, Coast Guard, and National Guard are together the foundation of our national-defense structure and any and all bills affecting them together are for the protection of our country.

The practical method to increase our aviation branches of national defense is by increasing the Reserve sections, thereby eliminating the tremendous cost of 100,000 Regulars, but a Reserve force of that many pilots working on a schedule of revolving training periods would give this country a thoroughly trained Reserve force for defensive protection at all times.

Some of the important factors of the McCormack bill are, first, all Army, National Guard, and organized Reserve flying fields to be enlarged where needed; second, all shore facilities of the Navy, Marine Corps, and the Coast Guard shall be enlarged, and there shall be built new shore facilities where necessary.

To study lighter-than-air ships to learn whether they are practical for military and naval use in time of war, or to prove beyond a question of doubt their uses for commercial purposes, the Secretary of the Navy, by this bill, is authorized to build two lighter-than-air ships for training purposes and to increase the lighter-than-air personnel.

The Army and Navy Union of the United States is the sponsor of the McCormack bill and is to be commended very highly for its action to further strengthen this important arm of national defense.

I intend to give my active support for the passage of this bill and will support all moves that America may be thoroughly prepared to defend the country at all times, not caught unprepared like we were in the last war.

Warren J. Duffey

MEMORIAL ADDRESS
OF
HON. JAMES G. POLK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. POLK. Mr. Speaker, it was my privilege to serve during the Seventy-third and Seventy-fourth Congresses with Hon. WARREN J. DUFFEY, who so ably represented the Ninth Congressional District of Ohio during those sessions, and I wish to say a few words concerning his fine, unselfish service. He was truly a friend of man. No matter how busy he was with his own duties and responsibilities, he was always ready and willing to lend a helping hand to others.

He was three times called to the public service, first as a member of the eightieth General Assembly of Ohio, 1913–14; next as a member of Toledo City Council; 1917–18; and finally to the Congress of the United States where he served in the House of Representatives from March 4, 1933, to the time of his death on July 7, 1936, having been elected to the Seventy-third and reelected to the Seventy-fourth Congresses.

WARREN J. DUFFEY was a deep student of public affairs and he was ever zealous in caring for the interests of the people of the Ninth Congressional District of Ohio, whom he loved so much.

An ardent supporter of the Democratic Party, his voice was often heard in party councils.

His life was terminated while he was yet at the post of duty. He fought a good fight; he kept the faith; he has completed his course.

His few faults we write upon the shifting sands in order that the changing tides may bear them out into eternity; his many virtues we engrave upon the tablets of love and memory that they may be ever remembered.

Death of Former Representative Franklin W. Fort, of New Jersey

EXTENSION OF REMARKS

OF

HON. EDWARD L. O'NEILL

OF NEW JERSEY

Tuesday, June 22, 1937

Mr. O'NEILL of New Jersey. Mr. Speaker, a useful life has ended. For the 6 years from 1924 to 1930 the district which I now represent sent to the Congress the late Honorable Franklin W. Fort, of East Orange, N. J. Those of his colleagues who are still in the House recall his taking leave of his service here to be a candidate for the office of United States Senator and many of them knew him even before his membership in this body. They share the sorrow of his family and his friends.

Mr. Fort first came to Washington in Government service as a "dollar-a-year man" in the Food Administration during the World War, under the supervision of former President Herbert Hoover. His friendship for and his confidence in his former chief continued through all the years and during the Presidency of Mr. Hoover Congressman Fort was among those who were his counselors.

Worthy son of a worthy sire, Franklin W. Fort added new luster and honor to an eminently worthy name. We reconcile our grief that so useful and needed a character should be removed from the scene of things in our knowledge that his public career will be an inspiration to the thinking young people of the Nation.

Rotation of Reserve Officers in the C. C. C. Camps

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1937

Mr. BOREN. Mr. Speaker, under leave to extend my own remarks in the RECORD on the subject of Rotation of Reserve Officers in the C. C. C. Camps, I include the following letter written by a Member of Congress in opposition to the recent War Department ruling; also a letter from the Department showing their attitude thereon and a table of facts prepared by myself:

JUNE 24, 1937.

The PRESIDENT OF THE UNITED STATE,
The White House.

DEAR MR. PRESIDENT: With further reference to the opposition of the Oklahoma delegation in Congress to the recent War Department order requiring rotation in the services of Reserve officers assigned to active duty with the Civilian Conservation Corps, we enclose a brief showing a comparison of efficiency and effectiveness of administering the C. C. C. as between a rotation system and a permanent system for Reserve officers.

The facts are an analysis of our findings, which represent personal visits to 164 C. C. C. camps and information obtained by investigating the records of the camps visited.

The rotation policy does such damage to the C. C. C. program that many of us in Congress who are strong in our support for the maintenance of such a program do not feel that the program will be worth while if subjected to executive orders which bear such evident injury to the program.

We feel that this War Department order breaks faith with Congress.

Sincerely yours,

LYLE H. BOREN, M. C.,
JED JOHNSON, M. C.,
Committee Acting for Oklahoma Delegation in Congress.

REPLY TO PROTEST DIRECTED TO THE PRESIDENT BY THE OKLAHOMA DELEGATION

EMERGENCY CONSERVATION WORK,
OFFICE OF THE DIRECTOR,
Washington, D. C., June 21, 1937.

Hon. LYLE H. BOREN,
House of Representatives, Washington, D. C.

DEAR MR. BOREN: The joint communication from yourself and Congressman JOHNSON, addressed to the President, has been referred to this office by the White House for reply, in that it pertains to the Civilian Conservation Corps. It is noted that at a recent meeting of the Oklahoma delegation unanimity of opinion was reached in opposition to the recent War Department order requiring rotation in the services of Reserve officers assigned to active duty with the Civilian Conservation Corps.

In reply you are advised that under date of May 13, 1937, the War Department issued a communication entitled, "Training of Reserve officers on Civilian Conservation Corps duty." This communication or directive came to my attention on May 25, 1937, on which date I wrote to the War Department asking for certain information outlined in four tables so that I might better visualize the conditions which might prevail if the directive of May 13, 1937, was actually put into practice. You will find attached copy of my letter of May 25, 1937, addressed to The Adjutant General, War Department, Washington, D. C.

The War Department was requested to issue supplemental instructions which would prevent any action on the directive of May 13, 1937, for at least 2 months, in order that we might endeavor to analyze just what effect the adoption and practice of the directive of May 13 might have on the corps.

On May 27, 1937, I conferred with Gen. Malin Craig, Chief of Staff, War Department, and Brig. Gen. George P. Tyner, War Department representative for Emergency Conservation Work, and also with the President's military aide, Colonel Watson. To them I outlined my fear that the provisions of the directive of May 13, 1937, would seriously impair the efficiency and the morale of the Civilian Conservation Corps. General Craig assured me that my apprehension on that score was unfounded and that the matter would be worked out in such a way as not to have any ill effects upon the operation of the corps.

Following this conference, the directives of the War Department of May 28 and 29, 1937, were issued, which somewhat modified the terms of the directive of May 13, 1937, and carried the provision that no Reserve officer without at least 6 months' experience in the Civilian Conservation Corps would be placed in command of a company of the same.

Until we receive the information and figures asked for in our letter of May 25, 1937, to the War Department, we shall be unable to reach a comprehensive analysis of what the actual situation may be.

Sincerely yours,

J. J. MCENTEE, *Acting Director.*

A BRIEF SHOWING COMPARISON OF EFFICIENCY AND EFFECTIVENESS OF ADMINISTERING C. C. C. UNDER ROTATION AND PERMANENCY

UNDER ROTATION

Reserve officers assigned 6 to 18 months. Period, 1933–34.

Education: Average per company of 240 men of 5 subjects, covering 6 hours or 30 hours per week, with an average attendance of 30.

Religion: Average number of services held in camp, 2 per month; average number attending per month, 250.

Accidents: Average number accidents per 1,000, based on working days (loss of time accidents), 11.

Venereal diseases: 4-month period, 58 cases out of 3,000; May 1936, 11 cases out of 3,000 men; 1935, 75 cases.

Discharges: Honorable discharges given to boys for purpose of accepting employment, 7 out of 3,000 men per month, 1934; for month of May 1934 out of 3,000 men, 13; dishonorable discharges, May 1934, 13.

Desertions: 1935 (4 months), 175.

Finance: Cost to Government, 1933–35, approximately $1,000 per each turn-over; that is, each time a company commander was relieved and a new one placed in command. Properties lost, broken, or otherwise missing, according to I. and I. reports and surveys, ran from eight to twelve hundred dollars.

Investigating boards: During period from beginning of C. C. C. to 1935, when Reserve officers were continually being rotated, a large number of boards were constantly being appointed for purposes of investigating some officer for inefficiency, malconduct, etc.

UNDER PERMANENCY

Reserve officers assigned from 6 months to indefinite period. Period: 1935–37.

Education: Average per company, 175 men, of 25 subjects, including 8 hours, or 200 hours per week, with an average attendance of 170.

Religion: Average number of services held in camp per month, 8. Average number attending per month, 975.

Accidents: Average per 1,000 men, based on working days (loss of time accidents), 4.15.

Venereal diseases: 6-month period, 31 cases out of 3,000 men; May 1937, 1 case out of 3,000 men; 1937, 13 cases.

Discharges: Honorable discharges given to boys for purpose of accepting employment: 73 out of 3,000 men per month. For month of May 1937, out of 3,000, 73. Dishonorable discharges, May 1937, none.

Desertions: 1937, — months, 61.

Finance: Cost to Government: 1936–37, approximately $3 per each turn-over. Properties lost, broken, or otherwise missing ran from $1 to $4.

Investigating boards: During 1937 there has not been one single board of investigation appointed to investigate any officer among the same group of camps.

Freedom and Responsibility of Seamen

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, June 24 (legislative day of Tuesday, June 15), 1937

ARTICLE FROM THE SEAMEN'S JOURNAL

Mr. COPELAND. Mr. President, I ask leave to have printed in the Appendix of the RECORD an article published in the Seamen's Journal for June 1937 entitled "Freedom Implies Responsibility."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Seamen's Journal for June 1937]

FREEDOM IMPLIES RESPONSIBILITY

The International Seamen's Union of America became a unit of the American Federation of Labor in 1892. At that time American seamen could not strike. The law of the land did not permit seamen to quit their jobs, once they had signed shipping articles. The penalty for striking was bitter and severe. The local police and the United States marshals would "apprehend" the deserters (strikers), put them in prison, and deliver them to the master when the ship was ready to sail.

This was virtually international law, because treaties between the different maritime nations made it the duty of the authorities in the respective countries to hunt and capture deserting (striking) seamen everywhere.

The American law of 1790 providing for the imprisonment of deserters remained practically unchanged until the seamen organized and enlisted the support of the American Federation of Labor in the great legislative campaign to obtain for seamen the right to quit their jobs (to strike) and repeal of the then existing penalties.

After 3 years of strenuous campaigning, backed by a comparatively small but loyal membership, Congress abolished imprisonment for desertion in the coastwise trade through the act of February 15, 1895, known as the Maguire Act.

The attempt then made to alter the seaman's status from a bondman to a freeman, to the extent at least of freedom from imprisonment for desertion in United States ports, was immediately challenged by the arrest of certain seamen and their imprisonment and subsequent delivery to the vessel from which they had deserted. The International Seamen's Union carried the issue thus raised to the United States Supreme Court. The judgment of the Court in the Arago case (no. 334, October term, 1896), rendered on January 25, 1897, marked an epoch in the history of maritime legislation. The reasoning followed in the decision covered a wide field and clearly exemplified the view upon which all legislation of the kind in question had been based.

In the majority opinion of the Court the old law, as it has existed for centuries, was enunciated without the slightest modification or suggestion of change. In the dissenting opinion written by Justice Harlan a new conception—new at least in the annals of maritime jurisprudence—was voiced, and in terms that challenged all the old institutions.

Justice Harlan's lone minority opinion and the continued activity of Andrew Furuseth, legislative representative of the International Seamen's Union, always backed to the limit by the American Federation of Labor, soon brought further remedial legislation.

The White Act of December 21, 1898, specifically limited the penalty for desertion in a port of the United States, or in a foreign port in the domestic trade (Canada, Newfoundland, the West Indies, and Mexico), to forfeiture of clothing and wages. It also reduced the term of imprisonment for desertion in other foreign ports from 3 months to not more than 1 month, at the discretion of the court, and in other respects lightened the penalties imposed upon seamen in the merchant service.

The change made by the White Act was followed by other steps in the same direction, resulting finally in the entire abolition of the system of involuntary servitude among American seamen in all ports and among the seamen of all nations in American ports. In other words, the La Follette Act of 1915 completed the work of freeing the seaman. It gave him the right to quit his job in any safe harbor anywhere on earth.

This was accomplished 22 years ago and to date not a single maritime nation has followed the lead of the United States. Not another nation has granted the same right to seamen.

It is a truism that freedom and liberty are not self-perpetuating. In fact, all written history teaches us that in the long run freedom is retained only by men who value it and never by men who abuse it.

The question that is now uppermost in the minds of men who have carried the banner during these eventful years is, Will American seamen be able to hold their newly won freedom or shall we lose all these glorious achievements because new and strange voices are telling us that freedom does not imply responsibility, that rights and privileges do not carry corresponding duties and obligations?

Preaching unity, these strange new voices have made American ships the storm centers of faction fights of astonishing bitterness and virulence.

Promoting outlaw strikes, sit-down strikes, and countless other varieties of schemes to make ship operation unprofitable, they have declared bluntly that they will not submit to any mediation or arbitration laws that may be enacted by Congress to remedy this intolerable situation.

Surely the overwhelming majority of American seamen, who earn their livelihood at sea and give but little attention to all this turmoil, do understand that in the end they, and they alone, will be held responsible for these strange new voices that now so outrageously misrepresent them.

The American seamen's right to strike was granted by Congress on the assumption that the "wards of the Nation" had grown up and were fully able to distinguish between liberty and license.

Can we afford to remain silent while this sinister element is fanning the flame of doubt upon that point?

Can we afford to remain neutral when red alien leadership is actually jeopardizing our hard-won freedom?

Think it over, brothers! And think hard! Remember, the clever boys who preach unity and practice disruption are playing a game of marbles with your destiny, your freedom, your right to strike!

Silence means consent!

Pure Food and Drug Bills

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1937

Mrs. O'DAY. Mr. Speaker, on February 24 I took occasion to ask the House what it intended to do with the pure food and drug bills. Today I wish to add to my remarks of that date additional and, I think, timely information.

The cavalier way we, as responsible representatives of our constituents, have handled this legislation is a source of deep regret to me personally and of disappointment to millions of our fellow citizens. I continue to hear daily not only from those in my State but from all over the country on the subject. They ask what has happened to this legislation, and I have to answer, "Nothing." At least that was my answer until recently, when I became aware of an attempt to give the Federal Trade Commission control over

food, drug, and cosmetic advertising through the medium of legislation which would eliminate any and all advertising provisions from food and drug bills. Now I have to reply to those who write me that I very much fear that they will be deprived of the protection of effective control of advertising of food, drug, and cosmetic products.

Most of my constituents are interested in legislation which will protect the consumer. In my opinion the consumer will not receive the protection to which he is entitled if the regulation of advertising is turned over to the Federal Trade Commission.

There are two fundamental objections to giving control to the Federal Trade Commission. Their cease and desist procedure is not an effective method of protecting the public from false advertising, even though, as rumored, it may be supplemented by injunction proceedings. Injunction proceedings will not protect the consumer from advertisements which have been issued, only against repetition of false advertisements of exactly the same kind. Injunction will not prevent falseness but will only change the character of the falsity of advertisement, if the advertiser is one of those unscrupulous ones whom we are attempting to reach in these bills.

The second objection is even more serious. The Federal Trade Commission was set up as an umpire in business disputes, and it is not logical to expect your undertaker to serve you well as a physician. Furthermore, the Food and Drug Administration has control over the statements made on the label of these products, and advertising is only a very effective extension of the label. The same agency should regulate both.

It is not necessary today to go into the legalistic administrative objections to the cease-and-desist procedure of the Federal Trade Commission, as they have been admirably set forth by Mr. CHAPMAN, Mr. MAPES, and Mr. MERRITT in the "additional views" of the report on S. 5, the food and drug bill, last year.

Its futility from the point of view of consumer protection is convincingly demonstrated in an article in the February 11 issue of Advertising and Selling, an advertising trade paper of high reputation. The article cites actions of the Federal Trade Commission against well-known and widely advertised patent medicines and then shows from current advertising the utter ineffectiveness of the Commission's orders. All of the advertisements were taken from the Nashville Tennessean.

Paul Ward, Washington correspondent of The Nation, in a discussion of the advertising provisions of the food and drug bill, pointed out in the issue of February 27 that the Nashville Tennessean was owned by a brother of the Federal Trade Commissioner who "lobbied so vigorously last year to keep advertising in the Commission's hands." Whether or not the ownership of the paper had any significance, the letter written to Mr. Ward by the Federal Trade Commissioner in question and published in the May 1 issue of The Nation does have significance. The Commissioner attempts to prove that his brother had nothing to do with the policy of the Nashville Tennessean at the time the advertisements appeared and was not the owner of the paper. He excuses the inclusion in this paper of the advertisements, which were apparently published contrary to orders issued by the Federal Trade Commission, by saying:

> The animus back of the grossly misrepresentative and unfair Keyes article is indicated by the further fact that advertisements similar to those in question appeared in a large number of other newspapers and periodicals throughout the country.

Certainly this is an admission on the part of the Federal Trade Commission that their procedure, itself, is completely and wholly ineffective, even if their motives are of the highest.

Mr. Ward published his reply to this letter in the same issue of The Nation. He wrote, in part:

> Mr. Davis is disingenuous when he states that similar advertisements appeared in newspapers and periodicals throughout the country. The assertion is quantitatively but not qualitatively true. The advertisements in question and the others I found in current issues of the Nashville Tennessean are certainly to be found in a great many publications, but I venture to think they are the same publications that responded affirmatively to the letters sent out in 1935 by William P. Jacobs, of Jacobs' Religious Lists and the Institute of Medicine Manufacturers, urging "our business friends" to get after the newspapers and make them fight the Tugwell bill and fight, in particular, to keep control of advertising in the Federal Trade Commission. They definitely are not advertisements, acceptable to such papers as the New York Times or the St. Louis Post-Dispatch.

He summarizes the case against the Federal Trade Commission by stating:

> It seems to me that Mr. Davis, instead of framing the protest he has written, would have done better to attempt to explain why Federal Trade Commission control of advertising has been a flop; why the worst frauds in the food-and-drug racket are fighting to keep advertising control vested in the Federal Trade Commission; and why, when Mr. Jacobs urged his dependents and constituents to write letters to Congressmen to that same end, he urged that copies be sent to Mr. Ewin Davis, who was then Federal Trade Commission Chairman.

The attitude of the Federal Trade Commission as an umpire in business disputes is shown from its record to be extremely friendly to some of those whose advertising is most objectionable. Another article in The Nation, this one by Henry Lewis, gives further evidence of this attitude. I quote from the issue of April 24:

> Just how effectively the Commission might be expected to crack down can be surmised from the story of its tender dealings with Dr. C. A. Constantine. The Commission apparently was not aware of Dr. Constantine's activities, for it did nothing to put an end to them. It was the Post Office Department which finally stepped in and issued a fraud order requiring Constantine to cease operation of his mail-order business. But that is not the whole story. In the course of the inquiry the good doctor introduced a testimonial letter as evidence of his own stalwart character and of the sterling worth of his cure for pyorrhea. The letter appears below:
>
> FEDERAL TRADE COMMISSION,
> *Washington, D. C., April 29, 1931.*
>
> DEAR DR. CONSTANTINE: The pyorrhea treatment was duly received, and I very much appreciate your kindness in sending it with your compliments. However, as the members of the special board have made a rule for themselves not to accept gifts from a party while his matter is still pending before them, I am returning the check herewith.
>
> I have delayed writing for a few days until I should have time to try out and report upon your treatment. I have been using it, as per directions, and find it really wonderful. I have never seen anything like it. My gums stopped bleeding overnight and began at once to improve noticeably in the matter of soreness and sponginess. While my case is not bad, I would go to the dentist in Seattle about every 6 months for a few weeks of treatment, using common table salt between times, as that seemed more efficacious than any of the varied and sundry dentrifices tried and discarded in their turn.
>
> I have noted another effect upon me, although it may be my imagination; that is, that your treatment so penetrates the gums and makes them feel so fine—with an agreeable taste, moreover—that I do not crave for tobacco or a cigar as I had been doing. I am pleasantly surprised at times to find I have gone several hours without even thinking about tobacco, something quite unusual. I am wondering if my gums, saturated with nicotine, have not been calling for more.
>
> I'll drop you a line when I've completed the course of treatment, and we'll see then how it holds up.
>
> Again thanking you for your courtesy, and with best wishes, I am,
>
> CLYDE M. HADLEY.

Mr. Hadley is a member of the Federal Trade Commission's Special Board of Investigation. His letter reveals a susceptibility to the claims of patent-medicine dispensers hardly fitting in a presumably scientific investigator; aside from that, his solicitude for Dr. Constantine is all too revealing an indication of the tenderness with which the Commission handles, for example, a big drug manufacturer like the Bayer Co.

Back in 1934, when Bayer was no longer enjoying its monopoly of the aspirin business because of patent expirations, the company was straining desperately to preserve its exclusive market and to protect its ridiculously high prices. Bayer aspirin, the company advertised, was the one and only original aspirin—or words to that effect. It did not depress the heart, it did not upset the stomach, it was perfectly harmless, one tablet would put you to sleep. "Anyone can take Bayer aspirin" the ads boasted, the implication being that if you took any other kind of aspirin you did so at your own risk.

Other manufacturers who were struggling to get a foothold in the market complained, and the Federal Trade Commission had to do something about it. But no one could have asked for more thoughtful consideration. Sparing the company the embarrassment of a public trial and dispensing entirely with evidence and findings of fact, the Federal Trade Commission issued a "consent" cease-and-desist order against the Bayer Co. which was a model of restraint and indirection. The Commission ordered the company to stop making such representations as have

already been noted, "unless properly qualified, limited, or explained." A most helpful suggestion.

But the Commission went even further; it stipulated that "nothing in this order shall be construed as preventing the respondent from making proper therapeutic claims or recommendations which are based on reputable medical opinion or recognized medical or pharmaceutical literature."

The article goes on to give additional examples of the attitude of the Federal Trade Commission toward certain nostrums, and gives examples presented as cures for rheumatism—Renton's Hydrocin Tablets, Allenru Capsules, and Sisson's Formula Tablets, Nos. 1, 2, and 3. Mr. Lewis says:

* * * The Commission simply instructed the manufacturers to qualify their advertising claims by limiting them exclusively to cases of rheumatism caused by excessive uric acid. This order, misleading as it is to the consumer who doesn't know whether his rheumatism is caused by uric acid or sunspots, would be bad enough if the theory that rheumatism is caused by excess uric acid had been established. On the contrary, the causative role of uric acid is today more obscure than ever.

When Renton's Hydrocin Tablets came on the market in 1929, the Food and Drug Administration clamped down on them immediately, for in common with Sisson's Tablets they contained cinchophen, a drug which dangerously affects the liver. The manufacturer had to revise his labels, but was required only to restrict his advertising claims to those conditions caused by uric acid.

The Food and Drug Administration has repeatedly pointed out that "it is the consensus of present-day medical opinion that none of these conditions, with the exception of gout, is due to excessive uric acid." The Commission knew the Administration's stand.

What has been the inevitable result of such forbearance? The American Medical Association reports that in 1932 Renton's Hydrocin Tablets caused at least six deaths. And in a letter to Periodical Publishers, dated December 27, 1933, the National Better Business Bureau reports that when information concerning the A. M. A.'s investigation of this death-dealing product was conveyed to the manufacturer, "the company replied that it was conducting its advertising in accordance with a stipulation executed with the Federal Trade Commission."

If further proof is needed, it is found in the May 9 issue of The Nation in another article by Mr. Ward. Not the least discouraging of the facts brought to life by Mr. Ward is a revelation that the Federal Trade Commission in its efforts to arrogate to itself exclusive control of the food, drug, and cosmetic advertising, is seriously hampering the work of the other Government agencies that are acting in the consumer's behalf. His article in the May 9 issue of The Nation may well be called "Standardizing Fraud." He starts his article by asking the following question:

Did you know that your Government, which through the Post Office Department, the Food and Drug Administration, and the S. E. C. attempts to keep you out of the clutches of various types of knaves and thieves, also maintains an agency engaged in standardizing and licensing fraud?

He answers the question by saying:

Let me introduce the Federal Trade Commission and then go on to tell you something of what has become of this agency which Woodrow Wilson wished upon the Nation in 1914.

The particular section of the Federal Trade Commission that is engaged in standardizing and licensing fraud is its Special Board of Investigation, established in 1929. * * *

It is fair to skip over all the other divisions and concentrate attention on the Special Board of Investigation. The spirit of the whole Commission is admirably illustrated in the operations of the Special Board, and it is the nerve center of the Commission's fight to see that any new food and drug legislation contains a provision reserving control of advertising to the Commission and keeping it away from the Food and Drug Administration.

The help the Federal Trade Commission has extended to flimflam artists is of two sorts—formal and informal. The informal type comprises the maintenance of a kind of tipster service for the latter-day medicine men. Other Federal agencies, proceeding against these quacks, find when they come to grips with them that their own and the public's foes have been forewarned and prepared for the combat. The quacks show a strange familiarity with the details of the case which the Government agency has built up against them, and are prepared to obfuscate, if not meet, each point in it. Then there are the testimonials. In an astonishing number of cases nostrum makers pluck out of their files and slap down before the examiners testimonials received from one or more of the men to whom the Federal Trade Commission has entrusted the job of checking up on just such "cures."

Mr. Ward gives as an example of the informal type of aid, the case of Daggett & Ramsdell's cold cream. According to Mr. Ward, this cold cream is supposed to contain colloidal gold, which is supposed to make it superior to any other cold cream. Mr. Ward tells the story of a meeting called by the Special Board of Investigation in the following words:

On the morning of May 28, 1936, virtually all the top chemists and physiologists in the Government departments were invited to a meeting sponsored by the Special Board of Investigation, there to hear a Dr. F. S. Macy lecture on colloidal chemistry. It turned out to be a lecture on the wonderful properties of colloidal gold when used in face creams. I am assured by some of the scientists who attended that Dr. Macy was able to tell them a great many things about colloidal chemistry that they did not know—and do not know today. It seems, according to a transcript of Dr. Macy's address, that colloidal gold has a remarkable relationship to feminine beauty; its molecules burrow right down into the skin and deposit it on the surface where it can be wiped right off. But before hoisting a bit of dirt up to the epidermis they carefully wipe all the little germs off it. Dr. Macy didn't put it quite that way, of course; he said colloidal gold had no "germicidal" effect. He was quite careful about it, too. If it had a germicidal effect, or claimed to have, the cold creams containing it might be subject to regulation by the Food and Drug Administration. Dr. Macy's clients preferred to stay with their hosts, the Special Board of Investigation, whose chief, Mr. Adams, gave the doctor an effusive introduction, in the course of which he not only said that Dr. Macy "is reported to be better acquainted with the subject of colloids in medicine than anyone else in this country" but that Dr. Macy had "anticipated the discovery of insulin by about 3 years." The Mr. Adams who uttered these phrases is the gent, dear public, whom the Federal Trade Commission placed in charge of passing on the scientific claims of nostrum makers.

Mr. Ward goes on to point out that not only is this informal kind of aid given to quacks but that in effect certain stipulations entered into by the Federal Trade Commission with manufacturers tend to standardize fraudulent practice. Mr. Ward says:

The formal type of aid given to quacks is no less interesting, for it is in this branch of its work that the Commission gets right down to the business of licensing fraud. The feat is performed by summoning the manufacturer of some nostrum before the special board of investigation, letting his witch doctors pour into the ears of the examiners a flood of mumbo-jumbo in justification of his advertising claims, and then entering into what is called a stipulation but in reality is license for the quack to go on duping the public. In these stipulations the advertiser in most cases does not promise to cease claiming that his bread pills will cure stomach ulcers; he merely promises to be more careful, more subtly insinuating, in the way he words his claims. The Federal Trade Commission, in turn, suggests the words and phrases he thereafter may use without fear of prosecution. And should the gentleman at some later date be dragged into court on a fraud charge, he has ready to hand a potent defense in this stipulation.

When the Post Office Department's fraud division a few years ago moved against Vreeland's Hair Herbs, which represented itself as a cure for baldness, it found the manufacturers equipped with one of these Federal Trade Commission stipulations which permitted him to go on making his claims if he took care to insert a note that his product worked if the hair roots were not dead. Last month the Federal Trade Commission issued to H. Will Elders a permit to go on representing his "filled prescription for women" as a treatment for sterility provided that he limited his representations to "cases of sterility due to functional weaknesses." Others have been licensed to advertise cures for rheumatism due to "urid acid", and cures for stomach ulcers due to "hyperacidity."

It is important to note that the existence of these stipulations hampers the other Federal agencies. The Post Office Department's very efficient and conscientious fraud-order division often encounters difficulties in obtaining copies of the Federal Trade Commission stipulations involving shysters against whom it is proceeding. Mr. Adams and his colleagues take the position that these stipulations are secret arrangements between the Federal Trade Commission and the permit recipients. Their stand is the more amazing because of the fact that their right to issue these stipulations is far from unquestionable; in fact it actually has been questioned by the Supreme Court in a decision written by Justice Sutherland and handed down against the Federal Trade Commission in May 1931. This was a case in which the makers of Marmola tablets, a reducing compound, after being driven out of the mail-order business by the Post Office, began under the name of the Raladam Co. to sell the same tablets through retail stores aided by national advertising. The Federal Trade Commission entered the picture at this point and went after the Raladam Co., seeking to censor its advertising, not on the ground that its claims were a fraud upon the consumer, but on the ground that they represented unfair competition with other nostrum manufacturers operating in interstate commerce. Justice Sutherland, denying the Federal Trade Commission jurisdiction, opined that Congress never had intended to set up the Federal Trade Commission for the purpose of "preserving the business of one knave from the unfair competition of another."

But the testimony which I have presented and other records which I have seen are sufficient proof that the Federal Trade Commission is not the proper agency to protect the interest of the consumer.

I, for one, am convinced that any legislation regulating advertising of food, drug, and cosmetic products must be

considered by us primarily on the basis of the effect it will have on the consumer. I urge you not blindly to follow the lead of the Federal Trade Commission and place the control of food, drug, and cosmetic advertising with that agency. No one is more aware than I of the very efficient work which the Federal Trade Commission has performed over a period of years in other fields.

I earnestly hope that we shall have the opportunity before the close of this session to vote for a food, drug, and cosmetic bill which will adequately protect the interest of the consumer. But it would be better to have no new legislation affecting the regulation of advertising of these products than to pass legislation which will be wholly ineffective.

In conclusion, let me say that regardless of the agency empowered to administer the law, the law itself is of first importance and must, since the cease and desist orders have proven ineffectual, provide an adequate civil penalty. The law must have sufficient strength to prove a deterrent to false advertising. It is not only a question of punishing the offenders but of preventing repetition of the crime.

To the Far Horizon

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1937

ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT, AT MONTPELIER, VT., ON JUNE 14, 1937

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include my commencement day address delivered June 14 at the one hundred and third annual commencement of Montpelier Seminary, Montpelier, Vt., as follows:

If I am able to contribute to this occasion only a small measure of the pleasure I have enjoyed in anticipation, and now realize in being present, I shall feel well repaid for such effort as I have made to get here at this very busy season of the year.

Four of the happiest years of my life were spent as principal of a high school, and today, as very often in the years that have gone, I recall with emotion, and genuine pleasure occasions such as this, in which I played a minor part.

Like everyone else who indulges in retrospection, the mistakes made loom large against the sky of might-have-beens, but here and there is found a former student who lets a little joy into life by admitting that, at least, he was not ruined by the educational theories we followed in the good old days.

I have not, however, come here today to talk educational theories or methods, to indulge in a learned disquisition, or discuss the doctrine of relativity. I do want to call your attention in my own way, very briefly, to a few things, which from experience I have learned one ought to know, and, if possible, to direct your attention to some pitfalls in your path which perhaps I may help you to avoid.

As an evidence of the successful completion of your course of study, you soon will have received from the authorities a certificate, or diploma, a document you do well to prize and cherish; not, however, as a reward, solely, but as a challenge to you to future accomplishment. Do not be satisfied to get this diploma framed, or to hang it up where he who runs may read, and then rest upon the laurels which you have won. In the days to come you will not be judged so much by what this diploma says you have been as by what you are.

What use, then, do you propose to make of your opportunities? As you answer this question by deeds, rather than words, so you will determine what you are. You may think it is easy to fool other people about half the time, but let me tell you something: you cannot fool yourself a minute.

We of the older generation have learned some things in the school of hard knocks, and one of them is that you will get out of life just about what you put into it and are qualified to take out of it. Strange as it may seem to you, the joy and comfort you get out of living will be measured by the sacrifices you are ready to make; and the sooner you know this, the better for all concerned.

I do not wish you to go away from here today with the mistaken notion that your diploma is an open sesame to success. You have done well; why shouldn't you? You have done nothing more than you ought to do. Do not be misled! Your diploma is nothing but a certificate. It is only a statement to the effect that you have been supplied with some of the necessary tools. Whether you succeed or fail from now on depends on the use you make of the equipment you now possess, not on how lovely looks the framed diploma.

Life is a good deal of a game; it resembles football, where you have four downs in which to make 10 yards; and baseball, where you have to make the circuit of the bases and get home more times than the other fellow in order to win. It is everlastingly true that you can't sit on the side lines or bleachers and get anywhere in the game of life. You have to get right into the game in order to win. To make the eleven, or to be a member of the team, takes a lot of hard work, consistent training, and a sacrifice of a lot of things that those on the side lines think they enjoy, but to those in the game the joy of it, the satisfaction found in playing it for all it is worth, the justifiable pride felt in having contributed one's part to the success of others—all these things make it worth while to play the game for all that it is worth.

From now on you will have to depend upon yourself—all this talk about pull is nonsense. Someone may help you get a job, but in these days of keenest competition and cold-hearted rivalry between and among all professions and industries, if you hold your job it will be because you deserve so to do. Notice the man who does the talking about the fellow with a "pull" and you will observe that 9 times out of 10 it is the push of his wife which pulls his family along. It is "push" not "pull" which will get you somewhere.

Pretty soon you will have to make up your mind what you want to be and what you want to do, for until you have decided where you want to go, you are not likely to get anywhere. Do not decide in a minute, but take time, then when you have made up your mind keep everlastingly at it until you reach the goal. What you are plus what you know determines absolutely the degree of success you will achieve in life.

Strict fidelity in the discharge of the common, simple, homely duties of everyday life best fits you and is the best preparation you can have to enable you to take advantage of greater opportunities which may be afforded you. The secret of success you will learn, and I say to you it is most true, lies in your ability to seize the day, in your being able to make the most of the opportunity offered you to make good. It is not so much where you now stand as the direction in which you are moving or intend to move which is important. You will come to realize and appreciate the fact that you never can find time to do anything. It is always necessary to take time in order to accomplish anything worth while. Bear in mind that the surest way to miss success is to miss your opportunity. Seize this very day, for tomorrow is a day when idlers always work, when fools always reform, and mortal men lay hold on Heaven.

Time past seems nothing; time to come always seems long. So indulge not in vain regrets for the past, in vainer resolves for the future; act, act in the present.

Today, in the midst of the greatest revolution the world has ever seen, there is only one unpardonable sin—indifference. And there is another sin, almost as unpardonable as the first, and that is ignorance.

Before the throne of coming events it will avail you nothing to explain, "Well, I did not understand", or "so many things had happened I just could not keep interested." For you shall go down into the limbo of those who do not deserve to survive—"Who had ears to hear, yet heard not; and eyes to see, yet saw not."

In the olden days before the machine became an iron man Friday, people obeyed the law "Work or starve." Today the slogan is, "Think or perish."

I might as well admit, first as last, that I have no patience with those who are living in the past, and to and of themselves and their generation. What old fossils they are to permit themselves to think that the best has been, when everybody knows that the best is yet to be. They live in a past gone glimmering through the dreams of things that were, not realizing that the tender grace of a day that is gone will never come back to them, or that the past is dead, and has no resurrection. They forget that the earth with its scarred face is a symbol of the past.

I say to them and in their interest that beyond the east is the sunrise, and beyond the west is the sea. There is a realm where the rainbow never fades, where the stars are spread before us like islands that slumber in an ocean, while things and beings that pass before us like shadows will stay in our presence forever.

Youth is the stream of the new washing against the rocks of the habitual and the old. It floods in a continual current of enthusiasms, of joy in existence, of hope, of fine expectation, of sharp awareness of evil and injustice, of headlong ambition to reap harvests that seem possible.

Youth is the idealist. It sees what may be builded out of what is. It is the impetuous engineer, knocking at the gates of thought, clamoring to be let in. It is progress, change, alteration, eternal striving ahead, and if it is inclined to trail off the discussion, sometimes into poppycock, it has still the seeds of vitality. It is that part of life which is irrepressible growth.

Age is the halfway house, where experience fructifies into caution. The aloe has bloomed but the fruit may be mellowing. Age has met disillusion and knows the garb of that foeman. It has pushed possibilities to the limit and feels ready to cry "halt", that it may consolidate its winnings. Crabbed only when defeat

has embittered it, or when fear has driven out generosity and implanted greed, it represents the realities which to youth are still touched with haze.

Age, nevertheless, is no practical realist when it deadens its ears to the news which the new generation has to tell it. To set oneself against the idealist merely because of a constitutional hatred for change is to prophesy one's own defeat. Hatred for change is not a qualification of the practical realist.

Change is everywhere. It is born into the world with our progeny. Every babe in the cradle is a potential revolution; the end of one speech, and the beginning of another. "Let us keep the keys from the children", cries a woman novelist. Folly! The children are born with the keys in their possession—brain. And if they move to the next village and build up a lure there to draw half of our local populace, are we the gainers?

We are the steadiers; the stabilizers and the anchors of this day and generation.

To you of the older generations, may I say: When the future looks dark and unpromising, when you cannot reconcile the present with the past, do not be discouraged; learn to say with Martha Haskell Clark:

"Youth will be served; the gods we reared
In faith upon our altar-stone
Now keep their vigil unrevered
In dusty corners, all unknown:
New idols rise at new demands
Above our crumblin' overthrow,
They pick and choose with ruthless hands—
As we did in the long ago.

"Youth will be served; we live to see
Our dearest deeds another's boast,
A butt for laughtered ribaldry
The dreams for which we suffered most.
They see no print of bleeding feet,
The heights we won on footsteps slow
They mount, unwitting of defeat—
As we did in the long ago.

"Youth must be served; one harvest's gain
The seed from which new harvest springs,
The fuller yield of golden grain
From our forgotten harrowings.
Their hands shall turn fresh furrow-soil,
The bread we eat, they too shall know—
May they find gods to sweeten toil—
As we did in the long ago."

In less than a thousand years bolshevism and fascism and technocracy may be forgotten. But we are not living a thousand years from now; we are living today, and we face a tomorrow that will depend upon the wisdom we shall gather today. Not all of us will be leaders in the coming strife. Most of us will be merely contemporaries. Therefore let it be written upon our cenotaph that we were "Intelligent contemporaries, who fought the good fight as we saw it." That would be glory enough for anyone.

Some 20 or more years ago there appeared in a then current magazine an article by Henry Van Dyke in which he incidentally discussed the advantages of study. I have tried in vain to find the magazine, but am compelled to depend on some notes I made at the time. In substance, he said: "The advantage of study, I suspect, is not in the number of things we learn by it, but simply that it teaches us the one thing worth knowing, not what but how to think."

To know something of mathematics as the symbolism of those exact relations of number and form which are hidden beneath all things harmonious and symmetrical, all beauty of line and tone, all sweetness of music, and all certainty of natural law; to get an insight into history as the dark glass in which the past is dimly reflected so that the forms of dead heroes and the procession of vanished races shall revive again and move within the field of imaginative vision; to learn to read literature in the mother tongue, or in the language of other lands or other ages, with a vital interest, following the author's meaning beyond the printed page, so that the golden gates of well-chosen words shall open before the attentive mind and give admission to a new world of thought and feeling, landscapes of wonder and beauty, orchards and vineyards full of delicate fruits, cities inhabited by people whose talk is worth hearing and whose adventures are worth following—these are some of the advantages which are enjoyed by the student.

The more scholarly we become and the broader and finer our academic attainments, the more forcefully is it brought home to us that the power of seeking and acquiring truth which we possess; that power which thinks and reasons and judges is found in that which we call the intellect. It is the great instrument by which man accomplishes and compasses his wishes.

"Take fast hold of instruction," says the Psalmist. "Let her not go; keep her for she is thy life." But he goes on to say: "Wisdom is the principal thing; therefore get wisdom; and with all thy getting get understanding." "The fear of the Lord, that is wisdom; and to depart from evil is understanding."

To put it another way: Education, academic achievement, scholastic attainment, amount to nothing, or at best to very little, if in the process of their acquisition we have been so unwise as not to get knowledge and skill. Education should not be solely a stimulus to abstract learning, exclusively intellectual training, the exaltation of talent. As someone has said, its chief end should be to fit us for action, to make us efficient in whatever we undertake, to train us to firmness of purpose and to fruitfulness of resources in everyday affairs, and especially in emergencies, in times of difficulty, danger, and trial.

"Some are discouraged from proposing to themselves improvement by the false notion that the study of books, which their situation denies them, is the all-important and only sufficient means. Let such consider that the grand volumes of which all our books are transcripts, I mean nature, revelation, the human soul and human life, are freely unfolded to every eye. The great sources of wisdom are experience and observation; and these are denied to none. To open and fix our eyes upon what passes without and within us is the most fruitful study. Human improvement never wants the means where the purpose of it is deep and earnest in the soul."—William Ellery Channing.

It is mind after all which does the work of the world, so that the more there is of mind the more work will be accomplished. A man in proportion as he is intelligent makes a given force accomplish a greater task; makes skill take the place of muscles, and with less labor gives a better product. It is an insult to our intelligence to suggest a contrary doctrine.

Man is bigger and greater than any machine he will ever invent. It is a new era in which we are living. Man will have to adapt himself to the speed of the age and the progress in things mechanical, for which he can hold himself responsible.

Because a policy or a principle or a theory is old does not of itself establish the fact that there is not something better to be found. On the other hand, because a policy or a principle or theory is old is not to be taken as a reason or justification for our departure from it.

The astronomer discovers that geometry, a pure abstraction of the human mind, is the measure of planetary motion.

The chemist finds proportions and intelligible method throughout matter; and science is nothing but the finding of analogy, identity, in the most remote parts.

The ambitious soul sets down his own conclusions before each refractory fact; one after another reduces all strange constituents, each new power to its class and its law, and goes on forever to animate the last fiber of organization, the outskirts of nature by insight.

There are certain laws which in the last analysis are as inexorable and unchanging as those which govern the rising and the setting of the sun, though the time limit within which operations under the law may be completed may change and vary. Man always has turned, and always will, eventually, turn these laws to his advantage and to his own account.

The greatest task you have before you is to know yourself. Conundrums, more or less, as you all have been to parents and teachers these years, it soon will devolve upon you to attempt to solve the riddle of your life. You are the one who has to make your own character analysis by the observation method. Someone has said that many people swear by it. The truth is, more swear at it. There are certain persons whose natural faculties are so unusually well developed that they have a peculiar ability to analyze character, but most of the books on character analysis are "bunk", and most so-called character analysts are fakers. You are the only person on God's green footstool that knows just what you are. See to it, then, that you need never be ashamed of the analysis you make.

The day may come out of these days so like those of the Arabian Nights, when wonders never cease; the day may come when you may be able to read my mind, and I shall be able to read yours. Only a degree more strange and wonderful than that transmission of electrical energy and power which scientists say is sure to come. What a commotion there would be in some communities tomorrow morning if the newspapers should carry the announcement of the invention of a machine which would make possible the reading of other people's minds. It would have its disadvantages as well as its advantages. Somebody would immediately patent a device to keep the other fellow from "listening in" and to prevent us from knowing exactly what the other person thought of us. We need not speculate, for the business in hand, mine as well as yours, is to obey the injunction, Know thyself.

You are going to be surprised at a good many things you will find yourself able to accomplish. On the other hand you are going to be disappointed at what you will call your failures, which are really to be your stepping stones to success.

Said Lowell:

"Greatly begin! though thou have time
But for a line, be that sublime,—
Not failure, but low aim, is crime."

The blue of heaven is larger than the cloud, but the sun will not shine for you all the time. This is not a soft world and the sooner one knows it is a hard world, the better, for the way out of trouble is not around it, but through it.

You will get a lot of hard knocks, yet they only serve to smooth off the rough edges, and you must learn to look at them that way. You will be crowded and jostled and pushed out of your way, hither and yon, but if you keep your eye on your goal you are bound to arrive.

Permanent happiness does not come to the drifter and dawdler, but to the worker, the creator, the victor over possible defeat. Only that worth working for is found to be worth the having. The conquering of resistance is the beginning of contentment. It is the struggles, the contests, the troubles, the friction of life in the struggle for existence which conquer the world.

The beginning of education is the acceptance of the law that one reaps what he sows; is responsible for his own career, and that it is useless and idle and foolish to attempt to blind one's eyes to such fundamental facts, or to shift the responsibility of one's failures to other peoples' shoulders.

In this age, the greatest the world has ever seen or known, with the hilltops toward which you are looking bathed in the light of the morning sun of promise and the distant mountain summits aglow with splendid achievement, you have a right to determine that you will make your life worth while and that the best is none too good for you; but this should not mean that every mountain summit should shine with golden glow in order to be worthy of your scaling, nor that every landscape be bathed in silver to command your notice.

It is well for you to know, as you step out tomorrow, that there are many things money cannot buy, and that of itself and in itself it does not bring happiness. It does not buy peace of mind, nor a clear conscience, nor the capacity for enjoying that which you purchase. It is a fine thing to have money in order to purchase the necessities and the comforts and luxuries if you can appreciate them, but many of the wealthiest men and women of today are numbered with the most unfortunate in the land. Their wealth has not brought them comfort or happiness.

Ian Maclaren, once asked to make a list of the six men whom he considered the greatest men of history, said: "One opened the kingdom of letters with his poems; another asked for us the deepest question of the soul in his dialogues; a third opened for us a new world and doubled our dwelling place; a fourth expounded the secrets of the physical universe and arranged the stars on the map; a fifth cleansed away the corruption of the church and restored her strength; and a sixth, greatest of all, showed unto the world righteousness and wrote the ten words of our conscience.

"The names of Homer and Socrates, Columbus and Copernicus, of Luther and Moses, can never be blotted from the pages of human history. They belong to no country; they are citizens of the world, and their fame is ageless."

Let me add, these men were not great because of their poverty (everyone of them was poor), nor in spite of their poverty, but because of their aspirations and their motives. Learn here and now that no man can be great without great motives. Get the noble thought which must give you the highest impulses of which your being is capable, that all you learn and all you get is for your fellow man.

"The great and heroic soul," says P. R. Hawward, "stands marked off from his inferior companions by his superhuman courage and resolution." When cowardly men shiver on the deck and cry out to be taken back home to the shelter of the motherly apron of the known and understood, a Columbus stands aloft, keeps his eyes on the untried future, and cries, "Sail on! Sail on!" until he discovers a new world. So it was in the past, and so it must always be.

The discoverers, the pioneers, the men of achievement, have always been able to say, as Paul said: "I have fought the good fight, I have finished the course, I have kept the faith." The ability to use such words as these is the supreme evidence of the possession of courage.

Such courage is a necessity for every person in any walk of life. Not alone do the great and conspicuous lives need it; in all circumstances every day existence takes on a new color when men face it with hearty and smiling courage.

As you face each new day, which opens up before you new opportunities and added responsibilities, with new hope, courage, and high aspirations, and an open mind ready to receive all that may be gained in the way of knowledge and education, for life is a school of learning from beginning to end, with ever a new day dawning, challenging you to go forward with renewed zeal and energy. I bid you remember the words of our beloved poet, Henry W. Longfellow:

"The heights by great men reached and kept
Were not attained by sudden flight,
But they, while their companions slept,
Were toiling upward in the night."

The old oracle said, "All things have two handles; beware of the wrong one." And Ralph Waldo Emerson said, "In life too often the scholar errs with mankind and forfeits his privilege." Then he goes on to say, "Every day the sun; and, after sunset, night and her stars; ever the winds blow; ever the grass grows; every day man and woman, conversing, beholding, and beholden. The scholar is he of all men whom this spectacle most engages." So much for the commonplace.

To the student and scholar, to the individual, there comes a sense of appreciation of, what shall I say, of a something—a longing which others do not know and cannot comprehend—perhaps as well stated in these words of Moody as anywhere:

"Careless where our face is set,
Let us take the open way.
What we are no tongue has told us.
Errand goes who forget?
Soldiers heedless of their harry?
Pilgrim people gone astray?
We have heard a voice cry 'Wander!'
That was all we heard it say."

• • • • • • •

"God, who gives the bird its anguish, maketh nothing manifest,
But upon our lifted foreheads pours the boon of endless quest."

So we go along unblazed trails. So we shall always go. We cannot penetrate the final mystery of things, because behind every mystery is another mystery. So it will always be.

Forever apace, never arriving, has been the timeless past and shall be the endless future. Ah, but a man's reach should exceed his grasp. Or, what is heaven for, says the poet?

Yes; this is the trail along which travel all human ideals. An everlasting trek from the near to the far horizon, sown thick with human bones.

There is no ending and no beginning. There is no limit to space or time, though we make our heads ache trying to think how such can be the case.

Beyond the East the sunrise; beyond the West the sea;
And East and West the wander-thirst that will not let me be.
It works in me like madness, dear, to bid me say good-bye;
For the seas call and the stars call, and, oh, the call of the sky.

I know not where the white road runs, nor what the blue hills are;
But a man can have the sun for friend, and for his guide a star.
And there's no end of voyaging when once the voice is heard,
For the river calls and the road calls, and, oh, the call of the bird.

Yonder the long horizon lies, and there by night and day,
The old ships draw to home again, the young ships sail away;
And come I may, but go I must, and, if men ask you why,
You may put the blame on the stars and the sun and the white road and the sky.

Still we go on—and shall, for we are only at the beginning. That is the challenge which confronts you.

There is never a beginning; there is never an ending to the inexplicable continuity of this web of God, but it is ever and always circular; power returning into itself. Therein it resembles His own spirit, whose beginning, whose ending, we never can find—so entire, so boundless it is. Far, too, as her splendors shine, system on system, shooting like rays, upward, downward, without center, without circumference, in the mass, and in the particle, Nature hastens to render account of herself—to the mind.

Know, then, thyself, for the scholar is that man or woman who must take up unto himself or herself all the ability of the time, all the contributions of the past, all the hopes of the future. He must be a university of knowledges. If there be one lesson more than another which should pierce his ear, it is—the world is nothing, the man is all. In himself is the law of all nature, and yet we today, with all our wisdom, know not so simple a thing as how a globule of sap ascends. So I say to you that in yourself slumbers the whole of reason; it is for you to know all; it is for you to dare all, for—

"Were I so tall to reach the pole,
Or grasp the ocean with my span,
I must be measured by my soul;
The mind's the standard of the man."

A State of War

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1937

Mr. SHANLEY. Mr. Speaker, the recent shelling of a Spanish town by a German public ship has caused considerable speculation as to whether there is "a state of war" between Germany and Spain. If there is it is argued that this year's Neutrality Act, embodied in Public Resolution No. 27, of this session, ought to be applicable. It is argued that since this constitutes a state of war the President should proclaim it as such and immediately embargo all shipments of arms, ammunition, and implements of war to Germany. It is an arresting subject. The confusion prompting this conclusion is based on an erroneous understanding of what "a state of war" is. The Neutrality Act reads:

Whenever the President shall find that there exists a state of war between, or among, two or more foreign states, the President shall proclaim such fact, and thereafter it shall be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition—

And so forth. But in no other part of the act is there any definition of "a state of war", and this was designedly done for it would take a council of international jurists working overtime to properly define this phrase and then the definition could but serve as a beacon.

It is interesting to refer to the hearings of the Foreign Affairs Committee which handled House Joint Resolution

422 (1936) through its able chairman, Hon. SAM MCREYNOLDS. In those published reports the parallel clauses read:

Upon the outbreak or during the progress of any war between, or among two or more foreign States, the President shall proclaim such fact.

As that bill did not define "outbreak of war" there was some speculation as to what it meant. Obviously that same speculation would be applicable to the definition of "state of war" so that its reference and repetition here should throw light on our present problem.

The first extract is from the testimony of Hon. MAURY MAVERICK and is self-explanatory.

Mr. MAVERICK was asked by Mr. LAMBETH:

Now, I want to ask you this question in that connection: Under the modern method of making war, how can it be determined? How can you have any fixed definition of when a war breaks out? For instance, how can you distinguish between an outburst of temper resulting in a skirmish on the border, or how could you say just the moment of the day when war broke out between Japan and China in Manchuria or between Bolivia and Paraguay in the Chaco? Under the modern method of making war we all realize there is no declaration. I would like you to answer that question, please.

Mr. MAVERICK. The international idea of war was based on the old idea of first to declare war and then they started war. The new idea of war is a nation starts a war and then when they get around to it they declare it. I believe that when we discuss war we have got to discuss it just like the status of marriage.

Mr. LAMBETH. I am afraid I cannot add anything to the discussion of that subject.

Mr. MAVERICK. I don't mean the war part of it; just looking at it from a legal standpoint. A common-law marriage is based upon the status of these two parties, whether they got a license to be married or not. Now, it is the same way with war. The status of war, it seems to me, will be determined on the basis of the major activities of those two nations, or if troops of one nation are on the soil of a foreign nation. I think it is perfectly reasonable to say that, for instance, when we went down into Mexico to get Pancho Villa we were at war.

Mr. LAMBETH. Because our troops went on Mexican soil?

Mr. MAVERICK. Yes.

Mr. LAMBETH. But I must call you back to this thought: Your provision makes it automatic. You do not say that whenever, in the judgment of the President, there is a state of war, as distinguished from a mere skirmish or clash that is precipitated by some brawl maybe in a saloon or something of that kind. Now, I would like you to answer that.

Mr. MAVERICK. Of course, now, the question you are asking me, I presume you mean, is that it is predicated on a war being in existence, and then the President has got to do it, and you want to know how is the President going to determine that fact?

Mr. LAMBETH. No; you do not give the President the power to determine it. You say, "upon the outbreak of war he shall declare an embargo."

Mr. MAVERICK. Why, certainly—when he proclaims there is a war.

Mr. LAMBETH. We say that "whenever a state of war exists or during the progress of the war"; or, to put it in other words, "whenever, in the judgment of the President, there is a war", as distinguished from a mere skirmish.

Mr. MAVERICK. Well, now, I believe——

Mr. LAMBETH. Now, this is a matter of pure common sense I am trying to put to you; and I want, if you please—and I am not pressing you and I do not wish to embarrass you, but I frankly think that is a fundamental difference between the bills, and I would like you to tell me how it could be automatically determined within any day there was a war and the embargo would become effective, without leaving it in the judgment of the President or some person to say that there is a war and therefore have an embargo on the shipment of arms.

Mr. MAVERICK. Of course, you understand that the reason I cannot answer that accurately is because we haven't precedents on which to base that except the declaration of war. That is correct, isn't it?

Mr. LAMBETH. I beg your pardon?

Mr. MAVERICK. The only precedent that we have concerning war is the declaration of war, and I believe it is necessary to set up some precedent as to the status of war; in other words, what constitutes war—because you talk about a war starting without a declaration.

Mr. LAMBETH. There is no longer ever a declaration of war. There has not been a declaration of war in the last 5 years that I know of.

In the statement of another of our colleagues, Hon. ARTHUR P. LAMNECK, the difficulty again appears with surface explanations.

Mr. TINKHAM. There is now no war in the Mediterranean between Italy and Great Britain; but if Great Britain were to fire at some Italian ship, or if either side should commit some hostile act, war between Great Britain and Italy would be a fact.

Mr. CALDWELL. I can see a great divergence of opinion between the two gentlemen here.

Mr. SHANLEY. The Kopplemann bill says that the movement of troops from one territory to another constitutes an outbreak of war. That is the first attempt to define it in any of the bills that I have seen or in any of the statements in the press.

What do you think would be a definition of "the outbreak of war"?

Mr. LAMNECK. In the case of Ethiopia and Italy, Italy was promised Ethiopia in 1915 by a treaty between France and England. Is not that a fact?

Mr. SHANLEY. Yes.

Mr. LAMNECK. As her part for going into the World War. In January 1935 there was another treaty made with France in which France said she would not molest Italy if she went into Ethiopia and took it.

Mr. SHANLEY. That is true.

Mr. LAMNECK. Now, the minute Italy took her army over there, I think anybody will admit she was going over there to take Ethiopia.

Mr. SHANLEY. But you are sidetracking me a little. I did not want to go into the merits of that war. All I wanted to indicate to you was how difficult it is for us or anybody to know when there is an outbreak of war. You ask for a mandatory provision in the bill. Most of us want to have mandatory provisions. We do not want to allow too much discretion. We are probably with you there, but let me try to show you how difficult it is to make provisions like these mandatory.

The very beginning of this bill talks about the outbreak of war. The difficulty of determining when there has been an outbreak of war is that sometimes we do not even know there is a war until ships are brought into prize courts for a judicial determination by a prize court.

During the World War there was a partial mobilization on the Austrian border which induced the Russians to believe that there had been a full mobilization prior to that—that is, a mobilization by the Austrians—which we know is not the fact. War was declared by Germany when she saw Russia fully mobilized and Russia would not stop. All of those factors led up to the war. It is almost impossible to write a state of facts into a bill and say to the President that on that state of facts an outbreak of war occurs. All we can say to the President is if there is an outbreak of war, etc., there shall be an embargo.

That is why this bill is so difficult to write.

Mr. LAMNECK. Well, I am saying it is difficult.

All through the testimony of Congressman LAMNECK search for a definition of the "outbreak of war" and its parallel in this bill the "state of war" appears.

A committee member, Hon. FINLY GRAY, engaged in colloquy with the witness, Representative LAMNECK:

Mr. GRAY. Just one question: Would you describe in the bill the state of facts which would constitute a state of war? Would you describe in the bill that state of facts and say whenever those facts existed it should be taken as a state of war?

Mr. LAMNECK. If it were possible to do that, I would. As I say, you have great difficulty to determine just when a war starts; I know that. I can see that you have a very difficult problem.

Mr. GRAY. There has been no declaration of war yet, so far as Ethiopia is concerned, is there?

Mr. LAMNECK. No.

Mr. GRAY. What would you say about the existence of a state of war over there?

Mr. LAMNECK. I would say there was a war over there.

Mr. BLOOM. But there has been no declaration of war.

Mr. GRAY. But there is a war going on in Ethiopia.

Mr. LAMNECK. There certainly is.

Mr. CALDWELL. Let me ask you this question. Perhaps you noticed in the press a few days ago a story about some slight internal strife in Egypt between some Egyptian students and British authorities.

Mr. LAMNECK. Well, I noticed the headlines.

Mr. CALDWELL. Did a state of war exist there?

Mr. LAMNECK. I would not think so.

Mr. CALDWELL. Suppose that went further and armed conflict in Egypt actually evolved. Would you then have the provision of this bill mandatory and require the President to place an embargo mandatorily upon munitions of war and materials used in the conduct of war, foodstuffs, steel products, oil and oil products, machinery of all kinds? Do you believe we ought to completely stop trade with Great Britain in that event?

Mr. LAMNECK. I would stop the trade with Great Britain and Egypt if there were a state of war existing; yes.

Mr. TINKHAM. Mr. Chairman, let us keep close to the bill. It says "upon the outbreak of war." The outbreak of war must be accompanied by a hostile act. Now, according to these words, "upon the outbreak of war", the President has authority to declare that a state of war exists and to declare an embargo. Of course, the outbreak of war must involve the occurrence of a hostile act.

Mr. JOHNSON. That is a very flexible term, Mr. TINKHAM.

Mr. TINKHAM. Yes; but common sense will tell any President when there is a real armed conflict or an outbreak of war.

The CHAIRMAN. That is the way to determine whether a war is going on between Italy and Ethiopia.

Mr. TINKHAM. Yes.

Mr. KLOEB. Does the gentleman consider that a state of war now exists between China and Japan?

The CHAIRMAN. If so, when did it begin?

Mr. KLOEB. Yes; when did it begin, and when would you make this law operative?

Mr. BLOOM. Or, has it ever existed?

Mr. TINKHAM. I should leave discretion to the President so far as determining when the outbreak of war occurred. I think the words, "upon the outbreak of war", giving the President the flexible authority to declare when war has broken out, because we cannot define what would constitute a state of war in each case, is very proper.

Mr. CALDWELL. Then you agree that a certain amount of discretion must be given.

Mr. TINKHAM. So far as that point is concerned; yes.

Mr. GRAY. Will the gentleman specifically define a hostile act, so that we will understand that?

Mr. TINKHAM. I can give you illustrations of it.

Mr. GRAY. No; define it. I want a definition of it.

Mr. TINKHAM. I can give an illustration. That is the best definition.

Before the illustrations were forthcoming time had expired. Later, in the testimony of the Honorable Fred J. Sisson we find the following light on the subject:

Mr. SISSON. There are, of course, difficulties. Some of them were brought up yesterday. For example, the matter of determining when a state of war exists is a question of fact which necessarily must be decided by someone, and must be decided by someone, perhaps, without calling Congress together.

Mr. EATON. And who is in a position to get all of the facts in the case?

Mr. SISSON. Exactly, Congressman EATON; who is in a position to get all the facts of the case. And while there may be difficulty in defining when a state of war exists, or writing that into the legislation, still it seems to me that in almost every instance the President, who is in a position to get all of the facts in the case, can determine when a state of war exists, when a war breaks out, just the same as you can tell when a fire breaks out.

Mr. GRAY. Mr. Sisson, there seems to be a possible conflict here between two schools of thought on the matter of this declaration; whether or not we should leave it wholly within the discretion of the President or whether it should be mandatory by the law.

What would be your idea about the Congress defining a certain state of facts as indicating the existence of a war, and then leaving it to the President to find the existence or nonexistence of that state of facts? That would take it wholly out of the discretion of the President, or of any one man, and would state a rule for him to be guided by.

Mr. SISSON. I think that the difficulty of writing such a definition, Mr. GRAY, into a law, which would cover all possible contingencies in the future, is so great that you simply would make a bungle out of your legislation. I tried to do it, and I could not do it. Possibly some one has much greater ingenuity than I have. But I cannot frame the language which would do that.

Mr. GRAY. Would not that be less difficult in this kind of a case than other provisions of this bill; to define a state of facts which Congress would say would indicate a state of war, instead of allowing the President, on his own judgment and discretion, to find that a state of facts constitutes a war?

In other words, what would be the objection to Congress defining that state of facts, and then let the President find the existence or nonexistence of that state of facts? That would remove these objections.

Mr. SISSON. Well, that might be done. It would not entirely remove all the objections.

In addition to that, I think any one of us, any member of this committee, could in 99 instances out of 100, determine when a state of war exists; that is, we could determine it after war breaks out. But I doubt that any member of this committee can write a definition that will cover the situation.

Mr. JOHNSON. Is it not true, Mr. Sisson, that war breaks out in varying and different ways; and that when you undertake by legislation to define what is a state of war, it is just like trying to define some of these other provisions; you get into deep water that submerges you?

Other instances are added:

Mr. KLOEB. May I ask the witness if, in his opinion, war now exists between China and Japan?

Mr. HEALEY. Not with the recognized Government of China as such; no.

Mr. KLOEB. Not with the Government of China?

Mr. HEALEY. No.

Still later we find, in Dr. Stoddard's testimony:

Mr. GRAY. If I may ask a question with reference to the declaration of the existence of a state of war: That is left here as a matter of wide-open discretion in the Executive. Why would it not be preferable for Congress to define what constitutes a state of war, to state the facts that would constitute a state of war, and then allow the Executive to determine the existence or nonexistence of that situation instead of going further and himself determining the facts that constitute a state of war?

Dr. STODDARD. Because, sir, in these days of what I call "bootleg wars", it is increasingly difficult to find out when a state of war exists. You take this "what have you" that has been going on in China for years. Is that a state of war or isn't it? It is a very moot point. Personally I do not think a state of war exists, because, in the first place, I regard China as chaos anyway; and certainly there has not been any declaration of war by the so-called Central Government, which is merely one of the prominent factions over there.

Mr. GRAY. Are you in favor of leaving the facts to be found by the Executive wide open, without any restriction, so that he can regard any facts as he wants to, as constituting a state of war, or would you define the facts that should constitute a state of war?

Dr. STODDARD. I do not think it would be possible to cover all cases. I think he has got to be left with that discretion. But I think the intent of Congress should be so clearly manifested that it would become a matter of fact finding for the President.

Mr. SHANLEY. May I ask a question of Mr. Stoddard at this point? Suppose in this hybrid far-eastern affair—there is no war according to all our definitions—one of the belligerents gave orders for arms, ammunition, and implements of war in this country of such quantities that we would be alarmed. Now, though there is no war existing there, yet there are all the possible effects of the war. What would you do in that case?

Dr. STODDARD. Well, that would be determined, I suppose, by the national interest. I suppose it might be possible to declare, in the judgment of the Executive, that a state of war did exist there. That would not be a very far-fetched proposition.

Mr. SHANLEY. Is it the war we are interested in or the repercussions in this country that may project us into war?

Dr. STODDARD. What we are interested in is keeping out of war.

Mr. SHANLEY. In other words, if there was a war over there and they made no demands in any way, commercially, financially, or in any way whatsoever, we would not even need neutrality legislation, would we?

Dr. STODDARD. No.

A search of the hearings of the Committee on Foreign Affairs when it was discussing House Joint Resolution 93 in the first session of the Seventy-third and in the Seventy-second Congresses dealing with the resolution "to prohibit the exportation of arms or munitions of war from the United States under certain conditions" fails to disclose anything more illuminating on this mooted definition.

It is fair to say that the committee with all these perplexities abounding must have preferred to leave the definition to the realm of international law and thus implied by necessity Presidential recourse to precedents. For 300 years the great world-famous jurists have been attempting to obtain some type of unanimity on maritime and international subjects. Struggling at times against seemingly insuperable obstacles they have made splendid progress. Today in every chancery in the world daily recourse to the teachings of international law is necessary. Even those nations which solidly and dogmatically upheld the philosophy and membership of the League of Nations never dispense with its need.

Civilized man needs those decisions of the past just as our constitutional law needs the Supreme Court precedents, the beacon lights of our country's history. Even the most rabid opponent of that hallowed institution would not obliterate those great precedents, however wrong and untimely some of them may seem to be.

In the hearings of this session on House Joint Resolutions 147 and 242—1937—which contains ipsissima verbis the same clause as our present neutrality acts about the existence of a "state of war" we read:

STATEMENT OF GREEN H. HACKWORTH, LEGAL ADVISER, DEPARTMENT OF STATE

Mr. HACKWORTH. That is an important matter. It is probably not desirable to require the President to proclaim that a state of belligerency exists wherever civil strife exists, because the President may not want to pass on the question whether there is a state of war. The question of belligerency is a delicate question, because when you recognize that insurgents are belligerents, then they are entitled to all the benefits of rules of warfare. They have a right to seize ships on the high seas and they have various other rights which insurgents prior to their recognition as belligerents would not have. Moreover, to recognize a state of belligerency on the part of insurgents might be offensive to the recognized government.

We had such a situation, as you will recall, during our Civil War. Great Britain and some of the other countries recognized that a state of belligerency existed in the Southern States and the Federal Government was very much displeased about that. The Federal Government said, "These people are rebels and must be treated as such." But the other powers said, "No; they are entitled to be considered as belligerents"; consequently, the rules of war became applicable.

It is therefore important to give the Federal Government discretion as to whether or not a state of belligerency shall be recog-

nized. The purpose of this proposed legislation can be attained by leaving it to the President to determine when the shipment of arms or any other commodities to a country engaged in civil strife should be prevented in the interest of the peace and neutrality of the United States.

Mr. SHANLEY. Using the term "civil strife" advisedly?

Mr. HACKWORTH. It is more comprehensive. It includes many situations.

In his bill H. R. 1491 my colleague the Honorable HERMAN KOPPLEMANN has defined "the outbreak of war" as "any movement of troops of one nation into the territory of another nation without the consent of the latter."

Well, you may ask, What do the authorities who are recognized as fountainheads of authority on this subject say? Professor Westlake, foremost of England's scholars, in International Law, part II, at page 2, says:

The important point of the definition is that war is a state or condition—non actio sed status eonomine indicatur, says Grotius. As such war is not set up by any mere act of force, whether an act of reprisal, embargo, or pacific blockade, or an act of self-defense, or one of unlawful violence. It can be set up only by the will to do so, but that will may be unilateral because the state of peace requires the concurrent wills of two governments to live together in it and is replaced by the state of war as soon as one of those wills is withdrawn. How the will to set up war may be manifested is a question which we shall have to consider. Here attention is called to the fact that acts of force are not war unless either a government does them with the intent of war or the government against which they are done elects to treat them as war.

The truth is that a great insurrection with a real government at its head may have both characters. It will be war for the purpose of the neutrality of the powers which recognize the insurgents as having belligerent rights, and even the government against which it is directed may and ought, for the sake of humanity, to treat it as war while the struggle continues, though if and when it has been put down the internal law of that government will not thereby be prevented from regarding it as treason.

Prof. Edward M. Borchard, one of the great international jurists in America today, has declared that it is impossible for Congress to define the "outbreak of war" in such definite predictable terms that when those facts occur we can make it mandatory for the President to proclaim that a state of war exists.

John Bassett Moore, dean of all international jurists, has this to say in his monumental tomes on international practices and precedents. It is significant that his discussion covers the entire field of retorsion and reprisal and singularly touches our present puzzle in its entirety. The extracts are from Moore's Digest of International Law:

Retorsion and reprisal are often used convertibly, though the difference is that retorsion is retaliation in kind, while reprisal is seizing or arresting the goods or trade of subjects of such state as set-off for the injuries received. Under this head fall embargoes and what are called pacific blockades (blocus pacifigue), by the former of which trade is forbidden with the offending state, by the latter of which a port belonging to the offending state is closed to foreign trade. These acts approach in character to war, to which they generally lead, yet technically they are not war, and there are cases where the remedy has been applied without war resulting.

It may be the policy of the Nation to avenge its wrongs in a manner having no affinity to the injury sustained, or it may be its policy to recede from its full rights and not to avenge them at all. It is not for its courts to interfere with the proceedings of the Nation and to thwart its views.

Several citizens of the United States having been massacred at Jaffa in January 1858, and the Turkish Government having taken no efficient measures to bring the assassins to justice, the Secretary of State requested the Secretary of the Navy "that orders may be given to the commanding officer of our squadron in the Mediterranean to put himself in communication with the Minister of the United States at Constantinople, and after receiving from him such information as he may require, to repair to Jaffa and to take such measures as may be in his power to induce the Turkish authorities to inflict upon the criminals referred to the punishment which they so richly deserve."

The United States sloop of war *Dale*, Captain Pearson, visited the island of Johanna in August 1851, and under threat of bombarding the town obtained $1,000 as a measure of redress for the unlawful imprisonment and detention of Captain Movers, of the American whaling brig *Maria of Nantucket*.

The making of a reprisal on a nation is a very serious thing. Remonstrance and refusal of satisfaction ought to precede; and when reprisal follows, it is considered an act of war, and never failed to produce it in the case of a nation able to make war; besides if the case were important and ripe for that step, Congress must be called upon to take it; the right of reprisal being expressly lodged with them by the Constitution and not with the Executive.

Opinion of Mr. Jefferson, Secretary of State, May 16, 1793, Jefferson's Works, 628. As to proposed reprisals on the then Spanish possessions of the Floridas, see Mr. Jefferson, President, to the Secretary of State, August 16, 1807, Jefferson's Works, 164.

It is true that writers on the public law speak and treat of reprisals as a peaceful remedy in cases which they define and limit. Reprisals do not of themselves produce a state of public war, but they are not unfrequently the immediate precursor of it. When they are accompanied with an authority, from the Government which admits them, to employ force, they are believed invariably to have led to war in all cases where the nation against which they are directed is able to make resistance.

Reprisals, under proper control and attention, come regularly within the scope of the law of nations as observed at present; and although I am aware that there is a great authority for the contrary opinion, yet it is upon the whole settled, that no private hostilities, however general, or however just, will constitute what is called a legitimate and public state of war. So far indeed has my Lord Coke carried this point, that he holds, if all the subjects of a King of England were to make war upon another country in league with it, but without the assent of the King, there would still be no breach of the league between the two countries.

Much confusion may be avoided by bearing in mind the fact that by the term war is meant not the mere employment of force, but the existence of the legal condition of things in which rights are or may be prosecuted by force. Thus, if two nations declare war one against the other, war exists, though no force whatever may as yet have been employed. On the other hand, force may be employed by one nation against another, as in the case of reprisals, and yet no state of war may arise. In such a case there may be said to be an act of war, but no state of war.

In 1854, when the inhabitants of Greytown insulted the American Minister, a warship was sent to demand redress, and when this was not forthcoming, the naval officer in command, acting on his own responsibility, bombarded and burned down the town.

Still more recently, after the Villa raid on Columbus, President Wilson ordered a punitive expedition into Mexican territory to capture the bandit. Upon the protest of Mexico the expedition was withdrawn.

In antiquity and certainly later among the Romans and in the Middle Ages a declaration of war was formerly notified and left no doubt. Among even the most primitive tribes Professor Westermarck tells us in his Origin and Development of Moral Ideas that there was a rigid, solemn necessity for a declaration of war, but seemingly the advance of civilization has made such a formality of notice outworn, for today the advantage is apparently with the nation which works fast and initiates armed conflict without notice.

As a matter of fact, the only notice of a war has often come officially from prize courts of one or the other or others of belligerent states who are compelled to adjudicate upon the rights of captured property. Under such circumstances the court must know the exact date and cannot put up with the trumpery.

The need for change is evidenced in the Hague Convention, which is appended here with other paragraphs not needed to be used for this subject, yet necessary later on in the discussion of the bombardment of undefended towns.

THE HAGUE CONVENTIONS AND DECLARATIONS OF 1899 AND 1907—CONVENTION III, RELATIVE TO THE OPENING OF HOSTILITIES, SIGNED AT THE HAGUE, OCTOBER 18, 1907

Article I. The contracting powers recognize that hostilities between themselves must not commence without previous and explicit warning, in the form either of a declaration of war, giving reasons, or of an ultimatum with conditional declaration of war.

ART. II. The existence of a state of war must be notified to the neutral powers without delay, and shall not take effect in regard to them until after the receipt of a notification, which may, however, be given by telegraph. Neutral powers, nevertheless, cannot rely on the absence of notification if it is clearly established that they were in fact aware of the existence of a state of war.

(1899) ART. XXV. The attack or bombardment of towns, villages, habitations, or buildings which are not defended is prohibited.

In his International Law Chiefly as Interpreted and Applied by the United States, Prof. Charles Cheney Hyde contributes these thoughts:

The nature and use of reprisals early engaged the thought of American statesmen. Attention was, however, drawn to the policy rather than the rightfulness of such acts. Jefferson understood their serious aspect, declaring that reprisals never failed to bring about war when directed against a state able to make that response.

The quotation, supra, proves this.

Albert Gallatin, in 1835, vigorously opposed the contention that a state having just cause for reprisals should feel obliged to resort thereto.

The United States has since regarded with increasing disfavor the policy of making reprisals for the purpose of exacting pecuniary indemnities from delinquent States in satisfaction of the private claims of its nationals. The practice of European states does not as yet indicate a similar tendency.

By reason of the failure of Nicaragua to pay an indemnity demanded by Great Britain in reparation for the treatment accorded the British consul at Bluefields, together with some 20 British subjects, naval forces were landed at Corinto, April 27, 1895, and took military possession of the place. Upon the conclusion of an agreement for the adjustment of the difference, the forces were withdrawn. Again, in 1901, France seized the customhouse at Mytilene, in order to obtain compliance by Turkey with certain demands embracing a settlement of the so-called Lornado claim for a substantial sum. The procedure adopted proved efficacious in obtaining a settlement. In 1908, certain Venezuelan guard ships were seized by a Netherlands naval force as a means of obtaining satisfaction for the seizure by Venezuela of certain Dutch vessels. By a protocol of the following year, Venezuela agreed to pay an indemnity, and the Netherlands agreed to release the guard ships.

THE TAMPICO INCIDENT, 1914

More recently the United States made significant use of reprisals to enforce redress on account of a public claim arising from indignities committed against itself. On April 9, 1914, a paymaster of the U. S. S. *Dolphin* and seamen therefrom were arrested without just cause at Tampico, Mexico, by an officer and squad of men in the army of General Huerta, head of the provisional government of Mexico. Shortly thereafter the commander of the Huertista forces ordered the release of the paymaster and his men. This was followed by apologies from the commander and an expression of regret from General Huerta himself. Rear Admiral Mayo, United States Navy, in command of the American naval forces near Tampico, regarded the arrest as so serious that he was not satisfied with the apologies offered but demanded that the flag of the United States be saluted with special ceremony by the military commander of the port. General Huerta, although willing to fire a salute of 21 guns, insisted that the American forces should fire a like salute of 21 guns. This proposition being declined, President Wilson, on April 20, 1914, sought congressional authority for the use of the armed forces of the United States in such ways and to such an extent as might be necessary to obtain from General Huerta and his adherents "fullest recognition of the rights and dignity of the United States." On April 22, 1914, the following joint resolution was approved:

In view of the facts presented by the President of the United States in his address delivered to the Congress in joint session on the 20th day of April, 1914, with regard to certain affronts and indignities committed against the United States in Mexico: Be it

Resolved, etc., That the President is justified in the employment of the armed forces of the United States to enforce his demands for unequivocal amends for certain affronts and indignities committed against the United States.

Be it further resolved, That the United States disclaims any hostility to the Mexican people or any purpose to make war upon Mexico.

Admiral Fletcher, United States Navy, commanding a large naval force off the Mexican coast, had on the previous day, pursuant to instructions, landed marines at Vera Cruz, and seized the customhouse in order to prevent anticipated importations of munitions of war from reaching General Huerta. On April 21 the American Chargé d'Affaires ad interim at Mexico City was given his passports. On April 25, the United States, and on April 26 General Huerta accepted the mediatory proposals of Brazil, Argentina, and Chile. A military force, under Major General Funston, United States Army, relieving the naval force at Vera Cruz, occupied that city and there remained for a period of months.

Notwithstanding a disclaimer of hostility against a state upon which reprisals are made, the nature of the procedure is one still calculated to produce war. Hence, countries not desirous of bringing about such a condition are reluctant to have recourse to such action unless the delinquent state is so inferior in point of military or naval resources that its indignation is not to be dreaded. Reprisals are essentially the remedy of the strong against the weak. It is unlikely, therefore, that the United States will ever again make use thereof, unless the state itself has suffered a national affront through a grave violation of international law and unless its adversary remains stolidly indifferent as to its duty to make amends. It is believed, moreover, that both policy and sound practice discountenance the employment of reprisals so long as any amicable mode of obtaining justice remains unexhausted.

Another great American authority, Prof. Ellery C. Stowell, in his thoughtful Intervention in International Law, makes an important study on the amour propre of nations. From it one can gather the attack on offended majesty which the slightest lese majesty entails.

If redress is not exacted for any lapse from courtesy, all perceive that the force looked upon as an insurance against just such an occurrence was in reality paralyzed, and part of the prestige of the insulted state is lost. Throughout the world will prevail a feeling of contempt for the pusillanimous conduct of the state which swallowed the insult. The ensuing loss of prestige will affect the state in the subsequent carrying out of its foreign policy and hamper its nationals throughout the world.

It is not perhaps the failure to punish the offender which causes the loss of prestige, so much as the belief that the failure to punish indicates a weakness of physical strength or of character. When the capacity to smite is evident but the blow magnanimously withheld, the effect upon the imagination of the offender may perhaps be greater.

The maintenance of a country's honor means the maintenance of its prestige, and even from a material point of view, honor may be considered as its most precious possession. This does not mean that a hasty recourse to force and a brutal castigation need be undertaken upon slight provocation.

Sir James MacIntosh has well said: "A nation may justly make war for the honor of her flag, or for dominion over a rock, if the one be insulted and the other be unjustly invaded, because acquiescence in the outrage or the wrong may lower her reputation, and thereby lessen her safety." (MacIntosh History of the Revolution of 1688, London, 1834, p. 301.)

In how far it is justifiable and expedient to employ measures of unusual severity against nations that are less mindful of their international obligations is one of the most difficult problems of international law. Lord Elgin has been very severely criticized for burning the Summer Palace in retaliation upon China for her refusal to carry out the treaties she had signed and her treacherous treatment of the British negotiators. Lord Elgin recognized the criticism which his act would arouse, but considered that it was impossible in any other way to bring home to the Chinese the superior force at the command of the Europeans and their ability to command respect for their rights.

The overwhelming weight of authority looks askance at reprisal in this enlightened age, but yet all are reluctant to affirm that reprisals are anything but potential acts of war and not states of war, preferring to leave that decision to the nation offended.

Further progress in international affairs may soon see the complete cessation of this barbaric practice of reprisals, yet under the present status there is nothing but definitive damnation but no statement that there is a war between Germany and Spain.

Once again the utmost caution is necessary in all dealings and all surveys of actions of other nations. There is, as Professor Stowell has pointed out, so much overweening national conceit in the make-up of nations that a breathing spell is advisable for all opinions. But that should not close our eyes to the problem. Prof. Thomas Baty best presents it in his article in the Journal of International Law for July 1936. It is such a provocative study that I take the liberty of inserting certain challenging extracts:

It is equally impossible for a State to say, "We are engaged in enforcing our will against yours in your own territory by force of arms, but we are not at 'war' with you." It is a like contradiction in terms. But it is becoming a very favorite practice. Its advocates, urging that "it takes two to make a quarrel", and that Grotius called war the status of nations "per vim certantium", actually allege that one country may devastate the territory of another with fire and sword, and that if the forces of that other simply retreat before it, or remain passive, there is no war, so long as the invader says so sufficiently loudly and confidently. Especially is this the case if the objects of the invasion are limited to something less than entire conquest. It is easy to see the encouragement which this doctrine that war is not war if it is carefully labeled "peace" gives to violence.

An invader is enabled to wage war against a weak State without incurring any of its risks and responsibilities. He need not observe the laws of war; he need not bother about offending neutrals; he need not worry about the risks of the invaded nation finding unexpected allies or unsuspected vigor and resources. He can safely rely on the unlikelihood of the nation which he attacks turning his violence into war by resistance. The whole theory is absurd and one-sided. As the present writer remarked 40 years ago, "If A may 'pacifically' blockade B's ports, why may not B 'pacifically' blow up A's flagship?" Why is the attacked party to have the odium of declaring war?

William Voris Gregory

MEMORIAL ADDRESS
OF
HON. BRENT SPENCE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM VORIS GREGORY, late a Representative from Kentucky

Mr. SPENCE. Mr. Speaker, WILLIAM VORIS GREGORY, who had served as the Representative from the First District of Kentucky in the National House of Representatives for 5 consecutive terms, commencing in 1927, died at his home in Mayfield, Ky., on the 10th day of October 1936. For almost a decade he had represented with outstanding ability the First District of Kentucky, which has been represented by many distinguished men.

Judge GREGORY was born in Graves County, Ky., in October 1877. He obtained his early education at private and public schools. He was graduated from West Kentucky College in 1896 with a degree of bachelor of science. After graduation, for a few years, he taught in the public schools and was superintendent of schools of his home town, the splendid little city of Mayfield. Subsequently he attended the law course at Cumberland University, Lebanon, Tenn. He began the active practice of law in 1902 and continued an active member of the legal profession during the remainder of his life.

On May 3, 1900, he married Miss Marie Myles, of Mayfield, Ky. They have one daughter, Mrs. Henry Hill, Jr., of Louisville. His devoted wife and daughter survive him.

In 1913 Judge GREGORY was elected county judge of Graves County, and held that office for 2 years. He rendered conspicuous service in this important office. He was appointed by President Wilson as United States Attorney for the western district of Kentucky, which office he filled during President Wilson's term. Although always an active lawyer the sphere of his influence extended beyond legal and political activities. He took a deep interest in fraternal and charitable organizations and in 1916 and 1917 he was grand master of the Odd Fellows of Kentucky.

Judge GREGORY was recognized as a lawyer of fine attainments and splendid judgment. Governor Stanley offered him the appointment as chairman of the Kentucky Tax Commission, a position of great importance and one which demands outstanding ability, but Judge GREGORY refused the appointment. He was also offered the professorship of law at his alma mater, Cumberland University, Lebanon, Tenn., which he also declined. He probably was loath to leave his home and the beautiful little town of Mayfield where he had lived so long and to which he was bound by so many ties of affection and so closely associated with all its civic and social life. At the time of his death he had been renominated by the Democratic Party of the First District by the greatest majority in its history and there was no possible doubt of his election in the fall.

It was not long after the commencement of his service that he attained an enviable position in the House of Representatives. His ability as a lawyer was recognized not only by the Members generally but especially by the important Judiciary Committee, where by reason of his ability and fine judgment and his indefatigable labor, he made himself exceedingly useful and constantly gained in influence. At the time of his death he was chairman of Subcommittee No. 3, and was also a member and secretary of the steering committee of the House of Representatives, to which position he had been elected by his colleagues. Judge GREGORY, by reason of his long service and varied experience as United States district attorney, was exceedingly familiar with Federal criminal law and his counsel and advice were constantly sought by members of his committee upon this subject, which so frequently came before them for consideration.

He was of a modest and retiring disposition and refrained from gratuitous expressions of opinions, yet he had firm convictions which he could forcibly express, for he was a man of great strength of character and splendid mental attainments and fine oratorical ability. For a long time before the final summons came he knew he had absolutely no chance to recover. Yet this fact had no effect upon his conduct or his ordinary activities. He carried on until the last, discharging every duty knowing that death was soon inevitable, and when it came he was not surrounded by imaginary terrors but he approached it "like one who wraps the drapery of his couch about him and lies down to pleasant dreams."

His loyalty to his friends was recognized by all who knew him. The best evidence of the esteem in which he was held by his people were the tributes of love, and affection that were showered upon him as they flocked to Mayfield to give their last expression of reverence and esteem. From all sections of the Purchase and the whole western end of Kentucky his friends came to pay their token of love and respect to this faithful public servant. Everywhere one heard tributes to his worth and the splendid services he had rendered to his people. He was recognized as incorruptible both in public and private life. He had a high sense of public duty. His experience as a legislator was not only useful to his people but was an asset to the Nation. It is by sound judgment and wise counsel such as his, both in public and private life, that the stability of our institutions will be maintained. He had the saving grace of common sense that is so requisite in our national councils. He was not loquacious, but the things he said were carefully considered and were always thoughtful and wise. He was a sincere and genuine man. He asked to be judged by his performance, not by his professions. He was faithful in his public duties, loyal to his family which he loved so devotedly, and passionately fond of his native State of Kentucky. In the ordinary course of events many years of useful service should have remained to him. He had a long journey along life's way to go to reach the allotted threescore years and ten.

Our finite minds cannot fathom the inscrutable wisdom of Providence. "God moves in a mysterious way His wonders to perform." Why Judge GREGORY should be taken from his field of usefulness, his devoted family, and his trusting, admiring friends at a time when he should be at the very zenith of his powers and when he could render such great and useful service we do not know. He had done his work well, and he had met every obligation and every duty that was imposed upon him. He had been faithful to every trust. His people will miss him, the State of Kentucky will miss him and his services, and the National Government has sustained a great loss, but when his record is submitted to the Great Arbiter we can confidently believe the judgment will be, "Well done, thou good and faithful servant."

He sleeps in the soil of Kentucky that he loved so well amongst the people that he loved and who delighted to honor him.

Senators Trammell and Fletcher

MEMORIAL ADDRESS
OF
HON. JOE HENDRICKS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the lives, character, and public service of Hon. PARK TRAMMELL and Hon. DUNCAN U. FLETCHER, late Senators from Florida

Mr. HENDRICKS. Mr. Speaker, it is appropriate that I along with my colleagues from Florida pay tribute to two men whom I unhesitatingly state were the two most distinguished citizens of the State of Florida at the time of their death.

The citizens of Florida have hardly yet accepted the fact that the Honorable PARK TRAMMELL and the Honorable

DUNCAN U. FLETCHER have passed on to their reward, but I am sure as the years pass on they will realize their loss.

Senators TRAMMELL and FLETCHER were faithful servants of the citizens of our State, as their records will testify, Senator TRAMMELL having served the public continuously from 1899 to 1936, without being defeated for any office to which he aspired. Senator FLETCHER, while not a native of the State of Florida, chose Florida as his home and the people of our State, recognizing his ability and showing their gratitude, adopted him as though he were a native-born Floridian. Senator FLETCHER served these grateful citizens for a period of 34 years, 28 of the 34 being in the United States Senate.

I believe that the greatest tribute I could pay to the memory of the late Senators TRAMMELL and FLETCHER would be to say that it is my wish that I may give the same faithful and excellent service to the people of the State of Florida in the future that they gave in the past.

Warren Joseph Duffey

MEMORIAL ADDRESS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN JOSEPH DUFFEY, late a Representative from the State of Ohio

Mr. JENKINS of Ohio. Mr. Speaker, the passing of WARREN JOSEPH DUFFEY was a distinct loss to this Congress. He will be missed by all of us who had learned to look upon him as one of the many free-hearted and courteous gentlemen with whom we associated daily. He will be missed by his constituents who knew him as a man whose delight it was to serve them in their small matters as well as in the important matters. He will be missed by his family who knew him as a most indulgent father and husband. When a warm-hearted, courteous man who sympathizes easily with all the problems of his friends and acquaintances goes down before the hand of the Great Reaper, there is genuine sorrow among all who knew him. I join with that group for I knew WARREN DUFFEY well and was proud to be his friend and to think that he was my friend.

Much can be said of his ability as a lawyer and as a statesman. His work speaks for itself. Much can be said of his fidelity toward his public duties. Much can be said about his mental qualities that enabled him to impress his friends as a man of good judgment, but it was his qualities of heart that endeared him most to his associates. He will always be remembered as a man's man, as one who made friends easily, and who bound them to him securely. I have lost a personal friend. I am glad to give these few words of testimony to his worth.

Randolph Perkins

MEMORIAL ADDRESS
OF
HON. DONALD H. McLEAN
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey

Mr. McLEAN. Mr. Speaker, ladies and gentleman of the House, I avail myself of the privilege of speaking on this day set apart to memorialize those of our associates who during the past year have entered into a more abundant life.

Particularly would I speak of RANDOLPH PERKINS, a colleague from New Jersey, who served eight terms as a Member of this body. In his early life Mr. PERKINS was a resident of Union County, N. J., the congressional district which I represent. I knew him then, and we had many mutual friends. Long friendship with Mr. PERKINS, and kindred interests, and his willingness to assist, were a great help to me as a newly elected Member of Congress.

Some men are born for public service. They possess elements of character and natural ability that attract them to their friends and neighbors, and inspire a confidence which soon advances them to positions of leadership and responsibility. This service, begun in a small way, if well performed, brings advancement to participation in State and National affairs. It is a virtue of our system of government that those who are entrusted with national affairs bring to their service a knowledge taught by the experience of close contact with their friends and neighbors in municipal, county, and State activity.

Mr. PERKINS was of this class of men. He was educated in the public schools, and at Cooper Union, New York, to a considerable extent earning the cost of his own education. At the age of 22 he was admitted to the New Jersey bar, and took up his residence in the town of Westfield, which is recognized as one of the most progressive and delightful residential communities of northern New Jersey. His life there and his contribution to the development of the community are well described by a discerning citizen who was associated with him in his early life and who has written me:

> Except for Anson F. Grant, who was appointed by the council to serve as the first mayor, because he happened to be chairman of the old township committte, and who served from October 5, 1903, the commencement of the town government, until April 30, 1904, RANDOLPH PERKINS was Westfield's first mayor, serving from May 1, 1904, to December 31, 1906. When it became apparent that the old township form of government had outlived its usefulness the question of what form of government should be adopted was thoroughly investigated and discussed at great length, and through it all Mr. PERKINS advocated the incorporation of the community under the General Town Act. His keen legal mind, his popularity, and knowledge of how to handle men, and his sound judgment, were freely placed at the public service in those first years when the local government was being organized and those policies which have since been pursued were put in practice, and it may fairly be said that much of the credit for the character and outstanding position of Westfield today is attributable to RANDOLPH PERKINS.

Mr. PERKINS served in the House of Assembly of New Jersey as a representative from the county of Union in the years of 1905, 1906, and 1907, and was a popular, industrious, and influential member. In 1906 he served as majority leader of that body. His outstanding achievement there seems to have been the enactment of chapter 82 of the laws of 1906 which came to be known as the Perkins Act. Mr. PERKINS had always been interested in public education, and it was the purpose of this act to provide funds for advancing it in New Jersey. Under this act the main stem of each railroad is taxed by the State, and the money raised is allocated to the several school districts for use of the public schools. It is still the law of the State, and an authority on State finances says that it is a valuable piece of legislation, and not only made a substantial contribution toward public education in the State, but brought to an end a chaotic condition in the taxation of main-stem railroad property.

In 1909 Mr. PERKINS removed to Bergen County. He was soon drafted to serve as chairman of the Bergen County Republican Committee, retiring after 5 years to be the unsuccessful candidate for election to the New Jersey Senate. His home, surmounting one of the wooded hills of northern New Jersey at Woodcliff Lake, commanding a view toward the Hudson and the busy metropolitan district beyond, equipped with a carefully chosen library, modern barns for the raising of pedigreed cattle and horses, and every outdoor activity, afforded an opportunity for his ideal family life.

As a lawyer he attained distinction. His work dealt largely with equity matters, in which he was considered an authority.

He was elected to Congress in 1920, where he served until his death, a total of 16 years. He was a member of the Committee on Coinage, Weights, and Measures. During Re-

publican control he served as its chairman, for which, being a student of coinage and a collector of coins, he was well qualified. He was also a member of the Committee on the Judiciary, and as one whose imagination was excited by intricate and difficult legal problems, he took particular interest in the matter of impeachments. So highly was his ability regarded by his associates that he was chosen on three occasions as one of the managers on the part of the House in prosecutions before the Senate. His service on the Air Defense Investigating Committee stimulated his interest in aviation. Wherever possible he traveled by air, and he lost no opportunity to contribute to its development, usefulness, and safety.

We shared each other's confidence in personal matters and exchanged our views on public questions. He was a wise counselor, because of his natural aptitude and intense study of public affairs and his wide experience as a legislator. I was glad to avail myself of his judgment and advice, and in his death I suffered a personal loss.

Representative Warren J. Duffey

MEMORIAL ADDRESS

OF

HON. FRANK L. KLOEB

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. KLOEB. Mr. Speaker, I wish to pay tribute to the memory of WARREN JOSEPH DUFFEY, Representative in Congress from the Ninth District of Ohio, not only because he was an able colleague but because he had the rare quality of friendship that made all those who knew him love him.

As Representatives from the same section of the State we had to counsel often upon matters affecting our people. Always he held the interests of his constituents at heart. Always he laid aside personal comfort so that he might shoulder more than his share of the task of improving the lot of his fellow man. With his desire to work for the betterment of his people was a geniality of spirit that won him a place in our hearts.

He came to the Congress in 1933. His ability quickly was recognized and he became a member of the important Judiciary Committee of the House where his services were considered of a high type. His long experience as a lawyer fitted him for this work and he was a distinct asset to the American Bar Association which claimed him as a member. In addition to almost two terms in the Congress he had served in the Ohio House of Representatives and on the Toledo City Council.

The thought of public service was constant in his mind up to the time of his death on July 7, 1936.

WARREN J. DUFFEY attended the Toledo schools and received his college degrees from St. John's University at Toledo and the University of Michigan.

The Ninth Ohio District has lost an able Representative and the Nation a statesman.

Hon. William D. Thomas

MEMORIAL ADDRESS

OF

HON. FRANK CROWTHER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. CROWTHER. Mr. Speaker, WILLIAM D. THOMAS, a Republican of Hoosick Falls, N. Y., was elected to the Seventy-third Congress on January 30, 1934, at a special election to fill the unexpired term of the late Honorable James S. Parker, of Salem, N. Y. He was reelected to the Seventy-fourth Congress by an appreciative constituency. For nearly 10 years he served as chairman of the Republican county committee of Rensselaer County. As a member of the State legislature, as town clerk, and county treasurer, he gave long and distinguished political and civic service.

Although handicapped by poor health he gave unremitting service to the folks of his district and yet never lost sight of the national viewpoint in considering legislation for the general welfare of our people. He especially endeared himself to the young folks of his community, many of whom he aided in their efforts to map a career for themselves. His fidelity to duty and his integrity of purpose earned him the admiration and respect of his fellow citizens in all walks of life.

Those of us who had the honor of serving with him extend our heartfelt sympathy to his immediate family and the host of friends to whom the recollection of his character and life work will ever be a pleasant memory.

Well done, thou good and faithful servant. Thou hast been faithful over a few things, I will set thee over many things; enter thou into the joy of thy Lord.

Necessary Farm Legislation

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, June 28 (legislative day of Tuesday, June 15), 1937

RADIO ADDRESS OF HON. JAMES P. POPE, OF IDAHO, ON JUNE 24, 1937

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech by the able Senator from Idaho [Mr. POPE] on the subject Necessary Farm Legislation, which was delivered on June 24, 1937, over the Columbia Broadcasting System.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is high time that a warning be sounded to the farmers of America. In last Sunday's newspapers were such headings as these: "Wheat pitches lower with fine weather" and "Cotton prices decline." These price declines may be temporary, but to those who are familiar with crop production and market prices, there is clear indication of seriously lower prices within the next 2 years.

Like red clouds at sunset, warning the sailor of the approaching storm, there are signs to warn the farmer of danger ahead. The wise sailor makes preparation for the storm before his vessel is floundering unprepared in heavy seas. The farmers of America should demand action by the Congress before prices for agricultural commodities again tumble below the cost of production.

At the beginning of 1933 there was a wheat surplus of about 394,000,000 bushels and a cotton surplus of about 13,000,000 bales. These surpluses played havoc with market prices. The ill-fated Federal Farm Board had operated for 2 or 3 years before that time in an effort to remove the deadening effects of these surpluses, only to make bad matters worse. So at the beginning of 1933 everybody realized that something had to be done and done immediately about surpluses. They could not be sold abroad, and they could not be consumed at home if normal crops were produced from year to year. And the farmer was vainly endeavoring to make a living from 40-cent wheat and 6-cent cotton.

The Agricultural Adjustment Act, with its cotton pool and its production-control devices, was enacted. As a result of reducing and limiting acreages of cotton and wheat, and of somewhat improved export markets, unusable surpluses were reduced. The drought years of 1933 to 1936 in the Great Plains States further drastically cut wheat surpluses. Prices, of course, increased steadily through those years, to over $1 a bushel for wheat and over 12 cents a pound for cotton. The wheat surplus was reduced from the 394,000,000 bushels to less than 100,000,000 bushels, and the surplus of cotton was reduced from over 12,000,000 to less than 7,000,000 bales.

The normal annual consumption of wheat in this country is about 635,000,000 bushels. The amount that used to be exported was about 160,000,000 bushels a year. During recent years the

wheat exported has averaged about 40,000,000 bushels a year. The production of wheat in this country during the last 3 years has been less than 635,000,000 bushels, or less than normal domestic wheat consumption.

Now comes the danger signal—it is estimated that this year's wheat crop will be about 875,000,000 bushels or 240,000,000 bushels more than our domestic consumption. It cannot be expected that our exports of wheat will be much larger than during the last several years. That simply means that we are facing the prospect of an increase in surplus wheat of some 200,000,000 bushels this year.

The Agricultural Adjustment Act was thrown out of the window by the Supreme Court. The Soil Conservation Act does not and cannot have the effect of a drastic curtailment of production. Farmers must somehow prepare for the serious danger of price-depressing surpluses in all basic crops.

There is pending before Congress a bill to deal with this situation. This bill seeks to protect the farmer from these threatened low prices by (1) authorizing the Secretary of Agriculture to assist in controlling production, (2) to establish marketing quotas to prevent the market from being overloaded with wheat, cotton, and other basic farm products, and (3) to pay the farmer on normal yield the difference between parity price of these commodities and the market price. This measure is a serious effort to prevent the coming storm, and it is time this effort should be made. If Congress waits a year or two before taking these steps, the depression of farm prices will be at hand, which always means depression for the entire country.

I realize, of course, there are many—and some of them are farmers—who oppose production or marketing control. They use the specious argument that if all the hungry and ill-clad people in this country and in the world had all the food they could eat and all the clothes they would wear there would be no such thing as overproduction and no such thing as surplus farm commodities. And they go on to argue that it is the system of distribution that is wrong; that our economic system should be so changed and improved that everybody would have plenty of purchasing power; and that with ample purchasing power all the farm products that could be grown would be consumed. That would be an ideal state of affairs; but I wonder if the farmers are to wait for an ideal system of distribution and an ideal economic system before taking any steps to protect their farm income from the ravages of price-depressing surpluses. If they do, they will find themselves waiting until human nature changes so that speculators will refuse to take profits at the expense of the farmer, until the transportation companies will haul farm produce free, and the big rock-candy mountain exists for everyone.

The immediate question is, What are they going to do while waiting for this ideal economic system? And I wonder how this argument would appeal to the manufacturer of shoes, shirts, and automobiles. With the same logic, it can be said that if the consumer had ample purchasing power he could buy all the shoes, shirts, and automobiles that could be produced. If anybody thinks that the manufacturer, the merchant, or other businessman is going to operate on this basis, he is sadly mistaken. The businessman knows that demand means effective demand and that he has to manufacture his product or buy his goods to meet the effective demand. The manufacturer knows that producing beyond this demand is ruinous to his business. And the merchant knows that purchasing goods far beyond the demand is ruinous to his business. These businessmen, therefore, may be hoping for a more ideal economic system, where everybody will have ample purchasing power, but they are limiting their stocks to present effective demand. The farmer must use the same good sense as the businessman. He must protect himself while the millennium is coming by the same means as does the businessman if he is to live as a decent American citizen.

The farmer must deal with things as they are, and not as they should be, and any measure enacted by Congress must deal with this poor, practical world in which we live.

No time should be lost in adopting practical measures to meet the situation.

There are two other measures for the benefit of farmers that should by all means be passed at this session—one relating to crop insurance and the other to farm tenancy.

The crop insurance bill was passed—almost unanimously—by the Senate on March 30, supported by Democrats and Republicans alike. It has the support of the President, Secretary Wallace, and Senator McNARY, Republican minority leader in the Senate. After passage in the Senate, it immediately went to the House of Representatives and was referred to the Committee on Agriculture. This committee has had the bill for almost 3 months without action. The bill which applies to wheat as a beginning has almost the unanimous support of the wheat farmers of this country. It is highly desirable that this measure be passed immediately and put into operation. The prospect of increasing production of wheat will mean that the farmers will be able to pay their premiums in wheat, and create a storage supply. The building up of this storage is necessary for the farmers' protection when their crops are hit by drought or other destructive natural forces. The farmer needs insurance against natural hazards, such as hail, pests, lightning, and drought, just as much as the businessman needs protection against fire.

Those who are deeply interested in the welfare of the farmer know that the farmer must be protected so far as possible against two things: First against drastic price declines that deprive him of his ability to meet his obligations and to live decently; and second, against destruction of his substance—his crops—by nature.

The Department of Agriculture is ready to proceed with the crop-insurance program. It has prepared accurate and dependable data for putting the plan into effect. It has computed the premiums to be paid in over 1,400 wheat counties in the country. It only remains for the House of Representatives to pass the bill that this much-needed program for the farmers may be started. Let me again remind my listeners of the benefits in prospect for the farmer by the operation of this program.

The insured farmer whose crop has been destroyed by flood, drought, insects, hail, or other destructive hazards will receive one-half or three-fourths—depending upon the policy he may take—of his normal yield. This may save his home and save his family from distress. And the price of the wheat which he receives as indemnities may be considerably higher than the price of the wheat which he paid in as premiums. For instance, in the Great Plains area, if this program had been in force during the years from 1930 to 1936, the difference in the price of the wheat paid in as premiums and the wheat paid out as indemnities during that period would have been something like $40,000,000. The farmer would have obtained the benefit of that $40,000,000. With no such program in effect, of course, the speculator who was able to hold the wheat obtained the greater part of that $40,000,000. I want the farmer to be in a position to receive that money. The speculator has already reaped too many hundreds of millions of dollars by purchasing wheat when farmers were forced to sell at a low price and holding it until the price was high.

The farmers of America are entitled to the benefits of this crop-insurance program, and Congress should pass it at this session.

The other bill for the benefit of the farmers that ought to be passed by this session of Congress is the tenancy bill. Everybody now knows of the growth of farm tenancy in this country, and everybody knows of the distressing conditions of tenant farmers, particularly in the South. Half a century ago 1 of every 4 farmers was a tenant. Now 2 of every 5 are tenants, and in some parts of the country 7 of every 10 farmers are tenants. Tenancy is increasing at the rate of about 40,000 a year. The insecurity of tenant farmers is undermining our agricultural life. It results in depletion of our farm lands as well as depletion in the character of farm citizenship.

It is the purpose of this legislation to help farmers who are tenants to acquire land of their own, to make modest loans for the purchase and operation of their farms, and to assist them in operating their farms to the best advantage.

This is the beginning of a program to reverse the trend away from home ownership during the last half century. On the 280,000,000 acres of land given away by the United States for homesteads, a large percentage of the farmers are now tenants. Home ownership is closely allied with good citizenship. If our country is to have an independent and dependable farm population it is necessary that the process of converting tenants into home owners be started now and vigorously carried on in the years to come. Any serious delay in this program is a serious matter to the country.

In conclusion, let us look for a minute at the 1930 census. In 1929 before the depression, 398,000 farm families had a gross income of less than $250 a year. This figure included all products sold, traded, or consumed. This means that each member of a family of four received less than $62.50, or less than 20 cents a day. Think of that for a moment. Over a million and a half people existing on less than 20 cents a day. That census also shows that 916,000 farm families had a total gross income of less than $400 a year, or less than $100 per person. From the same source, it appears that 47 percent of farm families had a gross income of less than $1,000 a year.

Is it any wonder then that more than 2,000,000 farm families have received aid or relief or rehabilitation since 1933?

These distressingly low farm incomes were for the year 1929, which was regarded generally as a prosperous year. We have no similar data for the years since 1929. Without doubt, however, conditions were vastly worse during the depression years, and are worse now. There are undoubtedly millions of farm people who exist on less than 20 cents a day.

When we know that the welfare of all the people of the United States is largely dependent upon the welfare of the farmer, it is clear that the prosperity of the country is on a precarious basis. We know the foundations of our economic structure are none too sound, and no time should be lost by Congress in passing legislation that will help to make these foundations more secure.

West Virginia Pays Its Way

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1937

Mr. RANDOLPH. Mr. Speaker, once more it has been charged that the State of West Virginia, along with many

other States, has received moneys from the Federal Government far in excess of the taxes paid in. It is not my purpose to defend any other State except West Virginia. I regret that I must reply to the speech of Representative LAMNECK, of Ohio, delivered on the floor of the House April 19, 1937. I find it absolutely necessary, however, to bring once again to the attention of Congress the fact that West Virginia contributes an amount far in excess of that which has been received. This reflection made upon the State of West Virginia cannot go unanswered.

WEST VIRGINIA IS NOT A BURDEN

This matter goes back something more than a year ago when I addressed the House on April 20, 1936, at which time I replied to a full-page advertisement sponsored by the New York Sun, in which West Virginia, together with other States, was charged with failure in 1935 to pay its way. In the course of my remarks at that time I said:

As a West Virginian, I resent the untrue statement that our people do not pay their way. We are not a burden to our neighbor States.

The editorial to which I replied was entitled "Representation Without Taxation Is Tyranny", and pointing specifically to West Virginia, said:

The sovereign State of West Virginia paid into the Federal Treasury in all internal revenue for the year ending June 30, 1935, the sum of $10,605,166. The State of West Virginia in 1935 received on order of the executive department the sum of $17,600,000 in direct relief funds. Thus in direct relief funds West Virginia received $7,000,000 more than it contributed to the support of the Government. In the Congress of the United States West Virginia is represented by Senators MATTHEW M. NEELY and RUSH D. HOLT and six Representatives.

It now becomes my duty to reply to my very good personal friend, the distinguished gentleman from Ohio, who said in his speech of April 19, of this year:

West Virginia paid 13 million in taxes and received over 27 million.

The figures for 1936 which my colleague presented are correct when the amount of money paid through the West Virginia office of the Internal Revenue into the Federal Treasury is used as a basis. Our State is placed in an unfavorable light because the figures would indicate that we have received in grants from the United States Treasury more than twice as much as we have contributed to the support of the Federal Government.

Of course such is not the case.

INDUSTRIES PAY INTO OTHER DISTRICTS

Less than one-third of the money accruing to the United States Government in the State of West Virginia is paid through the Parkersburg, W. Va., office. There are many, many industries which pay into other collection districts. For example, as I pointed out in my remarks to this body last year, the three great railroads in southern West Virginia, namely, the Norfolk & Western, the Virginian, and the Chesapeake & Ohio last year paid more taxes into the Federal Treasury by far than the total amount collected from all sources through the Parkersburg office. Not a single penny of this amount was paid in West Virginia, notwithstanding the fact that officials of these prosperous transportation systems admit that more than 80 percent of their revenue for 1936 originated in the State of West Virginia. It is my understanding that no railroad, large or small, operating in West Virginia pays its taxes in our State.

None of the large oil and gas companies pay in West Virginia the money collected through the gasoline tax, which amounts to more than $1,000,000 a year.

I believe that more than one-half of the coal tonnage in West Virginia pays its taxes in other States. The tonnage which does not pay in other States, I feel, represents 75 percent of the profits made in West Virginia from the coal business. Strange as it would seem, certain New England States show considerable income from bituminous-coal production, when as a fact there is not one pound of bituminous coal produced in that territory.

STATE PRODUCES MOST COAL

West Virginia at the present time is the largest bituminous-coal producing State in the Nation, and under the provisions of the Bituminous Coal Act, the tax, at 1 cent a ton on the production of coal, will yield more money from the State of West Virginia than any other commonwealth in the Republic. Yet when statistics are examined they will indicate by reason of large payments in other States, that West Virginia will not rank first, second, or even third but will perhaps be placed fourth or fifth.

I had hoped that it would not be necessary to again defend my State, but due to the incorrect impression, as indicated by Mr. LAMNECK, I can conservatively state that had all taxes accruing to the United States Government in West Virginia been paid and accredited to our collection district, it would have shown West Virginia in 1936 contributing almost $40,000,000 to the Federal Government, instead of the thirteen millions shown to have been collected.

It is, therefore, clearly shown that Federal grants of some $27,000,000 to West Virginia, from the various emergency agencies, have been far below the amount contributed by our State to the support of the Federal Government.

PEOPLE THROUGHOUT NATION PURCHASE

I do not desire to enter into any controversy between States, but since it is shown by the table, quoted by Mr. LAMNECK, that New York State in 1936 paid in $783,173,923.79 and received in grants $344,197,880.68, it may be timely to remember that the State of New York is our largest port of entry.

Over 75 percent of the customs duties collected in the United States are collected at the port of New York and that State receives credit for these collections. However, we all know that the merchandise coming through the port of New York is not all consumed by the people of New York, but finds its way into every State in the Union.

New York State has many large factories and wholesale establishments paying millions of dollars into the Federal Treasury. We all know that the purchasers of these commodities indirectly pay the tax that is credited to New York State. These people reside in every State in the Union. Many large corporations who do not have manufacturing outlets in the State of New York pay their income tax in that State. The United States Steel Corporation pays its tax in New York. However, its operations are scattered from Pennsylvania to the Pacific coast and from Minnesota to Alabama.

PROPER CREDIT MUST BE GIVEN

May I suggest that if we are going to carry out a proposal that when the Federal Government collects taxes the amount collected must be broken down to show how much was paid by the consumers of each State, and in the case of payment of income tax like the United States Steel Corporation it must be shown how much was earned in every State in the Union in order that proper credit may be given to the different States.

In justice to the citizens of my State, I have felt impelled to once again let it be known that West Virginia pays its way.

On the Death of Billy Connery

EXTENSION OF REMARKS

OF

HON. JOHN P. HIGGINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1937

Mr. HIGGINS. Mr. Speaker, the tribute of His Excellency, Charles F. Hurley, Governor of the Commonwealth of Massachusetts, on the occurrence of the death of our late

beloved colleague, Congressman CONNERY, may adequately describe the loss sustained by his death.

In the death of Congressman CONNERY, Massachusetts has lost a distinguished citizen, labor a great advocate, and the people an honest, conscientious, and much beloved public servant. His many contributions to the public benefit will be monuments to his memory.

No more faithful and capable representative ever served his constituency, his State, and his country than Billy CONNERY, as he was affectionately known to the people of Massachusetts.

To those of us who were privileged to attend the funeral services, as representing the membership of the House, it was a most impressive sight. Men, women, and children, representing all walks of life, came from all corners of the Nation to pay their last tribute to the man whom President Roosevelt called "the champion of the underprivileged." The Governor of the Commonwealth, the Lieutenant Governor of Massachusetts, the son of the President of the United States, United States Senators, Members of Congress, hundreds of business and professional men, scores of the clergy, and judges of the courts of our Commonwealth, and over 8,000 veterans, with whom he served in France, joined with 100,000 others, paying a last tribute to a great soldier and statesman. The esteem and respect in which he was held by his fellow men can be best illustrated by a quotation from a leading Boston newspaper—Boston Traveler—which related an account of his life and his devotion to the public interest:

More than 40,000 persons passed the bier while the body lay in state in the Lynn Armory Thursday, and over 100,000 persons lined the streets as the body was borne to the church.

BILLY CONNERY was a rugged man of the people, a champion and defender of their rights and liberties. He was a man of sympathy and integrity. Some men differed with him on matters of legislation, but no man in life ever questioned his honesty and character. He was independent and courageous in his views, and mere expediency never changed his convictions. During his 15 years in Congress he grew steadily in maturity of judgment and experience and left a public record which gives expression to his ability, his independence, and his unwavering courage. He was an apostle of good cheer, always young in spirit, yet mature in judgment. He lived with devotion to his God and to his country.

Personally I shall always hold in pleasant memory his beautiful character, his human sympathy, as well as his deep devotion to his friends and to his family.

Italy and Spain

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, June 28 (legislative day of Tuesday, June 15), 1937

EDITORIAL FROM THE WASHINGTON POST, JUNE 28, 1937

Mr. NYE. Mr. President, I ask leave to have printed in the RECORD an editorial headed "Out in the Open", which was published in the Washington Post of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 28, 1937]

OUT IN THE OPEN

"Italy", says Il Popolo d' Italia, Mussolini's personal organ, "has not been neutral in this conflict (the Spanish civil war), but has fought, and victory, therefore, will be hers."

"Germany needs Spanish ore", said Hitler, "and that is why we want a Nationalist Spain."

Coming hard on the heels of Italy's and Germany's withdrawal from the international sea patrol, this frankness is as illuminating as it is ominous. On the one hand, it gives substance to the mounting suspicion that the Fascist powers are now preparing to intervene openly on the side of the Spanish insurgents and against the Valencia Government. On the other hand, it constitutes an admission that Italy and Germany have definitely been violating both the spirit and the letter of the nonintervention agreement to which they are a party.

As a matter of fact, it was a very thin veil covering the truth which Duce and Fuehrer now have boldly stripped aside. It has been no secret that over a period of many months men and supplies have been furnished General Franco by the Fascist powers. Hitherto, however, these Governments have taken the stand that the soldiers in question were simply "volunteers" and the supplies those which the Spanish rebels had received before the nonintervention agreement came into force.

These pretenses are now being dropped. Mussolini's statement makes clear what has been suspected from the beginning, that neither Germany nor Italy is in the slightest interested in isolating the Spanish struggle and thus permitting the raging fires in the Iberian Peninsula to burn themselves out. Whatever action they may take in the future will be by Italy's own admission, with the single eye to making certain a rebel victory.

So long as it was to their advantage to pretend adherence to the nonintervention pact or to participate in the naval patrol scheme, the Fascist powers did so, though with tongue in cheek. But under no circumstances have they been willing to preserve a truly neutral attitude although more than eager to have France and Great Britain pursue such a course since that worked to the disadvantage of the regularly constituted Spanish Government. Now their unneutrality, encouraged by the victory at Bilbao and the preoccupation of the democratic powers and Russia with other problems, is coming out into the open.

Under the circumstances, it is not a little startling, therefore, to discover that Great Britain is continuing to urge the Fascist powers to resume their places on the naval patrol and that the argument which, according to dispatches from London, is being advanced in the present negotiations with Berlin and Rome, is that a purely Anglo-French naval patrol would benefit the Valencia government.

This happens to be a fact. True nonintervention, now as in the past, would unquestionably benefit the loyalists and place the insurgents at a real disadvantage since they are more dependent on outside aid. But it throws a curiously disturbing light on Britain's own attitude in the Spanish civil war to have this argument employed as a lever to bring Germany and Italy back into line.

Unemployment Relief

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 28 (legislative day of Tuesday, June 15), 1937

EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR, JUNE 17, 1937

Mr. BAILEY. Mr. President, I ask unanimous consent to have published in the RECORD a very admirable editorial entitled "Time for Facts About Relief", published in the Christian Science Monitor of June 17, 1937. I ask that the editorial be published in the RECORD because it gives a very worthy endorsement to the Murray-Hatch resolution.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 17, 1937]

TIME FOR FACTS ABOUT RELIEF

So quickly that it must have surprised even its authors, the Murray-Hatch resolution for a broad investigation of unemployment relief was passed by the Senate last week and sent to the House of Representatives. Introduced in February, the proposal lay almost unnoticed until the Senate was confronted with a $1,500,000,000 lump-sum appropriation for continual relief. Then a thorough, impartial inquiry with a view to formulating permanent policy was so obviously right that there was not a quibble.

But now the actual obtaining of such an inquiry depends on companion action in the lower house. Representative MAURY MAVERICK has introduced a resolution there that is similar to the Murray-Hatch resolution in all respects but one. Whereas by the Senate measure appointment of the entire commission of from five to fifteen would be in the hands of President Roosevelt, Mr. MAVERICK proposes that the commission consist of three Members of the House of Representatives, three from the Senate, and six qualified and distinguished citizens to be chosen by the President.

The House form of the resolution is likely to be accepted, it is understood, for it would have the merit of bringing into the commission Members of the two legislative houses which would have to act on its findings and recommendations if these were to be of value. Clearly more information is needed if Congress is to act intelligently and constructively on continued demands for relief.

"All America is lined up in camps on the relief question, and many of the factions are organized on bias, misinformation, and half truths", said William Hodson, chairman of the American Association of Social Workers, recently. "The time has come when the President should call upon the best brains of the country to study the baffling national problem of relief and unemployment."

Mr. Hodson advocated a nonpolitical, fact-seeking commission of the type of the various British royal commissions which have studied such subjects as civil service, income taxes, unemployment insurance, food prices, coal production, and the poor laws. British public-assistance policy is largely the outgrowth of the work of such a commission in 1905.

American public opinion very much needs the reliable information that could be adduced by a commission of outstanding citizens. If unemployment relief is destined to become a permanent responsibility of the Federal Government, surely relief policy should be determined not by a small group in an emergency administrative agency but by the legislative branch of the Government with all possible informational assistance.

Dedication of the Roscoe P. Copeland Auditorium

EXTENSION OF REMARKS

OF

HON. ARTHUR H. VANDENBERG

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, June 28 (legislative day of Tuesday, June 15), 1937

ADDRESS OF HON. ROYAL S. COPELAND, OF NEW YORK, AT THE DEDICATION OF THE ROSCOE P. COPELAND AUDITORIUM AT DEXTER, MICH., JUNE 13, 1937

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from New York [Mr. COPELAND] on the occasion of the dedication at Dexter, Mich., on June 13, 1937, of an auditorium memorializing his father.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

That Dexter has seen fit to name this beautiful and commodious auditorium as it has, makes my sister and me very proud and happy. It will be to us, doubtless more than to others, a constant reminder of our father's eagerness to promote the welfare of youth. That thought was the controlling motive of his long life. Were he here today he would frown upon the name you have chosen for it, but would applaud the purposes to which the auditorium is dedicated.

There can be no doubt that every school building should be the scene of a large share of the community's recreational and social activities. It should be used not only by the pupils but by the whole community. As I see it, it should be the center of the community's life.

The church, unfortunately perhaps, is limited in its activities to its membership and related individuals. Without treading on the toes of its sister congregations it can hardly minister to the entire area.

This is not true of the school, which has a parish as wide as its educational limits under the law. In the true sense it is the community center.

There are perfectly obvious reasons on the recreational side why there should be a well-equipped establishment like this. The fact that provision has been made for gymnastic exercises and contests of skill in the various indoor sports tells the story of what will be done here to promote health and sportsmanlike character.

What it can accomplish in worth-while entertainment justifies its existence. But what I have in mind goes beyond these commendable features of its aims.

Frankly, I have the feeling that the school fails in its true mission unless it presents a balanced program of education for the entire community. That involves leadership on the part of the school in the recreational and social activities of parents and other adults. It does seem that it is uneconomical to close the school buildings at 4 or 5 o'clock in the afternoon. But on the educational side, surely, to neglect bringing the community into the school plant at night is a failure to seize the opportunity for leadership in adult education.

Is not this hesitancy to make such use of the school plant due to the lack of recorded and accepted statement of the purposes of adult education?

There are ample precedents, and convincing arguments, in literature, to support the contention that the objectives of public education should include leadership and participation of the teachers in the community activities. It cannot be doubted that to do this is in the interest of public policy, but it will not become universal practice until there is public acceptance of these objectives.

As in the case of Michigan, this process may begin with a Statewide adoption of a few general "goals of education." But the process will not have developed in the traditional American way until such a plan has been made the rule for each county and each township and each district and has found popular support because it commands local conviction. This requires a leadership which is dependent, at every step, upon a frank and friendly relationship on the part of the teachers with the parents. In this way only can the respect of the latter be won. The adults of the community must be convinced that they are being led sincerely, as well as in a direction and along a path which they understand and approve.

The application of this procedure to adult education requires uniform and consistent application over a period of years. Frequent changes in school personnel interfere with unform policies and practices. The transition from the propaganda stage in the development of adult education to a truly professional stage, involves the concentrated attention of the teaching profession.

The burden of leadership in community coordination and in cooperation between the school and the home rests, primarily and appropriately, upon school people. That burden, however, is not as exacting as it may seem. No group of teachers is condemned to work out anew and alone its program of action. In many quarters much is being done. Reference to reports of progress in such places will simplify planning, releasing time and energy for the study of purely local problems of organization and administration.

Perhaps the methods used in community-chest drives, which have met with a high degree of success throughout the country, may be found suggestive. In any survey of possible modes of procedure, it should be kept in mind that the efforts to achieve community coordination and home cooperation must be unremitting. No plan can succeed unless it is based upon a vivid realization of educational and social needs and a full acceptance of the aims of a program mutually agreed upon and understood.

Above the turmoil of strife and the welter of injustice, the standard to which, in the words of Washington, "the good and honest may repair", is still the preamble of our Constitution with its call to unity, justice, tranquillity, the common defense and welfare, the establishment of liberty. The authority for that standard must be "we the people." The burden of carrying out the declared purpose of our Government still rests upon all the people. No group or clique or bloc or party can or will release us from responsibility.

It is not the mission of the teacher to devise a new political and social order and induce children to live in a school teacher's utopia, any more than it is the mission of a Senator, a banker, an engineer, or a farmer to coax them to live in one of their several utopias. The mission of the teacher is to minister to the growth of the child in physical, mental, social, and moral health. In that respect it closely parallels the mission of the physician. It helps us to understand why Christ, the Teacher, is called the "Great Physician." We will do well to follow in His footsteps.

Our quest for betterment, personal and national, has led us into the midst of complex problems and baffling difficulties. We cannot escape them. Our only recourse is to face them squarely and solve them with such wisdom, skill, and honesty as we have. We are sorely in need of more knowledge of pertinent facts, of more skill in assembling and interpreting facts, of a broader vision of what is worth while in life, of a keener sense of trusteeship, of more self-control and self-reliance, of more courage to stand steadfast even though it be to our own hurt, and of more downright honesty in all our dealings with ourselves and with others; in a word, more nobility of character. When our children come to maturity and face the problems and perplexities of their world they will need those qualities of competence and character as desperately as we, in our troubled world, need them now. There is the mission of the school in our democracy—and a noble mission it is.

But let us remember, it is not a mission that can be achieved by the schools alone. Nothing short of faithful and persistent cooperation on the part of the entire community can bring about a general and deep-seated fidelity to our common democratic aims. Without that fidelity our democracy cannot survive. With it we can save the world.

I speak feelingly, because I feel deeply. America is at the crossroads. The problem we face is not alone that of men in high places; it is the problem of every American citizen. It is the problem of every Dexterite; it is the problem of all who reside in these adjoining townships.

I don't need to tell you I love Dexter. I love it as I never have any other place. Because of this I want to see Dexter in the forefront of every good work, doing its full part to preserve our America and keep it as our parents and grandparents knew it. We want no new order; we pray and strive to preserve the institutions established by the fathers of the Constitution.

This auditorium can be used to blend the community life. If it does that, it will have a large part in preserving our democracy. I pray that may be the mission of those who administer this school of which I take the greatest pride in being a graduate.

Favoring an Impartial Investigation of Federal Tax Avoidance

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1937

SPEECH OF HON. HAMILTON FISH, OF NEW YORK, AT THE ANNUAL MEETING OF THE ORANGE COUNTY REPUBLICAN COMMITTEE AT GOSHEN, N. Y., JUNE 19, 1937; ALSO A STATEMENT

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by me at the annual meeting of the Orange County Republican Committee at Goshen, N. Y., June 19, 1937; also a statement:

A week ago I asked that an investigation of the income-tax payments of President Roosevelt be made by the congressional committee appointed to investigate evasions and avoidances of taxes. In view of the fact that the administration has submitted the names of a number of prominent men, charging them with tax avoidance, among whom are some liberal contributors to the Republican Party, I believe this investigation should not be restricted to just a few individuals selected by the administration, but in all fairness should likewise include the President and certain members of the Cabinet on the basis that "what is sauce for the goose is sauce for the gander."

I have received hundreds of letters from all sections of the country as a result of my recent statement suggesting an investigation of the President's income-tax returns, all of which have favored an impartial investigation in order to ascertain the facts on the basis that no American citizen is above the law. Among the suggestions that have come to me in these communications, which I intend to submit to the committee for investigation as I have no means or power to obtain all the facts, are the following:

(1) Examine income-tax returns of President Roosevelt for deductions for "farm losses" and depreciation on Hyde Park and his Georgia cotton plantation. There can be no reasonable doubt about this. I will be glad to furnish proof to the committee.

(2) Alleged payment of rental on Hyde Park property to Mrs. James Roosevelt by the Federal Government for maintenance during occupation by the President as summer White House.

(3) Alleged avoidance of income-tax payments by Mrs. Franklin D. Roosevelt for charity. The law provides that payment of taxes cannot be evaded by payment to third persons, and permits deductions from income for charity up to 15 percent of income, but does not allow entire sums paid for services—broadcasts, syndicated articles, etc.—to be contributed to charity without payment of taxes.

(4) Examine income-tax returns of James Roosevelt, Anna R. Boettiger, Elliott Roosevelt, James A. Farley, Henry Morgenthau, Jr., Harry L. Hopkins, John L. Lewis, and Henry L. Doherty.

(5) Investigate contributions and tax payments of labor unions, particularly the C. I. O. and the United Mine Workers of America, which boasts of a $500,000 contribution to the Democratic campaign in 1936.

(6) Scrutinize Meriwether Reserve, Inc., a Delaware corporation, of which President Roosevelt is president, to which funds of the Warm Springs Foundation are alleged to be diverted.

(7) Ascertain whether President Roosevelt received benefits from the A. A. A. for plowing under cotton on his Georgia plantation, or whether he failed to comply with the law and did not plow under.

(8) Investigation of all "personal holding corporations", either in the United States or foreign countries, set up by individuals in high public office to avoid tax payments.

These suggestions will be turned over to the committee, and it is up to them to ascertain the facts, which I think is the least they should do. Many of these charges are being widely circulated throughout the country, and in justice to the administration and the individuals concerned they should be thoroughly and impartially investigated and either scotched or, in case they are substantiated, proper congressional action taken.

There were many other questions raised, which I did not think were of sufficient importance or merit to submit to the investigating committee. The two following were obviously outside of the scope and jurisdiction of the tax-avoidance committee, but which should be investigated by a proper committee of the House:

(1) Inquire into President Roosevelt's numerous vacations at taxpayers' expense.

(2) Investigate action of Democratic National Committee in selling campaign books autographed by the President to corporations to pay campaign debts, in violation of the Corrupt Practices Act.

Personally I am unwilling to believe that there is substantial foundation for the persistent rumors that Mrs. James Roosevelt receives any rental from the Federal Government or claims depreciation on the Hyde Park estate, concerning which I have received so many communications.

There is nothing personal or vindictive in these charges, as I abhor personalities or abuse and would be the first to help correct any misleading statements.

THE INCOME-TAX INQUISITION

Statement of Representative HAMILTON FISH, June 26, 1937

A cursory perusal of the names submitted by the Treasury Department to the Joint Congressional Committee Investigating Tax Avoidances reads like a list of those who contributed to the campaign funds against the reelection of President Roosevelt. I have taken the trouble to check up many of the names, and find that with few exceptions they are opponents of the administration or campaign contributors. The main exceptions are the owners of the Scripps-Howard chain of newspapers, former ardent supporters of the President, but who now—perhaps by coincidence—are opposing the President's plan to pack the Supreme Court and destroy the independence of the judiciary. It is obvious that there are few, if any, of the Democratic campaign contributors mentioned, with the exception of Jacob Ruppert, who certainly is not friendly to the New Deal.

Each day it appears more and more apparent that the investigation is in the nature of an inquisition, and that opponents of the administration are being singled out for punishment and reprisal by the New Deal. Although I am in favor of plugging all loopholes and doing away with personal holding corporations, both foreign and domestic, none of the men or women mentioned are charged with violating the law.

In view of the presentation of a selected and hand-picked list by the Treasury Department, I reiterate my request for an investigation of the income-tax returns of Franklin D. Roosevelt, members of the Roosevelt family, Secretary of the Treasury Morgenthau, Postmaster General James A. Farley, Jesse Jones, and Henry Morgenthau, Sr., most of whom, it is charged, have used identically the same tactics, such as the creation of personal holding corporations and deductions for farm losses and depreciation and taking advantage of other loopholes to reduce their income-tax payments to the Federal Government.

I am prepared to go before the joint committee whenever it is ready to investigate the income-tax payments of members of the administration. As one who favors plugging all income-tax loopholes, I believe it is the duty of the committee to make this investigation impartial and not single out and smear the Du Ponts, Mellons, Sloans, Fishers, Raskobs, and Mr. Thomas W. Lamont, a Morgan partner, accused of "gypping" the Government, who are known as opponents of the New Deal, and unfriendly editors such as Paul Block and William Dewart, of the New York Sun.

Extension of Federal Highway Act to Alaska

EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1937

LETTER FROM WILLIAM A. HESSE, HIGHWAY ENGINEER OF THE TERRITORY OF ALASKA, TO C. C. GARLAND, CHAIRMAN OF THE ALASKA DEVELOPMENT COMMITTEE OF THE TACOMA CHAMBER OF COMMERCE

Mr. DIMOND. Mr. Speaker, under leave heretofore granted, I offer herewith for insertion in the RECORD copy of letter, dated April 9, addressed to Mr. C. C. Garland, chairman of the Alaska development committee of the Tacoma Chamber of Commerce, Tacoma, Wash., signed by Hon. William A. Hesse, highway engineer of the Territory of Alaska, relative to the desirability of extension of the provisions of the Federal Highway Act to Alaska.

Mr. Hesse is an engineer of talent and wide experience who has lived many years in Alaska and is intimately acquainted with all parts of the Territory. Mr. Hesse has served as highway engineer for the Territory of Alaska continuously since 1931, and no one, in or out of Alaska, is better qualified than he to speak on the subject of the extension of the Federal Highway Act to the Territory. His letter follows:

TERRITORY OF ALASKA,
OFFICE OF HIGHWAY ENGINEER,
Juneau, Alaska, April 9, 1937.

Mr. C. C. GARLAND,
Chairman, Alaska Development Committee,
Tacoma Chamber of Commerce, Tacoma, Wash.

DEAR SIR: This office is in receipt of a copy of your communication dated April 2, 1937, addressed to Mr. Curtis G. Shattuck, of this city, and I wish to express to you my gratitude for the part your committee and the board of trustees of the Tacoma chamber is taking with reference to H. R. 1554 now pending before Congress to extend the Federal Highway Act to Alaska.

There are no valid reasons why the provisions of that act should not be extended to Alaska, but there are abundant reasons why it should be.

At the present time there are three road-building agencies in Alaska—two Federal and one Territorial. The Bureau of Public Roads, under the Department of Agriculture, confines its road work to the national forests; and the Alaska Road Commission, under the Interior Department, carries on its road work outside of the national forests while the Territorial road board operates both jointly with and independently of the other two.

It is obvious that with such a set-up there must be duplicated activities, increased overhead costs, and a tendency to work at cross purposes. While it is not intended here to criticize the splendid work that has been performed by both Federal agencies, the whole system, aside from being awkward and cumbersome, does not give Alaska the voice in road planning and road building that it should by right have.

On account of conditions that are peculiar to Alaska some modification of the Federal Highway Act would become necessary in its application to this Territory, but these changes involve no serious problem nor would they affect State rights under the law, on the contrary they would be proposed not alone for the purpose of providing an adequate and equitable apportionment for Alaska but to protect the rights of participating States as well.

It is assumed that your body is familiar with the operation of this act but in order that a better understanding may be had as to just how the extension of the act would affect the Territory I am taking the liberty of inviting to your attention some of the problems that confront us and some of the provisions of the act.

Under the provisions of the act approved November 9, 1921, Federal funds are allocated on the following basis:

One-third on a basis of the ratio that the area of the State bears to the total area of all States,

One-third on a basis of the ratio which the population of the State bears to the total population of all States, and

One-third on a basis of the ratio that the mileage that the rural delivery routes and the star routes of the State bears to the total mileage of all States.

These apportionments contemplate Federal aid upon approved projects not to exceed 50 percent of the estimated cost, except in the case of any State containing unappropriated public lands exceeding 5 percent of all the lands in such State in which case the contribution by the United States shall not exceed 50 percent of the estimated cost plus a percentage equal to one-half the percentage which the area of such unappropriated public lands bears to the total area of the State.

The provisions of the existing Federal Highway Act make a distinction between primary or interstate highways and secondary or intercountry highways and fixes the percentage of each that may be constructed under Federal aid.

While our present disconnected roads may be wholly or partially connected with one another in time, we have neither primary nor secondary roads in the sense indicated. Certain prescribed specifications or types that are rigidly insisted upon in the States are unnecessary in Alaska. Alaska needs not so much better roads, but more road mileage; and roads costing from $5,000 to $10,000 per mile in the interior and from $15,000 to $30,000 per mile in the coastal areas will meet the requirements for many years to come.

The Territory has found it necessary to carry on projects for which there has been a need and for which Federal funds have not been available. We have so far carried on practically all of the aviation-field construction with Territorial funds. Aviation today is as essential to the development of the Territory as the roads; each serves its purpose without in any way conflicting with the other.

We have winter trails and sled roads that play an important part in the transportation of mail and supplies.

We have 275 refuge cabins that furnish shelter for winter mail carriers and other overland travelers, and we support (with road funds) other activities not directly related to roads yet essential to transportation.

While this office is unable to supply accurate data upon which Federal road apportionments are made, the following figures convey an idea as to how the act would apply to Alaska, based upon the 1933 authorization of $125,000,000.

Assuming the area of the continental United States to be 3,026,789 square miles, that of Alaska 586,000 square miles, and Hawaii 6,449 square miles, the area factor for Alaska would be 16.2 percent, which means that upon a basis of the area Alaska's share of Federal funds that year would have been $6,750,208, an amount not commensurate with our needs nor within our ability to match; so it is therefore suggested that, in determining Alaska's percentage on a basis of the area, that a fraction of the area be used that would represent a consistent apportionment on a basis of area, and I suggest one-quarter.

Upon this basis Alaska would receive $1,687,552.

Assuming the population of the United States, including Alaska and the Hawaiian Islands, to be 137,452,764, the population factor for Alaska would be 0.043 percent, which means that it would have shared out of the 1933 authorization $17,916.

The mileage factor for Alaska from the data that I have would be 0.621 percent, and the apportionment for Alaska in 1933 would have been $258,750.

Using one quarter of the area of Alaska as a basis in computing the area apportionment, it will be seen that Alaska would have received during 1933 the sum of $1,964,218. This does not mean that Alaska roads would have cost the Federal Government that much more during that year. It simply means that the money would have been expended upon roads in the Territory in a different manner.

The opinion seems to prevail in some quarters that the Federal Government spends money lavishly upon roads in Alaska while the Territorial government contributes nothing, and I am enclosing herewith a statement made by this office in reply to a charge made by the then Congressman Simmons, of Nebraska.

Road expenditures for the current year by the Territory will amount to about 15 percent of all road costs and represents approximately what the Territory has contributed in the past. Out of the road expenditures for the current year 10 percent will represent funds collected by the Federal Government in tax levies. In other words, the actual Federal appropriations for roads in Alaska during the current year will be about 75 percent of all road costs.

Let us see just how Alaska would fare under the provisions of the act that relates to the public-land States.

The public domain here in Alaska constitutes fully 99 percent of the area of the Territory, or, stated differently and perhaps more accurately, less than 1 percent of the area of Alaska is privately owned.

Under the provisions of the law in any State having more than 5 percent of its area in unappropriated public lands the 50-percent Federal aid on approved projects would be increased to a percentage equal to 50 percent plus one-half of the percentage of unappropriated public lands, which in this case would be 49.5 percent and this added to 50 percent would make 99.5 percent as the Federal contribution.

Alaska does not expect any such a concession; it is willing to accept the Federal Highway Act on any fair and equitable basis.

This office believes that Alaska requires $2,000,000 annually upon roads outside of the national forests which carry a separate authorization, and that the apportionment on a basis of one-quarter the area would seem fair, but if the Federal authorizations should be materially reduced then some other factor should be chosen to produce the amount indicated and which the Territory can match on a basis of what some of the public-land States contribute.

The greatest single need for the Territory today is an adequate system of roads. We do, of course, need people, but population will come with roads and not otherwise.

Thanking you again for your efforts in our behalf, I am

Yours very truly,

WM. A. HESSE,
Highway Engineer.

Completing the Bill of Rights

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 28, 1937

RADIO ADDRESS OF HON. LOUIS LUDLOW, OF INDIANA, ON JUNE 27, 1937

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House, I present herewith for printing in the RECORD an address I delivered to the people of my home city, Indianapolis, Ind., over Station WIRE on Sunday, June 27, 1937. The address referred to follows:

In availing myself of the broadcast privilege of accounting for my stewardship to my old friends and neighbors so generously extended to me by Station WIRE, I wish first of all to speak of the progress that is being made through my war referendum peace resolution toward completing the Constitution in the spirit of the Bill of Rights. Very appropriately, I think, this radio address will bear the title "Completing the Bill of Rights."

The Bill of Rights, embraced in the first 10 amendments of the Constitution, is the Magna Carta of American freedom. It is the fundamental guarantee of liberty for ourselves and for our children and our children's children, down to the remotest generation. Those 10 amendments are a mighty force forever beating back the waves of despotism and shielding from the iron hand of tyranny all who are fortunate enough to live under the American flag. Those amendments were proposed to the legislatures of the several States by the First Congress on September 25, 1789, and their ratification made the Constitution what it would not have been without them—a vital, living, never-failing force for the safeguarding of human rights. By those amendments the people of America are guaranteed the inestimable blessings of freedom—freedom of conscience, freedom of religious worship, freedom of speech, freedom of the press, trial by jury, freedom peaceably to assemble and to petition the Government for a redress of grievances; the right to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures.

As if under the guidance of Divine inspiration, the Bill of Rights captured the philosophy of Thomas Jefferson, who wrote into the great Declaration the precious doctrine that "all men are created equal", and molded that philosophy into a perpetual force for the service of humanity, to the end that the shackles might be removed from the human spirit and that man might be free to achieve the highest aims of happiness and usefulness that can come to a creature of God, made in the image of his Maker.

ONE MORE AMENDMENT NEEDED

The Constitution today needs just one more amendment to make the Bill of Rights complete—an amendment transferring the power to declare war from a little group or oligarchy in Washington to the people of America, who have to do the dying and the suffering when war comes. I have proposed such an amendment in House Joint Resolution No. 199, which reads as follows:

"SECTION 1. Except in the event of an invasion of the United States or its Territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress, when it deems a national crisis to exist, may, by concurrent resolution, refer the question of war or peace to the citizens of the States, the question to be voted on being, Shall the United States declare war on ———? Congress may otherwise by law provide for the enforcement of this section."

The adoption of this amendment, which would make the people, instead of a little group, the judges as to when war shall be declared, would round out the Bill of Rights and make it fit twentieth-century conditions. If it were adopted now it would be the twenty-second amendment of the Constitution, but in spirit and purpose its proper place would be no. 11, the last amendment of the Bill of Rights. What, I ask you, would be more in harmony with Jeffersonian philosophy, which runs like a thread all through the Bill of Rights, than an amendment that would make all men and women equal when it comes to the greatest of all decisions, the decision that means more to our people than all things else, the decision that involves the lives of our loved ones, the wrecking of happy homes, and griefs unbearable; the decision that casts the die for peace or war?

The amendment I propose is based on the philosophy that those who have to suffer and, if need be, to die and to bear the awful burdens and griefs of war, should have something to say as to whether war shall be declared.

Is not that proposal in complete harmony with the Bill of Rights? Can anyone imagine that Thomas Jefferson, whose inscrutable wisdom dictated the Bill of Rights, would be in favor of sending our boys into foreign wars, to be slaughtered in the settlement of quarrels growing out of the age-old hatreds and rivalries of foreign governments, without the people of America having something to say about it?

WHY OUR FOREFATHERS DID NOT FAVOR WAR REFERENDUM

Now, I know what you are thinking, and I am ready to answer your question. You are thinking that if the existing method of declaring war by a little group comprising a majority of the Members of Congress is so imperfect and undependable as a means of registering the Nation's will in regard to war, why did the founding fathers adopt it at the beginning? Why was such a mechanism ever written into the Constitution? Why did not George Washington favor a war referendum? Why did not Thomas Jefferson, who wrote into the great Declaration the immortal doctrine that "all men are created equal" see to it that a provision for a popular vote on war was included in his cherished Bill of Rights? Pertinent and proper questions, all of these. Certainly no one doubts the breadth and depths of the altruism of the seers who founded this Republic. But far-seeing as they were, they could not foresee the development in the means of communication that has made a war referendum practicable. Acting in the light of their times they lodged the war-making power the nearest to the people it could be put under the conditions then existing—and that was in the Congress. There was great rejoicing among the friends of the people in the Constitutional Convention when they were able to defeat a movement to lodge the war power with the President, which was the aim of the monarchists of that time; and Thomas Jefferson in one of his letters spoke exultantly of that victory for the people. The only kind of representative government the founding fathers knew was representative government at its best, and when they got the war power vested in Congress they consoled themselves with the thought that it was lodged nearest to the people.

In those times the railroad, the telegraph, the telephone, the radio were in the bosom of the unknown future. Even the pony express was as yet undreamed of. A letter mailed on the eastern seaboard was 6 months reaching the uttermost frontiers of the country, if, indeed, it ever got there, and traveling was so tedious, long-drawn-out, and precarious that Members of Congress were allowed mileage at the rate of 20 cents a mile to cover tavern bills, etc., on the long journey to Washington and return to their homes.

NOW IT IS ALL DIFFERENT

Now the fast train roars across the country in 100 hours; the airplane in 24; the telegraph, telephone, and radio have annihilated time and space. The two great broadcasting systems gave me time over their networks to explain my peace amendment to the people of the country, and sitting before a microphone in Washington I talked to the entire Nation. The only tenable argument ever made against a war referendum, namely, that it would consume too much time, thus giving an enemy nation the advantage, has been completely nullified by modern perfection in the means of communication.

There are 435 Members of the House and 96 Senators, but as a matter of fact war may now be declared by 218 Representatives and 49 Senators, a total of 267 individuals, while about 130,000,000 other people have nothing to say about it. Thus we find the war power vested in a very little group in Washington, subject to all kinds of pressures and influences, a group that is singularly influenced and dominated by one other individual, the other individual being whoever may happen at any given time to occupy the office of President of the United States.

I have the highest admiration for the peace-loving aims of our present President, but the service of one President is but a moment in the life of a nation. Suppose that sometime in the future a tyrant, a modern Napoleon, should appear in the White House. What then? He could grab the war power and run amuck, and unless my amendment is adopted the people of America would be as helpless as newborn babes to prevent it.

A declaration of war is no idle and inconsequential thing. It signs the death warrant of our fine young manhood. It is a case where the principal and not the agent should act, and in this case the principal is the 130,000,000 people who comprise the American Nation. War should be declared, if it is declared at all, in the privacy of the ballot booths, each cititzen alone with his Maker. In that way we will have a true verdict of the composite judgment and conscience of the American people and not the verdict of unconscionable, selfish interests bent on achieving ambitions, satisfying hatreds, or reaping dirty dollars from human misery.

NO IMPAIRMENT OF NATIONAL DEFENSE

If the constitutional amendment I propose—the amendment that is so much needed to complete the Bill of Rights and to keep America a nation of free men and women—is adopted, it will prevent our boys from being sent into the shambles of foreign wars to die in the settlement of quarrels of alien origin. I believe it will keep America out of all wars unless occasion should arise to wage a righteous war of self-defense. There is nothing in my proposed amendment, and nothing could flow from it, that could possibly impair our national defense. The enjoyment of sovereignty implies the obligation of being prepared at all times to defend that sovereignty. All my amendment does is to change the mechanism so that the trigger that declares war will be pulled by the people and not by a little clique in Washington. Nearly all my mature life I have lived among Members of Congress, and I respect their average intelligence and patriotism. It is a high average. But Members of Congress are human, and they are likely to crack under the strain when a thousand threatening and cajoling influences apply the war pressure.

It gives me much pleasure to report that my proposal to complete the Bill of Rights by transferring the war power to the people now has the support of 134 Members of Congress, who have signed a discharge petition I have filed at the Speaker's desk to bring my resolution out of committee and before the House for debate and a vote. The petition will become effective if and when it receives 218 signatures. One Member, Mr. KNUTSON, of Minnesota, on his own initiative, has written to all Members on the Republican side of the Chamber asking them to sign the discharge petition. It has the support of outstanding World War veterans, like Mr. FISH, of New York; Mr. BOILEAU, of Wisconsin; Mr. MAVERICK, of Texas; Mr. BREWSTER, of Maine; Mr. HOUSTON, of Kansas; Mr. IZAC, of California; Mr. JOHNSON, of Oklahoma; Mr. BIERMANN, of Iowa; Mr. GRISWOLD, of Indiana; Mr. KVALE, of Minnesota; Mr. PATMAN, of Texas; and Mr. RANKIN, of Mississippi, chairman of the Committee on World War Veterans' Legislation, all of whom know from experience the meaning of war. The 134 Members who signed this document did so with a solemn realization of the issues involved. Collectively they represent over 34,000,000 American people, or more than one-fourth of the Nation. I hope to see this amendment ratified, thus bringing the Bill of Rights up to date in its application to a modern world.

William P. Connery, Jr.

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 28, 1937

RESOLUTION ADOPTED BY THE UNITED GOVERNMENT EMPLOYEES ON THE DEATH OF HON. WILLIAM P. CONNERY, JR.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the United Government Employees on the death of our late beloved and distinguished colleague, William P. Connery, Jr.

JUNE 22, 1937.

Whereas it has pleased the Almighty God to remove from our midst by sudden and unexpected death our esteemed friend, champion of the rights of labor, benefactor of the common people, the late beloved Congressman WILLIAM P. CONNERY, Jr., who has for many years occupied a very prominent and conspicuous place in public affairs, maintaining under all circumstances a character of the highest type of citizenry and leadership, working always for the good and welfare of humanity, and for the sincere brotherhood of his fellow men, regardless of race, creed, color, or previous condition; and

Whereas in the sudden death of the late Congressman WILLIAM P. CONNERY, Jr., there is real sadness among the various labor organizations because of the irreparable loss to the Nation: Therefore be it

Resolved, That the United Government Employees, Inc., realizing that a true friend of the Government employees and labor has fallen, join with other organizations in expressing sincere sympathy; be it further

Resolved, That we offer to his bereaved family and mourning friends, over whom sorrow has hung her sable mantle, our heartfelt condolences, and pray that infinite goodness may bring speedy relief to their burdened hearts and inspire them with the consolations that hope in futurity and faith in God given even in the shadow of the tomb;

Resolved, That a copy of these resolutions, properly engrossed, be presented to the family of our deceased friend;

Resolved, That a copy of these resolutions be sent to Congressman JOHN W. McCORMACK (Massachusetts) and become a permanent part of the record of the House of Representatives.

EDGAR G. BROWN, *President*.
WILLIAM M. STEEN, *Secretary*.
ELIZABETH H. McDUFFIE, *Treasurer*.
ALBERT L. DUNLOP,
AMY MAHONEY,
GEORGE H. WALLACE,
GEORGE B. SMACKUM,
G. N. T. GRAY,
Committee.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Monday, June 28 (legislative day of Tuesday, June 15), 1937

ARTICLE BY HON. THEODORE F. GREEN, OF RHODE ISLAND, IN THE JUNE ISSUE OF THE AMERICAN BAR ASSOCIATION JOURNAL

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article published in the June issue of the American Bar Association Journal. The article is entitled "The Supreme Court and the President's Proposal." It is written by the distinguished Senator from Rhode Island [Mr. GREEN], who is a member of the Rhode Island bar and a member of the council on legal education of the American Bar Association.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SUPREME COURT AND THE PRESIDENT'S PROPOSAL

FUNDAMENTAL QUESTION IS WHETHER OUR FEDERAL GOVERNMENT CAN AND WILL ENACT LAWS TO CORRECT THE EXISTING EVILS IN OUR SOCIAL AND ECONOMIC SYSTEMS—PRESIDENT ROOSEVELT'S MADISON SQUARE GARDEN SPEECH WAS A FRANK AVOWAL OF HIS OBJECTIVES, SET BEFORE THE PEOPLE FOR APPROVAL OR DISAPPROVAL, NOTWITHSTANDING WHAT THE SUPREME COURT HAD SAID—THERE CAN THUS BE NO DOUBT AS TO THE OBJECTIVES FOR WHICH THEY VOTED—PRESIDENT'S PLAN FOR REORGANIZATION OF SUPREME COURT ADVOCATED BECAUSE IT SEEMS ONLY PRACTICAL WAY OF REMEDYING EVILS WHICH THREATEN CONTINUANCE OF OUR CAPITALISTIC SYSTEM AND DEMOCRATIC FORM OF GOVERNMENT, ETC.

(By THEODORE FRANCIS GREEN, member of Rhode Island bar; United States Senator from Rhode Island; member of council on legal education of American Bar Association)

The fundamental question is whether our Federal Government can and will enact laws to correct the existing evils in our social and economic systems. In this land of abundance millions of our fellow citizens are destitute and many more millions are very poor and face the future with an uncertainty almost hopeless. The measures planned to help them may be summarized under the popular term "the New Deal." This help is proposed not only on humanitarian grounds but also on the grounds that only by such measures can our capitalistic system and our democratic form of government be preserved.

There are many who do not recognize any obligation on the part of the Federal Government to remedy this condition. They naturally are glad to believe that the Government cannot do this under our Constitution. There are some others who believe such action would be desirable but also believe that the Government is powerless because the Supreme Court says it is. The desirability of doing this is one thing and the power to do it quite another, though the two are often confused even by lawyers and judges.

Last fall there was a national election at which the people elected a President and a third of the Senate, and a House of Representatives as well as many governors and other State officers. The people elected in the main those candidates who, they believed, stood for the political philosophy known as the New Deal. They elected them by an overwhelming vote, which reaffirmed more strongly their definite purpose similarly expressed at two preceding national elections. If anyone doubts this, I suggest that he reread the President's Madison Square Garden speech just before the last election and study the objectives therein set forth in the light of what the Supreme Court had decided up to that time. Fairly construed, I think it was a frank avowal of those objectives which then and there were put before the voters for approval or disapproval, notwithstanding what the Supreme Court had said. In the light of the election returns there can be no doubt as to the objectives for which the people voted.

It is the duty of the President, the Senators, and the Representatives so elected to try to carry this will of the people into effect. The national platform on which they stood stated: "We have sought and will continue to seek to meet these problems through legislation within the Constitution." This meant that amendment of the Constitution was to be tried only as a last resort, if all means within the Constitution failed.

Our Government is a representative democracy. The people decide general principles and general objectives and elect their representatives to decide on the best means of applying those principles and attaining those objectives. So in this instance the people decided in favor of the general principles of the New Deal and elected us to decide how best to carry them into effect. That is our mandate, binding not on the President alone but as well on all those elected with him on the same platform. The only question, then, we should debate is how we can best accomplish this. We should no longer debate whether it ought or ought not to be accomplished. It is no time for an appeal from the result of these three national elections by those who at these elections advocated another political philosophy, or perhaps it would be more accurate to say "by those who opposed this philosophy and advocated no other." Yet we now find all of these who then were its opponents, and a few of those who then were thought to be its advocates, seeking to reopen the whole question anew.

Whatever any others elected on a New Deal platform may conceive to be their duty—and I do not question anyone's honesty—I conceive it to be my duty to carry out that mandate. I advocate the plan for reorganization of the Supreme Court proposed by the President because, by the process of elimination, I see no other practical way of carrying out the principles of the New Deal, and coming to the relief of a distraught people, and remedying the evils in our social and economic systems which threaten the very continuance of our capitalistic system and our democratic form of government. I have been asked to tell you why I came to this conclusion. At the same time let me say that I think there is room for honest difference of opinion and no

occasion for questioning the sincerity or patriotism of those who differ.

The drafters of our Federal Constitution conceived our Government as consisting of three departments, the legislative, the executive, and the judicial, with their respective powers so defined as to balance each other. The plan was so well conceived that any disturbance of that balance is to be avoided if possible. The present crisis results in part from the narrow construction of the Constitution by certain of the judges, and in part from the resulting encroachments of the judicial on the legislative department.

The founding fathers did not intend the Supreme Court to pass upon the wisdom of legislation. At the Convention at which the Constitution was drafted it was urged by James Wilson that the Court should have this function, but this proposal, though supported by Madison and by Ellsworth, was emphatically voted down. Yet today we find the Court doing precisely what the Constitutional Convention specifically refused to permit it to do! It is passing on the wisdom of legislation.

A few years ago Mr. Justice Holmes, in a dissenting opinion expressing his anxiety at the ever-increasing scope given to the fourteenth amendment, said, "I cannot believe that the amendment was intended to give us carte blanche to embody our economical or moral beliefs in its prohibitions. Yet I can think of no narrower reason that seems to me to justify the present and the earlier decisions to which I have referred." We find hope for a changed Court attitude in the language of Mr. Justice Cardozo in the majority opinion just handed down upholding old-age pension legislation when he said: "Whether wisdom or unwisdom resides in the scheme of benefits set forth in title II, it is not for us to say. The answer to such inquiries must come from Congress, not the courts. Our concern here as often is with power, not with wisdom." That view, however, has not won general acceptance among the Justices as is shown by the dissents on the part of four out of the present nine Justices who, come what may, are opposed to the social philosophy that prevails in the United States today. These four Justices, all of them over 70 and three of them over 75, hold to a different philosophy, and seek to write their philosophy into the constitutional law of the Nation. One of the four has just resigned, but apparently the other three want to continue to impose their own view, and thwart the people's view as expressed at the polls and through Congress.

The solution proposed by the President proceeds on the sound assumption that the difficulty in the last analysis is with the judges and not with the Constitution, is with judges of closed minds, not with judges of open minds, and therefore is with aged judges, who are more apt than younger judges to have closed minds. It is a fact that just as age often hardens the arteries, so also does it often harden the mind. There are exceptions to both, naturally, but by and large it is so. Take, for example, the recent minimum-wage decision, which at long last overruled the Adkins case. All of the Justices under 70 were of the opinion that minimum-wage legislation was constitutional; but two-thirds of the Justices over 70 adhered to the view that it was unconstitutional. That, it seems to me, is a good illustration of the general rule. When Justices of the Supreme Court were first appointed their average age was 52½. The average of the present Justices is 72, the oldest in the whole history of the Court. Men are not the best judges of their own declining powers. So there should be an age limit set for judges and for other public officials holding life terms.

The constitutionality of the President's proposal seems so clear that it is hardly worth mentioning here. Congress in the first instance fixed the size of the Court and since then has changed it six times. Such a change today would not be any less valid than in the past. It would not be establishing a precedent. The precedent is already established. A constitutional amendment fixing an age limit for the Justices might well be adopted, but one fixing definitely the size of the Court would be taking away from the Congress a right originally left to it and which may prove as valuable in maintaining the original balance in the future as it may prove today, when the mere proposal of a change has been productive of results.

Some may say, "But never before did a President change so many Justices as to give him control of the Court." President Taft appointed a majority of the Court and a Chief Justice. President Roosevelt has within a few days had his first opportunity to appoint a Supreme Court Justice. When he fills that vacancy, even if he appoints in addition all that the proposed law will permit, he will have appointed only a minority of the Court.

Others may say, "But we can't allow the President to pack the Court." If it is "packing" to ascertain the views of prospective judicial nominees in advance, then the practice has been followed by many Presidents. When Madison had a Supreme Court appointment to make in 1810, ex-President Jefferson wrote: "The death of Associate Justice Cushing gives an opportunity for at length getting a Republican [he meant, of course, what we now call Democratic] majority on the Supreme Court Bench. Ten years has the anticivism of that body been bidding defiance to the spirit of the whole Nation if they had manifested their will by reforming every other branch of government. I trust the occasion will not be lost. Nothing is more material than to complete the reformation of the Government by this appointment." In the light of this letter, it would seem that the currently much-advertised "Jeffersonian" Democrats are more Jeffersonian than Thomas Jefferson himself.

To turn for a moment to leaders of the other party, we know that Abraham Lincoln, prior to Chase's appointment, inquired as to the latter's "soundness on the general issues of the war." We know also that Theodore Roosevelt wrote the elder Senator Lodge about such matters. On July 10, 1902, he wrote about Judge Holmes as follows: "Now I should like to know that Judge Holmes was in entire sympathy with our views, that is with your views and mine and Judge Gray's, for instance, just as we know that ex-Attorney General Knowlton is, before I would feel justified in appointing him. Judge Gray has been one of the most valuable members of the Court. I should hold myself as guilty of an irreparable wrong to the Nation if I should put in his place any man who was not absolutely sane and sound on the great national policies for which we stand in public life." And on September 4, 1906, he wrote about Judge Lurton: "Nothing has been so strongly borne in on me concerning lawyers on the bench as that the nominal politics of the man has nothing to do with his actions on the bench. His real politics are all important." And he went on to discuss Judge Lurton's attitude on various public questions and continued: "On every question that would come before the bench he has so far shown himself to be in much closer touch with the policies in which you and I believe than even White * * *."

Not only should a President make such investigation, but the Senate, whose duty it is to confirm or reject an appointment, should do so, too. My colleague Senator BORAH expressed this thought very forcefully in the Senate in 1930. He said: "* * * the Supreme Court of the United States said that our action was null and void. Mr. President, that is what makes this matter so very important. They pass upon what we do. Therefore, it is exceedingly important that we pass upon them before they decide upon all of these matters. I say this in great sincerity. We declare a national policy. They reject it. I feel I am well justified in inquiring of men on their way to the Supreme Bench something of their views on these questions."

The President has acted in accordance with the platform on which he stood in the last campaign. He has not proposed to amend the Constitution. His critics are obviously disappointed that he has not proposed to amend it. Nevertheless they say in effect, "If the Constitution is to be amended, let it be only in the way the Constitution itself provides!" Yet they ignore the fact that it has been amended and reamended in another way, and that is by Justices of the Supreme Court construing it to accord with their own personal, social, and economic views.

Look at the last minimum wage case decision! In the forenoon of Monday, the 29th of March, 1937, such legislation was, as it had been for 14 years previously, prohibited by the Constitution. In the afternoon of that same day such legislation was permitted by the Constitution. Who amended the Constitution? Was it the President, or the Congress, or the legislatures of 36 States, or 36 State conventions? No! It was simply Mr. Justice Roberts. He changed his mind. "The Constitution is what the judges say it is." The Constitution is what Mr. Justice Roberts says it is. The Constitution is what he says it is now. This is not said in disrespect of the learned Justice. It is more important to be right than to be consistent. His courage and open-mindedness command respect. Neither is it said in criticism of majority rule, which would apply equally to an enlarged Court. It is said to emphasize the fact that the Federal Constitution is not something fixed and definite, having the precision of a tax statute, or of a zoning ordinance. Although it is a written instrument, it is a living, changing thing. That most glorious instrument of government was conceived for no specific time. In its fundamental provisions, its sets forth principles applicable to all times. These principles have to be applied from time to time to make timely their timelessness.

Look at the recent decisions on the Wagner Labor Act and on the Social Security legislation: the change of one judge's opinion would have meant vital changes in the relations of capital and labor, and in the welfare of every wage earner in the country! The contrary view may be summed up in the recent words of Mr. Justice Sutherland who said, "The meaning of the Constitution does not change with the ebb and flow of economic events." And he said this in giving his opinion that the due-process clause in a Federal constitutional amendment applies to a State law establishing a minimum wage.

But it is still insisted by some persons, in spite of these occurrences, and in spite of the score of times the Supreme Court has overruled itself on constitutional questions, that the New Deal objectives should be reached only after a constitutional amendment has been duly proposed and ratified. I cannot agree with this for several reasons.

In the first place, a constitutional amendment is unnecessary. The Constitution is sufficient as it is, if consistently construed in the light of changing conditions. The recent decisions on minimum-wage legislation, on the Wagner Labor Act, and on the Social Security laws offer abundant proof that the Constitution unamended is broad enough even for the exacting needs of the present day. The only question is whether future decisions will be based on an equally broad construction of it.

The late James Bradley Thayer in his "Legal Essays" summed this up admirably as follows: "As it (the Constitution) survives fierce controversies from age to age, it is forever silently bearing witness to the wisdom that went into its composition, by showing itself suited to the purposes of a great people under circumstances that no one of its makers could have foreseen. Men have found, as they are finding now, when new and unlooked-

for situations have presented themselves, that they were left with liberty to handle them. Of this quality in the Constitution people sometimes foolishly talk as if it meant that the great barriers of this instrument have been set at naught, and may be set at naught, in great exigencies; as if it were always ready to give way under pressure; and as if statesmen were always standing ready to violate it when important enough occasion arose. What generally happens, however, on these occasions, is that the littleness and the looseness of men's interpretation of the Constitution are revealed, and that this great instrument shows itself wiser and more far-looking than men had thought. It is forever dwarfing its commentators, both statesmen and judges, by disclosing its own greatness. In the entire list of the judges of our highest Court, past and present, in the business of interpreting the Constitution, few indeed are the men who have not, now and again, signally failed to appreciate the large scope of this great charter of our national life. Petty judicial interpretations have always been, are now, and always will be a very serious danger to the country."

In the second place, the constitutional amendments so far proposed have more obvious shortcomings than the President's proposal, and no amendment proposed has had any general support.

Take, first, the amendment proposed by my learned colleagues, Senators WHEELER and BONE, which proposes to let Congress repass by a two-thirds majority acts invalidated by the Supreme Court. This amendment loses sight of the fact that statutes, unlike eggs, are not wholly good or wholly bad. Take the Railroad Retirement Act. Five Justices were of opinion that Congress lacked power to pass pension legislation for interstate railroad employees; all the Justices were of opinion that the act as drawn contained invalid features, the minority believing that the invalid portions were separable. Under the Wheeler-Bone amendment, Congress would, by reenacting the statute, repass the parts which a unanimous Court believed to be invalid. Moreover, this amendment would not help the States. It would not validate the Vermont Act, held invalid over strong dissent in *Colgate* v. *Harvey*. Nor if Mr. Justice Roberts had remained as unyielding in the minimum-wage matter as some of his colleagues, would it have assisted the New York statute, declared unconstitutional in the *Tipaldo case*?

Senator BORAH'S amendment would not, in my opinion, be any more helpful. This amendment proposes to rewrite the fourteenth amendment so that due process henceforward shall have reference only to procedure. The distinguished Senator from Idaho insists that this would leave the States free to experiment with social legislation. So it would, but, since it would abolish the substantive concept of due process of law, it would also open the door to legal confiscations of every kind. So long as the victim received notice and an opportunity to have his objections heard, he could handily be separated from his property, and, it may be, from his life and liberty as well. Moreover, the Borah amendment would not help Federal legislation. The District of Columbia minimum-wage law, invalidated in the *Adkins case*, would have had to wait for a change of heart on the part of the Court, just as, in fact, it had to wait for 14 years; the Borah amendment would not have aided it.

Then there is the O'Mahoney amendment, proposed by the able Senator from Wyoming, which would require a 6 to 3 or a 7 to 2 vote to declare a statute unconstitutional. How would this work in case the vote were 5 to 4? Which opinion would be the opinion of the Court, that of the majority or that of the minority? Which opinion could be cited as a precedent or as an analogy in later cases? The amendment would introduce into our constitutional law the novel and, I submit, unsound doctrine of minority rule. It might well place some of our most treasured liberties at the mercies of a small minority. Furthermore, as Judge John P. Devaney has pointed out, "Under an amendment requiring a 7 to 2 vote one member of a minority of three would often sacrifice his intellectual conviction to his sense of loyalty to the united front of his Court and vote with the majority rather than subject the Court to the criticism of declaring a law constitutional or unconstitutional by 3 votes. The logical reform of the amendment would succumb to the sense of loyalty to the majority of the Court." This is not fanciful. In Ohio, where such a constitutional provision is in force, this has actually happened. In *Board of Education* v. *Columbus* (118 Ohio State 295) the opinion referred to an earlier case, *Morton* v. *State* (105 Ohio State 366), where six judges concurred as to the unconstitutionality of a statute and commented: "This was a plain concession on the part of two judges in order to avoid a situation created by the amendment of section 2 of article IV."

So it is apparent, even from this brief review, that most of the amendments thus far proposed would be unsatisfactory. I am far from saying that a satisfactory amendment cannot be drawn, but I do insist that if such eminent lawyers as the authors of these proposals, who have devoted much time and thought to the subject, are unable to draft amendments which can survive even a cursory scrutiny, it will be a long, a tedious, and a difficult task to draft an amendment which will prove satisfactory.

In the third place, it is doubtful whether any such amendment would really help. After all, we are confronted with an attitude of mind. The frame of mind that can give the Constitution "a tortured construction", to use Mr. Justice Stone's phrase, is fully capable of giving a tortured construction to any amendment. We do not want an amendment that goes too far in the grant of substantive powers. On the other hand, we cannot press for an amendment each time that a specific case arises. In other words, what is needed is an amendment which embodies the constitutional philosophy of Mr. Justice Holmes in such a way that it will be proof against the constitutional philosophy of Mr. Justice McReynolds. I will not be dogmatic and say it cannot be done, but I can safely state that I have not seen it done yet.

In the fourth place, and finally, any such amendment proposed by Congress is practically sure to fail of ratification for a long time to come. This doubtless is one reason why the amendatory process is so strongly urged upon us by many opponents of the New Deal. It is not a question of popular support. The President carried my own State of Rhode Island last November by about 40,000. Yet the Senate consists of 27 Republicans, elected by 51,711 voters, and only 15 Democrats, elected by 120,319, or over twice as many voters. A similar situation exists in many other States. Any amendment opposed by the minority party probably could not be ratified even if approved by a large majority of the people.

But it is suggested that ratification could be by State conventions instead of by State legislatures; to which I reply that the conventions would have to be called and their composition determined by these same legislatures opposed to the amendment, so that the outcome would be the same. Some persons suggest that Congress could call the conventions and fix their composition. That has never been done. It would involve the Federal Government in a State election in an unprecedented way and is of doubtful constitutionality.

There is nothing in the President's proposal which lessens the power of the Court to declare a statute unconstitutional. These new judges will be as free as their predecessors in all respects. What is needed and what the proposal provides is not subservient judges but more open-minded judges. The present Court is, in large measure, four-ninths, to be exact, not open-minded. It is that which has brought on the crisis; it is that which makes some remedy imperative. Despite the encouraging trend of decisions since the President's proposal was first advanced, it is not safe to trust the destiny of 130,000,000 people to a single and unpredictable judicial mind.

Talk of dictatorship seems, to me, fanciful. But if it is to be feared, from which direction does it threaten? The present danger is not of the Executive encroaching on the judicial. The danger is of the judicial encroaching on the legislative. Was there ever in any democracy a dictatorship comparable with that of Mr. Justice Roberts? As his opinion changes he prohibits or permits the fixing by great sovereign States of a minimum wage for tens of millions of working people. He lays down and later reverses the fundamental law for 130,000,000 Americans.

The powers of the Congress and of the President, of the Federal Government, and of the State governments expand and contract as he speaks from the bench. He is not answerable to anyone. He is not recallable by anyone. The Constitution is what he thinks it is. When his mind tends in one direction, railroad retirement, municipal bankruptcy, and minimum-wage legislation are unconstitutional; when it tends in the other direction, gold clause, milk control, mortgage moratorium, minimum wage, and social security legislation are constitutional. Yet while this is called "democracy" and "government of the people, by the people, and for the people", the President's mild proposal for reform is branded as "dictatorship" and drives some newspapers and old ladies of both sexes into hysteria. It is true the same situation might arise with an enlarged Court, but it is less likely to arise, and we are now faced with this actual fact, which endangers much New Deal legislation. From this danger the proposal offers an escape, at least temporarily.

We cannot go on indefinitely with four out of nine Justices adamantly opposed to every idea which was not current a generation ago. We cannot breathlessly each Monday make our whole economy mark time until we learn where Mr. Justice Roberts or some other Justice stands. We cannot plan and enact into law an intelligent far-reaching program such as the situation demands and the people have called for.

The masses of the people who now suffer from adverse economic conditions will hold their Government responsible. If their Government is prevented from being used to remedy those conditions—and it makes no difference who is responsible for preventing it—the end will be the same as it has been in other countries. Our present capitalistic system will be changed somehow, and our democratic form of government will probably be changed, too. In other words, recovery from the depression, which we have experienced, does not mean recovery from the causes which brought on the depression. As the President said in a recent message, "The overwhelming majority of this Nation has little patience with that small minority which vociferates today that prosperity has returned, that wages are good, that crop prices are high, and that government should take a holiday."

The causes which brought on the depression have not been removed, and they must be removed if another depression with even more serious consequences is to be avoided. There are three possible courses open to us. First, to do nothing. This, in my opinion, will prove fatal to our existing institutions. Second, to amend the Constitution. This, I believe, to be both unnecessary and entirely impractical. Third, to make such changes in the Supreme Court as may be made within the Constitution. Let us act in the best way open to us. That way I am convinced is the way the President has proposed.

WASHINGTON, D. C., *May 27, 1937*.

Temple University Commencement

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, June 28 (legislative day of Tuesday, June 15), 1937

ADDRESS OF JESSE H. JONES, CHAIRMAN OF THE RECONSTRUCTION FINANCE CORPORATION, AT THE FIFTY-FIRST ANNUAL COMMENCEMENT OF TEMPLE UNIVERSITY, PHILADELPHIA, PA., JUNE 10, 1937

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on June 10, 1937, by Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, upon the occasion of the fifty-first annual commencement of Temple University, Philadelphia, Pa.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Beury, honored guests, members of the graduating class, ladies and gentlemen, I am honored to have been invited to address the graduating class of Temple on the occasion of its fifty-first annual commencement. Your university is outstanding in many respects. Its principles and precepts laid down by its founder, Dr. Conwell, which are being so ably maintained by Dr. Beury and the faculty, are a credit to the highest educational standards.

It is a happy circumstance that Temple, like many of our colleges, is the answer to a quest for a broader understanding of the purposes and possibilities of life. Dr. Conwell's teachings were so simple and his philosophy so all-embracing that his influence will ever be with us. And so it is an honor to anyone, whether he be a member of your faculty, a student, or your speaker, to be associated with Temple. Certainly I value and appreciate the great honor it has conferred upon me.

I assume the thought uppermost in the minds of you graduates, aside from the natural exultation at getting your degrees, is where you go from here—what you will meet in the practical world, the obstacles you will have to overcome, the opportunities that will be yours, and the success you will achieve. I would remind you that success is not measured by the accumulation of property, but much more by accomplishments and service. Your history teaches you this; our greatest characters have not been wealthy. It is rather a long road reaching from today back to the time you entered school, a road, however, that must be traveled by all who would equip themselves properly to meet the problems of life and to make the best possible contribution to society.

You have set your courses in many directions. Some of you have prepared for a professional career, specializing in one field or another; some of you have taken an academic course. It should be the ambition of each and every one of you, and no doubt it is, to excel in whatever you undertake. Everyone cannot excel, but everyone can try. It is only through effort and ambition and the will to succeed that success is attained.

You may have taken one course here at Temple and find yourself pursuing another. That does not mean that the time was wasted in taking the course you chose. It has been my observation that one who can do a job well in one line can do a good job in another, except, of course, where the job requires special or technical knowledge.

I have always thought that one of the advantages of college is that you learn how to learn; learn how to search and to apply yourself; how to think—a training period. Having learned how to learn here at Temple, your education will continue, and should broaden throughout your lives. You will find that concentrating upon the job at hand will usually bring success. Quoting from Dr. Conwell's great essay, Acres of Diamonds: "Do what you can with what you have where you are today." I doubt that you will ever find more sound philosophy than is contained in Acres of Diamonds.

From the news of the day and conditions that have prevailed for the last few years, you might easily get the impression that things are not as they should be. And perhaps they are not. But you should not be discouraged, the world is always changing. People have ever been restless, seeking something further on, something they have not had. Life is a never-ending problem, and question, and the direction of the movement is usually influenced by a desire for better social and economic conditions.

We have come a long way from that day here in Philadelphia in 1776 when the Liberty Bell tolled our Declaration of Independence, and yet we are a very young country. We of the North American Continent are fortunate in that most of us are of one tongue. Our borders are wide, and we are not consumed with fear. The older and European countries have gone from one stage to another through different methods, many of them tragic in the extreme. Having won our independence with honor, and sealed our Union with precious blood, it is hoped that we in America will never have occasion to resort again to arms.

We are trying to correct and improve through legislation, but history teaches that human progress does not go by leaps and bounds. It is a slow process, and if today we see liberalism going forward a dozen steps at a time, we should remember that reaction may come to cancel a part of the gain. But we must and will go forward.

Try as hard as we may to improve social conditions, to equalize opportunities and to make it possible for everyone to earn more than the bare necessities of life, we will always have a degree of poverty, a certain number who will be unable to provide for themselves. The Bible tells us so. These, society must care for, and it can without undue burden to the rest.

Try as hard as we may to prevent panics and booms, we will probably always have them. The best way to avoid panics is to prevent booms—inflated values. A way has not been found to do this, but, happily, definite progress has always been made between panics.

The depression that overtook us in 1929 was due in large measure to industrial development and expansion since the last panic, 1907. Prosperity went so far as to get out of control; values, credit, and buying power were stretched to the breaking point. We gave the machine too much gas, and the wreck was inevitable.

Except for occasional local disasters, such as floods, cyclones, and earthquakes, the Federal Government has never before been called upon to aid its citizens from the Federal Treasury. But this depression hit every phase of business, industry, agriculture, and finance so hard that there was practically no market for anything, and employment was reduced to a minimum.

At first it was thought that assisting banks, business, and industry would result in employment for people who must work for a living, and a market for farm products. But it did not work out that way. The Government was finally forced to furnish direct relief for the unemployed, direct aid for agriculture, and to enter directly or indirectly almost every phase of our economic pursuits. Recovery has been achieved, but we still have unemployment, and the Government is still being called upon to do many things that should be done by private enterprise.

Government agencies have provided approximately $15,000,000,000 active credit in the past 5 years. This has been the principal factor in recovery. In the main, it has been done through loans made in a businesslike way and will cost the taxpayer very little. The credit has been used to save banks, building and loan associations, insurance companies, railroads, and industry. It saved agriculture—the farmer. It built bridges across the Mississippi, the Hudson, the Ohio, and many other rivers. It built the great Oakland Bay Bridge at San Francisco, which of itself cost $75,000,000. It carried water and power from Boulder Dam and the Colorado River in Arizona to Los Angeles and southern California, a distance of 240 miles, the project costing half as much as the Panama Canal. Grade crossings have been removed and great tunnels constructed. Immense dams have been built to conserve water and generate power.

This Government credit saved a million urban homes and half a million farm homes from foreclosure. It built several hundred thousand new homes and repaired and modernized a million and a half other homes in cities and towns. Schools or other useful public facilities were built in every county in every State of the Union. Practically all were sound projects and were undertaken to give people work. A part of the cost of some of the public projects was from Federal grants, but most of it was accomplished through loans that are being paid from earnings of the projects themselves or from local taxes. All other loans, that is, loans to banks, individuals, railroads, corporations, loans on farm commodities, etc., are being repaid at a very satisfactory rate.

It is a resourceful country that can meet emergencies in this manner. But however rich, there is a limit to what a government can do, or what it should be required to do. No one should be allowed to suffer from want, but people must support their government and not expect the Government to support them. We in America are proud of our tradition of self-independence and should not permit an economic upheaval and the social disarrangements attending it to destroy this tradition. Just how we are to get back to self-reliance and quit demanding so much of the Government will test the wits and ingenuity of all of us. Habits are not easily broken, and we have gotten into the habit of expecting everything of the Federal Government. The longer we put off correcting this, the more dangerous it will get, and the more difficult to meet. Self-independence is the very essence of democratic government.

There must be security for old people against the possibility of their ending their days in the poorhouse. There should be a scale of wages sufficient to insure a decent living, and the law should not allow children of tender age to be exploited in workshops. However, children of mature enough age should not be denied the right to help a widowed mother or an ailing father. Industry can stand the necessary wage, and in cooperation with Government can provide insurance against want for old people. Time and experience will be required to perfect the laws and machinery for these, and for industry to adjust itself to the added burden. You who are graduating today will help in these readjustments.

It may be truthfully said that we are in a new social order and cannot or should not go back to the old. Certainly there was never a time when it was more essential that everyone take an interest in public affairs, and I suggest that when you assume your places in the business or professional world you take a keen interest in who represents you in government—local, State, and National; that you be ever mindful of the fact that the ordinary cost of government, as well as the extraordinary cost of providing work and subsistence for those unable to make their own way, must be borne by everyone through the things we do and purchase every day.

Taxes are not levied against the rich and the well-to-do only. Hidden taxes reach every wage earner. An $18-a-week clerk or laborer who owns no property pays more than $100 a year hidden taxes on the increased cost of goods and services he buys. The worker who earns $150 a month and owns an automobile but no other property pays more than $220 annually in taxes, even though he is a family man and is not required to pay a direct income tax.

Taxes levied upon business and industry and on property must be passed along to the consumer and the tenant. There is no other way under our form of government, and we do not want to change that. All too often we send representatives to Congress to see how much they can get out of the Federal Treasury for their home districts. If they are not successful, we turn them out and elect someone else. We fool ourselves because your pocketbook and mine are the Federal Treasury.

I venture to say that if Congress at this session voted taxes enough or reduced Government appropriations for relief and other purposes sufficient to balance the Budget, half the Members would not be reelected. So let us not blame it all on Congress. The place to begin economizing is at home. The electorate must practice restraint before economy can be accomplished in government.

These are all questions that interest you especially, because you are just starting in life.

You are graduating in an interesting period, a period in which experiments and new ideas are the order of the day. Thirty years ago, which seems a long time to you but not to your speaker, our greatest industries were the railroads, coal, lumber, steel, and iron. Since then we have had the great development in oil, the motor industry, and good highways, moving pictures, the radio, and travel by air. These have become necessary and commonplace. And so it will be in the next 30 years. Other things that the imagination has not yet conceived will be discovered and developed. Progress will go on ad infinitum.

Because of the advantages you have gained at Temple, more will be expected of you. Your degree carries responsibility. You should be among the leaders of your generation, and you can be. That leadership should be directed toward peace and good citizenship. You who have chosen a profession should not be content until you have made some definite contribution to that profession. You are free to go as far as you like so long as you do not infringe upon the rights of others. Fair dealing yields the best dividends. Advantages gained by deceit and sharp practice are short-lived and a constant reminder of one's unworthiness. Confidence and courage are necessary, and there is a good lesson in observing the parrot. If you will watch the parrot you will see that he always feels his perch out before he takes the next step.

The founder of your university preached of service, and by his life demonstrated the sincerity of his teaching. He insisted that opportunities need not be sought in far places, but that they are all around you. That applies both to opportunities to advance your own interests and to opportunities for service.

In conclusion, I should like to emphasize that there is no lack of opportunity for the graduate of today, the man or woman who is willing to pay the price of success: interest in his work, application, right living, and proper motives. My parting wish is that you will recognize your "acre of diamonds" and not pass it by as did the man in that ancient Arabian story, and, above all, that you have faith in your God, in your country, and in your fellow man.

Signs of Prosperity

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 29 (legislative day of Tuesday, June 15), 1937

ARTICLE FROM WASHINGTON STAR, JUNE 27, 1937

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article under the heading "Signs That Prosperity Has Turned That Corner", written by Lucy Salamanca, and published in the Washington Star of Sunday, June 27, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, June 27, 1937]

SIGNS THAT PROSPERITY HAS TURNED THAT CORNER—PRESS REPORTS REFLECT WIDESPREAD ADVANCE IN INDUSTRY AS NATION STARTS BUYING INSTEAD OF RATTLING COINS IN POCKET

(By Lucy Salamanca)

Turning the page upon the past fiscal year of operation, Uncle Sam may be forgiven, on July 1, when his new year starts, for taking a glance of satisfaction at the 12 months that lie behind him. Selecting a few headlines at random from both the Democratic and Republican press, one cannot help being impressed with the fact that the country seems to be on the up and up, with records of economic progress surpassing, in the fiscal year just drawing to a close, even the peak days of 1929's prosperity.

"Railroad Prosperity", reads one of these headlines. "Business Recovery", states another. And, in an impressive advance of accumulated optimism, they pass before us. "Increased Postal Receipts", "Power Company Gross Earnings Gain", "Chamber Index Shows Business Gain", "Income Above 1929 Forecast for Next Year", and so on, through all the fields of industry that serve to index economic trends.

Not only this, but individuals are spending more freely, luxuries are being ordered. Even yachts have come very much to the fore in the last few months, and one manufacturer in nearby Maryland has stated that he has more orders ahead for luxury craft than he can fill, while the shipbuilding yards of the eastern seaboard tell the same story.

It is not the writer's intention to enter upon any glittering generalities. Facts from all sources tell a definite story of recovery, and may be viewed dispassionately, pointing still to the same inevitable conclusion.

The labor troubles that have marked the past months, contrary to being a depressing indication, confirm the general prosperity, for workmen know the hopelessness of insisting upon improved conditions or raised incomes when industry itself is not making money. Secretary Roper, questioned with respect to the probable significance of these disturbances and their influence upon general conditions, had this interesting comment to make:

"I cannot believe that present emotional conditions in some labor groups will be as disturbing in the next 6 months as they have been in the first half of this year. That is my faith in the efficacy of the conference method for settling labor disputes. Let us hope that the clearing of the atmosphere through the better understanding and utilization of the Wagner Act will result in a more stable relationship. Labor on the one hand is acquainted with its financial losses incident to enforced cessation of production, and industrial management is conscious of the need for working out employment problems in the interest of social justice and uninterrupted production schedules. Thus there is mutual recognition of mutually harmful results from procedures that ignore the conference method of discussing and adjusting differences."

Secretary Roper, in an interview, commented freely upon present economic conditions, stressing the danger, now apparently averted, of an immoderately fast forward movement of business activity without due consideration of factors of a temporary and passing character.

"It is always difficult", he stated, "for us to make scientific studies of conditions surrounding normal and abnormal supply and demand; to ascertain whether demand is resulting from normal needs, such as increased purchasing power of the people and to what extent these demands are prompted by abnormalities in trade. All of us need to cooperate in thought and action to safeguard against a depression resulting from an abrupt letdown following excessive temporary buying.

"Early in the spring of this year attention was repeatedly called by the Department of Commerce to danger signals along these lines. To me it is gratifying that they have been heeded to some extent. Had they been ignored, it is not unlikely that we would be facing, for the third quarter of this year, a downward trend in business. As it is, I believe we are more normally safeguarded for stabilized business for the remainder of the calendar year."

The Secretary of Commerce believes that the chief deterrent now on the horizon to ultimate business safety is "the temptation to stray in business planning because of temporary orders or inflationary production schedules."

As part of business planning to make our prosperity secure, Secretary Roper states it should be kept in mind that the consumer must be adequately protected.

"Increase in prices", he adds, "must be kept consistent with bona-fide increases in actual production costs. If prices are such as to create an ultimate price level out of reach of purchasing power, the entire economy will be affected and the interdependent structure endangered."

The Secretary of Commerce believes that the business curve "cannot be expected to continue permanently upward, but will be marked by some leveling, and the outlook is encouraging at the present time. It should be recalled that at this time last year soldier bonus payments gave unusual buoyancy to business conditions."

The present momentum of business and industry, the Secretary points out, is stimulated to some extent by "the absence of top-heavy inventories, and points to moderately sustained activity throughout the summer, barring prolonged labor disturbances. The tendency to resist seasonal recessions is supported by the increased purchasing power of wage earners, by splendid crop prospects, with the financial expansion that will be necessary to move these crops. To this may be added increasing industrial dividend payments."

Reviewing the fiscal year now on the wane, Secretary Roper recited the "statistical showing" of the first part of the year. Factory employment, he asserts, thus far this year has averaged about one-seventh above the like period in 1936, and lately has approached the 1929 level. Industrial production during the first 5 months of 1937 was about one-fifth larger than in the corresponding period of 1936. The same comparison shows a gain of 16 percent for freight car loadings, 11 percent for department store sales, 16 percent for automobile production, and 41 percent for steel ingot production.

National income produced in the United States was estimated at 63.8 billion dollars in 1936, as compared with a revised estimate of $55,000,000,000 in 1935, according to compilations made by Robert R. Nathan, chief of the national income section in the Division of Economic Research of the Commerce Department. The increase of nearly $9,000,000,000, or 16 percent, was the largest, both absolutely and relatively, for any year of the recovery period. The net value of all goods and services produced in the Nation in 1936 was nearly $25,000,000,000, or about 60 percent above the low point of the depression recorded in 1932. It was still one-fifth below the 1929 level.

Each of the major industrial divisions contributed to the enlarged national output in 1936, with manufacturing, trade, and agriculture accounting for more than half of the total gain. The net value of output in manufacturing, mining, and agriculture more than doubled from 1932 to 1936. While there was a 32 percent gain in the construction industry, the total was only one-third of that of 1929.

Commenting upon what it termed the "sensational gain" in the national income, which has almost doubled in 4 years, the United States News states, "The measuring rod now is being applied to last year's prosperity as a basis for gaging that of the present year. What shows up is turning out to be a surprise. Actually, American workingmen and farmers and businessmen and financiers produced a net income in 1936 of 63.8 billion dollars. This is a sensational gain in view of the fact that price increases accounted for very little of that increase. When price differences between 1929 and 1936 are taken into account, the national income is within striking distance of the $80,000,000,000 income of 1929."

American business last year, the United States News comments further, was able to make some savings, after it had paid out many more billions in the depression years than were produced in those years.

"As for 1937", it concludes, "estimates now are for a sharp new increase in national income, due in part to the higher prices that are prevailing and to a first half of the year much more active than the first half of 1936. A minimum of $70,000,000,000 is being mentioned. The figures reflect a period of relative prosperity."

General retail trade is always an excellent index of economic conditions. This year general retail sales are shown to be running 10 percent above last year, while luxury sales surpass 1936 by 30 percent. There is no question that America is again buying jewels, furs, and luggage—not to mention high-priced cars and yachts. The Nation is buying these things again and still leaving a comfortable margin between income and expenditures. It has been recorded that the United States average citizen budgets necessities, savings, and luxuries in the order named. In the first blush of recovery the majority took care of the first item; in the second, noticeable gains were recorded by savings banks 2 years ago, while luxuries awaited the third quarter.

At a conference of the American Retail Federation which took place recently in Washington retail executives from all over the country were unanimous in their optimistic outlooks and reported business running ahead of last year. An executive of the Dry Goods Association commented, "Prospects for fall business appear bright." A president of a shoe company reported, "Shoe retailers are optimistic over the outlook for the shoe business during the summer months." A member of the Associated Retailers of Iowa stated, "Business conditions in Iowa are good; farm income for March was 28.5 percent above March 1936." A retailer from Maine said, "Although in one retail district in Maine there has been considerable labor trouble, all other sections report substantial gains." And similar cheerful reports were turned in from every section.

In reporting the study made by the Controllers' Congress of the National Retail Dry Goods Association, in its annual departmental merchandising and operating survey, the New York Herald Tribune stated that the average department store made a profit of 2.6 percent on its sales during 1936, compared with a net gain of 1.6 in 1935.

The report also showed that dollar sales went ahead 11 percent during the year and indicated strong gains in the sale of home furnishings. The manager of the Controllers' Congress, H. I. Kleinhaus, stated: "The revival of interest in things for the home was stimulated by the financial assistance rendered by Federal agencies toward the purchase and renovation of homes and the purchase of home equipment. Thus, in 1934 stores in the field showed an increase of 10 to 12 percent in furniture sales, followed by an increase of 14 percent in 1935 and 32 percent in 1936. Sales gains in other home furnishings are comparable."

So far as traveling is concerned, American travelers this year are credited with putting the steamship companies once more in the black, according to officials of the Cunard White Star and other lines. Cunard White Star's profit in 1936 amounted to more than $2,500,000, "a pleasant change from the 1935 deficit of more than $300,000."

"All Europe", remarks one editorial, "is beginning to be aware of the resumption of travel on a big scale. The thousands of tourists no longer concentrate on a few favored foreign areas, but now spread themselves over nearly every country on the map, great or small."

Mrs. Ruth Shipley, chief of the passport division of the State Department, informed this writer that this year, for the first time since she has been in charge—and that is since 1928—she has had to ask for a deficiency appropriation to take care of printing the unprecedented number of passports requested for foreign travel and to take care of operation of the division because of this increased activity.

Industrial employment, post-office receipts, utilities, petroleum, and railroads all show big gains.

Representative W. D. MCFARLANE, of Texas, in a speech made in February 1937, presented some interesting figures reflecting the uptrend. The information was provided by the National Emergency Council. First, with respect to internal-revenue collections for the United States, these figures show an 81-percent increase in 1936 over 1933. There was a 128-percent increase in passenger car registration in 1936 over 1933. Statistics also show, comparing the 1933 with the 1936 period, an increase of 35 percent in bank deposits in 1936, a 12-percent increase in postal receipts, exclusive of money orders, and a 16-percent increase in money orders issued in this country.

The Biennial Census of Manufacturers, taken by the United States Bureau of the Census, indicates in the latest one available, covering 1933 and 1935, big increases in all lines of manufacture. Of particular interest and significance are the figures for the cigarette industry. These indicate a gain of 7.4 percent in the number of establishments; of 8.4 in the number of wage earners; of 32.4 percent in the amount of wages earned; of 27.4 percent in costs of materials, containers, fuels, and purchased electric energy; of 26.5 percent in the value of products.

The clothing industry enjoyed big increases, as well as groceries, meat-packing industries, chemical industries, automobile industries, printing and publishing, steel works and rolling-mill products, hotels, amusements, and practically every line of human endeavor involving the buying and selling of commodities.

On the 1st of this month Senator JOSEPH T. ROBINSON delivered a speech in the Senate, later published under the alliterative title of Proof of Permanent Economic Progress, which gives an excellent summary of general conditions, as reflected in the press of the day—both Republican and Democratic.

"It is gratifying to note", said Senator ROBINSON, "from numerous press reports, editorials, and other information that there is steady progress toward prosperity in the economic affairs of the country. The recovery in the prices of agricultural products has been phenomenal. One of the headlines of the New York Herald Tribune of May 28, 1937, reads, 'Corn reaches 12-year peak'; in the same paper on May 23 we find, under Minneapolis prices of wheat, May wheat quoted at $1.41 a bushel, as compared with 31 cents a bushel in 1932. In recent months wheat has sold as high as $1.60 a bushel."

Records of the State tax commission in Iowa are quoted as "an impressive record of business recovery in Iowa." A journal of Winston-Salem, N. C., enthusiastically comments, "Orchids to Winston-Salem! According to Forbes' Magazine, this city is listed as 'tops' in the United States for concentrating sales activities, for collections, and other promotion operations of business. The median gain for this territory, containing 1,000,000 or more population and including Winston-Salem, stood at 34.5 percent over last year."

Senator ROBINSON then quoted press releases and editorials from every section of the country telling the same story, including the comment of T. M. Schumacher, chairman of the board of the Denver, Rio Grande & Western Railroad, and chairman of the executive committee of the Western Pacific Railroad, who stated after an extensive trip over both roads, "Conditions in Colorado, Utah, Nevada, and California look exceedingly favorable. The beet crop in Utah is one of the heaviest in years, and the wool crop promises to be exceptionally good. Ore and coal movement is picking up, and, despite the unseasonable frosts in California, fresh fruit loadings have held up well, with shippers getting better prices for goods."

The Wall Street Journal contributes its share of information on this question of the reality of our "recovery" with a report to the effect that General Electric new orders are "seen at quarter peak—rate of incoming business indicates around $131,000,000 for current 3 months, running about 70 percent above 1936."

Insurance, states the New York World-Telegram, in Senator ROBINSON'S press compendium, "up 12 percent in April 1937, and for the first 4 months of 1937 up 9.7 percent over last year. The report pertains to new paid-for business of 40 companies having 83 percent of the total life insurance outstanding in all the United States legal reserve companies.

"Total new business written in April increased 15 percent over a year ago. Group insurance jumped 53 percent. For the first 4 months of 1937 the total new business showed a big increase, with

industrial, ordinary, and group insurance all showing a big percentage of gain."

So the length and breadth of the land and press reflects the cheerful state of national affairs, with predictions still rosier for the new fiscal year upon which our Government will enter on July 1.

Accomplishments of the Administration

EXTENSION OF REMARKS

OF

HON. FRED H. BROWN

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, June 29 (legislative day of Tuesday, June 15), 1937

ADDRESS OF HON. JAMES A. FARLEY AT OLD ORCHARD, MAINE, JUNE 24, 1937

Mr. BROWN of New Hampshire. Mr. President, I ask unanimous consent to have printed in the RECORD an address dealing with the accomplishments of the administration, delivered by Hon. James A. Farley at Old Orchard, Maine, Thursday evening, June 24, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is very pleasant to be back in the State of Maine. The last time I was here, we were striving to release this country from the burdens and troubles of national prohibition. That was 4 years ago. The Roosevelt administration had just come to Washington and none of us knew what the future had in store. One thing, however, we did know, and that was that we were tired of the inactivity of the previous administration and were willing to entrust the destiny of the country to Franklin D. Roosevelt.

Perhaps it was the belief that anything was better than the policy of do-nothing which persuaded you to abandon the tradition of prohibition which had been a tenet of Maine faith for many generations and to try the plan which was being advocated by the new President. At all events, you did vote for the repeal of the eighteenth amendment, which I pleaded with you to do in 1933.

I never deluded myself into believing that it was because of my arguments that the State of Maine joined with the rest of the country in ridding us of national prohibition. I rather incline to the theory that your native good sense told you that what had been conceived as a noble experiment had degenerated into a most ignoble outcome. I do not contend that our present situation is ideal; but compared with the failure of national prohibition, it is an immense improvement. Under the system which now prevails, a sizable sum of money flows into the Government coffers from the liquor trade, instead of flowing as it formerly did into the pockets and bank accounts of bootleggers and rum runners who knew no law except that of the hijacker's gun.

I have reason, and the country has reason, to thank Maine for much besides the repeal of the eighteenth amendment. I recall how the Maine delegation stood with us in the Chicago convention that resulted in the original nomination of Franklin D. Roosevelt for the Presidency. Perhaps he might have won that nomination without your help. On the other hand, perhaps it was the moral effect of your steadfast support that brought wavering delegations to our banner. I recall vividly that we were in Davenport, Iowa, on that day in 1932 when word was brought to us that the Democrats of Maine had instructed their convention delegates to support the Governor of New York State for the Presidency. The news made a deep impression upon the Democrats of Iowa, who were deliberating on their choice of a candidate, and on that occasion at least, it was fair to state that as Maine went, so went Iowa. The winning of those two delegations on the same day has always had a place in my memory as one of the vital turning points of the preconvention campaign of 1932.

I am quite sure that Maine has never regretted the stand she took 5 years ago. You have only to compare the state of the Nation today with what it was then to realize what a grand job has been accomplished by the present occupant of the White House. What other man is there on the political landscape who could have accomplished as much? What other man is there who would have had the courage to throw his political future into the balance and to venture into uncharted seas because he saw that such a course was necessary? What other man is there who would have had the vision and the faith to stem the tide of the depression by adopting untried measures, over the angry protests of timid men who feared to try what was new?

It would have been perfectly easy for President Roosevelt to adopt the safe course of letting the depression run itself out, ruining thousands and perhaps millions of erstwhile prosperous citizens, and letting the blame fall upon those who had failed to check the disaster before it attained such desperate proportions. But he was not built that way. He was given a job to do, and he did it in the way that seemed best and which proved best for our people. Moreover, he brought us out of the chaos with no disorder; with no resort to martial law, and with no assumption of dictatorial powers—which others less capable might have tried to assume under cover of the emergency.

I know he has been accused of usurping power, and of wanting to run the Government as a dictator. But from whom has this absurd charge come? It has come from a small group of privilege seekers who were perfectly willing to sacrifice the general welfare in order to promote their personal interests; and let me add that since the beginning of the Republic, a group of that character has fought every President who attempted to improve the lot and increase the opportunities of the ordinary citizen. Jefferson heard the charge directed against himself, as did Jackson and Lincoln and Woodrow Wilson. In fact, there never has been a President who sought to deprive the predatory and powerful of any illicit advantages who has not been indicted by the Liberty Leaguers of his day as a would-be tyrant.

Those things are matters of a day only. No President who has weathered the storm of detraction has suffered in the estimation of the country because of such libels. On the contrary, the brightest names on the scroll of the White House history are those of the Presidents who were most flagrantly and violently assailed by their political foes and by those who opposed progress simply because it was progress.

You people of Maine have had your adventures with the forces of reaction. We can all recall that during the 1936 campaign Liberty League money was poured into this State to prevent you from being among the Commonwealths that endorsed the Roosevelt administration for another term to complete the job of national recovery. They were particularly anxious to have Maine on the Republican side because they thought that the influence of the earliest of elections might hearten up their shattered ranks throughout the land. It was a vain hope, for even the Liberty League dollars could not begin to stem the tide.

You recall that previous to the election I ventured the prophecy that Maine would be one of the two States that would go to Governor Landon. At that time I received quite a number of grieving and rather indignant letters from my friends up here, protesting that my estimate was wrong, and that Maine would be Democratic. There was some criticism because the chairman of the Democratic National Committee conceded even two States. It has always seemed to me that honesty was the best policy in politics as well as elsewhere. To make a claim that you know is unjustified not only involves ridicule after the event, but tends to destroy faith in the claims more soundly based. In other words, instead of instilling confidence, forecasts, that most people feel are unfounded, tend to destroy confidence. I know that it has been a political maxim to claim everything and concede nothing, but I believe that maxim, which might have been true long ago, is no longer sound. It does not apply to this era when a broadcast in Portland is listened to in San Francisco, and Miami is able to keep abreast of what is going on in Seattle.

I do not think there is any political advantage in hiding facts either from yourself or from the public. If things are going against you in one locality, it is up to the party leaders elsewhere to do their utmost to make up for the anticipated loss, and it has been our experience at national headquarters that by dealing frankly with the party workers, we encouraged them to be equally frank with us. This enabled us in the closing days of the campaign to give an absolutely accurate estimate of the result. That was something that the so-called straw votes, so widely heralded, were unable to do.

Perhaps it is because of such experience that I feel today that I am not in enemy territory when I come into one of the two States that did not give its electoral vote to President Roosevelt last year. I feel quite confident that the continued benefits of the Roosevelt administration will break down the barrier of inherited tradition and habit and that next year we will again see Democrats in Congress from the State of Maine and that you will again have a Democratic Governor to match up with the 38 Governors of our political belief now holding office in other States.

You perhaps have read in some of the Republican newspapers the suggestion that there is a rift in the Democratic Party because a number of Democratic Senators and Representatives differed with the President on one of his policies. I have heard that sort of talk ever since I was a boy, and the rift has never eventuated, nor will it come to pass this time.

Some of the gentleman who, doubtless with all sincerity, have taken issue with the administration, are my close personal friends. I have worked with them in many campaigns and I anticipate working with them again next year, and likewise in 1940. Party loyalty is a spirit with many interpretations. I do not suppose there ever has been a President in the White House whose every policy commanded the support of every member of his party in Congress. Nor need too much attention be paid to the heated language used in debate when these differences occur. Strong men are prone to become emphatic in their language at such times and to wonder afterward why they permitted themselves to show so much feeling.

It is a good deal like the preconvention struggle with which we are all so familiar. In the contests for delegates it would appear that each candidate had insurmountable shortcomings, and yet when it comes to election day practically all are found supporting the party nominee. Indeed you will find that most of them have

been on the firing line during the campaign urging the election of the man they had so bitterly opposed on behalf of some other candidate.

After all, the measure of an administration's success is what that administration has been able to do for the Nation. The archives are full of examples of seemingly violent discords within a party, which history either ignores or dismisses in a line. It is out of these conflicts of opinions that good government emerges, because from the debates and differences more equitable solutions are evolved. It is the total of an administration's performance that counts and which gives it its place in history.

So vast has been the good that came to us with Franklin D. Roosevelt that a mere tabulation of the elements of that good would take up more time than either you or I can spare today. I might, however, just to refresh your minds, refer to a few of these accomplishments in which you have a particular interest. After the bank holiday there were 36 institutions in Maine that were found unfit to open their doors. Let me ask you how many bank failures, Federal or State, occurred in your great State last year? Let me answer my own question. There was not one. And let me ask you, incidentally, what other explanation is there for the difference than the circumstance that we had a man in the White House competent to realize the situation, wise enough to see the remedy, and brave enough to put that remedy into effect.

I don't intend to bore you with statistics, but my attention has been called to the circumstance that your bank deposits are $60,000,000 more today than they were in the early months of 1933. That ought to mean something, and perhaps a few more figures will explain what they do mean. Your farmers, for example, realized from the sale of their products something like $20,000,000 more during the last 12 months than they did in the last year of the depression. If I let that statement stand without qualification, I am sure some of your Republican newspapers and orators would complain that this added income was made up in large part by subsidies paid the farmers by the Federal Government itself. So let me add that the figures I have given you exclude the Government payments entirely. The additional profits represent only the increase that would have come to the farmers had the Government paid nothing at all, except that it was the Government's payments that enabled the farmer to keep on and tided him over the period of low prices until his farm again represented an asset instead of a liability.

Assistance to the farmers of your State over the emergency period included nearly 4,000 loans to take care of mortgages on farms that might have been foreclosed had not the Government come to the rescue. There wasn't any charity about any of this, for farms and crops and other property secured the loans. It was merely that the banks would not or could not afford the accommodation, so the Government stepped in and acted as the banker for the time being.

When the farmer is making money in an agricultural State, the merchant and manufacturer, and every other industry keeps step with his prosperity. So in one way or another everybody in this State has participated in the benefits resulting from our progress out of the depression. This includes something like 4,000 home owners in your State whose mortgages were taken care of through the Home Owners' Loan Corporation.

What happened in Maine happened in every State in the Union. Hence the universal satisfaction with the Roosevelt administration.

In addition, these businesslike extensions of credit in the end will cost the Government little or nothing for most of them, like the R. F. C. loans to banks, railroads, and other industries, are being liquidated in satisfactory fashion. The Government has, of course, spent a lot of money in direct relief. Some people have the idea that this money represents waste. On the contrary, every dollar of it found its way into the ordinary channels of trade through payment for food and clothing and services and, large as is the amount, it was a small price to pay for the peace and order that would have been disturbed had the people been left to starve.

I need hardly refer to the public-works program or the Works Progress Administration. I do not know how many necessary improvements, for which communities would have had to wait indefinitely, have resulted from these activities. I know no way of estimating in dollars and cents the returns in public health and comfort from these enterprises. Nor can any of us tell how much has been saved the country in the prevention of forest fires, and the lessening of flood damage, and the other enterprises that the C. C. C. camps have accomplished and are accomplishing.

All of these things, and many more, mark the progress that has been made in the life of this Nation during the past 4 years. It is a record of hard, intelligent work, and it explains why President Roosevelt is as popular today as he was when the country returned him to the White House with the biggest endorsement any President has received since the beginning of the Republic.

It is one of the reasons why I am able to tell you that this talk of a rift in the Democratic Party is all nonsense. As I said before, practically all those men who have differed with the administration on a particular issue will be with the party next year and 2 years hence.

We learned in the last election that individuals, however prominent in the party, could not sway their friends and admirers against the party. People know that our President has done a wonderful job. And part of the credit for that goes to the party which nominated and elected him, and which will be retained in power by the American people as long as it continues to carry out the mandate of the popular will.

I am very happy at this opportunity to visit again with my old friends in Maine, and I am pleased to make the acquaintance of a number of loyal party workers and administration supporters whom I had not met before. Naturally I am partisan in my political reactions. It is a source of intense gratification to me to realize that we have a good militant democratic organization in this State. It is because of my faith in this organization and the certainty I feel that the clear-thinking people of Maine must respond to the same impulses as the people of the rest of the country, that I foresee victory for our party next year. It is my hope to visit Maine in the fall of 1938 and to be greeted on that occasion by a democratic Governor-elect, whose election will be the signal for an uninterrupted march of democracy in this State.

After all, the best politics lies in the best government. I think the Roosevelt administration has given you a demonstration of efficiency, honesty, and industry that the country will appreciate for a long time. I wish you all health, prosperity, and happiness. Your interests are the interests of the whole country. Your beautiful woods, your wonderful beaches, your magnificent summer climate, appeal to all of us.

The future looks bright for Maine and bright for the entire United States because business and agriculture continue to improve under the sane and well-balanced economic policies of the Roosevelt administration.

The Submarginal Land Program

EXTENSION OF REMARKS

OF

HON. FRED H. HILDEBRANDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1937

Mr. HILDEBRANDT. Mr. Speaker, the bill which we have before us is very rightly termed "a farm-security act." It emphasizes that the real objective toward which we are striving in this legislation in regard to farm tenancy and related problems is to make it possible for farmers of all groups to achieve security in the occupancy of the land they cultivate.

Of course, the farm tenants, both in the North and in the South, are the largest single group of these farmers who cannot today feel secure on their land, but farm tenants are not the only group. A great many owners also have found little security in the ownership of their land, and thousands of farm owners have during recent years lost their land and swelled the ranks of farm tenants. I am very strongly in favor of those features of this bill that are aimed at helping present owners keep their land and at removing some of the economic burdens which have caused thousands of farm owners to lose their land in the past.

One of the most serious problems which this country now faces in an attempt to develop security for the farmer is the problem of submarginal lands. Various agencies, including the National Resources Committee, the President's Farm Tenancy Committee, and the land use planning section of the Resettlement Administration have reported that there are in the United States today approximately 500,000 farm families living on land that is so unsuited to farming that these families cannot hope to make a decent living through the cultivation of crops. Some of these farmers are tenants, but a great many of them, probably a majority, are farm owners. The land which they have is too poor to support tenancy, and, furthermore, a great many of these families, particularly in the Great Plains region, constitute the latest generation of American pioneers, who settled new land only to find that in spite of hard labor and the investment of all their resources they have been beaten in the end by drought or poor soil.

A great part of the present problem of submarginal land can be traced back directly to the policies of the United States Government in regard to the disposition of public lands. Back in 1862 the homestead policy was first established. At that time there was new public domain to be settled in the fertile, humid parts of the Mississippi Valley. A farm of 160 acres on land in Iowa, Minnesota, and in parts

of the Dakotas and Nebraska was a satisfactory unit for a farm family to operate. But when the pioneers pushed farther and farther west into areas where there was far less rainfall they had to devise different types of farming that demanded more land.

Gradually the homestead laws were amended to permit settlers to take up large acreages, but the laws, unfortunately, never kept up with the speed of settlement, and as a result a large part of the Great Plains region and the Intermountain area of the Northwest was settled on units that have proved too small for successful operation.

Furthermore, the Federal Government made no attempt to guide settlers into good areas or to prevent them from staking their life's savings on land that when properly examined proved to be entirely unsuited to farming operations. Tractors and other machinery came in to help the settlers conquer the dry land, but the more people moved out into the arid sections of the Plains the higher grew the list of those who failed completely and lost all they had.

Today thousands of farmers have left the Plains, abandoning their homes, their land, and hitting the trail west in search of better opportunities. Many have become farm tenants in other parts of the country, and an uncounted number are today working as migratory laborers in the far West, having no hope of security, and suffering under what are conceded to be the worst standards of living in rural America.

But there still remain thousands of farmers stranded on the dry land and on small farms of insufficient size throughout the Plains area. For them Federal, State, and local governments have poured out large sums of money in the form of direct and indirect relief. They have received emergency loans which they cannot hope to repay. County governments have been faced with severe financial difficulties because these submarginal farmers have been unable to pay taxes. I can tell you of one county in the West where $4,000,000 in Federal subsidies has been spent during the last 4 years largely because of the fact that the whole method of land use in this county was wrong and based upon mistaken ideas of what the land was suited for.

Recent droughts and dust storms in the Great Plains have emphasized the seriousness of this submarginal land problem in that region. But that is not the only region where problems of the same type are found. In the Northeastern States you will find submarginal hill farms where families are dependent upon public subsidy and where children are being reared in an atmosphere of hopelessness. In the South you will find large areas of land that has been made submarginal for crops by the subtle work of soil erosion and by the exhaustive methods of cropping which have been so widely practiced. These areas are the breeding places of disease, of ignorance, and of increasing poverty.

Cut-over forest land, both in the South and in the area surrounding the Great Lakes, forms another area where submarginal land problems are most serious. Hard-working families to whom speculators have sold poor farms in northern Minnesota, Wisconsin, and Michigan are a tremendous cost to local government. The speculative development of submarginal land in some parts of this area has, in fact, threatened local governments with bankruptcy due to the overexpansion of public facilities and the inability of the land to support public services through taxes.

There is a lot of misunderstanding about the term "submarginal land." Submarginal land means land that is not suited to crop cultivation. Out in my region we know very well, however, that land that is not suited to crop cultivation can have, and usually does have, real value when used for other purposes.

What we want is to have all land put to its best use, and practically all the submarginal land throughout the United States, although not suited to crops, can be put to some use which will make it valuable and productive of benefit to the community. So long as families continue to farm their land it cannot do anyone any good, but if these farms can be retired from cultivation and used for grazing, for forestry, for wildlife development, and for public park lands, we can see these public liabilities turned into public assets.

The Department of Agriculture is carrying out a program of this sort already. In 206 projects in almost every State, through the land utilization program of the Resettlement Administration, it is buying up more than 9,000,000 acres of land that is unsuited to crop farming. This land is being developed as range land, as forests, as parks, and wildlife refuges, and for a number of other purposes for which it is suited.

Most of these projects have been located in the worst problem areas of each State and it is there that the constructive side of the program can best be seen. The land is being put to good use, and the families are being helped to move to places where they can find an opportunity to make a good living.

A great many of these projects are located out in the drought areas and some of the most effective work that this agency has been doing is in my own State and others of the Great Plains region.

They have gone into areas where farms have been abandoned, where schools have had to be closed, where taxes could not be collected, and where the land has been eroded by wind and water so as to create a tremendous danger for the future welfare of the community. Usually in such a case they find a very complicated pattern of land ownership. A great many farmers are living on farms that are absolutely unsuited to crop cultivation. There are all kinds of public lands, both State and Federal, mixed in amongst this private land. A great many abandoned homesteads have no control or management exercised over them at all.

The objective of the land-buying program as illustrated by projects with which I am familiar in my State is to help these farmers change from crop farming to cattle grazing. Now most of the farmers do not have enough land on which to run cattle and because of this complicated ownership they cannot get land. Therefore the land-utilization program is buying up private land and throwing it in with the public land to make a big grazing range which the stockmen of that region can use. In working out this adjustment in land use some of the families will have to move to a place where they can raise winter feed for their stock, and perhaps some will decide to leave the area entirely for some better region. But the basic purpose of this land adjustment work is to make the land more capable of supporting a population and thereby serving as a greater benefit to the community dependent upon it.

This purpose is also served by the development program whereby land is being put in better shape for its future use. Out in the grazing region this means the development of a better range. Land is being seeded and protected against overgrazing. Thousands of little dams are being built to catch water and hold it on the ground both for the stock to drink and to improve the grass. Miles of ditches have been dug to spread water over the grasslands where it is most needed. All this work is, of course, intimately associated with the problem of flood control because the great floods of the West come from the rapid run-off of water on overgrazed and drought-stricken land where there is insufficient covering of grass to hold it back.

Even more direct public benefits are resulting from this program in the East. Here most of the land is being put back to forests. Millions of trees are being planted. Dams are being built to help with flood-control work and to serve as recreational centers for thickly populated areas. Erosion is being stopped and forest-fire prevention is assured by the building of observation towers, fire trails, and other guards.

It is surprising how little is known about the tremendous work this program has accomplished during the past 2 years. They have bought 9,000,000 acres of land and paid for more than half of it already. They have given work to as many as 55,000 relief laborers in these depressed rural areas where they are operating. They have built 100,000 check dams to stop erosion and 3,000 miles of ditches and terraces to spread the water over the land. They are creating lakes out of

23,000 acres of land for combined recreational and water-control purposes, and have planted 71,000,000 trees on 71,000 acres of land. It is one of the biggest constructive conservation projects of this generation.

When we look at this excellent work that has been done and is still going on, there is reason to hope that we might succeed with the larger problem of submarginal land which is so closely associated with our ultimate objective of farm security. Although 9,000,000 acres of this land have been bought to date, there still remains almost 100,000,000 acres of submarginal farm land where families are struggling against overwhelming odds to earn a living from unproductive land. Destruction of the land through soil erosion and wind blowing, and by forest fires and overgrazing, is still going on, and farmers in these areas are still taking to the road to join the ranks of tenants and farm laborers and other insecure groups.

If we are serious about this purpose of stopping the impoverishment and undermining of our rural people, this problem of submarginal land must be attacked on a broader scale. The alternative is increasing relief costs and subsidies to hundreds of thousands of farmers who cannot make a living where they now are. The solution of this submarginal land problem is one of the most constructive programs which we can undertake.

The Farm Tenancy Bill, H. R. 7562

EXTENSION OF REMARKS
OF
HON. EDWARD C. EICHER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1937

Mr. EICHER. Mr. Speaker, the farm tenancy situation in southeastern Iowa is similar to that throughout the State and other parts of the Corn Belt. The growth of tenancy has been constant and rapid, and although somewhat below the State average, there are 9,740 tenants in the district; this represents over 42.7 percent of the farmers. The exploitation of tenant-operated farms is more serious than for some of the more level sections of the State. The tenancy system is based upon short-term leases. Thus tenant farmers find it impossible to plan their crop rotations over a period of years. A cash crop system of farming results. They cannot, therefore, prevent soil depletion, particularly since many of their landlords either will not or cannot supply them with sufficient barns and fences to grow livestock.

The following table indicates the importance of the tenancy problem in the First Congressional District in Iowa. It shows the number of owners and tenants and the percentage of tenancy by counties for 1935.

Number and percent of tenants in the First Congressional District of Iowa

County	All farms	Owners	Tenants	Percent of tenancy, 1935
Cedar	2,264	1,108	1,135	50.1
Des Moines	1,894	1,180	698	36.8
Henry	2,060	1,142	897	43.5
Iowa	2,247	1,175	1,045	46.5
Jefferson	1,898	1,073	810	42.7
Johnson	2,566	1,562	987	38.5
Lee	2,186	1,573	603	27.6
Louisa	1,460	695	756	51.8
Muscatine	1,852	922	912	49.2
Van Buren	1,945	1,119	809	41.6
Washington	2,452	1,351	1,088	44.4
Total	22,824	12,900	9,740	42.7

The bill that we now have under consideration is at best a mere start in a sincere effort on the part of the present Federal Government to reverse the unfortunate trend that has been going the wrong way, ever since 1880, when the first statistics on farm tenancy were compiled. Then only about 25 percent of the farms of Iowa were operated by tenants.

I shall support the pending bill in the belief that experience in its administration will yield valuable information and guidance in determining our future policy. I am not foolish enough, however, to expect that direct governmental action of this character will do the whole job. What the Government can do and must do is to extend to the agricultural producer the cooperative marketing power that will equalize the price he receives for his products with the price he has to pay for the products of industry. In other words, the aid Government has given to industry to raise its prices above competitive levels must be balanced by corresponding assistance to agriculture. Cost of production plus a fair profit for the farmer will accomplish and maintain that balance. It can be done by the Federal Government under its constitutional power to regulate interstate commerce. Only when the farmer's relative buying power is restored, and not until then, will our legislative efforts to correct the economic maladjustments in industry stand on a permanently solid bottom.

Urban Housing Security Bill

EXTENSION OF REMARKS
OF
HON. PETER J. DeMUTH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1937

Mr. DeMUTH. Mr. Speaker, today I introduced H. R. 7691, known as the Urban Housing Security Act of 1937. The purpose of the bill is to encourage home ownership and make it secure; for the reduction of unemployment and the stimulation of business activities; to reestablish economic independence and prevent the evils of tenancy as now prevails in farm and urban communities; to promote health; to improve housing and social conditions and the general welfare; and for other purposes.

Mr. Speaker, there now exists in urban and rural communities throughout the United States deplorable conditions in housing due to the exploitation and abuse of our citizens' natural desire to possess homes in which to house their families. These conditions are due to high interest rates and injurious taxation, to a great extent caused by the delegation of the authority to thousands of private agencies to create and destroy our medium of exchange, which is necessary and so vital to trade and domestic commerce.

These conditions are inimical to the general welfare of the Nation by (a) demoralizing the morale of our citizens by the exploitation of their natural instincts and virtues; (b) discouraging home ownership; (c) speeding up the ownership of land into the hands of a few at the expense of the many; (d) fluctuating and manipulating the amount of currency and causing artificial scarcities, with the result that home ownership is impossible of continued possession, thus impairing moral, domestic, and peaceful relationship and destroying industrial and agricultural productivity.

The exploitation of our citizens' virtues and natural instincts by the failure to correct these evils has resulted in, among other things, an acute dwelling shortage, the stagnation of employment, land and dwelling monopoly, the paralysis of the Nation's business, the disturbance of domestic tranquillity, and other injurious effects upon the general welfare of the Nation.

The citizens and private industry are able to remedy this condition provided suitable legislation is passed to correct the immoral, unstable, and ruinous practices. Private industry and initiative properly controlled and fairly protected through the enterprise of our citizens was and is now able to provide and retain continued possession of their own homes under reasonable conditions.

Under the bill, the Federal Housing Administration is given the right to make loans for the construction of individual dwellings. The mortgages shall bear an interest of 3 percent per annum on the original amount of the loan and shall be further amortized annually by an amount equal to 1 percent of the original mortgage. The loan can be made in an amount up to 80 percent of the appraised value of the land and proposed building. It also provides that the Federal Housing Administration may make a character loan up to $300 to enable the applicant to purchase a lot to initiate this program.

The bill also provides that the value of the lot shall not exceed $1,100 nor $35 per foot front, including paving; and the value of no dwelling constructed under the terms of the act shall exceed $5,000. The annual income of the applicant shall be at least four times the annual charge. By annual charge is meant a sum of all annual interest and amortization charges, fire insurance, and taxes on the lot.

In order that the local government may participate in the benefits, they must agree to waive all county, State, municipal, or any other tax on the improvements. This waiver of taxation on the improvements shall be for a period of not less than 40 years. The home owner would continue to pay the taxes on the lot, so, therefore, the local taxing communities would not lose any revenue now collected from the land.

This bill will be of great benefit to the citizens of the country and stop the tendency toward the ownership of land in the hands of a few, which may result in the danger of returning to land feudalism as still prevails, to an extent, in many European countries.

It will be possible for the citizen to own his own lot and dwelling at a charge smaller than is possible under any tenancy housing program. At the same time it establishes the very desirable condition of individual sovereignty over one's own home and a better and more independent citizenry.

Under this plan the average fixed charges on a home costing $4,000 on an $800 lot, including taxes, amortization of the mortgage, and fire insurance, would be $15 per month. In order to start it would require only $660 cash or the equity of that amount in a lot.

Trial of the Issue of Good Behavior of Federal Judges

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1937

Mr. KITCHENS. Mr. Speaker, this bill has for its purpose the creation of a court of three circuit judges to try district judges on charges of misbehavior not included in, nor justified by, charge of impeachment.

Federal judges are not employed for life, but for and "during good behavior." They may, by omission or commission, be guilty of conduct that is not impeachable under the Constitution, and yet may violate their contract of employment.

Article III, section 1, of the Constitution, among other things, provides:

> Judges, both of Supreme and inferior courts, shall hold their offices during good behavior.

This does not mean a tenure for life as many think. When a Federal judge accepts an appointment, he thereby necessarily agrees that his conduct will measure up to that of good behavior, and this is a contract. This agreement to hold his office "during good behavior" has no connection whatsoever with the constitutional provision for his impeachment. Any violation of his contract of employment justifies a cancelation of his contract just as a breach of any other contract justifies cancelation. This idea of a contractual relation between a Federal judge and the Government has lain dormant for 150 years, and only trial by impeachment heretofore has been the remedy used, although very unsatisfactory to remove an immoral, intemperate, overbearing, czaristic judge, or one whose immoderate temper causes him to engage in scandalous and inflammatory harangues. He may neglect his duties, become intoxicated, usurp powers, be arbitrary, inconsiderate, defy superior courts, become a nonresident, and such conduct really is not included in grounds of treason, bribery, high crimes, or misdemeanors set forth in the Constitution as sole grounds for impeachment, still they do amount to a lack of "good behavior" and thereby constitute a violation of his contract.

Section 4, article II, of the Contsitution provides that the President, Vice President, and all civil officers are subject to removal from office by impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors. Only the House of Representatives can prefer charges of impeachment, and the Senate has exclusive authority of trial. Misbehavior is not one of the grounds for impeachment. Such conduct may not justify impeachment. The House, in the recent Ritter case, made six specific charges with one blanket or general charge of misbehavior based upon the six specific charges. The Senate acquitted the accused of the specific charges, but impeached him on the general charge of misconduct which was a mere breach of his contract. In the Lauterbach impeachment case, the evidence certainly justified charges of misbehavior; yet, the Senate acquitted him of bribery and high crimes and misdemeanors. His contract of employment, requiring good behavior, might have been canceled by the courts. This question of good behavior, being a part of the contract of employment, has been confused with matters justifying impeachment.

The contention of those opposed to this bill, if correct, would strike from article III of the Constitution the words "during good behavior" and thereby destroy the tenure or condition on which a Federal judge is appointed. Their contention renders those words useless and makes them dead language. No one can agree to that.

It is further contended by some that the words "during good behavior" have never been considered as part of the contract of employment, nor made effectual by any procedure or law; that the Government is guilty of laches, and it is now too late to use or take advantage of them. In other words, it is argued that the tenure of a Federal judge is for life, subject only to impeachment for high crime, and misdemeanors. This contention cannot prevail, for the failure to bring in question heretofore breach of contract cannot destroy the provision for "good behavior." The doctrine of stare decisis cannot be invoked in the construction of the Constitution. The court may overrule its own decision in construing the Constitution.

It seems clear that the question of "good behavior" does not arise, cannot be included, and was not intended to be included, in the words treason, bribery, or other high crimes and misdemeanors. These words are not connected with, but are exclusive of, the causes for impeachment and pertain solely to the contract of employment. The terms "during good behavior" do not reach the dignity of charges justifying impeachment. This behavior clause is not in the impeachment article. There are those who would transpose this clause, erase it from article III, and insert same in article II as a ground for impeachment. This cannot be done.

Since article III fixes the tenure of the judge for and "during good behavior", that, as stated, becomes a part of the contract with the judge and, necessarily so, because the Constitution and law are a part of the contract. These words "during good behavior" being a part of the contract, are justiciable and triable in the Federal court, having jurisdiction of parties, just as any other breach of contract may be tried in such a court. Article III, section 2, of the Constitution

extends to Federal court jurisdiction to all cases, in law and equity, arising under the Constitution, treaties, and laws of the United States. If the charges against the judge involve an impeachable offense, and more punishment than a mere judicial cancelation of his contract be desired, then the House of Representatives must prefer the charges and the Senate has exclusive jurisdiction. The penalty for misbehavior, or behavior that is not good, is simply a cancelation of contract of employment, and such a cancelation, ipso facto, separates him from his office.

If it be desired to remove the judge from office, and further to disqualify him to hold or enjoy any other office of honor, trust, or profit under the United States, then the House of Representatives must prefer the charges under impeachment article of the Constitution, and the Senate must try him and impose the penalty. The tenure of the judge being "during good behavior", and charges of misbehavior being triable by the court, there appears to be sound reason for any citizen, and certainly for the Government, a party, to prefer charges of misconduct or misbehavior as a breach of his contract. Any Federal court with original jurisdiction of parties could try the issue. This legislation adds nothing to the right already existing to file and try such changes but merely creates a procedure.

I prefer a court organized under this bill rather than to allow indiscriminate charges to be made against a Federal judge by a citizen or official. The charges being a violation of contract of employment is necessarily civil and not criminal. A simple preponderance of the evidence on charges of misbehavior will justify a cancelation of contract of employment and consequent removal from office. An impeachment proceeding puts into motion most expensive, ponderous, and cumbersome machinery, and any verdict rendered by the Senate must be by a concurrence of two-thirds of the Members of the Senate present at the trial. The charges, as stated, in such a case must amount to treason, bribery, or high crimes and misdemeanors. It seems clear that there is a plain line of demarcation between a charge of breach of contract for misbehavior and a charge justifying an impeachment proceeding.

The legislative department can determine the qualifications of its members and remove a member for disorderly behavior. The president can remove any of the executive officers for the same reason. The court, I am persuaded, can remove any of its judges for misbehavior or disorderly behavior on an issue of breach of his contract of employment. As a matter of fact, the conduct on the part of a Federal judge that contravenes good behavior subjects the judge to removal by sustained charges justifying a writ of scire facias or quo warranto under common law.

I have no hesitation in voting for this bill as being desirable and constitutional.

Railroad Retirement Act

Though 361 men vote against me and I must stand alone, I will not be a party to the tragic barter of the Railroad Retirement Act. It is not legislation for railroad employees. It is an historic sell-out to the greedy railroad corporations of America.

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, today the House of Representatives passed the railroad retirement bill by a vote of 361 to 1. That lone vote was cast by me and I want to tell the Members of the House that I am proud of it—that I do not regret it in any way and I feel that when the railroad employees of this Nation know the real story behind this bill that they will praise and commend the fight that I am making today.

A TRAGIC BARTER

First of all, I could not subscribe to the tragic barter which this bill represents—this tragic betrayal of thousands of railroad employees all over the country—in favor of the railroad carriers of the United States. This is not a railroad labor bill or a railroad employees bill; this is a bill in behalf and in favor of the railroad corporations of America. Everything contained in it favors them. Every one of the particular and important amendments proposed in this bill is a provision in their favor, reducing their taxes, reducing their cost of operation, reducing their expenses, and taking away in very many important items, which I will endeavor to enumerate in the course of my remarks, rights and privileges now given to railroad labor in this Nation by the Railroad Retirement Act of 1935—an act still in force—an act which has never been declared unconstitutional by the Supreme Court of the United States and which in my opinion never will.

This bill is cruel, vicious, and hurtful to the employees, and even though I am the only man in the House of Representatives, I do not intend to vote for it, I do not intend to do anything in its favor, and I know that if it were possible here today to tell all the Members of this House what the real facts are behind this bill, that there would be many more than I who would vote against it.

But I know when the employees all over this country, who do not understand the legal verbiage contained in this bill, I know when they see its practical application, that they will condemn the day that saw this bill passed, and they will commend and praise me for the lone vote which I have cast today.

STAND BY RAILROAD RETIREMENT ACT OF 1935

Before I go on enumerating the points to which I object in this bill, let me first of all wholeheartedly condemn the procedure under which this bill has been considered. It has been brought out here under suspension which provides only 40 minutes debate and absolutely prohibits amendment of any kind—amendments that are demanded by railroad employees all over the country, amendments that must be in the bill before it will do justice to the railroad laborers of this country, before it will give them the real retirement act which now stands on the books and which should be kept, first of all. Let me say further that I am in favor of the Railroad Retirement Act of 1935; that I am positive that it is constitutional and that the Supreme Court will uphold it as such. I say railroad labor should not quit in the middle of this fight. I say it should take this bill to the Supreme Court of the United States, and I know that under the pressure that President Roosevelt has placed on that body that it will declare this bill constitutional on the basis of its recent decision in the social-security cases and in all the other liberal decisions that have been handed down in the past few weeks, after President Roosevelt has extracted this shotgun liberalism from the Court through his proposal of an increase and a reorganization of that body.

We are told that railroad employees, executives, and the Association of American Railroads got together and decided upon this compromise which we have before us here today. This is no compromise, my friends; the railroad carriers give up nothing whatsoever, and the railroad employees give up very many of the important parts of the Railroad Retirement Act of 1935.

AGREEMENT NOT WORTH PAPER WRITTEN ON

Oh, yes; they tell us that the Association of American Railroads does agree that it will not contest the constitutionality of this law, and for that reason the railroad-employees' executives have agreed to many of these amendments that took away labor's rights and privileges that now exist under the present law. The promise of the Railroad Association that they will not contest the constitutionality of this law does not mean a thing. It is not even worth the paper that it is written on, because both the railroad-labor execu-

tives and the railroad management themselves admitted in our committee that despite this agreement this bill may be attacked by the small railroads of this Nation, may be attacked by each and every individual stockholder of all the railroads of this Nation, and may be attacked by each and every one of the individual employees of the railroads of this Nation; so that as a matter of fact, railroad labor has given up fair and equitable provisions which they should have on a promise that is not even worth the paper that it is written on, or the ink that was taken to write it.

CARRIERS' BILL, NOT EMPLOYEES'

Now, Mr. Speaker, let us consider the most objectional features of this so-called compromise bill before us today. First of all let me tell you the reason why the carriers prefer it and all those reactionary Members of the House who usually support them voted for it today, when in years and years gone by they have fought this legislation with everything in their power. First of all the carriers will have a return to them of the 10 months' tax for 1936 amounting to nearly $50,000,000. Secondly, the saving to them on the 2¾-percent tax over the amount it would have cost them under the 3½-percent tax in the 1935 act is nearly $18,000,000. The saving to them on their gratuity pensions by putting them on the Railroad Retirement Act rolls is nearly $20,000,000 annually, a total of all savings amounting to more than $80,000,000. Above all this there has been saddled nearly $19,000,000 of the cost of the gratuity pensions formerly carried by the railroads, on the railroad employees under this act. These estimates have been made by the Standard Statistics, Inc., so the new plan will cost the railroads only about $45,000,000 annually for the first 3 years, and the estimate as made by this company that this is about $18,000,000 less than the railroads would have to pay under the Railroad Retirement Act now on the Federal Statutes and only a little more than $5,000,000 in excess of the amount paid in private pension funds or gratuity pensions carried voluntarily by the carriers.

These figures are all based on the 1936 pay roll of class 1 railroads. To more fully illustrate the tremendous effect of these savings, the Pennsylvania Railroad alone would save approximately $10,184,000 per annum under this bill as compared with the 1935 act. This amount is equal to 20.4 percent of its fixed charges for the year 1936. I say that to add the burden of paying one-half of the gratuity pensions now paid by the railroads on the employees is absolutely stupid and indefensible, is absolutely a crime against the railroad employees of this Nation, and I, for one, do not intend to vote for it. Yes, my friends, the carriers are for this bill, because it is their bill, not labor's bill.

SMOKE MEANS FIRE

Now let us proceed to see what labor has lost in this bill that was provided for them under the Railroad Retirement Act of 1935.

Although it has been vigorously denied on this floor by my wonderful friend, the distinguished gentleman from Wisconsin [Mr. WITHROW], and by my very able, very efficient, very sincere, and hard-working colleague from Ohio [Mr. CROSSER], the author of this legislation, who deserves the praise and commendation of the railroad employees of this country for the wonderful work which he has done on their retirement legislation; that who I know today feels very deep down in his heart much the same way that I do about this bill, that a secret agreement exists between the railroad executives, between railroad labor and the railroads themselves with respect to the passage of other legislation beneficial to railroad labor in this country. I have particular reference to the train-line-limit bill and to the train-dispatchers' bill. It has ben rumored about that an agreement has been made whereby the train-line-limit bill and the train-dispatchers' bill have been sidetracked for the agreement made on this railroad retirement bill.

I know that it has been denied, but I have always felt that wherever there is smoke there is fire; and I for one do not want to be a party to any agreement that will do away with such beneficial legislation as a train-line-limit bill or a train-dispatchers' bill, which are absolutely necessary to the safety of the employees and the traveling public of the railroads of this country today. I have noted with interest that the train-dispatchers' bill was taken from the calendar in the United States Senate. I have noticed with interest that the train-line-limit bill has not been taken up for consideration in the United States Senate; and it seems to be that although there has been vigorous denial, if there is not fire there certainly is smoke, and I do not intend to be a party to such a deal.

NO PRIOR SERVICE TO DEPRESSION VICTIMS

Now let us proceed to see what the railroad employees have given away in this bill which was provided for them in the Railroad Retirement Act of 1935. Let us see what a sacrifice they have made to the coercion of the railroads supposedly to prevent them from contesting the constitutionality of an act that I know is constitutional. Let us see what a hard bargain the railroads have driven—all to their own advantage and against the employees of this Nation.

This bill here before us deprives every person who was reemployed after August 29, 1935, of any credit for service prior to that date in computing the amount of his annuity, unless he was in service on that particular day. This provision is sure to affect a large part of those who may be reemployed and more than 500,000 employees since that date thrown out of the service mainly because of the depression. It particularly affects very large groups in maintenance of way and the lower-paid services. In my opinion, this is a great injustice to many men, tens of thousands of these men, some of whom are ready to come back into the service, a large number of others will necessarily be reemployed.

It is agreed that more than half a million men now living were dropped from the service in 1929, and as business recovers and these men are brought back into employment, everyone who fails to show service on August 29, 1935, will suffer an unjust reduction of his annuity and probably will be deprived of his service prior to that date. I say that it is absolutely wrong to deny these men the benefits of their prior service. The effect that it is going to have is that the railroads taking these men back to work will have to keep them on as old men because the annuity they will get from the service from now on will be too small for them to retire on. This also most seriously affects the benefits which are supposed to come from a retirement system.

EMPLOYEES PAY FOR OWN DISABILITY

Secondly, this bill reduces the annuity on retirement at age 65, or even at age 60 for any annuity payments on account of disability. This hits the unfortunate disabled employees, least able to bear it. This bill requires that for any annuity paid to an employee for total or permanent disability that he must expect a reduced annuity sufficient to compensate for the annuity already paid him during his disability, thereby making him pay for his own disability, which I say is a crime that stinks to high heaven.

COMPULSORY RETIREMENT REMOVED

This bill removes section 2 of the present law reducing the annuity by one-fifteenth for each year the employee continues in service after age 70, or during any year after 65 without filing a written agreement as required by that section. The effect of the provisions in the present law is to encourage the older employees to retire thus making way for promotion and new positions for the younger men.

The effect of this bill now before us is to encourage the older employees to continue in old age while able to get more in wages than in annuity. This is opposed to the entire principle of the annuity system. The intent and spirit of any old-age pension system or any retirement system ought to be to create new jobs and provide opportunity for promotion of the younger men. This is the same provision which was discussed by the distinguished gentleman

from Colorado [Mr. MARTIN], and which he objected to very strenuously. I am sorry that it is impossible to amend this bill today. I am sorry that we cannot provide this feature which would bring about compulsory retirement of the older men and give jobs and promotions to the younger men in the service.

PENSIONS DENIED TO MANY DESERVING

One of the biggest failings of this bill, and one of the things which I think is very stupid, one of the things which I believe this Congress should not agree to, is that this bill makes no provision for men of the same age retired on gratuity-pension railroads without any pension. This bill makes no provision for men of the same age who have all been retired on other railroads which have no gratuity pension systems. These include some of the larger railroads, such as the Southern, the Milwaukee, which runs through my State, and other systems. These old men, after having given their life to the railroad service, now have only a very few years to live, and they are surely entitled to the same consideration as to annuity payments that those men are who now receive gratuity pensions from some of the railroads and who are taken over under the bill now before us.

This is an absolute injustice to these men. It is a discrimination that should not be countenanced whatsoever.

The act of 1934, as well as the present law, contemplated that these old men, who were either on gratuity pensions or on railroads that had no such pensions, but had given like service, ought to be taken care of. These old men have all these hopes and all these expectations of being able to live in the sunset of their lives as American citizens ought to be able to live.

These men are hoping for it. These men are expecting it, and, by the eternal, I think we ought to give it to them.

DISABLED EMPLOYEES, STRIKERS PERSECUTED

There is another objection that comes to my mind most poignantly. That objection was raised many many times in the Committee on Interstate and Foreign Commerce. It has been raised here in the debate today. I have heard many of the Members ask if men who were retired from railroad service because of disability or because of participation in a strike before August 29, 1935, who had 20, 22, 24, 26, 28, or even 29 years' service prior to that date, would come under the terms of this act. Invariably the cruel answer has been "no."

One of the finest friends I have in the State of Montana is a man by the name of Billy Powers, who lost a leg in employment with the Great Northern Railroad prior to August 29, 1935; yet who had more than 20 years' service with that railroad—and he, today, is prohibited by the terms of this act from getting any annuity for the many years of service that he gave to that great corporation. There are thousands of Billy Powers throughout the Nation today that are asking for an amendment that would permit them to participate in the benefits of this act—but it cannot be done for them—nothing can be done to help them.

There are hundreds of men, I know, around this Nation who were dismissed by railroads because of their participation in strikes in an endeavor to secure better conditions for the railroad employees of this country, who had more than 20, or more than 25, and even 29 years' service prior to August 29, 1935, and yet they cannot come under the terms of this act. I say it is a shame; I say it is an injustice; I say it is an unfair discrimination, and something ought to be done about it; and I condemn the procedure which forbids us to do it by amendment on the floor here today.

A HISTORIC SELL-OUT

I could go on and talk for a long time about many of the injustices in this act. I could go on and tell you what a perfect railroad carriers' bill this act is. I could tell you what a tragic barter it is. I could tell you how the railroad employees have been sold down the river; but I have not the time, and the rules of this House will not permit.

I know I am alone. I know my vote is the only one that is to be cast against this bill; but as far as I am concerned, even if that is so, I am not going to be listed as one of those who voted for this historic sell-out; who voted to sell the railroad employees of this country down the river in behalf of the great, rich, wealthy railroad corporations of America.

Richberg on the Proposed Wage-Hour Bill

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1937

STATEMENT OF DONALD R. RICHBERG TO THE JOINT COMMITTEE OF THE SENATE AND THE HOUSE HOLDING HEARINGS ON THE BLACK-CONNERY BILL, JUNE 22, 1937

Mr. LAMBERTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

This statement will express only my own opinions. I do not make it as the representative of any other person or group of persons. But, because I was one of those deeply concerned with the drafting and administration of the Railway Labor Act and the National Industrial Recovery Act, and because as a lawyer in private practice and in public service I have had an exceptionally long and intensive experience in the adjustment of labor relations, I hope that my suggestions may have some constructive value.

The primary purpose of the Black-Connery bill is, I assume, to eliminate starvation wages, intolerable hours of work, and injurious child labor, in all employments subject to Federal regulation.

A large part of this bill has been very shrewdly drafted to accomplish these objectives, with which I am thoroughly in sympathy and which are widely supported by public opinion. For this very reason I believe that this major effort ought not to be weakened by undertaking at the same time to achieve other objectives which command much less general support, which are much more difficult to achieve, and some of which, although theoretically beneficent, may prove to be in fact undesirable.

Therefore, while strongly supporting much of the pending bill, I would urge the revision or exclusion of certain provisions, which in my opinion will weaken and seriously impair the effectiveness of the legislation.

Before discussing the bill in detail, let me point out that the N. R. A. furnished to Congress and the Nation a very forceful example of the danger of overloading an administrative body with too many tasks of great complexity and vesting in it too much discretion in their performance. The inevitable result was an increasing pressure from many sides to do the impossible and an increasing resistance from many sides to regulations which lacked the essential support of well-informed public approval. The N. R. A. was squeezed to death between these counter forces which were developed by the law of its creation.

To avoid a repetition of such a tragedy in a law having many similar objectives, it is necessary, first, to limit legal requirements to those which are assured of general public support, and, second, to write those legal requirements clearly into the statute. The lawmakers should not attempt to transfer their personal responsibility by simply declaring a public policy and then directing administrators to enforce it by such methods and through regulations of such a character and extent as they may think wise.

The grant of too much discretionary power will embarrass the board, not only because of legal questions as to the extent and validity of such delegations of legislative power, but even more because of a continuing pressure upon the board to extend its authority and to use its broad powers for the correction of such a multitude of evils that careful cautious progress in a field of political experimentation will be made practically impossible.

The board will be not only overwhelmed with work but also discredited by its inability to meet the demands of many seeking aid which it cannot render, and by the opposition of those upon whom it will impose requirements of doubtful legislative sanction. The unhappy experience of the N. R. A. indicates clearly the wisdom of giving to an administrative board the protections of a clear mandate to perform a practical task within a definitely limited jurisdiction.

In applying these principles to the pending bill time will be saved by considering primarily the labor standards which are established in broad terms and will be definitely fixed by the decisions of the board. The problems and methods of enforcement all depend on the initial determination of what standards should be established, on the assumption that they are generally accepted as desirable and that, as a practical matter, they can be enforced.

PRIMARY STANDARDS

The bill first seeks to outlaw oppressive wages and hours of work. But, even if a definite minimum wage and a definite maximum workweek are written into the completed bill, the board is given such a broad power to vary these standards upward or

downward, as to all employees or classes of employees, that the bill might just as well simply give to the board the power to fix a minimum hourly wage and a maximum workweek. Unfortunately the bill provides no clear and adequate limitations or standards for the exercise of such a large administrative discretion.

To strengthen these provisions I would suggest that the bill declare an amount, such as 40 cents per hour, as prima facie a reasonable minimum-wage standard, and then authorize the board to increase or to reduce such standard for specific employments to an extent not exceeding such an amount as 10 cents per hour, but only after a finding that such a variation is necessary to effectuate the policy defined in the act. In declaring this legislative policy the bill should set forth a definite list of factors to be considered in fixing a minimum-wage standard, such, for example, as the cost of living, the reasonable value of services rendered, and comparable payments under fair competitive conditions.

In like manner the bill might declare a number, such as 40 hours per week, to be prima facie a reasonable workweek standard, and then authorize the board to increase or to reduce the number of hours to an extent not exceeding such a number as 8 hours per week, but only after a finding that such a variation is necessary to effectuate the policy of the act. The bill should then set forth the factors to be considered in fixing a reasonable workweek, such as the effect of hours of work on health and efficiency, comparable hours under fair competitive conditions, and the number of persons available for employment.

Another primary standard established in the bill is that of oppressive child labor, which is, in part, clearly defined. There is, however, a power of further definition given to the Chief of the Children's Bureau in the Department of Labor, whereas it would seem that such a definition of hazardous and detrimental occupations for children between the ages of 16 and 18 years should be made by the board itself after a hearing in which the findings of the Department of Labor might be taken as prima facie correct.

SECONDARY STANDARDS

The bill next proceeds to provide for the fixing of a minimum fair wage and a maximum reasonable workweek. In this effort it seems to me that a policy of most dubious wisdom is projected, and that an intolerable and undesirable administrative burden is laid upon the board. If, under the proposed law, oppressive labor conditions can be outlawed, so that an oppressive wage, an oppressive workweek, and oppressive child labor can be eliminated, a great advance will be made in the improvement of industrial conditions; and one which will require the full energies of the proposed board and call for the strong backing of public opinion.

The establishment of the standards of oppressive labor conditions and their enforcement will be in itself a very large undertaking. If this is successful, there will be a sound basis established for any further advance in this field, which may then appear to be desirable and practical. But if the additional heavy burden of trying to establish reasonable wages and hours is to be imposed upon this board, guided only by difficult and vague legislative standards, it is certain that from the start the board will be overwhelmed with the prodigious task of establishing "reasonable" standards and that its work will be subjected to increasing discredit because of the practical impossibility of policing and enforcing such requirements.

Let me recall that a similar effort was a major cause of discrediting the heroic efforts of the N. R. A. to eradicate unfair labor competition. We found it difficult enough to eliminate indefensible wages and hours—wages that did not provide subsistence, hours that impaired health and assured inefficiency. Yet in this effort we had the support of a prevailing public opinion, of all organized labor, and of a majority of employers. But when we were pressed to go beyond the prevention of admittedly evil conditions and to establish good or reasonable conditions, we found that controversies multiplied, support dwindled, and the enforcement of standards that had to be compulsorily and arbitrarily established became impossible without the aid of powerful labor organization.

As the result of this intensive experience I became convinced that only through collective bargaining and standardization of the terms and conditions of employment through adequate labor organization would it be possible to establish reasonable wages and hours of work so generally as to eliminate unfair labor competition in a competitive industrial system. Clearly the Government, assuming its legal authority, can outlaw intolerable and oppressive labor conditions. Such conditions can be defined with reasonable accuracy, and their elimination will be supported by public opinion. The field of competition is thereby somewhat restricted, just as it is restricted by laws against fraud and duress. But when we undertake by law to fix and enforce reasonable wages, we must assume a responsibility also for fixing directly or indirectly reasonable prices.

Now, it may be that to maintain a fair competition in modern industry and trade, and to protect employers and workers against unfair labor competition, our Government will be forced eventually into exerting further controls over wages and prices. But when we do go beyond the prevention of what is clearly wrong, into the establishment of what we think would be right, we will assume responsibility not simply for the fairness of competition but for the fairness of the results. That means not merely regulating competition but eliminating competition as the regulator of wages for the worker and prices for the consumer.

The political economic issues of the modern world are too complex to justify any arrogance of opinion, but one can always make a choice between responsive law, whereby legal rights and obligations are rewritten under the pressure of changing social and economic conditions and dogmatic law, whereby we seek to change social and economic conditions by writing new legal rights and obligations. Responsive lawmaking is evident today in the associated efforts of the Government to eliminate oppressive labor conditions and to support the use of collective bargaining to establish higher labor standards. We have not yet had sufficient experience in the effectiveness of these efforts to know whether they will enable us to adjust conflicts of interest in an industrial civilization by democratic processes. But we have ample evidence from the experiences of other nations, that, if such evolutionary, democratic methods do not succeed and we empower the Government to fix wages and hours of work, and thereby necessarily to fix prices, we shall find that democratic government is an inefficient instrument for the making and enforcement of dogmatic laws.

Before moving in this direction it seems to me that we should, at least, attempt further efforts at a more democratic solution. To meet the need for a fairer labor competition we can undertake by voluntary agreements between representative employers and employees in any trade or industry to establish fair labor standards for all employed.

If, as we learned often in the N. R. A., a small minority of employers are able to break down such standards by unfair competition, we can undertake to outlaw such competition and seek to enforce—not wage and hour rules more or less arbitrarily fixed by Government, but those standards of fair competition which have been determined by the agreement of those most concerned and proved by experience to be practical.

If it is here objected that I am proposing a revival of the N. R. A., let me offer two answers:

First. The N. R. A. accomplished a great deal of good; and it would not be difficult to avoid a repetition of those errors in law making and administration as to which we are all well informed.

Second. The provisions of the present bill which I have criticized offer, and indeed invite, a repetition of practically all the errors of the N. R. A. in the matter of fixing and enforcing reasonable wages and hours without providing some of the safeguards which were provided for the administration of the N. R. A. If we have learned so little from the N. R. A. that we are ready to authorize a repetition of its demonstrated errors, how can we expect that another effort in the same direction will succeed?

It might divert attention from the main issue to proceed at this time with detailed suggestions for the further improvement of this bill. The voices to which I have referred, in the way of indefinite standards, uncontrolled discretion, undesirable extent of authority, and resulting difficulties of enforcement can be easily identified and eradicated by anyone who may agree with my fundamental criticism. But, in conclusion, let me again make it clear that it is just because the primary purposes and objectives of the bill seem to me so absolutely sound and desirable, that I do most earnestly urge that this legislation should be devoted solely to their accomplishment.

It is not necessary in this bill to deal with unfair labor practices which lie within the field of the National Labor Relations Board. It is not necessary in this bill to deal with reasonable wages and hours which should be the product of collective bargaining. If we desire now to prevent wage-cutting employers from breaking down an established, reasonable level of wages, we should enact legislation specially and appropriately designed to outlaw such unfair competition. This bill is neither appropriate nor adequate for that purpose.

But if we have now reached the time when the Federal Government is ready and able, without fear of judicial restraint, to go forward to eliminate oppressive wages, oppressive hours, and oppressive child labor from all employments subject to Federal control, then, in the name of humanity, let us do that job, let us do it promptly and effectively, unhampered by the burden of trying to do several well-nigh impossible jobs at the same time by the same board.

Bernhard Martin Jacobsen

MEMORIAL ADDRESS

OF

HON. OTHA D. WEARIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of the late Honorable BERNHARD MARTIN JACOBSEN, of Iowa

Mr. WEARIN. Mr. Speaker, I offer this humble tribute to a great Iowan who has gone from among us, Hon. BERNHARD MARTIN JACOBSEN, of Clinton, who has served his country and his district well in Washington for 6 years, having been chosen by his constituents upon three consecutive occasions for the high office of Representative in Congress.

Life is a fleeting thing at best, and especially so when it is crowded into the span of threescore years and ten, or a little

more. When it ends its earthly reign, as it always does, and we are faced with the sadness of those who have been held dear to its throbbing heart in love and friendship we are the more impressed by its grandeur if its brevity has been accentuated by achievement. When the possessor of that life adopts a new country for his own, there to rise by virtue of his success in his chosen field to a position of power and influence that spreads from the scene of his labors to the Capital of his adopted nation, then the crown of his glory has added brilliance and renown.

As I recall my beautiful friendship with the dean of the Iowa Democratic delegation in Congress, shared by every other Member from the State, irrespective of party affiliation, I seem to see a small, energetic immigrant boy gathering into his arms the burdens of life's labors that included the support of his elderly father and mother of modest means as well as his immediate household when the time came for him to establish his own home. The years flew by with their long hours of labor. I seem to see him trudging home at night from turning lathe and brick kiln, from clerkships and the many humble tasks within that field until by always traveling the second undemanded mile for his employers he came at last to a business of his own.

And now I seem to experience the exaltation of success that must have crept into the heart of that humble immigrant lad as he watched the influence of the business he had built reach out into the financial and political institutions of his community. It is not difficult to imagine the satisfaction that must have come to him when he attended the first meeting of the board of directors of the City National Bank, of Clinton, and likewise at the conclusion of his first day as postmaster of his home town, in which position he served by appointment of President Wilson from 1914 until 1923.

And not the least of the success of this immigrant boy who had become such a staunch American and who many of us loved to speak of endearingly as "Bennie" was the family he loved so faithfully. Throughout the long life of service we can see the everguiding hand of a wife who was as beautiful in adversity and sacrifice as she was in affluence and triumph. It was unquestionably the influence of that fireside, coupled with judgment and a delightfully persistent sense of wit and humor, that led the humble lad of whom I speak along his highway to achievement.

When many men his years would have been thinking of retirement this merchant and public-spirited citizen of Clinton came from the portals of home and workshop in answer to the summons of his piers to assume the duties of a Member of the United States Congress. In Washington he rose to a high-ranking position on the powerful and important Committee on Appropriations, but what was more than that, he won the respect and admiration of his associates.

It was his honesty in line of duty, his anxiety to be of service to those he represented, his judgment of public questions, and his personal friendship with the leaders of the National Government, beginning with the Speaker of the House, in which he served, and coming all the way down the line to the newest Member, that made of him an influential Representative who could accomplish things worth while.

We will never forget him—BERNHARD MARTIN JACOBSEN—because we loved him, as did all who came to know him well, that kindly, humorous, thoughtful lad, who rose from calloused hands and meager wages to a successful businessman, merchant, and prominent public servant in the council chambers of his Nation. We loved him more than ever because he never lost the common touch. Even though he counted among his acquaintances Presidents of the United States, Cabinet officials, Senators, Congressmen, Governors, and many others of wealth and power, he continued to cherish the plain folk and the simple things of life.

When we came to the end of the trail and through the trees we could see the flags at half mast on yonder towers of the city of Clinton, Iowa, that mourned his passing, when the banner of his adopted country he served so well and beneath which he slept was tenderly folded away, the silence of the moment seemed to breathe softly, beautifully, "Good night, 'BENNIE' JACOBSEN, good night; we will see you in the morning, and ere that moment comes we say of you while yet we live, 'Well done, thou good and faithful servant.'"

Farm Tenancy Increases in West Virginia

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

Mr. RANDOLPH. Mr. Speaker, farm tenancy increased rapidly in West Virginia between 1930 and 1935, and for that reason I was glad yesterday to join with Members from other States in bringing about passage in the House of Representatives of H. R. 7562, a measure which should stimulate farm tenants to become farm owners.

The percentage of tenancy is not as high in our State as in many other areas of the country, but the rapid gain during recent years indicates that the problem may be of considerable importance in the future, and it is already significant enough to merit serious consideration.

In 1930 there were only 15,347 farm tenants in West Virginia; but 5 years later, when the 1935 census of agriculture was taken, there were 27,021. This was an increase of 11,674 tenants, or a gain of 76 percent.

DECLINED PRIOR TO 1930

The significance of this very rapid rise in the number of farm tenants during the depression period, from 1930 to 1935, arises not only from the size of the increase, but also from the fact that for several decades previous to 1930 the number and percentage of farm tenants had been declining in West Virginia.

For instance, between 1900 and 1910 there was a decrease in both the number and proportion of tenant farmers, and this decline continued through the period from 1910 to 1920. Then there was a slight gain between 1920 and 1930, and the tremendous increase which has just been described between 1930 and 1935.

The effects of the depression on agriculture and industry is well seen in these figures. Many persons who were working in mines and mills in 1930 were forced out of employment and hence returned to the land as tenant farmers during the depths of the recent depression. This is one important factor which caused the great increase in farm tenancy in West Virginia between 1930 and 1935. If industrial employment continues to lag, tenancy will probably continue to increase in West Virginia.

TENANCY INCREASED BETWEEN 1930 AND 1935

The percentage of tenancy is much lower in West Virginia than in many other States, but there was a very rapid increase in the proportion of tenant farmers between 1930 and 1935. The following table shows the percentage of all farmers in West Virginia who were tenants in each of the years indicated:

Year	Percent	Year	Percent
1880	19.1	1920	16.2
1890	17.7	1925	16.3
1900	21.8	1930	18.6
1910	20.5	1935	25.8

The total number of farmers in the State in 1935 was 104,747. Of this number, 27,021 were tenants. As is indicated in the table above, the tenants represent 25.8 percent of all farmers.

The following table shows the number of farmers, number of owners, number of tenants, and the percentage of all

farmers who were tenants for each county in the Second Congressional District. These figures were taken from the 1935 census of agriculture:

County	Total number of farmers	Number of owners	Number of tenants	Percent of tenancy
Barbour	2,182	1,747	420	19.2
Berkeley	1,341	827	427	31.8
Grant	900	797	92	10.2
Hampshire	1,721	1,399	268	15.6
Hardy	1,314	1,119	185	14.1
Jefferson	951	519	387	40.7
Mineral	971	811	148	15.2
Monongalia	2,106	1,774	318	15.1
Morgan	712	609	93	13.1
Pendleton	1,359	1,227	122	9.0
Pocahontas	1,409	1,212	182	12.9
Preston	2,987	2,421	546	18.3
Randolph	1,988	1,615	342	17.2
Tucker	803	580	218	27.1
Webster	1,526	986	536	35.1
Total	22,270	17,643	4,284	19.2

LESS TENANCY IN SECOND DISTRICT

It is encouraging to know that the district which I represent has a percentage of tenancy of only 19.2 percent, whereas the percentage for West Virginia is 25.8 percent. It is my hope that this amount may be further reduced and I sincerely trust that within the provisions of this measure we shall determine a program which will be helpful for the future.

The Black-Connery Bill

EXTENSION OF REMARKS
OF
HON. ROBERT G. ALLEN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

RADIO ADDRESS BY HON. ROBERT G. ALLEN, OF PENNSYLVANIA, ON JUNE 27, 1937

Mr. ALLEN of Pennsylvania. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

The remarks which I address to you this afternoon pertain to the most important legislation which Congress will consider this year. I refer to the Black-Connery Act to regulate wages and hours of work in industries engaged in interstate commerce. If Congress passes this bill—and I am sure it will be passed—minimum wages will be established below which no employer can pay his labor, and at the same time maximum hours will be set beyond which no employer can work his employees. The purpose of this bill is to increase the buying power of laborers in America by boosting their wages higher and to decrease unemployment in America by shortening the hours of those who are now working. At this point I refer you to the Democratic platform, written 1 year ago, which reads as follows:

"We have increased the worker's pay and shortened his hours. We will continue to protect the worker and we will guard his rights, both as a wage earner and as a consumer."

Millions of our people voted for this platform last November. I pledged my support of it as a candidate. I am giving that support now. I am wholeheartedly for the Black-Connery bill.

Industrial prosperity has returned to America. Factories today are as busy as they were in 1929, and are producing as much—yes, more—goods now than they were then. Unemployment continues, however, and low wages still persist. From 1920 to 1929 the productivity of labor increased over 25 percent, and during this same period unemployment increased from 1,500,000 to 2,000,000 persons. Since 1930 the productivity of labor has increased approximately 30 percent, and during this same period unemployment has increased from 2,000,000 to over 9,000,000 persons. These facts are most significant, and they clearly demonstrate that unless definite action is taken there will eventually be a disastrous collapse of our whole economic system. With business active, with profits mounting, with prosperity returning, unemployment should be eliminated entirely; but instead of that a huge group of 9,000,000 men and women cannot find employment in private industry. The employment of labor in private industry is the only real answer to the unemployment problem, and certainly it is the most economical.

People who criticize our relief expenditures and the cost of maintaining W. P. A. should cooperate in the fullest to return these people to private work. We must all agree that this is the only real and lasting solution of our problem. This is the purpose of the Black-Connery Act, which I am discussing this afternoon.

Let us discuss this act in two parts and let us consider, first, the reduction of hours of labor. During the recent hearing before the Labor Committee in Washington there were six principal arguments advanced against reducing the hours of labor. The first argument was that such legislation had never been attempted before, that our forefathers had gotten along without it, and that it was unwise to experiment now. This argument is untrue. The exact opposite obtains. No civilization since the beginning of history has failed to reduce working hours when conditions called for it. For centuries by divine law we have limited the labor of adults to 6 days in 7; for centuries by the laws of man we have steadily reduced the long hours through which he must toil. This type of legislation is old, not new.

In 1800 in the early English textile mills men worked 19 and 20 hours a day and the average day's work in that era was 16 hours. In 1819, 95 hours constituted the average workweek in England. By 1890 these long, back-breaking, health-corrupting hours had been reduced to 45 per week in the English mines, and by 1894 the average workweek in all England had been limited to 56½ hours. All through the nineteenth century as the factory system developed working hours were steadily reduced. In 1802 the first factory act in England was passed. This law provided that no child under 18 should work more than 12 hours a day. When this law was passed the businessmen of England cried to high heaven that Parliament would ruin their business. They shed crocodile tears. To prohibit them from working little children 15 hours a day would mean the destruction of British industry. Instead of that, however, business in England expanded as never before. Again in 1846 humanitarian Englishmen decided that too many children 13 years and younger were working 12 hours a day and that 10 hours was enough. Consequently a law was passed reducing the hours of work for children from 12 to 10.

Again big business in England cried out that Parliament was destroying their business, but again during the next 40 years after the passage of that act the textile mills in England doubled their capacity. Profits and prosperity increased beyond all expectation. These are historical facts and they prove definitely that such legislation as the Black-Connery Act provides has been attempted successfully many times in history.

The second argument prevailing against this bill was that it would benefit one class of people at the expense of another. Again I refer to history, and again history proves that just the opposite is true, and that all classes benefit when the masses of any people are uplifted. If we succeed in raising the living standards of those who are underpaid today and if we return to private employment several million of our unemployed, all our people will benefit. That is just plain common sense.

The third argument which has inveighed against the Black-Connery Act is that if the hours of work are reduced production will be reduced likewise. In other words, a man working 8 hours a day can produce more than a man working 6 hours a day. That is true, and we won't argue that point, but we can't confine our argument to 1 day's comparison; we must consider it in terms of months or a year. Facts prove that a man can work rapidly and to the limit of his capacity for 6 hours a day for weeks, months, and years, but a man cannot work at the same high speed for 8 hours a day. A runner can cover a 100-yard dash at full speed, but he could not maintain that same speed for a mile. Men can sprint in industry for 6 hours and in a year's time produce as much as a man working 8, 10, or 12 hours. Past experiments have indicated that when it is necessary to reduce the hours of work in order to increase employment and to raise living standards that productivity has gone up also. Men are able to work harder and with greater efficiency during reduced hours over a yearly period. After the laws of 1802 and 1846 in England, which reduced working hours, production went up rapidly and exceeded all previous records. Those who oppose this bill claim that there will be a great loss in our national wealth if we reduce working hours.

Well, based on that argument, during the past 200 years of our life we have lost 33⅓ working years because we have not worked on Sundays. According to their argument, if we had worked 1,600 Sundays during the past 200 years, we would have increased our national wealth considerably. That is a ridiculous argument, and the world knows that if we forced labor to work 7 full days we would have been a poorer nation, less civilized, less educated, and with less productive capacity.

The fourth argument against this bill has been that the Government has no right to interfere in private enterprise. I wish to remind you that the Government has the constitutional right to promote the general welfare of our people. Where the general welfare is concerned, it is the duty of government to interfere with the contracts and activities of individuals. Let us consider for a moment what this so-called government interference actually is. During the past few years in the coal industry, mechanical loading machines have been introduced. Three hundred men today can easily do the work which formerly required 800 men. It is reliably estimated that 100,000 miners have been replaced recently by coal-loading equipment; and remember that these miners have dependent upon them 300,000 women and children.

The steel mills have recently installed new rolling equipment and today 1,600 men in one mill can do the work which formerly required 3,200 men. In 1929, it cost $4 in labor to make the door

of an automobile. Due to a new invention, this same door can now be made with a labor cost of 15 cents. I cite these few statistics to demonstrate that if labor-saving machinery is used to disemploy men, the result is poverty when it should be prosperity. The general welfare of the Nation is at stake and it is the duty of the Government to regulate this new machinery by reducing the hours of work, so that those men who have been thrown out of employment can regain their rightful places.

The fifth argument aimed against this act has been that so much leisure time will be the moral ruination of our laboring men and women. Well, well. Someone is desperate when such absurdities as this are employed. In Brunswick, N. J., where at the Johnson & Johnson Manufacturing Co., a 6-hour day has been in effect for several years, a local liquor dealer complained that since the 30-hour week had been instituted his sales had fallen off drastically, and that instead of inhabiting his bar, men had taken their families on outings and were spending their time in outdoor, healthful recreation. In other words, if we permit our laboring classes to live normal lives they will learn how to repose normally and to enjoy healthful recreation.

And the last argument is that lower hours and higher wages will increase production costs so that our foreign trade will be lost and our markets will be flooded with cheap goods from abroad. Here again I introduce absolute facts which are a denial of this statement. The great percentage of our foreign trade today is in goods produced in industries where the wages are highest and the hours of work are shortest. We sell abroad automobiles, heavy machinery, and industrial equipment, and in all these industries wages are high and hours short. We have little or no foreign trade in textile or cotton goods, and in these industries we find the lowest wages and the longest hours.

Now, let us turn our attention for a moment to the other part of this bill, namely, that which will set minimum wages.

Here, again, I call upon the experience of the past to prove that high wages result in high productivity. High wages actually mean low labor costs. They are the most powerful stimulant to exertion and efficiency. A man well paid is happy in his work. Who is there so ignorant to claim that the low-paid Chinese coolie can produce as much as the skilled American machinist? Low wages in the backward countries of the world have brought laziness, indolence, and indifference. In 1860 English laboring men were paid three times as much as Irish laborers, and it is an actual fact that they produced more than three times as much in England as in Ireland. In 1872 Thomas Brassey, a world contractor, demonstrated clearly that low wages resulted in little work. Whenever he paid higher wages in foreign countries on his construction projects the immediate result was more efficient work and lower labor costs. In 1892 a great German economist endeavored to determine why the English textile mills were so much more productive and profitable than those in Germany. In his report he concluded that the high wages paid in England and the shorter hours were the answer, and he recommended that Germany do likewise.

In America today one-fifth of our families must exist on an income less than $1,000 per year, which is little more than $20 a week. In many sections of our country, especially in the South, tobacco workers laboring 280 hours a month receive as little as 11 cents an hour. In other portions of the South agricultural workers receive as low as $21 per month for 300 hours of work. In our textile industries over four-fifths of the women receive less than $15 per week and one-third of the women employed in that industry are paid less than $10 per week. A few moments ago you heard me explain that improved machinery could manufacture between 40 and 50 percent more today than in 1920. Goods are manufactured to be sold. How can we sell these goods, I ask you, if we pay such low wages as I have mentioned above? How can one-fifth of the families of America, averaging four persons—a husband, wife, and two children—purchase proper clothing, furniture, decent housing, or nourishing food at $20 a week with living costs as high as they are? The immediate increase of wages in America will increase the buying power of the masses of our people and that is absolutely essential, both from the standpoint of humanity and for the preservation of our economic order.

Let me remind you again that in all the history of the world when conditions such as exist in America today have demanded Government regulation of hours and wages the results have always been beneficial for all classes of people. Labor wants this law passed for obvious reasons. Businessmen should welcome it, because the moment the unemployed are put back to work relief appropriations will be unnecessary and taxes can be lowered. The farmer should fight for this act because high agricultural prices are entirely dependent upon the ability of the industrial worker to pay those high prices. If the industrial worker is steadily employed and receiving a high wage, he can afford to pay the farmer a fair price for his produce. A family of four receiving $20 a week and less can never pay the farmer a profitable price. The interests of the laboring men and the farmers are bound together in this act.

In conclusion, let me say that unemployment and low wages in America are the unholy twins of destruction. They represent a national problem which transcends all political party lines. I appeal for the popular support of the people in Westmoreland County in behalf of this legislation. Higher wages and shorter hours of work have helped our country in the past. We need a remedy now for existing evils. Let us use that which has been successful before.

Farm Tenancy A Serious National Problem

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

Mr. COLDEN. Mr. Speaker, the farm-tenancy bill, now under consideration, is one of the most important to which Congress has given attention since I have been a Member. It is one of the fundamental problems of the Nation. It is in the very forefront of the battle for economic independence. It affects the lives and the destinies of millions of our citizenship. It is a question that has too long been ignored, and it is one which demands a drastic and immediate remedy. Every State in this Union contains a large rural population dependent upon the soil for a livelihood.

THE PERCENTAGE OF TENANCY ALARMING

Millions more living in the cities are again dependent upon the tillers of the soil for the food they eat, the clothes they wear, and the shelter under which they rest in comfort. It is rather startling to find in the United States census reports of 1935 that more than 42 percent of the farmers in the United States are tenants. The State of Mississippi has the largest percentage of landlordism, since approximately 70 percent of the farmers in that State do not own the soil that they cultivate. Farm tenancy appears to prevail to a greater degree in the South than in other sections of the country. Many assume that this is because of the Negro population, but statistics on this question indicate that by far the larger percentage of the tenants are whites, indicating that this is not a racial problem. In the State of Illinois, in which I was born, the percentage of tenants is almost 45 percent; in Iowa, almost 50 percent; in Missouri, almost 39 percent; in Kansas, 44 percent; in Nebraska, almost 50 percent. In the States of Massachusetts and Maine, where the farms are usually small and much of the soil is stony and stumpy, the percentage of tenancy is the least of all—less than 7 percent.

OWNERSHIP MAKES BETTER CITIZENSHIP

Mr. Speaker, it is not necessary for me to expound upon the effect of landlordism and tenancy. No tenant can be expected to shoulder a gun in the defense of his country with the same alacrity and degree of patriotism as does the man who is rooted to his soil, his home, and his community by ownership. Home ownership not only anchors the citizen to his little plot of soil, but it arouses his interest in every function of his Government. The owner at once becomes concerned with the rate of taxes, with his schools, his country, and his State, and in the trend of legislation of the Federal Government in Washington. He is not only a more active citizen, but he takes an interest in the church, the fraternities, and in the community activities. He has a higher standing and credit with the butcher, the baker, the grocer, the doctor, and even with the undertaker. In fact, the owner of a home has protection and security for his family and is the founder of the church, the school, and the State.

TENANCY ENCOURAGES WASTE

One of the greatest penalties of tenancy is the waste of natural resources. It is to the interest of the tenant to wring from the soil every ear of corn and wheat, every iota of product that will enable him to meet his rent and to have a margin for the maintenance of himself and family. Such a method impoverishes the soil, lends the overworked fields to erosion, affords no incentive to fertilize and to rebuild the acres. So tenancy is one of the prime factors that scrapes the fertile topsoil, for the tenant is too often a transient who moves from farm to farm, taking everything from the soil that he can obtain and leaving nothing behind to restore it.

The waste of tenancy is not limited to the soil itself, but reaches to the buildings, the fruit trees, to the fences, to every improvement on the farm. The tenant has no incentive to repaint or reroof the house and barn, to trim the trees, to keep the fences in repair, or to improve other needed facilities of the modern farm.

OWNERSHIP CONSERVES SOIL

In this country we have millions of acres of abandoned fields that were once fertile acres but have been exhausted until the land is scarcely worth the taxes that are levied upon it. The Government has repurchased millions of these acres for the purpose of reforestation and rebuilding for future generations. Tenancy has had much to do with this lamentable trend. Where the farmer is kept in possession of his land, he is rebuilding his soil and battling with the erosion that threatens the fertility of his fields. Where farmers have an economic independence as owners of the soil they continue to produce liberal and profitable crops.

The gentleman from New York [Mr. WADSWORTH] recites that in his community, where he owns a farm, that the fields are yet fertile after 110 years of cultivation. I might add that some years ago when on a visit to France I was impressed by the many broad acres of fine looking wheat. I was told that these fields in France produce as much as 40 or 50 bushels per acre and that they have been tilled for a thousand years. This is not possible by tenancy, where the farmers are moving from year to year, and it can only be attained by the owners of the soil who are constantly on the watch and have the economic means to combat the enemies of the fertility of the field.

THIS BILL IS LIMITED

This farm-tenancy bill (H. R. 7562) is a very modest bill. While I am heartily in sympathy with any legislation to improve the condition of the farm tenant and restore to him the ownership of the soil, I am not altogether convinced that there are not other approaches to this problem that might be equally or more effective. It is estimated that there are about 2,800,000 tenant farmers in the United States. If we use an estimate of $5,000 to rehabilitate each family and provide them with a modest acreage and a decent home in which to live it would total approximately $14,000,000,000. It might be added that there is probably an equal number of men and women in the cities who would cheerfully return to the farm if they were afforded an opportunity of ownership. Millions of our population have been driven from the farms because of the circumscribed and economic conditions of tenancy and the deplorable housing conditions that exist on the tenant farms of America.

TENANCY LINKED WITH POOR HOUSING

I desire to add that I believe rural housing is closely related to the question of farm tenancy. There is not only a demand for the ownership of land, but for modern housing to encourage the farmer to give his family decent living conditions. There is a great need for proper and modern rural houses; so, if the estimate of $5,000 for a tenant family is considered extravagant, let us remember that we should also include a decent home and adequate improvements for the successful carrying on of stock raising and other activities of the farm. In addition, rural electrification should be a part of this program to eliminate the drudgery of farm life. For sawing wood, drawing of water, the grinding of feed, and the sharpening of the ax, the scythe, and the sickle, electricity is necessary. It is an invaluable aid to the housewife in her churning, her sweeping, her washing, her ironing, and it affords invaluable comfort with the cooling fan and the icebox, as well as the cheer of light and heat. So, in this program of rehabilitating the tenant, if he is to enjoy the more abundant life, he should not only be restored to the soil, but provided with the equipment that is so essential.

SOUND POLICY NECESSARY

House bill 7562 provides interest at 3 percent and requires no down payment. Under this plan the Government will undoubtedly be the loser on some of these loans. I feel that it would be sounder business if these tenants were required to make a small payment down, say of 5 or 10 percent, and that the rate of interest should be 4 percent in order to cover the losses and the overhead that must be assumed by the Federal Government.

The farm-tenancy situation could be greatly relieved by the cooperation of the State and the county. There is no good reason why the Federal Government should undertake the entire responsibility. As I recall, in the efforts of the English Government to eliminate farm tenancy in Ireland, the county government shared with the British Government the financial responsibility of the purchase of land and the resale to the tenants. This plan might be followed in this country.

Another material aid might be rendered by the State governments in revising the method of taxation. Some States are now exempting small home owners to a limited amount. Taxes are a heavy burden on the owner of a mortgaged farm or a mortgaged home. A graduated system of land tax similar to that of the income, estate, and inheritance taxes would be a great aid to the small home owner and would be a direct help to the tenant who undertakes the purchase of land.

RACKETEERS PREY UPON THE FARMER

The Federal Government could render great assistance not only to tenant farmers but to all farmers in prosecuting racketeers and speculators and manipulators who prey upon the farmer's product. The dairy trusts control the milk and butter and cheese of practically all large cities of the country. These piratical and dominating corporations not only press down the price of the farmer's milk but also exact millions of tribute from the city consumers. They rob not only the farmer and producer but also the purchaser and consumer. And what is true of milk is true of wheat and flour, pork and beef, and nearly every product of the farm.

Think of the millions of farmers with an income below a decent standard of living. While the farmer of South Carolina in 1929 earned a meager income of $129 per annum, or $10.75 per month per person, the profiteers of the Tobacco Trusts, the Dairy Trusts, the Packing Trusts, and many others were exacting salaries of $100,000 or more per year, and many others in positions of minor responsibility in these great corporations were drawing as much as $15,000 and $25,000 per year. Such disparities in the income of the producer and the exploiter constitute one of the outstanding abuses of the country and bring tears to the eyes of justice.

ONLY A SMALL BEGINNING

While H. R. 7562 is a new venture in the field of legislation, it will afford a very small beginning. The appropriation in this bill for the first year of $10,000,000 will provide but 2,000 tenants with homes on the basis of $5,000 per tenant. For the second year the $25,000,000 will take care of but 5,000 tenants, and for the third year the $50,000,000, of 10,000. On this basis, in 3 years it will provide for 17,000 out of the 2,800,000 tenant families. Although the results may be good they will be infinitesmal.

Since there are approximately 3,000 counties in the United States, at the end of 3 years 5 or 6 tenants in each county will receive the benefit of this legislation. The strongest point in favor of this legislation is that it is establishing a new principle in law and economics. As Speaker BANKHEAD so eloquently stated, it has great promise. Like many other departures in government, it is a very small beginning. The same can be said of the social-security program and old-age pension, the rural mail delivery, and many other Government activities. The longest step that can be taken is to get the principle established and permit time and experience to develop it according to future needs.

OTHER AIDS TO OWNERSHIP

This legislation might be supplemented by Government aid to cooperatives. England and Ireland attacked the tenancy problem by direct government aid. Denmark solved the same problem by cooperatives. It would greatly widen the application of this effort to remove farm tenancy

if 10 or more farmers were permitted to organize a cooperative and be extended financial assistance. Ten or more farmers interested in the same program would not only strengthen the individual members of the cooperative but would furnish a broader basis for Government support. If such a plan has worked such a tremendous success in Denmark, there is no reason why a similar application should not bring wholesome results in this country.

SAVINGS BANKS MIGHT HELP

Another approach to this question might be made by broadening the basis of the Federal and State bank loans throughout the country. The banks of America have the largest reserves known in their history. Billions of deposits are lying idle in the savings departments and in the savings banks of the land. An amendment to the banking laws to permit the lending of savings accounts over a long period of years, say, at 4 percent, would put a tremendous amount of money into circulation and into use and would greatly increase the number of farm tenants who might avail themselves of these loans. Savings banks in many parts of the country could profitably loan money at 4 percent. It might be cheaper for the Federal Government to afford a form of insurance of these loans than to make the loans direct at 3 percent, as provided for in this bill now under consideration.

Furthermore, a country banker is better informed as to the value of land, the character of the security, the ability of the tenant to produce and to pay, than can possibly be any agent of the Federal Government who makes a cursory visit to the farmer and the community. It appears to me that the sooner we attack this tenant problem on a big scale the sooner it will be solved. While the present bill is going in the right direction, it will afford no help to millions of tenant farmers who will not live long enough to avail themselves of its provisions.

DISPARITY IN FARM LEGISLATION

Legislation to aid the farmer has not been sufficiently restricted to the actual tiller of the soil. Real estate dealers, speculators, clever lawyers, buy farms at a bargain, refinance them through the agencies of the Government, then sell to the bona-fide farmer at a handsome profit. Under the A. A. A., the tenant and the sharecropper were frequently left out of the picture. The owner of a large farm or plantation retired a considerable part of his land, received a cash bonus from the Government, and turned the tenant or the sharecropper out on the highway. The purpose of all farm-aid agencies should be to aid the real farmer, encourage ownership of the soil, and to curb the landlord, the speculator, and the profiteer.

Another disparity in the Federal program is the variation in the rate of interest; in some agencies 5 percent, others 3½ percent, and again 3 percent. The rate of interest should be fixed at a figure that will reimburse the Federal Government, along with the overhead. There is no justifiable reason why any group of citizens should borrow money at a rate less than the Government pays and compel other citizens to carry the load through taxation. Another variation is that the Federal land banks restrict credit to 50 percent of the valuation, while the Commissioner's loans may reach 75 percent of the valuation, and the present bill proposes a 100-percent loan. Again, the Federal land banks amortize loans over a period of 34 years, the Commissioner's loan for 13 years, and the farm-tenancy bill for 30 years.

Mr. Speaker, I think this bill has rather narrow limitations. It is not as broad as I would like. I would like to extend its application, but I shall vote for it because it is a step in the right direction.

COLDENS ATTACHED TO SOIL

I may say in conclusion that I am not a farmer, although I was reared on a farm. Like that of the Speaker, my family has been attached to the soil of America for more than 200 years. In the colonial days my Scotch ancestor, Cadwallader Colden, established an estate known as Coldenham, 6 miles west of Newburgh, N. Y. He was the father of a large family. The large majority of descendants continued to be tillers of the soil. So I have inherited through a long line of ancestors, like some of the other Members of this Congress, my loyalty and my affection for the farm, the farmer, and his problem.

The Farmer and the Tariff

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

RADIO ADDRESS BY HON. ALLEN T. TREADWAY, OF MASSACHUSETTS, ON JUNE 28, 1937

Mr. TREADWAY. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following radio address I delivered last Friday night over WGY:

It is a maxim of political economy that every man's income is in part derived from the income of every other man in the community. This is equally true of different groups of men engaged in various occupations. The farmer's income, for example, is derived in part from the income of producers and wage earners in all other lines of endeavor. He cannot hope to be prosperous unless those to whom he sells his commodities are prosperous, and conversely, the nonagricultural producer cannot hope to be prosperous unless the farmer is prosperous.

Each group of producers, therefore, has a double interest in the tariff: First, in seeing that their own products are assured of a home market free from destructive foreign competition; and second, in making sure that those in other occupations, who would normally consume their products, are not deprived of a livelihood by reason of the flooding of the domestic market with the products of the cheap labor of other lands.

The opponents of the protective tariff commonly divide people into two classes—producers and consumers. They insist that without the tariff, consumers would be able to buy goods more cheaply. Even if this were so—which I do not concede—it must not be forgotten that consumers and producers are in reality one and the same. They cannot be separated into classes, except so far as particular commodities are concerned. A producer of one thing is a consumer of something else.

If the tariff on farm products were removed for the supposed benefit of wage earners, and if at the same time the tariff on manufactured products were removed for the supposed benefit of farmers, neither group would ultimately gain. Each would be deprived of the means of a livelihood, and one group would not be able to buy from or sell to the other. They would not even be able to take advantage of the cheap foreign products that would be brought into this country in the absence of adequate tariff protection.

The protective tariff makes possible the widest use of our natural resources and promotes the diversification of industry and labor. Without tariff protection for nonagricultural industries the natural tendency would be for the workingmen who would otherwise be engaged in manufacture to return to the soil. Each man so doing would take from the farmer one consumer, and worse still, add a producer and a competitor. Hence the farmer has a very special reason for supporting the diversification of industry under tariff protection.

Now, let us briefly examine the present tariff situation. What do we find? We see the administration in Washington engaged in a broad program of whittling away, under so-called trade treaties, the tariff duties imposed in behalf of agriculture and industry under the Tariff Act of 1930. Import duties are being drastically reduced on the products of farm and factory, irrespective of differences in foreign and domestic production costs, standards of living, or wage levels. This trade-treaty program was supposed to open up new foreign markets for our surplus products, in return for concessions granted to foreign countries in the American market. The benefits, however, have been decidedly in favor of the foreign countries, as I shall presently show.

During the time the trade-treaty program has been in effect our imports have been increasing more than twice as fast as our exports. The first trade treaty became effective late in 1934, and some 15 additional treaties have been negotiated since that time. From 1934 to 1935 our imports increased by $392,000,000, or 24 percent, as compared with an increase in exports of only $149,000,000, or 7 percent. Similarly, from 1935 to 1936 our imports increased by $372,000,000, or 18 percent, as against an increase in exports of only $171,000,000, or 7½ percent.

This disproportionate increase of imports over exports has resulted in transforming this country from an export nation into an import nation. For over 40 years we have consistently had a favorable balance of trade, or excess of exports over imports. But since the trade-treaty program has been in effect this favorable balance of trade has been rapidly shrinking, until it has now disappeared.

In 1934 our favorable trade balance was $478,000,000. In 1935 it dropped to $235,000,000. Last year it was only $34,000,000. But mark this: During the first 4 months of the current year we had an actual adverse balance of trade, or excess of imports over exports, amounting to $132,000,000. There is no telling how large this adverse balance will be by the end of the year, as it is growing every month.

The trade-treaty program was supposed to be of particular benefit to agriculture, but the farmer has seen his export markets shrink, while foreign agricultural products have at the same time been flooding the domestic market. In proof of this statement, let me quote from an official publication of the Department of Agriculture, entitled "The Agricultural Situation", for March 1937. I read:

"The value of imports of competitive agricultural products (exclusive of sugar * * *) rose 18 percent, from $456,000,000 in 1935 to five hundred and thirty-eight millions in 1936."

Speaking of farm exports, the report continues:

"The value of exports of United States agricultural products fell 5 percent, from $748,000,000 in 1935 to seven hundred and nine millions in 1936, while the corresponding quantity index fell 10 percent."

Thus we have the official statement of the Department of Agriculture that farm imports are increasing and farm exports declining. No further evidence is needed of the fact that the trade-treaty program has resulted in "selling the farmer down the river."

Those in charge of the trade-treaty program lose sight of the fact that it involves the risk of producing results other than those intended. When we create purchasing power in the hands of our own people we know it will be spent in this country and redound to the benefit of all. But when we create purchasing power in the hands of foreigners by letting them sell us products that compete with our own, we have no assurance that they will spend that money here. As a matter of fact, they are free to spend it wherever they wish, and they will naturally buy in the cheapest market, which may be in any of the seventy-odd countries in the world aside from the United States. Herein lies one of the greatest fallacies of the trade-treaty program. There is nothing that binds foreign countries to buy from us after we buy from them.

When it is considered that the benefits which we grant under each treaty are extended gratuitously to the whole world, we realize that we cannot even hope, under these circumstances, to come out even. Trade statistics clearly show that we have been on the short end of every major treaty we have negotiated, and it is apparent from the rapidly increasing flow of competitive imports that foreign nations are rushing to take advantage of our generosity in extending the trade-treaty benefits to their products.

Conceding that we cannot expect to sell our goods abroad if we do not buy from foreign countries as well, I submit that we do not have to buy foreign products that compete with the products of the American farmer and the American workingman. There are plenty of noncompetitive products, such as coffee, tea, rubber, raw silk, and so on, which we need that will give foreigners sufficient purchasing power to pay for what they take from us. Then we must not forget the millions of dollars that our tourists spend abroad each year.

I cannot understand why the administration continues to pursue such an inconsistent policy as to restrict agricultural production on the one hand and at the same time encourage or tolerate the importation of competitive products from abroad. The administration's industrial policy is equally inconsistent. Thousands of men are walking the streets looking for work and relying upon Government relief simply because the products which they might well be engaged in producing are being brought in from foreign lands. When we buy foreign rather than American products we are simply relieving unemployment in other countries and creating more unemployment here, and we are likewise helping to solve the agricultural problem abroad while aggravating our own.

The administration in Washington is so wrapped up in its program of tariff reductions that it entirely ignores the crying need of the farmer for additional tariff protection on many commodities. I need cite only one example, which happens to be of particular interest to the dairy farmers of this section. I refer to dried milk. In 1934 imports were only 6,439 pounds—a negligible quantity. In 1935 they rose to 2,743,000 pounds. Last year they had increased to 24,584,000 pounds. Manifestly here is an instance where additional protection is needed, but the administration seems to be concerned with adjusting tariffs only in one direction, and that is downward.

In conclusion let me say that while my remarks may not have been directed entirely to the farmer and the tariff, I do want to emphasize my deep conviction that the well-being of American agriculture, particularly in these days of diminishing farm exports, is definitely linked with the preservation of the home market for our own producers under adequate tariff protection.

A Referendum on War

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

RADIO ADDRESS BY HON. HERBERT S. BIGELOW, OF OHIO, ON JUNE 29, 1937

Mr. LUDLOW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio yesterday by the gentleman from Ohio, Mr. BIGELOW:

A group of some 30 persons met in Washington recently to spend an evening discussing the labor situation with John L. Lewis. There were two Congressmen, a nationally known author, several economists of wide repute, and the others were high-ranking officials of the Federal Government. One of the stunts of the evening was to take a secret vote of the company on the question, Will democracy give way to fascism here in the United States?

It is an arresting fact that half the group expressed the opinion that American democracy is doomed, that fascism is where we are going to land.

This could not have been the wish of any of these men. Yet it was the prediction of half of them, not only that it can happen here, but that it will happen here.

I still have hope of democracy. But I do not believe that American democracy can survive another World War. If we are drawn into this next war for which Europe is so feverishly planning, I think it will be our finish as a democratic Republic.

A British clergyman has proposed the toast, "God pity our grandchildren." We might better say, "God pity our children." But the evil days draw near. We may even share with our children the terror of a civil war in which democracy will be destroyed.

The lunatics in Europe are playing with explosives which may blow up the world for all of us. Never has man had such powers of destruction. Never was power in more reckless hands.

Yet, much as we want world peace, we seem paralyzed to do anything about it.

There is one thought that always strikes me in the face as I look up at the Supreme Court Building. Those marble columns, so blinding in the sunlight, are overwhelming, as if the gods of high Olympus had cast them up to awe and humble the spirit of man. But, stately and vast and costly as that structure is, I have to think that five such structures could be built for the cost of one battleship.

What an enemy man is to himself. Think what temples of joy, what palaces of freedom we could build for ourselves if we had the men and money that are wasted on war.

To make a heaven on the earth all man needs is a little social justice which he could give himself. But his world is still a hell of poverty and war.

A social order that is anarchistic, that is ruled by greed, that breeds poverty among the masses and riches and arrogance among the privileged few—such a social order is the breeder of war. Social and industrial justice is the only hope of democracy and the only guaranty against war.

While we know this, while we know that the seeds of war are embedded in the very type of social order that we have, changing this social order is a long evolutionary process, and in the meantime we are wise to resort to any expedient that promises any protection whatever against the probabilities of war.

One of these expedients is the Neutrality Act passed by this session of Congress. We passed this act because we felt that it might be somewhat of a deterrent to war But the act may prove to be nothing but a flimsy bit of paper that the first passions of war will tear to tatters.

I can never forget that July afternoon, in the year 1914, when I was delivering a Chautauqua lecture in a town in Iowa. While speaking I became conscious of an unusual stir on the edges of the crowd. I felt that some excitement was in the air. When I stepped off the platform I was told the fateful news. War was declared. The war in Europe had at last broken out. Great armies were on the move.

Excited groups of men stood around discussing the matter. Were these men shocked to contemplate the horror of the Armageddon that humanity was facing? No, sir. They were positively jubilant. I think about all these people were church members. They would have called themselves Christians, and they were all members of this or that church; but they were jubilant. They were fairly dancing with joy. And what they were saying to one

another was this: "Wheat will go to $2 a bushel! Wheat will go to $2 a bushel!" The tragedy of others spelled prosperity to them.

What could one expect neutrality acts to do to restrain passions of greed as primitive and shameless as that?

It is a terrible thing to say, but it is probably true that there are millions in this country who would be overjoyed at the news of another world war. The blood and tears of others would spell war profits to them. It is a question how many days or hours any neutrality act could hold out.

The theory of our Neutrality Act is that when war breaks out between foreign nations the shipment of arms and ammunition from our ports must stop immediately, and the President can by order put a stop to the shipment of any other commodities which he may designate. But why wait for war? Why not stop the shipment of arms and ammunition now? Why not shut down on this trade in the munitions of war now in time of peace? But the Congress would not vote for that amendment to the Neutrality Act. That refusal of Congress throws doubt on the sincerity of this legislation. It was as if the war profiteers said to us, "Go ahead and pass all the fool neutrality legislation you like, just so you don't interfere with our peacetime war business. When war comes, you can't interfere with our war business, for too many then will be involved in it."

As insurance against war, I think that the Neutrality Act of this Congress is very much overrated. About the only hope I entertain for it is that it will not do any harm, even if it doesn't do any good.

But there is one way to insure against war in which I have more faith. If, before the United States could become a party to another European war, it were necessary to have a referendum vote of every man and woman in the entire Nation, I honestly believe that the vote would always be a resounding "No." Powerful as are the special interests that see a chance for huge war profits, I still believe that a Nation-wide referendum of all the voting men and women of the country would always and emphatically be for peace.

Many of the very people who shout for war would vote for peace. I believe in the deep insight of Mark Twain, who made that point, that many who seem to be rabid for war are merely trying to cover up their fear of war and their cowardly fear of their neighbors. If in the secrecy of the voting booth they could cast a ballot on the question of declaring war, without any fear of being reproached, their vote would be for peace, and the jingoes would find themselves in a discredited minority.

For this reason I favor with all my heart a proposal that a Congressman from Indiana [Mr. LOUIS LUDLOW] has offered to this Congress. It is a proposal to amend the Constitution to take away from Congress the last say in declaring war. It is a proposal to amend the Constitution so that the people shall have the last say. It provides that an act of Congress declaring war must be referred to popular vote for approval or rejection. Now a bare majority of 531 persons who happen to have been elected to Congress can send 130,000,000 people to war. Two hundred and sixty-six persons can now by their vote plunge this country into a war that might send a million of our sons to graves in foreign lands and heap a war debt of fifty or a hundred billions on the backs of our surviving children and, in fact, wreck our civilization and turn into a hideous nightmare all our dreams of democracy and freedom. A bare majority of Congressmen can do that to us now, a bare majority of these men whom the political bosses back home have permitted to be nominated and elected to Congress.

If there is any subject on which a mandatory referendum is justified, it is this subject of the declaration of war.

As Mr. LUDLOW has drawn his amendment, it does not apply to defensive wars against an invading army. It might be said that the people would be more inflammable and more apt to vote for war than Congress. But if that were so, there could be no danger in such a referendum, because it would not be invoked until after Congress had approved war. This referendum could never be taken in advance of the action of Congress. It, therefore, could never be used to push Congress into an act of war. It could never have any effect except to negative and overrule a congressional declaration of war. Under this proposal of Congressman LUDLOW the people would gain no power to make war. They would merely gain the power to stop war, to unmake war, to veto and nullify an act of Congress declaring war.

This, my friends, is a proposal to make use of the democracy that we still have to prevent war from destroying our democracy.

I beg of you put no faith in the delusion that the last World War cured us and that there is no danger of our ever being drawn into any of Europe's wars. This has become a very small world. Our economic interests are inextricably interlaced with the economic and financial interests of the rest of the world.

There is danger, there is a great danger, that we shall be sucked into this next world war even more speedily and completely than we were drawn into the last one. None of us knows how soon may come the fatal hour when we shall need every possible resource at our command to stay this fury and madness. I wish millions might hear my voice and might respond at once to this appeal. I wish 10,000,000 letters would pour into Congress tomorrow and the next day and the next demanding of all Members of Congress that they go to the Clerk's desk at once and sign discharge petition no. 11. This is the way to get Congressman LUDLOW's proposal before the House for a vote.

Write to your Congressman at once. This is my earnest request. Write to your Congressman at once and ask him to sign discharge petition no. 11 for a popular referendum on declarations of war, and then write to Congressman LOUIS LUDLOW and tell him what you have done.

This is the way to help push through this proposal, which I think would do more than any neutrality act that could ever be written to keep American boys on our own side of the ocean.

War confiscates our property and conscripts the lives of our sons. Surely that should not be done to us without our consent.

Nearly 20 years ago I was urging this idea of a compulsory referendum on declaration of war. It was said against the idea then that the mass of people were too cowardly to fight, and that if the subject were referred to the people there never could be any wars. I thought that was a good argument for a war referendum. But these opponents of the idea seemed to think it would be just too bad if we couldn't have a war once in a while. The few at the top are supposed to know when we ought to have war. What can the people know about it? Well, I say it would be better to let the people blunder by voting to stay out of war than to let the diplomats blunder by plunging us into war.

In the march of democracy we have put an end to wars within nations. The next job for democracy is to put an end to wars between nations. All wars end in a peace conference. We ought to have our peace conference before the war starts, not after it is fought. To bring about this sanity I know of no one thing to do better than to establish the people's right of referendum voting on declarations of war.

Working Hours of Firemen in the District of Columbia

EXTENSION OF REMARKS

OF

HON. VIRGINIA E. JENCKES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

Mrs. JENCKES of Indiana. Mr. Speaker, I have just introduced a bill which, if made law, will reduce the working hours of our District of Columbia firemen to an average of 60 hours per week and will give employment to about 200 additional men.

I am appealing to you, my colleagues, for support of this measure. By supporting it you will be rendering a real service which will be appreciated by firemen, both paid and volunteer, in the various cities of your congressional districts.

While under present conditions District of Columbia firemen are required to work 72 hours per week, members of the District of Columbia police department work but 48 hours per week; and whereas many statutes by Congress give the same rights to both departments, there still remains a wide divergence in hours of duty.

A Civil Service Committee, appointed pursuant to the provisions of the Ramspeck vacation-leave bill of 1936 to study hours of labor in the Government service and to make recommendations with reference thereto, has recommended a 40- to 44-hour week for members of the District of Columbia fire department.

The 44-hour week recommended by the Civil Service Committee would cost more than a million dollars, whereas the 60-hour week proposed in the bill which I have just introduced would cost but approximately $400,000 in additional manpower needed under the proposed 60-hour week bill to maintain the fire department at its present strength.

Twenty-six citizens' associations in the District of Columbit have gone on record favoring the 44-hour week for firemen, whereas only three opposed it, nothwithstanding the above-stated estimated cost of more than $1,000,000 to effect such a short workweek. Our District of Columbia firemen will be grateful to receive even a 60-hour workweek.

The Commissioners of the District of Columbia have seen fit to impliedly disapprove the 44-hour week by not recommending same in their budget, due to the cost of placing same in operation, with the probable necessity for increase in taxes in order to raise the million dollars required. However, it is hoped that everyone officially concerned will approve the modified desires of our firemen for a 60-hour week,

which, as stated, will be much less expensive, only $400,000 being necessary to fully man the fire department on this basis. Be this as it may, however, it is respectfully suggested that in this enlightened age of labor the saving of expense and taxes is not a fair excuse to require anyone, including firemen, to continue to work 72 hours per week, or an average of 12 hours per day.

In New York City, Toledo, Ohio, and several smaller cities, the hours of duty of firemen are but 8 hours per day; and Los Angeles, Calif., has a system limiting the hours of firemen to approximately 61 hours per week.

I feel that the time has come for the Congress to give some thought to those men who at the risk of their lives are willing to protect our property from mankind's greatest enemy—the flame.

A Nation Within a Nation: One Employed and the Other Unemployed

EXTENSION OF REMARKS

OF

HON. DEWEY W. JOHNSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

RADIO ADDRESS OF HON. DEWEY W. JOHNSON OF MINNESOTA ON JUNE 30, 1937

Mr. JOHNSON of Minnesota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the Columbia Broadcasting System, 2:30 p. m., June 30, 1937:

My friends of the radio audience, today we have two United States, one employed and the other unemployed. In United States no. 1, wherein lives three-fourths of the country, every man has a job. His family lives in comfort, has a radio, automobiles, good food, clothes, and the comforts of life. This United States that is employed enjoys greater luxury than any other similar group of people on the face of the earth. But in the United States that I call no. 2 there is hunger, disease, suffering, and privation. These Americans number 10,000,000 or more. They have no home they call their own. Their diet in United States no. 2 is too lean to maintain normal development—it is slow starvation—and their clothing is whatever cast-offs can be made over. This is the country within a country which the President saw on January 20 as a nation one-third ill-housed, one-third undernourished, and one-third ill-clothed.

MILLIONS STILL UNEMPLOYED

Abraham Lincoln said shortly before the Civil War that a nation half slave and half free could not long survive. No truer statement can be made of the present state of the Nation in reference to employment and the right to a job. Here we are stumbling along in this country after nearly a decade of the depression, with millions of unemployed. Millions of children today in this country have never seen their fathers leave the house in the morning to go to a private job. Millions of children are being reared in environments that promise them nothing for the future. And if present conditions continue, millions more will be born into citizenship in United States no. 2, where a fellow never has a chance. One million young men and women this month have been graduated from our schools and colleges. Is there anyone in this audience who can give a definite idea of what they are going to do?

FOR ONCE HOPKINS AND CAMERON AGREE

And to say that a fellow never has a chance in this country within a country is quite true with such opposites in economic viewpoints as Harry Hopkins, W. P. A. Administrator, and Mr. Cameron, of Ford Motor Co., both stating that, even though industrial production and distribution come back to the level of the boom years, there will still be an unemployment level of about seven and one-half million persons in the country. Mr. Cameron, of Ford Motor Co., was quite positive over the radio networks a while back that industry will not rehire below the 7,000,000 mark, and said that industry was even unable to do so because it would reach its production peaks when that level was attained.

CONGRESS CONSERVATIVES TRY TO CUT RELIEF

The Federal Government is recognizing the fact that there is a country within a country in this Nation today by laying before the President by act of Congress an appropriation for the next year of one and one-half billion dollars for the continuation of the Works Progress Administration. This will provide for the employment of 1,600,000 employable workers on W. P. A. projects for another year, ending July 1, 1938. Even so, in appropriating this sum, the administration yielded to the demands of the more conservative Members of Congress who demanded stringent cuts in the relief program. Conservatives of both parties fought to return up to 40 percent of the relief load to the States and local communities, but lost the fight. The bill now on the President's desk awaiting signature is recognition of the fact that the problem of employment is one of the vital problems facing the Nation today.

MAYORS ADVOCATE FEDERAL AID

The gravity of the situation is attested by the recent report given to Congress by the United States Conference of Mayors. This report advocated the appropriation of $2,200,000,000 for relief of the unemployed and the hiring of 2,800,000 employables by W. P. A. These hundred mayors of American cities claimed that the local taxpayers were unable to carry the tremendous relief load were it thrown back on the local communities, as the conservatives of Congress wanted to do.

The administration did not appropriate all that the United States Conference of Mayors asked, but it recognized the merit of their position and continued Federal participation in the problem of relief.

NATION BENEFITS BY WORK PROGRAM

The reason that Congress is continuing to appropriate huge sums for relief are manifold. One of the greatest reasons is the attempt to keep the money of the Nation coming in at the bottom of the economic heap where it will do the most good. This United States no. 2 of which I speak, has tremendous economic possibilities were we as a Nation able to take advantage of them. Suppose that every one of the ten or more million unemployed were able today to walk into the clothing stores and properly clothe themselves and their families. Immediately the factories of the Nation would have to manufacture at least 50,000,000 pairs of shoes. We would have a market for the 5,500,000 hides now lying in the warehouses of the Surplus Commodities Corporation.

These 10,000,000 Americans in the United States, no. 2, would need not less than 20,000,000 suits of clothes. They would need another 20,000,000 dresses. There would be a market for 100,000,000 shirts, not to count the numerous accessories that make up the clothing of the average American. They could then walk into other establishments and purchase at least 10,000,000 new radios and automobiles. Were these same millions employed, they would be in the market for 10,000,000 new homes, because any person with ordinary eyesight need only look around to see the great national need for housing. But with these same citizens of the United States there is not yet the ability to buy more than the barest necessities of life. They are not in the true sense citizens of the Nation. They are tolerated members of society whom many people and politicians treat with contempt.

The other day when the relief bill was before the House of Representatives I offered an amendment to increase the amount of the bill to $2,900,000,000. These may sound like boxcar numbers to some who are listening in, but they have a sound basis, in fact, if we want the classified employables in United States, no. 2, to have jobs even at W. P. A. wage scales.

The administration appropriation called for one billion and a half dollars to employ one million and a half classified employables. The United States Conference of Mayors' survey requested the employment of 2,800,000 classified employables at a slightly increased wage to meet an increased cost of living. This meant that there would have to be appropriated the sum that I offered in my amendment. The amendment was beaten by voice vote, but the need still exists. I had in mind at least trying an appropriation for once that would really get money to the needy in a sufficient amount so that they could in some measure participate in the national economy.

DOLES WILL INJURE COUNTRY

I do not agree at all with the conservatives who desire to abolish work relief and bring back the local dole. In the first place, I don't believe that a man should not eat unless he earns his bread. I believe that one of the best ways to wreck our country is to segregate 10,000,000 American heads of families, without any work except that entailed in going to a locally maintained relief office for the handout. It will destroy the morale of the whole country and destroy faith in the democratic processes of government. Nor do I believe that local property should bear the cost of the relief problem. I believe relief and unemployment to be national problems, and that they should be treated as such. I rather suspect that some of our conservative Members of Congress, in fighting to return the cost of relief to the States and local communities, are fronting for the big interests of the country who were in part responsible, by their practices, for the depression, and are now trying to crawl out from under the Federal debt load in the name of economy and States' rights. But I remember full well when these same gentlemen, who are now screaming economy, came crawling to Washington on their hands and knees, begging for the same kind of Federal help for their corporations that we are giving to the unemployed.

MILLIONAIRES' MEMORIES SHORT

But the millionaires of the United States are now back on their feet, and are as forgetful of the vices and bad practices that brought on the depression as if there had been no depression.

If big business of the country wants Congress to balance the Budget of the Nation, big business should start to rehire some of the unemployed that they fired during the depression years. Let the railroads, instead of getting bigger locomotives and longer trains, shorten the trains, both in the interest of public safety and putting railroad men back to work. The big utilities of the Nation could reemploy hundreds of thousands of men if they set their minds to do it. This problem of balancing the Budget is not a matter of sitting in some swell, air-conditioned club making statements to the press denouncing Members of Congress for being wasteful, but a matter of cooperation between Congress and the people of the country. The plain, honest truth is that private industry must rehire the unemployed, and if they don't Congress will be forced to appropriate money to provide the necessities of life.

BUSINESS MUST COOPERATE

Congress is watching the question of reemployment in the country closely. Business has its opportunity now to rehire the unemployed and thus cooperate with the Government. But if business does not rehire, then Congress will be forced to pass the type of remedial legislation that will put men to work in private industry. If business will cooperate, Congress will be spared a tough job; and if business is more insistent on big profits, then Congress will have to pass positive legislation shortening the working day and week and setting minimum standards of wages.

Let us not forget that in United States No. 1, while millions of citizens in United States No. 2 were hungry, many of the so-called big business leaders were incorporating farms, yachts, and country estates in order to defraud the Government of taxes that were to go to defraying the cost of relief in the Nation. Thousands of big businessmen were making so much money that they had to cheat in order not to give up a few measly dollars to those who were without a job. That's the cruelty that motivates the rich tax evader. That's the type of cruelty that has no place in a democracy. I shall always believe in the principle that the Government has a duty to see that the unemployed have jobs, and I shall always believe that business also has a duty to see that it cooperates with the country where it makes its money sufficiently so that it puts an honest part of its earnings back into the labor side of the business. That is the reason I offered an amendment to appropriate $2,900,000,000 for work relief for the unemployed.

I thank you.

Railroad Employee Retirement Act

EXTENSION OF REMARKS

OF

HON. EDWARD W. CREAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

Mr. CREAL. Mr. Speaker, in supporting the railroad retirement bill I wish to call the attention of the House to one thing.

Without disparaging any other branch of organized labor in their respective fields of usefulness, I want to voice the sentiment of the public in what I believe to be their attitude toward railroad employees in general. Railroad employees have to deal personally with more of the public than most any other branch of organized labor. They have a tremendous responsibility on their shoulders, requiring accuracy, diplomacy, courtesy, and safety of the public. They must be honest, accurate, alert, and always prompt.

All telegrams must be read correctly, signals must be observed accurately, machinery must be in superb condition. The aged grandmother and the small child are as safe in their hands in their travels as if accompanied with attendants.

They must appear courteous even when physically ailing. The condition of weather must be ignored, the tracks must be kept in order, and the trains moved on time.

Not only for the useful service rendered but because the public safety is involved they are in a manner public servants. They have performed all these duties and well kept the great trust imposed in a manner to command the respect of the patrons and the public and reflected credit on their employers.

For these reasons and other good ones that time will not permit discussing I am pleased, indeed, to support this measure, which takes the fear of poverty away when age approaches and enables them to feel that sense of security in old age which security they have so well earned.

Shall Constitutional Government Endure?

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

ADDRESS OF HON. SAMUEL B. PETTENGILL, OF INDIANA, BEFORE THE ANNUAL MEETING OF THE MARYLAND STATE BAR ASSOCIATION, HELD AT ATLANTIC CITY, N. J., SATURDAY, JUNE 26, 1937

Mr. COLE of Maryland. Mr. Speaker, this, the one hundred and fiftieth anniversary year of the framing of the Constitution of the United States, was celebrated during the recent annual convention of the Maryland State Bar Association, and a special day, Saturday, June 26, 1937, was set aside for that purpose. It was my pleasure to attend and enjoy the proceedings.

Our colleague the distinguished gentleman from Indiana [Mr. PETTENGILL] was the principal speaker at the association banquet that night. His admitted ability, winning personality, and scholarly approach to any subject having his attention, all contributed to one of the most forceful and illuminating papers on the live subject of the day I have heard. I commend its reading to my colleagues and ask unanimous consent to extend my remarks by inserting in the Appendix the speech referred to.

The address is as follows:

This meeting of the bench and bar of the Old Free State takes place during the one hundred and fiftieth anniversary year of the framing of the Constitution of the United States. If for no other reason than to record the passage of these eventful years, it seems a proper subject for discussion to ask whether the kind of government under which five generations of Americans have lived and prospered will continue to endure. The passage of time, however, does not alone make the question pertinent. The pressure of current events thrusts it upon our attention as perhaps the paramount problem of our times.

It is peculiarly of interest to lawyers and notably have they responded to it now and in years gone by. For many years the American bar and State and local bar associations have sponsored essays and orations by high school and college boys and girls on the American Constitution. It may have seemed a thankless task at the time, but who can estimate the part played by these young Americans, now grown to manhood, in the stirring defense of the Court and Constitution made these recent months?

The American bar, through its support given to uniform State laws, reciprocal State legislation, and interstate compacts, such as the petroleum compact supported by my good friend, Congressman WILLIAM P. COLE, of Towson, has not only checked the mad rush to Washington but has clearly pointed a workable alternative to the solution of many problems which transcend State lines without the surrender of local autonomy or the erection of a gigantic bureaucracy to smother the energies of a free people.

These and similar efforts must go on and be doubled and redoubled. The assault upon constitutional government and constitutional morality, though momentarily checked, has done immeasurable damage. It will be renewed by every subversive force that has fattened upon the distress of the depression.

Lawyers, and the clients of lawyers, are under the necessity of defending constitutional government, States' rights, and free enterprise, their handmaiden, not only by argument and public debate, not only by refusing to vote for any candidate to public office on any ticket who will not pledge himself to their defense, but by the greatly difficult task of making the American system of free government and free enterprise work to the constantly greater happiness of the American masses, without whose support it cannot and will not function at all.

In this defense deeds will count more than words. If the American system comes to mean to the millions the ticker tape of Wall Street and the economic philosophy of Harlan County, Ky., it is on the way out.

Later on I hope to take a moment to prove that the American system does not mean these things. They are but the froth and scum of the current. I mention them now only to prove that the present defenders of the Court and Constitution are not unaware of the passing of the frontier, the coming of the machine

age, the presence of slums and depressed areas, even the occurrence of dust storms and floods. We recognize all these things, yet hold the greatest hope of their lasting solution lies within the heart of the American Constitution and not in the alien concept of personal government.

We know the growth of science and industry makes the line an ever-changing one between "that degree of liberty without which law is tyranny and that degree of law without which liberty becomes license." Nevertheless, we know equally well that the State is at best a child of necessity and at worst an instrument of tyranny. And those of us who are still Democrats are willing to meet the rehabilitated Hamilton and confront him with Jefferson's flaming and deathless words, "a wise and frugal government, which shall prevent men from injuring one another, but leave them otherwise free to follow their own pursuits of industry and employment."

When the Constitution was signed September 17, 1787, Governor Morris said:

"The whole human race will be affected by the proceedings of this Convention."

Never was prophecy better justified by time. For down to 1917, when Russia established the "dictatorship of the proletariat" in place of the dictatorship of the Romanoffs, a period of 130 years, there was scarcely a movement on this planet that was not toward democracy and freedom from concentrated authority. Our Constitution became the model of the world. In the States of our Union, in the countries of Latin America, in the Provinces of Canada, in New Zealand, in Australia, in South Africa, in Europe and elsewhere, not less than 400 written constitutions were patterned by freedom-loving men upon the basic concepts of our own Magna Carta: 1. The distribution rather than the concentration of power; and, 2, that the individual, because created by God, and in His image, has dignities and rights as a human soul which are beyond the powers of princes or the might of majorities.

But in 1917 the tide turned. From that time to this hour, except for the short-lived German Republic, there has scarcely been a movement on this planet that has not been away from democracy toward the concentration of power and in favor of the doctrine that the individual has no rights which the State is bound to respect. Nineteen democratic governments have fallen since 1918.

Across the Atlantic the lamp of liberty has gone out in three-fourths of Europe. The swing toward the center daily gathers momentum. New barbarians march on ancient Romes and, in the name of "security", place Caesar's blood-rusted crown upon the fevered heads of those who call themselves the "saviors of the people."

Within a short distance of the place where the prisoner of Chillon once appealed "from tyranny to God", machine guns and concentration camps do the debating when political arguments arise. And while the blood purge of June 1934 was on, a new messiah shouts, "During these 24 hours I am the supreme court."

Democracy abroad and here is proclaimed a "rotton corpse"; liberalism is spat upon; the authority of religion is spurned; the sanctity of private contract and public treaty is held for naught; the temple of international law, painfully built during five centuries of time, is overthrown, and all those immemorial decencies between man and the state—trial by jury, the independence of the courts, habeas corpus, the civil above the military power, freedom of petition, of election, of speech, of press, of assembly, of worship, of the education of one's children, government by law and not by men, government which derives its "just powers" from the "consent of the governed", the restraint against spoilation and confiscation, the assurance that if a man may sow he may also reap, the driving force (other than the lash of the slave) which makes wealth to accumulate and the arts and sciences to flourish—all these precious things are tossed into the sewer as the synthetic parade follows the modern imperator, who rattles his crimsoned sword and scans dark horizons for more worlds to conquer.

Here in America worshipers of the state (not the States) grow in number. Bearing a banner with that strange device "Special privileges for all", they come to Washington seeking alms. Members of church, labor, business, youth, and women's organizations are sponsoring the surrender of human destiny to politicians idealized as demigods.

Against this background the present conflict over the Supreme Court is but an incident. Gettysburg, Verdun, Saratoga were each the turning point of a great struggle, but they were but the struggle itself.

The world-wide struggle today is constitutional government against majority government; deliberation against mass emotion; the distribution of power against its concentration; State's rights against Federal empire; free enterprise against governmentally owned or regulated monopoly; democracy against fascism or communism; the human soul against the totalitarian state.

If constitutional government passes out of our own American life, the way of its going will apparently be by one or all of these steps:

1. The surrender by Congress of its legislative powers to executive bureaus.
2. The assumption by the Executive of judicial power.
3. The atrophy of State and local governments and the transfer of their powers to Washington; and
4. The gradual and continuous encroachment by "men with badges" upon rights of the individual heretofore deemed inalienable to any government.

All this will be accompanied by a deterioration in the moral fiber of our people whereby they become the sycophants of favor and the idolaters of the clenched fist and the jutting jaw. Thus will our constitutional Republic be changed to a Federal empire, and our indestructible Union of sovereign States become a destructible conglomerate of disloyal satrapies quarreling over the division of Federal pap and the shifting of the burden of Federal taxes. Why do I say "destructible"? Because, among other reasons, it is not likely that a central power can long impose its single will over our vast territory and diverse industries, as witness the Hartford convention of 1815, the South Carolina resolution of 1832, the Civil War of 1861, the prohibition era of the 1920's, and the wage and hour differentials of N. R. A. days.

The self-abolition of Congress has been going on for a long time, partly through the stern necessities of the case, as, for example, the Interstate Commerce Commission, partly through its being overburdened with problems beyond its time or strength, and partly through the indifference of the public to its constitutional functions.

But it is only in recent years that the Supreme Court has found it necessary to call the attention of the Nation sharply to delegation of legislative power "run riot." I quote from Justice Hughes in the "hot oil" case, the John the Baptist of N. R. A. decisions (*Panama Refining Co. v. Ryan*, 293 U. S. 388, at p. 421), on January 7, 1935:

"The Constitution has never been regarded as denying to the Congress necessary resources of flexibility and practicality which will enable it to perform its function in laying down policies and established standards. * * * But * * * the recognition * * * of such provisions * * * cannot be altered to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained * * *."

Granting the possibility although not the assurance of a greater efficiency in the concentration of power, our fathers nevertheless had been taught by sad experience that the danger of the abuse of concentrated power overbalanced its theoretical good. They had heard it said that a benevolent despotism was the most perfect of all governments, but they knew that it was the benevolence and not the despotism that won the applause. When the former vanished the latter found favor only with its favorites.

The feeling of our fathers in this matter was admirably expressed by that great liberal, Justice Brandeis, in one of his powerful opinions when he said that the separation of power in the Constitution was not to promote efficiency, "not to avoid friction", but "by means of the inevitable friction incident to the distribution of governmental power, to save the people from autocracy."

It was the price to be paid for liberty. Our fathers were too wise to believe that they could secure the blessings of liberty for nothing.

It was our fate to wait until the sesquicentennial of the writing of the Constitution before we heard for the first time in America from any responsible source the doctrine of the three-horse team. In all kindness it must be said that no concept more alien to American tradition has ever been introduced into the public thought of the Nation. It has been characterized by the Senate Judiciary Committee as "an utterly dangerous abandonment of constitutional principles", a "plan to force judicial interpretation of the Constitution that violates every sacred tradition of American democracy."

This idea of a three-horse team was advanced in an ill-considered moment by a gentleman who has rendered gallant public service on many occasions, for which his countrymen are justly appreciative. Nevertheless, millions of his well-wishers are profoundly concerned at this attempt to substitute majority for constitutional government. They think this is more power than a good man should want or a bad man should have. Good intentions are to them poor substitutes for sound thinking on constitutional issues.

When the Quebec bridge was under construction it twice collapsed, with great loss of life and property. The good intentions of the engineers were not questioned, but no one doubted that the fall of the bridge was the fault of their judgment.

This thought has never been better expressed than by Thomas Jefferson, when he said:

"It would be a dangerous delusion if our confidence in the men of our choice should silence our fears for the safety of our rights. Confidence is everywhere the parent of despotism. Free government is founded on jealousy, not on confidence. It is jealousy and not confidence which prescribes limited constitutions to bind down those whom we are obliged to trust with power. Our Constitution has accordingly fixed the limits to which (and no further) our confidence will go. In questions of power, then, let no more be heard of confidence in men, but bind them down from mischief by the chains of the Constitution."

That is the deep significance of constitutional government. Under it the people rule and are the source of all power. But they rule, as it were, on second thought, not on the impulse of the moment. The Constitution represents the needs of the decade or the century, not the exigencies of an emergency. It is the deliberate, sober second thought of mankind, designed to check the snap judgments of mass emotion. It is the "stop, look, and listen" signpost erected by the past to prevent disaster to the present and the future.

Constitutional government and the three-horse team cannot coexist on American soil. They are mutually exclusive and antagonistic. Implicit in the idea of the three-horse team is that the third horse shall be controlled by the other two. Without

that implication it would have no worshipers, and with it we would have no Constitution.

"To what purpose are powers limited, and to what purpose is that limitation committed to writing if these limits may at any time be passed by those intended to be restrained?"

Such was John Marshall's unanswerable answer to the doctrine of the three-horse team.

But let us go back to the beginning. Of the 55 men in the Constitutional Convention, nearly half had fought under their then presiding officer as the former Commander in Chief of the Armies of the Revolution. Eight had actually signed the Declaration of Independence, in which one of the articles of indictment was that their King had "made judges dependent upon his will alone for their tenure of office and the amount and payment of their salaries."

Our fathers had had all they wanted of the doctrine of the three-horse team. They determined to unhitch it. They made the Federal judiciary independent of the Executive and the National Legislature. They not only made it independent, but they vested in it the entire judicial power of the new Nation they were creating. No jot or tittle of that judicial power did they vest in any other Federal official whomsoever.

But they went further. Not only did they not make the third horse "dependent on the will" of the other two horses, but gave the third horse the duty and the power to keep the first and second horses within the limitations laid down by the master of all three horses, the people of the United States. They created a Court, in the words of no. 78 of the Federalist papers, "whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void." They knew, as again stated in the Federalist, quoting from Montesquieu, that "there is no liberty if the power of judging be not separated from the legislative and executive powers."

The Constitution of the United States is the complete negation of the doctrine of the three-horse team. Where either begins the other ends. As Dorothy Thompson pointed out in her testimony before the Senate committee, the Supreme Court is essentially the instrument of the state, the Nation as a whole, and not of the Government, which is the temporary majority running the machinery of the State. The Supreme Court is not designed as a political arm of the majority, but to see that the will of the majority is exercised by the other branches consistent with the constitutional rights of the minority, the individual and the sovereign States.

These are the doctrines of 150 years ago. Have they lost their significance today? On the contrary they are more important now than ever. With the Government constantly exercising more powers in an increasingly complex economic structure; with those powers lodged in the hands of a hydra-headed and irresponsible bureaucracy; with mass emotion playing an increasing and constantly more direct part in the forming of public opinion through the magic of the radio, the propaganda of the movietone, and the boxcar headline; with legislative bodies turning out an increasing mass of ill-considered laws because they are asked to do what is humanly impossible to do well, the need for absolute independence in our judges is far more acute than it was 150 years ago when, in many cases, except for paying taxes, one might live his whole life without coming in contact with the other branches of the Government and so needing the protection of a free court.

To paraphrase Mme. Rolland, "O liberalism, what crimes are committed in they name!" Nothing is more curious than the effort to portray the attack on the Court as a "liberal" movement and its defenders as "reactionaries." On the contrary it is the attack that is a Tory, a reactionary movement. The distribution of power is not a Tory doctrine. An independent court to prevent the abuse of power is not a Tory doctrine. On the contrary they are articles from the very creed of liberalism. They were written by the liberals of 1776 and 1787. They are liberal doctrines today. If they are saved, they will be saved by the same kind of men who created them.

The true liberals today, whether Republicans or Democrats, are those who are fighting to preserve the mechanisms of government by which alone liberty can be defended. There is no instance in the world's history where the concentration of power, financial or political, in the hands of one man, or of a few men, has long contributed to the happiness of mankind. There are many wolves going around today in the fleeces of sheep.

Make no mistake. The dominance of courts by the political arm of government is a backward step. It takes mankind farther back than those conditions which caused the Pilgrim and the Cavalier to seek asylum from oppression three centuries ago. In most of Europe today there is more of cruelty, sadism, savagery, oppression, race class and religious hatred, terror, torture, and tyranny, a shorter frontier of freedom and a greater expanse of autocracy than before the French Revolution. Indeed, General Smuts, of South Africa, has stated that there is less of personal liberty in the world today than there was 2,000 years ago.

Consider Germany. That is a one-man government in a great nation today after its people surrendered their bill of rights of the Weimar Constitution under the plea of national crisis and emergency. Children taken from their fathers and mothers; labor forbidden to strike; the control of morals taken over from the churches by the state; only one political party tolerated; the independence of the courts destroyed, no German judge daring to dispense justice against the will of the boss; the radio seized by the state; and the newspapers told every morning by the Minister of Enlightenment and Propaganda what they shall print and what they shall not print. In 4 years they have gone this far.

Do we want to go down this road here in America? Do we want to even turn down this road?

That is Germany today. Is her long struggle for freedom lost forever, or will there be new revolutions like those of 1848, which gave us Carl Schurz and Pulitzer and many another, who came to America to escape in their lifetime what is the fate of their descendants of today?

That is Germany without a constitution or independent courts. How much better off is it now than the Germany under the Hohenzollerns?

It is worse off. One hundred and fifty years ago in a suburb of Berlin a miller ran his mill. He was no doubt a poor and humble man. One day Frederick the Great told him he would have to move his mill. The miller replied, "Sire, there are judges in Berlin." That is one of the great stories of Germany. It could not be told today. Today the miller, the butcher, the baker, and the candlestick maker have no rights which the state is bound to respect.

This is not progress. This is not liberalism. It is reaction.

When an American citizen goes into an American courtroom and files his bill of complaint against his own government, city, county, State, or Nation, and asserts to the judge upon the bench that either the legislature or the executive are attempting to deprive him of rights guaranteed to him by a Constitution written by his forebears—when he stands there and makes such a claim, you are witnessing a miracle of government. Centuries of struggle, mountains of treasure, and oceans of blood alone made it possible.

Strange it is that the citizen dares to make such a claim; strange that lawyers dare to represent him; strange that he can use the State to summon his own witnesses; but the miracle of it all is that as he stands there he has not the slightest doubt that he is going receive a fair trial before an honest judge whose salary is paid by the other party to the suit. That is one of the greatest dramas in all history.

"All we know of freedom, all we use or know
This our fathers bought for us long and long ago;
Ancient right, unnoticed as the breath we draw
Leave to live by no man's leave, underneath the law;
Lance, and torch, and tumult, steel and gray, goose wing
Wrenched them inch, and ell, and all, slowly from the King."

"Ancient rights unnoticed as the breath we draw." That is the trouble today. We have enjoyed these rights so long, our free courts have protected these rights so well, that we take them for granted. "What we obtain too cheap, we esteem too lightly." Such were the words of old Tom Paine which Washington ordered read to the soldiers of the Revolution. We have expected our courts to save us, now we must save the courts.

I am not a blind worshiper of the courts. I often followed Brandeis and Holmes in their famous dissents. And my heart sank when I sat in the Supreme Court chamber a year ago and heard the judgment in the New York minimum-wage case. But it is not necessary to prove that the Supreme Court has done a perfect job. All that is necessary is to ask, Who could do a better job?

For myself, I will continue to take my chance as a lawyer and a citizen with an honest judge, who makes his own mistakes, in preference to a dishonest judge who permits a politician to dictate his decisions. I would prefer an occasional mistake to a perpetual distrust.

As the Senate committee has so nobly said, "The independent expression of honest difference of opinion * * * is immeasurably more important, immeasurably more sacred to the people of America, indeed, to the people of all the world, than the immediate adoption of any legislation, however beneficial."

But it is not alone through the Supreme Court that the attack on constitutional government is being waged. It is a far-flung battle line, and if we err let us err through an excess of vigilance. If the fortress of freedom is lost, it may be due not so much to the strength of the attack but to the fact that the watchers upon the rampart slept upon their post.

In his Farewell Address Washington said, "The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism."

Against this admonition let us consider the proposed bill to reorganize the administrative bureaus of the Federal Government. In this matter the Congress was not honored with a complete draft of the bill to be passed. As a result accurate criticism is impossible. But in broad outline the proposal called for the liquidation of the Comptroller General, the creation of two additional Cabinet departments, and the transfer and subordination of existing independent administrative commissions to the executive department under a Cabinet member with the usual power to hire and fire.

Among them are such important agencies as the Interstate Commerce Commission, the Federal Trade Commission, the United States Tariff Commission, the Federal Power Commission, the Federal Communications Commission, Securities and Exchange Commission, etc.

The fact that these agencies are now independent of Cabinet control is because the acts of Congress which created them made them so. Their independence is now to be destroyed.

No one can understand the purport of the reorganization bill unless he has read the case of Federal Trade Commissioner Humphrey, decided by a unanimous Court on the same day that N. R. A. was handed down. One went out, thanks to an independent Court, as an effort to delegate power; the other went out

as an effort to usurp power. In the Humphrey case the effect was to destroy the independence of a commission established by Congress as its quasi-legislative arm, in the same way that the Supreme Court bill is designed to destroy the independence of the Court which refused to permit the destruction of the independence of the Commission.

There are many thoughtful observers of the present scene who regard the administrative reorganization bill as fully important as the judicial reorganization bill.

Take the Federal Communications Commission, now in charge of radio, telegraph, and telephone. This presumably is to be placed under the Postmaster General. That Commission in a thoughtless moment made one terrible blunder when it turned over thousands of telegrams to the Black committee. That blunder is not likely to be repeated. But I leave to your imagination the enormous pressure to abuse and the hidden blackjack if the control of the radio, especially during political campaigns, is ever put in the hands of any Postmaster General—Republican or Democrat—who is, by the code of politics, the present or past head of the political machine of the party in power which wants to stay in power.

It is claimed by some that there is a "mandate from the people" to accomplish these great ends.

The reorganization bill, in short, is to cause railroads, trucks, busses, shipping, hydroelectric power, telephone, telegraph, radio, trade practices, competition, the issuance of securities and therefore credit control, and dozens of other important functions of thousands of industries "to be sickled o'er with the pale hue" of politics. All this to be contemporaneous with the civil service being at the lowest estate in a generation.

Starry-eyed worshipers of the State may believe this will wash the sins and stains of private enterprise "whiter than the snow." Realists, however, know that "where the meat hangs, there the wolves gather" and ask how long the Federal Government can hope to escape the characteristics of the big-city machines so notorious with corruption, nepotism, and profligate waste as they deal with the lesser affairs of saloon licenses, dance halls, slot machines, gambling, public works, purchase of municipal supplies, issuance of pardons and paroles, etc. Realists have heard of political lifeguards at bathing beaches who couldn't swim. And they know how Washington, D. C., the home of 117,000 Federal bureaucrats, under the complete control of the Federal Government, in murders, burglaries, automobile thefts, gambling rackets, and traffic accidents ranks with other American cities.

Justice Brandeis once said: "Our Government does not yet grapple successfully with the duties it has assumed and should not extend its operations at least until it does." Far more important than this constant and feverish extension of Federal control over every Tom, Dick, and Harry is to improve the administration already assumed—particularly the development of the tradition of public service. Otherwise we build bricks without straw and invite the fate that befell Rome. I turn to a historian of the Roman Empire who said:

"The system of bureaucratic despotism, elaborated finally under Diocletian and Constantine, produced a tragedy in the truest sense, such as history has seldom exhibited, in which, by an inexorable fate, the claims of fanciful omnipotence ended in a humiliating paralysis of administration, in which determined effort to remedy social evils only aggravated them until they became unbearable; in which the best intentions of the central power were, generation after generation, mocked and defeated by irresistible laws of human nature and by hopeless perfidy and corruption in the servants of the Government."

If and when the next crash comes, it will be Washington, D. C., and not Wall Street, that will get the blame. The economic royalists will be glad that the blame has been shifted from them, but it will be a sad day for democracy!

If I were the head of a great casualty company and an enormous risk were offered me, I would not accept it unless I could reinsure it. In the same way I suggest that the hazards of the survival of democracy be redistributed back to the State, county, and local governments. I would not permit the pressures on free government to concentrate at a single point. I would not put all my eggs or all my liberties in one basket. I would assume only the irreducible minimum of power at Washington and devote time and attention to revitalize democracy at the rim. The transfer of power to the center, the destruction of local autonomy and self-reliance, should be a matter of inescapable necessity and not of supposed convenience. It is at the twigs and the leaves that the tree grows, and it is in the distribution and not concentration of power that democracy finds its only refuge. It is a travesty on government to require the O. K. of Washington to shingle a schoolhouse.

But we have defended constitutional government long enough. It is time for a counter attack. It is time to meet those persons and groups who would tear down the only country in the world where they and their people have been free from oppression.

What has constitutional government meant to them and to us? It has meant safety, stability, and confidence in place of uncertainty, turbulence, and turmoil. It has placed the great rights of Americans beyond the ordinary hazards of changing popular majorities. Under our Constitution, property has been free from the risk of legislative confiscation, whether the cabin in the wilderness or the corner grocery. One hundred and fifty years ago capital from abroad began to pour across the Atlantic and is still coming by the hundreds of millions to employ our men and build our canals, our railroads, our factories. As we became wealthy we invested with confidence in our own long-term bonds in preference to those of any other nation on the globe. For five generations no one has seriously thought of "selling America short."

In our elections, whichever party won, the defeated party has always gracefully accepted the result—far different than in the countries of South America and Europe. Why? Because the great rights of Americans, both human rights and property rights, have been sure, whichever party won. Freedom of worship, of speech, of the press, of family rights, of property against the legislative confiscation of political majorities, have never been at stake in our election campaigns. Consequently, we have had conditions under which wealth could accumulate. As Sir Henry Maine said: "All this beneficent prosperity reposes on the sacredness of contract and the stability of private property, the first the implement and the last the reward for success in the universal competition." That wealth has not always been equitably distributed. It is not so now. Nevertheless, in no other country, now or in the past, has the common man been served one-half so well.

Let us discuss that point in the light of the record. Compare America not with a blueprint Utopia, but with the harsh realities of the world as it is. Throughout all the ages dreamers and statesmen have striven in other lands to remake the world. But they have never yet found an age or land devoid of greed for wealth and lust for power.

What is this legacy of constitutional government and free enterprise which we received from our fathers? Even with its failures and shortcomings, it is the best in the world. We have 6 percent of the world's land area and 7 percent of its people. But that 7 percent has 32 percent of the world's railway mileage, 58 percent of its telephones, 36 percent of its developed water power, 76 percent of the world's automobiles—enough so that every man, woman, and child under the flag, 130,000,000 Americans, could climb into these cars and all ride on rubber at the same instant of time, a nation on wheels, a miracle of achievement in which bureaucrats played no part. The rubber that goes into the annual production of tires would make a tire that would go around the world and 6,000 miles to spare—a rubber-tired planet, if you please! When Stalin or Hitler or Mussolini do half so much, it will be twice as much as they have done!

This little 7 percent of the world's population has 44 percent of its radios, produces 60 percent of the world's petroleum, 48 percent of its copper, 43 percent of its pig iron, 47 percent of its steel, 58 percent of its corn, 56 percent of its cotton, 25 percent of its sugar, 33 percent of its coal. Of the commodities it does not produce this little 7 percent of the world's population goes out in the world's markets and buys 50 percent of its rubber, 50 percent of its coffee, 75 percent of its silk. This 7 percent of the world's population has 45 percent of the world's total wealth; and far more than half of all the wheels that turn on this planet, from locomotive drivers to the wheels in milady's wrist watch, turn on American soil. In the worst year of the worst depression of our history 30,000,000 out of 32,000,000 American boys and girls of school age stayed in public schools. And on the point of security for old age this little 7 percent has $108,000,000,000 of protection on the lives of 64,000,000 Americans, more security than all the rest of the world put together.

Gentlemen, I am a friend of the system which has done these things. With all its faults, follies, and crimes, it has produced and has distributed more of the goods and comforts of living to more people over a greater territory and for a longer period of time than any other system in any other country since Adam walked out of the Garden of Eden. Neither the princes of Babylon, the Pharoahs of Egypt, the emperors of Rome, the lords of feudalism, or the dictators of today ever served the common man one-half so well.

It is worth saving, ladies and gentlemen, and I summon you to its defense. As citizens I ask you to not let go unchallenged the sneers of those who would reestablish in this dear land the same old tyrannies which their fathers once crossed stormy seas to escape.

Let us not join these reactionaries of 1937. Let us pledge allegiance once more to Washington, Franklin, Madison, Jenifer, McHenry, and Carroll, and those other great liberals of 1787. Let us again set sail by the lights of the stars our fathers trusted on the greatest voyage the human spirit has even known.

And as lawyers let us carry on our lips every hour which God spares us the words of Benjamin Hill, of Georgia: "The written Constitution is my client, and its preservation the only fee I ask."

New York Free Port

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

Mr. CELLER. Mr. Speaker, I have had my attention called to a statement appearing in the Journal of Commerce of New York of June 11, 1937, in which Mr. Percy Magnus,

president of the New York Board of Trade and Transportation, is quoted as objecting to the proposed contract between the city of New York and a private corporation which intends to operate the foreign-trade zone in Stapleton, Staten Island, for and on behalf of the city of New York. As author of the act which permits the establishment of foreign-trade zones, I, as well as the rest of the congressional body which enacted the enabling act authorizing the establishment of such zones, am interested in all developments which tend to make the act effective.

I assume that the New York Board of Trade agrees in principle with the report of the special committee appointed by the mayor of New York which unanimously recommended the operation of the zone by a private corporation, but objects primarily to certain details of the proposed contract by the city of New York and the corporation. Because of my interest in the enabling act permitting foreign-trade zones, I have kept abreast with all developments with reference to the grant made to New York City, as well as the applications made by other municipalities and corporations, and I feel that the New York Board of Trade, perhaps, did not see a correct copy of the proposed agreement between the city and the corporation, and I, therefore, owe it to you and to the public in general to inform you of actual facts.

The following are the arguments appearing in the press: The contract is for 40 years—20 years original, 20 years renewed upon exercise of option.

The city agrees to keep grant in full force, and agrees to make almost unlimited appropriations for capital outlay (on approval only of the dock commissioner).

The city holds the bag with no bottom and no top into which money must be poured under contract.

The city must make improvements on 10- to 30-day notice.

The corporation fixes rates and receives compensation based on gross revenues.

The corporation can withdraw from the contract—the city cannot.

The corporation has the option of new terms, if successful.

The city provides not only plant, equipment, and employees but even provides the bulk of the operating capital.

The city is guaranteed a net revenue only at the end of 6 years. The amount is insignificant compared with the investment. No performance bond is required of the corporation. The city takes all the risk.

The city would empower the corporation to act as its agent, but without limitation as to the agent's acts. The city would subject itself to endless litigation arising from all sorts of claims of loss and damage and contracts made by its agent.

The city must provide a revolving credit of $250,000 for repairs, replacements, and so forth.

The city is offered a fixed rent, but not a fixed investment.

The city surrenders for the next 40 years to the dock commissioner—present and future commissioners—power to make almost unlimited expenditures of city money.

A reading of the proposed contract discloses that all of the arguments of the New York Board of Trade are founded upon misapprehension as to the provisions of the contract. Thus, in no sense is the contract one for more than 20 years. At the end of 20 years there is an option on the part of the operating corporation to renew the contract, but this renewal is to be upon terms and considerations at that time to be determined by the mutual agreement between the city and the corporation. Under no possible construction can the contract be deemed a 40-year agreement.

The dramatic language of the New York Board of Trade, that under the contract the city would "hold a bag without bottom or top into which money must be poured", and by virtue of which the city agrees to make appropriation without limit, has no foundation in the contract itself.

There is a provision in the contract that in the event of an emergency, disbursements may be made out of a revolving credit of $250,000 upon the certificate of the corporation and the commissioner of docks certifying the nature and estimated cost of repairs or improvements of operating equipment needed by the zone. The term "emergency" is carefully defined. It is a state of facts which, in the judgment of the operating corporation and the commissioner of docks, is such that the requirements of the business or the zone make it mandatory that there be no delay in the improvements or repairs or the furnishing of operating equipment, because delay would cause loss to the city and to the corporation. Thus it is preposterous and unfair to speak of unlimited appropriations for capital outlay. Such appropriations may be made in the usual manner by the board of estimate, except only in such situations where delay would cause loss to the city. It is inconceivable that there should be any honest objection to expenditures on the part of the city, where those expenditures are made in order to bring an immediate and profitable return, and where they can be made only if in the judgment of a responsible city official they are needed to protect the city's financial interests.

The corporation is obligated to invest $100,000 in cash immediately, with an additional capitalization of $150,000, within 27 months; one should naturally expect that such capital investment will require sufficient protection in the event that they are successful, always bearing in mind that, should the corporation prove unsuccessful, the city may cancel the contract and the corporation loses its capital. If the corporation is successful, it should be obvious that the city, which will receive a gross income ranging from 60 to 70 percent of the revenue from the zone, should want to continue the corporation in operation of the zone on its behalf.

Any improvements of a nonemergency character would necessarily be made in the usual manner by requesting the board of estimate to act thereon. Were the city to operate the zone, this situation would be identically the same, and provision would have to be made to permit quick action by the dock commissioner should an emergency occur.

It is, therefore, a misstatement to say that the city "holds the bag with no bottom and no top into which money must be poured under contract."

Their next objection, as quoted in the paper, omits the very important word "necessary"; in other words, if the dock commissioner of the city of New York approves a necessary physical improvement in order to adapt it for appropriate uses, then, and then only, the city must act.

Their next objection is that the corporation fixes the rates and receives its compensation based on gross revenues. But it must be noted that the commissioner of docks has supervisory powers over the terms and manner of dealings between the corporation and customers or users or prospective customers or users of the zone. Such rates must also be approved by the foreign trade-zone board and we must remember that the bill itself provides that the zone must be operated as a public utility, which means that all rates must be equitable and fair to all parties concerned.

It must be borne in mind that the operating corporation will be engaged in a business enterprise, which, if it is to be successful, must function on the basis of fair charges taking into consideration the competitive situation. The contract itself provides that the zone must be operated as a public utility and has provisions prohibiting discrimination among users of the zone.

The corporation does receive its compensation by a deduction from the gross revenue of the operation of zone ranging from 30 percent to a maximum of 40 percent when the gross income in any 1 year exceeds $500,000. In this connection it should also be borne in mind that out of this percentage received by the corporation they are obligated to pay the expenses of soliciting and obtaining business for the foreign trade zone, all their corporate expenses, salaries of their director or manager and officers and counsel, traveling expenses, and all compensation and commissions to correspondents and brokers.

Their next objection, when they say that the corporation can withdraw from the contract and the city cannot, is an absolute misstatement of fact. The corporation may withdraw after the expiration of 2 years and the city may withdraw at any time after 5 years if its revenue does not attain

the minimum provided in the schedule attached to the contract.

Their next objection is again a misstatement of fact. While the corporation has the option of electing different terms of payment, the city equally has exactly the same option of improving its returns if the corporation proves successful.

The statement that the city supplies the bulk of operating capital is not correct. It is true that the city provides the plant and equipment, but it must not be overlooked that such plant has been in existence for many years and title remains in the city, and it is and has been for many years idle and bringing no revenue to the city whatsoever. The same state of facts would be equally true should the city attempt to operate the zone itself. The city does not provide the bulk of the operating capital, but keeps available a fund of $25,000, available as a loan for operation of the zone itself and returnable to the city but not available for any corporate expenses as outlined above. It is only in the event that the foreign trade zone has no gross revenue at all that it is likely that the entire operating fund will be expended.

The sole purpose of the operating fund is to provide for a possible deficiency between operating revenue and operating disbursements, which may exist at the inception of the project. It is, of course, hardly conceivable that there will be no gross revenue at all. Obviously, there would be no need to use the city's money, except when business was being done, whereas the corporation is under immediate and constant expense for corporate purposes. The fact overlooked entirely in this criticism is that the corporation will return to the city all moneys advanced by it for operating purposes if and when the zone is a proven success. Should the operation of the zone not be successful it is conceivable that the city will lose nothing, but the corporation may lose its entire capital.

The next objection again overlooks certain important elements. Obviously, no corporation could guarantee the city a net revenue at the start of operations, and it is only when the zone has proven a success that it would be reasonable to expect the corporation to guarantee a net revenue. The contract provides that the corporation must invest $100,000 at the start and another $150,000 within 27 months. The city's investment has already been made, and the whole purpose of the proposed contract is to provide the city with a revenue from property which is now a total loss, so far as income is concerned.

It is stated that no performance bond is required of the corporation. Is it not a fact that the corporation is giving a performance bond in subscribing $100,000 paid in capital before the city is obliged to sign the agreement? The above also disposes of the argument that the city takes all the risks.

The next argument is again not complete. While the city empowers the corporation to act as its agent, it is with very distinct limitations, as is fully set forth in the proposed agreement, and the city would not be subjected for claims for loss or damage; in fact, the agreement, it will be noted, specifically provides for the protection of the city from claims for liability. Indeed, an insurance fund is provided which will relieve the city of needless litigation.

Their next objection regarding the revolving fund has been fully answered above. The objection is pointless because it disregards the fact that expenditures will not have to be made except to protect the financial interests of the city.

The next argument, that the city is offered a fixed rent but not a fixed investment, is meaningless. Should the operation of the zone be successful, the city has an option to receive a fixed minimum sum, but plus a percentage of all the gross revenues from the zone which fixed revenues increase during the life of the agreement.

The last argument relative to the surrendering of power to the dock commissioner to make almost unlimited expenditure of city moneys is absurd and thoroughly disapproved by the contract and by the facts. Further, the dock commissioner is an official of the city of New York and is responsible to the mayor and to the board of estimate for his actions.

In conclusion, it should be noted that the board of trade has omitted from their statement the many safeguards which have been written into the agreement to protect the city's interest, and which agreement has had the approval of corporation counsel of the city of New York, the mayor's special appointed advisory committee on the operation of the free-trade zone, as well as a special committee authorized to study this question by the board of estimate and consisting of members of this board. The agreement obligates the corporation to operate the zone—

In accordance with the provisions of the Celler Act and any subsequent amendments thereto and the rules and regulations made thereunder.

The corporation shall be operated as public utility.

The corporation shall keep accurate and true accounts of all its income and expenses in form suitable to the city and the comptroller of the city of New York and to the Board. (The Board referred to is, of course, the Foreign Trade Zone Board in Washington, consisting of the Secretary of Commerce, Secretary of the Treasury, and Secretary of War.)

City and the comptroller of the city and the Board may at their option from time to time make audits and inspections of the books and the records of the corporation relating directly and indirectly to the operation of the foreign trade zone and the corporation agrees to submit to the city and the comptroller such books and records for inspection and audit.

The corporation shall at all times during the life of this contract maintain its current assets at a minimum of four times the amount of its current liabilities.

So long as the operating fund shall be in existence, the corporation will contribute to the operating fund at the end of each fiscal year a sum equal to the amount by which 30 percent of the city's contribution to the operating fund during the preceding fiscal year has exceeded the corporation's disbursements out of its own funds during such fiscal year for purposes other than salaries to or compensation of stockholders and investors.

The corporation agrees to comply with and abide by the regulations of the Board and of the Federal Government and on behalf of the city and at its own expense to furnish such reports and information as the said Board may from time to time require.

The corporation shall not directly or indirectly engage in any business or enterprise directly or indirectly competitive with the foreign-trade zone during or after the term of this agreement.

In the event of any default hereunder, or breach by the corporation in its performance of its obligations hereunder, the city shall have the right to give the Corporation notice in writing of cancellation of this contract, effective not less than 30 days after the giving of said notice. Upon such effective date, unless the default of the corporation shall have been cured, this contract shall terminate and the corporation shall be and remain liable to the city for any damages caused by virtue of its default.

The corporation will at all times during the term of this agreement comply with all city and Federal laws regarding compensation insurance, and will in addition maintain in full force public liability insurance in the amount of not less than $1,200,000, indemnifying the corporation and the city of New York against claims of third parties arising from the operation of the zone.

Thus it will be noted that the city, through the board of estimate, its comptroller, and the dock commissioner and Foreign Trade Zones Board, at all times maintains control and supervision over the operations and expenses of foreign-trade zones, and that the city is fully protected from any risks of nonfeasance and malfeasance.

It must be recognized that this enterprise is the first of its kind in the country. It is indeed desirable that the proposed contract receive most careful and critical criticism. However, it is important that such criticism be based on knowledge and facts and not upon prejudice or ignorance. The criticism should be of a constructive character, so as to make possible the development of a successful zone for the benefit of the city of New York and the people of the United States.

I have read the proposed contract and, to my mind, it appears to be entirely fair and practicable, always bearing in mind, however, that it is a new project in this country and that this contract is the first of its kind to have been prepared. It is significant that an opportunity was made available to others to bid to the city of New York on the basis of this form of contract to operate the foreign-trade zone, and that the city was unable to obtain any bids safeguarded with the numerous provisions of this contract.

Constructive suggestions or criticisms for the operation of the zone will be welcomed by me, as I am sure that they will

be by the city of New York, because we have a common interest in seeing that this project receives every possible support for successful operation.

Trial of Good Behavior of Judges Appointed for Life Before Judges Appointed for Life

EXTENSION OF REMARKS

OF

HON. FINLY H. GRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1937

Mr. GRAY of Indiana. Mr. Speaker, ours is a system of free self-government with all powers vested in the people, and under which the people exert their power indirectly through three departments of government—Congress, the legislative department; the President, the executive department; and the judiciary, the Supreme Court.

While these three departments of Government must function or act separately and independently, one free from compulsion and dictation by another, yet, finally, they must all act together and without which concerted action public administration would be suspended and the Government brought to a standstill.

If Congress, the legislative department, would refuse to move or act, all public affairs would be suspended. If the President would decline to act, the Government would likewise be stopped, and the judiciary, the Supreme Court, could make the wheels of state stand still.

In creating these three departments of government as a separation or division of powers through which to direct public affairs, the people have reserved the power to control Congress, the legislative, and the President, the executive, by direct vote at the polls.

But the judges of the Supreme Court are appointed to office for life and the people have reserved only for the control of the Supreme Court the powers exercised indirectly for their trial and impeachment, a very small slender thread of power.

Trial and impeachment of judges appointed for life are conducted by the House before the Senate; and if the two bodies, or either of them, fail to discharge this duty impartially and well, then the people would have their recourse against the House and Senate at the next election.

This indirect power reserved to the people for the trial and impeachment of Supreme Court judges for life by the House Members before the Senate is the one slender thread of power remaining under which to compel the Supreme Court, with power to stop the Government, to proceed with the discharge of its public function.

This bill, H. R. 2271, takes away the right of Congress to conduct impeachment proceedings and try judges appointed to office for life, and make judges, appointed for life, triable for impeachment and removal by other judges appointed for life.

This bill takes away from the people, with all governmental power declared vested in them, every last vestige and thread of control to move the judiciary, the Supreme Court, and leaves the people absolutely helpless and dependent upon the charity and benevolence of an autocratic power of government under which the people are declared the rulers.

Ah, but we are told and assured that an application can be made for another trial before the Senate in making a miscarriage of justice appear. But this will be impossible in practice. The trial before the judges would be claimed res adjudicata.

Such a trial before the judges would operate in all practical effect the same as the discharge of a defendant. The trial would be over and the incident would be closed. And the people of the country, declared vested with all power, would be deprived of the last remaining vestige of control.

With the demand of the people today to bring the Supreme Court closer to them for better cooperation with other departments, this bill not only removes the Supreme Court still further away from the people but deprives them of all the last vestige of power to make the Court respect their will.

While this small remnant of power left to the people may have been sufficient before the advent of new and changed conditions, the growth of corporations, the centralization of wealth, and the greater power of the few, it has proven wholly inadequate today to move the Supreme Court with other departments.

And the same reform and remedy applied to remedy the treason of the Senate must now be likewise resorted to to overcome the evils and abuses of Supreme Court power. As the election of Senators by State legislatures was abolished and their election made by the direct vote, so life appointment of judges must now be abolished and their appointment made for a term of years.

A. Piatt Andrew

MEMORIAL ADDRESS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. A. PIATT ANDREW, late a Representative from Massachusetts

Mrs. ROGERS of Massachusetts. Mr. Speaker, everybody who knew our late friend and colleague in Congress, Hon. A. PIATT ANDREW, felt a very real grief and a sense of personal loss at his passing. His life was one of service to his country and to the people whom he represented. Our Commonwealth of Massachusetts is proud of its share in the career of Colonel ANDREW and mourns the passing of a distinguished and loyal son. He personified the highest type of New England gentleman and scholar. His deep interest in economics during his college life fitted him admirably for the honored positions to which he was called in his maturity. He was a brave soldier, who volunteered his services long before our country entered the great conflict, and his achievements on the field of battle were recognized equally by France and the United States. Those who knew him through daily contact will always remember him for his kindly manner, his fine quality of friendliness, and his ever-present willingness to help those who needed assistance. In his character was to be found those qualities so fine and so desirable—honesty of purpose, calm and direct judgment, and the ability to accept the suggestions and advice of others. His life of service was ended all too soon, for everybody will agree that, had he lived, the future had great promise in store for him. His passing is a great public loss, and to his friends a deep sorrow.

Representative William D. Thomas

MEMORIAL ADDRESS

OF

HON. E. HAROLD CLUETT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. CLUETT. Mr. Speaker, the Twenty-ninth Congressional District of New York, and the Congress lost a splen-

did type of citizen in the death of WILLIAM DAVID THOMAS, my predecessor in office, and I am honored at the privilege of adding my simple eulogy to those already uttered. To succeed such an able man as James S. Parker, a man who for two decades had been a leader in legislative affairs at the Capitol, was no easy task, but in the short space of time allotted to BILL THOMAS, as he was affectionately known, he proved his ability to carry on and won the deep respect of his colleagues and constituents.

Even before painstaking study had introduced him to the technique of his job he had won his way into the hearts of his fellow Congressmen by a winsome kindliness and a hearty cooperation which, after all, are the foundations of legislative success. He always found it easy to get a hearing for his ideas and his bills. Although he sat in the House only a little more than 2 years and during a part of that period was irregular on account of his fragile health, few men have found, in so brief a period, more friends who sincerely loved and admired them.

Representative THOMAS was not ill-prepared for his Washington career. Born in Middle Granville, Washington County, New York, he followed a high school education with a course at the Albany College of Pharmacy of Union University. First as a clerk, then as partner, and finally as owner of a drug business in Hoosick Falls, he was quickly recognized as a citizen of parts. He entered politics as soon as he had settled in the village, and while still in the middle thirties was clerk of his town. A few years later he went to the State assembly; then he was elected twice county treasurer. Persuaded, much against his will, to accept the county chairmanship of his party, he became its leader and maintained his position for 7 years in spite of physical limitations which would have barred a less sacrificing partisan.

In 1934 Mr. THOMAS was named Republican candidate for Congress to succeed Mr. Parker, whose sudden death had left the district unrepresented in the middle of an important session. The vacancy naturally brought ambitions and antagonisms. Mr. THOMAS was in no sense a candidate. He was aware of his delicate health; for in spite of his apparent vigor and vitality he had long known of a heart deficiency. In the end he seemed to be the one man upon whom all factions could agree; and he accepted the nomination to solve a problem rather than to gratify an ambition.

His easy election was followed by his immediate departure for Washington. In the fall he was candidate to succeed himself, and won by 19,000 plurality in spite of the Democratic trend of that year. As member of the Post Office and Post Roads, Public Buildings and Grounds, and War Claims Committees of the House, he was constantly busy; yet he always found time to see visitors, to keep his desk cleared of home mail, and to introduce and follow such bills as he or his constituents desired.

While Mr. THOMAS was in Washington almost continuously he did not drop his local interests. As bank director, member of fraternal bodies, political leader, and popular citizen he pursued his way, always squaring his shoulders and starting in again after periods of distressing pain and illness and never allowing a quiver of self-pity to interfere with his duties.

Even at the very end, when he was confined to the Walter Reed Hospital for long weeks, he kept in constant tcuch with his office and the measures which he had fathered on the floor of the House. Visitors who dropped in on him were amazed at the hopefulness he always displayed, the rare courage with which he withstood pain, the kindliness with which he addressed himself to any matter on which he was consulted.

Rensselaer, Washington, Saratoga, and Warren Counties, which he represented so well during his brief term, still mourn him. So do those who were his associates. His heart was too big to be bounded by any party; his creed was too broad to be limited by words. He lived his life with joy, believing in its spirit of adventure in spite of any frontiers which physical handicaps might impose. He gave himself freely to his friends and to those principles in which he believed. He looked upon office as a public trust, not a partisan bauble, and he has left behind him many friends to mourn his loss and thousands of admirers whose lives have been influenced by the standards he so fully exemplified.

Vision

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 1 (legislative day of Tuesday, June 15), 1937

COMMENCEMENT ADDRESS BY HON. ROYAL S. COPELAND, OF NEW YORK, AT THE PENNSYLVANIA STATE COLLEGE OF OPTOMETRY, PHILADELPHIA, JUNE 1, 1937

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech delivered by my colleague and friend, the able Senator from New York [Mr. COPELAND], dealing with the important subject of vision. I dare say there is no physician in America better known to all of our people than is Dr. COPELAND. His contribution on this topic relating to man's most precious possession, the organ of sight, is indeed both interesting and important.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Quite recently I had occasion to witness what the United States Government is doing in aviation, particularly as to the methods of guarding against the attacks of enemy planes. As I saw what has been accomplished, largely in the field of physics, it saddened me to think that medicine is not making comparable progress in the application of scientific research to the betterment of human health.

With this thought in the back of my head, I happened to read a sentence in the latest annual announcement of the Pennsylvania State College of Optometry. It is this: "Optometry depends far more upon the mathematical and physical sciences than does any other profession having to do with the care of the human body."

This is a succinct statement of an absolute truth. General medicine is not founded upon principles so demonstrable as are the facts governing in your field of applied knowledge. While scientific discovery has made the prescribing of the physician increasingly accurate, it must be admitted that in dealing with many diseases the practice of medicine continues to be largely a matter of empiricism and experiment.

It is probable that the human equation must always be a factor in the practice of your profession and mine. Fortunate as the optometrist is in the reliability of the principles underlying his profession, there is always the individual peculiarity to be considered. Your instruments of precision have established to a nicety just what combination of lenses will completely overcome the error of refraction. But the patient may be just as uncomfortable, perhaps more, than he was before he acquired his spectacles.

It is in such a case that your knowledge of psychology may prove to be more important than your knowledge of optics. I speak from sad experience.

It comes to this, I take it, that in the last analysis the patient must be dealt with as an individual; his personal peculiarities must be considered. In short, we must individualize the patient; generalization will fail in a percentage of cases.

But you are more fortunate than members of other professions. You can depend upon mathematics and the physical sciences and be let down less frequently than are the followers of other professions having to do with human beings.

There is another paragraph in the prospectus of this college, a paragraph so pregnant with meaning that I wish to discuss it rather fully. It reads as follows:

"Defective vision and other ocular abnormalities are the cause not only of suffering, inefficiency, and accidents but also of considerable illiteracy, crime, and poverty."

Speaking then of the specialist in this field, it is asserted that he "assumes a very important place in social life as a result of the service he renders to humanity in preventing and alleviating the causes of these various ills."

The greatest social problem in America today is juvenile delinquency. We may worry over racketeering, crime, and murder,

but these become insignificant when we realize what is happening to the boys and girls, to the youth of our country.

Life in America is entirely different than it was when the fathers met in Philadelphia a century and a half ago to write the Constitution. It is different than it was a half century ago. Children are not now under the eye of their parents and, except for brief meetings at mealtime, are no longer under parental observation.

Were each of us asked to name the advantages possessed in a greater degree by our country than by any other, there would be great disagreement. But in every list would be included the blessing of free education for every child.

There can be no question that the schools have opened doors of opportunity to millions upon millions of Americans. No one honest with himself will fail to recognize in his heart of hearts how much he owes to the schools, particularly to this or that teacher.

But, personally, I have great fault to find with the schools of today. Mind you—I do not refer to the teachers, most of whom are conscientious, capable, intelligent, and self-sacrificing. I refer to the school system, to the methods of teaching almost universally applied.

For a few years past my interest in this subject has caused me to read many books on education. Whenever I pass a bookstore, I am tempted to stop long enough to "browse around", to read the title page and scan the index of every book devoted to this subject.

It is amazing that the words "character" and "behavior" rarely appear. When they are indexed at all it is unusual to have more than a half page given to one or both subjects.

Yet who can question that far more important than the possession of an education is the possession of character? Without character education becomes a menace. The most dangerous criminal in the world is the educated criminal.

In this generation we have chosen to farm out our children to the school teachers. They show our youngsters how to enter a room, accept an introduction, arrange the table, and even how to fry an egg. They teach them the fundamentals of mathematics, natural science, history, and literature. But, candidly, of what value are all these, unless they are imparted to a person of good character?

Do not misunderstand me—I would not do away with the many scholastic and cultural advantages of the schools. But I would place first things first. I would have placed in the forefront the most vital thing a child can possibly achieve. What I believe that to be has been indicated.

In my opinion, the objectives of education should be revised. Let us see if we can agree as to what the schools should attempt to do. Do you accept my thesis that the objectives of the school should be:

First, to fit the child for parenthood.

This means a clean body and a clean mind—a healthy mind in a healthy body.

Second, to fit the child for a livelihood, if possible.

Third, more important than the others, to fit him for citizenship.

To do this somebody must make sure he possesses character, so that he may serve his generation in decency, self-respect, and community advantage.

There is no place in the modern school for the backward and retarded pupil. He is a nuisance to the teacher and an annoyance to his schoolmates. Almost invariably such a child is picked on, insulted, and abused. What happens?

He becomes at first an occasional truant; before long he is a habitual truant. He meets up with other bad boys and that is the beginning of a "gang." It is not long before we hear of pilferings, burglary, and even murder. He is now started on a criminal career.

Our custodial institutions are filled with juvenile delinquents. While intelligent and humane treatment is applied in the larger establishments, the county jails are, in fact, breeding places of crime. There are 3,500 such institutions in the United States, and in most instances they are blots on our civilization. But perhaps, in the sight of God, they are no worse than society's failure to deal intelligently with the pupils in our public schools, with the purpose of preventing the very beginnings of delinquency and crime.

We live in a busy world—a world distracted by the very multiplicity of its interests. How often does the individual citizen sit down alone to study the problems of society? The truth is his own personal problems prevent his giving thought to the common welfare. But in some manner we must break through the crust of what may seem to be, if it is not actual, indifference. We must attract the attention of intelligent citizens and hold that attention until the magnitude of our social dangers is fully realized.

Up to this point I have attempted to indicate the early stages in the evolution of nonsocial conduct. Perhaps it will be well now briefly to outline the dreadful economic waste of crime. When we learn what a tax it is upon the American pocketbook we may become as excited over it as we are over the mounting national debt.

Have you any idea of what crime costs the American people in dollars and cents?

Sometime ago the Manufacturers Record printed an estimate of the money cost of crime. Let me try to analyze these figures:

1. Losses through frauds—fraudulent securities, embezzlements, forgeries, worthless checks, fraudulent bankruptcies—$1,270,000,000.

2. Property losses through burglary, robbery, etc.—transportation thefts, thefts from warehouses and mails, the economic value of 12,500 murdered persons—$1,160,000,000.

3. Cost of law enforcement—police and prison, criminal justice, and legal expenditure—$4,000,000,000.

4. Waste of crime—2,000,000 crimes at $1,500 each, 500,000 policemen at $1,500, commercialized vice, drug traffic, liquor traffic—$6,503,000,000.

Grand total, $12,933,000,000 per year.

These crimes are not committed by old men or middle-aged men. The criminals are young men and, sad to say, young women. The average age of the inmates in all the custodial institutions in America, in the prisons, jails, and reformatories, is 23 years! The largest age group is found at 19 and the next largest at 18; just misguided boys and girls, children without character.

Where does crime begin?

It starts in the ages represented by the lower grades of our schools. While an occasional bright child slips into delinquency, it is almost invariably the retarded child who becomes antisocial and, as I have indicated, gangs up with other bad boys or girls, or both.

To solve the problem of adult crime, we must solve the problem of juvenile delinquency. We must do this with the view to the prevention of criminal tendencies. As I see it, that is best done by a system of education for character. We must deal with the individual child and, by the exercise of greater wisdom than society has shown heretofore, guide a larger number into paths that make for intellectual and moral progress.

What is wrong with the child who is backward in school and fails to progress? That is the question which should be asked with reference to every pupil who is retarded.

The school system is at fault for not providing a way of dealing scientifically with all such children. As I see it, there should be associated with every school a board of advisers. In the city establishments, they may be paid perhaps; but in the smaller schools, especially in the financially crippled communities it will not be difficult to find public-spirited men and women who will voluntarily make this social contribution.

Most delinquents come from broken homes; the social worker will determine this fact. Some children need the assistance of the psychologist and mental-disease expert. Poverty and undernourishment are factors that cannot be disregarded. General poor health, diseased tonsils or adenoids, defective glands, poor hearing, and a dozen other medical defects, are possible causes for weak bodies and crooked thinking.

But we come now to our particular thesis, the words of your college prospectus, to the effect that defective eyes and poor vision are are the causes not only of inefficiency but also of illiteracy and crime.

There is ample excuse for one who has bad eyes and low visual power to view the world with distorted mind as well as eyes. As a matter of fact, in thousands and thousands of cases, children have drifted into delinquency and crime for this very reason.

Anything that prevents normal progress in school is sure to embitter all but the most stolid. The humiliation of defeat, the constant reminder that the big boy is classified with the little chaps, the ridicule of his schoolmates, and possibly the impatience of the teacher—all these ingredients form a prescription of evil for the poor lad who is the victim of a remediable defect.

The graduates of this college can render no higher public service than to give their professional services, acting as school advisers in their respective communities. May I remind you, in this connection, that in every nonprofit and endowed institution, like this one, the education you received cost far more in dollars and cents than you contributed.

As I view life, I am more and more impressed that each of us who has received an education, particularly a professional education, owes a debt to the public he can never repay in money. The only way he can discharge the debt is by rendering some sort of public service.

Think of the unsolved civic problems; the necessity for pure water and cheap electrical power—the problems of the engineer; the contest between capital and labor—the problem of the economist and statesman; the sufferings of the poor—the problem of the sociologist, the minister, and others; the many, many demands for better health and superior health—the problems of your profession and mine.

I have utter contempt for the man who seeks money for money's sake; money for what it can do for social benefit is another matter. You would not be and could not be satisfied merely to build up a bank account. I am sure you will go out from this institution determined not only to succeed, with all that word means, but also to serve your fellow man. If that is your spirit, success is assured even though you die poor in houses and lands. You will surely die rich in the blessings of those who knew and loved you for your straight thinking and goodness of heart. I pray you may achieve all your dreams have pictured.

Labor Standards

EXTENSION OF REMARKS
OF
HON. HUGO L. BLACK
OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, July 1 (legislative day of Tuesday, June 15), 1937

STATEMENT BY WILLIAM GREEN, PRESIDENT OF THE AMERICAN FEDERATION OF LABOR, JUNE 4, 1937

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement on fair labor standards, made on June 4, 1937, by Mr. William Green, president of the American Federation of Labor, before the Labor Committees of the House and Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. GREEN. Mr. Chairman and gentlemen of the committee, the American Federation of Labor, by action of its executive council, on May 28, 1937, endorsed, together with the additional sections to be offered herewith, the proposed Fair Labor Standards Act of 1937 as formulated in the Black-Connery bills introduced in the Congress of the United States on May 24, 1937. The additional sections which we shall offer herewith are essential to strengthen the administrative provisions of the proposed act, to coordinate it with the other congressional enactments and policies enunciated therein covering the same subject matter, and to more effectively carry out the objectives sought to be attained by the President's message and by such legislation pursuant thereto.

As an active and major participant on the firing line in the formulation of public policies dealing with the economic and social welfare of American life, the American Federation of Labor supports the proposed Fair Labor Standards Act of 1937, taken together with the additional sections offered, as constructive legislation of far-reaching significance in the public interest, necessitated by the impact of the forces behind our industrial development and urban economy.

To come at once to the heart of the proposed act, and to strip it of all ambiguity, we shall consider it as dealing with five substantive subject matters: Four of general application within the scope of business and occupation covered by the act—that is, industrial espionage, strikebreaking, child labor, and maximum hours—and one subject of only limited application within that sphere—that is, minimum wages below $1,200 annual wage income.

I AND II. INDUSTRIAL ESPIONAGE AND STRIKEBREAKING

The act outlaws industrial espionage and strikebreaking, defined in the act, as trade practices. As such, it is an extension beyond the Byrnes law, effective June 1, 1936, which, as you know, made it a felony to transport men across State lines with the intent to employ them to interfere with peaceful picketing. The act is intended to make illegal those practices revealed by the Subcommittee on Education and Labor appointed under Senate Resolution 266 in its preliminary report no. 46 to the Seventy-fourth Congress and its hearings subsequent thereto, as shocking to enlightened employers, employees, and to the community at large, as contrary to our American standards of fair play in our industrial life.

As these practices undermine the machinery for the orderly and voluntary solution of our economic problems, the American Federation of Labor condemns them, when used by employers, as it has in the past for similar reasons, as this committee knows, condemned un-American and imported communistic practices of certain elements of labor, of similar effect.

Moreover, as has been revealed, the apparently necessary and inherent dishonesty and deceit in falsifying records and in misrepresenting financial facts of the enterprise to public authority, to cover up industrial espionage and strikebreaking activities which have been resorted to by industrial management, and by those operating under them, breed implication of grave and unjustifiable harm to the investors of the business, who are the real but absentee owners thereof, and in whose behalf also this legislation will serve as a protection as well.

III. CHILD LABOR

Under the act, employment of children under 16 is condemned in any occupation covered by it, and employment is condemned of all children of the ages of 16 and 17 in such occupations covered by the act as are declared by the Chief of the Children's Bureau in the Department of Labor as particularly hazardous or detrimental to their health and well-being.

The American Federation of Labor has steadfastly led in the fight for child labor legislation; in support of the Palmer-Owens bill, 1914; United States Child Labor Act, 1916; United States Child Labor Act, 1919, the proposed national constitutional amendment, 1924; has supported the campaign for ratification of this amendment among the States; and has aggressively fought for the raising of child labor standards within the respective States.

Pending the ratification of the constitutional amendment, the Fair Labor Standards Act of 1937 deals with child labor in interstate commerce. Though it is not as extensive in its scope as congressional legislation could be under the proposed constitutional amendment, nevertheless it does reach a substantial portion of the field of nonagricultural and nonindustrial home work child labor.

The limited jurisdiction of the Fair Labor Standards Act of 1937 removes from controversy the issue of States' rights alleged by the opponents of the constitutional amendment. We would even favor provisions to strengthen the act to provide for its administration with a view to relating it as closely as possible to the administration of State child labor laws. The act will have the salutary effect of removing from the opposition to raising in States child labor standards the objection that such high standard States are supposedly at a disadvantage in competition with the lower standard States. By breaking down this alleged advantage through such lower standards, it should also tend to weaken the opposition to final ratification of the constitutional amendment.

But that there may be no doubt as to the present position of the American Federation of Labor, we wish to reaffirm the stand which we have taken as the leader in the fight for a constitutional amendment: We shall not pause in our efforts to push to a successful conclusion the fight for the final ratification by the States of the constitutional amendment submitted to them by Congress in 1924.

IV. MAXIMUM HOURS

For intelligent discussion of the questions raised by the provisions of the proposed Fair Labor Standards Act of 1937 covering regulations of maximum hours of employment, it is necessary to present the following brief summary of its provisions relating thereto.

(1) Initial regulation: The board is to enter an order or regulation stating what employments are to be covered by the maximum workweek standard of the number of hours which Congress is to specify as part of the act as passed.

In stating the employments to be covered by the order or regulation, the board must find that the application of such maximum workweek standard to the business will not unreasonably curtail the earning power of the employees in such employment.

(2) Variation of maximum hours' standard: The board may, by regulation or order:

(a) Vary the congressional maximum workweek standard upward or downward (sec. 4 (d));

(b) As to all employees or any class or classes of employees (sec. 4 (4));

(c) To the extent it finds same necessary or oppropriate "considering the physical and economic health, efficiency, and well-being of the employees and the number of persons available for employment, without unreasonably curtailing the earning power of the employees" (sec. 4 (d)).

(3) Reasonable maximum workweek: The board may, by order or regulation, establish maximum weekly working hours in any occupation—

(a) Provided the maximum workweek is not less than ——— hours, to be fixed by Congress;

(b) Upon finding that the order or regulation is necessary:

1. To make the number of hours reasonably suited to the nature of the service or class of service rendered (sec. 2 (a) (15)), or

2. To prevent the undermining by a portion of the industry of the higher standard prevailing in the balance of the industry (sec. 5 (b)).

(4) Overtime: The hours of employment may exceed the fixed maximum workweek provided—

(a) Overtime is paid at the rate of one and one-half the regular hourly rate (sec. 6 (b)); or

(b) The number of hours and the rate per hour of overtime is specifically covered by an order of the board (sec. 6 (b)).

(5) Special cases: The board may exempt occupations from the maximum fair week's standard by an order, upon finding:

(a) The overtime employment is of a special character, such as seasonal, peak activity, repairs, or emergencies (sec. 6 (c) (4));

(b) Special cases justifying special treatment (sec. 6 (c) (5)).

(6) Collective bargaining:

(a) Neither the act nor any order or regulation shall interfere with collective bargaining or with action taken by employees to enforce collective bargaining under the law of the land (sec. 23 (a)).

(b) Neither the act nor any order or regulation can increase hours above those specified in collective bargaining agreements (sec. 23 (b)).

(c) The act is to be interpreted and administered to encourage collective bargaining.

(d) The investigations by the board of maximum fair workweek in any occupation are to be made whenever the board has reason to believe (among other things) that "owing to the inadequacy or ineffectiveness of the facilities for collective bargaining" such standards do not exist or have not been maintained.

The above presents three questions:

I. Should hours of labor be regulated by congressional action?

II. Within what limits should congressional regulation of hours be provided?

III. What should be the relation between congressional regulation and collective bargaining agreements in the same field of activity?

Each of these will now be considered.

I. SHOULD HOURS OF LABOR BE REGULATED BY CONGRESSIONAL ACTION?

The American Federation of Labor for almost half a century has pioneered for the principle that fair play and industrial morality require of industry the shortening of hours of labor without reduction in pay to provide for labor the escape from suffering through the progressive and continued increase in the per capita productivity of American labor.

With the dislocation of life arising from the Great War and the accelerated increase in the use of labor-displacing mechanical equipment thereafter, the American Federation of Labor brought into sharp focus to the American people the necessity of shortening hours of labor to absorb unemployment and championed that cause almost single-handed for the unorganized workers of this country.

With the coming of the depression, the sentiment aroused by the American Federation of Labor crystallized in 1933 in the enactment by the Senate, as championed by the American Federation of Labor, of the Black 30-hour-workweek bill for interstate commerce. That measure was introduced by the Senator from Alabama, Senator BLACK. But, as you will recall, such legislation was diverted in the House with the passage of the National Industrial Recovery Act enacted to deal with wages, hours, and conditions of employment.

Acting as labor advisers under the National Industrial Recovery Act in the interests primarily of the unorganized workers of this country, the American Federation of Labor succeeded, through the codes, in establishing the basic 40-hour week for most industries, a reduction in some cases from standards ranging from 70 to 80 hours per week.

The story of industry since the invalidation of the National Industrial Recovery Act is one of departure from the labor standards therein provided in the direction of lengthened hours of employment. A Nation-wide survey of such departures from June 1935, through March 1936, in 583 industries, reveals that 4,073,901 employees were affected by lengthened hours to the extent of 35,247,473 added man-hours beyond those specified in the codes. You can certainly comprehend that. That is what has happened. Such added hours, if spread among the unemployed, would have permitted the reemployment by those industries alone, for that period, of 839,123 employees. It is probable that the departures from the National Industrial Recovery Act coded hours of employment alone have accounted for upward of 2,500,000 unemployed since its invalidation.

Add to this situation the consideration that at the same time technological improvements and expansion in the volume of output resulted in a 40-percent increased productivity per worker per hour from 1929 to 1935 and you can readily see why employment has lagged behind production more and more and why industrial recovery alone cannot absorb the unemployed.

The increasing lag of employment behind production became apparent even before the invalidation of the National Industrial Recovery Act. It was clear that the reduction of hours of employment through codes as a substitute for a legislative 30-hour week was not accomplishing its purpose. Accordingly, at its annual convention at San Francisco in October 1934, the American Federation of Labor adopted a resolution reaffirming its position in favor of a 30-hour week for industry and urging the support of the American people for the enactment of legislation to give effect thereto.

In January 1935 legislation was offered in the Senate, as you will recall, requiring that every code embody as a part thereof a 30-hour basic workweek standard to be effective for a period of 2 years from its enactment.

At the hearings on that bill before the Subcommittee of the Senate Judiciary Committee on January 31, 1935, the American Federation of Labor made an exhaustive presentation in favor of this legislation. The facts therein stated and the majority report of the committee in favor of the passage of the bill of March 13, 1935, stand today as then as conclusive arguments in favor of shortening work hours by legislation to solve the problem of unemployment.

The message of the President of the United States of May 24, 1937, focuses attention on the present unemployment situation and on the urgent need of industry to take action providing for the absorption of the unemployed. The American Federation of Labor, at its annual convention at Tampa in October 1936, pledged itself to work unceasingly to solve the unemployment problem. It is firmly of the conviction that such problem cannot be solved by Government relief or Government spending. Nor is it willing to concede that American industry, aroused to the full import of the facts and with full knowledge thereof, is incapable or unwilling to assume the obligation of providing within its own resources the economic stability which in these crucial days of transition is more imperative than ever before, and which can only be attained by the industrial absorption of the army of unemployed through the shortening of hours of work.

To assist industry in its efforts to attain such economic stability, congressional action providing the machinery for such absorption is necessary. We therefore answer in the affirmative the first question raised by the proposals of the Fair Labor Standards Act of 1937 covering maximum workweek standards, to wit: Should hours of labor be regulated by congressional action?

II. WITHIN WHAT LIMITS SHOULD CONGRESSIONAL REGULATION OF HOURS BE PROVIDED?

Based upon the experience of the many and varied industries wherein, through collective bargaining with unions affiliated with the American Federation of Labor, employers have established and have prospered under a basic 30-hour workweek, the American Federation of Labor is convinced that industry in general is now ready for a basic 30-hour workweek basis of employment and that it will in due course be so established. On the other hand, the American Federation of Labor appreciates full well that unorganized industry is generally established on a basic workweek basis closer to the 40-hour workweek, and that only in special and unusual cases need or should a basic longer workweek be tolerated.

In order therefore that the transition to a shorter workweek in unorganized industry may be cushioned by flexibility; that the workweek hours so established may be coordinated with the workweek policy established in such industry through collective bargaining and applied by the board to the industry as a whole thereafter as hereinbelow recommended, the American Federation of Labor recommends that the maximum workweek to be designated by Congress for the initial regulation of industry be 40 hours and that the board be empowered to vary such workweek standard downward to a 30-hour workweek. That is a definite recommendation.

III. WHAT SHOULD BE THE RELATION BETWEEN CONGRESSIONAL LEGISLATION AND COLLECTIVE BARGAINING IN THE SAME FIELD OF LABOR?

The American Federation of Labor feels that the maximum hour legislation enacted pursuant to the President's message of May 24, 1937, should conform to the following policy:

(1) It should carry out objectives enunciated in this message and contemplated by it, to wit: To provide legislative regulation of employment in industry only to the extent necessary to produce, and only so long as industry itself by collective bargaining does not produce, the objectives therein specified in the public interest and for the national welfare.

(2) It should, in so carrying out these objectives, attach full force to the effective results already, and to the extent, obtained by industrial collective bargaining;

(3) It should encourage the continued functioning of such collective bargaining machinery therein; and

(4) It should provide for the withdrawal of governmental regulation as such collective bargaining expands to effectively cover the regulated field and produces the results desired to be attained by the President and by the legislation enacted pursuant thereto.

With such objectives attained, it would mean that maximum hours in industry would be regulated either by the Government or by collective bargaining, with the Government withdrawing as collective bargaining expands, and with inducement to industry to accept collective bargaining as an alternative to Government regulation.

Let collective bargaining be extended and expanded until, through the collective bargaining process, we establish minimum rates in practically every industry and then, as that is extended, let the Government recede. Let collective bargaining be expanded and Government interference, if I may put it that way—Government regulation recede.

The recital above given of the maximum hour provisions of the proposed Fair Labor Standards Act of 1937 reveals a clear intent and substantial compliance by the authors of the bill to conform it to the policy above stated and to attain the objectives above outlined.

But to further insure that these objectives are achieved and this policy is carried out in the manner and to the extent contemplated by the President's message as above interpreted, the American Federation of Labor, as a result of its long experience in collective bargaining, will offer herewith six additional sections to make certain that the provisions of the act shall operate in fact and in practice to encourage and not to supplant collective bargaining, and that the administration of the act shall utilize to the fullest extent the substantial and effective results already obtained and to be obtained from time to time through collective bargaining in industry.

IV. MINIMUM WAGES

For intelligent discussion of the questions raised by the provisions of the proposed Fair Labor Standards Act of 1937 covering minimum wages, it is necessary to present the following brief summary of its provisions relating thereto.

Now because of the importance of that subject I will impose on your patience, if I may, to go over the summary of the minimum-wage provisions.

(1) Initial regulation:

1. The board is to enter an order or regulation stating what employments are to be covered by the minimum wage standard per hour, which Congress is to specify as part of the act as passed.

2. In stating the employments to be covered by the order or regulation, the board must find that the application of such minimum wage standard to the business will not "unreasonably curtail opportunities for employment."

(2) Variation of minimum wage standard.

The board may, by regulation or order:

a. Vary the congressional minimum wage standard upward or downward (sec. 4 (c)).

b. As to all classes or any class of employees section 4 (c).

c. To the extent it finds such variation necessary or appropriate "to prevent the depression of general wage levels below those consistent with the maintenance of a minimum standard of living

necessary for health and efficiency, without unreasonably curtailing opportunities for employment" (sec. 4 (c)).

(3) Minimum fair-wage standard:

The board may, by order or regulation, increase the minimum wages paid to employees in any occupation—

a. So that the total annual income does not exceed $1,200 and the maximum hourly rate does not exceed 80 cents except for overtime, night, or extra shift work (sec. 5 (a)).

b. Upon finding that increased wages are necessary:

1. To make wages paid fairly and reasonably commensurate with the value of the class of service rendered (sec. 2 (a) (14)); or

2. To prevent the undermining by a portion of the industry of the higher standard prevailing in the balance of the industry (sec. 5 (a)).

(4) Special cases.

The board may exempt occupations from the minimum fair-wage standard by an order, upon finding:

a. That the employees are of limited qualifications as to learning or apprenticeship, age or physical or mental deficiency or injury (sec. 6 (c) (1) and (2)).

b. The employees are furnished special facilities of value as required by the nature of the business (sec. 6 (c) (3)).

c. Special cases justifying special treatment (sec. 6 (c) (5)).

(5) Collective bargaining:

a. Neither the act nor any order or regulation shall interfere with collective bargaining or with action taken by employees to enforce collective bargaining under the law of the land (sec. 23 (a)).

b. Neither the act nor any order or regulation can reduce wages below those specified in collective bargaining agreements (sec. 23 (b)).

c. The board may provide such rules or regulations to prevent minimum wages from becoming maximum wages (sec. 12 (6)).

d. The investigations by the board of minimum fair wages in any occupation are to be made whenever the board has reason to believe (among other things) that "owing to the inadequacy or ineffectiveness of the facilities for collective bargaining" such standards do not exist or have not been maintained.

e. The act is to be interpreted and administered to encourage collective bargaining.

f. Orders of the board may contain, in wage orders, provisions to prevent established minimum wages becoming the maximum and to prevent the discharge or reduction in wages of employees receiving more than the established minimum wage (sec. 12 (6)).

The above presents three questions:

I. Should minimum wages of workers with annual wage income of $1,200 or less be regulated by congressional action?

II. Within what limits should congressional regulation of minimum wages of workers with annual wage income of $1,200 or less be provided?

III. What should be the relation between congressional regulation of minimum wages of workers with annual wage income of $1,200 or less, and collective bargaining agreements in the same field of activity?

Each of these will now be considered.

I. SHOULD MINIMUM WAGES OF WORKERS WITH ANNUAL WAGE INCOME OF $1,200 OR LESS BE REGULATED BY CONGRESSIONAL ACTION?

To remove from all doubt, and to bring into the clear the special and limited problem covering special congressional regulation over minimum wages in interstate industry proposed by the Fair Labor Standards Act of 1937, the American Federation of Labor emphasizes:

First. The act is not a minimum wage law for women and minors. It is designed to establish minimum wage standards under very limited and special circumstances for workers engaged in the private industries covered by the act—men as well as women.

Second. The act does not deal, as in other countries, with the fixing of general minimum wage standards for men as well as women and minors. Any such proposal to deal with the fixing of general minimum wage standards by a government fiat for men in private industry would be strenuously opposed by the American Federation of Labor as contrary to our conceptions of democracy, and as violating the cardinal principles of self-government in private industry prevailing in this country.

Third. The proposed act deals only with the fixing and regulation of wages of men, as well as women, in that very limited class of workers whose total annual income is less than $1,200 per year. There is no interference in the field covered by industries employing workers who earn in excess of $1,200 per year. That is exempt. Beyond that special class the act is not to be operative, and the question is, shall Congress be permitted to function even in that limited sphere of private industry?

The American Federation of Labor has insisted from the beginning upon the establishment of a living wage as a minimum, and it has through the force of organized effort succeeded in establishing minimum wages far superior to those prescribed by wage boards of other countries. Comparative experience is ample to show conclusively that through organization wages can and will be maintained at a higher minimum than they would be if fixed by legal enactment.

But just as the American Federation of Labor for almost half a century has pioneered for shorter hours for the unorganized workers of this country, as already detailed above, so during the same years it has pioneered, and at times single-handed has fought for a living wage and higher standards of pay for unorganized workers. Thus it is that the American Federation of Labor brought into play with all the force at its command the movement to protect and improve by legislation the wages of all special classes of workers whose character and employment render organization more difficult or its maintenance less stable, and subject them to exploitation in industry. The forward march of minimum wage legislation for women and minors in this country and the eager service of organized workers on boards administering them, are the story of the efforts of the American Federation of Labor to protect those portions of the industrial communities where the principle of collective bargaining presents difficulties of application.

Only those of us who come in daily contact with the working classes can appreciate the difficult problems of organization, the instability of employment, and the temptations for exploitation of that class of workers to whom the vivid description of misery and substandard living contained in the President's message of May 24, 1937, has application. These workers are in the field where collective bargaining presents special problems, is slower in application, and lacks the stability of other classes of employment. They, therefore, are to a greater extent than other workers entitled to the concern of society.

A fair standard of wages—a living wage—for all employed in an industry should be its first consideration, and an industry which denies to its workers, who are toilers, a living wage is unfit and should not be permitted to exist.

To the extent, therefore, that there are classes of workers yet in this country to whom even the minimum standards of decent living have been denied, or are not safeguarded by collective bargaining in industry, and until they are so safeguarded, the American Federation of Labor urges that they be made the subject of special treatment by the National Government in the fields over which it has jurisdiction.

II. WITHIN WHAT LIMITS SHOULD CONGRESSIONAL REGULATION OF MINIMUM WAGES OF WORKERS OF ANNUAL WAGE INCOME OF $1,200 PER YEAR OR LESS BE PROVIDED?

As summarized above, the Fair Labor Standards Act of 1937, carrying out the President's message, provides for a congressional minimum hourly wage standard, with power in the board to vary the standard in special cases downward, and to improve upon the minimum wage standard in occupations according to the specifications enumerated in the act, within the sphere of $1,200 per year annual wage income, and to the upper limit of regular hourly wages of 80 cents per hour.

To provide a pendulum within the sphere of permissive functioning of extreme flexibility, so that the board may effectively deal with variations in maximum workweek standards, as provided by the act, with variations in the efficiency, stability, and continuity of employment, and with differentials in hourly and weekly wages necessary or appropriate to coordinate geographical, industrial, and other competitive relationships within the United States, the American Federation of Labor recommends that the congressional minimum wage standard be fixed at 40 cents per hour. On the basis of the experience of the many and varied industries with which the American Federation of Labor is in daily contact, it is convinced that such a regular per-hour wage scale can and should be paid and supported by American industry.

III. WHAT SHOULD BE THE RELATION BETWEEN CONGRESSIONAL REGULATION OF MINIMUM WAGES OF WORKERS WITH ANNUAL WAGE INCOME OF $1,200 OR LESS AND COLLECTIVE BARGAINING AGREEMENTS IN THE SAME FIELD OF ACTIVITY?

The special and limited grounds on which the American Federation of Labor feels that private industry should be subjected to Government regulation over wages, detailed above, require that such regulation should continue only until private industry shows its ability through collective bargaining to accomplish the objectives of the President's message and the legislation enacted pursuant thereto.

The American Federation of Labor feels, therefore, that the minimum wage legislation enacted pursuant to the President's message of May 24, 1937, should conform to the same four principles which the American Federation of Labor specified as the requirements for maximum hour legislation, to carry out the purposes of the same message in respect thereto.

As in the case of maximum hours, legislation covering minimum wages conforming to such four principles would mean that minimum wages in industry, even in respect to the special class of workers contemplated by the President's message, would be regulated either by the Government or by collective bargaining, with the Government withdrawing as collective bargaining expands, and with inducement to industry to accept collective bargaining as an alternative to Government regulation.

The recital above given of the minimum wage provisions of the proposed Fair Labor Standards Act of 1937 reveals a clear and substantial compliance by the authors of the bill to conform it to such policy, and to attain such objectives. But, as in the case of the additional sections offered to supplement the maximum hour provisions, the American Federation of Labor will offer six additional sections of similar import to make certain that the provisions of the act shall operate in fact and in practice to encourage and not to supplant the collective bargaining on wages in the field covered by governmental regulation, and that the administration of the legislation shall utilize to the fullest extent the substantial and effective results already obtained and to be obtained from time to time through collective bargaining in that field.

Now, gentlemen, with your permission I will read the amendments and submit them to you with the recommendation of the

American Federation of Labor. That is, I prefer to classify them as additions, Senator, rather than as amendments.

Representative CONNERY. As perfecting amendments.

Mr. GREEN. Yes; that is it.

1. This act shall be construed and applied to encourage collective bargaining agreements covering wages and hours of employment.

2. Every regulation and order prescribing minimum wages or maximum hours shall contain therein a finding and legend that such minimum wages or maximum hours, as the case may be, are intended and shall be considered only as such, and are not intended and shall not be construed to represent maximum wages and minimum hours for the employees of the craft, class, or industrial unit expressed by such regulation or order or to preclude or prevent or discourage collective bargaining agreements between employees and employers of any craft, class, or industrial unit, respectively, to provide for higher wages or shorter hours than the minimum wages and maximum hours prescribed by such regulation or order.

3. Maximum hours of employment and minimum standards of wages fixed by contracts for any craft, class, or industrial unit between employers and employees (or the representatives of bona fide unions of employees therein designated or selected by them for the purpose of collective bargaining) and found by the board to be minimum wage and maximum workweek standards prevailing in a substantial and fairly representative portion of the class, craft, industry, trade, business, or division or unit therein as classified by the board shall be fixed by the board as the minimum fair wage or maximum reasonable workweek for such craft, class, industry, trade, business, or division or unit thereof, unless objection is urged that and the board finds that a higher minimum fair wage or a lower maximum reasonable workweek is necessary to prevent undue discrimination or unfair competition. And the burden of showing such undue discrimination or unfair competition shall be on the party urging the same and the proof upon which the board shall find the same to exist and shall find the necessity to raise such wage or hour standards to overcome the same shall be found by the board to be clear and convincing.

4. In every determination of minimum wage standards or maximum reasonable work week hereunder the maximum hours of employment or minimum standards of wages fixed by collective bargaining between the employer and his employees (or representatives of a bona fide union of his employees designated or selected for the purpose of collective bargaining) and covering any craft, class, or industrial unit shall prima facie be taken and deemed to be minimum fair wages or maximum reasonable workweek standards unless such fixed hours or wages exceed or are less respectively than the maximum hours and minimum wage standards established by any competitor for employees of corresponding class, or craft, or industrial unit, as the case may be.

5. Whenever the board finds employment of employees in any occupation to be covered by its investigation or order, is of a character generally recognized as craft employment, the investigation and order must in each case deal with such craft employment as a separate classification.

6. In any case where pursuant to sections 3 and 4 hereof, minimum fair wages or maximum workweek standards are prescribed by regulation or order of the board different than the minimum wage or maximum workweek standard fixed by the collective bargaining agreements considered in connection therewith, the provisions of such agreements shall be deemed to be subject to such regulation or order only to the extent necessary to make such regulation or order effective and only as long as the same shall be outstanding and in every other respect such agreements shall be in full force and effect to the same extent as if such act had not been in effect and such regulation or order pursuant thereto had not been issued or was not outstanding.

These are the additions that we wish to offer, and we believe that the acceptance of these additions, and the incorporation of these additions in the act will serve to make real the recommendation of the President in his message of May 24, 1937, and at the same time preserve the principles of industrial democracy and freedom in collective bargaining.

National Lawyers' Guild, New Organization—Economic Liberty of American People—Major Forces Today

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1937

ADDRESS OF HON. MAURY MAVERICK, OF TEXAS, AT NEWARK, N. J., ON JUNE 28, 1937

TOO MANY LAWYERS, WORKERS, FARMERS—NOT ENOUGH WEALTH

Mr. MAVERICK. Mr. Speaker, last Monday, June 28, I was invited to Newark, N. J., where I spoke before the National Lawyers' Guild. The Lawyers' Guild is a new national organization created in December 1936.

The creation of this organization is undoubtedly an outgrowth of the economic condition of the country today. Some say, "There are too many lawyers", but there are also, according to our present economic system, too many workers, too many farmers—in fact, too many human beings—and too little wealth to go around.

The American Bar Association claims approximately 29,000 members, and there are around 175,000 lawyers in America. It was created in 1878. It is a substantial, but at this time, a reactionary force in American life. But in making my address to the National Lawyers' Guild I did not have any intention, and do not now have any intention, of reflecting on the older organization.

We need new and vital organizations in every line of human endeavor. Many professions see this.

In the field of medicine tremendous changes have taken place; the last national convention of the American Medical Society was evidence of this. They passed a resolution favoring the dissemination of information concerning birth control. The New York State Society of Medicine presented various fundamental aspects of socialized medicine, and, on the whole, it was of enormous importance, although the recommendations were not adopted.

In other words, the medical, the legal, the engineering professions are facing great changes. The engineering profession, for instance, faces a change from the exploitation era—the private building of great railroads and dams and other endeavors, to the present period of great public projects like the Tennessee Valley Authority, Grand Coulee Dam, and others.

BAD HOUSING IN CITIES—CHANGING ECONOMIC FORCES

All of the members of the professions, therefore, must give deep study to the changing economic forces. They must do this from a viewpoint of plain common sense, first, for their own self-preservation and the right to follow successfully the profession which they have learned; and, second, they must do this in order to better serve humanity.

Arriving in Newark, I was met by members of the mayor's staff upon my request to see the housing in the city. I asked them to take me to the worst slums in the city, which they did. These slums have a large number of frame houses, and undoubtedly they are a great menace to health and safety. In some streets you see literally hundreds of Negro children and extremely bad housing.

This, however, is no reflection on the city of Newark, for the same is true of every city in America. It only clearly demonstrated to me the necessity of a great housing bill, where not a few millions of dollars are appropriated for housing, but where billions are spent.

OLD BUILDINGS SHOULD BE TORN DOWN, NEW ONES ERECTED

In the city of Newark we find solid blocks of slum dwellings jammed close together. Unsanitary and dangerous, they are without sufficient sun, light, and air.

What should be done?

They should be torn down by the block, and where the buildings average from two to three stories high new building could be erected from six to eight stories high, the extra space being utilized for playgrounds, sun, light, air, nurseries, gymnasiums, community stores, and so on. In the city of Newark the Prudential Life Insurance Co. has two big building projects where housing is indeed very fine. However, such housing is only a drop in the bucket.

The changing economic forces, therefore, affect every trade, profession, or business in America. Therefore in speaking to the lawyers I addressed them not merely as writers of contracts and as mechanics in courts, but as citizens who are a part of the American picture.

My address was as follows:

Mr. Chairman and fellow Americans, as a lawyer and as a Member of Congress, I come before you to talk about the organization of the National Lawyers' Guild. But it would please me mightily if you would forget altogether that I ever had a license to practice law or that I am a Congressman; I should also like for you to forget that you ever went to a law school, that you are now lawyers, or that you hereafter may represent some big corporation, be a Member of Congress [laughter], or a big shot of some kind.

I should not only like you to do that, but I should like you to abandon thinking or feeling as lawyers, and I will try as much as I can not to think or to speak as a lawyer. I shall attempt to speak as a person who is grocery-conscious, and, as we lawyers always say, to wit, and as hereinafter stated, it is hereby alleged, and therefore stated, that certain goods, wares, and merchandise, to wit, groceries, foodstuffs, and eatables, have heretofore been, and will hereafter be, necessary in the process of living to the citizens of the United States of America, an international corporation, or a nation, as hereinbefore stated; said groceries being used as sustenance: Provided, however, you get said groceries with 8 or 10 whereases. [Laughter.] In other words, what I would like to talk to you about is that we have to live like human beings; and that should come into consideration of our own thinking for ourselves as well as those whom we might represent.

ELEMENT OF SELFISHNESS IN EVERY ORGANIZATION

And in order that we may be completely honest, I want to read to you the purposes of the Lawyers' Guild. One of them reads: "To advance the economic well-being of the members of the legal profession." I think it is about time for lawyers to admit that they are looking out for their own welfare, because the practice of a great many has been to say that they are looking out for the welfare of others, while they are looking out for the welfare of themselves. There is an element of selfishness in every organization, and we should say the selfish things first.

PURPOSES: COMMUNITY RELATIONS, ETHICAL STANDARDS, CIVIL LIBERTIES

Here are a few more:

To improve the relations between the profession and the community.

To improve the ethical standards which must guide the lawyer in the performance of his duties.

To protect and foster our democratic institutions and the civil rights and liberties of all the people.

To promote justice in the administration of the law.

Take a case of my own as an example, that concerns civil liberties. Down in Texas, when I was a candidate for Congress, a member of the bar criticized me severely for being a member of the American Civil Liberties Union; he went on to say that I had defended "radicals"—oh, yes; and Communists, too—but the thing that made his demagogic charge indecent was that he knew every American is entitled to civil liberties.

The fact is he is a well-educated fellow, ordinarily failing to protect civil rights and denouncing me for doing so, although I did it under the Constitution of the United States. The reason was that he represented certain corporations who would deny those civil rights to others. In other words, he was a prostitute of the profession.

But you are not interested in my affairs, and again I say it was only an example.

LAWYERS PART OF PEOPLE OF UNITED STATES

However, let me read another thing about the Lawyers' Guild:

To aid in the adoption of laws for the economic and social welfare of the people.

This is a quite unselfish part; but after all, it still might be classified as selfish. It is that we must realize lawyers are a part of the people of the United States. Even if we should become rich exploiting our fellow man and doing what we are told by our employers, we are not insuring a decent country in which our own children can live. So as we must realize that we are thinking as human beings interested in the welfare of the country of which we are a part. Let us pass on to some considerations important to us as lawyers.

INFLUENCE OF LAWYER TODAY VERY SMALL

We must know first of all that the influence of a lawyer in America with the people is today very small. Either it is their own fault, or the fault of the position in which they find themselves. Whatever the reason, we must regain the lost influence of our profession. There is absolutely no use in talking about it, but with the American people the American Bar Association has very little influence where the attitude of the organization is known and understood. The organization has power—economic, political, and financial—but not real and personal influence with the American people.

The lawyer has less influence today than he ever had at any time of the history of the Nation, with the possible exception of the time just preceding and following the Revolution, when mortgage foreclosures were such that the general feeling was to lynch every lawyer at sight. [Laughter.]

Now, let us be frank with ourselves. Most of us in this audience are young men up to middle age, and most of us remember Judge So-and-so, who was the seer of the town and was regarded as the leader of civic righteousness in the community. There were two reasons for this: One because the lawyers represented individual clients in those days and there were a sufficient number of them for a lawyer to be entirely independent; also other lawyers represented the rising corporations who were going through the inflationary process that all America was passing through.

People were accumulating big fortunes and individualism was still the main thing. It was necessary to have lawyers and plenty of them. And the influence of the corporations increased rapidly and more rapidly. With it the lawyers' influence increased.

CONCENTRATION OF WEALTH; CRASH, 1929; HOOVER THROWN OUT

Finally the corporations got to be of enormous size, there was a concentration of wealth, and, finally, although unemployment had been extensive for at least a decade, came the crash of 1929. Very few people understood it and very few people understand it now. The first chance that the people got they threw Mr. Hoover out, because they knew that he represented this centralization of wealth.

Then came Mr. Roosevelt! [Applause.]

All of us remember the formation of the many kinds of leagues, especially that of the Liberty League; most of their time was taken up in criticizing Roosevelt, his administration, and saying that anything the Democratic administration did was unconstitutional. It can be truthfully said that most of their statements were borne out later by the Supreme Court, because a majority of the Court consisted of lawyers, who, if they were not on the bench, would be lawyers of the Liberty League.

But in any event, the behavior of the great business corporations was repudiated by the people of the United States in 1932 and again in 1936. With these repudiations came an implied repudiation of the lawyers of the United States.

ECONOMIC VIEWPOINT OF LAWYERS, CLIENTS WITH MONEY

In every legal controversy, in every controversy concerning a law of the United States, the American Bar Association—and I should say a majority of the lawyers of the United States—have sided against the present Government of the United States on the theory that a law should be broken down and declared unconstitutional because it did not suit their economic ideas. I think it worth while for us to inquire into the reason for this.

The reason for it, as far as I am able to ascertain, is that the lawyers have always represented people who had an immense amount of money. The way a lawyer makes a lot of money is to represent people who have a lot of it, and that is such an obvious statement that it is hardly worth saying.

BIG BUSINESS PRESSURE GROUPS MORE ACTIVE THAN EVER

Now, my fellow Americans, what is happening just now? I am going to try and explain the situation as well as I know how. People are forever talking that civilization is at the cross-roads, and we have heard that if the English hadn't won a certain battle that civilization would have been lost; we have heard the same about the Battles of Trenton, of Bunker Hill, of Gettysburg, the Argonne, and of a thousand other places.

But it does seem that there never have been periods in history when there is not a major move one way or the other. At the present time, speaking of Congress, we find that there is a ding-donging, day to day, minute to minute, pressure upon Congress and the President of the United States for Congress to adjourn and go home.

We find that there is the heaviest movement against labor, against minimum wages, against farm tenant and decent agricultural legislation than ever before in the history of the United States. That is one major force.

BUT PEOPLE DEMAND ECONOMIC LIBERTY AND PERMANENT SQUARE DEAL

On the other hand we find another major movement by the people of the United States for economic liberty. The unions everywhere are organizing and demanding their rights. The people everywhere are expecting not only a new deal, but a better deal and a permanent square deal. These are the two major forces.

1776, PRIVY COUNCIL, KING GEORGE III; 1936, SUPREME COURT, NATIONAL MANUFACTURERS, CHAMBER OF COMMERCE, AMERICAN BAR

What then are the forces that are balancing against each other? I think that in many respects they are analogous to that of our Revolution. Certain groups project themselves in the period today. George III and his Privy Council and Committee of Trade and Plantations were a symbol of reaction in that day. The Parliament of England, nobility of England, and the great commercial classes looked with contempt upon the Thirteen Colonies. It is certain that the British Parliament had little contact with the people of the Thirteen Colonies, for they had no representation whatever.

American legislation, enacted by the people, was declared to be void, what we now please to call "unconstitutional"—in other words, the people were denied representative government.

Now, let us see the situation today. There are many Members of the Congress of the United States who have the same attitude toward the American people today that the members of the British Parliament had in 1776. Then in power were great leaders of business, similar organizations to the National Chamber of Commerce, the National Manufacturers Association—and not to forget another, the American Bar Association—and these organizations of today, in the opinion of many, have no more concept of the rights of the American people than did the same classes in 1776. If they can do it, they will make of the Supreme Court a sort of combination of King George III, the big merchants, and the Privy Council's Committee on Trade and Plantations.

MEN MURDERED IN COLD BLOOD BY POLICE

Let's quit talking about history, as it gets very tiresome, and talk about things of today. Let's talk about Tom Girdler, of the Republic Steel Co. Let's get the background. Over in Chicago, nine men were murdered in cold blood by the police.

Men were murdered while lying on the ground.

People's brains were bashed out as they lay on the ground.

Moving pictures plainly show that the police were the aggressors, and that the nine were murdered. The strikers were not armed.

Did any member of the American Bar Association rise up and denounce these horrible crimes?

No.

Did any industrialist do it?

No.

Did the Guild do it?

Yes; and it has been assisting the La Follette committee in every way possible.

Where is the leadership of America? There is a lot of talk about violence by the strikers, and I do not approve of violence. I oppose it as strongly as any man in this Nation, but neither do I uphold police brutality and violence. [Applause.]

Yes; I was talking about Tom Girdler. I went over to the Senate Post Office Committee to hear him. When he started talking about lawyers, he spoke of them contemptuously, saying, "I have fired many a lawyer." But that is not all. He spoke contemptuously of what I believe to be human life. He, in every way, seemed to be an unkind, unsympathetic, sadistic, irresponsible brute, who thinks of nothing else but the profits of himself and his concern.

This is the kind of man who is the head of a great corporation. We, who are lawyers, should help mold public opinion against such men as he. He is a menace to free democratic institutions. Certainly, people who own stock in that corporation must know that such a man is dangerous to them and will wreck the corporation and destroy the value of their investments. Certainly, they should realize that he is a dangerous man.

He spoke sneeringly, arrogantly, and smart-alecky. He spoke as though he were a great businessman—one of those fellows who thinks that business is greater than the Government of his country. Of course, he had been coached well and he proclaimed himself as wishing to obey the law and said that he would obey the Wagner law. Every indication is that he would not. He said he would not sign a contract.

TOM GIRDLER MAKES UNPRINTABLE INTERVIEW

After 3 days of insistence, he granted an interview to the press. I talked to several of the men who were there. They told me that as far as is known no such interview has ever been given in Washington; that his interview was unprintable, being obscene, filthy, scurrilous, and profane to the point of shocking old-time newspapermen who have known the toughest men in America.

He indicated one thing: he regarded the Government of this country with contempt. He regards himself outside of the law; and he is pretty nearly right. He regarded himself and his corporation as independent of all government. To this I can add I have never seen such a contemptible character in the days of my life.

TOM GIRDLER—"I"—THE BIG I, I, I, I

Let me analyze the situation without emotion and as a lawyer: Tom Girdler said on June 24: "I won't have a contract with C. I. O.; I am not going to sign." Who is this big "I"? He is the president of a giant corporation. His power is not his own. It is the power that comes to him from four sources:

(1) The use of other people's money, the money of the investors in his corporation;

(2) The fact that thousands of workers invest their lives in working for that corporation;

(3) The fact that millions of citizens buy products made of steel;

(4) The fact that, under what we call law, such a corporation has been allowed to have immense power.

Who would care what that puny, stubborn, antediluvian-minded, strutting jackanapes, Tom Girdler, as an individual, thinks about the peace and welfare of the United States? It is not what that foolish-minded man Girdler thinks; it is the fact that he is speaking in the name of a great corporation and actually wields power which is not his own.

The lawyers have created that situation, for they have invented the devices by which a small minority of willful antisocial men like Girdler are dressed up in a brief authority and can thwart the well-being of 130,000,000 human beings. If ever there was a lawyer-made monstrosity, it is the present-day legal position of the giant corporations and their affiliates.

FIFTH AMENDMENT—"PERSONS"—HAS A CORPORATION LIMBS, LIVES?

Let us observe: The fifth amendment to the Constitution says that "no person shall be deprived of life, liberty, or property without due process of law." It also says that no "person" shall be punished for a capital crime—that is, a hanging offense—unless a grand jury has indicted him, and that no person shall be put twice in jeopardy of life or limb.

Now, I ask you, in all common sense, whether, when those words were written, "person" meant a corporation? Can a corporation lose its life? Can it be hanged by the neck until dead? Can its limbs be endangered? Of course not. You might as well talk of a corporation being shaved or having its hair cut, or having a stomach ache, or making love, or getting married. To be sure, it might be well to take the whiskers off a lot of corporations so that we could see what was really behind them: That some of the men who run some of the big corporations are having intellectual stomach aches; that some of them are trying to make love to the American people; and that many of them do have children—hundreds of subsidiary corporations looking up to their parent companies and committing corporate incest by living in sin with their close relatives.

"PERSONS" APPLIES TO FOURTEENTH AMENDMENT, TOO

But it's just plain nonsense to say that the men who insisted on the civil-liberties amendments to the Constitution, including the fifth amendment, thought they were providing civil liberties—protection from unjustified hanging, for instance—for these artificial entities.

And the same is true of the fourteenth amendment. It, too, talks of the life, liberty, and property of "persons." It refers in its first section to "persons born or naturalized in the United States", and it goes on to provide that certain persons can't be elected Senators or Congressmen. Even John W. Davis and Senators King and Burke don't claim that corporations can be elected Senators, although sometimes it looks as if they had been.

Well, who invented the word "persons", so that Tom Girdler and his kind can today use corporations to defy the will of millions of people? The lawyers—on the bench and at the bar. It is time to change this sophistry, this beating about the mysterious legal bushes. We must admit it's our Owen Roberts and Pierce Butlers that have invented that crazy racket.

HUMAN LIBERTIES—CORPORATIONS GET THEM AND HUMANS DO NOT

And it's the same kind of lawyers, sitting in the Senate Judiciary Committee that want to perpetrate that dangerous nonsense. Who was the successful plaintiff in the A. A. A. case or the Railway Pension case?

A corporation. Whose "liberties" (that Senators KING and BURKE make so much of in their report denouncing the President) does the Court spend most of its time protecting?

You know the answer: The liberties of corporations.

"Our law reports", say the 10 Senators in their assault on the President, "are filled with decisions reassuring the citizen of his constitutional rights, restraining States, restraining the Congress, restraining the Executive, restraining majorities, and preserving the noblest rights of individuals." What they mean is that corporation lawyers, sitting on the Supreme Court, have been restraining governments, "restraining majorities", and have been preserving the so-called rights of corporations.

If ever there was a distortion of plain words and plain intentions, there you have it.

"The Constitution", writes Senator KING and his nine colleagues, "courageously construed and upheld through 150 years of history, has been the bulwark of human liberty." Now that was unquestionably what the amendments to the Constitution were meant to do. But as perversely interpreted by the Owen Roberts and Pierce Butlers—Sutherlands and Van Devanters—becomes the bulwark of the license of corporations to trample on human liberty.

CONSTITUTION—"WE THE PEOPLE"; NOT "WE THE POWER COMPANIES"

The Constitution begins with the words, "We the people." As Senators KING and BURKE and such like interpret it, the Constitution reads, "We the giant corporations of the United States." Do you think that Senators BURKE, AUSTIN, and STEIWER are much concerned with "the people" when they attack the President because he is trying to stop Justices Pierce Butler, Owen Roberts, and McReynolds from restraining the majority who don't like what the giant corporations have done to human liberties? They are interested in such things as, "We the power companies of the United States."

We've just got to put an end to such lawyer's flapdoodle. Every liberal and every President, liberal or conservative, has been against it.

WOODROW WILSON; CORPORATIONS; POWER OF THOUSANDS IN FEW HANDS

Listen to what Woodrow Wilson said more than 20 years ago: "These men are hereby made, as it were, multiple individuals. In them are concentrated the resources, the choices, the opportunities, in brief, the power of thousands.

"Modern democratic society, in particular, cannot afford to constitute its economic undertaking upon the monarchial or aristocratic principle and adopt the fiction that the kings and great men thus set up can do no wrong, which will make them personally amenable to the law which restrains smaller men; that their kingdoms, not themselves, must suffer for their blindness, their follies, and their transgressions of right.

"It does not redeem the situation that these kings and chiefs of industry are not chosen upon the hereditary principle (sometimes, alas, they are), but are men who have risen by their own capacity, sometimes from utter obscurity, with the freedom of self-assertion which should characterize a free society. Their power is none the less arbitrary and irresponsible when obtained. That a peasant may become king does not render the kingdom democratic. * * *

THEY DOMINATE BODIES POLITIC THEMSELVES

"A modern corporation is an economic society, a little economic state—and not always little, even, as compared with states. Many modern corporations wield revenues and command resources which no ancient state possessed, and which some modern bodies politic show no approach to in their budgets. The economic power of society itself is concentrated in them for the conduct of this, that, or the other sort of business. * * *

"Society, in short, has discovered a new way of massing its resources and its power of enterprise is building up bodies economic outside its bodies politic which may, if we do not find the means to prevent them, the means of disclosing the responsibilities of the men who compose them, dominate bodies politic themselves. * * *

"They span society, and the responsibilities involved in their complex organization and action must be analyzed by the law as the responsibilities of society itself, in all its other aspects, have been.

"I know that some corporations are in fact controlled from the outside, not from the inside; that it often happens that some man or some small group of men who are not even in its directorate dictate its policy, its individual acts, its attitude toward law and society * * *."

TWO UNIVERSITY PROFESSORS DENOUNCE FREE GOVERNMENT

President Angell, of Yale University, the other day belched forth a lot of venom on the President and accused him of trying to upset our democracy. Angell was not as fluent as his predecessor, President Hadley, of Yale, who, about 30 years ago, said that the great virtue of our Government was that it consisted of two parts—not three, as it is commonly said: (1) The great majority acting through their chosen representatives, Congress and the President, on the one hand, and (2) the Supreme Court on the other. The function of the Court, he said, was to protect property against the will of the majority under a democracy.

And that is exactly what Senators KING, BURKE, and AUSTIN mean when they say that the Supreme Court must not be "subservient to the pressure of public opinion of the hour." "Of the hour"—God save the mark! The Supreme Court interpreted the Constitution to mean that Congress can't stop corporations from sweating children. And we've been 13 years trying to put through a constitutional amendment to protect millions of kids from the liberties of corporations, sanctified by the Supreme Court, to ruin their lives. A few lawyers did that.

GOVERNMENT BY LAWS, NOT MEN—EX-CONVICTS AND GUNMEN

They talk about a government of laws and not of men. They mean a government of corporation laws, not of men. It is about time that the great majority of men began to assert themselves. If government, as the Supreme Court holds, means rule by corporations, then we want a government of, by, and for the majority of men.

Government by corporation laws, if you tear the mask off it, means men. It means government by the Tom Girdlers. It means, as Senator LA FOLLETTE has shown, government by gunmen and ex-convicts hired by the Tom Girdlers. It means government by private armies and thugs and spies.

"Personal government means autocratic dominance", says that zealous supporter of human liberties, Senator KING, in his abusive assault on the President. You bet it does. And that's just what Senator KING and his fellow detractors of the President want to perpetuate.

They want to preserve Owen Roberts' power to preserve Tom Girdler's personal government, his bruising autocratic dominance. And that is why Senator KING and his nine fellow Senators say that "inconvenience and delay in the enactment of legislation is not a heavy price to pay for our system." Whose system? Tom Girdler's system.

I could go on for a week telling you how the Supreme Court has turned our Government over to the men who control the giant corporations, but you know the story yourself. But I must state, merely adding this: Look at the men who run those corporations and those who as lawyers advise them that it is unconstitutional for the workers to ask more pay, or for the United States to finance cities and States to build power plants that will compete with the great public utility holding corporations.

Here is Mr. Sloan, friend of General Motors. His yearly income, received from General Motors, runs up to over a million—enough to support a village of workers. But he forms a personal holding corporation and then pays only a tiny income tax to support the Government created by the Constitution. A former law partner of Chief Justice Hughes, and a noted big corporation lawyer, crawls out of paying most of his taxes. Mr. Sidlo (partner of Newton D. Baker, who says the President is seeking dictatorial harness and is wasting the public's money and who spends most of his time representing the big power companies) does the same.

THE SUPREME COURT LEAVES WHEN THERE IS WORK TO DO

While I am talking of Newton Baker, let me say a word about the letter Chief Justice Hughes wrote criticising the President's court plan. The Chief Justice said, in March of this year, that the Supreme Court would hear "all the cases that came before it for argument" before it adjourned for the summer. But see what the Court did in some power-company cases brought before it by Newton Baker, which he has consistently lost in the lower courts; it granted a stay which will stop the expenditure for municipal power plants of 60,000,000 or more hours of work to the unemployed.

The Supreme Court Justices stopped that employment by an order they entered just before they went on a 4-months vacation.

And they fixed it so they could tell a half-truth, the way some lawyers do—that the case was "not before it for argument" by the trick of postponing the argument, against the protest of the President, until next November. In other words, while the nine venerable gentlemen vacation, thousands of men will go unemployed. But Mr. Newton Baker's corporation clients enjoy an injunction for nothing.

"NOBLEST RIGHTS OF INDIVIDUALS"—LAWYERS' FLIM-FLAM

"We the people?"

"The noblest rights of individuals?"

"A government and rule by law, as distinguished from government and rule by men?"

That's just lawyers' flim-flam.

THE PRACTICAL SITUATION OF THE LAWYER

Yes, my friends, we must face the practical situation of the lawyer. I spoke of groceries in the first part of my speech, I spoke about the real situation. What we want to do is to make it so everybody in the United States gets their groceries.

When I was president of the bar association back home, I got up one day and proposed that we have what has become the guild today. I said that we should protect our rights, possibly have a minimum fee system. The older lawyers of the bar were simply outraged. They said that what I was doing was violating every precept and principle "when men's minds runneth not to the contrary." [Laughter.] Now, I think I am right.

We as lawyers must make it economically possible for us to be on the side of the people. [Applause.] We must make it so that our responsibility is economical, moral, and political, as well as legal. We must make a new and progressive force.

I mentioned that in Congress there is the heaviest pressure ever put on Congress to get us to adjourn. Why? The reason is that the intrenched interests, the big-business groups, want us to go home without accomplishing anything. They want us to leave the Government and go back home so that they can get the governors of the various States to call out the militia, and then, after provocation, of course there will be more killings. In that way they would propose to subdue labor.

VIOLENCE! NO WORKER WANTS TO GET KILLED

They are always talking about violence. We who are assembled here are opposed to violence. No man wants to go out and get himself beat up and killed.

We oppose violence in every way, and so does every good American. [Applause.]

The ones who have bought the tear-gas bombs, who have the machine guns, the thugs, and the gunmen are the employers. When I say this I say something that is absolutely uncontroverted. No one denies it. The pages of every committee report over in Congress attest to it.

So I say, fellow Americans, that the two major sweeps which I have mentioned are on the move in this country. Which side are you on? Are you on the side of the machine guns, some of the big industrialists like Tom Girdler, or are you on the side of the people? They bring in the name of John L. Lewis. Let me tell you John Lewis is a good leader, an able man, and nevertheless the movement is there, whether he is alive or not. [Applause.]

We who are lawyers cannot remain outside and aloof from the economic and political struggles of the country.

We must be in it, and of it; and when we are in it, and of it, we must decide which side we are going to be on.

I have a feeling that the people are going to win. I want to be on that side, whether they win or lose, but, confidentially, I believe they are going to win. [Applause.] So, after all, it is a wise thing for us to be on the winning side, too.

My fellow Americans, I make an appeal to you. Let's get the cobwebs of legalism out of our heads. Let's be good lawyers and represent our clients honestly, fearlessly, and fairly. Let's get organized in the Lawyers' Guild, preserve a high ethical standard, protect civil liberties as a duty, and fight for our own economic welfare as well as that of our country. [Applause.]

VAST PICTURE OF GLIMMERING LIGHTS AND INDUSTRIAL CITIES

Mr. Speaker, after leaving this meeting a friend drove me through Newark and the other New Jersey cities, and I saw all these great congested municipal and industrial areas during the nighttime. It was one vast picture of lights, elevated roads, bridges, tunnels, crowded streets, and in some places streets that were entirely deserted for the night.

From Newark we traveled over an elevated road, only a portion of which cost $21,000,000—twice as much as the United States Government will spend in the entire year of 1938 on the millions of dispossessed sharecroppers over the United States. We drove rapidly through the Holland Tunnel, which cost around $50,000,000. It is one of the greatest engineering feats in all the world, and, as is well known, is under the Hudson River. It is all beautiful shining tiles from beginning to end.

MILLIONS OF ORANGES—NEW YORK'S SPECTACULAR OPERATIONS

Arriving in New York we visited the docks where the perishable foods and fruits are brought in by lighters from across the Hudson. On one dock alone I noticed the hugeness of the thing, covering hundreds of thousands of square feet. There were millions of oranges, grapefruit, casaba melons, cantaloups; and the hugeness of this one place was hard to realize.

But this was nothing.

We drove around seeing the gigantic food operations of New York City. We saw only a tiny portion, but the organization of the food supply to New York City is one of the most enormous, spectacular, and efficient operations in the entire world.

Everything that I saw there in New York, and also in Newark, brings to my mind the necessity for some plan for our modern industrial life. It brings also to my mind the necessity of national laws. Around New York City converge

several States. There also converge several cities. Hundreds of different kinds of speed-up industries are jammed together. There is a conflict of jurisdictions, and into these crowded centers comes every form of transportation and communication.

THE DAYS OF SMALLNESS ARE GONE FOREVER

It is useless, therefore, for us to say we must revert to the old days where each man had a little store and where everything was run on a small basis. This is a day of great combines, of mighty corporations, and we must face the facts. We cannot legislate ourselves back to medievalism or barbarity. We ought not to. We are forced to meet the issue of modernism.

To wash our hands of the intricate problems of today is to leave America at the mercy of large organizations, such as corporations which hire from a few thousand to hundreds of thousands of people. We cannot for a moment do that.

We cannot honestly say that we must "let business alone" to the extent that large corporations employing thousands upon thousands of people are left to make their own labor policy and to treat their employees and stockholders, and the people, just as they please. We must acknowledge that there must be some control in matters of that kind or else we are really abandoning the American people to blind and cruel economic forces.

SEVERAL SCHOOLS OF THOUGHT—GREAT CONTENDING FORCES

We have, of course, several schools of thought. Some, out of desperation, would plunge the country into fascism or communism, but everyone knows that neither of these philosophies are suitable to the American idea of government.

Some, by laws, would break down big organizations and put them back to little ones.

Others would simply let the big corporations do as they please.

It seems to me that none of these philosophies are suitable to actuality in this country. Operations are necessarily big, and it might be said that it is impossible in many instances to return to small operations. If that is the case, then it would seem that the public servant, the citizen, must understand these big operations and must insure for the investors and the employers fair trade practices and a decent wage and social security to the employees. This cannot be left to private armies to fight off strikers and to fight out strikes to the death; human beings cannot be left to private insurance and "benefit" systems established or not established, and the whim and caprice of the employer. Neither can society be left to the caprice of union leaders.

No, we cannot laugh off any of our problems. We cannot stick our heads in the sand like ostriches and say that all of our serious, deep-seated problems will adjust themselves in time by merely leaving them to anarchical forces.

As intelligent people we must at least attempt to be the masters of our own destiny.

Nuisance Taxes, Crooked Taxes, and Public Improvements

EXTENSION OF REMARKS

OF

HON. CHARLES R. ECKERT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

Mr. ECKERT. Mr. Speaker, to mention the subject of taxes in the same breath with public improvements provokes the query, What is the connection between taxes and a river and harbor bill? The first impression no doubt would be that the prosecution of a program of public improvements is a drain upon the Public Treasury, and hence more and higher taxes. While it is true that the construction of public improvements causes a drain upon the Public Treasury, yet there is another angle to the problem of public improvements that is of deeper significance than the mere question of taxes. If public improvements are justified at all, they are public assets; therefore the problem of public improvements assumes national proportions.

The question of developing rivers and harbors, as well as the problem of flood control, soil protection, reforestation, stream pollution, all are matters of national concern and go to the very bottom of the great problem of conservation. It is in this aspect that the work that has been done by the Rivers and Harbors Committee must be viewed. River and harbor improvements are not local, but national, in character and the benefits are enjoyed by the people in all parts of the country. As civilization marches on, nations and peoples are increasingly becoming more and more interdependent, and so what is beneficial to one locality is beneficial to all localities. Among the most essential factors in the onward march of civilization and the development of society is transportation. The first need of a growing community is the ability for people to communicate with each other. Without an adequate transportation system a community could not develop or survive. Transportation is of the very essence of the life of society. The nation that enjoys a well-rounded and comprehensive system of transportation is on the way to economic supremacy. Water transportation has proved to be one of the cheapest and most indispensable methods of transportation, and therefore the development of America's rivers and harbors is of vital concern to all the people.

The improvement of our rivers and harbors is under the direction of the Secretary of War, who at all times has at his command the services of the Army engineers. The story of the development of our rivers and harbors is an eloquent tribute to the efficiency, the integrity, the patriotism of the Army engineers. This body of public servants enjoys an enviable record of public service and stands as an assurance that the people's interest entrusted to their hands will receive conscientious and intelligent attention. Each project in the present bill has been studied and investigated by the Chief of Engineers and the Board of Army Engineers. All have their unqualified approval. This fact, in and of itself, is assurance that before a project is recommended by the Rivers and Harbors Committee it has been subjected to a rigid and thorough survey by skilled and trained engineers.

Generally speaking, all river and harbor projects are sound economically, otherwise they would not receive the approval of the Army engineers. Public improvements that can be justified on economic grounds always redound to the benefit of the people as a whole. It has been said:

> Nothing is more evident in this interdependent society of ours that the good of each depends upon the good of all.

The benefits of the development of our rivers and harbors are so generally recognized and appreciated that little need be said in support of the present bill. And so it is not the program of river and harbor development that I wish to discuss, but rather the effect of the prosecution of such a program upon the economic life of the people.

There are certain natural laws that govern our economic life. It is asserted by many students of political economy that if the people would regulate their social life in accordance with these natural laws, involuntary poverty would be abolished and prosperity and peace secured for all. This is a challenge to lawmakers and statesmen.

The most outstanding of these natural laws is the law of rent. Rent in its technical sense is the net profit for the use of land. Useful improvements, whether public or private, increase the Nation's assets, the benefits of which, due to an immutable law of nature, attach to land. This becomes clearer when it is remembered that the value of land rises in the proportion public improvements contribute to the efficiency of the Nation's economic system. Nations that are blessed with a highly developed and efficient economic system enjoy high land values.

Transportation is a major factor of modern society, and therefore rivers and harbors, where properly developed and improved, contribute their full share to the Nation's public assets. The benefits that flow from and the values created by such improvements are diffused throughout all sections

of the country. The improvement of the Ohio River Basin, or the New York Harbor, or the inland waterways of the great Mississippi River Basin in greater or less degree add to the value of the natural resources everywhere. And it is in this aspect that there is a very close relation between river and harbor improvements and taxes.

Hence, in the adoption and adjustment of the Nation's fiscal system the law of rent ought to be recognized so that the profits that arise from the improvement of our rivers and harbors and public improvements generally may be appropriated by society for the use of all the people. If this were done, the tax problem would resolve itself into a very simple proposition. The present unjust and dishonest system would be supplanted by a system at once honest, equitable and just. No longer would men be lured to commit perjury in the hope of beating, cheating, and swindling the Government, for there would be no need for Government to take justly earned private property from individuals and corporations for public revenues.

The problem of public improvements is important, but the problem of taxation is more important. For what brooks it to develop the Nation's natural resources to a high state of production and usefulness only to become the prey of a dishonest fiscal system? James W. Gerard, former Ambassador to Germany, in a recent public address, declared:

Taxation, not barbarism, destroyed Rome.

In these days of unprecedented expenditures of the public funds, both local and national, it is refreshing that someone of national fame has the temerity to call the attention of the people to the all but forgotten fact that nations and civilizations may be destroyed by the misuse of the taxing power. Rome is but an example. Other nations and other civilizations throughout the history of the race have suffered the same fate in the same way. History is replete with the wrecks of empires and civilizations due to the reckless and vicious use of the taxing power. The recognition of the truth to which Mr. Gerard has directed our attention is an indication of the vast importance of the tax question. There is no item in the entire agenda of government that embodies such dynamic power for good or ill as that of taxation.

The taxing power involves more than the mere mechanics for obtaining public revenues. It is an agency of government that may be employed to destroy many of the present-day economic evils. The ills of modern society in large measures are traceable to the inequitable distribution of the national income. The vexing labor problem, the disturbing farm problem, the disquieting public-utility problem, the elusive problem of monopoly, of corrupt politics, or dishonest government, of concentration of wealth, of unemployment, of poverty and crime, all in large measure are the offspring of the unjust sharing of the products of labor. The most vexing and disturbing problem confronting the statesman and lawmakers is to devise ways and means to distribute the national income honestly and equitably among the people.

All manner of proposals are submitted by economists and students of government. Yet few students of the problems of government appreciate the potency of the taxing power as an agency for controlling the distribution of the national income.

And so it is a matter for felicitation that the Treasury Department, at the request of President Roosevelt, is at the present time engaged in an extensive and exhaustive survey of the tax problem insofar as it relates to Federal revenues, to the end that a tax program in keeping with the canons of just and scientific taxation may be submitted to the Congress for consideration.

It is to be hoped that the Treasury Department, in its investigations and deliberations, will be guided by sound principles of taxation and refuse to be lured and fooled by the popular notion that anything that promises to produce public revenues is a proper item for taxation.

There is such a thing as honest taxation, natural taxation, taxation that meets every requirement of sound morals. It is the duty of government to adjust its tax system so that justice and equity will be done to all citizens. The indiscriminate use of the taxing power without due regard to the moral problem involved is indefensible. The so-called "nuisance" taxes imposed by the Federal Government and the ever-increasing vicious excise and license taxes levied by the States and municipalities are not only grievous burdens upon industry, but violate the canons of sound taxation.

Amplifying the subject of nuisance taxes, under leave to extend my remarks, I include a letter addressed to the Secretary of the Treasury.

JUNE 12, 1937.

Hon. HENRY MORGENTHAU, JR.,
Treasury Department, Washington, D. C.

DEAR MR. SECRETARY: On yesterday the Members of the House of Representatives of the Congress of the United States were again confronted with the agonizing experience of considering a joint resolution for the continuance of the so-called nuisance taxes for another period of 2 years. The proponents of the resolution frequently called the attention of the Members of the House to the fact that the Secretary of the Treasury recommended the adoption of the resolution and to the further fact that the so-called nuisance taxes were first suggested by Ogden Mills in 1932, then Secretary of the Treasury.

I am a Democrat of long standing, a loyal supporter of progressive legislation, and anxious that a system of sound taxation be adopted both locally and nationally. As a Democrat, I have unlimited faith in the principles of fundamental democracy, hence I am not impressed with the fiscal and economic theories and policies of Ogden Mills, Andrew Mellon, and their kind. If Democrats cannot offer anything better than that proposed by Mellon, Mills & Co., then they ought to resign and make way so that the experts of crooked taxation may administer their theories and policies. I am persuaded that they can do an infinitely better job of their particular brand of statesmanship than the most accomplished Democrat ever dared hope to.

And why should a Democrat want to follow in their footsteps? Surely a Democrat who knows his democracy and his economics need not rely on the discredited fiscal policies of a dying age.

And yet here we are, year after year, condoning these very discredited policies. How, may I ask, can we justify our course? The nuisance taxes are indefensible. They cannot be justified by any known sound principles of taxation.

Taxation is the most important factor of government. The power to tax is the power to destroy. But it is also the power to keep alive. A sane and rational fiscal system is the very basis of a sound and just economic order. They are coherent and inseparable. Our economic structure lacks tone, vigor, coherency. It is sick unto death. Why? Mainly because the taxing power is exercised indiscriminately, irresponsibly, and without regard to the moral problem involved.

In every growing community nature provides a fund for public revenues. To ignore that fact and permit private interests to appropriate that which belongs to society is one of the most outstanding and inexcusable sins of omission on the part of governments. Because of their negligence to exercise the taxing power properly, they are compelled to violate every canon of sound taxation and outrage the natural laws of human progress and the ethics of democracy.

We profess to be disciples of Thomas Jefferson. We proclaim the principles he expounded as the basis of all just and honest governments. Among the great truths proclaimed by this genuine Democrat, profound statesman, and true lover of mankind, is that

"The earth in usufruct belongs to the living."

Here is the great truth that statesmen must recognize if they would lay the basis of a social structure that will endure and bring peace and prosperity to all. Unless this fact is accepted and fiscal policies adjusted so as to insure to the living the usufruct of the earth, we may pray, plan, and palaver until the crack of doom and get nowhere toward solving the present economic problems.

Nuisance taxes are indefensible, illogical, and unjust. They contain the germs that undermine governments and destroy civilizations.

All honest, informed persons agree with Jefferson that the earth in usufruct belongs to the living; that the social benefits of human advancement and human progress attach to land; and therefore it is the first duty of government to collect the economic rent of land for public revenues in lieu of all unjust and indefensible taxes, to the end that the national income be distributed honestly and equitably among the people.

With kindest personal regards, I am

Yours very sincerely,

CHARLES R. ECKERT.

As stated before, the benefits of public improvements are reflected in land, using the term "land" in its technical sense. This being true, every dollar of the people's money spent for the various projects in the river and harbor bill that are economically sound can be recovered with compound interest by the simple process of collecting for public use the economic rent of land.

Settlement of Claims on Ocean-Mail Contracts

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Thursday, July 1 (legislative day of Tuesday, June 15), 1937

REPORT OF UNITED STATES MARITIME COMMISSION

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a report made by the United States Maritime Commission announcing the results of the negotiation for the settlement of the claims arising out of the ocean-mail contracts which were terminated as of June 30, 1937, by act of Congress. I am sure this report, which is made through the chairman of the Commission, Mr. Joseph P. Kennedy, will be gratifying to the Senate, because it vindicates the Senate's judgment in the organization of this Commission, in placing Mr. Kennedy at the head thereof.

The report shows that the total claim amounted to $73,000,000, and that the Commission had settled and made payment of the claim for only $750,000, and that the Commission has effected settlement with 23 companies holding 32 of 43 foreign ocean-mail contracts.

The Commission also gives details of the plan of operation of the Commission for the following year.

There being no objection, the report was ordered to be printed in the Appendix, as follows:

JUNE 30, 1937.

The Commission has acted under title IV of the Merchant Marine Act, 1936, authorizing the Commission to adjust and settle "all the rights of the parties under such contracts and to substitute in whole or in part therefor" subsidy contracts.

The Commission has effected settlement with 23 companies holding 32 of 43 foreign ocean-mail contracts. The aggregate claims made against the Government by the holders of these contracts approximated $73,000,000. These claims have been settled at a net cost to the Government of less than $750,000.

These claims involve the balance of the payments under the ocean-mail contracts which, if they were to remain in effect until their expiration date, would require the Government to pay out over $52,000,000. In addition, claims aggregating over $21,000,000 were asserted and considered in the settlement. These additional claims involve damages arising from reduction in mail pay because of disputes as to the speed of the ships; mileage disputes; reclassification of vessels; inclusion and exclusion of ports of call; additional sailings above the number specified in the contract; substitution of ships; diversion of mail; higher mileage rates; interest paid under protest; purchase, construction and reconstruction of ships; experimental work; designing, drafting, and technical services; leases of piers and offices; freight commitments; chartering vessels; and issuance of securities.

Also included in these mutual settlements were numerous claims of the Government involving the question of the validity of the foreign ocean mail contracts, claims for additional interest, failure to complete voyages, failure to meet speed qualifications, and many other irregularities.

The following companies have executed settlement agreements: American Diamond Lines, Inc.; American Scantic Line, Inc.; American South African Line; American West African Line, Inc.; Atlantic & Caribbean Steamship Navigation Co.; Baltimore Mail Steamship Co., Inc.; Colombian Steamship Co., Inc.; Eastern Steamship Lines, Inc.; Export Steamship Corporation; Grace group (Grace Line, Inc., and Panama Mail Steamship Co.); Gulf Pacific Mail Line, Ltd.; Lykes Bros.; Lykes Bros.-Ripley Steamship Co.; Mississippi Shipping Co.; New York & Cuba Mail Steamship Co.; Oceanic & Oriental Navigation Co.; Oceanic Steamship Co.; Pacific Argentine & Brazil Line; South Atlantic Steamship Co.; States Steamship Co.; Tampa Interocean Steamship Co.; and United States Lines Co.

A tentative settlement has been reached between the Commission and the Tacoma Oriental Steamship Co., which as yet has not been reduced to formal writing, this company having filed a petition for reorganization under section 77B of the Bankruptcy Act.

Settlement agreements have not been reached with the following companies: American Line Steamship Corporation (a subsidiary of the I. M. M.); Dollar Steamship Lines, Inc., Ltd.; Munson Steamship Line; United Fruit Co.; Waterman Steamship Corporation.

The adjustment of the Munson Line claims has been unusually difficult because the company for a number of years has been in reorganization under section 77B of the Bankruptcy Act. Many complications are present because the service is operated through trustees in reorganization proceedings. However, it is expected that a satisfactory arrangement will be negotiated shortly which will result in a settlement of the claims.

The adjustment of the Dollar Steamship Lines claims has been delayed pending receipt of essential information concerning the company and affiliated corporations and the completion of the arrangements by the company for providing additional capital.

Offers of settlement have been received from the three remaining companies, but the Commission regards these offers as unacceptable. Nevertheless, negotiations are being continued for the purpose of reaching some satisfactory basis of settlement.

As will be explained hereafter, the Commission determined to execute at the outset no subsidy agreement in substitution for the ocean-mail contracts for a longer period than 6 months. Doubt exists in some instances as to whether certain lines can qualify for the long-term subsidy contracts because, among other reasons, they may not be able to arrange for new financing or to discontinue existing foreign-flag operations, or to rearrange their corporate structures in order to comply with the provisions of the act. For these reasons, the Commission has found it advisable in a minority of cases to insert in the settlement agreement a provision allowing the contractor to rescind the agreement within the 6-month period in the event that a long-term subsidy contract is not negotiated. In such case, however, the contractor must return to the Government all mail pay which it received for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under any subsidy agreement before suit may be instituted.

In a few cases the settlement agreement provides for the payment of money to the Government by the contractor. The total of these payments is approximately $600,000. It should be observed that no inference of improper conduct should be drawn from the fact of these payments. They represent a mutual adjustment on a businesslike basis of conflicting contentions. In accordance with the terms of the statute, the settlement agreement will be referred to the Attorney General and the Attorney General may, if dissatisfied, appeal to the Court of Claims within a period of 60 days from the date the settlement is agreed upon by the Commission and the contractor.

Congress, in its desire to promote the foreign commerce of the United States and to aid in the national defense, provided in the 1936 act a novel method of developing an adequate and well-balanced merchant marine.

Although subsidies in a variety of forms are granted by nearly all nations to their maritime shipping, no country has adopted the device found in title VI of the present law.

Under this statute the Commission is authorized to execute operating-differential subsidy contracts with citizens of the United States operating vessels used in essential services in the foreign commerce of the United States. Such governmental assistance is not available to operators in the coastwise trade. To qualify for a subsidy, the contractor must own or be able to provide such vessels as may be necessary to meet competitive conditions and promote foreign commerce. In addition the applicant must be found by the Commission to possess the ability, experience, and financial resources necessary for these essential operations. Finally, the Commission is required as a condition of executing such a contract to determine that the granting of aid is necessary to place the citizen on a parity with his foreign competitor.

An eligible American ship operator of an essential service in the foreign commerce of the United States may be paid an amount not to exceed the excess of the fair and reasonable cost of certain items of expense in which the ship operator is at a substantial competitive disadvantage with foreign-flag ships. In the main, these competitive disadvantages are a consequence of the higher operating costs of American-flag ships, necessitated by the higher American wages and standard of living.

In our study of operating conditions, we found that American steamship operators must meet competition in a world market, without the benefits of tariff protection from foreign-flag ships, of nearly all maritime nations, including England, France, Germany, Japan, Italy, Norway, Brazil, Denmark, Holland, Sweden, Chile, Belgium, and Poland. Without a subsidy, few American operators could long survive, since all foreign-flag lines enjoy substantial competitive advantages in the form of lower operating costs. For instance, the wage costs of some foreign lines are estimated to be less than 20 percent of American wage costs.

The operating-differential subsidy is intended to place the American operators in a position of competitive equality with their foreign competitors, thus enabling American lines to overcome foreign advantages. This is done by paying to the American operator in each case an operating subsidy equal to the difference between the cost of operating his ships and that of his foreign competitors.

The same items of expense covered by the subsidy agreements are wages of officers and crew, subsistence of officers and crew, hull insurance, maintenance, and repairs, as to all of which a substantial disparity in costs between American and foreign lines has been found to exist. In addition the statute authorizes the Commission to include in the sum to be paid to the ship operator any items of expense in which the Commission finds the operator to be at a substantial disadvantage in competition with foreign-flag ships. The Commission, however, believed it to be unwise to include for the present any items other than those specifically mentioned in the statute. The amount of the actual

differential in each case varies according to the type of foreign competition, since foreign costs vary widely among the different maritime nations. For that reason, the amount of subsidy paid to American operators in some cases is proportionately greater than others. In all cases the intent is to place the American operators on a parity with their foreign competitors.

In instances where the American operators compete against several foreign lines, it has been necessary to work out an average differential, which is determined by weighting the differentials applicable to each foreign line in accordance with the degree to which each foreign line competes with the American subsidized operator.

In the operating-subsidy contracts the average differentials are expressed by percentages rather than lump sums, every operator being assured of a fixed percentage of the actual cost of each of the subsidy items. This method insures flexibility and protects both parties against errors in overestimating or underestimating future costs of operation. The American-flag ships competing with Dutch, German, Polish, and other foreign-flag ships face competition the costs of operation of which vary. The weighted average differential percentages granted to American ship operators, therefore, vary as to wages from 30 to 62½ percent of American cost; as to maintenance, from 25 to 50 percent of American cost; as to repairs, from 33⅓ to 60 percent of American cost; and as to crew's subsistence, from 20 to 50 percent of American cost.

The Commission has entered into operating subsidy contracts with 16 lines covering 22 of the old ocean-mail routes.

The net estimated subsidy on these lines for the 6-month period is $4,600,000, as contrasted with mail-pay subsidy which would have been received in the same period had the contracts not been terminated, of approximately $7,600,000. The direct subsidy, then, is approximately $3,000,000 less than the mail-pay subsidy which would have been paid between July 1, 1937, and January 1, 1938, or approximately 60 percent of the mail-pay subsidy on these particular lines. However, this is a minimum amount subject to revision on the basis of actual operating results. If present improved operating conditions continue, a substantial portion of the direct subsidy should be recaptured under the provision to be described.

It is because of the novelty of this new legislative method and because of an entire absence of experience upon which to formulate judgments, the Commission, as stated, has determined to limit the period of the operating-subsidy contracts at the outset to 6 months. In this way the Commission will be able to secure valuable experience from observing the 6 months' operation of these contractors. This experimental arrangement received the wholehearted approval of the shipping industry because it was felt that the amount of subsidy for the long-term contracts could be more scientifically calculated after the experience of this provisional period.

The Commission also felt such a flexible method to be necessary because it was doubtful if certain lines as presently constituted could qualify for a long-term subsidy contract. Other lines before they become eligible must arrange for new financing or divorcement from foreign-flag operations or rearrangements of corporate structures, and so forth.

By this method, which becomes effective July 1, 1937, Government aid to merchant shipping is placed on a frank understandable basis. The short term of experimentation is a further guarantee that the objectives of the statute will be attained, to wit, that competitive parity be secured for American shipping at a minimum cost to the taxpayer.

These subsidy agreements, executed in accordance with the statute, contain provisions calculated to eliminate the numerous abuses disclosed in the recent investigation of the shipping industry. They provide, among other things, for the elimination of situations involving the absence of arm's length bargaining and also of certain intercorporate relationships which have facilitated improper financial practices in the past, such as intermediate holding companies and the like.

All the agreements contain an undertaking by the operators that they shall promptly and diligently, in a manner satisfactory to the Commission, develop a long-range program for the replacement of all vessels over 15 years of age. The establishment of a practical, orderly, and continuous program of replacements constitutes an essential part of the Commission's efforts to maintain our merchant marine at a high state of competitive capacity.

As required by the statute, the contract provides for the recapture by the Commission of one-half of the net profits of the subsidized contractor in excess of 10 percent per annum upon its capital investment. The computation is limited to the capital necessarily employed in the operation of the subsidized vessels.

Thus, under the statute, the operator is not entitled to retain more than half of the profits in excess of 10 percent per annum. However, because of the necessarily tentative nature of the Commission's calculations and as a further safeguard to the public interest, the Commission has inserted a provision in the agreement whereby, after the operator receives 2 percent in excess of the statutory 10 percent, the Government is entitled to all the profits until the subsidy has been recovered.

To the end that these recapture provisions may be effective and that disputes may be minimized, the terms "net profits", "capital necessarily employed in the business", and like terms are clearly defined in the agreements.

The Commission believes that it has no more important task than its duty to determine minimum-wage scales, minimum-manning scales, and reasonable working conditions. The statute requires the Commission to conduct an investigation and to hold appropriate hearings before setting minimum-wage and minimum-manning scales and prescribing reasonable working conditions. The operating subsidy contracts contain a provision whereby the operators agree to comply with the manning and wage scales and working conditions as determined by the Commission. The Commission has been conducting a comprehensive investigation of the problems raised by this provision of the law. Several conferences have already been held with representatives of labor and representatives of the operators regarding the labor provisions.

In order that a speedy determination of these vital matters may be had, a Commissioner will proceed at an early date to the west coast in order to hold the formal hearings required by the statute. Another Commissioner will be designated to preside at hearings on the east and Gulf coasts. In this way all interested parties will be given an opportunity to present their views. The exact time and place of these hearings will be announced shortly, but a tentative schedule is as follows:

East coast: July 13, New York; July 19, Boston; July 21, Philadelphia; July 23, Baltimore; July 26, Norfolk, Va.

West coast: July 20, San Francisco; July 27, Seattle; August 2, Los Angeles.

Gulf coast: August 3, New Orleans; August 5, Houston.

Immediately after the conclusion of the hearings and before these minimum manning and wage scales and reasonable working conditions will be prescribed by the Commission and thereby become part of the operating subsidy contract, an opportunity for argument before the full Commission in Washington will be afforded to all parties that have an interest.

Pursuant to the statute, the Commission is giving careful study to the problem of essential trade routes. The staff of the Commission is engaged in making a thorough study of all available factual data and is canvassing the possibilities of future trade development in order to make comprehensive and practical recommendations for the economical operation and expansion of the American-flag service in foreign trade. No long-term subsidy contracts will be granted until the essentiality of trade routes have been determined upon in the light of the studies now in progress, and then only to those companies operating lines found essential to the foreign trade of the United States.

The settlement of the ocean-mail contracts and the substitution therefor of the operating-differential subsidy contracts mark the completion of the Commission's first major task in reorganizing the American merchant marine under the 1936 act.

The Commission believes that by these settlements and new subsidy contracts, important progress has been made toward the goal of an adequate American merchant marine.

Companies and routes involved in the operating differential subsidy contracts:

NAME OF CONTRACTOR AND DESCRIPTION OF ROUTE

1. American Diamond Lines, Inc.: Between a port or ports in the United States North Atlantic, Portland, Maine, to Hampton Roads, Va., inclusive, and a port or ports in Belgium and Holland, with privilege of calling at Halifax, Nova Scotia, and St. John, New Brunswick.

2. American Scantic Line, Inc.: Between a port or ports in the United States North Atlantic, Hampton Roads, Va., to Portland, Maine, inclusive, and Scandinavian ports and/or ports in the Baltic Sea and/or Murmansk and Archangel, with the privilege of calling at Halifax, Nova Scotia, or St. John, New Brunswick.

3. American South African Line, Inc.: Between a United States Atlantic port or ports and a port or ports within the Capetown, South Africa-Mombasa, Kenya range, with privilege of calling at Trinidad, Cape Verde Islands, St. Helena, Walfisch Bay, Luederitz Bay, and at islands in the Indian Ocean: Madagascar, Reunion, and Mauritius.

4. Atlantic & Caribbean Steam Navigation Co.: Between New York and a port or ports in Puerto Rico and/or Venezuela and/or Netherland West Indies.

5. Baltimore Mail Steamship Co.: Between Baltimore, Md., Hampton Roads, Va., and Hamburg, Germany, with the privilege of calling at Bremen and at French Atlantic and Channel ports and at London, England, on each alternate east-bound voyage, with further temporary privilege, subject to withdrawal by the Commission at any time, of calling weekly at London, England.

6. Colombian Steamship Co.: Line A—New York to Port au Prince, Haiti; Kingston, Jamaica; Puerto Colombia and Cartagena, Colombia; Cristobal, Canal Zone; and return to New York via Kingston and Haiti.

Line B: Between New York and Haitian ports.

7. Eastern Steamship Lines, Inc.: Line A—Between Boston and Yarmouth.

Line B—Between New York and Yarmouth.

Line C—Between Boston and St. John, New Brunswick, with privilege of calling at Digby and Halifax, Nova Scotia.

8. Export Steamship Corporation: Line A, North African service, branch A. Frequency—One sailing monthly. Schedule—Eastbound—Philadelphia and New York to Casablanca, Tangiers, Ceuta, Melilla, Oran, Algiers, and Tunis, west coast of Italy, and/or French Mediterranean ports. Westbound—Levant and Black Sea ports and/or Spanish, Portuguese, and North African ports in season.

Line B, west coast of Italy service, branch B. Frequency—One sailing monthly. Schedule—Eastbound—Philadelphia, Baltimore, and New York to Genoa, Marseilles, Leghorn, and Naples. Westbound—Sicilian, North African Spanish and Portuguese ports in season.

Line C, Black Sea service, branch D. Frequency—Three sailings monthly. Schedule—Eastbound—Philadelphia and/or Baltimore and New York to Casablanca and/or Malta, Piraeus, Salonica, Istanbul, and Constanza. Westbound—Black Sea, Levant, Sicilian, North African, and/or Spanish and Portuguese ports in season.

Line D, Alexandria express service, branch F. Frequency—Fortnightly. Schedule—Eastbound—New York to Ponta, Delgada, Gibraltar, Marseilles, Naples, Alexandria, Jaffa, Haifa, and Beirut. Westbound—Alexandria, Praeus, Naples, Leghorn, Genoa, Marseilles, Boston, and New York.

9. Grace Steamship Co.: Line A—Between a port or ports in the United States North Atlantic between Hampton Roads, Va., and Portland, Maine, inclusive, and a port or ports in the Panama Canal Zone and on the west coast of South America as far south as Talcahuano, Chile.

Line B—Between a port or ports on the United States Pacific coast within the Tacoma, Wash.-San Diego, Calif., range, and a port or ports in the range between Balboa, Canal Zone, and Talcahuano, Chile, inclusive, with the privilege of calling at Canadian Pacific coast ports.

10. Lykes Bros.-Ripley Steamship Co., Inc.: Line A—Gulf West Indies-East coast Colombia service, between a United States Gulf port or ports and a port or ports in the West Indies, including Puerto Rico and/or the Panama Canal Zone and/or the east coast of Colombia.

Line B—Dixie U. K. Line, between a United States Gulf port or ports (west of but not including Gulfport, Miss.) and a port or ports in the United Kingdom with privilege of calling at Irish ports, and with further privilege of calling at Tampa, Port Tampa, Boca Grande, and ports in the West Indies and Mexico.

Line C—Southern States Lines, between a United States Gulf port or ports (west of but not including Gulfport, Miss.) and a port or ports in continental Europe (Bordeaux and north), including Baltic and Scandinavian ports with privilege of calling at Tampa, Port Tampa, Boca Grande, and ports in the West Indies and Mexico.

Line D—Dixie Mediterranean and Gulf West Mediterranean Lines Combined, between a United States Gulf port or ports and a port or ports in Spain and/or Portugal and/or the Mediterranean and/or the Black Sea with privilege of calling at Casablanca, Spanish Morocco, and ports in the United States South Atlantic south of Norfolk and in the West Indies and Mexico.

Line E—American Gulf Orient Line, between a United States Gulf port or ports and a port or ports in Japan and/or China and/or Philippine Islands with privilege of calling at ports in the Hawaiian Islands, Manchukuo, Russia in Asia, Formosa, Korea, Indochina, Siam, Federated Malay States, Dutch East Indies and India (except from Calcutta, India, to United States ports homeward), also ports in Mexico and the West Indies, with the further privilege of calling at United States Atlantic ports homeward with sugar, copra, and liquid cargo in bulk.

11. Mississippi Shipping Co., Inc.: Between New Orleans and other United States Gulf ports and ports on the east coast of South America, with the privilege of calling at West Indies ports on outward and inward voyages.

12. The New York & Cuba Mail Steamship Co.: Line A—Between New York and Habana.

Line B—Between New York and Vera Cruz, Mexico, by Habana, Cuba, and Progreso, Mexico.

13. The Oceanic Steamship Co.: From San Francisco, by Los Angeles, Honolulu, Pago Pago (Samoa); Suva (Fiji Islands), Auckland, New Zealand, to Sydney and Melbourne, Australia.

14. Pacific Argentine Brazil Line, Inc.: Between ports in the States of Washington, Oregon, and/or California and ports in the countries of Uruguay, Brazil, and/or Argentina, with the privilege of calls at Pacific coast Canadian ports, Curacao, Trinidad, Haiti, and Puerto Rico, and intermediate ports in the West Indies, either via the Panama Canal or the Straits of Magellan.

15. South Atlantic Steamship Co. of Delaware: Between a port or ports in the United States south Atlantic range: From Wilmington, N. C., to Jacksonville, inclusive, and a port or ports in the United Kingdom or Ireland, and/or a port or ports in the northern European continental range: Bordeaux to Hamburg, inclusive, with privilege of calling at other Florida ports east of but not including Pensacola and with the further privilege of calling at Scandinavian and Baltic seaports.

16. United States Lines Co., line A (Hamburg route): Between New York and Germany via a port or ports in Ireland, United Kingdom, and France.

Line B (London route): Between New York and London with privilege of calling at Plymouth, England, outward and Boston, Mass., homeward.

Line C (Liverpool route): Between New York and Liverpool via a port or ports in Ireland or United Kingdom and homeward with privilege of calling at Boston.

JUNE 29, 1937.

Attached are individual summaries of the ocean-mail contract settlements and temporary operating subsidy contracts which have been concluded between the United States Maritime Commission and the following companies:

American Scantic Lines, Inc., of New York; American Diamond Lines, Inc., of New York; American South African Line, Inc., of New York; American West African Line, Inc., of New York and New Orleans; Atlantic & Caribbean Steam Navigation Co., of New York; Baltimore Mail Steamship Co., of Baltimore, Md.; Colombian Steamship Co., Inc., of New York; Eastern Steamship Lines, Inc., of New York and Boston; Export Steamship Corporation, of New York; Grace interests, Grace Steamship Co., of New York, and Panama Mail Steamship Co., of San Francisco; Gulf Pacific Mail Line, Ltd., of San Francisco; Lykes interests, Lykes Bros. Steamship Co., Inc., Lykes Bros.-Ripley Steamship Co., Inc., and Tampa Interocean Steamship Co., of Houston, Galveston, and New Orleans; Mississippi Shipping Co., Inc., of New Orleans; New York & Cuba Mail Steamship Co., of New York; Oceanic & Oriental Navigation Co., of San Francisco and Los Angeles; Oceanic Steamship Co., of San Francisco; Pacific Argentine Brazil Line, Inc., of San Francisco and Los Angeles; South Atlantic Steamship Co., of Savannah, Ga.; States Steamship Co., of Portland, Oreg.; and United States Lines, Inc., of New York.

AMERICAN SCANTIC LINE, INC.

American Scantic Line, Inc., has concluded a settlement of its ocean-mail contract covering route 16 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government five-eighths of the mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement. Three-eighths of this mail pay is applied by the American Scantic Line to the cost of reconditioning certain vessels pursuant to a specific agreement with the Maritime Commission.

This line which operates from New York to Copenhagen, Denmark, and Helsingfors, Finland, has also executed an operating-subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $235,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $445,000. The direct subsidy therefore is approximately 53 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

AMERICAN DIAMOND LINES, INC.

American Diamond Lines, Inc., has concluded a settlement of its ocean-mail contract covering route 53 with the United States Maritime Commission. This settlement provides for release of all claims of Government and contractor, the contractor agreeing to pay the Government $70,367.59 in satisfaction of Government claims. In addition, the contractor has agreed to pay the Government all its indebtedness in the principal amount of $600,589.60, and interest thereon.

This line, which operates from New York and other Atlantic ports to Rotterdam and Antwerp, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to $179,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $438,000. The direct subsidy, therefore, is approximately 41 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

AMERICAN SOUTH AFRICAN LINE, INC.

American South African Line, Inc., has concluded a settlement of its ocean-mail contract covering route 6 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

This line, which operates from New York to South and East Africa, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $97,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $144,000. The direct subsidy therefore is approximately 67 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

AMERICAN WEST AFRICAN LINE, INC.

American West African Line, Inc., has concluded a settlement of its ocean-mail contract covering routes 17 and 47 with the United States Maritime Commission. This settlement provides for mutual

release of all claims of the contractor against the Government and all claims of the Government against the contractor.

This line, which operates between New York and New Orleans and West Africa, will operate for the present without a subsidy.

ATLANTIC & CARIBBEAN STEAM NAVIGATION CO.

Atlantic & Caribbean Steam Navigation Co. has concluded a settlement of its ocean-mail contract covering route 18 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

This line, which operates from New York via Puerto Rico and Dutch West Indies to Venezuela, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $100,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $160,000. The direct subsidy therefore is approximately 63 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

BALTIMORE MAIL STEAMSHIP CO.

Baltimore Mail Steamship Co. has concluded a settlement of its ocean-mail contract covering route 46 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement.

This line, which operates from Baltimore to Le Havre and Hamburg, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $233,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $616,000. The direct subsidy therefore is approximately 26 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

COLOMBIAN STEAMSHIP CO., INC.

Colombian Steamship Co., Inc., has concluded a settlement of its ocean-mail contract covering route 19 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement.

This line, which operates from New York by Haiti and Jamaica to Colombia, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $101,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $304,000. The direct subsidy therefore is approximately 33 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

EASTERN STEAMSHIP LINES, INC.

Eastern Steamship Lines, Inc., has concluded a settlement of its ocean-mail contracts covering routes 15 and 52 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement.

This line, which operates from New York and Boston to New Brunswick and Nova Scotia, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $98,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $213,000. The direct subsidy, therefore, is approximately 46 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

EXPORT STEAMSHIP CORPORATION

Export Steamship Corporation has concluded a settlement of its ocean-mail contract covering route 5 with the United States Maritime Commission. This settlement provides for release of all claims of Government and contractor, the contractor agreeing to pay the Government $143,000 in satisfaction of Government claims.

This line, which operates from New York to French Morocco, Spanish Morocco, Algeria, Tunisia, Italy, France, Egypt, Palestine, Syria, Greece, Turkey, and Rumania, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to $466,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $714,000. The direct subsidy, therefore, is approximately 65 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

GRACE STEAMSHIP CO. AND PANAMA MAIL STEAMSHIP CO.

The Grace interests, which operate the Grace Steamship Co. (routes 8 and 38) and the Panama Mail Steamship Co. (route 37), have concluded settlement of their ocean-mail contracts with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor. In settlement of the contractor's claims which arise out of the construction of American-flag ships costing approximately $21,000,000, the Government has agreed in the settlement of route 37 to pay the contractor on demand on or before January 1, 1938, $1,350,000, this payment to be made by applying the full amount as a credit upon the principal of construction loans and interest thereon. Route 37 being a part of an intercoastal service between San Francisco and New York is not eligible for an operating subsidy. The estimated amount which would have been received by the contractor on this route as mail pay from July 1, 1937, to the expiration of the contract had the contract not been terminated on June 30, 1937, by the Merchant Marine Act is $3,058,000.

Operating subsidy agreements have been executed with respect to route 8, which extends from New York to the west coast of South America, and route 38, which extends from San Francisco to the west coast of South America. These agreements will result in payment to the line of a 6 months' subsidy amounting to about $650,000. It was estimated that for the same period the company would have received mail-pay subsidy in the amount of $770,000. The direct subsidy therefore is approximately 84 percent of the subsidy under the mail contracts. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

GULF PACIFIC MAIL LINE, LTD.

Gulf Pacific Mail Line, Ltd., has concluded a settlement of its ocean-mail contract covering route 55 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor. The contractor has paid the Government all its indebtedness in the amount of $55,647.64.

This line, which operates from Seattle, Wash., to Central America and Mexico, will operate for the present without a subsidy.

JUNE 29, 1937.

LYKES BROS. STEAMSHIP CO., INC.; LYKES BROS.-RIPLEY STEAMSHIP CO.; AND TAMPA INTEROCEAN STEAMSHIP CO.

The Lykes Bros. Lines, which consist of the Lykes Bros. Steamship Co., Inc. (route 23); the Lykes Bros.-Ripley Steamship Co. (route 57); and the Tampa Interocean Steamship Co. (route 45), has concluded settlement of its ocean-mail contracts with the United States Maritime Commission. This settlement provides for release of all claims of Government and contractor, contractor agreeing to pay the Government $325,000 in satisfaction of Government claims. In addition contractor has agreed to pay the Government all its indebtedness in the principal amount of $1,072,393.50, with interest thereon, and to leave in escrow with the Commission the sum of $450,000, to be released by the Commission in payment for the construction of a new American-flag ship by the Lykes interests.

These lines, which operate from Houston and Galveston, Tex.; New Orleans, La.; and other Gulf ports to the West Indies, Puerto Rico, the Canal Zone, Mexico, the United Kingdom, continental Europe, and Baltic and Scandinavian ports, have also executed operating subsidy agreements with the Commission. This will result in payment to the lines of 6 months' subsidies, amounting to about $815,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $1,400,000. The direct subsidy, therefore, is approximately 58 percent of the subsidy under the mail contracts. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

MISSISSIPPI SHIPPING CO., INC.

Mississippi Shipping Co., Inc., has concluded a settlement of its ocean-mail contract covering route 35 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor. Contractor has agreed to pay the Government all its indebtedness in the amount of $243,237.96.

This line, which operates from New Orleans and other Gulf ports to Brazil and Argentina, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy, amounting to about $186,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $326,000. The direct subsidy, therefore, is approximately 57 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

NEW YORK & CUBA MAIL STEAMSHIP CO.

New York & Cuba Mail Steamship Co. has concluded a settlement of its ocean-mail contract covering routes 20 and 21 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement.

This line which operates from New York to Habana, Cuba, and Vera Cruz, Mexico, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $205,000. It is estimated that for the same period the company would have received mail pay subsidy in the amount of $440,000. The direct subsidy therefore is approximately 47 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

OCEANIC & ORIENTAL NAVIGATION CO.

Oceanic & Oriental Navigation Co. has concluded a settlement of its ocean-mail contracts covering routes 30, 31, 48, and 49, with the United States Maritime Commission. This settlement provides for release of all claims of Government and contractor, the contractor agreeing to pay the Government $50,000 in satisfaction of Government claims.

This line, which operates on routes 30 and 31 from Los Angeles to New Zealand and Australia and on routes 48 and 49 from San Francisco to Chinese ports, is rearranging its service and no operating subsidy has yet been determined.

JUNE 29, 1937.

OCEANIC STEAMSHIP COMPANY

Oceanic Steamship Co. has concluded a settlement of its ocean-mail contract, covering route 24, with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1 and June 30, 1937.

This line, which operates from San Francisco via Los Angeles to Honolulu, Australia, and New Zealand, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy, amounting to about $287,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $428,000. The direct subsidy therefore is approximately 67 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

PACIFIC-ARGENTINE-BRAZIL LINE, INC.

Pacific-Argentine-Brazil Line, Inc., has concluded a settlement of its ocean-mail contract covering route 34 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

This line, which operates from San Francisco and Los Angeles to Argentina, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $133,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $126,000. The direct subsidy therefore exceeds the subsidy under the mail contract by approximately 6 percent. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

SOUTH ATLANTIC STEAMSHIP CO.

South Atlantic Steamship Co. has concluded a settlement of its ocean-mail contract covering route 33 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement.

This line, which operates from Savannah, Ga., to France, Germany, and the United Kingdom, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $108,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $156,000. The direct subsidy therefore is approximately 69 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

JUNE 29, 1937.

STATES STEAMSHIP CO.

The States Steamship Co. has concluded a settlement of its ocean-mail contracts covering routes 28 and 29 with the United States Maritime Commission. This settlement provides for release of all claims of Government and contractor, the contractor agreeing to pay the Government a minimum sum of $13,000 in satisfaction of Government claims.

This line, which formerly operated from Portland, Oreg., to the Philippines and north China ports, is rearranging its service and no operating subsidy has yet been determined.

JUNE 29, 1937.

UNITED STATES LINES, INC.

United States Lines, Inc., has concluded a settlement of its ocean-mail contract covering routes 43 and 44 with the United States Maritime Commission. This settlement provides for mutual release of all claims of the contractor against the Government and all claims of the Government against the contractor.

The agreement contains a provision permitting the contractor to rescind within 6 months in the event that a long-term subsidy contract is not executed. In such case, however, the contractor must return to the Government all mail pay which it receives for voyages made between February 1, 1937, and June 30, 1937, as well as the full amount received under the 6 months' subsidy agreement.

This line, which operates from New York to Plymouth and London, Cherbourg, France, and Hamburg, Germany, has also executed an operating subsidy agreement with the Commission. This will result in payment to the line of a 6 months' subsidy amounting to about $750,000. It is estimated that for the same period the company would have received mail-pay subsidy in the amount of $888,000. The direct subsidy therefore is approximately 84 percent of the subsidy under the mail contract. The amount of this subsidy is a minimum and is subject to revision on the basis of actual operating results. The subsidy is subject to recapture by the Commission out of profits earned by the contractor during the period in excess of 10 percent.

U. S. MARITIME COMMISSION
(For release Thursday, July 1, 1937)
Settlement agreements

Name of company	Foreign ocean-mail route no.	Amounts paid by Government to the contractor in settlement	Amounts paid by the contractor to the Government in settlement	Amounts paid by the contractor in satisfaction of loans and ship sales notes
American Diamond Lines, Inc.	53		$70,367.59	$600,589.60
American Scantic Lines, Inc.	16			
American South African Line, Inc.	6			
American West African Line, Inc.	17, 47			
Atlantic & Caribbean Steam Navigation Co.	18			
Baltimore Mail Steamship Co.	46			
Colombian Steamship Co., Inc.	19			
Eastern Steamship Lines, Inc.	15, 52			
Export Steamship Corporation	5		143,000.00	
Grace interests:				
Grace Steamship Co.	8, 38			
Panama Mail Steamship Co.	37	$1,350,000		
Gulf Pacific Mail Line, Ltd.	55			55,647.64
Lykes interests:				
Lykes Bros. Steamship Co., Inc.	23			
Lykes Bros.-Ripley Steamship Co.	57		325,000.00	1,072,393.50
Tampa Interocean Steamship Co.	45			
Mississippi Shipping Co., Inc.	35			243,237.96
New York & Cuba Mail Steamship Co.	20, 21			
Oceanic & Oriental Navigation Co.	30, 31, 48, 49		50,000.00	
Oceanic Steamship Co.	24			
Pacific-Argentine-Brazil Line, Inc.	34			
South Atlantic Steamship Co.	33			
States Steamship Co.	28, 29		13,000.00	
United States Lines, Inc.	43, 44			
Total		1,350,000	601,367.59	1,971,868.70

NOTE.—No payment has been made by the contractor to the Government or by the Government to the contractor other than as indicated in this statement. In all other cases which have been settled contractors' and Government claims have been released without payment by either party.

Statement on estimated subsidies for 6 months under operating subsidy contracts

	Net estimated subsidy for 6 months	Estimated mail pay, 6 months	Estimated poundage pay, 6 months[1]	Excess mail pay over poundage, 6 months
American Diamond Lines, Inc.	$179,768.00	$448,000	$9,600	$438,400
American Scantic Line, Inc.	234,500.00	468,000	22,336	445,664
American South African Line, Inc.	97,500.00	149,000	4,500	144,500
Atlantic & Caribbean Steam Navigation Co.	100,000.00	178,500	18,500	160,000
Baltimore Mail Steamship Co.	233,168.00	617,300	1,600	615,700
Colombian Steamship Co., Inc.	101,430.00	330,500	16,600	303,900
Eastern Steamship Lines, Inc.	98,133.50	216,652	3,162	213,490
Export Steamship Corporation, The	466,000.00	740,500	26,300	714,200
Grace Lines, Inc.	650,000.00	808,540	38,186	770,354
Lykes Bros. (group)	814,940.00	1,399,000	None	1,399,000
Mississippi Shipping Co., Inc.	186,600.00	326,000	None	326,000
New York & Cuba Mail Steamship Co.	205,200.00	456,500	16,000	440,500
Oceanic Steamship Co., The	287,300.00	486,500	57,800	428,700
Pacific Argentine Brazil Line, Inc.	133,040.00	126,000	None	126,000
South Atlantic Steamship Co.	108,000.00	156,400	None	156,400
United States Lines, Inc.	750,000.00	1,161,500	273,400	888,100
Total	4,645,579.50	8,058,892	487,984	7,570,908

[1] Actual amount earned for carrying mail at usual rates.

Conservation of Wildlife Resources

EXTENSION OF REMARKS
OF
HON. SCOTT W. LUCAS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 1, 1937

ADDRESS OF THE HON. SCOTT W. LUCAS, OF ILLINOIS, DELIVERED AT THE ANNUAL MEETING OF THE ILLINOIS SPORTSMEN'S ASSOCIATION, HELD AT SPRINGFIELD, ILL., ON JUNE 18, 1937

Mr. LUCAS. Mr. Speaker, under leave to extend my remarks in the RECORD I submit my address at the annual meeting of the Illinois Sportsmen's Association, Springfield, Ill., June 18, 1937:

A short time ago in the House of Representatives the Select Committee on Conservation of Wildlife Resources made its annual report. Before the debate was closed I was allotted time to pay my respects to various phases of conservation, particular emphasis being made upon certain regulations laid down by the Agriculture Department dealing with the taking and killing of migratory birds.

Justification for those remarks and justification for my presence here lies primarily in the fact that the major portion of my life has been spent in the Twentieth Congressional District of Illinois, which I have the honor of representing in Congress today. In addition to that, during that time I have acquired an intimate and personal knowledge of the fish and game problems of the Illinois Valley. It is almost universally agreed by veteran sportsmen that my district has no equal in America during certain seasons of the year from the standpoint of migratory birds.

In this address I do not hope to please everyone in the development of a few thoughts upon the question of conservation. However, I propose to present my theory of conservation bluntly and boldly. My remarks may not be labeled with St. James finesse or White House diplomacy, but I hope that when I have finished, this group will be fired with an unstrained enthusiasm to go forth in the sportsman fields of America and create a militant, wide-awake, aggressive national organization which will command respect in Washington, D. C., as well as in every State in the Union.

I have been a Member of Congress just long enough to realize the significance and power of groups and blocs which are thoroughly organized. I confidently assert that the time is here when your group must challenge the position taken by the opposition or your cause will be ultimately lost. The things that are near and dear to you in the sportsman field will be no more. The tremendous investment that you have in lands, improvements, and equipment will be practically worthless. The efficacy of your State-wide organization is not challenged from the standpoint of State influence. But how many Members of Congress or influential men in the departments at Washington, D. C., know anything about your activities?

Obviously you need a national organization whose objectives are in line with what you have in this State. You need sympathetic men working every day with these problems. You need men as executives of such an organization who are willing to spend their time and efforts presenting constructive ideas upon conservation and ultimately making their influence felt in the legislative halls of America. You must stand on your own feet and fight the battle of conservation vigorously and consistently in line with the views of your State organization throughout the Nation. You cannot send a delegate here and a delegate there to some national meeting of some other group who think and act differently than you upon this vital subject and expect to obtain any results. You are whipped before you start. Your cause loses prestige and you march backward instead of forward. What you need is a national organization with auxiliaries in every State working diligently throughout the year, and ultimately concentrating those efforts through State and National conventions which will attract the sportsmen of America. And when that meeting is called let the Darlings, the Hornadays, the Bakers, and others of another school of thought, look on if they so desire, but you people run the show. Express your convictions sanely and forcibly by way of resolutions and then labor diligently in the legislative field until you accomplish the desired results. Every industry worth while in this country keeps a force of people laboring for their cause in the Nation's Capital. Many groups attempting to protect their interests through such a method of operation have much less involved than the sportsmen of America who see eye to eye with you upon national problems of wildlife.

Is there a single man in this room who can tell me how many acres of land in these United States are owned by private individuals or corporations for the purpose of hunting and protecting migratory birds? Do you know the total amount of taxes they pay to the schools, the towns, the counties, and the States where the lands are located? Do you know the value of these lands when they were swamps and used primarily for poaching purposes? Do you know today what the total investment is in those lands, including improvements? Do you know how many people are employed directly during the hunting seasons as well as those who indirectly receive tremendous benefits through this industry? No one can answer these questions authentically because facts are not available. If you had such data to lay before those who hold your destiny within their grasp you could make a most powerful, convincing, and logical argument for the cause you represent purely from the standpoint of economics. Very few know the good you have done and the greater portion will never know so long as you remain in an airtight compartment and fail to advise the country of your contributions to society and conservation. You are portrayed by your enemies as a menace to conservation, and the sad commentary upon that situation is that too many people believe the tommyrot and poppycock that has been written in magazines and printed in pamphlets about the illegal methods of hunting and fishing in the Illinois Valley.

Why do the Forestry Department, the National Parks Association, the American Federation of Labor, the American Legion, agricultural organizations, and many other classified groups make such a favorable impression upon any administration? The answer is obvious. It is because they are organized. Why have the Izaak Walton League, the Audubon Society, the Hornaday groups, Mrs. Edge's Association, and other similar groups cast such an

influence over the Nation? Because they are organized with competent manpower and plenty of money with which to function. It is frequently said that the Audubon Society has more prestige with the Department of Biological Survey than any other single conservation agency in America. They are game prohibitionists. They believe it to be against the laws of nature for man to kill any species of wildlife. The crow, which does more damage to the success of the continuance of migratory birds than all the hunters in this land, is a sacred bird in the eyes of those sentimental crusaders. And while I am on the subject of crows I am compelled to diverge for a moment to pay a high compliment to Mr. Charles F. Thompson, director of conservation of Illinois, and his staff of employees. During the last 4 years he has supervised the killing of thousands of crows. I doubt if there is another single agency in this country which has contributed more to the increase of ducks through the decrease of the crows. Yet, if the ideals of the Audubon Society were in force and effect, these dead thieves of the wing would still be plying their truculent trade against the duck nests of the North. I am reliably informed that the Audubon Society is seriously considering a national slogan, "Save the grasshopper", a pest which annually challenges arsenic and other poisonous liquids before the farmer can save his crops from destruction.

Yet such opposition under the guise of conservation is infinitesimal compared to the damage done through reclamation, navigation, pollution, drought, and certain phases of conservation, a combination which is slowly but surely driving the duck hunter and the fisherman into a partial vacuum. Obviously, the material value is an important factor for consideration in these struggling days of economics, yet we cannot overlook the recreational and esthetic side, which cannot be measured in terms of dollars and cents. I am of the firm opinion that under the present set-up your industry is seriously jeopardized and the future is not encouraging.

The following facts and figures are given to you for the purpose of stimulating your imagination in connection with this problem. Two hundred seventy-five millions of dollars are spent annually in the pursuit of game—$12,000,000 in annual hunting and fishing licenses. Three hundred millions of dollars are now invested in State game and fish reservations. Seven million five hundred thousand dollars are invested in Federal game and fish sanctuaries. It is estimated that a hundred million dollars is now invested in private capital in hunting and fishing preserves. These staggering figures should impress the interested sportsmen of the necessity of sponsoring a Paul Revere campaign in protecting and sustaining this huge industry. A very energetic national organization is needed in order to extend a helpful hand and become a fundamental factor in possibly saving it from a national crash.

How does reclamation challenge conservation? Let me cite you two striking examples. Lower Klamath Lake in southern Oregon was declared as the greatest outdoor museum of wildlife by Theodore Roosevelt when President of the United States, and through his Executive order it was set apart as a national reservoir for the nesting of waterfowl. Later land promoters through some circuitous route caused the order to be revoked and reclaimed this breeding ground, drained it, and started a series of unprofitable agricultural adventures which were of no advantage to anyone. It is not only a dry and arid basin, comprising several hundred thousand acres, but is practically deserted. Had the same policy of conservation now in operation under the Bureau of Biological Survey been in force and effect at that time, nature's greatest migratory bird resort would still be a haven of delight for the nesting of waterfowl.

Let me move you into the valley of the Illinois for example number two. Two miles to the north and west of my home city of Havana is located the Thompson drainage and levee district. Prior to the time it was reclaimed it was known throughout the State as Thompson and Flag Lakes. Because of submerged aquatics, the depth of the water, and the unusual top and bottom vegetation, Thompson and Flag Lakes were known as the most prolific spots in Illinois for the breeding and spawning of fish. It was a paradise for the ducks as they stopped on their journeys to the north and the south. Natural feed was to be found everywhere. There has never been a lake in Illinois with such natural advantages, but today that onetime beautiful body of water, which stretched to the north and south some 7 miles and to the east and west some 5 miles, is the fertile field of the farmers protected by high levee walls.

It is a paradoxical tragedy that with 40 millions of acres of farm lands lying idle in this country we are permitted to drain productive and imposing lakes of the Nation. When Thompson and Flag Lakes lost their identity there was destroyed one of the greatest natural bird and fish sanctuaries in the Central West. What a travesty upon nature. What stupidity upon the part of the Government. It should have restrained such proceedings at all cost. After due consideration I cannot advocate the turning of every drainage district in Illinois back to the Government, but I say without fear of successful challenge that there is no justification for the continuance of drainage districts which in an original state of nature were beds of lakes. As long as I am a Member of Congress I shall continue to wage battle with those in power with high hopes of convincing the Federal Government the wisdom in condemning the Thompson drainage and levee district and returning it to an original state of nature.

Let us next turn to navigation to determine briefly how it challenges conservation. The building of huge dams of questionable economic value is beginning to take its toll in the fish and game life. The depositing of silt behind the dams destroys all vegetation. Many people think that the Alton Dam now being constructed will be a boon to fish and game activities. However, when that dam is finished thousands of acres will be flooded, bringing layers of silt which will destroy all vegetation. And when that happens the present hunting lands may become useless as places for the hunting of migratory birds. Wildlife experts believe that the Upper Mississippi Wildlife Refuge is seriously menaced because of new dams in the Mississippi. The time has come when all of the biological consequences of these channel dams should be carefully measured before the improvement is made.

The next question dealing with this vital subject is pollution. Let me give you an example or two of how pollution challenges conservation. Currituck Sound at one time was considered by experts as one of the greatest winter feeding grounds for migratory birds as well as a great spot for bass fishing. When the Army engineers eliminated the Chesapeake and Albemarle locks, permitting salt water and pollution to flow from Norfolk Harbor into the sound, they practically denuded all of the natural food supply, and the ducks and the fish were conspicuous by their absence. The wild celery and other aquatic plants were totally destroyed and with the destruction of this natural vegetation wildlife disappeared.

In our own Illinois Valley we are familiar with how the engineers reversed the flow of the Des Plaines River, permitting Chicago to send her sewage down the Illinois. Biological experts claimed, some few years ago, that not a living organism could be found in the Illinois River from Chicago to Peru, a distance of over a hundred miles. This helped destroy the great fishing industry along the Illinois River as well as making it more difficult for ducks to find any natural food. I am advised that chemical treatment plants have been installed in the great cities of the North and the river is clearing up. The time is here when no city should be permitted to dump its sewage into any stream of running water.

It would seem that little difference of opinion should be found in all of these limitations upon conservation. There should be a united effort to regain what has been lost through a carefree policy of shortsightedness. The Biological Survey, as well as certain States, has done an outstanding piece of work in the establishment of refuges, breeding, and feeding grounds. However, there has grown in this country a bitter conflict of opinion as to the scope to be employed by the Agriculture Department in the drafting of rules and regulations compatible with the articles of the convention between the United States and Canada for the protection of migratory birds, as well as the provisions of the Migratory Bird Treaty Act passed by the Congress of the United States to give effect to the terms of the convention.

A careful reading of the proclamation of the convention discloses that the fundamental and only reason for the treaty was the protection of the migratory bird through the adoption of a uniform system of protection. The high contracting parties then proceeded to lay down and adopt the articles deemed necessary to effectually accomplish such objects. Article 1 discloses what migratory birds should be included in the terms of the convention. Articles 2, 3, and 4, which are the spearheads of the treaty, deal exclusively with closed seasons. The remaining articles in no way touch the subject matter before us.

Under section 3 of the Migratory Bird Treaty Act passed by Congress the Secretary of Agriculture was authorized and directed to determine when, to what extent, if at all, and by what means it is compatible with the terms of the convention to allow the hunting and killing of any migratory bird and to adopt suitable regulations permitting and governing the same in accordance with such determinations. Under this authority we find the Secretary laying down so-called nuisance regulations from time to time, until today he has become practically the sole legislative body in dealing with the liberty of a citizen who violates his mandate. Under regulation 3 he tells the hunter the type of shotgun he must use. He makes it illegal to fire other than from the shoulder. He tells you the number of shells you may use in the gun. He says it is illegal for you to use corn, oats, or wheat to lure or attract the birds. He advises the time when you can go into a blind and when you can go out. He determines the number of birds you can kill and carry away. He won't even let the English caller do your squawking, as no live decoys are allowed. He finally says you may use a blind, a dog, or a floating craft as allies in your pursuit of the waterfowl—a charitable fellow, indeed. These regulations are uniform throughout the States. Was there ever a more perfect picture of the regimentation of the presumably free and independent American? From whence does all this autocratic power flow? Surely not from the articles of the convention. Certainly not from the Migratory Bird Treaty Act, unless you permit your imagination to run rife.

Let us leave these United States momentarily and talk about what Canada has done since the treaty was signed. The Parliament of Canada passed the Migratory Birds Convention Act authorizing the Governor in Council to make such regulations as deemed expedient to protect the migratory birds inhabiting Canada. Under the constitution of Canada the Dominion Government, unlike that of the United States, is endowed with all powers not assigned exclusively by the constitution to the provincial legislatures. In other words, the sole power pertaining to regulations of the migratory bird was vested in the Canadian constitution before the treaty was made, while in America it was vested in the States. We know that the treaty did not alter the situation in Canada, and I submit, with all legal sincerity, that the treaty

did not alter the situation in America, and that the regulatory power is still vested in the States.

An examination of the Canadian regulations reveals information which sustains this position. Instead of using blanket regulations throughout Canada affecting everyone and every Province the same, we find different regulations dealing with bag limits, length of seasons, and hunting restrictions in almost every Province. You may kill in any 1 day in the Northwest Territories 25 ducks, and in the Yukon Territory 25 ducks, the length of the season in each being 3½ months. You may kill in any 1 day in the remaining nine Provinces 12 ducks, while the length of the season in each varies. In Prince Edward Island the length of season in which ducks may be killed is 2½ months, in Nova Scotia, 1½ months; in New Brunswick, 2 months; in Quebec, 3½ months; in Ontario, 2 months; in Manitoba, 50 days; in Saskatchewan, 55 days; in Alberta, 2 months; and in British Columbia, 2 months. In Manitoba no one shall have in his possession at any time more than 40 ducks. In British Columbia no one shall have in his possession at any time more than 2 days' bag limit, while in the remaining Provinces I find nothing upon that question. In British Columbia repeating shotguns are forbidden, unless the magazine is plugged so that not more than one shell may be used, and live decoys are also prohibited. In Prince Edward Island, Nova Scotia, and New Brunswick no person is permitted to use corn, wheat, or oats in attracting migratory birds. In Ontario blinds or decoys cannot be placed within 200 yards from the shore. While in all the other Provinces I find no similar restrictions.

Outside of exhibiting intelligent and independent action of waterfowl conditions in the various Provinces, these facts demonstrate that the Canadian Government always understood the significance of the tenth amendment to the Constitution of the United States. They presumed that the ways and means of enforcing was the duty of the States. They knew that different waterfowl conditions prevail in different zones or States. They were willing to take the final judgment of the States upon those all-important matters, and their regulations dealing with specific problems in every Province unquestionably squares with that theory. If each State was now exercising its inherent rights upon waterfowl conservation, that uniform system of protection which the high contracting parties resolved to adopt would be an actuality instead of a foul and rank story of unjust discrimination.

If you scoff at this theory and answer by defending the Secretary and his discriminatory regulations, you deny to American sportsmen high rights and privileges now enjoyed by Canadian sportsmen. Certainly every fair and impartial citizen should agree that the taking and killing of migratory birds in the United States and Canada should be exactly on the same basis. If there is no uniform system of protection upon which the treaty was based, then certainly the letter and the spirit of the treaty has been outrageously violated. If we are compelled to submit to the continuation of these arbitrary and discriminating rules and regulations, then it is with utmost sincerity that I speak boldly in saying that the treaty has outlived its usefulness and steps should be taken for the calling of a further convention in order that proper conservation of waterfowl in these United States and Canada may be reached upon a basis fair and equitable to both Nations.

If there is no inherent power in the treaty as a basis for such regulations, can the Congress of the United States or the Secretary enlarge those powers? It is undisputable that without the treaty Congress could not have passed the Migratory Bird Treaty Act. Without the treaty Congress would be powerless to enact laws governing the protecting of migratory birds. The courts have repeatedly held that Federal Government is one of enumerated powers and Congress can only exercise such powers as are to be reasonably construed within the grant. I submit that the high contracting parties were familiar with the tenth amendment to the Constitution. They treated it with dignity and respect when the treaty was adopted. The Biological Survey Department, in line with those constantly groping for more power, has treated that amendment with scorn and contempt with their numerous nuisance regulations.

But assuming, for the sake of argument, that my conclusions are erroneous and the regulations last detailed are valid under the power granted by the Migratory Bird Treaty Act. If that position can be sustained, then Congress, through the said Migratory Bird Treaty Act, enlarged the power specifically granted under the treaty and automatically infringed upon the rights reserved to the people of each State under the tenth amendment.

There can be but little question that when the treaty was formed the high contracting parties had a clear and unmistakable understanding of all such contingencies. They thoroughly understood that from the time free government was established in America that States have tenaciously clung to their inherent rights. They recognize that the means of taking and killing of migratory waterfowl was the prerogative of the various States and not some bureaucrat in Washington, D. C. If these nuisance regulations are valid there is apparently no limit to abridgment or enlargement. The Secretary will next devise the color of clothing and the type of boots the hunter must wear when he enters a blind as an aid to protection, and so on ad infinitum ad nauseam. The rights denied the States by such action are in the guise of regulations, but in truth and in fact the Secretary is legislating for every sportsman of America, and I am confident the Supreme Court will so hold when the issue is properly placed before the members thereof.

I yield to no man in my interest in protecting the migratory waterfowl. I am one of those individuals who wants to see the march of wildlife conservation continued, but in carrying it forward I do not subscribe to a tyrannical theory which, in the name of conservation of waterfowl, permits the executive branch of the Government to thrive upon power which was not embraced in the articles of the treaty. Neither am I willing to subscribe to a doctrine which permits the Congress of the United States to enlarge the provisions of the treaty by the passage of legislation, and neither am I willing to permit the Secretary of Agriculture to enlarge his power through regulations which are tantamount to legislation. If the question is one of saving the waterfowl or saving the independent rights granted to the States of this Union under the Constitution of the United States, I am constrained to follow the theory of State rights upon this momentous question, as I am unaware of any State of the Union which is not competent to enforce reasonable rules and regulations for the protection of migratory birds as they wing their way from the north and south.

It is indeed significant that from the time we have had a game code in Illinois fish and game have been decreed to be the property of the State, but, alas, under these drastic and penal regulations our sovereign rights are gradually being anchored in Federal moorings.

In conclusion, I ask you as men interested in preserving the independent heritage of a great State, shall we sit silently by and permit this encroachment of power to continue unabated? Shall we permit Federal regulations to overshadow and practically destroy the efficacy of the great conservation department of this State which has been nurtured and guided under the direction of a Governor whose interest in proper and adequate conservation is unsurpassed by any executive in America?

My friends, the hour has arrived when the controversy must be determined. The intelligent, industrious, forward-looking conservationists in Illinois must know whether we are men or whether we are mice.

I know not what course you may choose, but for me, I stand ready to gird my loins, polish my armor, and sharpen my mental sword with high hopes that through the united action of courageous, traditional and constitutional Americans we may regain for Illinois what I honestly believe she has lost through improper usurpation of Federal power.

Who Pays the Bill?

EXTENSION OF REMARKS
OF
HON. CLARENCE W. TURNER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 1, 1937

ARTICLE BY MR. J. F. PORTER, PRESIDENT OF THE TENNESSEE FARM BUREAU FEDERATION, REGARDING FUTURE FARM LEGISLATION

Mr. TURNER. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following letter received by me from Mr. J. F. Porter, president of the Tennessee Farm Bureau Federation, together with the article referred to therein:

TENNESSEE FARM BUREAU FEDERATION,
Columbia, Tenn., June 29, 1937.

Hon. CLARENCE TURNER,
House of Representatives, Washington, D. C.

DEAR MR. TURNER: Since returning from Washington, almost 3 weeks ago, I have sought to find how the farmers of Tennessee feel about the possibility of there being no A. A. A. legislation this session of Congress.

I find 9 out of 10 greatly surprised that any consideration is being given postponement of the measure.

I am enclosing for you a copy of an article I have just written for the Tennessee Farm Bureau News. I would appreciate your reading this, as I believe it reflects the thought of the leading farmers of Tennessee.

Practically all of them want the legislation. If there is any question in your mind as to the feeling of the farmers, we can stage some mass meetings urging action.

Thanking you for your consideration, and trusting we may have your active support, I am,

Yours truly,

J. F. PORTER, *President.*

WHO PAYS THE BILL?

If prices of farm commodities continue satisfactory, farm folks get the first benefit, then everybody else.

If prices go down, farm folks get the effect quickly, absorb the shock, and gradually everybody else feels the effect; but the accounts and notes held against farmers will eventually be paid. If prices of farm products go down, regardless of the cause, farmers pay the bill.

Then whose responsibility is it to try to prevent low prices? Who has most at stake—Congress, the Secretary of Agriculture, your friends around town, your country merchant, or you? That question answers itself.

What course, then, shall we who enjoy the prosperity and pay the price of depression take?

The easiest course is to do nothing and enjoy the present satisfactory status of agriculture, and not trouble about closing the stable door until the horse is gone.

Through weeks and months of labor, organized agriculture, led by the American Farm Bureau Federation and assisted by the Secretary of Agriculture, has prepared a bill, the object of which is to stabilize farm prices at a fair level. It gives the same guarantee to consumers against scarcity and high prices that it does producers against overproduction and low prices; it is intended to be a long-time program, and its authors hope its gradual effect through the years will be to lower the cost of administration to a minimum.

The two principles, in addition to soil conservation, involved in the bill to make it effective are: Storage of needed nonperishable crops in sealed warehouses on the farm or elsewhere, through a medium of Government loans, same to be released when prices go up; the other principle is the one with which we are all familiar—"crop-production adjustment" to meet the market needs.

Not many people who have studied agricultural trends over a long period of years question the soundness of the plan. It is not perfect, not easy, but the best thing in sight.

The real issue is the matter of an appropriation and that is a question worthy of due consideration.

A rather interesting thing we find about appropriations in county, State, and Nation—we are usually against them unless it's "coming down our alley"; for that reason, I am trying to be careful what I say.

This administration deserves the goodwill of the farmers of the Nation and about everybody else.

When this administration came in, we were in very bad shape, today we are in very good shape, and it didn't just happen. It took a lot of Government money to do this, far too much, in many instances more than was necessary, a lot of it has in a sense been wasted, but as much as we should oppose waste, we must agree the waste has been chiefly on the poor, the out-of-work, and the trifling folks.

The rich, as a rule, are not "in on the pie." The money furnished now, represented by a huge debt against our Government, really has circulated, bringing material benefit to nearly all classes.

Personally, I believe the sooner we can safely get away from Government subsidy the better off we will be, and I think that is the view of the farm organizations.

The question is, "Shall Congress make the necessary appropriation to put the Agricultural Adjustment Act of 1937 into effect for 1938?" or "Shall we wait and see if prices go down?"

The safe thing to do is to pass this bill now and not wait for another period of low prices, with its consequent tragedies.

The bill is so written that it will work somewhat automatically.

The farmers would be glad if the expense of their program could be borne by the commodity, as in the processing tax. The Supreme Court says "No" to this.

The question resolves itself to this, "Shall the Congress appropriate sufficient funds to administer the new act?" or "Shall the Nation take the chance of another agricultural surplus, with low prices, costing the country many times the amount of the appropriation?"

As much as we would like to see big appropriations "cut", our judgment is that Congress will do wisely to make the appropriation.

Second St. Louis Jefferson Memorial

EXTENSION OF REMARKS
OF
HON. WILLIAM P. LAMBERTSON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 1, 1937

Mr. LAMBERTSON. Mr. Speaker, last Thursday 38 citizens of St. Louis, owners and tenants of properties which the National Park Service seeks to condemn as the site for the $30,000,000 second memorial to Thomas Jefferson in their city, were forced to go into the United States District Court for the Eastern District of Missouri and begin anew a legal battle for the right to earn a living and carry on their business undisturbed by the agencies of the National Park Service, who, having entered into the brotherhood of fraud, graft, and corruption, are proceeding feverishly with condemnation suits so that they may get under way with a project which they know is under more than a suspicion of fraud.

WHAT ARE THE FACTS?

Mr. Speaker, the facts which have been made available to me are also available to other Members of this Congress if they want them. The record of fraud and corruption is complete, as is the record of indifference on the part of the Department of Justice, the Post Office Department, and all other governmental agencies to which complaints have been made.

In order that there will be at least a partial printed record of the crime which is about to be committed against the taxpayers and businessmen of St. Louis, I will briefly review some of the facts concerning the bond-issue election in St. Louis on September 10, 1935. This is the election in which evidence of fraud in each of the 19 wards of the city in which the bond issue purported to have received a lawful majority has been published by the St. Louis newspapers. This fraud has never been denied.

ST. LOUIS SEVENTH CITY

St. Louis is the seventh city in population in the United States. Notwithstanding the fact that more than 46,000 fake names were carried on the registration books of the city as recently as last June, it is of but a small portion of the city and the vote in that portion which I now bring to your attention.

St. Louis is divided into 23 wards and the wards are divided into 669 election precincts. In 9 of the residential wards of the city the vote for the bond issue was: "Yes", 33,243; "no", 31,958. In the other 19 wards in which the fraud has been disclosed the vote was: "Yes", 89,892; "no", 18,616.

A weird result, to say the least. But to draw the picture down to a more graphic scale, I have made an analysis of the results which were recorded as official in 17 selected precincts of 9 wards. These results are shown graphically by the table.

TABLE I

Ward	Precinct	Yes vote	No vote	Remarks
Third	Second	507	5	Stuffing indicated.
Do	Tenth	461	5	Do.
Do	Fourteenth	575	14	Do.
Fourth	Twelfth	557	7	669 registered.
Fifth	First	642	15	Only 588 registered.
Do	Seventh	561	8	Stuffing indicated.
Eighteenth	First	607	5	588 registered.
Do	Second	455	21	497 registered.
Do	Twelfth	696	14	749 registered.
Do	Thirteenth	747	13	784 registered.
Do	Fourteenth	804	20	847 registered.
Twentieth	Fourth	512	11	592 registered.
Do	Sixth	415	5	
Twenty-first	Fourth	468	13	
Twenty-second	do	505	0	Was stuffed.
Twenty-fourth	Twenty-second	518	21	
Seventh	Sixth	477	23	500 look bad.
Total		9,487	200	

The returns from these selected precincts are at the unheard of ratio of 47½ to 1.

Mr. Speaker, if the people of St. Louis wanted this memorial that bad, they would be up in arms against anyone who denounced this proposition like I have done here in Congress. On the other hand, I have received dozens of letters and telegrams asking me to carry on this fight for common honesty and for the people of St. Louis. And I intend to do so.

Which causes me to take stock of the situation.

The people of St. Louis who voted against this memorial scheme no doubt are like most of the people elsewhere in the country, too busy trying to make ends meet to worry about the other fellow. That is what they send men to Congress for. But the 38 businessmen who have been forced to again seek relief from the real-estate sharks and the National Park Service present a different picture. They were unable to get a hearing of this case on its merits in the courts of the District of Columbia, so they now enter suit at home.

No member of the Federal judiciary living anywhere near St. Louis can be entirely unaware of the charges which have been made and the disclosures which have been published in

the newspapers of St. Louis and the Nation. No member of the judiciary can, in my opinion, refuse the citizens of St. Louis the relief they now ask, namely, an injunction to halt the National Park Service in the condemnation of this high-priced land for a memorial which fills no known necessity at this time, but which will disrupt and disorganize the business of many successful firms.

Mr. Speaker, while there can be no doubt but that these people of St. Louis are entitled to a full and complete hearing in the courts, they are also entitled to an investigation by this Congress.

This memorial promotion has within itself not only all the elements of fraud but it is as I have heretofore mentioned, the most flagrant and brazen attempt to sidetrack the functions reserved to the Congress alone.

Mr. Speaker, before this memorial-bond-issue election in St. Louis was even held, in response to a telegram requesting verification of claims the Government was going to provide $22,500,000 for the project, Col. Horatio B. Hackett, Assistant Administrator of the Public Works Administration, wired the Taxpayers Defense Association September 5, as follows:

Retel September 4 docket, Missouri 1,006, Jefferson Memorial there has been no official notification of an allotment to this project.

This is ample evidence to support the charges that certain interests were out to swindle and defraud both the Federal Government and the taxpayers of St. Louis by their false representations. Nothing has been done about this barefaced attempt to obtain Federal money by unlawful methods. Shortly after the election, Mr. W. H. Gage, a businessman in the river-front area, wrote a letter to the Department of the Interior asking for an investigation of the interests of certain real-estate promoters in the memorial. In reply to the letter Charles West, Acting Secretary of the Interior, in a letter dated October 2, 1935, in part said:

The exact location for the proposed memorial cannot be determined at this time.

This was after the election and before the Executive order creating historic sites had been made. How come that if this was a Federal project, as represented by the promoters, the Department of the Interior had no knowledge of the exact location? Was there a "nigger in the wood pile", or were there options yet to be executed in St. Louis?

Now, the Executive order for the memorial did not come through until December 21, 1935. Mayor Dickmann brought this order home as a Christmas present for his supporters after he had come to grief on his promise to have the dirt flying on the river front inside of 10 days after the bond-issue election.

So things dragged on until spring came along. Then the city tried to dispose of the memorial bonds. And they had plenty of difficulties, as I will show at some later time.

Meanwhile the Citizens' Nonpartisan Committee were busy securing evidence of the huge fraud which had been committed, and on May 22, with plenty of evidence in their possession, they again questioned the Department of the Interior as to the site for the memorial. This questioning, I am advised, was prompted by rumors that there had been private agreements made which were entirely out of line with the original plans for the memorial. Mr. Charles West again answered the letter. His reply was, in part, as follows:

It is not possible at this early stage of the activities of this Department to define the boundaries of the memorial site. The fixing of such boundaries will require careful study, the results of which cannot be made public until formal action has been taken and approval thereof obtained.

Mr. Speaker, the language used by the Acting Secretary of the Interior is in itself an indictment of this great fraud. The people of St. Louis were presented a definite and concrete proposal; there was nothing which would require either study or secrecy whatsoever. The people's money was about to be spent, yet here was an exhibition of the-public-be-damned attitude of the Interior Department.

Mr. Speaker, the further into this Jefferson Memorial promotion I get, the more convinced I become that jail is too good for some of the slickers behind this scheme.

We are going to be taken for suckers if we allow this matter to go unchallenged much longer. Here is an opportunity for Congress to do something constructive by stopping the waste and render justice to the people of St. Louis at the same time.

Mr. Speaker, we must get an investigation under way to halt this memorial or at some future time the promoters will be here asking for more money, and then we will have the unpleasant duty of providing funds to complete a monstrosity we did not have either the courage or common sense to stop.

In conclusion, I submit the fact that anyone in the Nation who should want to spend $30,000,000, or any part of it, for a second memorial to Jefferson or anyone else in St. Louis should be looked on with suspicion.

The fact that a huge slush fund, said to be in excess of $100,000, was collected and distributed to influence the voters at the bond-issue election of September 10, 1935, in St. Louis should be investigated.

The fact that not one single person has been brought to the bar of justice for the crimes which have been committed, although several have confessed their parts, should be investigated. The willingness of the National Park Service to proceed with the spending of other people's money, knowing that it is tainted with fraud, should be investigated.

Gentlemen of the Congress, when will we start?

The Problem of Poverty and Greed—H. R. 7005 Would Help the Forgotten Man

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

Mr. COLDEN. Mr. Speaker, during the administration of President Roosevelt, Congress has appropriated billions of dollars for relief and recovery. The Seventy-third Congress appropriated $6,674,575,000; the Seventy-fourth, $5,925,000,000; the Seventy-fifth, $789,000,000, a total of $13,388,575,000 for relief and recovery. Jobless have been employed, millions have been fed and clothed and their hardships softened and their sufferings alleviated by the humanitarian policies of the New Deal. Although the Government has been prodigal with first aid and palliatives it has not found a cure for unemployment and poverty. Millions of our population have not yet found economic security. Millions are still searching for employment.

The machine age demands the speed and alertness of youth and those in middle life and our aged find the doors of employment closed to them. The President has stated that one-third of our population is ill-fed, ill-clothed, and ill-housed. This rich and prosperous Nation with its fertile fields, its abundant forests and minerals is afflicted with the curse of poverty, the scourge of all nations and all ages. At the same time that the poor are pleading for the necessities of life, greed has grasped billions of profit and wallows in predatory wealth. The major economic problem of this country and of the world is to curb the concentration of wealth and to provide for a wider and more equitable division of the products of labor and of natural resources, and thereby reduce both greed and poverty to a minimum. Is it not proper to pause and ponder over this menacing problem and seek a solution? Let us review a few of the agencies that contribute to poverty and greed.

WAR MAKES RICH AND POOR

The poor fight the battles of war, die for their country if need be, suffer injury and sickness, loss of limb and health,

and then return home to face the heavy burden of taxation. War is not only destructive of the wealth of a country but profiteers and racketeers swarm like vultures over the stricken land and feast on the needs and supplies of the patriots in the camps, trenches, battlefields, and fatten on the necessities of the poor and the stricken and the grief-laden at home. War is a primary factor in the promotion of both greed and poverty. Furthermore, poverty promotes domestic dissension and provokes war.

THE HOLDING-COMPANY RACKET

The holding company is a sinister corporation device that controls far-flung enterprises. It enables a few self-chosen, greedy dictators to exploit thousands, yea, hundreds of thousands, of small investors and consumers. So powerful have some of these holding companies grown that they defy the demands of the workers, ignore the rights of the small investors, extort exorbitant profits from the consumers, and defy the ordinances of municipalities and the laws of the States. The Bell Telephone Co. boasts of a capitalization of $5,000,000,000, exceeding the assessed value of 21 States.

Here is an illustration of how holding companies work: George A. Ball made a fortune in the manufacture of glass jars. The country housewife who cans tomatoes and peaches is familiar with this glass product. Her frugality helped Ball build his fortune. Ball recently purchased the stock of a holding corporation for about $250,000 and thereby gained control of the Rock Island Railway. He sold the holding company for $6,375,000, making millions in profit. This holding company controls 23,000 miles of railroad, capitalized at $3,000,000,000. These greedy plutocrats do not possess property by the crude sit-down strike method, but use a subtle legalistic scheme far more effective and disastrous. The result is plutocracy on one hand, poverty on the other.

BIG BUSINESS A FALLACY

Great monopolies control prices in order to exact greater profits. The small merchant, the small factory are driven out of business by ruthless and cutthroat competition. One of our national fallacies is our obeisance to bigness, yet it can be shown in many instances that big business is inefficient. The Harvester Trust is an example. Binders and mowing machines are much higher today than when competition existed. Plants were purchased and closed, throwing thousands out of employment, and the rights of the workers disregarded. Louis D. Brandeis, Associate Justice of the Supreme Court, vividly exposes the fallacy of big business in "Other People's Money."

Captains of the steel industry, operators of mines, the meat-packing houses, and others in the years of the past have searched the labor markets of Europe for the cheapest labor and imported aliens to displace the American worker, who possessed the intelligence and the courage to ask for fair wages and decent living. Today we witness the unhappy spectacle of many industries seeking new localities where labor is cheaper and where it is possible to sweat the men, the women, and the children for more dimes and more dollars of profit. Rugged individualism, aggrandized wealth, monopoly of industry and trade press down upon the brow of labor the crown of thorns and crucify their victims upon a cross of greed and gold.

WHERE RUGGED INDIVIDUALISM REIGNS

Harlan County, Ky., is a coal region ruled by the iron hand of might. Here rugged individualism reigns supreme. Unrestrained greed grinds men into dust and the tears of mothers and the cries of children are unnoticed and unheard. In these Kentucky hills the great Steel Trust owns coal mines along with other feudal industrial lords who bend the law and the rights of men to their own whimsical and tyrannical wishes. The miners are frequently paid with tokens redeemable at company stores at exorbitant prices. The miner and his family live in a company house and tenancy is severed at the will of the employer. Even streets are claimed as private property by these greedy corporations, and the inhabitants may be arrested for trespassing. This arbitrary power has been exercised against sympathizers of organized labor.

The sheriff of Harlan County is the leader of this kingdom of tyranny. In 3 years he has amassed a fortune as a puppet of coal barons and a prostitute of public honor. He appoints brutal thugs as deputies, paid by the overlords of the coal industry. To join a union to organize for protection means an immediate loss of a job by the worker, and his family turned out into the street. Frequently the protesting miner is beaten by deputy sheriff thugs. Labor organizers are shot down in their homes and on the street. These vicious thugs killed the father of 10 children and left a widow with this large family without income or means of support. These same cowardly and inhuman criminals threatened the life of a Baptist minister, and loosed a volley in his home, killing a 19-year-old son. These outrages have been numerous, the law of the State has been defied, the security of the home violated. The victims are so helpless that they fear to file complaints. The unrestrained power of plutocracy and greed rules with contempt and defies law, order, and the rights of man.

THE PUBLIC STOOD UP

The sit-down strikes, which are something new in our industrial life, cause us to pause and reflect just what are the rights of labor in these great enterprises and this output and this profit of the capitalists and the overlords. Why should a few men manipulate an enterprise, or an industry, and use a minority of the stock, and the investment of the people scattered throughout the land, in such a way as to enable a few individuals at the top to enrich themselves by huge salaries and to divert the earnings and the resources into their own pockets, instead of to all those investors and workers who contribute to the prosperity, the profits, and the accumulated wealth of the enterprise?

Only recently the Security Exchange Commission unearthed the frenzied financial career of Harrison Williams, an emperor of utility stocks. Investing a little more than $2,000,000 he swindled, wrecked, and hurricaned his way to the dizzy financial heights of a fortune of $612,000,000. Out of the savings of innocent investors, the wages of the workers, the needs of the consumer, yea, even the legacies of widows and orphans, he built this empire of a plutocrat and left his pathway strewn with the poverty, the ruin, the tears, the heartaches of his fellows. Then his fortune fell to a paltry $5,000,000. Again he has built his fortune to $15,000,000 and controls utilities valued at $2,500,000,000. And we permit such financial brigandage in a nation that professes to be Christian, civilized, and democratic.

PIRATES GRAB PROFITS

Why should the worker, who is just as necessary to any industry as is capital, accept merely the meager wage which the managers and owners see fit to dole out to him? Why should the overlords of these enterprises covet and capture all the profit? Some are so bold as to believe that all corporations should be profit-sharing, in which the investor and the worker should receive a fair proportion. One of the greatest abuses of corporate organization in these days is the diverting of earnings and profits from the pockets of those to whom they really belong to huge salaries and special dividends that benefit but a few at the expense of the many. The history of many corporations is a cold and brutal recital of promotions, commissions, dividends, watered stocks, and profits, all sapped from the earnings and savings of the masses. Railroads, banks, power companies, mines, industries fall as prey to financial parasites that fatten on ill-gotten gains that are wrung from the worker and the consumer. Nor are the savings and legacies of widows and orphans spared. Nothing, nobody is respected by the maw and appetite of greed.

MONEY, BANKS, AND CREDIT

Why should banks and bank credit be used exclusively for the profit of a few? It is the privilege of Congress to coin and control the money of the country. Federal Reserve banks, by the control of the currency of the country, are exercising a special privilege based upon the credit of the Government itself. The credit of the Government is merely the credit of the people. The currency of this country

should be issued by the Government for the benefit of all the people and not for the few bankers. This system has contributed to the enrichment of the greedy and to the poverty of the masses, who have no part in its benefits and must pay the toll for those at the top.

One of the most dangerous privileges exercised by financiers and bankers has been the control of bank credit. Through bank credit inflation and deflation are brought about. Inflation enriches one group at the expense of another. Deflation does the same. The poor and helpless are caught coming and going. The curse of poverty and unemployment can be arrested to a considerable degree by an honest dollar of uniform purchasing power issued by the Government, along with the ownership of the Federal Reserve System and the control of bank credit in behalf of all the people. Three steps should be made in financial reform: (1) Government ownership of the Federal Reserve System; (2) Government control of bank credit; (3) Government regulation of the dollar so as to preserve a uniform value, fair to borrower and lender and just to the worker, the producer, and the consumer.

DECENTRALIZE POPULATION AND WEALTH

Railway discriminations in freight rates have done much to disturb and disrupt economic equality and our social progress. Competitive points enjoy favored rates that build some cities and destroy their competitors. The industry that receives freight-rate favors destroys the rival that is denied them. The factory in the country town is driven to the competitive point to secure the favored rates. The worker leaves the country town where land, homes, and living are cheaper and follows the factory to the congested city, where rent and foods are higher. The worker is deprived of fresh air and rural contacts, and is forced to live in an atmosphere of noise, dust, and unwholesome surroundings. One of the urgent needs of our Nation is a scientific and fair freight-rate structure that will place the country town and the intermediate railway point on a par with the large cities and eventually decentralize the population and wealth. Such a plan will spread benefits and prosperity and promote health and welfare.

LEGALIZED LOOTING

Stock exchanges and boards of trade are traps for the enrichment of speculators and the shearing of the lambs. It is a game like the "spider and the fly." Stock exchanges are feasts for the spiders, but economic death to the victims. There is another legalized form of gambling for the taking away from those who have little and adding to those who have too much. Why should not the broker and the stock exchange furnish the same guarantee of good faith and fair dealing as the grocer, the butcher and the shoe man? How long would your local merchant remain in business if the buyer found his sugar sack full of sawdust, his package of ham full of sand and shavings, and his shoe box loaded with a brick? This country has been flooded with watered and worthless stocks and bonds that have been peddled by thieving firms and stealing agents who have robbed the worker, swindled the widow, and left hungry and naked the innocent orphan. The pirates and brigands of history were gentlemen compared with the smooth, suave, ballyhooing, strong-arm artists who take your hard-earned money for gilt-edged promises not worth the price of printing. Our most noted financiers have been guilty of this nefarious practice. The Roosevelt administration has done much to curb this inexcusable abuse.

THE MACHINE AND SHORTER DAYS

The machine has become a great factor in the economic life of the Nation. It has been exploited for selfish purposes. The machine in many cases has become an instrument of monopoly and greed. Instead of spreading the benefits of industry to all groups, it has curtailed its own market by depriving millions of employment and buying power. It is becoming more and more recognized that the idle man is a liability to society, while the working man is an asset to every branch of economic life. Some method must be found by which the product of the machine will spread its benefits to all. To secure this goal the hours of labor should be reduced and wages increased, so as to afford employment for all and thereby increase the buying power of all.

The 6-hour day and the 30-hour week are necessary steps. Shorter hours will give employment to a greater number. The hours of work should be regulated so that every worker may have an opportunity for economic freedom and life, liberty, and the pursuit of happiness. The metropolitan newspapers which profit by child labor are to a considerable degree responsible for this crime against childhood. The employment of children displaces parents. Children are employed because they work for less pay, thus lowering the wage scale and the standard of living. A child-labor amendment to the Constitution has been under consideration for 13 years, but the opposition of greedy employers has prevented its adoption. The plea of President Roosevelt to the States as yet has not resulted in its ratification. The Supreme Court denies the Congress the right to regulate child labor.

PUBLIC OPINION FAVORS GREED

Too often public opinion worships at the knees of fortune and greed and asks no questions as to the manner by which wealth is acquired. Too often poverty is despised and denied consideration, while special privilege is pampered and exalted by polite and prosperous society. Too often the community bestows undue obeisance to the banker and the rich and fails to take a true measure of human values. Too often the university and the college professors discuss social justice with one hand on the subject and the other held out for educational alms and tainted endowments. Too often the clergy, with high regard for generous contributors, ignores the real causes of poverty for fear of the depressing effect on the church collections. The metropolitan press and even local publications, subsidized by profitable advertising, bombard, blast, and blow up the reformer who has the courage and humanity to battle for the destitute and forgotten. Every day they employ the keenest columnists whose purpose is to ridicule and to destroy every argument for a fair distribution of wealth and tear down the proponents by plastering them with false accusations as reds, Communists, dictators, rubber stamps, and kindred wisecrack sophistry. Daily these crafty and clever columnists shoot shafts of poison and virulence at the leaders for the common good.

SUPREME COURT HAS REVERSED ITSELF

Too often the Supreme Court and other courts have been citadels of reaction and predatory wealth. Giant corporations trample the rights of the poor, defy the ordinances of cities and the laws and regulations of States, and then flee to the refuge of the courts. For weary years the Supreme Court in numerous decisions denied relief for the worker and the farmer. Decisions refused collective bargaining, maximum hours, minimum wages, and the elimination of child labor. In the face of public indignation, the courts have reversed some of their most flagrant decisions. But the public is yet too tolerant of the ancient and archaic notion of the divine right of kings which the Supreme Court appears to have inherited. Today the Supreme Judges and other Federal judges are only answerable to high heaven, and some of them are reported as going to sleep in church as well as on the bench. President Roosevelt's plan for judicial reform strikes at the very roots of the discriminations in favor of the rich and powerful as against the poor and helpless. The expensive procedure, the requirement of high-priced attorneys bars the poor man from the protection of the courts.

INTEREST GOUGES THE POOR

Interest and usury are factors that contribute to poverty. The great corporations, the man of wealth, borrow money at a very low rate. The impoverished pay a very high rate. Great corporations borrow money at 1½, 2, 3, 4, and 5 percent. The poor man, paying for his home, pays 6, 7, 8, and 10 percent. Many pay even a higher rate of interest on installment purchases of automobiles, radios, and appliances necessary in the home. If overtaken by sickness of himself or his family the poor man is compelled to borrow money on

his furniture and his household necessities, and frequently pays 3 percent or more per month. Intolerable extortions take from those who have little, the mite that they have. Federal credit unions, that enable groups to organize and loan themselves money at 1 percent per month, is not a cure for this situation but helpful. This law is an effort of the New Deal to help those who have been unable to help themselves. Loan sharks have repeatedly defeated State proposals to curtail their greed but now a Federal plan is available. The credit union is a cooperative lending institution and is growing rapidly.

THE POOR PAY HIGH TAXES

The question of taxes enters into the economy of every individual and every home. Ordinarily, the great corporations and the rich pay far less tax in proportion to their wealth than the poor. Their treasonable schemes to dodge taxes are a public scandal. Many people of wealth evade taxes by investing in tax-exempt securities. Idle lands pay much less tax in proportion to those that are improved and have an income. Our method of taxation encourages idle land and idle wealth. A graduated tax on the plan of a Federal income tax applied by the local agencies, the cities, the towns, the counties, the States, the school district, would have a tendency to place the burden of taxation on those best able to pay it. The worker, who is struggling to pay for a humble home, should be exempted, if possible, and those who have luxurious homes and larger incomes can far better afford to carry the load. If a graduated tax system were applied to farm lands, it would encourage the small farmer and discourage the holding of lands in the country and lots in the city for speculation and arrest one of the factors that brings riches to a few and poverty to many.

The monopolization of land has bred poverty and brought destruction to powerful peoples. An independent farm population is the backbone of all countries. Land determines the destiny of nations. Land should be reserved for those who use it. The disappearance of the small farm and the building of great estates is a sure sign of national decay. It is the duty of every nation to guard and protect the tillers of the soil as a mother watches over her new-born babe in the days of its infancy and childhood. Ownership of land and homes is a pillar of patriotism and the foundation of the home, the State, the school, and the church.

THE SALES TAX HITS POOR

The sales tax falls heavily on the poor. It is a convenient method of raising large sums of money. It violates the fundamental rule that taxes should be paid according to the ability to pay. This rule was advocated by Adam Smith, one of the greatest English economists, and it has been generally accepted as a sound system in America. It is sometimes referred to as the American system. The sales tax violates the principle of the income tax which conforms to a fair system of taxation. The poor man requires more food than the rich. Under the sales tax men pay taxes according to the food they buy. A poor man's family may require twice or three times more sugar, flour, and bacon than a rich family and thus pay more taxes. The poor man must have gas for his car to get to work, he must have clothes, and he pays a sales tax according to his needs and the tax collector knows nothing and cares nothing as to his ability to pay. No tax has been devised that is so unfair to the poor as the sales tax. The transaction tax contains the same discrimination and is but a multiplied sales tax falling proportionally heavy on those least able to pay. Rich newspaper owners frequently inveigh against the income and inheritance taxes and display militant enthusiasm for the sales tax. Income and inheritance taxes are fair and just.

POVERTY BEGETS POOR HOUSING

The poor are obliged to live in tenements, slums, and insanitary surroundings in the city, and life and health are imperiled; yet the poor pay a greater proportion of income for rents than those who enjoy a higher scale of income and of living. Housing is one of the great problems of this country. The New Deal is attacking this problem. Cities and counties and States could greatly alleviate this condition if their laws permitted wholesale housing. Standardized housing would materially reduce the cost. A political organization, such as a city or a county, can borrow money at a lower rate of interest and by building houses by the wholesale can afford to sell them and rent them with a lower rate of interest than can the individual.

San Francisco is one of the proud, rich, and prosperous cities of the world. A recent survey by the Department of Public Health made the shocking disclosure that 40 percent of the houses of San Francisco are unfit for residences. Hundreds of families were found living in single rooms and numbers denied fresh air, proper light, and modern sanitation. In these houses the health of the occupants was impaired or imperiled and the infant mortality was alarmingly high. Yet few cities of the world compare with San Francisco in wealth and comfort. Scarcely a municipality in America but has a cancerous section of underhoused people whose ill health and disease-breeding conditions threaten the entire population. Municipal housing can find an inviting field in every metropolis of America.

Poor housing not only afflicts the poor of the cities but reaches out on the farms. Rural housing is an American disgrace. Millions live in farm dwellings unfit for a barn. Here is a field for county, State, and Federal housing. One of the fundamental needs of this Nation is small farms with modern homes available to farm tenants and city unemployed for sale on a long term of years at low interest rates or on a low-rental basis. States like California, where transient labor is necessary, should provide suitable comfortable homes for a migratory population that is kicked and cuffed from place to place as soon as their labor no longer furnishes a profit to the employer.

POOR MAN'S DOLLAR BUYS LESS

A poor man's dollar buys less than the rich man's dollar. The poor man is compelled to buy in small lots his groceries, his fuel, his clothing, and other goods. If he buys a washing machine, a vacuum cleaner, frigidaire, automobile, on the installment plan, as he sometimes buys clothing, he must pay a margin above that of the cash customer. One of the factors of relief that enhances the value of the poor man's dollar is the cooperative, that is having such great success in many nations of the world.

The cooperative is one of the most powerful instruments of democracy. It has proved its efficiency in many of the nations of the world. Cooperation is part of the religion of the good Christian of Japan, Kagawa. Cooperatives have tremendously aided the farmer in marketing the products of his farm. Consumers' cooperatives have greatly enhanced the value of the dollar to the members in both city and country. Scandinavians and other Europeans have made a marked success in the cooperative movement. Many similar organizations in the United States have failed because of the avarice of promoters and the hasty enthusiasm of the members.

"CO-OPS" ARE GROWING

The cooperative movement in the United States has received a marked impetus from the depression. It has already firmly rooted in scattered localities. The dairy industry in Wisconsin has made notable progress. Cooperative service stations for the sale of gas and oil have had a rapid growth in Minnesota and the Northwest.

Cooperatives in California have been of considerable value to the unemployed. Necessity has banded men and women in a number of enterprises. Not only do these cooperatives grow vegetables but frequently they salvage unmarketable vegetables and fruits from nearby farms and orchards that are utilized while fresh and surplus products are canned for future use. Clothing and shoes are repaired and made, laundries and bakeries are operated, and furniture manufactured. These cooperative projects have received limited aid from governmental sources and have lightened the load of relief from the backs of the taxpayer. Some of the units have not been a success, but others have been a blessing to the unemployed, those who are infirm and aged and unable

to compete with the younger. In these cooperatives the employed may adjust their hours to their endurance and to their necessities.

There is a mistaken notion that cooperatives injure business. The reverse is true. By increasing his purchasing power, the member buys more, creating increased manufacturing, longer pay rolls, and a demand for more raw materials. More employment means more business for all.

PRODUCTION FOR USE

Public ownership is merely another method of cooperation. It enables a city or other political agency to use the collective credit of the community in the purchase of water, power, light, transportation, fuel, and other conveniences. The objective of public ownership is the best service at the lowest cost, while private ownership has but one motive, profit—the least service for the greatest possible dividends. Public ownership is a boon to the poor, eliminates graft in public places and favoritism to private corporation pets. Every utility that serves the public should be owned and operated in the interest of the public. It is one of the most promising movements in democracy. It is an example of production for use and service and not for profit.

SAVINGS-BANK LIFE INSURANCE

Mutual or State insurance would reduce the cost to within the reach of millions now denied this valuable protection. Government insurance to veterans of the World War revealed the low cost as compared with the extravagant rates exacted by private corporations. Life insurance affords an example of billions overcharged the public that are used by Wall Street barons and borrowers to extort more billions. Insurance is a luxury enjoyed by a minority. Under a State cooperative system it would contribute to the safety and security of the majority. Justice Louis D. Brandeis, of the Supreme Court, when an attorney in Boston, sponsored the Massachusetts system of savings-bank insurance which brings limited insurance within the reach of many workers unable to carry the expensive old-time life insurance.

This system of savings-bank life insurance appears to be limited to Massachusetts. Because no fund is allowed for advertising and no commissions are paid to agents it does not receive wide publicity. All regular forms of life insurance are offered—straight life, limited payment life, endowment, 5-year term and annuities, immediate and deferred. Policies from $100 to $1,000 are obtainable from each bank dealing in this function, now numbering 24, or up to $24,000. There are altogether more than 160 of these banks operating in this State. Policies also have a borrowing value and may be purchased in installments.

SECURITY FOR AGED AND UNEMPLOYED

Capital and labor are both indispensable, and as a matter of economic justice there should be a mutual and cooperative relationship. Both are necessary, neither can exist without the other in our industrial and economic life, but the greatest value of all is human value. We must pause, survey, and reflect upon the kind of individuals our civilization is producing. Of what use is our wealth, our intelligence, our civilization if we permit greed to ride over the masses like the "four horsemen" and leave behind a trail of hopeless and helpless remnants of what might be a splendid human existence? The forgotten man and his family who float from town to town and from State to State and who live off of the crumbs dropped from the table of luxury and extravagance might be made over into useful, productive, and happy individuals if given an opportunity. This is the problem of our age.

Fear is a child of poverty. Fear stalks at the heels of the poor from the cradle to the grave. Fear of unemployment is a perpetual horror to millions. Unemployment means not only lack of food, but lack of money to employ a doctor, no cash for the dentist, pains and aches and no medicine, no solace, no relief; consequently to secure social and economic security there must be pensions and aid for the aged, the blind, the deaf, the crippled, the incapacitated, the widow and orphan, and the unemployed. The Roosevelt administration has boldly attacked this important problem, and since the Supreme Court has upheld this humane measure, much remains to be done to broaden and to increase the present plan. One of the greatest obligations of Congress is to work out a social-security program adequate to meet the necessities and adversities of life, age and affliction.

A GARDEN FARM FOR THE FORGOTTEN

One of the outstanding features of the Roosevelt administration is its experiments in subsistence homesteads and cooperatives, housing, resettlement, and farm-tenancy projects. But it is but a beginning. No step would contribute more to recovery and to the general welfare of our citizenship than a modern home, a garden, a little farm for every American family. But the Federal Government cannot do all. Every State, city, and county should lend a helping hand.

H. R. 7005 (Colden) is a bill to inaugurate a permanent Government policy of cooperative enterprises and subsistence homesteads to rehabilitate the unemployed. Unemployment and poverty are so widespread that aid and supervision are necessary. We appropriate billions for relief but this is but a palliative and not a cure. The vast majority of those on relief prefer a job to a dole. The taxpayer carries a heavy burden. Why not invest in a plan that promises the lessening of the taxpayer's loan and at the same time alleviates poverty and rebuilds an independent, self-reliant citizenship. Garden homes and little farms coupled with cooperative enterprises would provide employment, subsistence, and security for the forgotten men and women. It would provide a means of living and independence for those who have been shoved aside by machine production. It would enable every man to earn a decent living; afford every mother a home, and every child an opportunity. This problem and this plan are within the scope of the Federal Government, the State, the city, or the county, and even private industry. Political agencies can act jointly or aid each other. It is a plan to live and help live and it would do much to end poverty in America and to achieve the Utopian dream.

The problem of poverty and greed challenges democracy, the patriotism, the Christian principles of men and women everywhere. The New Deal has made a beginning. Let us carry on and follow through until we have solved this sphinx of the ages and have brought hope and happiness to the underprivileged millions who have but existed for weary centuries in the shadows of poverty and fear.

What Price Sugar Protection?

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

Mr. VOORHIS. Mr. Speaker, protection of the domestic sugar industry by means of tariffs and the quota system is costing the American people—all of whom are consumers of sugar—a lot of money. In 1936 it cost them gross, $350,000,000, according to the Department of Agriculture. That is to say the consumers of the Nation paid that much more for their sugar than they would have had to pay had they bought it at the world market price. The Treasury received about $38,000,000 of this in customs revenues, leaving a net bill of $312,000,000. Up until 1926 the Treasury was recovering between 40 and 60 percent of the excess prices paid by American sugar consumers over world prices. This was important because it meant that half the excess cost paid really was used to reduce other taxes.

But a still more significant fact is that in 1936 our protective legislation made the product of this industry worth

in terms of raw sugar, just about two and one-half times as much as it would have been worth if sold at world market prices.

Each American citizen paid about $3 into the sugar protection "pot" in 1936. In terms of families this contribution amounts to the cost of anywhere from 12 to 25 or 30 family meals, depending on the size of the family income. To put it another way around, the extra cost of sugar meant 25 fewer quarts of milk. Among those people who have all too little to eat this is an important item and naturally it has its effect on their ability to buy cotton goods, and other farm products.

Of course, this sugar question raises once again the larger question of a controlled or planned economic system versus one of free and unfettered competition. We still hear loud complaints that we need to get back to the good old days when business was left alone. It is interesting to remember that, in order to do that, it would be necessary to go clear back to the days before the first protective tariff in American history was levied. We might as well admit that we have had for many, many years an economic system more or less controlled and influenced by governmental policy and action, and that the problems of today, the interdependence of our people would literally overwhelm us were it not for salutary Government controls, including tariffs as well as labor protection, work for the unemployed, enrichment of the Nation by development of resources such as power at low cost, and help to agriculture.

PROTECTING HOME INDUSTRIES ALL RIGHT—SUGAR A SPECIAL CASE

We are not going and cannot go back to 1776 economically or governmentally. But we ought to be wise enough to see that since we are in this business of attempting to more or less deliberately iron economic injustices, inequalities, and difficulties we have undertaken a very, very hard job and one which can only be successfully carried on if we quit lumping too many things into one basket. We have to start considering special problems. Without, therefore, calling in question the desirability of a tariff on many imported commodities—notably those of which our own producers can easily and economically produce a surplus over domestic demand—and without questioning the need for legislation to prevent ruinous conditions in established industries, it should be asserted in the clearest possible terms that sugar is a special case, one requiring special treatment and one in connection with which we are at present doing injustice to the consumers of the Nation, who are all the people. Worst of all, we are in danger of increasing rather than decreasing that injustice by yielding to the political pressure of an interest whose product, as I have said before, has been raised to two and one-half times its world market value by legislation.

This is too much to raise the value of any product—too much certainly to add to the basic food bill of a whole nation.

NOT SMALL GROWERS, BUT SUGAR TRUST, GET MOST OF BENEFITS

The worst of the situation at present is that the small growers of sugar beets and sugar cane, the one-family farmers, and the laborers in the fields are getting mighty little benefit from the tribute paid the sugar industry by American consumers. Out of the $850,000,000 added to the cost of sugar to American consumers in the last 3 years about $125,000,000 has gone to growers of sugar beets. No doubt this was a good thing, particularly if it led to a rise in wages in the beet fields.

But another $100,000,000 was added to the gross income of processing corporations in these 3 years, and according to the published balance sheets of five big beet-refining companies, their profits have amounted to approximately 9 percent per annum on their own estimates of net worth in this period. Other facts are enlightening. Of all the benefit payments made to Hawaiian grower-processors in 1934 not one was for less than $10,000. Thirty-nine payments in that year to Hawaiian corporations amounted in total to $4,682,000. Two corporations growing cane in Florida received $859,000 in benefit payments in 1 year. Moreover, during the last 3 years the amounts which the quota system added to the value of beet sugar produced in this country was greater than the total sum which processors paid the growers for their beets. In other words, the actual growers do not even get in total for their crops the amount of the protection which is added to the world value of raw sugar by our quotas.

All these facts and figures can lead to but one rather disturbing conclusion—namely, that most of the money American consumers are paying for sugar goes, not to enable small American farmers to get along, but into the pockets of what may quite aptly and accurately be termed a "sugar trust."

WHO WANTS TO CUT THE QUOTA ON REFINED SUGAR?

The worst example of this is to be found in the demand of sugar refiners that the amount of Cuban refined sugar to be allowed to enter the country be reduced from 430,000 tons to 300,000 tons in pending legislation and that no refined sugar be allowed to enter from Hawaii or Puerto Rico at all.

On this point I should like to quote from Secretary of State Cordell Hull's statement before the House Committee on Agriculture on April 30 of this year. The Secretary said:

> Certainly there is no warrant for a reduction in the amount of direct-consumption sugar allowed Cuba under existing legislation. I believe the interests of the great American consuming public will best be served by permitting reasonable competitive conditions to obtain in the refining industry. A reduction in the quota of Cuban refined such as Committee Print No. 2 proposes would, I am informed, practically force the Cuban refiners to suspend operations. This would not be a healthy or a desirable condition either from Cuba's standpoint, or from the important standpoints of our trade with Cuba and the best interests of our sugar consumers.
>
> My opinion on this question is strengthened by the record of the sugar refining industry in this country, which does not make reassuring reading. Starting over 50 years ago, this industry has become well acquainted with our courts in connection with suits on restraint of trade and other related matters. Only a little over 1 year ago, the United States Supreme Court upheld a lower court ruling and found the Sugar Institute guilty, on 40 separate counts, of engaging in a combination and conspiracy to restrain trade and commerce in sugar. In view of this judgment of the court it would not appear to be sound public policy in any way to abet the return of conditions which have been so bad that our courts have had to take drastic action in order to clean them up.

And Secretary Ickes was even more outspoken about the matter in his letter to Chairman Jones of the House Agriculture Committee when he wrote as follows:

> The audacity of one little group of manufacturing monopolists, the cane refiners, in demanding a legalized monopoly for themselves illustrates the difficulties which Congress must face under a quota system in dealing with corporate aggregations of wealth which control the necessities of the daily life of our citizens. This, despite the long court record of this group of restraint of trade and the fact that the United States Tariff Commission investigated their claims and found they were not warranted in seeking governmental protection against even foreign competition. They insist upon a legalized monopoly for themselves through embargoes against both domestic and foreign competition and demand that the Congress without hesitation snuff out forthwith another $3,000,000 of annual import and export trade.

JONES-COSTIGAN ACT WAS GOOD LEGISLATION

The Jones-Costigan Act was a pretty sound piece of legislation. It sought by a system of processing taxes, benefit payments and quota to do a number of things. First, returns to actual growers, particularly small growers, would be increased. Second, benefit payments would be used to retire from production lands in high-cost areas, and thus free some of the market for low-cost sugar from Cuba, without doing any injustice to American producers. Third, child labor and substandard wages in the fields were to be eliminated by requiring their elimination as a condition of receiving benefit payments.

INVALIDATION OF PROCESSING TAX DID NOT REDUCE SUGAR PRICE

But the Supreme Court in the Hoosac Mills case on June 6, 1936, invalidated the processing tax and the production adjustment payments. Many people imagined and some still imagine—those who do not buy sugar—that this would have caused a reduction in the price of sugar to consumers. It did not, however. The price of sugar in 1936 remained within one-tenth of a cent as high as it had been in 1935. The difference was that without the tax or benefit payments there resulted, in the words of Secretary Wallace—

A wide change in distribution of income under the quota system; there was less to growers, laborers, and taxpayers; and a corresponding gain to domestic sugar processors and foreign sugar producers.

The reason is, of course, that under the quota system supply is controlled, and sellers of sugar get all they can anyway—all the demand will pay. They kept on doing this even after the tax was invalidated.

To quote Secretary Wallace further:

The loss to sugar-beet growers that resulted automatically, under the established grower-processor contracts, from invalidation of the former processing tax and production adjustment contracts, was equal to approximately 50 percent of the former tax. (The decline in the income of growers was offset to some extent by payments under the 1936 agricultural conservation program.) It is estimated that at the same time the profits of beet processors were increased between 40 and 60 percent over their net income from operations during the calendar year 1935, when the processing tax was in effect. Sugar-beet growers whose returns had been decreased, although the total income of the sugar-beet industry virtually had not been affected, undertook to obtain an appropriate adjustment in their contracts with processors to compensate for the reduction in their income, but their efforts were of only limited success.

This means, briefly, that at present the added price paid by American consumers for sugar is neither leading to a sounder industry, nor leading to reduced prices, and more economical production in the future, nor benefiting to any appreciable extent the sugar growers of the Nation.

And as Secretary Wallace has said:

In the absence of an adequate means for bringing about and preserving an equitable distribution of the increased income made available under the present quota system there does not appear to be justification for expecting consumers to continue to bear its cost.

THE PRESIDENT'S SUGGESTION OFFERS SOLUTION

And the point brought out by the Secretary is, of course, the reason for the President's suggestion that an excise tax of 75 cents per hundred pounds be levied on sugar. This would raise about $100,000,000 and give the Government a fund to be used in benefit payments to assist actual sugar growers—the President has suggested that payments to family sized farms be at a higher rate than to larger producing units—to retire from production some of the lands in the highest-cost areas, and to commence again the process which lay at the heart of the Jones-Costigan Act. This process, briefly stated, consisted of, first, preventing further expansion of sugar production in the high-cost protected areas, second, returning to Cuba some of the market it has lost, and, third, using the proceeds of such a tax in benefit payments that would give the Government a means of stipulating, as a condition of receiving benefits, that growers pay standard wages and do not employ child labor. That such a tax will not raise the price is proven by the fact that the invalidation of the processing tax did not lower it. Sugar marketers are getting all they can get now—all the market will bear.

Another essential part of the President's program has got to be that no reduction be made in the quota for Cuba; that Cuba and other low-cost areas be allowed to share in making up quota deficits from other areas; and that as consumption increases, low-cost areas like Cuba be allowed to have increased quotas. And certainly any further embargo on refined sugar ought not to be tolerated. It can benefit in the end only the Sugar Trust.

SOUND AND UNSOUND AGRICULTURAL POLICY

A careful consideration of this sugar question brings out in bold relief the difference between what the agricultural policy of the administration really, at bottom, is and what, on the other hand, many misinformed people believe it to be.

What it is is a program of putting American agriculture on a more sound economic basis by retiring a portion of acreage devoted now to crops that cannot be economically produced and which are soil-depleting, and by encouraging the use of that acreage in some other way more advantageous to the Nation as a whole and especially to future generations. To be fair to the farmer, who for years has received only a fraction of his proper share of the Nation's income, the Soil Conservation Act really buys out a vested interest which he has built up in the production of a soil-depleting staple. In so doing the act operates not only to help the farmer but ultimately will lead to the carrying on of our agriculture at lower cost, which in turn will benefit the whole Nation.

What the agricultural program is not but what, in the case of sugar, it is in danger of becoming is a process of increasing artificial advantages—whether benefit payments, quota restrictions, or tariff barriers—of a favored industry without limit on a sort of cost-plus basis wherein the Government has no control over who will start producing the commodity or refining it or where or at what margin of profit, but is nevertheless called upon to take out of consumers' pockets in one way or another an amount sufficient to cover the ever-increasing demands of this industry for what is called protection.

I want to see American farmers, particularly farmers who work their own land and have family-sized farms, get a square deal. I think we still have some distance to go before they will have a square deal.

But I am not in favor of any program that is founded on no logical plan for reaching a desirable goal. If benefit payments are made to farmers, they should result in an advantage not only to the farmer but to the Nation. Now, it would help the Nation if we made benefit payments to sugar producers in high-cost areas on condition that they reduced acreage, thus making room for more and cheaper sugar to get onto the consumers' tables. It would be helpful if we were buying out part of this vested interest on a fair basis to sugar growers and to the Nation's consumers. We could see an end to that process and could hope in future for something even better. It is decidedly not helpful to encourage the production of sugar at ever-increasing cost, thus creating a situation which goes from bad to worse, must inevitably lead to a reduced consumption of sugar in the Nation, and will some day fall of its own weight. This is exactly what the lobbyists are trying to do at present.

We ought to have a reasonable protection for American sugar producers. It should be high enough to protect American producers, who can produce sugar at somewhere near a reasonable margin above world costs and still make fair profits and pay fair wages. It should not be prohibitive.

A quota system to control production and importation of raw sugar is all right when properly used. But we ought to be very careful that we do not fall into the trap of establishing a virtual embargo on refined sugar. Yet it seems that an embargo is exactly what the refiners are working toward.

MONOPOLY AGAIN

The demand of refiners that a virtual embargo be placed upon refined sugar is about the last straw. It means, of course, that American consumers must not only pay an additional price for sugar equal to the higher cost of producing it in the United States, but must also pay as much more as American refiners choose to charge them, with the only limit to advancing prices the self-interest of the Sugar Trust itself, which presumably will never raise the price so high that no sugar will be sold at all.

And we ought not to be encouraging the increase of sugar acreage in our domestic high-cost areas. Quoting Secretary Wallace again:

It has been calculated that, on the basis of current yields and prices, each additional planted acre of Louisiana sugarcane necessarily involves a reduction in our export market by reducing our imports of sugar in an amount equal to the product of 3 acres of cotton. Likewise each additional average acre of sugar beets unfortunately impairs our export market in an amount equal to the normal product of either 3 acres of corn or 6 acres of wheat.

The total value of the investment in sugar production in both beets and cane, plus investment in beet-sugar refining, was shown to be $700,000,000 by the Tariff Commission report of 1934, and this included the Philippine Islands, Hawaii, and Puerto Rico, in addition to continental United States. That value has probably been written up, not on account of added efficiency in the sugar industry, but by the action of the American Nation through its Congress. It

is interesting, and shocking, to observe that American consumers are paying annually enough extra for sugar to liquidate half that investment. This is too much to pay.

We ought at least to hold the line the administration is trying to hold, that we are not going to permit production to be increased in high-cost protected areas. That line is apparently wavering under the pressure of monopoly lobbyists.

Ideally, perhaps we ought not only to hold that line but to begin to use the proceeds from the tax proposed by the President to commence a process of fairly liquidating investment in uneconomic high-cost sugar production.

Federal District Judges Commenting on Evidence

EXTENSION OF REMARKS

OF

HON. EDWARD W. CREAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

Mr. CREAL. Mr. Speaker, the bill which places the same restrictions on Federal judges in district courts as State law or practice does on State judges in district courts is one intended to correct years of abuse of authority.

Only six States of the Union permit trial judges to comment on evidence when instructing the jury. The other States have prohibition of such either in their State constitutions or by statute.

If the people have such fixed and definite opinions as to the conduct of trials by their State judges, it is right to presume they would like to have the same in trials before Federal district judges.

The American citizen's idea of a fair, unbiased, impartial judge is one whose conduct on the bench is such that he appears to be a real arbiter and shows no signs or inclination of leaning toward plaintiff or defendant in either criminal or civil cases. In years past some Federal district judges have almost acted as attorney, judge, and jury, all in one. Some jurors are intimidated by the drastic and vigorous comments of the judge and afraid to freely exercise their own minds in determining a verdict. The timid juror would hesitate to bring in a verdict that was sure to meet with a frown or cutting comment from the judge.

Federal judges, like State judges, should never have had this power, and its abuse in some places resulted in making a mockery of a constitutional trial by a jury as contemplated by the makers of the Constitution. Neither the Constitution nor any Federal statute gave them any such authority. They assumed this, like a great many other things, until trespass ripened into title.

I have no complaint of either of the splendid judges of my State and have heard of no abuse of this authority, usurped by acquiescence for ages and occasionally wielded by tyrants on the bench.

My idea of a fair trial by a jury is one where they are, first, unbiased, then carefully protected from propaganda during trial, even to the extent of prohibiting all newspapers. But the practice has been for a district judge to prohibit these outside interferences and then violate them all himself, giving them his views openly while prohibiting any other court officer or newspaper from so doing.

No litigant should leave a courthouse feeling that he had the active opposition of both opposing counsel and the judge, presumed to be an open-minded referee on procedure only. It does not coincide with the average citizen's idea of a fair trial and it is not a fair trial. An attorney is not supposed to have to wrestle with both opposing counsel and the judge practicing in the court.

This is the position I took on the committee to which this bill was referred and contended for its favorable report and in supporting it here I do so from long-standing views on the subject.

THE BOY SCOUTS

Mr. Speaker, I wish to call attention to the Members of the House and those who read the CONGRESSIONAL RECORD of the presence in Washington of 25,000 Boy Scouts. One admirable feature of this meeting is the attendance of not only of the Scouts from America but from all parts of the world. A Boy Scout is a Boy Scout the world over, devoted to the same high principle of citizenship.

The membership of this great character-building organization are not boys who will find their way into penal institutions. The lessons of honesty, truthfulness, politeness, and charity taught them is conducive to perfect conduct. The intermingling of the Scouts from all lands spreads the universal brotherhood spirit.

If all eligible boys in all lands were Scout members and met in frequent jamborees it would do more to alleviate national prejudices and foster sympathy for mankind and prevent war tendencies than all the money that could be expended for armaments.

The National Capital, I am sure, welcomes this aggregation of America's future leading citizens and commends the great and efficient work done by this organization in making real citizens for tomorrow. For these reasons I deem it fit and proper to mention their presence and the kindly feeling and great hopes entertained for the results to be obtained in this great organization, which teaches health, courtesy, and ideal citizenship.

Constitutionality of Wages-and-Hours Bill

EXTENSION OF REMARKS

OF

HON. VIC DONAHEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Friday, July 2 (legislative day of Tuesday, June 15), 1937

STATEMENT BY ASSISTANT ATTORNEY GENERAL ROBERT H. JACKSON

Mr. DONAHEY. Mr. President, I ask unanimous consent to have printed in the RECORD the statement on the constitutionality of the wages-and-hours bill by Robert H. Jackson, Assistant Attorney General, before the joint hearings of the Senate Committee on Education and Labor and the House Committee on Labor.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

For years we have heard easy lip service "in principle" to the commonplace that it is bad for America—economically as well as socially—to have child labor, sweated labor, low standards of living, inhumane and unhealthy working conditions.

Today we are considering something more than "approval in principle" of these ideas. We have an effort, in the specific and exact terms of a bill, to make this devotion to ideals statutory instead of merely rhetorical.

Bringing principles down to statutory reality is a tough-minded process. It means making decisions—practical decisions—on the balance of advantage and disadvantage—in the face of legal ambiguity, economic variation, and the human limitations of administration. It often means choosing the lesser evil—and making the choice work.

I have been asked by the chairmen of both of these committees to discuss the constitutional problems suggested by the pending bill. I undertake this discussion in what I hope will be a realistic way, on the assumption that these committees are interested in finding a way to insure decent labor conditions for the submerged third of our population rather than in regretful excuses why nothing can be done.

At the outset there is a popular and widespread impression that Congress rightfully has nothing to do with labor standards or working conditions in industry and that any effort to improve them must be a subtle encroachment on local government and a subversion of constitutional limitations. This misunderstanding is laid at rest by the recent statement of Chief Justice Hughes writing for a unanimous Court that "The Congress in exercising the powers confided to it by the Constitution is as free as the States to recognize the fundamental interests of free labor" (*Kentucky Whip Co. v. Illinois Central*, 299 U. S. 334).

CONGRESSIONAL POWER TO REGULATE COMMERCE AMONG STATES

The power confided to Congress which this bill proposes to exercise, and in exercising, to recognize the fundamental interests of free labor, is the expressly given power to regulate commerce among the several States. The constitutional basis for the proposed legislation will appear from an examination of the scope of this power.

The Supreme Court has upheld various types of regulation of interstate commerce upon several distinct constitutional theories. The attempt is to consolidate in a single bill all hopeful approaches to constitutionality, each complete in itself, so that if one or more falls at the hands of the Court, we will not be left for an interval while a new bill is being adopted. The result is that there is some overlapping in its provisions but no inconsistency in the operation or its objectives.

Different judicial theories of the commerce power, which this bill invokes, may be classified as follows:

1. There is the power directly to regulate or prohibit movement across State lines of goods deemed for any reason to offend against sound national policy. This power has been applied in many cases and denied in but one—the famous Child Labor case, to be discussed later. This bill invokes that power to regulate and prohibit by directly forbidding transportation of the products of the labor of children under 16 years of age, which ought not to be accepted in any fair market, and products made under conditions where workers are denied the right of self-organization by fear of labor spies and where their right to strike and to enforce collective bargaining is rendered ineffective by the use of professional strikebreakers. Such use of espionage and of professional strikebreakers is both a provocation of violence and an excuse for it, and offends against our national policy.

2. Congress has the power to regulate competition in interstate commerce. It has exercised this power without question since the adoption of the Sherman Antitrust Act in 1890, and again through the Clayton Act and the Federal Trade Commission Act. In the exercise of this power Congress has prohibited certain practices deemed injurious to competition in interstate commerce. It has prohibited many acts in themselves local, by employers engaged in productive industry, but which tended to a monopoly or to destroy competition. Under this power Congress has prohibited, under certain circumstances, the acquisition of the stock of one corporation by another. It has defined and prohibited unfair methods of competition. What then may be said of the employer who cuts wages, employs children, and sweats labor, for the purpose of gaining a competitive advantage in marketing his product in an interstate market? As pointed out by Prof. Thomas Reed Powell, of the Harvard Law School, and by other students of constitutional law, since Congress has the power to regulate conditions of competition as it has done through the antitrust acts, it may likewise prohibit the securing of a competitive advantage in interstate commerce through the adoption of oppressive and sweatshop labor conditions.

It will be noted that part IV of this bill proceeds upon this theory, and its provisions may be sustained without overruling the Child Labor case. The factual basis for this view is that by prohibiting the use of substandard labor conditions by those who compete with employers who use fair labor standards, the great majority of employers who really desire to treat labor fairly are thereby protected against the unfair methods of competition of those who utilize sweatshop methods to gain a competitive advantage.

And since Congress may regulate the conditions of competition in interstate commerce, it may protect the fair employer shipping in interstate commerce against the unfair competition of even his *intrastate* competitor under the doctrine of the *Shreveport Rate cases* (234 U. S. 342), a case to which the Supreme Court had occasion to allude with approval in the recent Wagner Act decision.

3. The power to regulate commerce includes the power to eliminate labor conditions which lead to labor disputes which will directly burden or obstruct commerce (*National Labor Relations Board* v. *Jones & Laughlin*). This power is invoked in eliminating excessive hours, inadequate pay, and child labor insofar as they tend to promote such labor disputes.

4. The power to regulate commerce is held to include the power to prohibit transportation of goods into States in violation of the laws of such States and making such interstate goods subject to such State laws. This doctrine is supported by the decisions involving prison-made goods (*Kentucky Whip & Collar case*, January 4, 1937, and *Whitfield* v. *Ohio*, 299 U. S. 431). This bill invokes this constitutional power by prohibiting consignment of goods into a State if produced under conditions that would have been unlawful within that State.

5. The power to regulate commerce has been held to include power to eliminate a condition which affects the movement of goods, the price of goods, or which causes undue price fluctuations in interstate commerce. This doctrine is set forth in the cases relating to the regulations of stockyards and grain exchanges (*Olsen case*, 262 U. S. 1; *Stafford case*, 258 U. S. 495). This bill invokes this power by eliminating from interstate commerce goods produced by substandard labor conditions which affect interstate commerce in the manner stated.

6. The power to regulate interstate commerce has been held to include the power to regulate conduct intended to divert or substantially affect the movement of goods in interstate commerce. This is the doctrine of the *Coronado Coal case* (268 U. S. 295). This bill invokes such power to regulate such substandard labor practices as are found to be the result of an intention to divert the movement of goods in interstate commerce.

It will be observed that these theories of the interstate commerce power, as laid down by the Court, are complicated and overlapping, and that some could be directly and automatically applied, while others could be applied only where circumstances were found to warrant. It was, therefore, inevitable that any bill which tried to use these available weapons to fortify itself against the constitutional attack which labor and commerce legislation always faces should to a considerable extent sacrifice simplicity. For neither the subject-matter of the bill nor the legal theories underlying it can with practical safety be reduced to any one simple formula. But the bill is believed not to be conflicting within itself or self-defeating.

In addition to rigid and direct exclusion from the channels of interstate commerce of those products made under conditions deemed oppressive at any time and under any circumstances, such as labor of children under 16, spied-upon labor, or strikebreaker brow-beaten labor, there is also included administrative proceedings before an independent board similar to the National Labor Relations Board or the Federal Trade Commission.

As President Roosevelt has stated, "Even in the treatment of national problems there are geographical and industrial diversities which practical statesmanship cannot wholly ignore." Portions of the bill relating to wages and hours would become operative as and when the Board created by the act orders their application. This bill does not plunge the Nation headlong into a rigid and widespread policy of regulating wages and hours. It permits the building up a body of experience and prevents the extension of regulation faster than capacity properly to administer is acquired. The investigations of the Board will also provide the evidence and the findings upon which the Government can rest its argument if the contsitutionality of the act is assailed.

The proposed bill, therefore, is (except as to the Child Labor case, to be dealt with later) backed by long-established precedents defining Federal power to regulate interstate commerce. Congress may so use the power as to stop interference from State laws, and it can equally protect it against employer lawlessness. It can foster the legitimate and helpful trade as well as stop the unwholesome. To quote again from the Chief Justice in the *Kentucky Whip* case:

"The power to prohibit interstate transportation has been upheld by this Court in relation to diseased livestock, lottery tickets, commodities owned by the interstate carrier transporting them, except such as may be required in the conduct of its business as a common carrier, adulterated and misbranded articles, under the Pure Food and Drugs Act; women, for immoral purposes; intoxicating liquors, diseased plants, stolen motor vehicles, and kidnaped persons."

A commerce clause broad enough to protect the children of the rich from kidnaping would seem not to be abused if it should also protect the children of the poor from exploitation. As Justice Holmes said, with the approval of Justices Brandeis, Clark, and McKenna, it was not intended to leave Congress free to prohibit traffic between States in lottery tickets and strong drink but not to prohibit the interstate shipment of "the product of ruined lives."

THE CHILD-LABOR DECISION AND STATE'S RIGHTS

The power of Congress to enact the bill is clear, under the decisions, both old and recent, except for the denial by the Supreme Court in the Child Labor case of the most simple and clear of all these theories. In 1918, by a 5 to 4 vote, the Supreme Court, in *Hammer* v. *Dagenhart* (247 U. S. 251), held invalid an act of Congress prohibiting interstate transportation of goods manufactured in violation of certain child-labor standards.

In view of the President's recommendation of legislation of the type proposed in the pending bill, and of the unique constitutional situation presented by that Supreme Court decision, it has seemed appropriate for the Department of Justice to furnish these committees with the result of our studies of this bill, notwithstanding precedents against so doing.

The Court's decision sheltering child labor from Federal action could affect only a part of the bill at most. But if it were overruled it would permit a simple and more understandable dealing with the question.

The child labor decision was promulgated by a bare majority of numbers. They were Mr. Chief Justice White and Justices Van Devanter, Pitney, McReynolds, and Day, who wrote the prevailing opinion. A ringing dissent was written by Mr. Justice Holmes and supported by Justices McKenna, Brandeis, and Clark, who could not be regarded as a minority in prestige.

Legal scholarship received the decision with indignation and derision, which time has not softened. A leading authority on the Constitution has said:

"There is certainly nothing in the Constitution which requires the decision of the majority. It is wretchedly supported by the argument of the opinion. The assertion [which the majority made] that 'the act in its effect does not regulate transportation among the States' is obviously unfounded." (Thos. Reed Powell, 3 Southern Law Quarterly, 175).

Others pointed out that if a State attempted to stop the shipping in or shipping out of child labor made goods it would be held to be *interstate commerce and void*, while if the Nation prevented the shipment it was held *not interstate commerce* and void (Gordon, 32 Harvard Law Review, 45, 51–52). The game so far as the children were concerned seemed to be, heads they lost and tails they didn't win.

We owe it to our times to challenge the perversion of our Constitution injected into our law by the child labor decision. This bill would challenge it. We should give the courts a chance to remove this blemish from our judicial history.

The doctrine of the majority in the child labor case belongs to the same dark era of legal thought as the decision holding that the minimum wage law was unconstitutional (*Adkins* v. *Children's Hospital*, 267 U. S. 525, decided in 1923). The Court recently said that the importance of the minimum wage question, the close division of the Court by which the former decision was reached, and "the economic conditions which have supervened" in the years since it was decided made it "not only appropriate, but we think imperative" that the subject should receive "fresh consideration." Every condition that led to fresh consideration of the minimum wage case with equal force renders not only appropriate but imperative fresh consideration of the child labor decision. Reconsidering the minimum wage case, which it had only a few months before followed as good law in striking down the New York statute, the Court held, in the language of the Chief Justice, that the 1923 case (and, of course, the 1936 case to the same effect) "was a departure from the true application of the principles" of law and frankly and courageously said, "Our conclusion is that the case of *Adkins* v. *Children's Hospital* should be, and it is, overruled."

And in *National Labor Relations Board* v. *Jones and Laughlin* the Court, without expressly overruling earlier cases, plainly receded from decisions such as *Carter* v. *Carter Coal Company* (298 U. S. 238), which had seemed to cramp the interstate commerce power into its lowest visible dimensions.

The Court seems again to have been persuaded as Chief Justice Taney said that it is "the law of this Court that its opinion upon the construction of the Constitution is always open to discussion when it is supposed to have been founded in error, and that its judicial authority should hereafter depend altogether upon the force of the reasoning by which it is supported" (*Passenger cases*, 7 How. 283, 473).

In face of the willingness of the Supreme Court to decline to let obsolete precedent limit the exercise of its own reason, Congress may with propriety decline to let such decisions stall legislative reason. Had not the legislators persisted in challenging the minimum wage cases, their inaction and acquiescence would have prevented the Court from amending its doctrine. Nothing but a challenge to the child labor decision will enable the Court, even if it is so minded, to correct the old decision, now without support in scholarship, reason, or enlightened public sentiment. It is the distinguishing feature of judge-made law that it is made only by the case method. The Court must await another case to correct an error. It has no technique for initiating reconsideration of closed cases. If old decisions are not challenged by lawmakers, judicial development is arrested and advancement of legal science stops.

Hence, I have no hesitation in urging that the time has come when the child labor decision should be challenged and reargued. We may reasonably entertain the hope that *Hammer* v. *Dagenhart* will be laid to a tardy and unmourned repose beside the lifeless remains of *Adkins* v. *Children's Hospital*.

STATES' RIGHTS

In view of the frequent confusion on the subject it is due to those considering this bill to analyze the effect which it has upon the reserved powers of the States.

Let us assume each State as completely sovereign as a nation could be. No State would then have any right to send its goods into another State. Each State would have the right to stop all incoming goods at its border, to exclude any goods unfairly competing in its own market, or to lay a tariff on those admitted to equalize any advantage that the incoming goods had over its own producers. The exercise of this right by the Colonies threatened to disrupt commerce and to divide our people. The exercise by the several States of their own parochial and conflicting rules to protect their own markets was a powerful incentive to formation of our Government.

Each State therefore largely surrendered its sovereignty over incoming goods to the National Government. This was not intended to surrender the home market place to the under-cutting competitor States. The power was granted to the National Government that the rule of the market place should be fixed by a national policy for the common good.

A State may wish to meet advancing wealth of production with advancing standards of life for those who work in production. But if its own market place, as well as outside markets, are overrun with goods cheapened by child labor or sweated labor it has lost its power over its own working conditions. Is it confined then to appeals to its competitors for protection from such unfair competition? Its appeal is in law, as it is in common sense, to the Nation to which was given power to establish the rule by which goods should move among the States.

Mr. Justice Holmes, in his dissent in the Child Labor case, demolished the whole argument that State rights are impaired by such legislation as this in the following language:

"The act does not meddle with anything belonging to the States. They may regulate their internal affairs and their domestic commerce as they like. But when they seek to send their products across the State line they are no longer within their rights. If there were no Constitution and no Congress, their power to cross the line would depend upon their neighbors. Under the Constitution such commerce belongs not to the States but to Congress to regulate. It may carry out its views of public policy whatever indirect effect they may have upon the activities of the States. Instead of being encountered by a prohibitive tariff at her boundaries the State encounters the public policy of the United States which it is for Congress to express. The public policy of the United States is shaped with a view to the benefit of the Nation as a whole."

Care has been taken to hold the pending bill to a good faith regulation of interstate commerce and nothing more. Any State may use child labor or sweated labor for products of home consumption as much as it pleases so long as it does not divert or affect interstate commerce in so doing. The State may exploit youth in its internal affairs as far as its own conscience will permit, but it cannot dump its children into the Nation's markets to demoralize our national standards.

It has been suggested that the child labor provisions should be embodied in separate legislation. It is not my function to advise as to policy, but we believe it would be more difficult to sustain separately than in company with the other substandard labor provisions.

All of the labor practices attacked by this bill are related. All are types of oppression utilized for the purpose of gaining unfair competition in interstate commerce. One employer cuts wages, while another employs child labor, and still another employs sweatshop conditions, and all of these practices are a part of the vicious competition used in forcing down labor standards which it is appropriate to treat together in the regulation of interstate commerce. One of the constitutional bases of the pending bill is the principle announced in reference to the National Labor Relations Act that prolific causes of strife which may have a serious effect upon interstate commerce may be prevented. It is obvious that this principle is applicable to wages, hours of employment, and the use of strikebreakers and spies, for those practices have been prolific causes of labor strife. It is not clear that child labor standing alone has been the cause of industrial strife, although it is clearly one of the elements of unfair labor competition.

One reason for the unfortunate decision of the Child Labor case was that the Court failed to perceive that the legislation was related to the regulation of interstate commerce but regarded it as merely a police regulation to accomplish a local social objective. The inclusion of child labor with the other prohibited practices in an undertaking to prohibit unfair interstate commerce and to foster American standards makes plain that the law in which it is included is a genuine exercise on a broad front of the power to regulate interstate commerce and gives the prohibition of child labor a strength that it would not have if standing alone.

PERMISSION TO STATES TO EXCLUDE UNFAIR PRODUCTS

Two recent decisions have aroused hope of a new method of Federal and State cooperation to enforce proper labor standards. In *Kentucky Whip & Collar Co.* v. *Illinois Central Railroad Co.* (Jan. 4, 1937), the Supreme Court upheld the Ashurst-Sumners Act making it unlawful knowingly to transport in interstate commerce goods made by convict labor into any State where they would be received, possessed, or sold in violation of the State laws, and requiring labeling of convict-made goods.

In *Whitfield* v. *Ohio* (297 U. S. 431) the Supreme Court sustained convictions under a State law forbidding sale within the State of convict-made goods, even in the original package. It accepted the Hawes-Cooper Act.

Even if the method is approved as to other labor standards, it is open to grave administrative difficulty. It would seem that if the Court is to sustain any Federal regulation of commerce in goods made under substandard labor conditions it would overrule the Child Labor decision and permit direct, simple, and effective regulation instead of reaching the same result by going around Robin Hood's barn. If Congress can give national scope to the standards set up by a receiving State, it would seem able to give force to standards of its own making. If the Court will give effect to 48 non-uniform State standards, operating like tariff laws, and difficult to administer, it would seem able to sustain a single Federal standard for goods in movement between the States. But there is a lawyerly preference for a difficult way of doing a simple thing, and the Kentucky Whip method may commend itself to the Court when direct regulation does not. If so, this bill is designed to get the benefit of such approval. While the Court is not certain to apply the prison-made goods precedents lately established to goods made by underaged or underpaid free labor, the constitutional experiment is worth trying. If easier administered provisions are sustained, resort to this less practicable plan will not be necessary.

DUE PROCESS OF LAW

Even if the subject matter is within Federal power, constitutional controversialists may claim that it violates the due-process-of-law clause or illegally delegates congressional power.

Regulation of both wages and hours does not of itself violate due process and is not necessarily "unreasonable, arbitrary, or capricious" where "there is reasonable relation to an object within the governmental authority" (*Wilson* v. *New*, 243 U. S. 332; *Bunting* v. *Oregon*, 243 U. S. 426).

Standards for determination of fair wages and reasonable working hours contained in the present bill are drawn with fairness to the employer. The standards are based on the value of the service rendered and the reasonableness of the period of working time considering the nature of the employment. Furthermore, fairness to all parties concerned and reasonable treatment of special cases are assured by the provisions of the bill which require the Board to grant exemptions from the wage and hour regulations as the need appears.

It is hard to see how employers who wish to maintain decent labor standards, or those who wish to see a better level of purchasing power in the masses of the people, can feel aggrieved at the general purposes and effects of this bill. Advancement of those objectives State by State, each exposed to the competition of States which tarry, has been the foundation of the employers' most legitimate

objection to labor legislation. He is so far from being injured by this bill that it may be his chief protection against undermining of his market by methods which his own standards forbid.

Neither in its general scope nor in its special treatment of particular cases can the bill be pronounced arbitrary. For fair labor standards are required to be maintained only to the extent necessary in order to accomplish the interstate commerce purposes of the legislation—purposes which fall clearly under the regulatory power of the Congress under the commerce clause.

Due process is defined in respect of both Federal and State legislation in *Nebbia* v. *New York* (291 U. S. 502, 525):

"The fifth amendment, in the field of Federal activity, and the fourteenth as respects State action, do not prohibit governmental regulation for the public welfare. They merely condition the exertion of the admitted power by securing that the end shall be accomplished by methods consistent with due process. And the guaranty of due process, as has often been held, demands only that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation to the object sought to be attained. It results that a regulation valid for one sort of business may be invalid for another sort, or for the same business under other circumstances, because the reasonableness of each regulation depends upon the relevant facts."

If regulation may be dependent on "relevant facts", there can be no objection to delegating power to an administrative or quasi-judicial board to investigate, hear evidence, and decide those facts.

DELEGATION OF POWER

It must be borne in mind that there is nothing whatever in the Constitution that forbids Congress to make a delegation of its power. The prohibition is purely judge-made, not Constitution-made.

The Supreme Court rarely finds fault with a congressional delegation of power. There is nothing in the recent decisions of the Court which would justify the Congress in abandoning administrative handling of modern complexities too numerous and diverse to be subjected to a single and inflexible rule directly imposed by the Congress. There are, it should be remembered, only two cases where congressional delegation of power has been adjudged invalid in 150 years of constitutional practice.

The proposed bill deals with difficult and complex industrial situations. The draftsmen have been painstaking to make the standards as definite as the conditions with which they have had to deal permit without imposing upon the diversities of American industry inflexible and unworkable rules.

Nearly every legislative proposal dealing with complex economic conditions is attacked as arbitrary by those who do not like it. If the bill includes detailed standards, it is said to be arbitrary for want of discretion in enforcement. On the other hand, if it gives discretion to an enforcement agency, it is denounced for setting insufficient limits to "arbitrary discretion." This bill has been attacked on both grounds. The very inconsistency of this attack suggests that the draftsmen of the bill have attempted a fair, equitable, and constitutional balance between the legal requirement of a standard and the practical requirement of workable flexibility.

A separate memorandum of the law on the subject of delegation of power has been prepared and will be filed with the committees.

During this flash of liberalism that illuminates a judicial record otherwise pretty black for labor, we may reasonably hope that, after being balked a score of years, Congress will now be sustained in adding to the list of interstate contraband what Mr. Justice Holmes so aptly called "the product of ruined lives", and in establishing commerce among the States on the basis of industrial justice to disadvantaged men.

I will file copies of the statement on the delegation of power.

Problems of the Indians

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, July 2 (legislative day of Tuesday, June 15), 1937

RADIO ADDRESS BY HON. DENNIS CHAVEZ, OF NEW MEXICO, ON JULY 1, 1937

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "Lo, the Poor Indian", delivered over the Columbia Broadcasting system yesterday afternoon by my colleague the junior Senator from New Mexico [Mr. CHAVEZ].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LO, THE POOR INDIAN!

His people are a most interesting subject to speak about, be they the ones first discovered by Columbus, or those who so valiantly opposed Cortes in his conquest of Mexico, or possibly those encountered by Narvaez or De Soto in the pleasant waters of Florida, or we may be speaking of the Indians first seen by the heroic figures of Plymouth Rock, or still those who came in contact with Roger Williams or John Smith. Also vividly in our minds are those who suffered intense agony after being driven from the Carolinas, Alabama, and Mississippi into the western territory, or still those that "bit the dust" at the hands of the Bill Hickoks, the Kit Carsons, or the Buffalo Bills, or possibly those in the minds of the present-day child walking the streets of Fall River. We may recall the trials and tribulations of the Mission and other Indians of California who were the victims of the energetic, so-called American civilization of the gold rush. We could go further and think of those of the American Southwest, the Pueblo Indians, lovable, peaceful, law-abiding citizens living in contentment and happiness for hundreds of years within the States of New Mexico and Arizona and being protected in their property rights by grants dating as far back as the days of Charles the Fifth of Spain. We may think and speak of the Navajo Tribe, independent, virtuous, industrious, and ever fighting for individual freedom and the right of individual existence. Indians have always been of interest to the American people.

What is their problem today and what will their future be? Has the United States Government, as such, done its share in order to mitigate the mistakes of the past? If we are to judge the efforts of the American people by the efforts of the Congress of the country in making substantial appropriations presumably on behalf of the Indians, I believe that the American people have for many years tried to do what was fair and just for these good and noble people.

The Indians as a whole are like any other race having their difficulties with the weather, the elements of time, nature, and economics, but their chief difficulty is with the Government itself. No one can deny that the Congress of the country has, for many years, made an honest and sincere effort to do the right thing by the first settlers of this continent, and if there be any dissatisfaction today, and there is plenty of that, it has been brought about, not by what Congress has done or tried to do in behalf of the Indians, but by the way the laws and appropriations of the Congress have been administered by the particular agency of the Government that was created presumably to take care of the interests of the Indians. Said agency has become a typical Government bureau interested more in the perpetuation of its powers than in the welfare of the Indians. I have seen heads of the Indian Bureau come and go for years. There is more complaint today against the Indian Bureau than ever before. These complaints do not come from white settlers, traders, neighbors of the Indians, but from the Indians themselves who are commencing to realize that they have grown up and do not care to be the subjects of regimentation or communism or even of charity, but prefer to be subjects of rights of citizens of the United States.

It appears that notwithstanding the promises of the present Indian Commissioner that he would work in an effort to give the Indian self-government and to prepare him to solve his own problems, that all the energy of the said Bureau is now being used for the purpose of imposing upon the Indians throughout the entire Nation the will of the Bureau, a thing repugnant to anyone who has any red blood in his veins and who believes in the ideals and traditions of the American people.

Notwithstanding the vast expenditures made by the Indian Bureau, outside of regular appropriations, since 1933, presumably on behalf of the Indians, in many instances the Indians are worse off today and more dissatisfied than they have been in many years, for the simple reason that the Indians themselves have had very little benefit. Millions of dollars have been spent in constructing superfluous administrative centers. Bureau employees live in $15,000 houses but the Navajo still occupies the hogan. Administrative buildings constructed to be occupied by whom? Not by the Indian girl, no matter how well prepared, but by some friend of some professional uplifter. The Indian girl has to go back to the reservation and console herself with herding goats, if there are any left after the Bureau's reduction. Indian boys learn to be first-class mechanics in Indian schools; but after they get out do they have an opportunity to drive one of the many hundreds of cars in use every day by the Indian Bureau? They have to sit around the reservation and watch someone else sent into the Indian area by the Indian Bureau to drive the old Ford truck.

In 1934 the Congress passed the so-called Wheeler-Howard bill, intending to give the Indians self-government. Many Members of Congress, feeling that the Indians should have self-government, supported the said bill, and it became the law of the land. But under the administration of the present Indian Bureau they are practically under subjugation, a thing not contemplated by the proponents of the Wheeler-Howard Act. It is intolerable to the Indians, as they never called themselves slaves.

Indian agents swarm over the Indian reservations on behalf of Bureau ideas. Out of a total of some 223,000 ward Indians, only 37,546 have voted in favor of the so-called reorganization act, which means that notwithstanding the active and energetic efforts of the Indian Bureau only this pitful number of Indians are favorable to the so-called Wheeler-Howard Act. Vast sums of Government funds have been spent to secure even this meager acceptance. There are now 1,204 more employees in the Indian Bureau

than there were in 1934. No matter how well trained an Indian may be he has very little chance of competing with the so-called white experts of the Indian Bureau in filling the positions. It is getting time that the people of the United States who are solicitous of the Indians should insist that in these vast appropriations that are being made the Indian himself be taken into consideration.

The Indian is deeply interested in all of the social problems that the white man is interested in. He wants a lower death rate; he wants hospitals; he wants practical expenditures in order to get water for his stock and his farm; he wants schools to learn the three "R's", but not schools that will put him back with the "Folsom man." The Indian Bureau has more experts trying to tell the Indian how to be an Indian than Heinz has varieties of food. Imagine sending a long-haired villager, probably from Greenwich, to teach the Navajo how to weave, how to pound silver, how to dance—things that have been done by his ancestors for hundreds of years. As one Navajo stated before a standing committee of the Senate, "They are making a zoo for the benefit of the curious easterners who may visit the Indian country."

The Indian as a whole wants to live like you and I. He wants to have that American right of which we are all so proud of trying to better himself economically and otherwise, but he is handicapped by the Indian Bureau that is trying to regiment him.

I do know this, that Indians have appealed to me and to a committee of Congress to be liberated from the ruthless efforts of the Bureau in reducing their herds of sheep and goats and being left in many instances in a state of poverty.

Indians have pleaded with me to intercede against the arrests of Indians who are incarcerated because they opposed the Indian Bureau program.

Indians have openly charged that if they dare oppose Indian Bureau policies they are unable to get work on relief set-ups no matter how needy.

Indians have complained that flag ceremonies in schools have been discontinued.

Indians have complained of being browbeaten, coerced, and penalized for opposing the Indian Bureau.

Indians have complained of too many Bureau officials for what little is done for them.

It brings one who is really interested in the Indians to the conclusion that if there is anything the matter with the Indians it is too much Indian Bureau. What the Indian wants is to be left alone.

H. R. 7274—Federal Apprentice Training

EXTENSION OF REMARKS

OF

HON. WILLIAM J. FITZGERALD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

Mr. FITZGERALD. Mr. Speaker, ladies and gentlemen, the fate of this country within the next quarter of a century rests upon the shoulders of the 20,000,000 young people between 16 and 25 who just now are coming into the responsibilities of citizenship. They are pressing in at the back of the parade as older heads who have carried the burden before pass on by age or death at the front. The kind of government, the kind of civilization, we will have in America in the next 10 to 25 years depends upon the type of citizen we produce today.

A few weeks ago this body was debating the problem of public relief for our destitute citizens. We have talked, for the most part, in terms of adult men and women, relating them as so much manpower to miles of roads, number of bridges, acres of soil conservation. We have viewed them as inanimate objects, without warmth or life—necessary evils which we are obliged to put up with, no matter how grudgingly.

But there is a human side to this problem which I have heard mentioned scarcely at all. We have in this country, whether you like it or not, what amounts to a "lost generation." We have millions of young people who have come, and are coming of age in a period of distress when every door of opportunity is shut tight against them. These young people are thinking less of food and clothing and shelter than they are of a chance to get a foothold in the world of work. They know that somehow or other they can keep from starving. Where the next meal is to come from is far less of a problem to youth than finding one small break in this vast barrier of joblessness and frustration which faces them.

There are between 3,500,000 and 4,000,000 young people in the country today who are out of school and unable to find regular employment. Fully 1,000,000 of them have to depend on some form of public relief for subsistence. Thousands have never had a job of any sort although they have been out of school, in some instances, as much as 5 years. Those just emerging from school have learned already that the chances of getting a job are heavily stacked against them. For the time being they are "lost" just as surely as the babes in the woods, for whichever way they turn, they find themselves hemmed in by the economic barriers of the times.

The plight of these young people transcends all immediate considerations of material wants. They are young and strong and elastic and can absorb their share of physical discomfort. But their spirits and characters are still plastic. The attitudes, prejudices, and points of view which they will have as men and women are determined by the molds prepared for them today. If society presents them with nothing but disillusionment while they are young, that disillusionment will color the whole of their adult lives.

My bill, ladies and gentlemen, which we are considering today will give you an opportunity to offer a "helping hand" to the fine, splendid youth of our country when they need it most—now. We are all fully familiar with the fact that only a very small percentage of our youth coming out of our schools today are capable of earning their living with their minds; the majority of these boys and girls must eventually resort to the skilled trades, provided the opportunity is presented to them. I determined, when I came to Washington, to use such influence as I had to help American young men and women get their chance to enter the skilled trades by the best road. That road has a signpost marked "Apprenticeship." Running off the road are many side roads. Some lead to exploitation, some to specialization, some to crowding the present journeymen out of their jobs; but the right road leads to full preparation in every process and operation of the trade. That these young people may arrive at their destination as fully qualified journeymen it is essential that signposts be erected; that there be someone to erect those signposts, which are called standards, and keep them there.

I began making inquiries about apprenticeship and the Federal agency handling this vital problem. I learned that it is a very small agency; that the entire force consists of about a dozen people; and that it is not even set up as a permanent agency of the Federal Government. It seemed to me that apprenticeship was certainly a matter worthy of the attention of the Congress of the United States. After consulting with officials directly concerned and with some of my colleagues in the House, I introduced a bill, which is now known as H. R. 7274, to establish this Federal Committee on Apprentice Training in the United States Department of Labor, and make it a permanent function of the Government.

Testimony before the subcommittee of the House Labor Committee forcefully showed that the United States has never had a national system for the development of apprentices. We have depended on the apprenticeship systems of some of the more forward-looking employers and trade unions. Skilled workers from European countries have come to the United States by the hundreds of thousands. In the 25-year period 1912 to 1936, inclusive, there was a net increase from abroad of 1,214,291 skilled workers, even though beginning in 1932 more skilled workers left the country each year than came in. That largely accounts for the startling fact that we let our young people shift for themselves, and is one of the big reasons why we have not had an apprenticeship system. In 1930 there were three-quarters of a million young Americans employed in the skilled trades who were getting only such training as they could pick up. If there were places for that number, then they should have been receiving the benefits of apprenticeship.

I do not want to give the impression that the apprenticeship problem is one which needs attention from the Federal Government only. It needs attention by States and by local areas. The efforts of all should be stimulated and coordinated by the Federal agency. While most of the States now have committees on apprentice training similar to the one on which I served in Connecticut, I feel that particular credit should be given the Legislatures in Oregon, Wisconsin, Arkansas, and California for recognizing that State agencies on apprenticeship must have legal status and funds with which to work.

I have always had a very special interest in apprenticeship. In the first place, I learned the molders' trade as an apprentice. I am mighty happy that I did learn that trade, too, but I do not now, and, as a matter of fact, I did not then, approve of that particular apprenticeship. I did a man's work and drew a boy's pay. I do not want to see any more of that kind of exploitation under the name of apprenticeship in the United States. In the second place, I had the opportunity, while deputy commissioner of labor of Connecticut, to serve as chairman of the Connecticut State Committee on Apprentice Training, which ccoperated with the Federal Committee on Apprentice Training. The apprenticeship program developed by these cooperating agencies will eventually put an end to the chaos which has existed with respect to providing an adequate number of properly skilled mechanics and craftsmen. I knew that this program was greatly hampered by lack of legal status and money, both for the State committees and the Federal committees, and I have been amazed at the amount of work that has been accomplished in spite of these handicaps.

And so, ladies and gentlemen, I can safely assure you that if you will vote in favor of this bill to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards, you will be paying a great debt to society by giving the youth of our country a new lease on life.

Dedication of Post-Office Building at Lexington, Tenn.

EXTENSION OF REMARKS

OF

HON. HERRON PEARSON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1937

ADDRESS BY HON. HERRON PEARSON, OF TENNESSEE, AT LEXINGTON, TENN., ON JUNE 12, 1937

Mr. PEARSON. Mr. Speaker, pursuant to permission granted me, I desire to extend my remarks and include therein the following address which I delivered at Lexington, Tenn., on June 12, 1937, on the occasion of the laying of the cornerstone of a new post-office building:

Mr. Chairman, distinguished guests, and friends, I appreciate very much the courtesy which has been extended me in inviting me to be present in Lexington on this occasion and the opportunity afforded me to say a few words in connection with the laying of the cornerstone of your new post-office building. As an evidence of my appreciation I have traveled over 1,000 miles for the specific purpose of being here and sharing with you the pleasure of this memorable day.

I want to thank the previous speakers for the complimentary things which they have had to say about me and to assure both of them and all those here this afternoon that it was a genuine pleasure to me to be able to have a part in obtaining this building which I think will mean so much in the advancement of the city of Lexington and Henderson County.

I have been impressed by the ceremony carried on under the auspices of my brother Masons. To me it is peculiarly fitting that the laying of cornerstones has been under the supervision of the membership of Free and Accepted Masons for many, many years because they are builders in every sense of the term. This great order had its birth as a result of the desire on the part of builders in the early days to band themselves together for their mutual protection and benefit and for the purpose of elevating their crafts and professions. Not only are they builders of permanent buildings and structures but they are builders of character and citizenship as well, and the great lodge in charge of this program this afternoon has made a distinct contribution to the citizenship of Henderson County. It is my privilege to be affiliated with Jackson Lodge, No. 45, one of the oldest lodges in America, and I shall always appreciate what the Masonic lodge practices and stands for.

This occasion prompts me to reminisce and to review briefly the progress which the State of Tennessee has made during the years of its Statehood. Exactly 141 years ago on the 1st day of this month Tennessee was admitted to the Union of States and with her admission came the realization of the dreams of those restless pioneers, our forbears, who had struggled so long for this privilege.

At that time Tennessee was a wild and isolated frontier far from the central seat of government, and the early settlers had overcome obstacles that were almost insurmountable to establish a civilization of their own. It is a story of stout hearts, intrepid souls, and high ambitions, and during the years which have followed, by virtue of the fortitude and hardihood of her citizenship, Tennessee has written a history as complete as that of any State in the Union. She has furnished 3 Presidents to the Nation, 14 Cabinet members, 5 Justices of the Supreme Court of the United States, and none of us can forget the outstanding deeds of Jackson, Sevier, Crockett, and Forrest and the contributions which they have made to our illustrious history.

Our State has kept abreast of advancing civilization, and today it is populated by over 3,000,000 people whom President Theodore Roosevelt once said "are the purest strain of Anglo-Saxon blood." Sixty percent of our people are native born, truly representative Americans.

One of the greatest factors in the development of Tennessee has been the Postal Service of the United States Government, and I sometimes think we accept it as a matter of course without acknowledging our appreciation of what our Government is doing for us in this respect. Today there is not a family living under the American flag that does not enjoy the benefits of the most perfect mail system in the world. No matter how far removed or remote the home may be situated from a county seat of government, it enjoys daily delivery of the mail through the service of our post-office system.

We think of the Postal Service as being a new organization, when as a matter of fact it is one of the oldest institutions known to history. Its existence antedates that of the Medes and Persians, and even in heathen China hundreds of years before the birth of Christ a postal system existed. It is true these early systems were imperfect and did not meet the needs of the people, but from that crude system, by reason of perseverance and the expenditure of money, we have evolved a thoroughly modern system which excels that of any other nation. America had a postal system when the first settlers came to this continent, and when we read of Paul Revere and his midnight ride along the Atlantic coast we realize that he was nothing more nor less than a postman carrying the news from hamlet to hamlet. The carrier of news by horse and foot has given way to swifter means of transportation, and today we enjoy hourly deliveries of mail by automobile, fast trains, and airplanes, and the broad expanses of America can be covered by our Postal System in a matter of a very few hours, no matter how distant the point of travel may be.

The building which we are starting today will be another link in our system of Federal buildings and a permanent reminder to the people of this community that our Government still exists and is interested in our welfare. When we build a private home it becomes another place to be honored as a home in the community.

When we build a business house it is only an investment of private capital, but when our Government erects in the heart of a community a building such as this in which to house its governmental agencies, that building becomes symbolic and emblematic of all of the power and the glory of the National Government. It is intended to challenge the respect of every citizen and patron. It becomes the citadel of justice, become of government, and the evidence of governmental greatness. It is a constant reminder that we live in and enjoy the privileges of the greatest republic on earth; that our Constitution still lives and that no man or set of men is strong enough or powerful enough to overthrow or override this Government or its laws.

I hope that this structure will never be desecrated. It is no place for the anarchist, the disbeliever, or the traitor. It is to be built for and by the law-abiding, loyal, patriotic citizen, and to voice disloyal beliefs, to encourage revolutions, or to be disrespectful to constituted authorities within its walls will be a sacrilege and a desecration. May its sanctity and its dignity always be maintained.

This building has been made possible through the cooperation of the citizenship of this county with the Federal Government, through the efforts of your efficient postmaster, and through the willingness of the Post Office Department to accede to our request to build a structure which the business of this office justifies, and which has been justly earned by the people who expect to transact their business through the Postal System. It belongs to you and its doors will stand open to every resident of this county regardless of political affiliations, color, or creed. I congratulate you and share with you the pride and satisfaction which must be yours today.

Shall C. I. O. Be Incorporated?

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, July 2, 1937

EDITORIAL FROM THE BERGEN EVENING RECORD

Mr. THOMAS of New Jersey. Mr. Speaker, under permission to extend my remarks by printing an editorial from the Bergen Evening Record, published by John Borg at Hackensack, N. J., I present the following:

[From the Bergen (N. J.) Evening Record of July 1, 1937]

SHALL C. I. O. BE INCORPORATED?

Dynamite blows a railroad spur into flying splinters; a bomb explodes directly behind a truckload of National Guard men; a dynamite explosion destroys a $5,000,000 waterworks belonging to a Pensylvania steel company. Strikers are on the march in Ohio, ignoring their leaders, who stand in the road and order them to turn back. Mobs at South Chicago hurl bricks, policemen draw pistols, and eight human beings are killed.

Rarely in the Nation's varied experience with industrial strife and civil revolution has it witnessed violence comparable with the present sanguinary conflict between the Committee for Industrial Organization and so-called Little Steel. The issue seems clearly defined. C. I. O. demands a signed agreement with Little Steel. Little Steel will not sign with C. I. O. as now constituted. Failure of arbitration increased the tension; violence and hate have extended the list of wounded, dying, and dead.

Until recently an apathetic public considered the issue to be solely between capital and labor. President Roosevelt stated: "If a fellow is willing to make an oral agreement (which is compulsory under the Wagner Labor Act) he should be willing to put it into writing." But there is another aspect now. What permanent benefit could accrue if Little Steel abruptly and under duress should now agree to sign such a paper containing many words? With whom would it be contracting? Who is the party of the second part?

The C. I. O. refuses to incorporate itself, to stand up and be legally identified. It is one of the most potent agencies now functioning in America's economic life; it essays to control and dominate the jobs, the fortunes, and the very lives of millions of American workmen; it violently asserts its right to call strikes and exact settlements; it arrogates to itself the power to bargain and to contract for the right to work possessed by these millions of American freemen. But by its refusal to organize itself as a corporation it wants to disclaim all the public and personal responsibilities it should assume for the citizens it claims to represent and to the consuming public, which must perforce pay the freight.

Highly jesuitical arguments have been advanced by the Leftists to defend this irresponsibility, but they are untenable. A businessman who commits himself to a contract is certainly entitled to know with whom he is contracting and what safeguards he has against breach of contract. If C. I. O. insists that John L. Lewis' contractual power and authority are unquestioned and unbreakable, that does not settle the matter. It merely complicates it, since that doctrine necessitates the admission that Mr. Lewis is the sole and absolute dictator of all American workmen.

If C. I. O. wishes to contend that its refusal to incorporate enables it to assess all labor everywhere, to finance strikes in some particular area or industry, then that doctrine postulates an internecine class war, with Mr. Lewis leading all labor against all capital, large and small, from the Nation's great industrial plants employing 200,000 to the village barber shop employing 2.

These are the paramount issues in the conflict between C. I. O. and Little Steel in the Mahoning Valley, where all labor is being disgraced and its cause prejudiced by gunplay and violence. American citizens do not like dynamite explosions and guns, no matter who is firing them. Public sentiment is rapidly turning against C. I. O., no matter how frantically and speciously it blames all the riot and destruction on the machinations of capitalists and company guards. Pickets, armed with baseball bats and clubs, who surround plants to prevent workers from entering them are not entirely harmless and blameless babes in arms. Seen in that light, the picture of C. I. O.'s harmless, helpless, and innocent victims of police brutality is slightly out of focus.

It is, therefore, high time that C. I. O. recognize its responsibility to the American public as well as its responsibility to that portion of American labor which hopefully looks to it for intelligent light and honest leadership. If it has all of the power and authority which it claims, it will protect itself and the American labor movement against the violence, destruction, and anarchy that are now causing a revulsion of public opinion which may ultimately destroy organized labor.

But in any event, it has now become such a potent economic factor that the public welfare requires that it be incorporated and that it assume its proportionate share of our common obligation to preserve this democracy for posterity.

Wanted: A National Lottery

EXTENSION OF REMARKS
OF
HON. EDWARD A. KENNEY
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 6, 1937

ARTICLE BY ANTHONY M. TURANO IN THE AMERICAN MERCURY FOR JULY

Mr. KENNEY. Mr. Speaker, what the country wants is a national lottery.

When the country wants something, it wants what it wants when it wants it.

The American Mercury, leading American magazine, even now reiterates this want of the American people. Anthony M. Turano, leading American writer, writing for the American Mercury for July, is irresistible in his excellent article, Wanted: A National Lottery.

Mr. Speaker, under leave of the House and for the benefit of the American Congress, I include Mr. Turano's article which follows:

WANTED: A NATIONAL LOTTERY

(By Anthony M. Turano)

According to authoritative estimates, more than $6,000,000,000 a year is invested by Americans, infidel and devout, in illegal lotteries of one form or another. And as most citizens refuse to believe that the private gaming urge is a proper concern of the constabulary, the legal attempt to control the individual in the disposition of pin money has been no more successful than the late glorious endeavor to regulate the liquid receipts of his gullet. Indeed, for hypocritical contrast between the laws and the facts, the Volstead Act is an exact parallel. To promote the same discredited theory that souls may be saved by legislative action, a universal human activity that could be made to yield huge sums by taxation is driven underground, for the exclusive benefit of foreign promoters and domestic swindlers.

Contrary to the general impression, the supposed immorality of sweepstakes is a sanctimonious concept of comparatively recent origin, recognized only in Anglo-Puritan nations. Whenever the ancient Israelites were about to make an important decision, and no direct advice was forthcoming from Jehovah, they submitted the question to Urim and Thummim, i. e., a few flings of a special pair of dice ceremoniously brought out by a high priest. Consequently, no prophetic guidance is to be found in the Ten Commandments about the relation of gambling to salvation. Although the New Testament contains a few invectives against money changers, the disciple Matthew was chosen by lot; and when the medieval doctors compiled the seven deadly sins, they omitted all reference to the risking of nickels to gain dollars. So that ever since the first modern lottery at Bruges in 1446, most Christian nations have recognized the sale of chances for cash prizes as a harmless and easy system of voluntary taxation.

In our own early history, the business was considered so far beyond religious concern that Jefferson disposed of some acres by raffle, and George Washington purchased the first ticket in a lottery authorized by the Continental Congress to defray the expenses of the Revolutionary War. Moreover, Faneuil Hall was rebuilt after a fire through the proceeds of a patriotic lottery; Columbia University owes its inception to a sweepstake; and Harvard raised needed funds by similar means. Indeed, to build or repair a house of worship by selling numbers was considered an outstanding form of righteous endeavor. State drawings for numerous public purposes were conducted for many decades in every part of the Union.

Then came the great wave of decency and bigotry, during which the stigma diaboli was impressed on all forms of pleasure. An eleventh commandment was promulgated to insure universal sobriety, and an eighth deadly sin was found to dwell in every penny-ante wager. In characteristic American response to the new revelation, 39 States banished lotteries by constitutional provision, and the other 9 followed suit by statutory declaration; while the Federal Government proceeded to save the mail boxes from satanic contamination by denying the postal privilege to sweepstakes tickets. The result is still with us in the form of a holy network of self-contradictory legal enactments, all designed to save the citizenry from mercenary temptation.

According to the current legal definition, a contest becomes a lottery only when it involves three elements: (1) A consideration

paid for participation; (2) a prize in money or other property; and (3) the winner must be determined by lot or chance. Under the casuistries of Idaho, however, the law does not apply to raffles of homesteads under the Carey Act "or other government land drawings." New Mexico has a saving clause in favor of "any fair held in this State for the benefit of any church or religious society"; evidently, satanically acquired money assumes an aroma of holiness as soon as it is consecrated to the Lord. Exceptions in favor of pari-mutuel betting on horse races are now recognized in 13 States where, to be sure, the business involves some downright un-Christian gambling, but such wagering is not a lottery, because the outcome depends on the "skill" of the steed and his jockey, and the purchase of a ticket is the result of critical judgment. In Nevada, every form of gambling is legal, including roulette, poker, blackjack, slot machines, and wheels of fortune; yet lotteries are still prohibited by constitutional provision.

Even in States where the strict legal definition is in force, countless lotteries frequently qualify as harmless "gift enterprises" by evading one phase or another of the three-cornered requirement. A well-known example is to be seen in the "bank nites" now conducted by 5,000 American movie houses. According to some judicial rulings, such schemes fall squarely within the statutory prohibition, but other jurists maintain that the element of "consideration" is missing because the customer pays only for the entertainment. Perhaps all God-fearing movie fans were attracted entirely by Mickey Mouse, rather than the $6,000,000 which was distributed last year in individual prizes running as high as $2,700. But if so, the name of the infidels is legion: largely because of these drawings, the theaters of the Republic collected $250,000,000 more in 1936 than in the previous year.

Another instance is the "contest" being conducted at this writing by the manufacturer of a popular cigarette, for the final distribution of $100,000 as a first prize and a like sum in smaller rewards. Instead of sending three cigarette wrappers, the contestant may substitute the same number of "reasonably accurate hand-drawn facsimilies." Of course, nobody will take the trouble to reproduce with a pencil something that can be had for 15 cents. On the day after the contest opened several tobacco stores in my home town had exhausted their stock of the commodity in question, presumably to contestants. But the legal requirements were nonetheless met by the fact that the investment of money was not necessary to participation. The plan also escapes the third legal ingredient of a lottery, on the theory that the prizes are not given by lot, but according to the most "skillful" solutions of a series of cartoons of historical personages. No ordinary citizen is likely to score very highly, for instance, unless his calm cerebrations enable him to detect that the picture of a hen, a rake, and an egg (hen-rake-lay) calls for Henry Clay, and not Patrick Henry.

Such money-raising methods are openly used in every part of the Republic. Under the rules of a subscription drive currently being operated by a San Francisco newspaper, a $6,000 prize goes to the wizard who can solve such riddles as naming John Boles from a drawing of a "J" and two bowls. To be sure, most judges would uphold these devices as harmless forms of advertising. Yet such is the moral and legal confusion between a "prize contest" and a lottery that identical schemes are invariably suppressed when the customer pays cash for his ticket. In the Selection Sweepstakes recently conducted for humanitarian purposes by a New York corporation, the awards likewise depended on the clever arrangement of numbers 1 to 16, each representing the name of a charitable society. The fairness of the drawings was insured by Mrs. Oliver Harriman, a social worker of unquestionable reputation. Nevertheless, the business was excluded from the mails because it failed to qualify sufficiently as a game of skill. The learned lawgivers are evidently unable to decide under what conditions a legal joker makes a noise like a wild deuce.

But, leaving all this legal hairsplitting to special trained officials, the lay population continues to satisfy its gaming instinct in equal disregard of the law and the prophets. When 992 counterfoils were drawn by the Irish Hospital Sweepstakes in October 1936 it was found that 465 of the lucky tickets were held by highly respectable Americans. In May of the same year 44 percent of the winnings came to residents of the United States. The plausible estimate of the New York Times is that the total American investment in the same lottery in 1935 was $5,000,000, of which only $3,000,000 came back in prizes. And this is only one of the many concerns that Americans help to finance. Until 1932 a high-powered radio station in Mexico was broadcasting several daily sales talks about a Mexican lottery, for the special benefit of customers across the border. Every other foreign sweepstake maintains secret offices in all sections of the Republic. Indeed, about 2 years ago, Representative EDWARD A. KENNEY, of New Jersey, introduced in evidence before the Ways and Means Subcommittee of the House of Representatives a great parchment, 8 feet long by 2 feet wide, upon which were mounted various samples of lottery tickets available in the American market. According to a recent statement of Horace J. Donnelly, Assistant Solicitor of the Post Office Department: "A check was made in 1932, based upon the number of lottery tickets confiscated under the postal and customs laws, and it developed that probably $500,000,000 yearly was prevented from going to these foreign countries." Nobody knows, of course, the ratio that this staggering figure bears to the amount of money that reaches its destination.

Added to the army of fiscal agents for foreign lotteries are innumerable promoters of equally illegal domestic enterprises. Thus in the past 2 or 3 years countless tickets have been sold to an International Federation Xth Olympiad Sweepstakes, a Golden Gate Bridge Lottery, and hundreds of other skin games of the chain-letter variety. But these are small-time organizations compared to policy-slip or numbers, a system originating among the Negroes of Harlem and later introduced in most eastern cities by gangster "Dutch" Schultz and his illustrious successors. By frequently disposing of competitors in the usual machine-gun manner, the syndicate now in charge manages to collect about $300,000,000 annually.

A few "policy kings" were arrested in 1935 as income-tax evaders, and it was found that they had pocketed net returns of more than $1,000,000 each. Additional millions are annually extracted by dealers in counterfeit tickets to bona-fide foreign sweepstakes, while other entrepreneurs dispose of great cargoes of worthless chances to fictitious domestic schemes. The Postmaster General's report for 1935 mentions the arrest of 10 dealers in sweepstakes "who sold more than $26,000,000 worth of such tickets, all of which were spurious." An equally prosperous group of 28 similar merchants was brought to trial in 1936.

II

So it appears that whether the chosen field be bank night, picture puzzle, policy, Irish hospitals, or keno, everybody plays, and shames the statutes. And if practicing Christians scream in horror at the suggestion that lotteries be legalized, they usually do so during brea'hing spells between one church raffle and the next. Yet if the learned legislators and their ecclesiastical prompters could be induced to emerge from the fog of hypocrisy and technicality that envelops the subject, the greater part of this immense sum could be diverted into the Public Treasury. When it is remembered that France, with a population of only 42,000,000, manages to collect $480,000,000 a year from its official lottery, it is not difficult to agree that a similarly managed American sweepstake would yield the National Government at least $1,000,000,000 annually. The importance of such a contribution toward balancing the Budget will be realized by bearing in mind that it equals two-thirds of the annual returns from all Federal income taxes.

In a bill recently introduced in Congress by Representative KENNEY special provision is made for the management of a proposed lottery through the existing facilities of the Post Office Department. If such a system were adopted, the annual operating expenses would probably not exceed $200,000,000. So that, even if it were determined to distribute $1,000,000,000 in prizes, the gross sum to be raised by the sale of $2 tickets and $1 half tickets need not be greater than $2,200,000,000 a year, which is only one-third of the figure now being spent illegally.

The amount of the grand prize would depend on whether it is better to produce a few more millionaires, or to increase the winning possibilities of each ticket by offering a greater number of smaller but substantial awards. Such details could easily be varied to fit the popular response to each drawing. Judging, however, from the system used in most European countries, an American sweepstake distributing $1,000,000,000 a year would probably make 50 quarterly awards of $300,000, and 500 others of $75,000, with 1,000 more tickets winning modest fortunes of $5,000, and 5,000 contestants receiving $20,000 each. The remaining $47,500,000 would be divided among 25,000 investors in a series of smaller prizes ranging from $10,000 to $500. Some of the larger awards could be given in the form of annuities or other interest-bearing investments created by the lottery administration. Each windfall would be exempt from Federal income tax levies.

It is certain that a national sweepstake, managed as an official monopoly, would not be subject to any of the objections that were properly advanced against the famous Louisiana Lottery; for it is well known that this scheme was conducted by a private corporation, with no other State control than a small tax on earnings. A Government lottery would be subject to strict auditing, no less than any other administrative agency. Besides insuring a low cost of operation, and thereby making more money available for prizes, the plan would guarantee the absolute genuineness of each ticket. It has been suggested that such a use of the mails would be in conflict with the constitutional or statutory provisions of the various States. But it should be plain that no local authority could legally impede the postal activities of the United States, nor interfere with the legitimate collection of national revenue. Moreover, despite the eloquence of State laws against lotteries, none of them clearly prohibits such enterprises as State or national monopolies.

To be sure, it is also argued by holy men that participation in a lottery is immoral, since the prize winner gets something for practically nothing. But the same unearned increment exists in every legal transaction in bonds or acres, and particularly in the insurance money received by vestrymen when the church burns. It is further insisted, on the strength of a judicial decision, that the sale of lottery tickets "cultivates a gambling spirit and tends to a hatred of honest labor." It is doubtful, however, whether any sane person would quit his regular employment simply because a legally acquired slip of paper gives him 1 chance in about 20,000 of winning a fortune. If the proceeds of a national sweepstake were earmarked for old-age relief or some other humanitarian purpose, the average citizen would gladly contribute his quota; and if Dame Luck failed to favor him, he would be satisfied with the excitement derived from the imaginative possibilities of sudden riches. Despite the alleged certainties of post-mortem salvation, most people know that this terrestrial life, at its legitimate best, is a rapid succession of risks and chances.

If there were any connection between raffles and personal thrift, this virtue would be the exclusive monopoly of England, Japan, and America, the only major powers whose inhabitants buy lottery tickets abroad, but the truth is that sweepstakes are legal in more than 30 respectable nations, including Italy, France, Spain, Germany, and several South American Republics. China is largely financed by a yearly drawing whose grand prize is $500,000; Sweden's cash gains from the same source are devoted to cultural advancement; while Turkey uses the proceeds to buy airplanes. Yet in none of these nations has there been any deterioration in the moral sense of the citizenry.

In brief, the antilottery argument is based on the hypocritical assumption that things legally prohibited cease to exist, and that the proper exercise of Christian fortitude compels us to gag at a trading stamp and swallow a bookmaker. The simple question is: Shall an irrepressible human impulse be exploited for the sole benefit of foreign and local racketeers or shall it be legally protected, as a harmless source of pleasure, for the incidental benefit of the Public Treasury?

Democracy Will Keep the Faith

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, July 6, 1937

ADDRESS OF HON. F. RYAN DUFFY, OF WISCONSIN, AT THE 4TH OF JULY CELEBRATION, WHITE HOUSE ELLIPSE, WASHINGTON, D. C., JULY 5, 1937

Mr. BARKLEY. Mr. President, yesterday here in the District of Columbia the Senator from Wisconsin [Mr. DUFFY] delivered a very able address at the White House Ellipse in connection with the Fourth of July celebration. I ask leave to have the address inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Since the dawn of civilization, human beings have been accustomed to celebrate birthdays. They are usually occasions of joy, and they give an opportunity for those concerned to express happiness because some man or some woman was born. But today we celebrate a different kind of a birthday. You will hear the reading of the Declaration of Independence, which is the birth certificate of a new-born nation.

It is well that we pause at least once a year to consider what a courageous undertaking it was for our forefathers to declare their independence from the strongest nation in existence at that time. There were many scoffers in those days, who loudly proclaimed that such an undertaking could not be successful; and again there were many people at that time who really belived that a nation of men could not be trusted with self-government, and that laws could not be made by those who would have to obey them.

We are celebrating the day on which our separate national existence was declared. This is the birthday of freedom, although the right to life, and to liberty, and the pursuit of happiness is as old as humanity itself.

The driving force which kept alive the struggle of the colonists against tyranny and oppression was the knowledge that their cause was just. The battle for freedom gave life to hopes which had for many generations been suppressed in human breasts.

Our forefathers suffered much in their struggle for liberty and independence, and they were willing to, and did, endure great hardships and physical discomforts as the result of their intense yearning to attain real freedom.

The people who came to this country from the various nations of Europe were those who detested tryanny. They were the brave and courageous souls who would sacrifice everything for liberty, and hence it is that the best blood of the old world came to the new. The 13 struggling colonies became a Nation only because the colonists were of that courageous, indomitable type, but also because people of other nations sympathized with our forefathers in their quest for liberty. France with her soldiers under Lafayette and Rochambeau, Germany with her soldiers under the inspiration of Baron Von Steuben, the fine assistance from Poland under the leadership of Kosciusko and Pulaski, the splendid companies and regiments of Irish troops, these and many others from the European nations, contributed to the colonists' ultimate success, and in the foundation of this great Nation.

Every American citizen on this day should rejoice that this Nation was born, because our citizens have freedom and liberties, rights and privileges, such as are enjoyed by no other peoples of the world. And, what gifts do we bring on this birthday celebration? Should they not be loyal to this Government and a determination to unselfishly serve its best interests? Should we not now express our willingness to make sacrifices for this Nation, just as all of the generations that have gone before us have been willing to do? In the last analysis, our love of country is really the love of liberty, which our kind of Government has brought to our people.

Today we have those who scoff and complain, seldom offering anything in the nature of a constructive proposal, but arousing discontent by proclaiming that other nations are in a much better condition than is our own. It seems even fashionable nowadays in some quarters in this country to be extremely critical of the United States and of our form of government. Of course, only a momentary reflection will bring to our mind that we are the richest and most influential Nation on the face of the earth and that our people have more of the comforts of life and more of happiness than those of any other nation. No matter what yardstick of measurement we may use, the story is the same. In the whole world there are only 35,000,000 motor vehicles, and yet 25,000,000 of them are located in this country, while the nation in second place has less than 2,000,000. In all the world there are slightly more than 33,000,000 telephones, and yet some 17,000,000, or more than one-half, are right here in our own country, while the next nearest country has slightly more than 3,000,000. In all the world there are a few more than 42,000,000 radio sets, yet 18,500,000 are located in this country. And thus we could go down the list quoting the facts, showing that in those things which bring comfort and happiness to our people this Nation is not only in first place, but no other nation in the world is even within shouting distance.

Where else in the whole world are those sacred, inalienable, human rights more strongly protected than here—the right of free speech and of free press, and all those other sacred possessions which were insured to us by the Bill of Rights?

We look across the waters and see the nations in Europe in a most unhappy situation; one is bleeding almost unto death from the ferocity of an internal struggle; many other nations apparently are feverishly preparing for war, and the people are in daily dread of the moment when that calamity may occur; other nations are shaken because of their financial instability; and in many other nations under various kinds of government the common man has very little left of what we in this country know as liberty and freedom.

Of course, we have great difficulties and problems in this country which must be solved in order to bring a greater measure of justice to a greater number of our people, but no people on the face of the earth have shown greater moral courage and as much good sense as has been shown so many times by the American people in times of trouble and distress.

When the road is block along which we as a people have been traveling toward our goal of justice and happiness, we should have the constructive and unhesitating courage to blaze new trails and to build new passageways, so that the desired objectives may be reached. The American people have never thrown up their hands in a hopeless gesture simply because difficulties have been encountered. The democracy of America has withstood trials and tribulations which have tested men's souls. We have proved that a democracy can stand violent strains and periods of distress when proper leadership is given, and this country has indeed been fortunate in its leadership. This Nation should be thankful for the inspired leadership which has guided us out of the grave dangers of an economic upheaval. Democracy has reached its height of attainment recently in our concern for the bettering of conditions for the unfortunate and the underprivileged.

All about us here we see the tents which are housing some 25,000 of Boy Scouts. It is an inspiring sight that so many of them are here attending these exercises tonight. We need have little fear for the future of America if all of our young boys could have Boy Scout training, and in their lives carry out the patriotic teachings which they learned as Scouts. Democracy is safer when a considerable proportion of its people really believe in those ideals which a Scout holds dear.

Let us as patriotic citizens give thanks for our great country. Treasure our Nation; it was wrested from tyranny and built by democracy. The greatest of privileges is liberty—a liberty conceived in courage, proclaimed by faith, defended by strength, and preserved by loyalty. This liberty was our heritage; we must give it to posterity. We protect our liberty by our democracy. The supremacy of democracy means the salvation of America. Keep faith in democracy and democracy will keep the faith.

Industry and Labor

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, July 6, 1937

RADIO ADDRESS BY HON. DANIEL C. ROPER, SECRETARY OF COMMERCE, JULY 5, 1937

Mr. McKELLAR. Mr. President, on July 5, 1937, Hon. Daniel C. Roper, Secretary of Commerce, made a speech over

a Nation-wide hook-up of the National Broadcasting Co., on the subject, Industry and Labor—Their Mutual Problems.

It is a very timely utterance. All Senators, as well as the country, I know will be interested in it. I ask unanimous consent that the speech be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I thank Mr. Oliver Owen Kuhn, managing editor of the Washington Star, and the National Broadcasting Co. for the opportunity afforded me tonight to visit again with the Nation-wide family of the radio forum. The commendable objective of this radio forum, now entering on its seventh year, is to help the American people to better keep pace with and better understand national problems through the process of free discussion.

On the natal-day anniversary of the oldest and greatest democracy in the world we naturally think in terms of human relations. Accordingly I use as my subject tonight, Industry and Labor—Their Mutual Problems.

Constructively analyzed, the aim of these interdependent groups should be fundamentally the same. They both seek human happiness in a country committed to that attainment by all of its citizens. This can only be secured through peaceful evolution and never through force or revolution. Differences arise frequently, not, however, over ultimate objectives but over the mechanics of procedure for obtaining economic progress, and, hence, human happiness. In opening our discussion this evening we naturally reflect on the fact that this is the one hundred and sixty-first anniversary of the founding of our Government. The purpose of the founders was to launch a government that would provide men and women opportunities for cooperative development.

Notwithstanding our decades of preachments for liberty and opportunity under our democracy, we have not yet wisely coordinated attitudes in the absolutely necessary mutual endeavors through which alone the needed results can be secured. In recent years evidence has been unfolding that men and women are becoming more desirous of self-expression as a means of their social and economic betterment.

Thus have come leaders, insisting on the everyday practice of the theory of democracy; that is, the fulfillment of the contention that the people can wisely govern themselves, if kept truthfully informed. The unfolding of democracy has been dependent upon the correct understanding and just interpretation of its principles. Associated with this is the willingness of all to conform to the changes in the mechanics of adjustment. Interpreted for our times, democracy may be said to be an awakened consciousness of the people to their duty to give and take in their recognized necessity of advancing the common good, if they would safely advance the good of one unit of society.

A half century ago Thomas Carlyle projected this thought. He asserted that the danger in maintaining the necessary balance in human relations might be that the people would stress opportunities out of proportion to duties. We would do well to reflect on that prophecy in considering our modern-day problems.

From the historical approach we see in all of its physical aspects our national beginning in the crude equipment of natural resources. In 1776 we had Thirteen Colonies and 4,000,000 population, but a land richly endowed with wonderful resources. Except for a few water wheels, windmills, and animals, our whole civilization depended upon manpower. The processing of raw materials was by hand.

As recently as 60 years ago we were predominantly an agricultural people, still dependent largely upon hand labor. Then with magic rapidity we plunged dramatically into a romance of power and machines—coal, oil, gas, hydroelectric energy. This was the dawn of the "machine age." Today we have 48 States, a total population of 127,000,000 people, and a technology that looks to a reduction of the muscle load on human beings. We now have at our command installed mechanical power of total capacity several times the combined manpower of the whole human race.

Particularly over the past quarter century our progress has been almost incomprehensible. Our increase in the use of power has been more than 25 times as rapid as the increase in our population.

Research and human ingenuity have developed a variety of useful machines and processes to direct this power into thousands of constructive operations. This is reflected in manufacturing, agriculture, transportation, merchandising, and even in housework. Needless to say this has enormously accelerated the production and distribution of goods. Coincident with this remarkable progress, other changes in our domestic economy have been coming with breathless speed.

We have seen changes in the character of ownership of business; in the growth of great corporate combinations covering numerous fields of production; in the exploitation of the best of our free public domain, and in the disappearance of the easily accessible bloom from our natural resources.

All these things, culminating rapidly and in unison during recent years, together with the ravages and dislocations of the recent depression, have produced new problems.

As we look at the more recent part of the picture, certain factors stand out clearly—things requiring most thoughtful consideration. We see, for instance, that, with less than one-fifteenth of the total world population here in the United States, we have 70 percent of all the motor vehicles, two-thirds of all the mechanical refrigerators, almost half of all the radios, and nearly a third of all the hard-surface roads in the world.

Notwithstanding our perplexing problems, we enjoy a degree of individual liberty and security unknown in most other countries. These are reflected in freedom of thought, speech, and action; a standard of living for the average citizen far above that attained under any other form of government or any other type of economy—a standard of living which reaches far beyond our mere physical needs—to almost universal free educational advantages, broad opportunities to enjoy fine music, art, literature, and recreational facilities.

In countless ways we are living under happier, more healthful conditions than any other people in the world. Our standard of living is higher because of our ability to produce and to purchase. Let us take, for example, a market basket containing 1 pound each of pot roast, bacon, butter, sugar, and potatoes; a loaf of bread, a dozen eggs, and a quart of milk. The average American industrial worker would have to work twice as long in England, 4 times as long in Germany and Italy, and 12 times as long in Russia as he does in the United States to secure this basket of commodities that we in this country regard as necessities. In general, this same ratio applies to most of the things we usually consider as contributing to our standard of living.

This forcefully illustrates the comparative standards of living among the nations and the advantage enjoyed by the American worker. It also suggests the immense possibilities of world trade and commerce when and if the purchasing power of the workers of other countries reaches a par with that of the people of the United States.

As society has become more intricate and involved and as we have become more dependent upon one another in our intensive civilization, some concessions of liberty on the part of the individual have been necessary for the safety of all.

The traffic control on a busy street corner is a simple example of such curtailed liberty. It requires the individual to make some sacrifice in the public interest. In other ways, the interstate commerce laws, restrictions governing the sale of securities, the control of utilities and banks, endeavor to curb unrestrained liberties, yet they safeguard and protect large numbers of people in the enjoyment of their rightful liberties. The same necessity exists in business and industrial affairs and must be met through proper efforts to devise workable and equitable controls. Under such procedure the determination of rights must be formulated on the basis of the common good. We must realize that the proper solution will require time, patience, and bona-fide cooperation.

Thus the basic conditions of our economy need to be well understood. The machine age has increased our capacity to perform work manyfold, and the advance continues. Scientific knowledge is every accumulating, and technical arts are advancing by geometric progression. Each new invention lays the groundwork for still others. The movement cannot, and should not, be suppressed or hindered. Our need today is for unselfish business and industrial leadership—yes; leadership with the vision, patience, tolerance, and the will to understand changing conditions—and the courage to act with rather than against them. Furthermore, leadership of such qualifications is appearing and must not be discouraged by outmoded conceptions.

Our plan of government and our type of economy have been tested as to their ability to meet our changing needs. Our development of power, of machines, and of improved production technique has unquestionably resulted in broad benefit to all of us and has thus been amply justified. The problem therefore is one of righteous adjustment and balance, rather than of trying to resist, delay, or control inevitable trends.

The increasing use of power and machines along with improved technique in production certainly imposes the responsibility upon human leadership of dealing efficiently, justly, and intelligently with the distribution problems for all society and with the resultant employment situation.

The problem of unemployment is national in scope. It is not exclusively the responsibility of Federal, State, or municipal governments. It is a special and direct challenge to leaders in industry, labor, and agriculture. Labor leaders should work with management in the introduction of methods devised by management to reduce costs. Industrial leaders must find ways to advantageously employ more people and then willingly meet their share of the tax burden necessary to care for the remainder. Industry's contribution to increased employment from now on must largely be through scientific methods to develop new products at prices within reach of the consumer and by improved efficiency to reduce the cost, and thereby encourage consumption. Those industries that have been successful in the maximum of mechanization have, by expanding markets through lowering prices, substantially increased employment. The extent to which those joint responsibilities are met through cooperative efforts looking to continuous operations will determine our future social stability and the minimum tax necessary for relief purposes.

Every generation has had to face dynamic conditions. We cannot hold back the rushing tides of progress. There are, however, great underlying principles which, like mudsills in the structure, must be saved from all destructive flood tides. Among these are the spirit of devotion to our national ideals of justice, equitable liberty, and mutual happiness.

Our national greatness must hinge on a common bond of loyalty to our national institutions. That has always been the rallying point of national thought and action.

However weak or formidable are the issues between industrial employers and employees, the differences have their roots in conceptions not in keeping with inevitable changes. This being true, both sides must seek proper adjustments. Many adjustments have already been effected, involving better wages and better working conditions. It should be admitted without discussion that it is the duty of all to protect workers from exploitation by any misguided labor spokesman and by selfish leaders in industry. In the light of experience, we have learned that issues to be settled wisely need to be removed from the heat of controversy and suspicion. Both time and patience are of the essence in the assimilation of great reforms. When we determine to submit grievances to the calm atmosphere of the conference method and follow this approach up with a balancing of rights with responsibilities, then we will have paved the way for permanent peace and progress.

The American capitalistic system, adjusted to new conditions, must be preserved and wisely encouraged. This should recognize sound appreciation of the difference between a passing profit and a lasting profit. It can only be lasting if in gaining it there is acquired the confidence of those who work with their hands and those who consume the products of this joint enterprise. Continuing equitable profits are made secure by sound and permanent service needs of the people and by treating labor as a partner with those responsible for capital. Thus will fear and distrust on the part of industry and labor be supplanted by a relationship of mutual confidence and esteem. Such a procedure is the surest way to increased economic and social security for all.

It was to this end that the Wagner bill was enacted. It sought a better relationship between labor and management through fostering the right of employees to organize and bargain collectively. That right is basically sound. It therefore becomes the duty of labor to willingly clear the atmosphere by identifying the responsible agency within its ranks through which negotiations to this end are to be effected. The responsibility of employers is to cooperate with equal vigor in promoting the objectives of the act. The proper right to strike must be safeguarded, but equally fundamental is the right to work. Coercion has no proper place in this program.

Furthermore, all legislation must seek fairness to both labor and industry. When fair administration reveals defects or inadequacies in statutory requirements, then prompt correction should be made in the interest of all. Extremists on either side of the prevailing controversy should harmonize their views with the objective attitude of the majority who are constructively seeking a peaceful solution.

Under its constitutional responsibility it is the inescapable duty of Government to preserve law and order. This requires protection of the community against lawlessness of all kinds, at all times, and under all circumstances. All governmental units—Federal, State, and municipal—must steadfastly exercise their sovereign powers without partiality or compromise. They should always endeavor to encourage reason that dispels passion and brings men together. All groups must stress the importance of faith in our orderly governmental processes if democracy in industry and in government is to be preserved. This means that we must all assume continuing obligations of restraint, self-discipline, and service. The individual freedom which we cherish for ourselves through self-government can only be maintained through a rule of reason, based on democratic cooperation.

There is but one alternative to this sound and safe procedure; that is, autocratic control, which is fundamentally obnoxious to democratic concepts.

The American public, by and large, is in a mood for sustained harmony and good times. The people will not long patiently forebear unnecessary strife and disturbance, no matter by whom provoked. They want peace among all groups. The significance of this crystallizing attitude should be sensed and constructive steps taken to justify and cultivate the lasting good will of the public.

My faith in the common sense of both employer and employee is that both will see to avoid further confusion and losses and pursue sound procedure to constructive and peaceful ends. Industry has progressively prompted many social advances. It will not fall short of its whole duty in these disturbed times. But it must not only discipline itself, but rid its ranks of those minorities which are guilty of unfair and unethical practices.

Correspondingly, labor has cast its influence on the side of progressive social legislation and sound Americanism. It must likewise stamp out ruthless racketeering from its ranks. Both industry and labor need to recognize that the public, including the consumer, will not stand for coercion or intimidation in any form or fashion. It is not democratic and hence not consistent with safeguards of our heritage and ideals of freedom and justice.

Labor has achieved great power for good. In doing so, it has necessarily been placed in a corresponding position of responsibility to itself and to the general community. It should develop a policy which will safeguard the continued faith of all citizens in the rectitude and sincerity of its purposes and in the justice of its methods.

The employer is not alone an employer and the employee is not alone an employee. They are first of all American citizens with responsibilities to the consumers and to society at large. Industrialists and labor leaders both need to study all the interwoven problems of the times, including social and economic factors and the efforts of Government to adjust in proper balance. This is a direct obligation that cannot be shifted or escaped. Furthermore, they must justify the good will of each other and the public by observing those obligations imposed by law or agreement as well as those suggested by good morals.

American ideals preclude hate and willful animosities. Those ideals have long been expressed through understanding and cooperation among all segments of our people, during periods of adjustment. Labor, industry, and agriculture have contributed their share individually and collectively. Thus, their cooperative endeavors have resulted in their own constructive welfare because they promoted the public welfare. Outstanding accomplishments of natural purport have resulted from such procedure. Now the component parts of the national community demand that the disturbed segments adjust their differences, equitably and peaceably, so that the system under which we have achieved mutual progress shall be maintained inviolate. Let us revitalize that harmonious group relationship which has given us the production and distribution of more of the goods and comforts of living to more people over a greater territory and for a longer period of time than any other country since the beginning of time.

Under this broad conception of common trusteeship on the part of all, we will bequeath to posterity a country greater, more prosperous and more secure. America stands today on the horizon of the world as an example of the blessings of liberty and of democracy for all mankind. We must keep it there!

America's Role in International Affairs and the Domestic Labor Crisis

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 6, 1937

EDITORIALS FROM THE PHILADELPHIA INQUIRER, JULY 2 AND JULY 6, 1937

Mr. DAVIS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an editorial appearing in the Philadelphia Inquirer today, July 6, 1937, entitled "America Has Learned Her Lesson." This very timely comment on the Fourth of July statement which Dr. Nicholas Murray Butler sent to the New York Times recalls the fact that European nations are still extending "hands across the sea", reaching for more funds with which to carry on their preparation for war, while they just as resolutely refuse to pay their war debts. I am not now calling so much for the payment of those debts as I am that we shall forever be mindful of the responsibility we have to keep the United States out of new financial complications which might later involve us in another general war.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, July 6, 1937]

AMERICA HAS LEARNED HER LESSON

Dr. Nicholas M. Butler sent to the New York Times from Europe a Fourth of July statement on the role he would have America play in the critical international situation, which struck a note utterly repugnant to the spirit of our great patriotic holiday.

Everywhere he has traveled he has found the European nations looking to "the Governments and people of Great Britain and the United States for leadership." They regard such leadership, he asserts, as "the one hope of the present-day world."

This is not startling news. They are always looking to America to pull their chestnuts out of the fire. Foreign propaganda to this end started long before the World War. It was renewed with vigor in 1914 and the pressure was continuous and intensive until it was crowned with success in 1917.

"Save the little nations from destruction" was then the piteous cry. America was to send her sons and her treasure abroad to fight other people's battles and "make the world safe for democracy."

Now the great powers, armed to the teeth, are aligned in two hostile camps. And again we are told that it is America's duty to become an international policeman and preserve the peace. This time we are to save the world.

A multitude of America's sons who so bravely set out on their idealistic mission never returned. France is dotted with white

crosses above the graves of these fine young men. Hundreds of thousands more, the flower of American youth, came back permanently disabled or sadly handicapped for their life work and will be a charge for years to come, as they have been for two decades, on the practical help of their sympathetic and appreciative fellow citizens.

The billions of dollars so lavishly advanced to the Allies not only for the conduct of the war but for their rehabilitation after the destructive conflict, are still "over there." They were loans, not gifts, loans which by the terms of the contracts were to be repaid with interest. We have forgiven half the debt. But even payments of interest have ceased, except in the case of honest little Finland.

"Hands across the sea" have repeatedly been stretched toward America—for more help. But they have been empty hands, with palms held upward. They are hands which, if they could reach across the Atlantic, would strive to drag this Nation again into the quarrels and bitternesses of uphappy Europe.

It is an extraordinary suggestion, which Dr. Butler evidently approves, that the United States should join a group of nations, not immediately concerned with the happenings in Spain, in proposing a cessation of hostilities and holding of a plebiscite whereby the Spanish people "would definitely express themselves as to the form of government they desire."

More remarkable still is the further proposal that the United States and its partners in this suggested idealistic enterprise should petition the League of Nations to supervise such an election.

Could anyone visualize the belligerents in Spain suddenly laying down their arms and agreeing, at the request of the League of Nations, inspired by the United States, a nonmember, to substitute ballots for bullets?

The United States has not been recreant to the cause of promoting world peace. It has participated wholeheartedly in every conference to consider reduction of armaments and took the initiative in the first meeting that ever adopted substantial measures toward this end. The Washington Conference wrote a new chapter in the history of practical limitation of naval building.

Dr. Butler says Americans must "put an end to talk of 'keeping out of Europe.'" It would be refreshing to all red-blooded American citizens if Dr. Butler and those who share his opinions would stop talking about their country's alleged duty to project itself into foreign quarrels and bitterness that are none of its business.

Above all else America craves peace for her people. And we shall go a long way toward insuring that peace by "keeping out of Europe."

America has learned her lesson!

Mr. DAVIS. Mr. President, at the request of a number of citizens of Pennsylvania, I ask that there be printed in the RECORD another editorial from the Philadelphia Inquirer under date of July 2, 1937, entitled "What Are They Waiting For?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, July 2, 1937]

WHAT ARE THEY WAITING FOR?

As crisis succeeds crisis in the seven-States steel strike; as tension eases in one sector only to be offset by fresh outbreaks of lawlessness in another; as abortive mediation attempts arrive nowhere, as mob violence feeds upon class hatred, as workers and nonworkers clash in unreasoning conflict, to the accompaniment of gunshots and dynamiting; as industrial America and its millions of human components perch precariously upon a powder keg that conceivably may be blown sky high at any instant, there must recur to the citizens of this country, over and over again, this troubled thought:

What are they waiting for?

What, in the name of humanity and justice, are the public authorities of this land waiting for before they act to restore law and order in strife-torn America, to insure public safety, to put down, no matter where it raises its head, defiance of the laws of the Nation?

Why, without taking sides in any industrial dispute, without departing from rigid impartiality in enforcing the law—why have not these governmental authorities, from the President down, taken hold firmly and courageously of their responsibilities? Why have they not proclaimed—and backed up the promise with prompt action—that the people's Government will uphold the people's right to have lawlessness and violence, no matter what their origin, stamped out?

Are they waiting thus unconcernedly until mounting passions burst frightfully into mass murder and civil warfare, until a trail of blood is gashed across the heart of America?

What are they waiting for?

Are they waiting for the frenzied ferocity unloosed in Chicago and in the Blue Island riots during the Pullman strike in 1894, when lawlessness went on rampage through the streets, when obstruction of the mails brought forth President Cleveland's famous edict that if all the armed forces of the Government were required to deliver a single postal card it would be delivered?

Are they waiting for the savage tumult of 1877, when railroad strikes spread like wildfire through the East; when scores were killed and wounded, miles of trains looted and burned, stores robbed, and millions of dollars' worth of property destroyed; when red riot flamed in Pittsburgh to take its tragic toll; when militiamen were attacked and besieged in a roundhouse and nearly burned to death?

What are they waiting for?

Are they waiting for another Haymarket bombing like that in 1886, when anarchists, leeching themselves on the labor movement, goaded Chicago workmen into acts of violence and sent them howling for blood through the streets; when they bombed the police in Haymarket Square, felling them right and left like saplings struck by a lightning bolt?

Are they waiting for another Homestead riot like that in western Pennsylvania in 1892, when at least 18 men were killed and 30 injured when strikers bombarded detectives with gun and cannon; when, having forced their opponents to surrender, mobs fell on them and stabbed and clubbed and stoned them in a mad rage; when martial law had to be declared and the entire force of militia called out and workers seeking peaceful occupation were set upon and assaulted before mob fury cooled?

Are they waiting, above all, for another Herrin massacre, for another horror like that of June 21, 1922, when 64 workers were butchered in a melee of unrestrained violence while the civil authorities twiddled their thumbs and did nothing; when strikers poured bullets into a strip mine until the workers yielded; when captives were forced into a bloody triumphal march during which a crippled superintendent was shot to death because he could not walk fast enough, and the others were dragged bleeding into death by shooting or hanging or having their throats slit by knives; when mob rule in all its primitive and barbarous bitterness gave Herrin a horrible bath in blood?

What are they waiting for?

For another Haymarket, another Homestead, another Herrin? Has not history testified often enough to the disasters that follow incitements to mob uprisings? Did not the Haymarket bombing show how violence breeds worse violence? Did not the bestial happenings in Herrin demonstrate to what lengths falsely led crowds, believing themselves wronged, will go; defying the law, scorning all that is decent and humane, giving vent mercilessly to the refined cruelties that man reserves for man?

Various sections of this country have been torn in the past by disorder bred in industrial strife. Blood has been shed. Property has been destroyed. Homes have been wrecked. Herrin and Homestead and Haymarket are only a few of the gory episodes that smear the records.

Today, violence and lawlessness treading close to anarchy again foster their rule and ruin. Civil strife again roars through the land. Neighbor is arrayed against neighbor. Rioting and disorder headline the news of the day. Thirteen lives already have been lost in the wild upheavals of the steel front. Through seven States, from the foundry fires of Pennsylvania to those of Illinois, the storm troops are on the march. To what climactic disasters their path will lead, unless the firm hand of civil authority asserts itself at length to safeguard the rights of all the people, cannot now be foreseen.

What is evident is the failure, the inexcusable and long-continued failure of public officials charged with the responsibility of preserving law and order to act firmly in the crisis confronting them, to stem the tide of lawlessness that might, for all of them, burst all bounds and make the Herrins and the Haymarkets of the past seem like Sunday school picnics.

Is that what they're waiting for before they act?

Governors of affected States have done some gesturing for political reasons. They have pussyfooted, straddled, and virtually laid down "welcome" mats for forces of disorder. Governor Earle, of Pennsylvania, reached the head of the class in ineptitude in his handling of the situation at Johnstown.

The President himself through it all, through the smoke and the noise of rioting and shooting, has withheld any word that might have been effective in putting an end to the strife now tearing the country apart.

He has chosen—instead of coming out clearly and plainly in a solemn declaration against mob violence, against the use of physical force to prevent men from working, against the destruction of property by strikers, against all violations of the law—to wrap his comment in a quotation from Shakespeare, to give the people of America, eagerly hanging on his words, the mere opinion that the "majority" of the people are saying just one thing today: "A plague on both your houses."

If the President means, as presumably he does, that there are extremists on both sides and the country is fed up with both, such a view detracts nothing from the gravity of the situation nor lessens the need for a definite declaration of policy and purpose on his part.

We repeat what we have said before: The crisis is eased, but not ended. The danger of further disorders and lawlessness remains. Mr. Roosevelt, if he will, may prevent a more serious situation by asserting the unequivocal stand of his administration in defense of law and order.

The country hopes and prays that he will.

San Jacinto Memorial Monument

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, July 6, 1937

ADDRESS BY JESSE H. JONES AT THE LAYING OF THE CORNERSTONE OF THE SAN JACINTO MEMORIAL MONUMENT, SAN JACINTO BATTLEGROUND PARK, ONE HUNDRED AND FIRST ANNIVERSARY OF TEXAS INDEPENDENCE, APRIL 21, 1937

Mr. SHEPPARD. Mr. President, I present, for incorporation in the RECORD, an address by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, at the laying of the cornerstone of the San Jacinto Memorial Monument at San Jacinto Battleground Park on April 21, 1937, the one hundred and first anniversary of the independence of Texas.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies, gentlemen, and fellow Texans, we are assembled to lay the cornerstone of this beautiful monument, which is being erected to honor the memory of the men who offered their lives to win the independence of Texas.

Few battles of the world have been more decisive or had a greater influence over civilization than the Battle of San Jacinto. It changed the map of the North American Continent and opened the way for the United States to extend its boundary to the Rio Grande and the Pacific. It sealed the destiny of the Texas Republic and confirmed its declaration of independence. It established liberty where tyranny sought to enthrone itself.

We are here on the anniversary of that battle—a glorious day in the annals of Texas, a day which, more than any other, gives Texas a history peculiarly and distinctly its own—unlike the histories of many other States of the Union, which are so blended with that of the Nation that their individuality is largely lost. This much our State and National histories did have in common—that spirit of independence which had driven the colonists to rebellion in 1776.

Authorities generally accept the statement by Sir Edward Creasy, the English historian, who wrote that there had been but 15 decisive battles from Marathon, 490 B. C., to Waterloo, 1815, A. D. Sir Edward chose only those battles in which a contrary result would have essentially changed the drama of the world. Measured by the arguments which he employed, San Jacinto, which was fought only 21 years after Waterloo, would be reckoned the sixteenth.

The pioneers of the early nineteenth century, having forced the young Nation's frontiers to the Mississippi, were still pressing westward. The majority of these were men who had come across the Alleghenies or from the settlements of Kentucky, Tennessee, and Missouri into this vast virgin territory, then a part of Mexico. The spirit of independence was theirs. Veterans of Concord, Lexington, Saratoga, and Yorktown still lived. Jefferson's acquisition of the Louisiana Territory and the second war for independence were events of recent history. And, be it not forgotten, the people of Mexico themselves won their independence from Spain but 15 years before San Jacinto.

This was an adventurous period. The New World was in the making, and men were willing to meet the difficulties, dangers, and hardships that came with carrying civilization farther west. It was not so much under what government they lived as the promise of what lay ahead. They were willing to abide by the conditions imposed by the Mexican Government when it gave to Stephen Austin permission to settle colonies in Texas and to grant to each settler a tract of land. These conditions were Mexican citizenship and the adoption of the religion of Rome. But by race, language, sympathy, and every natural tie the Texans were more closely allied with and more akin to the people of the United States.

The continually increasing population of Texas, however, its prosperity, and close affiliation with the United States all served to arouse suspicion and anxiety on the part of the Mexican authorities and prompted them to subjugate the colonists.

During the campaign of subjugation, the Texans were deprived of the fundamental safeguards of justice and equality to which Americans were devoted. Their civil liberties and property rights were restricted; trial by jury, the right of accused persons to bail and public education for their children were taken away. Their grievances approached a climax when, in 1830, a colonization law was passed by Mexico forbidding further immigration from the United States. The situation was made more intolerable for the Texans by the posting of troops throughout the province and the imposition of custom duties to support this army.

Although resentment of this treatment burned deeply into the souls of the Texas colonists, they sought a peaceful remedy. In 1832 and 1833 citizens of Texas met in convention and passed resolutions for the redress of their grievances. But conventions were unfamiliar to the Mexican authorities as a means of securing redress and were looked upon as treasonable and seditious.

The events and causes which led up to the struggle for Texas independence bear a close resemblance to those that precipitated our Nation's earlier struggle for liberty and freedom.

Stephen Austin went to Mexico City to plead the cause of the Texas colonies, but was imprisoned by the Mexican Government for almost a year. This completely disillusioned him and convinced him that the only course remaining for the Texas colonists was that leading to freedom.

When continued ignominies finally became intolerable and all efforts for a peaceful solution failed, the signing of the Texas Declaration of Independence on March 2, 1836, was as natural a consequence as that memorable document signed 60 years before at Philadelphia.

The dark days of the American Revolution were never as gloomy as those which beset Texas following its declaration of independence.

Braver men or greater heroes never died for the cause of liberty than those who died at the Alamo. And without the tradition of the Alamo, America would lack one of the noblest symbols of its spirit.

Travis had 183 men with scant rations and limited ammunition. The besieging Mexicans had probably 20 times that number of men with the best fighting equipment of the day. Hence the fall of the Alamo and the fate of Travis and his men were inevitable since Travis refused to surrender. In his appeal for reinforcements, he wrote:

"I am determined to sustain myself as long as possible and die like a soldier who never forgets what is due his own honor and that of his country. Victory or death!"

While Travis chose to die fighting rather than to surrender, history does not record a more inhuman act than the massacre of Col. James W. Fannin and his 400 stout-hearted ragged young Americans, who were shot down by a firing squad of Mexican soldiers at Goliad after having been promised honorable treatment as prisoners of war as a condition of their surrender.

I do not like to believe that the Mexican soldiers who executed this inhuman order, which came directly from General Santa Anna himself, did so willingly, and there is some evidence in support of this thought.

It was this unspeakable act, following the fall of the Alamo but 3 weeks before, that aroused the Texans and fired them with a determination to avenge these deaths and to make Texas freedom secure.

On April 21, 1836, Gen. Sam Houston's Army of Texas Independence faced the flower of the Mexican Army led by the President of that country here at San Jacinto. The story of that battle has been too often told for me to attempt to repeat it here today. But I do want to make slight reference to it.

On the one side was arrayed a paid army, well clothed, armed with the best military equipment of the age, trained to warfare, and encouraged by the personal command of their ruler. On the other side was a much smaller army of more or less bedraggled men, including only a few regulars, poorly clad, half starved, without suitable arms, disgruntled because of delay and retreat, disheartened by the loss of their countrymen under Travis at the Alamo and Fannin at Goliad, but prepared to fight with all the ferocity and determination that could be aroused by unjust oppression and by the perilous plight of their homes and their helpless wives and children. The disparity in numbers served only to make them more determined.

Houston addressed his men with eloquence and earnestness. His speech brought them together, aroused their patriotism, and filled their souls with a righteous vengeance. He bade them trust in God and fear not. "Remember the Alamo! Remember Goliad!" This was the battle cry that spurred the Texans to victory here at San Jacinto 101 years ago today.

In less than 30 minutes the inhuman butchery at Goliad had been avenged and the sacrifices of Travis, Bowie, Bonham, and Crockett rewarded. A new republic had been born.

The completeness of the victory and the capture of the Mexican dictator, Gen. Antonio de Santa Anna, meant Texas freedom, a cause for which so many brave colonists had offered their lives.

No better summation of the battle of San Jacinto can be made than the words of Thomas J. Rusk, the Texas Secretary of War. "The sun was sinking in the horizon when the battle commenced", he wrote, "but at the close of the conflict the sun of liberty rose in Texas, never, it is hoped, to be obscured by the clouds of despotism."

Far more was accomplished at San Jacinto than the mere winning of a battle and the creation of another State. Without San Jacinto there would have been no Texas, no New Mexico, no Arizona, no California, no Nevada, no Utah, nor portions of Colorado, Wyoming, Kansas, and Oklahoma. San Jacinto opened another gateway for the westward sweep of the American people, across the plains and mountains to the Pacific coast.

Having declared and achieved her sovereign independence, the new Republic prepared to assume her place among the countries of the world and to maintain a government suited to the needs and capacities of her great territory and growing population. A constitution was soon in operation, customs were being collected, and immigration increased. Its currency was a success when Houston made the money receivable for customs on par with gold.

This created confidence and the Republic's money rose to par for all purposes. Mails were delivered, courts were respected, and commerce developed—the Republic was a going concern.

Through the century following the establishment of the Republic and its joining the Union, Texas has made large contributions to our national life.

In 1932 she took from New York first place in the value of exports produced within the borders of a single State. She raises more than a fourth of the Nation's cotton, produces more than a third of its oil, and practically all its sulphur. No other State can boast of so varied and bountiful a list of life's requirements, including livestock and almost all farm commodities.

Texas was one of the first States to rebel against exploitation by the railroads. The Texas Railroad Commission was established April 1891, 46 years ago, and was first suggested by Gov. Richard Coke in 1876. The Interstate Commerce Commission, which now has supervision over all railroads of the country, was created only 50 years ago. The Texas commission was first presided over by that grand old Texas statesman, John H. Reagan, who served in the cabinet of Jefferson Davis and later in the United States Senate, representing Texas. So great a patriot was Reagan that he resigned from the United States Senate, at considerable personal sacrifice, to accept chairmanship of the Texas Railroad Commission.

Texas yields to no other State or section in its belief in a democracy of opportunity, as well as democracy in government. The Texas antitrust laws were preceded by only one other such law in the entire Nation.

The United States has become a country of vast resources and the world's foremost example of democratic government. Texas and Texans have played an important part in its development, and San Jacinto had its bearing. There would be no United States as we know it today had it not been for San Jacinto.

This majestic shaft, surmounted by the Lone Star of Texas, will ever be a reminder of the occasion we wish to commemorate and a tribute to the men we wish to honor. It will inspire in all who come this way a desire for the freedom which it symbolizes.

It is erected as a part of our centennial with funds appropriated by the State of Texas and the United States Government. The contribution by our own State was through an act of the legislature approved by Governor Allred. A much greater contribution was by the Federal Government through generous discretionary grants by President Roosevelt and the allocation of funds by the Texas Centennial Commission, headed by our own John Nance Garner, Vice President. This Commission included Cordell Hull, Secretary of State; Henry Wallace, Secretary of Agriculture; and Daniel C. Roper, Secretary of Commerce, and was created by the act of Congress which appropriated funds for participation by the United States Government in the Texas Centennial Celebration.

I should like, on behalf of the people of Texas, to express our deep appreciation to President Roosevelt and this commission and to the Texas Legislature for making possible the erection of this monument.

It is with a sense of deep reverence and humble veneration that I level this cornerstone in this lasting monument to the heroes of the Battle of San Jacinto and of the Texas revolution and to the mighty deeds they wrought.

Let us look to God in heaven and rededicate ourselves to the principles for which they fought so nobly and so well.

Farm Tenancy

EXTENSION OF REMARKS

OF

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1937

Mr. MASSINGALE. Mr. Speaker, I find, from the discussion of this bill that we must all be kinsfolk in America. In Oklahoma it has long been the custom when a public official has anything to say concerning the farmer, the occasion is one for panegyrics, extolling the calling of the farmer, and paying tribute to the excellence of the citizenship of the average husbandman. It seems that what they practice in Oklahoma must be practiced through all the Union from remarks I have heard in the discussion of this bill.

Why is it, Mr. Speaker, that all of a sudden there is a flood of oratory in this House eulogizing the farmer? This Congress has been in existence for about 150 years, and we have kept the farmer outside the pale during all that time; now, just recently, he has become a kind of hero in Congress. I wonder if it is not due to the fact that we have just recently discovered that we are living in a land of sleeping giants who may suddenly awake and demand recognition of rights denied them for these 150 years. I live in a farming district inhabited by the very pick of the men and women of America. These folks have been demanding recognition, and we have not given it to them. It seems a somewhat strange freak of fortune that Congress for so long a time has failed to hear the voice of better than 30,000,000 of our population. All big business, all great corporations, and combines of capital have been aided by Congress, and practically all of them have been rehabilitated by use of Government money, but the farmer, while having received some Government support, has not had his fair and just recognition.

This bill does not carry any worth-while recognition of the farmer, nor does it give him any real service. It does recognize that among the 32,000,000 of our population who make their living on the farms, the tenant class is not getting a square deal. I am going to support the bill because it is the first time, I believe, that the Congress of the United States has even given this much recognition to farm people, and to that extent it makes a crack in the wall of exclusion that has held this large class of our population out of real participation in governmental affairs, and I hope that the crack will grow larger and after a while something will be done of substantial worth to the farm class in America.

It is a temptation here to pay tribute myself to the value of the farm population in the citizenship of our country. I shall content myself by suggesting that if you go to Detroit and thence southeast as far as Pennsylvania, through the great manufacturing districts where dissension and disorder and riot and bloodshed have for several weeks engaged the attention of the country, I believe that the average American will come to the conclusion that America would be more secure if we had more home units throughout this and other areas than we now have. In fact, I am constrained to believe that one who can read the signs of the time may entertain doubts as to whether the flag that floats in those manufacturing regions is in danger. This does not at all imply that there is any less patriotism there than elsewhere, but the two contending elements found there are practically at war with each other. If all the farmers even in that area had farm ownership, a place that they could call home, and an assurance that those who farm would have the protection of getting from their farm produce what it costs them to produce it, each of these homes would become a sort of castle for the owner and a fortress of security for the Government. I venture the assertion that if among the eight to ten million farms in the United States there was a home on each of them and the same expression of interest from Congress in behalf of these farm owners as there is in behalf of the banks, the railroads, the life insurance companies, building and loan associations, and other big interests, every person in America would feel the utmost security in our Government and in our institutions, and it would be no trouble to restore the tranquillity that ought to be in the faction-torn districts of the country.

I am sure all are agreed that America needs more than ever before the reestablishment of the home-owning unit, and not only the reestablishment of it but the maintenance of it. It would be an easy matter to make farm life in America attractive; but in order to make it attractive the farmer who is willing to work and devote his life to producing those necessities without which the balance of the Nation cannot live must be enabled to live in peace and plenty on the farm he works. As I said, this bill offers little; in fact, it offers so little in prospective benefits as scarcely to be worth the consideration of Congress. There are approximately 3,300 counties in the States of the Union where the terms of this bill would operate, if the appropriations provided for in it are made. The first authorization is for an appropriation of $10,000,000. If the $10,000,000 is appropriated and there is only one tenant to a county that receives a benefit, the entire $10,000,000 would be exhausted, basing a loan of $3,000 to an applicant. In addition to this, the appropriation authorized for subsequent Congresses totals $75,000,000, making in all an authorization for $85,000,000. Now, if this entire sum were already appropriated, the maximum number of tenant farmers that could be cared for

would be eight to each of the 3,300 counties in the United States, assuming that $3,000 would be sufficient for the purchase of a farm for a tenant. I believe that it is an accepted fact that the average homestead of 80 acres, which is about as little as could be expected, would come nearer costing $6,000 than $3,000. Thus, it is apparent that there will be very few of the nearly 3,000,000 tenant farmers in America that can expect any benefit under this trial program. I trust that this is one instance in which a slow beginning will be a good ending. If the recognition thus for the first time accorded the tenant farmer proves workable, his successors in place may in the future find it possible to establish homes and take their places among the citizenship of the country.

The treatment accorded the tenant farmer in America, or in fact, the treatment accorded any farmer in America, has, it seems, a rich historical background. Three hundred years ago, when Abraham Cowley was writing his essays in England, he made it plain that the English people were handed down the same philosophy regarding home ownership that we seem to have used in America. We have had the philosophy, but we have made little use of it. The dignity of farm life was recognized many years before then, for the philosophers and poets of preceding ages had spoken and sung of the great and primeval art of farming. In fact, it was claimed by them that God Himself had created that art and it was said—

> We were all born to this art and taught by nature to nourish our bodies by the same earth out of which they were made and to which they must return any pay at last for their sustenance.

It is said of Virgil that his first wish was to become a good philosopher and next a good husbandman.

Notwithstanding the dignity that our ancestors attached to farming and farm life, complaints were general in England that because of the lack of profit from the occupation of farming, no titles of any kind were accredited to those living on farms, and Cowley says, voicing this complaint—

> We have no men now fetcht from the plow to be made lords.

He attributes this to the fact that the lack of profits from farming made it an undesirable place for men or boys to go if they had any desire to participate in governmental affairs. But with that comment, he uses this language—

> As for the necessity of this art, it is evident enough, since this can live without all others, and no one other without this.

And he says of the farmer that he lives by what he can get by industry from the earth, while others live by what they can catch by craft from men, and that the farmers are, without dispute, of all men, the most quiet and least likely to be inflamed to the disturbance of the commonwealth. Thus we see that though the farmer has lived a life more in accordance with God's will than perhaps any other class of people, and though his virtues have been lauded and he has been accorded a place among the respected and most valuable men in society, yet because of the lack of his ability to earn money as readily as a man in the crafts and in the cities, honors have been denied him for centuries, and he, by reason of a want of representation in the councils of government, has been confined within a wall excluding him from active participation in his government, and he is supposed to be content with it. In fact, he has been content with it for too long a period of time. America has given greater recognition to the farmer in political life than England ever thought of giving him. But England, as much as 100 years ago was considering the question of prices for farm products, hours for all kinds of labor, and such things as vocational education, which we are just now beginning to consider.

Though England was scourged by as cruel and heartless a work system as the mind can conceive and permitted factories and coal miners to use young children of the poor which they gathered up from almshouses and corraled in the alleys and filthy tenements, her lawmakers gradually made reforms, raising the minimum age of children employees from 5 years to 12 years and then upward until a fairly decent minimum age was fixed below which it was unlawful to employ children.

Frequently little girls were used to draw carts of coal in the levels where the ceiling was too low to use mules; and oftentimes they worked, as did the men, without a stitch of clothing on their bodies. The wages of these children, as a rule, was food and a bed to sleep in. It is said by Cheyney these beds never got cold, because the children were worked in day and night shifts, and as one would get up another would crawl into his place.

A century later, right now in rich America, millions of children of tenants and laborers are unable to get proper food and clothing and Congress hesitates to move because we must balance the Budget. Let us feed the poor first.

On yesterday our Speaker delivered a most eloquent and sensible speech in behalf of this bill. He did not claim for the bill any remedial legislation worth while, but in his philosophy he did see the unfolding of a new thought in American life. He saw the Government of the United States for the first time in its history stop to pause and consider the condition of 3,000,000 men whom he described as drifters—unhappy, distressed men—and he stated that it was the purpose of this bill to rebuild in them the music and the dream that comes from home ownership and an awakened spirit. The Speaker took The Man With the Hoe and placed him in the shoes of the tenant farmer. A casual reading of this great poem causes one to wonder if in reality Markham has not come in contact with the tenant who "leans upon his hoe and gazes on the ground, a thing that grieves not and that never hopes, stolid and stunned; a brother to the ox", and then asks the question, If this is "the thing the Lord God made and gave to have dominion over sea and land"? The awakening of the public opinion to the fact that we have in our own country 3,000,000 of our own kith and kin who lean upon their hoes and gaze on the ground and think not, grieve not, and hope not, is to me a most hopeful sign that God has not yet deserted America.

A balanced Budget, so often talked about as desirable, is all right. I would love to see the Budget balanced, but I have no desire to see it balanced by imposing upon the backs of 3,000,000 men the weight of centuries yet to come. I quote the following from the Speaker's speech of yesterday:

> • • • I feel that it is possible that this great Government of ours, without assuming in the long run too great burdens, to take up out of the dust these men, to nurture them to freedom by friendly assistance and Government instruction and leadership, to make them again independent, self-supporting, and extremely useful citizens for agriculture and for all the best interests of our Republic.

If it were possible for every person in America to see and to feel that these 3,000,000 men are wallowing in the dust of despair, and that it is our duty to take them "up out of the dust", as our Speaker sees and feels, I believe the crack in the wall of exclusion for farmers would soon widen and finally crumble and fall to the ground, and that the day will soon come in America when every citizen shall have equal economic opportunities accorded to him. All Americans of every calling or station are entitled to the same economic and political consideration, and these a fair Government is bound to secure to them.

I trust that this Congress may prove itself equal to the greatest task that ever confronted America, that of making real legislation in the interest of our largest group of neglected citizens. Let us not feel that by the passage of this bill we have done the job, for we have merely expressed a willingness to consider the status of the farmer. Before this great class is completely exasperated by further delay, why not this Congress become memorable by enacting a practical, workable, worth-while farm program?

We can legislate for them, but it takes vision such as the Speaker has to accomplish it. If we are fair in our legislative program, we should soon be done with want and poverty, and an era of good feeling would return to our land. As

agriculture is the leading basic industry in America, let us take due consideration of it. No one in this country ought to go hungry, but many deserving people do. Clothing and other life comforts ought to be accessible to all, but millions of our people cannot buy such. I hope to live to see the day come when all America shall be one big happy family, sharing the expense and income of our coveted home in proportion to the plowing done and the harvest reaped. This I believe to be the road to national happiness, and I propose to travel it.

Labor Needs Organization Upon Both the Economic and Political Field

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

RADIO ADDRESS BY HON. HENRY G. TEIGAN, OF MINNESOTA, AT DETROIT, MICH., JUNE 26, 1937

Mr. TEIGAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

During the past few months the workers of Detroit and vicinity have united to an extent that is virtually unparalleled in the history of the trades-union movement. I think, in fact, that at no time have the workers in any industry united in such large numbers upon the economic field.

The success that the workers have attained here is deserving of praise from every friend of organized labor. I trust, though, that you may be successful in completing the job in the automobile industry in Detroit and in the State of Michigan. In speaking of completing the job, the implication of my remarks is, of course, that I hope you may organize Henry Ford's plant 100 percent.

It happens that I know just a little about Ford's methods. We have a Ford plant, a comparatively small one, of course, in the city of St. Paul, but it is of sufficient size to indicate what the methods of Detroit's multi-millionaire manufacturer are, wherever he operates. The speedup requirements are such as to destroy the very life of the worker, and when he reaches the age of 40 years, Henry doesn't want him any more.

WISH U. A. W. A. SUCCESS

So, I trust that the U. A. W. A. will continue its efforts to organize Mr. Ford's plants and make him pay wages that the conditions in the city require and, more particularly, to provide his workers with conditions that decency and health make obligatory upon any industry as well as upon any government.

The past few months have not, however, only witnessed a growth in union membership and in practical organization on the part of the workers who are engaged in the automobile field. For several weeks past the workers in steel have been joining hands in efforts to throw off the economic bondage of the Steel Trust and allied corporations. According to figures that I have just received, there were more than 375,000 workers signed up as union members as of June 1 last. There remains still approximately 200,000 outside the fold, but these will come, notwithstanding the barbaric methods employed by the steel magnates to prevent organization. In this connection I think it would be well to just get a little picture of how these barons in steel perform when they have the acquiescence, if not the active support, of those in political power. Let us take the case of the Republic Steel Corporation in Chicago.

The newspapers have told something of a news reel made by the Paramount Corporation of the riot created at the Chicago plant on Memorial Day. The news reel, it will be recalled, was suppressed by the Paramount managers because they felt that it might cause riots in theaters where the scenes of the Republic riot were exhibited.

NEWS REEL REVEALS MASSACRE

But Senator ROBERT LA FOLLETTE, of Wisconsin, who has been doing some splendid investigating into the spy activities and the denial of civil rights by large industrial corporations, subpenaed the film and had it exhibited before the members of his committee a few days ago. A news reporter of the St. Louis Post-Dispatch reported the scene from the film in the following language:

"* * * Without apparent warning, there is a terrific roar of pistol shots, and men in the front ranks of the marchers go down like grass before a scythe. The camera catches approximately a dozen falling simultaneously in a heap. The roar of the police pistols lasts perhaps two or three seconds. Instantly the police charge on the marchers with riot sticks flying. * * *

"In several instances from two to four policemen are seen beating one man. One strikes him horizontally across the face, using his club as he would a baseball bat. Another crashes it down on top of his head, and still another is whipping him across the back. * * * In one such scene, directly in the foreground, a policeman gives the fallen man a final smash on the head before moving on to the next job.

"In the front line during the parley with the police is a girl, not more than 5 feet tall, who can hardly weigh more than 100 pounds. Under one arm she is carrying a purse and some newspapers. After the first deafening volley of shots she turns, to find her path to flight is blocked by a heap of fallen men. She stumbles over them, apparently dazed. * * * Then she is seen going down under a quick blow from a policeman's club, delivered from behind. She gets up, staggers around. A few moments later she is shown being shoved into a patrol wagon, blood cascading down her face and over her clothing. * * *

"A man shot through the back is paralyzed from the waist. Two policemen try to make him stand up, to get into a patrol wagon, but when they let him go his legs crumple, and he falls with his face in the dirt, almost under the rear step of the wagon. He moves his head and arms, but his legs are limp. He raises his head like a turtle and claws the ground."

HIGH RENTS AT WASHINGTON

So much for the terror inaugurated by private gunmen and city police at the Chicago plant of the Republic Steel Corporation. Let's go on to something not quite so tragic and terrible.

The workers and the common folks of Detroit, as in other large cities, have to contend with the exploiter on every hand. In view of the fact that I have to live part of the year in the city of Washington, D. C., I know something about one problem that I understand you, too, have to contend with, namely high rents.

I don't imagine that rents in Detroit are as high as they are in the city of Washington, for the latter city is notorious in its plundering of the people by means of rents, but I guess you pay enough here. At any rate that is the impression that I have gained since coming here.

Just this morning I came across a New York publication in which New York's city tenant-house commissioner, Langdon Post, commented upon conditions in the country in general and incidentally made mention of the situation in Detroit. What Mr. Post is urging is the passage of the so-called Wagner-Steagall housing bill, which would provide Government aid in the building of low-priced houses by the Government. In reference to the need of the enactment of such a law, Mr. Post said:

"To stop low-cost housing now would be a crippling blow to the millions in America with low incomes. The bill can prevent chaos in the large cities of the country.

"The situation is more desperate than most people realize. In Pontiac, Mich., the authorities are housing the working people in tents. In Detroit they are being evicted at the rate of 4,000 a month because they cannot pay increased rents.

"Besides the acute housing situation, there are the building-trades unions to consider. They will be hard hit if the housing bill is stopped. The jobs in the building and concomitant industries which would be provided by this spur in housing are very much needed."

REAL-ESTATE MEN OBJECT

Just what the prospects are of passage of the Wagner-Steagall bill in this session I am not prepared to say. I admit that the outlook for its enactment is none too good. Not only is the session nearing an end and the bill may be lost in the shuffle, as we say, but there is considerable opposition to it as well. The real-estate gentlemen who profit by high rents don't want a reduction made. The fact that thousands of persons are evicted from their homes in practically every city in the country means little or nothing to these profiteering gentlemen, and thus we find them lined up against the Wagner-Steagall bill.

At this point I might suggest that a law be enacted in Michigan as elsewhere imposing a heavy tax upon land values and a corresponding lightening of the tax upon improvements and personal property. You folks here in Detroit and in the State of Michigan won't have the active help of the real-estate man in putting over this kind of legislation, but you should be able to enlist the aid of every actual workingman and every actual farmer as well as every businessman if they can be made to understand what this kind of tax legislation would mean to them. The speculator is the fellow who would be hit and the man who improves his land, whether in the city or in the country, will under the land values tax not be penalized for making such improvements.

SALES TAX LOADS TAX ON WORKERS

Since coming to Detroit I have learned that you have a 3-percent sales tax in force. Perhaps you are not aware of it, but this is the most unjust sort of a tax that could be collected. It seems easy to pay, but actually it is the means by which the men of wealth transfer their tax load to the backs of the working people. In order that you may see just how this works out, I want to show you by the table I am going to read just how this tax affects the various income classes. The table was prepared by the

research bureau of the Kansas State Legislative Council, and is as follows:

Amount of various retail taxes taken from different income groups

Income	Proportion of income affected	Approximate amount per year per $1,000 of income	
		Excluding food, 3 percent tax	Including food, 3 percent tax
$1,000 and under	60.9	$8.22	$18.27
$1,000 under $2,000	58.6	7.92	17.58
$2,000 under $3,000	49.4	8.61	14.82
$3,000 under $5,000	42.9	8.43	12.87
$5,000 under $10,000	39.3	8.67	11.79
$10,000 under $25,000	31.7	7.23	9.51
$25,000 under $50,000	22.2	5.43	6.60
$50,000 under $100,000	18.4	4.86	5.52
$100,000 under $150,000	15.5	4.11	4.65
$150,000 under $300,000	12.1	3.12	3.63
$300,000 under $500,000	4.2	1.08	1.26
$500,000 under $1,000,000	2.5	.63	.75
$1,000,000 and over	1.0	.24	.30

Michigan has a 3-percent tax applying to every kind of commodity purchased, including food. This means that the workingman with an income of a thousand dollars or less pays at a rate 70 times as great as that of the exploiter who enjoys an income of a million dollars or more. The workers of Michigan should unite in a demand to secure the repeal of this vicious tax scheme just as the workers in New Jersey, Kentucky, and several other States have done.

POLITICAL POWER AIDS WORKER

One significant thing about all the news items and facts which I have related is that labor has fared tolerably well wherever it has possessed political power. On the other hand, it has not fared well where political power was and is in the hands of labor's enemies.

In my opinion the big lesson is that the workers cannot be successful upon the economic field until they have made intelligent use of their political power.

The workers are many and the exploiters and plunderers are few. If they were united there would be no difficulty at all in controlling government in the interests of the man who toils and renders useful service in society. As it is there has been ever since the inauguration of the industrial era or, in other words, the capitalist system, public officials and the instrumentalities of the government have been little more than the committees or agencies of the exploiters of the masses.

Here in Michigan it is doubtful whether you could have conducted these recent strikes successfully in the automobile industry if it had not been that you had taken time by the forelock as it were and elected some persons friendly to your cause last November. While these public officials may not be all that you could hope for, yet I believe it only proper to state that they are far above the average in their appreciation of labor's rights in industry.

FARMERS, WORKERS RULE IN MINNESOTA

I trust you will pardon a brief reference to the situation in my own State. In Minnesota the farmers and workers—the useful citizens of the State—have captured the principal State offices, and as a result both of these branches of the producing class have received protection at the hands of the Governor and other elected officials. The workers, in other words, are in power, politically speaking, in the State of Minnesota. Judging from what happened last November in the State of Michigan, and especially in the city of Detroit, I would say that you are well on the way to accomplishing the same thing. What I think you need, however, is to set up a political party of your own—a Farmer-Labor Party—and cease your affiliation with either of the two old capitalist-controlled political parties. By doing so you will achieve your economic freedom from big business. This means eventually that the workers through the State must come into control of the principal means of production and distribution and operate them for the public good.

In this great economic and political struggle now going on I wish you well here in Detroit and in the State of Michigan.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. J. W. ROBINSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

MEMORIAL DAY ADDRESS BY HON. CHARLES R. MABEY, MAY 30, 1937

Mr. ROBINSON of Utah. Mr. Speaker, under leave to extend my remarks, I am including a Memorial Day address delivered by Charles R. Mabey, former Governor of the State of Utah, delivered over Station KSL at Salt Lake City, Sunday, May 30, 1937. Several Members who heard this address delivered praised it very highly and requested that I have it inserted in the CONGRESSIONAL RECORD.

The address is as follows:

My friends, just two decades ago this country entered the World War. It would seem useless to bring back to your memories what befell in the months that speedily followed. The events were so deeply etched upon our national soul as to be ineradicable. But time mellows all things and softens all scars and covers all wounds. Time, the great healer, brings together men that once sought each other's lives at the sword's point and nations that were but shortly locked in a death grapple. This is as it should be. Were it not so, the earth would be a seething cauldron of hate and human brotherhood but a mockery. The blood of German and French and Briton and American is mingled in the same sacred soil of the Old World and fertilizes the same verdure.

It is said that near the two French villages of Charey and Dampvitoux, where the tide of battle was the strongest, the dead that lay scattered over the field were gathered up and buried in a common grave, all their mutual passions and hates forgotten forever. This inspired the poet to write:

Low lies the mist on Charey
And ruined Dampvitoux;
Low lie the dead near Charey
Where once the lilies grew.

The dead and dust together
Beneath the cross of wood,
The cross whose only credo
Is human brotherhood.

The dust and dead together,
Alike of friend and foe,
Have won the cross forever
Of this life's afterglow.

And when the dead at Charey
Shall rise above the sod,
The sword may rust at Charey,
But not the Cross of God.

Standing here 20 years after the war we must come to the inevitable conclusion that it was utterly futile. How costly in its sacrifices and how meager in its benefits. The total battle deaths were 8,000,000, to say nothing of the millions of maimed, mentally and physically, for whom the war will never cease as long as they live among us, to say nothing of the other millions of noncombatants who died as a byproduct of the struggle. By the side of these losses in human life it were almost sacrilege to mention the untold billions of wealth destroyed.

TODAY'S PICTURE

So keenly did we feel the horrors of that conflict that we commonly declared it to be "a war to end war." We believed that the mass psychology of the human race would cry out in abhorrence at the ruler who ever attempted to drag his people into another such bloody debate. And yet today, what is the picture?

Never in history did the nations gird themselves for battle as now. Never were navies more efficient. Never were soldiers more highly trained or more numerous. Never were weapons more devilish or more deadly. We are spending in 1937 four times as much to prepare ourselves for the war that is to come than we spent in 1913. Within the decade the vast territory of China has been raped by Japan, the Empire of Haile Selassie has been overthrown by Italy, and in Spain the civil war now raging, in its savagery, has never been surpassed, and perhaps never equalled, since the destruction of Jerusalem by Titus in 70 A. D.

Since 1918 the imperial eagle of the Kaiser has been replaced by the swastika of Hitler, the Czar of all the Russias has been assassinated and a communistic dictatorship set up. Mussolini has come into power in the Kingdom of Victor Emmanuel, Kemal Pasha has taken the reins in Turkey as absolute ruler, and Austria has been rent in twain.

DEADLY GRIP

The grip of the despotic masters over their citizens was never exercised with more deadly purpose than today. The machinery for propaganda to stir up the hatred and the passions of their nationals is ruthless and is so used. The white light of publicity has been turned upon every success of the dictatorships, whether emanating from Berlin and Rome on the one hand, or Moscow on the other. The seeming failures of democracies have been blazoned abroad until some of us, who live under the greatest free government ever evolved, have been led to believe that our way of life is in eclipse. This is done not only in the hope that we will espouse the one side or the other but with the thought in view that in the eventuality of war we can be drawn in as belligerents. The noble expression of President Wilson, "make the world safe for democracy" has been held up to ridicule and diatribe until we have wondered whether we, too, were not doomed to accept some other form of rule to save ourselves.

But how different is the real picture. Democracies were never more virile than today. We need but to pass the mind's eye over a map of the world to convince ourselves of this fact. They stand, militant and invincible, foursquare against all instruments of oppression. Let us look at some of the changes. Austria, which had been an autocratic monarchy, has been broken up into smaller

states, some of which are as free as are we in America. In Russia, Germany, and Turkey they have but changed one form of despotism for another. Italy, it is true, has been transformed from a constitutional kingdom into a Fascist empire. China, in spite of the inroads of Japan, enjoys more freedom than at any other time, perhaps, in a thousand years, while her neighbor, the Flowery Kingdom, seems once more to be in the hands of the common people.

EXPONENTS OF DEMOCRACY

Against the tyrannies and quasi-dictatorships all of the two Americas, which the Book of Mormon declares to be "a land choice above all other lands", and western Europe have the same republican or constitutional governments that have been theirs for these many years. Their standard of living is so far above that of either the Fascist or the Communist order as to make comparison ridiculous. The United States, with 6.3 percent of the world's population and 5.3 percent of its land area, possesses 35 percent of its wealth. This country and the British Empire, with 600,000,000 of the world's inhabitants, hold 56 percent of its wealth. They are the two outstanding exponents of democracy. All nations have recently passed through a great depression. But has any of those wherein the inhabitants are regimented come out of it any better than we? If you think so, go and take a look at Germany and Russia and Italy. This alone should be strong proof to our citizens that no other type of government is equal to ours in guaranteeing unto its people the good things of life, to say nothing of the inestimable blessings of liberty, blessings that are denied those who live in less favored lands. President Wilson, then, was a true prophet when he declared that we entered the war to make the world safe for democracy.

The trouble with us is that we have a bad case of the jitters. What we need is a ramrod placed up and down our spine to stiffen the backbone. What we need is to consider a little more thinkingly our blessings and cherish them as being more priceless than rubies. What we need is to recall the long ages of stress and hardship and tyranny under which these incalculable treasures were secured for us by those who have passed on.

The very fact that we are living in this period is a pledge to all those who have preceded us that we will pick up the banner of progress where they left it and carry it on to new and higher levels. For so they have done for us. We cannot do less for those who follow, unless we are recreant and unworthy of the fruits of freedom. We cannot, we must not, break faith with the dead.

It is true that Memorial Day was set apart originally to honor those who fell on the Union side in the great Civil War. But through the years it has grown to have a larger meaning. It is a day, not only of showing our esteem for those who wore the blue in that fratricidal strife, but of communion with all those loved ones we have laid tenderly away in the sweet-smelling earth. It is not a holiday, but a holy day—a day dedicated to the dead of all the wars of this Republic, a day whereon we may gather at a shrine and converse with a loved mother, a revered father, a gentle daughter, a dutiful son, or a true friend, and recall the pleasant hours we wandered with them through this happy world and look forward to a reunion in a still happier sphere.

The German word for cemetery is "friedhof"—"peace yard." May I not remind you that those who lie under each silent mound are resting in peace, all their heartaches, all their passions, all their troubles stilled forever. While we in America stand ready to defend the principles for which our glorious dead have fought, may I not also hope that we will think a little less of the sword and a little more of the cross, a little less of self and a little more of our fellows, a little less of greed and a little more of God. Our example may cause the other nations to cease their strivings and clamors for war.

SPEAKS FOR COMRADES

Surely, our departed ones, could they come back to life, would never wish to see the world in another nightmare of such butchery. Could the dead return, endowed with all the experience of this life and enriched with that of immortality, there would be no more wars. And, surely, no soldier that has gone through the hell of actual battle, could or would wish his country plunged into such a maelstrom.

I know, for I speak for my comrades of two wars, the living and the dead. These dead gave their all, body and soul, money, goods, chattels, the privilege of living in this beautiful world with its sunshine, its flowers, its laughing waterfalls, its solemn and majestic mountains, its shimmering seas, its love for wife, child; mother—they gave their all that this land might enjoy the blessings of freedom. While they would tell us that peace must not be purchased at any price, for even the Son of God could not do that, they would caution us to be careful, considerate, sane, and thoughtful of the rights and ideas of others before we embark into another war.

This is an age in which the common people are asserting themselves. In the turmoil incident to change and the passion engendered by strife, there is much uncertainty and dread. Not since the blonde-bearded Teuton beat with battle axe against the gates of Rome at the beginning of the Dark Ages, has there been so much unrest, hesitation, and doubt. It is my firm belief that out of all this welter of ideas and philosophy this Nation, all nations, will emerge into a newer and a better order, that eventually there will be more freedom for the common man than we have ever had before, this in spite of the fact that no such rosy picture is in the offing. But we must remember that the mill wheels of God grind slowly, that it takes time for mankind to work out its destiny.

At any rate all the signs of the supremacy of the common man are here. Nor is this more strikingly shown than in the building of the monuments to our soldier dead. Before the Great War it had been the custom to erect such memorials to some great man or some gifted and successful general. But not so today. Each of the nations that participated in that titanic struggle has dedicated its rarest marble to some common doughboy, whose body was so twisted and torn by battle fire as to leave no vestige of his identity.

Back there at Arlington is the tomb of our Unknown Soldier in a mausoleum more costly than that of a king, more magnificent than that of an emperor, revered as that of a saint. Somewhere, within these broad reaches we call America, he was born; somewhere, within our borders he lived his youth and young manhood; somewhere an American mother sorrows for her dead son, missing in action since some deadly conflict in France and perchance wonders amid her tears of remembrance whether that dust, so reverently cared for by a grateful Nation, may not be hers. This none of us may ever know until the trumpet of God sounds its final call for quick and dead to rise in immortality.

But that unknown doughboy, could he lift himself up from the tomb and make his voiceless lips utter speech, would say:

"I am one of the millions who went forth across the great waters to deliver a final death blow to tyranny. I am the son of the rich man of Wall Street, who left his palatial home to succor the oppressed of Europe. I am the offspring of the poor widow who lived in the slums of Chicago and who embarked on that great crusade of 1918 that liberty might not perish from the earth. I came from the city and the plain, from the mountain and the valley into the fray for freedom. I am the soul of America. I speak for Warren who perished at Bunker Hill, and John Paul Jones who fought the *Serapis* on the high seas. I sank beneath the waves when Perry won at Lake Erie. I fell for Jackson at New Orleans. When the red tide of battle raged the strongest at Vicksburg and Appomattox I succumbed. I died on the deck of the *Maine* at Habana and my lifeblood oozed out on the rice paddies of the Philippines. Beneath the forest of the Argonne the bullet of the enemy found me and I went to my last sleep. I am the soul of America. With me you may not break faith.

Tobacco and the Farm Program

EXTENSION OF REMARKS

OF

HON. JOHN H. KERR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

ADDRESS OF J. B. HUTSON, ASSISTANT ADMINISTRATOR, AGRICULTURAL ADJUSTMENT ADMINISTRATION, AT THE ANNUAL PITT COUNTY FARM BUREAU PICNIC, AT GREENVILLE, N. C., ON JULY 2, 1937

Mr. KERR. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

When we look back over the developments of the past 4 years most of us here think we have learned a lot. Four years from now some of us who are here together with some who are not here will look back and it is possible that they will decide that we were not very alert in 1937.

It appears to many of us now that these last 4 years have been more remarkable, so far as agriculture is concerned, than any other 4 wears in our history. It appears that we have answered the question whether farmers could or would cooperate to meet the problems that extended beyond farm, county, and State boundaries. It appears now that farmers can and will cooperate and support programs they believe to be sound and in their own interests. We believe also that these programs can, to some extent at least, achieve the result sought.

We do not believe that we have solved permanently our fundamental problems. We believe that agriculture has pulled itself out of the ditch, but we recognize that the causes which put it there in the first place are still with us. We think we have learned how to appraise situations and develop and put into operation action that will tend to correct unsatisfactory situations, and that is about all that is known for any industry affected by changing economic conditions.

We have been operating national programs for agriculture since 1933. These programs have covered a variety of commodities and their details have been involved and ramified. This was inevitable in view of the number of farmers who took part in them, and the varying conditions of soil, climate, and economic factors which affected them. Yet, if these programs are examined, it will be found that all have contributed in some degree to the elimination of wide fluctuations in production and prices. These fluctuations that for so long characterized American agriculture have brought farm prosperity in one season and farm poverty the next.

As all of you know, the Agricultural Adjustment Act was passed at a time when the problem of surpluses was acute. The carryovers of tobacco, cotton, and many other commodities had reached record proportions. Quite naturally, the first results of the programs of the Agricultural Adjustment Administration were the reduction of these surpluses. As we saw it, the most effective way to accomplish that result was through production control.

The sentiment of the majority of the farmers was overwhelmingly in favor of production control and had been, I believe, for a number of years before the Agricultural Adjustment Act. That was true to an unusual degree of tobacco and cotton producers. These growers gave their support in 1934 to the Kerr Tobacco Act and to the Bankhead Cotton Act. These measures were, in effect, fences built to protect the voluntary tobacco- and cotton-adjustment programs.

The problem of production, however, involves more than control of the volume of commodities in 1 year or a series of years. It very definitely involves the fertility of the soil.

You have learned the necessity and importance of soil care at first hand; just as you have learned the reasons for our neglect and abuse of the soil. We have exploited our soil just as we have exploited our other natural resources. That exploitation has continued through good years and bad years, and to a large extent it has been tuned to the fluctuating cycle of price and production. Following years when prices were high, we have put too many acres to the plow. We even put hillsides into cultivation so steep that, after a year or two, the soil washed away. The farm plant once expanded could not contract easily. Eventually, such depletion of our soil would rob us of the ability to produce.

The primary aim of the current A. A. A. program is soil conservation. To a certain extent, soil conservation has been a part of all the programs which directly or indirectly affected production. The immediate objective of the first programs, the adjustment programs, was the adjustment of supplies. Conservation, however, was a natural byproduct of adjustment.

The Supreme Court decision which invalidated the production-control provisions of the Agricultural Adjustment Act came at a time when the surplus problem was no longer acute. Excess stocks had been eliminated in many cases and reduced in all. Prices had risen. Under such circumstances it was but natural that the Supreme Court decision of January 6, 1936, should be followed by the Soil Conservation and Domestic Allotment Act, which was approved on February 29, 1936, authorizing the present agricultural conservation program.

But even if the opportunity for direct-production control had continued in 1936 and 1937, the programs would have resulted in much soil conservation. The natural and sensible thing to do when land is taken out of soil-depleting crops like cotton and tobacco is to put that land to crops that improve the soil. Many of you probably have followed rotation even when rotation meant an immediate cash sacrifice. Aside from their effect on supply and income, the adjustment programs of the A. A. A. meant to farmers an opportunity to care for and restore their land.

Just as we got conservation as a byproduct of adjustment in 1934 and 1935, we are now getting adjustment as a byproduct of conservation. We could not devote fewer acres to soil-depleting crops, such as tobacco, cotton, wheat, and corn, under the old programs without getting soil conservation through increased plantings of alfalfa, clover, and other legumes and grasses. We cannot build and improve our soil unless we substitute legumes and grasses for tobacco, cotton, wheat, and corn.

We also secured stability through both programs, in the sense that they have been factors in increasing prices and in keeping them at reasonable levels. At the same time, it has become apparent that the present programs may not be sufficient to prevent the piling up of excessive supplies and a return of disastrously low prices.

The A. A. A. agricultural conservation program will help both to meet conditions caused by surplus production and by unfavorable growing conditions such as those caused by the 1934 and 1936 droughts. The effect upon production comes through the shifting of soil-depleting crops to soil-conserving crops. During years when growing conditions are unfavorable the program will result in an increased production of feed crops. The legumes and other grasses stand dry weather better than the row crops such as corn and grain.

There is a question, however, whether the present program, valuable as it is, is adequate from either the standpoint of the producer or consumer. If we assume the responsibility for programs which aim at securing the farmer a reasonable and stable income, we must also assume the responsibility for assuring the consumers an adequate supply of feed and fiber at reasonable prices.

As I have pointed out, the present program is a safeguard against drought but it might not meet the situation which would arise in connection with some crops if we had another dry siege such as that of 1936.

Nor will our present plan meet the situation caused by a series of years when growing conditions are unusually good. It will eliminate the fluctuations which arise from heavy surpluses only to a certain extent. Many feel that something more is needed if all is to be done that can be done to mitigate the fluctuation in production, prices, and income.

This need, insofar as it related to flue-cured tobacco, was recognized by Congress at the time the Soil Conservation and Domestic Allotment Act was under consideration. Representatives from flue-cured-tobacco areas correctly pointed out that the Conservation Act alone would not be sufficient to effectively handle the tobacco growers' problems.

Consequently, Congress at the time the basic act was passed also approved an act authorizing State tobacco compacts. We were not able to take advantage of this legislation because of the failure of all the principal flue-cured producing States to agree to State compacts. But the fact that there is a need for additional legislation in order to maintain and stabilize fair prices for flue-cured tobacco was clearly recognized in the authority Congress gave for State compacts.

There is just ahead of us another selling season for tobacco. At such time all of us like to guess what will happen. Here is the way it looks to me:

Domestic consumption of flue-cured tobacco, which has increased at an average rate of about 8 percent per year since 1932, has reached a record level of approximately 335,000,000 pounds. During the crop year just closed consumption in the United States was about 10 percent above the preceding year. This increase has resulted, primarily, from the increased use of cigarettes. While it is anticipated that cigarette consumption will continue to expand, it is probable that the rate of increase may not be sustained.

Export prospects for 1937 are better than they were in the crop year just closed, although the growth of nationalism in the post-war period, and the concurrent movement toward self-sufficiency have resulted in some losses in export markets. During the past year there have been some further increases in consumption in the United Kingdom and now more than 30 percent of the entire Bright crop is consumed in the United Kingdom. The monthly consumption of tobacco in the United Kingdom is exceeding the consumption of any previous year, including the pre-war years. Due to the fact that the 1936 crop ran light in British grades, stocks of flue-cured tobacco when related to the present level of consumption are probably low.

There have been some losses in foreign trade with China and Japan in recent years due to increased production in these countries. Consumption of American grown flue-cured tobacco is materially lower than in the late twenties. Although exports to these countries were larger last year than in the previous year, it is probable that most of the increase has gone toward increasing stocks and no immediate increase in demand in these countries is expected. It is possible that there may be some further losses, particularly in China where pending changes in tax rates may work out to the disadvantage of the products in which our flue-cured tobacco is used.

We do not know of any changes in other parts of the world that would materially affect the demand for flue-cured tobacco. There has been some expansion in the use of the products in which flue-cured tobacco is used in northern Europe and in Australia, and the demand from these sections is expected to be at least as good as it was a year ago.

To sum up the situation, in spite of losses in export trade in some countries world consumption of United States flue-cured tobacco continues to increase over the low levels of the depression years. This is the fourth year in succession that there has been an increase, consumption during the past year being about 4 percent larger than the immediately preceding year. The losses in exports during the depression years, which have been regained only in part, have been largely offset by increases in domestic consumption.

Stocks at present in the United States are near the high level of last year and, when measured in terms of pounds, are at record levels. However, domestic consumption is also at record levels, and, when stocks are considered in relation to the present level of consumption, they are not excessive. On July 1, 1936, stocks were 871,000,000 pounds, and the figure for this year, which will not be available for several weeks, will probably be in the neighborhood of that of last year.

On March 1, growers indicated intentions to plant 968,000 acres of flue-cured tobacco, which represented an increase of 12 percent from the 1936 acreage. Although blue mold has affected plantings in some sections, my guess is that the total acreage in the flue-cured belt will exceed the acreage of last year by at least 10 percent. An acreage 10 percent larger than that of last year, with average growing conditions during the remainder of the season, would result in a crop in excess of 750,000,000 pounds. If the acreage should turn out to be more than 10 percent larger than that of last year, or if weather conditions should be more favorable than usual, the crop will exceed 750,000,000 pounds and might possibly reach 800,000,000 pounds. On the other hand, conditions might be unfavorable enough during the remainder of the season to result in a crop below 750,000,000 pounds. Present indications are that a crop of 750,000,000 pounds or less probably would be absorbed at prices equal to those of last year. However, if the crop should greatly exceed this figure, we might experience some difficulty in maintaining prices at last year's levels.

The Federal programs for tobacco which were put into full operation in 1934 represented an organized, cooperative effort on the part of growers to keep their production in line with consumption and to eliminate, as far as possible, the rise and fall in price and income which have made tobacco growing a speculative and hazardous undertaking. However, since the invalidation of the Agricultural Adjustment Act and the repeal of the Kerr Tobacco Act, emphasis has necessarily been shifted from production control.

Under the 1936 agricultural conservation program developed under the Soil Conservation and Domestic Allotment Act, producers were offered payments for diverting an acreage equal to not more than 30 percent of that normally devoted to flue-cured to-

bacco on the farm. The payment for each acre diverted to soil-conserving crops was equal to the normal tobacco yield of the acreage diverted at a rate of 5 cents per pound. Of the total national base acreage for flue-cured tobacco of 1,077,000 acres, approximately 761,000, or 71 percent, participated in the 1936 program. Farmers taking part in the program diverted for payment approximately 24 percent of their bases, or 181,000 acres, to soil-conserving crops. However, owing to the 1936 drought, there were many cases in which the acreage planted was decreased by more than the amount for which payment could be received.

Indications now are that participation in the 1937 program will represent a greater portion of the total base than was included in the 1936 program. But the probability is that the average diversion of acreage in 1937 will be less, and as a result there is a larger acreage of tobacco than there was last year.

I think it is safe to say that without any farm program at all we probably would have had a 1937 crop of flue-cured tobacco 100,000,000 pounds larger than we do have at present. So you can readily see that the program developed under the Soil Conservation and Domestic Allotment Act has served a very worthy purpose in influencing volume of production, to say nothing of the benefits derived from its conservation objectives. This act embodies fundamental principles of soil conservation, erosion control, and soil building that should remain a part of any farm program that may be developed. However, some who have studied the question carefully have become convinced that a program could be developed within constitutional limits that would do more than the present program is doing to eliminate the wide fluctuations in supplies and prices that are costly to both producers and consumers.

Congress is at present considering additional farm legislation. One proposal has been designed to strengthen the present agricultural program as it relates to tobacco, cotton, corn, wheat, and rice.

In the case of some commodities, the parity payments provided would displace the diversion payments that are being made at present. In the case of flue-cured tobacco, the payment provisions of the present program would not be affected.

In brief, contracts in connection with the agricultural conservation program would be authorized; provision would be made for loans and parity payments in the case of some of the basic commodities and for marketing quotas and penalty taxes for all of the basic commodities, including tobacco, when supplies became excessive.

With most farmers participating in the agricultural conservation program, supplies would not likely become excessive, and consequently the marketing quotas and the penalty taxes would not become operative. However, if the outside growers should increase their plantings sufficiently to nullify the cooperative efforts of those farmers taking part in the program, the marketing quotas would become operative.

Of course, it is possible also that supplies sufficiently large for the marketing quotas to become effective might accumulate from excessive yields per acre 2 or 3 years in succession.

During years when marketing quotas became effective, the production of outside growers on the acreage in excess of their allotments would be taxed. The rate of the tax would be 50 percent of the sales of all the tobacco, but in no case less than 3 cents per pound; that is, the outside grower would receive an allotment on the same basis as would the grower participating in the conservation program, and only the tobacco grown on an acreage in excess of this acreage allotment would be taxed. All allotments would be made on an acreage basis and the tax would apply on a quantity of tobacco grown on the excess acreage.

If during any year supplies should become excessive because of a falling off in demand, or because of excessively high yields, the quotas of all growers, those participating as well as those outside, would become operative. The tax would then apply to the tobacco marketed in excess of the quotas. The net effect of this would be to keep some of the low-grade tobacco off the market when yields per acre are high.

Whether the present crop of tobacco brings more or less per pound than last year's crop will depend to a considerable extent upon the views of those who are making purchases with respect to the size of the crop in 1938. The supplies of tobacco that are anticipated for the coming year may be almost as important in determining prices this fall as the supply of tobacco at present, since manufacturers, as well as those buying to sell to manufacturers, will make larger purchases or the same purchases at higher prices, if they feel that they are protected against excessive supplies next year.

In 1933, when the marketing agreement was in effect, prices were advanced almost 5 cents a pound during the marketing season when the purchasers became convinced that the crop would be kept at a reasonable level the following year. The crop this year may be large enough to result in prices lower than those of last year unless the trade becomes convinced that we will not have an excessively large crop next year.

During the last 4 years, farmers have gone a long way toward achieving economic stability through cooperation. It is virtually impossible in a country as vast and diverse as ours to develop a program that is equally effective for all groups of producers. It is, however, a revealing and gratifying sight to see the Kansas wheat farmer, the Carolina tobacco grower, the Iowa corn producer, and the Mississippi cotton planter sit down and work out their problems to the mutual benefit of a majority of the Nation's farmers.

If the agricultural programs the farmers have worked out had done nothing more than give us a better appreciation of the other fellow's viewpoint, I, for one, would say that they were well worth while. That they have gone far beyond that point; that they have rescued agriculture from poverty prices; that they have enabled farmers to become purchasers of manufactured goods and this has contributed to better times in the towns and cities is evident to all of us. Such cooperation among farmers in the past has demonstrated what can be done. Such cooperation in the future will be needed for agriculture to hold its gains and to achieve a fair and stabilized return.

Married Women and Their Jobs

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

ADDRESS BY MRS. EDITH B. COOK BEFORE THE LEAGUE OF WOMEN VOTERS

Mr. RAMSPECK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Mrs. Edith B. Cook before the League of Women Voters:

"If each 100 working married women whose husbands are employed would give up their jobs to 100 single men who would marry 100 working girls who in turn would give up their jobs to 100 married men, every industry, business, and profession throughout the country would be favorably affected." This solution was offered recently in a printed statement on the Cause and Cure for the Depression.

Of course, the question one would like to ask, incidentally, is in what jobs the original 100 married women were employed? Suppose that they were school teachers and buyers of children's clothes. The 100 men in question might very well when they were employed have been plumbers, chauffeurs, or night watchmen—it might be a little difficult to fit them in.

Although this may seem a rather far-fetched and ridiculous suggestion, some such idea is, I believe, not too remote from the thinking of a good many people in this country today. At least there is a very substantial number of intelligent persons who believe that married women should not work, and who believe that a regulation by a city school board, for example, dropping every teacher who marries and refusing to employ married women who are teachers is entirely justifiable.

With this point of view the League of Women Voters takes issue. But before we discuss the reasons, suppose we review the picture of the women at work in this country to see whether the problem is of any real extent. Of the 43,000,000 women over 15 years of age in the country today, some ten and one-half millions are engaged in gainful occupations, and of these 3,000,000 are married and living with their husbands. That means that one out of every eight married women in the country is gainfully employed, that every eighth married woman is working outside of her home for wages. And the percentage of married women who work has been steadily increasing from 1890, when about 14 percent of gainfully employed women were married, to 1930 when the percentage had increased to 29 percent; that is, in 1890 1 married woman in every 22 was gainfully occupied, and in 1930 1 in every 8. And besides this the percentage of married women who are at work is increasing much more rapidly than the percentage of single women employed.

What are they doing, these 3,000,000 married women who are at work? The largest group, over 1,100,000, or one-third of the total number, are in domestic and personal service. The next largest group, 600,000, or nearly 20 percent, are in manufacturing and mechanical establishments; that is, in industry. And another large group, 360,000, or nearly 12 percent, are in clerical work. A somewhat smaller number, 330,000, or 11 percent, are in trades. Somewhat under 10 percent are engaged in professional occupations, and a little over 9 percent are in agriculture, forestry, and the extraction of minerals.

When one contemplates these figures one fact seems to be obvious, and that is that by and large these women are not working just for fun nor for a few extra luxuries, because there are over a million married women going from their own homes into domestic service, doing household jobs in the homes of other people. Few women are doing that except for reasons of economic necessity. Then there are the women in industry, in factory jobs, and in agriculture, which brings the total to 2,000,000 women who are engaged in work which offers little chance of advancement and none at all for a career. When you turn to statistics on earnings of men compared with family expenses you find that minimum budgets for a family of five persons call for between $1,600 and $2,000 a year, depending on the section of the country, and that even in 1929 the Bureau of Labor Statistics found that of the 12 industries employing the largest number of workers, only 3 came

at all near reaching a minimum-wage level of $1,700, while the average earnings in 89 manufacturing industries was $975 a year.

I do not wish to burden you with statistics—simply to indicate that all the studies that have been made point to the fact that the large majority of married women who are at work are working for economic reasons, at least, as one factor.

Mrs. Cecile La Follette's study of 652 married women homemakers, 75 percent of whom were engaged in professional work, showed that about one-third of their husbands made less than $2,000 a year. And 58 percent of the wives spent their money for general family expenditures as the first item; dependents, second; extras, such as music lessons for the children, third; payments on the home, etc. The reasons they gave for working were, first, economic reasons given by 438 of the women, and in the case of many others such reasons as helping to keep the children in school longer, doctors' and dentists' bills were economic in character.

Three hundred and twenty-five of these women said they liked the outside contacts of their work, and a large number said that they loved to work, and that they did not wish to scrap their valuable training. Incidentally, it is interesting to note that more than half of the women in this group study thought they were more stimulating companions to their husbands and children, and almost all of them thought their husbands liked them better.

In the university women's study, 58 percent of them gave economic reasons for working, 34 percent a desire and liking for their particular form of occupation.

Of course, the married woman's need of making an economic contribution to the family is not new. The fact is that in earlier days, even in our grandmothers' time, the home was a producing unit; whereas, today it is a consuming unit. And the wife finds now that she needs money to supply the family needs, in contrast to the situation in her grandmother's day, when the home by and large produced the goods. And this was not so very long ago, either—from 1914 to 1925 the output of bakeries increased 60 percent, while the population increased only 15 percent. The number of people engaged in the canning industry increased 100 percent during these years. The number of waiters increased four times as fast as the population, and the number of restaurant keepers increased 158 percent. Nursery schools have sprung up everywhere, and even the length of the school year has increased from 78 days per year in 1870, to a minimum of 136 days in 1930.

Consider also the increase in laundries, in stores that sell ready-made clothing, and in all the other services which are now done through mass production which were formerly carried on in the home.

Even aside from the economic question, what is there in the modern small house or city apartment to which an active woman can turn her attention which will keep her energies fully occupied?

Mr. and Mrs. Borsodi, whom some of you may have heard or whose articles you may have read, point out that if the family would invest in electrical machinery the woman could produce practically everything needed for the family, and, if she is clever, she could produce it at much less cost than it can be bought, and they prove that she can actually save and thus earn a larger amount toward the family income than if she worked outside her home. But the initial investment is a considerable one, and unless one lives in a fairly large house in the country, it is difficult to see just how it could be done; though this is just an interesting suggestion for some of you to try out.

In general, it looks as though the married woman were in the industrial, business, and professional world to stay. And in passing it is of interest to note that the university women and the Institute of Women's Professional Relations have discovered through their studies that married women's earnings (except in teaching and home economics) are higher in general than those of single women.

As a matter of fact, the presence of married women in the working world and their permanence as economic factors is everywhere acknowledged. The committee on social trends, after drawing a picture of the way in which women's work in the home has been taken out to the factory and the store in many cases, such as in the field of teaching to the agencies of government, says in its report: "The diminution of the home occupations and activities of women opens several possibilities—the entrance of women into industry or their entrance into civic and political activities—a heightened standard of the quality of housework, or more recreation and leisure. * * *" The community is not making the most of this potential supply of able services.

The astonishing thing about the whole situation is the slowness with which habits of thought have changed in regard to this question. And that persistence of old prejudices, in spite of the vote, in spite of political activity on the part of women, in spite of the fact that single women are apparently accepted and that the right to keep their jobs is not now being questioned—that persistent prejudice is doing real harm.

The League of Women Voters is, of course, concerned with the position of women. We realize that in every economic crisis, when there are too few jobs to go round, the attempt is made to restrict opportunity, and that married women as a group offer an obvious, or apparently obvious, point of attack. And we are very conscious, besides, of the fact that wherever Fascist tendencies appear, the jobs of all women are attacked, and that this attack begins with the attack on married women.

But, more than that, we are interested in the merit system in Government, and we have just completed our third year of the personnel campaign. Can we, then, look with equanimity on the situation in the schools throughout the country? In the majority of cities, a school teacher is dropped when she marries, and married teachers are not employed. The attempt to drop married women from other Government positions in city, county, and State is not infrequent, and the bad example which our National Government has given to these other units in section 213—and the difficulty of its repeal—gives us an indication of the entirely wrong concept of the Government Service in the minds of a majority of the people throughout the country.

The Government service, as we have been saying for many years, and in especially loud tones during the last 3 years, should be recruited from those best fitted to hold the jobs. Schools are run, not in order to make jobs for needy persons, but to educate children. In all Government positions, the best-qualified individual is the one who should be employed, and marital status is not the yardstick by which that fitness can be measured.

We agreed the other day at the general council meeting of the League of Women Voters that a large part of our task for better Government personnel is still ahead of us, and not the least part of that task is to change the thinking of literally millions of people in this country on the married woman and her job.

Persecution of Tom Mooney Continues Even Within the Walls of a State Institution

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, in order to further acquaint this body with facts in connection with the celebrated Tom Mooney case, I wish to call to your attention and to the attention of all the Members of Congress the following deplorable situation now existing at the San Quentin Prison.

Not content with having framed Tom Mooney and unjustly held him prisoner for 21 years, official California, acting through Warden Court Smith and the California Prison Board, has now turned to inflicting "cruel and unusual punishment" upon Tom Mooney that equals medieval torture for downright brutality.

On June 17 Tom Mooney was returned to San Quentin Prison after 21 months in the San Francisco County jail, where he had been confined while waiting for a decision on his petition for a writ of habeas corpus from the California Supreme Court.

Mooney was taken back to prison a desperately sick man. Just prior to his return he had been a patient at the San Francsico hospital, where he received treatment for bleeding stomach ulcers. He was kept at the hospital only 3 weeks, despite the fact that Mooney's condition required 7 or 8 weeks' hospitalization. He was bleeding for 8 days at the county jail before he was taken to the hospital, and on the ninth day he passed out in a dead faint before officials would take him to the hospital.

While at the hospital there were constant efforts on the part of officials to return Mooney to prison, despite his precarious condition, and only the intercession of Mooney's friends enabled him to remain at the hospital for the 3 weeks he was there. Finally the word came down to return Mooney to San Quentin. Mooney's doctors at the San Francisco hospital stated that they gave their permission to have him returned to prison only on definite assurance that Mooney would be put on the "sippy" diet which appears below, and required to do no strenuous work.

On reentering San Quentin, Mooney was thrown into a receiving tank exactly like a new prisoner, despite the fact that he had spent 20 years there, and his conduct had been so salutary that he had never lost a privilege. It is customary when a man is returned to prison after a hearing outside, like Mooney's, that he be given back the status and job he had before he left. This was not done for Mooney.

After being kept 2 days in the hospital for observation, where he was even forced to get out of bed to do cleaning-up work and where he had only coarse prison food available to him, Mooney was placed on the "main line" and put to work under a blistering sun in the vegetable garden.

Mooney's doctor had prescribed 2 quarts of milk with one-third cream a day for him as an absolute necessity. In

the hospital Mooney had only one glass of 3-day-old skimmed milk. On the main line he had no milk. The sippy diet was not available to him, even though Warden Court Smith assured Mooney's attorney that Mooney would be given proper attention and diet.

Mooney's only food consisted of hot water and boiled potatoes, which he mashed as best he could, and ate. The main-line food available to Mooney consists of 90 percent starch, which would have been suicidal for him to eat. As a result, he ate almost nothing. Foods such as soft-boiled eggs, broths, and cottage cheese, required by Mooney's diet, are unheard of in the prison main line.

Dr. Barnett, Mooney's doctor at the San Francisco Hospital, had written in his report on Mooney:

> In my opinion, he can now be transferred to another institution, provided proper dietary care can be continued. An outline of such a regime will be forwarded to the institution to which he returns.

There has been to date no action taken by prison authorities to give Mooney the proper dietary care required by the doctors, who said they would not have permitted Mooney's return to San Quentin under any other conditions.

Before he left San Quentin for his hearing, Mooney worked in the officers and guards' mess, where he could get the food his condition requires. It would have been proper and in accord with prison custom to have given Mooney his old job back. This was not done, even though last Friday a job was available in the mess. Mooney, a sick man, has not been given the treatment accorded a well man.

Last Friday, June 25, Mooney again passed out in a dead faint. The prison doctor was genuinely alarmed. Mooney was taken to the prison hospital. Mooney had been overcome by the heat, lack of food, and by the physical exertion of his work in the garden, which the doctors had forbidden.

The following day Mooney was transferred to a job in the messroom on the prison hog ranch, a makeshift job, where he is not a part of the regular crew and where a proper diet still is not available to him.

Mooney's cell is one which was occupied before him by a man who died of syphilis. Mooney is afraid to touch anything in the cell. The cell is bare, without even a writing table. There is only a bunk, one shelf, and a small three-legged stool. Mooney's papers, typewriter, books, and other possessions stored while he was in San Francisco County jail have not been returned to him, nor does it appear that prison authorities intend to return them.

Several days ago Mooney was notified to transfer to another cell. He walked a mile from his job to make the transfer and another mile back to work. On his return to work he received notice to return and transfer back to his old cell, which required another 2-mile walk altogether. This is just one of the cruelties that are being heaped upon Mooney. In prison language "the heat is on" Tom Mooney.

Columnist Arthur Caylor, of the San Francisco News, prophesied just that on September 8, 1936:

> When Tom Mooney goes back to San Quentin, as seems inevitable, no matter how his case progresses, his return will carry a lot of contrast to the reentry of Warren Billings into Folsom. Billings found his watchmaker's tools intact. Everything was pretty much as it had been. In addition, he would be allowed to see his girl once a month. Only the warden had changed; and he had been there before.
>
> At San Quentin, however, the warden has changed and so has almost everything else closely connected with Mooney's routine. The "white front" guards' mess, where he has long been an attendant and has been allowed to eat, has felt the heavy hand of Warden Court Smith. Its numbers have been greatly reduced by sending many inmates back to "the line" for their food.
>
> There's some talk, too, that Mooney might be transferred to Folsom—as was done with J. J. McNamara. The reason given out in that case was that McNamara had been carrying notes to and from condemned row, but another reason was the number of men entering San Quentin for radical activity. The same reason might apply to Mooney.

Caylor's prophecy is gentle compared to the treatment Mooney is actually getting. Mooney had his job in the officers and guards mess for 11 years. Mooney has always been a model prisoner, attended to his work during working hours, during other time his case, and stayed out of "prison politics."

The present warden, Court Smith, and the prison board, are out "to get" Mooney. The only answer is that these people, doing the bidding of the interests that framed Tom Mooney, are exercising their vindictive cruelty upon him because they have not been able to break him. Tom Mooney has kept up the fight for 21 years, and will continue to fight until he is freed, or dies in the effort. His enemies would prefer the latter, but Mooney's friends and supporters will see that the contrary will be the case.

I include herein a letter from Herbert Resner, of the Tom Mooney Molders' Defense Committee:

JUNE 30, 1937.

Hon. JERRY J. O'CONNELL,
Member of Congress, House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN O'CONNELL: Enclosed is a press release which speaks for itself. If anything, it understates the case. The treatment that Tom Mooney has been receiving since his return to San Quentin 2 weeks ago sounds like a story out of the Brown Book of Hitler Terror.

More than anything in years, the brutal treatment being given Mooney dramatizes the issues in the Mooney-Billings case. The special interests who tried to murder Mooney on the scaffold 21 years ago are now intent, through the agency of Warden Court Smith and the California Prison Board, on killing Tom Mooney in prison. If Mooney were being stretched out on a rack, the world would recognize that for cruel and unusual punishment. It is no less cruel to have Mooney tortured the way he is being at present as described in the enclosed story.

Just as outraged public opinion throughout the world prevented the legal murder of Mooney 21 years ago, so now another aroused public will prevent the continued persecution of Mooney in San Quentin.

We call upon you as a friend and supporter of Tom Mooney and as a person who stands for justice and fair play to immediately bend your every effort to secure decent and fair treatment and proper and necessary food for Tom Mooney in San Quentin.

Will you personally wire or air mail letters to Warden Court Smith, San Quentin; Gov. Frank Merriam, Sacramento; and the members of the California Prison Board at the following addresses demanding that Tom Mooney be accorded fair and equal treatment and given the diet which is absolutely necessary for his well-being:

T. N. Harvey, president, California Prison Board, 359 Haberfelde Building, Bakersfield, Calif.

Edward L. Abbott, member, California Prison Board, 1118 Chapala Street, Santa Barbara, Calif.

A. R. O'Brien, member, California Prison Board, Republican Press, Ukiah, Calif.

Frank C. Sykes, member, California Prison Board, 914 Kohl Building, San Francisco, Calif.

We are not asking special favors for Tom Mooney. We are merely asking that the decent, human thing be done for him.

This matter is of desperate importance. No words can adequately describe the urgency of this situation. Mooney's life is at stake. So near to ultimate freedom and vindication, we can permit no other ending to the Mooney case but Tom Mooney's walking out of San Quentin's gates a free man.

Please advise us of your action on this matter.

With our deepest and most grateful thanks, we are

Sincerely,

TOM MOONEY MOLDERS' DEFENSE COMMITTEE,
By HERBERT RESNER.

I urge all the friends and supporters of Tom Mooney in the Seventy-fifth Congress to immediately send a protest to Warden Court Smith, San Quentin; Gov. Frank F. Merriam, Sacramento; and to the following members of the California Prison Board at Sacramento: T. N. Harvey, president; James M. Allen; A. R. O'Brien; Edward L. Abbott; Frank C. Sykes; and I sincerely hope that an effort will be made for immediate consideration of my resolution seeking the immediate release of this champion of labor.

Chicago Federation of Labor Declares for War Referendum—Fear of War Sweeps the Labor World

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1937

Mr. LUDLOW. Mr. Speaker, laboring men all over the country are objecting to being put in a position where they

will be used as cannon fodder in the next war without any opportunity being afforded to them to vote on the subject.

They think it is only right that before they are shipped into foreign lands to pour out their lifeblood in the settlement of quarrels of alien origin they should be allowed an expression of their views in a national referendum.

They see in Japanese-Russian relations and in the existing European embroilment the makings of another world war, which may not be far in the offing.

They are determined that they shall not be dragged into that war, to die in foreign slaughter pens on account of the age-old hatreds and rivalries of foreign governments where war is a perennial pastime.

The working people of the country—the common people, if you please—know that they have to bear the brunt of war. They have to be the "goat" of the international financiers and the racketeers of every kind and description whose interest it is to make war.

To avoid being caught in such a trap and to guarantee to themselves the dignity of being allowed to express themselves as free men on the subject of war they are turning in great numbers to the Ludlow war referendum resolution (H. J. Res. 199) as a sound, dependable measure that will protect their rights in the dark days that may be ahead of us. That resolution provides that except in the case of attack or invasion war shall not be declared until the people have a chance to express themselves on the subject in a Nation-wide referendum. If this resolution is adopted it will prevent our American boys from being used as pawns in foreign wars. Surely that is good Americanism. Surely every man and woman in America should subscribe to that proposition.

The 21 railroad brotherhoods in unanimously declaring their support of House Joint Resolution No. 199 said: "This legislation is racing against the danger of war, and there is no time to spare."

Hardly less significant was the action taken on June 20 by the Chicago Federation of Labor, one of the large units in the labor movement, comprising in its membership many thousands of members of organized labor. On the day referred to, in a rousing meeting in Chicago when the danger of war was stressed, the Chicago Federation of Labor adopted the following resolution:

Resolutions

Whereas war and warfare since time immemorial have been primarily instituted by a comparatively few of the high and mighty in the political and financial structures of the countries of the world, for political aggrandizement and commercial advantages, and paid for with the lives, limbs, and health of those in the trenches, and by untold misery and suffering by the great mass of lowly and ordinary people of all countries who were left behind; and

Whereas modern warfare is fought directly upon populations, women and children, the old and the feeble, and is so horrible, due to the advancement of modern military science, that another World War may wipe out civilization; and

Whereas because of the totalitarian nature of modern warfare, organized labor is threatened with the loss of constitutional liberty, the right to bargain collectively, and all the gains it has won through its bargaining power, as evidenced by such bills in Congress as the Sheppard-Hill bill and the industrial mobilization plan; and

Whereas it seems but fair that those people of the United States who in the last analysis are called upon to bear the financial burdens entailed by warfare generally, to endure the suffering and privations, sacrifice of health, wealth, life, and limb, should have the opportunity to determine the need or the desirability of future wars: Therefore be it

Resolved, That the Chicago Federation of Labor, at its regular meeting on June 20, 1937, go on record as supporting House Joint Resolution 199, known as the Ludlow war referendum, proposing an amendment to the Constitution of the United States to provide for a referendum on war, except in case of invasion; and be it further

Resolved, That we petition our Representatives in the United States Congress to vote favorably for this amendment, and to sign Discharge Petition No. 11, for the purpose of bringing this amendment before the Congress for debate and vote; and be it further

Resolved, That a copy of this resolution be mailed to each Representative from Chicago and vicinity in the United States Congress, to the President of the United States, and to Congressman LOUIS LUDLOW.

Senator James Couzens

MEMORIAL ADDRESS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES COUZENS, late a Senator from Michigan

Mr. DONDERO. Mr. Speaker, I rise today to speak of one who speaks no more, one whose speeches have all been made; whose record is complete; whose work is finished; who has answered the last roll call and moved on across the Great Divide.

JAMES COUZENS, who served the State of Michigan with distinction and ability in the United States Senate for nearly 13 years, was a resident of my congressional district, the Seventeenth Michigan. It was my privilege to know him for many years. His record of achievement and noble deeds will always be the most eloquent tribute to his name.

JAMES COUZENS was a man of action. Deeds and not words counted with him. Dauntless courage and independence of thought were among his dominating characteristics.

He typifies the perfect example of what might be accomplished under the American system of government—where equal opportunity is offered to all.

Starting life at 14 years of age bereft of funds, he made his way by hard work to success, influence, and power. His life will always stand out as one of encouragement to others. From an immigrant boy to an honored seat in the United States Senate is a long road, hard and rough and always up-hill. He accomplished it.

Beneath an exterior that was not always understood there lived a man with the highest motives and in his heart a desire to uplift humanity.

Throughout the State of Michigan there exists today centers of healing carrying out the fine humanitarian ideals of Senator COUZENS so that unfortunate little ones may be healthier and happier human beings.

JAMES COUZENS, businessman, executive, statesman, humanitarian—may his memory always remain green in the hearts of his countrymen and the citizens of Michigan for the monument which he has left behind in the form of good deeds.

The Labor Situation

EXTENSION OF REMARKS

OF

HON. FREDERICK STEIWER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, July 7 (legislative day of Tuesday, July 6), 1937

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. STEIWER. Mr. President, I ask permission to have inserted in the RECORD an editorial from the Philadelphia Inquirer of June 30, 1937. I should like to say with respect to it that in the editorial there is some material with which I am not in accord, but I think, in fairness to the newspaper publishing the editorial, in fairness to the writer, and to all concerned, I should have included the entire editorial; and I submit the request in that way.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer-Public Ledger of June 30, 1937]

OPPORTUNITY KNOCKED AT THE PRESIDENT'S DOOR—HE PASSED IT BY!

No other President since Lincoln, in assuming that exalted office at the call of the American people, had pressed down upon his willing shoulders so colossal, so almost overwhelming a burden of responsibility as Franklin D. Roosevelt.

This is an indisputable fact.

It is equally indisputable that no other President in all our history had placed within his grasp such magnificent opportunities for service.

For we had reached the end of an epoch. Old customs, specious theories, outworn systems were discredited, decrepit, dying.

For better or for worse the times demanded new ventures, the blazing of new trails in society and in Government, to keep step with the surging ideas of a changing world.

When, with the passing of time, it is possible to obtain a clear perspective of what Mr. Roosevelt did with his opportunities, and to appraise accurately his words and actions as the Nation's chosen leader, we believe he will receive well deserved credit for much that is wise and constructive.

Consider his inheritance. He faced an industrial and financial depression unprecedented in the annals of the United States. Industries suspended. Bankruptcies innumerable. Banks closing their doors in the faces of frantic depositors. Security values shattered.

Millions of men and women who through no fault of their own walked the streets to look for work that could not be obtained, the black spectre of starvation for those dependent upon them haunting their pitiful eyes.

These things the Nation faced then were not theories. They were not something to argue about—they had long since passed that stage. They were the hardest of hard facts, ugly and inescapable and brutal as only hard facts can be.

Give Mr. Roosevelt credit. He took off his coat and pitched in to do the job.

He made mistakes, of course. Everyone who actually does things makes mistakes. But, paraphrasing the saying quoted recently by Mr. Roosevelt, we must not let the trees obscure the forest. We must not let a belief that the President made mistakes keep us from admitting the positive value of much that he did.

He closed the banks to save the ones in danger and reopened them when the crisis was past, strengthening public confidence in them later by procuring legislation providing for Government insurance of deposits.

He brought about the creation of the Securities and Exchange Commission, assuring people who have money to invest, and who often in the past have been exploited by promoters and prospectus sharks, that they have at least an even break.

He put into action a vast scheme of relief for the unemployed, without which the burden of human suffering would have been intolerable and conducive to serious social consequences.

He caused to be enacted by Congress laws establishing old-age pensions and unemployment insurance. He is working now toward a minimum wage and maximum hours in industry and the abolition of child labor.

These are just the highlights. They are by no means the whole picture of his accomplishments. Give Mr. Roosevelt credit.

Another man with the same exceptional opportunities conceivably might have done as well. We can't tell about that. We do know that Mr. Roosevelt had opportunities greater than those of any other President. How well he used some of them and with what beneficial results to his countrymen is written into the history of his administration for every man not blinded by prejudice to appraise.

But it is one of the grimmest anomalies of the times in which we live that when there came to the President the greatest of all opportunities to serve the American people, when that opportunity first beckoned, then fairly cried out for recognition, pleading, demanding action, Mr. Roosevelt turned aside and passed it by.

We refer to the amazing situation in the United States in this year 1937, when bitterness and hatred, seizure and destruction of property, sabotage and vandalism, rioting and bloodshed, mass contempt for the Government, contempt for the courts, contempt for law—all these have combined and conspired together in a shocking and terrorizing outburst of mob rule bordering upon anarchy.

Let us not deceive ourselves with weasel words. Let us not anesthetize our minds with the mild reflection that there always have been strikes and there has often before been violence. That is not the point.

There have been strikes. There has been violence. But never before in the history of this country has there been anything to compare with the widespread concerted flouting of law and order that we see today on every hand. Never before has class hatred been elevated to the status of an unctuous virtue. Never before have vast numbers of men and women, one group after another, blatantly defied and threatened those officials whose authority comes from the people and whose offense is that they are attempting to uphold the law.

There is no question about the facts. The only question is why this extraordinary situation was permitted to develop. Why was not the blaze checked in its incipiency, before it became a hideous conflagration sweeping across the whole length and breadth of the land?

It could have been made plain at the start that strikes are lawful and that peaceful picketing is lawful, but it likewise could have been made plain that a man who wishes to work has the right to work and that he would be protected in the exercise of that right against violence and murder.

Above all, it could and should have been made plain at the start that the Government, with every power and every last iota of authority it possessed, was determined to uphold the law and maintain order.

Here was Mr. Roosevelt's greatest opportunity. No other man in the United States could do what he could have done. His abounding personal popularity and—more vital—the prestige of his high office gave him the power to accomplish with a few calm words what others never could have attained by arguments or threats.

He did not need to risk the political consequence of alienating labor. It was not his duty to take sides in a quarrel between capital and labor. All that was required was that the President should make plain this one point; that as the head of the United States Government, chosen by the people to execute the law, he would not countenance illegal acts by whomever committed; that he would not stand for the violation of law and order—in a word, that his administration would not tolerate or condone any acts tending toward anarchy and mob rule.

But Mr. Roosevelt said nothing.

Early in the year Secretary Perkins was heard from—that emotional personage whose words and actions throughout her term provide the final and devastating answer to any question as to the appropriateness of her selection as Secretary of Labor. The wave of sit-down strikes, which any intelligent citizen should know involved the unlawful seizure of private property, was under way.

But Miss Perkins opined that the legality of the sit-down strike "had yet to be determined by the courts." Shortly thereafter the General Motors sit-down strike was pronounced illegal in the courts, but Miss Perkins has never amended her statement.

Mr. Roosevelt did not rebuke Miss Perkins. Mr. Roosevelt said nothing.

On March 27 the Inquirer said editorially:

"The American people are looking to the President for a definite statement concerning his attitude on sit-down strikes and on the authority of the law and the courts. No one else can speak authoritatively for the Government. No one else can offer the country complete reassurance on this overshadowing issue. * * * He should hesitate no longer to make clear his stand for law and order."

Other leading newspapers made similar pleas. Many of the President's closest friends must have awaited anxiously some word from him—but Mr. Roosevelt said nothing. Didn't he realize the serious dangers inherent in the situation? Or was he so much occupied with a certain other issue that all things else seemed trivial and unimportant?

For at this time he was still promoting with characteristic vigor his fight to pack the Supreme Court. Instead of talking about law and order he was caustically criticizing the administration of justice.

Did his picture—so soon proven inaccurate and unfair—of the Supreme Court as a group of senile old men doddering drowsily over their work add one straw's weight to the general respect for law and order? On the contrary, it was hailed by the radicals and the unthinking everywhere as lending exalted support to their theory that the orderly processes of law were obsolete and the Constitution which guaranteed them was something to sneer at.

So it was that at the moment when it would have done the most good no statement issued from the President.

When John Lewis said publicly with crude frankness, "The administration asked labor for help * * * and labor gave its help. * * * The workers of the country expect the administration * * * to support the workers in General Motor plants"—

Mr. Roosevelt said nothing.

When strike sympathizers stopped the United States mails and nothing was done about it, with Jim Farley condoning the action of the miscreants and the inaction of the Government—

Mr. Roosevelt said nothing.

When literature was distributed among workers who hadn't struck telling them, "the President wants you to join the C. I. O." Mr. Roosevelt said nothing. When Governor Earle, white-haired child of the organization and presumptive candidate for President to succeed Mr. Roosevelt, closed the Johnstown steel mills to prevent men who wanted to work from working, Mr. Roosevelt said nothing.

In fact, the only thing he has said in all this chaotic period was in effect that the steel company heads, if they were willing to make oral agreements with the unions, should also be willing to put them in writing, a statement that by general consent was interpreted as taking one side in the conflict against the other.

We come to an inevitable conclusion. It would not be correct, it would be distinctly unfair to Mr. Roosevelt to say that he was directly responsible for the lawlessness that has flashed like a firebrand across the country.

But it is fair and it is entirely reasonable to say that in all human probability a word from him at the right moment would have prevented, or at least would have greatly impeded, the spread of this loathsome epidemic of mob rule and violence under which the country suffers.

We repeat. Mr. Roosevelt's opportunities have been many. Of some he has availed himself with deserved credit, and thereby has won the Nation's enthusiastic approval.

But it is the outstanding tragedy of our time that over against his record of accomplishment there must stand the irrefutable fact that when the country was on the verge of anarchy and the greatest of all his opportunities—the opportunity to save the Nation from so grave a crisis—met him face to face, he turned aside and passed it by.

The crisis is eased, but not ended. The danger of further disorders and lawlessness remains. Even now Mr. Roosevelt, if he will, may prevent a more serious situation by asserting the unequivocal stand of his administration in defense of law and order. Will he do it?

The Great Filibuster

EXTENSION OF REMARKS
OF
HON. PAT McCARRAN
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 7 (legislative day of Tuesday, July 6), 1937

ARTICLE BY WALTER LIPPMANN

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the Appendix an article by Mr. Walter Lippmann published in the New York Herald Tribune of July 6, 1937, entitled "The Great Filibuster."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of July 6, 1937]

TODAY AND TOMORROW

(By Walter Lippmann)

THE GREAT FILIBUSTER

Having been defeated in the first attempt to pack the Federal courts, the administration is now confronting us with another scheme to achieve its ends in another way. The original bill would have given the President the power to appoint six Justices of the Supreme Court immediately; the proposed "compromise" gives him the power to appoint three judges within the next 6 months—one in place of Mr. Justice Van Devanter, one supplementary judge for 1937, and one for 1938. It would give him the power to appoint at least 4 judges within 18 months, and more if there are resignations or deaths.

This new scheme differs from the first one only in that Mr. Roosevelt cannot pack the Court immediately; he must be satisfied to pack it a little more slowly. But he is given authority to pack it, and to make himself the virtual master of the judiciary before the end of his present term.

This is in no sense of the word an honest compromise, and at bottom the new proposal is as devious and as deceptive as its predecessor. On the pretense that age is a disqualification, this new bill provides a device for the seizure of the Court. Its object is to compel the Court to express the will of the Executive. It seeks to accomplish a fundamental change in the basic law of the land by the act of a bare legislative majority. It violates the platform on which that majority was elected. And it deprives the American people of their sovereign right to pass upon the constitutional structure of their Government.

The new scheme is entirely unacceptable and must be resisted to the bitter end.

The principle at stake and the procedure of the administration do not merely justify a filibuster; they call for a filibuster. The Senators who are in the opposition should have no qualms whatsoever in proclaiming to the American people that they will employ every parliamentary rule at their disposal to prevent this bill from being enacted in this Congress and to prevent the confirmation of any judges who might be appointed under it. They should tell the people plainly that they intend to obstruct this measure in order to give the voters a chance to pass upon it. They should declare as plainly and emphatically as they can that they will conduct a filibuster in order to preserve for the people their sovereign right to settle the issue.

In taking this stand their moral position will be impregnable. This Congress has no mandate to pack the courts or to tamper with the Constitution and the courts. On the contrary, it was elected on the understanding, and after express assurances in the platform and explicit guaranties from acknowledged spokesmen, that nothing of this sort would be attempted. In conducting a filibuster to prevent this Congress from violating their promises, the Senators will merely be faithful to their pledges and loyal to the principles of democratic government. They will be fighting against a brazen attempt to violate a pledge and against a devious attempt to circumvent democratic procedure.

Let them have no fears about the capacity of the American people to understand the reasons for the filibuster. Let there be nothing shame-faced or apologetic about the filibuster. They are confronted with an attempt to change the constitutional balance of the Government by usurpation; they are confronted with a completely arbitrary use of power to drive a reluctant Congress to violate its pledges and to degrade its conscience. They need have no fear that if they stand firm and fight boldly that the people will not see that it is patriotic to obstruct faithlessness and that it is noble to resist usurpation.

The sponsors of this proposal have been routed in debate, and they refuse to submit the issue to the judgment of the people. They are proposing to use money, patronage, and party discipline to settle the issue. To fight that, to stand up and refuse to let this thing be done, to obstruct, delay, and oppose this invasion, is in the highest degree honorable; and those who have a part in the fight will take their places in the company of the gallant men who have established our liberties and have preserved them.

The issue is very simple. Nothing must be done by legislative act of this Congress which in any degree grants to the President extraordinary powers over the Federal judiciary. On that there can be no compromise. There is ample room for accommodation on any kind of constitutional amendment. For amendments are submitted to the people. But this Congress, having no mandate from the people to tamper with the courts, being under pledges diametrically opposed to attempts to impair the independence of the courts, must not be permitted to impair that independence by any device whatsoever.

No good reason has ever been alleged why this measure must pass now. The powers of the Federal Government have been greatly extended; they are ample for any legislation that this Congress will really wish to enact. There is no objection to the obstruction of a filibuster. There are no measures held up by it that urgently need to be passed.

So, on moral grounds and on practical grounds, it can be said of the opposition Senators that their principle is fundamental; that their cause is just; and that they are about to fight a good fight for the preservation of American liberties.

Speeches by and Editorial Comments Concerning Senator Ashurst

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 7 (legislative day of Tuesday, July 6), 1937

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix certain letters written by me, as well as speeches made by me, and also a number of editorials.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

In the Senate, Monday, March 13, 1933

Mr. ASHURST. Mr. President, I have received, as doubtless many Senators have, a large number of telegraphic dispatches respecting Senate bill No. 233, a bill to maintain the credit of the United States Government. One of the dispatches reads as follows:

"I feel it my duty to advise that your future success is in grave danger if you uphold granting Presidential power."

Another reads:

"Your attitude very unsatisfactory. You are taking $6,300,000 annually from Arizona, and are politically dead unless you change your attitude."

Mr. President, some time ago I made the astonishing, and for a while, to myself, the distressing discovery that the perpetuity of the American Government did not absolutely depend upon the reelection of one HENRY FOUNTAIN ASHURST to the Senate of the United States.

When a Senator makes such a discovery, at first the fact appears incredible. It seems as if the stars above his head had faded and the earth had slipped beneath his feet. But as time rolls on such a discovery proves to be a real antidote to megalomania; and the further flight of time brings to the discoverer a serenity and a humility to be envied by the world's greatest philosophers.

It may be, Mr. President, that the perpetuity of the American Republic does not depend upon my reelection to the Senate; but the perpetuity of the Republic may indeed depend upon granting to the President the authority to make the economies called for in his message to Congress.

MAY 29, 1933.

Mr. G. H. BROWN,
Phoenix, Ariz.

DEAR MR. BROWN: Yours of May 25 received, advising that you desire a position with the Bureau of Internal Revenue, and you request me to recommend you "to the new collector at Phoenix as soon as he is appointed."

It is my duty to tell you that the district attorney, marshal, collector of internal revenue, collector of customs, and register of

the local land office, respectively, will be appointed upon the recommendations of the United States Senators from Arizona.

In my judgment, it would be improper for a Federal Senator to make any suggestion as to whom such persons thus recommended by Federal Senators should appoint. The Federal officials who may be appointed upon my recommendation shall be left free to select their own assistants, deputies, accountants, and clerks.

On this point I may be—probably am—censurably delicate, but it is my inflexible rule to which I adhered during the Wilson administrations. Quite naturally, I desire to please as many of my constituents as possible and to offend as few of them as possible, but I believe in the principle of absolute noninterference by Federal Senators in the selection of the subordinates of Federal officials appointed upon my recommendation.

Sincerely yours,

HENRY F. ASHURST.

OCTOBER 16, 1933.

Mr. G. A. ROBERD,
Phoenix, Ariz.

MY DEAR FRIEND: Your letter received advising that the chamber of commerce had "denounced" Senator HAYDEN and myself for not securing larger sums of Federal funds for Arizona.

This complaint of the chamber of commerce is not at all unique, for daily, from the mail bags, there are dumped upon my desk demands that "this, that, or the other" industry be nourished by some gift, bounty, or largess out of the Federal Treasury.

I sympathize somewhat with the impatience of the chamber of commerce and say in reply that I have worked harder since March 4 last than I have ever worked before, but I am not complaining, for when an officeholder complains of overwork, he is simply proving that he has a task too big for him.

I have been for years a critic, and hope I am able, without making a wry face, to take a small dose of that medicine—criticism—of which I have given other fellows sizable doses; in other words, I not only "ladle it out" but can also "take it." Pardon my dropping into slang, but it conveys my thought precisely.

I believe you are correct in your conclusion that a number of candidates—all excellent gentlemen—will try to displace me at the next election, but it is beginning to appear as if I shall be reelected, not by reason of any particular merit that I possess or by any political activity on my part but by the folly of my opponents.

Kind regards,

Sincerely yours,

HENRY F. ASHURST.

APRIL 17, 1935.

Mr. R. W. KNAPP,
Phoenix, Ariz.

DEAR FRIEND KNAPP: Your letter received.

It is quite true that many, if not most, of the laws passed in the hope of rescuing the country from the depression were experiments. Some of these experiments are successful, whilst frankness and candor compel me to say that some of them are failures. No rational person would admit a belief in the wholesomeness of all of these laws, and he would have been a bold man who would have ventured to prophesy that all of these experiments would be a success.

I share the hope you entertain that we may abandon experiments that are obvious failures and retain such as have been demonstrated to be of value.

In times of grave danger to our country, whether from unemployment, famine, fire, flood, war, pestilence, or depression, a nation, and certainly a first-rate nation, becomes a laboratory to test problems and discover which is the plan of recovery.

I observe your reference to the securities bill and also your reference to the Rayburn bill. It may come to pass that in order to emerge from the depression our Nation may yet be obliged to resort to those prosaic, unpopular, and age-old remedies that have never failed—economy, hard work, and the other simple virtues that made our Nation.

With kind regards, sincerely yours,

HENRY F. ASHURST.

JANUARY 2, 1934.

Mr. A. L. MOORE,
Route 2, Box 223, Tucson, Ariz.

DEAR FRIEND: Your letter of December 25 received, in which you say, "I ask you to work for and vote for repeal of this Economy Act."

I should be lacking in frankness and deficient in courtesy if I failed to tell you that I shall support President Roosevelt all along the line.

A crisis of terrible proportions, bringing many distressful results, came upon our country and has not lifted its blight from us; hence all citizens must continue to make sacrifices for their country's welfare.

It is often quite true that the only way in which an officeholder may render great service to the Nation, in its day of trouble, is by his willingness to lose his future or at least to lose his present position in political life, if he may thereby aid in bringing national recovery, just as the soldier may for a time give up a part of his civil liberties and may pay with his physical life in order to render service for his country in battle.

Whenever grave danger comes to our Nation, whether from unemployment, famine, fire, flood, war, pestilence, or depression the officeholder must be willing to take action which might be temporarily unpopular if he may thereby aid in the recovery of his country.

I shall follow the President's leadership, and if he should urge that the present law be amended so as to meet your request, I shall support his efforts in that behalf.

Kind regards.

Sincerely yours,

HENRY F. ASHURST.

TRIBUTE TO THE LATE SENATOR JOHN B. KENDRICK BY SENATOR ASHURST

Romance and emprise clustered around him, and although his lips have now partaken of the sacraments of the dust, the influence of his character survives and is treasured by his relatives, his friends, and his proud State.

Senator Kendrick possessed that heaven-born attribute which the English call a cool head and the Americans call judgment; hence, in sharp parliamentary contests and stormy convention, he held true to the main purpose, was master of himself and the business at hand.

He was a practical idealist. Nature in one of her prodigal moods stamped upon him her royal seal.

Even when he viewed the swelling dome and the fluted pilasters of the Nation's Capitol he wistfully yearned for the far-away rim of the prairie.

Amidst the din and sensation of politics in Washington he longed for his shining Tetons and his gorgeous Yellowstone. His nostrils were always eager for the pungent odor of the wild sage, and his kindly eyes ever sought to descry the scarlet glory of the blossoming cactus.

In public office he trod the paths of his feet with marvelous circumspection, and he was inspired by an ardent enthusiasm for the public good. He was a competent Governor, a successful and influential United States Senator. He was a real cowboy, and he became the most distinguished of all of those excellent and racy spirits who, 50 years ago, drove the thundering herds.

The cowboy's work, like a particolored robe, is so woven about Senator Kendrick that a word describing the cowboy he so truly typified may not be out of place here.

No belted knight in chivalry on heath or strand ever appealed with such allurement and glamour as did the American knights of the remuda.

Among the cowboys there were varying degrees of sophistication, for they were drawn from the different walks of life. The majority, however, were drawn from pioneer stock. The nature of the cowboy's occupation afforded him scant opportunity for extended reading, for he must needs constantly attend the cattle.

If his cow range was on the desert, he must grind its bitter dust between his teeth, endure its flail of heat, and ride on and on. If his range was on the mountain, he must, in winter, ride hard beneath the cold stars. The cowboy's life was one of severe isolation, but his work was not only made endurable but was even rendered pleasurable as well when he took refuge, as many, if not most of them, did, during their lonely rides, by entering into the realm of imagination, where ideal experiences are possible without objective restraint—a realm where images form and fall; where glittering towers upthrust themselves and globes of gold expand and float; a domain peopled with a viewless throng, invisible to all but the eye of the imaginer, and in this way a high percentage of the American cowboys became endowed with intellect and grace, fascination, and tremendous personal charm.

Senator Kendrick symbolized the American cowboy—calm, steady, generous, fair, adaptable, industrious, and firmly devoted to the rugged old virtues which made our Nation great and strong.

TAX-EXEMPT SECURITIES

In the Senate, Thursday, January 4, 1934

Mr. ASHURST. My proposed amendment strikes at an evil in our system of taxation which is already great, and if unchecked will grow—indeed has grown—to such magnitude as to threaten the existence of our institutions.

The existence of conditions that enable any municipality or political subdivision to issue tax-free securities directly permits a certain class of property owners to partake of the comforts and benefits of government without bearing any share of the expense burden of government.

All private property should pay its just proportion of the expense of maintaining the Government.

The issuance of tax-exempt securities permits:

(1) A large portion of property to escape taxation, thereby causing great loss of revenue.

(2) It violates the sound tax principle of "ability to pay" and it unfairly discriminates among taxpayers.

(3) It discourages investment in new enterprises.

(4) It encourages extravagances of governmental agencies.

(5) It grants private subsidies and special privileges, obnoxious to our system.

(6) By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government, and thereby adds to the cost of living.

(7) It creates, and quite naturally, social unrest.

Vigor and vision are the supreme need of the hour, and unless we act with promptness on this subject, the National Government and some of the States will bog down and sink into the grasp of the all-smothering, all-destroying quicksands of insolvency.

ADMISSION TAXES

In the Senate, May 26, 1932

Mr. ASHURST. Mr. President, I invite attention to the fact that the spoken drama in the United States is now almost extinguished. I do not believe we have reached such a deplorable place in our history that we would be willing unfairly to tax or to penalize the spoken drama or the talkie movie.

I am opposed to admission taxes, whether for the spoken drama or the talkie movies. Such taxes are only an irritant—they are like unto a dash of Tabasco sauce in the eye and will be resented by the American people. Some well-informed persons argue that the theaters and talkie movies are luxuries and amusements only. That they are, from one angle, "amusements" is quite true; that they possess facilities for disseminating interesting information of much practical value, especially to those persons who cannot spare the time or money to travel, is none the less true.

It is also true that the theaters and the talkie movies make contributions to art, belles-lettres, literature, music, science, and philosophy, and appeal to and help to gratify that inborn cultural and artistic yearning inherent in every normal person, although in some breasts this yearning is meager and obscure and sometimes is deeply hidden.

The stage artists, the screen artists, and the vaudeville artists hold the mirror up to nature, and only through them do we ever see ourselves as others see us.

On the stage and on the screen we see our own weaknesses, foibles, and pretensions made plain and then corrected. On the stage and on the screen the richness of human experience is laid before us, and all that is beautiful, all that is tragic, and all that is mournful in man's destiny is clearly shown.

The penetrating skill, the Attic salt, and the humor of the screen artist and the stage artist expose the shams and frivolities of a particular epoch, and not infrequently teach a nation the way of truth.

The plays of Aeschylus and Euripides taught the Greeks to meet disaster becomingly and to realize that although Fate spins a strange pattern and motif into every career, such circumstance affords no reason for a refusal to meet life courageously and cheerfully.

The comedies of Shakespeare enriched England, softened the cruelties of his time, and gave seasonable advice and admonition to monarch, to lords, and commons. There would have been no polished Elizabethan England except for Shakespeare, who appeared personally in some of his own plays, notably his Twelfth Night, which he acted in 1602, and from the stage poured gentle satire upon vanity and injustice.

I do not doubt that Schiller and Goethe helped Germany, and I am certain that Molière and Rostand and Bernhardt enriched France. Who can measure the joy and the emotional sympathy that Dion Boucicault gave to the world? He was called the scribe of the American and English stage and had 124 dramas to his credit.

Unnumbered thousands of our own generation have been charmed by the melodious airs and clever rhymes of the Gilbert and Sullivan light operas and the talent of those two gentlemen was so exceptional and their criticisms of official smugness and complacency were so deft and subtle that their productions were given audition and applause by the most prim and rigid of the mid-Victorians.

It would be impossible to estimate the ennobling influence showered upon our Nation by such characters as Edwin Booth and David Belasco.

Amidst the gloom of the depression and out of the darkness of the country's financial and industrial misfortune there suddenly beamed forth last winter, when the clouds were lowering, five stars, five distinguished thespians to tour our country: The superb Maude Adams and well-beloved Otis Skinner revived the Merchant of Venice; William Gillette came back to us in Sherlock Holmes; Ethel Barrymore reproduced Sheridan's School for Scandal; and Walter Hampden gave us again glorious Cyrano de Bergerac, fascinating yet futile lover, poet, duelist, and hero of seventeenth century France. How many weary hours these artists beguiled; how many desolate hearts they encouraged; how many of our citizens learned anew from them that moderation, forbearance, and restraint are the virtues of victory and prosperity and that fortitude, patience, and courage are the virtues of disaster and defeat.

The drama is coextensive with the people and of all the arts, save music, it is probably the dearest to the human race. The stage is akin to poetry in that it is a great expression of human emotion. The stage is a vision of the romance inseparable from every human life; it is a magical place, breathing the inspiration of color and sound; a place for high thoughts, splendid truths, and beautiful words, for objects vividly observed and gorgeously imagined.

The stage is art. Art is truth, and in the final sum of worldly things, only art endures; the sculptures outlast the dynasty, the colors outlive Da Vinci, "the coin outlasts Tiberius."

When Hamlet, Prince of Denmark, desired a rehearsal of the play which was to confound his uncle the king he said to the players: "Come, give us a taste of your quality." After the players had recited Hamlet turned to Polonius, the lord chamberlain, and said:

"My lord, will you see the players well bestowed? Do you hear, let them be well used, for they are the abstracts and brief chronicles of the time; after your death you were better have a bad epitaph than their ill report while you lived."

So, Mr. President, when our citizens, after a day devoted to the duties and claims of this fevered life, go to the theater or to the talkie movies, there to renew their exhausted strength, there mayhap to escape for an hour from the specter of their baffled hopes, from their broken ideals or evaporated illusions, so common in this complex machine age, or there to be spared for an evening from the fardels and the clangor of a bewildered world, let them not be met with a Federal admission tax, which, as I said before, is a vexatious, corrosive, pestiferous irritant.

[From the Arizona Daily Star, Tucson, Ariz., Sept. 2, 1934]

SENATOR ASHURST SPEAKS

If politics could be conducted on the high plane with which Senator HENRY ASHURST conducts his campaigns, there would probably be more intelligent interest in governmental affairs and abler men aspiring to office. Those who heard the distinguished Senator speak Friday night at the armory heard a political campaign speech full of holes if one wanted to criticize, but filled with charm, good humor, and kindliness. And, strangely enough, those who went expecting to listen for a few minutes soon found themselves staying on and staying on, consumed with interest.

Although Senator ASHURST spoke for over an hour, he said not one unkind or harsh word about any of his opponents, while his brilliant shafts of wit had the audience frequently convulsed with laughter. On the other hand, the serious parts of his address, while filled with kindly but serious political bombast, won him the respect of his audience.

After all, a man can still be radical, yet be a gentleman. A man can win votes and still be a gentleman. The highest tribute that can be paid to Senator ASHURST is that for 41 years he has been in politics, yet he is a gentleman, and as such sets an example that other candidates, and even newspaper editors, might emulate.

Meanwhile, the Senator's opposition is a healthy thing. The opposition has brought him home so that the home folks once more can hear his delightful speeches.

[From the Miami Silver Belt, Nov. 4, 1930]

ASHURST PAYS TRIBUTE TO GOVERNOR HUNT; PORTRAYS ROMANCE OF THE CAREER OF GOVERNOR IN CAMPAIGN SPEECH

There is much romance in the career of George W. P. Hunt, who came into Arizona 50 years ago, during the now vanished days of the burro pack train, the shave-tail mule, and the covered wagon. Most of the men and women who came here during those days have crossed another frontier into the Great Kingdom; whilst for those pioneers who yet remain, the lovely nymphs of noonday are gone and their temples are crowned with silver streaks of the eternal dawn.

The 50 years of Mr. Hunt's residence in Arizona are equal to one-third of the present age of our American Republic and constitute a glorious epoch in the life of the Nation and the State. The purse of Fortunatus and the lamp of Aladdin seem tame and commonplace, when compared to Arizona's progress since Mr. Hunt lighted his first campfire within her borders.

He saw the tepee and the hogan of the Indian give place to stately residences. He saw the railroad trains supplant the stagecoach and the buckboard, which once bounced and jolted over the rough and rudimentary roads. He now sees automobiles whiz over the very hills and valleys where once he saw the cowboy with jingling spurs, haystack hat, and leather chaps ride hard under the summer sun and winter stars for cattle and horses.

The same plains which once he knew as the habitat of wild beasts and upon which he later saw the quiet flocks of sheep feed upon the rich grasses beneath their feet are now covered by diversified agriculture, industrial enterprises, glittering cities and towns, or serve as airports and landing fields for winged cars that cleave the clouds and that skim the cream off the Milky Way.

Some of the landscapes where once he saw the Knights of the Lariat hold their roundups and rodeos are now covered by churches, schools, colleges, resorts for tourists, dude ranches, and palatial hotels.

Some of the particular spots where once he saw the noon breeze swirl the smoke of the cowboy's branding iron are now midget or Tom Thumb golf courses.

The air spaces which, when he came here 50 years ago, were agitated by the coyote's doleful howl, by the barkings of the prairie dog, the measured thrum of the mustang's hoofs, the war whoop of the ferocious Apache encircling the settler, now by the mystic voice of the radio, pour into our ears the Tales of Hoffman, the dulcet notes of Narcissus, the wild melodies of the Hungarian Rhapsody, and all the joys and inspirations which no other art save music's ethereal rain can give. On some of the deserts where once he swallowed their bitter dust as he plodded forward he now sees irrigation projects so practical and yet so ideal that they charm the imagination with their wizardry as they spread their living waters upon the thirsty soils. He saw Arizona accomplish that difficult feat in Government of fusing reforms with stability. He has earned competence and popular affection, for he aided in building this empire.

[From the Cleveland Plain Dealer, July 6, 1929]

ASHURST, THE WORD WRANGLER

HENRY FOUNTAIN ASHURST, senior Senator for Arizona ever since she has been a sovereign State, was a cow puncher in his youth.

His dexterity with a lariat gave him the same control over cattle as his present agility and facility as a word wrangler gives him over the English language.

Beginning with a blue-backed speller, in which he wrote in boyish chirography "HENRY FOUNTAIN ASHURST, United States Senator", when he was 10 years old, HANK has studied words. In his relentless pursuit of philology he has paid particular attention to etymology. He has worn the calfskin cover off of one of Webster's well-known dictionaries in tracing each and every word in the English language to its source and prying into its intimate family relations with the Greeks and Romans.

Hank has mercilessly ransacked Roget's Thesaurus from A to Z, until there is not a word between its covers that he has not roped, hog-tied, and branded for his own. If there are any mavericks straying around, it is just a matter of time before he corrals them and sears the nicety of their meaning into his brain.

With all the words in the English tongue mobilized under his command, Hank cracks his intellectual whip and the words trot out and jump through his oratorical hoop to the amazement and admiration of his colleagues and to the complete bewilderment of the gallery gods who have not compiled any dictionaries.

Out of his cyclopedia of words Hank has fashioned a style, which, while partaking somewhat of the courtly diction of the eighteenth century, has a flavor all its own. It is not only filled with polysyllabic words of Latin and Greek derivation but with curt, telling Anglo-Saxon and expressive Americanisms.

"I am a veritable peripatetic bifurcated volcano in behalf of Democratic principles", ASHURST once remarked with becoming modesty.

Beneath all the weight of those 6-foot words, Hank conceals one of the rarest and most delightful senses of humor harbored in the Senate. He is a keen observer, and there is little of the sham and humbuggery that goes on about him that he misses.

CAPITAL BYSTANDER

By Kirke Simpson

Whenever HENRY FOUNTAIN ASHURST gets to his feet in the Senate, gallery goers may expect pleasing entertainment.

But what marks ASHURST particularly is his ready wit, a seeming desire never to be personally offensive to his colleagues in the shafts he drives with unerring tongue. He appears to get huge joy out of verbal battling for the sake of the game itself, as well as that of the cause he espouses.

He even gets pleasure out of other Senators' forays. He will sit in his place and nod with sympathetic vigor over somebody else's gusty outbursts, even when he disagrees with what is actually being said. Or he will frown portentously when the speaker frowns; smile engagingly when the words to which he listens would seem to call for smiling delivery. It is the Ashurst actor complex always at work within him.

And now and then, usually most unexpectedly even to himself, the big Arizonian breaks out into a speech that proves him gifted with an eloquence and dramatic power unique among political orators these prosaic days. He was thus moved during the Mexican immigration debate to reaffirm that his opposition to immigration came of no race prejudice.

"We have drawn upon other races of the world for our own culture", ASHURST said. "Name our language; it is only 60 percent English. Our election laws were drawn from Australia, and the decimal money system from Holland. Name anything of our culture that is of particular value and it will be found that we drew the germ of its truth and beauty from some other country.

"The people of the British Isles gave us the stately language of Milton and Shakespeare, of Burns and Moore and Byron. The Irish race has furnished to us the bravest and most eloquent of men. How could I have a prejudice against Italy, which has given to the world her poems of stone and her heritage of music?

"But we cannot absorb any more immigrants now. If we attempt to do so, that American lamp which illuminates the earth will be extinguished, never to be relumed in a hundred years."

Indeed, without intending in the least to disparage Mr. ASHURST's talents and virtues as a statesman and historian, it is obvious that the stage lost a brilliant star when he took to politics.

Skillful in utterance, uniform in courtesy, rich in grace and fascination, constant in respect for the opinions of others, charged with intellect and fire, he is an actor who never discards his role, is never out of character, and is always attuned to the scene.

SPEECH OF SENATOR ASHURST, OF ARIZONA, AT THE ONE HUNDRED AND FORTY-THIRD ANNIVERSARY DINNER OF THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK IN THE CITY OF NEW YORK, MARCH 17, 1927

Gentlemen, I esteem it a privilege to address you. Religious services and social functions in honor of St. Patrick are being held on this, his festival, not only in Dublin, the chief city of the country he evangelized, but also in the cities and towns of the United States, Great Britain, France, Australia, Canada, Spain, Germany, Italy, Austria, and in many outposts of Christianity in the Far East.

It is of singular significance that the name of Patrick has just been placed in the calendar of the Church of England at the very time when other names long on the calendar, such as St. Helen, St. Crispin, and St. Valentine, are being removed therefrom.

I would say nothing in this splendid presence that might savor of invidious distinction, yet how may one eulogize Pericles and not speak of the glories of Athens; how may one commemorate Caesar and be silent concerning the achievements of his legions; how, then, may I speak at a banquet of the Friendly Sons of St. Patrick and omit to say that the Irish race has nobly vindicated the right of mankind to liberty and has taken a conspicuous and important part in establishing and maintaining the independence of the United States?

Agricola, a Roman general, who was born A. D. 37, and lived until about A. D. 93, advised the empire builders of his day that Rome should war down and take possession of Ireland so that freedom might be put out of sight.

Thus in this early Roman reference to Ireland we pick up for the first time the golden thread of Irish militant resistance to imperial exploitation, and this thread of courage and patriotism runs through all Irish history.

On the one side is the "warring down" so that freedom might be put out of sight, and on the other it is the eternal struggle to uphold the rights of free men.

Contemplating the Europe that existed before the Christian era, in the east we find Greece, in the west we find Ireland, and it is Ireland alone amongst the lands of western Europe that preserves the recorded traditions of its speech, culture, and song that connect the half of Europe with its ancestral past.

It was the Irish race that lit the lamp of genius in the brain of Europe.

Several centuries before the Christian era Phoenician and Carthaginian navigators visited the shores of Britain—then called the Island of Tin—to obtain a supply of that metal.

The inhabitants of Britain were then rude and unlettered, whilst the Irish race was fully acquainted with the use of precious metals, fabrication of fine linens, was fond of music and song, and was enjoying its literature.

When the Druids at Stonehenge, on Salisbury Plain, in England, made their last midnight sacrifice, the triennial council of the Irish people was held at the great hall or court of Tara, where Irish kings and nobles assembled.

King Alfred the Great ascended the English throne in the year 871 A. D., and he was indeed one of the world's wisest men. He ruled for 30 years, and he proved himself to be a valiant warrior and an earnest patron of whatever promised to promote the good of his people, but long before Alfred ascended the English throne the Irish race had scattered throughout Europe manuscripts of priceless masterpieces limned by Irish scribes, such as the Book of Kells in the library of Trinity College at Dublin, acknowledged to be the most beautiful book in the world. Indeed, into its pages is woven such a wealth of ornament and it has such an ecstasy of art that the colors are as lustrous, as fresh, and as soft as though it was the work of yesterday, but the book was made 1,200 years ago.

The polished civilization and military power of the Roman Empire began to decay during the fourth century, and by the year 476 A. D. the dry rot of internal corruption had weakened the national fiber so completely that the western division of the empire crumbled under the invasion of the external barbaric strength of the nations in the north and the Far East, which nations Rome had held at bay for several centuries.

When the western division was thus extinguished, all Europe was engulfed by the westward and southern movement of the barbaric nations.

Ireland was the one country not submerged by these invasions before whose terrific onslaughts the Italian Caesars vanished. Ireland retained her own glittering culture, maintained her commerce, and, with the exception of such learning of antiquity as was kept alive in the monasteries of the church, Ireland was the ark which, for the 590 years intervening between the collapse of the western division of the Roman Empire and the Norman Conquest of England, rode almost alone upon the dark and tempestuous sea and thus safely carried to the so-called early modern period the muniments, manuscripts, and treasures of past ages.

There is a river in the ocean, the Gulf Stream. It is the most important of all the ocean currents. It rises in the Gulf of Mexico, flows northeasterly until it reaches a point opposite the banks of Newfoundland, when it turns and sweeps across the Atlantic; then, dividing into two portions, it sends one arm downward toward the Azores whilst the other arm passes near the shores of Ireland. As it emerges from the Gulf of Mexico its temperature, which is 84° in summer, is hotter than is the temperature of the ocean at the Equator.

The effect of this Gulf Stream upon the climate of Ireland and the northwestern coast of Europe is to raise the winter temperature in Ireland about 30° above what would be the normal temperature in those latitudes.

There is likewise a mighty river in the ocean of humanity—the Irish race—which for a century and a half has flowed from Ireland to America; and, just as the Gulf Stream is many degrees warmer than the common waters of the ocean, this river of life in the ocean of humanity—the Irish race—is warmer, more loyal, and more fervent than the other waters.

Thus, whilst the American Gulf Stream has ameliorated and softened the climate of Ireland, the Irish race has ameliorated and blessed America by its loyalty and its soft and graceful courtesies.

[From the Philadelphia Public Ledger of Apr. 14, 1934]

THE DAILY MIRROR OF WASHINGTON

(By Robert B. Smith)

A REALIST FROM ARIZONA IN THE UNITED STATES SENATE

Visitors in the Senate galleries often marvel at the Chesterfieldian mannerisms of the Honorable HENRY FOUNTAIN ASHURST, of Arizona. They do not realize that they are viewing a man who is both

an ex-cowboy and "a lawyer by profession"—the latter being a quotation from his autobiography in the Congressional Directory.

Also, it is doubtful if the visitors realize that they are gazing upon one of the most consummate realists in modern political life.

Mr. ASHURST himself illustrates the latter characteristic by an anecdote concerning his experience in Arizona on a recent election day when he visited that State for purposes which will be understood by any Federal officeholder.

He was inveigled into attending a meeting of a men's luncheon club. He did not know that members of the club had "conspired" against him before the luncheon. The first speaker after the food had been served was a prominent citizen who—apparently unmindful of the Senator's presence—launched into a sonorous lament that Arizona had never produced a real statesman. The speaker rang the changes on this theme, while the Senator's face turned alternately scarlet and white. It did seem to be an ungracious speech to make in the presence of one who has represented Arizona in the Senate since that member of the Union was granted the privileges of statehood.

However, Mr. ASHURST was equal to the occasion. He arose when his turn came and orated as follows:

"My fellow citizens, it is true that Arizona has never produced a stateman. Moreover, I predict that you never will. Let me tell you why.

"You send me to Washington to represent you in the Senate. But you do not send me there because you are interested in grave questions of national or international policy. When I come back to Arizona you never ask me any questions about such policies; instead you ask me: 'What about my pension?' or 'What about that job for my son?'

"I am not in Washington as a statesman. I am there as a very well-paid messenger boy doing your errands. My chief occupation is going around with a forked stick picking up little fragments of patronage for my constituents."

Thus the Senator orated at length. I may have taken some literary license with the direct quotations, but the substance of his remarks is accurate as quoted. When the meeting was over he was told that he had been the victim of a conspiracy—that he had been hoaxed. I don't know whether he was embarrassed or not. I have a suspicion that he was rather glad he had been goaded into telling some truths which many Washington luminaries would like to tell their constituents if they dared.

WASHINGTON, D. C., *February 24, 1935.*

Hon. HENRY F. ASHURST,
Washington, D. C.

DEAR SENATOR: The tribute you paid Mr. Berryman, the cartoonist, in your speech at the University Club last Thursday evening, February 21, was beautiful, and your bantering discussion of the "care and feeding of politicians" was the most brilliant piece of irony and satire I have ever heard.

Faithfully yours,

CHARLES J. KERLEY.

EXTRACT FROM THE ADDRESS DELIVERED BY SENATOR ASHURST AT UNIVERSITY CLUB, WASHINGTON, D. C., FEBRUARY 21, 1935

All classes of corporations, organizations, and persons have lately received generous gifts, gratuities, grants, and bounties from the Public Treasury except that large class of modest citizens, the politicians.

The Government's neglect of the politician is so cruel that I publicly declare that some provision should be made for the care, nurture, feeding, and training of our politicians, and I now set forth the following regimen or economic program to be observed until some law may be passed for the relief of our politicians.

As to diet: The politician just before an election should be allowed, at public expense, all the pork he wishes, and he should use plenty of applesauce, as that is the only commodity of which the supply can never equal the demand.

As to sleep: If the politician should be tormented with insomnia, he should read one of his own speeches or listen to the speech of one of his fellow politicians; then a drowsiness will soon come upon him that could not be produced by all the soothing sirups in the world. After he falls into slumber there should be no anxiety as to the place where he is to sleep, as they all like the same "bunk."

As to exercise: "Fence building" is recommended, but if the lateral muscles of the body require development the politician should take up the practice of dodging. The muscles of his neck may be much strengthened if the politician will become a confirmed head nodder and nod his head in approval of all statements, plans, laws, appropriations, suggestions, resolutions, and reforms brought to his notice.

One of the defects of the American politician is that he is not a graceful auditor. No asset is more valuable to the politician than the art of audition, and he should train his ears by constant usage until they are capable of listening many hours at a stretch.

It will be remembered that the Earl of Beaconsfield, twice Prime Minister of Great Britain, in preparing young gentlemen for the diplomatic service, instructed them that to control their temper was important but that to control their features was more important. Therefore the politician should so control the muscles of his face that he will apparently be listening with rapt attention at all times. No matter how silly, foggy, or befuddling may be the conversation addressed to him the politician should guard against exhibiting inattention or exhaustion.

Neither scantiness of argument, barrenness of fact, nor absurdity nor ribaldry of the speech inflicted upon him should cause the politician to betray impatience. It cannot be too strongly emphasized that the politician must control the muscles of his face to conceal his boredom and disgust no matter how addlepated the bore may be.

It is impossible to teach the politician to save up anything for a rainy day, although during prohibition times politicians were able to save something for a dry day.

If the politician, during a political campaign, should resort to such an outlandish performance as to indulge in flattery, he should spread it on, not in thin layers but he should rather spread it on with a trowel, or, better still, with a shovel.

There has long existed a myth to the effect that politicians should radiate creature comfort, suavity, affability, and sugared cajoleries.

This myth should be exploded; the politician who expects to survive every storm that blows should simulate a flurried, harried demeanor, and a nervous—yes, I shall say irritable—nature, as such persons are generally regarded as sincere.

It should be remembered that the electorate suspects and distrusts men of superb intellect, calmness, and serenity.

Of course, there are some laws that mankind can never repeal, such as the law of reactions, the law of supply and demand, the law of the survival of the fittest, and the law of gravitation, but in a hard-pressed campaign, the politician will become the incarnate symbol of romantic liberalism and will gather many votes if he crusades demanding the repeal of these laws. Above all things, he should not forget that voters never grow weary of illusory promises.

The politicians must tell the people what they want to hear; this, of course, never adds to the strength, firmness, or efficiency of the Government, but it does nourish the politician.

Even if the politician be a fluent speaker, silence is recommended, as silence is the best substitute for brains ever invented.

It is possible that the politician may be afflicted with that devastating malady known as "presidentitis", which is a burning, itching desire to become President. This is not a common disease; it usually assails Senators, Governors, Representatives, and Cabinet members, but it has been known to attack now and then even a university president.

When attacked by this ailment, the politician's usefulness to the country, to himself, and to his party is seriously impaired and frequently is destroyed.

The symptoms of "presidentitis" are pronounced and unmistakable and are as follows: The patient's vocabulary is reduced to the personal pronoun "I." There is an acute sensitiveness to newspaper criticism, then come irritability, thirst, unhappiness, loss of sleep, and extreme suspicion of all other statesmen. The earliest symptom, however, is the metamorphosing of the politician's backbone into India rubber.

[Editorial from the Arizona Daily Star of Mar. 17, 1935]

SENATOR ASHURST AND COMMUNISM

The charge made by the notorious William Shearer that Arizona's senior Senator, HENRY F. ASHURST, is a Communist will come as a surprise to those in Arizona who know the Senator intimately. The charge will cause many a smile or laugh, and instead of being taken seriously it will be the cause of some fun-making at Henry's expense.

HENRY FOUNTAIN ASHURST, the cowboy and former jail turnkey who became Senator, is not a Communist. Even though he did believe in the Marxian economic principles, he is of the kind that simply could not swallow Marxian governmental principles. In the first place, our beloved Henry loves to talk, and he likes to talk as he pleases. For that reason, if for no other, he would be about the last person from Arizona to become a Communist. If a padlock were put on his tongue or if he were told that he had to think along just certain lines, he would be like a caged lion and soon languish and pass away.

Nor could HENRY FOUNTAIN ASHURST tolerate the ruthless course that even Marx admitted that communism must take to succeed. There is no man more kindlier, no man more generous. If he ever carries a hammer it will be clothed with velvet and used only for a soft and friendly touch. As for the sickle, his would be as dull as a butter knife. He would use it only to gather votes. Violence is foreign to his nature. Even when he speaks, although he has a command of words and mataphors that can hypnotize his listeners, he cannot find words to say a real mean thing about anybody.

HENRY FOUNTAIN ASHURST can never be a Communist. It is not his nature. And besides, he knows his history too well. Above all things, he knows his politics too well. He is as full of politics as a dog is of fleas. He is, above everything else, a politician, a delightful politician, who conquers his enemies by disarming them with charming manners, his never-ending interesting stories of the great and near-great, and by his frank confessions that he is just a politician out looking for votes.

RADIO ADDRESS OF SENATOR ASHURST

Mr. ASHURST. The radio has made a whispering gallery of the skies; it assembles the people's thoughts and sends them around the world on wings as swift as the lightning's fiery bolt.

A radio speech may not indeed have the genius of gesture nor the majesty of overtones, but it has amplitude of utterance and has a rich romance approaching the mystic.

Music being the universal language in which mankind expresses thought and emotion, it is quite appropriate that when Station

KTAR, of Phoenix, Ariz., becomes associated with the National Broadcasting Co. the inaugural should be a musical program.

I immensely appreciate this opportunity to speak to my unseen audience regarding Arizona, whose people are patrons of learning, disciples of industry, and apostles of success, and which State, paradoxical as it may seem, is at one and the same time the oldest and the newest of our governmental subdivisions, oldest in ancient occupation and civilization and the newest and freshest in modern progress. Sublime as are the glories of art and architecture, Arizona contains natural wonders of scenic grandeur chiseled when the world was young by the hand which sustains all creation. For example, her petrified forest, which lived its green millennium and put on immortality a million years ago. Arizona has a bracing, cleansing air which heals the throbbing nerves of pain. Her sunshine reddens the bloodless lip and paints the rose upon the invalid's pale cheek. She has irrigation projects so practical and yet so ideal that they charm the imagination with their wizardry. The fertility of Arizona's soil, the salubrity of her climate, the vastness of her mineral wealth make the lamp of Aladdin and the purse of Fortunatus appear tame and commonplace by comparison.

MAY 18, 1935.

Mr. J. F. MILLARD,
Phoenix, Ariz.

DEAR MR. MILLARD: Your letter of May 11 received in which you request me to recommend a pardon for ———.

In reply, it is my duty to say to you that during my service in the Senate I have never interfered with judicial processes or with pardons or paroles and have always refused to recommend pardons or paroles for the obvious reason that when Senators or Representatives do interfere in such matters they thwart the administration of justice. I shall not recommend pardon for ———.

With kind regards, sincerely yours,

HENRY F. ASHURST.

EXTRACT FROM A SPEECH DELIVERED BY HON. HENRY F. ASHURST, OF ARIZONA, AT THE ANNUAL BANQUET OF THE ALFALFA CLUB, JANUARY 18, 1930, WASHINGTON, D. C.

Mr. Toastmaster, I have lately received letters, some of them written in a serious vein and some of them written in bitter irony, urging that the Democratic Party abandon the donkey as its emblem and symbol, but I have replied to the letters that I hoped the Democratic Party would never abandon the donkey, for he is a compendium of endurance, patience, fortitude, and stately dignity; he is a seriocomic philosopher whose stamina and stoicism conquered the wilderness and sustained the pioneer; the donkey uncomplainingly bears heavy burdens; he is a sure-footed, trustworthy creature of epicurean taste and gargantuan appetite, but his appetite and taste, happily enough, may be satisfied by a nibble at a desert cactus, and he is then ready for another long and lonely journey.

The donkey is the personification of the sublime virtues of moderation, forbearance, restraint, and rigid economy. From the vibrant chords of his throat there come zigzag bars of music as thrilling as the midnight minstrel of the nightingale. The donkey must not be abandoned, for upon his back the Democratic hosts ascend the steep acclivity to power, or, to change the figure of speech, he is the pons asinorum over which they march to victory, and we should be ingrates if, in our day of supremacy, we felt abased at the donkey's homely indigence, deserted him, and offered to his lips the cup of neglect and oblivion.

In the Senate, Tuesday, August 24, 1935

Mr. ASHURST. Mr. President, the remarks of the Senator from Kentucky [Mr. BARKLEY] revive pleasant memories, and I am glad to seize this proper opportunity to refer to the able speech I heard the Senator from Kentucky deliver in London upon the occasion of our duties there as American delegates to the Interparliamentary Union. I sat in the audience, and I was moved with admiration because of the precision of his phrases and the care he employed in recognizing the auspices under which he spoke.

I recall distinctly the conference with Mr. Lloyd George, to which the Senator from Kentucky referred. Mr. Lloyd George spoke over an hour and invited us to ask questions. I took down the answers in my own shorthand. It will be remembered by the Senator from Kentucky that someone asked Mr. Lloyd George about Russia. Now that some years have elapsed, I am at liberty to give the reply. Mr. Lloyd George stated, in substance:

"As you leave this hall, go by Trafalgar Square and you will see a statue of Lord Nelson. Remember that when upon a certain occasion a signal was given to Nelson to retreat, he put the telescope to his blind eye and said, 'I do not see any signal.'"

Mr. President, let me paraphrase what Lloyd George said, and say that not only in public life but in private life as well it is necessary frequently to put the telescope to our blind eye. I am not certain that we might not well do so upon this occasion.

A vast deal has been said this morning about the press. As politicians, we are all anxious, one not more than another, to receive favorable mention in the press.

Reporters are seldom to blame for so-called misstatements. In the hurry of public life we sometimes give out interviews—I am probably a sinner in this regard—without due preparation. The reporter must shoot from the hip. He has no time to turn the stylus, polish the phrase, and rub the lamp. He must get his dispatch, his story, to the desk at once. There the authorities controlling the paper may not agree with the story or may slap a headline over it not always supported by the text. The press is the "fourth estate." The press enjoys a poetic license, and it should. It works under difficulties.

Do not forget that the press is entitled to mangle grammar and to misapply syntax. I see one of the distinguished leaders of the "fourth estate", the Senator from Michigan [Mr. VANDENBERG], listening to me and I am proud to have him here. The members of the "fourth estate" are the only persons who are authorized to use the first person plural for the first person singular; in other words, only newspapermen and men with tapeworms are allowed to say "we" instead of "I."

It is not well to be too touchy and thin-skinned about newspaper reports. We are lending altogether too much importance to what might have appeared in the headlines regarding the absent Senator, Mr. POPE. If we are to hold one another accountable or are to be held accountable for what Senators say, then, indeed, our entire time will be taken up in explaining what we say.

Mr. President, I have had a long political career; I have been in office since I was 18 years of age, and I give this word of advice: Never make an explanation. Let your actions speak. Never explain. If you do, the next day you will be explaining your explanation. [Laughter.]

* * * * * * *

The press has a habit, like politicians, of doing what it pleases. The press is as anxious to have the favorable opinion of politicians as we politicians are to have the favorable opinion of the press; and while the press does not require or wish any defense from me, I must say that I marvel at its accuracy, considering the haste under which they must operate and the necessary and unavoidable uncertainty of public men. Our profession, being that of politics, makes it at particular times necessary that we change our opinions and for good reasons reverse our judgments. In view of all these unavoidable elements, I do not think we ought to complain when the press overplays or underplays an incident, unfortunate though it may have been, regarding a Senator.

LIST OF BILLS AND RESOLUTIONS INTRODUCED BY SENATOR HENRY F. ASHURST, OF ARIZONA, THAT BECAME LAWS IN THE SEVENTY-THIRD AND SEVENTY-FOURTH CONGRESSES, RESPECTIVELY

BILLS INTRODUCED BY SENATOR ASHURST THAT BECAME LAWS IN THE SEVENTY-THIRD CONGRESS

S. 157, to amend the act of March 4, 1915, relative to desert-land entry.
Approved February 14, 1934. Public Law No. 89.

S. 2377, for the relief of A. E. Sholley.
Approved June 11, 1934. Private Law No. 227.

S. 2379, to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona.
Approved May 21, 1934. Public Law No. 239.

S. 1582, providing that no indictment shall be insufficient because of formal defects or because of presence of clerks or stenographers.
Approved May 18, 1933. Public Law No. 16.

S. 2080, to provide punishment for killing or assaulting Federal officers.
Approved May 18, 1934. Public Law No. 230.

S. 2460, to limit the operation of the statutes of limitations in certain criminal cases.
Approved May 10, 1934. Public Law No. 217.

S. 2461, to amend the act giving the Supreme Court authority to prescribe rules with respect to proceedings in criminal cases after verdict.
Approved March 8, 1934. Public Law No. 117.

S. 2575, to punish smuggling contraband articles into penal institutions, inciting riots therein, etc.
Approved May 18, 1934. Public Law No. 234.

S. 2841, to punish certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System.
Approved May 18, 1934. Public Law No. 235.

S. 2845, to extend the provisions of the National Motor Vehicle Theft Act to other stolen property.
Approved May 22, 1934. Public Law No. 246.

S. 3040, giving Supreme Court authority to make and publish rules in civil actions at law.
Approved June 19, 1934. Public Law No. 415.

S. 3209, permitting employment of certain counsel in case of United States against Weirton Steel Co.
Approved April 14, 1934. Public Law No. 162.

S. 3436, permitting employment of certain counsel in cases of United States against Electro Metallurgical Co., New-Kanawha Power Co., and Union Carbide & Carbon Co.
Approved May 25, 1934. Public Law No. 253.

S. 3646, vesting courts with discretion relative to the forfeiture of vessels and aircraft seized for violations of law.
Approved June 19, 1934. Public Law No. 420.

BILLS AND RESOLUTIONS INTRODUCED BY SENATOR ASHURST THAT BECAME LAWS IN THE SEVENTY-FOURTH CONGRESS

S. 1572, to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended.
Approved April 24, 1935. Public Law No. 41.

S. 2904, to prohibit the interstate transportation of prison-made products in certain cases.
Approved July 24, 1935. Public Law No. 215.

S. 3059, to authorize the acquisition of land on McNeil Island.
Approved August 2, 1935. Public Law No. 226.

S. J. Res. 59, providing for the celebration on September 17, 1937, of the one hundred and fiftieth anniverary of the adoption of the Constitution of the United States of America by the Constitutional Convention; establishing a commission to be known as the Sesquicentennial Constitution Commission.

Approved August 23, 1935. Public Resolution No. 53.

S. 3058, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes.

Approved Augut 20, 1935. Public Law No. 289.

S. 3336, to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes.

Approved August 27, 1935. Public Law No. 347.

S. 3433, limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

Approved August 29, 1935. Public Law No. 394.

S. 2421, to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce kidnaped or otherwise unlawfully detained, and making such act a felony", as amended.

Approved January 24, 1936. Public Law No. 424.

S. 3120, to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners."

Approved January 27, 1936. Public Law No. 379.

S. 3328, to provide an official seal for the United States Veterans' Administration, and for other purposes.

Approved January 27, 1936. Public Law No. 430.

S. 2603, to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding $500 in any one case.

Approved March 20, 1936. Public Law No. 481.

S. 1379, to amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone.

Approved May 13, 1936. Public Law No. 578.

S. Con. Res. 28 and S. Con. Res. 35, to print additional copies of the revised annotated Constitution, and further to revise same.

Approved May 14, 1936.

S. 4594, to supplement the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. and others.

Approved May 22, 1936. Public Law No. 610.

S. 3841, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Approved June 26, 1936. Public Law No. 818.

S. 2897, for the relief of Lt. Robert A. J. English, United States Navy.

Approved February 11, 1936. Private Law No. 381.

Arizona State Memorial Stone

Extract from proceedings held in the Washington Monument, Washington, D. C., at the dedication of a memorial stone placed in the Monument by the State of Arizona, April 15, 1924

Address of Hon. Henry F. Ashurst

(As Senator Ashurst was called away from the city on account of the death of his mother, his address was read by Mr. John C. Crockett, reading clerk of the United States Senate.)

This monument of dignity, beauty, and simplicity, erected as a symbol of the veneration in which America holds the immortal name of George Washington, is the embodiment of the struggles and aspirations of our race. No matter what robes of glory may be woven for our Nation in the days that are to come, the future cannot give a blessing richer or more ample than the liberty which Washington's valor and wisdom bequeathed to us.

Within the past decade science has given us steeds with lungs of steel and wings of silk, and with them we have made the highways of the eagle the highways of our commerce, but science can never give to us anything more valuable than our American system of government.

Neither iron quill, neither music's myriad voices, nor eloquent lips ardent with truth and opulent with images of splendor can give adequate utterance to the pageantry of the memories and the hopes that rise before us when we reflect upon what this monument signifies.

Liberty is like unto a coral island, built from the deeps; built by the dying of the builders, until finally its truths greet the surface and the sun. Millions of men have suffered and died in order that freedom, typified by this monument, might live.

The stone set by Arizona into this monument is chalcedony—petrified wood—that which St. John the Divine, in describing the foundations of the walls of the city, called a "precious stone", and this stone dedicated today is a section of tree which lived its green millennium millions of years ago. It is the section of a tree whose structure has resisted the gnawing tooth of time and whose beauty has not been corrupted by the moths of eternity—so may it be with the American Government.

Fourth and Fifth Amendments to the Federal Constitution

In the Senate, March 18, 1936

Mr. Ashurst. Mr. President, in our Constitution there is probably no feature around which clusters more romance or the memorials of which give us more fascinating glimpses of bygone days than the fourth and fifth amendments. In all our jurisprudence there is no other principle that has been more definitely put into position or more joyously accepted by Americans than the principle of the fourth and fifth amendments. They are intimately related; each lends strength to the other and, notwithstanding their apparent nonchalance, they sustain and protect the very essence of constitutional liberty and security. They guarantee repose and the privacies of life.

These noble amendments are as follows:

"Article IV

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

"Article V

"No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation."

A gentleman calling upon me once asked, "Did you ever read Lord Coke's famous maxim in Semayne's case?" to wit, "The house of everyone is to him as his castle and fortress, as well for his defense against injury and violence as for his repose." I said, "I am familiar with Coke, but that was law 1,000 years before my Lord Coke adorned the bench."

Before the English conquest of Britain the English people lived in a country now called Schleswig, a district in the heart of the peninsula that separates the Baltic from the northern seas.

The dwellers in this particular locality were an outlying fragment of what was called the Engle or English folk, the bulk of whom probably dwelt in what was later called Lower Hanover and Eastphalia and Westphalia. These Engles in the heart of this peninsula set up their forms of government; they met in the forests, and with their loud and gutteral yeas and nays, and sometimes by clashing their spears against their shields as a substitute for a viva voce vote, they adopted their laws.

One of the principles they set into positive law and adopted before Hengist and Horsa, two of their warrior leaders, landed in Britain in A. D. 449 was the provision that "a man's house was his castle" and that therein he was and ought to be secure and free from unreasonable searches and seizures. So we perceive that when the Engles migrated to Britain they took with them those English fundamentals of the liberty of the citizen or subject, and they planted them deep and strong in the island of Britain.

English history may, therefore, with some degree of accuracy be said to have begun with the landing of this war band, led by Hengist and Horsa; at least this event marks the close of Roman influence in the island of Britain and the commencement of that of the Saxons, and from the very inception of Saxon or Angle influence the domicile was secured against searches and seizures.

The years glided into the centuries, and this civil polity guaranteeing personal freedom from the encroachments of tyranny was observed by most English monarchs until King John so outraged and violated the laws of his country that there occurred his quarrel with his barons. This quarrel led to one of the most famous of all conferences in the annals of English liberty, but it was really a diplomatic face saving for King John, a mere cloak to cover John's unconditional submission.

An island in the Thames River between Staines and Windsor was selected as the place of conference. The King camped on one bank whilst the barons occupied a marsh or meadow on the opposite bank called Running Mede or "Runnymede", which at various times theretofore had been a place for national assemblies. Their respective delegates met on this island, and on June 15, 1215, the Great Charter (Magna Carta) was written, adopted, engrossed, and signed.

The Great Charter in and of itself did not establish many new constitutional principles, but did distinctly mark the transition from the epoch of traditional rights, observed in the nation's memory, to the age of muniments of liberty, of written legislation, of parliaments, and statutes which were soon to come. The great reforms of past reigns were thus recognized; for example, the court of common pleas was no longer to follow the King in his meanderings over the realm, but was to sit in a fixed place.

But, say the pundits, Magna Carta says nothing about freedom from unreasonable searches and seizures. Let us examine this statement and see how much thereof is accurate.

The original and individual articles of Magna Carta, as they were prepared and offered seriatim, were written in Latin; but when the entire Carta was adopted and engrossed and was ready for the King's signature, it was written in Norman-French, and we must read it in the light of what its words meant 721 years ago.

I read paragraph 24 of Magna Carta:

"No sheriff, constable, coroner, or other our bailiffs shall hold 'pleas of the Crown'."

We must view that language in the light of what it then meant. At that time sheriffs, coroners, constables, bailiffs, and King's minions, in the guise of "holding court", had been in the habit of going to the thatched cottage of the peasant and to the castle of the baron as well, to invade that cottage or castle; and these officers and minions would command that the householder open the strong box, the larder, or the pantry; they would pry open the chest in which he kept his relics, his heirlooms, his private papers, and his title deeds and muniments showing his right to occupy the premises; the penalties which these officers, sheriffs, bailiffs, and King's minions inflicted were degrading and painful and were contrary to law.

By section 24 of Magna Carta sheriffs, constables, coroners, and other bailiffs were not allowed to "hold court."

Some years after the granting of the Great Charter a doubt arose as to the precise meaning of some of its sections although it was pointed out by the lawyers of that day that the guaranties in Magna Carta were sufficient to secure the liberty of freemen; nevertheless, in the reign of Edward I, in 1297, the Confirmatio Chartarum was promulgated.

The Great Charter signed in 1215 and the Confirmatio Chartarum which was signed in 1297 must be read together; the one dealt particularly with the citizen's personal liberty and the other dealt especially with his property rights. No man since that time has succeeded in the English-speaking world, or wherever it has been pretended there was a government of law instead of a government of men, in questioning the rights of freemen as set out in these two documents.

The leading English case on searches and seizures is that of Entick against Carrington and Three Other King's Messengers, reported at length in Howell's State Trials. In this case officers of the law had broken in and seized books and papers belonging to the plaintiff under color of a warrant issued by the Secretary of State. Action was brought for trespass against the officers making the seizure. The defendants attempted to justify under the warrant. It was conceded that such warrants had been issued for many years and executed without question. The case was argued before a full bench, and Lord Camden, at the Michaelmas term in 1765, delivered the decision, holding that such a seizure could not be justified except by a warrant issued by a court upon proper proof, and that even on a warrant issued by the secretary of state it was utterly in violation of the English common law.

This was, therefore, the law of England when our Federal Convention met in 1787 to form the Constitution of the United States.

It was understood by all the Colonies to be the law.

The makers of our Federal Constitution and the framers of the first 10 amendments were never tired of quoting the immortal words of the elder Pitt, used in his speech on The Excise:

"The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter; the rain may enter—but the King of England cannot enter. All his forces dare not cross the threshold of the ruined tenement."

When the ratification of the Federal Constitution was pending before the Virginia Convention, called to pass upon that momentous question, Virginia was a pivotal State—a diamond pivot—on which mighty events turned. Patrick Henry, whom Lord Byron said was "the forest-born Demosthenes who shook the Phillip of the seas", was a delegate to the Virginia Convention; and although the proposed Federal Constitution had come forth with the sanction of the revered name of General Washington and therefore justly carried with it the vast prestige which the name of Washington could not fail to attach to any proposition, Patrick Henry did not approve the Constitution and, to use his own expression, he was "most awfully alarmed", as he considered the document to be threatening to the liberties of his country—amongst other reasons because it lacked a bill of rights—and Mr. Henry challenged the view of Mr. James Madison, he of the superb intellect; Mr. Henry challenged the Wythes, the Pendletons, and the Innesses, and that splendid galaxy of scholars and statesmen who enriched the annals not only of Virginia but all America; and he demanded to know why a Bill of Rights, guaranteeing the privileges and immunities of the citizen, had been omitted from the Federal Constitution. The Virginia State convention, after a prolonged debate, was able to ratify the Federal Constitution by a majority of only 10 votes, so ably did Patrick Henry argue against it because it did not contain the Bill of Rights which English liberty had affirmed for centuries.

James Madison pledged his word that at the earliest opportunity he would use his energy toward placing into the Federal Constitution the requisite amendments guaranteeing the citizens' rights, privileges, and immunities, and as soon as the Virginia convention had finished the work of ratification it adopted resolutions expressing its desire for the Bill of Rights, demanded by Patrick Henry. These resolutions were forwarded to the governors of the various States, and as far as men could be bound in faith and honor, as far as men could be bound in statesmanship and in politics, the amendments guaranteeing the citizen's individual rights and his liberties were by common consent agreed to, and it was generally understood that these amendments would be proposed to the States by the First Congress.

The first bill to be considered by the First Congress under the Constitution was quite naturally a bill to raise revenue to pay the expenses of the Government; but on July 21, 1789, James Madison, who was a Member of the House, arose and asked the House "to indulge him in further consideration of amendments to the Constitution", and he pointed out that the faith and honor of Congress were pledged; that the faith and honor of public men everywhere were pledged to amendments securing to the citizens such guaranties as were comprehended within the first 10 amendments.

The Bill of Rights amendments were then proposed to the States, including of course the fourth and fifth, and were ratified within 2 years and 15 days. Thereafter, as far as Americans are concerned, as far as the Constitution itself is concerned, they were and are a part and parcel of the original Constitution, as much so as if they were signed on the 17th of September 1787, when the main instrument itself was signed.

In the case of *Boyd* v. *The United States* (116 U. S. 616), the opinion of Mr. Justice Bradley reviewed Lord Camden's opinion and gave a history of the fourth and fifth amendments.

I read from the syllabus:

"It does not require actual entry upon premises and search for and seizure of papers to constitute an unreasonable search and seizure within the meaning of the fourth amendment; a compulsory production of a party's private books and papers to be used later against himself or his property in a criminal or penal proceeding or for forfeiture is within the spirit and meaning of the amendment.

"It is equivalent to a compulsory production of papers to make nonproduction of them a confession of the allegations which it is pretended they will prove."

I call attention to the case of *Gouled* v. *United States* (255 U. S. 298–307). In that case a man was suspected of acts which concerned his loyalty. In such circumstances the temptation to obtain evidence by any means was great. Likewise the temptation to a court to sustain the legality of the seizure was great. Officers of the United States Army succeeded in placing a man in the defendant's establishment who purloined certain of his papers.

The Court states:

"It was objected on the trial, and is here insisted upon, that it was error to admit these papers in evidence, because possession of them was obtained by violating the rights secured to the defendant by the fourth and fifth amendments to the Constitution of the United States. The fourth amendment reads:

"'The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrant shall issue but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and persons or things to be seized.'

"The part of the fifth amendment here involved reads:

"'No person * * * shall be compelled in any criminal case to be a witness against himself.'"

The court comments:

"It would not be possible to add to the emphasis with which the framers of our Constitution and this court in *Boyd* v. *United States* (116 U. S.), *The Silver Thorn Lumber Co.* v. *United States* (251 U. S.), *Weeks* v. *United States* (and various other cases cited) have declared the importance to political liberty and to the welfare of our country of the due observance of the rights guaranteed under the Constitution by these two amendments.

"The effect of the decision cited is: That such rights are declared to be indispensable to the 'full enjoyment of personal security, personal liberty, and private property'; that they are to be regarded as of the very essence of constitutional liberty; and that the guaranty of them is as important and as imperative as are the guaranties of the other fundamental rights of the individual citizen—the right to trial by jury, to the writ of habeas corpus, and to due process of law. It has been repeatedly decided that these amendments should receive a liberal construction so as to prevent stealthy encroachments upon or 'gradual depreciation' of the rights secured by them, by imperceptible practice of courts, or by well-intentioned but mistakenly overzealous executive officers."

I conclude this address by remarking that one of the choicest fruits of our American civilization is its unlimited valuation of individual liberty and its respect for the natural immunities that accompany free men.

The plan, purpose, and object of the fourth and fifth amendments (indeed, of the first 10 amendments comprising our Bill of Rights) is that they preserve the liberty of the citizen against the assaults of opportunism, and the expediencies to which men resort in an hour of impatience.

Sheltered and defended by the radiant standards of the fourth and fifth amendments, American liberty becomes visible and vocal, audible and actual.

Congress Has No Judicial Power Except as to Impeachments

In the Senate, February 25, 1936

Mr. Ashurst. Mr. President, a number of persons, respectable in character, have complained against the exercise of the power of the Federal courts to declare acts passed by Congress unconstitutional. Some of the complainants take the position that since we derived our legal procedure from England and that inasmuch as the English courts did not exercise the power to declare an act of Parliament void, it was, therefore, unprecedented and unauthorized for Federal courts in the United States to explore an act of Congress with a view of ascertaining if such act was within the power of the National Legislature.

It will be remembered that the colonial governments in America were grants from the King and were connected with England through the medium of the Crown and not through Parliament. The colonial charters were in fact constitutions, and the words

"our constitution" in the Declaration of Independence have particular reference to the colonial charters or grants. These charters differed somewhat as to the powers granted or denied, but they all appear to have contained the provision that local legislation enacted by the Colonies should not be contrary to the laws of England; hence the colonial laws were frequently tested by the charter or by the law of England, and many acts of colonial assemblages were annulled because they did not stand the test as to whether they were in accord with the Constitution; that is to say, with the colonial charter—the grant. Thus the American colonists became familiar with that system and practice.

I now quote from an article written by the Senator from Idaho [Mr. BORAH], whose learning as a lawyer is well known and whose industriousness in research is daily manifest, which article was printed in the CONGRESSIONAL RECORD on January 6, 1936, as follows:

"Years before John Marshall was born it was a settled doctrine in the Colonies that any legislative act of a colonial legislature must be held void if in conflict with the charter or fundamental law of the Colony. It was a doctrine which grew up with our constitutional history. It was a doctrine which grew up with American law. Over 500 acts of colonial legislatures were held void under this principle."

I choose also to refer to the able address delivered before the Bar Association of the city of Charleston, W. Va., on January 25, 1936, by the Honorable John H. Hatcher, president of the Supreme Court of Appeals, State of West Virginia.

Moreover, I would direct attention to the address of the erudite junior Senator from Texas [Mr. CONNALLY] before the Virginia State Bar Association August 9, 1935, wherein he demonstrates that under the Constitution it is the duty of the courts to declare whether or not an act passed by Congress meets the test of the Constitution.

In tyrannical governments the supreme magistracy, or the making, construing, and enforcing the law, is vested in one and the same man or one and the same body of men.

In a government where one and the same magistracy makes, construes, and enforces the laws, whether such magistracy be lodged in one man or in a body of men, there can be no public liberty.

It is true that English courts at the time of the formation of our Federal Constitution recognized the absolute supremacy of acts of Parliament. Such recognition, however, did not flow from any suggestion of legislative immunity from review but flowed from the fact that Parliament acted in a double capacity—that is to say, as legislature and as court. Parliament possessed legislative and judicial power. Parliament was a court, the old curia regis or aula regis—a court established in England by William the Conqueror in his own hall—long before Parliament possessed the legislative power. In other words, when our Government was formed there were reposing in Parliament both legislative and judicial power; hence, an act of Parliament was both supremely legislative and supremely judicial.

In this connection it must be remembered that when our Federal Constitution was formed much care was taken to see to it that the three powers of government—to wit, the judicial, the executive, and the legislative—should be lodged in different magistracies—different officials—and that these powers should not be permitted to repose in or to be exercised by one and the same magistracy.

The Constitution of the United States (art. II, sec. 1) says:

"The executive power shall be vested in a President of the United States of America"—

And (art. III, sec. 1) that—

"The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts"—

And so forth. Bear in mind that the executive power shall be vested in a President and the judicial power shall be vested in one Supreme Court, and so forth, but the Constitution did not vest in the Congress all legislative power, but only such powers as were granted and enumerated. The Constitution says that all legislative powers herein granted shall be vested in a Congress (art. I, sec. 1).

Observe the scrupulous phrasing wherein executive power is granted to the President, judicial power to the Court, but that only such legislative power as is granted, is lodged with the Congress; and this was done because the makers of the Constitution desired it to be crystal clear that the Federal Legislature was to be of limited power and that certain rights and powers of the States were not granted to the Federal Government but were reserved to the States. The States possess all the rights and powers not denied to them by the Federal Constitution, whereas Congress possesses only such power as was granted to it by the Federal Constitution.

Parliament was not a body of men with delegated, limited authority. It was a body of men supremely legislative and supremely judicial. The Congress of the United States is a body of men with delegated, limited authority, with no judicial power except as to impeachments and the qualifications of its own Members, and it is not even supremely legislative, as the States possess the powers that were not granted to the Congress. The belief that Congress possesses absolute and unlimited power is a devastating error into which many well-meaning persons have fallen.

The Constitution makers would have recoiled from the suggestion of granting to Congress the judicial power, and they would have recoiled with repugnance and alarm from the suggestion of granting to the judiciary the legislative power.

Some of the ablest lawyers, not only of our time but in bygone days, complained with not a little reason against judge-made law. The United States courts are and ought to be independent of the Army, independent of the Navy, independent of the Treasury, independent of patronage, independent of popularity, and must be content to remain so. Legislative power is the power to make laws. Judicial power is the power to declare laws. Executive power is the power to enforce laws.

The power to declare the law, of course, comprises the duty to determine what is the law and what is not the law. Article VI of the Constitution, among other things, says:

"This Constitution, and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land * * *."

An act not made in pursuance of the Constitution is, of course, not a law. The judicial power may not make laws, but must declare, when its jurisdiction is invoked, whether an act of Congress is in pursuance of the Constitution; and if not made in pursuance of the Constitution, it is not a law.

A judicial review of acts of Congress is not an offshoot of English law, but is an American development arising from colonial practice out of a wholesome effort to keep separate the legislative power and the judicial power. It would be baleful to public liberty in our country for the legislative and the judicial power to be centered in one and the same magistracy. Our genius of government is built upon the separation of the legislative, the executive, and the judicial power; and I doubt if, upon serious second thought, any enlightened friend to civil liberty will argue that these three powers should be centered in one and the same magistracy.

The legislative powers granted to Congress are enumerated and limited, and such limitation was not by chance, was not fortuitous, was not accidental, but was deliberate. Instead of seeking to acquire the judicial power, we in Congress would more truly serve our country by confining our operations to our legislative power.

It is true that our powers as Members of Congress are limited; but, nevertheless, if properly exercised, they are of sufficient amplitude and grandeur to give scope and opportunity to the most zealous champions of true progress and needful reforms, the most redoubtable defenders of liberty, the most eloquent tribunes of popular government, and to soothe and assuage the most fevered ambition.

There have been insinuations, unjustly indulged in, of course, that whilst seeking judicial power we have at the same time been abdicating some of our legislative powers. We would better first prove that we are faithful guardians of the power we now possess before we begin to try to acquire the judicial power.

In conclusion, Mr. President, if in this address I have been able to rectify any of the errors which either myself or others may have imbibed on this subject, my labors will not have been in vain.

ARTICLE BY CHARLES BROOKS SMITH IN WHEELING (W. VA.) INTELLIGENCER

In the Senate, Wednesday, April 25, 1934

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Wheeling (W. Va.) Intelligencer on the subject of Senator HENRY F. ASHURST, of Arizona.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wheeling (W. Va.) Intelligencer]

"The press-gallery viewpoint is that veteran Senator HENRY F. ASHURST (D.), of Arizona, is colorful copy. There are two kinds of colorful copy. ASHURST's kind is good taste.

"Poor Sadie Thompson's affectionate salutation to her sailor rescuer and lover (and didn't it rain!) fits ASHURST—'tall and handsome.' He's consummate courtesy in debate; a graceful gesticulator. He is master of a gentle sarcasm, which never scratches skin, and the exponent of a decent humor which sparkles like a flawless white diamond.

"Which goes to prove that you can make a statesman out of an old-time cowboy; rather he can make himself that if he wants to give up cows for college, has the will and the stuff in him to rise.

"The refreshing thing in him is that he does and says things differently. He can be, and inherently is—original; he's no stereotype, no copycat—which is enough in itself to set him apart as 'not like they.' And he can be like this—be himself—within the scope of propriety.

"This strikes us as rare and unusual. We don't know why—we can't make ourselves clear about it—but somehow it does.

"An incident of the Senate proceedings yesterday, typical of the subject of our sketch, gives a key to an understanding of him. It illuminates our struggling picturization of the Arizonian like a klieg light. We quote him:

" 'Mr. President, I fondly believed, for some years, that I was sterilized and vaccinated against the vicious habit of reading letters into the RECORD, but it now appears that the habit has recurred.

" 'My most constant and most savage critic is a leading Democratic daily newspaper in Arizona, to wit, the Arizona Daily Star. I have received a letter from the editor of that journal; and his arguments in opposing my views on certain public questions are so well stated that I telegraphed to him, securing his permission to have the letter read into the RECORD.

"'I now read my telegram to the editor:

"'"APRIL 15, 1934.

"'"Mr. W. R. MATHEWS,
"'"*Editor and Publisher, the Arizona Daily Star,*
"'"*Tucson, Ariz.:*

"'"Your letter of April 10 received. You are one of Arizona's leading journalists, and your letter ably argues for your views on seven subjects of legislation now before Congress. Inasmuch as I am at variance with you and do not agree with your conclusions therein expressed, except that I do concur with your opinion that the President should be granted the power to negotiate the reciprocal treaties, I hereby request permission to print your letter in the CONGRESSIONAL RECORD. Please do not be thin-skinned, but imitate me, as I am pachydermatous. If you grant me such permission, I shall, of course, print your letter without any deletion. Please write me. Kind regards.

"'"ASHURST."'

"Request granted, the editor's letter was sent up to the desk, read to the Senate by the Chief Clerk. And a strong constructive criticism of Senator ASHURST's position on seven legislative propositions it was. The Senator delivered no speech in reply.

"And wasn't that a decent, fair, just, and honorable thing to do? If it was ever done before during our two decades' observation here, we missed it.

"Nothing more need be said to explain ASHURST to you. He explains himself fully and clearly by doing unexpected, unconventional but admirable deeds like this one."

Every time Senator HENRY F. ASHURST comes home he has so many requests for a copy of that portion of the speech he delivered here 10 years ago, describing the old Palace Saloon, that he has handed the paragraph to the Courier.

EXTRACT FROM AFTER-DINNER SPEECH BY SENATOR ASHURST ON FRIDAY EVENING, OCTOBER 1, 1926, AT A BANQUET TENDERED TO HIM AT PRESCOTT, ARIZ., BY EX-SERVICE MEN

"I lunched today, here in Prescott, at the Palace Restaurant, which in bygone days, 20 years ago, was the Palace Saloon, then operated by three expert sports, Messrs. Bob Brow, Ben Belcher, and Barney Smith. At that time, at a long mahogany bar defended by a footrail of shining brass, bartenders clad in snowy linen, graceful as Sir Roger de Coverly, served ale, porter, gin, rum, brandy, lager beer, and old whiskies.

"In the cafe in the rear of the saloon were then served Lucullan viands. There Bacchus reigned, and champagnes of choicest flowers, which painted landscapes even in sterile brains, went roaring down thirsty throats. There Venus smiled and fleet-footed Mercury was often dazzled by the bales of crisp currency and the clink of golden coin at the gambling tables. The whirr of the roulette ball, the thud of the dice at the crap games which were as clods falling upon the coffin lid of fortune, and the rattle of ivory poker chips were then to be heard above the dulcet notes of the wingless angels who warbled all night long in that house of joy and tears.

"The back bar then gleamed like a ledge of jewels as its cut glass and silver and ebony were reflected by huge mirrors. There lawyer, tourist, 'tenderfoot', merchant prince, public official, sportsman, savant, hard-rock miner, cowboy, and remittance man mingled on equal terms. In that house remorse sometimes fastened its fangs into men's souls or fed itself upon the husks of their blighted hopes; there earnings were squandered—diced away in a night—there some noble resolves were broken by those persons who entered into the domain of vice through the beautiful gate of temptation. Like enchanted fruit in the dwelling of a sorcerer, the objects of admiration lost their attraction and value as soon as grasped and all that remained was regret for the time lost in their pursuit.

"The tear of sympathy welled quickly to the gambler's rayless eyes and the hands of the proprietors of the palace were horns of plenty, for not only were their hearts warm and their impulses generous, but the fixed principle of their code was that 'jinx' and 'hoodoo' kept away from him who never turned deaf ear to needy persons.

"Now the great hall is tenantless save for the wraiths of frequenters of long ago. Spiders have festooned the back bar with cobwebs; dust now begrimes the tables where once the bets were laid.

"The gambler of that day has 'cashed in' all his chips and has entered that vast realm where aces, kings, and queens alike are counted as deuces. The battalions of Bacchus are shattered, the singers are silent—their songs perished 20 years ago and the restaurant is now conducted by a Chinaman named Dong."

[From the Washington Times]

THE HUMAN SIDE OF THE NEWS

(By Edwin C. Hill)

CONGRESSIONAL ORATORY

There are a lot of studious, well-behaved young newcomers this second session of the Seventy-fourth Congress. They work harder and talk less than many of the old-timers, and that is, of course, as it should be. But connoisseurs of old-style congressional oratory will find things pretty dull in the Senate and House compared to what they used to be.

The rip-roaring orators are passing. There is a whole lot less fireworks around Washington than in the old days. One of the best of this traditional American school is still on the job. He is Senator HENRY FOUNTAIN ASHURST, of Arizona, most melodious and courtly of Senators, and the most Chesterfieldian, too, as Victorian as Spencerian penmanship in these days of the decline of manners.

I wish he and Senator JAMES HAMILTON LEWIS, of Illinois, would get out the CONGRESSIONAL RECORD, rehearse a day or two, and put on again that Shakespearian word tourney of theirs which came off in the opening session of this Congress. Senator LEWIS, as the world knows, is also of that passing school of fastidious dress and ornate manners. Their eloquent encounter had to do with the construction of a certain line of Shakespeare.

Profoundly informed were the two Senators as they engaged in eloquent tierce and riposte in their two-octave range of throbbing oratory in which each was trying in his own way to square the Bard of Avon with the fate of the Republic.

Senator ASHURST was born in Nevada to the piping of the silver-tongued Winnemucca coyote in the days when his family was crossing the desert from California into Arizona. He was a cowboy in his youth. He still knows endless verses, such as Little Dan, the Wrangler, and the Chisholm Trail.

He was, of course, a deputy sheriff, later a bookkeeper and a State assemblyman. He has been in the Senate since 1912.

He learned his letters from branding irons, and the interesting thing is that he learned them better than many Congressmen with a score of years of fancy schooling behind them. His syntax is flawless, and he is ready and apt in drawing on his resources, built by years of wide reading in the law and the classics.

The Honorable W. P. Geary presented him to a campaign audience as follows:

"I am proud to introduce to you * * * the silver-tongued sunbeam of the painted desert."

As a Senator, Mr. ASHURST made good as advertised. He was all that and more. The CONGRESSIONAL RECORD is fairly gem-studded with his eloquent outgivings, such as this one about Arizona:

"The rich purple tones in the distant hills, the pearl gray touches, the deep, translucent azures in the arching heavens, make up myriad glints of lights and colors."

With his right forearm athwart his vest, Senator ASHURST drops easily into discourse about the "Barmecidal feast":

"An occult gem which glistens with 'Ophidian Eye', or announces that 'I do not rise to chant any jeremiads.'"

His is the longest and most imposing frock coat and the most sensitive and adjustable vocal chords in Congress. It doesn't matter what he is talking about, he'll sink it to a deep diapason, flute it up to a poignant skylark pitch, and invest it with a panoply of stately iambics.

The tall, impressive Senator wears a wide black ribbon on his eyeglasses with which he likes to gesture. He has a way of bowing deeply from the waist on the slightest provocation with that flowery but seemingly innate and instinctive courtesy which the old West used to nurture.

Don't get the mistaken idea that he's just a dulcet-toned word accordion. He is a chairman of the important and powerful Senate Judiciary Committee, and before this committee will come the various proposals by which Congressmen will seek to enlarge their authority against the recent devastating decisions of the Supreme Court.

He is deeply informed on the Constitution and constitutional law; and, while he is known as a man of liberal tendencies, there are no indications that he will aid in furthering extremist measures.

CHARLES A. LINDBERGH

In the Senate, January 6, 1936

Mr. ASHURST. Mr. President, Charles A. Lindbergh, who captured mankind's imagination when he crossed the Atlantic by riding alone the pathway of the stars, has lately been the subject of much discussion because, forsooth, as a discerning gentleman, after performing the duties cast upon him by a tragic occasion, he properly withdrew himself and his family from the house of his woe and sorrow until the conclusion of the case which affects himself and his family so poignantly.

Of course, no one except Colonel Lindbergh and his family knows the precise reason for his sojourn in England; but, in view of his well-known habit of observing the proprieties and amenities of life, it would not be a rash guess to say that he and Mrs. Lindbergh quite naturally preferred to be absent during the climax of the case.

It may be, indeed, that the Lindberghs are temporary refugees from the tyranny of curiosity. He and his family have been the victims of ruthless, reckless, and relentless espionage. If they wished to go shopping, attend a theater, a picture show, or go to a restaurant, they must needs disguise themselves or be pestered, annoyed, insulted, jostled, intimidated, and manhandled by cranks, potential gangsters, gaping sensation mongers, and other unrecorded, unidentified, and unauthorized individuals.

To some persons one of the truest joys that can come is to live serenely in obscurity the life of a private citizen; but, unfortunately, such a vast number of persons with a prurient, itching curiosity have been so constantly invading Colonel Lindbergh's right to privacy that he and his family for some months have been required practically to reside within a fortress.

This deplorable status of affairs may not be cured by any law or by any action that the Department of Justice may take. It can and will be remedied only and when those citizens who represent the good repute of our Nation, and who live courageously, shall themselves set an example of a refusal to violate the privacy of another citizen and an example of indignant resentment of any intrusion upon their own privacy.

Human beings differ in temperament, habits, and inclinations. A mode or plan of life agreeable to one person may be unpleasant to another. One man desires to be surrounded by gayety, laughter, and song; another prefers to keep company with invisible and inaudible things.

That a man should prefer his own silent and deploying thoughts to bubbling comrades does not indicate that he lacks urbanity or warm-heartedness; it simply indicates that he has chosen companions agreeable to himself.

BOULDER DAM BILL

In the Senate, May 29, 1928

Mr. ASHURST said in part as follows:

Mr. President, the region known as the Colorado River Basin, drained by the Colorado River and its tributaries, embraces over 242,000 square miles.

The following table shows an interesting comparison of areas:

COMPARATIVE TABLE

Gross area in Colorado River Basin

	Square miles
Wyoming furnishes to basin	19,000
Colorado furnishes to basin	39,000
Utah furnishes to basin	40,000
New Mexico furnishes to basin	23,000
Nevada furnishes to basin	12,000
California furnishes to basin	6,000
Arizona furnishes to basin	103,000
Total area of Colorado River Basin	242,000

This area compares with the gross area of—

Maine	33,040
New Hampshire	9,341
Vermont	9,564
Massachusets	8,266
Connecticut	4,965
Rhode Island	1,248
New York	49,204
New Jersey	8,224
Pennsylvania	45,126
Delaware	2,370
Maryland	12,327
South Carolina	30,989
West Virginia	24,170
Total	238,834

The Colorado River proper is formed by the junction of the Green and the Grand; the name of the Grand was by act of Congress approved the 25th day of July 1921, changed to the Colorado. Green River from its source to its junction with the Grand is 700 miles long. The Grand River from its source to its junction with the Green is about 450 miles long.

Green River heads near Fremont Park in the Wind River Mountains, Wyo., in a group of alpine lakes fed by perpetual snows. The source of the Grand is in Colorado. Like the Green, it is fed by small alpine lakes that receive their waters directly from snow banks. Including the Green, the Colorado River is about 1,700 miles long and empties into the Gulf of California in latitude 31°53′ and longitude 115°.

The Colorado River Basin—that is to say, the region traversed by the Colorado River and drained by its tributaries—is a land which embraces all the various diversities of topography and geology; it is a land of extreme variations in rainfall, in elevation, and in the character of the country. The northerly part of the basin is a land of cold winters, of deep snowfall, a region that stores up the snows of winter and pours them forth in the summer.

The middle section of the Colorado Basin is a territory of low rainfall, of high plateaus, and vast canyons. In no other place in the world are there such deep, marvelously colored, and beautiful gorges and canyons.

The southern portion of the basin is relatively low in elevation, with a scanty rainfall and of tremendous summer heat, 115° to 120° being not unusual temperatures over much of this southern area in the months of June, July, and August. The normal annual flow of the Colorado River is about 17,000,000 acre-feet, extreme years ranging from 9,000,000 to 25,000,000 acre-feet. Storage of water is therefore vitally essential, as irrigation is of tremendous importance to the proper development of the basin.

The Colorado River Basin contains mountains reaching to a height of 13,500 feet, belted at the base by forests of vivid green, and capped with gleaming snow; it contains playas and inland lakes below the level of the sea; it contains vast plateaus of rugged, black scoria; immense forests of pine, cedar, and pinion, and in these forests are hundreds of small parks, bowllike gems of exquisite scenery; it contains the largest area of recent volcanic action to be found on the continent, "recent" being employed in its geological sense.

In the southwestern portion of the basin there is a real desert where the raw and scorching sun comes down as a pitiless flail, where the sand reflects the heat and glare and distresses the eye of the traveler, and where little dew or moisture is deposited, but where a wind, hot as a furnace blast, sometimes blows from the south.

Before a railroad was built through it a journey over this desert was at times dangerous and always fraught with discomfort. Day after day nothing was to be seen but an expanse of hot sand, with now and then a cactus lifting its thorny arms into the brazen heat. The loneliness of the pioneer pilgrim there seemed to sever him from human things and to remove him an infinite distance from the world, with its interests and its occupations, but nature, in one of her capricious moods, also placed in this same basin the richest agricultural lands in the Western Hemisphere.

In some parts of this basin, which were populous before the pyramids were built, ancient peoples builded cities not wholly lacking in grandeur. These peoples of antiquity wove and spun cotton and flax into gaudy tapestries before Romulus and Remus were suckled. They melted gold and silver into chieftain's ornaments and queens' girdles before Caesar's legions brought tribute back to imperial Rome.

Centuries before the Knickerbocker set foot on Manhattan Island tribes of men now vanished irrigated the fertile sands of the lower basin of the Colorado River from canals and reservoirs finished with hard linings of tamped or burnt clay which in some degree possessed the endurance of our modern concrete. The origin of this people is enwrapped in the mists of antiquity. Nothing has been found of sufficient distinctiveness to enable us to do more than speculate and form ingenious theories as to whence they came, how long they enjoyed their tolerable civilization, and whither and why they went.

Within this basin and in Arizona is the petrified forest, whose trees lived their green millenniums and put on immortality in Triassic time, 7,000,000 years ago. The trees were of several kinds, most of them being related to the Norfolk Island pines. A small amount of iron oxide is distributed through the logs, which gives them their beautiful yellow, brown, and red tints.

Within the region traversed by the Colorado River and drained by its tributaries is the Painted Desert, in which at a distance you perceive the "sea of jasper" and the face of cliffs that gleam like jewels; you seem to descry fortifications with flags flying on their ramparts, and walled towers on conical hills amidst an admixture of light and shade.

Within this basin and in Arizona is the Grand Canyon, of wondrous colors, of bold escarpments, pyramids, swelling domes, mosques, minarets, and isolated mesas through which rolls and tumbles the Colorado River.

On the 5th day of January 1886, in the Forty-ninth Congress, the first bill to make the Grand Canyon a national park was introduced in the Senate by Benjamin Harrison, then a Senator from Indiana, and subsequently President of the United States. This bill failed to become a law, and the project was presented to the Congress from time to time.

In the Sixty-fifth Congress I introduced a bill to make the Grand Canyon a national park.

The bill passed both Houses of Congress and was approved by President Wilson on the 26th day of February 1919.

FUTURE OF THE COLORADO RIVER BASIN

What is to be the future of the Colorado River Basin, a country larger in area than the tract of land which Virginia, with princely liberality, ceded to the General Government in 1787, out of which five States were erected?

Of course, its forests will be utilized, its mineral wealth will be sought, its scenic beauties will be unfolded; but its greatest development, however, must come from its water resources, upon which the development of its other resources must largely depend. Without the water afforded by Colorado River and its tributaries, vast tracts of its land would remain unproductive and practically useless; but the hand that formed this land, cleft its mountains in twain, filled their caverns with precious metals, painted its landscapes in colors warranted never to fade, and that replenishes this river, left it feasible for man not only to construct large irrigation systems and to build towns, cities, and prosperous agricultural communities within this basin, but to generate hydroelectric power for lighting, heating, industrial uses, and the transportation of freight and passengers.

I know the generosity of Senators will pardon me if I now presume to solicit their attention while I make a reference personal to myself. My forebears were members of that bold advance guard of pioneers who 50 years or more ago explored the Colorado River Basin. From the time of my youth to the present day I have wielded ceaselessly what strength was mine, which was modest and small enough, to bring about the development of the potentialities of the Colorado River. If the voice of justice and truth and the accuracies of science instead of greed and partisanship were to control, there would ultimately be brought forth within the United States the inland empire of the Colorado River Basin, an empire wealthier than that which Pizarro added to the dominions of Charles V and more splendid and more durable than that of the Caesars.

In discussing the broader possibilities and problems of the Colorado River Basin there are hundreds, even thousands, of minor yet important possibilities of expansion that I necessarily must leave unmentioned, although these future minor auxiliary developments will have much local importance and in the aggregate true national significance. In general such minor or auxiliary projects do not preclude the large use of the river but must be undertaken as part of that larger use.

Irrigation has enriched the American people. Irrigation projects charm the imagination with their wizardry. Their power to transform barren deserts into grain and cotton fields, into orchards and vegetable and flower gardens, makes the lamp of Aladdin and the purse of Fortunatus seem tame and prosaic. The wildest hyperbole would not overestimate the strength, wealth, beauty, comfort, and public order that would be added to this Nation were all the potentialities of the Colorado River scientifi-

cally utilized with scrupulous regard for and observance of the legal rights of each State within the Colorado River Basin.

It is a thousand pities that this bill, so devastating to Arizona in its results, has failed to rise to the grand opportunity of the hour, but I do not despair; I realize that the active protagonists of this bill have fallen victims to that imponderable which inheres in those public men who surrender the good of the future to the expediency of the hour.

The alluring temptation to bring to existing constituents some temporary advantage; to placate those who can vote today; to achieve something immediate and tangible, which apparently is beneficial, although it be at the cost of sacrificing durable benefits and vital rights which could easily be preserved if justice instead of expediency were made the guide, has always been the Circean spell that has, down through the ages, distracted the mind, deflected the purpose, and weakened the fiber of statesmen.

REMARKS OF SENATOR ASHURST ON THE STEAMSHIP PRESIDENT GRANT ON SATURDAY, OCTOBER 26, 1935, PRESENTING TO VICE PRESIDENT GARNER A PAIR OF SOX TO BE WORN BY HIM WHEN HE HAS AN AUDIENCE WITH THE EMPEROR OF JAPAN

This is an enjoyable occasion. It is always a delight to me to air my views upon a subject of which I know nothing—and, as I know nothing of the Orient or its habits and culture, you have the right to expect from me an extended speech upon the Orient.

The custom of removing one's footwear upon certain occasions is so old that its beginnings are lost in the twilight of antiquity. We do know, however, that no matter with what particular tribe or for what peculiar reason such habit may have originated, all tribes of men have at some time honored and followed the custom.

Moses, keeping the flocks of his father-in-law, heard a great voice saying, "Put off thy shoes from off thy feet." The cowboy on the Southwestern Plains, when mortally injured in an encounter with another, asked his comrades to see to it that he did not "die with his boots on."

Mr. Vice President, you will soon comply with a beautiful custom and observe an ancient symbol by removing your shoes out of respect to a great ruler.

To aid you in the performance of your important duty, proper footwear has been provided for you by the Senators and Representatives of the congressional party to the inauguration of the Philippine Commonwealth.

These sox—I shall not descend to billingsgate and slang by calling them hose but shall adopt the more patrician nomenclature and call them sox—are made, both woof and warp, from Texas cotton, which grew amidst the horned toads of the Big Bend country.

"These sox sell for $2 a pair;
They never rip and they never tear;
If you put them in water, they'll never get wet,
And the longer you wear them the stronger they'll get."

Mr. Vice President, logical and inquiry mind that you possess, I am sure that all on shipboard know that the significance of "socking" you will not be lost upon you. Indeed, I have heard the Vice President called "Old Sox."

These sox are particolored. The scarlet in them is the red badge of the courage of your career; the purple stripe denotes that thread of royal good fellowship and frankness so manifest in yourself.

The yellow stripe in them seems out of place—somewhat macabre—as there is no yellow streak in your make-up. Indeed, I have reason to know your courage—courage to the point of temerity, for your kindly face is never flushed—even when you are confronted with a full house. You play a straight oftener than almost any other man I know.

When you return to your august post in Washington, should political or parliamentary shoes begin to pinch your feet, do not hesitate to remove the shoes, even in the Senate, provided you are wearing these sox. The Senate is firm for precedent; Senator Wilkinson Call, of Florida, wore sox as gorgeous as a Persian sunset, and often removed his shoes in the Senate. Jerry Simpson's fame would have rivaled that of the scholarly William Allen White, of Kansas, if Jerry had worn eloquent sox.

Oh! what slender threads turn the currents of this world.

[From the New York American of Feb. 25, 1937]

HENRY FOUNTAIN ASHURST, of Arizona, chairman of the Senate Judiciary Committee, is a great orator, but some of his colleagues insist his championship of the President's judiciary program is inconsistent with his past views.

Senator BAILEY, in debate, fetched up a newspaper article pointing out the same and bearing the happy caption, "Henry, Thou Art a Jewel."

CONFESSES ALL

To fellow Senators and galleries the Arizona statesman made humble confession:

"My faults are obvious. There can be no doubt I have my full share. I suffer from cacoethes loquendi, a mania or itch for talking, from vanity, and morbidity, and, as is obvious to everyone who knows me, an inborn, an inveterate flair for histrionics."

Having confessed, the one-time Arizona cowpuncher rallied to his own defense and said:

"But there never has been superadded to these vices of mine the withering, embalming vice of consistency. Whoever in his public service is handcuffed and shackled by the vice of consistency will be a man not free to act as various questions come before him from time to time; he will be a statesman locked in a prison house the keys to which are in the keeping of days and events that are dead. Let me quote Emerson: 'A foolish consistency is the hobgoblin of little minds, adored by little statesmen.'"

BLASTS "CARPENDI"

"I spoke of my vice, cacoethes loquendi. There is another vice called cacoethes carpendi, the mania to find fault, to carp against everything that somebody else proposes but never suggesting a remedy yourself. Such is cacoethes carpendi, a vice not wholly unknown in this Senate Chamber."

From his hecklers Henry drew cheers.

BY CAL TINNEY IN NEW YORK EVENING POST

Folks, if any of you are going to Washington between now and July and want to know what shows to see, don't miss the "ASHURST Revue."

This Capitol Hill offering, having for its theme the enlargement of the Supreme Court, and featuring stars of the professorial, the official, and everything but the tonsorial field, is decidedly the spring hit.

Big names in a talent way—names like Homer Cummings, BURTON WHEELER—have helped to pack in big crowds. HENRY FOUNTAIN ASHURST is the master of ceremonies; so, from top to bottom, the show is one stellar attraction.

I say "stellar", but the show could dispense with the guest artists and only retain the master of ceremonies and still have a dose of entertainment that would knock your eyes out.

This fellow ASHURST has talent and showmanship of a high order. Tall, sleek, and black-haired, attired in morning coat and pinpoint-striped trousers, he looks like something left over in Washington by a visiting Shakespearean stock company.

Though from Arizona, a State more noted for turning out two-gun men than orators, thespian ASHURST can intone his lines like a finished actor (and not quite as finished as some last year's actors are).

ASHURST works under his own name, though frequently he gets billing under such titles as "The War Eagle of the San Francisco Crags", "The Silver-Tongued Sunbeam of the Painted Desert", and "Lord Asbestos."

LORD ASBESTOS

The last-named billing was thought up by Senator BARKLEY, of Kentucky. Asked why ASHURST should be called Lord Asbestos, BARKLEY replied: "Because he gets hot but never burns."

The 62-year-old Arizona Senator shies from serious roles and prefers comic parts. Years before he interrupted one of the late Huey Long's filibusters to ask if the Louisiana Senator's popularity wasn't "about as great as that of a cuckoo clock in a boys' dormitory at 3 o'clock in the morning." It was known among fellow Mimesters that Lord Asbestos could dish it out and "take it" also.

In February they ribbed him for having switched overnight from being an opponent of the Supreme Court enlargement idea to being a proponent of same as soon as he knew the President was for it.

"Did you not", demanded Senator BAILEY, of North Carolina, of the senior Senator from Arizona, "say, after the Supreme Court's N. R. A. decision, that 'among the unjust criticisms leveled at the President was the charge that he intended to enlarge the Court'? Did you not say, 'A more ridiculous, absurd, and unjust criticism of a President was never made. No person whose opinion is respected has favored attempting such a reckless theory and policy'?"

An old Shakespearean trouper is never embarrassed in the face of embarrassing evidence; and even if Mr. ASHURST only looks to have been a former Shakespearean ham, he played his part well.

Said he when Senator BAILEY had asked the question above stated: "It is obvious from the lilt of it that what you quote are my utterances. But"—and he fixed the gaze of his senatorial audience as John Drew hypnotized the customers on the nights he used to play Hamlet—"the man who attempts to be consistent in his public service may end up consistent, indeed, but never accomplish anything else."

THEN HE REALLY GOT GOING

Launching into his subject, he said: "There can be no doubt that I have my full share of faults. I suffer from cacoethes loquendi—a mania or itch for talking—and from vanity, if you please, and morbidity, and, as is obvious to everyone who knows me, an inborn, an inveterate flair for histrionics. But there has never been superadded to these vices of mine the withering and embalming vice of consistency.

"Whoever in the public service is handcuffed and shackled by the vice of consistency will be a statesman locked in a prison house, the keys of which are in the keeping of days and events that are dead."

Obviously, Orator ASHURST was in "fine feather", and he built up to one crashing conclusion. It came as follows:

"I speak of my vice, a mania to talk. There is another vice of mankind called cacoethes carpendi—the mania to find fault, 'the mania of carping against everything that somebody else proposes, but never suggesting a remedy yourself.' Such is cacoethes carpendi, a vice not wholly unknown in this Chamber."

As you might have guessed from the foregoing, Mr. ASHURST never uses a monosyllable when a polysyllable will do.

His talents are not confined to speech making, however. An ex-cowboy, he still can chant the 89 stanzas of "The Chisholm Trail."

Prescott is where he has his home in Arizona, and in Washington he and his wife live in a house on K Street. Mrs. Ashurst is the former Elizabeth McEvoy Renoe.

Outside of wanting to buy Lower California from Mexico for annexation to Arizona, he is a run-of-the-mill Democrat. And he hasn't got in bad in Arizona for wanting to own the Mexican peninsula aforenamed. Arizonians, as a class, think it would be rather nice to have some coast line.

HIS PET HATE

The Senator's pet hate is "Who's Who in America", and every time they print his biography it is over his protest.

I wish I could go on about the Bard of Prescott. I haven't even told you where he was born, etc. Well, Winnemucca, Nev., is where that happened. His father was a cattleman.

At 18 young ASHURST got the job of turnkey at the Flagstaff County jail, later becoming a deputy sheriff.

He was admitted to the Arizona bar and the legislature, both on his twenty-first birthday; became District Attorney of Coconino County in 1904; pursued the private practice of law from 1909 to 1912, at which time the Arizona State Legislature unanimously elected him the Sunset State's first United States Senator.

So the talented HENRY FOUNTAIN ASHURST has been playing the Senate Chamber in Washington for the last 25 years. It's the longest theatrical engagement on record.

As long as words come to him (and they will) he is going to be a much-seen, much-beloved figure in the shows on Capitol hill.

In the Senate, Friday, December 23, 1932

Mr. ASHURST. Mr. President, I have received letters discussing prohibition, and I now read to the Senate a letter I have sent in reply to requests for information.

DECEMBER 21, 1932.

Yours received regarding prohibition.

At the election in 1914 the people of Arizona voted dry. I had promised them that as their Senator I would regard their vote at the polls to be an instruction as to how I should vote in the Senate on prohibition, because I was to be their servant, and their vote would constitute a mandate to me.

In 1928, when the prohibition question was again prominent, I state that I had always regarded the referendum votes of the people of Arizona as an instruction to me to vote dry and that I would continue to carry out the will of the people as expressed by their referendum votes and would vote dry until they changed their instructions at the polls.

In 1932 Arizona voted wet. I regard that vote as a mandate to me to vote to submit the eighteenth amendment for repeal. I have made it a rule of my public life to keep to my word with the people. If I refused to keep my pledge to carry out the will of the people of Arizona as expressed at the polls, I would be an unfaithful servant and unworthy of a seat in the Senate. This vote involves a great principle of the American Government, and I cannot and should not override or ignore that principle.

Until the people of Arizona shall change their instructions by another referendum, I am in honor compelled to vote to submit to the States the repeal of the eighteenth amendment and to vote for such liberalization of the Volstead Act as is permissible under the Constitution as it now stands.

Respectfully yours,

HENRY F. ASHURST.

On November 15, 1932, I gave to the press the following statement:

"Honesty and good faith require that platform pledges be kept. The Democrats would make themselves 'embezzlers of power' if they refused to live up to their own political-platform promises.

"The Democratic national platform specifically favors a repeal of the eighteenth amendment and also includes a demand that complete supervision and control of the manufacture and sale of intoxicating liquors be restored to the States. As a Democratic Senator it is, therefore, my duty to vote for a joint resolution proposing a constitutional amendment to be submitted to representative conventions in the States for the repeal of the eighteenth amendment.

"As a Senator from Arizona I have always considered and still consider the constitution of the State of Arizona to be the best indication of the will of the people respecting how I should vote on modification or retention of the national prohibition laws. The people of Arizona at the recent election having changed their organic law and having repealed State prohibition, my plain duty requires that I vote to carry out their mandate on this subject.

"HENRY F. ASHURST."

[From the Washington News of July 3, 1937]

Ordinarily a filibuster is a pretty nasty affair. And this one has all the makings of a bad-tempered, name-calling row.

But there is one cheering thought that brightens the dark picture. It is that HENRY FOUNTAIN ASHURST, as chairman of the Judiciary Committee, has nominal charge of the legislation. And certainly he is one who measures up to Kipling's standard—one who can keep his head though all about him are losing theirs. Though other debaters hurl bitter invectives, he can be depended upon to remain serene.

This long and purple controversy over the Supreme Court has tried many Senators' souls, but the gentleman from Arizona has not lost an inch of his hide, nor shed a drop of blood nor a bead of perspiration.

When it is all over, even though he be trampled in the dust of defeat, we expect to see HENRY FOUNTAIN ASHURST rise and, with engaging smile and courtly bow, sigh that he regrets the conclusion of the friendly tete-a-tete, but rejoices in a glorious triumph.

The Silent Revolution

EXTENSION OF REMARKS

OF

HON. ARTHUR P. LAMNECK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 8, 1937

RADIO ADDRESS BY GEN. HUGH S. JOHNSON, JUNE 15, 1937

Mr. LAMNECK. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered over the radio on June 15 by Gen. Hugh S. Johnson:

I want to thank Columbia Broadcasting system for giving me the opportunity to talk about what is contained in a cluster of proposals, written since the first of the year, by the brilliant new "brain trust." It is sometimes called the third New Deal. It includes the Court plan, reorganization of the executive branch, the wages-and-hours and agricultural bills, and the Norris proposal for seven new provinces for national planning.

The first New Deal was a plan to make democracy work in the catastrophe of 1933, and the dangerous years of readjustment. It proposed to do that through the traditional American system without changing its form. This third New Deal, when carefully examined in its entirety, seems to me to propose a silent but far-reaching revolution in that system.

The idea of the first New Deal was to lift up the low places—labor, agriculture, the unemployed. It was to scale down the peaks in our economic structure—the unfair privileges of big business and the abuses in the banking, securities, and public-utilities systems.

It moved straight toward its goal but it did it on a strictly American plan.

I had the privilege of sitting in part of the planning of that opening effort. Never in those councils did I hear a suggestion of the recent European heresies, which insist that popular government is a failure and that the only salvation of humanity is a vast concentration of power in the executive branch of any government.

On the contrary, in the chaotic early months of 1933 a virtual dictatorship was suggested by some of the utmost forces of reaction, and also by a few parlor-pinks who predicted that Roosevelt was merely a Kerensky, after whom would surely come a Stalin. This administration laughed at both. It held that we would work out our problem within the framework of our institutions. It was as emphatic as Lincoln that a "government of the people, by the people, and for the people shall not perish from the earth."

That was the first New Deal as I saw it, as the country so overwhelmingly approved it, and as I believe the country still intends that it shall continue.

It may be purely a coincidence. It may be an effect without a purpose. But no man can read carefully the legislation and communications sent to Congress since the first of the year and escape the conviction that, taken altogether, they push our carefully guarded democracy some distance toward the Fascist and Communist experiments, which, for all that is said, are as alike as two peas—government by executive fiat, with little, if any, popular participation.

Before considering them in detail we must remember that our Government was no suddenly patented plan. It grew out of centuries of development in Anglo-Saxon experience. It is based on two great principles—local self-government and division of powers among executive, legislative, and judicial in a system of checks and balances, each on the other. The first principle for a nation as broad as continent is to allow the maximum of local popular government of local affairs, with only such powers given to a central Federal authority as are necessary to make a nation. Maine is too far away from Los Angeles to be able wisely to have a voice in how southern California shall live its daily life. In external affairs, like war and foreign relations, we are one Nation under one supreme Federal Government. So also are we in things that require one universal system, like interstate commerce and languages and weights and measures.

But in our relations with our immediate neighbors within our States, and the things that govern our daily lives, we insist on making our own laws to the extent that we can do so without harming other States.

England invented that principle. Just once she tragically fumbled it—when she tried to have Parliament legislate in the interests of England but for the American Colonies, 3,000 miles away. By that

fumble she lost half a world. That was enough for her. Britain, the greatest empire under the sun, exercises no arbitrary government over the Dominions. They rule their own internal affairs. The Empire is a true commonwealth of nations. A nation can be too big to be ruled from one central source. That is why we have the States.

Now, some of the proposed departures of this third New Deal certainly tend to move us in a precisely opposite direction. They tend to break down local governments and at least start us toward a new alinement of seven economic provinces with no local self-government whatever. All are to be under the direction of a national governor or commissions appointed by him.

The separation of Federal powers is equally important to our system. Congress is to make the laws as the people, in frequent elections propose—but is not to execute them. The Executive is to take the laws as they come from Congress and faithfully enforce them—but he is not to make them or finally to interpret them. The courts are neither to make or execute the laws, but they are given exclusive power to interpret and judge the laws and the action of Congress and the Executive under our Constitution.

This was a system deliberately designed to prevent exactly what is going on in Europe today—the seizure of all three powers of making, executing, and judging the laws by any single branch of government. In any system in which any one single authority makes what laws it desires, interprets them as it wishes, executes them as it will, and controls the judging of all three, there is no check this side of heaven and no appeal on earth. It is a despotism no matter by what fancy name you call it—fascism, communism, or the divine right of kings. It is a bloody throw-back to the Dark Ages against which the whole struggle of humanity has been aimed. In the belief that it was to resist this kind of encroachment on our idea of government every drop of American blood ever spilt on any battlefield was shed.

With these principles in mind, let us examine what has been proposed to the present Congress. First came the Court reorganization. The Supreme Court needed to be liberalized and the whole judicial system improved. That it was within both the letter and the spirit of the Constitution for Congress to do this, I have consistently maintained. But, as was so strikingly shown by the Senate Judiciary Committee's adverse report on the proposal as it came to Congress, it included more than that. It disclosed a design or at least offered an opportunity for Executive control of both the Supreme and inferior Federal courts in any controversy affecting a judicial check on legislative or Executive action.

Standing by itself, this measure might have suggested nothing more than a fully justified impatience with an arbitrary Court-made dogma frustrating liberal legislation by judicial assumption of the powers of a super-Congress. But it does not stand alone. It stands with the proposals for reorganization of the executive branch, the agricultural and Black-Connery bills abolishing many old State powers, and the Norris proposal to divide the country into seven new provinces for the purpose of "economic planning."

There is no doubt that the confused, sprawling executive bureaucracy needs reorganization and simplification, but the reorganization plan proposes much more than that and perhaps doesn't even propose that.

It sets up a great planning and policy board. Now planning and policy are purely a legislative job. If the Executive is to plan our future, what is the Congress to do? There is nothing left for it to do but rubber stamp the Executive plan in a form of a statute. Our Government needs continuous research and study of policy, but the place for that in a democracy is as an instrument of Congress, not the President.

As our business structure grew more complex it became clear that Congress couldn't pass laws regulating all its infinite intricacy. The best it could do was to lay down general governing principles and set up commissions which were partly legislative and partly judicial to make regulations applying those principles to cases in detail and to serve as an intermediary tribunal to apply them. Also, Congress has the constitutional duty of regulating the value of money. In modern practice that has become a business of banking, and to carry out this duty Congress invented the Federal Reserve Board as its agent for this purpose. This, with the other great commissions and boards—regulating trade, transportation, radio, securities and exchanges, civil service, labor relations, social security, and one now proposed to regulate hours and wages—are what are called quasi-legislative and quasi-judicial. They are only incidently executive. They are instruments of the Legislature made independent of the Executive except as to appointment. This is the same old American idea of withholding from any single pair of hands the power not only to execute the laws but also to make and judge the laws—the power of Stalin, Mussolini, and Hitler. The reorganization plan proposes to scrap all that. The Executive swallows all these commissions at one gulp.

It also proposes practically to scrap the check set up by Congress to insure that money authorized to be spent shall be spent for the purpose appropriated—the office of the Comptroller General. This is an interference with the legislative power of the purse. The principal check of democratic parliaments on rulers is the same power of the purse—the power which enabled the British Parliament at last to control the Crown. The colonists knew about that. That's why they gave Congress complete control over the spending of public funds. Congress has surrendered much of this power by making lump-sum appropriations by the billions to be spent as he will, in the discretion of the Executive. Now it is proposed to surrender it still further by making 10 or 15 percent of even regular appropriations shiftable from one purpose to another by the Executive at will. With two provisions together Congress will have donated at least one-third of this tremendous legislative power to the Executive.

With this goes the independence of Congress. In political government patronage is everything. It may result in some logrolling for Congress to say where money shall be spent. But for the President to say delivers the legislature to the Executive, hog-tied and helpless.

The traditionally Republican farm vote is now Democratic because of Federal spending in agricultural areas. The unemployed and their families are a solid bloc for the continuation of relief as long as it keeps on coming. This vast number of votes in all parts of the country is in the administration's pocket. So long as the administration, and not Congress, controls this spending, it can go into almost any congressional or senatorial district and wreck the candidacy of any Member of Congress who opposes administration policy. Every Congressman knows that. That is principally why Congress is just now more frequently a sounding board than an independent legislature. We have seen that happen under our very eyes, and we shall see it as long as Uncle Sam remains an Executive Santa Claus and Congress abdicates its constitutional power of appropriations by lump-sum donations of public treasure.

Almost everybody now admits both the necessity of stability in industrial wages and hours, and that it can never come save through the power of Congress to regulate interstate commerce. At present, sweatshops, child labor, and degraded labor conditions in any State spread out through the low-cost goods they produce to degrade labor conditions in all States. No State can protect itself. The pull is always downward toward the level of the State of lowest labor standards. Also, with no floor under labor standards in time of depression, savage competition results in wholesale loss of jobs, extension of hours, and reduction of wages. There is no longer much argument about this. Nearly all enlightened industrialists are ready to take the wages of human labor out of the field of ruthless competition.

There are two ways to do it—one preserves the State governments; the other robs them of local self-government. One way is to say to the States, "We recognize your rights under our system to regulate your own affairs as long as you do not prejudice the rights of other States. Regulate hours and wages within your own borders, subject to congressional maxima and minima, but you can't ship any products of substandard labor conditions into other States to compete with the products of the highest standard competing State."

That is one way. It protects every State in its right to regulate local affairs and from the products of degraded labor in other States. It completely reverses the pull of labor standards. The highest and not the lowest have the right-of-way in the national market. It solves the troublesome question of regional differentials, and, from experience in N. R. A., I believe it comes nearer perfection than anything yet advanced.

The other way is for Congress to put the arbitrary power to fix wages and hours anywhere in the United States in the discretion of an executive board. Exactly that impossible proposal is what is insisted upon in the Black-Connery bill. The bill is not frank. This purpose is obscure, but this power is there beyond the shadow of a doubt. I know it won't work because I tried it. Bluntly it is the power arbitrarily to advance, retard, regulate, and destroy all or part of the industry within any State. Labor leaders and the Secretary of Labor are on record as not approving any difference in wage scales, either in favor of the little fellow in business or of particular States where wages traditionally have been lower than others and where the entire economic structure of the State is based on them. Nearly the whole South is such an area. The failure of sufficient flexibility favoring the South and the little fellow in wage rate was exactly what killed N. R. A., and it will kill this proposal.

I agree that there is no proper theoretical argument for the permanent continuation of wage differentials. But I know, from bitter experience, that as a practical matter you cannot invade established economic patterns with an explosive change and avoid popular condemnation, rising to the point either of universal noncompliance or actual revolt. N. R. A. narrowed all these differentials, but it didn't abolish them, and they can't be abolished without patient years of change.

In what amounts to a labor government with a labor demand for a policy against differentials already candidly expressed, it is silly to suppose that such an executive board would not be completely dominated into an immediate attempt to remake the relative wage scales of the whole Nation. It is a pistol aimed squarely at the heart of the industrial South, and I cannot read into it any exemption or differential in favor of agriculture although agriculture never has, probably never can, and certainly never will accept urban schedules for wages and hours. I challenge any southern or agricultural Congressman or Senator to deny the truth of these statements and conclusions.

The effect of the Black-Connery bill and the proposed farm bill will be to push much of the power of the States, and certainly their control in local self-government, into the eternal twilight. Taken with the Norris proposal for seven T. V. A.'s, what we are regarding here is pretty close to a "death sentence" statute for the States.

The Norris seven T. V. A.'s bill, on its face, seems only to set up seven regional authorities to plan and execute flood control, navigation, power, drainage, and soil-erosion projects in the seven great

inland-waterway basins of the country. But it also contains authority eventually to pass to Federal executive command the ownership and control of the electric power system of this whole country. Control of electric power comes close to control of the industry of the several States—and this, coupled with the power to bypass the States in the government of the commerce, labor relations, water, soil, and agriculture, leaves precious little of our traditional system of local self-government in the States.

These various revolutionary proposals—Court, wages and hours, executive reorganization, and seven planning provinces—plus the federally centered farm and social-security systems, can't be considered separately. They must be spread out on the table together. When thus examined they fit together as neatly as the pieces of a jig-saw puzzle to make a picture.

That picture is, in effect, a much-modified form of government with the powers of the courts, of Congress, and the regulatory commissions greatly reduced and the States also deprived of a great part of their power. This whole mess of constitutional authority stripped from these coordinating departments of government is donated directly to the Executive, who emerges from this silent revolution with the possibility of as much concentrated authority as any Executive on earth in this age of dangerous dictatorships.

It can hardly be argued that, whether intended or not, it does not spell a new form of government for us. It is, moreover, a peculiar form, designed to fit the brilliant personality of one single individual. There is no other citizen of this country but the President who could by any stretch of fancy be imagined as capable of even attempting such a tremendously complex administration.

That argues a further effect if not a purpose of unlimited permanency of the President in office. For surely no one would consider remaking the whole structure of government to fit a peculiar personality who, if American traditions are to guide, would not be available after 1940.

From all this arises a tragic question. If this fundamental change were candidly proposed, as any such radical departure ought to be, nobody could very much complain. We could consider it and vote it down. But such is not the case. No such purpose is announced. It can be deduced either as accident or design only from clever insinuation in such wide variety of more or less obscure legislative suggestion, as to have awakened no recognition in the country whatever.

By whom was this done? I sincerely believe that this indirect method is so different from the President's slashing record of head-on attacks at the objects of his policy as to absolve him of any such silent intent as is here suggested.

But from the beginning of this administration there have been connected with it some of the most brilliant young minds in the whole world-wide radical movement. In the beginning they were just one group in the great variety of clashing judgments which the President encouraged to get every shade of opinion on his plans.

As those plans were frustrated by miserable legal drafting, by a reactionary Court majority, and by stupid defenses of his legislation before the judiciary, these more subtle and abler minds moved to a position of greater importance. They were better at drafting laws, better at defending them, and they advanced in the administration because they served it better.

Nobody in Washington has much doubt about what their private purpose is. It was exactly the effect suggested by a combination of all these proposals—to remake the Government, in the early days at least, they stated it openly. They no longer do that, but now it seems that they are in a position to put it over without stating it.

Through cleverness and silence, they are getting away with murder—and doing it at both ends of Pennsylvania Avenue. Nobody voted for this Palace revolution, because nobody knew about it. Nobody elected these brilliant young men to do anything because it is their strategy to remain anonymous, amorphus, and unknown. But in the approved modern revolutionary tactics of boring from within, they are trying to change the form of Government for which Washington's "eyes grew dim in the service of his country", and Abraham Lincoln "gave the last full measure of devotion." They propose to erect in its place a form of concentrated executive power which the people, if they had a chance to vote on it, would throw into the ashcan by overwhelming majorities.

The present task of this administration is to consolidate its stupendous gains in liberal legislation. So much has been launched and so little completed that it may take 50 years to put order into the mess and to clear away the debris of headlong error and mistake. If Mr. Roosevelt's term ended tomorrow he would go down in history as the man who started more creations than were ever begun since Genesis—and finished none.

Gold policy, social security, labor laws, foreign trade, Budget control, farm relief, public utilities, taxation, real recovery, unemployment, housing, mercantile marine, executive reorganization, judicial reform, securities regulation, fair-trade practices—it's all a marvelous fireworks of brilliant but unfinished business without one solitary project buttoned up and written into the record as a completed job. Surely that is wood pile enough for one winter's chores without starting also to reorient the whole constitutional universe as well.

Our situation needs something more than the breathing spell so lightly promised so long ago. It needs a candid statement of intention. It needs a recess on new magic and a determined effort to mop up, organize, consolidate, and fortify the vast new territory gained by the magnificent first 4 years of Roosevelt. Above all it needs a Congress representative of a people and not an obscure pink fringe of brilliant young radical intellectuals.

Puerto Rico Talks Back

EXTENSION OF REMARKS
OF
HON. SANTIAGO IGLESIAS
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 8, 1937

Mr. IGLESIAS. Mr. Speaker, history has proclaimed that the landing of Gen. Nelson A Miles' United States Army troops in Puerto Rico July 25, 1898, was a happy event for the people of the island, who rejoiced when they saw and were convinced that the reactionary, monarchic domination of Spain had been terminated. The people at large felt that they were free under the new republic regime.

After 38 years of wonderful progress in government, civil liberties, social legislation, culture, sanitation, agriculture, and industry, some individuals from the island and the mainland have initiated a campaign of sinister propaganda against Puerto Rico with the purpose of creating discord, hatred, against our people and American institutions in the island.

This has given more impetus to the many protests received from everywhere in Puerto Rico and on the mainland against the discriminations contained in some provisions of the Jones bill (H. R. 7667), intended to regulate and "to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry", and I thought that it was appropriate to inform Congress about the fundamental and basic conditions of life of the people in Puerto Rico and why they so much fear the treatment such legislation might impose upon them.

An explanation of the situation is given here, substantiated in many ways by opinions set forth in official releases by Secretary of Agriculture Wallace and Secretary of the Interior Ickes:

EXPLANATIONS FROM EXPERTS

(1) The raw quota for Puerto Rico is reduced 33,526 tons below the quota provided in the Jones-Costigan Act. This is especially unjust to Puerto Rico in view of the fact that Puerto Rico was reduced more under the Jones-Costigan Act than any other area—200,000 tons—from the production the year prior to that in which the Jones-Costigan Act went into effect. This, of course, was due to the fact that production in 2 of the base years—namely, 1931 and 1933—were greatly reduced by reason of drought and hurricane. A reduction of 33,526 tons of sugar means a reduction of about 9,000 acres of cane and approximately 540,000 days of work. This means, on the average, 3,000 families would be added to our already burdensome unemployed population, which is a tremendous burden to the island in view of its present unemployment problems.

Quite different from other areas, Puerto Rico has no crop to which she can turn to replace sugarcane, and sugar forms a larger proportion of the island's income than it does of that of any other domestic area. Food crops do not give sufficient yields to be produced on irrigated lands. A reduction of 9,000 acres, or 540,000 days of work, means a tremendous sacrifice, which involves not only a heavy loss of labor but a loss in revenue for the support of schools, health agencies, and other governmental functions.

In addition, this reduction in quota means greatly increasing the cost of production because a large part of the overhead is fixed. In other words, we have the irrigation and agricultural equipment and the mills to produce 1,200,000 tons of sugar, about what we were producing when the Jones-Costigan Act went into effect. Thus, a reduction in sugarcane acreage not only reduces the income to labor and the taxes of the island, but it increases the costs on the amount we are allowed to produce for this market.

In this connection, we suggest that we be given 22.08 percent, as proposed in the subcommittee bill, of the 3,715,000 tons set aside for the domestic areas in H. R. 7667, which gives us about the quota we had under the Jones-Costigan Act.

(2) The legislation proposes that the domestic areas share the deficit of any domestic area with Cuba. There is no justification for the domestic areas to share any domestic deficit with Cuba until the domestic areas have had an opportunity to fill the deficit. If Cuba is to share in domestic deficits at the same time as other domestic areas, then Cuba should get the same treat-

ment as other domestic areas and have her raw quota reduced along with Puerto Rico, Hawaii, and the beet States, in order to provide the increase in the quota of the mainland cane States. This is significant since the domestic areas are not allowed to share in the deficit of any foreign area. This alone will cost Puerto Rico at least 50,000 tons of sugar this year, based on recent estimates of the acreage and condition of the forthcoming crop of beets.

The subcommittee's proposal took care of this point and provided that the domestic areas share both in the deficits and increases in consumption ahead of Cuba. I suggest that the proposal of the subcommittee in their proposal of April 22, 1937, be submitted for this provision in H. R. 7667.

(3) Puerto Rico is penalized in the matter of tax refunds (payments to producers) in that the scale-down falls particularly heavy upon Puerto Rico, due to the fact that a large portion of its cane must be irrigated, which requires production in large units. To penalize Puerto Rico in this respect is simply reducing the amount available for wages and the amount available for taxation. It reduces the amount of revenue to the insular government. I suggest that no scale-down be included or, if there must be a scale-down of refunds, that the original scale-down of payments, as provided in the Jones bill (H. R. 5326), the administration bill, and the subcommittee's proposal be substituted for that in H. R. 7667 and S. 2706.

(4) Puerto Rico's refined quota is frozen below the amount necessary to permit the efficient operation of existing facilities.

(5) In addition to reducing Puerto Rico's raw-sugar quota and establishing penalties upon tax refunds (payments to producers) of large-scale producers which is in effect a punitive tax upon Puerto Rico, section 401–B provides for a tax of 3.25 cents per gallon upon molasses used for alcohol. The present price to producers of molasses is 4 to 5 cents per gallon. Thus, a tax of 3.25 cents per gallon is confiscatory, and since practically all of Puerto Rico's molasses is used for alcohol, this means that the income of Puerto Rican sugar producers will be reduced by the amount of this tax. Based upon sales last year of 25,000,000 gallons, this will mean a reduction in the income of the island of approximately $1,000,000 per year.

I call these facts to your attention in the interest of everyone in Puerto Rico, because sugar is the lifeblood of the island, and because the treatment proposed in the pending legislation will greatly increase the burdens upon the people of Puerto Rico. I also call these facts to your attention in the spirit of cooperation, believing that you will recognize the injustice done Puerto Rico in this matter and will do something about it.

Quotas established by various proposed sugar plans based upon present estimate of consumption of 6,682,670 short tons, raw value

Area	Jones-Costigan Act	Jones bill (H. R. 5326)	Proposed administration bill	Subcommittee print no. 2	H. R. 7667
Continental:	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Beets	1,613,576	1,581,812	1,569,598	1,620,428	1,549,898
Cane	270,664	367,389	360,138	460,752	420,166
Total, continental	1,884,240	1,949,201	1,929,736	2,081,180	1,970,064
Insular:					
Hawaii	976,685	979,610	949,893	967,321	938,038
Puerto Rico	831,508	833,999	808,648	823,379	797,982
Virgin Islands	5,462	9,072	9,244	8,949	8,916
Total, insular	1,813,655	1,822,681	1,767,785	1,799,649	1,744,936
Commonwealth of Philippines	1,035,742	[1] 955,920	[2] 1,035,847	[1] 955,920	[2] 1,029,781
Foreign:					
Cuba	1,922,423	1,928,179	1,922,734	1,820,596	1,911,476
Other	26,610	26,689	[2] 26,568	25,325	[2] 26,413
Total, foreign	1,949,033	1,954,868	1,949,302	1,845,921	2,967,670
Total	6,682,670	6,682,670	6,682,670	6,682,670	6,682,670

[1] Based upon 800,000 long tons, raw value, and 50,000 tons refined, with 100 pounds of refined equivalent to 107 pounds of raws.

[2] The proposal made provision for the reallotment of any deficit in the Philippine quota to foreign areas other than Cuba. Thus, the quota for other foreign would probably become 109,495 in the case of the administration proposal and 100,274 in the case of the subcommittee's proposal, H. R. 7667.

TEXT OF WALLACE LETTER TO GOVERNOR MADE PUBLIC

Secretary of Agriculture Henry A. Wallace today made public the following letter to Gov. Richard W. Leche, of Louisiana:

APRIL 24, 1937.

Hon. RICHARD W. LECHE,
Governor of Louisiana, Baton Rouge, La.

DEAR GOVERNOR LECHE: Your telegram to the President of April 15, 1937, in which you indicated that the sugar quota for the continental cane area should be increased from the present amount of 270,000 tons to not less than 460,000 tons, has been referred to me for reply.

It is not difficult to appreciate the sincere desire of each domestic area to increase its marketings under the quota system which has made the production of sugar crops profitable to beet and cane growers. There are, however, two difficult public problems involved in making such increases. One is the question of how large the total domestic quotas should be and the other is the question of how to make an equitable distribution of that total among the various domestic producing areas.

As you know, if the total domestic quotas were increased, our imports from foreign countries would be decreased a like amount; and this would unavoidably involve a similar decrease in the market available to the millions of American producers of exportable products, of which we have surpluses seeking a greatly needed expansion of foreign markets. Cotton is one of the important crops which suffer from any decrease in American import and export trade. It has been calculated that, on the basis of current yields and prices, each additional planted acre of Louisiana sugarcane necessarily involves a reduction in our export market—by reducing our imports of sugar—in an amount equal to the product of 3 acres of cotton. Likewise each additional average acre of sugar beets, unfortunately impairs our export market in an amount equal to the normal product of either 8 acres of corn or 6 acres of wheat.

The decline in our imports of Cuban sugar from 1928 to 1932 was accompanied by a reduction in the Cuban market for American farm products from more than 800,000 acres of land. It is therefore inevitable, as you will appreciate, that any attempt we can make to find a solution for your problem through increasing the total domestic sugar quotas would encounter the necessity of further decreasing the production of export crops in order to enlarge the production of a crop which requires a very substantial public subsidy through tariffs, quotas, or bounties.

The problem of making an equitable distribution of the total domestic sugar quotas among the individual producing areas has been met heretofore by relating the quotas to production histories. On this basis, a quota of 460,000 tons for the continental cane area would be in excess of the area's all-time record production and would leave disproportionately small quotas for the other domestic areas. Consequently, the desired increase would have to be made on some other basis, and it is regretted that this possibility is not encouraging.

If the distribution of quotas were to be made as a public relief measure on the basis of the need of the members of local sugar-producing communities, it is believed that Puerto Rico, which is the domestic area that suffers from the lowest standard of living, would be the first area to receive an increase. But under a quota system it is difficult to depart from the historical basis without resorting to a most arbitrary method of allocation. One of the disadvantages of quotas as a price-raising device is their inherent and practically inescapable tendency to fix or freeze an industry on a historical basis, thereby preventing the usual movement of production activities to the best adapted localities. The result of this characteristic of quotas is that the public interest is denied some of the gains of normal increases in efficiency; and once a productive operation has been carried on, there is a great demand under a quota system to have it treated as a personal or corporate vested interest of unlimited duration.

You will note in the enclosed letter of April 8, 1937, to the Honorable FRED CUMMINGS, chairman, subcommittee, Committee on Agriculture, House of Representatives, that a recommendation was made of a method by which the quota for the continental cane area could be increased substantially in order to make the distribution equitable on a historical basis among all domestic areas.

Sincerely,

H. A. WALLACE, *Secretary.*

Secretary of the Interior Harold L. Ickes today made public the following letter to Representative JONES, chairman of the House Committee on Agriculture:

MAY 7, 1937.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture,
House of Representatives.

MY DEAR MR. JONES: Upon examination of committee print no. 2 of the sugar-quota bill, recommended by the subcommittee to the full Committee on Agriculture, the Department of the Interior finds four forms of discrimination against Hawaii and Puerto Rico as insular parts of the United States. If enacted into law, the bill would violate the principle of fair treatment among all domestic areas which the Government has sought to maintain as a fundamental national policy.

The discriminations which appear in committee no. 2 are as follows: (1) The basic quotas for Hawaii and Puerto Rico would be disproportionately small, on any basis that could be selected, as compared with the basic quotas for other domestic sugar-producing areas; (2) as a result of the discriminatory basic quotas for Hawaii and Puerto Rico, the share of these areas in the deficits of other areas and in increased consumption would be commensurately disproportionate; (3) the domestic insular areas would have no minimum quotas, which are provided in committee print no. 2 for the mainland sugar-producing areas; and (4) restrictions would be placed on the right to engage in refining operations in only the insular parts of the United States.

Since the great fundamental principle of American democracy is the equal treatment of all citizens, there is no need to dwell upon the moral or practical necessity of avoiding economic discriminations against the citizens of the United States who may be residing in the insular parts of our country.

None of the discriminations against the insular areas in committee print no. 2 existed under the traditional tariff method of subsidizing domestic sugar production; and, of course, there were no discriminations in the quota provisions recommended on April 8 by the Secretary of Agriculture, which are also recommended by the Department of the Interior.

The interest of the Department of the Interior in the sugar problem is, however, not limited to the principle of keeping our trust with the Territories and possessions; it is equally interested in the welfare of mainland farmers who utilize reclamation lands and the public domain and in the broader consideration of the Government in not breaking faith with the large but unorganized groups of citizens on whom would necessarily be placed the great burden of any further expansion of domestic sugar production.

Although it is clear that any share of deficits or increased consumption allotted to domestic production should be divided equitably, there is reason to doubt that any increase of domestic production should be subsidized. It will be recalled that during the administration of President Wilson the Congress decided after careful consideration of the basic question of continuing to subsidize domestic sugar production, that the whole matter was indefensible, and forthwith provided for the elimination of all subsidies—a program from which the industry was saved only by the World War and action taken by later administrations.

Since that time the domestic industry has continued to thrive on public subsidies and has expanded into a larger vested interest. During the decade preceding 1934 expansion was accelerated with the consequence that a large portion of Cuban sugar was replaced by production from areas subsidized by American consumers. The transfer of the source of supply from Cuba to the United States has resulted in three principal problems: First, it was necessary to subsidize the production brought to this country; second, it became necessary to provide a partial subsidy to Cubans to relieve the extreme social and economic stress that arose from the absence of the production in Cuba; and third, it was necessary to subsidize the contraction of the production of export crops for which the foreign market had been in part destroyed. The obvious solution for these interdependent problems would be, of course, to reverse the process of production and, in any event, it would seem that the least the public interest demands is that further expansion of domestic production should not be subsidized.

The Secretary of State pointed out in his statement of April 30 that the consumers in the United States were compelled last year to pay approximately $350,000,000 in excess of world prices for their sugar supply, an amount which was equal to a tax of nearly $3 on every man, woman, and child in this country, including the millions of persons who have a deficient supply of food. This appears to be an excessively large burden to place on American consumers, especially in view of the fact that there are reported to be less than 100,000 farms on which sugar crops are grown in all parts of the United States.

But this great burden on consumers is not the total cost of maintaining the domestic sugar industry, for the producers of exports necessarily suffer a loss in their foreign market whenever our imports are decreased. It has been calculated that each additional average acre of of domestic sugar production unavoidably results in a reduction of our export market in an amount equal to the value of the product of 3 acres of cotton, or 3 acres of corn, or 6 acres of wheat. And, of course, any increase of domestic production and decrease of foreign-sugar imports involves a loss of revenue to the Treasury of the United States with the result that an additional burden must be borne by American taxpayers.

In these circumstances it would appear that provisions for further expansion of the subsidized vested interest in domestic sugar production would constitute what is practically tantamount to a breach of faith with the interests of consumers, producers of exports, and taxpayers. For this reason the Department of the Interior recommends the elimination of the numerous provisions in various forms in committee print no. 2 for increased quotas for domestic-sugar production.

A sugar-quota system possesses the advantage, from the standpoint of domestic-sugar producers, of raising prices and profits to a much higher level than would ensue from ordinary tariff protection. It has been calculated, for instance, that the prices paid for sugar by consumers in 1936 were approximately $145,000,000 in excess of the prices that would have existed under an effective tariff on Cuban sugars of $1.50 per 100 pounds, raw value, as recommended by the United States Tariff Commission.

In addition to the greater cost it imposes on consumers, a quota system appears to possess inherently the serious disadvantage from the standpoint of the public interest of tending to become a great mass of fixed individual monopolies which prevent those increases in efficiency that could come from the normal movement of production to the better adapted domestic areas. If the usual free movement of production were permitted among domestic areas, there is reason to believe that no total shift would occur between the insular and continental portions of the United States, because report no. 73 of the United States Tariff Commission indicates that the average cost of production of refined beet sugar is no greater than the average cost of the production of refined cane sugar in the insular areas. But there probably would be some improvements in efficiency in the continental areas if restraints were removed, through the tendency of production to move to the lower cost and better adapted locations.

A sugar quota system in the form in which it has been conceived heretofore can serve the public interest by restraining the expansion of heavily subsidized domestic production and stabilizing conditions within the industry. But its basic advantage would be lost and replaced by a most serious public disadvantage if its purpose were perverted into a device for the destruction of trade in our most efficiently produced commodities.

A great weakness of a sugar quota system as an instrument of regulation by political government lies in its extremely technical nature and its complex ramifications. This characteristic makes it susceptible to great abuse by organized minority pressure groups who can take advantage of its technical complexities to devise so many means of fixing embargoes against competition and of increasing their own share of the total increased income that a quota system provides for the industry as a whole.

At the present time in Washington we have not only the sugar lobbies, which are kept here in season and out, but also a large supply of temporary sugar lobbyists who are busily soliciting support for all sorts of devices and schemes they have concocted to obtain special governmental grants of monopoly. The audacity of one little group of manufacturing monopolists, the cane refiners, in demanding a legalized monopoly for themselves illustrates the difficulties that Congress must face under a quota system in dealing with corporate aggregations of wealth which control the necessities of the daily life of our citizens. This, despite the long court record of this group of restraint of trade, and the fact that the United States Tariff Commission investigated their claims and found they were not warranted in seeking governmental protection against even foreign competition. They insist on a legalized monopoly for themselves through embargoes against both domestic and foreign competition and demand that the Congress, without hesitation, snuff out forthwith another $3,000,000 of annual import and export trade.

The Department of the Interior believes that no quota legislation at this time would be greatly preferable to the enactment of the provisions of committee print no. 2.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

CONCLUSION

In the sugar bill (H. R. 7667) now pending before the House other experts state that there are some outstanding discriminations which should be corrected if Puerto Rico is to be treated as a domestic area, as the bill purports to do, and afford the sugar industry of Puerto Rico a fair chance to share in the sugar market of continental United States.

OUTSTANDING DISCRIMINATIONS AGAINST PUERTO RICO

First. Restriction on shipments of refined sugar, Puerto Rico to mainland, at freezing point of 126,033 short tons, raw value. This discrimination appears in section 207 (b) of the Jones bill. This discrimination, after some fair sections of the bill placing Puerto Rico in the category of a domestic area, must be corrected by the complete removal of this restriction from the bill. At no other place in the bill is such a glaring attempt made to treat a domestic area in one part of the law as domestic territory and yet deprive that area of the rights and privileges that should go with the status "domestic."

Second. Restriction to continental group in section 101 (f) relating to the definition of the term "liquid sugar." To afford Puerto Rico equality of treatment and to remove discrimination, the words "continental United States" in line 18, page 2, of H. R. 7667, should be stricken out, and in place thereof inserted after the word "in", the words "domestic sugar production areas." The foregoing are outstanding in the discriminations against Puerto Rico that exist in the bill.

The treatment accorded Puerto Rico in the sections of the law below discussed severely penalize the sugar industry of Puerto Rico and should be corrected in accordance with the views here below expressed.

(a) Fixing in section 202 (a) of the Jones bill, Puerto Rico's sugar quota at 21.48 percent of 3,715,000 short tons: This percent gives Puerto Rico a quota of 797,982 short tons, raw value, which is 34,000 short tons below the Jones-Costigan Act. Every sugar bill, with one exception, considered in the present session of Congress reduces Puerto Rico's quota below the Jones-Costigan Act level.

(b) The sharing of any domestic area deficit with Cuba: In addition to placing Puerto Rico at such a low level, gives Cuba a share in any domestic deficit thus depriving Puerto Rico of its fully legitimate participation in such deficits.

Any deficit in any domestic area should be divided pro-rata among other domestic areas.

(c) Scaling down of benefit payments to producers (sec. 304 (c) of H. R. 7667): The bill, section 304 (a), proposes benefit payments at 60 cents instead of 70 cents per 100 pounds of sugar. There is also a reduction in the benefit payments on the basis of the size of operation. The reductions are greater in the higher bracket of production than proposals in previous bills offered at this session of Congress.

(e) Regulation of average price to consumer (sec. 201 of H. R. 7667): This clause of the law bases a maximum price on return of the five principal agricultural cash crops in the United States. The workings of this method of computing a price level is incomprehensible when applied to Puerto Rico.

RECAPITULATION

Placed in the order of their importance to Puerto Rico, the following outstanding changes should be made in the Jones bill, H. R. 7667:

(1) Remove restriction on shipments of refined sugar—Puerto Rico to mainland (sec. 207 (b), p. 14, in the bill).

(2) Change section 202 (a), page 7, of the bill to per centum participation in domestic group of 22.08, thus affording Puerto Rico a quota at least equal to the quota in the Jones-Costigan Act.

(3) Eliminate Cuba from sharing in any domestic area deficit (sec. 204 (a), p. 8, of the bill).

(4) Readjust benefit payment scale (sec. 304 (c), p. 24) of the bill to afford better treatment to large unit of production.

(5) Change wording of section 101 (f), page 2, line 18, Jones bill (H. R. 7667), to read "Domestic sugar-producing areas", in place of "continental United States."

(6) Eliminate, or at least revise, method of maximum price fixing, section 201, page 6, of the bill.

A National Housing Policy

EXTENSION OF REMARKS

OF

HON. HENRY B. STEAGALL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 8, 1937

ADDRESS OF HON. FRANK HANCOCK OF NORTH CAROLINA TO THE NORTH CAROLINA BUILDING & LOAN LEAGUE, JUNE 25, 1937, BLOWING ROCK, N. C.

Mr. STEAGALL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. FRANK HANCOCK, Member of Congress from North Carolina, to the North Carolina Building & Loan League, delivered June 25, 1937, at Blowing Rock, N. C.:

A good many people have made the mistake in the past 2 or 3 years of confusing publicly financed housing with the much broader term of national housing policy. They are like those who have seen only one spoke of the wheel and assume that they have seen it all. In my opinion nothing could be more appropriate than the discussion of a full national housing policy with such an organization as your North Carolina Building and Loan League. You have a tremendous part to play in working out our national housing policy. Both the North Carolina League and the United States Building and Loan League have already shown distinguished leadership in helping with the problem. The individual building and loan associations which make up these leagues have done the kind of a job which warrants their inclusion as important factors in a national housing program. My own knowledge of your performance in North Carolina makes me proud to have been associated with this business on a board of directors for a good number of years. Such knowledge likewise makes me confident that the associations here will keep moving forward with the times.

Now let us do some fundamental thinking about the idea of a national housing policy. Essentially our housing policy in this Nation is based upon private enterprise and we want it to continue that way in the future. My ideal for housing policy would be to have every family in the country living in its own home, that home owned by reasonable self-denial through the discipline that has made America what it is today.

We are a long way from that ideal. Consequently there has been a growing public realization of social responsibility for the shelter of those who just do not make enough money to own their homes. I continue to plead, however, that this public responsibility for adequate housing for all groups should not lead us to the point where we lose sight of the keystone in the arch of our housing policy, namely, the debt-free owned home.

How are we going to divide up the job? I am convinced that private enterprise really holds the key to the situation. The extent to which housing privately built and privately financed is effective in housing families with small incomes automatically marks the limit to justified public housing expenditures. It is as simple as a problem in arithmetic. The greater the efficiency of private enterprise the less the need for public participation. And I would like to say here that the Congress feels that the job of the building and loan associations is to finance the simplest and most inexpensive homes that families can pay for. I do not mean that this is your entire job but because you have in the past reached down farther than any other financial institution into the low-income group and have done it successfully, this role remains peculiarly your own.

A national housing policy is important, because, as far as anybody knows, this country has never drawn up any definite program. I do not say that it should legislate or administrate into the far corners of our housing activity. The very fact, however, that we have begun to recognize some need for public housing calls for a much more definite policy than we have ever had to formulate before.

Ever since you began your splendid and successful advocacy of the Federal home loan bank system in 1932 you men in the building and loan business have recognized publicly the relationship between building activity, especially home building, and our unemployment problem. That relationship continues. We have not yet licked our unemployment problem, although we have made some progress. And I would like to point out to you that the increases in home construction which we have noted in the past year have made a dent in the ranks of the jobless. The value of permits for new residential units issued in 1936 in 824 cities with populations of 10,000 and over was more than half a billion dollars—about $625,000,000, according to the Bureau of Labor Statistics. The increase over the previous year was 112.8 percent. The same Bureau's estimate on employment and building construction showed a 55.1-percent increase between February 1936 and February 1937; and during the 12 months between March 1936 and March 1937 nearly 1,670,000 workers were added to the pay rolls of the industries which the Bureau surveys. If we have made that kind of a start with our unemployment problem by increasing home building, obviously we have been on the right track all the time when we talked about building houses to put men to work.

Furthermore, the figures which I have given represent employment in privately financed construction. In the first quarter of this year less than 300,000 persons were employed on construction projects financed by the Federal Government; 120,000 of those were working on projects financed by regular Government appropriations.

So I am interested in the private end of our housing policy from the employment standpoint as well as because I want to see people better housed.

Of course, the second great import of a national housing policy lies in its effect upon living conditions. Badly housed people too often turn out to be badly behaving people. Poorly housed people take little or no interest in the community. They have no reason to put much store by a town or village which is mainly represented to them in the person of a landlord who insists on collecting his monthly rent on an ill-ventilated, insanitary shack.

Now, I don't think that all of the people who live in places like that have to continue living in them even if we develop no public housing program. The younger generations, the boys and girls in their teens in many of the families which are living like that, can be inspired with the ideal of home ownership if somebody like you men gets hold of them when they get their first jobs and instills a vision of independence. I look to the building industry to meet those people half way by developing lower cost, soundly built homes. You in the building and loan business will be there to finance such houses. Thus, as I see it, public housing expenditures can always be confined to a relatively small percentage of the population. Again, I assert, as long as private enterprise exerts itself—not much longer.

Over a year ago I took the floor in the House of Representatives in a plea for more information about our housing conditions and outlook in this country. We began doing things about home ownership and housing and mortgage debts when we were already in an emergency, and emergencies do not often give rise to considered, careful programs. The result is that most of the things that we have done about housing to date have fitted into no specific plan, and as pieces of a jigsaw puzzle they would never fit together to make any recognizable housing policy.

Some of the things we did, of course, were to build apartments, insure mortgages, to resettle families from their old abodes to new ones, to refinance mortgages, to support community home-financing institutions, and to get some of the people excited about modernizing their homes. I want to review what the Government's definite steps have been a little later on, but right now I am trying to make the point that the time has come to get some thoughtful guidance and sure direction about where we

want to go. This is necessary, not only to keep the Government from spending many more dollars and much more effort than is necessary but also to get something done, to get farther along in our program of housing people and putting people to work.

Our procedure during the emergency was a year-to-year proposition. We did one thing in 1933, and by 1935 we were doing something entirely different. I am thinking specifically of the part which commercial banks have been encouraged to play in this matter. In 1933 we felt that real-estate loans had been a true millstone around the necks of commercial banks, and so decided that they had better not be permitted to hang very many such stones on themselves in the future. Two years later the thought seemed to be that home loans were just the place to invest the billions of excess funds which the commercial banks had accumulated. It is such instances as this which convince me that we need to proceed from facts and to work toward a long-time goal and policy, rather than use the hit-and-miss method which may turn out to be the same as taking three steps forward and slipping back two.

Just about a month short of 5 years ago the Federal Government took the first step to encourage better housing by way of home ownership. So many of my friends here in the North Carolina Building and Loan League were active in the creation of the Federal home loan bank system that I do not have to go into great detail about it. I have in mind particularly our good friend O. K. LaRoque. I do not want to point out some of the significant lights which this initial step throws upon our national housing policy.

The Federal home loan bank system was essentially a move to strengthen local and community thrift and home-financing institutions. It thus recognized that privately built and privately financed houses were the essential part of our national housing policy and that the occupancy of these homes by their owners was the ideal toward which the Nation should shoot. There was nothing revolutionary about the system. It followed in the main the careful business and financial lines which characterized the creation of the Federal Reserve System and the Federal home loan system but it was a departure in that it threw the weight, both moral and financial, of the Federal Government into the balance on the side of the home owner and the institutions which finance him. I think as years go on you in the building and loan business will come to realize more and more what a distinct departure it was for you and what a significant step ahead it represented in your development.

In 1933 the Home Owners' Loan Act was passed to meet an emergency. Again, we were still assuming that the backbone of our national housing policy was the owned home sometime to be free of debt. Otherwise the Government would certainly not have been so disturbed about keeping people from losing their homes. Essentially the Home Owners' Loan Act when we view it from the housing policy standpoint was an attempt to bolster up the home-ownership pillars of our national housing program. It did a good job in the main. Some of the bolstering failed as the widely published foreclosure records indicate. I do think, however, that we did a substantial piece of work in bolstering up the home owner fabric of the Nation when we threw the Home Owners' Loan Corporation into action.

The Home Owners' Loan Corporation, however, represents the first use of the public finances in support of the national housing policy. It was not public housing but neither was it entirely private housing.

Along with the Home Owners' Loan Act the Government made its move to further strengthen the local thrift and home-financing system. You will recall that $100,000,000 was appropriated for investment in Federal savings and loan associations whether newly organized or converted from State chartered associations. Later State-chartered associations were eligible to have such money invested in their shares, because they had proved how important they could be in this national housing policy based on home ownership.

In 1934 the National Housing Act went into effect. Home ownership was still the great objective. The time-tested building and loan plan of paying for the home with monthly installments was given a few coats of gilt and stretched in several directions. It was then offered to the financial institutions of all types along with the system of insurance for the mortgage lender. In some localities it has been effective in helping home construction get started. Regrettably much of the energy of the Federal Housing Administration has gone into refinancing mortgages which were all right as they were.

Again, as part of the National Housing Act, another buttress to the system of local thrift and home-financing institutions was built. The success of the Federal Deposit Insurance Corporation in building banking confidence led to the establishment of the Federal Savings and Loan Insurance Corporation for both State and federally chartered institutions. It was to act as a stimulus to the flow of more investments into the savings, building, and loan associations, and thus put them in a position to carry out and carry on their time-honored role in promoting home ownership. From what I can gather the plan has been successful where it was needed most, and I feel that it was an important part of the Federal Government's support of the home-ownership housing policy.

Thus it is clear that all of the major steps so far taken at Washington in regard to housing have emphasized the home-ownership angle of our national housing policy. The subsidiary angle of that policy, the public financing of housing for those who cannot afford to own has received its attention in measures primarily designed as emergency relief activities. Public housing under the P. W. A., under the Resettlement Administration, and the T. V. A. has been and remains an experiment. The Wagner housing bill, in the Congress at the present time, is the first major measure to deal with the public financing of housing as an objective in itself. It will thus represent the second departure from the hands-off housing attitude of the Federal Government up until 5 years ago.

It is extremely important, however, that businessmen and community leaders should not make the mistake of assuming that because some public housing has been found necessary, the old order of housing in America, the owned home is being pushed into the background. I say it is important that they remember this, because, I repeat, private enterprise holds the key to the limits which can be placed upon public housing expenditures. Private enterprise can do its job in an increasingly effective degree so that public housing can be kept at a minimum.

After these 5 years of the Government's hand, however lightly, in our housing affairs, where do we stand? I think we can say at the outset that the policy of encouraging and strengthening the existing thrift and home-financing institutions and of organizing others like them has been the most effective permanent undertaking of the Federal Government. Interest rates have gone down considerably from the point which they had reached in the tight money conditions of the early depression. Five and one-half percent on home loans is even becoming a typical rate, and I note that an increasing number of loans are being made at 5 percent.

I am somewhat disturbed to note, however, that along with this break which the financing agencies have given the home owner, we are confronted with a rise in construction costs which threatens our incipient home building activity. When I see a chart of construction costs which shows a rise of practically 50 percent in those costs between mid 1932 and the present time, I fall back upon my original contention that it is time we did some fact finding about our national housing policy. With costs like that, private enterprise as represented by the building industry itself is not moving in the direction of increased service to the lower income groups. Being close to the building situation, most of you have probably formed your own opinions about the effects of these rising building costs, but I should be happy to find that I was overestimating their influence. If some of you can lighten my heart on this score after I have finished speaking it will be most reassuring.

Meanwhile the strengthening of your building and loan institutions by the various steps which the Federal Government has taken should certainly stimulate the natural tendencies of the building and loan executives to look upon their jobs as quasi public responsibilities.

Of course, you will move forward with your institutions on the businesslike basis which is demanded by the interests of borrowers and investors alike, but this does not mean that your public service in the cause shall be diminished one iota. Think of yourselves, I beg of you, as those who have an unusual opportunity to rid home ownership of the shackles which selfish interests have sometimes placed about it.

We are entering, if we have not already reached, a period of housing shortage. Such times create special opportunity for the use of inferior materials and workmanship in the building of homes. The building boom of the early twenties was another such time. The disillusionment about property ownership which resulted from shoddy building practices at that time has militated against the successful progress of a housing policy based on home ownership. Let it be part of your job and the job of your building and loan association to protect the people who borrow money from you from investing in substandard houses which glitter but are by no means gold.

In fact, as I conceive your job and your public responsibility your institutions should be more than ever before centers of home financing information for the public. People have never had such centers in the history of this country. The responsibility is yours to take on. Be in a position to advise every family in your community as to the best solution for its housing problem. This means that you should not in your anxiety to consummate a volume of loans permit any family to go into a home-ownership project which it probably will never be able to carry through. Be able to tell people with the authority backed by fact how expensive a home they can afford to buy and thus protect them from another disillusioning factor in some home ownership attempts. Probably one out of every three homes which were lost during the depression was not a case of sudden economic misfortune but the result of a mistaken undertaking in the first place. It lies in your power to reduce substantially the number of such cases which may arise in any future business recession.

You have done well in perfecting your business practices to the point where they offer probably the best possible service to meet

present-day demands. Keep the liberal attitude toward such changes and may you constantly reexamine your practices as times change so that you will always be doing the best possible job. I have supreme faith in the principle on which building and loan associations operate and am assured and constantly reassured that the best instrumentality we have in carrying out our housing policy is such an institution as yours which specializes in this financing function and devotes all of its time to it.

I would like to see a wider public understanding of this plan which you have worked so hard and so methodically to perfect. The people for whom your institutions were designed deserve to know that you exist. Whether by advertising or by a well worked out system of personal contact the responsibility is upon you not only to furnish but also to encourage the use of your unique service.

Your leadership in your own communities can reach beyond the financing activities through which you exert your direct influence in the national housing policy. Let me urge you to continue your traditional concern for the factors in the community which make home ownership desirable. I have mentioned the need for building homes at lower cost. Scientific research has already produced new materials whose substitution for older, more costly modes of construction can help reduce the cost. Yet there are cities whose building codes are so antiquated that there is no possible way for today's home builders to take advantage of these new developments. Your influence toward up-to-date building codes in your cities can weigh heavily in the progress of home ownership.

Our haphazard methods of spreading cities out first in this direction and then in that, according as land is available and demand is apparent, have kept the hazards of future decline in property values very much alive. We can take some of the speculation out of owning a home in growing parts of the city by planning land uses in advance. America is young as yet in its efforts to plan the future growth of cities. You can have a part in helping your own community mature its thinking about city planning. You can take leadership in planning to use the land in the best interests of those who want to use it for building homes. You can help make public policies effective by refusing to lend your financing aid to properties in those areas which have grown into residential sections in mushroom fashion and which are obviously speculative in character.

I have noticed a tendency on the part of some businessmen to hesitate and be bewildered by the far-reaching legislation of the past few years. Some of you may have shared this timidity. As I study the question of the things that you want I am convinced that your wishes and those of the Congress are substantially the same. Now that the emergency has passed Congress wants to do what the great majority of the honest, careful-thinking, responsible citizens in the community desire. Remember that the Federal Government is protecting your interests because fundamentally your concerns are those of the whole body of the people.

I am not denying that new times are with us. I am glad that they are. Especially I look with pleasure upon the future possibilities of our own State of North Carolina. The movement of industry into the South is not destined in my opinion to be a temporary thing. We have natural facilities of climate and vicinity to raw materials which make such expansion logical. Nor do I need to remind you that a section which is expanding commercially and industrially will be a magnet for population movements.

Can you think of any institution which has a greater opportunity to participate in this future than the building and loan association? Last year residential construction in the East South Central States increased more than 200 percent over the activity in 1935. For the Nation as a whole the increase was only 112.8 percent, as I have already pointed out, and thus the beginning phase of activity in this section already shows itself in home-building demands. We want the housing policy for this new North Carolina which we are building to be the time-honored American policy of home ownership. It lies in your hands to be sure that this dream comes true. I trust that you will work together in your organizations to discharge this task without hesitation and with distinction.

I know of no other business activity which has such an inspiring future task as yours. Businessmen are divided into two groups: Those who think their jobs are dull routine and those who look upon them as a new adventure every day. Sometimes those in the latter class have to use their imagination to make their business transactions adventures. It is not so with you. You are dealing with the fundamental desires of the great mass of people. You are helping them toward their most worthy economic aim—proprietorship through their own efforts. You can watch the happiness of the family as the time for complete repayment of the debt draws near. You are making a nation of happier, more independent people. Without the building and loan associations we could scarcely be said to have any national housing policy formulated. With building and loan associations continually growing in service and in the number of those served, America is destined to base its housing policy of the future as in the past upon the owned home. Any other housing activities, necessary though they may temporarily be, must remain tiny tributaries to the great main stream of housing which rushes along in the home-ownership current.

Two Noble Governmental Activities: Civilian Conservation Corps and the National Parks Service—They Go Hand in Hand in Performing Worthy Functions

---

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 8, 1937

Mr. LEAVY. Mr. Speaker and Members of the House, this great Government of ours carries on scores of activities whose primary objectives, and the only reason for their being in existence, is public service. There are few citizens who can boast a familiarity with all these activities. However, I am safe in saying it would be difficult to find a citizen anywhere in this great land of ours who has not heard of our National Park system and the Civilian Conservation Corps.

The former is an activity that has engaged the attention of the Government for a good many years. It has built up a fine organization and it has an excellent personnel. It was my pleasure and privilege to contact and become acquainted with Hon. Arno B. Cammerer, Director of the National Park Service, and with many of his assistants during the extensive hearings before the Interior Subcommittee of the Appropriations Committee, of which I am a member. I am sure from personal knowledge heretofore possessed and from facts gained at such hearings that I can assert without fear of contradiction that if the American people as a whole had only a slight understanding of the marvelous asset we have in the National Park system they would not only encourage its more rapid expansion but they would use every spare day they had to become personally familiar with the unexcelled and indescribable charm and attractions to be found in these national parks. With a better understanding of what we have here there would be a marked falling off of travel abroad for the purpose of viewing natural scenic beauty and there would be an expenditure at home of millions of dollars now going to foreign lands.

The other activity that I mentioned at the outset, the Civilian Conservation Corps, is a new activity and is similar to the National Park Service in that it is also a conservation program, conserving what is still more important, the youth of our land. Even the most partisan, prejudiced, and bitter critics of the Democratic administration have been forced to express approval of the work done by the C. C. C. activities. I could spend hours of time in detailing the character building and humanity conserving features of the C. C. C., but I must of necessity not do that.

In the last 3 months a constituent and personal friend of mine, a man of middle age, and one possessed of unusual executive ability, has been actively engaged in directing the activities and in charge of a group of 140 C. C. C. enrollees who were gathered together in the State of Arkansas and transported by Uncle Sam to the dense wilderness and the scenic beauty of Mount Rainier National Park, in the State of Washington. Here for some months Mr. William S. Nowlin has lived with these boys, has directed their activities, and as a keen observer of human nature has seen their characters unfold in a way that insures good citizenship.

Mr. Nowlin is by profession a landscape architect, a college graduate, and added to these facts he has had some 20 years of the finest practical experience. It appears to me that the Government has found a servant that fits perfectly into one of its major activities.

I want to give you, my colleagues, some extracts from a letter received from Mr. Nowlin, whose word picture graphically and understandingly paints the mountains, forests, and the Arkansas youth living in this place of grandeur. This letter was written with no thought that it would be

given publicity, but is so superior to anything that I have ever received or any description that I could give of the national parks and the C. C. C. that I am taking the liberty of making certain extracts of the letter a part of the RECORD. These are as follows:

JUNE 12, 1937.

DEAR JUDGE LEAVY: All's quiet along the Ohanapecosh except the raindrops pattering on my tent. It can rain so easily here. The clouds seem to hang on the treetops and release the moisture so gently, so cheerfully, and so unceasingly. The sun is always on the point of breaking through but never quite succeeds. This is the seventh day of rain. All week these Arkansas boys have worked out in the woods uncomplainingly until yesterday. They put on those Army rainproof clothes—tin pants, they call 'em. They lean them up against a stump, climb up on top and jump into them. They are about as stiff as a suit of armor, like the knights used to wear, except the armor had joints at the knees and elbows. They do not clank or ring but when they walk it makes a noise like filing a saw.

One of my "gang" (a little fellow weighing about 100 pounds) came out to work the other day without his "tin pants" and I sent him back to get them. There was only one pair left—size 44. Well, he got into them, bent the bottoms up so that he could walk, found a piece of half-inch rope, made a gallus to hold them up, and on the way back he gathered moss enough to fill them out around the waist and he also made himself a wig and some whiskers of moss and reported "ready for duty." These boys have a sense of humor.

There is such a variety and contrast to this work. One day we are planting delicate, lacy ferns on the bank of a stream and laying a carpet of green moss around them, and the next day we will be digging with a steam shovel or using a "cherry picker" to place weathered boulders, weighing about a ton, to keep these "dumb" campers from driving where they are not supposed to.

Then we build huge log tables, so heavy the people can't move them around, and stone fireplaces and stencil and carve and burn signs on the face of a cedar log cut in half, and build trails and footpaths and haul gravel in dump trucks to surface roads, and, believe me, these boys are workers. They average over 20 years old, and most of this camp has had more than a year's experience in national park work (which is a lucky thing for me). The hardest task is to have work enough lined up to keep them busy. I assign them a job that I think will last all day, and in a few hours the leader will come and ask what to do next. * * *

I hope they make the C. C. C. permanent, even if they have to discontinue the Army and Navy. Its a great character-building institution. They get better training than in any school or college. I think it is the greatest thing the present administration has done.

We have no horizon here. Just trees everywhere. I like these tall hemlocks and firs. Your eyes follow them upward to a little patch of blue sky or gray sky and maybe a white cloud, and to "contemplate the sky is good for the soul", somebody said.

I wish you could see this river—the Ohanapecosh (b'gosh). I always add that last part. One or two extra syllables make no difference on such a name and it sort of rhymes. It is not a large river. It is small enough to be friendly. You can walk on one bank and enjoy the verdure on the other side. On a hot day, when the glacier silt comes down, it turns milky white; when rain is falling the water is green and white, and at times it appears blue and white. It is always in such a hurry and is always singing.

About a mile from here there is another stream, a tributary of the Ohana, called "Laughing Water Creek." Follow along the trail for a little ways and suddenly you will feel a cool breeze and hear a sort of musical roar. A few steps more and the water seems to leap at you from the treetops. Halfway down it separates into spray and mist; then it collects itself from the rocks and ferns into liquid form once more and goes giggling and gurgling down the mountain side.

There is a cedar swamp not far from here where there are many venerable cedars 12 to 16 feet in diameter at the base. There is one where three trees have grown together that measures 26 feet. Douglas firs 6 feet in diameter are common. The hemlocks and white pines are more slender but very tall. There is an undergrowth of vine maple and three kinds of huckleberries and ferns everywhere. There are quite a few flowers but they are so perfectly blended with ferns and moss that they are unnoticeable. You have to search for them. It's quite a shock to go out into civilization and see poppies, peonies, and other highly colored flowers—they seem artificial, gaudy, and look like Christmas-tree decorations. * * *

There is plenty of brown and black bear here, but they are wild in this corner of the park and we don't see them often. Over at Paradise Inn they are a nuisance.

There is a bird called a Vireo that stays in the trees around my tent, and every morning about 2:30 he starts to blow a police whistle. I hope he swallows it some day. This is a fine place to sleep, however, and to eat. * * *

We have a baseball team, but we have to go 42 miles to find an open space big enough for a diamond, and a ball over the outfielder's head is lost forever in the jungles. When these boys are dressed up, ready to go to a dance or somewhere, they might be so many boys from any college in the country. They are tall, husky, and fine-looking lads and they dress nicely.

Talk to them and the first two words they speak you will know they are from the South. The next 10 words it is apparent that they are either from Arkansas or Tennessee. Then ask them if they ever heard of Bob Burns and their expressions of pride will immediately eliminate Tennessee. They can tell you to an inch how far they live from Van Buren.

Sincerely your friend,

WILLIAM S. NOWLIN.

Some Taxes—Effect on Capital and Labor

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

Mr. CELLER. Mr. Speaker, the economic conditions that confront this Nation today are by no means reassuring; there is unrest among both labor and capital. Labor and responsible capital interests want a living wage and permanent employment in productive enterprises. They cannot live without it. Congress is between the upper and the nether millstone. The duty and responsibility of removing obstructions that interfere with the legitimate flow of business belongs to Congress. The responsibility for delaying relief is ours. Aggravating capital and labor difficulties is our present unscientific and patchwork system of taxation. It is like a landlord trying to appease two dissatisfied tenants without repairing the sagging foundation.

Realizing the utter futility of satisfying these recalcitrant tenants as long as the foundation is weak, I have introduced two bills fundamentally strengthening it.

These bills are H. R. 7550, amending the undistributed corporate net earnings tax and H. R. 7152, amending the capital gains and losses tax. I have appended to this statement copies of the bills as introduced. I now desire to briefly discuss them.

UNDISTRIBUTED CORPORATE EARNING TAX

This levy as now constituted visits great hardships upon small corporations. Few can grow and a great many cannot live under the present levies. There are 528,000 corporations organized for profit in the United States and they come under the provisions of this law. Unless immediate attention is given to the amending of this act, a large number of our small corporations will inevitably go into bankruptcy, and large corporations, with reserves depleted by the depression, may not be able to continue in business.

CAPITAL GAINS AND LOSSES TAX

It is estimated that the Government at present receives $25,000,000 per annum from the capital gains tax. It is conceded that the proposed amendment will result in an increase in revenue through increase in the volume of the transfer tax on sales; the general increase in revenue due to expansion of business, and an increase of revenue from the income tax which will grow in proportion to the growth of business. Such expansion, of necessity, will encourage more productivity and greater employment of labor. Our national tenants—capital and labor—finding conditions more liveable may not scrap as much as heretofore.

We have had panics and while no one knows exactly from whence they came or whither they goeth or when they will return, we all know they are avowed enemies of capital and labor and are liable to swoop down upon them like a pestilence, destroying the very house wherein they dwell. Only a healthy economic condition can resist such attacks. Like all diseases they are attracted by a run-down and debilitated condition. While I am not predicting panics, I do suggest, for the consideration of Congress, that the capital gains and losses tax and the undistributed corporate net earnings tax, as they now stand, are panic breeders.

REDUCE RATES AND INCREASE REVENUE

Our goal should be a system of taxation that will increase the volume of business and thereby increase revenue. Any rates that can be reduced and bring more revenue should receive first attention of Congress. My proposed amend-

ments, if put into effect, will bring about this result and demonstrate to Congress that rates can be reduced and revenue increased, as well as unemployment of labor and capital diminished.

We thus make more firm and livable the dwelling of capital and labor.

In all levies there is a point of diminishing returns and one that slows down business. It is the duty of Congress, through its established and authorized agencies and departments, to determine the point of saturation and the rate that slows down business.

TAX PROBLEM SUBMITTED TO TAXPAYERS

In dealing with the tax problem there is no escaping taxpayers. We cannot run government without them. They are the foundation of government. I have great admiration for economists and tax experts employed by government and those who volunteer their services to aid us in the understanding and in the solution of our tax problem—their assistance, information and learned dissertations, historical background, and statistical data and recommendations which they furnish us are most illuminating. We must acknowledge indebtedness to all organizations representing special and general interests for their opinions and judgment. We have many Members of Congress who have given profound study to the problem of taxation and they are entitled to a vote of thanks for their courage, wisdom, and devotion to Government. I cannot praise too highly the members of the House Ways and Means Committee and other Members specializing in taxation, for their contributions to sound tax legislation.

But when all is said and done, taxation is the taxpayers problem. Those who write out checks to the Federal Government have a superior qualification in tax understanding, experience, and knowledge much needed in the solution of our tax problem that cannot be transmitted to students or to tax authorities. After, all, the only way to learn how to ride a mule is to ride one, and the best way to learn taxation is to pay taxes. It cannot be fully acquired by books, charts, and graphs. Experience is a basic factor that must be reckoned with in mastering taxation.

With the consent of my colleagues, I submit through the columns of the CONGRESSIONAL RECORD, to the taxpayers of the Nation my two amendments for their consideration, judgment, and recommendations. Those who pay the undistributed corporation net earnings tax and the capital gains and losses tax should be among the first to respond as they have a primary interest. I quote my bills in full:

H. R. 7152

A bill to amend the Revenue Act of 1936 with respect to the tax on capital gains and losses

Be it enacted, etc., That subsection (a) of section 117 of the Revenue Act of 1936 is amended to read as follows:

"(a) General rule: The gain or loss recognized upon the sale or exchange of a capital asset shall not be taken into account in computing gross income or net income if the capital asset has been held by the taxpayer for more than 1 year."

SEC. 2. The amendment made by this act shall apply only with respect to taxable years beginning after December 31, 1936.

H. R. 7550

A bill to amend the Revenue Act of 1936 with respect to the surtax on undistributed profits

Be it enacted, etc., That paragraph (2) of subsection (a) of section 14 of the Revenue Act of 1936 is amended to read as follows:

"(2) The term 'undistributed net income' means the adjusted net income minus the sum of—

"(A) The dividends paid credit provided in section 27.

"(B) The credit provided in section 26 (c), relating to contracts restricting dividends and discharge of indebtedness.

"(C) The credit provided in section 26 (f), relating to expenditures for improvements."

SEC. 2. Section 26 (c) (2) of the Revenue Act of 1936 is amended to read as follows:

"(2) Discharge of indebtedness: An amount equal to all amounts paid within the taxable year in discharge of a debt, or irrevocably set aside within the taxable year for the discharge of a debt. As used in this paragraph the word 'debt' does not include a debt incurred after April 30, 1936, but does include an obligation assumed after April 30, 1936, solely for the purpose of refunding a debt incurred prior to May 1, 1936."

SEC. 3. Section 26 of the Revenue Act of 1936 is further amended by adding at the end thereof the following new subsection:

"(f) Expenditures for improvements: The sum of the amounts paid out during the taxable year for the construction or improvement of real property, and for the purchase and the installation or equipment and machinery, and for the expansion or replacement of plant or other productive facilities (including amounts paid out for the equipment and development of mining properties), to the extent that no deduction or allowance is or has been made for such amounts in computing net income.

"(g) General relief credits: A general credit not to exceed 30 percent of the adjusted net income of the corporation."

SEC. 4. The amendments made by this act shall apply with respect to taxable years beginning after December 31, 1936.

SEC. 5. Section 41 of the Revenue Act of 1936 is amended by adding the following paragraph:

"A corporation may distribute up to 25 percent of its adjusted net income within 90 days following the close of the taxable year."

Child Labor

EXTENSION OF REMARKS

OF

HON. EDWARD L. O'NEILL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 8, 1937

LETTER FROM HON. WILLIAM B. BARRY, OF NEW YORK, TO HON. HATTON W. SUMNERS, CHAIRMAN OF THE JUDICIARY COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Mr. O'NEILL of New Jersey. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written to Hon. HATTON W. SUMNERS, chairman of the Judiciary Committee of the House of Representatives, by the gentleman from New York [Mr. BARRY]:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 2, 1937.

Hon. HATTON W. SUMNERS,
Chairman, Judiciary Committee, House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: The Senate Judiciary Committee has recently reported favorably Senate Joint Resolution 144, introduced by Senator VANDENBERG, proposing an amendment to the Constitution of the United States prohibiting child labor.

This move was prompted by the belief that the previous child-labor amendment recommended by Congress 13 years ago appears doomed to defeat and that there is a pressing demand by public opinion in the United States for a proper child-labor amendment.

The original proposed child-labor amendment read as follows:

"SECTION 1. Congress shall have power to regulate, limit, and prohibit the labor of persons under 18 years of age."

The principal objection to this amendment is that the broad and ambiguous language employed therein would authorize Congress to control child life in many fields not really intended by its authors. Whether or not one agrees with the contention of the opponents of this amendment is beside the point. The fact is that their convictions have made its adoption impossible.

The essential part of Senate Joint Resolution 144, the proposed amendment recently reported out reads:

"The Congress shall have the power to limit and prohibit the employment for hire of persons under 16 years of age."

The important difference between the two proposed amendments is the new proposal eliminates the word "regulate" and substitutes the phrase "employment for hire" for the word "labor" in the original amendment. It further reduces the age limit from 18 to 16 years.

The new proposal, while it dispels the fear of giving Congress the power to control education, still retains the power in Congress to direct the employment of children under 16 years of age. In other words, the gainful activity of the child until he is 16 years of age will be under the control of Congress.

While the chances are that this power given to Congress over children will not be abused, yet the rules of construction insofar as the Constitution is concerned is that language contained therein must be given the broadest possible construction; that any statutes enacted under the Constitution are presumed to be constitutional, and if there is anything in the language of the Constitution either expressed or implied which will sustain the statute, that statute must be upheld.

Whether or not their fears are justified many Americans are alarmed over the possibility of the same thing happening here to their children that is taking place by means of the youth-control movements in Germany, Italy, and Russia today. I believe that this feeling is growing stronger daily, and may be a potential threat to this amendment.

While I recognize that the Vandenberg amendment is a distinct improvement over the previous proposal and will eliminate much objection by the clarifying changes in the language, I believe that

there is a better approach to this problem that will accomplish the same results without giving Congress any direct control over the children at all.

I refer to the way it was done under the N. R. A. The N. R. A. abolished child labor and was hailed by friend and foe alike. But the N. R. A. didn't direct its attack against the children. Under the N. R. A. we forbid the employers to hire and exploit children. The Vandenberg amendment, like its predecessor, says to the child: "You cannot work. We will limit and prohibit you." It does not say to the exploiters you cannot exploit the children. It is drawn against the children and penalizes them and not their exploiters, the employers, who should be penalized.

On May 4 last with foregoing fundamental differences in mind, I introduced the following amendment which was referred to your committee:

"SECTION 1. Congress shall have the power to limit and prohibit persons from employing or permitting the physical labor of natural persons under 16 years of age, and to limit the employment of such persons 16 years of age and under 18 years of age in dangerous and hazardous occuaptions."

This amendment will keep children under 16 from being exploited and limit the activities of children 16 and under 18 in dangerous and hazardous occupations. It will accomplish everything that the advocates of the original child-labor proposal and the Vandenberg substitute proposal sought to do.

However, the amendment is drawn against the exploiting employer who is the real offender and does not penalize the child, who is left free as he ought to be. Study the phraseology carefully and you will readily see the fundamental difference between the two amendments.

In view of the foregoing, I respectfully urge the Judiciary Committee to report out my proposed amendment, or to substitute it for the Vandenberg amendment when it comes over from the Senate.

Sincerely yours,

WM. B. BARRY,
Member of Congress.

Position of the American Bar Association With Reference to Increasing the Size of the Supreme Court

EXTENSION OF REMARKS
OF
HON. SAMUEL B. PETTENGILL
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 8, 1937

Mr. PETTENGILL. Mr. Speaker, on the floor of Congress and elsewhere it has been represented that the American Bar Association some years ago recommended an increase in the number of Justices of the United States Supreme Court. The statement is not correct. It is entirely contrary to the truth.

As a member of the American Bar Association, I took occasion to make inquiries as to what the facts actually are from Frederick H. Stinchfield, president of the American Bar Association; William L. Ransom, former president of the American Bar Association; and Sylvester C. Smith, Jr., chairman of the special committee on the Supreme Court proposal.

I am informed by these gentlemen that the American Bar Association has never taken action, at any time, in favor of increasing the size of the Supreme Court of the United States for any reason. Its attitude and action have shown continuous and emphatic opposition to all proposals to change the jurisdiction, powers, structure, or personnel of the Supreme Court, for any reason related to its decisions; and an increase in the number of Associate Justices has never been favored by the association.

The most persistent of the current misapprehensions is that in 1921 the American Bar Association recommended or approved an increase in the number of Associate Justices of the Supreme Court. No such action was taken by the association, at that time or any other. In 1921 the association's committee on jurisprudence and law reform, in submitting its annual report for the action of the association's annual meeting, discussed the serious congestion and arrearage then existing in the Court and commented upon the desirability of dealing with that situation in proposed legislation to revise the Judicial Code. The committee's report to the association said, in this respect (1921 annual report volume, pp. 391–392):

It seems to your committee that the most important subject for inquiry in this connection is the composition of the Supreme Court of the United States. The great extension of Federal legislation to many subjects, with which formerly it did not deal, and the many questions of difficulty arising out of the war, have thrown a heavy burden upon that Court. This burden could be relieved in one of two ways:

1. The right of appeal to the Supreme Court could be materially limited.

2. Provision could be made for increasing the number of the Justices of the Court to 11, beside the Chief Justice. Six Justices as now would constitute a quorum (Judicial Code, sec. 215). The concurrence of five should be necessary to render a decision. * * *

We have not prepared any bill upon this subject, but we commend it to the serious consideration of the association and would be glad to receive instructions as to what action this committee should take in case the joint committee before mentioned should be created by Congress.

The five specific recommendations of the committee for the action of the association contained no reference to an increase in the number of Justices of the Court (1921 Annual Report Volume, p. 392). These recommendations were adopted by the association (ibid., p. 58). In presenting the report to the 1921 annual meeting of the association the chairman made no mention of this particular phase of the committee report and made no recommendations to the association thereon (ibid., pp. 55 to 58). No member of the association said anything in support of the idea that the then existing congestion in the Court should or could be dealt with by increasing the number of Associate Justices. The most that could be said, regarding what took place in 1921, is that the committee listed as one of the possible expedients the addition of two Justices to the Court, for reasons wholly unrelated to its decision or to any program for impairing the independence of the Court. The committee did not recommend it as the preferable method of dealing with the calendar arrearage; no one supported the idea on the floor; the method placed first by the committee was supported; and next year the committee made clear that it had not recommended any increase in the size of the Court at all.

By the time of the 1922 meeting, the opinion of the profession had crystallized in favor of limiting the classes of causes appealable to the Supreme Court as of right. The 1922 report of the committee on jurisprudence and law reform to the association said, on this point (1922 annual report volume, p. 362):

4. INCREASING THE NUMBER OF JUDGES IN THE SUPREME COURT

This subject was dealt with in our last report. A bill has been introduced in Congress (S. 3164; H. R. 10479) which undertakes to deal with the congestion in the docket of the Supreme Court by limiting the right of appeal to that tribunal. In effect, under the provisions of this bill, the review of decisions, in almost all cases, of any circuit court of appeals would be by certiorari or a certificate from the circuit court of appeals. It is understood that this bill has the approval of the Justices of the Supreme Court.

Your committee has considered this bill and approved it with the amendment as to writs of error, before mentioned.

The specific recommendations of the committee, for the action of the 1922 annual meeting of the association, were as follows (ibid., p. 363):

Resolved, That this association approves the action of the committee on jurisprudence and law reform, detailed in the foregoing report.

Resolved, That this association instructs the said committee to continue to promote the passage of the bills mentioned in said report, which have had the approval of said committee.

These resolutions were adopted by the association (ibid., p. 72). In the discussion of the report, no member of the association advocated an increase in the size of the Court (ibid., pp. 60–71).

That the committee did not, in 1921, recommend an increase in the number of Justices of the Court, was made very clear by the vice chairman of the committee, in presenting its report to the 1922 meeting. He said (ibid., pp. 66–67):

The committee has dealt with the subject of reducing the business of the Supreme Court. The heading of this section report

is, "Increasing the Number of Judges in the Supreme Court." I think that is an error. The committee has not recommended an increase of the Judges of the Supreme Court. On the contrary, its consideration of the subject has led it to make recommendations in line with those which were explained by the Chief Justice this morning in his address.

The address referred to was entitled, "Possible and Needed Reforms in the Administration of Justice in the Federal Courts" and was delivered at the 1922 meeting of the association by the Honorable William Howard Taft, then Chief Justice of the Supreme Court of the United States (ibid., p. 250). During the course of this address the Chief Justice discussed the plan for extending the discretionary power of the Supreme Court with respect to granting appeals. The bill then under discussion by and before the association was substantially the same as that which later became the Judiciary Act of 1925, with the full support of the association.

In 1923 the committee on jurisprudence and law reform, in its annual report to the association, said (1923 annual report volume, p. 334):

> At the last meeting of the association, Chief Justice Taft delivered an address in which he called attention to the importance of limiting the right of appeal to the United States Supreme Court and stated the general features of a bill for that purpose which would still allow parties desiring a review in the Supreme Court when appeal was not a matter of right to apply for a writ of certiorari. A bill for this purpose which was approved by the Chief Justice and the Associate Justices (House bill 10479) was subsequently introduced and your committee as instructed by the association was heard in its support. The Solicitor General, who is a member of this committee, had a separate hearing and the subject was fully presented to the Judiciary Committee of the House of Representatives. The bill, however, did not come to a vote. We recommend that the committee be instructed to continue to advocate the passage of this bill.

Upon motion of the chairman of the committee on jurisprudence and law reform, the 1923 meeting of the association adopted the following resolution (ibid, pp. 67, 69):

> *Resolved*, That the association instruct the committee on jurisprudence and law reform to continue to promote the passage of the bills mentioned in its report and the adoption of the rule of court mentioned therein, and heretofore recommended by the association, which have not yet been enacted or adopted.

In its annual report for the year 1925, the committee on jurisprudence and law reform said as to the Judiciary Act of 1925 (1925 annual report volume, p. 326):

> We cannot refrain from joining with the committee on uniform judicial procedure in felicitating the association upon the passage of the highly important procedural bill defining the status of courts of appeal and the Supreme Court, and making provision by which appeals to the Supreme Court may be so limited as to enable that tribunal to devote itself more exclusively to important questions of law brought before it on writs of certiorari * * *.

An examination of the annual reports of the association for the year 1924, and for the years 1926 and 1935, both inclusive, discloses no recommendation or action by the association or any of its committees with regard to the increasing of the number of Justices of the Supreme Court of the United States. Action was taken in practically every year in opposition to bills to abridge or limit the jurisdiction and powers of the courts of the United States.

In August of 1936, however, members of the association present in Boston, at the most largely attended annual meeting ever held by the association, voted upon bills providing for a "fixed increase" in the Court. A bill was then pending in the Congress to increase the Court to 11 members; another bill proposed to increase the Court to 15 members. The association's standing committee on jurisprudence and law reform enumerated these bills (1936 annual report volume, pp. 196–198, 659) and recommended that they be emphatically disapproved. The committee's report said:

> Most threatening are proposals to increase the membership of the Court in order to change its complexion, and that regardless of the necessities of its business. Indeed, this is the Achilles heel of the Constitution. Based upon the fundamental theory of effectual counterpoise among the legislative, executive, and judicial departments, the Constitution yet leaves it within the power of Congress and the Executive to overcome that balance. All that is necessary is a single act of Congress increasing the membership of the Court, Executive appointment, and senatorial confirmation. Thereafter the fate of the Constitution is committed to the judicial consciences of the new members. At least once in our history such action was proposed and seemed not unlikely to be taken. The sole brake upon it then and now is an aroused public opinion. Once the people accept the view that the Court should be but an instrumentality for validating the will of the Congress, the method for accomplishing this purpose is ready at hand. Under present-day conditions, when by instantaneous means of communication the fleeting moods of public opinion may be rapidly mobilized, this danger is more real than it has ever been in the past.

A copy of the report and recommendation was sent to every member of the association at least 2 months before the Boston meeting. At the last session in Symphony Hall the report was presented for action, and the chairman of the committee spoke earnestly of the dangers inherent in proposals to increase the membership of the Court (ibid., pp. 196–197). Lawyers now identified with the pending proposals to enlarge the Court were at the meeting but gave no indication in August that any such thing was to be broached in February. The resolution disapproving both the bill to increase the membership of the Court to 11 and the bill to increase it to 15 members was adopted unanimously (ibid., p. 198).

The state of the record is similar as to bills or amendments requiring the concurrence of more than a majority of the Supreme Court to adjudge a statute to be unconstitutional. The committee enumerated the bills of this character which were pending, for a two-thirds or three-fourths vote for invalidity (ibid., p. 660), and recommended that they be disapproved. The committee said (ibid., p. 661):

> Once require that more than a majority of the Justices shall concur and the authority of the Court qua court to pass upon constitutional questions is undermined, the principle of majority rule is flouted, and a minority enabled to prevail.

The recommendations were sent in advance to each member of the association and were presented also orally to the meeting by the chairman of the committee (ibid., p. 196). Disapproval of these bills was unanimously voted (ibid., p. 198). Although it will be recognized that recent discussions may have won for the two-thirds vote some popular support it did that therefore have, it remains true, as to the American Bar Association, that unless and until the 1936 action is abrogated or altered through a referendum to the membership, or by action of the assembly and the house of delegates at a subsequent meeting, the association is in opposition to such a change in the functioning of the Court.

In March of 1937 the members of the association, and in April 1937 the lawyers who are not members of the association, were polled by the association by secret ballot by mail upon the question, among others:

> Should the Congress enact the bill recommended by the President of the United States on February 5, 1937, which would empower the President, when any judge of the United States, appointed to hold his office during good behavior, has heretofore or hereafter attained the age of 70 years after at least 10 years of service, and within 6 months thereafter has neither resigned nor retired, to nominate, and with the consent of the Senate to appoint, one additional judge for such court, provided that this increase in the number of judges so appointed shall not result in more than 15 members of the Supreme Court of the United States, or more than two additional judges for a circuit court of appeals or other specified court, and otherwise as fully set out in the bill, the text of which is herewith printed?

In every State the members and nonmembers of the association alike voted in the negative upon the above-stated question with respect to the Supreme Court of the United States. The vote in the affirmative was:

Members	2,563
Nonmembers	11,770
Total	14,333

The vote in the negative, against increasing the size of the Court, was—

Members	16,132
Nonmembers	40,021
Total	56,153

The foregoing is believed to be a complete statement of the action of the association upon proposals to increase the number of Justices of the Supreme Court of the United States.

Criminal Actions to Enforce the Federal Antitrust Laws in Relation to the Oil Industry

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

Mr. COFFEE of Washington. Mr. Speaker, after over 40 years of tinkering around, trying to enforce the antitrust laws by injunctions and consent decrees, the Antitrust Division of the Department of Justice has just recently taken what I believe to be the only proper method to enforce and secure compliance with them. And that is by Federal grand jury investigation and indictments for violations of the antitrust laws if the evidence warrants.

The big monopolists of this country do not fear injunction suits and consent decrees; what they fear is being shown up personally as the criminals that they are. Only by enforcing the criminal provisions of the antitrust laws will monopoly be thwarted in this country.

THERE IS A CRYING NEED FOR GRAND JURY INVESTIGATIONS

A number of years ago the Federal Government caught the major oil companies on the Pacific coast red-handed in a violation of the antitrust laws. The usual injunction suit and consent decree followed. But what good did it do? The major oil companies have gotten around or openly violated that decree to this day, so that conditions in the oil business on the Pacific coast are more controlled by them than ever before. And the situation gets worse.

What is needed on the west coast is an investigation by a Federal grand jury similar to the one impaneled in Madison, Wis., a year ago. And I can assure you that the revelations of such a grand jury will bring forth every bit as much evidence of monopolistic practices and violations of the antitrust laws as the Madison grand jury uncovered in the Middle West.

WISCONSIN HAS SET THE EXAMPLE

Speaking further of this grand jury from the western district of Wisconsin, let me point out that after months of hearings they returned four long indictments against the Standard Oil Co. of Indiana and 23 other conspirators and, in addition, returned indictments against 58 individuals who engineered the nefarious scheme to rob the public in the Middle West and "squeeze" the independent oil jobber out of business. These individuals were mostly officers of the corporations indicted. That is laying the blame where it belongs.

AN INDICTMENT WHICH MINCES NO WORDS

Permit me to quote for your information the conspiracy charge presented in the first indictments returned by this Madison grand jury. The indictment recites:

Beginning in the month of February 1935 and continuing to the date of the presentation of this indictment, defendants and certain persons hereinafter referred to, and other persons to the grand jurors unknown, well knowing all the foregoing facts, have combined and conspired together for the purpose of artificially raising and fixing the tank-car prices of gasoline in the aforementioned spot markets, and, as intended by them, defendants have artificially raised and fixed said spot market tank-car prices of gasoline and have maintained said prices at artificially high and noncompetitive levels and at levels agreed upon among them, or some of them, and have thereby intentionally increased and fixed the tank-car prices of gasoline contracted to be sold and sold in interstate commerce as aforesaid in the midwestern area (including the western district of Wisconsin), and have arbitrarily, by reason of the provisions of the prevailing form of jobber contracts above described in paragraph 11, exacted large sums of money from thousands of jobbers with whom they have had such contracts in said midwestern area (including the western district of Wisconsin), and in turn have intentionally raised the general level of retail prices prevailing in said midwestern area (including the western district of Wisconsin). In so doing, defendants have then and there engaged in an unlawful combination and conspiracy in restraint of trade and commerce in gasoline among the several States of the United States in violation of section 1 of the act of Congress of July 2, 1890, known as the Sherman Antitrust Act.

Said unlawful combination and conspiracy has been effectuated in the following manner and by the following means, that is to say: Beginning in the month of February 1935 and continuously to the date of the presentation of this indictment, as aforesaid, defendant major oil companies, acting through or under the direction of their respective officers and agents hereinabove made defendants herein, and through others of their officers and agents, some of them hereinafter referred to, and through defendants Bourque and Boggs, and other persons to the grand jurors unknown, have knowingly and unlawfully engaged and participated in two concerted gasoline-buying programs, hereinafter referred to as (a) the east Texas buying program and (b) the midcontinent buying program, for the purchase by each of them from independent refiners in spot transactions of large quantities of gasoline in the east Texas and midcontinent fields at uniform, high, and at times progressively increased prices, some of said defendant major oil companies purchasing gasoline in the east Texas field and others of them in the midcontinent fields, and some of said defendant major oil companies making such purchases in both buying programs, as hereinafter more fully set forth, but each and all of them acting pursuant to the common purposes set forth in paragraph 18 of this indictment. Said buying programs are more fully described as follows:

The East Texas buying program: Throughout the period aforesaid defendants Sinclair, Gulf, Texas, Pure, Continental, Tide Water, Cities Service, Cities Service Export, and Louisiana Oil have made large and increased purchases of gasoline in spot transactions from most of the independent refiners located in the east Texas field. Said independent refiners have been members of an association known as the East Texas Refiners Marketing Association, which was formed in February 1935 with the knowledge and approval of some of the defendants for the purpose of selling and facilitating the sale of gasoline to defendant major oil companies. Among members of said association have been McMurray Refining Co., East Texas Refining Co., Dominant Refining Co., Cascade Refining Co., Grogan Oil Co., Trinity Refining Co., Tower Refining Co., La Pren Refining Co., Southport Petroleum Co., Century Refining Co., Tyreco Refining Co., Wabash Refining Co., Inc., Texover Refining Co., Ocean Refining Co., Solvex Refineries, Inc., Arrow Producing & Refining Co., Chief Refining Co., Gilliland Refining Co., Texas Oil Products Co., Matthews Refining Co., Utah Refining Co., Premier Oil Refining Co., and others to the grand jurors unknown.

Purchases of gasoline through said association, from the respective members thereof, have been made at the instigation and under the supervision and direction of defendants Arnott and Carnes, with one Neil Buckley, employee of Cities Service Export, acting in a liaison capacity between said association and the defendant major oil companies, and also instigating and directing said purchases. Said Buckley acted in said capacity under the instructions of defendant Cities Service and defendants Brandil, Coates, and Frueauff. With the approval of said Buckley, one Robert N. Cline has been secretary and manager of said association and has acted in said capacity, allotting orders for gasoline received from defendant major oil companies among the members of said association. Each of the defendant major oil companies named in the preceding paragraph has taken a part of the large quantities of gasoline purchased through said association, as from time to time arranged among them. Said quantities of gasoline purchased from said independent refiners through said East Texas Refiners Marketing Association have amounted to more than 50 percent of all the gasoline produced by said independent refiners. Said purchases have been in excess of the amounts which the aforementioned defendant major oil companies would have purchased apart from their participation in said buying program, and they have been made at uniform, high, arbitrary, and noncompetitive prices, and from time to time at progressively increased prices, as agreed upon by said defendant major oil companies, all with the unlawful purposes and effects aforementioned. In furtherance of said unlawful purposes said independent refiners have, at the instance of defendant Arnott, and the aforesaid Buckley, curtailed their production of gasoline. All of the companies and individuals mentioned in this and in the preceding paragraph, whether or not made defendants herein, have known of said unlawful purposes and have actively engaged and cooperated in the unlawful combination and conspiracy set forth in this indictment.

The midcontinent buying program: Throughout the period aforesaid defendants Standard of Indiana, Socony-Vacuum, Wadhams, Sinclair, Shell, Empire, Pure, Phillips, Mid-Continent, Continental, Skelly, Barnsdall, Globe, and Deep Rock have made large and increased purchases of gasoline from many of the independent refiners located in the midcontinent fields. Said independent refiners have been for the most part members of an association known as the Western Petroleum Refiners Association. Among the independent refiners in said midcontinent fields that have sold gasoline to the aforementioned major oil companies in the midcontinent buying program have been Champlin Refining Co., Eason Oil Co., Bell Oil & Gas Co., Panhandle Refining Co., Olney Oil & Refining Co., Omar Refining Co., Cushing Refining & Gasoline Co., Waggoner Refining Co., Inc., Taxman Refining Co., Rock Island Refining Co., The Dickey Oil & Refining Co., Inc., Danciger Oil & Refining Co., Shamrock Oil & Gas Co., Wilcox Oil & Gas Co., and others to the grand jurors unknown.

Purchases of gasoline from said independent refiners have been made at the instigation and under the supervision and direction of defendants Arnott, Ashton, McDowell, Tuttle, and Bourque, and

one Walter Paul Jacobi, an employee of defendant Wadhams. Each of the defendant major oil companies named in the preceding paragraph has taken a part of the large quantities of gasoline purchased, as aforesaid, as from time to time allotted to it by defendants McDowell and Tuttle and Bourque, and the aforesaid Jacobi. At monthly meetings of representatives of said defendant major oil companies the independent refiners named in paragraph 22 have from time to time been assigned to the defendant major oil companies participating in said buying program, one or more of said independent refiners being assigned to each of said defendant major oil companies as so-called dancing partners, and each of said defendant major oil companies has purchased from its said dancing partners quantities of gasoline as recommended by said defendants McDowell, Tuttle, and Bourque, and said Jacobi. Said quantities of gasoline purchased from said independent refiners in said buying program have amounted to nearly 50 percent of all the gasoline sold by said independent refiners. Said purchases have been in excess of the amounts which the aforementioned defendant major oil companies would have purchased apart from their participation in said buying program, and they have been made at uniform, high, arbitrary, and noncompetitive prices, and from time to time at progressively increased prices, as agreed upon by said defendant major oil companies, all with the unlawful purposes and effects aforementioned. In furtherance of said unlawful purposes said independent refiners have, at the instance of defendants Arnott, McDowell, Tuttle, Boggs, and Bourque, curtailed their production of gasoline. All of the companies and individuals mentioned in this and in the preceding paragraph, whether or not made defendants herein, have known of said unlawful purposes and have actively engaged and cooperated in the unlawful combination and conspiracy set forth in this indictment.

The other indictments returned at Madison, Wis., are along the same lines as the conspiracy outlined above, except that a more gigantic conspiracy beginning with the year 1931 is traced down to date setting forth numerous meetings, agreements, and so forth, all in violation of the antitrust laws.

WE MUST CONTINUE THE WORTHY FIGHT SO WELL BEGUN

The latest information is to the effect that these cases will go to trial on October 4, 1937. Efforts are being made to get the Department of Justice to drop its criminal proceedings and bring injunction suits. To do so would be playing into the hands of the oil monopolists. Criminal actions in antitrust cases is the one language these conspirators understand.

Capital Gains and Losses Tax

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1937

Mr. CELLER. Mr. Speaker, it is a truism that complicated things and laws get more complicated as time goes on, until they reach the point where they become so cumbersome and unworkable that modifications and adjustments must be made. One of these laws that has become so complicated as to become almost unworkable is the present method of taxing capital gains and losses. It is safe to say that no one other part of our tax law has been subjected to as much criticism or has caused as much trouble and dissatisfaction as that which deals with the taxation of capital gains and losses. Unfortunately this tax is not only cumbersome and almost unworkable but also socially undesirable, because it works counter to the basic policy of the "more abundant life" of the present administration.

It must be remembered that this country of ours is like a great farm. It contains within its borders great natural resources which, with the aid of intelligent men, has made our country exceedingly great. Now, we would have little regard for a farmer who toiled day and night in a barren field incapable of producing very much, if the same farmer neglected another part of his own land which was very fertile and capable of yielding huge crops. In other words, we expect a farmer to cultivate his most productive land first, and then, if money and labor are available, to cultivate his next most productive land. We do not expect him to waste his energy and resources on cultivating barren land. Indeed, at present the Government is attempting to reduce the submarginal farming area of the United States. This is all in line with the established American axiom of putting time and energy where it will produce the greatest and best results, and so be best for all citizens.

Money and capital ought logically to flow into those businesses and enterprises that will yield the greatest returns and which enterprises are the most productive—and yet how few of us realize that. The capital-gains tax, however, tends to prevent this adjustment from taking place in the field of corporation enterprise. By preventing money and capital from flowing into the most productive enterprises, labor is hurt—hurt because a company that is barely holding its own or losing money cannot, under any circumstances, employ as many workers or pay their workers as much as they could if they were prosperous. This fact was clearly proved by the depression. We must not be blind to the fact that the effect of this capital-gains tax is to restrict and hinder corporations from the sale of capital assets and thus transfer their capital and money from one enterprise to another more productive one. Many people criticize and condemn businessmen because they do not take advantage of these productive opportunities quickly enough. We should not, however, make matters worse by putting blinders on them.

Not only does this tendency to hold on to capital assets hurt labor directly but it also tends to accentuate the business cycle. It helps produce bigger booms and aids in deepening depressions. This is due to the fact that people and corporations refuse to take profits from the increased paper value of their stock. In other words, individuals may refuse to sell if prices should advance, because the longer they hold their stocks—up to 10 years—the less tax they have to pay. In the case of the wealthier stockholders the tendency would be to hold on to their stocks even if they believed that prices were too high, because the stock would have to break 30, 50, or even 60 percent before it would be worth while to sell. Now, it is well known that when there are few willing sellers and prices are advancing more people will want to buy. But if the sellers refuse to sell, the price rises rapidly. This precipitates an unhealthy boom in the stock market.

On the other hand, should prices of securities drop, the tendency for these wealthier stockholders might well be to sell their securities in order to deduct their losses from their other income. These wholesale sellings of securities may crack any stock market and lead to a dangerous and precipitous drop in security prices. Thus the present tax has a tendency to aggravate both the upswing and the downswing of the stock market. It is also an established fact that such booms and crashes in the stock market affect adversely practically all of the people of our country.

If the present capital-gains tax would be repeated, individuals and corporations would be more ready to realize profits from their securities, and if prices increase they will tend to sell more quickly. This continued selling, by keeping prices from going too high too rapidly, would help to prevent an unwise boom, and the resulting collapse which might otherwise take place. A similar stabilizing influence would also be found in the downswing of prices, since there would no longer be the urge to realize deductible losses.

The evil consequences brought about by holding capital assets for too long a period is not confined to the stock market. The same freezing of capital assets in other forms, notably real estate, is also encouraged by this capital-gains tax. According to Hon. Morris Tremaine, the distinguished comptroller of the State of New York, the levy on capital gains keeps landowners from liquidating their capital assets and induces this group to allow their land to lie idle. The result is that builders find it hard to purchase large-scale tracts at suitable prices. In the long run society suffers because the home owner must pay more for his house, the renter more for his apartment, while the laborer goes unemployed, and capital lies dormant because fewer homes are built. Truly, the tax places a penalty on action and a premium on loafing.

In this connection, it is interesting to recall that Mr. Jeremiah Maguire, a man prominent in labor circles and president of the Federation Bank & Trust Co., stated that—

> this one tax reform [capital gains and losses tax] would pry loose for purposes of useful employment at least $500,000,000 and would provide an extremely important impetus to the building trades, heavy goods industries, and reemployment. * * *

The release of this inactive capital would act as a great stimulus to a more complete recovery. The increase in activity and the increase in the velocity of money and sale of goods would be a benefit to the great mass of people. New orders for new material would inevitably result, and the greater business activity would be reflected in an increase in the demand for useful labor, and this would automatically reduce unemployment.

I have called this tax not the capital gains and losses tax but the capital-gain tax. This more accurate designation of the tax is due to the fact that while capital gains are always considered income, capital losses are not always considered deductions from income. These losses are deductible only to the extent of capital gains realized during that year plus $2,000. Mr. Parker, Chief of Staff of the Joint Committee on Internal Revenue and Taxation of the United States Senate and House of Representatives, stated in a round-table discussion at the University of Virginia that the present system of treating capital gains and losses in this manner—

> Has a glaring inequitable defect which must be obvious to all. * * *

Furthermore, while capital gains are always taxed during the year they occur, and capital losses may not be allowed, grave inequities may occur, such as the firm in New York—an actual case of which I have actual knowledge—which paid in 1936 a tax of approximately 22 percent on a profit of $89,000 that it had made in the prior year on the sale of Government bonds. There was no speculation; there was simply a purchase out of a steadily mounting cash surplus during the year 1935. During the holiday season at Christmas time it was necessary for them to sell bonds to enable them to make purchases, with a consequent profit of $89,000. In the following year they suffered a loss of over $150,000 in the sale of similar Government bonds. But they could not make any deductions—other than $2,000—for the loss, whereas in the prior year they paid 22-percent tax on a capital gain.

Another inequitable feature of the present arrangement is that taxes may become payable when the gain derived from the sale of a capital asset is more apparent than real. I refer to those increases in capital values which are not a result of the increased productivity of the capital assets but which are due to an increased price level or inflation. Take the case of a farmer who managed by hard work during his lifetime to save $5,000. Suppose then at the date of his retirement prices were high, and he sold this capital asset for $10,000, he would find himself liable to a tax on $5,000. The increase in prices and the consequent high cost of living, however, may be so great that the farmer could not live as long on the existing $10,000 as he could previously on $5,000. The real value of his capital asset, measured in terms of what it will purchase in food and shelter, will have decreased, but the farmer still would be liable for a tax on this false $5,000 capital gain.

The present capital-gains tax also contains other discriminatory features in that it conflicts with the gift tax. Under this latter tax the gift is taxed on its value the day of gift But under the capital-gains tax the tax is based on the difference between the cost of the capital assets and the selling price. Hence, if sometime later the donee—one who received the property as a gift—should sell this capital asset, he would have to ask the donor how much it cost him. Truly, this is an embarrassing question to ask. Moreover, this confused state of affairs may become even more complicated if the donor, having died or moved away, could not be reached.

The only possible justification that has been advanced for the present method of taxing capital gains and capital losses is that our Federal Treasury derives much-needed revenue from this tax provision. It is estimated that the present yield from the capital-gains tax is approximately $25,000,000 per year. This is a disappointing sum as it is very much below the anticipated figure. It must also be remembered that the capital-gains provision increases revenue during good years when the Government expenses are not usually so great, while the capital-losses provision decreases revenue during bad years when the Government expenses are exceedingly great. A subcommittee of the Committee on Ways and Means of the House of Representatives in its report of December 4, 1933, also stated that the capital gains and losses provisions produce an unstable revenue. The same subcommittee also reported that "the stability of the British revenue over the last 11 years is in marked contrast to the instability of our own. In that period the maximum British revenue was only 35 percent above the minimum, while in our case the percentage of variations was 280 percent."

Variations of this sort are bad for at least two reasons. In the first place, the revenue from the income tax dries up when it is most needed—that is, during depression years—and this hurts the Government, making it necessary to borrow more than they otherwise would. In the second place, during good years the revenue from the income tax becomes so great, relative to the normal needs of the Government, that the taxpayers succeed in getting the income-tax rates reduced.

When business conditions change and the Government finds it necessary to raise the rates, the capital losses are greater and the income smaller. This means that the Government is unable to collect much revenue from the income tax, even at greatly increased rates. This, substantially, has been the history of the income tax in the United States since the war: Reduction of the income-tax rates in prosperous years and increases in the income-tax rates in depression years. I call attention to the fact that this had the ultimate effect of taxing capital gains at comparatively low rates and allowing the deduction of capital losses at comparatively high rates. This is an unhealthy situation from the fiscal point of view.

The present provision of allowing capital losses to be deductible only to the extent of capital gains plus $2,000 was an attempt to bolster our income tax during the depression years. But this only succeeded in making the bill more inequitable than ever.

The repeal of the capital-gains tax in the manner I have suggested would also aid the Treasury in its quest for revenue in other ways. I have shown that both employment and business would increase with the repeal of this measure. Increased business would surely benefit the Treasury of the United States. According to the Democratic comptroller of New York State, Morris Tremaine, the increased activity of the stock market alone would yield an additional $18,000,000 to the Federal Government, $9,000,000 to New York State, and also increase greatly the revenue of Illinois, Ohio, California, and other States that have stock-transfer taxes. Another direct effect of business would be the general increase of revenue to all States having any form of turn-over or sales taxes. Indirectly the general increase in business would result in the Treasury's receiving more taxes from the general income-tax provisions.

Greater employment and the easier spending policy that would prevail would also help to swell the receipts of the Treasury. All told, these benefits of additional revenue, both direct and indirect—estimated to be $250,000,000 by Comptroller Tremaine—outweigh any possible loss that might be incurred by the Treasury through the repeal of the capital-gains tax.

The modification of the capital-gains tax would also go a long way toward remedying other evils so noticeable at the

present time. I refer to the flow of American funds to foreign countries, such as Canada and England. These funds are used largely to purchase and sell American securities in these foreign markets. This causes not only a direct loss of revenue to our Government, but also interferes with the control of American securities by our Securities Exchange Commission. The problem of tax-exempt securities would be ameliorated, since there would no longer exist as much pressure on the wealthy to pile up their funds in tax-exempt securities.

Lastly, I wish to point out that England, France, Germany, and practically all other civilized nations have shunned the idea of treating capital gains as income. Even in our own country we have attempted and are still attempting to segregate capital gains and losses from income. As early as 1921 the House Ways and Means Committee recognized the need of treating capital gains apart from regular income when it made the following statement:

> The sale of farms, mineral properties, and other capital assets is now seriously retarded by the fact that gains and profits earned over a series of years are under the present law taxed as a lump sum (and the amount of surtax greatly enhanced thereby) in the year in which the profit is realized. Many such sales, with their possible profit taking and consequent increase of the tax revenue, have been blocked by this feature of the present law.

At that time Congress came to the conclusion that a flat rate of 12½ percent should be levied on gains from the sale of capital assets held over 2 years, and that such capital gains should not be taxed at the current rates applicable to ordinary income, which rates reached a maximum of 58 percent. Following the adoption of the flat rate of 12½ percent, an increase of over 31 times was reported in capital gains by 75 individuals who had a net income of $1,000,000 or more in 1924. It cannot be denied that this flat rate did bring about transactions on the part of individuals in the higher surtax brackets which would not have occurred but for this lowered rate. There was also a decided net gain in revenue to the Government.

Now if all this happened when the income-tax schedule of rates was much lower than the present schedule with its combined total normal and surtax of 79 percent, it is logical to expect an even greater effect on the release of dormant capital if the capital gains and loss tax were modified in the manner I have suggested.

Again in 1927, 1928, and 1933, Congress or one or more of its committees recognized that the then existing capital gains tax provisions were defective. The present relief provisions provided for capital gains and losses is entirely inadequate. It must be realized also that in the case of corporations the tax offers no relief whatsoever, as the reductions of capital gains and losses, according to the length of time that the capital asset was held, applies only to individuals and not to corporations.

In the bill that I have proposed, gains and losses realized from the sale of capital assets that were held for a period of over 1 year would be eliminated from the income tax. The 1-year period is designed to tax speculation while still allowing the majority of individuals and corporations to employ their funds in the most productive manner.

I believe that the passage of my bill (H. R. 7152) is highly desirable, because it would accomplish the following results: (1) Allow capital and labor to flow more easily into the most productive places; (2) correct, in a large measure, the evil consequences brought about by freezing of capital assets; (3) help decrease the severity of the business cycle; (4) eliminate an important cause of unhealthy stock-market booms and crashes; (5) increase employment of labor; (6) be of special aid to the building trades, heavy-goods industries, and the real-estate market; (7) curb, to a large degree, the outflow of American capital to foreign countries; (8) make our tax laws more just and equitable by (a) putting capital losses on a par with capital gains, (b) no longer taxing real capital losses which, under the guise of depreciated money or some form of inflation, appear as capital gains, (c) end the conflict between the capital-gains tax and the gift taxes, (d) distinguish clearly for once and for all the difference between capital gains and recurrent annual income, and (e) simplifying our tax structure; (9) ameliorate the present problem of tax-exempt securities; (10) increase the total revenue of the Federal Government and also those revenues of our State and local governments.

Surely the achievement of these aims would benefit the mass of American people, and we should not be forced to wait until the next session of Congress before considering this bill.

Nazi Activity in United States

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 6, 1937

DIALOGUE BY HON. EMANUEL CELLER, OF NEW YORK, AND HON. JOHN W. McCORMACK, OF MASSACHUSETTS, JULY 2, 1937

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following dialogue:

Mr. CELLER. Congressman McCORMACK, you were chairman of a committee established in the Seventy-third Congress to investigate Nazi, communistic, and other un-American activities in the United States. Your committee has made very startling discoveries. The Nation would appreciate some word from you concerning your effective work. Tell us something of the Nazi campaign now in progress among our American youth.

Mr. McCORMACK. In many cities of consequence in the United States, and particularly in the northern and western cities, large numbers of young men are engaged in military drillings by Nazi instructors, and are being inculcated with doctrines tantamount to absolute disloyalty to the American Government and traditions.

Mr. CELLER. What is the nature of this teaching?

Mr. McCORMACK. They are trained to disbelieve in our form of Government—a democracy. They are ordered to express fealty and loyalty to Nazi rulers and institutions, despite the fact that these instructors and the youth are, in many instances, naturalized American citizens or American citizens by birth.

Mr. CELLER. In other words, our youth today are being poisoned with political doctrines and philosophy which are utterly contrary to the doctrines and principles upon which our American Government is based, and furthermore, indirectly, our American youth are being urged to do all in their power to have adopted in this fair land of ours, the Nazi form of Government, embracing as it does, a denial of personal liberties, including a denial of freedom of speech, religion, press, and peaceful assembly, the right to petition the Government for redress of wrongs?

Do you know whether these instructors are in the hire of Hitler, Goering, Goebbels, and their cohorts?

Mr. McCORMACK. Undoubtedly so. Our investigation disclosed that Hitler spares no expense in sending agents and emissaries all over the world, and particularly to the United States, to teach subversive doctrines, to the end that the swastika may influence the national and political fabric of our country. It has also been clearly shown that Hitler does not hesitate to obtain his objectives by fair or foul means.

Mr. CELLER. What do you mean by that? Be more explicit.

Mr. McCORMACK. Hitler is using his diplomatic agents to spread his vile propaganda and instil fear into the minds of those of German blood in the United States, threatening injury to their relatives in Germany-Nazi-land unless they obey his orders and commands.

Mr. CELLER. Yes; I am informed that the past records of German diplomats are very instructive as a gage of the Nazi methods and activities abroad. Take the case of the new German consul general recently appointed to the German consulate at San Francisco, Baron Von Killinger. He arrived in New York secretly, 9 days before he was expected, and eluded the ship reporters. He became the Reich police commissar for Saxony, and as such encouraged the formation of groups to make raids across the border into Czechoslovakia to "wipe out the democratic and Jewish plague spots in Bohemia."

In Von Killinger, therefore, Hitler has given San Francisco a Nazi agent gifted in spreading propaganda against Jews, Catholics, Protestants, and all those who abide by the principles of our American democracy.

Mr. McCORMACK. He will, therefore, bear watching; not only he but also other diplomatic representatives of Germany to the United States. They are reported to represent the beginning of a new era in Nazi propaganda in the United States. They are well trained in diplomacy as they are skilled in the art of propaganda. Their instructions are to influence our foreign and domestic policy as not to have it interfere with Hitler's plans to Nazi-ize America.

Mr. CELLER. In the face of what you say, what shall the remedy be?

Mr. McCORMACK. There shall be everlasting need for vigilance. We will have to watch Hitler's diplomatic representatives here and others like hawks.

Mr. CELLER. Did you examine the activities of the American branch of the German National Socialist Party?

Mr. McCORMACK. Their activities are extensive and most obnoxious and poisonous to American doctrines. The German-American Bund is the name of the official Nazi organization in America. It has more than 100 branches as well as thousands of members scattered throughout the country. Its official organ is the Deutsche Weckruf und Beobachter (Bay-O-Bakter). Recently most intemperate antireligious attacks have occupied its front pages. Its tirades against Cardinal Mundelein have been shocking. It has the temerity to urge German-American Catholics to desert the Catholic Church.

Mr. CELLER. I presume this Nazi propaganda in America is engineered by that marplot Joseph Goebbels, Minister for Propaganda and Enlightenment, in Berlin.

Mr. McCORMACK. You are correct. He is the evil spirit who is seeking to harm our institutions of government. During the last several years he has sent over to this country numerous professors and pseudo professors and others to spread the doctrines of the Nazi movement. According to evidence that you, Congressman CELLER, presented a few days ago to the House Judiciary Committee some of these persons are: Prof. Julius Richter, of the University of Berlin, functioning as part of the Nazi Faith Movement, now teaching at the Biblical Seminary in New York; Dr. Norbert Zimmer, a so-called scientific lecturer; Capt. Henry Beamish; the latter is a British Fascist leader, aided by one Dr. Krager; Hanns Munz, actor and lecturer; Ida M. Eversden, of St. Louis, Mo.; Colin Ross, lecturer, traveler, and writer; Ulrich Rheinberg; the Reverend Mr. Becker, from Giessem; Rudolph Malek; Otto Doelz; Kurt Klinge; Josef Danner, theatrical director at Pittsburgh; Dr. Otto Vollbehr; Thea Rasche, aviatrix; Ernst Reichard, president of the German Advertising Federation; and others. This list is far from complete.

The German Embassy at Washington, I am informed, pay certain professors to make pro-Nazi speeches and to write pro-Nazi articles. Henry Albert Phillips' Germany Today and Tomorrow is in the main propaganda. All manner and kinds of vicious propagandist articles are inspired by and paid for by the German propaganda ministry.

Berlin subsidizes numerous German film theaters showing Nazi films exclusively.

In 19 American cities we find well-organized Nazi literature centers.

Mr. CELLER. Such information should take America by the nape of the neck, as it were, and make it realize the danger of allowing, without let or hindrance, this vile Nazi propaganda to circulate. At least, its true origin should be made known.

More than 20 schools for German children have been set up; and teachers are imported from the Reich, by these Nazi school authorities, to implant antisemetic and antireligious venom in the hearts and the minds of young German-Americans.

For example, Hitler and his associates have set up, as of February 15, a school for Nazi officials. Hitler's government pays all of the expenses.

Hitler agents have also established Nazi military camps in New York, New Jersey, Pennsylvania, Ohio, Illinois, Texas, Wisconsin, and California, and other States.

Such Nazi influence in this country seem limitless, and efforts must be made sooner or later to label it, so that Americans can be forewarned.

Mr. McCORMACK. I quite agree with you. In common parlance, the Nation does not know the "half of it." Up my way in Boston, and even in your New York district, all manner and kinds of concessions and inducements are offered by the German Government to influence and spread Nazi propaganda in the United States. The Hamburg-American and North German Lloyd Lines were shown by our special committee to have been involved in transporting agents here and supporting the movement in this country. Many German firms doing business here have been commanded to finance Nazi agents. Many New York, Boston, Chicago, and Philadelphia firms are hotbeds for Nazi secret and anti-American activities.

Numerous private American travel bureaus furnish all manner and kinds of information to the Nazi government. Nazi government spies abound everywhere.

Mr. CELLER. I am informed there is an organization known as the German-American Consumer's League, which is a direct subsidary of the German-American League. It operates among small German-American shopkeepers. Its members are very militant in promoting the anti-Jewish boycott. Articles sponsored by this organization have appeared in the Deutsche Wekruf und Beobachter (Bay-O-Bakter), specifically calling for a boycott on Jewish merchants in the most obscene verbiage, in fact, in language which clearly violates American laws. The next step is a vigorous campaign against Catholic and Protestant merchants who oppose Nazi-ism.

Mr. McCORMACK. In Nazi camps, especially one in New Jersey and one on Long Island, N. Y., children in three youth divisions between 8 and 18 years of age, are instructed in the Nazi neopagan faith movement, and all Christian churches, and particularly the Catholic churches, are held up to ridicule. These camps are subsidized by money coming from Germany.

I presume Hitler and his cohorts, from a religious standpoint, are trying to do here what they are attempting in Germany.

Mr. CELLER. That is undoubtedly true. It is well to know that there is a bitter struggle going on today between the cross and the swastika. On the one side, all the churches are united by a common peril that seeks to destroy the fundamentals of Christianity. Hitler would kill liberty of conscience and liberty of confession. Aided by Goering and Goebbels, he would set up a sort of pagan totalitarianism. They wish to set themselves up as Gods of Valhalla.

Mr. McCORMACK. They want to destroy all Christian charity in Germany as well as throughout the rest of the world. Nazi sacrifice and pitiless cruelty shall be the watchwords. All priests and ministers who will not bow down in servile obeisance are to receive the policeman's club and shall be consigned to concentration camps.

Mr. CELLER. Adolf Hitler's Jew-baiting friend, Julius Streicher, recently roared at Nurenberg: "Every Catholic priest convicted must be beheaded! Since I no longer belong to the church, I am much nearer to God."

Mr. McCORMACK. Certainly, we who proudly cherish as one of our greatest achievements freedom of religion, must needs watch these activities—such obnoxious utterings as that of Streicher and other Nazi leaders must not and, with vigilance, never will find root in our soil. Streicher's office is a sort of clearing house for hundreds of paid Nazi propagandists in the United States.

Mr. CELLER. What is to be done?

Mr. McCORMACK. We must give pitiless publicity to their nefarious activities. Americans should be made aware of the sources of this propaganda. The decision can be left to enlightened public opinion.

However, I have offered, Congressman CELLER, as you know, H. R. 1591, which compels foreign propagandists to register with our Secretary of State. This will expose them to the pitiless light of publicity. The passage of this bill will label such propaganda just as the law requires us to label poison.

Colorado-Big Thompson Transmountain Water Diversion Project

Not to bring new land under cultivation but to supplement existing but deficient water supply to 615,000 acres of highly developed and long-settled land in northeastern Colorado, with an assessed valuation of $150,000,000 and a present population of 175,000.

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 8, 1937

Mr. LEWIS of Colorado. Mr. Speaker, the Colorado congressional delegation of four Congressmen and two Senators unanimously and most earnestly entreat the House to concur in the Senate amendment to the Interior Department appropriation bill providing for an initial appropriation of $900,000 from the reclamation fund to begin construction of the Colorado-Big Thompson transmountain water diversion project.

This is the first time the Colorado delegation has ever asked the Congress for an appropriation in aid of a reclamation project for the "eastern slope" of our State, where approximately a million of our people live.

This project will not bring new acreage under cultivation. It will supplement the existing but at present insufficient water supply of 615,000 acres of highly developed and long-settled land in northeastern Colorado, with a present assessed valuation of over $150,000,000 and a present population of 175,000 people. This supplemental supply will be furnished by bringing 310,000 acre-feet of water annually from the headwaters of the Colorado River through a tunnel piercing

the Continental Divide to the Big Thompson River and thence largely by existing irrigation canals to lands which have been settled and under cultivation for upward of 60 to 70 years.

The appropriation sought would come from the reclamation fund and not from the general funds of the Treasury. The cost of the project will be paid back to the reclamation fund pursuant to the provisions of the Reclamation Act. As the lands to be benefited are in a rich and substantial community, settled for almost three quarters of a century, there can be no question about the cost being repaid. There will be no requests for moratoriums.

Furthermore, the project will constitute a permanent addition to the capital account not only of Colorado but of the United States. It will increase the tax income of both the State and the Nation.

PROJECT SURVEYED AND STUDIED FOR 2 YEARS BY RECLAMATION BUREAU

This project has been surveyed and studied with great care for 2 years by the Bureau of Reclamation and full and elaborate reports, plans, designs, and detailed estimates have been made. A summary of the nature and character of the project is set forth in Senate Document No. 80 of the Seventy-fifth Congress, first session.

In the synopsis of the report of the Colorado-Big Thompson project, filed with the Bureau of Reclamation of the Department of the Interior, it is stated:

The pioneer settlers in this western area came here originally to find gold. Large numbers, when they did not find it, drifted on to other "diggings." A few saw the possibilities of the combination of land and irrigation water to produce foodstuffs needed by the gold miner and gold seeker. While their income was not as speculative, it was far more certain. Others, encouraged by the example of these earlier pioneers, followed in their footsteps until in the year of Colorado's highest gold production, 1900, the total mineral production of the State was $50,614,000, while her total agriculture amounted to only $25,500,000. In the year 1916, however, the mineral production was $49,200,000 and the products of agriculture amounted to $75,300,000.

This project is in need of supplemental water, not because of land exploiting or speculation, but through the gradual change to a more permanent type of agriculture requiring more and later water, and to the gradual diminishing stream flow over the last 16-year period.

It is not the object of this project to bring new lands under cultivation but to stabilize and make secure the production on lands already now under the irrigation systems which are provided with inadequate water supplies.

There are 175,000 people living within the boundaries of this project, a greater portion of whom derive their livelihood either directly or indirectly from the irrigated lands and the attending industries. The counties of Boulder, Larimer, Weld, Morgan, Logan, Sedgwick, and the portion of Washington County that is irrigated, in 1936 had an assessed valuation of $186,000,000, which does not include the $34,239,000 that has been put into their irrigation systems, which are not taxable.

This area feed-lot fattens about one-fourth of all the sheep and one-eleventh of all the cattle in the United States, and during the 10-year period, in addition to the crop raised and fed in the area, an average of $3,500,000 per year was spent outside the area for fattening feeds, mostly for corn from the Middle West and cottonseed from the South.

Because this project is now well settled, having developed its necessary institutions that make up a going social and economic state, it has the following outstanding features:

The annual losses in crop value now due to lack of supplemental water measures one-sixth of the cost of this project.

The agricultural and livestock resources are developed to their highest degree with water available.

The supplemental water supply is adequate and dependable. There would be one season's requirements stored in advance of use.

There would be an increase in tax income for both State and Nation.

The area affords ample security for repayment.

Adequate protection is provided for water users on the Colorado River.

Greater social stability is assured through increased income due to the reduction in drought hazards and higher-priced crops.

The cost of this project is insignificant when compared to the wealth created for the generations to come.

In time the mineral wealth of this great State will be exhausted, but her lands, if properly farmed, and her waters, if properly conserved, will be an ever-increasing means for the production of wealth and social security for all her people.

PROJECT WILL NOT INVADE THE SURFACE OF ROCKY MOUNTAIN NATIONAL PARK OR IN ANY WAY IMPAIR ITS BEAUTY

Considerable misleading propaganda has been circulated among Members of Congress to the effect that this project will invade the surface of Rocky Mountain National Park. The fact is that no part of the surface of the park will be disturbed. The tunnel will run far below the surface of the park, at a depth varying from a few hundred feet to several thousand. Both portals of the tunnel will be outside the limits of the park. No other structures in connection with the project will be within the boundaries of the park.

The engineers of the Reclamation Bureau in their report make the following statement in reference to the effect of the construction of this project upon the Rocky Mountain National Park:

Every effort has been made in the survey and design of this project to not disturb the natural beauties of the Rocky Mountain National Park and its surrounding areas. The Continental Divide tunnel was lengthened 1.6 miles in order that its extremities should fall outside the boundaries of the park. The conduit leading from the east portal of the tunnel to power plant no. 1 is to be buried and the surface landscaped through the area authorized by Congress to be added to the park. The waste from the east portal of the tunnel placed in this area is to be terraced and planted with evergreen trees. The waste from the west portal is to be used to fill up some low areas and render the area suitable for the building of summer homes.

The approach to the western gateway of the Rocky Mountain National Park will be along the shores of Shadow Mountain Lake, with its fluctuation of only 1 foot, instead of the swampy area that now breeds mosquitoes and exposes mud flats in low water.

ACT OF CONGRESS CREATING ROCKY MOUNTAIN NATIONAL PARK EXPRESSLY PROVIDED FOR A RECLAMATION PROJECT

The act of Congress authorizing the creation of Rocky Mountain National Park reserved the right for the Bureau of Reclamation to survey and construct an irrigation project within the boundaries of the park. As we have just seen, no part of the project, except the tunnel far underground, will be within the boundaries of the park. Furthermore, those of us who are familiar with the proceedings in the Colorado Legislature at the time the State statute ceding jurisdiction was enacted are confident this cession of jurisdiction would not have been made if the act of Congress had not contained the reservation to the Bureau of Reclamation.

The act of Congress creating the Rocky Mountain National Park, enacted January 26, 1915, and being chapter 19, section 1, volume 38, statutes 798 (title 16, sec. 191, U. S. C.), contains the following provision:

United States Reclamation Service may enter upon and utilize for flowage or other purposes any area within said park which may be necessary for the development and maintenance of a Government reclamation project.

The Colorado statute ceding jurisdiction over park area is found in Colorado Session Laws, 1929, page 475.

It may be added to what has been said by the engineers in their report that this project will deprive the Rocky Mountain National Park of no water whatsoever. The major portion of the water to be diverted by the project falls outside of the park area, and that portion which falls within the park is only diverted from streams after they have left the boundaries of the park on their way to the Gulf of California. The tunnel through which the water is carried will be on an average several thousand feet below the surface of the park. The tunnel will pass through solid granite rocks of the Continental Divide. It will not, therefore, be observable nor will it have any effect upon any part or aspect of the park surface.

CONCLUSIONS OF BUREAU OF RECLAMATION

The report of the Bureau of Reclamation upon this project closes with the following conclusions:

(1) There is a large area (615,000 acres) of irrigated land in northeastern Colorado, the major portion of which has an inadequate water supply.

(2) The feasible storage possibilities with the available water supply in the drainage area have been exhausted.

(3) There is at least an available water supply of 310,000 acre-feet on the upper drainage area of the Colorado River that can be diverted to supplement the present water supply on the eastern slope.

(4) That the diversion of this quantity of water from the Colorado River watershed will not interfere with or encroach upon the present or future irrigation along the Colorado River and tributaries within the State with the protection provided in the Green Mountain Reservoir.

(5) That the plan for the project here laid out appears entirely feasible from a construction point of view.

(6) That the cost of construction, estimated at $2 per acre-foot per annum over the repayment period of 40 years, is less than storage water is now commanding, and that it will increase the crop values five or more times this annual cost, showing its economic worth.

(7) That the power developments that may be made in the six power plants will produce a large quantity of cheap hydroelectric power that will materially benefit Denver and a large surrounding territory.

(8) That the revenues from power plant no. 1 will pay for the power features as set up under the initial power development and furnish energy for pumping at Granby pumping plant free, and will also pay for the operation of the system to the point where the water is diverted from the Big Thompson to the storage reservoirs.

(9) That the cost of the irrigation feature of the project is within the ability of the water users to pay.

ALL DIFFERENCES BETWEEN CITIZENS OF COLORADO HAVE BEEN COMPOSED

The Senate, in the Seventy-fourth Congress, passed an amendment to the Interior Department appropriation bill authorizing the construction of this project. This amendment, however, was not accepted by the House of Representatives, largely because there were then, and had been for some years, differences between the citizens and water users on the eastern and western sides of the Continental Divide in Colorado as to the terms and conditions under which this project should be constructed. These differences have been completely adjusted within the last month and representatives of both sections in the State of Colorado interested in this matter have agreed in not only approving but urging its construction. The following letters evidence this agreement:

JUNE 11, 1937.

Hon. HAROLD L. ICKES,
Secretary of the Interior.

MY DEAR MR. SECRETARY: There is attached hereto the portion of the report on the Colorado-Big Thompson project in Colorado covering the principles and stipulations governing the construction and operation of said project for the protection of the rights and interests dependent on the Colorado River in Colorado.

The provisions contained therein have been considered by the Northern Colorado Water Users' Association, representing the irrigation and other interests on the eastern slope in Colorado, and we respectfully submit that they are satisfactory and meet the approval of said association.

We ask that acknowledgment be made of this communication.

Respectfully yours,

NORTHERN COLORADO WATER USERS' ASSOCIATION,
CHAS. HANSEN, *President.*
MOSES E. SMITH, *Vice President.*
THOMAS A. NIXON, *Attorney.*

JUNE 11, 1937.

Hon. HAROLD L. ICKES,
Secretary of the Interior.

MY DEAR MR. SECRETARY: There is attached hereto the portion of the report on the Colorado-Big Thompson project in Colorado covering the principles and stipulations governing the construction and operation of said project for the protection of the rights and interests dependent on the Colorado River in Colorado.

The provisions contained therein have been considered by the Western Slope Protective Association, representing the irrigation and other interests on the western slope in Colorado, and we respectfully submit that they are satisfactory and meet the approval of said association.

We ask that acknowledgment be made of this communication.

Respectfully yours,

The WESTERN SLOPE PROTECTIVE ASSOCIATION,
SILMON SMITH, *Secretary.*
CLIFFORD H. STONE, *Director.*
A. C. SUDAN,
Special Representative of Grand County.

In the synopsis of the report, which is printed as Senate Document No. 80, certain general principles governing the manner of construction and operation of the project are set forth. The report summarizes these primary purposes as follows:

The project, therefore, must be operated in such a manner as to most nearly effect the following primary purposes:

1. To preserve the vested and future rights in irrigation.

2. To preserve the fishing and recreational facilities and the scenic attractions of Grand Lake, the Colorado River, and the Rocky Mountain National Park.

3. To preserve the present surface elevations of the water in Grand Lake and to prevent a variation in these elevations greater than their normal fluctuation.

4. To so conserve and make use of these waters for irrigation, power, industrial development, and other purposes as to create the greatest benefits.

5. To maintain conditions of river flow for the benefit of domestic and sanitary uses of this water.

These primary purposes and the manner of their accomplishment are set forth in detail in the report.

The Colorado delegation trust that this meritorious project will receive the favorable vote of the House.

Tour of the Boy Scouts of Clinton, Iowa, in 1921

EXTENSION OF REMARKS
OF
HON. WILLIAM S. JACOBSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 8, 1937

ARTICLE ADDRESSED TO THE BOY SCOUTS

Mr. JACOBSEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article addressed to the Boy Scouts:

Fellow scouts, while you are gathered together here in Washington attending the 1937 Jamboree I should like to review with you an eventful automobile tour staged by the Boy Scouts of Clinton, Iowa, during 1921. That tour established a record because of its magnitude and originality that remains unequaled in Scout annals to the present time.

On this tour there were 191 Boy Scouts and 95 adults who left Clinton June 20 and returned July 26. During that more than a month of traveling they covered a total of 3,000 miles. Yellowstone National Park was the western objective of the trek. The caravan had 65 passenger cars besides 5 large trucks to handle baggage and camping equipment. There was included a complete commissary department, a motion-picture outfit both for the showing and taking of pictures, medical and hospital supplies, automobile mechanics' tools and parts for machines, and band instruments. Camping out every night and enjoying to the fullest the outdoor life, this group crossed and recrossed the Great Plains territory between the east and west limits of the Louisiana Purchase.

In towns en route, where overnight stops were had, a special motion-picture film was shown depicting scenes in Clinton and the activities of Scouts making their preparations for the trip. While the film was being shown in these various places a band comprised of Boy Scouts rendered a concert. This was followed by a capable speaker who explained the purpose of the trip and told of the inestimable good influence the Boy Scout movement has had and will have upon our American life. Mind you, this was 16 years ago.

The trip had two main objectives. These were educational and recreational. Every opportunity was utilized to instruct the boy in various degrees of self-reliance while camping out. Many communities en route appointed committees who pointed out to the group the particular points of interest in their vicinities. An intimate and first-hand knowledge of this splendid and beautiful country, the "bread basket of the Nation", was acquired by every boy. A knowledge that for them was a liberal education in itself.

To be eligible for the trip, each boy was required to pass certain specified physical tests and attain to certain requirements in Scouting. Each Scout contributed $25 to defray expenses of the tour. He was required to earn this money and save it through the medium of a savings account by depositing therein $2 per week. A banker with the group on tour handled the personal funds and each boy was restricted to a maximum expenditure of 25 cents per day. A postmaster was appointed, who checked all incoming and outgoing mail daily.

During the trip there were swims in pools and lakes, trout and barbecue dinners flavored with true western hospitality were provided, points of interest on side trips were visited, and everything done to arouse and sustain the eager interest of the group. At the Pine Ridge Reservation hundreds of Indians were observed in their annual festival rites. These consisted of ceremonial dances, contests of various kinds, and other manifestations of Indian lore.

A very detailed and complete motion picture was taken of the tour showing the most interesting places and events. This picture was later routed back over the entire itinerary giving those who had so liberally contributed to the success of the trip an opportunity to enjoy the pleasant experiences of these boys. The film is still intact and is shown each year at the annual "get-together" of Clinton Boy Scouts.

How well the citizenry of Clinton built and invested in future American citizens by making the tour possible is attested after 16 years by the large number of those boys who are outstanding citizens today in Clinton and other communities. Many of us who participated in that event now fully appreciate the expenditure of time, effort, and money by those good citizens of Clinton and realize how much their unselfish devotion to the Scout movement helped to make us conscious of our American heritage and paved the way for a better understanding of the demands of true citizenship and successful manhood.

The Late Justice Holmes

EXTENSION OF REMARKS
OF
HON. PAT McCARRAN
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 7 (legislative day of Tuesday, July 6), 1937

TRIBUTE BY WALTER LIPPMANN

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Mr. Walter Lippmann on the occasion of the resignation from the Supreme Court of Mr. Justice Holmes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Reprint in Readers' Digest of July 1937 of article appearing in New York Herald Tribune]

When Justice Holmes resigned, Walter Lippmann wrote: "There are few who, reading Judge Holmes' letter of resignation, will not feel that they touch a life done in the great style. This, they will say, is how to live, and this is how to stop, with every power used to the full, like an army resting, its powder gone but with all its flags flying. Here is the heroic life complete, in which nothing has been shirked and nothing denied—not battle or death, or the unfathomable mystery of the universe, or the loneliness of thought, or the humors and the beauties of the human heritage. This is the whole of it. He has had what existence has to offer: all that is real, everything of experience, or friendship, and of love, and the highest company of the mind, and honor, and the profoundest influence—everything is his that remains when illusion falls away and leaves neither fear nor disappointment in its wake."

The Colorado-Big Thompson Project in Colorado

EXTENSION OF REMARKS
OF
HON. FRED CUMMINGS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 9, 1937

STATEMENT BY HON. FRED CUMMINGS, OF COLORADO

Mr. CUMMINGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement:

To all Members of Congress:

Object: To bring 310,000 acre-feet of supplemental water to 615,000 acres of highly developed land in northeastern Colorado by transmountain diversion through tunnel under Continental Divide.

Estimated cost: By engineers for United States Bureau of Reclamation, after 2 years of study—irrigation, $25,000,000; power, $19,000,000. Irrigation costs to be paid back to Government through tax on all property in district with population of 175,000 and taxable value of $150,000,000 and sale of water. Market for large amount of power already existing.

Crop values: District already raises average of $40,000,000 annually. Livestock feeding in dry lots, additional $20,000,000. Principal crops: Sugar beets, potatoes, pinto beans, hay, and some grains.

Surveys: First preliminary study made over 40 years ago. Second study, 1908–9, by private interests. More complete studies in 1933–34 by county and State engineers. Report of feasibility made by State engineer's office of Colorado. Complete survey by United States Bureau of Reclamation engineers, 1935–36. Report of feasibility and economic soundness made January 1, 1937.

Legal rights: Rights to construct reclamation works within area reserved in act of Congress of 1915 creating Rocky Mountain National Park. Rights of transmountain diversion of water out of Colorado River Basin reserved in Colorado River compact; also in Boulder Canyon Project Act.

Controversial point: Tunnel 13 miles long passing under Rocky Mountain National Park, both portals outside present boundaries of park. Alternate route outside park suggested; additional cost, $13,000,000. Loss of probable revenue to United States Government by less favorable power possibility estimated by Government engineers $580,000 annually.

Financial status: General Assembly of Colorado unanimously passed enabling act to set up seven-county district to tax itself for repayment of reclamation loan from United States Government. Estimated cost of water about 50 percent of present going price for water. District able and willing to pay.

Agreements: All points at issue between eastern and western slopes in Colorado settled as per terms of construction and operation of project contained in Senate Document No. 80, Seventy-fifth Congress. All members of the Colorado delegation are in accord on this project. An agreement satisfactory to the National Park Service is being negotiated to preserve adequate water for park uses and to minimize construction scars within the authorized boundary of the park.

Status of project: Engineers' report favorable; authorization and appropriation passed by United States Senate and by conference committee on appropriations for Department of the Interior and by House Committee on Irrigation and Reclamation. Due to fact that essential legislation had not passed in the Colorado Legislature, and the agreement between the eastern and western slope people in Colorado was not completed until after the Interior Department bill had been passed in the House, it was necessary to present this measure first to the Senate.

FRED CUMMINGS,
Second District, Colorado.

Construction of Auxiliary Vessels for the Navy

EXTENSION OF REMARKS
OF
HON. JOHN H. TOLAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 9, 1937

Mr. TOLAN. Mr. Speaker, as a Representative from the Pacific coast, and particularly from the State of California, I am vitally interested in the passage of this authorization bill.

Our citizens on the Pacific coast are aware that the enactment of this bill will, first, augment and increase the efficiency of the United States Navy; and this is of prime importance, as every present indication is that the fleet will remain in the Pacific.

Secondly, the Senate bill as reported by the House Naval Affairs Committee carries the following amendment:

That any bid for the construction on the Pacific coast of any of the vessels authorized by this act shall have a differential of 6 percent in its favor which shall be considered by the Secretary of the Navy in awarding contracts for the construction of said vessels.

This is not the first time the Congress has been requested to enact a shipbuilding differential in favor of Pacific-coast construction. We have this provision in the Merchant Marine Act passed by the last Congress which is now being so efficiently administered by the United States Maritime Commission. When this body requests bids for the construction of new merchant vessels this 6-percent differential will be in force.

The same provision was included, last Congress, in H. R. 10978, a bill similar to that which the House is considering today, which has as its purpose the authorization of the construction of auxiliary vessels. Members of Congress from the Pacific coast have appeared before committees on behalf of the Pacific coast shipbuilding differential in each of the hearings on bills seeking to authorize ship construction.

It is absolutely impossible for the Pacific coast shipyards to compete with shipyards on the Atlantic seaboard without this differential.

Mr. Speaker, I have stated that the citizens of the United States on the Pacific coast are aware of the need of this provision in the bill. They are aware of it because the unfortunate dilapidated condition of our shipyards stands before them at all times. They are aware of it because skilled labor which is necessary for the efficient operation of yards constructing vessels have either found it necessary to leave the Pacific coast to follow their vocation or to change their mode of making a living.

Fifty percent of the vessels authorized under this act and the auxiliary ship bill of last Congress must by the provision of the law be constructed in navy yards. Our navy

yard at Mare Island is not suited for the construction of large vessels, but it is particularly efficient in the construction of vessels such as those authorized by this bill.

In the event of an emergency or major engagement on the Pacific, we will need every skilled mechanic developed at Mare Island, and in addition to that, Mr. Speaker, we need every skilled mechanic which will be developed if our abandoned private yards on the Pacific coast are once more teeming with activity.

What is the basis of the committee's presentation of the authorization bill presently under consideration? The basis of this bill is national defense. Mr. Speaker, the basis of the committee amendment is also fundamentally that of national defense and adequate repair and construction facilities are as necessary to a mobile naval force as the ships themselves.

The benefits which accrue to labor and industry due to the construction of naval facilities, regardless of location of the yards, are concentrated in the East. When we build a bridge on the Pacific coast or construct vessels such as those authorized by this bill, we have to turn to the East for our steel and it is fabricated here. We are in no position there to produce it. If we should blindly pursue the policy of building all our ships on the Atlantic coast and disregard the action of Congress in the past on bills similar to this measure, we are going to find our fleet crippled and as out of touch with the sources of construction and repair as if they were permanently stationed in the Philippines.

Any additional cost which might accrue due to the enforcement of the committee amendment is amply justified by the return that we will gain in national security, in preparedness, and from the cost of returning crippled ships from the Pacific to the Atlantic coast for repair.

We have only one shipyard capable of making major repairs, and that is now located in Bremerton, Wash., and is part of the Navy facilities. This yard cannot be used for construction. It must be kept open and available for fleet repairs. Should the Bremerton yard be taxed to capacity our private yards are not now prepared to share the burden which is their responsibility in the event of a major engagement on the Pacific.

Mr. Speaker, I commend the committee amendment to the House and request that the Pacific coast be given the only means possible which will rehabilitate our shipyards and rebuild one of our greatest and most important of our national industries on the Pacific coast.

Construction of Auxiliary Vessels for the Navy

EXTENSION OF REMARKS

OF

HON. JOHN J. McGRATH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

Mr. McGRATH. Mr. Speaker, while I desire to place myself on record at this time as unqualifiedly favoring the passage of Senate bill 2193 as amended by your Committee on Naval Affairs, I am calling your attention to section 3, an amendment reported by the committee and reading as follows:

> Any bid for the construction on the Pacific coast of any of the vessels authorized by this act shall have a differential of 6 percent in its favor which shall be considered by the Secretary of the Navy in awarding contracts for the construction of said vessels.

This new section gives no advantage to shipyards on the Pacific coast, but it does attempt to neutralize existing disadvantages which are in large part responsible for the strangulation of Pacific coast shipbuilding since the World War.

In many respects Nature has been more than kind to the Pacific slope, but iron ore west of the Rocky Mountains is practically nonexistent. The result is that practically all of the material essential to ship construction is produced and, at least partially, fabricated near the Atlantic seaboard. The transportation cost alone erects a differential against the Pacific coast. The seriousness of the resulting situation is aptly illustrated by the fact that ship construction on the west coast has practically ceased to exist, and the once active shipyards are rapidly becoming mere monuments to a departed glory.

Although this loss has been economically serious to our Western States, much more is involved than the economic loss to commerce and to industry.

National defense is the sole excuse for the existence of a navy. This Congress and the immediately preceding Congresses have responded most generously to the need for protection against any outside emergency or international complication. We are building a navy of which we are most justly proud. We earnestly hope that there may never be occasion to use that Navy, but, if and when we do, we must recognize that there will be casualties among the vessels of the Navy. Those casualties might easily become major disasters if there were no available shipyards thoroughly mechanically equipped and manned by an efficient, trained personnel.

Prior to the World War the shipyards and the personnel were on the West coast ready for action, but, although the shipyards remain and can be made ready for use, the master craftsmen, once so numerous in our Pacific coast cities, have scattered to the corners of the earth, and no apprentices have been trained to replace them. Such men cannot be created by act of Congress, by appropriation of money, or by a wave of patriotic emotion. They must be trained in the school of experience. That experience can be gained through ship construction and through ship construction only.

In the naval authorization bill of the Seventy-fourth Congress, and in the Merchant Marine Act, we have definitely established the precedent of a 6-percent differential in favor of ship construction on the Pacific coast. By the adoption of the committee amendment to this bill we are merely continuing the principle of fair play.

If any question should arise as to whether or not this differential should be permanent, it is my judgment that it is probable that with the reopening of activity and with the development of a new trained force economies will result which will enable us to very materially reduce the necessity for preferential treatment.

The existing navy yards at Bremerton and at Mare Island are excellent as far as they go, but they would be totally inadequate to handle any major emergency arising in Pacific waters. Transportation of crippled ships through the Panama Canal is too ridiculous for serious consideration. For reasons which are thoroughly understood our Navy is based on the Pacific coast, and most of us recognize that the theater of world affairs is shifting to the Orient. The probabilities are strong that a major naval force will be permanently maintained on the Pacific coast.

Other members of the committee have conclusively proved the necessity for the authorization of the construction of these auxiliary craft, and I am convinced that you will join with us in supporting the bill along with its committee amendments.

Detroit River Channel

EXTENSION OF REMARKS

OF

HON. GEORGE D. O'BRIEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

Mr. O'BRIEN of Michigan. Mr. Speaker, as an avenue of commerce, the Detroit River is important not only to the region of Detroit and the towns within the littoral area of the Detroit River and its tributaries on the American side, but,

on account of the interstate character of the industries located here, it constitutes a section of a water route over which goods are carried to and from other parts of the country, giving it a public value, Nation-wide in scope.

Therefore, to secure the greatest benefit to the people and to the industries on this artery of commerce, and to the people of the country at large, it is necessary to develop harbor and other shipping facilities to the highest possible degree, in that traffic from the Great Lakes may have safe passage and adequate dockage at all points along the shore of the river. This can be done by a modification of the present channel system through the construction of a channel 250 feet wide and 21 feet deep, extending from deep water on the west side of Grosse Isle, near the Upper Grosse Isle Bridge, to a point about 1,700 feet below the Lower Grosse Isle Bridge, and terminating in a turning basin 17 acres in area on the west side of the channel.

In order to give a clearer view of this project, these facts are presented in regard to the Detroit River:

The Detroit River connects Lakes Huron and Erie and separates Michigan on the west from the Province of Ontario, Canada, on the east. Its head is in Lake St. Clair, 57 miles from the lower end of Lake Huron. It flows south 31 miles to its mouth at Detroit River Light near the west end of Lake Erie. Its maximum width is 3½ miles. Grosse Isle, 9 miles long and 1½ miles wide, is its largest island. The value of tonnage passing along this river between 1931 and 1935 shows a decided upward trend, the value for 1931 being $776,352,796 as compared with $1,079,854,740 for 1935. And, according to the estimate of the United States Army engineers, even with increased facilities provided by the new channel, traffic will reach full capacity by 1940.

The estimated cost of the channel west of Grosse Isle, as set forth in House Document 205 of the Seventy-fifth Congress, this being a report submitted to the Speaker by Harry H. Woodring, Secretary of War, would be $1,575,000 for construction and an annual appropriation of $5,000 for maintenance. Reference to the report will indicate that on account of differentials between land-freight and water-borne traffic, the completion of this channel would attract many more industries to the area and would enable the multiple hand of industry to reach out to the hinterland and tap the vast resources in iron ore, petroleum, and agricultural products and, aided by contiguous railroads and improved highways, carry the raw materials to the factories to be turned into finished articles of commerce.

H. R. 7051, introduced May 14, 1937, authorizing the construction, repair, and preservation of certain works on rivers and harbors, and for other purposes, designates the Grosse Isle channel in the Detroit River as one of the projects to be carried forward under the Secretary of War and supervision of the Chief of Engineers, in lines 5 and 6 on page 10 of the bill.

As Congressman of the Thirteenth Michigan District, in the heart of the city of Detroit—a city that will be advantageously influenced by this project, as will the public in general throughout the United States, I appreciate the action of the House of Representatives in authorizing this Detroit River channel project.

The Marriage Clause

EXTENSION OF REMARKS

OF

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

On the bill (H. R. 3408) to amend the Civil Service Act, approved January 16, 1883 (repealing sec. 213 of the Economy Act)

Mr. MARTIN of Colorado. Mr. Speaker, I was unavoidably absent from the Chamber yesterday on the roll calls on H. R. 3408, to repeal section 213 of the Economy Act, which section prevented the employment of both husband and wife in the Government service. Had I been present, I would have voted against the repeal bill. I was paired against it.

My principal objections to repeal are indicated by two interjections I was permitted to make by the gentleman from Wisconsin [Mr. BOILEAU] during his speech. The first was:

I would like to know who this legislation will benefit outside of the District of Columbia. I don't believe there is a husband and wife in my congressional district who have jobs in the employ of the Government.

The second was:

What worries me is the millions of husbands and wives in this country who have no jobs.

A HARDSHIP CASE

Mr. Speaker, my objection to permitting both husband and wife to be in the Government service is motivated by no thought of prejudice or discrimination against women in the Government service. I have been a lifelong advocate of equal rights, but a situation has grown up here in Washington that was well illustrated in the Washington Post this morning. On the front page were the smiling pictures of a husband and wife, smiling over the passage of the repeal bill. The wife had lost a $2,900 a year job under the economy act. The husband, the paper stated, is an attorney in one of the big Government commissions, where he probably receives a salary of five or six thousand dollars a year, perhaps more. It is doubtful whether he would trade jobs with a Congressman. Friend husband can get five or six thousand a year and friend wife get about $3,000 a year, and live in a fine apartment and hire servants, and in due time each of them retire on a pension of $100 a month. Meantime in the city of Washington there are thousands of husbands and wives on relief, and worse yet, being cut off relief. Yet many Members of Congress would appear to argue that the Government owes both of these people jobs.

THE LOWLY W. P. A.'ERS

I stated that I did not believe there was a married couple in my district holding down a Government job out there. Nor do I think there is a married couple from my district holding down Government jobs in Washington. I have, however, some thousands of married couples out in my district who have nothing on earth to live on except the $52 a month the husband is getting from W. P. A., and now hundreds of them must be cut off. No man or woman can get a W. P. A. job if the other is on W. P. A. Nor can they get on W. P. A. if any member of the family has any job anywhere or any income. Yet Congress falls all over itself for the poor, unfortunate woman who lost her job and has nothing to live on except her husband's salary of five or six thousand dollars a year. It even defeated an amendment to permit both to work for the Government provided their joint earnings did not exceed $4,000 per year. The sky is the limit.

It is only a few days since we completed legislation which will cut off four or five hundred thousand workers getting monthly wages ranging from $19 or $20 to $52 a month. When that cut was made the House galleries were not packed with women rooting for an appropriation which would keep these workers on their jobs. They could not come here. It is only when the House has something up for Washington that we have any such demonstration in the galleries.

THE WASHINGTON ATTITUDE

The ballyhoo for the repeal of section 213 is illustrative of the Washington attitude. I will have something to say later about its attitude respecting taxation, rents, and other things. The Washington attitude is that the Government is its oyster. The Government exists for Washington, not Washington for the Government. Persons coming from the States to enter the Government service invariably tell me how they are cold shouldered in the departments, how they are resented, treated as intruders. These jobs belong to us, is the local attitude, and people coming in here from the great open spaces are poaching on our preserves.

WASHINGTON PUBLIC CAREER COMMUNITY

Recently a hurtful sneer has been cast at W. P. A. workers. "Career men," they are called. It has a very harmful significance in the case of "W. P. A.'ers." They must be chopped off. But Washington has not merely career men, it has career families. It is a public career community. If Washington had a community song, it would be "everybody on the pay roll." Your Uncle Sam is the surest paymaster in the world; his hours are not too long, his work not too hard, and when the age limit is reached there is the best pension for any class of workers in America. When the wife or husband has a Government job in Washington, I do not blame the other for wanting one, instead of private employment, which is actually the case, but I blame Congress for permitting it. The bald truth is, Congress would not permit it if it were not for the fact that it is immerged in these influences. If the people affected were in any other city, they could never in the world get a special rule for this legislation. Congress has gotten itself so mixed up with Washington that it frequently fails to distinguish which is which.

THE WASHINGTON TOWN COUNCIL

Congress is the city council of Washington. It takes up 2 of the 20 legislative days in a month. Recently the House put in nearly an entire session on a bill to regulate beauty shops. By the time the bill passed, it was getting late and the Members were in such a lather they adjourned without taking up the next bill. The next bill was one regulating barbering. Just think of it! The Congress of the United States, overloaded with the most stupendous legislative program in its history dealing with the whole economic structure of the country, frittering away its time regulating beauty parlors and barber shops in Washington. And the case seems to be hopeless. They have been trying for 50 years to find some other way to handle it, but have gotten nowhere.

"CONGRESSIONAL TAX DODGERS"

Just before the House took up the heavy work of regulating beauty and barber shops in Washington, it handled another piece of legislation. The papers here were very much worked up over it and gave it a lot of space. A Washington tax bill levying a local income tax which included Congress and everybody else from the States who are temporarily in Washington in the employ of the Government. When I first read in the papers that this was to be attempted, I thought it was a joke, although I ought to know that nothing is a joke in Washington which involves separating other people from their money. The papers even threatened that a roll call would be had and these Congressmen put on record so the folks back home would know about them. I want to submit a bit of detail which the Washington papers overlooked.

The bill was finally passed with the income tax cut out, and in its place an increase in real-estate taxes. I want to note Washington taxes, but first let me ask why should a Member of Congress pay an income tax to the city of Washington? He pays a Federal income tax, he is not a resident of Washington, and his salary is not paid by the city of Washington. It is paid by the people of the United States, the same people who built and paid for the city of Washington and maintain it. And how!

WASHINGTON CLASSIFIED

There are three classes of people in Washington; Government employees, who number over 100,000; the enormous number of transients who come here on business in connection with the Government or on pleasure; and the regular residenters, who live off of these two classes. Having no industries, the Government, in one way or another, directly or indirectly, is the sole support of the city of Washington. Take the Government out of the picture, and Washington, said to be the most beautiful city in the world, would go back to the woods and swamps from which it was carved at an expense of billions of dollars to the taxpayers of the United States.

THE SLIDING SCALE

Washington has a sliding scale of prices. It slides up when Congress convenes and it slides down when Congress adjourns. There is no secret about this. In addition, Senators and Representatives get soaked extra for their titles. A friend went out and rented me an apartment for just 50 percent less than I was asked for it. "He may not pass this way again", says Washington, paraphrasing a much finer sentiment, "anything we can do him for, let us do it now."

THEY CALL THIS TAXES

Now, about the increase in real-estate taxes. The tax rate on real estate in Washington is 15 mills on the dollar. The bill increased it to 17. I think in my home city it is about 50 mills. It will run around 40 throughout the country. Washington has the highest rents and food prices and the lowest taxes of any large city in the United States. No sales taxes except 2 cents on gasoline, no park taxes for the finest system of parks in America, no water taxes, no service taxes. And the Government does a lot of other things for them for nothing.

WASHINGTON RELIEF PROJECT NO. 1

In a way people of Washington are not to be blamed. When you are talking about relief projects do not overlook Washington. It is relief project no. 1, and permanent. If there is a place in the United States where the people feel that the Government owes them a living, it is right here. There was no depression in Washington. It has been booming ever since I have been here. They have gone out in the environs and dug out these beautiful trees by the mile in every direction to build new additions, and it will take real money to live in the cheapest of them. The Government employees are not to be singled out for blame if they have got the habit. If Congress itself cannot escape, how can the Government employees, who are here for life?

Moratorium on Foreclosures by the Home Owners' Loan Corporation

---

EXTENSION OF REMARKS

OF

HON. ANTHONY A. FLEGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

Mr. FLEGER. Mr. Speaker, there have been a number of bills introduced in both the Senate and House which, if enacted into law, would amend the present Home Owners' Loan Act and eliminate some of its defects which today are causing great hardship with the mortgagors.

The bill introduced by Mr. CURLEY, H. R. 7132, and Mr. COPELAND, S. 1678, embody provisions which would greatly aid the distressed property owners who are unable to meet the demands under the present law.

These bills, in substance, provide for a moratorium on foreclosures by the Home Owners' Loan Corporation until such a time as appropriate legislation is passed to provide further emergency relief to home mortgages, reduce the rate of interest from 5 percent to 2½ percent, and extend payment and amortization of mortgages to 30 years, and eliminate personal and deficiency judgments in foreclosures.

The Home Owners' Loan Act of 1933 was passed in order to help those who by reason of the depression were no longer able to meet their mortgage indebtedness and were about to lose their life savings through foreclosure. In reality, however, we find that the act had actually been of greater benefit to the banks and loaning agencies.

We are all familiar with conditions as they existed at that time with the banks. As soon as the law became effective, the United States Government took the role of a loaning agency. It liquidated the mortgages held by the banks and

loaning agencies, paid off these institutions, and placed its own mortgage on the property. Thus, through the aid of the Home Owners' Loan Corporation, the banks and loan associations were thoroughly liquidated and placed in sound financial condition. Thanks to Uncle Sam, they were able to get rid of their slow and doubtful and frozen assets largely at par and during a time of depression. The Home Owners' Loan Corporation has indeed been of immeasurable benefit to the banks.

But how about the home owners, for whom this act was intended? What has been done for the thousands of home owners who were led to believe that the Federal Government was coming to their aid at a time when the assistance of the Government was needed most? Instead of the Government endeavoring to help its citizens maintain their homes, we find that it is assuming the same position as that which existed when the banks had held the mortgages. Anyone who has had the experience of assisting a property owner in obtaining a home loan knows that the bank or loan agency refused to consent to a Government loan in cases where there was sufficient equity over and above the entire indebtedness on the property, even though it was shown that the mortgagor because of unemployment could no longer continue his payments. Because of these conditions, the Government knowingly undertook to finance only mortgages which were considered bad investments by the banks and loaning agencies. At the same time the Government promised the home owner that he would be given a reasonable opportunity to redeem the property.

Every Congressman has undoubtedly received letters from home owners complaining of the pressure being placed upon them beyond their ability to pay by agents of the Home Owners' Loan Corporation. Any sheriff in the United States will tell you that the greatest volume of civil business today comes from the Home Owners' Loan Corporation. One need only look into the local and legal newspapers to find legal notices of foreclosures by the Government in the thousands in all sections of the country. What has happened to the Government's promise to save these poor and unfortunate people. Remember, most of the people to whom the Government made a loan were hard pressed at the time the loan was granted. Few of them have had a full opportunity to get back on their feet. The emergency which caused them to apply for these loans still exists in a large measure.

The home owner who may be a few months in arrears on his payments and who because of rising prices is earnestly trying to make both ends meet on a very short income finds that the Home Owners' Loan Corporation is demanding more of him than he can possibly pay. Because of the defects in the present law, consideration is not given to the fact that during all of the depression this same mortgagor had been incurring other obligations which he is now compelled to meet. His other creditors are as much interested in his pay check as the Government.

The fault does not lie with the individuals who have been placed in charge of the operation of this act. Their duties are outlined. So, unless Mr. Home Owner can forthwith meet his obligation, the foreclosure goes forward. The property is sold, and the Government is paid back the money which it had loaned Mr. Home Owner.

Mr. Home Owner would have been much better off if the loaning agency or bank which originally held the mortgage had at that time gone through with the foreclosure. He would at least have saved the money he had since put into this last desperate effort to save his home. Thus, we find that the greatest benefit derived under this act was obtained by the banks and loaning agencies, and Mr. Home Owner is the loser.

I wish therefore to record my support of the bill introduced by Mr. CURLEY. As long as the Government has gone into the lending business I want to see that it is conducted in a humane manner and with regard to the benefits for the greatest number of people. I do not wish the banks to be the only beneficiaries of this law. There is no reason why the Federal Government could not grant loans to distressed home owners at a rate of interest which could be paid by the home owners.

There is at the present time before Congress a bill which would give to Congress its constitutional right to coin, issue, and regulate the value of money and at the same time take away from private bankers the control of the Federal Reserve System. When Congress assumes this right, and there no longer is any necessity to pay private bankers a high rate of interest for the use of the money, which is printed by the Government for the private bankers, then we will find that a 2½-percent rate of interest, as proposed by the Curley bill, is ample and sufficient to meet all expenses of the operation of the Home Owners' Loan Corporation.

As one of the members of the organization known as the unofficial steering committee for the enactment of a law providing for Government ownership of the Federal Reserve banks, I feel that we should give our support to the bill introduced by Mr. CURLEY, and thereby relieve the thousands of distressed home owners in the United States.

A National Monetary Policy

EXTENSION OF REMARKS

OF

HON. T. ALAN GOLDSBOROUGH

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

STATEMENT OF HON. T. ALAN GOLDSBOROUGH, OF MARYLAND, BEFORE THE COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE OF REPRESENTATIVES

Mr. GOLDSBOROUGH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement I made before the Committee on Banking and Currency of the House of Representatives, July 8, 1937, on H. R. 7183, a bill to provide a national monetary policy which will have a definite relation to the requirements of domestic industry and trade under the conditions imposed by our power economy, which will increase production and consumption to the limit of the country's power to produce, and for other purposes:

A cursory reading of this bill may give many people the impression that it is just another measure seeking inflation. On the other hand, the more closely it is studied the more I believe it will appear to be based on the known laws that govern the phenomenon of money.

This memorandum is addressed to the banking fraternity with the hope that it will throw light upon the rationality of the bill itself, and also upon some of the more obscure monetary phenomena. It is a truism to say that the working of our monetary system has been filled with surprises and anomalies even to our best informed practical bankers. In no other way is it possible to account for the extraordinary experiences we have been through during the past decade.

As a result, much public antagonism has been aroused against the banking profession, and many demands have been made that its power be curbed. In fact, a great deal of recent legislation has been aimed at regulating and controlling the issuance of credit through which the bulk of the circulating medium comes into existence as demand bank deposits.

It may, however, be categorically stated that the majority of bankers have been greatly at sea as to the results of their own actions in the issuing of credit to the public and have been caught in the maelstrom of finance without realizing how it had come about.

The management of a people's money throws terrific responsibility upon those charged with it, and whatever truth there may be in the claim that a sinister money power exists, it is certain that few bankers are conscious of it as a concrete force, driving them whither they would not go, as responsible and public-spirited citizens.

The fact is that discarding from this argument any evaluation of the money power above mentioned there is sufficient room to

study the circumstances which have been largely responsible for our recent experiences, and which lie to a very great degree in the monetary mechanism which we have inherited. At the very outset we are confronted with the fact that gold, which many people regard as an anchor to windward of any monetary system, is in itself so unstable a commodity that it is constantly creating havoc with the "best-laid plans of mice and men" and actually does not hold any industrial system stable. The phase of the gold problem which we are at this moment passing through is sufficient proof of this statement.

What the Nation is concerned with, and what bankers are perforce equally concerned with, and what H. R. 7188 is concerned with is to bring about a reasonably sane relationship between a credit system that actuates a power economy based on mass production and an industrial commonwealth of immense significance to civilization.

THE PHILOSOPHY OF THE BILL

The two primary principles upon which the bill is built are:

First. Money is the medium of exchange which has replaced simple barter and rendered possible the vast complexities involved in the production and distribution of wealth under modern conditions. To be effective it must circulate freely. It cannot circulate freely unless it is available in sufficient quantity to the buyers and consumers who constitute the open market for goods. It is this open market for goods which stimulates production of wealth and the general advance of civilization.

Second. The mechanism by which circulating money gets into the channels of trade is not geared to the consumption production cycle in such a way that an even flow of effective demand for goods can be maintained. The changes that have been wrought in industrial life by the introduction of power resulting in mass production are not being adequately met by the issue of credit solely for the production of goods, and a supplementary source of credit is necessary. The bill is designed to supply this deficiency through a systematized method of price adjustments based upon the relation between the natural demand for consumption goods and the national ability of our technical equipment and resources to supply those goods.

Both of these statements will be more fully discussed in the following pages in the relation they bear to the banking system. For the present they may be regarded as axiomatic, in the light of the experience of the past half century and the statistical history pertaining to it.

The two chief problems that the bill is designed to solve are:

First. The proper adjustment of the real value of the monetary unit (the dollar) in its relation to the goods offered for sale. This is something that bankers are greatly concerned with, because the majority of bankers are continually harassed by the fluctuations of dollar values; in other words, the dollar itself.

Second. The maintenance of the volume and speed of the circulating medium in relation to its purchasing power and the volume of goods offered for sale. The volume of production should, of course, approach capacity in order to assure profitable operation to industrial plant. It is not a stable money that the bill seeks to establish, so much as a reasonably stabilized industrial system. But the one is tied so closely to the other that they constitute essential components.

Both of these problems have held the center of the national stage for close to 10 years. They have become household words amongst us as "The need for increasing purchasing power" and "The revival of production and employment."

In effect the bill seeks to establish a "national monetary policy having a definite relationship to the requirements of domestic industry and trade under the conditions imposed by our power economy."

A coordinated national monetary policy has been conspicuously lacking from our national economy both in the banking system itself and in the Federal administration. But it has been recognized as a need and has been called for time and time again. This lack may be explained by the fact that there had appeared no fundamental principle upon which to base one. The machine has now presented it.

The monetary policy that the bill materializes is that it is a Federal responsibility under the Constitution to so adjust the value of money that it conforms to the law of supply and demand. It therefore raises the purchasing power of money by reducing the price of the necessities and comforts of life known as consumers goods.

Section 2 does this by establishing a general blanket discount on the price level of goods sold at retail. It is done through licenses issued to all retailers to dispense the established discount by, in effect, selling below cost. In other words, to sell at a discount fixed by a credit commission especially equipped to estimate the current flow of trade. The Secretary of the Treasury is charged with the carrying out of the provisions of the bill, and the findings of the Federal credit commission, which the bill sets up, under rigid statistical restrictions.

The resultant price level of retail goods, which include the public services such as electricity, hospitalization, transportation, and so forth, has the effect of increasing the purchasing power in the hands of the public, arising from whatever source it may, by the amount of the discount. This price level is known as the compensated price, because it compensates for the shortage of buying power as against producible goods.

The retailers who dispense the discount—which means all responsible ones—are reimbursed by the Government through the banking system by means of an issue of interbank national currency, which is not legal tender to the public, but which is used by the banks as a backing for credit and is legal tender within the system.

Under the bill retailers take vouchers from their customers for the discount allowed, which vouchers when included with a cash deposit at a bank by a retailer is credited as part of his deposit and charged in the bank's books to its interbank currency account. The bank in turn is reimbursed by the Treasury with an equivalent amount of interbank currency notes. The retailer's deposit circulates as he draws checks against it, and the interbank currency circulates through the clearing houses in settlement of interbank balances, offsetting the circulating deposits arising in the accounts of the retailers as the result of the discount. The general level of deposits in the banking system will be increased in exact proportion to the issue of interbank currency and will be lowered correspondingly if or when it is recalled.

The cost to the banks for rendering this service is covered in the bill by a provision for fixing the service charge by the Federal credit commission. As far as the banks are concerned, the handling of the write-ups of the retailers' accounts to the amount of the vouchers received is practically the same as if they discounted a retailer's note, except that instead of charging him interest they make him a service charge and hold interbank currency as the collateral.

The financial technique involved in the application of the discount at retail will be discussed further in later pages. Suffice it to say here that it should be clearly grasped at the outset that this issue of credit through an expansion of national interbank currency is so arranged that it only gets into circulation after an actual sale has been consummated. It represents actual transactions in trade, increasing the turnover of the retailers, wholesalers, prime producers, and transportation systems by the amount of the credit issued, and as much of it as continues to circulate.

Section 3 of the bill is confined to definitions of various technical phrases used in the body of the bill.

Section 4 provides the method for the determination of the rate of the discount at retail, which initially is fixed at 15 percent. But thereafter the discount is varied in accordance with the ratio that goods going into consumption bear to productive capacity. A special Federal credit commission is charged with this duty. Its duty is to collect and coordinate the indexes of trade, credit, and money in circulation, and to report the findings to the Secretary of the Treasury, who has no leeway to alter their findings. He is charged with announcing the quarterly rate of discount.

The process simply amounts to this: That when wanted goods cannot be sold the retail discount is increased. If demand catches up with supply, the discount is cut or discontinued. It is an automatic way of keeping supply and demand in harmony through the price level. A margin of safety is provided in paragraph (c) by prohibiting any discount when the margin between consumption and productive capacity is less than 15 percent.

Sections 5 and 6 provide regulations for the application of the discount. They are administrative and appear sufficiently clear to pass without comment.

Section 7: Settlement of discount allowances through banks.

Some explanation of the technique involved in carrying out the monetary and credit provisions of this bill have already been given. The text of the bill appears fairly specific in these particulars. Anyone familiar with banking methods should readily see that the process of issuing this credit is precisely the same as that of discounting a retail customer's promissory note, except that instead of the note backing the write-up of his deposit account, the credit arises from a deposit of interbank currency by the United States Treasury. This relieves the retail depositor of an obligation to repay, and the bank is protected by the fact that its responsibility is that of a fiduciary. The bank is relieved of the personal responsibility that accompanies the issue of loans on its own account, but all parties are governed by current statistical records.

TITLE II

This title deals with the organization of the Federal credit commission which the bill establishes for the purpose of maintaining a balanced credit system throughout the Nation. Its duties are circumscribed by the statistics of money and trade, which it will collect and interpret. Its specific duty is to maintain a balance between production, consumption, and purchasing power.

It is protected from extraneous political or other influences. Its findings are to be based on the conditions of trade and industry, just as the findings of a court of law are based upon the interpretation of existing statutes.

TITLE III

This title deals with the regulations governing the issuance, circulation, and recall of the interbank currency. From the standpoint of the banker it is the most important part of the bill, because it provides the regulations for carrying out the terms of the bill through the banking system.

Interbank currency represents a recallable issue of credit which circulates throughout the banking system in support of discounts

on prices of goods and services sold at retail for the purpose of bringing effective demand into harmony with full production.

It cannot be included as part of a bank's fractional reserves, but it constitutes 100 percent reserve against the credit that has arisen from it. In other words, if a bank has received from the Treasury or a clearing house $100,000 of interbank currency and has $1,100,000 deposits, the notes are 100 percent reserve against the odd $100,000 deposits. And as such they circulate everywhere within the system.

As the original credit gets diffused throughout the circulating deposits of the system the currency becomes equally diffused. Greater activity in the retail trade would call for greater production for replacements, and expanded private production credits. With increasing business security prices would tend upward and the demand for collateral loans would increase.

If a runaway market seemed imminent, the notice of recall of a percentage of notes outstanding would impose upon the banks the obligation of calling in sufficient money to cancel an equivalent amount of credit then outstanding, which would release the notes, in the same way that private collateral would be released, when individual loans are called. And the notes would be returned to the Treasury.

It is not unlikely that this action would result in a lowering of speculative prices, and the consequent added reduction of the loans made for the bank's own account. Normally a movement of this nature results in a general lowering of trade. But as the retired currency notes were reissued in the form of new retail discounts, the loss of buying power would be offset and demand for goods sustained. There would be a sound basis for stability and sustained confidence.

In effect the system constitutes an alternating current of credit paralleling the alternating current of electricity, now in use. The introduction of the alternating current is responsible for the benefits we now enjoy from electricity, although its adoption was strongly opposed by people who ought to have known better. At the present time we would be lost without it. An alternating credit system holds as great a potential for the improvement of the industrial and banking world as did this innovation in public utilities.

It is provided that the banks act as fiduciary agents of the Government in handling the interbank currency and the credits arising therefrom. For this service a commission is chargeable to their customers at retail, which should offset the loss of income now being experienced by them, through the curtailment of trade credits, which was always considered the most legitimate and reliable source of banking income.

Another provision for the protection of the banks is in regard to conversion of deposits into currency on depositors' demands. There is no reason to suppose that the volume of currency in circulation would be increased. In fact, it would probably be reduced as banking activity and confidence would result. Individual banks, however, can always get into trouble, resulting in hasty withdrawals of their depositors' money. Banks thus caught can, on application to the Secretary of the Treasury, convert any interbank currency notes into national currency for their customers. This proviso augments the deposit-insurance provisions of the 1935 Banking Act in the degree that interbank currency notes have increased demand deposits.

Any bank holding these notes can use them for the liquidation of its own Federal taxes. But if it does so, it must, of course, have other surplus resources to support its outstanding credit reserves. It is the design of this bill to establish a fund of permanent bank money that cannot be recalled through a fall in the price level, and that will circulate continuously in the channels of trade. Some of it will constantly accrue to inactive bank accounts through profits and savings. The loss of this money to the blood stream of trade would be replaced automatically under the bill, and if the accumulations of liquid capital became too great, it could be called in by any of the means provided or by increased inheritance taxes, which are probably the most wholesome and least objectionable means of taxing the rich.

Paragraph (g), section 301, title III, provides several safeguards against inflationary conditions. It confirms the existing open-market operations and rediscount rate control and expands the control of the ratio of fractional reserves by so adjusting the regulations that this element of inflation prevention is established on a sliding-scale basis, the same as the rediscount rate.

There are good reasons for feeling that an elastic system of reserve ratios will be a safeguard against the creation of an excess of speculative money.

In this connection it is well to recall certain elements in the situation that culminated in 1929. In the 7 years preceding a serious credit inflation developed, and bank deposits increased approximately 27 percent, from 43.4 to 55.3 billions of dollars (1924 to 1929). Loans increased at the same time over 30 percent, or from 31.5 to 42.2 billions (Federal Reserve Bulletin).

Other significant statistics are:

Commodity price index, 1924, 98; 1928, 97; 1929, 95.

Eligible paper in member banks June 1926, 4.9 billions; June 1929, 4.5 billions.

Value of bonds on New York Stock Exchange January 1925, 13½ billions; January 1929, 17½ billions.

Value of stocks on New York Stock Exchange January 1925, 27 billions; September 1929, 89½ billions.

Commercial loans, national banks, 1924, 8.33 billions; 1929, 8.12 billions.

Security loans (excluding United States obligations), 1924, 3.64 billions; 1929, 6.67 billions.

These statistics prove that the inflation that occurred was an inflation of monetized capital values, and that there was not only no inflation in commodities or the cost of living but that in spite of the plethora of money in the banks and the security markets the production of consumer goods was not being fully supported.

At the same time that the production index was rising from 100 to 119, the commodity-price index was falling from 98 to 95, the eligible commercial paper was falling from 4.9 to 4.5 billions and commercial loans from 8.33 to 8.12 billions.

In these years also technological unemployment appeared and increased, whereby hundreds of thousands of highly trained artisans and experts were unable to earn a living, while the production index climbed 20 percent.

It seems almost superfluous to point out that the apparent overproduction, which was one factor amongst several others that started the downward spiral, was nothing but camouflaged underconsumption.

The question therefore of controlling the money of the country so that the capital values that have been created may be justified and inflationary conditions avoided, becomes from the bankers' standpoint one of restoring the flow of money through the channels of trade.

A NEW TYPE OF CURRENCY

The idea behind this type of currency is the need for increasing the flow of commercial credits which have been the backbone of commercial banks, and out of which the many ramifications of the modern banking system have developed. The volume of commercial credits flowing continuously is one measure of the spendable income of the Nation. It is the savings conserved out of this spendable income that give solidity to all forms of capital credits and eventually liquidate them.

If capital values and earnings are to be permanently restored, it can only be through the revival of trade in nondurable goods to a point where debt charges and amortization can be "saved" out of the flow of new wealth into consumption.

To attain this the ratio of commercial credits will of necessity have to be increased, and so far no way has been found to do this except by Government borrowing and spending and ignoring the threats that inhere to an unbalanced series of Budgets.

This statement may be challenged by those who still maintain that private initiative can achieve the same result, and point for proof to the 7 years preceding 1930. But the facts of the case refute any such contention, because reference to statistical records shows that while the Federal Government did not at that time borrow and spend beyond its means, the great mass of the active public, and also the minor units of government, did that very thing. It makes no difference whether the Government or industry follows this route to prosperity, the end is the same—inflation followed by deflation.

Hence the primary purpose of the issue of interbank currency provided in this bill is designed to restore the flow of commercial transactions to a sound ratio with capitalization and capital charges, by injecting into the arteries of trade the ratio of purchasing power that is lacking. It enters the commercial credit stream at such a point and in such a form that every dollar of it inevitably means an immediate increase in trade of that amount.

To repeat—this currency is a limited issue and is designed to circulate throughout the banking system as the backing for the circulating deposits it has given rise to. In this respect it becomes a revolving fund of permanent deposit money for the support of trade. It can only be recalled if or when there appears to be an excess of spendable money over the volume of goods, that would cause an unwholesome rise in prices. The Government, under advice of the Credit Commission, would notify banks that they should reduce their outstanding credits so as to establish surplus reserves sufficient to permit the return of the required quantity of notes to the Treasury. The process would parallel the increase of reserve requirements or the sale of Government bonds in open-market operations to curtail excess credit.

The bill retains the open-market operations in Federal securities and the control of the rediscount rate as part of a soundly managed credit mechanism, to which the interbank note issue is added. But the notes have another function which is equally important; that is to maintain public purchasing power and stabilize the productive income.

It seems unnecessary in this paper to refer to the other administrative and regulatory features of the bill. My main purpose is to try to relate the financial features it proposes to the monetary system as it is and to show how and why it deserves the support of public-spirited bankers in the interest of profitable banking and a sound monetary system.

GENERAL DISCUSSION

The origin of money was to facilitate the exchange of goods and services between individuals and groups. The origin of banking was to conserve, protect, and facilitate the transfer of money. As transportation facilities increased and the volume and size of shipments of merchandise expanded bank credits developed in harmony

and provided the medium of exchange that monetized goods in bulk as they passed from hand to hand or place to place.

Without the aid of bankers' credits the growth of centers of population and group industrialism would have been retarded. The business of banking became profitable and essential. But practically the whole of this financial business was built upon the trade in consumable or semidurable goods. And the credits which established the medium of exchange in them were virtually self-liquidating. They came into existence as goods were produced and transferred and went out of existence as the goods disappeared through consumption, to be reissued for new production.

Metallic tokens of exchange and bullion facilitated these operations on balance, and also as a storage of value. Out of this trade in consumable goods came monetary savings and the growth of material wealth. This trade has been the foundation of banking, finance, and capital as we know it today.

Cooperation between the banking system and the Government is, of course, just as essential in the carrying out of the technique of the bill as it is in other fiscal operations. But by the use of the type of credit expansion provided by the interbank currency notes the banks are relieved of the serious consequences that may follow credit expansion through the discounting of Federal obligations to excess on the basis of an imaginary market.

The only real wholesale market for Government bonds in the event of a serious credit squeeze is the ability of the Government to issue billions in currency in the process of buying them back. That is generally recognized as the inevitable outcome of the present monetary policies, if continued, and is the essence of disastrous inflation.

On the other hand, the limited currency provided by interbank currency notes is governed in quantity by transactions in trade and throws no strain on the resources of the banks. They would conduct their business as usual, without the danger of forced liquidation, and with an assurance of a demand for goods that would put their industrial customers onto a profitable basis. In other words, the other departments of the business of banking would become increasingly profitable.

And this truth holds good in our time, and will continue to hold good under any free economy. The trade in consumption and semidurable goods, and the circulating credits arising therefrom, have made sound banking possible, and without them in excess ratio to other forms of finance, such as is involved in the growth of capital, we cannot progress.

I believe this statement will not be denied by any competent banker. It has been asserted time and time again that the recent bank debacle was due to the shortage of these trade credits in relation to general financial conditions that forced the banking system to use its surplus credit for financing long-term obligations. It is certain that the available records furnish ample proof of it.

If we restore our national productive income by means of new long-term credits (which we are now trying to do) and fail at the same time to restore our national spendable income to a parity with them, we face the certainty of greater inflation and greater deflation than we have ever known.

The bill that we are discussing (H. R. 7188, 75th Cong.) proposes a way to do this, based upon monetary principles which history has proven sound, and which I have tried to outline above. In a nutshell, it is to restore the flow of trade by restoring the flow of commercial credits through the banking system in such a way as to augment the spendable income and bring it into harmony with our reasonably possible productive income.

Nothing would do so much to give us a sound banking system and profitable capital investments.

BANKING—FINANCE—MONEY

In the days when banking consisted chiefly of commercial credits the system of issuing money possessed inherent characteristics that guarded against booms and depressions, except when forced by deliberate Government mismanagement induced by wars, or an occasional speculative boom like the South Sea bubble, and other minor ones, in some of which the colonial concessionaires in London and their companies were involved in the early days of this continent.

The principle underlying the system still persists and may be tersely expressed in the bankers' dictum, "Put money out when prices are rising and pull it in when they fall." In any economy where production is achieved mainly by hand labor, and where large mechanical equipment is not the dominating feature of production, this dictum is "just fine." It follows the provisions of nature.

When nature was lavish and peace prevailed, large production needed more money to distribute it. When crops failed and floods and pests were rampant and possibly famine threatened, money must be called in to prevent famine prices aggravating the shortcomings of Nature.

But these conditions have ceased to exist. The whole system of production and consumption has changed. Power and the machine plus the vast monetization of capital equipment has changed it.

The worst thing a banker can do now is to start calling in money when prices begin to fall. Carried to excess, as it was in 1929–33, few bankers escaped a serious blow along with the ruin of their friends and neighbors. They were wise in their generation to protect their depositors. They had no alternative. But any system that has that story to tell is obsolete and unsocial under existing conditions.

The reason it is obsolete (and destructive to an effective power economy) is because science and the machine have made the available supply of goods, both agricultural and durable, a relatively stable item. The volume of merchandise producible is now more a matter of human will than of Nature's vagaries. But in order that humanity should gain this control of Nature it has been necessary to expand the monetary system in the direction of monetizing capital values and equipment.

The consequence is that unless there is a dependable supply of money available constantly to the buying public the demand for the products of industry, which ought also to be a stable factor has by force of circumstances become highly unstable. It has become unstable because the supply of money available to it is unstable. The supply of money is unstable because the money issued is based entirely upon the general price level and must be recalled when prices begin to fall.

It was stated above that in the time when the forces of Nature were the chief governing factor of the volume of production the issue and recall of trade credits were a necessary stabilizing factor, because a shortage of goods necessitated a reduction in the money supply to prevent the kiting of the cost of living. In those days the great mass of bank credit was issued against goods in trade, which always has been the backbone of sound banking. But in our day the greater part of the credits issued circulate as capital credits, although their validity is based upon the savings arising from the trade in usable goods, which savings liquidate them and provide new capital credits for replacements and improvements.

While bankers still realize the importance of the trade credits to a stable banking system, force of circumstances has driven them into dealing in too great a proportion of capital credits, i. e., credits issued against and dependent for their validity upon the earnings of capital. Obviously the earnings of capital are dependent upon the volume of goods passing to consumption, and thus creating replacement demand, continuously and unfailingly. Reliance cannot be placed upon the production of durable goods because it is so easy to glut the market with them. The demand for durable goods has a narrow horizon compared with the perpetual, and necessitous demand for consumable goods.

It would be difficult to glut the markets with consumable goods provided that the purchasing power is adjusted to their volume. It should be clear to anyone familiar with money and banking that if the great mass of capital credits now in existence are to be validated, it must be done through legitimate trade channels; and that these trade channels cannot be supported by credits for capital account.

Recent experience goes to prove this statement.

The Reconstruction Finance Corporation has revived at least $5,000,000,000 of what was moribund capital credits, and in addition the Government has pledged its credit for $15,000,000,000 more. The result is an increase of perhaps $25,000,000,000 in national income. From $40,000,000,000 in 1933 to $65,000,000,000 this year.

We have won, then, through the capital markets an increase of $25,000,000,000 in national income of doubtful dependability by perpetuating and increasing long-term debt to the amount of $20,000,000,000. This is not an encouraging result; in fact, there are few bankers who do not regard it as a very dangerous result, especially as another twenty billions will be needed to reach the per-capita income of 1929.

We now have about $55,000,000,000 of deposits. By that time we would have close to $75,000,000,000. But what use would they be? Any more than our twelve billions of gold is useful. Both the deposits and the gold are costly extravagances.

What we need is an adequate flow of trade to validate our capital investments and debts. One-third of the money we have already used to "prime the pump" would have done the trick if it had been strictly confined to trade channels. In other words, if we had gone back to fundamental banking principles and injected the money into trade channels. On the basis of trade money revolving three times a year, which is a generally accepted economic factor,[1] one-third of the money we have already used would have inevitably produced the same result. That is $8,000,000,000 revolving three times a year for the purchase of new production would have increased the productive income of the Nation $24,000,000,000, against $25,000,000,000, won by increasing and maintaining long-term debt by three times that amount.

The effect on our whole financial fabric of such a revival of trade would have cured the dry rot that now envelops the $55,000,000,000 of deposits, which are molding from stagnation. Furthermore, it is a pretty safe conclusion that if anything like the $20,000,000,000 of new deposits referred to above have to be created in line with our present fiscal policies, a 100-percent reserve will be forced upon the banking system. On the other hand, if trade credits are revived, without recourse to perpetuating the long-term debt as at present, higher reserves than at present may become necessary, but the volume of capital credits can be controlled by open-market operations and the rediscount rate and thus avoid the difficulty that the bankers would be confronted with if the 100-percent reserve were suddenly forced upon them.

[1] Not to be confused with the velocity of money, which involves the transfer of billions of dollars not related directly to production.

The philosophy of the bill we are discussing is that provided the national industry is maintained upon a balanced production schedule by maintaining orderly markets through the price of goods, the control of investment—that is, capital credits—will be a matter of intelligent management and the judicious use of the credit expansion safeguards provided in the bill, in the Banking Act of 1935, and in the rules of the S. E. C.

Recent legislation endorsed by responsible bankers and the public has been designed to control the "get rich quick" tendencies of humanity and should, in conjunction with the provisions of this bill, provide a monetary system and source of credit for all purposes in ample volume for any justifiable objective.

SOME SUPPORTING EVIDENCE

Dr. Edward Kemmerer was reported as making the following statement in an address before the Pennsylvania Bankers Association at Atlantic City on May 26 last:

"Probably the outstanding change in American commercial banking during the last half century has been the pronounced shift in banking portfolios from business paper to investment securities. This shift has been particularly pronounced since the World War. For all of our commercial banks in 1915 for example investments constituted 23 percent of earning assets and business loans 40 percent. By 1936 the investment percentage had increased to 60 percent, while the business-loan percentage had declined to 19."

This statement bears out the contention on which I have based the main argument of this thesis, namely, that commercial credits are the lifeblood of the financial system and that the flow of money through the channels of trade in sufficient ratio is the only means of validating credits issued against securities.

One of the old rules of banking, which still holds good to a greater degree in Europe, is that commercial credits should always exceed loans on other collateral and investments by 2 to 1. The enormous capitalization of industry which has developed here is responsible for this change and is due to the growth of our power economy.

This change must be offset in some way so as to bring the source of earnings of industry up to an adequate ratio without capitalization. It is clearly not sufficient for bankers to rely upon the security markets for validating the capital credits they issue unless they are assured that the actual earnings accruing to the capital assets they have monetized are maintained in sufficient ratio to assure a reasonably stable market for securities they hold as collateral.

The fact is that there are two types of credit and two separate uses for money, viz, money for moving goods and money for developing capital assets. The second is dependent for its validity on the first. For the most part they are independent of each other, and their velocity of circulation differs widely.

They impinge upon each other at certain points in the industrial cycle, but in the main credits issued on capital account through security issues lead an independent life from credits that produce and transfer goods. They impinge upon each other through the price levels, as when new capacity for production is undertaken, or when speculation increases or depresses the commodity price level. But the source of real income and real savings that is the warrant for both types is dependent upon the flow of trade, which is synonymous with trade credits.

Mr. Marriner S. Eccles, at a hearing before the House Committee on Banking and Currency February 16 last, made the following remark when discussing the proposal to extend the use of Government obligations for collateral security for Federal Reserve notes, which is deemed necessary to guard against a "disastrous deflationary development."

Asked by Representative FORD of California, "Is not this extension a sort of stand-by measure—a shotgun in the corner—to be used against a sudden withdrawal of foreign investments?" Mr. Eccles replied, "Yes; it is available for that purpose, but it is more important for the present position because there is no eligible paper available."

The fundamental credit base of the Federal Reserve System was the adequate flow of eligible paper; in other words, paper arising from trade. According to Dr. Kemmerer, this paper constitutes only somewhat over 20 percent of the outstanding credit in the banks, and it is the only type that is self-liquidating. It must not only liquidate itself but it must provide the charges necessary to liquidate the other 80 percent.

At the present time we are trying to rebuild our financial system on credit issued against long-term debt, although our experience proves that this source of money is ineffective in restoring purchasing power for commodities, except in a minor degree and at great cost.

In the Formation of Capital, one of the three volumes of studies recently published by the Brookings Institution, Dr. Moulton, the author, says on page 71, "The general conclusion reached in this and the preceding chapter, that the growth of capital does not take place unless expansion of consumption is also occurring does not appear upon close analysis to be surprising. The motivating force in all economic activity, under a system of private initiative, is the wants and demands of people. The base of the economic pyramid is the production of consumption goods—first, primary necessities and then comforts and luxuries. In the ascending scale of goods that are relatively indispensable we find new plant and equipment at the top. This is because the demand for plant and equipment is derived from the demand for consumption goods which such plant and equipment can produce. * * * A slight shrinkage in the base of the pyramid very nearly eliminates the top."

The conclusion expressed in this quotation bears out the fundamental contention upon which this memorandum is built. Its intimate relation to a comprehensive monetary system is obvious. Looked at from the financial standpoint it emphasizes the necessity for a free flow of money in the channels of trade which will permit the free flow of goods in harmony with actual demand.

Without reasonable stability in the consumer markets capital credits issued against securities become increasingly dangerous. As they now constitute the greater part of the business of banks, and as the growing demand for capital for technological improvements, and improved housing continues, it can only be the part of wisdom for the banks in their own interest as well as in the general welfare to see to it that the base of the pyramid is always wide enough to support the superstructure of capital credits.

As the formation of liquid capital has now become the dominating element in banking, there appears no escape from the deductions arrived at herein. Dr. Moulton emphasizes this conclusion when he says on page 157, "The facts show incontrovertibly that new capital is constructed on an extensive scale when consumption is expanding rather than when it is contracting." And page 158 idem, "The available evidence also supports the view that the growth of capital is directly related to the demand for consumption goods."

Surely in a capitalistic country like ours, where each young citizen is supposed to carry a capitalist's checkbook in his school bag, it would be well to shape our course in the direction that the laws of finance indicate.

In Appendix A of Dr. Moulton's book he reviews the analyses of our situation by Dr. Benjamin M. Anderson, E. F. M. Durbin, John A. Hobson, Foster, and Catchings, and others.

On page 181 he summarizes his conclusions as follows:

"The analysis which we have made in America's Capacity to Consume, revealing a demand for consumption goods insufficient to call forth the full output of our productive establishment, is not to be regarded as supporting the position of * * * Foster and Catchings. Our analysis did not show that the aggregate disbursements of national income to individuals were less than the prices of goods and services turned out; on the contrary, we contended that they were virtually identical. We were concerned with the allocation of the national income as between savings for investment and expenditures for consumptive purposes, and we showed merely that the proportion of the total income received by individuals which found its way into consumption channels was inadequate to induce full capacity production."

And, page 184, idem, "The maladjustment between savings and consumptive expenditures did not, as our analysis shows, lead to a proportional expansion of capital goods, and in due course to an excessive output of consumer goods which ultimately broke the commodity markets. On the contrary, the restricted rate of expansion of consumptive demand held the growth of capital in check, while the excess savings wrought havoc in the financial markets."

It is pertinent to this discussion to make one more extract from this important and judicial work, viz, from chapter X, page 136. Under the heading "The Disproportionate Increase of Investment Funds" is found the following: "It was found that in 1929 the savings of the great mass of the population constituted a negligible proportion of the total savings. For example, 59 percent of the population, or 16.2 million families, saved in the aggregate only $250,000,000, while 91 percent of the families comprising all those with incomes below $5,000 saved only about $4,000,000,000, or a little over 25 percent of the total. On the other hand, 2.3 percent of the families, those with incomes in excess of $10,000, contributed over two-thirds of the entire savings.

Taken together these three quotations offer a significant explanation of why our banking system finds it hard to meet the conditions imposed upon it by the new production technology. If one eliminates any consideration of the controversial doctrines of the various economists, and confines one's self to the realities here presented, it must be clear that the production of new capital must follow the production for consumption. And that the production for consumption must be met by purchasing power adequate to its abilities.

And as the production of capital is first and last a fundamental function of banking, it becomes an essential of successful banking to so order the production for consumption, and the production of permanent wealth in those ratios which will assure a sound money system and a permanent balance between these factors.

It is a recognized truism that 90 percent of the money used in the conduct of business is borrowed money, created and issued by the banking system against (supposedly) adequate security, and when it is paid off it must be promptly reissued to permit the industrial system to function.

A fact that we all know is that when any commercial credit is canceled it must be promptly replaced with another circulating credit; otherwise the supply of money would soon fail. Even if we conceive of a national economy in which all industry were on a cash-and-carry basis, the accruals of profits and losses would soon upset the balance and borrowers would reappear.

An effort was made in the earlier part of this memo to differentiate between cash credits issued for the purposes of trade and those issued against capitalized values as monetary and economic factors. In a smoothly working production-consumption cycle, trade credits are practically automatic in their functions. But there are many economic and psychological factors entering into the creation and repayment of long-term debt. The subject is too complex to discuss adequately here. I must confine myself to the repetition of the statement that the amortization of long-term debt is a function of the volume of credits in trade from which real profits and savings evolve.

Maintenance of long-term debt within the limits of our earnings to meet its charges is one of the greatest problems of the banking system; another being the maintenance of adequate purchasing power to validate our investments of productive capital.

A comparatively recently recognized monetary phenomenon is the growth of long-term debt in excess of the increase in production of real wealth, measured in real dollars. Attached to this memo as appendix A is a copy of the summary of Evans Clarke and associates sponsored by the twentieth century fund.

It shows an increase of long-term debt between 1921 and 1932 from $65,000,000,000 to $134,000,000,000. If we add the increase of Federal debt, we get for 1936 upward of $154,000,000,000. At the same time business debts fluctuated between $93,000,000,000 in 1921 to $128,000,000,000 in 1929 and $89,000,000,000 in 1932–33.

In view of the fact that the economic base of this pyramid, namely, national productive income, rose between 1921 and 1929 from about $65,000,000,000 to $85,000,000,000 and then fell below $40,000,000,000, it is easy to see why the forced liquidation of the early thirties failed to clear up the financial situation and left the banking system virtually bankrupt. The fact is that the country has been living off of the fixed capital that it has monetized for several years past. First that monetized by the banking system and later that which the Federal Government in partnership with the banks has monetized through increasing the Federal debt.

This persistent increase of long-term indebtedness is an economic phenomenon that is comparatively new. It is inherent in the growth of the machine age and power production. It is due to the need for vast amounts of new capital, which cannot be adequately amortized within the life of the values that give it birth.

This memorandum would not be complete without some reference to the pressing problems of balanced budgets and taxation.

When I addressed the House on June 8 last I stated that our tax rate from all governmental units is the second highest of those countries whose records are available, Great Britain only taking precedence of us. But in spite of this our national Budget is further out of balance. And that the only way to balance our Budget and pay our taxes is to increase our productive income.

I said then, "The income of the people of the United States is now about $65,000,000,000 a year. That income, by operation of the legislation I suggest, could be increased as gradually as necessary to $100,000,000,000 in at least 18 months. What would be the result of that increase? The percentage now of taxes in relation to income is about 6½ percent, yielding now about four and one-fourth billion dollars. Without increasing the percentage of taxation on an income of $100,000,000,000 a year we could raise six and one-half billion dollars in taxation. By introducing that other $35,000,000,000 of wealth we would be able to release from relief and from governmental support about $2,000,000,000 of labor and services. In other words, the Federal Government would be relieved of about $2,000,000,000 of pressure that is now brought upon it, so that by increasing the national income to $100,000,000,000 you could balance the Budget and begin to pay off nearly $4,000,000,000 a year of national debt."

It may be well to point out here that a national income of $100,000,000,000 a year would be just about equivalent to the per-capita income of 1929, allowing for the increase of population. Also the increase of income of $35,000,000,000, which I referred to as the introduction of new wealth, means, under the operation of this bill, real wealth, not inflationary money.

The money provided is limited to $10,000,000,000. The warrant for it comes from exactly the same source as any other type of trade credit, namely, the production and distribution of goods.

While it cannot be said how much of this fund would be needed there is good ground for the assumption that it would be less than the full amount provided, because it would bring about trade activity now dormant and tend to encourage the flow of credit through the normal channels of banking and commerce.

The point is that it would be an antidote to the otherwise inevitable growth of long-term debt which is now out of all proportion to the fundamental credit base of the economic pyramid.

In this memorandum I have tried to outline some of the basic financial problems of today, and to clarify the means by which this piece of legislation (H. R. 7188) proposes to meet them.

A necessary part of the work of industrial engineers and executives is to study and adjust their so-called production flow sheets to the advances in techniques. H. R. 7188 visualizes a financial flow sheet to meet the needs of the flow sheets of industry and trade.

Every good industrialist knows that if he can so order his plant that he can raise wages and at the same time lower prices he is on the road to success. Every retailer knows that lowering prices stimulates sales. The railroads have recently learned the same thing. No system that does not take into account the relation of "dollars to goods" at the base of the economic pyramid will succeed, and, as far as I have been able to learn this bill is the only coordinated attempt to do this thing without disturbing our social order in one way or another.

It does not solve all social and labor problems. But I hope it lays a stable foundation for their orderly solution. It is not a panacea, it simply attempts to follow the dictates of technological advance throughout the world with a heed to realities.

The choice of our times lies between democracy, dictatorship of the proletariat or dictatorship of the autocrats. A few years more of our present course will land us with one or the other, or still more probably in a maelstrom of both.

APPENDIX A

Table showing long-tern debt, short-term debt, national wealth and income taken from "The Internal Debts of the United States" Twentieth Century Funds, Inc., pp. 13–301

	1913–14	1921	1929	1932–33
Long-term debt.....billions..	$38	$75	$126	$134
Short-term debt:				
Business debt.....do....	47	93	128	89.2
Personal and household.....do....	4	9	22	14.4
Total.....	89	177	276	237.6
Population.....millions..	98	110	121	125
National wealth.....billions..	$192	$321	$385	$300
National income.....do....	$36	$66	$85	$40
Total debt service.....do....	$2,143	$4,953	$7,642	$7,910
Per-capita debt in 100's.....	$387.76	$681.82	$1,041.32	$1,072
Percent of national wealth represented by debts, long term.....	19.7	23.4	32.7	44.7
Percent of national income represented by debt service.....	6	7	9	19.8

Can America Remain Neutral?

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

ADDRESS BY HON. H. JERRY VOORHIS, OF CALIFORNIA, BEFORE THE INSTITUTE OF PUBLIC AFFAIRS OF THE UNIVERSITY OF VIRGINIA, AT CHARLOTTESVILLE, VA., JULY 8, 1937

Mr. LUDLOW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. H. JERRY VOORHIS, of California, before the Institute of Public Affairs of the University of Virginia, at Charlottesville, Va., on July 8, 1937:

The American people want peace. In overwhelming majority they are determined that this Nation shall keep out of other people's wars. Unless, therefore, this will to peace is stifled, broken down, and destroyed, America will keep the peace.

The American people wanted peace in 1916, too. But what they got was war. It is important for us to consider the reasons for this. One was that the German side in the war was blockaded and desperate. So this side, feeling it had little to lose anyway, committed certain undoubtedly terrible acts of war (and had others attributed to it) which outraged American public opinion and led to the destruction of American lives and the sinking of several American ships. These things gave substance to a powerful prowar propaganda nurtured in the rich manure of war profits but flowering into a bloom of sincere idealism on the part of many Americans.

America became convinced that Germany represented autocracy and her enemies democracy and that America ought not to sit idly by and watch autocracy triumph. But for this idea America might never have sent an army overseas, because the soldier does not fight and die for what he deems an unimportant cause. He is every inch the hero he has been pictured. He makes his sacrifice for his cause, and he must and does believe it not only just but vitally important.

Once war had been declared the Nation responded to the President's appeals. There is, however, some ground for wondering what the outcome would have been had the question of war or peace been submitted to the people for their decision by secret ballot. For there were other reasons for our entering the war besides idealistic ones.

Between 1914 and 1917, Americans had not only sold vast quantities of goods but had made gigantic loans to finance the pur-

chases of munitions in this country by the Allies on whom it seemed safe to bet as the likely winner.

On March 5, 1917, the American Ambassador to Great Britain wired to President Wilson this now famous telegram, which closed as follows: "I think that the pressure of this approaching crisis has gone beyond the ability of the Morgan financial agency for the British and French Governments. The need is becoming too great and urgent for any private agency to meet, for every such agency has to encounter the jealousy of rivals and of sections. Perhaps our going to war is the only way in which our present preeminent trade position can be maintained and a panic averted." And on April 6, 1917, we declared war on Germany. Our "preeminent trade position" was maintained, private traders in munitions and other war supplies made millions, but the war debts owed to our Government are still unpaid and thousands of American men lie dead in France.

I believe there is a basic justice in this universe which, in the end, is inescapable. I believe the very fatness of our war profits condemned this Nation's manhood to slaughter.

Today we have the beginnings of another war-trade boom. We are also hearing propaganda which is calculated to persuade America once again to fight a war to save democracy.

Must it all happen again? Must American boys once more fight and die on foreign battlefields? That all depends.

If we continue to let politicians decide whether or not other people are going to go to war; if we let the munitions industry go merrily on its profiteering way; if we conceive it our duty to rush to the aid of France, Russia, and England in any future war in which they may become engaged; if we insist upon the complete freedom of the seas for all our commerce all the time; and if we cling to our essentially imperialistic policy in the Pacific and hang on to the Philippines after promising to let them go—then the chance of America remaining at peace is indeed slight.

On the other hand, America can remain neutral and keep the peace if America does four things, and does them now. None of them involves a weakening of our national defenses. None of them involves a desertion of the cause of democracy. Indeed, I am convinced they offer us the only sure way in which democracy can be preserved.

First, then, we must write into our Constitution the Ludlow amendment, which, excepting the case of armed invasion gives to the American people the right to decide by national referendum whether they choose to go to war or not. One of the most tragic injustices of history is the fact that those who make wars seldom fight in them while those who have nothing whatever to say about their making pay the heaviest price. If this amendment is passed, I believe the American people themselves will decide to remain neutral.

Second, and probably most fundamental of all, we must stop the growth of a trade boom in munitions and war materials before it becomes a Frankenstein monster. America can have peace if she bases her international trade policy on a sound moral principle instead of the selfish program of profiteering as long as it is "reasonably safe" to profiteer, which is the program of our present so-called neutrality legislation.

The plain truth is it never is safe because it never is right or morally defensible, and because the absence of war profits is the necessary condition of peace. Public enemy no. 1 is the international munitions dealer who sells munitions to foreign governments which later are turned against boys from his own nation. A joint resolution, introduced in both Houses of Congress by Senator NYE and Congressmen FISH and O'MALLEY, would place an absolute all-time embargo on the sale or shipment of any arms or implements of war to any foreign nation or national by any American at any time. That joint resolution should be passed at this session. I, myself, have introduced a resolution which makes it illegal for any American to lend money to any foreign nation if that money is used in furthering war preparations. I believe it should pass, too. By these two measures America would serve notice on the world that no one can expect this country to supply the sinews of war again. This is a clear-cut policy, applying to all nations equally. It is the policy of refusing to encourage war anywhere, any time. No doubt some of these provisions will be difficult to enforce. But there will be tremendous importance in this Nation having declared it to be its official policy that any American who seeks to make money out of war commits an illegal act. It would, under these circumstances, be rather embarrassing for them to attempt to rally the Nation to a defense of their "legitimate investments."

Munitions and loans are not, however, the whole story. An inflated trade with belligerents in almost anything is of course dangerous. Such commodities as go directly into the manufacture of munitions should, I believe, either be embargoed or their exports restricted to normal peacetime quotas. And other commodities, such as food, we should sell only for cash, make it clear to our customers that we take no responsibility for their safe delivery, and make it unmistakably plain by appropriate legislation that any American selling to belligerents or in the war zone trades at his own risk. American ships, moreover, should be prohibited from entering zones of active war.

These measures will mean a sacrifice of trade and profits. And although much of this will in time of war be made up by increased trade with neutral nations like South America, nevertheless if America is to remain at peace we must be ready to make such a sacrifice and we must be prepared to share it together. I can understand the abhorrence which some have expressed of an America growing fat on war profits but taking no responsibility for the safety of goods leaving our shores. But I have no such picture in mind. My picture is not of an America growing fat while she avoids war. Mine is the picture of an America growing slender because of her sacrifice for the sake of peace.

I can illustrate what I mean by taking the example of cotton. Cotton exports might be hard hit by these restrictions. If the whole weight of this fell on the cotton farmers they would be ruined. But such would not need to be the case. There are about two and one-half million cotton farmers in the Nation. There are about $11,000,000,000 of unpaid war debts still owing us from the last war. Leave out of account all other costs of the war and suppose we had merely used for benefit payments to our own cotton farmers the amount of money we loaned and lost. We could have paid every cotton farmer in America $1,000 for 4 years or $500 for 8 years. Ask a cotton farmer how that compares with his normal yearly income. If this is the price of peace, it is a small price indeed.

If America will take these steps to prevent war profits from destroying peace, America can remain neutral.

While our first concern is naturally for the protection and peace of our own Nation, the third major thing America must do if she is to avoid war is to discover and put into practical operation the positive side of the good-neighbor policy, and make thereby her greatest possible contribution to the peace of the entire world. That policy implies, first, that America will under no circumstances interfere in the internal affairs of any foreign nation. It implies, second, that we will act positively to promote the economic well-being of the whole world.

The United States can continue the work already started at Buenos Aires of building an American peace group covering the entire Western Hemisphere. Bonds of trust and understanding, the basis for increasing trade and interdependence in this hemisphere, should be forged as tightly as possible. The stronger our purely American ties become, the weaker the drive to involve us in Old World brawls will be.

One of the two strongest factors making for war today is the unequal distribution of sources of food, raw materials, and markets among the nations. If America will renounce every vestige of her own imperialism, she can take the lead in removing, or at least mitigating, this cause of war.

Here again certain sacrifices are called for. The oil companies and other investors will have to get along without American gunboats and marines to protect them in the Orient. Our westward push across the Pacific will have to come to an abrupt end. We will have to let the Cuban people really settle their own affairs. Above all, we will have to give the Philippine Islands what they want and what they have been promised, namely, full and free independence. We will have to get our whole Military Establishment out of those islands and do it now.

Particularly if by such action as I have suggested we will demonstrate our complete sincerity, America can and should take the lead in promoting international conversations, looking toward a better economic outlook for the impoverished nations. Why is this so important? Let us see.

It is no mere historical accident that Germany, Italy, and Japan, the "have not" nations, are lined up against Russia, France, and England, the "have" nations. German and Italian fascism and Japanese militarism are no mere historical accidents, either. It is well to remember that unequal as was the distribution of the world's sources of raw materials and markets among the powers in 1914, that distribution is even more unequal today. Germany and Italy are not only Fascist nations; they are also hungry nations. And it was their hunger that condemned them to fascism.

Hitler is the direct result and product of the oppressive provisions of the Treaty of Versailles. Germany became desperate, the burden too great. In mad panic she saddled herself with the most ruthless dictatorship in history because Hitler told her he would fight for her life.

It is as dangerous to the peace of the world for some nations to cling to empire as it is for other nations to grasp for it. If Italy, Germany, and Japan could be assured of raw materials and markets in more equal ratio to the United States, Britain, France, and Russia, one of the two main causes of war would be removed. And so I cherish for America the honor of taking the lead in bringing this about.

The fourth thing America must do if she is to remain neutral is to think straight and to make herself propaganda-proof. That propaganda will come from business interests bound to the British Empire or possessing investments in China, and from political interests bound to Russia. They will unite to prepare the unsuspecting public mind for another war to "save democracy." But the issue of that war will not be a simple one of democracy versus fascism.

The world conflict, if it comes, will see, it is true, the Fascist nations lined up on one side, with Communist Russia, France, and probably Britain on the other. As between Russia and Italy and Germany the war will be between two types of dictatorship Democracy, such as Americans know it, is not represented by any of these three nations.

Those who feel that a fundamental choice is to be made between Russia and Italy and Germany, certainly cannot any longer make this claim on the ground that Russia represents democracy as against dictatorship. The economic conditions of the people are improved, no doubt. But Russia is obviously ruled today by

an iron-handed dictator who brooks no opposition. Blood purges are too frequent to allow any other conclusion. And in the end it must, I think, be granted that all dictatorships inevitably tend in the same direction. A new ruling class is built up, composed of those who belong to the dictator's faithful—generally organized into a political party which holds a monopoly of all power. Political and civil liberties are lost and militarism is an inevitable accompaniment.

Insofar as the British and French are concerned, it is true that their form of government and ways of life are far more in accord with American ideals than are those of Italy and Germany at present. But it is also true that Britain and France hold the two great colonial empires of the world. This war of England and France against Germany and Italy will be in large part a war to preserve empire on the one hand and to gain it on the other.

To fight with Britain, France, and Russia is first to engage in a struggle between two rival types of dictatorship; and, second, to fight for the preservation of the empires, which by their very presence are one of the factors that has brought on the curse of dictatorship and made for Fascist agression. To fight on that side is among other things to fight to keep the "have not" nations continuously in the "have not" class. All these things I say with no ill will in my heart for any people anywhere. Men's and women's hopes and desires, weaknesses and fears, are much the same the world over. But America's mission is to keep civilization and democracy alive into the next century.

The next war will be fired with the fury of a religious conflict, but it will be fought with the weapons of modern science.

It will destroy democracy and end social progress.

It will breed dictatorship, not curb it.

To fight a war to save democracy is to go mad.

There will have to be some sane nation—and a powerful one—left after the conflict to guide a sick, distracted world.

America and all she has stood for through the years calls us to keep her at peace, to make her the world's guardian of the arts of peace, the preserver of democratic life, the keeper in trust of the gains so far made by man until such time as the rest of the world comes to its senses.

This is a destiny written on the very waters of the oceans that surround our shores. I do not know another nation that can do this thing.

And what, may I ask, is more important for the world's children of the centuries of tomorrow?

Transmountain Water Diversions

Transmountain water diversions conform to a national policy established by the Federal Government long before most of us were born.

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

Mr. LEWIS of Colorado. Mr. Speaker, the object of the Colorado-Big Thompson transmountain water diversion project is to bring 310,000 acre-feet of water annually from the headwaters of the Colorado River on the western slope of the Continental Divide, where water is plentiful, by a tunnel through the main range of the Rocky Mountains, to supplement the existing but insufficient water supply for 615,000 acres of rich and highly developed land in northeastern Colorado, which has been settled for upward of 50 to 75 years and on which 175,000 people live.

Objections have been raised to this project on the ground that it will bring water from one watershed into an entirely different watershed. The implication is that such a diversion of water is wholly unprecedented; that it is clearly against public policy, if not downright immoral. As all these objections emanate from gentlemen who do not live in the far West and who are not familiar with our conditions, it may be well to call attention to the fact that projects for diverting water from one watershed to another have frequently been constructed east of the Alleghenies. Furthermore, their validity and conformity with sound public policy have been upheld by decisions of the Supreme Court of the United States.

EXAMPLES ON ATLANTIC SEABOARD OF WATER DIVERSIONS FROM ONE WATERSHED TO ANOTHER

Two examples of the many on the Atlantic seaboard and in the Central States will suffice by way of illustration:

In *Connecticut* v. *Massachusetts* (1931), 282 U. S. 660, Massachusetts was proposing to divert water from the Ware and Swift Rivers, tributaries of the Connecticut River, entirely out of the watershed of the Connecticut River, and to conduct the water to the Boston district. This was sought to be enjoined by the State of Connecticut. From the opinion of the Court it appears that much was made in the argument on behalf of Connecticut of the fact that the water was to be taken from a tributary of the Connecticut River entirely out of the watershed of the Connecticut River, but the injunction sought was denied.

So in *New Jersey* v. *New York* (1931), 283 U. S. 336, the State of New Jersey sought to enjoin the State of New York and the city of New York from diverting any waters from the Delaware River or its tributaries, and particularly from the Neversink River, Willowemoc River, Beaver Kill, East Branch of the Delaware River, and Little Delaware River, or from any part of any one of them, for the purpose of increasing the water supply of the city of New York. The State of Pennsylvania intervened to protect her interest in the river.

In this case also much was made in the argument of the fact that the water was to be diverted entirely out of the watershed of the Delaware River into an entirely different river basin. The Court held that the mere fact that the proposed diversion was to be to another watershed was not a bar.

Mr. Justice Holmes, in delivering the opinion of the Court, said (pp. 342, 343):

> A river is more than an amenity; it is a treasure. It offers a necessity of life that must be rationed among those who have power over it. * * * The removal of water to a different watershed obviously must be allowed at times unless States are to be deprived of the most beneficial use on formal grounds. In fact, it has been allowed repeatedly and has been practiced by the States concerned (*Missouri* v. *Illinois*, 200 U. S. 496, 526; *Wyoming* v. *Colorado*, 259 U. S. 419, 466; *Connecticut* v. *Massachusetts*, 282 U. S. 660, 671).

In spite of these examples on the Atlantic seaboard of diversions of water from one watershed to another, questions have been raised from time to time and are now being raised in the Congress and elsewhere concerning similar projects in the far West. It has been inaccurately implied that "transmountain water diversions" are something novel and of doubtful economic soundness. It has even been erroneously suggested that a definite national policy concerning such projects has not yet been established by the Federal Government, and that before any such projects can properly be approved an entire national policy should first be determined.

OBJECTIONS TO TRANSMOUNTAIN WATER DIVERSION PROJECTS REFLECT UNFAMILIARITY WITH FEDERAL POLICY LONG SINCE FIRMLY ESTABLISHED

Any such questions, implications, or suggestions reflect a lack of familiarity with long-established "local customs, laws, and the decisions of courts" concerning waters in the far Western States and a lack of familiarity with the fact that the United States Government—always scrupulously conforming to such local customs, laws, and court decisions—has throughout many years, by repeated affirmative acts and declarations, frequently approved and aided projects to divert water from one watershed to another.

Obviously, each project involving a transmountain diversion of water must be appraised, as should every other project, upon its own individual merits, based upon careful surveys, to determine its engineering and economic feasibility. Furthermore, plans for every such project should, wherever necessary, provide for the construction of such compensating or replacement reservoirs as may be requisite to protect fully and adequately all existing water rights on the stream from which the water is to be diverted.

In the case of the Colorado-Big Thompson project, such careful surveys have been made throughout 2 years by the Bureau of Reclamation. The engineering feasibility and economic soundness of the project have been established beyond question. Ample provision for compensating reservoirs has been made. All this is set forth in Senate Document No. 80, Seventy-fifth Congress, first session.

In the far West such projects have long since become familiar and commonplace. Their economic soundness is established beyond question. They are the foundations for the prosperity of vast, highly productive, and long-cultivated agricultural regions. They are the bases upon which rest the very existence of large cities. As we have just seen, such projects have their counterparts on the Atlantic seaboard. But, as recent doubts and queries as to national policy have all concerned projects in the far West, this discussion will be confined to the region beyond the Missouri River.

In fact, "transmountain water diversions"—that is, diverting water from one watershed to another—have long since been recognized, approved, and frequently acted upon by all three branches of the Federal Government—legislative, judicial, and executive—as part of a well-established national policy.

Inasmuch as it will presently be shown in detail hereinbelow that both the Congress and the Supreme Court of the United States have recognized, time after time, the validity and supremacy of "local customs, laws, and the decisions of courts" relating to the control, appropriation, use, and distribution of water for irrigation and other beneficial purposes, it is pertinent to inquire at the outset as to just what are such "local customs, laws, and the decisions of courts."

APPROPRIATION DOCTRINE CONCERNING WATER HAS SUPERSEDED RIPARIAN DOCTRINE IN STATES OF FAR WEST

Seventy-five or eighty years ago, when agriculture was first undertaken by American settlers in regions now included in Colorado and neighboring States where irrigation is practiced, it was realized that the common-law "doctrine of riparian rights" in regard to the waters of natural streams was not applicable to conditions in those regions. Consequently the common-law "doctrine of riparian rights", or "riparian doctrine", that a riparian landowner was entitled to have waters of a natural stream continue to flow as they had flowed from time immemorial, subject to the reasonable uses of other riparian landowners, was rejected; and there was formulated and adopted the "doctrine of prior appropriation", or "appropriation doctrine", under which he who first diverts the water of a natural stream and applies such water to beneficial use, regardless of the locus of such application to the beneficial use, acquires a prior right or "priority" to the extent of such use against all subsequent appropriators up and down the stream.

This doctrine, sometimes called the Colorado doctrine, enunciated by the Supreme Court of Colorado Territory, was embodied in the constitution when Colorado was admitted to the Union. Sections 5 and 6 of article XVI of the Colorado Constitution—adopted in 1876 and never amended as to these sections—are as follows:

SEC. 5. Water, public property: The water of every natural stream, not heretofore appropriated, within the State of Colorado, is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the State, subject to appropriation as hereinafter provided.

SEC. 6. Diverting unappropriated water; priority: The right to divert the unappropriated waters of any natural stream to beneficial uses shall never be denied. Priority of appropriation shall give the better right as between those using the water for the same purpose; but when the waters of any natural stream are not sufficient for the service of all those desiring the use of the same, those using the water for domestic purposes shall have the preference over those claiming for any other purpose, and those using the water for agricultural purposes shall have preference over those using the same for manufacturing purposes.

This appropriation doctrine has since been fully elaborated and defined by the courts of Colorado and other neighboring States. See *Yunker* v. *Nichols* (1872), 1 Col. 551; *Schilling et al.* v. *Rominger* (1878), 4 Col. 100, 103; and a host of other later cases in Colorado and other far Western States.

In order to preclude misapprehension, it should be pointed out that the so-called California doctrine—which differs from the Colorado doctrine in some respects not pertinent to this discussion, but which may be said in general to be a hybrid of the appropriation doctrine and the riparian doctrine—prevails in the States of California, Oregon, Washington, Montana, North Dakota, South Dakota, Texas, Kansas, Nebraska, and Oklahoma. The Colorado doctrine, as hereinabove outlined, is the settled law prevailing in the States of Colorado, Arizona, Idaho, New Mexico, Nevada, Utah, and Wyoming.

TRANSMOUNTAIN DIVERSIONS OF WATER RECOGNIZED AND APPROVED BY LAWS OF ALL FAR WESTERN STATES

As a corollary to this Colorado doctrine, and very early in the development thereof, the prevailing local custom and practice that a prior appropriator had the right to divert water from one stream across an intervening "divide" to lands tributary to a different stream, or even tributary to a different river system, was "recognized, acknowledged", and approved and enunciated as a principle of law by the courts of Colorado and other States and Territories where the so-called Colorado doctrine prevails.

Furthermore, this principle of law approving "transmountain water diversions" has been repeatedly reaffirmed by decisions of the courts. For example: *Coffin et al.* v. *Left Hand Ditch Co.* (1882), 6 Colo. 443, 449–450; *Thomas* v. *Guiraud* (1883), 6 Colo. 530, 532; *Hammond* v. *Rose* (1888), 11 Colo. 524; 19 Pac. 466; *Oppenlander* v. *Left Hand Ditch Co.* (1892), 18 Colo. 142, 144; 31 Pac. 854; *Wyoming* v. *Colorado* (1921), 259 U. S. 419, 466–467; *Willey* v. *Decker* (1903), 11 Wyo. 529–531. See also *Connecticut* v. *Massachusetts* (1931), 282 U. S. 660, 671–672; *New Jersey* v. *New York* (1931), 283 U. S. 336, 342, 343.

It is, and long since has been, the settled law of Colorado and of neighboring States that "the water of a natural stream may be diverted and conveyed across an intervening 'divide' for the irrigation of lands in the valley of another stream." See *Oppenlander* v. *Left Hand Ditch Co.*, *supra*.

CONGRESS AND UNITED STATES SUPREME COURT HAVE REPEATEDLY RECOGNIZED AND APPROVED THE VALIDITY OF LOCAL CUSTOMS, LAWS, AND COURT DECISIONS IN RESPECT TO APPROPRIATION, CONTROL, USE, AND DISTRIBUTION OF WATER, INCLUDING TRANSMOUNTAIN WATER DIVERSIONS

Also very early in the period of initial settlement of the region now comprised within the so-called irrigated-land States of the far West, the Congress recognized and approved, as respects the public domain, "so far as the United States are concerned, the validity of the local customs, laws, and the decisions of courts" in respect to appropriation of water and to its control, use, and distribution. This recognition and approval has been repeatedly reaffirmed by subsequent acts of Congress and opinions of the United States Supreme Court: Act of Congress of July 26, 1866 (ch. 262, sec. 9; 14 Stat. L. 253; Rev. Stat. 2339; U. S. Code, title 43, sec. 661); act of Congress, June 17, 1902 (32 Stat. L. 388, sec. 8; U. S. Code, title 43, sec. 383); *Gutierres* v. *Albuquerque Land Co.* (1902), 188 U. S. 545, 553; *Kansas* v. *Colorado* (1906), 206 U. S. 46, 92–93, 94–95; *Wyoming* v. *Colorado* (1921), 259 U. S. 419, 465.

By way of example, the Reclamation Act (act of June 17, 1902, ch. 1093, sec. 8; 32 Stat. L. 390; U. S. C., title 43, sec. 383) expressly provides:

Nothing in this chapter shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this chapter, shall proceed in conformity with such laws, and nothing herein shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream, or the waters thereof.

TRANSMOUNTAIN WATER DIVERSIONS CONTEMPLATED BY COLORADO RIVER COMPACT AND BOULDER CANYON PROJECT ACT

Furthermore, the principle and policy of transmountain water diversions was expressly recognized in the Colorado River compact, signed at Santa Fe, N. Mex., November 24,

1922, and approved by the Congress in the so-called Boulder Canyon Project Act (act of Dec. 21, 1928, ch. 42, sec. 13; 45 Stat. L. 1064; U. S. C., 1933 Supp., title 43, sec. 617 l).

In article II of the Colorado River compact, subparagraph (b) is as follows:

> The term "Colorado River Basin" means all of the drainage area of the Colorado River system and all other territory within the United States of America to which the waters of the Colorado River system shall be beneficially applied.

And subparagraph (f):

> The term "upper basin" means those parts of the States of Arizona, Colorado, New Mexico, Utah, and Wyoming within and from which waters naturally drain into the Colorado River system above Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the system above Lee Ferry.

Subparagraph (g) of article II of the compact is as follows:

> (g) The term "lower basin" means those parts of the States of Arizona, California, Nevada, New Mexico, and Utah within and from which waters naturally drain into the Colorado River system below Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the system below Lee Ferry.

By article IV, paragraph (c), of the compact it is provided:

> (c) The provisions of this article shall not apply to or interfere with the regulation and control by any State within its boundaries of the appropriation, use, and distribution of water.

As required by the Constitution of the United States (art. I, sec. 10), the consent of the Congress was given in advance to the negotiation of the Colorado River compact (act of Aug. 19, 1921; 42 Stat. L. 171), and by the Boulder Canyon Project Act (act of Dec. 21, 1928, c. 42, sec. 13; 45 Stat. L. 1064; U. S. C., 1933 Supp., title 43, sec. 617 l) the Colorado River compact was expressly approved.

Furthermore, by section 18 of said Boulder Canyon Project Act (c. 42, 45 Stat. L. 1065; U. S. C., 1933 Supp., ch. 43, sec. 617q) it is provided:

> Nothing herein shall be construed as interfering with such rights as the States now have either to the waters within their borders or to adopt such policies and enact such laws as they may deem necessary with respect to the appropriation, control, and use of waters within their borders, except as modified by the Colorado River compact or other interstate agreement.

It thus appears that by repeated acts of Congress a definite national policy, from which there has never been the slightest deviation, was long since determined upon, to wit, that the Federal Government shall proceed in conformity with "the local customs and laws and the decisions of courts" of the respective States in relation to the control, appropriation, use, and distribution of water used in irrigation; and, further and more specifically, the Congress has directed that "the Secretary of the Interior in carrying out the provisions of" the "Reclamation Act", shall "proceed in conformity with such laws * * *." As we have already seen, transmountain water diversions are valid under the "customs, laws, and the decisions of courts" in Colorado and neighboring States.

EXECUTIVE DEPARTMENTS OF FEDERAL GOVERNMENT HAVE CONSISTENTLY CONFORMED TO POLICY OF FAR WESTERN STATES WHICH APPROVE TRANSMOUNTAIN WATER DIVERSIONS

Furthermore, the Department of the Interior, of course, has at all times consistently and without question complied with this reiterated mandate of the Congress, and, acting through the Bureau of Reclamation, has uniformly and universally conformed to the policy of the respective States which permit and approve of transmountain water diversions.

The Bureau of Reclamation has completed, is now constructing, and is preparing to construct, several projects involving transmountain water diversions, and has made and is now making and is preparing to make surveys for other such projects.

TRANSMOUNTAIN WATER DIVERSION PROJECTS CONSTRUCTED BY RECLAMATION BUREAU

For example, the so-called Strawberry Valley project in Utah, completed many years ago by the Bureau of Reclamation, diverts water from the Strawberry River, a tributary of the Colorado River, by a tunnel to a branch of the Spanish Fork River, which flows into Great Salt Lake, which is in a closed basin completely out of the Colorado River drainage area. In addition, the Sanpete project, also in Utah, now under construction by the Bureau of Reclamation, involves the diversion of water from the Colorado River to a branch of the Sevier River, completely out of the Colorado River drainage area. Also, the full development, not yet under construction, of the Provo River project in Utah involves boring of the Duchesne tunnel, over 5 miles in length, to divert water from the Colorado River to the Provo River.

Among the investigations for transmountain diversions now in progress is the so-called San Juan-Rio Chama project which contemplates diverting water from the Colorado River in Colorado to the Rio Grande River in New Mexico. This is being carried on as part of the participation by the Bureau of Reclamation in a study of the Rio Grande Basin for the National Resources Committee and is being financed by a combination of Bureau of Reclamation allotments plus a contribution by the National Resources Committee.

ALL-AMERICAN CANAL

Pursuant to the authorization of the Boulder Canyon Project Act, the Bureau of Reclamation is now constructing the so-called All-American Canal, which will have a capacity to divert a maximum of approximately 10,000 cubic feet per second, being the equivalent, if operated every day throughout the year, of about 7,200,000 acre-feet of water annually, from the Colorado River, 80 miles to Imperial Valley and 130 miles to Coachella Valley and adjacent areas in California, to be distributed by 1,700 miles of canals and laterals for the irrigation of about 1,000,000 acres. Strictly speaking, this is not a "transmountain" diversion in that no ranges of mountains are to be tunneled and the lands to be irrigated are, in the largest geographical sense, within the Colorado River drainage area. Nevertheless, this project involves cutting for 10 miles through a ridge of sandhills, the deepest cut being over 100 feet.

The lands to be irrigated drain not into the Colorado River but into the so-called Salton Sea, the surface of which is 244 feet below sea level. None of the water diverted by this project can by any possibility ever find its way back by return flow to the Colorado River. Moreover, part of the plans for the All-American Canal project involve a not unlikely extension of the canal to the Pacific coast to supplement the municipal water supply of San Diego to the extent of 155 cubic feet of water per second.

COLORADO RIVER AQUEDUCT OF METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The largest, most expensive, and most ambitious transmountain water diversion now being undertaken in the United States is the much-needed project to supply the metropolitan water district of southern California. Under this project water of the Colorado River will be taken, by approximately 242 miles of main acqueduct and 150 miles of feeder lines, from Parker Dam, which is located about 155 miles below Boulder Dam, to Los Angeles and 12 other cities and towns in southern California. The water will be pumped by successive stages to a total elevation of 1,617 feet and will pass through several ranges of hills and mountains by means of 29 tunnels, totaling 92 miles in length, the longest of which is 18 miles. When ultimately developed to its full capacity, this project will deliver to Los Angeles and vicinity 1,050,000 acre-feet per year, which is equivalent to about 1,500 cubic feet per second, or about 1,000,000,000 gallons of water per day, completely out of and far from the Colorado River drainage area, to the Pacific coast of southern California.

SUBSIDIZED BY IMMENSE LOANS AND GRANTS FROM R. F. C. AND P. W. A.

The actual work of construction of the Colorado River aqueduct for the benefit of the metropolitan water district of southern California is being carried on by the district and not by the Bureau of Reclamation. However, of the bond issue of $220,000,000 authorized by the district, the

Reconstruction Finance Corporation has agreed to purchase $91,000,000, of which $69,628,000 had been taken over up to June of 1936.

Furthermore, the Public Works Administration, on or about November 2, 1934, made an allotment of $2,000,000—of which $1,500,000 was a purchase of bonds and $500,000 a grant—to the metropolitan water district for the purpose of subsidizing this project so necessary for the towns and cities of southern California.

Therefore both the Reconstruction Finance Corporation and the Public Works Administration have given their approval to transmountain water diversions by sudsidizing with immense loans and grants this greatest of all such projects.

SUMMARY

To summarize: The Congress by repeated enactments has declared that the policy of the National Government is to comply with the laws of the respective States as to the control, appropriation, use, and distribution of water used for irrigation and other beneficial purposes, and has directed that the Secretary of the Interior shall "proceed in conformity with such laws." The principle and policy of transmountain water diversions from one watershed to another was long ago recognized and approved by the constitution, laws, and decisions of courts of Colorado and of other neighboring States; it has been repeatedly recognized by decisions of the United States Supreme Court; it is expressly recognized and approved in the Colorado River compact, which in turn was expressly consented to and approved, and the policy of the respective States again expressly and carefully safeguarded in the Boulder Canyon Project Act of the Congress.

Pursuant to the mandate of the Congress to comply with the laws of the respective States, the Department of the Interior, through its Bureau of Reclamation, has constructed several transmountain water diversions and has made and is now making surveys for others. Finally, the Reconstruction Finance Corporation and the Public Works Administration, by large loans and grants of money from the Federal Treasury, have subsidized the largest transmountain diversion ever undertaken in the United States.

CONCLUSION

It is therefore apparent that by affirmative action of each of the three branches of the Federal Government—legislative, judicial, and executive—an entire national policy in regard to diverting water from one watershed to another has long since been fixed and determined as approving such transmountain water diversions. Such national policy is no longer open to question by the Federal Government.

No valid objection can be made to the Colorado-Big Thompson transmountain water diversion project on the ground that it is contrary to national policy. It conforms to a national policy fully established long before most of us were born.

Glover H. Cary

MEMORIAL ADDRESS
OF
HON. BRENT SPENCE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. GLOVER H. CARY, late a Representative from Kentucky

Mr. SPENCE. Mr. Speaker, I realize that nothing I could say would add to the affectionate regard and high esteem in which GLOVER H. CARY was held by his colleagues. Yet it is not inappropriate that a fitting record should be made of the character and virtues of those who have served here and have gone to that "unknown country, from whose bourne no traveler returns."

The Latins had two maxims: "De mortuis nil nisi bonum"—of the dead say nothing but good—and "De mortuis nil nisi verum"—of the dead say nothing but the truth. When we detail the events in the life of GLOVER CARY and appraise his character and his worth, we can give heed to both of these maxims, because the good is true and the truth is good.

GLOVER H. CARY, of Owensboro, Representative from the Second District of Kentucky, who had represented that district in the House of Representatives for three consecutive terms, and at the time of his death had been renominated and overwhelmingly reelected, died on the 5th day of December 1936 in a hospital in Cincinnati, after a protracted illness. In March of that year, while Congress was in session, he was stricken with pneumonia, from the effects of which he never recovered.

He was born in Calhoun, McLean County, Ky., on May 1, 1885, educated in the public schools of Calhoun and Owensboro and at Center College, Danville. He was admitted to the bar and began his practice of law at Calhoun, Ky. In 1913 he was elected to represent McLean County in the General Assembly of Kentucky and reelected in 1915. In the fall of 1917 he was elected county attorney, and in 1921, at the expiration of his term as county attorney, was elected Commonwealth attorney for the sixth judicial district, composed of McLean, Ohio, Hancock, and Davies Counties. He was reelected Commonwealth attorney in 1927, which position he resigned in February 1931, having been elected at the election held in November 1930 Representative in Congress from the Second District of Kentucky. Two years later he was nominated for reelection from the State at large in a State-wide primary and was subsequently reelected by a very great majority. He was reelected in 1934 in the newly created Second District by a very large majority and was again nominated and reelected by over 30,000 majority in 1936, when he was unable, by reason of the condition of his health, to make a campaign.

Mr. CARY early gave promise of those qualities which presaged a distinguished career. As a State legislator at Frankfort he displayed an ability which soon acquired for him an enviable place in the legislative body of his State.

As prosecuting attorney his position gave him an opportunity to develop the qualities which he naturally possessed to such an eminent degree. As a prosecutor he presented his cases ably, but he always realized his duty was to convict the guilty and to secure the acquittal of the innocent. He ably marshaled his facts and presented them to the jury with convincing clearness and with judicial impartiality. It was only when the facts demonstrated the guilt of the accused that he used his powers of logic and eloquence to vindicate the law and secure conviction.

The same qualities that made him an able legislator at Frankfort and made him a fearless and outstanding prosecutor gave to him early recognition in the Halls of Congress. He had become chairman of the Subcommittee on Naval Affairs of the Appropriations Committee, and the manner in which he handled the important bills coming from that committee earned the commendation and respect of his colleagues.

To one who knew GLOVER CARY intimately it was not difficult to understand why he should attain distinction as a legislator and why his people should eagerly support him for offices of trust and honor. He was a man of splendid intellect, pleasing appearance, and magnetic personality. He had those qualities which instinctively drew men and women to him and made them have confidence in his friendship and sincerity. He realized and acted upon that great philosophical truth, that one receives in life the things he gives. He gave sincere friendship and loyalty and in return he received that same loyalty and affection.

For many months he laid upon a bed wracked with pain and deep in his heart he had little hope of recovery, yet his fortitude and courage were truly remarkable. Bacon says "men fear death as children fear to go in the dark", but GLOVER CARY seemed to have little of that fear. No artificial terrors were conjured by the mystery of death, but

he approached his end "like one that wraps the drapery of his couch about him and lies down to pleasant dreams."

He had an ardent affection for his devoted wife and two sons and three daughters, and they returned that affection in full measure. Death, which loves a shining mark, struck down this good and useful citizen at a time when he had not yet reached the culmination of his powers and while his influence was rapidly increasing. When his native ability, his attractive personality, and his capacity to make friends are considered it cannot be predicted how far he might have gone along the road to fame or what positions of honor and trust he might have filled. He was not only able but he was sound in his mental processes and in his judgment. He did the work that was given to him, whatever it might involve, always in a thorough and able manner, and in the doing of the tasks assigned to him he gave evidence of a reserve power the extent of which could not be appraised. He stood in the front rank of the bar in his county and of the Commonwealth of Kentucky. The affection in which he was held was attested by the great outpouring of his friends and admirers, who came from all over the State to pay their last tribute of respect and devotion, each attesting the affection in which he was held.

His State sustained a great loss in his going for his counsel, advice, and ability were always at the command of his people. If he had lived, he could have remained in the Congress of the United States as long as he wished, and his influence would have steadily increased. There is little doubt that he would eventually have obtained a position of great importance in the national councils.

To paraphrase the words of the poet, we may truthfully say of GLOVER CARY:

> Statesman yet friend of truth, of soul sincere.
> In action faithful and in honor clear,
> Who broke no promise, served no private end,
> Who gained a title but who lost no friend.

Addresses by Senator Maloney During 1936 Campaign

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Saturday, July 10 (legislative day of Tuesday, July 6), 1937

RADIO ADDRESSES DELIVERED DURING THE POLITICAL CAMPAIGN OF 1936

Mr. MALONEY. Mr. President, under the leave granted me to insert sundry addresses in the Appendix of the RECORD, I include certain radio addresses delivered by me during the political campaign of 1936.

The addresses referred to are as follows:

THE ROAD BACK

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station W1XBS, Waterbury, Conn., Monday, Oct. 19, 1936)

Tonight I commence a series of short radio talks that will continue each evening, with the exception of Saturday and Sunday night of this week, until the day before election. I aim to be entirely temperate and completely fair, although I shall be critical.

I am speaking as a Jeffersonian Democrat and for the Democratic Party, the great party of social justice, and in behalf of a man whom I think history will record as a courageous leader and far-seeing statesman. My effort is to aid as much as I can in the reelection of President Roosevelt, but my plea is in the interest of the American people. This is their fight. President Roosevelt is their representative. I am not a candidate for office in this election.

In a democracy government exists only for the purpose of serving the people. It has no other purposes than to serve them, and protect them, and promote their happiness and welfare. Under our form of government we reserve the right to discharge our public officials or employees at such times as we are of the opinion that they are not properly and efficiently carrying out the purposes of government.

The business of government differs from private business. Private business is usually operated for financial gain. Government business is conducted largely for the purpose of social gain. That seems simple to me, and it seems even more easy to understand that the social gains in the United States since March of 1933 have been greater than at any other similar period of time in more than half a century, and perhaps in any similar period of time since the dawn of the Republic.

Unfortunately, and it is bitterly unfortunate, a great many of our people have not yet participated to a very great extent in the profit of these 3½ years. But during that time we have driven the forces of the panic far back, and if we can avoid mutiny and preserve the morale of the forces of recovery, victory will be certain in a little while.

Millions of people have been lifted from fear and want, and business has been restored to American industry and the American farmer. The medical doctors and dentists who for several years gave their services pretty much for humanity's sake are now being paid for their professional skill. The corner grocers who were able to survive the storm have not only bailed out the water but they have caught the breeze and they see land ahead. The thrifty people who escaped the wreck of a stock-market crash with anything of value have seen that value multiply and approach a real worth. School teachers and salesmen are no longer worrying about the closing of schools or the loss of their jobs. Business is not only better—it is rushing forward.

This is all true because of the vision of an administration that is keeping pace with a changing world. It is true because we have a courageous leadership that understands the purposes of government and has refused to forget that the great task of a nation is caring for its weak—for the folks without economic or vocal force, who for years on end have put their economic trust in the hands of the elected leaders of a great country. Sometimes the leaders failed them.

As the people of the United States decided to employ Gov. Franklin Roosevelt to manage their tangled business and social affairs, they discharged the man who had been misdirecting their business for 4 years. They had engaged Mr. Hoover at a time when there appeared to be no special need for close inspection. He had perfect character references and what seemed to be excellent endorsements as to regularity and ability. There were other applicants for the position at the time, but only one of the others was seriously considered. He, too, had splendid character references, and a long-time experience in governmental affairs.

But times seemed good. People felt rich. Everlasting security seemed certain to those who looked casually and carelessly, and a majority of the people only scanned the surface.

This was sort of natural, however, for business was rushing madly, and there seemed little reason to inquire where it was going. On top of it all Mr. Hoover promised even better things. He visualized an abundance of rich foods for everyone, and an extra automobile, and he predicted the passing of the poorhouse. That was in 1928, and the people employed him under a 4-year contract. Within a year, after he had just about time enough to get organized, food began to grow scarce in some American homes, and some people had to stop running their cars, and a little later it appeared as though it might be necessary to enlarge the poorhouses. Business dashed madly again, but this time people knew where it was headed. Factories closed, some of them were torn down, and vacant stores became common. Real-estate values collapsed. Professional men saw a forced socialization of their business. Banks burst like firecrackers. Bread lines formed. Men sold apples. Women cried and prayed. It was America's darkest hour.

It seems so long ago now that I fear some of those listening to me will regard this as a picture too sharply drawn. They may regard it as an exaggeration, but it is the truth in the mildest form. The picture haunts me at times, because I was a character in the bitter drama. As mayor of an industrial city, I saw misery in homes that had been happy, and day after day people with a pride in generations of brave and bold Americanism told me that they preferred death to the stigma of a dole.

No one then feared dictatorship. Some hoped for it. No one feared communism. It was not thought of. It all seemed much worse than that. Many men found it hard to think, or at least clearly. They just worried, and it was a frantic worry. As I try to put the pieces together now, they seemed to fear the passing of "the American way."

Mr. Hoover's character references were never questioned, or at least fair-minded people never questioned them, but his ideas of governmental management were completely discredited. He tried about everything his advisors suggested, but he seemed to have misfortune with his advisors, and as he pulled one after another of the strings on the zither, the strings broke in his hands. He spent money, but in the wrong places, and try as he might, and in spite of his great engineering reputation, and his experience in spreading relief to grief-stricken Europeans after the World War, his efforts at home were pitiful. The philosophy of his party was wrong.

In November of 1932 the people of America gave him 4 months' notice of dismissal, and they engaged Gov. Franklin Roosevelt to take things over. Governor Roosevelt assumed the office of President in March 1933. The story from then on is more clearly in your minds, as it is in mine, for it is more pleasant to recall.

President Roosevelt hastened to the greatest task ever assigned to a President of the United States. I thank God that he was schooled in the affairs of government, and in world affairs, and

that he knew people, and loved them. I am one of those who were grateful for his willingness to experiment, and that his mind was sufficiently flexible to bend, as the cruel forces of the depression created changed problems. His course was charted in a time of a raging storm, and although the ship may have gotten off its intended route, he has brought it to the safe side of the breakwater and to the security of a safe harbor. The crew was not perfect, and there were mistakes, and a few passengers lost a bit of their baggage, but the navigator never dreamed of lowering the lifeboats, because he was familiar with the record of the builders of the boat and he had courage and confidence in his own ability. He also had faith in the loyalty of most of the members of the crew. He was engaged to bring the ship of state to a safe place. He has justified the engagement. The ship is not docked yet, but that only awaits the will of his employers, who are the American people, and, if I am at all a judge, they will renew his contract on November 3.

There are some who will doubt that this picture is accurately painted. Perhaps there are some who will think the coloring too pronounced, but it is done from a sincere recollection, and I was on the voyage. As a Member of the House of Representatives I served in the memorable sessions of the Seventy-third Congress, and I was present in the United States Senate as the storm abated and the captain worked his way between the rocks and through shallow water. Sometimes we scraped the sides. Sometimes I did not agree with the maneuvers, sometimes a member of the crew made a mistake that was obvious. Perhaps I did. But after I had observed the captain's leadership at the height of the storm I never doubted that we would get through. Neither did the American people.

Now we face the criticism of those who were saved. I shall not condemn them, because we want peace and quiet and happiness again. I beg of them to review the record, however, not for just this year or last year but for all of the years since the storm broke. Give President Roosevelt only what he deserves, but give him all that he deserves.

Now the food is becoming more plentiful, the cars are on the highway again, and this time the poorhouses may become a thing of the past, a partially pagan past. Factory chimneys are once more sending forth smoke; the rugged individuals who sold apples are back on a pay roll, and women are praying again; this time for President Roosevelt—and their thanks to God.

While I personally have no doubt of the outcome of this election, I know that the forces opposed to the reelection of President Roosevelt will be working overtime until the very eve of November 3. This means that those of us who believe his reelection is necessary for an uninterrupted continuation of business improvement must continue to meet the challenge and remain on the battleground until all is over.

During the coming 2 weeks I shall speak over this radio network almost every night, and I shall speak over other radio networks several times. Much as I would like to take the accomplishments and the issues, one by one, and review them and discuss them in detail, time denies me the opportunity. There shall be no attempt to evade, however, and, because I think the administration of President Roosevelt does have the answer, I shall occupy a good part of the time discussing the issues created by the present leadership of the Republican Party. Tomorrow night I shall adopt a suggestion of Senator ARTHUR H. VANDENBERG, of Michigan. Recently he requested the calling of a roll. I shall do it for him, and Tuesday evening I shall briefly discuss missing men and the "lost battalion." It is my intention to comment upon the charges of "communism" and "dictatorship" and "alienism", and in other parts of this program I will deal with the subject of world peace and peace for the United States, and President Roosevelt's understanding of world affairs and affairs at home. At least one talk will be devoted to the 1932 Democratic platform and the erroneous accusation that the planks of that platform were violated. It seems anything but difficult to prove that we do have sound money, or that we did endeavor to practice economy until the deflationary effort was repulsed by the black shock troops of a panic. When they came, it was necessary to retreat and attack elsewhere.

I shall prove false the charge of Republican candidates in Connecticut that Connecticut pays much more than Connecticut receives. None of the Republican candidates seem to know it, but the State of Connecticut does not pay an income tax to the Federal Government, and the individuals of Connecticut pay the same tax rate to the Federal Government as the individuals of any other State pay. This may be surprising to certain of the candidates, who seem to lack an understanding of governmental affairs.

Tonight I am speaking from a radio station connected with the Waterbury Republican. My mind goes back to the campaign of 2 years ago, when the Waterbury Republican printed a statement made by ex-Senator Frederic C. Walcott, who was a part of the Hoover administration and a close friend of the President.

Speaking at Taft School on May 13, 1933, Senator Walcott said: "In a crisis of this sort, I prefer a dictator of President Roosevelt's type to a government by Congress." This statement indicates more clearly than anything I could say what sort of feeling prevailed in the minds of outstanding Republicans during the darkness. That statement was made by a man who was perhaps as close to President Hoover as anyone else in this country. It is fair to assume that he was voicing the opinion of those who made up the group in control of Government from 1928 to 1933.

"I see the dawn of a new and brighter era", Senator Walcott said in the same speech. "We realize now that we were going in the wrong direction in 1928. In the process of reconstruction we shall try another direction, and you young men will have a much firmer foundation on which to build careers than you would have otherwise." In other words, than you would have if the Republican and Hoover philosophy had prevailed. Senator Walcott was right then. It was a great change from his earlier views and he frankly admitted it. Whether or not he has changed his opinion again I do not definitely know, but it appears that his friends of that day, Mr. Hoover and Governor Landon, have outwardly changed their opinion. Now they want to go back to the control of government and back to the old practices and the old habits. Or perhaps they do not really want to go back to the old day. Perhaps they only want to go back to governmental control.

There is no way of answering that matter at this time. I try to answer it by recalling what Patrick Henry said: "The only true way of judging the future is by the past." Then I think of the 4 years of Mr. Hoover and the 4 years of President Roosevelt. The rest of it is easy for me and I think that it will be easy for the American people when they go to the voting places of this country 2 weeks from tomorrow.

I see the reelection of President Roosevelt and a continuation of improved business and better times. I believe on this occasion Connecticut will be in the procession and that New England will keep the faith.

THE LOST BATTALION

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station W1XBS, Waterbury, Conn., Tuesday, Oct. 20, 1936)

Before this series of radio talks is completed I hope to have a chance to talk about some of the matters that our opponents would make issues in this campaign. Tonight, however, I shall digress a little to make a reference to missing men and an inquiry concerning the "lost battalion." It would be more pleasing to me to review the great achievements of the last few years, but national campaigns take us into strange provinces, and it becomes necessary to meet a changing situation.

During the past few weeks the partisan press of the country has made much of the fact that a certain few men, heretofore highly honored by the Democratic Party, are now wearing the uniform of our political enemies, or are self-exiled in a mythical detention camp. These men call themselves Jeffersonian Democrats, and because that is what I am, I am interested in what they do. There are only a few of them, and they are especially able men, but with one notable exception they are great corporation lawyers. Excepting for this last fact, I should be more than a little disturbed about their present attitude. Because of this same fact, however, I think I understand. There is no question in my mind about their sincerity or honesty of purpose, but I am in intense conflict with their conclusions. It seems to me that they have lost touch with the great majority of the American people. At one time they knew these basic causes of economic irregularity and they were champions of the cause of the less fortunate. Two of them were candidates for the Presidency of the United States and others of them wanted to be.

I followed them then, but the great interests with which, or with whom, they now fraternize, fought them bitterly. These men then espoused the doctrine of the great Jefferson, and they were Jeffersonian Democrats. To me their appeal was noble and lofty, and I tried to walk in their shadows, and I was grateful that there were such gifted minds to strengthen the forces of the party of Jefferson and Jackson and Cleveland and Wilson. To the powerful forces that walked in the wake of Hamilton, the philosophy of these Jeffersonian Democrats was political paganism and governmental heresy. One after another their Presidential aspirations were set aside by powerful influences or the fortune or misfortune of politics.

They seemed to lose the spark and the fire, and new gladiators came. These Jeffersonian Democrats devoted more time to their professional calling. Each of them seemed successful. They represented great corporations, and they departed from the arena. They lost touch because they did not see both sides, and they could not fully appreciate the multiplying problems of millions of Americans who were separated from economic security by a cord that was worn to its last cotton thread. One day that cord snapped. There was a rush for safety. Many business houses collapsed, and some of them died of exhaustion. In the front ranks the losses were devastating. Just as it seemed as though all might be lost, and at a time when many were willing to surrender, a new field general took command. He was a Jeffersonian Democrat. He knew the Bill of Rights, and he had never forgotten the general-welfare clause of the Constitution. He had been the political associate of these other Jeffersonian Democrats in days gone by, but when they folded their tents and went away, he stayed where there was smell of smoke. Suffering a handicap that none but a hero could overcome, he tightened his armor and blazed the way.

At some points along the perilous route, a route America had never trod before, he was compelled to change his plans and his method of attack. Sometimes his plans were imperfect, and frequently his associates disagreed with him. But Washington had known that experience, as did Ethan Allen and mad Anthony

Wayne. Washington's trip across the Delaware was not brilliant until viewed from afar and in the afterglow of complete victory.

The present communistic insinuations against our great President seem praise when compared to the hateful accusations directed against Jefferson and Monroe and Madison and Jackson and Lincoln. Washington, although unopposed for the Presidency, was scorched in the fires of political hate, while Theodore Roosevelt and the great Woodrow Wilson suffered a condemnation that only a champion of the plain people could endure.

One day historians will calmly and dispassionately review this era, and it is my sincere conviction that they will place the name of Franklin Roosevelt high up on the lists of the great and noble men of all time. Try to find one great man in our history who escaped unsinged from the flames of political passion. Go back as far as the first written word. Perhaps I am feeble in the way of recollection, but I cannot find one.

What has Franklin Roosevelt done that men should treat him this way? He had no maps to aid him as he set out to cut a new trail in a treacherous wilderness. There was no such panic before. He demanded certain sacrifices that are necessary in times of peril. When the rations were low he took from those who had an abundance to share with those who had none. He made the strong carry a part of the pack of those who were weak from the journey and the storm and the fight against adversity. Just as in every other national conflict, he decreed that it was every man's fight, and, with the future of the greatest Nation in the world in the balance, he moved swiftly, though calmly, against the common foe. The foe was America's greatest panic. He won. America won. We won.

He came home a conquering hero. There was unanimous applause. After the first 2 years, and after the accomplishments, there was an election in 1934. He gave an accounting, and he was given an overwhelming vote of approval. Some of those who had shirked at the height of the battle were relieved of their commands. Connecticut went Democratic in 1934. So did Rhode Island and Massachusetts. Maine sent Congressman Edward Moran back to Congress with a great majority and elected Congressman Simon Hamlin. New Hampshire, appreciative of the victories in which Senator FRED BROWN played a noble part, reelected Congressman William Rogers, who should prove a great Senator, and the opponents of the New Deal barely escaped in Vermont. What has happened since that time to bring about the great change that the partisan press seems to feel now exists? If the platform pledges of 1932 had been violated, would it not be apparent in 1934? If the sound-money plank had been erased, would not evidence have been at hand? The other acts and regulations now so viciously condemned were then in plain view. What happened? The people of the United States gave Franklin Roosevelt a full and complete measure of applause. What has happened since? What is now different from then?

I will tell you some of the things that are different. Conditions have tremendously improved for every business in America. Homes are happier, people's future more secure. The railroads, which were stricken a nearly death blow in the Hoover years, are recovering at a pace that is amazing. The banks and depositors' money are sound and safe. Agriculture has come up from the depths. Buying power is reestablished, and the ghost of fear has been banished from the land.

During the past year I have been over the States of Vermont and New Hampshire and through the agricultural country of Maine. I have visited Rhode Island and much of Massachusetts, and have been through Connecticut again and again. It is all different. Homes are different, farms improved, factories busy, and people cheerful or optimistic. There is peace and comfort on the hillsides and in the valleys, and the whir of industry and commerce in the urban places. These are the things that are different. Why would some men turn back? I frankly confess it is beyond my understanding.

Is it fear that Franklin Roosevelt would change the form of government or assume a dictatorship? That is hardly a sensible suggestion, as we recall how he saved the capitalistic structure by loaning billions to banks and railroads and industry.

It cannot be a fear that with him in the White House for another 4 years we will preserve the level we have attained, or that we will lift up to some measure of comfort and happiness the Americans who are still in the wilderness. It cannot be that men want to repeal the laws that were enacted to save America.

I can only see a desire for power on the part of those of another political party. I do not condemn that. Our system of government provides for the contest. But our system of life requires that we keep in office those best equipped to administer the affairs of the people, and those endowed with an understanding of the changing times and the country's needs.

Once more I call upon those who have left the fold, there are just a few of them, to hear their country's call, and help in the final effort to lift their country and their countrymen out of despair and despond. We do miss these missing men. America now needs very badly those who would keep the political creed of Jefferson.

I have reviewed the departure of some of these men who have temporarily left the ranks of the Democratic Party, the great party of social justice, and the party of Jefferson. But they do not make up the "lost battalion." Oh, no!

In a recent speech Senator ARTHUR VANDENBERG talked about calling a roll. He stopped there. Let me sound the call for him. Let us see who is absent as we prepare to sound taps over another futile effort of a misguided Republican leadership.

Earlier in this talk I suggested that those of our party now outside the lines had been out of the fray during the bitter days when the economic security of America was being brutally assaulted. Let us review what has happened among some of those who have remained in struggle. I want to talk about men who not only know the scars of battle but men who came through one political struggle after another with a vote of confidence from the constituency of their sovereign States. There are men who have served in Congress since Mr. Hoover first came to play the leading part in the heaviest drama yet portrayed on the exalted stage that is the United States of America. They would be the men who knew President Roosevelt, and what he had to contend with, and what he has accomplished. I call the roll.

Where is Senator CHARLES MCNARY, of Oregon, the Republican leader in the Senate, and Senator FREDERICK STEIWER, his colleague, who was the keynote speaker at Cleveland? I presume they are keeping the faith of their party and are still Republicans, but they seem very still. These Senators supported most of the measures which their party associates now condemn, and perhaps their belief in the New Deal accounts for the quietude. Is it possible that the new national leadership of our opponents cannot coax Senator Peter Norbeck, friend of the farmer, to lend his voice to their fast-fading hope?

Senator ROBERT LA FOLLETTE, courageous son of a noble sire, was brought up in the Republican faith and is one of the great liberals of the Congress. Where is he? He is with Roosevelt. Is Republican Senator GERALD NYE, of North Dakota, among the shock troops? This zealous advocate of peace and friend of labor is absent as we call his name. Is Senator LYNN FRAZIER, of the same State, also a Republican, supporting Mr. Landon? Oh, no. He has left the fold.

Senator GEORGE NORRIS, a Republican of long years in the Congress, is absent as the call is sounded. He has left the party, and supports the New Deal. What of Senator HIRAM JOHNSON, great Republican statesman of California? Is he among the men who follow Governor Landon? Not this time. Senator James Couzens, multimillionaire Republican Senator of Michigan, became a political martyr rather than break faith with his conscience. His place is vacant. Deaf to the excited charges that President Roosevelt would destroy wealth, this great man, like so many other Republicans, is supporting the President in 1936.

And Senator WILLIAM E. BORAH, conservative enough to be invited by President Calvin Coolidge to run on the ticket with him, and great defender of the Constitution. What of Senator BORAH? I call the name again. He, too, is absent. If there is one man in America who stands out in his pronounced hatred of Communism, and is second to none in his reverence for the Constitution, and has a hatred for dictatorship, that man is Senator WILLIAM E. BORAH. He cannot and will not support Mr. Landon. Let me quote from a statement he made this week:

"I think there is room under the Republican flag for a member of that party to give credit where credit is due, and still remain a member of the party.

"I am living according to my convictions and, if I know anything of republicanism, it places the principles of patriotism above those of partisan politics."

Senator VANDENBERG is about alone. He wanted the nomination for the Presidency in 1936. I expect he will be wanting it in 1940. Being active on the hustings and platforms this year will give him a splendid opportunity to meet many people.

These are the outstanding members of the "lost battalion." They have many friends and political and governmental kinsfolk. These are the men who have lived through the wars. I call the roll again:

Mr. La Follette, Mr. Nye, Mr. Frazier, Mr. Norris, Mr. Johnson, Mr. Couzens, and Mr. Borah. There is quiet.

Taps may be sounded over another futile effort of a misguided Republican leadership.

RIGHTEOUSNESS AND ROOSEVELT WILL PREVAIL

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station W1XBS, Waterbury, Conn., Wednesday, Oct. 21, 1936)

Tonight we are less than 2 weeks away from the end of a bitter political campaign. Every political poll with which I am familiar shows President Roosevelt leading or climbing toward a lead, and it is my sincere opinion that the United States is about to look upon another landslide election. To me this appears to be as it should be, for we have traveled far in a little while, and since the advent of Franklin Roosevelt we have traveled steadily upward. To some people it seems a terribly long time, and for some people it is, for not all of our citizens have yet felt the return to good times. The rest of the fight is for their success and their future and to keep the gains we have made.

As political campaigns draw to a close bitterness and desperation come to the surface. The party visualizing defeat, and suffering a pulse of fading hope, is likely to do things and say things for which it will blush with embarrassment and shame as it returns to quiet and political solitude. Such is now the plight of the once powerful Republican leadership. From this day on we may anticipate a more harsh criticism, and promises which are even more highly polished than those which Governor Landon and Colonel Knox have made in the exciting days since they were chosen to accept an almost certain defeat in a year when their party chance was darker than night. They must, however, ordinarily be good men and possessed of a greater stability and fairness than they have exemplified in the last few months.

These two gentlemen have traveled many thousands of miles, and they have visited many States and addressed many people. Up to now, however, there is little understanding of what they really intended to do if they were elected.

Governor Landon, one-time strong advocate of the New Deal, has completely junked every political opinion he professed up to the time a group of Kansas newspapers launched his candidacy for the Presidency. Once he nodded favorably to dictatorship as he worried about the vanishing profits of his oil business. Once he applauded the A. A. A., and the C. W. A., and the W. P. A., and the P. W. A.

Once he enlisted with President Roosevelt for the duration of the depression. His retirement from the ranks is perhaps an acknowledgment that the war is on. Once he would go further to spend relief money than the administration of the President; but all is changed now. Under ordinary conditions no man could so completely change in such a very little while—but the glare of the lights of Pennsylvania Avenue are dazzling.

And Colonel Knox has changed. Some of the papers supporting him, and with which he was earlier connected in the highest capacity, must now deplore his politically vocal intemperance. He had no criticism that could be heard during the years when President Roosevelt was leading the expedition to save America and rescue an entombed people from the poisonous gases of defeat and the crumbling walls of misery and despair. If he was hereabouts then, he either approved of the rescue methods or he was a quiet man.

The papers of his earlier association had bitterly condemned President Hoover and brutally berated his fallacious philosophy of government. They had figuratively torn Mr. Hoover limb from limb, and they had great acclaim for Mr. Roosevelt as he started and accelerated the forces of recovery. Now Colonel Knox goes hurriedly over the land dramatically predicting an approaching doom. Not a thing has been right, and nothing is safe. Insurance policies have a questionable value, he declares, and bank deposits may prove to be counterfeit. The colonel promises that a change in administration will unleash the forces of recovery. That is his exact language.

Some people are alarmed by the campaigning, but I do not believe there are very many of them so affected. To those who are so alarmed I offer a word of warning. If Colonel Knox is able to perfect more threatening phrases in the next fortnight, we will hear them, and if the Republican campaign managers are able to add a finer brilliance to their promises, we will have them as well.

Let your minds go back to 1932. In the closing days of the campaign it was fairly obvious that President Roosevelt would be elected. Desperation reigned in the headquarters of those opposed to him, and Mr. Hoover was prevailed upon to make the cruel prediction that the election of Governor Roosevelt meant that grass would grow in the streets of American cities. Political threats that day reached a new high. A few days later the Republican Party struck a new low.

A few days ago President Roosevelt, the man who literally saved the Republic, was classified by the Republican National Committee as the "Kerensky of the American revolutionary movement." He is charged with communistic tendencies and a desire toward dictatorship and new forms of government. At other times in our history the appeal was to passion of a racial kind, and for a long time the voters were promised a full dinner pail, or, in plain everyday language, they were threatened with the loss of bread and meat should the Democratic Party come to power. All of this will pass. President Roosevelt will be reelected and our country should go on to better times. Business is now improving at a relatively dazzling speed.

Governor Landon's nomination was a surprise, and, at first, a disappointment to certain powerful influences who once used the Government of the United States as a holding company. They knew him only slightly and they were momentarily hesitant and reluctant. But something happened to magnify a slight interest, and these interests took a hand. Mr. Landon sold himself down East, or at least those closely associated with his campaign proved salesmen enough to sell the idea to the one-time politically powerful ultraconservatives of the great Northeast, that he was the answer to their every governmental desire.

He was described as a cautious and conservative man, possessed of a Coolidge carefulness and a New England viewpoint. Funds were forthcoming. Newspaper advertising was "unleashed" in great measure; expert advertising men were hired to "unsell the President of the United States", and the campaign parade was started.

At first Mr. Landon moved with great caution. His first speeches were tame and without effect. It was then decided that Colonel Knox and others could better stir the porridge of the East and New England, and there was a plentiful supply of money with which to run the campaign in this neighborhood. The Presidential candidate moved West.

Governor Landon comes from Kansas—out where the West begins. He is a little better known there, but so is President Roosevelt well known, and the farmers remember how hollow were the Republican farm promises of other years, and fresh in their minds were the successes of the farm ventures of the New Deal.

In the East Governor Landon promised economy and curtailment of Government spending, although he did imply that those without private employment would be better provided for. But hear this: To the farmers of the West he promised expenditures for farm relief that appear to total $2,000,000,000 a year. That makes the cost of the present farm program pitifully pale in comparison. I do not know what it would mean if Governor Landon were elected and could have his way, but I know some of the things it could mean.

It could mean that he has located Aladdin's lamp. It could mean that he was misleading the farmers. It could mean he was fooling the business interests of the East, and it could also mean that the Governor himself was not familiar with the proposal and the cost. Desperation breeds strange promises and harsh threats.

In another part of the same prepared address Governor Landon said, "We made the poorest record in our history in recovering from hard times. Nations who did not try to squander their way out of the depression are much farther along the road to recovery than our own." How pitiful a statement. How completely without foundation. How glaring the lights on Pennsylvania Avenue.

Governor Landon does not say which countries are much farther along the road to recovery than our own, but he seems to trust to the gullibility on the part of his fellow Americans. That gullibility was erased with the passing of Mr. Hoover, and henceforth an American electorate will give evidence of an understanding of economics and the responsibilities of government.

England's outstanding writers indicate we are farther along the road to recovery, and they remind us that it is chiefly the expenditures on a gigantic housing program that has moved things forward over there. Italy and Germany and Russia keep men employed marching in uniforms to the strains of martial music. In Japan workmen get a daily wage sometimes comparable to an hourly wage here. It is said that some people in China will go barefoot in this winter's snow, and in Spain men and women are fully employed in a barbaric civil war. Governor Landon may be right, but ours seems a more preferable pace, as we go steadily toward complete recovery.

Contrast the campaign of the President to that of his opponent. His statements reflect an understanding of the problems at home, and the dangers abroad, and an appreciation of the understanding and patience of the American people.

He admits great expenditures and mistakes, but he proves a creation of enduring social values in every city and village in the country, and he points to a correction of the errors which were made in a confusion when every single American was reaching for a life belt. He professes a continual love for the less fortunate, and a determination to plead their cause and argue their case before the bar of public justice and American fairness and freedom. On the other hand he has proven to the fair-minded and open-minded people of the country that his concern is no less for private business and big business. The great expenditures were to revive and restore business, by the only method that business could be restored—the buying power of the working people.

He knows, as we know, that none of us can be secure, or happy, or successful, unless industry and business are successful, but he knows, as we know, that labor and industry and agriculture go hand in hand or eventually they go to pieces. Must we keep pointing out again and again that billions were loaned to industrial and financial interests?

About everyone excepting the candidates and the Republican national chairman make admissions that they will lose the West, beginning at Kansas, which is where the West begins. Other indications point to a victory just as complete in the rest of the country.

It seems to me the great ground swell has reached the Northeast, and that the President will know an even greater victory here than he experienced in 1932. Let the people of the country be advised that we expect to share in the consolation of this victory another victory for the American people.

The sunflower has been stricken by the first frosts of liberal conservative New England. The sharp winds of a fair campaign have bent this gigantic and top-heavy flower. It will die early in November and, as we sit in the election's afterglow, New England and the country will be at ease again. Righteousness and Roosevelt will prevail.

THE PRESIDENT CAME

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network, from Station W1XBS, Waterbury, Conn., Thursday, Oct. 22, 1936)

In this evening's radio talk I want to discuss, a little bit, some of the false issues of this campaign, which seem to have had at least a slight effect upon those people who are easily frightened. The threats which have been made, and are being made, and will be made, are largely coming from those who have submerged earlier convictions, and seem willing to do almost anything to arrive at political power.

Today was a great day for the State of Connecticut. I traveled most of the route which the President of the United States made through this great Commonwealth. In a typically New England autumn atmosphere, from early this morning until the approaching afterglow of this evening's sunset, the great leader of the American people was cheered and applauded by hundreds of thousands of people. He seemed deeply touched by the acclaim of his neighbors in our State (that is what he called them), and if I had a sufficient gift of language I would try to tell you how touched they seemed, as they saw their President.

They were much happier than they were a little while ago, and as I looked upon their faces, and seemed to feel the affection that their looks transmitted to the Nation's Chief Executive, I thought of many of the charges that are being made against the man.

There came to my mind the cold accusation that he aspired to dictatorship, and the cruel inference that he would change our form of Government, and the brutally bitter insinuation that his was a communistic mind, and the horribly hateful charge that he was endeavoring to stir up class hatred.

Class hatred from a man who broke down the growing barriers of hate—class hatred from a man who preached the doctrine of love to a people impatient as a result of years of forgetfulness—class hatred from a man who first restored stability to banks and industry and railroads, by loaning them billions—class hatred from a man who took a million boys and young men from the uncertain path of unemployment to the safety of Civilian Conservation camps. Oh, no! He has not spread class hatred. He is the man who erased the word. He is the man who went in the exactly opposite direction.

It is my thought that those on the other side, who are careless with the truth, and who have now passed the point of desperation, are creating the class hatred, if class hatred is being created. Theirs is the hymn of hate, and I thought of it with much regret as I came over the hills and through the valleys in today's trip with the President of the United States.

If he wanted a dictatorship, what more did he have to do when the cold winds of March were blowing over New England in 1933? Agriculture was then stagnant. Farmers were pouring milk into the ditches beside the road, the financial structure was crumbling, and industry was weak from the continued barrage of the big guns of the panic, and the incessant battering of the shock troops of despair. I think that the people of Connecticut remembered some of this today. I think that their minds traveled back through the mists of the last 3½ years and that they remembered the days of darkness. I think that they remembered that it was President Roosevelt who lighted the lamp of new hope, and later the bonfire of confidence. I think that they remembered the days when the farmers of the West temporarily forgot the law of the land, as they determined to preserve their patches of soil, which had been sometimes moistened by their own sweat. I think that they remembered when the one-time great leaders on the eastern seaboard were struggling in the whirlpool, and reaching for the raft. I think that they remembered when the brains of America were unemployed, and many millions of Americans were without work of any kind.

If President Roosevelt had wanted a dictatorship, as so many others who were frightened wanted one, what was to prevent him from letting things crack up completely? Every sane person now knows, as he knew then, that the people of this country offered a surrender of their future to him, and asked only that they be saved. Men who did overthrow partially democratic kinds of government in other parts of the world, spent years in an effort to bring about such a situation as existed in this country in March of 1933. When that kind of day came for these other countries, the men who have since arrived at dictatorship led the proletariat and the peasantry into political servitude. Did Franklin Roosevelt do that? Oh, no! He told big business, and little business, and "big" men, and men from the "social nowhere", that he assumed the responsibility; that he not only wanted to help but would help; that he would go first into the fight, and that if they would stay with him he would save capitalism and democracy and plant the flag of good times once more on the hilltop. I think the people of Connecticut who left their farms for today's holiday remembered all of that. I think the smiling children of Connecticut, who were today given a chance to see their President, will remember it down through the years, and will help carry an enduring gratitude to generations yet unborn, for a farseeing man of great faith and great patriotism. The people of Connecticut were happy today because they had come face to face with Franklin Roosevelt. There was joy on their faces and goodness in their hearts. There was no class hatred. Those who are humming the hymn of hate cannot be conscious of the harm they do and the possible effect of what they say.

Recently I read part of a book written by Coley Taylor and Samuel Middlebrook. These writers had delved deeply into a political past and brought to the light of this day political shafts aimed at the aspirations and efforts of other great Americans.

A long time ago they said, "General Washington was a rascal and a traitor to a country for putting his hand to such an infamous paper as the new Constitution." The book further said, "The unerring voice of posterity will not fail to render the just sentence of condemnation upon a man who has entailed upon his country deep and incurable evils. * * * If ever a nation was debauched by a man, the American Nation has been debauched by Washington. If ever a nation was deceived by a man, the American Nation has been deceived by Washington." One political writer of that period insinuated that Washington had been bought by British gold, and said, "The British Ministry knows that it is much easier to purchase than to conquer America."

Let that sink into your minds. Contrast it with the venomous things which are being said now. Then review a little later the whole life and the successes of George Washington, the most noble of our many noble Americans. Will the world one day have a similar acclaim for President Roosevelt? I think so.

Then listen to this concerning Thomas Jefferson: "His political principles are sometimes whimsical and visionary, at others subversive of all regular and stable government." Much more was said. They charged Jefferson with worse things than were said of Washington, but this radio network, and my own sense of decency, forbid a quotation of the despicable things which politicians and thoughtless people said about the man who wrote the Declaration of Independence, the great statesman who wrote the doctrine of social justice into the Constitution of the United States.

It would be possible to go on for hours, if one had the time and the desire to be unpleasant, and to take all of the good men, and the great men, of history, and show how some of the people of their times looked upon them with disdain and distrust. Let me quote just a little bit of the same book as it makes reference to what was said about Abraham Lincoln: "Lincoln is exactly the same type as the traitor who was hung at Charlestown." Among other things charged against a man who saved the Union is this statement: "A President like Mr. Lincoln is too expensive a luxury for the country to indulge in once more." Does that not sound a little bit like this campaign? Is it possible that some of the campaign philosophy of that day has been studied by those who are thinking up ideas in this campaign, through which they hope to "unsell the President of the United States"?

Washington and Jefferson and Lincoln not only enjoyed successes in their day, but they preserved the rights of their fellow Americans, and they laid a foundation for American advancement and progress, and they are now recorded by historians the world over as the greatest men of their times. Monuments of enduring stone will crumble, and seemingly everlasting bronze and steel will become dust, but down through the scheme of eternity the names of these men will draw silent prayer and grateful applause. It is my humble opinion that sometime later on Franklin Roosevelt will join the assembly, and that his name will add to the luster of American political and governmental history.

If it were true that President Roosevelt had a rubber-stamp Congress, and also true that he wanted to assume dictatorship, and change our form of government, could he not have prevailed upon a rubber-stamp Congress to appoint additional members of his choice to the United States Supreme Court? There was a precedent for that, and it would have been a constitutional way for him to submerge the Constitution. He did not do it, or dream of doing it, and there are three reasons why. The first reason is that there was not a rubber-stamp Congress. The second reason is that he has an intensified American regard for the Constitution. The third reason is his respect for the Supreme Court.

It is some time since we struck the bedrock of political desperation in this campaign. The waters were terribly muddied a month or two ago, but they have been purified and made clear by a campaign of fairness on President Roosevelt's part and by a continuing explanation of what we are trying to do and where we are hoping to go.

No one who thinks very carefully can help but conclude that Franklin Roosevelt turned the coach of state sharply from a roadway that might have developed communism. Communism is born of distress and hunger and cold. Communism arises when farmers labor without reward, and when workingmen in the industrial places are threatened with unemployment and the servitude of sweatshop labor. Communism comes to the surface when the hopes of home-loving fathers and good mothers are dynamited by thoughtlessness and carelessness on the part of governmental leaders. Then a danger of dictatorship follows in sequence. What has Roosevelt done about this? He has helped the farmer; he has helped labor; he has helped industry; he saved homes, protected bank deposits, corrected stock-exchange abuses, erased irregularities in the utility field, and he smiled through a period when he must have suffered a greater torture than anyone will ever know.

An example of the frantic fright of those who oppose him is given to us in the Fort Dodge speech of Colonel Knox. A little while ago Republican spellbinders screamed communism. At Fort Dodge this week Colonel Knox called President Roosevelt an economic royalist, and said that in business life the President had always "associated with money changers, stock operators, and rich men." Class hatred? Where will the campaign take us next? Governor Landon in California criticized the C. C. C. camps and said politicians were taking charge of them. Nothing could be more ridiculous or untrue, and if there is one governmental agency that stands out above others, free from politics and political influence, it is the Civilian Conservation Corps. Boys who were roaming aimlessly, seemingly little lads who were stumbling hopelessly, and wondering youths who were wandering heedlessly were organized into fine groups that have since created great social values; and today their health and happiness and faith in democracy is restored. About all of the money that these youngsters earned came back into the homes of happy parents and helped to clothe and feed smaller brothers and sisters. Is that class hatred? Where is there an instance of class hatred? As we attempt to find this particular ghost, it seems as elusive as the banshee and smaller than the giants of Lilliput.

If there is a man in America who hates communism, who reveres the Constitution, who sees red at a thought of a dictatorship, that man is Senator WILLIAM E. BORAH, of Idaho. Let me quote from a statement he made this week:

"I think there is room under the Republican flag for a member of that party to give credit where credit is due, and still remain a member of the party.

"I am living according to my convictions, and if I know anything of Republicanism, it places the principles of patriotism above those of partisan politics."

Senator BORAH finds it impossible to support Governor Landon. Does not that answer the charge about as well as it can be answered? There is not a man in the Republican Party who would

be fighting harder for the overthrow and defeat of President Roosevelt if he believed there was a single particle of truth to any of the charges.

If time permitted, I should like to talk about some of the measures that were described as unconstitutional. We tried the N. R. A. because big business advanced the proposal. It was written by big business, and it was administered by big business, and little business had a hand. It became the temporary law of the land because businessmen were cutting the throats of one another. It was not a political measure. It was a noble economic venture that came into existence because prices were falling with the force and consistency of Niagara, and because the N. R. A. pointed to a restoration of prices it was welcomed and applauded, and it worked. Unfair competitors were halted, unfair practices were forbidden, and as the machinery of the organization was accelerated, prices boomed upward. But when prices had been restored, when businessmen again had their feet upon the ground, those who erased the red figures and were able to write their numbers in black, decided it was time to dissolve the governmental partnership. It was a great thing when the protection was needed, but it was laughed to scorn after it had served its purpose. The N. R. A. was dead before the Supreme Court performed the autopsy, and it was killed by some of those to whom it had brought relief.

I believed in the N. R. A. as an emergency measure and some of it I wish might have been made permanent, and we will come to a day when hours will be shorter, because we have so accelerated the successes of America's inventive genius, that we will divide the work, and a little of the leisure time of life. Leisure is not for a few. It was never intended that some men would carry a heavy part of the burden of the day without a just share of the reward. Call this class hatred if you will. Condemn it as politics, if you like, but I know of no way to correct what is wrong until it is described. Where is the dividing line? What are we fighting for? What is the principal purpose of a political campaign, or what is the justification for government? It is to serve the people. We do not fight for political jobs or patronage. That side of politics is too much magnified and enjoys more attention than it deserves. We make the fight, if we are fair with ourselves, to keep that for which the founders fought, equal opportunity, and an open road on which men may pursue liberty and happiness. There is no liberty for those who cannot have work, and when those about them are made to suffer. That means no happiness. That means no opportunity. That means discord. It means defeat.

In an editorial in yesterday's Hartford Courant, a liberal and honest editorial writer said: "Already Connecticut industries are employing more men than in 1929. Subsistence farming is a reality for many people in this State. The C. C. C. is having a hard time to fill its quotas. If the disappearance of the unemployed is not as dramatic as their appearance, this does not mean that it cannot be accomplished gradually."

I subscribe to all of that, and I call it to the attention of the people of the State of Connecticut. More people are now employed in industries in Connecticut than in 1929, and the C. C. C. is having a hard time to fill its quotas. I am anxiously looking forward to the day when the Works Progress Administration will be no more, and when the other relief agencies that are now in existence will be only an interesting recollection, of a time when a President of the United States was willing to spend money to keep faith with good Americans who were caught in a storm.

Employment has not only been restored in the State of Connecticut, but the same restoration exists all over the United States. An article in Business Week a few days ago named a long list of industries which will establish new all-time peaks this year, in either production or sales, or both. Some people said that we were hurting the public-utility field, but the sale of electric ranges, and electric washing machines, and electric refrigerators, and radios, and incandescent lamps, will be higher this year than ever before in history. This is also true of gasoline, and oil burners, and shoes, and glass, and many chemicals. It is equally true of crude rubber and several metals, and paper, and petroleum. The same business improvement is true of the transportation industry. The natural-gas output and the electric-power output will excell every other year. These are only some of the things marked by tremendous increase.

If there were only time enough, or if we could meet our opponents face to face in political debate, it would be easy to prove to the people how great were the accomplishments, how far the advance, and how much we have reason to look with hope toward a happier time.

Sometimes in the campaign, as the charges of those opposed to President Roosevelt have seemed to be especially unfair and coated with cruelty, I have wondered if they ever go back to the basic law. I wonder if they remember that the bill of rights of the Constitution is based upon the Divine law and the Ten Commandments. I wonder if they realize that the Constitution would crumble of its own great weight if the commandments and the basic law were too much and too long ignored.

The principal precept of the Divine law admonishes men "Love they neighbor as thyself", and the Eighth Commandment instructs men not to "bear false witness against thy neighbor." It seems to me that there is found in these two great commandments the answer to the entire political situation existing in this campaign. If Franklin Roosevelt has not exhausted every conceivable effort in his determination to keep the basic principle of Divine charity, then I frankly confess that I have no understanding of the commandments, or the purposes of government, or what has been going on in the United States for the last 4 years. I shall not say that men have borne false witness against him, but I have my own opinion. I am definitely certain that when they charge him with a kindliness towards communism, the effect is false witness.

The people of the country can best determine whether or not class hatred has been stirred up, and they will decide who stirred it.

It is not only the law of the land but it is the basic law that the Government shall provide for its citizens in distress. It is mandatory under the divine law and under the law of the land that we shall feed the hungry and give them clothing and shelter. I frankly confess that the Government may legally do this by way of a dole and the cold and stern stigmatizing way of pauperism. Governmental officials decide that, but governmental officials take the consequences if they take the cold course. They will answer to the electorate, and they will make what other answer man makes for a disregard of what is kind and what is good. In making a decision, might they not say to themselves as they look upon the man in distress, "There, but for the grace of God, am I"?

For me—and I learned the lesson before I went to Congress—I shall avoid the uneven and rough roadway of the dole, and just so long as honest and able and good men fail in the chance to find private employment, I shall be willing to spend Government money, or taxpayers' money, to enable them to keep their heads up and their hearts warm. I do not know what our opponents would do, but the whole world is now aware of Franklin Roosevelt's conception of responsibility. If he took another path, I would be among those leaving him, but he never gave an indication that the thought entered his mind. Sometime we shall see all of this a little differently. The feeling of excitement that some men now feel will be gone by Christmas time. Franklin D. Roosevelt will have been reelected. There will be a greater meaning to the words this Christmas when there rings out over the land, "Peace on earth to men of good will."

We are rapidly approaching the end of the campaign. It has been a long story. We are nearly through now, but there is a need for the writing of the last chapter and a happy ending. The last chapter should bring us to a quiet and an even life. We should aim to get away from the differences of opinion that at the objective point do not really exist, but sometimes seem to exist, because men with a gift of language inflame and frighten their fellows. Franklin Roosevelt can lead us into the green pastures of sound economics, just as he led today's auto trip beside profitable farm pastures that looked green and bright on the hills of Connecticut. The people can be kept happy, as happy as they were today, if we keep our feet upon the ground and calm for a little while longer.

I think Connecticut will contribute something to the writing of this last chapter and to its happy ending. That is the impression I gained today as I looked into the faces of hundreds of thousands of happy people as they saw Franklin Roosevelt face to face.

SOCIAL JUSTICE

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station WATR, Waterbury, Conn., Monday, Oct. 26, 1936)

Tonight I want to read a letter which has just come to my attention. Insofar as I am aware, this communication has not been given much newspaper attention in this part of the country. I read it in a paper published in another State. It was made public by the Secretary of the Interior, Harold Ickes. It follows:

FEBRUARY 7, 1935.

Hon. HAROLD ICKES,
Public Works Administrator,
Washington, D. C.

DEAR MR. ICKES: If you do not have the authority under the P. W. A. to make loans to States for public State-wide telephone systems, may I suggest that it would be a sound public policy to obtain this authority.

With the highest personal regards, I am
Yours sincerely,

ALF M. LANDON, *Governor.*

That may or may not be important. There is a wide difference of opinion in the United States concerning the ownership of utilities. Some people adhere to the belief that the State and Federal and local governments should own and operate the electric power, water power, telephone systems, and the railroad systems of the country. The issue is very old. Each school of thought takes the matter very seriously.

Almost everyone knows that the Democratic Party has been opposed to public ownership, and everyone should know that Franklin Roosevelt has declared himself on the issue many times. For myself, I am opposed to Government ownership, and I want the Government out of private business. I do know, however, that the present President of the United States believes that there should be a regulation of the utilities. During the past 3½ years we have taken steps to regulate them.

After a long-time study of the utility field, and an exposure of the abuses of holding companies, we wrote a law to check their exploitations. During the consideration of the legislation the Members of Congress, and the stockholders of about every power and light utility in the land, were deluged with propaganda which foretold the destruction of the business, if a mad Congress was

not checked. I shall dwell but briefly upon that phase of the matter, because the unconscionable efforts to block the legislation were widely exposed. Let me advise you, however, that in all of the history of legislative government in the United States, there have been few examples of such selfish interference with the processes of government. Those of us who voted for the Public Utility Act of 1935 will never forget the cold touch of the forces who were endeavoring to continue a possession of power held by a handful of autocratic individuals.

The telegrams and letters came to Congress in great bundles. They came from honest people, who believed in the skillfully prepared propaganda, and when it became obvious that enough of us refused to be frightened, they came from school children, and from people who never knew that telegrams were being sent in their names, and in some instances they came from dead men. It was a dim period in our legislative life, and our opponents would now make it a hidden chapter. But for the purpose of reviewing the record I want to cast the light upon it for a moment.

The battle for the passage of the bill disclosed the real identity of the forces, and brought into the daytime of our economic life the fact that people high in the social and financial life of America, were determined to make our great Government a subservient subsidiary of a powerful few. We passed the law. What happened?

The power industry forged ahead by leaps and bounds. Rates were reduced, profits were increased, the creation of electric energy was multiplied, and into homes heretofore lighted by antiquated oil lamps, there was shed the glow of a great inventive genius. Were the power interests injured in their sale of new securities? Oh, no! Were the stockholders injured? Ask the men who own them. Was there a detrimental effect upon the manufacturers of electric ice boxes, electric stoves, electric washing machines, and the numerous other kinds of equipment and devices which furnish labor for the American workmen in New England, and elsewhere? If you have in your neighborhood a factory engaged in the production of electrical machinery, or equipment, take just a brief look, and then answer the question for yourself. If you know a man engaged in selling securities, ask him what happened. If you are a salesman of securities, let your mind go back to the Hoover crack-up.

My friends, the passage of that one law was an advance in American progress that cannot be fully measured in the heat of this campaign, but it contributed more to the American home and the American investor and the American manufacturer than even a vivid imagination can quickly realize. It did cut into the unholy profits a little bit, and it will take the States and the people of the States out of the clutches of autocratic hidden forces, and you can't find a man or a woman in America who will defend the practices of the holding companies, at which the bill was aimed and which it hit.

Some of the hate then created remains to be felt in this campaign. The fellows of fear who stalked the Washington legislative halls in that fight remain vindictive. Their comrade was careless language, and their helpmate was hatred's hymn. Their shock troops endeavored to erect pillars of passion out in the congressional districts of the country, but they were knocked down by public exposure; and the bill was passed.

We didn't take an honest privilege away from anyone. We did not trespass an inch upon the rights of a single American citizen; but we did drive back into fair formation a few folks who were intruding upon the rights of others and who were retarding the progress of all industry, not the least of which was their own. The full effect and the very obvious result of the legislation will be more clearly felt as time marches on and the power industry extends its benefits more widely into the homes and factories of the country. It means more jobs and more comfort and a more even distribution of the rewards of inventive genius, with which the Lord endowed some men. This inventive genius was never intended for just a few. It was certainly God's intention that the profits of particularly brilliant men should be distributed among all men. He did endow men with an irrevocable free will, but that was to give them a way to earn their salvation. He showed them by advice and example and His commandments the way to the beauties of eternity.

May I, for a moment, go back to the letter made public by Secretary Ickes? If Rexford Tugwell had written that letter, public opinion would have been whipped to a frenzy. Shall we skip it because it came from the pen of the Republican candidate for President? Shall we chalk it up to a careless moment, and conclude that, if Mr. Landon were elected, the men who are financing his campaign could prevail upon him to submerge any such socialistic ideas that he may still have? Personally I think they could, but I want the businessmen of conservative New England to be advised of the possible cracks and crevices in the highway which some of them seem inclined to take. I want them fully informed, just in case they care to send out word to their employees, and their stockholders. They should know that there is a remote possibility that the election of the Republican candidate would affect the American way of life, and that we might drift away from the profit system. I doubt that this notice is necessary insofar as this election is concerned, but their sense of fair play, and a desire to do penance for painting socialistic pictures of the President of the United States, might prompt them to put this item in the pay envelopes, and send a note of admonition to the stockholders. I don't think they will do it. It is a long road to the dwelling place of light.

In this campaign we shall not hear it said aloud that Franklin Roosevelt should be defeated because of the restrictions applied to the holding companies. Instead we shall hear that he would change our form of government, and destroy private initiative and enterprise. That's why I read the letter written by Governor Landon.

Because I am little known outside of my own State, and because this radio talk is broadcast from many stations, and is intended to go out to many people, may I say that I am not a candidate for office this year, and the term for which I have been elected does not expire until 1941. Being a Democrat would naturally bring me into the campaign activities, but it would not bring me so far as I have endeavored to go. I have accepted an assignment to speak over the radio 18 times, and to go into other States than my own, and to go out night after night so long as people in my State are willing to listen. I accept this program because I am convinced that President Roosevelt's reelection offers the way to increased good times, and to stabilization of the things fought for by the founding fathers. I want the consolation of telling myself a little later that I tried to the extent of such limited abilities as I possess, to give a great man a chance to complete a noble work.

My constant attention to my assignment has caused me to look carefully, and to scrutinize the forces opposed to the reelection of the President.

I see the once great Republican Party in a light that is becoming brighter day by day. It isn't the party of Lincoln. Neither is the effective weapon of governmental good that Theodore Roosevelt persevered to perfect.

I see on top of the Republican Party, directly behind the vacant throne, a small group of seemingly bewildered men thirsting for a control that slipped out of their grasp in the great glacier of 1929. I seem to recognize among them a handful of individuals who once used the forces of Government for the almost sacrilegious protection of their own interests. They look like the men who directed legislation and they gave themselves special favors, and exempted themselves of certain liabilities. Over in the corner of the group I seem to see one or two who helped to misdirect attempts to write laws intended to improve the lot of some of the less fortunate of those about them.

They seem a more robust group than they were 3 years ago last March, when they were scattered because of the storm, and were seeking shelter behind the ramparts of Roosevelt. At that time they visioned a wilderness and a shambles. In the solitude of their loneliness, and the quietude of fear, they mourned the passing of a great system of government. I try to think of what might have been in their minds then, and I conclude they may have remembered 10,000 bank failures. I know that they couldn't have avoided the pictures of the bread lines, and the riots in the cities, and the threatened lynchings on the farms. I know they heard the stock-market crash, because it toppled with a thunder heard around the world. I know that they could hear the hammer of the auctioneer, because it was an incessant pounding, and the referee in the bankruptcy court, despite fatigue, spurred on the man with the hammer. I know that they could look toward the horizon in any direction, and see that the world about them was ablaze with the conflicting emotions of envy, and hate, and suspicion, and fear. It is almost certain they could faintly hear the toppling of governments in other parts of the world. In the distance, farther off than they imagined, was a mirage; or was it a mirage.

It seemed that lines were forming. Could it be fascism, or communism, or both? They were worn, and weary, and worried. Be sure they prayed. God knows I did.

As I look upon that group now, robust of color, and perfectly clad, I am unable to understand how they can forget the lightning, and the dark clouds, and the wind, and the rain. I cannot forget it. I confess that I saw the possibilities of leaving to my children, and other men's children, a heritage of misery. I worried but little about money, and material things, because I had little of them, but I feared that without a courageous leadership, even the foundation of the Republic might be destroyed. I know that that group on top did not then worry about taxes, or the debt of future generations, or regimentation, or governmental cost. Perhaps they should have worried about those things, but the things seemed less significant than other things.

That period of time was the interim between the election of 1932, and the inauguration of March 1933. As a matter of fact, it was just before March 4 that I saw this group most clearly. They seemed about to surrender in the exhaustion of fear. They hadn't much idea about what to do, and their faith was frightfully shaken. Then came the windy 4th of March.

That day will become increasingly historic with the passing of time. On that day the coach of state was turned sharply up a new road. Most of us didn't know where the road led, but it could never be worse than the one we had traveled so long. It was an uphill road, but the driver was fresh, and courageous, and bold, and we not only came upon a more smooth highway, but we seemed to gain momentum on the way up. The group on top breathed freely, and relaxed a little. God seemed to have answered the prayers of America. The feeling of horror changed to a feeling of hope. Roosevelt had a great grip on the reins.

Can you remember 1933?

Can't you remember the coach of state reaching the top of the mountain? We looked at the roadway behind us and viewed the

landscape. We were able to see the mistakes of the past and how through certain efforts we might in time get the rest of the people of the country to the top; at least all of those who were physically able and anxious to make the climb. We were able to see how some of those not physically able might be cared for at the halfway point, in healthful surroundings and sunshine, through pensions and legal aid. It was apparent that this could be done through social legislation and governmental reform.

From that point on the journey was not difficult until this campaign came into view. Now others would take the reins and the leadership. They are satisfied that we are past all of the rough spots, and they want command and power again. We shall vote on the question 1 week from tomorrow. Then will the people determine whether President Roosevelt has the approval of his effort and his accomplishments and whether he will drive through to the journey's end and complete social justice.

REMOVING THE MASKS

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the State network from Station W1XBS, Waterbury, Conn., Tuesday, Oct. 27, 1936)

The people of the United States are bearing up exceedingly well under a barrage of campaign effort on the part of both political parties that not only seems wasteful but is wasteful. If they are listening to the seemingly endless radio talks, it is only because of a rare patience that was perfected during the dark days of the World War and the equally serious days of the depression which now draws to a close.

I feel guilty and plead guilty, but with my party denied the influence of a powerful press and any reasonable part of that press as a medium of expression or for the purpose of refutation, it seems that we must keep on until the last mask is removed, on or about midnight on the day of Hallowe'en. To those who have listened to me or are listening to me I offer my thanks for the courtesy.

During what time I have monopolized I have aimed to point out what I have felt were accomplishments made by President Roosevelt in the interest of our country and the American people and to answer charges that I felt were unfairly made, and which I doubt would be made excepting in the excitement of a political campaign. Although impatient at certain brazen charges, I find consolation in a feeling of certainty that President Roosevelt's return to office is assured.

It seems to me that we have laid at rest the straw-man issue of the "brain trust", because the American people were quick to resent the suggestion that intelligence was out of place in government. I am convinced that the false charge of class hatred was buried in the evidence of affection exemplified by the outpouring of millions of people who greeted Franklin Roosevelt on his recent trips over the land—millions of people who clearly indicated only a love for him and for their neighbors. If they had ever harbored a hatred, mark it to his credit that the hatred is no more.

It is almost certain that the charge of communism has died, because outstanding among those who look with pleasant anticipation toward his return to the Presidency are men who have devoted their energies combating what little organized communisms exists in America. In the lists of those who laughed that charge to scorn was the great senior Senator from the State of Idaho [Mr. BORAH], who hates communism and such other "isms" as would interrupt the American way of life. He finds it impossible to support Governor Landon, and that permits us to conclude that he welcomes the reelection of President Roosevelt, and we count him on our side, and the side of social justice, and American stability for all Americans. On the same list of Republicans of another day, even more pronounced in favor of the policies of the New Deal, and openly supporting the President, are Senators NORRIS, of Nebraska, and LA FOLLETTE, of Wisconsin. Senator NYE has given no indication reaching this far East that he favors the election of Governor Landon; and Senator FRAZIER, like his colleague, a Republican, has left his party's fold. The great Senator JOHNSON of California is quiet to the Landon appeal, and while presumably still Republicans, liberal Americans note that Senators STEIWER and MCNARY and NORBECK, great leaders of their party a little while ago, are unusually still. These men, all of them, were supporters of the social advances of the New Deal and the Democratic Party. They are the leaders of their party in Congress.

Have I said before in any of my talks that not a single Senator west of the Hudson River voted against the Social Security Act, which Governor Landon now calls a cruel hoax on the workingman?

Have I said before that the opposition to any of the social-reform measures of major importance was from but a handful of men?

When there was a call for courage the great majority of Republican Senators kept the faith. Some of them knew there would be a day of party reckoning, but they suffered no curse of cowardice. They remembered the promise, now ages old, of liberty and the pursuit of happiness, and they did their part to keep open the road. At this moment they are refusing support and comfort to those who would close it. It seems to me that we shall carry out the aims fashioned and framed by the founders.

Have I said before, in answer to the charge that we are spending $2 for every dollar the Government takes in; that during the last 8 months of the administration of Mr. Hoover the Federal Government was spending $2.70 for every dollar that we were taking in, despite constantly increasing Federal taxes?

Have I said before that the industries of my State, which were suffering constant losses under Mr. Hoover, are now enjoying profits, and in many instances are working two shifts?

Have I said that the great insurance companies of Hartford, Conn., are feeling a tremendous increase in business and in profits, and that the officials and employees are enjoying an old-fashioned comfort and mental relaxation?

Have I mentioned the increased installation of telephones and the increase in automobile registrations in my State?

If I haven't heretofore mentioned these things, it is because the improvement touches every field of endeavor, and it seemed that most people were aware of it.

Our opponents say that there is no relationship between the administration of President Roosevelt and this return to good business in Connecticut. I cannot be sure that there is a relationship, but I am glad he was elected in 1932.

It is my opinion that with the burial of the issue of communism, public opinion tossed into the open grave the skeleton of dictatorship. The four horsemen of class hatred, communism, dictatorship, and capitalistic destruction were coralled in the last round-up. They were discovered just in time.

Have I before now referred to Governor Landon's Chicago speech, in which he said: "If I am elected, the Budget is going to be balanced. Balanced not by depriving our needy relief, not by refusing necessary aid to the farmers, not by swamping the country with taxes"?

Governor Landon said that. No one can condemn the statement, and I am prepared to applaud it if the Governor will only tell us how. Since Cinderella's fairy godmother, and the miracles of Alice in Wonderland, and Aladdin's lamp, there has been nothing quite so astounding. Astounding if it were only possible.

Since three-fourths of the 1936 deficit is officially reported due to expenditures for relief and recovery, Governor Landon makes a promise that seems at least a little exaggerated—if we are to assume that he would balance the Budget very soon.

Have I said before that our national debt is lower than that of England, and in proportion to population much lower than that of France, and that our interest charges are much lower than those in England, and that, in proportion to population, insignificant to that of France? Have I noted that the national per-capita debt in England is $761, and that the per-capita debt in France is $517, and that ours is $266?

Have I reminded you that the per-capita annual interest in England is $22.83, that the per-capita annual interest in France is $16.31, and that in the United States it is $6.45? Have I before now mentioned that the national income of England is less than $20,000,000,000 a year, and in France less than $12,000,000,000 a year, and that the national income in the United States is now about $60,000,000,000 a year?

Why do some rich men threaten to move?

Have I at an earlier time referred to the fact that before Governor Landon became a candidate for President he praised Secretary Ickes and Administrator Hopkins and Rexford Tugwell, and that he was quite regularly praising President Roosevelt and his efforts?

And that he favored a modified form of dictatorship, and denounced the "scandalous interference" of Federal courts, and that he referred to Congress as a "debating society", unfit to govern in an emergency?

And that he advocated inflation of the currency to total $7,000,000,000 and favored greenbacks to pay the Fourth Liberty Loan.

And that he urged monopoly and relaxation of the antitrust law, and advocated an N. R. A. code for agriculture, with Government price fixing and licensing of farmers?

And that he sponsored a bill to turn over the State banking system of Kansas to a board of bankers with dictatorial powers, and that he opposed the Federal guaranty of bank deposits, and said it was worse than "the wildest inflation of the currency"?

And that he ran for Governor of Kansas in 1934 on the basis of 100-percent cooperation with the New Deal?

Oh, what changes take place in the lives of men, and in such a little while! Everything is different now, in the face of Washington's tempting lure, and the blaze of dazzling lights on Washington's Capitol Hill and Pennsylvania Avenue.

What the Governor advocated and stood for in the years of the depression, and during the time when President Roosevelt was himself taking trips into strange pastures only because of the depression, he repudiates now. He thinks that the present expenditure of Federal money for relief is wasteful, although a review of the record, as it applies to his own State of Kansas, clearly proves that he had both hands out about all of the time.

The constitution of the State of Kansas requires the balancing of the budget of the State. The money cannot be spent until it is in the treasury. Consequently the budget cannot get out of balance.

Have I asked you if you were familiar with the manner in which the distressed people of Kansas were protected during the most serious days of the depression? Are you aware of where the money came from?

In the event that you are anxious to know where the money came from that made it possible for Kansas to go along from March of 1933 to June of 1936, let me tell you that the Federal Emergency Relief Administration dispersed in Kansas, according to figures made public in Washington, in excess of $66,000,000; that the Agricultural Adjustment Administration paid the farmers in excess of $102,000,000, and that the Civil Works Administration spent in excess of $11,000,000. Let me tell you that on emergency conservation work there was expended more than $12,000,000, and that on public roads the Federal Government spent more than $32,000,000, and the Public Works Administration expended in excess of $16,000,000. The Resettlement Administration spent more

than a million, and with some other items, the Federal Government contributed to Kansas an aggregate of more than $242,000,000.

The Reconstruction Finance Corporation, the Farm Credit Administration, the Federal Housing Administration, and other Federal agencies expended more than $205,000,000, making a grand total of more than $448,000,000. And it seems that Governor Landon favored it all—and asked for it. Just like New England, isn't it?

The administration of the calm and cautious and changeable Governor Landon spent less than 1 percent for the relief of that State. That is how a balanced budget was kept in balance.

Acts of the Federal administration outside of the State helped the improvement of business in Kansas, and perhaps kept the State and its private enterprises from collapse. But this is election year, and Governor Landon is a candidate for the Presidency of the United States. Almost everything goes now, as the authors of the full dinner pail story of another day are building new ideas and painting new pictures for political effect.

Have you received one of the pamphlets issued by the Public Affairs Council, Inc., of New York City, which I presume is one of the great many subsidiaries of the Republican National Committee and the high command? It makes a reference to several States, but since it includes Connecticut, my own State, I shall confine my comment to that part of the enlightening document.

In one line, quite apart from other parts of lines around it—and you may refer to the pamphlet if you have one—it says, referring to income taxes: "Connecticut paid $11,716,999." That was for the year 1934.

That may or may not be intended to fool the people. I know that many Republican speakers in my State, and some of the newspapers here, make about the same kind of a statement, or print the same sort of thing.

The truth of the matter is that Connecticut pays no taxes to the Federal Government. The State of Connecticut cannot be taxed by the Federal Government, and neither can the salaries of State officials or employees, or municipal employees. Certainly every man running for legislative office should know that, and the newspapers should know it (and most of them do), and the Republican National Committee should know it.

In Connecticut the Federal Government collects liquor taxes and tobacco taxes and manufacturer's excise taxes and certain other taxes, including so-called admission taxes. And it collects income taxes. I do not have the figures concerning how much it now collects in income taxes, but you may be very certain that the amount is very much in excess of the 1934 figures which I mentioned a moment ago. The New Deal is responsible for that, but it is a clear indication of improved or restored income, and better business. Perhaps it is twice as much now. Neither do I know how many people in Connecticut pay an income tax, but I should guess that the number is less than 50,000. The population of the State in 1930 was in excess of 1,600,000. That means that there should be over 800,000 people in Connecticut 21 years of age or older.

I want to make two points. One is that perhaps one-tenth of the people over 21 years of age file an income-tax return in Connecticut. One might guess from the Republican speeches that that group should determine elections and decide governmental policies, and sort of look out for things generally. But being poor isn't a sin—it is unfortunate. And being out of the income-tax-paying class isn't an indication of lack of intelligence or good citizenship. Some people strive toward peace of mind, which in itself is great wealth; and some other men have the Midas touch. I want to see more people paying an income tax, and for raising money I prefer the income-tax method, but I fail to go along with an idea that the income-tax payers are possessed with any special qualities of ability to guide the Government that are entirely denied to men not in that class, and most of whom are anxious to be there.

But let me get back to what seems to be the fallacious idea that Connecticut pays Federal taxes. Some of the Republican speakers seem anxious to convey the impression that there is a higher Federal tax schedule for Connecticut than there is for Mississippi or other States of the Union, and that this Commonwealth is singled out for especial penance or punishment and is compelled to bear an excessive share of the burden of running the Federal Government. Oh, how unfair an inference. How misleading.

Be certain that the businessmen and all other men in the less fortunate States wish that the income taxes going from their States were higher.

Individual income taxes are paid in proportion to the income of individuals; and if the total amount of the individual taxes going to the Federal Government from the State of Connecticut are higher than other places, it is only a sign that we have more wealthy men or successful businessmen here. If Henry Ford moved to Connecticut, the amount would go up considerably, and if the majority of the country's rich men moved to our State we would be sending, as individuals, that much more money to Washington, and we would be that much better off.

To a considerable extent the income taxes paid by people in Connecticut come from the pockets of people in the States which are less fortunate in the way of rich men. Our insurance companies and great industrial plants have all of the other States for market places, as have some of our farmers. It is from the purchasers of our goods and services that the taxes actually come, despite feverish efforts on the part of those anxious to reach high office to convince the electorate that a greedy Federal Government is picking the pocket of the State of Connecticut.

That we don't get back from the Federal Government as much as we pay in is one of the sometimes effective campaign issues of Republican spokesmen. Do they actually mean that because we are better off financially we should insist upon getting back for Connecticut as much as the people of Connecticut send to Washington, although the people of another State may be badly off, and the State has an insufficient number of wealthy people within its borders to pay much to the Federal Government by way of income taxes?

That is a narrow view, and much as I treasure the chance to serve in Congress I am opposed to that kind of States' rights policy. As a matter of cold fact, the rich men who live in Connecticut are in some instances more fortunate than income-tax payers of certain other States. New York State, for example, has a State income-tax law, which requires that some people there are required to pay far in excess of the income tax paid here. This latter reference has no place here, excepting by way of emphasizing the fact that Connecticut pays no Federal taxes, and that the individuals of Connecticut pay no more than in any other State. As a matter of fact, New York State, by way of its income tax, may in some instances be helping a bit to lighten the relief load in Connecticut.

Unless something new comes into the situation within the next few days, the honest issues of this campaign will survive, and we will finish on the out-and-out question of the country's foreign and domestic policies, or the great problems of what we do to preserve peace for the United States, and opportunity and economic security for the American people.

I have complete respect for the opinion of the man who criticizes relief costs, although I am likely to disagree with his conclusions. I am less temperate with the man who injects into the campaign some of the things that would excite fear and hate and passion. That is not new. Neither party is exempt, and perhaps neither party's record is more magnificent than the other. The terrible practice started long ago, when George Washington suffered the cruelty of a criticism that most of his countrymen then thought unwarranted, and which all Americans are now certain was without much, if any, justification. In July 1793 George Washington said in part:

"That there are in this as well as in all other countries, discontented characters, I well know; as also that these characters are actuated by very different views; some good, from an opinion that the general measures of the Government are impure; some bad, and, if I might be allowed to use so harsh an expression, diabolical, inasmuch as they are not only meant to impede the measures of the Government generally, but more especially as a great means toward the accomplishment of it, to destroy the confidence which it is necessary for the people to place, until they have unequivocal proof of demerit, in their public servants.

"But in what will this abuse terminate? For the result, as it respects myself, I care not; for I have a consolation within that no earthly efforts can deprive me of, and that is, that neither ambition nor interested motives have influenced my conduct. The arrows of malevolence, therefore, however barbed and well-pointed, never can reach the most vulnerable part of me; though whilst I am up as a mark, they will be continually aimed."

Perhaps some time in the not far off we will get away from campaigns of villification and unkindness, and as a Nation, and as political parties, come to an appreciation of the difficulties of public office. Nowadays different men call the same thing by different names. Perhaps I am wearing rose-colored glasses, and see in Franklin Roosevelt good things where badness exists. What they call class hatred, I call class love.

When the President of the United States referred to one of his countrymen as a forgotten man I saw in the call an appeal for assistance, from those who were sufficiently gifted with intellect and the material things of life, to do something about it. I read into the message a friendly request, and a gentlemanly advice that the true test of a nation is its care of the weak, and the absolute responsibility of government, and men, is to make provision for the less fortunate, in an honorable and legitimate way, and not by way of cold charity and legal limitation. It seemed to me that those who called it class hatred were without a recollection of the teachings and the lessons of the ages.

Let me ask you another question. Were you ever down in a mine? Have you an understanding of the life of the men who explore beneath the surface of the earth, and struggle with life, away from the sun, and the fresh air? Have you ever seen the children there? Did you ever go to work before the break of day, and come home completely tired after the day had closed? Have you ever seen the little children in factories? If you haven't known these experiences, or come in contact with them, you cannot fully appreciate the problems of people, or the problems of government. Keep away from these distasteful things if you will; blot that side of responsibility from your life, but try to bear in mind that the Government cannot entirely get away from them, nor can those whom you elect to office very easily take the other side of the street. Thank Heaven most men who choose the path of governmental service, at least in this period, do not run away.

It may sound funny as a vaudeville actor pokes fun at the man who leans on a shovel, or a humorist on the corner, or in the club car, tells a new one; but there isn't much fun in it for the man who leans on the shovel. P. W. A. jokes and W. P. A. jests have been altogether too common for the business that has been sufficiently serious to be the line of demarcation between self-respect and the dole. Very likely many of the men whom misfortune

has cast in a part to which they were unaccustomed do lean on the shovel, as the jokes infer.

Place yourself in their position, if you can. I know men who were pushed from high places in the mad rush of 1929, and because they had others dependent upon them accepted the inevitable and the shovel. They commanded my admiration, and they should have earned our applause. Loafers beside them, of course. Troublemakers there, to be sure. Disturbers, certainly. But there are the old, old stories of the black sheep and the bad egg.

I see in the relief agencies to which I have referred a great social venture that has justified itself. That the people themselves accepted it is to me a source of satisfaction, and that they have succeeded in establishing social values that will endure for generations to come should be a source of gratification to their neighbors. They have improved the health of individuals and communities by the building of sewers and the eradication of places that bred disease. Networks of water mains have been laid in the sweat of their brows and with an ache in their backs. They have improved our educational system by new schools, and our social structure in the same way, by these, and other public buildings of every kind—airports, parks, playgrounds, and almost countless other things, that will be recorded and for generations remembered. In doing these things and this work they lifted a tax burden, or helped lift one, from the small taxpayer of every community in the country. What they have done and what the Federal Government has paid for we in the cities and towns have saved. These things would have been done for the most part at this time or at another time. And the little-home owner, rather than the income-tax payer, would have paid this bill.

Without the social values thus created, we would not only have paid taxes for the relief of temporarily distressed families, but we would have paid as well for all of these improvements. It meant many more mills of taxes in every town and for every taxpayer. Isn't it worth more than passing fun and jokes and jests? Isn't it worth a prayerful applause?

There was some waste. Some leaves were raked (and perhaps back and forth), but I saw none of that sort of thing in my community or in my State, and as mayor of my city and while a Member of the House of Representatives, I had more than a little to do with the program and I was more than ordinarily interested in it.

I know that the city in which I live is better off for having had the benefits of the W. P. A., and I know that without it the distress would have been greater, and that without the aid of the Federal Government the cost would have been unbearable and the city would have been engaged in a gigantic real-estate business, at least until the complete collapse.

None denies the tremendous cost. The question we should ask ourselves is whether or not the recovery we have enjoyed was worth the cost. Everyone is fully aware that compared to our war cost, which even these many years after the war is impossible of calculation, the cost is not gigantic or even great. We spent billions in a terrific slaughter to save the world and give human beings a lasting peace. That effort was not very successful but the charge of waste and extravagance was a mild murmur when compared with the noise created by this latest peace effort. When this war is over, and the end does seem to be at hand, we will know what the cost has been and we will have much to show for it—and we will know that what is built is profit. What pride is preserved is profit as well. There will be scars, but little scars, and working off the debt that remains can hardly be as distasteful as the war debt.

All that I have said tonight is what comes to mind in a busy time and in the hurry of a campaign. I fear I do not represent the defense with much skill. You review it yourself. See what has happened in your neighborhood. Weigh the profits against the losses. And if this is an issue worthy of your consideration, and I think it is, ask yourself what you would do if you were the President of the United States.

NEW ENGLAND VIEWPOINT

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network, Station W1XBS, Waterbury, Conn., Thursday, Oct. 29, 1936)

After this evening I will have but one more chance to talk on the radio to listeners who are reached only through this New England Colonial network. Tomorrow night I will talk from 7:15 to 7:30. At that time I will have concluded 17 radio talks, and I am able to tell myself, when I am alone, and I will be able to tell myself so long as I live, that I have not intentionally evaded or avoided a single issue that I knew about, or thought was worth while. I have talked about peace and war, and the cost of peace, and the cost of war. I have endeavored to point out that we did lift up stricken agriculture in all of the States of the Union, and how by helping the farmers of the great farming States, we furnished jobs and buying power to the laboring men of the East and Northeast, and furnished money for the customers of the little businessman on the corner, and the large industrialist, and the banker, and for the patients of the doctor and for the dentist, and for the customers of everyone else who sells goods or services.

I have talked about taxes, and I hope that I have shown clearly that my own State pays no tax to the Federal Government, and that there is not a higher tax rate for New England, and the Northeast, than there is for the rest of the States in the country. I think that I have shown very clearly that our part of the United States does get much out of Federal expenditure and actually considerably more than it pays to the Government. If this matter needs emphasis, let me point out now, that the manufacturing industry of my own State of Connecticut has shown a greater percentage of reemployment increase than any other State in the Union excepting one. Strangely enough, that one State is Alabama.

During my talks I have discussed the 1932 Democratic platform, about which so much has been said, and I showed that we did keep every platform promise, in spite of the fact that certain clever spokesmen of the Republican Party, with a rare gift of language and the skill of plausibility, tried to make the people believe that we did not keep those promises. I have tried to show the American people, at least those who were listening to me, the benefits to labor which were directly benefits to capital, and how the banks were saved and bank deposits protected and insured and homes saved. I have tried to point out that even those who did not get a mortgage from the Home Owners' Loan Corporation received benefit from the law, because they were saved the unbearable tax cost that would have been levied upon them if the municipalities could not collect from the distressed home owners and were compelled to collect the necessary taxes from the home owners not in distress and from the manufacturers and businessmen.

It seems to me that I discussed all of these things fairly and dispassionately. Perhaps this is because I am not a candidate for reelection this year and will not be a candidate for office again until after President Roosevelt has completed his last term. I have no personal ax to grind. I have no personal hay in the political field, and insofar as my own very personal selfish interest is concerned it would make little difference to me which way the wind blew. But I do have an interest, because I have children, and I know that my future and their future and the future of rich men and poor men are bound up in the outcome of next Tuesday. Perhaps my view is wrong, perhaps my glasses are of a rose-colored tint, perhaps it is a mirage I see, and perhaps it is a ghost I fear, but with all of the sincerity that I possess I want to tell the people of New England again, as well as those who might be listening outside of New England, that the reelection of Roosevelt seems to me of paramount importance to this great land.

In my talks I made no effort to create issues or to build up straw men or to try to fool anyone. The faith I have would not let me do that, and I should be afraid that if I willfully misled even a single soul in this campaign I would pay the penalty sometime and somehow. I have not only talked over the radio 17 times but I have been out on the byways, and in the little town halls, and in the big armories of my own State and of other States night after night. I have gone places and talked for as many times as I could get people to listen to me, because I have a feeling of gratitude for what a great and good man has done for his country, and because I want the benefits of his judgment and his leadership to guide the people of this country for another 4 years. To me it has seemed worth while. I have been very tired, but fatigue means little when the prize is so great; and the prize, as I see it, is a greater security for Americans, and a broader opportunity for the people of this generation and the generations that will come traveling down the after years.

I have sometimes asked myself if there was something I overlooked. I have lived long enough to know that it is politically best and morally right to discuss all of the issues and to admit weaknesses and mistakes where they exist, and to lay before those possessed of the franchise all of the things which concern their homes, their happiness, their lives, their liberties, their fortunes, and their State. I discussed the charges of dictatorship, and communism, and the balancing of the Budget, and the balancing of the frail lives and fragile spirits of rich people, and the inarticulate plain people. If I have in instances been in error, it was never with intent, and I can tell you honestly that if I for one moment believed that Franklin Roosevelt would lead us into strange governmental pastures or provinces I would be against him.

I finish the campaign easy of conscience and clear of mind; satisfied that I have firmly, although possibly feebly, played the part that an American is expected to play, and contributed what energies and abilities I possess, to the cause of the people; the cause that I think is in this period best represented by President Roosevelt.

The Democratic National Committee assigned me to be on the radio almost every night, over a New England network, because the committee seemed to feel that I had a fair knowledge of New England, and the needs of New England, and that I was New England minded. The committee seemed to feel that my experience as a New England mayor during the depression, and as a Member of the House of Representatives in the dark days, and as a Member of the United States Senate, brought me close enough to what has gone on, to know the governmental side, and President Roosevelt's side.

For the chance that the committee has given me to serve my neighbors, or New England, as well as my constituents here in Connecticut, I shall carry a lasting gratitude and an enduring debt. The State central committee of my party has also afforded me the chance to be on the radio almost every night, on another network, for what the committee felt were about the same reasons. These assignments seemed to place in me, and to impose upon me, a far-reaching and a broad responsibility. If I have not practiced temperance in my language, it is not because I have

not intended to practice temperance, but because I am like other men and afflicted with the frailties of human nature. If I have not represented President Roosevelt and my party with the proper intelligence, and a fair measure of skill, it is not because the feeling was not in my heart, and the desire in my mind, but because the situation was so big and I was so little.

If we have not laid low the ghastly ghosts that create political shadows in national campaigns, I am surprised and I will be disappointed. If we have not convinced the American people who were willing to be convinced, I am even more surprised. It will be no fault of mine if things go wrong, at least insofar as my conscience is concerned. No man is expected to do more than to be guided by his honest convictions, and to properly answer the compelling call of his own understanding, and his own conscience.

I hope that the confidence placed in me by the Democratic National Committee and the Democratic Committee of Connecticut has not been misplaced. I think that I do know New England. For a great many years I have been over the State of Maine from Sebago, to Sebec, and the Sebois. I have traveled from its beautiful rocky coastline to the Rangleys, and from Shin Pond in Aroostook County, to the Canadian border, and the New Hampshire line. I have walked beside rivers and streams of New Hampshire, and have known the friendship of the people who work and play about the great Winnipesaukee. I have been at the great quarries of Vermont, and through the White Mountains, and beside the brooks of that great State. Massachusetts is at hand to my home and I have been over and through the State time and time again, through the late years, and the same with Rhode Island. In my own State, I have at one time or another crossed the main street corner of every town, and I have been through the great industrial plants, and I know many of the people, and their ways, and of their successes, and of their disappointments. I have myself worked in the factories, from early in the morning until late at night, and for meager wages. I have been on the farm a little bit. I have had an experience in municipal government, and as a newspaper reporter learned something of State government.

Like other New Englanders, I have treasured the New England heritage, and I have tried to be a kind of student of the rich romance and remarkable record of New England men and women. I am not a worthy spokesman, but I have seen the sad side of life up here in the Northeast, and much of the side of life that is beautiful and comforting. I was born here. Generations of my family have lived here, and I never went away. I have been here when the snows came and when the green mountains were prettiest and when the beautiful coloring came to the leaves and when the snows came again. I have worked a little on a farm, and if there is a very great deal that I do not know about our industrial and farm life it is not because I have not wanted to know. I know a little of the business of the financial institutions here, and particularly of the most powerful ones in my State, because in a small and modest way I have been connected with the insurance companies for many years. Please pardon these personal references. Some of them are unpleasant to recall, even for me, but I am trying to add an emphasis to my nearly last talk with the jury, as I try to explain and plead the cause of the courageous leadership that I represent in small part.

There is one thing more about which I will talk before the campaign closes. I might have done it tonight, but it so happens that tomorrow night at this same hour I shall have a more extensive audience. At that time I will have the advantage of a connection between the Colonial network and the Connecticut stations over which I have been talking nearly every night. I will have a chance then to reach many thousands more, and to talk with, or to, if they will listen, more industrialists in my State, more insurance people in Hartford, and more workers in the financial institutions.

I delay the particular talk I have in mind, to give me the chance to go over with them the matter that at the moment seems of paramount election campaign importance. I am referring to the Social Security Act. If you will listen to me tomorrow night at 7:15, and you will get some other people to listen, I will prove to you conclusively that the industrialists who stuffed pay envelopes with misleading statements about the Social Security Act, and old-age pensions, have been unfair, and in error, and probably without intention false, to their friends and employees. I will prove to you beyond a shadow of a doubt that the Federal Government is not taxing the workman's wages, or cutting his pay, but is actually swelling the pay check and giving a wage increase to the American workman. I want the insurance people to hear this, and I want the employers to hear it, as I endeavor to show them that they will be better off under this great law, and that America will be better off, and that as we banish the frightful fears of people going down hill toward the portals of eternity, we are strengthening our economic system, protecting American businessmen, and lifting American industry and the capitalistic system to a new height.

I know that this can be done, and the conviction is not because of my speaking courage, or understanding. It is a very simple story and I will tell it in simple language, the kind I know best, in order that any of those who still remain in doubt, may go to the voting places on Tuesday and thoroughly understand what they are doing insofar as this great and noble, and almost holy legislative creation, really means.

To those who have listened to me over these weeks let me offer my thanks for the courtesy. I hope that I have been helpful, not only to them, but to President Roosevelt, as it seems to me that he is being called to guide and guard this great democracy. I firmly believe that on Tuesday, as we come to the crossroads, that there is a wrong way and a right way. I see in President Roosevelt the way of righteousness, and the reincarnation of the aims and ideals of a group of patriotic men, the founding fathers, several of whom came from romantic New England.

HIS LOYAL LEGION

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network, Station W1XBS, Waterbury, Conn., Thursday, Oct. 29, 1936)

In an earlier radio talk that I have given, I made reference to a group of men on top of the Republican Party who were thirsting for a lost control. In my talk I endeavored to picture their bewilderment, at a time when the country was most in need of the intellectual abilities everyone believed that these men had possessed. I tried to describe their plight, and their quietly frantic appeal for relief, and guidance, and deliverance, at a period when the country was threatened with becoming an economic shambles. At that time there was ringing in the ears of these men the noise from the toppling banks, and the rustle of bales of worthless securities, and the hammering of the auctioneer, and the hum and buzz of the hornets of depression. Every American can remember that period, and that picture, and that situation. Every American can remember when the country's nerves were quieted, and the high fever was reduced, and the crisis passed. Every American can remember the period of convalescence, and when the patient was able to get out. Once more the same group of men, in whom we had misplaced our confidence at that time, become obvious again. As I look at them now, I can recognize the group, but they have changed very much. They are now robust of color, and perfectly clad, and seem unmindful that anything was ever wrong, or that we escaped a dreadful plague. I am unable to understand how they can forget the lightning, and the dark clouds, and the wind, and the rain. I cannot forget it. I confess I saw the possibilities of leaving to my children, and other men's children, a heritage of misery.

When the wake of the storm left business wreckage piled high, and there was occasion to worry about the infections that sometimes follow terrible storms, I confess that I was worried. I was not worried about money, or material things, because I had little of these, but I feared that without a courageous leadership, to lead the quickly organized forces of recovery, the Republic might be destroyed. The confusion following a storm is a dangerous thing, and at such a time the need for guidance and leadership is greatest.

I know that this particular group, who had been on top a little earlier, did not then worry about taxes, or the debts of future generations, or regimentation, or governmental costs. Perhaps they should have worried about these things, but these things seemed less significant than other things.

In the storm, and just following the storm, this group surrendered in the exhaustion of fear. They had not much idea of what to do about it all, and their faith seemed frightfully shaken.

Most of us did not know where the new road of the new President would lead, but we were confident that it could never be worse than the one we had traveled so long. The new road was an uphill road, but our driver was fresh, and courageous, and bold. He carried us on to a smooth highway, and under his direction the coach of state gained momentum on the way up. The earlier feeling of horror changed to a feeling of hope, and quickly to a feeling of confidence.

And for the last few years we have kept that feeling of confidence. Until the past few months everyone has avoided the appeal to prejudice and passion, and people seemed appreciative of the fact that the words and deeds of an able President had quieted the fears of the country and prevented a change in our system of government. It was rather generally admitted, a little while ago, that we could avoid a governmental change by correcting maladjustments that in other parts of the world had led to great changes. In the very few days that are left in this campaign, the Republican Party leadership to which I have referred goes way back into the dark files, and resurrects all of the dreadful things with which we have had to contend in national political campaigns of another day. New false issues, as well as the old vague and misleading ones, are shown with great force, to distract the attention of the people from the weaknesses of this Republican leadership. The old ghosts of false propaganda, subterfuge, and camouflage come to the front again. We hear about boondoggling. Can you remember the boondoggling of 1931 and 1932? It was intended to be kept secret, but after a long series of disgraceful efforts to use the powers of Government, the things were dragged out into the open. They rocked the very common elements of decency.

The Reconstruction Finance Corporation under President Roosevelt has become a great and useful instrument of government, but can you remember how Mr. Hoover used it to show a tender sympathy for the difficulties of financial institutions, and completely ignored the distressed plain people, whom the Republican leadership would now disregard by stuffing pay envelopes. These same men who had a little, or no pay envelope, at that time, had little attention then, while great preference was

given to banks and trust companies. Do you remember the big boondoggling of $90,000,000 to a Chicago bank? Of course that was not fair to other banks, but it was expected that the transaction would be kept secret. Someone who was not leaning on a shovel found out about it. Of course you know, that in spite of that boondoggling effort, the Hoover attempt to save the banks was not quite as worth while as raking leaves.

I remember the campaign of 2 years ago very well, and I remember one statement made at that time by my distinguished opponent. He said, "A system can never succeed unless it can take care, at least with a meager sustenance, of the poorest and the lowliest of its members. Otherwise it breaks down; it fails, leading to riots and to revolution and to chaos."

Is not that exactly the idea fostered by President Roosevelt, and did he not take care of that exact kind of a situation; and did he not lead us away from riots and revolution? It seems that almost everyone agreed that he did, until the time of the Republican convention at Cleveland. Then came the great change, and a highly organized group of advertising experts have since been engaged in thinking up new political slander, and new devices, for turning the people of America against the President, and against themselves. If I recall other campaign days at all clearly, the campaign issues were somewhat about the same as they are now. The Republican Party leadership then assumed that the people would believe their statements, because they were Republicans, and because they had been in power for a long time. Even now, despite their misuse and abuse of governmental leadership during 4 bitter years, they clearly indicate when they say anything, that they feel that their saying it is proof that it is right. It seems as though they cannot actually believe that it was under their governmental misguidance that business went to smash, and that farm products were burned, and that men lost their jobs, and that some of them were starving. I think, however, that the people themselves have thought things over rather carefully, and I cannot for a single moment believe that they will gullibly accept as gospel the promises of disappointed "has beens."

Last night I went over some of the campaign speeches of the 1934 election, and believe it or not, I found the same words, the same sentences, and the same speeches, that are being used now. There was the threat of state socialism, lost liberty, regimentation, inflation, bureaucracy, waste, graft, corruption, and every other horrible thought that came into the minds of Republican candidates who are about to go out of office. They saw in that election, as they see in this election, the loss of political power that they thought was theirs by Divine Providence, and, as it faded, they fought with almost insane desperation, just exactly as they are fighting now. The fading is faster this year.

The Republican Party was once a great and useful instrument of government. The individuals of the Republican Party did not go the wrong way, but special interests gained control of the party, and they betrayed their trust. They neglected the interest of their country, and its people, as they builded for their own gain. They had planned for themselves another tower of Babel, and there came upon them such a punishment as original folklore inflicted upon like builders many years ago. These special interests not only failed in the building, but they were caught in the ruins as the tower crashed. Some of them crawled to safety, but they left many of their countrymen bruised and bleeding in the ruins, many of them maimed for life.

I said a night or two ago that I thought the false issues were out of the way and I continue to think so. In one of my earlier radio talks I think that I successfully proved to my listeners the weaknesses and unfairness of what the special interests are using as campaign issues in the last act of their campaign drama. I think that I showed that there was a determination to take the Social Security Act from the statute books, because it compelled employers to pay a part of the cost of insuring their employees against an insecure old age. I showed that the cost to the workingman was 1 penny out of each dollar he earned and that it would never amount to more than 3 pennies out of each dollar he earned. Considering that the Government will multiply the pennies into dollars, and give them back to the working man at a time of possible need, I know that my listeners understand. If enough other speakers have explained the act to those who have not had a chance to read it, that issue will go quickly out of the way.

Tomorrow night, in my last talk on the New England Colonial network, I will prove that the Social Security Act actually brought a wage increase to American workmen.

I cannot begin to understand why industrialists and employers are blind to the probable great benefits of the Social Security Act. Can it be possible that they actually believe that America will be better off with men living constantly in the feeling of insecurity? Can it be possible they think we will be better off while poor women growing old are compelled to look through the mists to a life alone in the last days? Can these people possibly believe that working people are entitled to no more than a security from day to day and that people will continue to be satisfied to let the social structure go on without repair and improvement? Can there be one so blind as to overlook the fact that piling money in at the top finally means peonage and peasantry for those at the bottom and paralysis for business? Can they not understand that the whole purpose is to improve the entire economic structure, and to balance it and to distribute a part of the great wealth we have among all of the people so long as they live? Can they not understand that our people must be provided for, and that there is a right way and a wrong way to make the provision? If they actually fear any kind of a revolutionary change in government, will they not try to remember that changes in government elsewhere have come through the blindness of the forces of reaction and never from the changes of progress? Will they ever learn that the way to happiness for themselves, as well as for other people, is by broadening opportunity, extending security, and spreading happiness generally?

The price we have paid in human misery and in economic loss, for the misrule of several years before President Roosevelt came, will not soon be forgotten, but we can get over it if we will keep at the helm of the ship of state a leadership gifted with vision and courage. We can go backward if we will let the same old leadership, the repudiated leadership, which is now masquerading behind Governor Landon, fool Americans by the same old misrepresentation and distortion changed only by a different cloak.

Everyone admits that we have a stronger and safer foundation now than we had in 1932, and everyone knows that we are moving forward and that business is prosperous. Some people know that this is true because, with President Roosevelt, we came to the wise way of cooperation and partnership between the Government and the people. We formed a new fellowship between the farmer and the industrial worker, and to a large extent a friendship and cooperation between the employer and the worker and between capital and labor. Altogether these people were approaching common ground, and they had begun to realize the economic and social advantages that came with the new fraternalism. It seemed for a little while that men were conscious of their duty as individuals, and they had an understanding that we could not possibly be successful unless we did go along together. We found out in the period of neglect that the other side of political and governmental carelessness was uncertainty, and decaying economy, and social collapse. Our new cooperative association, which was intended to admit into membership every good American, restored a great American buying power. We pulled away from the dangerous edge our national life, and the American way of life, and the capitalistic system. Now sometimes I wonder if it could be possible that the effort was all in vain.

Men ridicule the spending. They talk about a balanced Budget; and one of the leaders says that the Government Budget should be balanced just as the home budget is balanced. Let me try to draw a little comparison and see whether or not the Federal Government, and President Roosevelt, have not acted just as you would act in your own home.

Let us suppose for a moment that you had a steady job, at a fair wage. Let us suppose that you owned your own home, and that you were thrifty, and that you were looking at the world through rose-colored glasses—and that everything was fine about you. And then one fine evening you came home, after a hard day's work, and one of the children had a slight fever. You did not have much money saved, but you were living within your budget.

The next morning it developed that the child was seriously ill and that the disease was contagious. Just suppose that the family doctor told you that a specialist was necessary and that it was really important that the child have hospitalization and nursing care. What would you do then? Would you throw the budget out of balance and exert every effort to rescue the life of the child, and endeavor to avoid the spread of contagious disease? Or would you keep the budget in balance and hope that the child would get well? If you are a normal man, and you have any appreciation of the responsibilities that you owe to the child, and if you have the love that the average parent has. I know what you would do. You would conclude that the thing of paramount importance was the health and the life of the child, and you would try to protect the other children, and you would get the specialist and the nurses, and the child would go to the hospital.

That is the kind of a situation that confronted President Roosevelt in 1933. Many of the children of the Government were seriously ill. The economic structure was festering with disease, little business was suffering a low blood pressure, and big business was approaching a shock with a high blood pressure. The Budget was out of balance, because Dr. Hoover had been fussing with the patient for nearly 4 years. President Roosevelt decided that there was a chance to restore health and save life, and he did what any good parent would do.

That answers, in a simple sort of way, the argument about the balancing of the Budget. Whether or not the recovery of the children of the Government justifies the expense is something that I cannot answer for anyone else, but I have no difficulty in answering it for myself. It seems to me that it was worth while.

Sometimes, after the serious illness and the recovery, it is hard to pay the doctor and the nurses. It seems unfortunate that families should be burdened with a heavy expense of that sort, and the further away they get from the disease and the recovery the more distasteful is the doctor's bill. But they would do the same thing all over again if another illness came, and if you do not think that that is true, apply the question to your own family.

The action that was necessary to relieve human suffering, to save homes and farms and industry and banks, required the spending of large sums of money. Not only the safety of our business but the very life of the Nation was in the balance, and a balanced Budget would have been no source of pride to a bankrupt land and a starving people. Can you not remember the recovery and how people approved?

And now, a certain special few, reinforced by the protection President Roosevelt gave them, want to take another mortgage on the United States. They do not want the Social Security Act.

They do not want the Federal deposit insurance law. They find taxes to pay the doctors' bills distasteful, and in their more careless moments, they tell us that we were not sick at all. I become impatient, but I have lived long enough to be aware of the frailities of human nature, and to know that men are easily alarmed. We have gone through this argument over and over again in our political life—ever since the very beginning. Washington knew it; Jefferson knew it; Adams knew it; Monroe knew it; Jackson knew it; Lincoln knew it; Cleveland knew it; Theodore Roosevelt knew it, and so did Woodrow Wilson. During each of their administrations there was talk about a desire to change the form of government, and talk about waste, and ignorance, and betrayal. Perhaps it will always be that way, but our immediate job is to decide how we will handle our situation for the next 4 years.

Nobody in this administration claims that the Democratic Party made industry great, or that it built up the great fortunes; but we do claim, without hesitation, and with great pride, that we furnished the national leadership to save the industries, and the private fortunes, and the capitalistic system, and regular continuation of governmental affairs.

Will someone say that President Roosevelt neglected to protect big business? He loaned big business billions. Where is the favoritism? Is it not just as fair, and as necessary, and important, to save the plain little man and his children, as it is to save the big man and his family? Is there one who doubts that the aspirations are less noble, in the little and the humble home? Do not all of us want an education and an opportunity for our children that the people "better off" want for theirs. It was because certain people did not look upon that side of life that we came to the verge of a great change. We arrived at that place because of an inactive Republican leadership, and a blind Republican philosophy.

We drove away from it because we were willing to spend much money for new highways, and new schools, and sanitary systems, and other public improvements, and to create great social values, and because we hurriedly and sensibly provided jobs for millions of worthy Americans, and because we sustained their moral fiber, and restored their confidence, and their good feeling toward their Government.

Most people know that we cannot get along without big business. At least we cannot get along happily and continue our form of Government. Most Americans proudly admit that the capitalistic system is the right system. I hope, however, that most Americans know that big business cannot long be big, and successful, unless small individuals have their share, and are given a buying power with which to support big business. I do not believe that there is a single person listening to me who will not admit the great progress of the last 3½ years. I do not believe that there is a single person listening to me who would go back to 1932 and deny President Roosevelt the leadership he was given then. Sometimes I ask myself if there is not something under the surface in this campaign that will come to the surface next Tuesday. I have a feeling that a number of those who outwardly support Governor Landon have carefully considered the possible consequences of a governmental change, and I think that they are quietly going to register a vote that will continue President Roosevelt in office for another 4 years. It does not seem to me that businessmen will take a chance on doing anything that will interrupt good business. It does not seem to me that they would throw sand into the governmental machinery, for the purpose of satisfying party pride, or because they happen to have been Republicans.

It seems to me that successful businessmen have too high an appreciation of their business future to go along for the party's sake, and they are so likely to be guided this year by what political office seekers have to say to them. Businessmen know that radical changes now might be bad, and I really wonder if this election will not be a staggering surprise to that small "classroom of thought" desiring to go back.

Just what do we have to fear, as compared to the fears of 1932? Is the danger of a governmental change as great now as it was then? Does it mean anything that the price of wheat and corn and cotton have doubled? Is there a difference between red ink and black ink? Is the businessman afraid because his sales have doubled? Is the manufacturer fearful that something is wrong because he is working nights? Has the insuring of bank deposits given us a reason for fright? Is there a reason to be afraid because investors are now protected against fraud? Will the workingman run from a shadow because he has a job, or his job a little better, or his wages a little higher? Is there reason for anxiety because our national income is up $20,000,000,000 over 1932?

Let me tell you that I am a little bit afraid, but not very much afraid. I am afraid that if the inevitable happened, and the reactionary Republican leadership came back in power, we would slip away, and back, to the old philosophy, and the old mistakes.

If Republican leadership has the answer now, why did it not have the answer in 1929, and 1930, and 1931, and 1932? It then had a free hand, and the cooperation of every single American. No one tried to hamstring or hog tie Mr. Hoover. Business was then free, and the only regimentation was the regimentation of bread lines, and bursting banks, and lowering wages, and vanishing jobs, and a steady line of small-business men in the bankruptcy courts.

Where were all of those who now know exactly what to do? We needed them then, more than we need them now, and as we called in the legislative halls, and in prayer, there was no answer to our call.

Just what do they have to offer by way of evidence that they will do it differently? Theirs was the panic, and theirs was the free hand to do what they would with it. They had the money and they had the same brains then that they have now.

They lacked the philosophy. They had no understanding of the problem, or the predicament, of most of those about them. Roosevelt had. His long governmental experience and his understanding of the difficulties of the plain people showed him the way. I think that engraved in the hearts of the millions whom he helped is an everlasting gratitude, and I think that that gratitude and the faith that goes with it will direct the people in the voting places on next Tuesday.

This campaign has been everything that it promised to be. It has been bitter and unfair, and at times a dirty campaign. I am not a candidate for office and I hope that I have taken things calmly. I have worked just as hard as one could work, because I think the way of Roosevelt is the way of righteousness. In another day or two we cannot do anything more about it, but we can do everything about it for the next day or two.

I have welcomed the chance to talk on the radio these great many times because I wanted to lend my probably feeble voice to those who see in President Roosevelt the reason for continued good hope. I wanted what I had to say to go out to the little-business man at the crossroads, and to the little farmer on the hillside, and into the homes of the people of New England, who could not, or would not, come to political meetings. I felt none of the passion and the excitement that sometimes comes to candidates, and consequently I am hopeful that I will be believed. I hope for it because I feel justice in my argument and because I think that there is a noble and almost holy aim in the efforts of President Roosevelt. Next Tuesday we come to the signpost of destiny. I cannot but be confident that the people will show their gratefulness for his guidance, and that most of them will be found in his loyal legion, taking the highway toward a greater happiness.

KEEPING THE FAITH

(Radio address of Senator FRANCIS T. MALONEY of Connecticut from Station W1XBS, Waterbury, and other Connecticut stations, Sunday, Nov. 1, 1936)

My talk this evening completes a radio effort which has covered a period of 3 weeks. My effort to clarify the real issues and the bad issues of this campaign comes to a close with this address. As I said a day or two ago, I have tried to cover everything that was worth while, and to present my party view, as I saw it, on the matters of great governmental importance. If a single issue was overlooked, it was not because of intentional avoidance or evasion, but because it did not appear as an issue to me, or because it seemed unimportant. I have been willing to meet our political contestants on the battleground of their own choosing, and have been not only willing, but determined, to cross lances with them on the subjects of their own creation. All because ours is to me so clearly the right side.

During the last 24 hours a few people who are feverishly desirous of seeing President Roosevelt returned to the White House have urged me to devote this talk to a further review of the Social Security Act, and to the campaign of slander and distortion aimed against that great measure. I shall not do it, because in my talk Friday night I went over the matter very carefully, and in sufficient detail to make it clear that the bill took a great forward step in the uplifting of the working people of America, and instead of cutting or taxing their salaries and wages, actually raised them. Many other speakers have done the same thing—perhaps more clearly. The people understand. To devote another talk to that subject would be trespassing upon the good judgment of the American people, for in this neighborhood, I think that issue has died, and has gone to its burial place, with the skeletons of communism, and dictatorship, and an unidentified corpse that it was thought might be class hatred. This election is won, insofar as President Roosevelt is concerned. On Tuesday, the American people will carry him to a tremendous victory, over the broken-down barriers and entanglements thrown up by the retreating, and confused, and disorganized forces of reaction. They retreat in the face of the onslaught of honest public opinion.

During the past 4 years I have lived most of the time in Washington. Just before that I was mayor of the industrial city in which I live. During all of that time I have frequently been in conference with people who represented every stage of life, and I have been constantly questioning myself concerning the forces that were moving over the land, as we endeavored to free ourselves from the disagreeable grip of hard times and political misunderstanding. Since 1933 I have had very little doubt of where we were going any more than I had doubted where we were heading in the days when Mr. Hoover misdirected the affairs of the Republic and his advisers manhandled the instruments of government. In those disturbing days, when despondency hovered over our Union of States, it was apparent to everyone that we were heading downward with a continuously increasing speed. Application of the brakes failed to slow up in the slightest degree the top-heavy vehicle that was bearing all of the delicate political machine which was intended to protect and help guide our economic advancement.

That top-heavy vehicle was the Hoover administration. It was so completely out of balance that a crash was inevitable—and a crash there was.

After the election of 1932 and the inauguration of 1933, we quickly found our bearings, chartered our course, and since then

have been surely and successfully going forward to success. This has been for a long time obvious to the great majority of the people.

Sometimes during the last 4 years I have had chances to talk with the President of the United States, and many times in that period with most of the outstanding statesmen of this generation. It was at times surprising to me to see the meeting of minds between men of opposing parties. As one after another of the great legislative proposals were made, great Americans of the Republican Party joined with Democrats of the great party of Jefferson. Most of the bills which have had such a great bearing upon the rebuilding of American economic life had the support of most of the Republicans. A few reactionaries in the Congress rebelled, but their rebellion was scarcely noticeable. Theirs was a feeble cry in the political wilderness. It was little more than a faint echo from the Hoover period. It was a carry-over from the time when political virtue was blindfolded, and the scales of justice completely jarred out of balance by the terrible quake of 1929 and 1930.

During this campaign I have reviewed that period in my own mind. The great Senator Borah, and the brilliant Senator Johnson, and the discriminating Senator Couzens, and fearless Senator Norris, and courageous Senator La Follette, and cautious Senator Capper, and quiet Senator Shipstead, and clear Senator Nye, and conscientious Senator Norbeck, and sincere Senator McNary were most of the time on our side. All of these men sat on the other side of the dividing aisle, but when the fortunes of the United States were in the balance they joined with the Democratic leadership, and the Democratic membership, in putting into effect bills designed to save the lives and liberties of the American people, and the industrial, and economic, and agricultural institutions of the country.

Most of the time it was not difficult to make up one's mind. There were, of course, always differences of opinion concerning the language of the laws and the details, and almost all of us occasionally came to a course that we rejected; but for the most part, and in the final analysis, our feeling on the objectives of the bills was nearly unanimous. There was, of course, as there always will be, a feeble and faint note of discord, but it was never so feeble before as it was during the sessions of Congress since 1932.

Reviewing it time and time again, and remembering the conferences at Washington, I have had a desire to go into consultation with other men concerning the experiences that they have known in other disturbing and distressing and despondent times. In the quietude of my own home I have gone over the matter ever so many times with Jefferson, and with Lincoln, and with McKinley, and with Jackson, and Cleveland, and Wilson. I have been in consultation with the founders, through the records of the Continental Congress, and with Madison, through the records of the Constitutional Convention, and with most of the other statesmen of America's lifetime, many of whom served in Congress. I consulted them to find out what they did and what they said a little time back and a long time back for the particular purpose of endeavoring to determine what they would have done, if they were sitting in the Senate or presiding over the affairs of their country, in our time of trouble and turmoil. I have not been able to find that they would have done things much differently, and I found out in many instances that they did things in their troubled days in much the same way. Roosevelt seems to have fully inherited the best of their ideals, and it now seems that he has been in consultation with the same men and that he is endeavoring to do what they set out to do, and that he is a student of the early teachings of America's leading statesmen and political scholars.

It was their constant aim that the great benefits and profits of the United States should in some degree of fair measure be distributed. Each of these men was clearly possessed with an understanding that there could never be a proper distribution, or a proper protection, without a firm governmental guidance. I found in my searches through the lives and politically scientific travels of these great men that they suffered the troubles that President Roosevelt has known. I found out that each era had its little man with big names, and its modest men with big hearts, and its courageous men with powerful intellect, who cut forward unafraid.

It was made clear to me that in some respects we do live in cycles, and that although the grass seems greener on the far-away hills, its beauty is as great close at hand. We have great men now.

I found out that the Republican Party is not the great institution that Lincoln founded at a time of serious need. Changes have come. A few men took over the Republican Party, and they patterned it to their own liking, and for their own profit, and they neglected the teachings of the early Americans of their own political faith. They betrayed their party, and they turned from the ideals of those who had made their party great. Out of the betrayal came another bitter period, and it came to our generation, and it was a bitter period. Some of the bitterness lingers.

President Roosevelt entered this campaign with a record of splendid accomplishment. He had not only regularly given an accounting of his stewardship, during the years he has served as the Nation's Chief Executive, but throughout the period he had demonstrated a knowledge of the science of government and an understanding of the problems of the people, that will stand out in American history for all time to come.

The 4 years behind us, insofar as the Republican Party leadership is concerned, is a blank. The individuals of the party joined with President Roosevelt, and for the most part they give a patriotic cooperation. But those who were oiling and operating the Republican Party machine condemned and criticized. This was not true in the first 2 years, because they were then glad to have President Roosevelt in charge, but never has there been such a bitterness as during the last many months. I have examined the record of that time, and I have been in careful contact with campaign happenings of the past several weeks.

Let me ask you to ask yourselves what the Republican leadership offers the people of the United States now? Is there a sensible proposal concerning agriculture, or any kind of a proposal relating to the tariff, or a concrete suggestion concerning world peace, or a definite idea regarding relief, or a tax program, or a social-security policy? No, indeed! Just criticism. Only condemnation. Only the cry and charge that "Roosevelt has been wrong."

I have gone over the Republican advertising of the campaign, and let me give you a sample of it that was published in a newspaper in my home town a day or two ago:

"The New Deal wants just one thing from Connecticut—money to build roads for the Arkansas hillbillies and pay pig dole to sharecroppers of the 'solid South.'"

Is not that an enlightening advertisement? Is not that a splendid example of the Republican Party's knowledge of national affairs—holding up to ridicule less fortunate people who live back in the Arkansas hills, and subjecting to scorn people who work in the hot sun of the South for just a small share of the crop? What is wrong with the hillbilly of Arkansas and the southern sharecropper? Shall we malign him because he has been denied some of the opportunities given to men who write Republican campaign advertising? Suppose that things were different. Oh, perhaps it is a waste of time to look at it in that light. We have had this same sort of thing in other years. I remember the campaign advertising of 1928 and 1932.

The same kind of ridicule may continue always, but if righteousness prevails we may improve the plight of the hillbilly and the sharecropper. The men who write these advertisements and the men who attempt to mislead factory employees seem unmindful of one thing that has not escaped the attention of President Roosevelt.

We are going down this way just once, and when we come to the end of the road each man will be even with every other man. The hillbilly will have a place in the sun and the sharecropper will sit on the chariot. Franklin Roosevelt need not then be at all ashamed or afraid for he will have the acclaim and the gratitude. He will have complete respect and those kept from distress will sing his praise.

A few days ago I came across a letter, written to a friend, by a great statesman of this period. It was written by the late Senator James Couzens, of Michigan—a man of great wealth, but of greater heart, and of sympathetic understanding. He fell exhausted near the end of the fight, but he gave all that any man can give, his life in the service of God and his country. He gave his millions to poor little children, and his abilities, and energies to the United States. This is what he said:

"I want to do what I can, to see that life is not made a burden for the many, and a holiday for the few. To love justice, to hate iniquity and hypocrisy, to destroy wickedness in high places, to remember the fatherless, and the widows, in their tribulation, to labor as good stewards in the service of humanity—this I take to be our work."

Senator Couzens was one of the few men given a chance to know about everything on each side of life.

His beginning was one of hardship. He once said that his people were so poor, that they could not have a hanging kerosene lamp in the parlor, as the neighbors had. He worked hard. He accumulated millions. He entered public life, and he fought the good fight. Eventually he went to the Senate of the United States—and I dare say that the history of our country reveals no greater independence of thought, or cleanness of spirit, or will of action. Senator Couzens was a Republican, but first and foremost he was an American—and more than that, he was an American of fast color and the finest cut.

"To love justice, to hate inquity and hypocrisy, to destroy wickedness in high places, to remember the fatherless, and the widows, in their tribulation, to labor as good stewards in the service of humanity—this I take to be our work." It seems to me that everything is summed up in those few words, and it seems to me that the record and the accomplishment of President Roosevelt's administration fits into those words. The accomplishment does not measure up to the beauty of his ideal, or to the height reached in Senator Couzens' credo, but that was the aim of President Roosevelt, and I think that he has gone far toward the goal, and that he will go farther.

Some sincere people cannot see things as President Roosevelt sees them. I read in the paper yesterday that a group of people in Hartford were going to hold an all-night prayer meeting on Monday night and that they would pray for the defeat of President Roosevelt. I shall not condemn them, because the people may be sincere; but I should wonder a little less about it if they were praying for someone's election instead of a man's defeat. I cannot find in the life of Franklin Roosevelt his desire to defeat anyone, or to defeat anything, except evil and distress. He seemed anxious always to want to win something, and to want to lift up, but never to tear down.

For the past few weeks we have witnessed one dishonest attempt after another on the part of those men who are in charge of the Republican Party to fool the American people. There has not been in any of the Republican campaign advertising, either in the newspapers or in the material sent through the mail or left on the doorstep a single economic proposal. Several weeks ago we saw a newspaper advertisement declaring that there were 58 taxes on a loaf of bread. We disproved that and showed that it

was not only false but willfully false. In spite of our proof, there was left on my own doorstep yesterday the same old hard loaf of bread wrapped in 58 dream taxes. It would have made splendid reading if they had attempted to tell us what the 58 taxes were, but since there are no taxes on bread, they could not, and, of course, would not attempt it. I received another circular wrapped in the same false covering and in the circular was a picture of a piece of beef. On the beef, the Republican advertising expert said, there were about 100 taxes to the pound. What a tribute to the intelligence of the American people.

And there was still another circular, with a picture of a baby, and underneath the picture were these words: "Wonder if I will goose-step."

If anyone can see a relationship between that and the Democratic candidate I should like to hear him explain it. I do not know of anyone associated with President Roosevelt who would be interested in promoting war or in a desire to see the United States get into a war. Neither do I see anyone like that supporting Mr. Landon; but I am disturbed that people preparing campaign literature should be so contemptibly vicious as to insinuate that Franklin Roosevelt might one day send that baby to mortal conflict. But if there is a powder keg in this campaign, it is nearer to Governor Landon than it is to President Roosevelt.

One of the circulars was about the Republican record on labor legislation, and it referred to the accomplishments of McKinley and Theodore Roosevelt. The Republican Party of this day is no more related to the Republican Party of Theodore Roosevelt than the elephant is related to the fly. The kind of Republican leadership now in command is the same kind of leadership that drove Theodore Roosevelt out of the Republican Party in 1912. They would not have him because he was built like our Roosevelt, and he wanted to rid the public domain of the barons of plunder and provide a better way of life and prevent fraud. He had a big stick.

They had a hatred for that Roosevelt, and they scourged him out of Chicago. They feared his ways, and they were so powerful that they defeated him in the convention; but in the election that followed they suffered the rebuke of the citizens of the country, just as they will again feel that rebuke in another few days. Now, they look with pride to the Republican record and point to its accomplishments under Theodore Roosevelt.

Perhaps the most dastardly of all of the pamphlets dropped at my home was one referring to the Social Security Board. It purported to be a notice from that Board telling of a wage cut under the social-security law. It was actually signed Social Security Board, Washington, D. C. Only because I devoted all of Friday night's talk to that particular measure will I refrain from discussing it now, but I shall be very much surprised if someone is not called to court for the publication of that pamphlet and for the fraudulent, deceitful, dishonest, and contemptible effort to make the voters believe that the Social Security Board sent it out.

I suppose you can expect almost anything tomorrow, but it is now too late. It was too late in 1932. The Republican Party will not come back into power again in this country until it drives from the throne of authority and party dictatorship the men who applied the lash to Theodore Roosevelt and forced him outside. The terrible neglect of these men for the last several years has also driven out of the Republican Party countless thousands of men and women who were Republicans because their forebears were Republicans or because they believed in the ideals of Lincoln and McKinley and Theodore Roosevelt. These people are now voting for President Roosevelt because they know that party ideals are scattered and that the crying need is for men of ideals.

If the truth was ever quartered, it has been cut up in these last few weeks. The very elementary rules of all decency and honesty have been thrown into the wastebaskets. Faked motion pictures, false campaign pamphlets, inflamed speeches, distorted newspaper advertisements, and insidious whispering—these are just a few samples of hatred and greed gone amuck. It is the death rattle that is most ghastly, and we are hearing the death rattle of an autocratic leadership breathing its last.

In spite of all of the millions of dollars that have come out of the pockets of particularly wealthy men to malign the President of the United States in every conceivable way, Franklin Roosevelt will take the oath of office again, in January. The campaign had its bitter side, but some good will come out of it, because the people themselves now know and understand how much it is worth to powerful interests to get hold of the National Government. They now know, through the lies, much more about the Social Security Act, and they now know that there are no taxes on bread. They know, of course, that we went into debt, but they now know more about why. They know that the founding fathers went into debt to win the Revolutionary War, and they know that if the earlier Americans had refused to go into debt that we might still be one of the Colonies.

They know that Jefferson went into debt to make the Louisiana Purchase, and was called a traitor for doing it. If he had not gone into debt to make that purchase, all of what is now the United States might be the property of a European government, and peace would be further away.

They know that Lincoln went into debt to win the Civil War, and that if he had not done it we might be divided States. They know that Wilson increased the Nation's debt by billions of dollars to win the World War, and that in winning the war he saved the investments of those who now hate his memory, and they know that things might have been different it he had not then incurred the debt.

We have admitted the great expense, and we were prepared to meet that issue, but it was not sufficient to those opposed to us. They knew that the debt was small in comparison to what it bought. They knew that every big business in America has gone into debt as it developed, and that the railroads were built up by going into debt, and that the telephone and telegraph and radio systems went into debt as they were established.

People know that debt is a necessary part of capitalism, and they also know that if we did not go into debt the banks would still be closed and the factories dark and weeds would be growing in the city streets.

Be certain that the excitement, which will die down after Tuesday, was never created by any fear that the little man was being penalized, or overtaxed, or overlooked. Be certain that there were other reasons than that. One of the reasons was the desperate dry thirst to regain control of the Federal Government, in order that it might again be used as a personal holding company.

Be certain that more of the excitement was caused because the Federal Government decided that abuses in certain fields would be stopped and that certain advantages that some businessmen had over others would come to an end and that the unfortunate people would be cared for, and that people who were more fortunate would take their turn in standing watch and would pay their share of the cost.

Be certain that it will be all right. Some people remember history, and they know that civilizations have crumbled, ever since the other side of the dark ages, because autocratic ideas prevailed until they finally exploded. Be sure that we will go on toward the light, and, if God spares his health, Franklin Roosevelt will direct the affairs of our country for the next 4 years.

Be certain that this administration, however, is concerned with the success of big business, and that it will protect big business, in spite of an opposition by a small part of big business. Special privilege will be repealed, and while men will be permitted to amass wealth, they will not continue to do it entirely at the expense of their fellows. Be very sure that the reactionary will wear out.

As I saw President Roosevelt on his trip through the State of Connecticut a few days ago, and had a chance to talk with him again, my courage was strengthened, because of his attitude and his feeling of confidence, and his continued great love for the work in which he is engaged. His patriotism and love of country seemed to have been intensified by the struggle in which he has been involved, and his fearlessness gave me more courage, and hundreds of thousands of other people in Connecticut more courage, to press on to the victory that is certain. It will be a victory for big business, and little business, and for Democrats, and for Republicans, and for people in the high places, and for those who came from social nowhere.

Since the very beginning of this campaign I have been going over the hills and down the country roads, day after day and night after night. Thousands of others who are members of my party, and still thousands more, who do not call themselves members of my party, have been doing the same thing, in an intense effort to help keep aglow the light of liberalism and to help keep aloft the flag of freedom and the colors of courage. It was tiring at times, but I kept before me the sacrifice that the President has made and the calm courage he has demonstrated as he has been fired upon from every quarter.

Two hard days remain. When I leave the radio station in a few minutes I shall start, with others, on a nearly last round of speaking engagements, in one of the large cities of Connecticut. This is necessary because our opponents are still on the march. They are tired, too, but I doubt that all of them are as light of heart as we are, because I think that theirs has been a synthetic enthusiasm and a forced determination. None can condemn them for their effort to win, because the party system, and I adhere to it, calls for hard campaigning and hard fighting. But sometimes some of them have used dum-dum bullets, and I think poisonous gases, and those things are a violation of the rules of any warfare. It is not true that everything goes in a political campaign, and for myself I want the comfort that should come in the afterglow.

Last night was the first quiet night for me. I spoke but once. For the rest of the evening I was at home, dividing my time between the small moving forces of a Halloween holiday and listening to radio speeches of well-known Americans. In the faces of the holiday hundreds that passed by or stopped at my house I saw an enthusiasm that was missing on Halloween 4 years ago. That was a time when fun making was temporarily halted and the little children were in recess from the spirit of laughter. The children were different last night.

I heard three radio speeches. Two of them were caustic, although plausible, and to me they seemed very unfair. The last was a speech from the President of the United States. There was a quiver in his voice, as he was spending more of his great energy in an appeal, not for himself but for his country. He said he welcomed the hatred of some of the enemies that he had made, and my affection was thereby intensified. I love him for some of the enemies that he has made. Most of you must have heard him. Most of you must have been touched by a speech that was dramatic—soberly dramatic. He knows how hard they are trying to cut him down, but I think that he knows that he will not be cut down but that his hands will be kept free and that he will go on after January in the fight that he declared had just begun.

Just as sure as this is the Sabbath and just as sure as the sun will come up again, the founding fathers are gathered somewhere

tonight, looking down on America and going over the experiences of all of the years and nodding to each other, and sometimes shaking their heads—nodding approval of the efforts of a man who remembered their day and their way, and shaking their heads—patiently, of course—at those who would forever set aside the ideals for which they fought. They know better than we know, for they have gone through the portals, and they can review it with greater calm and with all of the years of experience. I think they are smiling, as they see a reincarnation of the old ideals, and that they are happy that another great American is keeping the faith.

Legislation for Minimum Wages and Maximum Hours on a National Basis Is Necessary to Improve the Standard of Living, Raise Mass Purchasing Power, Increase Production, and Protect Decent Labor Standards

EXTENSION OF REMARKS

OF

HON. HENRY ELLENBOGEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

Mr. ELLENBOGEN. Mr. Speaker, on May 24, 1937, President Roosevelt sent to Congress his message urging the elimination of child labor and the establishment of minimum wages and maximum hours in industries serving or affecting interstate commerce. The President's message was followed by the introduction in Congress of the Black-Connery bill, designed to execute the ends sought in the message. The passage of this bill in a proper form will mean new and greater social and economic well-being for millions of American men, women, and children.

THE ELLENBOGEN TEXTILE BILL PIONEERED

I take great pride in the fact that for the past 2 years, through the Ellenbogen textile bill, which was intended to serve as a model, I have pioneered in advocating the establishment of maximum hours and minimum wages on a national basis—the same objectives now sought by the President. The facts disclosed at the hearings and the lessons learned in connection with the Ellenbogen textile bill, will admittedly be of great value in working out minimum-wage and maximum-hour legislation applicable to industry generally.

AIMS OF THE PRESIDENT'S MESSAGE

The Black-Connery bill seeks to translate into concrete form the three objectives advocated by the President in his message to Congress of last Monday.

First. To eliminate child labor.

Second. To establish maximum hours, with flexible provisions for overtime.

Third. To establish minimum wages.

All three of these standards are to be applicable to industries whose goods are shipped in interstate commerce.

ELIMINATE THE LABOR OF CHILDREN UNDER 16 YEARS

As to child labor. What excuse can there be, in the year 1937, for permitting children of tender years, boys and girls, to work in the mills, the factories, and the workshops of this great Nation? How can any person justify the fact that today we still permits girls under 16 years of age to bend over the speeding looms of textile mills, or to slave away their precious young years sewing garments in clothing sweatshops?

Every child has a God-given right to develop its physical and mental capacity to the fullest extent. Every child should be given proper schooling. Every child has a right to play and to associate with other children after schooltime. Surely it is no longer necessary to argue such statements. The right of a child to life is not enough. It must have the right to a happy life.

We must now decide whether our children are to be given the opportunity of so living today that they will be able to contribute to our growth of tomorrow—whether their lives will be a credit to what we have done for them, or lives of no credit to us and no value to them—that decision must be made now.

The first rule in a civilized society—and certainly the first rule in a democratic society—should be that every child be given a decent opportunity to develop its body and to train its mind to the fullest extent.

MAXIMUM HOURS AND MINIMUM WAGES

And now as to maximum hours and minimum wages. The Black-Connery bill prohibits the payment of substandard wages or the working of oppressive hours. It will establish a maximum workweek for every industry which manufactures goods that move in interstate commerce, and minimum wages for everyone working in such industries. Flexible provisions for overtime, for learners, for handicapped workers, and for other exceptions will be made.

The setting up of maximum hours and minimum wages will be a blessing for everyone who toils in low-paid interstate industries; but—and I cannot emphasize this too strongly—it is a great mistake to believe that these are simply labor provisions, inserted purely for the benefit of labor.

MAXIMUM HOURS AND MINIMUM WAGES ARE GENERAL ECONOMIC AND NOT LABOR PROVISIONS

What must be borne in mind is the essential fact that provisions establishing maximum hours and minimum wages for industries producing for interstate commerce are general economic provisions for the benefit of industry, labor, and society as a whole. These provisions will bring about the following fundamental improvements in our economic system:

First. They will transfer large numbers of unemployed from relief and work-relief rolls to private industries and commerce.

Second. They will stabilize and aid industry by eliminating the unfair competition of chiseling competitors who exploit labor so that they may undersell their competitors at the expense of society as a whole.

Third. They will end the evils caused by migration of industry from one State to another in search of underpaid labor markets.

Fourth. They will raise the mass purchasing power of the American people to higher levels.

Fifth. In so doing, they will create an insistent demand and an eager market for increased industrial production, which will result in greater prosperity for the whole Nation.

Sixth. The enlarged home market will bring greater prosperity to every industrialist, businessman, and merchant operating within the home market.

Seventh. They will greatly enlarge the home market for agriculture, thereby improving the economic conditions of our farmers.

These are some of the economic consequences that will follow the passage of an intelligently drawn bill for minimum wages and maximum hours in industries serving interstate commerce.

SOCIAL IMPLICATIONS OF THE PROPOSED LEGISLATION

As I have shown, maximum hours and minimum wages are not labor provisions. They are general economic provisions designed to improve greatly the economic and social condition of the entire American people.

To these economic considerations must be added social and humane considerations. Maximum-hour and minimum-wage legislation by Congress will carry forward and upward the standard of living of every man, woman, and child in the United States. It will give to some 40,000,000 Americans who are now ill-fed, ill-clothed, and ill-housed their first opportunity to partake of the blessings and wealth of American life. We cannot be satisfied with a civilization which denies to one-third of our population sufficient food, proper clothing, or adequate shelter. We cannot deny to every third man, woman, and child in America the basic necessities of life.

Millions of Americans, all over the land, are working long hours at inadequate wages. Millions of Americans are unable to earn, by a full day's work, the minimum necessities of food, clothing, and shelter for themselves, their wives, and their children.

BENEFITS NOT LIMITED TO UNDERPRIVILEGED

The passage of the maximum-hours and minimum-wage bill now pending in Congress, if it did no more than improve the lot and enrich the life of millions of underpaid and underprivileged Americans, would be the greatest step forward which we could take. But the effects of this bill will not be limited to those classes or our population. Increasing purchasing power of millions of people will provide a greatly increased market for the products of American industry, commerce, and agriculture.

It will provide employment for hundreds of thousands of jobless men and women who have hitherto been doomed to search in vain for an opportunity to return to a proper place in our economic system. To give employment which is theirs by right to these hundreds of thousands of unemployed—to confer upon them again the blessing of productive activity and the knowledge that they are performing useful work—that alone would be abundant justification for the President's message and for the passage of the bill.

But the bill is not limited to even these additional benefits. The tremendous increase of mass purchasing power, created by the establishment on a national basis of maximum hours and minimum wages, will offer to our industry, commerce, and agriculture a greater and enlarged market. It will bring about increased industrial production, increased trade, and increased wealth.

It will provide an opportunity for widespread increases in wages and salaries. A larger volume of production, and its sale, will provide greater profits for everyone engaged in business or industry. The increased market will mean a better income for those engaged in agriculture.

It is clear to every thinking person that an act of Congress which limits child labor will improve the physical and mental make-up of this Nation. It is clear to every thinking person that any act of Congress that can benefit millions of underpaid workers and increase their standard of living will benefit the entire economic system.

THE ACT MUST BE CAREFULLY DRAFTED AND SOUNDLY ADMINISTERED

I want to add here a word of caution. This act which deals with such fundamental and basic economic policies must be carefully scrutinized. It must be drafted with great care and must be improved wherever improvement is necessary.

Congress is conscious of the need for caution. Exhaustive hearings have been held on the Ellenbogen textile bill which bear upon this vital subject now under consideration. They will be of value in considering this similar bill. Exhaustive hearings have been held upon the new bill. Leaders in government, in industry, in labor and commerce have been heard, and their suggestions will be carefully studied.

Through careful and painstaking consideration, we may hope to enact into law a well-drawn statute, properly devised to accomplish the purposes so admirably set forth in the message of the President of the United States.

SOUND ADMINISTRATION REQUIRED

But in the final analysis, the ultimate success of this act of Congress will depend upon its administration. The bill provides for administration by a board of five men, to be known as the labor standards board. This board will have a great and difficult task to perform. Upon the men appointed to this board, upon their experience, their vision, and their skill will depend the success or failure of this act of Congress.

Human limitations are always inherent in all human undertakings. The President stated in his message that we must extend the frontiers of social progress. The proposed bill is to do this—and more. It is to give new and increased opportunity to hundreds of thousands of men and women in the United States. It is to provide an improved economic system, containing more of the good things of life for every man, woman, and child who lives in the United States.

This bill is to aid the wage earner, the salaried employee, the storekeeper, the industrialist, and the farmer. Let us hope that it will succeed and let those who will profit from it—which means everyone of us—contribute our part to make it succeed.

Lawyers Should Assume Ancient Responsibilities—State Should Not Unload Burdens on Federal Government

---

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

ADDRESS OF HON. KARL A. CROWLEY, SOLICITOR OF THE POST OFFICE DEPARTMENT, AT SAN ANTONIO, TEXAS, ON JULY 3, 1937

Mr. MAVERICK. Mr. Speaker, by unanimous consent I include an address by Hon. Karl A. Crowley, Solicitor of the Post Office Department, delivered at San Antonio, Tex., July 3, 1937, before the Texas State Bar Association. It is interesting in that the speaker shows the history of the influence of the legal profession and expresses the hope that its ancient influence shall be regained. He also speaks of the fact that many of the burdens of State government are unloaded on the Federal Government in Washington.

His address is as follows:

LEADERSHIP OF THE BAR—WHAT IT MEANS

Mr. President, distinguished judges, distinguished visitors, and brethren of the bar: Thousands of pages have been written concerning the part played by lawyers in the development of civil government from remotest antiquity. To discuss the part that the lawyer has had in the development of progressive political theories would be to restate the history of every civilized nation on earth. The lawyer has ever been the champion of human rights as well as a defender of the right of property.

The lawyers, as a class, have been more concerned, in any enduring government, in the development of human rights, than they have in the protection of any other rights.

The lawyers have stood between the people and tyrannical kings.

They have led every progressive movement which has brought an enlightened civilization in any part of the world.

LAWYERS DRAFTED DOCUMENTS PRESERVING LIBERTY

The reasons for the great influence of the lawyer is very simple. Law is simply a set of rules and regulations laid down by the people for their own protection and a system whereby justice could be obtained for all people. Lawyers therefore have been taught to reason right from wrong and have ever, as a class, been quick to champion the cause of the underprivileged and the oppressed. Lawyers as a class have been thinkers and philosophers and have always been ready and willing to lend and to render assistance in the preservation of an orderly system of government.

In the United States it has been the lawyers who have guided the destiny of that new democracy founded in 1776.

Lawyers drafted the Virginia Bill of Rights, the Declaration of Independence, and the greatest of all human documents, the Constitution of the United States. These documents were more than mere pronouncements, passing words or idle thoughts. They were declarations of principles for which our forefathers have fought and died on the field of battle and for which we, their sons, would again fight if need be.

The founders of our Nation were lawyers. Those who planned our democratic form of government were lawyers who built the greatest nation on earth around a central theme of equal justice to all and special privilege to none.

As lawyers laid out the plans for the formation of this new democracy in America, as they drafted this Constitution and enacted its first laws they have been, and necessarily must be, the defenders of our form of government, if this Republic shall survive. Our theory of government was new to all people on earth

at the time it was undertaken. It was prophesied that a democracy such as ours could not endure, and, writing upon that subject, the great French scholar, Alexis de Tocqueville, said 102 years ago:

"The profession of the law is the only aristocratic element which can be amalgamated without violence with the natural elements of democracy, and which can be advantageously and permanently combined with them. I am not unacquainted with the defects which are inherent in the character of that body of men; but without this admixture of lawyer-like sobriety with the democratic principle, I question whether democratic institutions could long be maintained, and I cannot believe that a republic could subsist at the present time if the influence of lawyers in public business did not increase in proportion to the power of the people.

"The more we reflect upon all that occurs in the United States the more shall we be persuaded that the lawyers as a body form the most powerful, if not the only, counterpoise to the democratic element. In that country we perceive how eminently the legal profession is qualified by its powers, and even by its defects, to neutralize the vices which are inherent in popular government. When the American people is intoxicated by passion, or carried away by the impetuosity of its ideas, it is checked and stopped by the almost invisible influence of its legal counselors, who secretly oppose their aristocratic propensities to its democratic instincts, their surreptitious attachment to what is antique to its love of novelty, their narrow views to its immense designs, and their habitual procrastinations to its ardent impatience."

LAWYERS OF PAST OCCUPIED HIGHER PLACE THAN TODAY

In the days when this historian wrote this story of democracy in America the members of our profession occupied a higher place in the hearts of the people, I believe, than we do today. Those were the days when the counsel and advice of the lawyer in a community were always solicited on matters involving the welfare of the community. In those days he was the leading citizen of the community and the people brought their problems to him, oftentimes asking him to serve as an arbiter of petty disputes which otherwise might have reached the courthouse. He was looked up to. He was respected. He was known throughout the surrounding country as a man of unimpeachable honor and integrity and whose motives were beyond question. Seldom was the lawyer in those times actuated by greed and avarice and the all-consuming passion to make money as some of us are today.

These were the days also before the formation of gigantic corporations which are now sometimes more powerful than a single State, and which in too many instance, for the good of the country, have acquired the services of some of the finest lawyers we have in America.

In the days when distances were greater and before the advent of the radio and dissemination of propaganda by newspapers, the lawyer was quite a personage in his town. He was the sage, the oracle, the prophet, and the ever-ready champion who expounded the doctrine of the American principles of government and defended the liberties of our people. It was he who molded public opinion because he was respected and his profession was revered and looked up to by our citizenship. It was he who was respected above all others because of his zeal, patriotism, and loyalty to principle. It was he who was the most influential man in his community because of his honesty and unselfish service to his fellow man.

But how far we have fallen from the high estate which the members of our profession have held in the hearts of our countrymen since those days of which I have spoken. How often now do we think more of the mighty dollar and securing employment and our fees from some great corporation than we do in leading our friends and neighbors along the righteous paths of patriotism.

LAWYERS LOSE ZEAL FOR DEMOCRACY

My friends, if our profession has been besmirched whatsoever, if no longer people look upon us as leaders and hold us entitled to that same high degree of patriotism and respect, what is the reason therefor? We have but to ask the question to have it answered. We ourselves have failed to keep alive in our own hearts that same zeal in the protection of the weak and in expounding the doctrine of democracy and rendering faithful service to humanity that brought such honor and glory to our profession.

The history of the American bar, its fine service, its loyalty to principle, is the history of our great country. Now in these perilous times of industrial unrest, of economic disorders, of wars beyond the seas which may entangle us at any moment there is need for leadership among the lawyers of America such as we have never seen before in the history of our glorious country.

Now, there is a need for a reawakening of patriotism, sound constructive thinking and courageous action to preserve American ideals. Now do we need the leadership of the bar more than at any time, because in these days of unrest there are those who would destroy democracy in America. There are those who would crush our republican form of government and establish in its stead the false doctrines and vicious theories imported from the decadent nations of Europe.

LAWYERS SHOULD ASSUME ABANDONED RESPONSIBILITY

There is no room in America for communism; there is no room in America for fascism; there is no room in America for dictators, but to protect our country from these things we must have a reawakening and we lawyers must assume the responsibilities which have always been ours, but which, sad to admit, we have abandoned.

The bar of America must put country above pocketbook.

The bar of America must put state before a predatory client.

The bar must crusade even as in the days of old for the preservation of our democratic principles.

The bar must be progressive and not reactionary.

LAWYERS LOOK WITH SUSPICION ON EVERY NEW UNDERTAKING

The lawyers of this country must keep step with the needs of the people and not find fault with every new and untried thing simply because it is new and untried. We as a class have been faultfinders.

Too many of our profession have looked with suspicion upon every new thing undertaken by the people for their betterment with distrust and fear. To save ourselves from the condemnation of the people whom we represent as counselors and advisers, we must lend a sympathetic ear to their just and reasonable demands for reforms in keeping with the modern trend of the times. Else we do these things we may expect to lose face with the citizens of this country. We may expect them to distrust us and refuse to heed our counsel and advice, and we deserve to be distrusted unless we can show ourselves worthy of the trust.

JACKSON AND ROOSEVELT COMPARED

My friends, we have the grandest opportunity now to serve America that the bar has had in 100 years. Almost every great President of this country has been a lawyer; he has had and deserved the confidence, respect, and appreciation of our people. One hundred years ago we had a great lawyer who saw the needs of the common people of that day. He espoused the cause of the common man and went down in the history of this country as a great, great President. Andrew Jackson was more than a Democrat in the party sense of the word. He was the first President to unsheath his clean and shining blade in the defense of the right and to wield it relentlessly and unceasingly for the common citizen of that day.

Jackson was followed by another, a man who for 30 years has not only studied the traditions of the Democratic Party and lived up to them, but he has been active in affairs of government from his early youth. Throughout his career there has been marked out for him and by him a straight, narrow path of duty which destined him to become in these present times the savior of democracy in America: Franklin D. Roosevelt. [Applause.] This narrow, straight path of honest, courageous, conscientious, and loving duty has led him on that course which he pursues to this day, that of being the protector and the defender of the average citizen of this great country of ours. A predatory, iniquitous, vicious, yes, a criminal group has attacked him. [Applause.] His partisan enemies have condemned him. Members of his party have sometimes honestly differed with his methods and criticized them, but throughout these perilous times during which he has labored unceasingly not one enemy has dared to say that he was dishonest or that he did not have a genuine love of mankind in his heart.

This leadership and this course of love, loyalty, and fidelity toward his fellow man has established Franklin D. Roosevelt not only the greatest President of our country but as the savior of our Republic. We as lawyers may sometimes disagree with some of the proposals that may be made by this great leader of ours, but his objective, after all, is the objective that should be sought by any courageous servant of the people, and that is, truly serving them, so that they shall have an opportunity to enjoy what our forefathers intended they should—the right of life, liberty, and the pursuit of happiness in this glorious land we call the United States. The people respect him, the people love him, and he is my chosen leader, and I will follow him and support him in any undertaking that he may direct. [Applause.]

STATES SHOULD OFFER EFFICIENT ADMINISTRATION

I have a definite, specific plea to make to the members of the bar of my State. I am speaking to a group of lawyers whom I know to believe in our theories of government. The true theories of the republican form of government contemplate the performance of certain functions delegated by the Constitution to the Federal Government, and that the affairs of government pertaining and relating solely to questions of local concern shall be reserved to the States and the people and be administered by the States. This theory should require the States of this Union to provide capable government for the people residing within their borders without calling upon the Federal Government for assistance in purely internal and local affairs.

Jefferson once said that he abhorred the thought of the central Federal Government exercising all the powers of government and abolishing the States, as was suggested at the Constitutional Convention, and predicted that if such a thing should ever happen that the Federal Government would become the most corrupt on earth.

When Jefferson uttered these words he was, of course, convinced that the States would maintain capable and efficient State government. He could not visualize what is occurring these days; he could not see every weak-kneed elected local official running to Washington shifting his duties and the burden of his office on the Federal Government; he could not see the hordes now descending upon Washington from every quarter of the Nation building up fictitious cases of suffering and distress that did not exist in order to extort money out of the Federal Treasury for their own political

purposes; he did not see States paying for their own operations, yes, in some instances building up huge surpluses by obtaining Federal grants, donations, gifts, and subsidies; he did not see that the States would sit by and allow economic disorders to occur so that the farmers, the backbone of our Nation, would be crushed to the earth, humbled, and almost destroyed, by economic disaster brought about by predatory groups operating against them uncontrolled; he did not see the importation of tens of thousands of low-born immigrants by captains of industry who expected to enslave them, nor the final uprising of this imported labor and confiscation by them of the property of their employers, which has so often resulted in the paralysis of industry, Nation-wide in its character; he never would have believed that we lawyers as a class would have abandoned the patriotism permeating our profession in his day, nor would he have thought that there would be as many of us as there are who are willing to worship at the throne of mammon to serve a god of gold, forgetting our duty to State and country.

Above all, he never would have believed that the people themselves had become so indifferent and so little appreciative of their freedom and liberty as to carelessly and recklessly allow poltroons and demagogues to become high, trusted public servants.

BURDENS SHOULD NOT BE UNLOADED ON WASHINGTON

This country needs and must have respectable and responsible public servants. If the people cannot get responsible government in their respective localities, counties, towns, and States, then inevitably they must turn to the last remaining hope that they have—the Federal Government.

If they continue to unload all the burdens of government on the National Government, as they have in the past 10 years, then sooner or later we may see the prophecy of Jefferson come true.

We who believe in States' rights, as we do here, must assume responsibility of our share of the burdens of State government.

We who would protect and defend the United States and its institutions should first begin to defend and protect the institutions of the State of Texas.

The time has come when we must have reforms within the States. We can and we must demonstrate that we are capable of maintaining efficient State and local governments but, my friends, this cannot be done until we get rid of the political gangsters that infest our local bodies politic.

We cannot elect actors, showmen, clowns, back-slappers, hypocrites, and demagogues and expect them to understand any of the problems of government, much less have the desire to render faithful, efficient, and patriotic service to our people. A tax-ridden people is becoming awakened to the fact that most of our political ailments are caused by our permitting scoundrels and shallow politicians to handshake and joke their way into public office. When they awaken and the watchword becomes, "Keep the rascals out", then will dawn a new day in statescraft in this Nation.

If I could utter a prayer that would be heard, then it would be that the bar of my State, the grandest spot on the face of the earth, would go forth to do battle as knights of old and as did our predecessors in this responsibility, to the end that selfish demagogues, dishonest officials, and political racketeers be driven from every public office within the borders of our State. [Applause.]

We Must Construct Flood Walls Around the City of Pittsburgh to Supplement the Protection to be Afforded by the Construction of the Dams and Reservoirs Now Contemplated

EXTENSION OF REMARKS

OF

HON. HENRY ELLENBOGEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

Mr. ELLENBOGEN. Mr. Speaker, I believe in the necessity of constructing dams and reservoirs in the headwaters of the Allegheny and Monongahela Rivers in order to protect the city of Pittsburgh and the Pittsburgh area against floods. However, it is clear to everyone who examines the plans of the Army engineers, that these projects cannot completely protect the Pittsburgh district from a major flood disaster. The program must be supplemented by the construction of flood walls around the city of Pittsburgh.

I have long favored flood walls, and I want to read a letter which I addressed to Lt. Col. W. E. R. Covell, United States Army engineers' office, Pittsburgh, Pa., urging the construction of flood walls for more complete protection for the city of Pittsburgh.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 29, 1937.

Lt. Col. W. E. R. COVELL,
United States Army Engineers' Office,
New Post Office Building, Pittsburgh, Pa.

DEAR LIEUTENANT COLONEL COVELL: I am deeply interested in the flood-protection program being developed for the city of Pittsburgh. However, I feel that the dam and reservoir projects thus far advanced will be totally inadequate, since they would reduce the crest of the flood only about 8 feet, and it is absolutely necessary that a flood wall be erected so as to prevent floods such as the disastrous one of 1936, which caused an inundation of over 26 feet above flood level.

Such a flood wall would not only protect downtown Pittsburgh from the overflow of the banks of the rivers but, if extended to a sufficient depth underground, would prevent the constant flooding of cellars, causing great loss to business buildings during any appreciable increase in the volume of water in the river bed.

The flood wall could also fill the long-recognized need for a river-harbor boulevard around the triangle, with a possible development of additional parking facilities in conjunction therewith.

It is believed that when the loss caused the Federal Government in income taxes by reason of the deduction of flood losses by large property owners in the triangle is ascertained, the total loss of income may be sufficient to defray much of the cost of a flood wall.

From the viewpoint of safety and the protection of life and property, I believe that a flood wall is necessary, and I hope that after completing your study of this problem you will recommend the erection of such a flood wall.

Very sincerely yours,

HENRY ELLENBOGEN.

Civil-Service Apportionment

EXTENSION OF REMARKS

OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

MICHIGAN HOUSE RESOLUTION NO. 92

Mr. WOLCOTT. Mr. Speaker, in my district there lives a woman by the name of Mrs. Mary P. Hopkins, who has given a great deal of attention to civic matters, principally those affecting the personnel of public employment. Recently she called the attention of the State legislature to inequalities existing in the distribution of civil-service employees. In agriculture, industry, population, and wealth, Michigan stands out prominently among the States of the Nation, but the United States Civil Service Commission reports that although Michigan is entitled to an apportionment of 1,321 appointments, only 525 have actually been made. Thus the study which Mrs. Hopkins has given on the question, and the charges she has made, contained in a resolution adopted by the Michigan House of Representatives on June 15 are of peculiar interest.

Under leave to extend my remarks, I include the following, known as Michigan House Resolution No. 92:

Mr. Tomlin offered the following resolution:

"House Resolution 92

"A resolution requesting an investigation of the functioning of the civil service in the District of Columbia, especially as it affects the Nation in time of war

"Whereas the War Department urgently and repeatedly called upon the States to furnish clerks for the departments in time of war, safety and provisions for armies being dependent on having the necessary clerical force; and

"Whereas getting patriotic service in time of war depends on doing justice in time of peace; and

"Whereas the report on the condition of the apportionment secured by Representative George Watson by House Concurrent Resolution No. 49 of the 1935 legislature shows that either the merit system as it operates in the District of Columbia is a fraud or that Michigan people are far inferior to the District people; and

"Whereas reports of the same kind from 1921 to 1932 inclusive, available for study by this House prove the same thing and that

separations during reduction of force are far greater in proportion from the States than from the District of Columbia; and

"Whereas the States Federal Employees Union filed charges (p. 3015 of the CONGRESSIONAL RECORD for Feb. 5, 1927), that "employees with college degrees are working under clerks with messenger status", "clerks are given no credit for efficiency for work performed", "barbaric injustice is practiced by those in power upon helpless employees who are deprived by the Civil Service Act of the right to be heard", "many employees are diven into nervous break-downs, into insanity, or to suicide", "such vices as moral turpitude, immorality, conspiracy, and bootlegging", "crimes that would stain the pages of Babylonian history", "inefficient chiefs and other employees", and "loss of millions of dollars through inefficiency"; and

"Whereas many of these charges were proved true through an investigation ordered by Senate Resolution No. 154 of the 1928 session of Congress (p. 3223, May 20), some of the disclosures of which are contained in remarks by Senator Heflin (pp. 9139-40, June 1930); and

"Whereas this investigation was never completed, owing to the delays caused by the District bureaucrats, according to Senator Heflin, and to the expiration of that Congress; and

"Whereas a Michigan woman well and favorably known by many members of this legislature, Mrs. Mary P. Hopkins, of Port Huron, a clerk in the A. G. O. during the war, declares that she can prove how efficiency ratings were faked, the farcical nature of efficiency measures, that rosters of companies were ordered destroyed by a supervisor who had been in the service in the Department for many years, that thousands of medical records were destroyed under orders as they were taken out of the mail sacks from France, that a clerk with messenger status in March with local connection was promoted so fast that she was head of the unit sending out 'brown prints' to factories in August, thus slowing up or stopping production because of inefficiency, that traitors deliberately worked on the questionnaires to protect deserters and draft evaders; and

"Whereas Senators and Congressmen have for half a century been denouncing the functioning of the civil service in the District of Columbia as 'the meanest, most contemptible, and petty politics in the United States', that 'Abject subserviency and toadyism is the sure passport to favor', Senator William Alden Smith, April 9, 1909; 'Fiction, pure fiction', Senator Gallinger, same date; 'Favoritism in its most flagrant form', page 4895, April 5, 1904; 'A fraud and a subterfuge, an un-American humbug', Representative Bowers of California, February 5, 1895; and other denunciations too numerous to mention and too positive to be ignored; and

"Whereas there has never been any concerted action on the part of the States, no action ever made to inform the public of these grave conditions; and

"Whereas during war is no time to correct what is wrong, and unless these wrongs are righted, no army of war clerks can be assembled while this demobilized, discredited army of war clerks are still alive and scattered throughout the land warning others not to believe civil-service promises: Now, therefore, be it

"*Resolved*, That the House of Representatives of the Michigan Legislature of 1937 follow the example of the Ohio State Senate—page 3051 of the CONGRESSIONAL RECORD for February 8, 1929—and go on record as protesting the unfair discrimination in the apportionments in the classified civil service; also against so many persons of the first degree of kinship being in the service at the same time; and be it further

"*Resolved*, That Congress be requested to complete the investigation begun under Senate Resolution 154 of 1928, examining the same witnesses or finding out what has happened to them, augmenting this evidence with the evidence of Mrs. Hopkins, formerly Mrs. Mary P. Sutherland, of Hoquiam, Wash., and of such other witnesses as may wish to be heard; and be it further

"*Resolved*, That a copy of this resolution and of the official report received as a result of House Concurrent Resolution 49 of the session of 1935 be sent to the President of the United States, to the Governor of each of the States and Territories, with the request that they give publicity to the injustices done, note the amendment passed February 17 of this year that accounts for the better appearance of current reports of this kind, and help get patriotic societies interested in the correction of these wrongs; also copies of each be sent to the Members of both the House and the Senate from this State in order that remedial action may be taken and a civil service be set up that will be based upon justice."

Adopted June 15, 1937.

The Boy Scouts

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, July 9, 1937

Mr. DONDERO. Mr. Speaker, the Boy Scouts have been in Washington for several days. They came 27,000 strong from 24 countries of the world and from every section of our country.

They set a splendid example to the people of this Nation by their courtesy and manly conduct. They are a clean type of American youth.

We in Washington had an opportunity to observe them, to dine with them, and to extend to the boys of our district and State such courtesies as lay within our power to grant. They took advantage of the opportunity to visit both Houses of Congress and the Capitol. They came to our offices; they were upon the streets and highways of the city in large groups and numbers. In all the time they were here they were the most orderly, well-conducted, quiet, and courteous group which has visited the Capital City during the nearly 5 years I have served in the Congress of the United States. They were an honor and a credit to the districts and the States from which they came. They deserve the respect, the admiration, and the support of every citizen.

The Boy Scout movement is a splendid work. The boys will be better citizens because of their Scout training, and as we have better citizens we will have a better country.

Missouri State Sunday at Valley Forge

EXTENSION OF REMARKS
OF
HON. ORVILLE ZIMMERMAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, July 12, 1937

ADDRESS BY HON. ORVILLE ZIMMERMAN, OF MISSOURI, AT VALLEY FORGE ON JULY 4, 1937

Mr. ZIMMERMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, which I delivered at Valley Forge on July 4, 1937:

Fellow Missourians, ladies and gentlemen: Because of the inability of our illustrious Governor, the Honorable Lloyd C. Stark, to be present today—the fourteenth annual Missouri State Sunday at Valley Forge, and to speak for our great State and her people, I am here at his request to perform that duty as best I may and to represent and speak for Missouri and Missourians on this auspicious occasion.

I deeply appreciate the honor that has been conferred upon me by this assignment, and, regardless of my inability to stand in the shoes of our State's first citizen, who is the son of a distinguished Missouri pioneer family, a product of our Naval Academy at Annapolis, a World War veteran, a successful businessman, a son of the American Revolution, and a great executive, I am happy to be here at this particular spot on this eventful day and designated occasion.

This is our Nation's birthday, and it is indeed a coincidence that Missouri State Sunday at Valley Forge fell upon this day. So, for more reasons than one, I am glad to be at Valley Forge today.

One hundred and fifty-one years ago today the Original Thirteen Colonies, speaking through the patriot, statesman, and sage of Monticello, Thomas Jefferson, took the most revolutionary step in the history of nations and struck a blow in the cause of human freedom and human rights that was literally heard around the world. The simple, direct sentences of this Magna Carta of human freedom "came with the shock of a profound revelation and a promise of a new life to a world still laboring under the burden of absolutism and autocracy."

It was, indeed, the beginning of constitutional government such as we enjoy today and such as is enjoyed by other people and nations of the world. It marked the advent of the most epochal day in the history of the human race since the birth of Christ and the dawn of the Christian era. In fact, my friends, it was nothing less than the blossoming of Christianity so long looked for by a needy suffering world. On this eventful day our fathers crossed the Rubicon, they burned their bridges behind them and turned their eyes to the dawn of a new day whose splendor was to bless their children in the years to come.

Listen to some of the words in this immortal document. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

"That whenever any form of government becomes destructive of these ends it is the right of the people to alter or abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to affect their safety and happiness."

These principles, or declarations, served as a guidepost to our fathers when they later formed our Constitution and gave to the new nation a government of laws and not of men, a vehicle to make safe and real to the people for all time to come the right to life in its most abundant form, liberty and freedom under law, the pursuit of happiness, and the security of safety in all our human relationships.

As we look about us today and view the confusion, strife, bitterness and even bloodshed in certain sections of our country, we wonder if certain groups of our people and organizations have forgotten, or have ceased to respect, the principles and purposes of government set forth in this solemn declaration which sustained our fathers in their struggle for independence and which has been our priceless heritage throughout the succeeding years. If so, then dark and foreboding days are indeed ahead of us, and it is high time that all thoughtful, patriotic Americans resolve before high Heaven that "life, liberty and the pursuit of happiness" shall continue to be the enjoyment of our people, their children and their children's children; that the words of this declaration shall again be read, abide with our people, organizations and groups of people, and shall again become the motivating influence in our conception of good government.

In Deuteronomy, verse 18, chapter 11, we read: "Therefore shall ye lay up these my words in your hearts and in your soul, and bind them for a sign upon your hand that they may be as frontlets between your eyes, and ye shall teach them your children, speaking of them when thou sittest in thine house, and when thou walkest by the way, when thou liest down, and when thou riseth up. And thou shalt write them upon the door posts of thine house, and upon thy gates."

This admonition, uttered many centuries ago, may well be heeded by us in these troublesome days, and as a people we should say on this day in the language of Kipling, "Judge of the Nations, spare us yet, lest we forget—lest we forget."

Again permit me to call your attention to the closing words of this document. "And for the support of this Declaration, with firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor."

With this pledge stamped upon the hearts of the patriots at Valley Forge, they endured the bitter hardships of the trying winter of 1777 and 1778 and made sacred the soil of this historic spot by their unselfish devotion, suffering, and death. Here Washington prayed for his soldiers and the success of his cause, and here Jehovah, the God of right, heard his prayers and saved his people.

I would rather be here today than in any spot in America, even in my home in old Missouri, and I shall never forget the thrill of this moment as I stand in this holy place filled, as I verily believe, with the spirits of patriots who died here during the cold, devastating, killing winter of 1777 and 1778. Because of the faith, heroism, courage, and bravery of men like these our Nation was born and launched upon its eventful mission of giving to its people "life, liberty, and the pursuit of happiness", and "safety and happiness", and the imperial State of Missouri, the home of my family for nearly a century and which I have the honor to represent here today, has played an impressive part in the consummation of their great mission.

The word Missouri is an Indian name and was associated with the life of Indian tribes which inhabitated this region long before the coming of the first settlers at old, historic St. Genevieve, on the Father of Waters, in 1735, 40 years before the Battle of Bunker Hill was fought in the American Revolution. The history of Missouri is closely interwoven with that part of our national domain commonly referred to as the Louisiana Purchase, first visited by LaSalle and made a French possession in 1691, and from which the following States were later carved and added to the Union, to wit, Louisiana, Arkansas, Missouri, Iowa, Oklahoma, Nebraska, Kansas, North Dakota, and South Dakota, and a greater part of the following States, to wit, Idaho, Montana, New Mexico, Colorado, and Wyoming. Louisiana remained a possession of the French Government until 1762, when it was ceded to Spain and under whose dominion it remained until the year 1800, when it was again ceded to and became a possession of France.

The control by France of the Mississippi River from New Orleans to its source, which was then the western boundary of the United States, and the vast expanse of rich, fertile territory lying immediately west thereof, created a menacing threat to the future growth and expansion of our Nation, jeopardized and circumscribed its trade and commercial activities and left its entire western front exposed to attack and invasion by any hostile foe.

President Jefferson early recognized the supreme importance of this Nation owning and controlling both this great river and the vast empire west of it and in 1803 concluded negotiations with the French Government whereby the United States became the owner of Louisiana for the now modest sum of $15,000,000. President Jefferson admitted that in effecting this purchase our Constitution was stretched until it literally cracked, but all now agree that the end justified the means and that the successful conclusion of his purchase by Jefferson insured for all time to come the supremacy of the United States on this continent.

In speaking of the effect of this purchase, at the conclusion of the negotiations, Bonaparte said: "This accession of territory strengthens forever the power of the United States, and I have just given to England a maritime rival that will sooner or later humble her pride." It is needless for me to say today that time and subsequent events have fully vindicated the truth and accuracy of that prophecy.

On August 10, 1821, Missouri was admitted into the Union as the 24th State, being the first State lying entirely west of the Mississippi River. Her admission into the Union followed the adoption of the Missouri Compromise on February 27, 1821, which checked and postponed for two score years the then bitter and widespread struggle over the extension of the institution of human slavery, which later culminated in the bloodiest civil conflict recorded in history, the Civil War.

Missouri was admitted into the Union as a slave State—slavery being prohibited in the balance of the Louisiana Purchase north of latitude 36 degrees and 30 minutes; and to her rich valleys, bluegrass prairies, sodden plateaus, alluvial plains, and wooded slopes soon came the sons and daughters of old Virginia, North Carolina, Tennessee, Kentucky, and other States, to make their homes in this new empire so richly endowed by soil, climate, rainfall, streams for transportation, and every natural resource necessary for human progress and happiness.

Here they built homes, cleared land, founded cities and towns, erected churches, established schools and colleges, and laid the foundation for a great State and a great people. The University of Missouri was the first university established west of the Mississippi River and has for many years ranked as one of the leading educational institutions of our Nation, being the first school in the world to establish a school of journalism. In this connection it is interesting to note that the original monument erected at the grave of Thomas Jefferson at Monticello now stands on the campus of Missouri University, the prized possession of our State and her people.

Missourians have always been a home-loving, God-fearing, patriotic people. Like Washington, Jefferson, Franklin, Lincoln, Lee, Wilson, Roosevelt, and other great Americans, they believe that a divine Providence works through nations to effectuate His purposes as truly as through the lives of men and that the duties of good citizenship are binding moral and religious obligations.

They believe in and practice the doctrine of the good neighbor, love to extend and enjoy hospitality, and have always believed in and stood for local self-government in its highest form. Because of the varying social elements entering into the lives of our people we have always been regarded as a conservative state, free from sectionalism, and ready to receive with open arms all worthy people who desire to enter our borders and dwell with us. It has been said of us:

> Nor North, nor South, nor East, nor West;
> But part of each, of each the best.

The Dred Scott decision, decided by the United States Supreme Court on March 6, 1857, and holding that the adoption of the Missouri Compromise was unconstitutional, originated in the State of Missouri and was first tried in the courts of that State. This decision, no doubt, was an important link in the chain of events which ultimately brought on the conflict between the States.

During the Civil War Missouri remained loyal to the Union, although admitted into the Union as a slave State. Being a border State and torn by conflicting views, her people suffered the scourge of war to a degree seldom experienced by a people. That her men did their part and loyally supported their convictions as to duty is evidenced by the fact that of her men of military age 47 percent fought with the Union Army while 23 percent supported the cause of the Confederacy—a remarkable record of patriotic devotion to their conviction of duty as they saw it.

In the field of public service Missouri has a roster of great men who have served their State and the Nation with honor and distinction. In Statuary Hall, in the National Capitol at Washington, Missourians have honored two of her sons, Thomas Hart Benton and Gen. Frank P. Blair. The 30 years' active, constructive service of Benton in the United States Senate presents a record equalled by few, if any, American statesmen.

In more recent years Missouri has been ably represented in the Senate by great men like Vest, Cockrell, Stone, and Hawes, and she is now being ably represented by the Honorable BENNETT CHAMP CLARK, son of Speaker Clark, and the Honorable HARRY TRUMAN, from historic Independence. Missourians will always be proud of the record of Speaker Champ Clark, who was the choice of many people for President in the campaign of 1912. On this roster of public men we find the names of Governors, Cabinet officers, Congressmen, Senators, explorers, jurists, and editors who have made valuable contributions to the progress and development of our State and the Nation.

In the field of literature her sons have excelled, and the names of Eugene Field and Mark Twain are known wherever the English language is spoken and read. As a Missourian, I hope I may be pardoned if I overemphasize the part our sons played in the recent World War. A Missourian was the first American to carry the Stars and Stripes at the head of American troops on the streets of London. Gen. John J. Pershing, commander of the American forces in France; Gen. Enoch H. Crowder, author and administrator of the selective-service draft; and Admiral Robert F. Coontz,

commander of our naval forces in the World War, were all native sons of old Missouri.

In conclusion, permit me to say that the spirit of Missouri and her people typifies that rugged, living, genuine American spirit that gave birth to our Nation and guided her destiny throughout the eventful years, and that on this eventful day we join with our fellow citizens in all States in saying with Longfellow:

"Thou, too, sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hope of future years,
Is hanging breathless on thy fate!"

Nazi Activities in the United States

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 12, 1937

RADIO ADDRESS BY HON. SAMUEL DICKSTEIN, OF NEW YORK, ON JULY 9, 1937

Mr. DICKSTEIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech, which I delivered recently over the radio:

It was our late lamented war President, Woodrow Wilson, who refused to shake the hand of one of the leaders of the so-called German-Americans because, he said, "he did not know in this country any German-Americans, nor any other hyphenated Americans. He said that in this country we can only recognize one allegiance, the allegiance to our Stars and Stripes, not to any foreign ideology or religious or political group." And so I can only follow in the footsteps of our great leader and use this opportunity to tell the radio audience of America how important it is that we in this country recognize but one allegiance, the allegiance to our own Government and institutions.

It seems almost trite to speak of patriotism a few days after the celebration of our own Fourth of July, when we always rededicate ourselves to love of country and reverence for our institutions. But nothing is lost by reminding ourselves continuously of the duty we owe to our own Government and our own people.

If I could take my audience with me to various places around the city of New York where our American flag is trampled upon and our American institutions derided and made a mockery of, I should have no trouble in proving to you, men and women of America, what a great menace to our institutions these foreign subversive attempts really are. These attempts will crop up from time to time, and unless something definite is done to put an end to these continuous attempts to undermine our institutions and Government, I tremble for the future of America.

A few weeks ago our newspapers were full of stories relating how a former Army camp, used to train our soldiers in the late war to preserve democracy, has now been converted into a Nazi camp, where the swastika is flying in the place where our Stars and Stripes used to be. An ordinary citizen who surely has no ax to grind wrote a letter to one of our newspapers, as follows:

"Sir: I am neither a writer nor a very deep thinker. I happen to be just another one of those millions of American citizens who ventured forth in 1917 to risk their all to save the world for liberty and democracy.

"For 7 long months during the memorable fall and bitter winter months of 1917–18 some twenty-odd thousand men toiled and trained intensively at Yaphank, Long Island, to mold the Seventy-seventh Division, A. E. F., and prepare themselves to meet that 'Ole Devil Hun' and force him to disgorge our ideals of liberty and democracy which he threatened to swallow in his lust and greed for power.

"Here it is 1937 and 20 years after those simple-minded times. One reads that the same 'Ole Devil', this time in brown shirts and swastika, has bobbed up by the thousands right in Yaphank with the purpose of establishing here in our midst the very forces which we pursued thousands of miles to vanquish in 1918. Practically the very ground that was used in our training in Yaphank is now the scene of Nazi activity.

"The thousands of 'Aryans' and Nazi sympathizers who crowd Yaphank every week apparently go there for no other purpose than to help along the intolerant bigotry and medieval civilization, that go under the name 'nazi-ism', and if possible to foster that movement in this country.

"Judge Neuss, of the township of Yaphank, referring to the mischief caused by these 'Aryans' and their lack of regard for the rights of others, said recently, 'I once thought they would be Germans of the same type as my father, but I find them to be nothing but a bunch of Hitlerites and far from being an asset to the community.'

"I would add for myself and for millions of Americans who still cherish their ideals that they are a menace as well. Isn't there something in this that merits editorial comment—the fact that the tables have now been turned and the 'enemy' is now using our very training ground to carry on the war against freedom and democracy?

(Signed) "VETERAN."

Yes, our American ideals mean very little to these foreign agitators.

In the State of New Jersey, there is a new camp which was bought by these people. And where do you think the camp is located? Within a mile or so of the largest ammunition factory in the United States. Why should these Nazis, these foreigners, these agitators, buy property in the State of New Jersey within one mile of an ammunition factory? They have told the railroad people that there are 13,000 men in uniform ready to act upon the order of Fritz Kuhn. Can you pass any laws covering such a situation? No; you cannot pass any laws for that. You have to investigate it.

In the State of Connecticut today there is an organization controlling 50,000 Fascists in the United States. They are conspiring with the other subversive foreign groups in this country. They have a fund consisting of many thousands of dollars, which was obtained in this country in order to foment more trouble here. You cannot pass any laws in regard to this. You have to have an investigation to throw a searchlight on this kind of movement.

The press of the country has in the last few weeks brought news of the appointment of new representatives from Germany into this country. A new Ambassador arrived in Washington and a new Consul General was appointed for San Francisco. The new Ambassador is apparently Hitler's new trusted and aggressive henchman, and the new Consul General, Baron Mannfred Von Killinger was implicated in the murder of Erzberger, the German Finance Minister during the Republic, who believed in cooperation between Germany and her Allies, and in the fulfillment of the Peace Treaty of Versailles.

It is this aggressiveness of the German leaders of today which is particularly suspicious. It seems as though the German rulers are getting bolder every day, and the fact that their activities have not been investigated renders these men particularly aggressive and bold. It is this very danger of the continued aggressiveness on the part of the German leaders against which I have warned the country and demanded an investigation.

If any Member of Congress was so much interested in knowing what I have, my doors were and are open to every Member of Congress, and I will show them every piece of documentary evidence, and I am willing even to go further than that. Let all the men who were against this resolution of inquiry come to my room, and I think I can convince my strongest opponent that an investigation ought to be conducted, and I do not care who conducts it. You do not have to consider me as a part of the investigating committee, because I was not looking for it; and, in fact, I was hoping that the Speaker would appoint seven Members without their being recommended by me.

I have here a subsidized paper, known as the Deutscher Weckruf, published in New York, Philadelphia, and Chicago, paid for with German money and printed in the German language, appealing to all Germans or persons of German birth or naturalized citizens, whether born in the United States or in Germany.

This subsidized German paper, printed by aliens in this country, states to all their German readers:

"We must be one people, with one fatherland, no matter where you are or where you were born."

Let me also call your attention to an almanac which was published this year by the same Nazi leaders. This almanac is apparently intended for home consumption and to be read at the fireside of American citizens, and is full of pictures extolling the virtues of the German leader, and calling attention to the various "dates" in German history which are to be celebrated as anniversaries. The various dates are the date when the leader was born, the date when the leader's parents were born, the date when the first Nazi group was established in America, the date when the first Nazi celebration was held in America, and the dates when the various camps of Nazis were erected throughout this country.

It also abounds in the statements as to how powerful Nazis are in the United States. It gives the names of Nazi leaders who are designated as State leaders, county leaders, group leaders, etc., all subject to the jurisdiction of one great mass leader, to whom all the other minor leaders owe their allegiance. In fact, the subject of this allegiance as far as I can see is to show the practical operation of the new system of government which Germany claims to have established, a system whereby "the leader" is at the head of the Nazis and all subordinate little leaders take their orders from him.

It is comparable to the organization of medieval Europe, where under the feudal system the lord would obtain the allegiance of the little lords, and all were bound together in service to the king. So here, the little leaders owe their allegiance to the big leader, and all are bound together in paying homage to the one and only incomparable Adolph Hitler.

Recently new headquarters of Nazis of America were established in Illinois. At Northbrook a new camp was established in which Germans in Nazi uniform are drilling on land and in the air, and before anyone is accepted into the camp he must receive the approval of the German consul in New York.

What is Uncle Sam doing to stop this form of subversive agitation? What has the Congress or the country done about permitting recruiting stations throughout the country, with hundreds of our American boys being taken over to the Spanish war, where hundreds of them were killed? What did you do? You talk about neutrality, but what does neutrality mean?

I am not much concerned about what you and I preach; I am concerned about men and women, under the guise of being our friends, who are getting into this country and are seeking to mold here the opinion of foreign governments and array American against American, and by their presence in the United States are trying to foment racial and bigoted intolerance within our country, and are seeking to bring about a war from within. These agencies are properly and fully financed with foreign money, and I was prepared, and I am still prepared, to tell where the money comes from and how many millions are being used in this country for this purpose. However, certain Members of Congress who fought this investigation on the 8th of April apparently do not want to know how many millions are coming in to destroy this Government. They do not want to know who is doing all this. They do not want to know the names of these spies.

All of us will have to answer this question, and I ask you to look at my mail from all sections of the country. The American people ask: "How did my Congressman vote on this investigation?"

Mr. Hanfstaengl came here about a year and a half ago as a visitor to the United States, or possibly 2 years ago. In my opinion he was nothing but an agent of Mr. Hitler. He came here to make a little assessment, which may have run into millions of dollars, upon the good German citizens of this country whom I found to be loyal Americans and not in sympathy with Mr. Hanfstaengl's mission. He was here for only 30 days, and the committee that was then investigating the situation saw to it that he went back home after 30 days. Other things have happened in the last 2 years causing a break between Mr. Hitler and Mr. Hanfstaengl. He could not deliver to Mr. Hitler that what he sought to obtain in the United States, and so when about to get his due he left for England. As I understand it, he is now trying to come here again, and if I can help it he will remain in England.

In 1934, we did not yet know all of the leaders of this movement in this country. To be sure, it is impossible to speak of definite leaders because the leadership of the agitators who are sent to propagate nazism in the United States change so rapidly that one has to be a magician to be able to keep track of these constant changes.

I pride myself, however, on the fact that when any of these leaders was exposed by us at the time we conducted the investigation, he very promptly left the country. In this way we got rid of some very obnoxious agitators who were making life miserable for us. One by one they were forced to leave these shores and look for more congenial occupation for themselves in the old country.

So Hanz Spanknoebel, who is now in Germany, and a man named Joseph Schuster, who was the leader of the Yorkville group, and who appeared before my committee in a very aggressive manner, boasted of his friendship with Hitler as being the missing link between Germany and the United States, and who, as the press now informs us is chief assistant to German propaganda minister, Goebbels. All of these facts came to the surface from time to time, and when they are made public nothing happens as a rule.

In a sense, the Members of the House were devoid of information on the subject. I really cannot expect every one of the 435 Members of our body to have given this matter the same degree of careful and painstaking study and attention which I had given to this subject. Not all of them were confronted with the intensity of the problem as it had struck me, and as this problem came to me during my public activity as a Member of this body and as a citizen of the United States.

Some time ago, I had occasion to speak on the National Broadcasting network and called attention to the fact that this investigation should not be considered from any racial or religious angle. That it was not a question of Catholic, Protestant, or Jew, and that no racial or religious issue was involved. The issue was and is purely American, and the investigation sought to deal with matters relating to subversive activities within this country.

For the editor of a magazine representing a particular group to take the position that he has the right to dictate to this House whether or not such an investigation should be conducted is undoubtedly preposterous.

To the American Legion, the Veterans of Foreign Wars, Spanish-American War Veterans, Jewish War Veterans, and all the patriotic organizations which placed themselves on record as favoring this resolution, my sincerest thanks.

I mentioned before that the defeat of my resolution gave aid and comfort to the enemies of America. The concrete proof of it was not long in forthcoming. On the day following the defeat of my resolution, April 9, 1937, a great rally was held by the Nazis in Philadelphia. I quote from the Evening Public Ledger of that city:

"A widespread movement to organize the Nazis into a militant group is under way in Philadelphia. This was learned today following a rally of Philadelphia Nazis last night in Liedertafel Hall, 3647 North Sixth Street, which was marked by military discipline, Nazi salutes, and fatherland songs. The hall was decorated with swastikas.

"Headquarters of the Philadelphia Nazis is at 3716 North Fifth Street, in the heart of a large German-American section. Here are located the German-American Bund, the German-American Business League, and the Deutscher Weckruf and Beobachter, a weekly newspaper, also known as Kampsblatt, or war paper.

"In charge of the headquarters is Wilhelm Kunz, head of the German-American Bund. Mr. Kunz explained today that the organization is seeking members, but that none would be accepted unless sponsored by someone known to the Nazi leader.

"He said stamp books with a monetary value were being distributed to encourage dealings with German-American merchants. Kunz denied the order is militaristic or that its summer camp at Croydon is a military camp. * * *

"Last night's meeting following the overwhelming defeat by the National House of Representatives in Washington yesterday of a resolution sponsored by Representative DICKSTEIN, a Democrat, New York, calling for an investigation of 'un-American activities.' DICKSTEIN charged that more than 100,000 persons are members of a Nazi organization which holds military drills in this country. He said these activities were centered in Pennsylvania, Ohio, Illinois, and Michigan, and declared that 100 foreign spies were at work in the United States seeking to 'foment a Fascist plot.' He named Fritz Kuhn, whom he described as a chemist in the employ of the Ford Motor Co., as the head of the Nazi movement, and said the Nazis had a $20,000,000 fund at their disposal. * * *

"At the right of the speaker's platform stood an American flag and to the left a swastika. The meeting was opened with the singing of The Star-Spangled Banner, but none of the guards joined in. At the close of the meeting everyone sang Horst Wessel, the Nazi war song, and stood with arms outstretched in the Nazi salute. Kunz dismissed the crowd with a brief speech in German, and all shouted 'Heil! Heil! Heil!' as they left the hall.

"A large Nazi flag stood at the front of the hall. Shields bearing the swastika emblem and the motto 'Deutschtum Erwache, German Nationality, Awake' hung on the walls.

"Mention of Hitler brought loud cheers, while reference to communism evoked lusty boos. The gathering applauded when Kunz announced Congress rejected the request of Representative DICKSTEIN, of New York, for an investigation of alien activities.

"'President Roosevelt is the political power in this country', said Kunz; 'but Hitler is the man for whom we have been waiting for 2,000 years to lead us to freedom. He has given Germany that freedom and restored it to the German people.'"

So that the President of the United States is merely a political leader, while the ruler of Germany is the answer to "2,000 years of German history leading the nation back to freedom."

Not only are German Nazis offenders against the spirit of our American democracy but so are all those misguided individuals who see fit to send Americans to fight for some foreign ideology; American boys who went to Spain and organized a so-called Lincoln Battalion to fight for Spain for a cause not their own. These boys were recruited from the city of New York and throughout the country, and what happened to them appears in the issue of the New York Times of April 23, 1937. Let me read to you what the New York Times has to say about it:

"These American boys were used to make a hopeless charge. It was a hopeless battle charge, repeated vainly during that day and part of the next. When it was over Pingarron Hill remained insurgent and of the 400 Americans in the Lincoln Battalion, 103 were left. Of course, the casualties included wounded in addition to dead.

"Already 30 or 35 wounded have returned to the battalion. More Americans—we do not know how many, but the battalion hoped there would be enough to refill the ranks—are in training and will soon be fighting."

Of course, at present there are more Americans being recruited to fill the ranks, but how is Congress to know all these facts without an investigation?

The New York office of the Department of Justice saw fit to inform me when I inquired about it that they had discontinued the investigation of these activities. I can therefore again repeat:

1. That this country is being swamped with foreign propaganda attacking not only Jews but Catholics and Masons.

2. That foreign spies representing certain governments are working intensively for the benefit of their governments, doing all their dirty work in the form of sabotage against the United States Government.

3. These spies, particularly Hitler agents, are fomenting racial intolerance to cause confusion within the United States and among its people by seeking to mold American opinion in behalf of the Hitler government and attempting to bring the German-American born to the side of Hitler and his philosophy under threat of violence, bodily harm to their relatives, and confiscation of property in Germany.

4. That the white Fascist Russians in this country, numbering 50,000 are conspiring with the Nazis in this country against the Soviet Government and are organized in the United States, with the same hate against Americans as the hate spread by the Hitler regime. The Hitler agents and the white Russians have been working together hand in hand with subversive organizations of domestic origin in this country to carry out their program.

5. That there exists in the United States 100 or more organizations which are un-American in their principles and objects; the main point of their organizations is to array American against

American because of religious belief and racial origin. Some of these organizations are financed by foreign money.

6. That Fritz Kuhn, after my attack on him on the floor of Congress on January 26, admitted that he was a Hitler leader and that he had an army of 200,000 organized in every State throughout the Union.

7. That the propaganda obtained very recently is vicious and is being spread more freely than ever before, all of which is false and with the only intent of inciting racial and religious intolerance.

8. That Germany can depend upon such "reserves" gathered and organized within the territory of the United States whenever she decides to call upon such "reserves."

9. That threatening letters have been received from Germany by Germans in this country who desire to become naturalized American citizens, warning them that if any of their letters reach Germany of unsatisfactory character serious trouble will arise in this country and the German secret police and spies will handle the situation.

10. That a new camp is about to be erected in the State of New Jersey by subversive elements close to our ammunition factories and powder plants for the sole purpose of eliciting secrets of our military organizations for the benefit of our enemies from without.

Germany is a vast concentration camp. I have before me a map which shows that at the present time Nazi Germany boasts of 105 concentration camps, 107 penitentiaries, and 1,840 jails.

I am not quarreling with Hitler's form of government in Germany, but I do want to call attention to just a few facts concerning the activities of Nazi agents carrying on in this country in the way of the most pernicious and un-American activities.

The report which my committee, the Committee on un-American Activities, rendered in February 1935 is history, and I shall not burden you at this time with the details of the disclosures contained therein. But remember that the statement that Nazi leaders have made to the effect that nazism is not for export and is purely a German product is untrue. Nazi agents are at work in all countries of the world. They are very active in Spain, where they are trying to "save" that country, as they say, from communism. They are active in other places under the guise of fighting communism. For, remember, our position as members of a democratic commonwealth is that fascism and communism are twin brothers of oppression and antidemocracy, but the position taken by fascist leaders apparently ranks us with communism on the theory that democracies are a breeding ground for communism.

We must destroy the poison of communism just as we are destroying the poison of fascism. The two are equally obnoxious to our democratic form of government, which guarantees to the humblest citizen the right of free speech, free press, and a free assembly; and we must not permit Fascist agents to tell us how to run our democratic commonwealth. The threat of war makes it necessary for us to marshal our resources in such a way that it will protect our own country if war should break out anywhere in Europe. We must not be dependent upon Europe's products for our living, and we must not permit anything in the world to violate our traditional neutrality if Europe sees fit to unleash the terror of war.

There are at present but three democracies which are able to stem the tide of war—Great Britain, France, and the United States. A few smaller countries can be depended upon to stay in the democratic group and keep away from war. These are the Scandinavian countries—Sweden, Denmark, Norway—little Finland, Switzerland, Belgium, Holland, and Czechoslovakia. If the dictators of Europe are not definitely told that they have no right to interfere with the priceless heritage of our democracy, the ideals which we cherish will not be possible of realization.

Hitler is particularly anxious to prepare his people for the next war, and the entire attitude of the German Government to its people is based on the organization of the mass for war. This accounts for the fact that so many of the German camps are located in this country near our military arsenals or our own Army camps. This accounts for the fact that Germans in the United States are urged to enter the military forces of the United States, so as to receive military training, either in our Regular Army or in our respective State National Guards. This accounts for the fact that while the German Government sends out questionnaires to its citizens as well as to many naturalized Americans asking them to register for military duty in Germany, and if they are unable to leave the country to receive their military training in Germany, to obtain such training at the expense of our Government. This accounts for the fact that while for some time past advertisements were placed in German newspapers in the United States urging young men to enlist, either in our Regular Army or in our State National Guards. This accounts for the fact why all German camps engage in a variety of military drills and a constant preparation for war. This accounts for the fact why in all German rallys and mass celebrations the military features of Germany are stressed so much. These rallys also tell the public how the German Army is drilled, clothed, and constituted. It is part of a definite scheme to embroil us in a war in the event that Germany finds herself again fighting as she did in the last World War.

And this brings me to the real purpose and object of my remarks to you tonight. We must again stress the impropriety of Americans to become lured into any form of foreign propaganda. We must stress our neutrality as Americans in any manner involving Europe. We must stress our neutrality as Americans in any quarrel which European nations are habitually engaged.

In the beginning of my remarks I referred to President Woodrow Wilson's stand against divided allegiance. Conditions today are very much like conditions during the administration of President Wilson. It is only if we bear in mind that quarrels affecting Europe should not be made the basis for any similar division of opinion in this country that we are imbued with the true spirit of Americanism, and find that the solution of our difficulties lies not in following Europe with its age-old quarrels, but in making this country a country for, of, and by Americans.

Birthplace of Maj. Gen. James G. Harbord

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

CEREMONIES OF THE McLEAN COUNTY HISTORICAL SOCIETY IN DEDICATING A TABLET MARKING THE BIRTHPLACE OF MAJ. GEN. JAMES G. HARBORD, 4 MILES SOUTH OF BLOOMINGTON, IN McLEAN COUNTY, STATE OF ILLINOIS JULY 6, 1937

Mr. ARENDS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the ceremonies of the McLean County Historical Society in dedicating a tablet marking the birthplace of Maj. Gen. James G. Harbord, 4 miles south of Bloomington, in McLean County, State of Illinois.

WAYNE C. TOWNLEY (president, presiding). When General Harbord saw the program he felt that he was going to be very much embarrassed because General Dawes might say some things complimentary about him which he didn't want to have to deny, and at the same time he wasn't sure that he could save his face by admitting all of them. So we are going to reverse the program and shall call on General Harbord first.

You will be interested in three letters which we have received and which I shall now read:

HEADQUARTERS, FORT BRAGG, N. C.,
OFFICE OF THE COMMANDING GENERAL,
July 2, 1937.

MY DEAR MR. TOWNLEY: I received your kind invitation to be present at the unveiling of the memorial tablet and boulder at General Harbord's birthplace, and I deeply regret that training National Guard and Reserve officers keeps me at Fort Bragg.

I have had the honor of knowing General Harbord by name for 40 years, but it was not until 1918 that I served with him and really got to know him under conditions where the real man stood forth.

In the latter part of May 1918 the Germans began what they hoped would be their last drive on Paris. They had swept the French armies from in front of them and were in Chateau Thierry, 45 miles from Paris, ready to move on and take that great prize. Almost as a forlorn hope Marshal Foch sent our American Second Divison to stem the German advance. General Harbord placed his brigade of marines in Belleau Wood, squarely across the path of the proud Prussian. For 3 days and 3 nights the marines lay in their shallow trenches with their eyes riveted on the woods in front of them. They suffered for lack of food and water; they suffered from wounds, but their commander at great personal risk and over and above the call of duty, visited his men in their front-line trenches and by his presence, his magnetism, his courage, his cheering words, gave renewed heart to his marines, and as a result, when the German troops came on they were not only repulsed but driven back with great loss in men and morale.

This victory at Belleau Wood is claimed by many historians as the turning point in the war and if there is one man, more than any other, to whom credit is due for this magnificent victory, that man is General Harbord. May I join with you in paying tribute to this great soldier and may I congratulate you on making permanent his birthplace.

I remain,

Cordially yours,

MANUS MCCLOSKEY,
Commanding Officer.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 3, 1937.

DEAR FRIEND WAYNE: Thanks very much for your very kind invitation to attend the meeting of your society in honor of Gen. James G. Harbord.

I regret very much that I will be unable to be with you on this occasion so I take this means of joining with your society

in honoring one of McLean County's native sons and one of America's outstanding leaders during the World War, Gen. James G. Harbord. His courage and ability are above question, his service to his country is known to all of us. I know that McLean County is justly proud to have this opportunity to pay tribute to General Harbord.

To him my very best wishes and most hearty greetings.

Sincerely,

LES ARENDS.

CLEVELAND, *June 23, 1937.*

MY DEAR MR. TOWNLEY: Your letter of June 22 gives me very great pleasure. The McLean County Historical Society honors itself in recording in a public and permanent way the fact that McLean County is the birthplace of Gen. James G. Harbord.

My position as Secretary of War naturally gave me an opportunity to observe and judge in a very intimate way the qualities of the leading soldiers of our Army in the World War and I have no hesitation in saying that in the soldierly qualities of courage, leadership, and military skill, General Harbord's place is among the highest. But more than that ought to be said. When America entered the war, we were largely an unprepared country. The task of mobilizing men and material and of making the maximum out of our resources depended for its success upon the leadership which our little Regular Army could give to our eager citizens who rallied around the country when the call came. There was nowhere any lack of loyalty or zeal on the part of the Regular Army officers, but the priceless gift of imagination was given only to a few. Of these General Harbord was certainly one. The organization of General Pershing's staff, the operation of that staff through many months of active training, the field leadership of a distinguished division through a series of great battles, and the final mastery of the whole supply system of the Army which General Harbord achieved mark him as one of the great military figures developed by the country in that hour of trial.

Cordially yours,

NEWTON D. BAKER.

Today we are honoring one who arose from humble surroundings to a place of honor among his countrymen, a brave soldier, an accomplished orator, a distinguished author, a successful businessman, a great American, McLean County's most distinguished citizen; I present to you Gen. James G. Harbord.

General HARBORD. Mr. Chairman, and members of the McLean County Historical Society:

Our chairman has shown much consideration for me in permitting me to precede my friend General Dawes in what I may have to say. I have been too often the beneficiary of his generous overstatement to be willing to follow him here today and by failure to disclaim give the appearance of concurring in the fine things he may say of me in his address. Nor, on the other hand could I afford to start an argument in case his remarks do not happen to take the form of his habitual kindly generosity to an old friend. Whatever direction his tribute may take, I am glad of the prior opportunity to say that as I review the events of 20 years I value the friendship of Charles G. Dawes as the most precious personal possession that became mine during the World War.

I was a very fortunate member of the American Army in France—fortunate in my opportunities—more than fortunate in the splendid men I was privileged to command and to be associated with—and fortunate again in being in the scene when great deeds were accomplished by them.

The war brought me perhaps more than my share of honors and credit for things that in the last analysis depended upon the fine efficiency and splendid loyalty of other men.

No other war in which our country has ever engaged has been so free from jealousies and petty rivalries. The American Expeditionary Forces operated as a great team under our leader, the commander in chief, General Pershing. When the future historian has searched the final record, when the last surviving veteran has told his story for the last time, and distance has lent its perspective to the exploits of the American Army in France, it will be enough to say of any man that he played his part under Pershing and did it well.

I am grateful to the McLean County Historical Society, its president, Mr. Townley, and all those associated with it for the distinguished tribute you pay me in the tablet to be unveiled this afternoon at the place of my birth.

To this county in 1824 came my grandfather, James C. Harbord, and his father, William Harbord, looking for a land of promise in which to settle. Six or eight years later my grandfather brought from Indiana his Scotch-Irish bride, Esther Guthrie. A native of Kentucky, he was of the stock that crossed the mountains from Virginia to what is now Kentucky, as the Revolutionary War came to a close. Three generations of the family lie in 19 graves to which I yesterday did reverence in the Old West Twin Grove Cemetery.

In this county was born my father, George W. Harbord, in 1840, and from here he went to the Civil War as a soldier in the Fifth Illinois Cavalry. Here my mother, Effie Gault, a native of Ohio, passed her happy girlhood, and in the house you are marking today was spent the early years of their married life.

This ceremony today has an added significance for me in the presence of my mother's much-loved youngest sister, my aunt Kate Orendorff. It would please my mother, now gone for 14 years, if she knew of the honor you do me—and who shall say that she does not? And until 5 weeks ago there was another who would have loved you for what you are doing today—that rare and radiant soul who for 38 years was the center of my universe and still is—who more than any other single influence was responsible for anything worth while that as a son of McLean County I may be thought to have accomplished.

I thank you all again for the honor you do the Harbord family—with only the regret that by the passing of the years I must receive it alone.

Mr. TOWNLEY. Someone has truthfully said that one true story is a better biography of a man than a whole book. And I want to tell one story on General Dawes that I think will give you a little different impression of him.

General Dawes came down here 4 or 5 years ago, at our request, to make an address in honor of his friend who, because of illness, was unable to be present. We wrote to him and said: "We will meet you at the train and take you to the hotel and leave you there from two o'clock until six-thirty, because you are busy and will be tired and you have your own work to do." So we met him at the train and brought him over here to the Illinois Hotel, and at two-fifteen I said to him: "Well, General, we are going to keep our word to you; we will be back at six-thirty and take you to the banquet; we are going to leave you alone for four hours and a half", and this man who is supposed to be so gruff, what did he say? He said, "Young fellow, I have been through the mill before; you tell me where you want to go, and we will go and you can stay as long as you want, and when you get tired we will come back to the hotel." [Laughter.] I must say that we imposed upon him just a little.

It is not right to speak of the career of Gen. Charles G. Dawes; it is proper to speak of the careers of Gen. Charles G. Dawes—his military, his business, his diplomatic, his political careers are known not only in the United States, but to the world. It would be a waste of time for me to attempt to outline his life—an example of his varied life is in the music that we heard. He is the easiest man to get to an affair of this kind that you ever saw; all you have to do is to say that you want him to do it for General Harbord, and here he is, Gen. Charles G. Dawes.

General DAWES. Mr. Chairman and members of the McLean County Historical Society, the standard of this meeting is kind of high, and I don't know whether I can maintain it or not. What General Harbord said led me for a few moments to think that he was fooling, and then he snapped into some high compliment to me that got it out of my mind entirely. I am not going to speak on the general. There was a tribute paid by a very able man, by the man who writes for The Pantagraph (Jacob Hasbrouck), the man whose ability and enterprise have made that paper what it is. There was his life, and you are much more familiar with that early life than I am. But I am going to speak just a little bit, before I do proceed—and, of course, I have to do that—about some of the sources of this greatness of character which he has, and the place from which he sprung.

I have had a most interesting day around this beautiful city here, and I have seen some of the types and the environment in which he lived and the people who have made this country great. And I want to say that I will never forget my visit to this city, and I am proud to say it made me think of my own mother and my own people who represent also the pioneer stock, although the stock comes from Ohio instead of coming out of this wonderful portion of the country. And here we met the general's wonderful aunt, Mrs. Kate Orendorff. She is like Mrs. Wiggs of the Cabbage Patch, who had never gone sour. No wonder General Harbord is what he is, with a mother who came from such stock as you come from, Mrs. Orendorff; it is a wonderful stock, Scotch-Irish stock.

We went today to this graveyard where lay the forgotten dead of that indomitable race who, from Champlain to Florida, led the advance guard of civilization and progress to this State, and who have subdued and planted it. This wasn't a rough country about here in the early days. You will be interested to know that Will Cook, who is a grandson of the first Member of Congress from Illinois and for whom Cook County is named, gave me the only existing copy and complete set of copies of the Western Magazine, published at Vandalia, Ill., which was then the capital for 3 years, a magazine which was successful and which was afterward, in 1833, published in Cincinnati, Ohio, by the first publisher. In the literature which that successful magazine had away back there before the city of Chicago was founded, in its style and in its character, it is not surpassed in quality by any of the higher-type magazines in the country at this time. I talked with Mr. Sedgwick, the editor of the Atlantic Monthly, about 2 years ago, and I was telling him about this magazine, and I said, "It is a higher standard than your magazine." You must not think of these pioneers, of course, as being the first people to come into a new country, as those driven away from the old country, and I am talking about the settlers, the men who make its character and the men who make the country. They were cultured; they were very largely educated men and women.

They came out with sober ideals, and they came out with religious instincts, and they came out with all the things which make for the strength and perpetuity of American institutions. And those institutions are not weaker now in the affections and the support of those people than they were when the family was coming out in those uncertain times in which they came out here.

And let me make this clear, that even in these days of cheap amusement—but what a curse to this country is cheapness of

pleasure; what a terrible thing for the youth of this country are those things which they sometimes speak of as the advantages of this country; what a terrible thing there is which young men and young women have to confront these days if they are going to amount to anything in their standing against the easy enjoyment, the tremendous distractions of this day. It was there that the older people had more advantages over our children—self-denial, which is inseparably associated with progress; self-denial looked upon life as a great battlefield where a grand victory was to be won or lost.

You had a distinguished resident of this town—I didn't know that he lived here until this visit—Elbert Hubbard, and he said something which is so true, if you think of it, that I thought of it in connection with my friend, General Harbord, that "nine-tenths of the great things of this life go to the man with initiative"—a rolling stone, if you please. Emerson says that the man who meets success must catch it on the run. That goes with the strong character. And that is the way our guest went at it; he moved, and he sought contacts, and he sought the contacts which make for a comparison; his eyes were on the runners ahead and not upon the runners behind; his measurements were always with the men up in front. It gives humility of soul, among other things, when a man does that, and that is why he drove the far away so often.

He had a great career, and you know what it is.

I did describe down here once before what General Manus McCloskey spoke of in his letter. I was there on the quiet end of that particular event, right in Paris, when the marines saved the day and struck that spreadhead which led the shock troops of the German Army. Those American boys that went up that road to Chateau Thierry, singing, while the French mothers watching them, singing as they went into that battle, themselves crying. And then that terrible battle. I have on my office wall a German bayonet that General Harbord sent to me as a trophy of that day's battle. I think that 60 percent of the boys that went singing into that battle that day were casualties, many of them dead. But they stopped the German advance. It was the farthest south that they got. If they had been able to move that line some 10 miles farther, they could have commenced to bombard Paris, and that, we understand, was the German plan—first to bombard the outer section and then move up and bombard a little farther in there, and so forth, until they could take that fair city.

Like the first day at Gettysburg, in the Great War the first day was the thing that stemmed the tide—there were the Americans with the Second Division and the marines. After that he was put at the head of the Second Division and commanded it when it made the greatest advance that was made by any of the divisions in the war on the 18th day of July as a part of a vigorous attack on the German salient.

You know his character, his stripe, his loyalty. Those are the humble qualities which more than any other are the marks of a man.

I remember over there in the war, under the greatest strain, General Harbord—and I would find him pecking away at that old typewriter, and he was writing letters to Dave Robertson, who was with him up here at the Iowa State Agricultural College, and to John Higganbothan, his friend. He was keeping in touch with you people here in Bloomington, with his old friends, loyally following out his task. That is character! What is a man's real character? Career? No. Character! It is what he is that counts.

I thank you. [Applause.]

Mr. TOWNLEY. General Harbord, the dedication of this tablet of the McLean County Historical Society is honoring not only you but also that fine pioneer father and mother who gave you your fine heritage and whose sacrifices you have always appreciated.

Mrs. Kate Orendorff, 87-year-old aunt of General Harbord, unveiled the marker.

General HARBORD. I do not have the words to adequately express my appreciation. I thank you.

Distressed Home Owners Need Social Readjustment

EXTENSION OF REMARKS

OF

HON. EDWARD W. CURLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

Mr. CURLEY. Mr. Speaker, I welcome this timely opportunity to present my views on the merit of my proposed bill (H. R. 7132) to provide for additional home-mortgage relief to over 160,000 distressed home owners which the existing Home Owners' Loan Act fails to protect from the quicksands of the depression; and now, from the clutches of the legal quicksand of the law, there is no escape for unfortunate delinquents from foreclosure and deficiency judgment.

DISTRESSED HOME OWNERS SOCIAL READJUSTMENTS IN 1933

At the outset, I submit, it is doubtful if any national administration under the same chain of economic handicaps could have rendered a greater or more efficient performance of human public service in the premises than our peerless leader, President Franklin D. Roosevelt, achieved since March 4, 1933, at which time our great Nation was enmeshed in the ditch of a world-wide panic. If my memory serves me correctly, President Roosevelt said at that time: "All we need fear is fear." With that thought in mind, he immediately attacked the economic stranglehold by stripping the straight jacket from the nerve-shattered people of America. The President realized the multiplicity of difficult human problems in urgent need of immediate solution, as Abraham Lincoln did in his day, and who said:

When the occasion is piled high with difficulties, we must rise to the occasion.

And that is exactly what President Roosevelt did. This is the picture of the broken-down economic structure he had to face: Bank failures galore; industry and business paralyzed; heavy deficit in National Treasury; and the backbone of the Nation, a million home owners in dire distress; a vast army of our American people representing four and one-half million persons caught in the quicksands of misery, poverty, and despair. Something had to be done, and immediately, or our American system of democracy was in danger of weakening.

SALVAGING THE WRECK

The ambitions and fond hopes of more than a million home owners to have and to hold a small home for themselves and their wives and children were in danger of foreclosure and ruin. They saw their savings of a lifetime, invested to protect the peace and happiness and security of their families, vanishing by the loss of their homes. Their visions of prosperity built up through the years of hard labor, thrift, and self-sacrifice were about to disappear. When, out of the darkest gloom, divine Providence heard the prayers which poured forth from the hearts and souls of this vast host of distressed home owners. President Roosevelt joined them in a fervent appeal for divine guidance in seeking solution to the Nation's human problems.

PRAYERS HEARD

The answer to the prayers of the Nation came in the form of humane legislation providing the necessary prescription of a financial blood transfusion to the weakened parts of our economic structure. Banks were reopened and frozen assets made liquid; railroads were kept in operation; mortgagees were bailed out of certain bankruptcy; new housing programs were initiated; millions of unemployed were saved from destruction, starvation, and hunger; agriculture received wholesome financial aid, and the farmer was and is being gradually restored to better conditions; moratoria was provided to mortgagors by the Government; deficiency judgments were tabooed by the courts in the State of New York; billions of dollars were pumped into the life of the Nation to give it stimulation and a new lease.

FINANCIAL BLOOD TRANSFUSION SUCCEEDS

President Roosevelt, like the master surgeon striking at the cancerous root destroying the human body, prescribed the serum of common sense in the form of financial aid for a very sick body politic. Three billion dollars were appropriated to salvage the million home owners of America—homes already mortgaged to the hilt to the banks, insurance companies, and building and loan associations. Do you realize what the Home Loan Act did for the mortgagees? The annual report of the Federal Home Loan Bank Board indicates the following facts:

The total volume of outstanding mortgages on nonfarm homes, housing not more than four families, is roughly estimated as of June 30, 1936, at $17,500,000,000. Of this amount, a little more than one-sixth is held by the Home Owners' Loan Corporation in refinanced loans which would otherwise have been foreclosed, resulting in both loss to the home owner and in glutting the real-estate market by an accumulation of owned real estate in the hands of mortgage-lending institutions, many of which were already frozen or stagnant.

So you can see by this record that not alone did the million home owners receive a new lease of life through money supplied by the Government, but the mortgagees as well. You never hear much about this phase of Government relief at all. The public cannot read the limited reports of the H. O. L. C., the F. H. A., or the R. F. C., all of which did and are doing a splendid human job of restoring prosperity in the Nation. The Federal Government has kept a careful watch on the progress of its sick body politic. The financial blood transfusion is beginning to show very material results. Economic paralysis is gone forever and the morale of the people is rapidly resuming a normal status. The point I wish to emphasize is that rescue of the million home owners of America played a prominent part in the administration's recovery program. The H. O. L. C. did a good job with the taxpayers' money, and it was a marvelous investment for Uncle Sam. He is now receiving dividends on that investment. But he must watch his step or the financial wolves will get him. You can "know them by their fruits", the same financial gang that Uncle Sam bailed out. They would not mind taking back the good mortgages salvaged by Uncle Sam, but would not relieve him of the rest not yet lifted out of distress. In other words, they would leave Uncle Sam "holding the bag." What does our Government intend to do about the 160,000 distressed home owners who by virtue of their inability to earn a living through no fault of their own, are delinquent in their payments, and foreclosure is threatened?

In these days of progressive thinking our economists in the Nation are having a difficult time solving the human problem of restoring and establishing a proper balance and equilibrium between production, distribution, and consumption of the material means of satisfying the human requirements of the American people. The administration is cooperating with agriculture, commerce, industry and its related businesses, and labor, to secure a more equitable understanding between all the elements in the mechanism of our American system of government.

A PROBLEM CLEARLY STATED AIDS IN SOLUTION

Inasmuch as confidence is the companion of success, it took the refreshing leadership of President Roosevelt to bring his sick and tired Nation out of a state of coma and give it a convalescent start on the road to recovery. The morale of over 1,000,000 of former distressed home owners has been restored, and once again they are the backbone of our democratic system of government. America's face once more faces the sunshine. Peace and happiness for these home owners and dependent families have been restored and secured by the financial tonic injected into this large group of our citizens by our Government aid. The National Government met the enemies of reason and common sense, using logic as its ammunition. The forces of misery and despair in this country have been conquered and driven behind us forever. The crowning victory of the New Deal in our National Government is that the common sense of the new era has emerged a victor over the reactionary shades of blind ignorance of the past. However, our problems are not all completely solved. We have many loose ends to tighten up still. The progress of our human policies must be continued and pursued until the whole Nation is rescued from the vicious depression "hang-over" still plainly in evidence in spots in our economic structure. Canvalescence does not mean normal recovery, but on the way to a healthy state; so our emergency-relief policies must remain in operation till our democratic economic structure has reached its normal equilibrium and proper balance.

H. O. L. C. NEEDS MORE POWER

After 4 years of experimental relief provided by the operation of the H. O. L. C. Act, over a million home owners saved their equities in their homes through the medium of the 3-year moratorium on payments, refinancing, and extension of the previous amortization period to 15 years, we find from this experience there is room for a liberal improvement in the existing law, because it does not go far nor deep enough to reach the lowest strata of about 160,000 distressed home owners. It was foreign to the minds of the President or Congress to abandon this helpless class of home owner to the dismal fate of an unfortunate stepchild in the stage of our recovery program. That was not the idea at all. Both branches of our National Government, executive and legislative, meant financial relief for complete rescue for all—not a fraction of the number of distressed home owners.

Neither did the President or the Congress intend that Uncle Sam should handcuff the weakest home owner with the cruel legal device commonly used by private mortgagees—foreclosure followed by the strait jacket of a deficiency judgment. If this were not true, then the Home Loan Act should be amended to cover in all home owners in dire distress. It was meant to help those who, through no fault of their own, could not obtain employment and failed to meet their obligations. Uncle Sam did take over their mortgage and the smug mortgagee was bailed out. But this weak home owner is still weak. He still is one of the 7,000,000 unemployed. He cannot appeal to private lending agencies, because Uncle Sam is now the mortgagee. So, you see, the weak home owner is really handcuffed, and is actually helpless. This is the plight of the 160,000 weakest home owners at this moment—equal to half a million persons. These unfortunate victims would pay if they could. I hold no brief for the chiseler that can and will not pay. That is the argument of the opponents to the Curley bill. The chiseler is the isolated case and that "worm" is found here and there in spots; but why blame all weak home owners for the slacker element in this crisis? Now, as a matter of fact, when the Home Owners' Loan Corporation began to function under the act in this emergency and undertook to salvage over 1,000,000 distressed home owners by refinancing the existing mortgages, they knew these mortgages were about to be foreclosed and a deficiency judgment held over the victims' heads till satisfied. The H. O. L. C. knew the victim could not apply for a private loan while Uncle Sam was the mortgage. He was placed in the position of the drowning man crying for help and being thrown an anchor.

ECONOMIC DESTRUCTION OF 160,000 HOME OWNERS

The time has arrived to speak the language of these 160,000 distressed home owners. The public official who fails to cooperate in this humane movement might well write his own epitaph on his political tombstone. This unfortunate group of American citizens are actually crying out to the Congress to save them from economic destruction. The Government answered a similar human appeal in 1933 and created the Home Owners' Loan Corporation as a rescuing agency.

The H. O. L. C. did a marvelous job in rescuing, but it could not go far enough in the rescuing operation because the Home Loan Act would not permit it. The H. O. L. C. actually saved over 1,000,000 homes but there are still 160,000 distressed home owners, or one out of every six, that are now delinquent in their payments to the H. O. L. C., the Government rescuing agency. This distressed group is right back where it started when it sought relief from private mortgagees. The H. O. L. C., under the present existing Home Loan Act, is compelled to carry out the same vicious inhuman legal practices as the private mortgagees did in 1933. By this strange awkward twist we must now rescue the distressed group from the rescuer, the H. O. L. C. If it is not a 100-percent rescuer, let us make it so by amending the act itself. It was intended to be a human agency by the Congress which created it for a human purpose. It should not be permitted to revert to the hard-boiled practices of the former private mortgagee. It should be a "big brother" in this movement to give needed relief to a powerful element in the economic life of the American Nation.

BROADENING THE TERMS OF THE H. O. L. C. ACT THE REMEDY

It is a strange result at times when the operation of law intended to give relief in a trying situation affecting the public welfare "goes into reverse" and actually "cuts the head off to stop the bleeding of the nose." Experience also indicates that there are many laws like cobwebs, where the small flies get trapped and the large ones break through them with

ease. Witness the analogy as applied to the operation of the H. O. L. C. Act. It helped the more substantial of total number of home owners in distress but failed dismally in the lowest strata and least substantial of the group. In my humble opinion the greatest human satisfaction a modest statesman can achieve is the inner thrill he enjoys in rendering effective human service to those most in need of help. This is the paramount thought in my mind as the sponsor of the Curley bill, H. R. 7132.

If the Nation is partially handicapped by a temporary financial strait jacket, that is no logical reason why this distressed group of home owners should be singled out to be penalized. While 26,000 homes have already been foreclosed, the balance of the 160,000 have the "sword of Damocles" hanging over their heads. The question now arises, What can be gained by the Government foreclosing on these defaulted properties? Uncle Sam should not even think of deserting the weakest link in his economic structure. It is his job to strengthen, and not cripple by legal confiscation if there be such a thing. Uncle Sam saved the wealthy mortgagees—the banks, insurance companies, and so forth. Why destroy the peace and happiness of these poor, undernourished stepchildren of the depression. Why ruin their morale forever by seizing their homes. In the shifting quicksands of the depression the President and Congress closed the door to dark and gloomy days and opened it to the life-giving rays of sunlight. What a blessing it would be to the nerve-shattered group of shackled home owners crying for relief if those rays of sunlight were permitted to penetrate to lighten the burdens on the shoulders of these forgotten men, women, and children of America. If the relief sought cannot be granted under the existing law, it must be modified to liberalize its provisions.

THE CURLEY BILL CONTEMPLATES RELIEF

The Curley bill (H. R. 7132), if enacted into law, provides for the additional relief sought by the distressed home owners affected by existing law, the Home Owners' Loan Act.

(a) It will give a breathing spell to this harassed group of our citizens by extension of the moratorium feature.

(b) It will prohibit the enforcement of the vicious deficiency judgment scarecrow.

(c) It will reduce the interest charge by 50 percent.

(d) It will extend the amortization period from 15 to 30 years.

(e) It will be retroactive in effect and benefits.

Until private industry absorbs the unemployed, the only remedy to solve the problem of the distressed home owner and bring joy and happiness to this much harassed and dejected group will be legislation of the type of the Curley bill (H. R. 7132).

"OWN YOUR OWN HOME" SLOGAN A FALLACY

Where are those high-power real-estate organizations and their misrepresenting sales agents who sold the fallacious "own your own home" idea to these abandoned victims of unethical business practices in the prosperous days of the Nation? Why do not they emerge from their shell of protection for themselves and subscribe to the Government's efforts to assist their former clients whom they have completely abandoned to the harrowing fate of foreclosure? Is their attitude in this crisis toward social justice to their victims another illustration of their unethical and fallacious "own your own home" idea they sold to the workers of America? No; they have not responded to date in any form of cooperation with the efforts of the Government in the premises for the past 4 years. It is plainly evident they do not intend to cooperate to help their weak sister of this depression. Therefore the instrument of the "will of the people", the Federal Government, should continue to illustrate and demonstrate the human fact that "sovereignty still resides with the people in this democracy, and that the Government is the servant and not the master of the people."

UNCLE SAM THE LIFESAVER OF THE PEOPLE

The Government bailed out the banks, did it not? It also primed the pump with financial aid to stimulate business, you must admit. It subsidized housing throughout the Nation, the public record indicates.

The railroads were mighty well taken care of financially, and justly so. The principle of "moratoria" has many precedents. It was used to defer payment of $12,000,000,000 foreign war debt to us. It was recognized by the State of New York by the last session of the legislature, when it extended the existing moratorium another year. Can there be any logical objection to giving half a million American citizens on additional breathing spell through the moratorium vehicle? Of course not. The deficiency judgment has been tabood by the Supreme Court of New York and the H. O. L. C. is now testing an adverse decision against it in a case in Binghamton, N. Y. The interest rate should be reduced 50 percent. The farmer is only charged 3 percent, so why discriminate against the urban home owner? There is absolutely no just reason for such partiality. We demand equal treatment for all sections and elements of our economic structure.

FEDERAL RELIEF MONEY RETURNS

This financial blood transfusion to the sick Nation must return to Uncle Sam's Treasury in the end. It stands well secured. It cannot lose. See the results of money spent for unemployment. Purchasing power tremendously increased. Business restored to almost normal as a result. Cities and towns restored to sound financial condition. New York City is an illustration. The delinquent taxes of that great commonwealth were paid for the home owner by the H. O. L. C. So why not help the rest of the distressed home owners. It is the opinion of a widespread population in America that the Curley bill, H. R. 7132, is a constructive meritorious bill and should be adopted, and I trust it will.

The Jews In Italy

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 12, 1937

EDITORIAL FROM IL PROGRESSO ITALO-AMERICANO

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in the American section of Il Progresso Italo-Americano under date of April 4, 1937:

[From Il Progresso Italo-Americano of July 4, 1937]

THE JEWS IN ITALY

During my visit to Il Duce at the Palazzo Venezia, I did not forget to ask him about the Jewish situation in Italy. Notices recently published in Italy and inaccurately published in America had raised a doubt in the minds of the Jews in this country as to the status of the small Semitic Italian world, small in number, 60,000 Jews, as compared to 44,000,000 Italians, but an important one, because a large percentage of Jews occupy good positions in the professions and in business.

It was well known that the new regime created by Mussolini had as its foundation the respect for every race and religion. However, there were those that insinuated that because of Italy's recent political orientation, Il Duce might have been persuaded to change tactics with the Jews in Italy.

I previously asked forgiveness of Il Duce for my question, which might have appeared indiscreet. But I was quickly reassured, observing that he was glad of my request for precise information and was happy to clear up this question once again.

I must add that Mussolini knows perfectly the life and the work of the Jews in America; he knows how many there are, where they live, how many synagogues they have, how many newspapers they publish, and which and how many important positions they occupy. And, in conclusion, he said to me:

"I authorize you to declare and make known, immediately upon your return to New York, to the Jews of America that their preoccupation for their brothers living in Italy is nothing but the fruit of evil informers. I authorize you to specify that the Jews in Italy have received, receive, and will continue to receive the

same treatment accorded to every other Italian citizen and that no form of racial or religious discrimination is in my thought, which is devoted and faithful to the policy of equality in law and the freedom of worship."

I thanked Il Duce for his message and I am sure that his explicit and unequivocal affirmations will be welcomed with sincere satisfaction by the Jews of America, among whom I count many dear and excellent friends.

To those who still seek to speculate on the false reports that are put in circulation by the enemies of Italy and of the regime, repeat the clear words of Il Duce. They permit us to affirm there is not and will never be persecution of race or religion.

GENEROSO POPE.

William P. Connery, Jr.

EXTENSION OF REMARKS

OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

ARTICLE BY WILL P. KENNEDY ON THE LIFE, CHARACTER, AND PUBLIC SERVICE OF HON. WILLIAM P. CONNERY, JR., LATE A REPRESENTATIVE FROM MASSACHUSETTS

Mr. WOLCOTT. Mr. Speaker, under leave to extend my remarks on the life and character of our former colleague, WILLIAM P. CONNERY, JR., I quote on article written by Will P. Kennedy which appeared in the Washington Star, June 30, 1937.

In the course of his service here in the House of Representatives BILLY CONNERY endeared himself to the hearts of all of us who came in contact with him. He inspired us to greater ideals, and much of the legislation beneficial to organized labor was sponsored by him. What the Nation thought of his services and of BILLY CONNERY, the man, has been beautifully written by Bill Kennedy and is as follows:

BILLY CONNERY has gone and there is real sadness in the places that will know him no more save in inspirational memory and good example. He was ideally in place as chairman of the House Labor Committee, fighting the case of the workingman, but he was always for the right of the labor cause, not the might; for the individual to get an honest wage to support his family and be happy in his home, not to aggrandize a cause or a professional organizer or a bullying organization. He was for humanity, for a sincere brotherhood of his fellow men. He was honest, friendly, kindly, without guile or trickery or vindictiveness—that is why his colleagues trusted him and followed him. He met life with a smile, turned away ill feeling and bitterness with an amusing story, was always eager to do a kindness. He had his own convictions, was firm in them, but realized his fellows had minds of their own and was willing to let their conscience be their guide. He was beloved in a manly way because he was square in every way.

He was truly self-made. He had a varied life, worked hard on the stage and as a producer, but always kept his head and his self-respect. He lived a good, clean, honorable life and earned his way. He went through law school while a Member of Congress, so as to be better fitted for his legislative duties, to which he devoted himself tirelessly. In his home life he was a devoted father and husband—idolized by his family. In his fatal attack of stomach poisoning, which found him physically tired from overwork and with a heart weakness, his first thought was to be prepared for death. He had the consolation of receiving the last sacraments of the Roman Catholic Church, of which he was a devout member, from Rev. Hugh Dalton, S. J., an alumnus of his own college, who was a student there just before CONNERY'S own time. They had long been close friends and recently been guests of honor together at an alumni banquet, Bill as toastmaster.

It was his brother Larry who came to Washington and took Bill's body back to his birthplace for burial, back to Lynn, where his father was a former mayor, where all the people loved him. Larry and Bill were ideal brothers, inseparable. They enlisted together in the World War and suffered together through the thick of fighting in the old Yankee Division. Bill carried the colors—an honor given him for meritorious service—20 years ago. The chaplain was Rev. Mike O'Connor, a fellow Holy Cross College alumnus. The colors Bill carried are now hung over the main altar in the church in Natick, Mass., where Father O'Connor is pastor, and whenever Bill was in that area he went miles out of his way to go quietly into church and salute his colors. Larry was Bill's secretary when he first came to Congress; they plugged through Georgetown law school together. Then Larry went back to Lynn and there ran an auxiliary office for Bill, which did the home-town work, cooperating closely with Bill's office here, so that his constituents really had two Congressmen. Bill always bragged about Larry and Larry about Bill.

Now Bill is gone, and his buddies, his colleagues in the Congress, and many friends who miss him are by the very nature of his going encouraged to prepare themselves to follow as his comrades in arms overseas when Bill carried the colors forward into the Great Unknown.

Save Taxpayers $200,000,000

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 12, 1937

Mr. COCHRAN. Mr. Speaker, on Thursday the conference report on the Interior Department appropriation bill will be before the House. In my opinion, this is the most important conference report that has come from the Committee on Appropriations during this Congress, and certainly is one of the most important during my period of service in the House.

An examination of the conference report will show that there are 29 amendments in disagreement. Other than in simply stating in very few words the matter involved, there is no information for Members of the House relative to the various items. In other words, it will be absolutely necessary for the membership of the House to be on the floor and listen to the discussion in order to vote intelligently upon the items which will be presented.

While, of course, I have no official information as to the attitude of the conferees, it is reliably stated that the House conferees propose to move to recede and concur in practically each instance, but probably in some cases the motion will be to recede and concur with an amendment. In other words, while the conference report says the amendments are in disagreement, the majority of the conferees have agreed to the amendments. Our rules require that the amendments be brought back to the House in disagreement because the conferees would be going beyond their power if they made any other report for the reason that the amendments would have been subject to a point of order had they been offered in the House during the time the Interior Department appropriation bill was under consideration.

While the sum of money involved in the amendments will eventually run into hundreds of millions of dollars, because it will cost that much to complete the projects for which an initial appropriation is carried in the Senate amendments, there is a principle involved that, in my opinion, is far greater than the sum that the amendments will eventually cost the taxpayers if the House agrees to their retention in the bill. This principle is the practice of adding legislation unauthorized by law to appropriation bills. If the House is going to agree to the Senate continually adding projects to appropriation bills which have never been authorized by law, then it seems to me that the House will be justified in changing its rules so that any amendment could be offered to an appropriation bill in the House when it is pending without being subject to a point of order. Why should one legislative body refuse to permit its Members to offer such amendments to an appropriation bill while another legislative body allows such amendments to be considered?

By no means would I advocate the changing of the House rules in this respect. If the rules were changed, it would throw the door wide open, and the ultimate cost to the taxpayers could not be estimated. Regardless of the merits of the proposal, I contend that until the Congress has passed the necessary legislation authorizing expenditures the House should refrain, except in extreme emergencies, from agreeing to any amendments added by the Senate to the appro-

priation bills where the matter in question has never been authorized by law.

I have always maintained that this policy should be followed. What is the use of the House having such rules if we do not protect them?

It is not my purpose to go into detail in regard to the 29 amendments. I am not a member of the Appropriations Committee, but some members of the committee will lead the opposition to the amendments added to the bill in the Senate which would have been subject to a point of order in the House.

It is my purpose, however, to call to the attention of the Members of the House one amendment in the bill. This is known as Senate no. 74. This amendment provides that section 2 of the act of August 12, 1935, shall not apply to the Five Civilized Tribes. Of course, that language means very little. It would not be understood by anyone who reads the RECORD nor would it be understood by any Member of the House unless he or she is familiar with section 2 of the act of August 12, 1935.

It so happens that for a number of years, following a hearing by the committee of which I am chairman, I have been taking a special interest in the efforts of attorneys to raid the Treasury by filing suits against the Government for the various Indian tribes. I have stated on numerous occasions when our committee held a hearing it disclosed 114 resolutions had been passed by the Congress setting aside the statute of limitations and authorizing the Court of Claims to hear and consider claims filed by various Indian tribes growing out of treaties, Executive orders, and acts of Congress. A representative of the Department of Justice, Assistant Attorney General Harry Blair, told the committee that the amount involved in the suits already filed up to that time, which was over 2 years ago, was over $3,000,000,000.

Congress provided in section 2 of the act of August 12, 1935, that the Government should have the right to offset the claims of the Indians by showing gratuities and advances that had been made to the Indian tribes and Indians by the Government.

This action was taken to meet an emergency because you can realize that if Congress had not taken some action the Government would have been at a great disadvantage in its efforts to protect the taxpayers. The suits filed grew out of treaties, some of which date back to 1799.

I fully understand the meaning of amendment no. 74, and I know that it will cost the Government nearly $20,000,000 if the amendment is agreed to, but I am not going to ask the Members of the House to accept my word for this. Rather than do so, I am going to present an official communication from the Attorney General of the United States, together with a memorandum prepared for him by one of his assistants who handles the cases before the Court of Claims, as well as a letter I received from the Comptroller General of the United States, who is in possession of all the records and whose duty it is to make a search and submit to the Attorney General a statement showing all gratuities and advances made to the Indians and Indian tribes. These letters speak for themselves and confirm my statement regarding the amount involved.

The Senate at this session passed a bill with practically no debate which provides that section 2 of the act of August 12, 1935, shall not apply to these suits. The Indian Affairs Committee, which had a similar bill pending before it, reported the bill. The purpose of both bills is the same and would have the same effect as to the operation of the act of August 12, 1935. Let that bill be considered in its merits. Both the Senate and House bills referred to are so amended as to apply to all Indian tribes, not only to the Five Civilized Tribes.

Let me quote the last three paragraphs of the letter of the Acting Secretary of the Interior, Hon. Charles West, made to both the Senate and House Committees on Indian Affairs on the bills referred to above:

The Acting Director of the Bureau of the Budget has advised "that the proposed legislation in its present form, or if amended as suggested by you in your proposed report, would not be in accord with the program of the President", and my attention is directed to a communication from the Attorney General on the matter. I quote from the letter of the Attorney General the following paragraphs:

"It seems of doubtful advisability to confer such a broad and unlimited permission, and it would seem more desirable to limit it, if it is to be granted at all, to specific claims or suits, where the facts appear to justify such action.

"Attention is also called to the concluding clause of the bill, to wit, 'under the same law in force when originally tried.' Section 2 of the Second Deficiency Appropriation Act of 1935 (49 Stat. 571, 596) provides that in all suits then pending in the Court of Claims by an Indian tribe, which have not been tried or submitted, the court shall offset against any amount found due all sums expended gratuitously by the United States for the benefit of the said tribe or band. The above-mentioned clause of the pending bill might have the effect of nullifying this provision, insofar as some of this group of cases are concerned."

Thus you will see that this proposal is opposed by the Director of the Budget, who says it would not be in accord with the President's program, meaning his financial program.

I sincerely hope that every Member of the House will read the letters, which are official communications received from the Attorney General and the General Accounting Office. They are official and cannot be disputed.

The letters which I received permission to insert as part of my remarks follow:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., July 6, 1937.

Hon. JOHN J. COCHRAN,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: This will acknowledge receipt of your letter under date of July 1, 1937, with reference to a proposed amendment to the Department of Interior appropriation bill, which would deny to the Government the right to offset gratuities and advances made to the Five Civilized Tribes.

Pursuant to the request contained in your letter, there is enclosed herewith a memorandum prepared in this Department setting forth the information requested.

With kind personal regards,

Sincerely yours,

HOMER CUMMINGS,
Attorney General.

Memorandum for the Attorney General with reference to the Senate amendment to H. R. 6958, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, which reads: "*Provided further*, That section 2 of the act of Congress approved August 12, 1935, shall not apply to the Five Civilized Tribes" (proposed by Senator THOMAS of Oklahoma, CONGRESSIONAL RECORD of June 28, 1937, p. 6409)

The policy of the Congress, as shown by its legislation on the matter, has been to provide for the deduction from the amount recovered by a tribe in the Court of Claims, the amount which the United States has expended gratuitously for the benefit of that tribe.

Except in four instances, in the acts conferring jurisdiction upon the Court of Claims to adjudicate claims of Indian tribes against the United States which were passed prior to the act of August 12, 1935, referred to in the amendment, the Court of Claims was in terms directed to offset against any amount recovered by the tribe the amounts expended gratuitously by the United States for its benefit. The four exceptions referred to were acts conferring jurisdiction to adjudicate the claims of the Choctaws and Chickasaws (one act), the Cherokees, the Creeks, and the Seminoles (these being commonly known as the Five Civilized Tribes). These acts contain no such provision; and inasmuch as gratuities do not afford a basis for a legal counterclaim or offset, the amount so expended for these tribes could not be used in this manner.

In order to make uniform the rights of the United States in this respect in cases of this character and to equalize the privileges granted Indian tribes, section 2 of the act of August 12, 1935, was enacted.

That section reads:

"SEC. 2. In all suits now pending in the Court of Claims by an Indian tribe or band which have not been tried or submitted, and in any suit hereafter filed in the Court of Claims by any such tribe or band, the Court of Claims is hereby directed to consider and to offset against any amount found due the said tribe or band all sums expended gratuitously by the United States for the benefit of said tribe or band; and in all cases now pending or hereafter filed in the Court of Claims in which an Indian tribe or band is party plaintiff, wherein the duty of the court is merely to report its findings of fact and conclusions to Congress, the said Court of Claims is hereby directed to include in its report a statement of the amount of money which has been expended by the United States gratuitously for the benefit of the said tribe or band: *Provided*, That expenditures made prior to the date of the law, treaty, agreement, or Executive order under which the claims arise shall not be offset against the claims or claim asserted; and expenditures under the act of June 18, 1934 (48 Stat. L. 984), except expenditures under appropriations made pursuant to section 5 of such act, shall not be charged as offsets against any claim

on behalf of an Indian tribe or tribes now pending in the Court of Claims or hereafter filed: *Provided further*, That funds appropriated and expended from tribal funds shall not be construed as gratuities; and this section shall not be deemed to amend or affect the various acts granting jurisdiction to the Court of Claims to hear and determine the claims listed on page 678 of the hearings before the subcommittee of the House Committee on Appropriations on the second deficiency appropriation bill for the fiscal year 1935: *And provided further*, That no expenditure under any emergency appropriation or allotment made subsequently to March 4, 1933, and generally applicable throughout the United States for relief in stricken agricultural areas, relief from distress caused by unemployment and conditions resulting therefrom, the prosecution of public works and public projects for the relief of unemployment or to increase employment, and for work relief (including the civil-works program) shall be considered in connection with the operation of this section (49 Stats. 571, 596)."

The page (678) of the "hearings before the subcommittee of the House Committee on Appropriations" referred to in the section (second proviso) exhibits a list of claimant tribes in the Court of Claims who are suing under acts which permit gratuities to be offset.

Inasmuch as the Five Civilized Tribes were the only tribes affected by this section, immediately upon its passage we requested reports from the Comptroller General which would show the amounts expended gratuitously for their benefit. These reports have been received and show that the following amounts were expended separately for the benefit of the respective tribes:

Cherokees	$2,567,032.26
Creeks	1,138,981.47
Chickasaws	1,047,693.63
Choctaws	1,502,893.44
Seminoles	198,675.72
Total	6,700,276.52

In addition, these reports show that nearly $13,000,000 was expended for the benefit of these tribes jointly, which amount, under prior decisions of the Court of Claims, will be apportioned among the Five Civilized Tribes according to their respective populations.

It is thus apparent that if this amendment be retained in the bill the Government will lose the right to offset nearly $20,000,000 against judgments which may be rendered in the various cases of the Five Civilized Tribes yet pending in the Court of Claims. Inasmuch as that the present section 2 affects only the claims of the Five Civilized Tribes, the amendment might just as well provide for the repeal of the section.

If this amendment be retained in the bill, there is a further probability, in view of the underlying inequity, that Congress will be besieged with pleas by the other claimant tribes in the Court of Claims for similar relief. In the cases now pending in the Court of Claims under acts which specifically direct that gratuities shall be offset, the reports of the Comptroller General therein show that a total of nearly $75,000,000 has been expended gratuitously by the United States for the benefit of the tribes concerned. If these pleas for similar treatment be granted, separately or by general legislation, of course, the Government will lose the right to offset this vast sum also.

Respectfully,

CARL MCFARLAND,
Assistant Attorney General.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 6, 1937.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: There has been received your letter of July 1, 1937, transmitting a copy of your letter of that date to the Attorney General with reference to a Senate amendment to H. R. 6958, Seventy-fifth Congress, first session, entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes." The amendment to which you refer is numbered 74 and appears on page 67 of the said bill and reads as follows:

"* * * *Provided further*, That section 2 of the act of Congress approved August 12, 1935 (49 Stat. 571), shall not apply to the Five Civilized Tribes."

With respect to the amendment you request of the Attorney General and this office "just what effect these amendments will have on the pending cases" of the Five Civilized Tribes in the Court of Claims.

The testimony of Mr. Assistant Attorney General Blair appearing on page 678 of the hearings before the subcommittee of the House Committee on Appropriations on the second deficiency appropriation bill for the fiscal year 1935 is that 43 cases were pending in the Court of Claims brought by the Five Civilized Tribes involving approximately $850,000,000, and that the jurisdictional acts in those cases forbid offsets. In the reports of this office to the Department of Justice in connection with these cases there were set up for consideration by the Attorney General as gratuity offsets items approximating $19,000,000, which would be for consideration by the Court of Claims as offsets under the provisions of section 2 of the said act of August 12, 1935 (49 Stat. 571, 596). It will be noted that while the original jurisdictional acts authorizing suits to be filed by the Five Civilized Tribes contain no provision for gratuity offsets, section 2 of the said act of August 12, 1935, provides in part as follows:

"In all suits now pending in the Court of Claims by an Indian tribe or band which have not been tried or submitted, and in any suit hereafter filed in the Court of Claims by any such tribe or band, the Court of Claims is hereby directed to consider and to offset against any amount found due the said tribe or band all sums expended gratuitously by the United States for the benefit of the said tribe or band; * * *."

The Senate amendment to H. R. 6958, if enacted into law, will have the effect of nullifying the above-quoted provision from the act of August 12, 1935, so far as its application to the cases of the Five Civilized Tribes is concerned which will involve a potential loss to the United States of $19,000,000. The amendment does not serve the purpose of bringing into line the suits filed by the Five Civilized Tribes with suits filed by other tribes of Indians under other jurisdictional acts but on the contrary it would constitute a direct exception to the law as it now stands requiring the set-off in these Indian cases of gratuity expenditures by the Government. If the amendment is enacted into law it would seem that other tribes of Indians not entitled to the benefits of the amendment could with much justification petition the Congress for the enactment of similar legislation conferring upon them the same benefits. This office knows of no reason why these particular Indians should be given the benefits which would flow from the amendment when the same benefits are not extended to other tribes similarly situated.

Your subsequent telephone inquiry asks that there be included in the report also a statement showing the effect of the first and second provisos of section 2 of the act of August 12, 1935. The first proviso of the said section provides as follows:

"* * * *Provided*, That expenditures made prior to the date of the law, treaty, agreement, or Executive order under which the claims arise shall not be offset against the claims or claim asserted; and expenditures under the act of June 18, 1934 (48 Stat. L. 984), except expenditures under appropriations made pursuant to section 5 of such act, shall not be charged as offsets against any claim on behalf of an Indian tribe or tribes now pending in the Court of Claims or hereafter filed * * *."

With reference to the first clause of the proviso, "That expenditures made prior to the date of the law, treaty, agreement, or Executive order under which the claims arise shall not be offset against the claims or claim asserted", you are informed that the question of offsets to be pleaded in suits filed by Indian tribes in the Court of Claims is one for determination by the Department of Justice. However, it would appear that subsequent to the date of the act of August 12, 1935, the above-quoted language from the first proviso would preclude the offsetting of expenditures made prior to the date of the law, treaty, agreement, or Executive order under which the claim was asserted—that is, it leaves unaffected making offset of "sums expended gratuitously" subsequent "to the date of the law, treaty, agreement, or Executive order." This also applies to that part of the proviso concerning expenditures under the act of June 18, 1934, with the exception of expenditures under appropriations made pursuant to section 5 of the said act, under which the Secretary of the Interior was authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment any interest in lands, water rights, or surface rights to lands within or without existing reservations, et cetera, for the purpose of providing lands for Indians, and providing an appropriation of $2,000,000 therefor. It would appear that the amendment to H. R. 6958 would preclude the Government from offsetting against the claims of the Five Civilized Tribes expenditures made under said section 5 of the act of June 18, 1934.

The second proviso of the said section 2 of the act of August 12, 1935, provides as follows:

"* * * *Provided further*, That funds appropriated and expended from tribal funds shall not be construed as gratuities; and this section shall not be deemed to amend or affect the various acts granting jurisdiction to the Court of Claims to hear and determine the claims listed on page 678 of the hearings before the subcommittee of the House Committee on Appropriations on the second deficiency appropriation bill for the fiscal year 1935; * * *."

With respect to the quoted language "That funds appropriated and expended from tribal funds shall not be construed as gratuities", it may be said that this office knows of no instance in which the disbursements from such funds have been applied as offsets against Indian claims. With respect to the further statement in the second proviso that said section 2 shall not be deemed to amend or affect the various acts granting jurisdiction to the Court of Claims to hear and determine the claims listed on page 678 of the hearings before the subcommittee of the House Committee on Appropriations on the second deficiency appropriation bill for the fiscal year 1935, the reason for including such language in the act is not known to this office but it may be the statements by Mr. Assistant Attorney General Blair before the subcommittee of the House Committee on Appropriations may have had a bearing thereon—that in all of the 24 cases the jurisdictional acts contained provisions for making offsets of gratuity payments and that the language is sufficiently broad to permit of all legitimate and equitable offsets (p. 678 of the hearings cited above). With one exception the acts conferring jurisdiction upon the Court of Claims to hear and determine the claims of

the 24 tribes of Indians listed on page 678 of the said cited hearings do each contain language sufficiently broad to permit of all legitimate and equitable offsets. Thus it cannot be fairly said that an exception should be made in the cases of the Five Civilized Tribes because certain tribes of Indians were excepted from the operation of the said act of August 12, 1935. For ready reference there is enclosed a statement containing a list of the 24 tribes of Indians referred to in the said hearings together with a citation to the jurisdictional acts involved. With the exception of the case of Saginaw Chippewas, each of the jurisdictional acts contained offsetting gratuity features.

Sincerely yours,

R. N. ELLIOTT,
Acting Comptroller General of the United States.

JURISDICTIONAL ACTS

Tribe:
- Arapahoe and Cheyenne: June 3, 1920 (41 Stat. 738), amended by the acts of June 4, 1926 (44 Stat. 764), and March 29, 1928 (45 Stat. 380).
- Chippewa: May 14, 1926 (44 Stat. 555), amended by the acts of April 11, 1928 (45 Stat. 423), May 18, 1928 (45 Stat. 601), June 28, 1932 (47 Stat. 337), and June 18, 1934 (48 Stat. 979).
- Indians of California: May 18, 1928 (45 Stat. 602), amended by the act of April 29, 1930 (46 Stat. 259).
- Chehalis: February 12, 1925 (43 Stat. 886).
- Coos Bay: February 23, 1929 (45 Stat. 1256), amended by the act of June 14, 1932 (47 Stat. 307).
- Crow: July 3, 1926 (44 Stat. 807), amended by joint resolution dated August 15, 1935 (49 Stat. 655).
- Flandreau Sioux: June 3, 1920 (41 Stat. 738).
- Klamath: May 26, 1920 (41 Stat. 623), amended by the act of February 14, 1931 (46 Stat. 1105).
- Nez Perce: February 20, 1929 (45 Stat. 1249).
- Nez Perce (Joseph's Band): February 20, 1929 (45 Stat. 1249).
- Nisqually: February 12, 1925 (43 Stat. 886).
- Pillager Chippewa: March 3, 1931 (46 Stat. 1487).
- Ponca: January 9, 1925 (43 Stat. 729).
- Quinaielt: February 12, 1925 (43 Stat. 886).
- Saginaw Chippewas: June 25, 1910 (36 Stat. 829), amended by the act of May 24, 1924 (43 Stat. 137).
- Shoshone: March 3, 1927 (44 Stat. 1349).
- Sioux: June 3, 1920 (41 Stat. 738).
- Northwestern Shoshone: February 28, 1929 (45 Stat. 1407).
- Steilacoom: February 12, 1925 (43 Stat. 886).
- Seattle: February 12, 1925 (43 Stat. 886).
- Warm Springs: December 23, 1930 (46 Stat. 1033).
- Wichita: June 4, 1924 (43 Stat. 366), amended by the act of April 21, 1932 (47 Stat. 87).
- Winnebago: December 17, 1928 (45 Stat. 1027).
- Yankton Sioux: June 3, 1920 (41 Stat. 738).

The Mooney-Billings Affair

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 13, 1937

Mr. COFFEE of Washington. Mr. Speaker, I have signed the petition to President Roosevelt, circulated by Representative WILLIAM J. FITZGERALD, of Connecticut, calling for a Federal investigation of the Mooney and Billings case.

C. C. Crowley and Baron Von Brinken served time at McNeil Island Penitentiary for dynamiting a barge in Puget Sound. C. C. Crowley was a special private detective for Prosecuting Attorney Fickert and after examining the bomb, exclaimed, "Splendid." Gen. Franz Bopp paid $75 to J. H. Van Koolbergen for this infernal machine, made to order from a drawing furnished by Baron Von Brinken in room 7076, Palace Hotel, San Francisco. This evidence is taken from Government records of German sabotage cases, and a Federal investigation is necessary. Baron Von Brinken was given citizenship papers, and C. C. Crowley, the private detective for Charles M. Fickert, is now preaching in Los Angeles, while Mooney and Billings await a fair and impartial trial, as guaranteed every citizen under the Constitution.

THEIR CONTINUED IMPRISONMENT IS A SHAMEFUL THING

The continued retention of Mooney and Billings within the walls of a penitentiary within these United States is a blot upon the escutcheon of American civilization. The whole affair screams to high heaven for action. These two men have endured the obloquy, discomfort, and humiliation of imprisonment for years, ostensibly because they were charged with the committing of a heinous crime, but actually because they were radicals who expressed ideas on economic matters more advanced than, and diametrically opposed to, that of their traducers. Their imprisonment was an individual pogrom. Their incarceration is a stain it will be difficult to eradicate. Let every right-thinking American arouse himself and fight militantly to extirpate the blot upon America's fair pages. The waning days of the French Bourbons in the latter years of the eighteenth century, when Mirabeau and other outspoken champions of the underprivileged were sent into prison and then forgotten, should not find any parallel here. The words of every American liberty lover from Tom Paine to "Bob" La Follette ring in our ears. Must we bow our heads? America, wake up! Rouse up! From the Halls of this Congress sincere men inveigh against what they term "communism." Conditions such as I have above described breed communism, create mass revolt.

I urge every Member of Congress to sign this petition and let us have action to obtain justice in this notorious frame-up!

COMMITTEE HEARINGS GIVE HOPE

With the appointment of a subcommittee by Senator HENRY F. ASHURST, chairman of the Senate Judiciary Committee, to hold hearings on the joint resolution of Senator JAMES MURRAY, of Montana, calling upon Governor Merriam, of California, to grant an unconditional pardon to Thomas J. Mooney, the Washington Tom Mooney Defense Committee today announced that striking new circumstantial evidence from the records of the German war sabotage hearings in 1929 will be introduced.

Senator MURRAY's resolution requests both Congress and President Roosevelt to memorialize Governer Merriam in behalf of a pardon for the famous labor prisoner who was convicted of bombing a Preparedness Day parade in San Francisco 21 years ago. So far as can be ascertained, according to the Mooney defense committee, this is the first time in the history of the Government that Congress has ever been asked to memorialize a State or State official. Heretofore it has always been the custom for States to memorialize Congress. The subcommittee appointed by Chairman ASHURST is composed of Senators M. M. NEELY, of West Virginia; PATRICK MCCARRAN, of Nevada; JOSEPH C. O'MAHONEY, of Wyoming; JAMES H. HUGHES, of Delaware; and GEORGE W. NORRIS, of Nebraska.

NEWLY DISCOVERED EVIDENCE SHOWS WORLD WAR PHASES

The new circumstantial evidence points the finger of suspicion at a German baron, a former German Army general, and a former soldier in the German Army. The document from the German sabotage hearing records, which was only recently discovered by John Jenkins, chairman of the Washington Tom Mooney Committee, contains the sworn testimony of J. H. Van Koolbergen, a British spy, to British authorities, and casts suspicion also on C. C. Crowley, a convicted dynamiter, who, according to evidence in the hands of the Mooney defense, was employed by Charles M. Fickert, district attorney, responsible for the alleged railroading of Mooney and Warren K. Billings to life sentences for the Preparedness Day bombing.

Contained on pages 2543 and 2544 of United States Exhibit 600, printed record of sabotage cases, Koolbergen's testimony shows that he was asked by Lieutenant Von Brinken, a member of the German consul's staff in San Francisco, whether he could make a bomb to specifications. Koolbergen said that he made the bomb and took it to room no. 7076, Palace Hotel, where he met C. C. Crowley.

CROWLEY APPROVES BOMBS

Crowley, according to Koolbergen, proclaimed the bomb splendid and ordered 12 of them at a cost of $75 each. One bomb was purchased from Koolbergen, but the deal for the others fell through when members of the German staff began to get suspicious of Koolbergen.

Comparison of the details of the bomb made by Koolbergen and sold to Crowley with pictures of the Preparedness Day bomb published July 24, 1916, in a San Francisco newspaper show them to be identical instruments. Witnesses of the fatal explosion declare that the bomb was completely destroyed and that only through advance information could the newspaper have obtained the complete drawing which was published a few hours after the explosion.

Further records here show that Crowley made payments to Lewis Smith, another convicted dynamiter, who served in the German Army, totaling $550 in the months preceding the explosion for which Mooney and Billings were blamed and sentenced to life imprisonment. These payments are listed on page 747, volume 2, of the bill of exceptions to the trial of German Consul General Von Bopp and Lieutenant Von Brinken.

According to one Frank O. Stevens, of Dayton, Ohio, Smith died in Cleveland July 4, 1922. Before his death Smith confessed in the presence of six persons that he was the one who planted the bomb which caused the explosion on July 22, 1916, in which 10 persons were killed and 40 injured.

Crowley, according to a document dated San Francisco, June 14, 1915, was a special agent of Fickert, supposedly assigned to the investigation of traffic in illicit drugs. At the time of his appointment by Fickert he was participating in dynamitings on behalf of the Imperial German Government, the record shows.

Fickert, it is alleged, was elected to office as prosecuting attorney with the aid of the powerful United Railways, whose employees Tom Mooney was attempting to unionize.

TWENTY-ONE LONG YEARS OF PUNISHMENT FOR WHAT?

Mooney and Billings have been in jail for 21 years. Throughout that time they have steadfastly protested their innocence of the crime for which they were convicted and Mooney has refused a parole on the grounds that acceptance would imply admission of guilt.

Witnesses against Mooney and Billings have since declared they gave perjured testimony, and jurors have since stated that their decision was reached without full knowledge of the facts and under duress. The trial judge, Judge Franklin G. Griffin, has termed the conviction "The dirtiest job ever put over." The case has been bandied about the courts of California and the Supreme Court. At present it is awaiting final appeal to the Supreme Court.

Senator MURRAY's resolution is as follows:

Whereas on February 9, 1917, Thomas J. Mooney was convicted in the Superior Court of California of murder in connection with the bombing of the Preparedness Day parade in San Francisco on July 22, 1916; and

Whereas Thomas J. Mooney was thereupon sentenced to death, which sentence was later commuted to life imprisonment by the Governor of California after the intervention and urgent appeals of President Woodrow Wilson; and

Whereas Thomas J. Mooney has ever since been incarcerated as a life prisoner; and

Whereas an overwhelming array of convincing evidence has been uncovered showing that his conviction was based upon false and perjured testimony and that he is entirely innocent of the crime for which he was convicted; and

Whereas several Federal commissions, composed of reputable lawyers and outstanding citizens and public officials, have reported, after thorough study and investigation, that the conviction of Mooney was a grave miscarriage of justice; and

Whereas the continued imprisonment of Mooney in the face of the overwhelming proof of his innocence has become a matter of Nation-wide concern and is causing widespread distrust of the American judicial process, inspiring disrespect for orderly government, and shaking the faith of the people in our democratic institutions: Be it therefore

Resolved, etc., That the Honorable Frank F. Merriam, Governor of the State of California, is respectfully urged to use the powers conferred upon him by the Constitution and laws of California to right the wrong done to Thomas J. Mooney by granting him a full and complete pardon, and thereby reestablish the faith of our people in the administration of justice by law; be it further

Resolved, That we urge the Honorable Franklin D. Roosevelt, the President of the United States, to intervene with the Governor of the State of California, requesting said Governor to immediately grant to Thomas J. Mooney a full and complete pardon, following the action of President Woodrow Wilson, who used his high office to right this universally recognized miscarriage of justice.

Federal Loans to Farmers

EXTENSION OF REMARKS

OF

HON. MILTON A. ROMJUE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

Mr. ROMJUE. Mr. Speaker, when President Roosevelt and the Democratic Congress assumed charge of the administration of Government affairs on March 4, 1933, this country was found to be in a bad business condition. Agriculture was in great distress. Farmers were breaking up and losing their possessions throughout the country. A general business depression had set in and made very severe and drastic on account of the fact that agriculture itself had been by the previous Hoover administration greatly neglected and mistreated, and no policy or program had been inaugurated by that administration looking to any semblance of aid and assistance to the farmers of the country. This Nation is essentially an agricultural nation, although the last quarter of a century industry has grown in leaps and bounds; but whenever the agricultural interests of the country are at a low ebb and yielding little or no profit to those engaged therein the entire business structure is bound to come down and suffer. Seeing and fully realizing this situation, President Roosevelt and the Democratic Congress in session at that time, with great deliberation, undertook to rehabilitate not only the general business conditions of the country, but particularly and especially the agricultural interests, and legislation on a wide scope and extensive nature was passed intending to help the farming industries of the country.

It is to this phase of legislation and to this particular question to which I desire now to direct attention. I shall not go into a discussion of all the legislation which has been so valuable to the farming interests, but my purpose now is to particularly call attention to the provision for loans that were made to farmers. The interest rate was reduced by reason of the emergency arising with the thought in mind that it would greatly help to rehabilitate the farming interests. Thousands of farmers throughout the country availed themselves of the privilege and secured loans under this reduced interest rate. As the legislation was of an emergency nature, an agreement was reached to run for a certain and definite period. The end of that period expired on the 30th of June this year. Many Representatives in Congress take the same view as I hold myself and believe that this privilege of renewing old loans or securing new loans at the same low rate of interest ought to be carried on in effect for some time. It is my own personal opinion that this privilege ought to extend until at least such time as the farming industry is thoroughly and firmly established over a period of years. There is no question about that, and it very probably should be made a permanent policy, which I would very much like to see, but as there was such a difference of opinions arising in the committee having charge of this legislation coming before the House, a compromise agreement was reached to extend this low rate of interest for a period of at least 1 year. In my opinion without question this privilege should be granted.

As a result of this compromise agreement the bill came before the House and was passed by the House of Representatives this session. I am firmly convinced that the opinion of Mr. Myers, head of the Farm Credit Administration, in which he expresses himself as feeling that the interest rate should be raised, is unjustified, unsound, and will work a great detriment to the agricultural sections of the country and would be to the detriment of the welfare of the country in general.

I desire to call the attention of those who do not understand the farm problem and the agricultural situation to the

unprecedented situation that the farmers of this country have suffered and endured during the past 3 years. During 1934 and 1936 this country, in many sections, experienced two most extraordinary droughts, such as it has never before experienced, and which I hope it will never experience again.

These droughts alone, notwithstanding the extraordinary experience which the farmers had in 1935, have greatly injured the agricultural interests and the individual farmers of the country have suffered almost beyond explanation.

In this year, 1937, so far we have been blessed in most respects with a generous crop. The oat and hay crops are eminently and highly satisfactory; the corn crop, up to the present time, is in good condition and with a proper season continuing throughout this summer bids fair to yield an abundance. The wheat crop, and particularly in my section of the country, has suffered greatly from the rust. For some time the wheat crop gave every evidence of being a highly successful product, but the damage done by the rust has been great. However, in all due seriousness to have a sensible discussion of the agricultural question it must be recalled that while we have never suffered or experienced such droughts and dry years as we have during and since 1934, yet on an average of about 1 year in every 3 or 4 years or more one of our agricultural crops is apt to be short while the remaining customary crop in a particular section may be abundant in the same year.

The farmers generally now have no surplus in the way of crops and in the excessive dry years they have been forced to curtail their holdings of livestock on account of the excessive cost of feed. In many instances, and in such instances if they were able to hold on they were compelled to buy high-priced feed and they have encountered and contracted debts in addition to some mortgages which were previously existing upon the lands to such an extent that notwithstanding the appearance of a good crop generally, which now seems to be on its way, these farmers have not yet gotten themselves into position to have any real substantial amount of products from the farm that they could convert into cash and thereby meet past and existing interest and to increase the rate of interest on the farmer at this time, in my personal opinion and judgment, would work to the great disadvantage of the individual farmer throughout the country and to such an extent as to do general injury to the country itself.

It is true that the policy that has been pursued by President Roosevelt and the present Democratic Congress heretofore during his administration of affairs from March 4, 1933, down through the present time has been responsible for the saving of the agricultural situation and, in fact, has done more to put this country back upon its feet than any other one or more things done. Now that we are on the high road to recovery, in my opinion, it would be a mistake to raise the interest rate at this time and regardless of any action taken by the President or anyone else I propose to cast my vote in favor of that policy which I believe would be the fairest and be to the best interest of those who are affected by the legislation.

I think it is fair to state that the average rate of interest that the Government has to pay on borrowed money is about 2¾ percent—that is, in the neighborhood of the average interest rate—and I do not see any reason why rates of interest on these loans should be increased, as I believe in the long run that the Government will lose more money than it would gain by the increased rate by the detriment that will inure to the agricultural interests generally.

Practically all of my life has been spent in contact with farms and livestock. My father before me, as were both of my grandfathers, were successful farmers and stockmen. They did not live in this machine age and did not have their attention so much directed to the ownership of automobiles, and they did not have to encounter such circumstances, as nature was kind to them and did not bring them into contact with such great droughts as those of us now living have seen within the past few years. They were all three fortunate enough in their raising and marketing of livestock and the operation of their farms to have kept their farms entirely free from mortgage at all times. From that I assume they were, even in their time, men of mature and sound judgment. What they might have done in these days would be a matter of conjecture.

Of course we have different kinds of farmers as we have different kinds of doctors and different kinds of lawyers and different kinds of merchants; some successful and some otherwise. Some would not succeed under the most favorable conditions; others will be successful if given a fair opportunity, but no man, however intelligent he may be, can be continually successful in agriculture or anything else when all the elements are arrayed against him, and on top of that if he is handicapped by not giving him a fair opportunity he will suffer in his undertakings. I am sure that it is necessary for the agricultural interests of this country to learn as soon as possible, and many farmers already know that it is just as necessary, in order to carry on a successful farm operation, for one to understand that he must build him a surplus just as it is necessary for a good, sound bank or a good, sound merchant to have back of him surplus sufficient that when misfortune comes he is able to withstand the onslaught and be prepared for it in advance, so in the years of great production of farm products the successful farmer will try and arrange the best he can to preserve some of that surplus, so in case of a lean year coming next year he is not forced to put all of his stock on the market and sell at a sacrifice. I can recall very well my father's policy. He nearly always would have about enough feed saved to carry him at least one-half through the next year even if nothing had been raised, therefore he never had to sell on a sacrifice market, and I think that was a large contributing factor in his ability to hold his property without mortgage.

Syphilis a National Menace

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

Mr. BOREN. Mr. Speaker, I am placing before the House today a bill asking for the appropriation of $4,000,000 to initiate a program for the control of venereal diseases in the United States and particularly with the objective of stamping out the dread disease known as syphilis, which, at the present hour, has contaminated 1 out of every 10 homes in America.

It is the purpose of my proposal to initiate a Nation-wide public-health program with a public-health force which will be able to conquer this plague. All has been done in the form of investigation essential to the development of such a plan, and extensive work has been done already in many of the States by the State boards of health, so that under the leadership provided by the United States Public Health Service the development of a plan of real service can begin in a real sense in all of the States immediately.

The question of syphilis control has been brought into the open from behind the prudery under which it has masqueraded as a killer through the centuries. One out of every ten adults in the Nation is now afflicted with this disease, and there are more than a million new cases of this deadly infection developed each year. Only 1 out of 10 of those infected are now being treated. Furthermore, less than half of those who are treated are being treated so as to make the results of the disease no better than if they had had no

treatment at all. This dread disease affects all classes, all races, both sexes, and is rarely recognized in time to give adequate treatment. My bill proposes to set up adequate facilities for a diagnosis and treatment which are now rarely available to the afflicted individual. It would be correct to say that public health facilities for control are totally inadequate.

Eleven thousand children between the ages of 11 and 15 acquire syphilis each year. One hundred thousand acquire it each year between the ages of 11 and 20. One-half of all syphilis is acquired before the age of 25. The staggering price we have paid for our failure to control syphilis and similar preventable diseases is a sum too great for any comparison to the appropriation asked for in this bill. Syphilis, like tuberculosis, yellow fever, and smallpox, is a distinctly and definitely preventable disease. In order to accomplish this purpose, it is necessary to improve Federal, State, and local facilities, to the end that prevention, early diagnosis, and continuous treatment shall be available to every citizen in America needing this service.

It is clear that the cost to the Federal Government for an adequate control program will be a great economy, as compared to the expense for the care of those afflicted with this and other preventable diseases.

I am asking for $4,000,000—3 cents each—to protect the American people from this dread scourge, which is worse than war and depression and leaves a broken body and a blighted hope in 1 out of every 10 homes in America. Four million dollars to save the lives of 100,000 children this year! If the program was for these children alone, $40 would be a paltry sum to purchase the freedom of a child from this terrible cause of illness and death.

But let us see what will be reached by the 3 cents per person that I propose to spend for the health of this Nation. There will be 1,000,000 new cases of syphilis this year. If our program simply arrests the contagion, it would cost us only $4 per case to effect that end. What price will America take to sell 1,000,000 slaves to disease and death this year?

Syphilis gives us 10 percent of our insanity, 43,000 mental patients to private hospitals, and thousands more in home treatment. Syphilis gives America 40,000 deaths from heart disease each year, 4,500 deaths from paresis, more than a thousand deaths from locomotor ataxia, 10,000 direct deaths, and 6,000 stillbirths each year. Let us not quibble in terms of false economy when the Nation's health is in the balance. Four million dollars is a drop in the bucket compared to the losses in human failures and the wasted millions which go to the fakers, thriving parasites on the degeneracy of public health.

The sudden disaster of storm and flood strikes terror in its path and plays upon the harp of sympathy throughout the land; but syphilis, like the ancient plague, steals into American homes, spreading its destruction of American lives cloaked in secrecy of misconceived prudery.

I am asking for $4,000,000 for the health of the Nation. I am seeking health and happiness for your State and mine. In Oklahoma 200,000 people are now infected, and there are 10,000 new cases each year. In my own county there are 3,600 known cases, and the disease is less prevalent in my State than is the average for the Nation. I am asking for $4,000,000 for the thousands of children between the ages of 11 and 15 whose bodies, buoyant in health, will this year and next year and the next be ravished by this dread disease. In a certain county in Alabama, with the population of 22,000 Negroes and 5,000 whites, it has been ascertained that there are more than 9,000 cases of syphilis. And so it is in your town and my town and every village, city, and State in the Nation.

Mr. Speaker, I have presented here a bill asking to purchase the freedom of 1 out of every 10 homes in America. I am asking for $4,000,000 to arrest what is, with the exception of measles, the most prevalent of all communicable diseases—syphilis. I call on the American public to enlist in this crusade of public health. There must be a Wassermann dragnet spread over the Nation. I call on the Congress of the United States to arrest the agent which threatens to destroy 1,000,000 homes this year. The wastrel which will destroy the health and happiness of 100,000 children and that will sit as a ghost of dread despair in 1,500,000 homes tonight.

This charge is ours, and $4,000,000 will pay the bill of policing 130,000,000 homes tonight. For once let a dollar mark mean health and happiness. For each eagle stamped on a disk of silver will guard 33 homes from the hideous scourge which will this year, unless we act, despoil a million more lives, blight the future of a million otherwise hopeful souls, and wreck and ruin a quarter of a million little children.

Mr. Speaker, on these grounds I ask the Congress of the United States to spend $4,000,000.

An Example of Unnecessary Expenditure of Government Funds

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

Mr. REES of Kansas. Mr. Speaker, having been given unanimous consent by the House to revise and extend my remarks on the bill that passed the House today, which provided for the appointment of a janitor for the Committee on Education at a salary of $1,260 per year, I feel I should further express my opinion with reference to this kind of legislation.

I realize that the item of $1,260 is a comparatively small amount, especially in view of the millions of dollars that are being expended by this Congress from week to week; but what I want to point out is, first, the absurdity of providing such employment, and, in the second place, to show the attitude of our Congress toward the expenditure of public money.

I am a member of the House Committee on Education. This committee meets in a comparatively small room on the third floor of the House Office Building. I am informed that charwomen are employed to do the real janitor work, as is done in other offices. But, in any event, this committee has met only a few times during the session. They held some hearings and met in executive session possibly a dozen times. No meetings at all have been held since the 27th of April, and we have no notices from our chairman that any meetings are to be held in the immediate future. As a matter of fact, I do not know of any legislation before this committee where there is likelihood of committee sessions.

It seems absurd that since we have not required the use of this extra employee for 6½ months' time that this House should see fit toward the close of the session to employ someone in the capacity of janitor, at a salary of $1,260, who will have practically nothing at all to do. As I said before, the amount of the expenditure is small. If the services of this individual were necessary or required at all, there could be no objection to it. If the employment is made for the purpose of satisfying a political appointment only, it should not be allowed. The only excuse given by the chairman of the Committee on Accounts for proposing this bill was that this committee should have a janitor, because other committees had employed persons in the same capacity.

I say again that we should be just as careful in the expenditure of Government funds as we would in the affairs of our own business, and that this expenditure further emphasizes a tendency on the part of the House to be extremely liberal in the expenditure of Government funds.

The Alaska Highway

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

Mr. MAGNUSON. Mr. Speaker, America experienced its greatest economic crisis in the last depression. The causes were many. A fundamental one was the closing of frontiers. Up to the twentieth century the vital spark of our economic health rested in the benefits derived by the westward migration of our people. This movement, from colonial times to the beginning of the last two decades, staved off many downward economic trends.

Other civilized nations found their frontiers closed years ago. Colonization had temporarily helped many European nations. Ours, however, was a continuous frontier, the development of which kept a steady stream of economic activity flowing throughout the Nation, but Europe was often faced with the dire problem of lack of frontiers and new lands, and was thereby forced to face problems at home caused by technological advancement, growth of population, and lack of new lands. Because of this they became cognizant of many of the problems now confronting us long before we were aware of them. These problems, however, were not thrust upon them with one stroke. Spasmodic colonization allowed the European nations to come into new economic orders more easily. In a sense, with all her limitations, Europe was in a better position to face the world depression. She had known these conditions before. No hint of our difficulties presaged any westward development. Horace Greeley's famous saying, "Go West, young man, go West", was sound economic advice for the Nation. Only once were we faced by any other condition. The great depression might have come sooner had it not been for the stimulating effect upon business caused by the World War. We do not want another war. Generally speaking, America has, by economic necessity, been now forced to do with what she has and with no apparent new lands beckoning, her problem is real and difficult. I do not imply that the mere opening of new frontiers would obliterate the necessity of the political-economic reforms now in progress, but I do know, as does every thinking individual, that the opening of new territories with the resources made available, helps to stimulate economic activity and makes for better living conditions for those who find life intolerable in certain sections. The development of new frontiers, paralleling the development of a nation, makes for better adjustment to new problems.

European countries fight and bleed for new lands. They consider colonization so important to the social and economic welfare of their people that they have even violated all international ethics, at an enormous cost of both life and money, to acquire new frontiers. Frontiers are not inexhaustible, yet portions of the world are untouched. Within the borders of the North American Continent lie millions of acres of such lands filled with every natural resource known to mankind, and possessing a climatic and geographical advantage that makes for agreeable living. Such acres lying within other countries would be subject to bitter controversy, and yet within the borders of two of the most friendly nations of the world lie such lands in a virgin state. Other nations in such a position would consider themselves extraordinarily fortunate. We have overlooked a great opportunity.

Prior to the twentieth century this apathy would not be considered strange. The abundance of our natural resources seemed inexhaustible. New economic enterprises were being undertaken, employment was easily found, and living conditions were good. However, events of the last few years should forcibly convey to us that we are approaching a situation similar to that in which European countries now find themselves. To better face this problem we must look to the remaining frontiers.

A sensible revival of the pioneer spirit, coupled with the actual opening of these frontiers is part of the answer to our economic dilemma. Just where are these frontier regions? They lie in the Pacific Northwest, in British Columbia, and in the Territory of Alaska.

The United States purchased Alaska from Russia for $7,200,000. Russia has regretted that sale, for Alaska, with what little development it has had, has already returned that sum to us many times over. Despite that, it still lies almost untouched. Surprisingly little has been done to encourage its development. Had it not been for the gold rush of 1898, I doubt if the Territory would be inhabited by Americans today. And yet it belongs to us. It is possessed of a splendid climate and has great natural resources. It abounds in fish, minerals, timber, water, and rich land. Between the Pacific Northwest of the United States proper and Alaska lies the Province of British Columbia, a part of the Dominion of Canada. It also has tillable land, millions of board feet of virgin timber, abounds in minerals, and possesses a climate favorably comparable to most sections of the United States.

It remains today, with the exception of the southern portion of the Province, in and about Vancouver, also practically untouched. Thus, from the State of Washington on up northward to the borders of the Soviet Russia these two areas contain a section of the globe as favorable to new development as any section of the world. One portion belongs to the United States, the other to the Dominion of Canada. We are friendly countries with the same things in common, inhabited by the same type of people, and confronted with the same economic problems. That being so, the time has arrived when this territory should be jointly opened up for settlement and development, and there appears to be no intelligent reason why this should not be done upon this mutual basis.

Essential to the development of any new territory is a means of ingress and egress—a road. The necessity is obvious. It would give the United States greater access to its own Alaska. It would open up a great section of the Dominion of Canada to us for trade. It would give the Dominion of Canada access to its virgin territory in northern British Columbia, and, in turn, give the whole Dominion of Canada the reciprocal trade relationship with us. It should definitely mean a migration of those who cannot find opportunity for a livelihood in the urban centers of both countries. It would mean increased activity along the whole Pacific coast, through the South American countries, through Central America, Mexico, the United States, and on up north through Canada into Alaska. Such a connecting highway is no longer a dream for the South American countries and the Central American countries are moving toward the same goal. Very little mileage needs to be completed. It is not necessary to point out the vast benefits resulting from such completion.

Further, in the State of Washington the Federal Government is making great expenditures on the Grand Coulee Dam. This State, located at the very door of this new territory we speak about, contains about two-fifths of all the potential water power in the North American continent. Complete development of these potentialities, such as Grand Coulee, coupled with the advancement of transmission facilities, could furnish enough power and irrigation, if irrigation is needed, for the ultimate development of the whole section.

People would move in. The road would abound with traffic of a new economic empire. A comparison of this section and some of the inhabited sections of the Middle West leaves but one answer. Where are the people in the Dust Bowl to go? The opportunity would be provided for

an easing of our economic tension. Young America would have a new chance to build.

From a practical standpoint is the Alaska Highway feasible? Consider these facts. It can be built at a remarkably reasonable cost. The portion to be constructed in Alaska proper would not cost over $2,500,000, and the Canadian section would cost about thirteen and one-half million dollars. The Pacific Northwest portion of the United States that would connect with the road, and also the southern portion of British Columbia, has fine, well-built, connecting links. The terminii of the highway would be Seattle, Wash., and Fairbanks, Alaska. From Seattle to Hazleton, British Columbia, which is located in about the middle western section of the Province, there is completed road—in excellent shape—a mileage of 882 miles. From Hazleton to the Yukon Territory border there is 50 miles of completed road. From the Alaska boundary to Fairbanks, Alaska, there are 90 completed miles with 183 miles of new construction needed—a total from Seattle to Fairbanks of 1,073 miles of constructed highway and a total of 1,183 miles of new construction needed. One terminus, Seattle, is connected with all United States highways. The Pacific Highway, running south through Portland, Eugene, San Francisco, Sacramento, Los Angeles, and into Mexico, is in excellent shape. As before stated, there is in progress similar road construction up and down the whole proposed international highway clear into Argentina. So active is the interest that should the Alaska Highway be built, we can almost be assured of a finished road the length of the North and South American Continents.

Our Government has gone into the Central American countries with American money and built roads and bridges because we felt the benefits would more than compensate for the expense. The United States Bureau of Public Roads informs me that in 1930 the Congress appropriated $50,000 for a survey of the Pan American Highway in the Central American countries. In 1934 an expenditure of over $75,000 was authorized from administrative road funds already appropriated to the Department of Agriculture for cooperative surveys, plans, and instruments, and during the same session of Congress an appropriation of $1,000,000 for actual construction on the Pan American Highway was carried in the Department of State deficiency bill.

Further than that, we have, on many occasions, not only initiated conferences but officially attended many meetings relative to the Pan American Highway during the past few years. Our interest and cooperation with the South American countries toward the completion of this portion of the international highway has been paramount. That being so, could not such an interest be even more justifiable on a project running to one of our own Territories—the greatest section of them all—Alaska?

The fundamental obstacle in building the road is in the financing. Such financing should be primarily the responsibility of each of the nations in whose jurisdiction the road runs. The Alaska section could be built and financed in about the same ratio from the Federal Government and Territory as now obtains under the Federal Highway Act. It may even be found after careful examination that an investment in Canada by the United States might be desirable. We have so found it desirable in the Central American countries referred to; and again I ask, Why not even more desirable for a road running to one of our own Territories? Some sort of a joint loan might be found necessary, such loan to be paid back by, shall we say, gasoline-tax receipts or similar tolls. I am reliably informed by an authority on such matters, Mr. Lacey Murrow, director of the Washington State Highway Department, who is familiar with the whole situation, that a reasonable gasoline tax, based upon the most conservative estimates of future travel, would more than pay for the cost of the road in approximately 7 years. The trip to Alaska by automobile would be the most desirable of all American vacation jaunts. It might be necessary for the United States and Canada—and it would be a fine thing if it could be accomplished this way—to make the whole strip an international park in order that they both might better mutually participate in the financing. In other words, there are several equitable arrangements which could be effected with the Dominion Government for the project.

The Congress in 1930 created a Commission to study the feasibility and the need of this project. They reported in 1933. Their report is an excellent summary of the whole situation. They conclude that the road is feasible, that it is needed, that it would open up new frontiers of vast resources and wealth, that we, in America, our condition being such as it is, could well afford to undertake the project and should begin negotiations with the Canadian Government immediately toward the plans, financing, and proposed construction. I have introduced a bill in the Congress setting forth the recommendations of this report which would accomplish this very purpose. I refer to H. R. 6069. It provides that the President of the United States shall, within 90 days from the passage of the act, appoint a commission, composed of five members, to cooperate with representatives of the Dominion of Canada in a study for the survey, location, and construction of this highway, and to report, within 2 years after their appointment, the extent and results of their activities and negotiations.

The Commission's report states that such a road would cause:

(a) Development of Alaska through making the Territory accessible by highway, resulting in an increase of population and consequent increase in revenue from taxes, tending to decrease the present necessity for Federal appropriations for the support of the Territory—it costs us about $7,000,000 a year, says the Commission, to maintain Alaska. With the road, Alaska would, in a few short years, become a state, thereby releasing the necessity of this expenditure as under statehood it would assume its cost of government.

(b) The road would be a great contribution to the welfare of American citizens now living in Alaska under adverse conditions, by providing a physical connection with the vast continental road system.

(c) Opening of new country that is now practically inaccessible, giving opportunity for settlement, investment of capital, and employment.

(d) The new road would make accessible to the continental highway system the existing road net in central Alaska comprising about 900 miles, providing a new and valuable area for exploration, for recreation, or for business purposes.

(e) The highway would foster air commerce with Alaska by furnishing a guiding landmark and providing service to aviators along the most practicable flying route to the interior of the Territory and to Asia.

(f) Promotion of friendly relations between citizens of the United States and Canada.

The Commissioners submitted the following recommendations:

1. That negotiation be conducted with the Government of Canada with a view to ascertaining the attitude of Canada with respect to entering into an agreement whereby each Government within its own borders would undertake to survey and locate the best and most practicable route for a highway which would connect the northwestern part of the United States with British Columbia, Yukon Territory, and Alaska, prepare specifications and reliable estimates of cost and resulting benefits of said project, and investigate plans for financing the project. The respective organizations should be authorized to communicate directly with each other for the purpose of coordination.

2. That if such agreement be reached, suitable allotments or appropriations should be made available to the Alaska Road Commission for carrying out the purposes of the agreement.

3. That the respective Governments in formulating their road-construction programs conform so far as practicable in their own interests to the general route proposed for this highway so that as many as possible of the local projects will be available for and form a part of the main project.

4. That consideration be given by the road-building agencies of Alaska and Yukon Territory to the construction of the Fairbanks-Dawson Road without waiting for the adoption of the entire project, in order to develop the intermediate territory and provide an

early connection between these two communities, as well as complete a vital link in the proposed through highway.

It is now necessary that we follow through. The purpose of the bill, so introduced, is to do just that. It contains no appropriation because, as its author, I feel that there are any number of prominent men and women in the Pacific Northwest so vitally interested in this project that they would be more than glad to give, not only their time but their own money, to serve on such a commission in the hope that the road might be built. I have been reliably informed that the Government at Ottawa is willing and ready to receive such a commission for negotiations. The Provincial House of Parliament of the Province of British Columbia is more than anxious to cooperate and have so resolved on many occasions. The citizens of the Pacific Northwest, of the United States, of British Columbia, and of the entire Pacific coast, will be glad to aid.

I fully realize that the Department of State may have the present authority to begin such negotiations. It is not the purpose of this legislation to deny them that right if it exists. Rather it is hoped that this proposed commission could work under the direction of the President and the Department of State to the end of helping that Department complete this necessary work. The Department should have no objections to this. They are confronted with many tasks involving the entire relations of the United States with the world and I can appreciate that the matter of the Alaska Highway might be easily considered by them as only one of the many things to be done. I can further appreciate that the multiplicity of things to be done might relegate this project, so important to the Pacific Northwest, into the background. This commission would have a specific job. It would work with no other purpose in mind and could, therefore, perform an excellent cooperative function with the Department. I am sure that the Department of State, under the able leadership of the Secretary, Mr. Hull, will give every aid.

Finish the Grand Coulee project with its resulting power and irrigation development, join up this district and the Pacific Coast States with other similar power projects in the far West with a connecting road to rich Alaska, and it is my prediction that the economic growth of the Pacific Northwest will be assured. All America will be caught in its resulting benefits. Mr. Speaker, I hope that the Congress, without delay, will give its cooperation to this worthy enterprise.

Colorado-Big Thompson Reclamation Project

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

LETTER FROM HON. ALVA B. ADAMS, OF COLORADO, REFUTING INACCURATE AND MISLEADING PROPAGANDA AGAINST COLORADO-BIG THOMPSON RECLAMATION PROJECT

Mr. LEWIS of Colorado. Mr. Speaker, much inaccurate and misleading propaganda has been sent to Congressmen by various organizations opposing the Colorado-Big Thompson reclamation project. This propaganda has emanated almost exclusively from organizations and persons who are unfamiliar with conditions in the State of Colorado but who profess to be the self-appointed guardians of Rocky Mountain National Park, which most of them have never even visited. The Colorado delegation in both Senate and House, all of whom are thoroughly familiar with local conditions in our State, and who are zealous to preserve unimpaired the beauty of Rocky Mountain National Park, unanimously favor this much-needed project.

Recently Senator ALVA B. ADAMS, of Colorado, who was born and has spent his entire life in our State, sent the following personal letter to each Member of the House of Representatives:

UNITED STATES SENATE,
July 7, 1937.

MY DEAR CONGRESSMAN: Because of misleading propaganda being circulated among the Members of Congress in opposition to the construction of the Colorado-Big Thompson reclamation project, the following facts are called to your attention:

(1) The project is a conservation measure. It will preserve for this and coming generations water which otherwise would be wasted and lost. It will not cost the United States Treasury a single cent. Its cost will be paid exclusively from the reclamation fund, which will be reimbursed by the water users.

(2) Neither portal of the proposed tunnel is within the Rocky Mountain National Park. In the construction and the operation of the project not so much as a square inch of the surface of the Rocky Mountain National Park will be used, let alone impaired.

(3) The tunnel will not interfere with existing streams or lakes within the Rocky Mountain National Park. The project will beautify Grand Lake and stabilize its water level.

(4) The debris from the western half of the tunnel will be used to fill and reclaim what is now a mosquito swamp. The debris from the eastern half will be terraced, landscaped, and planted with trees.

(5) No precedent as to other national parks will be set, as the right to construct a reclamation project in the Rocky Mountain National Park was specifically reserved in the act creating the park. The statute provides: "The United States Reclamation Service may enter upon and utilize for flowage or other purposes any area within said park which may be necessary for the development and maintenance of a Government reclamation project." (Jan. 26, 1915, ch. 19, sec. 1, Stat. 798.) The right so reserved is without limitation. Statements to the contrary in propaganda circulars are untrue.

Colorado has no greater resource than its scenic attractions. None are more interested or concerned in preserving the resources of their State, nor better informed, than the Members of Congress from Colorado, all of whom approve this project.

I enclose copy of the report on this measure submitted by the Senate Committee on Irrigation and Reclamation. Further detailed information will be found in Senate Document No. 80 of current session.

Sincerely yours,

ALVA B. ADAMS.

American People—Agriculture, White Collar, Labor—Want to Improve Their Status. All Citizens Should Organize to Maintain Decent Standards. Public Opinion Must Decide

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1937

ADDRESS OF HON. MAURY MAVERICK, OF TEXAS, DELIVERED SUNDAY, JUNE 27, AT SPARROWS POINT, FINNISH HALL, BALTIMORE, MD., BEFORE STEEL WORKERS' ORGANIZING COMMITTEE

Mr. MAVERICK. Mr. Speaker, I recently made a speech in Baltimore to a group of steel workers. It was at the Finnish Hall, Sparrows Point, out by the heavy industrial section of Baltimore.

The speech I delivered was as follows:

C. I. O., A. F. OF L., RAIL BROTHERHOODS, ALL HAVE RIGHT TO ORGANIZE

Friends and fellow Americans, I have enjoyed very much the speeches today. Just about the whole subject of labor organization has been covered. However, this is a committee of the Steel Workers' Organizing Committee, which is a part of the Committee for Industrial Organization. In America today there is great excitement, and, I think, a great deal of misunderstanding about the labor situation.

First of all, I take the position that I am for any labor organization which is doing a good job. I do not favor any organization over another. I do not place A. F. of L. as better than the C. I. O., or vice versa; I am for both, and I am for the rail organizations as well.

But I am, as I said, for whatever organization is dominant in a particular field. The Steel Workers' Organizing Committee is

the dominant one in the field of steel. I don't believe anybody doubts this—at least there is no substantive movement to organize steel by the A. F. of L.

FARM LEGISLATION IMPORTANT AS THAT OF LABOR

Fellow Americans, you have heard a great deal about labor lately. But just to start with, so we can understand the national situation, I am going to talk a little bit about the subject of farming.

Many of you came from farms. Most of you sympathize with the farmers. In fact, I think all of you sympathize with them. I want you to know that if labor is to succeed in this country you must have a sympathetic understanding of the farmers' problems.

But there is a great move in this country to prejudice the farmer against the man who belongs to a union. In fact, today there is a harder and more vicious fight being made against labor than ever before in the history of the country. Even in the old days, when the Knights of Labor were broken up, and later the A. F. of L. unions were beaten down for trying to organize, the fight was not so bitter—it was not then so necessary. But now the people have made up their minds to organize, the big industrialists—at least a few stubborn ones—have decided that labor shall not organize.

MANY FARM JOURNALS MISLEAD FARMERS ON LABOR

Propaganda is printed in the farm journals denouncing the labor organizations. This is done to get the farm vote split away from the labor vote.

Why do many farm journals try to prejudice the farmers against the worker in the city? The answer is their advertisements. The subscription price to agricultural magazines is generally very small. Some journals sell subscriptions that last many years for some small sum like 50 cents.

The advertising in these agricultural mazagines is not just of agricultural equipment; it is generally of all kinds of industrial products of the very organizations and corporations who employ you. Therefore, the proposition is to divide and destroy the farm and the city element.

LABOR FAVORS FARMERS GETTING SQUARE DEAL

Therefore, I think you should make it plain that you want the farmer to get a square deal, and that you want him to have good agricultural legislation, so that he can make cost of production plus a decent profit. All in favor say aye! [Shouts of "Aye."] That's fine! [Applause.]

Of course, my fellow citizens, everyone knows that when labor is employed and gets decent wages the farmer can sell more products at fair prices. When there is a deep depression and industry is not making any money, the farmer is in a very tragic shape and his prices go to pieces.

Therefore, we must agree that we want every American, not only the industrial worker but the farmer, the tenant, the sharecropper, the white-collar worker, and the businessman to get a square deal. [Applause.]

Now, my fellow Americans, why do we organize? Why do you want to organize? You are often told that you shouldn't get in the clutches of crooked labor organizers.

CROOKS ARE IN THE LABOR MOVEMENT AND EVERYWHERE ELSE

Why, of course, there have been crooks in the labor movement, and there are still crooks in the labor movement. [Laughter.] But that doesn't mean that you should refuse to join a labor organization any more than a man should refuse to discharge his duties of citizenship because there happen to be crooked politicians or quit doing business with merchants because there are some crooked businessmen.

What you should do is to work together and try to build up young men like this [indicating the secretary]. How old are you, son? Twenty-one? Well, you stay with this organization, learn to be an honest leader, do your duty, and try not only to protect yourself but your fellow Americans from being burned up by the time you are 35 years old and being kicked out on the street like so much worthless metal. Yes; that is one reason you ought to organize.

WHY ORGANIZE? DO IT JUST LIKE BANKERS, STEEL COMPANIES

But there are many other reasons you ought to organize. You either have families or you will have them; if you haven't, you want the American people to get a square deal. Certainly it is a sensible thing to organize, just as bankers, businessmen, and steel corporations are organized. And the fact that you have made mistakes or will make mistakes is no reason not to organize.

Yes; you want a roof over your head, and not a leaky one. You want a house to live in and not just a miserable shack that is hot in the summer time and cold in the winter, and is too small.

You want to send your kids to school and educate them so that they will not be just as good as you are, but better than you are; who will be healthy, moral, decent, good Christian American citizens who can live happily in a free country.

Yes; I say, what is wrong with organization? Oh, they say, "These 'radicals' are leading you astray." But you will certainly be led astray if you are left helpless, unorganized, burnt up, and kicked out while you are still young men. Sure, the way to protect your country and fellow Americans is to see that we have decent standards of honest work and decent living for everybody.

"BUSINESSMEN" MAINTAINED BY HIGH WAGES OF "WORKINGMEN"

There seems to have grown up in this country a distinction between a "businessman" and a "workingman." I would like to know how a businessman is going to sell any goods if there are thousands of badly paid workers who have no money with which to buy? It is nonsense, my fellow citizens. The businessman is dependent on the workers and the workers are dependent on the businessman. The businessman is frequently misled by propaganda that just cuts his own profits.

Now, speaking of vicious propaganda, the propaganda against the labor movement, as I said in the beginning, is the worst in the history of the United States. You are charged with all manner of violence, although the facts show that the Chicago police attacked the steel workers and killed 10 of them, and although photographs show distinctly that those distributing pamphlets were attacked and beaten up by so-called "service men", who were really thugs in the employ of Ford.

All of this has been distinctly proven and it has been shown that the violence has practically all been by the police. In any event, no policemen have been hurt, but dozens of workers have been hurt and a great many of them killed.

PUBLIC OPINION MUST DECIDE

After all, what must you do? It seems to me that you must appeal to public opinion. Now, take the Baltimore Sun. It's not going out of its way to nurse anybody in a strike, I'll admit that. But it's a pretty honest, decent newspaper. If you have any grievances and you think the public ought to know about it get together a committee and go to see the Baltimore Sun and tell them the situation. I do not know, but I think they will print what you say.

Let business know, let the average American know, that you despise violence and that all you want is a fair break. All you want is your constitutional rights as an American citizen.

Speaking about the Constitution, you hear a lot of rot today about trying to "pack" the Supreme Court. I am not going to deliver a long speech on the Supreme Court issue. The main issue has been ignored by most everybody on both sides.

But the main issue, my friends, without getting into a long legal argument is that the judges have gone far beyond their powers. They are not minding their own business. People say that the Supreme Court is necessary to preserve the religious and civil liberties of the American people. That may be true as to States, but in all the history of the Supreme Court they have never declared an act of Congress unconstitutional which violated civil or religious liberties. The only possible case was when, right after the Civil War, Confederate soldiers were denied the right to practice law before the Supreme Court, and the Supreme Court rightly held that law unconstitutional.

THE CONSTITUTION IS PLAIN AND EASY TO READ

Fellow Americans, you know a little about the Constitution yourself. You know that Congress would not dare to try and establish a State church and require you to attend such a church; you know that Congress would not dare to try and abolish newspapers and freedom of speech; in other words, you know the Constitution yourself and so do the Congressmen.

What the Supreme Court has done is to go out of their way to declare the acts of your representatives unconstitutional. That is, knock out your laws.

GUFFEY, A. A. A. CASES VIOLATED NO RIGHTS—BUT UNCONSTITUTIONAL

For instance, the Guffey Coal Act and the Agricultural Adjustment Act. In the Guffey coal case no coal worker or any State were complaining that their rights were being violated—but the Supreme Court said they were protecting States' rights and the rights of labor and declared the act unconstitutional! That was by using some devious and meaningless phrase like "due process" which nobody understood. That is to say, everybody understands and knows that it simply didn't meet with the ideas of the judges.

As for the agricultural adjustment case, it was about the same way. They used due process to knock out a law which was benefiting, not only the farmer but industry. There again no farmer and no State was complaining—but the Court went ahead pretending they were protecting States' rights and the farmers.

Therefore, the Supreme Court should confine itself to maintaining the liberty of the people, settling conflicts of the laws, declaring State laws unconstitutional when necessary, and of carrying out and enforcing the national laws rather than breaking them down.

AESOP'S FABLES—"IN UNITY THERE IS STRENGTH"—QUITE TRUE

Now, my fellow Americans, let me tell you a story that was in Aesop's Fables. Once there was an old man who was about to die. He brought his sons around him. He told them to go out into the yard and bring in several sticks. When he gave them one at a time they broke each stick very easily. But when he put all of the sticks together none of his sons could break the bundle.

But let me read out of these old fables, written over 2,500 years ago but still quite true:

FABLES OF AESOP

"The father and his sons

"A father had a family of sons who were perpetually quarrelling among themselves. When he failed to heal their disputes by his exhortations, he determined to give them a practical illustration

of the evils of disunion; and for this purpose he one day told them to bring him a bundle of sticks.

"When they had done so, he placed the faggot into the hands of each of them in succession, and ordered them to break it in pieces. They each tried with all their strength, and were not able to do it.

"He next unclosed the faggot, and took the sticks separately, one by one, and again put them into their hands, on which they broke them easily.

"He then addressed them in these words: 'My sons, if you are of one mind, and unite to assist each other, you will be as this faggot, uninjured by all the attempts of your enemies; but if you are divided among yourselves, you will be broken as easily as these sticks.'"

MOTTO: IN UNITY THERE IS STRENGTH

Therefore, my fellow Americans, I advise you to follow this wise old advice: If you split apart you will be broken like so many separate pieces of kindling wood.

Remember this, my fellow Americans, there is today a great rise of the American people to demand and preserve their liberties, to gain a higher economic status, and for everyone to have a right to live like human beings.

That movement, I repeat, is not mixed in personalities, but is a movement of the people. Therefore stick together, work together, and thereby improve the status of all of us as American citizens.

President Vetoes Farm Bill

EXTENSION OF REMARKS

OF

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

Mr. ROBSION of Kentucky. Mr. Speaker, ladies and gentlemen of the House, sometime ago the House and Senate, by almost unanimous vote, passed the bill H. R. 6763, which continued for the year beginning July 1, 1937, the interest on loans with the farm land banks, and this rate shall go to 4 percent on July 1, 1938. It fixed the rate of interest at 4 percent on commissioner's loans. As to the 3½ percent this merely extends an emergency act that has been in force for 2 years. The President has vetoed this bill and has attempted to set at naught the almost unanimous action of the House and Senate. The Committees on Agriculture of the House and Senate made careful study of this problem, and they strongly favored this measure.

Our colleague [Mr. JONES], chairman of the Agriculture Committee, advises that his great committee has considered the President's veto message; and notwithstanding the President's veto, this committee, by practically unanimous action, has urged the House to override the President's veto. I favored this legislation when it was before the House. I believed then, and still believe, that it is proper, necessary, and just legislation, and I shall vote to override the President's veto.

The primary purpose of this legislation is to lessen the foreclosure and sale of farms. The Government is foreclosing and selling farms by the thousands and thousands. Farmers and their families are being deprived of their homes. We are creating more tenant farmers. It is believed by fixing this rate of interest thousands of farmers will be able to make the payments and save their farms.

A short time ago the President urged Congress to pass what is known as the farm-tenancy bill. The House and Senate by an overwhelming vote passed that bill, and it will now go to the President for his approval or veto. The primary purpose of that bill was to make it possible for energetic tenant farmers and sharecroppers to own their own farms. That bill going to the President for his approval, as finally passed, provides that the Government shall loan to tenants and sharecroppers the money with which to buy farms at 3-percent interest and 40 years in which to make the payments.

Under that bill not more than one tenant on an average for each county in the United States for this year would have the opportunity to buy a farm with Government money and become a farm owner, and in 3 years' time, with the sum of money provided in that bill, there could not be more than nine farmers on an average for each county in the United States who could acquire a farm with this Government money. I spoke and voted for that bill, although I realized it was less than a gesture. There is nothing that could add so much to the stability of our country and its institutions as to have the country filled up with home owners, and the farm-tenancy bill may develop a policy in the end that will be helpful to worthy farm tenants, as well as our country.

SAVE THE FARMS AND HOMES

While it is important to create as many farm owners out of farm tenants and sharecroppers as is reasonably possible, we must realize that it is quite as important to do what reasonably can be done to keep farm owners from becoming farm tenants and sharecroppers. I am informed that before the end of this fiscal year the Government alone will have foreclosed on more than 160,000 farm homes, and it has already foreclosed, or is in the act of foreclosing, on a little less than 100,000 urban homes. In other words, under the Government's policies, we are making many times more tenant farmers, sharecroppers, and tenants out of farm owners than we are making farm owners out of tenant and sharecrop farmers.

It is a tragedy when a home owner in a city or town loses his home, but at the same time he may still keep his job. How much more tragic is it when a farmer's home is sold. He not only loses his home but at the same time he loses the jobs for himself and his family.

The national debt is now approximately thirty-six and a half billion dollars. I am informed that on an average this is financed by the Government at less than 2¾-percent interest, and there is no reason why the Government should lose much, if anything, in financing these land-bank and commissioner's loans at 3½- and 4-percent interest, respectively.

Congress has appropriated and turned over to the President approximately $16,000,000,000 for recovery and relief since March 4, 1933. Literally billions of dollars of this money have been wasted, and millions of people are in no better condition now than they were on March 4, 1933. William Green, president of the American Federation of Labor, reports there are still 8,000,000 workers out of work.

The bill before us is not a boondoggling proposition. It is saving farms and homes and the jobs of these farm owners and their families. This measure will enable these farmers and their families to help themselves, and if this same policy had been pursued along other lines, the people of this Nation today would be in much better condition and we would not have a national debt $10,000,000,000 more than it was at the end of the great World War.

Since the President has vetoed this measure for 3½- and 4-percent interest, respectively, will he now veto the farm-tenancy bill, which fixes a rate of 3 percent and gives the borrowers 40 years in which to pay the money back?

PRESIDENT INCONSISTENT

The President has much to say about the Supreme Court invalidating the unconstitutional acts of Congress. Since the founding of this Government Congress has enacted approximately 29,000 general laws, and the Supreme Court has considered around 40,000 cases. In nearly 150 years the Supreme Court has overturned only 67 acts or parts of acts of Congress, while President Roosevelt in a little over 4 years has by his veto attempted to overturn about 225 acts of Congress. He should heap less abuse on the Supreme Court or have more consideration for the acts of Congress himself.

I am unable to see how the President can claim to be a real friend of the downtrodden farmers and veto a meritorious measure such as this is, and which received almost the unanimous support of the House and Senate.

Independence Day Address

EXTENSION OF REMARKS
OF
HON. HARRY L. HAINES
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 14, 1937

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, TO THE LONG ISLAND ASSEMBLY, FOURTH DEGREE, KNIGHTS OF COLUMBUS

Mr. HAINES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which was delivered by the gentleman from New York [Mr. MEAD] at the Independence Day celebration of the Long Island Assembly, Fourth Degree, Knights of Columbus:

For over 160 years at each of these recurring anniversaries orators, leaders, and statesmen have strained their energies in expounding the origin, the character, and the glories of this day we celebrate. It shall not be my purpose, therefore, to dwell at length on the history nor to enlarge upon the principles which made our Republic free and gave to us independence.

There is much to be attained from a wholesome revival, to its fullest degree of that fine sentiment which motivated the patriots in proclaiming our independence and in exercising their inalienable right of establishing here a representative parliamentary system of government.

In a revival of this patriotic sentiment at this particular time, we are strengthening the defenses of democratic institutions, weakening the opposition from within and from without, and providing a ray of hope for the unfortunate citizens of other countries who look to America for the restoration of representative government.

The memories of the glorious past, the achievements of our splendid statesmen, the heroism of our great military leaders will always be enshrined in our hearts. Our task, however, like theirs, is to overcome the difficulties of our day, to make sure that we bequeath to our posterity the liberties their efforts gave to us.

We must have the heart to meet present emergencies or these celebrations are worse than useless. We must realize that the principles of human liberty are not safe until we inscribe them in letters of living light in the hearts and in the minds of our people. We must inspire the downtrodden and oppressed of other governments with a love for our own sacred traditions and institutions. We must retain by our own perseverance the institutions of government which are the natural inherent prerogatives of mankind everywhere. We must make democracy secure for our own posterity by our loyalty to its principles. We must also make democracy a possibility for the oppressed of other lands by the example of our citizens, by the superior effectiveness of our Government.

We, therefore, have a duty to perform, a responsibility to carry forward, an ideal to perpetuate. Our task is to prove to the world the value of our form of government.

To understand the position that we hold in the world, we must understand the principles upon which our Republic was founded. We must be able to defend wisely and with understanding the philosophy that triumphed in the decisions of our Continental Congress. Heresies that are flung at our form of government by the advocates of the strange systems now crushing the peoples of Europe must be denied and defeated by an intelligent, a militant, and a patriotic citizenship.

The assumption that the right of property is the first object of our Government, and that the Revolution was provoked by the invasion of those rights is at variance with the true spirit of the Revolution, it is not in keeping with the record of our continental debates, nor our untemporary legislative measures.

The charge that the reins of government and the responsibilities of State cannot be entrusted to the masses of the people is an untruth disproved by our leadership in this world-wide economic crisis.

The challenge of the so-called new modern totalitarian State, which holds that religion and government cannot continue in accord, must be exposed by those who believe in the liberties for which our Nation was established. All these heresies spring from the same source. They are the offspring of communism or fascism, of the despot and the dictator. They are fostered through the enforced ignorance or suppression of a subjected people. Democracy must triumph and with it religion, and men must be free.

Here we have preserved the human rights of economic opportunity, social equality, religious liberty, freedom of speech, press, and petition. Military regimentation, dictatorship, and suppression of public will are foreign to us. A matchless record, one no dictatorship can equal—one that speaks well for a government of the people.

Over a century and a half we have supported and maintained a capitalistic system essential to the progress of a democracy, adopting reforms as new conditions and experience required, and keeping our Nation always abreast of the time in which we live. * * *

We take our place today as the last bulwark of democracy. Our forefathers pioneered in representative government. Here government was founded to secure and preserve the personal liberties and individual opportunities lacking in other countries. Freedom of speech and press, liberty of conscience, equality in political opportunities—these were the pillars on which the new Nation of the West rested. They were the tenets of a new civilization we gave to the world in the closing years of the eighteenth century.

Today socialism, communism, nazi-ism, fascism, lead the European parade of violent, oppressive forms of government. Weakened, distorted republics, tottering monarchies, and then a succession of military dictatorships circle the globe. Revolt, revolution, bloodshed, civil strife, panic, wholesale splintering of representative governments, is the world's pitiful predicament today. In Europe and in the Orient representative government has been stopped in its tracks. In the United States of America, however, representative democracy continues to shine unabated. That light, beckoning the world back to safe, sound, sensible government, must never fail.

Low Interest Rates for Farmers and Grasshopper Control

EXTENSION OF REMARKS
OF
HON. KARL STEFAN
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 13, 1937

Mr. STEFAN. Mr. Speaker, we have two very important matters before us today. One is the President's veto of our bill which would extend for another year the 3½-percent interest rate on Federal land-bank loans to farmers. The other is the bill which we were able to get passed favorably by the Appropriations Committee to rush another million dollars out to farmers for material to kill grasshoppers which are now beginning to attack our corn.

I plead with this House to override the President's veto on the lower interest rate bill and I plead with the House to give us a unanimous vote on the million dollars for grasshopper control. I will endeavor to give the membership my reasons for this plea.

First, we are told that the farmers are now prosperous; that the farmers' income now is great; that the depression among farmers is over; that the farmer has recovered; that this bill represents a subsidy by which we are just handing the farmers thirty or forty millions of dollars.

My answer to that, Mr. Speaker, is that, so far as the Third District of Nebraska is concerned, these arguments do not fit our case. None of those arguments can apply to the farmers in my district. They are not prosperous; they have not recovered; their income has not increased.

First, Mr. Speaker, the farmers in my district who had the nerve and courage to stay on their farms throughout the last drought are far from prosperous, and for their very courage and bravery in remaining on the farm they should be given every possible aid we can give them at this very moment. Thousands of farmers have left our State because of the drought and many have been forced on relief.

To prove to you that our farmers are not prosperous, let me give you this excerpt taken at random from various letters from farmers in my district:

One of our most respected farm citizens lived on an income of from 75 cents to $1.75 a week all winter and spring, and their meals consisted mostly of bread and milk. These people could not get a grant because they had a few poor old cows; these cows were so poor that three of them died. These represent some of the best people in our farming country. They are the son and daughter of some of our first settlers They are industrious, intelligent, and economical. They are the people that took less than nothing for their crops from 1931 to 1934. Then they had to pay three to four times as much for feed and seed in 1935 as they received last year for their crop. Then came 1936, and not a vegetable was grown and not a pound of grain. Not enough feed for their stock. That stock was so poor it would scarcely pay selling expenses on the market. This illustration can be well related by thousands of other families throughout the third district of Nebraska that was drought stricken and bug infested.

Here is another case: A family of six—father and mother, with four fine children—have lived on an average income of

less than $2.75 a week since the 1st of last March. These are some of the many farmers who say they do not mind going hungry, but who resent being told they are prosperous. Farmers in my district tell me, in reply to statements made on the floor here that they are prosperous, that "God alone can tell what a depression would be like, if you gentlemen call this prosperity."

Second, Mr. Speaker, the income of the farmers in my district today is nothing. Members who come on the floor here and say how great the income of the farmer is today must realize that this cannot be true of a farm district which raised no crops last year and had nothing to sell. The fact is that these farmers who had the nerve to stay on these farms and who planted another crop must depend on this new crop for their future livelihood. Their only hope is to get something out of this new crop, much of which is mortgaged. You must realize that many of these farmers went into the new planting season with no money except what they could borrow from the Government and from private sources. They had been forced to sell off most of their livestock. They had no feed or seed. The ground which once produced the greatest food crop in the world was bare. Their land is mortgaged and many of them cannot call any of their personal property nor their livestock their own. But they had the courage and faith in this great land. These farmers were taken off the W. P. A. rolls. All they could hope for in the heat of the depression—especially during the coldest months of the year—was a few dollars from the Resettlement Administration. They were far worse off than the unemployed in the city. A city home owner when he loses his home can still apply for relief or for a job or rent a home. But when you drive a farmer off his farm, he not only loses his house in which he and his family live but he loses the land from which he digs a living and from which he digs the daily bread for all of us.

It is true, Mr. Speaker, that the prices of farm products are high now. But what good does that do to the farmers in my district who do not have anything to sell and who must buy the necessities of life at fabulous prices?

Third, Mr. Speaker, the charge that the depression is over on the farm is absolutely not true in my district. The depression there is just as great today as it was when it first struck us.

Fourth, Mr. Speaker, so far as subsidizing the farmer is concerned—and that is what is charged here by those favoring the veto of this bill—I say that I am in favor of subsidizing the farmer in my district at this time. It is far better to subsidize him and keep him on the farm, where he can raise food for you to eat, than to throw him off the farm and force him into the towns on relief. On one hand we pass a farm-tenancy bill to put tenants on a farm which we tell him he can buy at a low rate of interest from his Government, while on the other hand we raise the rate of interest on a farmer who has the gumption to fight cutworms, grasshoppers, and drought and still stay on the farm. By raising his interest rate you just help the pestilence and plagues to drive him away from his home.

Even though it represents a small subsidy for the farmer, how can you justify a vote against this bill when you know that this administration has subsidized private industry, such as the banks, the railroads, and right now this administration is giving hundreds of millions of our dollars to the shipping trusts for 1-percent interest, and in many cases these loans are, in effect, grants to the shipbuilders. Why not give the farming business the same advantage? If you do not override this veto, you will be driving thousands of farmers away from their homes. I say vote this veto down and set a principle here that this Congress favors lower rates of interest on all farm loans.

Regarding our bill for an additional million dollars for grasshopper control, Mr. Speaker, you realize that we came here and got an authorization for two millions. The Bureau of Entomology told us at that time that two millions were needed. This House indicated that if the need should come they would favor the additional million, but you gave us but one million. For 6 weeks I have been endeavoring to get this additional money out to the farmers who have been telling me of the great damage done by the grasshoppers. What poison was sent to us was insufficient. Farmers tell me they have had success in killing the hoppers with this poison, but the amount of material was too small to do much good. Many oat fields were cut to keep the hoppers from devouring them. The wheat has been cut. But now the hoppers are ready to attack the cornfields. Corn is our main crop. We have not an ear of corn left in my district. Every kernel fed there now is imported and is fed on arrival. So I pray that we can save this corn crop. The time element is most important. I hope that we can get some more of this material out to my district so that it will do some good, but any delay here will be fatal. I hope the Senate will change its rules and let this bill go through for the sake of the corn crop in my district. I ask you, gentlemen, when this bill comes up to give it your vote. It will mean bread and butter to thousands of brave farmers who today are praying for rain and praying for something which will stop the invasion of this grasshopper horde.

Colorado Congressional Delegation Unanimously Urge Approval of Colorado-Big Thompson Reclamation Project

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1937

LETTERS FROM BOTH SENATORS AND ALL CONGRESSMEN FROM COLORADO URGING HOUSE TO CONCUR IN SENATE AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL PROVIDING FOR BEGINNING CONSTRUCTION OF COLORADO-BIG THOMPSON RECLAMATION PROJECT

Mr. LEWIS of Colorado. Mr. Speaker, the entire Colorado delegation in the Congress is unanimous in earnestly requesting the House of Representatives to concur in the Senate amendment to the Interior Department appropriation bill, which provides $900,000 from the reclamation fund for beginning construction of the Colorado-Big Thompson reclamation project. This Senate amendment will come up for a separate vote in the House of Representatives on Thursday, July 15, during the consideration of the conference report on the Interior Department appropriation bill.

A letter urging approval of this project and signed by Senators ALVA B. ADAMS and EDWIN C. JOHNSON, and by Congressmen FRED CUMMINGS, JOHN A. MARTIN, and LAWRENCE LEWIS, of Colorado, is being sent today to each Member of the House, together with copy of a separate letter from the Honorable EDWARD T. TAYLOR, the beloved dean of the Colorado delegation, who is chairman of the Committee on Appropriations of the House of Representatives. By reason of the fact that Congressman TAYLOR of Colorado is now resting and recuperating from a recent illness in a suburb of Washington, it was not convenient to secure his signature to the joint letter signed by all other Members of the House and Senate from Colorado. But he evidenced his interest by sending to a Member of the Colorado delegation a separate letter expressing the hope that the House would concur in the Senate amendment providing for this much-needed project.

These letters are as follows:

WASHINGTON, D. C., *July 14, 1937.*

DEAR CONGRESSMAN: The entire Colorado congressional delegation earnestly urge that you support the Senate amendment to the Interior Department appropriation bill which provides $900,000 from the reclamation fund for beginning the construction of the Colorado-Big Thompson reclamation project.

No one has greater interest in the welfare of Colorado than the Senators and Representatives from Colorado or would oppose more bitterly any project which would impair the scenic attractions of

their State, which they recognize are among the greatest resources of Colorado.

From personal knowledge, the Colorado delegation wish to assure you that fears that the project will impair or damage the Rocky Mountain National Park or commercialize it, or set a precedent for the commercialization of other parks, are entirely unfounded. Those who have protested against the project doubtless are sincere, but their objections are based upon misinformation.

The Honorable EDWARD T. TAYLOR, chairman of the House Committee on Appropriations, who is now recuperating from a recent illness, wrote to a member of the delegation the following letter:

"Inasmuch as all differences concerning the Colorado-Big Thompson reclamation project have recently been adjusted between the representatives of the eastern slope and the western slope of Colorado and in a manner satisfactory to my constituents, I sincerely hope the House will concur in the Senate amendment to the Interior Department appropriation bill which provides $900,000 for beginning construction of this project."

The act of Congress creating Rocky Mountain National Park recognized the advisability of this project and specifically reserved the right to the Reclamation Service to enter the park for its construction.

The request for the appropriation was presented first to the Senate because an agreement essential to settlement of differences between eastern and western sections of Colorado was not concluded until after the Interior Department appropriation bill had passed the House.

The amendment made by the Senate is supported by a bill (S. 2681) authorizing the construction, which has passed the Senate and has been reported favorably by unanimous vote of the House Committee on Irrigation and Reclamation after full hearings.

Very truly yours,

ALVA B. ADAMS.
EDWIN C. JOHNSON.
LAWRENCE LEWIS.
FRED CUMMINGS.
JOHN A. MARTIN.

The separate letter from Congressman TAYLOR of Colorado is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 13, 1937.

Hon. LAWRENCE LEWIS, M. C.,
House Office Building, Washington, D. C.

DEAR LAWRENCE: Inasmuch as all differences concerning the Colorado-Big Thompson reclamation project have recently been adjusted between the representatives of the eastern slope and the western slope of Colorado, and in a manner satisfactory to my constituents, I sincerely hope the House will concur in the Senate amendment to the Interior Department appropriation bill which provides $900,000 for beginning construction of this project.

Very cordially yours,

EDWARD T. TAYLOR.

For detailed information concerning the Colorado-Big Thompson project Members are referred—

To Senate Document No. 80, Seventy-fifth Congress, first session, being Synopsis of Report on "Plan of development and cost estimate prepared by the Bureau of Reclamation, Department of the Interior", which has been studying the project for over 2 years.

To Senate Report No. 775 of current session by Senate Committee on Irrigation and Reclamation.

To House Report No. 1180 of current session by House Committee on Irrigation and Reclamation, and to the printed transcript of extended hearings before this House committee.

To extension of remarks in the Appendix of the CONGRESSIONAL RECORD on pages 1722–1724, 1725, 1736–1739, 1777.

The Colorado congressional delegation trust that the House will approve this meritorious project by voting to concur in the Senate amendment to the Interior Department appropriation bill appropriating $900,000 from the reclamation fund to start construction.

Foods, Drugs, and Cosmetics

EXTENSION OF REMARKS
OF
HON. EDWARD A. KENNEY
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1937

Mr. KENNEY. Mr. Speaker, a food, drug, and cosmetic bill is wanted by the country so that full protection may be given our people in the purchase and consumption of foods and the purchase and use of drugs, medicines, and cosmetics. Our people must be fully safeguarded against false and misleading advertising mediums and unfair and deceptive practices and methods of dealers in impure and adulterated foods and dangerous and fake drugs, medicines, and cosmetics.

Any bill or bills passed by the Congress to be effective must act as a deterrent to the faker and quack, and the only way to stop them is to provide penalties for the dissemination of false advertisements. Orders to cease and desist and remedies by injunction will not suffice.

The country should interest itself in the legislation about to come before Congress. There is danger that the proposed bills will not meet the exigencies and that the quack and faker will continue to ply their trade and do business in the same old way with impunity.

Mr. Speaker, under leave to extend my remarks I include a copyrighted article worthy of universal attention, even though it deals with only a small part of the quackery and schemes in vogue. It was written by Howard Vincent O'Brien, in the Chicago Daily News, and reprinted by permission in the Consumers' Digest for July 1937, as follows:

THE PRIZE CONTEST IS A LOTTERY

(By Howard Vincent O'Brien)

With scorn and indignation most Americans reject the idea of a lottery. Such iniquitous devices may be all right for backward peoples, they argue, but for an enlightened country like ours it would never do. Call it any high-sounding name you will, they say, it remains nothing but gambling.

Well, all right. But if the present craze for prize contests isn't rooted in gambling, I don't know where its roots are. The plain fact is that when the makers of the Lady Diana Woven Wire Face Cloth offer $10,000 and a trip to Europe to the person who contributes the best last line to a limerick it is conducting a lottery and nothing else.

Oh, yes, lotteries are forbidden by law, while prize contests enjoy the blessing of the post office. But the prize contest is a lottery nonetheless. Instead of buying a ticket, as is done in more primitive countries, you get a label or a couple of box tops to go with your entry. Your last line or puzzle solution will be one of perhaps a million. It will be carefully read—the law is always observed—and out of several carloads of entries yours may be one of the hundred or so which go to the final judges.

The difference between the best and the worst of the answers being negligible, one person's chance of winning is precisely as good as any other person's chances. Ergo, as the philosophers say, the prize contest, with rare and unimportant exceptions, is a lottery.

SUCKERS

A foreigner listening to our radio programs would conclude that not only are we a people given to sticking our heads in the sand and scorning lotteries while we go enthusiastically for prize contests but we are also the most gullible race on which the sun shines.

Vast sums are expended on radio programs, and it is obvious that they would not be spent if they did not pay. The people listen to the seductive nonsense of the radio announcers and buy the potions and lotions they talk about.

I would estimate that at least half the advertising on the air is devoted to cures of ailments and methods of making a woman beautiful. The great American sucker spends millions, apparently, on the relief of heartburn alone. With the fervor of a martyr, he empties his pockets to make his stomach acid, while his wife goes hungry that she may have a skin he loves to touch.

The credulity of the American is sublime. Without reservation, he believes that all good comes out of bottles or from a package with a plain, sealed wrapper. The drug store is the mecca to which he makes his pilgrimages, and its shelves are his altars.

IN THE NAME OF SCIENCE

The drollest thing about modern fakery is that it is all done in the name of science. Anything can be sold if it can claim that it has vitamin B in it. Any day now some enterprising manufacturer will market irradiated shoes, with advertisements showing men in white coats and Vandyke beards peering into microscopes, while the caption underneath proclaims, "Scientific tests show * * *."

All this would be comic were it not for the wastage of scientists and the twisted idea of science that the public gets from the advertisement writers. A distinguished scientist told me the other day that his greatest problem was keeping the assistants who showed promise. "As fast as they show their skill in research", he said, "some maker of face cream hires them away at salaries we cannot hope to match. Many is the able young scholar I have seen turned into a factory hand."

JOB FOR EDUCATION

Well, what are we going to do about it? We are, of course, going to do nothing. There will be a few feeble efforts toward more rigorous food-and-drug acts, bitterly (and successfully) contested, and moralists will bemoan their inability to save people from

themselves. But the people will go right on getting what they want; and if what they want is a paste that will remove freckles, wrinkles, and fat, the demand will be met. If they crave pills to end their aches, the pills will be forthcoming. Not until education gets the fact across that pains and pimples are the outward signs of inward error will the dulcet exhortations of the radio announcers fall on deaf ears.

Meanwhile this is a paradise for those who live by catching suckers. Shrewd in so many ways, the American is a glutton for "hooey" when it comes to anything that concerns his health or his appearance. Whether the female of the species is more foolish than the male I will not venture to say. I suspect not; for if she falls for miraculous face creams, she falls no harder than her consort does for wonder-working cigarettes.

The Grasshopper Plague

EXTENSION OF REMARKS
OF
HON. JOHN A. MARTIN
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 13, 1937

On House Joint Resolution 431, by Mr. MARTIN of Colorado, making an appropriation for the control of outbreak of insect pests

Mr. MARTIN of Colorado. Mr. Speaker, under leave granted by the House on request of the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, I desire to extend my remarks on the above resolution making an appropriation of $1,000,000 to continue the desperate campaign now being waged in eight or more Western States against one of the worst infestations of grasshoppers in the history of that area.

I desire, first, to express my appreciation of the very expeditious and favorable action of Chairman CANNON and the Appropriations Committee, who began hearings on the resolution at 10 o'clock Tuesday, reported the bill favorably, and effected its passage in the House by unanimous consent at 3 o'clock on the same day. The hearings, short as they were, entirely justified such unusual expedition on the part of the committee. Members from the affected area appearing before the committee were Mr. O'CONNOR of Montana; Mr. LEMKE and Mr. BURDICK, of North Dakota; Mr. HILDEBRANDT and Mr. CASE, of South Dakota; Mr. GREEVER, of Wyoming; Mr. CARLSON and Mr. HOUSTON, of Kansas; Mr. MASSINGALE and Mr. FERGUSON, of Oklahoma; and myself. The conditions which they depicted in their States, verified by the Bureau of Entomology, showed the imperative need of the speediest possible action, if, indeed, it will not be too late to nip the infestation in the bud and prevent the spread of the scourge to heretofore unaffected areas.

In acknowledging credit where credit is due for the passage of the resolution I cannot omit mention of the foresight of the administration. In the face of what is now happening in the infested area, I want to point specially to the fact that on March 18, 1937, a Budget estimate was submitted to Congress by the President asking for the appropriation of the sum of $2,000,000 for the control and eradication of grasshoppers only. This paved the way for the favorable action just taken. It would indicate that somebody somewhere in government had a foreknowledge of what was coming.

The need not being so apparent to the committee, it reported a joint resolution carrying an appropriation of $1,000,000 for the control of outbreaks of insect pests generally, and specifically mentioning grasshoppers, Mormon crickets, and chinch bugs. The resolution became law April 27, 1937. Before July 1 this fund had been completely exhausted, and the eradication campaign had not reached midway.

After assuring myself at all sources that funds had been exhausted, on June 28 I introduced the above resolution and on June 29 placed an appeal for aid in the hands of the Secretary to the President. I want to answer here one question asked me at the time, which I was not then so well prepared to answer. The question was, What had the State done? The State had put something like 80 highway and National Guard trucks in the field, in addition to about 40 belonging to the Federal Government. Sawdust had to be hauled from the mills in the mountain forest reserves and bran from sources of supply and poison for the mix, most of this haulage amounting to more than 200 miles. Farmers in the infested areas let everything go for the work of mixing and distributing or spreading the poison bait. Where available, W. P. A. workers have been put on the job. In Colorado alone over 4,000 square miles were infested, as against 700 square miles in any previous visitation.

What this plague is cannot be conceived by those who have never experienced it. The hoppers simply shear the surface of the earth as they go. They eat fence posts, they eat the carpets off the floor, they strip trees, they leave nothing of grain fields above ground. The Bureau of Entomology says that they lay as many as 800 eggs to the square foot of soil and every egg is a potential grasshopper. When they begin moving, only a crawl at first, the surface of the earth appears to be moving. When they fly they have been known to veil the light of the sun. Borne by a favorable wind, they may make several hundred miles in 1 day and be found destroying fields in areas which the day before had no thought of grasshoppers. The insect pest is a constant and serious menace to agriculture. It seems a penny-wise and pound-foolish policy for Congress to dole out a million now and a million then to prevent or eradicate these plagues, which have caused crop losses in this country running into hundreds of millions of dollars.

At this point it recurs to me to mention that while the original appropriation amounted to only $1,000,000, it was preceded by a resolution approved April 12, 1937, "authorizing the sum of $2,000,000 to be available annually for the purpose of control and eradication of insect pests and plant diseases." I respectfully suggest, in the light of that authorization, and the current experience, that hereafter such sum should be made available annually and in due time.

The report of the committee accompanying the original appropriation of $1,000,000 stated that—

> The campaign contemplates the States affected, the survey indicating possibility of parts of 24 being involved.

The report further said:

> Time is a factor in the effectiveness of the use of this appropriation, due to the necessity for purchase and transportation of large quantities of bait materials.

There is an old saying that "hindsight is better than foresight", but the record indicates very good foresight, had the sum asked for been provided. I mention this, however, not by way of criticism but as indicating what the future policy should be. I think we all have confidence that the money will be wisely expended through the Department of Agriculture and its Bureau of Entomology, and that, if fortunately if is not all needed, it will not all be used.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS
OF
HON. KENNETH McKELLAR
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Thursday, July 15, 1937

RADIO ADDRESS BY HON. CARL A. HATCH, OF NEW MEXICO, ON JULY 12, 1937

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech delivered over the radio by the Senator from New Mexico [Mr. HATCH] on July 12 relative to the proposed reorganization of the Federal judiciary.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Tonight I hope to discuss, calmly and dispassionately, something of the nature and history of the substitute proposal for the

reorganization of the Federal courts now pending before the Senate.

In the controversy over the original proposal evil forces of hatred, suspicion, and distrust have been loosed, bringing to many of our citizens unwarranted fears and apprehension. I hope that the spirit of this evening will be to lay aside that suspicion and distrust and accord to those who do not agree with us the same respect for patriotic motive and purpose which we would want from them.

The original plan, providing for the immediate appointment of six Justices of the Supreme Court, without setting up a permanent plan to make a constructive and lasting reform, was opposed by many of us who believe there is a vast difference between legislating for the immediate present and establishing a long-range permanent program.

I have always believed the President's plan to provide a constant and systematic addition of younger men to the Court was a wise correction of known evils in our judicial system. Under the life-tenure clause of the Constitution, Federal judges remain on the bench as long as they live. Even though they become totally incapacitated, physically and mentally, or both, there is no power vested in any branch of the Government to correct the situation except the appointment of additional judges—or a cruel and humiliating power of practical removal for incapacity vested in the President with respect to lower-court judges only.

The danger that might result was pointed out by the President in his message of February 5, when he says: "Life tenure of judges, assured by the Constitution, was designed to place the courts beyond temptations or influences which might impair their judgments; it was not intended to create a static judiciary. A constant and systematic addition of younger blood will vitalize the courts and better equip them to recognize and apply the essential concepts of justice in the light of the needs and the facts of an ever-changing world."

It was this well-known and well-understood imperfection in our laws relating to the judiciary which caused me first to look with favor upon the suggestion of the President to provide a plan for the constant and systematic addition of younger men to the Court.

When I looked further into the matter, in accordance with suggestions in the President's message, I found that the best minds in Congress and the Department of Justice had for many years agreed with the President's position, and that as far as the lower courts were concerned, the principle was not new at all but was already on the statute books, although in a form too cruel for any humane President to use. In other words, President Roosevelt's proposal did not express a new idea; it was merely a refinement and an extension to the Supreme Court of a principle that was already adopted by Congress.

I think it may clarify the discussion of the substitute proposal if we look a little into the history of that statute already on our books. In his report for the fiscal year ending June 30, 1913, nearly 25 years ago, the then Attorney General of the United States made this recommendation:

"Judges of the United States courts, at the age of 70, after having served 10 years, may retire upon full pay. In the past many judges have availed themselves of this privilege. Some, however, have remained upon the bench long beyond the time when they were capable of adequately discharging their duties, and in consequence the administration of justice has suffered. The power of Congress to correct this condition is limited by the provision of the Constitution that judges shall hold their offices during good behavior. I suggest an act providing when any judge of a Federal court below the Supreme Court fails to avail himself of the privilege of retiring now granted by law, that the President be required, with the advice and consent of the Senate, to appoint another judge, who shall preside over the affairs of the court and have precedence over the older one. This will insure at all times the presence of a judge sufficiently active to discharge promptly and adequately the duties of the court."

The Attorney General who made that report is today an Associate Justice of the Supreme Court of the United States, Mr. Justice McReynolds. Let me repeat, the Attorney General in 1913, said:

"The plan will insure at all times the presence of a judge sufficiently active to discharge promptly and adequately the duties of the Court."

The present plan, as it relates to the Supreme Court, is intended to do the same thing for the Supreme Court, i. e., to insure at all times the presence of Justices sufficiently active to discharge promptly and adequately the duties of the Court.

The suggestion of Attorney General McReynolds was followed by Attorney General Gregory, who made the same recommendations to the Congress for several succeeding years.

Following those recommendations, a bill was introduced in the third session of the Sixty-third Congress which provided in substance exactly what Attorney General McReynolds had recommended. That measure gave the President of the United States power to appoint an additional judge for all judges of the courts of the United States below the Supreme Court who had attained the age of retirement but still remained in office, providing only that such judge had held his commission 10 years continuously. The bill was referred to a subcommittee of the Senate Judiciary Committee. The subcommittee consisted of the Senator from Georgia, Mr. Smith; the Senator from Florida, Mr. Fletcher; and the Senator from New York, Mr. Root. The bill was considered and reported favorably. In a report filed in January 1916, on a later bill embodying substantially the same provisions, we read:

"A bill to carry out these recommendations was reported favorably by the Judiciary Committee of the Senate at the last session. Mr. Root, the senior Senator at that time from New York, served upon the subcommittee which reported the bill favorably and cordially supported the measure."

Any person familiar at all with the lives, character, and reputation of these three great Americans who served upon this subcommittee will know that any plan advocated and approved by them was sound and constructive, and that any measure which in principle was destructive of either the letter or the spirit of the Constitution would never have received approval at the hands of the Senator from Georgia, Mr. Smith, whose fame reached throughout all the United States, or the Senator from Florida, Mr. Fletcher, who served so many years with ability and distinction in the Senate of the United States, or the Senator from New York, Mr. Root, whose attainments, accomplishments, and patriotic devotion of America and all her institutions are known not only throughout the United States but also throughout the civilized world. These three eminent statesmen recognized the evil which flows from the life-tenure clause and the danger which comes from judges who seek to remain too long on the Federal bench. To meet that situation they recommended and approved the idea and plan of appointing an additional judge whenever the incumbent of any Federal court below the Supreme Court had reached the age of retirement and had not retired.

Charges of packing the Court were hurled in those days, more than 20 years ago, even as they are hurled today; and charges of making the courts the subject of partisan politics were made then even as they are made now. One of the committees of the House of Representatives, in a minority report on a similar bill, condemned the plan as being in contravention of the Constitution, and said:

"It would adopt a vicious and dangerous policy, one if made effective if applied to the judges who now may retire would no doubt in time be applied to all judges. Such a law, if valid, would make the judiciary absolutely dependent on the will of the Executive."

Do not those words have a familiar sound and ring?

I cannot name all the distinguished Senators and Representatives and noted jurists who have supported a plan to add judges to the Federal courts to supplement those who have reached retirement age but have not retired. However, it is significant that when such a plan was finally enacted into statute in 1919, it was said in the House of Representatives that all the judges favored it.

The act of 1919 gives the President power to appoint an additional judge on any lower Federal court when the President finds that a judge past retirement age is physically or mentally disabled from performing the duties of his office. Every President since Woodrow Wilson has had the power to find and declare as a fact, without hearing a word of testimony and without giving the aged judge a chance to be heard in his own defense, that such judge is unable to perform the duties of his office, and upon such finding, the President is authorized to appoint an additional judge for such court. But be it to the everlasting honor and credit of the Presidents, Wilson, Harding, Coolidge, Hoover, and, yes, Franklin D. Roosevelt, not a one of them has ever abused the power thus conferred by the statutes of the Unite States. Each of these distinguished Presidents has held a sword which he could have wielded over the head of every aged lower Federal judge in this land and could have used it to make the judge bend his knee to Executive will, but no President has sought to so use that power.

That fact, that no President has abused that power over the judiciary, should calm many fears.

In this day of much talk and of much concern about dictators, of abuse of power by the Executive, may we not pause here and say perhaps we have talked too much; perhaps we have talked too loudly; perhaps our fears have been more fancied than real.

The bill presently before the Senate is a much less drastic bill than the one already on the statute books. Realizing the real need for constructive reform, and knowing that men do become old, and with passing years there naturally comes that decrepitude and decay which the laws of nature apply with almost equal force to every man who lives, the present bill seeks to provide a permanent plan by which that condition may be met without injury to or reflection upon a single judge or justice of the United States. Any Justice of the Supreme Court who has passed the age of 75 years of age, who is willing to remain on the bench and give his country the benefit of the wisdom and experience which he has acquired throughout the years, may do so, and our country may profit from his sacrifice. There is no thought of compelling retirement. A younger man will be appointed to the Supreme Court, not to supplant the aged Justice; simply a younger man appointed as any other Justice of the Supreme Court is appointed to carry his full share of the duties and responsibilities of that high office, thus lifting in some degree and measure the heavy load of responsibility which rests upon the shoulders of the older judge. Thus the substitute bill creates a much needed permanent reform.

When a similar law for the lower courts has received the cordial support of Elihu Root and the others I have mentioned, its principle applied in the present bill can hardly be said to be radical, extreme, or unwise.

By limiting the power of the President to the appointment of not more than one additional Justice in each calendar year under the bill it is intended to make the plan safe so that no Executive may ever use his power for the purpose of so-called packing the Court. This limitation on the power of the President was originally proposed by me long before the hearings of the Judiciary Committee of the Senate had concluded. When the amendment was rejected in committee I voted against the original bill.

The amendment is included in the present substitute bill, which has also been improved by the efforts of others. Senators Robinson, of Arkansas, our able and distinguished leader; ASHURST, of Arizona; LOGAN, of Kentucky; MCGILL, of Kansas; and others have worked long and faithfully in an honest effort to make the measure safe, sound, and constructive. The substitute bill completely changes the potentialities of the original measure, and constitutes merely an extension to the Supreme Court on a sound, safe, and orderly plan, of a well-known and long-recognized principle which had already been applied to the lower courts. The proposal is not perfect. Probably there are defects. Legislation should never be assumed to be perfect and not subject to improvement.

I am a member of the President's party. I firmly believe in the high objectives and purposes of Franklin D. Roosevelt. When the President said that he wanted to meet the evil of aged Justices remaining too long on the Federal courts and to provide a constant and systematic addition of younger judges, I believed him. I did not accuse him of deception. I did not doubt his word. But when I saw that the original bill had potentialities which I do not believe he foresaw, I conceived it my duty to help in reforming the measure—to make the bill accomplish the constructive thing he asked for and not other things. We sought to build, not to destroy, either the judicial or the executive branch of Government.

It has been charged and will be charged that this plan may be wisely adopted for the lower courts but it should not apply to the Supreme Court. To that I answer, not in my own words, but in the language of some noted Members of the United States Senate when they were discussing the similar proposal relating to the lower courts to which I have referred. In the year 1916, speaking in opposition to a similar measure for the lower courts, the Senator from Utah at that time, Mr. Sutherland, now Associate Justice of the Supreme Court of the United States, said:

"If a judge upon the bench of the circuit court of appeals is incapacitated, a district judge may be called to take his place and may sit upon the circuit court of appeals; if a district judge is incapacitated, another district judge may be assigned to take his place; but no such condition exists as to the Supreme Court of the United States. Nobody else can be called into that Court. So, if there are degrees in a matter of that kind, I ask the Senator from Iowa whether he does not think the reason would be stronger in favor of such legislation as to the Supreme Court?"

To that observation Senator Cummins replied:

"Undoubtedly, Mr. President, the observation of the Senator from Utah has great weight, and I was about to touch upon that phase of the subject. The remark I had made was that, constitutionally speaking, the Supreme Court of the United States can be dealt with in precisely the same way as the circuit court or the district court can be dealt with. From the other point of view, that of policy, there is, as the Senator from Utah has stated, a much more persuasive reason for at all times keeping the Supreme Court full of able-bodied men under 70 years of age than exists with regard to the other Federal courts."

Later in the debate the Senator from Rhode Island, Mr. Colt, expressed similar views.

Thus from these distinguished former Members of the United States Senate we find reasoning which amply proves and demonstrates that the same rule should apply to the Supreme Court as well as to the lower courts. About that there can be no question.

It is argued and will continue to be argued, as was said on the floor of the United States Senate just the other day, all this talk of aged Justices is mere camouflage and subterfuge, and that the real purpose of the pending substitute is to create a subservient judiciary. That charge is without foundation. In my opinion, neither the President nor anyone else wants a subservient Court.

Steadfastly, I have advocated the adoption of an amendment to carry out the thought contained in the President's message, but to safeguard it by making a permanent plan which no President could use for the so-called "packing" of the Court.

When the amendment was rejected in the committee, I voted against the original bill. The amendment was proposed when it was thought there was a safe majority for the original bill. Then it was I first sought to make the measure a sound and permanent program. From that purpose I will not be diverted, and now that the amendments have been accepted, I support the substitute proposal. Under it, all judges will be placed on an equal plane, and appointments to all the courts will be made pursuant to that permanent plan and program.

In frankness, it must be said that President Roosevelt may have more appointments than he otherwise would have had. His power to fill normal vacancies is not changed by the bill. I do not consider that an evil. I am not afraid to trust the President with the selection of any number of judges. I know that no "rubber-stamp", subservient judge will be appointed by the President, and I know no such a judge would ever be confirmed by the Senate of the United States. But I have always insisted that the power to so appoint must not be given to obtain a particular temporary end or purpose. Such power must come pursuant to a definite, certain, gradual, and orderly permanent program, which will apply alike to all administrations. The same power must be extended to Presidents who may follow as well as to President Roosevelt. Here lies one of the main differences between the substitute and the original bill. While the President may have more appointments, no person can say with certainty that this is true. No man can foretell the future. Over and over again, I stress the fact that we must never legislate to accomplish a mere temporary end or purpose. We must establish a precedent which we are willing for others to follow. Thus only can wise legislation ever be enacted. The substitute bill so operates. The power given under it will extend to all Presidents. I am willing for it to be so. But I shall not be less generous with, nor shall I have less faith in my own President than I have in those future Presidents of whom perhaps I have not even heard today.

A majority of the Senators are willing, I believe, to support a permanent program which does correct this long-recognized defect in our judicial system. All we ask and all that I ask tonight is that the plan be given fair and unprejudiced consideration. If the idea is meritorious, let the bill pass. If it is bad or unsound, let it be defeated in fair, square American manner.

In the heat, noise, and confusion of battle over this controversy let us not forget other issues and causes which may far transcend in importance this measure we debate today. Some of us have not forgotten, and we shall not forget, that many economic evils which brought on the depression are still with us. We shall not forget that the problems of labor, capital, industry, agriculture, a balanced Budget, and many others have not been finally solved; that literally millions of honest American citizens remain unemployed today; that hunger and want, privation and misery still exist in our America, but no one can deny that we have vastly improved conditions today; we shall not forget fear—fear which clutched almost every human being in America in 1932 and 1933, fear which was only dispelled by the magic voice, high courage, and leadership of Franklin D. Roosevelt. We shall not forget to preserve, protect, and maintain the independence of the judiciary, and neither shall we forget to protect, preserve, and maintain the confidence and respect of our people in the executive branch of government.

We who are Democrats shall not forget those stirring words delivered at Franklin Field a little more than 1 short year ago by Franklin D. Roosevelt when he said, "It is a war for the survival of democracy. We are fighting to save a great and precious form of government for ourselves and for the world." We shall not forget our leader's inspired battle cry, "This generation has a rendezvous with destiny." To keep that rendezvous, let us keep our faith in our courts, let us keep our faith in our Executive, but above all let us not fail in our courage to follow that battle cry lest our own and future generations be ashamed, that as we kept that rendezvous we were afraid "To trust our own ability, to govern ourselves, to trust American democracy." Let Americans not be afraid!

Work of the Army Engineers

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, July 15, 1937

EDITORIALS FROM THE BEAUMONT (TEX.) ENTERPRISE

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD two editorials appearing in recent issues of the Beaumont (Tex.) Enterprise, one of the leading dailies of the South, entitled, respectively, "Work of the Army Engineers" and "Let the Army Engineers Alone."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Beaumont (Tex.) Enterprise]

WORK OF THE ARMY ENGINEERS

One of the proposals made by the President's Committee on reorganizing the Federal Government calls for establishment of a department of public works. At first glance, the suggestion looks practical. Its proponents say the Federal Government's construction activities are scattered through a number of departments, which is a fact. It would be hard, however, to prove that any money would be saved by putting all engineering, construction, and architectural work into one big department. It might be even harder to prove that the change would make for efficiency.

Senate document no. 8, containing the report of the President's Committee, recommends that the War Department advise the

President in regard to military affairs and Army administration. It is assumed that the Army engineers, if the recommendation were adopted, would cease to direct river and harbor development and flood control.

Whatever criticism may have been made of other governmental services in the past, the Army engineers have received little but praise. They have given the Nation a system of flood control in the Mississippi Valley which, when put to the test this year, protected the entire stretch of the lower Mississippi River, from Cairo to the Gulf of Mexico. As one enthusiastic commentator expressed it, not a drop of water spilled over the levees.

For the first time in its long history, the city of New Orleans had nothing to fear from a tide of muddy water flowing past Canal Street, for pressure on the city was relieved by the Bonnet Carre spillway. The Mississippi had been conquered at last! If this achievement alone were all the Army engineers had to their credit, it would be necessary in the public's interest to weigh carefully any proposal that might prevent these capable, disinterested experts from carrying on the work they are doing.

But flood control in the Mississippi Valley is but one of the activities of the Army engineers, who have given the Nation great harbors, built inland waterways, and maintained the harbors and waterways in navigable condition. Texas, which owes much to the Army engineers, would not wish to see river and harbor development and flood control taken out of their hands.

In 1927 the tonnage of Texas ports was 41,000,000. Thanks to the Army engineers and, of course, Congress, which made the appropriations, harbor and waterways improvement has enabled Texas ports to handle a greatly increased tonnage. In the period from 1927 to 1936 the tonnage of the Texas ports nearly doubled. Last year it was 79,000,000; and the Army engineers have by no means completed their work in Texas. The Intracoastal Canal, for one thing, must be extended to the Rio Grande.

The Army engineers are not subject to spending pressure. They hold their positions for life. They do not have to curry favor with politicians and, partly for this reason, administration of river and harbor improvement and flood control by the Army engineers is one of the most successful achievements the Government has to its credit. The Army engineers have contributed immeasurably to the Nation's progress by providing and improving facilities for waterborne commerce.

A department of public works would provide many jobs for the spoilsmen. It would be a happy hunting ground for politicians. Interdepartmental boards and committees by cooperation and coordination of their activities can save the Government money. By this means the various types of engineering and construction work done by Federal departments can be fitted into a logical economical plan. It probably would be impossible to place all the Government's construction agencies in one department and make them function satisfactorily.

LET THE ARMY ENGINEERS ALONE

Division of the President's Government reorganization program into four separate parts, each represented by a different bill, will be worth while if it does no more than keep the Board of Rivers and Harbors in the War Department. Those Members of Congress whose constituents live in cities along the Nation's waterways and in its seaports will be expected to resist all attempts to take away from the War Department control of river and harbor work.

The Army engineers have performed for this country a service of inestimable value. They have carried out immense and costly river and harbor improvements, and canal projects, without a hint of scandal or any charge of inefficiency.

American citizens familiar with the work done by the Army engineers in inland waterway improvement, the dredging and maintenance of ship channels, the construction of canals and locks, including the channel and locks of the Panama Canal, and flood control think these engineers are the best in the world.

There is more than a little basis for the belief. In Panama, American Army engineers, including Goethals and Sibert, did what some of the world's greatest engineers failed to do, after heartbreaking attempts.

This Nation's great inland waterway system and its numerous seaports serving domestic and world commerce may be considered a monument to the Army engineers, men who do their work well, without meddling in politics, without fanfare, without demanding huge fees and without receiving much reward of any kind, except the gratitude of the people who know what they have done, and the very competent, unostentatious way in which they do it.

Secretary Ickes, of the Department of the Interior, is a gentleman of parts, and is acquitting himself creditably in one of the more responsible Cabinet posts. But there is well-founded objection to the proposal that Mr. Ickes be given control of the river and harbor work.

Cost of Certain Homestead Projects

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 15, 1937

LETTER FROM R. N. ELLIOTT, ACTING COMPTROLLER GENERAL OF THE UNITED STATES; ALSO A STATEMENT BY HON. HARRY F. BYRD, OF VIRGINIA

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a letter from Mr. R. N. Elliott, Acting Comptroller General of the United States, with respect to the cost of certain homestead projects, a table enclosed by Mr. Elliott, and a statement issued by me with respect to the matter.

There being no objection, the letter, table, and statement were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 1, 1937.

Hon. HARRY F. BYRD,
Chairman, Select Committee on Investigation of Executive Agencies of the Government,
United States Senate.

MY DEAR MR. BYRD: In further response to your letter of June 3, 1937, I transmit herewith a report on allotments, expenditures, and encumbrances on account of emergency projects at Greenbelt, Md.; Aberdeen, N. J.; and Newport News, Va.

There is also attached a statement setting forth in some detail the type of expenses reported under the classification, "Land improvement and construction." The total shown on the detailed statement will not agree with the amount stated in the report for the reason stated in the note on such statement.

Should you desire any further information regarding the above projects or any other projects I will be pleased to have you advise me.

Respectfully,

R. N. ELLIOTT,
Acting Comptroller General of the United States.

(Enclosures:)

Report on allotments, expenditures, and encumbrances, projects of Resettlement Administration, as of June 10, 1937

	Greenbelt				Jersey homesteads				Newport News homesteads			
	Allotments	Expenditures	Unliquidated encumbrances	Total expenditures and unliquidated encumbrances	Allotments	Expenditures	Unliquidated encumbrances	Total expenditures and unliquidated encumbrances	Allotments	Expenditures	Unliquidated encumbrances	Total expenditures and unliquidated encumbrances
Administrative planning and land acquisition	$531,682.45	$498,039.55	$16,261.69	$514,301.24	$947,034.01	$916,545.19	$28,840.44	$945,385.63	$1,832.72	$340.32	$6.75	$356.07
Management	36,200.00	30,376.29	1,561.00	31,937.29	24,039.84	19,686.99	3,092.89	22,779.88	14,639.95	6,616.88	2,025.39	8,642.27
Land improvement and construction	10,446,085.44	9,332,748.86	789,174.67	10,121,923.53	2,335,383.21	2,064,378.98	184,559.99	2,248,938.97	1,108,883.62	793,953.52	187,499.05	981,442.57
Special plans									26,368.35	17,786.60	30,815.28	48,581.88
Inspection	39,650.00	34,917.22	2,539.05	37,456.27	27,270.00	17,190.62	1,608.22	18,798.84	9,394.90	5,317.03	836.34	6,153.37
Land cost	1,110,508.64	875,825.44	230,331.67	1,106,157.11	[1] 238.76		238.76	238.76	49,850.00	49,850.00		49,850.00

Report on allotments, expenditures, and encumbrances, projects of Resettlement Administration, as of June 10, 1937—Continued

	Greenbelt				Jersey homesteads				Newport News homesteads			
	Allotments	Expenditures	Unliquidated encumbrances	Total expenditures and unliquidated encumbrances	Allotments	Expenditures	Unliquidated encumbrances	Total expenditures and unliquidated encumbrances	Allotments	Expenditures	Unliquidated encumbrances	Total expenditures and unliq. uidated encumbrances
Household furnishings	$131,641.23	$5,909.85	$117,019.47	$122,929.32	$3,200.00	$1,818.79	$196.57	$2,015.36	$42,000.00	$1,277.24	$6,618.19	$7,895.43
Payment in lieu of taxes					5,686.00	3,937.20	1,025.30	4,962.50				
Total	12,295,767.76	10,777,817.21	1,156,887.55	11,934,704.76	3,342,851.82	3,023,557.77	219,562.17	3,243,119.94	1,252,969.55	875,130.59	227,791.00	1,102,921.59
Estimated general administrative expense	1,921,558.00			1,969,584.33	522,414.20			535,212.08	195,811.54			182,015.15
Expenditures, prior agencies	22,625.68	22,625.68		22,625.68	167,347.63	165,716.26	1,631.37	167,347.63	10,108.94	10,108.94		10,108.94
Grand total	14,239,951.44			13,926,914.77	4,032,613.65			3,945,679.65	1,458,890.03			1,295,045.68
Number of housing units to be constructed	880				200				158			
Average cost per unit	$16,182.00			$15,826.00	$20,163.00			$19,728.00	$9,233.00			$8,196.00
Acreage of land acquired	12,345				1,278.74				465			
Cost of land acquired	[1] $1,119,957.79				[2] $84,538.76				[3] $59,850.00			
Average cost per acre	$90.72				$66.89				$128.69			

[1] Land purchases were made as follows:

Federal Emergency Relief Administration (404 acres)	$22,625.68
Resettlement Administration (11,941 acres)	1,097,332.11
Total (12,345 acres)	1,119,957.79

[2] Land purchases were made as follows:

Subsistence homesteads (1,274.98 acres)	$84,300.00
Resettlement Administration (3.76 acres)	238.76
Total (1,278.74 acres)	84,538.76

[3] Land purchases were made as follows:

Subsistence homesteads (300 acres)	$10,000
Resettlement Administration (265 acres)	49,850
Total (465 acres)	59,850

STATEMENT BY SENATOR HARRY F. BYRD, MONDAY, JULY 5, 1937

In the past 4 years the American people have tolerated extravagance in public administration, but when the true facts are known of the sinful and absurd waste in the Resettlement Administration homestead projects now being constructed throughout the country, the conditions existing will approach a national scandal.

I have already, without avail, protested against the waste on homestead projects in my own State of Virginia.

The General Accounting Office of the United States Government has just furnished me with the official figures of cost of Tugwelltown or Greenbelt, near Washington. This project comprises 880 units. The cost per unit will be $16,182, and perhaps more. This is not a farming project. It is for city workers, yet the Government purchased 12,345 acres of land for $1,119,957.79, a cost of $90.72 per acre, an average of more than 14 acres per home. At Tugwelltown $456,603.50 was spent for landscaping; $120,819.81 for surveys, and $198,850.17 for land preparation.

Every Congressman and Senator in Washington should visit Tugwelltown and see where more than $14,000,000 of public money has been spent.

The Tugwelltown acreage might be compared with other Resettlement projects for farmers in nearby Virginia where the occupant must make his living by farming. He, too, has from 10 to 20 acres of land.

Official figures are available also for the Jersey homestead project at Hightstown, N. J. The cost there is $20,163 per unit for each of 200 units, a total of more than $4,000,000. The administrative or overhead cost of this project as reported by the General Accounting Office was about $1,500,000, or nearly 40 percent of the total expenditures. It should be added that the cost of the Jersey homesteads includes a garment factory on which has been expended $127,136 and a concrete slab plant, for construction of the buildings, which cost $193,000. But even after these items are deducted the average per unit cost in the Jersey homesteads will exceed $18,000.

In Virginia, at Newport News, the Newport News homesteads, for occupancy by colored people, General Accounting Office figures show a per unit cost of $9,233 for 158 units.

Who will pay rental based on such excessive costs as these, when the actual value of the properties is no more than a third of the cost?

Much money has been wasted in the name of the emergency. What emergency exists necessitating construction at Government expense homes at $20,000. The average value, by Government statistics, of all the homes in American cities is $4,400.

More than 200 projects are being directed now by the Resettlement Administration in all the States. Much money can be saved yet by suspending the program where construction has not actually been started. This scheme as administered is without a particle of common sense and it takes first prize in wanton waste, even in this era when the lavishness of public spending has dulled our consciousness to ordinary extravagance.

Law Versus Chaos

EXTENSION OF REMARKS

OF

HON. WILLIAM J. BULOW

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, July 15, 1937

ADDRESS DELIVERED BY HON. ELBERT D. THOMAS, OF UTAH, AT THE INSTITUTE OF PUBLIC AFFAIRS, ELEVENTH ANNUAL SESSION, AT THE UNIVERSITY OF VIRGINIA, CHARLOTTESVILLE, VA., JULY 12, 1937

Mr. BULOW. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] before the Institute of Public Affairs, University of Virginia, Charlottesville, Va., July 12, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If I seem hesitant, it is because I feel unworthy of being here. I am at the University of Virginia, Jefferson's unending dream. What a responsibility rests upon this institution: The responsibility to perpetuate the spirit of Jefferson, one of the few of the world's master minds who caught and lived in the stream of those ideas which must be termed universal. Jefferson dedicated his life to a fight against tyranny wherever it might be found. The worst of all tyrannies is the tyranny of false thinking. This institution, then, if it lives and breathes the spirit of its founder has a mission whose ultimate triumph will bring that state which has been the dream of the prophets and philosophers throughout the ages.

What a responsibility rests upon me: The responsibility to attempt to talk where Jefferson's spirit and bigness of soul sought to free the minds of men. He had no fear but that ultimately truth would prevail, and that man would cease to glory in his own destruction. We, too, have that faith tonight or we would not be here.

The theme which I have been given this evening may prove itself to be about as interesting as a demonstration of the first proposition in plane geometry which I believe was to prove that a straight line is the shortest distance between two points. Of all of the problems in geometry, that one was the hardest for me to understand; because I always knew that a straight line was

the shortest distance between two points and it seemed foolishly superfluous to prove it.

Even in an audience of this sort where differences in opinion are rampantly expressive, it would be rather hard, I take it, for anyone to defend the idea of chaos being a more desirable condition than that of law. Law, of course, has had its tyrannies and law, too, is quite as able as any other convention yet conceived by society of sustaining injustice and binding social custom to the past. Still, law does not destroy and even at its worst it must be credited with being part of the orderly processes instead of part of the disorderly ones. Law is related to reason; it does check caprice; it should overcome force; and law with the tribunals which interpret it and the justice which follows in its wake are society's outstanding inventions for the settling of disputes after a weighing of arguments. That man, therefore, who assumes that a peaceful world is better than one of war and strife if he is to be a real believer in the peaceful process, must throw the weight of his energy and his influence to the side which attempts to magnify law in the minds of men and to multiply its uses in furnishing substitutes for force and destruction.

Democracy must rest on law. Democracy in a community sense is merely that type of government which makes it possible for men who disagree with one another in regard to society, man, religion, earth, and Heaven, to live side by side in peace in spite of their differing ideas. Democracy in a community sense, therefore, is that type of government which weighs these differences, which uses the will of the majority as its justification in doing things, but which at the same time guards the minority in all its rights. This is law's chief task. Democracy in a community sense inevitably, therefore, must be a form of society where the give-and-take is uppermost in the minds of all, where the individual has learned how to live with those with whom he disagrees without resorting to unfair advantage. Democracy, therefore, is weak; it is complex; it hangs upon a thin thread of fair play. From the standpoint of exacting efficiency, from the standpoint of accomplishing rapidly the united will, from the standpoint of even quickly discovering that united will, it must be classified as a government which will be slow, which will be cumbersome, and which will be generally against itself and which constantly will have to face criticism.

Democracy in the American sense stands out strikingly different from practically all other governments in the world in that it is in very deed built around the theory that that which is of most concern are the men, women, and children who make up a given community rather than that which speaks for the community—its government. Therefore, in America, law and the courts are in theory partly set up to protect the individual from his government. In times of strife and war in a democracy the individual finds his protection in the group action. In democracies courts and law function in such a way as to speak the united will of all, not only of the living but also of the dead for the law of custom is fundamental to all other law. In democracies courts themselves can be justified only on the score that they do speak this united will and sustain it.

While our general subject tonight is collective security as that concept applies to international relations, I have felt it not out of place to stress the importance of law and democracy from a national standpoint, because I am a firm believer that we can never have international peace if we cannot have peace at home. Peace within the Nation and peace throughout the world must rest upon the same spirit, and the more completely a nation has solved the problem of peace for itself the more difficult it is to get such a nation into war. The peace problem for ourselves is in its essence the problem of world peace. Democracy rests upon the peace theory, because war destroys democracy. Peace among the 48 American States and in each of those 48 States rests upon the democratic principle. The United States of America is a union of 48 democracies.

Democracy in an international sense will prove itself just as weak, just as loose, and just as cumbersome as it is in a national sense. It will discover that in all of its undertakings it will only partially succeed, because it is hard to unite the whole group against an erring member. It was extremely difficult in early society for man to understand that an offense was not only an offense against the person injured but it was also an offense against society. It is from the story of Cain and Abel and in the conversation of Cain with the Lord that we learn, as far as the Holy Scriptures are concerned, that Cain's offense was not only one against his brother but also one against society. And when the Lord wanted to punish Cain, Cain protested the punishment was more than he could bear and that every man that knew what he had done would slay him. But the Lord taught Cain a fundamental rule of the state, that punishment is not individual man's affair but that punishment is the affair of that institution which speaks for all men. The Lord put a mark on Cain lest men might kill him. Why? Because the crime of murder then was an offense against not only the person killed but against all society. "Vengeance is mine," saith the Lord. "Punishment is mine," saith society.

What is the lesson of this story of Cain? It is that there actually was an interest in Cain's act which transcended the two persons incident to that act. A social interest, we call it. Government deals with this social interest. The recognition of an interest which transcends individuals makes communities possible. When communities discover interests which transcend their local concern, states and nations come into existence. Men the world over today are discovering interests which transcend both states and nations, and with the consciousness of this fact sisterhoods of states are coming into being and men talk of peace and war as being interests which transcend national boundaries, and international organizations have therefore come into existence. The key to the future of world organization and its development into a stable society of nations or a sisterhood of states is the recognition of those interests which are of common concern to all nations and a leading of the nations to a living and constant consciousness of those common or transcendent interests. Tense nationalism or an over emphasis of purely national interest retards the development of world interest. The recognition of world-wide interests are therefore essential. If they actually do not exist, world organization, even for a simple objective such as world peace, or a world-wide rule of law, cannot exist.

Internationally in regard to peace and war and collective security the world stands today farther along in its world-wide philosophy of law and order than the community was when Cain asked the great question, "Am I my brother's keeper?" We have reached the point where many people have recognized the fact that war is a concern of all and that it may affect all and not merely a concern of the warring states. We have that theory but we have not arrived at the point where it has become universally accepted. Collective security in an international sense is one medium suggested for obtaining this end. Is smallpox something that one has a right to enjoy by himself without interference from his neighbor? Are vaccination and quarantine, for example, thought of merely for the sake of the individuals directly affected? Or is the whole community speaking of necessity out of protection for all?

War and disorder thought of as social diseases may be a healthful approach to the solution of some of the world's ills. Have we any other method than that of collective security to protect the world from war and disorder, if war and disorder are assumed to be social ills? Social security operating internationally is democracy in international affairs. This has so many imperfections connected with it that the logic for its suppression becomes intriguing, but what are its substitutes? First, a strong superstate with a directing will, but no one wants that. That would be merely extending to the world at large the single will of a dictator. That would be a reversion to personal government—government by caprice. That would end government by and through law, for it is only under governments run by law that we can have peaceful contention, difference of opinion, and united action after open and free discussion. Collective security; world organization based upon the theory of protecting the individual parts of the group; world organization based upon the theory of setting up judicial processes which shall be optionally or unconditionally used; world organization providing mediums for exchange of opinion and an airing of grievances; world organization providing arbitrational tribunals. These are all democratic processes. All may be weak. There does not seem to be the master hand at the head. The boss is not evident. The leader is not omnipresent. Sometimes the united will is not determined, but all reflect society's only agencies for peaceful processes short of the utter suppression of an individual and short of the utter suppression of a small group. Equality before the law as a legal concept is not necessarily strong. It is hardly true, it probably has never occurred, but it is a theory that makes it possible for the weak to live side by side with the strong and for each to respect the rights of the other. The fundamental concept of international law which is based upon the same theory—that of equality between states—is a concept and a theory which does not reflect actuality nor truth but which at the same time is so far in society's processes the only medium through which all may operate and mantain each individual's entity. Weak? Yes. Its substitute, if the theory is to break, must end in the nonexistence of the weak. The substitute for the democratic theory of equality before the law when that substitute is in force does end in the elimination of the rights of the weak.

Thus we must stand tonight, if we are to defend the theory of government by law, in favor of those social and international institutions which have been created to preserve the peaceful processes and to protect entities of varying power and size in their rights as individual, free, and independent members of the sisterhood of nations.

If the church, bound as it has been and held captive through the centuries by two concepts which seemed to permit no compromise, that of the absolute good and the revelation of this good through unquestioned authority, could break down and overcome the barriers it has overcome in the last two centuries, is there not hope for the State whose basic fundamentals do not rest upon the absolute good? I pause to explain just what I mean. Hebrew, Greek, Mohammedan, and Christian thought have all accepted the theory of the perfect lawgiver. Each has been held by the concept of revelation. Each has developed its noncompromising causes. Each has produced its martyrs. Each has fought its wars for principle. Each has imposed personal sacrifice of the individual that the whole or the body group might be sustained. Each has been a burner of books, a suppresser of thought, and a slayer of heretics. The Roman mob shouted "infidel" at the Christian or Jewish martyr as he was being torn by the wild beast. This has been justified on the score that the whole is greater than any of its parts, that the individual or the few must submit to the tyranny of the group or the many. Whenever these measures seem to be essential to the defense of the powers that be, we may expect them to be resorted to again. One illustration which comes into my mind of how, through false thinking and through the development of an unsound loyalty to a cause, the minds of men are controlled, is the illustration I re-

member of a mayor of a New England city who vetoed an ordinance establishing standard time, which, of course, is universally used today, because it interfered with "the immutable laws of God." Think of it! There were in America just a generation ago men who thought that it was an insult to God's unchangeable laws to suggest that our country would be better off if we used standard time. Years from now when our descendants read of the fallacious arguments put forth against collective security they will smile as you do now at us for ever having had such ideas.

But I repeat, if the church with its great noncompromising principles can in 200 years pass through the stages of persecution, forbearance, toleration, and now reach out with the honest desire to express, maintain, and achieve by a spirit of appreciation, there is no end to the possibilities of the development of state and interstate theories for the good of man, unhampered as states are with the absolute fundamentals which cannot be questioned.

If we read the headlines, international news, in regard to peace and war is not encouraging. But should we not look deeper than the headlines? Does not the type of civil war which is being fought in Spain today, ghastly as it is, destructive as it is, have some lessons for us. Do we not see that the problems facing us are, as I pointed out in the beginning, not merely problems of international control but problems which have created differences between groups of theorists and governmental leaders which transcend national interest? In the Spanish civil war we have a confirmation of the theory which needs universal acceptance that this civil war in Spain is, after all, not just a war of local concern. The whole world has an interest there. That we have an interest is proved by the fact of our embargo legislation and our neutrality law. The comparatively speaking small civil war in Spain has been stimulus enough for the action of over a score of nations.

That is, consciousness of universal concern and universal interest of a national ill and a realization of its international consequences are worthy of note if we are to be thoughtful about the world's onward trend. Nonintervention, international patrol, and indirectly international control are all functioning. Nations like our own are stressing their duties as good neighbors and not their rights as traders. And indirectly by this act war stands condemned in the minds of Americans.

Constructively, too, extremely interesting events are happening. The Senate has given advice and consent to eight treaties, all of them based upon this theory that there are interests which transcend the local ones. And the essence of the Pan American treaties in theory and, if they are used, in practice will be the essence of collective security, solidarity of action, and the recognition on the part of 21 nations of a common interest. Thus the ideas which are essential to world growth are taking shape in a constructive way, quietly sometimes, unheralded sometimes, but moving on right at the time when the news of terrible destruction and disorder compel the attention of men.

The nations of the earth have learned to consult together, fifty-odd nations have met, talked, discussed, differed, failed, let us say, which I for one will not admit; but the idea of fifty-odd nations meeting together to discuss a common interest, and each of those fifty-odd being conscious of interests that transcend their own individual objectives, should give us courage to know that the seed of the future world has been planted and that the idea can never again die. Twenty-one nations in the American Hemisphere have made certain agreements. Fifty-odd nations of the world have made certain other agreements. There is conflict in the technique between these varying agreements, but there is no conflict in the ideal, the hope, or the aspiration.

A friend of mine who knows my respect for things constitutional has just presented me with a photostatic copy of what, since John Adams' great sentence, "We have the olive branch in one hand and the sword in the other", has been called the Olive Branch Petition.

What is the Olive Branch Petition? In 1775, after the Battles of Point Pleasant, Bunker Hill, Concord, and Lexington, while Washington was with troops in New England, Members of the Continental Congress drew up a petition to King George III asking him to use his influence to have Parliament repeal those acts which the colonists so objected to, and promising as a result of such action a lasting reconciliation between the colonists and the motherland. The petition was sent to England by Mr. Penn and Mr. Lee, Penn being the descendant of William Penn. These two patriots tried to deliver the petition to the King, but they were unable to do so and left it with the Secretary of the Colonies on September 1, 1775.

The Olive Branch Petition, signed as it is by those who became signers of the Declaration of Independence, headed by the same great name and the same signature, John Hancock, as the Declaration of Independence later was, is the forerunner of many eventful things which have taken place in the world, and contains a political principle which the fathers had insisted upon and which the mother country in the course of 156 years learned to respect.

That principle, which became one of the reasons for the Declaration of Independence and later the constitutional reason which the colonists used for justifying the stand which they took against the mother country, was in substance that the laws which were to govern the Colonies were to be made by the Colonies themselves and not by Parliament, and that Parliament in turn should not have the power of veto over these laws.

The essence, then, of the petition is exactly the same as the essence of the Constitution itself, and what constitutional teachers and the tenth amendment to the Constitution call the reserved powers; that is, the Government under the Constitution shall be a limited one, and the Government shall exert only those powers which have been granted to it. When the tenth amendment was adopted this fundamental theory of our Federal system became literally part of the Constitution, and it is from the reserved powers idea that our Constitution stands out so different from all the other constitutions of the world. That is, nowhere in the American Government, either in the States or the Nation, is there complete power for Government to do whatever it wishes. The complete power is reserved to the people. That, therefore, makes the American Government not a government seeking to justify itself and to perpetuate itself, but one seeking to justify the needs of the people and to perpetuate those needs.

It is in reality from these great reserved powers that the Supreme Court gets its justification for using its great theory of judicial review, for the Court strikes down laws on the theory that they are incompatible with the grants to Government that the people have given in their Constitution.

Now, this theory expressed in the olive-branch petition became the theory of the Declaration of Independence, the theory of our Constitution, the theory of the tenth amendment, the theory of the Virginia resolutions, and in a most interesting way the theory on which the British Commonwealth of Nations today rests. When the League of Nations Covenant was set up, the different Dominions were given representation in the Assembly of the League along with the mother country. We in America felt that this was unfair, because England seemed to have seven votes where we would have only one. It was, though, in the League Covenant that the British Empire became conscious of the fact that their Empire had ceased to be quite that and had actually become a commonwealth of nations.

From 1921, or from 2 years after the League Covenant was set up, British statesmen representing the mother country and the Dominions counseled together at different times for over 10 years, and as a result of those consultations there came in 1931 the statute of Westminster, which is, in reality, the written constitution of the British Commonwealth of Nations. This statute, like the Constitution of the United States, is not long; it is not cumbersome; but it lays down mighty principles. The three brief paragraphs representing these great principles constitute probably a law of as great significance in the economy of time as our great Constitution has become. These principles may be expressed as follows:

First. The expression "Dominion" is to mean the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State, and Newfoundland.

Second. No law made by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England, and the Parliament of any Dominion shall have the power to amend or repeal any act of the British Parliament made a part of the law of the Dominion.

Third. No act of the British Parliament shall be deemed a part of the law of a Dominion unless it is expressly declared in the act that the Dominion has requested and consented to the enactment of the law.

Great things indeed come from smaller things that are deemed insignificant.

And while on this subject I cannot refrain from carrying this thought a little bit further. In the neutrality resolution of 1936 there appear these words, and they have been retained in the permanent law which went into effect May 1 of this year:

"This resolution shall not apply to an American republic or republics engaged in war against a non-American state or states, provided the American republic is not cooperating with a non-American state or states in such war."

The reason for this pronouncement is this: Every thoughtful man knows that America is not going to be neutral if some non-American state should attack some American state. We have had a hundred years of various kinds of thinking about what we call our Monroe Doctrine. Latin American states did not remain neutral after we went into the World War. And if for no other reason than to be responsive to that idea, it was right for us to make the declaration we did in our Neutrality Act.

The Monroe Doctrine, whether considered as an altruistic expression, a defensive measure, a reciprocal relationship, or a regional understanding, is still of our making and depends upon us for its perpetuation. It was never a static proposition and it never will be, but the suggested concept of allowing it to evolve into the sisterhood of American republics and making it just that gives it an all-American ideal in very fact. With this changed attitude the responsibility for its maintenance no longer rests upon us; it rests upon the whole of North and South America. A union of spirit, a union of hope, a union of aspiration. A dream of a Bolivar come true. A dream even better than Bolivar's, for Bolivar thought in terms of a political unity. To us that thought seems and is an anachronism, for we know today a better and a surer unity. It is the bond of the spirit, a bond of mutual endeavor, a bond of mutual helpfulness. I shall leave this thought by reference to the question, Shall we live on our neighbors or shall we live with our neighbors? If we turn that changed attitude into a positive peace program for the Americas and continue to hold open the invitation for Canada to join us as an American republic, we have a positive, active peace policy for the Americas.

Thus we may have a key to better world conditions built upon the spirit of the Olive Branch Petition, which actually provides for cooperation between State entities without destroying their independence and individual actions. It took Great Britain 156 years to learn a lesson and to appreciate political wisdom which the fathers expressed. I wonder if the world will take 156 years to

learn the simple lesson and this simple principle of bringing about cooperation without destroying national independence of action.

Democracy is a combination of individual entities. The totalitarian state is a whole with each person merely a fraction of the whole. American political theory as expressed in our Federal system is one made out of many, but the one still retains its entity. It is supreme in the spheres in which the people wish it to be supreme, and the National Government is supreme only in the spheres in which the people have allowed it to be supreme.

There remains another great sphere of world activity; that is the Asiatic sphere. There is evidence there of an extension of the good-neighbor philosophy and solidarity in action in spite of a continuation of border flare-ups between Japan and Russia and almost daily conflicts between Japanese and Chinese troops. United, efficient, militarily strong Japan is weak physically, economically, and geographically when compared with her neighbors. With Japan the three nearest great neighbors—the United States, China, and Russia—must soon learn that the seeds of interest which transcend the interests of each of the individual states mentioned are planted and must bear fruit. There should be talk of agreement among states in the Pacific area.

The key to good neighborliness among the nations was given to us by the early Chinese political thinkers when they taught that—

"When a great state visits a small one it should do five things: Be indulgent to its offenses, pardon its errors and failures, relieve its calamities, reward it for its virtues and laws, and teach it where it is deficient. There is thus no pressure on the small state."

With such a philosophy as this to fall back on, who will not predict the ultimate cooperation between the two great cultures of China and Japan?

Let us stop where we began with a reference to Jefferson. Jefferson's attempts to use peaceful processes rather than warlike ones are part of his historical record. He used the concepts of neutrality and the embargo to which we in 1937 have returned. Peace was the underlying motive behind his great purchase. But Jefferson never conceived of war in and of itself as bad. It was to him as it has been to all political thinkers, the ultimate resort of kings; or, to put it in our modern language, war is a right inherent in nationality itself. Modern states, though, have in theory gone beyond this by renouncing at least aggressive war as an instrument of national policy, and it has remained for our age to produce an almost universal condemnation of war on the score that war in and of itself is bad and therefore should be condemned.

War today is useless because all wars excepting wars of conquest or of revolution are wars which are ended by the negotiations at the peace table, and once the peace table is reached the binding custom of nations furnishes the rules for the settlement. Thus the war stage is without point. If the law of nations governs after the war is ended in the making of peace, why should not resort be had to the law of nations for overcoming the differences? There have developed in the world international habits, customs, rules for negotiation, conference, consultation, and procedure and institutions for the settlement and adjudication of differences. Every one of these conventions is respected when a war is ended and peace is to be made. Is it then merely the dream of a foolish idealist to suggest their use at all times? Even the sarcasm of the cynic cannot laugh these instruments of international intercourse out of existence after the exhaustion of war. Why then should they be condemned as weak in preventing war if they must be resorted to in settling it? It is primarily because of faulty thinking of mankind. The tyranny of false thought must be overcome. A nation in arms fighting a just cause may be history's most glorious picture, but I believe, and I think Jefferson would agree, that a nation of happy, worry-free men, women, and children is a more glorious one.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, July 15, 1937

RESOLUTION OF BAR OF HERTFORD COUNTY, N. C., AND ADDRESS BY L. J. LAWRENCE

Mr. REYNOLDS. Mr. President, I have before me a joint resolution—no. 43—of the General Assembly of North Carolina, which I have presented to the Senate, and which has been printed in another part of the RECORD. It is entitled "A joint resolution endorsing the recommendations of the President of the United States of February 5, 1937, for reforms in the Federal judicial system, and requesting the Senators and Members of Congress from North Carolina to support the measure presented to carry out this purpose."

In this connection, I desire to state that I have before me a resolution presented by Hon. Lloyd J. Lawrence, an attorney of Murfreesboro, Hertford County, N. C., in which he presents the views of the President relative to the reorganization of the Federal judiciary. At a meeting of the members of the bar of his county, in presenting this resolution, Mr. Lawrence presented a most forceful argument in reference to and in support of the President's views. I ask unanimous consent that the resolution and address be published in the Appendix of the RECORD.

There being no objection, the resolution and address was ordered to be printed in the RECORD, as follows:

At a meeting of the bar of Hertford County on June 9, 1937, the following resolution was introduced and duly considered:

Resolved by the bar of Hertford County, That we approve the retirement from office of all judges, whether Federal or State, when such shall have arrived at the age of 75 years.

"SEC. 2. That we disapprove all life tenure of office, whether relating to the judiciary or any other office.

"SEC. 3. That, while recognizing the recommendations of the President of the United States to increase, by act of Congress, the membership of the Federal Supreme Court from 9 to a possible membership of 15, as being impolitic and calculated to create strong opposition, it by no means follows that whatever is impolitic is also improper. We affirm, and respectfully submit, (a) that it is a constitutional duty of the President of the United States to make recommendations to the Congress of the United States; (b) that his suggested increase in the members of that Court violates neither constitutional provision nor a political pledge; and (c) that the recommendations made are salutary and sound."

Upon the motion to adopt the foregoing resolution, Mr. L. J. Lawrence, president of the local bar association, said:

"Mr. Chairman and gentlemen of the bar, there is a word in the Russian language that is in general use and is very expressive. It is the word 'nichevo', and it means 'what's the use', or 'what does it matter.'

"When the idea first occurred to me to draft a resolution concerning the President's proposal to increase the members of the Federal Supreme Court, instantly this word came into my mind; and even after the resolution had been drawn, like the ghost of Banquo, it again rose before me. In each instance the question came to me, What boots it that I have any opinion on this matter, one way or the other? Of what avail is it that the bar of Hertford County goes on record either for or against?

"Further reflection, however, brought me face to face with a realization that first impressions are not always safe to follow; they may be 'sicklied o'er with the pale cast of thought, and enterprises of great pitch and moment with this regard their currents turn awry and lose the name of action.' I further recalled that every bucket of water contains myriads of drops, each drop forming a component part of the whole; and if our opinion is but a 'drop in the bucket', it at least becomes some part of the whole.

"My apology, then, for the drafting and introducing the resolution may be found in the words of Lord Byron—

> " 'But 'tis done—all words are idle,
> Words from me are vainer still,
> But the thoughts we cannot bridle,
> Force their way without the will.'

"The resolutions are set out in three separate sections or paragraphs, the first two of which will probably find us in so near accord and agreement that I pass these by and leave to others such comment as they choose to make.

"The third section or paragraph contains the bone of contention, and it is to this section that I address these remarks.

RECOMMENDATIONS IMPOLITIC

"It will be noted that the resolution admits the recommendations made by the President to be impolitic; but the word 'impolitic', by no strained construction, necessarily implies the meaning of improper. It may carry the idea of boldness, or something contrary to popular opinion, but not necessarily something that ought not to be done. Frequently things impolitic are the very things that should be done, and the difficulty lies in finding someone of sufficient temerity to see them through.

"The recommendations are impolitic, but impolitic only because they have aroused many lawyers to the fighting point, and the legal fraternity is a force, when united, of no small significance.

"Just here may I be permitted to digress sufficiently long to pay a tribute to the legal profession? No man holds for this profession a higher regard, esteem, and affection than myself; and I am fully persuaded that when public opinion crystallizes into an appreciation of what the lawyers have done in the building of the Nation, the respect for that record will give rise to a general feeling—'Hat's off! We stand on sacred ground!'

"I do not mean by this to say that we are free from causes of complaint or criticism. Indeed, we are not; and I may be excused, if at this time, I make some criticisms instead of bestowing bouquets.

"I am risking these criticisms, and raps on the head of the reactionary legal mind, even though it be said of me what Hamlet put in the mouth of the fictitious lawyer.

"You will recall that when the grave of Ophelia was being dug, the gravediggers found a skull and threw it out. Hamlet picked it up, and said: 'Why may not that be the skull of a lawyer? * * * Why does he suffer this rude knave now to be knocking him about the sconce with a dirty shovel, and will not tell him of his action of battery?'

"The reasons why the recommendations of the President are impolitic and why a fight upon them comes largely from the legal profession, is because the means to the end desired by the President, is repugnant to the conservative legal mind. This particular class of lawyers have static or 'sit-down' minds. They say: 'If you want any change in the membership of the Court, obtain it by constitutional amendment; disturb not ancient landmarks!'

"It is charged by them that the President violates the pledges made by him during the recent campaign, that he would obtain, if possible, the measures he desired enacted into law, by keeping within the bounds of the Constitution; and where it could not be done within the bounds of the Constitution, then he would seek constitutional amendments. It has also been charged that his proposal to add new members to the Court was in itself an assault upon the Constitution. I deny both charges in toto.

"The attitude of the President, shocking as it may seem to the ultraconservative mind, is not inconsistent, and violates no constitutional provision. His recommendations are within the Constitution, and not on the outside.

"Article II, section 3, of the Federal Constitution makes it the duty of the President to give to Congress, from time to time, information of the state of the Union, and to 'recommend to their consideration such measures as he shall judge necessary and expedient.' This is what he has done—nothing more, and nothing less.

"If it be said that his recommendations to increase the members of the United States Supreme Court are contrary to the letter and spirit of the Constitution, the answer is, there is nothing in that great instrument that fixes the number of members of that Court, nor in any manner prohibits the Congress of the United States from enlarging or decreasing it. Article III, section 1, contains this language: 'The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish.' There is not one line or one syllable that prescribes its size or the number of members. In fact, five different times has the Congress of the United States enacted legislation regulating the number of members to constitute the Court, and its power to do so has not been successfully challenged.

"In 1789, by act of Congress, the United States Supreme Court was made to consist of one Chief Justice and five Associate Justices.

"In 1807, by act of Congress, a change was made and the Court was declared to consist of one Chief Justice and six Associate Justices.

"In 1837, by act of Congress, another change was made, and the Court was then made to consist of one Chief Justice and eight Associate Justices.

"In 1863 still another change was made, by act of Congress, and the Court was fixed and declared to consist of 1 Chief Justice and 9 Associate Justices, or a Court of 10 members; at which time Justice Field, of California, was added as the tenth member.

"In 1869, by act of Congress, the Court for its first time was reduced, and made to consist of one Chief Justice and eight Associate Justices, and has so remained to the present hour.

"Recently a poll was made by the American Bar Association as to the attitude of the lawyers, who are members of the association, and also by those who are not, on the proposal of the President to increase the Supreme Court. The responses from those who are members of the association gave a majority against the President's proposal of about four to one. Nevertheless, that poll was misleading and of little value in getting at just how the lawyers of the Nation are lined up for and against the recommendation. It must be borne in mind that relatively few lawyers are members of the American Bar Association. There are some 160,000 or 170,000 lawyers in the United States, including those who are members of the American Bar Association and those who are not, and out of this total number only about 56,000, or practically one-third, have gone on record as opposing the plan.

"It is but fair to assume that this one-third largely represents the reactionary or stand-pat group of the legal profession, and it also admits of no dispute that within this one-third is also to be found a large number of political partisans who oppose practically everything the President recommends.

"Before passing from these criticisms and this analysis of the legal profession as to the matter in issue, it is pertinent to say that when it comes to the courts and legal procedure the average legal mind gets into one rut and refuses to get out. Probably less change has been made in legal procedure than in any other field of human endeavor. Constantly and repeatedly there is discussion and agitation of reform and changes, and while this discussion and agitation goes on, and continues from time to time, but little is done. It reminds one of what Mark Twain said about the weather: 'Everybody talks about the weather, but nobody does anything about it.'

NEED FOR A CHANGE

"I have referred to the wonderful results of the lawyers in the building of the Nation—a tribute that is justly due the legal profession. Mention has also been made of the static mind possessed by so many lawyers when it is directed to innovations and changes of the courts and court procedure. Most assuredly, it becomes impolitic for the President to recommend a thing so radical as an increase of the members of the Federal Supreme Court, thereby incurring serious opposition from this potent profession. It, nevertheless, remains that the Presndent is within his rights, and offers a suggestion that is salutary and sound.

"Apart from the question of sustaining the New Deal, when the greatest of all judicial tribunals split on practically all major legal problems, five having one opinion and four another, this great Court brings itself into disrepute and creates a strong element of doubt in the public mind that the opinion, whether pro or contra, rests upon a stable conclusion. Even more than this, the civic 'house beautiful', or the building of a lasting and protective refuge from financial storms, the adjustment of inequalities in agricultural, industrial, and sociologic pursuits is by no means complete, and the task is rendered more difficult without unity of aim. The minds of the three branches of government must meet together if a durable prosperity is to be preserved.

"Certainly, it is to be expected that under the 'due-process clause' of the Constitution, the interstate-commerce clause, and under its preamble relating to the general welfare, differences of opinion will exist, and that recommendations of the President and acts of Congress will not be sustained by the Court at all times, but will now and then be declared unconstitutional and void.

There never has been and there never will be unanimity of legal opinion, and the graver the problem the more inviting a difference of opinion. The psychology of one mind is not necessarily the psychology of another, nor that of one age reflected into that of another.

"These reflections pave the way to the general statement that the exceptional number of cases decided by the United States Supreme Court in the last 2 or 3 years, in which acts of Congress have been held invalid, reflect the psychology of conservative minds, made the more so by approaching old age.

"It is the exception of the rule for any person, having reached the age of threescore and ten, to retain an appreciative outlook on this changing world, or a responsive frame of mind in adapting new remedies for these new conditions. For this very reason the Court should be enlarged.

"There is nothing more or less in the argument that these changes, if any, should be made through constitutional amendments than a dilatory plea in an effort to prevent any change or innovation.

"The subtle mind of the lawyer 'yet speaketh' in order to have and to hold the old order of things. It is nothing less than due notice to 'keep off the grass over the grave of King Tut, no matter for what purpose you tread thereon.'

"As a further answer to such argument, may I remind you that the road to such changes by constitutional amendments is circuitous, long, and uncertain; and to travel that road is a hazardous journey, because the same objective may be reached in a more direct and shorter way, and a way that is equally as good.

A GREATER DANGER AHEAD IF PLAN IS DEFEATED

"That the United States Supreme Court, now composed of a Chief Justice and eight Associate Justices, expedites its business and disposes of these cases before it in a reasonable length of time must be admitted; and in this connection it is but fitting and proper to say that ample proof of this statement is to be found in the history of the case originating in this (Hertford) county against J. A. Shaw and others, composing the board of county commissioners, involving a question of taxation, decided by the Federal Supreme Court March 1 last. That case was commenced in the superior court of this county on the 17th day of February 1936. It was thereafter heard in the superior court, appealed to the State supreme court, heard and determined by that court, a petition to rehear the case and denial thereof, a petition for certiorari filed in the United States Supreme Court, petition granted, case heard, and opinion filed March 1, 1937—all of this resulting in about 1 year.

"As the attorney who successfully piloted that case, I could have nothing less than the highest regard and appreciation for those 'nine old men'; and yet, notwithstanding all this, it is pertinent to raise at least two questions:

"(a) When it is made to appear that upon petitions for certiorari there is a denial of, and the Court refuses to hear, 80 percent of these applications, is it not self-evident that litigants and lawyers must pay the penalty in order that the United States Supreme Court may expedite its business?

"(b) Is it not presumtively true that a denial of 80 percent of such petitions for review and rehearing is the result of insufficient time to get at the merits of those denied applications?

"Certainly, the appointment of additional judges would remove, or tend to remove, that unfortunate presumption.

"Another argument advanced against the President's plan is the charge that he is packing the Court, and every court must, of necessity, remain free and independent.

"Mr. Chairman, there is no such thing as freedom of action. What seems so is pure fiction and theory. The President is not free to do as he pleases, even though he keeps within constitutional bounds. The Congress of the United States, on which is conferred a grant of the larger share of powers by the Constitution itself, does not possess freedom of action. Each are held to strict account by the electorate, and the remedy is simple when either is not responsive to the public will.

"To admit an absolute freedom of action on the part of the courts is to admit an autocratic power, and is to wrap about it

the robe of detachment and isolation in construing the legislative will.

"The spirit of the President's recommendation is to bring into a more harmonious action the three branches of Government; and lest we forget the attitude of past Presidents on the issue of packing the Court, let me remind you of the unbiased reflections of that scholar-journalist and eminent historian Burton J. Hendrick, who is not a New Dealer.

"In his recently published book on the United States Constitution, Mr. Hendrick raises the question, Do Presidents Pack the Court? His answer is 'Yes'; and cites the record of Jefferson, Madison, Lincoln, and Grant. He also notes the fact that Congress, of its own volition, did the same thing to prevent President Johnson from filling two vacancies.

"The author finds nothing alarming in packing the Court, and concludes that 'in the long run the Supreme Court reflects the changing voice of the Constitution.'

"So then, when the Court is closely and hopelessly divided into two schools of thought, abundant reason exists for adding additional members by act of Congress, or in the regular and orderly way.

"There is still another reason, Mr. Chairman and gentlemen of the bar, why the resolution should be adopted.

"In the chorus of opposition to the President's plan is gathered together the same elements that did their utmost to defeat him and prevent his reelection, to which has been added a few others, who, in good faith, cling to the theory that no change should be made except by constitutional amendment. In the main, it is still the cry—'Stop Roosevelt!'

"I shall not be a party to it for more reasons than one.

"In Holy Writ we are told that there is such a sin known as the unpardonable sin, and the question frequently addresses itself to my mind, how near to that sin is the sin of ingratitude?

"I do not forget the haggard faces and the desperate plight of the people just 4 years ago; nor can I forget that within those 4 years, under other recommendations of the President, there is now upon the faces of the people smiles instead of despair, and in their hearts there is joy. The doors of opportunity are no longer closed, and the average man is on his way to more satisfying results.

"Of course, it will be said that there is no relation in these remarks to the subject matter; that they are foreign to the issue before us, and, at best, are subsidiary to the main question. On the contrary, they are vitally connected and go to the root of the whole matter.

"I am warning you now that if the elements banded together in 1936, and still grouped together, can give enough impetus to the movement to 'stop Roosevelt', and break down his influence, a tragedy will follow that will eclipse the greatest of all tragedies in American history—I have reference to the rise and fall of the Wilson influence.

"There was a day when the word of Wilson was more potent throughout the world than any other man in it; and yet, about 2 years afterward, criticism, opposition, envies, and jeolousies did their ugly work, and the influence that was once his was his no more.

"There was a day when of him might be said, 'But yesterday the word of Caesar might have stood against the world; now lies he there and none so poor to do him reverence.'

"The point I am making does not relate to the question whether or not Mr. Wilson was right or wrong; but it does relate to the fact that criticisms, opposition, envies, and jealousies may make or destroy any public servant. Under the recommendations made by a great and humanitarian President the Nation has largely recovered and is on its way out. If, then, he is shorn of his influence by opposition, criticism, or any other means we are surrendering what we have gained for uncertainty and doubt. If you are ready for the experiment, I certainly am not.

"Bear this in mind: When that hour comes liberalism must give way to the forces of reaction and the voice of the people become an iridescent dream.

"In the entire group of those opposed to the President's plan not one can be found whose heart and mind are so attuned to the Nation's demands to whom we may turn for a full completion of the Nation's recovery. Brilliant and able as some of them are, at the approach of something new their mental attitude becomes 'like sweet bells, jangled out of tune and harsh.' The opposition is playing with fire and appears not to know it.

"In conclusion, Mr. Chairman, I summarize the following as reasons why the plan of the President, or its equivalent, should be adopted:

"First. It is the most direct way of reaching the objective desired.

"Second. It is a right and power possessed by the United States Congress.

"Third. Congress has several times heretofore made changes in the Court.

"Fourth. His recommendation violates no political pledge.

"Fifth. It affords more opportunity for examinations of petitions for certiorari, and offers a saving to litigants and lawyers.

"Sixth. It will save the Court many close decisions and restore public confidence in the Court's opinions.

"Seventh. Its agitation has already brought the Court into greater harmony with executive and legislative aims.

"Eighth. Its enactment will bring closer team work between the three branches of government.

"Ninth. Its enactment prevents impairment of the President's influence, which should be preserved for the general welfare.

"Finally, Mr. Chairman and gentlemen of the bar, this one thought I desire to leave with you.

"Without regard to resignations and changes in the personnel of the Court, or that there now appears a more sympathetic trend between the three branches of government—until there is a decrease in the 80-percent denial by the Court of petitions for certiorari, or petitions for review of judgments of the lower courts, I am irrevocably committed to an increase of the Court. Except upon the theory that the Court, in keeping up with its docket, does not have sufficient time to get at the merits of so many denied applications, it is not comprehensive to me that 80 percent of these petitions should be denied. I therefore have sufficient interest in the litigants and lawyers of the Nation to desire an increase in the Court, if for no other reason than this one alone.

"I have no means of knowing, at this time, Mr. Chairman, the attitude of the other members of the bar to the resolution before us. Each member must form and be governed by his own conclusions; but as for myself, on the motion to adopt the resolution, I borrow the language of Daniel Webster: 'Sink or swim, live or die, survive or perish, I give my heart and my head to this vote.'"

Campaign Radio Addresses by Senator Maloney

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, July 15, 1937

RADIO ADDRESSES DELIVERED DURING THE CAMPAIGN OF 1936

Mr. MALONEY. Mr. President, I ask permission to have printed in the RECORD sundry radio addresses delivered by me during the campaign of 1936.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY ACT

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station W1XBS, Waterbury, Friday, Oct. 30, 1936)

In my radio talk last evening I said that I would tonight explain certain features of the Social Security Act.

At the time of the passage of the bill, when it had the overwhelming endorsement of both Republicans and Democrats and the voting approval of the Republican and Democratic leadership in Congress, I thought we had finally put into effect a measure that would spread a few petals of roses in a pathway that had been covered with thorns.

Let me admit that there are imperfections in the law. Let me tell you very frankly that it will need revision. And permit me to add that the Congress of the United States is competent to make the necessary corrections.

The authors of an immortal document written long ago determined that the intention of our Government was to provide liberty and the pursuit of happiness.

But just so long as men and women approach the wintertime of their lives with a fear of the downward trail, our system of government is faulty. Just so long as men and women look toward that sunset period in a quiet but frightened hysteria, we cannot boast of a successful civilization. What are we here for, and what are the purposes of government, and why the tireless struggle, if the final reward for those who have made long years of contribution to industry and to society is an old age with want and the unfulfillment of the meager desires old people have?

This talk deals with the feature of the social-security law which provides old-age pensions. This is the part of this noble creation that is called unfair and against the interest of the workingman.

That is the last campaign ghost and the last fear, and its intention is to destroy a confidence in President Roosevelt, when it should bring him great praise and gratitude.

Working men are now told that the Social Security Act means a pay cut, and lower wages, and reduced income. I tell them, and I hope that when they go into the factories tomorrow and Monday—factories that were cold and quiet a little while ago, that they will tell their fellow workers, that there is no pay cut in this bill, nor any pay reduction, nor a pay-roll tax. I tell them that it is a pay increase, and that that is one of the reasons why some industrialists are disturbed. I ask them to tell John and Joe and Mary, and the other people with whom they work, that it is a raise in pay, and to enable them to tell it clearly, I will prove that it is a raise in pay, and I will show very clearly the probable reason why certain manufacturers are opposed to the law.

The Social Security Act was designed to help blind people, who cannot do much work or earn much money, and are feeling

their way in the constant darkness; and to help homeless little children, and widowed mothers, and people who are ill and without sufficient funds to secure proper medical care, and people unemployed. Any one of these features may some time affect you. But largely the law is intended to erase and forever remove the haunting fear of loneliness and want when economic values are spent and a younger man or a younger woman has taken the job. This is the feature under fire, and this is the feature I discuss.

Under the Federal law the employer pays all of the cost of the unemployment-insurance feature. That is one wage increase.

Under the old-age pension feature of the law the employer contributes the same amount as his employee. That is another pay increase, and another wage raise, and the Republicans may distort and confuse and slander, but they cannot get away from the fact that it is a pay raise.

Let me give you the old-age pension figures again. As an employee during the next 3 years, you will pay 1 penny for each dollar you earn, and during the same period of time your employer will pay 1 penny for each dollar you earn.

After the first 3 years, beginning in 1940, you will pay, and your employer will pay, 1 penny and a half for each dollar you earn. This will be the rate for 3 years, and then, beginning in 1943, you will pay 2 pennies for each dollar you earn and so will your employer. That will go on for 3 years.

After that you and your employer will each pay half a penny more for each dollar that you earn, and finally, beginning in 1949—12 years from now—you and your employer will each pay 3 pennies on each dollar you earn. That is the most you will ever pay. I doubt that you will ever miss it. Your payments will be in pennies, and they will be deducted from your pay. The manufacturer will be making his contributions in dollars, in accordance with the number of employees he has, and whatever he pays is a wage increase for you, because the money is set aside for you. A corporation gets no money back.

The pension cannot be less than $10 a month, and it may reach $80 or more a month, depending upon your earnings. It will come back to you at a time when you might be alone. Your children may have gone away, if you have children. You might have been deserted by your kinsfolk, as so many old people have been deserted by those of their blood, but be certain that if this bill lasts, and this great and rich and powerful Nation endures, the money will come back to you.

Every man knows that substantial manufacturers and every industrial corporation of any size set aside each year a certain amount of money to replace broken-down or worn-out mechanical machinery. They know that it is important to have these reserves to replace the iron and steel and belting and the equipment in the foundry. They set aside money for building repairs. It is good business to do that. There is no sentiment about it. It is necessary if business is to properly go on.

Is human machinery less important? Should there be no reserve for worn-out human beings? Are they not equal in importance to the mechanical machinery of a buffing room or the office furniture? When mechanical machinery falls into disuse or wears out, the manufacturer can only replace it by buying new machinery. But he does not have to buy human machinery. There is a plentiful supply of that. There is no need to set aside pennies to make that replacement. Human nature fills the ranks of human machinery. It is a cold way of telling it, but it must be so told in order that everyone will understand. It is necessary, as this ghost stalks the land, that the truth be given, unclothed.

Some of you are old enough to remember campaigns of another day. Then, as now, special interests had the help of a powerful press. What they said was gospel. When they regimented men and cloaked them in oilcloth capes of white and gave them lighted oil-soaked wicks on a stick, and empty dinner pails, and paraded them through the streets of industrial cities, they did it to excite a ballot-box fear. It was a warning that a Democratic administration meant hunger. It was a threat that there would be no bread and no meat but an empty dinner pail if the Democrats came into power.

Since then we have had the Hoover panic, and evidence that the Republican leadership could fall to helplessness, and we have had President Roosevelt and a proof of the fact that Democrats did know the right way—and we have the radio to answer the charges, as I am answering one of them now.

When men knew only one side of the story the empty dinner-pail ghost was effective, because people believed that it meant a barren table and hungry children and cold homes. They voted, as I would have voted, to protect those treasures. It worked then, and the Republican leadership, which walks in the shadow of that cold Republican leadership of another day, would now frighten people again.

Let me say to the employees of the great insurance companies that this law will not hurt the insurance business. When the Federal Government wrote millions upon millions of dollars of insurance for the soldiers in 1917 the insurance business was not injured. It made men insurance minded, and the insurance business leaped forward.

Most people who will benefit by this old-age pension insurance have never thought much about annuity insurance policies. Up to now these people have bought insurance against the dread of death and to furnish bread to their families when they were called away. This is an insurance policy against a living future and the adversity of old age, and it will make people annuity-insurance minded, and they will have a better understanding of insurance and its great value in all of its forms. People will buy more insurance, because they will feel free to spend as the hazard of old age is cut down. Some of them will buy annuity policies that will enable them to retire at age 60. This law will be a great thing for the insurance business.

I myself am engaged in the insurance business, and I have thought much about this feature.

No insurance-company official came to me with a fear when we wrote the law, although, as I started in Congress, I invited every insurance-company head in Connecticut to give me the benefit of his advice and experience. And I have had it from many of them.

This old-age feature does not affect annuity policies now in effect. It does not destroy pension plans now in existence.

One young woman asked what would happen to her contributions if after 5 or 6 years she gave up her position to get married. In that case the Federal Government would pay a lump sum back to her, and that lump sum would be in excess of the amount deducted from her wages. If she left her position in a shorter period of time, unless the law is modified, she would have contributed to the future security of the man she married, and consequently to her own security and the relief of her family.

One person asked me what would happen if this law was repealed because of a change in administration at Washington. That question answers itself. Who can believe that the Federal Government would retain any money to which it was not entitled? What Member of Congress is that selfish and stupid? But the law will not be repealed. No one would dare repeal it. It will be changed.

One man wants to know if he must be destitute at age 65 in order to receive the benefits under this law. Indeed not.

Another wants to know what happens if, after working several years, one is discharged and unable to find new employment, although not yet 65 years of age. That person qualifies, of course. And that same person also wants to know what the situation would be if he did get a job with another firm. Would he receive credit for the payments made during the first 20 years? He would receive full credit.

The law is not a new idea. Policemen, and firemen, and school teachers, and letter carriers, and post-office clerks, and many others are now paying into pension funds or having pension-fund moneys deducted from their salaries. It works splendidly for all of these people, and this law is aimed to put the workingman in industry finally on a pension par with the Government employees, who are now and have been for a long time protected. School teachers fought for this protection. So did the firemen and policemen. Ask them about it. Ask their wives.

When this law was passed the manufacturers of the country accepted it and, I believe, approved it.

There are only a blind few, inflamed by the Republican National Committee, who have stirred up all of this trouble. The Republican National Committee invented the pay-envelope-sticker idea. If the Republican National Committee had not thought up the scheme and developed it, we would not have heard of the matter at this time. But some manufacturers, who knew that the law had to come, in fairness to people who work, have been willing to criticize it because of their republicanism, or because of their hatred for the President. It is not because they thought the law was bad. It is because they are willing to use almost any method to defeat President Roosevelt. I know manufacturers who say that the law is a blessing and are terribly provoked at their manufacturing associates for joining in the effort of the Republican National Committee to destroy the confidence of working people in a law that will help them very much and help the country and industry very much.

Who bears the cost of insurance policies now? And will not these pensions go back into industry and help business? Where would the money come from to take care of the old people without these pensions? If they do have money to take care of themselves, it will be money that they save in a bank or a bureau drawer or through an insurance policy. Is there a single soul listening to me who doubts that the Government is stronger than any of these? Who would bear the cost if old people were cared for at public expense?

It is wrong to force people to save. We have always urged that. Is it wrong to make the employer put aside a little money to take care of worn-out human machinery? Oftentimes the employer has done the same identical thing that this bill does without Government insistence. When he does it, it is called group insurance. That kind is a good kind, but it pays after death. This is identically the same idea, but it is for old age—it pays for life, instead of for death.

This ghost of fear will many times come back to plague those who created him. On Tuesday the working people of this country will show their gratitude for the pay increase that they received under the Social Security Act, under the leadership of President Franklin D. Roosevelt—a good man of great heart and sympathetic understanding; a great man of strong courage, who loves his neighbors and is taking them the right way.

SOCIAL SECURITY

(Radio address by Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station WIXBS, Waterbury, Tuesday, Oct. 27, 1936)

You remember the depression. And you remember what President Roosevelt did to halt it; and finally drive it from the land.

You remember how the one-time financial leaders of America were at first grateful.

But everything changed after a little while, and the once great leaders changed as well. After their clothes were dry, and they were warmed by the fire which had been lighted by Roosevelt's calm courage and governmental leadership, and after they were fed, and their fears completely quieted, they buckled on their armor again, and wanted to know just who was boss. As the festering sores of worry and misery were healed, these folks came to take their places in the front ranks.

Now, I am just one man, and I am afflicted with all of the frailties of human nature, and I cannot for the life of me understand the reason for the great change.

The better times became the greater the opposition to the building efforts. I remember at one point the cry about hidden taxes and the plausibility of that argument continued to appeal to me as it had always had an appeal. At one time in the Congress a liberal Senator made a proposal that we go down into the lower brackets to get a part of our income taxes. I voted for that proposal because I felt that the lower-salaried people of America should not only pay their share, but they should definitely understand how they were paying it. The proposal failed.

And then at one point there was a proposal which was intended to carry us farther to a new security. Everyone knows that down through the years civilization has traveled, the great worry of the fathers and the mothers of the land has been created by the living ghosts of insecurity. We knew that nothing could be quite so horrible as that painful moment when the head of a family had to tell his good wife, and indirectly tell his children, that he was laid off, and that he did not know for how long.

Another great dread was the time when they would be compelled to carry home the message that their economic usefulness seemed to be over, and the job at the shop, or in the mine, or in the store, had gone to a younger man. And another blot upon American happiness is the hour when a member of a family becomes seriously ill and the skill of a physician is necessary. Where will the money come from? Who will pay the bills?

As this great social proposal was made there came into the minds of the Members of Congress the scant consideration that a powerful Government had given to widowed mothers, and to people who were blind, and to little children less fortunate than some other little children.

The new proposal was called the Social Security Act. It was an idea magnified by the lifelong dreams of men who love their neighbors. Anyone who thought about it knew that it was not only a big step but a bold step. Legislators and people interested in social advancement had wrestled with the problem for generations. Some of those whose minds were given to the most erratic exaggeration proposed old-age pensions that were extremely fantastic. A few of the people with colder hearts did not want any old-age pension because they had never come to the belief that the Government was its children's keeper. They were the men who believed in the survival of the fittest and the law of the jungle, or, to put it coldly and unclothed, in the way of dog eat dog.

The men of sentiment who were endowed with a great love for those about them, and the men who understood that we could not go on much longer tossing old people to the uncertainties of old age, decided that we might help the economic situation, as well as distressed people, by giving them some sort of a guarantee of social security.

Insurance experts were called to Washington to help in perfecting a plan. Economists were called, and men skilled in statistics and finance, and men with an understanding of how great was the social need the other side of the doors of humble homes. Out of it all came the passage of the Social Security Act. It was far from perfect. Everyone knew it would need correction, but everyone knew that there would never be a chance to correct it until it was put into effect. In the House of Representatives the bill passed overwhelmingly and in the Senate of the United States there were only six votes cast against it. Can it be true that if this bill were so far wrong the Republican leadership in the Senate would have been for it, and that among its advocates would be the liberal Senators who had a legislative experience covering a great many years?

I saw in the bill not only a new feeling of security for people, and for homes that have been insecure, and a new day for all of those who had been denied the endowment of hope for comfort in days of unemployment and old age, but I saw at last a chance to bring things into the open. We would know where the money was coming from, under the provisions of this bill. The bill provided that the employers of men would pay their share of the cost, or that they would set up reserves for human machinery and reserves for the period of time when the human machinery needed an insurance protector. There was always a question about the workability of all parts of the measure, but it was a noble venture.

Many of the industrialists of the country are angry about this bill. Many of the Republican candidates are opposed to the measure, but it is my honest opinion that they profess opposition to it because they hope to get the support of aggravated industrialists. To make the act workable it is necessary that the Federal Government take a small part of the wages of the people who will benefit. At first the plan calls for the deduction of a few cents a week from the wages of working men. It also requires that the employers contribute to the fund, and they have to contribute more than the employees. The employees get the direct benefit, but no money comes directly back to the employer. That is what seems to hurt. That seems to be what provokes him. If you are an employee, you may pay 15 cents a week, or you may pay 25 cents a week, or possibly 30 cents a week, all dependent upon how much you earn. If you are an employee during the next 3 years, you will pay 1 penny for each dollar you earn, and during the same period of time your employer will pay 1 penny for each dollar you earn up to $3,000 per year. Twenty-six million other workers and their employers will be paying the same amounts at the same time.

After the first 3 years, beginning in 1940, you will pay, and your employer will pay, one penny and a half for each dollar you earn up to $3,000 a year. This will be the rate for 3 years, and then, beginning in 1943, you will pay 2 pennies for each dollar you earn and so will your employer. That will go on for 3 years. After that you and your employer will each pay half a penny more for each dollar that you earn, and, finally, beginning in 1949—12 years from now—you and your employer will each pay 3 pennies on each dollar you earn up to $3,000 a year. That is the most you will ever pay.

The Federal Government will collect your contribution, and the contribution of your employer, directly from the employer. Your share of it will be taken out of your pay, and the Government will collect from your employer out of his funds.

This process will go on just the same even if you change your place of employment, so long as you work in a factory, a shop, a mine, a mill, an office, or a store. Wages earned in employment on a farm, or as a domestic worker in private homes, and a few other kinds of jobs are exempt from the law.

As the operation goes on, the old-age reserve fund in the United States Treasury will draw interest, and the interest will be added to the fund. I am not enough of an economist or a statistician to know how much correction in the law will be necessary, nor can I guarantee that the plan will work, but I know great economists, and outstanding statisticians, and insurance experts have said that it will work. I know that it had the support of the great labor leaders of the country, and I know that it had the approval and the blessing of Members of Congress, who have wrestled with social problems for a great many years. I know that the law is intended to bring comfort into American homes, and I know that if it works it will bring comfort into American homes. I know that it is intended to help the blind to feel their way, and to smooth wrinkles from the brow of the widowed mother, and that it is aimed to one day tear down the last poorhouse. I know that it is intended to put bread into the pantry of American workmen at the time when he temporarily or permanently loses his work.

It differs a little bit from the ordinary insurance policy because on the ordinary insurance policy the individual policyholder pays all of the cost. The Government felt that it was not fair in this instance to make the individual pay all of the cost, because the industrialist and the great corporation shares in the profit of labor and should share in the cost of protecting labor when the economic force of labor is spent and when the individual has lost the energy that he gave to society and to industry during his productive years.

This particular campaign comes to a close 1 week from tonight. During the past several days, and to a greater extent for the next several days, the pay envelopes of American workmen have bulged a little more, and will bulge a little more, than ordinarily. They have contained warnings and threats and notices that the Federal Government was to take money out of the wages of workmen. Some of the notices have inferred that the Government might not reappropriate the money to pay pensions or to fulfill the other conditions of the law.

One employer sent a notice to the effect that the man's pay would be cut by the Federal Government just after the first of the year. He called it a wage tax. The Republican candidate for President called the law a cruel hoax.

I wonder what sort of thought gets into the minds of men that prompts them to try to inflame people by telling them that they are being gouged by hidden taxes and later prompts them to scare people half to death when the charges are made openly?

This pay-roll deduction is not a tax. It is an insurance premium of a few cents a week to be put away by the powerful Federal Government, and to be returned to American workmen, and sent into American homes at a time when it is needed to ward off the living ghosts of insecurity and the wolves of woe. Perhaps the challenge to the faith and confidence of the American working people will be effective in some places. Perhaps some men will believe that their employers are prompted by unselfish motives, but it is my sincere opinion that most of them will not be misled by the unworthiness of the notices in the pay envelopes. It is my firm conviction that most of them will cheerfully set aside these few pennies a week, because they realize that they will come back in an hour of need multiplied into dollars. A few pennies a week will not hurt, but the dollars which the Federal Government intends to give back to them might be extremely helpful a little later on.

No one condemns the insurance company for its skillfully organized effort to provide for the dark day of need. The insurance company in most instances operates for a profit. Are we ready to admit that our great Government, the most powerful and rich in the world, is incapable of doing for its people what the insurance companies do for their policyholders? Are we ready to admit that we cannot overcome the force of adversity in this great land? Are we willing to admit that we shall go on forever under the law of the jungle, and that only the strong shall survive, and that the weak shall be cast to the roadside, and shall suffer from the hounding fear of old age and loneliness? Shall we desert these people?

I do not think we will. I think that the American workmen will not only willingly but anxiously set aside a few pennies each week for the purpose of building up a fund that will buy them

some of the necessities of life that they might need when overtaken by old age. President Roosevelt and those who support him want to go on with the plan. Governor Landon and those who support him condemn the plan and would do away with it. You have a vote on this question next week. If you think that you might need the assistance later on, you have a chance to cast a vote in your own behalf. If you have a full share of the world's goods and you do not think that you will ever need the benefits of this noble effort, you have a chance to vote the protection for your less fortunate neighbors—millions of them. "Thou art thy brother's keeper."

PEACE AND WAR

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station W1XBS, Waterbury, Wednesday, Oct. 28, 1936)

This evening I shall talk briefly about war, and its horrible cost, and peace, and how much we should be willing to pay for it. My discussion will concern this country's expenditures in the World War, and in the "war of twenty-nine" against adversity. In the World War we suffered a frightful loss in human lives, and thousands upon thousands of men in the service suffered wounds that robbed them of much of life's happiness. Some of them found relief only in death. Voluntarily and patriotically they submitted to regimentation. No one noticed the regimentation feature excepting to applaud it.

A part of the reason for this discussion is for the purpose of showing that there was a time when certain men did not seem to care so much about Federal spending. For the purpose of approaching the matter in an orderly way, I want to very briefly refer to the cost of Government during the present administration.

As Mr. Hoover was about to leave the White House on February 28, 1933, and about 15,000,000 people were out of work, and we were still dashing madly down hill, the national debt was $20,500,000,000. It had gone up considerably under Mr. Hoover, and unfortunately we had little, if anything, to show for the increase.

At the end of the Government's last fiscal year, on June 30 of this year, it appeared at $31,100,000,000. This public debt of the United States, or the Federal Government, less the balance in the general fund in the Treasury, was increased $10,400,000,000 from the time of Mr. Hoover's departure until the end of June this year.

In addition, as of that date, there is a contingent Government debt of $4,700,000,000, or a total increase of approximately $15,000,000,000. The actual debt is much lower, for the contingent debt is secured by assets admittedly recoverable. An outstanding example of the recoverable money is found in the Reconstruction Finance Corporation; and the stabilization fund represents $2,000,000,000 more that is liquid and recoverable. It is now estimated by experts, both in and outside of the Government, that the increase in public debt is no more than $7,500,000,000.

European countries still owe us several billion more than that.

The foregoing money was spent to save homes, farms, factories, banks, railroads, municipalities—and, by way of addition, it was spent to save the men, women, and children of the United States. It was spent in large part to keep people from being hungry and cold. In a larger part it was spent to save our form and system of government. It was spent to save America.

All together about $8,000,000,000 was loaned to railroads, banks, home owners, manufacturers, and municipalities. This last was not to destroy our system of government—it was to save our democratic and capitalistic form of government.

I have been talking to you about the debt incurred as we fought to end the depression and bring peace and security to Americans and American homes.

I call it the reconstruction debt.

That is the debt and the spending that is condemned. Men make fun of it. Men worry about the gigantic burden it will be to our children. It is horrible, they say.

But look what it brought, we say in return.

But they look at us with scorn and scream a hatred, just as if we were to blame for hard times.

Just as if a Democratic President was in the White House when the crash came.

They seem to forget that the man's name was Mr. Hoover, and that it was his panic that we have been pulling from the quicksands.

And this scorn from his partners.

One could take days reciting the accomplishments of the Roosevelt spending and pointing out the great social and moral values bought with the money. Let me put it very briefly by saying that we turned back great dangers and bought peace, and we bought it with honor and self-respect and without the loss of a single life under President Roosevelt.

Let us turn to the debt of destruction—the war debt. There is not time for the details, and no one wants the details, of that heartbreaking and heartbleeding period.

The people now condemning the spending did not seem to be holding the United States back in 1917.

Some of them had been doing business abroad.

A few of them had customers there and the accounts were overdue.

Once or twice it looked as though they might have to be written off. But we entered the war in 1917. The cost in dollars was never too seriously reckoned.

Some men sold munitions, some men sold uniforms, some men bonds, and some men sold food. There were thousands of things to be purchased. There was fighting and dying, and more men going into uniform, and one loan after another.

No one spoke of the cost.

Everyone was doing well, except the soldier and his folks back home.

I do not mean that any man lacked patriotism, because that would be a lie.

I do not mean that any man was anxious to see the war start, or go on, because of war profits—because that would be vicious, and a lie. I do think certain people were very careless before we got into the war and they did not get over it during the war.

I think the reason that there was not a yell about the cost was because men were making money directly as a result of the war. The poor man did not know it, but he was paying the cost, and the rich man was becoming richer.

During the past few years I have heard the war cost variously estimated. The figure has been as high as $75,000,000,000, and this week I read that an American in high governmental office, and a conservative man, placed the cost at $54,000,000,000. Please bear in mind that I am only talking about the cost to the United States.

I am trying to forget for these few minutes the millions of men of other nations who died in that war and the many, many billions other countries burned up in the fires of hate. I am talking only of our cost.

The lowest figure I could find, from a thoroughly responsible source, was $22,000,000,000. That is the lowest estimate. That was all for destruction. Of course the cost is not totaled yet. We have added billions to that amount since the war ended in soldier benefits and to the rich men and companies with war claims, and we will be paying some of the soldiers and their offspring for years to come.

All for destruction.

Who complained about the spending? Who asked where the money was coming from? Who worried about future generations? If anyone said anything about it at the time I did not hear him.

All was then frightful on Europe's western front, and quiet on the eastern front in America.

Compare the seven and one-half billion dollar reconstruction debt, to the destruction or war debt. Compare the gains in each instance. Then answer the criticism yourself.

As a result of President Roosevelt's war on depression, we brought an economic peace to our country, although there are some men who have not recovered from their wounds. Some of them are still in "no man's land", and others not yet located. But we have won the war, and there is peace at home.

We cannot be sure of a lasting peace, however, either economically or otherwise, just so long as men carry loaded packs, and filled canteens, and march to martial music in other countries. Much of the world is in turmoil and confusion, and few, if any, countries of the world feel the standard of security and comfort that we enjoy.

To the south, and to the east, and to the west, there is unrest and uprising, and in some places, this very night, people are engaged in mortal conflict with their kinsfolk, and the furrows are right now running red with their blood. Almost all of Europe is an armed camp. A false step, or a carelessly dropped match, and war may come again.

Much of the trouble in other countries has come from the ignorance of those who were politically powerful and socially nearsighted or blind.

Will this situation, as well as the last war, be a lesson to us? Will we keep out of it if war comes? Will we fight again to save the profits of men who might do business with warring countries? Will we fight if a munition boat goes down? Will we? For my part we will not.

Disturbing as the situation is, I get some comfort from President Roosevelt's understanding of world affairs and from his experience in international matters over a long period of years. I get some comfort from his pronounced hatred of war and from his sane procedure in connection with the irregular events in other countries. I get some comfort from his great Secretary of State, Cordell Hull.

Excepting life itself, there is hardly anything so delicate as international relations, and in some places they are now worn to the last silken fiber.

If war comes anywhere, we will in some degree be affected, and opinions will clash concerning what our attitude should be. That will be the test, just as a milder test may come in Congress next year when the present neutrality act expires. America at such a time needs a calm man of experience, who hates war, and would take the profit out of it.

I should be less comfortable if I felt that the man piloting the Nation's destiny owed even a slight debt of obligation to anyone engaged in a business that might profit from war. I am opposed to the Government in business, but when I think of war, and of war profits, I think of a recent statement of one of the candidates, which referred to freedom of enterprise.

Before you vote on Tuesday think of the heavy cost of war, in men and money, and destroyed social values. Think of the relatively small cost of peace, and the uplift of men, and the social values created in the last few years. Think of these things and, as you vote, be guided only by the dictates of your judgment and your conscience.

THE GOVERNOR OF KANSAS

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from station WIXBS, Waterbury, Monday, Oct. 26, 1936)

During the past few days I have been reviewing a file in my office which contains the speeches of Governor Landon, and some of the published remarks of those who are his principal spokesmen. It was a review for the purpose of taking issue with our opponents on the measures which are particularly in the public mind. The review only confused me.

The Governor seems a little bit against everything and a little bit for everything, at least everything considered and acted upon during the last 3½ years. He goes a little further in a few respects. In addition to being for increased employment and greater governmental savings, death to monopoly, and freedom to business, and the Government out of business, he is for a portion of State socialism in Kansas.

Among the great many great social-reform efforts of the last few years was the Social Security Act. Governor Landon has called that a cruel hoax on the working people. That might mean that he would urge the repeal of the Social Security Act; that might mean that we would start all over again, sometime in the future, if he had his way, and that the people approaching the sunset of their lives could find consolation in the fact that governmental officials were studying the situation.

Governor Landon in one speech condemned the tax on surplus corporate profits. No one is prepared to say that the law is perfect, and the CONGRESSIONAL RECORD will disclose the fact that I was far from satisfied with it. The RECORD will also show that I tried to provide in the law for giving industry a complete chance to expand, but I knew then, as I know now, that you cannot provide a great amount of money for relief unless you are willing to levy taxes. I think that the act will have to be changed, and with others who share that opinion, I will work for needed changes, but Governor Landon offered no alternative for his promise to repeal that part of the law. If I were a candidate for President, and I was against a tax law, I would be ready to tell the American people what I would substitute, because I know that we are always going to have taxes. Can it be that Governor Landon would advocate a sales tax that would toss the terrible burden on the small home owner and the farmer by taxing everything from a cake of soap to a bathtub, and from a hay rake to a tractor?

In the days when Congress was considering a law which would furnish protection for the savings of small bank depositors, Governor Landon was against the proposal and condemned it harshly. He has not retracted nor changed his opinion, insofar as I know, and until he does I shall continue to assume that if he were President he would advocate repeal of the Federal deposit-insurance law. That is something for bank depositors to think about.

The Republican Presidential candidate is entirely at odds with the present administration's policies concerning the tariff and foreign trade. On the other hand he would not go back and have the Congress write the tariffs. He leaves us pretty much between the car tracks, or out in the middle of the road.

The Governor does not like the farm policies of the administration, at least just now, and his none-too-clear farm proposal indicates a cost of about $2,000,000,000 a year. In view of the fact that he once expressed a desire for inflation, it is possible that he knows a way to get that money for the farmer, and at the same time keep the promise that he made in the East, to balance the Budget and cut governmental costs. We are not left in the car tracks by his opinion in this instance. Oh, no; we are left on an island.

As I reviewed the file I got the notion that Governor Landon fully understood that the Nation was on its knees just before Franklin Roosevelt became President, but as I went further I could not help but believe that he approved of the Hoover policies. Mr. Hoover speaks for him now.

I wonder if Governor Landon, as President, would act differently than Mr. Hoover acted. Behind him are the same men who gave support and advice to Mr. Hoover, and although the terms and the language of current suggestions at first seem different, a closer examination reveals an intention to return to the old order. On one hand, a little deflation, and, on the other hand, a little inflation; on one hand, heavy spending; on the other hand, a balanced Budget and economy; on one hand, private employment for people out of work, and in another statement continued governmental relief for those able-bodied men who are compelled to depend upon the Government for work.

Governor Landon confesses an interest in soil conservation, and admits a need for it, but he calls the present program a subterfuge. He promises us one of his own, but neglects to describe it.

Governor Landon is dissatisfied with our agricultural policy. There is much about agriculture that I do not understand, and like other people I am compelled to rely upon those men who have made the problem of the farmer a lifetime study. Sometimes I do not like all that is done, but I know that as we perfect our economic system we feel our way.

I should prefer to trust the agricultural problems of America to the agricultural experts of this administration and to the students of agriculture and the farmers in Congress, both Republicans and Democrats, than to the farmer with a silk hat who comes no nearer to an interest in farming than loaning money on a farm.

In one of his radio speeches, made in the South, Governor Landon condemned regimentation. We people hereabouts know a little bit about that. We no longer permit little children to leave school and go to the factory in short trousers, as we did at one time, and we would like to forget that shameful period. We are fighting to keep these little children from working late into the night in their homes, and we are concerning ourselves with their physical welfare and educational advantages. We know that in some parts of the country there is still a regimentation of children, but we also know that this administration is breaking it down; and if a constitutional way makes it possible, this administration will finally smash it. But that is not the regimentation the Governor talks about. His kind is a dream.

While we in New England may not know agricultural problems in a big way, we know a little of the agricultural problems of New England, and I know something of the agricultural situation in my own State. I know that the tobacco farmers of Connecticut had a cash return of less than $5,000,000 in 1932, and that with a smaller crop they had a cash return in excess of $6,600,000 in 1935. Perhaps tobacco is not as important as wheat and corn and bread and meat as you think about it carelessly, but the tobacco farmer of Connecticut is in the tobacco business so that they may use the income of tobacco growing to buy wheat and corn and bread and meat. I know that the comparatively few corn-hog farmers in Connecticut were in no pleasant plight in 1932, and I know that their income was 300-percent improved in 1935. I know that the income from greenhouse products doubled, and that there was a tremendous increase in the income from milk, and chickens, and eggs, and cattle, and potatoes during that period of time.

In 1932 the total cash income for Connecticut farmers amounted to less than $34,000,000. In 1935 it amounted to more than $42,000,000. This year—while I do not have the figures—there is reason to believe that there will be greater increase. It is easily apparent to us in Connecticut that farm real-estate values have increased, just as they have in other States of the Union, and I know that farm bankruptcies are fewer. Everyone concerned with the subject knows that we have made progress in the eradication of dairy cattle diseases, and those of us who live in Connecticut cities know that the farmer's money has been coming to town. Business is better in our factories, and people are able to buy more milk and much-needed farm things, and farmers are able to buy more of the things that we make in the cities. We are going hand in hand, and the grip of hands is tighter and warmer, and no fabricator in a frock coat is going to destroy this partnership if we can help it. Automobile registrations in Connecticut, as elsewhere, have increased tremendously. Bank deposits are climbing, and in about every other way Connecticut farmers and Connecticut workingmen in the cities are moving toward a greater comfort and security.

Certain kinds of business have been depressed or ruined in Connecticut directly as a result of the Roosevelt administration. The bankruptcy courts are not doing so well; the sheriffs complain that things are quiet. There is not so much trespassing on the railroad properties, and we have suffered losses in the hobo-labor market. Some of the individual apple venders are missing from the corners, and people peddling pencils and shoelaces are with us no more. I presume if one had the time for research, other lines which were created in the panic period would show losses.

I started out in this talk to discuss the confusion which seems to exist in the mind of the Republican candidate, but following it, or trying to follow it, still confuses me. I get caught in the dust storm and find myself stumbling a bit blindly, just as the farmer stumbled and industries staggered a few years back. The inconsistencies I meet in the Republican file take me temporarily astray, but let me get back to it for these remaining few minutes.

I come to the educational situation in Kansas and I find out that the Superintendent of Public Instruction of Kansas issued a statement of this year in which he said: "The public schools of Kansas are not properly supported by the State. Kansas ranks forty-eighth of the States on the State-aid basis." We go the opposite way in New England. Mr. Markham's report points out that the average annual salary paid to teachers in the 6,936 one-room schools is $453.50. That would not do here.

My radio time draws to a close, as the campaign is drawing to a close, but, while little time remains, I wish that Governor Landon would say what he will do about the Social Security Act, what he will do about the Federal deposit insurance law, how he will balance the Budget and spend billions out West, what he really will do about work relief, what he actually thinks about our program in the field of security regulation, utility regulation, and banking regulation.

Everyone knows that the great majority of big bankers are supporting Mr. Landon, but only God knows why, for Roosevelt saved the banks, and every banker knows it. Governor Landon has as his supporters the men who made the fight against all of the reform legislation. Will he go their way or will he go the way of such Republicans in Congress as Senator McNary and Senator Steiwer and Senator Norris and Senator Johnson and Senator Nye and Senator Norbeck and Senator Borah? These men are not now on the side of those who support Governor Landon. As a matter of fact, they are not on Governor Landon's side and some of them are supporting President Roosevelt. All of them supported most of President Roosevelt's New Deal measures.

The question is whether or not we shall continue to take advantage of what we have learned from the social storms of past centuries and what we should have learned in late years. Powerful nations of years ago are buried beneath the sands of Africa and the crumbling ruins of Asia. Weeds cover one-time governmental centers in some parts of Europe. Some of them perished because they

were blind to what was going on about them; and if there is a man who believes that we have a guaranty of governmental or political immortality, I wish he would testify. We shall go forward if we keep faith with the teachings of the founders and the direction of God Himself. He recognized no social differences, and He emphasized the fact that the laborer was worthy of his hire. Our system of government was set up for the protection of all of the people. Our laws are designed to protect all of the people. Good people are not hurt by such legislation as the Securities and Exchange Act, or the banking regulations, or the holding-company regulations, or legislation to eradicate sweatshops. Good people would not need these laws. They are necessary as a defense against greedy people and thoughtless people, and if they seem harsh it is because the American people have been sometimes treated harshly.

There shall be no turning back. We go forward for another 4 years under the great leadership. We go down the middle of the road, avoiding the poisonous weeds on the left and the falling rocks on the right. The aim of this administration is social justice and the care of the weak. The people will justify that aim and effort 1 week from tomorrow.

THE MERIT SYSTEM

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station WIXBS, Waterbury, Friday evening, Oct. 23, 1936)

During the past week I have discussed charges made against President Roosevelt by outstanding Republican speakers. In all instances it was easy to satisfy open-minded people that the charges were untrue, but for a full measure of reply I called witnesses from the Republican Party, to testify for the President and his administration. Unfortunately, there is not enough time left to answer all of the charges, because some of them are made on the back street, and in the blind alley. And, on top of that, the horde of Republican speakers, and orators, seem possessed of the fast-changing political colors of the chameleon. Without the power of a mystic none could keep up with them. We profess no such power. We have no magic carpet. The witchcraft of the moment is only that of the October Halloween season, and consequently there is only time enough to talk about the things that they talk about in the open. Once I heard it said that a chameleon might explode on Scotch plaid. I think the Republican leadership is approaching Scotch plaid. Those who are politically endeavoring to imitate the chameleon will very likely see, and hear, and feel the explosion, a week from Tuesday night.

In our part of the country, where people have a wholesome respect for the merit system in government, an effort has been made by those opposed to us, to convince the public that there was a willingness to see the merit system set aside. Governor Landon himself recently issued a statement in which he said: "The influx of spoilsmen into the Government under this administration was a great set-back to the cause of good government." He continued, and in the same statement said: "If I am elected President, I shall strengthen and expand the merit system to the full extent of my ability."

It may be that that is not enough. As we remember the disregard of the merit system by President Roosevelt's predecessors, some of us shudder as we think of what might have happened had the spoilsmen of his party had the control of government, at a time when it was necessary to put millions of Americans to work under the creation of the new agencies set up during the past few years; set up to throw back the forces of the depression and build up the forces of recovery.

Every time that I have had a chance, since I entered Congress 4 years ago, I have voted to strengthen the merit system, and where I had a chance to oppose measures that might weaken the system, I so voted.

I have before me a list of the new agencies of government, in which practically all positions have been placed under the civil service, either by act of Congress or by Executive order of President Roosevelt. The list includes the Securities and Exchange Commission, Federal Communications Commission, the Railroad Retirement Board, Bituminous Coal Commission, Motor Carrier Bureau of the Interstate Commerce Commission, Social Security Board, Labor Relations Board, public-utility regulation under the Wheeler-Rayburn Act, Soil Conservation Service, Alien Property Custodian, Farm Credit Administration, United States Railroad Administration, Central Statistical Board, and certain positions in the C. C. C. camps.

Does that sound as though there was an attempt to destroy the merit system and build up a political organization? Indeed it does not, and although millions of Americans all over the country who had supported President Roosevelt were looking for jobs, this administration and a Democratic Congress wrote regulations which strengthened the merit system and continued a protection of the governmental structure.

I do not think that the people will be fooled by this attempt to dazzle them with a mirror and the sun. Their recollection has been sharpened by the bitterness of the times, and their appreciation has been broadened by the efforts of a calm and courageous and good President. Yesterday the people of Connecticut, nearly a million of them, saw their President face to face, and the beam of happiness in their eyes testified to the love in their hearts.

This year the people who are managing the campaign of Governor Landon and Colonel Knox have an abundance of campaign funds. They have been able to employ a great battalion of advertising experts, and statisticians, and research men; and they have enough money to take full page advertisements in the friendly newspapers, or newspapers that they hope to keep friendly. I have seen some of these advertisements, and they have made me smile. The ads claim that only the return of the Republican Party is necessary to restore business. Where in the name of all that is good were the cure-all remedies of the Republican Party, and the wise Republican philosophy, in 1930, and 1931, and 1932. Why did they not then go to the party medicine cabinet, or their laboratory of scientific management, and bring forth the prescription that would lower the fever, and restore quiet in the land? The Hoover doctors are now the Landon doctors. What held them back? Why did they wait for a country doctor to come out of Hyde Park and apply common sense to the treatment of an economic disease? I will tell you why. They did not have the medicine. They had the brilliant instruments, and all of the doctor's books, but they had not the professional skill, or the old-fashioned common sense of the country doctor. Their medicine men were helpless.

In one of the newspaper ads (and it was printed in my own town), a statement was printed to deceive the breadwinners and housewives of America, into believing that each loaf of bread carried 58 taxes, and that these taxes amounted to 2 cents on each loaf of bread. And they inferred (only inferred) that the administration of President Roosevelt was responsible for the taxes. They did not mention what the taxes were, but they just assumed that because they said it was so, the people would believe it. Time Magazine, which is not in any sense of the word a Democratic publication, looked into the matter. It found out that there were not 58 different kinds of taxes, but actually only 16 kinds of taxes, and that only two or three of them were Federal taxes. These were income taxes, excess-profits taxes, and the capital-stock tax. Incidentally none of these is added to the cost of bread.

It seems to me that the Republican statisticians included school taxes, county taxes, local real-estate taxes, and every other kind that they could put together. They probably included a gasoline tax and postage stamps. Such an insult to newspaper readers. Such unfairness to the housewives and mothers of America.

What they have not told the people is that the New Deal reduced income taxes on small individual incomes and increased taxes on the large incomes of those best able to pay. What they do not tell the people is that the New Deal reduced taxes on small corporate incomes and increased taxes on large corporate incomes. What they do not tell the people is that the New Deal reduced the exemption on estate and gift taxes and that it increased excess-profits taxes and that it raised more than half a billion dollars on liquor taxes.

They do not tell the people that the manufacturers' excise taxes were passed by the Hoover administration and that the New Deal is not responsible, with minor exceptions, for taxes which are added to the consumers' cost of goods. Processing taxes are not in existence now. They do not tell the people that the New Deal has repealed or modified some of the nuisance taxes.

It is possible that some of the people of the country will be led to believe that Governor Landon excells in the tricks of legerdemain. It is possible that some of them may be led to believe that he did balance the budget of the State of Kansas. Those who have inquired into the matter, however, know definitely that he did not balance the budget of Kansas, because the budget was never out of balance. The constitution of Kansas balanced the budget, for under the constitution of the Sunflower State the legislature could not spend a single dollar until that dollar was in the Treasury. Everything happened automatically.

This is the beginning of the week when the pressure of fear will be put on with full force and effect. This is the week when you take off your garden gate and put the ash barrels out of sight and watch out for cabbage plants and hope for the best. This is the week when the Halloween games are played and all sorts of fantastic stunts are invented for amusement. Those concerned with the defeat of President Roosevelt will think up fantastic things; they will tip things over, and they will throw things, but it will not be for amusement, it will be to excite fear again. Years ago it was done with an empty dinner pail or the cruel threat that men would be hungry unless they went the way of political overlords.

This week they will do it by poisoning pay envelopes; by trying to make the workingman believe that the New Deal is taxing his pay check. They will tell him with little circulars that, beginning next year, 1 percent of his salary will be taken and that this will be increased in the next few years. They will not truthfully tell him that it is not a tax, but that he is entrusting his money to the strong and powerful Federal Government to mind for him, and to build up for him an old-age pension and unemployment insurance. Heaven knows that the men will need it if we ever fall back to the misery of such a time as we had during Mr. Hoover's administration.

The Republican speakers and the Republican whisperers are telling the workingman that these pay-roll deductions amount to millions of dollars, but they do not tell him that the 1-percent deduction from his pay check amounts to a few cents a week and that it will be piled up to take care of him when he comes to the wintertime of life, and approaches the day when industry will not need him any more. They do not tell him that it is a part of a plan of the great Federal Government to keep from going over the hill to a barren and cold pauper home, after they have given the force of their lives to industry and society.

They can make the story sound plausible when permitted to tell it in their own way, but it seems to me that the chief worry is that industry is compelled to contribute its share of the cost of old-age

pensions and unemployment insurance. That is the rub. That is the worry. People who are willing to set up reserves to replace depreciated machinery of iron and steel, strangely enough, have little toleration for a plan that would set up reserves to take care of human machinery. Perhaps it is the wrong way, and possibly it will not work, but I think that it can be made to work, and I know it is a more noble experiment than some of the others that have been tried.

In the old days lobbyists used to go to the various statehouses of the country and tell legislators that they favored the idea of certain legislation, but that it was a Federal problem and should have the attention of Congress. Nowadays the offspring of the old-time statehouse lobbyist treads the marble floors of the Capitol of the United States and tells the national legislators that the objectives of these proposals are splendid, but that they are problems of the States. In other instances they say that the general idea is good, but plenty of time should be taken to study the matters and that we should not rush headlong into unexplored provinces. In the meantime men die. New generations come and they go through life denied the benefits that were intended for them by the founders of this Government. That delay does not matter much to people who have a full share of the world's goods, but this is a government of the people, by the people, and for the people, and the legislator who fails under his constitution to follow his own convictions and to be guided by what he believes is best for his country and his countrymen has no place in legislative halls.

The ground swell grows in New England. Republican and independent voters are rallying to the loyal legions of President Roosevelt. His righteousness will prevail.

"THE BOGEY MAN"

(Radio address of Senator FRANCIS T. MALONEY, of Connecticut, over the Colonial network from Station W1XBS, Waterbury, Thursday, Oct. 22, 1936)

We are approaching the Halloween season. It is the time of the year when people play ghost and goblin. It is the time of the year when the false face becomes common, and the banshees and witches come from their hiding places in a spirit of play and merrymaking. Every 4 years a political campaign brings forth a bogey man. This year he comes in a new form. This year he is bent upon building bonfires of fear, and tipping over newly built hopes, and scaring, in any way that he can, the folks of the countryside.

During the past several days I have talked to some extent about charges our opponents make against President Roosevelt. I have referred to the one about a communistic leaning, and the one about dictatorship, and the one about changing our form of Government, and several others. I have said that during the course of my talks I would discuss the Democratic platform of 1932, for the purpose of proving to the people the lack of truth in the very common and the frequent accusation that we had forgotten that platform.

Immediately after the frightened folks, who have been referred to as economic royalists, had a look at the rainbow, they turned back to the 1932 platform. It was a good platform. They admit that. Some of them say it has been completely ignored. Some of them say that we do not dare mention it. Let me mention it at such length as my limited time permits.

In writing that platform we made many charges against our opponents, and we made some promises, and we called them solemn promises. The articles on which our opponents lay particular stress are the platform promise to reduce the cost of government, and balance the Budget, and the plank in which we advocated a sound currency, to be preserved at all hazards. They do not go beyond that in specific reference, but they pound upon those two items, and they completely ignore the manner in which we have faithfully kept the other pledges—the keeping of which started America back on its way, and carried the country to heights that seemed impossible of ascendency just a little while ago.

Among the things advocated in the platform was the extension of Federal credit to the States to provide employment relief. I ask you if we kept that pledge?

The platform advocated a public interest in flood control and waterways. I ask our opponents if that pledge was forgotten.

The resolutions committee of the Democratic convention of that year advocated the spreading of employment, by a substantial reduction in the hours of labor, and the encouragement of a shorter workweek. What did we do about that?

We advocated advance planning for public works. Was that plank forgotten?

And please hear this plank. We advocated unemployment and old-age insurance. Was that plank hidden?

Let me remind you of our promise to bring about a restoration of agriculture, and better financing of farm mortgages and lower interest rates. Was that ignored?

Did we neglect the plank making reference to crop surpluses?

Did we ignore the promise to the farmers to help them receive for their basic farm commodities prices in excess of their cost?

We advocated a navy and an army for adequate national defense. Was that pledge violated?

There was a promise of an effort to strengthen the antitrust laws to prevent monopoly and unfair trade practices. Will someone say we neglected that?

We advocated the conservation, development, and use of the Nation's water power in the public's interest. Surely that is not a forgotten plank.

Outstanding among the things we advocated was a protection to the investing public. There is enough material on our action there for a complete address, but I am just calling the roll of the promises.

What happened to our pledges concerning the regulation of holding companies, and the regulation of utility companies operating across State lines, and the regulation of exchanges in securities and commodities? Will some of our opponents charge us with forgetfulness in these instances?

We advocated quicker methods of realizing on assets for the relief of depositors of suspended banks, and a more rigid supervision of national banks for the protection of depositors, and the prevention of the use of their moneys in speculation to the detriment of local credits. Is that a forgotten item?

We advocated the severance of affiliated security companies from, and the divorce of the investment banking business from, commercial banks, and further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes. Are we challenged on that plank?

Who will say that we have fallen down in the part of our platform advocating a firm foreign policy, including peace with the world?

Did we keep our pledge concerning the Philippines?

There was a plank referring to the judicial system and the attainment of speedy justice. Try to recollect the successes of the Bureau of Investigation of the Department of Justice.

Did the party avoid the pledge referring to the repeal of the eighteenth amendment?

Of paramount importance in that great platform was a plank which said "We advocate continuous responsibility of government for human welfare, especially for the protection of children."

If time only gave me the permission, I should like to carry you in pleasant recollection to the great social-reform progress we made and the successes of the relief agencies and the social values they created. Is there one who will say we overlooked that part of the platform?

Our platform condemned paid lobbies of special interests to influence Members of Congress and other public servants by personal contact. I inquire and pause.

We condemned action and utterances of high public officials designed to influence stock-exchange prices. Perhaps for the sake of men who have passed from public life it might be well to forget that.

There were other things in the platform, but I have mentioned everything that is important.

We concluded the platform with a sentence that to me stands out as a fitting close, and a proper climax, to a great document. It said "We pledge the nominees of this convention the best efforts of a great party whose founder announced the doctrine which guides us now in the hour of our country's need:

"Equal rights to all; special privileges to none."

I did not ask a question concerning the plank referring to our promise to cut the cost of Government, or the plank which advocated sound money. Let me briefly ask the questions now, and then answer them.

I am a member of the Banking and Currency Committee of the United States Senate. I have learned that there is a great difference of opinion concerning sound money, but I know that the money of the farmer of the South is cotton, and I know that the money of the farmer of the Middle West and the West is wheat and corn. Lest anyone be in doubt about it, let me say definitely that these commodities are about the only kind of money the farmer ever had or perhaps ever will have. In 1932 we were using gold as a medium of exchange, but whatever the farmers of the great West and the Southern States were able to buy they bought with corn and wheat and cotton and the other produce and products of their farms. When cotton fell to a pitifully low point, and wheat and corn, and the other farm commodities, dropped so low that the great farming industry was crippled, and the farmers were taking tremendous losses, there was no sound money in the South or the West, at least for the farmer. In view of the fact that all of these great States, and all of these farming people, provided a market place for the manufacturing plants of the Northeast we were concerned.

If they could not buy our goods because of the tremendously depreciated value of their money, it meant that workingmen in all of the factories in our part of the country were going to suffer curtailed employment or a complete loss of employment. As a matter of cold fact they had suffered that loss before the platform of 1932 was written. There was no sound money then, excepting for those who had gold, and it became the sacred and solemn responsibility of the Federal Government to stabilize the money of the farmers of the West and the South if we were to save them or save the workingman of the East. I shall not recite the details or burden you again with all that transpired. We devalued gold and by so doing we brought about an inflation in cotton and corn and wheat and the other kinds of money that the farmer used. We raised his prices and enabled him to pay off his debts and his mortgages on the basis of one bushel of wheat and one bushel of corn where he otherwise had to pay them with two bushels of wheat or two bushels of corn. We enabled the farmer of the South to pay his debts and buy automobiles and clocks and lamps and typewriters and insurance policies and the other products and services of the Northeast on the basis of cotton values that were about doubled. The restored purchasing power of the farmers meant a restoration of jobs and profits for industry. If that is not establishing sound money, I am in error. At least it is a sounder money than we knew in the gov-

ernmental era of Mr. Hoover. It meant a loss for the people who just had gold, if we only considered the weight of the gold, but it meant a profit for the people who had gold if we take the other economic factors into consideration. If we had let the farmer go his sad way alone, what would have happened to insurance companies and banks? They had the mortgages. Let Colonel Knox answer this question.

Let me turn briefly to the plank in which we advocated an immediate and drastic reduction in governmental expenditures. So long as I live I shall never forget the brave effort of President Franklin D. Roosevelt to keep that pledge. It was about the first thing he attempted, early in the special session of the Seventy-third Congress, which convened in March of 1933. A few days after he took the oath of office we were confronted with the economy bill. It drastically slashed every item of governmental cost. It cut the salaries of every governmental employee, from the members of the Cabinet of the United States to the charwomen who scrubbed the floors of the Unted States Capitol. I can see before me now the older Members of the Congress, who had a better understanding of the situation than I did, voting for that economy bill with bowed heads and bleeding hearts. They knew from a long-time experience what the effect would be, in certain instances. They knew that they were slashing the income of veterans of the World War who were still in bed. It was stern action, but if that was not an attempt to keep that platform plank, no administration in the history of our country ever tried to keep faith with its platform.

What happened? We continued to dash madly down hill. Business failed to respond. Industry remained in the coma. It brought not a particle of relief, although some people in high places liked to believe that it did. Seeing that it failed to work, President Roosevelt did something else that he promised to do. He kept the campaign promise to discard the unworkable things and try something else. He did what any good doctor would do. He changed the prescription and the medicine. Whether or not the new formula worked, I leave to your judgment. Whether or not his decision was honorable, I leave to your consciences. Whether or not there was justification for turning from that road and trying another route I leave to the judgment of his countrymen and the fairness of the American people.

I think we kept the pledges. I think that the promises of that platform were fulfilled. In 1934 the electorate of the United States gave its stamp of approval to all of that early action. In my humble opinion, they will do it again on November 3.

Issues Involved In Strike Areas

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

RADIO ADDRESS BY HON. HENRY G. TEIGAN, OF MINNESOTA, ON JULY 7, 1937

Mr. TEIGAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

The world is in chaos. The time is out of joint. We live in a world capable of producing a superabundance of good things for all, and yet the masses are in want. To say the least, this constitutes an anomalous condition.

The average politician and the captain of industry appear to have no idea as to what's got to be done about it eventually. If you inquire of them as to what's going to be the outcome, either will answer that before long things will right themselves. They seem to believe that there is nothing fundamentally wrong with the present economic organization and that the existing chaos has come about as a result of natural causes.

This is a shallow view of the situation. It is plain evidence of such illiteracy on the part of our ruling class as to be amazing in a country whose people believe themselves the wisest and most intelligent in all the world.

RENT, INTEREST, AND PROFIT

To the student of economics the cause of this condition which makes for multimillionaires and tramps at the same time is comparatively simple. It rests upon an economic organization which places control of industry and business in the hands of a few who operate them for profit. What actually takes place is that the workers when on the job produce goods and services for which they are not being adequately paid. That is to say, their pay is not commensurate with the services rendered. A worker may produce $10 worth of goods in a day, but he is paid less than half of that amount for doing so. The other half goes into the hands of those who own the tools and machinery that the worker is compelled to use. The owners of the industries and businesses are not numerous enough to consume the goods and services that have been created and rendered for their benefit by the workers. The result is that a surplus of income including goods and services is produced which cannot be consumed by the owners. They cannot dispose of this surplus of goods and services to the workers because the latter have insufficient buying power, not having been paid an equivalent for the services they have rendered.

CORPORATION PROFITS GROWING

But let us take a look at how this economic system of ours is working. Let us see how the owners of the industries and their workers are faring. The National Industrial Conference Board released to the press on June 11 a few figures as to the rise in the cost of living for wage earners since April 1933. I quote a few of these figures:

"General cost of living of wage earners in May had risen 23.8 percent above the low point in April 1933.

"Food costs, an item that makes up about one-fourth of the wage earner's family budget, had risen 44.7 percent in the same period.

"Clothing prices are 26.4 percent more than in the spring 1933.

"Rents are now 37.3 percent higher than they were at their low point at the beginning of 1934."

Sixteen hundred manufacturing and trading corporations in America realized in 1935 an average return of 6.6 percent on their net worth. This was an adequate profit—more than adequate when we consider that millions of Americans on farms and in our cities were destitute. The profits of that year totaled $1,600,000,000 for these corporations. But in 1936, with millions of workers still on the street, with farmers in the most desperate straits, these same corporations realized two and a half billion dollars of profits—an increase of more than 50 percent over 1935. The rate of profit of these corporations last year averaged more than 10 percent upon their net worth. Unemployment did decline, it is true, and farm prices were not so bad as they had been, but workers in cities and on farms still suffered unspeakable hardships, while the owners of industry tucked into their pocketbooks this tremendously increased profit.

That was great enough if it were the whole story. But the record for 1937 is now being made. The National City Bank reports on 270 corporations for the first quarter of 1937—and incredible as it may seem, their net profits for the quarter were 50 percent higher than for the first 3 months of 1936. Profits are skyrocketing, while the farmer and the wage earner are limping slowly back—not toward prosperity but toward a time when their privations will be slightly less acute.

FARMERS ARE BEING PLUNDERED

Farmers will be especially interested in what has happened in the field of agricultural implements. The net profits of the implement corporations in 1936 were 67 percent higher than in 1935 and averaged 12.2 percent on their net worth. Fifty-four million dollars in profits went to this group alone from the farmers' pocketbooks. Dairy-products corporations increased their profits by 56.2 percent and averaged 10 percent in 1936. Mail-order houses increased their profits by 45 percent and realized 15 percent on their net worth. The workers employed by these corporations were being driven at inhuman speeds, the wages were low—and the farmers were paying higher prices, or receiving lower prices for their raw material, to permit higher profits.

If the $32,000,000 of profits realized by sugar corporations in 1936 had been paid out in wages, more men might have been employed, rates might have been higher, and the American farmer would have had an expanded market for his products. If that thirty-six millions had been paid out to the cane- and beet-sugar farm workers in higher raw-material prices, wage earners would have been put to work producing the shoes, clothing, machinery, and lumber the farm workers could have bought. If the profit had been divided, each great group of the population would have gained both directly and indirectly. Once this lesson is learned by our city and farm workers our greatest economic problem will be quickly solved.

FARMERS AND WORKERS MUST COOPERATE

If America is to progress politically and economically, it must be through a better understanding by wage earners and farmers of their mutual problems. These great groups must cooperate in reducing the loss they suffer in exchanging their products with each other; they must cooperate to return control of American wealth to the people. One great source of misunderstanding today is illustrated by the flood of propaganda designed to make farmers and workers alike believe that labor unions are irresponsible—in particular, now that the recently organized union of automobile workers is calling strikes in violation of its agreements with automobile employers.

The great outstanding fact for farmers and industrial workers alike to remember is that, thanks to this new union, millions of dollars which formerly went to the owners of industry, and were spent or reinvested in a way that did little to provide employment are now being spent for food, and shoes, and clothing, and shelter—for things which will expand the markets of all industrial workers and all American farmers. The great gain must be credited to the union of automobile workers, and all other workers in the Nation will be the better off as a result.

PRIVATE GAIN IS OBJECTIVE

The owners of industry having for their primary object the creation of private gain, drive down wages to the lowest point possible, and increase the margin of profit to themselves to the highest point. This creates industrial warfare as the workers have at least some sense of the great wrong that is being done them. Hence strikes and a war between the classes. That is to

say, a struggle between the useful citizens—those who render service and produce goods—on the one hand, and those who live by ownership and exploitation on the other.

The workers constitute in the large sense the bulk of the population. There is no doubt that they represent 95 percent of the total population in the United States today. Those who live by collecting unearned income in the form of profit, interest, and rent, constitute less than 5 percent of the population. The large number of strikes that has taken place lately are a direct result of this unfortunate condition. As the workers strive by means of strikes and "sit-downs" to obtain for themselves a larger proportion of the wealth they create, there is a growing consciousness on their part that they are entitled to the full fruits of their own toil. And who would say that they are not justified in this conclusion?

POLITICAL ACTION NECESSARY

It is apparent, I believe, that these industrial conflicts can only be ended when the workers themselves are guaranteed continuous employment and the right to a decent living at their own hands. This will require collective action on their part. It will not only require organization upon the economic field but will require united action politically as well.

During the past few months the value of political action has been demonstrated. In every case where the workers acted intelligently at the polls last November, they have received some fair consideration at the hands of the officers of the law when they went out on strike. Where, on the other hand, they followed the advice of the capitalist press to stay out of politics, they were bludgeoned and beaten up by the hirelings of big business and the political state when they went out on strike. Perhaps no better illustration of this treatment can be found than that which took place at the Chicago plant of the Republic Steel Corporation on Memorial Day. I think it illustrates quite perfectly the sort of treatment that the workers are bound to receive wherever political power is lodged in the hands of labor's enemies.

STORY OF A MASSACRE

I want to quote herewith the story which appeared in the St. Louis Post Dispatch, based upon the film of the Paramount Corporation taken at the scene of the riot which occurred at the Republic plant. It reads in part as follows:

"Without apparent warning there is a terrific roar of pistol shots and men in the front ranks of the marchers go down like grass before a scythe. The camera catches approximately a dozen falling simultaneously in a heap. The roar of the police pistols lasts perhaps 2 or 3 seconds. Instantly the police charge on the marchers with riot sticks flying. * * *

"In several instances from two to four policemen are seen beating one man. One strikes him horizontally across the face, using his club as he would a baseball bat. Another crashes it down on top of his head, and still another is whipping him across the back. * * * In one such scene, directly in the foreground, a policeman gives the fallen man a final smash on the head before moving on to the next job.

"In the front line during the parley with the police is a girl, not more than 5 feet tall, who can hardly weigh more than 100 pounds. Under one arm she is carrying a purse and some newspapers. After the first deafening volley of shots she turns to find her path of flight is blocked by a heap of fallen men. She stumbles over them, apparently dazed. Then she is seen going down under a quick blow from a policeman's club, delivered from behind. She gets up, staggers around. A few moments later she is shown being shoved into a patrol wagon, blood cascading down her face and over her clothing.

"A man shot through the back is paralyzed from the waist. Two policemen try to make him stand up, to get him into a patrol wagon, but when they let him go his legs crumple, and he falls with his face in the dirt, almost under the rear step of the wagon. He moves his head and arms, but his legs are limp. He raises his head like a turtle and claws the ground."

WORKERS MUST CONTROL OWN JOBS

Those who berate the C. I. O. and labor organizations are merely championing the cause of labor's enemies. While it is not my purpose to take sides as between the Committee for Industrial Organization, the American Federation of Labor, or other labor organizations, I feel that it is my duty as a friend of the workers to champion their cause wherever and whenever they are engaged in bettering their conditions or consolidating their forces for the impending struggle. I am always for the workers. It is impossible for me or for any other Member of Congress to represent both the exploiters and the exploited. The man who pretends to represent all of the people is merely playing a game of deception or is ignorant of the underlying causes of the economic conflicts going on.

The workers, I repeat, can only achieve their objective when they have come into possession of the machinery of production and distribution. This means that through the political control of the State and through public and cooperative ownership of banks, railroads, public utilities, and natural resources, can the common people be made safe from the plundering of those who today exploit them.

And this can best be accomplished by the building up of a national farmer-labor or progressive party controlled by the farmers, workers, and business people—in other words, by those who render useful service in the production and distribution of new wealth.

The Stalemated Legislative Machine

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mr. DITTER. Mr. Speaker, the present Congress has been in session for 6 months. It is still in session. How long it will stay in session no one knows. It has accomplished little other than making an all-time high record for spending the taxpayers' money. Someone has called it the do-nothing session.

Since the beginning of January the attention of the country has been centered in Washington. The reelection of the President was heralded as a guaranty of peace, progress, and prosperity. The country was assured that what the New Deal could not accomplish in 4 years would be undertaken immediately and pushed to a speedy completion. Overwhelming majorities in both the Senate and the House were favorable factors to the party in power. No administration had ever been challenged with more favorable opportunities. No President had ever had more favorable circumstances attending his inauguration. Nor had the country ever had a greater right to expect positive action to prove the sincerity of glittering promises as it sought to accept as genuine the catchy phrase of the President when he said, "The way we do things is always the measure of our sincerity."

Unfortunately expectations have not been realized. The high hopes held by the people have made the completeness of the disappointment the more acute. What is it that has caused this dismal failure? Why is it that the legislative machinery has come to almost a complete standstill?

You will recall that the stagnation started early in February. On the 5th of that month the wheels of legislation stopped. On that day the Democratic Party divided. The division became more pronounced day by day, culminating in Vice President Garner's shaking the Senate dust from his feet and going home. The Vice President's walk-out was unique. It was significant. It was more than a firecracker. It was a bombshell loaded with TNT implications.

February 5 was the day the President presented his Court-packing proposal. It was the most audacious suggestion that had ever been made by a President of the United States. Fear froze the hearts of the people as they sensed the complete collapse of their system of government. They immediately realized that their freedom of speech, freedom of worship, their right of assemblage, their right of self-determination, and every other right of freemen were threatened. The people became aroused and articulate. Senators and Representatives took up the battle. Political reprisals on fearless Senators who refused to betray the liberties of the people were resorted to, as every effort was made to jam the bill through the Congress. "We have the votes" was the blatant boast of one of the Cabinet officers, as members of the President's official family were sent hither, thither, and yon to stem the tide of righteous indignation which had developed. This boast intensified the fear of the people and convinced them that no stone would be left unturned to destroy the independence of the Court and establish the supremacy of the White House.

The alarm of the people crystallized into active antagonism. The Democratic Party was faced with open rebellion. Efforts were made to persuade the President to withdraw the measure. Conciliation was met by increased constitutional contempt. The President was adamant. Finally the Senate Judiciary Committee, composed in most part of members of the President's party, was compelled to issue a most stinging rebuke as it referred to the proposal as "an utterly dangerous abandonment of constitutional principle." The committee concluded its adverse reports with the recommendation that

the measure "should be so emphatically rejected that its parallel will never again be presented to the free representatives of the free people of America." You should note particularly that the word "free" is used twice in this solemn declaration—free representatives, free people.

Political reprisals and recriminations having failed to secure submission, resort was then had to the persuasiveness of a picnic on Jefferson Island, where it was hoped conscience would consort with conviviality in a seductive embrace. The embrace fell flat. Faced with defeat and in the hope of salvaging something from the wreck, a compromise measure was decided upon, a compromise which is equally as dangerous and pernicious as the original proposal. It is now before the Senate, with the prospect of weeks and weeks of debate, while in the meantime the cherished hopes of free men hang in the balance. During all this time the wheels of legislative machinery have been at a standstill.

With this attitude of contempt toward the Court so predominate in the official life of Washington, it is easy to understand the flagrant disregard of law and order which has developed throughout the country. Contempt has courted defiance. Defiance has suggested lawlessness. Lawlessness has invited violence. We have witnessed a collapse of the machinery of government. Men, women, and children have been maimed, injured, and killed. Homes have been terrorized. Radical racketeers have prevented industrious workmen from earning their daily wage. Industrial disturbances have developed into a state bordering on civil war. The country has been torn by strife, paralyzed by fear, and crippled by sabotage. These are the bitter fruits of the attack which has been made on the Court. Throughout all of the turmoil and violence there has not been a single word heard from the officialdom of Washington insisting that law and order must be preserved and that the regularly constituted processes of government must be maintained. Many of us are fearful that silence may be interpreted as acquiescence and that acquiescence can be interpreted as moral support. The possibility of this interpretation can be denied only by a positive declaration by those in authority that neither the interests of employers or employees nor the ambitious designs of politically minded radical labor leaders who betray the confidence of the workingman for their own selfish advantage, will be permitted to set at nought every established rule of law and order and every recognized right of private property. Thus far no such declaration has been made. The resulting impotency of government has been pathetic. One thing should be borne in mind: The best interests of the laboring man are being bartered away today by those who are responsible for the present reign of terror.

Sane and sober labor leaders oppose this program of violence. Every American citizen has the right to work. Every American citizen has the right to strike. Every American citizen has a right to determine when he will do either, free of all coercion, intimidation, or compulsion. Every American citizen has the right to join or refrain from joining any organization or association. And what is more important than all, every American citizen has the right to expect the protection of these rights by his Government. The Government owes the same duty to the workman as it does to the striker.

The Government has no right to use catch phrases to seduce labor or to permit others to bring about the seduction. The Government has no right to permit any organization to rob labor of its freedom of thought or of its independence of determination. The Government has no right to temporize with forces which defy the laws of the country, which disturb the tranquillity of the country, and which threaten the destruction of the institutions of the country.

The most important obligation of any government which would command admiration at home and respect abroad is the obligation to give the force of its strength to those citizens who are law abiding and who look to their government for the protection of their lives and property. This obligation can be discharged only in one way—by plain speaking, clear thinking, and courageous action. Again we recall the words of the President when he said "the way we do things is always the measure of our sincerity." The country anxiously waits the measures of sincerity in this present emergency. During all this time the wheels of legislative machinery have been at a standstill.

The prospect is not a pleasing one. To some extent the faith of the people in their Government has been shaken. This faith must be restored. There must be restored a faith in the people of their own capacity for self-government. There must be restored a faith in the effectiveness of the Government under which they live. There must be restored a faith in our institutions, including a faith in the integrity of the courts. There must be restored a faith that the problems of an industrial age, including industrial differences, will be met and can be solved under a representative democracy.

And, lastly, there must be the moral courage, the perfect candor, and the honest forthrightness on the part of those in authority to take resolute action by which this faith can be restored.

Obscene Literature Bill

H. R. 5397 provides a penalty for anyone who shall knowingly cause obscene matter to be delivered by mail or to be delivered at the place at which it is directed to be delivered.

EXTENSION OF REMARKS

OF

HON. JOHN P. HIGGINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mr. HIGGINS. Mr. Speaker, the above-described bill is, in my opinion, as important a piece of social legislation as will be considered by this Congress. For years the Post Office Department has attempted, without success, to stop this transit of literature of an extremely offensive character advertising suggestive magazines and books. The books are the products of a degenerate mind and are sent to the homes of decent men and women, to, by chance, be read by innocent children. The Post Office Department has records where this filth has been mailed to minors.

It is my opinion that we should not temporize with the publishers of these abominable publications. We cannot afford to jeopardize the morals of our youth nor continue to permit this immoral trash, parading under the cloak of literature, to enter the door of a decent home. The God-fearing men and women of America will never be satisfied until the existing law is sufficiently strengthened to put these parasites out of business.

[H. R. 5397, 75th Cong., 1st sess.]

A bill providing a penalty for anyone who shall knowingly cause obscene matter to be delivered by mail or to be delivered at the place at which it is directed to be delivered

Be it enacted, etc., That the second sentence of section 211 of the act of March 4, 1909 (35 Stat. 1129), as amended (18 U. S. C. 334), is amended to read as follows: "Whoever shall knowingly deposit or cause to be deposited for mailing or delivery anything declared by this section to be nonmailable, or shall knowingly take, or cause the same to be taken, from the mails for the purpose of circulating or disposing thereof, or of aiding in the circulation or disposition thereof, or shall knowingly cause the same to be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both."

The distributing centers for obscene matter are for the most part the larger cities of the United States, and in some of these cities it is practically impossible to obtain any action under the existing statute against the person or concern which deposits the matter in the mails. Unsolicited literature advertising the sale of contraceptives and pornographic books, pamphlets, and photographs is broadcast from these centers and thrust upon the addressee without regard to age

or sex, and when complaint is made the recipient cannot understand why the senders are not prosecuted. In such cases it should be possible to bring criminal action in the jurisdiction where the matter is delivered, for that is where the real harm is done. If the law is amended as above proposed, its application at the office of address will be similar to the application of the present mail-fraud statutes. This bill—H. R. 5397—seeks to amend the present law, which has proven inadequate to meet this situation, by adding the following language:

Or shall knowingly cause the same to be delivered by mail according to the directions thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed.

This clause was taken from the mail-fraud statute and, if adopted as an amendment to the existing law, will permit the Post Office Department to bring indictments at the place, county, city, or town where the literature is received. Under the present mail-fraud statute, which has been upheld by the courts, the Department can prosecute either at the point of mailing or the point of delivery.

PRINCIPAL OFFENDERS OF PRESENT LAW

Two years ago a subcommittee of the House Post Office Committee caused extended hearings to be held on an identical bill (H. R. 5370), and it was on that occasion that Mr. Williams, of the Post Office Inspectors Division, urged the passage of the bill in the hope that under its provisions the Department would be able to suppress the activities of a group of publishers in New York City who are or have been distributing throughout the country literature of an extremely offensive character, which describes and offers for sale certain obscene books and pamphlets. Some of these book publishers are the Falstaff Press—B. Revuhn—230 Fifth Avenue, New York, N. Y.; the American Ethnological Press—Louis Scomer—110 West Fortieth Street, New York, N. Y.; Fifth Avenue Book Shop—Mr. and Mrs. Samuel Roth—77 West Forty-seventh Street, New York, N. Y.; the Book Collectors Association—Mark Jacobs—317 East Thirty-fourth Street, New York, N. Y.; The Forum Liborum—Esar Levine and B. N. Levine—100 Fifth Avenue, New York, N. Y.; Panurge Press—Esar Levine and B. N. Levine—100 Fifth Avenue, New York, N. Y.; New Era Press—Louis Scomer—170 Fifth Avenue, New York, N. Y.

Quotations from the testimony of Mr. Williams, Assistant Solicitor for the Post Office Department, before the subcommittee, House Post Office Committee, on March 8, 1935, considering H. R. 5370—Seventy-fourth Congress—an identical bill to H. R. 5397 presently before the House Post Office Committee, supports the opinion of the Department and many citizens that something constructive need be done by Congress to eliminate this evil. I quote:

Most of these concerns have been investigated several times on the charge of sending obscene literature through the mails, and upon the completion of the investigations the facts were presented to the United States attorney for the southern district of New York. The decisions of that official have almost uniformly been to the effect that he did not believe a successful prosecution could be had. In a number of instances the United States attorney's office has stated that, due to the attitude of the public and juries in that jurisdiction, there was little reason to believe that an attempt to prosecute would be successful. It was stated that suggestive magazines and books are regularly sold at nearly all bookstands and bookstores in New York City, and reference was made to the decision of a Federal judge in permitting the entry at customs of a book entitled "Ulysses", theretofore considered obscene.

So many investigations of the transmission of this offensive literature through the mails have proven fruitless that further attention to these mailings by inspectors seems to be merely a waste of time and money.

It might be of interest to the committee to quote from some of the complaints that the Department receives almost daily.

I might say that we have hundreds of them in our files.

From a gentleman in New York City:

"The enclosed filthy advertisements were brazenly mailed to me, an aged Christian, a God-fearing and God-worshiping man. * * * If the General Government cannot suppress and destroy such degenerated human fiends, then God save our Christian Nation."

From a gentleman in Massachusetts:

"* * * I strongly object to having such advertisements sent in the mails to my house unsolicited by me, especially as my children might see them."

From another gentleman in Massachusetts:

"Certainly neither I nor any other self-respecting man or women want such stinking sewerage delivered into our homes by way of the Postal Service. Also, the rotten stuff would be apt to poison the minds of the young people and boys and girls into whose hands it could easily fall."

From a gentleman in Denver:

"If these human carrion cannot be reached with the statutes relating to obscenity, a new statute should be enacted to make the mailing of all such literature a criminal offense."

From the president of a mercantile concern in Chicago:

"I wish to protest against the use of the mails for such material as that attached to this letter. Is it possible that a citizen and a taxpayer must be the recipient of filth through the Government post office?"

From a lady in New York City:

"I am a mother of a little girl, and it is a great effort now to protect her and bring her up decently. Must we, as mothers, stand by and know that such literature is being put in the hands of anyone, allowing our sons and daughters to be the victims of such?"

From a gentleman in Pennsylvania:

"Is there no method by which the circulation of such circulars through the mails can be stopped?"

From a lady in Florida:

"I very much object to such things being sent to my son, who is a minor. Hope something can be done to stop this company sending out such literature."

Finally, from a lady in California:

"The enclosed printed matter may be all right for an adult mind, but I think something should be done when it finds its way to high-school girls. This has arrived in my house on two occasions, addressed to my daughter, who is 17 years old."

The files of the Department contain thousands of such complaints. The complainants are unable to understand why the Post Office Department does not take action against offenders. When unsolicited literature advertising the sale of contraceptives and pornographic pamphlets and photographs are broadcast promiscuously and thrust upon the addressee without regard to age or sex, it should be possible to bring criminal action in the jurisdiction where the matter is delivered, for that is where the real harm is done.

An excerpt from the testimony of Chief Postal Inspector Aldrich before the above-described subcommittee is but added evidence of the need to amend the present law:

We have a law now which prevents their mailing out all this literature, but we cannot prosecute at the point of delivery. Of course, at most every place in the United States we are able to enforce the law, but we are not able to stop these people in New York. We have many people and Congressmen come into our office about this, and they resent this being sent to their children and people in the community; and they say, "Why not prosecute them in Texas?" But we are unable to do it. They say they want to protect their own homes and firesides.

The remedy for this unparalleled situation, which has left the Post Office Department powerless to cope with this evil, is the passage of H. R. 5397. We should not temporize with the publishers of these publications who continue daily to mail thousands of these immoral pamphlets into the homes of decent Americans.

Frank Plumley, Representative in Congress, Second Congressional District of Vermont

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mr. PLUMLEY. Mr. Speaker, frequently since I became a Member of Congress some of the older Members who sat in this body with my father have inquired of me with respect to his activities subsequent to his having declined renomination as a candidate for Congress in 1914.

Upon inquiry, I have found that there is a serious lack of official information obtainable respecting other former Members of Congress who have died, subsequent to their congressional terms. Following through the thought suggested you would be surprised to find how little the CONGRESSIONAL RECORD carries regarding any and all of those former Members of prominence, who have not died in office.

Responding to the suggestion of others it is nevertheless with some diffidence, yet with a definite purpose to establish a precedent, that I submit for the information of his friends the following information respecting Frank Plumley, one-time Congressman from the Second District of Vermont, and I am making bold to use substantially the same material I used in an address given at the request of and before the Vermont Bar Association.

The kindly intent of those who invited me upon this occasion to prepare and present a biographical sketch of my father, Frank Plumley, is appreciated, but I doubt if they fully realized just how difficult a task they were asking me to perform. To write a eulogy of one's friend is hard enough, but even so there are no such limitations as attend and restrict one who undertakes to write an encomium of his own father which shall not be a panegyric.

The career of Frank Plumley was too long and too thoroughly crowded and studded with achievements of no ordinary character, familiar to those of his day and generation, to permit of my attempting anything like a complete review or résumé thereof on such an occasion as this.

Honored by his town, his State, and the Nation, nothing that I shall say can add to his fame, for it was broader than his State and Nation. His rank among men was higher than any position he ever held, and his honor was greater than any honor of any office.

He was one of those who believed that to hold public office is an opportunity which belongs to no man who does not feel its responsibility and who is not determined to measure up to its obligations. Public life is honorable only to such as honor it, and the scroll of fame is for those only who can write their own name upon it. These were the demands which he made upon others and which he set for himself. His record, which runs like a strong thread through the warp and woof of the history of the country he served, and may be easily found and traced by any who are interested, more completely and perfectly shows than any words of mine how he met in full measure this high standard of public duty. He took and held office with an eye single to the honor and glory of the State and his Government. He gave all he had to the faithful discharge of the onerous and arduous duties of the offices which he held. He had the satisfaction of knowing that the highest obligation which he owed to his country as a citizen he had liquidated in full.

He was born at Eden, Vt., December 17, 1844; he attended the district schools of his native town; was a student at Peoples Academy at Morrisville; taught school in Lamoille and Orleans Counties; studied law in the office of Powers & Gleed at Morrisville; attended law school at the University of Michigan, and in 1869 was admitted to the practice of law in the State of Vermont, forming a partnership with the Honorable Heman Carpenter of Northfield, which continued until 1876. In 1878 C. M. Johnston, who had been a law student in his office, became associated with him, as later did Frank R. Bates, who had also been a student in his office. From 1882 until December 1903 he practiced law alone; then was formed the partnership of Plumley & Plumley, his son, Charles A. Plumley, becoming a member of the firm. In 1919 Murdock A. Campbell, a student in the office, was taken into the firm, which then became Plumley, Plumley & Campbell, and continued as such until January 1, 1924, when it was dissolved.

It has been my good fortune to know very well and quite intimately many men who have been elevated by their fellow men to positions of honor, trust, and responsibility. In many of them, as in him, but more so in him than in any of them, or in any other man that I ever knew, if I may be permitted to say it, there were two outstanding, conspicuous qualities which I know he felt were responsible for such power and influence as he had, and such position and success as he had achieved. These were his intense, unquestioned honesty—although he may not have known or recognized it as such, for it was inherent in him to see and to do the right—and his unwearied, never-ceasing application to the day's work. Honesty with him was never a policy; it was a conviction. In the practice of his profession he was never swerved from what he believed to be honest and right by any argument, or what might seem to be the selfish interest of a client. In his official and legislative life he was never swayed by the importunities of friends nor deterred by any fear of personal or political criticism from doing his duty as he honestly saw it.

Only those who have been associated with him can comprehend his wonderful capacity for continued hard work or know how indefatigable he was. The majority of those who have worked with him have gone to their reward, but there are a few who know the truth whereof I speak. His close application to the case in hand, his painstaking attention to details, his fidelity to his clients, his strict integrity brought him clients and enabled him to establish a lucrative practice. Someone has well said he possessed the natural gift of persuasive oratory, keen insight, personal magnetism, and concentration of purpose essential to the success of a trial lawyer. He was courteous to his opponents, respectful to the court, considerate of the younger men in the profession, frank and open in his arguments to the jury. Well grounded in fundamental principles in theory and practice, always a student of the law, by wide and omnivorous reading and study, and through experience, that best of all teachers, he added profound learning to more than average natural ability.

His success in the trial of criminal cases won for him a reputation which was not confined within the limits of his State. Except when assigned by the State to defend someone under indictment, he never undertook the defense in a criminal cause until he had satisfied himself beyond all reasonable doubt that the party was innocent of the crime as charged and entitled to a fair trial by his peers. As a prosecuting attorney he was fearless but always fair. Ever a prosecutor, but never a persecutor. To the practice of his profession he brought natural oratorical talent, a trained, logical mind, a knowledge of human nature, and ability to make a quick but thorough analysis of a question, and the power to make a passionate and enthusiastic appeal in behalf of the cause in which he appeared.

To make a list of the cases, civil and criminal, in which he was engaged on one side or the other, during the days of his active practice, would be to include many of the more important causes found on the dockets of our court from 1875 to 1905.

He was always interested in the study of constitutional and international law, and long before there was any occasion for him to make any specific use of the knowledge and information he had in store, he had prepared himself for the opportunity which was presented when he was appointed by President Roosevelt as umpire on the Mixed Claims Commission of Great Britain and Venezuela and Holland and Venezuela in 1903. The profound knowledge of underlying principles of international law which he displayed as umpire was appreciated by the contracting and contending parties, and the rulings he made were accepted and stand today as precedents in international law.

When in 1905 the Governments of France and Venezuela sought to find someone to arbitrate their differences, they chose him, and asked permission of this Government to appoint him as umpire; the only instance up to that time where an American citizen, not occupying official position, had ever been accorded such an honor as to be chosen by different countries to arbitrate differences having arisen between them. The claims involved amounts approximating $10,000,000. Among my cherished possessions are two letters, one from the Venezuelan and the other from the French Government, neither of which by virtue of his findings were successful in obtaining all that they sought. These letters acknowledge the justness and fairness of the findings he made, and each pays the highest and finest kind of a tribute to him and to his knowledge of international law.

Better than anybody I ever knew he illustrated the Latin maxim, "Suaviter in modo, fortiter in re." He was gentle in manner, but resolute in deed; courteous and friendly, warm-hearted to a fault. Always ready to do a favor or an

act of kindness; never willing to believe ill of anyone; unwilling to permit you or anyone else to speak ill of anyone; strong in his belief that there was some good in everybody if we would only seek to find it; firm in his faith in human nature; constructive in his criticism rather than destructive, and ready to build up rather than inclined to tear down what someone else had built with hours of toil and bloody sweat. Nevertheless, you had but to test him to find the stuff of which he was made, to find that great force and strength of character which made him ready to fight with all his might for principle and in the interest of any cause in which he had enlisted.

As a legislator, State and National, he labored most intently and constantly to master every question with all of its details with which he had to deal. He made it his business to understand and to be able to discuss advisedly and to take a positive, definite position with regard to all public questions.

His monument as a lawmaker is to be found in the statutes and in the history of the State of Vermont and the United States during the period in which he served.

As a statesman and legislator his grasp and vision were wise, comprehensive, and safe. In whatever he undertook he went at his work quietly and without ostentation, and was brave, fearless, and energetic in the performance of his duty, be it great or small. In going to Congress he realized the ambition of a lifetime.

In the last months of his life at Washington a sort of homing instinct was on him, and he wished to drop everything and go back to Vermont, as he did, for he loved Vermont, the home of his childhood, of his work, of his friends.

He loved his country and he enjoyed the work of investigating public questions and helping to shape laws and policies to advance its welfare.

I feel that I have said all that he would wish me to say were he here present to direct. I know, as you do, that I have left much more unsaid than I have spoken. But I know, as you do, that his memory and the story of his life's achievements are written indelibly in the hearts and minds of those with whom he lived and worked, and will be handed down to their posterity.

He was not much of a believer in genius. How often I have heard him quote Carlyle's statement that the only genius he knew of was the genius of hard work. How often has he said to me and to others in my presence—"Seest thou a man diligent in his business? He shall stand before kings." He achieved an honorable fame among the great men of the Nation. He stood before kings.

I think it may be said of him that he made the highest and best use of the talents committed to his keeping and contributed to the world more than he received from it.

He died on April 30, 1924.

As John Galsworthy says in the reminiscences of his friend Joseph Conrad:

If to a man's deserts is measured out the quality of his rest, he shall sleep well.

The Age of Whisky

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mr. DIRKSEN. Mr. Speaker, in August of 1935 the Congress enacted, and the President approved, an act known as the Federal Alcohol Administration Act. That measure created a Federal Alcohol Administration and conferred upon that agency broad powers to regulate the manufacture, sale, distribution, bottling, and labeling of distilled spirits and alcoholic beverages.

Under the power conferred upon it the Federal Alcohol Administration promulgated and issued regulations for the government of the distilled-spirits industry. Among those regulations was one dealing with the matter of age of distilled spirits. The provision relating to age will be found in regulations 5, article I, paragraph (j), dated August 11, 1936. The pertinent portion of that paragraph reads as follows:

In the case of American type whiskies produced on or after July 1, 1936, other than corn whisky, straight corn whisky, blended corn whisky, and blends of straight corn whisky, "age" means the period during which whisky has been kept in charred, new oak containers.

In addition to this provision the Federal Alcohol Administration has ruled that as of July 1, 1936, any whisky stored in used cooperage on that date must be labeled "less than 1 month old."

To the average person these regulations appear quite perfunctory and harmless, and yet they bid fair to impose a burden upon distilleries in the State of Illinois that amounts to practical confiscation.

Whisky, when stored in new cooperage, absorbs into the body of the liquid the contents of the staves and, if permitted to age for a considerable period, produces a heavy-bodied whisky that is deep in color. These elements in the barrel are referred to by the trade as congenerics.

Whisky, when stored in cooperage that has been used before, becomes a whisky that is light-bodied and somewhat higher in color.

The distilleries in Illinois have for years been producing both types of whisky. For years they have developed a light-bodied whisky that has been extensively advertised and finds favor with a large element of the public because they prefer that type of whisky. That light-bodied whisky can only be produced in barrels that have been used before.

Now comes a regulation from the Federal Alcohol Administration to the effect that on and after July 1, 1936, whisky that is produced and stored in used barrels must be labeled "less than 1 month old." The effect and implication of such an unreasonable regulation must be manifest at once to Members of this House and to the public generally.

The consuming public is age-conscious when it comes to distilled spirits. They want whisky that has the bouquet and aroma that come with age. Whether they buy spirits by the bottle or by the drink, they will insist upon age. This is especially true in the case of sales by the bottle where the consumer can examine the label and note the age stated thereon. Under the existing regulation a whisky that has been stored in a new barrel for 4 years may recite on the label that it is 4 years old, whereas a light-bodied whisky that has been stored in a used barrel for 4 years can only recite that the whisky is "less than 1 month old."

To say the least, this is one of the most amazing regulations that has been issued by any agency of government. Ever since there has been such a thing as scientific distillation of whisky, distillers have produced both light- and heavy-bodied spirits. Ever since there has been such a thing as a distilling industry, whisky has been stored in both new and used cooperage depending upon the type and kind that the distiller wished to produce. Ever since there has been such a thing as an established distilling business, the public has had access to light-bodied whiskies cured in used cooperage to give it a certain color, flavor, and body. Yet here, by administrative fiat, an agency of the Government now undertakes to say that when whisky is stored in used barrels it will not be entitled to claim more than 1 month's age, even though it may have been stored in such cooperage for 10 years.

If one will examine the definition of whisky in the United States Pharmacopoeia, it defines whisky as a grain distillate that has been stored in charred barrels for 4 years or more. It says nothing about old barrels. It says nothing about new barrels. It merely makes the requirement that it be stored in charred barrels. Yet, in the face of that definition which has existed for more than 30 years, the Federal Alcohol Administration by regulation penalizes the makers of light-bodied whiskies by forbidding them under penalty to

state the exact age of the whisky because stored in used cooperage. Not only does it penalize such distillers and confiscate a portion of their business but it operates in a most affirmative way to the advantage of that group of distilleries that make only heavy-bodied whiskies that are stored in new barrels. Surely, Mr. Speaker, no agency of government will stand by a regulation that is at once so unreasonable and arbitrary, and which flies in the face of standards that have been accepted for many generations.

On occasion I have examined and reexamined the celebrated decisions made on the subject of whisky by Attorney General Charles J. Bonaparte in 1907, by President William H. Taft in 1909, and by Attorney General George J. Wickersham in 1910, and nowhere in those opinions and decisions can one find a distinction between a new barrel and a reused barrel for purposes of storing whisky. In fact, President Taft, in his notable decision of 1909 on the general subject of what constitutes whisky for the purpose of clarifying the interpretation of the Pure Food and Drug Act of 1906, in commenting on the viewpoint of Dr. Harvey Wiley and of Mr. Bowers, the Solicitor General of the United States, says that—

> He fell into the error of making too nice a distinction in reference to the amount of congeneric substances or traces of fusel oil required to constitute whisky for practical purposes, when the flavor and color of all whiskies but straight whiskies have been chiefly that of ethyl alcohol and burnt sugar.

If there be any contention on the part of the Federal Alcohol Administrator that whisky which is stored or aged in used cooperage is not entitled to claim age on the label when offered to the consumer because of the presence or absence of the amount of so-called "congeneric substances" in the whisky, that contention has certainly been disposed of by the opinion of President Taft in 1909.

While I believe that the Federal Alcohol Administrator is making a sincere and diligent effort to properly interpret and enforce the Federal Alcohol Act enacted by Congress in 1935, I submit that the interpretation of the term "age" and the restrictions upon the use of the word as respects whisky stored in used cooperage is arbitrary, unreasonable, and untenable and must be materially modified.

The regulation of the F. A. A. on the matter of age, while perhaps of only casual and academic interest to many Members of this House, is of vital interest to the State of Illinois and its people. If it is permitted to stand, it will operate to confiscate a substantial portion of the business of the Illinois distillers. In turn it may operate to confiscate a portion of the industrial market for the farmers of Illinois; it will operate to confiscate the jobs of those who are now employed in Illinois distilleries; it will operate to confiscate the outlet for coal produced by the miners of Illinois. This regulation is therefore of tremendous economic importance to the people of Illinois, and we will not supinely submit to such an administrative order without protest and resistance.

The Women of America

EXTENSION OF REMARKS

OF

HON. J. BURRWOOD DALY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mr. DALY. Mr. Speaker, under leave to extend my remarks, I desire to make reply to the remarks of my colleague, the gentleman from New York, made in the House of Representatives on July 8, 1937, while discussing the repeal of section 213 of the so-called economy bill.

I am confident that the gentleman from New York did not give serious reflection to the importance of his utterances or he would not have made them. I am certain that serious forethought would have restrained him from reading into the RECORD excerpts from the testimony of E. Claude Babcock, president of the United Civil Service Employees, given before the Committee on Civil Service. A calm reading of them leads me to the inescapable conclusion that they were unwarranted, inexcusable, and untrue.

Let me quote, page 6936 of the RECORD of July 8:

> Mr. CELLER. I offered the original bill which had for its purpose the outright repeal of section 213 of the Economy Act which to my mind was, and still is, a rank discrimination against marriage, and, as a result, necessarily against married women, because the stigma and burden falls primarily on the married women.

What stigma? Since when have the holy bonds of matrimony become a stigma? I cannot comprehend the remarks of the gentleman from New York, unless his further statement gives the explanation, and I am at a loss to see how it does. Let me quote him further:

> I urge the Members to read the hearings, particularly page 51, to learn how illicit relationships have been encouraged. This indicates succinctly how serious this situation is. Hundreds of couples are living in sin in this city and the rest of the country because of the stubbornness of some of the Members of Congress who fail to see the light upon this subject.

I deny that such a condition exists. I repudiate the charge that the stubbornness of Members of this Chamber leads to such a condition, and I emphatically resent, with all the force that is in me, this reflection upon the honor, the chastity, and the morals of the women of America.

Let me read from the testimony of Mr. Babcock, inserted in the RECORD by the gentleman from New York:

> Girls come in here under the apportionment provisions of the civil-service laws, and they go to work in the Federal establishments. They have no social connections in Washington. Boys come in from the States, and they have no social connections in Washington. The first and most natural thing which occurs is for the boys and girls to go to the "movies" together or walk down the street together or for a boy to accompany a girl home. Section 213 did not change the law of nature. The result is that these people are building up in themselves a resentment against the Federal Government for preventing them from having the normal marital relationship, on the one hand; and if they refrain from any breach of the present code of ethics or code of morals, they resent the Federal Government's efforts to make them refrain from a perfectly normal marriage. But, unfortunately, many of them—and I am speaking now from actual cases—many of them do not refrain. Absence from their homes and the normal restraint about the home make it an actual fact that many of them are living together actually. These facts are known definitely, not only to myself but many people here in Washington. My office happens to be a sort of clearing house where the cases come up.
>
> I had very recently the unfortunate task of removing from an office a girl who was in hysterics, put her on a train so she could have her baby without too much trouble, too much notoriety. That is just one case, but there are others; I would say scores of others. And there are scores of cases in which there have not been babies, but in which perfectly good, normal American boys and girls are living together outside of matrimony, not because they happen to be Government employees, not because they are less moral than anybody else, but because they regard this law as an attack upon a basic human right, higher, if you please, than the Constitution of the United States, the right of men and women to love each other and live together.

I never heard a more astounding statement. I never heard a lower or a more nasty statement from the lips of a man.

Oh, the charity in that heart. Oh, the noble influence that animated him. He put an unfortunate girl on a train and sent her away alone that she might have her baby without too much trouble, too much notoriety. And then the president of the United Civil Service Employees went back to his self-constituted "clearinghouse" of women's virtue.

There are many girls in the employ of the Government from the fair State of Pennsylvania, which I have the honor to represent. There are thousands of young women from every State in the Union. They are the flower of America. They are the bulwark of our civilization. As some poet fellow said, "They are ministering angels and havens of rest", and keep in check the savage impulses of mere males and make American manhood decent, as good women have done through all the ages, and they will continue to do so long as civilization and decency lasts.

The implication—nay, the positive assertion—that the womanhood of America is so constituted that her sexual impulses are such that if she cannot satisfy them licitly she will abandon the Sixth Commandment and follow the oldest profession in the world is as repugnant to me as it is untrue.

I cannot remain silent in the face of such a statement. I cannot allow it to pass unchallenged.

Whatever decency there is in me I owe to a sainted mother, who died shortly after giving me birth, and to the association and refining influences of a charming, a loving, and devoted wife. They were women. Women of America. And there are untold millions of women in America today who rank with them, and many are employed in Washington and throughout the rest of the country. They are undefiled, and they will remain so. They are pure and virtuous, and they will continue to be so. Thousands of them will never know carnal knowledge of men. Thousands of them will live long years and preserve their virtue and return, at the end of their allotted time, to the God who made them, with the virginity they were blessed with at their birth, unsullied and untarnished.

I know not what the future may have in store for me. The fates may deal with me kindly, perchance harshly. I know not whether my feet will tread primrose-bordered paths or barren soil. But I am confident I will never have a more ennobling mission to perform. I glory in the fact that I am standing upon the floor of the Congress of the United States of America championing and defending the chastity, the virtue, and the honor of womanhood.

They talk about a woman's sphere as tho it had a limit:
There's not a spot on earth or heaven,
There's not a joy to mankind given,
There's not a blessing nor a woe,
There's not a whispered yes or no,
There's not a life or death or birth
That has a feather's weight of worth,
Without a woman in it.

Plans for the $30,000,000 Jefferson Memorial in St. Louis, Mo.

EXTENSION OF REMARKS
OF
HON. WILLIAM P. LAMBERTSON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 15, 1937

Mr. LAMBERTSON. Mr. Speaker, we ought not to let the agitation about saving the cherry trees about the Tidal Basin and the fuss and furor about selecting a site for the $3,000,000 memorial to Jefferson which this Congress has authorized to be built here in Washington crowd out of our minds the fact that the National Park Service are going right ahead with the condemnation and purchase of the 37 blocks of property in downtown St. Louis for the building of the second memorial to Jefferson in that city, costing $30,000,000, no part of which expenditure has ever been authorized by this or any preceding Congress. Mr. President and Mayor Dickmann, please remove this illegitimate child from Uncle Sam's doorstep.

Last week I advised the Members that but $92,000 of the sum contemplated had so far been spent. We can greatly help the President in his economy program by instituting an investigation which will halt this wasteful and unnecessary project now. The President could simplify matters by a new Executive order suspending work on the project until the fraud and corruption upon which the bond-issue election in St. Louis was bottomed has been disposed of. Surely no one would want to proceed with the building of a $30,000,000 memorial to that great American, Thomas Jefferson, whose principles of honesty and democracy are beyond question, and have future generations point to it as a monument to fraud, corruption, graft, and waste. However, should such a monument ever be built, I wonder would it not be fitting and proper, as a warning to the future citizens of America, to set up a special room in this memorial—there to exhibit all the historical documents and evidences of fraud and corruption which have so far been assembled.

It might be a generous gesture for the National Park Service, operating under the provisions of the Historic Sites Act of August 21, 1935, to start now collecting these features.

First of all they ought to get photostatic copies of the registration books of the city of St. Louis for 1935 and 1936 to show the thousands of fake names that were written into the registers for the ghost voters.

Next they might assemble a full collection of all the publicity materials the promoters of the plan used in deceiving the public as to the Government's connection with this memorial scheme.

Then, too, they should gather and carefully preserve copies of all of the local newspapers of St. Louis from April 1935 to August 1936, and particularly all the issues of the newspapers of September 1936, showing the great exposé of the frauds which have been revealed in the memorial promotions so far.

Along with the newspapers they should secure life-size photographs of the men who confessed their part in the ballot-box stuffing in the election of September 10, 1935. With these photographs there should be a collection of the photographs of the judges and grand jurors who so far have contributed to the obstruction of justice in St. Louis by their indifference, their inactivity, or by their downright disregard for common decency.

Another fine exhibit for the collection would be all of the scrapbooks assembled by the Citizens' Nonpartisan Committee. These tell the whole story in a vivid and picturesque manner.

To make the exhibit more attractive from the visual standpoint, the National Park Service ought to assemble the originals of the many cartoons drawn by Fitzpatrick, of the St. Louis Post-Dispatch, and by Daniel Bashop, of the St. Louis Star-Times, dealing with election frauds in general and the memorial frauds in particular. Then, along with all this gallery of the notorious, there should be a special effort made to get the photographs of the board of election commissioners who were removed from office by former Governor Park for gross incompetency.

Beside the pictures, draped with bunting and crepe, should be hung the pictures of the great civic leaders and promoters whom I have mentioned heretofore. The exhibit would not be complete without a large painting of Mayor Dickmann, shown speaking to the city employees a few days before the bond-issue election. Below the picture, in the largest type possible, his ultimatum to the city workers, "Deliver or else", should be properly placed.

Beside the mayor's picture the National Park Service might find it advisable to hang the photographs of all the learned counsel they have employed to thwart the rights of the people and build this monument based on fraud and graft. If after all this the room is not complete, a collection of the affidavits made by citizens whose votes were counted, but not cast would be interesting as would the list of contributors to the slush fund used in the election itself and the "bonus fund" of $36,000 collected as a presentation to the purchasers of the memorial bonds which so far have actually been sold.

All of thees items, together with the photographs of the vacant lots and vacant buildings inhabited by the ghost vote of St. Louis, I submit would make an attractive and a historical display.

Personally, I might vote an appropriation for the purpose of getting such an exhibit together, I believe the good it would do as an object lesson to future generations would pay dividends.

Mr. Speaker, this Jefferson Memorial in St. Louis is an issue this Congress will have to face sooner or later. Why not now?

We make the matter more difficult by delays. The Members of both the Senate and of this House who have accepted membership on the United States Territorial Expansion Memorial Commission have so far had nothing to say about this whole procedure. Their plans, I feel confident, never included fraud, corruption, and graft. To these Members of the Congress I invite special consideration of this statement and of the seven previous addresses I have made upon the same subject. At this point I present the 18 cardi-

nal principles of democracy as expounded by Thomas Jefferson. Let us follow them now of stopping this waste of the public funds with a vigorous investigation which will fix the responsibility on those who have attempted to obtain money from the Federal Government by fraudulent means and devices.

THOMAS JEFFERSON'S CARDINAL PRINCIPLES OF DEMOCRACY

Following are the articles of Democratic faith as laid down by Thomas Jefferson:

1. The people the only source of legislative power.
2. The absolute and everlasting severance of church and state.
3. The freedom, sovereignty and independence of the respective States.
4. The Union a confederacy, a compact; neither a consolidation nor a centralization.
5. The Constitution of the Union, a special writ of guaranteed powers, limited and defined.
6. The civil paramount to the military power.
7. The Representative to obey the instructions of his constituents.
8. Elections free and suffrage universal.
9. No hereditary office, or order, or title.
10. No taxation beyond public want.
11. No national debt if possible.
12. No costly splendor of administration.
13. No prescription of opinion or of public discussion.
14. No unnecessary interference in individual conduct, property, or speech.
15. No favored classes and no monopolies.
16. No public moneys expended except by warrant of special appropriation.
17. No mysteries of government inaccessible to the public eye.
18. Public compensation for public service; salaries moderate and pervading economy.

Undistributed-Profits Tax

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1937

ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. McCORMACK. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following speech of the gentleman from New York [Mr. CELLER]:

Just about a year has elapsed since Congress passed the undistributed-profits tax. Since that time we have been able to watch the actual operation of the tax and appraise its effects on business. More particularly, we can observe the hardships wrought by certain of its provisions which should be changed.

Let me make it clear at the outset that I am not attempting in a bill which I introduced to repeal the corporation undistributed-profits tax. I am only trying to modify and improve this act so that it will be more equitable. The tax as it is now constituted is a thorn in the side of business, especially annoying to the small- and moderate-sized corporations. Certain provisions of this act tend to impede progress, slow down recovery, and block the growth of employment. This impediment to business is not only a detriment to the 528,000 corporations but is equally detrimental to laborers, farmers, and the Government. The laborer is hurt by anything that holds back employment. The farmer is hurt by anything that holds back purchasing power from the great masses of people who constitute the farmers' market. The Government is hurt when great numbers of its citizens, be they businessmen, laborers, or farmers, are hurt.

The first grave defect of the present tax on undistributed profits of corporations is that it does not allow improvements and enlargements of capital assets to be made from the earning power of the corporation. This has a decided tendency to stop corporation growth and hence check reemployment. No corporation is allowed to use without penalty its earnings for purposes of expansion, of renewal of equipment and machinery, or of bolstering up a weakened capital structure.

As long as the undistributed-profits tax does not provide some exemption for funds actually used in the improvement of plants and equipment, it deprives business of funds needed for expansion. This defect will lead eventually to grave results. It not only dampens the spirits of businessmen, and in the long run reduces profits, but it also retards normal business expansion. We all realize the undesirable effects of this slowing up of business expansion on all of the people of the country.

Some individuals claim that the undistributed-profits tax, since it may tend to spread dividends, will cause people to spend more money. Now, in many cases this is desirable, but if more people spend money, obviously more people will buy. If we do not want prices to rise to a high level we must not stand in the way of business expansion, since it is only by business expanding that more can be produced. I do not go so far as to say that if we continue to impede expansion that we will face a great shortage of goods, but I do say that logically we ought to expect to be forced to pay higher prices, since business will not produce as much as they would if their growth was not hindered by the existing undistributed corporation-profits tax.

The second grave defect to which I call your attention is that the present tax on undistributed profits rests much more heavily on the smaller and growing corporations than upon the larger, established, and mature corporations. Certainly it is reasonable to expect that older established corporations with stable earnings will be less concerned about plowing back a part of their earnings than small, growing corporations or corporations with fluctuating earnings. Young, growing corporations need large funds for expansion, and often they cannot get these funds except by the reinvestment of their earnings. Furthermore, it is clear that small corporations cannot float bonds or issue stock as readily as can large corporations that have a name and whose securities are listed on the stock market.

By retarding the growth of smaller competitors the tax gives a decided advantage to the large, monopolistic corporations. Professor Buehler, in his new book on the Undistributed Profits Tax, points out that—

"Mature corporations will also have strategic advantages over young, growing corporations because the larger corporations frequently need to save relatively less of their earnings than the small corporations and because the lower brackets of undistributed profits are taxed at lower rates than the higher brackets, the typical large corporation is favored in the application of the new undistributed-profits tax."

A good example of this is found in the new improvement of air conditioning in retail stores. Suppose it costs $25,000 to equip a store with an air-conditioning apparatus. If a small corporation having one store earned only $25,000 last year and wished to purchase this apparatus out of its earnings, it would be forced to pay an extremely high tax for this privilege. This tax would reach a rate of 27 percent on the undistributed net income, which is in excess of 60 percent of the adjusted net income. In this particular case the small corporation might even be forced to borrow money to pay the tax in order to use its own funds to compete with a store next door. Now, if the store next door was part of a large chain-store outfit that earned $500,000 last year, the capital outlay of $25,000 for air conditioning represents a small part of the profits. Hence the chain store would be forced, at the most, to pay only a 7-percent tax on that part of the surplus used to purchase this equipment.

Of course, the tax, as it now stands, tends to check the growth of the larger corporations as well as the smaller ones, but the little fellows have found it much harder to bear than the big fellows. This explains why the smaller corporations are complaining bitterly about this tax. In a recent statement before the House Committee on Appropriations, asking additional funds for the Joint Committee on Internal Revenue Taxation, Mr. L. H. Parker, chief of staff, said:

"We have a vast amount of correspondence forwarded to us directly or through Congressmen and Senators complaining of certain effects of the undistributed-profits tax. Almost uniformly those are from small corporations."

When the tax on undistributed profits was being considered last year, it was argued that corporations could still get capital in other ways, notably by issuing notes, declaring taxable stock dividends, issuing rights, selling stock, or issuing bonds. But these methods have not proved to be of any great advantage to the small corporation. In the case of many small bakery manufacturers, the use of the note method of distributing the 1936 earnings met with rather dubious results. In many cases the insiders of the small bakery corporations literally were forced to cut off their own noses by issuing long-term notes with low interest rates as dividends. The small minority stockholders found that while these notes were taxable on their face value as dividends, they were really worth comparatively little on the open market. In not a few cases these small minority interests got disgusted and sold out. Small corporations that use this method, however, admit it will not be long before this capital market—the so-called friend market—will be closed forever to them.

The issuance of taxable stock dividends is not without its disadvantages. If the stock dividend is not taxable, the corporation must bear the undistributed-earnings tax. According to the present legal development of stock-dividend practice, a stock dividend, in order to be taxable, must alter the equity of the stockholder. The simplest method of doing this is to issue preferred stock to the common-stock holders. But the corporation may not wish to issue a new type of securities because of the complications that will arise. Secondly, it is questionable how long the company can go on issuing preferred stock without affecting harmfully the common-stock holder. He may be compared to a second-mortgage holder who is forced to watch a prior mortgage, the first, grow without being able to do anything about it. It may even approach a situation where

the common-stock holder is in effect forced to lend money to his corporation. Professor Buehler pointed out another important objection to such dividends will come from stockholders "who will be taxed in the same manner on their individual incomes as if they received cash dividends. But they will not be paid in cash, which could be employed to pay their additional tax and to increase their income for other purposes. If a stockholder raises cash to pay his tax or living expenses by selling some of his stock, he must suffer loss, and his action will also tend to depress the market for the stock. Because of the disadvantages of stock dividends to them, many stockholders will prefer to have the corporation pay an undistributed-profits tax or issue a cash dividend."

The use of rights or privileges to purchase stock granted with each share of stock to stockholders in order to raise capital also has serious limitations. The stockholders will only exercise this right when it is worth something. Secondly, only large corporations that have their securities listed on the stock market can make effective use of rights. In this connection we must recall the fact that less than 1 percent of our corporations have attained listings on exchanges. Thirdly, the use of rights is very often a costly method of raising funds. Lastly, it is almost impossible to make use of rights during a depression, and this is the period when the lack of capital is fatal to corporations and industry in general. Mr. Haas, of the Treasury Department, admitted last year at the Senate hearings that most corporations could not sell new stock during a depression.

The flotation of bonds is made more difficult by the present undistributed-profits tax. The less the corporate surplus, the less the attractiveness of the bonds of that company. Bonds are no different in this respect than mortgages. The larger the equity of the owner of the property, the better the mortgage. Conversely, the more surplus reserves the company has, the easier it will be for that company to issue bonds. This tax prevents proper and adequate surplus reserves.

I might add that small corporations, unable to plow back as much of their earnings as previously, may find it more difficult to make unsecured bank loans. Here again it is readily noticed that while all corporations may be hindered by not being able to issue bonds as freely as before, the large corporations that have already accumulated substantial surpluses and reserves will have a comparative advantage over the younger and smaller concerns who have no such accumulated reserves.

Of course, basic to this whole discussion is the question of savings. Without savings there can be neither further capital accumulation nor the creation of additional capital assets. Our present income- and estate-tax laws cause the wealthier individuals to save less money than before. Now this in itself may not be harmful to society so long as other avenues of savings are kept open. The poorer people, as a group, can never save much, and the middle class, as a group, can save but moderate sums. The Government has not been able to accumulate large funds, although the recent security legislation may effect some mass savings. This leaves only the corporations as an important avenue for savings. We should realize that we ought not to block all the important roads of savings unless we are convinced that this country has reached its peak in industrial activity and that its days of greatest expansion are over. I, for one, will never believe other than that this country will continue to expand and grow in the future to heights as yet undreamed of.

During the period last year when the present tax measure was before Congress it was contended that some corporations saved too much and used the surplus to speculate in the call-money market or invested in the securities of other companies. I wish to call particular attention to the fact that all of these practices would still, in a large measure, be subjected to the present tax, since my amendment provides for only the exemption from the tax of funds actually used in the improvement of the productive facilities of the corporation.

The second important modification that I propose in the present undistributed-profits tax deals with the discharge of indebtedness. The present arrangement has led to conflicts between State and Federal laws. This conflict is most apparent in the case of corporations with impaired capital. Many States have laws which prohibit the payment of dividends when capital is impaired and which also require corporate reserves to be set aside under certain conditions. And yet the Federal Government forces such corporations to declare dividends or pay a tax for the privilege, or, rather, duty, of living up to the State law. If such corporations declare dividends, they weaken further their already weak capital structure. The payment of the tax in order to comply with State laws obviously does not help the corporation. Of course, if it were not for the fact that this weakening of corporations is extremely harmful to labor and employment, it would not matter so much.

One example that has come to my attention clearly demonstrates the injustice and complications that are engendered by the present law. This particular corporation was hard hit by the depression and lost money year after year so that it had accumulated a substantial deficit by January 1, 1936. Nineteen thirty-six was a good year, and the corporation earned a sizable profit during that year. The profit, however, was not great enough to wipe out the deficit. Hence, there was some question about the legality of paying a dividend. But not to pay the dividend would mean the payment of a substantial tax. Trying to keep within both the Federal and State laws the corporation amended its charter in such a way as to eliminate its deficit and then declared a dividend of practically all the earnings of 1936. Since this distribution the Government has claimed that, in effect, the dividend was made possible only through the reduction of capital and therefore is not taxable to the recipients, and accordingly the company is not relieved from the undistributed-profits tax. How this matter will finally be decided I do not know, but this case illustrates how the present tax law forced an unwise dividend distribution. When we passed this tax in Congress last year, we attempted to forestall occurrences like this by exempting bankrupt corporations from the payment of the tax. But it is now evident that we did not altogether succeed in this respect.

The amendment which I have offered on the discharge of indebtedness will neither allow corporations to get in debt to avoid the tax on undistributed earnings nor will it foster an increase in debt. Rather it will have a beneficial social effect by encouraging the repayment of old debts and discourage new debts. This is due to the fact that the exemption from the tax will be allowed only when the earnings are applied to the payment of debts contracted before April 30, 1936, or obligations issued to refund debts incurred prior to May 1, 1936.

There is no doubt but that the present tax law does discriminate against corporations that have heavy bonded indebtednesses. Now, all I propose to do is to so amend the present tax law that this discrimination will be removed as of the date the tax on undistributed profits became prominent. If corporations go into further debt now, they at least know the penalty that they have to pay. But logically we ought not to discriminate against corporations who could not possibly have foreseen this particular tax when they went into debt.

The third amendment proposed is the one dealing with a general credit of 30 percent of the adjusted net income. I believe that it is desirable to permit corporations to put aside part of their earnings in good years to be used as a reserve for bad years. Thousands of years ago Joseph solved the same basic problem by storing wheat. We can help solve our present problem of the business cycle by saving money and capital during good times. Indeed, our whole present Social Security Act is predicated on the fact that during the years when labor is employed part of their salary, together with a like sum from the employer, shall be set aside as a reserve against unemployment and old age. We should apply the same principle to corporations and capital. Colonel Ayres has stated this point well when he proved by figures of the Department of Commerce that the national income paid out exceeds the national income produced by a total of $26,000,000,000 between 1930 and 1934. He concluded by stating:

"That sum represents the contribution that business made to emergency relief during 5 depression years. These payments in excess of income were made possible because surpluses had been accumulated."

The last amendment that I have offered, allowing "a corporation to distribute up to 25 percent of its adjusted net income within 90 days following the close of the taxable year" has been called by accountants the humane provision. The failure of the present law to permit corporations to take the customary time after the end of the fiscal year to analyze and examine their financial position has been bitterly criticized. Most corporations are not able to determine their real income overnight. They frequently require 2 or 3 months' time before the necessary computations and accounting records and audits can be made, and yet our present tax law makes it necessary for them to estimate their earnings and pay the dividends before the year has ended. When the undistributed-profits tax was introduced in the House last year, the bill provided for dividends to be made up until 2½ months after the taxable year. The provision was only dropped because the House was afraid that revenue would be lost the first year. Now the passage of this reasonable and humane provision will cause no loss of revenue over a period of years.

In conclusion, I want to emphasize the fact that I believe the amendments are entirely reasonable and in accordance with the opinion of many men who, like myself, hold no brief for any corporation, but who do believe that only by the application of the principles of justice can society as a whole advance.

Secretary Morgenthau, in a letter to the President relative to general tax policies, stated:

"Any changes in the tax structure should, therefore, not be in the direction of increased taxes. But this very situation makes it possible and timely for us now to consider revision of the tax laws with the purpose of removing any inequities or unnecessary administrative difficulties that may be inherent in the law and abating or modifying taxes that create unfairness to consumers or to trade or have other disadvantages which outweigh their revenue yield."

Senator Robinson, the majority floor leader of the Senate, is quoted as saying:

"Personally, I should like to see a modification of the surplus corporation tax, passed at the last session, so that investments in new enterprises and business may be encouraged."

Senator HARRISON, chairman of the Senate Finance Committee, in discussing this tax, is reported as favoring:

"Giving further relief to debt-ridden corporations and companies unable to meet obligations, and possibly new provisions to encourage modernization and rebuilding of plants."

Jesse Jones, Chairman of the Reconstruction Finance Corporation, declared:

"I sincerely hope Congress will review and modify in some respects the 1936 Revenue Act when it meets in January. Especially I would like to see an amendment to this act that would encourage expenditures for modernizations of all character; for replacement of plant, machinery, and equipment; for rebuilding; and one that would make some further provision for institutions laboring under debt.

"Certainly if business enterprises are permitted to accumulate reasonable reserves to carry them through periods of depression or slack business, and provisions are made that will enable those in debt to pay only normal taxes until they get out of debt, and there is a modification that will encourage and permit capital expenditures, the principle of taxing undistributed corporate net incomes is entitled to a fair trial."

He also stated that he has "every confidence that the President will be entirely willing to have Congress review this measure, especially if it can be shown that there are inequities, or that any provision in the act retards capital expenditures."

Most economists and tax experts are likewise agreed that certain reforms are necessary if the tax on undistributed profits is to be retained in our fiscal system. Professor Buehler concludes his book on the Undistributed Profits Tax by stating:

"If the harsh and highly unequal features of the undistributed-profits tax are removed, the Government is justified in experimenting with this new revenue to determine its usefulness in the Federal tax system. Much is to be said for the principle of undistributed-profits taxation, which finds favor among many economists. The tax should be employed as a revenue measure, however, with the purpose of raising the desired revenues with a minimum of ill effects to the economic organization."

Finally I desire to call your attention to the report just published by the Twentieth Century Fund, Inc. This report is entitled "A Survey of Taxation in the United States and a Program for the Future", and was prepared by the committee on taxation (of which Mr. Roswell Magill was a member prior to his appointment as Under Secretary of the Treasury). The committee recommends the repeal of the undistributed-profits tax as it now stands.

The amendments that I have offered are beneficial, because they will—

(1) Encourage worthy savings and yet not permit unwise accumulations of capital surpluses.

(2) Stimulate employment through the expansion of industry.

(3) Further the productive capacity of the United States.

(4) Enable business, and hence the country, to prepare for future depressions.

(5) Remove the unjust discrimination against corporations that were heavily indebted before 1936.

(6) Remove the conflict between State and Federal laws, a conflict so noticeable in cases of corporations with impaired capital.

(7) End the present policy of coercing corporations into doubtful policies which weaken their financial structure.

(8) Establish the time of dividend payment at such a date so that it will be humanly possible to comply with the law.

(9) Remove the unjust handicap that the present law imposes upon small corporations by hindering their growth.

When these great objectives can be realized by the passage of admittedly reasonable amendments to the present tax on undistributed profits, it ought not to be necessary for taxpayers to wait long for congressional action.

The Wagner-Steagall Housing Bill

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mrs. O'DAY. Mr. Speaker, in his second inaugural address the President called the attention of Congress to the lamentable fact that, despite the great strides made in the past few years along economic and social lines, one-third of our people still remained ill-housed, ill-clad, and ill-nourished.

Our chief concern should be to correct these three great faults.

There is pending before the House Committee on Banking and Currency a measure that will do much toward solving the first problem. I refer to the Wagner-Steagall bill on housing.

Daily I am asked by individuals and groups to use my influence to hasten action on this bill. I have received hundreds of letters on the subject and not one of them has been against the plan. Business, labor, and individuals have given it their unqualified support.

I do not find this surprising. Even the most hide-bound reactionary must admit that slum housing has proven an economic loss. It is a poor investment from both the business and social viewpoint. It is wasteful of values, both economic and human.

I do not propose to discuss the bill in detail. It has been amply explained several times, both here and in the Senate.

My concern is chiefly to impress upon my colleagues the necessity of taking action on the measure before the close of this session of Congress. I wish to bring to their attention certain points with which many of them are no doubt familiar, but which, I think, cannot be stressed too strongly.

Our distinguished colleague, Mr. ELLENBOGEN, in an address on the floor in April of last year said:

Slums are breeders of crime and diseases and a tremendous expense and burden to every municipality that tolerates them. It costs Chicago $3,200,000 a year to supply such municipal services as police and fire protection, street lighting, sewerage facilities, etc., but it receives only $300,000 in taxes from the slum area. That means that the tax revenue is only one-sixth of the actual cost of the municipal services rendered. It means it costs the city of Chicago $2,900,000 to maintain this particular slum area.

Mr. ELLENBOGEN'S entire address on that date could bear repetition here but I use this quotation to illustrate a point I wish especially to call to your attention. And that is that decent housing is not charity. Our public schools, libraries, and hospitals are not regarded merely as philanthropic enterprises. They are social and economic necessities. Long ago we learned that a literate population was of more value to the Nation as a whole than an ill-taught one. We have learned that a healthy citizenry is vital to the well-being of any nation.

Decent housing is equally a necessity. It is an important part of the education of the child and inseparable with good health. It is important even to those who think only in values of dollars and cents. It is immeasurably important to those who place human values above material ones.

Our urban and rural slums have produced and may still produce fine and great men and women. But they are the breeding grounds of a still vaster number of individuals whose wasteful activities more than offset the social contributions of those rare beings endowed with the ability to rise above their background. Disease and crime flourish in these dwellings and areas in which we permit a third of our population to be born and reared.

We owe it to the boys and girls of our country to provide them with a decent foundation upon which to build their lives. "Land of the free," we teach our children to sing. What kind of a land and what poor excuse for freedom are we offering the slum child?

The Washington and Regional Conference on Child Welfare in 1919 stated:

The fundamental rights of children are a normal home life; opportunities for education, recreation, vocational preparation for life, and moral, religious, and physical development in harmony with American ideals; and the education and spiritual agencies by which the rights of the child are normally safeguarded.

Several years earlier the National Conference of Charities and Correction drew up the following specific standards for housing:

Social welfare demands for every family a safe and sanitary home, healthful surroundings, ample and pure running water inside the house, modern and sanitary toilet conveniences for its exclusive use located inside the building, adequate sunlight and ventilation, reasonable fire protection, privacy, rooms of sufficient size and number to decently house the members of the family, freedom from dampness, prompt and adequate collection of waste material. These fundamental requirements for normal living should be obtainable by every family reasonably accessible from places of employment at a rental not exceeding 20 percent of the family income.

The Children's Charter, adopted at the White House Conference on Child Health and Protection in 1930, contains the following reference to housing:

For every child a dwelling place, safe, sanitary, and wholesome, with reasonable provisions for privacy, free from conditions that tend to thwart his development and a home environment harmonious and enriching.

For every child a community which recognizes and plans for his needs, protects him against physical dangers, moral hazards, and disease, provides him with a safe and wholesome place for play and recreation, and makes provisions for his cultural and social needs.

These quotations outline the ideal toward which we owe it to ourselves as a Nation to strive. They cannot, I admit, be

realized for every child immediately, but the vastness of the problem should not hinder us from taking the first step.

Disease and crime are the price we are paying for our hesitancy. We build hospitals to care for our sick and prisons to protect us from the lawless but we continue to produce both in vaster numbers than can be cared for in either institutions. As long as we tolerate our slum areas, urban or rural, our hospitals and prisons are only futile gestures.

Studies of infant mortality in various American cities made by the Children's Bureau of the Department of Labor indicate the close relationship between the household congestion and the infant death rate. Those who die, however, children and adults, are not to be pitied too greatly when their fate is compared to that of those condemned to live in such surroundings.

The relationship between household congestion and environment to juvenile delinquency is generally admitted. Nor is it a new idea. The New York Prison Association report for 1876 says:

> The younger criminals seem to come almost exclusively from the worst tenement-house districts. * * * The crowded tenement district, a vast number of the inferior kinds of tenement houses, a great part of the low-call of lodging houses, and the drinking dens which are supported by the denizens of these places, are the worst and most abundant sources of crime in this city.

That was 61 years ago. I could give you innumerable quotations from later reports of various organizations confirming the findings of 1876. In a recent bulletin of the New York Housing Authority, Langdon Post, chairman, says:

> Hanging in my office is a crime map of the city of New York. Each black dot on the map represents an arrest, and it is interesting to observe that the dots cluster thickest in the slum areas—Harlem, the East Side, Hell's Kitchen, Red Hook. But in the nonslum areas the crime dots are few and relatively far between.
>
> Thus we see here an evidence that crime does not result solely from poverty but rather from the conditions which poverty produces. Unlovely homes, overcrowding, filth, and squalor drive youngsters to the streets and to subsequent crime. The case histories of thousands of juvenile delinquents testify to the tragic truth of this remark.

In the foreword to The Slum and Crime, by Irving W. Halpern, Chairman Post repeats:

> The boys and girls living under such conditions must get out. It is not just the pangs of hunger that urge them on. It is the dirty, rotten, stinking life which surges all around them that forces them out. From their early childhood the ordinary canons of morals and decency are of necessity denied them. Cleanliness and a certain privacy necessary to an individual's pride is impossible, and these denials, coupled with a more than understandable desire to free themselves from their environment, would be sufficient to lead anyone into the somewhat romantic paths of crime.

The die-hards who argue that "badness" is inherent and that the slum tenants would produce delinquents no matter how decently they were housed would do well to read that 1876 report in its entirety. Citing benefits obtained from removing children from the slum areas, the report states:

> It is not the parentage and heredity but the dangerous surroundings and the influences of dwelling places which curse and destroy these children who in the city never had any true home life.

I might add that their environment has proven not only a curse and a blight to the children themselves but to the society of which they, delinquent or proper child, are a part.

That rehousing can and does correct these evils has been demonstrated in other countries where housing is not a new word. In Great Britain, for example, juvenile delinquency showed a marked decline in areas where slum clearance was practiced.

In conclusion let me quote from Research Bulletin No. 1, Housing and Delinquency, of the Federal Emergency Administration of Public Works:

> The evidence that is available indicates that a significantly large proportion of the delinquent group comes from homes in districts where land crowding is prevalent and where light, ventilation, and wholesome recreation space are inadequate. It is reasonable to expect, provided the housing (including not only the structure itself but also the immediate environment) were improved that delinquency would decrease. This reasoning is confirmed by careful students of the problem.

The Late Joseph T. Robinson

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

Mr. PLUMLEY. Mr. Speaker, the earthly career of your friend and mine, the Honorable JOSEPH T. ROBINSON, is ended. What a tragedy! Everybody loves a double-fisted, fearless fighter, such as was he, whether they agree with him or not.

One need not have agreed with him, nor the cause for which he stood and died fighting, to appreciate the fact that his life and his death demonstrate that the heroic examples of other days stand not alone and were not in vain.

One is the more appalled at the passing of our friend by reason of its suddenness and the inexorable lesson to be learned that while man in his finity proposes, the disposition rests in the infinity of God.

The death of JOSEPH T. ROBINSON brings home to us the fact often lost sight of in this too materialistic age that even today men walk up deliberately and composedly and courageously to do their duty; to undertake and to enter into the most perilous enterprises, with their lives the stake, beckoned onward by the shades of those brave men who were but impelled by their own conscientious sense of a duty to be performed and of an obligation to be discharged.

As of the knights of old, so of our friend, may it be said that his banner was borne high, and on it in his blood were written the words "semper fidelis"; a chivalrous knight was he, fired with consummate courage and empowered by flashing and sustaining valor.

Loyal to a leader, faithful to a cause to be espoused, true to his duty as he saw it; candor and a proper appreciation of this man's real worth and of the loss we all sustain lead us willingly to pay our tribute of affection and respect to his memory, and compel us to endeavor to emulate those qualities of American manhood he so fully and completely exemplified.

A Party Cannot Exist Half Roosevelt and Half Democrat

EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1937

EDITORIAL FROM THE MONROE (MICH.) EVENING NEWS

Mr. MICHENER. Mr. Speaker, pursuant to permission granted to me, I am extending my remarks in the RECORD by including an editorial from the Monroe Evening News, of Monroe, Mich. This editorial was written by Mr. J. S. Gray, the editor. Mr. Gray is one of the leading small-town newspaper publishers of the country, comes of good old Jeffersonian Democrat stock, is progressive in his views, and his well-written editorials on public questions attract national attention.

I commend this editorial, especially to the proponents of the President's pending Court proposal. The editorial is as follows:

[From the Monroe (Mich.) Evening News]

PACKING THE COURT

It is entirely possible that the President may win the fight now being waged by his followers in the Senate to secure approval of the revised Court-packing bill. If Mr. Roosevelt does win, how-

ever, his victory, won against the bitterest opposition not only of the Republican minority but of the men in the Senate who have long and honorable records as staunch Democrats, will mean the end of the Democratic Party as such.

That is why future students of history will be reading the current debates in the United States Senate, for they are in their way as important as the debates following the Dred Scott decision or the Lincoln-Douglas debates preceding the Civil War. They signalize another attempt to change the direction of the Nation. Whether or not they succeed, they summarize the best thought of the Nation's ranking statesmen on both sides of a vital issue.

The Court fight has taken on added significance at its beginning because the President's closest friends chose this time to pave the way for him to seek a third term. Governor Earle, Secretary of War Woodring, and John L. Lewis have all taken advantage of recent opportunities to express the hope that he, and not they, carry on the New Deal as the organization nominee in 1940. The Court measure, by which the New Deal would secure a control of the previously independent third branch of government, is seen thus as a crucial test. Won by the President, the Court fight would be the preliminary to the third-term battle.

The Democratic Party cannot survive the current debate. No matter what the outcome, the political organization that took its roots in Jefferson's philosophy and found its popular expression in Jackson's policies, is doomed. A political party exists only in the persons of its contemporary leaders. They carry on, in each period, the traditions in the past interpreted in the light of the present. Sometimes it comes to pass that the traditions of the past cannot be reconciled with the needs of the present, in which case political parties pass out of existence. That happened to the Whigs, when the group that met under the oaks of Jackson formulated a new party ideal and gave birth to Republicanism. The battle over control of the Supreme Court contains within itself the seeds of a similar split with the past. Already a number of the leaders of democracy, the men who in their generation have best expessed the ideals of the party in the terms of contemporary conditions, have cut themselves off from all future association with the administration. Senator BURTON K. WHEELER and Senator PATRICK A. MCCARRAN are such Democrats. When they have spoken with finality against a measure espoused by their party's chief, the result can be only one thing—a party split.

Obviously Mr. Roosevelt is not concerned over this possibility. He has had ample opportunity to save the party by acceding to a compromise or withdrawing the Court bill. He has been advised to do that very thing by the men highest in the Democratic hierarchy. He has chosen to ignore the advice and to spurn any compromise; the die is cast. Out of this debate will emerge a New Deal Party and a Democratic Party, no matter how the majority votes are cast. We are witnessing in the Senate debate another turning point in the history of the country.

What will happen if the President wins cannot be foretold, because it will depend entirely on the popular vote for President in 1940. But no matter what disposition the Senate makes of the Court bill, it seems practically certain that the Democratic Party, as it has existed almost from the beginning of the country, will be doomed. A party cannot exist half Roosevelt and half Democratic.

The Growing Sentiment for Referendum on War

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

RADIO BROADCASTS BY WORLD PEACEWAYS, INC.

Mr. LUDLOW. Mr. Speaker, there is a strong and growing sentiment throughout America in favor of the war referendum peace amendment I have introduced, the purpose of which is to keep our fine American boys out of foreign wars. My resolution provides that except in the case of attack or invasion a declaration of war, in order to be effective, must be approved by the people in a Nation-wide referendum. My resolution would prevent our boys being sent into foreign countries to be slaughtered in the settlement of quarrels growing out of the age-old hatreds and rivalries of foreign governments, where war is a perennial pastime.

Mr. Speaker, World Peaceways, Inc., an organization that is doing valiant work in behalf of the cause of peace, an organization with branches in many parts of the country, has taken up the cudgels in behalf of my resolution, and during the week of July 5 spokesmen of that organization speaking over various radio stations and networks, addressed the people of America as follows:

THE GROWING SENTIMENT FOR REFERENDUM ON WAR

Good evening, friends. The situations growing out of the Spanish War, still threaten to explode into a wider conflict. Japan is undoubtedly centering all her ingenuity on what to do about Russia if war should break out in Europe. It is the Far East that gives the people of the United States the greatest concern, for the simple reason that we have no national policy about intervening in Europe but have been urging the "open door" in China, and we are still sponsor for the Philippine Islands. The possibility for transports carrying American regulars, volunteers, and conscripts across the Pacific looms more vividly before the eyes of our citizens than a repetition of our trans-Atlantic trend in 1917. Facing this danger, the American people are turning with a rapidly mounting interest to the issue of a Nation-wide referendum on war before any declaration of war by Congress would become effective.

How considerable has been the headway made by the proposal of a popular referendum before Congress can put us into a war, is clearly shown by the number of Congressmen who have signed the petition urging its discussion on the floor of Congress. According to the latest report available to your World Observer, 155 Congressmen have signed the petition to date. Two hundred and eighteen Congressmen must sign the petition before the debate can begin in the House of Representatives. In every congressional district of the United States, groups are at work to persuade the public to tell its particular Congressman that they want him to sign the petition and so throw the question open to debate in Washington and to Nation-wide discussion.

Only 10 years ago, Thomas Hall Shastid, of Duluth, Minn., who was then actively promoting the idea of amending the Constitution to give the people the power over war had complained that even clergymen were not receptive toward his idea. Only in a very few instances did he find support in that quarter. He, too, called his proposed amendment a peace amendment.

In 1924 the Democratic Party carried planks in its platform advocating that nations agree by joint treaty to submit a war issue to a vote of their people before taking hostile steps against each other, except in cases of actual or threatened attack. That meant that the issue of war would be referred to the people only in instances where we had a treaty to that effect. If, for example, we had no treaty with Colombia in South America, Congress could send a military expedition into that country without the people's authorization. It appears that no treaty has ever been negotiated by our Government embodying the idea put forward by the Democratic Party platform in 1924.

PEOPLE TURNING TO THIS ISSUE IN GREAT NUMBERS

That the people are turning to this issue in great numbers was revealed by the Institute of Public Opinion, whose poll in 1936 showed that 71 percent of the people favored a referendum on war. In the shadow of threatening European and Asiatic upheavals the people of the United States are demanding an early showdown on the referendum proposal in their determination to insulate this country against the repercussions of war on other continents. The Ludlow resolution, even if it were immediately reported for debate and promptly thereafter adopted by the Senate and the House, would not provide a quick stopgap against our involvement in a foreign war.

The Ludlow resolution provides for an amendment to the Constitution, since the war-making authority now lies with Congress. A constitutional amendment that must be ratified by State legislatures requires months and sometimes several years before it can win acceptance. The process of ratification would exercise a tremendous influence, however, on all issues of foreign policy that were being debated in Congress. As the Congressmen would follow the favorable action of one State after another they would be aware of the increasing sentiment for legislation and policies that make for peace. In view of all the discussion we have heard about what the American voters, with men alone possessing the voting power in 1917, would have decided had the World War issue been put up to them, it has been puzzling to explain why the people made no concerted move in the years after 1918 to gain the power over war declarations.

The favorable public sentiment on this question that is now sweeping the country is not allowing its attitude to be influenced by the fact that an amendment cannot be adopted overnight. Our citizens realize that the sooner they set in motion the machinery for gaining the adoption of a war referendum amendment the sooner will American democracy move nearer to security against war and nearer to the goals of democracy itself.

The argument for democracy gains its force from the startling figures that a few hundred Congressmen have the power to hurl 130,000,000 people into war. That power of a mere handful of men strikes the American people as a wholesale negation of the power and will of the people who create the Congressmen. The recent Senate investigation of the munitions industry convinced our citizens that a munitions lobby would have a much easier task winning over a few hundred Congressmen to a certain international course than persuading 50,000,000 voters on the same issue. With the profits of war still tempting the munitions interests, the people are insisting that they must be the deciding factor in any international crisis. They cannot forget the testimony uncovered by the Senate committee in the form of a letter from the vice president of an American munitions company to

Commander C. W. Craven, of the British Vickers-Armstrong Co. In that letter the American munitions official wrote that it was too bad that the pernicious activities of our State Department, in patching up the differences between Peru and Chile, had put the brakes on armament orders. Pernicious activities are what this munitions dealer called the peace activities of our State Department.

AN EXCELLENT BASIS FOR DEBATE AND REVISION

The Ludlow resolution, though it is not considered adequate by leaders in the peace movement, is accepted by these leaders as an excellent basis for debate and revision. The resolution, as it is now phrased, would not give the people the absolute right to vote in every threat of war. There can be no referendum unless Congress feels that there ought to be a referendum. Under the terms of the Ludlow peace amendment, upon the will of Congress alone rests the decision as to whether a current war possibility shall be referred to the people for decision. It would be optional and not mandatory.

On the other hand, no declaration of war by Congress would be effective without the people's approval. The public sees a wide loophole in that provision, for they have seen Japan go into Manchuria, Italy go into Ethiopia, and the several European nations go into the Spanish civil war without making any formal declaration of war. As far as parliamentary resolutions go, Japan is at peace with China. Our people have also seen our Government send troops into Nicaragua without a declaration of war. They know that our fleet in the Pacific Ocean could be moved here and there, and specifically into the pathway of the Japanese Fleet, without a congressional declaration of war. Such a step could easily create an incident or series of incidents that would explode into an actual war before a referendum.

There is a broad consensus of opinion that both provisions of the Ludlow resolution require revision, namely, the proposal that Congress can refrain from ordering a popular referendum and the all-too-apparent loopholes in the proposal that a congressional declaration of war must be approved by the people. Among the suggestions that have been made is that the amendment contain some check on the movement of our forces into any area or country before popular approval is obtained. On the pretext of protecting our present military unit in China, our Army and Navy, without even congressional consent, could move tens of thousands of marines into China and a large fleet of naval vessels into a Chinese harbor, only to come face to face with challenging Japanese land and sea forces.

Your world observer desires to make one point clear, namely, that the Ludlow resolution stipulates that it does not apply in instances of actual invasion of this country or any of our territories. Another criticism leveled at the Ludlow resolution is that it limits the form of the question to be referred to the people to these simple terms: "Shall the United States declare war on this or that nation?" No provision is made for requiring the State Department to supply Congress with the documents and facts in a particular situation for presentation to the people for their enlightenment. Many documents and certain information connected with our World War participation were kept under cover at the time. Complete knowledge might have radically changed the opinions held by our people in 1917. Dr. Shastid proposed more than 10 years ago that when the question of war is referred to the people the amendment should provide that no other question or questions shall be included on the ballot to avoid burying the war issue under a pile of competing issues of the hour.

TIME REQUIRED FOR REFERENDUM

In answer to the objection that a referendum takes too much time, Representative LUDLOW quotes Admiral McGowan, who saw service in the World War, as maintaining that this country has long since graduated out of the stage-coach and pony-express class and that there is no reason why, in this day of railroads, airplanes, telephone, and radio, we could not hold a referendum within 1 week and possibly within 48 hours. Some hold the point of view that at least 1 month shall elapse between the day the question of war is referred and the day of actual voting, in order to permit ample discussion and the calming of passions and to insure an intelligent vote on the part of our citizens.

Your world observer holds that the people of the United States are aware that pressure on the part of selfish groups would make certain military decisions too easy if they were left to a handful of Congressmen. In a moment of crisis, Congressmen cannot act as freely and as effectively as they might. Pressure from a few sources would be sufficient to pull them into line to see an issue in a way that meant our going to war. It is conceded that their judgment might be one prompted by their sincere idea of patriotism. But a check on war declarations, such as the Ludlow resolution has in view, would tend to hold back Congress from steps that could not be retraced. An interval that would allow the people to make their voice heard, might make for a sounder national policy. The possibility of bad decisions would not be eliminated, but then Congress, too, has been charged with bad decisions on wars our country has already fought.

PEOPLE HAVE FIRMLY SET THEIR HEARTS ON REFERENDUM

A popular referendum on war, provided under an adequate amendment of our Constitution, is an objective on which the people of the United States have firmly set their hearts. The people of this land believe that it is not enough to plead patriotism when an hour of crisis comes. The people insist that they are the ones whose lives and fortunes are ultimately at stake and that they must therefore hold the power over war. Your world observer believes that the Congressmen of the United States will soon concede the justice of that view and so launch an early debate in Washington on this vital formula for ridding the world of wars that are unsanctioned by the people. When that debate comes, the people of this land and all lands will be further educated to assume the responsibilities of peace.

Good night.

The General Welfare Act of 1937, H. R. 4199

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

ADDRESS OF HON. MARTIN F. SMITH, OF WASHINGTON, IN OLD SOUTH CHURCH, BOSTON, MARCH 14, 1937

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the text of an address delivered by me in Old South Church, Boston, March 14, 1937. I wish to state that I have taken no part in the controversy and friction within the Townsend national organization, but am continuing to devote my vigorous efforts to obtaining action on H. R. 4199, the General Welfare Act of 1937.

The address is as follows:

Mr. Chairman, members of the Townsend Clubs of Boston and New England, fellow citizens, and friends, I thank you for this cordial and most generous reception. It is pleasing, indeed, to again meet many of you whom I have had the pleasure of meeting at our great national conventions at Chicago and Cleveland, which properly rank among the great public gatherings held in our country in modern times.

My fellow Americans, I am deeply moved as I stand here tonight for the first time and speak in Old South Church, one of the historic places in our country, around which cluster so many sacred memories of the early days in our history as a nation. It was here the patriots held their meeting before they went down to Boston Harbor and threw the tea overboard, and within these walls have resounded the clarion voices of James Otis, Joseph Quincy, Jr., Samuel Adams, John Hancock, Joseph Warren, and others of that grand company of patriots and heroes who laid broad and deep—and some of whom sealed with their life blood—the foundation stones of our glorious Republic. I am, therefore, not unmindful of the traditions, the historical background, and the spirit of my surroundings, as I come to speak to you tonight in regard to the General Welfare Act of 1937, H. R. 4199, in which you and I and millions of our fellow citizens are vitally interested.

My friends, we who favor the Townsend plan do not, of course, for one moment belittle or minimize the splendid efforts which have been put forth by the present national administration to bring about better living conditions, to restore labor, agriculture, business, and industry, to alleviate the distress, the suffering, and the poverty of our people and to secure social security for the producers and toilers of our country. These efforts, the first of their kind ever made by any national administration in our history, have been earnest and sincere and some of them have been successful, and, as a result, general business conditions are undoubtedly better than they have been for several years and the lot of many of our citizens has been improved. We give credit for the good which has been accomplished, but nevertheless we, in common with the millions of our citizens throughout the land who favor the Townsend plan, consider it to be our duty to point out the fact that we as a government and nation have as yet failed to deal effectively with the basic, underlying causes of the continuing widespread unemployment and poverty in the midst of plenty in these United States, the richest in lands, in natural resources, in raw materials, in manpower, in our agricultural and industrial plants, of any nation in the world. Although we possess only one-sixteenth of the population and one-twentieth of the area of the earth, we produce 45 percent of the iron, 35 percent of the coal, 50 percent of the copper, 65 percent of the oil, 60 percent of the cotton, 23 percent of the wheat, 50 percent of the corn, and 33 percent of the tobacco; and recently W. J. Cameron, of Detroit, Mich., broadcasting for Henry Ford, made the interesting and significant statement: "Five-sixths of all the wheels that turn on this earth are in the United States, and where the rest of the world has one wheel of any sort, this country has five", as evidence of our superior mechanical and industrial development and progress as compared with the other nations of the earth.

Gold is piled high in the Treasury of the United States—over twelve billions of dollars worth—nearly half of the whole world's

supply. The precious metal serves as the base for currency and credit. In 1929 the country held $3,900,000,000 in gold, and based thereon were $58,474,000,000 in bank loans and investments. In other words, about $15 in credit was based on each $1 in gold, a ratio which had prevailed for many years. The action to reduce the gold content of the dollar and gold stocks that had totaled four billions, by Government edict, became $6,800,000,000. Since then nearly $5,000,000,000 more of gold has flowed into the Treasury of the United States from the four corners of the earth. However, the volume of credit has increased only slightly. Today over twelve billions of gold support but forty-nine billions in loans and investments, and the ratio that has been normally 15 to 1 between gold and credit is less than 5 to 1. If loans were to get back to the 15-to-1 ratio, loans that today are forty-nine billions could increase to one hundred and fifty billion—more than two and a half times the 1929 total—so we possess the largest potential supply of credit that this or any other nation has ever seen in the history of mankind.

Yet, notwithstanding, and despite all these facts and this almost unlimited possession of every form of wealth and resources known to man, and the further fact on one side of the picture business is improving, bank clearings, postal receipts, freight-car loadings, electricity consumption, steel production and automobile sales have increased substantially as compared with recent years, and in spite of all the worthy efforts of the national administration to which we have heretofore alluded, we find, to our dismay and disappointment, that the actual number of cases of utter destitution, abject poverty, and unemployment remain such that the President has recently declared that one-third of the people of America are ill-fed, ill-clad, and ill-housed.

In other words, there faces the Nation a dearth and total lack of buying and purchasing power on the part of 40,000,000 of our fellow citizens which is depriving us of one-third of the productive capacity of the farms and factories of America. This latter fact is corroborated and conclusively established by the recent official report of the National Survey of Potential Product Capacity prepared under the auspices of the Civil Works Administration by Harold Loeb and a corps of sixty-odd engineers, technicians, statisticians, economists, and experts specially trained and qualified for the task assigned to them.

This report and survey, financed by the Federal Government, discloses that if the present productive facilities of our country were fully utilized, sufficient could be produced to provide every family with goods and services equivalent to $4,370 per year, and that even in the halcyon year of 1929, we produced only two-thirds of our capacity and 42 percent of our population were at that time inadequately fed, clothed, and sheltered and did not enjoy (quoting from the report) "a decent or healthy standard of life." They establish by a mass of figures, facts, and data that the national income in manufactured goods, foodstuffs, and services in 1929 of $94,000,000,000 could and, to properly meet the needs of the American people, should have been the sum of $135,000,000,000, or approximately $41,000,000,000 greater than it was. The conclusion reached in this Government report is that we are deliberately and purposely restricting production and the creation of wealth and income to the extent of one-third of the capacity of our farms, factories, mines, and forests and not providing the abundance of food, clothing, and housing which is available for all our people and deliberately keeping one-third of our lands and factories idle and nonproductive in order to secure an artificial scarcity to conform with the insufficient buying and purchasing power of our people. I quote from the final page (p. 161) of this most important document, of which we are going to hear much in the months to come: "This is the dilemna * * * as exposed by the study of the National Survey of Potential Product Capacity. It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them might well be tried. It is simple in principle but has not been attempted."

My friends, this is exactly and precisely what we propose to attempt and to do under the Townsend plan. We propose to invest approximately 8,000,000 United States citizens of the age of 60 or over—veterans of the battle of life and certainly the most deserving—with buying power to the extent of a maximum of $2,400 per annum at the rate of $200 per month, which they must expend for the necessaries of life within 30 days, or during the calendar month it is received, thus placing the money in immediate circulation by purchase of the products of the farms, factories, and mines of the Nation, which will amount to $19,200,000,000 of new buying and purchasing power per annum.

We propose to raise the required funds to finance this investment in new buying and purchasing power and thereby consume that much of our present unused productive capacity by means of a 2-percent transaction tax on the gross business turn-over of the United States.

On May 2, 1932, E. A. Goldenweiser, Director, Division of Research and Statistics, Federal Reserve Board, testified before the House Ways and Means Committee that in 1929 the total volume of all business transactions in this country amounted to $1,200,000,000,000, and that in the year 1931, because of a decrease in velocity (turn-over), the value dropped to $600,000,000,000 a year. His statement will be found on pages 700 and 701 of the hearings on the Social Security Act before the Ways and Means Committee, January 21–February 21, 1935. This testimony tends to corroborate the figures set forth in an authoritative work, Business Cycles and Business Measurements, by Carl Snyder, published in 1927, pages 144, 148, and 180, respectively, in which it is stated that at that time (when business was normal) the total of all business transactions in the United States amounted to $800,000,000,000 a year; that at that time the average turn-over for the entire country was from 25 to 30 times a year, and that that turn-over would be greatly increased during times of prosperity.

It is a reasonable assumption that with the improvement and increase in business which has taken place, generally estimated at 30 percent, the volume and amount of business transactions and gross business turnover are now probably close to $800,000,000,000 a year. Upon the basis of the figures of Dr. Goldenweiser and Mr. Snyder, this sum taxed at the rate of 2 percent would yield a revenue of $16,000,000,000 per annum, or sufficient to pay 8,000,000 citizens the sum of $167.67 per month. Or we can take the figures of expert witnesses before the House Ways and Means Committee on February 12, 1935. Their estimate of the money that could be raised by a 2-percent turnover or transactions tax is $336,000,000 for the first month, increasing 25 percent monthly until the eighth month, the income is estimated at $1,601,000,000, sufficient to pay the 8,000,000 citizens the full sum of $200 per month, which is the maximum annuity to be provided.

A transaction tax of 2 percent on every transaction, sale, barter, or exchange of an article or commodity in commerce, trade, business, agriculture, industry, and finance is the most equitable and just form of tax that could possibly be devised, and it would not work a hardship or injury upon anybody. It would amount to $2 on every $100, $20 on every $1,000, $2,000 on every $100,000, etc., and in the case of nearly all manufactured wares, goods, and merchandise would involve directly a tax load of only five times the single 2 percent, while passing first, through the hands of the producer of the raw material; second, the manufacturer of the raw material; third, the jobber-broker-commission man; fourth, the wholesaler; and fifth, the retailer.

It was estimated at the social security hearings (p. 1103) that the cost of living would rise by 10 to 12 percent, and even the group of University of Chicago professors who oppose the Townsend plan on other grounds recently stated, in the pamphlet issued by them, that "an examination of statistics for one or two representative industries (not included in this pamphlet for lack of space) confirms the reasonableness of the estimate that the rise would be on the order of 10 percent." However, if the increase in the price level proved greater, owing to the stimulation of business, trade, industry, and agriculture, which would result, it would be governed by the law of supply and demand, the same as in the past and at the present time. Prices would go up and wages go up in proportion. Hence, no damage or injury could be caused to the vendor of any commodity who would, in the very nature of things, be greatly benefited on account of the improved market and demand for everything that is produced on the farms and manufactured in the factories.

ADVANTAGE OF QUICK CASH TURN-OVER

A year or so ago the Supreme Court ordered the Illinois Bell Telephone Co. to refund to subscribers in Chicago the tidy little sum of $20,700,000 overcharges. This money was immediately spent in the stores of Chicago, the merchants passing it along in payment of various bills, and in the purchase of more merchandise, and in just a few days the money had turned over so rapidly and circulated from person to person so often that it had transacted approximately $100,000,000 worth of new business, and even in the big wealthy city of Chicago, which deals in billions, it attracted attention and surprise.

According to the Dow-Jones Co., of New York, national authority as statisticians and economists, this Chicago money turned over 22½ times during the year, which meant that this $20,700,000 created $465,750,000 worth of new business. If the comparatively small sum of $20,700,000 disbursed by a private corporation to a few people created $465,750,000 worth of new business for Chicago merchants alone, then why won't $1,600,000,000 disbursed each month by the Government to 8,000,000 of our fathers and mothers also turn over 22½ times and produce $405,000,000,000 worth of new business for all the merchants throughout America? In other words, increase the volume of gross business turn-over to approximately what it was in 1929, or does the money of a private corporation act any differently than money disbursed by the Government?

EXAMPLE OF $10 TURN-OVER

For example, taking the month of April as a basis, to show possible and reasonable transactions with a Government $10 check from his $200 allowance, we find the pensioner receives a check on April 1 and takes $10 of it the same day to his grocer, who pays 2-percent tax to the Government on sales; the grocer pays same check to his clerk, who also pays 2 percent on salary (all over $100 a month); the clerk pays check to butcher, who also pays the Government 2 percent on sales; on the 2d, butcher pays to wholesaler, who also pays 2 percent on sales; wholesaler pays to his clothier, who also pays to the Government on sales; clothier pays same check to salesman on 6th; salesman pays it to his grocer on 8th; grocer pays to his wholesaler on 10th; wholesaler pays to his salesman on 10th; salesman pays on his auto on 11th; auto dealer pays to his salesman on 13th; salesman pays his landlord on 15th; landlord pays to electric company on 16th; electric company pays to employee on 20th at noon; employee pays to dry goods company same afternoon; dry goods company pays salesman same check on closing on 20th; salesman pays his grocery bill on 22d; grocery pays on daily account to bakery on 23d; bakery pays daily account to creamery on 24th; creamery pays wholesaler on 25th; wholesaler pays on furniture, the 26th; furniture dealer pays his salesman on 27th; salesman pays on his radio the 27th;

radio dealer pays to his wholesaler on 29th, saving his 2 percent cash discount for a month; and the wholesaler deposits check in bank on the 30th. Each transaction has paid a 2-percent tax, amounting to 20 cents, either from seller of merchandise or receiver of check for services.

Twenty-five reasonable and not unusual accounts have been paid with this one $10 check, which is accepted by everybody the same as currency, and 25 payments have earned $5 in revenue tax. This shows the possibility of velocity of business.

With this possible with one $10 check, what would happen with 8,000,000 pensioners paying out $200 per month on the Townsend plan, and everybody keeping up this velocity of business transactions?

WHAT IS WRONG WITH A TRANSACTION (TURNOVER) TAX?

A retail sales tax has been urged by big business and by many of the most conservative Members of the House and Senate for years as a sound and just form of taxation. Will someone point out why a tax imposed upon all business transactions would be any more unsound, unsafe, or unjust than a retail sales tax or manufacturers' excise tax, and wherein lies the difference which should cause us to adopt the one and reject the other?

I desire to quote from an address delivered by Sir John Aird, president of the Canadian Bank of Commerce, at the annual meeting of shareholders, held at Toronto, Canada, January 14, 1936, according to the text of his speech which I received from him:

"It is now quite generally agreed that continuous borrowing to cover deficits and to maintain social services on the present scale cannot go on indefinitely, and therefore that the most rigid public economy and higher taxation must be faced. Intensive study should be given to the problem of establishing a broader and more equitable basis of taxation. In this connection I again advocate a nation-wide turnover tax as more likely than any other new form of levy to meet the need for a balanced budget."

The lengths to which some of our writer-economists go, in evading discussion of almost every valid claim made in favor of the Townsend plan, plainly prove either a malicious attempt to confuse the issue in the minds of their reading public, or a gross ignorance with which they themselves cannot be credited.

They refuse to differentiate between national income and annual dollar turnover.

These economists know full well that national income has no place in the discussion other than for citation as a point of fact; a fact of plain mathematics, statistically recorded and disputed by nobody. Their theme song is that if the national income is $45,000,000,000 and if the amount necessary to pay the pensions is $24,000,000,000 (the correct amount is $19,200,000,000 per annum) then taxpayers will be ruined by a tax item exceeding one-half of the entire "national income", plainly and intentionally implying that such a tax would take from each pay envelope in the country more than half its contents.

Now, in confining the volume of the Nation's business to national income, these writers are saying, in language unmistakably clear, that every time a dollar of national income is spent that dollar ceases to exist, stops right then and there; can never be spent again. No other construction can be put upon it, for these economists can point to no year in which the amount of business transacted in the United States did not exceed many times over the amount of national income.

Economists know full well that money of itself has no value whatever; that it simply is a symbol used in registering the amount of labor or goods involved in a transaction. Each poker chip on a gambling table simply represents something, and that something in that case is a definite amount of currency, which is no more than a due bill on the world for something. There may be only 500 chips on the table, yet any amount of winnings, from $1 to $1,000,000, may change hands in one evening, passing those chips back and forth in the process.

FUNCTION OF MONEY

Russell Leffingwell, of the firm of J. P. Morgan & Co., recently declared: "Money is not an end to itself, it is a means to an end."

Henry Ford, in the American Magazine, October 1934, said:

"There is no doubt that financiers have failed to do their best to give us an efficient money system, and yet it was their principal business to do that.

"The function of money is not to make money but to buy goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp; it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it."

The records show that our national income has increased in the face of increased taxes; or, putting it the other way, increase in taxes does not decrease the national income.

The administration levied a processing tax on farm commodities, better known as the A. A. A. tax. It was a transaction tax on processing. This tax exceeded over a billion dollars before it was nullified by the Supreme Court. Who paid this tax? The highest authorities are in disagreement. Some say the farmers paid it, some say the processors, and others say the consumers paid it. But that is beside the point.

The point is that in the face of this new billion-dollar transaction tax, collected by the Federal Government, the farmers' income increased; the railroad income increased; business income increased; deposits increased in banks—and the national income increased.

So much for the claim that the Townsend plan pensions being paid out of national income—or "involving one-half of the national income."

MORGENTHAU RECOMMENDS TURNOVER TAX

Last year there appeared in the Washington, D. C., press the statement that Secretary of the Treasury Henry Morgenthau had submitted several alternative tax proposals to President Roosevelt, and among them a "1½-percent turnover tax."

My friends, in view of these facts, the tax formula laid down in the Townsend plan can no longer be made the subject of ridicule, and, as we have observed, there is an abundance of evidence from the most reliable sources of information in the Nation to the effect that the volume and amount of business transactions and gross business turnover in the United States are sufficiently large to finance the plan. The only question which remains for further consideration is this: Do the social and economic conditions in the United States require and justify the adoption of the Townsend plan, and how will those conditions be affected by its operation?

HALF PROSPEROUS, HALF PAUPERIZED

No nation can survive half prosperous and half pauperized. According to the latest statement of Harry L. Hopkins, there are between 15,000,000 and 20,000,000 citizens in need of relief. There are still between 8,000,000 and 9,000,000 unemployed, as estimated by the American Federation of Labor; over 5,000,000 young men and young women, graduates of high schools and universities, carrying under their arms useless diplomas, who have never yet as much as had any kind of employment; there are some 6,000,000 depression babies in our land, born in the past 6 years, in homes of the unemployed; there are millions of children not in school or only partly in school because local governments are without sufficient funds for educational purposes.

SUMMARY AND CONCLUSION

Mr. Chairman, as we have noted, the Townsend plan is more than a pension plan for the indigent aged. Its economics is that of the modern machine age in which we live today, and in which our productive capacity far exceeds our consumptive capacity. It is a retirement plan predicated upon the wise and salutary economic principle that our aged citizens should be retired from competitive labor so that our younger people may be afforded the opportunity to work and to produce.

The Townsend plan would stimulate and increase consumption of the products of the farm, factory, and mine by placing enormous purchasing power in the hands of the aged men and women of America who have the leisure to spend and to enjoy their spending. By this method the old people open jobs for the young at the same time that they help to balance consumption with production. With all our citizens under 60 employed productively, the activity of our farms, factories, and mines will be great enough to insure jobs at high wages to all the workers of America. With all over 60 happily retired from the productive fields, they will provide a needed outlet for all the goods produced. Then, and not until then, will President Roosevelt's efforts at a balanced economy be fully realized to the lasting benefit of all our people.

NO PENSION LAWS THEN

As soon as the Townsend plan has become effective and is in operation, the various States will be in a position to repeal their pension laws for the indigent aged, for there will be no indigent aged and no need of pension laws for them. This, it is estimated, will result in a saving of at least $7,000,000,000 a year, including the cost of charity and relief in every form.

The Townsend plan should not be called a pension plan, which is a misnomer. It is a retirement plan, with the redistribution of purchasing power and national prosperity as its main object and purpose. It is a complete answer to the problem raised by the mechanization of industry and the displacement of labor by machinery. The problem, in brief, is this: How, in this modern machine age, can we prevent technological unemployment and the attendant paradox of poverty in the midst of plenty? Albert G. Barnes, head of the National Inventors' Congress, comprising a membership of 19,000 American inventors, recently said: "This will be nearly a workless world in another 25 years. One will need to work but a very few hours per week, since natural science and invention will have taken care of the mundane tasks of life. More than 35,000 inventions, embracing most every idea conceivable, passed through our hands last year."

The answer of the Townsend plan to this question, which like that of the ancient Sphinx, if we do not answer it, we will be destroyed, is this: In a machine age, such as the present, we can prevent technological unemployment with consequent poverty in the midst of plenty by retiring from competitive employment all men and women past 60. These retired citizens will draw an income sufficient to make it possible for them to purchase the goods produced by those who are productively employed. The retirement fund can be created by taxes paid out of production. This tax is merely a drawing off, for the benefit of the retired elders, of some of the surplus of production. It will not impoverish a country—how can it?—in which production is plentiful and there is a surplus which everybody knows, or should know, is the fact in the United States.

THERE WOULD BE NO INFLATION

Congressman GOLDSBOROUGH, of Maryland, addressed Congress a year ago in regard to a method of paying the soldiers' bonus and made several very significant statements. He is undoubtedly one of the best-informed Members of either House or Senate in regard to monetary and banking questions. He said what I believe to be the absolute fact and which cannot be successfully controverted, that "You cannot have inflation until your production has reached 100 percent of its possibilities. Let us assume—and this is a very modest assumption—that we are producing 50 percent of what we can produce. Let us assume that $2,000,000,000 more of money is put into the hands of people who will spend it. You have not done anything to raise the price level. Of course, before production catches up with the extra buying power there will be a slight flurry in the market. Soon production will catch up with the money you have put into circulation so that you will have no permanent rise in prices.

"After you have reached the limit of buying power, when a country is producing all it can produce, and still issues more money, that is the time and the only time when you will have inflation. As long as you keep the circulating medium on a parity with production you have no inflation. It is a mathematical impossibility."

As we have heretofore pointed out, the official report of the national survey of potential product capacity, financed by the Federal Government, and representing the study and research of a group of the leading engineers, technicians, statisticians, economists, and experts, specially trained and qualified for the task assigned to them, is to the effect that instead of producing $94,000,000,000 as we did in 1929, we could and should in order to properly meet the needs of the American people, have produced in manufactured goods, foodstuffs, and services the sum of $135,000,000,000, or approximately $41,000,000,000 more, and our productive capacity has probably increased at least 25 percent since 1929.

The Brookings Institution, Washington, D. C., the leading statistical organization in the country, has concluded that we could and should produce some seventy or eighty billion dollars' worth more of good things than we are now producing to make all of our 126,000,000 people reasonably comfortable and properly fed, clothed, sheltered, and educated.

To assert in the light of these facts and the experience of other nations with a transaction or gross business turnover tax as a revenue producer, and the expressed opinion of Sir John Aird, the leading banker of the Dominion of Canada, in favor of that form of taxation, and the recommendation last year of Secretary of the Treasury Henry Morgenthau to President Roosevelt for the levy of such a tax, it would be almost amusing for anyone to seriously claim that the Townsend plan is impractical or inflationary.

AMERICA IS SPEAKING

America is speaking today and saying that we will no longer tolerate a condition which deprives our people of one-third of the capacity of our farms, factories, and mines, which keeps our people hungry and unfed when we could produce a surplus of foodstuffs, bread, fruits, vegetables, and meats, which keeps our people ragged and naked and unshod, when we have a surplus of raw materials to properly clothe them from head to foot, which keeps our people living in hovels and shacks in the country and in slums in the cities when we have the building materials of every class and description to provide them with decent shelter and homes, which keeps tens of millions of our citizens jobless and unemployed because we keep the farms and factories idle and closed on account of insufficient buying and purchasing power, constituting an indefensible, intolerable, criminal, and unchristian wastage of everything that is required to make life for our people, for our men, women, and little children, better, happier, and sweeter, and instead makes life for them hard and bitter and cruel. We call attention to the recent report of the National Resources Board submitted to the President of the United States, entitled "Wastage of Human Resources", setting forth the following sad, unpleasant, and ugly facts and conditions against which we of the Townsend movement declare war to a finish:

Five million youths of working age without jobs.

Four million adult illiterates in the country.

Fifteen million "vocational misfits"; workers who have small chance for jobs.

Nine million persons injured annually in preventable industrial accidents.

Over 100,000 are sent to jail each year for violent crimes. Earl W. Evans, former president of the American Bar Association, said in his address at the Milwaukee convention, August 28, 1934, that crime costs not less than $12,000,000,000 annually; and "while dependable statistics are not available, it is believed that the inefficiency bill on items which would be eliminated or reduced as crime is prevented or lessened would perhaps aggregate as much." Here we have it from high authority—the distinguished former president of the American Bar Association—that $24,000,000,000 a year is the tribute we pay to crime and criminals; and we know that all criminologists, sociologists, and students of crime are of the opinion that the underlying cause of all crime is poverty, which is caused by unemployment and financial distress.

Between three and four million children are totally without schooling.

Over 1,000,000 exceptionally talented children are lacking opportunity for full development of their gifts.

Less than one-fourth of American children are receiving the minimum health service—a yearly examination, vaccination, and diphtheria immunization.

My friends, the limitation of time has permitted me to discuss all too briefly these few of the many reasons why the principles of the General Welfare Act of 1937 should and will become the law of the United States of America, and bring comfort, peace, happiness, health, and security to all our people.

Reorganization of the Federal Judiciary

EXTENSION OF REMARKS

OF

HON. CHARLES D. MILLARD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1937

LETTER FROM DR. JAMES TRUSLOW ADAMS

Mr. MILLARD. Mr. Speaker, I have received such a forceful letter from Dr. James Truslow Adams concerning the proposed change in the Supreme Court that I want to take 2 minutes to read it into the RECORD.

Dr. Adams' eminence as historian and student of government is too well known to need any introduction by me.

In his letter Dr. Adams says what many of us have felt for months and he goes directly to the core of the proposition. I am so thoroughly in accord with his view that I want to share his letter with my fellow Members.

Dr. Adams writes:

SOUTHPORT, CONN., *July 14, 1937.*

HON. CHARLES D. MILLARD,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN MILLARD: In my opinion the present question of changing the fundamental form of our constitutional government by making the judiciary dependent upon the executive or legislative branches, or both, is so vitally important as to transcend all State and party lines. I therefore take the liberty of writing to you.

There seems to me no question of personal or party loyalty involved. In the last campaign the platform of neither of the leading parties suggested to the voters that they were voting on a profound constitutional question. I need not rehearse all the arguments against this attempt to control an independent judiciary, which in all nations has been considered the bulwark of individual liberty. Others as well as myself expressed our views before the Judiciary Committee of the Senate. That committee, in an able report, expressed itself as adverse to the President's plan.

No one has answered the argument of that adverse report. The minority brought in no report and offered the people no arguments in rebuttal. Neither in the election nor by the constitutional method of amendment have the people been given the opportunity to express themselves on this question.

I earnestly hope that in what, as a citizen and historian, appears to me to be the greatest constitutional crisis since 1860 the Members of both Houses of Congress will, by any method available, protect the people from this unconstitutional attempt to usurp those rights of determining changes in government which were reserved to them by the Constitution itself, until they have been allowed, either by full discussion in a campaign fought out on this issue or more properly by the submission of an amendment to them in the usual way, to decide for themselves whither they wish to go.

It is to my mind a travesty on democratic government to claim, because the President received 27,000,000 votes running on a platform which not only did not hint at this act but, on the contrary, disclaimed all intention of acting except within both the letter and the spirit of the Constitution, that he received a mandate to do anything he liked. If that argument is sound, then any President who receives a large majority would be entitled to become a dictator, revealing beforehand to neither the people nor the party leaders what his intentions might be.

I am myself wholly nonpartisan on this issue, but I feel so strongly about it that I beg of you not to let this betrayal of the rights of the people take place.

Respectfully yours,

JAMES TRUSLOW ADAMS.

Louis Murphy

MEMORIAL ADDRESS
OF
HON. WILLIAM S. JACOBSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from Iowa

Mr. JACOBSEN. Mr. Speaker, about a year ago, death, through the medium of an ill-fated accident, tragically took from our midst United States Senator LOUIS MURPHY, of Iowa, thereby bringing to an unhappy close a most promising political and public career. With his passing Iowa lost an illustrious and distinguished son, the United States Senate an able and indefatigable Member, and the Nation a statesman.

Long years of arduous training in the Fourth Estate gave to Senator MURPHY a keenness of perception, a clarity of thought, and a facility of pen that placed him in the foremost rank of those progressive thinkers and legislators who had ever at heart the advancement of American ideals. Endowed with a broad and comprehensive knowledge, fortified with an indomitable courage, he fought energetically always for those things that had for their objective the promotion of the common good. Ever alert to the needs of his constituents and their welfare, he jealously guarded their interests and won their approval, yet his views were not sectional, but national in scope. He was ever mindful of the Nation's economic and social welfare and strove unceasingly for its furtherance and betterment. Among his colleagues his opinions were highly respected and his able counsel frequently sought.

The accomplishments, ideals, and spirit of Senator MURPHY will be long remembered as the marks of true American statesmanship and will serve to keep fresh his memory among those who knew and respected him.

Home Owners' Loan Corporation Interest Reduction

EXTENSION OF REMARKS
OF
HON. WILLIAM B. BARRY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 15, 1937

LETTER FROM HON. WILLIAM B. BARRY, OF NEW YORK

Mr. BARRY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to the Honorable HENRY B. STEAGALL, chairman of the Committee on Banking and Currency:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 15, 1937.

Hon. HENRY B. STEAGALL,
Chairman, Committee on Banking and Currency,
House of Representatives, Washington, D. C.

DEAR COLLEAGUES: On Tuesday, July 13, 15 members of the Committee on Banking and Currency (a substantial majority), including yourself, voted to override the President's veto of bill H. R. 6763.

This measure provides for a continuance of the emergency land-bank interest rate of 3¼ percent for the fiscal year beginning July 1, 1937, and provides for a 4-percent rate on all outstanding loans for the fiscal year beginning July 1, 1938.

The bill also provides that all Commissioners' loans for the 2 years shall bear interest at the rate of 4 percent instead of the present rate of 5 percent.

During the course of the debate, Mr. RAYBURN, the majority leader, made the following statement on page 7124 of the RECORD:

"I think the gentleman will agree with me that the farmer in his country and mine is pretty well out of the depression as far as farm prices are concerned. I think we are selling the produce of our farmers at about as reasonable prices as we have had in his time and mine. What argument would we have with reference to the urban home owner should he say he is paying an excessive rate when he is trying to acquire a little home? What argument are we going to make against him if the Committee on Banking and Currency brings out a bill affecting his interest rate?"

I submit to you, sir, and to the members of the Banking and Currency Committee that there is no valid argument against your reporting out a bill reducing the present 5-percent interest rate that home owners are compelled to pay the Home Owners' Loan Corporation.

I further submit that since a majority of your membership voted to override the President's veto, that in all fairness you should give the unfortunate city dweller the same consideration.

There is no doubt but that the depression victims in the city are just as badly off as their countrymen are on the farms. In fact, I believe that a survey would show them to be worse off. In my congressional district the Home Owners' Loan Corporation is foreclosing homes in ever-increasing numbers. They are badly in need of some relief.

On January 12 last I introduced H. R. 2715, which would reduce the interest rate of home owners to the Home Owners' Loan Corporation to 3½ percent. This bill would give the city dweller the benefit of the same interest rate that the majority of the members of the Banking and Currency Committee voted for the farmer on Tuesday.

I therefore respectfully request you to consider my bill at your next meeting. I feel that the sense of justice which I know the membership of your committee possesses will prompt them to report out favorably H. R. 2715.

Sincerely yours,

WILLIAM B. BARRY,
Member of Congress.

John J. McSwain

EXTENSION OF REMARKS
OF
HON. PETE JARMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 15, 1937

TRIBUTE BY HON. JAMES F. BYRNES, OF SOUTH CAROLINA, TO CONGRESSMAN JOHN J. McSWAIN

Mr. JARMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following tribute by Senator BYRNES, of South Carolina, to Congressman JOHN J. McSWAIN:

JOHN J. McSWAIN possessed high character, great ability, and a lovable personality. People loved him because he loved people. It required no effort on his part to be at home with the humblest of his constituents, because he was sincerely interested in their lives and their problems. He was a good lawyer, a splendid soldier, and one of the most efficient Representatives with whom I served in the House of Representatives. He endeavored to respond to the many appeals to help constituents with problems in no way connected with the duties of a Representative, but he did not for one moment forget that his primary duty was that of a legislator. He devoted time and thought to the study of the problems of government that should command the services of a Member of Congress. His military service naturally caused him as a Congressman to become interested in the problems of national defense. The best years of his life he gave to the study of this question, and his splendid record as chairman of the House Military Affairs Committee furnishes evidence that he did not labor in vain. I think he knew personally a majority of the people of the district he represented. Those people may have at times differed with him as to his attitude on some public question, but they always respected him and loyally supported him. In his death the State of South Carolina lost one of the ablest men who has represented the State in the House of Representatives.

Trade Agreements and the Farm Problem—Aid of National Administration to Farmers

EXTENSION OF REMARKS

OF

HON. CHARLES L. SOUTH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1937

ADDRESS BY KARL A. CROWLEY, SOLICITOR OF THE POST OFFICE DEPARTMENT, JULY 6, 1937

Mr. SOUTH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. Karl A. Crowley at the Brady Jubilee, Brady, Tex., July 6, 1937:

In these days of political upheaval and industrial strife it is well for Texas to give serious thought to the present and the future of our greatest industry—agriculture and livestock raising—and to some of the needs in our own State, as well as to some of the measures being taken by the national administration in the interest of agriculture.

WORKERS IN TRADES ARE ORGANIZED AND RECEIVE FAIR WAGES

We have all heard so often that agriculture is the basis of all wealth, that we take it as an accepted fact that our farmers will continue to toil and produce regardless of the fact that they occupy positions of practical economic slavery. Industry is organized, capital is organized, pressure groups are formed by practically every industry and interest except the farmer, and his position had grown pitiably worse from year to year until the advent of the Roosevelt administration in 1933. Our great President has recognized not only the justice of aiding the farmer but also the necessity of taking prompt and vigorous action to prevent the utter collapse of agriculture in the United States.

The farmer in Texas probably fares as well as the farmer anywhere else in the South, but he occupies a position in life far below that of the workman in any other industry. I have no fault to find with the payment of fair and reasonable wages to any workman who toils—in fact, labor is to be congratulated on the remarkable place it has achieved for itself in the industrial life of this Nation. But it is unfair, unreasonable, and unthinkable that agriculture can continue to survive under present conditions of high taxes, high interest rates, and low prices received for our products. Texas labor on the farm receives less per man-hour than any industry in this entire country and that condition should and must be remedied if we are to keep our fine young farmers and stockmen on our farms and ranches.

I do not begrudge the workman engaged in the industry receiving fair wages. In some sections a plasterer is paid $20 per day for 8 hours' work. A painter, paperhanger, a carpenter receives $10 to $15 for like employment, and the steel worker and the automobile factory hand likewise receives good wages, enabling them all to live comfortably, owning their homes, automobiles, radios, and other modern conveniences. How does this compare to the life of a Texas farmer?

FARMERS ARE PAUPERIZED

We have some interesting figures on farms, farm population, indebtedness, and income from farmers in Texas that I wish to submit to you:

Number of tenant farmers in Texas	286,103
Number of farmers who own their farms	172,709
Number of farmers who partly own their farms	38,731
Number of farmers who have managers on their farms	3,474
Total number of farms in Texas (Jan. 1, 1935)	501,017
Total farm population in Texas (Jan. 1, 1935)	2,332,693
Amount of indebtedness on their farms (approximately)	$543,951,000
Approximate rate of interest payments made annually ---- percent	6.52
Average yearly income per family per farm (Jan. 1, 1935)	$882.00
Average yearly income per family per farm, 1932	$706.00

The above figures tell an amazing story. They show that not only are approximately 60 percent of our farmers in Texas tenant farmers, but that the remaining 40 percent owe mortgages of $544,000,000 upon which they pay approximately 7-percent interest per year. They show that there are approximately four and one-half persons living upon each farm and that the income in 1932 of an entire farm family, all of whom work—men, women, and children—was only $706, and in the last year for which we have a record the income was only $882 per year, or a pro-rata income of less than $200 for each person per year living on a farm.

These figures that I have obtained from the Department of Agriculture include the value of all foodstuffs consumed upon the farm by the families that work there, such as meat, butter, milk, eggs, and grain. Small wonder it is that so many thousands of our farm and ranch boys and girls are drifting to the industrial centers where they can obtain more lucrative employment.

The income stated is gross income. Out of it must be paid taxes, interest, and amounts of purchases of equipment and supplies, leaving little or nothing which the average farm family may have left to spend for the ordinary comforts and conveniences of life.

FARMERS RECEIVE NO RETURN ON INVESTMENT

In these days of such industrial unrest we hear the claim made that investors in industry must receive a fair yield on the capital that they have invested. Who has ever seriously suggested that one cent be given to the farmer as a return on his investment? A Texas farmer, under the figures that I have submitted, receives nothing on his investment nor does he even receive fair wages for his toil in the fields and his work on the range. He is bound by a yoke of economic slavery from which he must be freed if Texas is to continue to remain the foremost agricultural State of this country and what I have said about Texas farms, of course, applies to farms generally throughout the South. Conditions probably are better in west Texas where the percentage of tenant farming is smaller than it is in east Texas where the farms are smaller and the greater percentage, in some places reaching 75 percent, of people who live on farms do not own them.

The President of the United States, with the assistance of our great Senators SHEPPARD and CONNALLY, our great Congressmen, including MARVIN JONES, chairman of the Committee on Agriculture, your own Congressman SOUTH, and other valiant leaders from Texas, has been zealous in the protection of agriculture. Last year there was paid to farmers in Texas, under the provisions of the Agricultural Adjustment Act, the sum of approximately $41,000,000, and adequate provision is being made to aid the farmers of Texas this year. But we are not at all certain that these aids to agriculture can continue, nor can they ever be sufficient to adequately compensate the farmer for his part in supplying this Nation with food and clothing. Therefore, other remedies must be provided. Undoubtedly the most constructive step taken in the right direction is our foreign-trade program, providing for reciprocal-trade agreements under the direction of the greatest Secretary of State of all time, Cordell Hull.

HIGH TARIFFS ARE DESTROYING OUR EXPORT COTTON MARKET

The American farmer, and particularly the Texas cotton farmer, depends mostly upon exports of our farm products for his cash income. Ninety percent of the cotton produced in Texas is exported. Texas products exported in 1929 were valued at $657,560,000. More than two-thirds of this amount was cotton exports. In that year our cotton exports from Texas amounted to $426,713,000. But in 1932 the total value of Texas products exported had dropped to $299,651,000, most of which was still cotton.

VICE PRESIDENT GARNER ON THE TARIFF

The passage of the Hawley-Smoot tariff bill in 1930 marked the beginning of the agricultural debacle in the United States. This bill, passed early in the dark era of the Hoover depression, put a burden upon the American people which will take a generation to remove. It was characterized by the greatest of Texas statesmen, our Vice President John N. Garner, as "striking at the workingman, the farmer, and the small-business man—the real foundation upon which American progress and prosperity has been established * * *. No greater fraud was ever perpetrated upon the American people than the claim of proponents of the Hawley-Smoot bill that it is designed 'to protect American labor', a statement which the Republican members of the Ways and Means Committee had the audacity to insert in the title of the bill. Its real purpose is to exploit, not to protect, and the millions of American workingmen, as well as the farmers and businessmen, are the targets against whom these shafts of tariff exploitation are aimed."

THE HAWLEY-SMOOT TARIFF BILL PARALYZED WORLD COMMERCE

The Hawley-Smoot tariff bill was passed in Congress. It became a law during the dark era of Hoover. Foreign nations throughout the world, in resentment against the United States for erecting tariffs barricading our shores against their products, immediately retaliated by throwing up insurmountable tariff barriers in the face of American commerce. By the passage of that bill we in effect barred imports into this country and naturally would have stopped the flow of foreign commerce into foreign countries, even though they had not erected tariff barriers of their own, because, since they could not sell to us, they could not buy. The result was the utter paralysis of world trade, and, of course, the American farmer, as usual, suffered the most.

There is only one way that our foreign trade can be maintained—citizens of our country must purchase goods of a foreign

nation whose citizens buy from us. It is a simple transaction in that when we ship our cotton from Texas to a foreign country, the purchasers there must find the money with which to pay for it. They may be able to finance it for the time being by borrowing the money, but eventually these loans must be paid. They cannot pay for it in gold because there is not sufficient of the actual metal available to carry on our foreign commerce. Therefore, there is only one way by which our foreign trade can be a continuing operation, and that is for the countries who buy our cotton to be permitted to export and sell to us their own products that we need. But this is just exactly what we have prevented by the Hawley-Smoot tariff bill and just what is proposed to be permitted by the foreign-trade agreements negotiated by Secretary Hull. The higher tariffs, therefore, have cut the farmer two ways: First, it has prevented the countries to which we formerly sold cotton from shipping their products to this country and using the funds derived from the sale thereof for the purchase of American cotton; and secondly, the high tariff has caused the farmer to pay exorbitant and excessive prices for the materials and tools that he has to buy.

FOREIGN NATIONS BUYING COTTON ELSEWHERE

The trend of exports of Texas cotton makes it also obvious that our country has lost cotton markets that it can never recover. If they cannot sell us their goods, the nations of the earth cannot buy our cotton. We see at every hand where nations of the earth are striving to be economically self-contained, this movement being brought about principally through the policy of our Republican predecessors in our own self-isolation. We have seen cotton production expanding in Russia, in China, the British possessions, and in South America, particularly in Brazil. We have even seen a nation, Ethiopia, conquered by Italy so that she might find an outlet for some of her overcrowded population and at the same time produce raw materials so badly needed in Italy, including that product of the South—cotton. If the nations of the earth continue to grow cotton, as they undoubtedly will in ever-increasing amounts, and unless something is done to restore foreign trade by putting into effect the reciprocal-trade agreements sponsored by Secretary Hull, then the plight of the Texas cotton farmer, particularly the tenant farmer, will be a sorry one indeed.

RECIPROCAL-TRADE AGREEMENTS OUR FARMERS' SALVATION

The process of breaking down foreign trade barriers must necessarily be a gradual one. When we erected our tariff wall, the nations, one at a time, began to erect theirs. These can only be broken down by a gradual process of individual agreements negotiated with each country, and fortunately for us, the execution of these agreements is proceeding as rapidly as we can expect.

These agreements simply provide for the reduction of tariffs between the respective countries, so that trade may flow more freely than under the high tariff barriers that had heretofore been embodied in our laws. We have agreements now with 16 nations of the earth: Cuba, Belgium, Haiti, Sweden, Canada, the Netherlands (and Netherlands Indies), Brazil, Switzerland, Colombia, Honduras, Guatemala, France, Nicaragua, Finland, Costa Rica and El Salvador. The statistics showing our exports under these trade agreements should demonstrate beyond any question of a doubt the soundness of the plan to restore our foreign trade.

Our exports to the trade-agreement countries for the year 1935, before the agreements were made, amounted to $752,354,000. In 1936 our trade with these countries had increased by 15 percent, amounting to $864,969,000, while our trade with all other nations increased by only 4 percent.

The trade agreements in effect during the first 4 months of 1937 produced an export trade from this country of 35.7 percent more than exports during the same period for 1936, and should we be able to negotiate similar agreements with the great cotton-consuming countries, such as Great Britain, Germany, and Italy, then indeed a new day will have dawned for the Texas cotton farmer and again he may look forward to that prosperity he enjoyed in the prosperous days gone by.

PUT AGRICULTURE ON A PARITY WITH INDUSTRY

The most that agriculture in our State, as well as the entire Nation, can expect is that every effort be made to put the workers in agriculture on a parity with the workers in industry. Our farmers and stockmen have been compelled to compete with the world, receiving little or no protection at the hands of the Republican politicians when they were in power, and the most that they can hope for now is for the gradual breaking down of these tariff barriers erected because of the Hawley-Smoot Tariff Act. This cannot be done in a day—it cannot be done in a year—it will require time and negotiation with every country affected and unquestionably it is to the interest of every person engaged in agricultural pursuits that this work of revision of tariffs in this manner be continued until the farmer is at last given a reasonable and fair opportunity to dispose of his surplus crops abroad. We in Texas will not find any fault with the Reciprocal Trade Agreement Act, but rather will become impatient that additional trade agreements are not made more quickly by Secretary Hull.

The restoration of our export cotton market may be something that we cannot hope to obtain. The markets we have lost may be gone forever. But we can hope to prevent further losses under the operation of trade agreements.

The knowledge of our constantly declining market for our export cotton, resulting in the loss of half of our farm income in Texas, brings home to us two other more serious and vital problems even than the loss of our export market.

AID THE FARM DEBTOR AND TENANT FARMER

Those 40 percent of our farmers of Texas who lay claim to ownership of their lands owe the staggering sum of $543,000,000, with an exorbitant interest rate of 7 percent. If their already small income continues to be cut down, then thousands of farms will be foreclosed and go into the hands of the mortgage companies. Even those farms financed at low rates of interest with Federal aid are burdened with debts that cannot be repaid at the present rate of our farmers' income. So this fact presents a vital argument as to the necessity of continuing to do everything possible for the cotton farmer of Texas.

Then we have the problem of the tenant farmer of whom we have nearly 300,000, with families comprising the population of approximately one and one-half millions of people in the State of Texas. I do not have the figures readily available as to the income of these tenant farmers, but think of their part if the position of the farmer becomes any worse in Texas. How can we hope to make good men and women out of the children of tenant farmers groveling in poverty, clothed in rags, living from hand to mouth, without a home of their own? How can we expect them to continue on the farm unless they have some hope of owning a home for themselves, or at least making more than a bare existence? If conditions get worse for the tenant farmer, we may expect to see him pulling up stakes, going into the industrial centers, seeking employment for himself and even for his wife and children, in order that they may buy the necessities of life. The problem of the tenant farmer is the problem of the land owner, the problem of the businessman, and it is the problem of the officials of the State of Texas, but, so far as I know, no one in recent years connected with our State government has given this problem any thought or consideration whatsoever.

My friends, agriculture in our State, the greatest agricultural State in the Union, deserves first consideration over any other problems of the State of Texas. The farmer's taxes must be reduced to an irreducible minimum. Ways and means must be found to encourage our people on the farms in wanting to stay on the farms. Their surroundings must be improved, they must be aided in the payment of their debts, during which time they should be aided in securing loans at the lowest possible rate at which money is obtainable. There must be a general undertaking to settle every tenant farmer in the State of Texas upon his own land, not only for the purpose of the economic welfare of the rest of the people of the State, but to develop a higher, better class of citizens among this oppressed and down-trodden tenant peasantry.

It is well known to all of us that these things that I have just mentioned cannot be done by the Federal Government alone.

PRESIDENT ROOSEVELT'S AID TO AGRICULTURE

Our great President and the National Administration have undertaken to aid the farmers of this Nation, and to sum up this record I cannot do better than quote from one of his speeches. He said:

"1. By our Agricultural Adjustment Act, our monetary policy, our soil-conservation program, and our assistance to farm cooperatives we raised the farmers' net annual income by $3,500,000,000 to a sum 3 times what it was in 1932.

"2. Through the Farm Credit Administration we saved thousands of homes and farms from foreclosure and reduced the staggering burden of the farmers' debts.

"3. Through reciprocal-trade treaties and international currency stabilization we have begun to recover the farmers' foreign markets in the only way in which they can be recovered and held—by a policy of mutual international advantage which today is bearing fruit in the reopening of markets for American farm products in all of the 14 countries making these agreements; by a policy which, for example, within the last 10 days has brought about lower tariffs in France, Italy, and Switzerland to the benefit of our farmers. A growing trade is making for international peace.

"4. By our program to revive business, to increase employment, to raise business and professional incomes and the wages of labor, and by increasing the purchasing power and consumption of the average American family we have restored national income and prepared the way for the steady and long-time expansion of the farmers' home market.

"5. By our program of land use and conservation we have ended the policy of immediate glut and eventual waste and have laid the basis for permanent plenty.

"6. By our program of rural electrification, by our farm-to-market roads, by our aid to rural schools we have begun to get for the farmer his fair share in the comforts, the advantages, the wider interests, and the deeper satisfactions which go to make the good life for himself and for his children.

"7. When disastrous drought struck the land in parts of our country we rushed immediate and direct relief to the farmers and stockmen to save them from want—a policy that some people call waste but you and I call wise.

THE STATE OF TEXAS MUST ASSUME RESPONSIBILITY

While out great President has extended aid to agriculture in various ways, the Government which he heads cannot and should not be responsible for an undertaking so broad and far reaching as that which I have proposed. The matter is serious, yet it is first one of local concern and the responsibility rests upon the people of Texas primarily to solve this as well as other local problems within the limits of their ability so to do.

We cannot do these things even in Texas unless the realization is brought home to our citizens from El Paso to Texarkana and from Texline to Corpus Christi that agriculture must be protected and nurtured to the end that our farmers shall become happy, prosperous, contented, well educated, and informed citizens. If we adopt a sound farm program for Texas our example will be followed by other agricultural States of this country, insuring the peace, happiness, and prosperity of the Nation when the farm problem is solved.

We cannot achieve this great objective of a State of farmers living on their own farms, families in their own homes and becoming better citizens, unless we elect officials of the courage, ability, vision, honesty, and integrity necessary to achieve such an objective. That day is coming because our farmers and livestock men are thinking for themselves. Some day they will rise en masse and organize; they will repudiate false leaders and political racketeers; they will choose their officers instead of being victims of demagogues and our great State will occupy a place in the sun even brighter than she does today.

Reorganization of the Federal Judiciary

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 19, 1937

Mr. FORD of California. Mr. Speaker, on Tuesday, July 13, the distinguished chairman of the House Judiciary Committee [Mr. SUMNERS of Texas] took the floor and in an address that displayed a depth of sincerity and a passion of conviction, solemnly warned this body that "the hope of the Nation rests in the House of Representatives", and described the present as "this tragic hour of the world's existence."

He further stated, "We know that as a people, as a Nation, we are at the crossroads in America."

Now, my friends, with all due respect for the distinguished gentleman from Texas, I agree that we are at the crossroads, but I wholly disagree with my distinguished friend as to which direction we should take.

If I understand the implications of his remarks, he would not go either ahead or to the right or the left. He would turn back. I would go forward, and I am sure that the great majority of the American people want this Congress, both bodies, to go forward.

On Thursday, July 15, the distinguished gentleman from Illinois [Mr. LUCAS] arose and after agreeing with the remarks of the distinguished chairman of the Judiciary Committee, cried out:

> Is there a single Democrat in this historic hall who believes that a continuation of this fight will accomplish a single thing?

I answer the distinguished gentleman from the State which gave to the Nation an Abraham Lincoln that there is not one but hundreds of Members "in this historic hall" who believe that much is to be accomplished, but who are willing to continue this fight to the last ditch, who, like Grant, are willing to "fight it out on this line if it takes all summer", plus all fall, plus any other length of time necessary to win.

To this distinguished gentleman I would say that he preaches a strange philosophy, a philosophy totally alien to the Anglo-Saxon tradition, a philosophy of defeatism, to use a word that courtesy demands to hide an uglier one.

Let me ask my friend this question: If the Nation was engaged in a war, which he says we are, a war of ideas, and in the course of the conflict the commanding general in the field was slain, would he then be the first to ask his country to capitulate?

Now, reverting to the remarks of my distinguished friend from Texas, let us admit, for argument's sake, that this is a tragic hour in the world's existence.

That we see dictatorships in many nations of the earth. Was there ever a greater threat of dictatorship than that situation in which one member, appointed for life, of the Supreme Court has held, and does today hold, the power to dictate the social and economic policy of a nation of 130,000,000 in spite of the fact that the House, the Senate, and the President hold a different view?

It is not a dictatorship in the White House that we are threatened with. The American people, by their votes, can stop that at 4-year periods. It is not a dictatorship by a majority of the House, the American people can correct that every 2 years; it is not a dictatorship by the Senate, that situation can also be cared for in any 6-year period.

It is a dictatorship that rests in the hands of one man, a member of the Supreme Court, who by his vote on any act passed by the House, concurred in by the Senate and signed by the President, can by his veto determine the social or economic policy of this Nation.

That, my friends, is the dictatorship that we fear. That is the type of dictatorship we seek to avoid in the perfectly constitutional way that is suggested in the measure now being debated in the Senate.

Now, just one more word on dictatorship. What sort of dictatorship is it when the chairman of a committee, because he disagrees with the philosophy of a bill—a bill that is being discussed throughout the Nation—comes on this floor and practically tells this House that because he and possibly a majority of his committee disagree with this bill, that it cannot come to the floor for discussion.

If I were chairman of the Judiciary Committee and took that position I would be loath to use the word dictator as applied to any other branch of this representative Government of ours.

I am wondering if my distinguished friends, who just now are freely using the word "dictator", are not closing their eyes and their minds to the language in section 3 of the Constitution, which very simply and explicitly provides that—

> He (the President) shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient.

Is it, I ask you, fair or in good taste to charge the President with dictatorship for doing what the Constitution specifically says he shall do: To wit, recommend to Congress such measures as he shall judge necessary and expedient?

I do not mean by this that Congress should necessarily enact into law each and every Presidential recommendation, but I do insist that Congress be afforded the opportunity of full and free discussion of the President's proposal and that such proposal should not be denied the floor by the whim of a chairman of a committee or even by a majority of that committee.

The question resolves itself into this. Are we to continue to have party government, or government by minority blocs and cliques?

The President under our system is the leader of the party. The least that his party in Congress can do is to give to his recommendations a respectful hearing and a full and free discussion on the floor of the House.

And I now repeat, without fear of successful contradiction, that for the chairman of a committee, or even the majority of a committee, to deny the House an opportunity to discuss a Presidential recommendation, is a form of

arbitrary denial of the rights of the House that not only smacks of dictatorship, but is dictatorship of the most violent and sinister character, regardless of Governor Lehman's pronouncement to the contrary notwithstanding.

The Presidio of San Francisco

EXTENSION OF REMARKS
OF
HON. FRANCK R. HAVENNER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 19, 1937

Mr. HAVENNER. Mr. Speaker, from the standpoint of constant public scrutiny the Presidio of San Francisco is one of the most conspicuous military reservations in the United States. It lies beside the Golden Gate of California. From one of its high hills the famous Golden Gate Bridge extends across San Francisco Bay, and the main highway approaches to this bridge from the south and east, always thronged with vehicles, run through the reservation. The most popular scenic driveway in San Francisco traverses the Presidio from end to end.

It is natural, therefore, that the people of San Francisco should have a very strong interest in the maintenance and upkeep of this military post, which is carved out of the very heart of the most beautiful residential section of the city. They cherish a sort of personal resentment of the fact that the National Government has allowed many of the Presidio buildings to lapse into a state of decrepitude and decay which would not be tolerated if these buildings were within the jurisdiction of the local municipal government. So strong has this resentment become in recent years that the daily newspapers of the city have conducted lengthy campaigns of protest featured by startling photographic displays of the disreputable and dangerous quarters in which the officers and men stationed at the Presidio are obliged to work and in which their families are required to live.

Some of these buildings are 75 years old. Many of them are from 35 to 50 years of age. Newspaper writers have described the old frame buildings as "dangerous firetraps." The noncommissioned officers' quarters of the west cantonment are commonly called "the presidio tenement district." Time and termites have taken their toll of these ancient structures until they have been publicly condemned as "unsafe for occupancy and incapable of economic rehabilitation." Yet scores of families of men in the service of the United States are crammed into these rickety shacks and compelled to call them home. In many instances the rotting timbers and framework of these buildings literally crumble into dust under the slightest pressure. Newspaper critics have termed them "tinder boxes" and have referred ominously to the disaster of 1915 when General Pershing's wife and three children were burned to death in a similar structure on the presidio reservation.

Ranking Army officials of the Ninth Corps Area and of the presidio reservation have for years given their full support to local efforts to bring about adequate correction of these disgraceful conditions. Recently leading civic organizations of San Francisco have presented to the War Department a program of rehabilitation for the presidio which is estimated to cost eventually from five to seven million dollars. It is conceded by everyone familiar with the conditions which I have outlined that the completion of this program within the next few years is essential for the proper conduct of this important military post and for the safety of the men and women who are obliged to live upon it.

I assume responsibility for the statement that the major portion of this reconstruction program has received the unofficial sanction of the War Department executives in Washington but they have stated that the requirements for Budget curtailment make it impossible to recommend official authorization for the entire project at this time.

The limited Army housing authorization bill as passed by the Senate during this session of Congress recognized the urgent necessity for new housing at the Presidio by approving an initial expenditure of $550,000 to start this project. I deeply regret that the Military Affairs Committee of the House, in reporting the new bill, has seen fit to reduce this item to less than one-third of the meager amount voted by the Senate. I earnestly hope that the membership of this House will consent to the restoration of the figure contained in the Senate bill.

More Than Insurance

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 19, 1937

ADDRESS BY RAY MURPHY, COMMISSIONER OF INSURANCE, STATE OF IOWA, AT BANQUET OF INSURANCE COMMISSIONERS, PHILADELPHIA, PA., JUNE 23, 1937

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to include the following speech delivered by the Honorable Ray Murphy, commissioner of insurance of the State of Iowa and past national commander of the American Legion, at the banquet of insurance commissioners in convention at Philadelphia on June 23, 1937, on the subject More Than Insurance:

We meet tonight around the festive board in Philadelphia, the City of Brotherly Love. How fitting it is that we do so. For are we not ourselves, the National Association of Insurance Commissioners, a fine example of the art and the quality of brotherly love; we who meet together in perfect amity—most of the time—we who dwell in the spirit of unity—most of the time—we who differ among ourselves, never, never—well, hardly ever?

One thinks of Philadelphia and thinks of William Penn. One thinks again and thinks of Benjamin Franklin. Not so long ago a little girl in Philadelphia grade school was asked in class to tell about Benjamin Franklin, and she recited as follows:

"Benjamin Franklin was born in Boston, moved to Philadelphia, walked down the street with a loaf of bread under his arm. A woman laughed at him; he married her and discovered electricity."

I realize the convention of the National Association of Insurance Commissioners is a serious affair, and that consequently I should be serious, but I trust not so serious as the learned professors of a certain nationality, not now to be named, of whom it is said they can "go down deeper, stay down longer, and come up muddier" than any of their contemporaries. Fortunately, the limitations of radio time, and the tactful warning of the program committee chairman, will save you from a long discussion, however serious it may or may not be.

I had assumed until I learned they were to be broadcast, that the speeches for this occasion would be not only brief, but quite informal, but one cannot be too informal with a radio microphone. Nevertheless, I think of a little story—that of the tactless insurance man whose wife had gone to the beauty salon, and emerged with a permanent and several and sundry other devices known to hairdressers, cosmetologists, and others dealing in the articles of beautification. She emerged also with a huge bill, which she handed to her husband. The husband said, "What's this?" and the wife said it was a bill from the beauty parlor. "Well", said the husband, "So I see! But why do I have to pay in advance?"

The holders of insurance policies pay in advance, but they pay with more than usual certainty that the protection for which they pay will be fully received. They have, through their payments, through their subscription to the practice of insurance, built up tremendous financial structures which wield an almost incalculable influence upon the economic and social life of America. Any organization, or influence of such magnitude owes an especially important and significant obligation to the society upon which it depends, to the society which depends upon it. It is, therefore, not sufficient that the commissioners and insurance company executives police the companies against what we Americans describe vividly as "crookedness."

My own observation leads me to believe that despite the exceptions which make vigilance necessary in the public interest, there is relatively and actually but little dishonesty in the management of insurance companies. The eminent Philadelphian Ben Franklin, in the character of Poor Richard, long ago popularized the truth as ancient as organized society itself, that "Honesty is the best policy." With what compelling force does that saying apply to the business of insurance. Take from it

the halo of honesty and it crumbles as quickly as the commonest clay. Invest it with the virtue of intelligent integrity and it stands an enduring monument to all that is best in men and women. It is not my purpose in the brief time at our disposal tonight, to touch upon the statistics that appear in the consolidated statements of the companies of America. It is rather my purpose to touch, and only to touch, upon a few fundamentals, as I conceive them to be, which do not appear in companies' statements. Life-insurance statements will show that a hundred billion dollars of life insurance is in force in America, that the companies thus insuring have assets of $25,000,000,000. Sixty-three million life-insurance policies are in force in these United States. But behind these figures are certain significant truths.

Of these, one of the first is the interdependence of insurance, the fact that it is so completely tied up with the success or failure of the economic endeavor of all America. Let our railroads, our utilities, our industries, our agriculture, our public and private enterprises falter, and insurance suffers—when insurance suffers a hundred and thirty million individual citizens suffer.

Another fundamental is that insurance cannot prosper unless Tom, Dick, and Harry can buy it. Concentrate in a few hands wealth 10 times as great as America possesses, and insurance would shrink. Place the present wealth in the hands of many millions and insurance will thrive. In brief, for insurance to do well, Tom, Dick, and Harry, the average American citizens, must do well. They must have a fair share of the wealth of this country if they are to have property to protect, if they are to have investments to make, if they are to provide for the future of their families. Do not misunderstand me; I am not an organizer of "share the wealth" clubs.

Last fall we were startled by the assertion of a successful business man of national prominence that no policy of insurance was safe. There was prompt denial and refutation, not only from political circles but from many, if not all, of the insurance people of the country. It was an unfortunate statement, to say the least, not to be excused by the fact that it came from a candidate in the heat of a political campaign.

I wonder if we need worry about its truth. I think not.

Soon after the World War, following a period of destruction of wealth, the Nation's Federal debt was about twenty-seven billion dollars; today it approximates thirty-five billion, against which may be placed assets of perhaps five billion. A huge debt, yes; but, to me, the increase during a period of increased production of wealth, is not in itself alarming. Is it not much more intelligent to persuade the American people that we can readily reduce our debt in a reasonable period—for the past proves we can—than to give ear to the prophets of gloom? Certainly the belief that we cannot is not going to help the development of insurance nor promote its soundness.

We have worshipped the gold standard, and viewed with alarm the devaluation of the dollar. Since the gold profit accruing to the Government is held in a stabilization fund, is not its use constructive? Gold is not an essential of domestic trade—that is quite evident; its importance lies in international trade, bought and sold as it is by the government to settle foreign trade balances. It was highly important that this country maintain our currency in balance with other countries, and thus impelled and driven by world conditions, it did, and to my mind the insurance world, despite gold clauses in mortgage contracts, should not be alarmed.

We sometimes complain of reciprocal-trade agreements. Again it seems to me we should not be alarmed. Rather it seems a matter of national gratification to me that the Secretary of States has seen the wisdom of reciprocal-trade agreements as a means of economic adjustment in the interests of world peace.

We look with concern upon the use of the taxing power of the Federal Government to raise money for social-welfare purposes. Has there not been a great change in our thinking, and do not most of us now admit that social security in principle is the order of the day, and in practice has been too long delayed? Does anyone believe we will abandon the theory? Do we now see in it a grave threat to the institution of insurance? I trust not. It is a challenging problem that cannot be ignored and that the insurance world must help to solve.

Why do I touch so briefly upon these important national problems? First, because I must be serious for 10 minutes or so; second, because, like them or not, they are your problems, and your worry; for the future welfare of our country and of insurance is bound up in their solution. If that be true, then it seems likewise the duty of insurance company executives, and of the insurance supervisory officials of America each to acquaint himself thoroughly with the basic problems that underlie the more technical phases of all insurance, and of all business, including that most important business—the pursuit of happiness in a country pledged to that privilege. That executive, self-searching, "does not accept invectives and catch phrases as logical arguments; he does not base his conclusions upon political considerations, or blind, wishful thinking, or selfish motives which disregard the interests and welfare of his company as a whole. After a decision has been reached * * * he is not satisfied to sit idly by in the mere hope that someone else will put his ideas into execution, but he bestirs himself to see that the weight of his opinion is made effective in actual performance." That is his special duty as a citizen with special knowledge and special responsibilities to those for whom he exercises a great trust.

About 160 years ago there was fired at Concord, Mass., the shot that was heard around the world—a shot that echoes still in the ears of men attuned to the events and the trends of the day. It was the shot that brought reality to the Declaration of Independence and stirred in men the belief that theirs was the right to life, and that which made life worth while, liberty and the pursuit of happiness. There were many economic forces then at work, which were not understood, which have been underplayed in history, and which were not incorporated by reference in the Declaration, just as now there are economic and other forces at work which have been too little studied, too little realized, to which some of us are blind. A few years of fighting, the war ended, and human liberties seemed more assured. Political and civil liberty had been achieved on this continent, and the fever spread, and democracy made world-wide progress. Now that democracy and all the real liberties of all the people of the world seem—they are—threatened; threatened at the base by economic upheaval, which has brought tyranny abroad, has brought us to grapple with new and complex conditions, has wrought changes within our borders and our own national life that a few years ago would have seemed utterly revolutionary. It will not do to ignore them, and to seek refuge in the past, and to pine for the days of rugged individualism.

The insurance world has met the challenge of depression and disaster. It cannot now lay down its arms. It has only begun to fight. No interest has a greater stake in America. No interest, if I read aright, is more likely to protect that stake, and so doing, protect America and America's people.

Flood Control

EXTENSION OF REMARKS

OF

HON. LAWRENCE E. IMHOFF

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1937

Mr. IMHOFF. Mr. Speaker, it is superfluous for me, a Representative from an eastern Ohio district beset almost annually with the ravages of flood waters from the Ohio River, to appear before my colleagues and endorse the principle of flood control, which is incorporated in the bill being debated today.

Speaking for the people of this district, three counties of which have been hard hit by floods in recent years, I ask for sympathetic and favorable consideration of this bill. The shore line of Columbiana, Jefferson, and Belmont Counties in eastern Ohio, extending more than 60 miles between East Liverpool and Powhatan, is an important one in the industrial plan of the Ruhr of America, and I join with my distinguished colleagues from Ohio in endorsing the recommendations of the Committee on Flood Control.

However, there seems to be a provision in this bill which may affect adversely those very communities I seek to protect. I refer to the provision requiring river valley communities where protection by flood wall is necessary, to contribute a proportionate share of the cost of this improvement.

Those of you who are acquainted with the financial worries of eastern Ohio cities and villages, a situation which was somewhat critical in recent years, are aware that practically all of them are bonded to the limit permitted by the State of Ohio. It will be impossible for these villages and cities to authorize additional bond issues such as will be required under the provisions of this act, thereby denying them the right to the protection which the Government plans to throw about these stricken communities, ravaged by record-breaking floods.

That the situation is serious can be judged by estimates of the actual loss and property damage along this 60 miles of waterfront in 2 recent years. Authorities estimate the actual flood loss to the Eighteenth Congressional District in 1936 to be not less than $10,000,000. In 1937 the loss was estimated at $500,000. Gentlemen, these industrial communities of ours cannot stand that loss, year after year, without being seriously affected.

We are faced with the possibility of these industries moving their plants to other districts where the threat of high water is not a constant menace. One large industrial plant in my district, located at Martins Ferry, conservatively estimates that it costs about $100,000 every time threatened high

water causes a suspension of operations. That figure is only for one plant. And we have scores of them along the Ohio River.

Referring to the contributing proviso in this bill I would not permit its inclusion to affect my support. Flood control is too urgent and a problem too pressing at the present time to quibble over details of the methods used. I do hope, however, that at some time in the future, after an investigation has revealed that the contributary clause will work a hardship on the communities affected, this act will be amended to enable the Federal Government to assume the responsibility which I believe will be rightfully placed.

Whose Soil and Water?

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1937

ADDRESS BY HARRY L. BROWN, ASSISTANT SECRETARY OF AGRICULTURE, ON JULY 7, 1937

Mr. BROOKS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Harry L. Brown, Assistant Secretary of Agriculture, at the Eighth Southwest Soil and Water Conservation Conference, Minden, La., July 7, 1937:

Here in the watershed of the Great Mississippi River system is a fitting place for us to meet and consider the task of conservation that today challenges the best that is in all of us.

Into the lower Mississippi area come the waters that drain from millions of acres of farm land to the north, and from the fields that spread hundreds of miles on either side of Ol' Miss and her tributaries. Here, too, comes the soil that has washed off with the water, filling the streams, sluicing down into the sea, leaving the land leaner and the people poorer.

Dorcheat Creek over there seems like an innocent stream, but let the water run off the land like rain off a roof, and let that happen along all the creeks and rivers that drain into the mighty Mississippi, and, well, you know the result.

In that result of flood and waste and death and impoverishment is our challenge. In these and in the less spectacular results of erosion and wasteful farming we see our task of soil and water conservation. This job, I have said, is a challenge. It calls into action all of the aggressiveness at our command, all of the sense of duty, all of the fairness in thought and action, and all of the energy that we can muster.

It is a grim challenge. If we accept it and strive with all our might to win, then win we shall, for ourselves in the present and for our children, and their children, and their children's children in the future. If we fail to accept it or if we fail to strive hard enough, then we shall just as surely lose. And as surely as Babylon fell, so will this Nation fail if this challenge goes unheeded or unbeaten.

Your chairman tells me that you have been exchanging experiences in conservation work, that you have been acquainting each other with your individual problems and successes.

I am glad to hear this. The fact concretely demonstrates an idea that is growing upon us: that our own individual problems are not ours alone, that each has a stake in the other man's problem. You further demonstrated this idea when you chose as the topic for your discussion session yesterday, "What can this conference do to stimulate a closer coordination among all phases of soil-conservation work?"

If I had had the opportunity of attending that session, I would have asked one question: Whose soil and water is this that we are trying to conserve?

To my way of thinking, we can plan from now until doomsday on how to do the work in one area and how to make it jibe with the work in another area, but we won't succeed—we won't even come close—until John Q. Citizen realizes his social responsibilities and gives his cooperation.

John Q. Citizen knows, if he stops to think about it, that the rain which falls on his farm is not his rain alone. If Mr. Citizen allows the water to run off the farm into the creeks and rivers in large quantity, it means disastrous flood down the valley below him. If he allows the run-off water to take away the soil, he is not only helping to fill the stream channels and pave the way for greater flood losses, but he is dissipating the source of flood and fiber which many others depend on him to produce. Part of the rain that soaks into the ground makes a corn crop or a wheat crop or a cotton crop that helps to feed and clothe the Nation. Part of it replenishes the wells and springs that water the cattle that provide the milk and the beef and the leather that people must have. Does the rain fall, does the soil produce for the sole benefit of the landowner?

Is agriculture a local matter? Even a local shower is not a local matter. It has economic and social implications that extend far beyond the boundaries of the farm, the township, the county or parish, and beyond the boundaries of the State.

It so happens that our rivers, our rains, our conservation needs, the traffic in food and fiber have little regard for man-made lines. It so happens, too, that people are very much the same in the East, the West, the North, and the South. In developing a state of mind that takes into account our duties to society, that accepts the challenge of soil conservation as a national as well as an individual problem, we do not have to introduce anything new to the thoughts of the people in any part of the country. The principles of religion—the Golden Rule, the idea of stewardship, the responsibility of man for his brother—stand us in good stead. The principles of our democratic Government—of fairness and equality and responsibility for all—are likewise deeply ingrained in our national life and thought.

We have merely to understand our problem and to apply these principles to it. Once we realize how important it is to our neighbors and our neighbors' neighbors that we conserve and control the water and soil under our ownership, I have no fear but that the American people will respond in the right way.

Already there are many good signs. The work in this demonstration area that you have seen this morning is a good example. I won't dwell on this at length because Hugh Bennett, the Chief of the Soil Conservation Service, will undoubtedly point out the long-time results of such work. But let me comment briefly. In this area and in many other areas the country over, farmers and the Government are working together to conserve the soil and the water. No farmer who cooperates in a project of this kind can fail to realize that he is doing the work for some reason besides his own welfare. The interest and even the presence of the Government in this work indicate clearly to all who will reflect upon it that the people's legislative representatives in Washington consider the public welfare is at stake.

The same principle applies to the Agricultural Conservation Program administered by the Triple A. Last year in this program, there were approximately 3,000,000 applications for payments, representing perhaps 4,000,000 farmers. All of these farmers either diverted part of their land from soil-depleting to soil-conserving crops or carried out soil-building practices, or did both. The soil-building practices included terrace construction, strip cropping, contour furrowing, and other water and soil-conservation work. These farmers took 10,000,000 acres out of cotton, nearly twenty and a half million acres out of general soil-depleting crops like corn and wheat, 400,000 acres out of tobacco, and nearly 200,000 out of peanuts. In place of these soil-depleting crops, they planted grasses and legumes that hold the soil in place and retard water run-off. They built terraces on 800,000 acres, planted forest trees on 20,000 acres, and improved millions of acres of pasture and cropland by other means.

I do not believe that these 4,000,000 farmers were thinking only of themselves when they took part in this program. Certainly I hope not, for the Government is not playing its part in the program as an effort to subsidize agriculture. It is attempting to aid agriculture—true. But Government must look further than that. The Government is in the program to promote the general welfare, to safeguard the Nation against the ravages of soil erosion, soil depletion, and waste of our natural resources, including soil and water. Furthermore, from the short-time view, it is costing many of these farmers something from their own pockets to take part in the program. In the long run, it will work to their advantage, and to the advantage of their children, but this has been true down through the years when they were not doing anything about the erosion and depletion problems.

Any way you look at it, you have to admit that we as a people are waking up to our land and water problems and to our individual and collective responsibilities involved in those problems. Our independent and combined efforts are bearing fruit in a tangible way, too. Back in the period from 1923 to 1932, Louisiana was producing an average of 194½ pounds of lint cotton per acre. In the last 4 years of that period, the average yield was 192.8 pounds per acre. Compare this with the 4-year period ending in 1936 when the average yield was 214.4 pounds or an average increase of 21.6 pounds per acre for your State. For the United States as a whole, average yields came up from 170.1 pounds in the 4-year period ending in 1932 to 192.4 pounds for the 4-year period ending in 1936, a gain of 22.3 pounds per acre. Our better farming practices surely had something to do with this increase in yield per acre. Increase in yield per acre nearly always means a lower cost of production per unit.

Furthermore, when we can raise on a smaller acreage all of the cotton we can sell profitably, we can use rotations and practices which not only enable us to produce cotton more cheaply on a part of the farm every year, but also to produce the food and feed crops that we need for home use.

With the use of better practices, and with better soil and water conservation, the South is making great strides toward its objective of diversification and the live-at-home policy.

Now, let me give you another example of awakening social consciousness. This one is entirely removed from programs carried out with Government assistance. This is the story of a lumber firm that realizes its mistake in cutting wastefully to the

point of devastating the land. A member of that firm has admitted the mistake and is now doing everything he can to reclaim that land. You will agree that this man now has an entirely different attitude toward the conservation of natural resources. As a timber-cutter, he undoubtedly failed to realize the consequences of the way the work was done. Today he sees its consequences in the form of unprotected land literally slipping from under his feet. This man has awakened to a national problem and his own personal duties to the country in solving that problem.

Let me say, parenthetically, that I hope the pulp and paper mills which are turning more and more to the south just now will conduct forestry operations with restraint and within the public interest as well as in their own private interest. I trust that if they begin doing otherwise, public sentiment will remind them of this new and growing concept of social justice as regards our natural resources.

After all, public opinion is but the combination or the fusion of millions of private opinions. If I am right, and we as individuals are recognizing the problem of soil and water conservation and our own responsibilities in solving the problem, then we are forging a solid mass opinion that will deal rightly with laggard thought and action.

The soil and water conservation work of the farmers, by themselves and in cooperation with the Soil Conservation Service and the Triple A augurs well for the country. But it is more like the dog biting the man than the man biting the dog. It isn't such big news because the Nation naturally expects the farmers to think seriously about such things and to take care of the land. In the past, people in other walks of life have said, "Taking care of the soil and water and producing crops is your business. You look after your business and I'll look after mine." And the farmer has said, "That's just fine with me. You go ahead: produce and sell all the cars and the overalls and the radios and the swallowtail coats that you can, and I'll produce the food and many of the raw products that you need. Outside of that, we'll let each other alone."

Well, we won't go into all the reasons why this kind of philosophy wouldn't work out. For one thing, the leaders in industry didn't produce all they could. Instead, they produced just what they decided was profitable to them. Farmers could not do this. On the other hand, many farmers took poor care of their soil and water. There's a good deal to be said on both sides. Anyway, we found out this philosophy of let-each-other-alone wouldn't work. Responsibilities just wouldn't divide up evenly and cleanly that way. Most of us now realize the interdependence between agriculture and industry. The farmer is now getting more cooperation and understanding, and this is reacting to the advantage of the makers and sellers of cars and radios, overalls, and swallowtail coats.

Now the press, the businessmen, and their organizations, the leaders in industry and the professions, and the farmers are waking up to each other's problems. Public opinion of importance and consequence is in the making. This public opinion is helping us to leave the exploitative period of American farming and to enter the period of conservation.

Let us see what this means.

Whether we want to admit it or not, we agricultural people have exploited the land in the worst way. Maybe this was the result of our pioneering; maybe all pioneering includes exploitation. Then on top of pioneering came the World War with its demand for all we could raise. And then suddenly this artificial demand was gone, there was no more pioneering to be done, there were no more frontiers to conquer. But we had some ideas in our heads that didn't change so completely, nor so quickly. Furthermore, the pressure of economic necessity made it impossible for farmers, individually and unaided, to make the necessary change.

I do not need to repeat the story of our hardships nor the story of how we gradually changed our minds about many things. Suffice it to say, we have changed and we still are changing. We are taking a new conception of the ownership of land. It's ours when we have title to it, sure. But this ownership, we are concluding, does not give us the right to use the land in such a way that we reduce ourselves, the country, and our successors to poverty.

We are developing an ideal in that respect, and that ideal is conservation. But while we follow that ideal, we must be practical. Along this line Secretary Wallace recently said:

"* * * As we accept the challenge to wipe out the line between the ideal and the practical, let us take care to understand what such acceptance means. It means that we must have courage to look our problems in the face and the perception to see them as they are. It means that in making plans, the goals we seek must be real, must be attainable, must be worthy. It means that having fitted these goals fearlessly but wisely to the realities, we must then hammer out practical measures for fulfillment. Willingness to work humbly and without stint, a spirit of give and take between groups in the interests of the general good, readiness to correct errors and make new starts—all these will be required. And beyond them, so far as the Government is concerned, there will be demanded the energy, the skill, and the integrity that go to make up good administration without which even the soundest plan cannot succeed.

"Whether in agriculture or other field of endeavor, the task of bridging the gap between the ideal and the practical is one that tests the mettle of men. Since 1933 that test has not been shirked. I firmly believe that the rank and file of people in agriculture and industry do not want the test to be shirked * * *."

May I add my belief that farmers working with the Soil Conservation Service and the Triple-A are living up to the test, that they are bridging the gap between the ideal and the practical.

Undoubtedly there are some who are merely following the leader, but I believe that most farmers are taking part in these programs because they see the real reason in them. They want to conserve rather than exploit, not only for their own good, but for the good of their neighbors whose lands are damaged when their own land blows or washes away, for the good of a dependent nation of consumers, and for the good of the unborn millions who will depend directly and indirectly on the land.

I believe they recognize the interdependence between agriculture and the other three fourths of the country's population. I am sure they realize that community cannot pit itself against community, region against region, or region against nation—rather that they must be as unselfish, as reasonable, and as cooperative as it is humanly possible to be. They know, I am sure, that no section or any group can, in the long run, succeed at the expense of other regions and other groups.

I hope that you men and women here today will evangelize this new conception of agriculture and social responsibility. I believe your presence here and your interest in soil conservation attest your belief in this viewpoint. If I am not mistaken, you will find that many of your neighbors are thinking much the same way that you are. Yours is the public opinion of tomorrow. You hold the key to the country's future. You have the answer to the question—"Whose soil and water?"

Urging the Treasury Department to Issue an Official Ruling Regarding Contributions to Charity

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1937

LETTER AND STATEMENT BY HON. HAMILTON FISH, OF NEW YORK

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following:

WASHINGTON, D. C., *July 17, 1937.*

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

DEAR MR. SECRETARY: I was amazed to read in the public press a few days ago a statement by former General Counsel of the Internal Revenue Bureau Robert H. Jackson that he had made a ruling to the effect that a certain individual could direct money that had been earned for broadcasts to charity organizations without reporting for income-tax purposes.

I am writing to find out if there is any such ruling in existence; and if so, whether it has been released to the public as an official ruling of the Treasury Department? If not, I would like to know whether or not the Treasury Department still approves of such a ruling. All charity organizations, such as hospitals, community chests, etc., would be vitally interested to know of the existence of any ruling that would permit money that has been earned to be given direct to charity without the necessity of reporting such earnings as a part of one's own gross income.

If such a ruling exists, what is there to prevent businessmen from taking 1 day out of each week's earnings and giving it to charity without having to report it as income? This would certainly be most helpful to all charitable organizations throughout the United States. A ruling of this kind with reference to occasional benefit performances might be logical, but this seems to be quite a different matter, and as a permanent policy this would permit regular services to be performed each week, or oftener, by individuals without Federal taxation.

Also, the last published ruling of the Internal Revenue Bureau states that income cannot be assigned, irrespective of the nature of the beneficiary. Mr. Jackson seems to take the position that the Treasury looks with favor upon the assignment of income if the beneficiary is not a corporation or a member of one's family.

Would not the ruling of Mr. Jackson, if applied equally to all donors of charity, permit assignment of incomes that would defeat the Government in the collection of much needed taxes in order to balance the Budget and open wide the door or loophole to deprive the Treasury of the United States of millions of dollars of income-tax payments?

I am sure you will agree with me that equal enforcement of the law and special privilege to none is a fundamentally sound rule of government, and that it is important, therefore, that any rulings which may be made privately with respect to the tax returns of members of the administration or their families should be applied to the public as a whole.

Thanking you for your attention to this matter, I am,

Sincerely yours,

HAMILTON FISH.

STATEMENT OF REPRESENTATIVE HAMILTON FISH

WASHINGTON, D. C., *July 15, 1937.*

Former General Counsel of the Internal Revenue Bureau Robert H. Jackson, in a letter to the Tax Evasion Committee, takes the blame for advising Mrs. Roosevelt that she could contribute the income from her radio broadcasts direct to charity without payment of taxes.

I have the highest regard for the charitable impulses of Mrs. Roosevelt, but not for the utterly untenable, indefensible, and illegal advice of Mr. Jackson. The issue is the law of the land, and not Mr. Jackson's views or the charitable motives of Mrs. Roosevelt. The facts are so simple that all who run can read. Mrs. Roosevelt earned the income by her radio speeches, and directed where it should go. In the Selby Shoe Co. agreement $3,000 was paid for each radio speech direct to the American Friends Service Committee. In addition $1,000 was paid to Myles F. Lasker, Mrs. Roosevelt's agent, of which he was required to pay $400 to Miss Nancy Cook for each broadcast.

The law specifically requires that all income should be set forth and permits an allowance up to 15 percent for charity, whether assigned or not. My contention is that the law must apply equally for all persons, men and women, rich and poor alike. The law recognizes no favoritism or special privilege for any individual.

If earned income can be diverted directly to charity without report for income-tax purposes, then the Du Ponts, Mellons, Rockefellers, and Morgans can divert their income direct to selected charities and avoid payment of approximately 60 percent on surtaxes to the Federal Government. If the principle set forth by Mr. Jackson prevails the Treasury of the United States might lose annually several hundred millions of dollars unless this loophole is plugged.

I have repeatedly commended Mrs. Roosevelt for her charitable motives, but the reason I raised this issue was to insist that this tax loophole be closed before others take advantage of it and thereby create further deficits and an unbalanced Budget. I do not believe that the subterfuge approved by Mr. Jackson of having the money Mrs. Roosevelt earned sent direct to charity would stand in any court.

Mr. Jackson stated that if I wished to continue the controversy that I should direct my criticism "at us men." I am only too glad to accept the challenge, but at the same time to point out that the Treasury Department did not hesitate to publish the names of Mrs. Ailsa Mellon Bruce, the daughter of former Secretary of the Treasury Andrew W. Mellon, and Mrs. Nathan Miller, the wife of the last Republican Governor of New York State, as tax avoiders within the law, as well as other well-known women.

I wonder if Mr. Jackson's views of the law would have been the same if Andrew W. Mellon, or some other Republican, had been the party seeking the same kind of tax exemption? Was this a ruling of the Tax Bureau or merely your own personal opinion?

John J. McSwain

MEMORIAL ADDRESS
OF
HON. JAMES P. RICHARDS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN J. MCSWAIN, late a Representative from South Carolina

Mr. RICHARDS. Mr. Speaker, when the message came to me last August that our colleague JOHN J. MCSWAIN was dead, I realized at once that South Carolina had lost a noble son and the Nation one of its outstanding public servants. Since that time I have realized more and more that I myself have lost a personal friend and comrade.

I did not intimately know JOHN J. MCSWAIN until I came to the Seventy-third Congress. He was a national figure even then, being chairman of the powerful Military Affairs Committee of the House; but his many and burdensome duties did not prevent his lending a helping hand to a raw recruit unversed in the ways of Washington and the duties that confront a Member of the National House of Representatives. I had hardly arrived here when he came to me and offered his help and advice, which later on proved of invaluable aid to me. He was a Christian gentleman and one of the most loyal and kindly men it has been my privilege to know. His splendid abilities were tempered and seasoned by an unfailing and kindly humor which spread warmth and sunshine around him. He invested all that he did with the charm of a rare and gracious personality, and I do not believe he had a personal enemy in Congress. The people of the district that sent him to Congress loved him and had confidence in him, and he, in return, realizing the sacredness of the trust that had been handed him, gave unstintingly of his time, energy, and great ability in their behalf.

It is not necessary for me to go into details of his life, for these are known to most of us here, but it may not be amiss to mention that his educational record in the rural schools of Laurens County, Wofford Training School at Spartanburg, and the University of South Carolina at Columbia was brilliant. He was admitted to the bar in 1901 and practiced law with outstanding success in Greenville from 1912 to 1917. When the United States entered the World War, JOHN MCSWAIN was 42 years of age, with a lucrative law practice and a loving wife and children. He was not eligible for the draft and was surrounded by everything that would tend to deter the average man from entering upon the hardships of service in the field. It was typical of the man that he did not hesitate. He immediately grasped a rifle to fight for his country. Those of us who knew him best know that it was his burning belief that a man who would not offer his life for his country was not fit to enjoy his country's blessings. For almost 2 years he served his country as a soldier here and in France, and was mustered out in March 1919 to resume his practice of law in Greenville.

In 1920 he was elected to this House from the Fourth South Carolina District, and the record he made here is written forever in glowing letters. Naturally, he asked for assignment on the Military Affairs Committee, and in 1932 became chairman. He had a firm conviction that Congress should provide an adequate national defense and fought valiantly to have enacted into law many measures for the defense of our country. He was a pioneer in the movement to take the profit out of war and believed that such legislation would go a long way toward deterring certain big money interests of this country from attempting to plunge us again into any foreign conflict. He was a crusader in this cause, though he did not live long enough to see all of his cherished plans come about.

JOHN MCSWAIN had announced during the spring of 1936 that, on the advice of his doctors, he would not again offer for reelection, and at the time of his death was spending his vacation in camp with the Two Hundred and Sixty-third Coast Artillery of the South Carolina National Guard at Fort Moultrie, S. C., as an honorary member of that regiment. He died at the veterans' hospital at Columbia on August 6, 1936.

This was as he would have had it. I am sure that I speak for all of the Members of this House when I wish for his wife and family the same measure of happiness that their loved one, JOHN J. MCSWAIN, helped so many of his friends to attain. The memory of his clean life and service to humanity and the Nation could not be other than a great source of pride and comfort to them. Into the Great Hereafter he has gone to meet his Maker with clean hands, a clear conscience, and a spirit that has no cause to be afraid. We can feel his living presence here among us, still smiling, still courageous, ever helpful, and beckoning those of us still here to follow him on the road of service he himself chose to tread. The weak and cowardly need not attempt to follow.

A late lark twitters from the quiet skies;
And from the West;
Where the sun, his day's work ended,
Lingers as in content;
There falls on the old, gray city
An influence, luminous and serene,
A shining peace.

Henry E. Stubbs

MEMORIAL ADDRESS
OF
HON. CHARLES KRAMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY E. STUBBS, a late Representative from California

Mr. KRAMER. Mr. Speaker, when announcing the death of my late colleague HENRY E. STUBBS, of the Tenth Congressional District of California, I felt that the House of Representatives lost one of its most loyal and conscientious Members. While Mr. STUBBS was not a Member as long as some of our good colleagues, his friendly manner and marvelous personality won for him a warm spot in the affections of all who knew him.

Mr. STUBBS, who before his election to Congress was a minister of the gospel, was the embodiment of civic righteousness; he loved his family dearly and was highly respected by his host of friends and neighbors. His word was his bond; he was a man of impeccable character, true and just in all his dealings.

The tireless work done by Mr. STUBBS, before his health prevented him from continuing with his duties, brings to my mind a statement made to me one day when he and I were talking in the cloakroom about 2 years ago. We were discussing whether or not we would be candidates for reelection and he looked up at me, removing his cigar, and said, "Charlie, I hope I will be able to come back here, because I want to die in Congress." I was happy for his sake, to see his wish realized. He was a real friend, and I shall always cherish the memory of our friendship. He was a gentleman. He was always sympathetic, chivalrous, and courteous. He was a man of high principles and ideals, and one who always followed what he considered to be the path of truth and wisdom. He served his State in his district well; he put personal rights above property rights and labored long and hard during his tenure of office. As a fellow Californian I share the general feeling of pride toward his accomplishments and contributions to the Government of his country during some trying times.

Time does not permit any general review of his life and achievements, but I am sure the entire California delegation joins me in expressing deepest regret at the untimely passing of our esteemed friend and colleague.

Benjamin Kurtz Focht

MEMORIAL ADDRESS
OF
HON. MATTHEW A. DUNN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. BENJAMIN KURTZ FOCHT, late a Representative from Pennsylvania

Mr. DUNN. Mr. Speaker, our colleague BENJAMIN KURTZ FOCHT, who passed away on March 27, 1937, was a splendid gentleman. For many years he was engaged in rendering service to his State and the Federal Government. He was a member of the Pennsylvania Assembly for three terms and served 4 years in the Pennsylvania State Senate. Mr. FOCHT was elected to Congress in 1907 and served 10 terms. He introduced an old-age pension bill in the House and other measures which were progressive and humane. Congressman FOCHT devoted a great deal of time in trying to bring about prison reform. He did not believe that cruel treatment to prisoners was an effective method of reforming them. He maintained that humane treatment was the best method to use toward prisoners. A man who thinks of his unfortunate brothers as did Congressman FOCHT is undoubtedly a noble character.

District's Tax Problem

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 20, 1937

Mr. SHAFER of Michigan. Mr. Speaker, refusal by Congress to authorize the District of Columbia to borrow funds from the Federal Treasury pending receipt of taxes proposed in the District revenue bill, now caught in the legislative log jam, is a serious reflection on the ability of Congress to legislate for the National Capital.

Defeat of the bill has convinced me that Congress should immediately take steps to give the residents of Washington the right to spend their own tax money without congressional dictatorship.

I was opposed to that philosophy when I came here. Monday's demonstration in the House convinced me I was wrong.

I do not believe Congress should surrender autonomy over the District. Rather, I believe it should shed itself of a task which manifestly has proved distasteful and which most Members have demonstrated they know too little about to perform successfully.

This could be done by enlarging the District Commissioners' powers to give them final authority over a vast amount of detail which now irritates Members of Congress, sent here to perform other duties. I would even favor giving them sole budgetary powers, subject to final approval by Congress, on matters of national policy only.

Monday's defeated bill in itself was an admission on the part of Congress that it is incapable of handling the District's affairs, and the action proves that it is also unwilling to permit the citizens to do the job themselves. There should have been no necessity for this defeated resolution. It would never have been thought of if Members of the House and Senate had carried out their obligations to the District.

Although it has been known for months that the District would have to raise additional revenue or cut its expenditures, no action was taken for several weeks to prepare a tax bill. Finally it was passed by the House and has now been caught behind the lock the Court bill debate has created in the other body, estopping the free flow of all other legislation.

The defeated resolution became the only method by which the District could carry on its normal functions and pay its employees for essential services.

Now that the borrowing resolution has been defeated, what will the 10,000 District employees do until some legislation is passed and the revenues are collected? Does it mean the issuance of scrip? Would Congress vote authority to the District Commissioners to issue scrip while real-estate taxes are being increased and collected?

It is my understanding that the "borrowing resolution" again will be submitted by the District Committee next Monday in an effort to solve this grave situation, which has resulted from the failure of Congress to properly legislate for the National Capital. I appeal to Members of Congress to pass this resolution.

The War of Roses

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 20, 1937

ARTICLE BY H. CARLYLE LOWRY, OF MARYVILLE, TENN.

Mr. TABER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I am pleased to print an article on the question of Court packing, which is of great interest today:

In Tennessee, a few years ago, there was a political contest known as the War of Roses. It was a bitter campaign between the "wets" and "drys." The "wets", who wore red roses, were led by Patterson—the greatly admired Ham Patterson. The "drys" wore a white rose and had as their leader the peerless Carmack—Edward W. Carmack.

Patterson, gifted in oratory and persuasive of manner, stood 6 feet 1, and weighed 180 pounds, with graying hair, and a personality few men could rival. Carmack, a red-headed fighter, was a scholar and a distinguished statesman who had carved his name in rank with Webster and Clay in the Senate of the United States; which fact is of record. Both had enviable records as public servants, and they were fellow Democrats.

Patterson, the "wet", won over Carmack, the "dry", in a dry State; and thus at once became the popular idol. Anticipating the predilection of the then State supreme court toward local option, the new leader demanded a "packed" court by authority of his mandate from the people. All went well for a while. But when the time rolled around for the next general election, the popular idol with a successful administration back of him sought to pack the State supreme court. He did succeed in placing his hand-picked candidates' names on the Democratic ballot as the party nominees, but the friends of the incumbent judges organized a coalition with the Republicans, who had nominated an unknown lawyer as their candidate for Governor. The Democratic leaders were quick to sense the inevitable. Ham Patterson, the public idol, was forced to withdraw, though regularly nominated, as the Democratic Party's candidate for Governor; and the nationally known and beloved silvery tongued orator, Robert L. Taylor, was drafted to rush home to save the Democratic Party.

The issue by then was no longer "wet or dry." It was "a free and untrammeled judiciary." The end result was a victory for the people, and the Republicans elected their first Governor in over 40 years by an overwhelming majority. What happened in that State election will happen in the next national election—if the same issue is contested.

Again in retrospect: In October 1929 the people of this great Republic were shocked to learn that every structure of their Government was shaken to its base foundation. Awakening from a dilemma, they were panicky, and finally opened their eyes to learn that the country was confronted with a crisis. They, too, chose a new leader—a leader who had shown the forensic skill of a Caesar, the genius of an Edison, the nerve of a Hitler, the courage of a Mussolini, the faith of an Eddy, and the intestinal fortitude of a polar bear—Franklin Delano Roosevelt.

A new deal was declared against the old order of things. An emergency was said to exist. Experiments were planned. And all went well for a while. With billions to spend, the new leader became a worshipful hero, and the people thinking they had won again, triumphantly acclaimed him their leader for the second term.

But, my friends, there are some among us who are alarmed. They fear that the Nation faces a new and unexpected crisis. They wonder if some "new instruments of power" might not "mandate" a "master" for freeborn Americans and lest such "would" be a "rendezvous with fate."

There is no doubt that an elixir of venomous poison is being distributed throughout the Nation. It is packed in a regulation ampule by alien-minded professors and distributed with a doctor's degree to the yearling proteges of the "brain trust" along with a needle and syringe—made ready for an intravenous injection of the synthetic doctrines of Karl Marx. Specifically their objective is to appeal to class hatred and through labor racketeers gain the popular vote; to reorganize the Government and pack the Court by subversion; then with a subservient Congress they can regiment and regulate everything in their "master-minded", "God like" way, until Americans are of two classes—the intelligentsia and the proletariat. A new individualism?

Is the President a partisan? No; but he might be a victim.

The answer, my fellow citizens, is the echo of our founding fathers, who decreed:

First. A Congress above intimidation, free to deliberate and legislate.

Second. An Executive to enforce all law and make recommendations within the "letter and spirit of the Constitution."

Third. A free and untrammeled judiciary to decree "equal justice under law."

Low-Cost Housing

EXTENSION OF REMARKS
OF
HON. GEORGE D. O'BRIEN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 20, 1937

Mr. O'BRIEN of Michigan. Mr. Speaker, the Housing Division of the Public Works Administration is spending $135,000,000 for 51 low-rent housing projects. Of this sum 45 percent, or about $60,000,000, is a grant by the Federal Government. The balance of $75,000,000 will be returned with interest and maintenance cost by the tenants through rents. This program was designed to stimulate employment in the building trades as well as in a measure to cope with the low-rent housing problem.

Other countries have gone much further in aiding housing for people with low incomes. In England, since 1923, about one and one-fourth million homes were built with government assistance.

According to estimates of our Bureau of Labor Statistics, homes for 491,222 families were built in 257 cities in the United States in the year 1925. In 1934, in these same cities, only 22,063 were built. This means a falling off of 95 percent. There are estimated to be 9,000,000 families living in cities in the United States whose incomes are $1,000 or less a year. The National Association of Housing officials have estimated that by 1945 there will be need for 13,000,000 additional homes.

The Wagner-Steagall bill aims to relieve this housing shortage by putting the credit of the United States to the use of local agencies in granting loans and subsidies for low-cost housing in the local communities. It is proposed to finance the program by authorizing appropriation of $51,000,000 from the Treasury of the United States and by a $1,000,000,000 bond issue. The United States Housing Authority is created with its capital stock of $1,000,000 owned entirely by the United States Government.

In Michigan the necessary legislation has been passed so that local agencies in Detroit can cooperate with such United States Housing Authority in relieving this great public need for homes. In the city of Detroit the problem is acute. Other large cities are similarly situated. Lack of suitable homes breeds manifold social evils in any community. The large cities of the United States are right now confronted with a grave and alarming emergency. It is a problem which is properly governmental. Private capital will not go into this field. The program is constitutional. Congress has the power to authorize public moneys or credit for the general welfare or for a public use. The status of housing in the large cities of the United States makes it not only a public use but a public emergency. Let us pass this legislation before adjournment of this session of Congress.

Senator Louis Murphy

MEMORIAL ADDRESS
OF
HON. OTHA D. WEARIN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from Iowa

Mr. WEARIN. Mr. Speaker and Members of the House, soon after the close of the last session of the Seventy-fourth Congress Iowa and the Nation had the misfortune to lose Senator LOUIS MURPHY, of Dubuque. He had served in the United States Senate since 1932, and during that brief period had earned for himself an enviable position among

his colleagues and a worthy reputation in the Nation's Capital. During the 4 years that it was his privilege to serve this country in the capacity of a Member of the Senate he rose to a position of power and influence on the important Committee on Agriculture, where his influence for the good of American farmers was being felt throughout the Nation until his untimely passing. If he had been permitted to continue his services he would undoubtedly have been a powerful factor in the administration's farm program at the present time as well as in 1940.

It was my privilege to become personally acquainted with LOUIS MURPHY during the course of the 1932 campaign and afterward in our services together in the Nation's Capital. At the close of the second session of the Seventy-third Congress I had occasion by virtue of certain official activities in which we were both interested to become more closely associated with him than ever before, and during that time I saw in that great Democrat a clear-thinking individual with a full sense of responsibility to the Democratic cause and an abiding faith in the appropriateness of the recovery program launched in March of 1933.

It seemed particularly unfortunate that Senator MURPHY should be called when he could have been a tremendous asset to his home and loved ones as well as to public affairs. A charming wife and four promising young children have been left behind, but fortunately they are courageous and will carry on the tradition of a good name just as he carried on the tradition of his own father's achievements.

It is not often that men are selected from among their associates to represent a great State such as Iowa in the United States Senate. The honor once conferred can never be taken away, and it lends a profound distinction to the names of any of those who succeed to the traditions that belonged to the bearer. The Democratic Party has not often been in the ascendency in the State which LOUIS MURPHY represented in the Senate, therefore the distinction that came as a result of his nomination and election was all the more unique. His victory in a field of numerous candidates in the primary of 1932 indicated his willingness to advance under the banner of a clear-cut issue and to take the consequences.

Even though his associates were stunned by his sudden departure, we know that LOUIS MURPHY was fortunate in having lived a full life and achieved a worthy degree of success. Iowa and the Nation are happy to have had LOUIS MURPHY and sorry we could not have kept him longer.

Pan-American Broadcasting Station

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 21, 1937

RADIO ADDRESS OF HON. EMANUEL CELLER, OF NEW YORK, ON HIS BILL PROVIDING FOR A FEDERALLY CONTROLLED PAN-AMERICAN BROADCASTING STATION, ON JULY 20, 1937

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me on July 20, 1937, over station WOL, Washington, D. C., and Intercity System, at 8:45 to 9 p. m., eastern standard time:

I have a bill pending in Congress, authorizing the Navy Department to construct and maintain a Government radio broadcasting station, to be called the pan-American radio station. This station is to have power and equipment sufficient to enable it to transmit programs to all parts of the world, particularly to all countries in the Western Hemisphere. The programs will be sent with sufficient signal strength to permit them to be rebroadcast by stations in all countries of the Pan American Union.

My bill instructs the United States Commissioner of Education to provide programs of international interest. The bill calls for an appropriation of $750,000 for the construction of this radio station, and, in addition thereto, an annual appropriation of $100,000 for operation and maintenance.

The measure under discussion has had the approval and encouragement of responsible officials of the Department of the Interior, Department of Agriculture, Federal Communications Commission, National Committee on Education by Radio, and the Pan American Union. President Roosevelt, Secretary of State Hull, and Secretary of the Navy Swanson have heretofore informally indicated their approval of the general purpose of a pan-American radio station under United States Government control. Within the past month a favorable report on my bill has been submitted by Secretary of State Hull to the President.

The idea of such a station grows out of the radio resolution adopted in January 1932, at Montevideo, by the Seventh International Conference of the North, Central, and South American countries forming the 21 sister republics of the Pan American Union.

Each American nation participating at the conference agreed to set up short-wave broadcasting stations and to broadcast such programs as to cement bonds of friendship and cultural understanding between the people of the 21 countries of the Pan American Union.

The radio spectrum by international comity has been divided into a definite number of bands of frequencies. Within each frequency band only a certain number of short-wave broadcasting stations can function. In all the world there are no more unassigned or "empty" channels for new short-wave broadcasting stations except one; that is the channel preempted at the Montevideo conference for exclusive use of Pan American republics.

President Roosevelt, in pursuance of such preemption, and in accord with our sister nations, issued Executive Order No. 6472, dated December 2, 1933, making available for the United States Government the following frequencies: 6120 kilocycles, 9550 kilocycles, 11730 kilocycles, 15130 kilocycles, and 2150 kilocycles.

Under this Executive order a station was to be set up in Washington, D. C., under the joint control and auspices of the State Department and Navy Department. The station was never built. Misguided persons threw many obstacles across the path of this much-needed reform. They feared this would be the entering wedge into governmental control of radio in general. Their fear was and is ridiculous.

They should cease their opposition. Otherwise they will get their fingers burned. Because of their pressure against carrying out the President's Executive order I have introduced my bill. Its opponents should understand that I specifically provide therein for cooperation of private stations in the maintenance and operation of the pan-American broadcasting station.

I am a firm believer in private initiative. I do not want to slam the door in the face of the efficiency, enterprise, and resourcefulness of private ownership. Our radio system, despite certain besetting evils of commercialism, is still the greatest in the world, thanks to private control. But one pan-American short-wave station, set up in pursuance of the treaty, in an unassigned channel on a noncompetitive basis, will not militate in the slightest against private initiative. It will not lead to Government monopoly.

Unfortunately, the National Association of Broadcasters, a distinguished and representative group, has gone on record in opposition to my bill. I believe this is most ill-advised. The broadcasters who oppose the bill are standing in their own light.

I am a sincere friend of private operation and control of radio. Governmental control of radio facilities would destroy freedom of the air; and utter freedom of the air, just as utter freedom of the press and of speech, is essential as a corrective of democracy. I believe in utter freedom in the discussion of governmental problems. For example, we cannot stamp out subversive doctrine until we know what it is. I am, therefore, not averse to having Socialists and Communists use the radio. Whenever we know a poison exists, we can supply the necessary antidote. Voltaire once said: "I do not agree with a word that you say, but I will defend to the death your right to say it." Governmental monopoly and free speech cannot live together.

Setting up a pan-American short-wave broadcasting station, in pursuance of a treaty with the pan-American nations, will not in the slightest strike at the principle of freedom of the air.

Foreign governments, notably Russia, Italy, and Germany, are spending millions of dollars for propaganda purposes under our very noses. Daily and nightly there is poured into this country in the English language all manner and kind of programs extolling the virtues of communism and fascism. At the present time there is no antidote. The vilifiers of our American form of government and those who would breed treason within our ranks are given the uttermost freedom over foreign short-wave stations controlled by supposedly friendly governments.

The facilities to be set up under the provisions of my bill providing for such pan-American station are powerful enough to permit short-wave broadcasting that would reach the nethermost ends of the earth. Every part of Russia, Germany, and Italy could be covered. We would be enabled, if we chose, to fight fire with fire, poison with poison. But, above all, we could set aright the inhabitants of those nations and show them the ways of democracy. We could prevent the billingsgate and bilgewater from being poured into our land daily by our enemies.

There are 2,000,000 short-wave receiving sets in this country, and the number is mounting daily by leaps and bounds. Such increasing short-wave receptivity might well command a Federal station.

Such a Federal-controlled station could be used also (1) to create good will between this and other nations, (2) to eradicate international misunderstandings, and (3) to develop two-way trade between the United States and other nations by propagandizing for our own products, indicating to foreigners the worthwhileness of our goods and encouraging importations of our goods. In this way we will further the purposes of the administration in increasing foreign trade by supplementing the activities of Secretary of State Hull and the President through the reciprocal-trade treaties.

The types of programs available might well be the following:

For pan-American use:

(1) The concerts given at the Pan American Union at regular intervals, together with other events of inter-American character which are held at the Union, such as pan-American conferences, addresses delivered on the occasion of the observance of Pan-American Day and other similar events.

(2) Important events in which high officials of the Government participate; for instance, the message of the President at the opening session of Congress, and other addresses that may be delivered by the President and by other high officials of the Government.

(3) Programs of music by North American composers as played regularly by the service bands in Washington, the United States Army Band, the Navy Band, and the Marine Band.

(4) Addresses by the President.

(5) Addresses by members of the Cabinet.

(6) Addresses by congressional leaders.

The station's facilities can be used by private broadcasting companies under terms laid down by the United States Commissioner of Education, with the approval of the advisory council (which consists of the Secretary of State, the Director General of the Pan American Union, the Chairman of the Federal Communications Commission, and the United States Commissioner of Education). Such private broadcasting might present programs of the following character:

(1) Outstanding productions of the theater, such as the Metropolitan Opera Co., the Chicago Civic Opera, programs by P. W. A. theater project, and Federal music project.

(2) Concerts by some of the great musical organizations of the United States; for example, the New York Philharmonic, the Boston Symphony, and the Philadelphia Orchestra.

(3) National events:

(a) Opening of Congress and other important sessions.

(b) Fourth of July ceremonies.

(c) Ceremonies at Arlington.

(d) Account of Army inspections and drills.

(e) Account of Navy inspections and maneuvers.

(f) Graduation ceremonies at Naval Academy at Annapolis and Military Academy at West Point.

(g) Dedications.

(h) Conferences—national and international.

(i) National athletic events.

(4) For national service:

(a) Aims, functions, and policies of government; current governmental activities; Congress; officials in action; the new arms of government; debates and discussions about current governmental problems; interpretation and obeyance of laws.

(b) Economics and government, health and social welfare, education and culture, recreation, history of the country and its institutions, patriotism, national resources, industrial development, labor.

(c) Home economics, farm and home periods, crop reports, road conditions, weather reports, storm warnings, public and national parks, law enforcement, safety of life, fire prevention, preservation of forests.

(d) The rationalization of public life by the development of a new type of statesman and a new type of voter.

(5) For education: The material under this heading applies to both pan-American and national broadcasts.

Under a rather large scope, this would include vocational guidance, literature, music, arts, drama, geography, history, civics, nature study, languages (Spanish and English reciprocal lectures).

Proper use of radio will affect the process and scope of education with results quite as revolutionary as followed the invention of the printing press.

Of course, in addition to such suggestive programs, such private broadcasters could use much of their usual talent.

Every Nation in the world has a broadcasting station except the United States. We certainly should not be the exception. We should be permitted to defend ourselves over the air against foreign and unfair attacks. We must scotch the bold, snide, and contemptible attacks made by the Fascist and Communist governments against our own form of government. We must stop their proselyting. To them national boundaries mean nothing. We shall demand that they respect our sovereignty. This type of counterpropaganda is quite beyond the province of any private broadcasting station. It is for such reason that the Government must step in. This is purely a governmental function. In a measure, our very sovereignty is at stake. Political enemies from without seek to strike at our independence—seek to influence our populace against our own democratic form of government. Certainly here is a matter of such transcendental importance as to require Government intervention.

You will note that an opportunity is given, under well-defined conditions, for private companies to use the facilities of the pan-American station. Despite opposition, I inserted such provision in my bill. I anticipated objections from the broadcasting companies. It was for that reason that under my bill I gave the United States Commissioner of Education, with the approval of an advisory council in his discretion, the right to allow privately owned commercial radio companies to use, without charge, the facilities of such pan-American station during such times and periods and under such terms and conditions as to the said Commissioner, with the approval of said council, may seem just and proper.

I repeat, I hold no brief for Government operation of radio stations. These stations should remain in private hands. In general, private broadcasting companies have rendered yeoman service and, in the main, have earnestly cooperated for the good of the Nation. For example, the Columbia network allows the Bureau of Education of the Department of the Interior to broadcast on Monday evenings a program called "Let Freedom Ring." This is a history of the fight for civil liberties. For dramatic entertainment it has no equal on the air. The Department of Agriculture, under the auspices of the National Broadcasting Co., presents daily a farm and home hour. "Millions would rather go without lunch than miss the varied attractions of this broadcast." The National Broadcasting Co. as well as the Columbia are to be congratulated for their cooperation with the Government departments in this regard. Other systems, notably the Mutual, Intercity, and others, likewise are rendering splendid services to the Nation.

I repeat, my bill is utterly foreign to any design to hurt private broadcasting.

Final favorable action on my measure of our Naval Affairs Committee, to which it has been referred, awaits the signal from the President. This should be forthcoming shortly.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

ADDRESS BY HON. WALTER F. GEORGE, OF GEORGIA, JULY 19, 1937

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an important radio address delivered by the distinguished senior Senator from Georgia [Mr. GEORGE] on Monday night, July 19, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The original bill for the remaking of the Federal judiciary was introduced into the Senate, February 1937. After full hearings before the Senate committee, during which many of the most eminent jurists, ministers, professional men, and laymen were called to testify, the bill was adversely reported. Seven Democrats and three members of the minority party joined in this adverse report. Seven Democrats and one member of the minority party favored the bill and did not sign the report. The report of the committee stands alone, unanswered by any minority report. Whatever criticism may be leveled against the temper of the report of the committee, the simple truth remains that the statement of fact and argument marshalled in the report are unanswered, so far as the Senate Judiciary Committee is concerned, and the country has rightly concluded that the facts stated and arguments advanced are unanswerable.

On July 6, 1937, there was introduced into the Senate the Logan-Hatch substitute. Upon that substitute, so-called, debate in the Senate is now in progress. Notwithstanding the positive statement, made upon the considered judgment of the distinguished chairman of the House Judiciary Committee as late as the 13th day of the present month, that the bill could not receive favorable consideration by the House committee and should be laid aside; notwithstanding the judgment of informed men and women throughout the country that the bill and the so-called substitute, or, indeed, any substitute which carries with it the vital infirmities and obvious threats so clearly pointed out in the hearing before the Senate Judiciary Committee and the press of the country, should now be withdrawn, the proponents of the bill in the Senate announce their purpose to carry the fight to the bitter end.

If, at any time, a defense of the original or substitute bill might have been made, certainly that time has passed. Since the introduction of the original bill, the Congress has authorized the retirement of Justices of the Supreme Court and a Justice of that Court has retired. His place has not been filled. Also, the Supreme Court has sustained the Social Security Act and has upheld the Labor Relations Act. These decisions and the legal and constitutional principles upon which they are predicated demonstrate beyond the peradventure of doubt the futility and use-

lessness of further consideration of the bill now before the Senate. Nevertheless, since we are warned that the fight must go on to the bitter end regardless of consequence, we must assume that the consequence to the solidarity of the party in power and to the country has been subjected to that same scrutinizing care which preceded the sudden springing of the original bill upon the American people.

A brief analysis of the important provisions of the substitute now before the Senate is necessary. It provides for the reorganization of the Supreme Court. The size of the Supreme Court shall be fixed at nine. As introduced, the substitute gave the power to the President, in his discretion, to increase the number of Justices of the Supreme Court by the appointment of new Justices at the rate of one each calendar year for every Justice who has reached the age of 75 and failed to resign or retire. After the appointment of such additional Justices, no vacancy caused by the death, resignation, or retirement of a Justice except the Chief Justice, who has reached the age of 75, shall be filled unless the filling of such vacancy is necessary to maintain at not less than nine the number of Justices who have not reached the age of 75 years. It will be noted that the retirement age in the substitute bill has been raised from 70 to 75 years. Counting the vacancy already existing in the Court, the substitute will give the President power to appoint three additional Justices by January 2 next. He may fill the existing vacancy. He may immediately appoint an additional Justice. After January 1, when a new calendar year begins, he may make a second additional appointment.

During the first day of the debate in the Senate, the proponents of the bill were forced to announce that the discretionary, permissive power of the President to make additional appointments to the Court would be made mandatory. As the bill actually stands, the President may accumulate appointments. He may in effect say to a Justice who has reached the age of 75, "As long as your decisions are satisfactory no additional Justice will be named to sit by your side." Under the substitute, the permanent size of the Court will vary in any event, depending upon the number of unretired Justices over 75.

Like the original bill, the substitute provides for the appointment of additional judges in the lower Federal courts to replace or supplement those having reached the age of 70 years, but a limit of 20 instead of 50 is imposed as the aggregate number of additional judges who may be appointed.

The substitute, in the language of the original bill, provides for designation and assignment of judges to courts other than those in which they hold their commission, both district and circuit. The assignment is to be made by the Chief Justice of the Supreme Court alone.

The new bill introduces a new subject, to wit: The right of intervention by the United States in suits in which the United States is not a party in cases where the constitutionality of a statute is questioned. There are other minor provisions of the bill, of more or less importance, relating to the appointment of a court proctor and providing for the appropriation of sums of money necessary to carry out the provisions of the act without specific limitation, which may not be discussed in the brief time assigned.

In reality the proposed substitute is the old bill in principle and consequence. The President is given the power to add Justices to the Supreme Court and judges to the lower courts. "Congested dockets and aged judges" are out of the picture. In view of the whole history of the bill, and in the light of the arguments adduced, especially the admissions made by the proponents of the measure, the purpose of adding Justices to the Supreme Court and judges to the lower courts is to affect, if not to control, judicial decisions and determination. The Constitution, they declare, is what the Justices say it is. Therefore the Constitution must be interpreted, it must be construed, in a manner satisfactory to the Congress and to the Executive. Democrats are warned that they cannot look beyond the present Democratic administration. The Congress must give the power at once to the Executive to add Justices to the Supreme Court and judges to the lower courts. If Democrats raise the question that the next administration may be Republican, Socialist, Communist, or a peculiar combination of two or more political breeds; and if this next administration chooses to follow the easy precedent which we are now called upon to make, and to make at once, we may not inquire into the consequences to the country, the liberties of the individual, or the rights of minorities. We are warned that to oppose this measure is to oppose the President, and, in view of some of the able exponents of this doctrine strange to America, to oppose this measure is to destroy the President. Indeed, some of our distinguished friends on the other side look beyond our own declarations of purpose into our motives, into the hidden recesses of our hearts, and declare that we are endeavoring to destroy the Democratic Party. Let that argument pass. It is sufficient to say that while we stand in the Senate and in the country as Democrats, many of us, we nevertheless recognize the issue as above party lines; and, if we may be pardoned, we humbly believe we represent Americanism in our opposition to this bill.

The substitute, like the old bill, intends to create a Supreme Court that will approve and validate the will and legislative program of the party temporarily in power. If the party in power may create its own Court to approve its own program and policies, however wise and right, stability in Government is threatened. The Constitution is the basis of stable Government, and the Constitution cannot long survive without the aid of an independent, uncontrolled Court.

This bill does not touch the question of divided decisions, so prominently advanced in February. It does nothing to prevent 5-to-4 opinions. It is still a bill to centralize power in the Federal Government, not through proper amendment to the Constitution upon which the people have the right to vote. It is still a bill to wipe out State lines. It is still a plan which would impair the independence of the Court and destroy the system of checks and balances essential to the preservation of the rights of individuals, minorities, and local governments—in short, the liberties of the citizen. It is still a plan for the rapid and complete concentration of political power in a central government—absolutism, which was hateful to the men who fought the Revolution to establish American liberty upon impregnable foundations.

Madison, who, from the tent of Washington, forecast the Constitution, reminded us that—

"No free government or the blessings of liberty can be preserved to any people but by * * * frequent recurrence to fundamental principles."

All the machinery of our system of government was adapted and used to one end—to safeguard the liberty of the individual as a responsible moral being. Progress and reform, yes; but if we remain American we must avoid, at all costs, personal government. If the liberty of the citizen and the local government must give way to the common weal, the restrictions of individual and local freedom must remain a part of our organic law, safeguarded by an independent judiciary.

With power in the Congress under the Constitution to protect the rights of labor, to provide against the vicissitudes and misfortunes of dependent old age, to collect taxes and appropriate money for the general welfare to the full limits of Alexander Hamilton's doctrine, to preserve our soil and restore the purchasing power of the farmer in our economic life, none of which powers can now be denied, why go back to the theory and philosophy of absolutism? Why embrace those doctrines that naturally and unavoidably assert that the liberty of the individual is derivative from government; that men, after all, are not of right free and capable of self-government, but in all their undertakings must be regulated and controlled? Why change the political base of our whole western civilization?

Let us briefly examine the provisions of the substitute plan for the reorganization of the lower Federal courts: What philosophy, what purpose, is here disclosed?

Under this plan, the Chief Justice alone may transfer a Vermont district judge to Georgia to preside over the trial of a Georgia citizen. He may transfer circuit court judges from one circuit to another across the continent, without consultation or advice of the judges familiar with the habits and practices of their people. The safeguards of our present practice and procedure are abandoned. To what end? The concentration of judicial power; the administration of the law of the land in the Chief Justice is made possible by this plan. It is carpetbaggery raised to the nth power; it is carpetbaggery glorified. Couple this power in the Government at Washington with the power now existing to choose jurisdiction in the trial of every citizen charged with offenses overlapping State bounds and conspiracies generally and centralization of judicial power is immeasurably advanced. The philosophy underlying this so-called reform is hostile to philosophy of the right of the citizen as guaranteed in the Bill of Rights—his right to trial by an impartial court.

The power of the Attorney General on behalf of the United States to intervene in any cause between private citizens when the constitutionality of a statute is involved may, on its face, seem proper enough, but it can easily revive in practice the power asserted by James I when, through his attorney general, Francis Bacon, he sent word to the judges that he did not wish them to proceed further with the celebrated case of the commendams until he had conferred with them on the subject. It may be granted that an American Attorney General would not dare delay private litigation between private citizens arbitrarily or for oppressive or improper purposes; but to end this very abuse the indomitable Coke offered his judicial life a little more than three centuries ago in the land from which we have drawn the body of our common law.

This is no fight on the President. The men engaged in it are moved by no such unworthy purpose. They know that the responsibility for this thing is not with the President but the Congress. There it rests. The people have not given the Executive power to increase or decrease the Justices of the Supreme Court for any purpose. His power is to recommend. His limited power to appoint is subject to the control of the Senate.

The framers of the Constitution plainly intended that Congress should have the power to add new Justices and judges to the courts when, and only when, the business of the country demanded it. The framers of the Constitution plainly intended that the Congress and the Executive should observe that separation of powers created in the Constitution. Congress can never, without abusing the trust imposed upon it by the people, interfere with the normal, orderly discharge of the judicial functions of the Court. No abuse, real or fancied, by the Court of powers imposed upon it by the people can justify or excuse the abuse of power by the Congress. Usurpation by the Court of legislative power can never in any time or place justify the usurpation by the Congress of power plainly imposed by the people upon the Court.

Those who oppose this bill know how to save our Government. The way is plain. We rest in the confidence that the fires through which we pass will "light our way to honor or dishonor to the latest generation."

Convention of Young Democratic Clubs of Missouri

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

ADDRESS BY GOVERNOR TINGLEY, OF NEW MEXICO, TO YOUNG DEMOCRATIC CLUBS, EXCELSIOR SPRINGS, JULY 17, 1937

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Hon. Clyde Tingley, Governor of New Mexico, some days ago, before a convention of the Young Democratic Clubs of Missouri.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am very happy at this opportunity to journey from my own State of New Mexico to address this convention of young Democrats of the great State of Missouri. New Mexico, while almost twice as large in area as Missouri, has only one-tenth the population. Only one-twentieth as densely populated as Missouri, the economic, social, and governmental problems of my State vary greatly from yours.

But we produce the same breed of Democrats.

We were proud, as you were, at the record of accomplishment made by our great President, Franklin D. Roosevelt, during his first term. We worked loyally, as did you, for his reelection. We are pledged, as are you, to lend him our unyielding support to help him finish during his last term the job he started in March 1933, and which is not yet finished.

We need not recall the dark and fearsome days through which we lived in 1930, 1931, and 1932; the discouragement in our hearts during the early weeks of 1933. It is yet too fresh in our minds to have been forgotten. Nor will we ever forget the dawn of the new day marked by the inauguration of Franklin D. Roosevelt on March 4, 1933; his prompt and courageous action in closing the banks of the Nation, and the continuous and steady path of improvement along which he has led us since that day. Under his leadership we have traveled far, but we have a long road yet to travel to complete the job that has little more than begun.

It is not my intention to undervalue in the slightest degree the achievements of the National Government during the past 4 years, but, when all is said and done, we must admit that we have proved little more as a nation than that we are willing in time of need to hand out alms to a starving people to provide them with the bare necessities of life.

That is not enough!

What our people were and are entitled to is not merely the right to continue to live, but the opportunity for a newer and better life.

The Democratic Party, under the leadership of Franklin D. Roosevelt, supplied the former during the past 4 years. It must go on and supply the latter during the next 4.

The direct- and work-relief programs lent temporary relief to millions; helped to stimulate industry and aided in recovery. We supplied easier credit to farmers, started various programs in the field of housing; guaranteed deposits in national banks; attempted to provide some measure of economic equality for the farmer through the A. A. A.; tried to aid both labor and industry through the N. R. A. and the Guffey Coal Act; showed some national consciousness of the need to protect our national resources, check soil erosion, retire our submarginal lands from private use. But a careful study will readily convince you that when the wreckage of acts declared unconstitutional by the Federal Supreme Court is removed, that the remains consist mainly of acts of an emergency nature.

We were thankful for the temporary relief, but now we demand the permanent cure.

It is my firm conviction that no President could have accomplished more in the economic crisis through which we have passed than did President Roosevelt. History, in my opinion, will record him as one of our greatest Presidents. His record was sufficient at least that he was reelected by the largest majority ever given to any candidate for the Presidency—a majority induced not merely through gratitude for his past acts but showing the approval of the people to the reform measures of his administration and their faith that the task he had started would be completed. To argue otherwise is to ignore the facts.

What is needed, what the people want, and what they have a right to expect is courageous, intelligent legislation that will prevent the recurrence of an economic crisis of the kind through which we have passed.

I do not pretend to be a sage who can point the way to the promised land but I do know that Franklin D. Roosevelt has successfully led us along the road to recovery for over 4 years; that the Democratic national platform promised legislation to help us farther along the road; that the President has recommended to Congress legislation toward that end; and, come what may, I intend to continue to support the President.

I do know that labor will not be secure until it has gained the full power of the right of collective bargaining; that agriculture will be an unsafe pursuit until the economic inequalities under which it has struggled are removed, until the farmer is protected against the hazards of nature by prevention of erosion of his land and insurance of his crops; that these and other needed reforms cannot be attained until all branches of our National Government, including the Supreme Court, are working harmoniously and in cooperation for the general welfare.

It was toward such a program that President Roosevelt struggled during his first term. He was thwarted in his efforts by the Supreme Court when it declared the N. R. A., the A. A. A., the Guffey Coal Act, and other important legislation unconstitutional. The President returned to office for a second term realizing his goal could not be reached with a Supreme Court that had a majority membership of Judges with false philosophies that were the products of long years of practice for the large corporate interests prior to their appointment to the Bench. Accordingly he proposed to Congress a Court reform bill that would enlarge the membership of the Supreme Court, permit the appointment of additional Judges equally honest, equally patriotic, equally learned in the law, but with different philosophies of law, of government, and, therefore, of constitutional interpretation.

And what has been the result?

That a group of Senators who owe their loyalty to the President, to the Democratic Party, and, therefore, to the common people of America, have joined forces with the Republican Members of the Senate and are lending aid and comfort to the enemy to prevent the President and the Democratic Party from carrying out the permanent program advocated by the President and promised in our national platform. Elected on a wave of social reform, they have turned reactionary. They were trusted by the people and are betraying the trust.

Charges are being uttered each day on the floor of the United States Senate by Democratic Senators that remind one of like charges shouted from every platform, over the radio, and in the newspapers during the campaign last year. Only then the charges were being made by Republicans and their allies—the so-called Jeffersonian Democrats. Today similar charges are being made by the less influential Democratic Senators who just a few short months ago were very noisy in their declarations of ardent support to the President, who boasted to their constituents of their complete loyalty to him and to their party, and many of whom slid back into office as a result and because of the President's prestige. Aping the "wonderful" leadership of Republican National Chairman John D. M. Hamilton and Alfred M. Landon in the last campaign, they are charging daily that the proposal to reform the Supreme Court is the first step toward dictatorship, and hence inferring that Franklin D. Roosevelt is trying to become a dictator. Their argument is of the same type of silly drivel that the Republican high command indulged in last fall when it charged that the Democratic Party was destroying democracy, become socialistic, communistic, or something else un-American, and attempting to set up a dictatorship. The voters ignored such tripe and accepted the Roosevelt program for what it was—an effort to save democracy by making it work.

We were not misled then and we will not be fooled now.

As Democrats, and, more important, as loyal, patriotic Americans we will never stand for dictatorship in this country.

We have never been threatened with dictatorship and if we should be threatened we will resist it with our last ounce of strength. We most deeply resent dictatorship in any form in the judicial branch of our Government, in the one branch that is nonelective, the farthest removed from and the least accountable to the people. And I assert that the power, not expressly conferred in the Constitution upon the Supreme Court, but taken over by the Supreme Court, to declare acts of Congress unconstitutional, and which the framers of the Constitution never intended it to have, has resulted in a virtual dictatorship in the Court over certain important social and economic problems; and that the Court in using such power has ignored the general welfare. No; we do not want dictatorship and we should join hands now with Franklin D. Roosevelt on the substitute bill now before the Senate to resist it in the only place where it exists.

If the words I have used seem bitter I have not meant them to be. My desire has been no more than to present earnestly to you the need of our party to keep faith with the voters who returned us to office by completing the job we started out to do. That can only be done by putting into law reforms of a permanent nature, designed to eliminate the causes of depression and to prevent a similar recurrence in the future. The goal cannot be reached without action of all three departments of our Government, and such cooperation cannot be relied upon from the Supreme Court under the present set-up.

I am not unmindful of the fact that the Court has executed an about-face since the election last November and has upheld New Deal legislation it has had to pass on since that time.

It is a paradox that the nonelective, supposedly nonpolitical Supreme Court (based on a majority) should keep its ear to the ground, heed the election returns, change its philosophy of constitutional interpretation, and hold acts constitutional that before the election it had been hell-bent on declaring unconstitutional, while at the same time some of the Members of the elective legislative branch of our Government, supposedly political-minded, are either so forgetful or so unmindful that an election took place. The about-face of the Supreme Court is not a reason why the Supreme Court reform bill should be abandoned. On the contrary, it is the strongest argument in support of the reform. It clearly shows the inexactness of constitutional interpretation and that the general welfare of the people has been dependent on the vagaries and fluctuations of a few judicial minds.

In spite of what I have said, the banner of democracy has been carried far forward during the last 4 years. The progress will continue if you and I and other progressive Democrats continue our support of the President.

We cannot expect to reach our ultimate goal overnight. Progress toward more liberal government is always slow. Every step on the way always has been and always will be strongly resisted by the forces of reaction. Thomas Jefferson, Andrew Jackson, and Woodrow Wilson were opposed by the same forces that are fighting Franklin D. Roosevelt today.

The economic royalists of their time were equally unwilling to give ground or make way for popular reforms. Entrenched greed hung on then as it does now. The common people unaided have never made progress against it.

The advance has only come at periods, under the leadership of outstanding humanitarians like Thomas Jefferson and Franklin D. Roosevelt. And while we are fortunate enough to have such a leader we should make all the headway that we can.

As to the final outcome, the burden rests with you. In general, youth is more progressive, more liberal, and more forward-looking than those of my generation. Your minds are fresh and your lives and careers are before you, while the people of my generation have become more set in their views, are more apt to look backward and prone to talk of the past.

This is one of the main reasons the young Democratic organizations have been so invaluable in the success of the party and will continue to be so. You infuse new blood, newer and more progressive ideas into the party organization and are ever watchful that the party goes forward instead of backward. The future greatness and success of the Democratic Party rests largely with you, and the responsibility is a big one. It will not be too big if you will remember one thing and make it your watchword—that a political party has one justification for its existence, service to the people.

If I have been more serious than I should have been, I ask your forgiveness. It is not my usual role. But I feel serious about the situation that confronts us today. I consider the 4 years ahead of us at least as important as any like period in our history. We may not suffer as much as we have in the last 4, but during this time we will answer the question of whether we have had the intelligence to learn anything from the economic storms we have weathered and if we are competent as a party and as a Nation to provide a government that will furnish security for our people in the future.

I consider this one of the happiest occasions of my life. You have been very good to me. I have enjoyed every minute of my stay, and I wish you Godspeed.

Destroying the President

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

EDITORIAL FROM NEW BEDFORD STANDARD-TIMES, JULY 9, 1937

Mr. LODGE. Mr. President, I ask permission to have printed in the RECORD an editorial, entitled, "Destroying the President", which was published in the Standard-Times of New Bedford, Mass., July 9, 1937.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Standard-Times, New Bedford, Mass., July 9, 1937]

DESTROYING THE PRESIDENT

We doubt that the stalwart Democrats who have been assigned to carry the spear for the President in his fight to pack the Supreme Court will make any headway with their cry that the opponents of this plan are trying to "destroy Roosevelt." These opponents, whether Democrats or Republicans, not only have no desire to destroy the President but are in many instances in sympathy with much of the New Deal and have voted for most of the measures in which the President has sought to embody it. What they are trying to do, without regard to party, is to prevent the President from destroying the Supreme Court and the Constitution.

The substitute Court bill is no better than the original. It aims, as did the original, at changing the personnel of the Supreme Court, because the President and some of his followers do not like some of its past decisions. Through a bill which will permit placing on the bench "new blood", men of their own choosing, they seek to insure future decisions, regardless of the Constitution, in accordance with their desires. This is control of the judiciary by the Executive or the Legislature or both, forbidden by the letter of the Constitution, and repugnant to every instinct and purpose of the founders of the Republic. It matters not that the reform is to take place "more gradually" under the substitute proposal. The principle involved in it, the precedent it would establish, are equally pernicious and revolutionary.

All such plans ignore the constitutional way of changing the Constitution—by amendment, frankly proposed and publicized, with the people making the final decision as the Constitution provides. By what strange cynicism do the President and his supporters seek to override the constitutional provisions designed to meet just such situations! "It must be done—now", proclaims the President, disavowing at once his faith in the people and respect for the fundamental law. Such flagrant fanaticism is hard to understand.

No; the opponents of the Court plan are not trying to destroy the President. Many of them believe in his aims and purposes in the main and hope that both he and the Constitution can be saved. But in a choice between saving the Constitution and saving the President, the Constitution must be given precedence over the President by every loyal American, regardless of party.

Irrigation Project Crops

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

STATEMENT BY INTERIOR DEPARTMENT SHOWING VALUE AND AMOUNT OF CROPS ON IRRIGATION PROJECTS

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement issued by the Interior Department showing the amount and value of crops under various irrigation projects in 1936 compared to other years. It contains a table which I think is of value.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

One of the best crop years in their history was enjoyed in 1936 by the Federal reclamation projects, and prospects at the beginning of the irrigation season this year indicated that 1937 is likely to be another banner year.

Crop returns last year were up $30,000,000 from 1935, John C. Page, Reclamation Commissioner, reported today to Secretary of Interior Harold L. Ickes, and the total value of the crops from the lands served by Federal irrigation canals was $136,502,480. Only in 3 years—1919, 1928, and 1929—has this total been exceeded, with the all-time high being set in 1929 at $161,179,880.

Several of the projects experienced their best year to date last year, and with two exceptions all the 28 operating projects showed increases, generally large, over 1935. All were ahead of other years since 1929.

An ample supply of stored water for the operating projects, with the exception again of two which are in the Great Plains drought area, promises good crops during 1937.

These projects are among the most important agricultural areas in the semiarid and arid States of the far West. They are the oasis which bind together the far-flung livestock industry, founded on the public domain, and the fields which provide the balance for the cultivated agriculture in the dry-farmed sections.

The 1936 productions brought the grand cumulative total value of crops from reclamation projects in the 35 years since they first began operating to $2,311,783,242, more than 10 times the cost of the projects involved. Federal reclamation projects, under the reclamation law enacted in 1902, as later amended, are required to repay the cost of their construction to the United States in 40 years.

The following table gives the crop return values for each operating project in 1936 compared with the 1935 returns:

Comparative statement, value of crops in 1935 and 1936

State and project	1935	1936	Increase
Arizona: Salt River	$22,456,850	$24,157,951	$1,701,101
Arizona-California: Yuma	2,682,461	3,390,289	707,828
California: Orland	341,625	441,689	100,064
Colorado:			
Grand Valley	812,485	1,654,985	842,500
Uncompahgre	1,462,361	1,998,152	535,791
Idaho:			
Boise	6,833,231	8,541,510	1,708,279
Minidoka	23,370,282	31,814,461	8,444,179
Montana:			
Bitter Root	308,769	360,152	51,383
Huntley	702,840	777,889	75,049
Milk River	1,306,085	1,329,235	23,150
Sun River	776,097	777,561	1,464
Montana-North Dakota: Lower Yellowstone	1,550,483	1,600,652	50,169
Nebraska-Wyoming: North Platte	7,527,873	10,577,440	3,049,567
Nevada: Newlands	696,912	977,823	280,911
New Mexico: Carlsbad	831,712	1,148,526	316,814
New Mexico-Texas: Rio Grande	9,258,437	11,574,966	2,316,529
Oregon:			
Umatilla	213,211	238,527	25,316
Vale	136,046	253,829	117,783
Oregon-California: Klamath	3,378,008	5,399,797	2,021,789
Oregon-Idaho: Owyhee	85,268	253,264	167,996
South Dakota: Belle Fourche	1,026,675	978,142	[1] 48,533
Utah:			
Weber River	3,677,382	3,876,329	198,947
Hyrum	158,986	215,827	56,841
Strawberry Valley	1,007,834	999,535	[1] 8,299
Washington:			
Okanogan	599,245	608,516	9,271
Yakima	14,357,095	20,493,931	6,136,836
Wyoming:			
Riverton	188,556	394,928	206,372
Shoshone	1,034,485	1,666,574	632,089
Total, all projects	106,781,294	136,502,480	29,721,186

[1] Decrease.

Blue Shirt Republicans

EXTENSION OF REMARKS
OF
HON. ERNEST W. GIBSON
OF VERMONT
IN THE SENATE OF THE UNITED STATES
Thursday, July 22, 1937

EDITORIAL FROM RUTLAND (VT.) HERALD, MAY 7, 1937

Mr. GIBSON. Mr. President, recently there was inserted in the CONGRESSIONAL RECORD a speech made by Gov. George D. Aiken, of Vermont, at Syracuse, N. Y., in which he dealt with the situation confronting the Republican Party. I have been asked frequently as to the reaction of Vermont Republicans to this speech, and in answer thereto I ask that there may be printed in the RECORD an editorial which was published on May 7, 1937, in the Rutland (Vt.) Herald, one of the leading daily newspapers of the State. The editorial is entitled "Blue Shirt Republicans."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Rutland (Vt.) Herald, May 7, 1937]

The soundest, most progressive, practical Republican talk that has been uttered since last fall was given by Vermont Gov. George D. Aiken at the "victory dinner" in Syracuse, N. Y. The headline part of the speech was caught up by the wires when the Governor declared that it was "high time for the Republican Party to discard the tall hat and get itself a blue shirt", but that was not all; he told in a few plain, homely words what is wrong with the Republican Party.

Governor Aiken says frankly and bluntly that the time has come for the party to be known as the friend of "labor and agriculture, men and women who work for a living, and know what a day's work and a dollar are." He must have shocked some of the elder statesmen of the party when he recommended putting that kind of working folk into the "high seats" of party management, rather than continuing representative of an "official organization of the holding companies and the speculators."

Unless Republicans can convince the voters that their party is the party of the worker, unless they can inspire the confidence of "millions of working people" he believes that "no ten- or fifteen-million-dollar campaign fund is going to do us one bit of good in 1940." On this question Governor Aiken speaks with some authority, for his own campaign fund for the nomination was scrupulously and sternly held down to $1,000—all he could afford to spend—and he refused to let others spend large sums in his behalf.

He expressed confidence in the common sense of the American people, who he predicted would "flock to the new Republican standard" because they "are tired of waste and inefficiency, miserably distressed at the continued encroachments of centralized federalism in fields of local self-government, disgusted at the continued expansion of Federal bureaus, and the multiplication of Federal jobs." But Aiken is no reactionary.

The Governor of Vermont is in favor of a "sanely progressive United States Government which can and will be used for the purpose of cooperation among the States rather than as a means of dominating them." He expressed his belief in the following sane and sensible plan of progressive government:

"They (the workers) want experimentation to stop for a while, to sift the results of what has been done, to keep the percentage that has been found good, and to discard the great bulk that has proved extravagant, inefficient, and un-American."

The Syracuse speech of the titular head of Vermont's Republican State committee is particularly timely when the committee is itself faced with the problem of selecting a temporary head, and the Governor plainly indicates what he thinks the members of the State committee should do, although he naturally did not mention the impasse into which it has been forced by the failure of the "silk shirts" to agree with the "blue shirts"; he did not say specifically that the younger Republicans are beginning to offer themselves for leadership and that some of the older Republicans do not seem ready to let go.

The Governor's speech ought to be read in full by every member of his own State committee. It also furnishes a model plan for reshaping other party committees and their policies. It is a significant and epochal Republican document and "tells the world" why Vermont stands firm on its Republican foundations.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS
OF
HON. HENRY CABOT LODGE, JR.
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Thursday, July 22, 1937

EDITORIAL COMMENT ON HON. ROYAL S. COPELAND'S SPEECH ON REORGANIZATION OF FEDERAL JUDICIARY

Mr. LODGE. Mr. President, recently there appeared in the Boston American an article written by Prof. Robert E. Rogers, of the Massachusetts Institute of Technology, with reference to the senior Senator from New York [Mr. COPELAND] and his speech on the proposal to reorganize the Federal judiciary. I ask that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

My personal opinion is that the best speech yet made on the Supreme Court reform measure was made yesterday by Senator COPELAND, of New York. It dealt with something more than the mere issues of the day, however pressing. It transcended the dilemma whether the President's original Court-packing measure or the spurious, so-called compromise measure should pass. It transcended the peculiar character of this present administration. It went back to the fundamentals of the matter. It was a speech that good Democrats of the party's old tradition—and good Republicans as well—could endorse.

There is no need, by the way, for the Republicans to be doing anything to kill the bill except, perhaps, to stand ready with their votes. The Democrats are doing the job along lines which even the most hard-bitten Republicans can applaud. Senator COPELAND was speaking for both parties, for all except the New Dealers.

PRESENT COURSE DESTROYING PARTY

What marked the speech was its dispassionate, even disinterested appeal by the Senator for the President to back up two things long fundamentally a part of our political system: First, the constitutional limitations on the President's office; and, second, the solidarity of the Democratic Party. It rebuked his obvious determination to read all officeholders who are not primarily New Dealers out of the party which nominated him and gave him his chance.

Of the two that appeal to the President to remember his position seemed to me the most serious and most moving. Inevitably it was mixed with the warning that his present course was destroying the party.

"The President still has it in his power to retain the friendship and respect of good Democrats who are on the way to being grieved in spirit and permanently estranged from him. Let the President drop the Court proposal, leave it to the Congress to formulate legislation and place upon this body equal responsibility with himself in establishing a fiscal policy for the speedy solution of what otherwise may become an impossible problem. The President is not the legislative branch of the Government; it is for us to pass the laws. The President is not the judicial branch of the Government; it is for the judges to pass upon our acts. I beg the President to be the President, the leader of the great majority of our population, but most earnestly I beseech him to meet us half way in our endeavors to be useful public servants."

WORTHY OF TIMES OF OLD DEMOCRATS

Those words, it seems to me, are in the great traditional spirit of constitutional debate. They are worthy of the times of those great Democratic Presidents who today, Senator COPELAND adds, are obviously being relegated to obscurity—Jefferson, Jackson, Cleveland, and Wilson. They are not partisan but American.

The whole speech brought home to all of us those things we have forgotten or ignored. It brought out into the open the accusation of experienced and ripened legislators that so much of the New Deal legislation was prepared hastily by amateurs and was forced down the throats of the Congress on administration "must" orders. "Who wrote the judiciary reform bill?" the Senator asked an authority in administration circles. "The juvenile mentalities", was the reply.

SILENT OPINION BACK OF IT ALL

Meaning, obviously, Professor Frankfurter's bright young lawyers. He reminded the Senate that behind the administration's lash, the Farley patronage pressure, was a great mass of silent opinion preparing to punish with its votes those politicians who are more afraid of the President than the voters. It was a needed reminder.

"Let me warn you members of what was once a united and invincible party that disaster is not far ahead of us. Who is going to pay the debt of $40,000,000,000? Who is going to finance the care of half a dozen million persons now on relief? Who is going to end the increasingly complex war between labor groups on the one hand and between capital and labor on the other? * * * Mr. Roosevelt has it within his power at this very moment to reunite his party and to reestablish the Democratic Party."

That is good politics, good legislative advice, good constitutionalism. It ought to penetrate even the President's self-confidence.

Well, Senator COPELAND has warned him that ruin is not impossible, nor even far distant.

Boy Scout Jamboree

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

ADDRESS BY ATTORNEY GENERAL CUMMINGS AT THE BOY SCOUT NATIONAL JAMBOREE

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the RECORD the address of welcome delivered by Hon. Homer Cummings, Attorney General of the United States, at the opening session of the National Jamboree of the Boy Scouts of America in Washington, June 30, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Mr. Allen, distinguished officials and members of the Boy Scouts of America, the President of the United States has requested me to deliver the following message:

THE WHITE HOUSE,
Washington, June 21, 1937.

FELLOW SCOUTS:

Welcome to Washington.

I had great pleasure last February in inviting you to hold the great National Scout Jamboree here, and now it is an honor and a privilege to welcome you to the Nation's Capital.

How fitting that you should hold this jamboree in Washington, with your camp pitched within sight of the White House and the Capitol and almost within the shadow of the Washington Monument and the Lincoln Memorial. Yours will be a memorable encampment and I know you will draw inspiration from the environment and associations that will be yours during your stay in the city.

The impressions which you will carry back to your homes will, I hope, be a permanent influence in your lives, for sooner than we who are older realize, you will assume the full responsibilities of citizenship. I firmly believe that few influences are more helpful in teaching self-reliance than is the influence which surrounds the youngsters enrolled in the Boy Scouts—and a preliminary training in self-reliance is surely an invaluable asset to those who a few years hence will assume all the duties and responsibilities of American citizenship.

I have often expressed the conviction that there are many thousands of men throughout our country who are better citizens today because in boyhood they had enjoyed affiliation with the Boy Scouts. And so I like to think that the ideals of scouting are not simply ideals for boys. Honor, honesty, straightforward dealing, and a spirit of helpfulness toward others are ideals for men, and there is a better prospect that we shall find these characteristics in the men of the future if they are inculcated in boyhood through membership in the Boy Scouts.

With these thoughts in mind I bid all Scouts a welcome to Washington. I trust that your sojourn will be a pleasant one and that as a result of your rich and varied experiences here at the seat of government you will be better Scouts and more stalwart citizens in the years to come.

FRANKLIN D. ROOSEVELT.

You are encamped at the feet of shrines erected to the memory of those who performed glorious deeds in the public service. Your tents dot the land upon which have trod the feet of our most eminent patriots. Even the river which borders these hallowed grounds holds for us all a deep significance. Tonight, as the peaceful Potomac glides by your campground and on to the sea, there is typified in its steady movement from the freshets in the hills the inevitable march of youth.

You have pitched your tents within the shadows of the past. This place is sacred with tradition, and yet for 10 days you will live in the midst of a modern whirl, on a patch of ground surrounded by the surging, busy life of the Capital. But over you each night will float a carpet of eternal constellations symbolic of the simple, basic truths upon which the Boy Scouts of America was founded.

Like many visitors to Washington you will scurry from building to building, from monument to museum. In days to come you will be asked by the Scouts back home and by those who made your trip possible, just what Washington meant to you. Let me leave with you this thought. Washington is a city of symbols. Do not be content to ascend the Washington Monument without at the same time catching something of the spirit which inspired that monument. Do not leave the shrine of the Great Emancipator without resolving to do your part in the emancipations yet to come.

You are encamped in a setting of complexity. Here you may feel the pulse of a giant among the nations—hear the beat of its heart. We are a people in transition. We are continuously working out a civilization. You share it. You will improve upon it. That is the undimmed glory of youth. That is the challenge of our times.

German Americans

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

ADDRESS BY HON. F. RYAN DUFFY, OF WISCONSIN, JUNE 27, 1937

Mr. SCHWELLENBACH. Mr. President, on June 27 last the junior Senator from Wisconsin [Mr. DUFFY] delivered an address before the Federation of German-American Societies in Milwaukee, Wis., on the subject of "The Splendid Contribution of German Americans to America and Wisconsin." I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE SPLENDID CONTRIBUTION OF GERMAN-AMERICANS TO AMERICA AND WISCONSIN

Yesterday I was on an island in Chesapeake Bay, in the company of the President of the United States. As you know, various Members of the House and Senate have been visiting with the Chief Executive down there for the last several days. Everyone was having a delightful time, and I would have been very pleased to have remained there until this evening; in fact, as one of the board of directors of the Jefferson Islands Club, I suppose it was more or less my duty to remain. However, several months ago I

received an invitation from your president, Bernhard Hofmann, extended to me through your genial postmaster, John Fleissner, and our ex-Governor Al. Schmedeman, requesting that I attend this picnic given by the Wisconsin Federation of German-American Societies. I was very happy to accept that invitation to be here with you today, even though it required a long airplane journey to make connections.

I am pleased to have the opportunity on this occasion to express my appreciation for the great contribution German-Americans have made to our country, to our State, and to the city of Milwaukee.

Because people from so many countries of the world made this their adopted land, we have been called the "great melting pot." We are all proud that we are privileged to be American citizens. We are proud of this Nation and its accomplishments. We could not have made this great progress, however, unless there had been some very fine strains of nationality which went into that melting pot. All American citizens, no matter what their racial antecedents might be, should be thankful because of the prominence of Germans as a formative element of our people. Theirs has indeed been an important participation in the labors of peace and the burdens of war of this country. Their record is indeed a noble record. Their political, moral, educational, and social influence in the make-up of American citizenry has been a very fortunate contribution.

There have been Germans in this country from the time that Europeans settled in this country. We find them at Port Royal, S. C., in 1562; at Jamestown in 1566; and at New Amsterdam—in fact, in all parts of the eastern seaboard at a very early date. The first permanent German settlement was at Germantown, Pa., in 1683. By the time of the outbreak of the Revolution more than one-tenth of the white population were men and women of German blood. The mere mention of the names of Ludwig, Mühlenberg, and Herkimer bring to mind the splendid services of these great men. Congress decided on May 22, 1776, to raise a German regiment consisting of four companies from Pennsylvania and four from Maryland; the officers and men were all of German blood. It is noteworthy that practically all of Washington's personal bodyguard were Germans. But, of course, no mention of great men who participated in the Revolutionary War could be made without proclaiming the contribution and services of Baron von Steuben, the drillmaster of the American Army. He went to Valley Forge when the spirit of the Army was at its lowest ebb. The original force of 17,000 had dwindled to a little more than 5,000. These American soldiers were poorly armed, clothed in rags, and were in an almost demoralized condition, with very little discipline. Von Steuben's German military training was of tremendous help to the American Army, in which he became a major general. When the siege at Yorktown took place, Steuben was the only American officer who had been present at a siege, and his experience was of great service. Even the French troops under Rochambeau at Yorktown contained a large number of German soldiers and some German regiments.

George Washington, to his dying day, expressed his great appreciation for the services of Baron von Steuben, but it was only recently that there has come to light the letter which he wrote to him on the very day he was resigning his commission as Commander in Chief.

With the coming in of the Roosevelt administration, Col. Edwin A. Halsey was selected as Secretary of the Senate. The librarian at that time was James D. Preston. They conceived the idea that an examination should be had of the old files of the Senate, which had been stored for many generations in the part of the Capitol immediately under the roof, which in a house we might designate as an attic. I happened to be seated in the Senate alongside of Majority Leader Robinson when the Secretary came in with much excitement to exhibit a letter which had just been discovered in the files. It was the letter which Washington wrote to Baron von Steuben on December 23, 1783. I experienced a great thrill as I held in my hand this document which had been lost for so many years. I have had a copy made of this famous letter, and have had it framed; and I am taking this occasion to present it to the Federation of German-American Societies, so that you may realize the great admiration and esteem with which the Father of his Country held this German soldier. Permit me at this time to read it to you.

"Although I have taken frequent opportunities, both in public and private, of acknowledging your great zeal, attention and abilities in performing the duties of your office; yet I wish to make use of this last moment of my public life, to signify in the strongest terms my entire approbation of your conduct, and to express my sense of the obligations the public is under to you, for your faithful and meritorious services.

"I beg you will be convinced my dear Sir, that I should rejoice if it could ever be in my power to serve you more essentially than by expressions of regard and affection—but in the meantime I am persuaded you will not be displeased with this farewell token of my sincere friendship and esteem for you.

"This is the last letter I shall ever write while I continue in the service of my country—the hour of my resignation is fixed at twelve this day—after which I shall become a private citizen on the banks of the Potomack, where I shall be glad to embrace you, and to testify the great esteem and consideration with which I am—my dear Baron

Yr most obed and affec'e servant

G. WASHINGTON

The Hon'ble
Maj. Gen'l BARON VON STEUBEN."

While the Nation at large has benefited by reason of the emigration of men and women of German blood to this country, certainly no State has profited more than Wisconsin. The military expeditions which were incident to the Black Hawk War in 1832 opened up Wisconsin for settlement. Although Father Marquette's Journal had made mention of it, the mineral wealth and fertility of our soil and the pleasures of our climate became known through the militia from the various States that took part in the Black Hawk expedition.

The population of Wisconsin in 1830 was only 3,635, in 1840 it had increased to 30,945, in 1850 it was 305,901, and in 1900 the census showed our population to be slightly over 2,000,000, of which 34.3 percent was of German blood. It, therefore, is certain that German emigration contributed a larger share to our citizenship than that from any other country. The first German in Milwaukee probably was Wilhelm Strothmann, who came in 1835. In 1843 to 1844, from 1,000 to 1,400 Germans arrived at Milwaukee every week during the summer months. The first German weekly was established in 1844, and the first German singing society was started in 1847, while the famous Milwaukee Musikverein was founded on May 1, 1850, and the first Turnverein in 1852.

The Wisconsin soil and climate closely resembled what Germans had left at home. The products of the soil, such as wheat, rye, and oats, were practically the same. Here there was no State debt. Our constitution was liberal to foreigners, and they could become voters in a short period of time. The land which had been granted to the State by the Federal Government was sold at a cheap price to all who desired to farm, and Wisconsin has never had better farmers than those of German extraction. Milwaukee came to be called the German Athens, because of the numerous musical and literary activities carried on in this city. At this period, we must confess, in most American cities there was a rather low plane of culture. The Germans furnished brawn, brain, and blood in the upbuilding of this great Nation.

To a considerable extent we patterned our schools after the German schools. The influence of the technical schools in Germany was very great in our State, for these schools were very efficient and sent out well-trained men, who excelled in such technical branches as bridge building, engineering, chemical industries, the manufacture of musical and scientific instruments, and tanning. These immigrants or their descendants established manufacturing plants in our cities, while the German farmer was making a great success in our rural areas. As a farmer he was a hard worker, he rotated his crops so as not to exhaust the land, and he was economical, satisfied with a simple diet and plain furniture. He was considerate of his livestock and raised a large family, who helped him on the farm. The large barns and neat houses, the cleanliness, and substantial prosperity of much of the agricultural sections of Wisconsin are due to the contribution of our citizens of German blood.

I could not begin to mention the numerous men of German blood who have been outstanding in Wisconsin, but as an example of the kind of citizens they were, we can invite the attention to Carl Schurz. This great German-American arrived in the United States only a few weeks before the death of Daniel Webster. He came to Wisconsin and took up his residence in 1855 in Watertown, where he purchased an 89-acre farm. It was natural that Schurz would be attracted to our State because of its many German immigrants who had brought with them their societies, their festivals, and their spirit of gemütlichkeit. He had hardly arrived before he became active as a citizen. Frémont defeated Buchanan in Wisconsin in 1856 largely due to the influence of Schurz. He became a candidate for lieutenant governor in 1857. Most German-Americans had joined the Democratic Party because of the generous attitude this party had toward citizens of foreign birth, and especially toward the Germans and the Irish. However, Schurz embraced the Republican Party, and, although all of the others on his ticket were elected, he was defeated by a somewhat narrow margin, undoubtedly due to the influence of the "Know Nothing" movement. He became delegate at large to the Republican National Convention in 1860 and was chairman of the Wisconsin delegation and was also a member of the committee on resolutions. Although he opposed the nomination of Lincoln, he became an ardent advocate of his election, and his speeches were of great influence, especially among those of German ancestry. He was appointed Minister to Spain, and then, as you know, served with distinction in the Northern Army.

After leaving Wisconsin he was elected to the United States Senate in 1869, and afterward became Secretary of the Interior. He was the first United States citizen of German birth to fill a seat in any President's Cabinet. However, Schurz stands out not because of his activities as a member of any political party, but rather for his independence of thought and his hatred and disdain for official corruption of any kind. American citizens of German ancestry in this country have always been tolerant; they have been strong for personal liberty. Prohibition made no hit with them. They believed in religious tolerance, and the German Lutherans and German Catholics find it difficult to understand why people should be persecuted in any Nation because of their religious belief.

America is proud that men and women of German blood came in such large numbers to this country. We have had a finer Nation in which to live by reason of the splendid contribution

which they have made. Those of you here today who have German blood flowing in your veins should indeed be proud of your heritage.

Tribute to Capt. Jeremiah O'Brien

EXTENSION OF REMARKS
OF
HON. JAMES J. DAVIS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, July 22, 1937

ADDRESS BY JOSEPH F. O'CONNELL, BOSTON, JUNE 12, 1937

Mr. DAVIS. Mr. President, I ask leave to have printed in the RECORD an address delivered by former Representative Joseph F. O'Connell at the unveiling of a tablet to Capt. Jeremiah O'Brien, in Boston, June 12, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

JOSEPH F. O'CONNELL PAYS FINE TRIBUTE TO CAPT. JEREMIAH O'BRIEN—FORMER CONGRESSMAN REVIEWS WAR OF REVOLUTION AND POINTS OUT CONTRIBUTION OF NATIVES OF IRELAND AND THEIR DESCENDANTS—EARLY HISTORIANS OF AMERICA IGNORE IRISH CHAPTER

The following oration was delivered by Joseph F. O'Connell at the unveiling of the tablet to Capt. Jeremiah O'Brien, at the Hall of Flags, Statehouse, Boston, June 12, 1937:

Massachusetts has determined that, in the march of time, the achievements of her heroes shall not be lost in the oblivion of the past, and today dedicates in enduring bronze this tablet to the memory of Capt. Jeremiah O'Brien, a Massachusetts naval hero of the Revolution, who won the first battle of the sea, on June 12, 1775; who captured the first enemy flag in battle on either land or sea; and who was the first naval commissioned officer and commander in chief of the Navy of Massachusetts in the war for independence and of the Revolution.

She proclaims to the world, on this anniversary of the Battle of Machias, that she celebrates the day by recalling, through this official action, her proud claim that it was a native-born citizen of Massachusetts who first challenged England's power of the sea.

This State is proud of the fact that it was off her shores that an English flag was first hauled down, after a sea battle in which the might of the British Empire had been successfully resisted.

Cooper, in his Naval History of the United States, called the battle off Machias the Lexington of the seas, and so it has been accepted by critical historians, and it is most appropriate that O'Brien's success should be thus known. The Battles of Lexington and Machias are much alike. In each instance the regular force of the British had gone to attack the citizens of Massachusetts; in Lexington to destroy the supplies of the patriots; at Machias to intimidate and to secure the furnishing of lumber for the entrenchment of the British troops in Boston. The British were beaten in both battles—on land by the embattled farmers, and on sea by Jeremiah O'Brien and his intrepid crew, after a bloody battle.

O'Brien's victory—not alone in the personal odds against him—was graphically described by former Secretary of the Navy John D. Long, when he said: "It was the first challenge of the infant American Navy to the giant, and almost omnipotent, naval power of Great Britain."

Again, it is quite fitting that this tablet to Capt. Jeremiah O'Brien should be placed in this beautiful setting with those whose work portrays the Revolutionary spirit; with Otis defying the might of Britain before the Supreme Council; with Paul Revere carrying the news of the approach of the British to Lexington; and the citizens of Boston, under the leadership of Sam Adams, casting the offensively taxed tea into the waters of Boston Harbor.

Fair-minded people may ask why the activities of men like Jeremiah O'Brien have not been more generally known to the generation of today. This question is a fair one. There are many reasons for the failure to properly honor such a hero. One of them is the innate modesty of a real patriot who, having been called upon by his country, goes on his way and accomplishes his task, and when it is over, resumes his place in the life of his community—not looking for the plaudits of others. A better answer, however, is that given by Harvard University when, only last week, through a committee of its faculty and officers, they severely criticized the public's attitude toward American history. This committee said: "One result of this ignorance and indifference to American history is the lack of resistance of even well-educated persons to various forms of propaganda which would have them conceive 'Americanism' in term of class, party, sectional, racial, or religious affiliations. Whatever its cause, American ignorance of American history and literature, of the arts in this country, and of American intellectual development is deplorable and even dangerous for the future. Unless citizens of a democracy are aware of the means by which their country has become what it is, the efforts and sacrifices that have been made in the past to secure liberty and opportunity for the present, they are apt to exchange their birthright for the proverbial mess of pottage. Unless they understand the genesis of various abuses which afflict the country today, they are not likely to choose intelligent means to rid themselves of these abuses."

BELATED RECOGNITION

This plain-spoken indictment which they rightly call the "ignorance and indifference" of the American people of their own history is most eloquently substantiated in this belated recognition to Capt. Jeremiah O'Brien.

Jeremiah O'Brien was the son of Maurice O'Brien. The latter came from Ireland, apparently exiled because of his activities in fighting back the oppressions and tyrannies of England in her attempt to conquer Ireland.

After landing in Boston, he settled in Kittery, then part of Massachusetts. As time went on, six sturdy sons were born to him, the oldest of whom was Jeremiah.

In the far-flung Province of Massachusetts in those days was included the present State of Maine, and in the course of years Maurice O'Brien joined a group that settled in Machias, which soon became an active and growing community. They were sturdy men, who were ready and able to hew out of the wilderness an abode for themselves.

The family of Maurice O'Brien became famous and have filled a large space in the maritime history of the struggle for liberty—indeed, few, if any, American families of the Revolutionary period can approach it. Sherman says the moment the news of the outbreak of the Revolution reached the little frontier settlement of Machias "none were more earnest and fearlessly outspoken in protesting against the increasing tyranny of the British Government than Maurice O'Brien and his sturdy sons." Into the minds of his six boys Maurice O'Brien had instilled his long-cherished hatred of the Government from whose oppression he had fled many years since; and they were, quite naturally, aroused to the highest pitch of indignation when the news of Lexington and Concord reached Machias. That this spirit of resistance to tyranny and oppression was of no incidental significance, it might be well at this time to recall that among the effects which Maurice O'Brien brought with him from Ireland to this country was an old portrait of Brian Boru, one of Ireland's ancient hero kings, who defeated the Danes in the Battle of Clontarf, driving them out of Ireland. This portrait was cherished by him and is still a treasured memento and with its motto, which, translated, means "Strength from Above." In this way may be easily discerned the reason for the courage and faith that possessed him and his sons in their struggle for liberty. It was in their blood.

Massachusetts at that time, separated from England by the wide Atlantic, became a fruitful ground for those who disliked English government and who believed in a new theory that people had a right to rule themselves.

Early differences between the provincial governments began to assume serious aspects under the leadership of Elias Cooke. The right of the people to govern themselves had been boldly asserted by Sam Adams in the commencement address delivered by him in 1740 at Harvard College when he justified the right of the Commonwealth to resist British power.

James Otis, whose burning eloquence seems to leap out of the painting above in this hall, before the supreme judicial court, had denied the right of the British Government to issue the writs of assistance, basing his argument on the natural law. These writs enable the customs officers to enter warehouses and private dwelling houses in search of contraband. Appearing on the scene of those days came John Adams.

FORESAW FUTURE GREATNESS

He it was who first and most clearly foresaw the future greatness of an American republic and envisioned its destiny. Writing of the character of the incoming people to the shores of Massachusetts at that time, he prophesied that in another century the Colonies would outstrip England, saying, "Should this be the case, since we have all the naval stores of the Nation in our hands, it will be easy to obtain the mastery of the seas, and the united force of all Europe will not be able to subdue us." Adams entertained the prospect of a powerful American republic, entirely free from Europe, and equalizing in all its force and influence the leadership of Europe. All that was required was sufficient support from the people themselves.

What a source of encouragement and support was the presence of such families like those of John Sullivan and Maurice O'Brien, who, understanding perfectly the visions of Adams, delayed not in putting into quick action those forces that ultimately brought the dream of Adams into the world's fullest realism in the establishment of a real republic in our western continent. Adams believed in an independent Commonwealth from the first until the last. He was undoubtedly the best mind in Massachusetts. He was uncompromising when he asked: "When, before the present epoch, have 3,000,000 people full power and a fair opportunity to establish the wisest and happiest government that human wisdom can contrive?"

Adams became a leader of his people because, as a whole, he reflected their dearest heartthrobs. Now wholly accepted by many of his own class, he was loyally supported by those who, like O'Brien, loved liberty and hated tyranny of Government by others. Adams, in Boston, thinking liberty, touched as by an electric spark the souls of men like Jeremiah O'Brien and John Sullivan.

Sullivan was a leader who became one of Washington's trusted generals in the 7 years' dreary struggle to attain our independence; but, as important as was the victory of Sullivan, that of O'Brien in the first battle of the seas, when viewed in the light of past events, and their value, it is reasonable to assert that the latter's achievement was of transcendent worth to the patriots' cause. The spontaneous and loyal support of the Irish exiles found many similar instances all over the Thirteen Colonies.

May not this monument thus erected at this time be the entering wedge for a research movement that will lead to a clear and perfect understanding of those who made this Republic? History should not be written with the motivating idea of glorifying any particular favorite—rather should it be an accurate portrayal of peoples and events. If the American colonists at the time that Adams and his friends were proclaiming the principles of liberty and self-government were composed entirely of Englishmen, let us have the facts. If, on the other hand, English immigration into the Colonies stopped in 1640—as has been told to us by the greatest English authority on Colonial Government (Sir Herbert Fisher) in an address delivered on the occasion of the tercentenary celebration of the founding of the Massachusetts Bay Colony, on Boston Common, in 1929—and that after 1640, there was an exodus of many of the Puritans of that day back to England; and if, in place of the English who were not coming after 1640 there did come into these provinces thousands of people from elsewhere; and if Adams and Otis preached the doctrines of liberty, is it not better for a correct understanding of subsequent events to know that the people to whom they preached and announced these doctrines had come from Ireland; and, if not from Ireland, from whatever place they did come? There is no reason to question the statement that there was a large immigration of Irish into Boston and, in fact, into all the Colonies prior to the breaking out of the Revolution.

IRISH OF BOSTON

The first substantial accretion of native Irish to the population of Boston occurred in Cromwell's administration when, in 1654, he began exiling the Irish.

Boston then was a straggly little port with less than 3,000 inhabitants, and barely 22 years had elapsed since it was first settled. It was in the fall of 1654 when the ship *Goodfellow*, Capt. George Dell, arrived with about 250 Irish on board.

It is interesting here to note that the original papers of the ship *Goodfellow*, with a complete listing of its human cargo, was in the possession of Frederick Kidder, Esq., of Boston, 200 years later, and are available to those interested in actualities.

Old records indicate clearly that the practice of changing original family names, due to the Statute of Kilkenny, to those of so-called English origin began early. Unfortunately, it still persists.

This original Irish stock in Boston was prolific, that being a rather outstanding characteristic of the durable race. And, as the years lengthened, the Irish in Boston increased. As early as 1723, there was an Irish church in Boston. It was a congregational-controlled church, a spiritual and canon-law organization unto itself, selecting its own pastor and cheerfully worshiping without let or hindrance.

We must consider this background in order to understand the real story of Jeremiah O'Brien. Our standard histories tell of the discontent here against British domination, and a fair student surely will declare that all the utilities of spirit, mind, and body, expressed in word and deed, bore all the symbols and tokens of the Celt and the Gael who, for five centuries, had fought the same enemy, and cherished and longed for the opportunity to overthrow their ancient and hated foe.

Bear in mind that the accretion to the population of the town of Boston in 1654, in the persons of 250 stalwart fighting men, was a gain of close to 30 percent in numbers. Boston then had about 1,500 adult males, with fewer than 3,500 women and growing children. This infusion of a stock naturally committed to the principles of smiting tyranny was a tremendous impetus to the spirit of independence early discerned by English writers of the period. Naturally, many of the exiles, in service here, became known by new names, a custom which persists. But plenty of proof shows origins of the infusers of life in the soul of liberty.

The O'Briens were outspoken in their contempt for the many petty acts of tyranny at London and Boston. They, and most of the Machias settlers, were in accord. They cheered Otis and Adams and other early resisters; they spoke against the stamp tax and the tea tax and other imposts, and the Royal Governor and his clique kept increasing pressure. Machias lumber was banned, excepting under onerous conditions, and a well-known Tory marplot, Ichabod Jones, of Boston, was instrumental in bringing matters to a head in June of 1775, 2 weeks or more before the Battle of Bunker Hill. He had taken his two vessels, the *Unity* and *Polly*, to Machias with provisions and supplies and to secure lumber, under official license and terms, for the British troops in Boston. To the dismay of the townsfolk, the Jones vessels were convoyed by the armed schooner *Margaretta*, of the Royal Navy, commanded by Commander Moore, a nephew of High Admiral Graves, of the Royal Fleet in Boston.

Jones, quite arrogant, called the attention of the people to the war craft, and declared that he was going to trade only with Loyalists. He demanded that the people take down the Liberty pole that they had erected and cease rebellious talk. The British commander added his warning and threatened to fire upon the town. It was quickly voted to defy such orders, and the Liberty pole was guarded. The town leaders were the beloved parson, John Lyons; the aged warrior, Ben Foster; an old Quaker, David Gardner; and the doughty Maurice O'Brien. The air was charged with danger; but 2 days passed with threats and talk, and then came Sunday, with all at church, including the British naval officer. The sermon was pungent, and John O'Brien was found seated behind Moore, gun in hand, ready for any trickery. Commander Moore fled to his schooner and sailed down the river, leaving a stern warning that the pole must come down or he would return. Jeremiah O'Brien, sensing trouble, had sent as far as Jonesport for ammunition.

FIRST NAVAL BATTLE

At dawn he and his men began discharging Jones' vessels over the owner's protests, and then Jeremiah actually began his remarkable attack on England.

He called for recruits, and with about 20 old muskets, a dozen pitchforks, and some axes and scanty provisions he actually sailed in pursuit of the armed vessel. He then was 31; his five brothers, Gideon, John, William, Denis, and Joseph, were with him, the youngest brother, Joseph, barely 16, hid on board, to participate.

Jeremiah soon caught up with Moore's schooner and hastened to combat. Moore, at hailing distance, warned him to sheer off or he would fire. "Fire and be damned", roared Jeremiah, as he crashed into the *Margaretta*. And fire Moore did, killing two men, McNeill and Colbroth, first to shed blood and die in the first sea fight of the Revolution, as duly and fully related by the eminent historians, Cooper and Mackay, leading the early authorities on the history of the United States Navy.

At close quarters, O'Brien boarded the *Margaretta* and captured the vessel. Moore fell, dying the following day at Machias. Four of his crew perished. Jeremiah, in triumph, returned to Machias with his prize.

His father counseled him. He felt that reprisals would be prompt. So Jeremiah at once fitted the *Unity* and *Polly* and actually went out to sea to intercept and fight the warships he felt would be sent. On July 12, 1775, Jeremiah and his absurd fleet of two sloops met the British naval vessels *Diligence* and *Tapnaquish* and actually captured them.

Proudly he took his prizes to Machias, to the amazement of the Continental authorities. O'Brien had shown the Provincial Congress the best and surest way to strike for liberty—crush English shipping; stop supplies reaching the army; build ships; call them privateers, if you will; commission them under letters of marque and reprisal. The Provincial Congress quickly did so. Soon he was commissioned our first naval commander, with the rank of captain in the Massachusetts marine. The war was on, and he was given the two vessels he had taken as warships. The latter he renamed *Machias Liberty*. With her and the *Diligence* he began to scourge the British. Brother John was his aide. They fought many battles, took many prizes. They captured, with the loss of only one man, the hated ship *Falcon*, foe of the Gloucester fishermen. His ability and diligence was so great that three vessels were built for him at Portsmouth and Newburyport, and he wrought more havoc.

Fearless and resourceful and of astonishing ability as a mariner, the British Government sought him; a price was on his head, as on his forebears of old in Ireland, and he answered with more blows. The famous *Hannibal* was built for him, and with the heavily armed vessel and a crew of 130 he ravaged British shipping, trading, and naval craft, and then came capture and confinement in Mill Prison, England, from which he jauntily escaped and returned home by way of France.

His brother, in their *Hibernia*, kept the O'Brien flag flying, however, and war's end found them captains of the Navy. Jeremiah O'Brien aided nobly in the work of national founding; John Adams consulted him, President Jefferson made him collector of customs, and then came the War of 1812.

WAR OF 1812

The British came again into O'Brien's life. They formally occupied Machias, but no blood was shed, and eventually the invaders went away, not even taking some of Jeremiah O'Brien's trophies of the Revolution of almost 30 years before.

He and his brothers prospered and multiplied descendants of Maurice O'Brien served the new State and the Nation. When Jeremiah O'Brien passed to rest, in September 1818, at 74, mourning was widespread. His father died on June 4, 1799, at 84.

The American people for generations have been taught that our independence was achieved almost entirely by the efforts of our land forces. This is far from the truth. At the time that O'Brien captured the *Margaretta*, Great Britain's commercial and naval vessels comprised over 7,000 vessels of which over 350 were armed. The attack on England's commerce struck the mortal blow to British supremacy in America, not Saratoga nor Yorktown.

The comparative values and amount of work done on sea and land must be a matter of surprise. Every reader of American history is familiar with the capture of Stony Point and its British garrison of 543 men; of Ticonderoga, with its garrison of 50 men; of the battle of Trenton, with nearly 1,000 prisoners. But it is doubtful if many have heard of the capture of 300 British soldiers, with their colonel, in two transports, by the little State cruiser *Lee*, or the 200 Highlanders and 20 army officers, and of the Seventy-first Regiment by our *Andre Doria*, of 24 British Army officers by Captain John Burroughs Hopkins' squadron, of the 240 Hessians captured by the privateer *Mars*, of the company of dragoons taken by the privateer *Massachusetts*, of the 63 Hessian chasseurs made prisoner by the privateer *Tyrannicide*, of the capture of a colonel, 4 lieutenant colonels, and 3 majors by the privateer *Vengeance*, and of the capture of 100 soldiers

by the privateer *Warren*, under Capt. William Burke. We all know that Washington took about 1,000 men at Trenton, that Gates made some 8,000 prisoners at Saratoga, and that the Americans and French secured about 7,000 at Yorktown; but it is not so generally known that in the same period fully 16,000 prisoners were made by our sea forces.

CAPTAINS OF IRISH BLOOD

The records of the Massachusetts Historical Society collection, now in our State archives, disclose that of over 600 privateers commissioned by the Provincial Congress, 199 were captained by men of Irish birth or descent, who won many notable battles. These men commanded 371 vessels, many of which bore names that attested the land from which they came. Eight of them carried the proud title of *Hibernia*, two *Wexford*, one *St. Patrick*, and many others had distinctly Irish names, such as Lynch, Tracy, Moore, St. Mary, etc.

The damage done by these ships to British shipping was the predominating feature of our early sea power.

These vessels destroyed or captured over 600 vessels. The daring and audaciousness of these American seamen had been inspired by O'Brien and his certain, sure, and complete victory. John Adams, writing in 1780, of the privateers manned by these men, including the O'Briens, said, "Some of the most skillful, determined, persevering, and successful engagements that have ever been fought upon the seas have been performed by our American privateers."

It is noteworthy and gratifying that in this gathering today and participating in these ceremonies is the great-grandson of John Adams, in the person of our distinguished fellow citizen, Hon. Charles Francis Adams, former Secretary of the United States Navy.

Also in this audience today is Thomas P. Cahill, of Somerville, a student of American history, particularly of the colonial period, through whose investigations and activity the Legislature of Massachusetts passed the resolution to have this memorial of Captain O'Brien's triumphs perpetuated.

It was no coincidence that came to Jeremiah O'Brien, the son of an Irish exile, to strike the first blow at British power on the seas. It was his destiny, as it was the destiny of thousands who followed Adams and Washington throughout the 7 years—both on land and on sea. It was not in their souls to accept the British assumption of supremacy. They resented it. They spurned it. For centuries they had been impatient under it and ever-persevering in their denial of it. These exiles knew that nothing could be done by complaisance to the English Government. There was in them the instructive Irish love of liberty and nationality, and it was in response to these soul-stirring impulses that they took their stand to establish on these shores a Republic dedicated to liberty and independence.

In the bright firmament of our national heroes, no names will shine brighter or with more constancy than the sons of Massachusetts. Courage of mind and soul, like that of Adams and Otis, and the heroism and indomitable courage of body and blood like that of the Sullivans and O'Briens, will be ever-inspiring to the citizens of this State, and will be a luminous guide to preserve the principles of this Republic that they brought into life ever protected, despite the attacks of all assailants—from either within or without, be they dictators or Communists, or by whatever name they may choose. They will never permit any subversive philosophy to replace that of the Declaration of Independence and the principles enunciated in our Contsitution. This Republic—the best handiwork of man's faith in his fellow man, must never fall!

May the enduring bronze of this memorial be a symbol of the courage and faith that brought into being our Commonwealth and Nation.

Wages and Hours of Labor

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

ADDRESS BY HON. HUGO L. BLACK, OF ALABAMA, JULY 15, 1937

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Alabama [Mr. BLACK] on Thursday, July 15, 1937, at the University of Virginia forum at Charlottesville, Va., on the subject of the wages and hours of labor bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Some 7 years ago a successful and highly respected business friend of mine suggested to me that I should offer a bill in the Senate prohibiting the shipment in interstate commerce of goods produced in factories working excessively long hours. He stated to me that it was impossible for one manufacturer, or for one group of manufacturers, to work their employees a reasonable number of hours if they were compelled to sell their goods in a competitive market filled with the goods of other manufacturers working employees unreasonably long hours at unreasonably low wages. The passage of State laws shortening the hours of employment for the workers in one State would not meet the situation, he said, because unless other States passed similar laws regulating the hours of employment, the manufacturers required by State law to work the shorter hours could not compete with manufacturers in other States.

The logic of the position of this Alabama businessman is unanswerable. It clearly illustrates and proves the inadequacy of State laws regulating maximum hours and minimum wages in the manufacturing of goods which must and do enter into the stream of interstate commerce and compete with goods manufactured in other States which do not provide such necessary legislative protection against unhealthful working hours and sweatshop wages. Purely local industries and services may and should continue in the future as in the past to be governed and regulated by purely local laws, but goods for national distribution and consumption can only be regulated by the Federal Government. Individual States cannot and will not pass protective laws for workers in industries whose products are sold in interstate commerce if the manufacturers of other States are free to gain competitive advantages by undercutting their workers' wages and overstretching their workers' hours.

Last week I received through the mails the pay vouchers of a group of employees working in a sister State in the manufacture of goods that compete with a number of Alabama factories. The pay vouchers showed that their hourly pay was wretchedly low, ranging from 8.4 cents to 11.2 cents per hour, and even with this wretched pay they were given only 4½ days' employment a week. And they had to work in a "hot, stuffy, ill-ventilated, upstairs room."

I have a good friend in Alabama who manufactures the same product. This Alabama manufacturer has tried to live up to the wage and hours standards fixed by the N. R. A. But what chance does he have to continue to pay fair wages and work reasonable hours, if he must compete in the market with shirts produced by manufacturers in other States paying their workers 8 cents per hour? The answer is very clear. The Secretary of Labor produced a chart at the hearings on the wage and hour bill before our joint committee, showing quite graphically that, after N. R. A. was abolished, the firms in the cotton-garment industry which voluntarily maintained the wage and hour provisions of the codes lost business to those firms which lengthened the hours and cut the wages of their workers. And the chart showed that the employers who stretched hours the most increased their business the most. Chiseling is costly to the Nation but profitable to the chiseler.

Only a few days ago I had a protest from a manufacturer claiming that the proposed Federal law providing minimum wages and maximum hours would put his factory out of business. He stated that the minimum wage he paid was $6 per week and that board could be obtained in the community for from $3 to $5 per week. After paying $5 per week board, his worker would have $1 left per week upon which to obtain the other necessities of life. What contribution can workers make to purchasing the goods of the farms and factories of America if, after paying for their board, they have left only $52 per year?

These are not isolated and exceptional instances. They exist all over this Nation. Men and women have written me from every part of this country giving me such examples of their wages and hours. Evidence was submitted to the joint committee considering the wage-and-hour bill indicating that wages of less than $5 per week could be found throughout the entire country.

Today when we yet have probably as many as 8,000,000 people who are unable to find jobs in private employment, and who must be supported by putting a tax upon the product of those who do work, many of these millions who are fortunate enough to have jobs are compelled to work unreasonably long and unhealthful hours. A worker in a middle western State recently wrote me that men in his trade are obliged to work from 54 to 70 hours a week or as he put it "70 to 85 percent of their waking hours." A recent study of an important industry by the Labor Department showed that over 30 percent of the workers were working in excess of 40 hours per week. Unreasonably long hours and wages below a living subsistence level not only impair the health and morale of the workers, but in the end they bring chaos and destruction to our economic system itself.

But some professional economists and short-sighted manufacturers say, "If you reduce hours and increase wages, you reduce production and bring on the economy of scarcity." This sounds logical at first hearing, because we know that other things being equal one man can do more work in 12 hours than he can in 8. But can the man working 12 hours per day produce more in 20 years' time than he could on an 8-hour day? Do you believe, and can any economist prove that our economic society, with more than 9,000,000 workers engaged in producing goods for interstate commerce, could produce more in 20 years if all worked 12 hours daily, than they could with an 8-hour day? And would the lives of American men and women be made sweeter, happier, and more wholesome on the 12-hour day? Several million workers producing goods for interstate commerce now work more than 40 hours per week.

But even if we ignore the obvious effects of continuous overwork and underpay upon the health, efficiency, and working life of the worker, we must still consider that specialization and subdivision of labor have enormously increased man's ability to produce. It is estimated that individual productivity—an individual's ability to produce if given the chance—has increased more than 60 percent in the last 20 years. Yet there has been no comparable increase in the standard of living of the average man. Not only has this great increase in productivity brought no economy of abundance to the average man but it has thrown millions of workers out of work. And what is even more disturbing, this great increase in productivity has been accompanied by a growing sense of insecurity among all our people, employers, workers, and farmers alike.

Our present economy of scarcity is not due to a scarcity of goods, or a scarcity of labor, but to a scarcity of purchasing power among the underpaid and the unemployed. There are plenty of workers now unemployed willing and anxious to produce more goods. There are plenty of farmers willing and anxious to produce more foodstuffs. The difficulty is that there are not enough workers who have the money to purchase the things they need.

Economic theory is sound only insofar as it explains and accounts for economic fact. The pseudo-economic theory that shorter hours and higher wages reduces production fails to explain why some workers should be toiling long hours at starvation wages when others cannot find work, and further it fails to explain why a third of the population should not have adequate purchasing power to acquire the necessities of civilized life when millions now unemployed would be happy to produce those necessities if given half a chance. Indeed, the theory that shorter hours and higher wages will limit production is based on the assumption that our working population is fully employed, and this assumption, as everyone knows, is wholly incorrect.

I am opposed to any real economy of scarcity as much as any man. But the economy of scarcity from which we are suffering today is, as I have said, a scarcity of purchasing power. That economy of scarcity became dramatically apparent when business collapsed and folded up in 1929. The story of that collapse can be read from the change in the distribution of income which occurred between 1922 and 1929. In 1922 there were 6,000,000 people who were able to report a taxable income of $5,000 or less, and the income of this class aggregated fifteen and one-half billions. In 1929 there were only 3,000,000 people, or one-half as many as in 1922, who were able to report a taxable income of $5,000 or less, and the income of this class in 1929 aggregated only $10,000,000,000. While the income of the average man was thus being clipped a third, or being taken away altogether, what was happening to the big incomes? They did not decline. For in 1922 there were 16,000 individuals who were able to report an income in excess of $50,000 and the income of this class aggregated $2,000,000,000. And in 1929 more than twice as many individuals as in 1922 were able to report an income in excess of $50,000, with an aggregate income of $7,000,000,000, or more than three times as much as in 1922, not counting the income of those who could discover loopholes in the law and escape their taxes.

This maldistribution of income caused in 1929 a theoretical overexpansion in the factory and on the farm, not because the American people had more than they could consume, but because the great mass of American citizens did not have the purchasing power to buy what factory and farm could produce.

Then the economy of scarcity really began. Ten million workers and later 15,000,000 workers lost all of their income. Business reduced its production not because of a scarcity of labor or scarcity of factories but because of a lack of demand and a scarcity of purchasing power. Production went down and the greatest "economy of scarcity" and the greatest waste in all human history cast its devastating blight upon all American life. It has been estimated that this country has lost since 1929 over $400,000,000,000 worth of production of useful goods and services which the people needed. This waste was the result of idle machinery, idle plants, idle lands, idle equipment, and idle men. It did not result from shortening the hours or raising the wages by law. This economy of scarcity accentuated long hours and further degraded the wages below a living standard, until by March 4, when President Roosevelt took the oath of office, the hours were the longest, the wages were the lowest, and the production of the goods and services was the least that this country has seen for a long time. Farmers left their cotton, corn, and wheat rotting in the fields.

Farmers, workers, and small business and professional groups make up the greater proportion of our population. If farmers and workers do not secure adequate income to buy the products of farm and factory at fair prices, these products will not and cannot be sold. Our business machine produces goods to sell at a profit. Nothing but purchasers with money will make this business machine run. The wage of the American worker determines the price he can pay for the farmer's product. The price of the farmer's cotton, corn, wheat, oats, cattle, and other farm products determines the price the farmer can pay for the goods he buys. In the modern world the farmer suffers when the town worker has no money to buy the products of the farm, and the town worker suffers when the farmer has no money to buy the products of the factory.

The governmental program for the last 4 years aims directly at increasing the purchasing power of both farmers and workers. The farmers of America received in 1936 more than three times the income they received in 1932. Their income is still below what it should be, and what it must be, and what it will be if this governmental program continues. The income of those wage earners who receive distressingly low wages and work distressingly long hours is still not what it should be, what it must be, and what it will be, if the present governmental program is fully carried out.

About a hundred years ago the English people determined to reduce by law the working hours of women from 15 hours a day to 12 and of children from 12 hours to 10. The historian of that period records that this humane legislation was approved by all but a few manufacturers and so-called professional economists who contended "in a most positive manner that the proposed new limitation could not fail to rob them of all possible profit, to raise the price of goods, to lower wages, and to ruin the export trade." Almost identical arguments were advanced less than 20 years ago by the steel industry against the abolition of the 12-hour day. Time has proved the inaccuracy of these dismal and gloomy prophesies, condemned in Holy Writ.

In order to make American business more stable and to make American agriculture more secure; to provide more purchasers with money for the products of farm and factory; to reduce relief rolls and to reduce taxes at the same time; to bring about an ever-increasing production of goods and services for the health, comfort, and happiness of the American people; to raise the standards of American living and to make this a better country in which to live, American farmers are entitled to have their Government protect them from the bankruptcy produced by low farm prices, and American industrial workers are entitled to have their Government protect them by law against working hours in industry, destructive to health, and to assure the payment to them of a minimum wage adequate to the minimum needs of an American citizen. For these objectives millions of Americans who love their fellow Americans "have only just begun to fight."

The Court in the American System

EXTENSION OF REMARKS

OF

HON. HERMAN P. KOPPLEMANN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1937

RADIO ADDRESS OF HON. HERMAN P. KOPPLEMANN, OF CONNECTICUT, JUNE 27, 1937

Mr. KOPPLEMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on June 27:

The bill to liberalize our judiciary is again about to make front-page news.

This proposal when advanced on February 5 was declared to have shocked a great many people. It was supposed to have shocked a great many Members of Congress. I do not know why. This very method of curtailing the dictatorial power of the judiciary has been a matter of discussion for at least 2 years. But today those who profess to protest this measure cry out, as the enemies of the New Deal have cried out since better times began to return and their stocks resumed the payment of dividends, that the President seeks to become a dictator, that Congress has given over its powers to the Executive. What bunk! When, in former administrations, because a Congress has carried out the recommendation of a President, has it therefore been charged with relinquishing its powers? When, in times past, because a President has made recommendations which the Congress carried out, has he therefore been called a dictator? Oh, there have been instances—George Washington was dubbed a dictator, so was Andrew Jackson and Abraham Lincoln. Calumny was heaped upon Woodrow Wilson. Look up the newspapers of his day and read what they printed about Teddy Roosevelt and his "Big Stick."

Section 3 of article II of the Constitution states explicitly the President shall from time to time * * * recommend to the consideration of Congress such measures as he shall judge necessary and expedient. Is then our Chief Executive to be accused of seeking dictatorial powers when he but follows the mandate issued him by the Constitution and which he swore to uphold? Such name calling would be amusing, and I could dismiss it without comment, except that the term "dictator" disturbs people who do not stop to think the subject through.

It did not take me long in Washington to discover that before this administration was placed in office by the people, legislation was largely dictated by privileged interests.

I have titled my talk this evening "The Court in the American System."

When the founders of our Nation laid down the principles of Government, they divided the activity of Government into three functions. These functions, while separate, were nevertheless to cooperate with each other. There is the Executive, who is the captain of ship of state. There is the legislative body, repre-

sentative of the people, whose duty it is to write into law formulas for good government, and the demands of the people for economic and social rights. And third, there is the judicial branch, jealously independent, its members secure in their posts during good behavior or, in other words, for life. But the most important of these three is the legislative body, because its Members are elected by the people at frequent intervals. It is composed of men and women who are truly representative of the people, and who are supposed to express their views and their wishes. Most important of all, it is composed of men and women who are directly responsible to the people and who can be turned out by the people at any election.

Today, through the Congress, as is proper in a democracy, the people of the United States, more than at any other time in the history of the Republic, really govern.

The Executive likewise is elected by the people and is directly responsible to them. If his program, if his accomplishments are in line with the views of the majority, as was the case with Mr. Roosevelt, he may be reelected. Moreover the people give him Members for the House of Representatives and the Senate who are sympathetic and favorable to his viewpoint, in order to help him put his program across. If on the other hand, his program is distasteful, his accomplishments are disappointing, should he come up for reelection, he is defeated or the people refuse to support him in the biennial congressional elections and, instead of giving him a cooperative Congress, they elect men and women who will frustrate his program. That happened in 1930 when Mr. Hoover was President.

These two branches—the executive and the legislative—are truly the American legislative system. The one is dependent upon the other, but the Congress has more power than the President. The President can recommend a piece of legislation. The Congress can turn it down. That is the end of it. A Member of Congress can propose legislation; Congress can pass it; the President can veto it; but does that turn it down? Not at all. The measure can come back to Congress and a two-thirds majority of the House and Senate can override the President's veto. Hence, we see, under our established and proven system, any thought of dictatorship on the part of our Executive is ridiculous.

For instance, several Congresses approved the prepayment of the bonus. Several Presidents vetoed it. Those Presidents were upheld, because when the measure was returned to Congress it was not possible to secure a two-thirds majority in both Houses to override the veto. Were the Presidents who vetoed those bonus measures dictators because their Congresses supported their vetoes?

But how did President Roosevelt fare with his bonus veto? So strong was he against the prepayment of the bonus that he went to the Capitol and personally delivered his veto message to Congress. No sooner had he left the Capitol after delivering his veto message than the House roll call overriding his veto was begun. The Senate that time upheld the President, but a year later both Houses of Congress joined in overriding the veto. Who was the dictator in that instance, the President or Congress? A dictator would have found some method of forcing an unwilling Congress to bow to his decree.

I recall another instance in this same administration when the President battled Congress on an important issue and lost. When the work relief appropriation bill was up in 1935 there was considerable clamor in Congress that employees on work-relief projects be paid at the rates prevailing in private industry. The President took the stand that the Government was not a private employer, that the work-relief program could not be likened to a permanent industry, that all the Government wanted to do was to give these people a subsistence wage to tide them over until the time when they could obtain regular work at regular rates of pay. For 2 months the work-relief bill was held up for this point and the President was overridden by the Congress.

A few weeks ago a measure relating to veterans' insurance was given a Presidential veto. When it was returned to Congress the House and Senate promptly passed the measure over again, disregarding the Presidential veto. This could not happen under a dictatorship. It would not be permitted to happen if our President today were seeking dictatorship. Remember, too, that the dictatorships that have sprung up abroad occurred in countries which at best had only experimented with democracy. Democracy had not been imbedded in the very foundations of the nation as is the case with the United States.

To anyone acquainted with the process of legislation in Congress it is clearly understandable, so long as our present system exists, that no man can set himself up as a dictator. Regardless of who proposes the measure, whether it is contained in a Presidential message, whether it is offered by the chairman of the committee and known to have administrative backing, or whether it is proposed by an individual Member of Congress, each measure undergoes the same scrutiny, the same analysis, and the same overhauling, regardless of its sponsorship.

Take this Court proposal, for instance. It was introduced and immediately referred to a committee. That committee sought the opinions of different Government departments which would be interested or affected. Public hearings were then held. Leading opponents of the measure as well as of the administration testified against the bill. In the meantime individual Members of Congress studied the bill. Some of them are now prepared with changes and amendments, as happens with all legislation.

Following the public hearings, the committee held executive sessions, and for a number of weeks the provisions of the measure were discussed, argued, and further analyzed.

In this instance the Judiciary Committee, by a vote of 10 to 8, adversely reported that measure to the Senate. We do not know yet what the action of the House Judiciary Committee will be.

I have never known a piece of legislation which was voted upon by Congress in exactly the form it was introduced. For congressional laws are not the work of one individual; they are the work of all the men and women elected to represent the American people.

In a body representing so many different interests, so many different points of view, it is impossible to expect unanimity of opinion. The Court bill is now on a tortuous legislative route. There are so many possibilities for changes that no one can predict how the bill will read if it should be adopted. It is entirely possible to change it about, so that it will not resemble its original form or intent at all.

In the House of Representatives it must not only be passed upon by the Judiciary Committee but perhaps by the Committee on Rules as well. In all of this procedure the Members exercise their own judgment, and I say this advisedly in spite of everything you may have read or heard from the wisecracking editors, columnists, and publicists who attack the present administration.

Here is your answer to those who charge dictatorship. On this very bill the independence of the Members of Congress has evidenced itself sufficiently to prove to any fair-minded person that, President or no President, legislation will be adopted only when the Congress itself believes in it.

Quite a different situation has obtained with the judiciary, the third branch of government set up by the founders of the Nation. Its word has been supreme. Its decisions have been law. Not accountable to the people, not responsible to anyone for their actions, its members have given themselves privileges, they have denied in certain instances rights of justice that men responsible to the people would never have dared.

Let us not fool ourselves into believing that Supreme Court Justices were chosen for any other reason than their acts of loyalty to the political party in power when they were named or their allegiance to the political philosophy of the President then in office. The Justices named by President Harding or President Coolidge, Hoover, or Wilson were not strangers to them. Their appointments to the bench were recognition and reward.

This statement does not mean that I frown upon the caliber of our Justices. Statesmanship deserves its reward also. And, therefore, we have had—fortunately for the American Republic—Justices who typified the essential characteristics of good Americanism.

There have been great Justices, men who served their Nation nobly and whose names will be revered by Americans for all time. But these great men are the exception rather than the rule. All too often men have come to the bench with preconceived ideas as to government, as to economics, as to the obligations of society. In studying laws, in reviewing cases brought before them, they could not release themselves from these preconceived ideas. The open mind, which is so necessary an attribute of any man who sits on the judicial bench, has been too often missing.

Not many years after the founding of the Nation we discovered that the Supreme Court had created of itself a body whose actions could not be affected by public opinion. Instead of cooperating with the other two branches of the Government, it was sitting in judgment upon them. As far back as 1810 Jefferson foresaw the danger of a judicial dictatorship and criticized Chief Justice Marshall for "twistifications" in certain cases. Jefferson charged that Marshall dexterously reconciled law to his personal biases.

In 1819 he wrote to Judge Spencer Roane: "The Constitution is a mere thing of wax in the hands of the judiciary which they may twist and shape into any form they please."

More recently, Chief Justice Hughes has remarked: "The Constitution is what the Supreme Court says it is."

If in applying the different laws of Congress to the Constitution, to determine whether those laws of Congress were proper in view of the wording of the Constitution, we received a unanimous "yes" or "no" from the members of the bench there would be no question but that a hard and fast rule of law was being adhered to, that in the reading of the Constitution no other interpretation could be obtained. But, instead, we have one group of Justices saying "yes" and another group of Justices saying "no." Obviously the personal attitudes of the Justices toward economic and social problems have governed their interpretation of the Constitution.

In a recent article, Thomas Reed Powell, Langdell professor of law at Harvard, states that for 15 years "there has been on the Supreme Court a solid phalanx of four who by and large have been hostile to the exercise of governmental power."

The public is not aware of all the cases which have been considered by the Supreme Court during recent years and in which the same four have ruled adversely to the same principles which underlie the New Deal program. But these were minor cases; the principles were there, however, and in each instance it was a case of the public good and its protection by the power of the National Government.

It has been charged that nine men determine the course of American history. Very frequently it is not nine men but five. For instance, the Civil War was precipitated when a majority of the Court concurred in the Dred Scott decision.

I maintain, and there are millions who maintain it with me, that the provisions of the Constitution are so elastic, so encompassing, as to permit, with its present amendments, for all the

economic and social reform and development the American system is craving and the American people are demanding.

The prophetic insight which inspired the framers of the Constitution to make it so resilient as to readily meet the constant emergencies of a constantly growing Nation was nothing short of a miracle.

Its preamble strikes the chord of national development as the people wish it, in firm and unequivocal tones. Its philosophy is voiced by "We, the people", and it permits—nay, it requires—Government action as we, the people, find it necessary.

Listen to that preamble. Note its majestic simplicity:

"We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

I do not believe that preamble was hastily written. I think it was the work of many minds, that it was the result of much deliberation, that changes were made and remade until just the right language was obtained. In these few lines we have the philosophy of the American system. We have the statement that this is a democracy dependent upon the will of the people and that the people are the Government. We have the statement that we want peace within our borders at all times, that under all circumstances we want a perfect union, not a conglomeration of separate states, as in Europe. We have the statement that the general welfare pertaining to everything which affects human beings is the concern of the entire Government; or, in other words, of "we the people." It permits the people to do everything they think should be done to make for a better system. Everything else that follows is mere technicality.

But I see no way of overcoming the confusion which must result when one group of men stick to the letter of the law in violation of the spirit of the Constitution, and another group of men find that the spirit of the Constitution permits the expression of the people's will.

Actually, control of our law is in the hands of a small group of men, who, because of their affiliations, of their preconceived attitudes, their training, their experience, could never be expected to understand or to even recognize the new and growing attitudes among the American people—attitudes which had been born out of the industrial and social slavery we are now battling to end.

Opponents of this plan wail that no inkling was given about it during the last campaign. Who are those people trying to kid? Court decisions, and during the campaign court activities, were frequently discussed in newspaper columns, over the radio, and on the public platform. The opposition charged that if Mr. Roosevelt were reelected he would go after the Supreme Court. Opponents of this administration pointed with pride to court decisions invalidating New Deal legislation. They expected the people to fall for it, but the people did not. Obviously, they were dissatisfied with those same court decisions, else they would not have returned this administration to office to continue the work it had been doing. The New Deal, which had been frowned upon by the Supreme Court, was the issue in the last campaign, and the people voted to continue it.

Regardless of what would have been proposed as the method of curbing the self-assumed power of the Supreme Court, the opponents of this administration, those same gentlemen and ladies who chuckled with glee as they plotted their poisoned pay envelope campaign last fall, would shout against the plan. Last year they cried out that we would attempt to amend the Constitution. We seek the more direct route within the Constitution, and now these same people are yapping for an amendment.

The Constitution was made elastic to cover any emergency which might arise in a nation which was growing. We have come a long way from the Thirteen Colonies. We have come a long way from the days following the Revolution.

The American people have not stood still. How, then, can anyone honestly and with intelligence expect that the routine of government, that relations between States and the Federal Government, that relations between employers and employees, between the public and public resources, should stand still, or move slower than the American people themselves?

But certain Supreme Court Justices have failed to perceive that the changes which have resulted from the economic growth of the Nation have made their influence felt in every part of American life.

Hence, we have the disgrace of child labor in this country. Hence we have had the disgrace of minimum-wage and maximum-hour legislation rejected by the courts as un-American, and at a later date upheld as constitutional. But in the interim the people were denied the benefit of the law.

Under a system which permits law to be invalidated, and years later validated by a reversal of decision, how can we expect stabilized justice?

In 1933 Angelo Herndon had his conviction upheld by a majority of the Supreme Court. Two months ago the Court reversed itself, and again by a divided opinion, Herndon was freed.

I do not know how to describe the actions of the Supreme Court this term, when under the fire of criticism it upheld laws bearing the same principles contained in legislation invalidated in previous terms.

To a manufacturer who called on me a few weeks back, I said that I was working for an America where every home would have a bathtub. Disgusted, he replied, "Why, they'd use the bathtub to plant flowers in."

He represents a definite group in this country which thinks that way. There are traces of that way of thinking in some of the Court opinions adverse to New Deal legislation.

Our opponents are annoyed, I fear, because we have chosen so distinctly a constitutional method of obtaining our ends. Under this bill we do not seek to discard a Justice as soon as he reaches the age of 70, despite the fact that private American industry thinks a man has outlived his usefulness long before that age.

Under this bill, should Justices desire to remain on the Bench after they have reached 70, we want them to give their counsel, and the benefit of their experience and wisdom to the newer men who would come in to assist them.

Almost any day the debate on the measure is expected to start in the Senate. The opponents of the bill are prepared to filibuster against it. They claim that the majority of the Senate is opposed to the bill. Why, then, is it necessary to resort to a filibuster? Filibusters are resorted to by the minority opposition as a last effort to defeat a measure which they feel can be passed.

Regardless of the outcome of this issue, I feel that it will have had its salutary effect. The American people have learned that there is something wrong with our judicial system. The issue now is not so much in the hands of Congress as it is in the hands of the American people. I believe that the future of the Republic requires that we bring our judiciary up to date, not for the moment, but for all time. I believe that the progress of America requires a progressive attitude on the part of all three branches of our Government.

Resources Committee Report Greatest State Document in History of Nation—Responsibility of Business Men—Revolutions, Labor, and War

---

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1937

ADDRESS BY MAURY MAVERICK BEFORE JUNIOR BOARD OF COMMERCE LUNCHEON, LEE HOUSE, WASHINGTON, D. C., THURSDAY, JULY 22, 1937

Mr. MAVERICK. Mr. Speaker, under unanimous consent, I include a speech I made before the Junior Board of Commerce here in Washington today, Thursday, July 22, 1937.

In this speech I frankly discussed the questions of labor along with other problems of the businessmen.

I mentioned particularly the report of the National Resources Committee entitled "Technological Trends and National Policy", which I believe will probably prove to be the greatest state document in our history. I say "state document", because it is an example of the new kind of document now being written.

"State papers" in the past generally involved some philosophical theory or vague idea of "liberty." This report is a departure from the old idea and gives the scientific approach to modern problems. And all of us know that every day science becomes more and more important.

The speech is as follows:

IN THE SAME POT AND ON THE SAME SPOT

Mr. Chairman and fellow Americans, I have been invited to speak to you, and will do so seriously on what I believe to be important issues that face the American people. This country today is beset by labor disturbances; there are still ten or more million unemployed—but as for the number of millions, it doesn't make any difference, for we know there are enough millions—and although we have what is called "recovery", we know that none of us is as self-satisfied as we were 10, 20, or 30 years ago. Throughout the world there are revolutions and wars, and the international situation is black.

You are either businessmen or represent that group, I understand. Many of you represent big business and large corporations. Big or little, and whatever our calling, we are all in the same pot and on the same spot. That means we ought to try to work things out.

"BIG" PEOPLE AND PRESS OPPOSE ROOSEVELT—HE GETS ELECTED

Let us consider first the influence of what is generally known as big business men, big lawyers, and such organizations as the National Manufacturers' Association, the United States Chamber

of Commerce, the Liberty League, and the press of the United States of America. All of those groups were almost unanimously opposed to the election of President Roosevelt—the press by circulation was some 86 percent against the election of the President.

What was the result?

Roosevelt was overwhelmingly reelected. I do not say this in order to have a political argument, but to state a fact.

Let us, without emotion, inquire into the reason for this. These groups originally had influence, and have apparently lost it. Why? Well, their original influence was based on the rising prosperity of corporations in general, and big business in particular. When the bottom fell out the influence went also.

WE FIND RESOURCES ARE NOT ILLIMITABLE

And the only reason prosperity had continued for year after year had been our seemingly illimitable resources. If land wore out, or rivers were used up in developments, forests destroyed, there were more resources. Suddenly, a few years ago, we found our resources were in a dangerous condition, and that they would all be destroyed unless there was national conservation of what was left.

What I say to you is unquestionably factual, and not based on any political theory. And since we must all live from these resources, we should view our problems without political or economic bias. And you who are young men may develop intelligent policies which will not only save the country in which we live but preserve good business and serve the very corporation or corporations with which you are connected.

SCIENCE AHEAD OF BUSINESS MANAGEMENT, POLITICAL INSTITUTIONS, AND LABOR ORGANIZATION

In order to thoroughly understand the situation, we must make, I think, certain admissions. First of all we must admit the accomplishments of science, the march of machinery, and technical perfection are hundreds and hundreds of years ahead of business management, political institutions, and labor organization.

Let me repeat this: Science is hundreds and hundreds of years ahead of business management, political institutions, and labor organization.

And I think all will agree that if it is possible to have the intelligent coordination of all these forces there is enough of resources for all to have plenty.

So our job is to coordinate these factors, which I believe is possible, if we use our heads.

RESOURCES COMMITTEE REPORT AMAZING—CONCERNS US ALL

In the last few days the National Resources Committee made public one of the most amazing, comprehensive, and intelligent reports in the history of nations. The title of this report is Technological Trends and National Policy—Including the Social Implications of New Inventions.

I shall not discuss it at this point, except to say that every businessman in America, every laborer, every teacher, ought to take time out to read it. It shows the colossal number of uses to which our resources can be put, and the effect of their use and the use of inventions upon every phase of our national life. And it certainly concerns every person in this room quite directly.

Gen. Hugh Johnson criticized this report the other day in his column by saying that it was gotten out by a bunch of professors, and that everything in it is "obvious." This might be true to General Johnson, who has had wide experience in industrial problems under N. R. A.; the report was not "obvious" to me, and tens of millions of other Americans. But admitting the report is obvious, the statement of the problems is important, because the people may learn what science, invention, and uses of our resources mean to our very existence.

SHUT EYES, CLOSE EARS, OPEN MOUTHS, YELL "COMMUNISM"

With the idea in mind that we are going to see things scientifically, let us look at the method usually used to solve our problems of today. It has now become a custom not only of businessmen, but of labor, to shut their eyes, close their ears, open their mouths wide, and shout "communism" at anyone with whom they disagree. To this is added, of course, such words as "subversive", "un-American", and others.

All of this vicious name-calling solves nothing and proves nothing. Neither labor situations nor business difficulties are solved by calling names. Some of the conservative newspapers are getting bored with that kind of talk, among them even the Wall Street Journal.

WALL STREET JOURNAL CONDEMNS "EMOTIONAL OUTBURSTS"

For instance, the other day, when a Member of Congress warned that vigilantes would be called out against the C. I. O., the Journal deplored violence on the part of the Government, citizens, or of employers, and referred to the statement as an "emotional outburst." The editorial concluded by saying "the facts warranted no one in asserting the C. I. O. marches under the red banner of Soviet Russia", and continued, "In this matter epithets are, as usual, worse than useless." The editorial concerning the C. I. O. ended by saying that "we shall deal with it more effectively and more faithfully to Americanism if we keep our mental and emotional shirts on."

Remember, that came from the Wall Street Journal!

MAGAZINE "TIME" CALLS GIRDLER AND LEWIS CAPITALISTS

I wonder, too, if the labor situation is going to be settled by merely bellowing John L. Lewis and connecting his name with communism. What does the magazine Time, which merely reports the news, say? It says:

"John L. Lewis is as much a capitalist as Tom M. Girdler. Their immediate objectives may differ, but neither could conceive of working for objectives except within the framework of capitalism."

Take another statement in Time. It says:

"Though Harry Bridges is no revolutionist, millions of people think he is. At the present moment the favorite method of attacking C. I. O. is to raise the hoary cry 'Communism!'"

Time also mentions, incidentally, "Harry Bridges is • • • incorruptible by cash, favors, or flattery."

WASHINGTON POST CASTIGATES HENRY FORD

Concerning labor, I am going to read a little from a very conservative newspaper, your own Washington Post, and which severely criticizes Mr. Henry Ford. It says of him:

"His reply to the N. R. L. B. indicates his 'unrelenting opposition' • • • and his 'stubborn fight is likely to lead to an explosion.' • • • Mr. Ford has taken a position that cannot reasonably be maintained."

And then the editorial shows that his unbending attitude plays into the hands of the radical fringe, resulting in strikes and disorders.

Now, the publisher of that paper, Mr. Eugene Meyer, is an old-time conservative, financier, and businessman. Why did his newspaper so severely castigate Mr. Ford?

The answer is that Mr. Meyer knows industrial peace and justice is good business.

CIVIL LIBERTIES—NATIONAL RESOURCES—LABOR—PRESERVE ALL THREE

You probably want to know, then, what we should do about all this. I have my own ideas; and since young men like you no doubt will help control the economic life of the Nation, I offer you a few simple principles you may consider.

First, you should defend the constitutional civil liberties of all classes, including your enemies;

Second, you should preserve every phase of the natural resources; and

Third, you should give your intelligent and sympathetic consideration to labor, and frankly recognize that collective bargaining is a fixed part of American life. Let us consider these one by one:

CONSTITUTION FOR ALL—CIVIL LIBERTIES—RIGHT OF ASSEMBLY

Concerning civil liberties: We speak a lot about the wisdom of our forefathers, and usually that conversation is very sentimental and vague. We must remember that when the Constitution was written there was no Bill of Rights, and that the outcry of the people of the new States caused the adoption of the Bill of Rights, or of the first 10 amendments to the Constitution of the United States.

You have read them before, but just for convenience I am going to read two amendments to the Constitution, the first and the fourth.

The first one concerns liberty of speech and press, assembly and petition, and is as follows:

"AMENDMENT I

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

"THE RIGHT OF THE PEOPLE TO BE SECURE"

The fourth concerns the right to be secure from unreasonable search and seizure, and is as follows:

"AMENDMENT IV

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures shall not be violated and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the places to be searched and the persons or things to be seized."

Now, my fellow Americans, I want you to look at this from the viewpoint of complete selfishness and good business and not from a viewpoint of human rights for someone else. These liberties, religious and civil, must be maintained, irrespective of the kind of opinion—and this to protect our own right of expression, when ours may not be approved of by others.

When police beat up people because of their opinions, which may be right or wrong, they are beating up the Constitution and civilized government, and once that is established it is likely to happen to anybody, to us, and to organized business as well as organized labor.

THE SPIRIT AND STRUCTURE OF GERMAN FASCISM

Let me read from a very important book, The Spirit and Structure of German Fascism, by Brady, wherein several comparisons are made:

"As businessmen have come more and more to dominate not only the economic but all other phases of modern life, they have come more and more to think of themselves as the elite. In the literature of even pre-Nazi Germany, and in that of contemporary America, England, and France, this theme runs strong. A graduate from Oxford, and at present general manager of a thriving London ice-cream business, was positive that 'liberty had meaning and value for the able 10 percent, but feudal status was all the masses were fit for.' Lawrence Dennis' book, The Coming American

Fascism, reflecting the opinions of the Union League Club and the National Association of Manufacturers, identifies the elite throughout with the successful businessman. In this view the remainder of the population cannot possibly be 'free and equal', since they are without talent, without capacity for self-sacrifice, without 'honesty and devotion' to their tasks."

Mr. Brady then shows that in Germany the monopolies have gained control of all thought and science, and that everything is subordinated to money and this Nazi state. This means that science is prostituted, freedom of thought is blotted out, art, religion, and culture are made instruments of propaganda and false symbols to enslave the minds of the people. In this country the American businessman must not make the same mistake, and he must remain free by demanding the freedom of all other parts of our democratic system.

If one wishes to be informed on Germany and learn what fascism really is, read it. It should be read, also, to determine certain trends in this country.

NATIONAL RESOURCES—THEIR TERRIFIC DESTRUCTION

The next thing I mentioned is the matter of national resources. We have destroyed and slashed and burned away until this country is in a dangerous and serious condition. Nearly 200,000,000 of acres have either been destroyed or are in the process of destruction; with that have gone great forests, rivers, mines, oil, gas, and other features of our natural life.

Now, I mentioned the report of the Natural Resources Committee. I have already spoken of it in highly complimentary terms. We hear of "great state documents" of the past; they generally concerned some philosophical or political theory.

RESOURCES COMMITTEE REPORT GREATEST STATE PAPER IN HISTORY OF AMERICA

This report, in my opinion, is the greatest state "paper" ever written in America, because it is based on science, knowledge, invention, and the natural resources. It is a thrilling statement—where one looks into microscopes and sees millions of molecules of human progress, and into telescopes and sees the gigantic possibilities of our modern life.

Aside from this report and as far as I know not mentioned in it, I am informed that there are now in existence enough patents ready to put on the market to displace the labor of six or seven million men. Many of these patents have not been released because of contracts, and others because of the necessity of new capital. Many have been suppressed outright and still others are withheld on account of the dire economic effect that they might have upon the Nation.

NO LIMIT TO WHAT MACHINERY CAN DO

Concerning this report, let us get some of its conclusions in our minds. One is that there appears to be no limit to the work which might be taken over by machinery. If we think upon that a while, we will realize the great importance of it.

In their report, the committee shows that, aside from mere jobs, whether there may be more or less workers, new inventions affect all great social institutions. First of all, the family, church, local community, and then the State, industry, business, professional life, and every phase of labor.

MECHANICAL COTTON PICKERS AND OTHERS

They speak of the myriad effects of various new inventions. Some of them are listed as follows:

"The mechanical cotton picker, air-conditioning equipment, plastics, the photoelectric cell, artificial cotton and woolenlike fibers made from cellulose, synthetic rubber, prefabricated houses, television, facsimile transmission, the automobile trailer, gasoline produced from coal, steep-flight aircraft planes, and tray agriculture."

And they add:

"A special case of the influence of invention is technological unemployment."

Now, I ask you, my friends, is not this a very important part of your life and the life of millions of Americans? If this report means anything, it means that even though we have already passed through various forms of industrial and scientific revolution, there will be a scientific revolution in the near future which will put all previous scientific discoveries and developments in the shade.

RADICALS AND DISTURBERS—INVENTION THE GREATEST

And speaking of radicals, agitators, and disturbers, the greatest disturber in modern life is invention. Here is what the committee says:

"Invention is a great disturber, and it is fair to say that the greatest general cause of change in our modern civilization is invention; although it is recognized that social forces in turn encourage or discourage inventions."

And invention is no mere soap-box orator. He is a man of steel, force, and rapid action.

Let me try to digest some of the conclusions of the committee. They are that the advance of technology cannot be stopped, and, therefore, should be put in socially desirable channels. That there are serious obstacles and they are the inertia of the people, prejudice, lack of unity of purpose. They further find that new inventions will no doubt revolutionize systems, agriculture, mining, transportation, the construction industries, power production, and distribution, the metallurgical and chemical industries, and electrical manufactures. It is shown that wool and cotton can be substituted by cellulose, that gasoline is made from coal, that rubber is made from coal and chalk—and that all of it may literally do away altogether with the cotton, coal, and timber industries. I have mentioned only a tiny part of their conclusions.

MUD-SLINGING BUSINESSMEN, POLITICIANS, AND LABOR LEADERS

In all of this we must look with disgust upon slipshod thinking, and upon the mud slinging of businessmen, politicians, and labor leaders. We must try to use our knowledge to prepare for the future. Had we in the past used our knowledge of various industries, many of our great maladjustments and disturbances could have been saved.

Concerning the third point, labor, I have already discussed some of the attitudes fully. I only emphasize again that the businessman, executive and professional, must give this his thoughtful consideration.

All this concerns a common-sense thinking about minimum wages and standards which not only guarantee a fairly decent standard to all those who are willing to work, but give to business and industry stability and security. To this must be added social security and old-age pensions, now absolutely necessary in a civilized state from the viewpoint of humanity, but also necessary from the viewpoint of the stability of business.

I have mentioned just a few of the important questions of the day. All of us must study them. Certainly young businessmen must do so, for you, as businessmen, have much more serious lives ahead of you than your parents or grandparents; and all of that for the simple reason of diminishing resources and increasing populations on the one hand, and the inventions and scientific discoveries on the other.

Our forefathers were pioneers in a new and raw land; we can be pioneers in a new and refined land, a land of science and culture.

We need not conquer more land or nations; we have enough.

PIONEER AT HOME AND WITHIN OUR INSTITUTIONS

Our job is to do our pioneering within the framework of our own boundaries and within the framework of our own form of government.

We also need courage, because in addition to going against many of the hardships our forefathers faced, we go against the newer hardships of prejudice, of custom, of "set" ideas that people hate to change.

We go up against those who will hate to give up any power whatsoever, but would rather stick with their power and lose all of it rather than give up a little.

Yes, my fellow Americans, if we really want to study this thing, if we really want to open our eyes and be tolerant and studious, we can solve this situation. Let us, therefore, try to do that very thing.

Youth's Search for Security

EXTENSION OF REMARKS

OF

HON. HUGO L. BLACK

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1937

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, TO THE NATIONAL YOUTH CONGRESS

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a speech delivered by the Senator from Florida [Mr. PEPPER] to the National Youth Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

From the dawn of civilization it has been the struggle of mankind to perpetuate and to preserve itself. It is this persistent battle for security which has been the motivating force of man's greatest efforts, his most valiant battles. For, indeed, civilized man lives not alone for today. He knows that tomorrow, as well as today, he will need food, clothes, shelter; that he will yearn for the comfort and the satisfaction of home and family; that his mind and his soul will aspire to further reaches into the unknown, which freedom alone can allow. And so with such consciousness he will forego the pleasures and the ease of today that he may have some fair security for the inevitable tomorrow.

Who more than young men and women is concerned in this search for security? Who has more of a stake in the world of tomorrow than those who are about to march into it and take it as their possession? Nothing in the realm of the imagination is so challenging as the dynamic potentialities of men and women yet in their youth. They are but a little way from the mysterious portals of life. They are bathed in the beauty of a spirit which has only a short span before been a share of the immortality of the universe. It is an unconquered and an unconquerable spirit which has felt neither the sting of defeat nor the sapping blight of cynicism or futility. No narrow prophets have been able to put to their eyes the kind of a telescope which limits the range of their vision. Their minds, like their strong bodies, are tough and unafraid.

And so young men and women are ready to make their sacrifices, even to throw down the gage of battle to save their tomorrow intact and their future against such impairment as will threaten their security.

What is it that young men and young women want most to preserve in their tomorrow which they are about to acquire?

Above all things cherished by youth is its vitality and its strength. So young men and women want to march into the arena where in desperate struggle they will determine the issues of tomorrow with their physical strength, their health, their tough bodies, speaking the enviable perfection which is the boast of all nature. Young men and women want to live in a social order, therefore, which will encourage and aid them to preserve for the future the priceless heritage of their strength.

And youth, aspiring to a complete fitness for the contest of life, seeks also the stimulation and development of the mind, the training of the mental processes, filling the storehouses of the mind with useful information, invigorating the intellect with the aspiration of knowledge, such an acquaintance with life that one may see with an eye which can focus either on the past or the future, on that which is near or that which is far away, provoking such an attitude of the kind as shall make one fully aware of the zest of life, the dramatic surge of human life through nature, the mastery of man over his world.

But one thing more must youth preserve above all else, for without it there is no future; no tomorrow into which it may enter. That is opportunity. No one in all the Nation is so much concerned with the kind of government, the kind of economic and social order, the quality of accessibility, which we give the tomorrow to which youth is heir as is youth itself. Nations have fought abroad for the policy of the open door. Young men and young women want the policy of the open door at home. They want, and they have the right to demand, that the resources of their country shall not be so depleted that when tomorrow comes there shall be nothing left. They have a right to expect and they demand that no little group or big group of economic lords shall be allowed to build a wall around an economic system and emblazon to ambitious youth from the crest of its ornamented gates the sign "Keep out—private property." Young men and women have a right to ask and to demand the answer to the question, What kind of a future are we building for them—for their bodies, their minds, their souls, their dynamic ambitions?

In the manual of arms of the marching columns of youth there is but one command, "Forward"—forward to your glorious destiny.

The Flag Emblematic of American Ideals

EXTENSION OF REMARKS

OF

HON. FRANK J. G. DORSEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1937

ADDRESS OF HON. FRANK J. G. DORSEY, OF PENNSYLVANIA, PHILADELPHIA, JUNE 26, 1937

Mr. DORSEY. Mr. Speaker, under leave to extend my remarks, I include therein an address delivered by me at the flag-raising exercises of the Church of the Resurrection of Our Lord, Philadelphia, Pa., on June 26, 1937:

It is particularly fitting and appropriate that these flag-raising exercises be held on this church property during the year in which we are celebrating the one hundred and fiftieth anniversary of the formation of the Constitution. The members of the Holy Name Society of the Church of the Resurrection of Our Lord, who, I understand, erected the staff from which this beautiful flag will be flown, are to be congratulated on their patriotic zeal. As this standard, emblematic of the free institutions of our Nation, is wafted by the breeze, it will serve as a reminder that government cannot exist without religion, and that the security and perpetuation of our democracy depends upon the virtue and morality which is taught by religion.

In this material world, living as we do in a complex economic era, there is a grave tendency to give little heed to those spiritual values which are so necessary to the life of our Republic. Many of our forefathers, the pioneering stock that made this Nation possible, came to these shores so that they could practice their religion according to the dictates of their conscience. They builded well; they left us a glorious heritage. Yet, today there are those who seemingly forget that religion, and the deep convictions engendered therein, gave incentive to the molding of a democracy which is the admiration of a distressed world. Sad, indeed, will be the day for America when materialism becomes the guiding principle of our people, bringing with it those destructive forces that will make a mockery of the institutions, principles, and ideals of a democratic government.

Let me repeat, the permanence of our democracy depends upon the virtue and morality which are taught by religion. Whether you be Catholic, Protestant, or Jew, believing as you do in God as the Supreme Arbiter of our eternal destiny, you should bring into your lives those religious principles which alone can preserve the structure of government created at so much sacrifice for our enjoyment and protection.

And so today in a religious atmosphere, and with an outward demonstration of patriotism, you, my neighbors, are gathered to give testimony of your loyalty and fidelity to the flag and to the institutions and principles of government for which it stands. Philadelphians have a particular pride in the events which transpired over 150 years ago, for it was in this city that the first flag of our Nation was woven with dexterity by one in whom the fires of patriotism burned with fervor and devotion—Betsy Ross. That glowing emblem has served to steel the hearts of men in times of adversity and has beckoned us to great accomplishments in times of peace. It has been handed down to us as the emblem of a living democracy. No matter whether it be made of silk, of wool, or of cotton, that flag has the same significance to all loyal Americans. It is a symbol of patriotism, an emblem of devotion to our country, a visual personification of our free institutions. It represents the power and authority of the people exercised through a Federal Government under a Constitution which has stood the test of time.

The statues and monuments erected for our national heroes incite within us honor and respect for their accomplishments. And so it is with the flag; it instills us with a spirit of devotion to the ideals and principles which have been handed down to us through so much sacrifice on the part of our forefathers. Throughout the world it is respected as the emblem of a nation designated as "the land of freedom" and "the home of the homeless among the nations of the world."

The progress which we have made as a nation is both the admiration and the envy of the world. It was brought about under the protection of a document, the Constitution, which guarantees to every citizen the full protection of the law. It guarantees the right of peaceful assembly, of a free press, of religious freedom, of the sancity and security of the home, of trial by jury, and to petition the Government for a redress of grievances. The formation of that Constitution in our city of Philadelphia 150 years ago was accomplished under most trying conditions. By bitter experience the delegates to that convention in 1787 knew of the oppression that could emanate from a strong central government. Each of the newly freed States had its own power in government which it desired to protect. On the other hand, it was recognized that 13 loosely connected States could not long retain the freedom which was gained at so much sacrifice. A central authority of government was needed to protect the liberties of all. When the days seemed darkest, when the task seemed to be impossible of accomplishment, it was a Divine Providence who enlightened the minds of the founding fathers and guided them in the formation of the Constitution that has served us in prosperity and adversity and in peace and in war.

The founding fathers builded well. They realized that in a changing world they could not put a young and progressive country in a strait jacket. They knew that in a democracy under a constitution created for the benefit of civil society, the problems of the day must be met by a responsible government. They inculcated in our basic law not only checks upon the power of the States and upon the extent of authority of the Central Government, but they also interwove within that Constitution a system of checks and balances on the power and authority of branches of the Federal Government.

Concretely, the framers of the Constitution set forth their ideals and principles in the preamble: In order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and to secure the blessings of liberty to ourselves and our posterity. All that follows in that document setting forth the organization, power, and authority of government, is for the purpose of effectuating the ideals established in that expression of their objectives. Each branch of the Federal Government is charged with duties and responsibilities within the power granted them, of carrying into effect the objectives pronounced in the preamble. Unless that is done, our Republic, like so many republics in the past, will perish from the earth.

Men who assume the responsibilities of government must discharge their duties with the full intent and resolution of handing down to posterity a nation affording the same breath of freedom and opportunity as was given them by those who have gone before. Today in America are needed men with vision, with character, with conviction, and with courage to ward off the subversive and un-American tendencies of the day.

When we look at other lands, my friends, and see strife, discontent, and turmoil at every hand, how thankful we should be that we are living under that flag emblematic of a living democracy. How appreciative we should be of the social order reared in this Nation under a system of government recognizing the rights of the governed. While the price which we pay through taxation might at times seem burdensome, nevertheless it is small, indeed, in comparison to the benefits and privileges which accrue from the civilization built here through democratic processes of government. When we consider the lot of those living under dictatorships in foreign lands, when we look upon those unfortunate people who are not free to even worship God according to the dictates of their conscience, when we gaze upon other nations rent and torn with civil strife—when we give thought to such conditions, I say that the privilege of being an American citizen is worth any price.

America has had its trials and tribulations, but the common sense of our people has prevailed and will ever lead us forward. Today

you are, perhaps, living through the third great crisis in our history. The first has been designated by a contemporary writer as one in which the problem was between the several States during the formative period of the Constitution. The second can be characterized as a crisis involving problems between sections of the country during the Civil War period. The third, due to a changed economic structure, is now in progress between capital on one side and labor on the other. The same sturdy qualities of citizenship and patriotic spirit evidenced in the sound judgment and common sense of our people will lead us through this crisis to brighter days.

A great economic change has been taking place not observed, or at least not thoroughly analyzed, by some of our most thoughtful people. These changes have been brought about by many factors, including, among others, the mechanization of industry, mass production, centralization of capital control, the growth of population, and developments in the field of communication. This latter phase now makes it possible for you to know changes and events throughout the world almost the instant they happen. A fertile field for propagandists has thus been developed, and therein lies one of the dangers to our democratic form of government. Selfish and unscrupulous individuals, as well as some sincere people, interpret these quickly relayed events and happenings, and give out as facts false and hasty conclusions. So more than ever the American people must be on their guard against false leadership, against those who would bring Old World philosophies and tenets of government into American life. The "isms" have had their development in Europe, but there is only room for one "ism" here, and that is Americanism.

I am not fearful of the future, and I do not think for a moment that those advocating a change in our form of government, no matter what the "ism" might be, will be successful in America. However, from small acorns great oaks develop. Through their insidious methods these "ists" become connected with laudable and worth-while movements and endeavor to affect the trend and action of the organization in which they operate along selfish lines. So, my friends, beware of such people in your associations; check up on the background of the leaders, whether it be in the workshop, in business, in labor organizations, or peace groups. False and selfish leadership and the "ism" type of leader can ofttimes destroy an otherwise laudable and worth-while movement which, if followed along democratic lines in an American spirit, would be in your interest and for the general welfare of the country.

Much has been said recently of lawlessness in America. Let me remind you that there are two types of lawlessness. On the one hand we have the individual who through his actions infringes upon and breaks some established law. He does not consider the rights or property of his neighbor. That type we will always have until the millennium is reached. Then we have group lawlessness, which is usually the result of a condition. That type of lawbreaking can only be corrected by eliminating the condition which causes it. Far better it would be for America if those who are loudest in their protestations against such lawlessness would give some thought and action toward the correction of the underlying causes.

Disrespect for law! Who has paved the way? Much of it was engendered when in a lofty-minded spirit we tried to legislate the morals of the people through prohibition. Lawbreakers then had no trouble in securing the support of those who would even contaminate the courts in order to save a fine or punishment for an offense. Disrespect for the courts! Who created this condition except some of those who now loudly protest against any criticism of the judiciary? What more glowing example of lawlessness, at least in a breach of the spirit of the law, could be given the American public than that of wealthy individuals and corporations engaging experts to find loopholes in the law in order to evade a tax or to find a reasonable excuse for not following out the intent of the law? Lawlessness! Is there not cause for it in the light of the example so set by those who should uphold the law in its spirit and letter?

I have no brief for those who do not respect the rights of others nor for those who, in a spirit of lawlessness, have no consideration for the property of others, for two wrongs do not make a right. But I do maintain that the apparent trend of the day has been brought about by the arrogance of those who have used the law as a means to an end, disregarding the rights of the individual and apparently forgetting that the security and perpetuation of our democracy depends in a large measure upon the opportunities offered the average citizen to life, liberty, and the pursuit of happiness.

This group lawlessness to me is a passing phenomenon which will be corrected when the changing economic problems of the day are met by responsible leadership in the spirit of democracy. To you, my friends, I leave a concluding thought. Assume your responsibility according to your station in life as a citizen of this great Nation, for in this country every man is a king, since in the final analysis the citizen is the ruler of the Republic. Encourage a respect for law; beware of false leadership that would lead you along the dark pathways of discontent and destroy the liberties which you now enjoy. Resolve to hand down to your posterity the same principles and ideals of government which will allow your children and generations yet unborn to enjoy the same breath of freedom that has been given you.

And in that spirit of true patriotism, which means the recognition of authority, respect for law, and consideration of the rights of your neighbor, will America go on and on to brighter and happier days. When this flag of our Nation is raised to the top of yonder pole, you can say with me:

"Sail on, sail on, O Ship of State."

Yes; a sturdy ship that has brought us through many tempests;

"Sail on, O Union strong and great."

A Union made strong through the sacrifices of patriots and great in the leadership that it has developed and in the solidarity of our people in time of stress—

"Our hearts, our hopes are all with thee."

Our hearts strengthened with the desire to carry on in the spirit of the founding fathers for a united, prosperous Nation.

"Our hearts, our hopes, our joys, our tears,
Our faith trumphant o'er our fears.

Our faith in our democracy and principles of government, our common knowledge that we can and will overcome obstacles in the path of progress, our hopes in the future and abiding confidence in these children before me who will be the leaders of tomorrow—

"Are all with thee, are all with thee."

The Truth in Fabric Act of 1937

EXTENSION OF REMARKS

OF

HON. VIRGINIA E. JENCKES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1937

Mrs. JENCKES of Indiana. Mr. Speaker, I have just introduced a bill to protect the producers, the manufacturers, and the consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics or in garments or articles of apparel made therefrom. This bill will be known as the Truth in Fabric Act of 1937.

With the development of scientific methods and procedure, clever substitutes for wool are produced. These substitutes, while clever, and in some instances pleasing to the eye, are not as substantial and desirable as the natural materials.

I am specifically interested in protecting the wool growers in my congressional district and in the State of Indiana. There are many wool growers in the State of Indiana, and my bill, to a certain measure, will protect these wool growers from the inroads of other materials. I sincerely believe that when the American public knows the different types of materials which wearing apparel is made of, they will give the advantage to our wool growers. It is with this thought in mind that the Truth in Fabric Act is introduced.

The Truth in Fabric Act will let the American people know what they are buying. I am calling upon women all over America, and especially women's clubs to become interested in the justice of the Truth in Fabric Act of 1937 and I am appealing to them to help our American farmers and wool growers by supporting this measure and demanding its immediate enactment into law. This will be a genuine service of citizenship and will do much toward placing American agriculture on a firm economic basis.

I thank you.

Uncle Sam's Book Shop

EXTENSION OF REMARKS

OF

HON. J. WALTER LAMBETH

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

LETTER FROM THE PUBLIC PRINTER IN REGARD TO THE FUNCTIONS OF THE SUPERINTENDENT OF DOCUMENTS

Mr. LAMBETH. Mr. Speaker, under leave granted by the House to extend my remarks, I include herewith letter from

the Public Printer relative to the distribution and sale of public documents.

On July 6, I addressed the House relative to the mounting cost of public printing and referred particularly to the loose practice which has grown up involving the free distribution of documents. For some time the Joint Committee on Printing has been giving consideration to this subject and has already, under the authority of the general printing laws to curb waste, curtailed greatly the documents which have been piling up in the folding rooms of the House and Senate. This letter was written at my request in order that Members of Congress might have more specific information about printing matters. I believe it will prove interesting to all who read it. The committee would be glad to have comments upon this subject.

The letter is as follows:

OFFICE OF THE PUBLIC PRINTER,
UNITED STATES GOVERNMENT PRINTING OFFICE,
Washington, D. C., July 23, 1937.

Hon. J. WALTER LAMBETH,
Chairman, Joint Committee on Printing,
Washington, D. C.

MY DEAR MR. LAMBETH: In response to your request for information as to the functions of the Office of Superintendent of Documents and suggestions as to ways and means of improving and extending the services rendered by it with a view to (1) better serving the public; and (2) securing a greater return to the Government from the sale of its publications, I am pleased to advise as follows:

The Office of Superintendent of Documents was created by the Printing Act of January 12, 1895, for the purpose of handling the sale, distribution, cataloging, and indexing of Federal Government publications. As it is the sales department for Government publications, it makes no free distributions other than the mailing of publications to depository libraries and others entitled to receive the same by law.

In order that all persons interested in Government publications may be advised as to what is available to them through the Office of the Superintendent of Documents, it compiles, in accordance with law:

1. A monthly catalog, which is the only periodical listing all the publications of all the departments and bureaus of the Government. It is a single-entry catalog, being considered a current convenience rather than a historical record.

2. A document catalog, which supplies the historical record. It lists all United States public documents under title, official author, personal author, subject, and number, and is the only source of such information.

3. A weekly list of selected Government publications, which is another publication of increasing interest. The popularity of this weekly list is attested by the numerous requests received for copies, which are furnished free to all applicants. It is exceptionally helpful to anyone interested in the material being published by the United States Government.

Some idea of the volume of the service now rendered by the Superintendent of Documents may be gained from the following table, which shows the number of orders received, the number of publications sold, and the amount received for the same during each of the past 10 fiscal years:

Fiscal year	Number of orders	Number of publications	Amount
1927	417,543	10,461,157	$544,010.37
1928	467,661	9,226,678	724,850.58
1929	490,314	9,208,148	705,517.00
1930	503,400	8,578,592	709,046.13
1931	528,898	8,607,247	701,597.80
1932	519,597	7,715,394	609,148.01
1933	481,295	8,255,490	540,532.29
1934	496,215	10,459,964	594,007.64
1935	538,698	9,499,205	637,414.43
1936	548,848	8,832,162	680,725.69
1937	595,823	10,351,203	$13,000.00

It will be noted that during the depression years there was a falling off in the value of sales, but it is gratifying to note that the fiscal year just closed was the largest the Office has ever enjoyed.

As indicative of the widespread interest in Government publications, notwithstanding the limited publicity with reference thereto, there is listed below a few of the best sellers, by title, with the number of copies of each sold to date:

Title:	*Copies sold*
Classroom Growth Record	2,130,162
Infant Care	1,735,066
Prenatal Care	819,847
The Child from 1 to 6, His Care and Training	763,328
Keeping Fit	572,119
Healthy, Happy Womanhood	554,628
Child Management	480,875
Health Education Series 2, Diet for the School Child	443,534
The Wonderful Story of Life—A Mother Talks With Her Daughter	367,593
Manual of First Aid Instruction	364,143
What Builds Babies	273,350
House Insulation, Its Economies and Application	211,800
Out of Babyhood into Childhood	207,308
The Wonderful Story of Life—A Father Talks With His Son	198,479
Furniture—Its Selection and Use	175,127
Grade Marking of Lumber for Consumers' Protection	132,931
Cardinal Principles of Secondary Education	129,820
Story of the Declaration of Independence	119,931
Clothes Moths and Their Control	118,190
Chemical Composition of American Food Materials	111,205
How to Judge a House, Wood Utilization Committee	104,309
Fifty Common Birds of Field and Orchard	89,861
Insulation on the Farm	54,119
Home Canning of Fruits, Vegetables, and Meats	49,143

It is believed that any action which would tend to call the attention of the general public to the fact that the United States, in addition to its other functions in Washington, D. C., operates a book store in connection with the Government Printing Office, where 65,500 different publications may be procured at the most reasonable figures would be well worth while.

Public documents are no longer mere dry statistical records—their province is the whole field of human knowledge and they touch human living on every hand; their importance to the general public and to the business interests of the country cannot be fully estimated. This will be realized from a consideration of the subject matter of the few publications listed below which are cited merely as examples:

Cardinal Principles of Secondary Education. Guide to the reorganization and development of secondary education in the United States.

Chemical Composition of American Food Materials. A tabular summary of analyses made in the United States of materials used for the food of man.

Clothes Moths and Their Control. Describes measures for the control of this pest.

Description of United States Postage Stamps Issued by the Post Office Department From July 1, 1847, to December 31, 1936. Contains photographs and accompanying description of every postage stamp issued during this period.

Fifty Common Birds of Farm and Orchard. Contains 50 colored pictures of birds that frequent the farm and orchard, and short descriptions telling which are useful and which harmful to farm crops.

Furniture—Its Selection and Use. Gives information on a buying plan; an elastic budget for buying furniture; utility and comfort; materials and construction; styles; and care and repair of furniture.

Grade Marking of Lumber for the Consumers' Protection. Brief study of the advantages to the consumer of the marking of the different grades of lumber.

House Insulation, Its Economies and Application. The object of this booklet is to point out to home builders and home owners the economies and advantages involved in the proper use of insulating materials for home construction.

How to Judge a House. The purpose of this publication is to enlighten the prospective purchaser of a home in regard to essential features of construction and the selection of building materials in order that he may safeguard his investment.

Immigration Laws. Laws, rules, and regulations pertaining to immigration.

Infant Care. Practical information regarding the nursery; clothing; feeding, breast and artificial; prevention of diseases and accidents; the sick baby; habits, training, and discipline.

National Parks Portfolio. Contains photographic views interspersed with descriptive text of 21 national parks and 34 national monuments.

Prenatal Care. Prenatal care has as its object the complete supervision of the expectant mother in order to preserve the health and life of the mother and child. Just what this care should be is the subject matter of this book.

Stories of American Industry. Embodies a series of talks which were broadcast over a national radio network, and outlines the story of such industries as railways, steel, fisheries, automobiles, fur, canning, rubber, etc.

The above are only 14 of the 65,500 valuable publications available through Uncle Sam's Book Shop.

A general price list giving in one volume the titles and prices of all the United States public documents that are offered for sale by the Superintendent of Documents is not practical, as no one person would be interested in all of the subjects covered. Separate price lists are supplied free by the Superintendent of Documents and the following are now available:

10. Laws. Federal statutes and compilations of laws on various subjects.

11. Foods and Cooking. Home economics, household recipes, canning, cold storage.

15. Geological Survey. Covers geology and water supply.

18. Engineering and Surveying. Leveling, tides, magnetism, triangulation, and earthquakes.

19. Army and Militia. Manuals, aviation, ordnance pamphlets, pensions.
20. Public Domain. Public lands, conservation, National Resources Committee.
21. Fishes. Includes oysters, salmon, mussels, and propagation.
24. Indians. Publications pertaining to Indian antiquities.
25. Transportation and Panama Canal. Railroad and shipping problems, postal service, telegraphs, and telephones, Panama Canal.
28. Finance. Accounting, budget, banking, and loans.
31. Education. Includes agricultural and vocational education and libraries.
32. Insular Possessions (Philippines, Puerto Rico, Guam, American Samoa, Virgin Islands).
33. Labor. Child labor, women workers, wages, workmen's insurance, and compensation.
35. Geography and Explorations. National parks, explorations, etc.
36. Government periodicals, for which subscriptions are taken.
37. Tariff. Compilation of acts, decisions, and speeches on tariff, taxation, and income tax, etc.
38. Animal Industry. Domestic animals, poultry and dairy industries.
39. Birds and Wild Animals. North American fauna, game, fur-bearing animals, etc.
41. Insects. Includes bees and insects harmful to agriculture and to health.
42. Irrigation, Drainage, Water Power. Pumps, reclamation, water resources.
43. Forestry. Tree planting, wood and lumber industries.
44. Plants. Culture of fruits, vegetables, cereals, grasses, grain.
45. Roads. Construction, improvement, and maintenance.
46. Agricultural Chemistry and Soils and Fertilizers. Chemistry of foods, soil surveys, erosion, Muscle Shoals.
48. Weather, Astronomy, and Meteorology. Climate, floods, aerological observations, and Nautical Almanac Office publications.
49. Proceedings of Congress. Bound volumes of CONGRESSIONAL RECORD, Globe, etc.
50. American History and Biography. The Revolution, Civil War, World War.
51. Health. Diseases, drugs, sanitation, water pollution, care of infants.
53. Maps. Government maps and directions for obtaining them.
54. Political Science. Prohibition, District of Columbia, political parties, elections.
55. National Museum. Contributions from National Herbarium, National Academy of Sciences, and Smithsonian Reports.
58. Mines. Mineral resources, fuel testing, coal, gas, gasoline, explosives.
59. Interstate Commerce Commission publications.
60. Alaska and Hawaii. Mineral and agricultural resources, coal lands, geology, water supply, seal fisheries, etc.
62. Commerce and Manufactures. Foreign trade, patents, trusts, public utilities.
63. Navy. Marine Corps, Coast Guard, Naval Reserve.
64. Standards of Weight and Measure. Electricity, tests of metals, cement, and concrete, etc.
65. Foreign Relations. Foreign debt, naval disarmament, treaties, Mexican affairs.
67. Immigration. Aliens, citizenship, naturalization, races.
68. Farm Management. Agricultural statistics, farm accounts, farm relief, marketing, and farm homes.
69. Pacific States: California, Oregon, Washington. All material relating to these States.
70. Census. Statistics of population, manufactures, agriculture, mining, etc.
71. Children's Bureau, and other publications relating to children.
72. Publications of interest to suburbanites and home builders.
73. Handy Books. Books for ready reference covering many topics.
75. Federal Specifications. Federal Standard Stock Catalog.
List of Forms.
List of Radio Publications.

It may be of interest to note at this point that, for convenience in ordering Government publications, coupons are issued by the Superintendent of Documents in sets of 20 for $1, each having a face value of 5 cents, which are detachable and useable in payment for such publications, thereby obviating the necessity of continually purchasing postal money orders for relatively small amounts.

The Office is also permitted to allow a discount of 25 percent to book dealers and to quantity purchasers of 100 or more copies, on condition that the purchaser will adhere to the public sales price set by the Superintendent of Documents and that the publications shall not be overprinted with any advertising matter.

In addition to the preparation of the catalogs and price lists indicated above, and in an effort to give the public the best service possible, the following special features have been introduced by the Superintendent of Documents and have been well received by those ordering publications:

C. O. D.: Inaugurated to serve the public where publications are wanted immediately and the price is unknown. This obviates the necessity of remitting with the order.

Deposits: At the present time the Superintendent of Documents has approximately 5,300 deposit accounts, which are very satisfactory to those who frequently order publications, as they eliminate the necessity of remitting with each order and, in addition, prevent delays incident to the obtaining of prices before placing orders.

Continuation orders: A number of institutions, firms, and individuals want certain classes of publications as issued. Therefore orders of this character are scheduled either for notification or shipment to be charged to deposit accounts.

Notice of publications: Frequently inquiries are made for publications not yet issued, and it is the practice of the Office to prepare quotation cards which are sent out when publications are received.

The Public Printer believes it should be primarily the function of the issuing office to acquaint the general public with the interesting information which can be obtained through its publications that are for sale by the Superintendent of Documents. There are many channels of advertisement open to the departments that would not require any expenditure by them, but which would afford opportunity for publicity that would surely result in a wider distribution of Government publications and materially increase the sales of the office of the Superintendent of Documents. Hardly a day passes that this office does not receive marked copies of periodicals in which Government publications have been reviewed, such reviews including the sales price. These reviews should encourage the departments to send their press releases to newspapers and periodicals. Doubtless many reviews of their publications would thus be made, and this would serve to educate the public as to the benefits it could receive through the publications issued by the various departments.

Congress having placed its stamp of approval on the sale of publications as a source of revenue in its Economy Act, every possible effort should be made to increase sales. As stated, information on almost any subject is printed in Government publications. The public could make valuable use of such publications and certainly is entitled to know what has been issued, and this could be accomplished by closer cooperation on the part of the issuing officers. The dissemination of information is quite as important as its collection.

Uncle Sam's book shop sells only the publications of the United States Government. This publisher, however, happens to be the most prolific of all publishers and the one whose output—as is partially indicated above—is most varied in character. The Government offers the general public many advantages by placing at its disposal the wealth of information to be found in the publications now in its book shop. These publications may be referred to in the Public Documents Library in the Government Printing Office, which is open to research workers during the regular hours for Government business, 9 a. m. to 4:30 p. m. This library has grown in the 42 years since the establishment of the Office in 1895, until it now contains approximately 768,476 books, pamphlets, and maps. Since 1895 copies of all Government publications have been sent to the Superintendent of Documents, as required by law. The publications issued for more than a century before the establishment of the library have drifted into it largely as returns from other libraries. All who come in contact with the library are amazed at the completeness of its collection. It is a priceless historical collection of United States Federal documents, the most nearly complete collection in existence of publications of Congress, the executive departments, and independent organizations and their subordinate bureaus. Particular pride is taken in library treasures, such as documents bearing autographed signatures of famous men, historical prints of early censuses, tiny blue books, Army Registers, Navy Registers, and Congressional Directories of very early date.

The charge of extravagance in connection with Government printing is often heard, and the Public Printer has long advocated that it be reduced by substituting the sale of public documents for the free distribution thereof. Without doubt, the extensive free distribution of public documents has been a great benefit to the public and has tended to keep the American people better informed regarding the activities of their Government than are the people of any other nation in the world. This free distribution, however, has involved an enormous expenditure and a tremendous waste, as it results in placing in the hands of many uninterested people publications which they do not want. Undoubtedly, the great bulk of the "distributed free" publications are of no use to many of the persons on whom they have been unloaded by overgenerous public officials. Common experience shows how quickly waste baskets are filled with publications that flood the mails without charge or solicitation. Now that the public has been so well advised as to governmental affairs, it would seem fitting that it should join in the necessary reduction of Government expenditures by paying for such publications as may be of benefit or interest to it, thereby placing the public printing upon a substantial business basis.

There is no apparent reason why the departments cannot limit their free distribution to those collaborating with said departments in their investigations, to organizations exchanging like courtesies, to libraries, educational institutions, and officials of the Government, leaving it to the Superintendent of Documents to supply the general public by sale. It is believed that there is little, if any, justification for the free distribution of Government publications to individuals. Men value what they pay for, and the documents offered for sale by the Government are worth their price to those interested in the subject treated.

The Public Printer does not advocate depriving libraries of the privilege of receiving free publications, because he recognizes them as active agencies in educating the public to use the various Government reports and to appreciate their treasures of scientific, in-

dustrial, and economic information. The future usefulness of public documents is largely in the hands of the active up-to-date librarians.

Expressions of surprise are still heard from visitors when they learn of the vast amount of information contained in Government publications. The American public is perfectly willing to pay for this information. Whereas many persons prefer to obtain the same without expense—through Members of Congress and other sources—this mode of supplying publications is utterly inadequate to satisfy all concerned, and does not seem quite fair that some should obtain gratis that for which others have to pay.

Therefore, in view of the enormous waste involved in the free distribution of Government publications, both by Congress and the departments, and the increasing success of their sale by the Superintendent of Documents, the recommendation is most earnestly made that all free distribution, except in certain authorized and necessary instances—such as those enumerated above—be discontinued, and that the sales plan be generally adopted.

To "recap" the above and to answer your questions specifically, it is the opinion of the Public Printer that the receipts of the Office of the Superintendent of Documents can be increased and its service to the public broadened by (1) eliminating the free distribution of publications to individuals and (2) the education of the public through the various departments as to the benefits to be derived from the publications prepared by such departments. This would not only carry out the thought of the Director of the Bureau of the Budget who said, "We are spending too much of the taxpayers' money in helping to fill the wastebaskets of the Nation" but would enable the Office to assist a greater number of persons. That this assistance is appreciated is illustrated by the following letter recently received by the Government Printing Office:

DEAR UNCLE SAM,
Care of Superintendent of Documents,
Government Printing Office, Washington, D. C.

DEAR UNCLE: As an income-tax payer I feel impelled to send you a letter of appreciation. You give me value for my money more than is derived from any other expenditure. I am a printer and type founder, who appreciates the assistance you afford through your various departments via your great Printing Office and your Superintendent of Documents, in every angle of my business—materials, production, foreign and domestic trade, as well as good citizenship. We, your citizens, I am afraid, are apt to receive your activities on our behalf in every industry and in every occupation with the indifference with which, from year to year, we receive the bounty of Heaven in the form of life-giving rain. Who gives rain a friendly thought until we run short of it?

The weekly list of your inexpensive helpful publications issued by your Superintendent of Documents, available to every citizen, is a marvelous conspectus of the helpful activities of your departments. You are the most active and greatest publisher of helpful scientific information in the world. From the printed documents you issue applicable to my own business I derive knowledge nowhere else obtainable, of great practical value, and worth many dollars a year to the industries with which I am connected. So it must be in other industries. No other Government than yours, dear Uncle Sam, is doing nearly so much for its citizens as you do. Your best, ceaseless, and most important work is, in my opinion, that which rarely gets space on the front pages of our newspapers.

Yours loyally,

(Signed) HENRY L. BULLEN.

If the Joint Committee on Printing would say "attention please" to the general public in a tone sufficiently persuasive to cause it to pause long enough to learn of the benefits to be derived from the proper use of the information in Uncle Sam's book shop, more letters of the above type would be received and the receipts from sales would more than offset the expenses incident to the operation of the Office of the Superintendent of Documents.

If I may be of further service to you in this or any other matter, kindly advise.

Respectfully,

A. E. GIEGENGACK, *Public Printer.*

The Sugar Industry

EXTENSION OF REMARKS
OF
HON. JOSEPH C. O'MAHONEY
OF WYOMING
IN THE SENATE OF THE UNITED STATES
Friday, July 23 (legislative day of Thursday, July 22), 1937

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. O'MAHONEY. Mr. President, one of the most enlightened and progressive newspapers now published in the United States is the Philadelphia Record. In the issue of this morning, July 23, there appeared a very interesting editorial entitled "Pass the Sugar Bill." There has been some question about sugar. I ask unanimous consent that the editorial from the Philadelphia Record be printed in the Appendix.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PASS THE SUGAR BILL

[From the Philadelphia Record]

Government regulation of the sugar industry, an outgrowth of high tariffs to protect beet sugar interests, never should have been instituted. But it is with us. So the problem today is to see that sugar legislation is as fair as possible to all parties in interest.

The sugar bill now stalled in Congress isn't a perfect bill. But it is a compromise that satisfies beet-sugar interests, American cane-sugar interests, Cuban interests, and our eastern refiners.

It is held up by opposition within the administration on the ground that it does not allow for expansion of imports of refined sugar from Hawaii and Puerto Rico. Our island possessions want the right to produce and send us unlimited quantities of refined sugar in addition to their raw sugar production.

Every other element in the industry is held to some sort of quota limit—either express or implied by other quotas. If Hawaii and Puerto Rico are exempted from any regulation the whole structure of sugar quotas is undermined.

Both Hawaiians and Puerto Ricans will benefit by the relative stabilization of raw sugar prices which the bill should produce. To ask in addition that eastern refiners be subjected to unlimited competition from tropical wage rates is too much.

Eastern refiners cannot be expected to go along on a bill that contains the Hawaiian-Puerto Rican exemptions. And if the present compromise bill is wrecked, chaos is ahead for the whole sugar industry.

The bickering has continued long enough. Attention out of all importance to the issue has been paid to the extravagant and uncompromising Hawaiian-Puerto Rico stand. It's time to stop arguing—and pass the bill.

Billions Out and Billions Back

EXTENSION OF REMARKS
OF
HON. TOM CONNALLY
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Friday, July 23 (legislative day of Thursday, July 22), 1937

ARTICLE BY JESSE H. JONES, CHAIRMAN OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. CONNALLY. Mr. President, I ask permission to have printed in the RECORD an article entitled "Billions Out and Billions Back", written by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, which was published in the Saturday Evening Post of June 12, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of June 12, 1937]

BILLIONS OUT AND BILLIONS BACK

(By Jesse H. Jones, Chairman, Reconstruction Finance Corporation)

What is $1,000,000,000? It is a relative term. Until the World War and recent years, fighting the depression, $1,000,000,000 has been regarded as a great deal of money even by our National Government. But when the honor of our country or the welfare of our people is at stake, $1,000,000,000 is not a prohibitive amount, nor is it large when compared to our national resources.

During the 20-year period just prior to 1917, $1,000,000,000 was approximately double the average total annual receipts of the Federal Government from both internal revenue and customs. For the fiscal year 1937, however, Uncle Sam's tax bill, including only about $400,000,000 in customs receipts, will be near $5,500,000,000, or more than 10 times the average annual income during the two decades ending with 1916.

This does not mean that we are 10 times richer now or 10 times more extravagant than we were before 1917, but that many changes have taken place, many growths. Our standard of living is higher, our population substantially greater, and our Government, national and local, is having to meet the demands of an increasingly exacting public. During recent years we have become less self-reliant, more dependent upon government, particularly the Federal Government. Private charity is giving ground to the easier way of letting the Government do it. Billions are spent

for work relief and for grants to assist in the construction of useful public projects, undertaken largely in aid of employment. Loans for these purposes, though large, will, for the most part, be paid and, therefore, entail no ultimate cost to the Federal Treasury.

True, in the last 20 years a great deal of wealth has been created and discovered—witness particularly the development of the oil and automotive industries—but revenues from this increased wealth have not kept pace with Government expenditures. Since 1934 Federal grants for public works, relief, and work relief account for more than $3,000,000,000 a year. Elimination of this item, when possible, would balance the books and enable substantial debt retirement, notwithstanding that cost of Government is constantly increasing. However, multiplying social problems will continue to test our ingenuity to make ends meet, and we should not look forward to too much serenity by changing this or that in Government or in its administration.

While on the subject of taxes and Government expenditures, it may be interesting to note that taxes of States, municipalities, and other political subdivisions are approximately equal to Federal taxes, making a total annual tax bill of from $11,000,000,000 to $12,000,000,000.

Yet when in February 1932 the Reconstruction Finance Corporation was organized to relieve distressed banks, business, agriculture, railroads, and so on, and generally to break the back of a Nation-wide depression that was rapidly approaching economic chaos, it was given a capital of only half a billion dollars and authority to borrow a million and a half more.

The War Finance Corporation, set up by Congress under the Woodrow Wilson administration in the spring of 1918, was given a capital of half a billion dollars. Its purpose was to make advances to banks and industry to aid in prosecution of the war. A year later—March 1919—the act was amended to permit advances to American exporters and banking institutions to finance American exports. The deflation period which followed the World War prompted Congress to revive the corporation in January 1921, and later to broaden its powers, authorizing it to lend to banks and financial institutions for agricultural purposes, to livestock loan companies, and to cooperative marketing associations. All but $10,000 of the capital has been returned to the Treasury, together with substantial earnings.

The Reconstruction Finance Corporation was patterned along somewhat similar lines. It was, however, the Government's first venture in fighting, with Government funds, a depression that extended to every phase of our economic life. The $2,000,000,000 made available to it seemed a lot of money at the time, but proved to be only a starter.

Congress created the Corporation as a bipartisan agency, stipulating that not more than four of the seven members of its board of directors could be of one political faith. This was done under the theory that, if partisanship should develop, the party in power would, and properly should, have the deciding vote through a majority membership.

The original board was composed of four Republicans and three Democrats. The Republicans were Andrew Mellon, Secretary of the Treasury; Eugene Meyer, Governor of the Federal Reserve Board; Paul Bestor, Farm Loan Commissioner, all ex officio under the law; and Gen. Charles G. Dawes. Mr. Mellon soon was succeeded by Ogden Mills. The Democrats were Harvey Couch, of Arkansas, recommended by the Honorable Joseph T. Robinson, then minority leader and now majority leader in the Senate; Wilson McCarthy, of Utah; and the writer.

My sponsors, without my knowledge, were John Nance Garner, then Speaker of the House of Representatives and now Vice President, and Senator CARTER GLASS, although my acquaintance with either of them prior to this time had not been intimate or extensive. Mr. Garner had been a Member of Congress from Texas for a long time, but his district was more than 300 miles from my home. During the Wilson administration I had had slight contact with Congressman Garner and CARTER GLASS, then a member of the House, in my work as Director General of Military Relief of the American Red Cross in the World War.

A CALL FOR MEN OF EXPERIENCE

In selecting the Democratic members of the board, President Hoover conferred with Speaker Garner, Senator Robinson, and Senator Glass. My name, among several others, had been submitted by our two Texas Senators, but also without my knowledge.

I had been asked by some of my friends in the Senate to suggest names of Democrats who might be brought to the attention of President Hoover for appointment to the board. My reply was that they should be men of broad experience who realized that most of our country lies west of the Hudson River and none of it east of the Atlantic Ocean.

I had in mind the large amount of unsound securities, foreign and domestic, which had been sold to banks and investors throughout the country by bankers whose only interest in selling these securities was to make a profit, and without proper regard to the ability of the borrowers to pay the loans.

I was asked if I would consider an appointment, but replied that, by reason of my own rather extensive business interests, I could not. The question, however, put me to thinking about it, and when the President invited me to go on the board, I accepted, under the impression that the directors would be required to give only part of their time to the Corporation's affairs. I assumed there would be managing officers, as in other corporations, and that the directors would sit largely in direction and ratification of the actions of the executive officers. Frankly, I had not read the act, which clearly provides for full-time directors, with the exception of the ex-officio members, who occupied other responsible Government positions.

In accepting the appointment, I was influenced by the thought that every man should respond to his country's call in emergencies, and I was convinced that conditions were rapidly approaching such a precarious state that only the Federal Government, through unusual methods, could deal with them effectively. Even so, if I had known that every waking hour of my time for more than 5 years would be required, I would have felt compelled to decline, notwithstanding my willingness and desire to serve my country.

In October 1931, 4 months before establishment of the R. F. C., Houston, my home city, faced the same situation that later was to confront thousands of other localities throughout the Nation. Two of our clearing-house banks found themselves in difficulty by Friday, October 23, 1931. They muddled through Saturday, but felt that they could not go through Monday without help. The failure of these banks would have led to the failure of others in that section, and the trouble could not have been confined to one locality.

I took the responsibility of calling the bankers and leading businessmen of the city to meet in my office Sunday noon. We were in session until early Monday, when, the job not being completed, I was authorized, informally, by the other banks to see the two in distress through the day, when we would meet again. After another all-night session, we succeeded in raising funds enough to prevent any failures.

Each bank in the city subscribed approximately 10 percent of its capital and surplus to the rescue loan fund, eventually recovering about one-third of the amount of its subscription. The public utilities—the gas company, the light and power company, and the telephone company—made outright contributions, as did one of our large cotton firms. To be exact, the three utilities contributed a total of $350,000 of the $2,500,000 raised.

None of the fifty-odd men who participated in these all-night meetings probably will live to see a comparable situation, with strong men fraught to distraction, some to the point of hysteria, at the obvious panic, disaster, and distress that would follow failure of the banks. By no means were all of them sympathetic to the proposition of assisting with their own funds the two banks in distress, but all finally cooperated, convinced that it was the best and cheapest course in their own interest, as well as that of the community. As a result of this stitch in time, this extraordinary effort, Houston had no bank failures and no loss or inconvenience to depositors.

There had been minor bank troubles in Houston after the 1907 panic, and I had been called upon to help them. So, with some experience in bank-rescue work, and having been a money lender and a money borrower all my business life, with a fair understanding of the points of view of both the lender and the borrower, I undertook, somewhat timorously, the work of Nation-wide reconstruction as a minority member of the R. F. C. board. Of more importance than any previous experience, I had an abiding faith in the stability of our people and our country.

Our Houston bank troubles proved to be but a forerunner of what was in store for R. F. C. directors in Washington during the years to follow, when bank failures were the order of the day rather than the exception.

Of course, no one had any conception of the extent of the approaching trouble—the fury of the storm, if we may put it that way—the number of banks, insurance companies, building and loan associations, Federal land banks, joint-stock land banks, railroads, mortgage companies, and other business enterprises that would need help; and greater still, the impossible situation of the farmer, with wheat selling at 30 cents a bushel, corn at 15 cents, cotton at 5 cents a pound, hogs at 3 cents, and practically no market for cattle and sheep.

FINANCIAL FIRST AID TO A NATION

The R. F. C. started business February 2, 1932, with Eugene Meyer as chairman of its board and General Dawes as president. Soon Ogden Mills, Secretary of the Treasury and ex-officio director, was meeting with the board. He and Chairman Meyer largely determined the policies of the Corporation under President Hoover. Secretary Mellon attended only one meeting before he left the Treasury to accept the ambassadorship to Great Britain early in 1932. When Secretary Mills could not attend meetings, Under Secretary Arthur A. Ballantine usually attended, representing the Treasury.

Business started with a bang, especially with applications from banks, building and loan associations, insurance companies, and railroads. Many authorizations to banks were made by telephone, subject to the deposit of acceptable collateral at our loan agency.

We authorized loans aggregating $147,215,000 to 1,012 building and loan associations, 13 of which were in receivership. All has been repaid except $2,245,000.

We authorized loans to 133 insurance companies, aggregating $104,100,000; all but $3,844,000 has been repaid. We authorized $34,275,000 loans on the preferred stock of insurance companies, $6,019,627 of which has been repaid. I will refer to railroad loans later on.

The first application we had for a loan from a bank was from the Bank of America National Trust & Savings Association, San Francisco, with its four-hundred-odd branches, which cover the State of California almost as the stars cover the heavens.

In January and February 1932, there was a fight on for control of this bank between Elisha Walker, of New York, then in control of the bank, and A. P. Giannini, who sometime previously had relinquished control to Walker. The fight was spectacular and,

due to the fear and general tenseness with regard to banks at that time, gave the national administration considerable anxiety. Giannini won control and was elected president and chairman of the board of the bank on February 15, 1932. Under his aggressive leadership the bank has made great progress. Its deposits on January 1, 1937, were $1,298,977,000, the fourth largest in the United States, as against $747,614,000 January 1, 1932, an increase of approximately $550,000,000.

However, during the period between February 15 and July 15, 1932, we lent this bank $64,488,644. The loans were well secured, largely by real-estate mortgages, and were entirely repaid by June 28, 1933. Of the above amount, $30,000,000 was transferred to a related mortgage-loan company. We lent this mortgage company $30,000,000, which it used in buying mortgages from the bank. This loan was entirely repaid by February 4, 1934. Most of the mortgages pledged to secure these loans were installment mortgages against homes, and, upon the whole, were regularly paid. I say this in support of sound real-estate mortgages as a basis of security and credit, and, in proper amounts, for investments by banks.

Much of our assistance to banks was accomplished through lending to mortgage companies that would take over the slow and frozen assets of the banks. This method proved most helpful. It provided the banks with cash without their having to sacrifice investments or to borrow directly. Depositors were especially suspicious of banks that were forced to borrow.

Notwithstanding the fact that we were authorized to lend to banks, trust companies, building and loan associations, insurance companies, mortgage-loan companies, credit unions, Federal land banks, joint-stock land banks, Federal intermediate credit banks, agricultural credit corporations, livestock credit corporations, and railroads, it soon became apparent that the act creating the Reconstruction Finance Corporation was much too restrictive, and that the job of reconstruction and reestablishing confidence was much greater and required a broader approach than our leaders had been able to foresee. The act did not permit direct relief, loans for public works, or for furnishing banks and insurance companies with capital, nor was it effective in immediately reviving business, or even stopping the downward trend to any appreciable extent.

Early in June 1932, Congressman Henry Rainey, of Illinois, Democratic leader of the House and later Speaker, introduced a bill entitled "National Emergency Relief Act of 1932", intended to broaden the powers of the R. F. C. With some amendments, this bill was passed by both Houses, but was vetoed by President Hoover. The bill, as passed and vetoed, provided, among other things, for relief funds to States and Territories, self-liquidating loans, and a public-works program. But it also authorized the R. F. C. to make loans to individuals, trusts, estates, partnerships, corporations, associations, joint-stock companies, States, political subdivisions of States, municipalities, or political subdivisions thereof. In his veto message, President Hoover stated that he objected to certain features of the bill, including provisions for public works and loans to individuals. Of loans to individuals, he wrote, "This proposal violates every sound principle of public finance and of government. Never before has so dangerous a suggestion been seriously made to our country. Never before has so much power for evil been placed at the unlimited discretion of seven individuals." The seven individuals were, of course, the seven directors of the R. F. C., his own appointees.

In his veto message, President Hoover recommended that a compromise should be reached on terms suggested by Members of both Houses and both parties, and that Congress should not adjourn until this could be accomplished. Accordingly, Congress immediately reconsidered and passed the Emergency Relief and Construction Act of 1932, which was signed by President Hoover on July 21, 1932. In addition to enlarging the Corporation's powers, it increased its borrowing authority and provided for replacing two of the three ex-official board members—the Governor of the Federal Reserve Board and the farm loan commissioner—with appointive members.

In the meantime General Dawes had found it necessary to resign from the Corporation and return to his bank in Chicago. The vacancy on our board created by his resignation was filled by the appointment of Gardner Cowles, Republican, publisher, of Des Moines, Iowa. The new members appointed by President Hoover to replace Directors Meyer and Bestor were Charles A. Miller, Republican, of New York, and former Senator Atlee Pomerene, Democrat, of Cleveland. At the request of President Hoover, Mr. Pomerene was made chairman of the board, succeeding Mr. Meyer. Mr. Miller, who had been manager of the R. F. C. agency in New York City, was named president, succeeding General Dawes. Mr. Miller had had savings-bank experience in Utica, and although his health soon became impaired under the severe strain, he remained on the board until March 1933.

IN PERMANENT SESSION

After March 4, 1933, the board was reorganized. Carroll B. Merriam, Republican, of Kansas, was appointed by President Roosevelt to succeed Mr. Miller. Former Senator John J. Blaine, Republican, of Wisconsin, was appointed to succeed Mr. Pomerene. Frederic H. Taber, Republican, of Massachusetts, was appointed to succeed Mr. Cowles, and, at President Roosevelt's suggestion, I was made chairman. The law provides that our board shall elect its own chairman, but in practice the board has deferred to the wishes of both President Hoover and President Roosevelt in selecting its chairman. Since our directors were in almost continuous session, passing directly upon every individual application, there was no particular reason for having a president of the Corporation. None was provided for in the act, and upon the retirement of Mr. Miller and reorganization of the board under the Roosevelt administration, and at President Roosevelt's suggestion, the office of president was discontinued.

Wilson McCarthy resigned in September 1933 and was succeeded by former Senator Charles B. Henderson, Democrat, of Nevada. Mr. Couch resigned in August 1934 and was succeeded by former Senator Hubert D. Stephens, Democrat, of Mississippi. Mr. Stephens was not reappointed and was succeeded by Emil Schram, Democrat, of Illinois. R. F. C. directors are appointed for 2-year terms. Mr. Schram, a Mississippi Valley farmer, came to the organization in 1933 upon the recommendation of Speaker Rainey. He came to head our drainage, levee, and irrigation division; an activity of the corporation that has been very helpful to farmers and landowners in districts that had bonded themselves for drainage and irrigation, and for levee protection, beyond their ability to service the bonds. Our loan authorizations for refunding such bonds have aggregated $112,176,484.90, and, upon the average have reduced the annual taxes and water charges to the farmers to about one-fourth of what they were. Most such bonds bore interest of 6 to 6½ percent and matured entirely too fast. Our rate is 4 percent, with maturities running 30 to 40 years. The bondholders have got an average of about 50 percent for their bonds.

PERSONNEL CHANGES

Director Blaine died in April 1934 and was succeeded by Charles T. Fisher, Jr., Republican, of Detroit. Senator Blaine was a Progressive, and while in the Senate had been suspicious and critical of the R. F. C., but I am glad to be able to say that no man has ever served the corporation more conscientiously or with a greater zeal to be helpful to anyone in trouble who had a right, under the law, to come to the corporation for assistance. He was quick to sense the proverbial gentleman in the woodpile, but was always fair.

He gave his life to the cause of reconstruction, becoming fatally ill while in his home State formulating plans for payment of deposits tied up in closed banks. Senator Blaine had the universal respect of his associates in the corporation and the genuine affection of many of us, certainly my own, though I had not met him before his appointment to our board. Working together night and day, Sundays included, in emergency-relief work soon brings men close together and makes for strong ties of friendship.

Director Fisher, although under 30, had been manager or assistant manager of our Detroit agency almost continuously since the corporation was established. He resigned his directorship at the end of December 1936 to accept appointment by Governor Murphy, of Michigan, to the position of State banking commissioner of his home State, and was succeeded by Howard Klossner, Republican, of Minnesota. Mr. Klossner had been in the examining division of the corporation since July 1932 and had served as an examiner in the banking department of the State of Minnesota for 6 years prior to coming to the R. F. C. Mr. Schram, Mr. Fisher, and Mr. Klossner received their appointments as directors because of merit and service in the employ of the Corporation. This was also true of Mr. Miller, who first came to the Corporation as manager of its New York agency, upon the recommendation of Owen D. Young.

Stanley Reed, Democrat, now Solicitor General of the United States, came to the Corporation as general counsel in December 1932, and was selected for the position principally because of his experience as general counsel of the Farm Board. He succeeded Morton Bogue, Republican, of New York City, resigned, who in turn had succeeded the first general counsel of the Corporation, G. A. Marr, Republican, of Utah, who had been general counsel of the War Finance Corporation. Mr. Marr's health failed under the heavy strain of organizing the legal division of the Reconstruction Finance Corporation, and he was soon forced to resign.

When Mr. Reed was appointed Solicitor General, on March 25, 1935, James B. Alley, Democrat, of New York, was promoted to the position of general counsel, having earned his promotion. He had been with the Corporation since August 1932.

The conception of the R. F. C. was good—very, very good—but if it had been started a year earlier much could have been done to avoid or minimize the troubles later experienced by American business, agriculture, and finance. Even when organized it got off to a rather poor start, both in accomplishing the purposes for which it was created and in public estimation and approval. A fair criticism would be that it was too timid in making credit available on all fronts in such a way as to prevent the crash. There was not enough harmony in the board, or even between the majority members, representatives of the party in power.

The law creating the R. F. C. provided that it should make quarterly reports to Congress of the aggregate amount lent to each class of borrower to which the Corporation was authorized to lend, and the number of borrowers in each class, by States. It did not provide for reporting the names of the borrowers or the amount lent to each borrower, or for making them public. Failure to make this information public soon gave rise to suspicion that certain interests were being favored. Accordingly, after much discussion pro and con, the law was amended to require a monthly report to the President, the Senate, and the House of Representatives, showing the names of the borrowers, the amount of each loan, and the rate of interest charged. The clause requiring publication of all loans by names, amounts, and addresses was included in the Emergency Relief and Construction Act of July 21, 1932, and was precipitated by the $50,000,000 loan to the Central Republic Bank & Trust Co. of Chicago in June 1932.

THE GREAT FEAR—GOSSIP

For the first few months after we began publishing the names of borrowers and the amount of each loan, there was a great deal of curiosity and gossip about them. As a rule borrowers dreaded to have it known that they were borrowing from the R. F. C. Many of our best people, especially bankers, were all too willing to point the finger of scorn at their neighbors who, probably through no fault of their own, were forced to borrow from the Government. But, conditions continuing bad, borrowing from the R. F. C. became common practice, and the curiosity about who was borrowing soon subsided. It became more a question of who could borrow rather than who had to borrow. Those who did not themselves need help were only too glad to have their neighbors borrow. In the beginning a few bankers were actually selfish enough to be willing to see their competitors fail, but when the fire began to spread, the biggest and strongest were appealing to the Government that something be done to save the situation.

In justification of the failure of the original act to provide for publication of loans, it is fair to say that the opinion prevailed that if it should become known that a bank was borrowing from the R. F. C., fear as to its soundness and distrust by its depositors would be increased. There was already too much hoarding—withdrawing money from the banks and putting it in safe-deposit boxes, or otherwise hiding it.

It will be remembered that President Hoover organized a Nation-wide antihoarding campaign in the summer of 1932. He made Col. Frank Knox, publisher of the Chicago Daily News, and sometime candidate for the Vice Presidency of the United States, chairman, but it was not very effective. Too many banks were failing for people to be trustful, or to respond to patriotic appeals where their life's savings or current funds were in danger.

Obviously, if the R. F. C. was to perform effectively the service for which it was created, it was absolutely necessary that it have public confidence as to both its force and its integrity, and that fear of borrowing from it be removed. So, when I became chairman, I endeavored to popularize the work of the Corporation, not by having it make improvement loans, but by giving real battle to the depression. In addition to publishing monthly reports of all loans, I began having weekly press conferences, subjecting myself to the freest possible questioning by the press, frequently giving information not required by law with regard to particular transactions that might be of general interest. The American people are not afraid of anything when they know the facts.

RELIEF FOR BANK STOCKHOLDERS

We tried to get over to the public that the R. F. C. wanted to help everyone it was authorized to help, and on generous terms, not grudgingly but willingly, and that it was the responsibility of the heads of institutions that needed help to come for it. We spent much time endeavoring to rebuild shattered morale.

Insecure and failing banks were necessarily our first objectives. We could not have recovery until our banks were made sound. I asked for the privilege of addressing the American Bankers' Association at its 1933 convention in Chicago. I did this because of the reluctance of banks to admit their real condition. A frank talk with the representatives of our entire banking system seemed necessary, and though many of them did not like my speech, probably because of its bluntness, it served its purpose. It seems to be characteristic of bankers that they do not like being told. They expect to be asked. But in this instance it was necessary that they be told some things collectively that they all knew individually but were afraid to admit.

March 9, 1933, 5 days after President Roosevelt took office, Congress authorized the R. F. C. to furnish banks with capital through the purchase of the nonassessable preferred stock of those which had the legal right to issue such stock, and through the purchase of the capital notes or debentures of those State banks which could not issue nonassessable preferred stock. The act authorizing the R. F. C. to buy nonassessable preferred stock gave national banks the authority to issue it. Prior to this law, national banks could issue only one class of stock and that was subject to assessment if the bank failed.

The Banking Act of 1935 provided that, after July 1, 1937, there will be no double liability on the stockholders of national banks, so that one may own stock in a national bank as in any other corporation. Although he may lose all or a part of his investment if the bank fails, he will not be subject to double liability. In bank failures, the depositor lost a part of his deposit, but the stockholder lost his entire investment, as a rule, and frequently was required to pay an assessment equal to the amount of his investment in the stock. The theory of making bank stock subject to assessment equal to the par value of the stock in the event of the bank failing was intended to insure care and sound management by banks. It worked very well until the recent depression, when so many banks failed. Without the removal of the double assessment, bank stocks would be less desirable as an investment.

A HOSPITAL FOR FINANCE

Our most difficult task in recapitalizing banks was to get bankers to admit that their capital structures were impaired and sometimes entirely wiped out. Banks needed capital stock as well as loans. Some needed both. To break down this reluctance, we urged the stronger banks to borrow or take capital from the R. F. C. In order that the weaker ones could do so without drawing particular attention to their institutions. None applied for loans that they thought they might not need, though many loan authorizations, like lines of credit at banks, were not used. However, in response to our appeal, a few strong banks sold us their preferred stock or capital notes and debentures that did not need the capital. This had the desired effect and enabled a great many who needed capital badly to take it; some of them claiming that they were doing so in cooperation with the R. F. C.'s plan and not because they needed the capital.

If our bank-repair program had not been successful even the strong banks might have had difficulty in surviving. So, after all, it was wise procedure on their part, though I shall ever be grateful for their cooperation.

After we succeeded in getting the clearing houses of the big cities to recommend the program and to participate by taking capital, and as conditions grew worse, R. F. C. offices became crowded with delegations from all over the land appealing for Government aid for their banks and other institutions. These delegations were representative of the leading citizens of the communities from which they came. They sometimes included ministers, Governors, mayors, and other public officials; almost always they were accompanied by lawyers schooled in the art of appeal and persuasion, and many bank runs were stopped overnight by the simple announcement that the R. F. C. was coming to the aid of the bank.

The law requires full and adequate security for loans; and strong hearts, though always sad ones, were required to deny some of the appeals, as was necessary under the law. Our offices were like a great hospital behind the lines of what seemed a never-ending battle, with new casualties coming in every hour of the day, Sundays and holidays included. Sometimes first aid would do, but generally it took a major operation. When it is considered that there was not a section of the United States that did not have bank troubles, and that, as a rule, the men who operate banks are among the leading citizens of their communities, keenly feeling their responsibility to depositors and stockholders, some conception may be had of the number of distressed men who finally made their way to our offices in Washington—men who never before in their lives had found it necessary to acknowledge failure or swallow their pride.

A loan that startled the country was to the Central Republic Bank & Trust Co. of Chicago—the Dawes bank. General Dawes had previously resigned from the Reconstruction Finance Corporation to give his personal attention to the affairs of the bank.

In June 1932 I was in Chicago to attend the Democratic National Convention that nominated Franklin D. Roosevelt for President and John Nance Garner for Vice President. I had arrived in time to see something of the terrible runs on the Continental Illinois National Bank & Trust Co. and the First National Bank, the two big banks of the Middle West. These runs were more severe and more far-reaching in their effect than any our country had ever known. The Knickerbocker Trust Co. failure in New York City in October 1907 surprised the country, as did the failure of the Bank of United States in New York City on December 11, 1930, but neither of these was accompanied by an epidemic of bank failures.

The Chicago bank runs caused General Dawes to call a meeting of his directors and officers, and officers and directors of other Chicago banks on Sunday June 26, and to take a positive and drastic position with respect to his own bank. I was asked to the meeting by the late Melvin A. Traylor, president of the First National. We arrived at the bank about noon, and the meeting was waiting for us.

FACING THE ZERO HOUR

General Dawes quietly, but with a firm jaw and an attitude that carried conviction, stated that he had called the meeting for the purpose of advising that his bank would not open the following morning; that he was not asking for help, but did not intend to sit quietly by and see smart money withdrawn, to the detriment and disadvantage of the smaller and more loyal depositors. His deposits were going off at the rate of more than $2,000,000 a day. He stated that he wished to give the other banks notice, so that they could take such steps as they saw fit to protect their own insitutions. It was a zero hour and a great deal depended upon the outcome. A play was being enacted that might affect adversely every financial institution of the Nation.

The other banks could not allow so prominent a bank as the Central Republic to close unless they themselves were prepared to meet another run. They had paid out over the counter during the preceding week more than $100,000,000 in currency, to say nothing of clearinghouse withdrawals, and if the Central Republic did not open on Monday morning, the runs of the previous week, which had practically subsided, would start afresh, with inevitable disaster. There was but one hope—the Government. And when it is considered that these men had been fighting bank failures and bank runs almost incessantly for weeks, it is not surprising that they felt incapable of coping with the situation that would be created by the failure of the Central Republic.

When General Dawes had finished his dramatic statement Mr. Traylor, on behalf of those present, requested me to telephone President Hoover and ask him if something could not be done to keep the bank open. I was in Chicago as a delegate to the Demo-

cratic National Convention and not on R. F. C. business. Incidentally it was my first day off since coming to the R. F. C. 5 months before. The situation was most serious, but before calling President Hoover I called our chairman, Eugene Meyer, and Secretary of the Treasury Mills, whom I found at the Federal Reserve Bank in New York City, with other prominent bankers there, including Mortimer Buckner, president of the New York Clearinghouse Association, worrying and mulling over the Chicago situation. After I had looked into the condition of the bank as best I could in a few hours and had oriented myself generally about the situation and the probable effect of closing the bank, I called President Hoover at Rapidan Camp, as requested.

"DYNAMITE" IN THE AIR

It seemed clear that if the bank closed, an immediate Nation-wide moratorium—a bank holiday—or Government guaranty of bank deposits could not be avoided. Once, when trying a lawsuit over which there was intense bitterness, an east Texas judge became suspicious that every man in the courtroom was armed, and suddenly adjourned court with the statement, "There's too much 'dynamite' in the air."

There was certainly "dynamite" in the air with respect to banks in the summer of 1932, especially in Chicago, and a bank adjournment would have been likely.

President Hoover thought that the bank should not be allowed to close and that the R. F. C. should make such a loan as would save it. For General Dawes this meant a loan commitment of $95,000,000. Unless the bank was put in position to pay its depositors in full, if necessary, he stated that it would not open the next morning. He appeared determined on this course, and insisted that he was not asking for help, but was willing for the bank to borrow the money if, in the opinion of administration officials, it would be better than closing the bank.

Wilson McCarthy, another R. F. C. director, was also in Chicago to attend the Democratic convention, and participated in the meeting. The assistant chief of our examining division at Washington was there, and one or two other members of our Washington staff. They had been sent to Chicago in connection with a loan to this bank of $16,000,000, authorized after I had left Washington.

The R. F. C. has agencies throughout the country with regularly paid staffs. It also has at each agency an advisory loan committee who pass upon and recommend loans, certifying that the security offered is full and adequate. These committees are composed of bankers and businessmen selected for their knowledge of conditions in the community. They serve without pay and are very helpful.

The Dawes bank loan was recommended by a special committee composed of Howard Preston, then manager of our Chicago agency, and now vice president of the Chicago Federal Reserve Bank; Ralph Buss, examiner in our Washington office, now managing director of the Federal Reserve branch bank at Detroit; W. R. Milford, assistant chief of our examining division at Washington, now managing director of the Federal Reserve branch bank at Baltimore; George M. Reynolds, who was chairman of the board of the Continental Illinois Bank & Trust Co.; and the late Melvin A. Traylor, president of the First National Bank. Mr. Reynolds was chairman and Mr. Traylor vice chairman of our Chicago advisory loan committee.

The loan was approved for $95,000,000—$90,000,000 by the R. F. C. and $5,000,000 by other Chicago banks. An effort was made to get the Chicago banks to take a larger participation, but it was finally decided that they had troubles enough without going in too heavily on this loan. New York banks were asked to take a participation in the loan, and the chairman of the New York Clearing House thought they would, probably to the extent of $10,000,000, but they could not be reached on Sunday. He offered to take it up with the banks on Monday, but, the loan having already been authorized and the crisis averted, the New York banks declined to participate.

The Central Republic had a capital stock of $14,000,000, surplus and undivided profits of $12,000,000, and a stockholders' liability of $14,000,000; a total margin of $40,000,000, counting everything at face. In view of depressed values generally, the stockholders' liability was appraised at 50 cents on the dollar. This left a margin of $33,000,000, which seemed ample. We were assured by counsel that the stockholders' liability would be enforceable to secure the loan, and the Federal court has so held, though it was vigorously contested by some of the biggest lawyers or law firms in Chicago, some of which had previously advised the R. F. C. that the assessment would be enforceable. General Dawes told me, when the loan was made, that the stockholders' assessment would cost the Dawes brothers' interest more than $1,000,000 if an assessment was necessary to pay the bank's debts. When United States District Judge Wilkerson in Chicago ruled, in November 1936, that the stockholders were liable for assessment on their stock, General Dawes assured me that Dawes Bros., Inc., would pay their assessment as soon as the court's decree was entered. The decree was entered and became effective Saturday, May 1, but Judge Wilkerson imposed the condition that executions could not be levied for 6 months. May 3, Dawes Bros., Inc., paid the receiver of the bank $1,027,000 for that part of their assessment covered by the decree. The general paid his personal assessment of $5,200 as soon as suit was brought.

WHEN SMART MONEY WON

In the parlance of bridge, it could be said that the general played his hand well, but it can also be said that probably 20,000,000 depositors throughout the country suffered a greater loss on their deposits in closed banks, by reason of the banks' remaining open too long, allowing frightened or so-called smart money to be withdrawn, while the unsuspecting or more loyal depositors suffered.

With continued recovery and care in handling the assets, it appears that any loss on the Dawes-bank loan will be relatively small. We have collected $58,000,000 interest and principal on this loan to date, and collections are being made almost daily.

Let Us Inform Ourselves

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1937

Mr. MURDOCK of Arizona. Mr. Speaker and Members of the House, a portion of our time today was taken up with consideration of the report of the National Resources Committee issued under the title of "Technological Trends and National Policy." I heartily approve of an authorization to appropriate a sufficient amount of money to print 10,000 copies of this volume for distribution to and through the Members of Congress. It has only been a few days ago that we made a similar appropriation in order to have for distribution a large number of copies of Congressman BLOOM'S book, The Story of the Constitution. In regard to each of these books we heard pleas for economy and objections raised that the results would not justify the cost. I feel today as I did then, that the appropriation required to print these extra copies of each book will be abundantly justified.

According to those who have given the National Resources Committee report careful study it is the most remarkable and valuable publication appearing in recent years. Its title, "Technological Trends", carries our mind back to a famous study made nearly a decade ago and published under the title "Social Trends." Perhaps this study will be equally illuminating and helpful to Members of Congress in a wiser policy-forming effort for our people.

No doubt every Member of this body in the discharge of his duty of enacting legislation, which will be adequate to the needs of our country in this new day and under the changing circumstances of the present, must feel that his knowledge of American conditions is inadequate, and that the structure of our society is so complex and interlaced that it is hard to approximate justice for all. Certainly I have that feeling myself, and I have heard it expressed on the part of some of my colleagues.

We are here attempting to govern a great Nation in a world radically different from that in which we were born. We must not disregard the eternal verities in human life and society, but it is equal folly if we do not note the changed conditions in our economic, industrial, and social life. As lawmakers, we are inadequate for our task if we do not look beyond the "horse and buggy" days of our own youth. We may fail miserably if we attempt to function the political institutions of government without sufficient regard to these basic modern changes.

Let us not assume the Chinese worshipful attitude of the backward look, nor, on the other hand, discard those well-tried and well-matured institutions which have proven their worth. We must change to a sufficient degree in our political science just to the degree that our world is changing in the other fields of social science. I would not recommend putting new wine in old bottles, but I would have adequate new bottles for the new wine. Mr. Speaker, I have studied this volume, and I favor an appropriation which will put it in the hands of the Nation's leaders.

Overtime Pay for Certain Labor

EXTENSION OF REMARKS

OF

HON. HERMAN P. KOPPLEMANN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1937

STATEMENT EXPLAINING AN ITEM IN THE THIRD DEFICIENCY BILL FOR PAYMENT OF FINDINGS CERTIFIED BY THE COURT OF CLAIMS FOR LABOR PERFORMED IN THE FEDERAL SERVICE IN EXCESS OF THE LEGAL DAY OF 8 HOURS

Mr. KOPPLEMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement:

The purpose of the amendment is to effect the payment of claims totaling $94,456.20 for extra labor above the legal day of 8 hours performed by engineers, firemen, laborers, and mechanics while employed in the care of public buildings of the United States outside the District of Columbia.

The claims included in the amendment have been passed upon by the Court of Claims. The court, by its findings, has determined the names of the respective party claimants and amounts awarded in accordance with a Senate bill (S. 9500, 60th Cong., 2d sess.) referred to the court providing for payment to them of "such amount as may by findings of fact be found to be the value of work performed by them, respectively, in excess of 8 hours in each calendar day while employed in care of public buildings of the United States." These findings are correctly reported in the amendment.

One of the claimants has already been paid in this manner (finding in favor of John Glanzmann, S. Doc. 522, 62d Cong., 2d sess., included in the appropriation act of Mar. 4, 1915, 38 Stat. 962, c. 140, p. 980). That finding is identical with those enumerated in the amendment.

Congress recently paid similar findings of the Court of Claims in favor of employees in the navy yards and shore stations for services performed under the same circumstances. (Private Act 349, Private Res. 7, 74th Cong., $332,342.74, approved Aug. 29, 1935.)

The most comprehensive and exhaustive analysis of these claims is found in Senate Document 985, Sixty-second Congress, third session. It establishes beyond argument that these amounts allowed by the Court of Claims for overtime work beyond the legal day of 8 hours should be paid.

In the case of each claimant the court found that Government officials fixed the salaries at what the character of the employment was worth; for example, engineers at a certain compensation, firemen at a certain compensation, laborers at a certain compensation; that in fixing such salaries the officials did not know how many hours the employee might be required to work, and only fixed the salaries with a view to the character of the work which the employee would be called upon to perform.

Enactment of this amendment will not open the door to future claims because under the law (28 U. S. C., sec. 251) the Court of Claims no longer has jurisdiction to determine claims of this nature.

Many bills have been introduced in Congress for payment of these findings (S. 719 and H. R. 3152 of the present Congress). Heretofore the names of all the claimants have been set forth in such bills for their relief, but the amendment, in the interest of economy and space and time for consideration, omits the names of claimants, and in lieu thereof enumerates the numbers of the various Senate documents containing the names of the claimants and the amounts awarded, as found by the Court of Claims. Such documents are enumerated under the States and cities therein at which the various claimants were employed.

The act of August 1, 1892, the 8-hour law (27 Stat. 340 (40 U. S. C., secs. 321–323)), limited and restricted the employment of those included in the amendment to 8 hours a day. Notwithstanding its provisions they worked more than that number of hours.

The only difference as to facts between the navy-yard employees referred to and these claimants is that the Navy Department issued a written order declaring a 10-hour day and offering those who accepted such employment a proportionate increase in wages, as will be seen in Senate Report 228 and House Report 1007, Seventy-fourth Congress, first session, accompanying the bill for payment to them. Such order was issued prior to the act of August 1, 1892. However, in the cases provided in the amendment, as will be observed in the statement of facts by the court in each document, all claimants were required by the custodians of the buildings and the nature of such employment to work more than 8 hours. Written or published instructions to that effect, therefore, were not made, nor were these employees offered a proportionate increase in wages.

Morover, the court finds exactly and definitely the actual number of hours work above 8 hours a day performed and the amount of compensation therefor based upon the annual salary as fixed by the proper Government officials under the law. In those relating to the navy yards the court found they "worked on the average" the number of hours shown in those findings.

These men seem to be especially deserving as the amounts of extra pay, found and computed by the Court of Claims, are much less than the Government would have been required to expend in order to employ other and additional persons so as to comply with the law. It should be pointed out that after the enactment of the law, regulations of the Navy Department established February 26, 1893, article 1573, section 9 (as well as other Government departments) provided for extra pay in excess of 8 hours a day.

Inasmuch as payment has been made to claimants performing labor at the navy yards and shore stations, payment ought likewise to be made to these persons, as they are essentially in the same class.

The Senate proceedings, in substance, on behalf of legislation for these engineers, firemen, laborers, and mechanics (CONGRESSIONAL RECORD, vol. 21, pp. 10564–10566, 10568, attached), indicate plainly the sense of the Senate that they be paid for their overtime work. Similar views were expressed in the House of Representatives (CONGRESSIONAL RECORD, vol. 21, pp. 8954, 9412–9414).

[From the CONGRESSIONAL RECORD of Sept. 27, 1890]

ADJUSTMENT OF ACCOUNTS UNDER 8-HOUR LAW

Mr. BLAIR. I move that the Senate proceed to the consideration of the bill (H. R. 11120) providing for the adjustment of accounts of laborers, workmen, and mechanics arising under the 8-hour law.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. GORMAN. Mr. President——

Mr. BLAIR. Perhaps the Senator does not understand that I desire to move to strike out all after the enacting clause, whether the amendment is agreed to or rejected, and to insert the Senate bill we formerly passed.

Mr. GORMAN. I understand that; but before the question is taken on striking out the proviso I desire to say a few words on the proviso and its effect. I should like to ask the Senator from New Hampshire what the effect of the proviso is. The Senate Committee on Education and Labor report to strike out the proviso, I understand, in the bill as it came here, and which reads as follows:

"*Provided further*, That this act shall not be operative whenever the court shall find that such laborer, workman, or mechanic performed such labor or service under any contract, express or implied, and has been paid therefor the amount agreed upon."

As I understand, after the passage of the original 8-hour law the mechanics in the navy yards and in other Government employment were compelled, I think during the administration of General Grant, to sign a contract to work 10 hours a day at a fixed salary at that time, and their claim has been always that they were compelled to work those 2 additional hours without compensation.

Mr. BLAIR. The Senator is correct. A very large amount of this extra service has been rendered under contracts formal in their character, but which were entered into by the men under the compulsion of deprivation of employment unless they assented to work 10 hours, contrary to the spirit of the law and in manifest evasion and practical nullification of the law.

This proviso, coming to us in the House bill, would deprive those men thus wronged of the just operation of the 8-hour law to compensation for those 2 extra hours of service rendered. If the bill is to pass that the other House sent us, the committee were of opinion that that which really is a nullification of the bill itself should be stricken out, but thought that it would be much better to substitute for the whole House bill, which is tentative and uncertain in other respects, what represented the matured judgment of the Senate upon both sides of the Chamber in the committee and in the Senate at a former session of Congress.

Mr. GORMAN. We shall get to that in a moment, but I understand the Senator to hold that, if this proviso is stricken out and we should finally adopt the House bill, then the claim of all that class of operatives, mechanics, and workmen who signed these contracts would come before the court and they could recover.

Mr. BLAIR. I do not undertake to say that; I understand the rest of the House bill very well. I do not know just what could or could not be done under it; just how far an unfavorable court could go even under the remainder of the House bill in affirming or denying practically the benefits of the 8-hour law in giving these people a remedy.

Mr. GORMAN. But I understand the chairman of the committee to say that as this bill came from the other House, with the proviso which has just been read, those persons are unquestionably excluded.

Mr. BLAIR. Under that concluding proviso I should so consider, and as a member of the committee favored its being struck out, for the reason that the proviso was a practical nullification of the pretended remedy to a very large proportion of those to whom we design to furnish a remedy.

Mr. GORMAN. That was my understanding of the bill, and I wanted to get the construction placed upon it by the chairman of the committee, that so far as that feature is concerned the bill as it comes here would be worse than useless to these men who have claimed always, and with great justice, that they were compelled to work 2 extra hours in violation of the law, or otherwise submit to removal from their positions.

I have nothing further to say about the provision, except that I hope it will be stricken out at all events, and then we shall hear the suggested substitute of the Senator from New Hampshire.

The PRESIDING OFFICER (Mr. DOLPH in the chair). The question is on agreeing to the amendment of the committee to strike out the proviso.

Mr. COCKRELL. I ask that it be read.

The PRESIDING OFFICER. The amendment will be again read.

The Secretary read the amendment of the Committee on Education and Labor.

Mr. COCKRELL. Is that an amendment of the Senator from New Hampshire?

The PRESIDING OFFICER. It is the amendment of the committee.

Mr. COCKRELL. In other words, it is to declare that a contract shall not be binding. It is to declare that a laborer making a contract to work 6 hours a day, or 8 hours, or 10 hours, or any other given number of hours, or from sunrise until sundown, at a certain price, and who has received the price, can still come in and sue for an additional compensation for the same rate of wages for all the time above 8 hours.

Mr. BLAIR. Does the Senator ask me a question?

Mr. COCKRELL. I say that is your proposition, as I understand it. You propose to strike out this clause, and that would leave it in that condition.

Mr. BLAIR. The Government passed the 8-hour law for the benefit of those who were employed principally in its workshops of the Army and in the Navy and the departments. These men were dependent upon that employment for their own livelihood and the support of their wives and children. The men they came in contact with as the executive officers of the Government demanded of them the 10 hours' labor as a condition of being employed. They had to elect whether they would enter into this employment and work 10 hours or be deprived of the means of livelihood.

Under that compulsion they were thus employed, most of them protesting at the time they performed this work, claiming then, claiming ever since, that they were under obligation under the law to work only 8 hours for the same amount of compensation which they actually received for their 10-hours-a-day work, and they have been constant in their application to the Government for compensation for the extra 2 hours ever since.

An unfavorable court or perhaps a favorable court would be obliged to hold that there was no legal compulsion on the part of these men to enter into this arrangement to perform the 10 hours' work. They could have gone abroad; they could have gone without the work; they could have taken their chances in the community at large, and possibly could have survived and possibly could not have survived. There was no legal compulsion that they should assent to the performance of 10 hours' labor for the amount that the executive officer was willing to give, and it might be held that those were contracts, express contracts or implied contracts, yet attended by this hardship which was in addition to that a nullification and an evasion of the law on the part of the executive authorities.

It would not be wise, it seems to me, and certainly not just, to send these men to the Court of Claims subject to the defeat of their entire claim by its being found by the court that there was after all a contract in these cases, and it would be hardly worth while to send them at all, for a nominal contract would undoubtedly cover a very large proportion of the claims.

Mr. SPOONER. Mr. President, I voted for the Senate bill when it was at a former session before the Senate. One merit in the bill, to my mind, was that by it Congress adjudicated the question of liability and left it to no court to determine upon technical grounds, such as the existence of a written contract, that there was no liability upon the part of the Government. Congress saw fit, I have always thought in the exercise of a wise policy, to fix, so far as it could, 8 hours as a lawful day's work. It was done upon high grounds of public policy. It was thought that 8 hours was long enough for a man to labor, as a rule, and that it was in the interest of society, in the interest of labor, and really in the interest of the Government, the employer, that after 8 hours' labor the laborer should be free to think, free to study, free to invent, free to "become acquainted" with his family and to take the interest of a father in his children, and free to rest.

Under that law it has always seemed to me to have been utterly indefensible for any agent or officer of the Government to require of a laboring man who tendered his services or who sought for employment that as a condition of receiving it he should enter into a contract to work 10 hours. No man who entered into such a contract can be said to have done it voluntarily, can be said to have acted without duress. Men with families to support, with sick wives perhaps to take care of, with children to educate, were not free to accept the proposition or to reject it. Clothing and shelter for their families, bread for the wife and little ones, medical attendance for those who required it, every impulse of affection, every obligation of duty of the husband and the father required that they should labor and put them under constraint, and the alternative that they must labor 10 hours a day for the Government or be turned into the streets to seek employment or to beg was not an honest or fair alternative to tender to any laboring man after Congress had passed the 8-hour law.

It is my conviction, Mr. President, that in every case where one of these men was compelled by the officers of the Government as a condition of having employment and of being able to support his family to work one hour or one-half hour over the 8-hour day which Congress had declared for, and which President Grant had sought to enforce, he ought to be paid for that overtime. Not to do it seems to me to put the Government of the United States in an attitude of allowing its executive officers to violate in essence and in spirit the law which Congress had enacted upon the ground of public policy, and which public sentiment has approved, and attempting to filch from these men hours of unrequited toil.

I am altogether willing to take the responsibility of adjudicating the question of liability, sending these men to the Court of Claims for that tribunal only to ascertain and declare how many hours in each case these men worked beyond the lawful day. I shall vote with great pleasure for the substitute which I understand the Senator from New Hampshire will offer to this bill, which is the Senate bill as it passed this body at a previous session. In so doing I vote only for the payment of debts honestly due and too long left unpaid.

Mr. CULLOM. Mr. President, I only desire to say a word. The act of Congress under which these claims are made is as follows:

"Eight hours shall constitute a day's work for all laborers, workmen, and mechanics who may be employed by or on behalf of the Government of the United States."

That was passed in 1868 and reenacted, I believe, subsequent to that. Yet for some reason or other we have continually had these claims coming to Congress for extra work or for wages claimed by persons working for the Government over and above 8 hours per day. It seems to me that there ought to be something done that would stop this continual appeal to Congress for services which seem to have been demanded of the employees of the Government contrary to law.

As has been stated by the Senator from Wisconsin, in 1869 when President Grant was President and this law had been enacted, he issued a proclamation that from and after that date no reduction should be made in the wages paid by the Government by the day to such laborers, workmen, and mechanics on account of such reduction in the hours of labor.

Mr. GORMAN. What is the date of that?

Mr. CULLOM. The proclamation was issued May 19, 1869, referring to the act of Congress, and an appropriation of money was made to pay for this extra work, and the President was making the effort apparently to secure the enforcement of the law by Government officers. But he did not seem to succeed in doing it fully, so that on May 11, 1872, President Grant issued another proclamation wherein attention was called to the above act of Congress and the Executive proclamation, and he stated that by reason of representations made to him—this is substantially the language of the proclamation—the act of Congress and the proclamation aforesaid had not been strictly observed by all the officers having charge of said laborers, workmen, and mechanics, and he proceeded to declare:

"Now, therefore, I, Ulysses S. Grant, President of the United States, do hereby again call attention to the act of Congress aforesaid, and direct all officers of the executive departments of the Government having charge of the employment of laborers, workmen, and mechanics employed by or on behalf of the Government of the United States, to make no reduction in the wages paid by the Government by the day to such laborers, workmen, and mechanics on account of the reduction of the hours of labor."

Notwithstanding all the effort that appears to have been made by President Grant especially, it seems, from claims that come before Congress from time to time, that the act was practically disregarded, or at least in a large degree, and I know myself since I have had the honor of a seat in the Senate employees of the Government have been worked 2 or 3 hours a day in some cases over and above the 8 hours a day that the law fixed as a day's work.

All that I have to say is that it does seem to me that this law which has been so long upon the statute book ought to be enforced, and if it is not enforced, certainly the men who are called upon to work more hours a day than a legal day's work ought to have some way of securing the pay for their extra labor. My own judgment is that the law ought to be lived up to by every Government officer to the very letter.

Mr. DAWES. Mr. President, I was in Congress when the bill establishing the 8-hour law was enacted. I recorded my vote in favor of it, and have watched its operations with great interest ever since. I do not think that anything is so much a reproach to this Government as the attempts and devices of its executive officers to avoid its own engagements in this regard. Congress promised all the employees of the Government that it would give them for their services an expressed sum, and I cannot understand why the Government or its officials have felt justified in resorting to the devices they have to avoid that obligation incurred to those whom they employed.

But nevertheless in different departments of the Government, in different places where the Government had need to employ men, for 3 or 4 years it was utterly disregarded until, as has been said by the Senator from Illinois, the President interfered with a proclamation commanding that the law of the land in this respect should be obeyed. Still the ingenuity of men who did not like this law was sufficient to find in some parts of the country means to evade it, when Congress took up the question and in an appropriation bill in 1872 directed that every employee of the Government should be paid for the hours he had worked at the rate of 8 hours for each day's work, and appropriated a sufficient sum for that purpose. I should like to read the enactment which up to that date squared accounts between the Government and these employees. It is the second section of the Deficiency Appropriation Act of 1872:

"That the proper accounting officers be, and hereby are, authorized and required in the settlement of all accounts for the services of laborers, workmen, and mechanics employed by or on behalf of the Government of the United States, between the 25th day

of June, 1868, the date of the act constituting 8 hours a day's work for all such laborers, workmen, and mechanics, and the 19th day of May, 1869, the date of the proclamation of the President concerning such pay, to settle and pay for the same, without reduction on account of reduction of hours of labor by said act, when it shall be made to appear that such was the sole cause of the reduction of wages, and a sufficient sum for said purpose is hereby appropriated out of any money in the Treasury not otherwise appropriated."

Since then these devices have still continued, and up to today there are outstanding claims upon the Government of honest laborers and mechanics who have worked more than 8 hours a day for the Government, that it should keep its promise and obligation. I am not quite satisfied with the form of its remedy. I shall vote for it because it is all that can be got, but what does it amount to? After all these years of accumulated unpaid wages of these laborers and mechanics, we come forward and all that we give them is the privilege of suing the Government and getting what they can. I introduced a bill in the last Congress and again in this, which I will read, which first set forth that the Government was liable to pay all these men at the rate of 8 hours a day, and then directed the accounting officers of the Treasury to pay them. The bill is in the following words:

"That whoever, as a laborer, workman, or mechanic, has been employed by or on behalf of the Government of the United States since the 25th day of June 1868, the date of the act constituting 8 hours a day's work, shall be paid for each 8 hours he has been employed as for a full day's work, whether engaged at a price per day or upon piecework or taskwork, without any reduction of pay on account of the reduction of the hours of labor, any agreement between the United States and any such laborer, workman, or mechanic touching such compensation to the contrary notwithstanding. And the proper accounting officers are hereby directed to readjust the accounts of all such laborers, workmen, and mechanics, and pay the same in conformity with the provisions of this act; and a sufficient sum of money for that purpose is hereby appropriated out of any money in the Treasury not otherwise appropriated."

Under that bill, if it should have become a law, every person on the pay rolls of the Government who has been paid at all has but to appear and ask that his account with the Government shall be adjusted by allowing him for each of the 8 hours he has worked the full price of the day's labor, and then the money is paid him. That, as I have said, squared accounts in 1872, and that today, in my opinion, would square the accounts of these laborers and mechanics, and they would go away with the money in their hands.

But this bill authorizes them to commence a suit against the Government of the United States in the Court of Claims and get what they can in a judgment, and then after the judgment get an appropriation to pay the judgment. I say I shall vote for this measure because I find that I cannot get the other, but I want to express my regret that the committee has not found itself able to direct the officers of the Government, with an accompanying appropriation, to pay according to the hours these men have worked.

I know that the great body of these men are for the bill that is reported, and are not in favor of the bill which I have read, but there are a great many of them who understand the difference. All that body of men who have worked in the armory at Springfield since 1872 under this order of things understand it, and they have besought me to try to get something real, something more than putting them to the task of prosecuting their claims before the Court of Claims, and after a judgment some year or 2 years hence, to have to come here again and get an appropriation to pay it.

Sir, I have been besought to withdraw this objection, but the truth of it is that the letters which come to me asking me to go for the measure reported by the Senator from New Hampshire come from operatives and mechanics and laborers in the eastern part of Massachusetts and in different States, and they come to me upon the letterheads of claim agents written here in Washington. Letters are written to me from the Boston Navy Yard, but upon the letterheads of claim agents here in Washington, begging of me not to press this direct order upon the accounting officers to pay out of the Treasury at the rate of a full day's work for 8 hours, and to go for this proposition which proposes to give them the great privilege of prosecuting a claim in the Court of Claims and get what they can and then afterward to get an appropriation to pay it. I express, I repeat, the regret——

Mr. COCKERELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield?

Mr. COCKERELL. Does the Senator have any suspicion where those letters originate?

Mr. DAWES. No; the names of the claim agents are at the heads of the letters, but I have not the letters here and I have no desire to bring the claim agents into this debate. I only state that these laborers and mechanics, with as just a claim upon the Government as the bonds of the United States, are being induced to take up with a proposition to sue the United States in the Court of Claims rather than to take the enactment of the Congress of the United States commanding the accounting officers of the Treasury to pay them out of an appropriation what is their due under the law of the land. They insist upon it; and there is no possibility of getting any direct legislation commanding that justice be done. Twice or three times have I introduced this bill and had it referred to the committee, and I never heard of it afterwards, and the only reason I have ever heard given is that these people prefer the other method, and I am informed more through letters on letterheads of claim agents here than in any other way.

I shall record my vote for the substitute to be proposed by the Senator from New Hampshire for the reasons I have stated. I know the difficulties that surround the committee; I know how difficult it is to legislate upon this subject, but with some experience in connection with it, I regret exceedingly the form in which the measure is presented. I never could understand why the accounting officers of the Government, whether of the Treasury or of the other departments, felt at liberty in the face of the law to adjust the accounts of these laborers and mechanics upon any other basis than that eight of the hours that they worked constituted a day's labor, and I am surprised also that these honest, hard-working men have been so far drawn into the plan, which it appears to me there can be no mistake has originated here round about this city, to take up with and be content with the mere pittance of a permission to sue the Government in the Court of Claims.

Mr. STEWART. Mr. President, I regret the necessity of legislating to compel officers of the Government to carry into execution plain, positive law. I do not understand why there can be an excuse for the Government officers refusing to allow men to work 8 hours a day and pay them for it as required by the statute. I voted for the original law. I believed then, and believe now, that 8 hours is long enough for a laboring man to work. I believe that that is best for society. The time has passed when it is to the interest of society for laboring men to be mere beasts of burden.

The labor of the country can be better performed by some indulgence, and a much higher grade of laborers can be secured by efficient and ambitious men in 8 hours than in a longer period of labor. Certainly the laborer can accomplish much more in his lifetime than he would if he exhausts himself day by day so that he has no time for study; no time to devise means whereby he can facilitate labor, but is a mere drudge. He cannot under those circumstances accomplish anything like he can with proper hours and more time for improvement and more time for studying how labor can be economized.

For the advance in labor-saving machines in this country we are indebted to the laborers. The laborers of this country are the inventors, and their inventions have multiplied vastly, beyond all comprehension, the power the people have over the resources of Nature to supply the wants of man. What we want is a higher grade of labor. In almost any department intelligence of labor is an advantage.

You say that if you will give them the time they will spend it foolishly, that they will spend it in idleness or in drink, and all that kind of thing, and that you must keep them at work to keep them out of mischief. There may be some who will do it, but the great mass of the intelligent laborers of this country are investigating the question. When you see the steam engine and all the machinery that is moving this world, and reflect that that is the result of free labor and free men and intelligent men, you must see the good effect of relieving them from the burden of working more than 8 hours a day. Make that rule and you will continue to improve the condition of the laboring men. I believe the time will come when they will not have to work 8 hours a day. I believe the development of machinery will be such that that will not be required. There are certainly laborers enough in this country to perform all the work that can be provided for them under existing circumstances working only 8 hours a day. There are plenty of them.

When the law was passed I voted for it with the idea that it would be an example, that it would be an illustration, and that the Government of the United States could set the example without any detriment to the country. It has worked well so far as it has gone. It has called the attention of the people to the fact that a limitation of the time was not injurious. I have seen men work in the mines; I have been the employer of men, and conversant with their work in the mines, and 8 hours' labor a day is very common where they are performing the most arduous work underground working in the mines. We find that in 8 hours a day they accomplish as much ordinarily—that a man will do as much, taking the year round, in 8 hours a day as he would in 10, and that the men thus engaged are brighter men and more efficient. I should like to see this experiment tried throughout the whole country. There is nothing revolutionary in it. There is nothing in it against reason. The Government having undertaken to set the example, to make the experiment, so to speak, the officers should carry out that determination in good faith. It seems to me incomprehensible that there should have been any hesitation in carrying it out.

I agree with the Senator from Massachusetts that we ought to turn these accounts over to the accounting officers and settle them speedily and without delay. It is one of those obligations that the Government should execute at once, without question. The time will soon come, however those who have not investigated the subject may think now, the time is not far distant when the whole country will concede that 8 hours' labor is sufficient.

Twelve and fourteen hours a day used to be a day's work when I was a young man. Fourteen hours was a day's work a good deal of the time. That made a mere drudge of a man. It deprived him of all the privileges of education. It made it impossible for him to invent new ways of doing things; he had no time for study or reflection.

Eight hours' work is sufficient for any man, although there are many engaged in intellectual pursuits or professional pursuits who have to work more hours than that. Many of us here work twice that amount, from 16 to 18 hours frequently, but I believe if we could economize time and work regularly 8 hours a day it would be better for intellectual pursuits and that 8 hours would be sufficiently exhaustive, and if we would rest then and commence work fresh the next day I believe our public men would live longer, be brighter men, and accomplish more; and I should like to see that done.

I believe the whole country is coming to the conviction that 8 hours is sufficient for a day's labor. It certainly is sufficient to accomplish all the labor that is necessary to be performed in the United States. There are thousands, yes, hundreds of thousands of people without employment because the enterprises of the country do not furnish sufficient employment. Why should they not, if there is an abundance of labor at 8 hours a day and the laboring men desire it, be limited to that number of hours?

But when the Government of the United States has undertaken to set this example, which I believe is a wise example, I think we ought in the most direct manner to right this wrong and show the accounting officers that we did not pass the law in jest, to be violated because the men with whom they deal have no power to right their wrongs except through Congress. I think we ought to teach them a lesson and set them to work immediately to pay these just obligations and give the law complete effect where the United States has direct jurisdiction to do it.

I shall vote for this bill, but it is not all that I desire.

Mr. BLAIR. Before the question is taken I wish to ask consent that the report on the pending bill, which is the unfinished business, may be printed in the RECORD, it not having been read, so that Senators may see what the bill is which they are acting upon.

The VICE PRESIDENT. The report will be ordered to be printed in the RECORD, if there be no objection. The Chair hears none.

The report is as follows:

"Mr. Blair, from the Committee on Education and Labor, submitted the following report (to accompany S. 175):

"The Committee on Education and Labor, to whom was referred the bill (S. 175) entitled 'A bill providing for the adjustment of the accounts of laborers, workmen, and mechanics arising under the 8-hour law", have examined the same and report it favorably, with an amendment, and, as amended, recommend its passage.

"This bill only gives to the parties the right to present their cases to the Court of Claims, and your committee urgently press the passage of the bill as one step in the direction of justice to a large class of laboring men, from whom the Government has withheld the wages due for extorted toil for many years. The report made by the chairman in the Fiftieth Congress is added hereto, as it gives a general statement of the entire case.

"[Senate Rept. No. 568, 50th Cong., 1st sess.]

"The Committee on Education and Labor, to whom was referred the bill (S. 1853) providing for the adjustment of the accounts of laborers and mechanics arising under the 8-hour law, having considered the same, report the bill back favorably.

"The 8-hour law was enacted on the 25th day of June 1868 and is in the following words:

"'Eight hours shall constitute a day's work for all laborers, workmen, and mechanics who may be employed by or on behalf of the Government of the United States.' (Sec. 3738, Rev. Stat.).

"Great difficulty has been found in securing compliance with this statute on the part of some of the executive officers of the Government, and in the War and Navy Departments especially claims have from time to time arisen on the part of wage workers employed by the Government for labor rendered in excess of the daily 8 hours which by law constituted a full day's work.

"Some of these claims have been paid, while others remain outstanding, and from time to time they are pressed for payment.

"The object of this bill is to refer the whole matter to the Court of Claims for adjudication upon the basis that 8 hours constitute a day's work, and that each 8 hours' labor performed shall entitle the worker to receive pay for a full day's work.

"It seems to a majority of your committee that the real question involved is whether the supremacy of the law shall be maintained and its manifest intent carried out by the subordinate officers charged with its execution. But it is proper to say that in many instances the excess of labor was performed with knowledge of the law, and the question has been raised whether the acceptance of the opportunity to labor for a longer period than 8 hours and the reception of the ordinary pay for a day's work does not constitute a payment in full for all the labor performed, including the excess of the 8 hours required by law.

"The claimants allege that the excess of labor was performed under compulsion, and that they at the time protested, and have from time to time demanded of the departments concerned and of the Congress compensation for the excess of work extracted from them under threat of deprivation of any employment whatever, which to them and their families was, in effect, deprivation of the necessaries of life, since only with work could they avoid starvation.

"This subject has been before Congress a long time with favorable action by both Houses, and your committee insert, as a part of this, the report of the committee in favor of these claims made in the last Congress, which recites most of the legislation and the substantial facts pertinent to the subject."

President's Veto

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 1937

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, for the past 25 years I have been subjected to attacks not only from Republican sources but in primary fights, where my opponents criticized my continued support of bills designed to aid the American farmer and agriculture generally.

During all these years I have consistently voted for measures to assist the farmer, and every relief bill recommended by the Department of Agriculture has had my wholehearted support.

There can be no doubt, and I am sure that farmers and agricultural organizations realize this, that under President Roosevelt more has been done in their behalf than ever before in history. On every hand we find agencies and burdens functioning for their betterment.

Regardless of whether I am criticized at home, I promise my continued support to the farmer; but there are times when I cannot and will not allow my desire to help the farmer to overcome my better judgment. I cannot, for instance, vote to override the President's veto of this bill, H. R. 6763.

There has never been a better friend to the American farmer than President Franklin D. Roosevelt. At the same time, he cannot overlook the interests of other classes of citizens, and I must agree with him that to pass the bill would be to discriminate as he states in his veto message.

If this bill were amended to include all classes of borrowers and would afford relief to all those now paying higher rates of interest, there might be reason to support it.

I know as well as anyone does what trials and troubles the farmer has had from 1921 to 1933. I also am aware that they are obliged to pay interest rates as high as 8 percent; but, due to President Roosevelt and a Democratic Congress, interest rates have been reduced, and farmers are not now compelled to sell their wheat at 35 cents, corn at 20 cents, and hogs and cattle at 3 cents a pound. Prices of these commodities, as well as of all other farm products, are now far higher than they were before 1933.

If there is one group of people in the United States that should be thankful and appreciate what this administration has done, it is the farmers.

The small reduction that this bill would bring about will not aid them to any great extent. I repeat that it is the duty of all those who desire to aid the President in his desire to balance the Budget to sustain his veto. I have stood by the President, and I will continue to stand by him in all his efforts to bring about better conditions to all in this country.

Cancer Research

EXTENSION OF REMARKS
OF
HON. EDWARD C. EICHER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

Mr. EICHER. Mr. Speaker, I am happy to have had a small part in working out the legislation that the Committee on Interstate and Foreign Commerce is presenting to the House this afternoon for action, on the subject of cancer

research. Our subcommittee, under the chairmanship of the Representative from North Carolina [Mr. BULWINKLE], labored earnestly and faithfully in carrying on the hearings and in reviewing the group of excellent bills introduced both in the House and in the Senate by various forward-looking Members. The bill that we drafted and which comes before the House this afternoon with the unanimous approval of our Committee on Interstate and Foreign Commerce is a composite of many valuable suggestions contained in the Maverick, Magnuson, Hunter, and Bone bills, and we confidently believe will provide a practical, as well as scientifically effective program for federally supervised research into the causes of the dread scourge of cancer.

The disease of cancer has been more or less prevalent among the members of the human family ever since the dawn of civilization, and yet the medical profession of today, notwithstanding its high attainments and its outstanding successes in the elimination of many types of diseases that were once thought to be incurable, is still groping in the dark in its study of the causes and cure of this malady which ranks second in our vital statistics among the causes of death.

Any contribution that the Federal Government can render toward opening this door to knowledge will be entitled to be held as the highest possible humanitarian service to the citizens of our Nation. I cannot too strongly urge the unanimous concurrence by the Members of the House with the members of our committee in the enactment of this bill.

Making Pure Food and Drug Legislation Effective

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

RADIO ADDRESS BY HON. JOHN M. COFFEE, OF WASHINGTON, ON JULY 21, 1937

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include a coast-to-coast radio address delivered by me over the Nation-wide network of 84 stations of the Columbia Broadcasting System, as follows:

WE ARE TOO EASILY IMPRESSED BY MISREPRESENTATION

One of the anomalies of our times is the inability or the unwillingness of the American people, through their Congress, to pass effective national pure food and drug legislation—to enact laws with teeth in them. As a Nation we love to be hoodwinked. We delight in mirages. We are dreamers of rosy dreams. We are gluttons for punishment. We repudiate the apothegm "the burned child fears the fire." After the tannic acid assuages the agony of the burn we return to the fire with carefree gayety. If a novel runs to 1,000 pages and we are told with sufficient frequency by fashionably well-placed people that it is a masterpiece we hypnotize ourselves into believing it also, and vie with each other in praise of the volume. If, by persistent repetition, we are told that a certain movie is super-super ultra-ultra and the adjectives of the English language are exhausted in its encomiums, there are few of us who are willing to disagree. We join in the hallelujahs of approbation. Since it is fashionable to effect to have a musical appreciation many of our neighbors whom we know don't know one note from another compete with each other in protesting their thrilling delight at certain discordant performances some of which we unhumorously call grand opera. We are color conscious and are intrigued by the exquisite lithography of certain stocks and bonds and seldom exercise sufficient caution to inquire into the bona fides of the sponsors. We believe what we read in the newspapers. We are a credulous and gullible Nation. Even the late P. T. Barnum arrived at that conclusion a half a century ago.

So it is with pure food and drug legislation. The patent medicine racket continues with seemingly unabated vigor. Daily we purchase with naive faith patent cure-alls in our drug stores and canned foodstuffs, childishly confident that the product is what it purports to be.

THE CURRENT PURE FOOD AND DRUGS LAW IS OUTMODED

The Federal Pure Food and Drugs Law was enacted in 1906 after a 27-year fight led by Dr. Harvey Wiley. That law has now outgrown its usefulness. Its chief defects are that it applies neither to advertising nor to cosmetics, although it does forbid false claims on labels and prohibits adulateration of food or drugs. But that law contains a fatal joker. The law interdicts false or misleading claims on labels. By "misleading" is meant a statement, which although technically true, in fact is misleading. The United States Supreme Court some years ago had before it an important test case. The Government contended that Dr. Johnson's combination treatment for cancer was falsely labeled. We would hardly assume today that there could be much difference of opinion as to whether a "combination treatment for cancer" was misbranded or not, but the Supreme Court thought differently. It decided that the prohibition against false or misleading claims applied only to the ingredients of a package and not to claims about its curative powers, and so it dismissed the prosecution. This decision shocked the country. Within a month President Taft sent a message to Congress asking it to undo the evil the Supreme Court decision had created. A bill was introduced to amend the law to make it apply to therapeutic claims on the labels of drugs. That bill became a law, but only afer the lobbyists had inserted a joker which made the amendment worthless. The amendment as finally adopted forbade false and fraudulent therapeutic claims on the labels of patent medicines. Therefore when the Government started an action based on false therapeutic claim against the seller of patent medicines it had to prove not only that such claims were false but also that the person who made them knew they were false.

In other words, the more ignorant a drug vendor was and the less he knew of medicine the less likely he was to be convicted. The lobbyist most active in getting this joke enacted in the 1912 amendment was an executive of one of the largest so-called ethical drug manufacturers in America.

BANBAR

Here is an illustration of the difficulties of prosecuting under this provision: A former shirt salesman was selling a so-called diabetes cure known as Banbar and getting $12 a pint for it. The Food and Drug Administration of the Department of Agriculture analyzed Banbar and found it was essentially an extract of a common weed, "horse tail", frequently found growing along railroad tracks. A criminal prosecution was started. Experts testified Banbar was worthless. The manufacturer then introduced in evidence hundreds of testimonials praising Banbar and swearing it had cured their diabetes. The Government then proved that scores of these persons had actually died of diabetes. Yet a jury of 12 good men and true acquitted the manufacturer and the Government did not appeal, for the excellent reason that it could not. The Constitution forbids putting a person in double jeopardy for the same offense in a criminal action.

MARMOLA

Did you ever hear of Marmola, the well known antifat preparation? Its manufacturer previously had been selling lost-manhood cures by means of Police Gazette advertisements. This preparation depends for its effectiveness on thyroid extracts, which can, and do, seriously harm many persons. The Post Office has the power to deny the use of the mails to those using them to defraud. Under this power it issued an order against one of the drug firms connected with Marmola. The manufacturer blithely changed the name of his firm and continued doing business under another name. He was able to dodge the postal inspectors until 1914, when the Post Office prosecuted criminally, and he plead guilty, paying a $5,000 fine. Eventually he gave up his mail-order business but continued to sell Marmola to retail druggists and to advertise it nationally. The Post Office then had no jurisdiction and so it dropped the fight.

MARMOLA STILL PROSPERS DESPITE ITS EXPOSURE

The Food and Drug Administration was without power to proceed against Marmola, as it is technically not a drug, since obesity is not a disease. It is just a condition. This agency had jurisdiction over food and drugs only, and hence could do nothing. The Federal Trade Commission took up the battle. That body has the power to issue an order directing a manufacturer to cease false advertising, and did so in 1928, charging that Marmola was being advertised as safe, when in fact it was dangerous. The manufacturer promptly appealed to the United States Supreme Court, continuing to sell Marmola during the appeal, doing $600,000 worth of business a year. The Court decided that the Federal Trade Commission had jurisdiction only when a manufacturer's false advertising "injured its competitors", and ruled that the Commission had not proved that Marmola's practices were harmful to its competitors. Today Marmola, which the United States Supreme Court admitted was dangerous to use except under a doctor's care, continues to menace the health of uninformed women, and the manufacturer continues to corral the profit thereof.

PRESIDENT ROOSEVELT WANTS MERITORIOUS LEGISLATION

Many dangerous drugs are commonly used in patent medicines. Under the present law the presence of most of these drugs does not even have to be stated on the label. The consumer has no way of knowing when he is subjecting himself to the perils inherent in their use. President Roosevelt, in a message to Congress on March 22, 1935, said: "A measure is needed which will extend the control, formerly applicable only to labels, to advertising also; which will extend protection to the trade in cosmetics; which will provide for a cooperative system and method of setting standards and for a system of inspection and enforcement to reassure consumers, grown hesitant and doubtful. * * *"

DINITROPHENOL

Recently there has been an increasing list of persons killed by dinitrophenol. Countless people have sustained cataracts of the eyes as a result of its use. Complete blindness has frequently ensued. Last year the American Medical Association reported that there were 23 reducing preparations on the market which contained dinitrophenol. In many places these preparations can be purchased at the corner drug store and the purchaser can embark on a course of self-medication with a drug which, even when taken under expert medical supervision, has often caused death.

STRYCHNINE

Under the present law strychnine, a highly toxic drug, does not have to be declared as an ingredient. Scores of children have died because of strychnine poisoning, due to laxative and tonic pills. Parents assume such preparations to be innocuous. They have no way of knowing that the chocolate or sugar coating of these pills, so attractive to children, covers sufficient strychnine that 6 or 8 tablets accidentally eaten may constitute a lethal dose of poison for a small child.

THE TUGWELL BILL

Under the Tugwell bill, proposed by the Roosevelt administration, an important provision was won which listed many incurable diseases, or those which can be safely treated only by a doctor. Among these were cancer, diabetes, diphtheria, appendicitis, tuberculosis, and venereal diseases. This section forbade outright any advertisement of medicines for such diseases. Half-way measures are not enough for quacks, who profit by raising false hopes in those suffering from incurable ailments. But the list of diseases was too long for the medicine industry, and the diseases were cut from 42 to 9. The present Copeland bill, now pending, does not even prohibit advertising of drugs for diabetes, although science knows of no cure. Even insulin will only keep the patient alive; it will not cure him.

PALPABLE FRAUDS WOULD BE EXPOSED

The Tugwell bill required each patent medicine and cosmetic to list on its label all of its ingredients and their proportions. It might be difficult to sell cold cream at $5 a jar if the label showed merely a few inexpensive everyday ingredients in the jar. Sellers of hair tonic guaranteed to grow hair on billiard balls would be unable to operate this racket if the label disclosed that the preparation contained nothing but colored water and red pepper. The canners were up in arms about the grade labeling proposal. Today the housewife, when buying canned foods, is buying a surprise package. The gaudy label on the outside of the can is about as descriptive of the contents as a circus-sideshow poster is of the freaks inside.

CANNERS FAVOR GAUDY ADJECTIVES

Canners protested that grade labels would confuse the ignorant housewife, that the poor would be ashamed to ask for the lower grade, that it was impossible to grade accurately. Isn't the housewife today confused by a canner's adjectives? If you are in any doubt just listen to those used in listing sizes, not quality, of olives: Small, medium, large, extra large, mammoth, giant, jumbo, colossal, and super colossal. Even Cecil M. DeMille, in his palmiest days, couldn't do better than a "super colossal olive."

But the committee in Congress refused to report the Tugwell bill. Its provisions have been emasculated. Its incisive teeth have been replaced by false molars. Substitute legislation is now pending, the principal one known as the Copeland bill. I contend that this act is a law weaker in some respects than the existing act. As it has passed the Senate the power to make multiple seizures has been seriously impaired, because under it the accused may demand trial in his home jurisdiction, whereas consumers are more likely to receive the kind of court action to which they are entitled in the districts where they lived and have been harmed, than in that of a distant manufacturer who may have transgressed the law.

CRAZY CRYSTALS

Did you ever hear of Crazy Crystals? They have swept the West in popularity. In American Chamber of Horrors, by Ruth DeForest Lamb, the author declares these crystals are essentially Glauber's salt, a horse physic. Yet a package of these crystals retails for $1. The same amount of Glauber's salt can be purchased for a quarter. In elaborate business offices on the main streets of American cities these crystals have been advertised as a panacea for diseases ranging from constipation to Bright's disease.

H. R. 5286

Because I feel strongly about this matter and because I believe pending bills do not meet the issue, as a Member of Congress I have introduced a bill, H. R. 5286, which, I believe, affords the protection so urgently demanded and needed by the public. This bill is sponsored by Consumers' Union of the United States, Inc., by housewives' groups, and by liberal organizations generally. The main features of the measure are the establishment of a consumers' bureau in the Public Health Service; the registration of proprietary products; informative labeling; prevention of false or misleading advertising; an adequate budget for enforcement; health education, publicity, and scientific research. If you want real and unafraid food and drug legislation, advise your Representatives in Congress to support actively and work for the enactment of my bill, H. R. 5286, the Consumers' Union measure.

Under my bill every manufacturer of a proprietary product must register his formula, file a statement of all claims to be made for it, and the name of the licensed pharmicist or chemist under whose supervision the product is manufactured. Thus a product harmful to health would be prevented from ever reaching the market, since a certificate of registration would be denied if the product contained dangerous ingredients. The preventive feature of my bill would benefit everybody. Money would be saved for Government and business alike. Long and expensive court cases would be eliminated. The soundness of preventing offenses, rather than punishing them after they have been perpetrated is so obvious as to be incontrovertible.

FRAUDULENT NOSTRUMS ARE PREVALENT

An example of the cogent need of registering the name of the licensed chemist who actually makes the product can be cited. One gentleman with only a graduate and scales for equipment puts up in his own home a preparation for hay fever and asthma, the principal ingredient of the nostrum being potassium iodide, a drug which converts latent tuberculosis into an active form of the disease. This man has no scientific training, having left school at the eighth grade. This picture of an ignoramus dispensing medicine to the public detriment but for his private profit is an incongruous one in our country, where scientific training and skill are supposedly held in high esteem. It is a picture which would be blotted out were H. R. 5286 to become a law. A feature of my bill is the requirement that labels of foods, drugs, and cosmetics shall tell what ingredients are present and in what proportion. Only spices, flavorings, and perfuming agents being excepted. Such informative labeling has been demanded by consumer groups for years. The imperative need for it is patent. If a consumer is to use medicines intelligently, he must know what is in them. If he is to spend his food dollar wisely, he must know what he is purchasing. Under the Copeland Act this need is only partially met, because it requires that the label of preparations containing two or more drugs list the active ingredients, but it does not require that the proportions in which they are present be named, with a few rare exceptions.

ALKA-SELTZER

Of what help would that be to a consumer who buys, say, Alka-Seltzer? Under the Copeland Act he will learn that it is essentially a mixture of aspirin, baking soda, and citric acid. Since he has read advertising about the alkalizing effect of Alka-Seltzer, he would probably decide that an Alka-Seltzer tablet consists mainly of a dose of baking soda with a little aspirin thrown in, whereas it is actually just the reverse. Under my bill this fact could be readily ascertained by every purchaser. Every Alka-Seltzer tablet contains 5½ grains of aspirin—more than the amount in the usual aspirin tablet.

IT IS TIME TO DEMAND ACTION

How long, O Lord, how long will we gullible ones continue to be defrauded, duped, misled, and exploited without rebelling? How long will we meekly turn the other cheek? Shall we sacrifice life for private profit indefinitely? Let us awaken to our peril; rise up and act. The record of Congress the past 4 years in respect to food and drug legislation is one of which none of us can be proud. It will be a betrayal of our constituents' interests if we Members of Congress fail to pass a new law in the near future. It will be no less a betrayal if that new law is one which is little better, if any, than existing legislation, and even weaker in some respects—I mean the Copeland bill. For that reason, friends, I urge support of H. R. 5286, the Consumers' Union pure food and drug bill, a measure with a purpose, with real teeth in it, and which means what it says.

New Industry to Employ Millions

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

ADDRESS BY HON. JENNINGS RANDOLPH, OF WEST VIRGINIA, ON JULY 21, 1937

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address which I delivered recently over the radio:

SCIENCE IS READY TO HELP MANKIND

Most people recognize the fact that science has made possible much of the development of our modern civilization. Born in the depths of ancient philosophy, it was cradled in the arms of alchemy and mysticism. Flouted and crushed by early religious zeal, it has revolutionized man's knowledge and understanding. Neglected and starved in attics and dungeons, it has created a world of untold wealth. Today science stands an adolescent—a young Hercules—waiting to perform the tasks we command to be done.

Science has opened up a hundred different branches of knowledge in the fields of physics, chemistry, and biology. The countless benefits showered upon us as a result have been mainly in the form of means to preserve and protect our health and in the form of strong strides in the march of our economic progress.

Today we are just beginning to realize what a great ally we have. More wonderful than Aladdin's lamp, science stands ready to lend us a helping hand in our struggle against economic disaster and unemployment as well as against such sinister diseases as cancer and influenza. We have only to command—science stands ready to do our bidding.

Thousands of patents are granted each year to American scientists, inventors, and engineers. We cannot help wondering what effect this constant flow of inventions is having upon our social and economic life. Are inventors failing to produce job-making inventions as fast as they turn out labor-saving devices? Why has science seemed to fail in providing the new industries we need to take up the slack in employment? In our ungrateful neglect, have we failed to use the help of our strongest ally in the determined war on unemployment?

INDUSTRY PROFITS BY SCIENCE

Industries both great and small have profited much by using science and the inventor's skill to reduce production costs. Lower prices and greater profits have resulted from their use of improved methods and labor-saving devices. Aided by this industrial patron, flush with vast resources, science has accomplished miracles.

It is said that a miller living in the time of Caesar could make in a day only a barrel and a half of low-grade flour while our modern flour mills can turn out more than 30,000 barrels a day—and much better flour at that. A good brickmaker, working from sunrise to sunset in the early days, could fashion only 450 bricks a day, but a modern brick plant can produce nearly 1,000 times that many.

Only a hundred years ago, 83 percent of the workers were needed to produce food for all of the people. Today only 17 percent are needed. Many of the others have been absorbed into the new industries created by invention.

Industry has not hesitated to command the aid of science. It has been forced to do so. If it still took 83 out of every 100 workers to provide the food for the Nation there would not be enough workers left to man the rest of our great industrial system. We could not have our millions of automobiles because not enough people would have time to make them. Great cities like New York, Chicago, and Los Angeles could not exist because nearly everyone would be busy trying to eke out a scant supply of food on his own little plot of ground.

COUNTERBALANCING LABOR-SAVING MACHINERY

President Roosevelt has recognized the importance of science and technology as it affects all of us. The report of the National Resources Committee on Technological Trends and National Policy, recently submitted to the President, pointed out that "if the productivity of 1935 (the last year for which figures are available) continues the same in 1937, and the composition of the Nation's total product remains unchanged, production would have to be increased 20 percent over that of 1929 to have as little unemployment as existed then." This is in itself evidence of the continuous and rapid growth of labor-saving devices and improved methods of production. Again technological improvements have cleared the way for new industry to move in, and it is up to us to see that the opportunity is not wasted.

The genius of the American inventor has fathered the problem of providing employment for those workers who are robbed of their jobs by labor-saving machinery and improved production methods. Strange as it may seem, we must turn to this same inventive genius for the final solution of the problem it has helped to create.

It must give us more industry-creating, job-making inventions and discoveries. This is the need of today. But what is being done to bring forth such new industries to relieve the disease of unemployment that has afflicted the Nation these many years?

Private industries can hardly be expected to lay out funds to promote research just to create another industry. For them there is no point in such outlay. Who, then, is to sponsor and promote this scientific work so necessary to society as a whole?

Dr. Karl T. Compton, president of Massachusetts Institute of Technology and chairman of the former Science Advisory Board, declared recently that while "private industry should continue to bear the responsibility for developing new industrial products, there is nevertheless an initial stage in the development of such products which industry cannot be expected to support on the basis of expected profits. This is the early state of fundamental scientific work in such fields as physics, chemistry, and biology * * *. For this reason the support of fundamental scientific research must be a community rather than an industrial responsibility, and it therefore seems to me to be a proper concern of the Federal Government."

The support of fundamental scientific research is a national responsibility. It is a duty which society and its agent, the Government, have neglected with a consequent maladjustment between available labor and jobs. When an industry adopts a labor-saving device which displaces a thousand workers, society should be in a position to furnish new jobs within a reasonable time—jobs provided by the industry-making inventions and discoveries developed by a foresighted government.

AN AID FOR THE UNEMPLOYED

This is no idle dream. Only six major inventions or groups of inventions account directly for more than half as many jobs as exist in all of the manufacturing industries in the entire Nation. These six inventions alone have furnished greater opportunities for increasing the income of the Nation than all the gold mines in the world have provided since time began.

Great industries now supplying our daily necessities of food, clothes, and shelter are built around three of these key inventions—the discovery of how to can food, the invention of spinning and weaving machinery, and the art of making steel.

Not many years ago our modern conveniences of transportation, communication, and amusement had little or no place in our economic life. As industries, they scarcely existed. But three key inventions, the telegraph, steam and gasoline engines, photography, and related inventions have developed them into great industries we could not do without today. Just imagine our predicament if the motion-picture industry, the automobile, railroad, the airplane, the telegraph, the telephone, and radio industries were suddenly taken from us. Millions of people would be out of jobs. The distress of the 1933 depression would seem mild in comparison to such a disaster.

In mentioning the radio, I must pause to pay tribute to the memory of Marconi, the inventor of wireless telegraphy, as one of the few great industry-creating inventors of our day.

These and other such inventions have transformed the drudgery of household duties or the dreams of a Jules Verne into great industries which provide jobs for millions of workers, and which represent an aggregate of wealth that surpasses the riches of any nation in all recorded history. It is far more profitable to find an industry-making invention than a great gold mine.

We have taken only the first few faltering steps on the road of industrial progress that stretches far in the distance before us. We need, now, to take the next step—we need to find the next new industry that science can provide for us.

When found, it will supply more employment, stimulate increased business, and produce a greater national income. Such inventions are the cornerstones of prosperity, and science is the tool we must use to unearth them and to shape them into useful products.

NATION-WIDE SEARCH PROPOSED

Common sense dictates that an intensive scientific search be started at once to bring forth those inventions which will form the basis of our future prosperity and welfare.

That is why I introduced the scientific research bill, H. R. 7939, in Congress. This bill aims, first, to provide for the continuous study "of the social and economic aspects of scientific and technological developments", as recommended by the report of the National Resources Committee. Second, it aims "to hasten the relief of unemployment through the development of industry, commerce, and agriculture, to provide for the public health, and for the maximum social and economic benefits to be derived from the advancement of scientific knowledge and its application to the resources of the Nation."

This bill is now being studied by Congress. A hearing will be held tomorrow before the research subcommittee of the House Committee on Interstate and Foreign Commerce.

Just as industry aids science in producing the labor-saving devices it needs and must have, so does the scientific research bill propose to aid scientists and inventors in producing the industry-making, job-creating inventions the workers of the Nation need today. By counterbalancing labor-saving devices with new industries, we may eventually rid ourselves of unemployment and give the workers of the Nation better jobs and higher wages than they ever had before.

Of course, while science is waiting for the command to go forward in the search, there remains the alternative of relief and subsistence doles. The result is an ever-increasing national debt.

GOVERNMENT MUST SOW IN ORDER TO REAP

New industries, however, will help us pay off the Government indebtedness. One of the most recent additions to our industrial family, the automobile, contributes to Government treasuries—Federal, State, and local—more than $1,000,000,000 a year. Isn't it logical to expect the new industries of the future to play a similar part in providing Government revenues? If so, just one new industry, comparable in size to the automobile industry, may be expected to contribute an additional sum to Government treasuries equal to the present national debt with a period of less than 50 years.

If for no other reason, this justifies the Government to invest some of the vast resources in the business of "raising" more industries. We sow seed in the springtime in order to reap grain in the fall. Likewise, the Government must sow now in order to reap the revenue it will need in the years to come.

FEEDING OUR ECONOMIC SYSTEM

New industries, the bread and meat of our economic system, have nearly always just happened along. We have given little forethought to cultivating a supply. Our experience of the past few years is convincing evidence of the fact that although our granaries and warehouses may be filled, yet when our economic system starves, we starve with it. The time has come when we can no longer let chance govern the supply of new industries—the life substance of our economic world.

The younger members of our society are not content with emergency measures good for only 5 or 10 years. They have longer lives to live; they have families to rear, homes to build, careers to make. As one of them, I speak the conviction that we must have a healthy, well-fed economic system.

If we only give the command, science can create new jobs for the unemployed and provide new opportunities for the underprivileged. It can aid materially in doing away with relief and subsistence doles. It is a chief hope in exterminating the national debt. Science is the gateway to a new frontier. The conquest of this promised land will make us a happier, healthier, and more prosperous Nation than the world has ever known.

Automobile Manufacturer-Dealer Relationships

EXTENSION OF REMARKS

OF

HON. GERALD J. BOILEAU

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

RADIO ADDRESS OF HON. GARDNER R. WITHROW, OF WISCONSIN, ON JULY 20, 1937

Mr. BOILEAU. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following radio address delivered by my colleague, the Honorable GARDNER R. WITHROW, of Wisconsin, over the National Broadcasting system on Tuesday evening, July 20, on the subject "Automobile Manufacturer-Dealer Relationships":

I want to take this opportunity to thank the National Broadcasting Co. for making available to me their radio facilities. I was motivated to do considerable research work on the automobile industry by the results of a series of investigations that were carried on in my home State of Wisconsin by an interim committee of the State legislature. The investigation carried on by the State of Wisconsin clearly disclosed that the automobile manufacturer-dealer relationship has produced conditions that are not only harmful to retailing dealers but likewise to the consuming public and to the industry itself. After 2 years of strenuous attempts by Wisconsin State authorities to curb some of the retail practices of the automobile industry that are harmful to the consuming public, it is apparent that this very important problem can be solved only through Federal participation, for the reason that most of the automobile manufacturer-dealer relationship is interstate in character. It is therefore impossible for any State regulatory body or any State legislature to enact rules or statutes that will be effective in remedying the harmful practices that exist.

I have therefore introduced House Joint Resolution 389, calling for an investigation by the Federal Trade Commission of the relations between automobile manufacturers and their retailing dealers. Upon the facts disclosed by such an investigation can be based proper and constructive legislation. Since having introduced the resolution in May of this session, I have been deluged with communications from automobile dealers complaining of the treatment they have received from the automobile manufacturers. They relate the most pitiful tales of coercion, of high-pressuring on the part of the automobile manufacturer who holds above their heads the continual threat that if they do not comply with the wishes of the manufacturer, their contracts are in danger of being terminated. Not only has this resolution the support of almost all the automobile retail dealers in the United States, but it likewise has the support of the National Automobile Dealers' Association.

I know that unrest among the automobile dealers has been growing at the same rate as they have seen their investments disappear, as they have seen the manufacturers' net profits increase, and as they have experienced competition in the industry become so intense that they are now desperate to find means of self-preservation.

In some cities telephone directories for some years have been checked to determine the mortality rate. Such experience proves conclusively that 25 percent of the dealers disappear from the business each year. It was cited at the last convention of the National Automobile Dealers' Association that in Baltimore, a city of more than 800,000 population, there were only two dealers remaining among those who originally comprised the dealers' association of that city. It is recognized by men in the retailing outlets, who have seen their fellow dealers come and quickly go, that there is an unreasonably high mortality among them.

A few years ago the dealer put his own capital in the business, but as the years passed, continual losses, it is alleged, under conditions over which they have no control, have caused the loss or withdrawal of such individual capital. At least it no longer is in the retailing automobile business.

Today the dealers generally look to the finance companies to "floor plan" or finance their stocks of new cars. According to the National Association of Sales Finance Cos., the amount of money it is now necessary to loan to dealers on their new- and used-car stocks in order for the dealers to continue in business has grown from $677,700,000 in 1929 to $1,703,600,000 in 1936.

This means that in 1929, the high year in new passenger car and truck registrations, with a total of 4,407,263 new units, the dealers required only about one-third as much outside capital as they did last year, when registrations were 3,911,220 units, almost 500,000 less units than in 1929.

Shall we say from this factual data that the difference between what they borrowed from the finance companies or banks in 1929, and what they had to borrow in 1936 to remain in business, represents approximately how much of their own, individual capital they had lost in those intervening years? That difference is $1,025,900,000. If they did not actually lose it, they certainly did not employ it in their business. Why? It is alleged that the cause lies in bad trade practices and the fact that the manufacturer can cancel their franchises at will.

Another significant fact is seen in these figures. Do they not indicate that the more cars a dealer sells the larger become his losses, and the more profit the manufacturer makes? That is an allegation that is freely and generally made, and trade surveys have shown it to be true.

What is the cause? It is predicted that an investigation will show that one of the problems which the dealers are helpless to correct under existing conditions is the fact that the manufacturer, in order to increase his volume of production, often forces his dealers, under the implied threat of canceling the dealer's franchise, to accept and pay cash for an unreasonable amount of new cars and accessories that both know must be disposed of at an ultimate loss to the dealers.

I will explain how some of the losses occur, but time will not permit going thoroughly into that subject here. One of the practices is for the manufacturer to unload cars on his dealers at the end of the production year and just before the introduction of new models. The dealer's capital is tied up in such stocks, which become obsolete, and in order for him to stock up on the new models for which he must pay cash, he slashes prices on the obsolete stock, overallows on used-car trade-ins, and takes the loss.

One of the matters which first engrossed the attention of the interim committee of the Wisconsin Legislature, which in 1933 started an investigation of the automobile dealers' relations in the State of Wisconsin, was the matter of dealer franchises. These contracts in the past have been very much one-sided. In many instances there have been clauses which compel the dealer to accept whatever merchandise, consisting of automobiles and accessories, the factory deemed proper in its discretion. Another clause puts the entire control of the dealer's business in the hands of the factory, and under its powers the factories have been in the habit of ordering the dealer to put in expensive racks for the purpose of holding nuts and bolts or other accessories. Many times this has occasioned a great deal of expense on the part of the dealer which could hardly be afforded.

Another provision of these contracts usually cancels on short term; that is, 30 days, even though the dealer may be tied up for a fixed period. In short, under these contracts the dealer has practically no rights whatsoever, and, of course, the factory really has a life or death proposition so far as the dealer is concerned, especially when that dealer has over a term of years built up a lucrative business.

Now, starting with this sort of contract as a basis of operation, you can readily see the power which the factory has over its dealers. A careful count is made of the number of automobiles sold by each dealer each week. Of course, the cutthroat competition exists largely between the big three, and if the Plymouth dealer in a given territory falls below the Ford for a week, say in the matter of three sales, immediately the Plymouth dealer is called on the mat. This practice has gone so far in certain localities that dealers have resorted to fraud, misrepresentation, and even actual forgery for the purpose of getting sales. This factory pressure also leads to price cutting, overallowances on used cars, and then, staring actual bankruptcy in the face over a period of time, the dealer resorts to packing the finance charges. There have been instances where, on top of a reasonable finance charge for a period of 12 months or 18 months, there has been added to this a dealer participation as high as $67.

There has apparently been no attempt on the part of most of the factories during the past few years to attempt to build up quality dealers in a given territory. But, on the other hand, there has been a program which has been merciless to say the least. For instance, the factory representative time and time again has contacted a dealer in a particular locality who has a certain amount of capital, and usually the dealer is selected, not because of his fairness nor his merchandising ability, but because he has capital to invest in automobiles and accessories. A huge factory production has been built up because this fortunate business demanded cash on the line and therefore it is the policy to seek the man with capital regardless of his ability as a merchandiser. In a few short years, usually about 3, this

new dealer finds himself in serious difficulties. His capital has resolved itself into a bunch of used cars and his credit is destroyed at the bank.

When the factory representative determines that this particular individual has no more money to invest in automobiles and accessories, then he immediately tries to contact other prospects with capital and proceeds to cancel out the dealer whose cash he has already absorbed, many times leaving him in a serious predicament, tied up with a long-term lease, and staring actual bankruptcy in the face. Oftentimes, too, this canceled dealer leaves the public in the lurch; that is to say, he has accepted cars in exchange as well as cash and cannot deliver new cars nor return the old ones, so that there is an actual loss to the public.

In many instances under these kinds of cancelations no provision is made whatever to relieve the old dealer of his used cars or his accessories and service equipment.

During the past year of 1936, taking the dealers as an average over the country, there was a loss of $7.10 for each car the dealer sold. This condition could only continue to exist in a business like the automobile trade, because there has grown up a practice in the handling of automobiles known as dealer participations in finance charges. This is probably the only reason the vast body of dealers have been able to "get by." On account of the overcrowding of dealers in a given territory by factory representatives, a deplorable condition has arisen. The good dealer who has been a real businessman in his community has rarely been able to satisfy his factory demands. The minute the factory sees that this particular individual has made a little money it is the custom to put other dealers handling the same make of car in his territory. This, of course, cuts down the profit of the legitimate, honest dealer, and in many instances has ruined him.

These deplorable conditions have compelled the automobile dealer today to live, not on his discounts which he received for selling cars, because he is under such pressure that he is not able to retain any of the discounts, being compelled to give overallowances for used automobiles, but on his dealer participation. In other words, the finance charge for the carrying of unpaid balances has been by general custom increased in order that the dealer might live from the burden of increased finance charges upon the public and not from the commissions which he should receive from the factory.

Let us not lose sight of the significant fact that back in 1929, when the volume of sales was the greatest in the history of the industry, the dealers handled their business with two-thirds less outside capital than they did last year with a less volume of sales. From a public-consumer standpoint, is it not true that when bad trade practices drive out private capital, and any fly-by-night Tom, Dick, or Harry can get into the business as a gamble on some finance company's capital, that the standards of that trade are lowered, and the consumer is sure to suffer discrimination and other bad effects of vicious competition?

The whole theory of automobile financing has changed in a few years, and problems that are new and as yet unsolved, have arisen. This industry is a young giant whose stride forward within a very few decades has carried it beyond itself so far as its merchandising problems are concerned. Where other industries have progressed slowly but surely through many years, the automobile industry has had to hurdle, and leave unsolved, much of its merchandising difficulties that now approach fatal proportions. This has been due to fine engineering skill and improvement of the product, and extension of splendid highways, and the ever-increasing demand of the public for that product.

Before 1928, the dealer required little if any outside capital to run his business. His sales were made chiefly in the spring and summer months. The cars were the open or touring type. In those days the dealer might borrow a little money from his bank to carry some new cars through the winter, when the public could not use them and did not buy very many.

Then the closed car that the public could use the year around was produced.

Sales increased in the winter months. Before that there was no used-car problem. Today it is the crux of the whole situation. Then the merchant did not have to borrow money to finance a used car taken in trade in lieu of cash as part payment on a new car.

Now, the dealers are constantly called upon by the manufacturers to obtain greater volume of sales, which to the dealer means greater used-car stocks on hand, capital tied up, and outside financing of both new- and used-car stocks. The ratio of used cars to each new-car deal, as shown by a national survey of the N. A. D. A. in 1935, is 1.75 used cars to each new-car sale. A 1937 survey shows the ratio now to be, for the dealers reporting in the survey, 1.67 used cars to each new-car sale.

The same survey shows that used-car losses are so tremendous that they more than offset the gross profit made on new automobiles. For example, in 1935, the reporting dealers lost $8.59 per new unit sold, when all expenses, losses, and all profits from finance reserves, service departments, and other sources are compared.

In the retail financing or installment buying the consuming public often is harmed according to evidence found in administering the Wisconsin licensing law, and as indicated by agreements being promoted by various automobile trade associations and the better finance companies in attempts to check the evil known as the "finance packs."

According to the N. A. D. A. analysis of surveys, dealers have failed to make a profit in their new- and used-car departments combined in any year in the last 10.

How do they survive? Remember, 25 percent is the estimated turn-over of dealers per year. They most of them make a profit out of their service and repair department. Others stay a few years until their capital is gone. There is a profit in the dealer's finance reserve or rebate he gets from the finance company for the installment business, and there is the "finance pack", or an added amount above what is required or is right for the finance carrying charge, and which the customer pays with his installments on the car purchase.

Where does the automobile dealers' capital finally go? What eventually becomes of the dissipated discount on the new-car sales? Is it not obvious that when he loses money in the intense competition to increase the manufacturer's volume of production that the dealer's losses in the new- and used-car departments finally find a resting place in the huge salaries and gigantic net profits of those manufacturers?

According to Barron's National Financial Weekly of March 22, 1937, the six leading automobile manufacturers in which the public holds an investment this year will likely have aggregate profits close to the 1936 total of about $300,000,000. The net profit of General Motors for 1936 was given in the annual report as $238,705,192. This was a net profit of $127 per new car. Hudson is given as having a profit of $3,000,000 in 1936, an official estimate of $24 per new car. Chrysler in 1936, according to Barron's, made a net profit of $62,110,543, or $97 per new car. Studebaker's net profit for the year was $2,187,783, or $24 per new car, and the net profit for Nash, not including Kelvinator, is given as $1,020,707, or $22 per new car.

A great many people are under the misapprehension that the automobile manufacturer has the majority of capital that is tied up in this great American industry. Nothing could be further from the truth. The automobile dealer, with his capital invested in buildings, with his daily pay roll, advertising expense, etc., has in reality by far the larger investment in the automobile industry.

In closing, I want to draw this one deduction: Here is a going industry, on the make as it were, with the dealer who has by far and above the larger investment losing money constantly—25 percent of them going out of business every year. On the other hand, we have the manufacturer making undreamed-of profits. Something must be wrong. If the manufacturer's policies and his relations and dealings with the retailing dealers are above reproach and on the square, then surely he can have no objection to this investigation and, therefore, should not oppose House Joint Resolution 389.

An impartial investigation, a sincere inquiry into the whole subject of automobile production and merchandising, should inform us where the causes lie and then, together, we can correct them. Opportunity for a fair profit should be the wish of the manufacturer for his dealers. Certainly that is an American economic principal we can and should support.

When I Die

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

EDITORIAL BY R. E. JOSH WILSON

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks, I include an editorial written by the late R. E. Josh Wilson, editorial writer on the staff of the Wichita Beacon, who was a very close friend of mine.

WHEN I DIE

(By R. E. Josh Wilson)

When I die, I shall accomplish in the millionth of the twinkling of an eye that which science through the ages has been unable to achieve. I shall have learned the secrets of the universe. Unfettered, I shall have proceeded to the farthest star of the universal nebulae, 300,000,000 light-years away, gaining my destination before the echo of my last breath is lost in the still chamber in which my body lies.

Knowledge of the Infinite will be mine when I die. While loved ones gather 'round, perhaps to mourn, I shall know that in the heavens are many mansions. I have seen them on dark nights as I contemplated the marvels of the skies. And beyond those that are visible to us on earth are countless more; and I shall know them, as I have been familiar with mortal treasures.

On Asterion may my spirit rest, or I may pass through gates of pearl into a home of golden thoroughfares on a star the light of which has not yet reached the world wherein I have had my being. Or I may choose a planet for eternal residence, that its rays may be observed by those I loved below. On Mars or Venus or Saturn may be the mansion that is mine as endless eons pass.

When I die, though no shackles bind me, there will continue the ties of love which endure when the heart no longer throbs, warm

blood no more to course through arteries which withered as twilight neared, the soul to soar in timeless flight.

Thus I shall not be detached from things of precious memory, ages passing as swiftly as an instant is told by the hourglass within a garden's lovely walls. I may view from the firmament of space the tread, the dissolution, and resurrection of those whom I left behind. I shall be ecstatic, for their good deeds will have sweetened my everlasting peace, their remissness of trivial moment before the Great Jurist who determines destinies.

When I die I shall mingle with kings who loved their fellow men on earth, with commoners whose exalted works placed them near the throne on high. Trillions who have gone to dust to rise again will pass before me, and I will know them all; for souls may remain as individuals, yet they are as one, even as the sea is the assembling of drops of water drawn together through Nature's powers.

Should my grievous worldly faults consign me to existence as an earth-bound soul until penance has been done, I shall be satisfied as I proceed through lower astral planes. I shall have no ills of body and my mind will prove serene in the knowledge that as I achieve atonement I shall be admitted to eternal joys. I will suffer no hunger or thirst nor will I endure distress for lack of shelter as I pass over extensive distances on the wings of the night, unhindered by the elements.

I may look in upon a quiet fireside where sit those who were my friends; I may seek them out though they are beyond vast oceans in widely scattered lands. I may contemplate them in their endeavors, though one is in London, another in the antipodes. Physical spaces will mean nothing as I continue earth-bound in expiation. I shall enjoy earthly contacts, yet be among immortals.

Should it be that there is naught beyond the grave, still shall have been given me that greatest of boons that humankind desires.

What sweeter blessing do we ask than dreamless sleep? That shall be mine, should it be that when the soul takes flight from its encasement of flesh and bone it is no more. I then shall be beyond the sufferings of vitality, no uncertainties awaiting me in a celestial void. Priceless sleep!

Why fear to die?

The St. Lawrence Seaway

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1937

In opposition to the St. Lawrence seaway project and in support of the restoration and preservation of the beauty of Niagara Falls

Mr. BEITER. Mr. Speaker, it has come to my attention recently that overtures are being made with the Dominion of Canada in connection with the proposal to link the project for the preservation and restoration of the beauty of the Niagara Falls with that of the St. Lawrence seaway. This I am absolutely opposed to. The Niagara Falls project is a most worthy one. It will preserve and improve the magnificent spectacle of this work of nature for our country and, in fact, the world.

The St. Lawrence seaway, however, is the most extravagant and uneconomical construction project ever to be attempted to be forced upon our people by certain self-advancement-seeking minorities. For the past 16 to 20 years a well-organized minority group has been constantly pressing the seaway issue. In January 1920, Col. W. P. Wooten was appointed United States Army engineer for this project, and Mr. W. A. Bowden, Chief Engineer, Department of Railways and Canals, was appointed for the Dominion of Canada. These men and others later appointed to carry on this work formed a joint board of engineers. This board surveyed, studied, and presented proposals with reference to this project. The St. Lawrence seaway project contemplates the construction of locks and side canals, locks and navigation dams in the St. Lawrence River itself, and the development of power as a byproduct of navigation from Montreal to deep water in Lake Ontario.

Channels 27 feet deep were recommended to be constructed wherever necessary all the way from Duluth across the Great Lakes through the Welland Canal across Lake Ontario and down the St. Lawrence to Montreal.

The St. Lawrence River section is divided into five sections as follows:

(1) From Montreal to deep water in Lake St. Louis.
(2) From deep water in Lake St. Louis to Lake St. Francis.
(3) Across Lake St. Francis to end of St. Regis Island.
(4) St. Regis Island to Chimney Point.
(5) Chimney Point to Lake Ontario.

ARTICLES OF TREATY

From St. Regis Island to Lake Ontario, the international boundary line follows along the river. This position of the project is specifically and specially treated in the treaty signed by Canada and the United States in the latter part of President Hoover's regime, but which has failed ratification thus far in the United States Senate.

In brief, the nine articles of the treaty propose the following:

Article 1: Work in the Thousand Island section, on the Canadian side, to be done by Canadians at their expense. It is estimated at $471,000.

Article 2: Work to be done on the United States side, in the Thousand Island section, to be done by the United States at the expense of the United States in the amount of $461,000.

Article 3: Under the terms of article 3, the high contracting parties agree to establish and maintain an International Rapids Section Commission of 10 members, half to be appointed by the Government of the United States and half by the Canadian Government, which shall have authority to construct the works in the international rapids section, and these works wherever located, to be constructed by this Joint Commission out of funds which the United States furnishes. The parts of these works paid for by American money located in Canada shall be executed only by Canadian engineers and Canadian labor with Canadian material. The negotiators of the treaty graciously concede that the remainder of the cost of the works may be employed by Uncle Sam in the employment of his own materials and the employment of his own taxpayers. In order to further protect the interests of Canadian citizens, it also makes specific provision that the International Rapids Commission shall be responsible for any damage or injury to persons or property resulting from the construction of the works by the Commission or from maintenance or operation during the construction period and this tort liability is, of course, also to be financed through funds furnished by the generous and philanthropic Uncle Sam.

Article 4: Canada is to have one-half of all the water in the international rapids section available for power. It also stipulates the control of lake levels in the event that there is not enough water in the Montreal Harbor.

Article 5: Provides in effect that the works constructed by American money and Canadian labor and materials on the Canadian side of the line shall, as soon as the work is finished and the bill properly paid by the United States, become Canadian property.

Article 6: Grants either party the right to construct alternative channels in St. Lawrence watershed, within its own territories, and to take water from the Great Lakes system for that purpose. This right is of no importance to the United States but guarantees to Canada the right to take all the water it pleases from Georgian Bay in its long-cherished scheme for an all-Canadian waterway from the Lakes to the sea, with a cut-off from Georgian Bay to the Ottawa River and coming into the St. Lawrence just above Montreal. As Senator CHAMP CLARK has said:

> The wonder is that our soft-hearted American negotiators did not obligate us to build this all-Canadian waterway at American expense.

Lake Michigan, Lake Huron, and Georgian Bay are on approximately the same level. Diversion of water from Georgian Bay will have the same effect on lake levels as diversion of water from Lake Michigan at Chicago for the Lakes-to-the-Gulf project. But while article 6 of this remarkable treaty guarantees to Canada in perpetuity the right to take all the water she pleases from the Georgian Bay, article 8 forever limits us to the beggarly pittance of 1,500 second-feet to be diverted from our Lake Michigan. Article 8 provides that the diversion at Chicago shall be

reduced by December 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21, 1930, which is, of course, 1,500 second-feet—an amount woefully and pitifully inadequate if a Lakes-to-the-Gulf project should develop in the future.

Article 7: All of Great Britain has a right to use all canals in the entire Great Lakes system.

Article 8: Prohibits diversion from the Great Lakes system, other than stipulated in the treaty unless agreed to by the two countries, and provides for compensating works.

Article 9: States that all claims for damages in the international section shall be sustained by the international board and this international board is supported by the United States. It means that the United States funds settle claims.

It is quite evident that hundreds of millions of hard-earned United States taxpayers' money would go for the construction of a waterway and power development, 90 percent of which would be in a foreign country.

DISCUSSION OF TREATY

Lake Michigan, one of this country's most prized waterways, a lake wholly within the United States and always considered as United States property, will be made an international waterway. We will be turning over one of this country's most important assets to foreign countries, for no returning compensation. We would be paying for the improvement in the main, with hard-earned United States cash, with a canal 90 percent of which would lie in Canada. Ninety percent of the grain that might be exported through the St. Lawrence would be Canadian grain. In other words, we pay to make it possible for Canadian grain to be shipped to British possessions, while on the other hand, Canada only recently penalized our transportation systems and ports, by taxing Canadian grain shipped from American ports.

At the international rapids section possibly 2,200,000 horsepower could be developed. Canada and the United States would each obtain 1,100,000. Future power development, however, along the waterway would be in Canada, with the potential possibilities of an additional 3,000,000 horsepower for that country.

COSTS

Expert engineers and analysts of international reputation certified that the cost of the project would be more than double that estimated. For instance, W. L. Cooper, an international engineer, estimates the works at $1,350,000,000; E. P. Goodrich, consulting engineer, estimates the cost at $1,054,000,000; Dr. Harold G. Moulton, of the Brookings Institution, estimates the cost at $712,000,000; and President Hoover, in a statement given to the Associated Press, $800,000,000. The average figures approximates the cost as $892,000,000.

WHEAT-SHIPPING COSTS

The entire proposal is filled with vagaries, and statements which have stirred the imagination of some of our western States, causing them to have visions of a commercial and industrial utopia for their areas. They have been told that the average western farmer will save from 7 to 10 cents per bushel on grain transportation. Roosevelt's Power Authority, for instance, stated that a saving of 7 cents a bushel could be made in wheat transportation, from Duluth to Montreal. Experienced shippers show that it does not cost more than 4½ cents to ship from Duluth to Montreal.

POWER DEVELOPMENT

In regard to the power phase of the project, testimony submitted to the Senate Foreign Relations Subcommittee shows there is now a surplus of 400,000 horsepower in this section in Canada and 2,500,000 in the United States.

Elon H. Hooker, a great manufacturer in Niagara Falls, on January 3, 1935, spoke over the National Broadcasting Co.'s airways. He stated that his firm had investigated the St. Lawrence region as a site for its plant. In the survey made of the area he discussed the power question with a great leader in the power industries. This person was in control of a power enterprise in the St. Lawrence region and also at Niagara Falls; and while he had more surplus power along the St. Lawrence, he advised Mr. Hooker to locate at Niagara Falls. The reason given for this was that anchor ice in the St. Lawrence region caused untold difficulties in power development and that transportation was not good. The lower St. Lawrence River to the sea has always been termed the "graveyard of the Atlantic" because of the many impenetrable fogs, ice, and storms occurring in that area. While on paper it indicated that a plant located in the St. Lawrence region might be more efficient, it works out in actual practice that Mr. Hooker's plant in Niagara Falls operates more efficiently.

Long-term, large power developments for many years to come should not be undertaken now at great costs. The development of power is improving so rapidly that what may appear to be efficient now 50 years from now may be entirely obsolete. For instance, the Research Corporation and Massachusetts Institute of Technology have recently developed an electrostatic generator of 7,000,000 volts, and soon expect to reach the capacities required for atomic investigation. This may, in years to come, be the chief source of power. Getting down to more present-time conditions, look at the tremendous advancement in steam-power generation. Steam power plant efficiency has increased to such an extent right now that power authorities agree that large central generation plants, with expensive transmission costs, are a thing of the past. A practical example of this is the Southern California Edison Co. They recently released an option for 9 percent of all of the Boulder Dam electrical energy, because the new steam-generation plants could produce an equal amount of electricity cheaper than could the hydroelectric development with its transmission losses. It is an admitted fact that no hydraulic development can compete with a steam plant when the initial cost of a hydraulic development exceeds $150 per horsepower.

If the St. Lawrence waterway project were to break even on transportation and the system expected to be amortized on the sale of power, the cost per horsepower would be over $270, as compared with the $150 indicated.

ADAM CORNELIUS STATEMENT

Now, as far as the value of ocean-going boats on the Great Lakes is concerned, I should like to point out a statement by Mr. Adam E. Cornelius, one of our own Buffalo men and a member of the firm of Boland & Cornelius, which firm has a number of large, modern Lake vessels engaged in the upper Lakes and Montreal and Buffalo trades. He wrote "that lake vessels" would not be depended upon to navigate the ocean; that the average cost of modern Great Lakes freighters to its owners is $35 to $40 per deadweight ton carrying capacity, and the average cost of the ocean steamer is from $150 to $200 per ton, from which it follows that to produce the same dividends on the money invested the ocean-going steamer must charge much higher rates. In addition, Mr. Cornelius compares the capacity of the different types of steamers fit to economically and safely navigate the Great Lakes with those that can navigate the ocean, the result being a tremendous loss of carrying capacity on the Great Lakes. He also takes up the question of insurance, which he shows would be about three times that of the corresponding lake vessel, due to the greater cost of the ocean type. He then makes a comparison of freight rates and shows that those on the Great Lakes are much cheaper than in the case of ocean vessels engaged in our Atlantic coasting trade. Beyond this he calls attention to the difference in construction of the two types so far as it affects loading and unloading, which would occasion great delay to the ocean-going steamer that is not experienced by our lake vessels. As to traffic he says:

> We therefore conclude that the ocean steamer, because of its greater cost of construction and operation, cannot be depended upon to reduce the rates as they now exist from the Great Lakes to the sea. But waiving all previous arguments, I contend that the supply of ocean steamers on the Great Lakes would be limited by the few import cargoes that such ocean steamers could locate in foreign ports or on the seaboard for delivery in bulk at such ports as Buffalo, Cleveland, Detroit, Chicago, or Duluth. Inasmuch as the greatest density of the population of this country is along the Atlantic seaboard, such ports as New York, Boston, Philadelphia, and Baltimore will always be the distributing ports for imports, and such being the case, it would be seldom indeed when a steamer of the ocean type could find a full cargo in foreign

ports destined for any of the inland cities mentioned above, and, of course, if the majority of the import cargoes are destined for ports like New York, Boston, Philadelphia, and Baltimore, it is not reasonable to suppose that such steamers would then proceed light hundreds of miles to the mouth of the St. Lawrence River and then on to the Great Lakes for some return cargo.

He concludes his article with a statement that—

So far as American freight is concerned, the present water route by way of the Erie Canal to the Hudson River and thence to New York is the only means by which we can expect a reduction of freight rates on grain and other commodities from the Great Lakes ports or foreign ports.

STATEMENT OF ENGINEERS—SHIPPING

Experienced engineers, who have made an extensive investigation, concur with Mr. Cornelius, as testimony in the Senate subcommittee indicates. I quote:

Experienced engineers who have made extensive investigation and research have set up authentic information as to the initial cost, cost of operation and maintenance, cost of ships, and cost of navigation, and have become strong opponents of the project, and have stated that this waterway route would only serve the public a little over a half of each year, and that the small amount of tonnage which it is possible to carry would be mostly of foreign origin or destination and would be carried in foreign ships.

TREATY DETRIMENTAL TO UNITED STATES SHIPPING

United States deep-draft ships, on account of their initial cost, tonnage insurance, and additional men required to handle it, cannot compete with the present Great Lakes boats. The only boats that could possibly compete with the present Great Lakers would be foreign bottoms, due to the cheaper cost of construction, cheaper labor, less rigid requirements and accommodations for sailors, which, due to the above, might drive the entire United States Merchant Marine off the Great Lakes, thus destroying this United States industry worth several hundred million dollars.

It is quite possible that if the St. Lawrence River project is developed and the gates are thrown wide open, that we will have foreign ships built by cheap labor in foreign countries and manned by foreigners, operating under poor working conditions, competing on our Great Lakes system. Such shippers could, when times are bad, send their boats to the Great Lakes, trying to eke out existence by the undermining of our splendid transportation system.

WHO WOULD GET SAVING—SHIPPING

Another factor to be considered is who would get the saving in transportation costs, even if the St. Lawrence seaway was commercially successful. Does the American producer get the benefit, or does the European consumer get the benefit? That is a question which cannot be answered definitely, depending, of course, upon whether the buyers or sellers market at that time. In 1929 the American railroads reduced the cost of transporting American wheat from the Atlantic seaboard for foreign export in order to help the wheat situation, and immediately in the Liverpool market Argentine and Australian wheat was reduced in the same amount that the freight rates were reduced in the United States, so that the benefit of the freight reduction and the loss of railroad revenues went to the European consumer and not to the American wheat grower. That could readily apply and would no doubt generally apply with reference to reduced water-freight rates on wheat originating in Duluth or automobiles originating in Detroit, South Bend, Cleveland, and Buffalo.

WHEAT TARIFF POSSIBILITY

Another uncertainty immediately arises pertaining to shipping:

If, after we have built this seaway through Canadian territory, in large part with our money, what is then to prevent Great Britain from putting a tariff on American wheat and excluding it from the Liverpool market and letting Canadian wheat go over this seaway, built with our money, free of charge? What is to prevent her doing that? If she does do it, we become the international boobs of the world. What is to prevent her putting tariff upon automobiles made in Detroit, after we have built the seaway, and allow Canadian-made automobiles to go freely to the English market over a seaway built with our money, contributed in part by the American automobile manufacturers?

That is exactly what Great Britain has done by the Ottawa compact. She has put a duty on American wheat and allows Canadian wheat, if shipped through Montreal, to go in without duty; but if that same Canadian wheat is brought down to New York or Philadelphia and shipped, then she puts a duty on it.

WHAT INVOLVES LAKE TRANSPORTATION

I believe that the tremendous volume of interlake commerce occurring each year has wet the selfish tongue of foreign interests. The amount of business that passes up and down the Detroit River in normal times is approximately 100,000,000 tons per year, and at the same time, commerce in the Great Lakes amounts to 120,000,000 to 135,000,000 tons—all occurring in about 7½ months. Compare this with the year 1928, when there passed through the Suez Canal only 32,000,000 tons and through the Panama Canal 29,000,000 tons.

To the outside world a large portion of the Great Lakes transportation may be thought to be seeking an outlet to the sea. This is not true, of course, the biggest commodity that is transported on the Great Lakes is iron ore, originating in Lake Superior and Lake Michigan regions, and going to steel plants at Chicago and to Lake Erie Ports. In a big year, this totals from 60,000,000 to 65,000,000 tons, eastbound traffic. It is not concerned with the St. Lawrence. About 40,000,000 tons of coal originates in the West Virginia and Pittsburgh districts and represents west-bound traffic. It does not ask an outlet to the sea. The next big item is stone, used for fluxing in the steel mills and for road building and making of cement. That is not concerned with the St. Lawrence. In a big year there are from 10,000,000 to 15,000,000 tons of grain shipped on the Lakes but at least two-thirds of this is Canadian grain.

We certainly are not interested in the spending of vast sums of United States money to take care of that two-thirds and of the remaining one-third. That certainly does not present a very good picture for the expenditure of some $500,000,000.

NO VALUE FOR EAST-COAST SHIPPING

The St. Lawrence waterway is of practically no value in transporting materials from the central part of the United States to our eastern ports of consumption. From Lake Ontario to New York via the Hudson River, the New York State route is 338 miles, while by the St. Lawrence route it is 1,636 miles. Certainly the St. Lawrence cannot be used for our own eastern markets. The St. Lawrence has no ability to serve the consumers of the United States.

WAR RISK

I have the greatest respect for Canada as a neighbor. They are of the same race, speak the same language and are friendly to us in every respect. I do not blame Canada for their shrewd bargaining in regard to the proposed treaty, but rather blame our own diplomats in being so gullible in regard to this proposal.

The unfortified border between our countries is an outstanding example to the world of how two great nations can be friendly neighbors without spending huge sums for fortifications. I do fear though, that a project of this type, being so complicated with diplomatic relations, might be a cause of ill feeling sometime in the future should the United States be at war with any country with which Canada or Great Britain are on friendly terms. The St. Lawrence seaway, which we had constructed at tremendous expenditures and which would serve its best interests in times of emergency, such as war, could not be used by a single United States vessel. Contrariwise should Great Britain be at war with a country which was friendly to the United States, they could not use the St. Lawrence waterway. Can you not see the tremendous complications arising in cases such as these? I fear attempts would be made to use the canal and that the enemy would look to the neutral country to prevent such breach of international law. It might easily lead to a state of warfare.

PRESS QUOTATIONS

I should like to read a few quotations from the Canadian press at the time of signing the treaty, which Senator COPELAND describes as—

Being a treaty for the purpose of making Montreal the greatest port on the North American Continent. Not only this. The United States abandons its ancient contention that Lake Michigan is an "American lake." That great body of water has forever, through this new treaty, become an international body of water.

No feature of the treaty is more surprising or more satisfactory than the low cost to Canada at which the undertaking is to be carried out. Because of want of information the press has carried all sorts of extravagant statements as to the heavy financial burden with which the taxpayers were to be saddled in time of depression.

This proviso is deliberately inserted to protect Canadian sovereignty over all structures lying on the Canadian side, even though these structures have been built with United States money.

The Ottawa Government regards this treaty as of great importance to Great Britain and the Empire. It was therefore anxious to have it signed before the opening of the Imperial Conference, and it is to be congratulated upon having obtained its wish in this respect. It is stipulated in one of the articles of the treaty that all British shipping in all parts of the Empire shall have the right to navigation in the Great Lakes and St. Lawrence waterway for all time.

To Mr. Herridge goes the main credit for the negotiation of the treaty. Ever since last October he has labored night and day to bring it about. He has made countless trips between Ottawa and Washington on this special mission, and with the backing of the Premier, he has been able to secure an instrument which concedes to Canada practically all of Canada's demands. He has obtained a treaty which places the bulk of the cost on the United States and involves the Dominion treasury in an expenditure of less than $40,000,000.

RATIFICATION FAILED BY ONLY 13 VOTES

The time has come when we must stand up and fight. A deliberate effort has been made by one of the most colossal lobbies ever propounded in the National Capitol. It tried to force ratification of the treaty by the United States Senate in 1934 and the treaty only failed ratification by 13 votes, it requiring two-thirds to ratify it. The treaty is still pending and can be brought up again at any time.

WHO PAYS FOR PROJECT

In the event that the seaway construction is approved, New York State will pay over 25 percent of the total Federal patricipation besides the millions that New York State will have to pay as their share of the power-development costs. Twenty-two other States lying in the West and which favor the proposal and are trying to force it upon us, grouped together, will only pay 19.7 percent of the cost, eight States along the Atlantic seaboard States which will suffer the most by the St. Lawrence waterway proposal will pay over 50 percent of the national cost of the project. In other words, the States which will be hurt the most are going to pay over one-half of the project cost. They are going to pay their own good money to have their own business taken away from them.

PRESERVATION OF NIAGARA FALLS

In addition to this, attempts have been made to link the preservation of Niagara Falls, which we are tremendously interested in, with the St. Lawrence waterway. The corrective works have been extensively studied and various accurate and detailed reports pertaining to the restoration and beauty of Niagara Falls submitted. The project would only cost $1,750,000. It would just entail the construction of a submerged weir across the Grass Island Pool, the erection of some artificial cascades in some channels approaching the Horseshoe Falls, and some light excavation on the two flanks of the Horseshoe Falls. This would cause the American Falls to be completely covered with water, the Horseshoe Falls to be completely covered, a reduction in the rapid erosion taking place in the Horseshoe Falls and cause it to be possible to take an additional 20,000 cubic feet per second of water for power purposes. This water would be utilized in existing power plants and transmitted over existing power lines without increased capital expenditures for plants.

Western New York State could use this added power for industrial development, and we are all vitally interested in the restoration of beauty of one of the world's greatest spectacles. I strenuously oppose the uniting of these two projects!

I intend to fight for the approval of the project for the preservation of Niagara Falls and to oppose with equal force the St. Lawrence seaway.

Party Achievements

EXTENSION OF REMARKS

OF

HON. ROBERT J. BULKLEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, July 26 (legislative day of Thursday, July 22), 1937

ADDRESS BY HON. JAMES A. FARLEY AT TOLEDO, OHIO

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at a Democratic gathering at Toledo, Ohio, July 24, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The sight of so many loyal party adherents gathered here today is a pleasing spectacle to one who has been active for a number of years in the affairs of the Democratic Party. In recent campaigns, the Democrats of Toledo and other parts of Ohio have given pretty good evidence of the results that can be accomplished by a united and enthusiastic political organization.

It is also evident that the success which has been attained in National and State elections has been due, in substantial measure, to the untiring efforts of local leaders who have carried the burden in precinct, district, and local elections. And let me add that the men and women who are charged with the conduct of the Democratic Party nationally are deeply grateful to these leaders in Toledo and elsewhere and fully appreciate what they have done to advance the good cause.

The events of the past few years have given a new meaning and a deeper significance to party government in this country. Up until a few years ago, the complaint was commonly heard that there was little to choose between the major parties and that very little in the way of needed reform was accomplished whichever side was elected. As a result of that attitude, people were losing faith in the value of political parties and were rapidly coming to the conclusion that the two-party system had lost its effectiveness and was no longer a vital factor in the American scheme of government.

It is extremely pleasing to note that with the advent of the Roosevelt administration the old charge that political parties were all alike were soon forgotten. The Nation was treated to the refreshing spectacle of a political party that had the energy and the initiative to undertake grave emergency measures and the political courage to accept responsibility for those measures once they were undertaken. In all the charges that have been hurled against the Roosevelt administration in the last 5 years no one yet has said that it was timid or afraid to accept the consequences of its own program.

Because of what has taken place in the struggle to revive a nation stricken with economic paralysis it is fair to say that the rebirth of genuine party government has been brought about by the events of the past few years. The Democratic Party was not content to fumble its way back to recovery or to trust the destinies of the Nation to luck and blind chance. The Democratic Party accepted in full the responsibilities of party government, and as a result we have had more liberal and progressive legislation written onto the statute books in the last 5 years than was placed there in three previous Republican administrations. The United States spiraled into the depression faster than any nation in the world and it has come out faster than any nation, thanks to the wise policies of the Roosevelt administration.

This fact of reviving party responsibility is a healthy thing politically for the entire United States. It means that in future any party which aspires to national power must put itself on record, plainly and frankly, on the major issues of the day. The old tactics of dodging and evasion are out of fashion. The ancient practice of writing a party platform that rings with resounding praise for labor and the farmer, without a definite promise of action, won't work. A party without a program will find itself as helpless as an automobile without gas.

A great many people marvel at the fact that the Democratic Party has been able to survive the numerous social, economic, and political upheavals of the past three-quarters of a century. Through war and peace, through prosperity and depression, in the face of many defeats and discouragements, the party has never ceased to function, and it has never ceased to play an important role in the affairs of the Nation. Today our party is stronger than it ever was before. The reason for this unusual virility in the Democratic Party is found in the fact that it has never lost touch with the needs of the great mass of American citizens.

More than any other political organization in this country, the Democratic Party is the medium for the average citizen who wants to assert himself politically and who distrusts both the economic royalists, who think government was created to protect their interests, and the radical extremists, who thirst for power in order to crush and destroy those who disagree with them. The Democratic Party is the majority party in this country because it represents the views and wishes of a majority of the American people. We intend to keep it that way. And let me add that just so long as a government continues to be controlled by the majority, that government will be sane, it will be honest, and it will be just.

These are exciting times in which we live. The reading public has hardly had time to digest the facts about one crisis before a new one appears. The thunder of guns has been heard recently in Europe, and again in the Orient, but fortunately a general war has been averted to date. The nations of the world are in an angry mood, and in such hazardous times the fate of the country is to a large extent in the hands of those who conduct its foreign affairs.

Happily for the United States, there has not been even a whisper of a suggestion that we should become involved in any controversies that are now disturbing international relations. The position of this Nation has been made so plain by the President of the United States that it is thoroughly understood by the nations of the world. This country has embarked on the policy of being a good neighbor to all peoples and a military ally of none. The effect of this policy has been to increase respect for the United States abroad and to raise prestige of America to a new level in world affairs. The country can feel secure in the knowledge that this policy will be continued as long as the present administration remains in office.

But after all, you and I are mainly interested in domestic affairs and in the prospects for internal improvement during the years which lie immediately ahead. The past few months have shown a gratifying increase in the pace of business expansion and the experts are almost unanimous in predicting that the upturn will continue. In fact, it can be stated emphatically that recovery is here to stay.

This record of restored economic health is truly remarkable in view of the uncertainty prevailing abroad and the severity of the depression from which we have just emerged. Glancing back over the events of the past few years, and bearing in mind what happened in other countries, the evidence is plain that the economic recovery in this country is due directly and in great measure to the wise policies of the Roosevelt administration. And the continuance of these policies is the best guaranty that the country will be kept on an even keel.

The Commerce Department recently reported that the national income—and by that is meant the total income of all American citizens—amounted to an aggregate of $63,000,000,000 for the calendar year 1936. It is worth noting that this figure was an increase of nine billions, or 16 percent, over the previous year, and that it was taking place during the very Presidential campaign in which the end of everything was predicted unless President Roosevelt were defeated.

The figures thus far available for the first part of 1937 show that the national income will in all probability register another substantial gain for this year. Both industry and agriculture are enjoying good years and the volume of business is accelerating. A welcome fact, reported in the press of the 4th of July, said factory pay rolls are now 2 percent above what they were in the boom year of 1929. In other words, although the volume of production has not gone all the way back to the peak, labor is enjoying a larger share of the rewards than it did in the so-called boom years. I think all real Americans will rejoice in that fact.

Another significant factor in the present situation is the successful effort being made by the Roosevelt administration to ensure agriculture a share in the prevailing prosperity. Although the disaster which overtook this country a few years back had numerous causes, there was no greater cause than the fact that American agriculture had been permitted to sink deeper and deeper into the pit of depression while three successive Republican administrations did nothing to rescue it. There are at least 20 States in this country which derive almost their entire income from farming pursuits, and when those States are unable to buy the products of American industry, then economic disaster is almost sure to follow. That happened in this country a few years ago, but let me assure you that as long as the Democratic Party remains in power, it won't happen again.

Our optimism over the economic outlook is well justified because we are now beginning to realize a balanced, well-rounded prosperity, which is the only kind of prosperity that can last in this country. The old days of boom in industry while agriculture lies prostrate are a thing of the past. The object of the Roosevelt administration was to give a measure of prosperity to all classes and all groups, and that objective is being achieved. I think, by this time, that it is evident that the present administration in Washington does not look upon the stock market as the only reliable barometer of business conditions. The notion which formerly prevailed, that if the market is high then everyone must be happy has no place in the outlook of the men who are now running the country.

The Democratic Party was elected to office 5 years ago during a time of grave emergency on the pledge that it would reestablish a democracy of opportunity for the great mass of American men and women who found themselves caught in the grip of economic forces beyond their control. Millions of worthy citizens were out of employment, out of money, their savings gone, and their homes threatened. The ordinary processes of trade and commerce had virtually stopped. It was idle to talk about individuals saving themselves, because no individual living could stand alone against the force of the economic tide.

The Roosevelt administration, when it came to power, set about the job of clearing away the wreckage and starting the wheels of industry once again. And it did more than that; it has made a sincere effort to set up embankments against another such catastrophe and to eliminate for all time the causes which brought about the last disaster.

The people in this State are well acquainted with what has been done to regulate the banking system and to stop the reckless gambling with other people's money, which proved so costly in the wild days of speculation and exploitation. Against the warning protests of timid men, the insurance of bank deposits was provided for, to give a measure of security to those millions of Americans who depend so much upon their meager savings. The system has worked out exceptionally well.

The Securities and Exchange Commission was set up as a protective shield to guard innocent investors against the wiles of crooked promoters. It has never been claimed that the Commission can eliminate all dishonest stock dealings, but it has already paid for itself many times over by its efficient supervision of the securities market.

A social-security program was enacted for the first time, to insure the industrious against unemployment, to assure the aged against an old-age of beggary and want, and to assist mothers in the care of their orphan children.

A farm program was written into law, that for the first time in nearly half a century put agriculture on a par with industry and finance.

Measured by the sum total of its social and humanitarian enactments, the Roosevelt administration has already achieved a record of accomplishment that will bear favorable comparison to that of any administration in the Nation's history.

For the past 5 years, the American people have been governed by democratic processes in every sense of the word. The course of government has been dictated by the will of the overwhelming majority of citizens and the objective has been to effect the greatest good for the greatest number.

Of course, all this has not been accomplished without opposition, as you are well aware. Ever since time began, every effort to improve the lot of the average citizen has been opposed at every step by two classes of individuals: First, by those who fear change simply because it is change, and second, by those who fear that a change might interfere with their own selfish interests.

During the last few years, the opposition to the Government program has been unusually loud and on occasions extremely vicious. There has been a constant clamor of opposition coming mostly from those selfish groups which led the Nation into the great disaster of 1931 and 1932. The Roosevelt administration has been challenged and its motives have been questioned in every move which has been taken to bring about a better adjustment of the social and economic order. Every effort has been made by powerful interests to shake public confidence in the program sponsored by the Chief Executive.

The silly cry of dictatorship has been set up until the people of the country are sick of hearing of it. The administration has been accused of advancing the interests of one class of citizens at the expense of another; the administration has been accused of sapping the foundations of American institutions; the administration has been accused of seeking to weaken and undermine the Constitution; in fact, the administration has been charged with so many political crimes that the American people no longer pay any attention when they hear them.

In answer to these bitter-end critics, there is only one response. And that is the obvious fact that if President Roosevelt would listen to their advice and do what they want done, there wouldn't be a whisper of complaint that his program was un-American or unconstitutional. It is a curious fact that a great many so-called great constitutional lawyers in this country never discover that a measure is unconstitutional unless it happens to benefit the farmer or the workingman. Then these great lawyers immediately fear the end of everything if that particular measure happens to be enacted.

But despite the croakings of timid individuals and the noisy clamor of those who oppose progress for their own selfish reasons, this administration is going ahead steadily and unafraid with the task of solving the political and economic problems of America within the framework of Democratic institutions. The rate of progress has been highly satisfactory for the past few years and the next few years will be just as fruitful in worth-while accomplishments. There is no problem in modern life which cannot be met and mastered according to the tried and tested principles of democracy if we have the courage to put democracy into practice.

And that, my friends, is the real reason why the administration of President Franklin D. Roosevelt has been so successful—because he has had the courage to put democracy to work. He has established the rule of the majority in this country and he has demonstrated to minority groups that, no matter how powerful or how vocal they may be, they still cannot stand in the way of needed social and political reforms. There never has been a time in this country when the processes of democracy have worked better or more efficiently than they have in the past few years.

It is my honest belief that many of the accomplishments of the Roosevelt administration will last as long as this Republic exists. I will go further and say that no major political party in this country will ever successfully challenge the basic reforms which this administration has written into law.

What political party will advocate repeal of the insurance-deposit law or repeal of the banking-reform program?

What political party will abandon the principle, written into law by a Democratic administration, of adequate Federal aid for agriculture?

What party will advocate repeal of the great humanitarian program of social security?

What political party will advocate repeal of the Securities and Exchange Act?

The fact is that the humanitarian program sponsored by the Roosevelt administration had its origin in the hearts and minds and consciousness of the overwhelming mass of American citizens and no political party will ever dare propose that it be wiped from the statute books. To oppose the popular will in this instance will mean suicide for any political party that attempts it.

There will be problems to meet in the future, as there have been in the past, but despite the uncertainties which are bound to crop up, it is my conviction that bright days lie ahead for the United States of America. The administration in power at Washington will continue to devote all its energies to the promotion of prosperity at home and peace abroad. We can face the future confident of our own power and confident in the knowledge that we are learning how to apply the good old-fashioned rules of democracy to the problems which beset us in an industrial age.

We, in America, have weathered the economic storm which toppled so many other governments and which proved so destructive to the priceless principles of personal and political liberty in other lands. Our personal liberties are secure and our economic ills are being adjusted by the application of wise and sound public policies. We owe the enviable position in which we find ourselves today to President Roosevelt, who had the courage to make democracy work.

Obear Park, Beverly, Mass.

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, July 26 (legislative day of Thursday, July 22), 1937

ADDRESS BY CALVIN PIERCE AT THE DEDICATION OF OBEAR PARK, BEVERLY, MASS.

Mr. LODGE. Mr. President, a unique Fourth of July celebration took place in Beverly, Mass., when one of its finest citizens donated a park for the perpetual pleasure and benefit of the city. Some might expect that after a life of hard work Capt. Benjamin L. Obear would rest on his oars and, being well past the three score years and ten would give himself nothing but ease. Instead he gave this land to his fellow citizens. I ask that a brief address by Calvin Pierce, descriptive of this land, be inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been requested by the committee having these exercises in charge to give a brief recital of the various holders of title in the land which we now dedicate as "Obear Park" from the time it was first alienated by the town of Salem to the present time.

Perhaps it would be well at first to briefly explain the geography of the immediate locality, with special reference to the relation which the various places and landmarks bear to this land and the names by which they were known in early days of Salem colony.

The cove lying on the northwest was known as Stoney Cove and the brook flowing into it, Stoney Brook. Along the upper shore of this point and bordering the cove, was a strip of salt marsh which had been granted to John Bacheider and which he was given liberty to fence in February 8, 1650. Between this point of land and the smaller point of land on the southeast was Ellingwood's Cove and the salt marsh lying about the cove was granted to the Ellingwoods.

The stone wall at the head of these two points of land, and now in place, separating them from the Newman lands on the northeast, was commonly referred to as the "Newman line" and the river which flows by in our immediate presence which we call the Danvers River was known in early days as Woolestone River.

Henry Skerry was one of the first of the town marshals and was the first person to hold a valid right to this land. I quote the record:

Salem town records, volume 1, page 177, "Meeting of the selectmen 27–2–1654. Mr. Curwin, Captain Hathhorne, Mr. Conant, John Porter, Jeffrey Massey, Mr. Price, and Edmund Batter being present.

"Granted to Henry Scerry all yt upland lying within ye fence of John Bachelder yt doth fence in his salt marsh on Ryal side provided it must lye in comon when ye crop is taken from itt."

Skerry considered his right in the land sufficient to convey title to these two points.

"Deed, dated October 8, 1673, given by Henry Skerry, Sr., to Abraham Reade: A certain parcel or parcells of or two poynts of land containing by estimation about 6 acres of land in and belonging to the sd points or necks of land situated, lying and being on Ryalls side in Willistones River soe called it being the two necks of land that lyes below the stonie cove soe cal'd down the River to the southward it being all my Right that I had given me by the Towne of Salem in that place the salt marsh yt lyes at the head of the cove between the two poynts excepted, being none of my land."

Reade built a house on this point near Stoney Cove and lived here in undisturbed possession until an action of trespass by the heirs of Rev. Antepas Newman was brought against him by writ filed with the court by Mr. Daniel Epps, attorney, March 27, 1677.

We will now turn briefly to the cause of this procedure. In 1637 John Winthrop, Jr., son of the Governor, was granted "liberty to set a salt house upon Ryalls side with wood for his occasions about the same house and comon for 2 cows to pasture in." This was salt-house point.

In 1639, he was granted additional land of 16 acres which properly carried his boundary to a brook in the vicinity of what is now Kernwood Avenue. The selectmen appointed Roger Conant, John Woodberry, and Captain Trask a committee to lay out this land to Mr. Winthrop.

In making the layout, the committee went considerably beyond the proper bounds by carrying their line to Stoney Brook and including in their layout these two points of land, and having no knowledge or record of this, the town rightfully granted the two points to Henry Skerry in 1654.

Elizabeth, a daughter of John Winthrop, Jr., married Rev. Antepas Newman, minister at Wenham church, and the lands were given the Reverend Mr. Newman by Mr. Winthrop as a wedding gift. The Reverend Mr. Newman died intestate and his widow as administratrix was given permission by the court to sell the lands at Ryalls side, but in the process it was necessary to clear the title.

Judging by the extent of the court record and the procedure in the final adjustment of the rights of the parties in interest, the case was one of considerable interest to the town. The error of the committee being discovered, the court through the intervention of the town of Salem established Mr. Reade's title to the two points of land.

On May 8, 1688, Mr. Reade sold to John Green, for the sum of £4, the southeast part of the larger point. This point was thus divided by a line from the river, northeast to the Newman line.

March 19, 1689, John Green conveyed this part to John Cresy, of Salem, a tailor, for the sum of £4 15s. The smaller point and the northwest part of the larger point on which the house stood was sold by Mr. Reade to John Cresy, October 22, 1695, for the sum of £15. John Cresy, who was the first deacon of the church at North Beverly, in 1715, and a man of high standing in the community, died in 1735, leaving a will by which he devised this portion of his estate to his sons, Daniel and Job.

March 1, 1737, Daniel and Job Cressy sold to their brother, Joseph, all their interest in the property for the sum of $400.

Joseph Cressy owned the two points for a considerable time, disposing of the property to James Smith, April 1, 1765. In the division of James Smith's estate, the lots were assigned to his widow, Abigail, and referred to as "Abigail's two points."

Abigail married Peter Lovett and the lots were sold by them in 1791 to Benjamin Very, whose widow conveyed the two points by several deeds to Daniel Foster in 1798. By deeds of November 26, 1798, and August 3, 1818, Mr. Foster conveyed the property to Bartholmew Wallis, who, on December 28, 1823, sold the two points to John Porter for the sum of $517.

John Porter died August 8, 1869, aged 83 years, intestate. The administration of the Porter estate was given to a son, William Porter, of Lynn, January 6, 1870.

The lower or smaller point is now owned by Mr. Robert Robertson, who maintains there a summer residence, having purchased the point of the Porter estate October 31, 1902.

The upper or larger point which we now dedicate as "Obear Park", remained in the Porter estate until it was purchased by Benjamin L. Obear, August 6, 1929, and conveyed by him to the city of Beverly, March 21, 1930, to be used for park purposes.

Two hundred and eighty-three years have gone since the time the town of Salem granted this point of land to its town marshal, Henry Skerry.

New England Interstate Flood Compact

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, July 26 (legislative day of Thursday, July 22), 1937

EDITORIALS IN CONNECTICUT NEWSPAPERS

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Hartford (Conn.) Times and also an editorial from the Hartford (Conn.) Courant, relating to the New England flood-control compact.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Hartford (Conn.) Times of Thursday, July 22, 1937]

LAYING THE POWER BUGABOO

Connecticut members of the New England Interstate Flood Compact Commission are proceeding upon the theory that if the hydroelectric power provisions of the compact were better understood in Washington, objection to ratification of the document would automatically disappear.

The commission has addressed a letter to the State Senators and Representatives, calculated to throw the light of understanding upon the compact. This has been done diplomatically. The commission does not wish to be intrusive. Nor does it wish to appear argumentative or controversial. It is proceeding, however, on a theory recently expressed by the Times, that the thing most helpful to abating Washington hostility would be a clear exposition of the conditions the compact is intended to meet. To that end it invites members of the interstate commission from the other States to join in a similar explanation to their congressional delegations.

The meat of the argument of the Connecticut commissioners is that the compact itself furnishes the answer to the opposition of those who object to the States' reserving to themselves power rights which will result from flood-control works.

This reservation gives the States no new rights, merely affirms those they now possess. Moreover, if these rights are developed the States themselves will provide the necessary funds to make them available. Federal money will not be used to create water power resources which the States will then claim for themselves.

But the compact goes even further. Section VIII provides that if power development by a State at that State's expense occurs, the terms and conditions of it "shall be determined by separate agreement or arrangement between such State and the United States."

In other words, there can be no power development from these flood reservoirs, even at State expense, except as meets the approval of the Federal Government. The Federal Government holds the power of veto. If it does not concur in a plan there can be no plan, no development.

If the Federal Government wants to prevent the exploitation of the people by the power companies and wants to retain supervision over power development it would appear to have complete authority.

In another section, the compact binds the flood commission to operate flood-control projects in a manner "not inconsistent with the laws * * * of the United States."

Careful reading of these provisions ought to convince doubting Congressmen that there is nothing in the compact which is incompatible with anyone's ideas about public control over power development. The commission has done an intelligent piece of work in thus making its case plain. It is to be hoped that it will be effective in bringing about acceptance of the agreement worked out.

[From the Hartford (Conn.) Courant of Friday, July 23, 1937]

A MATTER OF GOOD FAITH

It would be a bitterly ironic circumstance if the interstate flood compact to protect the Connecticut River, which is not in the slightest concerned with the production of electrical power, should be killed either by Congress or by Presidential veto because someone supposed that it interfered with the Federal Government's power program. As the Connecticut commissioners point out in their letter to the Connecticut Congressmen, the compact only reserves to the signatory States powers and property that are already theirs. Under it, if Vermont wishes to build a power dam or a water-conservation reservoir at one of the flood-control dams in its boundaries, it may do so at its own expense, just as it could now while the compact is still unratified. Indeed, under the compact, its right to build such works would be less than it is at present, for the Army engineers and the interstate commission that would administer the works would have to pass on power projects.

For the record, a brief history of the flood-control plan is worth the space it occupies. The Omnibus Flood Control Act of 1936 authorized the expenditure of Federal funds for such works and made provision for interstate treaties when such were necessary. The plan for the system is based on a project of the Army engineers. Last fall, the President warned that if the States did not authorize a regional control plan, the Federal Government would have to step in. Finally, under the personal direction of the Secretary of War, a conference of delegates of the four States involved was held in Hartford, and from that meeting grew a series of conferences that produced the compact as it now stands.

Now certain advocates of the public generation of power demand that the Federal Government forget its invitation to the States to solve their flood-control problems by one method, that it discard all the work that has produced the plan and that it go back on the implied assurances of the administration that the compact as it stands was satisfactory. If their demand is granted, the four States that will have been robbed of the possibility of a prompt, efficient and cheap system of reducing the height of future floods will have every reason to complain that the Government has acted in bad faith.

Wheeler-Howard Law

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, July 26 (legislative day of Thursday, July 22), 1937

STATEMENT OF AMERICAN INDIAN FEDERATION

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Christian Advocate (Pacific edition), issue of June 24, 1937, being excerpts from a statement by the American Indian Federation, Washington, D. C., relative to the proposed repeal of the Wheeler-Howard law.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON REPEALING THE WHEELER-HOWARD BILL

(Excerpts from statement by the American Indian Federation, 116 C Street NW., Washington, D. C.)

On March 1, 1937, Hon. BURTON K. WHEELER and Hon. LYNN J. FRAZIER, jointly, introduced a bill, S. 1736, to repeal the so-called Wheeler-Howard Act which became a law on June 18, 1934. The members of this organization endorse that bill and have pledged support of it to the Senators.

The American Indian Federation is an all-Indian organization with membership limited to Indians and intermarried husbands and wives. Our purpose is to secure the rights, privileges, and responsibilities of American citizenship for all Indians. We believe that our race is just as capable of being citizens as any other race or nationality within the United States. We believe, too, that the Indians themselves must lead the way in solving Indian difficulties. We are an organization of Indians, for Indians, and by Indians. In August 1934, at the constitutional convention which was held in Gallup, N. Mex., we adopted a resolution asking for the repeal of the so-called Wheeler-Howard Act. Since that time we have worked unceasingly toward that goal. We asked for the repeal of that act because:

1. It nullifies the Citizenship Act of 1924 which made all Indians citizens.

2. It forever sets the Indians apart from other citizens; compels them to live in a segregated status of communism, with all property and resources held in common; and to "farm and graze and cut timber on a communal basis" under a dictatorship.

3. There is no self-government in the act. Final authority is left in the Secretary of the Interior and the Commissioner of Indian Affairs which is exactly where all authority in Indian matters has rested for the past 100 years and which system of "ward and guardian" basis of dealing with the Indians has resulted in the depicted condition of Indian resources and other conditions of poverty, misery, lack of self-sufficiency, education, and initiative which may exist among the Indians today.

4. It does not provide for "landless" Indians. All Indians who receive land under its provisions become only tenants on Government-owned land and subject to removal at the discretion of the Secretary of the Interior. Further than this, the act can be employed to bring all landowning Indians who accept its provisions into a like condition.

5. It perpetrated against the Indians the gross injustice of making them unwittingly change their legal status from that of "involuntary" to "voluntary" wardship. Indians were made wards without their consent in the first instance. They have continued as "involuntary" wards, being born into that status. All Indians who voted to accept the Wheeler-Howard Act thereby gave full consent that the Bureau of Indian Affairs remain forever in control of their affairs and thus became "voluntary" wards.

The passage of the so-called Wheeler-Howard Act was opposed by intelligent Indian leaders all over the United States. That honest, sincere opposition from the people directly concerned was drowned and lost in a flood of propaganda which flowed from the office of the Commissioner of Indian Affairs and the organizations and individuals who had assisted in having the Commissioner appointed to office. Congress and the American public were propagandized into believing Indians wanted this bill, which was introduced at the request of the Commissioner, enacted into law. In some instances, Indian opposition to the act and the program which is being carried out under authority of the act, has been silenced by the old bureau method of promises of jobs; and in many, many instances, the opposition has been stilled by the statement that "opposition to the program will mean dismissal" or words to that effect contained in a letter signed by the Secretary of the Interior dated April 30, 1934, which was sent out to all persons employed by the Indian Bureau and on the work relief projects controlled by the bureau.

Indian opposition has, nevertheless, continued and in some instances, after a trial of the act, it has increased. Because of the continual appeal from Indians for relief from the provisions of the so-called Wheeler-Howard Act, Hon. JAMES E. MURRAY, of Montana, Hon. DENNIS CHAVEZ, of New Mexico, Hon. PAT MCCARRAN, of Nevada, Hon. USHER L. BURDICK, of North Dakota, Hon. JOHN STEVEN MCGROARTY, of California, and Hon. THOMAS O'MALLEY, of Wisconsin, have all introduced bills into the present session of Congress to amend the said act to exclude certain Indians or change some of its provisions. Because of the increasing Indian opposition to the act, the present bill, S. 1736, to repeal the so-called Wheeler-Howard Act was introduced by Senator WHEELER and Senator FRAZIER, who are recognized as outstanding authorities on Indian questions and as friends of the Indian people.

[EDITOR'S NOTE.—The United Press on May 28 gave a half-column space to dispatches from New York and Washington regarding a curious incident. Mrs. Franklin D. Roosevelt resigned as honorary vice president of the National Indian Association, an organization with which we are not familiar, but which seems to have been devoted to the Americanization of the red man and opposed to the perpetuation of his native culture and pagan religion. Hence it had disagreed seriously with Commissioner John Collier of the Bureau of Indian Affairs. Apparently Mrs. Roosevelt is as adept as her distinguished husband in the ability to drop hot potatoes with neatness and dispatch.]

Commissioner Collier termed the charges of the association "mere slander." We are more interested in his assertion that "we have reversed the policy of previous administrations in which efforts were made to convert the Indians by force." Shades of Eliott, Brainard, Stewart, Burleson, and all the other great missionaries to Indians for the past 300 years! If force had been used to convert the Indians, they would surely have been converted by this time. As a matter of fact, half of them are still pagan and the other half are divided between Protestant and Roman Catholic types of Christianity. Undoubtedly, the whole tendency of Indian administration prior to Mr. Collier's time was to encourage the adoption of American civilization and culture and that included a friendly attitude toward American religion—Christianity. Mr. Collier has reversed that process and thrown the weight of his official position against the efforts of the Christian missionaries and in favor of native arts, crafts, and culture, which includes pagan religion. Of course, the adoption of his policies by the Indians would unfit them for participation in the ongoing of American life. The missionaries of today and Government officials of former times were absolutely correct in the objective which they set before themselves in this matter.

In this connection we note an article by Elaine Goodale Eastman which appears in the March number of the Missionary Review of the World. It is entitled "The American Indian and His Religion" and deals with native beliefs and customs and the Christian missionary motive. Its viewpoint is distinctly Christian.

The Collier policy on religion seems to be closely related to that observed in Russia, Turkey, Germany, Spain, and Mexico, where anti-Christianity now has a fleeting vogue.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES

Monday, July 26 (legislative day of Thursday, July 22), 1937

LETTER FROM PATRICK HOGAN, JULY 19, 1937

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter addressed to me by a constituent, Patrick Hogan, of Columbus, Ind., with reference to the proposal to reorganize the Federal judiciary.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 19, 1937.

Hon. SHERMAN MINTON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The Court readjustment plan, as presented in the newspapers' version of the debate, tends to befog the facts and lose sight of the main issue.

The newspapers cry "public opinion", and emphasize that Senators receive volumes of mail opposing the plan.

What is this public opinion but the editorial views of the papers which, as every sane person knows, are 85-percent Republican owned and controlled? And what is this mail but wail of "economic royalty" whose other name is "greed"?

The common people have no secretaries and stenographers, nor are they versed in the art of writing Senators, but you may bet your last dollar they know how to vote; and for every letter you receive opposing this bill, there are a thousand good, honest, hard-working people for it.

Now face the facts which brought this bill into existence. Since the days of Abraham Lincoln, "economic royalty" has gradually, almost ruthlessly narrowed the chances of the underprivileged until, in 1932, 15,000,000 breadwinners walked the streets in vain for work and 75 percent of the farms in this Nation were mortgaged, while 3 percent of the families controlled the money market, industry, and had the Government groggy.

Then came another man, Franklin D. Roosevelt, with the spirit of Lincoln. Like Lincoln, he believes the Constitution was created for the general welfare, and accordingly formulated a New Deal to aid the common people. But when these New Deal measures came before the Supreme Court, some of the Justices, steeped in legalistic dogma, saw everything in the Constitution but this general welfare.

Now, if the Constitution does not make for the general welfare, it ought to be burned; if it is only a football for corporation lawyers to play with, it likewise should be burned; but as a matter of fact it is so simple that any grade-school pupil will tell you that the sole object is the general welfare.

There is also a simious cry of "precedent." Indeed, this is the time for a precedent. The wail is: "What would such power mean to a Harding, and so forth?" Now, be assured of it, this is the people's government. They have given their lives for it, and now that they have won it back from economic royalty they are going to keep it. If any Senator doubts this, if he is overwhelmed with his mail opposing the plan, he can get the people's view quickly by getting away from it out where the great masses work—and vote.

When the Social Security Act was before the Supreme Court one Justice asked, "Didn't we get along without this for 150 years?" True enough, we did; also we got along without autos, telephones, radios for 3,000 years, but that is beside the point. If you go into the street and chain the wheels of a streetcar you will be arrested, but a man can sit on the highest court in this Nation and brazenly attempt to chain the wheels of progress for the common people and get away with it.

Do you know that when the N. R. A. and A. A. A. were killed by the Court that millions of workingmen and farmers were angry enough to march on Washington and demolish the Supreme Court? Do you know that if this New Deal had not come when it did and people had been forced to starve in the face of plenty they would have raided the stores, robbed the banks, and brought on a war that would make the Spanish squabble seem like a common alley dog fight?

Indeed, this is high time for a precedent.

This bill should go over with such force that it will once and forever show that the common people are going to rule this Nation. Then the present Court and future aspirants will tremble when they have any vague notions of crushing the people by

coddling legalistic theories which compel them to forget that the Constitution was made for the general welfare.

This bill is of no special favor to President Roosevelt, but he has the intelligence to know what the people want, what they need, and he is making a heroic fight to bring it to pass. This issue should bring the support of every honest American in or out of Congress; and Heaven help the Senator who believes this "public opinion" of the newspapers, his mail, and the "polls."

A mere glance back on the "polls", "public opinion" and newspaper editorials of last November will bring him to his senses quickly.

Abraham Lincoln said, "The Lord must love the common people because he made so many of them."

Mr. Roosevelt has proved that he also has the common people at heart, and that is why this bill was born and why it must go through.

Most sincerely yours,

PATRICK HOGAN,
516 Union Street, Columbus, Ind.

Federal Trade Commission's Opinion in Biddle Case Involving the Robinson-Patman Act

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1937

Mr. PATMAN. Mr. Speaker, publicity has been given to a statement issued by the Federal Trade Commission in which it was stated that Bird & Sons, Inc., cost of selling to mail-order houses was 18.6 percent, as against their cost of selling direct to ordinary retailers of 47.1 percent. Thus it will be noticed, according to this statement, that the cost differed by over 28 percent. I could not understand why there would be such a difference in cost, so I made an investigation of my own for the purpose of finding out. The statement standing alone is shocking, but when it is taken in connection with other statements made by the Federal Trade Commission in the same memorandum, it is not at all surprising. At the same time the goods when they finally reach the consumers via the circuitous route provided by a mail-order house are charged with the same items of expense charged to regular retailers, although the service may be rendered in a different way or by people under different names.

Bird & Son, Inc., are manufacturers of floor coverings. Before the Federal Trade Commission complaint they had three classes of customers, mail-order houses, such as Montgomery Ward & Co., jobbers, and ordinary retailers. The Federal Trade Commission charged that Bird & Son, Inc., were discriminating in price against their ordinary retail customers and favoring their mail-order customers. This charge, which was alleged to be a violation of the Robinson-Patman Act, was filed, and trial of the case commenced. It resulted in an order by the Federal Trade Commission holding that there was no discrimination. In reading the order the following facts should be kept in mind:

First. After the complaint was filed Bird & Son, Inc., changed entirely their method of doing business and within 4 months ceased doing business entirely with ordinary retailers.

Second. A policy was adopted by Bird & Son, Inc., that they would have only two classes of customers, mail-order houses and jobbers, and the same net prices to be given to the jobbers as given to mail-order houses.

Third. The cost information included only a 4-mouth period, commencing the date of the enactment of the Robinson-Patman law, June 19, 1936; it was during that 4-month period that Bird & Son, Inc., were ceasing to do business with ordinary retailers, and consequently the closing-out cost was extremely high and should not be used as an example; these facts were pointed out by the Federal Trade Commission in connection with the difference in cost figures.

Fourth. The Federal Trade Commission stated:

Any price discrimination during that period was incidental to that transition and involved a negligible proportion and amount of seller-respondents' business.

Fifth. As pointed out by the Federal Trade Commission, only about 1 percent of the sales of Bird & Son, Inc., was made to ordinary retailers direct, and therefore this small percentage, especially during the closing-out period, should not be used as an example of difference in cost.

The following opinion was issued by the Federal Trade Commission in this case:

In the matter of Bird & Son, Inc., Bird Floor Covering Sales Corporation, Montgomery Ward & Co., Inc., docket no. 2937

MEMORANDUM OPINION AS TO DISMISSAL OF COMPLAINT

This case involves a complaint charging respondents with unlawful discrimination in price contrary to the provisions of the so-called Clayton Act of 1914, as amended by the so-called Robinson-Patman Act approved June 19, 1936. Respondents Bird & Son, Inc., and Bird Floor Covering Sales Corporation, are charged with selling at discriminatory prices in favor of respondent, Montgomery Ward & Co., Inc., a violation of section 2 (a) of the act, and Montgomery Ward & Co. is charged with knowingly receiving such prices, all to the injury of retail dealers competing with the latter concern. The commodity involved is hard-surfaced, felt-base floor covering.

The case was tried and a record of the evidence presented in support and in defense of the charges is before the Commission.

The facts are that between the passage of the Robinson-Patman Act and issuance of the complaint on September 30, 1936, retailer-competitors of Montgomery Ward & Co., when purchasing from the seller-respondents, were subject to prices that were higher than those paid by Montgomery Ward & Co. and other mail-order houses by as much as 14 and 18 percent. At the time of passage of the Robinson-Patman Act, however, only about 1 percent of all the sales of seller-respondents was made to ordinary retailers direct. The remainder was being sold to jobbers for resale to retailers and to mail-order houses such as Montgomery Ward. This was the outcome of a change in sales policy inaugurated about a year and a half before the Robinson-Patman Act was passed. Under the new policy, direct sales to retailers were discontinued and their needs were supplied through jobbers. By the time the complaint could be tried, the seller-respondents had discontinued all their warehouses and sales agencies, and, in fact, most of them had been discontinued before the act was passed. By the end of October 1936, no goods were being sold direct to retailers, while jobbers and mail-order houses were being sold at the same net prices.

With reference to the amount of the price discrimination which existed during the 4-month period following passage of the act, evidence was introduced by seller-respondents showing that the cost of selling to mail-order houses was 18.6 percent as against a cost of selling direct to ordinary retailers at 47.1 percent. Thus, costs differed by over 28 percent, while the difference in price was less than 20 percent. This evidence was corroborated by an accountant for the Commission. Since the act specifically permits differentials in price that "make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered", the amount of discrimination existing in this case was apparently within the terms of this proviso. These considerations would appear to be controlling.

It also appears, however, that the present sales policy of seller-respondents is not one of discrimination in price between or among the only two classes of customers they have chosen to sell. The act declares that nothing in it "shall prevent persons engaged in selling goods, wares, and merchandise in commerce from selecting their own customers in bona-fide transactions and not in restraint of trade." So the act does not purport to interfere with the right of a seller to select his customers. He may discriminate in the choice of his customers. Not until there is a discrimination in price among those chosen does section 2 (a) of the act have any application. There is no suggestion that the selection of customers here involved was the result of any combination in restraint of trade. Rather, it was in order to reduce seller-respondents' costs of distribution. The courts have consistently upheld the right of individual traders to select their customers in the absence of such combination.

The price discrimination alleged is to be found only during a 4-month period of transition from a policy of selling ordinary retailers direct, to one of supplying them through sales made to jobbers. Any price discrimination during that period was incidental to that transition and involved a negligible proportion and amount of seller-respondents' business.

Since the case against seller-respondents fails for the reasons above stated, the case against buyer-respondent, for receiving an unlawful price discrimination, also fails.

The Commission therefore directs the entry of an order for dismissal of the complaint and termination of the proceeding herein.

By the Commission.

W. A. AYRES, *Chairman.*

Dated this 17th day of July, A. D. 1937.

Attest:

OTIS B. JOHNSON, *Secretary.*

When it was apparent to me that the mail-order houses and Bird & Son were using this information as an example of differences in cost, I addressed the following communication to the Chairman of the Federal Trade Commission:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 21, 1937.

Hon. W. A. AYRES,
Chairman, Federal Trade Commission, Washington, D. C.

DEAR MR. AYRES: In the Bird & Son, Inc., and Montgomery Ward case, Document No. 2937, your release states that the cost of selling to mail-order houses was 18.6 percent as against a cost of selling direct to ordinary retailers at 47.1 percent causes a difference of over 28 percent, while the difference in price was less than 20 percent.

I am informed that Bird & Son only had a very few retail customers. For this reason it is probable that this cost is not typical of the cost in this business or any other business. This illustration occurs to me to be misleading for that reason, and I would like to suggest to the Commission that a clarifying statement be issued in order that the public may know that the cost of 47.1 percent to Bird & Son was doubtless much higher than it would be in that line of business or any other where a larger percentage of retailers was being sold.

If you will pardon the illustration, it is very much like the census report disclosing that the increase in crime among the Chinese in a certain town was 300 percent over the preceding decade. The facts were, however, that there was only one Chinaman in the town, and he had violated three traffic laws. Therefore the increase in crime among the Chinese in that town was 300 percent.

If the Commission feels disposed to do so, I hope consideration will be given to this request.

Yours sincerely,

WRIGHT PATMAN.

In reply to that communication, I received the following letter with statement attached:

FEDEREAL TRADE COMMISSION,
Washington, July 23, 1937.

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Responsive to your letter of July 21, 1937, in the matter of the cost of selling to mail-order houses as against the cost of selling direct to ordinary retailers, as developed in the Bird & Son-Montgomery Ward case, the following explanation may serve to clarify the reasons for the difference of 28.5 percent in such costs.

Differences in cost of advertising, warehousing, freight, and general administrative expense comprise 28.17 percent of the total 28.5 percent. A detailed analysis of the costs comprising the percentages referred to above is appended. An explanation of these items follows:

(a) Advertising expense: The difference between $2,769.20 to retailers and $443.41 to mail-order houses is due to the fact that the retailers were supplied with literature, samples, display signs, model houses constructed of the floor covering, and had the advantage of general advertising which could not be used by the mail-order houses, due to resale of the floor covering under their own trade names.

(b) Warehousing expenses: The difference between $10,311.35 charged to retailers and only $229.98 applied to mail-order houses is understandable, in view of the fact that in sales to retailers Bird Floor Covering Sales Corporation maintained warehouses in Pennsylvania and Texas from which retailers were supplied direct in small local shipments, while shipments to mail-order houses were made directly to their own warehouses from the factory with slight exception. Additionally, the warehouse cost was abnormally high, due to the discontinuing of this method of merchandising, involving cancelation of warehousing contracts.

(c) Freight paid on sales: Freight paid on sales to mail-order customers amounted to less than 50 percent of the freight cost on sales to retailers, due principally to the fact that usually shipments to mail-order houses were made directly from the factory in large quantities, and in many instances locations of mail-order warehouses enabled the use of cheaper water transportation. On the other hand, shipments to retailers entailed shipment from the factory to the Bird Floor Covering Sales Corporation warehouses and reshipment in very small quantities to the retail customers.

(d) General and administrative expenses: The expenses of the accounting and credit departments were distributed proportionately according to the number of invoices issued to the respective groups of customers, and the executive and personnel expenses were distributed in proportion to the yardage sold. It will readily be recognized that the majority of invoices represented sales to ordinary retailers.

You are at liberty to make such use of the information contained herein as you desire.

Cordially yours,

W. A. AYRES, *Chairman.*

[This statement attached to Federal Trade Commission letter]

Bird Floor Covering Sales Corporation costs, mail-order houses against ordinary retailers, 4 months subsequent to June 19, 1936, during closing-out period

	Mail-order houses	Percent	Retailers	Percent	Difference	Percent
Net sales	$65,429.44		$68,901.05			
Advertising expense	443.41	0.68	2,769.20	4.02	$2,325.79	3.34
Warehousing expenses	229.98	.35	10,311.35	14.96	10,081.37	14.61
Freight paid on sales	3,111.61	4.75	7,036.88	10.21	3,925.27	5.46
General and administrative expense	1,934.76	2.96	5,247.97	7.62	3,313.21	4.66
Total	5,719.76	8.74	25,365.40	36.81	19,645.64	28.17

It will be noted that the sales to mail-order houses and to retailers for the 4-month period in question are approximately the same. It will also be noted that nearly half the overhead expense charged against sales to retailers is alone represented by the warehousing expense of $10,311.35. It will be immediately apparent to anyone that this is an unusual warehousing expense to be charged against $68,000 of sales to retailers. I have determined that the reason for this unusual cost as well as the high cost of other items of expense shown was due to the fact that Bird & Son during this 4-month period was engaged in the process of changing over their sales policy and eliminating sales direct to retailers. This involved, as pointed out by the Federal Trade Commission, the cancelation of warehousing leases at considerable expense and the loading of all unabsorbed expenses contingent upon this class of business as a charge against the diminishing sales made to retailers during that period. In the closing out of a business, or a certain class of business, it is customary to expect that unusual expenses are incurred. If these expenses are properly discounted in this particular case, it should be apparent that under normal conditions there is not an inordinate spread between the cost of selling mail-order houses and selling independent retailers. It would be, therefore, grossly unfair to have these comparative figures of 18 percent cost of selling to mail-order houses as against 47 percent cost of selling independent retailers seized upon by large-volume retailers and by them given widespread publicity to consumers all over the country as official evidence of the economics of their particular system of doing business without a full explanation of the facts.

ADVERTISING EXPENSE

It will be noted that the mail-order house is only charged $443.41 for advertising, while the retailers were charged $2,769.20. This does not mean that the mail-order house will not incur an additional expense in advertising. It will incur such expense, and will spend more or less than the retailers, which will be added to the cost of the goods by the time they reach the consumers. The only difference to the consumer is that Bird & Son adds the advertising expense to the ordinary retailers when the sale is made. The mail-order house adds this expense after their purchase.

WAREHOUSING EXPENSES

There is considerable difference between the warehousing expenses charged to retailers and the amount charged to mail-order houses. This is due to the fact that the mail-order house has its own warehouse, and bears that expense itself. It does not mean that this service is not rendered by the mail-order house and the charges therefor not made. It merely means that Bird & Son does not charge this item of expense in the sale, but this item of expense is added onto the cost of the goods before they reach the consumers. When this cost is added it is likely to be as high, if not higher, than the warehousing cost that has been added by Bird & Son to the ordinary retailer.

FREIGHT PAID ON SALES

It is true that freight to 1,000 retailers is higher than freight on the same quantity to 1 customer—the mail-order house. Yet the mail-order house when it receives the

goods must divide the shipments in the same way they were divided for the retailers and ship in small quantities to their customers, just like Bird & Son shipped small quantities to the retail customers. It is well recognized that mail-order houses maintain their own warehouses in different sections of the country, and that they break their shipments into small quantities and ship to the ultimate consumer, usually by mail or by express rather than by freight, which adds considerable cost to consumers.

FOUR RECENT DECISIONS OF THE FEDERAL TRADE COMMISSION UNDER THE ROBINSON-PATMAN ACT

Regarding the Biddle case: The Biddle case is clearly a violation of the Robinson-Patman law, and the Federal Trade Commission could not do anything else except issue a cease and desist order. I predict that the law, if tested, will be held constitutional, and the cease and desist order sustained.

The Good Book says that no man can serve two masters. Biddle was endeavoring to violate the same principle involved in this holy writ. The Robinson-Patman law, which is the modern golden rule in business, makes such conduct unlawful, and rightfully so. In the end the public and the people suffered by reason of the existence of such unnatural, uneconomic, and unethical practices. Biddle contended in defense that his operations helped the small dealer to better compete with the chains. In other words, he contends that the small seller should be able to pass a brokerage on to the small buyer, but it should be illegal for the large seller to pass the brokerage on to the large buyer. Laws are not made that way and laws do not function that way.

The Hollywood Hat Co. case: The facts amply supported the Commission's decision in this case. While the larger hat purchasers will be denied lower prices, the savings will be passed on to the people through the smaller retail units which will receive a lower price. The large concerns, which have been the most effective chiselers and cheaters on price discrimination, have been doing about 25 percent of the retail business. Presuming that such forced reductions in price were passed on to the public, only 25 percent of the public received the benefit of such reductions. The Robinson-Patman law, having stopped such unearned discounts, a better price will be available to all retailers, and this better price will unquestionably be passed on to the consumers, and they, doing 75 percent of the retail business, will benefit 75 percent of all the retail customers, whereas the unfair discrimination heretofore existing benefited only 25 percent of retail customers.

This law is becoming more popular every day. It is true that there are a few small buyers who believe that they are the best chiselers and cheaters that this world has ever produced, and they are perfectly willing to be in open competition with the cheaters of large mass-purchasing concerns, having such great confidence in their own chiseling ability. The fact is, however, that the small man never stands a chance compared with the big man when it comes to haggling and chiseling. The small man, however, not knowing what the big man has received, kids himself into believing that he has received the best price.

Montgomery Ward and Bird Flooring Co. cases: The situation changed materially between the time of the issuance of the complaint by the Federal Trade Commission and the trial of the case—first, by the Bird Flooring Co. discontinuing entirely selling to retailers, and, second, by the Bird Flooring Co. not adhering to their price schedule, upon which the complaint was issued. After the trial was commenced the companies involved confessed that they had committed an error in not completely informing the Commission of the facts. After all the facts were heard in connection with the issue as finally drawn, in view of the changes, the Federal Trade Commission was convinced there was no difference in price that was not justified in cost of manufacture, sale, or delivery. This was strictly a question of fact to be passed upon by the Commission.

No independent merchant should be disturbed by this ruling. Any savings in the cost of manufacture, sale, or delivery by large mass buyers are usually expended in cost of distribution. I doubt that jobbers will continue to handle a product under these circumstances. Recently the Oliver Farm Equipment Co. terminated an arrangement with Montgomery Ward because they could not supply the catalog house without offending their other dealers.

The Kraft Cheese case: The Federal Trade Commission, after hearing all the facts, decided there was no injurious effect on competition shown. This was a question of fact.

FEDERAL TRADE COMMISSION PRAISED

The members of the Federal Trade Commission undoubtedly keep an open mind on all questions coming before the Commission, and I commend them for deciding a case in a way they believe strictly according to the facts before them, and I shall never criticize anyone who has such responsibility and who assumes and discharges it in the honest, conscientious way that I believe the Federal Trade Commission members are performing their duties.

The Pecan Industry in the United States

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1937

Mr. BOREN. Mr. Speaker, I believe a great deal has been done by the Department of State under the able administration of Secretary Hull in promoting good will for the United States and in fostering world peace. I also believe that the foreign trade of the United States has been improved by the reciprocal-trade agreements reached through the administration of the State Department. I want to point out, however, that the fundamental principles of democracy are opposed to reaching broad general objectives over a route of destruction of lesser interests. There are a few specific instances in which the welfare of a locality, a State, or a group of States demands specific consideration beyond the present program for trade affecting their industries.

I refer particularly to the pecan industry. The pecan is the most important American nut, produced commercially in 33 States, with an annual crop of 95,340,000 pounds and with 317,800 acres of land now in production and almost a quarter of a million acres being developed for production. It is an industry that requires a vision for the future and long-range investment for production since a tree must be from 5 to 7 years old before it produces and does not reach mature production under 10 or 15 years.

As an indication of the great production of the pecan, which is commercially the most important native nut, I submit the following facts from the agriculture statistics of 1936, which set forth the amount of annual production in some of the States that are leading producers:

State:	*Pounds*
Texas	44,000,000
Louisiana	4,400,000
Oklahoma	25,000,000
Mississippi	4,950,000
Georgia	6,700,000
Arkansas	2,400,000
Alabama	3,200,000
Florida	1,400,000
Missouri	1,250,000
North Carolina	900,000
South Carolina	875,000
Illinois	250,000

Of course, these figures do not tell the complete story of home consumption and great development in the industry within the last 3 years. To indicate the growth and production, it is enough to say that the Sixty-seventh Congress, in its tariff report, found that the pecan crop at that time

was worth $10,000,000, with the average pecan price almost 20 cents per pound, while a report at this Congress would show the annual market is worth $40,000,000 with the price a little more than 5 cents a pound.

But, Mr. Speaker, I want to point out that the drop in pecan prices has no relation to the increase in pecan production, because the Sixty-seventh Congress found that our production would not meet domestic demands, largely because cultivation was neglected. This report holds good up until 1933, and even today our production would not meet domestic demands if the importation of nuts did not flood our markets with a competitive nut, which discourages a continued cultivation of pecans. The importation of cashew nuts is greatly responsible for the situation which threatens to destroy the pecan market and to wipe out an industry which represents an investment of more than $200,000,000.

Importation of cashew nuts to the United States in 1929 was too small for any survey. In 1929, pecan prices averaged 17 cents per pound in the Nation. In 1930, 3,534,000 pounds of cashew nuts were imported; 1931, 7,437,000 pounds; 1932, 13,166,000 pounds; 1935, 17,945,000 pounds. As the importation in cashew nuts increased, the price of pecans decreased on a great scale. From 17 cents in 1929 the pecan prices had lowered to 12.4 cents in 1934 and to 6.2 cents in 1936.

In 1929 the House tariff-adjustment hearings sets forth factors entering into the cost of production, pointing out that the average cost of the production of pecans was 12 cents per pound in America. It costs the American farmers 12 cents to produce a pound of pecans which he must sell for 6 cents in competition with the foreign nut that enters this country practically free of duty. The consequences of this importation are clear. We are permitting the importation of foreign nuts to destroy the production of pecans. The destruction of the pecan market is one of the hardest blows that hit the farmers in 33 States. Pecans are produced from the Ohio Valley to the Gulf of Mexico. Below the fortieth degree from the Atlantic to the Pacific they are an important crop. A half million acres, a million trees of producing age, a million more in cultivation for production, an investment of a quarter of a billion dollars, an annual market of $100,000,000 for the American farmers. All of this you are throwing overboard if the Congress fails to pass my bill (H. R. 4478) to save this market, this industry, and these benefits to American agriculture.

Only one country has any substantial interest in this American market which belongs to American farmers. With 15 countries selling cashew nuts on American markets with the imports in 1934, 14,899,153 pounds, imports from British India alone totaled 14,610,967 pounds. The failure of this Congress to pass H. R. 4478 clearly means that an American market belonging to American agriculture, which is fully prepared to supply that market, will be carelessly tendered as a gift to British India.

I have worked unending hours to acquaint this Congress with the importance of this measure. The subcommittee on tariff of the Ways and Means Committee has given us a considerate hearing. I hope and trust that this subcommittee and the whole Committee on Ways and Means will report favorably to this body H. R. 4478.

I do not want to see a general tariff bill. I am in full accord with the system which is now in operation, which tends to break down the trade barriers between the nations, but this Congress should have the courage to tackle the specific problem with confidence that it can be solved without changing the solution to the general problem of international-trade policy. Either H. R. 4478, or the substantial provisions of the same, must become a part of the law or the crime of the destruction of a great American industry will be rightly charged at our door for our inaction.

Mr. Speaker, for 33 States, for a million farmers, for a million investors in a great American industry, I ask the Congress of the United States to restore an American market to American producers, which can be done with the passage of H. R. 4478.

Abandonment of Railway-Mail Contracts in Favor of Star-Route Contracts Presents Serious Unemployment Problem

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1937

Mr. SHAFER of Michigan. Mr. Speaker, during the past year there has been an increasing activity on the part of the United States Post Office Department to substitute motor-truck or star-route service for railway-mail service, which has been built up throughout a long period of years. Until recently this change has only affected citizens of sparsely settled communities, but during the current year the policy has been altered to the extent that star-route service is now being inaugurated to serve prosperous and thickly settled communities.

I bring this matter to the attention of Congress and ask the assistance of Senators and Representatives in opposing this action on the part of the Post Office Department. I take this step because in each case where mail service has been diverted from the railroads to the star routes, it has resulted in the reduction in the number of railway employees and has relegated to the relief rolls men who were pioneers in building up the various communities in the States of Michigan, Illinois, Wisconsin, Minnesota, South Dakota, North Dakota, and Montana.

I am advised that the Post Office Department officials, in reply to previous protests from railway employees, have stated that the changes have been made because bus and truck companies handle the mail at a lesser rate than had been acknowledged as fair and proper for similar service by railroads.

An investigation shows that in every particular case where the star-route service has been attempted in the Northwest States, and particularly along branch lines of railroads, it has been found that during stormy weather the bus lines have been unable to operate and in some instances it has been necessary to reship the mail through a back-haul movement, 300 or more miles, and reroute over the line of the railroad which formerly held the mail contract.

In determining the cost of operation, based upon the star-route contracts, there is a question whether the Post Office Department officials have taken into consideration the additional expense involved in the back haul of mail, or the expenses incurred by the various political subdivisions for highway snow-bucking service which has been rendered in an attempt to make it possible for the star-route mail to reach its destination. Also, it is evident that Department officials have not taken into consideration the expense that has been and will be incurred by National, State, and county governments in the form of relief to take care of the families of displaced railway employees, who have lost and will continue to lose their incomes if this program is continued and expanded.

It is also reasonable to assume that post-office officials have not given due consideration to the loss which would be suffered by the citizens of the various communities who have for years enjoyed daily mail, freight, and passenger service on branch lines where the operation of trains has now been greatly reduced because of railway mail-handling contracts being canceled.

In the Second, Third, and Fourth Districts of Michigan cancelation of railway mail-handling contracts has caused the discontinuance of six trains on one railroad and a resultant lay-off of many employees.

Almost any statistician can show a paper profit by using only a part of the cost items in the set-up on which conclusions are based, but if the statistician will take into consideration all factors involved and also give considera-

tion to the fact that the citizens in the various towns formerly served by railroads, but now by star-route trucks, are practically unanimous in their opposition to the cancelation of mail-handling contracts with railroads, he cannot justify the discontinuance of railroad mail-handling contracts which results in the reduction of railroad service and employment.

Only recently an order was issued by one railroad which reads as follows:

From June 30, 1937, service and pay on the Minneapolis, St. Paul & Sault Ste. Marie Railway Co.'s route no 110822, between Fairmont, N. Dak., and Vedlin, S. Dak., 46 miles, is discontinued.

Organized labor, farmers, business and professional men, as well as all other classes of citizens affected by this change are very much disturbed, and vigorous protests are being made. I believe it is in the best interests of all the people to maintain the high standard of efficiency that has been established by the Railway Postal Service through the years, and that the star route should only be maintained in sparsely settled districts where railway-mail service is not obtainable.

I urge each Member of Congress to survey this problem in his district and to bring pressure to bear on the Post Office Department to restore railway-mail service where it has been abandoned in favor of star routes.

Interest Rate on Farm Loans

EXTENSION OF REMARKS
OF
HON. STEPHEN PACE
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1937

Mr. PACE. Mr. Speaker, on June 7 this House passed unanimously a bill to reduce the interest rate to the farmers of this Nation who have loans with the Federal land banks and the Land Bank Commissioner. The bill provides that from July 1, 1937, to July 1, 1938, the farmers would be required to pay interest of only 3½ percent on their loans with the Federal land banks, that from July 1, 1938, to July 1, 1939, their interest would be 4 percent, and that for the same 2 years the interest on their loans with the Land Bank Commissioner shall be only 4 percent. This bill passed the Senate unanimously on June 29.

The President declined to approve the bill and returned it to us with his veto. The question then before us was, Should the bill be passed notwithstanding the veto of the President? Believing this bill should become law at the earliest possible moment, so that the farmers of my district and of the Nation could have the relief which it affords, I have voted to pass the bill over the veto and believe it is proper that I should assign the reasons that have persuaded me to do so.

Before I could get my consent to vote to pass this bill over the veto of the President there were two serious difficulties which I had to overcome. First, as a Democrat, I desire to cooperate with my President in every way possible, for he is not only the leader of my party and of the Nation but his program has been very helpful to the farmers and workingmen. I have made it a practice to receive every recommendation which he has made to the Congress in a sympathetic and cooperative attitude and to follow his recommendation unless and until I became convinced that it was not for the best interest of the people I am trying to represent. And, secondly, I am exceedingly anxious to reduce the expense of government, balance the National Budget, and begin reducing the national debt. This debt is now over thirty-six and a half billion dollars, and it takes nearly $1,000,000,000 a year to pay the interest alone. I am more interested in efficiency and economy of government operation than any other public question, and I believe that the early balancing of the Federal Budget is most necessary for the future welfare of this Nation. I am actively supporting the President in his present effort to bring our expenditures to within our income.

For these reasons I have given this bill and the veto message of the President considerable study and investigation, and notwithstanding my desire to cooperate with the President in every way possible, and notwithstanding my desire to balance the Budget as quickly as possible, I concluded that it was my duty and would in the end contribute toward the ultimate welfare of this Nation for me to vote for and support the motion to override the veto of the President and pass the bill. Now, what are the facts?

The Farm Credit Administration, a Government agency, was not set up for profit-making purposes but rather to make the credit of the Government available to the distressed farmers of the Nation and help them save their homes through financing their indebtedness at low rates of interest.

The Federal land bank secures the funds for use in making loans to the farmers as follows: The bank issues its bonds or obligations and offers them for sale to the general public. It then uses the money in making farm loans and, under the law, must lend the money to the farmers at the same rate which it pays on its own obligations, plus an amount sufficient to pay overhead or administration expenses. This overhead has ranged from 1 to 1½ percent; that is, if the bank had to pay 4 percent on its bonds, then it would charge the farmer interest of 5 or 5½ percent.

When the bank first started general interest rates were high and it also had some trouble in getting the public to buy its bonds, so during that time it had to agree to pay as high as 5- or 5½-percent interest on its obligations, and consequently it charged the farmers 6 and 6½ percent on loans.

Since then there has been a gradual reduction in the interest rate, and the public has become more satisfied with the security of the bank's bonds. As a result, the bank has been able to get its money at a cheaper rate, now at 3 percent, and has been able to reduce the rate it charged the farmers. And we find that the bank has farm loans on its books at the following different rates: 4, 4¼, 4½, 4¾, 5, 5¼, 5½, 5¾, 6, and 6½ percent. Yet all of these loans are to the same class, that is, farmers struggling for existence. Also it appears that 37 percent of all outstanding farm mortgages are now held by the Farm Credit Administration.

Due to an easier money market, the Farm Credit Administration has recently been able to recall and refund or refinance a large percentage of its bonds. The greater portion of the obligations on which it was previously paying 4½, 5, and 5½ percent interest have been called in and $712,837,000 have been refinanced at 3 percent, $201,031,000 have been refinanced at 3¼ per cent, and $879,706,740 have been refinanced at 4 percent. And today the bank can get all the money it wants at 3 percent. Yet, in the loans made by the bank several years ago, the farmer is obligated to pay as high as 6½-percent interest, giving as much as 3½ percent (over 100 percent) profit to the bank. Not only an unconscionable profit, but something never intended under the law. Why should not the farmers be entitled to some benefits from this improved money market, especially when the Farm Credit Administration was never intended as a money-making or profit-taking Government agency?

A reduction in the interest rate on these farm loans was first authorized in 1933, but that law expired on July 1 of this year and unless this new bill is enacted, over the President's veto, thousands and thousands of our farmers will be called to pay 5½- and 6-percent interest under the terms of the loans they made several years ago. Which is better for the Farm Credit Administration, to collect interest (at a reasonable rate) or collect farms (by foreclosure)?

Besides inadequate prices for their products, there have been three great burdens on the backs of the farmers for a long time, namely, high interest rates, heavy taxes, and a manufacturers' protective tariff on most everything he has to buy. And surely I must add to this the burdensome and unreasonable freight rates on the transportation of his products. To reduce the burden of taxation seems an

almost hopeless task, but I am still fighting. Toward reducing the tariff on the farmers' necessities or granting him benefits to counterbalance it, I am making a special effort; for a revision and reduction in freight rates we are all at work. Certainly I would be utterly unmindful of my duty should I fail in this case to help bring about a reduction in the interest-paying burden.

High interest rates have contributed in a large measure toward farm-loan foreclosures. During the last 5 years there has been a 200,000 increase in the number of tenants, and most of these were brought on by foreclosures. By the same method other thousands were added to the army of unemployed. And may I remind you that when we who live in town lose our homes, while unfortunate, it does not affect our jobs; our work goes right on. But when foreclosure comes to the farmer he not only loses his home but his job and his means of earning a living for himself and his family as well. Should I hesitate when I have the opportunity to help him keep his home and his job by reducing his interest charge and at the same time cause no one any loss?

Just a few days before this veto message came to us for consideration we had passed, and the President has since approved and signed, a farm-tenant bill, designed to give the homeless tenant a new start in life and provide a method whereby he can have a farm and home of his own. This tenant bill authorizes a loan for the purchase of a farm of the full amount of the purchase price and at 3-percent interest, payable over a period of 40 years Certainly it is just as important to help a man save the farm he now owns as it is to help another man to get a new farm. The result is just the same. If the President approves of a 100-percent value loan to the tenant at 3-percent interest for 40 years, he was surely incorrectly or poorly advised when he vetoed a bill to allow 3½- and 4-percent interest to a farm owner who has borrowed only about 50 percent of the value of his farm.

Near Montezuma, in Macon County, Ga., the Government has started a resettlement project for Negroes. The Government will provide those Negroes with a farm, a home, mules, farm implements, supplies and provisions, and if after 2 or 3 years those Negroes show the right kind of ability the Government will sell them the farms they occupy, very probably without any cash payment, and at 3-percent interest with 40 years to pay. Would it be fair to make their white neighbors, who have land-bank loans, pay 5½- and 6-percent interest? Of course not, and we should reduce their rate to 3 percent as quickly as possible.

In his veto message the President said that one reason he could not approve this bill was because if we reduced the interest from 5½ to 6 percent, which the farmers agreed to pay back yonder when they secured the loan, to 3½ or 4 percent, this difference in rate would "constitute a gift" to the farmer. But what was it when the Farm Credit Administration called in the bonds on which it was paying 5-percent interest and reissued them at 3 percent? It was good business, of course. But why should not the farmers be given the benefit of it? Why did not the Farm Credit Administration at the same time let the farmers make out new loan papers at the reduced interest rate, and when they failed and refused to do this was not Congress within its right and merely doing justice between all parties in voting to make such reduction by law?

But, regardless of that, let us assume, for the purpose of argument, that this reduction in interest would be an outright gift or subsidy to the farmers. Besides needing it as much or more than anybody else, would it be so bad to put the farmer in the class with many others?

Just a short time ago we were asked to authorize a subsidy of $40,000,000 to shipbuilders and operators, and I am informed that they are borrowing money from the Government for as little as 3-percent interest. Is there any reason to give special benefits to ships that carry farm products and not to those who labor and produce them?

Billions have been loaned the railroads at less interest rates than the farmers would have to pay under this bill. Billions were loaned to insurance companies at less than the farmers would have to pay.

Millions and millions were advanced to banks at very low interest rates. Millions have been given in subsidy to the air lines.

I repeat, suppose it was a gift or subsidy to the farmers—who is more entitled to it? To them 130,000,000 people must look for food, and their only reward is often the bankrupt court. For a hundred years they have had to sell their products in an open or world market and then buy in a protected market. It has been a long time since their budget was balanced, and a contribution toward their security will add immeasurably toward the progress and betterment of the Nation. Why should they not have some help somewhere when it costs 25 percent more to ship an article from Atlanta to New York than it does to ship the same article from New York to Atlanta?

In his message the President said he could not approve the bill because the farmers were now able to pay the higher rate of interest provided in their mortgages, stating that the index of farm prices in December 1936 stood at 126 as compared with 55 in March 1933. Certainly we all rejoice at this improvement in farm prices, and to the President must go the credit. No fair-minded person can deny his service to the farmers and the help he has been to them, but does a price index of the 126 establish the farmers' ability to pay, when the price index on what the farmer must buy to live and operate is 133. Have recent improvements been sufficient to pay all his old debts—only in a small percentage of cases. Have recent improvements settled that accumulation of back taxes and back interest? What is price index to those in the drought areas? What is a price index to our peach men today without a crop of peaches? What is the price index on watermelons today?

I want to balance the Budget as bad as any man in this Nation, but must we do it at the sole expense of the farmer? There was no veto on the bill appropriating $500,000,000 for battleships and other naval activities. There was no veto on the bill appropriating $500,000,000 for the Army. There was no veto on the bill appropriating $1,500,000,000 more for relief, admittedly $400,000,000 in excess of the Budget. There was no veto of $300,000,00 in "gifts" to the cities for public works. There was no veto of the bill to continue R. F. C. for 2 more years to make loans to business concerns at low interest rates.

In his veto message the President said this reduction in interest rates on farm loans was not considered when the Budget was prepared. Neither could there have been considered at that time, and I am afraid the President's advisers failed to bring to his attention before he signed this veto the fact, first, that of the $500,000,000 which Congress had appropriated to be paid to the farmers last year in the soil-conservation and domestic-allotment farm program, the Secretary of Agriculture is turning back into the Treasury the sum of $60,000,000. I do not understand why he did not increase the benefits to the farmers and allot them this $60,000,000, as authorized by Congress, but it is going back into the Treasury at the farmers' loss to help balance the Budget; and secondly, the further fact that of the $109,000,000 placed to the credit of the Secretary of Agriculture from proceeds of the tariff, the Secretary spent only $18,000,000, and is turning the remaining $91,000,000 back into the Treasury to help balance the Budget. The law provides that a percentage of the receipts from custom collections shall be turned over to the Secretary of Agriculture and used by him in promoting foreign markets for our farm products. He spent only a small percentage of it, although an increased export trade in farm products would go a long way toward helping our farming conditions.

It is no easy task to disagree with the President, the head of the Nation and the leader of my party, whom I greatly admire, but I do not have the slightest feeling of disloyalty to him in voting to override his veto on this bill. In the first place I know I gave the subject more investigation and study than the President could possibly give to it. In the next place I became convinced he was misinformed or poorly advised.

Of course, his principal adviser was Mr. Myers, head of the Farm Credit Administration, and who probably wrote the veto message. Mr. Myers is a good businessman, he has made a fine record, and of course he wants to show good management and profits. With the thousands of great questions before him all the time the President must largely depend upon the advice and recommendation of others. Mr. Myers opposed this reduction in interest rate to the farmers, although he had refinanced his own paper at a lower rate; he fought it before the committee and after the bill passed the House and Senate, unanimously as I recall, he urged and persuaded the President to veto it. I think Mr. Myers was wrong, and I voted accordingly.

This is the second time I have had the unpleasant duty of voting in disagreement with the President. We passed a bill giving the war veterans 5 more years in which to convert their term life-insurance policies into regular policies. Most veterans had already done so, but a few never had the money to make the change. The extension of time would not cost the Government one penny. But General Hines, head of the Veterans' Administration, did not want the bill passed; and after we passed it he persuaded the President to veto it. The veto message stated that the bill would be contrary to the interest of the veterans who had already converted, although every veteran in the United States, through their different organizations, was begging Congress to pass the bill and give their more unfortunate buddies this further opportunity.

Yes; I want to balance the Budget. But I am not going to balance it at the sole expense of the veterans, who offered their lives in defense of our Nation in its hour of need, or the farmers of my district, who have a right to a place of equality with any and every other business or industry in this Nation. And, if I may use a time-worn phrase, "If that be treason, make the most of it."

Proposed Partition of Palestine by British Government Constitutes a Breach of Trust

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1937

Mr. FISH. Mr. Speaker, back in 1922 I introduced the Zionist resolution in the House of Representatives, which was adopted by the Congress and signed by President Harding, urging a national homeland for the Jewish people in Palestine. Senator LODGE introduced a similar resolution in the Senate. Due to the parliamentary situation at the time my resolution was passed unanimously by both the House and Senate.

The proposed partition of Palestine by the British Government is an amazing suggestion and a deliberate breach of trust. Whatever way you may look at this extraordinary proposal, it smacks of duplicity and double dealing. The British Government assumed the mandate at Palestine of its own accord. Prior to that time, in the midst of the World War, Lord Balfour speaking for the British Government and in recognition of the services of prominent British subjects of Jewish origin, promised that Palestine should become a national homeland for the Jewish people when the war was won. This proposal was approved by most of the civilized nations of the world. The American Congress endorsed it by a unanimous vote in behalf of the American people.

There is more need at the present time for a refuge for the persecuted Jews of Germany and of Poland in Palestine than ever before. Relying on the promises and pledges given in the Balfour resolution and our treaty agreement with Great Britain, millions of dollars have been raised in the United State to rehabilitate and develop Palestine and make it once again a land of milk and honey. These generous contributions from America have made it possible for tens of thousands of Jews driven out of Germany and Poland to find a home and livelihood in that ancient land of their forefathers.

The proposed partition by the British Government is a breach of faith of its mandate and its treaty provisions with the United States. It is to be hoped that the League of Nations will insist that the terms and provisions of the mandate be carried out according to the pledges given by Great Britain and that the mandate be not allowed to become another international scrap of paper.

A member of Parliament suggested a few days ago, in view of the failure or unwillingness of Great Britain to administer the mandate, that it be turned over to the United States. This proposal will have little or no support among the American people. We are determined to keep out of all foreign blood feuds and boundary disputes and to mind our own business. We have of our own accord withdrawn from Nicaragua and Haiti, and are about to relinquish the Philippines, and are opposed to accepting any mandate over foreign territory or attempting to police foreign countries with American soldiers.

Great Britain, however, accepted the mandate, and it is her duty to fulfill her pledges given to the Jewish people and live up to her obligations to the nations of the world, including those to our own Government.

President Roosevelt's Admission of Taking Advantage of Income-Tax Loopholes

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1937

SPEECH OF HON. HAMILTON FISH, OF NEW YORK, JULY 21, 1937

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD I include my speech at the annual dinner of the Dutchess County Republican Committee, at the Nelson House, Poughkeepsie, N. Y., Wednesday evening, July 21, 1937:

With malice toward none and charity for all, I propose to expose political hypocrisy and class hatred, even if it is necessary to cross the threshold of the White House.

A short time ago I was permitted to appear before the Joint Congressional Committee on Tax Evasions on the explicit condition that I would not refer to the President. This drastic reservation smacked more of fascism than our American policy of freedom of speech. Nevertheless, I was obliged to abide by this extraordinary ultimatum or not testify regarding the vindictive singling out of Republican contributors by the Treasury Department for punishment and reprisal and the immunity granted to New Dealers and Democrats.

I resent the attitude of the Democratic majority that President Roosevelt is above the law and above justifiable criticism, while it is perfectly all right for him to denounce Republicans as witch-burners and Tories, and his political foes as economic royalists. I am mindful of the unrelenting criticism and attacks of Mr. Michaelson and the Democratic publicity bureau against former President Hoover and the vast propaganda emanating from Democratic Members of Congress attempting to smear the last Republican President, and the more-recent unwarranted and un-American criticism of the Justices of the Supreme Court.

However, I do not believe in personalities or abuse, or in political smearing, but do believe in the right to state facts that have been admitted publicly even if they refer to the President. Three years ago, on February 14, 1934, President Roosevelt is quoted as follows, in the Chicago Tribune:

"President Roosevelt today admitted that he has been one of the thousands of American citizens to duck through some legal loophole in the income tax. In response to questions at his press conference the President related how an old barn built in 1790 and standing on his Hyde Park, N. Y., estate, opened up for him a legal loophole in the income-tax provisions on depreciation deductions."

Mr. Roosevelt about 1910 bought a farm adjacent to his Hyde Park home. On the farm were a house, some sheds, and a barn. An insurance appraiser valued the barn at $4,000, and when it burned down Mr. Roosevelt collected that amount. Yet the President said the "barn was worthless, and after it burned the farm was just as good." Recalling an ancient ditty, evidently the "old red barn ain't what it used to be."

I do not charge the President with violating the law, but when he admitted taking advantage of legal income-tax loopholes it seems strangly inconsistent for him to use harsh words and to denounce other Americans for doing the same thing, charging them with being immoral, indecent, and unethical. Those who live in glass houses should not throw stones.

The President has never to my knowledge denied the interview in which he admitted using income-tax loopholes or taking depreciation and losses on his farms at Hyde Park and near Warm Springs, Ga.

While we are considering plugging tax loopholes, I suggest that Congress prohibit absentee landlords or owners absent for more than 6 months (except on account of sickness), from deducting losses and depreciation on farms on which they do little or no work.

Ten days ago the President showed a group of reporters around his various farms at Hyde Park, but presto, chango, they had suddenly become wood lots and embryonic forests planted with trees bought from the State of New York at $4 a thousand as a commercial venture. The President went into particulars, according to the press for my benefit, and told how he proposed to make $40 an acre selling Christmas trees. I am not surprised at his Santa Claus ideology as that has been very productive and effective under the New Deal, and characteristic of his entire administration.

As far as I am concerned I will not compromise with political hypocrisy and class hatred, and refuse to be a rubber-stamp Member of Congress for President Roosevelt, Jim Farley, or for the selfish and reactionary element within my own party.

Speaking for the Republicans and for the people of this district, and particularly the Grangers and farmers, we shall welcome the court packing and New Deal issues in the fall campaign, and expect to have the support of thousands of Democrats who put the independence of the Court above partisanship.

If the President prevents the renomination of any Democratic Senators for upholding and defending constitutional government and the independence of the judiciary, then I propose that these courageous Democratic Senators be nominated by the Republican Party in the various States.

Production, Refining, and Transportation of Petroleum Products

EXTENSION OF REMARKS
OF
HON. FRED BIERMANN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1937

Mr. BIERMANN. Mr. Speaker, about 30 years ago this body passed what is now known as the Hepburn Act, which divorced the business of mining coal from the railroad business. The principal reason for that act was that experience had disclosed that the railroads, that both produced the coal and transported it, could compete unfairly with the producer which did not own a railroad.

In 1918 the Federal Trade Commission began investigation of the packing industry. As a result of that investigation the big packers of the country united in a consent decree under the terms of which they agreed not to engage in the retail business. The reason for that consent decree was that experience had disclosed that the little independent retailer could not contend with a competitor who was supported by the profits of a huge packing industry.

I have introduced H. R. 7800, which provides that the business of marketing petroleum products shall be separated from the businesses of producing, refining, and pipe lining these products. The reason for introducing my bill is that the big companies have made a practice of reducing the margin of profit to the marketer to such a low point that many independent marketers have been driven out of business, or soon will be. The big companies absorb their marketing losses with their profits from producing, refining, or pipe lining.

Let me read you a letter from Paul E. Hadlick, secretary of the National Oil Marketers' Association, an organization of independents, which expresses the attitude of the independents toward the bill that I have introduced.

JULY 19, 1937.

The Honorable FRED BIERMANN,
House of Representatives, Washington, D. C.

DEAR MR. BIERMANN: On behalf of the National Oil Marketers' Association let me congratulate you for sponsoring H. R. 7800, a bill to divorce the major oil companies from oil marketing. The passage of this bill will mark a new era in the oil industry and afford the protection which the independent oil marketers need if they are to be free from the nefarious competition of the major oil companies.

We shall be glad to bring this bill to the attention of the various oil marketing associations throughout the country in order that they may express their views thereon to Congress. It will also be the topic of special discussion at the annual convention of this association, which will be held at the Stevens Hotel, Chicago, October 12, 13, and 14, 1937.

Wishing you success in your endeavors, I am,

Sincerely,

(Signed) PAUL E. HADLICK,
Secretary, National Oil Marketers' Association.

I quote from a letter from an independent marketer in Michigan, who says:

We are in hearty accord with your bill, H. R. 7800, which proposes to divorce the marketing of petroleum from other branches of the business.

In our opinion, all other attempts to rectify the bad conditions which have prevailed in the marketing branch of the oil business are futile and the only way of bringing about a healthy condition in the industry is to make every branch of the business stand on its own feet.

Another independent at Madison, Wis., says:

Your bill, H. R. 7800, if passed, will save the independent oil industry.

Under present circumstances we must, in order to live, show a profit in a branch of the oil industry in which the integrated oil companies show millions of dollars loss, but it is covered by them with crude oil, pipe line, and refinery profits.

The so-called Connally Hot Oil Act had for one of its principal purpose the stopping of cutthroat competition among the producers of petroleum products. My bill has for its purpose the stopping of subsidized competition in the marketing field. The big major oil companies have been using their marketing properties as dumping grounds for their production and refining departments. They appear to be content to take heavy losses in marketing in order to be assured of an outlet. This practice of theirs jeopardizes the very existence of thousands upon thousands of independent oil marketers, whose business must stand upon its own feet. An independent marketer from my State of Iowa recently wrote me as follows:

Our company has been in business for the past 12 years as distributors of petroleum products and was able to show a reasonable profit for the first 10 years, but in the past 2 years, since the Connally Act has been in effect, it has shown a loss which, in time, if this law is allowed to stay, will wipe out the entire assets of our company.

Another one said:

The enormous losses reported by the marketing subsidiaries of some of the major companies, and subsidized by the parent company, is clear evidence that this narrow margin of profit established between the tank-car and the tank-wagon price on gasoline has for its purpose the annihilation of the independent jobber.

If my bill becomes law, and I believe either it or some similar measure soon will become law, the business of marketing oil will stand on its own economic base and all who engage in it will be on a plane of equality.

To prove my statement that some of the major oil companies have been subsidizing their marketing operations out of profits made out of other branches of their business, I wish to quote you a paragraph from the prospectus of the Texas Corporation, dated February 5, 1937. Bear in mind that this prospectus was prepared for the purpose of selling stock in the corporation. The loss in the marketing branch of the corporation's activities was not anything that a corporation would emphasize in attempting to sell stock, but it did want to explain it. Here is the explanation:

While both domestic and foreign marketing operations, considered as departments, have shown losses in each of the years 1930 to 1935, the marketing operations of the corporation's subsidiaries are, in my opinion, as good as or better than average good practice in the industry. Costs of marketing are low and the marketing departments, both domestic and foreign, have performed well their primary function of providing assured outlet for the products of the corporation's subsidiaries and thus per-

mitting them to operate broadly in the other branches of the oil industry.

The high-sounding phrase, "primary function of providing assured outlet", means that the Texas corporation has been using its marketing operations as a dumping ground for production, refining, and transportation departments. Obviously, no independent marketer can compete with a big company which can absorb marketing losses from other departments of its business.

The independent oil marketer buys his supply in a controlled market under the terms of the Connally Act. When he comes to sell his goods he meets the competition of those who are fortified by profits from production, refining, and transportation. This subsidized major oil competition has fixed the margin of profit so low that the independent oil marketer cannot continue long to exist under present conditions. My bill proposes to make oil marketing stand alone. It will not subsidize anyone nor will it permit anyone to be subsidized.

I point out that this legislation will definitely help the independent oil marketer and the million employees engaged in oil marketing. On the other hand, it will not harm these major oil companies that I speak of, except to turn their marketing operations loose and make them stand on their own legs.

Every major oil company operating in my State, headed by the Standard Oil Co. of Indiana, has been indicted by a Federal grand jury in the western district of Wisconsin located at Madison, Wis., for conspiracy to violate the antitrust laws of the United States. They are accused of pool-buying operations and unlawful agreements fixing margins, all to the great detriment of the independent oil marketers. Successful completion of these criminal suits by the Department of Justice may break up the conspiracy, but it will not permanently remedy the situation with reference to these independent marketers. Even without the conspiracy for which they have been indicted, these major oil companies, with the control legislation already enacted by Congress, can make sufficient money in production, refining, and transportation to absorb their losses in marketing.

I believe that H. R. 7800 should pass this Congress without a dissenting vote. If it was right for the Connally Act to rid the producers and refiners of cutthroat competition, it is right that my bill should rid the marketers of cutthroat competition.

I shall be glad to hear from my colleagues as to their views on this bill, which I think is of immense importance to the business of marketing, which now employs about a million persons. I am sure, also, that the Members of Congress would be glad to hear from their constituents as to their views.

For the convenience of Members and other readers of the CONGRESSIONAL RECORD, I am inserting at the end of my speech a copy of the bill.

[H. R. 7800, 75th Cong., 1st sess.]

A bill to divorce the businesses of production, refining, and transporting of petroleum products from that of marketing petroleum products

Be it enacted, etc., That it is hereby declared to be the policy of Congress to protect commerce among the several States in petroleum and its products from the burdens and harmful effects and monopolies which result from the operations of persons in the marketing of petroleum products combined with operations in production, refining, and transportation and to encourage and maintain conservation of the deposits of crude oil situated within the United States.

SEC. 2. As used in this act—

(a) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees, and receivers in bankruptcy and reorganization, common-law trusts, or any organized group whether or not incorporated.

(b) The term "commerce" means trade, traffic, or transportation among the several States or within the District of Columbia, or between any point in a State and any point outside thereof or between points within the same State but through any place outside thereof.

(c) The term "production" means the development of oil lands within the United States and the production of crude petroleum and natural gas thereon, the storage of crude petroleum and natural gas thereon, and the initial sale of such crude petroleum or natural gas.

(d) The term "refining" means the refining, processing, or converting of crude petroleum, fuel oil, or natural gas into finished or semifinished products and the initial sale of such products.

(e) The term "transportation" means the transportation of petroleum products by means of pipe lines, railroads, or tankers.

(f) The term "marketing" means the purchase and sale and distribution of refined petroleum products, whether at wholesale or retail, within the United States.

(g) A person shall be deemed to be an affiliate of another if such person controls or is controlled by or is under common control with such other person.

(h) The term "control" means actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements where the result is used to affect or influence persons engaged in different branches of the petroleum industry.

SEC. 3. It shall be unlawful for any person or affiliate of such person directly or indirectly to engage in the marketing of petroleum products and at the same time be engaged in one or more of the other three branches of the petroleum industry, namely, production, refining, and transportation.

SEC. 4. Any person knowingly violating the provisions of this act on or after January 1, 1938, shall upon conviction be punished by a fine of not to exceed $10,000 for each such offense committed.

SEC. 5. It shall be the duty of the Attorney General immediately to examine the relationships of persons now engaged in one or more branches of the petroleum industry and to institute suits in equity in the United States district courts for the issuance of mandatory injunctions commanding any person to comply with the provisions of this act.

SEC. 6. The United States district courts shall have exclusive jurisdiction of violations of this act and of all suits in equity and actions at law brought to enforce any duty created by, or enjoin any violation of, this act. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enjoin any violation of this act may be brought in any district wherein the defendant is found or is an inhabitant or transacts business, and process in any such cases may be served in any other district. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code as amended.

SEC. 7. This act shall be known as the "Petroleum Marketing Divorcement Act of 1937."

Girl Scouts Silver Jubilee Camp

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday June 18, 1937

Mrs. O'DAY. Mr. Speaker, in times like these, with the peace of the world threatened on every hand, it is cheering to find a group such as the Girl Guides and Girl Scouts planning to meet in friendship and good will.

Such a meeting will be the international Silver Jubilee Camp opening August 9 at Briarcliffe Manor, N. Y. It is for the girls coming to this camp that I am asking the diplomatic courtesies previously extended to the Boy Scouts of the world coming here for their big jamboree.

Thirty-two nations will be represented at the Silver Jubilee Camp. Girls from every corner of the world will gather at a common campfire and go home to spread a feeling of international understanding far more valuable from an educational standpoint than more formal diplomatic courtesies.

All will live under the same conditions for 2 weeks. They will share common experiences, exchange confidences and information. Who can say that such contacts, short as they may be, may not have far-reaching results?

I am particularly interested in the Girl Scouts because the order was founded in the United States by Mrs. Juliette Gordon Low, of my home city of Savannah, Ga. The membership of the organization now numbers 400,000, with 2,000,000 alumnae. The beginning was a little gathering of 10 girls around Mrs. Low's tea table in old Savannah.

The Silver Jubilee Camp will be held in my own county of Westchester, N. Y. As a former Georgian and a New Yorker I will be delighted to welcome the girls.

National Cancer Institute

EXTENSION OF REMARKS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 21, 1937

Mr. BULWINKLE. Mr. Speaker, Senate bill 2067, for which I have asked unanimous consent that it be taken from the Speaker's table and be considered, is a similar bill to H. R. 7931, a bill which I introduced at the request of a subcommittee of the Committee on Interstate and Foreign Commerce of the House. The subcommittee held joint hearings with the Senate Committee on Commerce. The hearings were very instructive. Statements were made before the joint committee by the following:

Hon. Homer T. Bone, Senator from Washington; Hon. Maury Maverick, Representative from Texas; Dr. Thomas Parran, Jr., Surgeon General, Bureau of the Public Health Service, Washington, D. C.; Hon. Warren G. Magnuson, Representative from Washington; Dr. C. C. Little, of the Jackson Memorial Laboratory, and also managing director of the American Society for the Control of Cancer; Dr. B. T. Simpson, director of the State Institution for the Study of Malignant Disease, Buffalo, N. Y.; Dr. Olin West, representing the American Medical Association, Chicago, Ill.; Sir Lenthal Cheatle, F. R. C. S., Hon. F. A. C. S., Michael Reese Hospital, Chicago, Ill.; Dr. Max Cutler, director, Tumor Clinic, Michael Reese Hospital, Chicago, Ill.; Dr. Francis Carter Wood, Institute of Cancer Research, Columbia University, New York, N. Y.; Dr. Henry C. Connell, Hendry-Connel Research Foundation, Ltd., Kingayon, Ontario, Canada; Dr. Ludvig Hektoen, University of Chicago, Chicago, Ill.; Dr. Temple Fay, director, Temple University Unit of the International Cancer Research Foundation Fund, Philadelphia, Pa.; Dr. Dudley Jackson, consultant, Public Health Service, San Antonio, Tex.; Dr. G. Failla, Memorial Hospital, New York, N. Y.; Dr. Warren H. Lewis, Johns Hopkins University, Baltimore; Dr. M. A. Tuve, Carnegie Institution, Washington; and Dr. Carl Voegtlin, National Institute of Health.

The joint committee considered three bills—one introduced by Senator BONE, of Washington, a companion bill introduced by Representative MAGNUSON, of Washington, and another bill introduced by Hon. MAURY MAVERICK, Representative from Texas, and lastly a bill introduced by Representative HUNTER, of Ohio.

After considering the various bills, the subcommittee composed of Representative MALONEY, of Louisiana; Representative EICHER, of Iowa; Representative O'BRIEN of Illinois; Representative WOLVERTON, of New Jersey; and Representative WOLFENDEN, of Pennsylvania, adopted another bill and instructed me to introduce it. This bill is H. R. 7931. Yesterday the Senate passed a similar bill, which is S. 2067, which we are now considering.

There are over 400,000 cases of the disease of cancer in the United States. There are over 140,000 deaths a year from it; and it has become a national problem. The bill provides for a Cancer Institute in a separate division of the Public Health Service with an advisory council, known as the National Cancer Advisory Council. It further provides that there shall be a Cancer Institute erected in or near Washington, costing, with buildings and equipment, $750,000. There will be hereafter an annual appropriation of $700,000—$200,000 of this, each year for 5 years, will be used for the purchase of radium.

It is intended that this Cancer Institute shall be the best institute of its kind in America, that all research work shall be continued to be carried on by other bodies, but that this institute shall also coordinate all their activities in the United States; that it will be a clearing house on this subject.

I could not do better than to repeat what certain of the witnesses testified before the committee:

STATEMENTS OF WITNESSES

Dr. Little, managing director of the American Society for the Control of Cancer, pointed out clearly the necessity for laboratory research. Dr. Little said:

"Let me point out that research in the cause of cancer is not entirely a medical problem in any sense of the word. The Research Association in Cancer has shown that in this country and abroad the vast majority of papers are not in any sense of the word medical; they trace back to biology, chemistry, and physics. The emphasis is entirely shifted from working with the slow, unsatisfactory, human material to the material that is easy to handle, rapid breeding, and conveniently controllable in the experimental laboratory. That has been the biggest change in cancer research."

Dr. Simpson, director of the New York State Institution for the Study of Malignant Disease at Buffalo, N. Y., said:

"The bill before you is an indication that the people of this country are expecting help in the solution of this problem from the Federal Government. This bill will provide for new facilities—facilities now lacking. It will also give great impetus to the study of the entire cancer problem. I would urge you gentlemen to take favorable action upon this bill."

Dr. W. J. Mayo, one of the most outstanding and most beloved physicians in this country, in a letter to Mr. Magnuson, wrote:

"My brother, Dr. Charles H. Mayo, and I and our associates in the clinic are very glad that you have introduced this bill, the purpose of which is of greatest importance to the welfare of the people of this country and of the world. Too much cannot be said in favor of proper means and measures to learn the cause of cancer and to cure and prevent the disease."

Dr. Francis Carter Wood, Institute of Cancer Research, Columbia University, stated:

"They are now doing cancer research in the Public Health Service, and they could spend $300,000 more in equipment and salaries for workers to develop this work in the course of the year.

"I think the Public Health Service ought also to have a cancer institute under its control."

Dr. Ludvig Hektoen, University of Chicago, testified as follows:

"First, more and more adequately manned and adequately supported continuous research in the problems of cancer. Even if the solution of the fundamental problems of cancer proves to be as difficult as the solution of the problem of life itself, continued research will yield greater and greater results of practical benefit. We have learned more about cancer in all its aspects during the past 100 years, to make a general limitation, than in all preceding time, and never has advance been as promising and as encouraging as it is now."

Dr. G. Failla, of the Memorial Hospital of New York, a noted expert in the field of physics, and Dr. M. H. Tuve, Carnegie Institution, Washington, whose contributions in the field of physics have been outstanding, testified as to the importance of continuing research in physics as being a field of science bearing on the cancer problem. Dr. Failla stated:

"I would consider radiological research as very important. By radiological research I mean the effects of radium and X-rays, and the physical characteristics of those rays, and so on, for which there is an immediate need in the treatment of cancer by X-ray and radium today. The application of those agents would be improved very much if we had more available information. It simply requires time and money to obtain it."

Dr. Tuve said:

"If I have any remark to make, after listening to the testimony before this committee, it is that in line with the observations that I have made during the past 10 years, working close to the side lines of cancer research, and very closely associated with men who are concerned intimately with that subject, the remarks made by the members of the committee come very close to summarizing the opinions which are general and agreed upon among medical men, namely, that the problem of cancer, in the first place, is a long continuing one, and that the problem is primarily not one of furnishing more services of the type we have now, but of obtaining more exact information about cancer.

* * * * * * * *

"As I see it, associated with physics of course, any cancer research should have biology, pathology, and clinical research. Those are certainly important. You have biochemistry and biophysics, including an investigation into the kind of things that might or might not supplant or assist the existing radium and X-ray treatments such as are used, including an investigation of the possibilities of those things which have been hardly looked at for lack of funds. Contrary to some of the remarks made here, there are simply not funds enough to even begin to investigate some of the things that are waiting to be studied."

Sir Lenthal Cheatle, F. R. C. S., stated:

"There is an urgent need of expert clinical men in the uses of radium and X-rays in the treatment of cancer and also in the education by these men of others who intend to devote themselves to this branch of practice."

Dr. Failla testified as follows:

"Another point is that there are not enough men today properly trained or properly qualified to conduct such a research. So I

would suggest that one of the important things to do in the first few years would be to have a trained personnel. Appoint a number of men to go to different institutes and spend 1 or 2 or 3 years there and study one particular phase of the work. In one place have radio-physics; in another place have chemistry, and so on. In that way we will accumulate a nucleus of experts who will then form an institute here in Washington."

Dr. Cutler said:

"A recent study of this question indicates that if every patient suffering from cancer in the United States could be given the benefit of the most modern and skilled methods of treatment the increased curability over present conditions would result in a saving of at least 25,000 lives annually."

[Telegram]

DETROIT, MICH., *July 6, 1937.*

Senator ROYAL S. COPELAND,
Commerce Committee, United States Senate Building,
Washington, D. C.:

As I wired you this morning, it is impossible for me to be in Washington, owing to an important engineering meeting here in Detroit. Had I been able to appear before your committee two points would have been stressed. First, the remarkable progress which has been made in the field of industrial research has been due to having a definite objective and never losing sight of it regardless of the innumerable failures. A definite general plan as to procedure but the detailed methods will change from day to day as new information is available. The solution of the problem is of infinitely greater importance than the method. Second, in my opinion the same coordination of research in medical fields under competent leadership will produce exactly the same type of results as it has in industry provided we have a definite objective and stay with it regardless of the time required. I am perfectly sure that an organized research following these methods for solving such health and medical problems as cancer is of the greatest importance not only to the medical profession but to every citizen in the country. I think these fundamental considerations are met by the bills before your committee.

C. F. KETTERING.

I cannot close these few remarks without commending the members of the subcommittee of the House who aided in the preparation of this bill, and I wish to commend also the three Members of the House of Representatives, Mr. MAVERICK, Mr. MAGNUSON, and Mr. HUNTER, and Senator BONE for bringing to the attention of Congress at this time the need for the establishment of this institute.

Louis Murphy

MEMORIAL ADDRESS

OF

HON. JOHN W. GWYNNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from the State of Iowa

Mr. GWYNNE. Mr. Speaker, all Iowa was shocked on July 16, 1936, to learn of the tragic death of Senator LOUIS MURPHY. Many mourned the loss of a good friend; the State of Iowa mourned the loss of a distinguished and loyal advocate in the Senate of the United States.

LOUIS MURPHY rendered his first great public service as collector of internal revenue for the northern district of Iowa. His years of experience in this field made him a recognized authority in matters of taxation. His efficient and courteous operation of the office was often the subject of comment. Previous to this, he had been an editor and had won considerable recognition for his editorials, particularly on poltical subjects. In fact, he never ceased to be an editor at heart. While he was an able and popular speaker, he often said he preferred to put his thoughts in writing in the form of an editorial.

In the Senate he was very active in the cause of agriculture and helped draft many important laws on that subject. His knowledge and sincerity were recognized by his colleagues, and at the time of his death he was one of the leaders of his party in the Senate. In his untimely death, agriculture lost a real friend and Iowa a distinguished citizen and statesman.

About That Gila Monster

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, during the debate today on the appropriation for the Gila project Congressman KNUTSON referred to the poisonous lizard down in Arizona known as the Gila monster, and said he thought the project under consideration was well named—being a monster and also being poisonous. Now, if there is a creature on this earth about which there is much misinformation and more superstition, it is that Arizona creature called the Gila monster. And it is an equal certainty that there has been no project before this House about which there has been so much misinformation as about the Gila reclamation project. Evidently the Congressman from Minnesota [Mr. KNUTSON] has about the same quality of information concerning the Gila project in this bill as he has concerning the zoological Gila monster. However, it is because there is a real lack of information on the project that I have asked for this opportunity to make some brief explanation.

Let me first express appreciation for the vote on that item in the House today. By a roll-call vote of 160 for and 147 against, the House appropriated $700,000 for the continuation of the work on this project. The Budget had suggested $1,250,000 and the Senate favored that amount. In conference the figure of $700,000 was agreed upon, and that amount the House this afternoon concurred in. Several Members have asked me whether that amount will be sufficient. I wish it had been more, but that amount is far better than nothing. The important thing about this project today was that there be an appropriation rather than the amount of the appropriation, otherwise the project would have been killed. This vote, therefore, keeps alive one of the most commendable reclamation projects, everything considered, to be found in the country at this time.

TO WHOM CREDIT BELONGS

In checking up on this vote, without having the official roll before me, I feel that much credit should go to the members of the committee, especially the chairman and acting chairman of the subcommittee, who have worked long hours and fought valiantly for this result. Two of the leading members of the House committee, Congressman JOHNSON and Congressman SCRUGHAM, are men from the Southwest, and naturally know much of the situation from first-hand knowledge.

It is highly gratifying to me to see such splendid work done for the Gila project by men who looked from the far corners of this country into that remote corner where this project lies. I regard it as real statesmanship that a member of the committee like Judge LEAVY from the State of Washington, can see across 1,500 miles the possibilities and needs of the region at the mouth of the Colorado River. It is very commendable that Congressman FITZPATRICK, of the great city of New York, could look with discerning eye across 3,000 miles into this remote corner of our Republic. Posterity will owe a special debt to all these men. Something of the magnitude of this debt I hope to explain later.

It is also gratifying to note that the California Representatives, who are not always with Arizona, as well as the other Pacific coast Representatives, were with us in this fight. While there was at first a difference of opinion among the upper basin States, it will be seen that they were with us when it became apparent that the project would not jeopardize the rights of their own communities. Men from the reclamation States certainly viewed this fight on the Gila project as strategic and significant in a test case. The heavy vote from certain Southern and Southeastern States is certainly commendable in view of the fact that the

opposition attempted to show that the Gila project would bring in a cotton empire to compete with the Old South. Southern Congressmen were not fooled by any such misstatement of fact. Because this was a test case for reclamation it is a hopeful sign to see so many men from the South joining hands with the men from the West to carry on this commendable national policy of all-round economic development.

During the discussion on the Gila appropriation I have had many Members state that they did not know much about it. It might seem that it was my business to explain completely in the House before a vote was taken rather than offer this very brief explanation afterward. Let me say that there can be no very brief, satisfactory explanation made, for the whole subject is very complex and difficult. The Gila project is intimately connected with the Boulder Canyon Act and the Santa Fe compact. Both of these have been matters of great controversy. Some years ago a Harvard student wrote a voluminous treatise on the Boulder Dam as a dissertation for his doctor's degree under the direction of the eminent Roscoe Pound, of the Harvard Law School. While there are several hundred pages in this outstanding book, even so, it is not by any means a comprehensive statement concerning that one topic.

Therefore, it is evident that those like myself sponsoring the bill could not but make scant explanation as they met their colleagues in the Chamber or around the corridors or cloakroom. During the latter stages of the discussion, I have not taken part in public debate, for I felt that it was a committee fight, and anything that I might say would be heavily discounted because I was the only Member from the State in which the project is located. It would be assumed that I was selfishly interested. Nevertheless, I feel that this is one of the most commendable—I will say the most commendable—project in the United States today, when all the circumstances are taken into consideration.

SOME MISINFORMATION

To mention only a few of the items of misinformation which appeared in the discussion today about the Gila project, I should like to allude to the remark of the gentleman from Missouri, in opposition, that this land would be cultivated in the production of corn in competition with the Middle West, of wheat in competition with the States of the Wheat Belt, and of cotton in competition with the Old South. This is a glaring statement, without any foundation whatsoever. There is no corn grown in this part of Arizona and no intention of growing any on this land when it is developed. The gentleman could not have been further wrong if he had referred to growing rice on this mesa desert. While it is true that wheat may be grown on the river bottoms and is now being grown in old Mexico on the alluvial delta lands, there is no intention of growing wheat on this Gila project, as it is much better fitted for something else. The same remark may be applied to cotton.

The gentleman may find it difficult to understand our flat denial that we will grow corn, wheat, or cotton on the upland which constitutes the Gila project and at the same time declare that from 25 to 100 miles south they would grow those very crops in old Mexico, if they get the water which should be put on the Gila project. There need be no confusion, though, for the lands of the Gila project are mesa lands, admirably fitted for citrus and other specialized products, whereas the land in old Mexico is bottom land, a delta of alluvial soil especially fitted to grow crops in competition with our great farm production. Therefore we say positively that if we use this water on the Gila project we will not produce anything in competition with Iowa or Kansas and Minnesota, nor any State of the Cotton Empire.

Another bit of misinformation is an overuse of that powerful simile of the camel's nose under the tent. How many times the opposition has declared, as a Congressman from New York so emphatically declared today, that this small appropriation ultimately commits the Government to an expenditure of from eighty to a hundred and twenty-five millions of dollars. That is absolutely ridiculous. The gentleman might just as well have said, and with the same logic and reason, that in making this appropriation we commit the United States Government to a policy of spending a thousand million dollars in the State of Arizona. This starts reclamation of some public domain within the State of Arizona, and if the Government should put water upon every tillable acre of public domain within the State of Arizona, it would cost a thousand million dollars to do it.

True, there is enough mesa land lying on the mesa east of Yuma, Ariz., to develop a tillable area of more than a half million acres of land, and it is estimated that such could be done at a cost of about eighty millions of dollars. However, only by the wildest stretch of a distorted imagination can it be claimed that these small appropriations definitely commit this Government to complete all that would be possible of completion. That simile about the camel's nose in the tent is grossly overworked by the opposition in this case. The real facts are that this project for which this present appropriation is being sought is estimated to cost $20,000,000, and that is the "whole camel."

The opposition harped upon the folly of bringing into production new acres while at the same time dropping out of production much of our farming areas. Pray tell me where are we to get our food if we cease to cultivate worn-out acres and make no new developments to offset that? This would be a pertinent question to ask even if the new acres were intended to produce the same crops as were produced on the discarded worn-out acres. Plainly the opposition demonstrated today in this discussion that they wish to deceive the minds of the Representatives from the farming communities of the East and Middle West and South against this great program of reclamation by distorting the facts in regard to this scarecrow of competition. There were many more inconsistencies and exaggerations than the three just mentioned, but time will not permit me to consider them. I have the confident conviction that time will refute them and show to the American people of the future the silliness of the arguments produced here this afternoon.

WHY CERTAIN OPPOSITION?

What are the facts? Why were some of the men of the upper basin States at first opposed to this Gila appropriation? Because they thought that so much water would be applied to the land in Yuma County, Ariz., that ultimately it would jeopardize their water rights in the upper basin. I contended all along that there was no danger of that, but my colleagues from the north wanted assurance. What assurance could be given them? Since the water law of the West is "he who first comes is first served", the upper basin States would, of course, be satisfied if some arrangements could be made by this Congress to enable them to use some of that water soon and thus establish a right thereto. I should certainly be pleased to see this Congress help the upper basin States develop the Colorado River and its tributaries so as to put that water to the most beneficial use.

Such a program will take a long time. Meanwhile, what assurance could the upper basin States have that the Gila project would not steal away their water rights? One assurance is to put a proviso in connection with the item for the project. I did not believe and do not believe such a proviso necessary, and wished to have none attached; but there is one in the bill, and it was absolutely necessary to attach it before the men from the upper basin would approve the appropriation. Finding that my colleagues from the north insisted on the proviso attached, I consented to it as worded, but absolutely refused to consent to any proviso that would require any action on the part of the State Legislature of Arizona or that would bind the State of Arizona itself in any way. Again I assert, and the men from the other Colorado Basin States perhaps now agree, that the water rights of all the basin States will be adequately safeguarded by Congress, and there is no danger of any State in the basin being enabled by congressional appropriation to take that which rightfully belongs to some other State.

WHAT ABOUT THIS GILA PROJECT?

Why do I regard this as the most significant reclamation project in the country today? Because of its possibilities for development in an economic sense. Here is a fine body

of land, a portion of which has during the past decade been purchased by California men and is now covered with grapefruit and other citrus trees and in paying production. Is it not significant that level-headed businessmen will come from southern California to buy desert lands on the mesa near Yuma in Arizona, pump water more than 70 feet upon those tablelands in order to produce hundreds of acres of grapefruit trees? That has actually been done. The Gila project simply plans to put into citrus production nearly a hundred and fifty thousand acres of that same mesa land lying east and adjacent to the present producing area. The land is now worthless as a desert. It can be made to produce abundantly if we will but apply 600,000 acre-feet of water annually upon it. The all-year-around growing season, the frost-proof belt enveloping it, and the fine drainage all conduce to make this one of the best sun-kissed lands to be found any place in the Southwest.

What if we do not put this 600,000 acre-feet of water on the Gila project? It, and a lot more beside, will go down the river to old Mexico. The whole set-up on that river now is such that at least 3,000,000 acre-feet of water, if none is diverted into Arizona, will be contributed to land in Mexico in a usable way. The Boulder Act requires that at least seven and a half million acre-feet of water must pass Boulder Dam. California limits herself to 4,400,000 acre-feet. The difference, if not used in Arizona, goes to the foreigner to the south of us.

Who will profit by this if it happens? It is a well-known fact that several American land speculators years ago purchased lands in old Mexico in the delta of the Colorado River, some of it at 5 cents an acre. If they put this water upon their land, they can develop it to a point where it is worth anywhere from $150 to $400 an acre. These American land speculators may make huge profits, if the Mexican Government, in carrying out its agrarian policy, does not take the land from the American owners for the benefit of Mexican peons. Here let me call your attention to the seed of possible international trouble when American owners of this land call upon our Government to protect their vested property rights against the agrarian efforts of the Mexican Republic. How willing are we to protect these property rights after we have had the folly to donate the water which built up these rights?

And now, gentlemen, I feel convinced that this region is capable of a development surpassing any given reclamation area, now existing in this country. I myself have seen the Salt River Valley, in the center of which I have lived for nearly a quarter of a century, develop a tax valuation, because of the Roosevelt Dam, amounting to a quarter of a billion dollars. This same thing is possible, and by your vote today, probable, in Yuma County. I hope to live to see it. If we can but carry on this project to completion, thousands yet unborn will remember gratefully the men who had the vision and the statesmanship to put this project over. Speaking for those, I want to express appreciation and gratitude for the support given the Gila project this afternoon in one of the hardest-fought legislative battles of this Congress.

Bernhard Martin Jacobsen

MEMORIAL ADDRESS

OF

HON. JOHN W. GWYNNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. BERNHARD MARTIN JACOBSEN, late a Representative from Iowa

Mr. GWYNNE. Mr. Speaker, the story of the life of BERNHARD MARTIN JACOBSEN is of that character which was once familiar to Americans. As a boy he came here from Germany and settled in Clinton, Iowa. He began life there without money and without friends. By hard work he built up a successful business and became one of the influential men of his community, and for 6 years represented the Second Iowa District in Congress. His life is an epic of America and is an inspiration to the youth of the State. From the America of his day he asked nothing but opportunity. With that opportunity, plus the toil and sacrifices which he was willing to give, he produced a career of which we may be proud.

However, his success, both in business and politics, is not the thing I remember about Mr. JACOBSEN. To me he typified friendliness. He had a genuine and sincere interest in people and liked to see them happy. No man in his part of the State had more friends than he had. The throng which attended his funeral were not merely people who came to pay respect to a prominent citizen; they had been his friends.

Another will carry on his work in business, in his neighborhood, and in Congress, but in his passing we have lost the friendliness and the gentleness of a gentleman of the old school.

Rehabilitation of Agriculture

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27 (legislative day of Thursday, July 22), 1937

RADIO ADDRESS OF HON. GEORGE McGILL, OF KANSAS, ON JULY 26, 1937

Mr. NEELY. Mr. President, last night the eminent junior Senator from Kansas [Mr. McGILL] delivered, over a Nation-wide hook-up, a very able address. I ask that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Permit me to express to the Washington Star Radio Forum and the National Broadcasting Co. my high appreciation of the opportunity afforded me this evening to speak on your program.

Problems affecting American agriculture should be, and, I believe, are, of vital interest to all of our people. Agriculture is our basic industry, and the economic welfare of every citizen regardless of vocation is affected by the degree of prosperity enjoyed by the tillers of the soil. Due to the various programs during the past 4 years, following a time when agriculture, to quote a degree by reason of a large surplusage, had sunk to its lowest level in the history of our country, the condition of the farmers, except probably in drought-stricken areas, has been materially improved.

It is a fact recognized by every fair-minded citizen that for many years prior to the program carried forward under the Agricultural Adjustment Act, American agriculture had been on an economic decline. We had witnessed the building of a great surplusage, the continual falling of commodity prices, the weakening thereby of industry, business, and of our financial institutions. This materially affected the purchasing power of labor and industry for the products of the farm and depreciated in value the products of the farm in comparison to their exchange value for other commodities and thereby seriously affected the orderly exchange of commodities.

The varied adjustment and soil-conservation programs cooperatively carried on with the farmers have been for the purpose, first, of reducing and disposing of the previously accumulated unsalable surplus of farm commodities; second, to enable the farmer to attain a reasonable return for his labor and on his investment; and, third, to conserve the soil not only to this generation but to generations to come.

The programs referred to were sponsored by many of the farm-organization groups and that such programs have been of material value is evidenced by the facts. In 1932 the gross income from American agricultural production was $5,337,000,000, the lowest it had been when we consider the acreage under cultivation. In 1933 the gross income from agricultural production was $6,406,000,000. In 1934 it was $7,276,000,000. In 1935 it was $8,508,000,000. In 1936 it is estimated this income was $9,530,000,000, and doubtless will prove to be much greater for the year 1937.

A situation in all probability will develop in the near future with which many of the Members of the Congress feel we should deal, or at least with which we should be prepared to deal. For instance, it is estimated that this year's production of wheat is 240,000,000 bushels more than will be our domestic consumption.

From the experience of the last several years it would appear we will not be able to dispose of more than from 25,000,000 to 40,000,000 bushels in export markets. This would mean at the end of this year we would have a surplus in that commodity of 200,000,000 bushels. If a like surplus should occur next year we would have the same problem confronting us we had in 1932 when the surplus was 397,000,000 bushels. Depressed prices would almost inevitably result.

Due to the decision of the Supreme Court of the United States, the Agricultural Adjustment Act, of course, is no longer in operation, and, in my judgment, the provisions of the Soil Conservation Act are inadequate for the farmers to deal successfully with such a situation as I have described.

With this situation confronting the farmers of America, the junior Senator from Idaho [Mr. POPE] and I on the 15th of this month jointly introduced in the Senate of the United States a measure looking to the enactment of necessary laws to deal with an anticipated surplusage and thereby provide for a program to insure complete rehabilitation of American agriculture. The bill has been introduced in the hope of attracting the Members of Congress to a serious study of the problem and with the further hope of resultant adequate legislation. The bill in its entirety cannot be dealt with within the allotted time provided so generously on this broadcast, but I shall attempt at least to explain it in general terms.

The bill contains four major objectives.

The first is parity prices to farmers for normal supplies of the five major agricultural commodities—cotton, wheat, corn, rice, and tobacco. Parity prices are those which would give these major agricultural commodities at all times the same average purchasing power with regard to the articles farmers buy which prevailed in the period from 1909 to 1914. As to tobacco, however, the period would be from 1919 to 1929.

The second objective is parity income for the farmer or a net income which bears to the income of the nonagricultural population the same relation as prevailed during the base period.

The third objective is, without interfering with parity prices, to establish an ever-normal granary for each of the five major agricultural commodities. Under the bill the ever-normal granary is designed to make available to domestic consumers reserves which would provide adequate supplies at fair prices in years of drought, flood, or other adverse conditions as well as in years of plenty, and which would also take care of profitable exports during such periods. It is also contemplated that the ever-normal granary will protect the consumer from abnormally high prices.

The fourth objective is to conserve our national soil resources and to deter production of a surplusage for which there is no adequate market, present or prospective—a surplusage the production of which deprives the soil of its fertility without producing commensurate income to the farmer or benefit to the public.

It is among the purposes of the bill to assure the farmer substantially a parity return for normal supplies of major agricultural commodities, based on the theory that such a return is fair to all our citizens and that national prosperity cannot exist unless those engaged in agricultural pursuits share in that prosperity. The bill rejects the philosophy of scarcity to the advantage of both the consumer and the farmer.

It is the view of sponsors of the bill that it will bring to pass a stabilized market and prevent violent fluctuations in the cost of feedstuffs to dairy and livestock farmers by stabilizing the price for feed products and thereby substantially aiding dairy and livestock farmers in obtaining a parity income.

A stable supply of such major commodities would directly benefit processors and those who provide storage and transportation facilities, equipment and materials, and would provide a more uniform employment for labor engaged in those activities.

The measure includes provisions for parity payments and surplus reserve loans, acreage diversion, storage under seal, and marketing quotas.

It is the theory contained in the bill that the surplus reserve loans therein provided for would be available at supply levels and will at all times have a stabilizing effect on the farm price.

Under the measure cooperators may be required to divert base acreage from the production of a commodity if the total supply exceeds normal at the beginning of a marketing year and if the ever-normal granary supply is adequate. Such diversion is calculated to make effective the objective of parity and without interfering with maintenance of parity prices and likewise to make effective the objective of an adequate ever-normal granary supply. In no event is the amount of diversion to be so great as to bring the total supply at the end of the marketing year to less than normal.

The marketing quotas as provided by the measure are important and are to be only effective under such conditions as I shall relate further on in my remarks. When the program provided in the bill is in effect if the total supply of a major agricultural commodity at the beginning of a marketing year exceeds normal by more than certain amounts, marketing quotas are then to be placed in effect for the current crop of a commodity. Thus the marketing quota level for cotton for instance is a total supply 15 percent in excess of normal or 20,900,000 bales; corn, 10 percent in excess of normal, or 2,743,000,000 bushels; wheat, other than white wheat, 20 percent in excess of normal, or 893,000,000 bushels; rice, 10 percent in excess of normal, or 12,700,000 barrels; dark tobacco, 10 percent in excess of normal, or 371,000,000 pounds; and cigar tobacco, 10 percent in excess of normal, or 416,000,000 pounds. The program provided by the bill being in operation supplies of such magnitude would not frequently occur because of the voluntary diversion which would be in effect from time to time. Such large supplies would not likely occur except in years of extraordinary yields. Such marketing quotas for a commodity would be so fixed as to make available during the marketing year at least a normal supply of the commodity and would in no event be less than normal.

Under the provisions of the bill the marketing quota for any commodity cannot be greater than the ever-normal granary supply level. Should a farmer, who by reason of flood, drought, or adverse conditions, fail to produce an amount equal to the normal yield of at least half of his base acreage for a commodity, the quota would not be effective.

In the administration of the act the Secretary of Agriculture is authorized and directed to provide for the adjustment administration through State-wide and local committees or associations of farmers wherever practicable. Cooperative associations are to be accorded such recognition as will promote efficient methods of marketing and distribution. Acreage diversion is to be carried forward through the supervision of the local associations of farmers or producers.

The measure in many of its aspects is similar to a measure containing the provisions of proposed legislation recently outlined in hearings before the Committee on Agriculture and Forestry of the United States Senate and before the Agricultural Committee of the House by representatives of various farm-organization groups.

The junior Senator from Idaho [Mr. POPE] and I have included in this measure provisions different from provisions in other measures of a similar character which chiefly have to do with the administration of the program and which provide for the holding of a referendum each year among the producers of a commodity to determine whether the program shall go into effect as regards such commodity.

Under such referendum if for any year more than one-third of the producers of a given commodity should vote against the program, then for that year it would not be made effective as to such commodity. Should two-thirds or more of the producers of such commodity at such referendum vote in favor of the program, the program for such year would then be effective as to such commodity.

It has been our purpose to frame the measure so that when the program is made effective as to any commodity, its control and administration shall be insofar as is possible in the hands of the farmers or producers. Such provisions are desirable, it would seem, and would make the program a cooperative one among the farmers and render the measure more certain of accomplishing the ends for which it is designed. In other words, the desirability of the program with regard to a commodity would be a question to be determined by the producers of such commodity.

It is my view that the present Soil Conservation Act at the present moment is generally operating satisfactorily among the producers and under present conditions, and such conditions as we have had in recent years, that act provides a good agricultural program. However, good crops or abnormal crops would doubtless in a short period create a large surplusage in major commodities, and our contention is the Congress should provide a measure whereby the farmers of the country would be prepared to deal with such a situation. Such a surplusage would likely bring to pass depressed prices to a degree ruinous to agriculture. Congress should, in my judgment, prior to such anticipated condition, be prepared and enact a well-considered measure to deal with such a condition.

It is our hope that hearings will be had on the measure by the Committee on Agriculture and Forestry of the United States Senate and by the Committee on Agriculture of the House of Representatives, and that all interests may be fully and properly heard at such hearings, including representatives of the various farm organizations of the country and that they will present any suggestions they or any of them may have in order that the Congress may be prepared to enact a well-considered and adequate measure in behalf of the farmers of the country, one which will look to taking care of such a situation as likely will occur in the event of a large surplusage and such as we have experienced in the past in major agricultural commodities.

Natural economic laws cannot be suspended, set aside, or abandoned, and nature has decreed that in this country agriculture is basic in our industrial system, a fact which has been recognized by virtually all historians, statesmen, and economists throughout our national life. The welfare of labor, the welfare of other industries, and the welfare of the basic industry—agriculture, go hand in hand. Statistics from the Bureau of Census, Department of Commerce, and the United States Bureau of Labor Statistics, Department of Labor, disclose that each year the annual manufacturers' pay roll to its laborers is approximately the same in amount as the gross income from agricultural production, and that therefore as the agricultural income increases or decreases in like proportion the wage pay roll increases or decreases, clearly disclosing that labor in every form of industry as well as industry itself and the welfare of the laboring class all go hand in hand with the welfare of the farmers of the Nation.

Monopoly and Wealth Concentration

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27 (legislative day of Thursday, July 22), 1937

ARTICLE ON HON. CHARLES H. MARCH, MEMBER OF THE FEDERAL TRADE COMMISSION

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record an article entitled "Monopoly and Wealth Concentration World Problem", on Hon. Charles H. March, a member of the Federal Trade Commission, published in the Washington Star of July 11, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sunday Star, Washington, D. C., July 11, 1937]

MONOPOLY AND WEALTH CONCENTRATION WORLD PROBLEM—CHARLES H. MARCH, FEDERAL TRADE COMMISSIONER, IS NOT SURE THAT SMALL MERCHANTS WILL CONTINUE INDEPENDENT—REVOLT AGAINST PHILOSOPHY OF UNECESSARY SCARCITY SAID TO BE UNIVERSAL—NEW ANTI-MONOPOLY LEGISLATION IS DISCUSSED

(By Lucy Salamanca)

"The important thing is not if one be Democrat or Republican, but if he be, first of all, a good citizen. There is too much talk nowadays of party. A man is placed in an office of trust primarily to serve the Nation, and political affiliations certainly should not overshadow national service. What any official, regardless of party, achieves for the good of the United States of America is the only thing that counts."

So speaks one of the most invigorating personalities in Washington today—a man who has himself been looking out for national interests for enough years to command our attention—Charles H. March, member of the Federal Trade Commission. Invigorating seems to be the word for an official in Washington today who, with fine regard for the idolatrous trend of the times and the current vogue for passionate affiliations, persists in the simple and straightforward belief that a question may have two sides, and who, alined against monopoly, can still assert, "There is always more than one angle to every question. No just man can overlook that fact."

Appointed to the Commission on February 1, 1929, Colonel March in the years between has had ample opportunity to observe at close hand all the ups and downs of our economic progress, national trends, and industrial contributions or abuses. And he has done so from a vantage point that has provided him with a background for judgment of world conditions and possible reverberations within our own boundaries. He speaks with unquestioned authority, then, when he predicts inevitable upheavals unless steps are taken to interrupt or divert the indicated swing of the cycle. The legislation under which the Commission operates is designed to accomplish this very thing and with the recent expansion of the Commission's duties and powers, under the Robinson-Patman bill against unlawful discrimination in trade practices, and the general trend against monopoly in all quarters, this body of five Presidential appointees has become increasingly important to the maintenance of the individual citizen's rights.

About a fortnight ago, before an assemblage of retail grocers gathered in Boston, Colonel March declared: "In its broadest aspects the problem of monopoly and concentration of wealth is a world problem. It underlies the civil war in Spain, the Communist revolution in Russia, the death of democracy in other countries. It has toppled kings from their thrones. It will drive to disaster dictators, whether economic or political, who thwart the masses in their effort to achieve a better standard of living and greater economic security. The whole world is in revolt against that philosophy of unnecessary scarcity which has been the philosophy of private monopoly."

Here is an opinion that emanates from a descendant of that Hugh March who landed in Newburyport in 1635, a man who has for the greater part of his life been a representative of that class generally referred to as "wealth" and yet whose career has been distinguished by the consistent upholding of the rights of the common man. "I was a lawyer", states Colonel March. "I wanted to do something that might be construed as national service. That's why I first came to this Commission."

He is a man of commanding physique, a fine, frank countenance, and a transient, winning smile. He speaks with conviction, but kindliness, and there is in all he says the quality of impartiality—a conscious effort to be just. His are no milk-and-water opinions and his straightforward language in dealing with those questions around which any number of public officials might carefully pussyfoot, is another refreshing indication of his individuality. He does not—and we record this gratefully—"refer" one to anything; he simply answers a question in so many words.

"When the doctrine of socialism", he comments, "was spreading around this country 30 years ago, one of the most powerful arguments against it was that it would condemn a free people to be employees of the State. We were nourished by the philosophy that ability, courage, and honesty reaped the glittering prize of business independence. This prospect of freedom the American people were unwilling to exchange for any alien system of government or business that would condemn them to the bondage of a job.

"But while we were keeping a wary eye on socialism the loss of freedom came from another quarter. Today most of us in industry work not for the Government, but for entities quite as impersonal and frequently as remote. The giant monopoly has snared most of us on its pay roll and the old order of the independent proprietor is fast fading away. At the turn of the last century only 66.7 percent of all manufactured products were made by corporations. By 1919 this percentage had risen to 87 percent. Today it is in the neighborhood of 95 percent."

Colonel March is not sure that independent merchants in this country, in view of monopolistic trends, "will long continue to eat of the bread of independence."

"It may be", he asserts, "that in an economic system which seeks to develop efficiency to its maximum limits there is no place for the independent proprietor" and that within a few years most of them will either have incorporated with their neighbors or "passed through the wringer of bankruptcy and liquidation."

Emphasizing the gradual change in the American industrial scene due to the spread of the chain store, Colonel March gave some interesting figures in illustration. A study by the Federal Trade Commission, he pointed out, showed that there are in this country three national grocery chains which operate nearly 25,000 retail stores and do an annual business of $1,600,000,000. One of these chains operates more than 15,000 stores, with total sales of more than $1,000,000,000. Also sales by chains represent approximately 20 percent of the aggregate retail sales in the United States. In particular lines, such as groceries and drugs, the proportion of business done by chains is substantially larger than in other retail trade.

"The situation of the retailer", believes Colonel March, "simply gives us a new phase of an old problem, that of monopoly, a problem that touches at every point of our economic and social life."

Going back into history to illustrate the ancient evils of monopoly, Colonel March pointed out that price fixing and other monopolistic schemes have been familiar to men of all ages, from ancient China and Egypt, through the days of European mercantilism to the present. "And men of all ages", he comments, "have observed that the common people, caught between the jaws of their own need and the power of monopoly, have had their lives crushed and their children's children sold into slavery."

Colonel March cites Berle and Means in their book, The Modern Corporation and Private Property, to show that 200 giant corporations control nearly 50 percent of all corporate assets in the United States, and that if these corporations continue to grow at the average rate at which they grew from 1909 to 1929, 40 more years would find them owning American industry 100 percent. Or, if they continue to grow at the rate they increased from 1924 to 1929, these 200 corporations would own all American industry in 30 years.

With these facts before us we inquired of the Commissioner what the United States Government is doing about the situation. The most recent antimonopoly law, we learn, is the Robinson-Patman Act.

"The history of antitrust legislation and its enforcement in the United States", explains Colonel March, "contains alternating periods of activity and quiescence. Just now we seem to be on the crest of a wave of activity. The recent passage of the Utility Holding Company Act, the Robinson-Patman Act, and similar legislation, indicates that there is a decided revival of interest in the subject of monopoly. The progressive elements in both major political parties have never lost interest in it, and the platforms of both pledge a renewed attempt to enforce and strengthen the laws designed to protect the public against monopoly.

"It is one thing to inveigh against monopoly in general and quite another to attack and dissolve it in a particular case. In two famous cases, where it was sought to dissolve the United States Steel Corporation and the International Harvester Co. as unlawful monopolies the courts refused to decree their dissolution. They held that not mere power and size but behavior is the test of unlawful monopoly. This is the familiar doctrine of good trusts versus bad trusts. Under such a doctrine it is possible for a concern to dominate an entire industry and eliminate competition, yet not to be an unlawful monopoly. The doctrine of 'good trusts' was no more than a development of the so-called rule of reason, where the Supreme Court held that not every combination in restraint of trade is a violation of law, but only those combinations which unreasonably restrain trade."

All these facts were before Congress when the Robinson-Patman Act was passed, prohibiting certain forms of price discrimination and related practices. This recent piece of legislation is essentially an amendment to a section of the Clayton Act, passed in 1914. In the words of Colonel March, "On the whole, this new law in substance applies the philosophy which the Supreme Court held to underlie the Clayton Act, namely, to prevent practices which, if not stopped, tend toward monopoly."

The Federal Trade Commission is made up of five Commissioners, appointed by the President and confirmed by the Senate, and not more than three of the Commissioners may belong to the same political party. Present membership is Charles H. March, Republican, of Minnesota, chairman; William A. Ayres, Democrat, of Kansas, vice chairman; Garland S. Ferguson, Jr., Democrat, of North Carolina; Ewin L. Davis, Democrat, of Tennessee, and Robert E. Freer, Republican, of Ohio. Each January the Commission designates one of its members to serve as chairman for the ensuing calendar year.

An administrative and quasijudicial tribunal, the Federal Trade Commission was organized March 16, 1915, and is one of the oldest independent Government agencies. Its work, both legal and economic, falls into several divisions. While it has the powers of general investigation its principal function is to prevent "unfair methods of competition in commerce." As the Supreme Court summed it up, "In the nature of things it was impossible to describe and define in advance just what constituted unfair competition, and in the final analysis it became a question of law after the facts were ascertained."

As a result, every case must be considered on its own facts.

"Generally speaking", explains Colonel March, "it has been our experience that unfair trade practices fall within two broad classes, first, those which involve an element of fraud or dishonesty, and second, those not inherently dishonest, but which are restrictive of fair competition within the meaning of the antitrust laws.

"No honest businessman ever feared fair competition or asked for undue favor. The Commission subscribes to that tenet of good business and backs it to the limit of its powers. It has for its purpose the aiding of legitimate business in the establishment of standards of sound business ethics and principles. It insists that the rules of business conduct must come within the law. In the eyes of the Commission all members of a given industry are on the same basis of competitive rights and the role of the Commission is that of a disinterested and impartial umpire, who insists that the game of competition be played fairly and within the boundaries of law."

Among the acts of competition the Commission refers to as "unfair" are misrepresentation and misbranding of products, defamation of competitor and false disparagement of his products, illegal price discrimination, illegal selling below cost, commercial bribery, illegal use of loss leaders, illegal rebating, inducing breach of contract willfully to injure competitor, circulating threats of infringement suits in bad faith, full-line forcing to suppress competition, and passing off and imitation of trade-marks.

Trans-Polar Aviation Flights

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27 (legislative day of Thursday, July 22), 1937

ARTICLE FROM THE WASHINGTON POST BY SIDNEY OLSON

Mr. SCHWELLENBACH. Mr. President, last Sunday there appeared in the Washington Post a very interesting article by Sidney Olson on the question of the recent transpolar flights of Russian aviators. The article is written in simple terms, but nevertheless is of a scientific nature, and presents the scientific thesis that, for purposes of aviation, travel over the Arctic Sea is much more safe and much more efficient than travel over the Atlantic or Pacific Ocean. A reading of the article will lead inevitably to the conclusion that for aviation purposes the Territory of Alaska and the State of Washington are both much closer to the great capitals of Europe than are the cities and States on the Atlantic seaboard.

I ask unanimous consent that the article may be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MYTH OF A DEAD ARCTIC BLASTED BY EXPLORER—STEFANSSON DECLARES FROZEN REGIONS TEEM WITH LIFE ON WHICH MAN CAN LIVE—PLANES HAVE EXCELLENT PLACES TO LAND

(By Sidney Olson)

Once the ships of empire sailed from Carthage and once the chariots of conquest rolled out of Rome, the history writers say.

Telescope the tremendous panorama of the centuries into a little picture and you see the path of supremacy in the world going northward with the years.

Even as the course of empire went north from Babylon and Chaldea to Ninevah and Rhodes, so the chariots of the Caesars at last went north to Gaul.

In the charts of the scientists of history the curve of power, linked with the names of the great cities of the earth, slides steadily northward. Today the controlling centers of the world—London, New York, Tokyo, Moscow, Paris—are hundreds of miles north of the old centers of empire, as man has moved farther away from the easy living of the hot countries.

Today we come at last into the final stage of what Vilhjalmur Stefansson, the great Arctic explorer, has called "the northward course of the empire."

Now north meets north.

Now, at last, begins the final and greatest link among the nations, the ultimate welding of all the great northern powers through the air.

The two nonstop flights of the Soviet airmen to this country were the exact opposite of stunt flights. They carried not pingpong balls but scientific instruments. Their paths were as coldly mapped and their flights as accurately achieved as is now possible in the range of human knowledge.

Remember, the Soviet airmen started out on a nonstop Moscow-to-San Francisco flight just 2 years ago this August. They were forced to run back, 875 miles after the take-off, because of a faulty feed line.

ROUTES ARE EXPLORED OVER WORLD ROOF TOP

A collective collectivist groan went up. The Russians, with all the self-consciousness of a new nation, felt ashamed before the world. They vowed that the next try would not fail. Thus 2 years later one group of their aviators lands near Seattle from Moscow and a second group flies to San Jacinto, Calif.

But the new link is not to be purely Russian.

Pan American Airways, with its vast resources of some of the finest skilled flying manpower now existent in the world, is actively engaged in exploring commercial routes over the world's roof top.

Other countries are engaged, some secretly, some openly, in study of possible routes.

And the technical advisers of the great air lines are men who smile with the melancholy wisdom of men who know, but are weary of proving their knowledge, at the layman's fear of the Arctic.

Stefansson, the explorer, has lived in the Northern Hemisphere some 50 years, has studied history, anthropology, and geography for more than 30 years, and has lived more than 10 full years in the polar regions.

This man, lean, tall, Nordic, clear-eyed, has devoted a great many years of his life to scouting the beliefs and superstitions about the so-called "frozen North", to which the average man, in simple ignorance, clings.

He often begins by citing a few more general beliefs held by most people. One of these is that the ostrich, in an effort to hide from its enemies, buries its head in the sand. As a scientist, after careful research and after talking it over with scores of explorers, he has discovered that the legend is utterly untrue, that the ostrich is one of the canniest birds extant, and that it survives and propagates its kind by being smart enough never, never to do anything so foolish as burying its head in the sand. But literary references carry that story back to 50 B. C. He says the tale will probably never die, so firmly is it rooted in the world's mythology.

DENIES NORTH POLE BREEDS ICEBERGS

He also can prove that wolves don't run in packs; that musk oxen, in herds, do not form little circles, with the calves in the center, to protect themselves from wolf attacks, and he is death on the belief so generally held that icebergs originate at the North Pole.

"There hasn't been an iceberg at the North Pole for hundreds of thousands of years", he said in Washington the other day. "Every school child should know by now that most icebergs originate in Greenland; that an iceberg can only come about by breaking away from a mountain glacier at the seaside; and that * * *."

He can blast a few other pet beliefs, too. One of the best is that theory, which is now practically welded into the marrow of present-day eating habits, that a balanced diet is essential to health. Stefansson once lived on an ice floe for 6 months. Throughout that period he ate nothing but seal meat and seal blubber. At the end of the 6 months he was in perfect health—not because of any unusual personal vigor, as the rest of the expedition had the same diet and thrived equally—but because the stomach can easily adapt itself to almost any diet.

"It is only the mind that refuses to adapt itself to certain foods", he says. To prove that his experience was not unusual he repeated the experiment for the benefit of scientists in a New York hospital. For 1 year he and another scientist lived in New York City, and throughout the time ate nothing but meat of various kinds—no breads, no butter, or vegetables or fruit or milk—just meat.

STEFANSSON SHOWS FALLACIES ABOUT FOOD

That is why Stefansson smiled wearily 20 years ago during the "meatless Thursday" period of the World War, when learned pundits wrote excitedly about the danger to the civilized world of a scarcity of sugar. His knowledge of history had shown him that sugar was virtually unknown 300 years ago and was a magnificent luxury even 100 years ago in most of the world.

The scouting of all these beliefs prepares one for Stefansson's cool and sane insistence that the Arctic Ocean is the great highway of the future—not just because it is a short cut that saves as much as 6,000 miles of travel for a world whose hurry increases every year, but because the Arctic regions are a safe, a healthful, and a beautiful place to live in and know.

His arguments for the usability of the Arctic Ocean for a commercial air route seem as sound as they are fascinating. For one thing, he says, the Arctic is the one place in the world where you can land safely at any time if your plane is in difficulty.

You don't believe that? Listen:

Stefansson describes the Arctic Ocean as a sea of flat ice. This ice makes perfect landing fields. If the difficulty is small, the planes can be repaired on the spot and can take off again without danger. If the plane is seriously damaged, another rescue plane can land with perfect safety a few feet away.

If the region is particularly inaccessible, or if rescue is delayed for any reason, the crew and passengers can live on the ice in nearly perfect comfort and without excessive hardship almost indefinitely.

He knows—he's done it. He knows that the great polar sea teems with life—that seals are everywhere except in the heavy crumpled ice near the shores of land in the area; that polar bears abound.

He can prove to you that the average flying weather at the North Pole is far better than anywhere in the north temperate regions, that there is less excuse for a flying accident there than in our own nearby Allegheny Mountains, that fog is nearly unknown, and but slight compared to the Grand Banks of Newfoundland and in the North Atlantic, where the Gulf Stream's warm current meets the floating ice from the north.

EXPLORER CAN LIVE ON ARCTIC SEALS

One of the great advantages, of course, in knowing about and utilizing the plenitude of seals is that the explorer can thus live off the country and may avoid loading down his expedition with preserved, vitamin-lacking foods. Even as late as the Peary dash to the pole, the Arctic explorers thought of that vast sea as a desert of ice, uninhabited by any animals of any sort.

Stefansson showed, somewhat to the chagrin of the inhabitants of Havre, Mont., that nowhere in the polar area does the temperature ever fall below 54 degrees below zero, or at least that no such temperatures have been recorded by weather stations in the past 40 years, while a Montana winter often touches 93 degrees below. Still, 54 degrees below zero is cold enough for anyone, you say.

But he can show that it seldom gets that cold, and that an Arctic summer at sea often records temperatures in July and August above those for New York and Chicago on the same day, while inland, away from the sea breezes, temperatures often hit nearly as high in the shade as those in Needles, Ariz., of more than 100 degrees above.

Thus he and the other scientists gradually are breaking down our wide general ignorance of actual conditions at the pole and thereabouts. And as scientists they can prove their assertions.

More than 12 years ago Stefansson wrote a book on the northward course of empire, and in it he devoted a chapter to the possibility of commercial flights over the pole. Commercial flights, remember, are those where the stops are frequent and the flights well within the cruising range of well-equipped airports.

Even then he visualized a chain of weather stations and a chain of airports throughout the Arctic. Today he speaks with breathtaking casualness of the actual practicability in a few years of regular flights from Chicago to Calcutta, from New York to Bombay, from Washington to Tokyo.

NEW AVIATION ERA DEPENDENT ON PEACE

Always these flights are predicated on the factor of world peace. With Russia and Japan at each other's throats, there will be no regular air service over the pole to Tokyo, obviously enough—just as the air-mail and passenger routes between Moscow and Berlin have been discontinued. A German who wants to avoid the day-and-a-half train ride to Moscow from Berlin must fly to London, thence to Stockholm, and then to Moscow. Even that is shorter, although more expensive, than the train.

The capitalistic nations, of course, are naturally behind the dictator-controlled countries in thrusting into the Arctic. The Soviet has been plowing new air routes and new ship routes and building new railroads far into its own north. Where a few years ago only three vessels in all history had made the Northeast Passage voyage from the Scandinavian Peninsula around the Arctic Ocean to the Pacific Ocean and Vladivostok—last year alone 14 Soviet cargo ships plied the route, and in all 160 vessels of the Union of Soviet Socialist Republics carried 276,000 tons of cargo to and from various points along the Arctic Sea.

Thus, the Northeast Passage, if not the much-longer-sought-for Northwest Passage—has been prepared for commerce—one of the most historic of man's triumphs over the elements.

But its taken 10 long years of preparation. Some 57 weather stations line the Arctic Sea in Soviet Siberia. The decade's intensive labors include chart making, arduous explorations, study of ocean and weather currents, the establishment of radio stations for scientific research and for aerial and marine navigators' guidance, and, lastly, increasing air exploration.

This culminated 2 months ago in the establishment of the Soviet weather station on an ice floe at the North Pole itself, so that the world's daily weather report now includes a brief bulletin from the pole.

UNITED STATES AND CANADA WILL BUILD ARCTIC AIRPORTS

What a terrific advance from the status of but a few years back. But it is the flowering of a superb dream, a dream that combines the best of man's noblest aspirations with the warmest of his material desires.

One day the United States and Canada will line its northernmost shores with radio weather stations and with airports. That day is not far off. Now we fly the Pacific on a regular schedule, and in a few months we shall have two regular air lines, one American and one British, plying the great circle route over the North Atlantic with mail and passengers.

South America is linked more closely to us almost daily. Last December the President sailed on the country's speediest warship for almost 17 days back and forth to Buenos Aires from this Nation. His Secret Service men made it in a mere matter of hours by air.

Only the north remains for aerial conquest.

Stefansson has said, and says it again, that we merely need to dream largely and plan sensibly to bring the Arctic into our sphere. One day we will tap the huge mineral resources of the north, he predicts, and then great cities will flower, and men and their women will move naturally into the north.

The biggest draw-back, he smiles, is the mosquitoes—mosquitoes, sandflies, and horseflies—which are found in uncountable numbers on the islands and lake shores inland inside the Arctic Circle. They do not exist on the Polar Sea itself, of course, but they make a striking hell of much of the interior, he says. But the little beautiful lakes they infest make perfect landing fields in summer for seaplanes and in winter for ski-footed planes, he adds.

He doesn't say so, but one knows that it is a matter of personal regret to him that the names of the heroes of the day are Otto Schmidt and Baidukov, Levanevsky, Vodopyanov, Kamanin, Lepidevsky, Chkalov, Molokov, Alexeyev, Beliskov, Gromov, and so forth.

AMERICANS TO BECOME CONSCIOUS OF ARCTIC

When he first studied the northward trend of the important countries it is safe to wager that Stefansson envisioned such names as Jones, Smith, and Brown among the heroes to come in blazing the Arctic trails. But this will come in time, it is understood, when Americans, awaking to the newest and most tremendous of all the present-day short cuts, abandon the tedious journeys around the Equator for the short hops across the earth's ceiling.

Look at the map. Its outer rim is the Equator. Compare, just offhand, the distance around that, which the ill-fated Earhart-Noonan expedition attempted to parallel, with the straight-line route over the top.

One of these days, as you look out at the Polar Sea from your seat in a giant air-conditioned air liner on your way to Shanghai from Miami by the direct route, tell little Junior at your side about the men who trudged with their dogs over those ice floes below, existing only on seal meat, the men who broke the way through what used to be known as the frozen north.

Tell Junior that he can't have another caviar sandwich—not until the plane gets to Peiping, anyway.

Restriction of Immigration

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27 (legislative day of Thursday, July 22), 1937

STATEMENT BY JAMES H. PATTEN ON MAY 26, 1937, BEFORE THE HOUSE COMMITTEE ON IMMIGRATION

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a portion of an extremely interesting statement made by James H. Patten on May 26, 1937, before the House Committee on Immigration at hearings on the Starnes-Reynolds bills, which throws needed light upon the splendid work of the Department of State consuls in further restricting immigration by refusing immigration visas to immigrants likely to become public charges, about which there has been so much misinformation and misrepresentation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It was stated at the last hearing held by this committee that the Department of Labor is to be credited as much, if not more, than the Department of State with the marked reduction in immigration after 1930 as a result of consuls refusing immigration visas to immigrants "likely to become a public charge." As a matter of fact the Department of Labor had nothing at all to

do with consuls increasing their refusal of immigration visas after 1930 to aliens "likely to become a public charge", by taking into consideration the changed employment and economic depression conditions in the United States. No formal rules or regulations were then issued or ever prescribed by the Secretary of Labor, as alleged at the previous hearing, that immigration should be so reduced. The fact is that the present Secretary of Labor has not been in complete accord with what the consuls have been doing, had arguments with Department of State officials over it, and took her (Secretary Perkins) opposition ex parte to the Attorney General for an opinion, and got an opinion on December 26, 1933, to the effect that she could increase immigration by compelling consuls, in spite of the Department of State, to reverse their refusal of visas to immigrants likely to become public charges, by prescribing rules and regulations to that effect, and by accepting a bond even in advance of the immigrant's application for an immigration visa and before the immigrant could possibly be liable to become a public charge under section 21 of the Immigration Act of 1917.

Mr. TAYLOR. It has always been my understanding that the reduction in the quota during the depression was the result of an Executive order issued by the President.

Mr. PATTEN. There was no Executive order issued. There have been so many erroneous statements about what really happened, and it goes so right to the very heart of the legislative situation that I would like to try to clear it up.

The CHAIRMAN pro tempore. The Secretary of State had no right to issue any rules and regulations. The act of 1924 gave that right to the Secretary of Labor. Am I right about that?

Mr. PATTEN. No. If you will bear with me, I think I can establish to your satisfaction the Secretary of State, and not the Secretary of Labor, has the right to "prescribe" the "rules and regulations" as to consuls. You have been misinformed about that also. Section 24 of the 1924 act expressly provides—I quote: "Rules and regulations, insofar as they relate to the administration of the act by consular officers, shall be prescribed by the Secretary of State, on recommendation of the Secretary of Labor." No rules or regulations have been formally "recommended" by the Secretary of Labor, and the Secretary of State has pursued the traditional State Department practice of issuing "instructions" with reference to consular enforcement of the 1924 law.

I have here a Department of State publication, entitled "Admission of Aliens Into the United States, No. 926, General Instructions, Consular Diplomatic Seal No. 273", dated March 23, 1929, consisting of 120 pages of printed rules and regulations, issued by the Secretary of State to consular officers in the customary and traditional State Department form of "Consular Instructions", and that was not "recommended" or even "approved" by the Secretary of Labor. This official publication is labeled "Consular Instructions", issued by the Secretary of State to consuls with reference to administering the Immigration Act of 1924.

The truth about the matter is that no new rules or regulations were "prescribed" by any department with reference to the enforcement of the L. P. C. clause. Although it has been repeatedly and erroneously stated there was a formal Executive order issued in September 1930, there was not.

What happened was that President Hoover, at a Cabinet meeting, asked Secretary Stimson if something could not be done under the act of 1924, by our consuls abroad, to reduce the coming of immigrant job and relief seekers in view of the millions of unemployed already here; and when Secretary Stimson suggested that mounting unemployment and economic depression conditions could and ought to be taken into consideration by our consuls abroad in refusing immigration visas to immigrants, President Hoover agreed that it should be done; and the famous "press release" of September 8, 1930, was given out at the White House by the Department of State, and at once followed up by the Department of State in letters and consular conferences in immigration centers of Europe, in Mexico, and elsewhere, by and at which consuls were directed to refuse immigration visas to all applicants who were coming to find work and who did not have adequate funds or near relatives here under a moral or legal obligation to and in a financial position to support them. And President Hoover in his next two annual messages urged Congress to put such administrative restrictive efforts of the consuls in reducing immigration "on a more substantive basis of law." The organizations and memberships I represent urged then and still urge that be done and suggest that some such bill as the Reynolds-Starnes bills, S. 1366 and H. R. 4354, will do it.

In 1934, the Department of State published an unpretentious little booklet entitled "The Immigration Work of the Department of State and its Consular Officers", that attests how officials of that Department lived up to their oaths of office to "well and faithfully execute the law." It is Publication No. 703 of the Department of State, and in 15 pages is modestly told the splendid, patriotic work done exclusively by the Department's efficient consuls in reducing immigration by refusing visas to applicants likely to become public charges. The little pamphlet also contains 49 pages of informative and valuable statistical tables that reminds of the way the Department of Labor used to give out information in annual reports and monthly bulletins, instead of withholding it, as at present.

I have here [exhibiting] the last annual report of the Commissioner General that amounts to anything, in my opinion. It is 200 printed pages. It contains over 12 times as much matter as the Commissioner's report of 15 pages in the 1936 Annual Report of the Secretary of Labor.

The CHAIRMAN pro tempore. When was that published?

Mr. PATTEN. In 1932. It is the last one of its kind.

There has been so much loose talk and so many erroneous statements about what was done and who did it, and it goes so right to the very heart of all this pending immigration and alien deportation legislation, that I want also to call attention to one statement and a table in this official publication of the Department of State, in order to show what the Department of State officials report has been done. On page 6 they report that—

"In September 1930 consular officers abroad were informed that, in view of the existing unemployment situation and the generally unfavorable economic conditions, particular care should be taken in examining intending immigrants to determine whether the alien concerned would be likely to become a public charge if permitted to come to the United States. It was pointed out that if the alien should be unable to show that he would not be likely to become a public charge, the consular officer would have no other choice than to refuse the visa."

From October 1, 1930, to July 1, 1934, the Department officials estimate in this publication that at least 750,000 aliens were refused immigration visas as a result of this 1930 interpretation of the L. P. C. clause, and that only 1.6 percent of those applying for immigration visas under section 4 (A) (near relatives) were refused visas because of the public-charge provision.

Consular visas issued to immigrants dropped abruptly from 393,569 in 1927, 369,567 in 1928, 318,268 in 1930 to 146,332 in 1931, 78,429 in 1932, 64,091 in 1933, and 83,958 in 1934; and, according to the last table, consuls in only a part of the quota countries of Europe and the near east reported there were, on July 1, 1934, at the bottom of the depression, 992,160 aliens ready to apply for immigration visas as soon as there was any relaxation in this 1930 consular application of the L. P. C. clause. What happened to Mexican immigration is typical of other immigrations. The number of Mexicans entering the United States legally dropped from 307,255 in 1928, 279,678 in 1929, and 241,700 in 1930, to 97,139 in 1931 and 35,576 in 1932 and 23,068 in 1933.

That is typical of what happened to the immigration from every country, quota or nonquota. Under the 1924 act, every immigrant must have an immigration visa. Only consular officers can issue these visas, and the Department of Labor has nothing directly to do with the issuance of immigration visas.

The 1924 immigration law requires every alien coming to the United States from any country, except six small classes, namely, government officials, their families, suites, and employees, visitors, tourists, international and treaty traders, intransitu aliens and bona-fide seamen, classified as nonimmigrants under section 3, to get an immigration visa before immigration officers of the Department of Labor can lawfully inspect or admit them into the United States, and paragraph (f) of section 2 reads: "No immigration visa shall be issued to an immigrant (and immigrant is defined as any alien coming to the United States except the six above-mentioned nonimmigrant classes) if it appears to the consular officer that the immigrant is inadmissible under the immigration laws, nor shall such immigration visa be issued if the consular officer knows or has reason to believe that the immigrant is inadmissible to the United States under the immigration laws." And section 25 goes on to make it quite clear, after declaring the 1924 act is "in addition to" existing deportation and restriction statutes, that previous statutory provisions "inapplicable" are repealed.

The legislative purpose running throughout the 1924 act is to reduce immigration as much as possible, using the following language which was overlooked in the Attorney General's untenable opinion, obtained in an ex-parte proceeding by the Secretary of Labor on December 26, 1933, that: "An alien, although admissible under the provisions of this act, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this act, and an alien, although admissible under the provisions of the immigration laws other than this act, shall not be admitted to the United States if he is excluded by any provisions of this act."

The legislative intent running throughout the 1924 law is the numerical or quantative reduction of immigration and the transfer from the Department of Labor to the Department of State and its consuls abroad sole control over entrance law enforcement, except at and within our immigration gates, in order to prevent and do away with entrance deportation hardships and the racing of steamships to get their alien passengers within the quotas. It was the declared purpose of the law. It is so declared in the committee reports accompanying the bills. It was so declared on the floor of both branches of Congress in the debates and votes on the bill.

The CHAIRMAN pro tempore. Do you not think they made a fine job of it?

Mr. PATTEN. Splendid. You mean the consuls?

The CHAIRMAN pro tempore. Yes; the officers who administered the law when they reduced it from 150,000 to 23,000 that have been coming in here in the last year or two.

Mr. PATTEN. Of course, the depression was running and that helped them some, being a contributing effect as well as cause. The reduction was not due entirely to what the consuls did, but most of it was, and the Department of Labor had nothing to do with the visa refusals.

The CHAIRMAN pro tempore. You would like to keep it down to 20,000 or less, would you not?

Mr. PATTEN. I see no reason for any nonpreference alien, for instance, coming to the United States today.

CHAIRMAN pro tempore. You would have to abolish the quotas then, would you not?

Mr. PATTEN. Six words could be written into existing law that will stop nonpreference aliens coming into this country. Every nonpreference alien is a potential job seeker or a potential dependent on someone who has a job, and I include husbands since 1932 and adult children, although some kind of an exception might be made as to some of them. There is no excuse on earth now for another day laborer, another artisan, or another job seeker coming into the United States. We have more than our share of the world's job seekers and unemployed already. We have all of our own unemployed and dependents that we can comfortably take care of. Each country should care for its own.

Consequently, the discretion lodged in the Secretary of Labor by section 21, by the seventh and ninth provisos of section 3, and even the contract labor discretion of the law of 1917, were modified and amended by the subsequent act of 1924, and the exercise of these discretions necessarily, insofar as immigration visa issuance is concerned, clearly became thereby mere facts and no longer edicts of the Secretary of Labor for consuls to consider in issuing visas, the opinion of the Attorney General obtained ex parte notwithstanding. In other words, the provisions as to immigration visa issuance in the subsequent law of 1924 are "in addition to" and not to be subtracted from by anything in the law of 1917 or in any other previous law.

The CHAIRMAN pro tempore. The act of 1924 did not undertake to repeal the act of 1917?

Mr. PATTEN. Absolutely, it did in spots. Section 25 so says, after "in addition to", when it speaks of previous provisions that are not "applicable."

After the words "in addition to and not in substitution for the provisions of immigration laws, and shall be enforced as a part of such laws", section 25 expressly says that only "provisions of" existing laws "not inapplicable, shall be enforced in connection with this act." There then follows a long sentence, the wording of which also modifies and repeals existing law, it seems to me. The law of 1924 repeals everything previously enacted not applicable. No provision of law previously enacted can be subtracted from this enactment of 1924, the Attorney General's opinion to the contrary notwithstanding, and every previous provision of law applicable is added to the 1924 law. The 1924 law is "in addition to and not in substitution" for existing immigration provisions of law to exclude and to deport aliens, as the next sentence in section 25 makes clear. The 1924 law repeals everything previous as to entrance law enforcement abroad, when read in connection with the paragraph (f) of section 2 and the other provisions I have quoted. That is not only the law, but has been the practice of the Department of State and its consuls ever since the law's passage in 1924.

The CHAIRMAN pro tempore. That refers to the act of 1917?

Mr. PATTEN. It says, "any other law." It says, also, "every other law."

The CHAIRMAN pro tempore. The law of 1917 is the Exclusion Act. All these others are supplemental laws.

Mr. PATTEN. No. The 1917 law has only qualitative restrictions. The act of 1924 is the real numerical restriction or quantitative and basic restriction law.

The CHAIRMAN pro tempore. The act of 1924 made it illegal for a man to come in here without a visa?

Mr. PATTEN. Absolutely, the issuance of which is exclusively vested solely in the Department of State consuls, and it transferred control of all entrance law enforcement outside our gates to the Department of State in toto, in order to reduce to a minimum entrance enforcement deportation hardships.

The CHAIRMAN pro tempore. That is your position?

Mr. PATTEN. The 1924 law says so, and that has been the administrative and court practice and position ever since. Let us go on and see about it. To repeat, the discretion lodged in the Secretary of Labor by section 21, by the seventh and ninth provisos of section 3 and even the contract labor discretion of the previous law of 1917, were so modified and amended by the subsequent act of 1924 and limited merely to aliens at our immigration gates, and the exercise of those discretions necessarily, insofar as visa issuance is concerned, clearly became by the law of 1924, mere facts and not edicts of the Department of Labor for consuls to consider in issuing immigration visas, the opinion of the Attorney General obtained ex parte and with long letters of special pleading that would put the proverbial Philadelphia lawyer to shame notwithstanding. Any other view violates all sensible canons of statutory construction and promotes an interdepartment conflict position that is untenable, impractical, and intolerable.

Consider the Secretary of Labor, according to the Attorney General's opinion of December 26, 1933, ordering consuls of the State Department to do something that the Secretary of State tells them they cannot do! The consuls have expressly absolute, exclusive, and sole control over immigration visa issuance under the 1924 act. The Secretary of Labor has no authority anywhere in law to compel the consuls to do something the Secretary of State says they are not to do. The consuls can only say: "If the Secretary of Labor is going to accept a bond, we will consider that another fact as to the applicant's admissibility, but it is not something she can order us willy-nilly to do."

If the Secretary of Labor and the Secretary of State were required to report all hardship deportation cases with all the pertinent facts, relief could be extended quickly and easily even by joint resolution. There would not be all these differences of opinion as to the effect of the provisions of the 1924 law upon certain discretionary authority lodged in the Secretary of Labor by the previous law of 1917 to admit inadmissible aliens. The exercise of these discretions by the Secretary of Labor in the 1917 law has become as a result of the 1924 act mere facts for consuls to consider insofar as immigration visa issuance is concerned, and the fact that the Secretary of Labor has had the opinion of the Attorney General of December 26, 1933, for nearly 4 years and has not even attempted to use it, shows that opinion and her attitude are impossible. But I do not wish to argue the merits and demerits of that opinion further. I cite her obtaining it as proof positive of the present Secretary of Labor not being in complete accord with what the Department of State and its consuls are doing in reducing immigration under the L. P. C. clause of the 1917 law. Let me repeat that the organizations and membership I represent feel just as strongly that these patriotic, commendable efforts of consuls of the Department of State ought, as President Hoover at the time recommended in his annual messages, be put "on a more substantive basis of law", as they feel that the present ignoring and nullifying of existing mandatory alien-deportation statutes by the present Secretary of Labor and her former Commissioner and the present Acting Commissioner ought not to be enacted into law or longer tolerated. Such autocratic administrative authority as she is now exercising without express warrant of law, and as she admits is not authorized by her seeking it in the Kerr-Coolidge bills, is entirely too much authority for any good official to want and for any bad official to have, in our opinion. We are opposed to substituting an administration of persons for a government of written laws. Such has not been popular in America, at least since 1776. It is bound to be accompanied by more favoritism, and more vacillating administrative policies, and more tyranny, more graft and corruption, and more inequalities and hardships than is possible under an administration of written laws and established precedents, which all may know, if the written laws are "well and faithfully executed" and the precedents available to the public.

The Cancer Institute Provided for by S. 2067 Ought Not To Be Located in the District of Columbia

EXTENSION OF REMARKS

OF

HON. THOMAS R. AMLIE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1937

LETTER TO DR. THOMAS PARRAN, JR., SURGEON GENERAL, BUREAU OF THE PUBLIC HEALTH SERVICE

Mr. AMLIE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following copy of a letter written to Dr. Thomas Parran, Surgeon General:

JULY 27, 1937.

Dr. THOMAS PARRAN, JR.,
Surgeon General, Public Health Service, Washington, D. C.

MY DEAR DR. PARRAN: Last week the House and Senate passed S. 2067, which appropriates $750,000 to be expended by the Surgeon General in an effort to control and prevent the spread of cancer.

The Sunday newspapers state that a cow pasture near Bethesda, Md., has been donated as a site for this cancer institute, and take it for granted that, in the face of the generosity of the donor, the Surgeon General can do nothing else than accept the gift and build the institute on this cow pasture. If the ordinary precedent is followed, this will be done.

However, you have shown your ability to set your own precedents, and in this case I should like to voice a protest to the acceptance of the site and set forth my reasons.

Climate: The climate of the District of Columbia is probably the worst in the country, not excepting Death Valley. For 3 months in the summer sustained mental effort is impossible. While air conditioning will remedy this to some extent, it is expensive, and it doesn't solve the whole problem, because it is impossible to air condition the whole outdoors.

Housing: The news items and pictures, and the statistics of the Alley Dwelling Authority are not necessary to remind us of the slum conditions existing in the shadow of the Capitol, and we are all aware that from the substratum of habitation up, housing facilities are available in Washington only at premium rates. The concentration here of independent governmental agencies which could function equally well, and in many cases better, in some other city has aggravated this problem. While it is too late to remedy what has been done, it is possible to refuse to carry the mistake further.

Health: Washington has the highest death rate for both children and adults of any city in the country. One would expect to find the highest death rate in a city where old people go to spend their declining years, not in a place where people in the prime of life come to do their work.

In the first place, Washington is a malarial swamp. Its conditions are closely analogous to those in the basin of Cincinnati, where Dr. Bleecker Marquette and Dr. Floyd Allen have proved that disease and death are incubated as if in a hothouse.

Secondly, the work of sanitation is in the hands of people trained to a plantation standard of cleanliness. Where people have grown up under those conditions they are likely to have become immunized to disease, but that is not the case with a population that is transient.

There is a reason for this high death rate, which has become apparent to me as a result of my own personal experience and observation. Five years ago a close relative of mine gave birth to a child in one of Washington's best maternity hospitals. A short time later it was found that the child was suffering from spinal meningitis. The parents naturally spent all their savings for hospital and medical care. They were curious as to how a child could have become infected at birth, when apparently no cases of spinal meningitis had been reported. All efforts on their part to trace the infection were futile. They were simply told that it was one of those mysteries that medical science could not explain. Like other public officials, they left Washington, and would never have learned the answer.

Three years ago Mrs. Amlie and I had occasion to spend about 3 months in a local hospital with one of our children, who had become infected in a public school in one of Washington's attractive suburbs. This child became infected solely as a result of the incredibly low sanitary standards which prevail in this vicinity. When I first came down to Washington in the winter of 1931–32, I brought my family down with me. We found that the nearest school was so completely impossible from a health standpoint that we did not send the children to school at all. When I returned to Washington in December 1934, we took a house in a suburb, because from what I was able to learn, the public schools there were rated very highly. Unfortunately, we did not know the whole situation until the boy became infected. As a result of the time we spent with him at a local hospital, we became familiar with health conditions in Washington, as we should never have done otherwise.

During this time we learned from nurses that about 15 children had died of spinal meningitis in this one hospital. No word, however, appeared in any Washington newspaper. One of the children who died was the only son of an employee of the British Embassy. The parents, not wishing to be constantly asked over the telephone by well-wishing friends how the child was getting along, gave the facts to the newspapers. Strangely enough, none of the newspapers was willing to carry the item. A social item from the same source would have received unlimited space. Finally the parents went to the papers and asked them if they would please print a notice of the child's death, in order to stop the telephone calls, which were very difficult for the mother to bear. Several of the papers finally carried a notice of the child's death, but none of them gave the cause.

During the very time that these children were dying in local hospitals of spinal meningitis, I was astounded to pick up a Washington paper and learn that a child in Alexandria was suffering from the same disease. Alexandria is a competing trade area, and the Washington newspapers apparently felt that they could properly publish news of one case of spinal meningitis in Alexandria, where they would not mention 15 deaths from the same cause in Washington.

Two years ago one of our colleagues from California contracted trench mouth in the House restaurant. The dentist who treated him told him that he was treating 23 cases of the disease, all of them contracted at the same place.

The health situation in Washington is being hushed up. The situation is exactly the same as it was in Chicago, where the occurrence of amoebic dysentery at the World's Fair was not carried by the press, the only difference being that the disease was sporadic and quickly cleaned up, and had it been mentioned would only have spread panic. In the District of Columbia, however, the situation is not sporadic, but continuous.

The health situation in Washington is further complicated by the low medical standards which prevail here. A visit to some of the local hospitals is likely to leave one with the impression that not only surgical, but ordinary cleanliness, is absent. While our youngster was in the hospital recuperating from a double mastoid operation his condition was further complicated by the development of diphtheria. An investigation was made, and we were told that the nurse in charge of instruments was a diphtheria carrier. When I later made the charge to the superintendent of the hospital it was vigorously denied, although at the time it seemed to be common knowledge among the employees with whom we came in contact.

Before we engaged the particular doctor who operated on our youngster we naturally made some inquiry in an effort to determine his competency. I might say that if we had not gotten the child back to Wisconsin, and had both mastoid operations performed over again by a competent doctor, the child would never have survived, despite total medical charges exceeding $3,000.

It is not my intention in speaking of this matter to injure the particular doctor, because I believe that he is competent according to the standards prevailing here. Unfortunately medical standards in the District are appallingly low.

There is, of course, an obvious reason for this situation. The city of Washington has a transient population. People who occupy the more important governmental positions usually remain for only a few years The result is that a doctor here is not judged by normal standards. In a normal community if a doctor is incompetent his reputation grows, because his former patients recommend him. If he is incompetent his mistakes stand in the way of his success. In Washington, however, this situation does not hold. The good doctor's patients leave town and are not around to put in a good word for him. The victims of the incompetent practitioner also leave town and are not around to expose him. The result is that success in the medical profession in Washington depends to a minor degree upon competence and to a major degree upon the ability of the doctor to carry on a social advertising campaign.

Besides the low medical standards prevailing in Washington, there is also the further fact that the general atmosphere here is not conducive to a spirit of research. The two main subjects of interest in Washington are politics and social activity. It seems to me perfectly clear that a research institution for cancer control should be located, if possible, at some point where the prevailing intellectual atmosphere is scientific. We have, of course, some splendid research institutions in the District that are maintained by the Government for specific purposes. We also have many first-class men connected with the Government. These men, however, are here temporarily for a specific purpose and do not play an important role in the local community. While there are many institutions of higher learning located here, some of them giving excellent courses in trade subjects, such as patent law, the Foreign Service, etc., they are in the main second- or third-class institutions, manned by third- or fourth-rate instructors.

If the proposed cancer institute is to be successful in the field of research, it seems to me that it would start its work under far more auspicious circumstances if it were located in some city where medical standards are high, preferably where one of the Nation's leading medical colleges is located. Offhand, there occur to me such places as Philadelphia, Baltimore, New York City, Boston, Chicago, Madison, Ann Arbor, Minneapolis, etc.

During the past few years, I have become convinced that many splendid public officials in Washington are unduly influenced by the local press. Unlike Members of Congress, whose reelection depends upon keeping in touch with sentiment at home, these officials come to Washington, form the habit of reading the local papers, and tend to become unaware that there is no public opinion in the District of Columbia, that there is only the will of the real-estate interests, and that these interests completely dominate the local press.

I have taken the liberty of setting forth the foregoing, because they are facts that I should have taken into consideration as a legislator, had I been called upon to determine a proper site for the work of the cancer institute.

Very sincerely yours,

THOMAS R. AMLIE.

What Others Say

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1937

ARTICLE FROM THE MESSENGER, THE NATIONAL WEEKLY ORGAN OF THE EVANGELICAL AND REFORMED CHURCH

Mr. SIMPSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[From the Messenger, the national weekly organ of the Evangelical and Reformed Church, issue of July 8, 1937]

WHAT OTHERS SAY—A LETTER TO THE EDITORS

(By Ruth Miller Steese, A. M., Pd. D., State legislative chairman, American Legion Auxiliary of the Department of Pennsylvania)

Great honor and acclaim would come to the man or woman who could prescribe some phenomenal procedure by which universal peace could spread over a turbulent and war-torn world. Unfortunately, however, such far-reaching manifestations are not accomplished by a single fact or by one unusual plan evolved in the brain of man. Rather do they come to a successful conclusion because of the benefits of experience, of the combined thought of intelligent-thinking, clear-visioned people, and of the development of many plans.

The American Legion and the American Legion Auxiliary feel that they have devised a plan or measure which, if adopted by Congress, would be the greatest single contribution to the cause of peace for this Nation of any yet offered. This measure is the universal service plan.

The gist of this whole plan is this:

We say that dollars shall not be held of greater value than human life.

We say that one young American must not be put in the trenches, fighting mud, disease, and every hardship, as well as a

ruthless enemy, for which he receives $30 a month, while another young American stays at home with his family, enjoys the comforts of civilian life, and works in some factory, shipyard, munitions works, or some industry, for which he receives nearer $30 a day.

We say that it is unfair to put all the hardships and terrors of war upon the shoulders of these men who enlisted in the service of their country, while others have every luxury and comfort, no worries, and amass fortunes from war-needed products.

We say that a system which means sacrifice, suffering, and possible death on one side, and profit and enjoyment on the other, is deplorable and un-American.

Out of these thoughts came the plan for universal service as advocated and sponsored by the American Legion and the American Legion Auxiliary. Analyzing it simply, it is divided in two primary purposes: First, the deprofitization of war as an inducement to maintain peace, for we are convinced if there is no profit for anyone in war, wars will be far less likely to occur. Second, the establishment of plans of immediate mobilization of industry, capital, and manpower.

The resources of capital and industry are as essential to the country in time of war as the man at the battle front. Under universal service, in time of war, everyone will be upon a plane of equality, and everyone shall bear his share of war's sacrifice and burdens.

After all, it is a simple plan, with its only objective to promote peace by making war less likely to occur. We are convinced that, if passed, it will be a powerful measure to turn the course of America away from war and on the road to peace.

Our constitutional fathers sought for us and our posterity "the blessings of liberty." Shall all of us, first of all, as real Americans, but most of all as Christians, who genuinely want to fulfill the angel's message: "Peace on earth, good will to men", make the supreme effort now, while Congress is in session, to benefit by the safeguards of universal service and the American Legion's plan for peace?

To the Pages of the House of Representatives

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1937

Mr. BOREN. Mr. Speaker and Members of Congress, I feel that it is fitting that the Congress as a whole recognize what our grand friend and colleague from Missouri has long recognized in his annual tribute to the House page boys for their invaluable and splendid service.

Mr. SHANNON, whose heart is with these boys and all of the American youth which they represent, has annually been their host in an event where the everyday cares are put aside, and free expression of talent and leadership and creative ability holds full sway. This generous expression of interest from Mr. SHANNON for the boys who ever stand ready at our call will live forever in the appreciative memory of these boys.

A move of recognition for the splendid and uncomplaining service that the page boys of the House of Representatives render the United States of America is well in order here today.

Mr. Speaker, had I words of power and vision, I might perhaps express the message I have locked up in my thoughts for the want of words today. But I can find no avenue as expressive as the clear account pictured in a little poem by one of the boys, our page from Alabama, Earl Morgan. Earl says:

THE SONG OF THE PAGE

Did you ever take the trouble just to double down and think
  What this little group of guys is dishing out?
It's enough to make the Solons write it down with pen and ink
  We're the babies that must know what it's about.
All they do is press a button and squawk for this or that,
  We're the kids that have to get the proper dope,
They can yell their aimless questions, we must hustle to the bat,
  We must rush and save the country, we're it's hope.
But we never get downhearted 'cause we know our day'll come,
  When this glorious Nation learns what we are worth
When we grow up and come to Congress, boy, we'll knock 'em
    dead and dumb
  And our land'll be the hottest thing on earth.

So, Mr. Speaker, I want to record in these remarks today what I know exists in the heart of all the Members here, a sincere appreciation for the faithful, courteous, careful, and splendid work the pages of the House of Representatives have rendered for the service of the Nation during this session of the Seventy-fifth Congress. I call here the roll of honor:

Louis Allen, Jack Barrett, Thomas Beatty, Randolph Carr, Cullen Collinsworth, Owen Deatrick, James Johnson, Earl Morgan, Charles McCarthy, Antonio Suazo, J. Henry Hill, Robert Martin, William Smith, Maylon Clinkscales, Freddie Johnson, John Jurgensen, Ryder Ray (overseer), Harry Joachim (assistant overseer), V. C. Martindale (chief page), John Stacy, Arthur Lamneck, Jack Parrish, Dannie Ellis, Harmon Burns, Albert Payne, Jimmie Mack, James Chestnut, Charles Harris, H. H. Morris, Eugene A. Dingler, Aubrey Russell, Edmond Walsh, Peter Green, William McLaughlin, Robert Parrish, Alvin Smuzynski, Landon Mitchell, Jim Strachan, Mylon Blalock, Don Carmichael, George Catlett, Ed McCormick, Tom Holthrup, William Paul, Jim Peterson, Roy Robertson, Martin Schaefer, Arthur Sutton, James Thompson, Fred Schatsman (overseer), John McCabe (chief page, Republican side).

Each has borne a material part of the tasks and contributed a material part to the accomplishments of the Seventy-fifth Congress. May these remarks be to these boys and the homes they represent an expression of our appreciation for their fine citizenship, for our happy associations, and for their aid.

The National Labor Relations Act—Article by Senator Wagner

IN THE SENATE OF THE UNITED STATES

Wednesday, July 28 (legislative day of Thursday, July 22), 1937

On request of Mr. VANDENBERG (CONGRESSIONAL RECORD, July 28, p. 7725) the following article was ordered to be printed in the Appendix:

[From New York Times Magazine, July 25, 1937]

WAGNER CHALLENGES CRITICS OF HIS ACT—THE SENATOR REPLIES TO CHARGES OF UNFAIRNESS AND TO DEMANDS FOR AMENDMENT OF THE LAW

(Under the National Labor Relations Act labor has new power and new standing. Does labor also have new responsibilities, and, if so, what do they involve? Senator WAGNER, sponsor of the act, was asked to discuss the question. In the following article he sets forth his views on this issue and discusses also the proposals, now in debate, for amending the act.)

(By ROBERT F. WAGNER, Senator from New York)

No democratic government can by force of law entirely eliminate strife from private industry. During the World War, in the face of the unity of our national endeavor, there were more strikes than at any previous period in our history. In England, despite the longer experience in labor relations, there are usually in progress more strikes per capita than in this country. In Australia, with its much-heralded compulsory arbitration, the ratio of strikes and lock-outs to the total population is generally higher than in the United States or in Great Britain, and the disturbances extend to the railways, the civil service, the public schools, and even the police.

A strike, unemotionally considered, reflects the concerted determination of a group of workers collectively to withhold their services. The terms of employment offered by the employer being unsatisfactory to them, the employees jointly refuse to work. Such action has many analogies in numerous branches of our competitive system of free enterprise; and the strike, which is largely a manifestation of a very common practice, is unique only because its outcome affects not merely the price of a commodity but the standard of living of human beings.

The outlawry of the right to strike is a natural concomitant of authoritarian governments. It occurs only when a government is willing to assume definitive responsibility for prescribing every element in the industrial relationship—the length of the day, the size of the wage, the terms and conditions of work. Communist and Fascist states make this foredoomed attempt; democratic states do not.

But while democracy must preserve the right to strike, there is much a democratic government can do to reduce the frequency of strikes by narrowing their causes, and to umpire the contest where it does occur so that it shall be peaceful and orderly. Only the government can extirpate the well-known underlying cause of

a peculiar type of industrial conflict—predominant only in America—which by the very rancorous nature of its inception inevitably becomes a violent menace to the community and an irritant to the Nation.

This underlying cause is the denial of primary industrial liberties. And, because at its core is the bitterness which is engendered in every conflict between the beneficiaries and sufferers of an injustice, it is not surprising that reason is frequently relegated to the rear; for neither those goaded into fighting for, nor those determined to fight against elementary social rights are amenable to ordinary restraints.

In periods of stress public attention centers upon the glaring abuses in the course of economic warfare. The public can be helped, however, only by redirecting its attention to the underlying causes for the declaration of hostilities.

In 1894 the great railway strike had its beginning in the town of Pullman. In the course of that struggle there occurred all the dramatic features which we have come to associate with the troubles of today. There was much violence. Thugs were imported by both sides. Innocent people were killed. Strike leaders were accused of being irresponsible anarchists. Postal service was interrupted.

The whole Nation felt, or thought it felt, the evil effects. Finally, by precipitate action, such as is urged in some quarters today, the Government broke the strike. The labor injunction was used to throw the strike leaders into jail. The Federal Army was used to restore "peace." The workers were defeated.

Then the United States Strike Commission was appointed. It found in the company town of Pullman conditions of veritable serfdom. It found that the underlying cause of the strike and its prolongation was the refusal of the Pullman Co. and its allies to recognize the principles or practices of collective bargaining in any form. It found that the Government, in response to the clamor of the moment, had intervened on the side of industrial oppression.

The same thing has happened again and again. After the venomous coal strike of 1902, the Anthracite Coal Strike Commission reported to Congress that the basic cause of the difficulty was the refusal of the industry to deal with unions. After the bloody steel strike of 1919, the Interchurch World Movement study delineated the same cause. Even earlier, the extraordinarily comprehensive report of the Commission on Industrial Relations to Congress in 1915 said that practically all the violent disputes in our history had been "revolutions against industrial oppression." This report added:

"The struggle of labor for organization is not merely an attempt to secure an increased measure of the material comforts of life, but is a part of the age-long struggle for liberty. This struggle is sharpened by the pinch of hunger and the exhaustion of body and mind by long hours and improper working conditions; but even if men were well fed they would still struggle to be free."

In this struggle to be free the worker has been pitted against almost insuperable obstacles. In the first place, he was opposed until very recently by the united resolve of our great mass-production industries not to deal with any union labor. By reason of the unique concentration of wealth and economic power in this country a few individuals had all the means necessary to repel the advance of the democratic element in industry.

Secondly, the worker's just aspirations have been retarded by a long stream of adverse court decisions. The antitrust laws were distorted for decades into antilabor statutes. Injunctions, proscriptions against peaceful picketing, and a prevalent judicial astigmatism regarding the legitimate unity of labor's interests have all served to array the law on the side of the stronger party.

Most important of all, the worker has had to struggle, even when in the right, against a largely unsympathetic press and a largely apathetic public. The very fact that labor has had to take the offensive and disturb the status quo in order to better its position has placed it at a strategic disadvantage in marshaling public support.

For these reasons the worker's struggle to be free has been slow, bitter, and costly. At the beginning of the depression less than one-tenth of labor was organized. Today the figure is certainly still less than one-fifth.

Into this unequal situation the National Labor Relations Act was projected in 1935. The act did nothing to repeal the multitudinous State and Federal court decisions defining labor's rights. It did not pretend to fix wages or hours, or to place the Government on the side either of labor or of capital in the struggle over the distribution of the income of industry.

It did, however, give explicit recognition to the right of workers to bargain collectively and it established the sanctions necessary to safeguard that right. It provided that the right of workers to organize should not be interfered with by the "yellow dog" contract, the company-dominated union, or the discriminatory discharge; and that through majority rule workers might choose their spokesmen, who would be entitled to bargain collectively with the representatives selected by their employer.

Events since the passage of the National Labor Relations Act have proved conclusively that it is directed against the antidemocratic practices which still remain the underlying cause for bitter industrial strife. The recurrent trouble in industry has been the product of industrial espionage, discrimination and discharge for union membership, and the flimsy pretenses of company-dominated unions. The five cases which reached the United States Supreme Court a few months ago disclosed in a wide variety of industries the same malpractices. They were roundly condemned by the Court in decisions which public opinion applauded.

The Republic Steel controversy kicked up a plethora of issues. But when the dust of conflict subsided there came into view the same dominating question of the right of employees to bargain collectively. When the head of the corporation declared that even if a majority of his employees selected a particular union to represent them he would not recognize that union unless he was personally satisfied of the union's "responsibility", he said in effect that he and not his employees must be the selector of their representatives.

When he refused even to sit down at a table with the representatives of at least a large number of his employees and a board appointed by the President of the United States in the public interest, he displayed a temper of absolutism which no important labor leader displayed or would dare to display. When he refused to sign a contract even though its terms were not in dispute, he took a position irreconcilable with the common course of business practice, and out of line with the enlightened action of the Nation's largest steel company in obeying the law in all its implications.

Anyone who studies the background of the Republic controversy discovers an uninterrupted chain of opposition to the principles of the National Labor Relations Act, beginning in Congress when the act was introduced, shifting to the courts when the act was up for review, and now, despite Congress and the Supreme Court, continuing in all its original obstinacy.

My observation of the industrial scene in America today convinces me beyond a reasonable doubt that the path pursued by the employers in that controversy is not the path to industrial peace. Moreover, every industrialist whose judgment is not betrayed by a nostalgia for a day that is irretrievable knows that antiunionism as a policy is as dead today as slavery was in 1861. The sooner the few irreconcilables give way to their more enlightened brethren the sooner we shall see an end to civil strife upon the irrepressible issue of economic emancipation.

What I have said does not imply that labor has lived up fully to the responsibilities which the body of our law and public opinion place upon it. The exercise of collective bargaining involves necessarily the exercise of collective discipline. Workers should know that the most serious danger with which their newly won rights are beset may be of their own making. Should they demonstrate a lack of capacity to exercise these rights, they will find themselves running the gantlet of unfavorable public opinion—and public opinion is the final arbiter in a democracy.

The right to organize without interference by the employer, and the right of the majority to bargain collectively for all, are now protected by law. Where either right is denied, it can be vindicated by recourse to law. Resort to violence or to violation of the employer's property rights, always unlawful, can no longer be justified, even by the most zealous of labor's advocates, as grounded in necessity.

Labor cannot have its cake and eat it, too. If it wants the help of the law, it must be sure to take primary recourse to the instrumentalities of the law. There is no way for any statute to force such tactics without running the risk of keeping a minority group in compulsory servitude. But public opinion is stronger than law. Labor faces no greater hazard than that of cutting off its line of communication between its advance guard and the force of public support, for that way lies new restrictive legislation, or regression from the progressive legislation already enacted.

The adequate functioning of the National Labor Relations Act, like that of any other law, depends primarily upon its acceptance by the public as a wise and fair measure. It is, therefore, pertinent to consider the far-flung charge that the act is unfair and "one-sided", in that it imposes obligations upon employers alone.

Innumerable statutes regulate the conduct of particular classes of the population and are not condemned on that account. Nor is the National Labor Relations Act to be regarded as the only law governing the behavior of employers' unions, and workers. The only valid test of a single statute is whether the restrictions which it imposes are in themselves justified and whether, when added to the sum total of social controls, the particular law promotes or retards an equitable relationship among the respective forces of modern economic society.

Reference to the facts indicates that the National Labor Relations Act does not create an unbalanced equation in the relationship between employer and worker. Certainly the employer has the right to bargain collectively through the corporate form and through Nation-wide trade associations. Certainly in dealing with labor and in all other business affairs he has the privilege of selecting his own spokesmen by majority rule. No working group has ever challenged the employer's right to use the collective-bargaining procedure in dealing with his employees, his competitors, or the general public. The simple truth is that the correlative rights which labor is accorded under the act have all along been enjoyed by industry.

The failure to note that the privileges which labor now seeks are merely tantamount to those which industry has long possessed is responsible for the charge that the National Labor Relations Act is administered unfairly in that employees and not employers are allowed to petition formally for an election to determine workers' representatives for purposes of collective bargaining. No one has ever suggested that employees should intervene in any way in the process by which their employer selects his own agents and spokesmen; and it is a basic concept of justice that they should be accorded an equally exclusive jurisdiction over the nomination of their representatives.

The Railway Labor Act, responsive to decades of successful experience, does not accord the employer any voice in the choice

of his employees' spokesmen, in prescribing the methods by which they are selected, or in fixing the time when the selection takes place. The impartial study by the Twentieth Century Fund, entitled "Labor and the Government", advocates for industry generally the same tested policy of mutual independence in self-organization.

The drive to accord to employers the power to initiate elections among their employees, as now manifest by Senator VANDENBERG's amendments, is motivated largely by three interrelated objectives.

In the first place there are some who confuse the broad issue of the right to strike with the narrower issue of the right to select representatives for collective bargaining by majority rule. They would misuse the election machinery, which is perfectly appropriate for selecting representatives, to illegalize or publicly discredit every strike—including those concerning wages and hours and other matters not covered by the National Labor Relations Act—not endorsed in advance by the majority of all employees. This aim will not appeal to those of us who under no circumstances would be willing to keep a minority in compulsory servitude, nor to those of us who have read our industrial history and who realize how large a portion of the workers' just gains have come through the original action of progressive minorities.

Secondly, there are very few large employers who by years of suppression have destroyed the very seeds of unionism within their plants, and who now might like to freeze the situation which their tyranny has produced by widely publicized "elections" held before the guaranties of freedom necessary for meaningful elections could be achieved. The Government, under the guise of impartiality, should not sanctify such unholy practices.

Thirdly, there are those who know full well that the hue and cry about the "right" of employers to call for elections is a false issue, based on the theory that the best defense is a violent attack. It was not the real issue in the General Motors controversy, because there the company had been using court injunctions to hamstring the general jurisdiction of the very Board empowered by the law to hold elections. It was not the real issue in the Chrysler case, because there the union admittedly had an overwhelming majority. It was not the real issue in the Republic case. Mr. Girdler did not want an election; on the contrary, he proclaimed to a Senate committee that he would not recognize the union, no matter how many votes it got.

No employer who genuinely desires an election, and who has no disingenuous reasons for wanting one, encounters any practical difficulty in placing his case before the National Labor Relations Board. None has been arbitrarily denied a chance to be heard in this connection. Nor has labor any authority under the act to demand or prevent any election. The Board, and the Board alone, has the power to decide whether an election is in the public interest. The rules and regulations which the Board has laid down for its procedure under this power, such as the rule forbidding an employer formally to petition for or be a party in interest to the choice of workers' representatives, are consistent with a long line of Federal experience and with the dictates of even-handed fairness toward both sides.

Under the pretense of making the National Labor Relations Act "fair" there are those who inadvertently or otherwise would destroy all the fair gains which the worker has so painfully won in his fight for equality of bargaining power. The well-known proposal embodied in Senator VANDENBERG's amendments, that coercion or interference "from any source" should be forbidden by the act, is directly in point.

If accepted, this proposal would mean, under existing court decisions, the end of peaceful picketing and persuasion. It would prohibit peaceful unionization. By raising the ghosts of the unjust antiunion decisions of the Federal courts before the Norris-LaGuardia Anti-injunction Act was passed, the amendment would disavow the legitimate interest of genuine unions in organizing workers or would place their efforts on the same plane with the illegitimate efforts of employers to herd workers into company-dominated unions or to keep them entirely disorganized.

Congress considered this proposal and enacted into law the proposition that bona-fide unions have a proper interest in organizing workers but that employers have not. That proposition is still valid and should not be tampered with.

Putting aside the charge of "one-sidedness" as a slogan to bestir emotions without provoking thought, there still remains the question whether the National Labor Relations Act is adequate, or whether additional Federal legislation is necessary at this time. Let us examine some of the main proposals now in the limelight.

The first suggestion is that some Federal statutory limitation be placed upon the right to strike. Senator VANDENBERG, for example, now proposes that strikes shall be called only by majority vote, and there are many similar proposals. It is true that since 1927 England has placed restrictions upon two types of strikes: First, those designed to coerce the Government; and, second, sympathetic strikes by an industry not involved in the immediate dispute.

But strikes within these categories are generally illegal here; and, in addition, an infinite variety of strikes which are entirely permissible in Great Britain are illegal in the majority of American jurisdictions. Prohibitions against strikes for the closed shop, in violation of contract, and to induce breach of contract, and our whole elaboration of "conspiracies" in restraint of interstate commerce, are outstanding examples of the far greater severity of our law.

The only thing that English and American experience proves is that branding strikes as "legal" or "illegal" is of slight avail. All our previous court decisions and statutes have done nothing to diminish their frequency or their unrestrained character.

England is free from industrial violence—there was hardly an assault in the whole general strike of 1926—not because of the English law but rather because British industrial life does not include the suppressive practices which breed violence. When the fundamental right to organize and bargain collectively is as well recognized here as it is in England, there may still be strikes. But they will be conducted peacefully in an atmosphere of mutual respect among freemen.

This brings us to the second series of proposals for the extension of Federal labor law, included in Senator VANDENBERG's amendments, and providing for the outlawry of violence against persons and property in the course of industrial disputes. I yield to no one in my abhorrence of violence whether indulged in by strikers, by company police, or by imported hirelings.

But how malapropos it is to suggest that in order to check industrial violence the National Labor Relations Act ought to be amended. Among the earliest and basic statutes of every State in the Union are the laws which punish every form of violence under defined circumstances as a crime. A well-established system of apprehension, prosecution, trial, and punishment exists in every State of the Union. The National Labor Relations Board has no such machinery at its disposal, nor could the Board be given a policeman's function without paralyzing its usefulness in dealing deliberatively with long-term industrial practices. The administrative procedure of the Board is satisfactory to disestablish a company union. But in the face of the immediate threat of violence the invocation of that procedure would be ludicrous.

The "incorporation" of unions is another device frequently recommended to enlarge responsibility for assaults and other torts during strikes. The fact is that the stockholder of a corporation is liable as stockholder for torts committed in its behalf only to the extent of his holdings. But the individual "unincorporated union" member everywhere in the United States is subject to unlimited liability and may be sued directly as a union member for all torts committed in behalf of the union in all cases where his consent to the union's action can be loosely implied; and under the Federal law and in more than a dozen States the "unincorporated union" itself may be sued directly as well.

Under the much-cited English law, on the contrary, a union (even when incorporated by voluntary action) is not liable for torts committed in its behalf; and the liability of individual members for acts committed in the union's interest is infinitely more circumscribed than in this country. Of course, the individual everywhere is legally responsible for his own personal wrongdoing.

If employers find it difficult to obtain civil damages for violence during strikes, or to forestall violence, it is not because of any deficiencies in the American law but rather because the chactic character of the strife makes it hard to fix responsibility. It is equally difficult for employees beaten up by company police to obtain redress. The only remedy for this situation is not more legislation but the removal of the provocative underlying causes which always incite an essentially lawless situation.

The plea for greater "legal responsibility" of unions is, therefore, largely specious. Its true character is well displayed in the fanfare about the violation of contracts by labor. The enforcement of labor contracts, like the enforcement of all other contracts, is in the hands of the courts of the country. These courts have generally held strikes in violation of contract to be illegal, and injunctive relief has been granted to enforce such contracts. Moreover, such contracts generally provide for arbitration in cases of disagreement, and, of course, the provisions for arbitration are binding upon both sides.

"Union irresponsibility" is a red herring always drawn across the trail by those who oppose collective bargaining. A contract is the hallmark of union recognition. Against that recognition the die-hards have resolutely set themselves. The enlightened employers who have accorded labor the dignity of decent business dealings have found labor as honorable as any other group. Less than one-half of 1 percent of labor's contracts have been violated.

Thus it will be seen that most of the proposals for the amendment of the National Labor Relations Act and most of the criticisms of it are based upon misinformation about both the English and the American law, or emanate from those well-known sources who are desirous of muddying the whole situation in order to defeat the aims of the act and to secure legislation which will strip labor of its rights and again unbalance the bargaining power between the employer and his worker.

In my judgment, the area now opened for exploration is not in legislation but in the form and content of the labor contract. Let employer and employees, freely bargaining, experiment with a variety of methods of attaining their common objective. Then, as time and experience prove the need, I shall be among the first to welcome perfections in the law. Today this need has not been indicated. The great need today is for the achievement of industrial democracy in American life. The pathway toward that accomplishment has been marked clearly by the Congress and the Supreme Court. Let that path be followed, and the Nation will be the gainer.

Once the resisting minority of industry accepts in good faith the philosophy of this extension of democracy, and labor becomes more fully accustomed to the enlarged responsibility which it entails, we shall find ourselves living in a reign of more genuine industrial peace than we have ever known.

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 28 (legislative day of Thursday, July 22), 1937

EDITORIALS FROM NEW YORK POST

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two editorials relative to the reorganization of the Federal judiciary, published in the New York Post of Tuesday, July 20, and Wednesday, July 21, 1937.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Post of July 20, 1937]

AT THE ELEVENTH HOUR

Well might President Roosevelt utter those poignant words which Shakespeare put into the mouth of Caesar:

"Et tu, Brute!"

In the crucial hour of his fight to carry long-needed reforms into the Supreme Court, his old friend, his old ally, Herbert H. Lehman, Governor of New York, suddenly appears in the other camp.

"Thou, too, Herbert!"

The drama of this day will go down in history. Nor need we say how.

With the right of Mr. Lehman, one of the greatest Governors New York has had, to hold the convictions he holds there can be no quarrel. Nor can there be objection to his right to express those convictions.

But there can be, and there is, criticism of the timing of the Lehman assault upon the President's program. It comes just before the Senate is to vote on a motion to recommit the Court reform bill to the Senate Judiciary Committee, which, in effect, would be to kill it.

Lehman says he made clear to the President "several months ago" the state of his convictions. Why, then, did not the Governor speak out "several months ago"? Why did he wait until the Court fight had become complicated with a party political fight for the Senate floor leadership?

Why did he wait until that moment of moments when, by calculation, his announcement might be expected to turn the tide against his friend, the President?

This is not what was to be expected from the Governor Lehman who has led the fight for social security, for decent relief, for sound utility regulation, for minimum-wage laws, for child-labor elimination, for a dozen reforms of which the Supreme Court he now so precipitately defends has been the greatest enemy.

This week's business of the Senate will tell whether the carefully planned thrust has carried home.

But there is a day which will come, a day which will reveal what the people of America think of those liberals who sacrificed liberalism because they couldn't reform the Court "their way."

That day will come—whether President Roosevelt loses or wins in the Senate now—and the reason we are so sure that it will come is because the whole history of the New Deal has shown that in their thinking the American people are away ahead of those who presume to speak for them.

Our people have seen through the attempt to camouflage special privilege with the cloak of abstract justice. Our people are suspicious of all this overemphasis upon the "virtue" of a Court largely composed of corporation lawyers, some of whom have not hesitated to sit on cases which involved their old clients.

The Court, we are told, is like a "holy shrine", concerned only with abstract justice, with safeguarding this and that "treasured heritage" from the forefathers, etc., etc., etc.

But there is just a hint of tarnish—when closer inspection of that "holy shrine" shows its inhabitants to be engaged in fixing telephone rates high to assure fat profits, in fixing tax rates low for the same reason.

Oh, how beautiful that devotion to abstract justice—until we find that in its name child labor has been blessed, sweatshops have been perpetuated; and this great Court—until it finally reversed itself under pressure of President Roosevelt in this very fight—decided that the Constitution decreed that women should be able to work for any hours and for the most pitiful pay—their sacred "liberty of contract"—which they might exercise even if they starved in the exercising.

Abstract justice?

Everybody is for that.

But the American people want it applied, as concrete justice—justice in terms of human beings, justice which does not interpose legal frippery between men and women and civilized living.

That's why the American people are behind President Roosevelt in this fight.

[From the New York Post of July 21, 1937]

LEHMAN'S RASPBERRY CHORUS NOW HIS CHEERING SECTION

Governor Lehman must be profoundly disturbed by the public reaction which has followed his precipitate attack on the Court bill. If he has read the New York papers, he must have passed through a very bad—and very illuminating—hour.

How does the Governor like being praised by the New York Herald Tribune and by the Sun? Does that sudden praise stir recollections of the hard and bitter fight of these newspapers against every major item of the Governor's progressive State program?

If anything can convince the Governor of his error, it should be this cackling applause from those who were only too ready to give Lehman the Bronx cheer on every other occasion. How the Herald Tribune moaned low that the Lehman-sponsored child-labor amendment was "youth control"; how the Sun sneered at the drive to enact a State social-security law.

What can praise from these sources mean except that the Governor has unwittingly given aid and comfort not only to the enemies of the Court bill but to the enemies of all liberal legislation? These instruments of opinion know that so long as the present Court remains unaltered reaction is safe—safe against the Roosevelts and against the Lehmans, too.

After fighting the enemies of reform with a hammer for years, Lehman has now put a pile driver into their hands. They are using him against everything he himself stands for. They praise him because they know that, despite his years of liberalism, he has in a day done more for the other side than an out-and-out reactionary Governor could have done in a decade. That is the meaning of the Herald Tribune's tribute to Lehman's "brave utterance", its comment on "the debt owing to Governor Lehman." That is the significance of the Sun's observations on Lehman's "highly courageous and useful" action. Useful, indeed, but to whom?

When the Governor finds those who have fought the good fight with him profoundly disturbed and sees himself praised in these particular editorial columns, he must realize his eleventh-hour switch was out of character.

New England Flood Compact

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, July 28 (legislative day of Thursday, July 22), 1937

EDITORIAL FROM THE HARTFORD TIMES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial which appeared in the Hartford Times, of Hartford, Conn., July 26, 1937, relating to the flood-control compact in New England.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hartford (Conn.) Times of July 26, 1937]

STATING THE CASE

Furore in Washington over the so-called power provisions of the New England flood compact arises apparently from a lack of as complete understanding of the compact as might be had.

The compact does not give, or seek to give, to any State, any right which it does not now possess.

Any one of the States in which are contemplated flood-reservoir sites could, at this moment, charter or authorize the construction of a dam for power purposes on any such site.

All the compact does, in this respect, is to leave the rights of the States, with reference to water-power resources within their own borders, precisely as they are now and would be if no proposal for flood control had been advanced.

Originally, no reservoirs in Massachusetts were contemplated in the Army engineers' plans. The Connecticut was to be controlled entirely through reservoirs in Vermont, with a few in New Hampshire. They were to be built not for the benefit of New Hampshire and Vermont but entirely at the behest of and for the protection of Massachusetts and Connecticut.

It was not easy to persuade Vermont and New Hampshire to allow land to be taken from their tax lists and inundated, curtailing the size of some towns and creating artificial ponds which might be a nuisance and perhaps a menace to health. If they were to permit this, for the benefit of Massachusetts and Connecticut, and for no other purpose, they did not feel that they also should lose the power development potentialities of the rivers it was proposed to dam. So in giving their consent to such overflowing of their land, they reserved the right to develop the power resources they already owned, provided they did it at their own expense.

From the standpoint of Massachusetts and Connecticut that could not be considered as other than a fair proposition. Who here, or who representing this State in Congress, will say it isn't?

Vermont and New Hampshire felt that Massachusetts and Connecticut ought not to ask them to give up thousands of their acres for flood-control reservoirs, until they had exhausted their own resources to provide protection for themselves.

Connecticut has no sites deemed practical for flood-control reservoirs.

Massachusetts does have, along the Deerfield and Millers and their tributaries. So Massachusetts agreed to inundate some of its own land instead of asking Vermont and New Hampshire to do it all. Certainly it was fair to require that of Massachusetts. It would have been equally fair to require it of Connecticut if Connecticut had had anything to contribute. And if we know Connecticut character, Connecticut would have been eager to protect herself before she asked other States to protect her.

This, then, is the background of the power provisions of the compact. They do not represent, in any respect, an effort to grab something at Federal expense. With Massachusetts agreeing to build reservoirs, the power provisions apply to her, too.

It is necessary to remember that this is a flood-control project pure and simple. Not a Federal nickel is to be spent for power development.

Indeed, reservoirs kept full for power purposes would not be available for flood storage. We do not want them, nor a New England development with power as its objective.

If this were all that is at issue, probably the controversy could be easily settled. Unfortunately, some want the Federal Government to undertake the development of all power resources. It is necessary not only to clear up misunderstanding about the compact but also to meet their arguments.

There has been some indication that Mr. Roosevelt applies the reasoning of that group to the New England plan. If that is true, and if he is adamant on the point, there probably is an insuperable barrier to gaining Federal approval of the compact. There seems to be some hope in his recent announcement that he will study the compact carefully and that he desires to help New England if possible.

Flood control, as far as New England is concerned, is a joint undertaking between the Federal Government and four States. The Federal Government agreed to build dams if the States to be protected would buy the land for reservoir sites.

If it is to be viewed as a Federal power enterprise, obviously the Federal Government ought not to ask the States to spend $4,000,000 for reservoir sites.

Massachusetts and Connecticut are entirely willing to make that investment for their own protection. They are entirely willing that Vermont and New Hampshire—in return for providing reservoir sites—shall continue to hold power rights which are already theirs, especially as they can be developed only at their own and not at Federal expense.

On this basis it seems that ratification of the compact can be urged without colliding in any way with the theories of any persons or any group with reference to Federal power development.

District of Columbia Minimum-Wage Law

EXTENSION OF REMARKS

OF

HON. VINCENT L. PALMISANO

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

DISTRICT OF COLUMBIA MINIMUM-WAGE LAW (U. S. STAT. L., 65TH CONG., 1917–19, VOL. 40, PT. 1, PUBLIC LAWS, CH. 174, PP. 960–964)

Mr. PALMISANO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the minimum-wage law of the District of Columbia, as follows:

SECTION 1. Where used in this act, the term "board" means the minimum-wage board created by section 2; the term "commissioners" means the Commissioners of the District of Columbia; the term "woman" includes only a woman of 18 years of age or over; the term "minor" means a person of either sex under the age of 18 years; the term "occupation" includes a business, industry, trade, or branch thereof, but shall not include domestic service.

SEC. 2. There is hereby created a board to be known as the minimum-wage board, to be composed of three members to be appointed by the Commissioners of the District of Columbia. As far as practicable, the members shall be so chosen that one will be representative of employees, one representative of employers, and one representing the public.

The Commissioners shall make their first appointments hereunder within 30 days after this act takes effect, and shall designate one of the three members first appointed to hold office until January 1, 1919; and one to hold office until January 1, 1920; and one to hold office until January 1, 1921. On or before the 1st day of January of each year, beginning with the year 1919, the Commissioners shall appoint a member to succeed the member whose term expires on such 1st day of January, and such new appointee shall hold office for the term of 3 years from such 1st day of January. Each member shall hold office until his successor is appointed and has qualified; and any vacancy that may occur in the membership of the board shall be filled by appointment by the Commissioners for the unexpired portion of the term.

A majority of the members shall constitute a quorum to transact business, and the act or decision of such a majority shall be deemed the act or decision of the board; and no vacancy shall impair the right of the remaining members to exercise all the powers of the board.

SEC. 3. The first members appointed shall, within 20 days after their appointment, meet and organize the board by electing one of their number as chairman and by choosing a secretary, who shall not be a member of the board; and on or before the 10th day of January of each year thereafter the board shall elect a chairman and choose a secretary for the ensuing year. The chairman and the secretary shall each hold office until his successor is elected or chosen, but the board may at any time remove the secretary. The secretary shall perform such duties as may be prescribed and receive such salary, not in excess of $2,500 per annum, as may be fixed by the board. None of the members shall receive any salary as such. The board shall have power to employ agents and such other assistants as may be necessary for the proper performance of its duties: *Provided*, That until further authorization by Congress, the sum which it may expend, including the salary of the secretary, shall not exceed the sum of $5,000.

SEC. 4. At any public hearing held by the board any person interested in the matter being investigated may appear and testify. Any member of the board shall have power to administer oaths, and the board may require by subpena the attendance and testimony of witnesses, the production of all books, registers, and other evidence relative to any matters under investigation, at any such public hearing or at any session of any conference held as hereinafter provided. In case of disobedience to a subpena the board may invoke the aid of the Supreme Court of the District of Columbia in requiring the attendance and testimony of witnesses and the production of documentary evidence. In case of contumacy or refusal to obey a subpena the court may issue an order requiring appearance before the board, the production of documentary evidence, and the giving of evidence touching the matter in question, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

SEC. 5. The Board is hereby authorized and empowered to make rules and regulations for the carrying into effect of this act, including rules and regulations for the selection of members of the conferences hereinafter provided for and the mode of procedure thereof.

SEC. 6. The board shall, on or before the 1st day of January of the year 1919, and of each year thereafter, make a report to the Commissioners of its work and the proceedings under this act.

SEC. 7. There is hereby authorized to be appropriated out of the revenues of the District of Columbia for the fiscal year ending June 30, 1919, the sum of $5,000, or so much thereof as may be necessary, to carry into effect the provisions of this act.

SEC. 8. The board shall have full power and authority: (1) To investigate and ascertain the wages of women and minors in the different occupations in which they are employed in the District of Columbia; (2) to examine, through any member or authorized representative, any book, pay roll, or other record of any employer of women or minors that in any way appertains to or has a bearing upon the question of wages of any such women or minors; and (3) to require from such employer full and true statements of the wages paid to all women and minors in his employment.

Every employer shall keep a register of the names of the women and minors employed by him in any occupation in the District of Columbia, of the hours worked by each, and of all payments made to each, whether paid by the time or by the piece, and shall, on request, permit any member or authorized representative of the board to examine such register.

To assist the board in carrying out this act the Commissioners shall at all times give it any information or statistics in their possession under the act of Congress approved February 24, 1914, entitled "An act to regulate hours of employment and safeguard the health of females employed in the District of Columbia."

SEC. 9. The board is hereby authorized and empowered to ascertain and declare, in the manner hereinafter provided, the following things: (a) Standards of minimum wages for women in any occupation within the District of Columbia, and what wages are inadequate to supply the necessary cost of living to any such women workers to maintain them in good health and to protect

their morals; and (b) standards of minimum wages for minors in any occupation within the District of Columbia and what wages are unreasonably low for any such minor workers.

SEC. 10. If, after investigation, the board is of opinion that any substantial number of women workers in any occupation are receiving wages inadequate to supply them with the necessary cost of living and maintain them in health and protect their morals, it may call and convene a conference for the purpose and with the powers of considering and inquiring into and reporting on the subject investigated by the board and submitted by it to such conference. The conference shall be composed of not more than three representatives of the employers in such occupation, of an equal number of representatives of the employees in such occupation, of not more than three disinterested persons representing the public, and one or more members of the board. The board shall name and appoint all the members of the conference and designate the chairman thereof. Two-thirds of the members of the conference shall constitute a quorum, and the decision or recommendation or report of the conference on any subject submitted shall require a vote of not less than a majority of all its members.

The board shall present to the conference all the information and evidence in its possession or control relating to the subject of the inquiry by the conference and shall cause to be brought before the conference any witnesses whose testimony the board deems material.

SEC. 11. After completing its consideration of any inquiry into the subject submitted to it by the board, the conference shall make and transmit to the board a report containing its findings and recommendations on such subject, including recommendations as to standards of minimum wages for women workers in the occupation under inquiry and as to what wages are inadequate to supply the necessary cost of living to women workers in such occupation and to maintain them in health and to protect their morals.

In its recommendations on a question of wages the conference (1) shall, where it appears that any substantial number of women workers in the occupation under inquiry are being paid by piece rates as distinguished from time rate, recommend minimum piece rates as well as minimum time rate and recommend such minimum piece rates as will, in its judgment, be adequate to supply the necessary cost of living to women workers in such occupation of average ordinary ability and to maintain them in health and protect their morals; and (2) shall, when it appears proper or necessary, recommend suitable minimum wages for learners and apprentices in such occupation and the maximum length of time any woman worker may be kept at such wages as a learner or apprentice, which wages shall be less than the regular minimum wages recommended for the regular women workers in such occupation.

SEC. 12. Upon receipt of any report from any conference, the board shall consider and review the recommendations, and may approve or disapprove any or all of such recommendations, and may resubmit to the same conference, or a new conference, any subject covered by any recommendations so disapproved.

If the board approves any recommendations contained in any report from any conference, it shall publish a notice once a week for 4 successive weeks in a newspaper of general circulation printed in the District of Columbia that it will, on a date and at a place named in the notice, hold a public hearing at which all persons in favor of or opposed to such recommendations will be heard.

After such hearing the board may, in its discretion, make and render such an order as may be proper or necessary to adopt such recommendations and carry them into effect, requiring all employers in the occupation affected thereby to observe and comply with such order. Such order shall become effective 60 days after it is made. After such order becomes effective, and while it is effective, it shall be unlawful for any employer to violate or disregard any of its terms or provisions, or to employ any woman worker in any occupation covered by such order at lower wages than are authorized or permitted therein.

The board shall, as far as is practicable, mail a copy of such order to every employer affected thereby; and every employer affected by any such order shall keep a copy thereof posted in a conspicuous place in each room in his establishment in which women workers are employed.

SEC. 13. For any occupation in which only a minimum time-rate wage has been established, the board may issue to a woman whose earning capacity has been impaired by age or otherwise, a special license authorizing her employment at such wage less than such minimum time-rate wage as shall be fixed by the board and stated in the license.

SEC. 14. The board may at any time inquire into wages of minors employed in any occupation in the District of Columbia, and determine suitable wages for them. When the board has made such determination it may make such an order as may be proper or necessary to carry such determination into effect. Such order shall become effective 60 days after it is made; and after such order becomes effective and while it is effective it shall be unlawful for any employer in such occupation to employ a minor at less wages than are specified or required in or by such order.

SEC. 15. Any conference may make a separate inquiry into and report on any branch of any occupation, and the board may make a separate order affecting any branch of any occupation.

SEC. 16. The board shall from time to time investigate and ascertain whether or not employers in the District of Columbia are observing and complying with its orders, and shall report to the corporation counsel of the District of Columbia all violations of this act.

SEC. 17. All questions of fact arising under the foregoing provisions of this act shall, except as otherwise herein provided, be determined by the board, and there shall be no appeal from the decision of the board on any such question of fact; but there shall be a right of appeal from the board to the Supreme Court of the District of Columbia from any ruling or holding on a question of law included or embodied in any decision or order of the board; and, on the same question of law, from such court to the Court of Appeals of the District of Columbia. In all such appeals the corporation counsel shall appear for and represent the board.

SEC. 18. Whoever violates this act, whether an employer or his agent, or the director, officer, or agent of any corporation, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than $25 nor more than $100 or by imprisonment not less than 10 days nor more than 3 months, or by both such fine and imprisonment.

SEC. 19. Any employer and his agent, or the director, officer, or agent of any corporation, who discharges or in any other manner discriminates against any employee because such employee has served or is about to serve on any conference, or has testified or is about to testify, or because such employer believes that said employee may serve on any conference or may testify in any investigation or proceeding under or relative to this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than $25 nor more than $100.

SEC. 20. Any act which, if done or omitted to be done by any agent or officer or director acting for such employer, would constitute a violation of this act, shall also be held to be a violation by the employer and subject such employer to the liability provided for by this act.

SEC. 21. Prosecutions for violations of this act shall be on information filed in the police court of the District of Columbia by the corporation counsel.

SEC. 22. If any woman worker is paid by her employer less than the minimum wage to which she is entitled under or by virtue of an order of the board, she may recover in a civil action the full amount of such minimum wage, less any amount actually paid to her by the employer, together with such reasonable attorney's fees as may be allowed by the court; and any agreement for her to work for less than such minimum wage shall be no defense to such action.

SEC. 23. This act shall be known as the "District of Columbia minimum-wage law." The purposes of the act are to protect the women and minors of the District from conditions detrimental to their health and morals, resulting from wages which are inadequate to maintain decent standards of living; and the act in each of its provisions and in its entirety shall be interpreted to effectuate these purposes.

Merited Recognition

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. SHANLEY. Mr. Speaker and my colleagues, it was with profound respect and admiration for the thoughtfulness of our great statesman and scholar, Hon. JOHN RANKIN, that I heard the Clerk read the resolution in the House Wednesday on the death of Italy's scientific hero Guglielmo Marconi. The consummated thought is a pungent reminder, as the author undoubtedly intended it to be, that "Peace hath her victories, no less renowned than War."

The magnificent achievements of this great Italian in the peaceful arts may well challenge the epochal deeds of warriors, though unfortunately often in the literature of dynamos and color their contributions receive the greater credit.

It is true that Marconi but built on the accumulated wisdom and discoveries of Professor Henry in America, Lord Kelvin and Clerk Maxwell in England, but so did Darwin, Huxley, and Edison. No invention springs full grown from the brain of any one man. But it remained for Marconi to breathe scientific life and purpose into electric waves and give us telegraphic communication. To his credit, therefore, the senator had the wireless telegraph, the directed beam, wireless microwave or ultra short-wave radio, and the first commercial wireless service across the Atlantic. Just before his death he was at work on television with ultra short waves.

All the credit in life saving that he may have earned never touched his emotions as did that crowd of survivors who went to his hotel in New York after the *Titanic* disaster in 1913 and cheered him for his invention. That was a demonstration.

Apostle of peaceful pursuits, the late Senator Marconi deserves the encomiums that are his today. He left a heritage in the world of science that has brought personal honor to him, to his country, and to the world. That world and international relations are better because of Marconi's presence and his contributions.

As the poet says:

Were half the power that fills the world with terror,
Were half the wealth bestowed on camps and courts,
Given to redeem the human mind from error,
There were no need of arsenals and forts.

Major Oil Companies Indicted for Conspiracy to Violate the Antitrust Laws

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. COFFEE of Washington. Mr. Speaker, sometime ago I spoke on the importance of the Department of Justice proceeding by criminal action to secure compliance with the Federal antitrust laws. Grand jury investigations, followed by indictments against the conspirators if the evidence warrants, and open trial before a petit jury is the only method that will put the fear of the law into the hardened hearts of the monopolists.

MADISON, WIS., INDICTMENT OF OIL MONOPOLISTS

In my previous address of July 6, I complimented the Department of Justice on its activity before a Federal grand jury at Madison, Wis. In that statement I quoted at length from the first oil indictment returned by that grand jury on July 28, 1936—United States against Standard Oil Co. (Indiana) et al., no. 11296. This first indictment set forth a gigantic scheme of pool buying of surplus gasoline to bring about an increase in prices to the public and squeeze the independent oil wholesaler out of business.

Mr. Speaker, that first indictment of July 28, 1936, will go to trial at Madison, Wis., on October 4, 1937. That trial will mark a great victory for liberty-loving American people. The evidence of conniving and conspiracy will then be bared to the whole world. The people will be able to see these grasping monopolizers in their true light.

It is to the interest of the American people generally that this first case be tried promptly. Buying pools to raise prices in oil or any other industry must be stopped if the public is to be protected.

GRAND JURY INVESTIGATIONS CAN GET AT THE TRUTH

And I pointed out the crying need on both the Atlantic and Pacific coasts for grand-jury investigations of the oil industry similar to the one conducted by the Department of Justice before the Federal grand jury of the western district of Wisconsin at Madison, Wis., in 1936. If such grand jury action is not taken soon there will be no independents left; in fact, the situation on the Pacific coast today is that the independent wholesalers have been squeezed out of the business. The malpractices of the major oil companies on the west coast are almost common knowledge; the States are helpless to proceed for lack of jurisdiction as the headquarters of the major oil companies are not within the State borders When a State does bring court action or start an investigation the major oil companies hide behind their interstate character of doing business to avoid testifying or submitting the evidence from their records. Only Federal grand juries can do a complete job of investigating and piecing together the essential evidence.

THE SECOND WISCONSIN GRAND JURY OIL CONSPIRACY INDICTMENT

Today I should like to discuss the second indictment returned by the Federal grand jury at Madison, Wis., on November 6, 1936. This indictment is styled *United States of America* v. *Socony-Vacuum Oil Co., Inc., et al.* (No. 11342). In addition to Socony-Vacuum Oil Co., Inc., the indictment includes the Standard Oil Co. (Indiana) and 18 other corporations as coconspirators and 46 individuals, most of them officers or agents of the conspiring oil companies.

THE INDEPENDENT OIL MARKETER AND CONSUMER HAVE MUCH AT STAKE

On the successful completion and trial of this second case hinges the fate of the independent oil marketer. From his standpoint it is too bad that this case cannot be tried first. But the welfare of the general public does come first. However, success in trying the first case will spur the Department of Justice to speed up trial of this second case.

This second case, which we might style the "Socony case", unveils in the indictment a gigantic conspiracy to put the independent oil jobber out of business by fixing his margins at a figure below his operating cost. The Socony case applies only to the Midwestern area and alleges that each defendant major oil company either directly or through subsidiary or affiliated companies markets gasoline in some or all of the 10 States therein. The indictment further sets forth that the defendant major oil companies together controlled, manufactured, shipped, and sold, largely in interstate commerce, more than 85 percent of all gasoline distributed yearly in the Midwestern area.

THE SOCONY CASE PRESENTS A VIVID PICTURE

The indictment in this Socony case gives a very clear picture of the situation existing in the oil industry that distinguishes it from other lines of business and which makes it so difficult for an independent marketer to compete. The profits made by major oil companies in their producing, refining, and pipe-line departments are partially used to offset losses created in their marketing departments. Independent marketers who are not fortified by profits from other branches find this competition dealing them a deathblow. But to get back to the Socony indictment. It describes in paragraph 6 the method by which the major oil companies parallel distribution. The paragraph reads:

Each of said defendant major oil companies throughout the period covered by this indictment has distributed and marketed gasoline in said Midwestern area in the manner following, that is to say: Each has owned or leased, and has operated or controlled the operation of, large numbers of retail service stations through which gasoline is sold directly to consumers. Each has usually delivered gasoline to such retail service stations by tank truck or tank wagon from its bulk storage plants conveniently located to supply the retail stations in the various local marketing areas, said bulk storage plants being supplied with gasoline by tank cars principally from the refineries of the respective defendant major oil companies. Each has also sold and distributed large quantities of gasoline from the same or similar bulk storage plants to numerous independent retailers or dealers owning or operating retail service stations, said gasoline being usually sold to such independent dealers under supply contracts. In addition to selling through company owned or controlled retail service stations, and to independent dealers, each of said defendant major oil companies, with the exception of defendant Standard of Indiana, has sold gasoline in large quantities in tank car lots to jobbers.

OIL JOBBERS

In the next paragraph the methods in use by independent oil jobbers, their position in the market, and other matters relating thereto are described as follows:

Jobbers usually own and operate bulk-storage plants conveniently located so as to serve by their tank trucks or tank wagons retail service stations either owned or operated by them, or independently owned or operated, in the various retail marketing areas served by them. Approximately 50 percent of all gasoline distributed to retail service stations in said midwestern area is distributed by or through jobbers. There are in excess of 4,000 jobbers of gasoline doing business in the States comprising the aforesaid midwestern area. Great numbers of said jobbers have been engaged in the distribution of gasoline during the period covered by this indictment and for many years prior thereto, and their investments in capital assets have been and are substantial.

But the charge of the conspiracy itself. That really goes into the history of the combination that has been erected in our Middle West to put these independent jobbers, who have been selling 50 percent of the petroleum products, out

of business. A similar combination put our independent jobbers out of business on the Pacific coast, and had not the Department of Justice acted, or if it should now fail, the end of the independent oil jobber in the Middle West can be seen.

The first count in this Socony indictment alleges an unlawful combination and conspiracy to regulate, and to fix and make uniform, the amounts of guaranteed margins to be allowed to jobbers in the sale of gasoline, and a continuing combination and conspiracy to regulate and narrow these margins. The indictment charges that in so doing the defendants unlawfully eliminated, restricted, and suppressed competition among themselves in the solicitation of jobber accounts and in the sale of gasoline to jobbers, and that they unlawfully regulated and restricted the ability of said jobbers to compete in the sale of gasoline.

HOW THE MAJORS CONSPIRED

The means whereby the conspiracy charged in count 1 of this Socony indictment was carried out is best described by paragraphs 13, 14, and 15 of the indictment, which read as follows:

Commencing in 1931, numerous private meetings have been held by representatives of defendant major oil companies at which, among other things, the subject of jobber-guaranteed margins in the aforesaid midwestern area has been discussed and debated for the purpose and with the effect of arriving at agreements and understandings whereby the same were arbitrarily fixed and made uniform. Such meetings have been held at frequent intervals in each of the years 1931 to 1936, inclusive, usually at Chicago, Ill., at the Blackstone Hotel, the exact number and times and places of holding all of said meetings being to the grand jurors unknown. Said meetings have usually been attended by the following persons, and other representatives and employees of defendant major oil companies to the grand jurors unknown, each representing and acting for his company or its affiliated companies. Each of the individuals named as defendant therein, and C. B. McCollough, W. H. Ware, and R. D. Mering, representing Socony-Vacuum; R. A. Raupaugh, representing Standard of Indiana; P. M. Miskell (now deceased), representing Cities Service, Empire and Cities Service Oil; George J. Woods, representing Continental; R. R. Johnston and G. R. Nutty (now deceased), representing Gulf; J. G. Sinclair and Frank E. McSweeney, representing Shell; Adolph H. Sus and Ferrin McMahon, representing Sinclair; D. S. Wixson and Walter J. Herr, representing Mid-Continent; H. A. Trower, N. S. Moon, E. M. Kelly, and John A. Getgood, representing Phillips; H. B. Carpenter, representing Ohio Oil; Joseph F. Adams, representing Barnsdall; C. S. Smith, representing National; Bernard L. Majewski, representing Deep Rock; C. W. MacKay, representing Marathon; and Martin G. Peeters, representing Wadhams.

Each of said individuals, including each of said individual defendants, has attended one or more of said meetings and has participated actively in the discussions had and agreements and understandings arrived at therein. Defendant Charles E. Arnott has usually called and has usually acted as chairman of said meetings. At said meetings the amounts of guaranteed margins to be allowed to jobbers in said midwestern areas were agreed upon, fixed, and made uniform, and arbitrarily changed from time to time by agreements, understandings, and concerted action, and have thereby been continuously regulated by defendants during the period of time aforesaid.

In or about December 1934, by agreement made and concerted action taken pursuant to and in the course of said continuing combination and conspiracy, said guaranteed margins to be allowed to jobbers in said midwestern area were uniformly fixed at 5½ cents below the prevailing normal retail prices, subject to the reduction therefrom of one-half of the amount by which at any time the differential between the basic tank-car price to the jobber (as uniformly defined in said jobber supply contracts) and the normal retail price might be less than 5½ cents. Said agreement has from time to time been renewed and reaffirmed at similar meetings held by defendants throughout the year 1935 and in the year 1936, and has continued in effect down to the date of the presentation of this indictment.

HOW THE OIL MAJORS SET UP THEIR NEFARIOUS SCHEME

The second count of the Socony indictment alleges an unlawful combination and conspiracy to regulate and to fix and make uniform the essential terms and provisions of jobber supply contracts. The means used to effectuate the conspiracy thus charged is best outlined in paragraphs 21, 22, and 23 of the indictment, which reads:

Commencing in 1931, numerous private meetings have been held by representatives of defendant major oil companies at which the terms and provisions of jobber supply contracts have been discussed and debated for the purpose and with the effect of arriving at agreements and understandings whereby the same were arbitrarily determined upon and made uniform. Such meetings have been held at frequent intervals in each of the years 1931 to 1936, inclusive, usually at Chicago, Ill., at the Blackstone Hotel, the exact number and times and places of holding all of said meetings being to the grand jurors unknown. Said meetings have usually been attended by the following persons and other representatives and employees of defendant major oil companies to the grand jurors unknown, each representing and acting for his company or its affiliated companies: Each of the individuals named as defendants herein and C. B. McCollough, W. H. Ware, and R. D. Mering, representing Socony-Vacuum; R. A. Rapaugh, representing Standard of Indiana; P. M. Miskell (now deceased), representing Cities Service, Empire, and Cities Service Oil; George J. Woods, representing Continental; R. R. Johnston and G. R. Nutty (now deceased), representing Gulf; J. G. Sinclair and Frank E. McSweeney, representing Shell; Adolph H. Sus and Ferrin McMahon, representing Sinclair; D. S. Wixson and Walter J. Herr, representing Mid-Continent; H. A. Trower, N. S. Moon, E. M. Kelly, and John A. Getgood, representing Phillips; H. B. Carpenter, representing Ohio Oil; Joseph F. Adams, representing Barnsdall; C. S. Smith, representing National; Bernard L. Majewski, representing Deep Rock; C. W. MacKay, representing Marathon; and Martin G. Peeters, representing Wadhams.

Each of said individuals, including each of said individual defendants, has attended one or more of said meetings and has participated actively in the discussions had and agreements and understandings arrived at therein. Defendant Charles E. Arnott has usually called and has usually acted as chairman of said meetings. At said meetings the essential terms and provisions of said jobber-supply contracts were agreed upon and made uniform, and arbitrarily changed from time to time by agreements, understandings, and concerted action, and have thereby been continuously regulated by defendants during the period of time aforesaid.

Thus, in addition to the agreements and concerted action with respect to jobber-guaranteed margins as set forth in count 1 hereof, defendants during the period of time aforesaid have from time to time unlawfully agreed upon and adopted by concerted action the following:

(a) Uniform provisions in said jobber contracts limiting the length of time of such jobber contracts to 1 year, subject to automatic renewal unless canceled before a specified period (likewise agreed upon and made uniform) prior to the expiration date.

(b) Uniform provisions for determining the basic price to the jobbers, usually that such basic price should be the average spot-market price, determined by averaging the high and low spot-market prices for gasoline of comparable octane rating published by Platt's Oilgram, for the Tulsa, Okla., market, and by the Chicago Journal of Commerce on the date of shipment.

(c) Uniform provisions to the effect that all gasoline should be sold only on the basis of all-rail delivered prices, f. o. b. Tulsa, Okla., irrespective of the actual origin of the gasoline or method of its transportation.

(d) Uniform provisions fixing minimum prices to jobbers.

(e) Uniform provisions to the effect that the guaranteed margins allowed to jobbers should automatically and uniformly change in accordance with changes in discounts allowed to dealers.

(f) Uniform provisions for the minimum and maximum monthly and annual gasoline requirements of the jobber.

(g) Prohibitions against the inclusion in said jobber contracts of any guaranty of protection to the jobber against local price cuts (it usually being agreed and understood that such so-called local protection might be given only voluntarily by the refiner in the latter's discretion and apart from the contract with the jobber).

TIGHTENING THE KNOT

The third count of the Socony indictment alleges an unlawful combination and conspiracy to regulate and make uniform their practices and policies with respect to jobbers. Paragraphs 29, 30, 31, and 32 best describe the means used to effectuate this purpose. These read as follows:

Commencing in 1931 numerous private meetings have been held by representatives of defendant major oil companies at which the practices and policies of said companies affecting jobbers have been discussed and debated for the purpose and with the effect of arriving at agreements and understandings whereby the same were arbitrarily determined upon and made uniform. Such meetings have been held at frequent intervals in each of the years 1931 to 1936, inclusive, usually at Chicago, Ill., at the Blackstone Hotel, the exact number and times and places of holding all of said meetings being to the grand jurors unknown. Said meetings have usually been attended by the following persons and other representatives and employees of defendant major oil companies to the grand jurors unknown, each representing and acting for his company or its affiliated companies: Each of the individuals named are defendants herein, and C. B. McCollough, W. H. Ware, and R. D. Mering, representing Socony-Vacuum; R. A. Raupaugh, representing Standard of Indiana; P. M. Miskell (now deceased), representing Cities Service, Empire, and Cities Service Oil; George J. Woods, representing Continental; R. R. Johnston and G. R. Nutty (now deceased), representing Gulf; J. G. Sinclair and Frank E. McSweeney, representing Shell; Adolph H. Sus and Ferrin McMahon, representing Sinclair; D. S. Wixson and Walter J. Herr, representing Mid-Continent; H. A. Trower, N. S. Moon, E. M. Kelly, and John A. Getgood, representing Phillips; H. B. Carpenter, representing Ohio Oil; Joseph F. Adams, representing Barnsdall; C. S. Smith, representing National; Bernard L. Majewski, representing Deep Rock; C. W. MacKay, representing Marathon; and Martin G. Peeters, representing Wadhams.

Each of said individuals, including said individual defendants, has attended one or more of said meetings and has participated actively in the discussions had and agreements and understandings arrived at therein. Defendant Charles E. Arnott has usually called and has usually acted as chairman of said meetings. At said meetings important practices and policies affecting jobbers were concertedly adopted and made uniform, and were arbitrarily changed from time to time by agreements, understandings, and concerted action, and have thereby been continuously regulated by defendants during the period of time aforesaid.

Thus, in addition to the agreements and concerted action with respect to jobber guaranteed margins, as set forth in count I hereof, and the other essential provisions of jobber contracts as set forth in count II hereof, and largely in order to support and reinforce the agreements and understandings set forth in said counts, defendants during the period of time aforesaid have from time to time unlawfully entered into and carried out agreements and understandings as follows:

a. To refrain from taking on new jobber accounts or from taking on new jobber accounts under contracts providing for guaranteed margins.

b. To refrain from converting jobber accounts handling unbranded gasoline to jobber accounts handling branded gasoline unless guaranteed margins were not allowed.

c. To refrain from converting retail dealers or groups of retail dealers to a jobber basis.

d. To refrain from converting any jobbers to commission agents.

e. To refrain from converting any jobbers to dealers.

f. To refrain from converting jobber accounts handling branded gasoline to jobber accounts handling unbranded gasoline, unless the accounts thus converted were "ethical"; that is to say, unless the jobbers involved maintained the refiners' retail prices.

g. To refrain from selling to jobbers handling unbranded gasoline unless such jobbers were "ethical" as aforesaid.

h. To refrain from leasing facilities from jobbers previously under contract with competitors and from employing such jobbers as commission agents.

i. To refrain from soliciting jobber accounts in areas where the refiner had marketing facilities of its own.

j. To refrain from accepting new jobber accounts in so-called depressed-price areas.

k. To refrain from selling gasoline to so-called "cut price" jobbers, i. e., jobbers who failed to maintain refiners' prices.

l. To require each jobber to deal exclusively with one refiner.

m. To require each jobber to refrain from soliciting dealers of other defendant major oil companies.

n. Limiting the amounts of local protection, i. e., protection against depressed retail prices, which might be given to a jobber.

o. To refrain from giving any local protection on third-grade gasoline.

Further to support and reinforce the aforementioned agreements and understandings affecting jobbers, defendants have throughout the period conspired to fix and make uniform commissions allowed company agents selling gasoline on commission basis in competition with jobbers.

It may be appropriate to mention that a second grand jury at Madison, Wis., also heard evidence of the conspiracy to put the independent oil jobbers out of business and on December 22, 1936, returned two indictments very similar to those referred to above. The numbers of these cases are 11364 and 11365.

I cannot close these remarks without again complimenting the Antitrust Division of the Department of Justice on its new method of enforcing the antitrust laws. Once the merry monopoly men understand that the Federal Government is through with consent-decree gestures in antitrust cases and means to invoke the criminal sections, it will not take long to stamp out monopoly.

Nazi Activities in the United States

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. DICKSTEIN. Mr. Speaker, a number of inquiries have been made requesting that I be good enough to give specific names and addresses of leaders in the districts of Staten Island, N. Y.; Waterbury, Conn.; Bridgeport, Conn.; Stamford, Conn.; New Haven, Conn.

Always willing to comply with reasonable requests, I find in my files the following leaders and Nazi agitators in the places heretofore mentioned, namely:

Staten Island, N. Y.: George Nebbe, of 21 Gifford Lane, Staten Island, leader of Staten Island bund; Hans Ostermann, of Staten Island, Nazi agitator and alien; William Mettin, of Staten Island, Nazi agitator and alien.

Waterbury, Conn.: Frederick Kreuzer, medical doctor of Waterbury, leader of the bund.

Bridgeport, Conn.: Charles Jaeger, president of Bridgeport Metal Goods, and purchasing agent for scrap iron for Germany, leader of the bund.

Stamford, Conn.: Carl Johannsen, storm troop leader, of Stamford; George Scoville, working for Connecticut District of American Drug, bund leader.

New Haven, Conn.: Eberhardt Von Nasse, of New Haven, bund leader and youth leader, employed by North German Lloyd.

Nazi-ism and Communism Are Two Peas in a Pod—Both Are Indigestible to America

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. THOMAS of New Jersey. Mr. Speaker, the newspaper accounts of Camp Nordland and the reports on the activities at the camp now coming in to me from residents of Sussex County, N. J., where Nordland is located, lead me to believe that the whole "show", with its swastikas, its goose-stepping, and the waving of Nazi emblems, should not be tolerated here. It is un-American; it is not conducive of American patriotism, and certainly it would not be tolerated in any other country in the world.

I understand that the German-American Volksbund, which sponsors Nordland and similar camps, has in itself a few worth-while purposes, among which are "a more abundant life" and "a destruction of communism." On the other hand, the German-American Volksbund exists in America under American laws and American customs, and consequently should attempt to achieve its ideals in an American way.

Instead of flying the Nazi flags, it should fly only American flags. Instead of displaying the swastikas, it should display only the American eagles. Instead of singing German folk songs in the German tongue, it should sing the American songs in our native tongue. Instead of purchasing only half of the beer consumed at the camps in the United States, it should purchase all of it here. Instead of paying respect and allegiance to only Herr Hitler, it should pay respect and allegiance to George Washington, Abraham Lincoln, or any other beloved and respected American. And, more important than all of this, instead of training its children at these camps to be Hitler worshipers, it should train them to be God-fearing Americans; for, after all, these children will grow up with Americans in America and will later on also want to be real Americans. When these same children grow into manhood and womanhood, they will want to take their part as players on the American stage, paying allegiance to only American laws and American customs and enjoying the rights and privileges of American institutions. If they are brought up in any other way, they may find themselves in the position of a man or woman without a country.

As for Camp Nordland, I understand that, in addition to the Nazi flags and the swastikas, there were also various signs, printed in German, posted about, two of which, translated in English, mean "Raise the flags and get together" and "Be united and German in spirit." Such signs might be worthy emblems in Germany, but in this country we should expect to see something more American. Then, too, in one of the recreation halls of Camp Nordland was a large picture of Hitler, yet at no place could there be found a

picture of the President of the United States, which, with the other things already mentioned by me, makes me wonder just what is the purpose of the camp and the organization which it fosters. Certainly it is not respectful to the Government which protects it, nor is it conducive of true American ideals and customs. Yet the camp was welcomed to Sussex County without any apparent investigation of its purposes by the State senator from Sussex County. In fact, the contract or deed for the property was drawn in the State senator's law office. But after he discovered he had made an unpopular move he was reported to have said, among other things, that he "was convinced the organization is not fostering un-American ideas." If this statement is true, then why is not the bund satisfied to achieve its aims with the help and assistance of only the Star-Spangled Banner and the American eagle, rather than have our flag and our emblem always coupled with the Nazi flag and the swastika?

Almost simultaneously with the welcoming statement from the State senator came one equally assuring from the junior United States Senator from New Jersey. Another interesting feature is the fact that the camp's liquor license was granted by the Andover Township Committee, which, along with the senator from Sussex County and the junior United States Senator from New Jersey, are all members of the Democratic Party. This, of course, may only be a political coincidence, but at least it is unfortunate that the New Jersey statesmen who had to make these favorable comments of the bund and committed these acts in assisting the bund in their Nazi show had to do so without first investigating the thing thoroughly. A least they might have checked with the people of Sussex County to determine whether a Nazi camp was welcome there, for, from what I can learn from the people in that county, it is anything but welcome.

I, for one, not only disapprove of what went on there on Sunday, July 17, but I am also forced to be so suspicious of the purposes for which the camp was started that I have joined those who are pressing for the passage of House Joint Resolution 282 in the House of Representatives—a resolution to investigate un-American activities in the United States—and in addition have asked certain members of the New Jersey Legislature to introduce in that legislature a resolution to investigate Camp Nordland. I have the promise that such a resolution will be introduced. Furthermore, it might be advisable for Mr. D. Frederick Burnett, Commissioner, Alcoholic Beverage Control Department, to look into the possibility of liquor violations at the camp.

We must make certain, however, that in our zeal to criticize the happenings at such camps as Nordland and in any investigation of such matters that we do not overlook or lessen our fight against the bund's arch enemy, which perhaps is the greatest enemy to America today, and that is communism. But we must fight communism in the customary American way, not with swastikas and a show of goose-stepping. Nor must we fight nazi-ism with the aid and assistance of individuals who might themselves be guilty of communistic sympathies.

Communism to me, Mr. Speaker, is the greatest threat we have in this country. It is alive in almost every State in the Union. It is eating into our Government and into our institutions as a termite eats into a piece of wood. Most of our economic unrest today is caused by it. The C. I. O. is so alive with communistic agitators that even John L. Lewis may be alarmed. It has made so much headway in late years that as recently as March 21 of this year K. R. Redmill, writing from Moscow in the Communist International Magazine No. 2, praised the "work of Communists in the General Motors strike" at Detroit and Flint, Mich. "During the entire strike", he said, "Communists were acting in a leading role. They conducted many-sided work in helping strikers, collected money, and carried out demonstrations of 'solidarity.'"

At Hersheytown the C. I. O. flag was placed above the American flag; "red" parodies of our national anthem have been published and distributed among C. I. O. strikers; "red" flyers training for duty in Spain have been taught to fly at Bennett Air Field at New York City. Many of our Federal bureaus, notably the Labor Department and the Works Progress Administration, are honeycombed with radicals of all hues; even some State governments, notably Michigan, are so radical it is nauseating.

In the C. I. O. many of the leaders are out-and-out "reds." For example, John Anderson, who was the Communist candidate for Governor of Michigan in 1934, today is among the foremost of the C. I. O. agitators; another is Nat Ganly, a national figure in the Communist organization and instructor at the "red" Peoples' School at Detroit, who has only recently been active in many of the C. I. O. strikes. Other leaders active in recent labor disorders are William Z. Foster, Frank L. Palmer, Powers Hapgood, Sol C. Waldbaun, Philip Murray, Alex Bittleman, Pat Toohey, Walter and Victor Reuther, Rose Pessetta, John Brophy, Jack Stachel, Sidney Hillman, and the three well-dressed hall-room dandies of the Workers' Alliance, Lasser, Cook, and Spain. Many other names can be supplied, but these are a few who will bear watching at all times. When any one of them appears at any place we may expect trouble.

The Nazi movement in the United States should be looked into, but it is only a sideshow in comparison to that being staged by the Communists in America. Even in one small section in New York City there are more "reds" than there are Nazis in the entire United States.

Both are dangerous, however, both un-American, both should be thoroughly sifted. I, for one, if I could have my way, would start cleaning house immediately; start with a real red-hot congressional investigation conducted by fearless and true American statesmen.

After such an investigating committee had thoroughly washed our un-American linen, then we should send our alien "reds" back from whence they came and tell Soviet Russia and Herr Hitler that we are sick near unto death of their international meddling, and, in addition, let us inform them in good old-fashioned American language that America means business, that we still have a true democracy, and that we intend to keep it as a true democracy. If we will once and for all take a firm stand in these un-American activities, we will not continue to be a cat's-paw for every newfangled foreign idea that any European power can conceive of.

In closing I wish to say that I am 100 percent in favor of the passing of the Dies resolution to investigate un-American activities and that if it should not pass in this session I will do whatever I can to see that one passes in the next session, even if I have to introduce it myself.

Maj. Gen. William C. Rivers Commends Ludlow War-Referendum Proposal

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. LUDLOW. Mr. Speaker, one of the most impressive testimonials so far offered in behalf of my war-referendum peace resolution (H. J. Res. 199) has just come to me from a military man of great distinction.

Maj. Gen. William C. Rivers, retired, has examined my proposed constitutional war-referendum amendment carefully and, after giving it his thoughtful consideration, he writes to me to say that he would like to commend the proposal as being sensible and desirable and as "a practicable step for our people to take."

He feels strongly that "we must adopt and try out some new plan" to keep America out of war. He finds merit in a referendum on war and says:

We voters as a whole can never be subjected to such a concentrated propaganda as may fall on the fewer than 500 men in Congress.

The man who offers this testimony in behalf of House Joint Resolution 199 is not a pacifist in the ordinary sense of that word but is one of the most distinguished officers of the United States Army who has seen service in all of the wars of the last 40 years or more. Born in Tennessee in 1866, he was graduated from the United States Military Academy in 1883.

When he was retired in 1930 he closed a brilliant career of active service of almost 47 years as a cavalry and artillery officer in both hemispheres. He had the unusual fortune to win the coveted star of a general three times—in the Philippines as chief of the Philippine Constabulary, with the rank of brigadier general, United States Army; in France a promotion to brigadier general while commanding a line regiment of field artillery in battle; and later when designated in 1927 as Inspector General with the rank of major general. He was the Inspector General of the United States Army when he reached retiring age.

CROIX DE GUERRE AND DISTINGUISHED SERVICE MEDAL

France awarded him the Croix de Guerre and our Government awarded him the Distinguished Service Medal with the following citation:

For exceptionally meritorious and distinguished services. As commander of the Seventy-sixth Field Artillery he was a material factor in stemming the tide of the enemy's advance during the Second Battle of the Marne. Subsequently, upon being promoted to the grade of brigadier general, he displayed marked leadership and high military attainments in command of the Fifth Field Artillery Brigade in the Meuse-Argonne offensive.

His earlier military experience included field service in 1890 against the Northern Cheyenne Indians in the ghost dance disturbances in Montana; the arduous winter campaign under General Miles in Montana and the Dakotas in 1890 and 1891; service in Cuba during the Spanish-American War; and as chief of the Philippine Constabulary in 1914. He was the last member of the West Point class of 1887 on the active list.

KNOWS ALL ABOUT WAR

Here is a man who knows all about war and whose ripe experience in command of battle troops and in high military administrative capacities qualifies him to give a well-considered opinion on House Joint Resolution 199, which proposes to transfer the war-making power from Congress to the people, who have to suffer and, if need be, to die and to bear the awful burdens and griefs of war. By unanimous consent of the House, I present for publication in the CONGRESSIONAL RECORD the letter I have received from General Rivers. It is as follows:

NEW YORK, *July 25, 1937.*

Hon. LOUIS LUDLOW,
House of Representatives.

DEAR SIR: I have recently had opportunity to study House Joint Resolution 199, which proposes a short constitutional amendment to the effect that, except in the event of an invasion of the United States or its Territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum.

In my long active service as an officer of our Army, I have had opportunity for considerable service in wars and active field operations—in the later Indian troubles in our West; Santiago, in Cuba; the Philippines; and in France, where I had a line-of-battle command in all of our so-called major combats.

Since my retirement from active service I have devoted most of my time to the study of the war question and have been, naturally, interested in reading of the discussions in Congress and in the investigations about war. I have a feeling that I would like to write to you and state some of my ideas about your proposal as set forth in that House Joint Resolution 199.

I would like to commend the proposal which you have made as sensible and as desirable; also, it appears to me to be a practicable step for our people to take. I have had the opportunity to read the opinions of a number of persons on your proposition. A great majority of those whose judgments I have seen are in favor of your proposal. I want to discuss briefly the views of several persons who have objections to the plan.

First, let me say that I feel strongly that we must adopt and try out some new plan; that we must not adhere to our old plan of drifting into a war. The main objections to the Ludlow plan refer to fears that while we delay to vote a foreign power could attack us. Nothing is perfect; but I see no merit in this contention. The two oceans and the absence of powerful and aggressive neighbors give us ample protection against sudden attack. Again we are told by some that it is unwise to place experimental proposals into our Constitution. No more vital feature could be added to the Constitution, where it could not be repealed by the Congress in a moment of emotional stress.

One objection to your plan is that we should do nothing to deprive us of the power to take the offensive. This phrase which gives expression to the illusion that the offensive is always the best defense in war is very popular. This maxim was outmoded in the Great War; the war showed that machine guns and the newer rifles have given superior power to the defense. Among many illustrations of this are: Marshal Joffre almost ruined a French army by his early attack in the Vosges Mountains region; the tactical methods at Gallipoli, the scene of the greatest tragedy and sustained bravery in all modern war; Vimy Ridge and Paschendale, and so on. The new motor mechanization adds to the power of the defense, working rapidly on interior lines with its terrific fire effect. One of the newer battlefield theories is to induce your enemy to first attack your lines, and then after you have beaten him off attack the enemy while he is weary and worn.

The old theory as to the offensive in war being always the best defense is a favorite one with those seeking from the legislators additions to our ever-increasing funds allotted for armament in our country. To illustrate the feeling of myself, long a resident of and a student of the Far East: We are assembling in the North Pacific Ocean what I believe is the greatest aggregation of fighting ships and combat airplanes the world has ever seen in one spot. I feel that by no use of the imagination can one correctly say that our battle assemblage in the North Pacific Ocean is required for the defense of Alaska, the Hawaiians, the continental United States, and the Panama Canal, our normal line of defense in the event of a war. (I do not know anyone who believes that we can defend the Philippine possessions in the event of a war with a western Pacific power, which has a great field army, and one of the world's great, modern battle fleets.) The only method of using such a battle armada as we retain in the North Pacific Ocean against any other power in the Pacific is by applying the illusory and dangerous doctrine of some extremists—that an aggressive offense is always the best defense. Such a doctrine may well at times evoke a war through the provocation of such armament.

As for the attack—in the last war the navies rarely attacked. In fact, naval warfare has become a matter of attrition by means of the new types of submarines and the new air bombing fleets. No longer may a great fleet lie for months in safety in such a place as Scapa Flow; they will be compelled to scatter and cruise. Sir Samuel Hoare, British Home Secretary, in speaking of the London area, recently said: "From the most protected community this people has become in a few years the most exposed civilized community on earth."

The voters as a whole can never be subjected to such concentrated propaganda as may fall on the fewer than 500 men in Congress. The votes of the public are normally cast in secret. The radio offers facilities to aid the taking of a referendum in a few days' time. A greater number of people can perhaps be reached by the radio than by the press; the radio offers excellent facilities for having advocates of both sides of a question explain their views. In many cases a delay may be useful in deciding whether or not we shall declare war. It is hardly pertinent to make the claim that we have learned to beware of propaganda; we must not be too optimistic about man's ability to learn even simple things which are to his own benefit. Furthermore, the matter of our going to war will soon be decided by men and women who were very young at the time of the Great War.

Yours faithfully,

WILLIAM C. RIVERS,
Major General, United States Army (retired).

Westward Migration of 1937

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1937

Mr. VOORHIS. Mr. Speaker, the presence in the San Joaquin Valley and other parts of California of many thousands of destitute, wandering, homeless families has focused national attention on the problems of migratory agricultural labor and of this modern migration of Americans out of the Dust Bowl area into California.

This is no mere collection of old-fashioned hoboes. It is a migration of whole families, driven from their homes by want and privation; and these people are of the purest native American stock.

The present situation is the result, first, of unemployment; second, of the differences in relief standards in various States; third, of drought conditions, floods, and similar natural catastrophes; fourth, of the development of large-scale and more or less industrialized agriculture in the Nation; and fifth, of depressed conditions among farm tenants.

The problem is Federal and not local, and can only be solved by Federal action, in cooperation, of course, with the States. To try to solve it locally would be to aggravate conditions in one part of the Nation. The approach to the problem must be twofold: First, an earnest attempt to do the best we can to relieve the present hardships; and second, an attack on its underlying causes.

Roughly, three things need doing at once: (a) The establishment of decent living conditions for migratory labor; (b) a Nation-wide agricultural employment service, operated in connection with Government-operated migratory labor camps; (c) Federal participation with the States in meeting the problem of transient relief.

II. CONDITIONS AMONG TRANSIENT PEOPLE IN CALIFORNIA

Conditions among these wandering people as they exist in California, the State which receives by far the largest number of them, are probably typical. A few glimpses of such conditions are given here:

The survey found some of the men sleeping on cement floors in jails, or on dirty quilts on an unwashed wooden floor in an unventilated room in a private agency shelter, or on double-decker iron bunks without mattresses or bedding in dormitories with several hundred others. Some men were securing means consisting of dry bread or rice and coffee in a shelter or a mission in one of the larger cities, or perhaps sharing one dish of beans with five others at the back door of a hospital. Some were living at a subhuman level in jungles along the river, or near the railroad tracks, or out on the desert. Some were panhandling on the streets. Many were sick and weary, hungry and bitter. (From a 1936 survey by the California State Relief Administration.)

In the summer of 1936 the bureau of tuberculosis of the State department of health made a survey among the transient workers in Riverside, Imperial, and Kern Counties, Calif. Out of 70 families visited, there were 84 cases of tuberculosis reported. Nineteen of these cases were between the ages of 30 and 40, and 15 between the ages of 12 and 18. Of the contacts, there were 72 children between the ages of 6 and 12, 57 between the ages of 12 and 18, and 42 between the ages of 18 and 30.

Therefore, while Californians have felt that there were sufficient beds to take care of the tuberculosis problem in the State, it will not be possible, in the counties where the migration is heaviest, to handle these cases. One county has had to double the size of its tuberculosis wards.

From February to June 1935, when the case load of unattached men aided by the Federal Transit Service in California was averaging about 35,000 a month, the State central office requested a weekly report from each unit of the men's bureau with regard to the number of communicable diseases reported. The reports for the entire period totaled 5,436, and of these 4,340 men were afflicted with social diseases. Three-fourths of the latter cases were so serious that they would require extended treatment.

Most migrants live on roadsides—some in more or less primitive trailers, some in tents, others on the bare ground—or in squatter camps in shacks built out of any old rubbish, lacking the elements of sanitary living. Drinking water often has to be purchased at so much per bucket and hauled a distance. Others take water out of rivers or irrigation ditches for cooking as well as washing. Toilets are either lacking or completely inadequate, and in the absence of sanitary outlets dish and laundry water is thrown on the ground. Conditions such as these cannot but be a menace, not only to the migrant families involved but also to the entire community in which such deplorable conditions are allowed to prevail. (From "Why Plan Security for the Migratory Laborer", given before the California Conference for Social Work, May 12, 1937, by Eric H. Thomsen, regional sociologist, United States Department of Agriculture.)

With chronic unemployment as a background, the significance of migrations during these drought years is multiplied. In fact, leading farm operators have stressed this influx as placing California's chaotic agricultural labor conditions outside the operators' individual or collective responsibility.

While the addition of these out-of-State migrants to those now resident obviously adds to the unsettled employment conditions, these persons bring with them equally important but less apparent problems in settlement, relief, housing, health, and living standards with which neither governmental agency nor private individual is adequately prepared to cope. The extent of these problems, in fact, has hardly been realized, much less attacked in a cohesive and intelligently organized manner. (From a paper on Drought Refugee and Labor Migration to California in 1936, by Edward J. Rowell, published in the Monthly Labor Review (December 1936) of the Bureau of Labor Statistics, U. S. Department of Labor.)

As of this date—July 1937—there are estimated to be 70,000 Dust Bowl refugees living in San Joaquin Valley, Calif., under conditions of unbelievable hardship for themselves and of positive danger to the health and social fabric of the State of California.

These 70,000 people are new arrivals, and it is important to remember that California agriculture hires at a maximum about 150,000 workers in the course of its harvests, that W. P. A. laid off approximately 50,000 people in California in the summer of 1936 "so that they might take seasonal work in agriculture", that W. P. A. never rehired these 50,000, and that W. P. A. is attempting at present to reduce still further its rolls. Normally, over a period of years there has been an unemployment situation among agricultural workers in California, the proportion running around 150 workers for every 100 jobs. When to this is added the tremendous influx of migrants plus the lay-offs from W. P. A. the problem for California is clearly a staggering one.

III. A DANGEROUS LABOR SITUATION

A most important phase of the situation is the strong possibility of bitter and possibly violent labor conflict. Whenever people in large numbers are forced and allowed to live in miserable conditions they naturally have almost nothing to lose and possibly a good deal to gain from attempts to better their conditions and raise their meager incomes by strikes. Their very large number, and, again, the very misery of their conditions, naturally arouses a very real fear in the minds of landowners and farmers who employ seasonal labor. Antiunion propaganda adds to this feeling. More fundamentally, it is almost inevitable that a tremendous supply of destitute laborers will lead to a forcing down of wages, which, in turn, will mean a smaller output of work per man-hour. A strike in agriculture is, of course, a far more serious matter than one in industry. There are three major reasons for this. First, many farmers are themselves hard pressed financially and the loss of a portion of their crop may be disastrous. Second, crops awaiting harvest are often perishable, and a protracted strike may entail great and irretrievable loss. Third, the farmer, unlike most other producers, does not, except in rare instances, have any control over the price at which he is to sell. When placed side by side with the even more desperate plight of uprooted, penniless, and destitute laborers, the elements of a serious struggle are all present. And with so much excitement over the Nation about the labor situation generally, only a tiny spark might set off a serious and tragic conflagration in circumstances of this kind.

IV. WHAT IS TO BE DONE?—FIRST

(A) The establishment of decent living conditions for migratory labor.

That decent living conditions can be provided, that the migrating people appreciate them, and that such action leads to a great many highly desirable and no undesirable results have all been demonstrated in the migratory labor camps constructed by the Resettlement Administration in California.

A brief description of the camps is given by Mr. Walter E. Packard, of the Resettlement Administration, as follows:

They are simple affairs, consisting of series of camp sites 30 feet square, arranged around central and stationary wash trays

with hot- and cold-water faucets. Several of these groupings are constructed to each camp. Board floors are provided on which tents can be pitched. Fast-growing shade trees are planted throughout the camps, and pending the time when the trees will be large enough to furnish shade, ramadas are provided as protection from the direct rays of the sun. A central community house serves as a meeting place where gatherings of all kinds are held. A baseball diamond and horseshoe courts provide recreational outlets for the men. Playgrounds are provided for the children. Sewing machines in the community house enable the women to mend their clothes. All is managed in a democratic fashion by camp committees, which take the responsibility of keeping the camps in running order. No feature of the camp program has proved to be more startling than has the working of these committees. If a family is destitute or in want the camp welfare committee sees that the essential needs are provided.

There is a Government supervisor in charge of each of these camps and a nurse is on duty as well, supplied by the Public Health Service. People have opportunity to keep clean. They have a place where they have an unquestioned right to camp and live and are no longer forced to camp on someone else's property, along a roadside, or on the banks of a canal. Health can be supervised and cared for. Self-respect has returned. Ten cents a day rent is paid for the accommodations and camp committees take a major share of the responsibility for the upkeep of the place.

Improvement of the living standards of agricultural workers, such as takes place among those living in the Resettlement camps, has several very constructive consequences. First, it removes the worst menaces to health and morals. Second, it improves the spirit and morale of the people. Third, this not only places them in a position to ask for better wages but enables the ranchers and farmers to be able to afford to pay them better wages. Fourth, certain of the farmers are said to be developing a tendency to mingle socially with the workers in the camps, which makes, of course, for far better feeling and greater understanding between the two groups. Finally, under circumstances like these, a more capable class of workers is attracted to these farm-labor jobs, which in turn sets in motion another upward spiral of conditions like the one already described.

Although at first there was some local opposition to the establishment of the camps by the Resettlement Administration, a more recent tendency is for Californians themselves to take similar constructive action, and a strong movement seems to be on foot within the State to see to it that decent accommodations are provided for all migratory agricultural workers. Public opinion is becoming aroused as it has never been aroused before on this great social question. The San Francisco Chronicle, for example, remarked editorially that:

> Armies of migratory workers are living under conditions that would not be tolerable in pigpens. The condition is horrifying to every humane instinct and a deadly menace to health, not to the miserable migrants alone but also the residents of wide areas in California. Further, there is being bred a spirit of revolt and despair that is a vicious and unnecessary addition to the already abundant problem of migratory labor. * * * It is a situation in which it will be the best possible politics to lay aside politics and meet an emergency that will not wait.

The problem obviously will not wait. Excellent as the work done by the Resettlement Administration has been, it is only a tiny drop in the bucket. The three California camps in operation accommodate only 500 families. Four more are under construction. These will accommodate an additional 700 families.

The cost of maintenance and supervision is about $9,000 per year per camp. The cost of construction runs between $40,000 and $80,000, depending upon the type of plumbing facilities, sewage disposal, and similar equipment which is used.

For many reasons there is only one agency in the Nation which can properly handle the work of camp supervision or coordinate a program for dealing with the problem of migratory agricultural labor. That agency is the Federal Government. This does not mean that State cooperation and financial participation should not be sought. It does mean that the problem is interstate and can only be dealt with on an interstate or Federal basis.

California, indeed, is not to be blamed for the fact that she has been called upon to shoulder the burden of employing or providing relief for thousands of families from other parts of the Nation. She is entitled to Federal action on this problem that she cannot handle alone.

But that action cannot be confined to the camps already built in California. This problem cannot be solved in the State receiving migrants alone. Indeed, the action of the Resettlement Administration in rehabilitating families of the drought region in sections adjacent to it has probably helped California quite as much as the work done within her own borders. Until decent living conditions for all migrating workers in all States are established, until a system of Government camps has dotted all portions of the Nation where migratory labor is an important factor in agriculture, California's dangers will not be past.

California needs more migratory labor camps in California. She also needs more migratory labor camps in Arizona, Texas, Oklahoma, Colorado, and many other States. Otherwise people in desperate need of work will flock to California in even larger numbers than has heretofore been the case.

V. WHAT IS TO BE DONE?—SECOND

(B) A Nation-wide agricultural employment service.

But the provision of decent living conditions alone will not solve this problem. Along with them must go a further development of the excellent work already begun by the United States Employment Service.

Farm Placement Service directors are already at work in important centers throughout the Nation. District and county managers for State and Federal Employment Service send in reports to them regarding employment opportunities, or the lack of them, in their districts. Such reports include, so far as possible, the number of local workers who are available, the number of jobs and when they will be open, and the number of additional migratory workers who can hope for employment there.

The structure is already set up. What remains to be done is to broaden the scope and increase the efficiency of the work. This will require an annual appropriation by Congress of perhaps $100,000 for the Farm Placement Service, and it will require the development of one unified employment service throughout the Nation. Two important developments should also be brought about as speedily as possible. If farm employers can gradually be induced to apply for labor to the United States Employment Service rather than elsewhere, and if the Employment Service can succeed in bringing about the voluntary registration of workers for employment, then the supply and demand for agricultural labor can be coordinated and great good accomplished for all concerned. The useful functions of the Government labor camps in connection with this should be evident.

The location of these camps should be determined, obviously, on the basis of a careful study of employment opportunities in various regions and the routes of movement of migratory workers.

In every camp there should be a Government official in charge. He should receive regularly from the Employment Service full information as to where and when workers will be needed in all regions of the Nation. Bulletins should be posted and every effort made to get widespread circulation of this information among all migratory workers. Calls for additional workers from farmers in a given region could thus result in the routing of workers to that region. News to the effect that another region already had received all the workers it could hire would result, on the other hand, in a checking of the flow of workers there.

A Federal system of clean, simple camps for migratory workers, together with a Federal employment service, offers the best immediate solution to our very serious problem of wandering agricultural workers and their families in America.

The bulk of our migratory people today are not chronic itinerants but substantial, earnest American people who

have been forced to flee from their former homes by drought, flood, unemployment, or some other condition beyond their control. Our ultimate aim should be to assist them in every proper way to settle down, perhaps on small subsistence farms, in regions where they can obtain work on surrounding farms for a considerable portion of the year. In this way it may be possible to stem this ebbing and flowing tide of migration and to assist a substantial group of Americans to follow that way of life—the way of the farm—which has formed for so many years the foundation of our national life. Already the Resettlement Administration is attempting to bring about this result in connection with one of its California camps. This effort should have the interested attention of everyone who is sincerely concerned for our country's future.

VI. WHAT IS TO BE DONE?—THIRD

(C) Federal participation in meeting the problem of transient relief.

The migratory agricultural labor problem must be distinguished from the problem of penniless newcomers seeking permanent residence in a new State. This problem confronts southern California particularly. Insofar as many of these newcomers are from farm sections of the Middle West who can easily fit into agricultural jobs the two problems are somewhat related to one another. But the constant influx of uprooted people which has brought to California each month an average of about 6,000 persons "in immediate need of manual employment" over the entire period of the depression can never be met merely by dealing with it as a migratory-labor problem.

This great movement of the people is a phase of the unemployment problem, a phase of the farm-tenancy problem, and of a dozen other large national problems. People do not leave home if they can help it. The best thing that could happen to California, for example, would be a return of better conditions in the "dust bowl" and a raising of relief standards or an increase in employment in the Middle West.

Meanwhile, however, since obviously this problem of a new migration of destitute folk is an interstate and therefore Federal problem, it seems no more than a matter of justice for the Federal Government to participate in the care of these people, and nowhere is the necessity of Federal aid more apparent than in the matter of medical aid. About one out of every nine tubercular patients being cared for at public expense in Los Angeles County has been in the State of California less than 1 year. Nor does this reveal the true extent of the need, for newcomers have every reason to conceal the fact that they are afflicted with communicable diseases for fear that if they accept county aid they will be sent back to the State of their former residence, where, frequently, there is nothing to go back to. Unless Federal action is taken California and a few other States similarly situated are penalized for the very fact that they maintain relatively high standards of relief and public health service.

California faces a problem today almost exactly parallel to the problem faced by the United States during the period of unlimited immigration into the country, except that California's problem is rendered doubly acute due to the fact that a large amount of unemployment exists in that State at the present time and due to the further fact that a disproportionate number of people in California are persons of advanced age who have moved there in recent years.

Official figures indicate that an average of 6,000 people in need of immediate employment or relief have entered the State at three border stations in every month of the depression years. The census of 1930 showed that California had in that year 4.7 percent of the Nation's population. During the past year, however, 12.3 percent of the Nation's total transient population has received aid from the State and counties of California.

The problem of transient people is the Federal phase of the unemployment problem and should be a Federal responsibility.

Although employment and business activity have both increased in California, as in the rest of the Nation, this increase has apparently been drawn, as would naturally be expected, from that group of unemployed people who have managed in the past to keep off the relief rolls and who have, as a rule, not been employed by the W. P. A.

The case of Los Angeles County is typical and perhaps the most serious of any in the State. In that county the board of supervisors provided $24,000,000 for direct relief to so-called resident indigents for the fiscal year 1937–38. At that time the expectation was that there would be an average of 13,750 resident-indigent cases per month. This figure has increased to 16,200 cases, or about 40,000 persons. To make matters worse, each relief dollar buys less than it did before.

Los Angeles County has been for years a concentration point for aged people who have moved there to spend their declining years. The depression has rendered many of them penniless. The operation of the Federal Social Security Act, with which California is cooperating, has increased the average case load of the Los Angeles County Department of Charities for aged aid from 8,000 in the year 1935–36 to 25,000 in 1936–37; this is entirely exclusive of the classification of "resident indigents."

In February 1937, 71,549 people were dependent on the State relief administration in California. Of these, 44 percent were in Los Angeles County; and of these 71,549 people, 58,000 were classified as "employables" and able and willing to work, and therefore eligible to W. P. A. employment. Some 30,000 had already been examined and investigated and were awaiting assignment to W. P. A.

During the summer of 1936 W. P. A. employment in California was cut to its lowest point up to that time, namely, to approximately 104,000; this reduction was accomplished because something over 50,000 were laid off during the harvesting season to go into agricultural employment. Most of these people were never taken back on the W. P. A. and are still dependent on direct relief from the State relief administration. Such agricultural employment as may become seasonally available in 1937 should therefore go to this group.

It is obvious that all of the newcomers to the State, however, are ready to accept almost any kind of employment and almost any kind of wages. This renders it very, very difficult to maintain a decent standard of wages in California and, as has already been pointed out, adds tremendously to the relief burden of the State and its counties.

There are a number of sound ways in which the Federal Government could discharge its obligation in this matter.

First. States and counties giving free medical care and hospitalization to needy nonresidents could be compensated for this service by the Federal Government by a system of grants-in-aid on condition that all such persons be given proper medical care in the interest of national public health. At present there can be no doubt that hundreds of them afflicted with communicable diseases are receiving no treatment at all. This condition obviously constitutes a menace to the health of the entire Nation.

Second. An amendment to the Social Security Act might provide Federal grants-in-aid to the States in proportion to the number of nonresidents for whom public relief has been provided, on condition that the States do not discriminate against nonresidents in the matter of relief.

Third. W. P. A. quotas might be adjusted in such manner that nonresidents employed in any State would be charged not to the quotas of the State in which they are employed but to the State from which they came.

Fourth. Increased Federal aid could be given to distressed areas which contribute most largely to this new westward migration.

All in all, consideration of this problem reemphasizes the facts that unemployment is a problem of national scope and that a Federal program of constructive public works is vastly preferable to "leaving relief to the States and counties." As a matter of fact, California and other States to which

transients go would be helped far more if this population movement were checked at its source by constructive measures than if attempts are made to deal with it exclusively within their own borders. California needs Federal aid to help meet its nonresident relief problem. But a far more constructive approach, from the standpoint of California, is Federal action to guide, stabilize, and reduce this whole migratory movement.

VII. GETTING DOWN TO EARTH

It must be clearly understood that in everything that has been said so far in this paper we have been dealing only with symptoms and immediate relief of those symptoms and not with causes or their correction.

Basic to this whole problem are two things—unemployment and the vast changes going on in agriculture. Particularly has the dislocation of agriculture affected this migratory movement of our people. In certain sections of the South and Middle West conditions of farm tenants have been so difficult and precarious that they have simply given up an apparently hopeless struggle and moved west. In other sections the introduction of tractors and the coming of mass-farming methods is causing the replacement of men by machines in agriculture; one tenant family does the work of four, and the rest go to California. Drought and flood, erosion and depletion of soil fertility add their toll and, true to American habit, the people move west.

The solution to this more fundamental problem can hardly be suggested here except to say that it clearly involves the following: (1) Passage of the Norris bill to set up eight regional conservation authorities over the Nation, (2) extension and development of land-use planning, (3) careful governmental control of the development of all lands newly brought into cultivation by irrigation or otherwise, (4) an increasing use of cooperative methods among small farmers.

Let Common Sense Prevail—Repeal Capital Gains and Losses Tax

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. CELLER. Mr. Speaker, I have come before the Congress today to present to you some facts concerning the taxation of capital gains and losses. This tax has had a long and infamous history. It has given rise to much adverse criticism and has worked continued hardship on our people. It is safe to say that no other provision of our revenue act has been changed so often or so radically as has the sections dealing with capital gains. One internal-revenue official recently remarked that he believed 99 percent of the American tax difficulties grew out of the capital-gains tax.

Contrary to European experience, we included a tax on capital gains in our original income tax of 1913. The justification for not following the European custom seemed to lie in the mistaken philosophy that this country would never experience capital losses but only capital gains. As a matter of fact, our income-tax law of 1913 taxed capital gains as ordinary income and never even recognized capital losses at all. After constant criticism and dissatisfaction, Congress modified the law in 1916 and allowed capital losses to the extent of capital gains. Finally, in 1918, capital losses were allowed to be deducted in full from gross income in arriving at taxable net income.

Three years later, in 1921, the pendulum swung to the other extreme, when Congress gave special preference to individuals who held capital assets for 2 years or more. Under this act the individual taxpayer was given the option of paying a flat tax of 12½ percent on the capital gain derived from these assets. However, the law still permitted individuals having capital net losses to deduct these in full from their other income. Now the Government was being discriminated against, because individuals having capital gains never choose to pay more than 12½ percent on their gains, while those individuals having deductible capital losses were under no such limitation.

It took another 3 years to correct this maladjustment and obvious discrimination against the Government. The Revenue Act of 1924 provided that capital losses could not be deducted from ordinary or current income if the result was to reduce the normal and surtax by more than 12½ percent of the amount of the net capital loss. In other words, this act of 1924 placed capital losses and gains on an equitable footing. With more or less minor changes, this system prevailed until 1932. At that time the deduction of capital losses from income began to exert an adverse effect on the Treasury. In an effort to bolster the revenue receipts at that time, a clause was inserted in the revenue act which limited losses from the sale of stocks and bonds held less than 2 years to the amount of gains from similar sales. In reality this meant that any excess of these losses over gains resulting from short-term investments could not be deducted from the other income of the taxpayer. The act, however, did allow such excesses to be carried forward 1 year and applied against short-term gains of the next year. The National Industrial Recovery Act nullified this last provision in reference to the carrying over to the subsequent year this excess of short-time losses over short-time gains. The pendulum was now swinging in the direction of favoring the Government and against the taxpayers.

Finally in 1934 the taxation of capital gains and losses was completely revised. In the case of private individuals a stated percentage of the capital gain or loss is taxable, depending upon the length of time the capital asset has been held. In the case of corporations, capital gains are, for all practical purposes, treated as ordinary income. Capital losses of both individuals and corporations are recognized as deductions only to the extent of capital gains plus $2,000. The pendulum had now swung, and still remains, way off to the side of the Government. Capital gains are taxed as additions to current income; losses may not be treated as deductions from current income. Thus, after almost a quarter of a century we have made a complete circle and are just about in the same position as when we started—a position admittedly weak from any standpoint of justice.

A capital gain or loss is the difference between the cost or other basis of value of a capital asset and the amount realized upon the disposition or sale of the asset. Ordinary income arises from wages, salaries, produce from the farm, returns from profession or business, rentals from real estate, interest on bonds and dividends on stocks.

We all realize that capital gains and losses are different from ordinary current income and losses and should be treated differently. This fact has been clearly recognized by most foreign countries.

Great Britain and her colonies, small and great, do not as a rule tax capital gains, and neither do they allow credit nor deductions for capital losses. France has a system similar to England's, so far as individuals are concerned, in that it does not tax the ordinary capital gains nor allow a deduction for the ordinary capital losses. Germany ordinarily does not tax capital gains, but does attempt to tax speculation gains from securities held less than 1 year or real estate held less than 2 years. In short, practically all the important foreign countries do not tax the individual upon the gain realized from sales of securities or other property when such sales do not occur as a part of his business.

Unfortunately, in this country we have given income an artificial definition for tax purposes and have failed to recognize the distinctions between capital and income. Capital is the stock from which income flows. We are justified in

taxing this flow, but a tax on the source is unjustified, since it interferes with the flow of income. It gets right back to the trite but often too tragically true story of killing the goose that laid the golden eggs. I have sought to bring order out of our present chaotic condition by eliminating from the computation of taxable income all capital gains or losses resulting from the sale or exchange of a capital asset if held for more than 1 year. Thus, the bill which I have introduced imposes a tax of gains on capital assets held less than 1 year, because this appears to reach the ordinary speculator. No one desires to let him out of taxation when that is his principal means of making a living. At the same time, I believe that my bill would correct most of the evils which result from the present law.

Let us examine these evils more closely. In the first place, the present law, in taxing net capital gains, but not allowing deductions of net capital losses, is undesirable. As Mr. Lovell H. Parker, chief of staff of the Joint Committee on Internal Revenue and Taxation, stated:

> The present system of treating capital gains and losses has one glaring inequitable defect which must be obvious to all and which can only be defended on the ground of expediency. This defect results from the fact that capital gains are added to ordinary income, but capital losses can only be deducted to the extent of the gains, plus $2,000. Under this system it is entirely possible for a man to have capital losses of $1,000,000 and other income of $1,000,000 and still pay a tax of about $650,000. Thus he is poorer at the end of the year by the total amount of the tax.

Is this fair? Is this American justice? I refuse to believe that this Government is so hard up for money that it is necessary to keep this inequitable tax alive on our statute books.

But there are other reasons equally or even more valid than this one just mentioned which lead me to advocate the repeal of the present capital-gains tax. The tax, as it now stands, is a barrier to a more complete recovery, and an ever-present danger to the prosperity of our people. It interferes with normal business transactions, and tends to accentuate the fluctuations of the business cycle, by helping to produce bigger booms and deeper depressions. Bigger booms result when people and corporations refuse to take profits from the increased paper value of their stock. Thus, in a perfectly natural and normal manner, the tax tends to keep persons who have made a paper profit on a rising market from selling, because their paper profits cannot be realized in cash without the Government taking a large part in taxes.

In effect, it is not a tax upon income but a fine upon an owner for selling a capital asset. It is well known that prosperity brings a definite increase of buying power, which causes prices to rise. This price advance is made more rapid because more sellers are unwilling to sell. If the present capital-gains tax would be repealed, individuals and corporations would be more ready to realize profits from their securities, and if prices increased they would tend to sell more quickly. This continued selling by keeping prices from going too high would help to prevent an unwise boom and the resulting collapse which might otherwise take place.

The evil consequences brought about by holding capital assets for too long a period is not confined to the stock market. The same fossilization of ownership is not good for the country.

According to Hon. Morris Tremaine, the distinguished Comptroller of the State of New York, the levy on capital gains keeps landowners from liquidating their capital assets and induces this group to allow their land to lie idle. The result is that builders find it hard to purchase large-scale tracts at suitable prices. In the long run society suffers because the home owner must pay more for his home, the renter more for his apartment, while more laborers go unemployed. Capital funds lie dormant because fewer homes are built. Truly the tax places a penalty on action and a premium on loafing.

This enforced idleness of capital assets prevents money and capital from entering those businesses and enterprises that will yield the greatest returns. The present capital-gains tax tends to restrict and hinder both individuals and corporations from selling capital assets and transferring their capital and money to a more productive enterprise. This is especially detrimental to new enterprises where the risk is great. Thus, if a company producing automobiles saw a chance to go into the business of producing trailers, it may not do so because it might not be willing to incur a tax on capital gains which would result from the sale of the capital assets used in the production of autos. They would keep their capital tied up in the production of automobiles, even if they believed that their capital would be more productive if employed in building trailers. The same restriction on the transference of capital to more productive enterprises is felt by countless individuals as well as corporations. Why should a person employ his capital at the risk of loss if his prospect of gain is complicated by a factor whereby only the gain, if ever realized, is taxed, but no deductions made for any losses?

In a similar manner the prospect of a tax also hinders normal business reorganizations and expansions because of the reluctance of stockholders to exchange their old securities for new ones, since they may have to pay a capital-gains tax.

Likewise, the tax makes it extremely difficult to simplify corporate structures because the liquidation of the subsidiary companies may be possible only through the payment of huge capital-gains taxes either by the corporation, their stockholders, or both. It often happens that one corporation will purchase or otherwise combine with another corporation that has been in existence for some years. Assuming that the corporation being bought had been successful, the value of its capital assets, including goodwill, would be much greater than they were when it was organized. This capital gain would become taxable, if ever realized. The obvious way to avoid the tax is to never realize the gain by simply keeping the corporation theoretically alive as a separate subsidiary corporation. Hence, the capital-gains tax stands in the way of simplification of corporate structures.

The stagnation of industry is bad for the country in another way. Joseph P. Kennedy, formerly Chairman of the Securities and Exchange Commission, stated that—

> The capital-gains tax retards the velocity of the circulation of money by discouraging the taking of profits and reinvestment in other commodities. If profit-taking were encouraged, business and national economy would benefit by the increased purchasing power thus generated.

This increased activity would be of direct benefit to our Treasury. We all realize that every time business takes a jump the Federal Treasury receives more in taxes. The capital-gains tax has not been productive of great revenue to the United States Treasury. Estimates of its yield vary considerably, but it is doubtful if it has yielded recently much more than $25,000,000 a year. This loss to the Treasury of the United States would be more than offset by gains in other taxes. The increase in the volume of stock turnover alone would be considerable. Morris Tremaine and others have estimated that this increase in securities trading would be about 25 percent. This alone would mean an increase of at least $15,000,000 to the Federal Treasury and an increase of about $9,000,000 to New York State. Similar increases would be readily discernible in other States. The Treasury of the United States would also experience an increase in income taxes, the receipts of which would grow in proportion to the growth of business.

As a revenue producer the present capital-gains tax has another grave defect. Its presence in our income-tax law has led to great fluctuations in our revenue receipts. The average annual revenue from the United States income tax for the period 1923–33 was $1,915,000,000, as compared with an average of $1,621,000,000 in Great Britain during the same period. In this country, during our worst year, 1933, we collected only $747,000,000, whereas in no year did Great Britain receive less than $1,436,000,000. Conversely, our best year, 1924, saw our income-tax receipts rise to the abnormal height of $2,842,000,000, whereas Great Britain's never jumped above $1,936,000,000. This comparison of our revenue collections with those of Great Britain indicates our

failure to achieve stable revenues from the income tax. The variation of our yield was some 280 percent, while in Great Britain it was only 35 percent. Moreover, our worst year was 61 percent below the average, while Great Britain's was only off 11 percent from the average. These figures are not guesswork, they were reported in December 1933 by a subcommittee of our Committee on Ways and Means. All of which proved that not only is the capital gains provision the cause of an unstable revenue but also that it increased the revenue when it was least needed and greatly decreased it when it was most needed. In addition to all this, the rate of the tax on capital gains and losses, like all tax rates, dropped during prosperous periods and was increased during depression years. This resulted in taxing capital gains at low rates and allowing capital losses at high rates.

The modification of the capital-gains tax in the manner I have suggested would also go a long way toward remedying other evils and inequities so noticeable at the present time. I refer to the flow of American funds to foreign countries, such as Canada and England. These funds are used largely to purchase and sell American securities in these foreign markets. This causes not only a direct loss of revenue to our Government but also interferes with the control of American securities by our Securities Exchange Commission.

The problem of tax-exempt securities would be ameliorated, since there would no longer exist as much pressure on the wealthy to pile up their funds in tax-exempt securities.

The problem of levying real taxes on only apparent capital gains, due to changes either in the price level or the purchasing power of money, would also be overcome. Capital gains are often the result of inflation or the reduced purchasing power of the dollar. What is the real capital gain to a farm owner who finds, on selling his farm, that its dollar value has increased from $5,000 to $10,000, if the prices of everything he buys have also doubled? The capital gain would be offset by the increased cost of living, and in a relative sense the farmer is no better off than he was before. Yet he would be forced to pay a capital-gains tax on the depreciation of the dollar.

It has been known for a long time that the capital-gains provisions penalized the weak. The weaker and usually poorer persons who are compelled to sell, must pay the tax. The stronger and usually richer taxpayers who are not forced to liquidate their properties and who can pick or choose the most favorable conditions for tax purposes may pay no, or little, taxes. The present tax is fundamentally inconsistent with the ability to pay, since it does not take the same cognizance of capital losses as it does of capital gains, and since it taxes in 1 year the fruits of a lifetime of toil and effort.

Finally, the elimination of capital gains and losses from our tax system would be a great step in the direction of a simplified tax sytem and would help to cut down tax avoidance. No matter what we do to our income tax, it will be in the last analysis a self-assessed tax. Unreasonable provisions lead to the use of unreasonable methods to avoid the tax.

I believe that the passage of my bill, H. R. 7152, is highly desirable because it would (1) strike a true balance of equity between the Government and the taxpayer; (2) simplify greatly the problem of taxable income by distinguishing clearly between capital and income; (3) do away with the present "glaring inequitable defect" of taxing all capital gains as ordinary current income and not allowing capital losses to be deducted from ordinary current income; (4) make for the greater lasting prosperity of the country; (5) increase the employment of labor; (6) help to minimize upswings and downswings of the business cycle, and not magnify them, as does the existing capital-gains provisions; (7) encourage capital and labor to be used in the most productive pursuits; (8) permit simplification of corporate structures and facilitate the abolition of unnecessary holding companies; (9) increase the velocity of and the circulation of money; (10) increase the total revenues of the Federal Government, and also those of our State and local governments; (11) stabilize our income-tax revenue, especially during depression years; (12) curb to a large degree the outflow of American capital to foreign countries; (13) do away with taxing capital gains resulting from inflation or changes in the price level; (14) bring our tax law more in conformity with the taxpayers' ability to pay; and (15) exert a wholesome influence on cutting down tax avoidance.

Certainly the realization of all of these aims by so simple and reasonable a measure as that proposed here should not be thwarted by Congress.

Let common sense prevail.

Comments on the Roosevelt Administration

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, July 29 (legislative day of Thursday, July 22), 1937

RADIO ADDRESS BY HON. GEORGE L. RADCLIFFE, OF MARYLAND, ON JULY 22, 1937

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address on the Roosevelt administration, delivered by my colleague the junior Senator from Maryland [Mr. RADCLIFFE] on July 22, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It has frequently been said that no two observers of a battle agree in their description of what they see. This divergence in description is due to various causes. For instance, no one engaged in a battle can see more than a small part of it. Then, besides, the judgment of the observer as to the relative importance of happenings is likely to be lopsided. Since he sees only a few of the many things that happen, then naturally his realization of the significance of what he sees is inadequate at best. But after the battle is over, time brings more information and a calmer and more detached judgment, and the result is a larger and clearer perspective.

It seems to me that there is quite a bit of analogy between the illustration which I have given and the political and economic events in this country during the last few years. No one now, to be sure, needs to be informed that the depression brought to us some of the severest problems and disasters which we have ever faced. No one now has to be told that many of those problems have been solved and that substantial headway has already been made in working out many others. A complete story of what happened during those days may never be told, but we know enough to have a good perspective and to be able to gage many results with a considerable degree of assurance and success.

Everyone knows that the Roosevelt administration has been criticised more severely than almost any other administration in the history of our country. Again and again efforts have been made to show that certain measures of economic character undertaken by Washington were not happily conceived nor wisely directed. A significant fact, however, is that the critics are exceedingly sketchy and vague when attempting to suggest alternatives. Criticism naturally may be leveled at certain features of the Roosevelt program, and properly so. History, however, will not be satisfied with a few specific objections but will demand that its verdict of efficiency for the Roosevelt administration should stand unless it can be shown that the general program was basically wrong. Nothing of that sort has been done nor is likely to be done. Republicans had this opportunity in the campaign of '36. You remember well what happened. They conducted their campaign without criticising the major policies of the Roosevelt administration. Their campaign was little more than a statement that the Roosevelt policies in the main were sound but that the Republicans could handle the program much better.

When critics of the Administration are at a loss for something concrete to find fault with, they often content themselves with stating that if the business situation, grievously harried as it was, had been let alone, it would have righted itself. What they do not attempt to show is how the country could have endured during the interval before recovery. For instance, a man is in the water

and is about to drown. A voice from the shore calls out to him, "Don't be frightened. Be patient. In a few hours the tide will go down and you can wade ashore." The suggestion of the critics of the Roosevelt administration that economic and financial conditions in our country would have righted themselves if let alone is just as preposterous and ghastly as the advice given by the voice from the shore to the drowning man.

Another characteristic of people engaged in battle is that they do not have a fair idea of averages, whether of success or failure. The success or failure of the fighting in the neighborhood of a participant looms big for the moment and obtains an importance which is all out of line with any proper sense of proportion. You and I, as business men and women, are consciously or unconsciously endeavoring constantly in retrospect to judge by the law of averages. We do not demand that everything we do must be always successful. We are satisfied, and justly so, if the average is good.

The people of the United States took stock of the Roosevelt administration. They looked at it in an analytical and, at times, highly critical spirit. They reached the fair and just conclusion that a sound theory of averages justified the reelection of President Roosevelt and the Democratic Congress. And that conclusion was proclaimed in the most emphatic way in the history of American politics.

This is no time to discuss local conditions or activities in any particular locality. I would like very briefly to refer, however, to one or two. We in Maryland promised President Roosevelt that if he would permit us to carry out what we called our Maryland program in regard to the P. W. A. and the W. P. A., we were confident a businesslike handling of worth-while projects would result. President Roosevelt heard us very fully on the subject and analyzed our plans with a great degree of particularity. He, with the concurrence of Secretary Ickes and Mr. Hopkins, approved our program, and it was carried out substantially in Maryland as planned.

The acid test as to whether or not that program was a successful one was shown in the policy during the campaign of 1936 of the opponents of the Roosevelt administration. As chairman of the Democratic Campaign Committee in Maryland, I was naturally in quite close touch with the situation. Never did the Republicans attempt to show that the W. P. A. or P. W. A. program in Maryland was wrong in plan or in execution. The tacit acceptance of our program was the most convincing evidence that could have been offered that the Republicans could see no substantial basis for criticism.

The legislation which has been passed by Congress and put into operation is, on the whole, standing the test of experience remarkably well. Doubtless experience will suggest from time to time specific changes which should be made in some of this legislation, but it is highly significant that there is no demand at this time for the repeal of any substantial part of that legislative program, nor has there been any such demand in the past. The critics have had ample time, both before and since the campaign of 1936, to advocate repeal of the Roosevelt legislation, in whole or in substantial part, but they are not doing it, and no one really expects them to do so.

It was inevitable that the wide scope of the program of the Roosevelt administration and the large variety of special features in it should have caused decided divergence of opinion in regard to various aspects of that program. There are those of us who have doubted the wisdom of certain trends in governmental policies advocated by the Roosevelt administration, and we will continue, of course, to indicate our differences of opinion whenever we think we should do so. I feel very strongly, however, that the sound theory of averages should prevail in regard to the results achieved by the Roosevelt administration similar to that law of averages which we apply so generally and so freely in all of our other activities, whether political or private.

For 30 years I have been an executive of a corporation doing business in every State in the country. Naturally it has been necessary for us to operate through local agents and managers. Such an agent or manager who does excellent work is retained in office and authority. An executive would be foolish to expect 100 percent efficiency. Here again a theory of averages ought to apply. Of course, the American people are the business executives in a collective sense of this country. They demand that their representatives should make good. Any political party in charge of our government must show a satisfactory record of its stewardship, otherwise it will not be continued in power. The Democratic Party has met that test with flying colors. Any wise and farseeing business executive would certainly continue managers in office whose average degree of success is as high as that of the Roosevelt administration. The people thought so in 1936. They haven't changed their minds since then.

President Roosevelt with indefatigable industry has applied himself to the study and handling of the problems of our country. He has done so as vigorously and as unsparingly of himself as any other President in our history. He has overcome obstacles terrific in nature and extent. Now that the fight to live through and to conquer the depression is so much behind us, it is easily possible for us to see that any proper application of a sound theory of averages and of a due regard for relative values carries us irresistibly to the conclusion that the Roosevelt administration has been one of the most successful in the history of our country.

Restriction of Immigration

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, July 29 (legislative day of Thursday, July 22), 1937

LETTER FROM THE ASHEVILLE CITIZEN

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter relative to the restriction of immigration, published in the People's Forum of the Asheville Citizen under date of July 18, 1937.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Asheville Citizen of July 18, 1937]

OPPOSES DIES-KERR-COOLIDGE BILL

There have been divers letters arguing convincingly against the Dies-Kerr-Coolidge bill (H. R. 6391) that passed the House June 10 without a record vote and that was hastily ill-considered by the House Immigration Committee on May 15, which ordered the bill reported the day after it was introduced, and before even printed copies were available, and when a quorum of the committee was not present.

But the most potent objections to the bill have not appeared in any newspaper I have seen, and have only been called attention to by Senator REYNOLDS, of North Carolina, in a very able radio address that appeared in the Appendix of the CONGRESSIONAL RECORD on page 1542.

A careful reading of the bill (H. R. 6391) discloses that no alien criminal now in the United States can or will be deported under the provisions of H. R. 6391 if enacted, and also apparently that no alien criminal can even be "hereafter" deported under this bill unless deportation proceedings are "instituted" between commission of "a crime involving moral turpitude" and conviction and actual incarceration in a prison. Numerous statements to the contrary seem absolutely erroneous.

This amazing "compromise bill" that was drafted 1 year ago as the thirteenth revised version of her Kerr-Coolidge bill at the direction of Secretary of Labor Perkins in order to get some warrant of law for not deporting mandatorily deportable alien lawbreakers, and that was at that time unsuccessfully submitted to Senator REYNOLDS and Representative STARNES in such an effort, would add to existing deportable alien lawbreakers only moral turpitude criminals "hereafter convicted" and actually "committed to an institution" (1, sec. 1) aliens "convicted in the United States within 5 years of possessing or carrying any firearms" (2, sec. 1), aliens convicted of violating any local "narcotic law" (3, sec. 1), alien smugglers "knowingly and for grain" (4, sec. 1).

There is nothing, absolutely nothing in the bill aimed at all the "habitual alien criminals" or that would deport all the "habitual alien criminals" the Department of Labor has previously called attention to and declared a public menace by its spokesmen and in its many arguments and briefs for Kerr-Coolidge bill discretionary authority.

In a 10 by 12 printed 34-page "memorandum" submitted to the Senate and House Immigration Committees and sent by the Secretary of Labor to the Speaker and Vice President on April 24, 1934, the Department of Labor cited a long list of habitual alien criminals who had committed numerous crimes and who have been in the United States, some as long as 42 years, that were declared to be the primary object of Kerr-Coolidge bill legislation. To quote from page 2 of that voluminous printed brief:

"The laws are far from effective in ridding the country of some of the worst types of alien habitual criminals" and from page 3: "Under the present law, an alien may have as many as 25 convictions and yet not be subject to deportation. In some cases aliens with long police records, frequently including offenses of the most serious character, such as homicide, grand larceny, counterfeiting, enforced prostitution, and debauching the morals of minors, have been able to escape deportation, due to the inadequacy of existing law."

The Reynolds-Starnes bill (H. R. 4356 and S. 3163) would deport all these habitual alien criminals, smugglers "for gain" and not "for gain", narcotic addicts as well as State law violators, and other objectionable alien defectives, not now deportable nor deportable under H. R. 6391.

As Senator REYNOLDS points out in his excellent radio address, the bill is "An amnesty for all past crimes committed by alien criminals", makes the United States an alien criminals' refuge, and "the curious phraseology of section 1 might imply that deportation proceedings must be commenced before the alien is

convicted." If one abroad now asks, in Sicily, for instance, where the proverbial Sicilian bandits are, he is told: "Gone to America."

If this bill becomes law, section 2 will authorize the Secretary of Labor to turn loose in the United States 3,500 alien lawbreakers now in her custody, and whom existing law directs her to deport, and 1,500 additional alien lawbreakers annually for 3 years, she may pick out as having been here only a year, and found some near relative, even a wife or adopted child. In other words, if this bill becomes law it will allow more alien lawbreakers to remain in the United States than the most ardent American Secretary of Labor could possibly deport. There is plenty of existing law that could be made to deport alien gangsters and racketeers, just as there was to get Dillinger and others, who carry not mere "firearms", but sawed-off shotguns and machine guns. There is absolutely nothing in this bill that would of itself deport the alleged 20,000 "habitual alien criminals", reported by the Department of Labor at large in the United States and now being used by some of the reckless, alien-minded proponents of this "Dies-Kerr-Coolidge bill" as the reason for its enactment into law.

If there are meritorious hardship deportation cases, let the Secretary of Labor report them to Congress, and identify them, with the mitigating facts and her reasons for clemency, for congressional action, instead of conferring on her any such autocratic authority to nullify the law as to unidentified alien lawbreakers. The present Secretary of Labor has displayed woeful muddle-mindedness as to sit-down strikes being lawful, as to wanting from Congress subpena "kidnaping" power, as to expenditures under United States Code, title 8, section 109, for which H. R. 5779 as passed by the House contained a reprimand on page 105, and as to readmitting, under existing discretionary authority, deported alien anarchists and radicals like Emma Goldman, Willi Musuenberg, Henri Barbusse, et al., that call for Congress withdrawing existing abused discretions, instead of conferring any more autocratic authority for her to be the law as to alien lawbreakers and to issue edicts nullifying existing law.

The pending Dies-Kerr-Coolidge bill, H. R. 6391, should be defeated by the Senate. Senator REYNOLDS is entitled to the thanks of all good Americans for his radio announcement that he is "going to exert my utmost to defeat this pernicious bill." May the North Carolina Senator be able to do so, and may all good American Senators who believe in law and order and the majesty of written laws rally round Senator REYNOLDS in his opposition to the administration of persons instead of written laws that this un-American Dies-Kerr-Coolidge bill would set up.

J. D. MASON.

Connecticut River Flood-Control Compact

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, July 29 (legislative day of Thursday, July 22), 1937

EDITORIAL FROM THE HARTFORD COURANT

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in yesterday's edition of the Hartford Courant, of Hartford, Conn., relating to the flood-control compact entered into by certain States in New England.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hartford Courant of July 28, 1937]

THE POWER COMMISSION OBJECTS

The essence of the Federal Power Commission's possibly fatal objection to the Connecticut River flood-control compact is simply this: The compact as it stands merely gives the Federal Government the right to approve or deny the petitions of the States concerned for authority to build power dams at their own expense and without any interference with flood control. The Commission holds that the Federal Government should have the power to initiate power projects and to control and regulate the sale and distribution of the power generated. As the Connecticut Flood Commissioners pointed out in their letter to the State's Congressmen, the compact as presented to Congress stated that each State reserves to itself the power benefits and that reserve means keep. Under the compact, they would keep the powers they now have to generate electricity at the reservoir sites. But the Power Commission insists that they surrender those powers as the price of flood control.

Plainly, the objection is not on a mere technicality. Rather is it one of broad and significant principle. The Power Commission serves notice that it will oppose any regional flood-control plan that does not give the Federal Government much the same power rights and privileges that it has obtained in the Tennessee Valley. Unless the Government is given the power virtually to set up a duplicate of the Tennessee Valley Administration, the Connecticut River Valley may not have the flood protection it so evidently needs.

Congress, it is true, may not be impressed by the Power Commission's statement. The Senate Commerce Committee has reported the compact favorably, and there is probably no insuperable obstacle to its passage in the Senate and the House of Representatives. But, though the President has represented himself as being in favor of flood control by interstate compact, he is understood to believe that the power question is not less important than flood control. A Presidential veto is, in consequence, only too possible even if the compact is approved by Congress.

If the compact is not ratified, or if changes are made in it to meet the objections of the Federal Power Commission, the Connecticut Valley will have to wait long for flood protection; if, indeed, any regional plan can ever be arranged. The change of a word in the compact would necessitate its being ratified again by the legislatures of the four States concerned. Since three of the four legislatures meet biennially, the spring of 1939 is the earliest opportunity for reratification, unless special sessions should be called, a matter of considerable difficulty. But delay is not the only danger. Vermont and New Hampshire have relatively little to gain from the regional project which offers so much to the other two States. Were they to be called on to surrender their present power rights at the projected dam sites they would understandably hesitate long before signing a compact whose primary benefits would go to the other States.

The States have done their part under the omnibus Flood Control Act. Despite Mr. KOPPLEMANN, who seems to think that the Power Trust had a hand in the negotiations, the flood control commissioners were interested only in preventing the recurrence of such floods as that of 1936, which did an estimated damage of $30,000,000 in Connecticut alone—no small part of it to Mr. KOPPLEMANN'S own city of Hartford. He may "doubt the validity" of the compact, he may wonder at "how frequently mention was made of power" until the cows come home, but if he will take the time to read the document he will find that it is not at all concerned with the production of power except as it reserves to the States powers they already possess.

There is still hope, though not too bright, that the compact as it stands will survive the attack of the Power Commission, the President's power theories, and Mr. KOPPLEMANN'S penny's worth. If the compact is defeated, those responsible for the defeat must likewise share the responsibility for the damage any future flood may do to a valley left protectionless by their efforts.

Swedish Contribution to American Progress in the West

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, July 29 (legislative day of Thursday, July 22), 1937

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO, IN THE AMERICAN-SWEDISH HISTORICAL MUSEUM, PHILADELPHIA, PA., ON JUNE 27, 1937

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD an instructive and thoughtful address delivered by the able and courageous Senator from Colorado [Mr. JOHNSON] at the American-Swedish Historical Museum in Philadelphia, Pa., on June 27, 1937. The subject of the address, which will be of great interest to many of our fellow citizens, particularly in the West, is Swedish Contribution to American Progress in the West.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I had expected to devote my short address to the achievements of the Swedes of the colonial period. Bearing in mind the historical background of this immediate setting and especially to the service in the Old Swedes Church this morning, which has taken us back to the early part of the seventeenth century, where distinct and notable contributions in the early settlement of our country were made by men and women of old Sweden, such a subject seemed most appropriate. However, I now find that my part of this program is supposed to deal with Swedish Contributions in the West to American Progress, and while I will be forced to

change the substance of the address that I had expected to make, I am proud of my assignment in this splendid program which, up to this point all of us have enjoyed, and so I will briefly touch upon in a general sort of way the contribution that Swedish people have made to the growth and progress and development of the West, for that contribution was indeed a great contribution.

To one living on the eastern seaboard, West probably means all of that territory lying beyond the Allegheny Mountains. Out where I come from the West is west of the majestic Rockies, but for my purposes today I shall compromise between these two conceptions and shall speak of the West as representing that section of our country from the State of Illinois westward, including, of course, Senator LUNDEEN's State—the new Sweden of America, Minnesota.

Swedish immigration to this land of golden opportunity increased in great volume in the era of American history, beginning with 1850. At that time the West was being pioneered. The insistent and universal demand on the part of this great wilderness was for courageous men and women who were willing to apply themselves to hard work without stint, and the reward offered was a home of one's own. The Swedish immigrants undertook to supply that demand and claim that reward.

Great forests were cleared, the prairies put into cultivation, mines opened, railroads constructed, and cities built on the prairies—new homes everywhere. The Swedish immigrant had an important part in the great constructive building program which has never been equaled in its magnitude or in the speed of its accomplishment in any like period in the world's history. The West was almost subdued overnight.

Generations of difficult living in the north land gave the sturdy sons of Scandinavia the needed training and background for this new work. He undertook the subjection of western America with skill, vigor, and the dogged perseverance that refused to accept less than a complete victory.

The Swedish immigrant came to America not for adventure and not to escape punishment for crimes committed abroad to some extent perhaps, because of his discontent with the social conditions in the homeland and his dislike for compulsory military training, but he came largely because of his natural deep-seated desire to possess land and to have a home of his own. He grasped the opportunity afforded by western America to become a farm owner—a privilege that was denied the poor in his beloved homeland. Only the privileged classes could own land in Sweden until recent times. His training, his background, his honesty, his courage, his patience, his ambition, and his vigorous physical superiority made him the ideal pioneer for the subjection of western America.

The Swedish immigrant established his home as a freeman in America as rapidly as possible. His immediate descendants not only worked in the mines as laborers, but they began mining operations on their own account. They not only worked on the farms but they soon owned farms of their own. Many of them, however, applied themselves to business enterprises and to the mechanical crafts. They had learned their trade, and had learned it well, in the "old country." Good wages and steady work in America afforded them a real opportunity as carpenters, iron workers, stonemasons, and mechanics of every description.

Their skill fitted right into the immense building program of the time. The blood and dauntless spirit of the Vikings of old still lived in the American Swede, and he explored new land and conquered not other men but a stubborn wilderness that resisted him with all of the discouraging things known only to the pioneer.

The contribution, however, by the Swedish immigrants to western America has not by any means been confined to physical achievements. They brought with them their open, honest natures, their culture, and their deep religious tendencies. Churches and Sunday schools—mostly of the Lutheran persuasion—were part of every Swedish settlement in western America. They had not left Sweden because of religious persecution; quite to the contrary, they received constant religious help in the new land from the church across the Atlantic. The Swedish pioneers insisted upon educational opportunities for their children. Inasmuch as illiteracy was hardly known in the "old country", so illiteracy was not to gain a foothold among the Swedish people in the new land. Four great, outstanding Swedish colleges, as well as three junior colleges and many academies, have been established.

Of all the immigrants who found refuge and an opportunity in the new land the Swedish immigrant was the most readily assimilated. His natural susceptibility to modification made it easy for him to adjust himself to the new order of things. Today the offspring of the Swedish immigrant has become what most people like to regard as the typical American. His natural characteristics of thrift, enterprise, vitality and willingness to work, his endurance and pride in individual ownership of his home has made citizenship for him in this great American democracy a natural process. His devotion to his home and his family has in itself been a very great contribution to American progress because, after all, the hope of America is the home.

Many of the men and women and their descendants from the far north have reached the heights in athletics, in culture, in the sciences, in the political, and in the religious and education fields, and in the arts, but the really great contributions made by persons of Swedish origin have been in the commonplace, unspectacular plodding rolls of wholesome, everyday pursuits. The American Swede does not take a second place to any citizen in his patriotism and devotion to American institutions. He devoutly respects and cherishes the memory of the "Land of the Midnight Sun" and he is proud of the social progress made and the achievements of his kinfolks who remained at home. He is proud that they have in this generation set a mark for social and political progress for all the world to emulate.

However, all of the American Swede's interests are in America; his other homes ties have been severed and he has chosen America as his home—the land where his children's children are to live. He has become an integral part of America and cannot be considered disconnected from it, for he is American.

On Palestine

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

Mr. DICKSTEIN. Mr. Speaker, almost 20 years have elapsed from that memorable day when on November 2, 1917, the world was startled with what later became known as the Balfour Declaration, and which in so many words promised to establish a Jewish homeland in Palestine.

I was then a member of the New York State Legislature and introduced a resolution approving on behalf of the people of the State of New York this statesmanlike endorsement. Let us read again this time-honored declaration:

His Majesty's Government views with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by the Jews in any other country.

It was therefore with great glee and joy that the nations of the world saw the accomplishment of a long-cherished dream, the establishment of a Jewish homeland which would give the Jewish people of the world an opportunity for development of those national traits for which the Jews have ever been famous, and the taking by the Jewish people of their lawful place in the family of nations.

When the British mandate was established as a mandate to bring about a cooperative union between Jew and Arab as members of the same community, both living together and contributing their respective shares to the upbuilding of Palestine. But while the Jews of the world did their share to build up the country; while the Jews poured millions upon millions of money and succeeded in converting large sections of Palestine from a wilderness into a paradise, nevertheless, it was not a Jewish country. Side by side, with the growth of the Jewish population in Palestine came the growth of the Arab population, and the Jews not only built up a country for themselves but built up a country for the Arabs in Palestine.

The recommendations of the royal commission are not in accord with the aspirations of the Jewish race. The report proposes to divide Palestine into three regions, a small region consisting of about one-third of the existing territory, mostly in the northern part of the country to be given to the Jews; another two-thirds, mostly in the south and central part of the country, to be given to the Arabs; and a sort of neutral area, consisting of the strip between Jerusalem and Jaffa, to be continued to be administrated as mandated territory.

It thus appears that the pledges and promises which were held out to the Jewish race by the Balfour declaration of November 2, 1917, are now a dead letter. The royal commission apparently proposes to withdraw the pledges and promises which were made in the Balfour declaration and proclaims a new policy which the British Government will henceforth pursue with reference to the establishment of a Jewish homeland in the Holy Land.

It is for the first time, too, when the royal commission admits that the British Government made two sets of pledges during the World War. It made pledges to the Jews and made pledges to the Arabs, and the pledges made to both parties were irreconcilable with each other.

The pledges to the Arabs were made so as to enlist Arab support for the aims and purposes of the British Government when she was fighting Turkey. Britain was afraid that without the cooperation of the Arabs it would be involved in a Moslem holy war, and so it became necessary to cater to national aspirations of the Arab people and hold out to them the hope that Palestine would eventually be theirs.

To gain Jewish support it was likewise necessary to promise the Jewish people the establishment of a Jewish homeland in that country. And so these two types of pledges were made. One was the Balfour declaration for the Jews and the other was the declaration of the British Government to the Arabs; and since Britain saw fit to engage in duplicity, she must now suffer the consequences of not having the support of either Jew or Arab in the solution which she proposes to make of this vexed question of Palestine.

The United States Government and Opportunities for Women

EXTENSION OF REMARKS

OF

HON. NAN WOOD HONEYMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1937

ADDRESS BY HON. FRANCES PERKINS, SECRETARY OF LABOR, TO THE DISTRICT OF COLUMBIA BUSINESS AND PROFESSIONAL WOMEN'S CLUBS

Mrs. HONEYMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. Frances Perkins, Secretary of Labor, at a banquet of the District of Columbia Business and Professional Women's Clubs, at the Mayflower Hotel, Washington, D. C., Friday, July 16, 1937:

The business of running the Federal Government is the largest and most complicated in the country and perhaps in the whole world. This business gives jobs to more employees than General Motors, the American Telephone & Telegraph Co., or the Standard Oil Co. To carry out its service to the Nation—to business, industry, labor, farmers, consumers, homemakers, children—in fact, to conduct all of its varied national and international affairs, the Federal Government employs over four-fifths of a million persons in its executive branch alone; that is, exclusive of the legislative, judicial, and military branches.

VARIETY OF GOVERNMENT ACTIVITIES

The activities of the Federal Government are exceedingly diverse. Naturally with the development of the country from 13 little Colonies along the Atlantic seaboard into the mighty industrial and agricultural land covering a vast territory, to meet the needs and emergencies that have characterized this growth, a great many Government activities and procedures have had to be built up and extended in a large number of directions.

Besides the tasks of making and enforcing laws, defending the Nation, and managing its finances, throughout its history the Federal Government has been charged with promoting the wealth and welfare of the people of the country, safeguarding their business relations, their agricultural, mining, manufacturing, shipping, fishing, and transportation interests. To accomplish all this the Government has had to investigate, control, and eradicate diseases that attack persons, animals, and plants; it has had to inspect livestock, food, and drugs; it has had to study conditions and progress in education, labor, and commerce and advise people concerning the best method of reaching desired results.

Also the Government has had to try to prevent individual men or groups of men from using unfair business methods, whether in banking, in transportation, in trade, or in manufacture. The Government has had to look after public lands, administer the affairs of Indian tribes and educate Alaskan children, grant patents and protect inventions, furnish the country standard time, forecast the weather, and make observations of heavenly bodies.

The Government has to distribute all mail; manage the parcel-post system; to construct for national use buildings, docks, roads, bridges, irrigation systems, and to carry on other public works; to build ships and airplanes; make ammunition at times; manufacture clothing and other supplies for soldiers; coin its own money; and do its own printing. All these duties and many others which we cannot enumerate for lack of time might be called the normal activities of our Federal Government.

But whenever emergencies, such as war or depression, arise, the Government is called on to perform additional tasks. For example, in the past few years, as a result of the world-wide depression, there have come tremendously increased demands upon the Federal Government for new types of service. The opening days of 1933 were particularly dark. Our whole national civilization was threatened with collapse because of so many operations thrown completely out of balance and widespread breakdowns in regard to other activities. Loss of employment, loss of income, loss of home, toboggan slides in wages and salaries, destitution, and suffering in many directions made it imperative for the Federal and State Governments to step into the breach in a great many ways as never before in our history.

Thus from its very beginning the New Deal had to formulate rapidly an emergency program to combat the depression on all fronts. This called for almost overnight creation and development of new agencies, such as those extending special aid to crippled business and financial interests, to hard-pressed farmers and home owners, to the unemployed, to the victims of depressed labor standards, to the destitute, and so on. Thus we have seen in a few short years tremendous new enterprises started by the Federal Government, working in conjunction with State governments, charged with the responsibility of carrying on a Nation-wide economic and humanitarian program hitherto not tried and hardly conceived of in our country. We have seen, for example, both a public-works and a work-relief program as well as emergency relief measures inaugurated, each of which will probably continue to be handled in some form and to some extent as a permanent part of governmental responsibility as was not the case prior to the depression.

We have seen launched a much-needed and long-delayed social-security program on a vast and varied scale with a Federal-State set-up which promises progress in regard to general welfare and special aid to children, women, and handicapped groups in our population. We have seen the Federal Government, together with State legislatures, trying to formulate a better labor program, and thereby to promote the welfare of wage earners through shortening of hours of work, through increasing the wages and purchasing power of millions of people, through insuring to workers the principle of collective bargaining, and through guaranteeing the opportunity for employment.

We have seen also the efforts to restore and improve our whole economic set-up, to protect the savings and investments of the people, to strengthen our national relations by building up sounder financial foundations and operations, and to forward our international relations through trade agreements and peace programs.

We have witnessed special attention given by our Central Government as never before to people's homes, to the complicated and urgent problems of mortgages on homes, of slum clearance, and of better housing for large groups of our population. We have watched the launching of big experimental projects of great social significance, far reaching in area and effect, to bring progress to our rural and small-town areas and to our backward or depleted regions.

Not only have various new agencies been created to carry out these programs, but the projects are tied in at many points with the functions of the old-line agencies, thus increasing and amplifying their work in many ways and calling for closer cooperation between the Federal and State Governments.

THE UNITED STATES GOVERNMENT AND OPPORTUNITIES FOR WOMEN

It is obvious from this brief recital that in addition to the many and varied types of work which for years have been an accepted part of the Federal Government's duties and have given employment to trained women many new ways of serving the Nation have opened up new opportunities for business and professional women. These opportunities divide broadly into two main types: First are the opportunities for women to serve the Federal Government through performing remunerative jobs in its service, and, second, the opportunities for women to serve the Federal Government without pay—not as volunteer workers but as citizens trying to understand the needs and activities of the Government at Washington, desiring to promote a progressive program for the country by the building up of an intelligent public opinion and developing the best kind of democracy through the proper use of the ballot.

As definite proof of women's ability to do practically all kinds of work is the fact that according to the 1930 census women were found, to more or less extent, in all but 30 of the 534 occupations listed. Naturally, there are certain types of work for which women are better fitted than for other kinds. It is a generally recognized fact that because women on the whole have a humanitarian viewpoint they excell rather strikingly in service work where the factor of monetary profits is not the objective. Since the Federal Government activities fall into this category, it is understandable why women have turned in large numbers of this kind of employment. Though the advantages in this field of

endeavor are not primarily financial, many Government jobs offer reasonable income, considerable security, and real opportunity for well-trained women, as well as men, to engage in one of the most important and significant enterprises of our time.

INCREASED EMPLOYMENT OF WOMEN IN GOVERNMENT SERVICE

As we turn the spotlight on job opportunity for women at Washington we discover a truly dramatic tale. A hundred years ago, insofar as we have been able to ascertain, there were no women in the Federal Government service. Until recently we had been told that the first woman Government employee was Clara Barton, who in the late 1850's worked in the Patent Office, and who was dismissed because of her outspokenness in denouncing slavery. But a short time ago an employee of the Civil Service Commission, in looking over some old records thought she had discovered that a few women were employed by the United States Government prior to 1800. However, we do know definitely that in the early 1860's the United States Treasurer of the day, Francis E. Spinner, took a step that was considered exceedingly radical when he appointed a few women to cut and trim paper currency. But their immediate success at this work was followed by the appointment of women to count Treasury notes.

In other words, women proved themselves to be such safe handlers of Government money that they have been doing so ever since, increasing in numbers and in the importance of their work in the United States Department of the Treasury, until today we see almost 25,000 in this Department, employed both in and outside the District of Columbia, and we point with pride to three women who hold exceedingly important jobs in the Treasury Department, one as Assistant Secretary of the Treasury, the second as Assistant Treasurer of the United States, and the third as Director of the Bureau of the Mint.

In general, the infiltration of women into Federal Government positions has been an evolutionary and not a revolutionary movement. As our Government has expanded in size and developed in intricacy and as women in increasing numbers have found it necessary to earn a livelihood, they have turned more and more to job opportunities available in Government service.

How many women are there in the United States Government service? On December 31, 1936, there were a little over 162,000 women in the executive branch, and they constituted not quite a fifth of all the employees in this branch. Today there are over 80 percent more women than there were in 1930. Even in Washington the women are outnumbered by the men, as at the beginning of this year there were not quite 47,000 women as compared with approximately 70,000 men in the Government service in the District.

As you look around at all the Government buildings, the beautiful new ones, the old ones, the temporary ones, the apartment houses and large, old residences rented by Uncle Sam and converted into office space, you may wonder just what all the workers are doing—the women and the men. Several volumes would need to be written to do full justice to their activities. Or, if you would read every annual report of every agency, you would obtain some general ideas, but still would not get the full story, the many interesting details.

We must, therefore, be selective in our discussion of the opportunities for business and professional women in the Federal Government.

THE MOST IMPORTANT POSITIONS HELD BY WOMEN IN THE UNITED STATES GOVERNMENT

Since an organization like yours is concerned with seeing women advance in their professions it may be of interest to consider a little more closely what might be called the top positions now held by women in the Federal Government.

Among the most outstanding women in Federal Government service are those who have served in the Congress of the United States, having been elected to such posts by the people or appointed by the Governor of the State. The total number of women who have served in Congress includes two Senators (exclusive of Mrs. Felton who was a Senator for only one day) and 20 Congresswomen. Only six women—one Senator and five Congresswomen—are Members of the Congress at its present session. Now it is obvious that there is opportunity for an increased number of women in the Congress, women who have a flair for political activities, who have the necessary qualifications for the job of helping to pass the country's laws, and who have the courage and the endurance to perform the duties required of them.

Leaving this handful of hard-working women at the Capitol, let us look into the other key positions held by women. Other outstanding women include the Assistant Secretary of the Treasury Department, to whom I have already referred and who also serves as chairman of the executive committee of the National Youth Administration. In the Treasury Department, as I have pointed out, two other women have reached real pinnacles—as Director of the Mint and Assistant United States Treasurer. The assistant to the Public Printer in the Government Printing Office is a woman. Two Federal judges are women, one judge in the United States circuit court of appeals, in Columbia, Ohio, and the other a judge in the United States Customs Court in New York. Two women hold important offices as commissioners, one as a member of the Civil Service Commission, the other as chairman of the Employees Compensation Commission.

To date only two women have been appointed to a major diplomatic post, one as Minister to Denmark, who has since resigned; and one as Minister to Norway, who has recently entered upon her duties. Since 1923 seven women have been certified by the board of examiners as eligible to appointment to American Foreign Service. Though all were appointed, four have since resigned. The three remaining are the third secretary of the American Embassy in Brussels, the vice consul at Milan, and the consul at Geneva.

In the roster of the Nation's outstanding women public servants who are engaged in important administrative work should be included also three other directors of Government bureaus—the Women's Bureau and Children's Bureau in the Department of Labor and the Bureau of Home Economics in the Department of Agriculture. Mention should also be made of the women who hold the following positions: Assistant Commissioner of Education, Assistant Commissioner of the Land Office, and Chief of the Home Economics Education Service in the Interior Department; the Chief of the Division of Coordination and Record in the War Department; Superintendent of the Federal Industrial Institution for Women under the Department of Justice; Assistant Commissioner in the Bureau of Internal Revenue; the Assistant Director of the Division of Labor Standards in the Department of Labor; the Assistant Director of the Children's Bureau; the Assistant Director of the Women's Bureau; two administrative assistants to the Secretary of Labor; and three district commissioners of immigration and naturalization.

In the New Deal agencies, outstanding women have been recognized by their appointment to such responsible posts as Assistant Administrator of the Works Progress Administration, Washington representative of the Tennessee Valley Authority, and Director of the Bureau of Public Assistance, and a regional director of the Social Security Board. The maternal and child-welfare services under the social-security program have been delegated to the Children's Bureau in the Department of Labor and women are administering certain phases of this important work.

The women appointed to office have long experience and recognized achievements. The ability with which they are administering their public duties not only means valuable services to the country, but is settling for all time the question of the competence of women to hold positions of utmost responsibility. Thus they are indirectly aiding the entrance of women into other fields.

The roster named is by no means complete. Whether holding their positions by appointment or advancing through the civil service, many others could be named among the distinguished women Government executives or administrators. Two women now serve in foreign countries as Trade Commissioners of the Department of Commerce. Seven women are collectors of customs in various districts of the country. A woman is Chief of the Passport Division of the State Department, and another is Chief of the Export Trade Section of the Federal Trade Commission. The Departments of Labor and Agriculture and the Civil Service Commission include among their employees many outstanding women in addition to those named who are doing executive work of a high type.

OPPORTUNITIES FOR WOMEN IN PROFESSIONAL FIELDS

Because of the very complicated and varied activities of the United States Government, positions in this service occupied by women may be said to include practically every form of employment. Although stenographers and clerks make up the great majority of the Federal women employees, women have steadily entered and conclusively demonstrated their ability in professional and scientific fields. Hundreds of women are doing outstanding and interesting work as statisticians, research workers, and scientists in a great variety of lines, as social workers, lawyers, doctors, nurses, writers, editors, educators, teachers, historians, librarians, home economists, dietitians, artists—to mention the most conspicuous.

There are not available any comprehensive figures on the exact number of women engaged in each of the professional fields.

OPPORTUNITIES FOR PROFESSIONAL WOMEN IN THE DEPARTMENT OF LABOR

To give you a close-up view of the activities of some of the professional women in Government service, I am going to ask you to turn your attention for a few minutes to the Department with which I am most familiar—the Department of Labor.

The status of the Department of Labor may be measured by a number of devices. I find myself particularly conscious of one which expresses itself in human terms and is practically always active. It is the caliber of the people who want to work in it.

To want to work in the Department of Labor in preference to another place doesn't mean merely to want a job there. Rather does it imply a devotion to the purposes of the Department, a compulsion to give one's best to their fulfillment, a conviction that this will help to bring about a more abundant and happy life; and a belief that participation in the Department's work and association with its personnel will mean personal growth and increasing ability to realize one's capacities and service to society.

In the four and a quarter years I have been in Washington I have had opportunity to come in contact with and to observe the men and women who work in the Department of Labor, both those who have been there for years and those who have entered upon their duties more recently. It has been my privilege to talk with many of them. And I can truly say that the general level of their

qualifications has been remarkably high. Their genuine belief in the things the Department is trying to do, their eagerness to further its work, the richness of their experience, in many instances the breadth of their scholarship, and finally the integrity of their personalities have been a genuine inspiration to me.

The Department of Labor is one of the departments which in its Washington offices has more women than men. At the beginning of this year there were 1,060 women as against 813 men. Even in this one Department the work of the professional women is exceedingly varied. A number of women, to some of whom I have already referred, are doing outstanding administrative work and rendering valuable service in keeping the wheels running smoothly, helping to shape policies, and charting programs and procedures.

A number of well-trained women are doing research work. Though the names of many of these women may not be generally known to the public, they are playing a very important role in the life of our country, making valuable contributions through their studies and efforts, and finding considerable satisfaction in their work. Some of these women are collecting first-hand data from original sources, and some are gathering also material from secondary sources, all throwing light on labor and industrial conditions and on economic and social problems. For example, in the Bureau of Labor Statistics one woman is directing cost-of-living studies, another is in charge of industrial relations studies, and a third is doing an expert survey of consumers' cooperative enterprises.

The Children's Bureau is staffed for the most part by women, many of whom are rendering exceptional service in the field of child welfare in all its varied aspects. Valuable research work is being conducted along the lines of child labor, junior employment, child development and health, juvenile delinquency, maternity and infancy problems, and child dependency.

The Women's Bureau, composed almost entirely of women, has a number of economic analysts doing expert work in the realm of labor and industry. They are blazing trails by studying the peculiar problems of wage-earning women, which are unusually complicated because of the rapid shiftings of our economic life, and by formulating standards and policies to promote the welfare of women workers, to increase their efficiency, to develop opportunities for their profitable employment, and to prevent discrimination against them.

In the Division of Labor Standards and the United States Employment Service, each, a few women are also doing outstanding pioneer work, partly in the nature of research and partly in the formulation of standards to assist State agencies; those in the Division of Labor Standards being concerned with the program of establishing better State labor laws, and those in the Employment Service involved in the tremendous job of building up a national Federal-State system of employment offices on a sound and progressive basis.

In the Immigration and Naturalization Service the higher posts occupied by women are largely administrative. In addition to serving as district commissioners, women are also employed as heads of various divisions of the work; also some with legal training have been appointed as examiners.

In the Department of Labor bureaus, as in many other Government agencies, a number of women are engaged in statistical work requiring considerable training and experience; others are working actively in the field of social service, or along employment and personnel lines. There are also some women who are secretaries, editors, public information specialists, librarians, physicians, and lawyers.

If time permitted we could give you an insight into the work of the women in all the departments and independent agencies—of both a permanent and emergency nature—that would be, I believe, truly illuminating to you.

SALARIES FOR DIFFERENT TYPES OF GOVERNMENT SERVICE

It may be of interest to touch on the salary possibilities for the different types of Government service. The scale of pay for the civil-service jobs falling into what is designated by the Civil Service Commission as clerical, administrative, and fiscal in the departmental work in Washington begins at $1,440 or $1,620 a year and runs to $10,000. The professional and the scientific scale of pay in Washington starts at $2,000 and runs up to $9,000. To be sure, the great bulk of women in Government service are found below the $3,000 mark, and the majority fall below the $2,000 level.

At the other end of the scale are the substantial though not large number of women receiving as much as $5,000 and more in positions both under and not under civil service. A very few women on a civil-service basis receive as much as $5,600 or over, but those that do are striking testimony of the fact that women can and do achieve well-paying jobs in the Government under civil service. They indicate also that there are what might be considered career lines for women under the civil service, channels into which women, either college-trained or non-college-trained—may enter at the beginning rates and work up to exceedingly worth while and important positions after years of experience. Though for professional and scientific activities college training is practically essential, for certain administrative positions noncollege people can progress to well-paid and interesting posts.

For women in appointive positions the salaries are not definitely classified, and higher levels are attained by women appointed by the President. A handful of these women receive more than $9,000.

CIVIL SERVICE AND NONCIVIL SERVICE

Employment in the Federal Government falls into two main categories: Those positions under the merit system, as established by the act of 1883, and by the rules and regulations of the Civil Service Commission; and other positions which are exempted from the civil-service provisions and which are filled according to the discretion of appointing officers or by a merit system set up by the agency involved, such being used by the Tennessee Valley Authority and the United States Employment Service, for example. At the present time there are practically a half million of the Government positions under the civil service, or 60 percent of the total number. This is the largest number of positions ever included in the classified civil service in time of peace. There are no figures available as to the exact number of women and men under the classified civil service.

In regard to women appointed to jobs not under civil service, it is well to stress the fact that though they were not required to pass examinations given by the Civil Service Commission, many of these women are well qualified for their jobs. Particularly is this true of the women in the higher salaried positions, where expert knowledge, special training, and experience are essential for adequate handling of the job. In view of the fact that civil-service procedure requiring competitive examinations, often taken by thousands of persons, is of necessity slow, agencies created during an emergency, may, for the sake of expediency, in order to get established and into operation speedily, have their personnel exempted from civil service. But at the same time, these agencies may demand a high class of trained workers. Undoubtedly in many of the New Deal agencies, many women, as well as men, of this type accepted positions and have rendered valuable service. It would definitely appear that in the New Deal agencies women have had greater opportunity to occupy positions of real importance than in the old-line agencies. Obviously, women with high academic qualifications have encountered less prejudice in the new than in many of the older permanent bureaus, and have thus been able to forge ahead more rapidly—if not to the position of director, at least to high administrative posts.

At the earliest opportunity it is advisable for the employees appointed during an emergency to be put under civil service according to the most desirable and feasible methods.

NEW PERSONNEL POLICIES AND PROCEDURES RECOMMENDED BY THE PRESIDENT

This brings us to another broad subject—the new policies and procedures in the Federal Government service recommended by the President to the Congress in January of this year as part of a plan for Government reorganization.

As you know, the President appointed a special committee consisting of three outstanding experts—Louis Brownlow, Charles E. Merriam, and Luther Gulick—to study the Government set-up and to submit recommendations for reorganization to bring about greater efficiency and effectiveness. The report of the committee, as submitted to the President in January and transmitted by him with a special message to the Congress for action, included a section entitled "Personnel Administration in the Federal Service." This analysis pointed out existing weaknesses in the present system of personnel administration. And it is not surprising that there are limitations and inadequacies in the system, since it has not been revised in recent years to meet the requirements of a rapidly expanding Federal Government and the need for a comprehensive and well-integrated code relating to personnel matters. Incidentally the civil-service rules have not been given thorough revision since 1903.

Moreover, though recent regulations governing conditions of employment in emergency work have resulted in some improvement in the administration of emergency services, these appear not to be so well integrated with the permanent policies of the Federal Government as they might be.

In order to effect the reorganization of the civil-service administration of the United States the committee recommended that a United States Civil Service Administration should be established to serve as the central personnel agency of the Government under a single administrator, who would be highly competent and experienced and who would be appointed by the President on the basis of an open competitive examination conducted by a special board of examiners appointed by an agency to be known as the Civil Service Board. This board would consist of seven nonsalaried, outstanding, and well-qualified members, appointed by the President with the advice and consent of the Senate for overlapping terms of 7 years. The board members would receive reimbursement for their actual time and expenses.

The duties and functions of such a civil-service administration and board were clearly outlined in the committee's report with the objective of achieving a thoroughgoing modernization and extension of personnel administration, of eliminating the weaknesses now existing, and of striking the best balance of centralization and decentralization as between the central agency and the departmental functions related to personnel problems, and the best type of cooperation between the two.

Certainly some such revision and extension of civil service seems like a praiseworthy and essential program to have put into effect, and one which all citizens should sponsor.

The challenge comes to you as a group to seize the opportunity to help bring about this reform. I have confidence that you will throw the weight of your influence behind this movement.

American Legion Convention

EXTENSION OF REMARKS
OF
HON. WILLIAM B. UMSTEAD
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1937

ADDRESS OF HON. HARRY H. WOODRING, SECRETARY OF WAR, AT THE STATE CONVENTION OF THE AMERICAN LEGION AT DURHAM, N. C., JULY 26, 1937

Mr. UMSTEAD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address of Hon. Harry H. Woodring, Secretary of War, delivered at the State convention of the American Legion at Durham, N. C., on the evening of July 26, 1937, as follows:

North Carolina Legionnaires should be specially proud of their heritage. This State, one of the original 13, has played a role of the highest importance in the development and progress of America. Its soil is rich in historic traditions.

Within the present borders of this great State was established the first English colony in the New World. North Carolina patriots of Mecklenburg County first sounded the tocsin of freedom with their bold resolutions, which antedated the Declaration of Independence by more than a year. North Carolina was the scene of several of the hardest fought battles of our Revolutionary War.

When our country was divided in our unfortunate War between the States, North Carolina was reluctant to leave the Union. But once she made her decision she supported the Confederacy wholeheartedly, furnishing to that cause more soldiers than any other Southern State. Though North Carolina fought gallantly and endured much in that great struggle, after peace had succeeded war her reconciliation was complete. In the World War sons and grandsons of Confederate soldiers from North Carolina fought shoulder to shoulder with New England Yankees, midwestern farmers, and far-western miners. Comrades all, they wrote in shining letters a new chapter in the bright history of American courage and devotion to duty.

Today veterans of the World War are gathered to perpetuate the memories and to renew the friendships and associations formed 20 years ago. It is not difficult to turn back the clock a score of years and to view in retrospect our individual experiences in the Great War. Memory has a fine trick of retaining and emphasizing the agreeable and the pleasant and rejecting or minimizing the disagreeable and unpleasant experiences. Fortunately we are able to forget many of the hardships, the horrors, the desolation of the great conflict. These delightful reunions refresh our recollections of the happy hours and gay comradeship that enabled us to accept hardships and perils with a jest.

Nevertheless, in our unexpressed, subconscious nature there remains that repugnance of war that we felt when by our first grim contact we realized its ghastly horror. This hatred of war steels us in our resolve to dedicate our every effort toward the preservation of peace.

In our spirit of patriotism we fought a great war to end war. We awoke to the realization that with peace there came new enmities and new problems that were a constant threat to orderly existence. There has been scarcely a year of the last 20 that has not been marked by actual or threatened hostilities in some quarter of the globe.

Formerly, we could look with equanimity on wars in which we were not engaged. We had a detached interest in their outcome, but no thought of direct involvement. Twenty-three years ago we read casually of the shocking assassination of an Austrian archduke. It would have been fantastic to have predicted that the pistol shot that felled this Hapsburg prince would change the entire course of world history, that it would directly affect the lives of hundreds of millions then living, and of billions yet unborn. Yet in less than 3 years practically the entire world, including our own Nation, was engaged in the bloodiest struggle in the history of mankind. The great conflict shocked us into the realization that war is a contagion from which there is no guaranteed immunity.

Since the World War, the progress of science has appreciably lessened distance and made communication instantaneous. Peoples formerly remote are now close neighbors. Annihilation of time and space should emphasize friendships. Nevertheless it also occasions alarm. In a congested neighborhood a quarrel may become general. Repercussions of a conflict quickly girdle the globe. Hence today, the maintenance of peace is of general concern.

War is the antithesis of progress. Necessarily it brings destruction rather than construction. In the devastating train of war follows desolation, death, and sorrow. Buildings may be rebuilt, wealth restored, but who can restore the wreckage of a human life?

We sometimes speak loosely of a nation or an individual profiting by war. At the present time there can be no real profit in war. War destroys wealth, and in that loss everyone shares—victor, vanquished, and neutral. As we so presently realize, the full effects of the economic loss may not be felt until years after the close of a war. We are now just emerging from a tragic era that brought us close to the chaos of economic disaster. The causes of that sad period are directly traceable to dislocations of commerce occasioned by the war.

Our losses in dead and permanently disabled in the World War were far less than those of many other countries, yet they were sufficiently heavy to strengthen our resolution to maintain the peace. Who can say how many brilliant youths, filled with promise of service to mankind, fell under the murderous hail of lead? Who shall estimate our loss in culture, in science, and in all the humanizing arts occasioned by the sacrifice of our brave youths?

It is estimated that there were some 30,000,000 battle deaths sustained by all the countries engaged in the Great War. What a devastating plague that exacted such a toll of youths in the very flower of their young manhood!

In treasure the World War has cost the United States to date approximately $32,000,000,000, nearly the total of our present national debt. And the end is not yet. Our children and our children's children will continue to pay the price long after we have passed from the scene.

The direct cost of the war to the entire world has been estimated at $400,000,000,000. It is well-nigh impossible for a finite mind to grasp the full significance of such a sum. To reduce it to some comprehensive total someone has calculated that this amount would be sufficient to build a $2,500 house, equip it with $1,000 worth of furniture, place it on 5 acres of land worth $100 per acre, for each and every family in the United States, Canada, Australia, England, Wales, Ireland, Scotland, France, Belgium, Germany and Russia. After this were done, enough would remain to provide each city of 20,000 or more inhabitants in all of the countries named with a $5,000,000 library and a $10,000,000 university. That illustration may give some inadequate idea of the destruction of modern war.

We sometimes hear it said that war promotes industrial and scientific progress. It is true that under the stimulus of war inventive genius is encouraged, national consciousness is aroused, and certain industrial and scientific developments are accelerated with lasting benefit to the world.

Indeed, some of our finest inventions, which have advanced our civilization to standards far beyond the dream of our immediate ancestors, have been truly the products of peace, not of war. Their development has been accelerated and their field extended in time of war through the generous use of funds and authority to meet the exigency and the necessity of more speedily ending war.

The answer to such contentions is not to condone war, but rather to provide in time of peace a comparable stimulus to genius. We should encourage every movement that promises encouragement to peaceful progress. We should do away with ignorance, drudgery, and poverty. We should mobilize our inventive genius to preserve and extend the arts of peace.

Within the past few days the National Resources Committee, of which I am a member, has issued a comprehensive report on technological trends—on prospective technical developments which will have a far-reaching effect on our immediate future. He would be a bold prophet, indeed, who would essay to predict our technical and scientific progress even for a decade. In these fast-moving times it is difficult to detect the shape of things to come even a few years in advance. However, there are certain indicated trends which may be studied with a view to encouraging development and also to preparing for the shock of dislocation of capital and labor sometimes involved in such progress. By such means the time lag between discovery and utilization, between experiment and orderly development, may be greatly reduced. There is every reason why all agencies of government should provide in time of peace a stimulus to scientific progress at least equal to that provided in war.

Within the borders of this great State man first achieved the conquest of the air. Over the sand dunes of Kitty Hawk, scarcely more than a stone's throw from the first English settlement in America, the Wright brothers made their first memorable flight. The subsequent advances in aviation were slow—too slow. There should have been more farseeing individuals in public and private life to provide the impetus for development. It is true that the World War advanced aviation, but we should not have had to wait for war to have attained this development.

As an indication of what may be done in the encouragement of scientific progress in peace we have only to observe our aviation development during the past 4 years. Under the patronage of our Government, American civil aviation has spread its wings over all the oceans. American air mail is carried regularly to the Orient on clipper ships that wing above the clouds. A letter now reaches its destination in days instead of weeks. We are on the threshold of regular air schedules between the United States and Europe. The vast Atlantic may now be spanned in a single day. This represents progress in peace, not war.

A few days ago we all bowed our heads in sorrow at the passing of the father of radio, Senor Marconi. This great scientist gave to the world a new means of instantaneous communication, a new medium of education and entertainment. Like aviation, radio also received some stimulus by the necessities of the World War. However, like aviation, its finest and fullest development came in

time of peace. With greater encouragement by men of vision this advance would have come much sooner. We may look with confidence, I think, to the practical utility of television in the immediate future. This extension of the field of radio should receive every appropriate encouragement.

I have mentioned aviation and radio merely as illustrative of the vast field opened up by scientific progress which requires for its fullest development not war, but peace. Indeed, it is conceivable that, instead of advancing science, war by its destructiveness of life and treasure may retard or entirely destroy progress in this direction.

In 1932 our national income amounted to $39,000,000,000. At the end of 1935 our income was $63,000,000,000. Only our continued peace made possible this marked advance in our national prosperity. What would our income have been if he had been ravaged by a cruel war?

I have touched briefly on the economic and social losses due to war. These are tremendous and irretrievable. War may also bring dire consequences to political institutions. Here in America we are committed to a democracy. No other form of government would be tolerated by a people of our history and traditions. But the life of a democracy depends on continued peace. Our own progress and development is so interwoven with the maintenance of democratic institutions that I do not believe even a prolonged and disastrous war could shake our adherence to the principles on which our Republic was founded and maintained. But I do believe that a wealthy democracy such as ours might be seriously shaken under the added financial burdens of another war.

However, I feel that preservation of self-government in nations not so firmly rooted in democracy as our own would be difficult in a major war. Necessarily a war makes for centralization of power and authority. This may tend toward imperialism and the atrophy of democratic institutions. While our prime concern is with our own country we can only observe with anxiety any disturbance in any other section of the world that might in any way interfere with the freest and fullest development of self-government.

Tonight we would be less than frank if we did not express concern over the gathering clouds of international discord that are clearly visible in some quarters. These clouds do not necessarily portend a general storm. Indeed the very seriousness of the situation is a challenge to moderate statesmen to exert every influence for peace. Certainly the fervent hope of every American is that sanity will prevail and that rational diplomacy will find the way to a preservation of peace.

As Americans our duty is to keep ourselves entirely aloof from any possible involvement in international disputes. By continued cordial relationships with all countries, by the maintenance of the President's good-neighbor policy, we may be able to exercise a friendly but detached influence for peace. If, despite all efforts, war unhappily assails any part of the world, our own duty is crystal clear. We must save our people from its horrors.

As members of the American Legion, as men with a first-hand knowledge of war, my comrades, we have a special duty in preserving the peace. We can render aid of the greatest value to the Government in keeping our people calm in a destructive tempest of a general war.

First, it seems to me, we should keep our own country adequately secure against attack. We have no thought of aggression against any country. At the same time we should maintain our defenses to the extent necessary to protect ourselves against attack, against aggression of others.

In all disputes between foreign countries, which do not directly involve the United States, we should use our influence to see that our people maintain the strictest neutrality. This does not mean mere statutory neutrality. We should observe the spirit as well as the letter of neutrality. As Woodrow Wilson said, we should be neutral in thought as well as in deed. If war unhappily comes to other nations our people should remain calm and detached. We should resist all attempts by every group, no matter how well-intentioned, to bring emotional pressure to bear on our country to take any action that might be construed as being either legally or morally unneutral. We should not attempt to pass moral judgment on belligerents. Frequently it is difficult for historians after years of research to determine the war guilt of belligerents. How much more difficult is it for us to determine the guilty under stress of emotion and under the pressure of conflicting and misleading propaganda. We must not attempt as individuals or as a Nation to pass moral judgment on activities of other nations where there are conflicts between peoples or between countries.

It is in attempting to pass moral judgment on the motives and responsibilities of other nations that the danger lies. Such an action might easily be the first step toward involving ourselves in hostilities. It may be noted that it is precisely in this respect that many of us who most earnestly and sincerely wish to avoid war show our inconsistency. We rightly abhor war. But we are often the first to pass moral judgment and to take sides among belligerents. Generally because of our racial antecedents many of our most honest and sincere peace-loving citizens are among those who advocate governmental interference or racial group action, the very consequences of which are apt to threaten our peace.

The avoidance of participation in a general war is no easy task in these modern times, when the possibilities of friction are multiplied by the necessary interdependence of nations. However, in the United States we are in the happy position of being largely exempt from conditions that might seriously imperil our peace. Our close neighbors are our close friends. Our coasts are protected by wide oceans, which, though much more easily crossed than formerly, still constitute formidable barriers for invading hosts. We are much more nearly self-contained than any other nation. Substantially all that we need lies within our boundaries.

While, therefore, we are justified in viewing the foreign scene with much concern, there is no need of being unduly alarmed. Let us, then, refrain from moral judgments, expose promptly all propaganda directed toward involving us in foreign warfare, and oppose any pressure exerted by our own emotional or racial groups that might have such a consequence. Let us conserve and defend what we have, the greatest heritage ever given to any people.

And so as Legionnaires, while we enjoy the associations and recollections that come with this fine convention, let us assume the responsibility that is properly ours. As veterans of the World War, as civic leaders in our communities, let us strike boldly for peace. Let us insist on an adequate defense establishment; let us preserve our peace and security against any attack from any quarter. With peace among ourselves and with all the world let us march steadily forward toward the promised land of opportunity, where our people may ever enjoy the twin blessings of tranquil peace and economic and social progress.

The Future of the C. I. O.

EXTENSION OF REMARKS

OF

HON. JOHN T. BERNARD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1937

RADIO ADDRESS BY HON. JOHN T. BERNARD, OF MINNESOTA, ON JULY 28, 1937

Mr. BERNARD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered yesterday over the radio:

CALLING ALL WORKERS

Ladies and gentlemen of the radio audience, to millions of American working men and women the letters C. I. O. are the call letters of hope. C. I. O. The call echoes in the mines, the mills, the factories of America. Office workers hear it above the clicking of typewriters. Ship workers hear it far out at sea. In the cotton patch and the beet fields, men and women pause to listen. Organize! Win a better life for yourself, for all Americans!

Hundreds of thousands of workers answer the call and join the C. I. O. New voices take up the cry, speak to the still unorganized millions. Across America the call rings out: "Join our ranks! Help make the union strong!"

WHAT WORKERS WANT

But another voice is heard, a voice of warning. This other voice shouts at Johnstown, whispers in the corridors of Congress, booms in the columns of daily papers. "Beware of the C. I. O.", it says. Yesterday it called President Roosevelt a Communist. Today it discovers that Communists have captured the National Labor Relations Board. Everywhere it asks the question: "Are American workers being whistled down the road to red revolution?"

Are they? Union workers demand jobs and job security. Is it revolutionary to want work? They demand a fair bargain and the right to choose the spokesmen who will represent them when the bargain is made. American workers demand nourishing food, decent shelter, proper clothing. Did someone have to fly across the pole from Russia to tell Americans these things are good? Parents demand health, education, opportunity for their children. Are these un-American demands?

For years even the most reactionary politicians have been promising to meet these demands. But workers suspect easy promises. They know from bitter experience that when you expect to get something for nothing you only get stung. Now they aren't trusting to promises. They have decided to trust only their own organized strength.

Revolution or democracy? Foreign agitators or American workers telling other American workers, "The American standard of living means us, too." What is the truth about the C. I. O.?

What is the truth? You must find out. You can't afford to be fooled. Barnum built a fortune on the theory that a sucker is born every minute. Hitler and Mussolini built the enslavement of two great nations on the same theory. You must learn the truth now—before it is too late.

THE C. I. O. IN MINNESOTA

Let me tell you the truth, as I know it in my own district, the Eighth Congressional District of Minnesota. The C. I. O. came up there to the iron-ore range and the lumber camps, the old

feudal domain of the steel and lumber barons. Minnesota workers answered the call. They are organizing, they are winning a better life. But there has been no violence and no bloodshed in Minnesota since the C. I. O. came. Why?

Because the Farmer-Labor administration of my State will not tolerate violence. Because Minnesota's Governor, Elmer A. Benson, knows that violence is boss made, for boss purposes. Governor Benson knows workers, their long patience, their respect for law. And he knows the terrorists of big business, the lawbreakers who try to repeal by gunfire and force the Wagner Act they could not repeal in the courts. There is law and order in Minnesota. Because Governor Benson defends the legal rights of workers to organize, to bargain collectively, to strike; because he defends their peaceful picket lines against boss guns, boss thugs, boss vigilante attack.

Who brings violence into labor disputes? Not the workers. Look at Minnesota. Our unorganized basic industries—mining and steel, marine and packing—are joining the C. I. O. Our small industrial towns are growing into union towns. Our white collar and professional people are joining unions. Agricultural and cannery workers are going C. I. O. The powerful railroad unions give their support to the new movement. Our farmers stand shoulder to shoulder with city workers. Our middle class, fighting against high prices, high taxes, and high utility rates, turns to the unions for help.

The people of Minnesota are not afraid of the big, bad C. I. O. wolf. They know who is responsible for violence. Not workers. Not unions. Minnesota people know, because there has been no bloodshed in Minnesota. There has been no violence since the Farmer-Labor administration told the bosses, "You can't get away with murder here."

WHOSE VIOLENCE?

No; it isn't the workers or the unions that bring violence to a community. Most of the great C. I. O. organization drive of the past year and a half has been accomplished peacefully, without strikes.

In the textile industry more than 140,000 workers have won benefits through union contracts since the C. I. O. drive in textiles began. The backbone of the C. I. O.—the United Mine Workers, the Amalgamated Clothing Workers, the International Ladies' Garment Workers—have been unionized for years. They have a long record of collective bargaining, of contracts made in good faith and faithfully kept.

Even in steel—the great stronghold of antiunion policy—490,000 steel workers were organized by peaceful means. Three hundred and twenty-eight steel companies, including the powerful United States Steel Corporation, have signed contracts with the C. I. O.

Only Tom Girdler and the tyrants of "Little Steel" defy the law. Tom Girdler will bargain—with Tom Girdler. Tom Girdler will represent himself, and Tom Girdler will choose a dummy to represent the steel workers. Or he won't play ball.

What would you do if you were up against Tom Girdler? The C. I. O. used its last legal remedies—the rights to strike and to picket. But it wasn't strikes and pickets that brought violence to the steel towns.

Compare what happened in autos with what happened in steel. The General Motors strike, in spite of all the noise about sit-downs, was almost wholly free from violence. Workers sat in the factories for weeks, and no property was damaged. Workers respect property, as they respect law. Bosses respect property, too. It's one thing to shoot workers. It's another to damage an expensive machine—if you own the machine. Auto workers were sitting down with the machines in the auto factories. The machines saved the workers from boss violence. So there was no violence in the General Motors strike.

DEATH IN STEEL

But in the steel strike there has been violence and sudden death. Eighteen people have died. Many more have been wounded. Every one of those 18 was a striker or a strike sympathizer. All the cops and the deputy sheriffs who were on strike duty are alive and well. Not one scab has been shot.

"Steel strikers riot", scream the newspaper headlines. What is the truth? On Memorial Day, in Chicago, 10 persons were killed, 8 of them shot in the back. Many were brutally clubbed. All were denied prompt medical aid.

The Chicago police called it "self-defense." The Chicago coroner's jury called it "justifiable homicide." The Chicago Tribune said, "Fine work."

But the Paramount news reel told the truth. It showed the terrified, defenseless people in full retreat across the open prairie. It showed the brutality of the police, the company clubs in their hands.

The hearings before the Senate Civil Liberties Committee told the truth. Violence? Yes. But workers did not bring violence to that prairie. It was brought by Tom Girdler and the Chicago police.

Tom Girdler brought violence to Massillon, Ohio, where two steel workers were shot down in front of C. I. O. headquarters. He brought violence to Cleveland, and a steel worker died. Yet, while denying steel workers the right to ask for a living wage, Tom Girdler received the fabulous salary of $175,000 in 1936, according to a report released today by the Securities and Exchange Commission.

Who will you call "un-American, dictatorial", the C. I. O. or Tom Girdler?

If you look back over American labor history, you will find the answer. The C. I. O. did not bring violence to the labor movement. There was violence at Homestead, at Ludlow, long before the C. I. O. was born. Violence does not stop with the C. I. O. It threatens every union worker, without asking to see his union card. It does not spare workers who belong to the A. F. of L. Just a few weeks ago two A. F. of L. workers were shot down at Alcoa, Tenn.

READ THE MOHAWK VALLEY PLAN

If you want to learn the whole truth about boss violence, you can learn it best from the bosses themselves. Sometimes they tell the truth, if they think you are not listening. They told the truth in a strange document called the Mohawk Valley plan.

It happened this way: In the spring of 1936 an A. F. of L. local called the Remington-Rand workers out on strike. Mr. James Rand and his associates worked out a plan for breaking that strike. It was so good that they made the American Manufacturers' Association a present of their brain child. The Mohawk Valley plan is so good that the steel companies, and particularly Republic Steel, used it in the present strike. It is so good that it will be used again.

Part of this plan is a trick to fool you—you, the nonstriking citizens; you, the small-business people—the public.

The National Labor Relations Board condemned the Mohawk Valley plan. The Board describes the plan fully in its decision in the Remington-Rand case. I have time to read you only one section of the plan, section 2. I quote:

"When a strike is called, raise high the banner of law and order, thereby causing the community to mass legal and police weapons against a wholly imagined violence."

The community—that's you. The wholly imagined violence—that's the C. I. O. violence you have been hearing so much about. The Mohawk Valley plan tells about the real violence, too. The only real violence there is—the boss violence.

It tells about the press campaign against the workers—all workers who try to organize. Study the Mohawk Valley plan. Don't be fooled again. Write and ask me to send you a copy.

Not the Mohawk Valley plan—not all the planned violence of the bosses—will stop American workers from organizing.

They are ready to struggle, to sacrifice for that better life. C. I. O., C. I. O., Organize! Defend your legal rights. Defend the rights of all who work. American workers hear the call and answer. Now they call to us—to you—for understanding and support. They are our people, the people who produce our wealth. We cannot fail them. For their future is our own.

The Supreme Court

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

EDITORIAL BY DAVID LAWRENCE

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by David Lawrence appearing in the United States News under date of July 19, 1937:

[From the United States News of July 19, 1937]

DESTINY TAKES THE GAVEL—PASSING OF SENATOR ROBINSON MAY REVEAL THE HAND OF FATE AS GIVING NEW GUIDANCE TO THE GALLANT GROUP OF MEN WHO ARE FIGHTING TO PRESERVE THE INDEPENDENCE OF OUR TRIBUNAL OF JUSTICE—THE TEST OF DICTATORSHIP IS SOON TO COME

Death stalked the aisle of the Senate last week—came unannounced, unheralded, bringing a message from the Chief Executive of Human Destiny.

In the presence of death, men are humble. They take measure of their souls, their ambitions, and the honors they covet. They are wont on such occasions to appraise the meaning of every conflict and to ask themselves the significance of life itself.

If at such time there comes a ray of light, a flash of guidance to illuminate the paths that must be trod—the paths of service to one's fellow man—then the patriotic sons who pass on have not lived in vain.

How strange the scene into which the hand of God was thrust in the Congress of the United States last week. The chieftain who made himself the ruler of 130,000,000 souls had issued his orders. He had commanded the Congress to bow to his will. He had eschewed the forms of tradition. He had superimposed his own finite judgment as the master of a nation's destiny. He sought through Senator Joseph Robinson to break down the spirit of a heroic opposition, a group who fought valiantly to

preserve the great principle of American democracy—the system of checks and balances whereby three coordinate branches of government keep America from the tyranny of a Hitler, a Stalin, or a Mussolini.

In his heart, Joe Robinson knew that the method was wrong, the plan was illusory, and the scheme a dangerous precedent. In his fidelity to his commander the majority leader consoled himself with the feeling that the objective was right—an improvement in judicial processes.

CAMOUFLAGE STRIPPED FROM "PACKING" AIM

Little by little, however, the objective was sullied by the taint of Presidential maladroitness and scheming. The plan to reform the judicial system stood out only as a pretext for the acquisition of power—personal power.

The minority of yesterday was becoming a majority. A small group of opponents demolished argument after argument in debate. The Nation was profoundly impressed by the devastating force of the defenders of the Constitution. Senators, Representatives, leaders of public opinion, who had stanchly supported Mr. Roosevelt for reelection in 1936, cried out to him to pause—to ponder the perils of human fallibility—to transform hurt pride into glorious tolerance and far-seeing wisdom, to make of his retreat a genuine victory for American institutions.

But all this was futile—the master in the White House set up his own judgment against his bosom friends, his leaders, his defenders, his liberals, his lieutenants who had fought only a few months before as comrades at his side in a triumphant campaign.

Some of us, saddened by the loss of a beloved statesman, thought that at last had come the mellow mood that makes legislative combatants see the error of their way. It was suggested that maybe the President would agree to let the cause of judicial reform be attained by the passage of a constitutional amendment providing a compulsory retirement of Justices at 75 years of age. It appeared to be the only real compromise—the objective would be attained and the Supreme Court would be spared the lash of Executive control so manifest in the plan to punish the present members of the Court for their assertion of an independent judgment.

ANGRY TACTICS THAT FURTHER DIVIDE PARTY

The opportunity was there for a great stroke, a masterful piece of strategy. The hour for a manifestation of greatness was really at hand.

But Franklin Delano Roosevelt had become a victim of his own wrath. He could not subordinate feeling to thinking. Defeat upset his poise. He issued a letter to Senator BARKLEY accusing the members of his own party of doing an indecent thing in allegedly violating the period of mourning. He forgot that his own letter was a palpable commission of the very offense of which he had complained. He overlooked the action of the Democratic Governor of Indiana in standing on the White House steps after a conference with the President and telling the press that the Democratic organization would not tolerate the renomination next year of Senator VAN NUYS, who had fought the Court bill. That interview given a few hours after the death of Joe Robinson opened old wounds on Capitol Hill. It destroyed all chance of harmony.

This, however, was not all. Mr. Roosevelt told the American people in a public statement on the morning before the Robinson funeral that since 13 States could block an amendment to the Constitution, he did not believe in the efficacy of the mode prescribed in the Constitution itself for making amendments. He insisted that a mandate had been given him in the last election. He left the plain inference that this empowered him to ignore the traditional formula for changing the Constitution.

No document that has come from the pen of Franklin Roosevelt has ever convicted him so clearly of faulty judgment. Even if he meant only to clothe his broad objective of judicial reform in garments of present-day realism, pointing to the swift-moving events of a chaotic world as the reason for rushing with haste to social reform, Mr. Roosevelt could not have placed in his own path a greater obstruction than to tell the American people that one man's judgment was wiser than the judgments of all the trusted men of his party.

SUPPORTERS HELD IN LINE BY THREATS

It is no secret that those men in Congress who today support the President's scheme do so in fear and trembling lest the heavy hand of a White House system of political racketeering descend upon them in the primaries or the elections next year. He is a befogged human who does not see through the veneer of artificial loyalty, how transparent is the so-called support of the President's plan. Does no one dare to apprise Mr. Roosevelt that to lean on a corps of sycophants for advice is to find there an empty reed?

The tragedy of Mr. Roosevelt's blunder in persisting in the plan to "pack" the Court was outlined in that incredible letter written to Senator Barkley demanding action on a defeated measure. The missive was petulance intensified. It lacked the smoothly written or easy flowing sentences of an earlier Rooseveltian style. Unhappily it seemed to reflect only the ill temper of a willful autocrat who had been crossed, his purpose thwarted by statesmen courageous enough to act in accordance with the dictates of their own consciences.

One of the Senators who was an intimate friend of Joe Robinson used to quote the latter as having once cried out in the secret hours of their mutual confidences: "Give me a President who has served in Congress—and then let me, O God, be leader of the Senate!"

President Roosevelt would have been frankly puzzled by such a comment if he had heard it. For he has always thought of himself as the master of legislative combat. It is not congressional behavior, however, nor the course of legislative events of which Mr. Roosevelt has lacked knowledge. It is much simpler—he has failed to understand human nature.

Years of reading of memoranda and years of theorizing on the objectives of social reform have led the President away from the realities. He doesn't understand minorities or their place in a democracy. He once spoke, to be sure, in defense of the rights of minorities but this was merely theoretical doctrine he expounded—not the practical stuff of concrete experience.

POPULARITY NEEDLESSLY SHATTERED

Today minorities plead for protection. They address their pleas earnestly to a man obsessed with visionary notions of social reform but incapable of truly leading the Nation to the attainment of them.

On this page not so long ago the prediction was made that the real liberals would some day be disillusioned as they saw the would-be leader of a great liberal advance in America fall by the wayside, caught in the meshes of his own tangled web of political intrigue and manipulations.

Today as we survey the governmental scene we perceive a once popular leader shattering his own popularity, doing it inadvertently, of course, but through the same method that men again and again in world history have overreached themselves by failing to discover the fallibility of their own judgments.

The debacle comes within less than 6 months after the beginning of a second term in the Presidency. What does it augur for the next three and a half years? Can stubbornness and pride of position be overcome or do they but lead to further friction, to more dogged manifestations of belligerency and strife within the Nation?

Mr. Roosevelt has shown himself strangely unresponsive to the suggestions that come from intelligent groups—he has even thrust aside the men who until now have supported him. Can such a President be brought to his senses by any other method except by the gradual subtraction from his office of the vast powers once bestowed upon him?

It seems clear that we shall soon face the acid test of whether or not we have a dictatorship. If the Congress can take back that which it has given then we are still a democracy. But if the control of public funds, the allocation of favors and the misuse of government bureaus to carry on political propaganda campaigns among the mass of voters, is not to be dislodged, then bureaucracy may perpetuate itself and the dynasty of one man will be fastened on the electorate for an indefinite period of years.

A President who says that the Constitution shall be repudiated because our forefathers insisted on ratification of amendments by three-fourths of the States will not hesitate to violate the unwritten precept about third terms.

The country sees Franklin Roosevelt revealed today as a man burning with an unquenchable desire for power—true enough, as he rationalizes it, a power sought for benevolent purposes but with his own fallible judgment making the interpretation of what constitutes benevolence.

The bill to pack the Supreme Court opens the eyes of the country to the palpable dangers of one-man government. It discloses the lengths to which one man in a position of power will go to attain his ends.

PEOPLE FACE THE DANGERS OF AUTOCRACY

The American Constitution is just 150 years old. It has been the living charter of a great people. Under it groups have become adjusted to one another and national unity has been developed. Nowhere in the world has equity and justice been as clearly defined as in this document by which a federation of States has been knit together into a republic of homogeneous people.

It is perhaps transpiring that the God of our fathers, who watched over the founders of the Republic in their hour of travail, is endeavoring to tell us now in these days of Constitutional crisis that we must not despair. Can it be that through the crucible of recent combat has been vouchsafed us the guidance to see that America sans the constitutional method may become a shambles of human anarchy? Are we blind to the vigilante movements in the Middle West and the wrath that comes when citizens are goaded to the point of extreme sacrifice for the preservation of human liberty?

Statesmanship is true when it accepts the teachings of Divine Providence, when it perceives in the national adjustment of humans to one another the futility of attempted usurpation of the power that God alone can exercise.

Men rise to great heights under our democratic order, but they fall nevertheless to greater depths when they defy the rules of human experience. It is given to all of us but a brief time to do our part for the improvement of the world in which a tolerant Creator in His wisdom has permitted us to live. The record cannot be rewritten once it is made. As Thomas Gray wrote:

"Can storied urn or animated bust
Back to its mansion call the fleeting breath?
Can Honour's voice provoke the silent dust,
Or Flatt'ry soothe the dull cold ear of death?

"The boast of heraldry, the pomp of pow'r,
And all that beauty, all that wealth e'er gave,
Await alike th' inevitable hour:
The paths of glory lead but to the grave."

VITAL BATTLE TO PRESERVE DEMOCRACY

In these paths of glory, men are moving every day toward the light that beckons them on—the urge to help keep America the democracy it has shed its blood to maintain. The spirit of Clay and Webster, of Madison and Marshall, of Lincoln and Washington, stands embodied today in the gallant men in Congress who are fighting to protect the independence of the Supreme Court of the United States. They will win because their cause is just; it is righteous.

God moves in mysterious ways His wonders to perform. Maybe it will be written some day that by the invisible hand of fate America was rescued in 1937 from the perils of dictatorship. Maybe, too, it will be said in the spirit of the prophets of old that as the people learned humility and true sacrifice God took the gavel Himself in the congress of human hopes and turned us from the ruts of selfishness, hypocrisy, and personal ambition to the orderly routes of mutual helpfulness, tolerance, and simple honesty, the fundamentals of decent government.

Retreating for Peace

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1937

Mr. CRAWFORD. Mr. Speaker, during the past several years the Congress of the United States, the President, and members of the Cabinet have taken many steps in the name of world peace. Some of the major acts may be classified under the following headings:

(a) Passage of act authorizing the making of reciprocal trade agreements.

(b) Reduction in tariff duties on goods imported from other countries under authority of the flexible provisions of the tariff act and execution of trade agreements with Canada, Brazil, and many other countries in South America and Europe.

(c) Authorization of the purchase of gold produced in other parts of the world at a price of $35 per ounce.

(d) Authorization of the purchase of silver from silver-producing countries.

(e) Surrender of our sea rights and other rights of our citizens who desire to visit, live in, or travel in countries classified as belligerent.

(f) Enactment of resolutions pertaining to neutrality.

(g) Granting of independence to the Philippine Islands.

(h) Inter-American Conference for the Maintenance of Peace held at Buenos Aires.

(i) Participation in disarmament treaties irrespective of action taken by certain other world powers.

(j) Unusual sympathetic treatment extended to Cuba in order to encourage less friction in Latin-American territory by reason of the philosophy of the Monroe Doctrine as it applies to the territory south of the United States.

(k) Cancelation of war debts.

As one closely follows the news of the world and puts down the debits and credits which enter into the account making up war; takes note of the civil strife in the different nations and the fact that the fire of the so-called internal strife is being fed by extraneous sources financed by countries foreign to the one in which the strife is occurring; observes the political wreckage of governments, the mounting governmental deficits, the increasing long-term national debts, the refusal of great world powers to recognize their financial obligations to other powers, the general lack of respect for the sanctity of international agreements pertaining to financial obligations as well as to armaments, the increasing budgets being voted by all of the great powers for offensive and defensive war, the waning respect for constituted authority among the high and the low, the influence upon legislative bodies by pressure blocs working in the interest of special domestic and foreign groups—and with all of these unfavorable developments in spite of the steps we are taking in our retreat for or in the name of world peace—he wonders to just what extent our efforts are succeeding.

MY BROTHER'S KEEPER

The Anglo-Saxon brought up under American institutions believes in the doctrine of "I am my brother's keeper." He feels that he should walk in all the light that he has. That he should so live that his conduct will be uplifting not only to himself but that as he advances he will draw others upward. Such fundamental reasons and philosophies cause us to step forward and attempt to lead the other nations of the earth upward to what we believe to be better things and a more considerate way of life. Under our limited constitutional democracy we are bound to await developments and the formation of public opinion. Ours is naturally a slow process. If we find immediately after election a Governor, a Member of the House or the Senate, or even the Chief Executive is unsatisfactory, we count the days until the next election, knowing that at that time we can again vote our attitude and make the correction according to the wish of the majority. We are by tradition and training more or less tolerant. We patiently await the action of others. That is what we are doing today in our attempt to help the other peoples of the earth to go along with us in a program of more satisfactory trade relations, less armaments, less war, more peace.

WAR NEVER DIES

While we are as a country and a government young in years our industrial experience has taught us to more or less "count the cost." We are somewhat inclined to add up the debits and credits of a proposition before acting. We believe that it is less of a burden to keep out of a war than to get into one—although we may win. We have waged enough successful wars to learn that war never pays. We believe in the doctrine that we should be good because being good pays dividends. We know by experience that in war both sides lose.

HAVE MOVED TOO RAPIDLY

Mr. Speaker, in recent months we have, in my opinion, moved very rapidly, too rapidly, in our attempt to lay down the foundation stones for world peace. I do not believe those in our country who actively contribute expressions of public opinion and who take an interest in public affairs have had the time to assimilate the full meaning of the far-reaching proposals which have been offered and acted upon by our Congress and our Cabinet members and our Chief Executive. We sanctioned rapid-fire action on the part of the Chief Executive. He snapped the whip, and we jumped through the hoop. After jumping, we began to consider. We hastily acted on matters of grave importance to the people of the United States and to other nationals. Having jumped, we now must consider some of the consequences that are likely to follow as steps of the program are worked out.

PHILIPPINE PROBLEM

To further illustrate, let us look at the Philippine problem for a few moments. Thirty-odd years ago we began an experiment in Pacific waters, by transportation time then a long distance away. Our people have not too well familiarized themselves with the component elements of the problem and the experiment. Be that as it may, we have taken some very definite steps to move out of the Far East insofar as the Philippine Islands are concerned. Grave questions are now being presented. More visiting, more study, more understanding before so much action would probably have been the better plan. Those charged with the responsibility of leadership in the islands, whether they be engaged in political, agricultural, manufacturing, trading, or other activities, have much reason to be concerned. The Far East—nearby China and Japan—is a seething volcano today. The whole thinking world has its eyes focused on hourly developments there and its ears attuned to every spoken or written word released from the contesting powers now in action in that field.

The entire world wonders what steps will be taken, from hour to hour, by the United States. Undoubtedly, every move we make must be to a more or less extent synchronized with our Philippine program. I say it this way because we have, through the provisions in the Philippine Independence

Act more or less fixed our program. At least, it is fixed until we make another or more changes. This Philippine program being what we term "fixed", means that its working out will have a direct bearing on every other step we take with reference to the territorial rights in China, our previous compacts or agreements with other world powers also interested in Asiatic waters, and our attitude toward the ambitious program of Japan and her allies, whoever they may be or for whatever purpose they may contend. In the absence of a fixed Philippine program, we could move with such greater freedom and action and with less complications. If we were out of the Philippines and had back of us the granting of complete independence and the recogntion of the Philippine Republic by the other great world powers that would be one thing. But we are not out of the Philippine Islands. The move we have taken to get out has us tied there for another 9 years.

In the meantime, what will the development be? How much will the Filipinos and the Americans—of the United States—have to suffer before independence is an accomplished fact? What will be the price? When will independence be granted? Will the time provisions of the Independence Act be changed in accordance with recent and complicated requests made by President Quezon? What percentage want it 9 years from now? What percentage do not want it at all? What influence will current developments and their ultimate outcome in China have on the attitude and desires of the Filipinos insofar as independence is concerned? Should the United States remove from Philippine territory and waters every trace of military and naval force now, later, and before independence, or immediately with the granting of independence? If our military and naval forces remain in the islands, will that be somewhat of an invitation to other world powers—unfriendly to us—to accept the presence of our forces there as a basis for being less friendly to the United States or to the Philippine Islands' Government? Is President Quezon speaking the wishes of the Filipinos in his many recent utterances? Is he more anxious to have quick independence for political reasons than for the welfare of his people?

Mr. Speaker, these are moot questions. They are grave questions. The destiny of the great American experiment—the Philippine Republic—rests upon the answer to these questions.

STATEMENT BEFORE JOINT COMMITTEE

Recently I appeared before the Joint Preparatory Committee on Philippine Affairs. At that time I presented for consideration what I believed to be some pertinent observations. Personally, I feel this whole question should have much consideration. I think we should and must give much thought to the balance of the program. I do not believe we are fair to ourselves or to the Filipinos unless we take a growing interest in all of the developments and problems which will undoubtedly arise from day to day. To me it is not a closed issue. I shall not dismiss the case by simply waving my hand and asserting that insofar as I am concerned it is a settled issue. Such an attitude will, in my opinion, Mr. Speaker, lead us into more trouble than we care to have. I believe there are leaders in the Philippines who feel somewhat as I do. And in the United States there are Filipinos who are watching this entire situation with much concern. They too are making contributions. Some constructive, some otherwise, perhaps. Frank expression is the order of the day. Plain talk may be of some good. I do not see where it will necessarily hurt anyone. While there is time let us debate the issues.

Under permission to insert there follows the full column editorial of Monday, June 21, 1937, which appeared in the Manila Bulletin, the leading daily paper, and published in both English and Spanish.

RETREATING FOR PEACE

Representative FRED L. CRAWFORD, Michigan Republican member of the Insular Affairs Committee of the Lower Chamber of Congress, has caused quite a stir by telling the American-Philippine Commission of experts in effect that the Philippines might as well be surrendered to Japan, the American forces packing up and running home as fast as they can go with never a glance backward. The Michigan Congressman simply has put in open and frank form what many others have been inwardly advocating while outwardly pretending to give support to and have confidence in quite a different program.

We thoroughly disagree with Congressman CRAWFORD's major and minor premises and therefore quarrel with his conclusion, but we credit him with courage and frankness in admitting the character of ending to the plot. We do not share his lack of confidence in the future of the American system of government, in its adaptability to a Philippine setting and in the Filipino's adaptability to western civilization and democracy. We consider his attitude a slander to Amercanism as an institution and the Filipinos as a people. We consider his recommendations an admission of failure in the whole American governmental, cultural, and economic experiments in the Far East. But we look with more favor on his frank appraisal of the situation as he sees it than we do on face-saving schemes of those who feel the same general way about it, but seek the legal fiction of a graceful retirement.

If the Crawford program be the correct one today, it should have been adopted thirty-odd years ago—unless we are to assume that the American job was that of carrying on to have the Philippines conveniently available when destiny has accomplished the required stage to prepare Japan to assume her "peculiar role over affairs of the Far East and the Philippines." It has never been the theory that Uncle Sam was merely preparing a meal for a Japanese swallowing, but it is the part of wisdom to consider frankly how much of a prospect there may be of an outcome of that character to the program which is being pushed at an accelerated pace.

If we understand the Crawford recommendations aright, he would have every shadow of the American flag withdrawn, every uniform of the American forces, and apparently most of the ties of the trade relations taken away. He would make the retreat complete, so complete evidently that General MacArthur and other Army officers lent for special work would have to be recalled to erase even so much as a suggestion or trace of assistance.

Apparently in local political circles there is something of a tendency to condemn Congressman CRAWFORD for speaking out. However, it must be recognized that few, if any, have more right to speak. He is a member of a congressional committee having the responsibility of recommendations and preliminary decisions affecting the Philippines. He came to the Philippines on invitation of and as guest of the Philippine government. While here he stood out among the congressional visitors as a worker, as one searching for information pertaining to the affairs of the Philippines and the Far East. The natural assumption was that he came to learn lessons in connection with the performance of his official duties relative to the Philippines. We find much to criticize in the deductions he draws from his observations and what we assume have been his follow-up studies, but we cannot question his right to offer his views and submit his recommendations on proper occasion to competent authorities.

Among the Crawford assumptions with which we cannot agree is the one that America's trans-Pacific retreat to leave the Philippines to the fate suggested by the working of destiny through the centuries assigning to Japan a peculiar role over the affairs of the Far East and the Philippines would in the long run contribute to peace. Surrender of the Far East to Japan is one of the surest ways to promote the causes of war and to hasten the threat of war.

INDEPENDENCE—POLITICAL WAR CRY

Mr. Speaker, for decades the political war cry in the Philippines has been "independence." Not alone has this been advocated by those running for political office in the islands but it has been an issue in many political platforms here in the United States. In other words—independence for the islands has been and is politics. One man in particular—a Filipino—has campaigned incessantly on this issue. I offer no criticism against him for doing so. By all the rules of the game that was and is his right and privilege. But politically speaking, Mr. Speaker, there are times when campaign issues bring forth fruit somewhat unexpectedly—before the way has been properly prepared for the program to be placed in operation. Some believe this is the case with reference to Philippine independence.

The Territorial policy of the United States as related to the Philippines, Hawaii, Puerto Rico, and the Virgin Islands has been one of uncertainty for the islanders as well as the people of the United States. For instance, the independence act was passed by Congress and almost before the ink was dry on the printing of the necessary documents the Congress began making fundamental changes in the trade relation provisions of the bill. With all of the friendly relations which have existed between the Hawaiian Islands and in spite of the fact that it is an organized Territory, many congressional leaders are today demanding that discriminatory legislation be enacted against Hawaii.

Furthermore, Hawaii contributes to the Federal Treasury in the same manner as the States of the Union, while this is not true with respect to the Philippines, Puerto Rico, and

the Virgin Islands. Again, within the last 3 weeks the House has declined the usual deficit contribution to the Virgin Islands, although from every rule of the game the Congress is obligated to take care of the expense of maintaining the government of the islands which is in excess of the local revenue raised for that purpose. Only the insistence on the part of the Senate saved the situation for the Virgin Islands. The citizens of Puerto Rico (although they are citizens of the United States also) are kept in "hot water" wondering just what steps the Congress will take next day or next week with reference to political, industrial, and social problems in Puerto Rico. In the Virgin Islands uncertainty is the order of the day. If it is not one type of interference it is another. Private industry in Virgin Islands is now fighting for its very existence due to the competitive conditions brought about by reason of the Government financed, owned, and operated Virgin Islands Co., which is moving in a direction to crowd private industry out of the islands. The Virgin Islands Co. is a creation of the Congress.

INCONSISTENT POLICY OF THE UNITED STATES BREEDS INCONSISTENCY AMONG ISLAND LEADERS

Mr. Speaker, the philosophy and characteristics of a leader permeate down through the individual members of his organization. It is quite natural for the inconsistent and uncertain Territorial policy of the United States to be reflected in the activities of the legislative bodies and political leaders of the islands.

There is a program to be worked out between the Philippines and the United States during the next 9 years. The way for independence must be made ready. The President of the Commonwealth and the Filipino Resident Commissioner in Washington can be very constructive if they choose to be so.

In an editorial appearing in the Philippine-American Advocate recently it is pointed out that the wealth of the Resident Commissioner may have some influence on Members of Congress in dealing with Philippine legislation. The editorial says:

A PROTEST AGAINST A TRIPLE INSULT

Joaquin "Mike" Elizalde, the polo-playing millionaire, Manila's playboy no. 2 (President Manuel Louis Quezon being no. 1), self-styled economist and a sycophant of the masters, and now in Washington as a member of the Joint Preparatory Committee on Philippine Affairs, is slated to succeed Quintin Paredes in his congressional post, according to a reliable source. Señor Elizalde, who is a full-blooded Spaniard and a native of Spain that for over three centuries enslaved the Filipinos, became a naturalized Filipino citizen 2 years ago in the interest of his extensive property holdings and business houses in the Philippines.

The Philippine-American Advocate looks with scorn and contempt and, with the vernacular of Billingsgate and Hell at its command, upon the prospective appointment of Señor Elizalde to the Philippine resident commissionership, the second highest office within the gift of the Filipino people. We firmly believe that he has not the dynamic ability and initiative to cope with the Philippine situation on Capitol Hill. Of course, he is immensely rich and may use some of his millions in cultivating the friendship and gaining the good will of a hostile Congress. But anyone who is conversant with Philippine affairs and who has watched the play and interplay of Filipino personalities on the Washington scene knows that were it not for his pieces of silver Elizalde would be just a mediocre individual, with a mediocre brain and a mediocre intelligence. We are not hinting—far from it—that upstairs or in the noggin Mr. Elizalde is empty. We are just trying to say in plain, polite, everyday English that to replace PAREDES with a man of Elizalde's caliber is unfair to PAREDES, unjust to the Filipino people, and an insult to the intelligence of the United States Congress.

Of all the capable and able native Filipinos—and there are a thousand of them—who would be only too happy to take advantage of the opportunity to serve their country, President Quezon has to choose a Spaniard whose evident qualifications for the job solely are his wealth, social prestige, and the dexterity to play polo like a champion. We heard him the other day at the trade conference propounding questions to witnesses, and we confess we were not much impressed by his poise and by his knowledge of Philippine-American economics and politics. We protest against his appointment. Mr. Quezon already has done enough damage to the Filipino cause on Capitol Hill without making another mess out of it. Elizalde's appointment to the Washington post would completely wreck everything.

OUR GALLIVANTING PRESIDENT

President Quezon now has been away from the "old country" for almost half a year. He came to the United States with the sole objective of paving the way for the Philippine-American Trade Conference. Modern history can furnish no single instance in which the chief executive of any nation has kept away as long from the scene of his duties. It is not the money that President Quezon and his useless retinue are spending that irks our sensibilities. It is the incontrovertible fact that the Filipino people are getting adverse publicity in America's metropolitan press on account of this prolonged and drawn-out visit. Mr. Quezon has not accomplished anything to compensate for his undue absence from the Malacanang. We want him to go home, and be not like a dandified playboy gallivanting throughout all parts of the known world. He is hurting the Filipino cause and the good name of the Filipino people. Is it high life that he wants? Manila is amply supplied with cabaret girls and flashy entertainers from abroad. Is it gaudy shirts that he needs? The Moros and Igorotes in northern Philippines can supply him with all the loud shirts he can use. He does not have to go to Mexico City nor Habana to feast his eyes with feminine beauty, either. The Philippine Islands are the home of beautiful and dark-eyed senoritas, besides thousands of their half-breed sisters. Yes, Mr. President; we say to you: "Pack up and beat it home. Your 'radiophone government' is not as effective as the 'be at home' government. Furthermore, don't you think you have missed your 'adobo' and 'arroz con pollo' too long?"

IN CONCLUSION

Now, Mr. Speaker, we have some of the views of the Manila press and of the Filipino press of the United States. There is plenty here to show these questions are two-sided. Perhaps open and frank discussions will be very beneficial during the remainder of the time we have in which to consider some of the problems before complete independence is granted.

We should not overlook the cloud which hangs over all of the colonial and territorial possessions of the different countries today. Those who are natives of the territories and possessions are watching with much concern the rapid toppling of their mother governments. We all see what has happened to the once powerful Spain. We can appreciate what some of the German colonies contended with under the old rule as compared to what the situation would be under the present German Government. The same is true of Italy. I can believe that the Territories which are now under the American flag—Puerto Rico, Hawaii, the Virgin Islands, and even partially independent Philippines—may be wondering just what changes will occur in the Government of the United States during the 9-year interval before complete independence for the Philippines is granted, and how those changes, if they do occur, will affect the citizens of the islands. The pages of history are being written very rapidly these days. The scenes are shifting quickly and those who study and think have difficulty keeping up with the sudden changes which occur with reference to individual governments and the geographical areas they cover. From the standpoint of communication and transportation, distance is being almost eliminated. These rapid changes present grave problems and bring us to the thought that nothing is fixed.

Liberty and Justice in United States "Ersatz" in Germany

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1937

Mr. CELLER. Mr. Speaker, there are still some American businessmen and industrialists who believe that fascism or nazi-ism would be a fine thing for our country. During these recent months, filled as they have been with labor disputes, some misguided people have fallen into the habit of wishing for the might and power of a nazi-istic dictatorship right here in our country. They have an idea that an American fuehrer would bring order out of chaos and would thus help the harassed American businessman out of the mire.

For these people there is no use in pointing out how dictatorship stifles freedom of opinion, smashes freedom of the press, clamps down on a whole nation the rule of the mighty

fist, and destroys all those liberties for which our forefathers fought and died. There is even a stronger argument that can, that must, be used to show such individuals how wrong they are. They must be shown that fascism and nazi-ism are not alone the sworn enemies of the laboring classes, but are just as thoroughly the enemies of the free and competitive system of business and industry that now exists in this country. For nazi-ism is little more than a hybrid socialism. With the socialist, at least, you know where you stand. They want to nationalize industries that are now privately owned, and they want to hand them over, as they say, to the people. The Nazis say no such thing. But in actual practice they are doing worse than that; they are oppressing German business and industry; they are taking property away from the businessmen and putting it in the hands of a bureaucratic state.

Last spring the newspapers reported from Berlin that the German Government was preparing to give the German people—

> A new conception of property rights differing radically from the ideas of orthodox capitalism. In the new civil laws, now in the process of codification, there will be no need and no room for abstract rights of property.[1]

The meaning behind these new laws was explained by the official economic spokesman for the National Socialist Party, Herr Bernhard Koehler. This is what he had to say:

> The capitalist system of economics is the worst and most disadvantageous that now exists. The building up of the nation's wealth suffers even more under this system than the standard of living. The capitalist economic system failed to produce national wealth in sufficient quantities and is characterized by its neglect of opportunities to create national wealth. One of its most typical weaknesses is the sales or turn-over delusion which increases consumption to the disadvantage of national wealth. This delusion results in the destruction of the nation's forces, natural resources, and the sources of prosperity.[2]

And it was Dr. Otto Dietrich, chief of press of the Nazi Party, who announced:

> The capitalist system has been replaced by the National Socialist system, which is borne along by an entirely different spirit, and obeys entirely different intrinsic laws from those which control capitalist economy.[3]

These words sound almost like awkward plagiarisms from Karl Marx himself. Yet they have been carried into practice with the thoroughness and method that is so typical of the German mind.

On February 27, 1934, the Nazi Government put through what it called the "law for the organic reconstruction of German business."[4] This law placed every business, from the tiniest village shop to the largest Berlin department store, under the direct control of the Minister of Economics. It introduced the Nazi "leadership principle" into the business life of what had formerly been a free country. And now, with the introduction of the so-called 4-year plan—which has a ring strangely reminiscent of the Russia that Herr Hitler professes to detest so heartily—the German businessman has become the most ordered-about person in the Reich.

In every field—in the import and export trade, in the matter of prices, in the manufacturing and the retail fields, among the farmers, in banking, in taxes—in all these there is no God but Hitler, and General Goering is his prophet.

Of prophets there are many in Germany, but business and industry now see little of profits, which would be far more welcome. The whole Reich is being rapidly transformed into a gigantic munitions factory, and all else is placed in a secondary position. The proudly announced Nazi dictum today is that cannon is more worth while than butter, and the big industrialist feels the pinch as much as does the tiniest German baby.

In the mad German race for rearmament the export and import trade has been assigned first place. In spite of all the "ersatz"—the synthetic or imitation—industries in the Reich today, Germany must still depend on her imports of raw materials from abroad. But so strict is the dictatorship over business that not a single carload of material, not even the tiniest package, can cross the borders of Germany in either direction without the express permission of the Nazi Government. No one can sell anything or buy anything abroad without a permit—and the permit is given on political grounds, not business ones. Thus there are some markets where the German importer cannot make any purchases, no matter how much cheaper the material may be there. The Nazi control offices see to it that armament materials get first choice, and only afterward are imperative food imports permitted to be brought into the country. Nor are exports any less strictly controlled. Germany has set up a complicated system of so-called "blocked marks", and the intricate machinery of Nazi foreign policy has seen to it that sales can only be made in certain countries—and those not necessarily the ones where the best prices could have been gotten.[5]

Prices, of course, are the factors that make for prosperity or economic chaos in a country. In the land of the Nazis, however, no businessman has anything at all to do with the prices of the products he manufactures or sells. For prices are a very important part of the Nazi government's own plans. Last October a new decree made Josef Wagner the Nazi commissar of prices.[6] He was empowered to fix just prices for goods and services of all kinds, especially for the necessaries of daily life; for the entire agricultural, handicraft and industrial production, for commerce in goods and wares of all kinds, and for all other compensation, except wages and salaries. The just price, according to the Nazis, is the price justified by the national economy—whatever that may mean. And anybody who violates the price commissar's orders is punished with penal servitude, imprisonment, arrest, and unlimited fines. The commissar is even empowered to impose unlimited fines on his own authority; he can close down the business of anyone who displeases him, and he can forbid him to go into business again. What is more, all claims and damages resulting from his orders are outlawed in advance.[7]

The reasons behind this are very clear. Food and clothing and everything else so necessary for the continuance of life itself have become so scarce that, if there were no stringent control over them, prices would go skyrocketing overnight. Simply because the Nazi Government has sacrificed the very essentials of human existence, the German businessman is the first to suffer.

But that is only the beginning of the story. The Hitler dictatorship has kept a heavy paw on capital investments, too. It seems strange to find an American industrialist dreaming sweet dreams of nazi-ism when the truth of the matter is that 660 corporations have been dissolved by the Nazi government since 1934, while only 140 new ones were founded in the same period.[8] Everything is under government supervision in the paradise of the Hitlerites. If you want to open a store, you will merely be laughted at. If you want to add a wing to your factory, the government must approve. If you want to build a new factory, you will be told that it is unnecessary. If you want to invest your money in some industry, the Government must o. k. the idea first. And the Government has set up a scale of importance for investment or expansion. You can spend all the money you want on armament manufacturing and other strategic industries if you are so inclined.[9] The Nazis encourage the death industry. But all other industries are of only minor importance—food supply, domestic raw material production, promotion of exports, housing, they are not so essential to the Hitler war machine.

---

[1] Associated Press dispatch, Mar. 31, 1937, quoted in Foreign Affairs, July 1937, p. 595.
[2] New York Times, Dec. 6, 1936.
[3] In an address delivered January 28, 1936, quoted in Foreign Affairs, July 1937, p. 595.
[4] Reichsgesetzblatt, No. 28, Mar. 13, 1934. See also Michael Florinsky, Fascism and National Socialism, p. 101.
[5] Foreign Affairs, July 1937, pp. 596–598.
[6] Foreign Affairs, July 1937, p. 598.
[7] New York Times, Oct. 31, 1936.
[8] New York Times, Feb. 8, 1937.
[9] Foreign Affairs, July 1937, pp. 599–600.

And meanwhile, the decrees and orders and regulations come pouring out of the ministry of economics like water out of a spout. As one observer puts it, "the number of regulating decrees amount to a thousand a week, because more and more the government has to proceed from general regulations to specific interference. If, for instance, steel or cement is short where the need is considered urgent, General Goering, in charge of the 4-year plan, is free to take a supply away from anyone who has it."[10]

Farmers are businessmen, too. And they come under these regulations just as do all the others. The Ministry of Agriculture tells the farmer how much he can get for his wheat, the miller how much he can get for his milling, the baker how much he can get for his baking, and the grocer just how much profit he can add before he sells the bread.[11] Detailed orders fix the retail prices of meat and meat products, including beef, pork, tallow, lard, bacon, ham, and sausages.[12] They apply to every kind of cereal, fodder, cattle and hogs, dairy products, fruits and vegetables. Each farmer is told what crops the Government wants him to raise, what fertilizer he may use, what seeds he is permitted to plant. He can only sell his products to special agents who are really Government employees.[13]

The whole idea was an attempt to slow down the steady increase in all food prices, caused by the ever increasing and disastrous shortages. While the German farmer walks grumbling behind his plow, the German housewife waits just as grumblingly in line at the grocery store, hoping that she'll be able to make both ends meet and feed her family like human beings. And meanwhile the Nazi leaders sit placidly in their bureaucratic offices in Berlin, ruling over the 60,000,000 Germans with the backing of the mighty Nazi war machine.

But the bankers of Germany are not getting any breaks, either. Today, the Government has the banks in so tight a grip that no important financial transaction can go through without Nazi permission. All private issues of stocks and bonds are prohibited altogether except for those industries that are forwarding the Hitler war plans. Meantime, banks are ordered without a by-your-leave to grant credits to or buy shares of such corporations as happen to serve those plans. The banks themselves receive direct instructions from the Reichsbank, which is the Government's own central agency. Without the consent of the Reichsbank no major financial transaction can be carried out in Germany today.[14]

And all this time, taxes in the Reich have shot up like Professor Piccard's balloon. Some day, no doubt, they will come down, also like the good professor's contraption, under similar catastrophic circumstances. But meanwhile the Nazi tax program burdens the German businessman with increase upon increase. And there is no such thing as tax evasion; the death penalty is handed down very freely in German courts. Besides this, no corporation is permitted to distribute more than a 6-percent dividend—or an 8-percent dividend in very special cases. The rest of the profits must be invested in the "ersatz" industries sponsored by the Government.[15]

Thus, the National Socialist Government of Germany plays with the German businessman like a cat teasing a mouse. The Nazi leaders mouth valiant speeches about the glorious freedom of the businessman and industrialist, just as they do about the emancipation of the oppressed German worker. There is as much freedom for one as there is for the other. Blindly, the German people have hurled themselves into the sea of bureaucracy and inhuman dictatorship. They have only themselves to blame if that is the best solution they can find for their great problems. If they prefer the kind of government under which they now subsist, that is their affair.

But the astounding thing, the shocking thing, is the fact that there are American citizens—men who have been born and brought up in a free land of free men, who have breathed the air of liberty and justice, who can speak their mind and follow the dictates of their own conscience—that there are such men who dare turn to dictatorship as a solution for our own American problems.

If there is any lesson to be learned from what is going on in Europe today, this is it—stay away from fascism!

[10] Foreign Affairs, July 1937, p. 600.
[11] Foreign Affairs, July 1937, p. 601.
[12] New York Times, Oct. 24, 1936.
[13] Foreign Affairs, July 1937, p. 602.
[14] Foreign Affairs, July 1937, pp. 602–604.
[15] Foreign Affairs, July 1937, p. 604.

National Problems

EXTENSION OF REMARKS
OF
HON. LEWIS B. SCHWELLENBACH
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Friday, July 30 (legislative day of Thursday, July 22), 1937

ADDRESS BY GOVERNOR LA FOLLETTE BEFORE HARVARD BUSINESS SCHOOL ALUMNI ASSOCIATION

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting address delivered by Hon. Philip F. La Follette, Governor of Wisconsin, before the Harvard School of Business Alumni Association, Cambridge, Mass., on June 18, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Frankly, this is a difficult time to talk. We will be judged by what we do rather than what we say. This is a time that requires action more than words. Yet those of us who believe in the American system realize that no program can be carried out without the understanding and backing of our citizens. All of us working in the practical field have not only the job of meeting the specific problems on our doorstep; it is likewise a part of our job to give our interpretation of the problems and the remedies, if public opinion is to have wide foundations for judgment.

Occasions arise in the life of a people when a single generation makes a choice which affects not only itself but generations to come. Our forefathers' choice of the democratic principle became the controlling influence in government here and elsewhere for at least five generations. We face an equally important decision today. Our choice does not lie between communism and fascism, nor between capitalism and socialism, nor between individualism and collectivism. Those who hold up these alternatives seem to me to make a fundamental error.

The world about us proves that, given long enough time, man can and does alter certain aspects of his physical environment. But the environment in which we must make ourselves at home today is just as much a physical fact as were the woods and Indians to the pioneer a hundred years ago, or the early crop failures to the founders of Plymouth colony. Physical circumstances control the basic economic method by which our generation must use our resources for our livelihood. Here we have no choice. Changes that have been taking place in past decades have long since made the decision for us.

Although some of us may resent it, our world is not that of our grandfathers. The free land and the old western frontier have disappeared. We are all aware that inventions have opened up undreamed-of energy to turn our natural resources into useful goods. These changes are not the creatures of political propaganda. They exist as physical facts. We are compelled to adjust our economic and political institutions to these physical changes as inevitably as our forefathers had to meet the exigencies of their environment.

We all sense this change in our physical world. We know that we cannot restore the vanished western frontier or undo the discoveries of the last century. We appreciate that we cannot return to Daniel Boone's world or the Daniel Boone type of pioneering. Even good Republicans could not repress a smile at a Landon ox team and covered wagon caught in the traffic of Forty-second and Broadway.

Does this basic change in our physical environment necessarily mean that we are through with the pioneer spirit and the individual initiative associated with America? That is the premise of both Communists and Fascists. I cannot agree. I am convinced that we Americans can adjust our economic and political system to our changed environment and at the same time pre-

serve the essence of individual initiative, the spirit of the American pioneer which is a part of our very being.

America's unique contribution in the past was opening the door of opportunity to everyone to freely make his own way. To be sure, America has been endowed with vast physical resources; but nature was generous in other parts of the world, too. It was the system which our fathers set up for developing these resources which was new to the world. Theretofore nature's bounty had been parceled out primarily for the benefit of a governing class. It was this American method of opening to the millions, instead of to a few, the opportunity of developing their own and, at the same time, their Nation's wealth, which transformed this continent. Within little more than a century a wilderness became the richest nation in the world. And today, in spite of the depression, our people still enjoy by far the highest standard of living in the world. The American system gave equality of opportunity, but at the same time the individual carried and knew that he was carrying his proportionate share of the burdens. America thus developed, side by side with the doctrine of equality of opportunty, a corresponding standard of equality of responsibility.

In view of our achievements, it is natural and right that we cling to principles which have given us so much. We must be certain, however, that our fight for these principles is constructive and that we are not, like King Knute, commanding the tides to turn back.

The United States today has actually and potentially greater resources than ever before. No one disputes that the proper management and development of these resources can provide us with a standard of living at least again as high as we have today. In terms of resources, the America of 1937 has a greater future than the America of 1787. We are far more fortunate in our physical environment today than were the founders of the Nation. Are we to be as far-sighted as they in handling these resources so that they will produce not only wealth but character as well?

A century ago undeveloped land was our greatest material resource. This could be developed easily and satisfactorily by individuals working independently. A grant of 160 acres of land gave an individual independence. This harnessing of the ambition of millions for their own individual improvement eventually increased the total wealth of the Nation. Today the situation is quite different. Our resources are mainly in the form of materials and machinery that can function only under a high degree of synchronization.

In the past the effect of interruption of production was felt only in the community where it occurred. Today it affects us all. In our interdependent civilization we cannot provide our present standard of living, to say nothing of a higher standard, without coordination and continuity. Our pressing problem is to maintain coordination and continuity and at the same time preserve American initiative and individualism.

Those who insist that we must choose between individualism and collectivism, or between socialism and capitalism, assume that we can still choose between working together and working separately. But in this matter we no longer have a choice. Our physical environment has determined that issue for us. The question before us is the kind of system under which we shall work together.

Those who insist that our choice is between communism and fascism likewise mistake the fact that we must work together to mean that there is only one method of working together, namely, under a system of dictatorship.

Let us look again at the choice made by our fathers. They could have copied the Old World, but did not. They blazed a new trail. Discarding the age-old tradition that resources could be most efficiently developed by the few, our forefathers firmly stood on the new principle that, come what may, America would be developed by the individual effort of independent, responsible human beings. While they could do this with a system where individuals worked independently on unimproved land, our resources today—actually greater than ever before—must be developed in the same spirit. Though this change in our physical environment makes inevitable a community of effort not demanded in the past, it does not mean that the only method of developing our resources is class dictatorship. That may be the choice of a substantial part of Europe today, but for that matter a large part of Europe developed its raw land on the same dictatorial principle that it is using today toward modern resources.

Some of those who advocate forsaking our American plan for a class system forget this essential fact: The issue is not whether we shall choose a class at the top or at the bottom; we shall be forsaking our most vital tradition if we select any class whatever, whether it is conceived to be at the top or at the bottom. To select any class for preference would be to reject the social principle on which our Government was established and our country developed. It would be a long step backward regardless of whether we retreat under the leadership of the Communist or Fascist. Both are reactionary in that they seek to take America backward toward a class system.

It is true that if we are to work together we must have some method of reaching common decisions. The obvious method is through the institution of government. The government may be liberal and democratic, or tyrannical and dictatorial, but there must be machinery for reaching agreement on a program. That machinery will be the institution of government. In our interdependent economy government will play a far greater part, and is therefore of greater importance in our lives than in earlier periods.

Democracy itself is not inherent in any particular form of governmental organization. Nor does a free democratic society imply that government is impotent to deal with its problems or to maintain itself. A democratic system, like any other, will if necessary use force and compulsion. Liberty does not mean license to do exactly as one chooses regardless of consequence to others. The essential difference between a democratic and a dictatorial system in the use of force lies here: The dictator applies force to impose the will of a small group upon the great body of citizens, while the democratic government applies force upon individuals or small groups who insist upon violating the interests of the whole. The dictator decides what is best for the nation and compels the nation to follow him. In a democracy the rules are worked out together and force is used only to discipline those few who will not play the game.

The boundary line between democracy and dictatorship is crossed not when the players are required to play upon a team, but only when the government denies the governed a real opportunity at reasonable intervals to change the umpire or the rules of the game. If mankind is to prosper materially and spiritually, there must be rules, the game must be played according to the rules, and there must be an umpire willing and able to see that the rules are observed.

Our political parties came into existence when the issues of today were barely visible on the horizon. For this reason our political alinements today are outworn and antiquated. The Republican Party has emphasized the values and virtues of American individualism. But it has been sterile of any program to preserve and foster the homely virtues of the simple life in an age of mass production. The Democratic Party (or rather its leadership) produced a program that did recognize the necessity of common action. The program of the Democratic Party, while based on the necessity of common action, has in certain respects ignored methods which are essential to preserve the distinguished qualities of American individualism.

A new political alinement is definitely on the way. Whether this alinement comes under one of the old parties or as a new one is not so important. But come it must. It is essential that it be an alinement which will enable those of us who see that coordinated action is inescapable to stand together for a program which not only recognizes that fact but likewise resolves upon methods which will preserve both equality of opportunity and equality of responsibility.

Can this be done? Yes; it is being done. Let me give three concrete illustrations of the methods by which we can take common action and at the same time encourage and foster initiative and responsibility. Naturally I shall take my illustrations from Wisconsin. Although for many years Wisconsin has been looked upon as a radical State, she is in the best sense conservative, in that Wisconsin aims to conserve and preserve our best American traditions. We have at times been ahead of the rest of the country in recognizing the necessity for common action. But the form of that action has always preserved individual opportunity and responsibility.

In 1911 we adopted workmen's compensation in a law that recognized our need of a new and simplified method of dealing with accidents in industry. That law had two objectives. The first was to pay compensation to the injured worker; the second, to stimulate responsibility among individual employers for safety in industry by fixing the rates on their individual records. Twenty-five years later we have this extraordinary result. Workers in Wisconsin receive the largest benefits under workmen's compensation in this country. Yet the stimulation of the individual employer's responsibility for safety has been so successful in reducing accidents that the total burden of workmen's compensation on industry itself is less than in any other State in America.

In 1931 we enacted the first unemployment insurance act in this country. It likewise had two objectives: First, to pay benefits to those who lost their jobs through no fault of their own, that would help to tide them over the unemployment period; and, second, to provide a stimulation to individual responsibility of management to stabilize employment within its control by keeping each employer's funds separate, thus leaving each plant to stand on its own record. At the end of a relatively short period the soundness of this legislation has already been demonstrated. A questionnaire sent out by the Wisconsin Manufacturers Association brought forth most enthusiastic testimonials from the leading manufacturers of the State, one of which I will read to you:

"This company wishes to go on record as approving, without reservations of any kind, the individual employer reserve plan for the administration of the unemployment insurance reserve law. The conclusion reached is the result of the actual regularization of employment that this company has perfected since the law was passed. We frankly admit that the effort that has been put forth by this company is due to the fact that it was our own record of employment that was to be the determining factor in the contribution rate and the advantage of maintaining our reserves as a result of our own efforts.

"At the close of the year 1934 we made a check-up of our operations by applying the law as though the payments under it had been effective during that year. The result showed that due to

irregular operations this company would have been called upon to make benefit payments in the amount of approximately $33,500 without any services rendered therefor. Needless to say, such a staggering amount set everyone thinking about this problem and devising ways and means for its elimination.

"At the end of 1935 another check was made, which showed that approximately $16,000 would have been required to meet the demands of the law.

"Again, at the end of the first 6 months of 1936 a check was made, indicating that approximately $6,000 would have been paid during the first half of the year had the law been effective. Of this $6,000 the investigation revealed that it was the result of our old custom of shutting down 1 week in which to take inventory. As a result of this discovery no shut down was made for inventory time at the end of 1936, with the result that our operators received 40,000 more hours of work and that the company was not subject to payments under the act.

"Up to the present time we are very much gratified to be able to say that the benefits paid under the law since it became operative as of July 1, 1936, amounted to only $30.60. * * * There can be no question but what the Wisconsin plan is by far the better plan, since it provides the necessary incentive to each employer 'to get and keep his house in order.'"

Thus we have another illustration that it is possible to take action to meet a common problem and at the same time actually to stimulate and increase individual initiative. Of course, unemployment insurance is not by any means a complete answer to the problem of unemployment. What we are here discussing is that these common problems can be dealt with, and that we can likewise preserve individual responsibility and enterprise.

Another vital problem we have been tackling in Wisconsin is the problem of human relations in industry. The closing of a factory 50 years ago meant hardship for those immediately concerned, regardless of whether the closing was caused by natural or economic catastrophe or because of friction between employers and employees. The results were confined to a small area. Today the closing down of a big factory, throwing thousands of employees out of work, immediately affects the community and within a short time produces widespread repercussions. A shutdown such as that of General Motors is not limited in its effects to Detroit or even Michigan. Soon manufacturing plants in many parts of the country are likewise closed because of the intimate relationship in our whole manufacturing process.

So it is obvious that we must take common action in the field of labor relations. In a free country the individual must be able to choose when and under what conditions he will labor. This right of contract is a cornerstone of freedom. In the old days to preserve this right required little supervision. The physical circumstances of manufacturing made it possible for employer and employee to bargain across the table with each other. But today the employer of a great industry who talks about bargaining individually with his employees may have good motives, but his thinking is suspect. If Mr. Henry Ford were to spend every waking moment of the year, he could scarcely shake hands with his individual employees, not to mention talking with each of them about wages and working conditions.

We have, therefore, through our National and State Governments properly taken common action to establish the principle of collective bargaining as a rule of the game. We in Wisconsin take the position that collective bargaining particularly requires of both employees and management obedience to the spirit more than to the letter of that principle. Employers who violate the declared public policy by "company unions", intimidation, or other unfair labor practices must be dealt with promptly and effectively by the Government. But collective bargaining is not the only rule of the game. Labor has no more right than management to coerce and intimidate workers or employees. A government should make it its business to intervene against whichever side hits below the belt. The Government should be against the bully and the bullhead, whether they happen to be employers or employees.

In the difficult and complex field of industrial relationships we in Wisconsin feel that both labor and management should be given a wide field for working out their common problems. One of the penalties of a free society is that we must be free not only to succeed but also free to make mistakes. Labor and management will work out their problems better in the long run without too much interference so long as they both play the game fairly. But we cannot expect to be entirely free from shut-downs, strikes, or other interruptions in production. This is particularly true while we in America are now paying the price for failing to take steps that should have been taken long ago.

We are going through a period of institution and rule building in our economic government similar to that we have experienced in creating our political institutions. In this process we experience all the difficulties of adjusting temperaments and interests, ambitions and policies, that are present in the formative stages of all human institutions. The refusal and failure to take a long, even-tempered view here would be fatal to growth and progress. To establish hurriedly a fixed policy while under the influence of outraged pride and hate, engendered by the clash of immediate economic interests, would be like making a permanent foreign policy in wartime. We must rather look to those leaders in all groups who in governing themselves give evidence of ability to create new instruments of government in which all may have faith and confidence; who, in the confusion and heat of passing conflict, keep clear minds and build bridges of good will across to future cooperation that will raise the national standard of life.

It is not always easy to draw the line between our groping efforts to adjust ourselves to new conditions and attacks on the American system of government. One of the arts of government is to be able to draw that line. But it must be drawn, and, when drawn, those who cross it must be dealt with by the umpire.

This generation is adjusting itself to a momentous economic change. The needed adjustment cannot be made overnight. It can be made more easily and with greater certainty of safeguarding our unique American character if you who have the opportunities of training and positions of leadership will cease resisting the inevitable. Concentrate your energy and brains where they will count.

The late Elihu Root, discussing one day in the United States Senate the position, in the light of economic changes, of the States in our Federal system, pointed out realistically that "the only way to maintain the powers of government is to govern." Hard language will not affect the physical changes in our environment. The vast array of machinery on the farm and in the cities does not hear or read and is uninfluenced by editorials or speeches. When a program is proposed do not assail it as radical or communistic or fascistic merely because it is based on collective action. Support or oppose it on the ground that it encourages or discourages the American spirit under modern conditions which make some type of collective action inescapable. If you want your efforts to count, center them upon what can be influenced and determined—the method of organizing our human relationships to meet the needs of our time.

We must have both progress and order. The die-hard reactionary thinks of order as a method of preserving the status quo by using force. The extremist expects the millennium to be produced overnight. Both are wrong. We cannot preserve order by force alone. The vast majority will accept reasonable rules of the game if obedience to those rules leads to a better life for the individual and the Nation.

Those who believe in orderly progress must aline themselves in a united front.

Work of the Administration

EXTENSION OF REMARKS

OF

HON. WILLIAM H. DIETERICH

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Friday, July 30 (legislative day of Thursday, July 22), 1937

ADDRESS BY HON. JAMES A. FARLEY AT SOLDIERS' AND SAILORS' REUNION, SALEM, ILL.

Mr. DIETERICH. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered by the Honorable James A. Farley, chairman of the Democratic National Committee, at Salem, Ill., July 28, 1937, on the occasion of Democratic Day at the soldiers' and sailors' reunion.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It makes me very happy to be in Illinois again. It is particularly pleasant because now I come asking nothing of you. I am here simply to talk to my old friends and supporters of the Roosevelt administration, and to join in an expression of the satisfaction we all feel by reason of the progress our country has made.

Naturally the happiness of my visit to Illinois is the greater because I am able to talk in a community that had so large a part in the history, particularly the political history, of our country. It is interesting to know that it was hereabout that William Jennings Bryan began his political career; that your fathers and some of you listened to that great Democrat's earliest speeches. In fact, it is not too much to say that he learned in this and neighboring Commonwealths the art of expression, and developed that skill of oratory that was to sway millions of Americans. Those who followed him, and those who fought him, must agree now that no man of his generation filled a bigger share of the public eye than William Jennings Bryan.

Another Salem—New Salem, across the State—had its part in the formative stage of the life of one of the greatest of American Presidents. When I exalt Abraham Lincoln, and cite his principles as precedents for those of our leader today, somebody is sure to arise and exclaim that Lincoln was not a Democrat. If my reading of history is correct, he did not himself know what political label he should wear when he neighbored in New Salem. I refer to the period when he was splitting rails on contract, flatboating on the river, keeping store, and whatever odd jobs came along, to keep him going while he was reading law books. Perhaps I am particularly interested in Lincoln because he used to be postmaster—and, incidentally, letter carrier—in those days.

But there is no point in telling you of your great men. You who live here know more about the early lives of Lincoln and Bryan than any visitor. Instead, let us talk of present-day situations and people.

From our present vantage point we can hark back to things as they were when Democratic spokesmen, myself among them, came to this State on behalf of the candidacy of Franklin D. Roosevelt, and recall those days without distress, for the pain of the depression has been wiped out by the comfort of our recovery.

We must admit we were all scared—I am referring to the period of 1932. We picked up the morning newspaper then with foreboding and dread. None of us knew where we were going and wondered what new calamity the headlines would disclose. What new bank failure would be announced? What factory closing would be recorded? What stock dividends would have been passed? What new low in the stock market would be mournfully told?

The air was full of clouds. Food riots seemed imminent; indeed, some had already gotten under way. There were not a few people who thought they saw ahead civic chaos on top of industrial disaster. From Washington came no word of anything calculated to check the flood of misery, except declarations that the bottom had been reached and better times lay ahead. Vain prophecies, these seemed to be, for the faith of the people in the administration then in power had been shattered. They had watched the course of government, wobbling, hesitating, drifting, until they felt that the Hoover administration either had not the slightest idea of what to do, or if it had a plan, being without the courage to attempt to put that plan into operation. There had been 2 years of this—2 bitter years of progressive decline in the Nation's economic and industrial health.

There was one man—the then Governor of New York—who had thought out a program that would lead us out of the swamp of despair and into the fields of hope. The problem then was to have the country accept our own belief in his ability, and the validity of the system he had worked out as due to check the flood of misfortune. That was really a job of flood control and the salvage process. In another and broader field it parallels the work of rescue and prevention consequent on the epidemic of overflowing rivers that washed away bridges, ruined villages, and perilled great cities in our valleys.

In the face of such disasters it is not always possible to do what has to be done immediately, according to accepted formulas.

We asked you in that day, that seems so far back in the light of our present happier condition, to take a chance on Franklin D. Roosevelt. There were other eminent candidates for the Democratic nomination for President. I recall, and you doubtless recall even more emphatically, the battle in many States between those who accepted our proposal and those who favored other candidates. That battle extended even to the national convention in Chicago. It is typical of Democratic habit and procedure that the bitterness of that fight was forgotten when we went to the polls in November. It goes without saying that the side that won held no bitterness toward those who opposed Franklin D. Roosevelt's nomination. When the fight was on each delegate was categoried in my mind according to his position. It is, perhaps, a reflection on my memory to tell you that after my election as chairman of the Democratic National Committee I never thought of the difference between the Roosevelt delegates and the anti-Roosevelt delegates.

Possibly there is an application of that outcome in reference to the situation today. You may perhaps have noted the bitter character of some of the speeches made in a recent controversy. Do not take those too seriously. The talk of a party split comes from the Republican side—from those who hope for a Democratic division as the only possible means of returning to power the party of privilege, that was turned out of office by you and nearly every other State in the Union 5 years ago, and kept out by a still larger number of States last year.

Earnest men in the heat of controversy are prone to exaggerate. If you believed half of what is said in the fury of debate you would conclude that a majority of our public men ought to be in Alcatraz Prison instead of in office.

It is all part of our political habit, and while we give the authors of intemperate utterances credit for sincerity when they storm and rage and call names, we know from experience that the tempers cool when the fight is over. We know further, also from experience, that no man or group in the Democratic Party is stronger than that party. And I look to see even the fiercest among those who are in opposition today fighting the Democratic battles of the future as vigorously as ever. I think they are making a mistake, and regret to see them in even temporary discord with the party principles and the party spirit. But, as I have frequently said, I have worked with these gentlemen before and anticipate working with them again.

I have compared the work of the present Democratic administration with the flood-control processes. Our President conceived that the whole of his job was not merely to arrest the flood of economic disaster but to build dams—industrial and commercial dams—to prevent a recurrence of floods. I have also suggested that it was not always possible in a critical emergency to pick the best and most permanent remedy. For example, we know that a cement dam of great strength and endurance is a better structure than one thrown up hastily, built of bags of sand. But when the waters are creeping up the idea is to do the best we can with the material at hand. It is quite possible—indeed, it is quite accurate to say—that putting into practice the New Deal principles was not without flaw. It developed, for example, that certain of the New Deal processes did not meet the Supreme Court view of what was constitutional.

Well, let's go back to our simile of the real water floods. Suppose that somewhere on one of our great rivers we knew that the crest was on its way and that unless a barrier was erected, enormous damage, involving great loss of life, would result to people and properties in the torrent's path. Let us assume further that there was near at hand a large number of grain sacks to take care of a prospective harvest. Who would hesitate to seize these sacks, fill them with earth, and stack them into a temporary dike? The taking of private property would probably be wholly illegal. But whatever damage resulted to the owners of the bags could be made good later, and there could be no time for the slow and difficult court procedure involved in condemnation proceedings. If the strictly legal course were adopted, great areas would be ruined and many lives would be lost. So it was at the beginning of the New Deal. The remedies had to be applied forthwith. There was no means of ascertaining in advance if the Supreme Court would rule the N. R. A. and A. A. A. unconstitutional. So these temporary breakwaters were thrown up and they did the job. During the 2 years that they were in operation millions of people were put to work, factories were reopened, merchants were able to sell their goods, farmers were able to buy, and recovery got such an impetus that industry kept on and continued to prosper after these adverse decisions. The basis of handling the questions involved in giving economic life preservers to the farmers and to business generally had to be changed a bit and are still in process of being changed to meet the objections of the Supreme Court. It must not be forgotten that every one of these measures was taken in the public interest, and the public interest was magnificently served by them, even though in the retrospect it may be demonstrated that some other course might have been as good or even better.

Perfection is a goal always to be aimed at. Doubtless there is no process of government that could not be improved. That is the theory on which every successful administration must proceed. As gaps and faults appear after a given law is put into effect, that law must be altered to correct the bad features that have been disclosed. We have no means of judging the future except by the experience of the past.

The Roosevelt administration fell heir to a prostrate country. It has put that country on its feet. The people appreciate that fact and are determined that the administration that has been successful so far shall not be interrupted in its efforts to complete the processes of restoration and to put up the barriers against a recurrence of the miseries of the depression period.

I suppose it was inevitable that some of the interests that have always opposed the progressive policies of the Democratic Party should again be making an effort in that direction. Relieved, as they have been, by the New Deal program from their panic and practical collapse of their enterprises, they are running true to form and are trying to get back the old unfair privileges through which they made so much money during previous administrations, while the people at large got no adequate share of their profits. The Liberty League, though ostensibly inactive, is functioning through its originators and supporters just as it did during the 1936 campaign and seeking to break down the President's popularity and diminish the faith of the people in his efficiency, ability, and sincerity. They would, if they could, make the Roosevelt administration a failure. They would like to repeal the 1936 election. There is no earthly chance, of course, of their being successful in that extraordinary enterprise. So I assure you today, and I think I am in a position to know, that the Democratic Party is as stanchly entrenched in the affections and the confidence of the voters of the United States as it was last year.

There is no election imminent. So there is no necessity of a campaign appeal for votes. The President's opponents are not thinking of today, however, but of the congressional elections next year. If they could, by any stretch of the imagination, make the people doubtful of their President, they think that they might be able to embarrass the last 2 years of the President's second term by making gains in the Senate and the House of Representatives. I have at times indulged in political prophecy. Let me embark again on that more or less perilous sea. I want to go on record now as telling you that both Houses of Congress after the 1938 election will be just as staunchly Democratic as they are now. Our people are not forgetful. They know what the present administration has accomplished, and they know that the future objectives are just as firmly based on the public welfare as the well-proved processes that have been put in operation during the past 5 years.

President Roosevelt has announced publicly that his one remaining ambition, after a lifetime of public service, is to turn over his desk to his successor with the country prosperous and at peace. And not all the scheming of those who would turn back the clock to the ancient period of control of the Government by privileged interests is going to thwart that ambition.

The whole Nation shares in the happiness of our renewed prosperity. I think all of us realize that the job is not complete, that the upbuilding of the dikes against the waves of another depression must go on, if we are to feel secure. You in Illinois are naturally more concerned with the effect of government on your own industries, so I am going to refer briefly to what the New Deal has meant to this State. I am no fonder of statistics

than you are, so I do not intend to recite the Government reports, which I regret to say are not among my favorite forms of literature.

Perhaps it is natural that I should turn to the Department with which I am most familiar, the Post Office Department, to make my point. There is probably no closer guide or more reliable index of the condition of business than the post-office reports. The more business there is, the more letters are written and more mail-order packages are transmitted. Well, in Illinois the post-office receipts were $10,000,000 more last year than they were in 1933. It takes a lot of postage stamps to make up $10,000,000. Some statistician recently told me that those stamps placed side by side would make a band that would reach from here to China. I might ask you to what you attribute the improvement? Is it only a coincidence that this business rise occurred during the period when the New Deal methods were in effect?

I remember that a few years ago when business first started to go up our opponents said that the swelling of deposits in banks merely told that people were afraid to invest in anything, and so let their money stay in their bank accounts. Incidentally, compare that state of affairs with the panic period when bank after bank closed its doors with crowds in line seeking to pull their money out because they feared that if they did not they might never recover it. However, assuming that the big deposits did indicate that everybody was afraid to invest, what about the situation today?

Let us go to your own newspapers for the answer. The Chicago Daily News, the other day, had its financial expert talk to the big Loop bankers. He recorded that the increase of loans from the banks, indicating investments, were the best evidence of prosperity. Quoting one of the Loop bankers he published: "The first stage of expanding business is a slight rise in loans and a fall in deposits. The second stage is a rise in both loans and deposits."

The bank statements published the day before put the Chicago bank deposits at nearly $3,000,000,000. The Decatur Tribune noted that the deposits of your neighbor city up the State had increased a million dollars over last year and added: "Much of the money that was formerly tied up in bank accounts is now being released in investments, building and general spending. This is taken as an indication of a returning faith in prosperity and stabilization in the country."

Just about the same time the Chicago Chamber of Commerce announced that employment was only 5 percent under the figures of the predepression peak. So it is evident that labor as well as business is pretty well back to normal prosperity.

Let me cite another significant example of returning prosperity. Perhaps the first indication of straitened circumstances among, at least, a large proportion of our population is the determination to make the old automobile serve another year or two rather than purchase a new car. Well, in Illinois twice as many passenger cars were purchased during 5 months of 1937 as during the whole of the year of 1933.

Is this just another coincidence, or is it another evidence that President Roosevelt knew what he was about when he inaugurated the New Deal?

Yours is an agricultural as well as an industrial State. Well, if the average shown by the first 5 months of this year continues, your farmers and dairymen will have sold $160,000,000 more in 1937 than they did in 1933.

What I have cited are only a few examples of how this State has fared under the administration of Franklin D. Roosevelt. The rest of the country has come along as well. East, West, South, and North have felt the impulse of returned prosperity, and each is eager that nothing should happen to interrupt the pleasant trend of events. It is inevitable that there should be some croaking along the line. The sky is never so clear that some people do not worry about tomorrow's weather.

It appears to be a political maxim in our country that whatever the fellow on the opposite side does must have something the matter with it. So we hear the groans of those who opposed Franklin D. Roosevelt all the time about the vague dangers to come. They talk of chaos resulting from inflation—well, we have heard that talk for 5 years, and that phantom has gained no substance.

Then, there is the head shaking over the prospect of war breaking out somewhere and our being involved in it. During 5 years this administration has conducted its foreign relations with a minimum of friction and a maximum of conciliation. It had plenty of opportunities for getting into trouble, but no trouble has eventuated. I think you will agree with me that, if any of the misfortunes the opponents of the administration are so glib in prophesying do come along, our President will handle them as efficiently as he has handled every other tough problem that has beset him during his period in the White House. He is not the kind of Executive to become rattled; he does not get the jitters or see spooks around every corner. His feet are on the ground, and his head is not in the clouds. His temper is unruffled, his patience is infinite, his health is excellent, and he has a capacity for work that is the marvel of everyone who is cognizant of his daily grind. In short, he is a clear-thinking, wise, and courageous President. He realizes his responsibilities and seeks neither to dodge nor minimize them. He has faith in the people, and his objective is to serve the public welfare—and he has done and is doing a fine job in pursuing that objective. What I think most people admire about him is that he shoulders his task without a frown or a grouch and preserves his sense of humor as completely as his sense of duty.

Moreover, I believe that the country thinks it is lucky to have had such a President develop in the period of emergency, and that when the time comes he will go out of office as popular as he entered office, which means that no President will fare better at the hands of the historians of the future than Franklin D. Roosevelt.

Watching Washington

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, July 30 (legislative day of Thursday, July 22), 1937

ARTICLE BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article from my pen upon national subjects, published in The State, magazine of the capital of my Commonwealth, Raleigh, N. C. The Washington correspondent of The State is Mr. Robert Erwin, and he very kindly invited me to serve as his guest columnist during his vacation in the West. The State magazine is a very interesting publication issuing from North Carolina weekly, and has a very wide distribution throughout the State of North Carolina.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The State, Raleigh, N. C.]

WATCHING WASHINGTON—NEWS FROM THE NATIONAL CAPITAL OF INTEREST TO CAROLINIANS

(By ROBERT R. REYNOLDS)

As a "guest columnist" of The State, it would seem fitting that I should jot down briefly some of the impressions of an individual Member of the Senate.

Since coming to the Senate nearly 5 years ago, it has been my privilege to enjoy a wealth of official and personal contacts with fellow Members rich in legislative experience. Three of these Senators began their service when I was fresh from college. Seven have served for more than 20 years. Nineteen others have been here for more than 10. In no place is experience a more valuable possession.

In my association with these veterans, and with Senate newcomers, I have been impressed with the fact that all have the same objectives for the common good of the country. Opinions vary as to how they may be attained, but the objectives remain the same.

And always there is with me the striking contrast between the demands for legislative action looking to the solution of our great social problems and the widely encountered distrust of lawmakers frequently expressed in popular comment. Business and industry seek the protection of the Government on the one hand, but unwillingly concede an equal degree of protection for the farmer and the laborer on the other. Too many say "there ought to be a law" and yell loudest when the law enacted brushes them slightly as it is passed on for the common good of all citizens.

Another impression I have is the vital need for national planning for the future. It is already evident that what we are doing in the legislative field today is attempting to control forces we could not foresee. It has resulted in new conceptions of the responsibility of government. That responsibility cannot be escaped.

For example, six major industries, with large capital and employing hundreds of thousands of people, have been built on inventions that have come since the turn of the century—the telephone, the automobile, the airplane, the motion picture, rayon, and the radio. It is impossible to calculate the social influences of these things on our people.

If our lawmakers, who represent the only impartial force for control, could have foreseen the development of these six great industries and could have anticipated their influences and the changes they have brought, our national policies for dealing with present conditions might be different.

No one can help but see that we are now attempting to meet new conditions. The effort to strengthen the position of labor without denying the rights of industry, proposed standards for hours and wages, and farm legislation to prepare now, while crops are good and prices are high, for unexpected emergencies, are all evidence of the popular demand of groups and individuals for control of forces which they cannot control.

It is history that canal owners opposed the coming of the railroad; and the railroads, in turn, opposed the building of highways. These latter offer a splendid example of changing concepts of the part of the Federal Government in our daily life. A hundred years ago there was a Presidential veto of a bill to provide for Federal assistance in road building. Later it became a national policy for

the Government to aid States in constructing a system of interstate highways; that is, highways connecting at State lines. Still later, Federal assistance was extended to secondary roads. Already our highways are too crowded and too narrow. What of the future?

As Federal programs and policies with regard to roads have changed, they have changed in other fields, and will continue to change as time goes on.

Boiled down to facts, we have become a nation of interstate commerce. There is no phase of our daily existence that is not affected by some condition or activity beyond the control of the States. If low wages in the textile industry of one section threaten the existence of a similar industry in another section, what shall be done? I am one of those who believe that such problems can be solved without surrendering the States' rights which are traditional in the South.

Perhaps our problems of today are more complex than ever before. No State nor community is self-sufficient. The price which the Virginia and North Carolina farmer will get for his products is affected by industrial conditions in Ohio and Pennsylvania. The ability of manufacturers in Indiana and Michigan to sell automobiles and refrigerators in Georgia and Tennessee is affected by conditions in those States. Emergencies in California, Iowa, and Florida may curtail the food supply in New York. In other words, fast transportation and fast communication have knitted the country together in a more compact manner than our founding fathers ever dreamed. Obviously we must meet this condition. It is here.

Forgotten Aspects of Judicial Reform

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Friday, July 30 (legislative day of Thursday, July 22), 1937

RADIO ADDRESS BY HON. PRENTISS M. BROWN, OF MICHIGAN, ON JULY 29, 1937

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting address delivered by the junior Senator from Michigan [Mr. BROWN] over the Columbia Broadcasting System yesterday afternoon on the subject Some Forgotten Aspects of Judicial Reform.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, in the past 6 months the country has witnessed an intense struggle in Congress over our courts. The President, in my judgment, did a great service in subjecting our judiciary to the close scrutiny of the people. It has been healthy and has had results. The Court has advanced in its thinking and its determinations to a more liberal position than it took a year or more ago. The liberals have cause to rejoice.

Talk of court reform has been largely confined to changes in the personnel and hoped-for changes in judicial determination of the powers of Congress. My thinking has been along a different line. I have never acceded to the belief that our judicial system is above temperate criticism. I want to devote the few minutes I have today to a factual statement of the record of our courts and draw some conclusion therefrom.

Our courts perform three main functions:

1. Determination of the limitation of the powers of the legislative and executive departments of the Government in disputes between citizens and the Government, State or Federal.
2. Enforcement of the criminal law.
3. Determination of disputes between citizens.

I propose to point out that there is need for some consideration of court's record in the latter two activities, which occupy the greater part of the time of the trial, intermediate, and appellate courts.

I have reached the conclusion that it is not the law's vexatious delays; it is not its heavy expense; but it is its dull cloudy uncertainty that is its chief sin today. I want to point out to you that the administration of our law is so uncertain that men and women do not know what their rights are, or what their obligations are. I want to point out to you that this in itself is an encouragement to our criminals, and we have the paradox of the law to an extent being an encouragement rather than a deterrent of crime.

In a large sense our country has been the one successful democracy in the history of the world. In a large sense the Constitution and the Declaration have given the people of America a stable government. But we must not overlook the fact that crime is perhaps more general in the United States than in any other major civilized country in the world. Certainly education, improvement of living conditions, a fairer distribution of the necessities of life are deterrents of crime, but we still depend largely on apprehension, conviction, and the reformatories. And in this respect this Nation is last among the major civilized nations of the world. I attribute it in part to our indefinite law and to our uncertain courts.

How can a citizen be expected to know his legal rights when after a fair and impartial examination into the rights of citizens, aided by trained men, presided over by a judge chosen for his legal ability, that court, according to appellate courts, is wrong 3 times out of 10. To my mind this presents a most serious indictment against our legislatures and our courts. But it is even more manifest when we consider the matter of the protection of the public against crime, both organized and unorganized.

What is the annual crime cost? It is estimated from ten to fifteen billion a year. The Baumes Commission in New York estimated it in 1928 at thirteen billion; the Wickersham Commission gave no definite figures but its totals indicated fifteen billion. In the April issue of Current History it is conservatively estimated at fifteen billion. How much is that? Almost four times the ordinary annual cost of the Federal Government. In 2 years, if saved, it would pay the cost of the World War to us. In two and a quarter years, if saved, it would pay our national debt. It is approximately equal to our entire annual tax bill, Federal, State, and local.

How do we compare with other nations?

It is not flattering to us. In an article in the Contemporary Review in 1932 it was shown that the homicide rate of our Nation is 3 times that of Italy, 5 times that of Austria, 9 times that of Canada, and 21 times that of Great Britain. The homicide rate in the city of London is 8 per million per year; in New York, 83 per million per year; in Chicago, 141 per million per year. Directly connected with these high rates, and unquestionably a factor in causing them, is our miserable record in the matter of convictions of those apprehended for crime, and here is where, in my judgment, my theme of today applies—the inefficiency, the indefiniteness, and uncertainty of our law.

The figures I am about to give are based on arrests and convictions per 100,000 of population. In France, out of 599 arrests per 100,000—and I shall not repeat the larger figure hereafter—536 are convicted. In Great Britain, out of each 214 arrested 171 are convicted. In Italy, out of 1,304 arrests 630 are convicted. And in the United States, out of 1,429 arrested 162 are convicted. Giving the matter to you in simpler form, out of each 100 persons arrested in France 89 are convicted; out of each 100 persons in Great Britain 79 are convicted; out of each 100 persons arrested in Italy 48 are convicted; and out of each 100 persons arrested in the United States 10 are convicted. This means that after apprehension, allowing for an infinitesimal fraction of escapes, that either before examining magistrates, judges, or jurors, 9 out of every 10 men arrested for crime in this country go unpunished.

The statement I am about to make is one that can never be definitely proven. I was a prosecuting or State's attorney in one of our Michigan counties for 12 years, and I think my experience is common with that of most prosecutors. I do not bring a man to trial unless I was reasonably sure he was guilty, and except in one instance out of hundreds the trial did not change by judgment, and in very few instances was my judgment changed before the examining magistrate. Basing my opinion on experience and observation, I am convinced that 8 out of 10 who are brought before a trial court by a prosecutor are guilty and that almost as many brought before examining magistrates are likewise guilty.

If we add to this the great uncertainty of the law, its indefiniteness, and the effect of this indefiniteness upon American life, we will draw, indeed, a strong indictment of American law enforcement. I sat in the Supreme Court on the last day of the session just closed and heard the Chief Justice announce that after a cause had been tried in a United States district court and a United States court of appeals, argued and heard in the Supreme Court of the United States, eight Justices (one of the nine not taking part) divided evenly 4 to 4 and thereby affirmed the decision of the circuit court of appeals. There should be not such uncertainty in law.

In Michigan we enacted what was known as the conclusive presumption statute by which we declared that when a member of a household was driving a family automobile it was presumed that it was done so with the consent of the financially responsible head of the family and, therefore, any damage caused was chargeable to the head of the family. It applied, of course, to a case where the member of a household took the car without the consent or against the express direction of the family head. It was attacked as being unconstitutional in the counties of Chippewa and Wayne, Mich., at approximately the same time, and the cases reached our eight-man Court. One trial judge had held the law constitutional and the other found it unconstitutional. The Supreme Court divided equally, and for a considerable length of time the statute was constitutional in one county and unconstitutional in another.

I would not charge these conditions alone to the indefiniteness of our law and to its uncertainty. But certainly a heavy part of the burden of blame is on our legislatures and our courts. Law-enforcing officers become discouraged when criminals and malefactors of great wealth flout our laws.

It is often a fact that it is cheaper to suffer financial injustice than to pursue justice to its ultimate uncertain and expensive result. This is one reason why the predatory rich are often protected in their legal struggles. Repeatedly our highest Court has decided the meanings of constitutional provisions and statutory enactments by 5 to 4 and 6 to 3 votes. They have often reversed themselves by close decisions, and it has been said that one man and not the nine determines the conclusions of the Court and

thereby what the law is. There is no consistency in such a condition—there is no certainty.

An important act of Congress or of a State legislature is not known to be the law and often not accepted by powerful corporations and wealthy individuals with large legal staffs until it has been tested by trial and appeal through three or four courts—not on the clear-cut question of the validity of the law but as to the validity and application to one set of facts.

The Legislative Reference Service, at my request, has made a study of the number of cases tried, affirmed, reversed, and modified throughout the history of the Supreme Court of the United States. It must be remembered that during this period we have had an intermediate appellate court between the district or trial courts and the Supreme Court, and that only such cases reached the Supreme Court as were of great moment or in which large amounts were involved. The record is as follows:

Down to June 1937 there have been 18,135 cases heard in the Supreme Court of the United States. Of these, 6,261 have been affirmed, 2,890 have been reversed, and 238 have been modified; that is, changed in important particulars. Worked out on a percentage basis, slightly over 66 percent of the cases have been affirmed and slightly less than 34 percent have been materially changed, the great majority reversed.

This means that the district or the circuit court of appeals have been wrong in the opinion of the higher court over 30 times in each 100 cases tried. This plain statement of fact is, in my judgment, a most powerful argument for a thoroughgoing inquiry into this question. But let me marshal a few more facts. It has been asserted—but so far as I can ascertain there has been no investigation on a large scale into the subject—it has been asserted that approximately 40 percent of all cases appealed to the highest courts in the various States are reversed. I can certify to a most interesting and exhaustive examination made by Judge Glenn C. Gillespie, of the Oakland County, Mich., circuit court. He took the period from 1914 to 1934—20 years—and examined all cases reaching the highest court in our State. During this period 9,541 cases were heard by our highest court; 68 percent plus were affirmed, 31 percent plus were reversed. In the earlier periods reversals were higher, reaching 37 percent in 1918.

Michigan has a statute, which I highly commend and which was adopted during this period and accounts for considerable improvement, to the effect that no case in the trial court should be reversed unless from the entire record the court reached the conclusion that there had been a miscarriage of justice. Despite this statute, however, the average shows that the appeal court found the trial judges wrong in more than 30 cases in each 100, almost identical with the record in the Supreme Court of the United States. I think our appeal courts are too prone to overlook the obvious advantages which a trial court jury have in hearing and seeing the witnesses, the parties, and in getting practically all their information from the parties involved rather than from the colorless printed records on appeal.

I am most happy to note by this morning's press that Senators HATCH and BURKE have joined in the introduction of a Senate resolution for a comprehensive study of all phases of judicial reform and court reorganization. Both of the men have been close students of this question, and it is my sincere hope that a part of the study will involve an investigation of the subjects I have today discussed with you. One of the reasons impelling me to vote for recommitment of the Ashurst bill to the Committee on the Judiciary was the hope that not only the question of the personnel or size of the Court and the determination of constitutional questions would be investigated, but that the inquiry would be enlarged to cover this great subject of the uncertainty and indefiniteness of the law.

Accounting myself a liberal Democrat, I want to conclude by saying that the differences some of us have with the President over this Court bill by no means indicates any break in the ranks of liberal Democracy or disloyalty to the President. Our devotion to the cause which he so magnificently captains is just as warm and as ardent as ever. With many of us our dissent to the Court proposal was due to our belief that any fundamental change should have the approval of the American people. But I, for one—and I know I speak the thoughts of many of his loyal supporters who conferred with me from time to time in the recent stages of the Court battle—am deeply devoted to his leadership and his general legislative program, and to the accomplishment of that program I pledge my loyal support.

Decisions of the Chief Justice

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, July 30 (legislative day of Thursday, July 22), 1937

ARTICLE FROM THE NEW REPUBLIC

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the New Republic for July 21 and July 28, 1937, entitled "How Liberal is Justice Hughes?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic of July 21 and 28, 1937]

HOW LIBERAL IS JUSTICE HUGHES?

Following the great about-face by the Supreme Court, two pen pictures, both eulogistic, have been offered of Mr. Chief Justice Hughes, central figure in the Court's judicial drama of 1937. By one group of admirers he has been presented as a well-poised liberal, choosing the proper moment to lead the Court into permanent harmony with a changed world of industry and finance. By another group, consisting chiefly of lawyers and Washington correspondents, he is praised as a master strategist who, modifying his own course and carrying Mr. Justice Roberts along with him, has cut the ground from under President Roosevelt's argument that the Court must be reorganized to attain this same harmony.

Those who offer the second interpretation do not seem to realize that their characterization of Mr. Hughes makes the powers of government more uncertain than ever. It places the balance of power in the Court in the hands of a Justice who stands ready to uphold or strike down laws to suit the exigencies of a combat between himself and the President of the United States.

More than ever before, unless Mr. Justice Van Devanter's retirement is followed by others, the Constitution in the immediate future will be what Mr. Chief Justice Hughes says it is. Assuming that a liberal is appointed to the vacancy now existing, the Associate Justices will be balanced four to four, when uncoerced by outside pressure, with the Chief Justice as the "fifth man" in either group.

It is highly important, therefore, to find out what the principles of Mr. Chief Justice Hughes really are. If he has become a dependable liberal, evidence of dependability should appear in his record. If the Court's "flash of liberalism", as Assistant Attorney General Robert Jackson called its 1937 decisions, represents the political strategy of Mr. Hughes, a flair for strategy and opportunism should be discoverable.

The nomination of Mr. Hughes to be Chief Justice, it will be recalled, touched off a tremendous fire of opposition in the Senate. Such doughty liberals of the years 1930 as Senators BORAH and WHEELER declared that President Hoover was putting the United States under an economic dictatorship of corporation lawyers. The regard of these two men for Mr. Hughes now approaches idolatry, and though the common tie appears to be anti-Rooseveltism, they defend him as a liberal.

The Chief Justice took his seat on February 24, 1930, and at once heard arguments in *Missouri* v. *Gehner*. By the decision, the presence of Government bonds in the portfolio of an insurance company enabled it to escape taxation based on its net worth. Mr. Hughes voted with the majority and invited Mr. Justice Butler to write the opinion. Stone, Holmes, and Brandeis, dissenting, said that the decision opened "a new and hitherto unsuspected field of operation" for the use of public securities in avoiding taxes, giving their owners "a privilege which is not justified by anything that has been decided or said by this Court."

The next division in the Court occurred in May 1930, in *Baldwin* v. *Missouri*. Again the Chief Justice joined the conservatives in striking down State taxation. This time he allowed Mr. Justice McReynolds to write the opinion. It was this case that brought from Mr. Chief Justice Holmes, dissenting with Brandeis and Stone, one of his most famous utterances:

"I have not yet adequately expressed the more than anxiety I feel at the ever-increasing scope given to the fourteenth amendment in cutting down what I believe to be the constitutional rights of the States. As the decisions now stand, I see hardly any limit but the sky to the invalidating of those rights if they happen to strike a majority of this Court as for any reason undesirable. I cannot believe that the amendment was intended to give us carte blanche to embody our economic or moral beliefs in its prohibitions."

Immediately after this Mr. Justice Roberts became a member of the Court. In the next three divided cases Hughes and Roberts swung over to the liberal side and produced a majority. In the fourth divided decision the Chief Justice joined the reactionaries in nullifying a Massachusetts tax, while Mr. Justice Roberts dissented with the three liberals.

From this point on, under the guiding hand of Mr. Chief Justice Hughes, the Court has swung in perilous unbalance between conservative and liberal control, presenting in general an excellent record on civil liberties, and tending, until the spring of 1937, toward increasing reaction in the struggle between clashing economic interests. Gradually, however, the thought has emerged that reactionary control of the Court has been due to Mr. Justice Roberts and that the Chief Justice, except for occasional aberrations, has recognized the realities of the world he lives in.

If one tries to recall, casually, the outstanding work of Mr. Hughes during the past 7 years, it comes to mind that he spoke valiantly for the Government in the gold-clause cases; that he humanized the obligation of contracts in the Minnesota moratorium case and freed the Minnesota press from an infamous gag law; that he spoke for a unanimous court in striking down the N. R. A.; had a minor part in destroying the A. A. A.; upheld the T. V. A.; voiced the revived liberalism of the Court in reversing the minimum-wage decision, and finally led his comrades into new fields by sustaining the National Labor Relations Act and validating the social-security laws. The memory endures, too, of his vigorous dissent from the

decisions denying citizenship to Messrs. MacIntosh and Bland because their patriotism did not meet jingoistic tests.

In contrast, who can recall offhand a single case in which an opinion by Mr. Chief Justice Hughes has been made the target of dissent by the heavy-hitting liberals of the Court? The war clubs of Holmes, Brandeis, Stone, and Cardozo have fallen with bruising force upon McReynolds, Sutherland, Butler, and Roberts, but when has the Chief Justice been seen to wince? Judged by the opinions he has written, Mr. Hughes enjoys by right the reputation he has won.

Now for the facts.

The Chief Justice of the United States Supreme Court, by virtue of his position, has the privilege of writing the opinion of the Court whenever he wishes to, provided he is with the majority. He also has the privilege of passing that duty along to one of his associates. During the past 7 years, Mr. Chief Justice Hughes has pursued the following course:

When the Court is liberal, and Mr. Hughes is one of the liberals, he writes more than his share of liberal opinions.

When the Court is reactionary, and Mr. Hughes is one of the reactionaries, he practically never writes the reactionary opinion.

The result of this technique is amazing.

Since Mr. Hughes went on the Court in 1930 he has formed part of a liberal majority in 43 cases. In 13 of these cases he has written the opinion of the Court.

During this same period, Mr. Hughes formed part of a reactionary majority in 51 cases. In these cases he has written the opinion of the Court just once.

There have also been 15 cases in which the Court has gone reactionary and the Chief Justice has been one of the liberal dissenters. In these cases he has written seven liberal dissents.

In brief, when Charles Evans Hughes is a liberal, he proclaims it to the world. When he is reactionary, he votes silently and allows somebody else to be torn to pieces by the liberal dissenters.

In classifying decisions as liberal or reactionary, I have employed mathematics rather than my own opinion. The decision is called liberal when at least two of the four confirmed reactionaries dissent from it, and it is called reactionary when at least two of the three confirmed liberals dissent. This exaggerates the proportion of decisions classed as liberal, by requiring a smaller percentage of conservative than of liberal dissents to classify a case, and admits a few debatable cases, but it is better than a more restricted list to show the system followed by the Chief Justice in writing or not writing opinions.[1] Cases with a single dissent or with mixed conservative-liberal dissents are omitted, as they seldom reveal a true cleavage.

The record is just as definite if one limits the inquiry to cases of sharpest cleavage, in which there were dissents by all of the four extreme conservatives, and all of the three liberals, who took part. The Chief Justice formed part of a liberal majority in 24 such cases, and spoke for the Court in 8 of them. He formed part of a reactionary majority in 37 such cases, and wrote just one opinion—the same one, of course, as in the other classification.

To understand why Mr. Hughes has written only one reactionary opinion for a divided Court, it is only necessary to read that solitary opinion, and Mr. Justice Brandeis' dissent from it. The Chief Justice's experience in *Crowell* v. *Benson* (285 U. S. 22), a maritime injury case decided February 23, 1931, may be called the exception that proves the rule, confirming him in a system that even then was fully matured.

One may suspect, from the cruel and unusual punishment inflicted by Mr. Justice Brandeis, that the Chief Justice's technique had already been probed by the liberals, and they "gave him the works" when they got this one and only chance.

During the judicial year which began in October 1930 Mr. Hughes voted with the reactionaries only once, letting Mr. Justice Van Devanter write the opinion. During this term he voted with the liberals nine times and wrote five liberal opinions, two of them in dissent.

Beginning in October 1931, the Chief Justice formed part of a reactionary majority in 13 consecutive divided cases, of which Crowell against Benson was the eighth. Ten times altogether, and seven times in this term, he had voted with the reactionaries and assigned the opinion to somebody else. Then, in this important maritime injury case, he gave the liberals the first and last chance they ever have had to deal with him in a dissenting opinion.

In this case, speaking for the Court, Mr. Hughes upheld the substantive features of the Longshoremen's and Harbor Workers' Compensation Act, then turned about to hamstring it with procedural restrictions. He declared that when Congress authorized an administrative agency to pass finally upon questions of fact, it run up against the provision in the Constitution giving the Federal courts jurisdiction in maritime law. If a constitutional question is involved, he said, the matter must be decided through evidence taken in open court. Congress, Mr. Hughes said with impressive finality, may not "substitute for constitutional courts in which the judicial power of the United States is vested, an administrative agency—in this case a single deputy commissioner—for the final determination of the existence of the facts upon which the enforcement of the constitutional rights of the citizen depend. * * * That would be to sap the judicial power as it exists under the Federal Constitution * * *."

[1] The Chief Justice gets credit for eight liberal decisions and six liberal opinions in the gold-clause and Wagner Act cases, owing to multiplicity of suits, but two gold-clause suits in which there was a single opinion are treated as one case.

The Chief Justice launched into a long discussion of admiralty law, extolling it as a mighty branch of jurisprudence. Such small creatures as deputy commissioners, he said, could pass on facts "within the purview of the act"—that is, after it was determined that the Compensation Act applied to the case, but whether it did apply or not was to be determined, in case of challenge, by the constitutional courts on facts developed in open court.

The Hughes opinion was 29 pages long. The dissenting opinion of Mr. Justice Brandeis was 30 pages long. Numbering his points 1, 2, 3, and up to 8, Brandeis coldly and mercilessly dissected the masterpiece of the Chief Justice.

To the majestic contention that the naming of admiralty law in the Constitution made it unconstitutional for Congress to provide any alternative to the system of determining facts in open court, Brandeis quietly replied that in admiralty suits, taking evidence in open court "was not required by the rules of this Court until 1921."

To Mr. Hughes' statement, made in behalf of the defendant, that the deputy commissioner was limited to developing facts "within the purview of the act," Mr. Brandeis replied by enumerating 10 possible defenses which this limitation destroyed.

The dissenting Justice went on, point by point, overlooking nothing, riddling everything with dispassionate analysis. The effect of the decision, he concluded, was to break down the administration of the act by "barren controversy over procedural rights and by delayed or thwarted determination of substantive ones."

The Chief Justice got what he wanted out of Crowell against Benson. He broke down, by destroying its administrative features, a law whose substantive features were unassailable. He set a precedent that is gradually being extended to paralyze Government regulation of business through administrative law. He got what he wanted, but the price in personal discomfort was too high. Forty times, since February 23, 1932, Mr. Hughes has helped to create a reactionary majority on the Court, but never once has he spoken for that majority in the face of liberal dissents. Having power, as Chief Justice, to control the assignment of opinions, he has allowed other members of the reactionary group to stand up and "take it" from the Court liberals and from the public at large.

Understanding of the Hughes technique explodes various theories regarding the Chief Justice. When he failed to exercise his right to speak for the Court in the A. A. A. case, after having done so in the N. R. A. decision, his silence led to a rumor that he really stood with the liberals, but had swung over to avoid the unfortunate appearance of a 5-to-4 division. In reality he ran true to form. The N. R. A. decision was unanimous; therefore he wrote the Court's opinion. But when it came time to destroy the A. A. A., he let Mr. Justice Roberts accept the punishment inflicted by Mr. Justice Stone. The germ of the A. A. A. verdict can be seen in dicta incorporated by the Chief Justice in his N. R. A. opinion. The A. A. A. decision was his baby, but he denied paternity.

This brings us to a variant in the Hughes method. The Chief Justice does not hesitate to write reactionary opinions in cases where the decision itself is unanimous. All that the liberals can do in such cases is announce that they concur in the result, or write a concurring opinion which in effect is a dissent. Such opinions may be infinitely more important than actual dissent, but they do not constitute a frontal attack on the majority spokesman, and the Chief Justice disregards them with dignity.

In the St. Joseph Stockyards case in 1936, decided unanimously, Mr. Hughes wrote an opinion in which he used his previous argument in *Crowell* v. *Benson* to drive a few more spikes into administrative regulation of business. The liberal Justices, understanding this, challenged the whole line of precedents on which this decision was founded. But this was done in concurring opinions, to which the public pays no attention.

In the recent Anniston case, Mr. Chief Justice Hughes wrote an opinion upholding the law which forbids refund of processing taxes unless the claimant can prove the tax was not shifted to others. It passed without notice that the opinion, as distinguished from the decision, opened a gigantic loophole for refunds. The liberal Justices withheld concurrence from the opinion, but that meant nothing to the public.

A few people remember that Justices Cardozo and Stone concurred separately in the N. R. A. case. But who has noticed that when Mr. Hughes led the Court to its liberal triumph in the Wagner labor cases, he abandoned the opinion he wrote about the Schechter Bros.' sick chickens and narrowed that case to the concurring opinion of Mr. Cardozo?

However, nobody should get the impression that Mr. Chief Justice Hughes objects, in the abstract, to being made the target of dissenting opinions. He revels in hostile criticism by Mr. Justice McReynolds, Butler, or Sutherland. Mr. McReynolds has written 16 dissents from the opinions of Mr. Hughes, each one of them strengthening the reputation of the Chief Justice as a liberal. One can only wonder what the reputation of Mr. Hughes would be if, in the 51 cases in which he helped to create a reactionary majority, he had exposed himself 16 times to the dissenting logic of Mr. Justice Stone. Mr. Stone has written 19 dissents in cases in which the Chief Justice formed part of the reactionary majority, but not once has he had an opportunity to analyze an opinion written by the Chief Justice himself.

It would far underrate the intelligence and overrate the modesty of Chief Justice Hughes to assume that he has been guided by self-depreciation in refusing to write opinions from which there would be liberal dissents. His eagerness to speak for the liberals, when he is himself a liberal, shows that he does not place himself below their level in ability. Nor should it be assumed that

his record merely furnishes a study in human vanity. The motive appears threefold:

1. The desire for public approbation.
2. The desire to wield power.
3. The desire to attain definite objectives.

Intellect, not emotion, produces that sense of discrimination which impels him to accept the shafts of the conservatives while avoiding those of the liberals. His understanding tells him (a) that it is easier, in logic, to defend a liberal than a reactionary position, or (b) that there is more glory in doing so. He recognizes, not the personal superiority of the liberal Justices in forensics but the innate superiority of their arguments, or the superior appeal of those arguments to intelligent minds in the Nation. Therefore, in voting reactionary but refusing to write reactionary opinions, he helps commit the Court to policies which he recognizes to be indefensible from the standpoint of that public opinion whose approbation he covets.

While thus confessing the moral and rational superiority of the liberal position, the Chief Justice has joined in producing 51 out of the 66 reactionary decisions made by a divided Court (two or more liberals dissenting) since he became a member. In a man with the intellectual equipment and forcefulness of Charles Evans Hughes such adaptiveness cannot be charged to vacillation. In the too great perfection of his strategy Mr. Chief Justice Hughes has furnished the key to his inner convictions. The combination of voluble liberalism and silent conservatism is not unknown in politics, novel though it be on the bench. In one place as in the other, it may be set down to a compromise between expediency and desire, silence representing desire.

IRVING BRANT.

HOW LIBERAL IS JUSTICE HUGHES?

An understanding of Mr. Chief Justice Hughes involves much more than the technique by which he has built up a reputation as a liberal while helping to shape the reactionary judicial policies. By writing more than his share of liberal opinions, when he stood with the liberals, he became associated in the public mind with liberal thinking, and by assigning the writing of reactionary opinions to others, when he was a reactionary, he made it impossible for the liberals of the Court to make him the target of their dissenting opinions. However, the fact remains that Hughes has voted with the liberals as often as with the conservatives. To discover where he stands it is necessary to examine the quality of his liberalism and his conservatism. The first thing to consider is the time element.

The public is aware that since Hughes went on the Bench the Supreme Court has fluctuated between liberal and conservative periods, caused by the veerings of the Chief Justice and Mr. Justice Roberts. An examination of the Hughes record shows six well-marked divisions, reflecting the presence or absence of external influences. In these six periods the Chief Justice voted as follows in cases where the Court divided along reactionary and liberal lines:

First period. February to June 1930. Reactionary 2, liberal 0. (No evident external influence.)

Second period. October 1930 to June 1931. Reactionary 2, liberal 9. (Reflex of the arrival of Mr. Justice Roberts on the Court, and cumulative effect of the Senate fight against the confirmation of Hughes and the defeat of Judge Parker.)

Third period. October 1931 to March 1933. Reactionary 20, liberal 6. (Effect of Senate fight worn off. Period ends with inauguration of Franklin D. Roosevelt, but includes March 13 because decisions announced then were reached before March 4.)

Fourth period. March 1933 to February 18, 1935. Reactionary 6, liberal 16. (Era of New Deal acceptance by the business world, ending with gold-clause decisions.)

Fifth period. February 1935 to November 3, 1936. Reactionary 19, liberal 11. (Period of business hostility to Roosevelt and belief among conservatives that the New Deal had lost popular support.)

Sixth period. November 1936 to June 1937. Reactionary 2, liberal 16. (Influence of 1936 Roosevelt landslide and proposal to reorganize the Supreme Court.)[1]

During three periods of liberal pressure from outside the Court, Mr. Chief Justice Hughes voted liberal 41 times, reactionary 10 times. During three periods when liberal pressure was absent, he voted liberal 17 times, reactionary 41 times.

This needs to be compared with the record of Mr. Justice Roberts, who has been accused of nullifying the Hughes liberalism. Roberts became a member of the Court in June 1930, at the end of the first "Hughes period." In three subsequent periods of external pressure toward liberalism, Mr. Justice Roberts voted liberal 29 times, reactionary 19 times. In the two periods when liberal pressure was absent, he voted liberal 21 times, reactionary 42 times.

Note the great swings of the Hughes vote. When the Court is under liberal pressure Hughes is more liberal than Roberts. In the absence of outside pressure Hughes is more reactionary than Roberts. This appears to substantiate the deduction that flows from the vocal quality of the Chief Justice's liberalism and the silence of his conservatism—that, in the main, he is a liberal through expediency and a conservative by inclination.

However, no man can be appraised through numerical summaries alone, for on some themes he may be consistently liberal, on some themes consistently reactionary, and special meaning may lie within his inconsistencies. So let us examine the record more closely.

The Chief Justice has stood with the liberals steadily in matters affecting civil liberties. Except for the first Herndon case, when he held that the right of a Negro Communist to a new trial under a Georgia "slave insurrection" statute depended on his ability to guess in advance what a State supreme court would do, he has a perfect record. He has upheld the legal and political rights of Negroes, Communists (including Herndon in the second case), pacifists, aliens, and editors.

The great fluctuations in the Hughes record have been in cases involving economic conflict, the privileges of wealth, the rights of labor. But here, too, he has zones of consistency—consistent reaction. His outstanding reactionary consistencies are:

1. To strike down, at every opportunity, the powers of government administrative bodies which alone are competent to deal with business evils.

2. To build up the privileges and immunities of corporation directors and officers against the interests of stockholders, or of both against the public.

In other fields of economic conflict—taxation, utility valuation—the trend is the same but the record is mixed.

The Chief Justice launched his campaign against administrative agencies in *Crowell* v. *Benson*.[2] In this case Hughes denied the right of Congress to empower an administrative agency to make a final record of facts upon which to award compensation to an injured longshoreman. Under the principle thus established, any administrative finding of fact bearing on "due process" can be set aside and the case tried de novo on appeal.

The theory on which the Chief Justice proceeded was expounded by him in the St. Josephs Stockyards case in April 1936. Here he upheld the conclusions of the Secretary of Agriculture, yet denied his authority to reach them. Legislative agencies, he declared, "work in a field peculiarly exposed to political demands." To say that the findings of fact made by such agencies shall be conclusive where constitutional rights are concerned "is to place those rights at the mercy of administrative officials and seriously to impair the security inherent in our judicial safeguards."

Although the liberals were unable to dissent in this case, since they agreed with the conclusion, Mr. Justice Brandeis in separate concurrence repeated the question asked by the district court below: Is there anything in the Constitution which makes findings of fact "by a jury of inexperienced laymen" conclusive, yet forbids Congress to give equal weight to findings "by a highly trained and especially qualified administrative agency"—both sets of findings being supported by substantial evidence? Brandeis declared that if the Hughes theory were correct, the courts had broader power to set aside findings of fact by an administrative tribunal than to set aside a jury's verdict.

In this same month, April 1936, Hughes aided the Court to strike another blow at Federal administrative law, in the case of *Jones* v. *S. E. C.* A corporation wishing to sell securities filed a registration statement with the S. E. C. and attempted to withdraw it to prevent a hearing on a stop order. The Government, arguing before the Supreme Court, said that the right to withdraw under fire would seriously embarrass the Commission, since a registrant might file statement after statement, withdrawing each one when attacked, in the hope that by perseverance he might escape the vigilance of the examiner.

The Court replied through Mr. Justice Sutherland that since nobody had bought the stock, abandonment of the application was of no concern to anyone except the registrant, and the action of the Commission was wholly unreasonable and arbitrary. Let such orders be upheld, he said, and the cardinal precepts of personal liberty are violated; "the Government ceases to be one of laws and becomes an autocracy."

Defense of business immorality in terms of personal liberty flows fluently from the pen of Mr. Justice Sutherland. But the procedural restraint—striking down the administrative power of a governmental commission—is the particular forte of Mr. Chief Justice Hughes. The decision bears the stamp of his hostility to quasi-judicial agencies created to regulate business. He voted for it. But he offered Mr. Sutherland the privilege of taking the flesh-searing punishment from Mr. Justice Cardozo.

"Recklessness and deceit", said Cardozo, "do not automatically excuse themselves by notice of repentance. * * * When wrongs such as these have been committed or attempted, they must be dragged to light and pilloried. To permit an offending registrant to stifle an inquiry by precipitate retreat on the eve of his exposure is to give immunity to guilt; to encourage falsehood and evasion; to invite the cunning and unscrupulous to gamble with detection."

We shall never have an understanding of the part played by Mr. Chief Justice Hughes unless we realize that doctrines which are peculiarly his own come from the lips of other men on the bench. Time after time, devastating criticisms leveled by the liberals at Sutherland, Roberts, McReynolds, or Butler would have been directed squarely at the Chief Justice except for his policy of refusing to write reactionary opinions after helping to formulate the reactionary position.

---

[1] For this classification, as before, I have marked a decision liberal when two or more of the reactionary quartet dissented, and marked it reactionary when two or more of the liberal trio dissented.

[2] The only case in which Hughes has written a reactionary opinion for a divided Court, though he has helped form 51 reactionary majorities.

This part of the Hughes technique looms large in connection with valuation of public utilities, a subject now at a crucial stage within the Court.

On May 8, 1933, ushering in the New Deal period of judicial liberalism, the Chief Justice wrote the opinion for a 5-to-4 Court in the Los Angeles Gas Rate case, in which he said it was none of the Court's business what method of valuation a State commission used, provided the result was not confiscatory. Finding that a 7-percent return was not confiscatory, the Chief Justice upheld the rate reduction despite the use of valuation methods condemned by the Court.

Two years later, by a vote of 6 to 3, the Court set aside a Wisconsin order reducing telephone rates, without considering whether the new rate was confiscatory. It did so on the sole ground that the Wisconsin commission had used an improper system of valuation. Mr. Justice Roberts wrote the opinion. Mr. Justice Stone riddled it in dissent. For the first time in its history, Stone said, the Court had nullified a rate under the "due process" clause without finding it confiscatory, merely because of an error in procedure by the State body. Under such a ruling, "every error by a State court would pesent a Federal question reviewable here."

On June 2, 1937, by a vote of 4 to 4,[4] the Supreme Court sustained a decision by the Federal Court of Appeals in San Francisco following and expanding the Wisconsin case. In a 4-to-4 vote, the line-up is not disclosed, but it is obvious that Mr. Chief Justice Hughes and Mr. Justice Roberts took opposite sides. The tie vote also thrust into the future a final decision which means life or death in rate regulation. Looking at the matter superficially, it would seem that Mr. Chief Justice Hughes, who wrote a liberal opinion on this very issue in 1933, sided with the liberals on this issue, and Mr. Justice Roberts, who wrote a reactionary opinion on it in 1935, sided with the reactionaries. But it is not so simple as that. Where did the Chief Justice stand in 1935? He voted to destroy his own 1933 opinion.

Hughes is a proud and stubborn man. He would be the last man on the Court to accept the validity of the Roberts opinion in the Wisconsin telephone case unless the suggestion for it came from himself. But write the opinion? Why do so when Mr. Justice Roberts was willing to face the Stone dissent? Mr. Justice Roberts is an accommodating man. In 27 cases in which Hughes and Roberts have combined to produce a 6-to-3 reactionary majority, Roberts has written the opinion of the Court 11 times, Hughes not once. Considering also that Mr. Justice Roberts has a more liberal record than the Chief Justice when the Court is not under pressure, and that the absence of opinions in this case took pressure off the Court, it may be doubted whether Mr. Chief Justice Hughes is the liberal and Mr. Justice Roberts the reactionary in this 4-to-4 division. Both, however, may be classed as safe for the utilities when the courts come to deal with the estimate of Chairman McNinch of the Federal Power Commission that power-company valuations totaling $13,000,000,000 include $6,500,000,000 of obsolete junk and water.

The readiness of Hughes to protect corporation officers and directors against stockholders was shown in the case of *Rogers* v. *Guaranty Trust Co.*, in which he helped to knock out a court test of the right of President Hill of the American Tobacco Co. to receive extra compensation of $1,169,280 (in addition to salary and bonus of more than $1,000,000) under the guise of a stock-participation plan for employees. Mr. Justice Butler faced the liberal dissent.

In the Ashwander (T. V. A.) case, and again in one of the social-security cases, Mr. Chief Justice Hughes joined the four reactionaries in upholding the right of stockholders to sue the directors to restain them from acts which were within their legal discretion or their duty. The result is to make it possible for corporations, by collusive suits, to control both sides of a constitutional test case, except as the Government is able to intervene. Brandeis, Stone, Roberts, and Cardozo wanted both cases thrown out of court.

No case, perhaps, is more typical of the unrestrained workings of the Chief Justice's mind than that of United States against Elgin Railway, decided in the "happy days" of May 1936. There it was held that that railroad, wholly owned by the United States Steel Corporation, does not violate the law which says that no railroad shall haul the products of a corporation when one company has a financial interest in the other. One subsidiary, said the Court, does not own or control the other subsidiary, and the connection between them through the parent company is so remote that it may be disregarded. The Chief Justice voted for this; McReynolds wrote the opinion. Stone asked what was left of the statute.

The Hughes record on the taxing power is complex and inconsistent. In all, the Chief Justice has stood with the liberals in 12 cases involving State and Federal taxing power, and with the reactionaries in 26 cases. He has upheld graduated State taxes on chain stores in his liberal periods, and joined in knocking them out in his reactionary periods. Where taxation has been an incident in a broader policy, he has been governed by the more fundamental issue. Opposing Federal control of agricultural production, he struck down processing taxes. Upholding the principle of social-security legislation, he sustained social-security taxes. The fact that he upheld railroad pensions in one of his reactionary periods is one of the best spots in his career.

On tax avoidances the Chief Justice has a mixed record. He joined in the high-handed decision denying Congress the power to place an estate tax on gifts made within 2 years of death. He has swung back and forth on the use of trust devices to escape taxes. After upholding an indirect tax on income from instrumentalities of government in the Educational Films case (January 1931), he went over to the reactionaries in the famous Coronado Oil case, exempting the income of an oil company which leased lands owned by the State of Oklahoma on the ground that the lease was an instrumentality of government. At this point Justices Brandeis, Stone, and Cardozo, supported in slightly lesser degree by Roberts, began a campaign to wipe out the illogical system of mutual State and Federal tax exemptions which have been built up by gradual exaggeration and misapplication of some loose remarks by Mr. Chief Justice Marshall. Mr. Justice Stone now leads the movement to wipe out these archaic misinterpretations of the Constitution, and Mr. Chief Justice Hughes has come to the front in their defense.

The three-way division of the court in Brush against Commissioner of Internal Revenue, March 15, 1937, was treated merely as an oddity in the press. It was really a notification by Stone, Cardozo, Brandeis, and Roberts that they were ready to cut down or knock out these tax exemptions without a constitutional amendment. This was a case in which the Hughes technique allowed the Chief Justice to write the Court's opinion, defending the system of exemptions, because the basic challenge to his position was in the form of a concurring opinion by Stone and Cardozo which meant nothing to the public. Hughes, of course, is not really interested in exempting waterworks engineers from the income tax. He knows that if the salary exemptions based on conflicting State and Federal sovereignty begin to tumble, all nondiscriminatory taxation will ultimately be upheld, and the multimillionaire's haven of tax-exempt bonds will be no more.

A statement that the Chief Justice helped create a liberal majority 43 times and voted with the liberals in dissent 15 times is likely to create an exaggerated notion of the extent to which he has upheld Federal power. In all of his liberal votes prior to the day President Roosevelt sent his judiciary message to Congress, Mr. Chief Justice Hughes voted to broaden Federal power just twice—in the Gold Clause cases and the Railroad Pension case. All of the other cases involved State power, civil liberties, or details in the application of Federal law.

Against this, in the same period, place the Chief Justice's anti-Federal dicta in the Schechter case (which is not classed among his reactionary votes because the division in the Court did not take the form of dissents), the striking down of the A. A. A., his vote and separate opinion in the Guffey Coal case, and the leadership he has taken in crippling Federal administrative agencies.

One of the most effective methods in the Hughes technique is inserting in his opinions dicta which do not bear closely enough on the case before the Court to force a liberal dissent, but which open the way to reactionary decisions in the future. In the Ashwander case he upheld the right of the Government to sell power from the Wilson Dam, but concluded with a paragraph which has encouraged renewed and more extensive suits against the T. V. A. His unnoticed dicta in the Anniston case pave the way, if supported in the future, to transfer of hundreds of millions of dollars from the Government to millers, packers, and other payers of processing taxes. In his opinion upholding the Wagner Act, he inserted the apparently casual dictum that an employer does not have to sign a contract in collective bargaining—a statement nicely calculated to guide district and appellate judges when that issue comes before the Court. One may wonder whether 12 men would be dead in "little steel's" bloody warfare if the Chief Justice had remarked, just as casually, that a contract was but a test of good faith in acceptance of the law.

Hughes shifts back and forth with ease when passing on abstract powers of Government. On broad, understandable issues, he is liberal in periods of liberal pressure, reactionary when that pressure is lifted. But in the long, dark reaches of administrative law, of interpretation, of definition—in cases that determine whether valid laws shall function or die—he has never deviated an inch from his policy of making America safe for reactionary business. He holds the balance of power on the Court at a time when the Roosevelt New Deal is shifting to this latter phase of judicial review.

IRVING BRANT.

[4] The failure of Mr. Justice Sutherland to take part in this case did not prevent a reactionary decision, but did prevent the writing of opinions, and thus deprived President Roosevelt of the biggest chunk of dynamite he could have had in his court reorganization fight.

Farm Legislation

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1937

Mr. BROOKS. Mr. Speaker, we have been in constant session here in Washington during the past 7 months and

are now rapidly approaching an adjournment of this Congress. When we first met in January we knew that one of the outstanding problems presented to us was the writing of a new agriculture program to take the place of the one which will expire during the present year. At the very beginning of our work this was our problem and should have required our constant attention during the course of this session. We now approach the conclusion of our work and the bill which should contain the farm program for America for the year 1938 remains unreported and unwritten. I am informed that the Agricultural Committee will not report any such bill at this session of Congress, and, therefore, none will be enacted into law.

We are all working and have been working on legislation seeking to improve conditions in all industries and among all classes at this session of Congress. The Senate is now engaged in debating the minimum wage and hour bill which will result, if passed, in raising the cost of manufactured commodities to the farmers of the Nation. We have been working upon bills to improve the conditions in industry; and yet industry faces no such crisis as does agriculture at the present time.

Flood-control legislation has been voted; funds have been voted to develop rivers and harbors; great public works have been designated as the result of legislation. All of this legislation is designed to increase employment, raise wages, raise the standards of living for Americans, and, incidentally, to raise the cost of living to the farmers of this Nation.

An appreciation of the fact that no farm program will be enacted into law at this session of Congress is spreading through the length and breadth of this country. As a result of this fact, the manipulators are at work. The commodity markets are falling. The price of corn on the open market has fallen to an alarming extent during the last few months, and the price of staple cotton sinks each day. Every staple agricultural commodity faces an immediate crisis due to falling prices. All of which, in my opinion, is an outgrowth of the feeling of uncertainty and anxiety in the minds of the American people as to the future policy of Congress in aid of agriculture.

Before another session of Congress can convene in January farm prices will have dropped still further. The millions of farmers of this Nation will have lost irretrievable millions and even hundreds of millions of dollars.

The farmers in my section of the South are alive to this situation and want to see enacted into law at this session of Congress some legislation indicating the future policy and program of the Nation toward agriculture. Agriculture is our greatest one single occupation, and, in my opinion, this is a matter which cries loudly for the attention of the House and Senate during the current session. I therefore plead, before the curtain rings down for the last day's legislation, that an agriculture program be enacted into law. Surely the 31,800,907 people who live on farms in the United States and the 859,000 who live on farms in the State of Louisiana are entitled to this legislation.

Liquor Enforcement Bill—Army of Agents Will Be Needed if the Act Is to Be Enforced

---

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1937

Mr. COCHRAN. Mr. Speaker, on July 19 the House passed a bill amending the Liquor Enforcement Act of 1936. At the time I stated that as I read the bill it would require an army of enforcement agents to enforce the measure. The gentleman from Georgia [Mr. TARVER] did not agree with this statement nor did other members of the Judiciary Committee, which considered the bill. In view of the presentation made by these gentlemen, I withdrew the objection I offered to the measure, as it was apparent to me that the House would not accept my interpretation of the measure in lieu of that of the members of the Judiciary Committee, and it would only have been a waste of time considering the bill under suspension of the rules. I have given some thought to the bill since that time and have also sought some information on its provisions.

Mr. Speaker, I am now convinced that it is unquestionably true that the enforcement of this legislation would take an army of enforcement officers, because if a reasonable effort were made to enforce the bill, the agents of the Federal Government would not only have to patrol the borders of all of the States in order to apprehend violators but also would have to follow shipments of liquor to their destinations within a State to see that the liquor is not sold or used in violation of State laws, such as, for example, laws forbidding sales to minors.

There are at least two reasons why this statement is correct:

First. The amendment forbids the importation of intoxicating liquor into any State "for delivery or use therein in violation of the laws of the said State." It is safe to say that every State in the Union, whether wet or dry, has laws which regulate the delivery, use, and sale within its borders of intoxicating liquor. Therefore under this bill it would be incumbent upon the enforcement officers to see that no liquor entered the State which was intended to be used in violation of those local laws. It would be necessary to prevent an importation of liquor into the State which was intended to be sold to minors, or sold on Sunday, or sold after 2 o'clock in the morning, or sold on election day. The enforcement officers would have to follow a shipment of imported liquor into the borders of a State to see that it was not sold in violation of State law. Thus they would be participating in the enforcement of laws which are essentially local.

This legislation is said to be designed to enforce the twenty-first amendment, but certainly no legislation such as this is justified by the terms of that amendment. It reads as follows:

> The * * * importation into any State * * * for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

It is significant to note that the phrase "for delivery or use therein" is separated from the phrase "in violation of the laws thereof" by three words and a comma, so that it clearly means that before the amendment would apply the intoxicating liquor must be imported into a State for consumption therein as contrasted with a shipment across the State.

In other words, the underlying purpose of Congress in incorporating in the twenty-first amendment the phrase "for delivery or use therein" was to make the amendment apply to liquor imported into a State for consumption in that State; that is, to end its journey in that State, as contrasted with an interstate shipment. With this phrase in its proper place in the amendment it prohibits the importation of liquor into a State in violation of the laws of the State prohibiting the importation of liquor into the State. The amendment was so construed by the Supreme Court in the recent case of *State Board of Equalization* v. *Young's Market Co.* ((1936) 299 U. S. 59). But with the phrase transposed as it is in the Tarver bill, it would require the Federal Government not only to protect States against the importation of liquor in violation of their laws prohibiting the importation of liquor but also to protect States agains the importation of liquor to be used or sold in violation of their laws regulating the use and

sale of such liquor after it has ended its journey, such as, for example, sale to minors.

In preparing this proposed legislation, however, the phrase "for delivery or use therein" was transposed, and as transposed would have to be construed so as to prohibit the importation of intoxicating liquors into any State "for delivery or use therein in violation of the laws of said State." The effect of this transposition would be to require the Federal Government to enforce State laws regulating the internal sale and use of intoxicating liquors rather than State laws which regulate the importation of intoxicating liquors.

Second. Even if it could be said that the amendment would not require the Federal Government to assist the States in enforcing their local laws governing the sale and use of distilled spirits but merely required the Government to enforce State laws which prohibit or condition the importation of distilled spirits, the bill would still require the Government enforcement agents to patrol the borders of almost all the States. If you construe the bill to read:

Whoever shall import * * * intoxicating liquor into any State * * * in violation of the laws of said State shall be guilty * * *.

Then the enforcement agents will have to enforce all the State laws which prohibit or condition importation of distilled spirits for one reason or another. This provision would not merely protect dry States but would protect all States, whether wet or dry.

A number of wet States have State-owned monopolies on all sales of distilled spirits within the State, and those States prohibit the importation of distilled spirits to anyone except the State monopoly. Under this bill the Federal Government would have to assist these monopoly States in enforcing the provision of their laws which prohibits the importation of distilled spirits for persons other than the State monopoly. In such a case we would not be protecting a dry State but would be fostering a monopoly in a wet State.

Other States have attempted by their laws to create a monopoly for the domestic brewers and distillers by imposing high license taxes upon imported beer, wine, and distilled spirits and have prohibited the importation of such beverages when the high license tax is not paid. Since this bill prohibits the importation into any State in violation of its laws, the Federal Government would be required to aid these States, which discriminate against imported beverages, in maintaining their discrimination.

The twenty-first amendment does not impose a duty upon Congress to enact this legislation. During this past term of the Supreme Court the Court construed the twenty-first amendment (*State Board of Equalization* v. *Young's Market Co.* (1936), 199 U. S. 59), and held, in effect, that it imposes no duty upon the Federal Government but is a grant of power to the States to regulate a subject matter which before the amendment they could not regulate. The Court held in that case that a State could condition the right to import liquor into its borders upon the payment of a high license fee. The Court stated that prior to the twenty-first amendment a State would have had no power to pass such legislation, because a law of that kind would have been a regulation of interstate commerce, and thus an invasion of a field reserved exclusively to Congress under the Constitution. Thus the twenty-first amendment does not impose upon Congress a duty to protect the States but gives power to the States to protect themselves.

The Liquor Enforcement Act, which was passed by Congress last year, was an effort on the part of the Federal Government to protect dry States against the importation of distilled spirits. Congress had the power to enact this law under the commerce power in the absence of the twenty-first amendment. The claim of dry States for protection by the Federal Government is meritorious, but it is not incumbent upon Congress and would be unwise for Congress to enact legislation to protect from importations of distilled spirits wet States which maintain a monopoly or discriminate against their neighbors.

Home Owners' Loan Corporation

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1937

LETTER TO THE GENERAL COUNSEL OF THE HOME OWNERS' LOAN CORPORATION

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include herewith a letter from a valued constituent to the general counsel of the Home Owners' Loan Corporation, Washington, D. C., which is self-explanatory. I think the letter is illustrative, graphically, of the attitude of thousands of distressed borrowers from the Home Owners' Loan Corporation, and expresses a viewpoint universally shared by the needy. The Home Owners' Loan Corporation was inaugurated to provide relief and mercy to those whose resources stretched to the breaking point. Are we now to witness a merciless and greedy "sound business" attitude which would break the backs of those most in need of help in their time of peril?

The letter is as follows:

SEATTLE, WASH., *July 22, 1937.*

GENERAL COUNSEL, HOME OWNERS' LOAN CORPORATION,
Washington, D. C.

DEAR SIR: Mr. JOHN COFFEE, most worthy Representative from my district in the State of Washington, tells me in a letter of the 9th instant that your office says "the taxpayers insist that H. O. L. C. be put upon a strict business basis."

It is my impression that your office errs in the application of the word "taxpayers." Certainly the only taxpayers who have lately made any legitimate demands are the nearly 30,000,000 who made their desires known early last November. As one of this group, I feel that further lobbying was and is unnecessary. That mandate for decent treatment of all Americans still holds good. No recession has been made. No change of policy in effect prior to November was inferred. In a few words, those 30,000,000 votes meant to give every decent American an even chance. As far as the predatory interests permit? No, indeed; a chance to earn a decent living, predatory interests notwithstanding.

That mandate to every elected official was certainly meant to include every appointee of the elected. This would seem obvious to every understanding man and woman.

It extends to H. O. L. C.

I crave no favors. I fawn upon no one. Now I simply ask it. I may later request it.

I do pray, however, that I may never be forced to demand it.

Let me assure you, sir, that when one of your agents again calls upon me at my home and in the presence of my wife carelessly bandies the words, "I hate to make out these foreclosure papers; they're a lot of work", and further explains that I'm living too extravagantly (on $94 a month, out of which I pay $12 transportation), your office will find itself in a very embarrassing position.

Neither your office nor the whole damn Army is going to force me to starve my children nor deprive them of one iota of necessary nourishment to make strong, healthy children of them. They're going to need strong, healthy minds and bodies when grown—for their lot in life as citizens of the "richest country on earth" will be exceedingly tough; even so, what chance without healthy minds and bodies? Enough of the proper foods and decent clothes they'll have, in spite of hell and high water.

We can get by on $94 ordinarily. But when sickness strikes—as strain and worry will make people more easily susceptible, especially so with the wife, because her children are near so much of the time—and approaching 50 takes its toll of one's neglect of one's own bodily requirements. Then $94 is not half enough. Not that such matters interest "business institutions"; but, by the gods, they do matter to the 30,000,000 whose votes seemed so decisive last November.

Lacking ballots, is it possible that at least a large proportion of the 30,000,000 would turn to more drastic means? I assure you, sir, what few of that group I had the pleasure of contacting were in no conciliatory frame of mind. Let me further assure you

that the militancy of November is not gone. I hate to think of consequences were the ballot not available.

I believe my personal views are as nearly a cross section of American opinion as you can find, though you may look far and long.

Those predatory groups, whose lobbyists are always accepted as taxpayers, have sinister motives actuating them. No honest taxpayer ever found it necessary—from a profit standpoint—to hire a lobby. Such lobby expenses must pay a profit. A handsome profit. And I strongly suspect the "three gold ball" groups (bankers to you) of being the taxpayers who have put this pressure upon H. O. L. C. for liquidations of small home owners. Money lenders are now willing to risk (?) their paper. They have lots of it now. Why should the Government deprive them of their prey?

I have spent some time in the desert country. I have seen a staggering maverick in its last wanderings. And the "three ball" buzzards mentioned above show less heart than those great sailing creatures which cast such sinister shadows about the staggering maverick.

The real buzzard has a heart of gold in comparison. He waits till his prey is down—and too far gone to care who tears his flesh from his scrawny frame.

The banking fraternity help to hamstring their intended victim and begin the picking long ere he's given up the ghost.

But, then, they are human! And civilized!

Since the foregoing completes my thoughts upon the subject discussed, I beg to close. Not that there is little else to say, but it would be needless to further carry on here. I want merely to let you, as general counsel, know that there is much going on in the mind of the great American public that is not registered in high places. In closing I hope that these thoughts will ere long reach, in effective manner, those who would and could effectively, for the good of our country, fairly interpret them and act upon them.

Very truly yours,

W. G. PETERS.

Let's Save Our Reclamation Projects

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, a number of years ago a college professor in Arizona, but lately arrived there from the East, said, "It makes little difference to us about floods on these mountains if we have a sufficient number of dams to catch the water and save the valleys below." This remark was ill-advised and based only upon partial knowledge. He evidently had in mind only the destructive work of floods in inhabited regions along the rivers and the destruction of farming areas by deposit of flood materials. However, in the West the flood menace is much more than this.

One of the greatest dangers to our vast reclamation projects sprinkled over the Western States is the silting or filling up of our basins. Of course, it is true that the engineers in computing the capacity of a storage basin usually make some allowance for silting. The alarming thing is that recent investigations show that their computations have been underestimates. In other words, these storage reservoirs behind our expensive dams are filling up much more rapidly than the engineers originally expected.

If a building or a pavement or a similar public work deteriorates or becomes worthless before the cost of it has been repaid, we speak of the after financial effects as "paying for a dead horse." If a reservoir space behind one of our very expensive dams fills up so rapidly as to render the work valueless before it is paid for, we not only have "a dead horse" but a great national loss for all time as well. In the reclamation area our efforts of flood control should be expended on the watershed to prevent erosion and the silting of the basins.

In my part of the West the very soil on which our farmers live and labor today was formerly occupied by highly civilized farmers 3,000 years ago. It is a tragic chapter in human history disclosing the reason for these prehistoric valley dwellers leaving the fertile field and immense engineering works which they had built at such great labor. During the centuries the rivers cut deeper and deeper and finally were below the intakes of the canals. Thus these ancient farmers, having no metallic tools and lacking ability to build storage dams, were unable to fight the destructive forces of nature. Eventually they perished from the land.

With our engineering skill and use of power machinery, our farmers should not suffer a similar fate; but unless we apply our skill and thought to the preservation of the watersheds and the prevention of silting in our reservoirs, modern farmers may eventually succumb to these destructive natural forces. Mr. Speaker, I favor our calling into use all of the scientific skill of Army engineers and of all other scientific men to engage in this great war against nature for the preservation of that which we now have. It may be a remote matter, but it is an inevitable matter. Ultimately it is a question of life or death to our civilization in many large communities of this country.

Advertising of Alcoholic Beverages

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Saturday, July 31 (legislative day of Thursday, July 22), 1937

STATEMENT BY DR. IZORA SCOTT

Mr. CAPPER. Mr. President, Dr. Izora Scott, chairman of the legislative committee of the National Temperance and Prohibition Council, has written a very interesting statement in support of legislation to prohibit the advertising of alcoholic beverages. In her article she also directs attention to the specious methods used by distillers and brewers in encouraging the use of intoxicating beverages through extensive advertising campaigns. Inasmuch as the subject covered by the article is one which is of interest to millions of citizens, I ask unanimous consent to have the statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROPOSED LEGISLATION AGAINST ADVERTISING OF ALCOHOLIC BEVERAGES

EXPERIENCE IN PREPROHIBITION DAYS CAUSED CONGRESS TO BAN LIQUOR ADVERTISEMENTS FROM THE MAILS IN ORDER TO PROTECT STATE LAWS

The Congress passed, in 1917, what is known as the Reed amendment. It was a rider attached to the Post Office Department appropriation bill and prohibited the sending of advertisements or solicitations of orders for any kind of spirituous, vinous, or malt liquors through the mails, if directed to States prohibiting sale and manufacture of same.

CONGRESS CONSIDERED SIMILAR PROVISION IN THE BEER BILL OF 1933

The Senate Judiciary Committee, in reporting the Collier beer bill in 1933, recommended an amendment which would prohibit advertisements of beer in periodicals or on the radio in States which refused to legalize such drinks, on the grounds that "liquor advertising both in periodicals and on the air would undermine the morals of the home, particularly of children." The text of the amendment, which was rejected on the floor of the Senate, follows:

"SEC. (c). It shall be unlawful to advertise by any means or method any of the liquors or fruit juices described in subsection (a) of this section, or the manufacture, sale, keeping for sale, or furnishing the same, or where, how, from whom, or at what price same may be had, in any State, Territory, or District of the United States, if by the law in force at the time in such State, Territory, or District it is unlawful to manufacture or sell such liquors or fruit juices: *Provided, however,* That nothing in this subsection shall apply to newspapers published in foreign countries when mailed to this country. Any violation of the provisions of this subsection shall be punished in the manner provided by law for the violation of section 17 of the National Prohibition Act."

ADVOCATES OF REPEAL OF THE PROHIBITION AMENDMENT DECLARED THEIR AIM TO BE THE REDUCTION OF LIQUOR CONSUMPTION AND THE ATTAINMENT OF TRUE TEMPERANCE

The compelling motive behind the votes of the men and women who turned the scale in 1933 for repeal of the eighteenth amendment and the National Prohibition Act was to decrease the consumption of alcoholic beverages in the United States. These people had been persuaded that bootleggers were carrying on a huge

business and that better conditions could be brought about by legal sale under regulations. Are the conditions better? Has bootlegging disappeared? Is high-pressure advertising a factor in the admitted great increase in consumption?

CONSUMPTION OF LIQUOR HAS INCREASED ABNORMALLY SINCE 1933, DUE LARGELY TO HIGH-PRESSURE ADVERTISING

Reports of the United States Government for the fiscal years of 1933 and 1936 show that the withdrawals and approximate per-capita consumption of liquor in terms of gallons were:

Fiscal year	Distilled spirits	Malt liquors	Wine	Per-capita gallons
1933	6,118,326	205,093,706	1,801,647	1.73
1936	110,631,778	1,515,619,977	53,273,833	13.58

A check during the same period in 68 cities of more than 100,000 population shows the following number of agate lines of advertising:

Year	Hard liquors	Beer
1934	17,000,000	7,250,000
1935	35,000,000	8,800,000
1936	40,171,000	9,777,000

It is estimated that brewers and distillers spent $16,000,000 for newspaper advertising and $4,000,000 for magazines in 1936.

ANNOUNCED AIM OF LIQUOR INDUSTRY IS TO INCREASE SALES BY ADVERTISING

Editorials in the liquor industry's trade journals and addresses at trade conventions state such objectives as these: "To get more people to drink beer." "Make youth liquor-conscious." "Make it smart to drink." "Make America rum-conscious." "Devote 1 week each month to creating advertising with women customers exclusively in mind." "Concentrate all advertising on the young men and women." "The leisure moments of our average American should be inextricably intertwined with beer. Beer during golf, beer during his vacation trips, beer while taking the long business or pleasure ride, beer when viewing the movies, beer when reading magazines, beer when sitting at home listening to the radio. The wives of the Nation should be impressed with the domestic qualities of beer. They should be convinced that they, together with their husbands, may properly drink beer under any and all circumstances. All these things are important." "Show housewives how to serve beer. Give her Dutch menus. Make it easy for her to use your product so her family and guests will enjoy it. Instill in every advertisement enough appeal to make their mouths water."

The use of the religious theme has been most repugnant to many—a half-page advertisement in a large daily headed "For Lenten menus", a news item stating that Easter eggnogs would be served at bars, a picture of Santa Claus swigging whisky, a brand of whisky carrying the title "Old Quaker." All these offend the sensibilities of religious groups.

No less objectionable is the practice of tying up liquor advertisements with some historical character or event—the use of the picture of the President of the United States in a three-quarter page advertisement pointing out the benefits of repeal; a year later, a large picture of the President crediting his "dauntless leadership" with the rebirth of a "great American industry"; finally, a striking likeness of President Roosevelt on a palatial yacht with a partially emptied glass of liquor in his hand, which called for an apology and withdrawal. But the dead cannot protest. Advertisements have appeared featuring William Penn as a brewer, George Washington as a distiller, John Adams as the grandson of a brewer, Samuel Adams as a brewer, Patrick Henry as an earnest advocate of beer, Jefferson and Madison agreeing upon beer as a healthful temperance beverage, and a full page advertising Paul Jones whisky. On Decoration Day we are to "drink a toast to those heroes who fell in defense of this country." Even Uncle Sam sits on the edge of the world with other rulers of nations drinking a toast with "Here's how!"

The paraphrasing of Lincoln's Gettysburg Address by a clever showman on the radio so aroused Representative FRANCIS D. CULKIN that he introduced a bill in Congress to prohibit all advertising of liquor over the radio. The bill, H. R. 3140, in the Seventy-fifth Congress, is worthy of the support of every patriotic citizen of the United States. Liquor advertising by radio should be banned just as advertising of lotteries and gambling is banned. It is wholly impossible to avoid hearing the liquor programs, if they are allowed. The mother cannot run to the radio whenever the liquor advertising begins; so the children come to take liquor as a matter of course, which is just what the industry wants. The constant announcement of "Senate Beer Time", or "Arrow Beer", links itself up with sports and news and every reasonable and interesting subject. Such storms of protest arose from football coaches and teachers and citizens that the distilled-spirits industry announced in 1935 that they would not use the radio for advertising hard liquors. The beer industry made no such announcement. On the contrary, beer advertising is heard at more frequent intervals every month. The latest is a "sidewalk" broadcast in which every person appearing is given a coupon redeemable for three bottles of —— beer, and the three persons making the best answers to questions are given dollar bills.

EDITORIAL POLICY OF NEWSPAPERS IS OFTEN AFFECTED BY THE ACCEPTANCE OF LIQUOR ADVERTISEMENTS

A brewer is quoted as saying: "There is no question but that the newspapers of the country, editorially and in the news columns, have been a tower of strength in the upbuilding of a revived business." Editors of newspapers insist that their editorial policies are not affected by the accepting of liquor advertising; but there is considerable evidence that they often unwittingly become partners in promotion of the business. We observe that liquor-advertising newspapers allow the industry to be promoted by unsigned articles as well as by news items. Acting on the theory that paid advertisements justify editorial and news-column support, the brewing industry established the National Institute of Manufacturers and Distributors, Inc., whose business it is to supplement paid advertising with educational unsigned articles. This institute has released to newspapers and magazines articles on such subjects as How the Brewer Aids the Farmer, The Food Value of Beer, Beer Revenue Supports the Public Schools, Beer Is No More Fattening Than Other Nourishing Foods. Editors of dry newspapers generally give as their reason for refusing to take liquor advertising that it would not be consistent with their editorial policy.

THE LIQUOR INDUSTRY HAS NO INHERENT RIGHT TO EXIST—RECOGNITION OF THIS FACT HAS CAUSED WARNINGS TO BE GIVEN TO THE INDUSTRY

The United States Supreme Court has ruled that the entrance into the liquor business is a privilege and not a right, and that it is not, therefore, like other businesses. Nearly a half century ago the Court handed down this decision: "To keep a saloon for the sale of intoxicating liquor is not a natural right to pursue an ordinary calling; there is no inherent right in a citizen thus to sell intoxicating liquor by retail." * * * "As a business attended with danger to the community it may, as already said, be entirely prohibited."

Knowing this legal limitation, friends of the industry in influential positions are constantly warning the advertisers to be careful, lest restrictions be multiplied or complete prohibition be imposed. F. A. C. A. Administrator Joseph H. Choate, when the Open Letter to Women appeared in a New York newspaper, immediately wrote the advertiser and warned that such abuses might lead to prohibition. Since that time F. A. A. Administrator W. S. Alexander has criticized the character and the volume of advertising by saying: "It has seemed to us in the F. A. A. that * * * such unusual advertising, unlike anything ever before known in the industry, is inviting trouble."

RULES AND REGULATIONS OF THE F. A. A. AND OF THE FEDERAL TRADE COMMISSION VIOLATED BY LIQUOR ADVERTISERS

The F. A. A. Administrator has on several occasions called the attention of liquor industry to the regulations of the F. A. A., which forbid false advertisements. A paragraph of one of these statements reads:

"It is the Administration's opinion that any advertisement which creates the impression that the consumption of distilled spirits will contribute to the mental or physical well-being of the consumer, or that spirits can be taken even in moderate quantities without any detrimental effects, is prohibited by the requirements of article VI, section (a) (1) of regulation no. 5."

The Federal Trade Commission took up the question of the false and misleading advertising which claimed that beer was nonfattening. The case was closed in August 1936 when the companies agreed to cease and desist.

CLOSING OF INTERSTATE COMMERCE TO LIQUOR ADVERTISING NECESSARY TO MAKE STATE REGULATION EFFECTIVE

As long as liquor advertisements are allowed to enter all States through newspapers, periodicals, and over the radio the States find it almost useless to undertake to prohibit local abuses. The Federal Government should extend the same protection of law to States in regard to advertising that it extends in regard to manufacture and sale of liquor. Some States are now trying to curb this advertising, but they realize the difficulties.

In the State legislatures of 1936 and 1937 many bills were introduced on the subject and some restrictions have been made. The division of intoxicating beverages of Rhode Island asked the general assembly in 1937 to urge Congress "to control, restrict, and prohibit whisky and other liquor advertisements in our national magazines and periodicals" on the ground that such advertisements do not educate the public for temperance. The Legislature of Vermont sent a memorial to Congress asking that the Capper-Culkin antiliquor advertising bill (S. 1369, H. R. 4738) be enacted into law. Virginia Legislature in 1936 sent a similar memorial to Congress. The Alcoholic Beverage Control Board of Virginia in 1937 prohibited window displays and outdoor advertising of hard liquors, but "thought they could not attempt to ban newspaper advertising because of the wide circulation of out-of-State papers in certain sections of the State and of liquor-advertising magazines in every section." The Minnesota Liquor Control Commissioner advised publishers that the display of girls, women, and children in advertising intoxicants might result in the confiscation of the issue containing them. The Ohio Department of Liquor Control ruled that liquor advertisements must not have pictures of women so dressed as to carry sex appeals. The liquor control commissioner of New Jersey forbade word contests, slogans, and limericks advertising beer or liquor. The Liquor Control Board of the State of Washington issued regulations forbidding all reference to Santa Claus and St. Nicholas and to Biblical personages; all forms of contest, lottery, or the awarding of prizes or premiums; all illustrations in newspapers of women or children;

and all pictures depicting the consumption of liquor. In the Legislatures of Arkansas, Minnesota, and Oregon bills prohibiting all liquor advertising in newspapers, magazines, or over the radio were introduced. In Texas the bill came to the floor of the house after a hearing. In South Carolina and Virginia bills were introduced which sought to prohibit the use of pictures of women in liquor advertisements. In the Legislature of Massachusetts it was proposed to tax all liquor advertisements in newspapers and magazines.

THE CAPPER-CULKIN ANTILIQUOR ADVERTISING BILL PROPOSES TO GIVE STATES THIS NEEDED PROTECTION

Believing that States should be given Federal protection against promotion of liquor consumption through interstate commerce, in violation of State laws, Senator ARTHUR CAPPER, of Kansas, and Representative FRANCIS D. CULKIN, of New York, introduced identic bills, which carry the numbers S. 1369 and H. R. 4738, in the Seventy-fifth Congress. A favorable report by the committees in charge and a speedy enactment into law is but a reasonable demand on the part of citizens everywhere.

Fur Farms in Alaska

EXTENSION OF REMARKS
OF
HON. ANTHONY J. DIMOND
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1937

STATEMENT MADE BEFORE HON. THEODORE A. WALTERS, FIRST ASSISTANT SECRETARY OF THE INTERIOR, WITH REFERENCE TO THE APPLICATION OF YUKON FUR FARMS, INC., FOR ENTRY OF A TRADE AND MANUFACTURING SITE

Mr. DIMOND. Mr. Speaker, under leave heretofore granted I offer for insertion in the RECORD a copy of the statement which I made on Monday, July 26, before the Honorable Theodore A. Walters, First Assistant Secretary of the Interior, with reference to the application of Yukon Fur Farms, Inc., for entry of a tract of land on the public domain in the Territory of Alaska under the Trade and Manufacturing Site Act for use as a fur farm.

Fur farming is an important industry in the Territory of Alaska, an industry which enlarges and thus becomes more important with each passing year. The question so presented to the First Assistant Secretary of the Interior is of definite importance to the people of Alaska who are engaged or who may desire to engage in the fur-farming industry. The statement follows:

MR. SECRETARY: The Yukon Fur Farms, Inc., has applied for entry of a tract of land, about 35 acres in extent, situated in southeastern Alaska (Anchorage 08392) under the provisions of the act of Congress approved May 14, 1898, permitting purchase of tracts of land not to exceed 80 acres in extent for "trade, manufacture, or other productive industry" (30 Stat. 409), at $2.50 per acre, "upon submission of proof that said area embraces improvements of the claimant and is needed in the prosecution of such trade, manufacture, or other productive industry." The act makes further provision reserving the mineral and coal lands and for public ingress and egress on the waters of all streams, whether navigable or otherwise.

It appears without dispute that the applicant is in possession of the tract mentioned and has constructed a considerable number of buildings thereon, including a dwelling house; that the buildings equipped as they are represent an outlay of $15,000; that the applicant's stock of breeding foxes, pelts, etc., situated on the land are of the value of approximately $35,000—making a total investment of approximately $50,000.

The application was rejected by the Commissioner of the General Land Office, the reason assigned for such rejection being that the law does not permit purchase by the applicant of any of the public lands in Alaska for the purpose of operating or carrying on the business or industry of fur farming, and reference has been made to the act of July 3, 1926 (44 Stat. 821), "An act to provide for the leasing of public lands in Alaska for fur farming, and for other purposes", by the provisions of which authority is given the Secretary of the Interior to lease the public lands in the Territory of Alaska suitable for fur farming in areas not exceeding 640 acres and for periods not exceeding 10 years.

The applicant, appellant here, insists that he is entitled to purchase the land under the act of May 14, 1898, since he is operating and carrying on a productive industry, to wit, fur farming, on the land, and is using the same in good faith for that purpose, and has erected upon the land valuable improvements and has otherwise in every respect complied with the provisions of the statute and with the applicable regulations.

In order to determine just what the legal situation is it may be well to refer to the history of the legislation which may affect the rights of the claimant.

On March 3, 1891, the President approved an act of Congress entitled "An act to repeal timber culture laws, and for other purposes." This act embraced several subjects, but section 12 thereof (26 Stat. 1100) provides in part as follows:

"SEC. 12. That any citizen of the United States 21 years of age, and any association of such citizens, and any corporation incorporated under the laws of the United States or of any State or Territory of the United States now authorized by law to hold lands in the Territories, now or hereafter in possession of or occupying public lands in Alaska for the purpose of trade or manufactures, may purchase not exceeding 160 acres, to be taken as near as practicable in a square form, of such land at $2.50 per acre * * *."

It will be observed that the purpose for which public land in Alaska might be purchased under the above quoted provisions of the act was limited to "trade or manufacture."

In 1898 Congress found it necessary to make further provisions for the convenience and welfare of the many thousands of people who were pouring into Alaska, and accordingly Congress passed, and on May 14, 1898, the President approved, "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes" (30 Stat. 409). In this act Congress substantially reenacted, with modification, the provisions of section 12 above quoted of the act of March 3, 1891.

Section 10 of the act of May 14, 1898, provides:

"That any citizen of the United States 21 years of age, or any association of such citizens, or any corporation incorporated under the laws of the United States or of any State or Territory now authorized by law to hold lands from the Territories, hereafter in the possession of and occupying public lands in the District of Alaska in good faith for the purposes of trade, manufacture, or other productive industry may each purchase one claim only, not exceeding 80 acres of such land, for any one person, association, or corporation, at $2.50 per acre, upon submission of proof that said area embraces improvements of the claimant and is needed in the prosecution of such trade, manufacture, or other productive industry; such tract of land not to include mineral or coal lands, and ingress and egress shall be reserved to the public on the waters of all streams, whether navigable or otherwise, * * * *Provided*, That the Annette, Pribilof Islands, and the islands leased or occupied for the propagation of foxes be excepted from the operation of this act" (30 Stat. 413).

So far as can now be determined, no record exists of any committee hearing had upon the bill which resulted in the act of May 14, 1898, and so we do not know what arguments were presented to the committee in support of the provisions of section 10, authorizing the purchase of land for trade, manufacture, or other productive industry. Extensive debate was had on the bill, particularly in the Senate, but the only reference found with respect to the term "other productive industry" appears in volume 31, part 3, of the CONGRESSIONAL RECORD (Mar. 2, 1898), at page 2368, as follows:

"Mr. CARTER. Mr. President, the law as it stands on the statute book provides that land may be sold in quantities of 160 acres for trade or manufacture. The words 'or other productive industry' are added for the reason that in the canning of fish, and particularly the canning of salmon, which is the principal business of that coast country, it has been held by the Department that canning salmon was neither trade nor manufacture, and we did not think that it was probably a productive industry.

"Mr. SPOONER. What would it be?

"Mr. CARTER. I suppose it would be a productive industry.

"Mr. SPOONER. Can the Senator imagine anything that would be productive at all that would not be a productive industry.

"Mr. CARTER. Canning salmon would doubtless come under the category.

"Mr. SPOONER. Or canning anything else or producing anything on earth.

"Mr. CARTER. It might be suggested that if we put in the bill a provision as to the canning of salmon, which is a great industry, then we might have to put in next year, possibly, the canning of cod. I believe cod is canned, but I am not familiar with the fishing business. I know they dry cod."

It is to be observed that even then it was realized that the words "productive industry" covered a wide field. While Senator Carter defended the language in order to take care of the salmon canning industry, it was called to his attention by Senator Spooner that the term "productive industry" is a very broad one.

No suggestion was then made that any other language be used to narrow the scope of the operation of this provision of the act, and evidently the Members of the Senate were well content to leave the words as they stood in order to take care of those who might wish in the future to build up and develop industries in Alaska.

The question logically arises as to whether fur farming is a "productive industry." Fur farming consists of the raising of foxes and other animals for their pelts and for breeding purposes. It requires close and laborious attention and is more likely to be prosperous where the operator has the benefit of some scientific knowledge of animal breeding. Webster defines industry as—"habitual diligence in any employment or pursuit; steady attention to business; assiduity; any department or branch of art, occupation, or business, especially one which employs large labor and capital and is a distinct branch of trade; as the sugar industry."

If the sugar industry is really an industry, then the fur-farming industry is equally an industry and comes within the provisions of

the act of May 14, 1892. For fur farming is a productive industry; in the operation of the industry something is made or created or produced, an article that is widely used among people who have the means to provide themselves with it and which may be called an article of luxury. Fur farming is just as much an industry as any other. In the operation of a fur farm, start is made with the raw material which is changed into the final usable product, namely, the pelt. While some of the pelts are tanned on the farm, most of them are not. Nevertheless, the circle of industry on a fur farm is complete, making it a true industry. Upon what basis can it be said that this is not a productive industry?

If it be argued that one of the essential elements of an industry, or of a productive industry, is that something must be brought in from the outside to complete the product, then the fur-farming industry comes precisely within that definition, for on every fur farm it is necessary to bring in material from the outside to complete the product. The foxes and other fur-bearing animals, most of which are carnivorous, must be fed, and the meat and other food supplies must be brought in. It cannot even be argued with any show of logic or of fact that the food required by the fur bearers may be raised or grown on the fur farms. As a matter of practical, indisputable fact, everyone knows that no fur farm in Alaska ever has produced or can produce the feed required by the fur-bearing animals thereon kept.

We believe it will be admitted that fox farming is, in the plain meaning of the term, a productive industry, and thus comes clearly within the provisions of section 10 of the act of May 14, 1898. So far as our research has shown, neither in the House nor in the Senate, when the bill which eventuated in the act of May 14, 1898, was under consideration, was any suggestion made that the words "other productive industry" did or did not include fur farming, or did or did not include any other specific industry, except for the statement made by Senator Carter above quoted.

It may be well here to refer for a moment to the proviso of section 10 above set out, "that the Annette, Pribilof Islands, and islands leased or occupied for the propagation of foxes be excepted from the operation of this act." The reason for that language is evident. The act of May 14, 1898, created the Annette Islands Reserve and obviously Congress did not want to have any questions arise as to the right of the use of those islands by the natives to whom they were assigned. The Pribilof Islands are the seal islands which had been made a special reservation by joint resolution of March 3, 1869, and Congress was especially solicitous to see that these valuable islands did not fall into the possession of any private individual or corporation since their value to the public was much too great. It appears that several other islands were leased or occupied for the propagation of foxes and the inclusion of those islands in the exception to the general provisions of the act was equally based upon sound public policy of not disturbing the existing rights of any person.

No question, so far as we are aware, has ever arisen of the rights of a person or corporation operating a salmon cannery to secure a tract of land under the provisions of section 10. Many such purchases of public lands have been made and to our knowledge none has ever been denied upon the ground that the salmon-packing business of the applicant who was acting in good faith did not come within the term "other productive industry." Since such titles have been issued ever since the passage of the act, can any sound reason be assigned to put fox ranching or other fur ranching in another category and to deny the right to purchase upon the ground either that fox ranching or other fur ranching is not a productive industry or that every Member of Congress did not think of fox ranching when the act was passed and consequently Congress did not intend to cover the fox-ranching industry?

Our attention has been directed to an opinion of the then Assistant Attorney General Van Devanter to the Secretary of the Interior, January 16, 1901, reported in 30 Land Decisions, page 417, holding that: "the Secretary of the Interior had then never been clothed with general jurisdiction of public lands in Alaska, his jurisdiction being limited, under the several acts of Congress relating to such lands, to the administration of mining laws, the town-site laws, the right-of-way law, the homestead laws, and the sale of land for trade or manufacture, and that he is without authority to lease land in Alaska for propagating foxes, or to assume care and control of land already leased for such purpose."

Nothing in that opinion runs counter to the contention of the applicant here, since the question there arose as to the lease of lands for fox raising, and clearly the Secretary of the Interior then had no authority to make such leases. No question was presented to the Assistant Attorney General as to the operation of the clause in the act of May 14, 1898 "or other productive industry" and no attempt was made in that particular case to purchase lands for fox ranching. It does appear, however, from this opinion that the Secretary of the Treasury had theretofore leased islands in Alaska for the propagation of foxes. It appears plain that the opinion of Assistant Attorney General Van Devanter has no bearing whatever upon the question now presented.

The position of the applicant is amply sustained by a decision of Hon. Clay Tallman, then Commissioner of the General Land Office, rendered on April 22, 1916, and approved on May 20, 1916, by Hon. Bo Sweeney, then Assistant Secretary of the Interior, in the application of W. Mason Putnam to purchase lands under the act of May 14, 1898, for fox ranching in Alaska (Juneau 01753). Commissioner Tallman there held that fox farming was embraced in the words "other productive industry", as used in the act of May 14, 1898, and therefore the fox farmer was entitled to purchase the public lands necessary to carry on his business under the terms and conditions of the act. It appears that this view of the law was followed until some time in 1925 or 1926. In the latter year Congress enacted and the President approved the act of June 3, 1926, "to provide for the leasing of public lands in Alaska for fur farming and for other purposes" (44 Stat. 821), which provides in substance that any citizen or corporation of the classes mentioned may lease land for fur farming in Alaska in areas not exceeding 640 acres for periods not exceeding 10 years upon such terms and conditions as the Secretary of the Interior may prescribe.

The history of the enactment of this legislation, so far as disclosed, fails to throw much light upon the motives which led to the passage of the act, and equally fails to throw much light upon the question as to whether it was intended by anybody to repeal the act of May 14, 1898, to the extent that the provisions of section 10 of that act might apply to the purchase of land for carrying on the productive industry of fur farming. We have been unable to find any indication that hearings were had upon the bill in either House or Senate. The Senate and House reports, copies of which are available, show that the bill was introduced by Mr. Sinnot, then chairman of the Committee on the Public Lands of the House, at the request of Secretary of the Interior Work. The debate upon the bill was brief, and no intimation is contained in either of the reports or in the debate in Congress that anyone in Congress ever intended that this act should supersede or in part repeal, in its application to the fur-farming industry, the act of May 14, 1898. Representative LaGuardia filed a minority report opposing passage of the bill, but his objections to the bill were based upon fear that the rights of the natives of Alaska had not been adequately protected, and no word was said from which one may infer that any Member of Congress intended this act to supersede in its application any part of the act of May 14, 1898.

Those who oppose the granting of the application in this proceeding must logically base their objections upon one of two grounds:

First. That the words "other productive industry" embraced in section 10 of the act of May 14, 1898, were not intended to include and do not include the business of fur farming; and

Second. That even if fur farming was originally included within the benefits of the act of May 14, 1898, as one of the productive industries embraced therein, the application of the act of May 14, 1898, to fur farming has been implicitly repealed by the act of June 3, 1926, which provides for the leasing of public lands in Alaska for fur farming.

Let us see whether either contention can be sustained.

First. As indicated above, there is nothing in the report upon the bill by the House, which is the only report available, and, indeed, which is probably the only report upon the bill which was ever made; there is nothing in the hearings on the bill, because no record of the hearings, so far as we know, was ever made, and, in any event, none can be found; and there is nothing in the debate in either House of Congress, or in the conference report, or anywhere else, to indicate that any Member of Congress intended that the words "other productive industry" should have a meaning so narrow as to exclude fur ranching. We must assume, for the only legal presumption is, that Congress used those words in their ordinary accepted sense and meaning, and that, having in mind the vast area of Alaska and its sparse population, Congress desired to furnish some easy way in which the settlers in the Territory engaging in any industry might acquire by purchase small tracts of land to enable them to promote and carry on any productive industry safely and successfully and without danger of being expelled from the land after the improvements were made and the business had been brought to success. Surely, in order to say that the words "other productive industry" should be given a meaning so narrow as to exclude fox ranching, is to run counter to all of the accepted standard rules of statutory construction. May I suggest that to arrive at such a conclusion by a departmental decision is not to interpret law; it is to enact law; it is not construction but legislation. The clear meaning of the act of May 14, 1898, was so apparent in its application to fox farming that the Department officials themselves followed it for many years, and no argument in support of that position can surpass in strength and cogency that presented by Commissioner Tallman and approved by Assistant Secretary Sweeney in 1916.

The fact that Congress was so careful as to specifically exempt the Annette and Pribilof Islands, which were reservations, and the islands leased or used or occupied for the propagation of foxes, from the provisions of the act of May 14, 1898, shows that Congress had in mind all existing rights and claims, that Congress knew of the existence of the practice, whether legal or not, of leasing islands for fox farming, and that consequently Congress must have intended that except for the express provisions of those limitations the act should have just as wide effect as is ordinarily given to legislation of that character and that no narrow limitation should be placed upon the broad term "or other productive industry" used in the act. The fact that Congress was careful to make these several limitations is the strongest possible argument in support of our position that no other limitations should arbitrarily be read into the law at this time.

Second. If it is said that there is an implied repeal of the application of section 10 of the act of May 14, 1898, to fur farms, by the enactment of the act of July 3, 1926, to provide for the leasing of public lands in Alaska for fox-farming purposes, then we say that such a position is equally unsound.

It is likely that at least 50 percent of the mistakes made upon questions of law in the decision of cases arise from failure to remember the fundamentals. We will note in the first place that neither in the statute itself nor in the congressional reports, nor in the debate upon the bill, is there the slightest intimation from which one may spell out a direct repeal of any part of section 10 of the act of May 14, 1898, or of any of the possible applications of that act. No one can claim that there is a direct repeal, and therefore reliance must be had upon what is claimed to be an implied repeal. Let us for a moment look at the elementary provisions of the law with respect to implied repeal. It is not necessary to bring here the hundreds of decisions on the subject because any textbook will give us the rule, the rule which is not doubted in any court in this land. That rule, which I do not quote, is concisely set out in 59 Corpus Juris, page 904 et seq., in substance as follows:

Courts will not hold repeal by implication if they can avoid doing so consistently or on any reasonable hypothesis or if they can arrive at another result by any construction which is fair and reasonable; also they will not enlarge the meaning of one act in order to hold that it repeals another by implication. The interpretation resulting in an implied repeal must be "inevitable." The legislative intent to effect an implied repeal must be plain and clearly appear. The implication must be clear, necessary, and irresistible. It is presumed that the legislature acted with full knowledge of existing statutes and where express terms of repeal are not used, the presumption is always against an intention to repeal an earlier statute. The repeal of statutes by implication is not to be worked piecemeal.

Let us now ask the question as to whether there is anything in the act of July 3, 1926, from which this Department must hold there is an implied repeal because no other construction can be arrived at which is fair and reasonable. Can it be said that the interpretation resulting in an implied repeal in this case is "inevitable"? Can it be said that the legislative intent to effect an implied repeal is plain, and that it clearly appears, or that such conclusion is necessary and irresistible? Can this Department ignore the fundamental rule that the Congress of the United States is presumed to have acted with full knowledge of existing statutes and that where express terms of repeal are not used the presumption is always against an intention to repeal an earlier statute? Can the Department ignore the fundamental rule against repeals by piecemeal because, after all, if a repeal is held to have been effected by the act of July 3, 1926, it is a repeal by piecemeal of one of the applications only of the act of May 14, 1898—an application which has been recognized by the Department itself for many, many years. To hold that there is an implied repeal here would, in our view, do violence to the fundamental principles governing construction of statutes in cases where implied repeals are claimed.

The facts of the matter themselves, the conditions as they exist in the Territory of Alaska, should operate equally to forbid a repeal by tortured construction of any part of the act of May 14, 1898, so far as it relates to the acquisition of lands to carry on the industry of fur farming. In the instant case we see that the claimant has constructed buildings of the value of approximately $15,000, and that he has equipment and other property on the land of the value of approximately $35,000. Every man who engages in a business of this kind, or of any other kind, wishes to have the greatest possible degree of permanency. He wishes to have something that he can call his own, something that he can use and handle as he pleases, and which he can sell when he gets through with it if a purchaser can be found. We all know that the construction of buildings on leased land is at best an uncertain thing. The man who puts up the building has only a quasi ownership in it, for upon the termination of the lease his investment in the building is gone. The outstanding desire of every farmer, whether he is fur farmer or some other kind of farmer, is to own his own farm, to have his own property, to have something which belongs to him, the possession of which he does not hold at the will and sometimes, perhaps, even the whim of some Government official or other person.

There is really nothing inconsistent between the act of July 3, 1926, and section 10 of the act of May 14, 1898. The earlier act provides, as we claim, that a fur farmer can acquire up to 80 acres of the public lands of Alaska for $2.50 an acre where he puts his improvements upon the ground and actually uses it. It gives him something that he can call his own; it gives him something that he can sell if a purchaser can be found for it and if he wants to sell it. The tract is very small, and, in fact, as I understand, under the rules of the Department the purchasers in every case have been limited to the ground which is actually occupied and which is necessary for carrying on the business. Under the provisions of that earlier act there is no danger of monopoly, there is no chance that anyone or any group of people is going to "gobble up" an entire region and keep others out of it. We know that at the present time less than two-tenths of 1 percent of all of the lands of Alaska are in private ownership, so that more than 99.8 percent of all of the lands of Alaska still belong to the United States. What danger can be apprehended, then, from permitting a few fox ranchers to secure title to not to exceed 80 acres for each of them to carry on their business? But in 1926, and, indeed, much earlier, it was found that in some cases, particularly with respect to the islands, 80 acres was not enough for a fox farmer. He needed a much larger acreage.

Now, there is no sound argument against granting up to 80 acres of the public lands of Alaska to any individual who will use it in good faith in carrying on an industry; but there may be, and there probably are, very sound arguments against granting much larger tracts to an individual outright, even though he may use it to carry on his industry, because to grant so much to one man may result in the exclusion of other individuals who are equally worthy and deserving of aid. And therefore, as we conceive it, Congress intended, in the passage of the Leasing Act, not to take away the right to purchase 80 acres of land for fox farming but to give on top of that a right to lease not to exceed 640 acres for that purpose, and in the case of islands the area to be leased may even amount to 30 square miles. The two acts, we repeat, are not inconsistent, but the one supplements the other. One man in farming certain kinds of fur-bearing animals in a certain way may require, as the Yukon Fur Farms does, only 35 acres, while another who raises another type of fur-bearing animal in another fashion may require 640 acres, or, in the case of an island, he may need the entire island, although its area approaches 30 square miles. To say, as is apparently insisted here, that the second act repeals the first is to read something into the law that is not there and is to argue contrary to known facts. It may be repeated, to pronounce such a decision is not construction but legislation.

Moreover, the act of July 3, 1926, is not the last word of Congress on the subject. On March 3, 1927, just 8 months after the approval of the act of July 3, 1926, the President approved an act to amend section 10 of the act of May 14, 1898, and same appears in volume 44, Statutes at Large, page 1364. As indicated by the title of the act, section 10 of the act of May 14, 1898, was amended by adding a proviso after the word "otherwise", in line 14 of the section. The proviso is in entire harmony with the original act, and it provides that any citizen of the United States above the age of 21 years who is employed by citizens of the United States or associations of such citizens or by corporations of the class described in the original act and whose employer is engaged in trade, manufacture, or other productive industry, and any citizen of the United States above the age of 21 years who is himself engaged in trade, manufacture, or other productive industry, may purchase one claim not exceeding 5 acres of unreserved public lands as a home site or headquarters at the price of $2.50 per acre. So we see here that the same identical language which was used originally in the act of May 14, 1898, is again found and the words "or other productive industry" are repeated. Surely, if Congress had intended to eliminate the words "or other productive industry" in any of its applications, this would have been an opportunity to have brought such a repeal about. It is further proof that Congress never intended to repeal the words "or other productive industry" by implication in the passage of the act of July 3, 1926.

Fur farming is an important industry in Alaska. The value of the output of the industry in 1936 was more than $700,000. In 1937 it doubtless will exceed that amount considerably. It is highly important that the industry be made stable and that men be encouraged in establishing themselves in the industry and in building their homes and residing permanently in the Territory. I suppose it may not be denied that one of the policies of the present administration, and, indeed, of several administrations in the past years, has been to encourage the settlement of the Territory of Alaska, and there is no way in which such settlement can be encouraged more than in the establishment of permanent homes and in the setting up and operation of sustaining industries. Nothing attaches a man so much to a place as the ownership of land upon which his house is situated and upon which his business is carried on. No lease will have the same powerful attraction, no matter how generous the terms of the lease are, no matter how high-minded the landlord may be. Every person wants his own home and he desires to own his own business, for he does not feel the same sense of security if he is obliged to lease even if that lease is from the Government.

The fur farmer is a businessman. He may accurately be described as a small, independent businessman. In carrying out his fur-farming industry it is at times necessary for him to borrow money. No bank in Alaska, or anywhere else for that matter, will loan money upon leased land, particularly where the lease may be canceled at the will of the lessor, as is the case with Government leases. By denial of outright title to the land necessarily occupied in carrying on fur farming, the Government quite effectually, in many instances, makes it impossible for the farmers to operate. Such a policy is not in harmony with the vast endeavor being made by the Government to help the small, independent businessmen engaged in any industry or business.

As stated before, more than 99.8 percent of the land in Alaska is still in the public or reserved domain. If the Government really wishes to encourage the settlement of Alaska, if it wishes to have people stay there once they have gone to the Territory, nothing could further the policy of the Government more than to give to these settlers a fair opportunity to purchase for themselves small tracts of land so that they can engage in business and do it safely and securely, so that each will feel that he has a stake in the country and that he is not a mere tenant. The evils of farm tenancy are engaging the earnest attention of the administration and all admit that they are evils, and yet one branch of the Government seems insistent upon perpetuating the tenancy evil in Alaska by compelling fur farmers, who are individuals operating on a small scale, to be tenants instead of owners of their farms. Surely if we can go to all of the pains which we are going to to encourage the operators of farms in the States to own them, we ought, having in mind the vast area of the public lands in Alaska, to be willing and eager to sell up to 80 acres to every fox farmer who will earnestly and in good faith use it, who will build his home upon the ground and put his improvements upon it so that he can operate his farm successfully.

The applicant in this case and other fur farmers similarly situated, who desire title to the tracts of land which they occupy, are not on relief. They do not solicit any governmental largess. They ask only that they be granted title to a few acres—less than 80 acres—of the land in Alaska of which the Government now has so many millions of acres. Lately we have seen the Government spend considerable amounts of public funds in establishing 200 farm families in the Matanuska Valley. The Government paid the cost of the transportation of these families to Alaska and paid for their food and clothing; the Government aided in building their houses and barns and in clearing the land which they are to cultivate. The fur farmers ask nothing like this. Each desires not to exceed 80 acres of land, of the land which was formerly a barren and unproductive part of the wilderness and which has now been brought to a beneficial and productive use and upon which the settler has spent his money and his labor, and, far from asking anything of the Government, he is willing to pay for the land. Surely, if the policy of the Government, which I acclaim as a wise policy, will result in the expenditure of public funds to aid in the settlement and development and the increase of population of the Territory of Alaska, then the same policy ought not by strained construction and, contrary to some of the elementary rules of law, either deny the proper application of plain words used in a plain sense, namely, the words "productive industry", or declare an implied repeal where such a declaration is forbidden by the fundamental principles of law, and thereby deny to the fur farmers right to purchase the land which by their own labor and money has been made useful.

The possibility that the words "other productive industry" might include agriculture has not been overlooked, but the cases are not similar. With respect to agriculture, a complete body of law facilitates the purchase of public lands by compliance with the provisions of the law. In fact, it is much simpler and easier to comply with the provisions of the homestead law where land is sought for ordinary farming than it is to comply with the provisions of the Trade and Manufacturing Site Act, where land is sought for the purpose of carrying on trade or manufacture or other productive purposes. Moreover, it will be noted that the act of May 14, 1898, in the first section thereof, extended the homestead laws of the United States and the rights incident thereto to the Territory of Alaska. By the provisions of that section those who desired to take up farms in Alaska, other than fur farms, were provided for, and, by the provisions of section 10, an opportunity was given to the settlers in Alaska who might desire to engage in trade and manufacture or some other productive industry.

An Emancipation Proclamation to End Wage Slavery

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, August 2 (legislative day of Thursday, July 22), 1937

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an able and timely editorial which appeared in the Philadelphia Record on the 2d day of August. The title of the editorial is "An Emancipation Proclamation to End Wage Slavery."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of Aug. 2, 1937]

AN EMANCIPATION PROCLAMATION TO END WAGE SLAVERY

History was made in the United States Senate on Saturday.

It was made when that body voted, 56 to 28, to pass the wage-hour regulation bill and thus support President Roosevelt in giving this Nation a new emancipation proclamation—

An economic emancipation proclamation which will abolish wage slavery.

Despite the desertion of a group of reactionary Democrats, despite the guerrilla tactics by which they aimed to kill the wage-hour bill, that measure emerged triumphant. The United States Senate stands on record for a principle none the less fundamental because it is newly recognized.

The principle that it is against the public interest for employers to underpay their workers.

True, the bill has been loaded down with amendments which some fear may contain "jokers." Those can and must be eliminated if they exist. Indeed, the very disclosure of them will spur public opinion to whirl those "jokers", with boomerang effect, into the teeth of their senatorial authors.

For America is marching ahead.

And thanks to the fine leadership of Senator BARKLEY, who covers himself with glory in this, his first great test; to the courageous fighting of Senator BLACK, sponsor of the bill; and to the steadfastness of the real liberals in the upper House.

The Senate has set the pace for that march ahead.

Aside from the great humanitarian aspects of this wage-hour bill, it is vital to the economic stability of this country.

It is as vital to employers as to employees. Every American industrialist who pays more than average wages should be plugging for this bill out of enlightened self-interest, because the employer with an underaverage wage scale is hurting his business.

Employees of higher-pay industries can buy the products of low-pay industries.

But employees of low-pay industries can't buy the products of higher-pay industries.

The chiselers and the sweatshoppers, by grinding down their workers' purchasing power, prevent them from becoming customers of other employers who do business decently.

This wage-hour bill is aimed to abolish that injustice and to maintain economic stability in America by giving the employees of every industry sufficient purchasing power to consume the products of other industries.

Industrialists don't sell to each other. Ultimately, they find their customers among the employees of other industrialists.

There is going to be a last-ditch fight by the Tories to kill the wage-hour bill in the House.

The first fight will be in the House Labor Committee, headed by Representative MARY T. NORTON.

Once the bill reaches the floor, without emasculation, we hold no doubts as to the final outcome. The battle may be hot.

But the Members of the House of Representatives know as well as we do how soon they will have to answer for their votes at the polls.

And the people whom those Representatives must face are the same people who turned in the landslide, less than a year ago, for President Roosevelt—and for his liberal program—of which this wage-hour bill is a cornerstone.

Those people are not going to vote for Congressmen who have betrayed them.

St. Lawrence Seaway Pact Held Unjustified by Canada's Prime Minister

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

LETTER FROM THE PRIME MINISTER OF CANADA

Mr. BEITER. Mr. Speaker, in view of the fact that interest is being revived in the proposed St. Lawrence seaway, which suffered defeat some time ago at the hands of the Senate, it will probably be appropriate at this time to reveal the views of the Canadian Government in the matter. With the permission of the House, I quote herewith from a letter I have just received from the Right Honorable Mitchell F. Hepburn, Prime Minister and President of the Council of Canada, on this subject:

ONTARIO,
OFFICE OF THE PRIME MINISTER AND
PRESIDENT OF THE COUNCIL,
Toronto, July 27, 1937.

Congressman ALFRED F. BEITER,
House of Representatives, Washington, D. C.

DEAR MR. BEITER: On many occasions I have ventured the opinion that the deepening of the St. Lawrence waterway, insofar as the Province of Ontario is concerned, cannot be justified on economic grounds.

We are in no immediate need of power and are at the present time endeavoring to settle with various power companies from whom we bought huge blocks of unsalable electric energy. At the present time an appeal against the decision of the Appeal Court of Ontario regarding the purchase of 250,000 horsepower from the Beauharnois Co. is being carried to the Supreme Court of Canada and, in all probability, to the Privy Council.

You can readily understand how impossible it is for us to consider a further development of power by the use of Provincial funds when we are in our present predicament.

Insofar as navigation is concerned, the Province owns the Temiskaming & Northern Ontario Railway and, as citizens of the Dominion, we are vitally interested in the welfare of the Canadian National Railway, which as you know is operating under a tremendous annual loss, constituting an acute drain upon the Dominion.

Under the circumstances, I see no possibility of changing the policy of this Government until such time as there is a need for additional transportation facilities or power.

With kind regards, I remain,

Yours very sincerely, M. P. HEPBURN.

Obviously the United States Senate will not be impressed by any call for ratification of the St. Lawrence Treaty in the face of the views held by Mr. Hepburn and his Government.

Prime Minister Hepburn has for years served in public office in the Dominion of Canada and during that time has been recognized as one of its leaders. Undoubtedly he speaks with authority in giving his views on a matter which so vitally affects the economic stability of so many industries, and I believe his statements will set at rest those persistent rumors that any opposition Canada may have had in the past to the proposed pact has been withdrawn.

Farm Legislation

EXTENSION OF REMARKS

OF

HON. CARL VINSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

RADIO ADDRESS BY HON. MARVIN JONES, OF TEXAS, ON JULY 29, 1937

Mr. VINSON of Georgia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address recently delivered by the gentleman from Texas [Mr. JONES]:

With Congress apparently on the eve of adjournment, I welcome the opportunity to utilize the facilities of the Columbia Broadcasting network to talk to farmers and other citizens about some common problems.

Since the beginning of the Roosevelt administration a great lesson has been learned by all of us. We have learned that the Nation's farmers will respond cooperatively in a national farm program. Thus the old objection to farm legislation has been met. The skeptic who used to say that farmers wouldn't work together for the common good has been put to rout. Since 1933 a national farm program has been in successful operation. And we have come a long way from 5-cent cotton and 30-cent wheat. Agricultural income has risen from $5,300,000,000 in 1932 to $9,000,000,000 last year. A further increase is indicated this year.

All farmers and businessmen are aware of this improvement. The value of rural retail sales in 1936 was 82 percent higher than in 1932. The value of this improvement in terms of human welfare cannot be calculated in percentages. And so today we find rural America relatively prosperous, with its leaders looking for the key to stability and continued improvement.

THE TRIPLE A AND SOIL CONSERVATION ACTS

The improvement that has been made since 1932 on the Nation's farms has not been an easy task. The road we have traveled since the Agricultural Adjustment Act was adopted in May of 1933 has not always been smooth. Our great President referred to this first farm act as an "untrod path." The program under the first Triple A Act was working well, but it did not meet the test of the courts. So we had to seek a new model. We now have the Soil Conservation Act. Under this program 67 percent or more than 283,000,000 acres of the total crop land in the United States is directly benefited. Approximately 4,000,000 of our 6,000,000 farmers are cooperating.

The present program is designed to conserve and improve the fertility of the soil and to improve the productivity of the Nation's farm land. It is also intended to protect the land from the ravages of drought and flood, thus conserving the heritage of the soil for future generations. This program is working well. Farm prices and income are far above those of 1932, and the immediate outlook for the coming crop seasons is optimistic.

The question, then, arises that if the present program is functioning and the farmers of America are relatively prosperous, why make any changes? The necessity for immediate change is not now apparent to many, but there is grave doubt in the minds of some of us as to whether the present program will be adequate to meet conditions that may develop within a year or two. In other words, can the program of soil conservation as now operated meet the test of huge surpluses of our major crops? That question is the principal concern of the administration and of Congress.

THE PERMANENT FARM PROGRAM

During this session of Congress, several measures of great importance for agriculture have been adopted. A beginning has been made in attacking the problem of farm tenancy; the Soil Conservation Act in its present form has been extended until 1942; other measures, including marketing-agreement legislation and continued low interest rates for farm borrowers, have been adopted. But equally important, to my mind, the House Committee on Agriculture has heard carefully and canvassed thoroughly numerous suggestions for a permanent national farm program, based upon the present Soil Conservation Act.

The various groups interested and representing farmers are all in accord as to the objectives which American agriculture should seek with the cooperation of the Federal Government. But there is serious division as to method. Such differences vividly illustrate the difficulty in working out a permanent farm program and embodying it in general legislation.

VARIOUS PROPOSALS

One group proposes control of production, with severe penalties attached to excess production. This proposal would mean that a farmer who exceeded his production would be subject to a suit in Federal court to collect a civil penalty of $40 per bale on his excess cotton; 40 cents a bushel on his excess corn; and 50 cents a bushel on his excess wheat. This penalty would only attach when there is a normal carry-over, plus considerable additional surplus, in other words, only when there is extreme excess production. Some feel that in many instances these penalties would not be collectible and that control of production might therefore break down.

Another farm group takes the position that, because of the decisions of the Supreme Court, the proposals just outlined are illegal and that only two courses are open: one, to prepare a bill intended to stay within the limits of the Supreme Court decisions, and the other, to seek an amendment to the Constitution for any program that would go beyond those limits.

A third group representing farmers urges a fixed price based upon what is called "cost of production" so that the farmer would be assured of a stipulated price on the products he produces for the domestic market.

Still another group advocates what is called the two-price system; that is, a certain price should be maintained for that portion of farm production which goes into domestic consumption and that the surplus above that should go onto world markets for whatever price it would bring.

To attempt to compose the conflicts in the various proposals I have just outlined and to develop legislation which will result in a united front for agriculture is, to put it mildly, a most difficult task. Each group feels that its program is best. Many individuals urge that they have the sovereign solution of the farm problem. It is doubtful that if any one plan or a combination of some features of all of them will completely remedy problems that agriculture has faced since the tariff system was adopted.

The fact that there are conflicting counsels does not mean that it is futile to attempt further improvements and progress in developing a sound, national farm program. To the contrary, the many plans submitted constitute an encouraging symptom because they show the widespread interest that prevails.

A FARMER'S BILL

From the many suggestions that have been made I have undertaken to include in one bill the various ideas which seem to have merit. It was prepared after consultation with many farmers and farm representatives. It embodies many of their suggestions. It is truly a farmer's bill. I hasten to say that I do not claim that this bill contains the patent cure for the problems of the farmer. But I do believe that it may offer the elements of a workable, permanent national agricultural program. At least it will provide the basis for further discussion and debate, from which may evolve the additions and improvements to the present program which seem necessary.

PARITY PRICE AND INCOME

The purpose of this measure is to maintain so far as is practicable, parity prices for all farm commodities, and parity income for all farmers, in addition to continuing the present soil-conservation program. By parity prices is meant the price which the producer will receive in order to purchase the same amount of nonagricultural goods that he could buy during the pre-war period, 1909–1914. This period, often referred to as "The Golden Age of Agriculture" is chosen because it represents a time when farm prices and other prices were more nearly in balance than at any other modern period. And, we not only want these prices, but production at such a level as will produce parity income as well.

SOIL CONSERVATION

This proposed measure intends first of all to continue the present Soil Conservation Act and to broaden some of its provisions. The Secretary of Agriculture is authorized to make payments for soil-conservation practices of various kinds. These practices are divided into two groups. One deals with soil-depleting crops and practices, the other with soil-building crops and practices. The Secretary of Agriculture would not enter into a contract with the individual farmer. To encourage the proper use of the soil, the farmer would receive a payment in return for compliance if he desires to participate in the program. This is substantially the present program.

THE EVER-NORMAL GRANARY

In addition to the soil-conservation features, the measure makes provision for what has been called the ever-normal granary. Any farm program, if it is to survive, must deal justice to both producer and consumer. The producer must be assured, insofar as it is possible, of a fair price for his product. And the con-

sumer must be protected against shortages caused by drought, flood, or other cause. The consumer has a right to expect that there will be a sufficient supply of essential food and fiber at reasonable prices. And it is this stability that is the objective of legislation which I have proposed and which has been discussed for the past several years.

It is wise that reasonable provision should be made for storing in years of plenty so that these products may be available against the time when production may be short.

These problems, as challenging as they may be, do not destroy the need for smoothing out the fluctuations in supply and price of essential foods and fibers. Such fluctuations injure both producers and consumers, and I am hopeful that a mechanism will be developed which will make it possible for the farmers of America in cooperation with their Government to achieve the stability that is necessary for all groups. There is particular need for reserve and storage provisions for wheat, cotton, and corn. And I see no reason why these provisions could not be extended to other commodities under proper circumstances.

In drafting this bill I have submitted to the Committee on Agriculture additional suggestions which have not heretofore been included in any legislation enacted by Congress. On Tuesday of this week, at a meeting of the committee and the leaders of different farm groups, it was unanimously agreed that these new suggestions were wise and should be included in any permanent agriculture program.

GRADUATED PAYMENTS

One of these provisions is concerned with graduated soil-conservation payments. This provision would reduce payments to large operators and thus make available additional sums to the average-sized farm. Such an apportionment would prevent excessive payments to large operators and encourage the smaller producers who operate the family-sized farm.

NEW USES AND NEW MARKETS

Another new feature which the measure contains is provision for research into new uses for farm products. While there is prospect of immediate benefit, the greatest good would be in the more distant future when uses which will be discovered become commercially feasible and put upon the market. The bill provides for regional laboratories to be established in each of the major producing areas, and with the cooperation of State agencies scientific research would be undertaken to discover new uses for the particular commodities of that region.

In our own time we have seen miracles of modern chemistry. Yet science has just begun to explore the uses for farm products. The countless examples of what research has done for agriculture are indications of what we can expect in the future. From cotton has come rayon with its numerous uses. Wood pulp has been processed into cellophane and newsprint. Waste materials such as corn husks and corn cobs and the chaff of grain have been transformed into chemicals, phonograph records, insulation materials, and numerous other products.

Seeking new markets not only for raw materials abroad but among ourselves by means of new uses for the products of the farm is a field of great potential value. Heretofore the laboratories of private industry and individuals, with some help from Government scientists, have pursued this field. I believe it to be sound policy to concentrate on a definite program of new uses for farm products with its possibilities of expanding markets. Such a project can mean much and should be properly integrated with any permanent farm program.

FREIGHT RATE DISCRIMINATIONS

A third new provision deals with freight rates. A long, long story could be detailed of the many discriminations against farmers on the rates they pay to ship their products to market. Entirely too much of the farmer's income has been absorbed by freight rates, which are in many instances far out of line with the rates paid by other classes of shippers.

For a number of years I have been interested in remedying this situation. I have studied numerous comparative rate schedules, and have found many examples of injustices to farmers. In an effort to remove these discriminations, I have made provisions in the pending bill for the Secretary of Agriculture to initiate complaints with the Interstate Commerce Commission with respect to rates relating to the transportation of any farm products. The Department of Agriculture, under this provision, could act on behalf of individual farmers or on behalf of cooperative associations of farmers. Authority also is given the Secretary of Agriculture to represent farmers in legal proceedings before the Commission.

UNITED ACTION

I have attempted tonight to sketch only in general outline the problems facing American agriculture as they relate to action by the Federal Congress. This is a broad problem and much is involved. I am confident that every member of the House Committee on Agriculture is anxious to do everything possible to work out a permanent farm program on the basis that will produce actual results. If we adopt a hasty and unwise law we may find ourselves enjoined by courts and thus wreck both the new program and the one we now have. I am sure no one would want this to happen.

I believe that the farm groups and their representatives are in earnest. Their counsel has been most valuable and welcome. I know they sincerely desire to see the high purposes of the present movement for farm equality attained. I believe that the same good faith can be attributed to the members of the Committees on Agriculture in both the House and Senate, and to the Members of Congress who must be responsible for final action.

I know that the President of the United States, with his great heart and mind, is earnestly desirous of seeing a sound, practical, permanent farm program evolved as soon as possible and written into the law of the land. I believe we will be able to accomplish this if, with an attitude of conciliation and patience, all the groups concerned dedicate themselves to the task.

The Late Louis T. McFadden

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

Mr. RUTHERFORD. Mr. Speaker, the Honorable Louis T. McFadden, late of Canton, Bedford County, Pa., a former Member of Congress, died October 1, 1936, from a heart attack while in New York City. Mr. McFadden had been in poor health for several months prior to his death and had just recovered from intestinal grippe about a week before his death, and was apparently in good health when he decided to go to a New York hospital for observation. While in the hospital he suffered the heart attack, which was fatal.

Mr. McFadden represented the Fifteenth Congressional District of Pennsylvania, which I now have the honor to represent, in the Sixty-fourth Congress and in each succeeding Congress down to and including the Seventy-third. No other man, so far as I can learn, ever represented our district as long. Mr. McFadden not only represented our district for a long time but he also represented it well.

Mr. McFadden was a self-made man. He was born July 25, 1876, the son of Theodore L. and Julia (Babb) McFadden. While he was yet very young both parents died and he then went to live with a local country doctor. When he was about 16 years of age he obtained a position as office boy in the First National Bank of Canton, Pa., at a salary of $15 per month. He was industrious and studious. He was willing and eager to work and gave close attention to detail, and at the age of 21 he was made cashier of the bank, being the youngest in the State to hold such a position at that time. Later on he became president of the Canton Bank. His ability as a banker was recognized throughout Pennsylvania and in 1907 he was elected treasurer of the Pennsylvania State Bankers' Association and in 1914 he became its president. He was one of the organizers of the Pennsylvania State Chamber of Commerce and served as a director for several years. He was also identified with many business enterprises in his home county. On October 12, 1898, he married Miss Helen Westgate, of Canton, and a great measure of his business and political success was the result of her unselfish devotion and excellent judgment. Besides his widow Mr. McFadden is survived by one daughter, Mrs. Henrich Luykx, of Detroit, Mich., and two sons, Leslie, of Santa Barbara, Calif., and Theodore, of Canton, Pa. Mr. McFadden was a member of the Presbyterian Church, of Canton, and took part in Masonic work, being a member of Canton Lodge, A. F. & A. M., Scottish rite bodies at Towanda and the Williamsport Consistory.

Mr. McFadden was one of the outstanding Republicans of the Fifteenth District for many years. He had unlimited energy and was a great campaigner. Starting in the fall of 1914 he defeated all comers, both for the nomination and election to Congress, until 1934, when he was defeated by C. Elmer Dietrich, a Democrat, of Tunkhannock, Pa., by a few votes. He had many exciting primary campaigns during his 20 years in office, the most spectacular of which were his two campaigns against Mrs. Cornelia Bryce Pinchot, in 1928 and 1930. Both campaigns were strenuous and bitter. Scores of speeches were made by both principals and their supporters and at times the various arguments were of a most personal nature. In both campaigns Mr. McFadden was the winner by overwhelming majorities. He maintained his strength with

the voters of his district by his untiring efforts in looking after their interests. No matter was too small and no constituent too obscure, to receive personal attention. Every request from back home was promptly and efficiently handled, and as a result he made countless friendships and won the confidence of his constituents.

Mr. McFadden was one of the outstanding Members of Congress for many years. He was a member of the Banking and Currency Committee and became chairman of the committee in 1921. He was fearless and independent, and when he thought that he was right no one could move him from his determined course of action. He continually fought the Wilson administration and launched attack after attack on the activities of John Skelton Williams, then Comptroller of the Currency. After many years of fearless service in Washington he became the storm center here during the last Republican administration when he tried unsuccessfully to impeach President Herbert Hoover. The Republican Party stripped him of his patronage, and Senator David A. Reed, the United States Senator, read him out of the party. In face of such tremendous odds, still believing that his course although not popular with the great mass of the members of his own party, was right, returned to his district and made the fight for his political life. After a strenuous campaign he was returned a winner by the largest majority that he ever received. He may have made a mistake in his attack upon the President, but his many friends seemed willing to excuse his getting off the reservation once when they considered his many years of active and loyal service to his party. In the death of former Congressman McFadden thousands lost a real friend and the Nation a statesman.

Bernhard M. Jacobsen

MEMORIAL ADDRESS
OF
HON. EDWARD C. EICHER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of BERNHARD M. JACOBSEN, late a Representative from the State of Iowa

Mr. EICHER. Mr. Speaker, may I be permitted at this time to record in the permanent annals of the House of Representatives my heartfelt tribute to the memory of our beloved colleague, BERNHARD M. JACOBSEN, late the Representative from the Second District of Iowa.

He served in the Seventy-second, Seventy-third, and Seventy-fourth Congresses and was renominated as the candidate of his party for reelection to the Seventy-fifth Congress. He died on June 30, 1936, less than 10 days after the close of his active service on this floor at the termination of our 1936 session. Representing as we did adjoining districts bordering on the Mississippi River of the State of Iowa, our acquaintance and association became unusually close; and, since he had preceded me in Congress by 2 years, his advice and counsel in my freshman days were of great value to me and his generous cooperation will never be forgotten. A further attachment, both political and personal, grew from the fact that under the 1930 reapportionment, which became effective in 1932, three of the counties that he had represented during his first term became a part of the First Congressional District at the beginning of my incumbency in 1933. The mutual friendships we enjoyed in those three counties were an additional tie, and the influence of the progressive record that he had made during his first term played no small part in promoting his party's success in that territory in the elections of 1932.

The outstanding lesson to be learned from B. M. Jacobsen's life is the proof it affords that America has been rightly named "the land of opportunity." He came to it by choice as a young man in his teens, and by sheer native ability, combined with the fundamentals of integrity, industry, and thrift, that he possessed in such large measure, he carved out for himself a brilliant career as merchant, community builder, and a leader of men. His absorbing interest in politics and government, I know, was inspired by his deep-seated conviction that opportunity in America must be kept as free as it had been in his younger days, and by his anxious desire that our Government remain a workable democracy, in fact as well as in name. The welfare of the common man was always his first concern.

Our colleague won high place in the councils of this legislative body, where his sound business judgment was ever a valuable contribution to the Nation's business.

I am sure he would wish for no higher appraisal of his services to his city, to his State, and to his country that he loved, than to have it said of him, as can be done in simple truth, that by influence, by example, and by intelligent and effective official action, he helped give the underprivileged a better chance to win in the race of life.

Labor Beware! Tories Attack C. I. O., Wagner Relations Act, and Labor Board

EXTENSION OF REMARKS
OF
HON. JERRY J. O'CONNELL
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 2, 1937

Mr. O'CONNELL of Montana. Mr. Speaker, at no time in the history of this country has the American public been subjected to a more complete blanket of misrepresentation and propaganda concerning labor organizations than is now laid down through the newspapers, radio, and all other means of communication. These misrepresentations, directed principally at John L. Lewis and the C. I. O., and extending to open attacks upon the Wagner National Labor Relations Act and the National Labor Relations Board, are evidence that the organizing drive of the C. I. O. is being effective and is answering the need of the mass of the hitherto unorganized workers of this country.

YELLOW JOURNALISM RAMPANT

Charges of violence and irresponsibility against the organizations which have grown into great strength under the direction of Mr. Lewis and the C. I. O. are spread broadcast throughout the country by the press and radio speakers. With very few exceptions newspapers have made no effort to ascertain and publish the true facts in the episodes of violence which have occurred—facts which show beyond any doubt that the violence has in every case come first from the steel companies and other employing groups typified by the unspeakable Tom Girdler, of Republic Steel, and too often sanctioned or actively participated in by government forces, local, State, and Federal.

TORIES USE SAME OLD TRICKS

Understandable and to be expected are these attacks from the employer bourbons, whose privileges have never before been challenged effectively. Not surprising is the pinning of red labels on the C. I. O. and its officials—a demagogic device designed to obscure the facts and incite the feelings of the middle classes and the farmers against the workers. Chamber of commerce type of attack such as that recently issued against the National Labor Relations Board and the C. I. O. by my colleague the eminent Representative from Tupelo, Miss., are normal parts of the techniques always employed by financial and industrial groups when continued satisfaction of their greed for power and profit is threatened by the organizing of the mass of the workers. Another and important phase of the attack is the submission of amendments to the Wagner Labor Act—amendments, such as those proposed by Senator VANDENBERG, which may appear plausible and fair-minded at first glance, but which even casual scrutiny reveals to be drawn for the purpose of torpedoing the Wagner Act and of taking away from labor what few rights it has achieved through long years of struggle.

SENATOR NYE AND SAM JONES

Nothing has come to my attention, however, which sheds so clear a light upon the operations of the ruthless industrial and financial barons typified by Girdler as a copyrighted story which appeared on the front page of the Philadelphia Record on Sunday, July 25, 1937, under the signature of Kenneth G. Crawford, a Washington correspondent for the Record and the New York Post, who has one of the highest reputations for reliability, intelligence, and impartial writing of facts enjoyed by any member of the House or Senate press gallery. Mr. Crawford's singularly dispassionate account of the relationship between Senator NYE and Sam Jones, a publicity agent for Tom Girdler, has profound significance for every thoughtful American. I hope every Member of this House reads this story, which I am submitting for publication in the CONGRESSIONAL RECORD, and I further hope that it receives wide dissemination throughout the country. It may help to explain and undo the effects of the blanket of falsehoods and misrepresentations which now covers the country respecting Mr. Lewis and the C. I. O.

[From the Philadelphia Record of July 25, 1937]

NYE ADMITS AIDE OF GIRDLER INSPIRED BLAST AGAINST N. L. R. B.—"UNFAIRNESS" CHARGE GIVEN CIRCULATION ON EVE OF REPUBLIC HEARING

(By Kenneth G. Crawford)

WASHINGTON, July 24.—Senator GERALD P. NYE's attack this week on the National Labor Relations Board was inspired by an associate of Tom M. Girdler, chairman of the Republic Steel Corporation.

The North Dakota Senator admitted today that the "unfairness" of the Board, which he complained of in a public statement, was called to his attention by Sam Jones, Washington publicity agent.

(NYE's statement declared that the N. L. R. B. "seems to have gone out of its way to demonstrate to the public that it is a partisan body rather than a judicial institution."

"The N. L. R. B. has such a pronounced pro-C. I. O. bias", he said, "that the average man regards it as an adjunct."

NYE denied that he knew at the time he discussed the Labor Board with Jones, or later when he issued his statement, that there was any connection between Jones and the strike-breaking head of Republic.

SUPPOSED TO BE A LIBERAL

NYE made that assertion despite the fact that the Girdler-Jones association was widely publicized less than a month ago when Jones, acting in the capacity of publicity counselor, stage managed a hand-picked press conference at which Girdler blasphemed administration officials then trying to settle the strike which closed most of his steel plants.

The conference was held June 25, the day after Girdler testified before the Senate Post Office Committee, and received national publicity because of the unprecedented abusiveness of his remarks about Government and labor leaders. Jones figured prominently in press accounts of the affair.

NYE's statement accusing the Labor Board of being biased and unfair to employers created a sensation in Washington when it was issued Thursday. The North Dakotan, whose State is one of the least industrialized in the Union, never before had manifested any interest in labor or the affairs of the Labor Board. Also he is supposed to be a liberal.

MORE THAN COINCIDENCE

However, Jones' hidden hand in NYE's sudden blast was not suspected until it was discovered that Girdler's publicity aide had distributed copies of the statement to newspaper correspondents.

It had generally been accepted as a coincidence that NYE's statement came out at the same time that the Labor Board was conducting hearings on charges of Wagner Act violation against Republic. But when Jones appeared in the picture the coincidence theory evaporated.

At the hearing held Wednesday morning, shortly before NYE sent copies of his diatribe to the Senate press gallery, three steel workers testified about a clash between deputy sheriffs and Republic strikers at Massilon, Ohio, on July 11, in which two men were killed and several seriously injured.

One of the witnesses said he heard a deputy say before the outbreak that "we are going to clear them out tonight."

JONES HELPED DISTRIBUTION

Investigation showed conclusively that Jones participated in distribution of NYE's statement and was in communication with NYE before it was prepared.

According to NYE's story, he sent about 15 copies of his statement to the press gallery about 1:30 p. m. Wednesday. At the same time, he said, he gave one copy to Jones, who "was interested in the subject." He said Jones apparently took the one copy he received to his office and made others, using plain white paper instead of the marked senatorial paper, and then distributed them to newspaper friends in the National Press Building.

NYE said he was wholly unaware of Jones' intention of making additional copies and circulating them.

However, from reliable information received from other sources, it appears that Jones had his copies in circulation downtown before NYE's reached the press gallery. William Collins, superintendent of the Senate press gallery, said he received NYE's statement on official copy paper at about 4 p. m. Jones' copies made their appearance on at least one newspaper correspondent's desk an hour or more before then.

FROM SAME TYPEWRITER

Comparison of the Jones copies with those put out by NYE indicates that they were run off on the same typewriter by the same typist. That, however, would have been impossible if NYE's were written in his own office and Jones' in his.

"I sent about 15 copies to the press gallery and that is all that we made here", NYE said today. "I thought that would be enough. I gave Sam one at the same time that I sent the others to the press gallery—about 1:30."

"Why did you make this statement, Senator?" he was asked.

"Well, there have been a lot of complaints lately about the Labor Board", he replied. "I had expected to make a speech about it on the floor, but the Court debate made that impossible, so I decided to issue a statement."

"INTERESTED IN SUBJECT"

"How did Jones happen to get a copy?"

"He was interested in the subject and wanted one."

"How did he know you were getting it out?"

"Well, you see, I have known Sam for a long time. We had talked about this before. He was very helpful to us when we were fighting the N. R. A."

"You didn't know that he was working for Republic?"

"No; I didn't know it. Are you sure that he is? I have known him merely as a publicity man who has worked for various people. He has an office of his own."

IVY LEE OF WASHINGTON

Whether Jones is an employee of the Republic Steel Co. is disputed. After the now famous Girdler conference, newspapermen assumed that Jones was in his service. But a representative of the company said today that he was not on the Republic pay roll. He admitted it was possible that Jones might be paid by Girdler personally.

Jones is the Ivy Lee of Washington. From his offices in the National Press Building he has at various times served the Republican National Committee, Gov. Eugene Talmadge's Southern Committee to Uphold the Constitution, and various other similar organizations and interests.

It is known that Jones recently has interested himself in the activities of the National Labor Relations Board.

FAMILIAR TORY CRY

In his statement, NYE took up the Tory wail that the Board is biased because it usually finds for the employees. He did not explain that this is inevitable under the procedure of the Board as laid down by the law. The Board does not institute formal proceedings against an employer unless preliminary investigation shows that the complaints are well founded.

"I am primarily interested in the welfare of my State, which is not directly affected by industrial strife", NYE's statement read, "but which is indirectly and seriously affected by prolongation of economic war which ultimately hits the farmer, the worker, and the consumer. I believe that my record substantiates my confidence in, and my support of, the cause of labor.

"My viewpoint is unchanged. But I do not want to see the governmental umpire batting for either side. The friends of labor who hail the obvious partisanship of the N. L. R. B. should bear in mind that it is quite possible that we will see a day when another governmental body of the same type will use its tremendous powers to oppress labor."

ADDS TO CHARGES

Departing somewhat from that thesis in his press statement, NYE threw in for good measure charges that the Labor Board also has discriminated against the A. F. of L. in favor of the C. I. O. and that David J. Saposs, brilliant economic adviser to the Board, favored "Stalin's doctrine of boring from within." He described Saposs as "the public prosecutor and district attorney for the N. L. R. B."

Saposs is, in fact, merely an economic expert and not even an attorney. He has given expert testimony before the Board in several cases.

NYE also failed to point out that if the N. L. R. B. is partisan, so is the United States Supreme Court. The principal decisions of the Board have been upheld by the Court in the Associated Press, Jones & Laughlin Co., and other cases decided at the last session.

The North Dakota Senator has refused to supply data supporting his general charge of favoritism.

Cause, Treatment, and Prevention of Cancer

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

Mr. MAGNUSON. Mr. Speaker, leave was granted me to extend my remarks in the RECORD on S. 2067, introduced in

the Senate by the senior Senator from the State of Washington, and H. R. 6100, introduced in the House of Representatives by myself, being bills authorizing the Surgeon General to study the cause, treatment, and prevention of cancer, and to cooperate with the States in the eradication of that disease, and providing for an annual appropriation to be expended for these purposes under the Surgeon General's direction. This measure, with sundry amendments, has passed the Senate, and on July 23 passed the House of Representatives. I wish to submit the following supplemental observations to my own remarks in the debate before the House today.

The subject of cancer is one which transcends all question of politics, color, or creed. It may seem a shameless exhibition of insolent presumptiousness for a layman, such as myself, to attempt to speak on a subject about which scientists admittedly have, too, much to learn. You may describe my so speaking as extremely audacious, but, Mr. Speaker, no one can say that there is anything audacious about my insisting that it is high time that the Government of the United States of America did something about "that great darkness" called cancer.

Mr. Speaker, during the year 1936, 710 people in my home city of Seattle, Wash., died of cancer. During that same year over 60,000 people in 187 large American cities died of cancer. Mr. Speaker, the New York Times of December 15, 1936, reported that cancer's death toll mounted in the year 1935 to 153,000. Cancer is the modern menace of civilized nations. It kills more of our American citizens than all our wars combined. The menace is growing each year. The Members of the House who have aided me in the passage of this bill have joined forces in one of the most impressive movements of modern times.

Let word arise at any time of a new pest attacking the fruit industry, or let a scourge of insect life invade the cotton fields, and legislatures of the States and Nation stand ready to smite the rocks of finance and pour forth rivers of revenue to repel the dangerous invaders. Let there be news of an unknown disease of cattle, and scientists march to the battlefield, bulwarked with millions of good American dollars, to overcome the foe. In 1936 this Congress appropriated $1,715,000 for the eradication of tuberculosis in cattle. In the same year over half a million dollars was granted by this Congress to remove ticks from cattle, while $125,000 was employed in the destruction of the disease of hog cholera. For other diseases of animals not specified we appropriated $335,000. These totals are impressive. These figures do not include the millions of dollars spent by States themselves for like purposes. I have no quarrel with the appropriation of these funds. I have no objection to the sound economic reasons back of these grants. But it is a sad commentary on our civilization when we realize that not more than $700,000 a year is spent in the entire United States on cancer research. The pitiful truth is that our National Government spends only $100,000 a year in such research work.

Since the introduction of this bill my office has been flooded with letters from medical men throughout the United States commending its purpose. Editorially, this measure has been the subject of laudatory comments throughout the length and breadth of our land. Sufferers from this scourge, and their loved ones as well, have written me with a prayer on their lips for its passage. Anyone who has ever witnessed the silent, helpless anguish of a cancer patient cannot but cry aloud, "Why have we been so tardy?"

Modern scientists know now that the Byzantine Empress Theodora, wife of Justinian the Lawgiver, succumbed to a breast cancer in the year 548 A. D. Down through the centuries since man wrote his records in books we find that phantom specter stalking across the pages of history, leaving behind his trail of misery and pain. Queen Anne, the daughter of Philip the Third of Spain; Mary Tudor, daughter of King Henry the Eighth, and first of his six wives, Catherine of Aragon; the Bonapartes; and the Hohenzollerns are further proof of the fact that cancer is no respector of persons or personages. And yet, I repeat, with all the advances made by medical science, 153,000 people a year die in the United States alone from this disease, and we, in the past, have been interested enough to appropriate $100,000 a year to find out what it is all about.

Another horror which riddles our land is the cancer quack who thrives on the ignorant and unfortunate who hope for surcease from their cancer-induced woes. This measure and the publicity being given its passage should go a long way toward convincing cancer sufferers of the necessity of early medical attention and diagnosis upon the first appearance of what might seem to be cancer symptoms. Those with lack of knowledge have been ready prey for the jackals who travel along the medical border line. "Benign and malignant tumors", are the distinguishing definitions used by scientists, but the quack is never benign, and his malignancy is exceeded only by his success in plying his frightful trade.

Knowledge is needed in this fight. We know that cancer always begins in a small localized area and is curable if treated before it has time to spread into inaccessible parts. Its very danger is its insidiousness. Its early symptoms are not frightening. Like a thief in the night it worms its way into the body. Pain does not accompany its early growth. Science knows a great deal about cancer. Science knows that it is not infectious. Science knows that certain kinds of irritation can cause cancer and that it is not a germ disease. Cancer has been described by some as "cell development gone wild."

In closing, I want to quote from a letter which I received from Dr. William J. Mayo, in which he says:

> My brother, Dr. Charles H. Mayo, and I, and our associates in the clinic are very glad that you have introduced this bill, the purpose of which is of the greatest importance to the welfare of the people of this country and to the world. Too much cannot be said in favor of proper means and measures to learn the cause of cancer and to cure and prevent the disease.

Mr. Speaker, this amended bill provides for an annual expenditure of $700,000 in this great work. I feel that we here this afternoon have made a real contribution to those noble scientists who have labored so long and hard in their endless search for truth. If no other major legislation comes out of this Congress, we can go home to our people and point with pride to the passage of this bill. The altars of experiment can now be warmed by the fuel which you gentlemen have today provided. I thank you.

Senator Louis Murphy

MEMORIAL ADDRESS

OF

HON. EDWARD C. EICHER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from Iowa

Mr. EICHER. Mr. Speaker the untimely and tragic death of LOUIS MURPHY, after 4 years of distinguished service as Iowa's junior Senator in the Congress of the United States, was a loss of the first magnitude to the State and to the Nation. In every public act he had been truly faithful to the best interests of our great State, whose people had given him their suffrage.

A forceful advocate of the principles of government in which he so firmly believed, no considerations personal to himself or of political expediency ever swerved him from the course of his public duty.

LOUIS MURPHY carried with him into his legislative work the fresh viewpoint that campaign contacts with his constituents convinced him was their aspiration and hope from a Government administered in the interest of all, instead of only a few of the people of our wonderful country. He knew what still too few public servants know, that economic justice to the great Middle West is the essential stepping stone to that national balance which must be attained if we are

to avoid resurgence of another catacylsmic upheaval that would sink without a trace those free institutions of ours that every patriotic citizen loves.

Resourceful and original in thought, facile in expression, and stout defender of his own convictions, he was a valuable contributor in party and national councils. And yet he knew another thing that too few public servants know, namely, that advancement of the people's welfare against entrenched special interests requires loyal cooperation with an effective and intelligent leadership and frequent concurrence in compromise of method for the common good.

Senator MURPHY died too young. But he left his imprint on the pages of our country's history, reflecting qualities of statesmanship, both of head and heart, that will be a source of proper pride for his children and his children's children, and a cause for gratitude by all citizens who sincerely want this Government of ours to function for and by all the people.

President Favors Low-Cost Housing Legislation—House Should Act Now

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

Mr. BEITER. Mr. Speaker, this congressional session is nearly over, and if action is to be taken by the House on the low-cost housing legislation there is no time to be lost. The Wagner bill was reported by the Senate Labor Committee on July 23 and is to be acted upon in the Senate today, according to reports.

A similar bill has been allowed to languish in committee in the House, although the country is clamoring for it. It would appear that although the Senate is ready and willing to support the measure, the prospects for speedy enactment in the House are not so bright. Columnists Drew Pearson and Robert Allen recently drew attention to this situation in their daily column, remarking that the bill has had harder sledding than almost anything on the New Deal calendar, considering it ranks as major legislation. They charge that the author of a rival bill and the House cosponsor of the Wagner bill are secretly cooperating to kill the bill and prevent its passage. If this is correct, the House should certainly do something about it.

The country needs this legislation. The more progressive European countries have long since accepted as an axiom of government the fact that slums can be abolished only by the liberal use of government funds. For many years these countries have constructed low-rental housing projects to replace slum areas, because they believe that elimination of slums leads to elimination of crime and disease.

The President has repeatedly included low-rental housing as an essential part of his plans for the more abundant life, yet after 4 years the Congress has not made any attempt to enact into law a permanent Nation-wide long-range housing program.

We cannot afford to go home and fail the people of this country by neglecting to act on this measure. Legislation on this subject could be enacted even with early adjournment prospects if there is sufficient desire to do so.

The White House is backing the Wagner bill and I quote the following from a letter just received from President Roosevelt on this subject:

JULY 23, 1937.

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: Your letter of the 8th about the Wagner-Steagall slum-clearance bill has, of course, my very sympathetic consideration.

As you know, I have held many conferences trying to get the financial tangles of the bill straightened out, and I hope that the Treasury Department and the authors of the bill have reached a satisfactory agreement with regard to these provisions.

It is my hope that legislation will be enacted at this session, and I am sure you will appreciate my position in this matter.

With every best wish,

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Experimental Air-Mail Services

EXTENSION OF REMARKS

OF

HON. HARRY L. HAINES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

Mr. HAINES. Mr. Speaker, I rise in support of the pending bill, H. R. 7448. It provides for experimental air-mail service to further develop safety, efficiency, and economy in the transportation of our mail by air. I am certain that the Nation approves the great strides that have been made by the Post Office Department during the past 4 years in the transportation of air mail and will approve this proposal which will give the Postmaster General authority to further develop, through experimenting with new devices and new-type planes. A few years ago we spent almost $20,000,000 annually to carry air mail, and our receipts were about $6,000,000, or a deficit of more than $14,000,000. This next year air mail will almost pay its way, even though we have added almost 2,000 miles to the air-mail map and are flying millions of additional miles. The cost for the fiscal year will be about $14,000,000 and receipts are expected to reach that amount. Much credit is due the administrative executives under the Second Assistant Postmaster General for the efficiency in the Service. The Department is almost certain that by 1939 we will not need to give one penny of subsidy to air-mail lines. Very few, if any, of us believed this would be possible, but it is a further evidence of the returning prosperity of our people.

The bill before us has for its objective the inaugural of feeder services to major operating lines. There are hundreds of cities in the United States and smaller towns, too, where businessmen will hail with approval such feeder services to the larger lines so as to expedite delivery of important mail and for which they are willing to pay additional postage. Because they pay this additional postage, surely they are entitled to the same service that we are now giving to the larger cities. There is one service in operation now, where packages are delivered to and picked up from the ground while the plane is in flight at a speed of 95 to 100 miles per hour. This service made available to the Post Office Department will give the expedition of mail from our smaller communities to the terminals of the larger lines and despatched with the same speed that is now enjoyed by those who have available the air-mail lines in their own cities.

I believe that business generally will accept this service and that it will be self-supporting almost from its beginnings.

This bill will also permit the Department to experiment in coast-to-coast flights monthly by high speed, specially equipped stratosphere planes. It is important that we do this for it will doubtless play an important part in the further development of aviation. The bill will also permit speedier transport of and transfer of mail between airports and post offices by autogyro types of planes. We have several post-office buildings now, one in Philadelphia and another in Chicago, where autogyro planes can land on top of the buildings. In cities like St. Louis and Los Angeles and others, this will mean much because of the distance of airports from post-office buildings. This legislation is necessary if we are to have the pick-up service, for these planes do not carry passengers. The autogyro planes will likely be used by the larger transport lines in landing their passengers

from the airports to central points in the cities. I have had the honor to sponsor this bill, and I want to say that I never sponsored any bill that met with as much favorable reaction as this. The people of the Nation are becoming air-minded, and it seems to me that the Government owes it to its citizens to make such experiments as will add to safety, efficiency, and convenience of the people we represent.

Sugar Legislation

EXTENSION OF REMARKS
OF
HON. GEORGE G. SADOWSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, August 2, 1937

RADIO ADDRESS BY HON. FRANK E. HOOK, OF MICHIGAN, ON JULY 29, 1937

Mr. SADOWSKI. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following radio address by the gentleman from Michigan [Mr. HOOK]:

Ladies and gentlemen of the radio audience, I want to thank the National Broadcasting Co. and its associated stations for the privilege of presenting the problem of sugar legislation to you this evening.

It has been my privilege to serve on the Committee on Agriculture for the House of Representatives during the consideration of sugar legislation now pending before the Congress.

It is rather a difficult task to discuss completely all the intricate and involved problems, both national and international, with regard to sugar legislation.

In beginning any discussion of this very important subject, I believe we should remember the message of our President, when he said:

"The Jones-Costigan Act has been useful and effective and it is my belief that its principles should again be made effective. I therefore recommend to the Congress the enactment of the sugar-quota system and its necessary complements, which will restore the operations of the principles on which the Jones-Costigan Act was based."

Every man, woman, and child in the United States is directly concerned with this important commodity. No other food is so nationally used and essential to the well-being of the people of this continent as sugar. Sugar has more food value for less cost than any commodity on the American market. The American public consumes more sugar than is produced in the continental United States, and therefore we must deal with offshore areas and foreign countries. Sugar, therefore, has become a subject of serious proportions, both nationally and internationally.

In a message to Congress dated February 8, 1934, President Roosevelt recommended the passage of sugar legislation. Secretary of Agriculture Wallace, in a press release at that time, stated:

"The administration recognized that domestic beet and cane producers will suffer the disastrous effect of further price declines unless the impact of insular production on the domestic market is modified through a definite restriction of shipments."

The result was the Jones-Costigan Act. This law has proven to be a lifesaver to all. It restricted the shipment of refined sugar from all off-shore areas, including Cuba and Hawaii, and rightly so, for the protection of both labor and the consumer.

The subcommittee of the Committee on Agriculture which was appointed to consider the sugar question agrees with the President of the United States. We believe that the principles of the Jones-Costigan Act should be continued. We held hearings and heard this problem discussed from every possible angle. Representatives of all sides were heard. After this discussion and a careful consideration of the testimony in executive session the subcommittee reported a sugar bill. The full committee considered the subcommittee's finding, and with a few changes reported the bill, which is now on the calendar.

As soon as the bill was reported the screaming wail of the off-shore sugar growers was heard. When I say off-shore I mean the rich monopolists of Hawaii and Puerto Rico.

By some reasoning which I am unable to understand these groups have enlisted the aid of the Department of the Interior, and Secretary Ickes has been very vocal in his condemnation of the bill which the elected representatives of the people, after full and free consideration, had drafted. In a recent statement Mr. Ickes said:

"The Department of the Interior believes that no quota legislation at this time would be greatly preferable to the enactment of the provisions of Committee Print No. 2."

For my part, as a member of the committee, I would prefer to go along with the President's suggestion, and the bill now pending is in exact accord with the President's message.

The estimated consumption of sugar in the United States is approximately six and a half millions of tons. This amount is divided equitably between continental beets and continental cane. The offshore areas, Cuba, and the balance to other foreign countries. We have continued the quota system in accordance with the President's message.

Let us examine into this group in far-off Hawaii that have raised the cry against the present sugar bill. Whom are they protecting if their program is controlled by what is known as the Big Five, five great groups of interlocking corporations, with one man the president of four of these big combines, controlling the railroads, newspapers, public utility, cattle ranching, pineapple plantations, and almost all of the gigantic sugar plantations. And what happened to them under the Jones-Costigan Act, these well-fed monopolists? They benefited to the extent of more than $13,323,862 in benefit sugar payments. And now they want to refine more white sugar, not to improve the conditions of labor in the Hawaiian Islands, not for the purpose of giving the small farmer a chance, but rather to fill their own coffers with more millions and millions of sugar profits.

I have been informed that on some plantations the workers received no money at all, and are paid only in script which they in turn present at company grocery stores to pay their grocery bill, at company drug stores to pay for their families' medicine and to company clothing stores to buy their clothing. At the end of the year, I have been told, they receive little, if any, real cash for their season's work. Poor abused monopolists of Hawaii! And whom are they hurting? My friends, they are hurting America's working men. I am not interested in American refiners as such, but I am interested in American refiners because they employ American union labor, because they pay wages ranging from $4.65 per day to $17 per day. And what has happened to this labor since we began allowing the importation of refined white sugar from Cuba, Puerto Rico, and Hawaii? Labor in the refineries has decreased from 25,000 to 16,000. Labor's pay roll in this continental refining business amounts to more than $25,000,000 per year. This pay roll should be protected.

In February of this year it was necessary for the sugar workers of the United States to band together to protect their jobs by informing Congress of the danger which confronted them if increased importation of refined white sugar was allowed. This group have had as their representatives in Washington, Mr. Harold J. Burke, a member of the Weighers Union, and Mr. Michael Brophy, a member of the Sugar Samplers Union. Working under the direction of William Green, president of the American Federation of Labor, these two men have been carrying the load for organized labor in this sugar fight, and I want to pay tribute to their efforts. On April 5 of this year, William Green, president of the American Federation of Labor, wrote to Hon. MARVIN JONES, chairman of the House Committee on Agriculture, and said:

DEAR MR. JONES: There is pending before the Committee on Agriculture the Sugar Act of 1937, which carries your name. This bill is of vital interest to organized American labor, as well as to agriculture. It purports to establish permanent sugar legislation for the United States by means of a quota system and direct cash bounties to sugarbeet and sugarcane growers.

As you know, the Tariff Acts of 1922 and 1930 did not protect labor connected with the home refining industry, inasmuch as a tariff was not placed upon refined sugar as such. This bill does not remedy that fundamental defect. However, through the mechanism of the quotas on refined sugar, Congress can direct that sugar imported from Cuba be imported in a raw and not in a refined form. This is equitable and in the interest of American labor, inasmuch as it would increase the volume of continental refiners and, in so doing, it would (a) give employment to unemployed men who once worked in the home sugar refining industry and (b) it would increase the hours of work done by those now engaged in part time in refining and allied industries.

By the terms of the pending legislation, Cuba will be granted an assured volume for her raw sugar in our market through the quota system, and at the same time she will obtain a preferential price in our market. Surely, it is in the public interest that Congress can qualify the preference it would guarantee Cuba by demanding that Cuba restrict her economic activities to that which she is best suited—that is, the producion of raw sugar—in order that American labor may do the refining in the United States. An amendment to the proposed bill in this regard would in nowise be contrary to our good-neighbor policy, inasmuch as it affords Cuba an adequate income.

It is my understanding that under the proposed bill there would be a continuation of the limitations placed upon any further increase in the importation of sugar in refined form from our insular areas—Hawaii, Puerto Rico, and the Philippine Islands. In no event should these refined quotas be increased.

Mr. Green understands this problem. He knows the vital necessity of protecting the American worker in continental industry in these times of unemployment.

On March 31 of this year Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, instructed Mr. J. A. Farquharson, legislative representative of the B. R. T., to do his utmost to pass legislation stopping the importation of refined white sugar. And why was Mr. Whitney interested? Because every year 94,000 cars of sugar and other supplies are carried in and out of the continental refineries. More than $10,000,000 are paid to American railroads for this service. And of this $10,000,000, more than $4,300,000 goes directly to American labor employed on the railroads. Refined white sugar brought in from off-shore areas on the southeast Atlantic coast is hauled away by cheap nonunion truck-

ing firms. Mr. Whitney realizes there must be no further increase in this importation of refined white sugar, or thousands of his railroad workers will lose part of their employment.

In addition to the wailing from Hawaii, we have heard the cry from Puerto Rico for equality in treatment because they are a Territory. Puerto Rico, where $20,000,000 was spent in 1 year on relief. Puerto Rico, where the wealthy families who control a major portion of the sugar industry do not even have to pay an income tax. Yes; poor Puerto Rico, where labor receives less than $1 a day. In my estimation, Puerto Rico should be the last to worry about further and greater grants from the mainland.

And now, ladies and gentlemen, may I discuss for a few moments the angle of the American consumer and his position in this sugar picture.

Sugar is one of the few commodities, if not the only commodity, selling today at a price less than the pre-war average price during 1909–14, which period has been used by the Department of Agriculture as the base period for restoring the purchasing power of farmers.

Normally the continental beet and cane industry produced 25 percent of the sugar requirements of continental United States. However, in 1920, when due to adverse growing conditions, the continental industry only produced 12½ percent of the consumption requirements, we were at the mercy of foreign sugar and the price sky-rocketed to a high point of 25 cents per pound retail.

The essential value of a domestic sugar industry at home as a part of the national defense, has been recognized by all nations in view of their experiences during the World War. Senator Couzens, of Michigan, when acting as delegate to the Naval Conference in London several years ago, was greatly impressed by the fact that so many foreign delegates came to him to discuss sugar policy, knowing that he came from the sugar-producing State of Michigan. At a public hearing of the Senate Finance Committee, Senator Couzens declared that since all other nations of the world were developing a domestic sugar industry as a part of their national defense, he thought the United States would be wise to develop its home industry.

In closing, it is my opinion, and the opinion of other members of the Committee on Agriculture, that this bill is a proper, a sensible, and an honest piece of legislation. We are not willing to trade the American consumer, the American farmer, and American labor for the bank account of the monopolists of gem-studded Hawaii, the jewel of the Pacific. Yes, for every diamond, every pearl, every emerald, and every gem that graces the fingers, throats, and the gorgeous gowns of the wives, daughters, and friends of the monopolists' "big five" is wrung the blood and sweat of some American workingman. Yes, for every tax-exempt bond that is held by this monopoly many an American workman is capitulated to the relief rolls. Yes, the monopolists of gem-studded Hawaii, the jewel of the Pacific, where the fortunes may be measured in rusted and unused dinner pails of American workingmen. I, for one, mean to protect American labor, the American farmer, and the American consumers, and am unwilling to trade what I believe is honest legislation that will benefit the entire United States for the purpose of benefiting a few monopolists who live in our insular possessions and in Cuba.

May I request that you urge your Congressmen and Senators to use their influence in behalf of the committee bill?

A Trip Through the Air to Bermuda

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

ARTICLE BY HON. LOUIS LUDLOW, OF INDIANA

Mr. PIERCE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article written by the gentleman from Indiana [Mr. LUDLOW]:

[From the Indianapolis Star of July 18, 1937]

A TRIP THROUGH THE AIR TO BERMUDA

(By Congressman LOUIS LUDLOW)

Having had the honor as chairman of the appropriations subcommittee in charge of postal affairs, of sponsoring the legislation that established trans-Atlantic air-mail and passenger service, I was very pleasantly approached recently with a cordial invitation to be a guest on the trip that had been arranged to inaugurate this service between New York and Bermuda, the first leg of the trans-Atlantic route. I say "pleasantly approached" because there was a glamorous appeal associated with this invitation to be a passenger on the epoch-making first flight of a service that presently will annihilate space and bind two continents into a close union, although, truth to tell, when the invitation was extended I did not have the slightest idea or expectation that I would accept.

Immediately I began cudgeling my brain to make up excuses. I discovered that I had a whole flock of prior engagements, and, besides, as a member of the Appropriations Committee, I was tremendously absorbed and engaged in conferences which made it improper, indeed inexcusable, and for that matter unthinkable, for me to be absent from Washington, all of which arguments were toppled over like a house of cards when it was pointed out that, due to the swiftness of this modern air service, I need only be absent from the House sessions 1 day. Besides, it was further pointed out, I was the legislative father of trans-Atlantic air mail, and the occasion would not be complete without me, all of which seemed to be a very pleasant and generous way of putting the invitation, however far it might be out of plumb, factually speaking.

Finally I broke down, and then the truth came out of me. I confessed to Bill McEvoy, the urbane agent of Pan American Airways, Inc., that I belonged to the "horse and buggy" days; that I was not cut out to be a sky pilot and that if I preserved my mental equilibrium, as I hoped to do, I would never in my life set foot in an airplane. How little did I imagine at that moment how soon my equilibrium would be overthrown!

SUNK BY A WIFE

Meanwhile the proponents of the flight had been working on my wife, who, as my partner and helpmate, had been invited to accompany me. There were several prolonged telephone conversations with my house and much was said. It finally turned out that just as Adam, the founder of our race, was sunk by Mrs. Adam, I was sunk by Mrs. Ludlow. She tempted me and I did fall. She proposed to me that if I would go, she would, too. Could I, a red-blooded man, take such a dare? I should say not. However, I capitulated rather slowly. I insisted that we put the proposition up to our numerous children who, if anything went wrong, might suddenly find themselves bereft of parents. That was my last line of defense, but I took the count when our oldest born, apparently voicing the views of our progeny, remarked:

"We don't want either one of you to go without the other. If you both go and get killed, it won't be so bad."

So with that comforting reassurance, we decided to go.

At Port Washington, Long Island, we found Senator McADOO, 73 years young, panting to get on board. He is a veteran aviator who loves skyriding. He used to own an airplane, though he did not chauffeur it himself. Of late years he has never missed a pioneering trip in the big clippers. One of the Senator's friends declared facetiously that "the Senator has a speaking acquaintance with every cloud." He and I were the only Members of Congress on the trip, he representing the Senate and I the House. With him was his pretty, brilliant young wife, who is just as air-minded as her husband.

TWENTY-EIGHT PASSENGERS ON TRIP

It was a jolly crowd of 28 passengers that stepped down from above into the Bermuda Clipper, after the flashlights had been taken and prominent personages had said farewells to the Nation over the microphone. In the party was Judge R. Walton Moore, the erudite Assistant Secretary of State, who is on the sunny side of 80. With him was his niece, Miss Mary McCandlish, a very delightful and cultured young woman. Another representative of the State Department was Richard Southgate, Chief of the Protocol Division. The Department of Commerce was represented by Col. J. Munro Johnson, who is in charge of air commerce for that Department; the Department of Labor by Turner W. Battle, Executive Assistant to the Secretary; the Department of Justice by Assistant Attorney General Joseph B. Keenan; the Treasury Department by Stephen B. Gibbons, Assistant Secretary of the Treasury; and the Post Office Department by Second Assistant Postmaster General Harllee Branch, an aviation authority and enthusiast whose official jurisdiction extends over foreign air mail. Mrs. Johnson and Mrs. Battle accompanied their husbands. President Juan A. Trippe and Vice Presidents Robert G. Thach and John G. Cooper, of Pan American Airways, were members of the party, also Mrs. Trippe and Mrs. Thach. After the World War a group of Army pilots, including Mr. Trippe and Mr. Thach, got together and organized Pan American Airways. From a shoestring beginning it has grown into the largest air navigating company in the world.

The clipper started on its journey with an incomplete record due to the obduracy of my wife who, when she was called up at the New York hotel the previous night and asked to state her age and weight and my age and weight, declined to give any information regarding my avoirdupois, assigning as her reason:

"I am afraid if I tell you how much he weighs you won't let us go."

The spokesman of the company laughingly said he would take chances and would leave that part of the record blank. Later, however, I noticed that I was grouped with a number of lightweights in the seating arrangements. We were all placed in certain seats for the takeoffs and the landing. At all other times we were free to move about at will and there was constant passing back and forth in the center aisle and from side to side of the plane during the trip.

SOON ON THE WAY

The four whirring motors of the *Bermuda Clipper* lifted the gigantic plane with its heavy load as easily as a boy would lift an apple out of a tub of water. Soon we were on the way from Port Washington to New York, a distance of 25 miles, and mounting steadily. It was part of the program to initiate our trip with

a bird's-eye view of the greatest city in the Western Hemisphere. We flew the entire distance from north to south over Manhattan Island. It was a wonderful view. To me the scene that unfolded beneath us resembled a large map showing in relief the immense skyscrapers like toy houses, with the edges of the map sprinkled with what seemed to be miniature bridges and flanked by rivers and inlets, the entire ensemble finally merging into the open sea. The Empire Building, the giant among New York's skyscrapers, stood up like a long finger pointed toward us.

When we left New York and began the journey of 780 miles over the ocean to Bermuda we arose to a height of 8,500 feet, and that altitude was maintained practically throughout the entire trip. That was more than a mile and a half above the surface of the sea. Most of the distance we were at least half a mile above the clouds, which appeared as great fleecy banks of purest white, sometimes resembling snowclad mountains. Frequently there would be openings in the clouds through which we would look down at the surface of the vast ocean a mile below. The weather was perfect and the visibility unexcelled.

AWED BY PANORAMA

I do not know how others were affected, but I was awed beyond my command of language to describe by the immensity and the majesty of the panorama that was unfolded before our eyes. My thought turned to the first chapter of Genesis and I said to myself:

"In the beginning God created the heaven and the earth and darkness was upon the face of the deep.

"And God said: Let the waters under the heaven be gathered together in one place and the dry land appear, and it was so. And God called the dry land earth, and the gathering together of the waters He called seas."

Below us, as far as eye could see in every direction, spread the Atlantic ocean just as it came from the hand of God. There was the deep described in this first chapter of Genesis, not dark at this time, but tossing and purling in the glorious sunlight. To my mind what I saw before me was a marvelous and thrilling demonstration of the sublimity of creation. Reverently, I said to myself:

"Who can behold that vista and say there is no God?"

TALK EASILY HEARD

The motors whirred incessantly (thank God), but they did not drown out conversation. Talk was carried on about as easily and comfortably as in a Pullman car. As far as the senses could discern there was practically no motion, although we were clipping off space at the rate of 160 miles an hour or about 2¾ miles a minute. There was not as much motion as there would be traveling in the smoothest train or the best automobile—just a slight tremor once in a while. I looked at Senator McAdoo, who was dozing peacefully. There were no restrictions on smoking and passengers freely indulged in cigarettes, cigars, or pipes, according to their fancy. There was no cooking on board, but at noon a delicious meal was served from thermos containers, the piece de resistance being "whole, roast, stuffed, boned, fresh-killed baby chicken." The food had been prepared and put in the containers in New York.

Exactly 5 hours 10 minutes and 30 seconds after leaving the Long Island port, the *Bermuda Clipper* completed the journey of 780 miles and gently alighted on the waters of Bermuda Harbor. That was on Saturday afternoon, June 12, a little past 3 p. m. On Monday forenoon, June 14, after we had completed our stay in the islands and just as we were leaving Bermuda on the return trip to the States, the steamship *Queen of Bermuda* pulled in. That steamship and the *Bermuda Clipper* had left New York at the same time. The steamship had been 48 hours covering the distance the airplane had covered in 5 hours 30 minutes and 10 seconds. Such are the wonders of air transportation.

LIKES BRITISH HOSPITALITY

Bermuda is under British rule, the oldest of the self-governing British colonies, and if what we encountered there is typical British hospitality we who made this journey are willing to concede that there are no more hospitable peoples in the world than the colonial British.

On Saturday evening, a few hours after our arrival, the Governor General, Sir Reginald Hildyard, gave a banquet for us at the beautiful Belmont Manor Hotel. The list of guests, including local celebrities, numbered 84. I felt a bit timorous in anticipation of such a stately affair, not knowing how my Hoosier accent would sound in such aristocratic company, and my anxiety grew apace when Capt. J. B. E. H. Radcliffe, the Governor General's aide, tolled me away from the assembled guests to ask me to stand by, as I had been chosen to escort the Governor General's wife, Lady Hildyard, to the banquet room and sit by her side at table.

GOVERNOR A GENERAL

It was getting late when the Governor General and his lady arrived, their entrance being accompanied by a rousing fanfare and an announcement in a loud voice by the aide proclaiming their appearance. The Governor General walked with slow and stately mien into the very midst of the crowd, his face remaining perfectly immobile until the musicians had played the British national anthem, when he unbent and there were cordial introductions and warm greetings all around. Only a military man can rule over Bermuda and Sir Reginald, the present incumbent, who has served 1 year of his 5 years' tour of duty in Burmuda, is a general of the British Army. He was Governor General of South Africa before being transferred to Bermuda. He was dressed for the banquet in immaculate evening clothes adorned by the sash of the Order of the Bath and wearing other decorations and medals too numerous to mention. His wife, Lady Hildyard, who had been assigned to my care, wore white crepe and her jewels were lovely. She is tall and handsome and I was much impressed by her queenly bearing. The Governor General also is of most distinguished appearance, of unusual height and dignity, and looks very much like I imagine a king should look.

Her ladyship and I got along splendidly despite my crudity in social affairs and notwithstanding the fact that her British accent and my Hoosier accent at times had difficulty in getting together on a basis of mutual understanding.

ONLY ONE HITCH IN TALK

There was only one hitch in our conversation, which really amounted to nothing, but which at the time caused me some concern. We were talking about the lovely islands of Bermuda and were making satisfactory headway when suddenly she said:

"Mr. Ludlow, have you had a bath since you came to Bermuda?"

Was my face red? For a moment I was flabbergasted, and then I managed to stammer:

"Yes, Your Ladyship, I have had one bath."

Her next sentence lifted an awful load from my mind.

"We are very proud of our bathing beaches", she said. It then dawned upon me that she and I were talking about two different matters. She was referring to a bath in the ocean and she will never know that I was referring to a tub bath I had had in my hotel room that afternoon. I learned afterward that Bermudians do not ask you whether you have "gone in bathing" but whether you have "had a bath."

THESE TOASTS AGAIN

We all toasted the king and the President of the United States and saw to it that various other toasts were properly and worthily bestowed in the very best fashion, in the performance of which my wife and I emptied several glasses of Bermudian rain water. There were plenty of substitute beverages for those who were not partial to rain water. It may be stated parenthetically that in Bermuda there are no wells and every citizen collects his water supply from his own roof.

Then the Governor General called on all of us in turn for speeches. Senator McAdoo led off with a very appropriate and scholarly address and Judge Moore, of the State Department, who is an inimitable raconteur, followed with delicious stories and witty remarks that brought uproarious reactions from even the stolid Britishers who were present. When it came my turn I said:

"I never set foot in an airplane until this morning, but tonight I am an old and seasoned aviator", which was about the way I felt about it. All of us, Britishers and Americans, spoke seriously about the meaning and importance of this first airplane flight in opening a service that is bound to bring close together the two great English-speaking peoples.

TOURS OVER ISLANDS

The next day, Sunday, June 13, we were guests of the Bermuda Government on tours into all parts of the islands, and nothing was left undone in providing for our entertainment and comfort. Open carriages, each drawn by two horses, were the conveyances provided for our use. Automobiles are forbidden on the islands by law, and when one visualizes how automobiles would jar with the primitive surroundings that invest the islands with a peculiar and indescribable charm, he fervently hopes that the time never will come when motor traffic will be permitted. The bicycle is the common and ordinary vehicle of conveyance and every bicycle is equipped with a basket in which to carry things. We passed many churches where Sunday morning exercises were being held, and it was a novel experience to see great numbers of bicycles parked in front of a church edifice without an automobile or even a carriage in sight. We found no poverty anywhere and we were told that there is not one employable unemployed person in all Bermuda. It is said there is not a snake in the islands and, strange to say, we did not see or smell a single Bermuda onion. We were told in Bermuda that most of the Bermuda onions come from Texas. The flora of Bermuda is dazzling in its beauty. Every hedge and wall—and they are innumerable—is covered with beautiful oleanders and, as we went about, our eyes feasted on fields of lilies.

HOW TWAIN SAW IT

Mark Twain, who loved Bermuda, said of it: "It is the biggest small place in the world." There is an impression of spaciousness out of all proportion to the actual size of the islands and of their landscape. Bermuda does not know what a depression is, as it never has one. It is a place of peace, serenity and security—and hardly any taxes. The government is supported almost entirely by customs revenues. There are no factories and all merchandise has to be imported and to pay duties. There is no begging because poverty is nonexistent. There is no other place in the world just like Bermuda. The clip-clop, clip-clop of horses' hoofs on the white coral roads is a delightful sound. Only males who own at least £60, or about $289 worth of land, can vote, so that out of the 30,000 inhabitants only 2,456 have the voting franchise, 1,404 white and 1,052 colored. A man may vote if his wife owns £60 worth of land, but his wife cannot. A most peculiar form of suffrage, you will say, and yet it has stood the test of three centuries and has satisfied the Bermudians so well that no one wants a change.

RECEPTION ON RETURN

We were 6 hours and 20 minutes making the return trip to New York from Bermuda, but the 20 minutes were consumed in flying over Long Island to kill time while a reception and broadcast were

being arranged. When we left the flying boat we were full of enthusiasm which found vent in our broadcasts from the landing port, telling about the beauties of Bermuda and the glories of the first airplane passenger flight to that gem of the ocean. On account of stiff head winds, our return flight was 49½ minutes of flying time longer than the outgoing trip. Three hundred miles out of New York on the return trip we literally ran around a storm. President Trippe of Pan-American Airways and I were sitting together engaged in conversation when I observed the plane was leaving its straight course and banking to a very pronounced degree. It kept on banking until it seemed to me it had turned halfway around. About that time darkness spread over the ocean. I began to wonder whether I had been leading the kind of life I ought to have led, and my apprehension was by no means quieted when Mr. Trippe called the purser to him and said:

"Why are they doing this?"

"They were running into a storm and they are detouring around it," was the reply.

DODGE THE STORM

Which was the exact truth. In a little while the skies got brighter and we resumed a straight course ahead. We had given the storm the go-by. Storms on the ocean are more or less confined to a local area. A four-motor airplane going 160 miles an hour can usually detour and get by them.

We returned from Bermuda with memories that will never be forgotten and with more tangible effects in the form of souvenir gifts from the colonial government. As we were departing messengers from Government House (the Governor General's residence) placed in our hands packages with notes reading as follows:

"This little gift is presented to you by the Bermuda Government, as a memento of your visit to Bermuda on the inauguration of the Bermuda–U. S. A. air service."

My gift was a de luxe book of pictures and descriptions of scenes on the islands and Mrs. Ludlow's present was a handbag whose framework is the native cedar of Bermuda. Not satisfied with all of this generous hospitality the Bermuda Government sent a messenger to place in my wife's hands as she was departing a long box filled with Bermuda lilies and other gorgeous native flowers.

LOST 1 DAY'S WORK

The remainder of the story sounds like an Aladdin's tale and yet it is true. I flew through the heavens into another world. I met all the leading denizens of that world and spent as much time as was required to acquaint myself with the customs of that other world and to absorb with avid eyes the beauties of its manifold attractions and when I came back to my own world and returned to my post of duty at Washington I had been absent just 1 work day! It is an age of miracles and the greatest marvel of all to me is that an airplane starting from New York can thread its way straight as an arrow 780 miles across the sea and land on a little speck of land in midocean called Bermuda.

The Federal Food and Drug Act Should Be Amended for the Protection of the Consumers of This Country

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

Mr. REES of Kansas. Mr. Speaker, under leave given me by unanimous consent of the House, I want to call attention of the Members of Congress to legislation that has been sorely neglected and omitted from consideration by this Congress during the 7 months we have been in session. We have been interested in legislation that affects the economic side of living. We are interested in hundreds of other legislative proposals, but have given practically no attention to legislation that affects the health of the 130,000,000 people of this country.

I refer today in particular to the pure food and drug legislation that is now pending before this Congress, and upon which practically nothing has been done during the entire session.

The pure food and drug law now in force was enacted by Congress in 1906. It is one of the greatest steps that has been taken by Congress covering this problem in many years. This law, after all, was a compromise measure, which was the best that could be put through at that time against the opposition by the industries which were affected. These industries were sure at that time that they would be ruined by reason of its enactment.

The law was not written by experienced draftsmen in the first place, but by a group of well-intentioned amateurs who followed the New York law. The original draft of the Federal law was amended and changed before it was ever seriously considered by Congress. Naturally such a law did not anticipate many modern commercial practices, and made no provision for them. These omissions have offered handicaps to public protection. Many weaknesses have been discovered by enforcement officials in their efforts to administer the statute, and many defects have been brought to light by reason of judicial interpretations.

And yet, during the 31 years this measure has been in force, it has been amended only four times. In 1912 the Sherley amendment prohibited false and fraudulent claims on patent medicine labels. In 1913 the net weight act required a declaration of quantity on the labels of food products. In 1930 the law was amended to authorize a minimum standard of quality, content, and fill of container of canned goods. Then, in 1934, there was an amendment authorizing supervision of the production, packing, and labeling of sea food.

These are the only changes that have been made in this law for more than 30 years. During the last 4 years especially, bills have been pending before Congress that have provided in a large measure for the constructive amendment and enforcement of this law, but in every case the measures have either been killed in the committee, or have been amended in such a way as to destroy their effectiveness.

We have had several bills introduced in the present session, one of which—the Copeland bill—after severe emasculation, passed the Senate and is now in the hands of the Interstate Commerce Committee of the House. I am informed that it has been subjected to such other and further revision and amendment by this committee, that its passage would be of more harm to the people of this country than any good that could be accomplished.

I would like to point out briefly some of the principle defects in the Pure Food and Drug Act, as it appears at the present time:

In the first place, the criminal penalties provided by this act are so light that they seem to be regarded by some manufacturers as license fees. For instance, Armour & Co. has been fined as little as $10 for shipping decomposed poultry. There are instances where the penalty has been even less. The courts are not entirely at fault. The law itself is not sufficiently strict in this regard.

The present law should provide a more definite and conclusive definition for "drugs." The present definition for the term "drug" fails to cover drugs invented to alter the structure or function of the body, as well as those intended for diagnostic use. The law does not cover therapeutic or diagnostic devices.

Cosmetics are not covered by the law, although eyelash dyes, hair dyes, hair tonics, hair removers, and skin bleaches are often dangerous to the user. The ingredients of cosmetics should be listed in their proportions on the label.

The present law should be changed to require that products sold under names recognized by the United States Pharmacopœia or National Formulary, which vary from the official standard of strength, should state definitely how they vary. No variation in the quality or purity should be permitted.

The provision relating to the adulteration of drugs should be corrected, so as to control drugs which may be dangerous, even when used according to directions. This should be done in order to safeguard the public from unsafe preparations, such as dinitrophenol used as a reducing agent, or cinchophen in rheumatism remedies—both of which are dangerous when used by amateurs.

The addition of metallic trinkets to confectionery, usually consumed by children, should be forbidden.

Legal standards of identity should be provided in the enforcement of measures affecting the adulteration of foods.

In all cases, fines and prison sentences should follow the conviction for false advertising, just the same as they do in

the violation of other provisions. Injunction proceedings are too weak to provide any real protection for the consumer.

The law should be extended to cover advertising. There should be proper procedure for the control of false advertising through magazines, newspapers, and other sources. It appears that advertising has not heretofore come directly within the jurisdiction of the act. Advertising is an extension of the label. The same questions arise in dealing with false advertising as are involved in determining the adulteration of a product and the falsity of its label. These questions involve three offenses—adulteration, misbranding, and false advertising. They are intimately interwoven and should not permit of separate treatment in the administration of the law.

These, together with other suggestions that have been submitted to this Congress, should be followed in considering amendments to the present law. Furthermore, the questions involving advertising and labeling of goods should be under the control of the Pure Food and Drug Division of the Department of Agriculture. This Division was set up to enforce the adulteration and misbranding provisions of the Federal Food and Drug Act for the benefit of consumers. While it is true that the interest of the honest manufacturer is ultimately identical with that of the consumer, the welfare of the consumer should be of primary concern under this law.

There should not be a division of responsibility between the Pure Food and Drug Administration and that of the Federal Trade Commission. The Federal Trade Commission was established for the purpose of preventing unfair competition among business organizations and to prevent a monopoly in trade. It was intended, when the pure food and drug bill was drawn, that the regulation and enforcement of the act, insofar as adulteration and misbranding were concerned, should be under the control of the Pure Food and Drug Administration. If the Commission and the Administration are permitted to deal with the same subject, there is too much likelihood that the ruling of one agency might nullify the ruling of the other. Furthermore, it is much more effective to hold one agency absolutely responsible for the administration of the measures that come under its control.

As I have previously suggested, the Pure Food and Drug Administration can conduct enforcement activities in these highly technical fields, because it has available at all times experts upon whom it can rely for factual information and technical advice. The records show that the Administration has been effective, even though it has been limited in its operations.

The "seize and desist" method of law enforcement is not effective in the protection of the public from false advertising. Civil proceedings, such as injunctions, are not effective. We should give the accused a fair trial. If innocent he should be released. If guilty, we should make the punishment both sure, sufficient, and effective.

I would like to direct your attention to a treatise by Ruth deForest Lamb, on the truth about food and drugs, in her book entitled "American Chamber of Horrors." This book gives a comprehensive study of the Food and Drug Act, and gives many startling examples of the violation of the spirit and intention of this law.

I have called your attention to some of the more important provisions that I believe should be included in a bill to amend the Food and Drug Act and make it really worth while. Honest manufacturers and honest dealers have nothing to fear by such legislation. They should favor it. Newspapers that want to protect their readers from false and misleading advertisements should support this legislation. This is legislation that is not political. It is not sectional. It is legislation that is for the best interests of all the people. It does not even create a new bureau or board. It is legislation that has the urgent support of both major political parties. As a matter of fact, the President had this legislation on his "must" list 4 years ago. Bills designed to meet the immediate needs and the protection of the consuming public have been pending in this Congress for 4 years.

Let this House not be influenced by selfish influences and powerful interests. This House should pass a real, honest, constructive, enforceable pure food and drug bill—having in mind the 130,000,000 American consumers of this country who are looking to this Congress for protection against those influences which would put their economic gain above the welfare of the people of their land.

Members of Congress, I believe this is one of the most important obligations we have to assume. It is a responsibility that we should discharge to the very best of our ability. To meet this responsibility it is for us to pass a fair and effective pure food and drug act during the present session of Congress.

Council of State Governments, House Joint Resolution 448

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

Mr. VOORHIS. Mr. Speaker, the question of States' rights is as old as white settlement in North America. No question in all our national life has caused more bitterness and misunderstanding, or gotten in the way of more attempts to make social progress. But there are very few Americans who fail to recognize the importance of preserving a healthy degree of local self-government, and large numbers of people, of course, have a positive fear of the continuing growth of Federal power.

As more and more problems become clearly interstate or national in scope, we face again this old question of the future of our State governments. How can the intricate Nation-wide problems of public health, crime prevention, conservation of soil and water, flood control, highway safety, old age pensions and social security, fair labor standards, and many more be met and dealt with effectively unless more and more power is given the Federal Government?

The answer is that continued encroachment by Federal powers upon fields formerly occupied by the States is inevitable unless the States can work out plans for coordinated and cooperative action between them.

Hence, the Council of State Governments has been formed, which seems to offer hope not only of bringing about such cooperation between the States but also of giving invaluable assistance in the effective carrying out of Federal measures.

TWO OPPOSING TRENDS IN GOVERNMENT

Two important trends in government during recent decades have been the steady increase in Government activity generally, and the tendency of the Federal Government to take over more and more of these functions from the States, and of the States to centralize control over activities formerly performed by local units.

Out of this situation have come the movements toward "home rule" for cities and counties and the cry for the preservation of "States' rights."

Until very recently no effort had been made to improve the competence of State governments to handle problems affecting two or more States. The State governments were handicapped in dealing with these problems as well as purely intrastate matters by two important factors:

(a) A lack of satisfactory research and information services, particularly for the assistance of legislators in dealing with complex economic problems.

(b) The absence of any permanent agencies for cooperation between States in meeting mutual problems and for the coordination of the activities of two or more States with each other and with departments of the Federal Government.

HISTORY OF THE COUNCIL OF STATE GOVERNMENTS

It was to meet these needs that the Council of State Govments was organized.

The Council of State Governments is a part of the governmental structure of the United States. It is a joint agency created by 35 State governments. By legislative action each of these States has established a commission on interstate cooperation "to perfect the participation of the State as a member of the Council of State Governments." Twenty-nine of these States have enacted statutes in this connection declaring the council to be "a joint governmental agency of this State and other States cooperating through it." The council has no individual members. Each of the members is a State government. It is maintained partly by appropriations of various States. Its articles of association provide that each State which contributes its quota to the support of the council shall be entitled to appoint a member of the board of managers of the council.

The Council began the year 1937 with 17 States as members—10 of these were permanent members, which had enacted statutes to perfect their participation in the Council and to establish commissions on interstate cooperation.

During the sessions of 1937 the permanent State membership in the Council was increased from 10 to 29 States. Six additional States have established cooperation commissions by joint resolution, so that nearly three-fourths of the States have officially recognized the Council of State Governments and are equipped in one way or another to cooperate through it. Model bills to provide for participation were introduced and went through various partial stages of enactment in 12 of the 13 States not yet officially affiliated—the other 1 State legislature was not in session.

As a further indication of the growth of this movement for interstate cooperation and the importance of this joint agency of the States, 266 official delegates were sent by the legislatures and Governors of 45 States to the Third General Assembly of the Council in Washington, D. C., during January 1937. At this national conference proposals for uniform State action on crime control, taxation, conservation, and social security were discussed and adopted, with resolutions for State action. These proposals were introduced into the various State legislatures by the delegates upon their return from the meeting and many of them resulted in the enactment of statutes to carry out the recommendations.

WORK OF THE COUNCIL

The Council of State Governments is primarily concerned with those governmental problems over which the Federal Government has no jurisdiction, but which are interstate in character. It seeks to develop better coordination and more active cooperation between groups of States in the various regions of the United States and also among the 48 States as a whole. It also seeks to bring the State governments into better adjustment with the Federal Government and with county and city governments.

The council has no mandatory powers to compel State action on any subject. It establishes and maintains the machinery through which State legislators, administrators, and executives may confer and agree upon uniform or reciprocal measures for the solution of mutual problems whenever they wish. The council encourages this type of conference and agreement.

NO "FLY-BY-NIGHT" AFFAIR

To summarize, the Council of State Governments is created by statutes of the States. It is directed by governmental officials acting in governmental capacities. It is concerned exclusively with governmental affairs. Its financing is contributed to by governmental appropriations made by legislative action.

A structural picture of the council first includes the individual commissions on interstate cooperation. In general these comprise five members from the State senate, five members from the State assembly, and five members from the administrative service. The form is flexible, varying from State to State in order to gain the maximum of cooperation. The matter of importance is to have designated an official agency in each State to cooperate with similar agencies in other States.

PRACTICAL ACCOMPLISHMENTS OF THE COUNCIL

An experimental district secretariat has been established in New York to assist the commissions on interstate cooperation from New York, New Jersey, and Pennsylvania. This district office has proved remarkably successful.

The council has been designated the official research agency by, and performs clearing-house services for, the Governors' Conference, the American Legislators' Association, the National Association of Attorneys General, and the National Association of Secretaries of State.

To facilitate consideration and negotiation of specialized subjects the council of State governments has organized along regional and national lines: The Interstate Commission on Conflicting Taxation, the Interstate Commission on Social Security, the Interstate Commission on Crime, the Interstate Commission on the Delaware River Basin, and the Tax Revision Council.

CRIME-PREVENTION WORK

The work of the Council of State Governments can best be illustrated by a description of one of its most active affiliated agencies, the Interstate Commission on Crime. The members of the commission are appointed in each State by the chairman of the State Commission on Interstate Cooperation, and in States where no such commission has been organized, by the Governor. Cooperating with the commissions on uniform State laws, with the American Bar Association, and with leading colleges of law, this commission prepared four uniform laws to facilitate interstate cooperation in the control of crime. These bills provide for fresh pursuit of criminals across State lines, extradition, attendance of out-of-State witnesses, and supervision of parolees. The commission has gone on to study the problem of control and regulation of firearms, crime prevention generally, the Schwartzkopf method of identification of criminals by sound motion pictures, and motor-vehicle identification. The practical effect of this commission's work is indicated by the fact that all of its four model crime bills have been passed by at least 13 States and that at least 25 States have passed one or more of them.

Another phase of the council's work is indicated by regional conferences on special subjects. The New York Commission on Interstate Cooperation and the regional secretariat of the council have conducted conferences with representatives of neighboring States on a wide variety of projects for interstate cooperation. The problems include highway safety, crime, parks, social security, conservation, taxation, labor, water resources, milk control and agriculture, transient relief and settlement laws, real-estate reorganization, liquor control, insurance and banking.

HIGHWAY SAFETY

As a result of the two regional conferences on highway safety sponsored by the New York Commission and participated in by representatives of nine States and numerous agencies of the Federal Government, a broad program of uniform State laws and reciprocal practices was agreed upon. The conferences endorsed highway safety bills providing for reciprocal reporting of automobile accidents, compulsory instruction of highway safety in the schools, and periodic inspection of motor vehicles. These recommendations were prepared for introduction into State legislatures. Two of the three legislative proposals became law in two or more States this year. In addition, the conference unanimously approved a resolution providing for the establishment of an advisory committee to cooperate with the Council of State Governments in conducting a survey relating to uniform legislation applying to house trailers.

Through the assistance of the Council of State Governments, the States of New Jersey and New York reached an agreement this year on the Palisades Interstate Park, and there is now before Congress for its approval a bill to

authorize a park compact which has already been approved by these two States. Similarly, agencies of the council have made an impressive start toward the solution of the problem of the pollution of the Delaware River and the related questions of water distribution and recreational areas in the basin of that river. One could continue indefinitely discussing instances of effective cooperation between State governments and between States and the Federal Government sponsored by the council.

RELATION TO FEDERAL GOVERNMENT

The council has already extended valuable aid to various departments of the Federal Government. Its possibilities in working out problems of flood control, transiency, taxation, social security, fair labor standards, and many other matters now pressing upon Congress are almost unlimited.

Since these and many other things of national concern which have been the subject of legislation by Congress and for which funds have been appropriated require State cooperation for their successful execution, it is certain that the council can be of increasingly great usefulness to Congress and to the agencies of the Federal Government.

NECESSARY LEGISLATION

The above are the reasons for the introduction of two identical joint resolutions, Senate Joint Resolution 182, by Senator LA FOLLETTE, and House Joint Resolution 448, by Mr. VOORHIS. These joint resolutions provide, briefly, for recognition by the Congress of the Council of State Governments as a proper agency for the advancement of cooperation between the States and with the Federal Government. One hundred and fifty thousand dollars is authorized to be appropriated to advance the work of interstate cooperation on condition that all findings of the Council of State Governments shall be made available to Congress and to the various Federal departments.

The Mohawk Valley Plan

EXTENSION OF REMARKS

OF

HON. JOHN T. BERNARD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

DECISION OF THE NATIONAL LABOR BOARD

Mr. BERNARD. Mr. Speaker, in its decision in the Remington-Rand case the National Labor Relations Board, after describing the events of the strike of Remington-Rand workers in the spring of 1934, contains this description of the Mohawk Valley plan.

The Mohawk Valley plan was first tried out during the Remington-Rand strike and succeeded in breaking the ranks of the strikers.

I quote from the Labor Board decision:

There remained only the final touch—Rand's christening this technique the "Mohawk Valley formula" and proudly offering it to his fellow members in the National Association of Manufacturers as an example of modern strikebreaking.

The Labor Relations Bulletin of that organization which contained the description of the events at Ilion, while avoiding interpretation, was careful in effect to outline the steps so that the "formula" can be more easily followed. We repeat this technique of strikebreaking, interpolating our interpretations:

1. When a strike is threatened, label the union leaders as "agitators" to discredit them with the public and their own followers. In the plant, conduct a forced balloting under the direction of foremen in an attempt to ascertain the strength of the union and to make possible misrepresentation of the strikers as a small minority imposing their will upon the majority. At the same time, disseminate propaganda, by means of press releases, advertisements, and the activities of "missionaries", such propaganda falsely stating the issues involved in the strike so that the strikers appear to be making arbitrary demands, and the real issues, such as the employer's refusal to bargain collectively, are obscured. Concurrently with these moves, by exerting economic pressure through threats to move the plant, aline the influential members of the community into a cohesive group opposed to the strike. Include in this group, usually designated a "Citizens Committee", representatives of the bankers, real-estate owners, and businessmen, i. e., those most sensitive to any threat of removal of the plant because of its effect upon property values and purchasing power flowing from payrolls.

2. When the strike is called raise high the banner of "law and order", thereby causing the community to mass legal and police weapons against a wholly imagined violence and to forget that those of its members who are employees have equal rights with the other members of the community.

3. Call a "mass meeting" of the citizens to coordinate public sentiment against the strike and to strengthen the power of the Citizens' Committee, which organization, thus supported, will both aid the employer in exerting pressure upon the local authorities and itself sponsor vigilante activities.

4. Bring about the formation of a large armed police force to intimidate the strikers and to exert a psychological effect upon the citizens. This force is built up by utilizing local police, State police if the Governor cooperates, vigilantes, and special deputies, the deputies being chosen, if possible, from other neighborhoods, so that there will be no personal relationships to induce sympathy for the strikers. Coach the deputies and vigilantes on the law of unlawful assembly, inciting to riot, disorderly conduct, etc., so that, unhampered by any thought that the strikers may also possess some rights, they will be ready and anxious to use their newly acquired authority to the limit.

5. And perhaps most important, heighten the demoralizing effect of the above measures—all designed to convince the strikers that their cause is hopeless—by a "back to work" movement, operated by a puppet association of so-called "loyal employees" secretly organized by the employer. Have this association wage a publicity campaign in its own name and coordinate such campaign with the work of the "missionaries" circulating among the strikers and visiting their homes. This "back to work" movement has these results: It causes the public to believe that the strikers are in the minority and that most of the employees desire to return to work, thereby winning sympathy for the employer and an endorsement of his activities to such an extent that the public is willing to pay the huge costs, direct and indirect, resulting from the heavy forces of police. This "back to work" movement also enables the employer, when the plant is later opened, to operate it with strikebreakers if necessary and to continue to refuse to bargain collectively with the strikers. In addition, the "back to work" movement permits the employer to keep a constant check on the strength of the union through the number of applications received from employees ready to break ranks and return to work, such number being kept secret from the public and the other employees, so that the doubts and fears created by such secrecy will in turn induce still others to make applications.

6. When a sufficient number of applications are on hand, fix a date for an opening of the plant through the device of having such opening requested by the "back to work" association. Together with the citizens' committee, prepare for such opening by making provision for a peak army of police by roping off the areas surrounding the plant, by securing arms and ammunition, etc. The purpose of the "opening" of the plant is threefold: to see if enough employees are ready to return to work; to induce still others to return as a result of the demoralizing effect produced by the opening of the plant and the return of some of their number; and lastly, even if the maneuver fails to induce a sufficient number of persons to return, to persuade the public through pictures and news releases that the opening was nevertheless successful.

7. Stage the "opening", theatrically throwing open the gates at the propitious moment and having the employees march into the plant grounds in a massed group protected by squads of armed police, so as to give to the opening a dramatic and exaggerated quality and thus heighten its demoralizing effect. Along with the "opening" provide a spectacle—speeches, flag raising, and praises for the employees, citizens, and local authorities, so that, their vanity touched, they will feel responsible for the continued success of the scheme and will increase their efforts to induce additional employees to return to work.

8. Capitalize on the demoralization of the strikers by continuing the show of police force and the pressure of the citizens' committee, both to insure that these employees who have returned will continue at work and to force the remaining strikers to capitulate. If necessary, turn the locality into a warlike camp through the declaration of a state of emergency tantamount to martial law and barricade it from the outside world so that nothing may interfere with the successful conclusion of the "formula", thereby driving home to the union leaders the futility of further efforts to hold their ranks intact.

9. Close the publicity barrage, which day by day during the entire period has increased the demoralization worked by all of these measures, on the theme that the plant is in full operation and that the strikers were merely a minority attempting to interfere with the "right to work", thus inducing the public to place a moral stamp of approval upon the above measures. With this the campaign is over—the employer has broken the strike. The article in the Labor Relations Bulletin of the National Association of Manufacturers presents the steps taken at Ilion in narrative fashion. We have above added certain steps not stressed in the bulletin and amplified others in accordance with the events that actually occurred at Ilion, so that the reader may possess the complete picture intended to be conveyed by the bulletin, inasmuch as the bulletin obviously omits certain aspects that might

be too embarrassing to the respondent if they were known fully. The method of paragraphing used above does not appear in the account in the bulletin in view of its narrative style.

America and the Far East

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 3, 1937

LETTER FROM MAJ. GEN. WILLIAM C. RIVERS, UNITED STATES ARMY (RETIRED)

Mr. VOORHIS. Mr. Speaker, I have asked permission to extend my remarks in the RECORD for the purpose of calling the attention of the House and of the Nation to a most timely, sensible, and patriotic letter written by Maj. Gen. William C. Rivers, United States Army (retired) to the Amerasia Magazine and published in the magazine's July 1937 issue.

In my opinion, General Rivers has analyzed the Asiatic situation in the only way it can be honestly analyzed by any American who is willing to face all the facts.

The preservation of peace would be a far simpler thing if the point of view of Major General Rivers were brought home to every citizen of the Nation.

The letter follows:

[From Amerasia Magazine, July 1937]

WE NEED A FAR EASTERN POLICY

A resident of the Philippines for 11 years—when loaned by the Army to the Philippine Government for duty with the Constabulary—I am much interested in the able discussions of our far eastern policy by Professor Martin, Professor Coons, and William T. Stone in the June issue. These authorities set forth what many regard as our serious danger in the North Pacific Ocean; the apparent determination of the so-called "big Navy advocates" to define our national policy in the Orient. The President and the Congress should, of course, formulate our foreign policies.

Mr. Stone's summary of The United States Naval Policy as formulated by the General Board of our Navy is illuminating and merits study by all who are interested in maintaining peace in the Pacific. Very interesting to me as a long-time student of the strategy of the North Pacific are the statements attributed to Captain Knox, a retired naval officer, in advocacy of our retaining a permanent naval base in the Philippines: "The ability of the United States to protect the Philippines—and hence the preservation of peace with Japan—depends very largely upon the possession of an American naval base in oriental waters." No mention is made of any attempt to neutralize the new Philippine Republic. We now have on the statute books a far eastern policy in this regard which was made by the President and the Congress—the provision in the Independence Act requesting the President to take steps toward a treaty for the neutralization of the Philippines "at the earliest possible date." President Roosevelt approved the Independence Act in 1934.

Professor Coons' article indicates his concern about our far eastern policy: "Naval policy determination should follow foreign policy formulation, although it appears this is not the case now." And, "Our present naval policy as implying our intention to do more beyond our own shores than we ought to do or may really desire to do needs reconstruction." Professor Coons advises our avoidance of building up any expectancy of a protectorate for the Philippines. "Let them go, but under the protection of a broad neutralization agreement."

Dr. Martin says that the Roosevelt administration has in a sense retreated from our traditional far eastern policies and from Hoover's position. While Dr. Martin apparently yearns for the old system of the primacy of the western powers in eastern Asia, his illuminating and convincing views are those he so well expresses in closing his valuable paper: "It would be idle to contend that the policies of the past can be restored in their totality." And, "A recognition of the changed scene, of the position of Japan, and of her reasonable demands is absolutely essential to any restoration of tranquility in the Far East." Also, "Some means of peaceful change must be provided which will make possible the realization of the aims of Japan, without resort to war."

These discussions about the political, economic, and racial features of nations are extremely interesting to me—after taking part in wars on three continents. However, few of the learned writers seem to study the maps (and the globe and the Great Circle maps as the only satisfactory representations of the earth's surface) as much as I have been obliged to do. The relative positions of countries, of the streams and the mountains, the configuration of the coast lines, and so on, greatly affect the relations of peoples.

Let us consider what Dr. Martin aptly calls the "changed scene", the vast changes. Dewey's guns at Manila announced the advent of the American Colossus; at that time such an arrival was enough to make all western Pacific countries tremble. Now Japan has one of the world's major battle fleets and a great field army. Yet it is now Japan's turn to tremble. The reentry of Russia on the scene on a scale of power never dreamed of by Czarist Russia gravely menaces Nippon. The improved Russian railways, the great number of soldiers in east Siberia, the many submarines and a number of small cruisers, the concrete forts, and the air fleets are known. Russia is in a position from which she can march to the south from her Lake Baikal base and flank Japan's Manchurian position. In fact, the "lie of the land"—the configuration of the coast lines—gives Japan a hard struggle to continue as a first-class power. This is because by their physical locations and situations Russia and China inevitably and continuously threaten Japan in a strategic way. Also, the improvements in war engines add to the danger of Japan—the new type of undersea craft and the doubling in 4 years of the capacity, range, and speed of the great air bombers. Japan has many suitable outlying sea bases from which she can send her land-base bombers to attack such forts as might be erected at Guam or Manila. Land-based bombers are much heavier than those carried by fleets. Japan's position and the location of the land areas in the west Pacific—taken with the vastness of that sea—render Japan practically invulnerable from attack from the sea by an American or a European country. Japan's peril is at the north.

How can Japan carry out the great schemes to the south and southwest that some of her jingoes write of, when she must keep her face to the north—toward the great Soviet Bear? How can Japan swoop down on California, as some of our alarmists fear? A Japanese fleet cannot attack our fleet at Honolulu or on the California coast—the distances are too great. A modern fleet can operate but 2,500 miles from its base—then back for repairs, ammunition, and fuel. How may we send to Japan the armada some of our jingoes talk of? The fleet would need 900 merchant ships as auxiliaries while the Army would require 3,000 additional merchant vessels. We have 488 merchant ships in all our foreign trade.

It is a mystery to me that we continue to spend such vast sums creating fleets and an Army which by the types of organization and location are more suited for a great mass overseas invasion of some other country than for the defense of our own borders and coasts and for controlling that part of the seas adjacent to—in the vicinity of—our seacoasts. Why many talk of our sending an expedition 7,000 miles over the Pacific to fight Japan in order to protect the territorial integrity of China and to safeguard the territorial integrity of the large parts of China which France and Britain took from the Chinese by force of arms, is to me another mystery. Certainly 400,000,000 Chinese can defend China against some 70,000,000 Japanese—if the people of China possess the character and the desire to defend their land. Britain and France might aid the Chinese by military force, or perhaps better by returning to China the territory these western nations took from China.

The general accusation against Japan is that she violates the Nine Power Treaty for the territorial integrity of China. The Nine Power Treaty was defective at its signature; it was made to last indefinitely and without provisions for its revision as conditions altered; the great eastern power—Russia—was not asked to the conference; no conference was called to amend or extend the treaty when Russia emerged as a great power or when Russia joined the League—so that while Japan has been bound as to her fleet and as to the territory on the mainland of Asia, Russia has been left free.

The United States should withdraw from the Philippines and from the Orient. We have no territory in Asia proper and no political interests at all in Asia. The United States is not the guardian of Asiatic morals. We are not going to interfere in Asiatic affairs. The future of eastern Asia will inevitably be settled by the people who live there—by Japanese, Chinese, and Russians. At best Congress can build at Manila only an exposed salient: not a base—because Japan or her mandated islands lie between the United States and Manila—squarely across both the routes to the Far East. An additional great American fleet and a field army of American soldiers would have to be stationed at Manila (at most colossal cost) to guard such a far-off salient. We have excellent outposts which enable us to control the parts of the Pacific Ocean essential to our defense—the Aleutian Islands, the Hawaiians, and the Panama Canal Zone and adjacent islands.

Promotions in the Navy and Marine Corps

EXTENSION OF REMARKS
OF
HON. MELVIN J. MAAS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 3, 1937

Mr. MAAS. Mr. Speaker, after several years of intensive study, I have introduced a bill to provide a completely

reformed promotion system for the Navy and Marine Corps.

It is radically different from the existing system, and, while retaining the desirable features of the selection principle, it eliminates the morale-destroying, wasteful, and expensive system in effect today. It provides both an opportunity for recognition and accelerated advancement for outstanding ability and merit and the constant weeding out of the unfit. It does assure to the competent officer an uninterrupted career in the Navy, yet it does not compel the retention of unsatisfactory officers, nor does it hold back the exceptional officer, which is the evil of the straight seniority promotion system.

This bill proceeds upon the basis that all groups of people are divided into three categories. There are a few who show up as outstanding, and a small percentage who turn out to be so far below average as to be unfit. The balance—which is the large majority of us, are roughly speaking, the average.

There is a great problem of personnel in the Navy due to the fact that there are a much larger number of junior officers required to man the fleet than there are senior officers. Therefore to provide an even flow of promotion, prevent stagnation, and keep officers in the proper age for their grade, drastic selection was adopted. Large numbers of young men are educated at the Naval Academy, commissioned as ensigns in the Navy and then after about 14 years' service are forced out, still in large numbers, because of a sharp decline in the number of officers needed in the next higher grades after that promotion period.

This results in a very costly system of putting large numbers of perfectly competent officers on the retired list at a time when the Government has its largest investment in them. Thus, potentially many years of valuable service is lost to the Navy by retiring these officers in great numbers.

No one contends that the majority of officers retired for failure to be selected are incompetent. It is merely that the present system provides more junior officers than there are places for them in the higher grades.

The new bill corrects that situation by commissioning only the number of graduates at Annapolis each year who will be needed to fill, in the normal course, the higher ranks, allowing for normal attrition and the forced elimination of the unfit.

The balance of each class will be commissioned in the Reserve, with an opportunity for up to 14 years' assignment to active duty in order to provide the required number of junior officers but without permanently burdening the retired list of the Navy after they have served in the junior grades. As an inducement to the graduates of the Naval Academy who do not get commissions in the Regular Navy to accept this active duty, a bonus of 2 years' pay will be granted at the conclusion of 14 years' duty.

This will also provide an excellent procurement source for well-trained Reserve officers who will be invaluable to the Navy in event of an emergency.

These officers will leave active service in their early thirties, with a splendid education at Government expense, a considerable experience of a most valuable nature, and a substantial lump sum of money with which to establish themselves in business or become adjusted into the business world.

They will not leave the Navy soured and feeling frustrated in life and defeated before they even start an attempt to readjust their lives. They will know in advance that they are going into civil life and exactly when. They will be in a position to prepare themselves mentally and professionally for that transition. Their whole outlook will not be warped and their self-confidence destroyed by the feeling that they are failures because they appeared to fail in the Navy. They will not be Navy cast-outs.

Those who, on the other hand, are commissioned in the Navy will be placed upon a 7-year probationary period. Unsatisfactory officers will be eliminated at any time during that period.

A readjustment of the seniority list will be made when the commissions are made permanent at the end of the 7-year probationary period. This will be based upon written examinations, fitness reports, and service reputation, the final determination to be made by a board at that time.

Thereafter competent, satisfactory officers will be assured of a permanent career in the Navy, with advancement in rank and pay upon a definite, known basis.

Ensigns will be promoted to lieutenant, junior grade, in 3 years; and from lieutenant, junior grade, to lieutenant in 4 years.

From lieutenant on through and incluring rear admiral, officers will be advanced in grade every 7 years.

Ten percent of the number to be advanced each year will be by selection from among all officers in the next lower grade, regardless of length of service in that grade.

From each group that reaches 7 years in grade a small percentage will be eliminated. This percentage is flexible and is reduced for each advancing grade, being not less than 5 percent nor more than 10 percent in the grade of lieutenant, down to not less than 2 percent and not more than 4 percent in the grade of captain.

There will be every incentive for an officer to put forth his best effort at all times, as there will always be an opportunity for unusual ability to be recognized by accelerated promotion. This system will actually encourage and put a premium upon initiative and energy.

The present system, while intended to do that, has had the reverse effect. For fear of making a mistake which may cost an officer his career, the tendency has been to merely hew to the line, avoid mistakes, and endeavor to satisfy and please superior officers who may sit upon the selection boards.

Actually, the present system puts a premium upon regimented mediocrity. It has suppressed originality, initiative, and the expression of progressive thought upon the part of individual officers.

The new bill removes the causes that have led officers to suppress their initiative, for under this bill, even if an idea or effort is not successful, the officer is in no danger of sacrificing his career for having tried. Only unfit and incompetent officers are in danger of being eliminated. An officer with outstanding ability will not be afraid to have his abilities come to light for fear of incurring jealousy around him, nor will he be afraid to try new ideas for fear of incurring the displeasure of members of selection boards, with the penalty in such cases an end to his career.

An officer, successful in demonstrating exceptional qualities of leadership and outstanding ability, will be promoted as rapidly as his abilities will warrant.

This will stimulate the best in all officers, bring about the highest kind of morale, and give the Navy its greatest degree of efficiency.

The bill will assure an even flow of promotion, prevent "humps", and keep officers in the proper grade for age. The promotions will continue in an unbroken flow right on through to the top. There will be no more blocking of the flow at flag rank. Rear admirals who are not selected to the grade of vice admiral or admiral, after 7 years as rear admirals, will be retired, thereby speeding up the flow into flag ranks. The rank of vice admiral and admiral will become permanent instead of temporary, as at present, but when a vice admiral or admiral has finished his sea command he, too, will be retired, unless appointed as Chief of Naval Operations or chairman of the General Board.

In the case of the Marine Corps, officers in the grade of brigadier general or major general will be retired after 7 years as a general officer unless appointed major general commandant or Commander of the Fleet Marine Force.

All officers before advancement in rank, whether by seniority or selection, will first be examined by a medical board, and, if found physically unfit for the advancement, will be placed upon the retired list in the next higher grade.

Officers eliminated as unfit, if in the grade of lieutenant commander or below, will be honorably discharged with a

lump-sum payment equal to 2 years' pay. If such officers are commanders or above, they will be placed upon the retired list at 2½ percent of their pay multiplied by the number of years of service.

This bill, in addition to bolstering morale in the Navy, will result in a very material economy by relieving the retired list of the mounting burden which seriously endangers the whole retirement system.

While this bill undoubtedly will need revision and refinement as to details, I firmly believe that it offers a vastly improved foundation for a better promotion system in the Navy.

Dedication of Montfaucon Battle Monument in France

EXTENSION OF REMARKS
OF
HON. JAMES J. DAVIS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Tuesday, August 3 (legislative day of Thursday, July 22), 1937

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Philadelphia Inquirer of August 3, 1937, entitled "A Symbol of Courage and of Peace."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Aug. 3, 1937]

A SYMBOL OF COURAGE AND OF PEACE

The granite column at Montfaucon, France, dedicated with stirring ceremony on Sunday as a monument to peace, is an enduring tribute to American valor in battle, particularly to the courage of Philadelphia and Pennsylvania soldiers of the Seventy-ninth Division, who achieved the capture of a strategic height which the enemy had held for 4 years against repeated attacks.

Of this great victory Louis Madelin, French historian of the World War, writes: "Our Allies had achieved a grand success. They had taken Montfaucon, that eagle's nest impregnable * * *. To have taken Montfaucon was a magnificent exploit, new proof of the bravery of the American soldier."

Pennsylvania may well be proud of the glorious record of its sons in a struggle which General Pershing, in his address on Sunday, called "one of the deciding battles of the World War." There is no question that the Meuse-Argonne campaign, which began with the capture of Montfaucon on September 26–27, 1918, and in which Pennsylvania's Twenty-eighth Division, in addition to the Seventy-ninth, won renown, was a decisive factor in the ending of the war on November 11.

Among the units of whose gallantry under fire the majestic pillar at Montfaucon is an everlasting reminder were the Three Hundred and Fifteenth Infantry, "Philadelphia's own"; the Three Hundred and Sixteenth, from rural eastern Pennsylvania; the Three Hundred and Fourteenth, from the Pennsylvania anthracite region; the Three Hundred and Thirteenth, from Baltimore and vicinity; the Three Hundred and Eleventh Machine Gun Battalion, from eastern Pennsylvania; and the Three Hundred and Twelfth machine gunners, from the District of Columbia. Associated with these were the Three Hundred and Fourth Engineers, from Philadelphia and central Pennsylvania; the Three Hundred and Tenth, Three Hundred and Eleventh, and Three Hundred and Twelfth Artillery units; the Three Hundred and Fourth Supply Train, Ammunition Train, Field Signal Battalion, and Trench Mortar Battery.

General Pershing said in his speech at the Montfaucon exercises, "It is difficult for our people at home to picture to themselves what took place upon the now smiling hillsides that surround this monument." But the Pennsylvania veterans who were there on September 26, 1918, know what took place. They remember the terrific artillery bombardment as they pushed forward. They remember the deadly machine-gun nests. They remember that almost every bush seemed to hide snipers. They remember their comrades who did not live to enter the town of Montfaucon.

To Americans at home, moreover, the picture of crosses, "row on row"—more than 14,000 of them in the Meuse-Argonne Cemetery—is sadly familiar. Even they have a good idea of what happened on the now smiling hillsides. And they are sternly determined that never again shall their sons be sacrificed by thousands in a cause that does not concern, primarily, the defense of their country.

General Pershing knows what happened during those terrible weeks in the Meuse-Argonne region. He is convinced that "the last war brought no profit to anyone, but left many questions unsettled. They cannot be settled by war. * * * Hatred and suspicion still exist and armaments at enormous cost continue to grow."

A ruinous war is devastating Spain. Japan has once more carried its imperious aggression to China. The thunder of rearmament echoes throughout Europe, so that even the United States, intent only upon defense and repeatedly offering its support to peace efforts everywhere, must maintain a navy second to none in order to face the challenge of the war makers.

Is humanity never to learn the lesson that war brings nothing but hardship, suffering, sorrow, and vastly increased troubles in its train? Will warlike nations never realize that such monuments as that at Montfaucon are not mere memorials but warnings of disaster?

President Roosevelt, speaking across the airways to the great throng in France, expressed a fundamental truth in pleading for devotion to the democratic ideal. "That ideal", he said, "to which both nations (France and the United States) bear faithful witness, is the ideal of freedom under democracy—liberty attained by government founded in democratic institutions."

The growth of the democratic ideal is, conceivably, the one and only cure for the scourge of war. Is there, in the troubled world of today, a democratic nation carrying on aggressive warfare or threatening aggression? There is none. It remains for democratic nations to hold fast to their ideal of freedom. They are the hope of humanity.

The monument at Montfaucon is more than a memorial to the heroic dead, more than a tribute to glowing courage. It represents a pledge by two great nations in defense of democratic principles. On a historic battlefield, it is a symbol of peace.

Partition of Palestine

EXTENSION OF REMARKS
OF
HON. ROYAL S. COPELAND
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Tuesday, August 3 (legislative day of Thursday, July 22), 1937

MEMORANDUM BY AMERICAN ECONOMIC COMMITTEE FOR PALESTINE

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a memorandum dealing with the partition of Palestine. The memorandum is sent to me by Mr. Robert Szold, whom I know, and comes from the American Economic Committee for Palestine.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

AMERICAN ECONOMIC COMMITTEE FOR PALESTINE,
New York, N. Y., July 30, 1937.

The attached memorandum, which sets forth some of the arguments against the scheme for the partition of Palestine, is sent to you at the request of Mr. Robert Szold.

[Memorandum]

JULY 20, 1937.

MEMORANDUM ON PARTITION OF PALESTINE

The British Government has apparently conceded that the consent both of the League of Nations and of the United States is necessary. The plan of partition involves frank abandonment of the mandate. The royal commission official summary states "the mandate for Palestine should terminate." Paragraph 4 of the statement for policy of July 7 by His Majesty's Government states that His Majesty's Government propose to take steps having regard to their existing obligations under the Covenant of the League of Nations and other international instruments. The royal commission official summary referring to the holy places states that the trust "will only terminate if and when the League of Nations and the United States desire it to do so." (Ch. XXII 2, The Holy Places.)

The rights of the United States result from the common victory in the great war by the allied and associated powers. After the war the United States asserted a right to a voice in all determinations affecting the disposition of the territory severed from Germany and Turkey. This right was vigorously maintained, not only with reference to Palestine but also with reference to German cables and Yap and other mandated territories. The Department of State asserted that United States' consent was essential to the validity of the disposition of the conquered

territory. The American contentions of right were conceded by the Council of the League on March 20, 1921; were conceded by Japan and were conceded by Great Britain.

That the consent of the United States is requisite to the validity of disposition of territory severed from Turkey is thoroughly established as a principle of international law.

On this basis, the treaty with Great Britain of 1924 was made. Article 1 of that treaty expressly provides for United States' consent to British administration in Palestine "pursuant to the mandate." The British desired that United States use the word "concur." The State Department maintained that this was insufficient, that "consent" was necessary. Similarly the British desired to furnish the United States with merely a copy of their annual report to the League. The United States insisted that its rights were equal with the members of the League. A copy was insufficient. As accountability to the League was evidenced by furnishing the League with an annual report, so accountability to the United States had to be evidenced by a duplicate accounting in an annual report to the United States. And article 4 of the treaty so provides.

The consent which the United States gave was a limited one. Consent was to British administration "pursuant to the mandate." An express requirement in the 1924 treaty that United States consent be obtained for an alteration or termination of the mandate was therefore unnecessary. But this was expressly provided in article 7, the concluding article of the 1924 treaty. This article provides that nothing contained in the treaty shall be affected by any modification of the mandate, unless such modification shall have been assented to by the United States. If Great Britain now desires to terminate the mandate, United States' consent is vitally necessary, just as it was when Britain assumed jurisdiction.

The parties have always acted on this basis. In the case of Transjordan, the British agreed that under article 7 of the treaty no change would be made in conflict with the mandate or the treaty without the consent of the United States. When the Iraq Mandate was terminated in 1932, the United States asserted a right to a voice in the determination of subsequent conditions. That claim was rested on the principle established in 1931 "that the approval of the United States is essential to the validity of any determination which may be reached regarding mandated territory." For the modification of the Belgian East African Mandate in 1924, involving a boundary change, the consent of the United States was sought and obtained.

Termination of the mandate involves a disposition of conquered territory, and the consent of the United States is requisite.

The United States has every reason to interpose in the present situation. Not only is a treaty right involved, not only are there 4,000,000 Jews in the United States who have on the faith of the British mandate invested and contributed over $80,000,000; and American nationals have acquired large property interests in the Palestine Potash Co., the Palestine Electric Co., the Palestine Economic Corporation, in large purchases of land, and other vested rights; and some 12,000 American nationals have gone to Palestine to live; and the trade of the United States with Palestine has substantially increased due to the development of the Jewish National Home; but also the entire principle of the mandate system, one of the great principles resulting from the World War, is at stake.

America had much to do with the establishment of the mandates' principle. It was consistent with American interest to lower economic barriers, to provide equal access to unexploited sources of raw materials. The mandates' system was designed to relieve population pressure. And by removing as ground for future wars the prospect of annexation of conquered territory, it was a principle designed to promote world peace.

Furthermore, as General Smuts has said, one of the few great contributions to international justice which resulted from the World War was the recognition of right to Jewish national existence. Thereby was the centuries-long injustice to the Jew to be in some degree remedied.

The existence of the Jewish National Home is at stake. The issue comes at a time particularly critical for the Jews of eastern Europe. At no time has persecution of Jews in Germany and in other European states been more inhumane than at the present time. At no time has the need, on pure humanitarian grounds, been more urgent. The plight of the Jews should awaken a responsive chord in the hearts of statesmen who have power to influence international affairs and the course of history.

Intervention by this Government on behalf of Jews has been not unfamiliar since 1840. State papers on the subject have been addressed to the Governments of Rumania and Russia in the past. Particularly in the case of the Jewish National Home has the sympathy of the United States been made manifest. The Balfour Declaration was not a unilateral statement. It was an international obligation which the Royal Commission itself observed "had been submitted to President Wilson and had been approved by him before its publication." The United States Congress endorsed it by joint resolution in 1922.

The proposal for partition of Palestine is arbitrary and unjust.

The Royal Commission was appointed to determine if Arabs or Jews had any legitimate grievances under the mandate. It was a British commission appointed by the British Government to inquire into a British administration. To recommend abolition of the mandate itself was beyond the terms of reference. This is a matter for the League of Nations and the United States, a matter which involves broad policy embodied in international agreements. The public notice was plain and clear that no such issue would be considered. A fundamental issue was determined without opportunity for hearing of the parties.

The proposed plan for partition is based on the assumption that it will solve the problem of irreconcilable Jewish and Arab aspirations, and will bring permanent peace. The assumption is unwarranted. Bitterness will be accentuated. The Royal Commission states that some 225,000 Arabs will remain in Jewish territory, in addition to the Arabs in Haifa, Acre, Safed, and Tiberias. If Arabs are now discontented, will they be more contented subject to Jewish domination in the new so-called state? The Royal Commission suggests that the Arabs in the Jewish part must be removed. There is no way in which this may be compelled. Moreover, five-sixths of the land in the Jewish part belongs to Arabs—5,000,000 dunams out of 6,000,000. Will it promote peace if the new Jewish state expropriates this land, as the Royal Commission suggests? Starving Arabs from nearby states will come to the new Jewish state. In the legislature of the new Jewish state, it is unthinkable that Arabs be excluded. It is not difficult to imagine the resulting friction. The corridor proposed by the Royal Commission (several states in Central Europe have no access to the sea) will be a constant source of irritation.

The plan of partition involves many arbitrary features unjust to the Jews. The proposed frontier is no natural boundary; it follows no river, no range of mountains; it will be almost impossible to defend. The hydroelectric development of the Palestine Electric Corporation is excluded. Palestine potash works at the Dead Sea is excluded. There are substantial American investments in these enterprises, which deal with the principal natural resources. Some of the oldest Jewish settlements, south of the Sea of Galilee are excluded. The large tract to the south of Jerusalem, the Negeb or Beersheba District, only sparsely inhabited, is excluded. Some 125,000 Jews living principally in Jerusalem and Haifa are excluded. The Jewish state is to include some 2,300 square miles, whereas the Arab Kingdom, including Transjordan, will include 42,000 square miles. And the Royal Commission suggests that the new Jewish so-called state shall subvention the Arab Kingdom.

Partition of Palestine will impose artificial political and customs barriers upon the free movement of persons and trade, and split up organic economic units. The artificial amputation of Trans-Jordan from Cis-Jordan has already created most unfortunate economic and political consequences. The further split of Palestine will aggravate the difficulties. The 400,000 Jews and 900,000 Arabs of present Palestine make up its internal market. The internal market of the new Jewish state will be reduced to 630,000 persons, about half Jews and half Arabs. The shock to Jewish confidence will restrict the flow of Jewish capital. Two principal urban centers, Jerusalem and Haifa, will be under control of the British and thus foreign markets with reference to disposal of Jewish and Arab agricultural and industrial goods.

The proposed plan of partition is unfeasible.

Customs duties and various types of urban taxation constitute approximately 87 percent of the total income of the Palestine Government derived from taxation. For the fiscal year 1935–36 the total income of the Government from those sources was £P4,097,126. Of this sum approximately £P513,466 was derived from taxes levied upon the country's agricultural economy (rural areas). Exclusive of Tel-Aviv and Jaffa, all of the major urban centers, including Haifa, Palestine's main port of entry, will be controlled by the British. The lion's share of government revenue will therefore be concentrated in British hands, and the proposed Jewish and Arab states correspondingly restricted.

Partition must result in further conflicts over water resources. The water of Palestine, like the soil of Palestine, constitute an indivisible economic unit. No partition plan can work out equitably for both of the proposed new states.

Partition will deprive both the Jewish and Arab states of and turn over to the British most of the income from the tourist industry. Haifa, the port of entry, Nazareth, the Sea of Galilee, Jerusalem, and Bethlehem are all reserved to the British.

The new Jewish state will be so small that the tax burden in order to support the paraphernalia of government would be extremely burdensome, particularly if subvention to the Arab Kingdom is necessary. The new states will be compelled to set up military establishments. For the fiscal year 1935–36 the Palestine Government expended over £171,000 on the regular maintenance of the Transjordan frontier force (a police, not military, unit), comprising 1,050 men. On this basis the Jewish state alone, maintaining a combined military and police force of, say, 10,000 men, would be put to an annual cost of $10,000,000 without taking into account the cost of military equipment. In addition, each of the three new governments will be required to set up separate sets of government machinery.

To end the mandate means to end the principle that Jews may immigrate to Palestine "as of right", a principle established in the mandate. The noble attempt to solve the Jewish problem is abandoned, and it is proposed to limit the territory into which Jews may go to a tragically restricted area.

The area of the proposed Jewish state is approximately that of Delaware. The density of population of Delaware is approximately 100 per square mile. That of the proposed Jewish state is already 271 per square mile.

The spiritual driving power behind the creation of a Jewish national home is the consciousness on the part of those who are

building it that this home would solve the age-long Jewish problem. With a constricted, stratified area, this spiritual driving power will disappear. The Jews in Palestine will be sure of the futility of solving the Jewish problem and will relapse into the vested position of merely looking out for their own well-being.

In the official summary, chapter IV, paragraph 7, the Royal Commission states that the general uncertainty of the ultimate intentions of the mandatory power has aggravated the situation and "made it possible for the Arabs to interpret the conciliatory policy of the Palestine Government and the sympathetic attitude of some of its officials as showing that the British determination to implement the Balfour declaration is not whole-hearted." The Royal Commission asserts that force and determination will be necessary to carry out their plan of partition. If the same determination and less force were used, the mandate would work. A whole-hearted determined effort by the mandatory to carry out the mandate should be made before irrevocable partition is carried through and Arabs and Jews permanently divided.

The Permanent Mandates Commission, in reporting in 1930 to the Council of the League, seventeenth extraordinary session, adverted to the ill effects of "the inaction, or, at any rate, the partial inaction, of the Palestine Government" and to the difficult task of the mandatory, and added: "To this difficulty, which cannot have escaped the British authors of the Balfour declaration or the framers of the mandate, the Commission only refers here in order to record its satisfaction that the mandatory power does not consider it insuperable."

An Unwelcome Crop—The Tax Crop

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

Mr. DIRKSEN. Mr. Speaker, the broad fields of green corn in the Mississippi and Illinois Valleys are evidence of Nature's bounty and give promise of great abundance. The threshing rigs operating in the Southwest, the Northwest, and the Central States in fields that are generously dotted with shocks of wheat and oats are further testimony to the kindliness of Nature and promise even greater abundance. But there is one field in which there is not only an established abundance but promise of even greater abundance. It is a most unwelcome abundance. I refer to the harvest that is about to begin in the field of taxes.

The State legislatures have completed their labors for 1937. They have been besieged with demands for new legislation to meet the needs and desires of the times, and with demands for the expansion of governmental activities and functions. For government to function in new or enlarged fields of activity requires money. That money, when once appropriated to such purposes can be provided by new taxes, increased taxes, expanded taxes, or by borrowing. Borrowing has been a common practice with all subdivisions of government and cannot go on forever. Borrowings are after all but postponed taxes, and thus the State legislatures have broken the ice of heavier taxes and pointed the direction that will be taken in meeting the increased fiscal needs of next year.

Two things stand out in the new tax pattern of the States. The first is the very definite increase of indirect as opposed to direct taxation. A former Secretary of the Treasury once drew the distinction between direct and indirect taxation by stating that the first was like a hold-up in broad daylight whereas the second was like going through a man's pants while he was asleep. There is a most noticeable tendency toward the latter form of taxation as indicated by the tax measures enacted by the 1937 legislatures.

The second noteworthy fact is that more and more the States and the Federal Government are speeding up the race to see which will get at the taxpayer first. The States on the one hand and the Federal Government on the other are trying to outdo each other in the matter of putting the largest spigot in the tax barrel, and as that barrel drains, a genuine fight between these two sovereignties is inevitable. The outcome, however, will hold small comfort for the taxpayer because it will be little more than a squabble over the division of the spoils. In fact, it may be only bad news for the taxpayer because an effort to compromise on certain fields of taxation to be tapped by the States and other exclusive areas for the Federal Government may result in the unearthing of still other sources of taxes to keep the wheel of government moving.

An examination of but a portion of the tax harvest of 1937 discloses a singular unanimity in increasing or expanding taxes. In the field of personal-income taxation, 10 States have provided increases, 2 have effected moderate decreases, and 2 other States have maintained existing schedules. Of note are the changes in Iowa law, which levy an income tax on nonresidents on income derived in the State; North Carolina will now levy a tax of 7 percent on all incomes in excess of $10,000; and North Dakota, where the new rates will run from 1 to 15 percent.

In the field of corporate income taxation, eight States have enacted or increased such taxes, and one State has made a very slight reduction.

Sales taxes seem to be all the rage. They are now variously designated as sales taxes, gross receipts taxes, or gross income taxes. Eighteen of the States have increased or extended this source of revenue, and only one has provided a reduction. Since the decisions of the Supreme Court of the United States with respect to "use" taxes, many States are following that decision and imposing use taxes to prevent avoidance of the sales tax by out-of-the-State purchases. Twenty-three States now have this variety of tax and if the experience of the State of Iowa is any criterion where the gross receipts tax has been continued indefinitely there is now rich prospect that these taxes have lost their emergency character and are going on a permanent footing. It is but testimony to the inevitable transformation of emergency taxes into permanent revenues.

Chain-store taxes are on the march. Twenty-three States now impose such taxes. Five States have increased them in 1937. Maine repealed its chain-store tax and California voters rejected such a tax on a referendum vote. Georgia's tax is novel, in that it includes mail-order houses and imposes a tax of $2,000 on the first mail-order house store, $4,000 on the second, $6,000 on the third, $8,000 on the fourth, and $10,000 for each store in excess of four. Montana now imposes a tax of $200 on each chain store in excess of five, and $37.50 on each chain lumber yard and filling station in excess of five. Tennessee, oddly enough, taxes each chain store in excess of one on the basis of $3 per 100 square feet of floor space. If the experience in this field of taxation parallels that in other fields of revenue, it will mean that these chain-store rates will be increased from year to year.

Tobacco and cigarette taxes continue to be popular with legislatures. Seven States have extended such taxes, one has altered its tax slightly, and two have made reductions.

In spite of the contention made by those who believe that taxation of liquor should be the exclusive domain of the Federal Government, the tendency of States is to increase rather than reduce gallonage taxes on wine, beer, and liquor. Ten States have provided increases in some form on one or more varieties of beverages and four have made reductions. Maine now provides a tax of $2.08 on each gallon of liquor and 50 cents on each gallon of wine sold by the State liquor commission. In addition, a temporary 10-percent sales tax has been imposed. Liquor appears to be free game for every taxing body, but the fact remains that the consumer pays the bill.

Twelve States have increased or expanded their gasoline taxes and only two have enacted modifications that slightly lower such taxes. California now imposes a tax of 3 cents per gallon on Diesel fuel and this may be but the forerunner of like taxes in other States in view of the increasing popularity of the Diesel engine.

There has been a general increase in taxes on utilities, and, in the case of Vermont, the State now taxes the power

of municipal plants. An expansion of this idea in States having many municipally owned power and water plants presents interesting possibilities.

The growth of the tax exemptions presents many possibilities. Many new tax laws now provide homestead exemptions ranging from $1,000 in Maine to $5,000 in South Dakota. North Dakota exempts mining and drilling equipment for a year, ostensibly as a bid for such operations. Mississippi now authorizes municipalities to acquire land for the purpose of encouraging industrial enterprises and permits tax exemptions to such enterprises. Delaware now exempts the real property of motion-picture studios for 15 years, apparently as an invitation to the movie producers to move to that State. It must be apparent to everybody that as certain classes of property are exempted from taxation and revenue needs continue to increase, this loss in taxes must be offset by an increased rate of taxes on the nonexempt property. This affords ample evidence of how muddled our tax system really is and what a great outcry it will some day provoke as the burdens of taxation become more manifest to the taxpayers. We are witnessing but the beginning of bigger, better, and more burdensome taxation that may some day alter the whole pattern of our economic existence. During the World War I was much intrigued by the two-wheeled wagons in France on which the French wine growers hauled huge casks of wine. A single horse furnished the motive power and it appeared to be a most archaic contrivance. I learned on inquiry that these wagons were popularized by the imposition of a national wheel tax at so much per wheel. The more wheels, the higher the tax. The French peasant therefore met the situation with a two-wheeled wagon on which he could balance several tons of produce. Two-wheeled wagons in turn, required only narrow country roads. I wonder by what economic divergence we shall meet the increasing burdens of taxing.

Turning to the National Legislature, Congress has decreed an extension of the nuisance taxes for another 2-year period. This includes taxes on furs, gasoline, oil, gum, firearms, cameras, electric refrigerators, and a host of other items. This, too, constitutes a five-hundred-million-dollar tribute to the theory of indirect taxes. The Budget is still out of balance, the national debt continues to increase, the danger of inflation is already manifest in rising commodity prices, and the day of reckoning is approaching.

The abundant corn crop might be left unhusked upon the stalk and the abundant wheat crop might be left to rot in the shock, but the abundant tax crop—well, since the appropriations have been made, it will be self-harvesting unless we want to borrow our way out of debt.

This unusual tendency toward heavier taxes in the field of indirect taxation only serves to slow up the process of making the public tax-conscious and postpones the day of reckoning in the revenue field. It is high time that the whole tax structure for both the State and Federal Governments be recast in the interest of adequacy, simplicity, directness, and stability of revenues.

The Tydings-Miller Fair-Trade Bill

EXTENSION OF REMARKS

OF

HON. IRA WALTON DREW

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

LETTER ADDRESSED TO THE PRESIDENT

Mr. DREW of Pennsylvania. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a letter addressed to the President of the United States by one of my constituents, Mr. B. F. Maurer, of Philadelphia. Mr. Maurer has for 20 years operated a neighborhood hardware store in one of the small communities surrounding the metropolitan section of my city. There are thousands of small hardware stores similar to his scattered throughout this country. This man is not a merchant prince, he is not a business giant, nor is he wealthy. He is one of the people; and, gentlemen, when we listen to him, we listen to America.

Mr. Maurer is not a scribbler of letters. A little sick at heart with the desire for fair play and a decent chance, he has written to his President. He writes just the way he feels, and his letter contains a good deal of common sense about the Tydings-Miller fair-trade bill that I would like to call to the attention of the experts on legislation who surround me in this Chamber.

It is my hope that the fair-trade bill will receive a vote during this session of Congress, and it is my intention to fully support its passage, unless dangerous or weakening amendments are successfully added to it during debate.

DEAR MR. PRESIDENT: When you stopped the passing of the Tydings-Miller bill, you took away from thousands and thousands of small retailers like myself the only hope we ever had of making a decent living from our business.

I've been operating my little business for more than 20 years, and with careful planning and hard work I have only been able to eke out a very moderate living for myself and family.

Cutthroat competition and increased taxation, both Federal and State, have made it impossible for small merchants like myself to even secure a laborer's wage from our business. Fly-by-the-night, unethical, cutthroat competition have moved into our territory and are fooling the public by offering unheard-of low prices on standard nationally advertised brands of merchandise which we carry, using them only as leaders to get the people into their stores and then selling cheap, shoddy merchandise at exorbitant prices. In most cases they advertise items of well-known brands at a price lower than our cost price.

The Tydings-Miller bill would have protected us against such competition. Now, Mr. President, I'm not much of a politician, and it's very difficult for me to see the justice in your stopping the passage of the Tydings-Miller bill, which in no sense would have increased the prices to the consuming public, when at the same time you have approved other bills in other industries which would permit the fixing of prices. Can you or anyone else explain to me why there would be such bitter resentment on the part of the consuming public in the passing of this protective measure to we small retailers, and that the other price-fixing act which you approved would be acceptable to the public? All the years I have spent in business I never thought that I would get to the point where I would be a quitter, but by the time I worry myself sick about operating my little business and trying to meet my taxes and other bills and face the cutthroat competition, I want to tell you that I'm about at the point of closing the front door and notifying the sheriff to come in and sell the merchandise, and either get a W. P. A. job or go on relief, because most of these fellows are making more money without any worry.

If you fellows in Washington could spend 1 day in my little store and see what the average small merchant must contend with, I'm quite sure that you would make an attempt to lessen the tax burden and would approve laws that would protect us against unethical, cutthroat competition.

Very truly yours,

B. F. MAURER,

4345 Main Street, Manayunk, Philadelphia.

William Patrick Connery, Jr.

MEMORIAL ADDRESS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

On the life, character, and public service of Hon. WILLIAM PATRICK CONNERY, Jr., late a Representative from Massachusetts

Mr. KENNEDY of New York. Mr. Speaker, we arrest our activities to pay tribute to Congressman WILLIAM PATRICK CONNERY, Jr., who, well beloved and crowned with the most enviable honors that confidence and station can bestow, was taken from us in the midst of the performance of his duties at the moment of the highest possibilities of service. It is fitting that we should render the official tribute of respect, but the significance of this occasion is far deeper

than that. It is the tribute inspired by love of country, as laying aside the differences and controversies, which seem but trivial in the face of man's adventures and God's providence, we stand united by the indissoluble bonds of common patriotism, knowing well that ungrateful republics cannot endure.

The temples of democracy will be but as vain vestiges of a vanished faith if their altar fires are not kept burning by the memory of those who have met the supreme test and have laid down their lives in heroic fidelity and self-sacrifice. Above all, we give the tribute of the deep affection, which moves us to speak in tender remembrance of a generous and kindly spirit who counted human fellowship more precious than all the pomp and circumstance of power. Not only those who had the privilege of intimacy but the vast multitude who bowed in grief at his passing had responded to the grace of his gentleness and called him brother and friend as well as Congressman.

Congressman CONNERY was equipped for his task by inheritance and training, which were completely and typically American. He was neither helped nor hampered by exceptional environment. He suffered neither from poverty nor from riches. His endowment was a keen mind and strong body. Alert to opportunity, self-reliant, facile, and warmhearted, he made his own way, owing his successes to his tireless persistence and his unquenchable ardor in living.

He belonged to the aristocracy of the plain people of this country. Born in the city of Lynn on August 24, 1888, he continued to live there all of his life. He served with the One Hundred and First Regiment United States Infantry for 19 months during the World War. He was promoted from private to regimental color sergeant for meritorious service. He achieved distinction in the theatrical and fraternal world as well as the political world.

In Congress he soon won a distinguished position. He was chairman of the Committee on Labor. He was neither eccentric, spectacular, nor censorious. Always quiet in manner and unassuming, he could not escape the distinction of natural dignity and noble mien. His keen intelligence and common sense won for him general confidence and esteem while his unfailing friendliness made him nationally beloved.

It is difficult, while still we labor under the sense of personal loss to appraise fairly the qualities or to estimate justly the character of the departed friend. We are too apt at such a time to permit our emotions to color our judgment and to sway our verdict.

It is hard to restrain the ardor of friendship in writing of so widely gifted and attractive man, but a just appreciation should stand upon a foundation of understatement.

It was Macaulay who said that if one stopped under a doorway for a moment with Edmund Burke to escape a shower, he would be impressed with the certainty that he had met a kindly man. That was true of BILL CONNERY.

His charm of manner, his musical voice, his unexcelled diction, his general knowledge made him a personality at once outstanding, remarkable, and pleasing.

His vigorous and penetrating mind, always at work, gained for him an immense extent and variety of knowledge. He had the learning of a philosopher, and to that learning he added the manners of a gentleman. His company was sought by the Members of Congress from all parts of the United States—for he was witty with a subtle sense of humor and a keen knowledge of proportion. He had an inexhaustible sense of discourse, with constant cheerfulness and high spirits.

Suffice it to say that for all of his adult life no great cause affecting his city or State has been discussed upon which he did not spread the luster of his talents, the spell of his eloquence, and the music of his voice. He was a strong partisan, but never permitted his loyalty to his party to interfere with his duty to his country. He was an aggressive advocate, but he always tried to be fair with an opponent, even when dealing his most telling blow. He believed intensely in his own side of an argument, but he was tolerant of opposition, and ever ready to applaud in an adversary that ability and character which bespeaks conviction and denotes sincerity. He has gone to his reward after having fought a good fight. May I now say in closing, as one who knew him, who admired his extraordinary talents and unrivaled attainments, that the great outstanding quality in his make-up was his intense and ever-present belief in the God of his fathers.

Congressman CONNERY was gifted and blessed above most of the men of his day and generation, but above all in that simple, childlike faith which was fostered at the knee of his mother, and which survived and grew with all the triumphs of his great career, and carried him onward into the next world with the fervor of a martyr and the certainty of one who knows.

May God, in His mercy, command that his soul be received by the Holy Angels and be conducted to Paradise.

Federal Social Security Act Versus General Welfare Act of 1937

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

Mr. SHEPPARD. Mr. Speaker and Members of the House, permit me to call your attention to the fact that on February 2, 1937, what is known as the general-welfare act, H. R. 4199, was introduced by the Honorable CHARLES N. CROSBY, of Pennsylvania, and was referred to the Ways and Means Committee for consideration and hearing, which to date has not been granted; and while I know this committee has been one of the hardest-worked committees this session, I feel that there have been enough Members of this House interested in a hearing on this bill to justify the honorable gentlemen of the Ways and Means Committee in giving this piece of legislation a hearing at the first possible moment.

After proper legislative time had elapsed I filed petition no. 12, on the Speaker's desk, and respectfully request every Member of this House who is interested in the general welfare of the old people of this country who are in dire circumstances, to sign this petition so that we may have this bill, H. R. 4199, brought to the floor for deliberation and passage.

I have the utmost respect and sympathy for what the Federal Social Security Act is accomplishing, and give all credit to this administration for the first step in the right direction; however, it does leave entirely too many of our old people without any security in their declining days when they need security most, and, Mr. Speaker, at this time I would like to insert a comparison of the Federal Social Security Act with the proposed general welfare act, H. R. 4199, in the CONGRESSIONAL RECORD. The following was compiled by Mr. George E. West, of Chicago, a certified public accountant, and I am sure the Members will find it highly educational and a most fair presentation, which leaves food for thought, to say the least.

OLD-AGE ASSISTANCE SECTION—EFFECTIVE JULY 1, 1935

Under the Federal Social Security Act, 40 States have enacted State laws to cooperate with the United States Government in carrying out the Federal act, under which the United States Government pays to each of said States one-half of the old-age pension, but never in excess of $15 a month.

So, Mississippi receives $1.80 from the United States Government, adds $1.80 thereto, and distributes $3.60 a month each to its 65-year-old veterans. Just how a Mississippian can provide shelter, food, and clothing for himself on $3.60 a month is something for which I cannot imagine a workable solution.

And California receives $15 from the United States Government, adds $20 thereto, and pays $35 a month to its 65-year-old veterans.

At this writing the lowest combined grant for old-age assistance is $3.60 a month—the highest $35 a month, based on the United States Government's Social Security Act.

Annuity section: Effective Jan. 1, 1937. Annuities not payable until Jan. 1, 1942

Questions	Answers, Social Security Act	Answers, General Welfare Act
1. At what age does a person receive the annuity?	At age 65	At age 60.
2. What amount does annuitant receive?	$10 to $85 a month, depending on the amount earned and for how many years. (See table at question 18.)	$200 a month maximum, to all 60 years of age and over, as detailed under questions 4 and 5.
3. Do those receiving the annuity have any buying power?	Very small	Very large.
4. What amount of annuity a month do I receive at age 65 if I am—		Each annuitant, regardless of occupation or profession, at age 60, may apply for such amount as he or she feels sure they can spend in 30 days; and, by new applications, can increase same until the maximum of $200 a month is reached; except, that should any month's tax collection be not enough to pay the maximum annuities, then the amount collected would be divided by the number of registered annuitants, and prorated accordingly. Hence, the Government would never have to go into debt to pay these annuities.
A casual laborer?	None	
A maid in a home?	None	
A farmer or farm hand?	None	
A Government employee?	None	
A sailor or deck hand?	None	
A State, county, or city employee?	None	
A worker for a charitable organization?	None	
An employer, housewife, doctor, dentist, lawyer, teacher, or other profession?	None	
	NOTE.—Certain classes of workers cannot make contributions, or draw any annuity. Thus some 26,000,000 of the 50,000,000 employables will be excluded.	
5. Are all adults eligible for the annuity?	No: Less than 50 percent are eligible	Yes; all are eligible except a few who are not American citizens, or occupants of prisons, or of hospitals for the mentally incompetent, or those who do not abstain from all gainful occupation.
6. I am 25 and receive $50 a week. What annuity will I get?	$74.50 a month, if you work every working day for the next 40 years.	Answer, same as under questions 4 and 5.
7. I am now 55 and receive $25 a week. What annuity will I get?	About $23 a month, if you work every working day for the next 10 years. If your wife is 60 or over, you share your annuity with her.	Answer, same as questions 4 and 5. Each gets monthly $200, maximum, at age 60.
8. I will be 65 on Mar. 1, 1937, and earn $200 a month. What annuity will I receive?	1 check for $14, that is all	Answer, same as questions 4 and 5.
9. I will be 57 Jan. 1, 1937, and earn $3,000 a year. If out of work after Dec. 31, 1940, what annuity do I get in 1942?	1 check of $420. That is all. (4 years at $3,000 equals $12,000 at 3½ percent equals $420.).	Do.
10. If I die before or after reaching age 65, what will my wife receive?	Your estate gets 3½ percent of total wages earned, in one lump sum, that's all.	Nothing if you die before age 60; after age 60 your monthly annuity stops at death. But, your wife when 60 or over will receive $200 maximum a month.
11. When does a person start to receive the annuity?	After Jan. 1, 1942, when he reaches age 65	About 5 months after the act becomes a law, and includes everyone at age 60, except the few listed at question 5.
NOTE. But no one reaching age 65 before Jan. 1, 1942, will get the annuity. He will get 3½ percent of amount earned between Jan. 1, 1937, and Jan. 1, 1942; or 3½ percent of amount earned between Jan. 1, 1937, and the date he reaches age 65. If you reach age 65 before Jan. 1, 1937, you get nothing.		
12. How is the money raised?	By a wage tax of 1 percent on you and a 1-percent tax on your employer, until it reaches 3 percent each, and applies to every employer of 1 or more.	A 2-percent tax on all business transactions, that are constitutional.
13. What becomes of the fund thus accumulated?	It goes into the Treasury of the United States and may be invested in Government tax-exempt bonds until Jan. 1, 1942.	It goes into a special "General welfare fund" of the U. S. Treasury, for the payment of annuities, and for no other purpose.
14. How will these funds be paid to those entitled to annuities?	The tax-exempt bonds would then be sold to provide the amounts appropriated; or more tax-exempt bonds be created, on which you will be taxed to pay interest.	Paid out in $200 maximum annuities every month to our civil veterans, to stabilize both business and employment.
15. Must I give up my property, or income from investments, in order to become eligible for the annuity?	No—but you must be retired from gainful occupation. Should you continue working after age 65 no further tax will be collected, and your annuity will not increase when you finally apply for it. It comes to you regardless of whether you own property or other income.	No—if you retire from gainful occupation, the $200 maximum a month annuity is yours, regardless of what property or other income you have, upon filing the regular application.
16. How long after reaching retirement age will the veteran live to enjoy the annuity?	Insurance-company expectancy gives 3 to 9 years	Insurance-company expectancy gives 8 to 14 years. This life expectancy should be increased, owing to the possession of financial resources, which will decrease privation and worry, and make it possible to have and pay for the services of doctors, dentists, nurses, etc., to safeguard health.
17. Will it do away with income, gift, nuisance, relief, dole, and other taxes?	No—but will in all probability increase taxes	Yes—in a few years through the operation of the transaction tax, it should provide all the money needed for the annuities, the national debt, and later for the normal annual expenses of the Federal Government, thereby making possible the repeal of all unjust present-day taxes.
18. How can I tell what my annuity will be?	The following table will enable you to estimate it approximately: Based on number of years you work before you reach age of 65:	$200 maximum a month at age 60 and over. (See questions 4 and 5.)

Average monthly wages of—	Monthly annuities					
	5 years	10 years	15 years	20 years	30 years	45 years
$50	$15.00	$17.50	$20.00	$22.50	$27.50	$35.00
$100	17.50	22.50	27.50	32.50	42.50	53.75
$150	20.00	27.50	35.00	42.50	53.75	65.00
$200	22.50	32.50	42.50	51.25	61.25	76.25
$250	25.00	37.50	50.00	56.25	68.75	85.00

Surplus earnings above $250 a month are not taxed.

19. What are the chances of holding or obtaining a job, after I reach the age of 40?	The odds are regarded now as 4 to 1, or more, against you. Therefore, that portion of table (question 18) below and to the right of heavy lines will apply to very few persons.	The odds will be in your favor, since practically all workers over 60 will retire. The act is flexible, as the age limit can be moved down to 55 or lower, whenever necessary, to stabilize employment.
MEMO.—Harry L. Hopkins, Works Progress Administrator, predicts according to press reports of Jan. 25, 1937, "that the outlook for this year is 6,500,000 to 7,500,000 unemployed. For the more distant future, when prosperity levels materially exceed those of 1929, it appears probable that 4,000,000 to 5,000,000 unemployed will be the minimum. This minimum can be expected to increase with each recurring depression, and depressions appear as an unavoidable feature of the present economic order in this country."		Under the proposed General Welfare Act of 1937, unemployment, poverty, and depressions can be abolished.
20. What about unemployment insurance, and what benefits do the unemployed receive?	Under Social Security Act, employers of 8 or more pay 1 percent wage tax to create a reserve fund. Unless your State has adopted a law cooperating with the Social Security Administration you get no benefits.	No unemployment insurance needed. Jobs for all.

Mr. Speaker and Members, I would call your attention to the following:

The fundamental principles underlying the general-welfare act are now, and have been for years past, applied by the Federal, State and local governments in providing retirement annuities for employees in the postal and civil service, policemen, firemen, teachers, and so forth, and by a great many banks and industrial concerns.

These employees pay 2 to 3½ percent of their salaries into a retirement fund, and after the retirement age, 60 to 65, receive $100 to $200 a month annuity, or more.

The majority of citizens do not realize that although they do not benefit therefrom, they are all contributing to the payment of these annuities for these favored groups—for public servants, through hidden taxes; and for industrial employees, through higher prices paid for goods purchased.

For example, under present conditions, the unfavored groups, consisting of lawyers, doctors, dentists, teachers, druggists, grocers, bakers, farmers, housewives, and many others, serve long hours daily for many years. They pay for a very large number of these annuities, either in taxes or in the purchase of goods; but, when they reach retirement age, no annuity is provided for them, except in the proposed general welfare act which includes every civil veteran, man or woman, at age 60, who qualify under the law.

Would not it be just as unfair to compel the favored groups, above mentioned, to pay the major part of the premiums on the life-insurance policies carried by the unfavored groups? The general-welfare act has no favored groups but includes every civil veteran, man or woman, at age 60, who qualify under the law.

Will the unfavored groups continue to pay the cost for the major part of the annuities of the favored groups, or will they demand that the general-welfare act be promptly enacted into law, so that all American citizens shall be treated alike and be provided with a retirement annuity if and when applied for, at age 60, or over.

From current report of Bureau of Internal Revenue regarding 1934 Federal income-tax collections:

Individuals with incomes of less than $5,000 per year, paid 61 percent of the total income-tax collections. Individuals with incomes of less than $50,000 per year, paid 32 percent of the total income-tax collections. Those with incomes over $50,000 and less than $1,000,000, paid 1 percent of the total income tax collections. Those with incomes of $1,000,000 or more, 33 individuals, paid 6 percent of the total income-tax collections.

You see, Mr. Speaker, under the present system 93 percent of the income taxes are paid by people of small and moderate means. Taxation, therefore, is a problem for everybody, especially those interested in equity.

Under the general-welfare act the taxes are automatically distributed on rich and poor alike.

The National Industrial Conference Board estimates that taxes at the 3-percent rate under the Social Security Act, if applied to 1929 on salaries and wages of included industries, covering 26,000,000 workers, would have amounted to $1,019,000,000. Based thereon, if all adults, including housewives, 60,000,000 workers, were covered, as they should be, the tax cost would approximate $2,300,000,000, with annuities beginning at age 65.

Under the general-welfare act, beginning at age 60, all are covered, and the tax cost would be a monthly revolving fund of approximately $1,600,000,000.

It is safe to say that had the general-welfare act been in effect during the year 1936, the 10,000,000 unemployed would have had jobs, and the results could have been approximately as follows:

Actual transactions per reliable sources, $900,000,000,000; new business created by general-welfare annuities, $211,000,000,000; new business created by unemployed being restored to jobs, $198,000,000,000; total, $1,309,000,000,000.

At 2 percent the tax revenue thereon could have been $26,000,000,000, and the excess revenue, after payment of the $19,000,000,000 for general-welfare annuities, could have reduced our national debt by paying off and retiring $7,000,000,000 of tax-exempt Government bonds, thereby saving millions of dollars of interest charges.

Once the general-welfare act is thoroughly understood, I believe, no matter what price level may be eventually adopted, the general-welfare act will provide social security, old-age comfort, freedom from worry and privation, will stabilize employment, render tax justice, create adequate and continuous circulation of money, and provide a shock absorber which will stabilize production and consumption against speculative booms and demoralizing depressions.

In conclusion, Mr. Speaker, permit me to state to those who may think the 2-percent transaction tax will pyramid costs to the detriment of the consumer, I wish to call your specific attention to the hearings of the Senate Committee on Finance held between May 14 and May 21, 1921, on the Internal Revenue Act of 1921, which show a rather complete break-down on just what the reaction from a consumer point of view would be with a 1-percent turn-over tax. These hearings are available at either the Senate Committee on Finance or at the Congressional Library, and demonstrate beyond a question of a doubt the feasibility of the 2-percent transaction tax as is advocated in the general-welfare act, H. R. 4199.

In my opinion, the basis of our present tax system is not equitable, too much complication, too expensive, and too little understood by the taxpayers as a whole. Taxes should be levied on the dollar volume of business transactions—not on the property one owns. In other words, taxes should be levied according to ability to pay.

THIS IS WHY

Now, a farmer is taxed on the estimated value of his farm, buildings, stock, and equipment. The amount of taxes remains practically the same, whether he has good crops, poor crops, or crop failure. In the last case, if he cannot pay, penalties are added to make sure he will lose his farm.

Under the general welfare act tax plan when he has a good crop he pays good taxes; poor crops, less taxes, and therefore the theory of equity is carried out.

Now, a home owner is taxed on the estimated value of his house, lot, and equipment. The amount of taxes remains practically the same, whether he has a good job, a poor job, or no job. In the last case, if he cannot pay, penalties are added to make sure he will lose his home.

Under the general welfare act tax plan, when he has a good job, he pays a good tax; a poor job, less tax; and again the theory of equity is carried out.

Now a businessman is taxed on the estimated value of his plant, fixtures, inventory, and property. The amount of taxes remains practically the same whether his business is good, fair, or poor, and in the last case, if he cannot pay, penalties are added to make sure he will lose his business.

Under the general welfare act tax plan, this businessman would have a great deal better opportunity to pay his taxes upon an equitable basis and at all times not endanger his property through inability to produce taxes under adverse financial circumstances.

We all know that real-property taxes are levied on the estimated value of property based on the opinion of the assessor, whereas, there should be no guesswork or changeable basis such as an estimated value. The tax should be based on the gross income in dollars and cents. No estimating, no disputes, easy to collect, because we pay as we go.

Under the general welfare act tax plan all taxes are based on the actual sale in dollars and cents on the volume of business transacted—not on estimated values of property—thereby safeguarding the farmer, the home owner, the businessman, as well as all owners of property of every kind, real or personal. Also, it sets up a tax system which no one should want to evade since it also acts to provide retirement annuities for each of us when we reach the age of 60.

Under existing conditions, it is common knowledge to insurance companies, that, of 100 men starting out in life on even terms, when they reach age 60, only 6 will be independent and earning more than $200 per month, 34 will have died, and the remaining 60 will be more or less dependent on relatives, friends, or charity. No one knows in advance in which group he will be at age 60, in the lucky 6 or the unlucky 60. Therefore, it is clear that very few would attempt to evade the transaction tax, and the general-welfare act would be practically self-enforcing.

Mr. Speaker and Members of the House, I do not want you for one moment to consider that this general-welfare

act is a fallacy. This administration has been sympathetic toward the men and women of the lower brackets who have suffered financial adversities through our unbalanced economic structure. This House has voted pensions to the Supreme Court Justices, to the widows of veterans, to veterans, and to many others, as we all know, and there is no legitimate reason in the world why we should overlook the men and women of this country who have made everything possible that you and I are enjoying today. These people have been forced into a degree of financial decrepitude where mere bankruptcy could be considered affluent and I feel it is the duty of this Congress to pass legislation that will give to the men and women 60 years and over in this country a degree of security in the few remaining years they have left that they all have earned beyond a question of a doubt.

I wish to thank you for the time and consideration you have given me.

Labor Wants Them

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

LETTER FROM MR. LEWIS G. HINES, DIRECTOR OF ORGANIZATION, AMERICAN FEDERATION OF LABOR

Mr. STACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by Mr. Lewis G. Hines, director of organization, American Federation of Labor, addressed to all members of the American Federation of Labor in the Philadelphia district:

AUGUST 3, 1937.

To all members of the Federation of Labor in the Philadelphia district:

After careful consideration of the political situation in Philadelphia, and at the behest of a number of prominent labor leaders and close personal friends in the Philadelphia district, I am happy to state that the Honorable Michael J. Stack, whose political labor record is 100 percent, he having voted favorably in every instance on measures in which the American Federation of Labor was interested, has gathered around him a group of candidates for the row offices, judges, magistrates, and constables, whose records are very favorable to organized labor, and who have pledged themselves to Congressman STACK and whose pledges I now have before me, indicating their favorable attitude toward labor and assurances that they will, when nominated and elected, support labor's aims and purposes.

I am particularly happy to give this personal endorsement, and on behalf of the American of Federation of Labor committee, which has been appointed to further the interests of this program in the Democratic primaries, to urge all members and friends of organized labor to support Congressman STACK and his candidates because they are not controlled by any political machine, and will be the free choice of the electorate of Philadelphia County in the primaries.

LEWIS G. HINES,
Director of Organization, American Federation of Labor.

Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 3 (legislative day of Thursday, July 22), 1937

EDITORIAL IN THE WASHINGTON EVENING STAR

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Washington Evening Star of August 2, 1937, on the subject of the bill passed by the Senate a few days ago relative to wages and hours.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 2, 1937]

CONSERVATISM IS BEST

No recent legislation which has reached a vote in the Senate has so plainly reflected the skepticism of its backers as the wage and hour bill. Many of those who helped to pass it on Saturday afternoon had previously voted to recommit. They were plainly torn between the desire to see some wage and hour legislation enacted and the widely held sentiment that such important legislation should be studied more carefully. The move to recommit having been lost, they took what was left, with the pious hope that mistakes which reveal themselves can later be corrected.

But if the wage and hour law advocates in the House seize on the healthy victory in the Senate as opportunity to liberalize the bill's provisions by hiking the minimum wage standards from 40 to as high as 70 cents an hour and reducing the workweek standards to as low as 35 hours, they will make a great mistake. The most moderately drawn wage and hour legislation is going to be difficult of enforcement. Its effects, especially on some of the small employers in certain sections of the country, notably the South, are doubtful. One of the reasons for the dismal break-down of the N. R. A. before the law's invalidation was the failure to take sufficiently into account the differentials in prevailing wages and living standards in various parts of the country. The same problem confronts a successful administration of the new wage-and-hour legislation.

If the law is in the beginning made too sweeping, if there is too sharp an increase from prevailing to new minimum wage standards, or too sharp a decrease in permissible hours of labor per week, this attempt to lift wages may bog down under the same difficulties that brought failure to N. R. A. Those who favor the measure in principle in the House and are anxious that a start be made by enactment of legislation at this session will do well, in the interest of the new experiment, to aim at as conservative a bill as possible.

There were two interesting demonstrations in the Senate vote on Saturday for wage and hour legislation. One was that the President's defeat on the court-packing plan has not cost him the continued support of a Senate majority in the enactment of "liberal" legislation. Some of the outstanding Senate liberals who led the successful fight to bury the court-packing plan were with the President in his wage and hour legislation and will be with him in the future. They did not desert the President in the Court fight. What they did do was to hold fast to their principles.

The other demonstration was in support of the growing recognition in every quarter that child labor in the country is on its way out. Failure of the child-labor amendment to receive the necessary support in State legislatures must be attributed to other elements than opposition to the outlawry of child labor. Enactment of the wage and hour legislation will hasten the end of child labor as it has been known in the past, and there is no lack of public sentiment that this shall be done.

Taxation and Government Expenditures

EXTENSION OF REMARKS

OF

HON. CHARLES D. MILLARD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

MEMORANDUM OF TAX RECEIPTS FOR 1937

Mr. MILLARD. Mr. Speaker and my colleagues, it is most important in my opinion that the Congress adjourn as soon as possible. The country needs a rest, business needs a rest, and God knows we need a rest. To show the enormous increase in taxation on corporations I include in my remarks a communication from a distinguished citizen from my district, Howard Whittemore, president and treasurer of Parsons & Whittemore, Inc., 10 East Fortieth Street, New York City.

PARSONS & WHITTEMORE, INC.,
New York, July 28, 1937.

Hon. CHARLES D. MILLARD,
House of Representatives, Washington, D. C.

DEAR MR. MILLARD: It occurred to me the other day that I wanted a list made up of the various taxes which my company has to pay and the dates on which payment has to be made.

When that list was presented to me it gave a better idea of the enormous amount of taxes which the company has to pay,

although I was very conscious that our taxation had been increased by leaps and bounds during the last 2 or 3 years.

I can hardly believe that our legislative bodies realize not only the extent to which they are taxing corporations, but also the great expense every corporation has to assume in order to get up the many reports which the Government asks for. It means money not only to pay these taxes but to keep the records and make up the reports for them, and to my mind there is no question of greater importance to the country at large than the curtailment of governmental expenses and the reduction of taxation.

If a small company such as the one of which I am president has to pay taxes as enumerated, what can it amount to with a big corporation. A friend of mine who is president of one of the large corporations in the country told me that certain requirements of the Government in the way of reports which were asked for had cost his company millions of dollars to produce simply in wages and other expenses entailed.

Our company has no real estate, so that all real-estate taxes which many companies have would have to be added to this list, and probably there are others which we do not know of.

It seems to me that anything that can be done by our public officials to relieve this burden should have their most earnest consideration.

Yours very truly,

PARSONS & WHITTEMORE, INC.,
HOWARD WHITTEMORE, *President.*

MEMORANDUM OF TAX REPORTS FOR 1937

Must be filed on or before—

January 15: New York city sales tax, 3 months previous—form 12 STX.

January 15: New York State old-age pension, month previous—send form UI–CI and check.

January 15: New York State old-age pension, 3 months previous—form U1–C54.

January 31: Federal old-age pension, 3 months previous—form SS–2—SS–2a.

January 31: Federal unemployment—previous month—send form SS–1 and check.

January 31: Federal tax, pay a/c, form 948.

February 15: Federal information—forms 1099–1096.

February 15: New York State information—forms 106–105.

February 15: New York State old-age pension, month previous—send form U1–C1 and check.

February 28: Federal unemployment, previous month—send form SS–I and check.

March 15: Federal income tax—form 1120 and pay tax.

March 15: New York State old-age pension, month previous—send form U1–C1 and check.

March 31: Federal unemployment, previous month, send form SS–1 and check.

April 15: New York city sales tax, 3 months previous—form 12 STX.

April 15: New York State resident, no. 103 with check—if nonresidents are doubtful to pay direct.

April 15: New York State old-age pension, month previous—send form U1–C1 and check.

April 15: New York State old-age pension, 3 months previous—form U1–C54.

April 30: Federal old-age pension, 3 months previous—form SS–2—SS–2a.

April 30: Federal unemployment, previous month—send form SS–1 and check.

April 30: Federal tax, pay a/c—form 948.

May 15: New York State franchise form 3–IT.

May 15: New York State old-age pension, month previous—send form U1–C1 and check.

May 30: Federal unemployment, previous month—send form SS–1 and check.

June 15: New York City gross receipts—form 8–B.

June 15: New York State old-age pension, month previous—send form U1–C1 and check.

June 15: Pay Federal income tax.

June 30: Federal unemployment, previous month—send form SS–1 and check.

July 15: New York City sales tax, 3 months previous—form 12–STX.

July 15: New York State old-age pension, month previous—send form U1–C1 and check.

July 15: New York State old-age pension, 3 months previous—form U1–C54.

July 15: Federal old-age pension, 3 months previous—forms SS–2, SS–2a.

July 31: Federal unemployment, previous month—send form SS–1 and check.

July 31: Federal capital stock form 707 and pay tax.

July 31: Pay Federal tax a/c, form 948.

August 15: New York State old-age pension, month previous, send form U1–C1 and check.

August 31: Federal unemployment, previous month—send form SS–1 and check.

September 15: New York State old-age pension, month previous—send form U1–C1 and check.

September 15: Pay Federal income tax.

September 30: Federal unemployment, previous month—send form SS–1 and check.

October 15: New York City sales tax, 3 months previous—form 12 STX.

October 15: New York State old-age pension, month previous—send form U1–C1 and check.

October 15: New York State old-age pension, 3 months previous—form U1–C54.

October 15: Federal old-age pension, 3 months previous—form SS–2, SS–2a.

October 31: Federal unemployment, previous month—send form SS–1 and check.

October 31: Federal tax a/c form 948.

November 15: New York State old-age pension, month previous—send form U1–C1 and check.

November 30: Federal unemployment, previous month—send form SS–1 and check.

November 30: Report to State Department Corporation Bureau, Albany, of any stock issued or subscribed after June 30 of each year and prior to November 1 (must be reported within 30 days after Nov. 1).

December 15: Pay Federal income tax.

December 15: New York State old-age pension, month previous—send check and form U1–C1.

December 31: Federal unemployment, previous month—send form SS–1 and check.

Washington Airport—Serious Question of Safety That Must Be Settled Now—Military Road, Agricultural Experiment Station, and Other Factors Involved

---

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

Mr. MAVERICK. Mr. Speaker, for a great many years we have discussed the necessity of having a good airport for the city of Washington. The present site is considered by some to be dangerous, because of different factors.

Recently a bill was introduced concerning the problem by Mr. MAY, of Kentucky. After several meetings the Military Affairs Committee agreed upon an amendment by Mr. WILCOX, of Florida, which, in outline, is as follows:

First. Authorization for Secretary of War to lease the Military Road to the National Airport Corporation for a period not exceeding 25 years, for the consideration of $25,000.

Second. An authorization of appropriation of the necessary sum, but not to exceed $25,000, for the construction of a new road for Arlington, Va.

Third. Authorization and direction for Secretary of Agriculture to lease 53 acres upon "such terms and conditions as he may prescribe." This means that the land would not be leased to the National Airport Corporation unless acceptable terms could be made with the Secretary of Agriculture.

Mr. WILCOX's amendment practically revamped the original bill. It is attached below. Mr. WILCOX also wrote a report for the committee, which I insert by unanimous consent:

TO PROMOTE AIR COMMERCE BY PROVIDING FOR THE ENLARGEMENT OF WASHINGTON AIRPORT

Mr. WILCOX, from the Committee on Military Affairs, submitted the following report:

The Committee on Military Affairs, to whom was referred the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, having considered the same, report thereon with the recommendation that it pass with the following amendment.

(Suggested amendment, which is in effect a completely new bill, appended below.)

PURPOSE OF LEGISLATION

The object of this legislation is to make available to the corporation now owning and operating Washington Airport that part of Military Road which traverses the present airport and in exchange for the use of said tract of land to require of the corporation payment of a sum of money which it is estimated will construct a substitute road for the use of the public. The bill also seeks to make available for airport

purposes a tract of land containing approximately 53 acres immediately adjoining the existing airport and which is now occupied by the Department of Agriculture and used for an experiment farm.

NECESSITY FOR THE LEGISLATION

The Washington Airport is probably more conveniently located than any airport serving any large city in the United States. For many years this airport was adequate for the needs of aviation but in recent years, with the rapid development of the larger type of transport plane, the present facilities have become entirely inadequate.

The present transport plane requires runways of approximately 5,000 feet for safe landing and safe take-off. So long as the smaller-type planes were in general use the Washington Airport was adequate to serve the needs of the air lines, but as the size of planes has increased the need for expansion has become more acute.

TRANSPORT PLANES MUST CROSS MILITARY ROAD

Military Road, owned by the War Department, originally formed the boundary of the airport, but more recently since the installation of the larger type of transport planes the runways for the airport have been extended beyond Military Road so that the present transport planes landing at or taking off from the airport are forced to cross this road, which has now become a part of the runways of the airport.

To guard against possible accidents and collisions between landing airplanes and automobiles using Military Road, traffic lights have been established on each side of the landing field and attendants have been stationed at these points upon the road to stop traffic at such times as planes are landing or taking off at the field.

Occasionally, however, in spite of the most modern equipment and in spite of the diligence of attendants there have been instances where a catastrophe has been narrowly averted.

CONDITIONS DANGEROUS—PUBLIC ALARMED

So dangerous has this condition become that pilots operating transport planes in and out of the Washington Airport have vigorously protested, and the traveling public have become alarmed as to their safety in landing at or taking off from the Washington Airport. It is feared that unless Military Road is permanently closed to traffic a major catastrophe may occur on the landing field at the airport.

Also with the increase in the size of transport planes using the airport the field has become inadequate because under certain conditions of weather and wind planes cannot land because of the lack of adequate runways permitting the landing in the direction of the prevailing winds. It is essential, therefore, to the safety of the planes patronizing the port not only that Military Road be permanently closed but also that additional lands adjoining the airport shall be made available for cross runways.

DEPARTMENT OF AGRICULTURE—EXPERIMENTAL FARM

The Department of Agriculture owns the tract of land immediately adjoining the air field to the west and is now occupying and using it for the purpose of conducting an experimental farm thereon. Those in charge of the airport are agreed that at least 53 acres of this land is essential to the establishment of east-west runways.

The bill (H. R. 7985) as originally introduced provided for the conveyance of Military Road by fee simple deed to the airport corporation and the leasing of the 53 acres by the Department of Agriculture for an annual rental of $1.

The Committee on Military Affairs, after extensive hearings and consideration of the matter, has determined that the present solution of the problems of the airport lies in the leasing of Military Road and the 53 acres now occupied by the Department of Agriculture.

MILITARY ROAD—PEOPLE OF ARLINGTON COUNTY

The people of Arlington County, Va., have insisted that since Military Road has been open and used by the public for many years it should not be closed unless and until some provision is made for a substitute road. The Committee on Military Affairs believes that there is considerable merit in this contention and has therefore provided by amendment to the bill that the Secretary of War may lease Military Road to the airport corporation for 25 years for a sum of money which will be adequate to install and construct a necessary substitute public road.

The bill therefore provides for the payment of a lump sum of $25,000 in advance for a 25-year lease upon the road. The bill authorizes the appropriation of $25,000 to be paid to the Board of Commissioners of Arlington County, or so much thereof as may be necessary for the construction of the substitute road.

FACTORS INVOLVED IN LEASING DEPARTMENT OF AGRICULTURE LAND

The committee has made no effort to prescribe in the bill the amount of money which shall be exacted by the Secretary of Agriculture for the lease upon the 53 acres of land now occupied by his Department for an experimental station. The committee realizes that many factors must be considered in determining the amount of rental to be charged and the terms and conditions to be inserted in any lease to be negotiated for this particular tract of land.

The committee therefore thought it wise to authorize the negotiation of such a lease but to leave the matter in the discretion of the Secretary of Agriculture as to the terms and conditions of the lease and the annual rental to be charged therefor. If the Secretary is unable to agree with the airport corporation either upon the terms and the conditions of the lease or the amount of the annual rental, then, of course, the lease will not be negotiated.

TWO AIRPORTS NECESSARY FOR WASHINGTON

In reporting this bill the Committee on Military Affairs has not attempted to solve the many and perplexing questions which have arisen relative to the establishment of an airport for the city of Washington. Numerous hearings have been held before committees of Congress and a commission has been appointed to determine the location of appropriate permanent airports. There are many who believe that because of the enormous air-transport business in and out of the city of Washington the time is rapidly approaching when the needs of the city will require the maintenance of two airports. It is thought that the city should have one airport close to business houses, hotels, and governmental departments, at which those airplanes operating between Washington and nearby points would land and take off. It is thought that for through traffic, or airplanes arriving from and departing to distant points, there should be a second airport located at some distance from the city. The Committee on Military Affairs realizes that the decision of these questions is outside its jurisdiction and it has made no attempt to include these matters in the present bill.

CONSIDERATION GIVEN TO GOVERNMENT OWNERSHIP OF AIRPORT

During the course of the hearings a number of witnesses advanced the idea that the United States Government should own and operate the airport or airports serving the city of Washington. This question likewise is one which wil require considerable thought and in the decision of which months will probably be consumed.

The committee realizes also that there are other hazards connected with the Washington Airport which will not be solved by the present bill. Among these is the existence of the radio towers to the west of the present field. These hazards will continue to exist even after Military Road shall have been closed and the 53 acres shall have been made available for cross runways.

IMMEDIATE ENACTMENT ATTEMPTS TO REMOVE HAZARDS

The committee, however, has undertaken to remove what it regards as the principal hazard at the airport and has provided what it believes is a fair and reasonable solution of the problem incident thereto. The immediate enactment of this bill will authorize the leasing of Military Road and the immediate closing of that artery of traffic and will thereby remove probably the most dangerous feature connected with the present airport.

The leasing of the 53-acre tract will permit the installation of an additional cross runway, and the two taken to-

gether will, for the time being at least, make the Washington Airport as safe as it may be made by the enactment of legislation.

At a subsequent session, when more time is available for appropriate committees to consider and work out the details of legislation, the questions of establishing an additional airport, the Federal ownership of all airports, and the removal of nearby hazards may all be fully considered, but in the meantime the enactment of this bill will remove the present more dangerous features of the Washington Airport and render it safe for the traveling public.

FULL TEXT OF AMENDMENT CONSTITUTING NEW BILL, FOR WASHINGTON AIRPORT

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Secretary of War is authorized and directed to lease to the National Airport Corporation, a corporation organized under the laws of the State of Delaware for airport purpcses, under such terms and conditions as he may prescribe, for a period not exceeding 25 years, and only for such period as the same shall be used for airport purposes, at a rental of $25,000, payable in advance, the lands forming that part of Military Road, Fort Myer Military Reservation, Arlington County, Va., described as follows: Beginning at a point on the easterly line of the Arlington Reservation north 16° west 75.29 feet from the stone marking the southeast corner of said reservation; thence with said easterly line of said reservation north 16°00′ west 71.73 feet; thence north 85°35′ east 263.25 feet, thence by a curve to the right of 608.7 feet radius, 336.42 feet; thence south 62°45′ east 1,253.11 feet; thence by a curve to the left of 406.7 feet radius 454.27 feet; thence north 53°15′ east 32.09 feet to a point; thence south 31°27′ east 8.96 feet to the northwest corner of the right-of-way of the Virginia approach to the Highway Bridge, thence with the westerly line of said right-of-way south 20°55′ minutes west 110.91 feet; thence south 66°15′ west 45.85 feet; thence by a curve to the right of 476.7 feet radius 424.3 feet; thence north 62°45′ west 1,253.11 feet; thence by a curve to the left of 538.7 feet radius, 297.73 feet; thence south 85°35′ west 247.63 feet to the point of beginning. The above-described parcel of land comprises a strip of land 70 feet in width, the center line of said 70-foot strip being coincident with the center line of the highway from the Highway Bridge to Arlington National Cemetery, and contains 3.7165 acres of land, more or less.

SEC. 2. There is hereby authorized to be appropriated such sum as may be necessary, but not to exceed $25,000, to be paid to the Board of Commissioners of Arlington County, Va., for the construction of a public road as a substitute for that portion of Military Road authorized to be leased to the National Airport Corporation.

SEC. 3. The Secretary of Agriculture is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 25 years, and only for such period as the adjoining lands shall be used for an airport, at such annual rental as the Secretary of Agriculture and the said National Airport Corporation shall agree upon, that part of the lands (originally known as the Arlington Plantation and commonly known as the Arlington Experimental Farm) lying east of the Washington & Southern freight branch of the Pennsylvania Railroad, containing 53 acres, more or less.

Warren Joseph Duffey

MEMORIAL ADDRESS
OF
HON. ARTHUR P. LAMNECK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN JOSEPH DUFFEY, late a Representative from Ohio

Mr. LAMNECK. Mr. Speaker, gently as he had lived, WARREN JOSEPH DUFFEY, Democratic Representative from Toledo, Ohio, passed to the Great Beyond on July 7, 1936, after having served almost two terms in Congress.

Elected as Representative from the Ninth District, Ohio, to the Seventy-third Congress, Mr. DUFFEY served his district so well that he was reelected to the Seventy-fourth Congress. During his first term he was appointed to the Committee on the Judiciary of the House of Representatives. Combining a judicial mind with a kindly and genial personality, Mr. DUFFEY was a valuable addition to this committee on which he served till the time of his death.

His untimely death was a severe blow to his constituents and friends, who regretted the loss not only of an esteemed public servant but also of a devoted friend.

There is no greater proof of the immortality of the soul than that his friendly and lovable personality is reflected in the hearts of his widow, their three sons and three daughters; and in the hearts of hundreds of men in public affairs who bathed in the warmth of his geniality and whose path was made brighter by his ready smile during those hectic days of economic and social readjustment.

Connecticut River Flood Control—Compact Between States

EXTENSION OF REMARKS
OF
HON. WARREN R. AUSTIN
OF VERMONT
IN THE SENATE OF THE UNITED STATES

Wednesday, August 4 (legislative day of Thursday, July 22), 1937

STATEMENT OF THE COMMISSIONERS ON THE PART OF VERMONT

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by the commissioners on the part of Vermont with respect to Senate Joint Resolution 177, granting the consent of Congress to the compact between the Commonwealth of Massachusetts and the States of Connecticut, New Hampshire, and Vermont, relating to flood control in the basin of the Connecticut River.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RUTLAND, VT., *July 27, 1937.*

Hon. WARREN R. AUSTIN,
Hon. ERNEST W. GIBSON,
Hon. CHARLES A. PLUMLEY,
Washington, D. C.

GENTLEMEN: Because of various articles appearing in the newspapers concerning the proposed resolution of Congress entitled "Senate Joint Resolution 177", granting the consent of Congress to the compact between the Commonwealth of Massachusetts and the States of Connecticut, New Hampshire, and Vermont, relating to flood control in the basin of the Connecticut River, and wherein opposition is indicated from certain sources, the undersigned, the commissioners who negotiated the compact as the representatives of Vermont, and by authority of the legislative act of Vermont ratifying the compact who executed the same in its name, deem it best to submit for your information the following statement to clarify any misunderstanding or misconception which apparently exists in connection with the scope and effect of the proposed compact.

All of you will recall the disastrous flood which Vermont suffered in November 1927. Subsequently a commission was authorized to investigate and report on the subject matter of flood control in Vermont, and considerable studies were made of the various streams located wholly within the State, and a report filed with the Governor and the public service commission. Somewhere about this same time the engineers of the War Department began studies of the various streams, particularly the Connecticut River and its tributaries, which ultimately resulted in the reports, data, and recommendations contained in House Document No. 412 of the Seventy-fourth Congress, second session.

Ultimately there was introduced in Congress the so-called omnibus flood-control bill, sometimes called the Copeland bill (H. R. 8455), which provided for a comprehensive scheme of flood control covering a great many projects therein described, which bill, after amendment, was subsequently enacted by Congress and approved by the President on June 22, 1936, and is known as No. 738 (74th Cong.), entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes."

In the meantime, and while the Copeland bill was pending before the Senate Commerce Committee, a resolution was introduced by Representative CITRON, of Connecticut, known as House Joint Resolution 377, "To enable the States of Maine, New Hampshire, New York, Vermont, Massachusetts, Rhode Island, and Connecticut to conserve and regulate the flow of and purify the waters of rivers and streams whose drainage basins lie within two or more of the said States.

This resolution granted the consent of the Congress to the States named in the title "to negotiate and enter into agreements or compacts for conserving and regulating the flow, lessening flood damage, removing sources of pollution of the waters thereof, or making other public improvements on any rivers or streams whose drainage basins lie within any two or more of the said States."

Hearings were held before the Judiciary Committee of the House of Representatives on this resolution, and as a result of the hearings the scope of the resolution was enlarged so that its terms were extended further to include the States of Pennsylvania, West Virginia, Kentucky, Indiana, Illinois, Tennessee, and Ohio.

The Senate Commerce Committee reported H. R. 8455 "authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", with an amendment which comprehended striking out all of the House bill and inserting an entirely new bill, section 4 of which granted the consent of Congress to any "two or more States to enter into compacts or agreements in connection with any project or operation authorized by the act for flood control, or the prevention of damage to life or property by reason of floods upon any stream or streams and their tributaries which lie in two or more such States", but further providing that "no such compact or agreement shall become effective without the further consent or ratification of Congress, except" under conditions which do not prevail here.

The reservoir system for the control of floods in the Connecticut River Basin was one of the projects included within the terms of the Copeland bill as amended and enacted.

At the hearing before the Judiciary Committee of the House on House Joint Resolution 377, the Governors of each of the States named in its original title were officially represented, and all urged passage of the bill, as did also representatives of the War Department engineers, National Resources Board, Forestry Department, Bureau of Health, and Bureau of Fisheries.

See Report of Judiciary Committee, No. 2626, Seventy-fourth Congress, second session.

In favorably reporting House Joint Resolution 377 (the Citron resolution) the Judiciary Committee, among other things, said:

"The testimony before the committee showed that one State alone could not arrange for a system of flood prevention or elimination of pollution of the Connecticut River, one of the three rivers.

"There will have to be a series of compacts or agreements to consider this subject, and possibly one or more commissions to comprehensively study and prepare solutions and control and govern the improvements after they are completed."

And further:

"House Joint Resolution 377 grants the consent of Congress for the States, or any two of them, to negotiate and enter into agreements or compacts for regulating the flow, lessening flood damage, removing sources of pollution, and making other improvements on any streams.

"Such consent of Congress at this time is an expression of its interest in the subject matter and is an invitation to the States to avail themselves of this constitutional method of settling interstate problems pertaining to flood control and elimination of pollution. In recent years Congress has passed many resolutions authorizing interstate compacts. The preliminary consent has usually set forth the general purposes and scope for a guidance to the States in their negotiations for compacts. The committee believes in mentioning the specific States in these two regions, because they have evinced a desire for this or have already prepared legislation or methods for entering into negotiations, and because of its psychological value upon the peoples of these regions.

"The States and the Federal Government are protected, because the resolution provides that such agreements shall not be binding upon a State unless ratified by its legislature, and upon the Federal Government unless ratified by Congress.

Summed up, the subject is explicitly stated by Prof. Felix Frankfurter and Mr. James M. Landis in the following words:

"* * * the compact idea should add considerably to resources available to statesmen in the solution of problems presented by the growing interdependence, social and economic, of groups of States forming distinct regions."

Likewise, the Senate Commerce Committee favorably reporting H. R. 8455 with the amendment referred to said among other things:

"H. R. 8455, authorizing the construction of certain public works on rivers and harbors for flood control and for other purposes, represents the first comprehensive effort definitely to establish a Federal policy with respect to flood control throughout the United States, and contains the first general legislation having this purpose in view.

* * * * * * *

"The committee has realized the difficulties which must accompany the execution of a flood-control project involving several States in securing proportionate cooperation from the States. But it has held that general legislation providing for Federal participation in flood-control projects should include a requirement for a substantial measure of local contribution in view of the local benefits which arise from the completed projects and to insure that no measure is undertaken without the full cooperation of local interests.

* * * * * * *

"The committee found it advisable to exclude from the bill certain reservoirs included in H. R. 3455, most of which are associated with power development, since the inclusion of such reservoirs in a bill devoted to flood-control measures would not appear appropriate."

As you are aware, the destructive floods in the eastern part of the country in the spring of 1936 very much enhanced the demand for flood control and was primarily the cause of the adoption of this legislation above referred to. The effect of the 1936 flood in Vermont, however, was very slight as compared to the effect of the 1927 flood. Nevertheless, in the hearings before the House Judiciary Committee and in the negotiations leading up to the present proposed compact, the position taken by Vermont was that while control of floods of the type of 1936 was not of so much importance to us, our experience in the 1927 flood was such that we realized the importance of flood control for the benefit of the States in the lower valley of the Connecticut River, and that if a program of flood control could be worked out that would relieve their situation, and at the same time not cause undue hardship upon our own citizens or impose too heavy a burden upon the State we should join in it.

Upon the passage of the Copeland bill, and at the request of the other States interested, the Governor of Vermont appointed a commission to confer with like representatives of the other States with respect to interstate control of the Connecticut River Basin in accordance with the terms of the Copeland act, and by means of a compact between the interested States if a suitable basis of agreement could be reached.

With the representatives of the other States this commission put in a great deal of time, study, and effort in an endeavor to work out a solution of this common problem, and many meetings were held as well as an inspection of various sites proposed by the War Department as a result of their study of the river and its tributaries.

In the early part of August 1936 President Roosevelt visited Vermont, New Hampshire, Massachusetts, and Connecticut, meeting the Governors and other representatives of each State in the course of his journey. While in Vermont he inspected the flood-control works at two places in the Winooski River Basin, and later a conference was had with him at the State House at Montpelier, where a report of progress in the negotiations looking toward an interstate compact for control of floods in the Connecticut River Basin was submitted to him, and the hope expressed that a way would be found whereby the States could arrive at a common understanding. The President evidenced a keen interest in the subject matter of flood control and a sympathetic understanding of the problem with which the States were confronted.

The negotiations were continued, hearings were held near the sites of the several proposed reservoirs throughout the fall months, and late in the fall or early winter, representatives of the several States began the work of formulating a proposed compact.

In the early part of 1937 at the suggestion of the Secretary of War, who advised that the President was deeply interested in the necessary agreement between the States and the Federal Government being effected at an early date, a conference was arranged between the Governors of the four States mentioned, namely, Massachusetts, Connecticut, New Hampshire, and Vermont, and other representatives of those States, with the Secretary of War, the Chief of Engineers, the division engineer, the district engineer, and other representatives of the War Department at Hartford, Conn., on March 8. Reports were made of the progress of the negotiations and the existing situation in respect thereto. At the urgent solicitation of the Secretary of War and the Chief of Engineers, the Governors of the four States directed their respective representatives to immediately confer and undertake to work out an agreement between the States concerning the subject matter, sitting continuously if necessary in order to formulate and present at the earliest date possible a definite and complete proposal for an agreement between the States that could be promptly submitted to their several legislatures for ratification. The Secretary of War and the Chief of Engineers tendered and furnished the services both of their engineering department and also of their legal staff, whose counsel, advice, and assistance was of incalculable benefit to the several commissioners in the performance of the task assigned to them.

At the conference referred to, the whole subject matter and scope of the omnibus flood-control bill, so far as it applied to the Connecticut River Basin, was exhaustively discussed and explored, with particular reference to the policy of the United States as to the type, character, and utilization of dam and reservoir structures for which any appropriation to carry out the terms of the Copeland Act on the part of the United States could be expended.

Early in the fall the representatives of the States had been advised that under the ruling of the War Department, funds available to carry out the provisions of the Copeland Act could be expended only for flood-control projects.

This policy was clearly and definitely restated by the Chief of Engineers, and, as we understand it, with the approval of the Secretary of War, and we were definitely advised that the United States would not consider the expenditure of any funds whatever for the construction of dual purpose reservoirs, either for power conservation or power development, at any of the sites of the projects proposed to be constructed; that insofar as the United States was concerned, it was interested only in flood-control reservoirs; that if in the development of a program devoted to that purpose it was considered by any State wherein such a reservoir might be located, that the proposed site presented possibilities of economic power development or water storage, such State should have the right to develop at its own expense any such inherent power site, always providing that the primary func-

tion of such reservoir should be for flood control, and that no State should be asked to forego the possibility of development for power purposes at any site which it felt would warrant the necessary expenditure by the State for that purpose. It was explained by the Chief of Engineers and his subordinates that the United States, at the request of any State in the design and construction of the dam and works to be constructed by and at the expense of the United States for flood control, would so design and construct the same as to make it adaptable to further development for power or storage purposes; that is, it would design and construct a wider base, heavier type structure, with proper and appropriate outlet works in order that it might be further developed for power purposes if the State should so desire, with the understanding that in such event, and should the State elect to avail itself of the power-development feature, such State should reimburse the United States for the extra cost of construction, and at its own expense provide the additional construction according to plans approved by the Secretary of War, always preserving the primary purpose of flood control.

With this determination and declaration of policy, in the first instance by Congress as indicated in the Copeland Act and the report of the Senate Commerce Committee accompanying it, above referred to; and secondly, by the Secretary of War and the Chief of Engineers as above outlined, the States interested had no part. They were invited by the terms of the Copeland Act itself and urgently solicited by the President, the Secretary of War, and the Chief of Engineers to enter into a compact for the purpose of carrying out the intent and purpose of the Copeland bill according to its terms and upon the conditions outlined therein, and by the further declaration of policy of the War Department as herein stated.

In absolute good faith they accepted this invitation. The representatives of the four States labored diligently for long hours, aided by the engineering and legal representatives of the War Department, to formulate a basis upon which they could mutually agree to recommend to their respective principals. The fact that four such highly individualistic States as those involved in this compact could reconcile their differences and arrive at a common basis for agreement, successfully negotiating what at times seemed almost insurmountable obstacles, and eventually unanimously propose a form of compact to the several legislatures of the respective States, would seem to be sufficient evidence of their good faith and sincerity of their intentions, and the conciliatory attitude with which they mutually approached such a difficult task.

Not only did the representatives of these States eventually produce an agreement in which they all could join, but they formulated a compact which met the approval of the War Department and its several representatives, and the declared policy of the Government in respect to the subject matter as then laid down. The legislatures of these four States, upon the recommendation of their respective representatives, who negotiated the compact, have all ratified the same, and the terms and conditions therein set forth.

Urgency and undivided attention to the subject was essential in order that the proposed compact could be placed before the several legislatures then in session, particularly the legislature of Vermont which was expected soon to finally adjourn.

In view of the opposition that has been voiced in interviews and other press articles that the compact and some of its terms, particularly as to the reservation to the States of the power potentialities at the sites of these reservoirs, there are several factors which should be kept clearly in mind. Some of them are as follows:

First. None of the proposed dam structures are located on any navigable stream, or "navigable waters of the United States." None of them are located upon any "navigable waters of the State." None of them are located on streams which in any way affect interstate or foreign commerce. Were the jurisdiction of the Federal Power Commission over nonnavigable waters unquestioned where a dam or other structure erected upon or across the same would affect the interests of interstate or foreign commerce, that condition does not exist with respect to the proposed dam and reservoir projects on the tributaries of the Connecticut River.

Second. Reference to the War Department will develop the fact that two of the proposed reservoir projects in Vermont, namely, North Hartland and Union Village, present no possibility of economic power development because of lack of any adequate storage capacity. The site at Victory offers possibility for the storage of water for release for the benefit of downstream plants. On the main Connecticut River above the Massachusetts line, the only substantial site now undeveloped is at Upper Fifteen Mile Falls, which is above any proposed flood-control reservoir described in the compact. Two other possible minor developments on the main river above the Massachusetts line, but now undeveloped, are at Piedmont and Hart Island, but no flood-control projects are proposed on the main river at these sites or at any other, and so they would be wholly unaffected by the compact. Projects operated purely as flood-control reservoirs are of no value whatever for downstream power developments so far as generation of electricity is concerned. They are of incidental benefit only as they would similarly affect any other riparian owner by reducing the flood stage and thereby reducing flood heights and volumes, which otherwise might cause damage.

Third. Not a single dollar of the funds of the United States used for the construction of the dams in question under this compact, nor of the funds provided by the Connecticut River flood-control commission created by the compact, is or can be expended to develop power. They are restricted solely to the purposes of flood control, and, so far as the cost of construction or acquisition of lands and rights for power storage or power development is concerned, the State involved or some agency authorized by it must pay every dollar of the cost of developing power, and, so far as we are aware, there has never been any declared policy that the United States should receive the benefit of power resulting from expenditures made solely by some other agency.

Fourth. Should a site be developed for the additional use of power storage or power development, such utilization must be under terms and conditions agreed to by the Secretary of War with the particular State interested, according to the specific terms of the compact, which means, among other things, that no space in the reservoir for flood storage can be used for power storage, and, as above stated, the State interested must make the entire investment to make the site available for the additional use.

Fifth. Under the method provided in this compact to carry out the policy laid down in the Copeland bill, or Omnibus Flood Control Act, as interpreted and further declared by the War Department, stored floodwater is not to be held until the season of low river flow, but is to be discharged while the streams are still relatively high to the capacity of the river channel below to carry it away. In this respect the plan and policy comprehended in the Omnibus Flood Control Act differs from the program recommended in House Document No. 412, in that flood control as provided in the compact under the terms of the act referred to is to be attained by the dominant and sole use of all of the reservoir capacity paid for by the Federal Government and contributed by the compact States together.

Sixth. Assuming the jurisdiction of the Federal Power Commission over these nonnavigable waters to be unquestioned, nothing in the compact in any way undertakes to interfere with the exercise of such jurisdiction, if it exists. If the State desires to develop power on any of these nonnavigable rivers, and to do so requires a license from the Federal Power Commission, there is nothing in this compact which would relieve it from the obligation to procure such license, so that the argument that the compact invades the field of the Federal Power Commission is wholly without foundation in fact.

Thus it will be seen that the compact in fact and each of its provisions carries out both in letter and in spirit the policy declared in the omnibus flood-control bill as therein stated and as construed by the Government as represented by the War Department. Nowhere does it conflict with any other public policy so far declared by the Government that has yet come to our knowledge.

Finally, unless the State retain the right to develop the power possibilities, if any, at these sites, they will be wholly lost, as the Government, under the Omnibus Flood Control Act, is not authorized to expend any funds for that purpose.

Very respectfully yours,

RALPH E. FLANDERS,
WALTER S. FENTON,
PHILLIP SHUTLER,
Commissioners on the part of Vermont.

Don't Take America for Granted

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 4, 1937

ARTICLE FROM THE AMERICAN LEGION MAGAZINE

Mr. ANDERSON of Missouri. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article written by Harry W. Colmery, national commander of the American Legion:

[From the American Legion Magazine]

DON'T TAKE AMERICA FOR GRANTED

(By Harry W. Colmery, national commander, the American Legion)

During the past few months, as I have traveled throughout the United States, I have observed that many of our citizens entertain a deep pessimism as to the future of American democracy. Some note with alarm the various trends which to them evidence a consistent attempt to incite an overthrow of our American system and to substitute therefor a Communist state. Others are equally concerned that the aggressive efforts of individuals and groups indicate a definite Fascist trend which threatens the existing democratic order. Much can be said about both dangers; much can be said to temporize either danger by drawing an analysis of the essential difference between the historical background, temper, and temperament of the American people and those of other countries. But the most important approach through which to preserve the freedom upon which America was

founded and the principles of liberty to which her citizenship is dedicated to awaken the American people from their apathy and lethargy and failure to appreciate the beneficence of living under the American system, and to the responsibility of the individual citizen to pull his share of the load if this is to remain a government through which there is preserved to him the opportunity for life, liberty, and the pursuit of happiness.

The American people have failed to adopt sound business practices. The founding fathers developed for us a great capital investment whose chief items of value were abundant natural resources, habits of thrift and industry, and a sound and stable government which transferred democracy to a reality and put the individual upon a plane of self-respect, self-reliance, and self-control. But the people have failed to protect that investment by setting up a proper depreciation reserve—in fact, the only medium through which to protect this great American democracy—an appreciative citizenry conscious of the fact that they can have no other kind of a government except that which they give to themselves. Our people seem content to rely upon a surging zeal in times of emergency to protect the ideals which they cherish, apparently oblivious of the sophistry under which changes have been effected in other countries. Whether it be communism in Russia, fascism in Italy, or Hitlerism in Germany, the justification has always been "the good of the people." And in that name and for that cause the door of opportunity has been closed in the face of the people, and they have become slaves of the government, whatever the system—although in the meantime so-called constitutional systems have been preserved only as a matter of form. So I am not so much concerned today over the constructural advances of subversive movements inimical to America as I am at the fact that we have failed to build a citizenship sufficiently appreciative and responsive to be defenders of American ideals in time of peace. On the contrary, the increasing indifference of the American people demonstrates that entirely too many citizens have forgotten the American ideals which have been responsible for our orderly progress and stabilized civilization over 150 years of national experience. That indifference is making the American soil increasingly fertile for the growth of sinister influences which seek to destroy the confidence of the citizenry in and loyalty to the American system and its institutions. And the course of events, both at home and abroad, compels the conviction that "eternal vigilance is the price of liberty" today just as much as in the day when Patrick Henry proclaimed these memorable words.

Now, just what is this American ideal? It is, as I see it, a full faith in the system of government under which we live. Its very basis is the highest degree of individual freedom consistent with the common good; the spirit of individual liberty, properly protected and duly restrained.

It represents the culmination of the struggle of the human race for liberty, during which every form and variety of government has been tried, from the extreme slavery and subjection of millions to the caprice of one man; through contests on the field and in the forum, the horror of the scaffold, rack, and dungeon, the changing political experiences of nations, in which some of them became "the home of liberty and the messenger of the free spirit" only to lose it again—until finally it became refined into that pure gold which we call the freedom of the individual, who by reason of his creation, and by virtue of his very existence, became a sovereign in his own right. The right to govern must come from the consent of the governed, as America's contribution to the service of government.

Standing on the wisdom of the ages, our forefathers determined that a government in whose foundation liberty and law found equal support could be maintained not by the power of the Army or the might of a Navy, but by the willing support of an enlightened, free, and patriotic people. And by a constitutional system of checks and balances, they transformed democracy from a dream into a reality, protected the people against the tyranny of the individual and the oppression of the majority, made the people the reservoir of power, and collected and deposited both the grant of power and the restraint on its exercise in a written Constitution as the expression of the supreme wish of the people.

Under that system we have grown in wealth, power, and influence, and our progress, both as a nation and as individual citizens, has been the envy of civilization of all time. And any fair-minded person can see as clearly as if it were diagramed in front of him the actual practical advantages which we enjoy over less fortunate world mates, and is as aware of it as a man who, accidentally locked in an ice box, becomes acutely conscious of the advantages of free air.

But if we are to continue to enjoy the freedom and liberty which is America, and the comforts and happiness which flow from its beneficence, and continue this as a government of, by, and for the people not in form but in reality, "we, the people", have got to take a part in it. The reins are in our hands, we citizens of the United States, but we are too prone to let other people do the driving.

I have observed over a number of years many indications of the marked departure from the principles and individual responsibility which made America great. I see it in the failure of a large part of our people to vote. I see it in the tendency of the average man when drawn for jury duty to run to the judge or his lawyer to get excused and thus shirk his responsibility. I see it in the type who says, "I have no time for government; it takes all my time and strength to attend to my business", in the type who beg to be excused so they may attend a show or enjoy the witty conversation of men and women around the dinner, bridge, or poker table. In the type who think it is degrading to serve on a city council or board of education, or attend a parent-teachers meeting, even though the educational advantages of his own children may be at stake. In the failure to be tolerant, sympathetic, and cooperative and lend a helping hand to those who are willing to serve in positions of public trust to the end that democracy may click. These have no time for free institutions. To them the privilege of the American ballot or participating in self-government aren't worth as much as the turn of the dollar or the loss of a single moment's personal comfort. And in the meantime others are operating the biggest business in the United States—the business of governing ourselves—shaping the policies of government, placing men in office, and determining the fate of the State and Nation and your personal, political, and economic security.

In another field, I see it in the constantly increasing tendency for over a decade of groups and individuals to resort to force and coercion to attain a given end instead of being willing to follow the orderly, peaceful method provided under the American plan. The tendency is equally un-American, whether it comes from either employer or employee, or in the form of a gaudy nationalism as distinguished from true patriotism, as some seek by force to deny to other American citizens their constitutional rights of freedom of speech and peaceful and public assembly which they claim for themselves. I see it in the defiance of court orders of the judicial branch of our Government—the only bulwark to protect the rights of every individual and group. I see it in lack of courage of public officials who violate their oath of office as they fail to preserve the rights of all and fail to mete out evenhanded justice as between conflicting groups.

These are but a few of the many illustrations about you showing the great drift away from the responsible citizenship necessary to maintain a Government "of, by, and for the people."

Again, influences have crept into the political life in America which both obscure the economic opportunity for the individual and threaten the guaranty of his personal, political rights as a free man. American citizenship has made progress and enjoyed stability because it has had as its foundation the ideals and character of a free people, ideals which found their expression in government characterized by decency, honor, regard for the less fortunate, justice, and fidelity to public trust. An apparent slipping away from these standards is destroying that equality of opportunity which is America's greatest prize.

There can be no equality of opportunity if city governments are in the hands of grafters, nor as long as groups debauch the suffrage to secure favors from those who occupy positions of trust in the organized government, nor as long as men seek public office for the purpose of securing contracts for their company or to boost a personal or private interest, as competition is restricted by the writing into public contracts of specifications which give an advantage to financial godsends of the organization. Nor as long as "the pay-off" rates a place in both the public and commercial "dictionary of terms"; nor as long as political machines or individuals dictate not only who shall govern but how and when we shall be governed, and how and for what the public funds shall be spent, using the one to enforce the other, nor as long as unscrupulous men seek the spoils of politics and grow rich on moderate salaries. Nor as long as men in positions of public trust in both executive and legislative branches of the Government sacrifice conviction for expediency, political favor, or personal preferment, nor as long as legitimate business must pay tribute, soon or late, to the racketeer, political or otherwise.

America has forgotten who "We, the people" are. There has grown up on the part of public officeholders an attitude that they speak for "We, the people." Politics has become a trade. As such it is dominated by those who hold office. Politics should be a duty—to be performed by the individual citizens. "We, the people"—who set up this Government to protect our life, liberty, and pursuit of happiness, and adopted a written Constitution as the expression of our supreme will. These tradesmen, whether they hold national, State, or municipal office, are given a commitment from the people from time to time. They are not "We, the people." They do not speak for "We, the people" unless they speak and act in accordance with and subject to our supreme will as expressed in the Constitution.

If we are to continue to live under a flag which guarantees to us life, liberty, and the pursuit of happiness, the citizen must give to his government and its operation that full measure of devotion which a government dedicated to the happiness of the individual has a right to expect. By that I mean you should vote on election day; serve on the jury when you are drawn; inform yourself on public questions; do not consider it beneath your dignity to serve in a party or on a council or school board.

See to it in your own right that men of independence of character, scrupulous loyalty to right, and unwavering fidelity to trust, are placed in public office. The citizenship must be active if the voice of the people is (to be) the voice of God.

The biggest, most important thing we have in the United States is the business of governing ourselves. Yet the average citizen considers it a trite thing for public discussion—too idealistic to bother about. To secure for ourselves and our families the greatest amount of comforts and happiness in life is the very goal

of human existence. The citizens of this country have always been, comparatively, the best fed, best housed, best clothed, best educated, and have had more things to make them comfortable and happy than any people in the history of mankind. That has been due to the political freedom, economic opportunity, and political and economic security enjoyed by the individual. These have been provided for and have protected the citizen under America's system of constitutional democracy. To preserve such a system for our benefit is not idealistic. It is downright selfish.

The National Problem of Venereal-Disease Control

EXTENSION OF REMARKS
OF
HON. LYLE H. BOREN
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 4, 1937

Mr. BOREN. Mr. Speaker, on July 13 I introduced H. R. 7850 for the control of venereal diseases. On that date I discussed syphilis as a national menace, which remarks are to be found on page 1773 of the Appendix of the CONGRESSIONAL RECORD. In the bill I have asked for an appropriation of $4,000,000 for the broad general purpose of stamping out syphilis and other venereal diseases in the United States.

The Congress undoubtedly is in accord with the program provided for in this bill. The various Members of this body have been generous in their voluntary expression of interest and support for the measure. I wish to indicate at this time the operation of the provisions of the bill calling for the distribution of the funds as it will apply specifically to the various States.

The bill itself provides that allocations to the several States should be determined on the basis of population and financial need. By population we mean the ratio which the population of each State bears to the population of the United States as shown by the last Federal census. By financial needs we mean ability of the States to meet their obligations as determined by the per-capita income of the citizens of each State.

In my discussion of July 13 I outlined the problem as it faces the Nation and the great need and importance of this legislation. Hon. JOHN M. HOUSTON, of Kansas, very ably pictured the great need for this legislation in his address before this body on May 13. There have been other Members who have from time to time discussed before the Congress the great national importance of a bill as outlined in this legislation.

We have shown you that 1 out of every 10 homes in America is contaminated. We have asked you for 3 cents per person to save America from this dread scourge. Today I have outlined the application of this fund to the several States that each Member here might know of a certainty that his district will be given the full benefit of this program on the fair basis of population and financial need.

We have adequate sources of information to determine an accurate and fair distribution of the funds so that every State will get its proportionate share. On the basis as outlined here, the approximate division of this fund according to States would be:

Alabama	$130,000
Alaska	3,000
Arizona	15,000
Arkansas	90,000
California	145,000
Colorado	30,000
Connecticut	45,000
Delaware	5,000
District of Columbia	7,000
Florida	55,000
Georgia	125,000
Hawaii	15,000
Idaho	15,000
Illinois	190,000
Indiana	105,000
Iowa	85,000
Kansas	60,000
Kentucky	110,000
Louisiana	80,000
Maine	12,000
Maryland	45,000
Massachusetts	105,000
Michigan	125,000
Minnesota	80,000
Missouri	109,000
Nevada	2,000
New Hampshire	14,000
New Jersey	105,000
New Mexico	15,000
New York	275,000
Mississippi	90,000
Montana	15,000
Nebraska	47,000
North Carolina	145,000
North Dakota	30,000
Ohio	165,000
Oklahoma	90,000
Oregon	30,000
Pennsylvania	255,000
Rhode Island	30,000
South Carolina	90,000
South Dakota	25,000
Tennessee	120,000
Texas	195,000
Utah	15,000
Vermont	110,000
Virginia	100,000
Washington	45,000
West Virginia	65,000
Wisconsin	85,000
Wyoming	65,000

The need is evident, the purpose is clearly shown, and there is not a Representative in Congress who does not have this dread plague as a local problem. I have gathered the records for every State in the Union and am prepared to say that this problem is a grave problem and that there is not a State, a congressional district, a county, or city that is free from the menace. It is urgent that this Congress act in the interests of 130,000,000 people now. There will be a million more stricken this year, and some of that million will be in every congressional district in this Nation. One out of every 10 homes in America is contaminated now. One out of every 26 families in America that is not now contaminated will be contaminated a year from now unless we act.

The Government Debt

EXTENSION OF REMARKS
OF
HON. JAMES J. DAVIS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Wednesday, August 4 (legislative day of Thursday, July 22), 1937

RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT CREDIT OF THE TWENTIETH CENTURY FUND, INC.

Mr. DAVIS. Mr. President, on July 28, 1937, the Treasury statement showed that the national debt was $36,770,757,744.94. Since July 28, 1936, we have increased our debt $3,245,000,000. That means that the Federal Government is in debt $10,111,000,000 more than during the wartime period or the high of 1929. Yet we are told the depression is over, though we have increased our annual daily expenditures $5,000,000 a day over those of last year.

Today I received from George M. Harrison, grand president of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, and Station Employees, who is a member of the national committee of the Twentieth Century Fund, Inc., which was organized to study the national debt and Government credit, a copy of the committee's recommendation upon those subjects. I ask unanimous consent that the

press release of the committee be printed in the Appendix of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT CREDIT[1]

The debt of the Federal Government, as shown in the report of the research staff, is now approaching $35,000,000,000,[2] the highest level in our history, and nearly $10,000,000,000 above the peak at the end of the World War. With the addition of State and local debts, the total governmental debt of the United States now exceeds $50,000,000,000.

This peak in the Federal debt comes at the end of 7 years of depression deficits, which have added nearly $19,000,000,000 to the debt, and thus account for more than half its present size. A substantial increase in Government borrowing during the longest and most severe depression in our history was inevitable, since a sharp falling off in tax revenues occurred at the very time when heavy relief expenditures had to be made. Moreover, the policy of the Government involved increased public spending in other directions in order to offset to some extent the decline in private purchasing power. Large public expenditures financed by sales of Government securities to the banks were made for the purpose of "priming the pump", reversing the spiral of deflation and initiating natural business recovery.

The committee concurs in the findings of the research staff that neither the present size of the debt nor the large increase occurring during the depression have as yet endangered the credit of the Federal Government.

Whether an end to deficit financing is at last in sight is not yet clear. The President, in his Budget message of January 5, 1937, expressed the belief that Government revenues in the 1938 fiscal year would equal expenditures, and that a sufficient surplus would be available in 1939 to permit the retirement of about $400,000,000 of the debt, in accordance with statutory requirements.

The President recognized, of course, that these expectations for 1938 and 1939 would be fully realized only if revenues as a whole continue to increase and if expenditures are further reduced, or at least are not increased. Attainment of these ends, in turn, depends on continued expansion of employment and business activity and increased yields from existing taxes. Under such conditions the Federal Government will again be on a pay-as-you-go basis in 1938. In view of the fact that the first quarter's tax receipts fell nearly $150,000,000 under the Treasury's estimates, however, while expenditures in certain directions seem likely to exceed the original estimates, some doubt now exists as to whether this objective of a balanced Budget in 1938 will be reached.

We do not regard either the large increase in the public debt or its present size as a cause for apprehension. The resources of the country are undoubtedly great enough to support the present debt. But a continuance of deficit financing, although necessary in the depths of a depression, would be both dangerous and unnecessary if carried into a period of recovery. It would be dangerous because continued deficits, in the face of rising industrial activity and national income, would weaken public confidence in the willingness of the Government to balance its Budget under any conditions. It would be unnecessary because a period of prosperity should involve smaller expenditures and larger revenues; not only should the Budget be brought into balance but substantial surpluses should be available to reduce the public debt. For the Nation to enter another period of deficit financing without having reduced the present debt load might raise serious questions as to the ability of the Government to maintain its credit.

DEBT REDUCTION AN URGENT NECESSITY

In the long run no government can continue year after year to incur substantial deficits and to steadily increase its debt if it wishes to maintain its credit. Government budgets must be balanced not by a precise equalization of expenditures and revenues in any single year but by paying off the debts contracted during depression with the surpluses available during prosperity. This is a highly desirable policy, whether one accepts the view that the conduct of Government finance is a mere matter of "good housekeeping" or the view that a vigorous program of deficit financing and Government spending in depression is necessary to overcome the forces of deflation. As pointed out in the research report, this latter policy "requires as an essential counterpart reduction of the debt during periods of prosperity." In this connection we commend for serious consideration the statement of Governor Eccles on March 15, 1937.

That an inflationary boom may be the culmination of the present recovery now under way is becoming widely recognized. Commodity prices, the Federal Reserve index of industrial production, security prices, and wages have all increased sharply in the last year. This situation makes it imperative to place the Government finances on a sound basis as rapidly as possible.

A PROGRAM OF ACTION

1. Nothing except dire emergency should be allowed to interfere with the actual balancing of the Budget (except for statutory debt retirement) in the fiscal year 1938. In general we believe that expenditures should be kept within the forecast in the President's Budget message. But if this proves impossible or if, as appears not unlikely, the total of ordinary taxes, social-security taxes, and other levies falls short of meeting our needs, additional revenues consistent with a sound public policy should be provided at this session of Congress of sufficient size to bring the Budget into balance. We believe particularly that any further increase in revenues arising out of returning prosperity should not be regarded as a justification for new spending, but should be applied toward debt retirement.

2. Unless a serious set back in business activity occurs, substantial debt reduction should commence in the fiscal year 1939. The President's Budget message tentatively forecasts a Budget surplus in that year large enough to permit statutory debt retirement of about $400,000,000. This amount the committee believes is inadequate for a program of desirable debt reduction. If possible, provision should be made for debt retirement of at least $1,000,000,000 in 1939.

3. The committee further recommends that the general goal of Government fiscal policy during the next decade should be the reduction of the debt by an average amount of at least $1,000,000,000 a year, taking good times and bad together. To this amount of debt reduction should be added such proceeds as may later become available from the liquidation of assets of Government agencies and the distributable part of the gold stabilization fund. The accounting practices of the Treasury should also be made to reflect the true effect of the repayment of loans made by Government agencies and of current Government expenditures.

Whether any such average rate of debt retirement can be realized during the next decade or so without a substantial increase in taxes obviously depends on the course of business recovery and the trend of Government expenditures. Neither can be forecast, nor can the possibility of another severe depression be foreseen, but the research staff has made estimates of the yields of present taxes and of Budget surpluses or deficits during the 1940 decade under three different assumptions.

(a) Under the first and most pessimistic assumption the 1940's would witness a repetition of the profound depression of the 1930's. No debt retirement would be possible. Instead, the debt would increase by another $15,000,000,000.

(b) Under the intermediate assumption a repetition of the course of business during the 1920 decade would take place, and would produce an average national income of only $70,000,000,000, or slightly above the average in that decade. An annual Budget surplus of only $400,000,000 would then be realized. In order to achieve the goal we have proposed above of $1,000,000,000, it is obvious that additional revenues would then have to be provided.

(c) Under the most optimistic assumption the national income would average $80,000,000,000 annually, more than $11,000,000,000 above the 1920–29 average, and the general course of business activity would be similar to that of the 1930's. Under these conditions an annual Budget surplus of $1.2 to $1.7 billion would be produced.

It is not unreasonable to suppose that the second and third assumptions described above set upper and lower limits to the probable fiscal results of the 1940 decade. In other words, the existing tax structure may be expected to yield a surplus for the decade as a whole of more than $4,000,000,000 but probably less than $17,000,000,000. As pointed out in the research report, the investment in Government securities of excess revenues of pay-roll taxes over the amounts currently paid out in benefits under the old-age benefits section of the Social Security Act would not extinguish a portion of the debt, but would merely transfer its ownership to the contributors of the old-age retirement system.

4. The committee further recommends that the Treasury refunding program be continued with the ultimate aim of reestablishing approximately the relation between long-term, medium-term, and short-term securities which existed prior to the depression. At that time 76 percent of the total interest-bearing Government debt was represented by long-term bonds, 15 percent by 5-year Treasury notes, and 9 percent by short-term securities such as certificates of indebtedness and Treasury bills. Increasing the proportion of long-term securities would enable the banks to dispose of some of their present heavy holdings of Government securities and would thus decrease the pressure for bank

---

[1] EDITOR'S NOTE: Signed by the committee before Apr. 20, 1937. Revised Budget estimates, anticipated by the committee, were in fact published in the President's relief message of Apr. 20. Instead of a balanced Budget in 1938, which appeared to be within easy reach when the Budget was considered in January, revised estimates of receipts and expenditures resulted in a deficit of $418,000,000, without allowing for debt retirement. In the message transmitting these estimates, however, the President stated that he proposed to use every means at his command to eliminate this deficit during the coming fiscal year.

[2] In considering the Federal debt certain offsets and contingent liabilities should be kept in mind. The offsets include (1) proprietary interest in Government corporations and credit agencies holding marketable assets of various kinds, approximating $3,862,000,000 as of Mar. 31, 1937; (2) the unexpended portions of the gold stabilization fund of $2,000,000,000; and (3) the cash balance in the general fund of the Treasury. Contingent liabilities, chiefly in the form of bonds of Government corporations and agencies, the principal and interest of which are guaranteed by the Government, totaled $4,666,000,000.

credit expansion. Refunding operations should be designed to shift a larger proportion of the outstanding debt into the hands of genuine investors, thus affording the Treasury more leeway in case it again becomes necessary to resort to large-scale borrowing through sale of short-term obligations to banks.

OSWALD W. KNAUTH,
Chairman.
JAMES W. ANGELL.
JOANNA COLCORD.
GEORGE M. HARRISON.
GEORGE M. PUTNAM.
DONALD R. RICHBERG.

Miss Colcord, while voting for the general recommendation of the committee that the National Budget should be brought into balance, wished to register her emphatic opinion that this should be accomplished not by decreasing any Government expenditures necessary to promote the health and welfare of the people, but rather by increasing Government revenues, through bringing taxation to bear more fully upon those groups whose consumption is lowest in proportion to their total resources, and whose incomes, therefore, permit of large savings. Particularly does she wish to emphasize that she is not in favor of recommending decrease of relief expenditures except as genuine increase of private employment makes relief unnecessary. She bases this connection upon her belief that in this country, the pressure of population upon natural resources is not so acute as to make it impossible to produce and distribute sufficient goods to meet the basic subsistence needs of the population, regardless of whether or not the entire working force within the population is employed in such production.

Honest Advertising of Food and Drugs

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

EDITORIAL FROM THE EMPORIA (KANS.) DAILY GAZETTE

Mr. REES of Kansas. Mr. Speaker, yesterday I discussed the pure food and drugs legislation that is now pending before Congress and called especial attention to the fact that nothing has been done by this House to amend this act, during the present session, although most of these bills have been pending since the session began.

I also pointed out to you the defects in the present Food and Drug Act, as I see them, and made suggestions as to the manner in which I believe the law should be amended.

I now call your attention to an editorial written by my fellow townsman, William Allen White, which appeared in the Emporia (Kans.) Daily Gazette on July 14, 1937. This editorial contains material that is worthy of serious consideration by the Members of this Congress. It is entitled "Honest Advertising" and is as follows:

It is 4 years since the administration's food and drug bill was introduced in Congress. Time and again the President has named it on his "must" list. Once he sent a special message to Congress urging its passage. Yet the only piece of New Deal legislation affecting every man, woman, and child in the country, it is the only one that he has never been able to get to first base. Why? Well, just because.

A few drug, cosmetic, and food racketeers have managed not only to prevent its enactment but to strip it of first one, then another, of the many fine provisions it contained for safeguarding the health and economic welfare of America's millions.

The latest outrage was perpetrated in the House Commerce Committee last week. The bill that passed the Senate a few months ago was bad enough. The President was widely quoted as saying it was weaker than the present law. But it could have been revised and strengthened into a measure that would protect the public.

Instead, the feeble advertising provision that had survived 4 years of sabotage was lifted out of this consumer bill and grafted onto another intended to protect business. This was the Wheeler-Lea bill to increase the power of the Federal Trade Commission. Why was that? Well, the idea was to keep fake advertising out of the hands of the Food and Drug Administration, which has been cleaning up labels for 30 years, and entrust it to the safe keeping of the Federal Trade officials, who cooperated so efficiently with Tennessee medicine interests last year to kill a decent food and drugs act. These are hard things to say. But they can be proved.

Last week's job reflects no credit on the leadership of this once great House committee. Representative CHAPMAN, who had been leading the fight for a strong law, was ruthlessly thrust out of the picture, while the subcommittee considering the legislation was packed with Members known to be hostile to the Food Administration and to a law with teeth.

Meetings of the committee were held at times when consumer-minded members would be unable to attend, or notification was given so late it was impossible for them to get there. Every attempt to strengthen the bill, to make its control over advertising something more than an existing farce, was beaten down. The bill as finally reported is a joke, though it will no doubt be touted by the drug and food fakers as a masterpiece of consumer protection.

This result was forecast months ago by the drug-trade papers, which boasted openly of what Chairman LEA would do for their industry. More recently Business Week has suggested the influence also of the dried-fruit people of California, who have had their products seized under the present law because of worms and cyanide of potassium.

Now that advertising has been taken care of, LEA's wrecking crew is expected to complete destruction of the food-and-drug bill in a few days. It is increasingly evident that public interest cannot muster enough New Dealers to save this legislation. The Gazette suggests that the Republican minority take over.

Honest newspapers have nothing to fear from an honest law curtailing, controlling, and abolishing dishonest advertising.

Story of Patrick Tracy

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, August 4 (legislative day of Thursday, July 22), 1937

ARTICLE BY WESTBY NORTH

Mr. LODGE. Mr. President, I ask unanimous consent to have inserted in the RECORD an article, transmitted to me by former Representative O'Connell, of Boston, which deals with Patrick Tracy, an Irish settler in Massachusetts, the founder of a long line of able Massachusetts men with whom I am happy to be able to claim connection.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Post, of Aug. 1, 1937]

REAL STORY OF PATRICK TRACY—JUSTICE NEVER DONE FAMOUS IRISHMAN, REVOLUTIONARY FIGURE—NOTED NEW ENGLANDERS DESCENDANTS

(By Westby North)

Patrick Tracy, penniless Irish lad who left his home in Wexford, Ireland, early in the reign of Queen Anne, settled at Newburyport and became the outstanding ancestor of New England, with an abundance of descendants, whose fame limns our history, exceeding all other men.

This broad statement may evoke hasty denials, but a multitude of living men and women, many in the front rank, will hasten to uphold the declaration that Patrick Tracy's name shines as a star of major magnitude in our New England galaxy.

MEMORY CHERISHED

Great judges, statesmen, soldiers, clergymen, merchants, and captains of industry, lawyers, physicians—all pridefully trace their descent to the man from Wexford who rose to the heights because of his merits.

Justice Oliver Wendell Holmes, Henry Lee Higginson, and James Jackson Storrow were direct descendants, and as our story unfolds we shall list other distinguished men of whom all of us are proud, in support of the assertion that Patrick Tracy, strangely, assiduously, and zealously overlooked by many historians, was above all men in giving his adopted country a myriad of worthy men and women. And whatever may have motivated some historians, plenty of cherished tokens in many families tell of reverence still felt for the man who played a large part in making our country, directly in service.

GENUINE IRISHMAN

Of excellent family, well born, and of an ancient line, he was orphaned early; his guardian robbed him of his estate, and the

lad, born in 1711, procured passage to New England, and manfully began to work out his own future. His patriotism, his steady rise to fame and wealth, and his fine service, sterling character, and rare personality placed him among the handful of great men whose counsel guided statesmen and shaped the destiny of the young Republic.

Patrick Tracy was Irish.

Those four words compress a vast array of reason for the attitude of some historians of fame, in failing to record the mighty part played by genuine Irish in advancing civilization as we know it. English writers in large degree wrote their British Isles history from one angle only—their own. A variety of motives were ascribed as causes of English interest in Ireland, from benevolent Irish to extend the political blessings of London to Dublin to a one-sided ostensible desire to rescue Erin from the clutches of Rome.

Actually, the "big fingers" of England, whose methods continue and flourish even in our own fair land, wanted to control outright the vast fertile areas, the available water powers, the enormously rich metal and mineral tracts, and also to possess a fortress for defense. And the millions of Irish youth were desired as soldiery.

IRISH QUESTION BITTERLY ACUTE

Equally determined were the "big fingers" in Ireland, who in most instances were men inspired solely by love of country and a sense of duty to their own kind. From it all grew the bitterness and strife of generations; sedulous indeed were the activities of zealots, and although mutual lies were palpable, the rank and file long were disturbed and misled. In the youth time of Patrick Tracy, Ireland was slightly less populous than England; only a century ago, Ireland had close to 9,000,000 of inhabitants, or much more than double the present, while England had a scant 15,000,000.

The Irish question was lively even before the time of Elizabeth and the Stuarts. It was agonizing in its acuteness during Cromwell's time, and never approached composure on a large scale. Even the recent election indicates continuing cleavages. Boston was closer to London, from its founding to the close of the Revolution, than many realize. And after the Republic was established English policy at once turned to a fostering of intimacy with the dominant element here—and some incline to believe the policy persists.

STRUGGLE TO KEEP BOSTON ANGLICIZED

We know that our New England writers of fame were as much at home in London as at Boston; literary lions from the so-called mother country were social lions here. This was summarized by a comment, 30 years ago, by a famous man who said that "Boston still is loyal to King George III."

It should be kept in mind that Boston, too, had its Irish question almost from settlement!

The settlers here, in 1692, were English, beyond dispute; they had as basic the trading incentive; they aimed to keep it; they set up, through their church, a control over the public mind, and erected their own dynasty of wealth, power, and culture and made it their mission to perpetuate here the English myth. Through the centuries the Mather hierarchy persisted, and official records teem with proof of this assertion. Following the Revolution the wealth, power, and culture element largely were Federalists—royalists, and they controlled, in large degree, what we have been taught to regard as literature.

Emerson may be taken as the high priest of the royalists. He sermonized largely on that trinity of text, wealth, power, culture. And many historians followed his philosophy; dominant publishing houses abetted.

EMERSON'S EXPRESSED OPINION

And this is Emerson's expressed opinion of two great peoples, the Irish and the German; in his lecture, Fate in his Conduct of Life.

"The German and Irish millions, like the Negro, have a great deal of guano in their destiny. They are ferried over the Atlantic, to ditch and to drudge, to make corn cheap, and then to lie down prematurely, to make a spot of green grass on the prairie."

And Lt. Col. Oliver Wendell Holmes, jurist, teacher, and humanist, came from the loins of the Irishman Patrick Tracy, and the German, Evert Jansen Wendell, who migrated from his native East Friesland, Hanover, to settle in Albany in 1635.

Guano!

Thus the reader will perceive the fundamental of Whig and Tory.

Holmes, with Irish and German blood, fought and bled for his country; so did his Tracy kin, the Lees, the Higginsons, the Jacksons. Historians who neither fought nor bled—well, let us proceed with the Tracy threads.

IRISH CAPTIVES SENT TO BOSTON

Cromwell laid the Irish problem in the lap of Boston when, at the suggestion of his mentor, the Reverend Hugh Phillips, once Boston pastor, merchant, and codfish magnate, he sent the first shipload of Irish captives here. They arrived here in the fall of 1654, in the ship *Goodfellow*, of which the master was Capt. George Dell; other shiploads followed. The original papers and lists of the *Goodfellow* are in the possession of the Kidder family. Frederick Kidder, Esq., possessed the papers in 1850, and he treasured the documents for personal reasons.

These first Irish were stalwarts, the wretchedly poor peasantry, such as had not been butchered along with the soldiery trying to defend them, were deemed harmless. Cromwell planned benevolent pacification, after the show of overpowering might, and the exiles, the slaves, sent to Boston, were the pick of the people; healthy and strong, a possible menace at home, but considered harmless in Boston.

PATRICK BECOMES MAN OF NOTE

Thus to Boston kin, came Patrick Tracy, in 1730, less than 19 years old, and later came his nephew, Nicholas Tracy, the distinguished, famous, wealthy, and exalted "Capt. Nicholas Tracy, gentleman", who also left many descendants of fame and honor.

Patrick journeyed to Newburyport and decided to become a mariner. He made many voyages to the West Indies, quickly became proficient in navigation, showed rare talent, became master, owner, and then engaged on his own account, as importer and exporter. His fortunes waxed, as did his standing in Essex County. When 31 he married Hannah Carter, of Hampton. Their two children died in infancy, and the mother died in 1746, after 4 years of married life.

Patrick Tracy married again in 1749; Hannah Gookin, daughter of the Reverend Nathaniel Gookin, became his bride, great-granddaughter of the Reverend John Cotton, and connected with the Quincy family, she passed away in 1756, barely 33, leaving three little children, tenderly reared by their father. They were Nathaniel, born 1751; John, born 1753; and Hannah, born in 1755.

FAMOUS DESCENDANTS

It was this daughter, less than a year old when her mother died, apple of Patrick Tracy's eye, who married Col. Jonathan Jackson, of Boston, when barely 17. Belle of Essex, a great heiress, a Tracy in every fiber and proud of it, she proved a worthy daughter, and of their eight children seven lived and flourished. These are the lineal descendents of Patrick Tracy through daughter Hannah Tracy Jackson:

(1) The first child, Robert, died when barely 7 years of age.

(2) Henry, Capt. Henry. Married Hannah Swett. Among descendants were Dr. John B. Swett Jackson, Dr. Henry Jackson, and Robert Tracy Jackson.

(3) Charles, Hon. Charles, of the State supreme court, and a leading lawyer; twice married, first to Amelia Lee, and, secondly, to Fanny Cabot. Among the descendants of Patrick Tracy's favorite grandson were Gen. Charles Jackson Paine, Hon. Robert Treat Paine, John Torrey Morse, and Judge Oliver Wendell Holmes.

RETAIN PATRICK AS FAMILY NAME

(4) Hannah Tracy Jackson, who married Hon. John Lowell, on October 31, 1798. Her children and descendants include Hon. John Lowell, Jr., founder of the Lowell Institute; Judge John Lowell; and Judge Francis Cabot Lowell.

(5) James, who on October 3, 1801, married Elizabeth Cabot, niece of United States Senator George Cabot; after 15 years she died, and Dr. James, grandson of Patrick Tracy, married her sister 8 years later. Among the descendants were Dr. Charles Pickering Putnam and Dr. James Jackson Putnam, James Jackson Storrow, Chares Cabot Jackson, and James Jackson Minot.

(6) Sarah, who married Capt. John S. Gardner, weathy merchant, with chidren and grandchidren of distinction.

(7) Patrick Tracy Jackson, named in honor of his grandfather from Killcarberry Hill, Wexford. He became a distinguished and wealthy merchant and was one of the two men who founded the city of Lowell. He married Lydia Cabot, and among his heirs were: Gen. Charles Russell Lowell, of Civil War fame; the famous Dr. Arthur Tracy Cabot; Prof. Charles Loring Jackson; Patrick Tracy Jackson, Jr.; Capt. Patrick J. T. Jackson, 3d; and Patrick T. Jackson, 4th.

(8) Harriet, who died unwed in 1849, aged 67.

MAN OF HIGHEST CHARACTER

(9) Mary, who married Henry Lee in 1809. Descendants include Col. Henry Lee, Jr., Maj. Henry Lee Higginson, Joseph Lee, Henry Lee Morse, and Matthew Hale.

A veritable regiment of descendants of Patrick Tracy, mostly Harvard men of more than ordinary fame, to this day cherish memories and mementoes of their illustrious ancestor, who kept the artist, Copley, busy painting likenesses for his grandchildren.

Thus it would appear well established that Patrick Tracy was an ancestor.

And now for his contribution to our Nation and his part in making it.

First, in the spiritual aspects: A devout man, a liberal supporter and vestryman of Saint Paul's Church, holding two pews in the edifice, he was truly pious, generous, and ever courteous and friendly to the lowly.

After the disastrous fire at Harvard, in 1764, he donated freely many books and much money. He urged popular education and took a firm stand against permitting ignorance because of illiteracy.

NOTABLE SERVICES IN REVOLUTION

In 1772 he was appointed justice of the peace, then an important office.

He had built a large fleet of vessels and had many and wide interests. Thus, in January of 1774, 16 months before the Battle of Lexington, he was prepared when called upon to participate in the coming Revolution. He then, with Robert and Nicholas Tracy, petitioned the selectmen to send delegates to the Continental Congress called to assemble at Philadelphia.

He was zealous to aid in starting the war against the ancient and hereditary foe of his people and eager to help erect a new and free nation.

He demanded, and procured, action. He was named a member of the committee to prepare instructions to the delegates. His was the paramount counsel.

Then, action decided upon, he and Capt. Nicholas Tracy were leading members of the Essex committee on safety. He gave liberally in money as well as time, personally directed preparations for warfare and for home protection, and many of the privateers flew his flag. The royal governor and the army and navy heads at Boston were incensed at the "Irishman Tracy" and directed efforts against him; some, traitorous, in his own town. But he was unafraid; aging, he retained the fire of youth and he kept the faith.

INTERESTING WILL

The highly interesting "Ould Newbury" and the history of Newburyport, now quite rarely found, detail the magnificent services of Patrick Tracy. John J. Currier, the historian, says: "In commercial as well as in mercantile affairs, Captain Tracy was eminently successful, and maintained to the close of a long life the character of an honorable and upright man."

His will is an interesting document. It is no. 27971, Essex County probate. At his death his estate included four mansion houses and 212 ounces of silver plate. His mourning rings are sacred heirlooms, now possessed by Patrick Tracy Jackson, who also has a handsome portrait of Patrick Tracy, and another is in the family of Mrs. Frederick C. Shattuck, a descendant.

The Russell Leigh Jackson memoir of Patrick Tracy is inspiring.

So, too, is the thrilling story of Nicholas Tracy, his nephew, and his close associate, comrade, and who, too, rose to wealth and fame, and aided in founding the Republic. There were 110 vessels in the Tracy fleet, worth close to $3,000,000. There were 24 Tracy privateers, with 340 guns and 2,800 men. Tracy ships captured 120 British vessels; Tracy funds flowed freely in loans to the Government; and Tracy-donated food and clothing literally poured into the Navy.

REVERENCED BY DESCENDANTS

However some historians incline to treat Patrick Tracy, he was and is reverenced by his descendants. Witness these two letters:

From W. Raymond Lee to Henry Lee, Jr.

"ROXBURY, *October 2, 1866.*

"DEAR COLONEL: An old gentleman of Newburyport, intensely interested in the history of that famous town, has asked me for the names, rank, etc., of the descendants of Patrick Tracy, who served in a military capacity during the War of the Rebellion. I have made up the following list. Is it full and correct?

"Great-grandsons:

"Lee, W. R., colonel, Twentieth Massachusetts Infantry, and brevet brigadier general on the staff of His Excellency Governor Andrew.

"Lee, Henry Jr., lieutenant colonel and aide-de-camp on the staff of Governor Andrew.

"Lee, Francis L., colonel, Forty-fourth Massachusetts Infantry.

"Great-great-grandsons:

"Holmes, Oliver Wendell, Jr., lieutenant colonel, Twentieth Massachusetts Infantry.

"Paine, C. J., major general, Volunteers.

"*Paine, W. C., captain, Corps of Engineers, United States Army.

"*Paine, Sumner, second lieutenant, Twentieth Massachusetts Infantry.

"*Russell, Cabot J., captain, Fifty-fourth Massachusetts Infantry.

"*Lowell, C. R., colonel, Second Massachusetts Cavalry, and brigadier general, Volunteers.

"*Lowell, J. J., first lieutenant, Twentieth Massachusetts Infantry.

"Storrow, C. S., Jr., captain, Forty-fourth Massachusetts Infantry.

"*Storrow, Samuel, first lieutenant, Second Massachusetts Infantry.

"Jackson, P. T., Jr., first lieutenant, Fifth Massachusetts Cavalry; captain.

"In the above list those marked thus (*) were killed or died of wounds. I am not sure about the rank of and regiment of P. T. J., Jr. Perhaps others, Putnam, Cabot, or Morse, served. Do you know?

"A list of Captain Perkins' Newburyport company present at 'Bunker Hill', where it lost three men, records the name of Patrick Tracy. Is it possible that the P. there named is our ancestor? Very likely; he was an Irishman.

"If you can add to my list or discover any errors, please write me."

Reply from Henry Lee, Jr., to Brig. Gen. William Raymond Lee, Roxbury

"OCTOBER 6, 1866.

"MY DEAR GENERAL: The honorable record of the descendants of Patrick Tracy (and through Hannah Gookin, his wife, of Maj. Gen. Daniel Gookin, a Kentish soldier, and one of the best men of the Colony) is not quite full, and yet too full.

"Of the great-great-grandsons, my sister Mary, wife of George Higginson, had three sons in the war:

"Henry Lee Higginson, major, First Massachusetts Cavalry.

"James Jackson Higginson, captain and brevet major, do.

"Francis Lee Higginson, captain, Eighth Massachusetts Cavalry.

"I do not record their wounds or imprisonment, because you have omitted details of your own or others' services. I have altered young Pat's rank and regiment. Perhaps you might add to the Lowells, Anna Cabot Lowell, their sister, who served over 3 years as nurse, first in the transports and then in the Armory Square Hospital, Washington, and received some commission or testimonial from Government as one of a few ladies who served so long.

SON OF PATRICK ALSO RARE TYPE

"I do not deem it fair to those who forsook home and encountered all the privations, toils, and dangers of a soldier's life to have my name included in the list. Not that I did not perform useful work at some sacrifices, but not to be mentioned with the greater service."

So there you have the condensed story of Patrick Tracy, from Killicarberry, Wexford, Ireland, whose lofty service and whose distinguished rank as an ancestor may have eluded some historians with a guano complex.

Nathaniel Tracy, son of Patrick, had his own vivid life, too; master of a great fortune; intimate of Jefferson, who voyaged with Tracy in a Tracy ship to Europe, learning much with which to tone the ideas of John Adams and John Jay, who entertained Washington and other great men. But his is a separate story.

And then there was another son, Col. John Tracy, another stalwart.

Sometime there may appear the detailed astonishing story of Patrick Tracy and the stupendous part he played in forming and directing the destinies of the Republic he loved.

The Late Insurrection and the Continuing Danger

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

EDITORIAL FROM THE CHICAGO TRIBUNE OF SUNDAY, JULY 18, 1937

Mr. HOFFMAN. Mr. Speaker, by permission granted to extend my remarks, I insert herein the following editorial in the Chicago Tribune of Sunday, July 18, 1937:

THE LATE INSURRECTION AND THE CONTINUING DANGER

John L. Lewis organized on two fronts. One front was advanced during the campaign to reelect Mr. Roosevelt. Lewis, in contributions or in loans, gave the Democratic national committee over a half million dollars, most of which he obtained by assessing his miners for the war chest. The other front he prepared was to take advantage of the reelection and to drive the workers in the major industries of the country into his Communist conspiracy. The war chest for this maneuver also was filled by assessments, initiation fees, and dues.

Mr. Lewis had the support of Earl Browder and the Communist Party. E. H. Dowell, head organizer for labor in San Diego, recently took the responsibility for saying that the Department of Justice has traced checks showing large contributions from communistic sources to Lewis' committee fund. John Brophy, formerly a United Mine official, and as such denounced by Lewis as a Red, is executive director of C. I. O., and Adolph Germer, once secretary of the Socialist Party, is general organizer.

In the Michigan disorders, Lewis' amalgam contained John Anderson, the Communist candidate for Governor in the State in 1934, as an organizer, and William Weinstone, a member of the Communist central committee of New York, as secretary of the Renters and Consumers' league, an offshoot of the insurgent outfit.

Homer Martin, Lewis' field general in the State, found himself so beset by Communists in his organization that he had to undertake a red purge to save his own head. In Warren, Ohio, a dynamite plot was uncovered and the instigators were found to be headed by Gus Hall, C. I. O. organizer and Communist, and among the men taken were Arthur Scott, John Boranviec, and George Bundas. The Chicago police found a number of well-known Communists among the leaders of the riot of May 30. It is reported that out of 259 of the C. I. O. staff organizers, 121 are avowed Communists. The relations between Lewis and Browder are becoming more clearly outlined.

After the election Lewis swung into action with the organization he had prepared to take advantage of his political success. Almost immediately the great industries which were leading the country back into prosperity and out of the politically nourished depression were disorganized and their plants shut down by the C. I. O., Lewis' militant organization, in what were called strikes, but were not.

What Lewis incited was an armed uprising against the Federal and State laws. The law-enforcing agencies, Federal and State, were employed, not to suppress the insurgents but to protect them and to stop local authority from using the police and deputies in defending the rights of injured citizens and preventing the destruction of company property. Lewis had the support of the

Federal Government and the communistic elements in the country openly joined him in the violent proceedings.

Browder, the head of the American Communist Party, reported to the comintern that splendid progress was being made by popular front tactics. Lewis in January said that the administration asked labor for help to repel the economic royalists and labor gave that help. "The workers of this country expect the Government of this country to support the workers in the General Motors plants", he said.

Mr. Lewis expressed his expectations mildly. The help he got from the Government, from the Department of Labor, and from the post office was assistance in an illegal way to support the lawless attacks upon major industry. With the approval of Miss Perkins of the Department of Labor, a minority of workers, aided by communistic outsiders, seized company property, drove the majority of the workers off the premises, and sat in possession in defiance of court orders and with the protection of State troops. The country never before beheld such a spectacle.

The owners of the seized properties were required to furnish light and heat to the insurgents within their plants. The delivery of supplies was forced to enable the invaders to hold their positions. Legal measures to eject the invaders could not be taken in Michigan because Governor Murphy put State troops in position to guard the lawbreakers in their illegal possession. When the industries, facing the fact that they were denied the protection of the laws, made agreements with Lewis' committee, which is not a labor union, the stipulations were immediately violated by disturbers who would not be bound by them. The disorders continued. The insurgents and Communists did not want peace.

Lewis at no time exhibited any concern for wages or working conditions. All he wanted was power over industry. When he thought he had the automobile makers fairly under his control he turned to steel, and the United States Steel Corporation, not caring to fight the governments of Pennsylvania, Ohio, and the United States, as well as Lewis and his insurgents, came to terms.

The independent steel makers, knowing C. I. O.'s irresponsibility and seeing the many acts of bad faith, put up a fight. Out of this came more strange maneuvers on the part of Federal officials. Where workers were legally within plants asserting their right to work for employers who wanted them to work Mr. Farley and the Post Office refused to permit the delivery of mail and parcel-post packages, saying that to do so would be taking sides in an industrial conflict. For the first time the United States mails were made subject to the will of a body of men who were breaking all the laws of the land. The country couldn't laugh that off.

Mail trucks were stopped and turned back. Packages were opened and the insurgents would not permit them to be delivered. Railroad tracks were blown up. Airplanes trying to drop food were shot down.

In Pennsylvania Governor Earle called the troops out, but only to protect the guerrillas threatening the workers in the plants and defying local authority to disturb or break their massed picket lines. The troops were used also to close plants and to keep them closed. The country was presented with a spectacle which tested the sanity of citizens who tried to understand how the Government could turn its force so completely against people doing no wrong and in favor of persons who were in a fair way to overthrow every restraint that ought to have made them cease their lawless operations.

Farley's promotion of the revolt against the law was surpassed by the performances of Miss Perkins. It would seem difficult to outdo the surrender of the mails to the Lewis insurgents, but the Secretary of Labor did. She demanded that State troops be used to close factories and keep them closed, and she topped her record when she asked Governor Davey, of Ohio, to kidnap industrialists by illegal subpena and hold them until they knuckled under to Lewis.

The people of the United States are not naturally suspicious of governmental intentions toward them. They are not unprepared for maladministration, for the pursuit of political advantage, for the discovery of rascals in office, but they have not been prepared for designs against their form of government. Consequently, when premonitions are noted and admonitions given, the people may remain incredulous. What has never happened before is assumed to be something that cannot happen now or hereafter.

A southern Senator recently confessed his own mistake when he said that in the election campaign of last year he quite confidently told his constituents that all the stories of radical governmental change were Republican ghosts walking at night to raise the hair on the voter's head. He said he could not now return to his State and repeat those remarks. The ghosts were not Republican and they were not ghosts. They were the realities of his own party.

When a Postmaster General allows the sacrosanct mails of the United States to be stopped by lawless men and when the Secretary of Labor advises that violence be used against the persons and property of American citizens, and then when a President seeks the destruction of the judicial branch of the United States and with it the nullification of the Constitution, there comes to the tolerant mass of the American people a sense of danger imminent and grave.

The three Governors chiefly influenced by the treacherous instructions from Washington were Murphy, of Michigan, Earle, of Pennsylvania, and Davey, of Ohio. Earle even now stands neck deep in subversion and destruction. He is the sort of political fool and empty-headed revoluntionary who could talk about betraying his own class when his conscience demanded it. We are yet to learn that America has classes in its democratic life. The only class to which Earle definitely belongs is one which should be segregated.

Davey, of Ohio, made a discovery soon enough to save him from becoming a life member of the ancient and dishonorable society of Benedict Arnold. He found that he was making of himself a traitor to democracy and self-government in the United States. He thereupon put his troops to their proper uses, a thoroughly chastened and corrected man.

But from Frank Murphy, of Michigan, comes the fullest, frankest, and most complete confession of misdoing and the best statement for the Americans who now begin to see the drift of the Government and of Lewis.

"Communists", says Governor Murphy, "deliberately created disorders in the Lansing labor holiday, the Consumers' Power Co. strike, and in some phases of the sit-downs. They not only sought disorders but they sought bloodshed. They wanted bloodshed, and they sought to draw us into a fight."

It would seem to the normal mind that this was an invitation an American State ought to have accepted and dealt with on the spot. Mr. Murphy's testimony may be taken as a true and official relation of what happened in Michigan but not as an explanation of his manner of meeting what he now says was a deliberate attack on the American form of government.

Two prejudiced committees of the United States Senate undertook to inquire into the situation developing throughout the land. There was the question how the insurgents could have been permitted to stop the delivery of the mails, but the committee confined itself to an investigation of the police defense of the Republic plant in South Chicago, where no mail deliveries were involved. It then dodged the question of Farley's guilt and passed the Chicago police on to LA FOLLETTE'S committee, ironically called the committee on civil liberties. There the whole art of distortion and censorship was thrown against the truth to suppress the essential facts of the battle of June 30 between insurgents and the police.

A moving picture which did not show the attack on the police in South Chicago was exhibited, was approved as complete evidence of unprovoked police attack upon an innocent mob, and released by the producing company, although admittedly it did not show the attack the rioters made upon the police line provoking what subsequently happened.

It may be remarked as strange that the news reel photographer didn't get the assault of the rioters on the police line stationed to protect the plant and the workers inside from a riotous demonstration which had been expected and against which needful precautions had been taken. There was, however, an Associated Press photographer there, and his still pictures showed the surge of the armed rioters against the police. There could not have been conflict if the marchers had not tried to break through the police on their way to the plant, where what they would have done can be estimated only by what has been done on other similar occasions.

The misleading moving picture of the scene was released as an authentic and complete account of the occurrence, and it was conveniently found to be impossible to use the Associated Press pictures of what had preceded, showing the provocation the police had and the injuries they sustained before they made the counter attack to defend themselves and to hold their ground, and to see that a riotous armed mob did not break through them. The organizers of that mob were armed and the evidence at the Chicago inquest proves that they intended to fight their way through and get at the plant.

As further proof of the political dishonesty of the La Follette committee, the affidavit of the Associated Press photographer reciting what happened at the beginning of the riot, when he and the police were dodging the clubs and bricks of Lewis' insurgents, was suppressed in Washington and revealed only at the Chicago inquest.

There is space only for a general review and summary of the scene which has been created by the conspiracy between Federal and State officials and the wrecking crews of John Lewis operating upon a prearranged plan to bring private enterprise in the United States, whether it involved the rights of the worker or the property of the employer, under the domination of political and labor dictators, supported at every point by the new variety of Stalinite communistic Popular Fronters.

The time of this struggle, the period of greatest stress in it, was chosen by Lewis to make demonstrations in the United States. Two flights of Russian aviators over the North Pole to the American west coast were launched to divert anti-Soviet American attention from the revelations of communistic instability, intrigue, and massacre at home, and to engage the admiration the American people will always grant an adventurous and what they think an heroic achievement. For these Russian flights several reasons may be found, but none is so important to this country as the one which reveals the intent of the "reds" to strengthen their cause here in the United States, where they have been led to believe that the American political and economic system is being shattered by a governmentally encouraged Popular Front movement.

In accord with this easily detected policy it is reported that crafty old Max Litvinoff, the Russian Commissar for Foreign Affairs, is feeling out the sentiment of the Roosevelt administration apropos of a proposed visit to Washington.

Litvinoff is probably the trickiest and shrewdest diplomat in Europe. He can play the role of the noble Russian idealist better than anyone else under Stalin's control. If he finds that conditions are propitious and the welcome will be assured, as it was when he came over to complete negotiations for the Russian treaty and the resumption of diplomatic relations, he will be in the White House again as a jovial little man, with no intention of harming anybody. Then we shall have additional reason to know that Russia regards America under its present government and misgovernment as a good prospect, with most of its sales resistance broken down.

Fortunately, it would now seem, the American people have reached something like a true understanding of what has been undertaken by the National Government supporting and supported by the Lewis vanguard of proletarian insurgents with other communistic aid.

It is known that the vast majority of the workers in the plants closed down either by lawless men or by Federal and State authority wanted to work and demanded their right. When public opinion gave approval, as it did at Hershey in Pennsylvania, the rioters, although not resisted by the authorities, were defeated by incensed citizenship.

The plan to seize control of the country in the manner of the Russian October revolution of 1917 thus far has failed. What the next assault will be remains to be seen. But a quick awakening of the public understanding may stave off the evil and save the country from the conflict and the ruinous social and political changes which might ensue.

A Sportsman's Bill

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

EDITORIAL FROM THE WAYNESBORO (VA.) NEWS-VIRGINIAN

Mr. ROBERTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Waynesboro News-Virginian, of Waynesboro, Va., with respect to the provisions of the bill (H. R. 7681) to provide grants in aid to the States for conservation purposes:

[From the Waynesboro News-Virginian of July 23, 1937]

A SPORTSMAN'S BILL

Heaven's answer to Virginia sportsmen's prayers and the perennial wish of wildlife conservationists are in a fair way to be answered favorably if the bill introduced in Congress by our own Representative A. WILLIS ROBERTSON gets enough popular support to insure its enactment. Many a State and local project for increasing the population of wildlife, which has accumulated dust and despair in spite of local enthusiasm, may throw away its crutches and do a broad jump to a new record if the Federal funds which would be allocated to this State were made available under the proposed legislation.

Identical bills recently introduced in the present Congress set up a new basis for wildlife conservation and restoration in the United States. The process is patterned after the general plan of mutual State and national benefits which resulted so successfully from the allotment of Federal-aid funds to State highway programs. The one conspicuous difference is in the fact that while the Federal aid for highways created a new draft on the taxpayer's pocketbook, the funds for Federal aid to wildlife conservation are already available and will involve no new taxes. Ever since the nuisance taxes went into effect during the early days of recovery, the sportsmen have been bearing a special tax of 10 percent on all sporting arms and ammunition, which totaled between two and three million dollars, which was promptly swallowed up by appropriations for everything except the depleted and waning ranks of wildlife populations. The new legislation proposes to earmark the receipts from this special excise tax and return it to the maintenance of our natural resources without which there would have been no tax income.

To each State which complies with the provisions of this act would be allocated, in the event of the passage of the act, its quota of the $3,000,000 to be administered by the State in specified projects designed to restore the depleted wildlife resources. Estimates of money allocation to various States runs all the way from a maximum of $150,000 to a minimum of $15,000 in the smaller States where little revenue is derived from the sale of licenses.

An imposing list of sponsors, which includes Senators PITTMAN, BAILEY, CLARK, MCNARY, and WHITE, are backing the bill in the Senate. The bill was introduced in the House by Representative ROBERTSON, chairman of the House Wildlife Committee. Whether or not the bill receives the attention of Congress as a whole is said to depend on the amount of backing it gets from conservationists and sportsmen "back home." The bill is endangered more by the proverbial silence and apathy of conservationists than because of any opposition to the legislation. Congress is sympathetic, but wants to know how the home folks feel.

Why Will Not Congress Stop the Practice of the Farm Credit Administration From Foreclosures and Dispossessions in the Drought Area?

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

Mr. BURDICK. Mr. Speaker, you know and the country knows, and the administration ought to know, that there is again this year a large area of the United States, where, because of drought and rust, the farmers are absolutely helpless to meet any obligations whatever. This area includes at least one-half of North and South Dakota, one-third of Nebraska and Kansas, the eastern part of Montana, and a large portion of Colorado. In the western section of North Dakota, where I reside, there is absolutely no crop of any kind. This is the eighth year of this devastating drought. Lately good rains have come, but too late for any crop for 1937.

I have before this Congress, House Joint Resolution No. 27, providing that all collections, foreclosures, and dispossessions be delayed in this area for the year 1937. This measure has been before this body since January 5, 1937.

There is not any question but what this resolution would have been favorably voted out of the committee but for the fact that the Farm Credit Administration has explained to the committee that no foreclosures are instituted that are not absolutely necessary. They desire to keep control of the situation themselves and foreclose here and there as the Administration sees fit. The same situation applies to the Home Owners' Loan Corporation. This institution says it only forecloses where it is necessary.

In the drought area no foreclosure is justified, and especially no dispossession is justified. What happens when a foreclosure and dispossession takes place? The owner is ousted and has to fall back on relief grants. The Government obtains title but the property still remains where it is. No one in the area has money to purchase this property; and if sold at all, it is sold to someone else who has no money. In the meantime the farmer and home owner, with all his family, goes on relief and is thereby foreclosed from any opportunity whatever of protecting himself.

It is said here on the floor of this House that the relief program has made people shiftless and taken away their incentive for work. That is not true in North Dakota. No one there—I challenge anyone to show a single example of any farmer in the State who desires to go on relief. On the contrary, there are thousands of them who up to date have suffered for enough food and clothing because they were too proud to go on relief. That is the actual situation. I personally know of hundreds of cases where farmers have been residing on their farms for 50 years and have never asked for aid until now. Many of them should have applied for aid long ago; they have stuck to the land, hoping that each succeeding year would be better than the last. They have lived on hope alone. With another drought, with another year of rust, they are abjectly helpless. Should they lose their homes because of conditions over which they have no control? Or should the Government follow an encouraging policy and leave them where they are and either discharge their army of collectors or put them to work at something else?

This resolution does not pretend to give the Government power to stop any foreclosures in this area except in those cases where the Government is directly or indirectly the creditor. Private foreclosures and dispossessions do not happen in North Dakota in these cases because Gov. William Langer, of North Dakota, has put a stop to it by a declared moratorium. All this resolution asks is to stop the United States Government agencies from this practice, and it seems to me that if the Members of this Congress are actuated by any principles of humanity they will demand action upon this resolution before this Congress adjourns.

The State moratorium in North Dakota came about because the farmers and home owners themselves rebelled at this procedure and banded together to protect themselves through an organization known as the Holiday Association. They demanded that when the people could not pay one cent to anyone, that the creditors leave them alone. They organized, they demonstrated at sales until they had created public sentiment against foreclosures and dispossession and finally wrote their philosophy into law. In North Dakota the people have no trouble with private debtors, but the United States Government, before it would loan money, demanded that the Legislature of North Dakota make an exception as to the Federal Government. This was done; hence, under the law, such proceedings can and do take place.

It seems eminently unfair, too, for the Federal Government to have the privilege of proceeding with collection processes when private creditors cannot. If the Federal Government continues in this ghastly work of demanding payment when it knows full well that the people have not a cent to pay anyone, there will be a rebellion against the acts of the Farm Credit Administration that will require force to put down. Men and women fighting for a chance to live are not easily put down, and if they are put down in the defense of their homes, it will be to the entire discredit of this powerful Nation. The better plan is to pass this resolution and prevent a serious situation. Surely the Federal Government does not want to drive any of its citizens into open rebellion against the laws of the land.

Yesterday I received the following communication from the officers of the State Holiday Association:

NEW ROCKFORD, N. DAK.

USHER L. BURDICK,
Washington, D. C.

DEAR FRIEND: Something must be done and done soon to stop the ruthlessness of the Federal land bank's policy of foreclosures.

For a concrete example, there is the case of W. D. Humfrey, of Minnewaukan, who has been in that county for 53 years, always paid up in good shape, and has paid the bank as well as conditions would permit. Now they threaten to foreclose on him, giving him notice of foreclosure unless their terms are met.

There is positively no reason in the world why the Federal land bank should act so ruthless. The Government is putting out resettlement loans with one hand and raising the devil with the other.

The Federal land bank and the regional have used coercion in getting crop mortgages, always threatening to foreclose unless farmers signed mortgages on their crops. Something has to be done, and done right away.

We suggest that you and the rest of the boys, NYE, FRAZIER, and LEMKE, get together, go to Morgenthau and insist that the Federal land bank be forced to cooperate with us before they start the rough stuff. If they don't, you are soon going to have a bunch of defendants in court.

Further, that all farmers who sign affidavits that coercion or undue influence has been used on them, be released from the crop mortgage they have given.

This is a big order, but it has to be done. Put it on your "must" program.

We have not heard from the seed-loan department as yet.

Step on the gas.

Sincerely,

NORTH DAKOTA HOLIDAY ASSOCIATION,
OLIVER ROSENBERG, *President.*
LEO NELSON, *Secretary.*

Members of this House, I know these people—I have lived with them for 56 years. They are the most law-abiding people on earth, but when in desperation they are driven to defend their children against famine, nakedness, and a roof over their heads, they have the courage to do it in any way that seems justified at the moment.

I wish I had the power to show this Congress how serious the situation is. I wish you would consider that these people have lived in North Dakota half a century; that North Dakota has fed the Nation in hard spring wheat for 40 years; that these people, until this drought appeared, have asked help from no one. They have built a great State; they have educated their children until North Dakota has the lowest illiteracy of any State in the Union; that its common-school system has been the model of the Nation; that many of the actual farmers are highly educated, both generally and along scientific lines. They have attended to their own business; they have farmed their lands well, but, with the coming of the droughts, nothing counted. Experience, good work, diligence, and industry made no difference. Today in western North Dakota there is no crop of any kind, absolutely nothing. The cattle have been shipped out or died of starvation. Yet the country itself is the same country that sustained these people for almost a half century. Rains will come again, and these people will once again become not only self-sustaining but will contribute to the Nation's wealth.

Without waiting to foreclose everyone and drive the home owners on relief the Federal Government can go a long way in curbing the devastating effects of a widespread drought. A water-conservation program should not only be talked about, but it should be immediately put in operation. Those farmers in this area who have been able to dam up creeks at their own expense have been able to use the stored water and are not now on relief. Many more would put in small dams, but their farm power is gone. Their machinery is worn out and their horses have perished. The Federal Government can learn a lesson from these small enterprises that could be put on a much larger and effective scale by Government works. A dollar spent on water conservation in the right direction and place will save $3 spent on relief grants. People have the right to live and the Government must know this. Through this dam-building program the drought can be checked and the relief rolls cleared.

In addition to dam building, there are millions of acres that can be irrigated. Along the Missouri River that ranges in North Dakota from a width of 2 miles to 10 miles, the lands are as fertile as the valley of the Nile. Irrigation will bring immediate relief to thousands in this area. At the present time, with the Missouri River uncontrolled, 48,000 acres are washed into the river annually from Great Falls, Mont., to St. Louis, Mo. The development of the Missouri River such as is contemplated by H. R. 182, introduced by myself, or any similar bill or bills will bring about almost complete insurance against drought, or it will at least eliminate relief rolls. Water can be diverted to places where there is not enough; crops in abundance can be produced on the bottoms of the Missouri and its tributaries. Navigation can be improved and utilized and free this great interior from unreasonable freight rates; power and energy can be developed and distributed to the people for charges that will be nominal compared to the present-day rates.

This, I assert, is the answer to the drought problem and it can all be put under complete development for less than the annual relief expense has been along this river system for the past 6 years, and the end of public spending for this purpose can be definitely seen.

In addition to all this there is still another good, sound, business reason why this work should be undertaken. Thousands of men, without jobs, and with no resources whatever, can be put to work on a program that is profitable and lasting. With this development will come home development that will employ all the idle farmers in the area. Ninety percent of the farm buildings are out of repair and 50 percent of them unfit for habitation. Paint is practically an unknown thing in this area. Many farm homes are as colonial as was the habitation of Daniel Boone in Kentucky.

This development cannot be said to apply to this area alone. It will affect the entire country. First, in the reduction of relief expenses for farmers; in the reduction of relief grants to the unemployed; and in the revival of business necessary to carry on this work. The East will benefit, the

South will benefit, for there is a latent buying power in this area that has been strangled. The people are hungry to buy manufactured products, but they have no money.

This is a good business undertaking from all angles, even though we stick to our insane policy of financing by the issuance of tax-free, interest-bearing bonds. It would be actually the millennium if we had sense enough to take control of public funds and resources away from private interests and use it all in the cause of the people. If that were done, this work could be financed by Government greenbacks without costing the people one cent in interest and would at the same time shift the tax burden off the backs of the people who are least able to pay. Time and time again I have told this Congress how this money can be retired; that there can be no inflation because before a dollar of this money is turned into circulation, work must be performed for it. The money will be retired from the enterprise produced, and since all this kind of public works is of a character, which, on its face, shows it to be necessary and lasting, the charge can never be made that we are foolishly spending public money.

I am as confident of the soundness of this program of public spending as I am that the earth will continue to revolve. This offers the only solution to the drought problem, and I have gone into detail in this matter for fear someone would say, "Move the people out of this area and regiment them somewhere else." We are not going to move out; we are going to stay and convince this Government that with a little aid now we can take care of ourselves and furnish bread and meat for 15,000,000 more people annually.

But this future program does not take care of the present emergency. We cannot hope to retain these homes if we are to permit the Farm Credit Administration to proceed with foreclosures, collections, and dispossessions at a time when we are helpless. Every loaning agency doing business with farmers, outside of Resettlement, is under the control of the Farm Credit Administration.

People with the courage displayed in the drought area should not be driven out. Let this Government extend to them a helping hand, leniency from forced collections, permit them to be law abiding, and in the end those who favor this policy will contribute to the maintenance of a community composed of people who have faith in the Government, faith in themselves to continue the pursuit of agriculture, so necessary to the life of this Republic.

The Dust Bowl Has Created a California Problem and a Nation-wide Obligation

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

Mr. COLDEN. Mr. Speaker, my attention has been directed, by Mr. Robert L. Smith, the general manager of the Daily News and the Evening News, of Los Angeles, Calif., to a recent editorial on the subject of "The Dust Bowl Migrants", who have been flocking to California by the thousands.

These people enter the State of California without assets and suffering from the direst kind of poverty. They are huddled in tents and in huts that are built from the tin cans and discarded materials of the junk and garbage piles. They are living in insanitary conditions. They are truly ill-fed, ill-clothed, and ill-housed. They are the wrecks and remnants of good Americans who have lost their all through the drought and the adversities of the Dust Bowl.

The Federal authorities have denied aid to these forgotten people. The counties in which they are located are unable to meet the emergency, and the State of California has exhausted its funds in taking care of the citizens of the State.

This editorial from the Los Angeles Daily News so vividly describes the situation, and so succinctly points out a remedy, that I feel it is worthy of the attention and consideration of every Member of Congress. The editorial follows:

DUST BOWL MIGRANTS' PROBLEM CHALLENGES NEW DEAL COMPETENCY

Five years ago national census figures proved that more than 12,000,000 rural persons, farmers and their families, had migrated from the farms to the cities between 1910 and 1930. Year after year, after the great building and financing boom collapsed in 1929–30, estimates of the unemployed destitute, including their families, hung around 12,000,000. The coincidence was significant. It pointed to population dislocation as the cause of unemployment. Too many persons had flocked to industry and the cities for industry and the cities normally to support.

At that time the Daily News proposed a solution—the return of farming people to small farms in suburbs, working in industry only half time and working their farms the other half, thus doubling the number of industrial jobs. It was a practical, homely plan, involving hard work and plain living. The necessary capital could not be interested, the politicians had more elaborate ideas, and nothing came of it.

In the last year there has been a tremendous influx of American farmers and their families from the dust bowl of the western Middle West into California. Driven out by drought, they could bring with them little but farming skill and willingness to work the land. They are not industrialists, cannot be absorbed by any plan whatever in the trades and industries of California cities.

So they have gone into camps, in shacks, and tents, and hovels in the interior valleys. Some of them have work on farms, some of them were able to lease some lands to work on shares. In general, most of them are additons to California's army of agricultural itinerants who, before these came, were miserable, discontented, underemployed, underpaid, and underprivileged. There is no work for the additional men and women. They must have food and other necessities.

The National Relief Administration says the problem is outside its jurisdiction. The counties find the relief problem absolutely beyond their powers. The State relief administration says, in effect: "Go somewhere else or starve." There is no somewhere else.

There is a solution to the problem. What these people need is not charity, not a dole, not industrial jobs. What they need is farms. It is a job for the Resettlement Administration. It is a job that can be done profitably, adding to the wealth of the Pacific Coast States, preserving the self-respect of the farmers, giving employment to capital. It would take an act of Congress—but Congress has acted for the disbursing of tens of millions of relief to flood and drought victims on 24 hours' notice. All that is necessary for Congress to do is to pass an act giving the Resettlement Administration powers to arrange loans similar to those already exercised by the F. H. A. and to make a small appropriation to tide over these migrants until permanent relief is arranged.

There is in California and Oregon and Washington abundant land, already irrigated, most of it irregularly and not very profitably farmed on a wholesale plan, with itinerant renters and labor, which is for sale at moderate, reasonable prices. Given a farm, a small house and barn, a little working capital, any one of these good farmers could work out its price, in his crops, in 20 years, and live while he is doing it far more opulently than in his best years in the Dust Bowl.

Title II of the Federal Housing Act has been worked and tested for 2 years. It enables a man to buy or build an urban home, with a small payment down, and 20 years of installments. The Housing Administration supervises the deal, sees that the buyer gets a good house for the price, but private capital furnishes all the necessary money.

The language of the Federal Housing Act could be followed, with very few changes, to provide an act by which the Resettlement Administration could do with farms exactly what the F. H. A. is doing with city homes—appraise the site, determine suitable improvements, fix a fair price for the farm unit, and then allow private capital to lend the farmer the money to buy the whole thing, plus a little working capital, if necessary. Consolidate taxes, fire insurance, and mortgage insurance in the installments as in the F. H. A. Private capital, banks, and loaning institutions would be ready to place millions of dollars in these loans protected and insured by a Government agency. The final cost to the Government would be insignificant. Most farmers are fairly good rough carpenters, and thousands of refugees could be given immediate profitable employment building houses and barns for their own occupancy.

By such a plan these pitiful migrants—diligent, hopeful Americans treated as though they were a pest—would be worked over into prosperous, self-respecting farm owners.

The problem is a direct challenge to the intelligence and competency of the Resettlement Division of the Agricultural Department, which has been at work now for 5 years, first under Ickes, then under Tugwell, and now under Wallace, employing hundreds of experts at high salaries on research and investigation. Here are unsettled farmers. Let them be resettled.

Make Travel on Our Inland Waterways Safe and Put Our Lakes and Rivers to Work

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

Mr. COCHRAN. Mr. Speaker, I have introduced a bill (H. R. 8080), providing for the establishment of a fund for the insurance of mortgages securing loans for the construction or reconditioning of domestic floating property used for commercial purposes. This bill was introduced the day following the fire which destroyed the steamship *City of Baltimore* in the Chesapeake Bay. However, I have been working on the matter for over a month and the measure was prepared by the legislative drafting agents several weeks ago. I suggested the set-up in the Federal Housing Administration as the basis for the bill. As we all know, the Federal Housing Administration has not cost the taxpayers of the country a single dollar but on the contrary the fee charged at the time the mortgage is insured pays the administrative expenses and has also created quite a surplus which, of course, can be applied in the event of any losses.

For many years I have been supporting all legislation providing for the improvement of our inland waterways, the Great Lakes as well as the harbors on the eastern, western, and Gulf coasts. My contention is if we are going to spend this vast amount of money we are spending for navigation purposes certainly the waters should be put to work. The Mississippi River will soon have a 9-foot channel from the Twin Cities to New Orleans but unless some provisions are made whereby floating equipment can be secured, no benefits will be derived as a result of the vast expenditure which was made to bring about this 9-foot channel.

I want to again impress on the Members of the House that this legislation is not going to cost the Treasury a single dollar.

Arrangements have been made to hold a hearing on the bill before the Committee on Merchant Marine and Fisheries Tuesday, August 10, and at that hearing those interested in the legislation will have an opportunity to be heard.

I have had requests in the last few years from residents of my city who came to Washington for the purpose of borrowing money from the Reconstruction Finance Corporation to construct various kinds of floating equipment to be used on the Missouri and Mississippi Rivers. The Reconstruction Finance Corporation declined to enter into any negotiations whereby any assistance could be rendered.

To those who have 25 percent of the cost of the equipment that they desire to construct, an opportunity will be afforded by this legislation to apply for a guaranteed mortgage for the balance—75 percent. Of course, the Maritime Commission, that will administer the act, will under no consideration approve any proposal that is not economically sound from every angle. In other words, not only convenience but necessity will be required to be shown by the parties interested; and the fact that one simply desires to construct a vessel will not in itself be sufficient to secure recognition under the law. It will be the duty of the Maritime Commission under the act to only approve such applications as it deems will be for the best interests of the general public.

With the Government guaranteeing the mortgage, the soundness of the security cannot be questioned.

For years it has been most difficult to stimulate any interest in financing the construction of domestic floating property on the part of private banking and financial institutions. This apathy is undoubtedly due to the fact that very little of such financing has been done and there has been lacking the proper instrumentality to intelligently study the various phases of the projects under consideration, so that underwriting would be reasonably assured of the soundness of the economics involved in such projects.

It is believed that loans against mortgages on certain classes of domestic floating property will be as safe and as desirable investments as are offered in equipment-trust securities, and it is further the opinion of many that interest can be aroused in this class of investment, so that within a comparatively short time private investing capital will seek such investments and that mortgages on floating property, in the form of equipment-trust certificates, will be found acceptable under the laws of many States for the investment of funds of life-insurance associations and trust funds.

As I said, the Government has spent large sums of money in developing canals, inland waterways, and improving the channels of our rivers, but the use of these waterways has not kept pace with their development, private capital being unfamiliar with the problems and hesitant to embark in this field.

It is assured that by the simple expedient of governmental insurance of mortgages on domestic floating property, private funds will be immediately available for the rehabilitation and replacement of existing equipment and building of additional facilities. This will result in a comprehensive program of vessel construction and operation in those States that touch our lakes, bays, sounds, rivers, and canals.

Such a program would be greatly in the public interest, and summarizing the various points the following are listed:

First. In the interest of safety, most of the vessels in these services are lacking in proper subdivision, stability in damaged condition, and are of the most inflammable type of construction. The replacing of these vessels by modern fireproof ships would make passenger transportation infinitely more safe than at present.

Second. If this equipment were modernized by the building of efficient units, particularly designed for specific services, the industry as a whole would be placed on a better basis and undoubtedly our inland waterways would be more fully utilized.

Third. The resulting building and reconstruction program would widely distribute the moneys involved over many sections of the United States and would assist many small communities and small shipyards in furnishing employment.

Fourth. The replacement of our excursion steamers with properly constructed fireproof vessels would remove one of the greatest concentrated hazards that we have on our inland waterways.

Fifth. It is recognized that mechanics versed in the art of shipbuilding are not numerous. Increased work in the smaller shipyards throughout the United States would result in the training of a large number of mechanics, available not only for the construction of these smaller craft but also well fitted to be employed in yards undertaking the larger shipbuilding program.

Sixth. It would undoubtedly provide employment for many of our citizens who cannot now find jobs and would likewise put idle and hoarded money to work.

Americans in Spain

EXTENSION OF REMARKS

OF

HON. ALFRED N. PHILLIPS, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1937

Mr. PHILLIPS. Mr. Speaker, under leave to extend my remarks obtained the other day, while speaking on the subject of prosecution of those guilty of enlisting Americans for service in Spain in violation of section 5282, Revised Statutes of the United States, I stated that it was my intention to call the attention of the prosecuting authorities

of the United States to an instance I mentioned on the floor of the House. This instance of violation of this law is outlined in the current issue of Time magazine, excerpt from which I read before the House, particularly relating to the service in Spain in the cause of the Spanish Leftists of an American air pilot named Harold Dahl.

Therefore, I append herewith a copy of a letter which I have this day addressed the Attorney General of the United States relative to this matter. The letter is as follows:

MY DEAR MR. CUMMINGS: Today in addressing the House I referred to an article in the current issue of Time magazine, this article being found on page 19, specifically referring to the air service in behalf of the Leftists' cause in Spain of an American citizen, an air pilot namer Harold Dahl. I refer particularly to Mr. Dahl's statement regarding his enlistment in this foreign military service. You will note that the article reads as follows:

"LUCKY AMONG MOORS

"Into the Washington Embassy of the Spanish Leftists stepped onetime United States Army Pilot Harold Dahl. A secretary offered him a contract at $1,500 per week to act as an instructor of Leftist fliers in Spain. The contract provided that Pilot Dahl's wages be paid outside of Spain directly to his bride, Mrs. Edith Rogers Dahl, who used to appear with crooner Rudy Vallee's band. After signing, Pilot Dahl was sent to Mexico, provided there with a passport showing him to be a Spaniard by the name of Hernandez Diaz. * * *"

Further in the article Pilot Dahl is quoted as saying:

"I was flying alone in a biplane of Russian make similar to the Curtiss Hawk pursuit. My parachute landed me in the midst of a company of Moors we had been bombing the daylights out of for 2 or 3 days. I'm lucky to be alive, all right, because you can imagine how those Moors felt about enemy airmen. * * *"

"When I flew with them, which was most of the time, I never knew where I was going or what might happen. I was merely told on short notice when to take off and then took my place in formation until we landed * * *.

"I am not a Communist and never was, but I had no job and I heard I could get plenty of money for flying in Spain."

In this connection, I read to the House section 5282, Revised Statutes of the United States, and stated that it was my intention to call this article in Time magazine, and this paragraph of Revised Statutes of the United States, to the attention of the prosecuting authorities of the United States Government for necessary action to be taken in this case. I also made it clear before the House that my feeling is that this statute should be rigidly enforced inasmuch as otherwise American citizens may enlist in foreign military services, thus possibly, because of incidents which may arise therefrom, bring the United States itself to the brink of an international armed conflict.

With very best personal regards,

Sincerely yours,

ALFRED N. PHILLIPS, JR.

Consumption of Alcoholic Beverages

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

Mr. DIRKSEN. Mr. Speaker, in recent months there has been an unusual amount of discussion as to whether there is a greater consumption of liquor than in preprohibition days. In the light of that discussion, the following table, compiled by the Distilled Spirits Institute of America might be very illuminating to the public:

	1916	1936	Percent change
United States population, midyear	100,052,000	128,429,000	[1]28
Wet States, spirits legal	67,342,000	116,083,000	[1]72
Consumption of spirits in tax gallons	139,500,977	129,716,205	[2]7
Federal revenue from spirits	$165,605,477	$326,213,374	[1]97
State gross revenues from alcoholic beverages, including beer	$19,262,893	$264,350,783	[1]1,272

[1] Increase. [2] Decrease.

These figures have been compiled after careful and exhaustive research by Mr. Leonard V. Harrison, director of research for the institute, and I have reason to believe that they accurately represent the comparative consumption of liquors in 1916 and 1936.

If that be true, then there follows the conclusion that in 1916, when 22 States were dry as the result of State prohibition, more tax-paid liquor was consumed than in 1936, when but 6 States are in the dry column. Here, then, is some straight-from-the-shoulder refutation of the loose statements that liquor consumption has reached an all-time high. Perhaps it is another indication of where appearances are deceiving. But note that while consumption of tax-paid distilled spirits is still 7 percent below 1916, when we had 28 percent less population, Federal revenues have increased 97 percent over 1916 and State revenues have increased 1,272 percent.

Total customs receipts for the calendar year 1936 aggregated $43,500,000. Internal-revenue receipts for 1936, including spirits taxes, wine taxes, beer taxes, and occupational taxes, aggregated $569,031,879. The Federal Government is therefore collecting $612,581,879 from the alcohol-beverage industry, while the States collected $264,350,783. The total collections, therefore, reach the astronomical sum of $876,932,662. Those optimistic souls who predicted a billion-dollar revenue from the alcohol-beverage industry did not miss it far, and yet tax-paid withdrawals of liquor is 7 percent below 1916. If there is more drinking, perhaps the wily bootlegger is still flourishing somewhere, but the Treasury Department and the Alcohol Tax Unit would not acquiesce in such a statement.

Foreign Affairs Bill "To Regulate the Streets" is Also "To Violate the Constitution"—Give Soviet Nazi, Fascist, and Other Foreign Governments Superior Rights Over American Property and American Citizens

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

"TO REGULATE THE STREETS" AND TO VIOLATE THE CONSTITUTION

Mr. MAVERICK. Mr. Speaker, in the past 2 days two bills have been introduced to regulate the streets of the District of Columbia, one in reference to property of foreign governments and the other of the United States Government.

A casual reading of the Constitution will show that both of these bills are unconstitutional. They violate the right of freedom of speech, of press, the right of assembly, and the right of petition. They violate a great many other constitutional rights, but these are just a few.

The bill which was intended to prohibit the use of sidewalks and parkways near United States Government buildings has been withdrawn by its sponsor. The other bill, however, concerning property of foreign governments, has not been withdrawn.

One of the worst features of this bill is that it gives superior rights to foreign properties over property owned by Americans. In other words, it rankly discriminates against citizens of the United States. By its provisions an American citizen could go by another American citizen's house with an American flag, but the same American citizen could not walk by the Soviet Embassy with his own American flag. Under the bill one could march up and down the residence or business property of American property with flags and devices, but not within 500 feet of foreign property.

BILLS INTRODUCED FOR GERMAN NAZI AND ITALIAN GOVERNMENTS

This bill, which is presented at the instance of the State Department, has been introduced, I am informed, upon the demand of the German Nazi and Italian Fascist Governments. According to its terms it would be—

Unlawful to display any flag—

That would include one in your buttonhole—

banner, or device designed or adapted to bring in public notice any party—

That would include the Republican, Democratic, Progressive, and Farmer-Labor—and, it says, any—

organization, or movement, or political, social, or economic views or purposes of any individual or group—

These latter designations including, it seems to me, about everything under the sun—

near any portion of public highway or other property within 500 feet of any building or premises used or occupied by any foreign government, its representatives, official embassy—

And so forth.

As I have said in the beginning, this clearly violates the Constitution of the United States. But more, it gives superior legal and property rights to foreign-owned property over American property and American human beings.

CONSTITUTIONAL RIGHT OF ASSEMBLY DENIED

For instance, a citizen has a right to exercise his right of petition, assembly, speech in other portions of the city, but he cannot exercise it within 500 feet of property owned by a foreign government. Since it is "within" 500 feet, it could be in back of the embassy in the alley, or two blocks away; and it would prevent the right of assembly which all Americans have on public property everywhere in the United States of America.

The streets, parkways, and alleys of the United States of America are for the American people and that means all of them. When the Constitution said that people have the right of freedom of speech it did not say that this speech should be denied because it might be displeasing to a foreign ruler—for instance, Mayor LaGuardia, of New York, was not put in jail for what he said about Mr. Hitler.

The Constitution did not say that the right of assembly should be denied because a foreign government might purchase some land within 500 feet of a given point in the United States of America. Neither did the Constitution say that the right of petition should be denied, either, because a foreign government happened to own property at a certain place.

ASIDE FROM CONSTITUTION—WHAT GOOD WILL IT DO?

But aside from the constitutional phases of it, what good is to be accomplished by this? In my opinion it will do more harm than good. What will happen is that within a reasonable period of time groups of persons will picket an embassy, will be arrested, and will get anywhere from ten to a hundred times as much publicity as if they were let alone.

Suppose someone marches by the German Embassy with a sign like this: "Hitler and the Nazi German Government are persecuting the Jews, are killing them, taking away their property rights, and committing brutalities and inhumanities", or "Hitler has a 'tooth brush' mustache and belongs in a chamber of horrors."

Of course, such person would be arrested. And if there was any resistance offered, he or she would be put in jail by force, all of which would be duly shown in every newspaper in the entire world, except, possibly, Germany and Italy.

But let us take the Italian Embassy. Someone might march by with a placard saying: "Fascist Italy and Mussolini have violated the principles of the League of Nations, have stolen Abyssinia and have added it to their 'empire' and are now attempting to create war in Europe", or, more or less aptly, "Mussolini is too big for his breeches."

It would be the same thing over again. More publicity. This would be big stuff for the agitators. And suppose they would keep away the 500 feet distance and carry on demonstrations? No doubt the police would be massed to prevent attacks; still more publicity.

YOU CAN LOITER BY THE WHITE HOUSE, BUT NOT BY MR. HITLER'S HOUSE

But there is more of this yet. This law makes it unlawful for any person, singly or in groups, to "loiter" upon any portion of any public—note public—highway, street, alley, sidewalk, or parkway, near property owned by a foreign government.

Why should it be illegal to loiter near foreign property but not illegal to loiter near American property?

Why is it constitutional to have the right of assembly at the Democratic headquarters, Communist or Facist hall, but not within 500 feet of foreign property, or vice versa?

BILL IS LIKE THOSE OF RUSSIA, ITALY, AND GERMANY

The truth of the matter is, Mr. Speaker, that this kind of a law is precisely the kind of a law that operates in Fascist and Communist countries. When it is said that such practices are not permitted in foreign countries against our embassies, it is theoretically correct, although American embassies frequently are "embarrassed" just as they say embassies are here.

But the idea of this bill is that of an absolute government which prohibits people from coming near government buildings, or foreign buildings, or of expressing opinions near them. If we adopt this legislation, people will very rightly say, "Well, if we protect foreign property from persons carrying signs or devices, flags or banners, and so on, why not protect Government buildings?"

THIS BILL IS A BIG STEP IN THE WRONG DIRECTION

Then we will begin passing other laws of a restrictive nature, just as exist in Fascist, Nazi, and absolutist countries. We have gotten along for 150 years without such a law. No demonstration in front of an embassy ever got us in war.

But in any event the bill is unconstitutional, and could only be adopted if the Constitution is changed. Neither will it do any good.

I have often heard it said, concerning legislation, that "this bill is a step in the right direction." If there ever was a bill that was a step in the wrong direction, and in which the next step was a good kick at the Constitution of the United States, and the liberties of its own citizens, it is this bill.

Fair Labor Standards in Interstate Commerce

EXTENSION OF REMARKS

OF

HON. PETER G. GERRY

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Thursday, August 5 (legislative day of Thursday, July 22), 1937

ARTICLE BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. GERRY. Mr. President, I ask unanimous consent that an article by the senior Senator from Massachusetts [Mr. WALSH] on the so-called Federal wage and hour bill, published on August 3, 1937, in the Boston Traveler, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Traveler of Aug. 3, 1937]

WALSH WRITES ON LABOR BILL—TELLS WHY HE THINKS IT WILL HELP INDUSTRY IN NEW ENGLAND

(By Senator DAVID I. WALSH)

You have inquired of me (1) "What does the Federal wage and hour bill provide?" and (2) "What does it do for New England?"

(1) First of all, the so-called Federal wage and hour bill affects only the employment of wage earners in the production of goods directly affecting interstate commerce. This means that it leaves to the several States legislative control over employers and employees of industries that enter only into the field of intrastate commerce. That the bill embraces a very large number of industries and wage earners is certain.

This movement for the first time into Federal control of hours and wages is due to the recent Supreme Court decisions extending the powers of Congress by broadening the general meaning of the term "interstate commerce" with relation to Federal regulation.

Prior to these decisions it was generally assumed the Federal Government's regulation of working conditions was limited to interstate transportation and communication activities. It would now appear that employers and employees "producing, mining,

handling, or transporting goods which to a substantial extent enter into interstate commerce" are embraced within the field of Federal regulation.

SETS UP AUTHORITY

"To a substantial extent" means "not casually, sporadically or accidentally, but as a settled or recurrent characteristic of the matter of occupation described, or a portion thereof, which need not be a large or preponderant portion thereof."

The bill which passed the Senate sets up a Federal authority known as the Labor Standards Board which will perform two distinct and important functions.

First, it has jurisdiction over employers (without regard to the number of employees) and their employees who are engaged longer than 40 hours per week in any industry producing, mining, handling or transporting goods that move in interstate commerce. Its functions in this field would be as follows:

An industry working its employees 44, 48, or 52 hours per week could, after due notice and hearing, be ordered by the board to establish a maximum work week of 40 hours, or any number of hours between 40 and the number of hours that presently constitute a work week in a particular industry. It is expected that the board in making its decisions and issuing its orders would not act drastically or arbitrarily. In other words it is expected the board will reduce the number of hours in the various classes of industries gradually, but with the objective in mind of as soon as practicable reaching a general uniform 40-hour week in all industries wherever located.

HAS JURISDICTION

Second, the board is given jurisdiction over employers and employees who are engaged in any industry producing goods that move in interstate commerce, without regard to the number of employees, where the wages paid the employees is now less than 40 cents per hour. It is not expected that the board will immediately order a minimum wage of 40 cents per hour in all industries, but that it will as in the work-week provisions, approach as rapidly as practicable, without "curtailing opportunities for employment, or without disturbance or dislocation of business or industry."

The board in fixing minimum wages, is to take into consideration the cost of living; such considerations as would be relevant in a court in a suit for the value of services rendered where services are rendered at the request of an employer without contract as to the amount of the wage to be paid; wages established for work of like or comparable character by collective bargaining agreements negotiated between employers and employees; wages paid for work of like or comparable character by employers who voluntarily maintain wage standards in the occupation to be subject to the order establishing such minimum wage.

MANY EXEMPTED

The bill empowers the board to make special provisions in the field of minimum wages, for those employed as learners or apprentices; for persons whose earning capacity is impaired by age or physical or mental deficiency or injury; for overtime employment in periods of seasonal or peak activity, or in emergency work.

The bill exempts those engaged in agricultural and fishing pursuits and other cases or classes of cases which because of the nature and character of the employment, justify special treatment.

The bill also exempts domestic servants, seamen, railroad employees subject to the Hours of Service Act, and persons employed in a bona-fide executive, administrative, professional, or local retailing capacity.

Another provision of the bill forbids the employment of children under 16 years of age in the production of goods for interstate commerce.

2. As to the effect of this legislation on New England.

In the performance of the functions of the board under this bill New England industries should be less drastically affected than almost any other section of the country. This is due to the fact that State labor laws and the trend of the industries in New England have constantly moved toward higher minimum wages and shorter work weeks than in many other parts of the country.

NEW ENGLAND BENEFITS

Furthermore, industries in New England that now operate on a 40-hour week, or slightly in excess of 40 hours, and which pay reasonable minimum wages, will not continue to be subjected to competition in the trade markets with goods produced by industries that can undersell New England producers due to the fact that they are working their employees longer hours and paying lower wages. In other words, the operation of this bill when it becomes a law should tend to increase to a lesser degree the cost of production in New England, and particularly in Massachusetts, than the cost of production in other localities.

A drastic and arbitrary exercise of the board's authority would, of course, affect injuriously many New England industries, but to a lesser degree than industries engaged in comparable production whose wage and hour standards are lower than generally prevail in New England.

In my opinion, the textile industry, the boot and shoe industry, the metal-trades industry, and other industries of this character will be largely excluded from the operations of this bill because practically all of them now work their employees not more than 40 hours per week and most of them maintain a minimum wage of approximately 40 cents per hour.

They will benefit by the operations of the board which will be expected to order industries in other parts of the country, in competition with the products of New England industries, to comply with the 40-hour workweek and the 40 cents minimum wage. For the first time there will be an effort made to consider competitive conditions in the sale of manufacturing products in fixing uniform hours and wages.

SHOULD AID PROSPERITY

Another effect of this legislation on New England should be an increase in general prosperity. This is because of the fact that a larger percentage of the population of Massachusetts, Rhode Island, Connecticut, and New Hampshire are industrial workers engaged in the manufacture of products that enter into interstate commerce than most other States, therefore any general advance in employees' wages will affect more wage earners and increase their general purchasing power.

From the standpoint of New England, as well as that of the country at large, the exercise of the power granted this board should be cautious, prudent, and gradual, otherwise much industrial instability may follow.

Connecticut and the First 10 Amendments to the Federal Constitution

EXTENSION OF REMARKS

OF

HON. AUGUSTINE LONERGAN

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, August 5 (legislative day of Thursday, July 22), 1937

ARTICLE BY THOMAS H. LE DUC

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Connecticut and the First 10 Amendments to the Federal Constitution", by Thomas H. Le Duc, of Yale University.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONNECTICUT AND THE FIRST 10 AMENDMENTS TO THE FEDERAL CONSTITUTION

(By Thomas H. Le Duc, Yale University)

Connecticut presented in 1789 as formidable a citadel of reaction and privilege as one could easily find anywhere in the new union of States. No social upheaval had attended the separation from Great Britain and the Congregationalist oligarchy retained its pre-war precedence intact. Indeed, the faintly democratic tone of the revolution had surrendered to a conservative reaction, and now, behind an elaborate facade of democratic machinery, a small propertied interest quietly controlled church, State, and education.[1]

The framework of government was largely conventional. The charter of 1662 provided the only trace of organic law, for no State constitution had been drawn to supplant it. As the prerogative of disallowance had perished in the Revolution, the assembly rested supreme in its power. Civil liberties were not recognized in any fundamental law and hence the position of the citizen was subject to the precarious tolerance of the legislature.[2]

This legislature was composed of two houses—council and house of representatives. Two sessions were held annually, one in Hartford and one in New Haven. The lower house was chosen semiannually by direct popular vote. As each town sent 1 or 2 representatives, the whole body numbered around 240 and tended to become unwieldly in the dispatch of business. The council consisted of the Governor, the Lieutenant Governor, and 12 "assistants" elected by the lower house after a complicated process of nomination by the whole electorate. Despite the frequent elections, tradition opposed the replacement of men in either house except at the death or resignation of a member.

The Governor, Lieutenant Governor, and minor officers were elected by popular ballot each year, but ordinarily all of these officials were reelected throughout their lives, and the Governor was ordinarily succeeded by his lieutenant. By pluralism and

[1] "Nowhere else in New England did the ruling hierarchy maintain so glacial a grip on society." Parrington, V. L., Main Currents in American Thought, I, 358.

[2] "Judge Swift, the deepest student of Connecticut polity, defined the position of the legislature, 'By nature of the constitution, they possess the power of doing and directing whatever they think to be for the good of the community. It is difficult to define or limit its extent.'" Purcell, R. J., Connecticut in Transition, 188.

nepotism, a small clique in New Haven and Hartford managed to retain a firm clutch on the affairs of the State. That three generations of one family held the office of secretary of state continuously for a century was not viewed as particularly undesirable.[3]

Such was the organization of government and such the fabric of society in post-Revolutionary Connecticut. Into this atmosphere was projected in the autumn of 1789 the 12 amendments to the Federal Constitution which Congress had proposed. The spirit of tolerance and of personal liberty embodied in those amendments was contrary to the traditions and practices of the State, and one would not expect that they would have a sympathetic reception. It is difficult, however, to determine precisely how the legislature viewed them. The records of both houses are lamentably incomplete. Neither council nor house of representatives kept a record of its debates or of the individual votes. The journal of the lower house records only the passage or defeat of a measure and gives no analysis of the opposing forces; the journal of the council is only a list of appointments and appropriations for each session, with no reference to its other proceedings. These fragmentary accounts are supplemented by a few scattered engrossed bills and resolutions bearing the notations of clerks as to their progress through the legislative mill.

The official text of the amendments, as communicated by President Washington, reached Governor Huntington early in October 1789.[4] The first of the 12 outlined a scheme for the distribution of congressional representation; the second provided that no law varying the compensation of Members of Congress should become effective except after the intervention of an election of representatives. Neither of these amendments was ever adopted by the required number of States. The present Bill of Rights, the first 10 amendments, constituted articles III–XII of the original resolution of Congress.

At the regular session of the Connecticut Legislature meeting in October 1789 the amendments were taken up and house of representatives adopted all the articles except the second. The council voted to postpone action on the amendments until the next session. None of these proceedings are recorded in the Journals, but the original engrossed resolution reads as follows:

"The Congress of the United States of America begun & holden at the city of New York on the 4th day of March, A. D. 1789, having proposed to the legislatures of the several States certain articles as amendments to the Constitution of the United States.

"This assembly [ ] do ratify as part of said Constitution the first, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, & twelfth articles as proposed aforesaid.

"Passed in the house of representatives.

"JAMES DAVENPORT, *Clerk*."

In the upper house:

"The further consideration of this bill is referred to the general assembly of this State, to be holden at Hartford on the 2d Thursday of May next.

"Test:

"GEORGE WILLYS, *Secret*y."

As will be seen, the body of this document is undated, but the endorsement reads, "Bill Ratifying Amendments to ye Constitution /Oct 1789/ p l H passed lower House."

u H
Com[te] l H
u H

From this final endorsement it would appear that a joint committee of conference on the differing votes of the two houses was appointed, according to legislative custom. This conference seemingly failed to effect any reconciliation, and it is probable that no further action was taken at that session.

By the time the legislature met in May 1790, eight States, of which New Hampshire was the sole representative of New England, had ratified the first 10 amendments. The Journal of the Connecticut House of Representatives contains the following entry for 17 May 1790:

"Ordered that Tuesday afternoon [18 May] be assigned for Discussing the amendments to Constitution of the United States."

The action of the following day is recorded confusingly in these terms:

"Pursuant to the Ordr of the day—took into consideration the amendments to the Constitution of the United States. Ratified by Bill the 2d 3d 4th 5th 6th 7th 8th 9th 10th 11th & 12th amendments. & rejected the 1st & 2d Amendment."

Later in the day is found the entry:

"Passed bill in form for ratifying certain of the proposed amendments to the Constitution of the United States."

The original document on which the first of these two motions was presented appears to settle the disparity in the numbers of the articles given in the Journal, for it lists as passed only articles III–XII. On this paper is found the notation:

"Dissented to. in the upper House
"Test George Wyllys, Secrety."

The lower house then appointed a committee of two members, Major Phelps and Captain Swift, "to confer with such Gentlemen as the Govr & Council may appoint on the differing Votes of the houses on this Bill". Roger Newberry was apointed on behalf of the upper house, but apparently this committee was unable to resolve its difficulty, for we find that:

"On Report of the Comtee of Conference and Reconsideration this upper House do adhere to their first Vote on the bill." [5]

At the same session a separate bill was passed in the upper house, ratifying all twelve of the proposed amendments. This proposal was defeated in the house of representatives on May 21, 1790, and after the usual committee had reported the lower house adhered to its original vote.[6]

When the Connecticut Legislature assembled for its next session, in October 1790, Rhode Island had added its ratification of the 10 amendments.[7] At this session the lower house rejected all the amendments and later joined with the council in voting to postpone further consideration to the session of May 1791.[8]

It appears that the Connecticut Legislature never considered ratifying the Bill of Rights after October 1790. The journal of the house of representatives for the May and October sessions of 1791 contains no reference to such discussion, and no evidence of any kind has been uncovered to indicate that the question ever again came before either body of the assembly. As the 10 amendments became effective with Virginia's ratification in December 1791, it seems unlikely that the Connecticut Legislature took occasion to pass judgment on them at a later date.

This, then, is the simple statement of the recorded votes of Connecticut on the adoption of the amendments. Obviously, it provides no explanation of the apathy or hostility implicit in the failure of that State to accept those measures.

Nor do the newspapers of the period provide any illumination. A careful study of the files of the eight leading papers of the State during the sessions of 1789, 1790, and 1791 brings to light but one reference to the amendments before the legislature.[9] The Connecticut papers of the time carried little news of the State government but fairly extensive reports from the Federal Capital. News from the State capitals was largely confined to pre-session lists of the members and to post-session lists of the statutes enacted. Nowhere do we get accounts of the debates, and only rarely discussion of the issues. Leading citizens, eager to present their own views to the public, occasionally addressed pseudonymous letters to the papers, but after 1788 no letter relating to a bill of rights has been discovered. Taking the press as a whole, this circumstance would seem to mirror a tone of apathy rather than hostility.[10]

For an explanation of Connecticut's failure to ratify the amendments and for clear-cut expressions of opinion on the issues involved, it is necessary to study the attitude of Connecticut toward the original Constitution, and the sentiments of the Connecticut Members in that First Congress where the Bill of Rights was drafted.

If the Constitution was offered to the States in a spirit of compromise, its draftsmen were yet not so vain as to believe that it would be accepted without cavil. The response of seven of the States justified this realistic attitude. Five ratified the Constitution, but expressed a formal request for amendments; two others ratified, but minorities in each of them asked for amendments of one kind or another. In Connecticut the Federalists were in full control and they pushed acceptance through at an early date. The opposition was never formidable and none of it was occasioned by the absence of a bill of rights.[11]

Before the First Congress assembled in 1789 opposition to amendment, like enthusiasm for it, began to arise. Roger Sherman, doughty Representative of Connecticut in all the important intercolonial conferences, immediately entered the fray.[12] Sherman's

---

[3] The Wyllys family held this post from 1712 to 1810. Purcell, op. cit., 184.

[4] The original parchment, undated, containing the resolution of Congress and the text of the amendments, is to be found (1937) without any covering letter, in the office of the secretary of state in Hartford. This document is kept loosely in a safe, together with a number of unrelated papers, and it is impossible to assign to it any archival reference of value in locating it.

[5] Connecticut State Archives (Hartford) Civil Officers series, 2/22, no. 3.

[6] Journal, 1790: The engrossed resolution is found in Civil Officers, 2/22, 4a–d. The Journal for the years 1789–90 and January 1791, inter alia, is found in the vault of the secretary of state in Hartford (1937). The Journal for the May and October sessions, 1791, is in the state archives, in the State library at Hartford.

[7] Ames, H. V., The proposed amendments to the Constitution of the United States * * *, Washington, 1897, 321.

[8] Civil Officers, 2/22 5 a–b and Journal, 1790.

[9] The (Hartford) Connecticut Courant of Oct. 12, 1789, printed the text of the proposed amendments without comment.

[10] An excellent sketch of the most important newspaper in this period is found in the New England Quarterly, III, 443–463, the Connecticut Courant, a Representative Newspaper in the Eighteenth Century, by E. Wilder Spaulding. The Courant supported the adoption of the Constitution, but opened its columns to the anti-Federalists.

[11] Steiner, B. C., Connecticut's Ratification of the Federal Constitution, Amer. Antiquarian Soc., Proceedings, new series, XXV, 70–127. Connecticut was the fifth State to ratify the Constitution; the vote was 128 to 40.

[12] A sympathetic portrait of Sherman is found in the article by J. P. Boyd in the New England Quarterly, V: 221–236, April 1932.

importance in determining the sentiments of his State is not to be underestimated. Not only had he signed all the declarations from the Articles of Association down, but he had held numerous State offices, and in 1784 had been chosen first mayor of New Haven. A man of wealth, he was a natural spokesman for the conservative group that ruled the State.

As early as December 1788 he published in the New Haven Gazette two letters in which he opposed the immediate adoption of amendments.[13] He argued first that the Constitution should be given a fair trial and that the need for amendment could be demonstrated only by experience. Then he shifted ground and argued that "the immediate security of the civil and domestic rights of the people will be in the government of the particular States", and that "it should not be expedient to admit the Federal Government to interfere with them." Of the freedom of the press he avowed that it could be in no danger because it was "not put under the direction of the new Federal Government." It is at once clear that what Sherman feared most was Federal limitation on the supreme Legislature of Connecticut as the instrument of the particular stratum of society for which he spoke.

At the first session of Congress the Connecticut Members of the House of Representatives adopted a tone of hostility to the proposal to incorporate a bill of rights into the Constitution. When Virginia's application was introduced on May 5, 1789, Benjamin Huntington asked that it be tabled until such a time as two-thirds of the States should have presented similar requests.[14]

A month later, Sherman, who was at every step to block the passage of the amendments, asked that the question be postponed until Congress had completed the task of organizing the Government. On this occasion he said briefly, and without the presentation of evidence to support his claim:

"The State I have the honor to come from adopted this system by a very great majority, because they wished for the Government; but they desired no amendments." [15]

He took the stand that Congress should not concern itself with amendments until a more pronounced demand was made felt. He professed to believe it unlikely that any amendments could be ratified as so few of the States had expressed a desire for them.[16] Later, as it became clear that a genuine desire for amendments prevailed, Sherman assumed the even less tenable ground that only experience could dictate the necessity of amendment.[17]

During the middle of August the House debated and drafted the text of the amendments. Sherman was ever in the heat of the argument, vainly trying to stem the flood of enthusiasm for a declaration of civil rights. Beneath the argument that the people were secure in these rights and hence needed no assurance, he attempted to conceal his basic hostility to any organic law that would limit Congress or the State legislatures in the untrammeled exercise of their day-to-day desires. In opposing the amendment guaranteeing the right of petition and assembly, Sherman was joined by another Connecticut stalwart, Jeremiah Wadsworth.[18] Benjamin Huntington associated himself with the drive against the religious toleration clause in the first amendment.[19] Sherman opposed the constitutional guarantee against the quartering of troops in peacetime.[20] Finally, he objected to the tenth amendment conceding all residual power to the States.[21] He was, in a word, a complete Federalist, but his federation was not enlightened by any conception of the function of organic law in preserving civil liberties.

What is one to conclude from this evidence? It is at best ambiguous. The main pattern of society and thought in post-Revolutionary Connecticut is clear. One would expect to find hostility toward the Jeffersonian concepts of personal liberty and that expectation is confirmed by the statements of Connecticut Representatives in Congress. At no time is a sympathetic voice publicly raised to the support of the proposed amendments. On the other hand, each house of the Connecticut Legislature voted for those 10 amendments but disagreed over the first 2. They could not, however, agree legislatively. This is admittedly a surprising circumstance, but one is forced to conclude that, ultimately, apathy prevailed and that the issue over the Bill of Rights was allowed to become obscured by the irrelevant controversy over the other two proposals. Otherwise Connecticut would have acted as other States did in ratifying those particular measures of which she approved and in withholding consent to the others.

---

[13] Ford, P. L., Essays on the Constitution of the United States, Brooklyn, 1892, 231–241. The Sherman essays were signed "A Citizen of New Haven."

[14] Gales, J., The Debates and proceedings in the Congress of the United States * * *, I, 261. Hereinafter referred to simply as Gales.

[15] Gales, op. cit., 444 Cf. Madison's letter to Randolph, Apr. 12, 1789, "Connecticut is least inclined, though I presume not inflexibly opposed, to a moderate revision." Madison's Writings, Hunt edition, 1904, V, 346.

[16] Gales, op. cit., 465.

[17] Ibid., 686, July 21, 1789.

[18] Wadsworth was a consistent Federalist from the first.

[19] Gales, op. cit., 757–758.

[20] Ibid., 781.

[21] Ibid., 790.

Contributions to Democratic National Committee

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, August 5 (legislative day of Thursday, July 22), 1937

ARTICLE FROM THE WASHINGTON POST

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Washington Post of today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEMOCRATS GOT $15,000 OF MAN FACING INQUIRY—RAIL HEAD SAYS THEY COULD HAVE SOLD HIM SOAP WRAPPERS

The smiling head of America's largest railway system told a Senate investigating committee yesterday that he paid $15,000 for Democratic national convention books and would have "taken soap wrappers if they had offered them to me."

Robert R. Young, who recently bought control of the 23,000-mile Van Sweringen network, said two solicitors called on him this spring, when two of the system's holding companies were under fire at Washington.

He said he paid them $10,000 and later $5,000 more "because they weren't satisfied."

Acknowledging that he was expecting "an invitation" to appear before the investigating committee about that time, Young insisted that his contributions had "no connection" with his relationships to Federal agencies.

The solicitors—one of whom he named as N. M. Lichtblau—wanted donations from Alleghany and Chesapeake Corporations, the Van Sweringen system's chief holding companies, Young testified.

"They also wanted something from Pathe and all my other interests", he said, adding:

"I refused to give it to them."

He repeatedly declared that the contributions were "entirely personal", and that there was no question of infringement of the Corrupt Practices Act. He conceded, however, in response to questions that the time of the donation was "unfortunate."

Senator WHEELER, Democrat, Montana, told Young, who recently bought control of the Van Sweringen system, "the cheap, crooked tactics which have been used by the old Alleghany crowd" must be halted, "if you want people to have any confidence in you."

Young promised that "if we find anyone who has a bad record, he certainly will be replaced."

TELLS OF $45,000 GIFT

WHEELER's warning came after S. J. Kaplan, committee examiner, had accused an Alleghany employee, R. J. Morfa, of using "questionable tactics" in promoting a 1934 reorganization of the company. Young was not then associated with the firm.

Before Kaplan made his statement, Young had testified he contributed $15,000 to the Democratic National Committee "entirely out of my own personal funds." The donation, he said, had "no connection" with business he had pending before several Federal agencies.

Kaplan introduced a memorandum from Alleghany files, in which Morfa related how he had obtained a list of Alleghany bondholders from the Investors Economic Service, Inc., of Milwaukee.

"They made me promise we would not divulge the source of this information." The memo read, "under no circumstances are we to tell their clients where we secured names, etc."

CONFERRED WITH LAMONT

Young remarked that he did not see questionable implications in the memorandum, and asked that Morfa be heard "before he is condemned."

"Well, the investment house evidently thought that something was wrong", WHEELER replied, "because they made him promise not to disclose where he got the names."

"Well, I didn't want to fire anybody till I was more familiar with the situation," Young, who acquired control of the system only a few months ago, answered when WHEELER asked why the old staff had been retained.

Young said he had discussed the consolidation program with Thomas Lamont, a partner of J. P. Morgan & Co., and that Lamont "wanted to be helpful."

"We felt we had Morgan's tacit approval", the New York broker said, explaining that he "hoped" the famous banking firm would advise its clients to participate in the reorganization.

Common Sense About Housing

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1937

Mr. DIRKSEN. Mr. Speaker, housing is much like Mark Twain's observations about the weather. Much has been said about it but very little has been done. For 5 years we have been regaled with pontificial statements about unemployment in the construction industry and about the number of people who are ill-housed, and about the only thing we have to show for these years of effort and expenditures are a quantity of large-scale housing projects that look like Harvard dormitories and are running in the red; a number of deplorable undertakings like Greenbelt, Md., where homes costing the taxpayer $14,000 each now have been built for people in the $1,200 to $2,000 income bracket, and a number of indefensible subsistence homesteads like those at Reedsville, W. Va., which were built many miles from nowhere and on which our losses already run in excess of $3,000 each. It is about time for some vigor, common sense, and action in the housing field.

It requires no elaborate argument to set forth the housing problem in this country. Perhaps one of our past difficulties has been that there has been so much argument, so many figures, and so many theories that Congress and everybody else has been bewildered thereby. One look at the construction index in the monthly Federal Reserve Bulletin is convincing enough that there is and has been a serious lag in construction. There has been steady recovery in many fields, but in the field of housing, and especially in the field of residential construction, we are still deep in the woods. This lag means that we have not been and are not building as much housing as is needed. Now, it would be interesting to know why. It may be cost of building materials. It may be the cost of skilled labor. It may be lack of funds with which to rent or purchase. It may be all of these. But the essential fact is that we are not building housing units.

In addition to that fact, examine the progress of demolition in different parts of the country. Chicago, Cleveland, New York, and Philadelphia take no little pride in the neatness and dispatch with which they have demolished thousands of unsafe and insanitary buildings. Many of them were occupied. There were few replacements, and the net result is that we have added to the housing shortage by our demolition programs.

Finally, give thought to the fact that back in 1932, when the lag in construction became pronounced, people were still getting married, people were still rearing families, and our population continued to grow. What more is needed to establish the fact that we are in need of a large number of housing units to meet the demands of today and provide for a margin of vacancies that will help to stabilize rents and keep them from moving toward the sky? We may need a million units or 10,000,000 units. The number is speculative. I am content with the indisputable fact that there is a great need for housing.

How shall we approach this problem? In our approach let us discard and forget a lot of talk about comparisons with Great Britain, Sweden, and other countries in the housing field. We have a penchant for measuring our own neglect in the housing field by the housing accomplishments in other countries. Their problems are quite different. They do not operate under a Federal Constitution containing a due process clause, nor are they bothered with the question of divided sovereignty between State and Federal Governments. They can do many things legally which we cannot do, and so let us forget about them for a bit and attack this matter with common sense and Yankee vigor.

Let us dispose of two general objections first: One is that housing will cost money. Certainly it will. So do battleships, schools, highways, post offices, and other things in which we are interested. You cannot build houses out of wind and water. It takes money for labor and materials. Of course, if anyone is opposed to the Federal Government making a sane and common-sense venture in the housing field, these observations will be lost on his unregenerate spirit.

The second general objection is that it puts the Government in business. That would be a substantial objection if such were the case. But a housing program can be developed that will not throttle or curb private competition and which is intended only to assist in the construction of housing. To say that this objective cannot be worked out would be to confess our own inability to cope with this problem. I for one believe it can be done.

What should be the test of good housing practice on the part of the Federal Government? Let me point out some that have occurred to me while I was a member of the Banking and Currency Committee of the House and giving this matter special study.

First. A housing program should build houses and housing units. That sounds silly at first blush. But it is not so silly. Take a look at the record. For 5 years we have been fooling around with housing, and after immense expenditures running into hundreds of millions we have not built enough units to house the residents of a city like Peoria. If we are going to have a housing program, let it be a liberal program, administered vigorously and intelligently, so that it will achieve results.

Second. Every dollar of money expended should be made to do the maximum amount of good. Two alternatives face us at this point. We can dip into the Federal sock and make capital grants and charge the whole business off as soon as the housing is finished or we can make uniform installment grants over a period of time. It has been estimated that $50,000,000 a year expended in the form of rent subsidies over a period of 4 years under the Wagner-Steagall housing bill will build 12 times as many housing units as if you took $600,000,000 as suggested by the so-called Treasury plan and made capital grants on completion of different housing projects. I believe that is true. Under a scheme of capital grants, you are charging off the whole business at once. This would be all right in the case of post offices, Government buildings, and similar projects which have no commercial value. But in the case of housing, you are dealing with commercial values and commercial uses so why write off in one lump sum at the beginning what can well be amortized over a long period of time? I favor rent subsidies, paid over a period of time under a contract which guarantees their payment. This will mean maximum utilization of every dollar appropriated out of the Federal Treasury.

In this connection, the 6 years of experience of the Julius Rosenwald Foundation, of Chicago, is both timely and interesting. In determining just how far private capital can go in the housing field in meeting the needs, it makes this observation on the building and operating of a private-housing project:

> With the utmost economy in every detail of the project, it has been impossible, on a business basis, to fix rents low enough to reach low-income families. The conclusion from our experience is that housing in the low-income field is noncompetitive with private capital. It is evidently necessary that public agencies be responsible where private capital cannot operate even at a limited return.

Third. Such a program should not be amortized over too long a period of time. The Wagner-Steagall bill suggests 60 years. Would that be wise? Figure back 60 years and it takes you into the era when Rutherford B. Hayes was President, when Sitting Bull's warriors were massacring Custer's forces on the Little Big Horn, and when the telephone and telegraph were just being developed. Think how different houses were then from what they are now. No bathrooms, no electric heat, no oil burners, no electric lights and gas, no tiled floors, no hardwood, no built-in kitchen cabinets, no air conditioning, no electric refrigeration. All these and a multitude of other things have come in 60 years. Is it not reasonable to assume that in the next 60

years, as much if not greater progress will be made in housing improvements and, if so, would not the houses to be built now under a housing program be hopelessly outmoded and outdated before the amortization period had run? Then, too, it must not be forgotten that this is a fluid age and the mobility of population is greater than ever before. Witness the trailer movement in the country today. I am no patriarchal prophet but it is apparent that it may influence housing standards and tendencies in the future. I believe, therefore, that a 20-year amortization period and perhaps 30 years at the outside would be long enough.

Fourth. A housing program should be limited to families in the low-income group whose financial distress is such that they cannot afford to build or rent adequate, safe, and sanitary housing facilities. This group should be carefully and specifically defined. It is not the business or the function of the Government to assist in housing those who can house themselves. Here, again, we can draw on experience. In the case of the Hillside Apartments, in New York, an examination discloses that only 68 out of the 1,219 families who derive the benefit of this project had incomes under $1,500. In other words, 95 percent of the occupancy is devoted to families whose incomes were above the average of 1929. The Wagner-Steagall bill seeks to meet this by stating that low-cost housing shall be available solely for families whose net income does not exceed five times the rental. Rental would include the cost of light, heat, water, and cooking fuel. Let us figure it out in a common-sense way: Suppose that the rent was $20 a month; light, $2; heat, $8; water, $1; and cooking fuel, $2. That is a rather moderate basis. The total would be $33 a month. Multiplied by 12, it would be $396 a year. Now multiply that by 5, and in the case of families with three or more minor dependents multiply it by 6. In the first case it would be $1,980 and in the second case it would be $2,376. That means that a two-person family or a family with less than three dependents could have an income of $1,980 a year, and a family with three minor dependents could have an income of $2,376 a year and still be eligible for a low-cost house which was built with Federal assistance. On such a basis 90 percent of all the families in the country would be eligible. I am sure that this would impose a burden upon the taxpayers and would be the loosest kind of practice. Low-income families should be very specifically defined. The President has often said that one-third of the families of the country are ill-housed. Very well, then insert a definition in the bill to embrace this one-third. Otherwise the Treasury would not be capacious enough to carry out a housing program.

Fifth. A housing program should be administered through local authorities. Congress should not make it possible for a Federal housing authority to force a housing project upon a city or town. If there are to be local housing authorities, well and good, but let them be responsible to the city fathers in a city or town. The elected officials of a municipality are responsible and responsive to the people, and if there is need and demand for a housing project the thing will crystallize and develop enough pressure to engage the interest of those who guide the affairs of our municipalities.

Sixth. There should be a solemn guaranty on the part of the Federal Government, reduced to writing, which will give assurance that when a housing project is undertaken the Government will continue to make payment of the annual grants.

Seventh. Housing must be built at a reasonable cost, free from frills and fripperty. Housing units should be substantial, complete, and comfortable but devoid of such ornamentation and embellishment as will make the cost prohibitive. After all, the object of a housing program is to provide safe, sanitary housing, and to provide employment. These objectives must be accomplished without waste or extravagance if the taxpayer's dollar is intended to do a dollar's worth of good.

Eighth. I doubt the wisdom of permitting the construction of demonstration projects as now provided in the bill. There is such a lure to play with public money. In every person, young or old, rich or poor, is that creative instinct. Given a generous amount of public funds, there is that irresistible urge to build something nice and up to the minute, knowing that it can be sold to the public or to some local authority. In the light of private research in the field of building materials and construction methods, it is scarcely necessary to authorize the construction of demonstration projects, even when hedged about by safeguards. Demonstration projects are scarcely necessary and will perhaps serve to become focal points for subsequent criticism. I suggest that the housing program be streamlined by omitting authority to construct such projects.

Much more might be said on the subject, but this will serve to indicate what, in my judgment, should be the fundamental housing pattern. The time for action has arrived. I trust the Congress will legislate a safe and sane housing program that will actually effect the building of houses.

Three times a proposed housing bill has been lost in the last days of the sessions. In the last week of the second session of the Seventy-fourth Congress, the Wagner bill was laid in the lap of the House Committee on Banking and Currency. At that time I proposed a large number of amendments, which were inserted in the bill, but the measure was finally laid on the table because time did not permit hearings. Now, we are once more within the shadow of adjournment. Hearings are now being held by the House committee. I am as anxious for the adjournment of Congress as any Member, but I trust that before finis is written to this session a housing bill will have been enacted.

The Status of Correctional Education in United States

EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1937

REPORT OF SURVEY BY C. STEWART PETERSON, M. A.

Mr. LARRABEE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following survey made by C. Stewart Peterson, Baltimore, Md., on the status of correctional education in the United States:

Reformatories have failed in five States, according to the conclusions arrived at as a result of a research study of five States by the Children's Bureau, United States Department of Labor.

I thereupon began a research survey of the present status of education in the penal and correctional institutions of the United States. I set out to learn if this work is under the State departments of education; if the teachers are certified; if regular courses are prescribed and required; and what progress has been made in this field of education.

The Children's Bureau of the Department of Labor made a study of the records of 623 boys 5 years after their discharge from reformatories in New Jersey, New York, Michigan, California, and Ohio. The study revealed that 68 percent had failed entirely, or nearly so, to adjust themselves to their environment. The problem of unemployment of youth had proven insurmountable to them. This record concluded that the homes of these unfortunates must be rehabilitated.

The following is a brief summary of the findings of my research survey as found in the reports of correctional and penal institutions, State departments of education, and State welfare departments, and through direct assistance from the State education and welfare departments:

The corrective schools of Alabama are not administered by the State board of education. Each such school is under a separate board appointed by the Governor and confirmed by the State senate. Both the Governor and the State superintendent of education are ex-officio members of each board.

The board of trustees of each institution prescribes the courses of study offered and the qualifications of the teachers employed. The teachers may or may not be required to be certificated.

The director of education, California State prison, at San Quentin, according to his report, is most fortunate in having the fine

support and enthusiastic interest of the State superintendent of public instruction.

The State board of vocational education in the State of Colorado does not supervise nor reimburse with State and Federal funds instructors in penal institutions within this State.

The Colorado State Industrial School, Golden, Colo., does maintain a regular program of vocational education at this institution.

The department of education, State of Connecticut, at the present time does not certificate or require certification of teachers employed in the special State institutions, such as prisons, reformatories, and the like. However, this department is willing, upon the request of the superintendent of the institution, to check up on the qualifications of the teachers and certificate the same.

Some of the institutions have already made such a request, notably the Connecticut School for Boys, at Meriden, and Long Lane Farm for Women, a similar institution for girls at Middletown.

It is not unlikely that at some future date the department of education may be called upon to render this service for similar institutions of like nature.

The reformatory education in the State of Delaware is not regulated by the department of public instruction. It also does not certify the teachers or set up any courses of study.

The Department of Public Instruction of the State of Florida has no direct connection with prison and reformatory education.

The department of education in Idaho is expected to prepare courses of study for the inmates of the State penitentiary at the request of the State prison board.

The only educational program that has been conducted thus far in this institution has been through the emergency education projects which have been conducted here during the past 3 years. Of course, teachers are not required to be certified to teach this work. The department of education is offering courses for the State penitentiary in auto mechanics, Diesel-engine repairing, commercial English, social science, and a variety of other courses on the grade-school or high-school level.

The Department of Education of the State of Indiana can give no information regarding prison and reformatory education.

The educational work carried on in the penal institutions of the State of Kansas is not an organized equivalent of the work in the public schools of this State. This work is not under the supervision of the State department of education and, therefore, this department is unable to give any very definite information regarding the work. As the work is not organized and under the supervision of the State board of education, teachers in these schools are not required to hold teachers' certificates.

Teachers in prison schools of the State of Kentucky are not required to be certified. As a matter of fact they are largely inmate teachers.

The State of Louisiana supports a reform school for boys in the city of Monroe.

This State maintains also a reform school for girls near the city of Alexandria.

A great deal of instruction of various kinds is offered the convicts in the State penitentiary.

Prison and reformatory education in the State of Maine is not handled by the regular department of education in this State. Each State institution is authorized by law to make its own regulations relative to educational work offered in any of these organizations.

The State schools for boys and girls are not required by law to employ certified teachers. However, the chief officers of these two institutions cooperate very well with this department and during the last few years have insisted upon the employment of certified teachers even though not compelled by law to do so.

The Maryland Department of Education has no jurisdiction over education in the prison and reformatory schools of the State.

The State department of education of the State of Massachusetts does not, by law, regulate the teaching in the prisons of this State. They are very cooperative and willing to make suggestions whenever the department of correction asks for help. The law does not provide for the division of university extension, of the department of education, to supply individual prisoners with courses free of charge.

Teachers in penal institutions in this State are required to pass civil-service examinations.

Several of the prisons in the State of Michigan maintain independent educational programs, although these programs are not specially tied up with the department of public instruction. This department signs certificates of achievement for one of the prisons and probably will for others in the near future.

The teachers are very often inmates, although the head of the school is usually a certificated teacher.

In the reformatory schools of Mississippi the superintendents have charge of the educational work in these institutions.

During the past school year the Department of Public Schools in the State of Missouri was instrumental in setting up approved high schools in the Girls Industrial Home and the Boys Reformatory.

A similar type of work is offered to what is offered in the regular secondary schools with this exception—they go further in vocational education. In the girls' school, hairdressing and homemaking courses illustrate what they are doing.

The teachers must have the same qualifications as teachers in other secondary schools out State.

The superintendents of reformatory institutions in the State of Montana are in charge of the educational work in these institutions.

The State institutions in New Hampshire carry on their own educational program but with friendly cooperation and suggestion from the State Department. There are no legal requirements with respect to such instruction.

The State department of education in New Mexico does not regulate instruction in the prisons and reformatory institutions of this State. However, the State department supplies free textbooks in such subjects as are furnished free to the public schools.

In North Dakota the State prison is located at Bismarck, and the reformatory, or what is called State training school for delinquent boys and girls, is located at Mandan across the river 5 miles away. There is some adult education given at the State prison, but it is not under the direction of this department. The training school at Mandan conducts a regular grade and high school using the State course of study prepared by this department and also taking examinations prepared here. The teachers are required to have certificates the same as other public-school teachers and, in that way, it is under the direction of the State Department of Public Instruction.

The prisons and reformatories in Ohio are under the supervision of the welfare department; however, the Boys Industrial School at Lancaster, Ohio, has a junior high school organized, and in general the teachers for this school meet the same requirements for certification as other junior high school teachers. However, there are provisions which permit special certificates to be issued for the Boys Industrial School, and also for the Mansfield Reformatory School.

The department of public instruction, State of Oklahoma, has nothing whatsoever to do with educational work in the penal institutions in the State. They have been called upon recently for suggestions with reference to the program, and one member of the staff has been a member of an unofficial committee on prison education. However, this committee has not met recently, and no informations were given what future plans have been made to continue the work of the committee.

At the present time the department of education, State of Oregon, does not conduct an education program in the State prison, with the exception of certain emergency adult education teachers paid from Federal funds who have worked from time to time at the State prison in Salem. Legally the department does not have authority over the education programs at the prison and the reformatory schools for boys and girls.

The legislative act authorizing the establishment of the Pennsylvania Industrial School as written in the act of assembly, section II, no. 30, session 1887, page 17, declares:

"As the aim and purpose of the industrial reformatory is to prevent young first offenders against the laws of the State from becoming criminals; and to subject them while in custody in this reformatory to such remedial, preventative treatment, training, and instruction as may make them honest, reputable citizens, the board of managers is authorized and hereby empowered to establish by rules and regulations governing the superintendent and other officers, such a system of discipline for the inmates as will secure to each instruction in the rudiments of an English education, and in such manual, handicraft, skilled vocations as may be useful to each of the inmates after his discharge from the reformatory, whereby said person will be able to obtain self-supporting employment."

In 1931, section 2318, Act No. 144, page 368, the corporate title was changed from the Pennsylvania Industrial Reformatory to the Pennsylvania Industrial School. This change in name is in harmony with the original purpose laid down in the act of 1887. Enacted into law, confirmed by the change in name, this purpose of remedial and preventative treatment, training, and instruction is binding on the administration and all subordinate officers. To carry out the provisions of the law, the following program has been submitted to the board of trustees. It was approved by the board February 11, 1936.

An essential part of the educational program has been the development of work opportunities. The department of welfare has sought to expand and modernize all prison and correctional-school shops. It has, for example, installed textile shops at Graterford, new metal-working shops at Western, a new sewing shop at Muncy. A soap factory is being developed at Huntingdon. Everywhere possible existing machinery is being modernized to prepare prisoners for the newer processes in industry. Everywhere new inmates are being added to the training lists.

All teachers must be certified.

All State institutions in Rhode Island having inmates falling within the compulsory school ages—that is, 6 to 16, inclusive—must report to the department of education reports of their school activities, and the teachers in such institutions must hold State certificates.

In the State penitentiary in South Carolina are several W. P. A. teachers working; however, the work done in 1932 was done by two of the best teachers that could be employed. Unfortunately, there is no special appropriation for this activity. Attempts have been made to get the authorities interested in an educational program after some initial work has been promoted.

Prison and reformatory education in South Dakota is not under the regulations of the department of public instruction. This matter is cared for by the board of charities and corrections.

In Texas education in prisons and reformatories is not under the jurisdiction of the State department of education unless by chance the authorities of those schools wish to become accredited institutions.

All teachers in Texas are required to be certified if they are paid from State public-school funds.

The Utah State department of education does not have charge of the education work carried on at the State prison. The department has not been asked to give recognition to the education work carried on at that institution.

The West Virginia State department of education does not direct the education service of prisons and reformatories. This service is under local direction in the State.

The education in the reformatory institutions in the State of Washington is not under the jurisdiction of the State department of education. However, the department acts in an advisory capacity, and has accredited a high-school department in the State training schools for boys and for girls. The teachers are not required by law to be certified for these institutions. Nevertheless, when they set up schools in accordance with accredited requirements, they employ State certified teachers.

In Wisconsin the department of public instruction is not regulating the teaching in the prison and reformatory institutions and therefore does not license the teachers in these institutions.

In the State of Wyoming teachers working in the prisons and reformatories are certified, although this is not the State requirement.

This is a brief account of what has been done by typical States in various sections of the country in regard to the matter of education in penal and correctional institutions. It is somewhat of a disappointment that this work that at one time offered such high hopes has turned out to be very much less of a success than at first expected—if the work can even be considered a success.

Some arrangement should be made whereby teachers in correctional institutions would be granted a special teacher's certificate by the State departments of education as is done at present in Ohio.

Bad Precedents

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1937

RADIO ADDRESS BY HON. WILLIAM P. LAMBERTSON, OF KANSAS, ON AUGUST 4, 1937

Mr. HOPE. Mr. Speaker, under leave to extend my remarks, I include the following able and interesting address recently delivered over the Columbia Broadcasting System by my colleague, Hon. WILLIAM P. LAMBERTSON:

Indeed, it is a privilege to speak through God's great medium, the ether waves, to friends and fellow Americans. The Columbia broadcasting network flatters me by asking me to use 15 minutes of time that is so precious.

Permit me to say as a prelude to my remarks that the 4th of August in my State of Kansas and some other States is celebrated by the colored race as their Emancipation Day. It happens to be today. The freedom sought by New Dealers and Old Dealers is the emancipation of social conditions so that a reasonable, decent standard of living by all classes may be enjoyed. That is everyone's purpose in public life who is unselfish in his service. A sound and sane unfettered freedom, that will last, is what we are aiming at.

The theme chosen for this talk is Bad Precedents. Extravagant habits which people cannot afford are bad; wasteful spending by the Government is wicked. A strong feeling permeates Members of Congress today that they must get something tangible from Uncle Sam and bring it home to their district and State. They fear they will not be reelected if they do not do this now. The result is the never-equalled national debt.

One of the bad precedents in this spending is that great projects have been started without congressional authorization by comparatively small allotments from emergency funds. The Natchez Trace, the Sky Line Drive, the Coulee Dam, the St. Louis Jefferson Memorial, and hundreds of others were started innocently with relief money but obligated the Government into the millions upon millions to complete, if they are ever completed in the years to come.

The great unearmarked billions are bad enough in the careless way in which they have been expended but the unforgiveableness of a large part of this operation has not been to conceive something and finish something, like a schoolhouse or a sewer system, but to start a thousand unfinished things such as have been mentioned and leave them to future generations to finish. Through 3 months, and with eight speeches in the House, I have called attention to the Jefferson Memorial project in St. Louis. It is not difficult to understand, $30,000,000 is involved, and yet less than $100,000 has at this moment been spent; but the chances are that we will be unable to stop it, for the "pork barrel" has gotten so big that those who care for economy are discouraged. They fear, too, it might reflect on the President because he yielded unsuspectingly.

The other day practically every Pacific coast Member voted for the Natchez Trace and the Sky Line Drive, two different roadways from Mississippi up to Virginia, and in turn most of the men of the South, including leaders on the great committees, voted for the Big Thompson tunnel in Colorado. Never was there such a gigantic pork barrel perpetrated in Congress. It was a bad precedent to establish anywhere, as this did in the South, 100-percent road construction by Uncle Sam, departing from our 50–50 plan long followed with the States. Members engineer places for themselves today on the Appropriations Committee, not that they may be useful in saving money for the Government, but that they may be in a position to spend it more freely and especially for their section of the country. In the old days of Martin Madden and Joe Cannon men were denied places on the Appropriations Committee who had any selfish ends to serve.

A bad precedent was perpetrated in Washington last week when men picketed a Government building under construction. Strikes should never be tolerated among Federal employees. They have hinted at it. The country vindicated Calvin Coolidge when, as Governor of Massachusetts, he broke up a strike of Boston policemen.

Neither should our Government permit picketing of an embassy by American citizens. It is not excuse enough that they do not like something that has happened on foreign soil. These people, in a way, are our guests and the State Department owes them complete protection from such humiliations. Yet that happened here last week. A bad precedent that might lead to international difficulties.

Lawful picketing has gone too far. One of the most revolting pictures which filled the papers through the first half of this year and which I denominate as a bad precedent, is that of workmen welding padlocks on the gates of their employers. That fine unfailing American sense of public values, which we call public opinion, has guided our steps back to about what is right on this line.

To my mind, it is not a good policy to hesitate filling a vacancy on the Supreme Court before adjournment of Congress without the Senate's having a chance to confirm or reject—one of its constitutional functions. There should be better cooperation in the driving of the three-horse team.

And now I want to get to the wage-hour bill, which is the outstanding legislation pending in the dying days of this session. A prevailing psychology among the Members of the House and Senate is to vote for anything that bears the title of maximum hour and minimum wage, because Labor generally is for it, and because the Chief Executive has asked for it, and they don't want to see him suffer a second major defeat in 2 weeks. The labor bill that the Senate passed Saturday was a joke. They had stripped it of about everything but the enacting clause, and yet the faithful voted for it, because they wanted to be in harmony with the powers that be as far as possible in the 1938 congressional campaign, which is already visibly in the air.

When the House Committee on Labor met at 10 o'clock yesterday, just before the gavel of the chairman fell calling us to order, labor's real friend, William Green, came through the committee room and asked the chairwoman for a 5-minute conference. When she came back to the committee she asked us to adjourn for 24 hours because the President had requested it, he and Mr. Green both realizing that what the Senate had passed Saturday was only tinkling cymbal and sounding brass, and they wanted time to prepare suggestions for our committee today. I congratulate my Senator, ARTHUR CAPPER, and all others who voted against it, for whatever reasons. The House bill to date is different from the Senate bill in that it put everything in, great maximums and minimums, the fondest dreams of the wildest-eyed. The House committee today substituted the Senate bill as passed there, for their own, and have put all of their original amendments into the new bill. It will probably be reported out tonight, be on the calendar Friday and ready for consideration Monday, if a rule is provided. William Green is running things again. John Lewis is temporarily down. Farm groups are caucusing against it because they got nothing new.

There has been a grape-vine feeling that whatever we do, the Rules Committee of the House will do to it what Representative HATTON SUMNERS said his committee would do to the Court bill if it ever got to our House. The maximum hour is commendable and not so controversial; provision for child labor is universally acceptable, but the one thing that is sticking in the craws of men who want to be, not the fool friends of labor, but the honest friends of labor, is the creation of a board with unlimited powers to fix minimum wages. I think it is bad precedent, as one among many, to give this great delegation of power to a board. A new industry, in the experimental stage, can't afford to pay the wages that a successful and long-established business can. There are a thousand complications that rise to haunt a board when they face this situation. Labor is afraid of it, manufacturers are afraid of it, the public is afraid of it, but the President has asked for it. It is just another little N. R. A. and the Supreme Court threw the Blue Eagle out the window with a 9-to-0 decision, not a 5 to 4.

Incidentally, I have resolved that as long as I remain in Congress there are two things I shall not do: First, not to vote for a declaration of war unless our country is invaded; second, I shall not vote for the creation of a new board or commission. Each one sets up an oligarchy of employees which is wasteful and each is designed to assume legislative functions.

Going back, it is a bad precedent to say that the minimum wage shall apply to all industries pertaining to interstate commerce when you know that it is going to apply to everybody

regardless of State lines. The cleaner in Troy, Kans., that competes with one across the State line in St. Joe, in turn will compete with one in Highland doing solely a local business. You have heard of the cleaner under the other law who charged 35 cents and was put in jail. The power to regulate minimum wages implies the power to fix wages and when that is done we move Moscow into Washington.

Let me recapitulate the bad precedents to which I have referred: The starting of projects which future Congresses must finish, the putting of government into 100-percent road construction as we did in the Natchez and the Skyline Drive, the threat of striking and picketing of Federal employees, the picketing of embassies, the lawful striking carried on into the extreme sitdown and the welding of padlocks, the delay in filling a Supreme Court vacancy while the Senate is in session, and last, but not least, a Member of Congress having taken an oath to uphold the legislative branch and be a United States Representative, to vote for measures just because another branch of the Government desires it, is a bad habit, if not a bad precedent, and is not in the best interest of good government.

In closing let me say that it would be one of the best precedents, with a reasonable amount of prosperity at hand, to recur to a rigid, old-fashioned example in Government saving. I do not mean rugged individualism, I mean the avoidance of waste. Too, it would be a good precedent to encourage the initiative in human endeavor if we should withdraw as many restrictions of emergency days as possible, and allow human beings to articulate once more. This has been the one great thing somewhat lost by relief.

I am optimistic of the future. We have all been thrilled in the last 2 weeks with the self-assertion of America's public opinion. This is a great country, your country and mine, the best on earth—and it will not die.

Flood-Control Compacts

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1937

LETTER FROM THE FLOOD CONTROL COMMISSION OF NEW HAMPSHIRE

Mr. TOBEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from the Flood Control Commission of the State of New Hampshire:

Re: Flood-control compacts.

CONCORD, N. H., *August 2, 1937.*

Congressman CHARLES W. TOBEY,

The House of Representatives, Washington, D. C.

DEAR CONGRESSMAN TOBEY: In view of the circumstances attending the negotiation of the interstate compacts for flood control in the basins of the Connecticut and Merrimack Rivers, the controversy which has developed in Congress over ratification is both surprising and disappointing. The controversy relates primarily to those provisions of the compacts by which the States undertook to reserve the conservation and power potentialities of the sites selected for flood-control reservoirs. The contention is now made that such reservations, although qualified so as to provide for the fullest measure of flood control, are opposed to Federal policy. This assumed controversy between the compacts and the Federal policy was not disclosed during the negotiations for the compacts, although representatives of the Federal Government participated in the negotiations. On the contrary the commissioners representing the several States were led to believe that the provisions of the compacts were consistent with Federal policies and in strict accord with the Flood Control Act enacted by Congress in 1936. The compacts were drafted following a conference at Hartford on March 8, 1936, in which the Governors of the several States and the Honorable Harry H. Woodring, Secretary of War, and Gen. Edwin M. Markham, Chief of Engineers, participated. In urging immediate action the Secretary of War said:

"The President is directly interested in the early start of construction on the reservoir program for the reduction of floods in the Connecticut River Basin authorized by Congress in the Flood Control Act of June 22, 1936, and with this end in view suggested that a conference between representatives of the States and the Federal Government might be of value * * *."

The Flood Control Act of 1936 declares the policy of the Federal Government to be to "improve or participate in the improvement of navigable waters or their tributaries, including watersheds thereof, for flood-control purposes if the benefits to whomsoever they may accrue are in excess of the estimated costs, and if the lives and social security of people are otherwise adversely affected" (sec. 1). "Federal investigations and improvements of rivers and other waterways for flood control and allied purposes" were by the act placed within the "jurisdiction" of the "War Department under the direction of the Secretary of War and supervision of the Chief of Engineers" (sec. 2). The act provides that "no money appropriated under authority of this act shall be expended on the construction of any project until States, political subdivisions thereof, or other responsible local agencies have given assurances satisfactory to the Secretary of War that they will (a) provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project, except as otherwise provided herein; (b) hold and save the United States free from damages due to the construction works; (c) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War" (sec. 3).

The act further provides that "the following works of improvement, for the benefit of navigation and the control of destructive floodwaters and other purposes, are hereby adopted and authorized to be prosecuted, in order of their emergency as may be designated by the President, under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans in the respective reports and records hereinafter designated: *Provided,* That penstocks or other similar facilities, adapted to possible future use in the development of adequate electric power may be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers" (sec. 5).

Among the plans thus approved were those for a "system of flood-control reservoirs" in the Merrimack River Basin and the Connecticut River Valley. The act expressly authorized interstate compacts or agreements as a means for giving effect to its provisions. It is apparent from any review of its provisions that the primary purpose of the act was to provide for flood control. Briefly summarized, the act provides that flood-control reservoirs or projects shall be constructed by the United States through the War Department upon land furnished by the States or agencies thereof and that the flood-control reservoirs or projects upon completion shall be maintained and operated by the States, subject to such regulations as may be issued by the Secretary of War.

Penstocks or other similar facilities "adapted to possible future use for the development of adequate electric power" may be installed when approved by the Secretary of War. With the exception of "penstocks or other similar facilities" the authority of the War Department is limited to the construction of projects or other works for flood control. It has no authority to develop or sell power at these flood-control projects. Furthermore, the act requires the States to maintain and operate the flood-control reservoirs or projects upon completion, from which it would appear that the Congress intended that the power or conservation potentialities should be controlled and utilized by the States or agencies thereof. It is not to be presumed that the Congress expected the States to maintain and operate power or conservation projects for the Federal Government. Finally it may be observed that only the States or agencies thereof could consistently, with the provisions of the act, utilize the projects for the development of electricity or other incidental uses.

The Federal policy as outlined at the Hartford conference by the Secretary of War and by the Chief of Engineers was in entire harmony with the provisions of the Flood Control Act.

From their statements, it appeared that the War Department had no authority to construct dual-purpose reservoirs; that the funds appropriated to carry out the Flood Control Act could be used only for the construction of flood-control works or projects excepting "penstocks or other similar facilities * * * adapted for future use" which might be installed in any dam; that the Congress in authorizing the construction of penstocks and other similar facilities apparently intended that the power and conservation values should, wherever practicable, be preserved; that the War Department in administering the act would cooperate with the States to preserve such values inherent in any site selected for flood-control reservoir; and that, if any State should desire to utilize any such site for power or conservation purposes, the flood-control dam would be designed and constructed to permit of further development by increasing the storage capacity for power or conservation purposes, all the costs of the additional development to be borne by the State. It was emphasized that if the reservoirs were utilized for conservation or power purposes that the State must pay all costs and expenses incidental to further development including the adaptation of the flood-control dam and works to such additional use, and that no adaptation could be made which did not at all times fully preserve the primary purpose of flood control.

In the existing situation the commissioners of the several States engaged in drafting the compacts had no real choice as to the course to be pursued. The War Department had no authority and no funds to develop the reservoirs for power or conservation purposes. If the flood control reservoirs were to be utilized for power or conservation purposes the plans must be made before construction commenced as otherwise the cost of adaptation would be prohibitive. The Federal Government having made no provision for the construction of dual purpose reservoirs, the power and conservation values could be preserved only through the States. Consequently the compacts were drawn reserving to the States the right to develop the power and conservation values of the various sites subject to their primary use for flood control.

The compact providing for flood control in the basin of the Connecticut River contemplates the immediate construction of

eight flood-control reservoirs, three of which are to be in New Hampshire. These are to be constructed at Bethlehem Junction on the Ammonoosuc River, at Stocker Pond in Grantham and Springfield, on a tributary of the Sugar River and at Surry Mountain on the Ashuelot River. The site on the Ammonoosuc River has no power or conservation value and the compact provides that the dam at such reservoir shall "be constructed in such manner as to provide for flood control and also for a recreational lake to be maintained during the summer months." The sites at Stocker Pond and on the Ashuelot River may have conservation values and the compact provides that the dams shall "be constructed in such manner as to provide for flood control and in addition thereto be so designed and constructed as to provide for further development by increasing the storage capacity, the added storage to be used for water conservation or power development, at the option of the State of New Hampshire.

The compact providing for flood control in the valley of the Merrimack River contemplates the immediate construction of two reservoirs in New Hampshire. These are to be constructed at Hill on the Pemigewasset River and at Webster on the Blackwater River and the compact provides that the flood-control dam shall be so designed and constructed as to provide for development for conservation or power purposes. Each compact provided:

"The terms and conditions under which any such signatory State shall make available the rights of water conservation, power storage, or power development herein reserved shall be determined by separate agreement or arrangement between such State and the United States; and the type and general plans for the construction of such of the reservoirs as are herein contemplated to provide for such further development shall be approved by some agency of such State, for that purpose duly authorized, before any construction thereon is begun or prosecuted."

The failure to make some provision in the compacts for the utilization by the States of the power and conservation values inherent in the various sites would probably result in the loss of these values. It would not be feasible to enlarge the flood-control dams to provide additional storage unless the dams were originally designed and constructed for such further development. The War Department would hardly be justified in making the additional expenditures for a broader base and for installation of penstocks or other similar facilities unless there were reasonable prospect of early adaption to power or conservation uses. The sites for the several reservoirs are on tributary streams and the conservation or power values are not important, yet a State such as New Hampshire has need of all its natural resources.

From the reports reaching us we are unable to determine what alternatives are proposed by the opponents of the compacts. It is very doubtful whether new compacts can be negotiated on any basis which does not preserve the power and conservation values of the sites taken for flood-control reservoirs. There is no Federal agency with authority to construct dual-purpose reservoirs, and it would seem as if the power and conservation potentialities of the sites taken for flood-control reservoirs could be utilized only by the States or agencies thereof. Furthermore, any attempt to revise the compacts would result in long delay and might ultimately defeat the purpose of the Flood Control Act to provide flood protection by cooperation between the Federal Government and the States.

The circumstances under which the compacts were negotiated have been set forth in some detail so that our position may be fully appreciated. The provisions of the compact which are the cause of the controversy over ratification were drawn strictly in accord with the provisions of the Flood Control Act and the interpretation placed thereon by the War Department. The compacts have been ratified by the several States and if ratified by Congress will open the way to effective flood control in the Merrimack and Connecticut Valleys. The public sentiment in New Hampshire greatly favors ratification of the compacts at the present session of Congress.

Very truly yours,

JOHN JACOBSON, Jr.,
RICHARD S. HOLMGREN,
ROBERT W. UPTON,
Commissioners for New Hampshire.

New England Flood-Control Compact

EXTENSION OF REMARKS
OF
HON. ALFRED N. PHILLIPS, JR.
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 5, 1937

LETTER TO THE PRESIDENT OF THE UNITED STATES

Mr. PHILLIPS. Mr. Speaker, under leave to revise and extend my remarks I received permission to include in the RECORD a copy of a letter which I recently wrote the President on the subject of the New England flood-control compact, specifically referring to the Connecticut River. The letter written was as follows:

STAMFORD, CONN., *July 30, 1937.*

Hon. FRANKLIN D. ROOSEVELT,
President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: I note in the public press that Governor Cross, of Connecticut, has solicited your support of the so-called New England flood-control compact which a number of us have been opposing because of the fact that we feel that the rights of the people to the cheap development, transmission, and sale of electricity are not protected by said compacts.

We note that Connecticut's Governor is arguing that the people's rights are protected because of the fact that one article in the flood-control compact states that there must be a separate agreement between respective New England States and the Federal Government before construction begins on flood-control reservoirs.

We respectfully urge that you withhold your approval of the New England flood-control compact until proper final and binding agreement is made between the separate States and the Federal Government, to the end that the people of New England are properly protected for the future by the construction of power development flood-control reservoirs which will develop cheap electricity, which will be produced by the United States Government and also transmitted and sold by the United States Government. Otherwise, from past experience in New England, we have reason to fear that private interests will exploit this proposition, to the end that the people of New England never will receive fair, low electric rates, to which they are entitled and which people elsewhere get.

Furthermore, Governor Cross apparently does not state in his communication to you that, according to present plans, many of the dams to be erected under the New England flood-control compact will not be erected high enough or otherwise planned for the development of power. Thus, unless the plans are changed, the people will lose an opportunity thus to receive cheap electric power from the new flood-control reservoirs.

Accordingly and until definite assurance is made that the new dams to be built under the New England flood-control compact will provide cheap electricity for the people under Federal rather than State control, as the compact definitely states, now and until the compacts are rewritten so that the proposed dams will develop cheap electricity, to be produced by the United States Government and transmitted and sold to the people, we trust that you will withhold your approval of the present New England flood-control compact, which in its present form, in effect, will sell the Connecticut River Valley, lock, stock, and barrel, for all time to the power interests.

Very sincerely,

ALFRED N. PHILLIPS, Jr.

One of the Reasons Why I Supported the Gold Star Mothers' Pension Bill

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 5, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, in 1917 a young man by the name of Howard Draper was a student at the Tempe Teachers College in Arizona and was enrolled in my class in constitutional government. During the semester numerous short examinations were given to see whether or not the students were getting the materials of the course. On one of these examinations this student wrote the following in answer to a question:

> The Constitution is the supreme law of the land. All State constitutions and laws enacted by Congress or State lawmaking bodies must conform to it. All officials take an oath to protect and defend it. All citizens between certain ages are expected to uphold it, even to the extent of giving up their lives.

On this particular paper the student got a grade of B. The permanent record for him in the office of the school shows that he received a B for the course.

In the spring of 1917 Howard Draper and four of his classmates volunteered for service. In the latter part of 1917, after America entered the Great War, troop trains went hurrying across the country carrying thousands of our young men to military camps for hasty training. On one of these troop trains was this quiet young man. However, the men

from that particular school needed little further training, as they had been well drilled in military tactics.

Consequently my student friend was among the first of the American forces to go into action in France on shell-torn fields which were quite different from the peaceful valleys of Arizona. In one of the bloodiest engagements in which the American Army took part, he lost his life in the line of duty. Young Draper was less fortunate than the Unknown Soldier, unless he be that Unknown Soldier, for he was buried on foreign soil.

What shall we say of this young man's knowledge of, and appreciation for, the Constitution of the United States? The school record shows a grade of B, but in the hearts of our people he has an A. He is cited as typical of the khaki-clad boys who passed a good examination on the battlefields of France.

At the Pass of Thermopylae in Ancient Greece there stood a monument bearing the inscription: "Stranger, go tell at Sparta that we lie here in obedience to their command." These men were the 300 Spartans who, under Leonidas, died at the pass because the Constitution of Sparta demanded it of them, and because it had inspired them to do their duty to the last extremity. Similarly, an inscription might well be written over that cemetery in France where Arizona boys, together with other American boys, rest: "Stranger, go tell the American people that we lie here in obedience to their command, as expressed in the Constitution of the United States and in the Constitution of the State in which we lived."

Mr. Speaker, whenever I call to mind America's suffering and sacrifice of the World War, I think of a gold-star mother at the little town of Wickenburg, Ariz.—the mother of Howard Draper, my student friend. Of course, I think of the sister, also, and other members of his family. This case is an illustration of the proportional part of the cost of war in anguish that women pay.

However, if I need further illustration of such cost, my mind turns to the aged and lonely parents of Frank Luke, "the balloon buster" of Arizona, whose meteoric career equaled or surpassed that of any ace in the American Air Forces. What a contrast between the brilliant exploits of the Arizona eagle, Frank Luke, and the quiet performance of duty by the thoughtful infantryman, Howard Draper, but the anguish of parents over the loss of a son, we may assume, is equally the same.

Our Constitution is very powerful both to benefit and to require; to give and to take away. To us in all branches of the Government, whose sworn duty it is to administer the Constitution in upholding it, this thought should give us pause. Let us exercise due care that our fellow citizens shall not be called upon to pay too great a price in the performance of their patriotic duty in "upholding and defending" this Constitution.

Draft Money in Case of War

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, August 6 (legislative day of Thursday, July 22), 1937

RADIO ADDRESS BY HON. JOSH LEE, OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the junior Senator from Oklahoma [Mr. LEE] yesterday over the Columbia Broadcasting System on the subject Draft Money in Case of War.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the air, today the earth is literally trembling under the tread of marching feet. The very air of the Eastern Hemisphere is surcharged with war. Therefore, it is particularly appropriate to consider any legislation that will promote peace and strengthen our national defense.

The World War proved that the only democratic, fair, and just method of raising an army is by means of a selective draft. By the same token I propose to argue that the only democratic, fair, and just method of financing war is by means of a selective draft of capital.

Therefore, I introduced today in the Senate of the United States a bill to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government.

EXPLANATION OF THE BILL

In brief, this bill provides that in case of war the President shall take a census of the wealth of the Nation, requiring each person to register and file a sworn financial statement of his total net wealth.

It provides that the Government shall determine the amount of money necessary to be raised in order to meet the emergency, and allots to each person an amount of money that he is required to lend to the Government, which is apportioned to different individuals in accordance with their net wealth. This apportionment is graduated in a manner somewhat similar to the graduated income tax, laying the heaviest burden on those with the most wealth. The schedule is carefully worked out in the bill.

The Government shall then issue bonds of convenient denominations for the total amount of money it is necessary to raise, and each person is required to buy these bonds according to the allotment worked out in the schedule. These bonds run for 50 years, and bear interest not to exceed 1 percent. They are not tax exempt, and the Government can pay them off at its will. In case the individual has difficulty in raising the cash, the Government may take his personal note bearing 6 percent interest, secured by his property.

The bill further provides for local and district boards somewhat similar to the selective draft boards of the last war.

Provision is also made for necessary appeals to the Federal courts after the bonds have been purchased.

The bill further provides penalties for noncompliance similar to those penalties for noncompliance with the selective draft of men.

The power to thus draft money can only be used during a war emergency and automatically terminates with the end of the war.

These constitute the essential features of the bill.

This bill that I have introduced is neither in conflict nor in competition with the American Legion bill, S. 25, but is rather an auxiliary measure that would set up the actual machinery for drafting money which is not provided for in the Legion bill, S. 25.

CONSTITUTIONAL AUTHORIZATION

The power of a government to supply its own needs must be inherent in that government if it is to continue its existence. Self-preservation is the first law of life. Self-preservation of a nation means that that nation has the power to utilize its full resources for its own protection.

Therefore, because war is a community effort, there is an implied power that all material, all manpower, and all wealth within a nation is subject to the use of the government of that nation for protection against invasion by an enemy.

Article 1 and section 8 of the Constitution of the United States confers upon Congress the following power, I quote: "to declare war * * * to raise and support an army * * * to provide and maintain a navy * * * to suppress insurrections and repel invasions, and to make all laws which will be necessary and proper for carrying into execution the foregoing powers." End quote.

Suppose Congress, acting under this power, should raise an Army of 3,000,000 men, as it did in the World War. How long would that army last without food, without clothes, and without equipment? And how can Congress provide food, clothes, and equipment unless with the power to raise an army there is also the power to raise enough money to feed and equip that army. The language of the Constitution is simple and straightforward. It says Congress shall have power to support an army "and to make all laws which will be necessary and proper" for supporting that army.

In the last war we had the interesting situation of a government that raised an army of men by compulsory draft laws, and the same government supported that army by voluntary appeals for money. To me it is unthinkable that Congress has the power to raise an army of men by compulsion and does not have the power to raise finances by the same compulsion. The power to raise an army and the power to support an army is in my opinion coexistent. The one cannot exist without the other. Of what effect is an army without ammunition, without guns, without hand grenades, without transportation, without food?

The power to equip, feed, clothe, and support an army, and the power to raise an army are inseparable ingredients of any war, and the power to feed, clothe, equip an army means the power to raise money in a manner as equally mandatory as the manner used to call men to the colors.

INDIVIDUAL RIGHTS VS. GENERAL WELFARE

The next question that might arise would be whether Congress in carrying out the powers thus delegated to it by the

letter of the Constitution would violate the constitutional rights of citizens. The question might be raised would a law that drafts money deprive a person of his property without "due process of law", or without "just compensation" in contravention of the fifth amendment.

But the construction placed on the Constitution by the Supreme Court is that where it becomes necessary for the military defense of the Nation, these individual rights are subjugated to the greater national welfare.

And rights and immunities enjoyed by individual citizens under the Constitution are subject to temporary limitation during wartime.

Therefore, the Government in taking the use of a man's money for 1 percent during the emergency caused by war in which men are compelled to serve for a dollar a day and a chance to die, would unquestionably be constitutional.

STRENGTHEN THE NATIONAL DEFENSE

One of the strongest arguments in favor of drafting the financial resources of a nation is that it would materially strengthen our national defense. Under this law our Government would never be delayed, hindered, or embarrassed for the want of finances to carry on a war. When this was known the psychology would be in our favor. If a foreign nation were contemplating war with the United States, and it was known that we had already on the statute books a law that upon the declaration of war would immediately make the financial resources of the Nation available to the Government for purposes of national defense, that foreign nation would think twice before declaring war upon the United States.

That is as it should be. Instead of our Government having to beg for money to finance a war of national defense, instead of having to coax the money out of hiding by means of tempting interest rates, our Government would have the immediate authority, a latent authority that would spring into life upon the declaration of war, such as this law, that would authorize the President, as the Commander in Chief of the Army, to use the financial resources of the Nation for the national defense.

War is bad, but invasion of our Nation would be worse, particularly when we have the means of defense at hand and need only to authorize their use.

PROMOTES PEACE

Then, again, this bill will promote peace, because it will remove one of the greatest incentives of war—namely, the possibility of making profit by means of high-interest rates during the war. Normally, interest rates run from less than 2 percent up to 3 percent on Government bonds, but during the war it was necessary to pay as high as 4¾ percent in order to coax enough money out of hiding to finance the war. The Liberty bonds and Victory bonds of the last war bore unusually high rates of interest. The men who financed the war faced no dangers and received twice as much for the use of their money as they could get in times of peace. Th's creates a tremendous profit incentive in favor of war.

From the totals furnished me by the Treasury Department I believe it is safe to estimate that we have already paid, in round numbers, $12,000,000,000 interest on the war bonds, and none of this war profit can be reached by taxation because those bonds and the interest from them are tax exempt. Those profits are still continuing and the Government is still unable to reach them by taxation, and as the Liberty bonds and the Victory bonds are refinanced the profits from the last war continue to roll up; and will continue thus, augmenting, accelerating, increasing, and multiplying, and our children's children and their children's children will be compelled to pay tribute to the profits made on those high-interest rate, tax-exempt bonds.

Therefore, the passage of this bill would remove any possibility of such enormous profits resulting from financing the war. It would help to equalize the financial burden of war. Instead of holding out the tempting incentives of high interest rates for the use of money in the case of war, it would say to the financiers of the United States, "If the United States goes to war, you will be compelled to finance it, and not at a profit, but at a loss."

Thus we will have taken another step in the direction of peace by having removed one more cause of war.

JUSTICE OF DRAFTING MONEY

May I conclude by pointing out the justice, the plain human justice, of drafting money as well as men in case of war?

Every time the ex-service men have asked for a law to draft money as well as men in case of war, some self-styled constitutional lawyer has uncorked that old bottle of chloroform with which they have put Congress to sleep for 17 years, and said that such a law would be unconstitutional.

If the selective draft law is constitutional, and it was upheld in all of the selective-draft cases, then it is constitutional to draft money.

The Government took the soldier and deprived him of the right of contract in bargaining for the pay he received. It then placed censorship upon him and deprived him of the right of free press and free speech. It deprived him of the right of just compensation for his services by requiring him to serve at a dollar a day when he could have received much more as a civilian.

Then again it deprived him of the constitutional guaranty against involuntary servitude by forcing him into service. Then it deprived him of his constitutional right of liberty, and in thousands of cases, he was deprived of life itself. And mark you, I am not complaining. It cannot be otherwise during war.

But in the light of all of these temporary suspensions of the individual rights under the Constitution, rights far more sacred in my opinion than property rights, is there a man with a heart in him as big as a peach seed, who would have the face to stand up and say that under the same Constitution, and under the same Court that has held the selective draft laws constitutional, it would be unconstitutional to conscript in a similar manner the financial resources of the United States?

One of the first tenets of our Government is to place human rights above property rights. It is woven through the warp and woof of the entire fabric of democratic government. I believe that if you can draft men, you can draft money. If you can draft one man's services, you can draft another man's property. If you can take one man's liberty, you can take another man's credit. If you can take one man's life, you can take another man's wealth. I believe if you can take one man's blood, you can take another man's gold.

Therefore, I ask for support to this bill, first because it would increase our national defense by placing the financial resources at the disposal of the Government in case of war; second, because it would promote peace by removing the greatest incentive of war, which is profits; and third, because it would equalize the burdens of financing the war.

Prosperity, Power, and Property Protection Developed by Water

---

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Friday, August 6 (legislative day of Thursday, July 22), 1937

ARTICLE BY DR. ARTHUR E. MORGAN, CHAIRMAN OF THE TENNESSEE VALLEY AUTHORITY

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD under the appropriate title an article by Dr. Arthur E. Morgan, Chairman of the Tennessee Valley Authority, taken from the Saturday Evening Post of the issue of August 7, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, Aug. 7, 1937]

In 1933, during the stress of the depression, many governmental activities were of an emergency nature. The Tennessee Valley Authority, however, was not an emergency undertaking; it was a deliberate attempt at foresight and planning. An entire large river system was to be treated as a unit, to be developed by a single integrated plan for all important purposes. While some emergency legislation of that period necessarily was based on political and economic theories concerning which there was much conflict of opinion, it was the President's intent that the Tennessee Valley development should rest on a more solid basis.

Here was one of our larger river systems, with great possibilities for navigation in a region rich in coal, iron, minerals, forests, and agriculture, but cursed into partial sterility by abnormally high freight rates, a handicap which even a low-wage level did not fully overcome. In a region of abundant rainfall, it poured down destructive floods from its mountains onto the cities and valleys below. In water-power possibilities it was our foremost river system east of the Rockies. In a distance of less than a thousand miles, the fall is between three and four thousand feet, about twice as great as that on the entire Mississippi.

Here was a chance for a new achievement in human organization. As things were done in the past, the Tennessee River might have been developed for flood control alone or for navigation alone or for power development alone or just for recreation and fisheries, with refuges for wild fowl. Each of these aims, some public and some private, might have been pursued independently, but such programs would have resulted in great waste, duplication, and conflict. For each purpose it would have been necessary to work with the same river channel, the same water, the same dam sites.

What two or three dollars might accomplish by separate unorganized efforts might be accomplished better by $1 in a single unified job. Some of the purposes, such as power development or recreation, might have been cared for by private initiative; but other purposes, such as flood control and navigation, were clearly recognized as Government functions. Taken as a whole, this great possibility was a job for the public, working through Government. No project for the unified development of a large river system for all purposes on anything like so great a scale ever had been achieved. The unified control of the Tennessee River is a fit undertaking for a Nation like America, but it should be one undertaking, one job under one control, and that control could only be the Government itself.

The creation of the Tennessee Valley Authority thus is an exploration in methods of government. It has been an effort to discover how the necessary large-scale development of our country can take place with the highest degree of coordination and economy. Theoretically that is a beautiful picture of which no one can reasonably disapprove. In actual practice the development of the T. V. A. project illustrates the complex interrelations and conflicts of modern life. Can these complexities be worked out under our democratic system of government so as to get the full economy of unified and orderly development for all purposes, and so as to protect the public interests fully while doing no injustice to private property owners and investors who have worked prudently and in good faith to develop the country?

It is true that unified river control is not the only purpose of the T. V. A. Other important elements of the T. V. A. program include the manufacture of new and better forms of fertilizers, the reduction of soil erosion, the disciplining of the utility industry by public competition, the encouragement of public ownership of electrical distribution systems by preferential treatment and otherwise. These other issues sometimes dominate public opinion and tend to prevent the public from clearly realizing this new and significant departure in government which is involved in the orderly handling of a great river system under one administrative control for all useful public purposes.

That river-controlled project has a right to be judged on its own merits, and should not be either supported or condemned because of its incidental relations to other purposes, however important they may be. It is that unique and interesting program which I should like to discuss.

A definite plan for the unified control of the Tennessee River has been prepared and presented to Congress. This covers all work now being constructed or definitely designed, although in later years the undertaking can be enlarged if the public welfare should require. On the Tennessee River itself there will be nine dams, three of which are completed, with three under construction. One dam near the mouth of the Tennessee, which will be the largest in the system, has just been authorized by Congress, and the remaining two are being planned. On the tributaries of the Tennessee, the Norris Dam is completed, the Hiwassee Dam is under construction, and the Fontana Dam is yet to be begun. This combined system, when fully completed, will have installations for nearly 2,000,000 kilowatts of power. The reservoirs will have a storage capacity of about 15,000,000 acre-feet. The estimated total cost will be about $500,000,000. The development will provide a channel throughout the 65 miles of the Tennessee River with a minimum depth of about 14 feet, which is adequate for vessels with about 9-foot draft. It will provide a large measure of flood control, not only on the Tennessee River itself but also on the Ohio and Mississippi Rivers. These reservoirs will have an area of about 7,500 square miles, with several thousand miles of lake shore. The largest lake, that above the Gilbertsville Dam, on the lower Tennessee River, will be more than 180 miles long.

Let us consider first the matter of navigation. There is very little real first-class navigation on our American rivers. On the Mississippi, for instance, swift currents in high water and sand bars in low water greatly interfere with river traffic. On both the Ohio and Mississippi Rivers there is an extreme range of 50 feet between high and low water, with the result that handling freight is relatively expensive. On the Tennessee River for almost the first time for a large American river there has been adopted a program of slack-water navigation. Extreme fluctuations of river stage are being greatly reduced. There will be no adverse currents. In contrast to the Great Lakes, there is no closed season for shipping during the winter. This project may set the standard for future inland-water development.

Many people do not realize the importance of inland navigation. Neither do they realize what happened to the interior of our country as a result of the building of the Panama Canal. Because water freight is carried so much more cheaply than railroad freight, the building of the Panama Canal served to stimulate the development of the Atlantic and Pacific coasts, but tended to thwart the development of the interior of our country. Partly as a result of this change, some of our interior States actually have lost population during recent years.

There are slightly more than 3,000 counties in the United States. Fifty-three of these counties contain 1 percent of the country's land area but 31 percent of the population, and a little more than half of the manufacturing establishments of the country. These, less than 2 percent of our counties, produced 52 percent by value of all manufactured products, about 49 percent of the spendable income, and 44 percent of all retail sales. It is important to note that only 3 of these 53 counties are in the interior of the country and away from navigable waters.

Wheat farmers know of the threat to American wheat markets abroad because of the fact that Argentine wheat growers have a short haul to elevators on the Parana River, where wheat is transferred directly to ocean-going vessels.

The freight charges on shipments of some goods from Knoxville, Tenn., to Columbus, Ohio, may be 50 percent greater than the freight charges on the same goods for longer distances to Columbus, Ohio, from New York points. For heavy industries in the South this presents a serious freight handicap. For southern heavy industries to thrive, it becomes necessary that southern wages in those industries be on a lower level. If river boats and barges, as well as freight cars, can be used to advantage at all seasons, railroad rates may be revised, and there also is likely to be a large increase in water-borne freight. Regions will be developed that have been held back, higher wages can be paid, and Americans will have a larger area of prosperity in which to do business with one another, and will be less dependent upon foreign trade. Navigation must be in our minds when we consider the possibilities of unified river development. T. V. A. transportation specialists estimate that as soon as the Tennessee River navigation system is completed, it will carry about 5,000,000 tons of freight a year at an annual saving of about $1.20 a ton, and that the use of the river will greatly increase as the years pass.

If navigation alone had to bear the cost of first-class Tennessee River development, there might be a question as to its feasibility, but flood control also is important. In major floods on the Mississippi River from Cairo to the mouth of the Arkansas, more than three-quarters of the flood water comes from the Ohio, and the Tennessee is the largest branch of the Ohio. The Mississippi and Ohio levees have been raised higher and higher until they are like continuous dams extending for hundreds of miles. For several reasons it seems scarcely practicable to raise them higher still. We must turn to reservoir control.

The Army engineers and the National Resources Board have estimated that, for flood control on the Ohio and the Mississippi, the Tennessee River should be provided with storage capacity to hold back 12,000,000 to 15,000,000 acre-feet of water. And the Tennessee River itself is subject to flood damage. Chattanooga may be visited by a flood which in a day might destroy $100,000,000 worth of property and be a great menace to life. It is nearly impracticable for Chattanooga to protect itself alone. It needs the help of storage reservoirs on the rivers above.

How can this storage of flood waters be provided? It must be found at the same dam sites that are used for controlling water for navigation. In the use of reservoirs there tends to be some conflict between navigation and power on the one hand and flood control on the other. For navigation and power, the reservoirs in general should be kept as full as possible for use in low water. For flood control, on the other hand, it is well that reservoirs be kept as nearly empty as possible so as to be available for storage during floods. Yet there is a limited number of excellent dam sites. The conflict is solved in two ways. First, it is possible in some degree to keep the reservoirs partly empty during winter and spring seasons when floods occur, and allow them to fill when the normal flood season is past. Second, it sometimes is possible to make dams and reservoirs large enough so that water can be stored for both purposes. At the Norris Dam a certain amount of storage space is reserved for navigation and for power, but the dam is made higher and the reservoir larger than is necessary for those purposes, and a large amount of flood storage is provided in addition. This process often is much less expensive than to construct separate dams for the different purposes.

The Norris Dam was scarcely completed when an exceptionally heavy rain fell over the watershed. The gates were closed, and the entire flow above the dam was stored. The flood stage at Chattanooga was reduced about 4 feet, and perhaps $750,000 in damages prevented. Then, less than a year later, came the record flood of January 1937 on the Ohio. Again the gates of the Norris Dam were closed, and the entire flow above was stored. With all proposed work on the Tennessee River completed, a flood like that of last January would be reduced about 2 feet on the Mississippi from Cairo south to the mouth of the Arkansas.

Navigation and flood control should bear their part of the cost, but electric power also can help bear that burden. During winter and spring the river may be a destructive flood, then in late summer it may be so low that the flow which was, perhaps, 450,000 cubic feet per second in flood is reduced to, perhaps, 4,000 to 5,000 cubic feet in a dry summer. To regulate that river by storage so that the flood flows will be much less and the low-water flows much greater is good for navigation and for flood control, but also it is good for power development.

Here, again, we see the value of unified control under one management as against development by a number of separate organizations. If the Norris Dam were a power development alone, built by a single company, it scarcely would be worth while. The same is true of some of the other great dams down the Tennessee River. Yet when they are taken together the picture is very different. During wet seasons, when there is plenty of water below, the flow of the river is held behind Norris Dam. Then, during the dry weather, not only is power produced at Norris Dam, but the same water flows on down through one dam after another of the Tennessee River system, and doubles the low-water power capacity of each one.

The system has even more varied possibilities. Wilson Dam, at Muscle Shoals, has only enough storage to regulate the river for about 1 day. It can store water during the night, when very little power is required, and can operate at full capacity during the daytime hours of great demand. It does not even create storage enough to hold the surplus water over the week end, when but little power is being used. Just above Wilson Dam is Wheeler Dam, recently completed by the Authority. Wheeler Dam has enough storage to hold the entire normal flow of the river for a few weeks. The two working together can use more or less water as the demand for power may determine. This will prevent any waste of water due to variations in power use from week to week, and also the surplus water from summer storms can be stored.

The entire Tennessee River control program calls for about a dozen great dams. Whereas one dam has only storage enough to regulate the flow from day to day, another will control the flow from week to week, another for a month or more, another for 3 months at a time, while the Norris Dam has such great storage

that it will control the flow above it from year to year. In some cases there may be heavy rains above one reservoir on a tributary stream, and light rains above another. All this complex system can be regulated somewhat as a train dispatcher regulates the passage of trains over a four-track railway line, which can handle much more traffic than four parallel single lines operated independently of one another.

When the Tennessee River dams and power plants are completed, they will have a total electrical installation of nearly 2,000,000 kilowatts, and there will be available about 1,000,000 kilowatts of prime electric energy. In a region where there is now a marked shortage of power-generating facilities, it is probable that income from power alone would repay the total cost of unified-control system without interest in the course of half a century.

When we see the complexity of this unified operation, for navigation, flood control and power, we can see how impossible that unified control would be if it were partly in public ownership and partly in the control of a number of private corporations.

We have made what we believe are reasonably conservative estimates of the value of this system for flood control, navigation, and power. We believe that the system as a whole for all purposes is worth to the public perhaps twice its cost.

OUR NEW GREAT LAKES

The value of the system is not limited to these three main uses. The Norris Dam has created a beautiful lake with more than 700 miles of shore line, set in the rugged foothills of the Cumberland Mountains. Few lakes in America have a finer setting. Taken together, the T. V. A. reservoirs will have a much greater length of shore line than all five of the Great Lakes. Already people are taking to these lakes for recreation. Each Sunday in summer between five thousand and ten thousand persons visit Norris Dam and Reservoir. The shores are being protected by the T. V. A. to maintain their rugged beauty. Half a million young fish are being released each year into Norris Lake. Large, shallow overflow areas are being kept as wild-fowl preserves, and migrating ducks and geese already are finding the lakes a convenient stopping place.

The southern part of the T. V. A. region is subject to malaria. If no precautions were taken, the greater shore line resulting from creation of large reservoirs would increase the breeding places for mosquitoes, and the spread of the disease The Authority not only is endeavoring to prevent its work from being the cause of increase of malaria, but it is undertaking a study of malaria, and is experimenting in its control on a more widespread scale than ever before has been undertaken.

The principal methods known to keep malaria from spreading are to destroy the mosquitoes, preferably before they emerge from the larva stage, or to keep people who have malaria from being bitten, or if possible to cure the disease in those who have it, so that they will no longer be carriers. In the destruction of larvae, the T. V. A. has developed interesting methods. In open water or along clear shore lines the larvae are soon destroyed by wave action or by small fish. One of the first steps in mosquito control is to clear up the margins of the reservoirs so that mosquitoes can have no shelter from wave wash or from fish. Yet they may continue to hatch in little isolated pockets along the shore.

To prevent this the T. V. A. uses the method of slowly lowering the water level during the mosquito-breeding season. Depending on the temperature, it requires 8 to 14 days for mosquito eggs to hatch and for the larvae to develop. If during that period the reservoir level is lowered a few inches the isolated pools dry up and the larvae die. Where this method alone is not enough, the T. V. A. has developed a method of spraying insecticides from airplanes and from boats. In the T. V. A. work airplane spraying has come to be fully successful for the first time. An airplane traveling a mile a minute will spray a strip 200 feet wide, and will cover as much in an hour as two men in a boat may cover in a week, yet even this method is expensive. Airplane dusting costs about $100 per mile each year.

The T. V. A., therefore, is carrying on many types of experiments with various tropical larvae-eating fish and with larvae-eating insects, and with trees planted along the shore line which may make such a dense shade that weeds which shelter the mosquito larvae will not thrive. Methods of curing local residents who have malaria, and in that way removing sources of infection, also are being studied. T. V. A. is the world's greatest malaria laboratory. If we are successful in eliminating or in greatly reducing the disease that result alone will go far toward justifying the undertaking as a whole.

It seems almost self-evident that private initiative could not undertake an integrated program such as we are talking about. Its very size makes it almost prohibitive. The Duke power project on the Catawba River is a very large private undertaking, yet it is only about one-tenth the size of the T. V. A. The crossing of State and county boundaries makes another problem difficult for private industry to cope with. The T. V. A. operates in seven States and in a very large number of counties. Private interests would not have the incentive to undertake many aspects of the work essential to a complete program.

The undertaking to control an entire large river system by a single plan for all useful purposes is essentially a new conception. It represents a type of development which more and more will be undertaken by public agencies in progressive countries, regardless of the form of government. To destroy the prospects for unified river control, by opposition from without or by incompetence from within, would be a public loss. The public, even many engineers, grasping only certain overpublicized parts of the program, has largely failed to understand this central purpose.

There are highly controversial phases of the T. V. A. program, where conflicting principles of government and business are being fought out. It is wholesome and proper that there should be such battlegrounds of public policy, but I think they should be clearly defined and not confused with a phase of T. V. A. development which, I believe, would have quite universal public support if it should be understood.

The most active field of controversy is that which relates to the sale of power. While the generation of power is and ought to be an integral part of the unified control and administration of the river, the manner of disposing of it can follow any one of several methods. First, it might be sold at wholesale to the large power companies, which would use it just as they use power generated from private sources. This method would help to pay the cost of river control work, would relieve the utilities of one of the heaviest elements of investment, for generating equipment, and would relieve the T. V. A. of transmission-line investment, but it would make little or no contribution to the problem of utility control or regulation.

As a modification of this solution, the power generated at T. V. A. dams might be sold at wholesale to the power companies, but on condition that the retail rates charged for any such power should be agreed to by the Government. A provision to this effect is included in the T. V. A. Act. However, the operation of this method would involve certain difficulties. The several State utility commissions claim the right of supervision and review of power rates, and so there might be conflict between Federal and State supervision. Then again, since the private utilities can generate power by steam at a cost of less than a quarter of a cent per kilowatt-hour above the cost of water power, they might prefer to generate their own, rather than to subject themselves to increased Federal supervision.

Another proposed solution would be the formation of a power-transmission pool. The T. V. A. and the private utilities might pool their transmission lines in an organization with a management of its own, representing both the Government and private investors. This transmission-pool organization would buy the power wherever it would be cheapest and would sell it at predetermined wholesale rates. This method would be somewhat similar to the so-called grid system of England and to methods used in Sweden, where both public and private power are involved. There could be many variations in the organization of a power-transmission pool, and there would be many technical, financial, and policy problems to be worked out. I am of the opinion, however, that the general method of a power-transmission pool offers one reasonable solution of the issue.

Still another way of meeting the issue would be to decide upon general principles and methods for the acquisition of private electrical properties by the public. If the public in a given region should desire to own its electric facilities, just as it owns its water supply, general policies could be applied for determining what would be reasonable units of purchase which could be acquired by the public without dismembering existing systems or burdening the future with unnecessary operating expense. General methods also could be determined for fixing the cost to be paid for such property in its purchase by the public. The private power interests should be required to agree not to oppose the orderly acquisition of reasonable and normal units of their property at reasonable cost. There should be no capricious and arbitrary breaking up of well-organized and efficient systems. Loyal and efficient workers in the private companies, at least below policy-making levels, should be continued in employment under the new ownership, and both parties should agree not to duplicate lines or to invade a reasonably determined minimum unit of operation. Within an area determined upon as a natural operating unit there should be but one general distributor of power. It would be necessary for the private utilities to recognize the superior right of the public to own its power facilities if it should choose, and the public should recognize the right of private investors to a fair and impartial determination of the price to be paid for properties purchased. In my opinion, this method would conform to sound public policy, would result in a minimum of class bitterness, and in a minimum of destruction of physical values or of waste from duplication of facilities, and would help to preserve the lawful and orderly process of democratic government. I believe that such a method is entirely feasible where both parties honestly desire that solution.

As still another solution, the T. V. A. might, by agreement, acquire a large but limited area within which it would agree to confine its activities for the course of 5 or 10 years. If such an area should include the State of Tennessee, northeastern Mississippi, and approximately the rest of the T. V. A. area, it would be about the size of England. An advantage of such adjustment would be that the Authority would have a free hand in a substantial area to prove the competence of a public body in the transmission and sale of power. If accounts were fully public if costs were fairly reported, and if there were no subsidies, it would furnish a yardstick for comparison of public and private power operations.

Various legal and administrative problems would have to be met in working out such an arrangement, but I believe they would not be insuperable if the two parties should honestly unite in such a purpose. This method perhaps would give the best chance for a fair yardstick. It would have the disadvantage that communities outside the T. V. A. area would not immediately have the opportunity to buy T. V. A. power, though successful demonstration of the feasibility of low rates would quickly influence rates in the surrounding region.

Another possible solution of the problem would be for the T. V. A. to have no openly defined power policy except to build transmission lines and to sell power wherever there is a market.

To carry this last policy to an extreme, the T. V. A. might encourage all the large centers of distribution, such as Birmingham, Atlanta, Nashville, and Chattanooga, to purchase T. V. A. power, thus leaving the private power companies with only the left-over rural areas. If this policy should be carried to an extreme, it might be so successful in frightening investors as to prevent the refinancing of private power companies at lower interest rates. Thus they would be prevented from lowering rates as they otherwise might, and competition with the T. V. A. would become still more difficult. This policy might bring about a general disorganization and dismemberment of the private companies, so that they could be purchased at whatever bargain price the Tennessee Valley Authority or public power districts should be willing to pay. If there are people who are committed to fighting to the bitter end against the utilities, regardless of the destruction of property involved, this would seem to be the most effective course for them to pursue.

The abuses by utility companies, with their willingness in numerous cases to use litigation before courts and commissions for the purpose of delay and obstruction, and to bring pressure upon legislatures to maintain excess investments and improper charges, have led some people to believe that a fight to the finish is the only way of meeting the issue. Men in high positions in the utility field continue to make irresponsible and misleading statements, complicating the issue and tending to confirm the opinion of extremists that a fight to the finish is the only course to be taken. Also, in some communities there are men who are ready to ride to political precedence or to personal power on such an issue.

Here a great public issue is being fought out, as such issues will be fought so long as we have a vigorous and growing country. The solution of that problem should be seen as a distinct and separate public issue. However that may be settled, it still remains true that the unified and orderly control of a great river system for all useful purposes under single control and management represents sound social economy and is an advance in the art of government.

Within that great project of unified river control the Tennessee Valley Authority has taken many steps of social significance. It has worked out intelligent labor relations; it has largely eliminated patronage; it has brought employees' housing to a new level; its vocational education of employees is greatly increasing the competence and efficiency of workers; its program for relocating families displaced in creating reservoirs has set new levels of efficiency and helpfulness. On the land acquired around the reservoirs interesting demonstrations in forest economy are being made. In the building of great dams new techniques and methods have won the respect and admiration of the engineering world. A far-flung program of soil protection is under way.

A single engineering service measures the rainfall from the most distant mountains to the mouth of the river. It makes measurements of stream flow, and is now planning to install automatic radio recording stations at important points so that the central office will receive reports hour by hour of the stage of water at each such station. There is a unified flood-warning service.

A single design organization plans the dams from start to finish, taking up the task where it is left by a general planning staff which works out the main features of the project as a whole. As the work proceeds from dam to dam the most highly skilled men are retained. The most skillful and promising young men are given training courses to make them more competent. Fatal accidents on T. V. A. works are much less frequent than is usual on similar construction jobs.

Continuity of employment, such as has existed on the T. V. A., is a great help to efficiency. A private contractor with one job on hand, or a public organization with a single structure to build, usually has to dismiss superintendents and foremen just when they are becoming most efficient. In the past 25 years I have repeatedly built up a fine engineering and construction organization, carefully picking the ablest men from all parts of the country. Then the job would be finished and the organization would have to be abandoned. It is heartbreaking for a man to assemble and to discipline what he considers to be an organization fit to build anything within the range of human efforts and then to see that organization fade away.

The T. V. A. to some extent has been an exception to that experience. With continuity of efforts, promotions have become possible. A man came to the T. V. A. as superintendent of construction on Norris Dam. He had two assistants and six foremen. He is now general superintendent of construction on all dams. His two former assistants are now superintendents in charge of other dams, and four of the six foremen are assistant superintendents. Continuous employment tends to make for stability and efficiency in any well-developed and well-disciplined organization. This advantage of steady work is carried into the ranks of skilled laborers. Riggers receive high hourly rates of pay, partly because their employment is apt to be very irregular. We have riggers who have not missed a day's work in 3 years. That is almost unprecedented.

The introduction of bills in Congress to divide the country into a series of "conservation authorities" raises the question as to whether the experience with the T. V. A. indicates possibilities, dangers, and obstacles in the way of success for undertakings in unified river control elsewhere. I think it does.

I have discussed some of the advantages. One of the dangers is that we shall fail to distinguish between administrative and political phases of government. In some cases our Government has been successful in making that distinction; in some cases it has not. The United States Forest Service and the Reclamation Service in general have been administrative and not political organizations. They have largely kept out of politics, have done their work well, and have deserved the respect and admiration of the country. The Post Office Department, on the other hand, has been used by whatever party was in power as a political instrument to keep that party in control. It has been my conception of the T. V. A. that it should be an agency of efficient public administration, bringing its public business to a high level of quality, and that it should not be used to entrench a political regime in power, no matter how laudable the purposes of that regime. If the political use of administrative government is recognized, as in the case of the Post Office, then it becomes a tool of the existing regime, either good or bad, and government suffers.

When the Government had only a few Nation-wide administrative functions, such as the Post Office, their manipulation for political purposes could be endured. With the great expansion of administrative functions which has taken place in recent years it becomes extremely important that the business administration of the Government be kept free from political use, and shall represent open, efficient, and honorable business methods. Otherwise, what was a minor blight on our Government may become a fatal disease.

Direct job patronage is only one of the ways in which public administration may be made a tool of undisclosed political purposes. To insure a high quality of public business, the administration of such an undertaking should be able to forget politics and political build-ups, and should have assurance that effective administration in accord with sound public policy will be recognized and supported. To the extent that such confidence permeates an administrative staff, good government is encouraged.

Another danger is that some part of the program may try to run away with the show, menacing other aims of equal or greater importance. Unified river control will fail of full success if there is a failure to appraise all possible values. No one objective can safely be allowed to rule unless on careful study it is found that a single purpose actually is the only important one for consideration at the time. In the Miami River control work in Ohio, which was carried out under my direction as Chief Engineer, by far the dominant interest was flood control. Power development was not economically feasible, but there were great possibilities for recreation; and the beautiful wooded hillside parks around the five Miami River dams are among the finest recreation areas in Ohio.

Not only in design and construction but also in operation should a project like T. V. A.'s control of the Tennessee River be seen in good proportion. This is specially true where the same dams are used for flood control and for power.

Because power development brings immediate return there may be a temptation through the years gradually to infringe upon flood-control storage, taking a chance that a flood will not occur this year. That danger is one of the two reservations in my mind concerning the value of unified control. Although the Norris Dam was carefully designed with capacity for flood-control storage and also with capacity for power storage, the dam was scarcely completed before a man prominent in the public power field was recommending that the flood-storage space be used for power. If public policy should not be clearly defined on that point, then we might have to pay for our mistake through flood disaster.

If other T. V. A.s should be organized in other watersheds, the values of water control might be very different in different cases. The Boulder Dam is valuable not only for flood control and power but also for irrigation. On the Beaver River above Pittsburgh, one of the greatest values of river control is for industrial water supply for the steel mills. In the early days of the upper Mississippi the chief aim of river-control work was to help in moving logs down the river. Each project should be considered by itself and not treated as an imitation of the T. V. A. or of any other undertaking.

Given a high quality of nonpolitical administration, with aim of maintaining a sense of proportion as to the value and importance of the several objectives, the division of the country into administrative districts or authorities for water-control purposes seems to be highly desirable, and to represent a distinct advance in the art of government.

And this brings us to a final point—that if the relation of such a program to unemployment relief. Unified river control will not be completed overnight. It is a matter not of the next 5 years but perhaps of the next 50. If we do establish other T. V. A.s at this time, not all of the proposed work should be set up at once as major construction enterprises, but there should be investigating and planning in advance in order to determine what should be done when the time comes for pressing construction. That time might be the next depression, when private employment declines and there is a need for public work to take up the slack.

How can such a policy be made to help meet the need for regulating employment? A very interesting proposal has been made by a group of businessmen who have been associated with the administration. In addition to the regular national Budget they would have a flexible budget for public works, coupled with a current census of unemployment. They are endeavoring, I understand, to formulate a sort of rule about when to undertake public works for emergency construction. Thus it might be that if the level of unemployment were stationary at or below some reasonably normal figure—say 2,000,000 in the entire country—the Government would not accelerate public works. If there should occur certain increases in unemployment, additional public works would be undertaken accordingly, with the amount of such emergency public work to be

increased as and if unemployment continues to increase, and reduced if unemployment declines, according to a predetermined schedule. The plans for such works would be ready; the money would be ready, too, in the flexible budget. A number of types of projects might very well fit into such a scheme for public works, including harbor improvements, freight highways, and overhead crossings for railroads. Among these, river-control works would be prominent.

There might thus be a greater return of wealth to the Nation than from expenditures of the shovel-and-wheelbarrow type of work, that seems to be an emergency method to get public funds into private hands, a method forced upon us by a lack of planning during previous periods.

It is my opinion that the best way to construct permanent public works is to use the best and most efficient equipment possible with the best labor available, and to carry on the work in the most economical manner possible, and not in the way which at the moment will employ the greatest number of men. Let us get the greatest possible enduring value in public wealth. I have made a fairly careful study, which indicates that of a dollar spent for construction equipment, between 70 and 80 percent goes into wages, and the rest into dividends, interest, and other profits or taxes. This remaining 20 or 30 percent does not finally escape public use, as part of it can be taken again as income tax and again turned into public works. I believe that this method is better public policy than the using of primitive methods in order to employ more men. The use of primitive methods tends to destroy self-respect. Men like to feel that they are fully effective. Why should a man do his best work, if his government is wasting his work by inefficient methods?

On T. V. A. construction work we have earth-moving machinery with which 1 man and a power scraper can move more earth than 100 men with wheelbarrows. When money is spent in the most efficient manner, that which goes for equipment and supplies penetrates all through the industrial system and gives work to many men of many types. Sometimes it goes to raise the income level of men already employed, rather than to feed families on relief, and thus does not so immediately serve relief needs. That is, a sound policy of spending requires greater appropriations than inefficient "made work", but if this country can afford it, the wealth produced is much greater. Economical and efficient work leaves behind a sense of self-respect and pride and perhaps several times as much enduring value as money spent by primitive "made-work" methods.

The Wage and Hour Bill

"The basic idea is supported by the long march down the corridors of time that has brought us from an 80-hour week to a week that is but half as long, and by the ancient wisdom that the laborer is worthy of his hire."

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 6, 1937

Mr. DIRKSEN. Mr. Speaker, there will be at least one Republican Member of Congress who, without tongue in cheek or fingers crossed, without fear of gaining or losing industries, without regard to political expediency or tradition, will be recorded in favor of the bill to prescribe maximum hours and minimum wages. That will be me.

It was 45 years ago Sunday, August 1, that Congress for the first time enacted a law limiting to 8 hours per day, the services of mechanics and laborers employed on public works. That act was approved on August 1, 1892, and was signed by President Benjamin Harrison. Since that time there have been some modifications and extensions of the principle of the shorter day and the shorter week but now we are for the first time at grips with a far-reaching measure to put a ceiling on the number of hours to be worked and a floor under the minimum wage that shall be paid in such industries and businesses as come within the jurisdiction of Congress.

I am for this legislation, not because of political expediency, not because of a desire to embarrass any party group or section, and not because it follows some line of least resistance but because I believe in the idea. Parenthetically, it does offer an opportunity to the Republican Party to prove its abiding interest in the cause of the laboring man. Too long has our party been identified as the champion of the big, the rich, the powerful, and the entrenched. Here is an opportunity for the Republicans in the House of Representatives to prove that we have put away the "silk topper" and donned the "blue shirt."

My interest in this measure, despite its defects, springs from experience. After graduation from high school, I waited for some bank or railroad company to come and claim my services as president or chairman of the board. I felt like a king sitting in the throne room waiting for the world to recognize the wisdom and ability accumulated through 4 years of algebra, rhetoric, chemistry, and Latin. But none came. After the shock wore off, I found a job in a factory. I learned to live out of a dinner pail and work alternate shifts of 2 weeks of day duty and 2 weeks of night duty. They were 11-hour days and 13-hour nights. The reward was the princely sum of $50 per month. It was not bad for me. But even then, I thought often of older men with families who worked the same trick and received the same wage. I thought of older men who had rent to pay, families to support, doctor bills to meet. Through the years it has occurred to me, as it has occurred to millions of others, that there should be a minimum reward that would maintain a family or an individual in decency and comfort. There should be a maximum day and week of service that would afford a chance to overcome accumulated fatigue and permit the enjoyment of some leisure. We have made much voluntary progress in this direction, but to hope that all persons and all families would some day receive a minimum wage and be called upon to work a maximum number of hours without the assistance of legislation was to hope for too much. So here we are, 23 years after I put away that dinner bucket, dealing with a bill to provide a minimum wage and maximum hours, insofar as the Congress has jurisdiction over the matter.

Manifestly there will be opposition to this measure, and that opposition will be intelligent, constructive, and sincere. It should be met in the same intelligent, constructive, and sincere manner.

It has already been said that this measure lodges too much power in the hands of an administrative agency. Frankly, how shall a proposal of this kind be administered unless the power is lodged in an administrative agency which is clothed with ample power to enforce it?

It has been said that it will play into the hands of big business and destroy little business. As for local business, such as grocers, laundries, barber shops, and others, it does not apply. As for small factories and enterprises whose goods go into or become a substantial part of interstate commerce, how can they suggest that the wage and hour standards proposed in the bill are unreasonable? No enlightened employer would ever contend that $16 per week is too much for the services of anybody who does a day's work, in view of present living costs, nor will he contend that 40 hours per week is too short a week, in view of the static unemployment situation in the country today. To say that industry cannot adapt itself to a 40-hour week is to say that the industry which saw the workweek drop from 80 hours in the days when the Declaration of Independence was signed to 40 hours and 44 hours a hundred and sixty years later would be to argue that modern industry has lost its capacity to move forward. I do not share that view.

It has been said that it will destroy industry in the South. Is the South any different from the North? Are the needs of the people any different? Is leisure less precious and is a decent wage less to be desired in one part of the country than another? One might with equal force argue that the social security taxes as applied to the South should only be one-half of those imposed on industry in the North. As for those employers who have so long been accustomed to paying a sweated wage and who now argue that a requirement that they pay a minimum wage and operate under a standard of maximum hours will put them out of business, the only answer is that the employer who can stay in business only if he is permitted to "sweat" his employees is no asset to this country and its economic structure.

As one who lives above the Mason and Dixon line, I must own to an abiding interest in minimum wages and maximum

hours for the South. At least a third of the Nation's consumers live in that area. How shall they ever be able to buy the electric washing machines, the cornstarch, the salad oil, and other products made in my own congressional district unless they have purchasing power; and how can their purchasing power be developed unless they receive a subsistence wage? For a long time, we have been looking to the magic of reciprocal trade agreements to develop foreign outlets for our surplus goods, and all the while we have forgotten that there is a large segment of our own population, which, if clothed with purchasing power, would go far toward maintenance of production of American industry. This is an integrated country, and the people in the North cannot enjoy prosperity unless that same prosperity abounds in the South. I am afraid that we have been so diligent in drawing sectional lines and emphasizing northern industry and southern industry that we have forgotten the need for a common economic pattern in restoring prosperity to this country.

There may be merit in the contention that large enterprises will receive some benefit from this legislation on the theory that they are already paying wages and maintaining hour standards that are safely above the standards prescribed in the bill. But is that any reason why any other form of business whose goods enter the current of interstate commerce should be permitted to chisel their employees in order to breast the competitive stream? The trouble is that this confuses the problem. Is it the matter of paying a decent wage that would cause the alleged demise of smaller factories, or is it rather the impact of monopoly and monopolistic practices that drives smaller factories to effect economies on the side of wages and hours in order to remain in business? And if such is the case, then the problem of their alleged salvation lies not in resisting wages and hours legislation but in making a demand for remedial legislation with respect to monopolistic practices.

It has been said that this measure will contribute to an increase in commodity prices. One does not have to be a certified public accountant to know that that is true. To increase the production cost of goods will manifestly increase the price of such goods to the consumer. The evident answer to this contention if it is made as an argument against the bill is simply that there can be no going forward without paying the bill. I remember in the days of my boyhood that $9 per week was a high wage for even skilled workers; but eggs could be had for 7 cents per dozen, and a 10-cent soupbone was enough to nourish a family of six for 24 hours. As wages go up, so must prices go up. It becomes the tax on progress. It will always be so.

There has been some talk to the effect that farmers would be opposed to the principle of this bill, not because they are included in it's terms but because it will increase the cost of commodities which the farmer must buy. Ask any farmer whom he would rather have as a customer—a starving Chinaman receiving 25 cents a day, or an American worker, whether in the North or the South, receiving a wage of $16 per week or more. The answer is obvious. The problem of agriculture may have been underconsumption rather than overproduction and if so, it cannot be remedied until purchasing power has been restored.

In general, I feel that the principle of this bill is quite defensible from every standpoint and it remains to perfect an administrative agency to enforce it, to agree on wage and hour standards, and to provide such exemptions and exceptions as are clearly dictated by common sense.

Much could be said about the selection and the qualifications of the board members who will be responsible for the enforcement of this measure. Whatever might be said about the qualifications of the members, their distribution as to different parts of the country, and their politics, I believe that they must be clothed with ample and mandatory powers if they are to do a job worthy of the name. It is so easy to talk about bureaucracy and administrative abuses; yet in my 5 years in Congress, nobody has submitted any magical proposition whereby the will and intent of Congress as expressed in legislation of this kind can be carried out unless it be through a board with adequate enforcement power. Hedged about with safeguards that provide for notice and hearing and investigation, they should operate in a fashion that is in substantial accord with the practices of the Federal Trade Commission, the Interstate Commerce Commission and other agencies. And be it said that not a single Member of Congress would vote today to abolish these agencies. The increase in the number of boards, commissions, and agencies is not only a testimony to the growing complexities of our civilization but an attest to the vast amount of legislation enacted every year, as well. When a board has been set up to carry out the provisions of the bill; when adequate provision has been made for investigation, notice, and hearing; when provision has been made for a review of the findings of such a board so that everyone amenable to the terms of the bill can have his day in court, what more can the Congress of the United States do in giving effect to this or any other legislation? The only alternative is to abandon the proposal entirely and I, for one, would be opposed to such a course.

The matter of protecting American employers against the inroads of foreign goods made with cheap labor is something that should have the most careful attention. Since my advent to Congress I have adhered as resolutely as possible to a program of consistency with respect to domestic and foreign policies. I am still unable to see the wisdom of a course which pays cash to kill pigs and then drops the barriers on imports of foreign pork. I cannot see the soundness of a program which pays cash to remove corn and wheat acreage from cultivation and then permits imports of corn and wheat. I cannot see the consistency of a program that curtails production because we have too much and then opens our ports to imports that will give us more. And by the same token, if American manufacturers and businessmen are asked to increase their production costs by increasing wages and reducing hours, the very least that the sovereign power can do is to give them adequate protection of the domestic market against exploitation by cheap foreign goods made with cheap labor.

These, of course, are matters that go toward the perfection of the bill and not toward the soundness or unsoundness of placing a floor under wages and a ceiling over hours. The basic idea is supported by the long march down the corridors of time that has brought us from an 80-hour week to a week that is but one-half as long, and by the ancient wisdom that the laborer is worthy of his hire.

From my examination of the bill which was reported by the House Labor Committee yesterday I fully appreciate that the bill is by no means perfect. That, of course, is but further evidence that no legislative undertaking which applies a principle and a standard to the diversities of 48 States can be perfect. Perfection comes only through sympathetic administration of the law and a lively cooperation on the part of those who may be affected thereby. It does constitute a start and from this start there comes hope that in the days to come it will help to lift the economic level of the whole country.

Commercial Agreement With Russia Having To Do With the Importation of Coal

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 6, 1937

STATEMENT BY THE SECRETARY OF STATE

Mr. ANDREWS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement released by the Secretary of State this morning:

A commercial agreement entered into on August 4, 1937, between the United States of America and the Union of Soviet Socialist Republics with a view to continuing favorable commercial relations and to increasing trade between the two countries

was today proclaimed by the President of the United States and approved by the Soviet of People's Commissars of the Soviet Union. It entered into force today and covers a period of 12 months. It was effected by an exchange of identic notes at Moscow between the American Ambassador, Mr. Joseph E. Davies, and the People's Commissar for Foreign Affairs of the Soviet Union, Mr. Maxim Litvinoff, and replaces the previous agreement between the United States and the Soviet Union of July 13, 1935, which, after prolongation by an exchange of notes on July 11, 1936, expired on July 12, 1937.

In the present agreement the Soviet Government, which controls the import and export trade of the Soviet Union, undertakes, as in the previous agreement of July 13, 1935, to increase substantially its purchases of American products. With reference to this undertaking the Soviet Government has informed the American Government that the Soviet economic organizations intend to purchase during the next 12 months American goods to the value of at least $40,000,000. This is an increase of 233⅓ percent over the $12,000,000 which was the average annual value of American products exported to the Soviet Union in the 3 calendar years (1932-34, inclusive) preceding the agreement of July 13, 1935. In connection with the agreement of July 13, 1935, and its prolongation for another year on July 11, 1936, the Soviet Government gave assurances of intention to purchase in the United States in each of the succeeding 12-month periods American goods to the value of $30,000,000. Actually the value of the American products purchased by the Soviet Union during the first year of that agreement amount to about $37,000,000. According to information recently received from the Soviet Government, the value of Soviet purchases of American products during the first 11 months of the second year of the agreement, specifically from July 13, 1936, to June 15, 1937, amounted to $36,000,000.

For its part, the Government of the United States undertakes by the new agreement to accord to the commerce of the Soviet Union unconditional most-favored-nation treatment, with a reservation in respect of coal, deemed necessary because of the nature of the coal-tax provisions of the Revenue Act of 1932. Under this agreement, therefore, the Soviet Union will continue to receive the benefits of concessions granted by the United States in trade agreements entered into under the authority of the Trade Agreements Act. This is in accordance with the policy laid down in the Trade Agreements Act, and described at length in a press release issued by the Department of State on April 1, 1935. Under this policy tariff concessions granted under trade agreements are applicable to imports from third countries which do not discriminate against American commerce or otherwise pursue policies or take actions which tend to defeat the purposes of the Trade Agreements Act. The agreement proclaimed today by the President is evidence of the intention of the Soviet Government with respect to trade with the United States to continue to pursue policies and take actions in harmony with the purpose of the Trade Agreements Act.

The reservation with respect to coal is similar to that included in the most-favored-nation provisions of the trade agreement with the Netherlands. Under sections 601 (a) and (c) (5) of the Revenue Act of 1932, a tax of 10 cents per hundred pounds is levied on coal imported into the United States from countries to which exports of coal from the United States did not exceed in the previous calendar year the imports of coal therefrom, "unless treaty provisions of the United States otherwise provide." The reservation with respect to coal in the agreement with the Soviet Government states in effect that the provisions for most-favored-nation treatment in the agreement shall operate in respect of coal only as long as, and only so far as, the existing law of the United States permits. By virtue of similar most-favored-nation provisions and a corresponding reservation in respect of coal in the trade agreement with the Netherlands, imports of coal from the Netherlands into the United States are at the present time being admitted exempt from the tax. However, with respect to imports of coal from the Soviet Union, the Government of the United States has been informed by the Soviet Government, in connection with the new agreement, that exports of coal from the Soviet Union to the United States in the course of the next 12 months will not exceed 400,000 tons. This is slightly less than the quantity of Soviet coal imported into the United States during the last calendar year.

The present agreement with the Soviet Union, like the previous agreement of July 13, 1935, does not involve any new concessions with respect to tariff rates and is not a trade agreement of the kind negotiated with 16 other countries under the authority of the Trade Agreements Act of June 12, 1934.

H. R. 7948, As Reported By the Subcommittee

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 6, 1937

Mr. McCORMACK. Mr. Speaker, what follows is a brief résumé of the above-mentioned bill. It has been deemed the most orderly procedure to list each class of employee affected, describe in appropriate detail the controlling statutes, and then point out the effect of the proposed legislation.

LABORERS

This grade is governed by the Bacharach Act (act of May 29, 1928). A single grade is provided and the only rate of compensation provided is $1,500 per annum.

The proposed legislation amends the Bacharach Act referred to by broadening the salary scope of the grade to make it range from $1,440 per annum to $1,680 per annum. The new salary rates provided are: $1,440, $1,500, $1,560, $1,620, and $1,680.

The minimum or entrance salary is reduced to $1,440 per annum (this will not affect the compensation of laborers already in the service) and steps of $60 each are created by which the maximum salary of the grade is to be reached. Hereafter all laborers now in the service will move to $1,500 and (always assuming a year's satisfactory service prior to each advance) will continue to rise by $60 annual increases until they arrive at $1,680.

VERIFIERS, OPENERS, AND PACKERS

The Bacharach Act (act of May 29, 1928) established this grade with the following salary schedule: $1,680, $1,740, $1,800, $1,860, $1,920, $1,980, and $2,040.

All new appointments are to be made at the minimum of the grade and no method of promotion is provided.

The proposed legislation does not amend the Bacharach Act now controlling but does supplement it by providing automatic yearly promotion. Each verifier, opener, and packer will hereafter receive, at the beginning of each fiscal year (assuming satisfactory service during the preceding year), an increase of $60 to the next higher rate of compensation provided by the act of May 29, 1928, referred to. This will continue until $2,040 per annum, the maximum of the grade is reached.

CUSTOMS GUARDS

The Bacharach Act (act of May 29, 1928) establishes this grade with the rates of compensation as follows: $1,860, $1,920, $1,980, $2,040, $2,100, $2,200, $2,300, $2,400.

All new appointments are to be made at the minimum salary of $1,860 per annum. No provision is made for promotion within the grade.

The proposed legislation does for the guards what it does for the verifiers, openers, and packers. The Bacharach Act is not amended, it is rather, supplemented by this. Automatic promotion within the grade is provided. Hereafter each guard at the beginning of the fiscal year will be promoted to the next higher rate of compensation in the grade according to the schedule above which was established by the Bacharach Act. This annual promotion is predicated upon a year's satisfactory service at the lower rate of compensation and continues until $2,400 per annum, the maximum of the grade, is reached.

CLERKS

The clerical grades are presently controlled in part by the Bacharach Act (act of May 29, 1928) and in part by the Classification Act (act of Mar. 4, 1923), as amended (act of Dec. 6, 1924; act of May 28, 1928; and act of July 3, 1930).

The Bacharach Act provides for clerks having from 1 to 4 years' service and provides the following salary schedule:

	Per annum
Entrance salary	$1,700
Clerks having 1 year's satisfactory service	1,800
Clerks having 2 years' satisfactory service	1,900
Clerks having 3 years' satisfactory service	2,000
Clerks having 4 years' satisfactory service	2,100

These are so-called Bacharach clerks. Beyond this point the clerk comes under the Classification Act, as amended, and is promoted administratively from an ungraded Bacharach clerk at $2,100 per annum to clerk C. A. F. 5 under the Classification Act, as amended, at the same salary. This transition is not automatic, and it is quite possible for a clerk to reach $2,100 per annum under the Bacharach Act and to stay at that salary as an ungraded clerk indefinitely. The salaries presently provided for the various steps in the C. A. F. grades are found in the act of July 3, 1930, which is an amendment of the Classification Act of March 4, 1923.

It would require too much space to set out in detail the particulars of each grade in the clerical, administrative, and fiscal service. The schedule of salary steps for C. A. F. grade 5, which is the lowest C. A. F. grade applying to customs clerks, is fairly representative. With the exception of the two highest C. A. F. grades, all of the C. A. F. grades from grade 5 up have a spread of $600 between the minimum and the maximum of the grade and have six steps of $100 each.

C. A. F. 5

$2,000, $2,100, $2,200, $2,300, $2,400, $2,500, $2,600.

Actually the entrance salary of this grade, so far as it affects customs employees, is $2,100 per annum, inasmuch as clerks who are promoted to C. A. F. 5 are already receiving $2,100 under the Bacharach Act. In brief, then, the employee must rely on administrative action for promotion to C. A. F. 5, even though no change of salary is involved, and, once graded under the Classification Act, is without definite prospect of promotion to the higher rates of compensation within his grade. The classification acts merely establish the grades and the various rates of compensation for each. No method of within-the-grade promotion is provided.

The proposed legislation makes no change in the various classification acts. The grades established therein and the salary rates thereby prescribed for such grades remain the same. However—and this is the sole contribution of H. R. 3 in this instance—provision is made whereby employees in the C. A. F. grades will receive automatically, at the beginning of each fiscal year, promotion to the next higher rate of compensation within their grade. This will continue until the maximum of the particular grade is reached, keeping in mind always that the annual increment is conditioned on a year's satisfactory service at the lower rate of compensation.

A change is made with respect to Bacharach clerks. A glance at the comparative tables set out below will serve to show the change fully without the necessity for further description.

CLERKS

ACT OF MAY 29, 1928 (BACHARACH ACT)		H. R. 3	
Entrance salary	$1,700	Entrance salary	$1,700
Having 1 year's satisfactory service	1,800	Having 1 year's satisfactory service	1,800
Having 2 years' satisfactory service	1,900	Having 2 years' satisfactory service	1,900
Having 3 years' satisfactory service	2,000	Having 3 years' satisfactory service	2,000
Having 4 years' satisfactory service	2,100	Having 4 years' satisfactory service	2,100
		Having 5 years' satisfactory service	2,200
		Having 6 years' satisfactory service	2,300

INSPECTORS

The Bacharach Act (act of May 29, 1928) establishes this grade with the rates of compensation listed below: $2,100, $2,200, $2,300, $2,400, $2,500, $2,600, $2,700, $2,800, $2,900, $3,000, $3,100, $3,200, $3,300.

All new appointments are made at the minimum salary, $2,100 per annum. No provision is made for promotion within the grade.

The proposed legislation does not change the established salary rates but it does provide a limited automatic promotion from the minimum to the maximum of the grade as established in the Bacharach Act. At the beginning of each fiscal year, each inspector would be promoted to the next higher rate of compensation prescribed for inspectors provided that his service for the preceding year at the lower rate of compensation had been satisfactory. Promotions of this type to rates of compensation up to and including $2,700 per annum—the average of the grade—are fully automatic and on all four with the provisions for laborers, guards, verifiers, openers, and packers, and C. A. F. clerks previously considered. Promotions above $2,700 per annum, although automatic and mandatory, are selective in that the proposed act specifically provides that not more than 50 percent of the inspectors shall at any one time be receiving compensation in excess of $2,700 per annum. Assuming that more than 50 percent of the inspectors are qualified, it becomes the duty of the Secretary of the Treasury to select those who are to receive the promotion to rates of compensation in excess of $2,700 per annum. Where the number of inspectors qualified to advance to rates exceeding $2,700 per annum is greater than 50 percent of the force, the Secretary of the Treasury in exercising his discretion is directed to do so with due regard for seniority insofar as such regard is compatible with efficient administration of the Customs Service. Where the number of qualified inspectors does not exceed 50 percent of the force, there is no distinction between the automatic promotion of, for example, the guard and the automatic promotion of the inspector. The discretion of the Secretary is called into play only when the number of qualified inspectors is in excess of 50 percent of the force and then only at the transition point from $2,700 to $2,800 per annum. Once an inspector has been promoted to $2,800 per annum, whether with or without the exercise of discretion on the part of the Secretary, he is entitled to an annual automatic promotion to the next higher rate of compensation until he reaches $3,300 per annum, the maximum of the grade, provided of course, that at each step he has a year's satisfactory service at the lower rate of compensation.

In H. R. 3 there is an apparent change in the language of the Bacharach Act provision for inspectors which requires an explanation. The relevant provision of the Bacharach Act has already been given. The corresponding portion of H. R. 3 reads as follows:

Inspectors:

Grade 1	$2,100
Grade 2	2,200
Grade 3	2,300
Grade 4	2,400
Grade 5	2,500
Grade 6	2,600
Grade 7	2,700
Grade 8	2,800
Grade 9	2,900
Grade 10	3,000
Grade 11	3,100
Grade 12	3,200
Grade 13	3,300

Where the Bacharach Act set up one grade with 13 salary rates, the proposed act sets up 13 grades each with a single rate of compensation corresponding to one of the salary rates of the Bacharach Act. The change is a technical one only and was made so as to pattern the language of the proposed act so far as it applies to the promotion of inspectors, after the language used in the statute providing similar automatic promotion for immigration inspectors. Both the maximum and the minimum salary rates and the intermediary salary rates of the Bacharach Act (act of May 29, 1928) are retained.

STATION INSPECTORS

The Bachrach Act (act of May 29, 1928) establishes this grade with the rates of compensation set out below, as follows: $3,000, $3,100, $3,200, $3,300, $3,400, $3,500, $3,600.

All new appointments are made at the minimum salary, $3,000 per annum. No provision is made for promotion within the grade.

The Bacharach Act (act of May 29, 1928) establishes this hitherto established but provides automatic promotion within the grade and at the salary rates already prescribed. Hereafter at the beginning of the fiscal year each station inspector would be advanced $100 per annum to the next higher rate of compensation within the grade until he reached the maximum of the grade—$3,600 per annum. Automatic promotion here, as in all instances under H. R. 3, is conditional upon the employee having rendered satisfactory service at the lower rate of compensation the year preceding his promotion thereunder.

GENERAL COMMENT

The only automatic promotion provided for by H. R. 7948 is within the grade. Promotions from one grade to another are not affected.

An employee who, in any fiscal year, has received a promotion other than under the terms of this proposed act is not entitled to a promotion thereunder for that fiscal year.

H. R. 7948 is not retroactive except as to Bacharach clerks where the retroactive language of the Bacharach Act is carried over unchanged.

The Housing Bill

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, August 6, 1937

Mr. McCORMACK. Mr. Speaker, at the present time the House Committee on Banking and Currency is conducting hearings on the Wagner-Steagall housing bill. The American people are anxiously looking forward to the passage of such legislation. This type of legislation has practically the unanimous support of the people of all sections of our country. It would be unfortunate, and a mistake, if the Congress adjourned this year without the passage of this bill.

There is an old saying, Mr. Speaker, "Better late than never." This applies to the hearings being held on this bill by the House committee. It is regretted that hearings were not held earlier in the session, as a number of Members, including myself, had urged from time to time in the past. However, I hope that the committee means business on this occasion and will report a bill, and that the Rules Committee, in cooperation with the leadership of the House, will arrange for the immediate consideration of the bill by the House.

President Roosevelt has stated that such legislation should pass this session. His position is commendable. The American people are in support of the President in his position. The great majority of the Members of the Congress are in accord with his views. All we are waiting for, all we want, is the opportunity to consider such legislation, which action is dependent upon the House committee making a favorable report. If the Members are given such an opportunity, the passage of this bill is assured. The House committee will be carrying out the wishes of the President, of the people of America, and of the great majority of the Members of the Congress if it will favorably report a bill for our consideration. It will be a mistake if such action is not taken.

At the present time the Senate is debating the bill, which has been reported favorably by a Senate committee. A bill passed the Senate last year.

The bill pending in the Senate is a constructive measure. There is a crying need for the passage of such legislation. It deserves to pass. Under the pending bill the necessity of local responsibility and cooperation is recognized. While a new United States Housing Authority would be established by the bill, the construction projects themselves would be undertaken on local initiative. This would be done in accordance with the judgment of local needs and, at the same time, subject to proper national safeguards. The management of the projects would rest in the hands of local public-housing agencies. Under the bill, it is proposed to give to the United States Housing Authority $700,000,000 during the next 3 years through the sale of bonds and notes; power to loan money to local housing agencies at not less than the going Federal rate of interest. Also, the power to make limited capital grants to contribute as much as $20,000,000 annually in the form of subsidies in order, as stated, "to assist in achieving and maintaining the low-rent character of housing projects."

In relation to the new obligations of the Treasury created by this bill, the New York Times, under recent date said:

> But it should be noted that the bonds and notes to be sold by the Housing Authority will have behind them the value of the property on which money has been loaned; with efficient management (on a par with that displayed by R. F. C. in a somewhat similar financial operation), there is no reason to believe that the fund of $700,000,000 cannot be kept substantially intact and ultimately repaid without major loss to the taxpayer.

In relation to annual contributions in the form of rent subsidies, the providing of new employment, and its stimulation of private building, the editorial said:

> As for the annual contribution to be made by the Government in the form of rent subsidies: $20,000,000 is a small sum compared with present relief expenditures—it is, in fact, just one seventy-fifth of the sum recently granted to W. P. A.—and the new housing program ought in itself to lighten the relief load by providing new employment. Simultaneously, a program of this kind ought to give a stimulus to private building—that has been the clear experience of England—and a genuine recovery of the building industry would mean much to the Treasury in new revenues.

This type of legislation represents a great humanitarian effort. The removal of slum clearance and blighted areas is a problem which is a challenge that we cannot ignore. As Senator WAGNER well said, in a recent radio speech, "The hardships of the slum dwellers (and I add dwellers of blighted areas) are indeed beyond description." Honest, but unjustified fear, in most cases, is the main opposition to progressive, humanitarian legislation. We should not permit this feeling, whether or not honestly entertained, to prevent the passage, before the present session is over, of this meritorious legislation.

The Sugar Bill of 1937

EXTENSION OF REMARKS
OF
HON. CAROLINE O'DAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 6, 1937

Mrs. O'DAY. Mr. Speaker, I have listened with great interest to this discussion and would like to present it from a little different angle.

The United States acquired Puerto Rico, the Virgin Islands, and Hawaii because we thought we needed them for our national defense. Spain and Denmark, mother countries, sold them to us for a price, thereby changing almost overnight the nationality of thousands of people who had been given little or no choice in the matter. They found themselves part of a Nation of whose language and laws they were ignorant, but believing that we were not an imperialist nation, that we were a just nation, they accepted their enforced change of nationality without rebellion or violence with a real determination to live up to the ideals of their new country.

I know this to be true, for I have visited Hawaii and talked with people there, I have visited Puerto Rico several times and have many friends there. For 2½ years I was Democratic National Committeewoman for the Virgin Islands that were doing very well until by imposing prohibition upon them, we destroyed the two main industries from which they drew their revenues—the manufacture of rum and of bay rum.

The people of these islands are proud of being a part of our great country, they revere the Stars and Stripes as we do, they are adopting as rapidly as possible our language and ways of life, they are hoping for full stateship eventually, and are striving to fit themselves for it, and they have wholeheartedly adopted the United States as their mother country.

Are we to treat them as stepchildren are sometimes treated? Is it just to forbid them from making the utmost use of their resources in order to improve their economic conditions? Is it fair to strangle their efforts toward increased prosperity?

If we do this we are taking the first steps toward the imperialism of European countries and toward their policies of dealing with their colonies. We seem to have come to the point today where the two great principles of imperialism and Democracy encounter each other. Our vote on this measure will show in which direction we are heading.

Business and Politics

EXTENSION OF REMARKS

OF

HON. ROBERT J. BULKLEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Friday, August 6 (legislative day of Thursday, July 22), 1937

ADDRESS BY JAMES A. FARLEY AT AKRON, OHIO, AUGUST 4, 1937

Mr. BULKLEY. Mr. President, I ask unanimous consent to have inserted in the RECORD an address entitled "Business and Politics", delivered by the Honorable James A. Farley, at Akron, Ohio, Wednesday, August 4, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

BUSINESS AND POLITICS

I am glad to be in this busy community, for I have in mind to talk to you today about business. You typify the modern American city. That is, you are industrially eminent because of the number and variety of your industries and are at the same time surrounded by one of the finest agricultural belts in the United States.

A State that holds such a position in the manufacturing, commercial, and farm fields is indeed fortunate, because, although these three great divisions of our economic circle are generally described individually, they really constitute one great business. Each of them is dependent on the success of the others for its own prosperity. The men who raise wheat and corn and the other staple food products can only sell at a profit if you in the city are prosperous enough to pay living prices. You people at your mills and factories can only thrive if the farmer has enough money to buy the product of those factories and avail himself of the utility service that the city renders. The merchants and bankers, constituting the third division, can only go along successfully if the manufacturers have enough trade to keep their credit high and the merchants have enough customers to keep the goods they sell moving to establish new marts and to increase their own plants and facilities.

All around me I see the evidence that this pleasant condition exists in Ohio. I contrast it with what I found when I came into and through this State early in 1932, when I was a salesman. Perhaps I might even call myself a drummer, for my mission out in this part of the country was to sell you the idea that in the then Governor of New York the country had a man courageous enough to tackle the problems of the depression and capable, if any human being could accomplish it, of stopping the headlong dive our business world, and perhaps our civic world, seemed to be taking to complete destruction.

I cannot, of course, claim that my salesmanship was any great factor in determining the result of the Chicago Convention so far as Ohio was concerned. But I do know that, after testifying to its loyalty to its own candidate, Governor White, the majority of the Ohio delegation swung into the Roosevelt column on the final ballot. I further know that in the election of 1932, and more emphatically in the election of 1936, your State never wavered in its support of Franklin D. Roosevelt. I think, moreover, that you have been very happy at your participation in the great Democratic victories. I am sure that you will agree with me that our President has lived up to the specifications of ability, courage, and capacity which were presented by his friends and advocates, both before and after the nominations. Oh, I know, of course, that there have been criticisms here and elsewhere about individual items in the program he is carrying out. I do not suppose that it is given to any man to please everybody all the time. If, however, the President is able to satisfy the great majority of the citizens of this country, his administration is a success. There is only one yardstick by which the accomplishments of any administration can be measured, and that is by a comparison between the state of the Nation on his advent to office and the state of the Nation after he has been in office long enough to demonstrate his quality and to prove the validity of the principles on which the administration proceeds. It is not a question of this detail or that in a vast program. It is a question of the general result.

Naturally, no President is going to be applauded and supported by his political foes. Naturally, the interests that wage unceasing war on every measure calculated to diminish the unmerited privileges they have enjoyed are going to find fault and pick flaws at every opportunity. That is why this particular group spent $5,000,000, or more, in 1936 in a vain effort to persuade our people that Franklin D. Roosevelt was a Communist and a would-be dictator and that he was bent on the destruction of every institution that has made America great.

Naturally, the sincere reactionists, who are against change merely because it is change; against anything new because it is new; are on the opposite side of the political fence, for they can see no good in anything that is not as conservative as they are.

Some members of his own party, in Congress and out, have in the recent controversy been vehement in their opposition to one feature of the President's New Deal policies.

There has not been a President since the early days of the Republic who has not encountered a similar situation. Men of strong opinions are bound to differ. But when the controversy is over and the heat of debate has cooled, you will find each of them valiently pulling his oar in the party boat.

Of course, the Republican orators and the newspaper writers attached to antiadministration papers do not admit this. Hence the talk from these sources about an unbridgeable gulf and an incurable rift in the Democratic Party. That is the veriest moonshine. You will find at the conclusion of the President's term of office that he is still the party's hero and that his luster in the eyes of all independent men remains undimmed.

Incidentally, I wonder how these people, who for 5 years have been declaring that our national legislature was a rubber-stamp Congress, taking dictatorial orders from the White House, feel about that sort of propaganda now. Do they think that a slavishly subservient body could turn in a day into a group of militant rebels? Just a short time ago the reactionary newspapers were cartooning the Democratic Senators and Representatives as stuffed-shirt manikins and marionettes, jumping any way the President pulled the strings. Today you see them picturing some of these same Democrats as prodigies of valor and independence. In other words, when a Democratic legislator agrees with the President, he is a cowering political peon; and when he disagrees with the President, he is a white-plumed knight of patriotism engaged in a heroic crusade.

Another piece of moonshine is the Republican propaganda now being industriously circulated, that these men are to be punished politically for their failure to accept one item in the President's program. Those who are spreading this absurdity forget that the National Democratic organization is a practically party implement Its function is to win elections. It is interested in campaigns and not in feuds. It is in the building business; not the wrecking business. You heard the same kind of talk from the same source during the 1936 campaign. Then it was bruited about that in the event of Roosevelt's election those businessmen, and corporations that were fighting him were to suffer from reprisals as a penalty. Of course, there has been no instance of individual or corporate penalizing. There could not be. Contracts for Government work and supplies are let on a basis of competitive bidding. As a result we find that some of the best contracts are in the hands of people who did their utmost to hinder the President's reelection.

This administration is concerned with bringing back and perpetuating prosperity; it has no time for vendettas.

Can you imagine anything that would be more hurtful to such a program than to cripple any big industry to gratify a political spite? Can you imagine an administration silly enough to balk its own objective in such a fashion?

When I was invited to come out here some of the radio people and newspapers asked me what I would talk about, and I told them "politics and business." I think I have talked enough politics, so now to business.

I hardly have to tell you that all over the United States every activity that spells progress in the uplift of our commercial and financial circles is on the increase. I have had to do a lot of traveling recently and in every city I found the same situation—more people employed than at any time since the big crash of 1929. More people taking vacations and going on more tours; more building of residences and office buildings and factories; more people buying country homes. Naturally these latter evidences of prosperity apply largely to wealthy and well-to-do people, which ought to answer the wails of a certain element of our population, the members of which are complaining that taxes are too high, and that governmental restrictions are hurting their balance sheets.

There are some people who measure the well-being of the Nation by the enhancement of their own incomes. It appears to make no difference if last year they made more money than ever before; if this year does not indicate a still bigger profit they are sure the country is going to the dogs. I sometimes wonder how rich a man must be before he can afford to pay his normal share in the costs of Government. It is because of what the Government has done that made it possible for those people to be prosperous enough to give millions of dollars, as they did in the last campaign, largely through the Liberty League, to an effort to prevent Franklin D. Roosevelt's reelection.

One of the best indexes I know of the financial status of most of our people lies in the number of new automobiles purchased. In 1933 so many people felt that they had to make the old car serve on that in that year only 65,000 new passenger cars were registered in the whole State of Ohio. Last year your people got tags for 245,000 cars, and in only the first 4 months of this year there have been registered nearly as many passenger autos as during the whole of 1933. Trucks and other commercial vehicles have gone up in the same proportion, except that the proportion of gain this year is considerably larger.

Now, let us see how the laboring people are faring in this better time we are enjoying. Back in 1933, when, as you remember,

there were long lines of factories either totally still or running part time, there were employed in Ohio 475,000 men. Last year the figure had risen to about 600,000, and this year the estimates run still higher. That is important, but it does not constitute the full significance of the situation. Taking last year's figures as a base, the pay rolls amount to something like $350,000,000 more than they were in 1933.

But aggregate figures convey little to the average man—I confess that they make no clear impression on me—so let us look at it from the status of the individual employee. In 1933 the average pay for all the factory employees was $930 a year. Last year the average—I am speaking of Ohio—pay of the workers was $1,327.

What that means in the general picture your merchants can tell you. Incidentally, there is involved in these figures a pretty complete demonstration of the New Deal argument that increased profits and increased wages are not only quite consistent, but that the more the purchasing power of any group is raised the better it is for all business.

How about the farmers, who were probably the worst stricken of all large groups when the bottom dropped out of things? I am not enamored of statistics but there are some figures that tell a fascinating story. In those black days your Ohio farmer had to sell his wheat for 47 cents a bushel and his corn for 32 cents. He was getting $3.70 per hundred for his hogs in 1932. Last year his wheat brought him $1 a bushel, his corn 90 cents, and his hogs $9.60.

In 1932 the farmers of Ohio had a total income from their products of $157,000,000. Last year the corresponding aggregate was $25,000,000 ahead of that. Nineteen thirty-seven has brought your farmers an additional twenty-five million in its first 5 months over what the same period last year brought him.

One effect of these various indications of a better state of things I noticed in a recent copy of your home newspaper, the Akron Times-Press. A page of pictures showed the new buildings going up here. The story that accompanied these pictures recounted that this city was enjoying its busiest building period in 5 years and that it was already about a million dollars ahead of last year's record, even though public building expenditures were $200,000 less.

To my mind the nearest to an infallible yardstick for the state of business is found in my own department—the post office. Ohio appears to have bought $5,000,000 worth of postage stamps above what it bought last year. The number of social letters does not change a great deal from year to year, but it is another story with business letters. The more customers there are the greater the correspondence in every trade. Buying and selling; bills and receipts; inquiries and solicitations, all go up as the tide of commerce rises. So the postal receipts constitute a pretty good barometer of industrial trends.

The evidences of the prosperity we are enjoying in comparison with the hardships and distress of 5 years ago could be multiplied indefinitely, so suppose we sum it all up, so far as Ohio is concerned, with the internal-revenue collections. The returns from this State give a total of about a quarter of a billion dollars. The sum I just mentioned, translated into net income, means that the people of Ohio had a net income of perhaps a billion dollars, which is in the neighborhood of four times as much as they had in 1933.

Now the next question I suggest to you is what has produced this almost magical translation of a period of misery and apprehension into one of happiness and hope?

True, you hear and read the doom sealers and prophets of evil refusing to admit the permanency of the uplift. These are the same folks who believed with the former President that abandonment of his methods meant that grass would grow in our city streets and the rest of that augury of doom if Franklin D. Roosevelt was elected in 1932. These are the same folks who poured out money through the Liberty League and its sister organizations in order to preserve the country from the awful things that were to happen if Mr. Roosevelt was reelected.

Far be it from my purpose to attribute all that has happened for the good of the Nation to the New Deal. It furnished the mechanism for recovery, and the enterprise, energy, and resourcefulness of the American people did the rest. Nevertheless, I would like to ask you what would have happened to this country if the President had not swung into his stride immediately on his coming to the White House? What would have been our history if we had not been fortunate enough to have at the head of our Government a man equipped with the intellect to conceive the plan, brave enough to put it into execution, and strong enough to endure the stress and strain of the stupendous enterprise?

In all the world today there is no nation as strong and secure in its political and economic life as the United States of America. The pulse beat of better times is felt throughout the length and breadth of this mighty land. We face the world confident in our own strength to conquer the problems of the future and free from the clouds of suspicion and war which hang so menacingly over the peoples of other lands.

The true test of statesmanship is the ability of a leader to promote the twin blessings of prosperity at home and peace abroad. Measured by that standard, it is my honest conviction that the name of Franklin D. Roosevelt will be written high on the honor roll of American statesmen as long as the Republic endures.

Wood and Trees

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, August 6 (legislative day of Thursday, July 22), 1937

ADDRESS BY JAMES W. MORRIS, ASSISTANT ATTORNEY GENERAL, AT CELORON, N. Y., JULY 25, 1937

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James W. Morris, Assistant Attorney General, at Celoron, N. Y., on July 25 last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

About this time a year ago the country was much disturbed with the tumult and shouting of a national campaign. Loud and bitter were the cries that American traditions had been trampled under foot, and that we were at the brink of disaster—only the election of the Republican candidate could avert national ruin. I do not exaggerate the picture; you remember it well. The press of the Nation, with almost negligible exception, not only insisted that such was the case, but represented with solemn certainty that the American people in November would have done with the atrocities perpetrated upon them by the administration.

It was the interesting task of many of us to address meetings of the people in many States and urge them to look at the record that had been made for a complete refutation of the bitter and violent attacks upon the President and his administration. Almost every time I had the occasion to do that, and I dare say many, if not most of you, had the same reaction, I became convinced that the people to whom I talked had a deep-seated conviction of something that was far more vital than anything which could be translated into mere words. We could and did point out that the President came into office in March of 1933 when we were in truth on the brink of disaster; indeed when a very large part of our economic machinery had actually collapsed; in a land of abundance there was stark want, and in a land of stark want there were millions lacking the employment to supply those wants. The American people were completely "fed up" with the "no-nothing-ism" which had rendered their Government impotent to aid them when they were being crushed by forces with which only their Government could deal. We could and did point out that the choice of Franklin D. Roosevelt in 1932 was a mandate by the people to do something.

What he did and how he did it is a chapter the like of which has never before been written in American history. With a courage and vigor that was superb, he restored to the people that spirit which makes America. With a leadership that was not short of providential, there came about those things which restored purchasing power to more than 30,000,000 of our farm population which had lacked the means with which to purchase the products of American industry. Industry, thus stimulated, began to reabsorb a substantial part of the unemployed who had suffered idleness and privation because people could not buy what they made. The national income, instead of continuing its tragic decline, rose from thirty-nine and one-half billion dollars in 1932 to $52,900,000,000 in 1935. Industrial corporations which could barely exist in 1932 were showing astonishing profits in 1935. For example:

The Du Pont Co. earned $26,000,000 in 1932 and $62,000,000 in 1935, an increase of more than 150 percent.

The International Harvester Co. lost $7,000,000 in 1932 and made $20,000,000 in 1935.

General Motors earned $165,000 in 1932 and $167,000,000 in 1935, an increase of a little more than a thousand times as much.

But of far more importance in the long run than this rehabilitation of our material resources was the restoration of the morale of the country: Measures which made for the security of the life savings deposited in banks; measures aimed at that soul-killing fear of want in old age; provision for the care of those underprivileged who could not otherwise be cared for; relief to those who could not subsist but for such relief—but, finest of all, relief in a way that did not break down the self-respect and the hope of those being relieved; and, as if all this were not enough to make a Democrat feel proud that a Democratic administration was doing these things, there is an extra glow of pride in the provisions made for the youth approaching an unemployed manhood, with organized crime at its most hideous height, to give them healthful, clean, man-making service, close to Nature, where healthy hopes would reflect themselves in the America of tomorrow.

I said that I had the feeling that the people of this country had a conviction of something more vital than any particular

measure which I have mentioned, or any of the many other things accomplished by the President and his administration, and that, as nearly as I know how to put it in words, was the conviction that they had a President in the White House who first, foremost, and all the time was their friend—a man whose driving ambition was to make of this Government an effective instrument of service to the people to whom that Government belonged.

I am very sure that those immortal words "a government of the people, by the people, and for the people" have a very real meaning to the man in the White House, and to the people throughout the length and breadth of this land that is not appreciated by those who are caustically critical of things that he has done. To the oft reiterated cry of "regimentation", the country answered that individualism does not countenance the reckless driving of a 10-ton truck down the middle of the road in disregard and to the hazard and injury of others who would keep to their own side of the road; no more does it mean that this Government should not do to the utmost of its power that which it needs to do to prevent "road hogs" on the economic highways of the Nation. To the numerous criticisms that mistakes had been made in this and that during the almost superhuman struggle of bringing order out of chaos, security out of ruin, and hope out of fear, the ringing answer of the people was that they were on the side of the team that played a fine, hard-fought, winning game of ball, even though, in the winning of it, some errors were made, rather than the team whose only claim to fame was a record of "no runs, no hits, no errors." Seldom has a leader been the target of such bitter attacks from extremists of both sides. Never has there been a more complete vindication—or better understanding of the three R's—than the choice which the people made for Roosevelt rather than for reaction or radicalism.

If the overwhelming victory of the President in the last election could have any meaning at all, it means that this country agreed with him that the National Government was created and exists for the purpose of protecting the people from forces of destruction, not only from without, but also from within, which cannot be dealt with otherwise than by their National Government. There can be no question of a doubt that it is the conception of the President that it was intended by the framers of our Constitution to give to our National Government powers adequate to deal with matters of national concern, reserving to the States powers which were needed by the States to deal with matters of local concern. Can there be any question that the people expect less of the President of the United States and the Congress than that they will use to their utmost these powers of the National Government to further the interest and welfare of the Nation as a whole?

That, as I see it, is the mandate which the people gave last November. That, as I see it, is the heavy responsibility which the President feels that he and the Congress must discharge.

Very little, if anything, of major importance can be accomplished without there being strong, sincere, and unfortunately in many instances acrimonious diversity of thought about the doing of it. There are many of us, and very frankly, I do not think lawyers are always the worst offenders, who can almost always find this reason or that why a certain thing should not be done in a certain way. We can struggle over diverse meanings or interpretations of the "commerce clause", or the spending power under the "general-welfare clause", or whether or not the "due-process clause" means this or that, and always whether or not the "reservation of powers" under the tenth amendment means that the Federal Government is without power to act. Now, no one can say that these various clauses and provisions have not many times been construed liberally, and with the result that adequate powers have been found in the Federal Government to deal competently with problems with which the States are incompetent to deal. Indeed, during the past few months, the Supreme Court has held that the power of the National Government to deal with matters of international concern existed prior to and now exists independent of constitutional provisions; that such power derived from the Declaration of Independence and the act of severance from the sovereignty of Great Britain. In matters of domestic concern, it has been held that the labor relations of a manufacturer of pants in Richmond, Va., can have such effect upon interstate commerce that it is competent for the Congress to take certain regulatory action with respect thereto. Overruling the Adkins case, it is now the law that the Congress can fix in the District of Columbia minimum wages for women employees, and a similar rule applies to the competency of the States within their own jurisdictions. The Constitution has been held to empower Federal action in the matter of unemployment insurance.

And again, participation by the National Government with respect to old-age insurance has recently been sanctioned. It is true that in many of these decisions the majority was the narrow one of 5 to 4. But how much happier it is that such margin, narrow though it be, was on the side of liberal construction, recognizing in the Federal Government a competency to deal with these vital matters of national concern. And yet it has been but a little while since it was vehemently asserted that these, and similar acts, did not lie within the constitutional competency of the National Government. At the beginning of the present administration, indeed, it was far from certain that the existence of these powers would find judicial sanction. That they have, more than anything else could have done, shows how vital it is to the life of this Nation that our laws be administered by an enlightened judiciary. Far be it from me to mean that when an act of Congress does clearly and beyond reasonable doubt transcend the proper constitutional powers that it should not be stricken down by the courts. Just as heavy a responsibility, however, does rest upon the judiciary to uphold the power of the National Government to deal with matters of national concern, as it does to strike down an act which transcends that power.

Much is heard today of this proposal and that one for constitutional amendments to lodge in the National Government power to deal with different problems. I do not presume to state it with certainty, but it seems to me such proposals over-simplify the difficulties. If you think otherwise, I suggest you take pencil and paper and see if you can formulate a statement of any additional substantive powers which would give to the National Government a competency to deal with problems of national concern which it does not now have, and which would not at the same time give power to the National Government to deal with matters of local concern which, I take it, we are all agreed it ought not to have.

The answer is, as I see it, that our National Government as now constituted has the power to deal effectively with all problems and forces which are of national scope, and it is the business of the President, the Congress, and the courts to see that that power is used to the best interest of our Nation and its people. Adequate power in the Federal Government should not be denied simply because it can be abused. Any power to do good can be abused. The safeguard against such abuse of power lies in the choice by the people of their public agents. It is their responsibility and duty to use such power properly and for the public good. They can and should be punished at the polls for any dictatorial abuse of it. Much more to the point now is the sovereign voice of the people insisting that the full power of the National Government be used to conserve those things worth conserving, to upbuild and safeguard our economic and social life, to protect us from forces and fears which collectively we can overcome—acting separately we cannot.

The Democratic Party has stood since its birth for the principle in government of "the greatest good for the greatest number." In short, the great power of this Nation must be used, if we keep faith with the people to whom that power belongs, to make this Government a great instrument of service to the people in all their national needs. In that way, and that way only, can we have a "government for the people." At various times different means have been made use of—sometimes, perhaps, we have put too much emphasis on the means, and the country may have thought that the objective had been lost sight of, but the last sweeping victory admits of no doubt that the people now feel that it must look to the Democratic Party to attain that objective.

While it was to the President and the Congress that the mandate of the people was given, it is no less the responsibility of the party to aid in every way possible in its accomplishment. Differences of opinion as to methods and means, as I have said, can well exist, but we ought not to let such differences block our progress toward the objective or obscure what that objective is. As the President has said, "We must not fail to see the wood for the trees." Never in the history of the Democratic Party has it had a more solemn responsibility; never has there been a time which called more compellingly for a concert of action. With the battle half won, we must be resolute that our efforts be not distracted by extraneous controversies. It is our responsibility that our National Government use its power to make America a better place in which to live. To its accomplishment our great leader, the President, with the consciousness of carrying out the people's will, has unreservedly dedicated himself. Let us not look at the trees but the woods. We must not fail to do our part.

Bondholders' Reorganization Bill

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1937

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, in the belief that my bill H. R. 6963 will be before the House on Tuesday, under leave granted me and for the purpose of enlightening the Members, I desire to make a short statement and at the same time give a history of legislation proposed by your select committee.

After an exhaustive and comprehensive investigation for over 3 years, and a thorough study of the abuses and practices prevalent in reorganizations and reorganization proceedings, the select committee after hearings on my several bills, and after adopting the suggestions and views of the Judiciary Committee, finally drafted and introduced H. R. 6963, designed to relieve the courts of the intolerable administrative burdens imposed upon them by sections 74 and 77B of the Bankruptcy Act by the designation of an admin-

istrative agency to assist the courts in the conduct and expedition of proceedings under these sections; designed to prevent excessive loss of assets in proceedings under these sections; designed to protect the investment of the ordinary investor in financially embarrassed corporations; and, finally, designed to arrest the growing disrespect for courts of bankruptcy resulting from their being in some instances made parties to the perpetration of frauds on investors.

It is the belief of your select committee that the bill H. R. 6963 as originally introduced will do just this. Therefore your committee very strongly recommends and urges the enactment of my bill in its original form and not the amended bill as favorably reported by the Committee on the Judiciary of the House.

The Committee on the Judiciary of the House has seen fit to eliminate or modify certain essential provisions of the committee bill. Several days before the close of the Seventy-fourth Congress, second session, the Committee on the Judiciary of the House favorably reported the committee's bill H. R. 12064, which is substantially the same as the committee's bill H. R. 9, which was introduced on the opening day of the Seventy-fifth Congress, and referred to the Committee on the Judiciary. The only substantial difference in these bills was that in the former bill the Comptroller of the Currency was named as the agency to administer the provisions thereof, and in the latter bill the agency to administer the provisions thereof was to be designated by the President, by and with the advice and consent of the Senate. After hearings on H. R. 9 the Committee on the Judiciary of the House preferred to name the Comptroller of the Currency to administer the provisions of the bill, to which there was no objection on the part of your committee, and consequently a new bill was introduced—H. R. 6963—to meet the wishes of the Committee on the Judiciary. This bill was favorably reported by the committee in substantially its present form, but in the interim of the filing of the report objection was raised to the Comptroller of the Currency acting as conservator under this bill. The Committee on the Judiciary then reconsidered this bill.

After the first favorable report of the Committee on the Judiciary was held up the Securities and Exchange Commission submitted a number of amendments to the Judiciary Committee on H. R. 6963, so weakening my bill as to fail to meet the recommendations made or reach the objectives intended by your select committee.

It is difficult for me to understand the failure of the Committee on the Judiciary to report my bill as introduced, in view of the fact that twice before they reported H. R. 12064 and H. R. 6963, substantially the same bills. The bill as now reported, I fear, will not accomplish the purposes designed to be accomplished or attain the objectives desired by your select committee.

The various investigations of Federal and State judicial and legislative bodies—and on several occasions the Committee on the Judiciary of the House—have disclosed the necessity—and they have made very definite and strong recommendations—for legislation such as is embodied in my original bill, H. R. 6963. The recent report of the Securities and Exchange Commission, as well as the report of the Committee on the Judiciary of the House, clearly indicate the need for legislation providing very affirmative relief in order to eliminate these unconscionable abuses and practices. I feel that the time has come when affirmative and drastic steps become necessary to protect the American investors. It is a duty which Congress owes them, and it is the recommendation of your select committee that such steps are necessary to curb and eliminate this admitted racket.

Your select committee has not gone as far as it should like in order to fully control and regulate these activities and to protect and safeguard investors in reorganization proceedings. Congress has the power to do so. Your committee should like to go much further. And more particularly so in the light of what the numerous investigations have disclosed and the recommendations corroborating and substantiating the findings and recommendations of your select committee.

Notwithstanding these recommendations and the unqualified corroboration of the need for such legislation, there are some who appear to be fearful of enacting legislation in accordance with their own convictions.

Many Members are misled by those who are the beneficiaries under this system. Therefore, in the hope of enacting some legislation which will, in a measure, afford protection to the investors, your select committee has not gone as far as it should like or deems necessary. However, your select committee strongly feels that my bill is the minimum of protection to which American investors are entitled, and which should be enacted into law without any further hesitancy or delay.

For Congress to fail to adequately legislate for the relief of investors and to continue to leave them at the mercy of these predatory groups preying on the old and feeble, widows and orphans, crippled and blind, veteran, charitable, benevolent, and fraternal organizations, is indefensible.

To provide less means approaching the issue by half-measures, and as was unfortunately seen in the past, such measures afford only an opportunity for evasion, and an increase in such practices.

There can be no surcease from these abominable practices now prevalent without adequate legislation providing an agency with full authority to act affirmatively and effectively.

I am satisfied that if the Members are interested in enacting legislation to put an end, once and for all, to these outrageous abuses that they will support me and enact the amendments that I will offer to replace those provisions of the bill stricken from it by the Judiciary Committee.

I will now briefly explain the provisions of my original bill and the bill as reported.

H. R. 6963

(a) Definitions of terms as used in this section.

The Judiciary Committee reported this subsection with the following amendments:

Subdivisions (1) and (3) are amended by changing the amount from $50,000 to $250,000.

Subdivision (10) is added, defining the Securities and Exchange Commission.

(b) As reported by the Judiciary Committee this subsection is amended by substituting the Securities and Exchange Commission for the Comptroller of the Currency.

The Commission is charged with the duty of aiding the courts in the administration of proceedings under sections 74 and 75 B of the Bankruptcy Act.

It is authorized and empowered to prescribe such rules and regulations as are necessary to effectively perform the duties imposed upon it.

The Commission is empowered to administer oaths, take evidence, and require the attendance of witnesses and the production of books, and so forth, by subpena.

In the bill of your committee, H. R. 12064, favorably reported by the Judiciary Committee at the close of the last session of the Seventy-fourth Congress, the Comptroller of the Currency, upon the recommendation of the Judiciary Committee, was named as the Conservator.

In the bill of your committee introduced at the beginning of this session, H. R. 9, no agency was named, but the designation of the Conservator was to be made by the President, by and with the advice and consent of the Senate. This bill was referred to the Judiciary Committee, and after a hearing and due consideration, and upon the recommendation of the Judiciary Committee, the Comptroller of the Currency was again named. A new bill was introduced with this change, H. R. 6963, which was favorably reported on May 20, 1937.

However, pending the filing of the report of the committee, objection was raised to the designation of the Comptroller. The Judiciary Committee, in view of this, held up its report, and at its next meeting reconsidered its action on this bill. In the meantime suggested amendments were

submitted to the Judiciary Committee, which were adopted in the bill as reported.

With respect to the regulation of and supervision over reorganization proceedings covered by the reported bill, it does not go nearly as far as my original bill. It is this phase of activities which requires most vigilant supervision and regulation by affirmative action.

Under my bill, as amended, by the adoption of suggestions of the Commission, the Commission is merely required to report its findings in a purely advisory manner, and is not required to take a definite position. If a Federal agency is to be established as an aid to the court, and if it is to be of any real benefit to the court, it should be required to either approve or disapprove the matter submitted to it for investigation, study, and report. If a plan of reorganization is submitted to the agency for study it should be required to say, in no unmistakable terms, whether it is good or bad, whether it is equitable or inequitable, and it should further be required to make recommendations to the court so that a fair and equitable plan might be effected. This, my bill as introduced, does require.

The situation does not warrant quibbling, or evasive or illusive action. The agency should be required to convey to the court the conclusions of its findings in accordance with its own convictions. Under such circumstances only will the courts be enabled to determine the matters before them.

Of course, nowhere in my bill is the court deprived of any of its judicial authority or prerogatives. The court may accept or reject the recommendations of the Commission, just as it does in the case of a submission to a master. But, it will have the benefit of specific and definite objections and recommendations to guide the court in making its decision. This procedure would undoubtedly expedite reorganization and assure to creditors and stockholders fairer and more equitable treatment.

(c) In my bill, as introduced and originally reported, the agency was authorized to perform any function, power, or duty imposed on any official designated in the Bankruptcy Act, such as receiver, trustee, custodian, master, or referee. The appointment of a receiver, trustee, or custodian, of course, is always made by the judge. The agency was also authorized to perform similar duties in any Federal receivership proceeding.

Your committee thinks this is a very essential provision, because the court could thereby avail itself of a disinterested and qualified trustee, receiver, or custodian, at a minimum of cost to the estate, and with the assurance of full disclosure of all facts to the judge, and, consequently, of fair treatment to investors.

The selection of receivers, trustees, and custodians has been one of the major causes for abuse in such proceedings, and has done more to bring the judiciary into disrepute than any other steps which might be taken in the proceeding.

Unfortunately the Judiciary Committee has eliminated this provision and has substituted for this subsection (c) the provision that the agency may intervene in such proceedings and be deemed to be a party in interest, which is substantially what is provided in subsection (d) of my bill. In the amended bill as reported, subsections (c) and (d) are merged.

The agency may originally propose a plan or proposal.

(d) Subsection (e) becomes subsection (d) in the amended bill.

This subsection provides that the debtor is required to file a proposal or plan within 6 months of the entry of the order approving the petition or answer (as the case may be) as properly filed. Adequate provisions are included relating to proceedings pending on the date of enactment of the bill.

This subsection is as introduced.

(e) Subsection (f) now becomes subsection (e).

The Commission must be given due notice of all steps taken in connection with any proceeding under the Bankruptcy Act to which the bill relates, and all papers filed in the proceeding must be transmitted to the Commission.

This subsection is as introduced.

(f) Subsection (g) becomes subsection (f).

This subsection is materially amended. The amended bill eliminates the necessity of approval or disapproval of a plan or proposal, but merely requires the filing of a report by the Commission.

Such report shall contain such findings or comments as the Commission may deem necessary with respect to the fairness and equity of treatment accorded various creditors and security holders; adequacy of steps taken to collect assets; to disclose causes of action against officers and directors, and the reasonableness of fees and expenses.

Your committee recommends the enactment of subsection (g) of your select committee's bill as being the more effective, efficient, and economical method of aiding the courts in their complex problems.

(g) Subsection (h) becomes subsection (g).

Subsection (h) of your committee's bill, as introduced, relates to the regulation of protective committees operating in connection with proceedings under sections 74 and 77B of the National Bankruptcy Act.

The bill prohibits the solicitation of protective committee agreements, the deposit of securities under such an agreement, assents or dissents in respect of a plan of reorganization or proposal for a composition or extension, or proxies, authorizations or powers of attorney, unless the Commission has approved the protective committee agreement and the composition of the committee itself. Very definite standards are prescribed in the bill to provide under what circumstances the agreement and committee membership shall be disapproved. The disapproval by the Commission is subject to review by the court in which the proceeding is pending.

This subsection also prohibits the allowance of fees and expenses to a committee, and prohibits the intervention of a committee in the proceedings unless the committee agreement and the committee membership have been approved by the Commission.

This aspect of the Commission's functions is very similar to the functions of the Interstate Commerce Commission in relation to protective committees under subsection (p) of section 77 of the bankruptcy act.

This aspect is clearly constitutional. There is no question but that the bankruptcy power extends to the regulation of the arrangements between parties in interest in the proceedings and those who represent them before the bankruptcy court.

This subsection as amended and reported eliminates the prescribed prerequisites for the approval of the committee agreement and the composition of the committee prior to solicitations as herein provided, and strikes out entirely subdivisions (2) and (3) of this subsection with respect to the right to intervene in such proceedings and the allowances of fees and expenses.

As amended and reported this subsection prohibits solicitations as therein provided until a report is made by the Commission and the court has authorized the submission of such proposal or plan to creditors and stockholders, and unless there is transmitted therewith to such creditors and stockholders the opinion of the court and the report of the Commission, if any, or a summary thereof.

In the opinion of your committee the amended subsection does not provide adequate protection to investors, and it is again urged that the provisions and standards included in subsection (h) of your committee's bill be adopted instead of the amended subsection.

This subsection and other provisions of your committee's bill were drafted and designed, after most careful and thorough study, to afford the greatest degree of protection possible. This subsection is linked with other sections of the bill, and to have a composite bill which will more effectively, efficiently, and economically accomplish the desired results and the objectives designed to be reached, it is vitally essential to keep intact the several provisions of my bill as introduced.

(h) Subsection (i) becomes subsection (h).

This subsection provides very definite standards for disapproving the provisions of a protective committee agree-

ment and the composition of the committee itself. Anyone aggrieved by the action of the Commission may obtain a review in the court in which the proceeding is pending.

This subsection in substance remains unchanged, but with the elimination of the requirement in subsection (g) of the amended bill for the filing of the committee agreement, and a statement regarding the membership of the committee, and so forth, and the approval of the provisions of the agreement and the membership of the committee, the provisions of this amended subsection are of little effect.

It is here again recommended by your select committee that the original provisions of your committee's bill be adopted.

(i) Subsection (j) becomes subsection (l).

This subsection is materially affected by the elimination in subsection (g), as amended, of the provision which prohibits the allowance of fees and expenses to a committee unless the committee agreement and the committee membership have been approved.

This subsection as originally introduced prescribed very definite standards for the approval or disapproval of claims for allowances.

As amended, there is now only required to be filed a report by the Commission, and it is the belief of your committee that this method is not an effective way of aiding the courts, or of eliminating this abuse.

With respect to this subsection it is again recommended that the provisions of the subsection originally introduced by your committee be adopted.

(j) Subsection (k) is now subsection (j).

This subsection has not been changed, and limits the compensation of trustees, custodians, and receivers in proceedings to which the bill applies to $10,000 in any calendar year.

(k) Subsection (l) is now subsection (k).

This subsection provides for the allowance to the Commission of a reasonable fee to cover the costs of its services in connection with such proceedings covered by this bill. Such fees are to be paid out of the estates of the debtors, and are to be deposited with the Treasurer of the United States.

Subsection (m) of your committee's bill, authorizing an appropriation of $2,000,000 to be made available for carrying out the powers, functions, and duties of the Commission is stricken out.

The designation of the Commission makes the appropriation, at this time, unnecessary, as it can operate under its own appropriations.

Section 2, the separability clause, is also stricken out as being unnecessary.

President Roosevelt's Court Plan

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, August 6 (legislative day of Thursday, July 22), 1937

ADDRESS BY JOHN Q. ZUCK, MEMBER OF THE FARMERS' UNION

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by John Q. Zuck, a resident of Roosevelt County, Mont., over the radio at Wolf Point in that State. Mr. Zuck is a prominent farmer there and an active member of the Farmers' Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, a few days ago I was invited to speak to you over KGCX on the President's court plan. I am rather at a loss to know why I should have been selected from among so many abler men and women. Whatever the answer may be is quite immaterial. But because I am thoroughly convinced that many of our citizens, because of lack of understanding, and possibly because of party prejudices are deciding for themselves too hastily one of the most vital questions our country has faced in many decades, I have accepted the invitation to address you this evening.

To me this is plainly an issue between those who have faith in the people's Constitution, who believe in a constitutional form of government, a government by laws, and those who have no faith in our Constitution, who would undermine our constitutional form of government, who believe in a government by men—placing men above the law. To listen to many speeches by high officials of the executive department of the Government, it would almost appear that there is an agency set up in Washington, D. C., to make the common people believe that the big bankers, the big tax evaders, yes, big business in general is leading this fight against the President's court plan. Nothing, my friends, could be further from the truth.

The big bankers certainly have no reason to fight any move that would give the President more power. They—the big bankers—are sitting in the strongest and most powerful position they have ever occupied in the history of our Nation. They have received everything they have asked for, have they not? And they are still asking and receiving. You farmers listening in should by this time know that very recently the President recommended that the interest rate to us farmers should be raised—he is afraid of inflation of farm values—isn't that good? You should also exchange visiting cards with the fact that all that was lacking to put across the Frazier-Lemke refinance bill was the President's "yes." That act would have given the farmers help in line with help being extended to big business. But the big bankers said "no" and the President did not say "yes." Now how do you like that? Yes, and to you independent country bankers listening in, I beg to say that unless I miss my guess, every one of you will be forced completely out of business by the big bankers or you will be acting merely as their hired man within the next 10 years. Does the President really need the control of our judicial department of government in order to do some very nice things for us common people?

Why should big business in general fight the President's court plan or any other plan that would give more power to this administration or any future administration? They didn't even fight the N. R. A. Why should they? They were allowed to write their own codes, to the great disadvantage of the small-business man, and for 4 years have been enjoying the business boom of their lives. No, my friends, in this fight is quite a different line-up. Those who oppose the President's plan are men and women who want to preserve our Constitution as the guardian angel of our rights and liberties as free people, who believe that our Constitution is and should always remain as an impassable mountain against the autocracies and dictatorships of other nations. To prove this statement I need only take you to the Senate Chamber of the United States Senate, where men known throughout the Nation as lifelong friends of the common people are leading this fight. Such men as BURTON K. WHEELER, HIRAM JOHNSON, LYNN J. FRAZIER, WILLIAM E. BORAH, and many others, regardless of party affiliations, are leading this fight. Men who have spent the best years of their lives battling for the best interests of the farmers, the laborers, and all the rest of America's common people.

Every citizen should know that the President's plan or any other plan that usurped powers belonging to the people or to a department of Government and gives those powers to another department of Government, leads straight to dictatorship. You should know that in all history there is not a single record of such usurpations having made more secure the people's freedom. No such usurpations of governmental powers have without a single exception endangered—yes; taken away—the liberties of the people. And there has never been a dictator who did not represent a government for, of, and by the big money changers and their business associates.

I believe that before any citizen can judge for himself whether the President's Court plan will make more secure or will endanger his personal rights and his freedom, he must see clearly that every constitutional form of government must have one and only one supreme law, he must see that that supreme law must be the Constitution, he must see that every other law must be measured by that one supreme law. Then he will readily see that the measuring power must be vested in an independent body that dare not be made subservient to any man or group of men or any political party that is now or may in the future be placed in power.

A few weeks ago a very good friend of mine here in the city of Wolf Point told me that he could not see any reason why the Supreme Court should be allowed in any way to pass on the acts of Congress. I know that many others are of the same opinion. But, my friends, if that opinion is to be accepted by the American people, then each and every act of Congress, whether in contradiction or not to the Constitution, would become equal in force to the Constitution. In other words, each and every act of Congress would be a supreme law and our Government operating under a written Constitution would be at an end. Our Supreme Court is duty bound, under oath, to declare every law passed by our lawmakers that is in contradiction to our one supreme law as unconstitutional.

I am not saying, remember, that the Supreme Court decisions are always in the interest of the masses, the common people, and are above criticism. No, no; far from it. I believe with a great majority of the American people that changes can and should be made in our judiciary set-up.

Our senior Senator [Senator WHEELER] some time ago made the statement that "If there must be a dictator in America, I nominate the American people for dictator." Meaning that if there are any changes to be made in our form of government, he nominates the people to make such changes. The Senator's statement should be made to echo around the world, so that all depressed, downtrodden people might hear.

The people, and the people alone, have the constitutional authority to make the changes in our Supreme Court that the President's plan calls for. And the minute we delegate that power to one man or to any group of men, that minute we make it quite unnecessary to submit any amendments in the future to the people. In fact, the Constitution need not be considered at all in making governmental changes. Why, the Chief Executive can make any changes desired by simply making the necessary adjustments in the law-interpreting branch of our Government. I say to you, and I say it boldly, without any fear of successful contradiction, that the minute we give to any President the power to pack the Supreme Court—and that is the authority being asked for—that minute we sound the deathwatch for our Constitution. Our supreme law will pass away and we will pass from a constitutional form of government to a dictatorial form of government.

The people gave us the Constitution. The people have amended it as many times and can amend it as many more times as they see fit to do so. Yes; the people can destroy it, they can take it away. For the supreme and absolute authority of the Nation is to be found only in the people. The people gave us our supreme law, to be obeyed and respected by every individual and every group of individuals, from the highest governmental official to the most lowly citizen of our land—the people alone can brush it aside.

I have always held our senior Senator [Mr. WHEELER] in very high regard, but his real value to the American people has been raised in my estimation 100 percent because of the fearless, noble, yes, righteous fight he is making for the personal rights and liberties of the American people. He is making the fight of his life for great principles, not because some influential person or some powerful political party has instructed him to do so, but because he believes in them and is willing to stake his very life on the outcome. Go with me to the galleries of the Senate Chamber in Washington, D. C. You will soon be able without aid to pick out the Senators who are acting solely from principle—they are few. You can easily pick the Senators whose every action is based on policy—they are many. O my friends, how badly we need more men of principle in our legislative halls. Of the policy kind, our country is too crowded with them now to make any addition to the number desirable.

Who would not rather see a man stand for his own principles in the face of all odds? Stand by his convictions though he be immensely in the minority. Stand for what he believes to be right and let results take care of themselves, my friends, and especially do I appeal to the men and women who toil and all those who are crying for honest work, believe me when I say that if we had had more men of principle in public life during the past quarter of a century, we would not be in the pitiable predicament that we as a nation find ourselves today. Montana is known throughout the world as the Treasure State, not necessarily because of the precious metals buried deep in her majestic mountains but also because of the superfine gold buried deep in the hearts of her great men. One of the greatest Senators that ever sat in the Senate of the United States in the past was our beloved Senator, Thomas J. Walsh—known and respected throughout the world for his noble purposes in life. One of the greatest and most forceful Senators of the present day is none other than our own Senator BURTON K. WHEELER, known and respected throughout the world for his indomitable will and his determined purpose to win in the greatest and most righteous struggle of his generation. Instead of throwing rocks at our truly great men, let us lend them our loyal support in their battles for our good and the good of generations yet to come.

Now, going back to our subject, the President's court plan. I had intended to enumerate and discuss this evening a rather long list of reasons given for the passage of the President's plan. I have changed my mind. It is hardly necessary, since most of the proportionate arguments have faded out of the picture. For example, the delay in deciding cases was bitterly complained of in the beginning. That argument was dropped when faced with the facts.

The abuse of power by not hearing certain cases, when the facts were produced, that argument was abandoned. Precedents for such a plan, so much talked of in the beginning, well, a little research for the truth and that argument was knocked into a cocked hat. Men past 70 years of age, reactionary and useless. When a list was produced, that argument was most quickly dropped. Why, the President would either have to dispose of two of his Cabinet officers or have two Cabinet officers for each of those two positions. And, oh, what a housecleaning in the United States Senate. How would you farmers listening in like to see your good, lifelong friend, GEORGE NORRIS, of Nebraska, kicked out of the United States Senate? He's reactionary and useless, you know. Why not send a young ambitious power-company attorney to the Senate to take his place? We might add WILLIAM E. BORAH and a number of other useless old men who might as well be kicked out. Of course, the old Senators might just plainly refuse to go until their bosses, the people back home, said "Go." In that case the people would just have to elect some good ambitious young men—men who have enough get-up about them to be looking ahead for something better and more valuable to themselves in the future—to go down to Washington and sit with these old worn-out war horses. In that case what a house-warming instead of housecleaning it would be. You say ridiculous when applied to the United States Senate. And I say yes, it is, and much more foolish when applied to the judicial branch of our Government.

Among a few other minor arguments that are still being used is that there is nothing in the Constitution that forbids the President's plan. But there is, my friends, notwithstanding statements made by some attorneys to the contrary. Where in the Constitution can you find any authority given to one judge or to more than one judge to determine what the number of judges on our Supreme Bench shall be? You cannot find that authority. But the President's bill provides for that very thing. The bill provides for the maximum as well as the minimum number, but, as to intervening numbers, the authority to fix the number of judges is left to the individual judges themselves. If all judges past 70 resign, then the number will remain nine, as it is now. If none of the judges resign, then the number will be 15. That's plain enough, and that is as far as the bill goes in fixing definitely the number of judges to serve on our Supreme Bench. But if one of the judges refuse to resign, he, and he alone, fixes the number of judges definitely at 10. Another judge past 70 says, "I am determined to have 11 judges on the Supreme Court Bench, so I will not resign." You readily see that each judge, as he reaches the age of 70 years, would have the power to fix the number of judges up to and including the number 14.

Maybe a little history that is not too ancient relative to this Court fuss might be thought-provoking at this time. In speaking of judicial process, the President himself said in his book, Looking Forward. Listen, I quote from the President's own words: "In the face of this congestion the remedy commonly proposed is to add new judges of new courts, but it will readily be seen that if the problem is what I have stated it to be such a so-called remedy merely aggravates the complaint. There are, of course, legitimate demands for additional judicial manpower in the sections where the population has grown rapidly. But it is easy to see that to apply this remedy in all cases is to add to the ravages of the disease, to contribute to the confusion, and, what is profoundly important at this time, to burden still further an already seriously embarrassed taxpayer."

It will be remembered that during the campaign last fall President Roosevelt was accused of desiring the control of the Supreme Court. Senator ASHURST, of Arizona, a strong supporter of the administration and a leading speaker for the President's reelection, very forcefully denied the accusation in the following language. I quote, "And among the unjust criticisms which have been made about the President is that he intends at sometime—nobody knows when or how—to increase by some legerdemain the membership of the Supreme Court, so that his policies may be sustained. A more ridiculous, absurd, and unjust criticism of a President was never made." If the administration is so sure that the people were voting with the thought in mind that the President should be given authority to control the Supreme Court, why be afraid to present to the people a constitutional amendment. There is only one right way to settle this issue and by way of amendment is the right way. The wrong way is to give control of the Supreme Court to one man, which would tear the very heart out of the people's Constitution.

Since the party platform has been mentioned, it might be well to go back to June 4, 1936, and see just what was written into that platform relative to our courts. Listen, I am reading from the Democratic Party platform the promise made, by the Philadelphia convention to the American people to secure our votes. I quote "We have sought and will continue to seek to meet these problems through legislation within the Constitution. If these problems cannot be effectively solved by legislation within the Constitution, we shall seek such clarifying amendment as will assure to the legislatures of the several States and to the Congress of the United States, each within its proper jurisdiction, the power to enact those laws which the State and Federal legislatures, within their respective spheres, shall find necessary in order adequately to regulate commerce, protect public health and safety, and safeguard economic security. Thus we propose to maintain the letter and spirit of the Constitution." Do you see anything in that quotation that would lead the American people to believe that to seek clarifying amendments to our Constitution means turning the Supreme Court over to the executive department of our Government?

Permit me at this time to go as far back as the signing of the Declaration of Independence. The ninth count in the general indictment of George III reads as follows: I quote "He has made judges dependent on his will alone for the tenure of their offices, and the amount and payment of their salaries." But wait a minute, I might as well give you the next indictment also, count 10. I quote "He has erected a multitude of new offices, and sent hither swarms of officers to harass our people, and to eat out their substance."

Please take these counts to bed with you this evening. If you need further food for thought, better read George Washington's Farewell Address to the American people. Pay special attention to his warnings against the usurpation of governmental powers. Better do this just before you retire. It will keep you awake a little longer, but it will be good for you and will help you to forget that you ever believed that "It can't happen here in

America." Now, in closing, I want to say to you farmers and laboring folks listening in, that those of you who are willing and anxious to hand over your constitutional rights and liberties to the President in order to make it possible for him to do something for you, allow me to suggest that you ask Congress and the President to please use some of the constitutional powers that they already have and are refusing daily to exercise. The Frazier-Lemke refinance bill, the Home Owners' refinance bill, the cost-of-production bill. Yes, better add the Monetary-Labor Stabilization Act of 1937. Just ask the President to please allow Congress to pass these bills—for they will do wonders for you. Ask him to give immediate attention to the constitutional obligation for Congress to issue money and regulate the value thereof. The money and credit of the Nation must be owned and controlled by the Government, as provided for in our Constitution, instead of being hired out, as it is, to a privileged few. The President can, if he will, bring about a complete rearrangement of our entire financial system, to the everlasting benefit of all the people. He will not do so. He will not exercise the broad constitutional powers he now has. Then why, my friends, why authorize him to pack the Supreme Court and tear the very heart out of the people's bill of rights?

Odd Fellows Speech

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1937

SPEECH OF HON. WILBURN CARTWRIGHT, OF OKLAHOMA, DELIVERED AT THE ANNUAL ADAMS COUNTY INDEPENDENT ORDER OF ODD FELLOWS' PICNIC AT GETTYSBURG, PA.

Mr. CARTWRIGHT. Mr. Speaker, by permission granted to extend my remarks, I insert herein the following speech delivered by me Wednesday, August 4, 1937:

Fellow citizens, Odd Fellows, ladies, and gentlemen, I am happy to greet you with good will and personal felicitations on this interesting occasion, at this important place in the history of our Nation.

Gettysburg is forever memorable in the annals of the history of the world.

Only a few of the veterans of the War between the States are left. Whether they wore the blue or the gray, they are an honored remnant of days of great struggle and sacrifice. They have set an example of devotion to a cause which is too often lacking in these times. The community cherishes every one of them, and it is with deep sorrow that it sees them "crossing over to camp ground."

The message these men would leave with us as they go is this: To devote ourselves to the welfare of our country, to avoid the wrongs that previously plunged the country into strife, and that we should deal so peaceably and honorably with all nations that never again shall the horrible specter of war raise its fearful head among us.

The need of the hour is for the stamina that has overthrown every armed enemy of the United States. The situation calls today for no whit less of courage, perseverance, of the will to conquer than our forces have always displayed when they faced the foe. We recall the vicissitudes of the "fathers" and derive inspiration afresh from their fortitude and faith. It was these virtues, as well as valor in battle, that made their cause triumphant. The practice of them cannot and will not fail to bring us victory, too, in the war now engaging our energies and trying our souls.

Hen's teeth are odd because there are so few of them.

Odd Fellows are odd because there are so many of them.

Secret societies are not uncommon—there are many of them. Fraternal orders are not uncommon—we have hundreds. But Odd Fellows are uncommon simply because we have more than 2,000,000 of them.

The oddity of this order rests in the fundamental fact that its members help each other. Our brotherhood is not confined to rituals, to oaths, and to ceremonies. It takes tangible form when a man needs help most. We cannot see any occasion for bragging about an organization that is clear-sighted enough to do its Christian duty by its fellowmen. We do this as a matter of course from the depths of full hearts. They seem to us to be the right things to do. So they are done.

That is what makes this association of men Odd Fellows.

For it seems that in the rush and bustle of the modern frantic world, men are too intent upon helping themselves—too saturated with greed, self-interest, and proud ambition—to think much of the other fellow. It is a pity, but it is a fact. On every hand comes the evidence to support it, and all the doubtful need do to verify it is to read through his daily paper and marvel at the cruelty of man to men.

So, while the world continues to magnify Self, let us continue to be Odd by magnifying the Other Fellow.

It is a rare way to earn a crown these days!

We, as Odd Fellows, must first live up to the fundamental principles of our order, "Friendship, Love, and Truth." This obligation is taken by every member, but no obligation is worth anything unless we can practice it in our daily lives. We learn to give, and how and when and where. We do not give just because we will get a lot of publicity. Good deeds are not done for the benefit of public demonstration, or to gain prestige in the community.

Friendship, the first link in our chain—a "mighty" word of humanity—but what is it? More kindness, barring all selfishness. Do we always take an interest in each other's lives, or families? Do we always rejoice in their happiness, or feel their sorrows? A complete stranger is expecting us, and welcomes us as a friend; the house is dusted, the old clothes exchanged for newer, his robe is refreshed, kind words of cheer are spoken, hope for the near future exemplified in conversation and action with such men as are uneasy with fear. Such is the I. O. O. F. definition of friendship.

Love, the central link in the chain that unites us—love, a word that is known as the lyric of our heart's depths, and the soul radiates a sentimental feeling from one to another. Love is omnipresent in nature as motive and reward; love is our highest word and the synonym of God. Even the Bible tells us, "Love thy neighbor as thyself."

The mutual assistance we give to our brothers is given with brotherly love. An act of humanity is an empty name unless it has the lovely feeling with it. As Odd Fellows we must possess the animation of mutual aid, not pity. The scope of relief must be with brotherly love.

Truth, the last link in our chain of Odd Fellowship, is another work of immortality. We are all seeking the truth, a moral lesson in brotherhood. It penetrates the darkness. The symbols of truth are exemplified in exercising friendship by aid and comfort through all the relations and passages of life and death. We hear so much about the prestige of different emblems of fraternal orders, but did you ever happen to be in a position where your appearance will detract from the attention of your fellow men, which you were looking for? We as Odd Fellows will not judge a man by the way in which he is clad, or how well he is educated. We do not solicit our members from the so-called rank and file of the social high standards of society, neither are we a reform school to let every professional "joiner" in and then reform him to Odd Fellowship.

I am not afraid of the future. I am convinced that fraternity is going to play a dominant part in the program of life in the future. Each of us is going to realize more fully his part—the part of riches to poverty, strength to weakness, education to ignorance. If we want to be a real man, we must remember the road to that goal is service. The good rich man recognizes poverty as an opportunity for the rendering of a beautiful service, not from obligation but from love. Riches plus love equals the solution of the problems of poverty. Wisdom plus love means that all the poor handicapped souls of life will know happiness. Health plus love means that sickness will one day be but a memory.

Odd Fellowship is aspiring to all this, seeking to imbue man with proper conceptions of his capabilities for good, to enlighten his mind, enlarge the sphere of his affection and lead them to the cultivation of the true fraternal relation designed by the great Author of his being. This is, as you know, a quotation from the past grand's degree. Study it; it contains more than many of the so-called great writings of today, and is food for thought. The beautiful history of Odd Fellowship is written upon the tablets of eternity by the ever-moving finger of time. Thus written, nor prayer, nor tears, can change a word of it. With the past, then, we are not now concerned, save that its lessons so plainly written may aid us in solving the problems of the future, or the lives of its simple great ones serve as illuminated milestones to mark the passage of the ages to a more perfect civilization.

Sometimes I like to sit and analyze and reckon up what I have reaped from Odd Fellowship, because nearly every friend I have is found within the circle. There are good friends who bid us good morning and good night; greet us on our way; say good bye to us on our journey; welcome us home; call at eventide when the day is far spent; cheer us as we toil; strengthen us when we falter; change our defeats into victory; drive pain to rest; when hope tarries, they give it speed.

A new army is needed—an army to wage war on disease and poverty and social injustice; an army to defend American homes against organized crime; an army to protect the public welfare against the forces of greed and corruption which, unopposed, would exploit and enslave the people. The "good fight" of the Scriptures is not over and finished. In sober fact, it continues here and now; it rages in every city, every town, every street, every lonely lane, every habitation under the shining sun.

The strength of this Nation is not in its accumulated wealth, its vast area, its known and unknown resources. It is in the stable character of its citizens. A fine word to remember at this time is the one given by the Hungarian patriot, Louis Kossuth: "If your ship of state is ever lost the rock upon which it will split will be the devotion of your citizens to their private interests at the expense of the state."

The Army Air Corps Today

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Saturday, August 7 (legislative day of Thursday, July 22), 1937

RADIO ADDRESS BY HON. HARRY H. WOODRING, SECRETARY OF WAR

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of The Army Air Corps Today, delivered by Hon. Harry H. Woodring, Secretary of War, over the facilities of the Columbia Broadcasting System on August 6, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

With the increasing complexity of modern life the work of the War Department has become increasingly complicated. In addition to its military duties in connection with the organization, training, and administration of the United States Army, the War Department has a large number of nonmilitary tasks. It maintains and operates the Panama Canal and governs the Canal Zone. It improves and maintains our navigable rivers and harbors. Through the Inland Waterways Corporation it operates barge lines on some of our important rivers.

The War Department represents our Government in its relations with the Philippine Commonwealth. It administers the Dominican customs receivership. The War Department has the sacred task of reverently caring for our active national cemeterics where rest in perpetual honor the bodies of thousands of American soldiers and sailors.

All of these are highly important duties. However, the first and paramount duty of the War Department always has been and always will be to provide for the national defense. With our sister service, the Navy, our Army has the high honor of defending our country.

The type of the defense of a nation depends on a number of factors. Among these are its geographical location, its territorial extent, its wealth, its population, and its national character. Our country has a magnificent continental sweep from ocean to ocean and from the Great Lakes to the Gulf. In addition we have the enormous Territory of Alaska, the Panama Canal Zone, Puerto Rico in the West Indies, and the Hawaiian Islands in the mid-Pacific. Furthermore, we still control the Philippines, American Samoa, and Guam, on the other side of the globe. We are the richest nation in the world. Within our borders are 130,000,000 people, earnestly devoted to the ideals of democracy, on which our Nation was founded.

Our task, therefore, is to defend not only a vast continental area, but also widely separated and far-distant Territories. We must protect the lives of some 130,000,000 Americans. We must keep secure the world's greatest store of natural and developed wealth. We must preserve the ideals of liberty and the principles of representative government which have made America great. In short, we must be prepared to resist aggression with every means at our command. Hence, we must have adequate defenses—adequate on land, on sea, and in the air.

We are a peace-loving Nation. We want no excessive armament, no Army or Navy larger than is necessary for the preservation of our peace, for the protection of our people and our territory, and for the security of our institutions. It seems clear that we must have a Navy large enough and strong enough to defend successfully our ocean lanes and our far-flung possessions. To build a war vessel requires many months. Hence, if we are to have a strong fleet we must build it in time of peace, not after war begins.

All our traditions oppose a large standing army. We have always relied on the militia—citizen soldiers mobilized after hostilities began. Our policy in that particular has not changed. We maintain a small Regular Army, merely a nucleus of the fighting force that would be required in a major war. Under the National Defense Act, approved in 1920, provision is made for the organization and training of the National Guard and the Organized Reserves. Thus we hope to continue our traditional small-army policy and at the same time provide a partially trained Reserve that would prove of inestimable value in a national emergency.

It goes without saying that our professional Army, small in strength, should be great in efficiency; that it should be highly trained and well equipped. Recently modest increases have been made in enlisted strength, and slow but satisfactory progress has been achieved in supplying all components of our Army with the most modern weapons and the best of equipment.

Like our Navy, our air force should be ready for action at the outset of hostilities. Modern combat aircraft cannot be improvised. An efficient fighting airplane represents months of effort in design, fabrication, and testing. If the air component of our Army is to be efficient in war it must be well equipped and properly manned in peace. Rapid development, frequent changes, and improvement in design and performance of aircraft necessitate frequent revisions of our concepts of the role of an air force in our national defense. Marked progress in the science of flight and improvements in planes tend toward the rapid obsolescence of equipment. Hence, the procurement of satisfactory combat aircraft for our Army presents a continuing problem. It is this phase of our national defense that I wish to discuss briefly tonight.

American inventive genius gave the airplane to the world. Scarcely a generation ago, above the sand dunes of a lonely North Carolina coast line, the Wright brothers conquered the air. A decade ago our Army trained flyer, the great Lindbergh, electrified the world by his spectacular solo flight from New York to Paris. About the same time two Army aviators, Maitland and Hegenberger, flew from California to Hawaii, while another military flyer, Lieutenant Maughan, crossed the continent from New York to San Francisco between daybreak and dusk of a single day. These pioneer flights gave us a vision of the future. Today, routine flights are made by American civilian aviators from San Francisco to the Orient, and regularly scheduled passenger flights between the United States and Europe are in immediate prospect.

From the beginning of aviation the Army appreciated the potential value of the airplane in the military service. There are several veteran aviators in the Army who received their first flying training from the Wright brothers and other early pioneers of the sky. When we entered the World War aviation was still in an experimental stage. Within a few short months hundreds of young Americans learned to fly, and many gave their lives in heroic combat. While our aviators lacked nothing in skill and daring, their equipment left much to be desired. Hastily fabricated airplanes constituted an ever-present hazard and exacted a heavy toll of casualties.

Immediately after the World War, both civil and military aviation developed slowly. Our Army had on hand a considerable amount of aircraft of wartime construction, and few new planes were purchased. In 1926, as a result of an extensive study, Congress enacted a law providing for the gradual development of our Army Air Corps, through the progressive purchase of new modern aircraft and through a steady expansion of trained personnel. This law authorized a maximum strength of 1,800 airplanes, the new aircraft to be procured through open competitive bidding.

Soon after I came to the War Department 4 years ago I learned that our aircraft procurement was far short of the 1926 objective. Because of budgetary restrictions and for other reasons, our new purchases were so limited as to be barely sufficient to replace planes lost through accident, deterioration, and obsolescence. There was a feeling in some quarters that the requirements of competitive bidding was too restrictive; that in the still new and highly experimental field of aviation it was necessary to make negotiated rather than competitive purchases. Procurement after open competitive bidding became the exception rather than the rule.

My own belief has always been that in all Government procurement the widest possible competition should be secured. I recognized that this method of buying airplanes presented special obstacles not encountered in ordinary Government purchases. However, I hoped that means might be found to overcome all such objections. In approaching this problem the War Department was aided greatly by the investigations of the Military Affairs Committee of the House of Representatives. Members of that committee were all agreed that it was highly desirable to establish open competition and at the same time to take the fullest advantage of the latest developments in aircraft design and construction. It was recognized that there would be considerable difficulty experienced in writing specifications sufficiently elastic to permit us to take advantage of improvements as rapidly as they were perfected. It had been contended that strict adherence to competitive bidding would retard rather than stimulate development, and perhaps drive from the field established members of the aircraft industry.

However, the War Department, with the complete approval of the Congressional Military Affairs Committee, decided on the strictest adherence to the rigid requirements of the act of 1926 relative to competitive bidding. The policy was put into effect in 1934 and is still operative. It provides for quantity procurement of airplanes after open competitive bidding. The specifications are based on minimum performance characteristics. Normally the submission of a sample plane with the bid is required. This necessitates allowing from 8 to 12 months' time between calling for bids and making the awards, thus giving manufacturers ample time to design and build a sample plane. Awards are made on a detailed evaluation of performance characteristics. This places a premium on performance, assuring the Government of the finest available craft.

This policy gives full rein to American inventive genius and engineering ability and permits the incorporation of improvements made up to the time of the opening of bids. Purchases are made of a thoroughly tested article of proved performance, not on the basis of a blue-print promise to perform. It enables the Government to place orders for quantity production of a plane which has demonstrated its worth by actual service tests. It serves to shorten considerably the time between design and delivery.

The results of this policy have been particularly gratifying. The response by industry has been enthusiastic. Competition has been keen and many improvements have resulted. It has

materially facilitated progress in the art of airplane design and construction. Performance usually exceeds expectations. It is reasonable to assume that no such progress would have been made without the stimulus of healthful competition and the assurance that the award would always be made to the manufacturer submitting the most advanced airplane of the type desired. Instead of reducing available sources of supply it has enlarged them. Largely through the operation of this policy our procurement program has been definitely advanced, and in quality the planes procured have set a standard well above any ever before attained.

We now have on hand 927 serviceable airplanes of modern design and structure. In addition there are under construction or on order 1,050 planes, many of which are nearing completion. Indications are that our Army Air Corps will have in use not less than 1,800 modern serviceable planes by January 1, 1939. This is the number authorized by the act of 1926.

In 1934 aviation had made such rapid progress that it was thought desirable to inquire into all of its military phases. Accordingly a committee of persons distinguished in civil and military life was named to study the problem. This committee was headed by the Honorable Newton D. Baker, wartime Secretary of War. After an exhaustive study the committee made a number of constructive recommendations, including the proposal that our Army aircraft strength should be fixed at 2,320 serviceable military planes. Another aviation committee, headed by the late Honorable Clark D. Howell, in 1935 reached the same conclusion. Independent studies by the War Department General Staff confirmed these findings. At the present rate of procurement, this strength will be reached by June 30, 1940. My present judgment is that this number of planes will adequately meet our defensive needs.

There have been great advances in aircraft development in the past 3 years. The strength of 2,320 planes, when attained, will give us an air force far more powerful than that visioned by the Baker committee in 1934. Our new planes possess greatly increased power, speed, endurance, maneuverability, and reliability. We now have training planes with speeds in excess of 200 miles per hour, bombing planes that are somewhat faster, and pursuit ships that have attained a speed of more than 300 miles per hour—5 miles a minute. Similar progress has been made in other particulars. We now can say with confidence that the airplanes now being delivered to the United States Army are the best and most highly efficient in the world. Speed, range, and ceilings have been greatly increased. The carrying capacity of our large bombers is markedly in excess of that possessed by any other country. Every new American combat plane is completely equipped with the latest and best of armament and with sending and receiving radio sets of the latest design.

Under present schedules, the Air Corps acquires approximately 500 new planes each year. At present this is a sufficient number for necessary replacements and to provide a substantial increment toward our goal of 2,320 planes. As our strength increases, a larger number will be required for replacement each year, so that by continuing to buy 500 new airplanes every year we can stabilize our air strength at the 2,320 planes recommended by the Baker board.

During the early stages of our procurement program, emphasis was placed on development and performance rather than on price. This was necessary in order to speed up production of types of planes in which there was a glaring deficiency. Now that our aircraft has reached such a high standard of efficiency and the total is approaching the desirable quantity we are giving increasing consideration to the element of cost. We are at the same time endeavoring to afford all legitimate encouragement to American inventive and genius and resourcefulness. As a very worth-while byproduct there has been a distinct advance in civil aviation, due in part to the development of military aircraft.

I have stressed the aviation element of our national defense, not because I regard it of paramount importance. All branches of our defense forces are important. If war unhappily comes to America we must defend ourselves on the sea, on the land, and in the air. A failure in any element might prove fatal. However, we have made more recent progress in the development of our air force than in any other direction.

Four years ago we had a small and very widely scattered air force under a number of different commanders. Today we have a compact and highly efficient air force under a single command. It is a highly mobile force of great striking power, capable of speeding quickly to any threatened point. In numbers, our Army air force still ranks fifth or sixth among the major powers. In quality our personnel and planes are at least the equal of the world's best. In another year or two, after our plane strength reaches the desirable total of 2,320 we will still have fewer planes than some other nations. However, I am convinced that if we keep ahead of the world in quality we will have sufficient aircraft to defend successfully our homeland and our overseas territories.

In strengthening the Air Corps of our Army we do so without any thought of employing it on any mission save that of defense. We covet no more territory, no more wealth. We seek only to keep the peace—peace with security. Our defense establishment is designed solely for the purpose of protecting our American institutions. We hope that the day may come when we can reduce our expenditures for national defense. We hope that a degree of sanity may be attained throughout the world that will make it possible for other nations to curtail their heavy armament. If this is done, America will be very happy to participate in such a reduction. Until this time arrives we have no alternative but to continue to build up a reasonably adequate defensive force.

Tonight as we survey the world scene we are shocked by the clamor of war or threatened warfare in widely separated areas of the earth's surface. We are saddened by the thoughts of useless death and destruction. A strong Army and a strong Navy, without being called into action, are the strongest cards America has as she earnestly promotes peace for the world and good will among all men. I am certain every good American will join in a fervent hope for a return of peace throughout the world. If unhappily this may not come to pass let us devoutly pray that our own fair land may be spared the horrors and ravages of war.

Farm Relief

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, August 7 (legislative day of Thursday, July 22), 1937

ARTICLE FROM THE MISSOURI FARMER

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article written by William Hirth, editor and publisher, in the Missouri Farmer. The article deals with the subject of the proposed farm bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[William Hirth, editor and publisher, in the Missouri Farmer]

After a conference with President Roosevelt, the leading officers of the American Farm Bureau Federation issued a statement July 28 severely criticizing the Agriculture Committees of Congress for their recent announcement that the enactment of major farm legislation would not be attempted during the remaining days of the present session. Since they issued their statement immediately upon leaving the White House, it is to be assumed that it had the President's approval.

Just because these committees refused to sign on the dotted line, the farmers of the country are given to understand where the responsibility will lie if they should encounter new difficulties during coming months. When the Supreme Court refused to put its O. K. on the A. A. A., the Court was pictured to farmers as a big bad wolf, and now Congress is put in a similar light. All this implies that the White House is never wrong, and that when the other coordinate branches of the Government do not do its bidding, they are acting against public interest.

During recent weeks, the American Farm Bureau Federation has presented a new farm bill to the agriculture committee. This bill sought to create the so-called Wallace ever-normal granary idea, and also proposed to maintain the so-called Wallace parity prices out of the Federal Treasury. At a time when the administration supposedly desires to balance the Budget, the latter payments could easily aggregate anywhere from a half billion to a billion dollars per year. Just because the committees did not see fit to swallow the bill, hook, line, and sinker, as they did the A. A. A. and the Soil Conservation Act, they are hamstrung before the farmers of the country.

At first the committees were given to understand that the leading farm organizations of the country were behind the new bill. Since I participated in the February conference of farm leaders at which it was launched, I am in position to say that this was not true. Neither the National Grange nor the Farmers Union endorsed it, to say nothing of numerous lesser organizations. As has occurred on former occasions, the National Farm Bureau Federation was used in this instance as scenery by Secretary Wallace to make Congress believe the bill emanated not from him but from the farm organizations of the country.

During recent weeks, as members of the House committee discovered that this bill did not represent the farm leaders outside of the Farm Bureau, and as they became increasingly dubious about its provisions, the committee finally discarded the bill and started work upon a bill of its own. With Congress certain to adjourn within a week or so, the committee had no choice except to let the matter go over to the next session of Congress, when it will be possible to devote to it the time that a measure of this kind requires. But in its zeal to give the farmers of the country to understand that the administration finds itself powerless to protect their interests, the Farm Bureau Federation ignores these practical facts.

Among other things, the federation statement asserts that unless surplus control legislation is enacted, it is possible that "the larger crops of cotton and corn now grown seem destined to have a lower aggregate value than the same crops grown in the disastrous drought year of 1936." Whether this will be true remains to be

seen. So far as cotton is concerned, we have always produced a heavy surplus.

With our corncribs as empty as a last year's bird's nest, and after having during the recent winter witnessed the importation of many millions of bushels of Argentine corn and European oats, to say nothing of millions of pounds of canned meats from South America, the farmers of the Corn Belt will be deeply grateful if a big corn crop is produced. Regardless of the price, this will give them plenty of feed, which they have not had for 3 years in succession. With a short pig crop there is little danger of excess pork production.

Whatever the difficulties of plenty, they are far less tragic than those of scarcity. In the meantime, farmers will still have the benefit of the soil conservation payments which were so highly praised by the administration.

Finally, it may be said that the thinking farmers of Missouri and the country generally are weary of subsidies out of the Federal Treasury, whatever their form or the pretext upon which they are paid. What they ask is an American price in the American market. Assured of this, they will be more than willing to suffer whatever penalties may attach to the different surpluses.

Farmers want consumers to treat them as they treat industry and labor. They do not want the already overburdened taxpayers to subsidize them. Until the powers that be in Washington get this viewpoint, the farm problem will never be soundly settled. After repeated attempts since the Coolidge administration, we have failed to solve this problem adequately. The agriculture committees of Congress are to be commended, rather than censured, for having concluded to do a little thinking on their own hook.

Political Contributions

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Saturday, August 7 (legislative day of Thursday, July 22), 1937

ARTICLE BY FRANKLYN WALTMAN

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article from the Washington Post of June 29, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 29, 1937]

POLITICS AND PEOPLE

NEW DEAL BRAND OF MORALITY IS SEEN IN DEMOCRATIC BOOK SALE TO CORPORATIONS

(By Franklyn Waltman)

This is a story of how the New Deal promotes decency in politics, morality in American life, and respect for laws.

Shocked by the lavish use of funds in political campaigns and of contributions to the war chests of candidates for the Presidency and the House and Senate, the Congress enacted what is known as the Federal Corrupt Practices Act.

Section 313 of that act reads as follows:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution in connection with any election to any political office, or for any corporation whatever to make a contribution in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or for any candidate, political committee or other person to accept or receive any contribution prohibited by this section. Every corporation which makes any contribution in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation who consents to any contribution by the corporation in violation of this section shall be fined not more than $1,000, or imprisoned not more than 1 year or both."

Unlike some parts of the Federal Corrupt Practices Act that section seems to be clear and unequivocal. At all events, the spirit of the section and the intention of Congress are crystal clear. The section was to stand as a prohibition of corporations giving any financial help to political parties.

The Democratic National Committee is the governing body of the Democratic Party nationally. Its function is to elect Democrats to the Presidency, the Vice Presidency, and the House and Senate. During 1936 the committee disbursed $5,030,848 for these purposes, going into the red to the amount of $620,000 at the end of the year.

One of the schemes adopted by the Democratic National Committee to raise funds was the publication of a voluminous and fancy Democratic national convention book. The committee received for advertising space in this book $385,525, virtually all of which came from corporations. During the year the committee received $481,487 from sales of the book, the bulk of which probably came from party workers and interested individuals.

At the time the sale of advertising in this book to corporations, many of which were doing business with the Government or had received favors in one form or another from the Roosevelt administration, was criticized as a violation of the spirit of the Corrupt Practices Act. It was defended on the ground that the convention book was having an enormous circulation and that the money spent by advertisers would be as fruitful—it was not exactly specified in what way—as any money spent for advertising. At all events, the protests were put down as the usual campaign screams of indignation and the Senate Campaign Investigating Committee dodged the issue.

Our narrative moves on. Last January the late W. Forbes Morgan, then treasurer of the Democratic National Committee, in outlining plans for paying off the committee's debt and raising funds for future contests—an undertaking of $10,000,000, he described it—revealed that the committee had on hand 1,500 of a 2,500 de luxe issue of the convention book. These, he explained, had been autographed by the President, and because of that fact would be offered for sale at $250 each through an outside agency, the committee netting $150 on each book sold. There was no suggestion that these books would be offered to corporations.

When the national committee on June 1 filed with the Clerk of the House of Representatives an accounting of its receipts and expenditures for this year it developed that more than 1,000 of the convention books autographed by President Roosevelt had been sold—and chiefly to 175 corporations.

The list included public utilities under Federal regulation, radio stations dependent for their very existence on the Federal Communications Commission, contractors, voting-machine companies, cement and steel manufacturers, housing equipment manufacturers, breweries, oil companies—indeed, all types of corporate enterprise. Some bought just one book, others a number. Bethlehem Steel, which does business with the Federal Government, for instance, in two installments paid $7,500, avowedly for 30 of the books. We wonder that Bethlehem Steel wants with 30 Democratic convention books autographed by the President.

When this list was made public the impression prevailed that American corporations suddenly had become book and autograph collectors—were beseeching the national committee for such collectors' gems. But yesterday disillusionment came. Representative J. WILL TAYLOR, of Tennessee, Republican, told the House how a salesman for the committee's agent arrived in towns in his State, gathered together business concerns doing business with the Government, flourished his credentials, and then proceeded to allot to each, at $250 apiece, a quota of convention books. It seems the advertising agency is working under a contract and that actually the books are purchased from the agency, which takes a cut of $100 for each book sold.

If these convention books have any value whatever, it is because they are autographed by the President. What has he to say regarding such commercialization of his signature? Nothing so far, but on his behalf White House Secretary Stephen T. Early several weeks ago asserted that the late Mr. Morgan asked the President to "sign blank sheets, telling him if they were autographed the committee could sell the books to individuals and raise a sum to go toward erasing the party deficit." He added the President agreed, did as requested, and "that is all we know about it."

The conclusion to be drawn from Mr. Early's statement is that Mr. Morgan, a relative of the White House family, deceived the President. Mr. Morgan is now dead, but his political chief, Jim Farley, remains chairman of the Democratic National Committee. Mr. Farley has expressed no indignation. He has not moved to abrogate the contract with the agency selling the book. He has not, as far as is known, returned any of the money paid for the books by the 175 corporations. Indeed, it appears the "salesmen" are still active.

Mr. Roosevelt has not denounced the deal. He has been content, apparently, to let subordinates deceive him and use his written signature to get money out of corporations in violation of the spirit if not the exact letter, of the Federal Corrupt Practices Act.

Is it any wonder then that "economic royalists" snort and the general public remains indifferent and apathetic when Mr. Roosevelt piously expresses to Congress "a feeling of indignation" over wealthy taxpayers using "clever little schemes" to avoid paying their just share of taxes; that he believes "in this immediate problem the decency of American morals is involved"; and that we hear too often from lawyers, as well as from their clients, the sentiment "it is all right to do it if you can get away with it." Is not this convention book story the type of example which, in the President's words, "breeds efforts by other people to dodge other laws"?

Sale of Political Campaign Books

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, August 7 (legislative day of Thursday, July 22), 1937

ARTICLE FROM THE NEW YORK DAILY NEWS

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New York Daily News of August 7, 1937, entitled "Both Sides Paid Same Man for Campaign Books."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Daily News of Aug. 7, 1937]

BOTH SIDES PAID SAME MAN FOR CAMPAIGN BOOKS

(By John O'Donnell and Doris Fleeson)

WASHINGTON, D. C., August 6.—The storm and fury over the sale of sucker campaign books to the fat cats of industry and finance wound up in a rousing belly laugh today—with both Democratic and Republican heavy thinkers on the receiving end of the guffaws.

Leaders of both parties admitted today to the House that they had engaged the services of one John B. "50–50" Gallagher, New York and Philadelphia publisher, to take over the chore of putting the heavy arm on corporations and wealthy individuals.

BOTH PARTIES PAID

Both parties, it now appears, gave Brother Gallagher his 50-50 cut on subscriptions and advertisements. In short, both Jim Farley's master minds in the Democratic national headquarters and the backers of Alf M. Landon at the G. O. P. Cleveland convention agreed that Publisher Gallagher was the one person who had the greatest ability to attract the political sucker trade, regardless of party. The Farley and Landon camps agreed that their future depended upon enough well-heeled individuals curling up with a good book, preferably a de luxe edition of their respective convention volumes. And from there it was only a step toward figuring that it would be even more helpful if the same well-heeled individuals signed up for bales of the convention literary output for distribution to their friends.

The contract with Mr. Gallagher was made for the Democrats by the late treasurer of their national committee, Forbes Morgan. On the 50-50 basis, Mr. Gallagher grossed around $700,000 on the deal, but his overhead—high-powered salesmen, etc., who came in for their heavy commission bite—sliced this down to somewhere under a quarter of a million.

G. O. P. PACT SIMILAR

The Republicans appealed to Mr. Gallagher in behalf of their book at the same time, and the committee that raised the hard cash to pay for the whoop-de-doo in Cleveland, which ended with the crowning of Kansas Alf, kicked in with the same guaranty.

The Republican arrangements with Mr. Gallagher were under the control of former Congressman Chester C. Bolton, of Ohio. Unfortunately for Mr. Gallagher, the Republican book lacked literary appeal, or something, and his high-pressure boys were unable to needle the suckers and melt sales resistance as easily as they did with the literary output of Mr. James Farley, Mr. Charles Michaelson, and the other Democratic literati. Also, when it came to the de luxe editions, the Republicans had nothing to match the Democratic $250 number, embellished with that effective one-line contribution from the President—the authentic signature, "Franklin D. Roosevelt."

It was the discovery that Mr. "50–50" Gallagher had been working both the Democratic and Republican sides of the streets in a worthy effort to bring campaign literature within reach of all that caused the broad grin in the Capital.

SNELL STARTED UPROAR

Only a fortnight ago G. O. P. House Leader SNELL, in a burst of honest indignation, called upon Congress and the Attorney General's office to prove this nefarious custom of skinning fat cats with a fountain pen and a subscription blank. The cheesemaker of Potsdam at that time did not know that Mr. Gallagher had doubled in brass for the cash and literary glory of the G. O. P. But there is sneaking suspicion word of it had reached the shrewd Yankee ears of New Deal Attorney General Homer Cummings.

Mr. SNELL wrote indignantly to the Attorney General. Yesterday the Attorney General advised Mr. SNELL that the Department of Justice had considerable information, wished to investigate it thoroughly, and would be most charmed if Mr. SNELL would add to evidence already on hand.

The Democratic House Rules Committee with suspicious eagerness announced its intention to inquire into the Snell charges of irregularities of the sale of campaign books. Now comes the revelation that both outfits retained Mr. "50–50" Gallagher. You won't hear much more about campaign-book scandals. Both crowds feel a trifle silly. Next time they will try to practice more cleverly the gentle art of prying cash from the constant readers of political literature.

Antilynching Legislation

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, August 7 (legislative day of Thursday, July 22), 1937

EDITORIAL FROM THE BRISTOL (VA.) HERALD-COURIER

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Bristol (Va.) Herald-Courier on the attitude of southern newspapers toward the antilynching bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bristol (Va.) Herald-Courier]

SOUTHERN PRESS ON LYNCH LAW

A few years ago, few if any southern newspapers favored a Federal antilynching law. Southern newspapers opposed such legislation on the ground that it would infringe the rights of the States. But the newspapers were honest and sincere in their position. They deplored mob lawlessness as strongly as any of their northern colleagues, and, while opposing Federal legislation on the subject, they called upon the States to set their faces sternly against the mob and stamp out the evil of lynching.

Today, many if not most of the southern newspapers advocate a Federal antilynching law because they have despaired of the suppression of mob lawlessness by the States.

It is significant that newspapers of a State that apparently has suppressed the mob have joined other southern newspapers in support of the Federal antilynching bill which has passed the House and is now before the Senate. Lynching is almost exclusively a southern problem. Virginia is a Southern State, and the newspapers of Virginia are interested in wiping out an evil that is a disgrace to the South.

Housing Bill Should Be Enacted This Session—Will Benefit Building Trades, Fifty Allied Industries, Millions of People

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 9, 1937

RURAL SLUMS AND CITY SLUMS

Mr. MAVERICK. Mr. Speaker, I wish to be of record as favoring the Wagner-Steagall housing bill. Mr. HANCOCK of North Carolina also has a very good bill and has done much active work for the principle of better housing. So have many others. I believe these bills are essential to the welfare of this Nation and that we should adopt a housing bill this session.

I have made a particular study of housing. Rural housing in my own State of Texas is terrible and should be greatly improved. People talk of slums in the city, but

there are rural slums, too. There are insanitary and unhealthy houses in cities but plenty of the same kind in the country.

BIG CITY HOUSING—EVERY CITY HAS THOUSANDS OF BAD HOUSES

In my inspections I have made a deliberate study of several big cities. One of them is my own city, San Antonio, Tex., where there is an exceptionally large slum area. When I was a youngster I had heard about the slums in the big cities. I did not thoroughly realize until a few years ago that I lived in a big city and that there were slums there. The housing in my city in the slum areas is as bad as any in the United States of America.

Among the other big cities I have studied are Baltimore, Philadelphia, New York City, Newark, Boston, Chicago, and many others. There are literally entire sections of cities that should be torn out. After, new housing should be constructed on entirely new plans with the idea of air, light, sanitation, comfort, beauty, and health.

EXTENSIVE NATIONAL HOUSING CAMPAIGN SHOULD BE PROVIDED

Mr. Speaker, the passage of a good housing bill will benefit the building trades and put hundreds of thousands to work. Not only that; it will benefit some 50 or more allied industries.

But I do not look at it from a viewpoint alone of benefitting the building trades, but it is also essential that people should have decent houses in which to live. I will do everything in my power for the passage of a housing bill which will provide for an extensive national housing campaign.

Gigantic Salaries Paid Executives—Low Wages for Employees. Why Not Minimum Standards of Decent Living? Hill Gets $250,000 Per Year; Employees $15 Per Week!

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

HILL GETS $250,000 PER YEAR; EMPLOYEES $15.86 A WEEK

Mr. MAVERICK. Mr. Speaker, while we are discussing minimum wages, we might discuss some of the wages of executive officers of corporations. For that reason I have accumulated figures from official salaries as taken from the Securities Exchange Commission. Also, information from the Bureau of Labor Statistics, Department of Labor.

The comparisons are somewhat astonishing. Let us take, for instance, the salaries of three men, Messrs. Hill, Hahn, Neiley, executives of the American Tobacco Co.—they amount to something like $500,000 per annum. Mr. George W. Hill, head of the American Tobacco Co., receives $246,173. The average wage paid in that industry is something like $15.86. I think we will agree that there is some difference in the wages.

Look also at the telephone-company comparisons. They are very interesting.

Presenting these figures, I think we should take into consideration that most of the figures here submitted will not be affected by the minimum-wage laws at all. Nearly all of these industries are big, well organized, and pay comparatively better wages than others.

MILLIONS LIVE FAR BELOW DECENT STANDARDS

Think then of the millions of Americans whose incomes are literally far below a decent living standard, where, for instance, I have investigated and found wages as low as 4 cents an hour; where girls work 60 hours a week for $2.40; where other wages in various industries run from $5, $6, $8, $9, and $10 per week. These latter low wages are often paid in occupations which require skill and intelligence, and are hazardous as well.

The minimum-wage bill as suggested is extremely conservative, and is not a minimum-wage bill but a maximum-wage bill—for the theory is that the board could not set wages above $16 per week. It is not a maximum-hours bill but a minimum-hours bill—the theory again being that the board could not fix the hours less than 40 hours a week.

THREE SUGAR "BIG SHOTS", $172,000; EMPLOYEES, $20.15

Some of the corporations who do the greatest weeping over asking protective laws of Congress have the least to talk about. For instance, look at the figures on the American Sugar Refining Co., where the average wage in the industry is $20.15. It shows, however, that in this one company the salaries of three executives are $77,000, $60,000, and $35,000.

Mr. Speaker, I am not opposed to high salaries. I believe that people should be allowed to make money. But I also believe that there should be a minimum standard of decency; and if big salaries can be paid like those which I attach, certainly wages can be paid, especially in industrial occupations, many of which are hazardous, of a small pittance guaranteeing a minimum standard which is still far below what any human being ought to have.

When the bill comes to the floor and it is not amended into an unworkable law, I shall vote for it. I favor the principle of minimum wages and maximum hours.

The figures which I give are as follows:

Salary and wage comparisons

Name of company	Name of officer	His compensation for 1936	Average wage in industry December 1936
American Bank Note	A. L. Schomp	$42,750	$30.32
Do	D. E. Woodhull	36,675	
American Chain & Cable	Walter B. Lashar	60,350	27.96
Do	W. T. Morris	60,330	
American & Foreign Power	C. E. Calder	68,850	32.45
American News, New York corporation.	Harry Gould	50,000	28.87
Do	M. A. Morrissey	40,000	
American Power & Light	F. M. Kerr	27,600	32.45
Do	F. T. Post	36,000	
Do	H. L. Aller	40,220	
American Radiator	C. M. Woolley	80,000	26.85
Do	R. J. Hamilton	75,000	
Do	H. M. Reed	60,000	
American Smelting & Refining	F. H. Brownell	103,080	25.51
Do	H. A. Guess	78,080	
Do	Simon Guggenheim	50,000	
American Sugar Refining Co	Earl D. Babst	77,200	20.15
Do	Joseph F. Abbott	60,200	
Do	R. S. Stubbs	35,440	
American Telephone & Telegraph Co	Walter S. Gifford	210,650	29.86
Do	C. P. Copper	85,900	
Do	B. Gherardi	68,750	
Do	C. M. Bracelen	68,750	
Do	Arthur W. Page	56,700	
Do	F. B. Jewett	55,000	
Do	E. F. Carter	45,833	
Do	E. S. Wilson	36,667	
Do	T. G. Miller	33,000	
Do	C. A. Heiss	41,250	
Do	J. F. Behan	27,500	
American Tobacco Co	George W. Hill	246,173	15.86
Do	Paul M. Hahn	125,742	
Do	Charles F. Neiley	125,692	
Armstrong Cork	H. W. Prentiss, Jr	79,500	
Do	J. M. Clark	42,400	
Atlantic Coast Line	Lyman Delano	49,000	
Do	George B. Elliott	54,000	
Do	C. McD. Davis	44,000	
Atlantic Refining Co	J. W. Van Dyke	100,000	30.95
Do	W. M. Irish	75,000	
Do	W. D. Anderson	40,000	
Atlas Powder Co	Leland Lyon	39,812	28.96
Bendix Aviation	Vincent Bendix	75,273	28.25
Do	V. W. Kliesrath	34,456	
Do	W. L. McGrath	31,518	
Bigelow Sanford Carpet Mills	John A. Sweetzer	70,750	23.34
Borg-Warner Corporation	H. E. Blood	150,850	31.43
Do	C. S. Davis	125,925	
Do	G. W. Borg	102,300	
Bridgeport Brass Co	Ralph E. Day	46,240	27.31
Do	H. W. Steinkraus	27,506	
Brooklyn Union Gas Co	Clifford E. Paige	50,000	32.45
Byron Jackson Pump Co	E. S. Dulin	44,000	29.73
Do	Frank Champion	29,339	
Caterpillar Tractor Co	C. L. Best	50,000	26.46
Do	B. C. Heacock	50,000	
Do	O. L. Starr	40,000	
Century Ribbon Mills, Inc	Herman Levy	58,180	16.42
Do	Irving Levy	39,730	
Certain-teed Products Corporation	W. G. Baumhogger	40,000	23.76
Checker Cab Manufacturing Co	Morris Markin	44,799	32.22
Chesapeake & Ohio system	W. J. Harahan	60,000	
Do	G. D. Brooke	42,000	
Do	H. Fitzpatrick	40,000	
Do	F. M. Whitaker	36,000	
Do	R. S. Marshall	31,600	

Salary and wage comparisons—Continued

Name of company	Name of officer	His compensation for 1936	Average wage in industry December 1936
Chicago, Burlington & Quincy	Ralph Budd	$50,000	
Do	Edward Flynn	31,175	
Chicago Mail Order Co	E. M. Schnedig	50,961	$28.37
Do	E. L. Schnedig	30,245	
Do	C. A. Bethge	27,245	
Clark Controller Co	H. J. Fisher	56,197	26.86
Cleveland Electric Illuminating Corporation.	Eben G. Crawford	49,333	32.45
Columbia Gas & Electric	Philip G. Gossler	90,000	32.45
Do	Edward Reynolds	57,500	
Do	Walter C. Beckjord	60,000	
Commonwealth & Southern	Wendell L. Willkie	75,000	32.45
Do	Jacob Hekma	45,700	
Do	E. A. Yates	43,676	
Consolidated Cigar Corporation	J. Lichtenstein	67,500	15.86
Do	Louis Cahn	39,875	
Consolidated Edison of New York	Floyd L. Carlisle	86,599	32.45
Do	Oscar H. Fogg	52,280	
Consolidated Oil Corporation	H. F. Sinclair	200,660	31.31
Do	H. R. Gallagher	111,090	
Do	W. S. Fitzpatrick	103,120	
Continental Can Co	C. C. Conway	74,119	21.88
Do	O. C. Huffman	74,077	
Do	S. J. Steele	35,890	
Crown Cork & Seal Co	C. E. MacManus	50,475	
Do	William Vinson	30,409	
Do	David G. Bloom	30,115	
Curtis Publishing Co	G. H. Lorimer	80,460	37.33
Do	W. D. Fuller	60,480	
Do	P. S. Collins	61,180	
Cutler-Hammer, Inc	F. R. Bacon	28,000	31.16
Do	H. F. Vogt	26,000	
Do	G. S. Crane	26,000	
Delaware & Hudson Co	Lenore F. Loree	90,000	
Detroit Edison Co	Alex Dow	88,468	32.45
Diesel-Wemmer Gilbert Corporation	S. T. Gilbert	67,560	
Eastman Kodak Co	William G. Stuber	58,281	
Do	Frank W. Lovejoy	108,473	
Do	T. J. Hargrave	58,433	
Electric Light & Power	J. H. Gill	40,565	32.45
Elgin National Watch Co	T. Albert Potter	57,651	22.78
Erie R. R	C. E. Denney	53,750	
Do	R. E. Woodruff	25,500	
Do	D. L. Gray	25,500	
Fairbanks, Morse & Co	R. H. Morse	112,162	22.08
Do	C. H. Morse	45,160	
Do	P. C. Brooks	46,786	
Fanny Farmer Candy Shops	Frank P. O'Connor	40,000	17.30
Fidelity & Deposit Co. of Maryland	Charles R. Miller	42,010	38.25
Flintkote	I. J. Harvey, Jr	48,347	
Do	L. M. Simpson	25,000	
Florsheim Shoe Co	M. S. Florsheim	43,312	18.23
Do	I. S. Florsheim	43,312	
Do	H. M. Florsheim	30,319	
Do	Samuel Goodman	43,312	
Gannett Co., Inc	Frank E. Gannett	70,113	37.33
Do	Frank E. Tripp	37,384	
Gar Wood Industries, Inc	Garfield A. Wood	50,000	29.73
General Cigar Co	F. Hirschhorn	59,880	15.86
Do	William Best	29,940	
Do	B. G. Meyer	29,940	
Do	Milton H. Esberg	29,940	
Do	R. C. Bondy, Jr	29,940	
General Motors Corporation	Alfred P. Sloan, Jr	255,505	32.22
Do	W. S. Knudsen	254,325	
Do	Donaldson Brown	170,337	
Do	John L. Pratt	170,337	
Do	John T. Smith	170,337	
Do	Albert Bradley	166,967	
Do	Charles E. Wilson	166,967	
Do	Ormund E. Hunt	166,967	
Do	James D. Mooney	141,958	
Do	Alfred J. Fisher	141,947	
Do	E. F. Fisher	141,947	
Do	W. A. Fisher	141,947	
Do	Richard H. Grant	142,716	
Do	Marvin E. Coyle	99,992	
Do	J. T. Schumann, Jr	93,163	
Gillette Safety Razor Co	S. C. Stamplemann	75,000	24.18
Do	E. H. Cooper	53,643	
Do	H. T. Claisse	44,703	
Globe-Democrat Publishing Co	E. Lansing Ray	27,032	37.33
Gotham Silk Hosiery Mills	S. E. Summerfield	35,000	16.42
Grand Union Co	J. Spencer Weed	36,220	20.45
Great Northern Ry	W. P. Kenney	60,000	
Do	F. J. Gavin	38,250	
Greyhound Corporation	C. E. Wickman	68,020	30.87
Do	O. S. Caesar	58,735	
Do	G. W. Traer	49,700	
Gulf States Steel Co	W. H. Coverdale	27,310	31.59
Houdaille-Hershey Corporation	Claire L. Barnes	60,000	31.16
Do	Charles Getler	43,566	
Do	Ralph F. Peo	29,651	
Hershey Corporation	W. F. R. Murrie	91,550	17.30
Do	E. F. Hershey	25,000	
Homestake Mining Co	Edward H. Clark	45,000	28.52
Do	Guy H. Bjorge	28,201	
Hoover Ball & Bearing Co	C. W. Lighthall	30,527	24.18
Hudson Motor Car Co	A. E. Barit	76,800	32.22
Do	S. G. Baits	45,000	
Do	R. D. Chapin	29,760	
International Harvester	S. C. MacAllister	83,105	26.46
Do	Morris F. Holahan	55,827	
Do	William F. Elliott	55,107	

Salary and wage comparisons—Continued

Name of company	Name of officer	His compensation for 1936	Average wage in industry December 1936
Jewel Tea Co	M. H. Karker	$105,168	$30.40
Do	F. M. Kasch	30,114	
Johns-Manville Corporation	Lewis H. Brown	136,910	
Do	W. R. Seigle	128,180	
Do	Enders M. Voorhees	97,990	
Kaufmann Department Stores	Edgar J. Kaufmann	74,100	20.45
Do	O. M. Kaufmann	79,314	
Do	Irwin D. Wolf	40,159	
S. S. Kresge Co	C. B. Van Busen	119,000	20.45
Do	C. V. Tuttle	119,000	
Do	R. R. Williams	119,000	
Do	S. S. Kresge	50,000	
Lambert Co	John L. Johnston	85,833	22.93
Do	Robert L. Lund	42,333	
Lehn & Fink	Edward Plaut	90,220	22.93
Do	W. H. Gesell	45,220	
P. Lorillard	Benjamin L. Belt	50,000	15.86
Do	D. H. Ball	30,000	
Do	G. H. Hummel	30,000	
Los Angeles Gas & Electric	Addison B. Day	41,285	32.45
Ludlum Steel Co	H. G. Batcheller	48,365	31.59
Do	E. B. Cleborne	32,254	
Do	F. W. Lounsberry	26,880	
McWilliams Dredging Co	G. A. McWilliams	25,000	
I. Mangin & Co	E. J. Mangin	56,866	
Do	G. A. Mangin	50,686	
Do	R. D. Carpenter	25,155	
The Maytag Co	F. L. Maytag	35,000	26.86
Do	Walter Bones	30,999	
Do	E. H. Maytag	25,000	
Melville Shoe Corporation	Ward Melville	52,319	18.23
Do	W. J. Cobb	34,374	
Mid-Continent Petroleum	Jacob France	70,000	31.31
Do	J. C. Denton	40,500	
Do	F. B. Koontz	32,400	
Minneapolis, Moline Power Implement Co.	W. C. MacFarlane	30,120	26.46
Motor Products Corporation	A. L. Lott	29,421	32.22
Do	W. V. Helmel	26,683	
Motor Wheel Corporation	H. F. Harper	28,925	32.22
Mueller Brass Co	Oscar B. Mueller	28,607	27.31
Do	Fred L. Riggin	37,660	
G. C. Murphy Co	J. S. Mack	197,070	20.45
Do	W. C. Shaw	114,842	
Do	Edgar M. Mack	79,228	
Nash-Kelvinator Co	E. H. McCarty	44,441	26.86
Do	C. H. Bliss	30,000	
National Biscuit Co	R. E. Tomlinson	96,450	23.36
Do	F. Beers	48,500	
Do	C. S. Stilwell	48,000	
Do	E. Y. Crossmore	48,000	
National Oil Products Co	Charles P. Gulick	31,962	30.95
Do	John H. Barton	28,942	
Do	Ralph Wechsler	28,902	
National Light & Power	P. B. Sawyer	54,600	32.45
National Tea Co	G. Rasmussen	36,000	30.40
New York Steam Corporation	David C. Johnson	37,960	
North American Rayon Corporation	S. R. Fuller, Jr	40,090	21.90
Do	B. D. Dunlop	25,151	
Do	A. L. Erlanger	29,917	
Oshkosh Overall Co	E. W. Wyman	27,205	18.95
Otis Elevator Co	J. H. Van Alstyne	64,367	26.86
Do	Arthur J. McComb	26,950	
Pacific Lighting Corporation	Robert W. Miller	36,500	32.45
Pan American Petroleum	Louis Blaustein	65,000	31.31
Do	Jacob Blaustein	55,000	
Do	Robert E. Wilson	45,000	
Park & Tilford, Inc	Gordon Stewart	27,500	28.37
Peoples Drug Stores, Inc	M. G. Gibbs	50,000	20.45
Philadelphia Electric Co	W. H. Taylor	61,182	32.45
Pure Oil Co	Henry M. Dawes	55,250	31.31
Do	R. W. McIlvaine	45,000	
Do	C. B. Watson	41,159	
Radio Corporation of America	David Sarnoff	75,920	21.67
Do	James G. Harbord	56,020	
Daniel Reeves, Inc	Peter Reeves	31,380	20.45
Reynolds Metals Co	R. S. Reynolds	90,686	27.31
Do	G. A. Robertshaw	42,288	
Do	J. A. Robertshaw	30,342	
R. J. Reynolds Tobacco Co	S. Clay Williams	60,000	15.86
Do	James A. Gray	50,000	
Do	T. H. Kirk	35,000	
St. Louis-Southwestern Ry. Co	Daniel Upthegrove	50,000	
Shell Union Oil Corporation	J. C. van Eck	71,500	31.31
Do	R. van der Woude	48,936	
Do	Alexander Fraser	60,090	
Skelly Oil Co	W. G. Skelly	48,000	31.31
Southern California Edison	Harry J. Bauer	47,779	32.45
Do	Roy V. Reppy	25,200	
Do	W. C. Mullendore	25,200	
Do	Fred B. Lewis	25,200	
Southern Pacific	Hale Holden	60,000	
Do	Paul Shoup	50,000	
Do	A. D. MacDonald	50,000	
Southern Railway	Fairfax Harrison	50,000	
Do	E. E. Norris	30,000	
A. E. Staley Manufacturing Co	A. E. Staley, Sr	67,041	23.67
Standard Gas & Electric System	F. R. Phillips	50,009	32.45
Do	Thomas Fitzgerald	25,149	
Do	John J. O'Brien	39,844	
Do	Robert J. Graf	34,425	
Do	Bernard W. Lynch	38,617	
Do	M. A. Morrison	25,175	
Do	W. F. Raber	25,140	

Salary and wage comparisons—Continued

Name of company	Name of officer	His compensation for 1936	Average wage in industry December 1936
Standard Oil Co. (New Jersey)	W. S. Farish	$112,500	$31.31
Do	W. C. Teagle	122,500	
Do	E. J. Sadler	95,000	
Sterling Products, Inc	W. E. Weiss	92,381	22.93
Do	A. H. Diebold	92,431	
Stone & Webster, Inc	G. O. Muhlfeld	50,000	
Do	C. W. Kellogg	30,955	
Do	Samuel B. Tuell	31,240	
Studebaker Corporation	Harold S. Vance	50,000	32.22
Do	Paul G. Hoffman	50,000	
Sun Oil Co	J. Howard Pew	74,750	31.31
Do	J. N. Pew, Jr	74,750	
Do	J. Edgar Pew	86,557	
James Talcott, Inc	J. Frederick Talcott	35,160	28.37
Texas Corporation	W. S. S. Rodgers	95,000	31.31
Do	T. Rieber	93,333	
Trunz Pork Stores	Max Trunz	25,040	20.45
Twentieth Century Fox Film Corporation.	Darryl F. Zanuck	260,000	
Do	Roy del Ruth	238,333	
Do	Warner Baxter	284,384	
Union Electric Light & Power of Missouri.	Louis H. Egan	62,834	32.45
Union Oil Co. of California	L. P. St. Clair	48,000	31.31
Do	R. D. Matthews	40,000	
Union Pacific	C. R. Gray	60,000	
Do	W. A. Harriman	25,000	
United Aircraft	T. F. Hamilton	56,121	28.25
Do	Donald L. Brown	46,470	
Do	E. E. Wilson, Sr	33,600	
United Drug, Inc	L. K. Liggett	75,000	20.45
Do	G. M. Gales	40,000	
Do	W. C. Watt	25,000	
United Fruit	Francis R. Hart	58,500	
Do	William K. Jackson	30,900	
Do	Bradley W. Palmer	29,015	
United Gas Improvement Co	J. E. Zimmermann	90,000	32.45
Do	F. B. Davis, Jr	227,000	
United States Rubber	W. deKrafft	121,400	31.56
Do	Herbert E. Smith	87,260	
Do	L. D. Tompkins	87,260	
U. S. Tobacco	John M. DeVoe	82,246	15.86
Do	J. W. Peterson	55,852	
Do	O. C. Hank	53,572	
Westinghouse Electric & Manufacturing Co.	A. W. Robertson	108,588	26.86
Do	F. A. Merrick	84,485	
Do	Arthur E. Allen	52,816	
Wright Aeronautical Corporation	G. W. Vaughan	32,508	28.25
Youngstown Sheet & Tube	Frank Purnell	42,720	31.59
Do	W. E. Watson	40,000	

The Civilian Conservation Corps Program

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, August 9, 1937

ARTICLE SUMMARIZING THE MAJOR ACCOMPLISHMENTS OF THE CIVILIAN CONSERVATION CORPS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article summarizing the major accomplishments of the Civilian Conservation Corps during the 4¼ years of its existence. I make this request because of the widespread public interest in the accomplishments of the C. C. C. I make the request also because of my own interest in the development of this governmental activity.

I was one of the members of the original committee which drew up and sponsored the legislation creating the Civilian Conservation Corps, and also I was one of those who during the present session of Congress attempted to make the corps a permanent governmental institution. It has been my privilege to inspect scores of the camps and to study at first hand the work being done in them. That which has been accomplished has surpassed even the anticipation of the most enthusiastic supporters at the time of the commencement of this work. The corps has made for conservation both of men and of nature's resources. It has developed leadership and has removed hopelessness from the lives of thousands of youths. The renewed faith which it has engendered in the souls of the underprivileged of our land will redound to the benefit not only of those persons but also of the whole country. I, for one, am proud of the record which has been made.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CIVILIAN CONSERVATION CORPS PROGRAM

(April 1933 to July 1, 1937)

The Civilian Conservation Corps began the new 1938 fiscal year on July 30 under new enabling legislation extending the life of the organization for 3 years and setting the maximum enrolled strength at 315,000, including 300,000 juniors (young men between the ages of 17 and 23, inclusive) and war veterans, 10,000 Indians, and 5,000 residents of Hawaii, Alaska, the Virgin Islands, and Puerto Rico. The action of Congress in passing new C. C. C. legislation and in appropriating $350,000,000 to finance operation of the corps over the current fiscal year was based upon the C. C. C.'s record of accomplishments in the fields of conservation and youth rehabilitation and employment during its first 4¼ years of operation, which ended on June 30.

Analysis of this record discloses that during the period from April 5, 1933, when the corps was launched, to July 1 of the current year, the C. C. C. organization afforded employment directly to approximately 2,000,000 persons, launched and advanced a constructive, Nation-wide program for the conservation of the country's natural resources of timber and soil, stimulated business recovery through the purchase of close to $900,000,000 worth of foodstuffs, wearing apparel, automative equipment, and other supplies, and improved the employability, health, and moral of hundreds of thousands of youngsters who otherwise would have been idle. As a relief agency, the corps aided enrollees to contribute more than $400,000,000 to the support of needy dependents, most of whom had been on public relief rolls when their sons entered the C. C. C.

The Civilian Conservation Corps program was initiated on March 20, 1933, when President Roosevelt sent to Congress a message urging the adoption of legislation under which a vast army of idle young men would be put to work in the Nation's forests, parks, and fields upon projects of definite, worth-while value to the country. Congress responded by passing enabling legislation on March 31, 1933, and the President signed the bill the same day. On April 5, by Executive order, the office of Emergency Conservation Work was created and four departments—War, Interior, Agriculture, and Labor—were directed to cooperate with the Director of Emergency Conservation Work in putting the C. C. C. program into effect.

The objectives of the new program were twofold: First, to provide employment and opportunity for idle young men whose families were in need of financial aid; second, to conserve and improve the Nation's great fund of natural resources, especially timbered lands, and to protect topsoil in agricultural areas. The men themselves were to be drawn from every county in the United States where idle young men were in need of work. The workshop where these youngsters were to be employed was to be the Nation's 500,000,000 acres of timbered lands, as well as large farm areas.

As a first move to translate the new legislation into action, Director Fechner and the four cooperating departments arranged to establish a great Nation-wide chain of outdoor camps in the Nation's forests and parks. As these were being established, relief officials in every State, under the supervision of the Department of Labor, began the selection of young men and the War Department began the task of enrolling these men, equipping them, and preparing them for their life in the woods. Simultaneously the Department of the Interior and the Department of Agriculture began laying out work projects so that the new enrollees could be put to work without delay.

The organization of the C. C. C. program went forward rapidly, and by early July a total of 1,468 camps had been established and 300,000 men, 25,000 of them war veterans, had been put to work. In 1935 the enrolled strength of the corps was increased to 506,000, exclusive of 13,000 Indians and Territorials, and the number of camps to 2,652. As business conditions have improved and work opportunities for young men have increased, the strength of the corps has gradually been reduced until at the present time there are approximately 300,000 men at work, exclusive of Indians and Territorials, and 1,848 camps in operation. During the first 2 years, unmarried young men between 18 and 25 were eligible. Later the age eligibility regulations were changed to 17 to 28. Under the new legislation unmarried young men between the ages of 17 and 23, who are unemployed and in need of employment are eligible. About 8 percent of the total enrollment has been and still is war veterans. The basic cash allowance paid an enrollee is $30.

A majority of the C. C. C. camps have been and still are located on forest lands. The balance are divided largely between park improvement and development work and erosion control. Camps have been operated in every State of the Union and men have been sent to the camps from every county. A recent check-up disclosed that 56 percent of the counties of the United States have had or now have C. C. C. camps located within their boundaries. These counties represent 65 percent of the total area of the United States.

The results achieved through the operation of the C. C. C. camps group themselves under five major headings. These are: (1) Benefits to young men; (2) men given employment; (3) work

accomplishments; (4) stimulus given to industrial and business recovery; (5) social values.

BENEFITS TO YOUNG MEN

In the opinion of Robert Fechner, director of the Civilian Conservation Corps, the C. C. C.'s greatest contribution to the Nation's welfare is found in the aid which it has rendered youth during a trying economic period. The records show that to date employment has been given to slightly in excess of 1,700,000 young men. Entering the corps uncertain, inexperienced, often discouraged through inability to find private employment, and in many instances undernourished, these youngsters have had a new life unfolded before them.

In their new outdoor environment they have been supplied with wholesome food, comfortable clothing, medical and dental attention, competent leadership, and opportunity to learn how to make themselves more employable and more useful and more active citizens. The camps have afforded them opportunity to live under conditions which have improved their health and built up their morale. The young enrollees have learned not only how to work but to do a full day's work. They have been enthused with ambition to get ahead and make a place for themselves in the world. The camp life has taught the boys self-discipline, habits of good hygiene, self-reliance, and ability to take care of themselves.

The War Department, which is charged with caring for the health of the enrollees, stated in a report to Director Fechner:

"That the outdoor life, wholesome food, healthful work, and regular habits incident to C. C. C. service have been physically beneficial is attested not only by the obviously improved morale, vigor, and physique of the enrollees, but is demonstrated more concretely by a record of their early gains in body weight. At the beginning of the year a check was made on a random sample of some 500 new enrollees in each corps area, and the changes in weight reported for a 2-month period. The 4,123 men tested showed an average gain in weight of 6.04 pounds at the end of their second month in the corps. Approximately 60 percent of this gain occurred during the first month."

Mental development of enrollees has closely paralleled physical development. As the enrollees' bodies become more vigorous and healthy, their minds become keener. Educational activities have been built around the needs, abilities, and interest of the young men. Every effort is made to persuade illiterates to attend classes and to date more than 50,000 enrollees have been taught to read and write. Since 1933 more than 500,000 enrollees have become better grounded in grade-school subjects. Another 200,000 have studied high-school subjects, and 50,000 have pursued college courses. Approximately 1,000,000 enrollees have received instruction on the job and more than 400,000 have left the camps prior to the expiration of their terms of enrollment to accept private employment. Summing up the benefits that have accrued to enrollees, the War Department recently wrote Director Fechner:

"It is apparent that the results so far achieved in the field of citizenship have been notable. More than one and one-half million men and boys have been improved physically, mentally, and in character. They have learned to live together harmoniously and to work in cooperation with others. They have formed habits of neatness, orderliness, and thoroughness. They have become imbued with higher ideals and with ambition to improve their station in life. In a word, they have become better and more useful citizens."

In a recent report to the Director of the Civilian Conservation Corps, the Department of Labor stated:

"The most dramatic accomplishments of the Civilian Conservation Corps to selecting agents and to the parents of the enrollees is undoubtedly the contrast between the uncertain, inexperienced youths who leave their homes to begin work in C. C. C. camps and the physically sturdy, self-reliant young men who return after a year or more in camp, equipped with a background of work experience and personal advancement.

"To an increasing extent the corps has proved its usefulness in breaking the vicious circle which arises from the fact that youths just out of school are unable to obtain jobs without experience and are unable to get experience without jobs. The C. C. C. camps are, in most instances, providing the first work experience for young men who have been unable to find any remunerative employment since leaving school."

MEN GIVEN EMPLOYMENT

Total employment furnished by the Civilian Conservation Corps program through July 31, 1937, approached 2,000,000 men. The great majority of this group have been young men with dependent families. The records show that approximately 1,700,000 young men, most of them in their teens, 154,000 war veterans, 40,000 Indians, and 10,000 territorials have worked as enrolled men in the camps. Approximately 195,000 additional persons have been given employment for varying lengths of time as Reserve officers, work supervisors, and other technical personnel on the camp supervisory force, as educational advisers, carpenters, and other skilled and unskilled workmen and as employees engaged in administrative, clerical, fiscal, and professional duties. From the beginning of the program through June 30, 1937, cash allowances earned by enrollees amounted to approximately $527,060,000. Of this sum it is estimated that dependents of the enrollees have received close to $420,000,000. Dependents aided through money sent home by enrollees exceed 6,000,000. The total amount retained directly by all enrollees for their personal use is estimated at approximately $107,000,000.

WORK ACCOMPLISHMENTS

As a work agency, the Civilian Conservation Corps has vitalized public interest in the needs of conservation and advanced a country-wide conservation program that is adding substantially to the Nation's natural-resources wealth. For the first time in the history of the country a determined effort is now under way on a broad front to conserve our natural resources and to restore to productivity and usefulness huge areas of devastated timbered lands and large acreages of depleted agricultural and grazing lands. The energies of the young men sent to the camps have been directed toward a wide variety of work projects. More than 150 major types of work are carried on. In general, these may be classified as follows:

(1) Forest culture; (2) forest protection; (3) erosion control; (4) flood control, irrigation, and drainage; (5) transportation improvements; (6) structural improvements; (7) range development; (8) wildlife; (9) landscape and recreation.

The reports from the camps show that the corps has aided in the reforestation of denuded forest lands, in the protection and improvement of watersheds, in the improvement of National and State forests and parks, and in the development of new recreational areas in the vicinities of large centers of population. They have strengthened the defenses of the Nation's forests and parks against forest fires, the attacks of forest diseases such as the highly destructive white-pine blister rust, and the inroads of forest insects such as the bark beetle and the gypsy moth, rodents, and other forest pests. They have aided farmers in the control of soil erosion over 5,000,000 acres of land. Erosion-control activities have included the construction of check dams, erosion-control structures, planting of trees and other vegetation in gullies, and the construction of diversion ditches and outlet structures. Enrollees have planted an average of more than a million trees per working day. Altogether the C. C. C. has planted in excess of a billion trees for reforestation purposes and millions of other trees for erosion control. Through tree-nursery development and extensive seed gathering, the C. C. C. has laid the foundation for the conduct of a long-range tree-planting program which would include the planting of in the neighborhood of 500,000,000 trees annually.

Through April 30, 1937, the C. C. C. had completed the following major work items:

1. A total of 3,800,000 man-days spent fighting forest fires, thus saving millions of dollars' worth of valuable timberland in forests and parks.

2. The construction of more than 54,000 miles of telephone lines, the erection of more than 3,000 fire towers and observation towers, the construction of 104,000 miles of roads and trails—all for the purpose of speeding up the reporting of fires and the rushing of men and equipment to the blazes before they get out of control.

3. The conduct of insect and disease control campaigns over 14,000,000 acres of woodlands—a measure designed to reduce as much as possible the huge annual losses caused by these forest enemies.

4. The planting of 1,060,000 trees for the purpose of reforesting waste areas.

5. The construction of 3,144,000 check dams to control soil erosion.

6. Completion of flood-control works on the Winooski River that averted millions of dollars' worth of damage in Vermont during the disastrous eastern floods of last spring.

7. The opening up of hundreds of thousands of acres of new State park lands for recreational use and the improvement and expansion of existing recreational facilities in our national and State forests and our national parks.

At the time the C. C. C. was organized there were 885 State parks and related areas totaling 3,490,807 acres in 40 States. Since 1933, 37 States have acquired 435 new areas or extension of areas, totaling 741,504 acres. Thus the number of State parks has been increased from 885 State parks and related areas to 1,320, largely due to the influence of the C. C. C. movement. Since the corps began the C. C. C. has worked on approximately 600 State parks.

Other work completed includes:

Number of buildings constructed (16 major types)	40,000
Miles of firebreaks completed	54,200
Acres of forest stand improvement completed	2,620,000
Acres covered in rodent control	25,000,000
Man-days of fire prevention and fire presuppression completed	2,726,000
Number of foot, horse, stock, and vehicle bridges built	40,000
Number of large dams built	4,000
Rods of fences and guard rails	8,630,000
Miles of roadside and trailside fire-hazard reduction completed	57,000
Acres of timber estimating completed	29,200,000

Not the least of the accomplishments of the C. C. C. program is the impulse which it has given to the conservation movement.

The more than a million and a half young men, who have been at work for 4 years in forests, parks, and fields, have developed an appreciation for the needs of conservation. As they leave the camps and return to their homes or go into business, industry, or farming, each one carries with him some lessons of conservation, learned through his work in the woods and fields. These men now appreciate the waste of resources which has been taking place in this country, and they know what is needed to be done

to stop it. America has become more conservation conscious, thanks to the C. C. C.

STIMULUS GIVEN TO INDUSTRIAL AND BUSINESS RECOVERY

During the first 51 months the corps was in operation total obligations for all purposes were in excess of $1,995,000,000. Of this sum, more than $826,000,000 was obligated for supplies, materials, services, lands, equipment needed in the operation of the corps. More than $770,000,000 was obligated for salaries and wages to enrollees and all other employees.

Virtually every industry engaged in the production, processing, or distribution of staple supplies, materials, equipment, or services has benefited directly or indirectly from the orders for supplies that have been contracted for each year by corps officials. While consumers' goods industries have received the bulk of the orders, more than 45,000 trucks, thousands of tractors, graders, and bulldozers and considerable quantities of other heavy and specialized equipment have been purchased from the automotive industry and from manufacturers of durable goods.

Large orders have gone to manufacturers of soaps, tooth pastes, razors, tableware, cooking equipment, shoes, boots, and scores of other articles needed in the conduct of an organization which each day fed, clothed, and looked after the welfare of from 300,000 to 500,000 persons.

Among industries benefiting by these purchases were: The food industry, which received in excess of $225,200,000; the textile and clothing industries, which received nearly $198,000,000; the lumber and allied construction material industries and building trades, which have received approximately $80,000,000; and the transportation industry (principally railroads), which received approximately $87,000,000 for the transportation of men and supplies.

SOCIAL VALUES

In addition to improving the average general level of health and employability of more than a million and a half youths, the C. C. C. has helped to reduce juvenile delinquency. On this subject Justin Miller, then chairman of the Attorney General's Advisory Committee on Crime, stated on December 14, 1936:

"Any economic or social measure deals not with an isolated factor but with a variety of interrelated conditions; it attempts to pull here and tug there at the tangled skein of social problems. The C. C. C. has been so often discussed as an economic measure that its wider social value is sometimes overlooked. This organization was created to meet an economic emergency. But its intended purpose is no more important than the accompanying by-products. It has fashioned weapons with which to make an effective attack on many of the social conditions which may be crime-conditioning.

"A multiplicity of factors are commonly cited as the causes of crime and delinquency. These may fairly be divided into three groups—those arising from the physical environment of the delinquent, from his contact with his family, and from his own personality and status in society. In the first instance it has been found that the environmental background of delinquents and criminals is in most cases unwholesome. A typical delinquent history paints a picture of a neighborhood full of corrupting influences and lacking in recreational facilities—often a slum district where overcrowding, lack of ventilation, and cleanliness are prevalent. A simple knowledge of the aim of the C. C. C., the conservation of both the human and natural resources of the country, is enough to suggest what the organization does to oppose these conditions. Instead of the surroundings pictured above, the camps offer a clean, wholesome environment, free from corrupting influences. The outdoor life provides few of the conflicts of a crowded city. As about 54 percent of the C. C. C. enrollees are from urban districts, this change of environment is widely beneficial.

"The crime-conditioning factors in family life are of three kinds: The relationship of the parents to society, to each other, and to the child. The Civilian Conservation Corps accepts only those boys whose families are on relief, that is to say, whose economic relation to society is at its worst. Even if this condition is due solely to misfortune, the atmosphere it engenders is unhealthy. The removal of boys at an impressionable age is desirable, even though the other causes of friction in family life are not present. If such further conditions as divorce or separation, lack of parental discipline, laziness, or drunkenness appear, the influence of the family is doubly detrimental.

"The most important factors leading to delinquency are those to be found in the individual himself. What does the C. C. C. do to combat them?

"Poor physical health in youth is recognized to be an extremely important factor. The C. C. C. has given it particular attention. For those in need of medical or dental care the corps is served by the officers of the Army Medical Corps, as well as 1,966 additional doctors. The Surgeon General of the War Department reports that the C. C. C. death rate is lower than that among men of similar age groups throughout the United States. The benefits of the outdoor work, regular hours, and healthy, scientifically balanced meals cannot, of course, be measured. But it is significant that 4,123 enrollees, chosen at random, showed an average gain in weight of 6.04 pounds at the end of their first 2 months. As well as present health standards, future ones are safeguarded by extensive instruction in hygiene.

"The C. C. C. replaces the unhealthy recreational pursuits of the cities—gambling, drinking, immoral movies, etc.—with organized programs, to suit any taste. The figures show their popularity. In June 1936, 30,000 were enrolled in arts and crafts groups, 12,000 in dramatic groups, and 35,000 in musical organizations. Athletic competitions are encouraged, and talent of any kind is fostered.

"Is this attack on the foundations of crime effective? The results cannot be measured satisfactorily. However, in many parts of the country the credit for the decreasing volume of crime is being accorded the organization. The Star-Herald of Scottsbluff, Nebr., quoted H. W. Jespenson, superintendent of the Nebraska Reformatory for Men, as saying that the creation of the C. C. C. has been responsible for a 25-percent decrease since 1933 in the number of inmates in the reformatory. Maj. R. M. Youell, superintendent of the Virginia State Penitentiary, attributes to the existence of the C. C. C. a drop of 156 in 9 months in the number of new commitments.

"Such statements should contribute to a wider knowledge not only of the present value of the C. C. C. but of its possibilities as an agent operating over a wide field of social reform."

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, August 9, 1937

ADDRESS OF HON. FREDERICK STEIWER, OF OREGON

Mr. AUSTIN. Mr. President, I ask unanimous consent to insert an address in the Appendix of the RECORD.

During the hearings on Senate bill 1392 and on the amendment in the nature of a substitute therefor, the claim was often made that the bill was anticonstitutional or that it contravened the spirit of the Constitution, and such phrases. I became persuaded that the bill was in fact and in law unconstitutional and had intended to debate that proposition. I have not prepared an address on the subject, but one of my colleagues has done so, and I concur in his opinion.

I now ask unanimous consent to have inserted in the Appendix of the RECORD an address on this subject which the Senator from Oregon [Mr. STEIWER] had prepared for delivery to the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, the proponents of the pending substitute Court bill have contended that the proposal is constitutional. This contention is supported by the assertion that Congress has the undoubted power to increase the size of the Supreme Court. This assertion is not denied. Mere increase in the number of Justices is not the basis for the arguments which follow. It is not mere increase in the number of Justices but the scheme for the appointment of the additional Justice as authorized in the substitute bill that raises the constitutional question. I shall seek to demonstrate that in the most real sense the proposal is clearly unconstitutional and in my opinion resort to the methods by which it proposes to control the opinions of the judiciary is bound in the long run to destroy the Constitution itself. Consideration of this substitute bill suggests two major questions:

1. Does the bill contain an unconstitutional delegation of power to the President and to certain Justices of the Supreme Court to determine the size of the Court?

2. Does the substitute bill destroy the independence of the judicial branch of the Government and result in unconstitutional coercion of the Justices of the Supreme Court?

In substance each of these questions involves the same fundamental issue, namely, whether the basic separation of powers among the legislative, executive, and judicial branches of the Government shall be destroyed. It is probably unnecessary to interpolate that this separation of powers is not merely "a matter of convenience or of governmental mechanism." Its object is vital. Its purpose is to preclude a commingling in the same hands of essentially different powers of the Government. To preserve the separation of powers, the Constitution by clearest implication forbids usurpation by one branch of the Government of the powers conferred upon another, and forbids the delegation of power conferred upon one branch of Government to either of the other two coordinate branches.

I now invite attention to the first question: Whether the substitute bill as now written constitutes an unlawful delegation of legislative power to the President and to certain Justices of the Supreme Court. In considering this question it must be remembered that the Constitution does not give to the Congress express authority to fix or alter the size of the Supreme Court. The Consitution merely provides that judicial power shall be vested in one Supreme Court and in such inferior courts as Congress may establish. It is by implication only that the Congress has authority to fix the size of the Court. Under this implied power

and under a fairly clear justification of necessity, Congress has in the past assumed the power to prescribe the number of Justices. I do not question that assumption of power. In order to set up the Government contemplated by the Constitution it was necessary that some agency exercise the power to establish the Court and such power legitimately belongs to the Congress. In conceding that Congress has such power it does not follow, however, that the authority can be exercised without limitation. Implied powers like express powers are subject to the limitations of the Constitution. The exercise of such powers is restricted by both express limitations and certain implied limitations in the Constitution. While Congress has the power to alter and to fix the size of the Supreme Court, it cannot delegate that power either to the President or to members of the Court. This fundamental rule is vital to the integrity and maintenance of the American constitutional system of government.

Let us now examine the substitute bill. It provides that the Supreme Court shall consist of a Chief Justice and eight Associate Justices. Is this to be the size of the Court? Obviously the answer is no for the bill further provides that the number of Justices "may be increased" by the appointment of additional Justices, and under the permissive language employed such appointment is left entirely within the discretion of the President. It may be argued that the word "may", as employed in the first proviso of section 1, is mandatory, but this argument must yield to the fact that the bill as originally introduced provides in terms that the President "shall" appoint additional Justices. The employment in the substitute bill of the word "may" in contradistinction to the mandatory language in the original bill can be explained only as indicating a deliberate purpose to vest the President with permissive power to appoint or not to appoint, in his discretion. The additional Justices may be appointed, one in each calendar year, for every Justice on the bench who has attained the age of 75 years and has failed to retire. This qualification does not fix a definite number of Justices and therefore the size of the Court is not determined by the legislative act. It depends upon chance, upon the inclination of the Justices who are over 75 years of age and upon the discretion of the President. Thus the President and the aged Justices would be exercising a power which the Constitution by implication confers upon the Congress. A limitation on the discretion of the President, under the provisions of the substitute bill, is that no vacancy caused by death, resignation, or retirement shall be filled unless failure to fill the vacancy would reduce the number of Justices who are under the age of 75 to less than nine. The only other limitation is that no appointment shall be made which would increase the membership of the Court by more than two-thirds of its "permanent membership", which membership presumably is nine. The substitute bill, therefore, permits the President to fix the number of Justices at some number between 9 and 15. In the light of the adjudicated cases defining the delegation of legislative power the substitute bill violates a fundamental rule of the Constitution.

It has been argued, that although Congress may not delegate its legislative power, it may provide that an enactment shall become effective upon the occurrence or nonoccurrence of some contingency or some future fact or event. This is sound law, but what is the effective fact or event contemplated in the substitute bill? It is not the attainment by incumbent Justices of the age of 75 years. Four of them already have attained that age. Admittedly, the effective fact or event as to such Justices is their failure to retire, an event completely within the personal desire and control of the Justices. But even failure to retire will not necessarily result in the appointment of an additional Justice. According to the substitute bill such appointment rests within the discretion of the President.

An ironical sidelight on this phase of the question is that the size of the Court would be determined by the aged Justices who have been charged by the proponents of this legislation as too old to be fit for service. Moreover, it is interesting to reflect that the unconstitutional delegation of legislative power runs to those who have been charged by the proponents of this bill with having been guilty of an unconstitutional usurpation of legislative power.

The discretionary power conferred by this bill upon the President and upon members of the Court is not in any respect conditioned upon the occurrence or nonoccurrence of a contingency or future event required to sustain the validity of legislation. In the exercise of this discretion neither the President nor the Justices of the Court are required to determine any fact upon the occurrence of which the law would become operative. This situation is not like that in *Field* v. *Clark* (143 U. S. 649), where the Supreme Court sustained an act of Congress authorizing the President to suspend and replace certain tariff duties. In that case the Court said:

"As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation in obedience to the legislative will be exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency."

The substitute bill completely ignores the cardinal rules against the delegation of legislative power. This defect is fatal to its validity.

The right of the Justices to remain on the bench during good behavior is guaranteed by the Constitution. Whether they shall retire is a matter wholly within their discretion. Their action in the premises will be governed by their own inclination and not by any legislative rule or standard; their election to retire or not to retire is insured by the Constitution and is wholly independent of the question whether the President's authority is permissive or mandatory. This discretionary power in the Justices to defeat or to permit enlargement of the Court violates the fundamental rule against delegation. Moreover, it would seem to involve an attempt to confer nonjudicial power upon members of the Supreme Court.

I will not attempt to review in detail the numerous cases which deal with efforts to confer legislative power on other agencies of the Government. One of the early statements on the subject is found in the case of *Muskrat* v. *United States* (219 U. S. 346), in which the Court said:

"Confining the jurisdiction of this Court within the limitations conferred by the Constitution, which the Court has hitherto been careful to observe, and whose boundaries it has refused to transcend, we think the Congress, in the act of March 1, 1907, exceeded the limitations of legislative authority so far as it required of this Court action not judicial in its nature within the meaning of the Constitution."

A recent expression is that of Justice Cardozo in his concurring opinion in *Schechter Poultry Corporation* v. *United States:*

"This Court has held that delegation may be unlawful though the act to be performed is definite and single, if the necessity, time, and occasion of performance have been left in the end to the discretion of the delegate. * * * No such plenitude of power is susceptible of transfer."

Still stronger language may be taken from the opinion in the *Panama Refining Co.* v. *Ryan* (293 U. S. 388). Concerning a delegation of power which Congress had attempted to make in title I of the National Recovery Act the Court said:

"Section 9 (c) does not state whether or in what circumstances or under what conditions the President is to prohibit the transportation of petroleum. * * * It establishes no criterion to govern the President's course. * * * So far as this section is concerned, it gives to the President an unlimited authority to determine the policy and to lay down the prohibition, or not to lay it down, as he may see fit."

The failure of Congress to perform its legislative duty in enacting the section which was then under consideration and its attempt to leave the performance of that duty to another agency afforded the basis and the only basis for the decision that the provision in question was unconstitutional and void.

While there is no precedent in Federal law for an attempt by Congress to confer authority on Justices of the Supreme Court to participate in fixing the size of that Court, there are comparable precedents in State legislation.

For example, the Legislature of the State of New York endeavored to confer authority upon justices of its supreme court to conduct investigations and make recommendations to the Governor concerning the exercise of his authority to remove public officials from office. While this did not confer authority to aid in the establishment of a new office or to participate in the appointment of new incumbents, it did involve participation in the corollary power of removal. In a decision of the New York Court of Appeals, written by Mr. Chief Justice Cardozo, now on the Supreme Court of the United States, this act of the legislature was declared invalid (*Richardson* v. *Scudder*, 247 N. Y. 401). In this case the court said:

"We think there has been an attempt * * * to charge a Justice of the Supreme Court with the mandatory performance of duties nonjudicial. He is made the delegate of the Governor in aid of an executive act, the removal of a public officer. * * * Centuries of common-law tradition warn us with echoing impressiveness that this is not a judge's work. We should be sorry to weaken that tradition by any judgment of this court. * * * We deny the power of the Legislature to charge a Justice of the Supreme Court with the duties of a prosecutor in aid of the Executive."

The opinions of State courts in some cases would indicate that the provisions of the substitute bill are not improper. On the other hand, there are cases condemning as improper and unconstitutional provisions in enactments which are similar to those in the substitute bill. I call attention to the following cases:

In *State ex rel. Williams* v. *Sawyer County Board* (Wis.) (123 N. W. 248) the Court considered a statute which provided for the establishment of a certain court on the condition the board of supervisors of the county and its voters approved the measure. The Court said:

"* * * Discretion to say what the law shall be after it is adopted, or to what extent it shall be applicable, may not be conferred on the people of a county or on its board of supervisors. It is here left to the discretion of the county board to say whether there shall be two or more courts in a given county. This is a legislative function which we hold cannot be delegated. The board is given not only the option to adopt the law but the further option to decide upon the number of courts that may be established under it. This cannot be done.

In *In re County Commissioners of Counties* (Okla.) (98 Pac. 557), the Court denounced a statute authorizing the Governor to appoint additional district judges for such terms as the judges of the Supreme Court of Oklahoma might recommend, the Court holding that in delegation the power to fix the term the legislature was delegating legislative power.

In *State* v. *Butler* (Maine) (73 Atl. 560), the statute authorized the Governor in his discretion to create the office of special

attorney. Because of such discretion to create or not to create the statute was held unconstitutional.

The Court said:

"The respondent cites cases to the effect that the legislature * * * may enact a statute not to go into operation until specified facts or conditions are found to exist, and may empower the Governor to decide upon the existence of such facts and conditions. In this case, however, the legislature has not made the existence of the office contingent upon specified facts, or conditions or contingencies being found by the Governor to exist. It leaves the existence or nonexistence of the office wholly to the Governor's discretion. * * *."

In section 1 of the substitute bill we find a provision that after additional Justices have been appointed "no vacancy caused by the death, resignation, or retirement of a Justice (except the Chief Justice) who has reached the age of 75 years, shall be filled, unless the filling of such vacancy is necessary to maintain at not less than nine the number of Justices who have not reached the age of 75." If it be contended that the number of Justices constituting the Court is sufficiently fixed by the substitute bill, the language last quoted would operate to limit or deny the President's constitutional authority to fill vacancies. If it be argued that the language quoted does not deny the unrestrained authority of the President it can only be on the theory that the substitute bill does not fix the size of the Court but that it delegates that power to the President. All of which enforces the argument that the substitute bill contains an unconstitutional delegation of power.

The force of the argument last submitted becomes clear when attention is given to article II, section 2, of the Constitution, paragraph 2 of which provides that the President shall have power, by and with the advice and consent of the Senate, to nominate and appoint Judges of the Supreme Court. In paragraph 3 of this section it is provided that the President "shall have power to fill up all vacancies that may happen during the recess of the Senate." Here, then, under the express authority of the Constitution, the President may nominate and appoint Justices of the Supreme Court to fill up any vacancies which may occur. This authority is the fundamental law of the land. The provision has been construed to mean that "the moment the office and its powers and duties are created the power of appointment and removal, as limited by the Constitution, vests in the Executive." It results that when any office provided for in the Constitution becomes vacant the President automatically has authority derived from the Constitution to nominate and, with the advice and consent of the Senate, to appoint to that office. This constitutional power of the President's cannot be limited or defeated by an act of Congress. Yet, under the substitute bill, the attempt is made to deprive the President of his constitutional authority to fill a vacancy in the Supreme Court. According to the bill, such a vacancy could not be filled unless it results in a reduction of the Court's membership below nine Justices who are not yet 75 years of age.

Once the Supreme Court is enlarged by a valid act of the Congress, a death or retirement creates a vacancy and when such vacancy occurs the President may exercise his constitutional authority to fill that vacancy. The substitute bill makes no effort to conceal the fact of vacancy. It refers to the result of death, resignation, or retirement as a vacancy and then denies to the President his constitutional power to fill the vacancy by appropriate appointment.

Any effort to defend the proposed legislation against the charge of unconstitutional delegation of power must be predicated on the claim that the legislation adequately fixes the size of the Court. If this claim be accepted, then the bill is fatally defective in its proposal to limit or to deny the unrestrained authority of the President. Surely the sponsors of this legislation, zealous as they are to preserve the independence of the three coordinate branches of our Government, will not sit idly by and permit this impairment of the constitutional powers of the Chief Executive.

I turn now to the second question: Is the bill unconstitutional because its purpose and effect is to destroy the independence of the judicial branch of the Federal Government, insofar as it is designed to force decisions in keeping with the President's aims and to coerce Justices either to resign or to retire under penalty of having their judgments nullified by the action of additional Justices to be appointed by the President? We need not speculate upon the purpose of this bill. It has been defined by the governmental agencies which will employ the coercion. Both the President and the Attorney General have said in effect that if the Justices think the new appointments harmful they can resign from the bench. The Senator from Kentucky [Mr. LOGAN], who is one of the authors of the substitute bill, is quoted as having said that the object of the administration is to change the Supreme Court's understanding of the Constitution. On the 6th of July the then majority leader, speaking in his official capacity, expressed the hope that the enactment of this substitute bill would induce the older Justices to retire from the bench. That expression was a symbol of the courage and loyalty of a great soldier. The expression was made by our departed friend and leader, but the hope was the hope of the President of the United States. Thus it is seen that those in authority and those primarily interested in the enactment of this legislation tacitly admit that the purpose is either to coerce the Justices into retirement or to compel decisions contrary to accepted constitutional principles.

The bill itself implies a coercive purpose because it authorizes additional appointment of Justices only in the event that incumbent Justices exercise their constitutional right to remain in active service after reaching the age of 75. To appraise correctly the coercion which the plan permits it is well to bear in mind that any Justice who agrees with the President will have his voting strength doubled by an additional Justice who also agrees with the President. Any Justice who disagrees with the President will have his vote neutralized by a Presidential favorite who does not disagree. One Justice would be coerced into retirement; another would remain on the Court only to see his judgments nullified. Will this species of duress permit an independent Court?

Nothing was more definite in the minds of the makers of the Constitution than the purpose to attain an independent judiciary. The Declaration of Independence set out the following indictment against George III:

"He has made judges dependent on his will alone for the tenure of their offices and the amount and payment of their salaries."

The first section of Article III of the Constitution seeks to prevent recurrence of this situation by providing that the Judges shall hold their offices during good behavior and shall receive for their services a compensation which shall not be diminished. Thus the Constitution was established to protect against an evil which the Declaration of Independence had denounced. It still protects against it and it may be said with great confidence that no law would be held constitutional which interferes either directly or remotely with the tenure of the office of a Justice of the Supreme Court or makes that tenure less than the entire period of good behavior. It is not presumptuous to say that the aspirations of the administration leaders are in violation of the requirements of the Constitution. Their aspirations can be legally accomplished only by constitutional amendment.

The President, in a radio address on March 9, 1937, is credited with this statement:

"I want—as all Americans want—an independent judiciary, as proposed by the framers of the Constitution. That means a Supreme Court that will enforce the Constitution as written; that will refuse to amend the Constitution by the arbitrary exercise of judicial power—amendment by judicial say-so. It does not mean a judiciary so independent that it can deny the existence of facts universally recognized."

The President then undertakes to show that the Court has denied "the existence of facts universally recognized." In this he is entitled to his opinion, but he is not entitled, under the Constitution, to take steps to enforce that opinion by seeking to alter the trend of the Court's decision or by fostering legislation which will either cause the Justices to retire or interfere with the free exercise of their judgment.

The Presidental intention, if not express, is certainly implied. His purpose is to influence the exercise of some part of the judicial power by destroying the complete independence of the Court or by specifying the degree of independence which he believes proper and by securing the appointment of Judges who will accept his specifications. While it is true that a program of this sort is not expressly and specifically inhibited by the Constitution, it is likewise true that such a program violates the most exalted purposes for which the Constitution was established.

I do not argue that any justice should deny the existence of facts universally recognized. Persistence in such denial would not be the good behavior contemplated by the Constitution and conceivably might afford ground for impeachment. The vice of the President's purpose is that he would not proceed by the constitutional mode to oust the Justice, but he would limit the independence of the Court itself. What else can he mean when he speaks of the judiciary "so independent that it can deny"? To me this is an admission by the President that he will not concede to the Court a complete independence. He will grant only a partial independence and in that the President is in error. Moreover, his position is contrary to the accepted views of American statesmen from the beginning of our Government. The views of Hamilton and John Adams and Chief Justice Marshall make this statement abundantly clear. They and those associated with them in the early days of our history declared again and again in behalf of a complete independence, which logically would include an independence to make a wrongful denial. Indeed, it is of the essence of the power to decide to make a good decision or a bad one. This is true whatever the question to be decided or the kind of tribunal to decide it. In order to get the good decisions we take the risk of the bad. Modern statesmen like Woodrow Wilson, with great earnestness, have plead for complete independence. In the view of Wilson that independence specifically must be secure against the arbitrary authority of administrative heads of the Government. As I read the history of my country I conclude that no leader of American thought has ever stood for less than complete independence until the Presidential zeal brought these Court-packing bills to the attention of the Congress of the United States.

The Supreme Court of the United States has many times referred to the importance of an independent judiciary. No President and no Congress, however superior in mind and lofty in purpose, can encroach one step upon this independence without violating the Constitution, and such violation may not be excused merely because the illegal act is not inhibited or proscribed by the expressed prohibitions of the Constitution.

These conclusions apply especially insofar as the purpose and effect of the substitute bill is to destroy our independent judiciary. An act of Congress may be invalid even though not contrary to any specific provision of the Constitution, if it can be demonstrated to be contrary to any fundamental principle or purpose inherent in the Constitution itself. There are numerous decisions of the Supreme Court which establish this beyond dispute. The Constitution itself does not say that the salaries of Federal judges shall not be subject to income tax. Nevertheless

it has been held that such taxes would constitute an indirect reduction in compensation and could be used as a weapon to destroy the independence of the judicial branch of the Government. This was so held in the case of *Evans* v. *Gore* (253 U. S. 245). The attempt to tax the salaries of Federal judges was declared to be invalid on the broad thesis that to sustain the tax would sustain a power which could be used to destroy the independence of the judiciary. The decision was based on the broad doctrine inherent in the Constitution that the three great powers of Government should remain separate and independent. In that case the Court clearly revealed the basis of its decision in the following language:

"The Constitution was framed on the fundamental theory that a larger measure of liberty and justice would be assured by vesting the three great powers—the legislative, the executive, and the judicial—in separate departments, each relatively independent of the others; and it was recognized that without this independence—if it was not made both real and enduring—the separation would fail of its purpose. All agreed that restraints and checks must be imposed to secure the requisite measure of independence; for otherwise the legislative department, inherently the strongest, might encroach on or even come to dominate the others, and the judicial, naturally the weakest, might be dwarfed or swayed by the other two, especially the legislative."

This same principle has been applied more recently in the case of *O'Donoghue* v. *United States* (289 U. S. 516). This case involved the application of the Economy Act of 1932 to justices of the Court of Appeals of the District of Columbia and the Supreme Court of the District of Columbia. The Supreme Court held that the compensation of these justices could not be reduced as provided in the Economy Act. The basis of the Court's opinion was identical with that in the case previously mentioned. In the O'Donoghue case the doctrine of the separation of powers was again invoked and applied in even stronger language. The Court said:

"If it be important thus to separate the several departments of Government and restrict them to the exercise of their appointed powers, it follows, as a logical corollary, equally important, that each department should be kept completely independent of the others—independent not in the sense that they shall not cooperate to the common end of carrying into effect the purposes of the Constitution, but in the sense that the acts of each shall never be controlled by, or subjected, directly or indirectly, to, the coercive influence of either of the other departments."

This insistence upon the ultimate independence of the three branches of the Government is not based on any special solicitude toward the judicial branch. The doctrine has been applied with equal effect to protect other branches of the Government. In the famous Myers case the Court acted to protect the President's power to remove inferior officers of the Federal Government from any interference by the Congress. The Constitution itself says nothing whatever concerning the power to remove such inferior officers, and the decision of the Court was based solely on a proper regard for the fundamental principle of the separation of powers. In that case the Court said:

"The ordinary duties of officers prescribed by statute come under the general administrative control of the President by virtue of the general grant to him of the executive power, and he may properly supervise and guide their construction of the statutes under which they act in order to secure that unitary and uniform execution of the laws which article II of the Constitution evidently contemplated in vesting executive power in the President alone."

The decisive factor which led the Court to this conclusion is clearly revealed in its declaration that "to hold otherwise would make it impossible for the President, in case of political or other difference with the Senate or Congress, to take care that the laws be faithfully executed." Here again no expressed provision of the Constitution had been violated by the Congress, but here likewise the Court declared the legislation invalid because it offended against the basic constitutional concept that the three branches of the Government should remain independent of interference, coercion, or control by either of the other two.

The most recent illustration of the principle is to be found in the case of Humphreys, executor, against United States, decided May 27, 1935. In that case the Court was called upon to decide whether the President could remove a member of the Federal Trade Commission before his term of office expired solely because the President felt "that the aims and purposes of the administration with respect to the work of the Commission can be carried out most effectively with personnel of my own selection" (from letter of President Roosevelt of July 25, 1933). Here again no specific provision of the Constitution was involved, and the Court was forced to consider the effect of its decision in the Myers case which sustained the power of the President to remove inferior officers. Did the Court arrive at the same conclusion? It did not. The Court held that the removal of a member of the Federal Trade Commission was unauthorized, illegal, and void. Why did the Court qualify the effect of its decision in the previous case of Myers against the United States? The decision in the Humphreys case as in the Myers case was based solely on a proper regard to the principle that the three great powers of government should be maintained separate and independent.

The Court pointed out that the Federal Trade Commission was a quasi-judicial agency set up by Congress to exercise its duties "independently of executive control." The Court said:

"The fundamental necessity of maintaining each of the three general departments of government entirely free from the control or coercive influence, direct or indirect, of either of the others has often been stressed and is hardly open to serious question. So much is implied in the very fact of the separation of the powers of these departments by the Constitution; and in the rule which recognizes their essential coequality. The sound application of a principle that makes one master in his own house precludes him from imposing his control in the house of another who is master there."

The Court then proceeded to point out the effect upon this independence of an unlimited power of removal in the hands of the Chief Executive:

"The power of removal here claimed for the President falls within this principle, since its coercive influence threatens the independence of a commission, which is not only wholly disconnected from the executive department but which, as already fully appears, was created by Congress as a means of carrying into operation legislative and judicial powers and as an agency of the legislative and judicial departments."

In the light of these decisions how can it be argued that the substitute bill now before the Senate can be sustained simply because it does not come in conflict with some specific prohibition of the Constitution? In each one of the cases I have reviewed it is apparent that the action of the legislature was held invalid because it violated the fundamental precept of our constitutional system. Can it be said that legislation such as the pending proposal can be sustained simply because the framers of the Constitution did not anticipate a lack of constitutional morality such as is evident today and insert a specific prohibition against such a destruction of judicial independence? The decisions I have mentioned clearly refute any such inference. The Supreme Court throughout its history has indicated time and again that it will not sustain legislation, even though based on an admitted power, which has as its effect the impairment of the independence of another coordinate branch of the Government. The substitute Court bill now pending is fatally defective and no future Supreme Court, which has retained any semblance of independence, could in my opinion reach any other conclusion. This legislation is just as invalid as that construed in *Evans* v. *Gore* and *Myers* v. *The United States*, and is just as illegal and void as the action of the President in the case of *Humphreys, Executor,* v. *The United States.*

It may be contended that the substitute bill does not by its terms reflect any illegal or unconstitutional purpose. To this contention I answer that constitutional invalidity does not always inhere in the superficial expressions of the legislation. Even if the legislation in its mechanics is within the powers of Congress, if its purpose is unconstitutional such legislation will be held unconstitutional. This was the result in the second child labor case, and the doctrine has been sustained by the Court in the more recent case of *Linder* v. *U. S.* (268 U. S. 5). To identify the purpose of the legislation, the Supreme Court according to long established practice will inquire into the debates had in this presence and will be guided by what Justice Cardozo has called "contemporaneous discussion." It may be truly said that from the time of *McCulloch* v. *Maryland* until the present day, the Supreme Court has not hesitated to inquire into the purpose of legislation in order to determine whether it seeks to accomplish objects not entrusted to the Government. If this bill is enacted the statements made by the President, the Attorney General, and the President's representatives on the floor of the Senate will all alike be considered in determining the true purpose of the legislation. The Court will be compelled to hold that Congress has no power to join with the President nor with any other person in an effort to coerce the Justices of the Court or to interfere in the least degree with the performance of its judicial functions. In the recent case of *United States* v. *Butler*, the Court said:

"It is an established principle that the attainment of a prohibited end may not be accomplished under the pretext of the exertion of powers which are granted."

What will be the consequence of submitting the Justices of the Supreme Court to the psychic coercion of this bill? It is not too much to assume that the consequence will be a court entirely to the President's liking. It will be made dependent on his will alone. It will no longer be a court in the sense in which that term has been used in referring to the independent Supreme Court of the United States. It will no longer stand as the last refuge of the oppressed. Its servile acquiescence would permit any political administration unrestrained opportunity to depart from American theories of constitutional government and to deny the American concepts of personal rights. Consideration of the immediate result suggests interesting but serious possibilities.

In the Schechter case an N. R. A. code was held unconstitutional on two grounds. The first was the unconstitutional delegation of legislative power. This defect in the poultry code no doubt could have been corrected by amendatory legislation providing the necessary standard or adopting the code as though made by act of Congress. The second ground was that Congress had attempted the regulation of intrastate transactions which were beyond the jurisdiction of the Federal Government. This was a vital defect which could not have been corrected by legislation.

When the President complained against the Court's unanimous decision in this case, he was not complaining against the conservative minority of the Supreme Court. He was complaining against the entire Court, the liberals and conservatives alike. Yet we know that the bench and bar of America accepted the ruling of the Court in the poultry case as a sound and correct ruling.

Public opinion had already condemned the codes as a failure and no attempt has since been made by the Chief Executive to secure a constitutional amendment which will clothe the Federal Government with power to impose a code like that condemned by the Court. In these facts is found an explanation for the desperate purposes of the pending Court legislation. With a dependent Court this or any subsequent administration would be permitted to fasten upon the country the most complete regulation of the lives and the economic relationships of the people. It is difficult to escape the conclusion that the real purpose of the pending legislation is to permit that result to be accomplished.

The opinion in the case of *Rathbun, as executor of the estate of William E. Humphrey, deceased,* v. *The United States,* already referred to, was handed down on May 27, 1935, and was no doubt still fresh in the mind of the Chief Executive when he transmitted to the Congress his message on the reorganization of the executive departments. This message was transmitted January 12, 1937. The President in this message recommended, among other things, that the one hundred independent agencies be placed under one or the other of the executive departments of the Government. This recommendation included all the independent agencies, and the report of the President's committee on administrative management which accompanied the President's message leads to the inescapable conclusion that the proposal contemplates transferring the Interstate Commerce Commission and the Federal Trade Commission to an executive department.

Thus we observe that the President seeks the power to supervise, through a Cabinet officer, an agency whose functions the Supreme Court has found to be quasi-judicial or quasi-legislative. Someone may contend that the functions involved are only quasi-judicial or quasi-legislative; this character being fixed by the holding in the Humphreys case. It is true that the functions are not judicial and are not legislative in the full constitutional sense, but neither are they executive in the sense that they fall under the dominion of the executive department of our Government. The Court that decided the Humphreys case would not permit this executive usurpation of quasi-legislative and quasi-judicial powers because the Constitution does not permit it, but a subservient Court, tamed under the provisions of the pending bill, would change the Constitution by Court amendment and permit such usurpation of power to go forward.

In *Panama Refining Co.* v. *Ryan,* cited above, it was argued that it should be assumed that the President will act for what he believes to be the public good. To this argument eight members of the Court, answering through Chief Justice Hughes, said:

"the point is not one of motives but of constitutional authority for which the best of motives is not a substitute."

Is this answer of the Court subject to any fair and just criticism? I think it will be conceded that it is not and yet it is for this answer, among other things, that the Court is to be subjected to the coercion of the pending substitute bill. This bill ought not to be called a bill to reorganize the judicial branch of the Government. It is a grudge bill, to punish and disintegrate the judiciary, with the ultimate result that it may destroy the Constitution itself.

One of the clearest illustrations of what may happen to America if any one of these court-packing schemes should be enacted into law is afforded by the President's purpose with respect to the general welfare clause of the Constitution. This clause reads as follows:

"The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States."

The Supreme Court and all our constitutional authorities with few exceptions interpret this clause to mean that Congress has the power to lay and collect taxes for the purposes named in the paragraph just quoted, namely, to pay the debts and to provide for the common defense and general welfare of the United States. The purposes for which the taxes may be laid and collected constitutes a limitation on the taxing power of the Federal Government.

The President, however, does not so regard this clause of the Constitution. In a carefully prepared radio address supporting the pending court bill, the President said the Constitution gave to Congress all the powers needed to meet each and every problem which then had a national character. To that comment he added a startling statement, as follows:

"But the framers went further. Having in mind that in succeeding generations many other problems then undreamed of would become national problems, they gave to the Congress the ample broad powers to 'levy taxes * * * and provide for the common defense and general welfare of the United States.'"

It is perfectly clear, from this statement, that the President believes and is asserting that the Constitution grants to the Congress a power to tax as one separate power and also an additional power to provide for the general welfare. It is equally clear that a general-welfare power would make the enumerated powers of section 8 wholly superfluous. It would completely overturn the scheme of our Federal system and destroy the doctrine admitted by all since *McCulloch* v. *Maryland,* that the central government is one of enumerated and delegated powers. Moreover, it would destroy the limitations upon the Federal Government. Inasmuch as the phrase "general welfare" is not defined, it would, were it a substantive power, authorize the National Legislature to legislate almost at will. The difference between the accepted view of a federal government of enumerated and limited powers and the unlimited power to legislate for the general welfare is the difference between America as we have known it and the most despotic absolutism.

It seems idle to inquire whether America wants to embark upon this departure from a government of constitutional limitations. There is no evidence that the people favor destruction of the American system. It is unthinkable that they would even consider such destruction or that they would contemplate it except with abhorrence. Yet the issue is here. It is most obvious that the President, in his desire to lead the country as he believes it ought to be led, is impatient of constitutional restraints. He would destroy the limitations upon the powers of Congress in order that the executive and legislative branches of the Government may be free to carry out a program, as yet unannounced, which he believes will provide for the general welfare of the United States. This purpose is not merely unconstitutional; it is destructive of the Constitution itself, and, if carried into effect, would wreck the free government of the free people of this Republic.

The President has said that it is unnecessary to amend the Constitution. From his standpoint he is right. If he can have the welfare clause interpreted as he wants it interpreted, never again would it be necessary to look to amendment in order to enlarge the powers of the Federal Government. A general-welfare clause of his interpretation would meet every totalitarian need. Here is a challenge, and here is one of the powerful reasons why America resists these Court packing proposals.

In this discussion I have refrained from general attack upon the pending bill. My purpose for the moment is to establish that the pending substitute bill violates the Constitution. It is my own conclusion that the courts will be compelled to hold it unconstitutional. Do you deny this conclusion? Then bear in mind that every member of the Supreme Court at one time or another in considering questions analogous to those presented by this substitute has subscribed to viewpoints which condemn the substitute bill. Even those who are not completely convinced of the invalidity of this legislation must admit that serious and unanswered constitutional questions are here involved. I ask all Senators, friends and foes of this substitute, how will such constitutional questions be answered? They have not been answered in this debate. What if they must be answered by the Court itself?

Valid appointments of Justices cannot be made under an unconstitutional law. If an invalid appointment is made, how will its invalidity be established? State courts have held that a litigant in a civil action has a right to raise the question of whether a court is properly constituted. It may well be that the validity of the appointments of Justices of the Supreme Court may be questioned in proceedings in that Court.

Presumably the appointee would not sit in judgment on his own cause, but the incumbent Justices would be required to pass upon the right of the new appointee to serve upon the Court. If the pending bills are unconstitutional, it would be the duty of the Court so to declare, and the Court would then be in the position of denying power to Congress and the President. At a time of seething emotions and widespread unrest who is to prophesy the result of such denial? To say that the consequences would be most serious is a feeble and utterly inadequate appraisal. To require the Court to pass on the qualifications and rights of its own members creates an enormous hazard which may result in a crisis of major magnitude. Who in my hearing can find justification for the creation of such a crisis? Why expose our Government to the ravaging consequences which are almost bound to follow in the wake? In a spirit of utmost solemnity I ask Senators to consider either their moral or legal right to accept these hazards and needlessly to invite consequences so evil in ultimate result.

Business Conditions in Florida

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, August 9, 1937

ARTICLE FROM THE TAMPA (FLA.) TIMES, JULY 29, 1937

Mr. PEPPER. Mr. President, I am much gratified to observe that the United States News business map shows that Florida business conditions, rated on the basis of economic factors, were better than the national average—a lead which Florida took during the winter and has maintained even during the summer. I ask unanimous consent that an article from the Tampa Times of July 29, 1937, and some statistical information on the subject, which I am sure will be of great interest and value to the country, may be printed in the RECORD.

There being no objection, the article and statistics were ordered to be printed in the RECORD, as follows:

[From the Tampa Times of July 29, 1937]

BUSINESS SLOW IN SUMMER?—IT'S JUST THE BEST IN THE NATION!

While Tampa, with its steady industrial production, has always been an exception, it has generally been the rule that Florida business slowed down a bit every year between tourist seasons. That this is no longer true is an eloquent indication of Florida's leading position among the States in the continued march toward prosperity.

The June business map of the United States News showed that Florida business conditions, rated on all basic economic factors, were better than the national average, a lead which Florida took during the winter and has maintained since, refuting loose talk of a "summer lull."

Florida also led the Nation in increase of individual prosperity, according to St. Petersburg Independent quotations from Business Week, showing income-tax collections for the fiscal year to June 30 were $18,500,000 in Florida, compared with $8,100,000 the previous year, a gain of 128.7 percent, the highest in the Nation. Florida's increase in corporation income-tax collections was just above the national average of 42.8 percent. So the Independent declares:

"These increases in individual and corporation incomes show that despite heavy municipal burdens, despite an antiquated system of representation and a nonsensical system of taxation, despite tax-dodgers and cracker-barrel politicians—Florida is not a good State to sell short."

That's probably exaggerating the hindrances a little, but the advice is conservative.

INTERNAL REVENUE

After dropping off approximately $1,000,000 between 1932 and 1935, Federal tax collections in Florida have increased over the last several years to such an extent that only the actual figures themselves will portray the extent of returning prosperity to Florida. These figures are quoted by J. Edwin Larson, United States collector of internal revenue for Florida, from previously published annual reports of the Treasury Department and a preliminary statement of the Bureau of Internal Revenue.

Total collections

Fiscal year:	
1932	$8,640,308.34
1933	7,594,633.80
1934	10,983,830.90
1935	15,071,731.98
1936	29,866,409.96
1937	35,355,513.83

On River and Harbor Bill

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1937

Mr. KITCHENS. Mr. Speaker and Members of the House, the American people, as no other people, have been and are blessed with the finest of rivers, harbors, seashores, lakes, and waterways. Long has Congress delayed their useful development for manifold purposes to which they may be subjected and no doubt were intended by their Creator.

Instead of harnessing and controlling these great waters for the benefit of mankind, they have been permitted to run wild, terrifying the people, injuring and destroying life, causing losses of billions of dollars of property, and washing billions of tons of our rich soil into the sea. To my mind a greater indictment cannot be made against the rulers and Government of a great people like ours. Certainly little thought has been given to the indefinite protection and existence of our country.

In my congressional district, the great Ouachita River with its many possibilities, from time immemorial, has been raging to the seas and serving the people very little as compared to its potentialities. It rises in the Ozark and Ouachita Mountains in northwest Arkansas, skirts and bathes the great nationally and internationally known Hot Springs National Park, flows majestically down through the State into Louisiana and into the Mississippi River, and carrying the soil of my State into the Gulf of Mexico. This river now is being used in a small way for generation of power, electricity, and navigation, but the benefits being received are infinitesimal compared to the possibilities if that river were developed.

This bill authorizes a short canal for utilization of some of the waters of that river, and really is just a beginning. At slight cost the Ouachita River has been made navigable for several hundred miles to Camden, Ark., but that is merely a beginning. A few points or elbows need to be removed, the channel needs to be deepened a little for a few miles, and navigation will be extended then where it will usefully serve people in a great section in transportation of their goods, wares, and merchandise, and so forth.

Today the Southwest, Arkansas particularly, is criminally discriminated against on freight rates. We are treated like an orphan or as a colony. We are exploited as badly as Rome ever exploited a conquered province, so far as transportation is concerned. This exploitation is permitted by our Government through its agency, the Interstate Commerce Commission. We are burdened with these exorbitant and excessive freight rates that cause hardships equally as much as a direct tariff. For example, fertilizer material needed by our farmers can be shipped hundreds of miles by railroad from a water port to Arkansas State line for $2.50 per ton. But to move that material, without unloading it, in the same car a further distance of 19 miles into my State the railroads exact $4.40 per ton. My people require the unloading of this freight at the State line and then reload same onto trucks at much less expense in order to avoid these exorbitant and unjustified rates. In fact, the situation has become intolerable and must be remedied.

I am one who believes in the prompt improvement and development as fast as possible where feasible of all of our waterways for all purposes—navigation, flood control, soil and water conservation, generation of electricity, and distribution of that electricity at cost to the people.

The advancement and progress of Japan in the last few years, in very great part, is due to the development of her rivers for use in generation of cheap electricity and power.

Until this administration there has really been no plan nor program to make our rivers our friends and benefactors of our people. Generations of Americans to come will owe a lasting debt of gratitude to our great President and leader for the vision and wisdom he is showing for the benefit of all people. To achieve the results desired it is essential and an absolute necessity that we have a national and coordinated program for the development and use of our rivers. No half-way measures can be tolerated. We must allow nothing to prevent the full utilization of these great national resources for benefit of our people and all mankind.

The Deportation Problem

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1937

ADDRESS OF EDWARD J. SHAUGHNESSY, ACTING COMMISSIONER OF IMMIGRATION AND NATURALIZATION, AT INDIANAPOLIS, IND., MAY 26, 1937

Mr. DICKSTEIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the the following address delivered by Hon. Edward J. Shaughnessy, Acting Commissioner of Immigration, before the National Association of Social Workers, at Indianapolis, Ind., on May 26, 1937:

At the outset of this administration an intensive study was begun of our deportation laws and their operation. For some years this subject had been recognized as a matter requiring careful consideration. It received general public recognition when the Wickersham Commission on Law Enforcement and Observance in

1931 recommended that some step be taken to remedy what had become a questionable situation in respect of the deportation of aliens. It has been accepted as a settled national policy that immigration should be rigidly restricted, but it has been found that during the years in which the immigration problem was receiving attention little thought was given to the deportation problem.

Pending the completion of this study and possible remedial legislation by Congress the Department temporarily suspended final action in certain deportation cases which involved conditions of such unusual hardship that they seemed to be inconsistent with the general policy of the various deportation statutes, although for one technical reason or another they came within their letter. The staying of these deportation cases was entirely proper and legal. The validity of this procedure rested not only upon the fact that the law is silent as to when deportation shall take place but also on the long-established practice of the Department of determining when deportation should be actually made according to the convenience of the Government or the needs of the alien in adjusting his affairs in a particular case.

Generally the cases laid aside involve aliens who had here a long residence or close family ties in this country. It was perceived that out of such factors hardships to the alien or his family most frequently arose. As the study of these cases progressed and legislation introduced in Congress was debated, the factors of primary significance in considering remedial measures became more clearly defined. Five factors are recognized as of primary importance in considering the interests of the Government and the alien and his family in deportation cases; they are, the nature of the immigration infraction, the conduct of the individual while here, the period of residence here, family ties in this country, and the economic effect on the community. As these factors became the basis of consideration, cases in which deportation had been previously temporarily stayed but which were found not to include any of these factors were removed from further consideration, and deportation was directed.

The deportation problem was first presented to Congress in April of 1934. Since that time various bills have been before the Senate and House of Representatives having for their purpose some manner of solution. In August 1935 the House adopted the O'Day resolution (No. 350, 74th Cong., 2d sess.), specifically calling for a further stay of those cases in which deportation would involve extreme hardship, and also calling for a report to be submitted by January 15, 1936. This report was made House Document 392 (74th Cong., 2d sess.). In response House bill no. 8163 and Senate bill no. 2969 were introduced. Although committee hearings were had on these bills and considerable debate took place in the Senate, neither bill reached a vote.

When Congress closed in June of last year without having taken a stand on the deportation problem, the inclination was to deport those aliens whose cases had been stayed. Nevertheless, it was difficult to believe that the inaction of Congress was to be interpreted as an indication of its disinterest in the problem or that its mind had been closed with reference thereto. This was found to be the opinion of numerous Members of Congress itself who importuned the Department and the Immigration and Naturalization Service to continue to stay deportation in these cases until after the convening of the present Congress. Such expressions were received in one form or another from Members of Congress from 35 different States. To date, deportation of those persons involved in the group of cases whose deportation has been temporarily stayed has not taken place.

Deportation is always mandatory under present immigration laws. No degrees of infraction are recognized and no mitigation of penalty is possible. Were this otherwise, there would probably be no deportation problem. Because this is the fact, the result must be that the honest, self-respecting alien, whether a laborer, clerk, businessman, or professional who may have in some manner entered without appropriate inspection, failed to have his entry recorded, is found not to have possessed a proper visa, or, having entered legally as a visitor, student, or seaman, remained for a longer time than provided by law and regulations, is required to be deported under a mandate of law as rigid as is provided for those convicted of crimes involving moral turpitude, persons engaged in immoral pursuits, or those engaged in subversive efforts to destroy the Government. As to the last-mentioned classes, paramount public interest may require deportation irrespective of the nature of hardship resulting to the alien or his family. As to the first-mentioned classes, deportation in some instances is neither in the best interest of the country nor necessary to a satisfactory administration of the purposes of the immigration laws.

From the human standpoint deportation frequently means literally tearing apart a family. A family once cared for through its own resources is made dependent upon the public by the requirement of public law that the breadwinner shall be deported. In other cases a long-established residence, necessarily involving the abandonment of ties in the old country and the acquisition of new ones in this country, is lost, and social and business ties, years in making, are wiped out. Sometimes a growing business must be liquidated and employees be left jobless. One or more of these results are not uncommon occurrences in the enforcement of the present deportation laws. So long as deportation is required under mandatory terms, irrespective of the purpose for which the deportation is made and without regard to the circumstances in individual cases, there must continue to be in a certain number of cases the creation of extreme hardships altogether avoidable.

The summary of a few cases which might be considered under such discretionary authority will be helpful in elucidating its application.

Three Canadian-born children, aged 10, 7, and 5, entered the United States in the company of their grandmother in 1926 to join their parents who were lawfully residing here and have resided here for 10 years. Later, two of the children, on returning from a visit to Canada, gave Detroit as their home. Investigation, however, disclosed that they had never been admitted for permanent residence. In the eyes of the law, these persons who were brought in when small children are held accountable for the fact that through improper application in their behalf at that time they were not admitted for permanent residence. Having no legal residence here, they are now subject to deportation, for there is no authority under existing law for taking into account the nature of the immigration infraction or the consequence of family separation.

Another case is that of a 15-year-old Mexican boy, brought to the United States by his mother. That was in 1923. Both entered without inspection. In July 1932 he crossed over the border to Zaragoza, Mexico, for a day's visit. On attempting to return he was denied readmission, because it was discovered his original entry when a boy had not been lawful. For 2 months he remained in Mexico, endeavoring to assemble the necessary documents required to obtain a visa from the American consul. One day he received a letter from his mother informing him that she was very ill. Without waiting longer for a visa, he hurried back to his home in Texas to be with her. He remained here, marrying a native-born citizen. This man has a good record in the community where he has resided. He supports his family without assistance. Had he not gone to Mexico for a day's visit he would not have been subject to deportation because of the original illegal entry for the time within which he might have been deported had long since passed. From another viewpoint,* he might have continued to await an immigration visa had not he learned of his mother's serious illness which motivated his last irregular entry into the country. Notwithstanding these considerations and his all but continuous residence for nearly 14 years, his deportation is mandatory under existing law.

Not all aliens subject to deportation have entered the United States in some irregular manner. Some are subject to deportation for remaining here beyond the period of time for which admitted. Such is the case of a native and citizen of Poland, now 59 years of age. She came to the United States originally in 1893 and in 1895 married a fellow countryman, who was residing here. She continued to reside here with her husband until 1919, and during the interim five children were born, all of whom are citizens. In the latter year, together with her husband, she returned to Poland. Three of the American-citizen children accompanied them and are yet residing with the father in that country. In 1928 this woman returned to the United States as a temporary visitor for the purpose of seeing her son, who was a beneficiary of the United States because of disability incurred during the World War. He is insane. After her arrival the son was paroled into her care. She has remained here and assumed the care of this afflicted son. She has not been the recipient of relief, though a daughter residing here has occasionally given her assistance. The three American-citizen children residing abroad with the father may come to the United States whenever they wish. Only the husband is outside the United States in a status which would require his admission under the immigration laws. This mother has been here for more than 8 years. Plainly she has overstayed any reasonable period as a temporary visitor. To have taken up residence in this country she should have been in possession of an immigration visa at the time of her entry in 1928. Under existing law her deportation is mandatory, even though presumably this would result in the son's being compelled to be returned to an institution. Our present deportation laws do not regard the high human instinct which apparently has forced this mother to choose between remaining here with an afflicted son and returning to other members of her family abroad. A human solution could be found for such a case under section 2 of the Dies bill, H. R. 6391, now before the Congress.

An 18-year-old boy arriving at a United States port as a seaman deserted his ship and joined here his father, mother, and brother, all of whom were American citizens residing in this country. He admitted that his coming in the manner he did was because of the imminence of a requirement that he enter the military service of his country. After being in the United States for a time he applied for a certificate of derivative citizenship to which he would have been entitled had his admission been for permanent residence. Since he entered as a seaman and remained here he could not obtain the certificate of derivative citizenship but his application disclosed to the Government that as an alien he had remained in the country longer than the 60 days permitted by law to alien seamen. Here, then, is the case of a young man who but for the technical manner of his entry would be under our laws a citizen of the United States. His family are American citizens but as his case stands his deportation is mandatory, and there is no authority vested by any law in anyone to adjust his case. It might be cared for under section 2 of the pending bill.

No two cases involving hardship are exactly alike either in the degree of hardship or in the manner in which it results. The cases outlined above are not common to other hardship cases in every detail but they are fairly typical of the problems which such cases create. When it is recalled that after years of consideration immigration has been curtailed to a minimum, it seems appropriate that attention may be given to the other side of the alien problem in an endeavor to find some means by which

the purposes of our deportation laws may be effectually carried out in a manner not unbecoming a great and humane nation.

In the study which was conducted in the latter part of last year and up to March 1 of this year, but not then completed, there were found to be pending deportation the cases of 2,363 aliens of good character whose violations of the immigration laws are in the large majority of instances of a technical nature, and none who are subject to deportation because of crime or immorality or subversive political activities. If these aliens must be deported, they will leave behind in this country 1,539 wives, 614 husbands, 3,814 children, 525 parents, or a total of 6,492 relatives. Of this group of relatives, 3,597 are presently dependents. Of the relatives to be left behind 4,592 are citizens of the United States. These cases have been stayed from deportation over the last few years. Any remedial legislation which would permit only their remaining here would not solve the problem which is represented by their cases. It is a continuing problem arising out of the administration of existing law and similar cases must be expected to arise in the future of a similar character.

Everyone who has seriously studied our deportation laws and the problem arising out of their administration has necessarily come to the conclusion that no solution can be found except through legislation. There has been introduced in the present Congress H. R. 6391.

Section 2 of the bill is the section which, it is confidently believed, affords the most practicable and effective means of meeting the deportation problem as it now exists and must continue to exist under our present laws. This section has been drawn with regard for five factors which have heretofore been mentioned; namely, the type of immigration infraction, the residence of the individual alien here, his conduct while in this country, family ties here, and the economic effect upon the community in the event of deportation. It proposes a limited discretion in those charged with the administration of the deportation laws. No alien subject to deportation for crime under existing law and no alien of the immoral classes can possibly benefit under any discretion which it proposes, nor can aliens who are deportable for subversive political activities hope to benefit under its provisions. Other aliens subject to deportation who are of good moral character might benefit from the exercise of the discretion this section allows if they have lived continuously in the United States for not less than 10 years, or have lived here for at least 1 year and have living in the United States a near relative who is a citizen of this country or a lawful resident. From the foregoing it must be plain that the discretion which this section allows is strictly limited.

Admittedly it cannot prevent all the hardships which must arise under our deportation laws. It will, however, go as far as seems practicable or expedient toward limiting such hardships in meritorious cases. By reason of the requirement found in section 8 by which aliens chargeable to quotas must be charged to such quotas if benefited by the discretion in section 2, the numerical restriction principle is strictly maintained. In other words, new immigrants are cut off from coming to the United States in number equal to those qualified for and receiving the benefits of the discretion in section 2. To such an extent the quotas of various countries are exhausted by the selection of those already here instead of from new immigration.

Limited discretion is not new in immigration laws but heretofore with a single exception it has been utilized only in connection with immigration—that is to say, the admission of aliens into the country. The pending bill would extend similarly a limited discretion to the deportation of aliens of good character. For 20 years there has been contained in section 3 of the Immigration Act of 1917 a discretion to readmit to this country aliens returning from a temporary absence to an unrelinquished domicile of 7 years. By the act of June 7, 1924, authority was granted to permit to remain in the United States aliens theretofore temporarily admitted in excess of quotas to avoid extreme hardship. Under the provisions of the Immigration Act of 1924 aliens lawfully resident in this country returning from a temporary visit abroad may be admitted without immigration documents under such conditions as may, by regulations, be prescribed.

The only instance in which any deportation provision has contained anything in the nature of a discretion is that found in the act of May 10, 1920, which provides that aliens convicted under certain wartime legislation could be deported only if in addition to such conviction the Secretary of Labor found that the alien was an undesirable resident. When a deportation under the provisions of this act was challenged before the Supreme Court, that Court, among other things, said:

"Nor is the act invalid in delegating legislative power to the Secretary of Labor. The power to expel aliens is political and is vested in the political departments of the Government. Even though the Executive may not exercise it without congressional authority, Congress cannot exercise it effectively save through the Executive. It cannot in the nature of things designate all the persons to be excluded. It must accomplish its purpose by classification and by conferring power of selection within classes upon an executive agency." *Mahler* v. *Ebey* (264 U. S., p. 32).

The prevention of the separation of families has also received the concern of Congress with respect to aliens seeking admission to the United States. The Quota Acts of 1921 and 1922 and the existing Immigration Act of 1924 all provided for exemptions or preferences as to quotas for aliens who were the near relatives of citizens or resident aliens in the United States in order to facilitate the family reunion in this country. The pending bill seeks in a limited way to provide a means of preventing the separation of families already here through the deportation of an alien member whose violation of the immigration laws is more technical than substantial in nature and the alien is of good character.

Section 1 of the bill increases the deportable classes. Subdivision (1) is designed to reach a numerous group of habitual criminals whose offenses, though numerous, are not such as to bring them within the present laws for deportation. Its scope has been made extensive and broad in order that consideration may be given to the deportation of numerous criminal aliens. Because of this very breadth and scope of the statute, provision is included whereby deportation need not take place if the alien qualifies under section 2 and deportation is not deemed to be in the public interest. Without such a discretion attached, the provision should either be greatly restricted or eliminated. Its theory is that aliens guilty of petty crime of a moral turpitude character should pass through a process of review as to whether they should not be deported from the country, an authority which does not now exist except with respect to the comparatively few whose offenses are of such a serious nature as to bring upon them an extensive sentence. In the meantime, aliens guilty of numerous lesser offenses constantly prey upon society, and many of them should be deported.

Subdivision (2) is designed to reach a class who, though guilty of vicious crime, escape conviction except for some seemingly innocuous offense, such as possessing or carrying a concealed dangerous weapon. Some of the vicious criminals of the racketeer class have been known to evade our deportation laws because their conviction was for no more than the offense covered by this subdivision. Because of its scope and breadth, however, like subdivision (1) of the same section, it is covered by the discretion in section 2 as to deportation. Without this safeguard it would be so drastic as to be repugnant as a part of our laws. Subdivision (3) reaches the alien who violates State narcotic laws just as existing law reaches those who violate Federal narcotic laws. Subdivision (4) of this section merely adds a deficiency in existing law which requires the deportation of the smuggled alien, but permits the alien smuggler to escape deportation. It will prove effective in further curtailing the assisted violations of the immigration laws.

The other sections of the bill seem self-explanatory.

Thus, through the pending bill, it is hoped that a means may be afforded by which the country may be rid of some of its habitual criminals who are aliens while, at the same time, its deportation laws relating to persons of good character may provide room for humane considerations.

Voices From the Past

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1937

Mr. DIRKSEN. Mr. Speaker, in 1924 the Republican Party convened in Cleveland, Ohio, nominated Calvin Coolidge and Charles G. Dawes, and committed those gentlemen to a platform which said:

> We declare our faith in the principle of the 8-hour day.

That was 13 years ago, and is but a specific way of saying that at that time the party affirmed the general principle of the shorter working day.

In 1928 our party convened in Kansas City, nominated Herbert Hoover and Charles Curtis, and adopted a platform which specifically favored collective bargaining and stated that the Republican Party pledged itself "to continue its efforts to maintain this present standard of living and high-wage scale." That was 9 years ago. If that plank means anything, it means adequate wages for all to maintain a decent standard of living.

In 1932 the Republican Party convened in Chicago, nominated Herbert Hoover and Charles Curtis, and approved a platform which said:

> We believe in the principle of high wages. We favor the principle of the shorter workweek and the shorter work day, with its application to Government as well as to private employment, as rapidly and as constructively as conditions will warrant.

That pronouncement came 5 years ago.

In 1936 the Republican Party convened in Cleveland, nominated Alfred M. Landon and Frank Knox, and adopted a platform which stated that—

We pledge ourselves to support the adoption of State laws and interstate compacts to abolish sweatshops and child labor and to protect women and children with respect to maximum hours and minimum wages and working conditions. We believe this can be done within the Constitution as it now stands.

Interpreted by the most rabid partisan, that collection of planks could not mean other than an affirmation of the decent wage and the shorter day and shorter week, which is the objective of the wage-hour bill.

It might be said that none of these planks constitutes a support of a Federal administrative board to administer such an act. If we examine the plank dealing with "regulation of business", we find this statement in the 1936 platform:

We recognize the existence of a field within which Government regulation is desirable and salutary. The authority to regulate should be vested in a tribunal acting under clear and specific laws establishing definite standards.

Can there be a distinction between regulating business in interstate commerce and regulating the labor employed in such business for the purpose of minimum wages and maximum hours, and does not the wage-hour bill set up a tribunal with an attempt to fix definite standards?

New Housing and Slum Clearance

EXTENSION OF REMARKS

OF

HON. EDWARD W. CURLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1937

Mr. CURLEY. Mr. Speaker, after successfully weathering a stormy voyage over the legislative rocks of the United States Senate, the housing bill (S. 1685) sponsored by Hon. ROBERT WAGNER, of New York, was approved. It now awaits consideration by the House of Representatives and has been referred to the Committee on Banking and Currency, of which Representative STEAGALL is the chairman. Representative STEAGALL is also co-sponsor of the housing bill in the House of Representatives.

THE DEMOCRATIC PLATFORM OF 1936

We hold this truth to be self-evident—that the test of a representative government is its ability to promote the safety and happiness of the people.

HOUSING

We maintain that our people are entitled to decent, adequate housing at a price which they can afford. In the last 3 years the Federal Government, having saved more than 2,000,000 homes from foreclosure, has taken the first steps in our history to provide decent housing for people of meager incomes. We believe every encouragement should be given to the building of new homes by private enterprise, and that the Government should steadily extended its housing program toward the goal of adequate housing for those forced through economic necessities to live in unhealthy and slum conditions.

FACING THE FACTS

First. The Democratic Members of Congress are solemnly pledged to carry out a sacred obligation of the platform of the Democratic Party adopted in convention held in Philadelphia June 1936 in respect to housing.

Second. The New Deal Democratic Administration under President Roosevelt is keeping the faith in urging approval of such housing program.

Third. As a loyal Democrat who subscribed to the policies promulgated and initiated by the President as the national leader of the Democratic Party pursuant to the provisions of the platform, I believe it to be the bounden duty of representatives in Congress elected on the Democratic platform to support President Roosevelt in his herculean task to solve the intricate human problems still obstructing progress toward recovery of normal equilibrium of our economic structure.

THE HOUSING PROBLEM

The housing problem in the city of New York and throughout the Nation is of more commanding importance just now to the public interest than any other subject requiring legislative action by the Congress. How can we hope to stamp out disease, insanity, and crime unless we take concrete steps to remove the causes of such a serious social maladjustment? How can we diminish blight and eliminate slum areas in congested urban centers except through Government agencies? Private enterprise has no incentive because there is no profit in low-cost housing for low-income groups of our people. Let it be known I am not district-minded but am concerned over similar conditions existing elsewhere in the United States as they exist in my own congressional district in New York City. Here is a little local history of slum and blighted areas in the five counties of New York City:

First. New York County: There are 29,056 old-law tenements containing 335,042 flats.

Second. Brooklyn or Kings County: There are 31,353 tenements and containing 148,199 flats.

Third. Bronx County: There are 4,620 tenements and contain 31,737 flats.

Fourth. Queens County: There are 1,632 tenements and contain 7,044 flats.

Fifth. Richmond County: There are 291 tenements containing 1,164 flats.

This makes a total of 66,952 of these old-law tenements with a total number of 523,386 flats. These flats house approximately 1,500,000 people in the city of New York. If the social reformers really seek the fundamental cause of crime and all its ramifications, here is where it will be found in all its vicious environment. The remedy lies in a drastic slum-clearance and new housing program by the Government. There are three important, specific features stressed in the proposed housing bill, namely:

First. The elimination of slum areas; the rescue of the low-income group.

Second. The protection of the health and morale of the poverty-stricken tenants.

Third. The stimulation of building industry and reduction of unemployment.

We hear a great deal about slum and blighted areas in the congested tenement-house sections of large urban centers, and in particular in my own congressional district.

TENANTS DOOMED UNLESS RESCUED

A "slum" is defined as "housing (on whatever scale) so inadequate or so deteriorated as to endanger the health, safefy, or the morals of its inhabitants." A "blighted area" is defined as a residential area on the down grade which has not reached the slum stage.

BUILDING INDUSTRY SUBMERGED IN DEPRESSION

No plan to restore prosperity will work if the people can not. The distribution of the wealth of the Nation in work and wages is the basis of all prosperity. And there is the problem. It is estimated 8,000,000 American citizens are unemployed now. The only common-sense solution therefor is the initiation of a housing program of construction which will stimulate the building industry which is still "flat on its back." It was the first to be paralyzed by the depression and the last to receive practical financial assistance. There are a million craftsmen in this essential element of our economic life. There are three to four million other workers indirectly related to the building industry. What is holding back this evident solution of this difficult problem? Is it some sinister force that fears the plain compelling truth? What sort of a construction of the American ideal of social justice for all are the critics taking when they attack such a practical, humane social program of housing construction and slum clearance? The Government came to the rescue of the farmers, did it not? Over 2,000,000 home owners all over the country were refinanced by Uncle Sam, you must admit. Mortgagees all over the land—banks, insurance companies, railroads, and business in general—pleaded for financial help from the Government, and it was granted according to the public records. So why, may I ask, this sudden concerted sectional activity against the urban centers when the latter made such constructive contributions to the solution of problems of the rural sections?

The paralyzing effect which the crisis of the depression produced between the years 1929 and 1933, inclusive, on the building trades department of the building industry is colossal when a view of the statistics is placed before us, namely:

BUILDING CONSTRUCTION AND HOUSING IN THE UNITED STATES

The number of families provided for in new dwellings in 257 identical cities are as follows:

1929: In 1-famly dwellings	93,164
1933: In 1-family dwellings	14,437
1929: In 2-family dwellings	27,813
1933: In 2-family dwellings	2,124
1929: In multifamily dwellings	118,417
1933: In multifamily dwellings	9,318

Bradstreet's estimates of building expenditures in 120 cities of the United States were given as follows:

In 1929, $2,489,553,000 were spent.

In 1933, $262,942,000 were spent.

The foregoing statistics indicate expenditure of money in private industry for housing construction took a toboggan slide from a peak in 1929 and zigzagged to almost a zero point in 1933 because the financial institutions were on the verge of bankruptcy when the "life saver", Uncle Sam, stepped in and rescued the very institutions which primarily brought on the business collapse. The builders of the Nation were handcuffed and could not obtain loans for private construction.

FEDERAL GOVERNMENT COMES TO THE RESCUE

According to the statistics of the Federal Emergency Administrator of Public Works, Hon. Harold L. Ickes, the total volume of all construction in 1929 in the United States amounted to some $12,000,000,000. In 1932, before the establishment of the P. W. A., the pendulum had swung so far in the other direction that the volume of total construction was less than $4,000,000,000. To understand the importance of construction in our economic system it is necessary to recall that of 49,000,000 persons in gainful occupation before the depression, more than 3,000,000 worked at construction sites. In addition to these were millions of other workers whose employment depended directly upon orders for materials used in construction. The depression was ushered in by a let-down in building from boom activity to a comparative standstill. First of those to be laid off were the men engaged in the building trades—the masons, bricklayers, steel workers, carpenters, plasterers, and plumbers. As construction slowed down there was a gradual correspondent decrease in orders for materials, and the employees of the mills and factories joined the ranks of the jobless. With mills and factories shut down there was obviously no call for raw materials to be fashioned into supplies for construction. Work ceased in the forests. The long lines of freight cars and trucks transporting raw materials from their source to the mills and factories which fabricated them and thence to construction sites became shorter and shorter.

Evidencing the decreased activity in these industries is the fact that retail sales for 1933 dropped 47.7 percent from their 1929 total. In 1934, when the benefits of the first program undertaken by P. W. A. were being felt, there was an upward movement for the first time since 1928. The Congress accepted the theory of public works and appropriated for all construction purposes, congressional appropriations totaling $3,151,681,565, of which less than half went to P. W. A., of which $130,937,289 went for Federal low-rent housing projects. So, Mr. Critic, you have a precedent for Federal aid for low-rent housing construction. There should be no objection, if based on sound reasoning. The quicker the purchasing power of consumers is spread over a wider area than it is now, the sooner the Nation will balance its Budget. You can do this if you adopt a worthwhile building construction program to eliminate the slums and erect new houses in place of them. Let us start the production program agoing by stimulating the dormant building trades by means of a financial blood transfusion. Give these millions of workers the same opportunity the banks, home owners, farmers, railroads, and business in general received from the Government. The city worker needs the farmer help just as the farmer needs the city worker. Their interests depend on each other. The Wagner-Steagall housing bill is a humane constructive measure and deserves the support of the Congress. The sponsors of the bill are to be congratulated for the long, tiresome effort to salvage the poverty-stricken tenants from the slum tenements and dwellings of the country and provide them with decent housing.

The Late Joseph W. Byrns

MEMORIAL ADDRESS

OF

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. TAYLOR of Tennessee. Mr. Speaker, I regret exceedingly that I was unable to be present when memorial services were held in this Chamber in honor our our esteemed friend, the late Speaker JOSEPH W. BYRNS; however, I am taking advantage of the privilege hertofore granted to add my tribute to the memory of that distinguished Tennessean.

On June 4, 1936, there passed from this Chamber a rare figure in our national life, and his death was so sudden that we have not yet to this day fully recovered from the shock. I refer, of course, to the untimely passing of the late JOSEPH W. BYRNS, whose long, able, and brilliant career, not only reflected outstanding credit and luster on the great Volunteer State, but on the Nation as well.

Mr. Speaker, throughout the history of this Republic it has been given to few men to render such signal and distinguished service to his country. Few men attain to the rank and recognition which was so justly and becomingly bestowed upon this worthy Tennessean.

JOE BYRNS was an indefatigable worker. He was a man of boundless energy and tenacity. He was a fighter, too; but in his parliamentary battles he always observed the rules of decorum and he never hit below the belt. He was intense in debate and yet he never resorted to invective or billingsgate or uttered words that might be offensive to his colleagues. He was in every sense a good sportsman.

As Speaker of the House JOE BYRNS was the very embodiment and personification of integrity. He never allowed partisanship or personal predilection to influence his official acts, and as the presiding officer of this body he was particularly jealous of the rights of the minority. He was uniformly courteous, patient, and long-suffering. His rulings were just and without any suspicion of prejudice, favoritism, or subtlety.

JOE BYRNS was born and reared on a farm, and it was from that environment early in life that he imbibed a fine spirit of independence and acquired a rugged physique and individuality.

Mr. Speaker, JOE BYRNS was a Democrat of the Andrew Jackson school. Due to his many Jacksonian characteristics his colleagues often referred to him as "Old Hickory." He was a stanch believer in the doctrine of State rights, and it must have pained him greatly to see this sacred heritage of his party discarded and sacrificed in the interest of a species of bureaucratic centralized utilitarianism.

Mr. Speaker, knowing JOE BYRNS as I did, it is my candid and deliberate opinion that his death was more or less hastened as a result of his compulsory support and championship of a political philosophy in which he did not believe, and for which he had no heartfelt sympathy. As majority leader and as Speaker of the House, it was incumbent upon him to render loyal support and cooperation to the administration of which he was a part. JOE BYRNS was a good soldier, and when orders came it was not for him "to ask the reason why" or to question their logic or wisdom. Like a true, intrepid soldier, he did his duty to his party regardless

of his personal opinions. Anyone who knew JOE BYRNS must know, independent and farseeing as he was, that he got no thrill or satisfaction out of supporting many of the so-called New Deal measures—measures to regiment and bureaucratize the people and functions of a government which he dearly loved. JOE BYRNS was a steadfast believer in liberty, and to see the liberties of the people gradually vanish under the engine of the New Deal, must have grated on his nerves and offended his fine sense of freedom and independence. There is nothing that so saps the physical vitality or constitution of a man as being forced to do something which is contrary to his personal sentiment and personal convictions.

While I enjoyed a casual acquaintance with JOE BYRNS before I came to Washington, it was after I came here, through 18 years of association that I learned to know his sterling worth and appreciate the value of his public service. JOE BYRNS and I were close personal friends and I entertained not only great respect but genuine admiration and affection for him. In his death the great State of Tennessee and the Nation, also, suffered an irreparable loss.

In his life and character JOE BYRNS fulfilled in full measure that injunction contained in the sixth chapter of Micah: "What doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God?"

Can Uncle Sam Chase Death From the Highways?

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1937

ARTICLE BY HON. WILBURN CARTWRIGHT, MEMBER OF CONGRESS, THIRD DISTRICT OF OKLAHOMA

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, to include a short statement made by Hon. WILBURN CARTWRIGHT relative to death on the highways of the United States. This will be of interest to all motorists in the country. It presents an appalling record of death and destruction of property. The statement is as follows:

THE MOTOR TOLL MOUNTS, BUT THERE'S A WAY, SAYS THE AUTHOR OF OUR NEWEST MOVE FOR SAFETY—FOOLPROOF THE ROADS THEMSELVES

Automobile accidents were responsible for more than 100 deaths a day last year. The death rate is steadily climbing; the increase has been approximately 1,000 deaths a year for the past decade. Some have suggested prohibiting the manufacture of cars capable of high speed; others equipping cars with speed governors. Such suggestions are hardly worthy of mention.

For the benefit or hindrance of drivers innumerable laws and regulations have been devised. Some of these have caused such a reaction of impatience with foolishness that they have proved to be hazards, not safeguards.

Of course we have our drunken drivers, speed maniacs, irresponsibles. We also have laws to cover most of their offenses, and their regulation is the problem of city and State police and municipal judges. I do not believe that very much more can be done to improve our drivers.

But we can and we must build foolproof, crash-proof roads. Our traffic engineers have learned how. Meanwhile testimony of highway authorities before the House Committee on Roads last year reveals that only 373,000 of America's 3,069,000 miles of road are improved with any type of surface. Only a fraction of 1 percent of them were built with the safety factor in mind. When the remainder are brought up to proper safety specifications a mighty blow will have been dealt to the grim reaper.

A few years ago some thought the multilane road a panacea for all highway troubles. But New Jersey built a four-lane "accident proof" superhighway between the Holland Tunnel and Trenton—and found it caused more and bigger accidents than the old two- and three-lane roads. However, the Holland Tunnel itself, under the Hudson River, is a shining example of what our highways of tomorrow must be. It provides lanes for fast and slow traffic in each direction, separated by a traffic island. Of course there are no intersections, and policemen see that cars stay in line. Otherwise it is simply a four-lane limited way. Last fall over a million cars had passed through it with less than half a dozen fatalities.

Most of our present road system "just grew", and grew in the "horse and buggy" era. Many an accident is the fault of the road, as their frequency at "death spots" proves. But the Federal Government, working in cooperation with the State governments, is performing a major operation. Funds have been set aside under a bill of my authorship to provide for study of traffic conditions and their improvement.

The report, due to be completed in June, will tell us what needs to be done. At present several activities of the administration's relief campaign are effecting improvements that focus toward safety.

Facts and Reasons Why H. R. 6963, the Bondholders Reorganization Bill, Together With Amendments as Contained in the Original Bill (H. R. 9) Which I Shall Offer, Should Be Adopted

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1937

Mr. SABATH. Mr. Speaker, although many of the more obvious offenses of protective committees against the trust usurped by them from holders of defaulted securities were stopped because of their dread of the select committee of Congress, the final hearings held by the select committee before its expiration revealed that the pillage of other people's assets is now often accomplished through practice of fraud upon the courts.

Bias and abridgment of truth by many lawyers corrupt the findings of courts into ill-advised and inequitable decrees. Even honest judges are impotent to protect themselves against such crafty collusiveness. The administrative task of bankruptcy reorganizations is so immense that no court is now adapted to shield itself from deceit. Although lawyers, by their oath as officers of the courts, are constrained to adduce the truth, because of tacit nonresistance to one another's fees they maneuver to disclose to the courts only a part of the truth. Facts that can only be revealed by honest and laborious audits; interrelation of "insiders" who primarily angle to swindle others out of their property rights; exposure of frauds antedating and causing falsified defaults seldom are divulged. On the contrary, they usually are suppressed, and incompetent, crafty impostors masquerading as "experts" are injected into the proceeding, or are foisted upon the courts, to give support to guileful appraisals, tricky leases, and misleading financial set-ups, the magnitude of the fraud upon the court always being in direct proportion to the fee allowed or paid out of the estate of the security holders.

Too many special masters and referees have degenerated from truth and fact-finding arms of courts into "kangaroo" courts, in which reality and equity have become subordinated to grave examination into the relevancy of tweedle-dee contrasted with tweedle-dum.

Under this haphazard system the stupendous administrative elements of bankruptcy, 74 and 77B proceedings, have become corrupted into a lucrative contest in which predatory aptness succeeds far more often than does equity and justice. Tens of millions of our most deserving people—the savers—are thus impoverished and thousands of them thrown upon the Government as a burden to support.

Yet these embarrassed assets, originally representing $36,000,000,000 of the people's money, still exist; but under the deficient system now prevailing, ownership of them legalistically—albeit inequitably—is becoming expropriated by a few freebooters purposing to found a landlord class at great danger to the Nation.

This unjust transfer of property rights from investors to an arrogated paternalism consisting of insidious deceivers must be arrested. Faith in investments must be reestablished; justice in reorganization or liquidation must be secured and protected.

The conservator bill, H. R. 6963, being principally an added section 77C to the Bankruptcy Act, is designed to achieve these purposes. Congress no longer can remain without decisive action that will save legitimate property rights of millions of our citizens.

When you consider that out of the tens of millions of dollars put up by bondholders to erect numerous picture theaters, through legal maneuvering they now come out second best while the insiders who engineered the promotion, the default, and now the reorganization, come out on top—as the masters of the situation—then it is our solemn duty to rectify our defective system that justice will triumph.

In one of these theater cases, for illustration, the Harding Theater, where a cash offer was made sufficient to pay out bondholders 100 cents on the dollar, about one-third of their accrued interest, to pay the junior claimants 50 cents on the dollar, and still leave some $92,000 for legal fees and court expenses, the judge confirmed a reorganization whereby the insiders got a ridiculously low lease for a long term of years, which it decreed a priority to the rights of the original investors.

Example after example of such inequity is contained in the record of our hearings; in every instance a monopolistic entity which undoubtedly engineered the fleecing of bondholders through the sacred precincts of our courts, has prevailed in their piracies. The result is that in Chicago, as well as throughout other large cities of the Nation, a giant octopus has been reared that has terrorized out of existence all consequential competition.

It is no different with large hotel properties. These are being filched to the utmost by plunderers beneath the benches of judges who are overwhelmed with tens of thousands of foreclosures and bankruptcies and unable to cope with this steal of the ages as the courts are now constituted.

In one foreclosure—the Lott Hotels—which now has been transferred into the Federal courts, litigation has dragged on for 9 years. Taxes in the sum of $866,000 remain unpaid, operating losses by a receiver who knows nothing of hotel management have grown to $477,000, and yet fees have been allowed in the sum of $324,000. Bonds acquired after defaults by the house of issue, which now is the protective committee, were paid the sum of $421,000 by court order, bondholders have not received a cent.

In another chain of hotels—Leeds & Levy—the lessees, with the connivance of attorneys, suppressed income from the court so as to avoid paying full rentals, kept two sets of books to conceal the fraud, and even intercepted the mail of the select committee when its investigation got too near an exposé.

Large, expensive public dance halls—the Aragon and Trianon in Chicago—constructed with other people's money, have become a crafty game of freeze-out. Original promoters who, since default, have had plenty of money to buy the defaulted securities in sums of hundreds of thousands of dollars, nevertheless did not have money to pay their obligations to the bondholders. And with the consent of the judge, competing offers of leases at higher prices that would benefit the bondholders were ignored, or intimidated out of court, with the result that the self-same issuer of the original indebtedness now emerges in a better position than ever before, with court-approved leases at one-fourth previous rentals, so that bondholders may wait indefinitely for their money, because after payment of taxes out of the rental income, practically nothing is left for distribution.

In the case of two large picture houses, Marbro and Granada, of over 3,000 seats each, testimony of accountants indicates that bondholders may have to wait 60 years on one and 93 years on the other for the return of their money.

One smaller trust company of Chicago, through its employees, has held on to receiverships of 40 or 50 defaulted properties since 1929, all the while taking rake-offs on coal, decorating, and other items, transferring moneys from income of the estates into its private account, placing title of numerous of the buildings into the name of a manicurist friend of the executive head of the corporation, all the while bondholders being unable to get head or tail of what was going on. When the employee-receiver of this trust company threatened to expose it the trust company railroaded him into jail on a contempt of court charge, where he now is and may remain indeterminedly.

A large institution—originally a Dawes interest—Central Republic Trust Co. and others, acting as a bondholders' protective committee, has had in its control defaulted properties valued at almost $43,000,000, some since 1928. Out of 334 properties the bonds on 1 were returned to bondholders without any results for bondholders; on 3 buildings bondholders' investments were entirely lost because they were on leaseholds; 25 properties were reorganized, whereby the same men on the protective committee retain control through voting trusteeships, bondholders remaining in their power for the future 10 to 15 years and obtaining for their investments simply pieces of paper called "certificates of interest"; 4 properties were reorganized under section 74, and 10 under section 77B; there are 22 properties still in process under 77B, 2 under 74; on 68 properties no action at all was started; and 168 properties are still under foreclosure in State courts. During all those years bondholders fretfully await some equitable solution of the problem, but, as may be seen, with very little satisfaction. All the while Mr. Dawes' new bank retains management of these properties at a maximum allowable charge—and the unfortunate bondholders are waiting and watching.

In most cases trustees acting for the courts or under the trust indenture, some having as many as 150 properties under their control; as in the S. W. Straus and other issues when interrogated by the select committee, their answer was, "I don't know" or "I don't remember", and for that ignorant management of properties entrusted to them by courts they draw and are allowed thousands of dollars.

Receiverships and trusteeships are given in great numbers to a select few. One trust company, Chicago Title & Trust Co., since 1929 has obtained approximately 3,000; another trust company and its officers individually nearly all the fake receiverships, American National Bank & Trust Co., about 500. Several individuals, pets of judges, anywhere from 100 to 200. Our finding is that not only do they obtain outrageous fees therefor, and employ only a few inexperienced people to look after the properties with the result that mismanagement, waste, unnecessary deterioration and nonpayment of taxes is the general rule. Such properties are so thoroughly enmeshed in extraneous charges during receiverships and so overburdened by an accumulation of accrued taxes by the time any legal solution is reached in the courts, that bondholders have little remaining.

Not only is it a question of real-estate bonds representing some $15,000,000,000 in securities but also a question of some $10,000,000,000 in defaulted industrial and utility securities and $2,000,000,000 in municipals.

The portrayal of conditions relating to real-estate defaults is no better than the craftiness practiced in industrials and utilities or municipals.

Another, newer, phase of our investigation uncovered a widespread scheme to defraud millions of policyholders in insurance companies going through receiverships or reorganizations. There are upward of 25 such insurance companies which sometimes deliberately have been maneuvered into distress so that combinations of wreckers could become possessed of assets running into hundreds of millions of dollars, with annual premium incomes of twenty-five to thirty-five million dollars. In the case of one stock company that had almost a million policyholders Wall Street buccaneers bought it up for $63,000, which money they later took out of the distressed company they usurped to save. Within a few weeks they placed a lien on the policyholders of 50 percent and sold assets through their finance corporation, and so forth.

The record shows that good insurance companies often are gutted or imposed upon to save personal interests of promoters in other insurance companies; that there exists an interlocking of stockholdings between numerous individual insurance companies, with the result that when one meets difficulties, immediately many others are endangered.

The split-up control now resting in 48 State insurance commissioners leads to lax supervision, dangerous compromises between opposing State auditors. Frequently the full truth is suppressed because of the fear of some State commissioner that sooner or later he will have to ask a similar suppression of facts for his own local company by other State commissioners.

If anything, insurance reorganizations are even more involved than real estate or industrials and utilities. The subject is enormous, and at present represents a blight upon this Nation's economic welfare that must be eradicated if the business of insurance is to be saved from discredit in the minds of the people.

Yet, whatever the class of default—be it real estate, insurance, or other classes of securities—the investor, the saver, today is being robbed with impunity. The vultures always gather as a wounded enterprise is scented. This Nation's defense against these birds of prey is woefully inadequate. The Congress must recognize this and provide the necessary protection that millions of our citizens throughout the breadth of the land are praying for.

Billions Out and Billions Back

EXTENSION OF REMARKS

OF

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, August 10 (legislative day of Monday, Aug. 9), 1937

ARTICLE BY JESSE H. JONES, CHAIRMAN OF THE RECONSTRUCTION FINANCE CORPORATION, JUNE 26, 1937

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, published in the Saturday Evening Post of June 26, 1937, entitled "Billions Out and Billions Back."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, June 26, 1937]

BILLIONS OUT AND BILLIONS BACK—THE BANKERS BOSS THE RAILROADS

The larger cities and localities that suffered most from bank failures were Akron, Toledo, Youngstown, Detroit, Cleveland, Chicago, New Orleans, and Baltimore. Many smaller cities and towns lost all their banks. Atlantic City suffered, probably, the heaviest percentage of deposit losses.

After the bank holiday Akron, Ohio, had only one small commercial bank remaining, the Firestone Park Trust & Savings Bank, owned largely by Harvey Firestone and established for the convenience of employees of the Firestone Tire & Rubber Co. The bank deposits of this city of more than 250,000 inhabitants aggregated only $52,000,000 in its five banks on January 1, 1937, little more than half of the total deposits in its nine banks in 1930.

Toledo had 13 banks in 1930, with deposits aggregating $192,000,000. In January 1937 it had six banks, with total deposits of only $128,000,000. Youngstown had nine banks in 1930, with $76,000,000 deposits, and six in January 1937, with only $56,000,000 deposits. Cleveland had 18 banks in 1930, with deposits aggregating $1,033,000,000, while in January 1937 it had 11 banks, with deposits of only $764,000,000.

BANK RECOVERY

The other cities have had greater recovery. Baltimore had 40 banks in 1930, with $586,000,000 deposits, while in January 1937 it had 28 banks, with deposits of $655,000,000. Its bank troubles started in 1931, when the Baltimore Trust Co. was forced to raise $7,750,000 to repair its capital. Notwithstanding this large capital contribution it and the Union Trust Co., another large institution, were unable to open after the bank holiday. Two large casualty companies in Baltimore, the Maryland Casualty and the United States Fidelity & Guaranty Co., also suffered heavy losses as a result of guaranteeing real-estate mortgage bonds. These we were able to protect through loans to mortgage companies and loans on the preferred stock of the companies.

New Orleans had nine banks in 1930, with deposits of $242,000,000. In January 1937 it had five banks with $255,000,000 deposits. Three of the large banks in New Orleans were not able to open after the bank holiday. Two of these were reorganized by the Reconstruction Finance Corporation taking preferred stock and the depositors, for the most part, taking the common stock. Depositors in New Orleans' closed banks have received a smaller percentage on their deposits than those in other large cities.

One of the largest banks in Memphis closed, but, with Reconstruction Finance Corporation assistance and loans aggregating $14,300,000, a new bank was organized. Depositors of the old bank have been paid in full, and its stockholders own the new bank, which is making good progress.

Chicago had 223 banks in 1930, with deposits of $2,862,000,000, while in January 1937 it had 56 banks, with deposits of $3,135,000,000. It was the failure of this great number of banks in Chicago that precipitated the bank runs there in June 1932. The Foreman-State National Bank, Chicago, was the first big bank to hunt cover following failure of the Bank of United States in New York City on December 11, 1930. The First National Bank of Chicago and its affiliate, the First Union Trust & Savings Bank, took over the Foreman-State National Bank, of Chicago, and its affiliate, the Foreman-State Trust & Savings Bank, in June 1931, assuming their aggregate deposits of $220,000,000 in full. They were given a $12,500,000 guaranty against loss by clearing-house banks and some individuals interested in the Foreman banks, including particularly Albert D. Lasker, former chairman of the Shipping Board and principal owner of Lord & Thomas. The Bank of United States, of New York City, had deposits of $161,000,000 and capital of $25,250,000. Its depositors have received 65 percent and will get something more.

In 1930 Detroit had 21 banks, with deposits of $874,000,000. In January 1937 it had 8 banks, with deposits of only $767,000,000, notwithstanding the great industrial recovery there.

The largest banks to fail were in Detroit and Cleveland. The first of these to come to grief were the First National Bank and the Guardian National Bank of Commerce, of Detroit. The Michigan bank holiday was declared by the Governor of Michigan on the 14th of February 1933. The Governor's first declaration was for a brief suspension to give the banks time to fortify their positions following the failure of the Union Guardian Trust Co. of Detroit, with deposits of $20,000,000. This institution, like the Guardian National Bank of Commerce, was a member of the Guardian Detroit Union group of banks. The Detroit banks appealed to New York and Chicago banks, as well as to the Reconstruction Finance Corporation. New York and Chicago sent banker representatives to Detroit; George W. Davison, chairman of the board of the Central Hanover Bank & Trust Co., from New York; and Melvin Traylor from Chicago. President Hoover sent two Cabinet members, Secretary of Commerce Roy Chapin, whose home was Detroit, and Under Secretary of the Treasury Arthur Ballantine.

The Governor extended the holiday from time to time until the Nation-wide bank holiday was declared by President Roosevelt on March 6, 1933. Notwithstanding the extraordinary efforts made by President Hoover, the New York and Chicago banks, and the R. F. C., it was impossible to save these Detroit banks. Under the circumstances, it is surprising that all Detroit banks did not fail.

PROTECTING SMALL DEPOSITORS

From the time the Detroit bank trouble started, in February 1933, until the Nation-wide bank holiday, on March 6, 1933, directors and executives of the R. F. C. were in almost continuous consideration of the Detroit situation, with Senator Couzens and Senator VANDENBERG frequently in the meetings. There were White House meetings with President Hoover, Treasury officials, Michigan Senators, and representatives of the R. F. C. But try as hard as everyone did, the tragedy could not be averted. The First National Bank had 650,000 depositors, with deposits aggregating $398,000,000. The Guardian National had 150,000 depositors, with deposits aggregating $114,000,000.

By arrangements perfected between the R. F. C. and the large depositors of the Guardian National Bank of Commerce and the First National, and R. F. C. loans aggregating $182,927,049 to the conservators and receivers of the two banks, funds were made available to pay in full depositors in the Guardian National with $1,000 or less—116,000 depositors—and those in the First National with $300 or less—485,000 depositors. The arrangement provided for pro-rata payments to all depositors in both banks and an assignment by the larger depositors of a part of the distribution due them, to be used in purchasing the remaining balances of the small depositors.

Great credit is due the large depositors for allowing the smaller depositors to be paid first and in full, and agreeing to stand whatever loss, if any, there might be in the final liquidation.

In Cleveland the Union Trust Co., with normal deposits of almost $300,000,000, and the Guardian Trust Co., with more than $150,000,000, both failed. By February 27, 1933, the Union's deposits had shrunk to $143,000,000 and the Guardian's to $81,000,000. Both of these banks went on a restricted withdrawal basis on that date, Guardian depositors being allowed to draw only 1 percent of their balances and the Union 5 percent. Neither of these banks was able to reopen after the bank holiday. Depositors of the Union have been paid 50 percent, and the indications are that they will finally get more than 80 percent. An effort is now being made to reorganize the bank. Guardian depositors have been paid 31 percent and early in May the R. F. C. authorized an additional loan of $15,200,000 to the receiver for payment of an additional 20 percent to depositors. These depositors should get some further distributions on final liquidations. Failure of these two banks added to the already unhappy situation in Cleveland resulting from industrial unemployment.

Bank failures are tragic, wherever and whenever they occur, but when the two principal banks in a city as large as Detroit fail, with more than 800,000 separate depositors and $512,000,000 deposits, you have panic on a large scale. More than 100,000 of the 800,000 depositors in these two banks were nonresidents, and in addition to bringing almost everything in that city to a complete standstill, the state of fear already existing throughout the country was intensified. It would be difficult to describe the temper of the people of Detroit when these two big banks failed to open after the bank holiday. They were stunned. No city in the world can claim greater industrial leadership than Detroit, but these leaders were without experience in dealing with a banking crisis. It is fair to say, however, that few cities could boast of their leadership and cooperation in meeting and preventing bank failures.

NEW BANKS IN DETROIT

After a number of unsuccessful attempts to reorganize and reopen the First National and the Guardian National, the General Motors Corporation put up $12,500,000 for common stock in a new bank, the National Bank of Detroit, the R. F. C. taking $12,500,000 preferred stock. General Motors agreed to give stockholders and depositors of the First National Bank 60 days in which to take a proportionate share of the common stock at cost and interest. The new bank opened for business on March 24, 1933. It purchased from the conservators of the First National Bank of Detroit and the Guardian National Bank of Commerce some of their more liquid assets, for which it paid $104,588,000 and $14,000,000, respectively.

These amounts, together with the proceeds of R. F. C. loans to the conservators on the remaining assets, were placed on deposit with the new bank, enabling a 30-percent distribution to depositors of both institutions, through the National Bank of Detroit. On January 1, 1937, deposits of the National Bank of Detroit were $412,000,000, or more than those of the First National at the time of its failure, although the deposits of the latter had at one time exceeded $500,000,000.

Some months later Edsel Ford put up the major part of $5,000,000 capital for a new bank—The Manufacturers National Bank of Detroit. This bank opened for business on August 10, 1933, and took over the deposit liability of the Highland Park State Bank, the Guardian Bank of Dearborn, the Dearborn State Bank, and the Peoples Wayne County Bank of Highland Park. When this was accomplished The Manufacturers National had deposits of approximately $21,000,000. On January 1, 1937, its deposits were $132,257,000. To enable the new bank to assume in full the deposits of the four banks the R. F. C. made loans to the four banks aggregating $14,407,262.33, secured by part of their assets. The Ford interests had $2,250,000 on deposit in one or more of these banks. These deposits were subordinated to our loan and must stand the first loss, if any.

When the First National Bank, the Guardian National Bank of Commerce, and the Union Guardian Trust Co., all of Detroit, closed, the Ford interests and members of the Ford family had approximately $67,700,000 on deposit with them. In March 1936 The Manufacturers National Bank lent the receiver of the First National Bank $35,000,000, at 2½ percent interest, with which to pay the remainder of the receiver's debt to the R. F. C. I am informed that collections from the collateral have already reduced this loan to about $4,000,000, which shows continued recovery. To make such a big loan, practically six times the bank's capital, required special permission of the Comptroller of the Currency, which the law permits in the case of closed national banks. Neither the closed First National nor the Guardian National is now indebted to the R. F. C., and even the larger depositors, who allowed the smaller depositors to be paid first, will not suffer much, if any, ultimate loss.

A CASE OF SELF-HELP

I have stated before, and repeat here, that if the R. F. C. had been authorized to invest in the capital of banks when it was first organized or when its powers were enlarged in July 1932, the Detroit banks could have been saved, as could thousands of others throughout the country, and without loss to the Government.

In the years 1931, 1932, and 1933, more than 6,000 banks failed in the United States. Many of them could have been saved through local cooperation, even without Government assistance.

For example, take the case of the Merrill Trust Co., at Bangor, Maine, with 11 branches in the neighborhood of Bangor. A delegation of citizens, mostly directors of the bank, came to see us early in April 1933, under the leadership of Governor Brann. They stated that the losses and depreciated value of the bank's securities were in excess of its capital funds. We agreed to assist to the extent of $2,000,000, if they would raise another $2,000,000 to be subordinated to our loan. No one in the delegation thought any money could be raised at home. This attitude was typical of everyone who came to the R. F. C. for assistance—no one ever thought any money could be raised at home. Governor Brann did not share this belief, however, and in short order suggested to the delegation that they return home and see what they could do. They organized at each of the communities where the bank had a branch, and made a drive to save their banks. It was conducted much like a Liberty Loan drive during the World War and in a little while $3,000,000 new capital had been raised locally, largely from depositors and stockholders.

In connection with the reorganization of the bank, we made a loan to the Merrill Mortgage Co. of $3,200,000 and bought $2,000,000 preferred stock in the bank. All but $750,000 of the stock has been retired, and the mortgage-company loan has been reduced approximately one-half.

The extraordinary fact about this case was that during the drive to raise its part of the required new capital, freely and publicly stating the necessity for it, the bank continued business, with no depositor withdrawing money except in the normal course of requirements. That the depositors did not stampede when told the bank was in trouble entitles them to high praise and, probably, first place for standing by in the circumstances, helping to save their banks. The citizens of Bangor demonstrated what might have been done in hundreds of other places.

In June 1933 Congress authorized the Corporation to make loans to State funds created to insure deposits of public moneys of States, counties, cities, and other political subdivisions. A large amount of such money was on deposit in closed or restricted banks, and the State insurance funds were not able to meet the claims on them that arose from the widespread bank closings. Under this authorization we made loans to the board of deposits of Wisconsin totaling $13,064,631.18, which immediately made available funds needed by the local governments to pay their employees and to meet other obligations. These loans enabled the board of deposits to pay 90 percent of the claims of 2,500 local governments without awaiting the liquidation of the banks. The entire sum borrowed has been repaid.

The first bank in which the Corporation authorized the purchase of preferred stock was the American National Bank, of St. Paul, Minn.—$2,000,000 on March 13, 1933—the law giving us authority to aid banks through the purchase of their preferred stock having been passed by Congress only 4 days previously, 5 days after President Roosevelt took office. Our first disbursement for the purchase of preferred stock was in March 1933, to the National Bank of Detroit, the new General Motors bank. The first big bank to come for capital was the Continental Illinois National Bank & Trust Co., of Chicago—$50,000,000, of which $15,000,000 has already been retired from earnings and recoveries. When we bought this $50,000,000 preferred stock in the Continental Illinois National Bank & Trust Co. its common stock was selling at $25 per share. Counting stock dividends paid since then, these shares are now selling at approximately $225, or nine times the market when the R. F. C. put capital in the bank—an increase of approximately $150,000,000 in market value to the common-stock holders of this one bank.

THE PREFERRED-STOCK PROGRAM

Following the Continental closely was the Manufacturers Trust Co. of New York, which sold the R. F. C. $25,000,000 of its capital notes. At the time we bought the capital notes from the Manufacturers Trust, State banks in New York State were not authorized to issue nonassessable preferred stock. The law giving State banks this authority in New York State was passed and became effective in 1936. Soon thereafter the Manufacturers retired its capital notes held by the R. F. C. through the sale of preferred stock to its stockholders and private investors. The National City Bank and the Chase National Bank of New York each issued $50,000,000 preferred stock, most of which was taken by the R. F. C. Some common-stock holders subscribed for their pro-rata shares. All had a right to do so. Both of these banks have retired their preferred stock in full from earnings and recoveries without the necessity of replacing the preferred stock with new capital. The First National Bank of Chicago issued $25,000,000 preferred stock and sold it all to the Corporation. This has been retired—$15,000,000 from earnings and recoveries and $10,000,000 from the sale of new common stock at $200 a share. Preferred stock and capital notes have been retired entirely by 840 banks.

Since particular attention is called to the larger bank-capital investments, it is appropriate to state that our average capital investment in 5,804 banks throughout the country has been less than $100,000. Investments in only 293 banks have been $500,000 or more. But the principle is the same; $50,000,000 to one of the big banks was no more than $50,000 or $5,000 to a bank relatively smaller. Likewise, the 10,576 loans made to 4,933 going banks, ranging in amounts from a loan of $1,000 to one of $90,000,000, many banks getting more than one loan.

When we first instituted our preferred stock program, our interest and dividend rates were fixed at 6 percent. Soon we reduced them to 5 percent, later to 4 percent, then to 3½ percent, and beginning October 1, 1936, all banks which pay promptly according to agreement get a 3 percent rate. The purpose of making this last reduction was twofold: First, to encourage the banks in good housekeeping and to bring in such additional private capital as would entitle them to the lower rate; second, to discourage banks from retiring R. F. C. capital to a point below a proper ratio of capital to deposits. Entirely too many banks have a ratio of deposits out of proportion to their capital, and because of their inability to lend profitably, they have been inclined to retire their R. F. C. capital without replacing it with private capital. To retard this movement further, we agreed, on October 1, 1936, to accept interest-bearing United States Government bonds at par and accrued interest from banks in retirement of their R. F. C. capital whenever the retirement takes place. There is no particular point in this agreement on our part as long as Government bonds are selling at par or better, but to protect the bank against any eventuality in this regard, we made this agreement. The net result is that a bank can earmark long-term, high-rate Government bonds against its R. F. C. capital, and if the bonds bear 2½ percent, the much needed capital will cost the bank only one-half of 1 percent per annum.

A TRIUMPH OVER FEAR

One of the most far-reaching R. F. C. services was in aid of the savings banks in New York and New England. In 1932 and 1933

a great many savings banks found it necessary to restrict withdrawals, limiting the amount any depositor could withdraw in a stated period. It was estimated that the deposits in savings banks of New York City alone decreased at the rate of approximately $2,000,000 a day during the first half of 1933. These withdrawals were due in part to the necessity of depositors using their savings for living expenses, but in large measure to fright. To dispel the fear of these depositors and to provide means of meeting withdrawals without forcing collection of loans or the sale of their securities on a depressed market, the savings banks effected the organization of the Savings Banks Trust Co. and the Institutional Securities Corporation in July 1933. The R. F. C. agreed to buy $50,000,000 capital notes in the Savings Banks Trust Co., the savings banks providing $5,000,000 common stock. In addition, the R. F. C. agreed to lend the Institutional Securities Corporation, a mortgage-loan company, $100,000,000 on mortgages that it would acquire from those of the savings banks that needed cash. The Institutional Securities Corporation was to have a capital of $10,000,000, furnished by the more than 120 mutual savings banks in New York State. The mere announcement of this plan and the fact that the R. F. C. was coming to the assistance of the savings banks quieted all fear, and withdrawals decreased so rapidly that within a very short time all restrictions were removed. The Savings Banks Trust Co. never called on us for any part of the $50,000,000 capital, and we lent the Institutional Securities Corporation only $14,312,567. This loan has been repaid. The savings banks in New York State alone had deposits of $5,000,000,000, the savings of millions of thrifty people.

AID FOR THE MUTUALS

We helped some savings banks directly by buying their debentures, subordinated to their deposits. Mutual savings banks have no invested capital, but the law under which they operate requires certain reserves or excess of assets over deposits before interest or dividends can be paid to depositors. The law creating the R. F. C. made no provision for our furnishing capital to mutual savings banks. Since they had no capital stock they could not issue preferred stock or capital notes, but our directors felt that Congress intended that all banks should be treated substantially alike and that certainly mutual savings banks should not go unaided. Upon advice of counsel that we could legally do so, we helped these mutual savings banks by taking their notes, payable only out of a part of their earnings and from excess assets over that required by the laws under which they operate. We required them to reduce their interest or dividends to depositors and use a part of their earnings to repay the R. F. C. This method was also employed in assisting a large savings bank in Cleveland. All told, we have purchased $25,715,000 debentures of 31 mutual savings banks. Of these, $11,954,000 have been retired—seven banks have paid in full—and all but one of the remaining 24 are current in interest payments.

The fact that reference is made to some of the larger and more outstanding bank loans and capital investments does not mean that the large ones have had any more consideration than the small ones. Obviously it is impossible to be specific about very many of the thousands of banks for which capital was authorized and the thousands of open and closed banks to which loans were authorized, but each loan or capital investment had individual and painstaking consideration. R. F. C. directors have been ever mindful that a bank is humanity en masse and that nothing is more sensitive.

In our bank-repair work we required local communities to assist as much as possible in saving their banks. This policy has brought $196,000,000 new local capital into the banks, subordinated to that invested by the R. F. C., and has had the effect of bringing to the attention of the communities the necessity for taking an interest in the management and welfare of their banks, as well as furnishing additional security for R. F. C. investments. Of the 6,097 banks in which we have invested capital, we have only suggested that management be strengthened in approximately 75 banks. R. F. C. stock in banks has voting rights in proportion to its relative value to the common stock. Almost invariably our stock is voted with the management.

We have authorized capital investments in almost half the banks in the country, and have completed investments in 6,097 of these in the amount of $1,053,000,000, of which $449,000,000 has been retired. Dividends and interest payments are being regularly met on 91⅓ percent of the balance, and we expect no net loss on bank capital loans and investments, taken as a whole.

In addition to authorizing capital investments in banks, we have authorized loans aggregating $1,349,611,428.56 to 4,933 open banks. Of this $1,143,008,090.45 has been disbursed, and 90 percent repaid. Of the balance outstanding, $90,413,403.11 is due from 223 of these banks that closed after receiving the loans.

We have authorized 4,997 loans aggregating $1,271,711,988.59 for payment to depositors in 2,718 closed banks, many banks getting two or more loans, as the value of their assets increased with recovery. Of the amount authorized, $938,027,186.08 has been disbursed, and 90 percent of this amount repaid.

Bank deposits of the entire country decreased from $59,500,000,000 in 1930 to $41,000,000,000 in 1933. On January 1, 1937, they reached an all-time high of $62,000,000,000. The $18,500,000,000 loss in deposits between 1930 and 1933 was due to several factors—a reduction of loans in banks, which always reduces deposits, the borrowers using their balances to pay their loans; withdrawals for living expenses and for hoarding on account of fear; losses from bank failures; and a general shrinkage in values and in the volume of business. The present high figure has been reached through a return of confidence, increased volume of business, Government lending and spending which has put more money into trade channels, higher prices for commodities, and higher wages.

THE AGRICULTURAL LIFE LINE

Although the importance of our bank-repair work cannot be overestimated, our loans on farm commodities saved many farmers from almost certain bankruptcy. We lent 45 cents a bushel on corn in the crib on the farm in 1933, when there was practically no market for it. Corn sold as low as 12 cents a bushel in 1932. We lent 10 cents a pound on cotton. Both of these commodities, which are of great importance to the well-being of our entire country, have been above these prices ever since. In 1934 we lent 55 cents on corn and 12 cents on cotton. In '35 we lent 45 cents on corn and 10 cents on cotton. We lent a little on corn in '36, nothing on cotton. There was a great surplus of cotton by 1934, the Government owning or lending upon approximately 6,000,000 bales, 2,500,000 bales of which were acquired by the Secretary of Agriculture from the old Farm Board under the Agricultural Adjustment Act. Of this amount, 600,000 bales were in the form of cotton futures. All the Farm Board cotton and cotton futures have been liquidated, and all but 1,700,000 bales of the 12-cent loan cotton by Commodity Credit Corporation has been sold. Practically all corn loans have been repaid. We have lent on tobacco, naval stores, and other farm products.

First and last, we have authorized more than $2,500,000,000 in one form or another for the benefit of agriculture. This includes loans of $387,236,000 to 12 Federal land banks, all of which has been repaid except $14,233,405.94; loans to 25 joint-stock land banks of $17,905,857.47, all except $2,790,949.24 of which has been repaid; and loans of $191,981,057 to livestock and agricultural credit corporations, of which all except $435,257 has been repaid.

REAPING THE LOAN HARVEST

Our cotton and corn loans have been made through Commodity Credit Corporation, an R. F. C. and government-owned institution organized in 1933, pursuant to Executive order of the President under authority given him by the Congress, with a paid-in capital stock of $3,000,000 subscribed by the Secretary of Agriculture and the Governor of the Farm Credit Administration. On April 10, 1936, Congress directed the R. F. C. to invest $97,000,000 in the capital stock of the Commodity Credit Corporation, giving it a round $100,000,000 capital. Since its organization the Commodity Credit Corporation has made 1,629,889 separate loans directly to cotton growers, 242,546 separate loans directly to growers of corn, and 8,922 separate loans to producers of turpentine and resin. The R. F. C. provides the funds and credit and the facilities to make these loans.

Of the $1,111,608,664.99 loans authorized from time to time to the Commodity Credit Corporation to enable it to lend on commodities, there was outstanding, as of May 1, 1937, only $134,701,547.20. These loans were secured by 1,871,589 bales of cotton, 171,589 bales of which have been sold, but not yet delivered and paid for; 53,020,031 pounds of tobacco, 3,599,759 gallons of turpentine, 57,792 barrels of resin, and 44,230 bushels of corn. Payments are being made daily as the commodities are sold. Although there will be a modest loss from the 12-cent-loan cotton, due to interest and carrying charges, and some loss on turpentine and tobacco loans, these losses will be infinitesimal compared to the benefit accruing to the whole recovery program by reason of the loans.

Concessions to the borrowers have been made from time to time to enable the movement of cotton in competition with cotton from other countries. The problem of making and administering almost 2,000,000 separate loans has been no small undertaking. The expense comes out of the 4-percent interest charged the borrowers. Warehousing and insurance are charged against the loans. Loans on commodities by the Commodity Credit Corporation have not carried recourse upon the borrowers, but where the commodities sell for more than enough to pay the loan, plus interest and carrying charges, less concessions made to enable the free movement of the commodities, the equity goes to the borrower. Loans to cotton growers have averaged approximately $230 to each borrower and to corn growers approximately $597.

R. F. C. loans to railroads and its aid in railroad financing have been of immeasurable help in providing employment and protecting public investments, as well as saving many roads from receivership.

Our first big railroad application was from the Missouri Pacific Railroad. The application was for $23,250,000 and bore the date of January 29, 1932—4 days before the Corporation was open for business. This loan was discussed at great length. The application included $5,850,000 for payment of one-half of a maturing note to J. P. Morgan & Co.

I argued against authorizing that part of the loan, on the ground that the Government should not bail out railroad bankers who for years had been profiting from railroad financing, especially when the bankers were not themselves in trouble.

I felt so strongly about this that even after $12,800,000 of the application was authorized on March 26, 1932, which included the Morgan item, I endeavored—but without success—to persuade the railroad company not to take the $5,850,000 for payment to Morgan. I could not reconcile myself to such a policy. While the loan complied with the law, and was approved by the Interstate Commerce Commisison—and properly so—I felt confident that Congress did not have this particular character of loan in mind when it authorized the Corporation to assist railroads to meet maturities, notwithstanding that the security offered was ample.

The R. F. C. cannot make a loan to a railroad without the prior approval of the Interstate Commerce Commission, both as to the purpose of the loan and the collateral offered to secure it. The Commission's approval does not require that the loan be made, but merely authorizes it. In practice many railroad applicants approach the R. F. C. first to know whether or not a loan can be had if approved by the I. C. C. Division 4 of that body has charge of this function, and it has been a pleasure to work with the members of that division.

THE BANKER IN THE BACKGROUND

I am probably one of many who had assumed that the big railroad bankers, J. P. Morgan & Co., Kuhn, Loeb & Co., and others, were bankers in the true sense, with very large, if not unlimited, resources. But I have learned that they act more as loan brokers, as a rule selling loans before agreeing to make them, and charging what the traffic will bear. The banker whose business it is to make loans to sell is apt to favor the investor at the expense of the borrower, the man who must pay.

Due to the provisions of the Banking Act of 1933, which prohibit underwriting houses from receiving deposits subject to check, members of the Morgan firm effected the establishment of the new banking house of Morgan, Stanley & Co., which has succeeded to this character of underwriting formerly done by J. P. Morgan & Co. The new corporation is headed by Henry S. Morgan, son of J. P. Morgan, and Harold Stanley, two former partners of J. P. Morgan & Co.

A useful service in distributing railroad securities is rendered by bankers, but their charges should be commensurate with the services rendered and not measured by a pretended obligation of providing the road with funds on fair terms, in bad times as well as good. Though the obligation may exist, the bankers respond only when convenient. In 1932 and 1933 the bankers quit lending to railroads, and the Government had to come to their rescue.

I do not favor Government ownership of railroads; but, since they are a public necessity and in the public interest are regulated by Government as to both rates and operations, the Government should protect the roads from banker domination and, when necessary, assist them in their financing. Bankers whose principal interest in the roads is to profit by handling their finances should not sit on the boards of the roads, dealing with themselves and dictating management.

The practice of having interlocking directors between investment bankers, underwriting bankers, commercial banks, savings banks, insurance companies, railroads, and big industry is not, generally, in the best interests of the country, and should be discouraged, if not actually discontinued. Borrowers—whether railroads, industries, or others—who meet the same faces in the commercial banks, the investment-banking houses, and the big insurance companies soon realize that they must run the gantlet of this combination. Combinations in restraint of trade are no worse than combinations of money effected by interlocking influences, direct or indirect. Too much power should not rest with a few men, however good and wise they may be. There is no shortage of capable men to direct the affairs of the various phases of our economic life, and the desire for wealth or power should not lead men to place themselves in positions of trust where there is any possible conflict of interests. Abuses under such circumstances are inevitable, and if the bankers and money lenders cannot see the rising tide against this practice, Congress should pass legislation that would free management from banker control and domination.

SAVING THE IRON HORSE

This period of depression has brought forcibly to our attention that the railroads, though in large measure dominated and controlled by their bankers, are owned by the public, the savings banks, insurance companies, and private investors. In other words, the funds of widows and orphans, and the savings of millions of thrifty people are invested by these institutions in railroad securities. So, when we bait the railroads we are hurting the very people we would like to help. There have been entirely too many abuses in the past by manipulators of some of our roads, but for the most part these are things of the past. However, the control of a railroad system by the investment of a few dollars in equities of little value through holding companies or otherwise should not be tolerated.

Including $195,940,500 in securities bought from P. W. A., we have authorized and made tentative commitments for loans to 91 railroads and receivers of railroads in the aggregate amount of $1,120,006,702. Of this we have been called upon to advance only $718,066,739. The roads, fortified with R. F. C. commitments, have been able to get their loans from private sources, frequently at less interest than our standard rate to railroads, which has been 4 percent for the past 3½ years.

Of the total amount disbursed for railroad loans, repayments and the proceeds from the sale of securities aggregate $324,325,417 and a premium of $4,855,349.28, leaving a balance owing by all railroads—51 in number—of $393,741,322. Of the 79 roads that received loans or whose securities we purchased, 16 were subsequently placed in receivership or trusteeship. Two of these roads are no longer indebted to the corporation. Loans to the remaining 14 roads aggregate $140,364,845. Although there will probably be partial losses on some of these loans, our earnings from railroad loans treated as a class should be sufficient to cover any such losses.

Some of the bigger systems that borrowed are the Pennsylvania Railroad, $99,065,000; the Southern Pacific and its subsidiary, the Cotton Belt, $52,672,250; the New York Central, $34,468,000; and the Nickel Plate, $23,009,000. These roads and 23 others have paid their loans in full.

HIGH AND LOW FINANCE

The largest amount now outstanding to one system is $77,090,556 to the Baltimore & Ohio and its subsidiary, the Alton Railroad Co.; the quoted market and appraised value of the collateral securing these loans is nearly double the amount of the loan.

Good examples of banker domination of railroads are the Great Northern and the New York Central, two of the most important systems in the country. The Great Northern has not defaulted on any obligation since its organization, 81 years ago. This road had a $105,859,000 bond issue, held by the public, maturing July 1, 1936. W. P. Kenney, president of the road, began talking with me the middle of 1935 about helping him meet this maturity. In late September 1935, and only about 9 months before the bonds matured, he came to see me in Washington. While he was in my office, and agreeable to him, I called his banker in New York, H. S. Sturgis, vice president of the First National Bank there, and told him Mr. Kenney wanted to discuss ways and means of meeting the maturity; that he could take care of the $5,859,000 but would need to borrow $100,000,000. I stated to Mr. Sturgis that the R. F. C. would be glad to cooperate with the bankers and the road by lending up to $50,000,000, or one-half of the amount. Mr. Sturgis replied that it was entirely too early to discuss the matter, and that they—the bankers—would take it up with the road some time after the first of the year, clearly indicating that it was none of the R. F. C.'s business. I thanked him and hung up the phone.

I then excused myself from Mr. Kenney and dictated the following letter to him:

SEPTEMBER 27, 1935.

DEAR MR. KENNEY: Subject to prior approval by the Interstate Commerce Commission, this Corporation will lend the Great Northern Railroad all or any part of $50,000,000 with which to help meet its bond issue of $105,850,000 maturing July 1, 1936.

Terms and conditions of our loan will be:

1. That the road pay from its working balance the $5,850,000.

2. Issue new bonds, maturing 20 to 25 years, for $100,000,000, bearing interest at 4½ percent; the present bondholders to accept at par and accrued interest new bonds; or not less than one-half in new bonds and the remainder in cash.

Our loan will be in the form of bonds which we will take at par and accrued interest, or if given a satisfactory margin of additional collateral our rate will be 4 percent for the first 5 years and 4½ percent thereafter; the bonds to be approved by the Interstate Commerce Commission and acceptable to our board and our counsel; the money to be available to the road on 10 days' notice on or before July 1, 1936.

With a view to converting this debt, or as much of it as possible, into stock, we suggest for your consideration that the new bonds provide for conversion into stock upon a basis that will add to the desirability of the bonds, giving the holders of the bonds an opportunity to participate in the prosperity of the road, and preserving to the stockholders their preemptive rights. We will require as a further condition to our commitment that the expense, attorneys' fees, and bankers' charges, in exchanging new bonds for the old, be, in our opinion, reasonable.

Yours very truly,

(Signed) JESSE H. JONES,
Chairman.

Mr. Kenney left my office with a feeling of assurance that he could meet his maturity. In fact, I hold him that if more than this amount were needed, we would see him through. I heard nothing further from Mr. Kenney until late in December, when he and Mr. Sturgis came to thank me for offering to assist in the financing, and to advise me that the bankers would furnish all of the money and that he would not need any help from the R. F. C. I was glad to hear this, of course, but interested to know upon what terms the bankers proposed to handle the financing. Mr. Kenney replied that the road would issue a 5-percent bond, convertible into stock, part at $40 per share and part at $75 per share, and offer the bonds for subscription by the stockholders of the road; and that the bankers would underwrite the issue for a fee of $1,000,000 plus 1 percent additional on any bonds that they might buy. I had suggested 4½ percent. I felt, and so told Kenney and Sturgis, that if the Great Northern paid such a high rate, particularly with an attractive convertible privilege, our work in trying to help railroads get their money at fair rates would came to naught.

A BATTLE OF PERCENTAGES

I stated that the Great Northern should be able to get its money at 4 percent, but that if the management of the roads and its bankers preferred, and would make the rate 4½ percent, the R. F. C. would underwrite $50,000,000 of it without any charge. This would save the road $500,000 on the underwriting fee alone and $500,000 a year throughout the life of the bonds. Mr. Sturgis replied that neither he nor his associates would be interested in anything less than 5 percent. This being their attitude, I told them that I was disposed to recommend to our Board that we agree to take the entire issue at 4 percent, conditioned that the road first offer the bonds to its stockholders and to the maturing bondholders and to the public.

Naturally this was not pleasing to Mr. Sturgis. The R. F. C. was trying to cooperate with the bankers, but they would not have it. They wanted theirs, regardless of the cost to the borrower or the effect their terms would have on all other borrowers.

It then developed that, in addition to coming to thank us for our offer of assistance, they really needed some further stand-by agreement by the R. F. C. to enable the bankers to complete their deal. At my request Mr. Kenney outlined, in a letter to me, the deal the road proposed to make with the bankers, and what they wanted the R. F. C. to do. I agreed to give them a reply the following day, and did, but, realizing the position of the president of the road—that his soul was not his own in dealing with his bankers—I asked him if he really wanted a proposition from the R. F. C. Being assured that he would like one, I wrote him that the R. F. C. would take any part of the $100,000,000 issue that the stockholders and private investors did not take, the rate to be 4 percent and the bonds convertible on the plan proposed, which was one-half at $40 per share and one-half at $75 per share.

The letter follows:

DECEMBER 14, 1935.

Mr. W. P. KENNEY,
President, Great Northern Railroad,
2 Wall Street, New York City.

DEAR MR. KENNEY: Your letter of the 13th has been given due consideration by our directors, and we feel that you will be paying entirely too much for the money under the plan proposed, especially in view of prevailing interest rates.

I have repeatedly stated that I am as anxious as anyone to get the Government out of the lending business, but I have also stated that it should not get out too soon; by which I mean until money is available from private sources, at fair interest rates and on fair terms.

In my recent address before the American Bankers Association at New Orleans I stated that one way the Government could assist railroads was to help them get their money cheaper.

The Great Northern is one of our best systems, has never been in receivership, and, as I recall, you told me the other day has never missed paying dividends until 1931 or 1932.

You should not have to pay more than 4 percent for 10-year money, and if you wish to issue 10-year bonds to meet your $100,000,000 maturity July 1, 1936, convertible as provided in your letter, and offer the bonds to your stockholders, to present holders of your 7-percent bonds, or the public, at par and accrued interest, this Corporation will, subject to prior approval by the Interstate Commerce Commission, take any that are not sold, on that basis, July 1, 1936. There will be no underwriting charge.

We should like to have you notify us by April 1, if convenient, the amount of bonds that you would likely call upon us to take. We would want to approve as reasonable and fair any expense incident to distribution of the bonds that you may be put to. Also, if practicable, a sinking fund should be provided that would amortize 15 percent to 20 percent of the issue at maturity.

We appreciate your efforts and those of your bankers to provide this money without coming to the Government, but feel that in offering to pay such a high rate, you will be hurting all railroad financing, and unnecessarily penalizing your own security holders. Four percent is a fair yield, a good rate in this market, and we think you should not be required to pay more.

We have no desire to supplant your bankers but would like to cooperate with them and the railroads to the end that railroad financing can be done at much less cost to the roads.

Sincerely yours,

(Signed) JESSE H. JONES,
Chairman.

A provision for converting the bonds of a corporation into capital stock is desirable in helping the corporation to get out of debt. For instance, if a bond is convertible into stock at a fixed price for its stock, when the market gets above this price, it becomes profitable to the bondholder to turn his bond in and get stock for it. This reduces the debt of the corporation and makes more secure its financial position. When we offered to make the loan to the Great Northern on bonds one-half of which would be convertible into stock at $40 per share, the stock was selling for $30 to $35 per share. It is now selling well above $50, which practically assures conversion of the bonds into capital stock.

At the time Mr. Kenney and his banker were in my office, the 5-percent bonds which the bankers proposed to underwrite for a fee of $1,000,000 were quoted in the open market on a when-issued basis at or above 108, a premium of $8,000,000, and within a few weeks after our agreeing to take the bonds at 4 percent these were quoted on a when-issued basis at 108, demonstrating that the bankers were demanding much too high a rate. The one-half of the bonds that are convertible at $40 are now selling at $135 or better. The one-half which are convertible at $75 per share are selling at approximately $109. The entire issue was taken by the road's stockholders and private investors, the R. F. C. being called upon for nothing. The millions that we saved the road can be used for labor and material in improving the road and its service.

Incidentally this 4-percent issue replaced to the extent of $100,000,000 a $115,000,000, 7-percent issue which was one-half of a $230,000,000 joint loan to the Great Northern and the Northern Pacific placed in 1921 for these two roads by a syndicate of bankers headed by J. P. Morgan & Co. and the First National Bank in New York, for which the two roads received only about $210,000,000, a discount of approximately $20,000,000. The $230,000,000 issue bore 6½ percent but was converted one-half into Great Northern 7-percent 15-year bonds without a customary call or prepayment privilege, and the balance into Great Northern 6-percent bonds due in 2047, callable at certain intervals at 110. A 10-point premium for calling bonds before maturity is high enough, but to exact such a high interest rate on a 15-year bond with no call privilege is little short of overreaching.

In addition to paying 7 percent of this more than $100,000,000 for 15 years, the road paid a discount on the bonds of almost $10,000,000. This one transaction, which cost the R. F. C. nothing, saved the road $3,000,000 a year interest over what it had been paying for 15 years, and $1,000,000 a year interest, plus an underwriting fee of $1,000,000, which the bankers were about to charge for the new loan. Had the R. F. C. not been in existence or willing to help the road, in all probability it would have paid more than 5 percent for this money, plus a large unnecessary underwriting fee. Other roads would have been similarly penalized, emphasizing the desirability of a stand-by banker such as the R. F. C. to hold interest rates within reason.

THE FRIEND IN NEED

In 1932 the New York Central had bank debts of approximately $63,000,000 which had been carried on a demand basis for several years at 5 percent by 9 or 10 different banks. Demand loans of this character, regardless of how secured, are usually loans that cannot be collected easily or loans on which the banks cannot afford to force collection. In effect, they are past-due loans. In addition, the road had to raise approximately $60,000,000 in 1934 to meet other maturing obligations. It also owed the R. F. C. $27,499,000 and the Railroad Credit Corporation $3,700,000. These amounts, aggregating more than $150,000,000, due by one road in that period, constituted a menace to all railroad financing, and I endeavored to get the road to put its bank debts on a time basis, offering to assist by taking a substantial part of the loan for the R. F. C.

GETTING A ROAD OUT OF THE RED

To meet the maturities in 1934 and replenish its cash, the road offered a 6-percent 10-year convertible note or bond issue to its stockholders, the R. F. C. agreeing to take up to $20,000,000, or one-third of the issue, and certain large bondholders $12,800,000. A syndicate of banks and bankers, headed by J. P. Morgan & Co., underwrote the remaining $27,200,000.

The R. F. C. was not required to take any part of the issue and neither were the underwriting bankers. The bonds could have been marketed at 5 percent, and I advocated the lower rate, but it would not have been so pleasing to the road's bankers and their favored investor clients.

The road continued to carry its bank debts on a demand basis, but upon the R. F. C. agreeing to charge the road only 4 percent, the banks reduced their rate to 4 percent. The bank debts were finally refunded at favorable rates in April 1936, and when the road completes its refunding plans for the balance of the outstanding 6 percent 10-year convertible issue, its finances will be in good shape. To indicate the strength of the New York Central, it and its predecessor companies as far back as 1853 have met their obligations promptly. Notwithstanding this, however, without the assistance of the R. F. C., it might have found it necessary to seek the protection of the courts. This was also true of several other important systems.

Home Owners' Loan Corporation and Home Ownership

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 10 (legislative day of Monday, Aug. 9), 1937

RADIO ADDRESS BY HON. ROYAL S. COPELAND, OF NEW YORK, MAY 19, 1937

Mr. GEORGE. Mr. President, I ask unanimous consent to have inserted in the RECORD an able address delivered by the senior Senator from New York [Mr. COPELAND] over the radio on May 19, 1937, on the subject "The Home Owners' Loan Corporation and Home Ownership."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If I had my way, every family in America would live in its own home. There can be no greater blessing for a family than to dwell in its own home. Bad housing is a menace to health, to morals, and to the stability of Government. Decent self-respect is the reward for all the sacrifices made to acquire a home. Its possession makes for good citizenship, independence of character, and true contentment.

It should be the privilege and the right of every little stranger on the way to America to be born in a home owned by its parents. The baby will thrive under the surroundings, physical and spiritual, of the house, which, during childhood and youth, will be the dearest place in the world—home. Be it ever so humble, there is no place which can ever mean more than the house of birth and sweet memories.

I never see a row of maples or elms along the front line of an old homestead without experiencing a thrill of emotion. I

can imagine the homesickness of a young bride and the stout declaration of her young husband, "Just you keep a stiff upper lip, my darling. We shall make this place bloom like the rose." He went into the swamp, dug up the trees, and transplanted them to make a leafy border to the dooryard. With the years, the trees grew, the shrubbery flowered, and the children came. From that first hour of determination the home became a reality.

But to lose a home—that is a tragedy! Whether it is lost by fire or by foreclosure, it is heartbreaking.

I took pride in the Home Owners' Loan Corporation, because it seemed to provide a sure means of escape from the terrors of the mortgage. We all hoped that the depression would be short; that a breathing spell was all the distressed home owner needed. Alas! Our hopes are shattered, and for thousands great grief has followed the first exaltation of spirit.

Scores of my constituents have come to me in agony and even tears. "What can you do?" they cried.

I could see no hope until this plan for a moratorium was presented to me. I knew the sufferings of many who were trying to save homes burdened with H. O. L. C. mortgages. But the almost unbelievable conditions were recently brought forcibly to my attention by various organizations. After verifying and checking the details of distress the officers gave me, I was astonished and saddened. I learned most definitely what many home owners had discovered to their sorrow.

It is to the latter I now address myself. It is apparent that the terms of the H. O. L. C. mortgages which you entered into cannot reasonably be carried out under the present economic conditions. Unless we can find a plan of escape for the majority of you, at least half of the 1,000,000 H. O. L. C. mortgage holders, your life savings invested in your homes will be lost. Further, unless relief can be had, the real-estate market for homes in the United States will be demoralized. It is bound to be thrown into a state of chaos if hundreds of thousands of houses are thrown on the market and sold at ruinously low prices. This calamity will affect every home owner in this great country of ours, regardless of whether his own home is mortgaged or not. The competition of sales of houses at prices far below cost will demoralize real-estate prices everywhere. These evils are a certainty if the H. O. L. C. is obliged to carry out the unforeseen cruelties of the law, with its inevitable program of foreclosures.

Of course, the unfortunate situation in which you holders of H. O. L. C. mortgages find yourselves today is easy to understand. The Congress was well-intentioned. In all good faith it set up the plans. There is no doubt in my mind that the administrators of the H. O. L. C. were sincere in their intention to assist you to solve your individual problems when they entered into their mortgage agreements with you. No doubt they firmly believed the depression would be over long before this; they had faith that all of you men and women would obtain work, work that would pay you sufficiently well to meet your H. O. L. C. mortgage obligations without undue hardships and difficulties.

But we must look the facts in the face. The H. O. L. C. must look the facts in the face. All must admit that the depression is not over. Millions are still unemployed; millions are still on relief; millions who have obtained employment are receiving wages that hardly permit them to provide the bare necessities of life and keep together the bodies and souls of their families. With these conditions it is not difficult to understand how impossible it is for the majority of you H. O. L. C. mortgage holders to meet your monthly mortgage payments and high interest, as well as take care of your taxes.

In conjunction with Congressman EDWARD W. CURLEY in the House, I have presented to the Congress a measure which has come to be known as the Copeland-Curley bill. It may be that this bill is imperfect. I am assured by Mr. Fahey, the Chairman of the H. O. L. C., that it must be modified considerably. As to this suggestion I have no complaint to offer. It rarely happens that a bill as introduced is ever passed by the Congress in its original form. We covet his help and beg for Mr. Fahey's cooperation in perfecting the measure.

I am not comparing this proposal to the Frazier-Lemke law recently validated by the Supreme Court. But we did find a way to help the farmer—we must do as well for the urban citizen and the villager.

There is no doubt the mortgage problem is a stupendous one. The total amount loaned was in excess of $3,000,000,000, representing mortgages on more than a million homes. On April 1 the unpaid claims were above $125,000,000. What can be done about this?

Surely an administration as versatile as this, must be able to find a way to preserve the life savings of the backbone of the Nation. Surely the plain people, such as are represented by the million-odd home owners with H. O. L. C. mortgages, are in every sense the backbone of America. Government must help them to help themselves.

I know that each and every one of you cherishes that home of yours. You have acquired your equity in it through hard struggle and many deprivations. I know that each and every one of you wants to pay every penny due on your mortgage; you would move heaven and earth to pay your debt in its entirety were it in your power to do so. Given sufficient time, and given more favorable circumstances than you have had up to the present, our Government will receive from you every penny of the money loaned on your home.

To find a solution for this problem will bind you to your Government with chains of gratitude. It will create a stronger and more burning desire to pay the money borrowed and preserve your self-respect. If the Government loses the faith of its citizens, they will have lost faith in themselves too, as well as in their Government.

I would have no American believe he can call upon Uncle Sam for money every time money is needed. There is a limit to what Government can do. But gifts and grants are not contemplated by what we ask. In the long run the National Treasury will get back the principal, together with interest. But if it should not get the money from the present owners, the same collateral is there to protect the loans. The Government will be no worse off than it is today.

What difference in the long run does it make to the Home Owners' Loan Corporation whether it takes over permanently the 31,000 homes lost by foreclosure up to April 1, 1937—the latest date I have of reliable figures—or, if conditions are not improved, takes them over a few years hence? Why rush to the auction block the 84,385 or more now authorized for foreclosure?

I read in an Ohio paper the other day that the Government is foreclosing between six and seven hundred properties in the city of Youngstown alone. This is but the beginning, the paper said, because there is the prospect of a "tremendous increase" in numbers of houses to be lost by foreclosure.

A recent statement of a high official of the H. O. L. C. estimates that, in his opinion, by 1938 more than 200,000 of the one million-odd homes in the United States with H. O. L. C. mortgages will be lost to their present owners by foreclosure. I refer to the statements of disinterested experts that, in their opinion, before the expiration period of the H. O. L. C. at least 500,000, or 50 percent of all the homes in the United States with H. O. L. C. mortgages, will be lost.

Truly this is a serious situation, a terrible situation. It is to prevent this calamity that we have introduced the Copeland-Curley bill. This provides for:

An indefinite moratorium on home-mortgage foreclosures under the H. O. L. C. until appropriate legislation can be passed to adjust, extend, modify, and change the status of the home owner holding an H. O. L. C. mortgage; to increase the length of life of the mortgage; to reduce the interest rate; to eliminate deficiency judgments, abominable things; and for the present to stop sales of foreclosed property by the H. O. L. C. It proposes, as well, to make retroactive its benefits, in order that those who have already lost their homes through foreclosure and sale may have another chance to redeem them.

You are not responsible for the depression. You are not responsible for being out of work. You are not responsible for having no money to make the payments on your mortgages. You have shown courage and faith in your country by striving, struggling, and enduring endless numbers of hardships to make it a nation of homes. You have acquired a home; you must be assisted to keep that home; you must have a breathing spell to get you safely over this hard spot and to carry on; this is the true spirit of democracy.

The passage of the Copeland-Curley bill, when perfected by the aid of Mr. Fahey and his associates, will do these things for you, we trust. Certainly we shall do everything in our power to have the present law modified. But Mr. CURLEY and I alone can do little. We can do nothing without your support. We must have your full cooperation. You and the various organizations, and all other interested persons or groups, must provide the argument, which is really the ammunition necessary to pass this bill. A lady from Oklahoma, the head of a great group in that State, was in my office 2 or 3 days ago to pledge aid from her section of the United States.

We promise you our enthusiastic efforts. But you must help. Then when we have won, you must put every ounce of energy back of your efforts to pay off these mortgages. Probably this is the last chance to get a permanent hold on those precious homes. Do your full part to that end. Mr. CURLEY and I will do every possible thing we can.

The Black-Connery Bill

EXTENSION OF REMARKS

OF

HON. MARY T. NORTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

RADIO ADDRESS OF HON. MARY T. NORTON, OF NEW JERSEY, AUGUST 9, 1937

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit my address during the National Radio Forum, August 9, 1937:

Before proceeding with my subject, may I take this opportunity to express to the National Radio Forum and the National Broadcasting Co. my sincere appreciation for the privilege extended to me tonight to present to the radio audience some facts concerning the much-discussed and generally misunderstood Black-Connery

fair labor-standards bill, which we hope to have acted upon by the House of Representatives within the next few days. The objectives of the bill are well known and endorsed by every fair-minded person throughout the country.

Because of the overwhelming mandate which it received last November this administration is privileged to give relief to that portion of our population referred to by the President in his message to Congress in May of this year, as "ill-nourished, ill-clad, and ill-housed." While the bill is a modest and conservative approach to the great objectives outlined by the President and properly so, it is, we all hope, the beginning of a long-range program to meet, and not to avoid, some of the most vital problems of American life. Being a modest and conservative approach to these problems the bill is aimed particularly at that small minority, with which we have little patience, known as chiselers. When the great majority of American businessmen are able to conduct their businesses without competition from this minority, the great problem of low wages and long hours will be well on its way to solution.

While under this bill a few others may suffer some inconvenience, possibly financial loss for a short time, the fact that a tremendous number of injustices will be cured by this act fully justifies the inconvenience and even the loss. There never has been and possibly never will be, a law passed the adjustment to which has not caused some inconvenience. We recognize this and have worked many weeks considering this bill in our endeavor to be fair and just to all. To write a bill embodying these principles and at the same time cause no inconvenience to anyone was, of course, impossible. I wish that time would permit me to read some of the pathetic letters I have received since the press announced the consideration of this bill—letters describing a workweek of 70 to 80 hours at 10 and even less cents an hour. Few people know the living conditions under which a large part of our people exist. In certain parts of the country it is not unusual for workers to receive $5 for a 75-hour week.

Briefly I shall attempt to explain the main features incorporated in the body of the bill, their application to modern industrial conditions, and to the improvements in the social and economic spheres which would result from their establishment and operation.

Broadly speaking, the Black-Connery bill may be divided into four main parts: First, the establishment of minimum wages; second, the establishment of a maximum workweek and maximum workday; third, the abolition of child labor; and fourth, the creation of a Labor Standards Board to administer the bill.

So that you may have a clear picture of the operation of this bill, let me explain these four parts in greater detail.

Under the first part the Labor Standards Board is directed to establish minimum wages at a level of 40 cents an hour, or as near that level as is practicable and economically feasible. A maximum minimum wage of 40 cents will yield an annual income of $800 a year to those continuously employed for 50 weeks for 40 hours a week. Surely no fair-minded person would suggest that this amount will cause any serious economic dislocations or that it is too much to maintain the minimum American standard of decent living. However, before declaring a minimum wage for any occupation the Board is specifically directed to take into consideration all relevant circumstances. These are set forth in the bill. It is further the declared policy of this act to establish only such wages as will not curtail opportunities for employment. It is a further policy of the act to encourage collective bargaining in order that employees may receive wages above the minimum wage established by the Board.

Under the second part the Labor Standards Board is directed to establish a maximum workweek as near the level of 40 hours a week as is economically feasible. Again, the Board must, before declaring a maximum workweek, take into consideration all relevant circumstances. Again, these circumstances are set forth in the bill. It is the policy of the bill that a maximum workweek be established as rapidly as possible without curtailing earning power or reducing production. Employees engaged in certain seasonal occupations are exempted from the provisions of the bill dealing with maximum workweek standards, but there is no comparable exemption from the wage provisions of the bill. To insure even greater flexibility a substandard labor condition is not considered to exist where employees work more than the established workweek if they receive time and one-half pay for the overtime employment. This provision is safeguarded from chiseling, however, for the bill provides that if this privilege is used to circumvent the policy of the legislation the Board may declare a substandard labor condition to exist and thereby bar the goods in question from interstate commerce.

Under the third part goods made by child labor may not be transported in interstate commerce. However, this is modified slightly to permit the employment of children under 16 years of age if such employment will not interfere with their schooling and if the conditions under which they work will not interfere with their health and well-being and if they have a certificate attesting to this fact issued by the Chief of the Children's Bureau.

Under the fourth part there is created a Labor Standards Board charged with the responsibility of applying the provisions of the bill to occupations affected by it.

In order to give you an even clearer picture of this bill I shall divide these 4 main parts into 16 sections. Of course, it would be impossible, because of the various exemptions, for me to summarize the bill so that each of you listening might know whether or not it applies to you. I wish that I might do this and thus set at rest many of the needless fears I have heard expressed by men and women with whom I have had the opportunity of talking, and which I know are shared by many of you. However, time does not permit me to go that deeply into my subject. As a substitute for this I can only suggest that you write your Congressman asking for a copy of the bill when it has finally been enacted into law. Until that time there is, of course, the possibility of revision both on the floor of the House and later in conference between the House and Senate, and thus you might be needlessly upset by a serious study of it now. Of course, the main objectives, as I have already outlined them, will remain when the bill is enacted into law, and I hope and pray that for the benefit of the terrifying and discouraging working conditions of too many of our people that it will be so enacted in this session of Congress.

Now, to summarize:

1. The bill has been drafted in accordance with the principles of constitutional law, particularly those enunciated in the recent minimum wage and Labor Relations Board decisions of the Supreme Court of the United States, and we have thus tried to safeguard the constitutionality of the Black-Connery bill so that our work for the improvement of working conditions may not go for naught, as has happened too frequently in the past.

2. It applies only to industries engaged in the production of goods for interstate commerce or directly affecting interstate commerce. It does not affect the purely intrastate business.

3. Legislative definition of terms used in the act clearly express the congressional intent for the guidance of the Board. Most of the exemptions of certain types of employers and employees engaged in the production of certain goods are contained in the definition of the word "employee." The term "produced", as I have used it, is defined in the bill to mean "production, manufacture, mining, handling, transporting, or in any other manner working on any goods." The term "employee" is clearly defined in simple language and contains the exclusion of executives, administrative employees, and professional men, those employed in agriculture, seamen, fishermen, and certain types of transportation company employees. Throughout the bill are distributed other exemptions from the hour provisions of the bill where the type of work is of the sort that must be performed immediately because of the seasonal nature of the work.

4. The administration of the act is placed in a Board of five men, appointed by the President in accordance with the requirements of geographical, industrial, and labor differences, and must be confirmed by the Senate. One member of the Board must be from the Northeast, one from the Northwest, one from the Southeast, one from the Southwest, and one from the central part of the United States, and one of such members shall be a representative of the employers and one of employees. This insures a representative on the Board from each geographical division of the United States. In a country divided so sharply as is ours because of climate, fertility of the soil, and other factors, it is of prime importance that the viewpoint of each section be taken into consideration. One of the most frequent criticisms of the bill seems to be that it will affect one section of the country more than any other. But with fair representation on the Board, each part of the country is certainly assured of honest, conscientious consideration in setting minimum wages and maximum hours. By stipulating that one member shall be a representative of the employer and one of employees, labor and capital are both assured of representation, which refutes one of the most serious objections to the bill—that capital will have little, if any, representation. The Board is appointed originally for terms of 1, 2, 3, 4, and 5 years, and thereafter for terms of 5 years each.

5. The administrative Board created under the bill, as it now is written, is required to appoint State directors for each State, Territory, and the District of Columbia, thereby localizing and decentralizing to some extent the administration.

6. The Board is required to submit an annual report to Congress of its activities, thus establishing the right of Congress to protect legislation it has passed.

7. The bill sets forth directly standards and policies as to working conditions, as I have already stated.

8. Hearings of the Board are to be conducted locally. There will be no need for businessmen and labor groups to travel to Washington for the protection of their rights. A hearing must be held before a labor-standard order setting up minimum wages or maximum hours is made by the Board and a hearing may be held at the request of any person having a bona fide interest, at the request of any labor organization, or on the Board's own motion if it finds conditions requiring such an order to exist in any industry or occupation. Notice must be given to all the interested persons, and the hearing must be public. After the hearing is held and before the order is issued, if at all, an advisory committee composed of an equal number of persons representing the employers and the employees in the occupation affected and not more than three disinterested persons representing the public must be appointed.

9. The Board is permitted to determine minimum wages and maximum hours only in those industries where substandard labor conditions exist. The high type of American businessmen, and they are in the majority, whose wages and hours are in line with the thought of the President on this social principal, need not fear that the Government is trying to interfere with their business.

10. The power of the Tariff Commission under the Tariff Act of 1930 to protect American labor against foreign competition is provided for under this act, thus protecting our products from unfair competition with foreign goods produced under substandard labor conditions.

11. The manner of conduct of investigations and the taking of testimony are provided for with due regard to the constitutional rights of persons appearing before the Board.

12. The bill furnishes employees the right of action for the amount of wages payable, representing the difference between the minimum wage as established by the Board and the substandard wages actually paid. This safeguards the employee from the chiseling employer and virtually puts the chiseler out of business.

13. The bill, if enacted, will not supersede any State minimum wage law if the State minimum wage law is higher, nor will State maximum hours laws be superseded if said law is lower.

14. The orders of the Board are subject to court review.

15. Orders of the Board are not effective until 90 days have elapsed from the date of the order. Further, the act shall not take effect until 120 days after its enactment.

16. This point I cannot stress too strongly, the protection of the rights of collective bargaining under this bill. Actually it will be distinctly to the advantage of the employee to bargain collectively as only in this way can he be assured of a minimum wage of more than 40 cents or a maximum workweek of less than 40 hours. The Board is specifically denied this power. The Board cannot supersede agreements reached by collective bargaining when they raise the standards of working conditions in any occupation. The bill further states that one of the factors to be taken into consideration by the Board before establishing a minimum wage or a maximum workweek for any industry is the hours and wages agreed upon by collective bargaining for an industry of like or similar character. Would it not, therefore, be to the advantage of labor to bargain for as high standards as possible so as to help one another?

17. And last but not least the bill does away with the evil of child labor in the factory. At long last goods produced at the cost of ruined lives of American children are definitely banned from the channels of interstate commerce.

In your consideration of the foregoing I want to make clear that Congress does not believe itself to be infallible. We believe firmly, sincerely, and strongly in the principles of this bill but it may well be that time will suggest certain clarifying amendments to be added, some limiting or extension of power, or some broadening of exclusions. All I can say now, and I want to state this emphatically, is that this bill is the best that we have been able, during extensive and thorough consideration of the problem, to present. We know we are right in advancing its principles. We are following the plan sincerely expounded by our great President and set forth in the Democratic platform of 1936. It is, therefore, our duty as Members of Congress to legislate for the best interests of the people.

I know the temper of the people on this question, or more truthfully I may say that I know the feeling of industry on this bill from the hundreds of letters that have been pouring into my office since I assumed the chairmanship of the Labor Committee of the House of Representatives. Some of these letters have been from chiseling employers apparently terrified because they will finally be made to bring conditions in their industries up to standard labor conditions as defined in the bill. I have little use for these selfish individuals. I am rather mindful of that great inarticulate mass of our people who have not written me letters but who expressed their wishes at the polls last November. Maybe some of them cannot express their thoughts on paper, maybe they could not afford the price of paper, envelopes, and stamps, but they want this legislation. They need it to protect their rights of equality, freedom, and opportunity under the Constitution.

In conclusion I want to leave just one thought with you employers. Do not let propaganda against this bill, led by a few selfish people, scare you. This bill is not communistic, fascistic, bureaucratic, or autocratic. It is merely a sincere effort to increase buying power, to spread happiness and prosperity to the average American citizen in the most equitable manner possible.

In this, an age to which has been given privileges far beyond those of any other, it is surely and clearly the duty of the legislative body to carry out the principles of true friendship for our neighbor by legislation such as this. But the very fact that our mandate to carry out this solemn duty to establish these principles has been so clearly defined makes me very humble when I remember the words of Christ, "Many prophets and kings have desired to see the things that you see and have not seen them, and to hear the things that you hear and have not heard them."

Suffrage for the Citizens of the District of Columbia

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

ADDRESS OF HON. HENRY G. TEIGAN, FARMER-LABOR REPRESENTATIVE IN CONGRESS FROM MINNESOTA, WASHINGTON, D. C., JULY 29, 1937

Mr. TEIGAN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address which I delivered recently in Washington:

Mr. Chairman and voteless citizens of the District of Columbia, I don't know that there is anything that I can add especially to what Congressman WOOD has already said to you. He is a member of the District Committee and has had these matters in mind for a number of years. So, of course, he is in a much better position to discuss them than I am. However, any person who enjoys the franchise and who is interested in democracy, can't help but appreciate the unfortunate situation that exists here in the city of Washington and in the District of Columbia.

I have on several occasions, when I have talked to groups here in the city, told you that I favored suffrage for the people of the District. Really, it seems amazing that this is a matter that hasn't been taken care of before. Just how any person who pretends to believe in democracy at all can object to it here in Washington is beyond my comprehension.

HOW IT ALL HAPPENED

Now, of course, you might wonder how it all happened that the citizens of the District of Columbia haven't even got representation in Congress. Well, there might be some slight excuse for that having occurred. The men who framed the Constitution of the United States were just ordinary human beings. They weren't of divine origin any more than are the rest of us. They were remarkable men, but they couldn't anticipate the future. Undoubtedly, what they had in mind was that the District of Columbia would just be the home of the Capitol of the United States. They didn't think that Washington would develop into a large city and that many of those who resided here would be engaged in business and would not all be connected directly with Government service. And so it wasn't quite so unreasonable for them to provide that the District should be governed by the Congress of the United States.

WASHINGTON A METROPOLITAN CITY

But that situation changed a long time ago. Washington has been a city of considerable size for many years and just why there has been no real active effort made to secure the franchise for the people here is indeed a puzzle to me. I am compelled to say that I think you who live here are largely to blame for it. You come out here and you enter protests very properly against legislation that you don't want, but I want to tell you that the most effective thing for you to do is to secure the right to secure representation in the Senate and in the House, then eventually secure some form of local government for the city. Until you do that you are not going to be able to exert any great influence in the affairs of this city.

Mention was made here of the tax situation. Well, I don't think your tax system here is very good. Of course, you can say now that you are not to blame for it. You aren't. Sometime ago they tried to force upon you a sales tax—the most unfair scheme of taxation that could ever be dreamed of. A few folks here in the city protested against it. They got together and organized as effectively as possible and presented their case to the District Committee. Apparently they killed the proposal for the time being.

There are, of course, some men up on the Hill in both House and Senate who don't believe in that kind of taxation. But why should you have to depend upon outsiders to do justice to you? If you want a sales tax, if you want the working people of the city to pay all the taxes, if you actually so decided at the polls, you couldn't complain. But if Congress should force that kind of a tax scheme upon you, then you are not directly to blame.

MUST HAVE OWN GOVERNMENT

I want to tell you those are just the things that will happen unless at least you secure some representation in Congress. Congressman WOOD called attention to the fact that even those who are on the District Committee naturally have their chief interest in the folks back home. Thus they cannot give major consideration to legislation affecting the citizens of Washington. Those who really have to do with government in Washington and in the District of Columbia should devote all of their time to the city's interests, just as is being done in all other large cities of the country. Besides, as far as I know, there is not a capital city of any country in the world, that is, in a democratic country, where its citizens are not provided with a government of their own and where they do not enjoy the same privileges to elect members to parliament which is accorded the citizens of those countries in general. Yet we who pretend to be the leading democratic nation of the world are denying to the citizens of our capital city the right to vote. To me it is something of a humiliation.

A VISITOR FROM OSLO

A few months ago a man from Oslo, Norway, dropped into my office. He was a pretty good student of world affairs; I must say a very good student. This man was Finn Moe, foreign editor of Arbeiderbladet at Oslo. He was amazed to learn that the city of Washington hasn't a city government of its own and that it is even denied representation in Congress. Now, in Oslo, in Copenhagen, in Stockholm, in London, in Paris—all capital cities—the people in those cities have exactly the same rights of franchise as have the citizens of the other cities of those countries.

As an outsider I don't like to offer you too much advice. You know what you want; at least you should know, but while you are considering other matters that concern you and while you are entering protests before committees up there on the Hill, as you did in the case of the "red" rider, I would suggest that the various groups in this city get together and really, for the time being, just

emphasize one proposition and that is to secure representation in the Congress of the United States. You are entitled to two United States Senators. I think you are entitled to about two Members of the House. Then after you have won that battle and you can secure full unity in your efforts there, then fight to secure some control over your local affairs. In other words, have provided for you a city government to which you may elect councilmen and mayor just as they do in other cities.

WE ARE WITH YOU

I know that you can't take too kindly to having outsiders tell you what to do but at any rate you will have to say this for Congressman WOOD, myself, and others: We are interested in helping you get this thing that I know you want—the franchise. I should like to see you extend these organizations that are battling for the franchise, unite them into one, and bring out here and elsewhere in the city thousands of people to meetings. I want to tell you when you do, the gentlemen up on the Hill are going to give some attention to you.

Of course you have some people here in the District who won't go along with you. Take these real-estate men who charge outrageous rents and don't pay taxes as they should—these fellows who speculate in lands. There ought to be imposed upon these fellows a heavy land-values tax. I want to assure you that you are more likely to get it with your own city government than you are through Congress where the Members have been elected by persons from the outside. Of course, there are a great many other things that can be said in this connection.

DEMOCRACY LACKING IN UNITED STATES

We talk about this country being so democratic. I'd like to think so, but I want to tell you when you look at the election returns from some States you begin to wonder whether there is much democracy in the United States of America. Thousands of persons are prevented from voting because they haven't paid their poll tax. I am happy to report that in my State of Minnesota we don't have such a thing as a poll tax. That is the only tax that is worse than the sales tax. We got rid of that long ago, and many other States have done so, too. But where men are denied the right to vote on any basis of property qualification, and that is what it amounts to, there is no democracy to boast of.

YOU MUST HAVE VOICE IN GOVERNMENT

I don't know just how long I am expected to talk. There are quite a few speakers, and I will try to conclude. The only thing I want to say to you, in conclusion, is to repeat what Congressman WOOD has told you. If you really want this thing, if you want to be full-fledged Americans, if you want to be active participants in a political democracy, then get down and battle in an organized way to achieve such a result. Even your conservative newspapers here are right on this issue. If you want to fix up your scheme of taxation on an equitable basis, if you want your school system handled in the way you think it ought to be or, at least, as the majority of your citizens feel that it ought to be handled, there is only one thing to be done, and that is for you to have the vote, to elect your own officials to conduct your own affairs.

Well, I think I have talked to you long enough, probably too long; and, anyway, like my colleague, Mr. WOOD, any time that I have the opportunity to vote to give you the franchise, whether it be to enable you to send Representatives to Congress or to elect a city government, I am ready to do so.

I thank you. [Applause.]

One Hundred and Fifty-fifth Anniversary, Military Order of the Purple Heart

EXTENSION OF REMARKS

OF

HON. FRANK J. G. DORSEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

ADDRESS OF HON. FRANK J. G. DORSEY, OF PENNSYLVANIA, AT THE NATIONAL CONVENTION OF THE MILITARY ORDER OF THE PURPLE HEART, INDEPENDENCE HALL, PHILADELPHIA, PA., AUGUST 7, 1937

Mr. DORSEY. Mr. Speaker, under leave to extend my remarks, I include therein an address delivered by me at Independence Hall, Philadelphia, Pa., on Saturday, August 7, 1937, on the occasion of the national convention of the Military Order of the Purple Heart, celebrating the one hundred and fifty-fifth anniversary of the institution of that order and the one hundred and fiftieth anniversary of the formation of the Constitution.

There is something appropriate about your title, "The Purple Heart." In the old Roman days, being "born to the purple" meant becoming one of the ruling or responsible class. As to the word "heart", used in its figurative sense, it denotes courage, mingled with tenderness. When we merge these two thoughts, we get a total that reads, "Responsible courage." And you men have lived up most accurately to that definition. Responsible courage is a quality universally hailed in a free government where men are not born to responsibility. Rather, among us it gravitates toward those who show the willingness and capacity to assume it. In our kind of state you men of responsible courage have your work cut out for you in war or peace.

You are met today much as a family reunites at intervals to find interest in the discussion of what has happened and what is happening. As at any other family reunion we can reminisce, observe, and speculate. We can find pleasure in going over some of the things that used to be and gather possible profit in carrying the past into the present. Your priceless decoration, the Purple Heart, came to you through you extraordinary World War service, though the badge itself was born of the Revolutionary War. So it is as old as 1782 and as new as 1932.

The Purple Heart badge of military merit was created by the general order of the Commander in Chief of the Continental Army, General Washington, on August 7, 1782. It was the first honor badge provided for the enlisted men and noncommissioned officers in the ranks, and no doubt was given to "excite and cherish the military virtues." The awarding of badges of honor to commissioned personnel was an old military practice, but the institution of the Purple Heart badge was perhaps the earliest instance of such award being given exclusively to enlisted men. Prior to the World War only three men are known to have received this cherished decoration, each being honored for particularly meritorious service during the Revolutionary War. The record of service and citations given to these men, Sergeants Churchill, Brown, and Bissell, stand forth as a proud record of accomplishment and an example of patriotism and loyalty unexcelled in the history of our Nation. You members of the Order of the Purple Heart have a glorious heritage, and, in consideration of your own meritorious service, you can find pardonable pride in the exclusive company which is yours.

By order of the President of the United States, the Purple Heart award was revived on February 22, 1932, during the Washington bicentennial celebration. The revived order made no distinction between enlisted men and commissioned officers, and extended the award to those authorized to wear the wound chevron.

When General Washington decreed that simple piece of purple cloth as an American emblem of military honor, 13 struggling colonies had won freedom and the world was wondering what they were going to do with it. In 1787 they answered that question in this building—Independence Hall—just as they had proclaimed political separation on this spot 11 years before. Although Europe had been severely war torn the divine right of kings survived without question throughout that continent. While most of the first members of your order were still in the prime of life, these newly freed colonists had suffered the birth pangs that we know as the Articles of Confederation and later shaped within these walls the Constitution. It brought unity and security through the people themselves, rather than by setting up a ruling royal house. While the first members of the Purple Heart were still in their active years they saw the French people rebel against the tyranny of a monarch and his satellites. And the first men to receive your decoration lived to see the "American experiment" take hold on the European continent. Down through the wars and the years, history records the toppling of thrones, one by one, until those kings who remain do so only because their power has passed largely to others within their nations.

The founding fathers were supremely cautious in how they portioned out power. Alexander Hamilton was fearful, too fearful, of the people. Jefferson came closer to the present-day conception that people in the mass can be trusted more than individuals or small groups. In a measure it is the jury system applied on a Nation-wide scale; one or two jurors may exert bad judgment but 12 are not apt to. It is the "Fifty Million Frenchmen Cannot Be Wrong" idea applied to government and its logical projection is the right to ballot.

While one great leader, Hamilton, held the decided opinion that the common man should have not too much to say about government, more of the delegates were concerned with forestalling one-man tyranny like the kind from which they had been so lately liberated. To safeguard our infant Nation from all kinds of dictatorships by individuals or oligarchies, the framers arrived at a three-branch system of government, where checks and balances would operate to prevent any selfish usurpation of power. That they were canny as well as foresighted is proved with events elsewhere.

France established a republic only to have a monarchy restored later. Of course, she has since reinstalled the republic in a more lasting way, but she had a lapse from which we never suffered. The caution of our framers is better demonstrated where monarchies have been more recently destroyed. In these cases the tyrannies of the crown have been supplanted by worse tyrannies created in the name of the people. In the memories of us veterans there was no more absolute monarch on an European throne than Nicholas, Czar of all the Russias. Siberia became the synonym in our minds for obliteration of objectors to the dominating order. Today we think of Ogpu, those dreaded Soviet secret police, as meaning the very same thing. As for the average Russian, he has simply changed oppressors. Some checks and balances would have been just the right prescription at the time Lenin and Trotsky were shoving Kerensky off the scene. We see that picture of periodical blood purges in foreign lands and it makes us more

fully appreciate those men who performed their masterly task in building the foundations for our Nation 150 years ago.

You and I were lads in the days when American sons of wealth were sent to Heidelburg and other German universities to absorb some of the fine learning and culture that abounded in the land beyond the Rhine. These compatriots of ours were little affected by the fact that the German nation was ruled by a sword-swishing monarch, backed by an ultramilitaristic junker class. But they lived to see the day when the man with a perfect fighting machine was tempted to put it to use. Yielding to that temptation caused him a throne and much that was commendable in the Fatherland has passed with him. Today we are sending no students to Heidelburg and its sister institutions. The culture which was once our envy and delight has become something else, and many a banished scholar of note now teaches in our halls of higher learning. The German people are still basically the kindly, industrious, and ingenious folks we used to know, but a great and almost unexplainable change has been wrought upon them by a seizure of their government. The House of Hohenzollern no longer rules them. But if Kaiser Wilhelm was something of a militant and arrogant German monarch, how shall we term the ruling regime? If junker officers could kick unoffending subjects off the sidewalks at will, in the old days, at least they did not follow up this ignominy by banishing the poor devils to rot in concentration camps. Nor did they persecute men, women, and children because of their religious beliefs or that they worshipped God according to the dictates of their conscience.

They did not brand Christianity as a racket nor attempt to inflict the pagan god Woden on a people who have produced famous scholars, religious leaders, and the world-famous passion play at Oberammergau. Some of us can be pardoned if we have developed a downright admiration for the junker of a bygone day, for we have grown to like him in comparison. Oh, that there had been some effective checks and balances in the days when the little German saddle maker became the first president of the Reich. Do not these wise provisions against dictatorships in our Constitution make us treat this building as our most sacred shrine? When we look at what is happening in Europe, are we not moved to a greater reverence of the men who labored so well in these rooms?

Checks and balances. We like to dwell upon the system that preserved us from swapping one kind of tyranny for another. The administrators, legislators, and interpreters of the instrument, the Constitution, that was struck off here, have been human beings. That is to say, they have made mistakes. For example, our Congress was an absolute drag-anchor upon the Army in the War of 1812; President Buchanan's weakness permitted the South to arm; and Chief Justice Taney just about "wrong guessed" us into the Civil War. So it is a bit naive to impute infallibility to a President, a Congress, or a Supreme Court. Yet these branches of government, administrative, legislative, and judicial, were working under the best instrument when they erred by omission or commission. The fault lay not with the Constitution but with the application of it.

We have been discussing tyranny and how the founding fathers set out to circumvent it, no matter what its form. It is of record that some of them looked askance upon too much power being portioned to an appointive body like the Supreme Court, whose members do not go to the people for their high office and whose tenure is life. In nothing that happened within this sacred building can we find that which gives the Court power to strike out legislation enacted by the Congress and President. That became an implied power in the deft hands of Justice John Marshall. It has on several occasions upset the fine balance designed by the framers. The Court's ability to thwart the will of the people, as expressed by their elected representatives, has within it the elements of a dictatorship so alarming to a free people.

No American President can ride high, wide, and handsome in a public-be-damned manner. Knowing his limitations under our Constitution, none has tried. Four hundred and thirty-five Representatives and 32 Senators come before the electorate every 2 years. They bring the mandate of the people back to Washington. When these chosen representatives came in 1932, in 1934, and in 1936, imbued with the same legislative ideas, it cannot be said that they were voting on mere whim. They had heard the voice of the people that directly speaks through the ballot box and the voting machine. And, lest we face the possibility of a judicial oligarchy, let them seriously ponder over what the celebrated fictional Mr. Dooley said, half in jest: "The Supreme Court follows the election returns." If it does not, it should, if representative government is to survive. We have been overemphasizing the checks and neglecting the balances. And we cannot blame that on the wonderful instrument, the Constitution, which has stood the test of time and has guided us in peace and in war.

The system of checks and balances wisely inculcated into our basic law by the founding fathers has served to protect the rights and liberties of our people. We have learned to respect the instrumentalities of government born of the Constitution. But while respecting them, we still have the inalienable right to justly criticize them when, through human frailties, those charged with the responsibilities of administration, legislation, and interpretation of the law fail to keep that balance in government so vital to the perpetuation of our democracy.

If our judiciary has been criticized, if there has been any disrespect engendered in our people for the courts, it has not been due to any lack of respect and confidence in the basic law, Federal or State, under which they have been instituted, but rather because of the human elements which have entered into the interpretation of the law. It has been well said that the courts are the protectors of the liberties of the people. In order to preserve our balance in government, in order to keep our judicial system on a lofty plane, the founding fathers set the example by providing that our Federal judges should hold life tenure, so that they would not be subjected to influences which might affect their decisions. If we are to maintain that respect for the courts and our judiciary, if we are to preserve the liberties which have been handed down to us through the sacrifice of so many patriots, so many soldiers, it becomes necessary to protect our judges, Federal, State, and local, from political and other influences which tend to lessen the respect for that important branch of government. We cannot afford to drag them into the mire of political partisanship, which leaves its scars and inuendos and sows the seeds of disrespect and discontent.

The generation which first bestowed the Purple Heart had its problems and we have ours. We admire the genius that can design and build a fine ship but we also hail the skill that can keep it on the true course against overwhelming odds in a storm. That the ship of state is a well-fashioned craft is for the whole world to testify in this sesquicentennial year of the Constitution. That we of this age and time are in perilous and ofttimes uncharted seas, no one will deny. The same benevolent Providence that provided America with skillful craftsmen a century and a half ago has given her able mariners to guide the bark in the present gale. I am ofttimes astounded at the wealth of capable and courageous people who man our various branches, administrative, legislative, and judicial. More than a few of them earn many times what the people pay them.

Just a block eastward from where we stand is the meeting place of the first Continental Congress—old Carpenters Hall. I am honored to be a Member of a body which is its lineal descendant. History has well recorded the names of those courageous pioneers who later held their second session in this historic building. The Nation has grown tremendously in miles and population since their deliberations and its problems have grown apace, as our people have changed from rural to urban. The founders lived in eternal dread that monarchy would return and it is reflected in the code they set up in this building. Today we can safely set aside such qualms nor need we have much concern about the various isms which from time to time endeavor to attach themselves as barnacles on our ship of state. Communism had a place on the ballot last November and polled a microscopic vote. The investigation of the La Follette Committee on Civil Liberties has established very definitely the fact that communism has been a pet bugaboo, and a very profitable one, which Pinkerton and other dealers in labor espionage have used to mulct millions out of gullible industrialists.

Returning once again to the first legislators of the Republic, they were concerned mostly with the levying of taxes and providing for the national defense. These are as much today's problems as they were yesterday's. But all over the world new responsibilities have come to government. In Great Britain, the Scandinavian countries, some of the South American republics, and in our own Nation government has become more sensitive and minded toward social service. So government costs more today because so much more is expected of it. Expressed in widest terms, this social service is a recognition that all of us as a unit can handle some common problems better than many of us acting individually. Our forefathers of 1787 never dreamed of deposit insurance, social security, collective bargaining, wage-and-hour regulation, and the like.

Their's was the job of suckling this new and experimental Nation into strength and vigor. Like any good parent they gave us a plan to live by and then bade us fend for ourselves. They expected the world to change some, and it has beyond their wildest dreams. If we are as adaptable to the job at hand as they were, we can leave posterity a Nation in good shape so that our future citizens can, too, fend for themselves. That implies that all three branches of government must take cognizance that changes have occurred and that they are bound to keep on occurring. Statesmen and jurists alike must see what you have observed: That, by your decree, government has come to have much greater responsibilities than the mere levying of taxes and providing for the national defense.

The 1937 America is well enough governed that no "man on a white horse" can ride into a dictatorship that will instruct our tots in the manual of arms while it guillotines or imprisons any of their elders who protest. "The man on horseback" could have come along in 1932 when all was chaos and confusion but it did not happen here because we had the human material, the courage, the faith and hope which alone could bring order to a nation. And that was done within the broad interpretation of that grand old instrument, the Constitution, so nobly drafted here. We are not Polyannas, but we who served together are born optimists. We old soldiers used to squawk loud and long but down in our hearts we always believed everything was coming out all right. It helped to sustain us when the going was particularly hard.

It is not just blind optimism that makes us satisfied today. One survey of the European situation and we can say in all truth and sincerity: Thank God I am an American. But we have little patience with the man who says: "God is in Heaven; all is well with the world"; and then turns over. The lackadaisical are paying the price in some countries for being that

way. Eternal vigilance is still the price of liberty. Let us turn our thoughts to seeing that your group in the Purple Heart Order will be the last. Let us resolve that, although ever ready to defend our country from the aggression of any nation, never again will we send our youth to man the trenches on foreign soil nor our money to foreign dictators and oligarchs to be used to destroy the lives of others.

In honoring you we have been dealt an honor, but we are hoping that God in His infinite wisdom will keep America from becoming embroiled in another cataclysm of arms. We have nothing in common with a group who have been planning war for the past decade. Why are these dictatorships moving in the calculated and inevitable direction of war? Are they animated by some glowing principle? Well, to us there is little difference between fascism and communism that the average American can discern. But there are similarities that we can see at a glance. Both are ruthless in their suppressions and oppressions. They want war because they want booty. It is "swag" they're after and so we just don't belong in any part of the game.

You and I saw them make a mockery of our idealism. We still think of the irony of waging a war to end war and making the world safe for democracy. We have seen how much they respect those "Alice in Wonderland" treaties to which we once pinned our hope and faith. Our business is clear. It is to stay out of their rotten game and to build a Navy big enough to keep the whole filthy business from our shores. We are a rich prize in treasure but two kindly oceans, properly policed, will help in our defense. These dictatorships are riding to the death, and God pity the poor, innocent citizenry of their's that has so little to say and so much to pay in blood.

Again let me remind you that you have been branded as gentlemen of "responsible courage." You are marked for duty in peace just as truly as war set you apart. Exert all your fine intelligence to keep America out of another conflict by every honorable means, and strive through the force of your numbers and the intellect of your members to preserve and perpetuate this living democracy which is at once the envy and admiration of the world.

Why Should Not Representatives Have Adequate Office Assistants?

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

Mr. COLLINS. Mr. Speaker, the lack of adequate clerical assistance for Members of the House has been well known for a long time. In recent years the situation has grown worse, and today the problem has become a serious one for most of us. The sensible thing to do is to provide our offices with capable employees and a sufficient number of them to perform our work, and this we are not doing. Officials in the executive departments come to us daily and ask for assistants sufficient in number to carry on in an efficient way the duties of their respective offices and we very willingly, and sometimes fawningly, grant these requests. It is done as a matter of course, but when the time comes for us to provide ourselves with adequate clerical help, so that we may carry on the everyday functions of our offices, we slink away in a cowardly fashion and refuse to do it; our excuse is that we believe our constituents do not want us to staff our offices so that we can do their work in a capable way. This is a species of cowardice, well known to everybody, and about which even our friends chide us.

I think the time is here when the membership of this House should act as sensible Representatives and give to themselves the relief that is so sorely needed.

For the first 6 months of this year I spent approximately $1,650 out of my own limited income in order to staff adequately my office and answer the mail that came to me and do the other official work. If this continues for the balance of the year, and it is likely to do so, a third of my income will be paid for salaries of persons that should be furnished me by the Government.

When the legislative appropriation bill was on for consideration in March of this year I offered an amendment to that bill which, if passed, would have given each Member an additional clerk at $1,800 per year. The chairman of the Accounts Committee [Mr. WARREN] at that time belatedly raised a point of order against the amendment which, however, was sustained by the Chair. After this action by the Chair Mr. WARREN stated:

I may say to the gentleman from Mississippi that I have considerable sympathy with what the gentleman has in mind. I made the point of order because it was proper that I should protect the committee, of which I am chairman * * *. Personally, I will welcome the cooperation of the gentleman from Mississippi and other Members if they can aid us in working out some attack on this problem that we realize is especially acute in the case of at least certain Members of the House.

After this sympathetic statement was made by the chairman of the Accounts Committee I introduced a bill to give to each Member an additional clerk at a salary of $1,800. Furthermore, I went before the Accounts Committee and testified in behalf of the bill, as also did Mr. JED JOHNSON, of Oklahoma, chairman of the Steering Committee of the House and spokesman for that committee on this bill. This was several months ago. No action has been taken by the Accounts Committee to date, and I understand that none will be taken at this session—all of which means that no relief is in sight.

The time is here when we must provide ourselves with additional clerks. The Social Security Act alone will put on our desks in one form or another at least 25,000 cases that we must handle directly or indirectly for the people of our respective districts, who will write us about these claims. The Railroad Retirement Act passed at this session will require us to do an ever-increasing amount of work. And there are other measures passed at this session, which will mean increased work for each of us to do. If we do not provide ourselves now with the clerks we know we need, I cannot see how it will be possible for some of us to represent properly the people of our respective districts.

Some of the membership of the House, especially those who are chairmen of committees and who, because of that, have adequate office help, do not appreciate the seriousness of this situation.

I know what the House will do if it is permitted to vote on the bill that has been introduced. A petition for discharge is on the Clerk's desk, which has been signed by about 130 Members of the House, and, in addition, I have received letters from, and others have spoken to me, who have said they will vote for the bill and in sufficient number to constitute a majority of the House membership. Among these are some of the strongest and most active Members of this House, Representatives who perform as valuable service as their colleagues who are more fortunately situated because of the chairmanships which they hold.

The following are quotations from some of the letters that I have received from Members of the House. In no instance shall I quote twice from the same letter. Bear in mind, also, that I shall not quote from all favorable letters that I have received. In some instances I shall also quote parts of the same letters on the stationery allowance, for that is as inadequate as are the funds for clerk hire.

An Ohio Member writes:

I employ an extra secretary outside of my allowance in order to keep up with the work received by our office and give the right kind of service. Even at that we have to keep open Saturday afternoons and very frequently until late in the evening. Our stationery allowance is definitely inadequate for our requirements.

A California Member, who has not signed the discharge petition, says:

I am spending out of my pocket a total of $2,800 annually over and above the allowance I receive from the Government for clerk hire. My stationery allowance has been overdrawn for a couple of months.

The following expresses the sentiment of an eastern Member:

I agree fully with your thought on clerk-hire allowance and will sign the petition on the Speaker's desk.

Another Member from an eastern State concludes:

I am pleased to advise you that I believe sincerely in the justness of this bill, and will be glad to sign the petition in an effort to have the matter brought before the House.

A Member from Tennessee states briefly:

May I say that I am in favor of this legislation. You may count on my cooperation.

A colleague from Oklahoma expresses himself as follows:

My expenditure for additional clerk hire will be something like $1,000 per annum. On July 1 my expenditure in the stationery room was about $110.

An Illinois Member has this to say:

I, too, have had to spend several hundred dollars for clerical fees from my personal account. Since Congress has been of such long duration this session, and the expenses connected with it here in Washington are so great, a person who depends on his salary alone could not remain in Congress very long from a financial standpoint.

Another eastern Representative adds his support:

I have refrained whenever possible, from signing any petitions on the Speaker's desk. I shall be willing, however, to support the measure if and when it comes before us on the floor of the House.

And this comes from a Missouri Member:

In reply to your letter of July 10, in reference to the signing of discharge petition No. 17, I wish to advise that I have signed it, doing so some time ago.

And from the same State another writes:

I, too, am eager to see this bill passed because I feel that most of the members, if not all, do really need additional help in their offices.

From an Alabama colleague we have this statement:

I have signed the petition to bring up this bill, and am anxious to cooperate in the passage of this measure in every possible way, for I, too, find it necessary to spend several thousand dollars a year of my own money for additional clerk hire. My stationery allowance has been overdrawn every year, and this year it has been overdrawn since before the 1st of July.

Quoting from a western colleague:

I am constantly put to extra expense for clerical help beyond the allotment. The stationary allowance has been overdrawn in its entirety, and I now owe about $30. In addition to this my lack of extra clerical hire prevents me from doing many of the things that I feel that I should do as a Congressman.

A Mississippi Congressman says:

I am glad to advise you that I signed your petition for additional clerk hire long ago.

One of West Virginia's Members is emphatic as follows:

Let me say I am in complete agreement with you relative to the pressing need for additional clerk hire. I shall immediately sign the petition on the Speaker's desk.

And another from the East states:

I don't know what makes me so dilatory. I am very much in favor of your H. R. 6063, and am signing the discharge petition today.

An Iowa Congressman concurs with the following statement:

I will be glad to look into petition no. 17 when I get there, because I believe that additional clerk hire would be helpful. I do not have the figures before me, but know that the stationery allowance is not sufficient to cover my expenditures in that regard.

A Connecticut Member writes:

I wish to say that I have overdrawn my stationery account in the amount of over $12, dated June 1. Clerk hire will probably run up to $1,000 per annum.

The sentiments of a Representative from Michigan follow:

As to help, I beg for a great deal of service and we work abnormally long hours in my office. I feel we should be given an additional clerk.

And another Member from the same State writes:

Will say I am one of those who feel the need of additional clerk hire as I have three people in my office. I find that I have paid the stationery room, so far this year, the sum of $91.26, this being the amount it has cost me over and above my allowance of $125. There is every prospect the balance of the year will bring the expenditures for this purpose to the stationery room approximately again what it has been up to this time, or about $432.

And from the far West this comes:

The granting of additional clerical aid will make it possible for us to render a far more valuable service to those who have been good enough to send us here to represent their interests. There is very much more that I could do for my people—that every Representative could do in behalf of his own constituency—if I had this additional help.

Quoting from another eastern Member:

I have your letter of June 10, re your bill to increase the appropriation for clerical assistance to Members of the House. I have already signed the petition to bring your bill out. I congratulate you on your efforts in this connection.

The following is quoted from a letter from a Georgia Member:

I am in complete sympathy with you in this matter; have already signed the discharge petition.

And a New York Representative writes:

I am thoroughly in sympathy and accord with your bill H. R. 6063, providing for additional clerk hire to Representatives of the House. I shall be very glad to sign the petition.

And another Virginia Congressman has this to say:

The need of this additional clerk hire is imperative for many Members. I am particularly in this class. It is impossible for the correspondence of this office to be kept up under the present quota of help. My secretary, my stenographer, and I, all working together, and using the typewriter myself, find it impossible to keep the work up as it should be.

With reference to stationery allowance, this is wholly inadequate. Before July 1 I had used within $15 of the year's allowance and there had been no extravagance of any kind in our drawings from the stationery room.

Another California colleague describes his situation as follows:

In further reply I am glad to advise that my clerical help will cost $1,920 this year over and above the $5,000 appropriated by law. My stationery allowance was already overdrawn early in June.

And an Indiana Member says:

I am greatly interested in this effort to get more clerical hire, as I am using part of my own salary to pay for extra clerks. My mail runs from 100 to 150 letters a day, each letter being important and requiring some research and a proper reply.

Quoting from another Connecticut Member:

Thus far this year I have spent $500 for additional clerk hire. My stationery allowance is still within bounds, but that is because I used some of the supplies I bought for the campaign which were left over.

And the following significant statement comes from Ohio:

There has not been a year since I have been in Congress that my stationery allowance has been adequate. When I have been required to hire additional clerk hire, it would run into quite large sums. I am certainly in favor of this bill.

And from Ohio again:

I am in receipt of your letter of May 26 about additional clerk hire, and I am in full sympathy with the legislation.

A North Dakota Member says:

In regard to my stationery account, I will state that since I have been a Member of Congress I have had to use part of my salary for supplies.

The following emphatic statement is received from an Indiana colleague:

I am now serving my fifth term in Congress, and my stationery allowance has been overdrawn every year since I entered office in amounts ranging from $50 to $200.

Another Washington Member adds:

My staff has worked 75 to 80 hours per week, which is obviously unfair to them.

An interested Representative from Michigan writes:

I believe you know that I am heartily in favor of this measure and I shall sign the petition just as soon as the opportunity presents itself.

From a Midwestern State comes this statement:

I am quite sure I signed your petition no. 17 long ago, but I will go back and look. If I have not, I certainly shall, and I wish you good luck with it.

Also this from the same section:

Please be assured I have signed this petition and am in full accord with its views because of the necessity of properly caring for the work I am expected to do.

A northwestern Representative states:

I signed this discharge petition several weeks ago and have often urged my colleagues to do likewise. You may be sure that I will be happy to assist Mr. COLLINS in any way that I can in order that this bill may go through during this session of Congress.

We have this from another Indiana colleague:

I will be glad to sign this petition as I appreciate the very valuable work you are doing in this matter.

An Oklahoma colleague writes:

I have your letter of July 22 with reference to H. R. 6063, providing for additional clerk hire. I have already signed this petition and was very glad to do so. Anything I can do to cooperate in making this bill a law will be a pleasure.

A Southern Congressman expresses interest:

Wish to say that I am very much interested in the bill for additional clerk hire. And I have already signed petition no. 17.

From the Midwest again we have:

My only suggestion in securing enactment of your additional clerical hire bill is to induce other Members to sign petition no. 17. I attached my signature some time ago.

A Louisiana Member says:

I have discussed this matter with Congressman COLLINS on several occasions and suggested to him that he urge our colleagues to sign his discharge petition if possible.

The situation of a Member from Texas is expressed:

I should say that I expend something like a thousand dollars per year for extra clerical help. This is additional to the regular allotment for clerk hire. My stationery allowance for this session has been overdrawn since July 1.

Another emphatic statement from the Southwest:

For heaven's sake, let us try to get it through. I am "out of pocket" $1,600 annually under the present arrangement.

And now we hear from a Montana Member:

I should have more help in the office and will have to have more later on regardless from what source the pay comes.

And from Montana again we quote:

From time to time, it has been necessary for me to pay money out for special stenographic services and the volume of mail which I am handling leads me to believe that I will have to continue this practice.

My stationery allowance was overdrawn on May of this year and my stationery bill has been running from $15 to $20 every month since that time.

This received from Maine:

My stationery allowance has been overdrawn for more than 2 months.

A New Jersey Member is similarly situated:

My stationery allowance was overdrawn 3 months ago and I have paid for extra help nearly $1,000 since the first of the year.

A letter from a Florida Representative states:

My expenditures over my allowance for clerk hire runs about $500 to $600 per year for extra help. In addition to that, I have to do considerable detail work which normally a secretary or clerk should do. I have just about used my entire year's stationery allowance.

And this from an Oregon colleague:

Have not answered certain types of letters, to which I have heretofore given attention. It has just been impossible for me to care for all the correspondence that was written about the Court and certain other legislation.

From Texas again:

I am spending $150 a month for clerical help, have been overdrawn on my stationery-room allowance since early in May and have already purchased at least $251 worth of extra equipment from the stationery room.

This describes the situation of another New Jersey colleague:

Right now my stationery allowance is all used up for this session. My costs run from $100 to $500 each year in excess of the allowance, which I pay from my own pocket. As for the clerical help, I have two in the Washington office who draw the entire allowance, and also a secretary in ——— whose pay comes out of my pocket. This amounts to $1,500 per year.

I quote this from a Kentucky Representative:

I think the Members need this additional help. My stationery allowance was exhausted on or about the 1st of May of this year and I have already received and paid two statements of account for May and June of this year.

And still another New Jersey Member says:

I have already signed the discharge petition for Mr. COLLINS' resolution, and have induced several others to do so. I am very interested and shall do anything I can to help.

This New England colleague writes:

While I do not care to give the exact figure, it is much more than the $3,000 per annum, which you state your office has cost up to July 1. It is always necessary for me to expend more than the official allowance for stationery.

And this midwestern Representative adds:

I fully realize and appreciate the need for additional help. Secretarial and clerical work has increased at least 200 percent in the last 20 years. I know that it costs me a considerable amount above the present inadequate allowance.

This statement is from another Congressman from the same section:

I wish to state that my expense for the services for additional clerk hire amounted to $1,700 in 1936, and for 1937 will approximate $2,500.

In the maintenance of my (home) congressional office, I buy locally all stationery supplies, with the exception of the official letterheads and envelopes, and this runs from $75 to $100 annually. I use the full amount of stationery allowance in Washington.

This California Member says:

My stationery allowance at present is overdrawn about $25.

This is from another western Member:

I do think it is incumbent upon the House of Representatives to see that the Members have enough office help to take care of their business in a manner that a Representative should take care of it and I am going to sign your petition to discharge forthwith, and in any other manner I can cooperate, kindly advise.

A Nebraska colleague writes:

I have spent about $300 to $400 additional for clerk hire during the past year.

From Minnesota we have this:

I want to say that I was one of the first to sign the discharge petition for your resolution. I am in complete sympathy with the objective of your resolution to provide additional help for each Member.

And this from Washington:

I am under the impression that I have signed the petition, but will be glad to check up today as I am in favor of this appropriation.

Another western Congressman says:

I am heartily in favor of additional office help and will support it (H. R. 6063) in whatever manner I can.

And this comes from still another from that section:

Thank you for your letter of July 22. I have signed the petition, and I am very much in favor of the passage of the bill.

A South Carolina Congressman states:

Thank you for your letter of the 26th, and I want to assure you that I am heartily with you in this bill and will do everything I can to help you get it through.

The following is from Rhode Island:

Please be advised that I have already signed the above-mentioned petition (no. 17) and will support your bill, H. R. 6063.

I have this from another Pennsylvania colleague:

I have signed the petition relative to additional clerk hire because I feel that there are many Members who really need extra clerk hire.

The following from the same State:

Kindly be informed that I have signed petition no. 17 to discharge the committee from further consideration of your bill, H. R. 6063.

From North Carolina comes this statement:

I shall be very glad to have an opportunity to vote for this measure, H. R. 6063, in the event it is brought before the House for consideration.

I quote this descriptive statement from a Nebraska Member:

I have not expended beyond my allowance for this purpose (clerk hire) for the first 6 months, but have not been able to do all the things I should have done had additional help been provided.

An Idaho Congressman says:

I shall be very glad to sign the petition on the Speaker's desk to bring up a resolution to provide another clerk for each Member of the House.

Another from Maine:

I have been happy to cooperate with you in seeking to secure some additional allowance for clerk hire in placing my name on the petition which you have filed.

I conclude these quotations with one from another Florida colleague, as follows:

The clerk hire over and above my allowance will probably not exceed $1,000 per year. I have not checked lately, but I feel quite certain my stationery allowance is now either overdrawn or exhausted.

Many Members whose letters are quoted from have not signed the petition for discharge and many others will vote for the bill who have not seen fit to write. The excerpts included, however, indicate the sentiment of the House membership.

I sincerely hope that the leadership will give the House the opportunity to vote on this measure, which means so much to the efficient operation of our respective offices.

The Government Does Not Make the People—The People Make the Government—What the People Cannot Do Their Government Cannot Do—All Progress Has Been Made by the People in Successfully Resisting and Relieving Themselves of the Unwarranted and Unnecessary Interference by and Impositions of Government

---

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

ADDRESS OF HON. CHARLES A. PLUMLEY, OF VERMONT, AT PLYMOUTH, VT., AUGUST 8, 1937, AT THE CALVIN COOLIDGE PILGRIMAGE

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit my address at Plymouth, Vt., at the Calvin Coolidge Pilgrimage, August 8, 1937:

I appreciate the honor which you do me in inviting me to be present on this occasion, but there is little I can say in addition to what I have already said here on other occasions of a similar nature with respect to that distinguished but modest gentleman who was great in his simplicity and a typical son of Vermont in a tribute to and in reverence for whose memory we have today assembled here.

I have said in substance and I now repeat that in these hours of stress and the turmoil of the times men wonder more and more at the breadth of his vision and his apprehension of matters respecting the welfare of this country. They are just beginning to comprehend his conception and philosophy of government.

His sagacity was demonstrated too many times to need enumeration or reiteration. If Lincoln were a child of fate, so was Coolidge, for the homeliness and the 100-percent Americanism of the two men makes a picture that will survive the ages.

None was ever better versed in politics, governmentally defined, than was Coolidge. He was a politician, since politics is the science of government. He was a zealous patriot. He was a philosopher. The future will find for him his place, and it will be in that group high up in the list of those of the really great of all the ages. He was a politician. Yes; he knew that the people of the United States very deliberately framed their Government with the purpose and intent of remaining the masters of it, not of being mastered by it. In that respect I have to say that they are not yet willing to abdicate in favor of any, even the most audacious conspirator, against their sovereignty.

Calvin Coolidge comprehended and appreciated full well the fact, and it troubled him greatly that it is among the evils—and perhaps not the smallest of those of democratic governments, as George Washington once said—that the people must be hurt, that they must feel before they will see, in order that they may be aroused to action. He knew full well that our Government has been tried in peace and it has been tried in war; that it has proved itself fit for both; that it has been assailed from without and has successfully resisted the shock; that it has been disturbed from within and has effectually quieted the disturbances. It can stand trial; it can stand assail; it can stand adversity. It can stand everything but the marring of its own beauty and the weakening of its own strength. It can stand anything but the effects of the rashness of the people.

Those of you who heard him talk and have read his written words, know as well as I do, that he was convinced that the American people are not disposed to abolish constitutional checks or to place an absolute master over themselves. They propose to take no chance with a beneficent despot, a Caligula, a Marcus Aurelius, a Hitler, or a Benito Mussolini. He knew how truly Carlyle spoke when he said: "America, too, will have to strain its energies, crack its sinews, and all but break its heart, as the rest of us have had to do, in a thousandfold wrestle with the pythons and the demons before it can become a habitation for the gods."

He realized that despotism has had its happy accidents; that a despot has always some good moments. But sovereignty, he said, is in the individual and we are going to protect the right of the individual. Democracy, said he, was not a tearing down, but a building up; not a denial of the divine right of kings; it supplements that claim with the assertion of the divine right of all men, and such consummation of all theories of government, the great constructive force of the ages, the alpha and omega of man's relation to man, the beginning and the end. He was convinced that there is and can be no more doubt of the eventual triumph of democracy in human affairs than of the triumph of gravitation in the physical world, for its foundation lays hold upon eternity.

The American form of representative democracy was in his opinion not a device for the removal of responsibility from the shoulders of the people, but on the contrary, a method that inevitably places the responsibility there. Our Government, as he saw it, was a process, the success of which depended always upon the will, the courage, and the effort of the people. He saw the American people, not as receivers of bounty, not as the easy-going objects of paternalism, but as vital factors in working out the problems of perfecting civilization. "Sovereignty", he said, "is always finally vested in the people. It may need theocracy to lead the people out of barbarism; this may develop into a despotism with the power divided between kings and bishops; but a struggle is sure to come, and the people will gather about the king to make him a monarch, like Louis XIV, who really was an objective realization of the State, this too, will be but temporary; the people will realize more and more that the sovereignty is with them, and will finally assert it."

It is a maxim of our institutions, he asserted, that the government does not make the people, but the people make the government, and in this he agreed with President Grover Cleveland, and his statement to the effect that though the people support the government, the government should not support the people.

God knows that in these days we need more men like Calvin Coolidge and Grover Cleveland.

"Men who their duties know
But know their rights, and knowing dare maintain."

He had great faith in the American people. "In them", said he, "there may be an involuntary servitude, but never an involuntary liberty; it is ever purchased with a great price. It is not given or bestowed, it is acquired."

The American people in their sovereignty must forever remember that to set free a king ever requires the ransom of a king.

He had a jealous regard for the right of the individual to manage his own affairs and to be left free to his own devices, insofar as, in so doing he did not run counter to the functions of the State by which the liberties of other individuals were made secure. To him the rights of the individual were sacred. The rights of the individual in the judgment of Calvin Coolidge, and as stated by him, were founded upon the Constitution of the universe, and are an essential ingredient of original human nature, and are such as no government can successfully undertake to override. He warned the American people over and over again not to expect that from the Government which the Government cannot give. He warned them against the fallacy that the Government is some miraculous institution that could do for the people what they alone could do for themselves. Where the people themselves are the government, he reiterated, it needs no argument to demonstrate that what the people cannot do their government cannot do.

He also said, "There is no substitute for liberty. Unless it be preserved there is little else that is worth while."

Individual initiative in the long run has a far greater worth than bureaucratic supervision. Our institutions are predicated on the rights and corresponding duties, on the worth, of the individual. We have no dependence but the individual. Laws do not make reforms, reforms make laws. We cannot look to government, we must look to ourselves.

This country cannot be run on the promise of what it will do for the people; the only motive to which the people will continue ready to respond and will respond is to do something for themselves; to achieve their own greatness; to work out their own destiny.

Calvin Coolidge believed the best service the Government could render to the people was to interfere as little as possible with individual initiative.

He told the American Bar Association in 1922 that: The attempt to regulate, control, and prescribe all manner of conduct and social relations is very old. It was always the practice of primitive peoples. Such governments assumed jurisdiction

over the action, property, life, and even religious convictions of their citizens down to the minutest detail. A large part of the history of free institutions is the history of the people struggling to emancipate themselves from all this bondage.

I do not mean by this that there has been, or can be, any progress in an attempt of the people to exist without a strong and vigorous government. That is the only foundation and the only support of all civilization. But all progress has been made by the people relieving themselves of the unwarranted and unnecessary impositions of government. There exists, and must always exist, the righteous authority of the State. That is the sole source of the liberty of the individual, but it does not mean an inquisitive and officious intermeddling by attempted government action in all the affairs of the people. There is no justification for public interference with purely private concerns.

Those who founded and established the American Government had a very clear understanding of this principle. They had suffered many painful experiences from too much public supervision of their private affairs.

I recently read an address he made at Fredericksburg, Va., in 1922, 15 years or more ago. Then and there he said:

"The world today is filled with a great impatience. Men are disdainful of the things that are, and are credulously turning toward those who say that a change of institutions would bring about an era of perfection. It is not a change that is needed in our Constitution and laws so much as there is need of living in accordance with them. The most fundamental precept of them all, the right to life, liberty, and the pursuit of happiness, has not been brought into universal application. It is not our institutions that have failed, it is our execution of them that has failed. There is no reason for Americans to lack confidence in themselves or in their institutions. There are criticisms which are merited, but the life of the Nation is dependent, not on criticism, but on construction; not on tearing down, but on building up; not on destroying, but in preserving. The life of the Nation cannot stand, except on the recognition and observance by everybody connected with it of the fundamental precepts of American institutions. Nothing will ever be settled unless it be settled in accordance with them.

Any other attempt will have as its result nothing but confusion, destruction, anarchy, and failure."

He was opposed to legislating by clamor, by tumult, by pressure. There can be, he said, no constitutional instruction to do an unconstitutional act.

Carlyle, was it, who said that the philosopher is he to whom the highest has descended and the lowest has mounted up, who is the equal and kindly brother of all.

What a philosopher Coolidge was! What a politician! What a patriot! What vision he had!

He was a patriot. He was one of those who first, last, and all the time believed that we must be in a position to defend ourselves, not by treaties of neutrality, nor by agreements of offense or defense, nor by ententes cordiales, nor by triple or quadruple alliances, but by the grace of God and the power of right and of one's own right arm. He believed we should have a definite policy and a definite attitude in favor of the maintenance and development of international law on the foundation of justice and righteousness and equality and mercy. He was a nationalist in that he believed the American people should be at liberty to pursue their own ways, develop their own ideals of government, uninterrupted or disturbed by the interference of other nations, enabled by an adequate system of national defense, in a dignified, firm, and effective manner to maintain our rights as a nation and the rights of our citizens wherever they may be on land or sea, in the enjoyment of their lawful rights of life, liberty, and the pursuit of happiness.

He was a liberal conservative. He stood for that progress which adds to, but does not destroy. He warned the country against ill-considered change. He questioned the desirability of substituting a system under which America had grown great, and had fostered equality of opportunity, for a different system concerning whose operations there could be but speculation. He was opposed to those who counseled such panaceas and novelties in governmental procedure as require for their adoption the annihilation of the established order.

He had pretty definite notions with respect to the checks and balances in our system of government. He knew exactly what he thought and did not hesitate to say what he thought, with respect to the question—now of the hour—which involves the Supreme Court of the United States, its prerogatives, its duties, and its service to all the people.

"For the purpose of protecting the people in all their rights, so dearly bought and so solemnly declared, the third article of the Constitution established one Supreme Court and vested it with judicial power over all cases arising under the Constitution. It is that Court which has stood as the guardian and protector of our form of government, the guaranty of the perpetuity of the Constitution, and above all the great champion of the freedom and the liberty of the people. No other known tribunal has ever been devised in which the people could put their faith and confidence, to which they could entrust their choicest treasure, with a like assurance that there it would be secure and safe. There is no power, no influence, great enough to sway its judgments. There is no petitioner humble enough to be denied the full protection of its great authority. This Court is human, and therefore not infallible; but in the more than 130 years of its existence its decisions which have not withstood the questioning of criticism could almost be counted upon one hand. In it the people have the warrant of stability, of progress, and of humanity. Wherever there is a final authority it must be vested in mortal men. There has not been discovered a more worthy lodging place for such authority than the Supreme Court of the United States."

To the mind of Mr. Coolidge, a weakening of the powers of the Supreme Court would not be progress. He saw American liberties and the rights of all the people best guaranteed by the undiluted power of the Court. He knew its history. He was impressed by the record of its success—which is the country's success. He was for progress, and he saw progress made possible by the protection which such a court as this has given and can continue to give.

We stand today among the hills where Calvin Coolidge was born, lived, and worked as a farmer's boy, where he learned the lesson that nothing in the world worth while is to be gained without work. He knew by experience both the necessity and dignity of toil. He saw not only the futility but the menace in pursuit of ease and evasion of responsibility. He learned from his father and mother the worth of his word and what honor was. To him his word and his oath were sacred. He told the Senate and House of Representatives of Massachusetts that—

"When I took office I gave an oath to support the Constitution of the United States. That Constitution and the laws of Congress are declared to be the supreme law of the land. It may be that the eighteenth amendment and the act under it are one or both void. So far as any court has decided, I understand the amendment has been sustained. They have been before the Supreme Court for some time, where up to now they both stand as law. That which the Court hesitates to decide I shall not hasten to declare. It would be extremely improper to undertake to influence that decision by the action of the lawmaking power of Massachusetts. Do not anticipate it, await it. My oath was not to take a chance on the Constitution; it was to support it. When the proponents of this measure do not intend to jeopardize their safety by acting under it, why should I jeopardize my oath by approving it?"

Lastly, I charge you to hear and heed him as he says: "The Federal Government has strayed far afield from its legitimate business. It has trespassed upon fields where there should be no trespass."

Our country was conceived in the theory of local self-government. It has been dedicated by long practice to that wise and beneficent authority. It is the foundation principle of our system of liberty. It makes the largest promise to the freedom and development of the individual. Its preservation is worth all the effort and all the sacrifice that it may cost.

"Man is his own star and that soul that can
Be honest, is the only perfect man."

John Theodore Buckbee

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN THEODORE BUCKBEE, late a Representative from Illinois

Mr. SABATH. Mr. Speaker, announcement of the death of Mr. BUCKBEE, although he did not die unexpectedly, brought sorrow to the hearts of his colleagues and a myriad of friends. Although he was not of my political faith, we knew a long and pleasant relationship, and his passing brought to me the poignant grief of personal bereavement.

His kindly personal qualities and high business and statecraft attainments caused all who were acquainted with him to highly esteem his sound judgment and decisions.

Mr. BUCKBEE's contributions were not in the form of prolix and pedantic speeches upon this floor. His nature did not allow such. He preferred to exercise his influence in committees, two of which, the Committee on the Post Office and Post Roads and the Committee on Appropriations, he adorned and magnified by his ripe and successful business and political experience, his contribution to the work of the important subcommittee on Department of Agriculture appropriations assuring him perpetuity of grateful remembrance.

Mr. BUCKBEE was graduated from the public schools of his native Rockford, Ill., his family being nationally known for its connection there with the H. W. Buckbee Seed Co. He was fortunate in being allowed to complete his technical training in agriculture and horticulture in Austria, France, Holland, Denmark, Sweden, Belgium, Italy, and Great Britain.

Mr. BUCKBEE did not disappoint the faith of those who made it possible for him to acquire that important tech-

nical training but fully justified it by becoming, sans influence save the influence of extraordinary ability, president of the H. W. Buckbee Seed Co., a position he held at the time of his death.

My indelible remembrance of Mr. BUCKBEE is his uniform and wholehearted willingness to lead and cooperate in all useful endeavors. True, he was a loyal party man, believing that only through party unity great and worthy ends can be accomplished, but he was not a zealot in political matters. While his first thought was for the congressional district he ably represented here for almost 10 years, he did not lose sight of the fact that measures he supported or opposed would affect all the people of his beloved America. In other words, the welfare of all America was his consuming passion.

He was a typical American. It was Americanism deeply rooted in our free institutions. He had a wide and penetrating knowledge of his country's history. The large and permanent interest of the United States was very sacred to him, and that interest he wished to promote and defend without flinching and without fear. He knew the rocks on which nations have been shattered, and he steered his course far away. He knew the spirit of the founders—the soul of the Nation—and he made their spirit his as far as humanly possible.

Those of us who observed our departed friend during the year preceding his death knew from observation only that he would not be with us long. He uttered no complaint. He fulfilled his duties to the end. In the days left to him he did not waste his strength in windy opposition or factious controversy. He shrank from jealous drums, strident klaxons, envious tom-toms, satisfied to let his worth and work be his memoirs.

Mr. Speaker, contact with a man like Mr. BUCKBEE is inspiring. It is helpful, and I say frankly, especially helpful to those of younger years. We are all better men for his having been here.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 10, 1937

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from Massachusetts

Mr. SABATH. Mr. Speaker, when death comes to ripe old age our sorrow is tempered by the reflection that three score years and ten is the brief span allotted for man on earth. When childhood, tender, innocent childhood, answers the Reaper's call, we draw some consolation from the knowledge that life's trials and temptations and hardships have been spared those little ones, and secure from even the knowledge of evil they peacefully and quietly sleep in their little graves. But when the end comes to one of exceptional character and ability in the prime of manhood, just as he has reached full fruit and flower, while eager winds are kissing every sail, with a happy home, surrounded by the faithful, a loving and devoted wife, and little ones to cluster about his knees and encircle themselves around his heart—when the end comes to such a man our hearts grow rebellious, we cannot understand, and we are tempted to question the wisdom of such a dispensation. To such a test of our faith we can only bow our heads in humble submission to the inevitable and be comforted and consoled by the divine assurance that He doeth all things well.

How singularly appropriate are these thoughts when with fond remembrance and loving hearts we think of the untimely passing of Mr. CONNERY, whose loss means so much to his family, his country, and his friends.

He exemplified to the fullest in his useful life and sterling character the civic and personal virtues which we are pleased to believe reach their most perfect development under the conditions of American life.

Mr. CONNERY came here more than 14 years ago without legislative experience, but, by a rare exhibition of useful experience, an indefatigable zeal, and a charming personality, he soon rose to leadership not only of his important committee but in party councils as well. True, he was a loyal party man, believing that only through party unity salutary and worthy ends could be accomplished, but, after all, he was tolerant in spirit, though impetuous in speech, and conciliatory in action.

Our departed friend was not born to a life of ease. After attending the public schools of his native city he worked in a shop and attended college. But his education did not stop there. He served well for 19 months in a combatant military organization in France; and after he came to Congress he successfully applied himself to the study of law, being admitted to the bar, as I remember, only 2 years ago.

His work here was so outstanding and far-reaching that little need be said of it.

They shall rest from their labors, and their works do follow them.

Through the loss of one who was for many years a leader in important activities here we are today infinitely poorer. We think of our dear friend, Mr. CONNERY, first of all on account of the indomitable energy for which he was distinguished. He was all energy. It was as if some intuition from on high had made him aware of the fact that his years were to be few and that he had to work as hard as he possibly could to get his life work thrust into these few years. A braver soul I never knew.

The energy and ability that we all knew him to be possessed of would have secured for him high place in the world of business if he had been of that class of men that are content to work merely for business success and whose hearts are fired simply by a personal ambition. He could have gone far along that road; but would you and I miss him as sorely today, or would there be anything like the wonderful, spontaneous tribute to his memory that we hear from all sides? His heart was here in the House of Representatives, where he worked unstintedly for the creation, maintenance, and promotion of the best things for his beloved America.

A friend of mine recently quoted to me this epitaph he found on an English tombstone: "Think what a man should be, and he was that." So we say, think what a humanitarian should be; think what a patriot should be; think what a far-seeing and accurate legislator should be, and Mr. CONNERY was all these.

He has gone to his home, not the habitation of earthly peace and quiet, bright with domestic comfort and joy, but to the dark and narrow house appointed for all the sons of men, there to rest until the morning light shall gleam in the East.

We grudge him not his rest; he rests from his labors; but we rejoice that he carried so much with him; his works do follow him.

The Secession of the Castle Courtiers

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 10, 1937

ADDRESS OF HON. JOHN M. COFFEE OF WASHINGTON AT CHESTER, PA., AUGUST 1, 1937

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include the following address delivered

by me at the Delaware County (Pa.) Central Labor Union's annual picnic at Latave's farm, Twin Oaks, near Chester, Pa., on Sunday, August 1, 1937:

As a life-long champion of the aspirations of organized labor, I am happy to join with you in your celebration today. These are troublous times, calling for critical examinations by all of us, and especially demanding the exercise of prudent judgment from those occupying high public office.

Last fall the entire Nation participated in a shattering vindication of the New Deal. Though four-fifths of the newspapers were editorially stigmatizing Roosevelt and the Democratic Party, and Liberty League-inspired orators were inveighing at liberals supporting the Democratic Party, calling them Communists and Bolsheviks; though every form of fraud and deceit was practiced upon the American voter, yet the light of truth penetrated and victory crowned the efforts of the progressive movement.

Every adjective of contempt which could be culled from the dictionary was hurled in the form of invective at the bloody heads of Democratic leaders. The forces of organized labor were pictured as bought-and-paid-for agents of Soviet Russia, bent upon the destructive course of undermining American institutions, destroying our form of government. Roosevelt was charged with a fiendish desire on the one hand to be a dictator and to set up a fascist totalitarian state; and, paradoxically, within 5 minutes thereafter, accused of attempting to establish a dictatorship of the proletariat, communism. Republican orators beat their breasts in their tearful agony to protect home and fireside. The poor old Constitution was dusted off and hugged so hard to the rotund chests of the conservatives that the poor thing was badly mauled. Crocodile tears were shed in behalf of the widow and orphan by these defenders of the existing order.

A great weekly magazine risked its reputation to erect a false straw-vote psychology. The economic royalists twisted figures, padded statistics, altered quotations, falsified public records, resorted to any and every reprehensible practice to achieve their ends.

But to no avail. The people won. They saw the gleam and followed it. The light of truth expelled the shadows of doubt. Hopes surged in the hearts of the lowliest. The prophet of the new day rose again from the attack, bloody but unbowed. This smiling battler against special privilege, the cynosure of the dreams of the American forgotten man, emerged triumphantly from the shock and dust of battle.

He was given a mandate. A mandate for what? A mandate to carry on, to carry on fearlessly, to enact into laws the principles enunciated in the New Deal program. And what were they? Relief from farm tenancy hardships; a housing program to eliminate slums and provide homes for workers at low rents; legislation to limit and define the powers of the Federal courts; laws to abolish tax evasion of all forms; bills to give labor a fair national standard of hours and wages, providing a ceiling for hours beyond which no one could be employed, and a floor under wages below which a worker's income could not be dropped. The people decreed that Roosevelt was on the right path and by their votes gave him a slap on the back.

The Democratic solid South championed the New Deal. Its candidates for office joined in their peans of praise. No exceptions were taken to the ideals for the future. The Negro was encouraged to vote for the ticket. Antilynching legislation was promised him. Public ownership of power sites was extolled, and the spread of the T. V. A. idea was praised. Everywhere men jumped on the coattails of Roosevelt and rode into office. No one suspected any apostasy secretly cherished or nurtured by Democratic leaders.

Columnists wrote of an impending crisis, a cleavage among the supporters of democracy. But there appeared no tangible evidence of a rift in the lute.

Lo and behold, the President believed in carrying out campaign promises. He brought forward his court plan. He smoked the red baiters out of their rabbit warrens. He exposed the traitorous conduct of some of his followers. Labor learned who were its friends and who were its foes. False liberals who had betrayed the people's faith and hope were shown up. The debate followed. The long hearings in the Senate Judiciary Committee afforded time for the money crowd to promote the opposition. Radio waves were filled with the rantings of those who believed that courts were infallible and that to criticize their conduct made one a traitor to his country. The ranks of the toiler were split asunder and the sworn enemies of organized labor leaped to the attack. Speeches were made in Congress by abject sycophants of special privilege, howling for the scalps of strikers. Exaggerated statements were made. Many so-called Democrats exposed themselves. Southern reactionaries, proud of the niggardly pittance paid to their underpaid help, fought the wages-and-hours bill. They bitterly attacked, and nearly defeated, the antilynching bill. They prated, "We love the Negro, but * * *." They eulogized labor, but demanded that exceptions be made to protect their own industries—industries prospering in the South because in many places they work children and girls 10 to 12 hours a day at $3 to $5 a week. In God's name, is this the civilization that we have been taught to boast about? Child labor, starvation wages—and a President trying to do something about it. A President cursed and cussed and condemned by certain of his own camp followers. A President betrayed by the political prostitutes who had sold their souls for a political mess of pottage, janizaries who crept into the Democratic Party to ensnare and befoul.

Now we witness the secession of the castle courtiers. Yes, they are out in the open. Let us hold them up to the scorn they deserve. Politicians tearing down their own father's house. What made the Democratic Party of 1932?—it was the alliance of the farmers in revolt and labor on the march; it was the demand of the unemployed for Federal aid to wipe out the horrible distress of impending starvation. There emerged a man from the darkness and gloom, a man with an ideal—a prophet of new freedom, preaching the gospel of the New Deal and new dawn—Franklin D. Roosevelt.

Organized labor, the unemployed, the war veterans, the impoverished farmers, the liberal and intellectual united behind him and that idea, not behind the Democratic Party. Yes, the Democratic Party controlled the South. But its hold upon the North was tenuous. Its supreme victory was due to a protest, and men such as those who scuttled the Court plan were beneficiaries of that protest vote. Now they bite the hand that feeds them. Now they are out to destroy, to divide, to tear down, to defeat the program of the New Deal. Will you members of organized labor remain complacent in the face of this threat or will you rise up in every district of the Nation and defeat those who betrayed you, replacing them with tested friends who have stood the acid test and have not failed you? This is the crisis and we must meet it. Are we going to be hoodwinked again? Are we going to allow our leader to be wrecked by those who had professed to be his friends?

For the most part Congressmen and Senators from the South are reactionary. Outstanding exceptions are Senator BLACK, of Alabama, and Representative MAVERICK, of Texas. Yet the southerners control practically all committees through the rule of seniority. The Speaker of the House is from Alabama. The Democratic floor leader is a conservative from Texas. The Vice President is an exbanker from Texas, and the man who was defeated by a majority of one for Democratic majority leader in the Senate, Senator HARRISON, is a Senator from Mississippi who once had a few liberal pangs.

What is it that inspires these men to forget the people? Is it the vitiating atmosphere of the Senate, the resilient seats, the flattery of lobbyists, the laudatory plaudits of lick-spittle newspaper reporters, the vague promises of corporate connections, the social life? Whatever it is, it has accounted for many tired liberals. Before me I can see a man who once was a candidate for Vice President on a national liberal platform, who was a flaming evangel of liberalism, and who in stentorian tones demanded the enactment into law of the doctrine of recall of judges. Today I can see this same gentleman exclaiming in the Senate when the Court bill had been scuttled by Democrats who were revolting from their own President, "Glory be to God, the country has been saved!" I can see another gentleman who, as chairman of a committee, exposed the munitions racketeers, those who profit in the bloodshed of war, a man who did a marvelous job in that connection, now raising his voice to denounce the National Labor Relations Board as communistic and giving publicity to a release identical with the handout written by a lobbyist of Tom Girdler.

I can see a man once elected to the Senate with the help of the late Bob La Follette, who did a beautiful piece of work in his early service, but who wound up by being a lobbyist for the Power Trust. These, and many more, I could cite if time permitted. The hour to strike is here and now. Advance, then, to the fray. Arouse yourselves! This is no time to slumber in comfortable apathy! Labor, split wide open, faces a crisis. It cannot avoid it. The forces of fascism and reaction are seeking by fair means or foul to reentrench themselves in the citadels of government. Shall we permit it?

Demand the passage of labor's fair-standards bill! Demand that Congress shall not adjourn until labor's fair-standards act is passed. Insist upon a bill providing for crop insurance and the relief of farm tenancy that will effectively benefit agriculture. Don't let these political scavengers destroy America. Don't allow these secessionists to triumph now. We are going to win, and we shall win! I pledge myself to continue along the course of the New Deal. No matter what the obstacles nor how rough the course, we shall yet reach our goal.

Tom Mooney Must Be Freed

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

ADDRESS OF VITO MARCANTONIO, OF NEW YORK, AT SAN FRANCISCO

Mr. O'CONNELL of Montana. Mr. Speaker, under leave to extend my remarks, I wish to include a copy of a speech recently delivered by the Honorable Vito Marcantonio, former Member of Congress from the State of New York, delivered

at the San Francisco Civic Auditorium recently, commemorating the twenty-first anniversary of the frame-up of Mooney and Billings.

LABOR SERVES NOTICE

"CERTAIN CONGRESSMEN WHO RAISED HELL ABOUT SIT-DOWN STRIKES OUGHT TO TAKE A LOOK AT THE CALIFORNIA SUPREME COURT IN THE MOONEY CASE", SAYS THE PRESIDENT OF THE INTERNATIONAL LABOR DEFENSE—HE SPOKE THE MIND OF AMERICAN LABOR IN THIS MESSAGE

As president of the International Labor Defense, I bring to you its fraternal greetings and its pledge of continued sincere working-class solidarity in behalf of your struggle for Tom Mooney and Warren Billings.

You are met here this afternoon to mark what we hope will be the final drive which will bring to liberty Tom Mooney and Warren Billings. I do hope that this drive will gain momentum; I do hope that there will be no let-down in this drive.

While this great offensive is going on, judging by the attempt, the low conspiracy that was entered into recently to break not the will or the spirit of Tom Mooney—because that cannot be done—but to break him physically, I do hope that you will continue your vigilance, because it was only by your protests and by the mass pressure of organized labor in the United States of America that the courts, the wardens, and other prison officials, have been compelled to desist from the diabolical conspiracy to break the physical well-being of Tom Mooney.

Let the reactionaries and those who have been responsible for this frame-up, let the courts, the wardens, and the other officials take notice that while Tom Mooney is the living victim of reactionary terror, at the same time, Tom Mooney is the living symbol of unity of labor, and an injury to Tom Mooney is an injury to all labor. And let them take notice that if any more of these dastardly and cowardly attempts are made against the physical well-being of Tom Mooney while he is in jail, that this is not 1916—this is 1937. Labor is on the march.

We won't wait for the Supreme Court if they try any of their dastardly acts, because the public opinion of every liberty-loving American is aroused over the Tom Mooney case. The sentiment is just as strong in the city of New York about Tom Mooney as it is among the workers in San Francisco.

I met Tom Mooney on Friday. I was impressed with one thing, and that is that if Tom Mooney would have stepped out of that jail this minute, he is ready, willing and able—he is thoroughly prepared to once again take his place where he is so badly needed—in the forefront of militant labor, in their struggle against economic royalists of today.

The same people who framed Tom Mooney, the same war makers, the same traitors to organized labor, are just as active today. The fact that Tom Mooney is still in jail proves that reaction is still strong, but the fact that the American people have not forgotten Tom Mooney, the fact that the movement for the freedom of Tom Mooney is always on the increase demonstrates that the forces of democracy today are ready to do battle with the forces of reaction, and are ready to beat them to a standstill today, right now.

Twenty-one years have passed, and a great deal has changed in 21 years. In fact, a rapid change has taken place in the life of America during the last 2 years. Everything is in flux, everything is on the change, everything is on the move. That means, my friends, that the reactionaries who were defeated at the polls last November are still active, and they want to take advantage of this change that is taking place.

The crisis of the Tom Mooney case comes at a time when his freedom or incarceration depends on whether or not organized reaction today in America is successful or defeated. If the Tom Girdlers, if the Liberty Leaguers, if the organized reactionaries throughout the United States are permitted to win their fight today on the industrial battle fronts, then, I say that we will be unable to release Tom Mooney.

In order to release Tom Mooney we must defeat reaction and we must defeat American fascism today in this country, the United States of America.

The offensive for the freedom of Tom Mooney must be taken on every front, and it must be taken in the courts. I have heard a great deal about sit-down strikes. When an employer of labor is licked because his workers take possession of his plant—and I want to say right here and now that if an employer of labor can use his factory and his plant to violate every law enacted by the Congress of the United States, every item in the Bill of Rights of the Constitution of the United States, if he can use that plant for the purposes of hiring thugs, scabs, and so on, then I say that labor has a God-given right to occupy that plant and prevent the use of that plant for that purpose.

But when labor does that you hear these gentlemen with spats and canes come before the various committees of the House of Representatives and say, "Investigate the sit-down strike." Well, if they want to investigate a sit-down strike, we will give them a good sit-down strike to investigate. Let them investigate the sit-down strike of the California Supreme Court on the Tom Mooney case.

The law provides that they must decide within 90 days, but they use the technicality that the case has not yet been accepted as ready, or any kind of a technicality to dodge this issue, and use the technicalities to prevent a decision on the part of the United States Supreme Court on Tom Mooney.

My friends, bombard your supreme court with telegrams and messages. The last year in the United States has proven that there is no such thing as a holy sanctum sanctorum in the courts. The American people want flesh and blood in the courts; they are going to treat their judges as men. They are susceptible to public opinion. Send your telegrams and your messages to the Supreme Court of California demanding a decision in the Tom Mooney case now—right now.

Then, after they do decide, the case will go to the United States Supreme Court. I am not going to go into the issue of the United States Supreme Court now—the hour is late—but we have witnessed during the last year that in the Chamber of the United States Supreme Court they removed the big chandeliers and they have placed instead flying trapezes, and those gentlemen swing from one side to the other on flying trapezes.

And the reason they put flying trapezes there is because the liberty-loving Americans have become aroused against the negative dictatorship of the judiciary, and the liberty-loving Americans have deemed that the Supreme Court shall not be a master of the people, but the Supreme Court shall be the servant of the people of the United States.

So, when the United States Supreme Court decides, their decision will depend upon the people of the United States. If the American people, the progressives, labor, and all shades of liberal opinion represented by them, are united, the Supreme Court of the United States will vote to free Tom Mooney; but if they are not united, then they will swing again on their flying trapezes and play into the hands of the reactionaries and vote against the freedom of Tom Mooney.

But far be it from me to give advice to the leaders of labor, but I make this appeal to all labor, the C. I. O. and the progressives in the American Federation of Labor: I appeal to them to unite on this Tom Mooney issue if they can't unite on anything else; and in this unity demonstrate not only by bills, not only by contributions, but to join with their economic demands the immediate release of Tom Mooney when they take the economic battle front in the future.

As long as it doesn't cost the economic royalists a penny they are going to keep Tom Mooney in jail, but once labor in this country serves notice on the economic royalists that this thing has gone 21 years too far, that organized labor is not going to tolerate any further incarceration of labor leaders, that organized labor is determined to fight using the economic weapon of strike—let us not be afraid to use that weapon of strike to free Tom Mooney.

Now, the best guaranty against the terror of the reactionaries is the building in the United States of America of a people's front. The crisis between the forces of democracy and the forces of fascism is at hand. We can no longer divide by sectarian issues; we can no longer play around with our petty formulas; we can no longer afford to divide over differences of opinion based on philosophical concepts. The danger of fascism is at our very door, right here in the United States of America, and unfortunately for us we were not able to choose the time and place of battle.

International fascism has declared war against the forces of democracy throughout the world. Hitler and Mussolini have struck their blow in Spain. The Tom Girdlers, the Liberty Leaguers, have struck their blow in Youngstown, in Chicago, in Massillon, along the industrial fronts in the United States of America. They are ganging up to destroy organized labor, all kinds of organized labor: A. F. of L. labor, C. I. O. labor.

You have a common interest, you leaders of labor; you must unite to fight fascism in America. And they are marching steadily forward. Therefore, the only answer to reaction is the unity on the part of all of the democracy-loving people in the United States of America, to express that unity on the points of political and economical fronts.

To build the people's front will not be difficult. The people's front will be successful against fascism in America for three reasons: First, because democracy is traditional with the American people; second, because the American people have vividly before their eyes the examples of Hitler and Mussolini; third, because international fascism has been stopped at the gates of Madrid.

But we cannot relent our efforts; we must proceed to weld into this people's front all troops, irrespective of their political opinions. Unity of reaction must be met only by unity on the part of progressives and the democracy-loving people in America.

And don't be frightened by any red scare, the red scare that was used against President Roosevelt, the red scare that is now being used against Mr. LaGuardia in New York. Don't be frightened by a red scare. It is only an old game on the part of reactionaries to divide the people.

They raised the red scare against Roosevelt, for what reason? In order to divide Roosevelt from labor. Raised the red scare against the leaders of labor for what reason? In order to divide the leaders of labor from the rank and file. Don't be fooled by a red scare. Who are the red baiters? They are not the friends of the people. The red baiters are the enemies of the people. Who are the red baiters? The Liberty Leaguers, the finks and the scabs, and the Tom Girdlers.

So I say, let us build this movement of all democracy-loving people. We exclude no one who is willing to fight for democracy. In building this people's front we shall defeat fascism in America and we shall do our utmost to defeat fascism throughout the world.

Mooney, Billings, and all of the other class-war prisoners, their freedom depends on the outcome of the clash between the forces of democracy and the forces of reaction and fascism in the United States. So that being the case, we want Mooney free; we want Billings free; we want the other class-war prisoners free. Then, I say, a progressive people's front against fascism, and that will bring

about victory against fascism and victory for Tom Mooney and Billings and the other class-war prisoners.

In my activities throughout the United States—perhaps it is my youth, perhaps it may be a lack of experience on my part—but I see fully coming up from over the horizon a ball of fire hailing the birth of a new day in America, a new day which the reactionaries do not see. They can't see it; they are still living in the recesses of the darkness.

But this new day is gradually being seen by all of the workers and the liberty-loving people of this country; a new day which will mean, not prisons, not punishment, but honor and respect for Tom Mooney and the other labor leaders who have been the martyrs of the labor movement—a new day which will mean that the benefits of our American democracy will be distributed more and more, and accepted and received by many, many more of our American people—a new day which will mean that America is not only the richest country in the world, not only the country of the Stars and Stripes and the subways and inventions, but a day which will mean liberty, freedom for our workers, and, above all, a happy Nation of a happy people. (From a speech made at the San Francisco Civic Auditorium commemorating the twenty-first anniversary of the frame-up of Mooney and Billings.)

Minimum Wage Bill Will Benefit America—Some Astonishing Figures—Agricultural, Industrial; North, South, East, and West

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1937

MINIMUM-WAGES BILL WILL BENEFIT ALL AMERICA

Mr. MAVERICK. Mr. Speaker, I am in favor of the minimum-wages and maximum-hours bill. In being so, it is my belief that such legislation will generally benefit the whole United States of America.

It is true that I have received many letters from employers protesting against the bill. I have received simply dozens of letters asking that if the bill is passed that exemptions be made to the industry represented by the writer. I am told by people living in my section of the country that it will destroy that section, "that it will destroy Texas and the South."

Since this assertion is made, I think it proper for me to attempt an answer. Indeed I believe, rather than "ruining" the part of the United States in which I live, that it will be a direct benefit to it.

I am not saying this in order to embarrass any given industry or section of the country. Some of the wages paid in my district are as low as any in the United States. In one industry I found girls working for as low as 4 cents an hour.

And in order to have the real figures I have communicated with several departments of the Government for figures on wages and compensation for various agricultural and industrial classifications. These figures I believe to be of great importance to the Nation, and will be of particular value to citizens in public life—editors, students, and teachers.

I have therefore divided the statistics in three groups; here making a general discussion, which is followed by a specific discussion of the figures inserted. These three groups I insert as follows:

Division I, Industrial—Bureau of Labor Statistics.

Division II, Farm—Bureau of Agricultural Economics.

Division III, Various Counties—Bureau of Agricultural Economics.

These figures all follow. In the meantime, however, I shall proceed to discuss the subject generally, especially as minimum wages and maximum hours affect the South. The figures I shall present can speak for themselves, and no section of the country need be too proud of its own conditions, nor look askance at others.

For, indeed, sweatshops exist in nearly every State in the Nation. Child labor exists in many.

But let us read what someone says who does not live there. My colleague the gentleman from Illinois [Mr. DIRKSEN]—who happens to be a Republican—says this about the question of wages and hours for the South:

> It has been said that it will destroy industry in the South. Is the South any different from the North? Are the needs of the people any different? Is leisure less precious and is a decent wage less to be desired in one part of the country than another? One might with equal force argue that the social security taxes as applied to the South should only be one-half of those imposed on industry in the North. As for those employers who have so long been accustomed to paying a sweated wage and who now argue that a requirement that they pay a minimum wage and operate under a standard of maximum hours will put them out of business, the only answer is that the employer who can stay in business only if he is permitted to "sweat" his employees is no asset to this country and its economic structure.
>
> As one who lives above the Mason and Dixon's line, I must own to an abiding interest in minimum wages and maximum hours for the South.

Such statements somewhat nettle me, just as Abolitionists must have nettled my people before the Civil War. But the gentleman from Illinois is right, Republican and Yankee that he is!

TEXAS AND SOUTH CONSTANTLY EXPLOITED SINCE CIVIL WAR

But since that Civil War we of Texas and the South have suffered exploitation. For instance, in Jay Franklin's column, We, the People, appearing in the Washington Star, he calls attention to the necessity of giving the South a square deal under the act. He says:

> In labor matters the South has a strong claim for sympathetic consideration. * * * It has suffered long enough under northern tariffs, northern banks, northern corporations * * *.

But Mr. Franklin frankly adds that this does not mean the Government should abandon all efforts to improve and regulate general labor standards of the Nation. Then he inquires, Who owns southern industries?

He answers:

> The vast majority of these Dixie industries, however, are owned or controlled by northern money. The profits of the sweatshops go north—to Chicago, Pittsburgh, Philadelphia, New York, Hartford, and Boston.
>
> The goods thus squeezed out of southern workers also go north to compete with and undersell the goods produced by more generous employers and better-paid workmen. The problem is thus a national problem, not a sectional one.

All of this also applies specifically and directly to my own State. Texas is suffering greatly from "absentee ownership."

How, then, are we to reason this thing out?

First, Texas wants to rid itself of exploitation; and, second, the way to do it is to realize that we are a part of the whole Nation and at least want to attain the miserably low minimum standards hoped for in the new legislation.

Certainly all should realize if this is to be one Nation there ought to be certain minimum standards of existence. But as for Texas, if our people make a little more money they will spend it there and bring us more prosperity. I regard the enactment of the Minimum Wages and Maximum Hours Act as not only the fair and humanitarian thing to do, but directly beneficial to the salaried classes, the business, farming, and industrial groups of my part of the United States.

STRINGENT? NO, TOO MANY "EXCEPTIONS" IN BILL ALREADY

And no one need get worried about the "stringent" provisions of the bill. There is exception after exception in the bill—too many, I feel sure.

Also, the act itself has many dozens of protective features. On one page alone it is repeated several times that the setting of minimum wages should be operated so as not to curtail "opportunities for employment." Somewhere else the bill says the application of the bill should not operate so as to "curtail earning powers." I cannot see how it would be possible to put more protective features in the bill on behalf of the employer. Moreover—and I think this worth repeating—it is not a minimum-wages bill but a maximum-wages bill. That is because the highest the board can set wages is 40 cents per hour; they can set wages for less if they care to.

THIS BILL GOES SLOW WITH A VENGEANCE

Some have suggested that we act with "caution." The truth is, this is about the most cautious bill to come before

Congress for years. Others say we should "go slow." The answer to this is that the operation of this bill does not even start for 4 months, and then only as to given industries after full hearings; this bill is an example of going slow with a vengeance.

Mr. Speaker, the truth is that the bill will not affect those getting even ordinary, common, low wages; it will not directly benefit organized labor, since they already get over 40 cents per hour. But this bill will establish a principle of a standard below which we must not go; and will, moreover, give millions of underprivileged Americans a bare chance to get out of the hole by organizing, thereby indirectly benefiting every class, business or labor, in the United States of America.

DIVISION I. DISCUSSION OF INDUSTRIAL WAGES

Mr. Speaker, I will now call attention to some tables concerning industrial labor. Following this I will discuss agricultural labor, some of the figures of which are astonishing. The industrial labor statistics are specifically obtained to make comparisons of the wages paid northern—used also in the sense of western, middle western, and so forth—and southern workers.

At the outset it will be seen that the average hourly wage rate of common laborer in industrial occupations for the Nation is $0.432; for the North, $0.461; and the South, $0.334. These are general averages.

Wide divergencies are shown in some industries, but in the cigar industry, for instance, wages are higher in Florida than in Northern States, but considerably lower in other Southern States, including my own State of Texas.

COMMON LABORERS' WAGES—NORTH AND SOUTH COMPARED

It will be noted from table X that the average hourly entrance (meaning beginner's or lowest) rates for common labor are consistently higher in northern cities than in southern cities. Indeed, the lowest entrance rate paid in northern cities is around 39 cents, as compared with 22 cents in certain southern cities.

The most significant evidence brought forth by these tables is the fact that only 7 percent of the adult male common laborers in northern manufacturing industries receive less than 37½ cents per hour as an entrance wage rate, whereas in the South 64.9 percent of adult male common laborers receive less than this amount. Eighty-four percent of common workers receive an entrance rate of less than 42½ cents in the South, as compared with only 35 percent in the North.

The discrepancies in wage rates paid between the North and the South are further shown by the figures dealing with specific industries. Thus, in the folding paper-box industry average hourly earnings in the North were 54 cents as compared with 41½ cents in the South. In this industry only 5 percent of the male workers in the North were receiving under 40 cents an hour, as compared with 56 percent in the South. Similar divergencies are found in the set-up paper-box industry. In this branch approximately one-fifth of the northern male workers were receiving under 40 cents, whereas in the South more than half the male workers were receiving less than this sum per hour.

In the cigarette, snuff, and tobacco industry male workers averaged 56 cents per hour in the Northern States as compared with 44 cents, in North Carolina, 48 cents in Virginia, and 48 cents in Kentucky and Tennessee. It should be noted, however, that the average hourly earnings of female workers in this industry did not vary very much between the North and the South.

If we turn to the heavy industries, such as steel, we find that approximately 5 percent of the workers in iron and steel manufacturing received under 40 cents an hour in the eastern district. In the South, however, almost 1 out of every 6 persons, or about 16 or 17 percent, employed in the industry received less than this amount.

Even in the bread-baking industry, where there is no competition between the different geographical areas, the same discrepancies are found. Seven percent of the male workers in northern bakeries receive under 37½ cents an hour, whereas in the South every third worker receives less than this amount.

The industrial wages follow:

DIVISION I

BUREAU OF LABOR STATISTICS

TABLE 1A.—*Average hourly entrance rates of pay of adult male common laborers, July 1936*

Industry	Total United States	North	South
All industries	$0.432	$0.461	$0.334
Manufacturing	.434	.451	.336
Automobile parts	.466	.467	(1)
Brick, tile and terra cotta	.379	.405	.277
Cement	.440	.476	.347
Chemicals	.441	.493	.339
Fertilizers	.296	.389	.256
Foundry and machine-shop products	.425	.432	.363
Glass	.438	.440	.429
Iron and steel	.451	.457	.395
Leather	.422	.444	.360
Lumber (sawmills)	.380	.463	.224
Paints and varnishes	.435	.443	.366
Paper and pulp	.413	.434	.340
Petroleum refining	.525	.563	.485
Rubber tires and inner tubes	.447	.447	(1)
Slaughtering and meat packing	.456	.466	.356
Soap	.422	.422	(1)
Public utilities	.429	.466	.337
Electric light and power	.431	.472	.326
Electric street railways, operation and maintenance	.423	.457	.329
Manufactured and natural gas	.437	.476	.379
Building construction	.509	.552	.387

[1] Less than 50 employees; no average computed.

TABLE X.—*Average hourly entrance rates for common labor in selected northern and southern cities for certain industries, July 1, 1936*

Region and city	Total, all industries [1]	Iron and steel [2]	Foundries and machine shops [2]
Northern:			
Akron, Ohio	$0.475		$0.425
Albany, N. Y.	.400		
Boston, Mass.	.466		.480
Buffalo, N. Y.	.429		.400
Chicago, Ill.	.511	$0.467	.420
Columbus, Ohio	.409		.404
Elizabeth, N. J.	.570		
Indianapolis, Ind.	.398		.397
Minneapolis, Minn.	.451		
New York, N. Y.	.525		.459
Peoria, Ill.	.486		
Pittsburgh, Pa.	.472	.471	.446
Portland, Oreg.	.552		.468
Providence, R. I.	.477		
Seattle, Wash.	.577		
Southern:			
Atlanta, Ga.	.286		
Birmingham, Ala.	.308	.327	
Charleston, S. C.	.220		
Dallas, Tex.	.365		.412
Fort Worth, Tex.	.412		
Greensboro, N. C.	.256		
Houston, Tex.	.378		.399
Jackson, Miss.	.275		
Jacksonville, Fla.	.222		
Louisville, Ky.	.388		.374
Miami, Fla.	.346		
Montgomery, Ala.	.249		
Nashville, Tenn.	.344		
New Orleans, La.	.288		
Shreveport, La.	.307		

[1] "All industries" includes only those industries that reported.
[2] No rate shown when less than 3 employers and 25 employees were reported.
Source: Bureau of Labor Statistics, U. S. Department of Labor.

TABLE 1B.—*Cumulative percentage distribution of adult male common laborers, according to hourly entrance rates, July 1936*

Entrance rate per hour	Percent receiving		
	Total United States	North	South
Under 37.5 cents	19.9	7.0	64.9
Under 42.5 cents	46.0	35.1	84.2
Under 52.5 cents	87.4	85.2	95.5
Under 72.5 cents	98.7	98.4	100.0
72.5 cents and over	1.3	1.6	

TABLE Y.—*Average weekly earnings in all industries, except building construction, in selected Northern and Southern States, December 1936 and June 1937*

Region and State	Manufacturing, 1 week in December 1936 [1]	Region and State	Manufacturing, 1 week in December 1936 [1]
Northern:		Southern:	
California	$28.87	Alabama	$16.83
Illinois	25.48	Arkansas	15.87
Massachusetts	22.54	Florida	16.20
Minnesota	24.26	Georgia	15.17
New Jersey	25.20	Kentucky	21.14
New York	26.84	Louisiana	16.25
North Dakota	27.31	Mississippi	15.51
Ohio	27.93	North Carolina	15.57
Oregon	23.10	South Carolina	14.92
Pennsylvania	25.01	Tennessee	17.09
Washington	24.45	Texas	22.89
Wisconsin	25.43	Virginia	19.44

[1] Computed from figures in Employment and Pay Rolls, December 1936, Bureau of Labor Statistics, U. S. Department of Labor.

TABLE 2.—*Average hourly earnings of employees in cigar industry, March 1936*

District	Total	Males	Females
United States	$0.371	$0.463	$0.338
North	.372	.477	.343
New England	.509	.560	.444
New York City	.408	.453	.387
Up-State New York	.400	.510	.358
New Jersey	.383	.522	.361
Philadelphia	.419	.583	.380
Small cities, eastern Pennsylvania	.388	.530	.354
Towns, eastern Pennsylvania	.296	.342	.274
Western Pennsylvania and West Virginia	.328	.507	.296
Ohio	.314	.346	.306
Indiana	.328	.424	.309
Michigan	.363	.514	.343
Other Middle Western States	.320	.405	.281
South	.371	.445	.321
Florida	.389	.450	.331
Other Southern States	.325	.411	.308

TABLE 3A.—*Average hourly earnings of employees in the folding paper-box industry, August 1935*

Sex	Total, United States	North	South
Total	$0.535	$0.544	$0.415
Male	.577	.586	.444
Female	.389	.395	.316

TABLE 4A.—*Average hourly earnings of employees in the set-up paper-box industry, August 1935*

Sex	Total, United States	North	South
Total	$0.436	$0.442	$0.367
Male	.545	.556	.429
Female	.378	.382	.325

TABLE 3B.—*Cumulative percentage distribution of employees in the folding paper-box industry, according to average hourly earnings, August 1935*

Average hourly earnings	Percent receiving				
	Total, United States	Males		Females	
		North	South	North	South
Under 40 cents	22.1	5.2	56.2	64.3	91.4
Under 50 cents	55.6	42.1	76.7	91.9	98.4
Under 70 cents	82.7	76.8	91.3	----------	----------
70 cents and over	17.3	23.2	8.7	----------	----------

TABLE 4B.—*Cumulative percentage distribution of employees in the set-up paper-box industry, according to average hourly earnings, August 1935*

Average hourly earnings	Percent receiving				
	Total, United States	Males		Females	
		North	South	North	South
Under 40 cents	51.9	21.4	54.2	63.9	87.5
Under 50 cents	76.4	44.1	73.7	90.6	97.8
Under 70 cents	93.0	78.3	95.2	----------	----------
70 cents and over	7.0	21.7	4.8	----------	----------

TABLE 5.—*Average hourly earnings of employees in cigarette, snuff, and chewing and smoking tobacco industry, March 1935*

Region	All employees	Male	Female
United States	$0.429	$0.485	$0.373
North Carolina	.402	.443	.354
Virginia	.442	.480	.394
Kentucky and Tennessee	.416	.479	.363
Northern States	.471	.568	.389

TABLE 6A.—*Average hourly earnings of male wage earners in the iron and steel industry, March 1935*

District	Average hourly earnings
United States	$0.681
Eastern district	.627
Pittsburgh district	.691
Great Lakes and Middle West district	.699
Southern district	.640

TABLE 6B.—*Cumulative percentage distribution of male wage earners in the iron and steel industry, according to average hourly earnings, March 1935*

Average hourly earnings	Percent receiving				
	Total United States	Eastern	Pittsburgh	Great Lakes and Middle West	Southern
Under 40 cents	2.5	4.8	0.4	0.2	18.2
Under 50 cents	22.0	35.4	18.1	18.2	35.9
Under 70 cents	66.2	73.2	65.8	63.5	70.4
Under 100 cents	91.2	93.0	91.4	90.5	90.7
100 cents and over	8.8	7.0	8.6	9.5	9.3

TABLE 7A.—*Average hourly earnings of employees in the bread-baking industry, December 1934*

Region	All employees	Male	Female
United States	$0.549	$0.570	$0.379
North	.569	.590	.392
South	.445	.462	.325

TABLE 7B.—*Cumulative percentage distribution of employees in the bread-baking industry, according to average hourly earnings, December 1934*

Average hourly earnings	Percent receiving				
	All employees	Males		Females	
		North	South	North	South
Under 37.5 cents	12.0	7.2	37.7	53.1	85.4
Under 42.5 cents	26.2	21.2	53.3	77.6	91.0
Under 52.5 cents	49.0	44.3	74.4	92.2	97.8
Under 72.5 cents	79.9	77.5	93.2	----------	----------
72.5 cents and over	20.1	22.5	6.8	----------	----------

DIVISION II. DISCUSSION OF FARM WAGES

I will now discuss the figures concerning farm wages. They are presented in full and have been worked up at my request and from official records. My belief is as one who lives in Texas and the South, that if our rates are lower that it is proper to try to make them higher. In any event, we ought to know the full truth.

You will here find that exhibit A sets forth a group of comparative figures for 10 States, 5 Northern and 5 Southern: Wage rates, columns 1 and 2; rural retail sales, column 3; personal income-tax returns, column 4; and seven items in the farm family standard of living, columns 5, 6, 7, 8, 9, 10, and 11.

These two groups of States were picked without prejudice because they represent different areas of the North and different areas of the South.

Exhibit B is a table setting forth the same related facts for all States and geographic census divisions.

SOME OBVIOUS COMPARISONS OF REGIONS AND STATES

I should like to point out some obvious comparisons and contrasts and mention some relations between wages and other facts in different States and regions.

At a glance at exhibit A it is clear—

First. From columns 1 and 2 it is seen that not one of the Southern States has as high a day or monthly wage as the wage rate for the lowest Northern State. The highest per-day rate in the South is in North Carolina, namely, $1.20; for the lowest Northern State—Iowa—it is $2.30, or almost double that. The highest rate shown in exhibit A is for Massachusetts, $2.80 per day, exactly three and one-half times that of the lowest Southern State—South Carolina. The same contrasts exist between monthly wage rates.

Second. When the results of these low wages are followed through the other nine columns, the following conclusions are obvious:

(1) Rural retail sales are from two to five times as great per capita in the North as in the South.

(2) From 10 to 25 times greater percent of the population of Northern than Southern States pay personal income taxes.

(3) The value of farm dwellings range from one-half to one-seventh as high in the South as in the North.

(4) From 1½ to almost 4 times more northern than southern farmers have automobiles; from 2 to 21 times more northern than southern farm families have telephones; from 4 to 40 times more have electrically lighted homes; from 2 to 40 times more have running water in their homes; and from 5 to 40 times more have radios.

Third. Since the South is the high farm-labor area of the Nation—when croppers are counted—it is apparent that low farm wages reduce retail sales of all kinds, reduce personal income taxes among farmers almost to the vanishing point, destine hundreds of thousands to live in shacks as dwellings, and deny 80 percent to more than 98 percent of southern farm families such conveniences as telephones, radios, electric lights, and running water in their homes.

FULL FIGURES SHOW MUCH WIDER DIVERGENCES

Below, also, is another table, B. Since all figures are shown, not the lowest nonsouthern brackets, but all the States of the Union, the divergences are much wider. The following statements contrast the highest ranking Northern State with the lowest ranking Southern State, including the figures on the State of Texas:

1. Daily wage rates:	
In Connecticut	$3.15
In South Carolina	$0.80
In Texas	$1.40
2. Monthly wage rates, with board:	
In California	$49.50
In Georgia	$13.25
In South Carolina	$12.50
In Texas	$21.75
3. Rural retail sales per capita (1933):	
In Rhode Island	$227.00
In Mississippi	$35.00
In Texas	$74.00
4. Persons per 1,000 [1] paying income taxes:	
In Massachusetts	40.1
In Alabama	1.3
In Texas	4.9
5. Average value of farm dwellings:	
In Connecticut	$3,871.00
In Mississippi	$417.00
In Texas	$791.00
6. Percent of farms having telephones:	
In Iowa	84.2
In Louisiana	3.8
In Texas	19.6
7. Percent of farm dwellings lighted by electricity:	
In California	63.3
In Massachusetts	62.6
In Mississippi	1.5
In Texas	4.6
8. Water piped into farm dwellings:	
In Massachusetts—percent	74.5
In Mississippi—do	1.8
In Texas—do	13.9
9. Percent of farm families having radios:	
In Massachusetts	55.9
In Mississippi	1.3
In Texas	7.7

[1] Note this is per 1,000; not percent.

Exhibits A and B are as follows:

DIVISION II

FARM—BUREAU OF AGRICULTURAL ECONOMICS

EXHIBIT A.—*Farm wage rates, rural retail sales, and farm facilities for the United States and 10 selected States*

[Compiled by the Bureau of Agricultural Economics, U. S. Department of Agriculture, Aug. 9, 1937]

State	Farm wage rate [1]		Rural retail sales, per capita, 1933	Personal income-tax returns per 1,000 of the rural population, [2] 1933	Average value of farm dwellings [3]	Percentage of farms reporting [3]					Passenger automobiles per 1,000 of total population, July 1, 1934 [2]
	Per day, without board	Per month, with board				Automobiles	Telephones	Dwellings lighted by electricity	Water piped into dwelling	Radio sets [4]	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
United States average	$1.76	$25.28	$83	7.1	$1,207	58.0	34.0	13.4	15.8	20.8	162
5 Southern States:											
Louisiana	1.05	15.50	48	3.2	483	25.7	3.8	2.6	3.1	1.6	81
Mississippi	1.05	15.00	35	1.9	417	26.7	5.1	1.5	1.8	1.3	63
Texas	1.40	21.75	74	4.9	791	56.7	19.6	4.6	13.9	7.7	160
South Carolina	.80	12.50	48	1.5	560	37.4	4.0	3.8	3.3	1.9	86
North Carolina	1.20	18.25	47	1.7	701	44.8	7.1	5.4	3.3	3.1	84
5 Northern States:											
Massachusetts	2.80	32.75	175	40.1	3,251	57.6	64.8	62.6	74.5	45.9	152
New York	2.55	33.00	158	19.0	2,396	72.0	48.9	34.4	37.1	48.6	145
Pennsylvania	2.35	28.50	93	14.1	2,129	70.3	42.5	26.5	37.2	33.6	147
Iowa	2.30	34.00	101	4.9	2,293	90.2	84.2	21.4	24.0	51.0	227
Michigan	2.50	33.75	91	5.6	1,657	78.9	43.5	20.5	24.1	35.0	205

EXHIBIT B.—*Farm wage rates, rural retail sales, and farm facilities*

United States	$1.76	$25.28	$83	7.1	$1,207	58.0	34.0	13.4	15.8	20.8	162
New England	2.72	32.94	168	28.6	2,325	60.5	61.1	42.9	63.9	44.6	160
Middle Atlantic	2.47	31.44	123	17.7	2,338	71.1	45.3	31.9	37.9	42.0	150

[1] July 1, 1937, Bureau of Agricultural Economics release July 15, 1937.

[2] Consumer Market Data Handbook, 1936, U. S. Department of Commerce, June 1936.

[3] U. S. Census, 1930.

[4] Rural farm families reporting radio set.

DIVISION II—Continued

FARM—BUREAU OF AGRICULTURAL ECONOMICS—continued

EXHIBIT B.—*Farm wage rates, rural retail sales, and farm facilities*—Continued

Geographic division and State	Farm wage rate		Rural retail sales, per capita, 1933	Personal income-tax returns per 1,000 of the rural population, 1933	Average value of farm dwellings	Percentage of farms reporting					Passenger automobiles per 1,000 of total population, July 1, 1934
	Per day, without board	Per month, with board				Automobiles	Telephones	Dwellings lighted by electricity	Water piped into dwelling	Radio sets	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
East North Central	$2.21	$31.35	$87	6.1	$1,724	70.7	58.0	21.0	21.9	36.5	180
West North Central	2.14	29.17	100	4.9	1,633	82.8	65.1	13.2	16.2	39.2	205
South Atlantic	1.18	17.11	61	4.2	846	42.1	11.1	6.1	6.3	5.1	115
East South Central	1.07	16.70	43	1.8	549	30.2	13.4	3.0	2.6	3.4	82
West South Central	1.34	19.95	62	3.6	644	45.6	16.5	3.6	8.0	6.2	132
Mountain	2.34	37.05	97	8.2	1,089	67.7	28.3	20.4	20.0	24.9	180
Pacific	2.97	46.49	111	14.0	1,752	75.1	40.7	52.9	59.7	36.0	270
New England:											
Maine	2.30	31.75	158	13.2	1,521	59.0	56.9	33.1	49.0	35.7	165
New Hampshire	2.80	31.00	165	29.2	1,828	62.3	62.5	41.3	73.8	46.3	184
Vermont	2.60	31.50	142	12.6	1,773	63.6	60.6	30.4	72.3	41.9	154
Massachusetts	2.80	32.75	173	40.1	3,251	57.6	64.8	62.6	74.5	55.9	152
Rhode Island	2.80	41.75	227	24.2	3,149	61.9	52.4	57.5	56.8	55.7	166
Connecticut	3.15	35.50	181	42.1	3,871	61.9	66.1	52.7	62.3	52.4	169
Middle Atlantic:											
New York	2.55	33.00	158	19.0	2,396	72.0	48.9	34.4	37.1	48.6	145
New Jersey	2.55	34.75	155	29.8	3,409	70.1	40.9	53.0	48.7	56.6	174
Pennsylvania	2.35	28.50	93	14.1	2,129	70.3	42.5	26.5	37.2	33.6	147
East North Central:											
Ohio	2.20	28.00	83	5.6	1,692	78.5	55.3	25.9	20.2	35.5	209
Indiana	2.00	28.00	72	3.5	1,428	77.9	60.8	16.7	19.5	32.4	198
Illinois	2.20	32.75	83	6.4	1,873	79.5	68.8	16.0	19.8	40.7	159
Michigan	2.50	33.75	91	5.6	1,657	78.9	43.5	20.5	24.1	35.0	205
Wisconsin	2.20	34.25	111	9.7	1,939	83.9	59.1	25.6	15.7	38.3	182
West North Central:											
Minnesota	2.50	34.25	112	4.7	1,757	86.0	61.9	12.6	12.5	38.9	222
Iowa	2.30	34.00	101	4.9	2,293	90.2	84.2	21.4	24.0	51.0	227
Missouri	1.70	22.75	87	3.5	1,149	64.1	53.8	7.9	8.3	23.3	163
North Dakota	2.15	30.00	100	5.5	1,501	86.6	40.9	7.9	7.5	39.5	174
South Dakota	2.05	29.25	96	4.6	1,520	86.5	53.6	10.9	14.5	44.5	192
Nebraska	1.90	27.00	110	5.7	1,806	91.8	72.5	16.5	29.6	49.3	245
Kansas	2.40	26.25	96	6.7	1,354	87.5	72.8	12.5	16.9	38.5	220
South Atlantic:											
Delaware	2.15	26.25	123	15.0	1,890	77.2	24.9	16.1	18.5	28.6	170
Maryland	1.95	27.00	113	19.3	2,138	70.6	27.6	21.2	24.0	24.6	153
Virginia	1.40	21.00	66	5.3	1,294	47.1	17.8	7.6	9.0	7.0	109
West Virginia	1.55	22.50	75	4.9	984	40.5	34.0	6.4	11.7	10.2	103
North Carolina	1.20	18.25	47	1.7	701	44.8	7.1	5.4	3.3	3.1	84
South Carolina	.80	12.50	48	1.5	560	37.4	4.0	3.8	3.3	1.9	86
Georgia	.95	13.25	47	1.6	528	33.4	5.8	2.9	3.1	1.9	97
Florida	1.25	15.50	75	5.3	1,002	41.0	6.0	11.0	12.8	5.7	168
East South Central:											
Kentucky	1.25	19.75	51	2.2	730	33.3	25.0	4.3	3.4	6.7	94
Tennessee	1.05	17.75	44	1.8	654	34.2	18.4	4.1	3.3	4.8	98
Alabama	.95	14.50	42	1.3	438	27.6	7.6	2.5	2.0	1.6	67
Mississippi	1.05	15.00	35	1.9	417	26.7	5.1	1.5	1.8	1.3	63
West South Central:											
Arkansas	1.10	17.00	46	1.5	432	26.3	10.3	2.1	1.5	2.4	75
Louisiana	1.05	15.50	48	3.2	483	25.7	3.8	2.6	3.1	1.6	81
Oklahoma	1.75	23.00	62	2.9	673	57.7	26.1	4.0	5.3	10.9	151
Texas	1.40	21.75	74	4.9	791	56.7	19.6	4.6	13.9	7.7	160
Mountain:											
Montana	2.55	38.75	124	9.1	959	72.6	20.4	7.5	11.3	32.8	166
Idaho	2.65	43.50	93	4.5	1,202	73.8	37.8	30.7	23.9	26.0	176
Wyoming	2.45	37.00	163	17.6	1,045	71.6	28.0	7.2	12.5	29.0	208
Colorado	2.20	32.75	93	8.4	1,167	76.0	39.8	15.7	20.5	29.4	214
New Mexico	1.65	27.00	62	5.1	595	44.9	9.2	5.4	8.9	6.4	134
Arizona	2.05	40.00	80	6.8	1,214	57.9	18.9	25.9	28.8	11.2	172
Utah	3.05	44.50	76	5.8	1,441	60.2	27.3	58.1	38.9	30.6	147
Nevada	2.70	43.00	177	2.1	1,735	69.6	42.4	33.1	35.3	26.4	244
Pacific:											
Washington	2.80	39.75	98	10.3	1,384	71.6	44.8	48.0	48.6	34.5	204
Oregon	2.60	40.50	98	9.2	1,380	75.3	48.2	33.4	44.0	33.7	226
California	3.10	49.50	121	16.4	2,117	76.8	35.5	63.3	72.0	37.7	295

SOME FARM WAGES IN VARIOUS COUNTIES OF THE NATION

Mr. Speaker, I have also obtained figures from various parts of the country, and they are of the lowest-paid groups, some of them either migratory or unable to obtain employment except seasonally. In this group no Southern States are included except Kentucky and Texas.

They are as follows:

DIVISION III

VARIOUS COUNTIES—BUREAU OF AGRICULTURAL ECONOMICS

Average income of farm laborers in 10 selected counties[1]

State and county:	*Average total income*
Louisiana, Concordia	$135.91
Texas, Karnes (Mexican)	168.42
Pennsylvania, Wayne	346.86
Tennessee, Fentress	125.10
State and county—Continued.	*Average total income*
Illinois, Livingston	$315.63
Minnesota, Lac qui Parle	209.82
Kansas, Pawnee	260.59
Iowa, Hamilton	316.36
Kentucky, Todd	191.25
Colorado, Archuleta	283.67

[1] Total income from agricultural and other sources during 12 months, approximately September 1935 to September 1936, of adults working as agricultural wage laborers when interviewed. Incomes were principally from agriculture.

FIGURES SPEAK FOR THEMSELVES

Mr. Speaker, I have commented at length on the figures, but, as I have said, the figures speak for themselves; the lengthy comment which I have inserted is a tiny word in comparison to the studies which can be made and the enormous implications one can draw from them.

I leave these implications and conclusions to the one who may read this.

But, as for me, I want my people to fare as well as the rest of the people in the country, and I am sure everyone else does. If Texas could be taken singly and set apart, it might be the richest region on the face of the earth.

TEXAS RICHEST REGION ON EARTH—MONEY FLOWS AWAY

This great State is a third bigger than Germany. Its natural wealth—lands, forests, rivers, oil, gas, and minerals—far exceeds that of Germany.

And yet with only six and a half million people, our earning capacity, our farm yield—all these things—are miserably low.

Why?

Absentee ownership; our money is drained out all of the time. More, the people as a whole in no other region get this return on our wealth; only a few get it.

What can we do?

ESTABLISH A PRINCIPLE—BUILD A BETTER NATION

Many things, but among them national standards should be required. That is one of the reasons that I am for the minimum wages and maximum hours act.

It will establish a principle.

On that principle we can build a better nation.

Conditions Affecting Poultry Producers

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, August 11 (legislative day of Monday, Aug. 9), 1937

THE SIGNIFICANCE OF IMPORTS OF EGGS AND EGG PRODUCTS INTO THE UNITED STATES

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD correspondence between the Senators from the New England States and the Department of Agriculture with respect to the feed supply and other matters of interest to poultry producers.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JULY 14, 1937.

The Honorable HENRY A. WALLACE,
Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: At a meeting of New England Senators and Representatives held at the Capitol today, with Senator WALSH as chairman and Senator LODGE as secretary, it was unanimously voted to communicate in writing with you requesting your opinion on the following questions:

1. What are the prospects of the size of the new corn crop?
2. What will be the probable effect of this crop on the status of the poultry producers?
3. Would the poultry producers be helped by a removal of the regulation limiting corn acreage?
4. What is the Secretary's opinion on the importance of the importation of foreign eggs?
5. Would it not be helpful to have a larger number of eggs purchased by the Federal Surplus Commodity Corporation?

Very sincerely yours,

DAVID I. WALSH, *Chairman.*
H. C. LODGE, JR.
FREDERICK HALE.
WALLACE H. WHITE, JR.
PETER G. GERRY.
AUGUSTINE LONERGAN.
FRANCIS T. MALONEY.
WARREN R. AUSTIN.
ERNEST GIBSON.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., August 7, 1937.

Hon. DAVID I. WALSH,
United States Senate.

DEAR SENATOR WALSH: We have received your letter of July 14, signed by Senators and Representatives from New England, asking certain questions pertaining to feed supply and other matters of interest to poultry producers. For convenience in answering, we shall quote each question and follow by our comments.

1. "What are the prospects of the size of the new corn crop"? On July 9 the Crop Reporting Board issued its regularly scheduled report, giving indicated production of the principal crops as shown by the condition of these crops as of July 1. The prospective size of the corn crop is shown to be 2,571,851,000 bushels, as compared with 1,529,327,000 bushels produced in 1936 and the 5-year average (1928–32) of 2,554,772,000 bushels. The production indicated as of July 1 exceeds last year's production by 1,042,524,000 bushels, or 68 percent, and exceeds the 5-year average by 17,079,000 bushels. Growing conditions may materially modify the July 1 prospects, but this will be indicated by subsequent reports. The prospects based upon conditions as of August 1 will be released on August 10. Enclosed is a copy of the crop report issued on July 9, which gives corresponding data for other major crops for the country as a whole and by States.

The general adequacy of the prospective production of corn as compared with the 5-year average depends not only on the indicated volume of production but also on the number of corn-consuming animals now as compared with the base period. Of such animals, hogs are the most important, consuming fully two-fifths of the corn crop in normal years. The number of hogs on farms now is approximately 25 percent less than the annual average in the 5-year period 1928–32. Even after allowing for the greatly reduced carry-over of corn resulting from light production caused by the drought of 1936, a corn crop of the size indicated by the July 1 report, in relation to hog numbers, is much above average. This should leave a larger supply available for feeding to other animals and for a more nearly normal carry-over.

2. "What will be the probable effect of this crop on the status of the poultry producers?" The answer to this question is partly indicated by the above comment with reference to the prospective corn crop and its relation to hog numbers. This Department, through the Bureau of Agricultural Economics, issues monthly a mimeographed report, entitled, "The Poultry and Egg Situation." A copy of the July 8 issue is enclosed. In a summary of the feed situation, it was indicated that the unfavorable feed situation is expected to continue but with diminishing severity during the remainder of the calendar year 1937 and that pullets will enter their season of heaviest production early in 1938 when a more favorable feed situation is expected.

The expectation that the present feed situation will become less unfavorable toward the end of the calendar year is based upon the well-known facts that reserve feed supplies now are relatively small and that the new supply of feed will not be fully felt in the market until toward the close of the year. In general, and barring any unforeseen damage on a widespread scale to the corn crop, it appears fairly certain that poultry producers may look forward to material improvement in the relation of feed supply to market prospects. In short, the prospects for the corn crop are favorable to poultry producers.

3. "Would the poultry producers be helped by a removal of the regulation limiting corn acreage?" On April 27, we replied to a letter by Senator HENRY CABOT LODGE, JR., of March 15, bearing directly on this question. In that letter, a copy of which is enclosed, we pointed out that in order to be consistent with the conservation objectives of the program under the Soil Conservation and Domestic Allotment Act, it was necessary to establish certain corn acreage limits in the commercial corn-producing areas of the Middle West. These limits were as liberal as possible, and actually provided for a total crop about 4 percent above the amounts that farmers had expressed desire or intention of planting for this year's crop. For example, the corn crop limits for the North Central States amounted to 55,500,000 acres as compared with the 53,382,000 acres indicated by the Crop Reporting Board for harvest in 1937 and with a planted crop of 55,608,000 in 1936, a year when our program did not include corn limitations or any other specific restrictive measure with respect to corn acreage.

It appears, therefore, that the corn limits may have restricted acreage on certain individual farms where, in the absence of such limits, there might have been too great a shift of corn. It appears, however, that these limits in fact have not curtailed total corn plantings to an acreage that with normal yields would not provide a crop of corn fully adequate to prospective needs, especially in view of the reduced hog numbers. Consequently, the poultry producers would not have been helped this year by an absence of regulations limiting corn acreage under the soil-conservation program.

4. "What is the Secretary's opinion on the importance of the importation of foreign eggs?" Imports of eggs into the United States at the present time consist largely of dried-egg products. The present rate of duty on dried eggs is 27 cents a pound, established by Presidential proclamation under section 336 of the Tariff Act of 1930, effective July 24, 1931. The ad valorem equivalent of this specific rate ranges between 65 and 135 percent, depending upon the kind of product.

The imports of all kinds of eggs and egg products into the United States in 1936 represented only 1.3 percent of our domestic production. Our statistical studies indicate that the addition of this amount to our total egg supply could not have had a significant effect on domestic egg prices even if the imports were directly competitive.

Over 90 percent of our egg imports at the present time come from China. An increase in the already high duties on these products would probably exclude them from the United States and this, in turn, might be expected to have an adverse effect on our exports to that country. Ordinarily China buys more from the United States than from any other country and much more than the United States buys from China. In the past fully 50 percent of our exports to China have consisted of agricultural products.

Since the exclusion of egg imports from China would have no measurable effect on our domestic egg industry and might affect

adversely our exports of agricultural products to China, this Department does not believe such a move would be in the interest of American agriculture. There is enclosed a detailed memorandum prepared in the Department on The Significance of Imports of Eggs and Egg Products Into the United States.

5. "Would it not be helpful to have a larger number of eggs purchased by the Federal Surplus Commodity Corporation?" The complexity of the situation precludes a direct answer to this question. That the egg-purchase programs, we believe, have exerted a substantial influence may be indicated by their scope up to June 30. There were 3 individual programs in effect from January 15 to June 30, under which 287,601 cases, or 8,628,030 dozen, were purchased, at a total cost, including freight and administrative expenses, of $2,150,265.88. The purchase of eggs was begun early in January because of excessive receipts of Pacific coast and nearby eggs on the principal terminal markets.

The Secretary of Agriculture approved on July 1 of this year a purchase program covering the months of July, August, and September that is ready to be put into effect when circumstances clearly warrant. There has been to date no activity under this program. To initiate actual purchases many elements must be considered from both the short- and long-time viewpoints, as well as from the viewpoint of both the producer and the consumer. There are several complex factors which make it appear that during July a policy of watchful waiting should be followed, unless the egg market shows a decidedly lower trend. Although the prices on some grades have weakened, eggs of good quality, particularly those of eastern and Pacific coast production, have shown definite strength and the market on these eggs has risen.

Storage holdings normally reach their peak on August 1, and soon thereafter the situation should be more easily analyzed from the standpoint both of price trends and production volume. Then a determination of quantities, types, and qualities of eggs to be purchased can be more logically made from the standpoint of both consumer and producer. Early in August the trend in feed prices should be more apparent, and this has a bearing on decisions relative to purchase of eggs. The trend in the number of layers per farm flock must be studied in order to determine whether fresh-egg production in the remainder of 1937 will be above or below normal. If production of fresh eggs should be so large as to depress prices, which now seems unlikely, this would be given full consideration with reference to putting into effect the authorized program. Consideration also should be given to the storage supply situation.

While the interest of the producer is of paramount importance in an egg-purchase program, it is necessary also to consider the consumer's interest. At the present time it is necessary to watch developments carefully. If purchases should seem advisable, recommendations would be made in that direction. It might be added that from a trade sentiment angle the fact that the Federal Government is standing by ready to purchase eggs will have a helpful effect.

We trust that the above comments and the enclosures may be helpful, and we shall be glad to furnish any other available information that may be desired.

Sincerely,

M. L. WILSON, *Acting Secretary.*

MEMORANDUM FROM UNITED STATES DEPARTMENT OF AGRICULTURE

THE SIGNIFICANCE OF IMPORTS OF EGGS AND EGG PRODUCTS INTO THE UNITED STATES

In recent months complaints have been made by our egg producers against the importation of eggs and egg products into the United States, alleging that the American egg producers would benefit greatly from exclusion of such imports. It is claimed that with the elimination of this competition domestic egg production would be increased and the price of eggs to the United States producers would be raised. However, a consideration of the main factors relating to this problem warrants the following observations:

(1) In 1929, when imports were at the highest level, they constituted only 2 percent of the total United States production. During the period 1931–34 annual imports were reduced to a fraction of 1 percent, and in 1935 they did not exceed 1 percent of our total output. In 1936 imports of eggs and egg products represented 1.3 percent of our domestic production.

(2) The small volume of our imports did not have any measurable effect upon the price of eggs in the United States. The domestic price was lowest when imports declined sharply and vice versa.

(3) Elimination of dried-egg imports would not necessarily result in a corresponding increase of the sale of domestic eggs. The price of dried eggs processed in the United States will be admittedly higher than the price of the imported product. The demand for and sales of dried eggs, therefore, is likely to be lessened.

(4) Practically all the dried eggs imported into this country come from China. The import duty on dried yolk, dried albumen, and dried whole eggs, as of February 1, 1937, was equivalent to 135, 65, and 112 percent ad valorem. A further restriction might lead to retaliation on the part of China, affecting unfavorably our exports to China, fully 50 percent of which consists of agricultural products, such as cotton, tobacco, wheat, and wheat flour.

UNITED STATES IMPORTS OF EGGS

Imports of eggs and egg products into the United States consist of eggs in the shell, dried eggs, and frozen eggs. Imports of eggs in the shell have never been significant and have usually been exceeded by our exports. Imports of frozen eggs were formerly fairly substantial, but, except for frozen yolks, they have disappeared completely since the increase in the duty on frozen eggs in the Tariff Act of 1930. Imports of dried eggs, with which this statement is primarily concerned, were substantial prior to 1931, but with the imposition of a 50-percent higher duty that year, taken together with depressed economic conditions, imports of dried-egg products fell off considerably until 1935. In that year, because of higher egg prices in this country and better economic conditions, imports of dried eggs returned to a level approximating that of 1931. Our total imports of eggs and egg products in 1935 were equivalent to only 0.9 percent of the year's domestic output. Imports during the 12 months of 1936 exceeded those of 1935, but they were still considerably smaller than the volume imported in 1929.

Practically all of the dried and frozen eggs imported into the United States come from China. The average annual value of our imports from China for the period 1925–29 amounted to $6,400,000, as against an annual average of $900,000 for the period of 1931–34. In 1936, with our imports from China and the prices of eggs increased, the total value of Chinese egg exports to the United States amounted to $1,968,000.

TARIFF RATES

The general depression was undoubtedly a factor in the shrinking of the United States imports of Chinese egg products, but it also is true that the raising of import duties has greatly restricted our imports. Since 1909 the United States tariff on eggs and egg products has been revised upward a number of times. Each tariff-rate increase was chiefly at the expense of China, as the latter is the largest exporter of eggs to the United States. The changes in duties on various kinds of eggs are as follows:

FRESH EGGS

In 1909 the tariff amounted to 5 cents per dozen, but in 1913 fresh egg imports were exempted from duty. In 1922 a duty of 8 cents per dozen was reimposed; this figure was raised to 10 cents per dozen in 1930. The application of this duty amounted to a virtual exclusion of the imports of fresh eggs from China.

FROZEN YOLK AND ALBUMEN

These, as well as dried yolk and albumen, are China's principal egg-product exports to the United States. In 1909 the duty on frozen yolk and albumen was 3 cents per pound; it was reduced to 1 cent in 1913 and raised to 6 and 11 cents per pound by the tariffs of 1922 and 1930, respectively. In 1928 the duty on frozen yolk on an ad valorem basis was 30 percent. The ad valorem in 1931 and 1935, figured on the basis of prices during these years, was 77 percent and 112 percent, respectively. In 1928 the duty on frozen albumen was equivalent to 38 percent ad valorem, while in 1931 and 1935 this duty, estimated on the basis of the 1930 tariff and prevailing prices, was equivalent to 100 percent and 105 percent. The imports of frozen albumen from China since the 1930 tariff practically disappeared, while the imports of frozen yolk are still at low levels, notwithstanding the fact that the 1934–35 imports were larger than during any year since 1931.

DRIED YOLK AND ALBUMEN

The tariff on dried eggs is not imposed on the egg as a whole, but on the yolk and albumen separately. In 1909 the tariff on dried yolk was 25 percent ad valorem; it was reduced to 10 percent in 1913 and raised to 18 cents per pound in 1922. This rate was increased to its present level of 27 cents per pound by Presidential proclamation, under section 336 of the Tariff Act of 1930, effective June 24, 1931. The ad-valorem equivalent on dried yolk was 40 percent in 1928; 100 percent in 1931, and 135 percent early in 1937. The existing tariff on dried albumen amounted to 35 percent ad valorem in 1928, 81 percent in 1931, and 65 percent in February 1937.

THE EFFECT OF THE TARIFF

The object of the tariff was to raise the price of domestic eggs by shutting off or strictly limiting the supply of foreign eggs. During the period 1931–34 Chinese imports of egg products into the United States were sharply reduced, but the price of domestic eggs did not rise but, on the contrary, kept on declining, as illustrated by the decline in domestic prices from an average of 27 cents per dozen during 1927–30 to an average of 15 cents per dozen during 1931–34. Prior to 1930, when the United States imports were many times larger than those during the depression years, domestic prices were at relatively high levels. It appears that some factor or factors, other than imports, were chiefly responsible for the occasional low prices. The fall in the price of eggs in the United States was not due to foreign competition, but was a part of the agricultural depression which, in turn, was due to many causes, important among which was the fall in the general price level, in business activity, and in consumer buying power. Even in the event of a complete exclusion of egg imports into the United States, the increased demand amounting to 1 percent of our total output, if it actually occurred, would be too small a factor to bring about a measurable rise in prices of domestic eggs.

COMPETITION OF IMPORTED EGGS WITH DOMESTIC

The position of China's eggs and egg products in the American market becomes apparent when (1) the United States egg imports are compared with the total United States egg production and with the volume of United States eggs put out on the market, and (2) the relation of dried eggs (the principal item in United States egg imports) to shell eggs and frozen eggs is shown. With respect to the first point, it is shown that for the period 1923–30,

with imports at high levels, their average annual volume was around 2 percent of the total United States production. The annual importation of dried eggs during the same year was about 1.5 percent of the United States egg output. Since 1930 these figures have been reduced to a fraction of 1 percent of United States production. In 1935 the imports accounted for 0.9 percent of our total egg output and 1.2 percent of the volume of eggs sold from the farms in the United States.

As regards the relation of dried eggs to shell eggs and frozen eggs, it should be pointed out that they are interchangeable or competitive with one another only to a limited extent. The utilization of dried eggs is confined to certain manufacturing industries which combine them with other food materials. Some manufacturers using eggs as an ingredient of their food products prefer eggs in the dried or frozen form rather than in the shell. In a number of uses dried and frozen eggs are interchangeable, but in certain cases frozen eggs cannot be used. The United States Tariff Commission's detailed study on dried-egg products shows that almost 80 percent of the consumption of dried eggs is in the manufacture of products in which frozen or shell eggs cannot be used. The Commission stated that "as there is no effective interchangeability at present in domestic uses, there is little direct competition between domestic shell eggs and imported dried-egg products, and, as there is little effective competition under present conditions of demand, there is also a limited direct competition between domestic frozen eggs and imported dried eggs. What direct competition there is centers on the 20 percent of dried eggs that can be displaced by domestic frozen eggs. This is 20 percent equivalent in liquid form to approximately 5 percent of the domestic production of frozen eggs during the last 3 years (1929, 1930, and 1931) and to about 0.3 percent of the domestic production of shell eggs."

EGG DRYING IN THE UNITED STATES

A considerable volume of eggs were dried in the United States prior to 1916, but, with rise in prices of shell eggs in the following decade, the domestic drying industry became practically extinct. In 1927 low egg prices and an insufficient supply of Chinese products brought about a revival of the domestic egg-drying industry. The subsequent rise in prices of shell eggs affected the industry adversely. The average annual output during 1927-31 amounted to only 431,000 pounds. The 50-percent tariff increase on dried eggs and the low prices of shell eggs during 1931, 1932, and 1933 caused a rapid expansion in the production of dried albumen and dried yolk. The total output in 1933 was estimated at about 4,000,000 pounds. The 1934 production was still larger, but its expansion could not be sustained, due to rising prices of eggs in shell. The 1936 domestic dried-egg output was estimated at 1,400,000 pounds.

The imports of dried eggs fill a need which cannot be dispensed with at the moment, since commercial production of dried eggs in the United States is very limited. Imported dried eggs do compete, however, with our small dried-egg production which started during the years of depression. Consequently these imports have some slight significance, generally of a a seasonal character, with respect to egg producers, chiefly in certain of the Southwestern States, such as Missouri, Kansas, Oklahoma, and Texas, where the present small egg-drying industry is located.

For the purpose of assisting our egg producers a research project has been inaugurated by the Agricultural Adjustment Administration with the view to determining the possibility of developing new outlets for domestic eggs. Particular study is being devoted to the possibility of the permanent establishment in the United States of a dried-egg industry. In this connection foreign and domestic experience and technical methods in dried-egg production, costs of production of dried eggs, capacities of drying plants in this country, and other pertinent factors are being studied.

UNITED STATES EGG IMPORTS AND SINO-AMERICAN TRADE

Over 90 percent of our egg imports come from China. The present volume and value of such imports, consisting chiefly of dried eggs, are too small to have any measurable adverse effect upon the domestic price of shell eggs and, by this token, upon the total farm income from eggs. The latter depends upon domestic rather than foreign factors. The promulgation of measures leading toward the exclusion of such imports would hardly benefit the United States farmers, yet it is likely that such a policy would be at the expense not only of China but of the United States as well. A decline in Chinese exports of eggs into the United States is likely to curtail China's purchasing power for American products. Ordinarily China buys more from the United States than from any other country in the world, and much more than the United States buys from China. The maintenance or expansion of our exports to China of such products as cotton, tobacco, and wheat depends, to a considerable extent, upon our ability and willingness to increase our imports from China. In other words, a restriction on egg imports would have some adverse influence on China's purchasing power for American products.

It is well to remember in this connection that fully 50 percent of our exports to China consist of agricultural products, of which tobacco, cotton, and, on occasions, wheat and wheat flour make up the bulk. A prohibitive tariff on Chinese egg imports into the United States may also lead to retaliation. As a result of a decreased purchasing power and retaliatory measures, the decline in our exports of agricultural products to China, which has been noticeable since 1933, would be accentuated still further. A practical lesson in retaliation was provided in the course of our trade relations with Canada. When the United States Tariff Act of 1930 placed a duty of 10 cents per dozen on eggs in the shell, Canada retaliated by imposing a similar duty on eggs entering from the United States. The result was that the volume of the United States egg exports to Canada decreased from 3,200,000 dozen eggs in 1929 to 16,000 dozen in 1934; in terms of value this meant a decline from $1,023,000 to $10,000.

Thus, while it appears that there would be little advantage derived by American farmers from the exclusion of Chinese egg imports, their interest may be seriously injured by a decline in our exports to China which such a policy is likely to bring about.

Peace in the East

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 11 (legislative day of Monday, Aug. 9), 1937

LETTER BY MAJ. GEN. WILLIAM C. RIVERS, JUNE 20, 1937

Mr. NYE. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD a letter appearing in the New York Times under date of Sunday, June 20, 1937, under the heading "Peace in the East", written by Maj. Gen. William C. Rivers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, June 20, 1937]

NEUTRALIZING PHILIPPINES IS SEEN AS MEANS TO END

To the EDITOR OF THE NEW YORK TIMES:

I believe that the anxiety of Prime Minister Lyons of Australia, and that of many other people, about peace in the Pacific will be allayed if President Roosevelt takes action now to enter into negotiations with other powers interested in the western Pacific in order to conclude a treaty neutralizing the republic of the Philippines, when established. The United States has no particular strategic interest in the neutrality of the Philippines; we have no territory in Asia proper and no political interests whatever there.

The future of eastern Asia will inevitably be settled by the people who live there—by the Japanese, Chinese, and Russians. Japan's peril is at the north—the great forces of the Soviet Bear and the proximity of China's millions. The configuration of the coast lines causes Russia and China to inevitably and continuously threaten Japan. Japan would have a special interest in neutralizing the Philippines.

REASONABLE PLAN LACKING

Many of President Roosevelt's admirers are bewildered at the inconsistency of our ever-increasing armament in the Pacific and the President's clear statements at various places that our country's attitude toward other nations is one of neighborliness. I like his important aims and major policies, his high qualities of leadership and judgment. But as a veteran soldier with service in our three overseas wars—and with a line-of-battle command in our major battles in France—I am also anxious. My bewilderment comes from our armament on the Pacific and the lack of reasonable Far East policy.

We are assembling in the North Pacific what I believe is the greatest aggregation of fighting ships and combat airplanes the world has ever seen in one spot. The crisis in the Pacific is becoming more acute as Japan and ourselves complete the additional great fighting ships both nations are building. By no use of the imagination can one correctly say that our battle assemblage in the North Pacific is required for the defense of Alaska, the Hawaiians, the continental United States, and the Panama Canal—our normal line of defense. The only method of using such an armada against any other power in the Pacific is by applying the illusory and dangerous doctrine of some extremists—that an aggressive offense is the best defense.

DISTANCE BARS ATTACK

The Japanese fleet cannot attack our west coast; the Japanese fleet cannot attack the American fleet at Honolulu or the American fleet on the California coasts. The distances are too great; 4,500 miles separate the United States and Japan; 4,000 miles lie between Honolulu and Yokohama. A modern fleet is so tied to its base that it can operate but 2,500 miles away. Japan has no bases in the eastern Pacific. Should we attempt to send an "offensive-defensive" armada against Japan, the fleet would need 900 merchant ships as auxiliaries; the Army would require 3,000 additional merchant vessels. We have 498 merchant ships in our foreign trade.

It is a mystery to me that we continue to spend such vast sums creating fleets and an Army which by the types of their organization and location are more suited for a great mass overseas invasion of some other country than for reasonable defense of our

own borders. Why so many of our own people talk of our undertaking the unprecedented and impossible task of sending an armada 7,500 miles to fight Japan in order to protect the territorial integrity of China, and to safeguard the territorial integrity of the large parts of China which Britain and France took by force of arms, is to me another mystery.

Our interests in China are small as compared with those of Britain and France and some of the other countries. Our trade with Japan is more than double our trade with China and the Philippines combined. Certainly 400,000,000 Chinese can defend China against the 70,000,000 Japanese—if the able people of China possess the character and the desire to defend their own land.

PROPHECY IDLE

No one is wise enough to prophesy when Britain will be able to send a battleship farther from home than the Mediterranean. So that the Singapore base is held to a defensive mission. An American fleet based on a new great fortification at Manila would fit in with the interests of England in the China regions. From England the suggestion is "the democracies against the dictators in Europe", but it is best translated "the United States against Japan in Asia."

Unless Japan holds Manchuria as a buffer and also pushes westward in North China, Russia can soon have the islands of Japan proper in dire peril. I am in favor of our recognition of Manchukuo and of Japan's strategic moves in North China. I favor efforts on our part to secure the interests of Japan in the independence and success of the Philippine Republic. Japan will not attempt forcible annexation of the Philippines, because it would interfere with her trade in the Philippines and make necessary the division of Japan's fleet opposite Russia.

Many of President Roosevelt's supporters are bewildered at the inconsistency of our great and ever-increasing armament in the Pacific and the President's statements at Chautauqua, in Buenos Aires and at other places, assuring us that our country's attitude toward other nations is one of peaceful neighborliness. As a veteran soldier I also am bewildered. My bewilderment comes from our armament on the Pacific and the lack of a reasonable policy as to Far Eastern affairs.

WILLIAM C. RIVERS,
Major General, United States Army, Retired.

NEW YORK, *June 14, 1937.*

Dedication of New Federal Building

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES

Wednesday, August 11 (legislative day of Monday, Aug. 9), 1937

ADDRESS BY HON. JAMES A. FARLEY AT OCONOMOWOC, WIS.

Mr. MINTON. Mr. President, on behalf of the junior Senator from Wisconsin [Mr. DUFFY] and in his name, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. James A. Farley, Postmaster General, on the occasion of the dedication of the new Federal building at Oconomowoc, Wis., on July 27, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is good to be in Oconomowoc today and have the opportunity of meeting with the hospitable residents of this beautiful Wisconsin community.

Although I have participated in the dedication of new post-office buildings in every part of the United States, I was particularly pleased to receive an invitation to join with the citizens of Oconomowoc in the dedication of your new Federal building, for it is not often that I have the opportunity of visiting this section of the Middle West, which is so renowned for the fertility of its soil and the natural beauty of its many rivers, lakes, and hills.

Occasions of this kind promote civic pride and they also tend to refresh in our minds the necessity and importance of postal service both from the standpoint of the individual as well as the community.

Twice since becoming Postmaster General I have had occasion to scan back over the early history of Wisconsin in connection with new issues of postage stamps in commemoration of the early history of this State and each time I was deeply impressed with its rich historical background. Slightly over 3 years ago, on July 7, 1934, I authorized the issuance of a special postage stamp in connection with the three-hundredth anniversary of the founding of Wisconsin by the French explorer, Jean Nicolet, who landed on the shores of Green Bay in 1634. Incidentally this Wisconsin Tercentenary stamp was among the most popular commemorative stamps ever issued by the Post Office Department.

Two weeks ago, on July 13, the Post Office Department issued a special postage stamp in conjunction with the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the establishment of the old Northwest Territory, of which Wisconsin was then a part.

In coming to Oconomowoc I was interested in the derivation of this name, but as near as I could ascertain there are several theories as to the origin and meaning of the name Oconomowoc. Some Wisconsin historians say that the name in Indian parlance meant "the river of lakes"; others claim that to the Indians it signified "the place of the beaver." I shall not undertake to settle this issue, but I will say that I was amused at one of the early explanations that I came across while looking back over the early history of Oconomowoc. This was to the effect that in the earliest days of settlement in this vicinity a white man came across an Indian who was just on the point of shooting a raccoon. The shot was fired and down came the corn poacher. The Indian thereupon threw up his hands and cried, "O, cooney, no mo' walk!"

Reverting again to the subject of this address, this splendid edifice which we are dedicating here today stands as a memorial and symbol of our national strength and unity, and it is the official headquarters in Oconomowoc of the American Government. It is a building for the use of all the people and one which was erected by the present administration for the purpose of enabling the residents of this community to receive better mail service than they have at any time in the past.

This new Oconomowoc Federal building is one of hundreds of new post-office buildings that have been and are now being constructed under the present administration's post-office building program. This particular project was authorized under the act of Congress of August 12, 1935, at which time $80,000 was made available for the acquisition of the necessary land and the construction of the building. This amount was later increased by $5,402, making a total limit cost of $85,402 for the entire project.

Facing 68 feet on South Main Street and extending 74 feet along South Street, this new building, consisting of one story and basement has a ground area of more than 4,000 square feet and a cubic content of more than 124,000 cubic feet.

The Public Works program of President Roosevelt, which made this building possible, has been one of the most important factors in bringing us out of the recent economic depression which had engulfed the country when President Roosevelt took office a little more than 4 years ago.

In inaugurating this great program he made certain that prosperity would reach into every section and corner of the United States. He guarded against sectional or one-sided recovery. The return of better times in our great agricultural areas, to which Oconomowoc and the neighboring countryside so well attest is balanced on the other hand by the revival of trade and industry in our great commercial and industrial centers.

Today we are all enjoying the fruits of the wise policies enacted under the able and humane leadership of President Roosevelt during the past 4 years. Our banks are sound and solvent, industry has been restored, the farm markets have been rescued from ruinous prices, and the laboring people of this great Nation are at last enjoying their share of a sane and far-reaching prosperity.

It is not necessary to consult dry figures and statistics to realize that, like the rest of the Nation, Wisconsin is beginning to enjoy happier and more prosperous times. The evidences of better days are on every hand. There are wholesome signs of renewed business activity and the clouds of doubt and pessimism, so apparent a few years ago, have been washed away entirely.

It should be good news for you to learn that practically every outstanding economist in the country is convinced that times are going to continue to get better. This spirit of optimism is shared not only by those in public life but by the men who manage the great industrial enterprises of America. There is a general feeling that the immediate future will find the United States again enjoying a measure of unrivaled prosperity.

In the face of this rosy outlook, I am inclined to smile at the gloomy predictions of those folks who solemnly assert that the Democratic Party is about to split apart because of a difference of opinion over one controversial measure in President Roosevelt's program. In this instance it is easy to understand that the wish is father to the thought. But let me assure those people that they are doomed to disappointment because the Democratic Party is not going to split apart because of a disagreement over one measure before Congress or for any other reason.

The fact is that the Democratic Party has kept the pledge to the American people to clear away the wreckage of the depression, to bring about recovery, and to wrest control of the affairs of government from selfish and self-centered minorities. That great program has been accomplished in record time. The American people are not ungrateful, and the public has never yet deserted a political party that has served the common good as faithfully as has the Democratic Party in the past 5 years.

It is only natural for those who have been driven from authority to yearn for the old place at the counsel table, to wish for the downfall of the administration in power, and to interpret each little happening as an indication that the electorate is preparing once again to give them the reins of government. The reactionary elements of this country are now passing through this hopeful stage. Although driven from power by a referendum of the people, they still nourish the hope that some day they will be able to regain their old grip over the lives and fortunes of the American people. They are mistaken. The surest thing politically

in this country is that the power of the Tories and reactionaries has been broken for generations to come. And the credit for that masterly achievement belongs to President Franklin D. Roosevelt.

Wisconsin is to a large extent a farming State, and for that reason the people here are vitally interested in the attitude taken by the Federal Government toward agriculture. You all recall that in the so-called prosperity days under Republican rule the farming industry was allowed to suffer under the blight of low prices and glutted markets, while the Government at Washington concerned itself only with stock-market prices and reducing taxes on the wealthy. Things have been vastly different under the administration now in power.

You recall that President Roosevelt pledged himself to a policy of quick and adequate aid for agriculture. When he assumed office he remembered that pledge, and it has been carried out faithfully ever since. In fact, the policy of Federal aid for the farming industry is now so generally accepted that it is safe to say no political party will ever dare advocate any other policy.

An immense amount of progress has been made in the past few years in the great task of rebuilding America in order to provide social and economic security for the average man and woman. We have had a host of liberal and progressive measures enacted into law, and most of them have won the overwhelming approval of the American people. But a great deal more remains to be done before the job is completed.

President Roosevelt is determined to go forward until the goal has been reached. His objective is to round out a permanent program for agriculture and a permanent program for labor, and especially for those who are compelled to toil long hours at meager wages. He will not falter until victory has been attained. The victory will not be his alone, but a triumph for the American people and the deathless principles of democracy.

While in Oconomowoc for the purpose of taking part with you in the dedication of your new post-office building, it is only appropriate that I touch briefly on the subject of the early postal service in this city. Our records at the Post Office Department in Washington indicate that the local post office was established at Oconomowoc on March 8, 1847, with Edwin A. Sax as its first postmaster.

Since the establishment of the first post office in this community 90 years ago, Oconomowoc has been served by 16 postmasters, including your present postmaster, John P. Snyder, who was appointed on December 1, 1934. In this connection I want to say that I doubt if Oconomowoc has ever received better mail service than it is receiving today under Postmaster Snyder and his staff of efficient employees.

At this time I want to say a word about the fine spirit of loyalty that is at all times displayed by those connected with the Postal Service and to whose care is entrusted the United States mails. It is the one thing that has impressed me more than anything else since I have been in the Post Office Department.

In conclusion I want to place emphasis upon the fact that the main purpose and function of the Post Office Department has always been to render the best possible service to everyone, and it has been the aim of the Department through constant research and study to determine how this service could be improved.

It has been a pleasure to participate in this dedication, and in turning over this building to the citizens of Oconomowoc I want to express the hope that in making use of its facilities you will enjoy the finest mail service that this community has ever had.

The Democratic Party, Individual Initiative, and Private Enterprise

EXTENSION OF REMARKS

OF

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Wednesday, August 11 (legislative day of Monday, Aug. 9), 1937

ADDRESS BY HON. MORRIS SHEPPARD, OF TEXAS, AUGUST 10, 1937

Mr. CONNALLY. Mr. President, I ask unanimous consent to have inserted in the RECORD a very interesting and able address on the subject of the Democratic Party, Individual Initiative, and Private Enterprise, delivered by the senior Senator from Texas [Mr. SHEPPARD] at the harmony dinner last night given in honor of the senior Senator from Kentucky [Mr. BARKLEY].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I desire to devote the short time I shall occupy to one outstanding feature of the Democratic program since March 4, 1933, namely, the relationship of that program to individual initiative and private enterprise.

That superb Democrat, Franklin Delano Roosevelt, together with the Democrats in House and Senate, in carrying out the national Democratic platforms of 1932 and 1936 have made the promotion of individual ownership, welfare and initiative, the preservation of private enterprise and private property, the principal objectives of Democratic effort. This a brief summary of the principal enactments under the present Democratic administration will show.

The very first measure on the Democratic program, the Emergency Banking Act, came to the aid of the privately owned banking system of America, one of the Nation's most prominent examples of private enterprise, saving the private property of multitudes of individual stockholders and depositors.

The Democratic legislation enlarging the Reconstruction Finance Corporation, broadening the purposes of reserve-system loans, stabilizing gold and silver and currency values, was in the interest of private enterprise.

The acts relating to securities protect the earnings and the savings of the individual.

The Democratic farm legislation, including farm credit and resettlement, safeguards and aids the private enterprise of farming.

The home owners' loan legislation and the housing enactments promote the individual ownership of home, the Nation's most useful form of private property.

The Public Works Administration contributes to the spread of individual employment and the revival of private enterprise.

The Tennessee Valley Authority establishes price standards of value to private power enterprise and to individual consumers of power.

The Democratic labor program, including the bill relating to wages and hours, advances the well-being of individual laborers, placing the great private enterprises they serve on firmer and safer foundations. The provisions regulating industry in the National Industrial Recovery Act and the crop-control provisions of the Agricultural Adjustment Administration Act were establishing individual prosperity and a voice for the individual in the control of his own destiny while they were in operation.

The Civilian Conservation Corps places jobless young men in better position for entry into private business and private enterprise.

The Works Progress Administration and the United States employment services have restored, and are restoring, millions to self-support and self-respect as they merge into private business and private enterprise.

The National Youth Administration is aiding thousands of young men and women to secure an education, thus contributing to their individual development.

Clearly it is the purpose of the Democratic Party to establish the widest possible opportunity for the welfare and the progress of the average individual in America.

Thus the salvation and the development of the individual become democracy's glory and democracy's pride.

Thus the Democratic Party is carrying forward the principles that have made it, from the day of Jefferson to the present hour, the foremost champion of human rights and needs, of individual initiative, and of private enterprise.

It is fortunate, indeed, that in the United States Senate this progress is to continue under the efficient leadership of Senator ALBEN W. BARKLEY, who recently has been elevated to that distinguished function by his Democratic colleagues in the Senate as the successor of the brilliant and lamented Robinson.

Desirability for Research on Power Alcohol Production From Farm Surpluses

EXTENSION OF REMARKS

OF

HON. JOHN LUECKE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1937

Mr. LUECKE of Michigan. Mr. Speaker, the Nation is confronted with a twofold problem for which we should be seeking an effective solution. On one hand we are faced with the gradual depletion of our natural and irreplaceable petroleum resources (which are of such vast importance in the case of war conditions) because of the great expansion in the use of motor vehicles; since 71 percent of all the automobiles of the world are located in the United States. On the other hand we have vast annual quantities of agricultural surpluses, culls, and wastes, from which we now secure little, if any, return, yet from which it is possible to produce industrial products, and particularly gasoline substitutes or fuels suitable for use in motor vehicles. A rational system which would economically conserve our diminishing petroleum reserves by the substitute use of these surplus agricultural products which are annually renewable,

would be of vast national economic importance. There has been a great amount of discussion on this possibility, but so much of the reported material may reflect the desires or opinions of the proponent groups, that the need for an unbiased and exhaustive study of the possibilities is clearly indicated.

PETROLEUM RESERVES

Petroleum reserves are limited. Estimates have indicated that the known reserves today in the United States may approximate 19,000,000,000 barrels. The production of crude petroleum in the world in 1936 amounted to 1,784,464,000 barrels, of which 1,098,516,000 were produced in the United States (61.5 percent). The gasoline consumed in the operation of motor vehicles in the United States in 1936 was about 19,000,000,000 gallons. This is equivalent to approximately 42,000,000,000 gallons or about 1,000,000,000 barrels of crude petroleum. The residue from this gasoline production is used for lubrication oil, fuel oil, and so forth. No accurate estimates can be made, but judging from the trend and the present rate of consumption, the indicated known petroleum reserves would be greatly depleted or almost entirely used up in about 25 or 30 years. It must be remembered that while new supplies of petroleum are being located from time to time, our motor fuel—gasoline—consumption has also been expanding at the rate of almost 1,000,000,000 gallons a year. It is evident that before many years some suitable substitute fuels may have to be brought into use, and a gradual rise in the present price of gasoline fuel may be anticipated.

FARM SURPLUSES

At present the agricultural industry in the United States is operated on a restricted production basis, and the surpluses which have existed in previous years, and which were continual factors in depressing of prices of agricultural commodities, have been largely eliminated for the moment, partly by drought conditions and partly by the restriction program. The financial loss which the farmer has incurred under these various conditions of unsalable surpluses or restricted output is now being partially restored to him through indirect subsidies, which are an expense to the Government. However, a recurrent cycle of surplus may be safely anticipated in future years. One reason for the existence of surpluses is the frequent geographical distance between the point of origin of the crop and the market for same. Obviously, freight haulage costs could not usually be economically incurred for the cull or lower grades of specific crops, hence these will always be a factor to be considered. It seems advisable, therefore, to consider means whereby these surpluses and low-grade materials can be dealt with at the point of origin by industrial utilization of same as raw materials for the production of marketable industrial commodities rather than the use for food or feed purposes. It is difficult to secure accurate figures as to the extent of these surplus and cull crops, since to a great extent these crops are either not harvested or are used locally, and therefore do not appear in official figures. It may be estimated that for any crop there will be a relatively unsalable fraction of from 5 to 25 percent which will be distributed over the entire growing area for each crop. In some instances these surpluses or culls tend to accumulate at central shipping points.

PRODUCTION OF POWER ALCOHOL

"Power alcohol" can be produced from practically all of the cereal and tuber crops. Fruit may also be considered, although the perishable nature of this class would introduce certain difficulties. Alcohol is recovered in varying amounts, depending upon the composition of each different raw material. At present 76 percent of the so-called grain or ethyl alcohol made in the United States is made from blackstrap sugarcane molasses, most of which is imported from Cuba, Puerto Rico, and other semitropical countries. Corn is the next most logical material, and corn is the largest single food crop grown in the United States. This crop varies from 2,200,000,000 to 2,500,000,000 bushels yearly, of which from three to five hundred million bushels—or about one-sixth of the crop—are surplus to food requirements and usually find use in industrial fields. Any crop containing starch or sugar might be used for alcohol production, although the yield of alcohol will depend on the percent of starch or sugar present in the material and in some instances will be quite low. Yields from certain crops may, however, be also considered from the standpoint of the gallons of alcohol producible from an acre of land rather than from a ton of material. For example, on this basis corn produces about 84 gallons of alcohol per ton, or about 105 gallons per acre, whereas sugar beets produce only approximately 22 gallons per ton but could produce 287 gallons per acre. Other indicated crop alcohol yields are as follows:

Crop	Gallons per ton	Gallons per acre
Wheat	87.0	59.2
Rye	86.0	36.0
Rice	82.3	92.6
Sweetpotatoes	37.3	154.0
White potatoes	23.0	136.0
Jerusalem artichokes	20.0	180.0
Raisins	81.4	81.4

These figures are based on the yields and composition of crops shown in the national (average) statistics, but it is possible in certain instances by intensified farming on good land to considerably increase the acreage and alcohol yields. Consideration might, therefore, be given to the growing of crops specifically for "power alcohol" production, provided the net returns per acre are comparable to the return from growing a food crop.

DISTRIBUTION OF CROPS

The problem of industrial utilization of surpluses touches almost every State in the Union. For example, in the following crops the areas more nearly concerned are—

Rye: Minnesota, Wisconsin, Michigan, South Dakota, Pennsylvania.

Oats: Nebraska, South Dakota, Iowa, Wisconsin, Illinois, Indiana, Ohio.

Fruit: Washington, Oregon, Idaho, California, Virginia, New York, Georgia, West Virginia.

White potatoes: Maine, Michigan, Wisconsin, Minnesota, Idaho, Virginia, Maryland, Pennsylvania.

Sweetpotatoes: All Southern States from Virginia to Texas.

Sorghum (grain): Texas, Oklahoma, Kansas.

Barley: North Dakota, South Dakota, Minnesota, Wisconsin, California, Colorado.

Wheat: Minnesota, North Dakota, South Dakota, Montana, Kansas, Oklahoma, Washington.

Sugar beets: Colorado, Nebraska, Michigan, Wyoming, Idaho.

Corn: Almost the entire middle and southern areas of the United States.

The States named indicate the areas of greater crop concentration, but by no means exclude other States which also raise varying lesser quantities of the same crops.

The location of a plant to produce power alcohol at any specific point should visualize utilization of all the crop surpluses in that region regardless of type. For example, in Michigan the following crops are raised in sufficient amounts so that a normal surplus would probably exist, in sufficient quantities, to yield adequate raw material for year-round operation of an alcohol plant.

Total amount raised (in Michigan)

Crop:		
Barley	bushels	6,433,000
Corn	do	36,799,000
Oats	do	43,098,000
White potatoes	do	23,072,000
Wheat	do	15,523,000
Sugar beets	tons	612,000

In addition to these larger crops there might also be available in that State other surpluses from smaller crops, such as:

Rye	bushels	1,987,000
Apples	do	6,641,000
Peaches	do	1,416,000
Grapes	tons	62,587
Plums	do	6,698

Similarly, an estimated list of probable raw materials has been assembled for each State and is appended hereto.

Some indication of the volume of agricultural material which could be industrially utilized for producing power alcohol is shown by the attached list of materials required to produce 2,000 gallons of alcohol per day for a 300-day operation. (See table 2.)

METHOD OF PRODUCTION

The existing ethyl or grain-alcohol industry today utilizes only corn and cane molasses to produce over 83 percent of the total output of 103,224,335 wine gallons annually (1936). About 16 percent of the remainder is produced synthetically from gases. A 10-percent alcohol blend of the entire annual consumption of gasoline would require 1,900,000,000 gallons of alcohol, or many times the total present alcohol production. The existing grain-alcohol industry is organized on the basis of producing primarily a pure spirit suitable for medicinal, chemical, and beverage use. The production of such alcohol requires care, specialized equipment, and materials of good grade, and the sales price of such alcohol may run from 25 to 40 cents a gallon, unpackaged, depending on the kind and price of raw material used. Such alcohol is considerably more expensive than gasoline, and this fact has constituted one of the greatest objections to the proposed use of power alcohol fuel. However, to use high-grade alcohol is both unnecessary and uneconomic, but it will be necessary to conduct a large amount of experimentation in order to demonstrate the possibility of producing an alcohol of low quality (as regards odor and taste) for specific use as a motor-fuel ingredient at such saving in cost so that the present differential between alcohol and gasoline will be reduced. It is also necessary to conduct considerable experimentation to determine how to successfully and economically process a number of the indicated crop raw materials which have never been commercially tried out in the United States. New machinery must be designed to enable process economies to be achieved, and all-purpose equipment must be designed so that flexibility of raw-process materials will be possible in a given plant.

The very nature of these indicated necessary researches makes it probable that such investigation would not be at present attractive to private capital, and it therefore becomes incumbent that such research be done by the Government for the benefit of the people as a whole. It is not contemplated that the Government go into the business of producing alcohol, but the essentials of the problem of producing this new grade of alcohol should be worked out at public expense. This is an entirely new line of investigation and has no relation to the factors controlling the present existing alcohol industry, which is designed to supply market needs for an entirely different commodity. At the same time, the alcohol industry, which has been operating at around half production capacity, might be able to utilize their unproductive capacity in producing alcohol fuel. At this date there is no alcohol plant in the United States which is equipped or designed to meet all the requirements of power alcohol production.

USE OF ALCOHOL ON FARMS

It must be remembered that to some extent the farmer, himself, will utilize the fuel produced by a power alcohol blend. Approximately 25 percent of all the motor vehicles in the United States are on the farms. In some States the percentage rises to almost 50. (See attached table.) In this manner the farmer indirectly would be developing his own fuel for his own work out of his own products, provided the proper feasible and economic methods can be discovered. In the light of existing knowledge, for most materials success would be improbable, and only by much research can success be even contemplated.

OTHER SUBSTITUTE MOTOR FUELS

It has been reasonably demonstrated that, generally speaking, the addition of small amounts of grain alcohol to gasoline has a beneficial effect on motor operation, although under certain conditions showing a slight decreased mileage output. However, it is possible to produce other alcohols from the same crop materials which will show entirely different functioning constants in an automobile engine. These higher alcohols can be produced from the same sugar and starch present in the crops indicated previously, although the method and cost of manufacture may differ considerably from that involved in the production of grain alcohol. These alcohols will have relatively greater fuel value. A considerable research to determine all the potentialities involved is necessitated. At present the real crux of the whole power alcohol problem lies not in the advisability of using alcohol as motor fuel as much as in the economic production of such alcohol at reasonable cost from farm products, and it is along this line that experimentation is required. Involved here also is the increase of acre yield and starch content of the various crops, more economical raising and harvesting methods to lower the raw material costs, and similar agricultural and engineering problems.

PROPOSED EXPERIMENTATION

The proposed experimentation involves a survey of the existing crop production and the status of crop surpluses, culls, and wastes from year to year, and an equivalent survey of the continuing use of power alcohol in foreign countries. A pilot plant of small capacity should be designed and built, of a type suitable for the accurate establishing of all of the basic design and process problems presented in this employment of hitherto unused raw materials for the manufacture of a new product. Further study should be made of the merchandising of the power alcohol product and its commercial use, as well as the recovery and sale of byproducts such as stock feed, dry ice, and so forth. Many problems as to the constitution of blends of maximum desirability, the denaturation of such blends to prevent illegal alcohol diversion, and the functioning of such blends in the average motor must be studied. As soon as the basic angles of the problem are properly charted it should then be advisable to erect small experimental plants of slightly larger size, at key locations throughout the country, which plants would be more particularly adapted to the surplus crops normal to that region. By the use of a number of such small plants the actual basic facts as to the production at low cost and successful use of blends of power alcohol for every part of the country should be capable of being established to such degree of accuracy that commercial expansion may follow. Thereby we might accomplish the desired economic goal of supplying national fuel needs from the waste and surplus of the farm, in annually renewable amounts, thereby also benefiting agriculture.

Comparison of farm-owned registered motor vehicles, by States (estimated for 1935)

Rank	State	Percent
No. 1	North Dakota	49.8
No. 2	South Dakota	44.7
No. 3	Mississippi	43.3
No. 4	Nebraska	39.4
No. 5	Montana	38.5
No. 6	Kansas	34.5
No. 7	Arkansas	34.3
No. 8	Idaho	34.1
No. 9	Iowa	34.0
No. 10	Wisconsin	32.1
No. 11	New Mexico	31.6
No. 12	Minnesota	30.8
No. 13	South Carolina	30.4
No. 14	Alabama	30.2
No. 15	Vermont	29.8
No. 16	Virginia	29.2
No. 17	Kentucky	28.7
No. 18	North Carolina	28.0
No. 19	Wyoming	27.9
No. 20	Oklahoma	27.0
No. 21	Georgia	26.4
No. 22	Tennessee	25.8
No. 23	Missouri	25.3
No. 24	Texas	24.5
No. 25	Oregon	23.6
No. 26	Utah	22.6
No. 27	Colorado	21.2
No. 28	Indiana	20.7
No. 29	Maine	20.2
No. 30	Delaware	20.1
No. 31	West Virginia	19.8
No. 32	Louisiana	19.4
No. 33	Washington	17.8
No. 34	New Hampshire	16.0
No. 35	Maryland	15.6
No. 36	Michigan	15.5
No. 37	Ohio	15.0

Comparison of farm-owned registered motor vehicles, by States (estimated for 1935)—Continued

Rank	State	Percent
No. 38	Arizona	14.5
No. 39	Illinois	14.1
No. 40	Pennsylvania	12.5
No. 41	Florida	12.2
No. 42	Nevada	12.0
No. 43	Connecticut	9.1
No. 44	New York	9.1
No. 45	California	8.8
No. 46	Rhode Island	5.1
No. 47	New Jersey	4.5
No. 48	Massachusetts	4.2
No. 49	District of Columbia	.1

Location of a power alcohol plant at any given point involves the question of availability of raw materials. In certain States there may be a variety of materials, but the quantity of some of these materials may be less than the required minimum amount necessary for year-long operation. Occasions may arise when small quantities of certain crops can be used as alternative raw materials in substitution for a principal material.

The figures in table 1 show the average crop production for each State for the 5-year period 1928–32, for all crops exceeding an arbitrary minimum production. These data have been collated from the Yearbook, Agricultural Statistics for 1936, United States Department of Agriculture. Differentiation between primary and secondary materials is based on an assumed minimum operation producing 2,000 gallons of alcohol per day, for a year of 300 days, whereby a material crop produced in such quantities that 5 percent of the total crop represents more than the required raw material for this size operation is designated as a primary, and less than that, as a secondary raw material. Basic quantities for the above assumption are shown in subsequent table 2, which should be used in conjunction with table 1.

TABLE 1.—*State production of raw materials*

State	Primary		Secondary	
	Crop	Total State production	Crop	Total State production
Alabama	Corn ..... bushels	35,402,000	Potatoes, sweet ..... bushels	6,368,000
Do			Sorghum, cane ..... gallons	2,585,000
Arkansas	Corn ..... bushels	30,086,000	Peaches ..... bushels	1,461,000
Do	Rice, rough ..... do	8,502,000	Potatoes, sweet ..... do	2,176,000
Do			Grapes, all ..... tons	11,820
California	Barley ..... bushels	28,416,000	Apples ..... bushels	10,156,000
Do	Grapes, all ..... tons	1,924,000	Apricots ..... tons	240,500
Do	Prunes, dry ..... do	196,600	Figs:	
Do	Rice, rough ..... bushels	7,527,000	Fresh ..... do	6,950
Do	Sugar, beet ..... tons	860,000	Dried ..... do	18,000
Do			Dates ..... do	2,000
Do			Peaches ..... bushels	23,844,000
Do			Pears ..... do	9,534,000
Do			Plums ..... tons	64,200
Do			Potatoes:	
			Irish ..... bushels	7,152,000
			Sweet ..... do	1,075,000
Do			Sorghum, grain ..... do	2,302,000
Colorado	Corn ..... bushels	22,599,000	Apples ..... do	2,019,000
Do	Barley ..... do	9,815,000	Potatoes, Irish ..... do	14,083,000
Do	Sugar, beet ..... tons	2,525,000	Sorghum, grain ..... do	2,009,000
Do	Wheat ..... bushels	17,111,000		
Florida	Corn ..... do	6,256,000	Potatoes, Irish ..... do	1,636,000
Georgia	do ..... do	36,620,000	Peaches ..... do	5,749,000
Do			Potatoes, sweet ..... do	6,769,000
Idaho	Potatoes, Irish ..... bushels	20,610,000	Apples ..... do	5,066,000
Do	Sugar, beet ..... tons	449,000	Plums ..... tons	22,840
Do	Wheat ..... do	27,028,000		
Illinois	Barley ..... bushels	11,287,000	Apples ..... bushels	4,545,000
Do	Corn ..... do	329,659,000	Peaches ..... do	1,751,000
Do	Oats ..... do	152,806,000		
Do	Wheat ..... do	32,532,000		
Indiana	Corn ..... do	154,125,000	Apples ..... bushels	1,819,000
Do	Oats ..... do	63,693,000	Rye ..... do	1,118,000
Do	Wheat ..... do	26,693,000		
Iowa	Barley ..... do	18,229,000	Rye ..... bushels	667,000
Do	Corn ..... do	438,792,000		
Do	Oats ..... do	218,730,000		
Do	Wheat ..... do	7,445,000		
Kansas	Barley ..... do	10,515,000		
Do	Corn ..... do	127,493,000		
Do	Oats ..... do	34,649,000		
Do	Sorghum, grain ..... do	15,987,000		
Do	Wheat ..... do	177,431,000		
Kentucky	Corn ..... do	61,290,000	Apples ..... bushels	2,273,000
Do			Potatoes, sweet ..... do	1,499,000
Do			Sorghum, cane ..... gallons	924,000
Louisiana	Corn ..... bushels	17,896,000	Potatoes, sweet ..... bushels	4,950,000
Do	Rice, rough ..... do	17,853,000		
Do	Sugarcane ..... tons	3,028,000		
Maine	Potatoes, Irish ..... bushels	44,078,000	Apples ..... bushels	1,830,000
Maryland	Corn ..... do	15,039,000	do ..... do	2,063,000
Do	Wheat ..... do	8,648,000	Potatoes, sweet ..... do	1,374,000
Massachusetts			Apples ..... do	2,796,000
Michigan	Barley ..... bushels	6,433,000	do ..... do	6,641,000
Do	Corn ..... do	36,799,000	Grapes, all ..... tons	62,587
Do	Oats ..... do	43,098,000	Peaches ..... bushels	1,416,000
Do	Potatoes, Irish ..... do	23,072,000	Plums ..... tons	6,698
Do	Sugar, beet ..... tons	612,000	Rye ..... bushels	1,978,000
Do	Wheat ..... bushels	15,523,000		
Minnesota	Barley ..... do	49,608,000		
Do	Corn ..... do	146,425,000		
Do	Oats ..... do	149,179,000		
Do	Potatoes, Irish ..... do	29,620,000		

TABLE 1.—*State production of raw materials*—Continued

State	Primary			Secondary		
	Crop		Total State production	Crop		Total State production
Minnesota	Rye	bushels	5,966,000			
Do	Wheat	do	20,946,000			
Mississippi	Corn	do	32,044,000	Potatoes, sweet	bushels	5,663,000
Do				Sorghum, cane	gallons	1,547,000
Missouri	Corn	bushels	156,561,000	Apples	bushels	2,434,000
Do	Oats	do	39,595,000	Sorghum, grain	do	1,243,000
Do	Wheat	do	20,362,000			
Montana	Sugar, beet	tons	514,000	Oats	bushels	7,483,000
Do	Wheat	bushels	45,167,000			
Nebraska	Barley	do	15,758,000	Rye	bushels	3,150,000
Do	Corn	do	225,033,000			
Do	Oats	do	68,916,000			
Do	Sugar, beet	tons	996,000			
Do	Wheat	bushels	56,538,000			
New Mexico	Sorghum, grain	do	4,638,000			
Do	Wheat	do	4,148,000			
New Jersey	Corn	do	6,535,000	Apples	bushels	3,295,000
Do				Peaches	do	1,692,000
Do				Potatoes:		
Do				Irish	do	7,031,000
Do				Sweet	do	1,628,000
New York	Corn	bushels	19,209,000	Apples	do	19,012,000
Do	Oats	do	26,485,000	Grapes, all	tons	80,106
Do	Potatoes, Irish	do	25,914,000	Peaches	bushels	1,617,000
Do	Wheat	do	4,411,000	Pears	do	1,262,000
North Carolina	Corn	do	39,119,000	Apples	do	3,411,000
Do				Peaches	do	1,980,000
Do				Potatoes, Irish	do	7,573,000
Do				Potatoes, sweet	do	6,819,000
Do				Sorghum, cane	gallons	1,428,000
North Dakota	Barley	bushels	33,537,000	Potatoes, Irish	bushels	8,710,000
Do	Corn	do	20,836,000			
Do	Oats	do	37,784,000			
Do	Rye	do	11,362,000			
Do	Wheat	do	102,903,000			
Ohio	Corn	do	123,701,000	Apples	bushels	6,538,000
Do	Oats	do	60,934,000	Grapes, all	tons	25,735
Do	Wheat	do	30,480,000	Potatoes, Irish	bushels	10,709,000
Do				Sugar, beet	tons	218,000
Oklahoma	Corn	bushels	52,381,000	Potatoes, sweet	bushels	1,396,000
Do	Oats	do	26,711,000			
Do	Sorghum, grain	do	13,702,060			
Do	Wheat	do	55,145,000			
Oregon	do		21,205,000	Apples	bushels	5,082,000
Do				Oats	do	7,954,000
Do				Plums	tons	27,260
Do				Prunes	do	25,500
Do				Pears	bushels	2,711,000
Pennsylvania	Corn	bushels	45,585,000	Apples	do	9,584,000
Do	Potatoes, Irish	do	22,698,000	Grapes, all	tons	25,174
Do	Wheat	do	17,387,000	Peaches	bushels	1,708,000
Do				Rye	do	1,671,000
South Carolina	Corn	bushels	20,151,000	Oats	do	8,080,000
Do				Peaches	do	1,205,000
Do				Potatoes, sweet	do	4,569,000
South Dakota	Barley	bushels	35,771,000	Rye	do	4,048,000
Do	Corn	do	80,666,000			
Do	Oats	do	59,033,000			
Do	Wheat	do	37,632,000			
Tennessee	Corn	do	57,959,000	Apples	bushels	1,942,000
Do				Peaches	do	1,492,000
Do				Potatoes, sweet	do	5,357,000
Do				Sorghum, cane	gallons	1,234,000
Texas	Corn	bushels	83,659,000	Figs, fresh	tons	3,525
Do	Oats	do	37,904,000	Peaches	bushels	1,380,000
Do	Rice, rough	do	9,135,000	Potatoes, sweet	do	4,734,000
Do	Sorghum, grain	do	52,882,000	Sorghum	do	1,115,000
Do	Wheat	do	41,083,000			
Utah	Sugar, beet	tons	621,000			
Do	Wheat	do	5,540,000			
Virginia	Corn	do	31,346,000	Apples	bushels	13,160,000
Do	Wheat	do	9,220,000	Potatoes, Irish	do	14,447,000
Do				Potatoes, sweet	do	4,136,000
Washington	Wheat	bushels	42,882,000	Oats	bushels	7,652,000
Do	Apples	do	33,510,000	Pears	do	3,771,000
Do				Plums	tons	18,895
Do				Potatoes, Irish	bushels	7,468,000
Do				Prunes, dried	tons	3,780
West Virginia	Corn	bushels	11,056,000	Apples	bushels	6,947,000
Do				Peaches	do	1,131,000
Wisconsin	Barley	bushels	22,178,000	Apples	do	1,801,001
Do	Corn	do	69,375,000	Rye	do	2,334,000
Do	Oats	do	85,527,000			
Do	Potatoes, Irish	do	23,385,000			
Wyoming	Sugar, beet	tons	531,000			
TERRITORY						
Hawaii	Sugar, cane	do	8,536,781			
Philippine Islands	do	do	14,348,452			
Puerto Rico	do	do	9,070,454			

TABLE 2.—*Minimum material requirements for a 300-day-year operation to produce 2,000 gallons of alcohol per day*

Crop		Requirement for distillery	Required State production for primary classification [1]
Apples	bushels	1,800,000	36,000,000
Apricots	tons	44,000	880,000
Artichokes (Jerusalem)	bushels	1,000,000	20,000,000
Barley	do	300,000	6,000,000
Carrots	tons	61,000	1,220,000
Corn	bushels	240,000	4,800,000
Dates (dry)	tons	7,600	152,000
Figs:			
Fresh	do	28,600	572,000
Dry	do	10,200	204,000
Grapes, all	do	40,000	800,000
Oats	bushels	600,000	12,000,000
Peaches	do	2,360,000	47,200,000
Pears	do	2,070,000	41,400,000
Pineapples	tons	38,500	770,000
Plums	do	55,000	1,100,000
Potatoes:			
Irish	bushels	900,000	18,000,000
Sweet	do	600,000	12,000,000
Prunes, dry	tons	8,400	168,000
Raisins	do	7,500	150,000
Rice, rough	bushels	326,000	6,500,000
Rye	do	250,000	5,000,000
Sorghum:			
Cane	tons	43,000	960,000
Grain	bushels	240,000	4,800,000
Sugar:			
Beet	tons	27,300	546,000
Cane	do	40,000	800,000
Molasses, blackstrap	gallons	1,500,000	30,000,000
Wheat	bushels	228,000	4,560,000

[1] Assuming that only 5 percent of the total crop is available as raw material.

There Is No Excuse for Slums—Wagner-Steagall Bill Should Pass in Original Form

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1937

Mr. VOORHIS. Mr. Speaker, the Wagner-Steagall housing bill is of great importance, because there can be no excuse for the existence of both slums and unemployment in the same nation at the same time. If millions of our workers are idle and millions more of our people are housed in slums, then our idle workers should be put to work to eliminate the slums.

Some people are getting tired of hearing that one-third of our Nation is ill-housed, ill-fed, and ill-clad. Well, the one-third of the people who are suffering from these conditions are even more tired of it, I have no doubt.

We still have millions who are unemployed and for whom some provision must be made. The bad provision is a dole. The good provision is constructive work.

Now, the kind of work which a sensible public-works program will put unemployed people to doing is necessary work which cannot and will not be undertaken by any private agency and will go undone unless some governmental body takes a hand in it.

SLUMS REMAIN UNTIL GOVERNMENT ACTS

Everybody knows that it is not profitable for private builders to tear down slum dwellings and build low-cost housing. If it had been, they would have undertaken it long ago. Until we establish a far, far better distribution of income and bring about an increase in production, millions of people in the Nation simply will not be able to afford decent housing.

Now, if, as we evidently must do, we are compelled as a matter of simple justice to spend money for the employment of our unemployed people, why not spend it in a field where all the following advantages are to be gained: (1) Where we shall have something of solid value to show for the money spent. (2) Where we shall be starting the work of eliminating one of the greatest social evils in America. (3) Where we shall be stimulating a great industry in all its branches. (4) Where we shall be doing a work that, desperately needed as it is, will go undone unless the Government acts.

NO VALID ARGUMENT AGAINST WAGNER-STEAGALL BILL

Personally, I know of no valid argument against the bill, unless it be that it does not go far enough. Since, however, it is America's first venture into this field, perhaps it is wise not to proceed too fast at first.

HOW THE BILL WORKS

The main provisions of the Wagner Housing Act are as follows:

(a) A United States Housing Authority is created with a capital stock of $1,000,000, and to this Authority is given the general job of encouraging the formation of local public housing agencies, or authorities—through which local agencies the actual construction work is done and the properties administered. By two general methods, the United States Housing Authority furnishes funds for the work. It also sets standards, sees to it that slum dwellings are actually eliminated in proportion to new houses built, and supervises administration of the projects to see to it that persons of low income, specifically those whose total income is not more than five times the rent to be charged, are the only ones to benefit and to occupy the houses.

(b) Funds at the disposal of the Authority are from two sources: (1) The sale over a period of 3 years of $500,000,000 worth of bonds guaranteed as to principal and interest by the United States; and (2) an original appropriation of $26,000,000.

(c) All moneys raised by the sale of bonds must be used for loans to local housing authorities and may not be used for capital grants or annual subsidies. The amount of a loan on any project is limited by the act to 90 percent of the "development or acquisition cost" of the project and must be repaid in not more than 60 years at interest not less than the going Federal rate plus one-half of 1 percent at the time the loan is made.

(d) In order to bring rents down within reach of the people whom the housing bill seeks to help, annual contributions or subsidies may be made by the Authority to local public-housing agencies. Such annual contributions may not exceed an amount equal to the going Federal rate of interest (at the time the contract is made) plus 1 percent of the total cost of the project. Local governments must also contribute up to 20 percent of this annual subsidy. Of course, such an annual subsidy will almost enable the local housing agency to amortize the entire repayment of the loan it has received from the United States Housing Authority. Therefore, the subsidy enables rents to be brought down to a figure which need only cover, roughly, administration costs and operating expenses of the project. This is the objective of the bill.

This bill authorizes subsidies totaling $20,000,000 over a 3-year period. After that further annual subsidies must have new authorization by Congress.

(e) If a local public-housing agency prefers, it may apply for a capital grant instead of a loan. Such capital grants may not exceed 25 percent of the cost of the project. In addition, however, the President may allocate to the Authority, out of relief funds, an additional amount for the payment of labor equal to 15 percent of the cost. No such capital grants are to be made unless the State or local political subdivision also makes a grant of at least 20 percent of the cost of the project. Where capital grants are made, of course, they are intended to take the place of the annual contributions or subsidies and to be the means of bringing rents within reach of low-income families in the same manner as the annual subsidies do under the other plan.

In this case $30,000,000 in capital grants are authorized in the bill for the first 3-year period. New authorization would then be necessary, as in the case of the annual subsidies.

SENATE AMENDMENTS

First. The bill, as originally presented to the Senate, contained also a section permitting the United States Housing Authority to spend $25,000,000 annually for demonstration projects, which, upon completion, would be either sold to public-housing agencies or leased to consumers' housing cooperative societies. There was another provision permitting loans up to 85 percent of cost to limited-profit-housing agencies, providing the total of such loans did not exceed $25,000,000 in any one year.

The sections containing these provisions were stricken out on the floor of the Senate.

The bill, as finally passed by the Senate, therefore is essentially a slum-clearance bill. No doubt it should be primarily exactly that.

But it is to be hoped that the House will restore reasonable provisions for the encouragement of the formation of cooperative groups to attack this problem. There are many splendid groups of people throughout the Nation who are capable of making a worth-while contribution through cooperative effort, if given the help and assistance which Senator Wagner's original bill would have accorded them. There ought to be a place in this legislation for the encouragement of voluntary action on the part of private cooperative groups.

Second. Still more serious, however, is the so-called Byrd amendment limiting the cost of family dwelling units to $1,000 per room and $4,000 per dwelling. Commendable as it is to attempt to make certain that the cost is held down to where the people who really need the housing can afford the rents, it is a shame to largely eliminate large families from benefits of the bill, which is exactly what this amendment does. The $1,000-per-room limitation, serious though it is, is not as bad as the total limitation of $4,000 per dwelling. For that limitation means that in the very portions of the Nation where slums are worst, the larger families must either continue to be overcrowded or else must stay out of the new houses altogether. For, in effect, the amendment sets a maximum of four rooms per house for most of the Nation. Moreover, differences in cost of construction vary so sharply as between different parts of the Nation, and the importance of constructing substantial housing is so evident that it obviously would have been far better—if what we really want is slum clearance and new housing—to set forth in the act an average cost figure instead of setting a hard and fast maximum. No one seeks fancy construction. But certainly we do want the money to be spent on houses that will endure. Such houses, according to competent authorities, probably can easily be built for considerably less than $1,000 per room in some portions of the Nation but cannot possibly be built for less than $1,400 or $1,500 per room elsewhere—such as in New York City. The most important task confronting the House, therefore, is elimination, or at least substantial modification, of this amendment.

Third. The Tydings amendment providing that the rate of interest to be required of local housing agencies be one-half percent more than the going Federal rate simply means that rents to the rehoused people must be raised enough to cover this additional charge. If the House wants to be sure rents are kept at levels where our poorer people can afford them it will eliminate this amendment and restore the original provisions of Senator WAGNER'S bill, which required local housing agencies to repay loans at the going Federal rate and no more.

Fourth. The amendment to require local governmental bodies, States, cities, or counties, to contribute 5 percent of the annual rent subsidies and 5 percent of construction costs, which was carried in the Senate, will no doubt increase local concern about the success of the projects but it will also serve to slow up the work of the Authority, adding one more element of red tape. In some communities, reasonable as the 5-percent figure seems to be, it may seriously threaten the possibility of carrying out a housing project at all.

Fifth. Civil service was dealt another blow by the insertion of an amendment requiring Senate confirmation of all employees of the Authority receiving more than $4,000. Certainly the House should eliminate this and stick to its position in conference.

Sixth. Other amendments, added by the Senate, do not materially affect the main purposes of this legislation.

WHAT THE HOUSE SHOULD DO

Senator WAGNER has spent years in an intensive study of this great national need for better housing for our people. His bill was a good bill. It had the support of millions of people and of the finest and most thoughtful organizations in America.

Generally speaking, the amendments put into the bill in the Senate will, if allowed to stay in the act as finally passed, have the effect of reducing and retarding the beneficial effect of Senator WAGNER'S original bill.

The House can render to America a real service—one that will affect the now blighted lives of millions—if it restores the bill to substantially its original form.

As the years pass it is profoundly to be hoped that America's experience with housing will follow generally that of England, and that the widespread beneficial effects which their housing program has brought to the people of the British Isles may be reduplicated on this side of the Atlantic.

Some of us have waited long for a chance to vote for this bill. If we can protect it from emasculation, we will have a right to feel that we have played a part in starting on its way another great effort at the rebuilding of our American Nation on new and firmer social and economic foundations.

This is the beginning of the New Deal for ill-housed Americans.

AND A MOST IMPORTANT POSTSCRIPT TO THESE REMARKS

The bill provides that the United States Housing Authority may sell bonds in the amount of $700,000,000.

It provides that the proceeds from these bond sales can only be used in making loans to local housing agencies, which loans will be the means of constructing houses and thus creating new tangible wealth. The total amount of any loan cannot exceed the acquisition or development cost of the project.

The loans will be secured by the houses created by the expenditure of this money and will be repaid out of annual subsidy grants paid by the Government itself to the local housing agency which, in turn, borrowed the money.

Therefore it is difficult to see why the bonds should be sold to private banks and investors and why the Nation should be compelled to pay interest on them.

For, after all, the bonds will be purchased by advances of credit to the Government by the financial institutions of the Nation. That credit will be based upon the property of the people of the Nation, not upon assets of the financial institutions themselves.

The credit, therefore, which the Government will buy when it sells the bonds will be the credit of the Nation itself.

Why not, instead of this, provide that the United States Housing Authority may issue bonds and that those bonds will be taken up either by the R. F. C. or the Treasury, which in turn will advance the credit of the Government of the United States directly for the purpose of making these loans? The loans will be repaid with interest, for the Housing Authority itself in effect guarantees repayment by granting the subsidies with which to pay them. They are not war loans or loans for the purpose of making expenditures on which there will be no return or out of which no increase in national wealth will take place.

The loans are secured by homes of the people, the most basic and fundamental wealth in the world. It is unjust for their Government to have to pay interest for the privilege of using its own credit to make fully secured loans which will be self-liquidating. It seems almost foolish to raise tax money once to pay the annual subsidies out of which the interest on the loans will be paid, and then to raise more tax money to pay interest to financiers for an advancement of credit which, under the circumstances, the Government could quite properly and with absolute safety advance itself.

H. R. 6384

EXTENSION OF REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 11, 1937

ANALYSIS OF H. R. 6384, TO LIBERALIZE LAWS GOVERNING SERVICE-CONNECTED BENEFITS

Mr. RANKIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following analysis of H. R. 6384, to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes, made by Mr. Thomas Kirby, of the Disabled American Veterans:

LEGISLATIVE DEPARTMENT,
DISABLED AMERICAN VETERANS,
August 10, 1937.

Special legislative bulletin to all departments, rehabilitation officers, and national officers:

The following are the provisions of the Rankin bill (H. R. 6384), passed by the House during the Columbus convention and just passed by the Senate, to liberalize several parts of the World War Veterans' Act:

1. The widow of a veteran receiving compensation of 30 percent or more at time of death will continue to receive benefits regardless of the immediate cause of death. The amendment just passed provides that in case a veteran should leave a child, the percentage requirement will be only 20 percent. It is estimated this will affect 1,950 cases at an annual cost of $694,000.

2. Permits proof of claim after death of the veteran for purposes of Public, 484, as amended, but proof must be filed within 3 years after this enactment or the death of the veteran, whichever is the later date. No estimate of cases affected or the cost.

3. The rates for widows of men who die of service-connected disabilities are raised from $35 to $37.50 per month for widows between 50 and 65 years of age, and from $40 to $45 per month for widows above 65. It is estimated that 2,300 widows would be affected at an annual cost of $30,000.

4. Dependent mothers or fathers, whose sons die or have died from service-connected disabilities, have their compensation raised to $45 per month. In case both are living, $25 per month to each. However, if the parent is receiving $57.50 on insurance, he or she will not benefit from this law as long as insurance continues; but, if ony one parent is living and drawing less than $45 per month, compensation and insurance of $45 will be paid. Under similar conditions both parents who are dependent, $25 per month each. It is estimated that 2,430 cases where insurance is being paid and 19,140 where there is no insurance will be affected at a cost of $5,740,000 through this provision.

5. As to insurance contracts issued prior to December 15, 1936, provision is made for a statutory rating for insurance purposes to guarantee continuance of insurance to those with service connection for the loss of both feet, or both hands, or both eyes, or one hand and one foot, or one foot and one eye, or one hand and one eye, or the loss of hearing in both ears, or the organic loss of speech. It is estimated that 100 veterans will be affected by this provision at a cost of $56,000.

6. The limitation of July 3, 1931, as the date of marriage for widows to obtain benefits was continued. However, there is a new provision that benefits shall go to the dependents of the veteran regardless of the date of marriage, provided a child was born of such marriage. It is estimated that 500 service-connected widows will be affected at a cost of $121,000, and 100 widows under Public, No. 484, at a cost of $18,000.

7. Reenlistment after November 11, 1918, and before July 2, 1921, provided there was service during World War hostilities, shall be considered as World War service in consideration of benefits under the World War Veterans' Act. It is estimated that 3,500 veterans will be affected by this provision at a cost of $921,000.

8. Death compensation shall be effective as of the date of death of the veteran if claimed within 1 year after death. It is estimated that 3,200 cases at a cost of $279,000 will be affected.

9. Where an incompetent veteran receiving compensation disappears, authority is granted to pay to the dependents of such veteran the amount of compensation due dependents of deceased veterans who die of compensable disabilities. There is no estimate on this provision.

10. The same penalties for fraudulent evidence prevailing in the World War Veterans' Act generally are extended to Public, 484.

The foregoing is intended merely as a general statement of the substance of this measure, but regulations are expected to be issued shortly once the bill is signed by the President.

This office has strong reason to believe that this bill will meet with White House approval. Watch your daily paper.

THOMAS KIRBY,
National Legislative Chairman.

New England Flood Control

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 11, 1937

LETTER FROM J. W. HOOK, PRESIDENT OF THE NEW ENGLAND COUNCIL, TO THE PRESIDENT

Mr. TREADWAY. Mr. Speaker, in accordance with the permission of the House I wish to insert in the RECORD copy of a letter from Mr. J. W. Hook, president of the New England Council, to the President of the United States, in the matter of the New England flood-control compacts. The letter is as follows:

NEW ENGLAND COUNCIL,
Boston, Mass., August 6, 1937.

The Honorable FRANKLIN DELANO ROOSEVELT,
President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: Since you are well acquainted with the origin and purposes of the New England Council, I know you will appreciate our pleasure and satisfaction in the success of four of our States in negotiating the interstate compacts for flood-control works on the Connecticut and Merrimac Rivers, now before Congress for ratification. We rejoiced not only because of the prospective measure of protection from flood damage, such as we experienced last year, but because these compacts, we felt, demonstrated, in admirable degree, the desire and capacity of the New England States to cooperate for the solution of economic problems common to the area.

Consequently, New England was totally unprepared for the objections which have been made in Washington to the ratification of the compacts in the form agreed to by the negotiators, approved by the legislatures of the four States and submitted by the Governors. We are not even sure that we fully understand just what the objectors have in mind. However, certain matters relating to this discussion stand out so clearly that there is no room for doubt whatsoever, so far as New England is concerned.

In the first place, the negotiators of the compacts felt at all times that they were responding to the not only cordial but also pressing invitation of the Federal Government to proceed under the provisions of the Flood Control Act of 1936 for the benefit of New England, and throughout their negotiations they maintained close contact with representatives of the War Department in charge of operations under this act.

Secondly, there is no desire on the part of these States, their official representatives, or their citizens to diminish, trespass upon, or conflict with the present established authority, rights, or privileges of the Federal Government in relation to the water resources of this region. The reservations concerning power rights by the contracting States are in no wise intended as anything more than notice of their intent to maintain that which they feel they already possess—no more and no less.

On the other hand, I feel I am speaking advisedly when I say to you that the citizens of these four States, and indeed of all New England, will give their wholehearted and determined support to any Governor or other chosen representative in opposition to any extension of Federal authority over our rivers and streams beyond that established by the Constitution and existing Federal statutes.

Some protection against floods is genuinely desired, especially in the downstream industrial areas of the Merrimac and the Connecticut, and Massachusetts and Connecticut are cheerfully willing to pay the costs thereof, as adjusted between themselves, the two Northern States, and the War Department. On the other hand, I think the Congress and the executive departments of the Federal Government may rest assured that New England will sacrifice the prospective benefits of the flood-control program if it is obliged to choose between such benefits and the surrender of any rights over its streams enjoyed by its States under existing law.

According to recent news dispatches, you are represented as hopeful that some arrangement may be arrived at which will satisfy your legal advisers without demanding of the four New England States any surrender of what they consider their just rights. I most certainly hope these reports accurately represent your position, and that you will lend your efforts to the prompt approval of the compacts so that the work may be started without controversy or delay.

Finally, I think you are well enough acquainted with New England to have some idea of the nature and size of the mountain streams involved in the present program of dams and reservoirs. Perhaps you can suggest that some of those who seem so concerned about impending violation of the rights and interests of the United States come up and judge for themselves to what extent the national interest is involved.

To New England, however, even the smallest of our mountain streams is precious, and our people will jealously protect all the rights which they now enjoy in them. Far beyond their value for power purposes, the rivers and streams of New England constitute our most important single natural resource, essential to the sustenance of our population, the maintenance and expansion of our intensive and diversified industrial activity, and the further development of our great recreational industry.

We feel, in short, that the four New England States have, in good faith, performed their part under the Federal flood-control legislation. We see no reason why Congress need hesitate to place its approval upon the compacts. We want flood-control works, but we place an even higher value upon the preservation of all our existing rights over our water resources. We would welcome the exercise of your good offices in the situation. I am,

Sincerely yours,

JAMES W. HOOK, *President.*

Cotton Price Must Be Stabilized Now

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1937

Mr. LUTHER A. JOHNSON. Mr. Speaker, the cotton farmers of the South face a crisis, and unless something is done immediately to stabilize the price of cotton they are threatened with bankruptcy.

Since cotton is the money crop of the South, it will not only bankrupt the farmers who produce it, but labor, industry, and business of every character in that section will suffer great and irreparable loss.

For the past several weeks there has been a marked and steady decline in the price of cotton. Each day it goes lower. In March of this year the average price per pound was 14.15 cents, and the markets closed yesterday at a price slightly above 10 cents per pound. This means a shrinkage in value of approximately $20 a bale.

Each day the price is going lower; and if the present rapid decline continues, the loss may amount to $30 or even $40 a bale before the crop is marketed. No one can foretell to what depths the decline will be carried unless it is checked.

The tragedy of the situation is that the decline is occurring just as the farmers are beginning to market this year's crop, and they will bear the loss, which they can ill afford to do. Fourteen cents a pound is less than the parity price. A shrinkage of $20 a bale would amount to approximately $300,000,000 loss by the cotton farmers, which would affect not only the South but the entire Nation. Bankruptcy of a class as numerous as that of the cotton producers, eliminating their buying power, will be appreciably felt in all sections of the Nation. The problem, therefore, is not local but national.

The Government alone has the power to avert this catastrophe, and such power should be exercised without a moment's delay.

A similar crisis was averted by the Government in 1933, again in 1934, and also in 1935. The method used was what is commonly known as "pegging" the price. In September 1933 cotton was selling for about 9 cents a pound, and the Government made loans to farmers at the rate of 10 cents per pound on cotton, and the price immediately began to advance, and steadily increased until at the end of the 1933 season it was bringing about 13 cents a pound.

In September 1934, when the farmers were marketing their cotton for that season, prices began to decline, and the Government acted promptly and loaned farmers on cotton at the rate of 12 cents a pound and thus stabilized the price around that figure.

In the fall of 1935, when the farmers began again selling their cotton crop for that year, the speculators again depressed the market, and the Government acted promptly to stabilize the price. A slightly different plan was used. The Government made a straight loan of 10 cents a pound, and in addition to the 10-cent loan the farmer was given an adjustment payment equal to the difference between 12 cents a pound and the average price at which cotton sold on the 10 designated spot markets on the day that the farmer sold his cotton. In other words, if the farmer sold his cotton at 10½ cents, and that was the market price on that date, he received the difference between that and 12 cents a pound so as to insure him a price of 12 cents.

For the crop of 1936 the market price ranged from 12 to 14 cents a pound, and no loans were necessary and none were made.

The Commodity Credit Corporation of the Government has the authority, under legislation heretofore passed, to make loans to farmers at this time at any price that may be deemed necessary to stabilize the price, but notwithstanding the authority exists, the Commodity Credit Corporation has taken no action whatever toward making such loans for the present year.

Realizing that something should be done, a week ago I introduced a bill (H. R. 8151) directing the Commodity Credit Corporation to make loans to farmers at the rate of 13 cents per pound, but since introducing this bill I have secured data from the Department of Agriculture which convinces me that the plan used in 1935 is preferable to the straight-loan system prevailing in 1933 and 1934.

Statistics from the Department of Agriculture reveal that the 10-cent loan and guaranty of an additional amount to make the price bring 12 cents kept the cotton moving and did not take it off the market, and therefore worked out much better, both for the farmers, the cotton industry, and the Nation. A straight loan at a higher price means that the Government would have to hold the cotton; whereas a loan at a lower price and a guarantee of the difference insures the continued and orderly marketing of the cotton, and the Government does not thereby acquire a surplus, and also prevents a carry-over.

The Government still has on hand 1,600,000 bales of cotton which it acquired under the 12-cent loan in 1934, but it does not have on hand a single bale as result of the 1935 system of pegging it.

In 1934 the Government at one time had (October 1934), as a result of the 12-cent loan, approximately four and a half million bales of cotton, while the largest amount the Government ever acquired in 1935, as a result of the plan used that year, was less than 100,000 bales.

The 1935 plan cost the Government much less money, not only because the Government did not have to buy the cotton, but simply guaranteed the price of 12 cents, and after this guarantee was made the price reached approximately 12 cents on the spot market.

An examination of the attached table will show that after the 1935 guarantee was invoked the price immediately advanced from 10 cents to 11.77, and never did thereafter go lower than 11.32, so there was only a very small fractional difference in the market price and the 12 cents guaranteed.

I am therefore convinced that a plan similar to that used in 1935 should be made effective at this time, either by the Commodity Credit Corporation under authority which it now has under existing law, or, if the Commodity Credit Corporation refuses to exercise its power, then Congress, before it adjourns, should pass mandatory legislation, requiring that such action be taken, thereby assuring the farmers a price of 13 cents or more for this year's crop.

In order that the result of the methods used for stabilizing the price in 1933, 1934, and 1935 may be known, I ask unanimous consent that as a part of my remarks I may

include a table of statistics which were secured for me by Mr. R. E. Alexander, head of the Department of Agricultural Education of the Agricultural and Mechanics College of Texas, which figures he secured from and in cooperation with officials in the Bureau of Agricultural Economics in the Department of Agriculture.

I am one of those who believe and have contended for the adoption of a general farm bill at this session of Congress, and although the session has now been prolonged I am willing to remain here and not adjourn until a general farm bill can be passed.

However, what I am now contending for is emergency relief to take care of the present situation until general farm legislation can be enacted. The cotton crop of this year has already been made, and a farm bill now passed could not affect the size of the present crop, but the Government can, as it has heretofore done, take immediate action to protect the price, so that the farmers will receive at least something like an adequate price for the crop which they have already made. Fifteen cents a pound would be a fair price considering the increased cost of living and the expenses incurred in making the crop. It is unthinkable that the farmers should be required to bankrupt themselves and the country by receiving the prices now prevailing.

It will be too late to stabilize the price later, as the farmers are being forced to sell their cotton now, and if stabilization should later be effected and the price advanced, the speculators, the operators, and the textile industry, into whose hands the cotton would have passed from the farmers, would receive the benefit.

It is imperative, therefore, that loans be made by the Commodity Credit Corporation under existing law, or that Congress immediately pass legislation making mandatory and requiring that such loans be made on a plan similar to that used in 1935.

The gravity of the situation is not realized by the Nation at large. There is no group of Americans more in need of assistance at this time than the cotton producers, and surely this Congress and our great President will not turn a deaf ear to them in their hour of need.

Statistics as to Government cotton loans made in 1933, 1934, and 1935

End of month	Monthly average spot price (1)	1933, 10-cent loan (running bales on hand) (2)	1934, 12-cent loan (running bales on hand) (3)	1935, 10-cent loan (running bales on hand) (4)	Total bales received on loans (running bales) (5)
1933					
October	$9.16	19,834			19,834
November	9.65	1,214,618			1,214,618
December	9.87	1,926,288			1,926,288
1934					
January	10.91	2,215,042			2,215,042
February	12.02	2,070,080			2,070,080
March	12.09	1,737,578			1,737,578
April	11.65	1,521,236			1,521,236
May	11.28	1,565,024			1,565,024
June	12.04	1,867,202			1,867,202
July	12.58	1,111,669			1,111,669
August	13.12	900,777			900,777
September	12.85	776,624	108,365		884,989
October	12.40	485,965	1,572,636		2,058,601
November	12.46	303,640	2,993,992		3,297,632
December	12.60	203,139	3,643,354		3,846,493
1935					
January	12.55	120,215	3,940,996		4,061,211
February	12.47	49,874	4,072,615		4,122,399
March	11.57	10,062	4,255,523		4,265,585
April	11.80	7,317	4,395,365		4,402,682
May	12.33	6,723	4,411,668		4,418,391
June	11.97	6,629	4,446,955		4,453,584
July	12.22	6,629	4,452,891		4,459,520
August	11.37	6,629	4,450,678		4,457,307
September	10.48	6,629	4,450,678		4,457,307
October	10.90	6,629	4,450,678	33,193	4,490,500
November	11.77	6,629	4,411,088	45,157	4,462,874
December	11.70	6,501	4,407,424	55,961	4,469,886
1936					
January	11.62	6,491	4,402,989	68,646	4,478,126
February	11.32	6,491	4,400,266	84,494	4,491,251
March	11.38	6,443	4,398,854	94,049	4,499,346
April	11.57	5,388	4,311,663	97,450	4,414,501
May	11.56	1,998	3,749,838	95,842	3,847,678
June	11.96	144	3,457,381	91,909	3,549,434

Statistics as to Government cotton loans made in 1933, 1934, and 1935—Continued

End of month	Monthly average spot price (1)	1933, 10-cent loan (running bales on hand) (2)	1934, 12-cent loan (running bales on hand) (3)	1935, 10-cent loan (running bales on hand) (4)	Total bales received on loans (running bales) (5)
July	$12.90	0	3,159,675	77,340	3,237,015
August	12.07				
September	12.05				
October	12.07				
November	12.06				
December	12.60				
1937					
January	12.84				
February	12.90				
March	14.15				
April	13.91				
May	13.12				
June	12.50				
July	12.12		1,600,000	1	1,600,001

Column 1, monthly average 10 spot market price; columns 2, 3, and 4, running bales, means bales of cotton on hand by Government at periods mentioned, having been acquired by the Government as result of loans made on cotton.

The Rights of the Minority and Republican Reorganization Policies

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1937

LETTER TO HON. BERTRAND H. SNELL, REPUBLICAN FLOOR LEADER

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a letter to Hon. BERTRAND H. SNELL, Republican floor leader, written by myself:

WASHINGTON, D. C., *August 11, 1937.*

Hon. BERTRAND H. SNELL,
Minority Leader, House of Representatives,
Washington, D. C.

DEAR BERT: I am writing to submit my resignation from the Republican policy committee of the House to which you appointed me, to take effect immediately.

The appointment by the Speaker of JAMES W. WADSWORTH as the minority Member from the House on the New York World's Fair Commission and his acceptance of the appointment, in utter disregard of the rights of the minority party as expressed by unanimous vote at a recent Republican conference and of your rights as minority leader to designate the Republican Members of congressional committees and commissions, impels me to insist on being relieved from serving on the policy committee headed by Mr. WADSWORTH. I doubt if any other Republican Representative would have accepted the appointment by the Speaker under these circumstances.

The policy committee, unfortunately, has not met in the last 2 months and has, under Mr. WADSWORTH's leadership, practically failed to function or to even attempt to outline a constructive party program. Such a program is more needed today than ever before, particularly with such important measures as the pending hour and wage bill and the low-cost housing bill, involving the attitude of the Republican Party toward labor.

It has been my belief for some time that as long as Mr. WADSWORTH is chairman of our policy committee the Republican Party cannot regain the confidence of the wage earners, as his association with the American Liberty League and kindred reactionary groups is well known to the American people. Mr. WADSWORTH is the outstanding Republican reactionary in either the House or the Senate, and there is no close second to him.

I believe, furthermore, that I can accomplish more to liberalize and humanize Republican policies and leadership, within the confines of the Constitution and our American system of government, unrestricted by membership on the policy committee under its present leadership. I shall from now on openly and persistently urge that the Republican Party be freed from the strangle hold of the reactionary, antiquated, and discredited leaders of the past, who prefer to see the party wrecked if they cannot rule it. The Republican policy should be to unite the liberal and conservative elements in opposition to the radicalism

of the New Deal and to purge our party of its reactionary leaders in order to restore the faith and confidence of the plain people of Abraham Lincoln in its policies and leadership.

We must not compromise with the class hatred, socialism, and dictatorial methods and reprisals of the New Deal, but at the same time if the party is to survive we must attempt to regain the confidence of the wage earners in the big cities and the farmers of the West by divorcing our party leadership and policies from the control of the American Liberty League, selfish interests, and large moneyed groups, and contributors. With that purpose in view, I propose that no single individual shall be permitted to contribute more than $5,000 to the campaign funds.

If the Republican Party is to bring back within its ranks the millions of wage earners and farmers that have left it in recent years then the first step is for the Republican Members of Congress to make a record that will definitely appeal to those millions of voters who have been disgusted with our past performances and do-nothing policies. The New Deal orators and propagandists have told the people that we were the enemy of labor, the farmer, and those with small incomes. The stupid Republican attacks on social security made this kind of propaganda effective. Mr. WADSWORTH is one of the 12 remaining Republicans in the House who voted against the social-security bill, which affects the welfare of 26,000,000 American wage earners and was held constitutional by the United States Supreme Court.

The second method is to bring about an upraising of the rank-and-file Republicans and of the more progressive young element in the Presidential primaries to prevent the hand-picked corporation lawyers, large contributors and discredited reactionaries from being elected as delegates to the national convention and selecting the next Republican candidate for President, for whosoever they nominate is doomed to defeat and we will not even carry Maine and Vermont in 1940 and would not deserve to. The Republican Party must broaden its base and give actual representation to wage earners, farmers, women, veterans, young Republicans, loyal foreign-born groups, and Negroes.

It must be self-evident to all those interested in the future success of the party that the Republican National Committee must be reorganized in leadership and its policies liberalized and revitalized.

I consider the refusal of the Speaker to carry out the time-honored custom of appointing the selection of the minority leader on the New York World's Fair Commission to be a reflection on the minority leader and on the Republican conference and a repudiation of the accepted rights of the minority to representation, which sets an unfortunate precedent, undermines the few remaining rights of the minority, and is a direct step toward fascism or a one-party government.

I regard the refusal of the Speaker to appoint me, as the choice of the minority, as a form of political reprisal that is novel under our representative form of government, and, in my opinion, actually constitutes a badge of political honor and merit. I assure you, Mr. SNELL, that I will not let up one iota on my public criticisms of the class hatred, socialism, and political reprisals of the New Deal.

I can honestly say that I am personally relieved from having to serve on the New York World's Fair Commission since I have learned of the monstrous political and partisan appointment of Edward J. Flynn, of the Bronx, as United States Commissioner at $10,000 per year, in addition to his salary of $12,000 as Secretary of State of New York State. I predict that Federal participation in the fair will become a political racket and a political football to be kicked around for partisan purposes to the disgust of all well wishers of the fair both within and without New York State, but about which I will have more to say later.

Had I known that "Boss" Flynn was to be appointed the United States Commissioner I would not have permitted you to submit my name in the beginning, as I would have been unwilling to run the risk or become in any way identified or responsible for such a spoilsmen's paradise or for any possible wasteful or inefficient management or worse that might result from the action of such an unfortunate partisan appointment by President Roosevelt.

Sincerely yours,

HAMILTON FISH.

Economic Division of Federal Trade Commission

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, August 12 (legislative day of Monday, Aug. 9), 1937

LETTER FROM MRS. JOHN BOYLE, CHAIRMAN, CONSUMERS' COUNCIL OF WASHINGTON, D. C.

Mr. REYNOLDS. Mr. President, out of order, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a letter dated August 4, 1937, directed to me by Mrs. John Boyle, of Washington, D. C., in reference to the Economics Division of the Federal Trade Commission, together with an extract from What's Back of It All, as published in the Evening Star, of Washington, D. C., issue of August 5, 1937.

I am in thorough accord with the opinion expressed by the Consumers' Council of Washington, D. C., through its able chairman, Mrs. Boyle, in that the Economics Division of the Federal Trade Commission is the only general investigatory body in the Federal Government which is backed by law with sufficient power to prevent the exploitation of the public by any industry, and that through its investigations it has protected the small businessman, the farmer, and the consumer against exploitation by monopolies.

There being no objection, the letter and excerpt were ordered to be printed in the RECORD, as follows:

CONSUMER COUNCIL OF WASHINGTON, D. C.,
August 4, 1937.

Hon. ROBERT R. REYNOLDS,
Senate Office Building, Washington, D. C.

DEAR SENATOR REYNOLDS: Recognizing your interest in the problems of the people, I feel that you will be glad to have called to your attention a matter which is of grave concern, and which in the press of your many responsibilities may have escaped your notice.

The Economics Division of the Federal Trade Commission has been in existence since 1915. Due to lack of appropriation, it will in less than 6 months cease to exist.

This Division is the only general investigatory body in the Federal Government which is backed by law with sufficient power to prevent the exploitation of the public by any industry. Through its investigations it has protected the small businessman, the farmer, and the consumer against exploitation by monopolies.

The following is a partial list of industries investigated by the Economics Division: Grain trade, meat-packing industry, bread baking, flour, petroleum products, steel, milk, public utilities, chain stores, principal farm products, trade associations, and lumber. The Division is now conducting a farm-machinery investigation.

Since the investigation of the meat-packing industry—notorious offender in the field of fair competition—there has been a steady and persistent movement to scrap the Economics Division of the Federal Trade Commission.

This persistence on the part of powerful interests has been so subtle that many people have not been aware of the situation that has been developing.

The Director of the Budget assigned to the Commission for the coming year a certain appropriation and asked the Commission to submit to him its allocation of this sum, split between general legal work, trade practice conference work, and administration. When it was protested that no provision was made for the Economics Division, he replied that he knew that, and insisted on the allocation, saying that when the investigations then under way in the Economics Division were completed, there would not be any more work for it, and the personnel would be dropped.

The cost of the Division, which has a staff of about a hundred people, is not over $300,000 per year. No expenditure of public money has yielded greater returns to the public.

If the Congress wished in future to have an investigation made, an experienced staff of economists, statisticians, and accountants would have to be reassembled. You will, of course, realize the utter impossibility of quickly assembling such a staff.

Those of us who are aware of the growing power of monopoly in this country will more and more ask that investigations be made.

I bring this to your attention in the hope that you will see that such a penny-wise and pound-foolish economy is not carried through, and that the $300,000 needed to keep this staff intact is put in the deficiency appropriation bill.

Perhaps you are not familiar with the organization of which I have the honor to be the chairman. I am enclosing for your information a list of members of the executive board and an account of how and why we were organized.

Sincerely yours,

Mrs. JOHN BOYLE, Jr., *Chairman.*

The Consumers' Council of Washington, D. C., was organized in 1933 under the National Emergency Council as a voluntary consumer representative group. Since April 1936, when N. R. A. was declared unconstitutional and the Government no longer permitted to take an active part in protection of the consumer, the council has continued to carry out the policies in consumer protection laid down in 1933.

The council is composed primarily of representatives of women's organizations and labor unions in the District of Columbia. In addition to such representatives of mass organizations it includes a number of prominent individuals. Msgr. John A. Ryan is first vice chairman and the following is a complete list of the board members:

Mrs. Henry Grattan Doyle, president, District of Columbia Board of Education; Mrs. Lloyd W. Biddle, president, District of Columbia Federation of Women's Clubs; Mrs. Ernest Parkinson, Women's City Club; Miss Mary Dent, president, Teachers' Union; Miss Selma Borchardt, legislative chairman, Teachers' Union; Mrs. Lillian Howard, president, Women's Auxiliary Fire Department; Clyde Mills, president, Typographical Union; John A. Locher, president, Central Labor Union; Vinson Glynn, lawyer; Miss Matilda Lindsay, National Federation of Federal Employees; Dr. Max J. Wasserman, economist; Burton D. Seeley, statistician; James R. Hatch, engineer; Chester G. Gilbert, Research Associates, Inc.; James Ring, Alley Dwelling Authority; Walter M. Peacock, consultant on consumers' cooperatives; Homer J. Dodge, journalist; LeRoy A. Halbert, cooperative specialist; and Mrs. Huston Thompson.

[From the Evening Star, Washington, D. C., Thursday, Aug. 5, 1937]

WHAT'S BACK OF IT ALL

On Thursday Members of Congress will open a letter which most of them will toss in the wastebasket. A few may shed a tear.

The letter reveals that, in another 6 months, the Economics Division of the Federal Trade Commission, the only governmental investigatory body that can put real teeth into its investigating, will be dead.

The Division has been the nemesis of big, bad business, the anathema of most businessmen, good and bad, and the Rock of Gibraltar for the group that believes that, in order to serve the public, you have to let the Government wash dirty linen in public occasionally.

Counted among its investigations have been those of meat packing, bread making, public utilities, lumber, milk, steel, chain stores, petroleum, and grain.

The Division will end its career because the Bureau of the Budget has decided that when it has completed investigations it now has under way there would be nothing more for it to do.

On July 1, 1937, the agency received an appropriation for $150,000. It has been running on $300,000 a year. So it can last only 6 months.

The Supreme Court, after 15 years' battle in the lower courts, decided the Division's investigators could investigate legally.

Those who lament the threatened demise of this once energetic organ declare that it is the one body which could, for instance, find the answer to such pertinent questions as why there is a difference between what the farmer gets for a potato and what you pay for it on the plate. In other words, just who gets how much for your dollar.

The appeal for help from Congress for the Economics Division comes, logically enough, from the head of the District of Columbia Consumers' Council, a private, nonprofit-making organization dedicated to giving the public a square deal.

Congress Should Pass Lea Bill at This Session as Protection to American Aviation, Which Must Continue to Lead the World

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

Mr. RANDOLPH. Mr. Speaker, by request of the President of the United States the Congress provided in the Air Mail Act of June 12, 1934, for the appointment of a Commission of five members, to be appointed by the President, to make an immediate study and survey and report to Congress its recommendation of a broad policy covering all phases of aviation and the relation of the United States thereto. The report of this Commission, known as the Federal Aviation Commission or the President's Aviation Commission, was transmitted to the Congress by the President in his message of January 31, 1935. To use the words of the President, "the Commission made a diligent study of the broad subject of aviation conditions, both at home and abroad."

Its printed report stands as one of the milestones of intelligent thinking concerning American aeronautics. Except in one respect, the President agreed with the report of his Commission. The Commission had recommended the creation of a temporary air commerce commission to regulate all civil aeronautics; the President suggested that—

In the interim, before a permanent, consolidated agency is created or designated over transportation as a whole, the Interstate Commerce Commission can well serve the needs of air transportation.

The very day on which the President transmitted to Congress the report of his Aviation Commission, our distinguished colleague from California [Mr. LEA] introduced in the Seventy-fourth Congress H. R. 5174, a bill designed to make a permanent record for the information of Congress of the recommendations of the President's Aviation Commission.

PRESIDENT FAVORS LEGISLATION

On June 7, 1935, the President, in a message to Congress, again stated:

I am in general accord with the substance of this legislation.

It would be difficult to find a more trustworthy author for an aviation bill than our distinguished colleague from California. He has occupied positions of national trust whenever America needed to cross the Rubicon on aeronautical matters. For example, immediately after the World War, when much confusion of thought existed due to irresponsible charges by enthusiastic aviation amateurs against the conduct of aeronautical affairs during the Wilson administration, it was CLARENCE LEA who spent months fathoming the charges and countercharges and seeking and finding the truth of what did and did not occur in America's World War aviation.

His report, printed as part II of House Report No. 637, in February 1920, is the most authoritative document ever printed as to the truth of what happened in American aeronautics during the World War. Every Member of Congress should read and study this document before he assumes to comprehend the ground work of American aviation.

Then, in 1925 and 1926, when charges and counter charges again emanated from irresponsible aviation sources, it was CLARENCE LEA who, keeping his eye truly pointed with the national compass, secured vital provisions in the Air Commerce Act of 1926, in the form and principle in which it still stands after 11 years of experience.

Today American civil aviation again faces a crisis at a time when America's leadership in the commercial aviation of the world is no longer an undisputed fact, at a time when American air transport cannot further progress without the far-seeing action and the mature consideration of the Congress. Now again, it is CLARENCE LEA who, in his quiet and unassuming manner, steps to the front with what is known as the Lea bill, H. R. 7273, the passage of which at this session of Congress is vital to the future of our air transport industry, of the Postal Service, and of the national defense.

LEA BILL IS NECESSARY

The Lea bill conforms in all essentials to the report of the President's Aviation Commission as modified by the President and as twice commended by him to the Congress. It proposes control of the air transportation of passengers and express by the Interstate Commerce Commission, and of the transportation of air mail by the Post Office Department, with the rate of compensation for mail transportation to be fixed by the Commission, as it is now on the domestic air lines, and on the railroads. The air transportation of passengers and express would be regulated in exactly the same manner as rail and motor transportation is already regulated.

Existing statutes provide for control of the transportation of mail and, to a very limited degree, of passengers and express by the Post Office Department, without any regulation whatsoever of air-transport lines that do not carry mail. Existing statutes were sound in their inception in 1925 and perhaps were sound even in 1934, when the present domestic air lines an don the railroads. The air transportation of transport industry was primarily an air-mail industry, 70

percent of its revenue being derived from the transportation of mail and only 30 percent from the transportation of passengers and express.

However, by 1936, the situation was exactly reversed. The air lines now derive two-thirds of their revenue from transporting passengers and express and only one-third from the transportation of mail. This is no longer primarily an air-mail industry. It is an important part of the transportation system of the country.

Under the present system extension of passenger and express facilities by domestic mail-carrying lines is impossible except as an adjunct to expansion of the mail service, and the extension of such facilities by other operators is wholly unregulated. The Lea bill would place the expansion of passenger and express transportation entirely upon the sound basis of public convenience and necessity. And as to mail, all air carriers, so authorized in their certificates, must transport the mails if and when required by the Postmaster General, and under the Postmaster General's rules and regulations. Thus the transportation needs of the public are satisfied and at the same time the requirements of the Post Office Department are adequately fulfilled.

The proposed legislation regulates passenger and express rates. At the present time the public is without this protection. Under the present type of air-mail law, the door is wide open for rate wars and cutthroat competition.

The Lea bill places the merger and consolidation of all air-transport companies under the control of the Interstate Commerce Commission, under provisions of law identical with those which apply to railroads and busses, plus an express safeguard against monopoly and a strict regulation of any joint interest, direct or indirect, between air-transport companies and aircraft-manufacturing enterprises. Under existing law, only domestic air-mail contractors are subject to control in this respect.

REGULATION IS NEEDED

Under existing law, the Postmaster General has authority to award air-mail contracts for services with foreign countries and the Territories. Such services may be paralleled at any time by competitive services of American citizens, regardless of whether or not the available traffic is sufficient to sustain such duplicate service. There exists no regulation of any sort, except safety regulation. The Lea bill requires that American citizens who desire to engage in overseas or foreign air-transport operations shall obtain certificates of convenience and necessity from the Interstate Commerce Commission, exactly as in the case of interstate air commerce. Air carriers in such services would also be required to file and publish tariffs and would be subject to the jurisdiction of the Commission in respect to consolidations and mergers, accounting, trade agreements, and unfair trade practices.

We should pass the Lea bill, and we should pass it now, during this Congress. American air transportation needs it, for a crisis in that industry has already occurred. Cutthroat competition started last winter. Only by a miracle was it avoided at that time. We shall more than likely see its recurrence with the gravest consequences before the opening of another session of this Congress unless this bill passes at this session.

American aviation should not be subjected to the same evils that brought disastrous consequences upon the financial structures of the railroad and motor carriers prior to Federal regulation. This young industry should be saved from the evils that bankrupted the railroad industry and wrought financial havoc and loss of service in the motor-carrier business.

NEW CAPITAL NEEDED

The air-transport industry is today badly in need of additional capital. That capital can come only from the investing public or from lending by the Federal Government. Capital will not invest in sufficient quantity in an industry based upon the quicksands of present inadequate legislation. Already more than half the capital of the air lines has been lost. Of approximately $120,000,000 invested in scheduled air-transport lines, more than half has disappeared due to losses. Lack of capital is today jeopardizing every plan for the efficiency and expansion of this new industry.

Already a European country has started to build a better commercial airplane than the best that America is now using. Our air-transport industry would not only match but would far surpass their brethren in Europe both in domestic services and in direct international air-line competition, if they had the cash to finance the needed equipment which American ingenuity is prepared to build. It is a sad commentary that lack of investing confidence, due to inadequate Federal legislation, makes impossible the raising of the cash to finance competition on a level with our international competitors.

Domestic lines have need for more and better equipment, but it is highly probable that the factories of the United States will be deprived of some $18,000,000 of new business during the coming year because prudent capital stands hesitantly aside until legislation of a permanent nature can be enacted for this industry.

The recent bids for air-mail routes are a disgrace. Charges of monopoly are often uttered; but the only monopoly in the air-line industry is that which is caused by existing air-mail legislation. By the terms of the existing law, the right to fly not only mail but also passengers and express that travel on mail planes goes to the man with the largest pocketbook, the man who can afford to take the largest loss over a period of the first 3 years of flying his route. This is monopoly in the worst sense, for it is the monopoly gained by the financial potentate who can take his losses today and reimburse himself at leisure when less affluent operators have succumbed.

When, on July 12 of this year, Pennsylvania Central Air Lines bid less per year than the cost of one gallon of gasoline for the privilege of losing money in flying the mail between Washington and Buffalo, it made of existing legislation a tragic joke that we should hasten to correct.

LARGE UNITED STATES INVESTMENT

America has invested some $58,000,000 in subsidy to the domestic air-mail carriers. If cutthroat competition be allowed, if the present lack of confidence be permitted to continue, that huge investment of taxpayers' money will be jeopardized and the Treasury of the United States will have again to be opened with generous outlays. Let us stand fast against any such eventuality. Let us, instead, act now, before it is too late, and provide the way for that vitally necessary industry to stand on its own feet, with private capital and confidently face the future.

President Roosevelt, the Minimum-Wage Bill, and the Negro

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

ADDRESS BY DR. D. ORMONDE WALKER, PRESIDENT OF WILBERFORCE UNIVERSITY, WILBERFORCE, OHIO, AUGUST 5, 1937

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following address of Dr. D. Ormonde Walker, president of Wilberforce University, Wilberforce, Ohio, August 5, 1937:

The aims of the minimum-wage bill of President Roosevelt and its reaction upon the South should appeal to all right-thinking

citizens of America, especially when they recognize what has retarded the progress of the South both among whites and Negroes.

Efforts in the South to retard one racial group economically has resulted in the retardation of the entire southern population. A section as rich in agricultural possibilities, in minerals, and other basic natural resources to be as backward as is the present Southland needs explanation.

Whatever may be said for or against the institution of slavery, it must be concluded that it has left a terrible blight upon the South. Slave labor, I believe, would have come to an end by its own inertia, for it rendered useless both the physical and mental powers of the people who attempted to subject the slave class. Sooner or later the slaveholders would have come to understand this. The same thing was taking place in the South when the merciful pen of Abraham Lincoln came to its rescue as had previously taken place in Roman civilization when its glory faded, when its ruling class was prevented from developing as nature intended for mankind to do by permitting the Greek slaves to do all the work.

One of the tragedies of the present South today is an apparent misunderstanding of the whole relation of economic development and the race question. There is, however, a developing leadership that recognizes that there must be some new approach in order that the best that the South has may be utilized for the good of the entire population.

In the recent Supreme Court fight many of the exponents of this new type of leadership gave support to President Roosevelt, and there is every indication that this same group will express their interest in his minimum-wage bill program intended to benefit the masses throughout the country. To oppose such a program on the basis that it will benefit the Negro places southern Senators and Congressmen as standing in the light of their own people. Increased wages means increased expenditures on the part of the wage earners, and since all of the channels of trade are in the hands of southern whites it is clearly seen that no economic ill could come to the section as far as they are concerned.

The migration of the Negro to the North and the increased wages of the Negro in the North had no ill effect on the northern white laboring class. In fact, it increased his own productive ability, and the northern community became richer because of that. Following the migration movement there was a great hue and cry on the part of the southern whites, and every inducement was made to persuade the Negro not to leave. It was only when the Negro's leaving caused a depletion of farm laborers that the whites realized the value of the Negro to the South.

The climate of the South and the length of years that the Negro has sojourned in it indicate that that section is suited to his best development; and if the Negro could only be assured of physical security, with its attendant possibilities of a well-rounded citizenship, he would prefer to live there.

The South holds itself up to ridicule in the united fight its Representatives are making against an antilynching bill. It gives to the world the idea that punishing alleged crime by lynching is the method which they are desirous of forever holding to. The lone southern Representative from Texas who voted for the antilynching bill will certainly go down in history as a man with a vision for the South. Again, the South unwittingly feeds the germs of communism when it attempts to choke off the natural aspiration of the masses for a fair wage and reasonable hours in industry.

Southern white men must be reminded that the war is over, slavery has been abolished, a new society is being formed, and that the methods and technique used by their grandparents cannot be used in this day and time. The American people have set their faces toward progress, toward the social and economic emancipation of the serfs, whether they be in the sweatshops of New York or on the peonage farms of Alabama or Mississippi. Wisdom ought to dictate that freedom cannot come to one group without coming to the other, for the economic forces that are at work take orders only from economic laws. Their blatant cries and their prejudices are simply echoes of a dead and forgotten past. The Federal Government, under the wise and skillful hands of Franklin Delano Roosevelt, has taken high ground in this new economic emancipation.

The late Senator Robinson, in his support of the President, had come to the place where it was commonly accepted that he might be named for the Supreme Court Bench of the United States, and Vice President Garner, who, when first accepted as Vice President, was looked upon as a tragedy, now in his new viewpoint, as expressed in his activities in presiding over the Senate, has brought a better understanding of present-day southern leadership. The time may come when statesmen of the South may look with hope upon representing the Government in its highest places of power.

There is no more loyal group of citizens in the South than the Negro citizens. Nowhere in all America is there to be found more individual kindness than that existing between the individual blacks and whites. It seems to me that the better element among whom these finer relationships exist should take hold of the situation and cause individual appreciation and good will to be translated into mass appreciation and good will. The young educated southern white man has a task that will challenge the best that is in him. If he will but lift himself beyond local prejudices and passions, it will not be far distant when, in selecting liberal leaders to direct the affairs of our Government, America will turn for this new liberalism to some great southern leader.

Pending Pure Food and Drug Legislation

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

I. THE BACKGROUND

IT IS OUR PARAMOUNT DUTY TO ENACT NOW GENUINE PURE FOOD AND DRUG LEGISLATION WITH TEETH IN IT

Mr. COFFEE of Washington. Mr. Speaker, today, 30 years after the Federal Pure Food and Drug Act was passed, preparations that have killed or injured scores of persons are still being sold. The market is flooded with harmful drugs and cosmetics. Widely advertised and wholly worthless patent medicines are cheating consumers of at least $200,000,000 annually.

WHAT IS "MIDOL"?

Midol, for example, which is sold for the relief of pain, contains a dangerous drug called amiordopyrine. This drug has caused in many persons a fatal disease of the blood and has been responsible for over 1,500 deaths. Antifat preparations are sold over the counters of thousands of drug stores; some of these cures for obesity contain dinitrophenol, a drug which, as one doctor has put it, in the Journal of the American Medical Association, "literally burns a patient to death." Aniline eyelash dyes are sold without warning, yet if a susceptible person gets some of the dye into the system, blindness may be the result. No hair dye which is effective is also safe unless sensitivity tests are made, yet hair dyes are still sold without any warning.

The Federal Government has found itself powerless to protect the consumer, because the existing law is obsolete and appropriations inadequate. Over a period of 4 years there has been a campaign to enact new and more effective legislation. And at the same time there has been a mighty campaign to enact legislation that would give the consumer even less protection than he has today.

The bills before us today must be judged according to what they will do to save thousands of Americans from injury or even death at the hands of manufacturers whose only interest lies in selling their merchandise. Since the characteristics of a good law cannot be properly measured without surveying the defects of existing legislation, some pertinent facts must be brought to the foreground.

THE ORIGINAL WILEY ACT IS OUTMODED

The Federal pure food and drug law was enacted in 1906 after a 27-year fight led by Dr. Harvey Wiley, after whom the law is popularly named. That law, good in its time, today is decrepit and obsolete. Its chief defects are that it applies neither to advertising nor to cosmetics, although it does forbid false claims on labels and does prohibit adulteration of food and drugs. But, in addition, the law contains a joker which makes it laughingstock. The history of that joker throws light on how drug bills are emasculated.

COURTS HAVE EMASCULATED PRESENT LAWS

The original Wiley law forbade false or misleading claims on the labels of food and drugs. You can realize how far-reaching this prohibition was when you consider that by misleading is meant a statement which, although technically true, in practice misleads. A few years after the Wiley law went into effect, the United States Supreme Court had before it an important test case. The Government contended that Dr. Johnson's combination treatment for cancer was falsely labeled. We would hardly assume today that there could be much difference of opinion as to whether a combination treatment for cancer was misbranded or not, but the Supreme Court thought differently. It decided that the prohibition against false or misleading claims applied only to the ingredients of a package and not to claims about its curative powers, and so it dismissed the prosecution. The

decision shocked the country and within a month President Taft sent an emergency message to Congress asking it to undo the evil the Supreme Court decision had created. A bill was introduced to amend the law to make it apply to therapeutic claims on the labels of drugs. That bill became a law, but only after the lobbyists had inserted a joker which made the amendment worthless. The amendment as finally adopted forbade false and fraudulent therapeutic claims on the labels of patent medicines. Therefore, when the Government started an action based on false therapeutic claims against a seller of patent medicines it had to prove not only that such claims were false but also that the person who made them knew they were false. In other words, the more ignorant a drug vendor was, and the less he knew of medicine, the less likely he was to be convicted. The lobbyist most active in getting this joker in the 1912 amendment was an executive of Parke-Davis & Co., a so-called ethical drug manufacturer.

BANBAR: AN EGREGIOUS EXAMPLE

Let me illustrate the difficulties in getting prosecutions under this false and fraudulent provision. A former shirt salesman, Lee Banks Barlett, was selling a so-called diabetes cure known as Banbar and getting $12 a pint for it. The Food and Drug Administration, the Bureau in the Department of Agriculture which enforces the Wiley Act, analyzed Banbar and found it was essentially an extract of a common weed, "horsetail", frequently found growing along railroad tracks. A criminal prosecution was started and international authorities testified Banbar was worthless. Mr. Barlett then introduced in evidence hundreds of testimonials praising Banbar and swearing it had cured their diabetes. The Government then proved that scores of these persons had actually died of diabetes. Yet a jury of 12 good men and true acquitted Mr. Barlett, and the Government did not appeal, for the excellent reason that it could not. For the Constitution forbids putting a person in double jeopardy for the same offense, in a criminal action.

B. AND M.

Mr. Speaker, in another case it took the Food and Drug Administration 10 years and the expenditure of $75,000 before it could convince a jury that a horse liniment known as B. & M. was not a proper treatment for tuberculosis.

MARMOLA A DANGEROUS NOSTRUM

Besides the Food and Drug Administration there are two other Federal agencies which are theoretically of help to the consumer. How far that theory is removed from fact may be seen by the experience of Marmola. The well-known antifat preparation, Marmola, depends for its effectiveness on thyroid extract, which can, and does, seriously harm many persons. Marmola is put out by one Edward D. Hayes, who previously had been selling lost-manhood cures by means of Police Gazette advertisements. The Post Office has the power to deny the use of the mails to those using them to defraud. It used this power to issue such an order against one of Hayes' firms. Mr. Hayes blithely changed the name of his firm and continued doing business under another name. He was able to dodge the postal inspectors until 1914, when the Post Office prosecuted him criminally, and he plead guilty, paying a $5,000 fine. Eventually he gave up his mail-order business but continued to sell Marmola to retail druggists and to advertise it nationally. The Post Office then had no jurisdiction and so it dropped the fight.

The Food and Drug Administration was without power to proceed against Marmola Marmola is technically not a drug, since obesity is not a disease. It is just a condition. Since the Administration had jurisdiction over food and drugs only, the Administration could do nothing.

THE FEDERAL TRADE COMMISSION INEFFECTUALLY FIGHTS MARMOLA

The next agency that tried in vain to stop Marmola was the Federal Trade Commission. That body has the power to issue an order directing a manufacturer to cease false advertising. In 1928 the Commission issued such an order on the ground that Marmola was being advertised as safe, when, in fact, it was dangerous. Our friend Mr. Hayes promptly appealed to the United States Supreme Court, and of course, continued selling Marmola during the appeal. He was then doing $600,000 worth of business a year under the name of the Raladam Co. In 1931 the Supreme Court again demonstrated its usefulness. The Court decided that the Federal Trade Commission had jurisdiction only when a manufacturer's false advertising injured its competitors and ruled that the Commission had not proved that Marmola's practices were harmful to its competitors. This lack has apparently been remedied. In February 1937 the Federal Trade Commission issued a cease-and-desist order against certain misrepresentations in Marmola advertising. But Marmola is still being advertised and sold as an obesity cure; and so Marmola, which the United States Supreme Court admitted was dangerous to use except under a doctor's care, continues to menace the health of uninformed women, and Mr. Hayes continues to rake in the profits.

II. THE CURRENT SITUATION

THE TUGWELL BILL INCURS POWERFUL OPPOSITION

So much for the background. In June 1933 Rexford Tugwell prepared a comprehensive revision of the 1906 act. Dr. Tugwell gave the bill to the Senator from New York, Senator COPELAND, to introduce. A flood of newspaper and magazine protests soon inundated the country. The Tugwell bill was denounced as an effort of the American Medical Association to stop the poor from treating themselves. Tugwell was branded as a Communist and his bill described as an effort to destroy advertising. The trade associations in this field began raising campaign funds and applying pressure on Members of Congress. It was to be expected that the associations of patent-medicine makers, of drug and cosmetic manufacturers, of grocery manufacturers, would oppose the bill. But they rallied to their support such influential groups as:

First. The National Association of Radio Broadcasters.

Second. The American Association of Advertising Agencies.

Third. The National Periodical Publishers, a group of 150 magazines, with an aggregate circulation of 50,000,000.

Fourth. The National Editorial Association, an association of 12,000 newspapers.

In other words, many trade and advertising groups opposed the bill.

Each representative of these groups began his address at the congressional hearings by saying he believed heart and soul in the protection of the consumer. But, and what a large but that was, he favored certain amendments to the bill. You can just picture a consumer's bill after these trade groups finished mauling it.

THE TUGWELL BILL WAS TOO STRONG FOR THE STOMACHS OF THE PATENT-MEDICINE RACKETEERS

What was there in the Tugwell bill which so aroused this opposition? The bill provided, if the label of any patent medicine bore the name of a disease, the label should also state whether the medicine was a cure or merely a palliative. Advertisers today can insinuate that their nostrums will cure an ailment without actually using the word "cure." The subway rider does not read advertisements with care. He does not distinguish between relief, remedy, or cure. That is why his attention should be called to a warning that Pertussin, for example, will not cure a cough, but only temporarily relieve certain symptoms, and then only if the cough happens to be of a particular kind. That is why this provision would have put a crimp in the sale of fake remedies and have saved the consumer millions of dollars.

Another provision required each patent medicine and cosmetic to list on its label all of its ingredients. It might be difficult to sell cold creams at $5 a jar if the label showed only a few inexpensive everyday ingredients in the jar. Nor would sellers of hair tonic guaranteed to grow hair on billiard balls be able to operate this racket if the label disclosed that the preparation contained nothing but colored water and red pepper.

THE TUGWELL BILL DEFINED CURABLE AND INCURABLE DISEASES

Another important provision was one which listed many incurable diseases or those which can be safely treated only by a doctor. Among these were cancer, diabetes, diphtheria, appendicitis, tuberculosis, venereal diseases, and so on. This provision forbade outright any advertisement of medicines for such diseases. Half-way measures are not enough for quacks who profit by raising false hopes in those suffering from incurable ailments. But the list of diseases was too long for the medicine industry, and the diseases were cut from 42 to 9. The present Copeland bill does not even forbid advertising of drugs for diabetes, although science knows of no cure. Even insulin will only keep the patient alive; it will not cure him.

LABELING OF FOODS IS AN INDISPENSABLE REQUISITE OF PURE FOOD AND DRUG LAWS

Mr. Speaker, another extremely important provision related to grade labeling of foods, about which you undoubtedly will hear much in the next few years. Under this provision, the Department of Agriculture would have been empowered to prescribe standards of quality for all sorts of food. Canned food would be described as grade 1, 2, 3, or grade A, B, C. A housewife, going to the corner grocery store would not have to shut her eyes and pick from numerous competing brands. If she wanted the highest grade, she would ask for grade A and get it. Today she is not even sure that the can that sells at the highest price is not one of the poorest in quality. When she buys canned food, she is buying a surprise package. The gaudy label on the outside of the can is about as descriptive of the contents as a circus side-show poster is of the freaks inside.

CANNERS STRENUOUSLY OBJECT TO GRADE LABELING

The canners, of course, were up in arms about the grade-labeling proposal. They protested that grade labels would confuse the ignorant housewife, that the poor would be ashamed to ask for the lower grades, and that it was impossible to grade accurately. Do you think the housewife is not confused today by a canner's adjectives? Then listen to those used in listing sizes, not quality, of olives—small, medium, large, extra large, mammoth, giant, jumbo, colossal, and supercolossal. Even Cecil B. DeMille could not do better than a supercolossal olive. This concern for the housewife was singular, but all it proved was that canners expected it would be difficult to sell poor products at high prices if there were simple grade labels on them.

Members of the House, grading of canned products is in fact already general; but only in the wholesale market. When a large chain store buys a big order, or when a bank lends money to a canner, the parties to the transaction are protected by using these wholesale grades. All that the Tugwell bill wished to accomplish was to simplify these grades and print them on the labels where they could be understood by all. The A. & P. chain stores now sell some of their own brands of vegetables by grade labels and report a great success. Only those manufacturers who are profiting by the present confusion oppose grade labeling.

III. THE TUGWELL BILL WAS DROPPED

Mr. Speaker, is there any wonder, therefore, that the industries involved fought the Tugwell bill tooth, nail, and claw? The Senator from New York [Senator COPELAND], who introduced the bill, soon dropped it like a hot potato and announced it was no child of his. The next session of Congress saw a new bill, the first of the Copeland progeny, called Senate 2000, which was a great deal weaker than the Tugwell bill, but still too strong for the industries it sought to regulate.

THE LOBBYISTS BECAME ACTIVE

Then the lobbyists began their work. First one clause was lopped off; then another; then one joker inserted; then weasel words added wherever they would do the most harm. Then various Senators began to offer amendments. The process is like amending a machine gun. First you distort the sight, then you provide it can only be fired on Sundays, and finally you fill it with powderless bullets. That is how they amended the pure food and drug bill.

Each Senator from States where three leading patent-medicine vendors are located, picked out one clause in the Copeland bill and concentrated on it. The first Copeland bill would have made it impossible for Listerine to advertise that in 15 seconds it killed millions of bacteria—most of which are harmless anyway. Antiseptics would have had to meet the standards of strength that a real antiseptic should have. The expensive mouthwash habit might also have received a mortal blow. When the Listerine people had finished conferring with their Senator, lo and behold, the provision was no longer in the bill. To understand the importance of the fight for multiple seizures, we must understand something of the procedure of the Food and Drug Administration. When it is discovered that a product is violating the Pure Food and Drugs Act, the enforcement officers have two weapons at their disposal. First, they may criminally prosecute the manufacturer. Such a trial is like any other criminal proceeding and the manufacturer has all the safeguards a defendant has in a criminal case. He gets a jury trial and he must be proved guilty beyond the shadow of a reasonable doubt. If the manufacturer is acquitted, the prosecution cannot appeal but if the defendant is convicted, he can appeal.

PROCEDURE AS TO LIBEL

Mr. Speaker, the other sanction of the Food and Drug Administration is to seize the offending goods wherever it can find them. The Food and Drug Administration files a petition in a Federal court accusing certain goods in interstate commerce of violating the law. The Administration does not need to give the manufacturer any notice of this proceeding. The petition prays for the issuance of a libel, that is, a court order permitting seizure. This libel is executed by a United States marshal. When the goods are seized the manufacturer has the privilege of contesting the seizure. This action is not a criminal one and is not brought against the manufacturer. It is what lawyers called an "in rem" action, that is, the defendant is the goods themselves. Thus the title of the action might be *United States* v. 9½ *Bottles of Castor Oil* or *United States* v. 7 *Barrels of Pickled Herrings.*

MULTIPLE SEIZURE POWER IS EFFECTIVE

The great advantage of this mode of enforcement is that the Government is not restricted to one seizure. It can make seizures of impure foods and drugs all over the country. Thus there is the possibility of effectively ending the movement in interstate commerce of offending products. This power of multiple seizure is now possessed by the Food and Drug Administration and has been enjoyed for 30 years. In view of the fact that a criminal case against a manufacturer may drag on for years in the courts, the right to stop the sale of offending products is an essential enforcement weapon of the Government.

Of course, my colleagues, the Vick Chemical Co. did not like multiple seizures. And although the Copeland bill was supposed to be a bill to modernize and strengthen the power of the Food and Drug Administration, a certain conservative Senator did not like the multiple-seizures provision and advocated limiting it. As the bill now reads, multiple seizures are not permitted for false advertising, and only for misbranding when the same misbranding has been the basis of a prior judgment in favor of the United States or when the preparation is actually dangerous to health, or the label claims are materially false and fraudulent, or when it is labeled or advertised as a cure or remedy for a certain few diseases. Since goods are sold by advertising and not by their labels, multiple seizures as an enforcement weapon will be effectively sabotaged.

WANTS TRIALS IN VENUE OF MANUFACTURER'S HOME OFFICE

A certain Senator was the author of another cute little amendment to the multiple-seizure clause. He innocently

proposed that where goods of a manufacturer had been seized the trial should be held not at the place of seizure but in a judicial district chosen by the claimant. This clause underwent various revisions, and, when the bill was finally passed by the Senate, included an amendment giving jurisdiction to the claimant's home district if he so wished. On the surface this looked fair enough. Suppose some products are seized in California; why subject a New York manufacturer to the burden of shipping his witnesses clear across the country? But that is only the surface of these proposals. What was really desired was to insure a trial in the home district of the manufacturer, where he was known and influential. Imagine trying to convict the United States Steel Corporation in a Pittsburgh court or the Du Ponts in Delaware. Then try to conceive of prosecuting the maker of Listerine in St. Louis, or Coca-Cola in Georgia, or Parke-Davis in Michigan, or a seller of arsenic-coated apples in his own home town with most of the jury apple growers who themselves are fighting to increase the "tolerance" on poisonous-spray residue.

And so the amenders, the professional lobbyists, and the trade groups brushed aside the feeble opposition and worked their will on the Copeland bill.

IV. Consumers' Groups Insist on Worthy Measure

What groups opposed the trade interests, and tried to preserve some elements of consumer protection? There was, first of all, the Food and Drug Administration, which presented, on the whole, a mild sort of opposition. There was the American Home Economics Association, the National League of Women Voters, the National Congress of Parents and Teachers, the Y. W. C. A., the American Association of University Women, and various other groups. These women's groups could have had powerful influence but they frittered their power away by their compromising tactics. Many women's groups adopted the policy that half a loaf was better than none, and, until recently, that any new bill would be better than the existing law. So, instead of half a loaf they got some crumbs and a bill which, in its present form, according to President Roosevelt himself, is in some respects weaker than the existing law of 1906. These groups appear at last to have discovered the result of their previous policy, for they have submitted an excellent and devastating analysis of the weakness of the Copeland bill as it passed the Senate in March 1937. The Senator from New York, Senator Copeland, was good enough to hand this analysis over to the Congressional Record.

Story of the Copeland Bill

The Copeland bill kept on being introduced, weakened, and reintroduced, until 1936, when it first passed the Senate. In the House the bill was amended to give the Federal Trade Commission sole jurisdiction to prevent false advertising, and in that form passed in the House, one day before the close of the session. A conference committee was appointed by each Chamber, but not enough time was left to agree, and in the turmoil the bill died.

Industries, Contrasted With Consumers, Experience No Difficulty Securing Remedial Laws

Members of the House, you have seen how difficult it is to enact a pure food and drug bill that is not entirely satisfactory to the trade interests involved. When a trade group, however, wants to amend the pure food and drug bill in its own interest, then the legislative paths are greased. In 1934, during the bitter debate on the Tugwell bill, the packers of canned shrimp encountered such public distrust of their product that their market almost disappeared. They appealed to the Senate Committee on Interstate and Foreign Commerce, which was then busy emasculating the Tugwell bill. The Senators dropped everything and pushed through a law allowing the Food and Drug Administration, on the request of a canner, to inspect his pack. Canned shrimp, so inspected, was then permitted to have on its label the statement: "Production supervised by U. S. Food and Drug Administration." I do not wish to imply that the amendment was undesirable. My point is simply that when an industry, not the consumers, pushes a food and drug bill, the bill encounters no difficulties.

What Impels This Disinclination To Enact a Meritorious Measure?

In 1937 the final Copeland bill, a revised S. 5, was introduced, 3½ years after the first Tugwell bill saw the light of day. The bill has passed the Senate and is now before the House where, no doubt, the fight about the Federal Trade Commission will be thoroughly aired. There is a strong movement in the House to make the F. T. C. the enforcement agency and to take control of advertising away from the Food and Drug Administration.

What is behind this dispute? Is it merely bureaucratic rivalry between two departments, or is there more involved? Some explanation of the procedure of the Federal Trade Commission is necessary to understand why certain sections of the industry favor the Federal Trade Commission. The Federal Trade Commission has the power under existing law to issue orders compelling manufacturers to cease and desist from false advertising, but only if such a practice is unfair to their competitors.

Federal Trade Commission Has Cumbersome Procedure—Delays Ensue—Prompt Action Impossible

The procedure under which the Commission operates is long and dilatory. After a complaint is made the Commission assigns an examiner to investigate it. If the Commission is satisfied that the charge was justified it issues a formal complaint, fixes a date for a hearing, hears testimony from the Commission's experts and from the person complained against, and then makes a report to the full Commission. Each side is allowed to file objections to the trial examiner's report and then to argue the case before the full Commission. After the Commission finally hands down a decision it may issue its cease-and-desist order.

But this does not end it, Mr. Speaker. A manufacturer may appeal to the circuit court of appeals, and from that court finally to the United States Supreme Court. As a result of this interminable labyrinth of legal procedure, one of the Federal Trade Commission cases took 11 years to complete.

Advertisers Flout the Federal Trade Commission

The Nation, a weekly magazine published in New York City, recently quoted from an article in an advertising journal which showed that medicine manufacturers were deliberately flouting orders of the Federal Trade Commission by continuing to print their fraudulent claims. The article used the advertisement of a Tennessee newspaper to prove the point. Paul Ward, of the Nation, pointed out that the owner of this Tennessee paper was a brother of Ewin Davis, Chairman of the Federal Trade Commission, and the most active lobbyist for the Commission.

Printers' Ink, an influential advertising journal, and by no means a friend of the consumer, gave the whole thing away. An editorial stated:

> The obvious reason why many manufacturers want the Federal Trade Commission * * * is that from the very nature of things the enforcement would have to be largely that in name only. * * * To say that the "Commission has done a good job with advertising for years" is, to put it mildly, being deliciously naive. * * *

Advertising Expenditures Are Potent Creators of Powerful Friends

Not only do the food and drug industries find friends in Congress but also in every publicity medium because they share their gains with such influential groups as the press and the radio. It was estimated that in 1929 consumers spent $360,000,000 for patent medicines, about one-fifth of which, or $70,000,000, was spent in advertising. The Committee on Costs of Medical Care said that most of the money spent for patent medicines was wasted, but the manufacturers got fine returns from their advertising. The drug industry is among the Nation's largest advertisers. In 1929 the

billion-dollar drug and cosmetic industry was spending as much for advertising as the $17,000,000,000 food industry and the $7,000,000,000 auto industry.

Some manufacturers spend half of their total revenue in advertising. The makers of Listerine boasted that in 1931 they had spent $5,000,000 on advertising. Pepsodent's advertising bill in 1934 was one and three-fourths millions. Bromo Seltzer, which made $20,000,000 in 1936, spent two millions of it for advertising.

THE FOOD AND DRUG ADMINISTRATION BRAVELY FIGHTS MIGHTY ADVERSARIES

Against such mighty adversaries is pitted the Food and Drug Administration, whose total appropriation in 1936 for the enforcement of the Food and Drug Act was only one and one-half million dollars, or 1¼ cents for each inhabitant of the United States. To guard the food and drugs of a nation of 120,000,000 people there was in 1936 a staff of 78 inspectors. For control of proprietary medicines the Government spent in 1936 the magnificent sum of $160,000. Is it any wonder that regulation is a farce when the Government is at such a competitive disadvantage? Why, Listerine in 1 year spent 30 times as much for advertising as the Food and Drug Administration spent to regulate the sale of all patent medicines in the entire country.

BIG MONEY MAKES STRONG ALLIES

A drug company with a large advertising budget will find powerful allies. That is why the advertising agencies, the broadcasters, the magazine owners, and almost all the daily press have imposed a virtual boycott on the fight against the weaknesses of the Copeland bill. Let me show you how the pain and beauty boys crack the whip over the press. In 1934, when drawing up their advertising contracts, advertisers inserted a clause in red ink reading as follows:

It is mutally agreed that this contract is void if any law is enacted restricting or prohibiting the manufacturer or sale of proprietary medicines.

HOW PATENT MEDICINE VENDORS INTIMIDATE NEWSPAPERS

Do you think a newspaper will publish an editorial criticizing the weaknesses in the Copeland bill or fight for the enactment of sound legislation in the face of such a cancelation clause?

Creomulsion during the fight on the Tugwell bill wrote to several hundred newspapers as follows:

GENTLEMEN: You are about to lose a substantial amount of advertising revenue from food, drug, and cosmetic manufacturers. Your pocketbook is about to be filched and you will see how if you will personally study * * * the enclosed copy of the Tugwell bill. * * * An isolated editorial or two will not suffice. * * * You need to take an aggressive stand against this measure. You need to bring all personal pressure you can upon your Senators and Representatives. You need to enlighten and thereby arouse your public against this bill that is calculated to greatly restrict personal rights. If this bill should become law we will be forced to cancel immediately every line of Creomulsion advertising.

Another letter you may be interested in was one sent out in 1934 by the executive secretary of the National Publishers Association, representing a group of large magazines. The association boasted—

TUGWELL PURE FOOD AND DRUG BILL

As originally proposed, this legislation would have been a serious blow to all advertising. Your committee and executive were finally successful in modifying this proposed legislation in a fairly satisfactory manner. The net result was no legislation.

MEAT AND THE PUBLIC HEALTH SERVICE

Mr. Speaker, no agency of the Government is immune from pressure of trade groups, regardless of the principle involved. Some time ago the United States Public Health Service conducted a radio program in which it advocated eating less meat during summer months. A mighty howl of protest arose from the meat packers, and the program was at once discontinued.

BREAD AND THE BUREAU OF HOME ECONOMICS

The Bureau of Home Economics of the Department of Agriculture publishes various booklets and pamphlets of use to the housewife and consumer. In one of these pamphlets the Bureau drew up four diets for four different levels of income, and incidentally recommended that those persons in the lowest income groups of our population eat less bread and grains, substituting therefor the so-called protective foods, like milk, fresh fruits, and vegetables. Again there was a shriek of protest, and when the departmental budget was being defended before the House Committee on Appropriations a clause was inserted in the act appropriating money forbidding the Bureau to criticize any natural food.

WOMEN'S CLOTHES AND THE CONSUMERS' DIVISION

Another division that ran into the drug and cosmetic trade groups is the Consumers Division. Early in the hectic days of 1933 a Consumers Advisory Board had been formed. When the N. R. A. was "Schechtered" the bureau was transferred into the Consumers Division and made part of the Department of Labor. The Consumers Division began publication of a mimeographed monthly which had a limited circulation. The name of this publication was The Consumer. Unfortunately, its editor made the mistake of publishing an article criticizing the Copeland food and drug bill as too weak, and other articles criticizing excessive fashions in women's clothes. The result was as might be expected. The publication of the magazine was suspended and has never been resumed. It is only when such consumer agencies have behind them a constituency of organized consumer groups that they will be able to protect themselves against the onslaughts of predatory industrial groups.

The moral of these stories is clear. Whenever public health involves a conflict with private profit, public health, up to the present at least, has been sacrificed.

Ladies and gentlemen of the House, do not forget that these incidents represent only an infinitesimal portion of the evidence. Only when a congressional investigation is launched will we be able to demonstrate exactly how the drug and cosmetic industry and their pals, the press, magazine, and radio, block all efforts to protect the consumer from false or misleading advertisements.

S. 5 IS A DELUSION

Except for the trade groups that the Copeland bill is supposed to regulate, S. 5 has few friends left. President Roosevelt in a press conference went out of his way to call the bill a weak one, and in many respects weaker than existing law. The bill was still further weakened after this criticism from the White House. The American Medical Association condemns it in no uncertain terms. W. G. Campbell, head of the Food and Drug Administration, gave it only a half-hearted endorsement. Consumers Union and other consumer groups have no use for it. A bill which is intended to protect the consumer should have more to its credit than the backing of the interests it is supposed to regulate.

V. THE CONSUMERS UNION OF THE UNITED STATES, INC., BILL H. R. 5286

To the best of my knowledge, my own pure food and drug bill, H. R. 5286, is not being supported by any trade association. Not a single manufacturer of patent medicines has endorsed it. Not a single advertising trade journal has editorially demanded its passage. This bill has no friends among the interests that are filching $200,000,000 a year from American consumers.

It is not necessary for me to make any detailed analysis of this bill. Its main virtues as a consumer-protective measure can be understood by anybody who reads it. Its best recommendation is the hostility shown by those who wish this Congress to enact an impure food and drug bill. Add to this the fact that my bill was drafted by a lawyer experienced in food and drug regulation, with the technical aid of Consumers Union, and the total is the kind of legislation that the consumers of this Nation are entitled to expect and get.

ANALYSIS OF MY PURE FOOD AND DRUG BILL

Principally, the bill calls for registration of proprietary products, statements of formulas, approval by a competent

Federal agency of all claims made either in labels or advertising, continuous supervision of manufacture by qualified technicians, and grade labeling. The cost of enforcement would be met chiefly by fees paid by the manufacturers upon registering their products. Enforcement would be placed in the hands of a consumers bureau to be established in the Public Health Service and to function largely as an independent body.

Foods and other products that are not classed as proprietaries would, of course, be regarded through prohibition of adulteration and misrepresentation, with effective penalties.

Mr. Speaker, the fundamental principle of this bill is that the best way to protect consumers is by prevention, not prosecution—by stopping the infection before it enters the body instead of trying to cure it when it is in the blood stream. The method for prevention is simple. The manufacturer of any proprietary food, drug, cosmetic, or health device is required to register his product with the consumers bureau before he can sell it in interstate commerce. The annual fee for registration would be $25 and the renewal fee $10. All of the registration fees are segregated in a separate fund and earmarked for the use of the consumers' bureau. The idea is to shift the cost of regulation from consumers to the industries whose practices make regulation necessary. A proprietary product is one in which the formula or composition is secret or which is sold under an artificial or distinctive name, such as Coca Cola, Grape Nuts, or Bromo Seltzer. Preparations like mineral oil, aspirin, or most foods would not have to be registered.

REAL CONTROL FACILITATED BY POSSIBILITY OF REFUSING REGISTRATION

Physicians, nurses, restaurants, liquor stores, cars, drivers, dogs, and so forth, must register or obtain licenses. Why not food, drug, and cosmetic manufacturers, whose importance to the public health is surely as great?

The real control of the proprietary preparations lies in the possibility of refusing registration. If a preparation is harmful, or if it contains an amount of any ingredient which the bureau believes is unsafe, or if the preparation has false claims on its label, registration, and consequently sale, will be denied.

ADVERTISING CONTROL

In making the application for registration, the applicant will be required to submit the complete formula of his product and a statement of all the health claims to be made for it. If, in the opinion of the bureau, the claims are false or unwarranted, registration will be denied. In addition, after registration has been granted, the proprietor is forbidden to make any advertising claims which are substantially different from those listed on his registration statement and approved by the bureau. This section is the heart of the advertising control. Registration is also to be denied if the proprietor cannot meet minimum standards of technical supervision and sanitation. Finally, if the holder of a certificate of registration violates any provision of the act, his registration would be revoked.

So far as nonproprietary products are concerned, the bill prevents their sale if harmful, adulterated, or falsely advertised, and provides for the collection of penalties or the seizure of offending goods.

H. R. 5286 IS A GENUINE, UNMITIGATED FOOD AND DRUG BILL

This bill goes even further by helping the consumer to protect himself. Under its provisions any consumer can have any product analyzed by paying the actual costs of the laboratory work. Consumers can also aid in enforcing the law by bringing violations to the attention of the consumers bureau. If the information results in the imposition of a penalty, one-third of the amount would be paid to the consumer who gave the information. Just as rewards help in the apprehension of dangerous criminals, rewards would help in bringing to light dangerous products. Penalties range from $100 for a first offense to $1,000 for a third.

Educational and research work are encouraged by this bill, on the theory that the public cannot be fully protected unless it is aware of the dangers in certain drugs, cosmetics, and foods. The bill provides for a free monthly bulletin listing all proceedings of the bureau and other information of benefit to consumers. Five percent of the bureau's annual budget would be earmarked for scientific research. The bill also provides for an advisory committee of five scientific and public health experts to be appointed by the President.

H. R. 5286 IS AN HONEST LAW

There is nothing unreasonable or unworkable in this bill. It is honestly a consumer-protective bill, drafted in the interests of public health and public happiness. It would accomplish the things that the Copeland bill would never do. It would end our farcical regulation of the patent-medicine manufacturers and the fake advertisers; it would substitute intelligent, scientific, and decent control of a vast industry, to the end that the honest manufacturer selling a pure and useful product could continue in business unmolested, while the quacks and fakers could go back to peddling dictionaries or digging ditches, and by so doing return to useful work.

Within the Very Shadow of the Dome on the Nation's Capitol There are Women Workers Who Are Receiving Less Than $4 Per Week for Their Services

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1937

Mr. DIRKSEN. Mr. Speaker, as we throw stones at sweatshops, let us not forget that right here within the very shadow of the dome of the Nation's Capitol there are women workers who are receiving less than $4 per week for their services.

At the request of the House Committee on the District of Columbia, the Women's Bureau of the Department of Labor made a survey of hours and wages in those industries in the District of Columbia that are regarded as the chief women-employing industries.

The survey covered 197 establishments employing 8,205 men and 12,742 women or a total of 20,947. These establishments include laundries, cleaners and dyers, manufacturers of food, paper products, and other commodities, department and other types of retail stores, beauty shops, hotels, and restaurants.

Herewith is a table showing the number of hours worked in the various types of industries:

Industry	Percent of women who worked—			
	Under 40 hours	40 hours	Over 40 hours	48 hours and over
Laundries	29.3	11.0	59.6	12.2
Cleaning and dyeing	16.4	10.8	72.6	36.9
Manufactures	35.5	17.6	47.0	8.1
Stores (exclusive of part-time workers):				
Department	10.0	.2	89.7	.5
Ready-to-wear	39.2	.9	60.0	23.7
Limited-price	8.6	7.3	84.1	60.9
Office work	12.1	1.9	86.1	11.1

He who runs may read, and this table requires no explanation.

Now let me present a table of weekly earnings of women in different types of industry in the Nation's Capital.

Industry	Number of women for whom pay-roll records were secured	Median earnings[1] of the women	Percent of women with week's earnings of—			
			Less than $4	$4, less than $6	$6, less than $8	$8, less than $10
Total	[2] 11,349		3.4	4.1	5.4	8.5
Laundries	1,773	$10.90	2.0	2.8	6.9	21.1
Cleaning and dyeing	268	12.80	1.9	2.2	1.9	5.6
Manufactures	530	13.35	5.1	5.1	5.5	10.2
Stores (exclusive of part-time workers):						
Department	2,892	16.60	.6	.5	.6	1.0
Ready-to-wear	547	18.60	1.5	.4	.5	.2
Limited-price	303	12.50	1.0	.7	.7	5.3
Beauty shops:						
In stores	89	19.65		3.4	1.1	2.2
Other	282	17.80	2.8	3.5	2.8	3.5
Hotels (lodging departments)[3]	507	11.50	4.9	1.6	4.3	21.7
Restaurants[4]	2,382	9.45	10.3	13.8	15.8	13.9
Office workers[5]	1,776	16.65	.7	.7	1.6	1.4

Industry	Percent of women with week's earnings of—					
	$10, less than $12	$12, less than $14	$14, less than $16	$16, less than $18	$18, less than $20	$20 and more
Total	12.8	17.0	13.6	13.0	9.1	13.2
Laundries	32.3	18.2	10.5	3.6	1.4	1.3
Cleaning and dyeing	19.4	34.7	14.9	10.1	6.3	3.0
Manufactures	13.0	18.1	17.9	11.7	9.4	4.0
Stores (exclusive of part-time workers):						
Department	4.9	14.6	18.3	26.3	15.8	[6] 17.4
Ready-to-wear	1.5	8.0	16.3	10.2	22.7	[7] 38.8
Limited-price	25.4	56.1	10.9			
Beauty shops:						
In stores	1.1	5.6	12.4	10.1	15.7	[8] 48.3
Other	7.1	11.3	11.7	8.2	7.4	[9] 41.5
Hotels (lodging departments)[3]	19.5	27.6	4.1	8.1	3.9	4.1
Restaurants[4]	15.6	14.2	6.3	4.7	2.1	3.4
Office workers[5]	2.0	15.2	20.0	17.8	14.5	[10] 26.2

[1] Half the women earned more and half earned less than the median.
[2] Excludes part-time workers in stores, telephone operators, and laundry workers in hotels.
[3] Earnings figures are based on cash wages, excluding allowance for lodgings or meals given to some employees.
[4] Includes dining rooms and kitchens in hotels. Earnings figures are based on cash wages, excluding an allowance for meals or lodging given to most employees.
[5] Only the office workers in the industries surveyed.
[6] 12.3 percent at $20, less than $25; 3.9 percent at $25, less than $30; 1.3 percent at $30 and more.
[7] 20.5 percent at $20, less than $25; 9.9 percent at $25, less than $30; 8.4 percent at $30 and more.
[8] 22.5 percent at $20, less than $25; 21.3 percent at $25, less than $30; 4.5 percent at $30 and more.
[9] 24.5 percent at $20, less than $25; 11.3 percent at $25, less than $30; 5.7 percent at $30 and more.
[10] 16.6 percent at $20, less than $25; 5.5 percent at $25, less than $30; 4.2 percent at $30 and more.

In the years from 1919 to 1922, when a minimum-wage law was in effect for women in the District of Columbia and before that act was invalidated by the Supreme Court, the board which administered that act set minimum rates as indicated in the first column of the following table. The table then shows how 1937 earnings in different industries compared with the rates established at that time:

Industry and rate set by Board	Percent of women whose earnings in 1937 survey were—		
	Less than rate set by Board	Same as rate set by Board	More than rate set by Board
Laundries ($15)	89.1	1.9	9.0
Dry-cleaning ($15)	70.1	4.9	25.0
Stores ($16.50):			
Department[1]	45.7	8.0	46.4
Ready-to-wear[1]	30.5	6.2	63.3
Limited-price[1]	100.0		

[1] Excludes part-time workers.

Findings of the Bureau in making this survey indicate, among other things, that—

First. In the laundry industry in the District of Columbia 4.7 percent of all women workers earn less than $6 per week, 11.7 percent less than $8, 32.8 percent less than $10, 65.1 percent less than $12, 83.3 percent less than $14, and 93.8 percent less than $16.

Second. In cleaning and dyeing 4.1 percent earn less than $6 per week, 6 percent less than $8, 11.6 percent less than $10, 31 percent less than $12, 65.7 percent less than $14, and 80.6 percent less than $16.

Third. In the manufacturing industries 5.6 percent earn less than $10 per week, 12.8 percent less than $12, 33.8 percent less than $14, and 61.7 percent less than $16.

Fourth. In department stores 2.6 percent earn less than $10 per week, 7.5 percent less than $12 per week, 22.1 percent less than $14, and 40.4 percent less than $16. In the ladies' ready-to-wear stores 28.3 percent were earning less than $16 per week and in the limited-price stores 7.6 percent were earning less than $10 per week, 32.7 percent less than $12, 89.1 percent less than $14, and all were earning less than $16.

Fifth. Among the 1,776 employees surveyed who do office work it was found that some earn less than $5 per week and some less than $10 per week. Among office workers in laundries 24.7 percent received less than $15 per week; among cleaning and dyeing office workers 63.6 percent received less than $15 per week; among department-store office workers 25.5 percent received less than $15 per week.

There is a vast and fruitful field for missionary work here in the Nation's Capital in respect of hours and wages.

Crop Insurance

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

RADIO ADDRESS OF HON. CLIFFORD R. HOPE, OF KANSAS

Mr. HOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks which I recently delivered over the Columbia Broadcasting System:

The question of all-risk crop insurance has been considered and discussed in this country for at least 25 years. Up till the present time, however, except for a few short-lived efforts by private insurance companies, no general system of crop insurance on any major farm commodity has been put into effect. Insurance against certain risks, however, particularly hail, has been in existence for a number of years.

During and following crop disasters there has always been an increased interest in crop insurance and the manifest interest in the subject today is no doubt due very largely to the fact that in both 1934 and 1936 a large part of the agricultural area of this country suffered disastrous losses from drought. The desirability of an effective system of all-risk crop insurance is, I think, admitted by everyone.

There is no other type of business endeavor which is compelled in the very nature of things to take the risks which are inherent in the business of farming. In the first place, the farmer to a greater extent than any other business group has no control over the price of his product. When he plants, he has no idea as to the price which he will receive at harvest time. Furthermore, since his crop is in many cases perishable or semiperishable, he is compelled to sell at harvest time irrespective of whether the price is good or bad. An even greater risk, however, is that which comes about because of natural hazards which confront the farmer. From the time a farmer begins to prepare his ground he is faced with the hazards of droughts, floods, hail, wind, tornadoes, insect infestation in many different forms, and plant disease in all of its various manifestations. The effect of all of these causes is that there are wide variations in yield which not only affect the farmer who suffers the loss but indirectly affect every other farmer because of the effect which varying yields has on prices.

The question of crop insurance has been a difficult problem and unfortunately, except in the case of hail and tornado insurance,

efforts along this line by private companies have not been successful. One reason for the failure of private companies has been the fact that they attempted to insure income rather than yield. This meant insurance against the other uncertain factor—that of price, this greatly increasing the risk.

The conclusion has been reached by those who have given the most thought and study to crop insurance that in order to insure a fair trial of the matter on a national scale, it had best be undertaken by the Federal Government. Furthermore, that it should be tried out first on one crop only. This is in accord with the ideas of most of the major farm organizations of the country and with the views expressed in the report of the President's Committee on Crop Insurance. Because there is more actuarial data available on wheat than any other major crop, and because the producers of wheat have manifested more interest in all risk-crop insurance than the producers of any other commodity, it seems that it is the best crop with which to begin working out an insurance program.

During the 25 years that consideration has been given to crop insurance there have been a number of measures introduced in Congress concerning it. None of them, however, have received the serious consideration of congressional committees prior to the present legislative session. During this session the Senate has passed the bill (S. 1397), by Senator POPE, of Idaho, which bill has also been favorably reported by a subcommittee of the House Committee on Agriculture. The Pope bill carries out very largely the recommendations of the President's Committee on Crop Insurance and, in all probability, will become a law at this session of Congress. I shall, therefore, base my discussion of crop insurance upon the plan embodied in the Pope bill.

The bill itself does not cover specific details of operation. It merely grants certain powers to a Government corporation under the supervision of the Secretary of Agriculture, leaving the details to be worked out as they would be worked out by any business institution. However, the Department of Agriculture, in anticipation of the passage of the legislation, has already accumulated the necessary data and has worked out plans by which the legislation will be put into effect if and when passed. It is therefore possible to advise the farmers of this country and others who are interested as to just what will be done in administering the legislation.

Let me give you a few of the more important features of the plan. In the first place, it is entirely voluntary. (No farmer need come into it unless he feels, after investigation, that he will be better off operating inside rather than outside of the plan.)

In the second place, the premiums are to be computed upon a strictly actuarial basis. The rate will be based half upon the yield experience of the individual farm and half on the experience of the county in which the farm is located. That is, the cost based on the experience of the individual farm is averaged with the cost based on the average experience of the county. Thus, while the county part of the rate is the same for all farms in the county, the rate is partly affected by the peculiar experience of the individual farm. In most cases a 10-year average will be used as the base.

Again, the insurance covers yield only and not price. Under the plan as worked out by the Department a farmer will have the opportunity of taking a policy which will insure him either three-fourths of an average crop for his farm or one-half of the average. Of course the premium rate for one-half coverage will be much lower than for the 75-percent coverage. The policy will insure the farmer for a certain number of bushels of wheat and his premium will be computed in bushels of wheat. The cost per acre will vary a great deal in different parts of the country and, of course, vary somewhat from farm to farm, because each farm will have an individual rate. Speaking in general terms, however, the cost of insuring a farmer 75 percent of an average crop for his farm will average around one-half bushel per acre on the best wheat land, 1 to 1½ bushels per acre on good wheat land, and from 2 to 2¾ bushels per acre in the more hazardous areas.

A question which naturally arises is, How does the farmer pay his premiums and how does he collect his losses? As already stated, both premiums and losses are computed in bushels of wheat. The farmer, however, has the option of paying either in cash or wheat. If he desires, he can turn over to the local representative of the corporation the number of bushels of wheat which it will take to pay his premium. If it is more convenient, however, he can pay in cash the amount which that number of bushels of wheat would bring on the market that day. When payment is in cash the corporation purchases on the market the number of bushels of wheat which would be the equivalent of the premium. The purchased wheat is held by the corporation until it is needed to pay losses. When a farmer suffers a loss he receives a warehouse certificate for the number of bushels covering his loss. He can then actually receive the wheat or sell it. The storage charges after the date of his certificate will have to be paid by him.

The question has been raised as to whether or not the accumulation of the reserve of wheat which would take place in good years as the result of premium payments might not have a detrimental effect upon wheat prices. The answer to that, however, would seem to be in the negative. In the first place, these reserves cannot be sold except to pay crop losses, to prevent deterioration of stocks, or to get wheat in proper storage position. In the case of sales to prevent deterioration of stocks or to get wheat in proper storage position, the wheat sold must be replaced at once by purchases of actual wheat. Therefore, the only time that these storage reserves come on the market is when they are paid out on losses. Thus they are simply replacing what the farmer would have produced under normal conditions. In other words, the only time that any considerable amount of wheat would come on the market would be during a period of shortage due to crop losses. By reason of the fact that the premiums and losses are both paid in wheat, the farmer stands to benefit from whatever change in price may take place in the years when he has a short crop. To express it differently, in the years when crops are normal or better than normal, the price will in all likelihood be lower than in years of short crops. Thus, it is likely that the farmer will pay his premiums with wheat which is lower in price than the wheat he receives as a loss payment. Furthermore, under the provisions of the bill it will be possible for a farmer to pay his premiums several years in advance. Therefore, in years of low prices and large yields, the producer might make his payments in low-priced wheat, and receive his loss payments in years when prices were normal or better.

As I have already stated, the premiums are to be computed on an actuarial basis. The cost of administration, however, will not be included in the premium, at least in the beginning. This cost will be borne by the Federal Government. There are several reasons for this. In the first place, it is recognized by everyone that this is an experiment and in order to start it under the most favorable auspices and upon a basis which will not incur any losses to the producers that the Federal Government should stand the expense.

In the second place, it is thought that the effect of this program will be to save the Federal Government many millions of dollars in the way of relief expenditures and crop loans, because of the stabilizing effect which insurance will have on farming, particularly in the more hazardous areas. The Federal Government has expended during the last 10 years in the way of crop loans and relief expenditures among the farmers of this country approximately $615,000,000, or an average of over $60,000,000 per year. It is felt that if there is a fair participation in crop insurance by those who are eligible for its benefits these expenditures can be very much reduced.

In the third place, the types of bread wheat which are most in demand by the people of the United States are grown in areas where there is considerable risk to farming. If the people of this country desire and demand that type of wheat, it seems reasonable that they should as a whole pay the administrative cost of a program which will make the production of that type of wheat less hazardous.

In the fourth place this expenditure is only in line with what many other countries are doing in the way of assisting their wheat producers.

The cost of the administration will include the expenditure of maintaining the central, regional, and local offices and the cost of storage of the wheat reserves. In the larger wheat-growing counties it is expected that there will be a local office in each county. In others where wheat growing is not so extensive, one office may serve three or four counties. It is estimated that the cost of administration will run from six to ten million dollars per year, depending upon the number who participate and the amount of wheat carried in storage.

This program can only be regarded as an experiment. It is an experiment, however, which is based upon accurate data, thorough study, and sound principles. Its success will depend very largely upon the extent to which producers participate. I feel that it offers a fair test as to whether crop insurance can be put into successful operation. If it works on wheat, it can and no doubt will be extended to other crops. If successful, it will be a great help toward the stabilization of agriculture and will do more to put farming on a business basis than any step which has been taken heretofore. I am sure that it is the hope of everyone who is interested in a prosperous and stable agriculture in this country that this program may succeed.

Brief Tribute to the Life and Character of Our Late Speaker, Hon. Joseph W. Byrns

MEMORIAL ADDRESS

OF

HON. WILLIAM A. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. ASHBROOK. Mr. Speaker, I crave the indulgence of the House this morning for just a moment that I may pay my simple tribute to the memory of your friend and my friend, our late Speaker, the Honorable JOSEPH W. BYRNS.

The gentleman from Illinois, the beloved dean of the House, Hon. ADOLPH J. SABATH, the gentleman from Arkansas, the

Honorable BEN CRAVENS, and myself are the only three surviving Members of the House who were here to welcome JOE BYRNS when he first came to Congress 29 years ago. A striking illustration of the leveler of time.

I soon made the acquaintance of this tall, lanky Tennessean and am proud to believe that I enjoyed his friendship and confidence to the day he so unexpectedly left us. His appearance constantly reminded me of my impression of Abraham Lincoln. In later years when our Joe became the presiding officer of this great body I often introduced him to my friends and constituents as "the second Abraham Lincoln", to which he would reply, "I am easily as homely as Lincoln but I can never hope to equal him here", pointing to both head and heart.

Mr. Speaker, those of us who knew JOE BYRNS longest and best, know that he had the heart of a Lincoln, know that he was gentle, kind, tolerant, able, and ever had the courage to do the things he believed right and that no sinister influence could sway him from the path of duty and rectitude.

His sudden death was a great shock to his colleagues and an irreparable loss to the Nation. I fear there are too few of his high type in public life today.

Mr. Speaker, many tributes have already been paid to this great man by those far more able than I am, and I therefore have no desire to cumber the RECORD except to briefly amplify just one simple fact which was mentioned in the eulogy of our present beloved Speaker, Hon. WILLIAM B. BANKHEAD. When we were told by him that during all the more than 30 years of political strife and public life of our dear friend JOE BYRNS that he never forgot or failed each night to get down upon the floor upon his knees by his bedside and offer his fervent thanks to the God he loved and served for the blessings of the day which was ended, whether the blessings had been many or not, and asked His guidance for the morrow, it made a lasting impression upon my mind. I have thought many times of this revelation of the private daily life of our friend and feel so long as men of his high standing are in high places the future of our great Nation is safe and secure.

The simplicity, the honesty, the ruggedness, and yet the purity of his life and purposes, the unblemished record of JOE BYRNS, should and will brilliantly shine long after all of those who today wear the robe of high office have ended life's fitful fever and passed to their final accounting and remain a priceless heirloom of the American people.

It is not necessary to say peace to the ashes of our dead friend. May we all strive to meet him again in the great hereafter.

Shall Freedom or Slavery Prevail in America?

EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

RADIO ADDRESS BY HON. DEWEY SHORT, OF MISSOURI, AUGUST 11, 1937

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD I include my radio address of August 11, 1937:

My fellow Americans, I want to thank the Columbia Broadcasting network for its invitation to address you at this time.

Twenty years ago the United States of America entered the World War to make the world safe for democracy—and ever since that war ended democracy has been dying in most of the nations of the earth. The trend unmistakably is away from government by the people and toward dictatorship. We have not escaped that general trend in this country.

Under the cry of emergency President Roosevelt has been given power in excess of that given to any other President in the history of our Nation. While we were assured at the time that these extraordinary powers granted under pressure of emergency would be only temporary, it is now evident that this administration is determined, at all costs, to make these powers permanent.

For the past 4 years a subservient Congress, under the promise of reward or threat of punishment, has cowardly and supinely turned over to the President control of the purse strings of our Nation. Notwithstanding that our national debt is approaching $37,000,000,000, and we are now piling up a $10,000,000 deficit per working day, or a $1,500,000 deficit for every working hour, the first important piece of legislation passed early in this session of Congress was to give the President an additional blank check for fifteen hundred million dollars, without any earmarks, in order that he might spend it at any time and in any manner he might deem fit. None of that money, of course, has yet been spent, nor will it be spent until immediately before the election next year; but in the meantime the President can hold such a huge fund as a club over the heads of recalcitrant members of his own party, to beat them into submission and compel them to pass such legislation as he might demand.

Shortly after the Congress foolishly turned over to Mr. Roosevent this huge fund the President made known to Congress that, in addition to other legislation, he wanted three major bills enacted into law at this session:

First, reform of the judiciary, which would have given the President the power to appoint to the Supreme Court six additional Justices holding political views similar to his own, thus destroying the integrity and independence of the judiciary and obliterating the last barrier which stands between the American people and tyranny. Fortunately, brave and patriotic men in the United States Senate, of all political faiths, backed by an aroused and indignant citizenry, defeated this nefarious scheme to control the courts and lay the foundation for one-man rule in this country.

The second piece of legislation the White House ordered was the reorganization bill, which would have brought all boards, bureaus, commissions, and Government agencies with quasi-legislative and quasi-judicial functions to perform under the complete control and dominance of the Executive. The President could consolidate, abolish, or increase, at his own will, these agencies, which would lose the last vestige of independence they possess. Realizing the danger of such an extraordinary proposal and the dictatorial powers which such a reorganization would grant to the President, the Democratic leadership in Congress has sidetracked this legislation and appeased the President by voting him six "chamber boys", whose chief duty will be to run errands, at salaries of $10,000 per year, but who, no doubt, will be used for political and propaganda purposes. In all probability, the remainder of the executive reorganization bill will go over to the next session.

The third major piece of legislation demanded by the President at this session is the so-called wage and hour bill, which was hurriedly passed by the Senate, though it is highly doubtful if it ever could have passed had it not followed immediately on the heels of the court bill. Why all the mad haste to enact such complex and intricate legislation without due deliberation and ample debate? Not a few Senators who bitterly opposed the President's court plan voted for the wage and hour bill simply because they did not want so promptly to give the Executive a second slap in the face. Next to the infamous court bill this is the most dangerous piece of legislation that ever has been presented to the United States Congress. Its objectives are worthy, but would be impossible of accomplishment under the terms of the bill. Everyone wants to see child labor abolished, sweatshops eliminated, and a decent wage paid for labor. Most of the States already have solved these problems, and certainly the American people, employer and employee alike, do not want to surrender their liberties to an arbitrary board which dictates hours and wages.

The sponsors of this measure have forgotten the sad experience we had with N. R. A. It is a known fact now that recovery began when that unworkable act was declared unconstitutional by a unanimous decision of the Supreme Court. While the present bill differs from the N. R. A. in many particulars, its purpose is, and its results will be, largely the same. It attempts to resurrect the "blue buzzard." "As a dog returneth to his vomit, so a fool returneth to his folly." The original administration bill on wages and hours was written by Corcoran and Cohen, but it was amended to such an extent in the Senate that it became the "Black bill." The House Labor Committee was practically forced to adjourn its hearing by William Green, who evidently carried orders from the White House, and the bill was further mutilated, and is now reported to the House as "the Green bill." The truth of the matter is, this bill is neither Black nor Green, but "red"—and "red" all the way through.

By its terms the Congress delegates vast discretionary power to a labor standards board that will have complete control over industry in this country. The five members of this Board are, of course, appointed by the President and hold office only so long as they meet with his approval. They may not only raise wages and lower hours but they may also lower wages and increase hours. I cannot believe that labor itself could favor such a measure. Yesterday I received a letter from William Green stating: "The wages and hours bill as reported by the House Labor Committee is reasonably acceptable and fairly satisfactory to labor." That is a very weak endorsement coming from the president of the American Federation of Labor, and many of Mr. Green's associates have let it

be known to Members of Congress that they are opposed to the legislation. Even John Lewis was against placing so much authority in the hands of a politically controlled board. While certain House amendments have guaranteed the continued right of collective bargaining, the danger, from the viewpoint of labor leaders, is that if authority is given to the Government to dictate hours and wages, the minimum wage usually becomes the maximum, and in that case there would be no need for labor unions at all.

Of course, the original bill has been so emasculated that it is scarcely recognizable. Many classes of workers—perhaps 25 or 30—are exempted from its operation. All those engaged in agriculture, railroad employees, air-transport employees, seamen, and all those earning more than 40 cents an hour and those working less than 40 hours a week are excluded, as are all those who are not engaged in interstate commerce or not making goods destined for interstate commerce. Other classes of workers are exempted from the hours provisions but not from the wage provisions. There are, in fact, so many exceptions that this might truly be called a bill of exemptions, which naturally raises the question: "Why are so many exceptions demanded and granted? If the bill is good for some workers, why isn't it good for all workers?" It does not exclude the little town merchant, but it does exclude the traveling salesman. The local retail clerk in your little town back home must meet the requirements of this act, but the itinerant salesman is not restricted as to wages and hours of employment.

Furthermore, under this act, the President or the board which he appoints, may raise one employer's fixed charges and production costs and reduce those of his competitor at will. Section 8 of the bill also gives the firm in interstate commerce a right to dictate the terms under which a local firm can operate, even in intrastate commerce, but does not give the local firm the right to be heard or protest against the firm in interstate commerce. The board is literally clothed with power of life and death over employees in intrastate as well as interstate industry. Both employers and employees are at the mercy of an arbitrary, arrogant, and all-powerful board, which, by artificial regulation, attempts to change the laws of nature. This board is even granted the power to enact criminal laws, and anyone who violates its orders, rules, or regulations is subject to both fine and imprisonment. The board can send its agents into every town in every State of the Union to examine the files and records of any business coming within the scope of this act, and such information ic not even required to be kept confidential.

If Congress passes this act, we will have an army of snoopers and spies hounding and harassing businessmen everywhere. The board is given the authority to institute a suit, criminal or civil, against a transgressor in the United States district court. The board will have no attorneys' fees or expenses to pay, whereas the individual citizen, whether petitioning for redress or defending himself in a criminal action, is taken far from home and required to file his suit in the United States Circuit Court of Appeals.

Be it also remembered that the small employer is not exempt under this act; if he has only one employee, both he and that one employee are subject to the act. It is true there are provisions requiring hearings before the board and the establishment of advisory committees; but the bill specifically states: "The board may reject in whole or in part the recommendations of an advisory committee", making the decision of the board supreme.

Working conditions in America are, of course, not perfect, but it is high time that someone reminded us that nowhere else in the world does the common laborer receive such a high wage or work so few hours as he does under the Stars and Stripes. Our country has the highest standard of living on earth, but if this bill is enacted into law, the inevitable result will be increase in unemployment, decrease in production, lower standards of living, smaller consumption of raw materials (including farm products) and lower prices for them, geographical and artificial barriers, higher production costs, and increased imports of farm products. How silly it is to ban goods manufactured with the employment of child labor or substandard labor in this country, and yet admit to interstate commerce, competitive goods manufactured by child labor, sweatshop, and slave labor in foreign countries!

My fellow countrymen, this bill will squeeze the little businessman out of existence, encourage and foster monopoly, increase the cost of living to the consumer, and make it impossible for the farmers to employ labor, while destroying much of the domestic market for his products. In my opinion, the bill is plainly unconstitutional and will be so held unless the President should succeed later in packing the Supreme Court with men who would uphold the validity of this Spanish Inquisition. If the bill is enacted into law, we will not have a canning factory in my district and many other sections of the country 2 years from now. If the great tri-State mining industry, a part of which I have the honor to represent, is compelled to pay time and a half for labor from 12 o'clock to 6 o'clock a. m.—not overtime, mind you, but simply a regular shift employed during those particular hours—it will close many of the mills in this great area.

In the name of reason and precious liberty, I appeal to the American people to contact their Senators and Representatives in Congress, urging that they stand by the Constitution, defend the freedom of the individual citizen, and send this vicious measure to the graveyard to sleep forever by the side of the ignominious and repudiated Court bill. It is up to you to decide whether you want this Government to remain your servant or become your master. Shall freedom or slavery prevail in America?

Abram Piatt Andrew

MEMORIAL ADDRESS
OF
HON. GEORGE J. BATES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ABRAM PIATT ANDREW, late a Representative from Massachusetts

Mr. BATES. Mr. Speaker, few men have ever come to Congress to acquire such an enviable reputation for public service and statesmanship as did the Honorable ABRAM PIATT ANDREW, whose untimely death took him from our midst in the year 1936.

For 15 years Representative A. PIATT ANDREW walked the Halls of Congress, steadily adding laurels to his long record of previous service, and he succumbed as all really public-spirited men hope to do, active to the finish. As a scholar of economics, he became well known not only throughout the United States, but in Europe as well. Back in 1908 he was engaged to assist the National Monetary Commission, a unit created by Congress, in its research work, endeavoring to prevent further financial panics such as that of 1907, which Mr. ANDREW had predicted on New Year's Day of that unhappy year. He was an important figure in framing the bill and report of the Commission, which became the basis for the Federal Reserve Act.

When, in 1909, President Taft appointed Mr. ANDREW the Director of the Mint, he relinquished his position of a number of years as instructor of economics at Harvard University. It was in June of 1910 that he became Assistant Secretary of the Treasury, which post he resigned more than 2 years later.

The outbreak of the World War attracted Mr. ANDREW to France early in the fray, for he became attached to the American ambulance division with the French Army at the front. He soon established what was known as the American Field Service, which Mr. ANDREW turned over to the United States forces when this country entered the war. At that time he was commissioned a major, and subsequently became a lieutenant colonel in the American Army, and completed, altogether, more than 4½ years in action overseas. After the great conflict Colonel ANDREW was instrumental in the organizing of the American Legion, and he was elected the first commander of the post in his home city of Gloucester, Mass., and vice commander of the Massachusetts department of the Legion.

Capitol Hill then beckoned to Colonel ANDREW, who was first elected in 1921 to fill an unexpired vacancy from the Sixth Massachusetts District. He was reelected the following year, and each 2 years thereafter, and because he was so admired and appreciated by his district would have been assured of reelection for many years to come, had his splendid career not been cut short by his sudden death a year ago this past June.

A Republican, Congressman ANDREW pursued the independent course of true statesmen, battling for what he was convinced was right and against what he deemed was not, never permitting his conscience to become subservient to political influences. Because of his first-hand knowledge of the World War, he was a champion for legislation to meet the problems growing out of that seige and for the relief of veterans. His economic training prevented him consistently from supporting any proposals for the use of Federal money to meet the running expenses of private business, whether farming in the West or shipping in the East, and as a member of the House Committee on Naval Affairs, he fought at all times for the maintenance of an adequate Navy.

The democratic manner and remarkable personality of Congressman ANDREW endeared him to all he served and everyone else who had the pleasure of making his acquaintance.

Inasmuch as I was one of those who enjoyed his fine friendship, I am moved to pay this humble tribute to the man whose seat in Washington it is now my privilege and honor to occupy.

Agricultural Conditions

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, August 13 (legislative day of Monday, Aug. 9), 1937

RADIO ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, AUGUST 12, 1937

Mr. McKELLAR. Mr. President, on yesterday, August 12, the Senator from Florida [Mr. PEPPER] delivered over the radio a very interesting and able speech. I ask unanimous consent that it may be inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In 1932 the American farmers saw their total cash income for all farm products drop to something over $4,000,000,000. By 1936, due to the great national program planned and carried out by President Roosevelt and his administration the American farmers received over $8,000,000,000 cash income. The farmers' 1936 income was 85 percent more than their 1932 income. During the first half of 1937 the farmers' cash income was 16 percent more than it was for the first half of 1936.

Information gathered by the Department of Agriculture shows that the purchasing power of the farmers' cash income was 60 percent greater in 1936 than it had been in 1932. This is true, although the prices farmers paid in 1936 for the things they needed had advanced 16 percent above the prices they had paid in 1932. The farmers' income, however, had moved forward and upward so much more rapidly than had the prices of the things he bought that he was thus able to buy 60 percent more goods with his income in 1936 than he had been in 1932. This brought the farmers of America still closer to the parity goal which was the aim of the Agricultural Adjustment Act.

This increased income of the American farmer was felt in every part of our economic system. The purchase of more manufactured goods by the farmers speeded up production in the factories; increased the deposits in banks; saved thousands of merchants from bankruptcy; filled the freight cars of the railroads with needed goods and commodities instead of with jobless men; and contributed largely to the general upsurge of business throughout the Nation.

Millions of Americans were given a visible demonstration of the fact that widespread impoverishment of farmers can paralyze the wheels of industry, stop the smoke of factories, close the doors of banks, shake the very foundations of life-insurance companies, and cause values of every type and kind of property to disappear even though the farmers and the business units may be separated by thousands of miles. Our people now know that agriculture, the great basic industry supplying the raw products to feed and clothe the people of America, is a vital part of our national economic system. They now know that the economic destiny of the cotton farmer of the South and of the wheat and corn farmer of the West is linked with the economic destiny of the men and women who work in industry and business throughout the entire 48 States of this Union. Fifteen million industrial workers with no jobs and no income at all, and millions of farmers selling their products at starvation prices, gave a graphic picture of what happened to American business when American farmers and American workers, who are also the chief American consumers and American purchasers, are left with no incomes at all or with incomes so low that they cannot buy the products of farm and factory. Americans now know that these are national problems of our business economy. Most Americans now believe that these national economic problems can only be solved by the application of national remedies.

At this very time the cotton farmers of the South and the hundreds of thousands of farmers of the West are harassed and troubled by fear of falling cotton prices and slumping prices of certain other farm products. The prediction of a fifteen million and a half bale cotton crop stands as a threat against cotton prices. A similar anxiety is felt in connection with other farm products of the West.

The national soil-conservation law has been most helpful to the American farmer. It has not been possible, however, under this law, to solve the problem of unusable and unsalable farm surpluses. That problem still remains to vex and trouble the farmer and to challenge the legislative branch of our Government. That it is a national problem, there are now few to deny. That the problem threatens our march on the way to returning national prosperity is clearly evidenced. Whatever may be the personal belief of any individual as to the proper legislative method of meeting the problem of bumper crops beyond the needs or the purchasing ability of consumers, we cannot contemplate a return to conditions that produced the disastrous farm prices of 1932, without dread as to the consequences of the economic disturbances that would result.

It is for that reason that President Roosevelt has been urging that consideration be given to farm legislation to deal with possible unusable and unsalable farm surpluses, and that many of us have been insisting that legislation must be enacted at the earliest moment consistent with the careful preparation of a law. Long before the prophecy of a fifteen and a half million bale cotton crop, President Roosevelt was insisting that Congress should give consideration to farm legislation in obedience to the philosophy that "a leaky roof should be repaired before the rains arrive." Many of us have joined him in this effort.

The production of crops far beyond the economic capacity of the markets to absorb them is a waste of precious material and human resources. Such excessive production does not make for an economy of abundance, but, on the contrary, such excessive production reduces the purchasing power of the farmers to buy the products of industry and ultimately brings economic disaster to all. We have come to learn that in twentieth-century America we suffer primarily not from a scarcity of goods, not from a scarcity of labor, but a scarcity of purchasing power. The American farmer stands ready to produce all the farm products which our markets can economically absorb, but common-sense economy and prudent husbandry both caution the American farmer from producing more farm products than our markets can over a period of years economically absorb.

The problem of a fair income for American farmers is not limited, however, to a consideration of wheat, cotton, and corn. There are millions of farmers whose incomes depend entirely upon other necessities of life. It is necessary that this fact be borne in mind by all who consider the enactment of proper farm legislation. The passage of a farm law cannot be considered wholly on a one-crop or a sectional basis. There is an economic sympathy of interest between the farmers who grow the cotton in the South and the farmers who grow the wheat, corn, oats, livestock, and other commodities in the West. However, it is unfortunate, but true, that the enemies of any farm legislation to protect the farmer can frequently succeed in dividing the agricultural forces. The necessity for an adequate farm income is not limited to any one group of American farmers. It is not only just and right but it is an economic necessity that all farmers should be protected from the economic necessity of disposing of their crops below their fair values.

The farmer cannot fix his prices. The individual farmer can by no action of his own determine the price he will receive for his products. The manufacturer adjusts his production to the immediate demand. When his market is flooded he simply suspends work, ceases to pay wages to his employees, and awaits a time for further production until he can sell his goods. The farmer, however, must sow and work and harvest without a knowledge of what price his products will bring when they reach the market. It has been too frequently true that prices are manipulated to his disadvantage. Helpless to protect himself from the disastrous results of flooded markets, and too frequently finding it necessary to sell his cotton, corn, or other products as soon as he gets them ready for market, he must dispose of it for the price he can obtain at the moment. This illustrates the necessity for cooperative effort on the part of the farmer, but even with all the cooperation which it has yet been possible to obtain he yet finds himself a helpless victim of market conditions over which he cannot individually exert the slightest control.

Thus after a long period of years filled with discussions and proposals the United States Congress at last reached the conclusion that this problem affecting national welfare must be met by national legislation. While the operations of the Triple A, like the operations of any other vast program intended to benefit the people, were not always perfect in administration, the beneficial results from that law cannot be questioned by any fair observer. The results to the American farmer I gave in the beginning of these remarks. Hundreds of thousands of farm homes have been saved and millions of farmers and their families have been lifted from their abject despair of 1932 until today they find themselves with incomes practically doubled and with a chance to have those comforts that the work of every farmer entitles him to receive.

It is my belief that the farmers of America, having realized their own helplessness to protect themselves from the uncertainties and the disasters of a widely fluctuating market, and having realized that their Government can save them if it will—that these farmers will not tolerate any long delay which would precipitate a repetition of their previous sad experiences.

Realizing that there is a community of interests among the farmers throughout the entire 48 States, it is to be hoped that

they will not fail to cooperate to provide justice for themselves. Realizing further that the farmers themselves, and the workers throughout this Nation, supply most of the consumers, and that their income will necessarily determine the prices that can be paid for farm products, it is my belief that the efforts of those who control price-fixing monopolies to drive a wedge between workers and farmers, will prove unavailing. Underpaid and unemployed workers and farmers cannot give a fair price for the products of farm or factory.

Before this present Congress adjourns, it is my own sincere hope that the proper legislative action may be taken to prevent a further disastrous slump in the prices of cotton, oats, and any other farm products. We should meet this situation. It is not sufficient to say merely that the Government advance the money at this particular time to stop the falling of prices, but we should also provide for the enactment of necessary farm legislation to give long-time security to the American farmers. I stand ready, and I believe the majority of Representatives in the House and in the Senate standy ready, to remain in Washington until a plan and program has been adopted that will carry the message to the farmers of this land that their Government will stand between them and those gloomy days of 1932, when cotton, wheat, corn, and other farm products frequently did not even bring a sufficient price to pay the interest on the farmer's mortgage. That your Representatives in Washington may carry out this program is my earnest hope.

Change of Attitude of Supreme Court

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, August 13 (legislative day of Monday, Aug. 9), 1937

EDITORIAL ENTITLED "THE COURT SEES A NEW LIGHT", IN THE NEW REPUBLIC, AUGUST 4, 1937

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New Republic of August 4, 1937, entitled "The Court Sees a New Light."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic, Aug. 4, 1937]

American constitutional law has first and last undergone a number of revolutions, but none so radical, so swift, so altogether dramatic as that witnessed by the term of Court just ended. I have in mind only the results so far recorded in actual decisions; when the logical possibilities for the future of these holdings are considered, the impression left is, of course, still more striking.

A year ago minimum-wage legislation, even for women, still rested under the ban of the Court, the National Government was for the most part without authority over the employer-employee relation in the industrial field, and social security was at best highly suspected on constitutional grounds. Today the truth contradicts each one of these statements. More than that, the tone of the Court has altered vastly in a 12 month. Last spring, following the slaughter of the A. A. A. and "the little N. I. R. A.", the Chief Justice jauntily proclaimed in his American Law Institute address, "I have to announce that the Supreme Court still functions", and at about the same time six of the nine Justices joined in the case of *Jones* v. *The S. E. C.* in an opinion which sets an all-time high for judicial arrogance. These lapses from good sense and good taste would not today be repeated.

The Court first gave arresting notice of its change of mind when, on March 29, it sustained a minimum-wage statute of the State of Washington and at the same time explicitly overruled its decision of 1923 in *Adkins* v. *The Children's Hospital*, which it had reaffirmed so recently as June 1936. The new Court was the outcome of the defection of Mr. Justice Roberts from the Sutherland-Van Devanter-McReynolds-Butler combination, and the Chief Justice was its spokesman. While his opinion cites "the economic conditions which have supervened" since the Adkins case was decided, it also quotes with warm approval the views of the dissenters in that case. "We think", the opinion reads, "that the views thus expressed are sound and that the decision in the Adkins case was a departure from the true application of the principles governing the regulation by the State of employer and employee." But the decision more than recovers lost ground, since much of its reasoning goes to establish the constitutionality of minimum-wage legislation for all workers. Thus the Court pointed out that it was no objection to the act before it that it did not cover the entire field of possible legislation. It also cited the history of hour legislation, which underwent a like expansion. In the Chief Justice's words, "Liberty in each of its phases has its history and connotation. But the liberty safeguarded is liberty in a social organization which requires the protection of law against the evils which menace the health, safety, morals, and welfare of the people." In the face of these words it becomes impossible to contend that difference in sex sets up an absolute barrier to governmental regulation of wages.

A fortnight later the new Court, again speaking through the Chief Justice, sustained the application of the Wagner National Labor Relations Act to certain industrial establishments which were found to be extensively engaged in interstate commerce. The act forbids "any unfair labor practice affecting interstate commerce" and lists among these "the denial by employers of the right of their employees to organize and the refusal by employers to accept the procedure of collective bargaining." Dealing first with the "due process" aspect of the case, the Chief Justice characterizes "the right of employees to self-organization and to select representatives of their own choosing for collective bargaining or other mutual protection without restraint or coercion by their employer" as "a fundamental right", interference with which "is a proper subject for condemnation by competent legislative authority." The Chief Justice then continues:

"Long ago we stated the reason for labor organizations. We said that they were organized out of the necessities of the situation; that a single employee was helpless in dealing with an employer; that he was dependent ordinarily on his daily wage for the maintenance of himself and family; and that if the employer refused to pay him the wages that he thought fair he was nevertheless unable to leave the employ and resist arbitrary and unfair treatment; that union was essential to give laborers opportunity to deal on an equality with their employers."

Thus "liberty" is recognized as something that may be infringed by other forces as well as by those of government; indeed, something that may require the positive intervention of government against those other forces. This recognition marks a development of profound significance in our constitutional history.

But the principal difficulty of these cases arose from the contention of the defendant companies that Congress could not without unconstitutionally invading the reserved powers of the States govern the relationship between industrial employers and employees. So, indeed, it had been asserted by the Court itself less than a year previous in the Carter case, in which the Guffey Coal Conservation Act was set aside. Said Mr. Justice Sutherland on that occasion:

"Much stress is put upon the evils which come from the struggle between employers and employees over the matter of wages, working conditions, the right of collective bargaining, etc., and the resulting strikes, curtailment, and irregularity of production and effect on prices; and it is insisted that interstate commerce is greatly affected thereby. But, in addition to what has just been said, the conclusive answer is that the evils are all local evils over which the Federal Government has no legislative control. The relation of employer and employee is a local relation. At common law it is one of the domestic relations. The wages are paid for the doing of local work. Working conditions are obviously local conditions. The employees are not engaged in or about commerce but exclusively in producing a commodity. And the controversies and evils, which it is the object of the act to regulate and minimize, are local controversies and evils affecting local work undertaken to accomplish that local result. Such effect as they may have upon commerce, however extensive it may be, is secondary and indirect. An increase in the greatness of the effect adds to its importance. It does not alter its character."

Furthermore, it is at least highly probable that in speaking thus Mr. Justice Sutherland voiced what was the opinion of the entire Court at that date. Otherwise the effort of Mr. Justice Cardozo, speaking also for Justices Brandeis and Stone, to separate the price-fixing provisions of the Guffey Act from the hours-and-wages provisions would appear to have been gratuitous; while the Chief Justice's words, in his separate opinion, would be meaningless: "If the people desire to give Congress the power to regulate industries within the States and the relation of employers and employees in those industries, they are at liberty to declare their will in the appropriate manner, but it is not for the Court to amend the Constitution by judicial decision."

Fortunately the Chief Justice was mistaken. If it was a part of the Constitution on May 18, 1936, that Congress could not regulate the employer-employee relation in industry, then the Constitution was in that respect amended by the Court on April 12 last. Setting out from Mr. Chief Justice Taft's dictum in Stafford against Wallace, decided in 1922, that "Whatever amounts to more or less constant practice, and threatens to obstruct or unduly to burden the freedom of interstate commerce, is within the regulatory power of Congress under the commerce clause, and it is primarily for Congress to consider and decide the fact of the danger and meet it", the Court rejects the contention that the power thus recognized has reference only to the protection of the instruments of interstate commerce. "The agency", says the Chief Justice, "is not superior to the commerce which uses it. * * * The close and intimate effect which brings the subject within the reach of Federal power may be due to activities

in relation to productive industry, although this industry, when separately viewed, is local." Nor will it do to say that such effect is "indirect." Considering defendant's "far-flung activities", the effect of strife between it and its employees "would be immediate, and it might be catastrophic. We are asked to shut our eyes to the plainest facts of our national life and to deal with the question of direct and indirect effects in an intellectual vacuum. * * *

"When industries organize themselves on a national scale, making their relation to interstate commerce the dominant factor in their activities, how can it be maintained that their industrial-labor relations constitute a forbidden field into which Congress may not enter when it is necessary to protect interstate commerce from the paralyzing consequences of industrial war? We have often said that interstate commerce itself is a practical conception. It is equally true that interferences with that commerce must be appraised by a judgment that does not ignore actual experience."

So the test of formula by which the Guffey Act was set aside, a formula derived from the old Sugar Trust case of 1895, of evil memory, is replaced by one of fact, and this is speedily shown to be an extremely flexible test. In the Jones-Laughlin case, from the opinion in which the above quotations are taken, the defendant company was the fourth largest producer of steel in the United States, embracing 19 subsidiaries, owning and operating ore, coal, and limestone properties, steamship lines, railroads, and manufactories scattered among several States, and employing more than half a million men. But the results reached by the Court in applying the Wagner Act to this immense enterprise were held equally applicable to a manufacturer of trailers located in Detroit but selling more than 80 percent of his products in other States, and to a manufacturer of clothing located in Richmond, Va., but selling more than 82 percent of his product in other States.

Let the employees of a concern, a considerable proportion of whose trade and activities extend beyond State lines, be ready and willing to strike resolutely for their "fundamental rights", and Congress can govern the employer-employee relation of such a concern with the purpose and effect of backing up such "fundamental rights"—that is the new constitutional law yielded by the Wagner Act cases, although not all of it. For by the same token Congress should have power also to protect the "fundamental rights" of employers against interruptions that would affect interstate commerce detrimentally. Undoubtedly the protective power of Congress over interstate commerce extends to the employer goose as well as to the employee gander.

Of less interest historically, although certainly not practically, were the brace of cases in which the new Court sustained, on May 24, the Social Security Act of 1935 as to its substantive provisions, and the companion case in which the Unemployment Compensation Act of Alabama was upheld. Salient features of Mr. Justice Cardozo's opinion for the Court in the former were emphasis on the lessons of the depression of 1929 and of experience with unemployment and old-age relief since then, and the notice taken of the inability of the States to deal separately with the problem of social security, both because of the national scope of the problem and because States compete with one another to attract investors.

Proceeding from this dual basis, the Court upholds the power of the National Government to tax employers on their employment rolls, such a tax being classified as an "excise"; also its power to spend money in support of unemployment insurance and to provide old-age pensions, expenditures of such nature being for "the general welfare of the United States" within the sense of the taxing clause of the Constitution; also its power to cooperate with the States in a joint program of unemployment relief and old-age security, and to that end to offer financial inducements to the States to cooperate in such a program.

To the claim that the State of Alabama had been "coerced" by the provision in the act of Congress which accords a 90-percent credit against the Federal tax to employers contributing under a satisfactory State law to unemployment compensation, Mr. Justice Cardozo answered: "From all that appears she is satisfied with her choice, and would be sorely disappointed if it were now to be annulled. * * * The petitioners' contention * * * confuses motive with coercion. * * * But to hold that motive or temptation is equivalent to coercion is to plunge the law in endless difficulties." That is to say, there is no constitutional reason why the National Government should not supply motives for action by a State. Nor were the terms which Congress had stipulated for a satisfactory State unemployment act an intrusion upon State power, inasmuch as they were designed to protect the National Treasury and were related to activities fairly within the scope of national fiscal power and policy—a test, it may be remarked in passing, which would have saved the A. A. A.

And Mr. Justice Stone is similarly dexterous in meeting objections to the Alabama Unemployment Compensation Act. Answering the complaint that the tax levied by the act yielded no benefits to those who paid it, he says: "The only benefit to which the taxpayer is constitutionally entitled is that derived from his enjoyment of the privilege of living in a civilized society, established and safeguarded by the devotion of taxes to a public purpose." And answering the objection that the act involved an unconstitutional abdication of power by Alabama to the National Government, he says:

"The United States and the State of Alabama are not alien governments. They coexist within the same territory. Unemployment within it is their common concern. Together the two statutes now before us embody a cooperative legislative effort by State and National Governments for carrying out a public purpose common to both which neither could fully achieve without the cooperation of the other. The Constitution does not prohibit such cooperation."

Thus while the keynote of the Wagner Act cases is increased power for the National Government over industry and the employer-employee relation therein, that of the Social Security Act cases is National and State cooperation in the field of social insurance. Together these decisions spell a new, a revitalized Federal system. To be sure, many questions still remain unanswered—very important questions of statutory interpretation as regards the Wagner Act, several minor questions of constitutionality as regards the Social Security Act. But guaranteed the continuance of the mood which finds expression in the opinions here reviewed, these questions, too, should find solution satisfactory to the administration.

The question arises, of course, whether the Court's remarkable reversal in attitude, just recorded, is to be set down to the credit of the President's Court proposal. To some extent, perhaps, but certainly not altogether. The lesson of the November election could have been lost only on members of the bench with a Messianic complex of some sort; and the C. I. O. sit-down strikes must also have had a profound effect in the demonstration which they afforded that the country is not to be governed by the simple expedient of tossing acts of Congress out of the window.

On the other hand, the confirmation which these decisions lend to the major premise of the President's argument for his proposal, of the essentially political nature of the Court's function today in the constitutional field, is impressive. Nor is the contention which is now forthcoming from certain opponents of the idea of reconstituting the Court entirely conclusive. Why, they ask, in effect, follow up a successful shotgun wedding by shooting the bridegroom? Why, indeed; but what of taking precautions to make it reasonably probable that the bridegroom will now turn to and support the family?

EDWARD S. CORWIN.

Reorganization of Government Departments

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

RADIO ADDRESS ON HON. PATRICK J. BOLAND, OF PENNSYLVANIA, FEBRUARY 18, 1937

Mr. WALTER. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered by Hon. PATRICK J. BOLAND, of Pennsylvania, made over a National Broadcasting Co. network Thursday, February 18, 1937:

The Government of the United States is the largest enterprise in this country and the conduct of its affairs is the most important matter before the American people today. What it does, and how it does it, is your concern and mine and, in the time allotted to me tonight, I shall discuss the business of running the United States and its reorganization as proposed by the President.

The Constitution decrees that Congress shall enact laws, but the mere enactment is not enough. Laws require administration and enforcement, so the framers of the Constitution provided for a Chief Executive of the Nation—the President of the United States—who, as the possessor of broad constitutional powers, and other statutory and customary attributes, has become the administrator of our form of government and is the one—and the only one—charged by the Constitution with the administration of Federal laws and the operation of the Federal Government.

What a long way the duties of the President and of the American Government have traveled since the adoption of the Constitution. Picture Washington, our capital—1,800—a small village on the banks of the Potomac, more famed as a trading center for the neighboring farmers than it was as the headquarters of a new nation. Picture the days when there were only four Cabinet officers, the Secretaries of State, Treasury, and War, and the Attorney General. The duties of government were few, the number of people comprising the administrative branch of that government numbered less than a thousand. The population of the entire country was only 4,000,000. The problem and the relationship of the government to the people were simple. But then the Nation began to grow, and with the momentum of an avalanche rushing down the side of a mountain, industrialism, empire building, and the American spirit of expansion, step by step,

developed the vast, far-reaching glorious Nation that we know today. And to me it is material to inquire, Has the American Government and the conduct of its affairs kept pace with its growth in population and wealth?

Naturally, as the population, business life, and territorial limits of this Nation expanded, the governmental duties likewise increased. With these duties, new agencies, bureaus, and cabinet departments were created until today we find that here in Washington is a Government, lacking in coordination, overlapping, and composed of small independent bureaus. This condition—never intentional—has been the result of a long development and expansion of the duties of Uncle Sam. For 50 years after George Washington there were only six departments, then came the Interior Department in 1849, Agriculture in 1889, Commerce and Labor in 1903. In addition, after the Civil War, agencies and commissions began to arise, all under different presidents and for various reasons. The assassination of President Garfield by a disappointed job seeker brought the spoils system into disrepute and the result was the creation of the Civil Service Commission. The public nature of various industries caused in rapid succession the creation of separate independent agencies regulating railroads, telephone, telegraph, radio, power, stock exchange, stockyards, food producers, and whisky manufacturers.

The multiplicity of arms in our present governmental anatomy makes it impossible for one hand to know what the others are doing. As a result it has often been the case for two or three different agencies to conduct identical investigations, perform similar functions, and use two or three times the amount of money required to achieve the ends sought to be attained. Consolidation will certainly reduce such waste and duplication to an appreciable minimum.

Probably the most controversial problem to be faced in the whole program of reorganization is the one respecting such bodies as the Interstate Commerce Commission, Federal Trade Commission, Federal Communications Commission, and Securities and Exchange Commission. These agencies are often referred to as the fourth branch of our National Government, since to a certain degree their functions are legislative, administrative, and judicial. Each one was established to administer a different type of highly specialized and technical legislation. Yet the enforcement of such laws in our present system is divided. Criminal prosecutions are handled by the Department of Justice and the civil enforcement by the respective commissions. The result is that a person involved in a technical violation of one of these statutes in many instances has no way of knowing just what agency or department is handling his case at any given time. Furthermore, it fundamentally smacks of inefficiency due to the necessity of maintaining a separate staff of specialists in the Department of Justice for each one of such laws when the commissions themselves are fully competent to handle the criminal as well as the civil phases of such enforcement. Should it be deemed appropriate, however, to consolidate all of these various law-enforcement agencies under one department in order to remove the existing flaws, I feel safe in saying that some provision should and will be made to preserve the independence of their semijudicial and semilegislative determinations.

It is very likely that some method will also be discovered to place all Government credit agencies such as Federal Housing, Reconstruction Finance Corporation, and Home Owners' Loan Corporation under one department. This step would clearly simplify the process of negotiating Government loans. It would then be no longer necessary to send applications and requests for information to four or five places before locating the appropriate bureau.

And, what is more important, by centralizing the credit agencies of the Government the responsibility for all Government loans could be more easily identified and ascertained.

If you walked into your bank you would not be shunted from department to department, or sent to a branch two blocks away. No, the banks activities are consolidated, and to me a suggestion that the Government's lending activities be likewise consolidated is not politics or dictatorial, but good business and common sense.

Imagine a letter being forwarded by you or your next door neighbor inquiring as to whether or not the Government would grant a seed loan and that letter passing through four or five or six bureaus or agencies before it reaches the one most fitted to handle your particular case. Such a situation like that occurs every day in Washington, not once or twice, but hundreds and hundreds of times. As a result, an answer to your letter is delayed and time and money are wasted in the handling of it.

As I stated at the outset of my talk this evening, the conduct of the American Government is your business and you, as American citizens, are entitled to efficient and capable administration of that business, but, in all fairness, remember it is a big business—700,000 employees—branches and agents all over the face of the earth. Why, the Treasury Department alone cashes over 500,000 checks every day.

The duplication, overlapping, and inefficient management in administration of government in the United States has been recognized for more than 20 years. A few attempts, mostly nonpartisan, have been made to correct it. Some minor changes have been effected, but no real headway has been made.

Now, however, the time has arrived for honest, sincere reorganization. Realizing this, the President, with courage so typical and with his usual consideration of the interests of the American people, in a message to Congress, recommended the drastic reorganization of the governmental machinery. The report of an expert committee, appointed by the President, suggests a complete overhauling by the consolidation of 100 Federal executive agencies into 12 departments with a Cabinet officer in charge of each. This plan would continue the present Cabinet departments of the Government and create two additional departments, namely, the Department of Public Works and the Department of Social Welfare. The recent relief work in the Ohio Valley floods is indicative of what good can be done by centralizing all relief agencies.

In short, the simplification of governmental functions results in savings in money, savings in time, and savings in energy. The extent of this reorganization and the soundness of the suggestions show that the President wants to give you the best administration of your governmental affairs in a coordinate and efficient manner. He desires that waste be eliminated, that government cost less; he envisions a smooth functioning governmental organization operating under and reporting to the President, who, under the Constitution, is the only one charged with the administration of governmental affairs. Yes; the President, Franklin D. Roosevelt, is supporting this proposed reorganization, but there are many obstacles and impediments to its successful enactment. We, as Members of Congress, day after day, are met with declarations of small groups, entrenched minorities and sinecures of this overlapping situation, who are jealous of and greedy for the continuance of various bureaus and agencies. Yes; agencies which neither report to the President nor the Congress, a situation never contemplated by the Constitution; and these minorities even go so far as to call the President a dictator, when they themselves are clothed in dictatorial robes.

Ladies and gentlemen, this Government can be likened to a great corporation with 130,000,000 stockholders. The President of that corporation has recommended that certain measures be adopted for the sake of economy and efficiency. He has suggested that certain loose ends in the management be either tied together or eliminated entirely. The President and the Members of Congress need your support. And I, as a Member of Congress, most earnestly and sincerely convey to you my conviction that the proposed reorganization of the administrative branch of the Government is both timely and necessary. I am sure that its adoption will give the American people a 1937 model of a real up-to-date government administration.

Slum Clearance Housing Program Should be Undertaken by Existing Executive Department—Statistics Given for Low-Cost Projects Inaugurated by P. W. A. Housing Division

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. BEITER. Mr. Speaker, there is a close relationship between the type of work authorized by the terms of the Wagner slum-clearance bill and the work in public housing and slum clearance performed by the P. W. A. Housing Division of the Interior Department.

The Senate has made it possible for the United States Housing Authority, created under the terms of the bill, to obtain the benefit of the valuable experience of the P. W. A. Housing Division, which has been engaged in a constructive low-cost housing program in 21 States, made possible by the extension of loans and grants to public bodies.

In view of this action by the Senate and probable concurrence by the House it might be of interest to the membership to look over the record. We know that the P. W. A. Housing Division has financed thousands of non-Federal public-works projects in a manner which has commanded our approval. Many of these projects consist of low-cost housing developments similar in character to those to be undertaken under the Wagner bill. It seems logical to believe, therefore, that in the interest of efficiency, if for no other reason, this new program should be undertaken by the same executive department. The Department of Interior which has jurisdiction over the P. W. A. Housing Division has had more experience in low-rent housing than any other department of the Government and inclusion of the new housing authority in that Department would

result in a saving of time and money which would otherwise be consumed in setting up a new agency and launching a new program.

Throughout the housing-bill debate on the Senate floor figures were used which intended to show the cost of P. W. A. Housing Division slum-clearance and low-cost housing projects, as compared with other projects financed by the Reconstruction Finance Corporation, the Federal Housing Administration, and so forth. The source of the information for the figures used is unknown, but obviously it is unreliable. I desire to take this opportunity to present accurate facts and figures, which were furnished me upon request by the Housing Division of the Federal Emergency Administration of Public Works, concerning projects under construction by that agency.

The following table shows the actual figures for all the projects either completed or in process of construction as of July 31, 1937:

Complete list and status of projects now under construction by Federal Emergency Administration of Public Works, Housing Division

Project no.	Location and name	Type tenancy	Assessed value of land before purchase	Appraised value of land before purchase	Actual land cost	Number of units	Number of rooms	Estimated number persons to be housed	Estimated or actual project cost	Estimated or actual rent per room per month	Construction complete (percent)	Estimated or actual completion date	Units leased
H-1101	Atlanta, Ga.:												
	Techwood Homes	White	$252,925	$559,184	$505,320	604	2,124	2,125	$2,922,587	[1] 5.52	100	June 26, 1936	601
	Dormitory	do				114	194	194		[1] 7.73	100		102
H-1102	Atlanta, Ga.: University homes.	Colored	145,180	327,322	311,808	675	2,343	2,345	2,583,805	[1] 5.11	100	Mar. 17, 1937	568
H-5001	Atlantic City, N. J.: Stanley S. Holmes Village.	do	178,800	301,531	246,250	277	928	930	1,525,775	[1] 5.51	100	Jan. 28, 1937	277
H-2902	Birmingham, Ala.: Smithfield Court.	do	143,200	518,679	458,600	544	1,588	1,590	2,509,251	5.96	64	Nov. 19, 1937	
H-3302	Boston, Mass.: Old Harbor Village.	White	327,300	589,486	523,614	1,016	3,960	3,920	6,356,557	6.07	68	Nov. 1, 1937	
H-6703	Buffalo, N. Y.: Kenfield	do	207,050	294,300	284,885	658	2,756	2,760	4,680,221	5.98	96	Sept. 19, 1937	
H-8501	Cambridge, Mass.: New Towne Court.	do	635,500	940,280	833,080	294	1,172	1,175	2,423,912	7.11	94	Sept. 1, 1937	
H-6002	Camden, N. J.: Westfield Acres.	do	32,770	77,290	66,000	515	1,852	1,855	3,105,717	6.12	58	Nov. 1, 1937	
H-8901-B	Charleston, S. C.:												
	Meeting St. Manor	do	2,945	39,559	37,754	75	264	265	1,300,089	[1] 4.93	100	June 10, 1937	10
	Cooper River Court	Colored				137	436	440				do	6
	Chicago, Ill.:												
H-1401	Jane Addams Houses	White	860,836	1,244,421	1,237,013	723	2,501	2,518	5,563,603	7.38	48	Feb. 2, 1938	
H-1405	do	do	69,403	119,156	100,000	304	1,070	1,072	1,673,756	7.38	94	Aug. 30, 1937	
H-1406	Julia C. Lathrop Homes	do	621,026	648,012	599,989	925	3,254	3,260	5,799,863	6.87	67	Jan. 1, 1938	
H-1408	Trumbull Park Homes	do	85,560	85,640	73,115	462	1,733	1,740	2,904,411	6.98	75	Oct. 1, 1937	
H-1801	Cincinnati, Ohio: Laurel Homes.	Not determined.	1,357,700	1,874,926	1,831,768	1,039	3,362	3,350	7,066,360	7.27	22	Jan. 3, 1938	
	Cleveland, Ohio:												
H-1001	Cedar-Central Apartments.	Predominantly white.	366,850	895,964	589,335	650	2,296	2,300	3,400,000	[1] 5.71	100	Mar. 15, 1937	
H-1002	Outhwaite Homes	Predominantly colored.	593,910	724,101	718,126	579	2,166	2,170	3,528,944	[1] 4.78	100	July 15, 1937	
H-1003	Lakeview Terrace	Predominantly white.	247,650	611,599	521,593	620	2,311	2,315	3,758,790	5.53	95	Nov. 5, 1937	
H-5201	Columbia, S. C.: University Terrace.	White	11,295	59,078	49,468	48	174	175	680,022	[1] 4.73	100	July 17, 1937	
		Colored				74	241	245				do	
H-7901-B	Dallas, Tex.: Cedar Springs Place.	White	30,491	71,996	66,149	181	598	600	1,015,732	[1] 6.34	90	Sept. 4, 1937	
	Detroit, Mich.:												
H-1201	Brewster	Colored	952,650	1,158,995	1,098,582	701	2,360	2,360	4,871,410	5.78	1	Aug. 8, 1938	
H-1205	Parkside	White	239,140	180,100	170,000	775	2,827	2,855	4,443,189	5.47	1	Sept. 7, 1938	
H-5401	Enid, Okla.: Cherokee Terrace.	do	13,863	59,620	55,078	80	311	315	570,582	6.54	74	Sept. 15, 1937	
H-3801	Evansville, Ind.: Lincoln Gardens.	Colored	137,823	202,513	161,186	191	563	565	903,840	6.09	1	June 17, 1938	
H-1601	Indianapolis, Ind.: Lockefield Garden Apartments.	do	274,200	399,292	364,339	748	2,538	2,540	3,195,814	[1] 4.92	98	Oct. 15, 1937	
H-4702	Jacksonville, Fla.: Durkeeville.	do	14,020	35,947	35,000	215	701	705	947,311	[1] 4.24	100	Apr. 20, 1937	120
H-6202	Lackawanna, N. Y.: Baker Homes.	White	86,519	98,882	73,825	276	1,126	1,094	1,597,815	5.29	1	Sept. 9, 1938	
H-5103	Lexington, Ky.:												
	Blue Grass Park	do	81,000	78,854	68,001	144	500	500	1,689,347	6.64	83	Sept. 15, 1937	
	Aspendale	Colored				142	447	450		6.75		do	
	Louisville, Ky.:												
H-2502	La Salle Place	White	20,445	67,900	65,000	210	797	800	1,278,114	6.15	84	Nov. 15, 1937	
H-2503	College Court	Colored	43,955	75,093	66,750	125	407	410	745,228	6.80	75	Nov. 1, 1937	
	Memphis, Tenn.:												
H-3401	Dixie Homes	do	263,200	492,708	471,006	633	2,004	2,005	3,390,463	6.51	66	Dec. 1, 1937	
H-3403	Lauderdale Courts	White	215,295	519,111	485,764	449	1,574	1,575	3,188,470	6.93	58	Nov. 1, 1937	
H-4602	Miami, Fla.: Liberty Square	Colored	3,510	12,000	12,000	243	860	860	930,475	[1] 4.99	100	Nov. 30, 1936	232
H-1502	Milwaukee, Wis.: Parklawn	White	60,650	96,440	89,400	518	2,018	2,020	2,508,146	[1] 5.38	100	July 27, 1937	391
H-4201	Minneapolis, Minn.: Sumner Field Holmes.	White and colored.	634,890	757,926	729,529	464	1,708	1,725	3,631,845	7.09	1	Aug. 23, 1938	
	Montgomery, Ala.:												
H-2201	Riverside Heights	White	7,000	21,550	19,000	100	324	330	411,000	[1] 5.50	100	Oct. 23, 1936	56
H-2202	Wm. B. Paterson Courts	Colored	9,450	47,850	43,490	156	524	525	491,001	[1] 3.97	100	Nov. 10, 1936	106
	Nashville, Tenn.:												
H-2101	Cheatham Place	White	101,300	263,538	233,290	314	1,045	1,045	1,980,301	6.72	73	Dec. 1, 1937	
H-2102	Andrew Jackson Courts	Colored	84,780	199,189	190,251	398	1,261	1,265	1,899,285	5.90	19	Apr. 7, 1938	
	New York, N. Y.:												
H-1301	Williamsburg Houses	White	3,381,100	3,885,916	3,872,522	1,622	5,688	5,151	13,429,564	7.39	79	Sept. 15, 1937	
H-1302	Harlem River Houses	Colored	1,030,000	1,040,000	1,118,940	574	1,940	1,940	4,193,633	[1] 7.10	95	Aug. 16, 1937	
H-8101	Oklahoma City, Okla.: Will Rogers Courts.	White	5,865	128,240	109,920	354	1,232	1,255	2,007,167	[1] 5.38	95	Aug. 20, 1937	
H-2001	Omaha, Nebr.: Logan Fontenelle Homes.	White and colored.	138,195	252,524	221,285	284	1,114	1,120	1,858,977	6.23	33	Nov. 17, 1937	
H-3001-C	Philadelphia, Pa.: Hill Creek	White	144,000	151,150	100,000	258	999	1,000	2,025,544	7.03	80	Nov. 6, 1937	
	Puerto Rico:												
H-3600-C-A	Caguas: Caserio La Granja.	Native	(2)	(2)	(2)	75	269	275	240,255	1.99	98	Aug. 1, 1937	
H-3600-SJ-A	San Juan: Caserio Mirapalmeras.	do	(2)	(2)	(2)	131	533	535	411,001	2.10	100	Feb. 19, 1937	

[Footnotes at end of table]

Complete list and status of projects now under construction by Federal Emergency Administration of Public Works, Housing Division— Continued

Project no.	Location and name	Type tenancy	Assessed value of land before purchase	Appraised value of land before purchase	Actual land cost	Number of units	Number of rooms	Estimated number persons to be housed	Estimated or actual project cost	Estimated or actual rent per room per month	Construction complete (percent)	Estimated or actual completion date	Units leased
H-5801	Schenectady, N. Y.: Schonowee Village.	White	$183,810	$252,835	$246,050	219	717	720	$1,436,809	6.67	2	June 10, 1938	
H-9001	Stamford, Conn.: Fairfield Court.	do	42,490	67,160	65,900	146	499	500	867,283	[1] 5.82	98	Sept. 1, 1937	
H-2601	Toledo, Ohio: Brand Whitlock Homes.	Colored	221,860	348,276	331,678	264	907	910	1,906,290	6.82	50	Dec. 1, 1937	
H-4900-C-B	Virgin Islands: Christiansted: Bassin Triangle.	Native	(2)	2,500	2,000	30	54	55	55,500	[1] 2.40	100	June 30, 1937	
H-4900-F-A	Frederiksted: Marley Homes.	do	(2)	(2)	(2)	38	70	70	65,553	[1] 2.40	100	do	
H-4900-ST-A	St. Thomas: H. H. Berg Homes.	do	(2)	(2)	(2)	58	106	110	120,750	[1] 2.40	99	July 15, 1937	
H-1706-A	Washington, D. C.: Langston.	Colored	52,823	85,567	82,950	274	903	905	1,817,383	7.17	51	Dec. 1, 1937	
H-9001	Wayne, Pa.: Highland Homes.	do	15,900	48,912	46,650	50	168	170	342,229	7.46	76	Sept. 27, 1937	
	Total		14,588,126	20,713,712	19,683,243	21,775	76,317	75,704	132,259,668	[4]			

[1] Indicates amount is final. [2] Not assessed. [3] Land dedicated. [4] Average.

As I understand it, there were nine projects actually occupied as of August 10 with three due to open on August 16. I am told that one will open later in the month, making a total of 13 projects in operation as of August 30.

Projects that have been opened were filled to capacity as rapidly as tenants could qualify under the provisions of the George-Healey Act. Long waiting lists are in existence of applicants waiting for vacancies. Rents are set and total costs are known accurately. The rents include sufficient return to the Government on its 55 percent of the total cost plus interest, as fixed by the Administrator under the George-Healey Act; sufficient to pay all operating expenses, amortize all equipment, provide for all replacements, insure the entire property, or provide an amount for replacement in lieu of insurance; provides for all amounts necessary to operate the project on a thoroughly businesslike basis in accordance with the very best practices followed by the most conservative manager of private property.

The seemingly low rents are obtained by building well, so that the property may be amortized over a long period, such as 60 years. Cheap construction cost in the beginning means high maintenance and operating cost, rapid depreciation, large amounts for replacement, short amortization, and a resulting high rent. It has been conclusively proven that low rents may be obtained only by the very best construction from a technical point of view and from installation of only the best mechanical equipment and devices. To attempt to build in northern cities at $1,000 per room and then amortize the project over a period of 60 years, that low rents may result, is to perpetrate a fraud, as it cannot be done.

We have a low-cost housing project in my congressional district, in Buffalo, N. Y., and, while it has not been placed in operation as yet, applications from tenants are coming in so fast that it is difficult to handle them. When the announcement was made that applications would be received for the Harlem project in New York City, the Housing Division office was flooded with 12,000 applications within 10 days and no further applications could be accepted. There were only 574 apartments available.

Of the 51 projects undertaken by the Housing Division, 27 of them cleared away slums in spite of the fact that this agency of the Government had no authority to condemn land.

Rentals have been announced to date in 19 of the projects. Pursuant to the George-Healey Act, which Congress enacted last June, these projects may be operated on the basis of a grant of 45 percent of the capital cost; that is, 45 percent of the cost of the project may be written off. The rents must be at least sufficient to amortize the remaining 55 percent of the cost with interest at such rate as the Administrator determines, as well as to pay the operating costs, depreciation, and other annual charges. The average rents per room per month in these projects are as follows:

Project no.	Location	Name	Total number of rentable rooms	Room cost, excluding land	Base rent per room per month	Base rent per room per month under Wagner-Steagall bill [1]
H-1101	Atlanta, Ga	Techwood Homes	2,124	$1,027	$5.52	$3.68
H-1102	do	University Homes	2,343	961	5.11	3.47
H-5001	Atlantic City, N. J	Stanley S. Holmes Village	928	1,371	5.51	3.62
H-6703	Buffalo, N. Y	Kenfield	2,756	1,581	5.19	3.46
H-8901-B	Charleston, S. C	Meeting Street Manor (white) Cooper River Court (colored)	700	1,793	4.93	3.42
H-1001	Cleveland, Ohio	Cedar-Central Apartments	2,296	1,221	5.71	3.99
H-1002	do	Outhwaite Homes	2,166	1,265	4.78	3.60
H-5201	Columbia, S. C	University Terrace	415	1,508	4.73	4.37
H-7901-B	Dallas, Tex	Cedar Springs Place	598	1,615	6.34	4.43
H-1601	Indianapolis, Ind	Lockefield Garden Apartments	2,538	1,131	4.92	3.85
H-4702	Jacksonville, Fla	Durkeeville	701	1,301	4.24	2.98
H-4602	Miami, Fla	Liberty Square	860	1,096	4.99	3.35
H-1502	Milwaukee, Wis	Parklawn	2,018	1,197	5.38	3.54
H-2201	Montgomery, Ala	Riverside Heights	324	1,210	5.50	3.79
H-2202	do	Wm. B. Paterson Courts	524	872	3.97	2.59
H-1302	New York, N. Y	Harlem River Houses	1,940	1,577	7.10	5.29
H-8101	Oklahoma City, Okla	Will Rogers Courts	1,232	1,563	5.38	3.97
H-9601	Stamford, Conn	Fairfield Court	499	1,601	5.82	4.38
H-4900	Virgin Islands		230	983	2.40	
	Total		25,192			
	Weighted averages			1,290	5.32	3.81

[1] Figured at 3¼ percent interest return to Government on loan ($700,000,000); (going rate 2.75 percent plus one-half of 1 percent required in Walsh amendment to Senate bill). Annual subsidy contribution 3½ percent.

Estimated room cost

Project no. and location	Construction cost per room	Total cost per room	
		Excluding land	Including land
H-2902. Birmingham, Ala	$1,079	$1,300	$1,599
H-3302. Boston, Mass	1,360	1,534	1,670
H-8501. Cambridge, Mass	1,146	1,359	2,088
H-6902. Camden, N. J	1,409	1,666	1,702
H-1401. Chicago, Ill	1,430	1,715	2,261
H-1405. Chicago, Ill	1,291	1,534	1,627
H-1406. Chicago, Ill	1,383	1,621	1,806
H-1408. Chicago, Ill	1,450	1,659	1,701
H-1801. Cincinnati, Ohio	1,335	1,615	2,120
H-1003. Cleveland, Ohio	1,236	1,418	1,659
H-1201. Detroit, Mich	1,297	1,598	2,093
H-1205. Detroit, Mich	1,281	1,532	1,592
H-5401. Enid, Okla	1,261	1,695	1,878
H-3801. Evansville, Ind	988	1,334	1,632
H-6202. Lackawanna, N. Y	1,180	1,368	1,435
H-5103. Lexington, Ky	1,457	1,756	1,805
H-2502. Louisville, Ky	1,204	1,543	1,626
H-2503. Louisville, Ky	1,422	1,696	1,865
H-3401. Memphis, Tenn	1,227	1,406	1,712
H-3403. Memphis, Tenn	1,463	1,727	2,051
H-4201. Minneapolis, Minn	1,415	1,810	2,150
H-2101. Nashville, Tenn	1,397	1,691	1,920
H-2102. Nashville, Tenn	1,106	1,369	1,526
H-1301. New York, N. Y	1,492	1,686	2,380
H-2001. Omaha, Nebr	1,249	1,480	1,691
H-3001-C. Philadelphia, Pa	1,608	1,951	2,052
H-3600-C-A. Caguas, P. R	643	647	647
H-3600-SJ-A. San Juan, P. R	561	724	724
H-5801. Schenectady, N. Y	1,300	1,781	2,026
H-2601. Toledo, Ohio	1,474	1,749	2,132
H-1706-A. Washington, D. C	1,600	1,948	2,041
H-9001. Wayne, Pa	1,480	1,774	2,060
Average	1,338	1,587	1,884

Room and unit cost, and rents as of Aug. 9, 1937

ENTIRE PROGRAM

Total budgeted cost (51 projects) as of Aug. 9, 1937	$132,182,260.00
Total land and land-acquisition costs to Aug. 9, 1937	$22,457,346.00
Total budgeted cost (51 projects) less land	$109,724,914.00
Total number of units included in 51 projects, Aug. 9, 1937	21,775
Total number of rooms included in 51 projects, Aug. 9, 1937	76,317
Average number of rooms per unit, Aug. 9, 1937	3.504
Average cost per room (excluding land)	$1,437.75
Average cost per room (including land)	$1,732.01
Average cost per unit (excluding land)	$5,039.03
Average cost per unit (including land)	$6,070.36

COMPLETED PROJECTS [1]

Number of projects on which rents have been fixed by Administrator as of Aug. 9, 1937	19
Average base rent per room per month for these 19 projects	$5.32
Average cost per room (excluding land) on the above 19 projects	$1,290.00
Average cost per room (including land) on the above 19 projects	$1,477.00
Average cost per unit (excluding land) on the above 19 projects	$4,520.00
Average cost per unit (including land) on the above 19 projects	$5,175.00
Average rent per room per month on the above 19 projects if computed in accordance with the proposed Wagner Housing bill	$3.81

[1] Contains projects which are completed and occupied and projects which have been sufficiently completed so that rents have been fixed.

Navy Shadow Boxing

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

Mr. DITTER. Mr. Speaker, the United States Navy commands the respect of the nations of the world. It is the first line of our national defense. It should enlist the support of every American citizen who is interested in the welfare of the Nation. To merit such support the Navy should adopt policies and pursue programs by which the taxpayers of the country would be prompted to accept willingly the financial burden for its construction, maintenance, and operation. Evidence of waste and extravagance necessarily invite opposition to this financial burden, the more so if suggestions to effect efficiencies and economies are met with gestures and shadow boxing, so palpably plain as to simulate the grotesqueness of a first-night amateur exhibition. The Navy has a duty to the taxpayers. That duty is to justify the expenditure of every dollar which it requests by appropriation from the Congress. Of necessity, this duty relates itself not only to the building of ships and the establishment of shore stations but much more so to the development and the maintenance of an efficient, enthusiastic, and inspired body of officers and men. That which contributes to such development and maintenance is commendable. That which mitigates or interferes with such development and maintenance should be rejected.

In all walks of life the possibility of advancement is looked upon as an incentive for good work. The most humble office boy pictures himself some day in the President's chair. American industrial life has been one continuing program of the realization of aspiring and ambitious young men who have been willing to pay the price for success. The same conditions apply in the Navy. The ensign, fresh from Annapolis, pictures himself in an admiral's uniform, while many of the most humble seamen dream dreams and see visions as commissioned officers. All of these men have the hope of making a career.

Graduation day at Annapolis is a festive occasion. It is a scene never to be forgotten. The climax of discarding the middies' caps as they toss them into the air is thrilling. Each of these young men has a right to expect that his success is dependent upon but one thing—himself.

The graduation-day address is always an important part of the exercise. It should be challenging and inspiring. The address this year represented careful thought and painstaking effort. A considerable portion of the address was a defense of the system of promotion prevailing in the Navy, known as the selection system. The system was characterized "as the best system we have yet devised. It is not in its final form." Imperfections in the system were admitted. The inference was plain that legislation would be suggested by which the imperfections could be corrected. The message went out not only to the middies but to the men of all ranks in the Navy that the storm of protest which had been raised against the operation of the selection system would be answered in a forthright manner by an equitable, just, impartial, workable bill to correct the evils. H. R. 7809, introduced by Mr. VINSON (Georgia), is the answer of the Navy to the men of all ranks, active and retired, whose complaint could not go unheeded and whose protests could not go unanswered. It might well be called a plea of confession and avoidance.

Before turning to an analysis of the bill itself it might be interesting to note the requirements which were held out in the graduation address this year as necessary for a successful career in the Navy. An examination of these qualifications is pertinent, because it has been repeatedly admitted that the present selection system is not intended as a means of charging inefficiencies or inabilities on the part of those men who have not been fortunate enough to be favored with promotion. On the other hand, it has been contended that the present selection system is a mathematical necessity and that many men—in fact, most of the men—who have not been promoted and have been passed over have the qualifications for promotion were the needs of the establishment such or the rules regulating promotions of such kind as to permit their advancement. In view of the qualifications held out to the graduates this year, it is reasonable to assume that those who have these qualifications can look for-

ward to the Navy as a career. I submit that with the present selection system and the modified suggestions of H. R. 7809, attached thereto, there is no assurance such as was given in the graduation address that "some day you will command the fleet." There are approximately 12 qualifications held out. They are: First, men who think; second, men who have courage; third, ability; fourth, willing; fifth, unafraid; sixth, men who can take blow for blow; seventh, men who find in honorable competition a stimulus and a challenge; eighth, men who are willing to keep their bodies fit; ninth, to arm their minds with knowledge; tenth, pursue their tasks with energy and decision; eleventh, meet their brother officers; and, twelfth, men with frankness, courage, and friendliness.

I pose the question, before passing on, whether those men who have been passed over by selection boards under the present operation of the system have failed to meet these qualifications. The bill introduced by Mr. VINSON of Georgia, and known as H. R. 7809, is known as a bill to promote the efficiency of the Navy by creating a transferred Regulars list, amending the laws relating to retirement and promotion, and for other purposes. The bill is generally looked upon as the joint effort of the chairman of the Naval Affairs Committee and the Department and held out as an alleviation of the evils which admittedly exist under the present law.

After a careful study I am convinced that the enactment of the bill would not promote the efficiency of the Navy but that it only would continue the waste of efficient manpower and constitute a further extravagant expenditure, neither of which can be justified. The far-reaching effects of the bill warrant a careful consideration and an analysis of its provisions.

Section 1 cites this act as the Naval Personnel Act, 1937. To begin with, in my judgment, Mr. Speaker, we have had entirely too many naval personnel acts. Many of them have been the result of snap judgment. Many of them, I believe, have been ill-conceived. As a whole, they constitute a series of piecemeal bits of legislation by which an attempt is made to govern the tremendous problem of Navy personnel. What is needed is well-thought-out, fair, and impartial legislation to which there will be directed the deliberative judgment of those who can contribute to it and those who will sponsor it.

Instead of this hit-or-miss policy, this jigsaw-puzzle effort, this rather shot-in-the-dark method, there should be calm, careful, painstaking thought given to the whole personnel problem of the Navy. Just in passing, Mr. Speaker, may I make the pertinent observation that for some reason or other this latest device having to do with the life and death of the officers of the Navy exempts the Marine Corps and the Staff Corps of the Navy from its provisions? The reason for this exemption is unexplainable.

Section 2 of the proposed bill would bring into being what would be known as a transferred Regular list. This proposed list is one step removed from the present retired list. The proposition is to have a pausing place before actual retirement shall take place. There is little difference, except in name. The men who would be placed on the transferred Regulars' list would be the very same men who are now placed on the retired list, either immediately or, after a limited tenure, as additional numbers.

Section 3 of the bill, in general, deals with the retirement of officers from this proposed transferred Regulars list to the retired list. A close study of this section shows that when an officer would pass from the active list to the transferred Regulars' list he would remain on such list for a short time and then go to the retired list. While on the transferred Regulars' list he might be employed on active duty, but so may a retired officer be employed on active duty under present law.

When not employed on active duty the status of the transferred Regulars list officers would be identical with that of a retired officer except as to pay. In one particular detail this section proposes to change the status of officers now on active service—that of lieutenants who have been passed over. Under the existing law these nonselected officers remain on the active list of the Navy until they have completed 21 years' commissioner service, whereas under the proposed law it is provided that they immediately be placed on the transferred Regulars list and remain there until the completion of 21 years commissioned service, part of which may be inactive service. Where is the liberalization in this feature? There is none. In fact, it extends the evils of selection one more step. The Navy Department at present employs but a handful of retired officers on active duty, and since officers on the transferred Regulars list would be retired officers in all but name, it is doubtful if more than a handful of the transferred Regulars list would be employed on active duty, particularly of a desirable and responsible nature, such as would be assigned to officers not affected by selection. There is not a line in the proposed bill that makes active-duty employment mandatory. To sum up this section, just where does it improve the existing situation? It certainly does not do it by merely changing the name retired to transferred Regulars.

Section 4 defines certain terms used in the bill, sets out the periods of service at which time officers shall be considered for promotion to the next higher rank, and definitely provides that officers twice considered and failing of selection shall be eligible no longer for promotion on the active list but shall immediately be transferred to the transferred Regulars list, with the exception of junior grade lieutenants passed over twice, who shall be honorably discharged from the Navy with 2 years' pay. It makes no material change in existing law for officers of the higher ranks. It does definitely effect the status of lieutenants and lieutenants, junior grade. However, the glaring defects in the present system, which the new bill is intended to correct, are not remedied.

Section 5 is of no particular interest and merely reaffirms existing law as to service in grade to be eligible for promotion.

Mr. Speaker, I might well have characterized the first five sections as preambles or prologues to section 6, for in section 6 we find most of the meat of the bill. Section 6 represents the plan which has been evolved by the best minds of the Navy Department to correct the admitted imperfections of the existing selection system. Mark you, the imperfections of the existing system have been admitted by the Navy itself, some Navy men having complained about the imperfections and others excusing it. Section 6, in brief, provides that officers who in the opinion of a selection board "are fitted to assume the duties of the next higher grade" but who by reason of lack of vacancy cannot be promoted and retained in active service shall be transferred to this newly created transferred Regulars list in the next higher grade. At once my mind goes back to the graduation address where the promise was held out that "some day you will command the fleet", not by reason of lack of vacancies or the question of numbers or the opinion of a selection board.

Mr. Speaker, in my opinion, section 6 simply reaffirms the position of the Navy Department in the selection system as previously operated and which has caused such widespread complaint. It is the same principle as discharging a competent Assistant Attorney General because there is no vacancy for him at the time as an Attorney General, the same principle as defrocking a minister of the Gospel because there is no vacancy for him at the time as a bishop, the same principle as discharging a competent manager of a large organization because there is no vacancy for him at the time as president of the company. It simply means that numbers rather than efficiency should be the controlling factor. Will this new suggestion, I ask, Mr. Speaker, satisfy the complaints in the Navy itself? Will this suggestion in any way reestablish the morale which has been so seriously affected? Will this suggestion encourage the midshipmen to press forward in the hope that some day the admiral's flag, which they now hold in their dreams, will be unfurled at a masthead? Does the Navy as an entirety or even as a majority subscribe to this new system? Not if I can read the letters

that reach my desk from naval officers and their families; not if these letters mean what they say; not if the anonymous telephone communications can be relied upon. Dissatisfaction is now expressed not only on the old selection system but on the grotesqueness of the effort, as it has been characterized, to cure the evils. A salutary effect might result if the long-concealed and carefully guarded findings of the General Board on this subject were made known. There is a lurking suspicion in the minds of many men, whether well founded or not, that the General Board's report on the subject of the selection system, which has been withheld from publication, recommends a scrapping of the system.

The system of training officers at great expense to the taxpayers until they are admittedly competent and then retiring them on a retirement pay while Annapolis continues to run at full strength is difficult to justify before the bar of public opinion. And the Navy needs favorable public opinion if it is to continue to receive the generous appropriations which have been made during the past few years for its construction, operation, and maintenance. The bar of public opinion asks the question, Why are efficient, competent officers discarded while in the prime of life? The bar of public opinion asks why large numbers should be admitted to Annapolis when the only excuse for their commissioning can be to take the place of officers involuntarily retired. The bar of public opinion asks why the Navy cannot estimate its officer needs or devise some method so as to make unnecessary the wholesale slaughter of highly trained, technically equipped, thoroughly specialized public defenders; but primarily, the bar of public opinion asks the question, Why jeopardize the morale of the Navy by persistently hanging on to a system of imperfections? Mr. Speaker, the bar of public opinion knows that battles are won by men not by ships, and that men develop in courage, initiative, and daring where the urge and incentive of ability is dynamic. The deadening lethargy of even the suggested improved selection system is self-evident.

A further study of the provisions of section 6, giving possible advancement to the next higher grade of officers "fitted for promotion" discloses the fact that such officers nominated for this advancement must take the same physical and professional examination as those "fitted officers" promoted on the active list. Then these officers may be employed by the Navy Department. Shall we call this a condescension? Mark you, Mr. Speaker, there is no legal guaranty of employment of these officers on the transferred Regulars list, but their employment is made dependent upon the whim or favor or caprice of those in power at the time in the Naval Establishment. Is it probable that this spirit of dependence will appeal to a real fighting man?

Section 7 of the proposed bill makes all original appointments as commissioned officers, including chaplains, medical officers, supply officers, and marine officers revocable for 7 years. It is the only provision in the entire bill which does not deal exclusively with line officers. If the power thus given to the Navy Department is sparingly and justly used to eliminate only those officers who early in their careers manifestly show themselves unfitted for Navy careers there could be no legitimate opposition to it. Without any safeguard, however, in this section to protect the interests of young officers against the exercise of dictatorial power, attention should be directed to it so that it can be seriously considered. Personally, I doubt whether I could endorse this provision. It vests vast powers in the hands of a few. Would it not be more in keeping with the American way to provide that these young officers should have their day in court? I find it most difficult to subscribe to any proposal which makes the Navy Department judge and jury over an officer's career and livelihood without any available appeal from possible prejudice or discrimination.

Some observation should be made on the creation of the new status known as a transferred Regulars list. As I see it, its practical effect will be to promote some line officers one grade when they are placed on the retired list. Someone has said that this is a sop to quiet complaints. It could certainly be construed as a gesture on the part of the Department as an effort to increase by one grade the retired pay of those involuntarily detached from the service, and by this method lessen the resentment of the officers affected. I do not say this is the purpose, but if it is it can hardly be called a very dignified effort.

Section 8 provides for an increase in percentage of lieutenant commanders allowed from 15 to 18 percent and decreases the total percentage of officers in the grades of lieutenants, junior grade, and ensign from 42 percent to 39 percent. In other words, it would allow more lieutenants to be selected for the grade of lieutenant commander by future selection boards. This a rather sorry admission on the part of the establishment that apparently competent naval officers have been passed over in the past. It is undoubtedly an effort to make the questioned necessity of selections in that particular grade more palatable to the Service. I ask the question, If this feature is to be adopted, should it not be made retroactive and a certain percentage from each group of officers previously passed over by each selection board be given a chance to be included with the increased percentage allowed? Many of these passed-over men are still in the Service. If it be just to have 3 percent more, why should not justice be done to those who have been passed over and bring them in?

Section 9 reiterates that the provisions of this proposed bill shall not apply to officers of the Marine Corps, except as to the provisions contained in section 7, while section 10 is the repealer section of the bill.

Mr. Speaker, I have tried to give the bill impartial, thoughtful, deliberative study. I have tried to look at it in a light most favorable to the proponents. I approached it with the hope that I might support it. The promises which were held out that corrections would be made were, no doubt, the inducements which prompted many to approach it with anticipation. Mr. Speaker, I am sorry to have to admit my disappointment. Probably the high hopes which I held for an honest, forthright endeavor makes my disappointment all the greater. Mr. Speaker, I have carefully studied this bill, section by section, in an effort to find wherein it would improve the existing selection system. I find nothing constructive in the bill. I am forced to admit that it appeals to me as an attempt on the part of the Navy Department to cover up by involved phraseology and the intricacies of procedure the defects and admitted shortcomings of the present system. I therefore must oppose the bill. I plead with the Naval Establishment for support of a resolution by which the operation of the selection system will be held in abeyance until June 1938, in order that time may be available for a study of the entire personnel question.

Mr. Speaker, this plea is not made for any whom I personally represent. This plea is not made for selfish interests. This plea to hold in abeyance is made on behalf of admittedly competent, capable, trained, and efficient officers of the United States Navy who have been dignified by granting to them a commission, who have been honored by being called upon to render arduous, and at times hazardous, duty. This plea is made on behalf of those who cannot speak for themselves. This plea is made on behalf of those who entered the service, who dreamed dreams and saw visions of the day when they would go into a superior officer's quarters as their own. This plea is made on behalf of men who hoped to give their lives in the service of their country, and who, through no fault of their own, are being denied this privilege. Again, I plead with the Navy for its endorsement and support of a measure which will hold back for the time being the injustices of selection-board activities. Let us courageously face this issue, freeze the selection system for a year, and resolutely set our faces toward meeting the problem by deliberative consideration during the coming session.

Mexico Versus Liberty

EXTENSION OF REMARKS

OF

HON. JOHN P. HIGGINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. HIGGINS. Mr. Speaker, exactly 2 years ago, I had the honor, as chairman of the voluntary committee whose object it was to secure recognition of fundamental human rights in Mexico, to wait upon the President of the United States, the Honorable Franklin D. Roosevelt, at the White House in Washington, together with 21 distinguished Members of the House of Representatives, representing both major political parties as well as every religious creed, with the purpose of submitting to the Chief Executive of our Nation a petition signed by 251 Members of the Congress of the United States.

In the text of this petition, attention was called to the fact that there were 14 States in the Republic of Mexico where it was impossible for American citizens, resident in or traveling through Mexico, to participate in divine worship due to the fact that no minister of religion, be he Protestant, Catholic, or Jew, was there permitted to exercise his sacred functions. The Honorable Franklin D. Roosevelt, President of the United States, on this occasion issued a public statement to the press declaring his entire sympathy with the prime purposes of the work of this committee of the House of Representatives. The statement read by the chairman of the committee was received by the President with great cordiality. Indeed, it was the impression of the 22 Members of the House who were present at the White House, that effective means would speedily be taken to secure for American citizens the right to worship God in Mexico according to the dictates of their individual consciences.

SPEECHES OF THE PRESIDENT

In the 2 years which have elapsed since this meeting at the White House, the Chief Executive has often enough, in his public addresses, paid due honor to the ideals of civic and religious liberty upon which this Republic is founded. As a rule, these utterances have been couched in general terms although numerous commentators have from time to time interpreted these speeches as a rebuke to the dictatorial spirit of general intolerance or irreligion which reigns in certain parts of the globe. As to an effective, practical, permanent remedy of the situation nearest to home, namely, within the Republic of Mexico, relatively little has been accomplished either to determine the facilities for divine worship which are available for American citizens throughout the length and breadth of Mexico nor with regard to the equally precious and important guarantees of human liberty for Mexican nationals themselves.

SOME IMPROVEMENT IS NOTICEABLE

I am not unaware, Mr. Speaker, that certain modifications in the application of the laws against religion have been effected within the last few months. Indeed, it is only a duty to call attention to the fact that the great American press services have lavished far more space and publicity upon these minor alleviations of suffering and altogether inconsiderable relaxations of fundamentally unjust legislation than they ever employed in relating the truly newsworthy events which attended the persecution of Mormons, Mennonites, Jews, Methodists, Presbyterians, and Catholic Christians within the Republic of Mexico. Is it not an astonishing paradox, Mr. Speaker, that the international news correspondents neglect such glaring injustices that have been day after day perpetrated over a period of 20 years in Mexico and then the moment that some trivial concessions are made to those who believe in the existence of God are quick to transmit this intelligence in the most detailed form to the American public. Reading the outstanding metropolitan journals for the past 6 months, you would imagine that some tremendous transformation has been effected in the policy of President Lazaro Cardenas with reference to the noble ideal of religious freedom.

As a matter of fact, Mr. Speaker, the first mitigation in the rigor of the anti-God legislation which is verifiable was brought about by no sudden conversion of heart on the part of President Cardenas or of his provincial governors, but by reason of the unconquerable faith and courage of the Mexican people themselves. What was it that touched the spark of a religious revival in Mexico and renewed the determination of the Mexican people not to be deprived of the estimable blessing of their faith? The answer, Mr. Speaker, is not far to seek.

In the course of the last winter, a fervent young Mexican girl of 14 years of age, Leonore Sanchez by name, was murdered in cold blood by the atheistic Socialists of her native town for no other offense than that she chose to assist at divine worship. This girl's townspeople, infuriated by the wanton disregard for life and liberty, rose up as one man and demanded that the churches be reopened for the purpose of allowing all to worship God. In certain isolated sections of the Republic other groups of the faithful renewed their petitions to Government officials and, in a number of cases, success greeted these efforts. In the State of Sonora, for example, on June 1, 1937, long-silenced church bells rang out calling upon the people to attend the first legal services in more than 3 years. A continuous procession filed into the places of worship, padlocked in September 1934, and knelt at altars to say prayers they had dared repeat only in the privacy of their homes since the church ban was invoked. Black-shawled women predominated in the procession, but it included barefoot children, businessmen, and laborers who filled the small churches. Some knelt in the streets. Many of the children entered a church for the first time. It was a day of quiet rejoicing as the priests in 16 Sonora cities established their birth in Mexico and received the keys to their property.

Reopening of churches through cooperation of the State and Federal Governments brought to an end the demonstration which started here during recent weeks after 5,000 citizens had paraded the downtown district. Two hundred worshipers forced open the door to the church and took possession. Some remained, eating and sleeping there, until official sanction of the opening was obtained. These were hailed as religious heroes today and credited with bringing about the reopening of all churches in the State. The Reverend Salvador Sandoval, the local pastor, complied with the law by registering with Mayor Manuel Aguirre. He presided over the first public Mass today. All priests fled from Sonora when the churches were ordered closed, most of them taking refuge in Arizona. They returned to their posts a few weeks ago when Gov. Roman Yocupicio permitted reopening of the cathedral at Hermosillo. Some Mexicans living near the United States border came across to attend church services in Arizona, where their children were baptized during the public worship ban in Sonora. For those who lived in the interior today's services were the first in public since the ban was invoked. Even homes could be confiscated if church services were known to have been held in them while the edict was in effect. Governor Yocupicio, who championed religious liberty during the long fight between the church and State, received credit for reopening the Sonora churches.

LABOR CLAIMS FREEDOM OF WORSHIP

In the meantime, Catholic laborers belonging to various organizations, have circulated typed handbills calling upon their comrades to demand liberty of conscience—

Comrades—

The appeal read—

the hour has come for us to awake and throw off the yoke of our servitude. Take account of the fact that the union to which we

belong has no right to violate our liberty of conscience. Do not let our leaders, abusing the confidence that we have placed in them, betray our most sacred rights, putting into effect determinations that have not been agreed upon with the full approbation of assemblies, such as has been done by certain committees in the region of Orizaba, sending telegrams attacking Catholics to the principal authorities of the State of Vera Cruz and of the Republic. The hour has come for us to demonstrate our sovereignty in the assemblies defending our faith, our God, and our churches, forcing our leaders to respect our beliefs. In this way the Governor of the State and the President of the Republic, who have been surprised by three or four elements contrary to our doctrine, will see that the only bond of strong, great, and sacred union is that of religion. Let us not be affrighted by the threats of our leaders, but recognize that in union there is strength and we will triumph. Let us be valiant in defending our religious doctrine with enthusiasm and with optimism, and let us be vigilant regarding the activities of our leaders so that they cannot ridicule our confidence. Let us keep before us that our syndicates are solely for the purpose of struggling for the betterment of the worker, and never for the purpose of determining our religion which is the one that struggles to maintain peace among all social classes and whose only Socialist doctrine was derived from the Divine Rabbi of Galilee when He pronounced these consoling words, "Love one another" and "Render therefore to Caesar the things that are Caesar's; and to God, the things that are God's."

In the State of Vera Cruz, and particularly in the towns of Orizaba, Cordoba, Jalapa, and Vera Cruz, circulars have been distributed denouncing the Masons, Jews, Communists, and the teachers in the official schools as the "assassins of liberty" and the ones who are hindering the Government in its efforts to settle the religious conflict. One circular declares that the Government is deceiving the Catholic population of Vera Cruz in recommending that the people remain calm, patient, and tranquil, while the Government itself does nothing to settle matters. "For 6 years we have been hoping", the circular reads, "and we have always been tricked. The Government is nothing more than the servitor of the people and has to act according to the will of the people, since the people are the ones who pay. Let all who pay command."

GRAFT AND CORRUPTION AMONG MEXICAN LEADERS

The Catholic laborers of Mexico are particularly incensed against the communistic leader, Lombardo Toledano. This is the gentleman who organizes strikes for labor reform and is usually willing to settle these same strikes for an insignificant personal loan of $50,000. I mention this, Mr. Speaker, because a good many of our sincere American laborers are inclined to condone religious persecution in Mexico in the belief that the Cardenas government is assisting to uplift the peasants and the workers. In this connection, it may be well to record that Senor Dolmazo Cardenas, the brother of the President, has become one of the richest men in Mexico.

It is notorious in Mexico that road building, which is always done by politicians, has become so expensive that there are certain sections of roads which could not have cost more if they had been made out of silver and still they are not finished. Such, for example, the Guadalajara Chapala Road. And it is a perfect shame that, whereas the budget voted for public health is enormous, the health of the Indians in the valley of Mexico should still be so poor. Malaria, consumption, and syphilis are written widely across their faces, whilst the politicians' paunch and pocketbooks grow bigger and bigger. And so behind the smoke screen of social reform and democratic concern for the public weal, Mexican graft grows and grows like a portentous octopus strangling all the national resources. Mexican graft is one of the seven marvels of the world.

SCHOOLS THAT KILL THE SOUL

It should also be noticed that the educational show places of Mexico City, the capital, are not a true index of the public-school system of the Republic of Mexico. The institutions of learning in the capital are just so much window dressing for the benefit of tourists and spoon-fed visitors, who are told how progressive and liberal the Government is which looks after the teeth of its children while it blasts their souls with the most radical forms of communism. Unfortunately, quite a number of American tourists are satisfied if they are told that Mexican children are using a tooth brush and are not interested with such trifles as communistic catechisms. But the harm which is being done to Mexico by these schools is so great that it makes the bloody persecution of the Calles regime look like child's play.

There is, also, the juridical Mexico, whose brutal antihuman laws have not been revoked. It is still law in Mexico that if a private house is used for religious instruction, that house becomes state property. The laws are still there which limit the number of priests to a perfectly ridiculous minimum. It is perfectly true that the Cardenas government winks an eye at the infractions against the religious prohibition laws. It cannot be denied that in the larger cities many churches have been opened and that hundreds of unlicensed priests are saying Mass and preaching. It is also true that a number of Catholic colleges are being tolerated. But all this, at what price. The Government inspectors go around once a month and threaten to denounce everything if a little loan is not made to them. Of course, they get their little friendly loan. About 6 weeks ago the author of this article, James Stacpole, happened to be sitting in the office of a big Catholic college, talking to the director. Suddenly the phone rang and the director was informed the Government inspector was there. He went down to see him and on coming back he said casually, "It's just a little loan of 25 pesos. The inspector got drunk last night and has run short of money. He blackmails me that way two or three times a month. And if I don't give him money, he makes lots of trouble."

Naturally the same kind of racket is extensively used against priests who say Mass or hear confessions without license. One sees why the religious persecution does not cease. In other words, Catholic life is being kept up in Mexico on a system of gigantic blackmail and graft, whose proportions surpass anything the normal person could ever imagine. Meanwhile, the abominable laws are still there, hanging like the sword of Damocles over the heads of the unfortunate victims. Just a nod of the head from the local satrap and all the hounds of bloody persecution can again be unleashed. Further, there is the Mexico of agrarian socialism, of large haciendas distributed recklessly to Indians who cannot and do not want to run them. These Indians, of course, are not given any property rights. Their holdings depend on their political behavior. In their case property is not a way to liberty but to slavery. The Indians know this so well that quite often they have only accepted the land holdings at the point of the gun.

The following example will illustrate what is taking place in Mexico. The Dutch bought the island of Manhattan from the Indians for the sum of $25. Let us imagine that Earl Browder and his party having come into power should indulge in the following form of reasoning. "The sale of Manhattan Island by the Indians to the Dutch was a swindle. The real owners, therefore, of the island are still the redskins. Let's expropriate the actual possessors and give back the land to its original owners." Imagine further that Earl Browder did actually manage to expropriate all the actual landholders of Manhattan and to put the Indians in their place. Can anyone visualize the paradise which would ensue? Now that is exactly what has happened to Mexico with the haciendas. There was plenty of Government land for the Indians. But the Government did not dream of giving the Indians that land. They took the well-cultivated haciendas of Mexico and distributed them among men who do not know how to run large haciendas and who further do not want to run them: First of all because they have no ambition and secondly because experience has taught them that they do not get that way as much security as when they go halves with the owners. The result is that agriculture in Mexico is absolutely ruined. The Indians cultivate small patches of ground and let the rest of the land lie fallow.

All this, naturally presupposes a huge deficit in the Mexican treasury. Other years that deficit was balanced by the silver and petroleum surplus. How long that can be kept up nobody knows. But one thing is certain, that the deficit this

year is going to be tremendous. The rent collector of a large town in Jalisco told the author only a few weeks ago that in his district, which used to collect some $400,000 per quarter, he had collected during the last 3 months the sum of $60. He had not been able to collect his own pay, not to speak of the pay of his subordinates.

MEXICAN PROPAGANDA IN THE U. S. A.

It is my conscientious obligation, Mr. Speaker, to call to your attention this scandalous situation because on May 8, 1937, Senor Gilberto Flores Munoz, member of the Mexican Chamber of Deputies and an active figure in the National Revolutionary Party, which dominates Mexican politics, declared in an interview that land distribution was the most important step yet taken toward the solution of his country's agrarian problem. If Deputy Munoz wishes to make mendatious propaganda when in the confines of his own country, I will not consider that I need call attention to his misrepresentations and falsehoods, but when he comes to the Capital of the United States and to other great cities in the United States spreading his unsubstantiated propaganda, I believe that, as a Member of the United States Congress, I cannot remain silent. Indeed, there is altogether too much lying Mexican propaganda now being circulated in the United States.

A few years ago, when a number of Members of the House of Representatives were vigorously denouncing the Mexican persecution, no spokesman for the Mexican Government would have had the audacity to conduct a campaign of propaganda on behalf of the socialistic policies of the Mexican Government before the tribunal of American public opinion, but now that relatively little has been placed on record by responsible American public officials within the past 24 months, we observe that the representatives of the National Revolutionary Party of Mexico are so bold as to penetrate our own great American Republic to disseminate their pernicious documents. As the climax of this audacious campaign, we may cite the statement of Senor Gilberto Flores Munoz made at a dinner at the Mexican Embassy in Washington. Senor Munoz boasted that "cordial relations between Mexico and the United States are at their highest peak in the history of the two Nations." Furthermore, with contemptible impudence, Senor Munoz likened the achievements and aims of President Roosevelt to those of President Cardenas, of Mexico.

DEFENSE OF PRESIDENT ROOSEVELT

It is my duty, Mr. Speaker, to rise to the defense of our Chief Executive and to place on record that, with respect to the very highest sentiments in life, President Roosevelt has often made it clear that religious liberty and divine faith are the very foundation stones of our Republic, whereas you will seek in vain for any, even the slightest, reference to God in a single speech, address, or state paper of President Lazaro Cardenas since he was elevated to the chief magistracy of the Republic of Mexico. In other words, President Roosevelt is radically different from President Cardenas in the chief tenant of his whole philosophy of existence. President Roosevelt recognizes the sacred majesty of God and seeks to promote the enrichment of the spiritual ideals of this Republic, whereas President Cardenas is laboring night and day in order to promote atheism and the complete annihilation of the historic spiritual tradition of Mexico.

Perhaps the contrast between the policies of the Government of Mexico and the Government of the United States may be made clear by the facts revealed by Dr. John A. O'Brien, chaplain of the Newman Club of the University of Illinois. Dr. O'Brien is my authority for the following details which attended the murder of the Reverend Pedro Maldonado, S. J., who was assaulted by an armed mob at Santa Isabel, near Chihuahua, Mexico.

Father Maldonado, exiled from Mexico in 1934, had found shelter in El Paso, Tex. He returned incognito to minister to his charges. From that time he celebrated Mass at night in ranch houses for many of the faithful who long had been without opportunity to attend the divine service. On Sundays he was accustomed to celebrate three Masses between midnight and dawn, traveling as a peasant from ranch to ranch to escape detection.

When the schoolhouse at Santa Isabel was burned, owing to the carelessness of the teachers who had neglected to put out a fire before leaving the building, the case was attributed to Father Maldonado and police sought him.

When he was captured a mob collected. The priest was struck over the head with the butts of guns and his skull fractured. Meanwhile, the teachers had admitted their fault.

When the priest's sister say her brother being beaten, she attempted to interfere, but was felled with a blow from a gun. As the priest lay on the ground several of the rural guards kicked him mercilessly.

At the funeral of the martyred priest, 20,000 persons walked behind the coffin.

So long as such things can happen upon this North American continent it is premature, nay, a mockery, to speak of an improvement in friendly relations between the God-fearing, liberty-loving people of the United States and the atheistic, persecutory government officials of Mexico.

DISTRIBUTION OF OTHER PEOPLE'S PROPERTY

Another factor, less important, in the development of cordial relationship between the United States and Mexico must be analyzed in the light of the wholesale confiscation of American property in Mexico.

The bulk of large American holdings of land near Mexicali, lower California, in which more than $10,000,000 in United States capital has been invested, is dividable immediately among Mexican peasants under the agrarian reform program, President Lazaro Cardenas ruled personally on April 29, 1937. The land is owned by the Colorado River Co. According to that company, in making the above ruling President Cardenas contravened an agreement between the Mexican Government and the company, made April 4, 1936, by which the company was to be permitted to sell its property to Mexican peasant colonizers at a fixed yearly rate. The company holds the contract has been more than kept on its side.

President Cardenas, in an official letter to certain objectors to division of the land among peasants, says the company must have known that a Government contract could not nullify the Mexican Agrarian Code under which the seizures are being and are to be made.

It is understood that the United States Embassy had backed the Colorado River Co.'s objection to this procedure. Since the first of this year Mexico has adopted legislation adversely affecting American oil companies here and raising general tariffs on the average 25 percent, chiefly affecting products of the United States.

President Cardenas' letter, addressed to Juan Buelna and Miguel Lucero, two objectors to the land-division program in the Mexicali Valley, was made public just the day before conversations between representatives of the Colorado River Co. and President Cardenas, which it is understood the United States Embassy has arranged for tomorrow. It sets forth the official program.

In addition to these large projected land seizures, which already are under way, there have been several instances recently of the Mexican Government's seizing lands after crops had been sowed by American owners. President Cardenas promised several months ago to recompense foreign owners for land taken, within the limits of Mexico's ability to pay, but since then no steps have been taken in this direction.

One of the world's most respected leaders, His Holiness, Pius XI, has also given us an important message on the subject of religious liberty in Mexico within the past year. On March 27, 1937, at the Vatican City, His Holiness, Pius XI, declared, "Unfortunately, the enemies of God and Christ have succeeded in winning over many of the lukewarm and timorous who, though adoring God in the intimacy of their consciences, nevertheless participate, either through a human

respect or for fear of earthly evils, in the de-Christianization of a people that owes its most beautiful glories to its religion."

IMPORTANT EDITORIAL IN THE NEW YORK TIMES

In the light of all these facts, is it surprising that a recent editorial in the New York Times should declare that "Progress in Mexico toward religious tolerance is at a snail's pace"? The interview reported a few weeks ago with Victor Fernandez Manero, Governor of the State of Tabasco, who declared that his "attitude is one of conciliation to the church", reveals, as have earlier conciliatory statements by other officials, including President Cardenas, that for millions of Mexican Catholics there is no religious freedom.

Governor Manero now permits the people of his State to "practice their religion privately." But he makes no commitments about permission for Mass or the other rites of the church. On the contrary, he announces that he has no intention at present to propose the repeal of that provision of the State constitution which permits only married priests to officiate. In other words, Catholics in Tabasco may have the services, if any, only of priests who have violated their oaths and broken the discipline of the church which requires them to be celibate.

That General Manero's statement can be called conciliatory suggests the extremity of the persecution to which the church had been subjected under his predecessor. In the State capital not one church remained. All had been destroyed, their brick used for paving of streets, and the site of three of them made into play fields. Rewards had been offered to informers who reported to the police individuals guilty of privately practicing their religion, and school children had been encouraged to pour oil on crucifixes before these were burned in public. Governor Manero's pledge "that there will be no more religious persecution" is welcome as a first small step—nothing more—toward religious peace.

And much the same judgment can fairly be passed on other concessions to Catholics in other Mexican States and in the Federal district. It marks an improvement for even a small proportion of the churches to be permitted to reopen. But permission for Masses and other church services is still exceptional. Only in the States of San Luis Potosi and Sonora and in Mexico City may Masses be celebrated in most of the churches. In the States of Chiapas and Chihuahua—until a few weeks ago, when the supreme court overruled the restriction—but one priest was permitted in each. The State of Campeche, like Tabasco, imposes the rule that priests must be married. In most of the other States, through the limitation on the number of priests to one for each 80,000 inhabitants, church services and sacramental rites are effectively denied to the people.

President Cardenas is believed by many of his friends in the United States to desire the establishment of religious tolerance in his country. Already he has used his great influence to check some of the worst abuses. Possibly he has moved as rapidly as political conditions permit; but certainly much more remains to be done before Mexican citizens will enjoy freedom of worship.

PRINCIPLE VERSUS TRIFLING CONCESSIONS

In other words, Mr. Speaker, the trifling concessions that have been made by President Lazaro Cardenas represent not so much a recognition of principle as a reluctant yielding to the overwhelming public sentiment of the Mexican people. We, in the United States, who love liberty and believe in God, should not be deceived by mere surface indications. The battle for religious liberty in Mexico has not been won. It has been scarcely inaugurated and an enormous amount of work remains to be done by true liberals and honest exponents of representative government. Otherwise, the most sacred rights of man and the family remain at the mercy and mere caprice and whim of a single individual, be he the President of the Republic or the Governor of the State. This is not liberty under the law. This is dictatorial rule at its worst.

THE SALIENT POINTS

We, in the United States, must keep three points in mind:

First. That so long as the Mexican constitution contains provisions that legalize persecution, injustice, and discrimination, there can be no reasonable grounds for even discussing the hope of a solution to the religious problem.

Second. Until the laws in the separate States arbitrarily limiting the number of priests have been withdrawn, little solace can be brought from the recent decision of the Supreme Court of Mexico which declared unconstitutional the law of the State which limited the number of priests to one. All that this decision stated was that the hundreds of thousands of people in that particular section of Mexico were entitled to more than one minister of religion. If the State law were to stipulate that the number of priests be limited to two, is it not clear that once more the people who believe in God in this State would be obliged to have recourse to protracted, expensive, heart-breaking litigation in order to secure a decision, if possible, from the supreme court that two is likewise an arbitrary and unreasonable number? Furthermore, everyone knows that the supreme court and other judicial bodies in Mexico are unduly subordinate to the control of the executive branch of the Government. Judicial independence in the true sense of the term does not exist there, and this is admitted by every legal scholar of reputation within and without Mexico.

Third. There will be no basis for a satisfactory compromise until parents have restored to them their God-given right to educate their children in schools of their own choosing. We make a great deal, and rightly so, Mr. Speaker, in this country of the right of laborers to join a union and elect labor officials which will embody their will and purposes. By a higher law, mothers and fathers of families have the right to withdraw their children from schools imbued with communistic philosophy and see to it that their offspring be granted a sound religious as well as secular education. The sovereign character of this right has more than once been upheld by the Supreme Court of the United States. In the case of Pierce against the Sisters, for example, the language of the Court has become classic: "The child is not the mere creature of the State. Those who nurture him and direct his destiny have the right, coupled with the high obligation, to recognize and prepare him for additional obligations." Until these inalienable human rights are restored to the people of Mexico it will be childish and absurd to speak of an amelioration of the distressing conditions which prevail there.

These three features of the Federal and State constitutions are of paramount importance. Our attention should be concentrated upon these features which are essential. As a consequence, we should resolutely refuse to be distracted by nonexistent and insignificant adjustments which mean no more than that the government of Cardenas and his associates continues to be guided by the dictates of opportunistic policies and not by the principles of the natural law.

THE SITUATION IS UNCHANGED

The situation, therefore, Mr. Speaker, in spite of 2 years of promises and palliatives, remains substantially unchanged. None of the facts which my colleagues and I brought forward in our speeches in the Seventy-fourth Congress have been denied or challenged. My record on the subject is clear and unmistakable. My advocacy of the traditional American policy is and will be unflinching. Until right and justice in this matter are afforded full recognition, my voice will continue to be heard in the Congress of the United States. I cannot be convicted of error and I will not be associated with a national policy of so-called neutrality and cowardly silence. Neither you nor I, Mr. Speaker, nor the world, can afford to ignore ethics; for law is the mother of civilization and ethics her sole defender.

Is Peace Up to Me?

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 13, 1937

RADIO ADDRESS OF HON. EDWARD L. O'NEILL, OF NEW JERSEY

Mr. LUDLOW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which was delivered over the radio recently by the gentleman from New Jersey [Mr. O'NEILL]:

Ladies and gentlemen, the Constitution of the United States gives to the Congress the power to declare war. If you feel that you should not have directly something to say on the proposition of declaring war, then you will answer the subject question of this discussion tonight, Is Peace Up to Me? in the negative. In the direct sense, under present constitutional provision, peace is not up to you, but to the Members of both Houses of the Congress, whom you elect. But in the indirect sense it is—in that no Congress of the people would declare war if it felt that the majority of the American people were opposed to war. On the basis of that conclusion let us agree tonight that peace is the responsibility of both of us. Let us agree also that by the word "peace" we mean the attitudes, determined by Congress, which reduce tensions in the world, which show this country's reliance on methods of peaceful change rather than change by force of arms, and which eliminate any threat or menace on our part toward any other nation.

In the present Congress there has been a great deal said on peace legislation. Most of it occurred during the debate on the Neutrality Act. Now, neutrality is always a big issue, though you probably read more about it when the question was before Congress. The Neutrality Act passed by this Congress is definitely a contribution toward the maintenance of the peaceful relations of this Nation with the other nations of the world, something of the good-neighbor policy, in fact, but there are many of us in Congress who feel that the act does not go far enough. Our neutrality law, for example, has no provision in it to stop in peacetime the sale of raw materials which can be used to fight a war. Under the provisions of the present act the President has the power to embargo certain things—that is, he may forbid the manufacturer or seller to ship these materials, but the nations needing these supplies and having the money to buy them and the ships to carry them in, may come here and obtain them. That is why the law is sometimes referred to as the cash-and-carry Neutrality Act. Now, that's a good thing for business. But it nevertheless creates a bad condition, for it means that a war boom, built on profits from goods warring nations are using, can sweep this country and give us a financial interest, one way or another, in a war. One of the chief reasons, in the opinion of many Americans, that our country got into the European war was financial interest. If we are to prevent a repetition of that experience, which cost this country nearly $50,000,000,000 and took the lives and health of thousands and thousands of our finest men, which disarranged our entire economic set-up and stimulated the boom-time prosperity that cracked up in 1929, bringing the depression down upon our heads—if we are going to prevent that, we need an amendment to our neutrality law to prevent a war-prosperity wave from engulfing our young manhood.

The present neutrality law does not prevent the sale of arms and munitions in times of peace to nations getting ready for war, and while it provides that arms and munitions shall not be sold on credit or be sent under protection of the American flag to nations engaged in war, civil or international, it isn't unreasonable to think that nations friendly to one or the other of the warring powers will secure them here and transship them to the belligerent they favor. Today our munitions manufacturers are selling guns, airplanes, and bullets to Germany, Italy, Japan, and China. During the first 6 months of this year such sales nearly doubled the sales of last year. We are virtually serving as an arsenal for the whole world. And if one day we have to defend our Nation against attack, our cities might be bombed and our men killed by bombs and bullets made in our own country.

If we mean our sentiment for peace and really oppose war and all it means in death and starvation and suffering, then how can we reconcile our good neighbor intentions with the picture of Uncle Sam passing out the weapons of war to all with the price to buy them? With some other Members of the House of Representatives who consider this a danger to peace—118 in all—I voted for the amendment to the Neutrality Act to stop the export in peacetime as well as in wartime of arms and ammunition to foreign nations. One hundred and eighteen were not a sufficient number to write the amendment into the law and we are still pressing for its adoption, but unless you men and women who listen tonight write to your Representatives and Senators it will never be written into the law. And here, directly, peace is up to you.

I used the phrase "good neighbor" a few minutes ago. What would constitute a nation a good neighbor? I think that the best definition I have heard of a good neighbor in this sense is that of Mr. Walter Karig, Washington correspondent for the Newark Evening News and author of the recent book, Asia's Good Neighbor. Mr. Karig says: "A good neighbor minds his own business first and shares his abundance of the good things. Let us always offer to work in harmony with all the nations but take no sides when disputes pass from discussion to combat. Let us invite trade agreements and apply to them the fair-play principles we strive to enforce in domestic commerce. We should deliberately put ourselves in the position of inability to attack anybody in commerce or in war but of ability to defend ourselves successfully from aggression in either." That's comprehensive, isn't it, and intelligent, too?

Many of those in Congress who have been working for the enactment of stronger neutrality laws couple with that effort their desire that the Congress define a national-defense policy. Most arguments I have heard in this connection are based on the premise that if we really desire peace we should not have a large department of defense. With this I do not agree. To excite interest in their proposition, the cost of the maintenance of our Army and Navy is placed before the taxpayers. It is pictured to be wasted money that should go into public works, or into relief, or not raised at all.

The amount appropriated by Congress this year for the Nation's defenses is the largest in the peacetime history of our country. And properly so. For nearly 5 years now others of the major nations have been rearming. Some of them are perilously close to war. Our great country, with all its resources and territories, is the envy of some of these nations. The form of government in some is distasteful to us and, while we may like diplomatic accomplishment, it doesn't hurt to have it well buttressed with the capability of self-defense. I believe in the simple rule that the best guaranty for peace is the best national defense in the world. Always a defensive force, just a little better than any nation's power of aggression.

Nor do I believe that the Members of Congress could establish a wise policy of national defense. Members of Congress come from every walk of life. They are lawyers, doctors, bankers, and businessmen, and few of them have had any experience in military affairs or policy. Responsibility for our policy of defense belongs to the men of the Army and Navy who have been trained for it and to it.

My mind recalls with some significance as I speak to you tonight that the first vote I cast upon coming to Congress was for the passage of the act specifically designed to prevent the shipment to certain arms to one of the two sides in the present Spanish conflict. No matter whether they are partial to the Loyalists or to the Rightists, I am sure that the people of the Eleventh New Jersey District, which I have the honor to represent, were satisfied with my action on that bill. The bill failed of enactment in sufficient time to be effective for the particular shipment involved but has restrained, at least to some extent, the continuation of the practice. Here were arms of war being shipped to one side in a civil conflict. Arms which have since destroyed many lives in Spain and which meant to America, the country from which they were sent, one single thing—a profit in money to one of its citizens.

Certainly you've heard the expression that if war breaks out somewhere on the globe we'll have prosperity again. Wheat and corn and cotton will go up. Our factories will be busy and there will be employment for everyone. Maybe so, but shouldn't we rather think that many men and women and children will give their lives in the conflict, wherever it may be?

The boys and girls who leave college this year and next year are the boys and girls who were literally born on the anvils of war 20 years ago. What thoughts and hopes their then young parents must have held. Now they are fine young men and young women, and if you think that you and they should have something to say about whether or not they should go to war, there is something that you can do about it, and that something is a letter—a letter from you to your Representative in Congress—asking him to support, in your name, the Ludlow war-referendum petition. The signatures of 218 Members are required to bring this resolution up for debate. One hundred and seventy-eight Representatives have signed the petition to bring before the House this resolution by Congressman LUDLOW, of Indiana. It will amend the Constitution to provide for a referendum by the people of the United States before the Congress may declare war, except in case of invasion. Don't you think that it is altogether reasonable? The causes of war are few—chiefly the desire of one nation to annex the territory or the possessions, economic or otherwise, of another.

Consider that no time would be lost. Through our present-day facility of transportation and communication arrangements for such a referendum can be made in the time of mere hours.

Treaties have so often become scraps of paper in the past that nothing, as I see the problem, can take the place of an adequate defense second to that of no other power in the world. In case some other world power should some day invade our shores Congress would have the power to make the war declaration. But

if we are going to have a war—a foreign war—simply because some American dollars are involved, you ought to have something to say about it because it will be you or your son or your brother who will fight that war.

So, if you will write to your Representative in Congress and ask him to sign Mr. LUDLOW's petition, if he has not already done so, you will be showing that you realize that peace is up to you and that you are doing your part about it.

Good night, and thank you for listening.

There Should Be an Investigation of the Radio Industry and the Communications Commission

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. BACON. Mr. Speaker, the district that I have the honor to represent is probably the most communications-minded congressional district in the country. It includes the counties of Nassau, Suffolk, and part of Queens. In Suffolk County, particularly, are located the great sending and receiving stations by which America keeps in contact over the radio, both through broadcasting, radiotelephony, and radiotelegraphy, with the rest of the world.

I have received a letter, which I will quote in full and include in my remarks, written by Mr. Paul Bailey, a constituent and distinguished editor of New York State and president of the committee for the protection of the public in communications. He calls attention to the fact that both in the Senate and in the House of Representatives there has been frequent criticism of the conditions that exist in the communications field, particularly in the matter of radio broadcasting.

With many others I have watched with keen interest and have supported the efforts of Congressman WIGGLESWORTH and lately of Congressman MCFARLANE to bring about an investigation of this entire matter and find out what truth there is in the charges that monopolistic practices are permitted by the Communications Commission and that favoritism has been shown in the granting of every valuable licenses. Only recently the Crosley Radio Co. has hired the press agent of the Democratic National Committee to handle its interests in Washington at a salary reported to be $25,000 a year. Did this radio want a friend at court to influence the decisions of the Communications Commission? A thorough Congressional investigation might develop some interesting facts.

In the Senate, through the efforts of Senator WHITE, the distinguished and able Senator from Maine, a resolution calling for an investigation of the radio industry and the Federal Communications Commission has finally been unanimously reported to the Senate and will undoubtedly pass. Thus, a real investigation is assured. The House of Representatives should have passed the resolution of Congressman WIGGLESWORTH long ago. The Democratic leadership, however, has refused to allow his resolution calling for an investigation to come up, and it still remains buried in committee.

Mr. Bailey is only one of many who have called my attention to the seriousness of this situation. His letter is as follows:

COMMITTEE FOR THE PROTECTION OF THE PUBLIC IN COMMUNICATIONS,
New York City.

EDITOR OF THE HERALD TRIBUNE:

Your editorial of last Sunday hits the nail on the head when it states that the Crosley Radio Co. hired the Democratic National Committee's press agent because it wanted a friend at court. Those who have given thought to the broadcasting situation in this country have felt that the great evil was the fact that the large broadcasting companies have too many friends at court, with the result that many monopolistic practices have sprung up that have practically nullified the law.

Senator WHITE's able speech and his resolution calling for an investigation of the radio industry and the Federal Communications Commission opened the eyes of many to the fact that apparently the big broadcasters control the Federal Communications Commission rather than the Commission controlling the industry.

Let me quote to you the statement of Representative MCFARLANE on the floor of the House (p. 9454, July 19, 1937):

"In order to promote science and to encourage inventors, we authorized the Federal Communications Commission to issue experimental licenses to radio stations. Several of these licenses have been issued, and I dare say that none of the holders of any of these licenses can show wherein any experiments worthy of the name have been carried on. There are several citations of such frauds which might be called to the attention of the House, but I will be content with directing your attention to what is naturally the most outstanding.

"A manufacturer in Cincinnati, Crosley by name, having a better knowledge of how to secure concessions apparently than some of his competitors, or because he was not directly tied to one of the two dominant radio monopolies, was permitted to obtain from the Federal Communications Commission an experimental license to use a total of some 500,000 watts power, the largest station in America. Nine-tenths of this power was experimental, so, therefore, I understand, he immediately raised the price of his radio advertising time some 50 percent and has continued to collect handsome commercial profits on the basis of experimentation for these 39 months.

"I wonder sometimes whether men secure such unusual concessions because of their innate ability or because they are good-looking or because they have ways of getting things done. Just why, I think it fair to ask, has this unusual concession been handed out and continued in the hands of one of the some 700 radio licensees?"

In the face of these authoritative statements, even if veiled with sarcasm, should there be any necessity for this particular broadcasting company to have any more "friends at court"?

Is it not high time that the people had a friend at this particular court?

PAUL BAILEY.

Nomination of Senator Black to Supreme Court

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, August 13 (legislative day of Monday, Aug. 9), 1937

EDITORIAL FROM PHILADELPHIA RECORD REGARDING THE NOMINATION OF HON. HUGO L. BLACK

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record praising the nomination of the Senator from Alabama [Mr. BLACK] to be an Associate Justice of the Supreme Court.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, Aug. 13, 1937]

A GREAT NOMINATION

The President has made a great nomination to the Supreme Court.

Senator HUGO L. BLACK, of Alabama, is an outstanding liberal, a man of wide knowledge and acute understanding.

He will make a splendid judge.

Senator BLACK is, in fact, the first nominee since Louis D. Brandeis and one of the few Supreme Court nominees in our history who does not come from the bench or the corporations but from an active career in public service.

When BLACK succeeded Oscar W. Underwood in 1926, a lawyer friendly to labor and the small farmer replaced a spokesman for the big planters.

BLACK's home town is Birmingham, an industrialized city, a bit of the industrial North transplanted to the agricultural South.

He clashed with the big Navy lobby in 1929. He dug out the yellow-dog contract decision that blocked confirmation of John J. Parker for the Supreme Court in 1931.

He fathered the 30-hour-week bill in 1933, and despite lack of administration support, put it through the Senate by a vote of 53–30 before it was sidetracked by the N. R. A.

He exposed the ocean and air subsidy scandals.

He uncovered the fake telegram campaign against the Utility Holding Company Act.

He put the spotlight on the Liberty League-Hearst-Crusader combination of Tory stooges and Facist termites working to undermine American democracy in the last campaign.

He has been more liberal than the White House on many issues.

He fought to replace pay-roll taxes in the administration's social-security bill with taxes on the higher incomes, inheritances, and excess profits.

"I want to impose the taxes", he said, "on those who have a surplus income over and above their consumptive needs. If we simply shift the burden from one group that has no excess to another, we don't increase the national purchasing power."

He is cosponsor of the new Federal minimum-wage and maximum-hour bill and he has not hesitated to meet southern objections head-on.

"These wages," he said, "make southern industry prosperous—for its owners. But the dividends go North."

He began the fight to curb judicial power in 1935 with a bill to speed appeals in injunction cases against the Government, a bill defeated by a promise of the Chief Justice to speed up such appeals voluntarily. That promise has not been kept.

He has been a strong supporter of the President's Court reform program and his comment on the A. A. A. decision was, "Five men now rule 120,000,000."

His fight against the Power Trust and for Government operation of Muscle Shoals began long before the New Deal.

He has demonstrated his courage. He attacked Heflin in 1928, and voted to seat BANKHEAD instead of the Alabama demagogue in a contested election. He blocked immediate consideration of two of the President's appointments to the Maritime Commission recently when they were charged with being antiunion.

Though BLACK'S name is sure to invoke protest from the Tories, they will find it hard to block his confirmation. He is a Senator. He is a southern Democrat. He is a small-town Baptist. He is no professor or brain truster. But a product of Main Street America.

Politically, the President has made a shrewd choice.

He has also made a wise one.

HUGO BLACK'S liberalism will wear well.

District of Columbia Should Charge For Excessive Use of Its Sewage-Disposal Plant

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. COLLINS. Mr. Speaker, recently I presented a bill (H. R. 8103) providing for a more equitable distribution of the expense of providing the District of Columbia with sewage facilities.

The theory underlying this bill is that there should be no discrimination because of the effect of regulations either in favor of or against users of the District sewage facilities. The broad theory upon which this bill rests is that payment should be made for the use of such facilities in proportion to use. The legislation authorizes the District Commissioners to take such steps as they may find necessary within their discretion to accomplish this end.

The theory that a municipality should be empowered to secure equitable distribution of the costs of such a utility as sewage service, without special privilege to any favored party or parties at the expense of others, through being authorized to charge for the privilege of discharging sewage into the municipal sewage system is not original with H. R. 8103. That bill only represents a belated recognition of that theory here—a recognition due in large measure at this particular time to the impending completion of the District's new sewage disposal plant which was made possible by a Public Works Administration allotment.

As this fine new plant goes into operation it is time for the District to protect itself. The District taxpayers are going to pay for the plant, and it seems to me that this large group of persons would not wish to be assessed for any special privilege or special use for the commercial benefit of favored parties. This theory has already been successfully adopted in Chicago, Detroit, Buffalo, New York, and many other municipalities and it is equally applicable to Washington.

I am informed that a mere hasty review of the enabling legislation which embraces the theories of H. R. 8103 reveals that 30 States have adopted legislation authorizing public bodies therein to charge for the privilege of discharging sewage into public sewage-disposal systems.

These States are: Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wyoming.

Furthermore, it should be noted that in most of these States the enabling legislation goes even further than H. R. 8103, for in many of these States the rates to be charged must be sufficient to retire the obligations issued to finance the cost of the sewage-disposal system or plant.

Wages and Hours

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. HOOK. Mr. Speaker, those of us who have stood as champions of the rights of labor in this Congress were rightly pleased that our President and leader placed before the Nation and particularly before the National Legislature for consideration a program to establish minimum wages and maximum hours. I, and many others of this Congress, cannot understand why a bill which received the approval of the United States Senate, after thorough and searching consideration of a very efficient and diligent committee of this House, should be refused a rule by the Rules Committee. The chairman of that Rules Committee [Mr. O'CONNOR of New York] very emphatically stated on the floor of this House that he was in favor of this bill. Has this Congress come to the point that a minority group can stifle legislation demanded by a majority? Have the principles of democracy that have always voiced the will of the majority been placed in jeopardy?

I listened to a very brilliant speech by the chairman of the Judiciary Committee on the Supreme Court bill. I was impressed with his oratory and his fine gentlemanly manner in presenting his statements. I did not then, and cannot now, agree with his actions and in furtherance of my argument along those lines may I say that we have been considering general farm legislation. Each and every person interested in farm legislation seems to agree that we must have the control element in any farm bill that will be workable but we are running up against the proposition that the Supreme Court in its short-sighted decision on the A. A. A. held that such legislation is unconstitutional. With that in mind I say that the President's program for reorganization of the judiciary should have been enacted into law. It is too late now to cry over spilled milk or to grieve over what might have been, but it is not too late for this Congress to declare that a constitutional amendment should be submitted declaring that labor and agriculture shall be considered a National as well as a State problem.

I want at this time to pay a compliment to the fearlessness and good judgment of the chairman of the Rules Committee in taking his determined stand in behalf of labor on the floor of this House, notwithstanding the slurring remarks that might have been made by a minority Member.

I know of no program of more vital importance to the future of our Nation and our democracy than the wage and hour bill. We are all happy, indeed, in this year 1937 to note the effects of the remedial measures enacted into law

by our Democratic administration during the past 4 years. The devastating effects of the depression were arrested and our productive machinery, idle during the years 1929–33, is again in motion. The skies have cleared and optimism has replaced the fatal despair of the days of Herbert Hoover. America is still the land of hope and promise, and the returning tide of prosperity and good times is washing away the misery and heartaches of depression days. Our optimism and our rejoicing, however, must not blind us, as our leaders were blinded in the 1920's to the grim realities of our economic life. Any number of well-meaning citizens in our Nation have already assumed that the mission of the Democratic Party for which we were put in power in 1932 has been accomplished. Already spokesmen have announced that normalcy has been achieved and that well enough should be let alone. We are counseled to disband the New Deal and cease further interference by Government of the affairs of our economic life.

But let us not be tempted by an unthinking optimism to disregard either the lessons of the 1920's or the economic facts of the present. The rising curve of industrial production is not the only statistic of importance to those who would really understand our problems. Factories belching smoke in their renewed activity is not the only item in the picture of our industrial world. We must not make the fatal error of assuming that increased industrial activity is a magic cure-all for what ailed America during 1929–33. We must not neglect to note that in spite of our returning prosperity we still face that biggest of all economic problems—unemployment.

It is true that production in many lines has reached again the peaks established in 1928–29; but it is true also that the line of unemployed is still greater than it was in those years of unsound prosperity. The simple truth of the matter is that we can produce more today with fewer men than we could in 1929—just as we produced more in 1929 with fewer men than we did in 1920. I do not mean simply that each man in industry is more productive today than he was in the past. That is, of course, true, but the problem is more subtle than this. The fact of significance to us is that since 1920, while the curve of production has been upward—except, of course, for the depression years—the absolute number of our employed has gone downward. Do not pass lightly over this fact.

Ever since the beginning of the industrial revolution a century and a half ago labor has been made more efficient by the introduction of labor-saving machinery and in our own time the introduction of the principle of mass production has accelerated the rising curve of efficiency. But mark this: Up to 1920, in spite of the fact that each laborer was more efficient, the total number of employed each year was larger than that of the preceding year. Those who were thrown out of work up to about 1920 by the introduction of machinery or new processes found employment either in new industries or in the expansion of older lines of work. This was true up to 1920 and every year prior to that date the total number of men employed in industry increased. About 1920, however, something happened, and, as I have said, while the curve of production continued upward the curve of employment began to move downward. In other words we have reached a point in our economic development where we find that those men who are thrown out of work because of labor-saving machinery are no longer absorbed by new industries or by expansion of old ones. The blotter industries which soaked up unemployment in the past failed us about 1920, and we faced for the first time in American history the problem of a permanent and growing body of unemployed.

I shall not take time to discuss the various reasons why the problem appeared in the 1920's rather than at another time. I am interested that you shall know that problem did appear then and that it has not been solved. We must recognize the fact that unemployment is not a temporary problem to be solved by the return of good times. Unemployment of at least 2,000,000 men was a feature of the prosperity of Coolidge and Hoover, and we all know that this fact, coupled with depression in agriculture, was a primary reason why that prosperity failed to continue.

America cannot exist as a democracy so long as any number of our workers are out of jobs or our farmers are not given fair treatment. No prosperity can be sound with millions of men out of work, and those who are happy in the thought of our recovery today will do well to consider the facts of unemployment today. At this point let me also venture my opinion that the unemployment census bill should be considered by this House at this time. Automobiles are being produced as never before. The steel mills are going full blast. All industries, except perhaps housing—and we should have a housing bill—is in full stride, and yet five or six or possibly more millions of our men are out of work.

What is to become of this body of workers? Shall we let them starve? Some people may imply as much even though they hardly use language as brutal as that. This is the position actually assumed by those who maintain that the unemployed could find work if they really wanted to. This group I dismiss as being ignorant of even the most elementary facts of our economic history. Others would have us resign ourselves to a permanent policy of work relief or perhaps the dole. Now, I admit there is a place for Government-financed work projects to ease seasonal or other temporary rises in unemployment. But it is not the way of America to meet the problem by attacking the symptoms rather than the causes. W. P. A. and work relief was and is necessary and proper as an emergency means of meeting the depression. As a permanent policy it would endanger the very spirit of free Americans.

There is a way of meeting the problem of unemployment. This is the policy proposed by our President and endorsed by all who have studied the problem from a viewpoint sympathetic to labor. It is the policy of a shorter workweek with wages maintained at an equitable scale and putting a stop to the speed-up system. The problem is not at all simple, let us not fool ourselves about that. It is not as simple as it sounds when one says that if fewer men can produce more, the thing to do is to shorten the hours of work and give more men jobs. Our industrial life is varied; the problems of one industry are not those of another. The problems of the same industry vary from section to section in this Nation.

I hear the wail and cry of the textile industries in the East and Northeast. I heard the representatives of the New England States discuss the fact that southern industries have coaxed the textile industry to the South because of cheap southern labor, and still I find that representatives of that textile industry are opposing the consideration of the wage and hour bill. If you are going to save your textile industry for the northeastern part of your country where they have been established for years, you must provide a minimum wage and a maximum hour that will apply to the South as well as to the North. Therefore, in order that the cold-blooded barons of industry will not move from section to section in order to exploit on human flesh and cheap labor, let us have this bill for wages that will be enough to give a man a fair living and, as I said, a beginning must be made. Certain of our industries, such as steel and textiles, coal mining, and others, are certainly stable enough to permit regulation. I realize as well as the next man that the mistakes of the N. R. A. must not be repeated. Caution must be exercised and flexibility in the program must be maintained.

Some of our publicists, such as Mark Sullivan, high priest of the temple of conservation, maintain that a program of maximum hours and minimum wages is nothing short of national suicide. As he sees it industry could not function under such regulation. Mr. Sullivan forgets that under the Interstate Commerce Commission, the Federal Trade Commission, and the Federal Communications Commission many of our major industries have been closely regulated

without failure. There will be, I admit, the loss of some freedom for corporate wealth, particularly the loss of its freedom to exploit American workers at will. I shall not grieve at that loss.

As I see it this is the most far-reaching proposal proposed by the Democratic Party in its endeavor to bring about a more equitable distribution of wealth and income and also to practically guarantee to men and women who establish their homes in a town or city because the location of an industry there; that the industry will not move to another place where they can exploit labor and thus create in the first city a ghost town. Our President has said we cannot continue in security with one-third of our population "ill-nourished, ill-clad, and ill-housed." American workers must be given jobs and given security in their employment at a decent standard of living.

I recognize the danger pointed out by many that minimum wages will tend to become maximum wages. This danger must be avoided at all costs and as I understand the bill as presented to the Rules Committee that has been avoided. The means of meeting the danger is to be found in the organization of the workers and the unionization of labor for collective bargaining. Minimum wages are necessary to prevent the sweatshop and to bring the chiselers into line. I am sure that organized labor in America will see to it that there is no depression of wages as a result of a minimum wage.

I shall vote for the maximum-hour and minimum-wage proposal, if we are truly a democratic government and not governed by minority.

Three years ago I made my campaign for Congress on this issue and I have fought for it at every stage of the game. In this proposal I see a continuation of that forward march of America toward the better things in life so well begun in 1933 under the leadership of Franklin D. Roosevelt and the New Deal. In spite of those who are still trying to exploit America we shall go on.

Fair and Sound Business Relations Between the Government and Reclamation Projects

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, in the debate on Senate bill 413 the opposition contended that it was simply another moratorium granted and that this was merely another commission of prejudiced men set up to favor reclamation projects as against the Federal Treasury. The contention is erroneous, for this commission made up of three men shall be impartial, neither favoring the Government nor the reclamation projects in regard to contracts and amount of leniency to be shown.

The gentleman from New York [Mr. TABER] insists that any man acquainted with irrigation farming must necessarily be prejudiced in favor of any and all irrigation projects and for that reason could not be a fair and impartial member of the proposed commission. I favored the amendment offered by the gentleman from Ohio [Mr. JENKINS] to provide that none of the commissioners shall have any financial interests in the project they are surveying and reporting upon. I do not agree at all with the gentleman from New York that it will be difficult or impossible to find three competent and able men for this commission who shall have an intimate knowledge of irrigation farming without at the same time having an interest in or predisposition toward any particular project.

In the Federal Reserve System we find no great difficulty in obtaining men on Federal Reserve boards who have an intimate knowledge of banking, plus banking experience, but who are not stockholders in any bank, nor financially interested in any bank. We are attempting to apply the same principle in the formation of this three-man commission as is applied in regard to the boards in control of Federal Reserve banks.

The gentleman from South Dakota [Mr. CASE] makes the interesting observation that this bill aims to put an end to indiscriminate and blanket moratoria. During the past few years of depression we have necessarily been forced to resort to financial relief for all classes of our people and all classes of business, including irrigation districts. Thank heavens, the time seems past when we must resort to such extensive relief measures. However, there are some projects not yet able to stand upon their own feet, while other projects are relatively prosperous and have the money on hand to pay their obligations to the Government and to the reclamation fund. This bill seeks to determine fairly those that might pay and those that are really not able to pay.

It is in the interest of irrigation in general that all projects able to meet their obligations should do so promptly. Only in this way can we quiet the objection heard that we are authorizing new reclamation projects at a time when old ones are unable to meet their payments. Again, it is in the interest of reclamation generally that all payments be promptly made in order that the reclamation fund will be duly replenished so that other worthy projects may be sponsored out of such moneys.

Tennessee Valley Authority

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Saturday, August 14 (legislative day of Monday, Aug. 9), 1937

RADIO ADDRESS BY HON. KENNETH MCKELLAR, OF TENNESSEE, ON AUGUST 13, 1937

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Senator KENNETH MCKELLAR, of Tennessee, on the 13th instant, on the subject of the Tennessee Valley Authority.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a difficult thing to say anything new about the Tennessee Valley Authority. So much has been written about the enterprise and so much has been spoken about the enterprise that I will be very lucky if I can say anything new.

In 1916, while a Member of the House, I introduced the first measure for the Government to develop Muscle Shoals by building a dam there. My bill lost in the House, but Senator E. D. SMITH, of South Carolina, revamped the bill and offered it in the Senate, and it became the law.

During the war, with Senator Oscar W. Underwood, I went up to the White House and earnestly sought President Wilson to select Muscle Shoals for the site of the dam authorized by the act of Congress of 1916. Afterward he did so, and the dam was begun but not completed during the war, or even during President Wilson's administration; and when the Republicans came in power in 1921, Senator Smoot, speaking for them, declined to permit an appropriation to complete the dam, saying it was throwing good money after bad.

Then Mr. Ford made his celebrated offer, and thereafter the Government completed the dam, in spite of Mr. Smoot's opposition.

Then came the power companies' efforts to obtain the dam. The Republicans virtually turned it over to the Alabama Power Co., and it was then that Senator NORRIS, long a strong advocate of Government ownership of power plants along navigable streams, became an earnest advocate of the Government operating the dams and distributing the power at cheap rates to the people. Next to

Senator NORRIS, I think I was the most active man in the Senate in favor of Government operations of the Muscle Shoals Dam.

And then came President Roosevelt. He not only joined Senator NORRIS and me and the others who had been making the fight through the long weary years but he went even further than we asked him and established the Tennessee Valley Authority, which was authorized and directed by the Congress to build dams all along the great Tennessee River for navigation, flood control, and for power purposes.

Three dams—the Wilson, the Wheeler, and the Norris—have been completed and are furnishing much power. It is estimated that with the contracts now on hand for these three dams, the gross income from the sale of such power at marvelously cheap rates will bring an income to the Government of over $4,000,000 per year. The Wilson Dam cost for power purposes about $47,000,000. The Wheeler Dam cost about $35,000,000 and the Norris Dam cost about $36,000,000. So that the result is that the Government is now obtaining on a $118,000,000 investment on these three dams an income of $4,000,000 yearly, but the Tennessee Valley Authority is doing more than this. These dams are multiple-purpose dams and serve to aid navigation and prevent floods, and the estimated income is purely from the sale of power.

It is building a dam at Pickwick Landing, near the line between Tennessee and Mississippi, which will cost about $33,000,000 and which is nearly two-thirds completed. It is building another dam on the Tennessee River at Guntersville, Ala., costing about the same amount, and which is about one-half completed. Another on the Tennessee River, near Chattanooga, which will cost about $40,000,000, and which is about one-half completed. Another on the Hiwassee River, near the Tennessee-North Carolina line, which will cost about $17,000,000.

The Authority is authorized and directed this year to begin building a dam near Gilbertsville, Ky., which will cost $112,000,000, and when these dams are completed they will furnish enough electricity to supply the whole Tennessee Valley area with cheap light and power.

In order to make the river navigable from Knoxville, Tenn., to its mouth, two small dams will have to be constructed, one at Coulters Landing and the other at Watts Bar, between Knoxville and Chattanooga.

There will be a number of dams to be built on important tributaries.

And thus it will be seen what a wonderful power development the Tennessee Valley Authority is. It will not only be a paying investment to the Government itself, but it will permit the people in the Tennessee Valley area, including Knoxville, Chattanooga, Atlanta, Birmingham, Memphis, Jackson, Miss., and Louisville, Ky., and all smaller places in that area to obtain electric light and power at probably less than one-third of the prices that they were formerly required to pay by the private power companies.

With the development thus far had, the price of electricity has gone down to at least one-half of what it formerly was in that area. It is one of the greatest developments ever made in this country, and all honor to President Roosevelt, who created the Tennessee Valley Authority and who has labored unceasingly for its development.

Not only this, but the Roosevelt administration has built dams all over the country. I give the names and locations of some of them:

STORAGE DAMS CONSTRUCTED UNDER RECLAMATION SERVICE SINCE MARCH 1933

Bonneville Dam, Wash., under construction.
Bartlett Dam, Ariz., under construction.
Parker Dam, Ariz.-Calif., under construction.
Taylor Park Dam, Colo., under construction.
Grassy Lake Dam, Wyo., under construction.
Island Park Dam, Mont., under construction.
Fresno Dam, Mont., under construction.
Rye Patch Dam, Nev., completed.
Anita Dam, Mont., under construction.
Boca Dam, Calif., under construction.
Alamogordo Dam, N. Mex., under construction.
Agency Valley Dam, Oreg., completed.
Caballo Dam, N. Mex., under construction.
Midview Dam, Utah, under construction.
Moon Lake Dam, under construction.
Pine View Dam, Utah, completed.
Grand Coulee Dam, Wash., under construction.

There were two other storage dams commenced under a prior administration prior to March 1933; these were the Boulder Dam, Ariz.-Nev., and the Hyrum Dam in Utah. The Boulder Dam was completed under the present administration.

Under the Reclamation Service there is being built the Imperial Dam, Ariz.-Calif.; the Cross Cut Dam in Idaho; and the Arroya Dam in New Mexico. The Frenchtown Dam has already been completed in Montana. These are diversion dams.

The Friant and Shasta Storage Dams in California, the Deer Creek Storage Dam in Utah, and the Roza Storage Dam in Washington have been authorized for construction, but work will not begin until surveys and reports have been made as to their feasibility.

Ultimate annual income to T. V. A. from industrial and special contracts signed to date—$3,560,000. This is more than half the estimated annual revenue to the Government from Boulder Dam. These special T. V. A. contracts are: Aluminum Co. of America, $1,500,000; Monsanto Chemical Co., $750,000; Arkansas Power & Light Co., $750,000; Victor Chemical Works, $500,000; and Volunteer Portland Cement Co., $60,000.

To date T. V. A. has expended about $150,000,000 out of total T. V. A. appropriations (including current fiscal year) of $191,000,000. Construction includes two completed dams—Norris and Wheeler; one nearly completed—Pickwick Landing; and three more begun—Chickamauga, Guntersville, and Hiwassee. Partial flood control in 1936 and 1937 is said to have saved Chattanooga $750,000 damage on both occasions, besides preventing flood at Cairo, where levees held by inches. Complete harnessing of Tennessee will cut as much as 2 feet from flood crest on lower Mississippi. To date T. V. A. power is distributed to 17 municipalities and 13 rural power cooperatives with some 25,000 customers in Alabama, Georgia, Mississippi, and Tennessee. The total would have been greater if it had not been for hamstringing litigation. The loss in T. V. A. revenue because of suits, etc., is estimated at $5,000,000, not counting loss to prospective customers in reduced bills and conveniences. The Gore injunction alone (in effect 10 months) cost T. V. A. well over $1,000,000.

Estimated T. V. A. revenue, all sources, fiscal year 1938, put at $4,600,000, as compared with $2,579,000 in 1937, and $2,114,000 in 1936.

T. V. A. power investment should not include nitrate plants at Muscle Shoals, which alone cost Government $80,000,000, and one of which (no. 2), besides being kept in stand-by condition for national-defense purposes, as required by act, is in part being used to make demonstration fertilizer (70,000 tons triple superphosphate) which is being tried out by State agricultural agencies on 25,000 valley farms and in 25 outside States. Wilson Dam cost $47,000,000 due to war-time conditions—high cost of materials and labor and because work on it was stopped numerous times. On basis of present replacement value T. V. A. values Wilson Dam at $33,000,000, of which amount about $22,000,000 is charged to power, $10,000,000 to navigation, and $1,500,000 to national defense. Thus T. V. A. has put Federal $127,000,000 war-time "white elephant" development at Muscle Shoals to work.

Total cost of harnessing Tennessee River for navigation and flood-control purposes, with incidental development of power as a means of reimbursing the Government on its investment, is estimated at $520,000,000. Largest item is for giant dam at Gilbertsville (authorized by current Congress session), which will alone cost $112,000,000, but takes care of the entire lower section of the river.

Sir Walter Raleigh's Lost Colony

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, August 14 (legislative day of Monday, Aug. 9), 1937

ARTICLE FROM THE CAROLINA CO-OPERATOR

Mr. REYNOLDS. Mr. President, out of order, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an article from the Carolina Co-operator, issue of August 1937, from the pen of Ben Dixon Mac Neill, entitled "The Lost Colony", relating to Roanoke Island's celebration of the three hundred and fiftieth anniversary of the landing there of the first settlers from the Old World of English-speaking people.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Carolina Co-operator for August 1937]

THE LOST COLONY

(By Ben Dixon MacNeill)

Out of a Harnett County cotton patch has come a miracle, a miracle of strange and eerie beauty, a miracle for whose story a new page must be turned in the history of the dramatic arts. The miracle is Paul Green's symphonic drama The Lost Colony, produced by Samuel Selden and performed three nights in the week through July and August in a spectacular setting on Roanoke Island in celebration of the three hundred and fiftieth anniversary of the founding of English-speaking civilization in America.

For his coming to Roanoke Island to make history, Paul Green has distinguished precedent. Much history has been made here. On Roanoke Island the first colonists settled and were swallowed up in mystery. Within sight of the theater where the symphonic drama is performed, and forming a part of the background, is the lighted shaft set high upon a dune to commemorate man's lifting of himself through the skies.

Much history has been made here, and after a while, when time has provided the essential perspective, Paul Green's contribution will in all likelihood take its place among the epochs which Dare County has, in 350 years, witnessed from a ringside seat. Paul Green has turned his back upon all the shibboleths of dramatic construction and has brought a new dimension to the art of the theater. He belongs now to the company of the pioneers who have trod these yellow sands in their history making.

HARNETT "RAISING" SHOWS

Turned though his back is upon the shibboleths of the drama, Paul Green has not turned his back upon the loamy furrows of Harnett County. Rather, he has brought his Harnett County background with him, woven it into the texture of his embodied dreams here. In our homely Cape Fear country phrase, he has not tried to get away from his raising. He has jubilantly brought it with him.

Offhand, I suppose, there would seem to be mighty little connection between a Harnett County cotton patch and a symphonic drama. The Lost Colony has nothing to do with cotton patches. It has to do, specifically and externally, with matters that happened on this island 350 years ago. It is, as its title indicates, the history of a colony that was set down here, and which after a while was swallowed up in tragic mystery.

But the Harnett County cotton patch is inextricably woven into the texture of Green's symphonic drama. Paul Green plowed in the Harnett field, plowed and dreamed. Dreamed as any whose soul has known the endless, lulling monotony of gray earth billowing over the end of a cotton sweep, purling ever so gently against the tender green of growing cotton stalks. Dreams differ, of course, as do dreamers, but none who has followed the unlighted furrow of our low country fields need be told that the plowman dreams.

THE DREAMS OF A PLOWBOY

It may be that the dreaming plowboy dreams only of next Saturday afternoon and surcease from plowing, and of the wispy lights of the evening in town among strange and new adventures. But the point is, they dream. It may be that their dreams have something of rebelliousness in them. There was rebellion in Paul Green's dreaming, not against necessity that made him a plowman, but against the fettering of the human spirit by circumstance and the ugliness that brings agony into this prison spread wide under open skies.

Afterward Paul Green took his dreams in his hands and carried them to where he could give them tongue. All that he dreamed there he brought with him. Some of them were not dreams but nightmares. Tragedy that wailed in midday sunlight and comedy that laughed with a catch in his voice. All these things Paul Green knew before he came away from his field to fashion for himself tools with which he could hew out a body for his dreams.

And with these tools the plowhand became a famous dramatist. With these tools and the experience the years have brought him in the use of them he has fashioned Lost Colony, he has wrought a miracle of sheer splendor. He is back to North Carolina, back to the Harnett County of his dreaming.

Lost Colony has nothing, externally, to do with Harnett County but strip it of its externals, and there is Harnett, or any other county that is peopled with people who have dreamed dreams.

Any of the neighbors of his youth would instantly know Old Tom in Lost Colony, with one hand burdened with somber tragedy and the other carrying an almost slapstick comedy. He is indigenous. He is a part of Paul Green himself. So also is John Borden a part of Green himself. From the moment the lights go up on the opening scene until at the last, when dark wilderness swallows up the lost colony, there are flashing scenes that will find echo in deep reaches of the consciousness of anybody whose feet have walked in the naked earth.

A GOOD SHOW

So wide is the sweep of the thing that Green has done on Roanoke Island that anybody will get lost in the mazes of it. But it is a good show. I have seen it entrance alike a sturdy and unimaginative plowboy from a C. C. C. camp and one of the most astute dramatic critics in America. Chance brought them together on the same bench in the amphitheater. More nearly than anything I have seen does it reach out and get hold upon any sort of spectator. It is not highbrow nor lowbrow; it is universal.

The thing has all that can be packed into an hour and 50 minutes. It contains something of pageantry, but much more. It has music and pantomime. It is done in prose of a sheer lyrical beauty, and comedy that is lustily earthy. It is done by a great company that includes competent professionals, many more amateurs from the Carolina playmakers, scores of islanders, and husky lads from the neighboring C. C. C. camp. It has a great pipe organ, a chorus from the Westminster choir school, and scenic and lighting effects that are dazzling.

Radio Speech, "Issues of Congress"—Gallup Poll Since Shows 63 Percent American People Want Congress to Stay on Job—"Unemployment Commission" Necessary

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1937

RADIO ADDRESS BY HON. MAURY MAVERICK, OF TEXAS, ON JULY 31, 1937

Mr. MAVERICK. Mr. Speaker, I recently visited in Philadelphia, and on Saturday, July 31, delivered a radio speech over KYW, the Red Network of the National Broadcasting Co. I expressed the idea that Congress should stay on the job and enact minimum wage, housing, court, tax loophole, and sugar bills, as announced in the press by the party leaders.

I was surprised at the great response. A few of the letters were the usually bitter, anti-New Deal, anti-Roosevelt, anti-Democratic letters, but the great majority expressed continued respect and confidence for the President and said that Congress ought to stay on the job.

On the following Sunday, August 8, the Gallup poll, or the American Institute of Public Opinion, showed that a substantial majority, or 63 percent, of the people want Congress to stay on the job. In the first letters that came to me many expressed disappointment on the fact that a farm bill had not been adopted and was not likely to come out this term. I am still getting mail, principally from the South and West, insisting a farm bill should be enacted.

My speech was as follows:

CONGRESS SHOULD NOT GO HOME

Friends and fellow Americans, everybody wants to know when Congress is going to leave for home and nobody knows the answer. Many thought we were about to leave without carrying out our program when just this week the President announced, with the Democratic leaders, that it's the intention to at least carry out a five-point program this term of Congress.

This program is to include the minimum wages, low-cost housing, reorganization of Federal courts, tax loophole, and sugar bills. Just a few hours ago the Senate overwhelmingly passed the minimum-wage bill, and now we—that is, the House of Representatives—will take up the bill. All this is very encouraging for many people had begun to say that this Congress might go down in history as the one that promised the most, and did the least, of any in the history of the Nation.

I say this because almost everything we have tried to do this year has been stymied one way or the other. It has been a curious psychological situation, for certainly, if I am any judge at all, the people are overwhelmingly for Roosevelt and want Democratic and New Deal legislation. That is in the face of the fact that we have adopted very little fundamental legislation this session.

CANCER BILL WHIZZES THROUGH IN A HURRY

So I am going to tell you about some legislation that whizzed through in a hurry—the National Cancer Institute bill. Cancer bills had been introduced just about 2 months before final adoption. Some Members of Congress made speeches over the broadcasting systems and thousands of thoughtful letters came pouring in to Congressmen urging passage.

Now, this bill was quickly enacted because the people wanted it, and because they understood it. It concerned science, knowledge, research, and the elimination of human misery.

But on other bills, many people have not understood them as well, because the issues have been confused; for instance, the reform of the judiciary. But judicial reform was necessary then, just as it still is—just as necessary as cancer reform, or the scientific progress and study of cancer; furthermore, there is no question in my mind but that the great majority of the people themselves understand this very plainly.

POLITICAL INSTITUTIONS ALWAYS LAG BEHIND KNOWLEDGE

Which brings us to the thought that our political institutions always lag behind science and knowledge. We should advance in

politics and political institutions just as in science; and the Supreme Court is a political institution just like Congress, the Presidency, or any division of the city, State, or National Government.

And, remember, this temporary blocking of court reform was through the same old voice that used the Supreme Court to nullify the first income-tax law, the child-labor law, and minimum wages for women—the same old voice that always tries to block the people who want their representatives to legislate in matters of taxation, commerce, and the general welfare. In fact, the Supreme Court was used as a blind to defeat legislation beneficial to the people and suggested by the President.

THE SAME OLD VOICE—BUT STAY ON THE JOB

Indeed, this same voice has always opposed any legislation which benefits the American people; the same voice that has attempted to defeat social security and old-age pensions; the right of the people to have guaranteed bank deposits, to regulate utility companies, to have decent housing, and to safeguard the natural resources of the Nation.

But for the time being, people are tired of hearing about the Supreme Court, and want to hear what is really going to happen in Washington. And I think it's the opinion of a majority of the American people that Congress should stay on the job until it has accomplished something. Or, to put it differently, at least to vote on all questions, so the people can decide how to vote on us at the next election.

FARM BILL NECESSARY TO CITY PEOPLE, TOO

Let us look into the practical angles of the national situation. A farm bill—not just for the farmers but for the stability of the Nation—ought to be adopted. Mind you, agricultural legislation is as important to city people as to farm people.

But the House Agriculture Committee very truthfully reports that several farm organizations were brought before the committee, and none of them could agree on a bill. At the same time we should consider the fact that prices might bolt downward, and since the Senate has passed the minimum-wage bill, it seems to me ought to pass a farm bill too.

Concerning the Black-Connery minimum-wages and maximum-hours bill, it is too complicated a subject to discuss at length—but there is tremendous pressure to get the Houses of Congress fighting each other and to drop the bill and adjourn. People who claim to favor the principle say the bill should be passed some day, but not now. Others say we should proceed very cautiously—that is, do nothing.

PRINCIPLE MINIMUM WAGES AND MAXIMUMS SHOULD BE ESTABLISHED

I think some of the fears about the Minimum Wage Act are fairly well founded—that is, these fears should be given every consideration. And you and I want the wage legislation to be a success. So the important thing is to establish the principle, and the general idea that our Nation should have minimum living standards, hence a reasonably high purchasing power, and therefore stability of business and the sale of farm products.

So let us be cautious, as suggested, in writing the bill—but not so cautious that we do not adopt any legislation. To get things started, let's have a minimum-wage bill, conservative and fair, but get it enacted now.

ENGLAND HAS BUILT HOMES WHILE AMERICA HAS TALKED

How about housing?

People have been talking housing for many years.

While we have been talking England has built millions of homes.

In the United States we have done practically nothing—even though building is absolutely vital and necessary, and although the revival of the building trades will put millions back to work. Certainly, then, before we leave this Congress we should enact a housing bill, and a good one—and here again I add, not just for those in the building trades but for human beings who must live in homes, and again for the benefit of business stability.

Then, you know, there is the matter of tax legislation. There was a lot of excitement about tax evaders a few weeks ago. That commotion has died down. But the necessity for closing tax loopholes has by no means died down, and certainly we should stay in Washington long enough to get a good, strong bill.

UNEMPLOYMENT—WE KNOW NOTHING ABOUT IT

Now, my fellow Americans, though you may be disappointed over our failure to enact much fundamental legislation so far this term, I have here a proposition we can put over this session. We have already put over the cancer bill, and we can put this over, too. It concerns the subject of unemployment, which we have by no means solved and about which we know practically nothing.

Although unemployment has been greatly reduced and although we have what is called "recovery", we still have eight or ten millions of unemployed, and still we do not have any plan, nor are we planning anything for the future.

THREE SUGGESTIONS—SPECIAL COMMITTEE, UNEMPLOYMENT COMMISSION, AND STANDING COMMITTEE

So I have proposed by the introduction of bills and resolutions three things:

First. An investigation of the W. P. A. by a House select or special committee.

Second. The creation of an unemployment commission.

Third. The creation next term of a regular, or what we call a standing committee, to be known as the Committee on Public Works and Welfare, and which would have jurisdiction as its name indicates; that is, unemployment, public works, public health, old-age pensions, and social security.

NEW DECISIONS, NEW PROBLEMS, NECESSITATE NEW COMMITTEES

Now, mind you, I am not suggesting the creation of a lot of new committees that will merely bring confusion. There are many new and serious problems with which we must deal. The powers of Congress have been greatly increased through recent decisions of the Supreme Court, all delivered since the President suggested reform of the judiciary—such opinions as those of the Wagner Act, minimum wage, social security, and others.

Many of these new problems go to committees created a hundred or more years ago, committees which by their duties and training are not in any way equipped to handle them. For instance, my cancer bill went to the Committee on Interstate and Foreign Commerce. Social security and old-age pensions go to the Committee on Taxation.

Unemployment, public works, relief—have no committee at all—such problems go directly to the Appropriations Committee for money, which is then spent by bureaus and agencies, without any policy-making committee in Congress. Congress, therefore, should know what it is doing, and should establish policies.

The first suggestion, the creation of a select committee, would be in the nature of an investigation of the W. P. A. by members of the House alone; and second, the creation of the unemployment commission would be a study by a group of eight—four citizens, two Representatives, and two Senators.

UNEMPLOYMENT COMMISSION FOLLOWED BY REGULAR COMMITTEE

This unemployment commission would seem to me to be the better, because it would represent the public and both Houses of Congress and could get the same results as a House investigating committee. This commission also could make a thorough investigation of the W. P. A., all phases of unemployment, the problem of youth and old age, and then file the report next January with both Houses of Congress, the President, and with you, the public, through the newspapers. This would be a coordinated job.

Bear in mind these suggestions are absolutely nonpartisan. This is a reasonable proposition—good business. No matter of what party you are a member, you want to understand what is going on, know how and where the money is being spent, and to know sound policies are being followed.

The commission I have suggested could begin the work as soon as Congress adjourns, and the standing committee I mentioned could then be created as the policy-making committee next January.

ROOSEVELT DICTATOR? NO. FRIEND OF PEOPLE AND CONSTITUTION

Now, before I tell you goodnight, I think I should say a few words about the man whom you have made, by your own votes, the greatest political figure in the world today, and that is Franklin D. Roosevelt. Because he has the character and manhood to recommend legislation to Congress, and stand by the people of the United States, he gets called a dictator.

Now, my fellow Americans, it is in the nature of his job to make suggestions, but more, it is his bounden duty to do so under the Constitution of this country. President Roosevelt has faithfully stood by the Constitution, and what's more, the people of this country, and he is our best friend.

Yes, I think President Roosevelt is the symbol of American progress; but even at that, I do not think we should follow him blindly, nor do I think he wants us to do so either. He is human. So are we. But his heart is with the American people, and since he is also an honest and intelligent man, we should maintain our confidence in him. Just remember that he is constantly under a barrage of criticism and propaganda of the most selfish forces in America, some of them in his own Democratic Party, enough in itself for the American people to maintain confidence in him.

So, fellow Americans, let us all work together for our great country, always standing united and unafraid for the better things in life.

Our Heritage

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, August 16, 1937

ADDRESS BY DR. JOHN M. THOMAS

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "Our Heritage", delivered by Dr. John M. Thomas, former president of Middlebury College, on the occasion of

the dedication of Old First Church of Bennington as Vermont's colonial shrine at Old Bennington, on August 15, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Our heritage is first of all the land, 6,120,960 acres of mountain, hillside, and valley, luxuriantly green from the most regular annual rainfall of any equal area on the continent of North America. For milleniums of years since the ice cap receded and the glaciers ceased to flow, and the Champlain Sea drained down the Hudson and St. Lawrence Valleys, our mountains condensed the moisture wind-borne from north and south, and the life giving rains, little changing from year to year, nourished great trees and the myriad plants of the field, whose decaying leaves and bodies built a soil unmatched for enduring fertility and wealth.

It was the good land lying rich about the foothills of the Green Mountains and along the rivers which carry their surplus waters to "the long, bright river and the azure lake" which filled the territory so quickly when the British conquest of Canada made it safe for settlement. Compared with the valleys of Vermont, seaboard lands are thin and poor, and it was only the seaboard which was occupied and settled until after the Revolution. None had crossed the passes of the Alleghenies except a few fur traders and missionaries to the Indians. On the most practicable route, up the Mohawk Valley from the Hudson, the terrible Iroquois kept guard. But when Britain won Canada from the French on the plains of Abraham, the men of the seaboard streamed into these valleys, which they found to be much richer than the scanty soil of the coastal plain.

Pioneers and explorers judge the soil of a new country by the trees it bears. In his diary of his western travels, George Washington speaks of "pine lands" and "oak lands." And what trees greeted the eyes of the pioneers to the lands west of the Connecticut! What giant maples and oaks and elms and birch and beech, testifying to the strength of the soil from which they grew! What would such land produce if cleared and sown to wheat and corn! What herds might pasture on its luxuriant grasses!

Those pioneers were right. Vermont is "a good land, a land of brooks of water, of fountains and depths that spring from valleys and hills; a land of wheat, and barley, and vines, and fruit trees; a land wherein thou shalt eat bread without scarceness, thou shalt not lack anything in it" (Deuteronomy VIII).

It is still a good land, capable of a self-sustaining agriculture, despite the competition of the wider spaces of the newer West. We have no need to be poverty stricken. Such is not our estate today and need never be.

But our heritage is not only the land, with all its wealth and beauty, but also our inheritance of character and quality from the men who won the land and the strength which was bred in them by the unparalleled struggles they endured to hold it.

The settlers of Vermont were not all saints, nor were they all members of the first families of the rural counties of Connecticut and Massachusetts from which they came. But for a swarm of frontiersmen—which they were—they included more than the usual proportion of men of good blood and of more than average intelligence and education. And all of every rank and station were venturesome, courageous, energetic, and of superior strength and endurance. Only such could have essayed the conquest of the wild mountain wilderness which the territory of Vermont then was.

Time does not permit recital of the difficulties which they confronted and overcame, nor more than mention of the very special hardship which befell them because of the claim of the province of New York to all lands west of the Connecticut. Colonial history records no other controversy over land titles on such large scale, affecting so many people, and continuing for such a long period.

The first grant west of the river made by Governor Benning Wentworth was of this town of Bennington in 1749. After the British conquest of Canada, the business became active and by 1763 the Governor of New Hampshire had granted 138 town charters. In that year, in a proclamation issued by Lieutenant Governor Colden, New York challenged the authority of New Hampshire over any territory west of the Connecticut. The Governor of New Hampshire retaliated in a counter proclamation and the controversy waxed earnest and violent, and so continued until its final settlement in 1790.

From 1763 to 1790 was 27 years. A young man of 25 who secured a right in one of the 60 towns chartered in 1761 and who brought his bride there in that year to build his cabin and clear his fields was 54 years of age, an old man for a pioneer, before he was sure of the title to his farm.

In the life of the frontier, 27 years is almost a generation. It may be said of the first Vermonters that almost their whole active life was spent, not only in endurance of the hardships of all first settlers in a new country, but also under the constant fear that they might be dispossessed and robbed of all fruit of their labors. They were resolved that that should not happen. They organized to fight against it. Every man of them was a soldier, subject to instant call for 27 years.

The genius of the American character was wrought in the conquest of the continent. On the ever-receding western frontier, of which Vermont was the first—for Vermont was once the Northwest—American traits were born and developed. Both our virtues and our failings are inheritances from the pioneer life of our fathers.

We are the most resourceful and inventive people on the face of the earth. We have the trait direct from the lonely homes in the remote valleys and on the prairies where men had to take care of themselves and find a way to do things.

American wastefulness is proverbial. Why should men not be wasteful who had the wealth of a virgin continent beneath their feet?

The American is distinguished by energy, verve, intensity, love of activity, and combat. He has no time for afternoon tea. It would have been sadly out of place in a frontiersman's cabin, and we have not become used to it yet.

All men have courage, but there is an intensity, a fury in the courage of the American, when roused to his utmost, as was witnessed at Chateau Thierry, at St. Mihiel, and in the terrible forest of the Argonne, which is our own particular glory. It is the courage of the children of the men of the lonely cabin, our inheritance from the pioneer.

Never was that courage more magnificently illustrated, nor its power more clearly shown, than in the battle commemorated by yonder monument. As pointed out in the matchless oration of Edward J. Phelps at its dedication, by all rules of military tactics General Stark should have lost the battle. His forces were inferior; they had been hurriedly assembled with no time to organize; they were short of equipment and ammunition. His enemy had chosen his position well and fortified it with earthen entrenchments. And Stark sent his farmer militia against those regulars in rifle pits and behind their entrenchments, bare flesh against artillery, and they won by the fury of their courage.

We inherit from the men who won at Bennington. Our heritage is the land for which they fought, as beautiful as when their eyes first saw it after their long journeys from the older lands to the south, its mountains as majestic, its valleys as fertile. It is a nobler heritage because of what it cost—the hard, hard toil of women as well as men, the bitter privations, the terrible haunting fear that all might be lost.

They not only gave us our land; they gave us life itself. We are bone of their bone, flesh of their flesh. We come by good right by our love of liberty, our passion for justice, our suspicion of the stranger, our respect for thrift, our self-reliance, and spirit of independence. We would not surrender our land; let us hold with equal firmness those spiritual treasures of manhood which our fathers brought to its conquest and which were strengthened and increased within them by the fight they had to hold it.

The consummation of the long struggles of the Vermont pioneers was their recognition as a State of the American Union by act of Congress approved by President Washington on February 18, 1791. The way had been prepared by successful negotiations with New York, during which that State receded from her claims to jurisdiction to the western bank of the Connecticut, and the boundaries of Vermont were established as they have remained to this day. The way had been further prepared by the complete understanding of the people of Vermont of the principles of the frame of Government embodied in the Federal Constitution. Though not a recognized member of the confederation, they knew as much about its working and its defects as did the people of Massachusetts and Connecticut. They followed as carefully the discussions which attended the formulation of the Constitution and its adoption by the several States. Not until 2 years after a President had been inaugurated and a Congress had met under the Constitution did the legislature of the indepent republic of Vermont resolve to petition for admission to the Union, and then there were two votes against it. Independence of mind, then as always!

It cannot be doubted that the founders of Vermont understood perfectly that the Federal Government was one of ceded powers only, that in joining the Union they retained as did the original States all rights and responsibilities not expressly yielded to the Federal Union. Undoubtedly they believed they would still be Vermont, governing themselves as before in all matters of purely local concern. Had they not so believed, there would have been more than two votes in opposition to a petition for admission to the Union.

We were Vermonters for long and terrible years before we were citizens of the United States. We were members of a free and independent Commonwealth, governed only by its people, over whom no outside potentate exercised authority. We were never in bondage to any man—the only American State which can so testify.

"We owe no allegiance! We bow to no throne!
Our ruler is law, and the law is our own."

There has been bred in us in the free air of these mountains a passionate devotion to our State. Yielding to none in national loyalty—as the roster of the Army of the Republic witnessed—neither do we yield to any in loyalty to our State. We believe we are better Americans because our hearts beat so strong for our own dear Vermont and that America is stronger and richer because she is composed of many States, each with its own genius and pride.

It is not to our liking—at least not to the liking of some of us—that in so many ways affecting intimately the life of our people, the Government at Washington is concerning itself with

our affairs. Through an organization of its creation the Federal Government is loaning money on mortgages on some of our farms and making temporary loans on crop mortgages. It is paying our farmers for fertilizing lands with ground limestone and superphosphate, $10 per acre for planting forest trees of approved varieties, and 15 cents per rod for fencing cattle out of farm woodland previously used for pasture. It is buying up many thousands of acres of our wild lands, thereby decreasing seriously the taxable property in many mountain towns. It is sending its employees to look for injurious insects in our orchards and woodlands. It is loaning money to villages and towns to build schoolhouses and water systems, to pave streets and build sidewalks, and to install municipal lighting systems. It is hiring students in our schools to clean blackboards and shovel snow. It is enjoining our business enterprises from following the time-honored dictates of prudence and thrift, forbidding them under penalty of heavy taxes to lay by for a rainy day. It is helping us care for our poor—a thing we have always done in each town heretofore—and sending carloads of oranges and prunes for distribution to the needy. It has established employment offices in our cities and hired men and women to search our ancient records, to write a guidebook, and to paint pictures of our cows. It is helping to build our roads and by its requirements compelling the cutting of shade trees on village streets. It is insuring deposits in our banks and scantily margined mortgage loans on some of our homes.

For these and many other purposes it is collecting enormous taxes, not on the basis of property owned or governmental services received but on the basis of the taxpayers' capacity to pay, which is a euphemism for the tax gatherers' ability to soak.

It cannot be denied that many of these activities are useful and the results beneficient. Few would deny that they are experiments noble in purpose.

But what about the price? Not so much the cost in dollars, staggering though that may be, as the cost of the impairment of the principle of local self-government. Are we in danger of losing our integrity as a State, gradually and imperceptibly, in the multiplicity of benefits which the Government at Washington is undertaking to confer upon us?

The great Chief Justice Salmon P. Chase said:

"It may not unreasonably be said that the preservation of the States is as much within the design and care of the Constitution as the preservation of the Union and the maintenance of the National Government. The Constitution, in all its provisions, looks to an indestructible Union composed of indestructible States" (*Texas* v. *White*, Wallace 7, p. 725).

When the destruction of the Union was threatened, notice was served on us in Acts of Secession, and we could raise armies to prevent it. It is the destruction of the States that is now threatened, not by one act of violence, but by gradual and subtle absorption of their responsibilities.

In the early days of peril to the Union, that sturdy frontiersman President Andrew Jackson, rallied the Nation to the sentiment: "Our Federal Union! It must be preserved!" There is need of another Jackson to call to us: "Our individual States! They must be preserved!" How incomparably poorer would be our Nation if in place of our historic States we had a certain number of governmental districts, arranged solely for convenience of administration from Washington.

Each of our States has its own proud history, each its distinctive character and genius. Each is worth preserving, for the Nation's sake as well as for its own. We are a strong Nation in no small part because our States are so different. We need them all—South Carolina, Virginia, California, Kansas, and so on through the 48. Each has its contribution to make to the one strong Nation. To that end each must retain its integrity, the right and the power to order its own affairs. And that I am confident Vermont is resolved to do, so far as lies within her power, for that is the noblest element of our heritage from the fathers—freedom to be masters of our own destiny.

The Late Senator James Couzens

MEMORIAL ADDRESS
OF
HON. GEORGE G. SADOWSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

Mr. SADOWSKI. Mr. Speaker, I rise to pay tribute to one of Michigan's greatest men, a man whose name was known and renowned throughout our Nation, the late Senator JAMES COUZENS.

For over 13 years Senator COUZENS represented our great State in the United States Senate. He needs no eulogy. His monument is his great works. He was a man of positive character, who, during his service in the United States Senate, worked for the benefit of our Nation at large. His efforts in behalf of the people of the Nation were limitless, and because he voted always his convictions, and not the dictates of his party, sharp political differences were a part of his intense career. But even those with whom he most violently disagreed respecting policies and decisions do not hesitate to pay tribute to the man himself, for his honor, his courage, his independence, and his worth.

Senator COUZENS did not enter politics because he sought either fame or power. His life was one of service, and he believed he could render service to the cause of progressive thought and action. He was a party member, but his first obligation was to the people whom he served.

Born in Chatham, Ontario, Senator COUZENS immigrated to this country when only a boy. He rose from a car checker on the railroads in Detroit to partnership with Henry Ford in one of the greatest industrial triumphs of our age and generation.

The greatness of JAMES COUZENS lay in his love for children. Even the poorest and humblest child of the streets held his interest. He wanted to help these children, and to this end he donated many millions of dollars so that they might be brought up under healthy living conditions, that they might receive the proper care, and be educated into useful citizens. This was the great work of JAMES COUZENS, the man, and these children always were first in his thoughts and plans. His name is revered throughout the State of Michigan, not only as a financier and a statesman, but as a philanthropist who knew the people and who devoted his time and his money for their benefit.

There is no partisanship in death. JAMES COUZENS has been taken from us. Everyone who knew him is better for having known him. The world is better from him having lived in it. His memory we cherish. In his going Michigan mourns a great man and a great public servant.

Illinois Taxpayers Who Paid Capital-Stock and Excess-Profits Taxes Under the Act of 1933 and 1934 May be Entitled to a Refund

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. DIRKSEN. Mr. Speaker, I observed recently that a brokerage house in New York which has dealt in low-priced securities for many generations is about to send an advertising truck through the country as a reminder to people that in the attic or in the cellar, they may have some old and seemingly worthless securities which may in fact have value. Their theory is that millions of dollars of such securities are lying about in different sections of the country that might be brought to light to the joy of their owners.

It is equally true that the taxpayers of the country may often be in line for refunds on Federal taxes and that such refunds are never claimed because the facts have not been brought to their attention. I esteem it one of the duties of a Member of Congress in his service to constituents, not only to keep them advised on legislative matters but to serve as a liaison officer between them and the executive and judicial branches insofar as time permits. To that end, I want to call to the attention of some classes of taxpayers in Illinois, the circumstances in connection with a recent court decision in the Federal District Court for the Western District of Kentucky in the behalf that taxpayers in Illinois may be affected by that decision if it is sustained by the Federal circuit court of appeals.

In 1933, as a part of the National Industrial Recovery Act, Congress imposed a capital-stock tax and an excess-

profits tax on corporations of all kinds. The capital-stock tax imposed a rate of $1 per $1,000 of the adjusted declared value of the capital stock of a corporation. The return was to be filed within a month after the effective date and that date was June 30, 1933. The act also provided that once the value of the capital stock was declared, it could not be amended. There was nothing in the act to establish a yardstick of values so that a corporation with 1,000 shares of stock with a par value of $1,000 could declare its value to be $20,000 or $100,000 or $200,000. Seemingly, the corporation was the sole judge of the declared adjusted value.

But there was something in the nature of a little joker in this whole set-up that was not so apparent at the moment. The same act also provided for an excess-profits tax on corporations. The rate of tax was 5 percent on that portion of the corporation's net income which was in excess of 12½ percent of the adjusted declared value of the capital stock.

Now, let us examine the modus operandi to see just how it worked. Let us take a corporation with 1,000 shares of stock, the par value of which was $100 a share, and assume that the net income of the corporation for the year 1933 was $20,000. If the corporation declared the value of the capital stock to be $100,000, the capital-stock tax would have been $100. The excess-profits tax on a net income of $20,000 would have been 5 percent of $20,000 minus 12½ percent of $100,000, or $375. Thus the capital-stock tax of $100 and the excess-profits tax of $375 would have made a total tax of $475.

Now for another example. Without any kind of yardstick by which to measure the value of its capital stock and with values being depressed at that time, the corporation might have declared the adjusted value of its stock to be $30,000 instead of $100,000, in which event the capital-stock tax would have been but $30. The excess-profits tax, however, would have been 5 percent of $20,000 minus 12½ percent of $30,000, or a total of $812.50, which, when added to the capital-stock tax, would have made a total tax of $842.50.

The law stated plainly enough that the adjusted value of the capital stock when once declared could not be amended. In other words, when once the taxpayer got into this difficulty there should be no backing out. But a taxpayer down in Kentucky thought otherwise. He filed an amended capital-stock tax return and the Treasury Department returned it, together with his check, and told him he was not permitted under the law to file an amended return. The taxpayer then went into the Federal district court, and on February 10, 1936, the court rendered its decision, stating that the capital-stock tax as so set up in the act of 1933 was unconstitutional and in violation of the fifth amendment to the Constitution. Said the court in part:

> The act here in question measures the tax according to the value of the capital stock of the corporation. The taxpayer is authorized under the provisions of the act to declare the value but this cannot be arbitrarily done; there must be a basis in fact for its conclusion. If the statute authorizes an arbitrary determination, it would be void for uncertainty. A statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application, violates the fifth amendment.

This is the finding of the Federal district court in the case of *Oertel* v. *Glenn* (13 Fed. Supp. 651, Feb. 10, 1936) and if sustained on appeal, means that this capital-stock tax is unconstitutional. Inasmuch as the excess-profits tax was conditioned on the capital-stock tax, it is quite likely that it, too, would fall and those taxpayers who paid excess-profits taxes because of a low declared value on their capital stock would be entitled to a refund.

Both the capital-stock tax and the excess-profits tax of 1933, were embodied as provisions in the National Industrial Recovery Act, but in 1934 they were reenacted in their original form as a part of the Revenue Act of 1934. It would appear therefore that if these taxes were void for want of certainty in 1933, the same reasoning would apply in 1934. It will be noted that while these taxes were first paid in 1933, that a decision in the Federal district court was not handed down until February of 1936. While the reason for this long delay is not apparent, the fact remains that under existing law, taxpayers will have but a comparatively short time in which to file their claims for refund.

Illinois taxpayers who paid excess-profits and capital-stock taxes under the act of 1933 and 1934 may therefore be entitled to a refund.

Train-Signal Bill

EXTENSION OF REMARKS

OF

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. ROBSION of Kentucky. Mr. Speaker, ladies and gentlemen of the House, we have under consideration Senate bill 29. This measure passed the Senate on May 17, 1937. After its passage in the Senate it came to the House and was referred to the Interstate and Foreign Commerce Committee of the House for study and report. This committee, on June 23, 1937, favorably reported the bill back to the House with certain amendments.

The purpose of this bill is to promote the safety of employees and travelers on railroads. It requires common carriers engaged in interstate commerce, when found to be necessary, to install, inspect, test, repair, and maintain block-signal systems, interlocking, automatic train-stop, train-control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation.

It has been urged by those opposed that this measure would authorize the Interstate Commerce Commission to require railways to install unnecessary and useless safety equipment. This bill merely authorizes the Interstate Commerce Commission, when found necessary in the public interest and after full investigation, to order the use of signal devices where necessary to correct unsafe conditions. The bill does not specify any device, signal, or appliance. This question is determined by the Commission on full hearing.

It will be seen at once that the primary purpose of this measure is to protect travelers, as well as employees, on interstate railroads. The Interstate Commerce Commission now, under the laws enacted through many years, has authority over a large majority of safety appliances on the railroads. I think it can be truthfully said that this authority has been administered with fairness and moderation and with great benefit to the railway companies, as well as to the employees and the general public, and no one can say that the Interstate Commerce Commission will arbitrarily or without just cause order the installation of signal devices or safety appliances where it is unnecessary to correct unsafe conditions.

Our trains are moving with tremendous speed. Greater speed is being developed. Recently I traveled from the station in the city of Washington to the station in the city of Philadelphia, with two or more stops en route, a distance of 150 miles, in 133 minutes. Many trains are being operated at an even greater speed. Should one of these fast-moving trains with several hundred people as passengers be wrecked, many persons as well as employees on the train more than likely would meet sudden death; and with the great speed now required it is of first importance that the lives of travelers and employees be protected by necessary signal devices and safety appliances, and the Bureau of Safety of the Interstate Commerce Commission should not lack authority to check up on the mintenance and operation of these important safety devices and require correction of unsafe conditions when found to exist.

We have the finest and the best operated railroads and the most capable and efficient railroad workers in all the world. I am sure we have less accidents on our railroads than the railroads of any other country on earth, but we do

occasionally have some great disasters resulting in great loss of property and great loss of life. The purpose of this bill is to lessen chances for railroad accidents.

It is not true that only members of the Railroad Signalmen Brotherhoods could be employed by the Commission as inspectors. Whatever additional inspectors may be required—and it will only require a small number—will be civil-service positions and will qualify according to the civil-service rules. The expense to the Government or the railroads will be small, according to the proof submitted to the committee, compared to the benefits that will come to the railroad, workers, and the traveling public.

It can be safely said, I am sure, that the Interstate Commerce Commission will not be unreasonable in the administration of this law.

Feeling that it will be helpful to all parties at interest, I am happy to give this measure my earnest and active support.

What This Administration Has Done to the Farmer

EXTENSION OF REMARKS
OF
HON. ALBERT G. RUTHERFORD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. RUTHERFORD. Mr. Speaker, since coming to Congress I have been interested in what this administration has been doing to the American farmer, particularly to those living in my congressional district. The great majority of the farmers living in my district own and operate their own farms, and the tenant farmers are generally capable and hard-working men. I have always been one of those who believe that the American market should be for the American farmer, but after reading the reports of the Department of Commerce for the last year or two, I am convinced that the policy of this administration is just the opposite. Under its so-called reciprocal-trade agreements this administration has allowed our markets to be flooded with cattle, milk, eggs, pork, hams, and other agricultural products from foreign lands to the detriment of the American farmer. Some time ago the gentleman from Massachusetts [Mr. TREADWAY] in a well-delivered speech said that this administration had "sold the American farmer down the river", and gave facts to prove the truth of his statement, and as I read the reports of the Department of Commerce for the first 6 months of 1937, the selling of the American farmer down the river continues unabated. The gentleman from Massachusetts, in the course of his speech, submitted the following table to show the trend of some of the major farm imports from 1934 to 1936.

Imports for consumption of certain farm products

	1934	1936
Cattle, head	59,444	399,113
Hogs, pounds	1,601	17,446,457
Meat products, do	65,362,000	152,459,000
Beef, do	140,474	3,977,277
Pork, do	127,746	12,944,846
Canned meats, do	46,777,875	87,919,845
Pork, hams, shoulders, and bacon, do	968,869	26,087,850
Milk:		
Condensed, do	309,873	2,244,787
Dried and malted, do	6,439	24,583,855
Cheese, do	47,533,000	59,849,000
Eggs:		
In the shell, dozen	196,843	345,762
Whole, dried, pounds	1,131	533,075
Yolks, dried, do	2,319,907	4,901,547
Yolks, frozen, do	393,222	804,780
Albumen, dried, do	402,531	2,538,136
Corn, bushels	2,959,000	31,471,000
Wheat, do	18,542,000	52,980,000
Barley malt, pounds	193,728,000	301,767,000
Wool and mohair, do	109,401,000	257,725,000

Every New Deal Member of Congress, particularly the Members from the agricultural sections of our country, should read and reread the above table, study the figures given therein carefully and see just what this New Deal administration is doing to your constituents. Evidently you new dealers approve of the terrible slashing that the administration is giving to the American farmer, because during the 8 months of the present session of Congress not one new dealer has stood up and protested against this unfair treatment. I thought that the figures shown above were bad enough and that probably when the administration saw just what it was doing to the farmer that it might wake up and change its attitude toward him, but when I read the report of the Department of Commerce for the first 6 months of 1937 I was convinced that this administration cares nothing for the farmer nor what may happen to him. Let me read you part of that report and compare it with the imports for 1936.

Imports of certain important food products into the United States during June 1937—1937 figures preliminary

[All figures in thousands; i. e. 000 omitted]

Commodity and unit	June 1937	June 1936	6 months ending June—	
			1937	1936
Animals and animal products, edible, dollars	10,754	7,715	60,732	44,397
Vegetable food products, do	69,426	51,890	436,460	316,410
Cattle, n. e. s., number	41	46	209	290
dollars	1,324	1,406	9,212	8,225
Fresh pork, pounds	1,837	1,275	10,569	5,651
dollars	289	175	1,512	830
Beef, canned, including corned beef, pounds	12,461	7,044	42,737	50,511
dollars	1,326	661	4,385	4,948
Preserved pork, hams, shoulders, and bacon, pounds	5,147	2,730	24,907	10,978
dollars	1,457	767	6,776	2,946
Cream, gallons	22	1	57	6
dollars	33	1	85	8
Milk, condensed, etc., pounds	102	82	783	838
dollars	4	3	35	35
Milk, dried and malted, pounds	119	3,328	2,733	14,531
dollars	11	120	179	663
Butter, pounds	223	168	9,502	4,680
dollars	55	40	2,134	920
Cheese, pounds	3,346	4,257	23,710	24,352
dollars	635	997	4,674	5,429
Eggs, dried, whole, pounds	23	14	365	213
dollars	7	5	109	68
Egg yolks, dried, pounds	604	555	2,786	2,157
dollars	104	83	452	378
Egg yolks, frozen, pounds	132	82	940	246
dollars	15	8	103	24
Egg albumen, dried, pounds	195	198	1,422	979
dollars	72	74	519	414
Corn, 56-pound bushels	10	189	76	355
dollars	18	141	144	340
Oats, 32-pound bushels	12	365	40	490
dollars	8	110	29	163
Oatmeal, pounds	1,287	1,136	7,650	6,029
dollars	122	102	732	542
Milled rice, pounds	8,220	68	36,693	7,049
dollars	265	3	1,163	241
Wheat, 60-pound bushels	770	26	1,435	146
dollars	912	23	1,747	164
Wheat flour, wholly of United States wheat, barrels	110	73	720	400
dollars	575	310	3,936	1,857
Wheat flour, other, barrels	198	215	1,244	1,306
dollars	1,157	949	7,426	6,020
Biscuits and crackers, pounds	343	325	2,854	2,473
dollars	71	66	519	419
Linseed cake, ton	30	11	147	88
dollars	880	252	4,342	2,053
Onions, pounds	5,295	5,376	14,535	17,497
dollars	86	79	285	315
Potatoes, white, pounds	11,943	6,762	23,250	21,965
dollars	177	187	425	476

I want you new dealers to get this report of the Department of Commerce, which was released August 4, 1937, and go over it carefully and see just what your reciprocal trade agreements are continuing to do to the farmers of the country. Why, in God's name, we continue to import eggs from China; cattle from Argentina; hams, shoulders, and bacon from Poland; butter and cheese from Denmark; milk, potatoes, and onions from Canada, and let the American farmer struggle along as best he can, is more than I can understand. During the first 6 months of 1937 we imported 10,569,000 pounds of fresh pork. This was almost twice as much as was

imported in the first 6 months of 1936. We imported during the first 6 months of 1937, 9,592,000 pounds of butter and 23,710,000 pounds of cheese, 24,907,000 pounds of preserved pork, hams, shoulders, and bacon. You New Deal Congressmen from the rural districts just visualize what it would mean to your farmers to have a part of what is going to the farmers of foreign countries. There would be no need of dole or relief. Every farmer would be able to stand on his own feet and take care of himself without Government aid. The farmers of my district and State—Pennsylvania—raise hogs, cattle, and chickens, and produce milk and eggs for market, and they come in direct competition with all of these imports from other nations, and are therefore very much interested in stopping these imports. Let us look at the milk situation, which directly effects the farmers of my district. According to reports, $16,000,000 worth of dairy products were shipped into the United States from outside sources, where sanitary production is entirely unknown. This year the amount will be more than doubled. This is all the result of the new deal reciprocal-trade agreements.

I am opposed to these trade agreements and will continue to oppose them while I remain a Member of Congress, for, as I stated before, I believe that the American market should belong to the American farmer. We hear a lot about rural electrification, getting the farmers to use electricity about their farms. That is a grand idea, and I hope to see that day when on every farm in my State the farmer will be provided with milking machines, electric washers, electric refrigeration, lights, and all other electrical appliances. This will relieve farm drudgery and make the farm an ideal place to live and work. But, Mr. Speaker, that day will never come as long as the administration continues to allow foreign countries to dump on our shores the increasing volume of cattle, hogs, eggs, cheese, butter, and potatoes which takes the market away from our own farmers. Mr. Speaker, think of what it would mean to the American farmer if he were allowed to produce and sell in the American markets the volume of farm produce as is shown in the tables above which I have already read. All the money represented for the imports therein shown was spent abroad. The foreign farmer and the foreign merchant got the benefit of that money at the expense of the American farmer. It seems to me that the better policy would be to allow our own farmers to raise and sell such products, then they and our merchants would have all of the benefits. When we spend our money at home it stays here and relieves unemployment, but when we spend it abroad it helps the foreign farmer and the foreign merchant. I hope that this New Deal administration will soon see the error of its way and do away with these nonsensical reciprocal-trade agreements, for ever since they have been in effect the imports to this country have increased tremendously and our exports have continued to decline. Let the administration give the farmer a break. Let the American farmer have the American market.

Vivisection

EXTENSION OF REMARKS

OF

HON. JAMES L. QUINN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

REPORT OF THE ANIMAL DEFENSE AND ANTIVIVISECTION SOCIETY, INC., OF THE DISTRICT OF COLUMBIA

Mr. QUINN. Mr. Speaker, under leave to extend my remarks, I include the following report of Miss Elizabeth Butler Howry, president of the Animal Defense and Antivivisection Society of the District of Columbia:

Recently an American judge sentenced a miscreant to 1 year in prison for setting a dog on fire with kerosene. Yet in medical laboratories dogs by the hundred are being burned with chemical gases by men who pose before the public as scientists. Not only is the suffering comparable in the two cases but undoubtedly the dogs have read, if the scientists have not, that "certain of the cyogen compounds used in gas warfare while being extremely toxic to dogs leaves goats and man unharmed" (the Nature of Disease, by J. E. R. McDonagh). Hiding behind the excuse "It is necessary", humane men and women are responsible for the mass cruelty taking place in America's laboratories today. For it is with the layman's ignorant consent that the basic law of pity which governs the average citizen through the courts cannot reach the experimenter in living flesh and nerves of animals. American law reads: "Cruelty to animals shall be punished by fine or imprisonment or both, except when done for medical purposes." By inference the law so written by vivisectors themselves admits the cruelties of the system.

Since you are introducing a District of Columbia dog-exemption bill, Mr. QUINN, and Members of Congress will be asked to vote on it, our society presents the results of its extensive investigation of how laboratory animals are used and whether there is real necessity for animal experimentation. For medical opinion concerning its usefulness or the reverse, we have studied authorities who care nothing for animal life per se but view the question solely from a medical standpoint.

For sheer horror nothing in print is comparable to the thousands of reports written by American vivisectors themselves to describe their experiments to each other. This data, giving name of doctor, laboratory, and date, is unassailable proof of the cruelties which the layman or investigator is never allowed to see. In Boston the investigator of an allied society to ours is admitted to view after-effects. Mr. Strickland reports frequently dogs used one week for a severe operation are used the following for an even more terrible one on another part of its body. Yet the layman is soothed by pleasant doctors with the falsehood that every animal is killed after one experiment. Mr. Strickland also reports to us starvation experiments where even the sawdust from the bottom of the cage is removed so that the animal may not eat it in his desperation.

In England the animal laws require the vivisector at least to register how many times he uses anesthesia; also, he is forbidden to use animals to teach or practice surgery. Let us repeat—America has absolutely no laws governing the vivisector. We learn officially from England that anesthesia is given in 5 percent of the operations. Can we believe that America is more humane when over half the reports of American vivisectors conclude thus: "In order to obtain the full benefits of this experiment anesthesia was omitted"? We can show operating boards manufactured by American firms to which the laboratory animal is strapped immovable, or to which his paws are sewn with wire to prevent agonized struggling. Let us begin with a specific example of laboratory mercy. Dr. Leffingwell, in his book against vivisection, describes the dissection of the sensitive nerves of a dog's spinal cord without anesthetic: "This experiment which we are told even passes the callousness of Germany to repeat, which every leading champion of vivisection in Great Britain reprobates for medical teaching, which even the most ruthless of them dare not exhibit to the young men of England—this experiment has been performed again and again in American colleges without exciting so far as we know even a whisper of protest." Ether, gas, and chloroform were discovered by experiment on man himself. The difference between man and dog, the heart beat, the blood structure, and the idiosyncrasy, make a mockery of the contention that dogs are always as fully anesthetized as human beings.

After this anesthesia myth the first thing that strikes the student of laboratory reports is the senseless repetition of the system; like the monotony of savage drumbeat, it becomes intolerable against civilized ears. The second is its inexactitude. There is no science here in the dictionary sense of "certain, exact." And, unless we bring the charge of idle curiosity, it appears that one vivisector distrusts the other. Studies in producing fatigue serves as an example. At the University of Virginia fatigue is induced in dogs by running them to death. Placed in wire-mesh cages, which later scrape their flesh as they try frantically to lie down, an electric treadmill is started, and the dog must run. Blood tests are taken to reassure the professors and students that blood changes under fatigue, and electric shock is given to galvanize the dog into faster action. Finally, after days of continuous running, ending in convulsions, the dog dies—and a report is written. But the University of Wisconsin distrusts the fatigue produced by Virginia, so rabbits are put in a hollow revolving cage and rolled up and over until they, too, after 8 to 31 days of continuous movement, die of torture ending in convulsions. That the pathological findings differ does not trouble the professors and students. Evidently the University of Minnesota distrusts both Virginia and Wisconsin, and so we have the United Press dispatch of July 1937, "Perhaps Even A Rat Doesn't Deserve This", and we learn that Minnesota is producing deathly fatigue in rats by keeping them ceaselessly jumping from one electric plate to another. All these reports must be helpful to human beings suffering with nervous break-down brought on by mental worry! As is it to know that dogs thrown into a pool, as was done in a Y. M. C. A. medical school in Chicago, and not allowed to land at last are pulled under by fatigue. But the Y. M. C. A. in the report makes no mention of Christ among the professors. We like to believe, however, the dogs found Him on a far shore.

It is curious phenomena of the vivisection obsession to find animals so mistreated at the Shantung Christian University in China, supported by American church people, that a doctor has enlisted our help in stopping the cruelties he saw demonstrated there to

Chinese students by American missionaries; to know that in our public schools tiny children are led to think that physical fact and deduction can only be learned by dissecting live frogs and starving caged mice. Yet we find a confirmed vivisector protesting the uselessness of this mania. Dr. Carlson, speaking in January 1937 to the Association of American Colleges: "Too many of the traditional college biology courses contain no information about mankind but deal with frogs, amoeba, and the shark."

There is significance to all not blinded by vivisection dogma in the fact that hand in hand with American absorption with animal experimentation is an increase of 180 percent in American mortality from influenza, diabetes, heart disease, and cancer. In the present drive of laboratory heads and public-health services for public money with which to buy animals rather than for hospitals in which human disease may be studied there is no recognition of the opinions of many vivisectors themselves of which this, by a man whose clinic has used as many as 250,000 animals yearly, is a sample: "It might serve us well to turn our thoughts from animal experimentation in the laboratory to study of the habits of mankind. In China, where the men sit at table first and eat the rice when it is hot, and the women wait until their lords are finished and eat the rice when it is cool, we find cancer of the throat far more frequent in men than in women."

No, the dog lovers, for all vivisectors testify to being this, are busy in every part of the United States with dogs instead of human beings. There are the dogs who are being cooked alive, by electricity while fully conscious. This is old stuff, for some years ago we also found it taking place in Washington City in a Navy experimental laboratory. But dog lovers are doing even better than this, for we see by their reports to each other that they are opening the stomachs of dogs and cutting out a piece of the dog's intestine which they "stitch" into the open stomach for the pleasure of seeing whether or not a dog's gastric juices can digest his own flesh. The vivisectors might be aggrieved to know that this report interests cannibals more than normal feeders. In another scene the dog lovers first lightly anesthetize a dog and expose his heart, then they tie off the arteries leading to it. Bringing the dog back to consciousness they pull these cords spasmodically. When the dog gives every evidence of unbearable agony the dog lovers in their enthusiasm grow rougher and break the arteries of the fully conscious dog in two—one of hundreds of mischance to be read in this new crime literature. Quite rightly this scene is named "Experimental Production of Pain" in the showy report of the dog lovers. Among dog lovers we usually associate pity with women, so we mention here quite a frequent experiment, but done in this instance by Margarete M. Kunde of the Hull Physiological Laboratory of the University of Chicago. The dogs she used "were prepared for this experiment by an operation converting a portion of each stomach into Pavlov's pouch." (Russia's savagery.) Tubes reach to the outside to collect gastric secretion. Five weeks after the operation the dogs were put on a "maintenance" diet. "During the 27 days of fasting no food was given the dogs, but water was placed in the cages except for 8 hours on the twenty-third day." The dogs were kept muzzled to prevent them from eating bits of the surgical dressing of their own wounds. Starving * * * horribly wounded * * * a woman outside the cages taking notes.

Compare the uselessness of this laboratory sport with the following opinions typical of thousands from great surgeons who do not so indulge. Lawson Tait, pioneer in aseptic surgery, one of the greatest names in all surgical history: "I say without hesitation that I have been led astray again and again by published results of experiments on animals, and I have had to discard them entirely." Dr. Desjardins, president of the Society of Surgeons, Paris, France: "I have never known a single good operator who has learned anything from experiments on animals." Finally, Lord Moynihan to the squirming vivisectors of the Banting Institute: "Has not the contribution of the laboratory to the surgery of the stomach, for example, been almost negligible when it has not been potentially dangerous because divergent from human experience?" There are the textbooks, also, that seem to say that there are profound differences between humans and animals. Textbooks draw attention to the fact that the arteries of dogs and men are different; the life posture is different, the dog's being horizontal, man's upright, and this affects the circulatory system differently. The dog's respiration, too, is peculiarly his own. What, then, is the point in torturing dogs to learn about man?

Yet many diabetes sufferers believe, because the insulin doctors tell them so, that only with the help of this animal product can they remain alive. Unbeatable figures, however, show that diabetes mortality has risen steadily since the use of insulin became general. Honest physicians advise that over 50 percent of diabetic patients are improved or cured by diet. "As is now well known, insulin is not a cure for diabetes" (report of the Medical Research Council). "Even as a palliative, insulin is seriously open to question owing to its dangerous properties" (pamphlet by 35 British physicians). "The production of insulin originated in wrongly conceived, wrongly conducted, wrongly interpreted series of experiments" (Roberts, British Medical Journal). Insulin! The negation of any claim the vivisector makes to laboratory mercy. The pancreas of a dog, exposed by cutting, is wrapped around with thin rubber tubing while he is under anesthetic. The dog is brought back to consciousness, the pancreas (organ) heated by passing water at 50 to 55 centigrade through the tubes which protrude from the wound. With the increase to boiling the dog vomits from unspeakable agony, and once the Banting institute records that one fainted. Has this barbarity produced a cure for a single human being ill with diabetes? What then is "necessary" about it?

Or of what human service is the taxpayers' Public Health Service's (in cooperation with Yale) turning of chimpanzees into drug addicts, "to study the emotional and sociological degeneration that accompanies drug addiction"? Let us by all means introduce these gentlemen to some of our leading human drug addicts of whom we have over a million, and remind them that "a drug may have an organotropic action in one animal and not in another, therefore there can be no definite relationship in the dosis tolerata between a mouse and a man" (J. E. R. McDonagh, The Nature of Disease). Finally, the British Medical Journal: "The most dramatic example (of animal and human differences) is provided by morphine. This drug acts on human beings as a powerful narcotic poison, but on dogs has a powerful stimulating effect."

With the break-up of large private fortunes in the United States, lobbying on legislatures has become intensified; dramatizing the health fable the public, too, is brought within the magic circle of science by large-scale press and magazine advertising, paid for behind the scenes by the serum manufacturers who make their dividends as long as the public takes serums. In 1 month, from four Washington newspapers, the writer clipped 168 news dispatches and articles on new scientific "discoveries." But we seldom find the American press publishing the opinions of the nonlobbying physicians, the quiet men and women who study disease through direct observation of human patients: Of the much-touted Pasteur treatment for rabies, Dr. Charles W. Dulles, some time University of Pennsylvania lecturer, consulting surgeon to Rush Hospital, "The Pasteur treatment I likewise think is responsible for many deaths. The Zoophilist printed the names, addresses, and circumstances of the deaths of a large number of persons who had been treated at the institute in Paris. In contrast to this, I might cite my own experience in the treatment of persons bitten by dogs supposed to be mad, which has furnished not a single case of the developed disease in 30 years. This consists in antiseptic treatment of the wound and in securing the confidence on the part of those in dread of hydrophobia." Dr. Rappin, head of the Pasteur Institute in Nantes, France: "Every premise of Louis Pasteur has been found to be false." Pasteur, the movie-advertised god of America, although Germany by way of whose enthusiasm he invaded United States, has given up pasteurization of milk as unscientific. Nor did our press tell us what is known abroad, that King Alexander died not from the bite of his pet monkey but from the Pasteur treatment.

Of scarlet-fever-immunization serum: "The sickness that has been experienced following the use of the serum is extremely severe; in fact, it is usually more severe than the disease itself" (Toomey and Dolch, Journal of the American Medical Association). "All of us have had unfavorable experiences with reactions to scarlet-fever serum. Some of the patients to whom I have given prophylactic injections were made sicker than the ones who had scarlet fever" (Dr. Blatt, American Journal of Diseases of Children). Of diphtheria antitoxin: "The injection of horse serum into a sensitized person involves a menace of some moment" (Journal of the American Medical Association). "Toxin-antitoxin has two distinct disadvantages, the first is its variable protective value, the second is the danger of serum sensitization following its use" (Schwart and Janney, American Journal of Diseases of Children). And the Medical Officer: "In modern methods of treatment, especially by vaccines and serums and other biological products (produced from animals) there lurk numerous and potentially serious dangers." Serum sensitivity—A new disease brought on by injection in humans of serums made from animals. Here is a typical recipe: Take a calf, irritate his skin with the virus of disease until a wound forms. Wait until this wound festers, scrape matter, scab, hair, and dirty skin into a receptacle, run through a sieve to omit the hairs, add glycerine to taste and use—"The Importance of the Recognition of Serum Disease", by Dr. Milton D. Cohen, 1936. Dr. Cohen recites the case of a young boy kicked on the shin by a horse. Given antitetanus serum he later died from anaphylactic shock attributed to the injection of serum when already suffering from serum disease as the result of previous injections of serums.

We compare these terrible results of serum with the pictures printed in a brochure of 149 pages gotten out at regular intervals by a serum factory spending two millions a year in its advertising campaign. We see horses with their bodies strapped immovable and men busily engaged with giant syringes drawing the life blood, already contaminated by vaccinations of filth from their veins. Horses that have come down in the world, old, abandoned by their former masters, trembling and sweating with the terrible prevision of pain or death that dogs and horses possess. A few years ago one of these factory horse bleeders with horror described the scenes to us.

Through good press agentry this laboratory science has invaded the drawing room. We have the light Alice-in-Wonderland touch of a De Kruif. Doctor So-and-So then disappeared behind closed doors with a few rabbits and brought forth—nothing but a new animal serum to try on humans. We learn the gay fact that scientists were so puzzled by the deaths of so many American mothers from childbed fever and, of course, thought it must be some new germ off on a promenade by itself until, would you believe it, it turned out that just plain dirt on the hands of the doctors attending them is killing these thousands of American mothers. Or we have a Dr. Heiser fascinating us by rounding the globe on a so-called holy mission to cure disease.

Vivisectors make many shortsighted claims for the human usefulness of animal torture which facts do not bear out. The great discoveries were made without use of animals, Harvey's discovery of the circulation of the blood, Labvius' discovery of

the practicability of blood transfusion, Galileo's study of the pulse. Galen's description of the systole and disastole of the heart. Vivisectors will tell you that typhoid has been wiped out of the world's armies by inoculation with animal serum. General Goodwin's report, the A. M. S. of the British forces in France for the duration of the war, shows that with full antityphoid "protection", there were 7,423 cases with 266 deaths. Sir Malcolm Morris says "The comparative lightness of typhoid fever was due to good sanitation carried out on Chadwick's principle of providing a wholesome environment." Of a company of United States Marines all fully protected with antityphoid, 95 out of 248 men were struck down with a 13 percent death rate, as the result of drinking polluted water. The figures of the British Army in Gallipoli are "evidently too serious to be published at present", according to Dr. Hadwen.

Nothing is more grimly funny than the recent announcement of a vivisection foundation that yellow fever is not caused by the mosquito. Intelligent physicians of another school long have pointed to the swarms of mosquitoes which still infest Habana and to the cleaning of bay and swamp which has banished yellow fever. Tragically following the germ theory of animal experimenters, fine men have thought to prove the cause of yellow fever beyond peradventure of a doubt by allowing carrier mosquitoes to transfer direct poison into their bodies. We need not concern ourselves with the theory of Bechamp that the microbes or "germs" he was the first to see through the microscope are the component bodies of plant and man—living harmoniously within us unless disturbed by outside environment.

This is a matter for physicians. Yet it contradicts with amazing authority the theory of animal experimentators who following Pasteur's misinterpretation of what Bechamp postulated are trying futilely to prove that microbes or "germs" come from without the body of plant and man and are themselves disease. We see Bechamp justified by the sanitary engineer; by the observation of a Florence Nightingale that under the same bad environment a given set of men developed four or five different forms of disease; or by failure of 20 students to take influenza when virus was sprayed in their faces and food. Vivisection was bitterly fought by mental giants like Dr. Henry Bigelow, of Harvard, when it was introduced into America from the cruel laboratories of France and Germany just prior to the Civil War. Today the laboratories are yearly using 2,000,000 animals, of whom 400,000 are dogs. Dogs from city pounds, dogs stolen and trucked to other cities; dogs bred by the thousand for the purpose of being mangled before they die. Shall we make a beginning by liberating these dogs?

Summing up the uselessness of animal experimentation we give this editorial, not from the pen of a humanist, but from the Medical Time of January 1936: "We certainly deprecate very strongly animal experiments conducted in illustration of lectures on physiology. * * * Are not many of the results of animal experiments misleading? Cancer is a good example. The wasted time and energy over the modern lines of cancer research are greatly to be deplored. * * * We strongly deprecate such experiments as the production of rickets in rabbits, pyorrhea in dogs, and syphilis in monkeys. They are as unnecessary as they may prove to be misleading."

After a world famous American doctor testified against vivisection before Congress, his medical society forced him to resign, yet to a questionnaire 35 percent of the doctors replying stated they object to vivisection.

American thought has advanced in its protection of children, of prisoners, of the insane, and of the economically underprivileged. Is there no place in our civilization for protection by law of the dumb creatures included in our cosmos? They are here without their own consent, even as we are. They are as sensitive to physical pain as we, but without our philosophy to bear it. Are we, because we have them utterly at our mercy, to continue their torture simply because behind it is an "idea?" Does not propriety suggest that other research methods can and must be found?

We ask the vote of every Member of Congress for Representative QUINN'S bill that would prohibit experiments upon living dogs in the District of Columbia, and that every humane person write to the press and their Members of Congress supporting it.

Old Age Assistance Problems In A Rural State

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

ADDRESS OF HON. W. ARTHUR SIMPSON, DIRECTOR OF OLD AGE ASSISTANCE COMMISSION, STATE OF VERMONT, BEFORE THE TENTH ANNUAL CONFERENCE ON SOCIAL SECURITY

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD I would like to insert an address entitled "Old Age Assistance in a Rural State", delivered by the Honorable W. Arthur Simpson, director of the Old Age Assistance Commission, State of Vermont, at the tenth annual conference on social security.

This address has received many favorable comments from those who were in attendance at the conference, with one national authority on the problem of social security characterizing it as "one of the finest common-sense interpretations of the aims of the movement along constructive lines" that he had heard delivered.

The address is as follows:

Your association can take a great deal of satisfaction and credit for the fact that throughout the Nation, there are in effect today, phases of social security which meet in a greater degree than ever before, the aims and objectives of this organization. I have been advised by those who assisted in sponsoring this association that at the beginning a mere handful of people attended these meetings. Our congratulations are extended to Mr. Epstein and his coworkers because the Nation is endeavoring to think and work toward social and economic security.

Through the National Social Security Act an honest attempt has been made to erect barriers against some of the hazards and vicissitudes of life. Certain forms of compulsory insurance for unemployment and old age have been inaugurated on a national scale and over 25,000,000 Americans are contributing to them. Over one and one-half million persons are already being aided under the provisions for public assistance.

In our satisfaction with the results which have been achieved thus far it is well to understand that it will take time and experience to perfect the Social Security Act. Unless we go forward in a prudent manner and establish practical policies which are within the ability of the Nation to finance we shall forge very dangerous weapons, both financial and political.

The topic first suggested for my consideration at this conference was Old Age Assistance Problems in a Rural State, and I propose to touch on them in some degree. I have, however, been impressed with the importance and responsibilities of public assistance administration from the standpoint of such fundamental factors as morale, finance, and politics.

It is with a deep appreciation and I trust understanding of the humanitarian issues that I venture to speak briefly of certain social and economic dangers which we shall face.

It is an American characteristic to want to make everything over immediately. Someone has said that the vast majority of our people are not content with a mild diet of spiritual "light wines", but desire something with such a kick to it that it burns on the tongue and hurts the gullet. It is an old New England maxim, however, that "haste makes waste." In seeking a solution of these great problems, "morale" as well as money, is an important factor. Experience alone should dictate changes in our State and Federal laws. It would be a tremendous mistake, for instance, to forego the principle of grants-in-aid to the States on a match basis. The present method of Federal participation, in administrative costs of public assistance, is also sound and predicated on the maintenance of prudent and practical self-government. There are indications that the administration of other catagories of the act, should be financed on a similar basis. The States should not be induced by coercion or favor to surrender the management of their own affairs. No other policy is so soundly based on the American system. As administrators we are now in a position to render the greatest possible service to the cause of social security.

Because of its magnitude the problem of dependency in old age has received a great deal of consideration. It involves an issue with tremendous humanitarian aspects. Since 1860 the proportion of persons who have reached the age of 65 years or over has doubled in this country. The curve of life expectancy is still on the increase. Our society is more and more an industrial one in which men and women depend for their livelihood on wages or salaries, and this society throws its workers out of employment at an earlier age, which creates conditions particularly unfavorable to the aged. The recent depression emphasized these conditions and brought a greater realization of our obligations in this field.

Those of us who have administered this branch of public assistance have a deep sense of the inherent independence, dignity, and self-sustaining desire of old age. I have compared experience with other administrators and have been particularly impressed with these characteristics as they reflect rural people. In the State of Vermont our problems are essentially rural ones. We are a neighborly people, and relations of client and community are very close. A very large proportion of grants in a rural community supplement the resources of the client. These resources may be shelter, fuel, a slight earning capacity; the raising of a garden; the possession of a cow, a pig, or some hens; the willingness of a son or daughter to contribute; and possibly some meager cash resources hoarded and laid away in the bank for final sickness and burial.

The status of "legally liable" relatives is not as difficult to determine, and there is still a sense of moral obligation inherent in New England stock.

The experienced case worker, who is accustomed to figuring rent, fuel, and purchased food in the budget, will be amazed at the comfort and aid which is afforded in a rural community by small grants regularly paid. Our average grant in Vermont this year

will be $13.50, but more or less intangible assets are also represented which cannot be expressed in dollars and cents.

Distances in rural communities are an important factor in case work but on the other hand, frequent visits are the exception rather than the rule.

Intensive case work is not necessary or desirable and close supervision would be resented. These people are proud, they have lived their whole lives close to the soil, and any attempt to alter their lives or make them over would be a great mistake. I have an abiding belief that attempts to make people over according to our notions or convictions is a wrong conception of our duties. This assertion applies with considerable force when we are dealing with the human relationships of those who have attained the age of 65 years or over.

In rural areas it is comparatively easy to obtain all the essential facts about persons whose entire days have been spent in one community. Generally speaking, a majority of our people have always lived in the same community and the community knows all about them.

It is also true that persons who have lived three score years and ten in the same community, frequently in the same house, have a deep sense of fixture and when old-age assistance has provided that small cash income which was lacking, their needs have been met for the balance of their days, except in case of long sickness.

Low administrative expense is appreciated in rural States. The receiving client and the contributing taxpayer like to feel that they are getting the most out of the dollars appropriated for assistance.

The inauguration and establishment of old-age assistance in Vermont 2 years ago met with such universal favor that excepting for a departmental bill, not a single measure was introduced during the recent session of the legislature to amend the present law and a bill to double the appropriation was unanimously approved by both branches of the general assembly. Last year in Vermont over 96 cents out of every dollar available was paid in benefits.

Rural people are tax conscious to a marked degree. It would be well if that consciousness would be reestablished throughout America.

In considering the relations of the client and the community and by community we mean not only the smaller community in which the client lives but also the larger community which is the State, the administrator has a duty which extends beyond the humanitarian aspects embodied in an assistance program.

As I see it, those entrusted with the administration of public assistance have a threefold duty. First, to the client who must be considered fairly, equitably, and soundly. Secondly, to the taxpayer who provides the funds which make a program possible. Thirdly, an intangible, but no less important duty, to the maintenance of fundamental principles, embodied in initiative, industry, and thrift.

We need to understand that security is not a blessing to be had for the asking, neither is it a gift within the power of government. We must pay for it and it will be reflected in taxes, which are already on the increase throughout the Nation. We must pay for it in direct taxes, in hidden taxes, and even in the increased cost of living. It may be that social security will mean a better distribution of the wealth of the Nation, but there needs to be an increased consciousness that no measure within the power of government can guarantee to assume the sole cost and responsibility, of caring for any large proportion of our population. Unless we proceed cautiously and in a practical manner we can easily make the provisions of the Social Security Act so top-heavy that the whole program will be dragged down by its own weight and the burden of revenue-producing assessments.

Every State is struggling with the problem of providing revenue to finance these programs. The Federal Government is no stronger financially than the collective ability and wealth of the respective States.

It was John Ruskin who said: "When we build, let it not be for present use alone. Let it be such work as our descendants will thank us for, and let us think as we lay stone on stone that a time is to come when these stones will be sacred because our hands have touched them, and that men will say as they look upon the labor and the wrought substance of them, 'See this our fathers did for us.'"

Article 18 of the Constitution of the State of Vermont contains these wise words which were drafted from the old Virginia Bill of Rights:

"That frequent recurrence to fundamental principles and a firm adherence to moderation, temperance, industry, and frugality are absolutely necessary to preserve the blessings of liberty and keep government free."

The will to work, the ability to plan, and the exercise of prudence will always be necessary as a stabilization influence in well-regulated society and constitute essential factors in a permanent democracy. The duty of society to protect the individual is a recognized responsibility, but it is also true that the individual has an obligation to society.

Our New National Public Land Policy

EXTENSION OF REMARKS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. TAYLOR of Colorado. Mr. Speaker, the 28th of June this year was the third anniversary of an act of Congress which marked a turning point in our national land history. Behind that act are 150 years of land laws which exerted a controlling influence on the major events of that period; ahead of the act are many years in which the policy it typifies will play a leading role in the destinies of the 11 western public-land States.

An inscription on the new Archives Building in Washington says "What is past is prologue", and so, before I describe this law I want to survey briefly the period to which its enactment wrote the word "Finis."

From the foundation of our Government to the turn of the century and sporadically thereafter, there were present in our land laws a very evident desire to encourage the private acquisition of public lands. At the start a hope of revenue from the sale of lands influenced Congress, but in 1820 the price was cut in two and made $1.25 per acre. The preemption law of 1842 gave a preference to settlers for 80-acre tracts at that price. In 1862 all revenue features were swept aside and the first free Homestead Act made its appearance, with its free grant of 160 acres for every citizen settler. I cannot pass by the enactment of that epoch-making law without diverting to say a few words about its great author and advocate Galusha A. Grow. He was born in 1823 and lived in Glenwood, near Scranton, Pa., from 1834 until his death in 1907. He was buried in the Harford Cemetery. He was elected to the Thirty-second, Thirty-third, and Thirty-fourth Congresses as a "Free Soil Democrat", and elected to the Thirty-fifth, Thirty-sixth, and Thirty-seventh Congresses as a Republican—March 4, 1851–March 3, 1863. He was Speaker of the House in the Thirty-seventh Congress. By the gyration of a new political machine he was defeated for reelection in 1863, and after an absence of 31 years he was reelected to Congress in 1894 and served with distinction for five successive terms and then declined a renomination when he was 81 years old and retired to private life. His crowning achievement was the passage of the act for which the West had so long clamored, and which was to mark a distinct step in one of the greatest migrations of all time.

The first homestead entry was made soon after midnight on December 31, 1862 (Jan. 1, 1863), by Daniel Freeman of Brownville, Nemaha County, Nebr., for 160 acres in section 26, Township 4, North, Range 5, East Principal Meridian. He submitted his final proof January 20, 1868, and received his patent September 1, 1869. At least 3,000,000 pioneer families and all their descendants will for all time owe an imperishable debt of gratitude to the foresight, the courage, the ability, the broad-gaged citizenship, and the patriotism of Galusha Aron Grow. In fact when the hundreds of large cities and towns that have been made possible by those free homestead developments are considered, there is no way of estimating the number of hundreds of millions of people, practically the entire population of some 25 of the Middle and Western States, who have been benefited by his services to our country. He was one of the greatest benefactors of our Nation, and I hope our country will sometime pay some suitable tribute to his memory. The span of his life encompassed a whole era of settlement in which he

lived to see his handiwork fulfill his highest hopes and practically all the arable land of the United States transformed into self-supporting homes. Well might he say in his last years as he reflected upon this work:

> That nation is greatest and most glorious in which is the greatest number of happy firesides.

Before Mr. Grow's death in 1907, however, the usefulness of the 160-acre grant of land for a home had disappeared. The semiarid conditions of the Great Plains region had not been realized by the authors of the Homestead Act. In that area, with its average annual rainfall of less than 20 inches, less than half of which was received in the regions where 160 acres provided a farm home, crops could be successfully raised only by artificial irrigation. The natural vegetation was so sparse as to require large areas for the support of one animal where grazing was attempted. The application of land laws framed for different conditions from those that prevailed in this great western plains and mountain country, resulted in a perversion of the original beneficent intent of the Homestead Act, and early in the century a new policy was inaugurated to regulate use of natural resources instead of deeding them to individuals.

The passage of laws under this new legislative philosophy to conserve forests, oil, and minerals was comparatively easy because of the dramatic effect which examples of private exploitation furnished, but when it came to the greatest of all the resources on the remaining public lands—their natural vegetative cover—the traditions of the past were too strong to be readily overcome. Congress attempted to meet the changed conditions by enlarging the homestead grant to 320 acres in 1909. That was a good law, but it was not sufficient to meet the conditions throughout the arid West, and the western Members decided to try to enlarge that acreage and make the law more applicable to the needs for our development. And after about 7 years of further struggle, in 1916 Congress finally passed the 640-acre Stock Raising Homestead Act, of which I was the author.

We thought that was a great achievement, and it has been of incalculable benefit throughout all of the Western States. On June 30 this year 29,113,271 acres have gone to patent and onto the tax roll under that law, very little of which would otherwise have gone into private ownership. But in recent years it has sometimes been used as a subterfuge for obtaining grazing rights or other purposes than for honestly obtaining a home. The Commissioner of the General Land Office officially and vigorously recommended to Congress the repeal of the law for those reasons, and I received so many complaints and criticisms that I introduced a bill to repeal my own law. However, the other western Members were unitedly opposed to that, so after several conferences we decided it would do much more harm than good to repeal the law. They said that was too much like burning the barn to kill a few rats. Moreover, that would not at all remedy the evils we were trying to overcome, so we decided to take up a bill to regulate the grazing on the public domain. The law is vastly enlarged in difference from what we started with, but the principal objects are the same.

Unfortunately, our most bitter and persistent opponents came from the West, especially in the Senate, and we had a long hard fight. And most of the western Members of the House from 1926 to 1934 are entitled to great credit for its enactment. But, regardless of the range destruction and our concerted and vigorous efforts, never once until June 28, 1934, could a general law to regulate and conserve grazing on the public lands be enacted.

THE TAYLOR GRAZING ACT

On June 28, 3 years ago, an act which I am humbly proud to report is known throughout the West as the Taylor Grazing Act became a law (48 U. S. Stat. 1269). Inaugurating a new policy for public-land grazing it naturally aroused great interest among the stockmen and inhabitants of the sections where such lands provided a necessary pasture link in their chain of year-round livestock operations.

Fortunately the Secretary of the Interior, Harold L. Ickes, who was charged with the administration of this law had the wisdom to recognize that the people who had spent their lives upon these public grazing lands had a valuable fund of knowledge gained from experience and that the vast majority were law-abiding and public-spirited citizens with a keen desire to remedy a bad situation, which they had been forced to endure by the negligence of the Federal Government.

Accordingly, he had the sense of fair dealing and courage to provide that annual elections should give an opportunity for all users of the lands to elect representatives from the cattle, sheep, horse, and goat raisers and ranchers, who in each grazing district should act as a committee to make the initial recommendations for fair-range practices and the issuance of grazing licenses. The result of this novel but democratic method of integrating local with Federal control has already brought forth some surprising results.

An almost unanimous local sentiment was manifest for the elimination from the range of the nomadic stockman who without property of his own had been the scourge of the legitimate livestockman and settlers, and was the chief cause of overgrazing of the land and all its attendant bad effects. Specifically, after 1 year of operation with the advice of these local counsels, over 1,000,000 sheep, or nearly 15 percent of the total herds, were removed from the public lands. A further and similar reduction is now under way for this year. Thus by actual demonstration of indisputable facts the western people have shown themselves well able to put drastic principles of conservation into practice when they are approached in a spirit of cooperation; and I am gratified to know that the Federal courts have sustained this law several times. I want to again say that the entire West feels grateful to Director Farrington R. Carpenter for his energy, skill, patience, fairness, and marvelous fitness for that position. I am more firmly convinced than ever that this is the greatest conservation measure ever enacted by Congress. It will preserve from utter destruction our remaining 142,000,000 acres of public domain and restore it for the purposes stated in the title of the act, namely:

> To stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

In my judgment, the greatest and most beneficial provision of the law is it permits the local stockmen, the people who live there and pay the taxes, build roads, maintain the schools, and build up the country, to control the local operations of the law. They have never before in our history had any voice in the use or control of our grazing upon our public lands.

Excepting the 4 years he was in the Civil War my father was a frontier-range cattleman all his life, first on the prairies of Illinois where I was born, and then on the utterly unsettled plains of northwestern Kansas in 1872, 65 years ago, and afterward in Colorado; and from my boyhood days and cowboy years I can fully appreciate the rhythm and the current song, the chorus of which is:

> Home, home on the range
> Where the deer and the antelope play,
> Where seldom is heard a discouraging word
> And the sky is not cloudy all day.

However, that happy hallucination terminated nearly two generations ago. No more do the buffalo roam or the antelope play. But during the past 3 years, under this law, for the first time in our history the cowboys and sheepmen of the West can paraphrase that chorus and confidently sing:

> Home, home rule on the range
> Where the sheep and the Herefords now stay,
> Where seldom is heard a discouraging word
> And the stockmen have something to say.

I want to emphasize another result of this policy; that only a small Federal unit of 76 employees have been engaged in directing this great conservation operation and the cost to the Government has been less than one-half a cent per acre. The grazing fees collected in the second year of operation more than covered the appropriation made by Congress for that purpose, although half of the fees are by law returnable to the States. These results appear most significant to me for I think they forecast a new day and point a new way for our present policy of conversation to be carried out.

A high degree of success has been achieved in the administration of these areas at a significantly low cost. Nevertheless, we are confronted with the necessity of doing a great amount of improvement work on these public ranges and the extent of deterioration in the forage resources of this vast domain, caused principally by the lack of proper supervision in the past. Twenty-five percent of all fees collected under the act of June 28, 1934, are returnable by the law for making necessary improvements, but the amount available from this source when spread over such a tremendous area cannot provide any appreciable improvement for a great many years.

One of the outstanding conservation developments of the present administration is the organization of the Civilian Conservation Corps, which has done and is doing such splendid work in the preservation and conservation of our natural resources. This organization could perform no more valuable service for the country than the rehabilitation of these ranges. The public ranges administered under the Taylor Act include a domain comparable in size to our national forests and embrace an area much greater than that administered by any other governmental agency. Yet, to date, out of some 2,000 C. C. C. camps engaged in conservation activities, only forty-five have been assigned for work on the public domain, to provide stock-watering places, destroy poison weeds, build drift fences, and many other requirements for protecting and rebuilding that vast domain. Obviously, we are not making a fair division for the benefit of such an important national resource.

I want to appeal to the President and the Secretary of the Interior and all other officials in controlling positions to allot as soon as possible to the grazing districts at least 150 camps. The result of range improvement and rehabilitation will pay for themselves in time as range experts have estimated that these public ranges now have forage resources of less than 50 percent of their original amount and important increases in revenue will be received from the leases of these lands as these forage resources are expended.

Mr. Speaker, the span of my life has covered the first and last years of the era of free lands throughout the West. My legislative service of 15 successive terms in Congress has covered a transitional period from the time when the disposal method was embodied in our national land policy to the present era of regulated use for the greatest good of the greatest number. Nearly 15 years as a member of the Committee on the Public Lands, and ever since, I have labored in common with many distinguished colleagues from the Western States to put on the statute books a law which would accomplish what this act is now doing, and I take pride in saying that no piece of legislation has ever been a source of greater satisfaction to me than this grazing law.

In 1887, 50 years ago, and soon after the Ute Indians were removed from that vast domain, I was elected prosecuting attorney for northwestern Colorado, and afterward was elected to the Colorado State Senate, 12 years before coming to Congress. From that official knowledge and experience and from living all my life on the frontier in the range country among stockmen, I positively know that the success and destinies of many thousands of people throughout the 11 Western States are dependent upon the restoration and orderly use of grazing on the public domain; and I firmly believe that the rights of the Government and of the stockmen are well safeguarded by this legislation and that the value of the range is being restored as rapidly as possible. Moreover, I am confident that an extension of the principles of administration which the Grazing Act has demonstrated as sound will do much to protect and extend still further the policy of prudent use of public natural resources for the benefit of the whole Nation.

Benjamin Franklin said he hoped his services would be of benefit to his generation and to those that followed him. I have always had a similar hope.

Peter Norbeck

MEMORIAL ADDRESS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

Mr. CASE of South Dakota. Mr. Speaker, my first act after being sworn in as a Member of the House of Representatives was to perform the sad honor of introducing a resolution to the memory of the late Senator PETER NORBECK. States have their favorite sons. PETER NORBECK was South Dakota's first native-born son to become Governor of the State and first to become a Member of the United States Senate. He was the only man South Dakota has elected three times to the Senate. Let those facts attest our regard for him.

PETER NORBECK was born on a farm 7 miles north of Vermillion, in Clay County, S. Dak., August 27, 1870, the son of Scandinavian parents. As a boy he memorized long passages of the New Testament in their mother tongue. When about 12 years of age he went with his parents to Charles Mix County. He attended the common schools of South Dakota and spent 2 years at the University of South Dakota. Thereafter he taught school in Charles Mix County for a year and then worked on his father's farm. There he acquired a horsepower well-drilling machine and drilled a water well. It took nearly a year to do the job, but he got good water, and decided that he would drill wells for other homesteaders who needed them. Leaving the farm to a brother, Enoch, PETER NORBECK moved to Mt. Vernon, S. Dak., and branched out into the artesian-well business. Later he moved to Redfield and established the firm of Norbeck & Nicholson, whose drilling operations took him and a brother, George, into all parts of South Dakota.

For these facts on his early life, I am indebted to his lifelong friend, Hans Gjolme. Hans played with him as a boy on their fathers' farms, later roomed with him at the university, and then served him loyally the last 6 years of the Senator's life as one of his trusted clerks in the Senate office. The Senator's last papers and records were cared for by Hans and assembled for return to South Dakota.

In 1908 Spink County sent PETER NORBECK to the State senate and again in 1910 and 1912. In 1914 he was elected Lieutenant Governor. In 1916 he was elected Governor and reelected in 1918. Serving as South Dakota's wartime Governor, he established his sturdy patriotism and leadership so firmly in the minds of the people that he was elected to the United States Senate in 1920 and reelected in 1926 and 1932.

In the Senate he established himself as a courageous friend of agriculture and a far-sighted leader in conservation. He was heart and soul for the interests of the people who sent him. I remember how sharply he turned on me once when I observed that I had seen his name mentioned for a higher post. "I do not care about such things," he said. "I know that is foolish, because I made up my mind some years ago that I would put the western people first."

Other men have better ability than I to tell the meaning of PETER NORBECK'S life, and I here insert a tribute that was written on the day of his death, by one who knew him intimately and shared many experiences with him, Maj. O. W. Coursey, of Mitchell, S. Dak., as follows:

TRIBUTE BY O. W. COURSEY

In the death of Senator NORBECK South Dakota lost its ablest statesman; agriculture, its best friend; society, a monumental benefactor; and the Nation at large, an unchampioned leader of progressive thought and action.

In the discharge of his official duties, he knew no fear, and he could not be intimidated. His politics were not merely the good of his party, but the good of the whole people as he saw it. He was a Republican only to the extent that the Republican Party was rendering a real service to mankind. Anything less than that was repugnant to his whole nature.

Senator NORBECK was a statesman in the truest sense of the term. Men are only big in that they think in big terms. The Senator thought in generalities. His mind was big and his heart was pure. Political satellites whose sole ambition in life was the lure of public office did not appeal to him. He surrounded himself, so far as possible, with men who were forward-looking and high-minded. This gave stability to his political career and kept him in public life.

Although he started out in life with a limited education, nevertheless he had an analytic mind—one that always sifted the wheat from the chaff, and no man was ever able to deceive him. He saw through men; appraised them for what they were worth, and always kept his own hand at the helm.

His course in life was largely uncharted. He sailed unknown seas and mapped his own course. Breaking loose from old political moorings, he sought to lead his party into channels of new experiments—those things which were near and dear to his heart, and which he thought would make for the benefit of the common people. When he erred, it was an error of the head and not of the heart. But he seldom erred. Reforms always produce some errors. But it is out of the mistakes of today that the successes of tomorrow come. Only those who do things make errors, the laggard is complacent in his own surroundings. He sleeps at the switch while the train of progressive thought moves past him, and glides on into a better terminal.

PETER NORBECK was a forward-looking man. He turned his back on those policies of government which belonged plainly to a bygone day. To him precedent was no cause for cleavage. If progress demanded a change, in order to attain a desired end, he was for the change. With him the experiments of today became the rules of conduct for tomorrow. He never turned around to look back; his vision was always before him.

The Senator was a westerner—western by birth, western in sympathy, and western in action.

EAST AND WEST

"Men look to the east for the dawning things,
For the light of the rising sun;
But they look to the west, to the crimson west,
For a view of the things that are done.

"For the eastward sun is a new-born hope
From the dark of the night distilled;
But the westward sun is the sunset sun,
The sun of a hope fulfilled.

"For there in the east we dreamed the dreams
Of the things we hoped to do;
But here in the west, the crimson west,
The dreams of the east come true."

They came true in the life of PETER NORBECK. He had in him three great elements of success: First, he made abiding friendships; second, he was inherently honest; and third, he had the courage of his convictions.

Men trailed him with eager glee. They were willing to fight for him in any kind of battle. His ideals became their ideals; his enthusiasm, their enthusiasm. He was brim full of the eternal masculine. The masculinity in him aroused the masculinity in other men. Like attracts like; it's a law of the universe. He attracted unto himself men like himself—strong, courageous, far-seeing, and resourceful. He was physically magnetic, mentally alert, spiritually high-minded, politically sagacious, and socially brother-like and friendly. His family were his jewels, and they, in turn, worshipped him with an affection that bordered onto idolatry. His home life was pure and magnetic, lovable, and fine. His last dollar would go to any member of his family for the asking.

Senator NORBECK married well. Lydia Anderson made him an ideal wife. Much of his success in life was the direct result of her influence and devotion. She was well adapted to the public life which he led. Always modest, she remained in the background and kept silent. However, her advice, when sought in the privacy of their own home, was always sound and worthy of careful analysis. Frequently she accompanied him on his campaigns, but only a few or none of those present ever knew she was in his audiences. With becoming modesty she sat back, listened, weighed arguments, analyzed situations, and made friends. Although quiet in her demeanor, she always enjoyed public life, and her commendable traits added greatly to her husband's success.

When the State legislature defeated his bill for the creation of a State park in the Black Hills while he was Governor, he got one of his friends to change his vote and then the next day move for a reconsideration. It went through, was reconsidered, and passed; and today our beautiful Custer State Park, with its wildlife, its winding roads, and babbling brooks—the home of Presidents—has become the pride of the Nation as well as that of the State, and it will forever serve as a monument to the statesman who gave it to South Dakota—Senator PETER NORBECK. At a prominent spot within its spacious boundaries, a large statue of him should now be erected. I spoke to him privately about this once, while we were driving through the park all alone, but he modestly replied, "Wait till after I am dead. Then whatever you boys do will be all right." That tragic moment is now upon us; why wait longer?

PETER NORBECK was never defeated for public office, although he served in various capacities continuously for a period of 28 years. He was elected to the State Senate from Spink County in 1908, reelected in 1910, and again in 1912. In 1914 he was elected Lieutenant Governor; in 1916, Governor; and reelected in 1918. In 1920 he was elected to the United States Senate, was reelected in 1926, and again in 1932, serving 4 years of his last 6-year term before Death wrapped him in her mantle of charity and wafted him into realms of eternal joy on December 20, 1936, at the age of 66 years 3 months and 23 days.

"Peace, sweet peace, to his ashes."

Out of the native granite of Mount Rushmore in the Black Hills of South Dakota is being carved the great American memorial, a heroic sculpture by Gutzon Borglum, carrying the figures of Washington, Jefferson, Lincoln, and Roosevelt as the four men who gave birth, form, unity, and position to the American Republic. State Historian Doane Robinson conceived the idea of the memorial; PETER NORBECK made it a reality. An easterner who was attracted to the Black Hills by NORBECK's work with the Rushmore Memorial, and who then became one of the late Senator's great admirers, has paid him the following tribute:

A VISITOR'S TRIBUTE

A man whose constructive service to his fellowmen is blind to parties, creeds, or power; whose vision is limited to the simplicities of universal truth; whose energies, though insufficient to preserve himself, are yet strong enough to fight victoriously for those truths; and whose courage inspires the admiration of even the bitterest of his opponents, is properly called great.

In no man in our public life are those attributes more justly recognized than in the late PETER NORBECK, United States Senator from South Dakota.

Drawn from the humble service that brought life and nourishment to his neighbors whose wells of water were his handiwork to dig in more resisting soil for springs that would nourish larger needs, he unearthed rivers of undying richness that will forever slake man's thirst for inspiration.

Here was a statesman who by his trade followed the Prophet Isaiah's injunction to "look to the rock whence ye are hewn—look to the pit whence ye are digged"—and by his profession, that of Walt Whitman to "contemplate the grandeur of the stars."

We have forgotten the great meaning of the word "politics" in our concern to make it serve our petty ends. He never forgot it in giving himself to serve the true ends for which politics was created. He was elected through organization, but chosen in spite of it. He was bound neither in his thought nor his action by any limitation save the common weal.

Like the rail-splitter of Kentucky, this well-driller of Dakota wrested his education from few books and many thoughts. In him, as in all great men, this thought, shaped by contact with well-chosen minds, bred vision. And that vision was ever the well-being of his neighbors, his State, and his Nation. It was never clouded by passion, prejudice, nor greed.

It shone in the honesty of his battles against special privilege; the clarity of his hatred of hypocrisy; the tolerance which led him to understand the motives of his opponents; the vigor of his ceaseless pursuit of beauty and the valor of his votes for civic liberty and moral right.

As a man he drew and was attracted to men of gigantic mental stature. As a Governor he conceived and executed plans rooted in the heart of nature, which, nurtured by his political genius, have flowered into everlasting legacies of wealth and loveliness for all who shall ever set foot in the Black Hills. He did not fear to elevate to prominence in these plans, others whose dreams were not less towering than his own, and largely by his efforts, these too, have set their mark upon those hills he loved, thereby preserving forever symbols of the ideals, the honor, the strength and the democracy of the Nation of which he was so eminent a servant.

That the ideals which spurred him were beyond the sight of many PETER NORBECK knew well. That the labors which he performed in molding glory with a lavish hand would not be comprehended save by some far posterity, he also knew. That his political purity would be unappreciated by all partisans he realized. But it is fitting that this hint of his value to his generation should be engraved upon the record, lest that same posterity whose recognition of his stature is inevitable, should believe that we are far less understanding than we are.

News of Senator NORBECK's death reached me one day last December while I was driving through the West Virginia hills on my way to Washington. A newspaper on the counter at a small filling station carried his picture, word of his death and a story of his life. A stranger seated nearby noted my concern as I read the story. "Know him?" he asked. "Yes", I said; "we thought a lot of him in South Dakota." "You should", the stranger said, "for he was sure loyal to you and he was one of the best friends folks who love the out-of-doors ever had."

H. R. 8234

EXTENSION OF REMARKS
OF
HON. EDWARD C. EICHER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. EICHER. Mr. Speaker, I am happy for the opportunity to vote for the pending bill that promises to iron out at least a few of the most glaring inequalities and evasions that have arisen in violation of the intent of our existing tax laws. The Ways and Means Committee is entitled to the thanks of the Nation for its conscientious and expeditious work in presenting to Congress for enactment a legislative cure for the evils that the President pointed out to us in his message of June 1 last. The bill should be passed promptly by both the House and the Senate without a dissenting vote.

This is no time, however, for Congress to rest on its oars. We need to give our taxation system the best study of which we are capable. I sincerely hope this may be just the beginning of a concerted attack that will evolve a scientific code based on the fundamental principle of ability to pay.

It has long been my firm belief that an intelligent and thorough revision of the Federal tax structure is one of the most important jobs confronting Congress. Sound national recovery demands that more people shall get a larger share of the national income. Government can, and it must establish such a trend, if our country is to remain a democracy, either in fact or in form. To this end a wise exercise of the taxing power is second only in importance to the stabilization of farm income and buying power. Therefore no better use could be made by all Members of Congress of their spare time during the approaching vacation period than to meditate over why we tax and how we should tax.

Recently it has been my privilege to read a book by David Cushman Coyle, just off the press, entitled "Why Pay Taxes?" It is a small book of 190 pages, published by the National Home Library Foundation of Washington, D. C., on a nonprofit basis. Before I read this little volume it would have been impossible for me to believe that there could be crammed into so small compass such a vast store of educational, yet entertaining, material on a subject generally regarded as dry and technical.

Months and years of fruitful research by the author have been digested into 23 chapters of forcefully told deductions and conclusions as to what is wrong with present taxing methods and how those wrongs can be righted in the greater public interest.

Mr. Coyle makes it crystal clear that the power to tax is the most effective weapon that a democracy can wield in its continuing struggle to obtain and maintain the benefits of better government for its people. It is a dual-purpose weapon. It must produce the revenues that are essential to support the functions of government. It must act as a regulator to correct those inevitable maladjustments that, unchecked, will destroy any democratic society.

The author's thesis may be crudely illustrated by the observation that government's inherent power of taxation should be made to serve the public weal in much the same way as oatmeal and castoria combine to supply the physical needs of the growing child. One nourishes, the other regulates, and both are essential to well-ordered development. The chief duty of democratic government under modern conditions, he points out, is to keep the economic system in a balance which allows high production instead of letting it degenerate into the wasteful balance of conflicting interests from which we now suffer.

Economic balance has to be intelligently created or it will create itself at starvation levels. The balance between saving and spending has to be made right, or excessive savings will regulate themselves by excessive bankruptcy as they did after 1929. The balance between creditor areas in the Northeast and the debtor areas of the South and West has to be redressed by the Government or else it will redress itself at a low level by foreclosure and growing poverty.

We have used taxation as a medium of control ever since there was enacted the first protective tariff. Thus was established the industrial trend that our Nation, for better or for worse, has since followed. Coyle considers the use of taxation for purposes of economic adjustment one of the cornerstones of the New Deal. He believes the personal income tax is too small to give proper results, and that it should be increased both in the high brackets and the lower brackets, but each for a different reason. The high brackets should be increased beyond the point of "diminishing returns"; that is, they should be used to eliminate overgrown income rather than to get revenue. He thinks that is the missing element in the New Deal's effort to overcome high finance, because merely prohibiting activities of financial operators while leaving them the means to corrupt legislators and confuse the courts is largely useless.

The middle and lower brackets of the income tax he regards as the most proper source of revenue. They take money from the taxpayers in proportion to the power to save and invest. Therefore, high middle-bracket taxes are the most effective means for redressing the unbalance between saving and spending.

The larger the income the more is saved; the smaller the income the more is spent; and if income taxes are higher, more money will be taken from savers and taken for spending. There will be more of a market for goods and services, the national income will be increased, and people will have more money to pay taxes with.

Mr. Coyle argues convincingly that so long as Federal money is needed to save the land, the forest, the minerals, and the people in order to balance our economic budget and preserve the capital wealth of America, there is no balance of the Treasury books that means anything; that to balance the Federal Budget by disregarding the waste of national wealth is to eat our patrimony with a vengeance. Higher income taxes will cut down the surplus money income available for speculation, and if the Budget can have a surplus drawn from income taxes it will be extracting money from Wall Street that will be a sure way to prevent a stock-market boom.

Reform of those taxes which affect distribution of income, Mr. Coyle believes to be the first requirement of a well-planned tax system, and of only secondary importance is a series of taxes that will control business practices. These should be planned and erected not so much from the aspect of revenue production as in the light of their negative influence as preventives of antisocial practices.

The foregoing remarks are the merest outline of the detailed discussions contained in this valuable little book. Every reader after completing its perusal will, I believe, feel the same sentiment of obligation as was mine for the cogent direction Mr. Coyle's obviously exhaustive study will give to the program of personal research into this compelling subject that every sincere student of public affairs will want to follow.

American Liberties Denied in Foreign Embassy Bill—Is Subversive of Constitution—If You Can Deny Right of Criticism of Foreign Government Five Hundred Feet From Embassy, It Can Be Extended Throughout Entire United States of America

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

THIS LEGISLATION CAN PLACE AMERICA UNDER FOREIGN CONTROL

Mr. MAVERICK. Mr. Speaker, I have been giving a great deal of study to the Pittman-McReynolds bill, prohibiting

picketing within 500 feet of foreign embassies. There is one thing dead certain: If you can prohibit it within 500 feet of an embassy, it can be 1,000 feet, or can apply all over the United States of America. In that case, it could be made illegal for anyone to express an opinion concerning a foreign government, either for or against communism or fascism, or the nonpayment of foreign debts to us, or any subject.

If such a law is enacted, and could, under any possible stretch of logic, be constitutional, the United States of America could easily be placed under foreign control. There is no limit to such legislation. A minority of the members of the committee vigorously oppose its adoption.

CONSTITUTION DID NOT PROVIDE SUSPENSION BECAUSE OF FOREIGN PROPERTY

Recently, I drove around the embassy section. Some embassies are approximately 1,000 feet apart. Nowhere between those two embassies, nor for 500 feet in back of them, and in some cases for thousands of feet, because of other intervening embassies—could anyone exercise his American right of freedom of speech, right of assembly, or freedom of expression. In fact, it might be said that in whole sections of Washington, the Constitution would be inoperative.

It must be plainly understood that the Constitution did not say that the Constitution would be suspended if a foreign country happened to buy a certain piece of property. The property rights of foreign governments certainly cannot deny the constitutional rights of private American citizens within their own country.

The adoption of this character of legislation is clearly bad. It is bad in the first place, and it leads to much greater evils. There is no limit to the power that a foreign government could obtain over the Government of the United States.

As I stated in the first place, if a constitutional right can be denied if a person happens to be within 500 feet of a foreign embassy, it can be denied everywhere in the United States. This character of legislation is typical of dictatorial governments, typical of Communist, Fascist, and Nazi governments.

Minor police officials—as in Nazi Germany—upon the basis of a dictatorial law, are delegated huge powers in the Pittman-McReynolds bill. This delegation of power is not merely in violation of the letter of the Constitution, but the spirit of the Constitution, and the spirit of American and Anglo-Saxon liberties. It is the kind of delegation of power that any ordinary American understanding liberty feels is an invasion of every right of democracy.

"ENGLAND EXPECTS EVERY AMERICAN TO DO HIS DUTY"

I am reading a book now called England Expects Every American to do His Duty. Suppose England, for instance, should obtain dominance over leaders of the American Government. Then no one could say, "America expects England to do her duty and pay her debts."

And, as some people believe that the Communist government and the communistic principle are becoming very powerful in this country—then an ordinary American Democrat, or a most worthy Republican, could not denounce communism. We could not say that Japan is a little rough with China, because it might hurt the feelings of the Imperial Government of Japan's royal and imperial feelings. This list could be extended ad infinitum.

I realize that the bill on its face does not appear to be so very dangerous to some people. It is, however, if anyone will take a casual look at the Constitution, unconstitutional. But it is worse than that, in that it will lead to much worse violations of the Constitution on the pretext of protecting foreign rights.

For the benefit of those interested in the legal and constitutional aspects, I attach hereto a memorandum on the constitutionality of the Senate joint resolution, and in which preparation I obtained the assistance of Arthur Garfield Hays, A. L. Wirin, counsel for the American Civil Liberties Union, and the International Juridical Association, and here include as a part of my remarks:

MEMORANDUM ON CONSTITUTIONALITY OF SENATE JOINT RESOLUTION 191 (PITTMAN BILL LIMITING THE RIGHT OF PROTEST BEFORE FOREIGN EMBASSIES)

I. The bill is an unconstitutional interference with freedom of speech and freedom of assembly.

Clearly the bill constitutes a direct and clear-cut infringement upon freedom of speech and of assembly. Any person who dislikes communism, fascism, the nonpayment of foreign debts to us, foreign wars, or any policy of a party in a foreign country, may not display a banner expressing such opposition within 2 blocks of any foreign embassy. If two or more people stop for a chat or a smoke or any other purpose a block or two away from a foreign embassy, any police officer may order them to move on under the threat of prosecution.

The law is well established by the decisions of the Supreme Court of the United States that freedom of speech and assembly are guaranteed by the Constitution (first amendment to the Federal Constitution, *Near* v. *Minnesota*, 283 U. S. 697 (1931); *De Jonge* v. *Oregon*, 299 U. S. 353 (1937); *Grosjean* v. *American Press Co.*, 297 U. S. 233 (1937)).

The Court has now definitely decided that peaceful picketing is embraced within the constitutional guaranty of freedom of speech (*Senn* v. *Tile Layers Protective Union Local No. 5*, 81 L. Ed. 829 (197)).

There can be no justification for the sweeping restrictions upon speech and assembly embodied in the bill. No claim can be made that the bill is intended as a regulation of the streets or of traffic because it extends beyond the streets and sidewalks.

The purpose of the bill is to prevent criticism of foreign governments and their parties.

The entire history and tradition of free speech in this country are based upon the principle that there shall be no censorship in advance even though persons may be punished for slanderous and similar utterances (*Near* v. *Minnesota*, *supra*). This is also one of the cardinal principles permeating Anglo-Saxon and English liberty.

BILL SEEKS TO CENSOR IN ADVANCE—CLEARLY UNCONSTITUTIONAL

In Senate Joint Resolution 191 this principle is flagrantly violated. Instead of punishing persons who slander foreign governments, Congress is asked to impose a censorship in advance upon bringing foreign governments or their parties into public odium or disrepute.

It must be remembered that statutes adopted to achieve a legitimate purpose are unconstitutional if their restrictions upon constitutional liberties exceed the necessities of the evil sought to be dealt with (*De Jonge* v. *Oregon*, 299 U. S. 353 (1937); *Meyer* v. *Nebraska*, 262 U. S. 390 (1923); *Territory of Hawaii* v. *Anduha*, 48 F. (2C), 171 C. C. A. 9th, 1931).

Certainly, the law of slander and libel afford adequate safeguard against improper attacks upon foreign governments. For that reason there is no constitutional justification for the infringement upon civil liberties provided by the bill which, it is important to remember, may even prohibit group meetings in private dwellings and the display of banners in one's own home.

II. The bill violates the due process of law clause of the fifth amendment, because it is vague and uncertain and because it sets up no reasonably ascertainable standard of guilt.

A statute which is vague or uncertain does not meet the requirements of due process of law. No person may be convicted under a statute which does not set up a reasonably ascertainable standard of guilt (*Connally* v. *General Construction Co.*, 269 U. S. 385 (1925); *United States* v. *Cohen Grocery Co.*, 255 U. S. 81 (1921); *Matt Sr.* v. *Harder*, 9 Cal. App. (2d) 153 (1935)).

The bill prohibits any person to display a flag, banner, placard or device within 500 feet of any foreign embassy without a police department license, if the display is designed or adapted to bring any foreign government, party, or organization or their views into disrepute.

BUTTON SUGGESTING "PAY YOUR DEBTS" IS CRIMINAL UNDER BILL

What is a device? Is a button worn in the coat lapel stating "Down with imperialism", or "Pay your debts", such a device, so that a person walking by the Japanese or British Embassy might be convicted?

The language of the act is so vague that a person displaying a placard of a magazine announcing an article on "The Horrors of Fascism" or "The Evils of Communism" might be convicted under its terms.

The bill does not clearly require that the person making the display intend the banner or device to bring a foreign government into disrepute. The banner need only to be "adopted" to that end.

Under this provision a person wearing a button of the American League Against War and Fascism and casually walking by the German Embassy without intending to attract attention might find himself arrested on a charge of violating the bill.

Perhaps the most dangerously vague feature of the bill is its failure clearly to delimit the proscribed area. The bill states that the acts forbidden may not be carried on within 500 feet of a foreign embassy.

The bill is not limited to displays on the streets or sidewalks, nor even to public places. Under its language it would apparently be possible to convict persons displaying anti-Fascist, pro-Fascist, anti- or pro-Communist banners in public meetings held in halls within 500 feet of a foreign embassy and even in their own homes.

LEGISLATION VAGUE—TYPIFIES DICTATORSHIPS

The section prohibiting congregation of persons within 500 feet of buildings occupied by foreign representatives is similarly vague and uncertain. It is not limited to streets or public places.

Under the literal meaning of the ambiguous language used by the draftsman, a police officer could order any group of people meeting for any purpose however remote from foreign relations, in a public building or private dwelling to disperse.

Such legislation typifies dictatorships and is utterly inconsistent with the American constitutional principle that persons shall be convicted of crimes based upon clear and certain standards of guilt.

III. The bill is unconstitutional because it confers arbitrary power to the police to grant permits and to disperse assemblies, without setting up any standard for their guidance. There is an unconstitutional delegation of legislative power.

The display of derogatory banners, flags, placards, or devices is not prohibited by the resolution. Banners and other devices may be displayed at the unchecked and arbitrary discretion of the District superintendent of police. Such a wide delegation of power to a minor official, without the setting up of a guiding standard, is definitely unconstitutional (*Yick Wo* v. *Hopkins*, 118 U. S. 356; *Schechter Poultry Corp.* v. *U. S.*, 295 U. S. 495 (1935); *Panama Refining Co.* v. *Ryan*, 293 U. S. 388 (1935)).

The language of the Court in *State* v. *Coleman* (96 Conn. 190, 113 Att. 385 (1921)), in which the Court held unconstitutional a municipal ordinance forbidding parades or the making of speeches in public places, is directly applicable to Senate Joint Resolution 191. The Court said:

"It is assumed by the ordinance that some citizens will be permitted by the chief of police to use the streets and parks of Meriden for the purpose of exercising their constitutional right.

"That being so, it is certain that the chief of police may not, by any arbitrary process of selection, determine in advance who may and who may not exercise it" (p. 194).

In a case holding unconstitutional an ordinance forbidding parades without license from the police the Court, in *City of Chicago* v. *Trotter, Ill.* (430, 26 N. E. 359 (1891)), said:

"The ordinance in question seems to recognize the fact that all processions are not to be repressed, and seems to proceed upon the theory that some of such demonstrations are to be allowed and permitted and others prevented. It does not, however, fix and determine the conditions under which parades and processions will be unlawful.

"It merely leaves it to the discretion or caprice of the superintendent of police to imperatively prescribe who shall be permitted to gather together in such processions and who shall not; to dictate that the members of one political party, or of one religious denomination, or of one civic society, may, and the members of another political party, religious denominations, or civic society may not, have such parades or processions, and to arbitrarily fix the times, occasions, and localities when and where such assemblages will be allowed.

"It is subversive of the liberty of the citizen, and outside of the domain of the law, that authority so arbitrary should be lodged in one individual" (p. 433).

The provision of the bill relating to congregating within two blocks (500 feet) of foreign embassies constitute a remarkable abdication of legislative duty. A police officer by ordering persons to disperse makes their assembly a crime and there is no provision whatever indicating what types of assemblies are to be ordered dispersed. The case cited above demonstrates the unconstitutionality of such a provision as does the now famous opinion in the case of *Territory of Hawaii* v. *Anduha* (48 F. (2d) 171 (C. C. A. 9, 1931)).

The bill accordingly is unconstitutional, both under the first amendment, as an infringement of freedom of speech and of the press, and under the fifth amendment as a device of due process of law.

This concludes the legal aspects of the bill, and I will now discuss the minority report.

MINORITY OF COMMITTEE VIGOROUSLY OPPOSE BILL

It is understood also that the Pittman-McReynolds bill has vigorous opposition in the Foreign Affairs Committee itself. As originally reported out, it was House Joint Resolution 473, and the Senate joint resolution is practically the same, and the arguments are the same for both.

I therefore take the liberty in quoting portions of the minority report.

The committee begins by showing that the bill constitutes an infringement of the first amendment to the Constitution of the United States, quoting that amendment.

NOT PROPER UNDER REPUBLICAN GOVERNMENT

They say:

It might be a proper kind of regulation under a dictatorial form of government, which permits no criticism; but under our republican form of government the peaceful right of assembly and the freedom of speech has long been established as being a part of the rights of American citizens guaranteed to them by the Constitution.

The minority report further says that the rights guaranteed to American citizens by the Constitution of freedom of speech, assembly, and petition should not be lightly set aside, limited, or suppressed by an act of Congress. Then it says it is "of questionable wisdom and far more suited to autocratic and despotic governments than to our free institutions and constitutional democracy."

The minority of the committee believes that as long as democratic rights are unabridged and unrestricted that there is no danger of the overthrow of our free institutions and the American system of government.

DANGEROUS AND UNNECESSARY PRECEDENT

The minority also believes the resolution would establish a dangerous and unnecessary precedent and "might serve as a precedent for further infringements and limitations on the constitutional rights of the American people."

Also, they say:

This resolution is so stringent (or loosely written) that an American citizen walking on the sidewalks adjacent to an embassy could be arrested for displaying the American flag on the lapel of his coat. A friend of labor wearing the button or emblem of his organization is subject to arrest if he ventures too near a foreign embassy.

The premises of a foreign legation or embassy are constructively deemed to be foreign territory, but the sidewalks and streets adjacent and contiguous thereto are not within their jurisdiction and are public property, and therefore belong to the people who pay taxes for their maintenance.

This minority report is signed by ROBERT ALLEN, of Pennsylvania, Mrs. EDITH NOURSE ROGERS, of Massachusetts, and HAMILTON FISH, of New York.

A Plea of Distress and an Appeal for Aid

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

TALK BY HON. CLARE E. HOFFMAN, OF MICHIGAN, AT BIRMINGHAM, ALA., ON AUGUST 10, 1937

Mr. HOFFMAN. Mr. Speaker, under permission granted to extend my remarks I insert herein a talk given by me at Birmingham, Ala., on August 10, 1937:

Fellow Americans, some listening may wonder why a Congressman from Michigan should be here.

To disabuse your minds of any thought that the purpose is to suggest or advise what you should do, let it be understood now that my visit is but for the purpose of seeking your help and bringing home to you a more complete knowledge of what has happened to us in the industrial North and what we of the agricultural districts of that region fear may come to our farms and their related industries.

It is not my purpose to tell the people of this community what they should do to solve the problem of John L. Lewis, the C. I. O., communism, or any other radical, subversive movement, which they may be called upon to face. I merely want to warn you that if this menace—and it is a very real menace—is not halted before it invades and takes over your country, you will have to endure the same lawless reign of terrorism which swept through my State.

What this movement now abroad in the land has done to us it will surely do to you, unless you meet it with a greater degree of intelligence and determination than we have used.

Loyal and patriotic as you are, with your intelligence, your determination, and the knowledge, which we did not at the time possess, of how it moves, the procedure which it adopts and the methods which it uses and the results which it desires, you have the opportunity, you have the desire, and if once you realize the danger, no doubt you will act to preserve our American form of government and to end for all time the effort to install alien European schemes of social organization which are as repugnant to you as to us.

Since December 30 this great movement, backed by millions of dollars under the direction of skilled leadership, with experienced and ruthless organizers, has been sweeping over our country.

Its avowed purpose is the betterment of the workers' condition.

Its real purpose is to place in the hands of those behind it millions of dollars, a power over labor never before dreamed of, and the destruction of our form of government.

About this there is no doubt, for of a similar movement in the early twenties the United Mine Workers under John L. Lewis' dictation, in a report published by the United States Senate in 1924 as Document No. 14 of the Sixty-eighth Congress stated of a similar movement:

"Imported revolution is knocking at the door of the United Mine Workers of America and of the American people. The seizure of this union is being attempted as the first step in the realization of a thoroughly organized program of the agencies and forces behind the Communist International at Moscow for the conquest of the American continent.

THE OVERTHROW AND DESTRUCTION OF THIS GOVERNMENT

"The overthrow and destruction of this Government with the establishment of an absolute and arbitrary dictatorship, and the elimination of all forms of popular voice in governmental affairs, is being attempted on a more gigantic scale, with more resolute purpose, and with more crafty design than at any time in the history of this Nation."

That the crew engineering the present drive is a wrecking crew is shown by the fact that, aided by the Wagner Act, the National Labor Relations Board, and the Senate La Follette Civil Liberties Committee, the days' work lost because of strikes to the toilers of this land totaled in the first 4 months of this year 10,851,706, while in the 4 years of 1928–31 the total was but 5,665,000 days.

NOTE.—While the 4 years' loss was a trifle over five and one-half million days, June of this year gave us a strike loss of 4,500,000 days' work lost. These figures are from the Department of Labor that tend to show, no matter what the avowed purpose, the real result of C. I. O. activities.

A Congressman from Texas, MAURY MAVERICK, speaking under the auspices of the U. A. W. A., a C. I. O. affiliate, on June 5 at Detroit, announced his purpose, in part at least, to be to free the slaves of Ford. The man referred to by the Congressman as a slave draws from the Ford organization an average wage of $7.26 per day.

FREEING FORD'S SLAVES

If a man from Texas is to assist to economic freedom a man receiving such a wage, surely it is not improper for me to ask the aid of the South to assist us to free ourselves from the coercion, the intimidation, the violence, the destruction of property for which Mr. MAVERICK speaks, and which by armed men, flying squadrons, if you please, invade our State and drive our workers from their tasks and force them upon relief rolls. This organization for which Mr. MAVERICK speaks—and he expressed the hope that the South would become organized—has cost my State, since the first of the year, more than $100,000,000 wages and profits.

Do not misunderstand. I am not speaking against a legitimate labor organization, such as the American Federation of Labor, under whose auspices I have spoken and am glad to speak. I am criticizing an organization which, flying the banner of labor, would destroy the worker's liberty and establish communism.

UNIONS NECESSARY

In my judgment, it is as necessary that labor organize as it was that the Colonies should form a union to resist the tyranny of King George III.

Well and faithfully has the American Federation of Labor served the cause of American labor and there is no reason to believe that it will not in the end prevail over this foe which is seeking to destroy. But it must be alert; it must be active; it must be aggressive—not as the C. I. O. is aggressive, without and beyond the law, but within the law, and it should be henceforth, as heretofore, an organization devoted to the interests of labor and not a political organization.

You have been more or less remote from the later labor disputes occurring from time to time in the northern industrial States. Doubtless, there have been occasions when you received the news of our industrial warfare with a feeling of more or less sympathetic contempt.

Perhaps you feel that the events of the past few months in such States as Michigan, Pennsylvania, Ohio, Illinois, and Indiana, are just another evidence of the quarrelsomeness or the lack of courage of our people.

I beg of you, do not make that mistake. The problem in my State, like similar problems in many other Northern States, is not a sectional problem. It is a great national problem which can only be solved by a united Nation.

My visit here is prompted by our necessity—because we of the North so far have not been able to solve this problem and because we need your help.

In addition to that it is the thought that you may profit by our experience, as we might have profited had we listened before it was too late.

There are those of you who may think that communism can never gain a foothold here. You may think that, in spite of all the plans which have been made by John L. Lewis and his Communist organization, known as the C. I. O., for organizing the industrial workers of the South, such a thing cannot happen in the Tennessee Valley. That is what we thought. If that is what you think, you were never more mistaken.

I have talked with Congressmen from the South and invariably they have advised me that what happened to us "cannot happen here." Their statement has been, "We will not tolerate this lawlessness, this driving of men from their work."

It is to be hoped that these men are right. I pray that you will never have to go through the experience we were forced to endure.

LAWLESSNESS ABROAD

Bear with me while I tell you what happened in my home State, and in other States of the North. Consider the Saginaw Valley, on the eastern side of the State of Michigan, a valley as beautiful, as fertile, as prosperous, as any in the Southland—farmers tilling productive land, harvesting and marketing their crops, industrial towns and cities, humming factories, workers well paid and contented; typical American communities.

Take a glance at the Detroit area, including Flint, Pontiac, and Dearborn; workers in factories clean, well lighted, sanitary in every way, all of them drawing wages undreamed of a few years ago; the wage in one factory averaging $7.26 a day; workers who had no fault to find with wages, hours, or working conditions.

Yet, within a short space of time, hundreds of thousands were driven from their daily tasks by the intimidation and the mob violence of Lewis, his C. I. O., and the so-called Automobile Workers of America, and the rest are now being threatened with a similar fate.

Then drop down to the Conemaugh Valley, nestling in the mountains which surround Pittsburgh, Pa., and let us review the abortive strike called in the great Cambria mills of the Bethlehem Steel Co., in the city of Johnstown.

Then we might travel back to Chicago and inquire into the Memorial Day riot, inaugurated as it was by a mob under the leadership of the Lewis high command, led by flying squadrons of local and imported gangsters.

On our way to Chicago we pass the Ohio district—Youngstown, Massillon, and Canton—with their records of the dead and the buried, of coercion, intimidation, of riot and of bloodshed.

There is one bright spot in the northern picture, and that is Maine—that great stronghold of Americanism. When Lewis organizers sought to take over the shoe industry the problem was met and answered as it should have been answered. The lawless found themselves behind prison bars.

To bring the picture home to you, if possible, is my objective.

The motor industry all through the depression managed to keep employment and wages at approximately the 1929 levels. It constantly improved its product and at the same time steadily lowered its prices to the ultimate consumers, and the wage per unit of production was higher than before. By improved methods of mass production it was able to maintain a constantly increasing market, thus creating new opportunities for employment for those who ordinarily might be temporarily out of employment because of new labor-saving devices.

Scores of prosperous communities have been built around this industry. In them many of the workers own their own homes. They have paid their bills promptly. Their children have had the advantages of the best of public-school education. Wages, working conditions, hours were satisfactory.

Then what happened?

Lewis and his Communist allies determined to take over control of labor. The C. I. O. was organized. Self-appointed, these men, some of them Communists with a national reputation, joined in an attempt to impose their will upon labor.

The purpose was to organize workers by industries instead of by craft, the traditional policy of the A. F. of L.

C. I. O. turned its eyes longingly toward the great motor industry, with its hundreds of thousands of workers, its well-filled pay envelopes, and determined to force them into the C. I. O. and to levy tribute.

Lewis' United Mine Workers supplied a portion of the money for organization work, and workers in the district were assessed as much as $2 a month to help the cause. It has been charged that money from Moscow aided in the organization drive, and this charge has to date gone unchallenged.

General Motors, at Flint, Mich., was the first point of the attack. A minority, not 10 percent, threw hundreds of thousands out of work, rendered the factory idle.

C. I. O. CLOSES PAY WINDOW

One plant after another was subjected to the so-called sit-down strike. And for 44 days the wage earners on the pay rolls of General Motors lost a million dollars a day, although most of them wanted to work and most of them were entirely out of sympathy with the C. I. O. and its methods of violence and intimidation.

In the Chrysler plants the workers lost $10,000,000; the retail merchants of Detroit and the immediate vicinity lost $6,000,000; the wholesalers, $7,750,000.

The total loss which has been caused throughout the country since the first of the year runs into hundreds of millions of dollars. The workers whom Lewis and his C. I. O. gangsters are pretending to help are paying that cost.

Because of the insistence of the Governor, who is known as a "labor Governor", General Motors signed a contract with Lewis. The cards were stacked against the company, for it was quite evident that neither its property nor its loyal workers would receive any protection from the authorities.

WORTHLESS CONTRACTS

Before the signatures were dry, this agreement was no more than a worthless piece of paper. Since it was signed General Motors has had more than 200 strikes and stoppages in 48 plants. One of these strikes was called for no better reason than that it was "too hot to work that day."

By force and arms they took and held possession of the executive offices of General Motors and of Chrysler. They seized hotels, used rooms, helped themselves to food and the contents of the bar.

The Governor of Michigan forced a contract with Chrysler and on August 4, just a few days ago, because the members of an independent union, a union of the workers, would not join the C. I. O. and pay tribute, they were beaten, some of them sent to a hospital, and the following day 20,000 workers were out of employment—this notwithstanding a collective-bargaining contract with the United Automobile Workers of the C. I. O.

The C. I. O. blockaded the United States highways, forcing citizens to detour for miles to reach their destination. In Pontiac, Mich., they have already taken steps toward the confiscation of property, a necessary prelude to a successful Communist revolution, by refusing to pay rent for their homes unless and until the rentals are reduced to a figure which they care to pay.

They have marched, armed and breathing threats of violence, from one city to another; from one State to another.

They assaulted and beat peaceful workers. By sending their pickets to homes, they intimidated wives and children of workers.

They defied the orders of the courts. They have refused to abide by those laws which govern all others, claiming a special privilege to beat workers, to destroy property, and to escape punishment therefor, because they were members of the C. I. O.

A COURAGEOUS PEOPLE DEFIES C. I. O.

In the little city of Monroe, Mich., with a population of 25,000, Lewis and the C. I. O. attempted to prevent the reopening of a steel mill when the owners, the workers themselves, and the entire community wanted it reopened. They failed only because of the courageous action of a mayor when the Governor refused to give the man who wanted to work the protection he demanded.

In Lansing, Michigan's capital, officers charged with the enforcement of the law jailed seven disturbers of the peace masquerading as pickets. Forthwith, the C. I. O. and the U. A. W. A. took possession of that city; stopped traffic; caused business to suspend; drove taxis and busses off the streets; closed the newspaper plants, stores, theaters, barber shops, and restaurants. They swarmed over the capitol grounds and the statehouse and "sat down" in the Governor's office. Then the Governor moved for the release of the so-called pickets and C. I. O., having demonstrated its power, called off its revolution.

FARMER BOYS THROW C. I. O.'S IN RIVER

The students of the State Agricultural College—farmer boys—had a different idea of the situation and, when the sit-downers moved into their town, just a mile or so east of the capital, they threw seven or eight of the leaders into the Cedar River.

What the Governor of the great State of Michigan, the sheriff of Ingham County, the chief and city police of Lansing and Michigan's National Guard could not or would not do, farmer-boy students promptly accomplished by giving the leaders of the mob a bath in the river and an opportunity to "cool off."

The C. I. O. has entered politics in Detroit, nominated a ticket, and intends to take over the city hall and make "the best picket in the union" Detroit's next chief of police.

C. I. O. "PERSUADER" IS A CLUB

They use intimidation, coercion, and violence against independent workers. One was thrown in a vat of Flintcote because he refused to join the union. Others, on August 4, in the Plymouth branch of the Chrysler plant, were beaten and sent to the hospital because they refused to join the C. I. O. and pay dues.

They have defied court orders requiring their pickets to give up "clubs, baseball bats, blackjacks, and other weapons", with the statement that "sinister and bloody things are in the offing", and that "the pickets will no longer permit their lines to be broken, cost what it may."

Hundreds of thousands of people in the Saginaw Valley, in Michigan, on farm and in city, depend upon the Consumers Power Co. for 24-hour service. The housewife uses electricity not only for light but for cooking, refrigeration, washing, ironing, and a dozen household tasks. The farmer uses it to lessen his daily toil.

Factories are dependent upon it. City fire and police alarms use the current. In the hospitals, the suffering of the sick is alleviated and operations are performed because the current is on. In brief, the whole valley is dependent upon this current for its daily existence.

C. I. O. had a contract with Consumers Power Co. Yet, to demonstrate its power, just 12 hours after the contract was signed, members of the Lewis organization pulled the switches and brought to a standstill the activities of the people of the valley.

C. I. O. DEPRIVES BABIES OF THEIR MILK

That food and milk for "bottle babies" were spoiling in refrigerators, that meals were half cooked on stoves, the housewife unable to finish her tasks, light unavailable, communications interrupted, police and fire protection destroyed, hospitals unable to carry on their tasks of mercy meant nothing to these strikers, who were demonstrating their power.

RIGHT TO WORK DENIED

What of Johnstown, Pa.? During the 15 months preceding the strike, two disastrous floods had left Johnstown in a state of near destitution. Workers in the steel plants and those throughout the city, for a long period, saw a goodly part of their wages go for repairs to damaged homes, for back installments on furniture, automobiles, and insurance. Without work for many days, pay checks were gratefully received.

C. I. O. organizers had been carrying on an active campaign within the Cambria plant for more than a year. Informed sources give their numbers at the time of the strike as no more than 2,000 of the 15,000 employed. But a strike was ordered at 11 p. m. on June 11.

There followed the usual disorder. A man was kidnaped, stripped of his clothing, and turned loose on the streets of Johnstown. Men were driven from their work. Picketing of the plant was accompanied by mob violence. Flying squadrons of strikers went through the city to stone the homes of those who would work—to drive them to pay an initiation fee and monthly dues, with special assessments, to the C. I. O.

Notwithstanding all this violence, loyal workers continued to go into the plants and so, for the first time in the history of our country, the armed forces of a great State, the State police of Pennsylvania, were sent by Governor Earle to drive the workers from the Johnstown mills.

And for what reason? For no reason at all, except that a C. I. O. leader threatened to bring 40,000 men to Johnstown to demonstrate their strength.

A courageous Governor, a Governor loyal to his State and Nation, would have told the strikers, when they made this threat, as did Mayor Knaggs of Monroe, Mich., that they could not invade Johnstown.

Fortunately, Johnstown had citizens and a mayor who refused to be intimidated. To the aid of these citizens came public opinion and Pennsylvania's Governor Earle was forced to retreat from the position he had taken and workingmen at Johnstown once more went about their daily tasks.

On Memorial Day of this year, flying squadrons of "strong-arm men", directed by Lewis' organizers and led by his Communist associates, made their fourth attempt to take over a great industrial plant in Chicago and to drive from their work 1,400 men who refused to pay tribute to John L. Lewis, his C. I. O., and his steel workers organizing committee.

These men claimed the right to work. They were satisfied with their jobs. They desired to support themselves; to avoid going upon the relief rolls. But Lewis, the dictator, determined they must be made to pay for a license to work.

Think back for a moment to June of 1922, when the same mob psychology was on the March at Herrin, Ill. A strike was in progress, but a strip mine was being operated by members of the steam shovelers' union.

Although these workers at Herrin were members of a union, Lewis determined they should be driven from their jobs, so he sent a wire to his United Mine Workers, which contained, among other things, this statement. I quote:

"Representatives of our organization are justified in treating this crowd as an outlaw organization and in viewing its members in the same light as they do any other common strikebreaker. John L. Lewis."

Acting upon this telegram, the United Mine Workers forced the surrender of 47 men, who marched out of the mine unarmed and under a white flag and a guaranty of protection.

LEWIS SENDS A TELEGRAM AND MEN DIE

Listen to what happened on the evening of this 21st day of June 1922, when John L. Lewis was in the saddle at Herrin, Ill.

McDowell, the mine superintendent, was a cripple. He could not walk as fast as the men wished. Several times he was beaten senseless but revived. But, after a mile's walk, he was beaten to death.

The union workers were lined up against a wire fence and told to climb the fence and run. Thirteen were shot as they made the effort. A fourteenth died a moment later. Four prisoners died of wounds on reaching the woods. Eight who escaped were caught. Two were hanged to trees and their bodies riddled with bullets.

Six were tied together with one rope, which was attached to a motorcar, behind which they were dragged, still alive. After the six were exhibited to the cheering mob, they were taken to a cemetery and shot. The throats of three were cut, but one lived to tell the story.

That night the Lewis telegram was still displayed for all to read and in a nearby barber shop in Herrin was posted this notice:

"Twenty-five scabs are dead. Nine are in the hospital and the mine is closed. The striking miners' prayer was answered."

That is the record of what happened in June of 1922, when John L. Lewis sent a telegram. Today he is knocking at the gates of your southern factories. He has already taken over possession of many a northern industrial plant.

At Chicago, on Memorial Day of this year, the stage was set for another like massacre, but, fortunately for the workers in the mill, the Chicago police were on guard and unlawful mob violence, inspired by Communists working under Lewis' organizers, were met by the forces of law and order and Lewis' mobsters were turned back.

Ten men died in the Chicago riots, but this time they were Lewis' dupes. They were men who were sent to their death by Lewis' "red" organizers. They were blind followers of Lewis, bent on supplanting government by mob rule and by anarchy.

The two occurrences have one thing in common, and that is that in each instance the responsibility lies squarely on the doorstep of John L. Lewis' beautiful, aristocratic Alexandria home. It goes with him when he buys antiques without regard to their cost. It rides with him in his limousine, driven by his liveried chauffeur, and it stays with him as he retires at night in his colonial bedstead, and if there be justice in this world the thoughts of these men, tortured and killed at Herrin, sent to their death at Chicago, should abide with him until the morning's dawn.

Because law-enforcement officials were faithful to their trust, this Chicago mob, inspired by Lewis' organizers, failed in this, its fourth, attempt to repeat the horror of Herrin.

But what has the C. I. O. to say of this failure?

A THREAT TO SHED BLOOD

Leo Kryski, field man for John L. Lewis, said on June 1—I quote:

"We are going to fight on to victory regardless of the cost in lives; we are ready to spill our blood in large quantities in the middle of the road."

That is what Kryski said, but it is not what he meant. He did not mean that he or Lewis or Browder or Brophy or Hapgood or Hillman, either of the Reuthers, or any of the other leaders, intended to get in a position where their blood would be spilled.

What he meant was that he was ready to spill the blood of workers, of men, of women, and of innocent children, for in the front ranks of the marchers these Communists place their children and their women.

In Cleveland, Massillon, and Youngstown men have died because of the methods which Lewis has used in his efforts to keep honest workers from their toil until they have signed on the dotted line and agreed to pay tribute to him—now a labor king, but the political boss of the future—who is gathering from the pay envelopes of the workers the funds necessary to establish himself and his organization as a political power, where he in 1940 can effectively enforce the orders he may give to a President, if he be not President himself.

Millions of dollars in wages are being lost to the workers because of the power he has acquired—acquired because we have remained silent and inactive.

That the situation is serious should be obvious to every patriotic citizen, to every honest worker. It is serious, not so much because of Lewis, who is little more than a powerful bully, but because of the forces behind him; because of those who are using him and who apparently have the sympathetic ear of many officials.

It is not Lewis himself which is the menace. It is the movement behind him, the leaders of which have selected him to carry the banner because of his past record of fearlessness, of ruthlessness, and because he is of the type who regards not the suffering of humanity if it stands in the way of the accomplishment of his purpose.

It has been charged by an American Federation of Labor worker on the west coast, and so far not denied, that this movement has been financially aided to the extent of $750,000.

Because of a contribution of more than a half million dollars and a loan of $50,000, Lewis has had the effrontery to demand that the President of the United States carry out his orders. This is matter of record, as are the subsequent events.

COMMUNISTS IN THE C. I. O.

Of the strikes in Michigan, Governor Murphy said:

"Communists deliberately created disorders in the Lansing labor holiday, the Consumers Power Co. strike, and in some phases of the 'sit-downs.' They not only sought disorders but they sought bloodshed. They wanted bloodshed, and they sought to draw us into a fight."

He met this challenge, not as you of the South would meet it, but by the counterstatement that bloodshed must be avoided.

That it is desirable to avoid bloodshed everyone will agree, but the desire to, and the right of, self-defense is inherent in all of us, and, if it is inevitable that blood must be shed, most of us have some choice as to whose blood it shall be.

Void of all courage, of all love of country and of family must be the man who will not defend his own land, his own institutions, himself and those he loves.

Murphy belongs to that class who pretend to believe—although, if assaulted, they would be the first to defend themselves—that all things can be solved by legislation.

I believe with the old Quaker, who, when slapped on one cheek, presented the other to his foeman, received the second blow, and then quietly announced that "The directions of the Lord having been followed, I propose, friend, to lick hell out of you."

LEGISLATION NOT ENOUGH

Legislation, divorced from common sense, will never solve our problems. The Wagner Labor Act was heralded by professional social workers, like the Madam Secretary of Labor; by radicals of every stripe and hue; by those who believe the American worker needs a wet nurse; by those who are determined to make labor the ward of the State, as the Magna Charta of labor, the greatest humane legislation ever passed by any body.

Neither the Wagner Act nor the little Wagner Act will accomplish the advertised purpose of its enactment. Not only does the Wagner Act itself give all rights and remedies to the worker but it makes no provision for the redress of any grievance an employer may have. It imposes penalties upon employer; none upon worker.

It is a powerful aid to the C. I. O. in its effort to force workers to join that organization and pay tribute to it, but, as an instrument to end industrial strife, it is a complete failure. Its drastic amendment or its repeal is imperatively demanded.

It is responsible for the birth of the National Labor Relations Board, which acts as witness, prosecutor, and trial judge. The Board sends out its investigators, who see the things they desire to see; who hear the things they wish to hear; who exclude all others. Then statements are drawn out by examiners who ask leading and suggestive questions, and so spread upon the record but one version of the story, and the Board, sitting as judge, passes upon the credibility of the witnesses, the relevancy of their testimony, and then hands out a preconceived decision. The N. L. R. B. is the mouthpiece of the C. I. O., a judicial vending machine into which a charge is inserted and out of which comes the conviction of an employer.

THE INCREDIBLE SENATE CIVIL LIBERTIES COMMITTEE

I thought that it would be impossible to create a more arbitrary, unfair, vicious, liberty-destroying tribunal than this Labor Board, but apparently Senator LA FOLLETTE has succeeded in doing so with his so-called Senate Civil Liberties Committee.

From the time of its birth down to the present moment this illegitimate child of a Communist mother and a politically ambitious father has well served the purpose of LA FOLLETTE to vent his spleen against those who have provided jobs for the workers; to force into the C. I. O. those independent workers who are inclined to refuse to pay tribute to Lewis.

Perhaps the latest and the most flagrant exhibition of the shyster methods and the disreputable, dishonest procedure of this committee was its failure to spread upon the record the true happenings at Chicago when John L. Lewis' organizers sent 10 of their dupes to their death, knowing that the operator who had taken motion pictures of this Chicago riot had pictures showing that the battle grew out of an assault upon the police by strikers with clubs, stones, and broken bottles.

LA FOLLETTE deliberately, maliciously, and without excuse failed to bring out these facts. Charged with the duty of bringing out the truth, the whole truth, and nothing but the truth, he showed but a part, and that which reflected upon the police force of the city of Chicago. LA FOLLETTE, to serve his political friends, made a disreputable assault upon the forces of law and order.

God grant that some day he may be called upon to solve a like problem as that then faced by the Chicago police. His judgment may thereafter be more charitable.

Fraudulently, he concealed the truth; covered up the fact that the police were acting in self-defense; that the riot and violence were brought about by the Communist-led strikers, who had their first-aid station established before the strikers began their fourth march upon the police lines which were protecting men who desired to work and save themselves from the relief rolls.

The Senate Civil Liberties Committee and the N. L. R. B., acting together, have made life a hell on earth for one industry after another. It has been the most effective recruiting agent of the C. I. O.

A WARNING FROM A SOUTHERN CONGRESSMAN

Not so very long ago it was my privilege to listen to a speech by Representative E. E. Cox, of Georgia. In this speech he said—I quote:

"I warn John L. Lewis and his communistic cohorts that no second 'carpet-bag expedition' into the Southland, under the red banner of Soviet Russia and concealed under the slogans of the C. I. O., will be tolerated.

"If the minions of the C. I. O. attempt to carry through the South their lawless plan of organization, if they attempt to demoralize our industry, to corrupt our colored citizens, to incite race hatreds and race warfare, I warn them here and now that they will be met by the flower of southern manhood, and they will reap the bitter fruits of their own folly.

"We have invited this dangerous and costly condition because the Federal and State officials did not meet this threat as it should have been met, by a firm declaration that law and order would be maintained, that the rights of private property would be upheld, that the rights of men and women to pursue their vocations without interference would be preserved, and that the edicts of the duly constituted courts would be enforced by whatever armed force of the Federal and State Governments might be required."

I hope that this is true. I hope that the South will find a way to make John L. Lewis and his associates reap something beside the dollars which are flowing into their pockets from the earnings of his misguided followers.

But I beg of you don't be too sure. John L. Lewis' organizers are already at work in the South. They have unlimited funds at their command. They can hire as many people as they may think they need to carry on this work of organization.

Like the seeds of the "killer" weed, the seeds of discontent which they sow spring up into hardy plants anywhere and almost overnight. They threaten violence, and violence is their creed.

Stamp it out and you will show other sections of these United States how to deal with a purely anti-American movement which already threatens our whole political, economic, and social structure.

THE SOUTH MUST SAVE THE UNION

We of the North hope that the South will now, before it is too late, embrace this opportunity to save the Union. In Michigan and in Pennsylvania the worker, the honest citizen, is practically helpless, for the law-enforcing officers of those States have failed because of the attitude of Governor Murphy and Governor Earle to perform their duty.

Lewis and his Communist associates are coming South to reap the harvest, to fill their treasury with initiation fees, dues, and special assessments which they will force from the pockets of your workers.

When you remember that there are over 50,000,000 workers in this country; that perhaps 6,000,000 of them are organized; that Lewis seeks to force all into the C. I. O., and that if but three of the six million acknowledge his leadership he will have a treasury from monthly dues alone of $36,000,000 per year, you can gain some faint idea of the political power which he would wield.

If Lewis nominates the next candidate of the Democratic Party for the Presidency of the United States, God help the South. You know as well as I the doctrines which his followers are preaching—the gospel of red Russia, of a Hitlerized Germany, of an Italy which bows down before Mussolini.

Lewis' organizers are in the South. They are working in your factories, in your mills. They have practically unlimited funds at their command. They obey not the leaders of a democratic organization such as the American Federation of Labor; they work not for a union of, by, and for those who toil. They are the servants of the C. I. O. They obey Lewis. They work to establish a soviet America.

Let them gain control and the loyalty, the independence, the Americanism of the Southland will disappear beneath the teachings of those who would not only destroy our industrial institutions but wipe out our educational systems and deprive us of our right to worship God according to the dictates of our own conscience.

Let me repeat once more: The people of the North are looking to you of the South to save them and our country from this movement which would destroy us all.

Unemployment Commission Necessary to Find Out Actual Conditions—Start Work Now for Next Session of Congress

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

ARTICLE BY HON. MAURY MAVERICK, OF TEXAS

Mr. MAVERICK. Mr. Speaker, exercising my right to extend and revise my remarks, I insert an article which I have written for the Scripps-Howard newspapers, appearing in the Washington Daily News of August 16. It concerns the necessity for an unemployment commission. I think I can confidently say that the act to create an unemployment commission has been approved by several hundred newspapers in editorials and has been commented on favorably by many more hundreds of newspapers in the news columns.

This commission is to be nonpartisan and is to make a serious necessary study of the most important problem in our country.

The article is as follows:

(By MAURY MAVERICK, Member of Congress from Texas)

Staggering in the dark, the Government now for 5 years has failed to make any intelligent or accurate study of the actual status of destitution and unemployment with a view to an adequate, long-term policy and program.

Like blind hod carriers, we dump $2,000,000,000 down the unemployment chute alone a year. That's five hundred million every 3 months. All this money is spent without Congress or the people knowing what it is all about, where the money goes, or why.

In any form of government, democratic, Fascist, or Communist, this is simply governmental suicide. Are we to have the unemployed as the permanent wards of the Government? Or will we have recovery and put everybody back to work? No one knows.

So the thing to do is to find out. Several Members have introduced bills for that purpose. With 30 coauthors I have introduced a bill to create an unemployment commission, to be composed of eight persons—two Representatives, two Senators, and four citizens.

Unquestionably, now, at this term of Congress a disinterested and thorough study should be begun of unemployment and relief. To criticize the Democratic administration for giving aid to the unemployed is just noise. But to aid the administration to find where the billions and billions are going, and how it is being spent, is not noise, but an imperative next step.

THE OLD REFRAIN

Just about everyone agrees to this, but we keep on doing the same old thing. It's like putting off getting an X-ray because it might mean pulling a tooth or having an operation. And it is my idea that the necessity for complete information is so transparently evident that we should wait no longer. That is because our situation may develop into a real cancer on our body politic, if we just keep on waiting for the malady to cure itself, as our money and energy keep ebbing away.

The commission's purpose would be to find out the cause of unemployment, its extent, the best way of alleviating it—and knocking it out, if possible. It would determine the extent and nature of unemployment, rural and urban destitution and ill-health, and insecurity in youth and old age. It would put the test on the present methods of relief, unemployment insurance, social security, and other measures.

IT COULD BE DONE

The commission would be required to file a report early next year with the President, with both Houses of Congress, and with the public. This would not be a separate Senate or House investigating committee, with spectacular statements and flash-bulb heroes doing battle and pointing fingers of scorn in the very mouth of the camera, but a balanced, all-round job everyone could understand.

It would be studious, hard work for eight good men working together as a legislative-executive-citizens' national committee. It would make recommendations—among them the best method of relief, divisions of financial burdens as between governmental units, the working out of a permanent program of long-term relief and security, and the means of creating greater private employment.

MODEST COST

For this stupendous job an appropriation of $75,000 is suggested. For the study of cancer we appropriated an initial $750,000—or 10 times as much—and $700,000 a year, and everyone was glad of it. The money was well spent; it was on one single disease. Certainly this $75,000 to seek a cure for the great social disease of unemployment will be well spent, too.

To fail to create some kind of unemployment commission—in order to at least start finding out what we are doing and where our money is going is to shirk common ordinary duty.

New England Shoe Industry Imperiled—Wages and Hours Comment

EXTENSION OF REMARKS

OF

HON. JOHN P. HIGGINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. HIGGINS. Mr. Speaker, like all Americans, New Englanders, having the welfare of the country at heart, are anxious to expand our foreign trade. We in New England are cognizant of the fact that such expansion inures to the economic and, incidentally, the social welfare of our citizens. That principle, I believe, is fundamental and that it forms a cornerstone of American economic life. However anxious we may be to embrace an ideal program so far as foreign trade is concerned, we cannot sit idly by and let ruinous competition from foreign countries imperil the life of our domestic industries. If we are to have a healthy foreign trade, then we cannot have duty so high as to serve as a restriction, so that those to whom we sell will not be able to sell their own products in return to us. The legislative record of two generations prior to the advent of the New Deal indicated that the protective theory was often carried too far, yet when one views the problem as a bilateral one, will recognize the fact that if our duties are too low and quotas are correspondingly high, then they become too inviting and the products of foreign enterprise will drive local industry out with a consequence of increasing unemploy-

ment. This is the complaint which is generally registered against the reciprocal trade agreements entered into by the Department of State.

To illustrate a justifiable complaint against such reciprocal pacts we need only submit the plight of the boot and shoe industry in New England during the past few years. The United States Tariff Commission has been asked to investigate this situation, and the resolve of the two Massachusetts Senators has offered to demonstrate the need for action to conserve the shoe industry in America. Reciprocal-trade agreements should not mean an increase of imported shoes from Czechoslovakia from 150,000 pairs in 1935 to 990,000 pairs which were imported in 1936, and with every indication of the imports reaching the 3,000,000 mark in 1937. Under such a condition, if allowed to continue, it is very evident that the jobs of many thousands of our citizens will be threatened. As I have said in discussing similar circumstances in other debates in Congress, it is ironical for an administration that has taken upon itself the duty of raising the standards of living of the underprivileged and aiding to provide employment for its citizens should countenance the situation as it is described in the shoe industry. This matter should be given earnest consideration by the State Department in framing or amending the existing reciprocal trade agreement with Czechoslovakia. It is a fundamental in economics that the producers of wealth are the consumers thereof and, if we produce shoes and textiles and other manufactures for the home market, we cannot permit ruinous foreign competition to enter that market, without restriction, without destroying ourselves as consumers. If economic and social conditions and the standards of living, wages, and the like were the same the world over, then free trade would be ideal; and until we approach the problem of foreign trade with that thought in mind we should be cautious not to imperil the existence of American industry.

The life of the shoe industry of New England has been placed in jeopardy by foreign competition and it remains for our State Department, if it persists in its reciprocal trade agreements with Czechoslovakia, to protect this time-honored New England industry and thus enable New England to avoid the experience which we have sustained during the past decade by our textile mills migrating South where the industry has prospered because labor's wages are lower than they are in New England. If the investigation of the Tariff Commission asked for by Senate Joint Resolution 144 warrants it, I believe that the President could then very well increase the rate on cemented shoes, which power he has under Presidential proclamation as authorized by the Tariff Act, to a point where it equalizes production costs.

We are about to consider the so-called Black-Connery wage and hour bill and in doing so we must of necessity consider the fact that the legislation will increase domestic costs without providing an effective safeguard against increased competition such as is described above from foreign countries. As one who favors the present bill to regulate hours and wages in industry as a step in the right direction, it is hard for me to see anything but inconsistency in raising direct costs at home on one hand and lowering the trade barriers by way of reciprocal trade agreements on the other hand. The effectiveness of the wage and hour bill will be materially lessened if we do not provide the machinery for protection against increase in imports of competitive products. An effort should be made by legislation by providing that the imports of commodities affected be restricted to a maximum of an amount determined by the previously existing ratio or imports to the domestic products, unless the country from which the imports arise can show that they have comparable labor standards to our own. It appears to me, as one who favors the present wage and hour bill aimed to improve the position of American labor, that we should provide some safeguard against competitive imports as we are presently experiencing in the shoe industry. If such safeguards are not taken, American workmen will be thrown out of employment in many competitive industries.

Let Us Maintain Our Present Enviable Safety Record on Railroads

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, Members of the House, it is not as a representative of organized labor that I rise to favor the bill before us, Senate bill 29, to provide for safety of employees and travelers on railroads, but as a representative of the traveling public demanding that degree of safety which science has now made possible. Although I am not on the committee that studied this measure and reported the bill, I have given considerable study during my entire mature life on the matter before us. From personal knowledge and recollection and from the reading of American history, I am reminded that this country has passed, within my lifetime, from a state of disgraceful wastage of human life to the present state of remarkable security afforded our railroad travelers. Truly one may go to sleep on a Pullman in recent years with a greater degree of safety than he can sleep in his own bed at home.

A gentleman of the opposition expressed a fear that the adoption of a measure like this, involving, in his estimation, huge outlays, would eventually bring about Government ownership of railroads in this country. Assuming that that is a thing to be feared, as such, I am unable to understand why it might result because of this measure. It occurs to me that the failure to pass such legislation as this might more probably have exactly those results. Well do I remember the day when railroads were killing people with about the same facility that automobiles are now killing them, that radical men and thoughtful men alike pointed to the state-owned railroads abroad, with their comparative safety and regard for human life, and many then declared that we would never have railroad safety in this country until the Government owned and operated the roads. Under the splendid supervision of the Interstate Commerce Commission we have today attained a remarkable degree of railroad safety with private ownership continuing. Public regulation was sufficient to accomplish the result in our lifetime, and thus public ownership was not necessitated.

Because Pullman sleepers carry millions of passengers annually in recent years without a single casualty we must not assume that the streamline trains of today and tomorrow, doubling the average speed of yesterday, will be equally safe. Science is making such marvelous strides we human lawmakers can scarcely keep up with it, but we are indeed foolish if we do not apply all modern devices and technique to the safety problem. Private owners are not altruistic enough to do this entirely of their own accord. Therefore we must legislate and empower the governmental agency of the Interstate Commerce Commission to regulate in the interest of the general safety of our people. And now is the logical time to make these improvements, or to get ready to make them, which is as far as this lawmaking body can go.

How many times in American history have we noticed this deplorable thing—that some great loss of life must occur before the servants of the public wake up to their civic duty? It takes a theater fire, where hundreds of people are burned, in order to enforce the need of outward-swinging doors on public buildings. It takes the sinking of a ship not sufficiently equipped with lifeboats and radio service and the consequent heavy loss of life to call forth legislation of a protective character. In other words, it usually takes a calamity to wake us Americans up to law enactment and law enforcement.

Mr. Speaker, I would like to see our passage of this preventative measure work an exception to the rule. May we through this legislation provide for the use of new equipment which scientific men have evolved for us at this very beginning of a new era of more speedy railroad travel. In this spirit, and trusting in the wisdom of the Interstate Commerce Commission to work out the purposes of the legislation, I favor the bill before us.

The Recently Enacted Judiciary Bill

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

CHAIRMAN HATTON W. SUMNERS, OF HOUSE JUDICIARY COMMITTEE, EXPLAINS THE NEW COURT BILL

Mr. LEWIS of Colorado. Mr. Speaker, at the request of the editor of the New York Times, the Honorable HATTON W. SUMNERS, of Texas, chairman of the Committee on the Judiciary of the House of Representatives, prepared an explanation of the judiciary bill recently enacted by the Congress. This explanation was printed on the editorial page of the Times for Sunday, August 15, 1937, and is as follows:

MORE DIGNIFIED LEGISLATION SEEN UNDER NEW COURT BILL—HOPE EXPRESSED THAT MEMBERS OF CONGRESS WILL RECOGNIZE DUTY TO ACT WITHIN SCOPE OF CONSTITUTION, WHICH SHOULD THEN BECOME A LIVING THING

To the EDITOR OF THE NEW YORK TIMES:

The new court bill is divided into five sections. The first section gives the Government the right to intervene through the Attorney General in a lawsuit between private persons where either the plaintiff or defendant draws in question the constitutionality of an act of Congress.

Suppose A sues B for $5,000. B in his answer to A's suit alleges that A's right to recover depends on an act of Congress which is void because it is unconstitutional, and therefore A cannot recover.

This new court bill recognizes that there is much more involved in that suit than the question whether A recover a judgment against B. The big question in such a suit is not whether B should keep his $5,000 or A get it, but whether an act of the national legislature is void. This is a public question being settled in a private suit. This bill provides for a public representative to appear and represent the public interest which is involved.

QUICKER APPEALS

When this bill becomes law, and the question of the constitutionality of an act of Congress is raised in such a suit, the judge in whose court the suit is filed will notify the Attorney General of that fact. The Attorney General will be privileged to file pleadings, offer evidence, and make argument, not generally but upon the question of constitutionality. In the event the court should hold the act unconstitutional, instead of having an appeal first to the circuit court of appeals and then to the Supreme Court, the time of final determination of the question of constitutionality will be shortened by permitting appeal directly from the trial court to the Supreme Court. It will be further expedited by another provision of the bill giving such appeal a status of priority.

By another section of the bill it is provided that, in the event a petition is filed with a Federal judge to enjoin the Federal Government or its agencies on the ground of the unconstitutionality of an act of Congress, the judge with whom the petition is filed shall immediately certify that fact to the senior judge of the circuit court of appeals to which he is attached. Upon the receipt of that certificate, the senior judge, or in his absence the highest ranking judge in seniority, shall immediately assemble what is known as a three-judge court to pass on the application for injunction. One of the judges of this three-judge court must be a circuit judge.

The judge before whom the petition was filed in the first instance, upon proper showing that an irreparable injury may be done to the applicant before the three-judge court can be got together and hear the matter, may grant an injunction covering the period between the filing of the petition and the action upon the application by the three-judge court.

DIVIDED RESPONSIBILITY

Heretofore, the one judge before whom the petition was filed in the first instance could grant an injunction to the same extent that the three-judge court may grant it under this bill. This bill recognizes that to give to a single judge the power to tie up the functioning of a national law or the exercise of a national power is a disproportionate thing to do. So this discretion, except for the interval between the filing of the petition and the time when the three judges can act, is shifted from one judge to a court of three judges.

From an adverse decision as to constitutionality appeal here also lies directly to the Supreme Court and the matter also has a preferential status as to the time of consideration.

There is another provision of the bill giving to the presiding judge of the circuit court the power to move judges from districts where the business is relatively light into districts where the docket is crowded to help clean up the docket. It is also provided that, if there be no available judge in a given circuit, the Chief Justice of the Supreme Court, with the consent of the presiding judge of the circuit court, may shift a district judge who is not busy to a district in another circuit to help clear a congested docket. All these shifts are temporary, of course.

In this explanation no distinction is made between temporary restraining orders, permanent injunctions, etc. The provisions of the bill as to time of notices, pleadings, etc., are not of concern to the layman. The lawyer will inform himself by examination of the act.

This bill is far more important than it appears upon the surface. It raises in the scale of recognized importance and dignity, though I do not like to use that word, the acts of the national legislature. It is to be hoped that it will also tend to create among legislators a consciousness of duty to legislate within the scope of constitutional authority, a thing which they have all but lost. In no small degree this has occurred because Members of Congress and the people have been largely protected from the harmful consequences of unconstitutional acts of Congress by the veto power of the President and the nullifying decisions of the Supreme Court.

There is much to indicate that we are moving away from that protection and will have to depend upon another to be supplied by the Congress. One of the really serious questions as we face that probability is whether the legislative branch will be able to move in and occupy the territory and assume the responsibility as rapidly as it will be abandoned by the other two departments.

REAL CONSTITUTIONAL RULE

From now on it is inevitable that our Constitution will become less and less word-bound and more and more we will come under the Government of the real Constitution, the living thing rooted in the governmental concepts of our people which underlie the body of written organic law which we call our Constitution. We have these three coordinate branches of the Government with their several definite functions, not because statesmen conceived them and constitutional conventions fixed them into the structure of a written document. We have them because they are the vital organs through which our sort of Government lives, moves, and has its being. One cannot do the business of the other. Our written Constitution did not create them. It recognized them. Nature created them just as it created the vital organs of our bodies.

This bill moves us, not too rapidly I hope, in the direction in which we must go if we are to preserve the proper functioning of these three departments of Government whose vigor and functioning determine the fact and fix the vigor of all Anglo-Saxon systems of Government.

HATTON W. SUMNERS.

WASHINGTON, D. C., *August 14, 1937.*

Leadership and the Spirit of Learning

EXTENSION OF REMARKS

OF

HON. PETE JARMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

ADDRESS BY DR. O. C. CARMICHAEL, PRESIDENT OF VANDERBILT UNIVERSITY, TO THE PHI BETA KAPPA, OF THE UNIVERSITY OF ALABAMA, MAY 24, 1937

Mr. JARMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following able address by Dr. O. C. Carmichael, president of Vanderbilt University, recently delivered to the Phi Beta Kappa Society of the University of Alabama:

In the most famous of Phi Beta Kappa orations, The American Scholar, delivered 100 years ago, Emerson said: "There goes in the world a notion that the scholar should be a recluse, a valetudinarian—as unfit for any handiwork or public labor as a penknife for an ax." Such a conception of the scholar has persisted. It has had its effect on scholarship. Youth longs for action, a part in the current of affairs, and shuns the thought of

the way of life that separates him from his fellows. If to be a scholar takes him on that road he will choose another.

As Emerson pointed out, such a sketch is a caricature, not a true picture. The dust-covered stooped shoulders of a recluse in the midst of his musty tomes may have represented the scholar in earlier times, but not in the present scientific age. It may be in the laboratory with test tube and beaker searching out the mysteries of inanimate nature, or it may be with microscope and filter exploring the character of invisible living organisms, or it may be with statistical machines tabulating the facts of sociology, economics, or historical records, that one finds the typical modern scholar, but not hidden away in a cloister as the scholastics of other times. Emerson anticipated the modern approach when he said: "Man thinking must not be subdued by his instruments. Books are for the scholar's idle times. When he can read God directly, the hour is too precious to be wasted in other men's transcripts of their readings." He did not, however, overlook the importance of a knowledge of the past, which he describes as the "quarry from whence we get the ties and copestones for the masonry of today." For the true scholar all the materials available from his own experience and from that of others are necessary. All must be used in his effort to interpret the world about him. It may be argued with some justice that much so-called scholarship consists mainly in investigation, a pursuit of facts, but real scholarship involves more than that; it is concerned with the search for the truth and its bearing on life. It represents the creative art of thinking, of interpretation, of application.

Now, the investigator has no monopoly on this art. It should be the normal activity of the leader whatever his field of labor. In short, every leader should have the scholar's approach to the problems which confront him and his society. To impart this spirit of learning is the chief function of the college. It is much more important than imparting knowledge. The notion that the thinker and the man of action are mutually exclusive has had a harmful effect on both scholarship and leadership. The scholar without social interests is as one-sided as the leader without intellectual interests. Neither is complete and neither can serve effectively. Such a conception is fundamental to sound educational philosophy. It would vitalize scholarship on the one hand and on the other emphasize intellectual interests rather than the acquisition of facts as the important goal of the educational process. It is also fundamental to social progress. The serious problems of our age are not related to the struggle for existence against the forces of nature. It is not food, shelter, and other necessities that we lack. It is social adjustment. Production of goods was once the chief need of society—today it is distribution. Growing out of that fundamental need are numerous problems that present themselves on every hand. Who can solve them? It is clearly the man of affairs who must do it if it is to be done. The ship of society cannot be guided by remote control through the stream of modern life with its whirlpools of currents and counter currents, its narrows and its shoals. Neither can it be piloted by a captain without intelligence and vision. The present age is greatly in need of the scholar who will participate in the life of the world and of the man of action who is imbued with the spirit of learning. This spirit assumes certain qualities that are worthy of analysis.

Woodrow Wilson once said: "The educated man is to be discovered by his point of view, by the temper of his mind, by his attitude toward life and his fair way of thinking." These qualities might be summed up in his attitude toward the truth. To support, to pursue, and to promote the truth are implied in the spirit of learning. The character of the leadership motivated by this spirit is the subject chosen for our consideration.

It is evident that if one is to support the truth he must be dominated by sincerity and integrity of purpose. These qualities involve facing issues courageously and a refusal to be blinded by external considerations. They involve also standing by one's convictions in essential matters with a clear determination to keep the issue from being obscured. In a complex and confused society with its multitude of conflicting claims it is no easy task to hold the focus of attention on the essentials and to pursue the end desired with singleness of purpose. How often does one observe religious zeal diverted from its true object by enthusiasm for some creed or dogma or educational effort absorbed in the desire to promote some institutional interest only remotely, if at all, connected with educational ends, or the objectives of the statesman lost sight of in the turmoil of political battle. Many social endeavors have become so highly institutionalized that the spirit and purpose are frequently obscured, the means to the end sought being confused with the end itself. Many men of honest purpose fall victim to this error. It is incumbent upon the educated leader, the scholar in action, to avoid it, to keep his perspective, and to hold in focus the true aim of his effort.

Supporting the truth involves also following the dictates of one's best judgment. Anything less than that is insincerity and the negation of truth. The shortcomings of man are not so much in his knowledge of what the true course of action is as in his refusal to follow the promptings of reason. His failures are due not so much to his lack of ability as to his lack of courage.

Closely allied to this quality of following with courage one's highest impulses is that of thinking for oneself, which is a prize requisite of the leader. In the midst of all sorts of vagaries that parade as social panaceas there is no quality so much needed as sound judgment, the power of discrimination, the ability to evaluate. In the midst of the confused speculations of a changing world that makes little distinction between the essential and the nonessential, the great need is for a leadership that has a clear perspective and a sound sense of values. Emerson put it tersely when in speaking of the scholar he said: "Let him not quit his belief that a popgun is a popgun though the ancient and honorable of the earth affirm it to be the crack of doom." And this one fact so often overlooked is worth remembering, no partisan is wholly right; all of the truth is never on one side. Partisanship and bias in their mildest forms lead to error of judgment and the ill effects which flow from such error; in their fullest development, to intolerance and violence. In a period of economic and social dislocation intolerance is the most common of faults and the most serious of dangers. In all the great revolutions of history the human suffering and tragedy which have followed have resulted from partisanship evolved into intolerance and then into violence. This extreme can be avoided only by a determination on the part of the leaders to support the truth regardless of the alinements of various groups and without respect to their tenets. Aggressive opposition to extreme partisanship is the natural reaction of the real leader.

Continued intellectual pursuits are as necessary to the effective leader as to the scholar. One of the most serious complaints against the American college graduate is his lack of intellectual interests after college. If college fails to establish the scholarly attitude, the desire to pursue further at least some fields of thought which engaged the attention of the student, it has failed in its chief purpose whatever may be the other values which it has given. If the young man in his 4 years of study fails to acquire to some degree the spirit of learning, he emerges from college without the equipment most necessary to a life of real usefulness. The neglect of this goal of education has been so serious as to constitute one of the great defects in the American educational system. Just where the fault lies or how it is to be remedied is not clear, but that it should engage the attention of the educational statesmen there is no doubt.

It is obvious that the first responsibility of the professional or business leader is to study his profession or business not only as a means of becoming more proficient in it but also with a view to understanding its place in the social structure and the contribution which it should make to progress. He who limits his professional or business interest to the ways by which he can make it more profitable to himself will never be a leader in the real sense either among his colleagues in his line of work or in the community in which he lives. A philosophy of the labor in which he is engaged is essential to the man who aspires to be more than a follower, more than an artisan, or a tradesman. The lawyer whose entire energies are absorbed in his efforts to win decisions; the teacher who is content merely to hold classes and check on the faithfulness of his students in performing assigned tasks; the preacher who reduces his work to the pastoral visits and the routine preparation of weekly discourses; or the physician who limits his professional thinking to the diagnosis of and prescription for his patients is failing to meet the demands of his calling and will never rise above the plane of mediocrity in his profession. Likewise captains of industry or business whose goal to profits and whose thoughts are concentrated on making possible increased dividends through expansion of plant and larger production without regard to the demands of social justice or society's needs are those who create some of our most serious economic and social problems. Sound leadership requires a broader perspective, a clearer view of the social implication of the task, and constant study of the ways in which it may contribute to human needs.

But study of one's profession or business even in its broader reaches is not sufficient for effective leadership. There are general and fundamental problems with which our modern world is faced which must be the concern of the leadership in many fields. They cannot be solved except by an enlightened public opinion, the responsibility for which rests not with any particular group, but with leaders in all walks of life.

As an example, let us take the threat to liberty which exists in the world today. For almost a century and a half prior to 1920 there was a progressive advance, at least in the western world, toward liberal forms of government, toward elimination of tyranny and injustice. So steady and unbroken had been this forward march that we had come to believe that tyranny and enlightenment could not coexist, that autocracy was certain to give way to democracy, making possible even more liberal systems of government. The American Nation was founded upon the principle of freedom and equality of opportunity, the French Republic established on the tripod of liberty, equality, and fraternity had been growing in stability and power; the English Government, while still retaining its king-emperor, boasted of its democratic forms made possible by the limitation of royal authority; and other governments throughout the world were modifying more or less rapidly their programs in the direction of greater individual initiative and freedom of action. Autocracy in Russia and Germany had been overthrown. Absolute monarchy based on the divine right of kings that had persisted since Alexander the Great seemed banished forever from the face of the earth. Then suddenly something happened and it has happened in the lifetime of all those here present. Leaders arose declaring the ideal of liberty not only unworkable but undesirable, not only false but a failure. That such leaders arose was surprising, but much more astonishing was the fact that great masses followed them—Russia, then Italy, then Germany, and more recently smaller countries of central Europe, until today more than 300,000,000 people are under the control of dictators more absolute and more tyrannical than the Czar or Kaiser ever were. The inalienable right of the individual so fundamental to our thinking are denied.

This tide or reactionism has been felt throughout the world. A Fascist group has developed in England. Murmurings against democratic procedure are heard in all the more liberally governed countries. It has expressed itself in many ways in these United States in laws requiring teachers' oaths, in bills introduced into legislatures designed to limit the freedom of speech and of the press, and in the tactics of certain leaders of recent years.

An example of another issue which will require concert of effort if it is to be met successfully is that of providing useful and satisfying employment to the great mass of workers and an equitable distribution of income which will insure a decent standard of living and a sense of security to the laborer. It appears almost certain now that it will be impossible to absorb all unemployment in the normal fields of industry. Even with shortened hours and with an increase in demand for new goods and services it will probably never be possible again to find employment for several million American workmen unless a new and different approach to the problem of employment is made. Technology has made such rapid advance in recent years that the products of industry exceed the needs of society. It is, perhaps, the first time in history that the ability to produce has so far outrun the ability to consume, and the end is not yet in sight. Invention and improvement of method are increasing and adding to the severity of the problem. Technological advance during the past decade will probably be exceeded in the next.

Many other problems of similar character might be cited which must depend for their solution upon the efforts of the combined leadership. Division of labor in industry, departmentalization of knowledge in education, and the tendency to classify individuals on the basis of economic status or occupational interests have resulted in the neglect of many serious issues which are of great concern to civilization but have no special interest for any one group or class. If these are to be met with success, men with broad intellectual interests and a vital sense of social responsibility must give attention to them.

Colleges and universities have not provided adequately for the development of this type of leadership. In some institutions courses in contemporary problems are required of all students with the hope of giving them some knowledge of and a permanent interest in these problems. Such a plan has possibilities, but the best results will be obtained when the atmosphere of the campus itself is charged with an interest in these matters. To develop such an atmosphere should be the conscious effort of institutions.

In recalling the experiences of 3 years spent at the old University of Oxford, and in attempting to evaluate them after 20 years, it seems to me that the interest of fellow students in current affairs and the free discussion of them on all occasions constituted one of the most important elements in the training which that institution afforded. Whatever his field of study, whether it was Sanskrit, Anglo-Saxon, Aristotle, or Justinian, the undergraduate exhibited a keen interest in current parliamentary debates, in the progress of constitutional government in South Africa, or in the activities of revolutionaries in India. He had not only an interest in current affairs at home and abroad, but a considerable knowledge of the significance of events. To cultivate such breadth of interest is a function and a responsibility of the university. It is inherent in the true spirit of learning with which every college graduate should be equipped.

Various approaches to the problem of improving the intellectual atmosphere of the campus have been made. Visiting lecturers and professors, organizations such as the International Relations Clubs, and open-forum discussions participated in by faculty and students have been tried. Perhaps the most novel suggestion has been made recently by President Conant, who has recommended the introduction at Harvard of noncredit hobbyhorses. That he has in mind the development of broad social interests is indicated by the fact that among the first such courses suggested is one in American history. It is evident that there is a growing intellectual and social interest on the American college campus which will carry over into adult life. It will doubtless develop into a variety of methods of achieving the purpose.

In conclusion, it would not be inappropriate to comment on the general conditions with which we are all acquainted which indicate the need of those qualities of mind and character that belong to true scholarship. The ill effects of superficial knowledge, of shallow thinking, of blind following, are evident in every phase of modern life. The conflict between capital and labor represents loose thinking and improper perspective somewhere along the line. The diversity of opinion and the clash of forces inherent in such diversity, in matters of social, economic, and political theory, points to the need for accurate analysis and scientifically established conclusions. The manifold social maladjustments and the multiplicity of prohibitory laws enacted by legislatures indicate the obstacles to progress which could be removed by adequate education and effective guidance. To replace confusion with order, clear thinking, honest purpose, diligent effort, and, above all, an active sense of social responsibility are required. Earnest pursuit of the truth, steadfast support of it when discovered, and aggressive efforts to make it known should be the purpose of the man or woman who is activated by the spirit of learning and dedicated to a life of service. It is that type of leadership, I take it, that Phi Beta Kappa expects of her sons and daughters.

The Helium Bill

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

EDITORIAL FROM THE HERALD-NEWS, PASSAIC, N. J.

Mr. THOMAS of New Jersey. Mr. Speaker, under permission to extend my remarks by printing an editorial from the Herald-News, Passaic, N. J., I present the following:

[From the Passaic (N. J.) Herald-News of Aug. 13, 1937]

HELIUM FOR THE GERMANS?

When the giant Zeppelin *Hindenburg* so spectacularly and dreadfully was destroyed at Lakehurst, with the loss of many lives, the cry went up everywhere that never again must any lighter-than-air craft sail without the use of helium gas as its lifting power. Herr Hitler himself so decreed, and the world agreed with him.

That cry was natural, sensible, and right. It was uttered here where the leviathan of the air met disaster as fervently as in Germany, and it was voiced here with the full realization of that fact that the United States had a monopoly of this noninflammable gas, and that it was within the power of Congress to grant or to withhold the boon.

That there is more to the matter; that it is not a simple proposition but rather a somewhat complicated one, may be realized more now that the Senate has by a vote of 37 to 26 passed and sent to the House a bill which would permit the sale, with the approval of the President and the United States Munitions Board, of helium in "nonmilitary" quantities.

Senator LODGE led the opposition, contending that the bill failed to protect the United States against the use of the noninflammable gas for war purposes. Senator PITTMAN, chairman of the Foreign Relations Committee, said the bill was properly safeguarded by the provision requiring approval before the gas could be exported.

The measure permits the sale of the gas to private companies for "medical, scientific and commercial purposes, including inflation of passenger-carrying airships." It also would give the United States a virtual monopoly of the gas and would set up precautions against any exported helium being used for military purposes.

The trouble many will see at once, lies in the very high efficiency of the huge dirigibles. While this country would not wish to stand in the way of progress along these lines merely because the Germans are proficient in the art and we are not, their value to the Germans in the event of war must be recognized. The intrepid Dr. Hugo Eckener, head of the German Zeppelin Co., has himself pointed out how the open coastlines of the United States made it possible to use dirigibles for effective war purposes against the United States—and, of course, Canada also. Senator LODGE made effective though unsuccessful use of the logic of this in his address. And by way of contrast he referred to President Roosevelt's letter saying that it was the duty of the United States "as a good neighbor" to make helium gas available to other nations, the Senator adding:

"It is difficult to follow this reasoning. The gas has military value. By exporting it to a nation, we don't confer good will on the nations not friendly to that nation and many persons in that country might consider it a sign of weakness on our part."

Senator THOMAS, who sponsored the bill, said in rebuttal:

"To emphasize the care that was taken, we went to the extreme of providing that no helium be exported until approved by the heads of six departments of the Government and the President. The Munitions Board's unanimous consent would be required, and the regulation will not permit the accumulation of supplies abroad which could be used for war purposes."

This may be true, and we hope it is. Certainly all will agree with Senator LODGE that we want this gas in addition to sound commercial purposes, used "for medical purposes, to save human life, not to destroy it", and we don't want to wake up some morning to find that our American goods are being used in Spain, or China, or anywhere else where there may be a conflict.

What guarantee have we that the Germans never would use this gas for war purposes? We need not fear their attacking us, perhaps, but how about the nations lately associated with us in the World War? Certainly Belgium, France, and Britain suffered enough from raiding Zeppelins then, and they were lifted by the same highly inflammable hydrogen that destroyed the peacetime *Hindenburg*.

World War Debts to the United States

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1937

Mr. PIERCE. Mr. Speaker, during the 4 years that I have been a Member of this House I have heard many speeches and much discussion in regard to the war debts due the United States from European nations. The presentations have sometimes been so one-sided and so unreasonable and emotional I am moved to present a statement on the matter as I view it. Some who have indulged in speech making on this important issue have allowed their prejudices to reach beyond reason and judgment and have used this as a rabble-rousing issue for political purposes. It is easy to say, "Pay what you owe." I wish the debts might have been paid or that we might look forward to payment. It would create better feeling, and our citizens think they might be relieved of taxes or have great public works undertaken by reason of the payment. The Anglo-Saxon believes in payment of debts and the keeping of contracts and obligations. The silent President Coolidge, answering a question about the foreign war debts to us, said, "They hired the money, didn't they?" That indicated the attitude of mind not only of the occupant of the White House at that time, but of some Members of Congress who have spoken on this issue during these past 4 years.

The war which broke out in Europe in 1914 eventually involved practically all civilized nations. It proved to be the most disastrous conflict of all times; more men were killed, more homes were disrupted, more wealth wasted than during any other like period of human history. Camouflage it as historians may, cover it with excuses and long, intricate whys and wherefores, the fact is that the war became a struggle between autocratic and democratic forms of government. France and England were the backbone of the fight for democracy, spending their men and their money, not for defense alone but for principle. It may have been forced upon them, but it was a noble role. I have always believed that the German people were misled by their autocratic, aristocratic ruling group. I am not one who believes that our entering the world's struggle was all a loss. We know that had we not entered the World War, France would have been crushed in the summer of 1917; England would have been forced to surrender or would also have been crushed, and we would have faced an autocratic Germany dictating world's peace and world's affairs. No one could condemn war more severely than I do; and no amount of money or material can condone for the destruction of lives, property, and morale. Without somebody ready to fight to the death, there would have been no liberty in this world; there would have been no America, no France, no modern, independent, democratic governments which are struggling today for their existence, faced by foes quite different from foreign invaders, but just as dangerous.

HOW THE WAR DEBTS WERE MADE

There was nothing more natural than that liberty-loving Americans should sympathize with the Allies from the very start. Freedom of the seas was then a fundamental American doctrine. In defense of it men fought the War of 1812. Freedom of the seas was one of the causes of our entrance into the World War. Through all the ages philosophers, statesmen, and great nations had believed and taught that neutral nations had a right to traverse the high seas and to sell to all nations, even to those at war, where there was not an effective blockade. As the conflict deepened there was a ready market in Europe for the products from American farms and factories, for wheat, pigs, and cotton. These commodities went to Europe in unstinted quantities. France and England paid in securities, goods, and gold just as long as they had the securities, goods, or gold with which to pay. We were, at the beginning of the conflict, a debtor Nation for the amount of more than four thousand millions of dollars owed to Europe by our citizens. That entire obligation was wiped out by sale to Europe of the products of our farms and factories before we entered the war. When their cash was exhausted, what was more logical than that credit should be extended to them—the nations who had bought so freely with goods and gold as long as they had them?

On April 6, 1917, we can never forget the day, the President of the United States led this Nation into the great World War. We found, as all informed students knew at the time, that our new Allies were almost sinking, gasping for breath. The French rural population had denied themselves the food needed for their soldiers in the trenches. What were we to do? We were in the world conflict; our partners, our allies, our associates in the Great War needed food, needed the beef and pork from our farms, the products of our factories, the wheat from our granaries—and these granaries were bursting, for, in the previous year, we had harvested the heaviest wheat crop in our American history, a thousand million bushels. No wonder ships were loaded to the very brim with products of factory and farm, and sent across the ocean to nearly exhausted peoples, who had been fighting so long. We thought they were defending democracy, and that their cause was legitimately ours, also.

Notwithstanding the cryptic statement of the ex-President, they did not "hire" the money for these goods. We sent them things to eat and to wear; we shipped cotton by the millions of bales, knowing part of it was to be blown to atoms on battlefields. Our allies paid in gold or goods as long as they had them. They paid until it exhausted their resources and they could pay no more. We continued to send our products of farm and factory to the battlefields of Europe, for our own protection. We were sustaining the hungry, exhausted populations of England and France until our own boys from farm and workshop could be trained for the cruel work of war. The war over, exhausted Europe held out its hands for the abundance of America, needed for its rehabilitation. What more natural than that we should continue to feed, clothe and send supplies from our abundant stores to rehabilitate the people whom we had succored?

HOW MUCH DO THEY OWE US?

When the war began in August 1914, the people of the United States owed Europe from four to five billion dollars in private and business debts. When this country entered the war our debt to Europe had already become absorbed or paid by supplies furnished them and they had become indebted to us for about as much as we had owed European nations at the beginning of the war. Then we lent European nations during the war about four billions more. After the close of the war we provided them with credit to the extent of another three billions for rehabilitation and relief.

At the conclusion of the war our Treasury held obligations of 20 nations, payable on demand or within a short period of time. Realizing that nations could not pay on demand, Congress in 1922 created the World War Foreign Debt Commission, which completed its work before the expiration of its life in February 1927. When the Commission was created there were obligations of foreign governments held in the Treasury totaling in principal amount approximately $10,102,000,000. Funding agreements for payments over a 62-year period were entered into with many countries, reducing the debt in principal amount to $9,811,094,094, or about 97 percent of the obligations held in 1922. Adding the accrued and unpaid interest up to the date of funding,

amounting to $1,711,259,905, the total funded debt reached $11,522,354,000, according to the Commission's report. In 1931 President Hoover recommended the 1-year European-debt moratorium, which was accepted by Congress with the reservation that the moratorium should not be construed as indicating a policy of cancelation or reduction of the debt. President Hoover did not suggest cancelation, but stated that since the basis of the settlement was the capacity, under normal conditions, of the debtor to pay, and world conditions had become abnormal, the situation should be met by the moratorium. This has been extended indefinitely because no feasible alternative has been found. We should recall, in this connection, that the United States was not a signatory to either the Dawes plan of 1924 or the Young plan of 1930, and did not claim and had not received any reparation payments. At the end of the moratorium period July 1, 1932, our present unsettled condition began. The debts have not been paid as to principal nor interest, except that Finland, through a most remarkable effort, has paid and continues to pay installments in credit or goods, and incidentally I might mention that these goods consisted of shipments to us of wood pulp which we produce in quantities in the Northwest and did not welcome through importation. Of 13 countries owing installments June 15, Finland alone announces intention to meet the obligation.

The only outstanding governmental action in relation to war debts since that date has been the Johnson Debt Default Act of 1934. This act provides that defaulting nations may not float loans in this country. The Secretary of the Treasury has indicated that there are methods of evasion, but the principle stands, and it has undoubtedly been a wholesome deterrent for nations which might desire to secure great credits for their war preparations now being pressed on such a grand scale.

The total of the payments due the United States is shown by the Treasury Department on January 15, 1937, to consist of amounts as set forth in the following table, which covers principal, only, of the debt as funded and does not include interest payable over the funding period. We must remember that this amount actually fluctuates with the changing market value of gold. The ounce of gold is the international yardstick for settling balances between nations. The total of amounts due us actually has been decreased because we have reduced the number of grains in the gold dollar from 23.2 to 15.9. The effect of this devaluation must be considered in connection with war-debt payments.

Austria	$24,614,885
Belgium	417,780,000
Czechoslovakia	115,000,000
Estonia	13,830,000
Greece	30,292,000
Poland	178,560,000
Yugoslavia	62,850,000
Finland	9,000,000
Hungary	1,939,000
Italy	2,042,000,000
Latvia	5,775,000
Lithuania	6,030,000
Rumania	44,590,000
France	4,025,000,000
Great Britain	4,600,000,000

In payment the United States had received, up to January 15, 1937, under the original settlements and the moratorium agreements, on account of principal $475,481,172 and on interest account $1,319,585,345. Payments on unfunded debts, including those prior to the conclusion of debt agreements, were $281,990,396 on principal and $671,354,430 on interest. The total of payments received is $2,748,411,345.

HOW CAN THESE DEBTS BE PAID?

Payments have long since ceased and there is no definite plan of action under discussion. These foreign countries had promised to pay, but men who made such promises for them must have known it was simply impossible. Debts can be paid with money—gold—services, or with goods. There is no other way. After the war we had about one-quarter of the world's gold, and our stock of that precious metal has increased so rapidly that we now hoard in man-made caverns eleven and one-half billions of the world's gold supply—more than one-half of the known monetary gold. Clearly, we must consider some other sort of payment. We cannot send a ship over to bring back gold. How about ships bearing goods to our shores, and what goods will we accept?

Various plans for debt settlement were worked out at official conferences among the great financiers of the world. The United States sent men to present its claims and its suggestions, and debt payment "plans" were formulated. The Dawes plan and the Young plan were based on the theory that reparation payments should be exacted and could be made. The Lausanne Conference terminated the Young agreement in 1932. The European Allies predicated payment on receipt of reparations from Germany. They were also concerned with the distribution of payments among creditor countries. Certain amounts of money were finally computed as sums due the United States from European countries.

In order to settle a debt due from an individual or a nation, there must be a receptive payee. To have been entirely just, America should have said to exhausted Europe, "During the war and in the period of rehabilitation we sent you wheat and meat and clothing and cotton and all sorts of manufactured goods. Now you pay us in kind, or in gold, which is the world's accepted financial yardstick." Then the exhausted nations would have replied, "We do not have the gold, but we will gladly send you the products of our factories and our surplus agricultural products." The first barrier was erected by the United States in the enactment of a tariff law which increased duties on everything coming into our ports from foreign countries. These tariffs were still further increased under the celebrated Smoot-Hawley Act. Were we willing payees? No, we were not then, nor are we now, willing to receive the only form of payment which can be tendered. And still Congressmen from Minnesota and New York cry, "Pay, pay", and swell the chorus to the Coolidge solo, "You hired the money, did you not?" Worse "bunk" was never imposed upon a patient people. Why do men seek to make political capital out of an economic question which demands serious thought, careful statement, and most skillful handling by real diplomats and statesmen?

At one time, France said to Germany, "Make your payment of war reparations in kind; send us the products of your factories—coal, iron, or goods for the rehabilitation of the zone in northern France blown to bits in the terrible war." No sooner did German products in kind come in quantity than there arose a fearful cry from French factories and farmers that they were losing their markets and that France must not accept from Germany things they themselves had to sell to their own people. That cry became so loud that Germany's payment in kind had to be stopped. I can hear my eloquent friend from New York say, "But Germany was making her payments in competitive articles. I suggested "noncompetitive articles." The business people of the United States now engaged in trade in these noncompetitive articles—rubber, tea, tin are importing all we need—there is no tariff nor artificial barrier or restrictions. Those who advocate this plan forget the disrupted business that would result from taking even noncompetitive articles in payments of debts by the European nations.

Let us look at this strictly from the commercial viewpoint. There is being collected now, every year, several hundred millions of dollars, approximating a half billion, from various countries of the world on private loans. A normal flow of trade will make it possible to collect still larger amounts. These loans, private and governmental, during and after the war were not all a loss. They permitted us to pay higher wages in farm and factories; they gave us a better living. I clearly remember when I raised wheat in quantity and sold it at more than $2 a bushel. The whole venture was not a complete financial loss, and no one can tell nor estimate what would have resulted had we not joined the Allies and furnished them meat, wheat and goods, soldiers and munitions.

I hope we can approach this question without unreasonable and uninformed eloquence. We should no longer look through the telescope from the small end. We should not

forget that when the Napoleonic period closed, England embarked upon a great career of industrial and capitalistic expansion. She became the creditor nation of the world, the banking nation of the world. She did so following Waterloo, in 1815, by forgetting and canceling all advances of money and material that she had made to the various countries of Europe which had assisted in resisting Napoleon. She acquired their good will. The English pound and the Union Jack dominated the seas and marts of trade of the world for a hundred years. That lesson should not be forgotten by America. We are today the creditor nation of the world; we should pursue an economic policy in keeping with our creditor position. Those who stand for debt collections should just cease waving the flag and making speeches about "hired money" and face the facts as they are.

RECENT HOUSE DISCUSSION OF WAR DEBTS

On March 12 last, during the debate on the neutrality bill, there were made on the floor of this House some remarks regarding certain phases of the payment of these war debts by European countries. The gentleman from New York [Mr. FISH] then had the center of the stage. He maintained that the neutrality bill was tied up with war debts. Although he did not say so directly, I inferred from his remarks that he thought the neutrality bill was related to Great Britain's proposed rearmaments program, and that the latter was related to war-debt payments. My colleague from New York had sent a series of questions to the Secretary of State asking information on a number of important and complicated international problems. He had the temerity, so he stated, to include among these the following:

What protests have we made to Great Britain in regard to its proposed huge naval armament, to the extent of seven and one-half billions of dollars?

Surely the ranking minority member of the Committee on Foreign Affairs was not suggesting that our Secretary of State had any right to protest Great Britain's proposal to increase its armaments by the expenditure of seven and one-half billion dollars or any other sum. What would the gentleman say if Great Britain had protested against the more than one-half billion dollar budget for our Navy recently passed by the House? Any such inquiry on this matter by a foreign country would have been branded as meddling in our domestic affairs, even though we are not now debtors to foreign nations. The gentleman from New York [Mr. FISH] would probably have insisted that the Secretary of State send Great Britain a note protesting against meddling in our affairs. Does the fact that Great Britain owes us some $5,000,000,000 mean that we have any right to interfere with her internal affairs? It might be observed that all of the "meddling" in the affairs of other countries does not originate on the other side of the Atlantic. The gentleman from New York certainly did not expect an affirmative answer to his query. The Secretary of State should not be pushed into such an unfriendly act.

As I wish to deal with certain phases of war-debt payments indicated in the colloquy between the gentleman from New York [Mr. FISH] and myself, I quote from the RECORD:

Mr. FISH. * * * If we do not propose to make some effort to collect these debts, if these nations are going to continue to refuse to pay us even the interest on the money we lent them after the armistice, and if we are not going to protest these enormous armaments that are being built up by Great Britain, France, and Italy, then let us make some bargain with the British to have a share in these new British battleships. We might get 51 percent of these battleships; and if we could do this, we might save a little something on our own program.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. PIERCE. Cannot the gentleman see a vast difference between these foreign countries paying the debt due this country and rearming themselves? In the latter case, they are spending the money within their own countries; it is their own credit that is used in buying their own iron and building their own ships. If they undertook to pay us, they would have to pay us in gold or in goods. We do not want the goods and they have not the gold.

I may answer my own question by elaborating somewhat upon this phase of the problem. Of course, there is a wide difference between spending money at home—utilizing domestic currency and credit—and making payments abroad. England, Japan, Russia, France, or the United States may make any amount of expenditures at home without materially affecting their outside financial relations. For example, the billions of dollars which our Government spent in getting us out of the depression was almost wholly an internal matter. All that money might have been spent on building a Chinese wall for a fortress between the United States and Canada, without in the least affecting our financial relations with foreign countries other than Canada. What a country spends internally has little relationship to either the creation or utilization of foreign exchange, by which, normally, external payments are made. Only those economic activities of a country which create foreign exchange have a direct bearing on foreign-debt payments, or any other external payments. What a country spends within its own borders, using its internal money, credit, and materials, has as little bearing on war-debt payments as the Literary Digest poll had to do with the election last November.

Now to quote further from the remarks of the gentleman from New York:

Mr. FISH. Let me answer the gentleman.

Mr. PIERCE. I would like to have an honest answer from the gentleman.

Mr. FISH. Let me answer the gentleman specifically, because that is the old cry we always hear. Here is Great Britain appropriating seven and one-half billion dollars—and the Chancelor of the Exchequer states it will amount to $10,000,000,000 before they get through—during the next 5 years, and at the same time they owe us $5,000,000,000.

Mr. PIERCE. How can they pay us?

Mr. FISH. Wait—do not be impatient.

Mr. PIERCE. Tell us how, please—in goods?

Mr. FISH. I will tell the gentleman. They owe us five billions. They do not even pay us the interest on it. If they want to pay it, I will tell the gentleman exactly how they can pay it, and pay it very easily. They can pay us in tin. They can send us a hundred million dollars' worth of tin each year. They can pay us in tea. They can also send us one hundred or two hundred million dollars' worth of rubber. They could pay off the entire $5,000,000,000 in these three commodities alone without sacrificing a single American interest, and there are other commodities also * * *.

Mr. PIERCE. Mr. Chairman, will the gentleman yield for one other question? Is it not true that if Great Britain undertook to pay the debt in the products the gentleman has referred to this would dislocate the entire foreign business of Great Britain?

Mr. FISH. Certainly not. They have a complete monopoly on them, and they can control the situation absolutely with respect to tea, rubber, and tin.

CAN GREAT BRITAIN PAY WITH TEA, TIN, AND RUBBER?

Now, let us examine the extent of our imports of these three commodities—tea, tin, and rubber—with the purpose of ascertaining something of their possibilities as receipts on Great Britain's debt. First, take tea. Total imports of tea into the United States in 1935 amounted to $17,180,000. Of this value of tea imported in 1935, Japan furnished $2,326,000; Netherland India, $2,825,000; China, $895,000; United Kingdom, $4,593,000; Ceylon, $3,657,000; British India, $2,425,000; several other countries sent small quantities. Ceylon and British India may be considered as nominal British possessions. These figures indicate that the gentleman from New York [Mr. FISH] was in error in the statement that the United Kingdom has an "absolute monopoly" on these products. There are several sources of tea other than the United Kingdom or even its nominal possessions.

The gentleman might be asked what should be done with the private business which derives its living from the tea trade, if the Government of Great Britain should take this over in order to use it for debt payment. Furthermore, in these so-called English possessions individuals of other countries have financial interests which would not be willing to accede to this plan. It seems clear that for practical purposes we must pretty well eliminate tea as of any significant value in debt payments by the United Kingdom. The totals are too trifling, granting the advisability of the method suggested.

Next let us examine tin. Our total imports of tin in 1935 were valued at $69,815,000. British Malaya furnished $41,083,000; United Kingdom direct, $17,111,000; Hongkong, $3,183,000; Netherland India, $2,713,000; China, $2,585,000; Netherlands, $1,939,000; small amounts were imported from other sources. With the business upturn in 1935, the United

States apparently did not need the $100,000,000 worth of tin mentioned by Mr. FISH. In 1936, with even greater business activity in the United States, only $75,000,000 worth of tin was imported. When the gentleman from New York suggested that Great Britain might sequester the tin supply of the world, did he realize that Americans have enormous amounts of money invested in the tin mines of Netherland India, as well as in other parts of the world? In a study, American Direct Investments in Foreign Countries, by the Department of Commerce, published in 1930 while Mr. Lamont was Secretary, we find that in Netherland India tin mines were being operated by American interests. There are also American investments in tin mining and smelting in Bolivia which might be involved in the United Kingdom's assumed monopoly of the tin trade. Is it the proposal of the gentleman from New York that private commerce be disrupted in the preemption of tin, assuming that the United Kingdom desired such an arrangement?

Finally, let us examine the third product, crude rubber. Total imports in 1935 amounted in round numbers, to $119,000,000. It is said that the United States buys over 50 percent of the world production of rubber, brought from many sources. British Malaya furnished $87,593,000 worth; Ceylon, $6,787,000; Netherland India, $20,668,000; French Indo China, $2,087,000; small quantities were imported from various other sources. These figures might indicate that the United Kingdom has a better chance for a monopoly in shipments of rubber than in tea or tin.

The gentleman from New York should be reminded, however, that the so-called Stevenson plan, for the control of rubber, fell down about a decade ago because the producers in Netherland India would not join in the British price-fixing scheme. Further, it might be pointed out that rubber can be produced in many parts of the world, and that the alleged monopoly is more apparent that real. Rubber plantations are, in fact, being developed in South America, where it originated, in Central America and Africa, as well as in other areas mentioned. American capital, by the tens of millions, is developing large plantations in various parts of the world.

Let me refer again to the above-mentioned official report on American investments in foreign countries. From that study we learn that rubber-producing properties are being developed by American capital, and that the most significant American investments in Netherland East Indies are the rubber plantations. Many of these are both owned and operated by American rubber manufacturers and serve to free them from entire dependence upon foreign producers for the raw materials essential to their business. Also in British Malaya, a nominal British possession, our investments are of about the same type. Rubber plantations and organizations for purchasing and shipping crude rubber are most important. The contention that the United Kingdom has a monopoly on rubber does not stand up.

The United Kingdom is, however, probably better prepared to negotiate for payment than any one of the Allies. Using it as an example, it appears that the total payments of interest and amortization under the Young plan for war-debt payments requires payment to the United States of $203,000,000 each year from Great Britain. Total annual imports of tin, rubber, and tea into the United States just analyzed, amount to $206,076,000. Eliminating the amount that comes from sources other than the United Kingdom, there remains $167,000,000 in such imports to be applied on the debt. Thus it will be necessary for the gentleman from New York to add several other "monopoly products" in order that England may make her payment in this manner.

This brief excursion into the statistical picture of trade in the three commodities mentioned as the mainstays for British war-debt payments does seem to puncture that argument, and I might suggest it looks to me like a complete blowout. Great Britain has no monopoly on these products, and the total of imports from that source is inadequate for the purpose.

CAN THEY PAY THROUGH TOURIST TRADE AND IMMIGRANT REMITTANCES?

Our colleague from Illinois [Mr. DIRKSEN], speaking a few days ago on this floor, advanced a very ingenious plan for the payment of war debts. He suggested applying on the debts all the money remitted by residents of the United States to citizens of debtor nations. For the purpose he would set up a war-debt liquidation commission. This commission would be empowered to issue certificates of payments here which would be honored by foreign governments. He would have the foreign governments pay the remittances to their citizens and receive credit on the war debts. It is true that these countries have forbidden their citizens to take money out of their countries, but who would resort to such governmental practices? It is not probable that governments would agree to such a plan. It amounts to confiscation of private property, unless the remitter can be guaranteed by international agreement that the foreign country will pay in full the obligation to its citizens for whom the money is intended. What right has the Government to the money a citizen designs for payment abroad? Our colleague also forgets that Italy and Germany need every dollar of remittances to buy foreign commodities which they must have. I do not see how ingenuity could devise a plan which would create more ill feeling.

The gentleman from Illinois also suggested that citizens of the United States traveling in foreign countries should buy their foreign exchange in this country and have the amounts credited on the war debts, in the expectation that the foreign nations would require their nationals to honor the certificates. This is, indeed, a unique method for the collection of a debt impossible to collect, because these debtor nations are already under contract to pay interest and debts far beyond their capacity. It is folly to discuss the proposition because the nations would not consent to it. Money spent in foreign countries is a very large element in making possible the ability of foreign countries to buy our goods, especially is that true in England, France, and Italy.

It is suggested that partial payments might be made by the establishment in the debtor countries of international scholarships for American students. These are dreams of those who would settle the debts while creating and maintaining international good will.

THE DEBTS AND OUR EXPORT TRADE

Reverting once more to an illustration from the United Kingdom, it might be pointed out that we desire to maintain that market for an outlet for surplus meat, lumber, cotton, fruits, and hundreds of other products. Our exports to the United Kingdom are usually from two to three times as large as imports from that source. If we insist on interfering with the present mechanism of trade and exchange, such interference will inevitably be reflected in decreased exports to the United Kingdom. It might be worth mentioning that our exports to that market amounted to $439,000,000 in 1936. We took from them, in round numbers, slightly more than $200,000,000 worth of imports. How does the United Kingdom now pay us this difference? Simply by obtaining foreign exchange from other transactions, and paying the difference of nearly $240,000,000 in products and certain invisible items of trade, like tourist travel and international trade. Now, if we are to insist that the United Kingdom raise, in addition, $203,000,000 annually for 62 years on war debts (approximate payments due from her in 1936), or even half of that amount, we would surely have to cut off a large part of our exports to that country, or take more imports. She would not have the exchange to pay for the current shipments of American products. Who can think of entering into such a situation? We desire to increase our exports to that country—exports which amounted to more than $800,000,000 per year in the predepression period. There may be a possibility of a trade agreement by which the United Kingdom will lessen some of her trade barriers against American farm products, while we will lessen some of our barriers against their speciality manufactured products.

Many American farmers, particularly those along the Canadian border, believe that in the reciprocal-tariff agreements between Canada and the United States our farmers got decidedly the worst of the bargain. They think that tariff reductions were made by the Canadian Government chiefly in the interests of American industries and factories. They also believe that agriculture suffered when a market was opened for agricultural products through lowering of our tariff barriers for cattle and other farm products. We must all realize that the expansion of our exports is essential to economic recovery and continued prosperity. Since the House and Senate this February voted to extend the Trade Agreement Act, it is now the policy of the Nation for the next 3 years and discussion of the defects of the arrangement would be futile.

In 1924, when I was Governor of the State of Oregon, and William Jennings Bryan visited our State, I spent several days with him. During our conversation this great man who had been so close to the early events that involved us in war told me of his belief that we had then passed the psychological moment at which the most could be made out of foreign war-debt payments. He said the facts of the case were that the meat, the wheat, and the products of factories which we sent to the Allies after France and England had exhausted their cash resources were sent for our own salvation. Had the French collapsed in the summer of 1917, as they were on the very point of doing, it is certain the Allies would have lost the war as Russia had already ceased to fight. Bryan made an impression on me when he stated that he believed had Wilson been able to have used the war debts as a trade proposition when he went to Paris to negotiate the treaty after the war, he could have secured a binding treaty upon all peace table nations to abolish armies and navies. That would have ushered in an era of peace. He further added—

> The debts, Governor, can never be paid except in products which we cannot take. The longer the settlement is delayed, the less valuable the debts will become, less valuable as trading points to drive bargains looking toward ultimate and permanent peace.

SHOULD THE DEBTS BE CANCELED?

We should take a realistic view of the situation. Perhaps the most carefully written discussion of war debts is a book published 5 years ago by the Brookings Institution, War Debts and World Prosperity. The authors came to the conclusion that complete obliteration of all reparations and war-debt obligations would promote rather than retard world economic prosperity. Second, they found that the collection of these governmental debts would be economically detrimental rather than beneficial to the creditor countries. I do not take the position that these debts should be completely canceled by congressional action. It is probably true that we will be able to collect some of them, but not in the manner suggested. We shall seek some compromise to remove this disturbing element from our international relations—some sort of a beneficial trade agreement not too disrupting to normal trade relations. On February 2, on this floor, the gentleman from Ohio [Mr. LAMNECK], very carefully discussing this question, announced his belief that a cancelation of the debts would probably involve us in another war. I cannot agree with our eloquent colleague that this would necessarily follow. He bases his theory upon the supposition that if the debts were canceled this country would be gullible enough again to lend money to warring nations in Europe, such act leading us into another war.

The Brookings Institution makes the finding that we ought to cancel the debts to save our economic system. The statement is often made that the debts should be collected so as to lighten the tax burden in this country. Let us reason on this subject for just a moment. It is admitted by all impartial thinkers that the only way to pay the debts is in goods, services, or gold. At the present time the metal-money payments are simply out of the question. We have over one-half of the monetary gold of the world, destined only to be buried in Government vaults, removed from the earth only to be reburied. France and the United States have perhaps three-fourths of all the monetary gold of the world. If the nations could pay us in gold, it would not be of any value to the overburdened taxpayer; it would simply move into the vaults, for no longer is the currency in circulation based upon the amount of gold in reserve. Doubling the amount of gold in the Kentucky vaults, under the present arrangement, would not raise commodity prices, nor lessen taxes.

When considering the collection of a debt, it often pays to put yourself in the position of the one with whom you are negotiating and to study the situation from his viewpoint. How do the French and the English look at these war debts? Great Britain has not forgotten the lesson in forgiveness of obligations she taught the world a hundred years ago. The French full well realize that for months, reaching into exhausting years, she sent her best men into the trenches to withstand the cruelest drive ever waged on the field of battle. When we entered the conflict her women were working to the point of exhaustion, with insufficient food and clothing, to sustain a tenacious but weakening army. How must these French and the English have felt as they heard the cry of the eloquent grandson of a former great Secretary of State of this country, which was, in effect:

> Pay! Pay! Pay us in gold for the goods we sent when you were fighting to defend the principles which brought us into the war with our battalions to battle by your side!

Our answer to their effort to pay was increase of tariff duties, practically driving European goods out of our ports. Still the cry comes from Minnesota and New York and elsewhere, "Pay! Pay! Pay, you exhausted creditors." Why not face the facts?

A banker lending money carefully considers the ability of his debtor to return money. If he knows the man who is borrowing may gamble it away or waste it, he is morally, and should be legally responsible for making a hazardous loan. On April 6, 1917, we became the bankers for the Allies. That applied not only to our gold but also to essential goods and munitions. As bankers, we were charged with knowing that there was no way by which they could pay if they did not win that great world's struggle. As bankers, we were charged, when we lent those dollars and goods, with knowing that the only way they could pay for them was to return the goods or their value in metal money. As bankers, we refused to recognize our responsibility, when we raised our tariff walls so they could not send us their goods. We know it is almost impossible for those nations, weighed down by internal debt and facing another war, to liquidate the war debts in any manner known to the commercial world. The citizens of the debtor nations will bear the tax burden ultimately under any plan, and the plan has yet to be devised.

I desire to emphasize the importance of one other obvious conclusion by reiterating the suggestion that when a government takes over the control of commerce to make "payments in kind", as has been suggested, private enterprise is thwarted. Those who worship private enterprise certainly should not now suggest that any government should disrupt and destroy it to the extent proposed. Business must face the fact that another great world war will, in all probability, bring about general repudiation of all debts. It may possibly result also in the entire collapse of the capitalistic system. I have discussed at some length the ability of Great Britain to pay in the manner suggested by my colleague from New York. I shall not attempt a like discussion of payments by other countries. We hear, most frequently, the suggestion that we could use the perfumes and wines of France, crediting them on the war debt. We also are reminded that France has large supplies of gold. Now, the producers of apples and pears in the Pacific Northwest would find their trade with France seriously impaired if the wines and perfumes were removed from the category of those goods under the reciprocal-trade agreements, which provide for our fruit exports. Yes; France has had large

stores of gold. The effect of a shipment of her gold to our shores would be most unfortunate, and it would in no way help toward the solution of the war-debt problem.

It is true that European nations which owe us such great sums of money are spending vast amounts in apparent war preparations. If we could prevent another war by demanding payment from them, we would become insistent in our demands. The debts resulted from the destructive processes of war. The attempt to collect in any manner thus far proposed would interfere seriously with international economic relations. I do not propose that we should decide at this time just how the war debts shall be settled, nor would I urge any immediate congressional action on the subject. My discussion is called forth by the frequent demands that the European nations be required to pay and pay and pay.

In conclusion, let me say we went into the war to save our economic system and lent the money and credit for that purpose. Democracy is perhaps now nearer the danger line than it was in April 1917, threatened by the rise of European autocracies. England and France are again the outposts, the first line of defense for democracy and its privileges. I do not criticize France and England for their heavy appropriations for war defense. Were I a member of one of their Parliaments, I also might vote the last dollar necessary for defense against the autocracies which threaten them. To save ourselves and the forms of government in which we have faith, to save our own economic system, we cannot today afford to take from either France or England, even if they could pay, the amounts of money now due from our former allies, who may within a few months again be called upon to sacrifice to the last ounce of their devotion in defense of democracy and representative government.

Prosperity in Indiana

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 17 (legislative day of Monday, Aug. 16), 1937

ARTICLES FROM INDIANA NEWSPAPERS

Mr. MINTON. Mr. President, from Evansville on the Ohio River to Indianapolis and Fort Wayne in the northern part of Indiana the story of continued prosperity is told. I ask unanimous consent that articles appearing in the Evansville Press, the Fort Wayne Journal-Gazette, and the Indianapolis Star may be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Evansville (Ind.) Press of Aug. 8, 1937]

BUSINESS HERE CONTINUES GAIN—CHAMBER OF COMMERCE BAROMETER SHOWS INCREASES IN ALL FIELDS

Evansville's business boom continued its upward march in July, according to the monthly chamber of commerce business barometer.

Gains were registered in every field surveyed, with a 54.8-percent increase in value of building permits leading the list.

July permits totaled $511,798, compared with $330,529 in July 1936.

A total of 451 new autos were sold, compared with 302 the same month last year, a gain of 49.3 percent.

Figures for July 1936 and July 1937, with percentage of increase, include:

Number of building permits, 519 to 592, up 14 percent; postal receipts, $48,941.30 to $54,248, up 10.8 percent; bank deposits, $52,925,190 to $54,499,773.27, up 2.9 percent.

Bank debits, $34,056,000 to $40,662,000, up 19.4 percent; water meters, 22,693 to 23,175, up 2.1 percent; gas meters, 20,207 to 21,585, up 6.8 percent; electric meters, 33,201 to 35,358, up 6.5 percent; telephones, 18,484 to 20,396, up 10.3 percent; used-car sales, 657 to 786, up 19.9 percent.

[From the Fort Wayne (Ind.) Journal-Gazette of Aug. 8, 1937]

THE SPIRIT OF 1937

The American people have begun to feel their power again.

The black cloud of the depression is gone, and we have become aware of the sunshine, the fertility of the good earth, our national brains and brawn, and the energy which is characteristic of our normal industry.

It is good to be back in the swim and swing of things, to feel optimistic and secure, and to have faith in a great future for Uncle Sam's nieces and nephews.

Business no longer sits on the doorstep of the White House and the National Capitol, weeping and wailing that it wants to be saved. It is striking out boldly to save itself.

Private enterprise is cocky and expansive. It is going places and doing things.

New buildings are springing up. The music of saws, the ring of hammers, and the tattoo of riveters are heard again in the land.

Good crops are rising under the magic of the sun.

A Nation is seething with activity. The highways are black with pleasure cars, filled with vacation parties going about in search of rest, recreation, and new ideas.

A brown, healthy new generation is bathing and sunning itself on lake and ocean beaches. The turnstiles of baseball stadiums click rapidly.

Conquest is in the air and in the bones.

Fort Wayne is part of this national scene and has begun to enjoy every minute of it. Factories, banks, and stores are busy and expecting to be more busy.

Civic leaders are dreaming of new improvements which will add to the beauty and the utility of daily life. There is no telling what we may yet accomplish here in Fort Wayne.

There never was a better or a steadier city and we are acquiring more imagination, too.

Why shouldn't this community expand and grow? It has everything to work with. If we who are here find it such a good place to labor and to live, others who may come will find it equally good.

It is fine to be alive in an era of expansion. It is thrilling to be a part of a march to destiny.

We cannot afford to let other cities go around us. And we shall not.

If you have not already caught the spirit of 1937, get inoculated today. Get a sunup start with those who are pressing forward to a greater Fort Wayne and a greater America.

[From the Indianapolis (Ind.) Star of Aug. 9, 1937]

COMPANY SHOWS $2,831,612 GAIN—INDIANAPOLIS LIFE'S TOTAL INSURANCE IN FORCE IS $103,598,741

Insurance in force in the Indianapolis Life Insurance Co. increased $2,831,612 during the first 6 months of this year, bringing total insurance in force on a paid basis to $103,598,741, Edward B. Raub, president, reports.

The increase was 30 percent ahead of the gain for the same period last year. The home office of the company is located at Thirtieth and Meridian Streets.

Assets are the largest in the company's almost one-third of a century in business. The increase for the 6-month period was more than $960,000, making total assets more than $19,600,000.

Indiana leads all other States in the amount of insurance in force with the company and again was first in volume of new business for the year, the semiannual figures show. The first five States in standing of new business procured during the 6-month period include Indiana, Texas, Illinois, Ohio, and California.

In commenting on the company's progress for the 6 months, Mr. Raub pointed out that the mortality ratio was very low, only 36.8 percent of the expected, and that the lapse ratio on insurance in force is now the lowest in the history of the company.

The total amount of funds borrowed by policyholders on their insurance was less June 30 than on January 1, and the requests for policy loans are below those of predepression days, officials report. The requests for cash surrenders also are considerably below normal it was reported.

The Indianapolis Life Insurance Co. is a legal reserve, mutual company owned by the policyholders. From December 31, 1929, to the start of this year, the company has paid policyholders and beneficiaries more than $11,500,000. Assets increased during this period 78.4 percent.

Evidence of the fallacy of the belief of some people that with life insurance one must die to win is found in the company's statistics, which show that of the money paid out during this period, $8,034,307 was paid to living policyholders and $3,279,836 to beneficiaries.

"People in increasing numbers are turning to life insurance as the sure method of providing for final expenses, arranging an income for the family, and for setting up a sure retirement plan for later years", Mr. Raub commented.

Roanoke Island

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 17 (legislative day of Monday, Aug. 16), 1937

EDITORIAL FROM THE WASHINGTON HERALD

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and timely article from the Washington Herald, of August 17, 1937, on Roanoke Island and the celebration that is now being held there in commemoration of the three hundred and fiftieth anniversary of the founding of the first English-speaking colony in America.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of Aug. 17, 1937]

ROANOKE ISLAND

Roanoke Island has a lot more to it than a famous wandering "mother" grapevine, the romantic story of Virginia Dare and the lost colony, and a summer boom of visitors, which reaches its climax tomorrow when President Roosevelt puts in an appearance.

A lot of curiously symbolic things have happened within its quiet little universe of sand dunes, forever wailing wind, and bleached hulls of ships against which lap waves murmuring of Africa across the way.

The fishing villages of Wanchese and Manteo, for instance, are not so remote from the great world as you might think. For 300 years sailormen have swum and crawled ashore on the Carolina coast out of the wreckage of craft snagged on the shoals off Cape Hatteras to remain, entranced.

And as a result, the people of the island, though isolated, have mingled in their veins the blood of all of those who go down to the sea in ships. English, Irish, Scandinavian, Latin, and Down East Yankee dialects confuse the summer visitor.

Just a few miles upshore a great stone rests on a mound of sand at Kitty Hawk. And a wizened little weather observer and telegrapher at Manteo will show you the original copy of messages sent out by newspaper correspondents when the Wright brothers actually flew from that historic sand dune. He'll also show you the indignant responses from editors who didn't believe their own reporters.

In a way, the history and nature of Roanoke Island is a condensed story of America—a land enriched by many cultures, opened and exploited by fugitives and wayfarers from beyond the seas, and a land in which the improbable becomes commonplace.

If you can make the trip, don't miss President Roosevelt's appearance there. He, you know, is one of the country's rare characters and in the mystic woods where Virginia Dare was born he is likely to have some things to say on a par with his classic conduct at the wedding of his son, Franklin, Jr., and Ethel du Pont.

James Couzens, Statesman, Multimillionaire, Friend of the Workingman

MEMORIAL ADDRESS

OF

HON. JOHN LUECKE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES COUZENS, late a Senator from Michigan

Mr. LUECKE of Michigan. Mr. Speaker, the old saying that truth is stranger than fiction was never more true than in the life story of United States Senator JAMES COUZENS. Born in Chatham, Ontario, in poverty, he moved to Detroit as a young man. There he secured work as a car checker for the Michigan Central Railroad Co. Next he was employed in a coal yard at $60 per month. That was in 1901 and at the time that the automobile industry began to grow. At the behest of his employer, Mr. A. Y. Malcolmson, and due to his own keen insight into public affairs, he invested money in the Ford Motor Co. Twelve years later we find him as a Ford official at a salary of $150,000 per year, and in due time sold his holdings for some $30,000,000—a modern fairy tale and stranger than fiction.

Now, that is a lot of money; but not to JAMES COUZENS. He didn't know how much he had because it never had any effect upon him. He still was JAMES COUZENS as though he had never acquired riches. And therein lies his greatness. It takes fiber true as steel to withstand such a change in life. He possessed the necessary fiber.

JAMES COUZENS did a lot for humanity in his time. He befriended millions, the aged, the infirm, the crippled, and children who were in need of a friend. But let us not forget that it was JAMES COUZENS who also befriended the worker in the great industrial plants. It was he who was responsible for the $5-a-day minimum which shocked the business world and which is today accepted as necessary. Let the workers never forget JIM COUZENS. Men like he only cross the horizon of life at great intervals like the comets of outer space only cross the heavens once in a century.

Every utterance of his touched upon the welfare of the people; some word of advice was always his. In May 1934 he told the Senate:

> If we want to prevent trouble, * * * not only Members of Congress but industry as well have got to adopt some ways and means to establish some sort of security. Protection must be provided, not only for those already unemployed, but for the millions of our citizens who are now uncertain whether they are going to have a job tomorrow.

Let us heed those words. They are true because JAMES COUZENS said them.

John T. Buckbee

MEMORIAL ADDRESS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, the character, and the public service of Hon. JOHN T. BUCKBEE, late a Representative from Illinois

Mr. MASON. Mr. Speaker, the late Representative BUCKBEE had, in the course of his 10 years of faithful service as the Representative in Congress from the Twelfth Illinois District, made for himself a very enduring and substantial place in the hearts of his constituents. I speak with knowledge on this subject because I was one of those constituents. He was known among them for his genial spirit and his sincere desire to be of service to them. No request, no call for help, went unheeded by him. Particularly was he noted for his interest in and his deep concern for the veterans of our wars. Mr. BUCKBEE had a lasting friendship for the ex-service man. During the war he was actively interested in the welfare of the soldiers at Camp Grant, near his native city of Rockford, and he gave generously of time and money to make their lot an easier one to bear.

In Washington his geniality and cooperative spirit won for him a coveted place of esteem among his colleagues in the Congress. Here he felt that his greatest opportunity for service lay in committee work. Particularly was this true of his work on the important Post Office and Post Roads

Committee. On one occasion the present chairman of that committee wrote him:

I desire to take this opportunity to express to you my sincere appreciation for the splendid cooperation you have given to me as chairman of the committee, as well as for your very valuable contribution as a member of the committee.

In the last years of his service he received added honor in his appointment to the Appropriations Committee.

Toward the close of his life he was burdened by illness that bore down upon his splendid spirit and lessened his endurance. Nevertheless, he did not give up but continued to carry on when most men would have bowed to the inevitable. His courage was never more apparent and his desire to serve was never more in evidence than during his last term in Congress. He carried on to the end.

His was a kindly nature. He gave unstintingly of his time and of himself in order that others might find this world a better place in which to live. Many are they who will remember him kindly and lovingly as long as they shall live.

Congressman BUCKBEE has passed on. His memory is enshrined in the hearts of his friends.

Reorganization and Liberalization of the Republican Party

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, ON AUGUST 16, 1937

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following address I made during the National Radio Forum, arranged by the Washington Star and broadcast over a National Broadcasting Co. network, Monday night, August 16, 1937:

I am speaking this evening at the invitation of the National Radio Forum and the National Broadcasting Co. on the reorganization and liberalization of the Republican Party. At the outset let me say that the sound principles of the Republican Party are more needed today than ever before to offset the class hatred, socialism, unconstitutional methods, and un-American reprisals of the New Deal. I would not have the Republican Party compromise one iota with the extreme radicalism of the socialistic New Deal brain trusters temporarily in control of the Democratic Party. The main purpose of these radicals is to set up a collectivist or totalitarian state in place of our free institutions and representative and constitutional government, the noblest edifice ever conceived by the mind of man.

The Republican Party must be reorganized and liberalized in leadership and policies within the confines of the Constitution, and must establish a common standard to which all liberals and conservatives can repair who believe in free enterprise and the ownership of private property and the maintenance of our American system based upon our three separate and independent departments of government.

I have no sympathy for those defeatists within the Republican Party who say that our party must change its name, that it has outlived its usefulness, and that it must be scrapped.

The Republican Party, unfortunately, under stupid, antiquated, and reactionary leadership has departed from the principles enunciated by Abraham Lincoln that made it the friend of the wage earner, the farmer, of free enterprise, and of popular government. It has drifted aimlessly under inept and reactionary control away from its fundamental principles until it is now classified as being unfriendly to labor and to those with small incomes because of the stranglehold on the organization by unpopular and discredited leaders, generally representing selfish interests, public utilities, or large corporations.

These Old Guard politicians, most of them well past the retiring age of Army and Navy officers, cling desperately to their jobs, preferring to wreck the party if they cannot control it. The people have lost all confidence in them and naturally oppose any candidate they favor.

However, they refuse to retire, although many of them have lived off Republican plums most of their lives. They are still hoping that the tide will change in spite of them and that they will again reap the political rewards. Their days, however, are numbered, and the Republicans will never again be successful until the leadership of the party is turned over to younger, more active, and more progressive-minded leaders who are in touch with the problems of the people and the times.

We must not forget that the Republican Party was founded in the West, in the States of Michigan, Wisconsin, and Illinois, by the plain people whom Lincoln loved, by the home folk, the farmers, and the tradesmen seeking human liberty and greater economic freedom and equal opportunity for all. It was not founded for or by plutocrats, selfish interests, or big contributors. It sprang into being from the hearts of a free people to unite all elements against the reactionary Democratic Party of those days, as a protest against slavery and for free labor, to preserve the Union, and to maintain our constitutional form of government.

Now, two generations later, the Republicans are faced with a similar crisis and all anti-New Deal elements must unite to prevent the scrapping of our American and constitutional system of government, under which we have prospered as no other nation in the world. Those who believe in restoring our representative form of government must unite to prevent the setting up of a one-man government—be he a good, bad, or indifferent President—call it an embryonic dictatorship or beneficent despotism, a rose by any other name smells as sweet and a dictatorship by any other name smells as rotten.

When a rubber-stamp, partisan Democratic Congress centralizes and concentrates governmental powers in the hands of President Roosevelt, and gives him control of the purse strings through lump-sum appropriations, and surrenders vast legislative powers to him, it is childish not to concede that we are on the high road to a Fascist or authoritarian state. Gen. Hugh Johnson, a former appointee of the President, does not mince words about it when he says: "There is no precedent for such a thing in our history. We shall look back on it some day as a freak temporary abdication of the responsibility and power of Congress. It can't go on unless we have, in fact, changed our form of government to a beneficent despotism." On another occasion General Johnson said: "It is not necessary in attaining these objectives to change our form of government so greatly—to take away the powers of the States and of Congress and to give them to the Executive until the latter can be self-perpetuating and almost all-powerful."

President Roosevelt, instead of returning the powers granted him by Congress in the emergency, persistently asks for more. The admonition of George Washington, in his Farewell Address, is peculiarly applicable to the idealogy of the master in the White House, when he said: "It is important, likewise, that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments into one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position."

President Roosevelt's appetite for power is steadily growing, and instead of renouncing it he seeks to perpetuate that power and perhaps himself and his administration. It must be self-evident that the restoration of representative, constitutional, and our American system of government will be a fundamental issue to unite Jeffersonian and constitutional Democrats and liberal and conservative Republicans in a common cause, in a liberalized Republican Party within the limits of the Constitution.

It is beginning to appear that an anti-third-term resolution, such as I recently introduced, which reads as follows, may be an important factor in the next campaign:

"*Resolved*, That it is the sense of the House of Representatives that the precedent established by Washington and other Presidents of the United States in retiring from the Presidential office after their second term has become, by universal concurrence, a part of our republican system of government, and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions; and be it further

"*Resolved*, That the House of Representatives commends the observance of this precedent."

A similar resolution was adopted by the United States Senate in 1928 toward the end of President Coolidge's administration, when there was no threat of a one-man government with which we are now confronted. In addition, the resolution carries out the precept established by Washington and a policy adhered to by such Democrats as Jefferson, Madison, Monroe, and Andrew Jackson, so that it is practically a part of the political faith of the Democratic Party.

I realize how unwise it is politically to predict events; but if the President does not seek renomination, then most assuredly there will be a tremendous fight between Roosevelt and the radicals on one side and the liberals and conservative Democrats on the other to nominate the next Democratic candidate for President. If the radical element, composed of ardent New Dealers, Socialists, Communists, and radicals, lose out, most of them will bolt to a third party under some such Presidential standard-bearer as Senator La Follete, John L. Lewis, or Mayor LaGuardia. This would mean the formation of a united front of leftist groups with the Farmer-Labor Party on a virtual socialistic platform, pledged to destroy capitalism and the American industrial system based on private initiative and reasonable profit, which has made the United States

the richest Nation in the world with the freest labor and the highest standard of wages and living conditions.

If this split occurs, which to me appears inevitable, and the Republican Party liberalizes and modernizes its leadership and policies and throws off the stranglehold of its reactionary leaders, special-interest groups, and large contributors, it will unite the liberals and conservatives within the Republican Party, attract the votes of Jeffersonian and constitutional Democrats, and, above all, restore the confidence once again of the plain people in the principles of Abraham Lincoln and Thomas Jefferson, whom Lincoln always claimed was his political master and from whom he said he received all of his political principles.

It is essential for the future of the party that Republican Members of Congress do not oppose legislation designed to promote social and industrial justice, and to better the working conditions of our wage earner. It is probable that the minimum-wage and maximum-hour bill will go over until next session. The Republicans generally dislike setting up a Labor Board under the control of President Roosevelt with immense and possibly disastrous power over industry.

We have only 1 Republican Member of Congress from the 10 largest cities of America and the reason is obvious. In the last Presidential campaign the Republican leadership made the ghastly blunder of denouncing the Social Security Act, which affects the welfare and interests of 26,000,000 American people. This stupid and short-sighted policy resulted in driving the wage earners in the big industrial centers by the millions away from our party.

I would be glad to vote for a straight 40-hour week and a minimum wage of 40 cents an hour for industrial labor, and thus strike a blow at the sweatshop hours and wages that prevail in many sections of the country. It is time that the exploitation of the labor of women and children by human vultures for the sake of greed and profit be stopped.

The Republicans in Congress cannot afford to block humane legislation of this character. We have always stood for a high standard of living conditions and of wages for the American people. If we object to the huge powers in the proposed Labor Board and the concentration of more authority in the hands of the President, then we must offer a substitute bill that will accomplish the same net results for the benefit of our wage earners. Any other attitude would be suicidal. I also favor the housing bill although it is far from perfect, and I doubt if it accomplishes much for slum clearances.

The Republicans must oppose all unsound, socialistic, and unconstitutional New Deal measures, but we should be glad to support all sound, progressive legislation aimed to protect wage earners from exploitation by greedy and selfish interests, and to promote better living conditions.

If the Republican Party is to bring back within its ranks the millions of wage earners and farmers that have left it in recent years, then the first step is for the Republican Members of Congress to make a record that will definitely appeal to those millions of voters who have been disgusted with our past performances and do-nothing policies.

What is needed in the Republican Party is an upraising of the rank-and-file Republicans and of the more progressive younger element in the Presidential primaries to prevent the hand-picked corporation lawyers, large contributors, and discredited reactionaries from being elected as delegates to the national convention and selecting the next Republican candidate for President, for whosoever is nominated by this element is doomed to defeat and the party will disappear like the old Whig Party. The Republican Party must broaden its base and give actual representation to wage earners, farmers, women, veterans, young Republicans, loyal foreign-born groups, and Negroes. Campaign contributions should be limited to $5,000.

It must be self-evident to all those interested in the future success of the party that the Republican National Committee must be reorganized in leadership and its policies liberalized and revitalized.

The world is filled with rumors of war and actual armed conflict in Spain and China. What is the Republican policy toward China and what will it be if this conflict spreads into another world war? I believe I am able to state the Republican attitude on international issues, as I have served on the Committee on Foreign Affairs for 16 years and am the ranking Republican member of that committee and to that extent the spokesman of my party in the House and in the country.

In a few words, the Republican policy is to keep out of all entangling alliances, sanctions, and war commitments of every kind, and to mind our own business and let other nations mind theirs. If the great nations of the world insist on arming to the teeth and going to war, it is their war and not ours.

We are prepared to spend millions for defense, but not a dollar to send American soldiers to foreign lands to fight other people's battles. I favor, and I believe most Americans would concur, that all American troops, marines, gunboats, and other of our armed forces be withdrawn from China before we become involved in an Asiatic war. All American citizens should be ordered to leave the war zone or stay at their own risk. I am opposed to having the United States police China or any other sovereign nation, and, above all, I am opposed to any policy that makes use of the United States to pick the chestnuts out of the fire for the British Empire in China or elsewhere.

The Republican Party favors taking the profit out of war and staying out of war by the maintenance of a policy of strict neutrality, friendly cooperation, and peaceful relations with all nations.

Spain and China are powder kegs, apt to explode at any time and involve other nations in war. We propose to keep out of all wars, unless attacked or in defense of our own shores. The old nations of the world have gone mad and are spending more billions of dollars on armaments than prior to 1914.

Speaking for myself and not for my party, I urge the radio audience to write and urge their Representatives in Congress to sign the Fish petition, no. 18, which prohibits the sale and shipment of arms, ammunition, and implements of war, in time of peace as well as in war, for the sake of blood money and war profits. Why should we incur the enmity of other nations by supplying them with implements of war to kill people with whom we are at peace, and thereby probably involve us in war? We should cease being the potential slaughterhouse for war by preparing other nations for war.

In all good faith and sincerity I urge all Americans, regardless of partisanship, to write their Congressmen to sign petition no. 18, and thereby bring up for consideration my resolution to prohibit the sale and shipment of arms, ammunition, and implements of war in time of peace as well as of war. It would apply immediately to the situation in China and Japan, and where war has not been declared but where a state of war actually exists.

I believe this will be an important issue in the next congressional campaign, as well as the Ludlow resolution, giving the American people the right to vote on a declaration of war.

It is my conviction that the Republican Party must chart a liberal, conservative course between hide-bound reactionism and old guardism on one side and dangerous radicalism or socialism on the other. The party must be liberalized in leadership and policies in order to bring back within its folds the millions of wage earners in the industrial centers and the farmers and liberals of the West. If we don't in the next Presidential election we won't even carry Maine and Vermont.

It must be self-evident that the Republicans in Congress must oppose all unsound legislation, wild and socialistic experiments, and unconstitutional measures, and that we must not compromise with the advocates of Marxism, socialism, radicalism, or any form of class hatred. On the other hand, we must not go back to the old order of alleged domination of the party by special privilege, wealth, and reaction. We must go forward on a sound, sane, and liberal program, conservative on the fundamentals of government, such as the Constitution, Bill of Rights, private property, and against the delegation of legislative powers to the Chief Executive, and forward looking in our treatment of new economic conditions in the interest of both the American farmer and laborer. Both the farmer and laborer should receive a greater share in the profits of their labor under a modified system of capitalism.

Private industry should be encouraged to make profits, employ labor at American wage scales, instead of being continually soaked and swatted by socialistic New Deal legislation. We are in the midst of a government by confusion and bewilderment, and even the New Deal brain trusters and President Roosevelt have no idea whither we are drifting. How can there be any real or lasting confidence in American business or how can American labor be put back to work until confidence is restored, the Budget balanced, and business given the signal to go full speed ahead?

I am afraid that this is asking too much from the present administration, and that we will have to wait until 1940 to elect a Republican President and a new Congress in order to restore business confidence, balance the Budget, and put millions of loyal, industrious American wage earners back to work through the expansion of private enterprise. We are still the greatest Nation in the world and if any country is worth living in it is our own.

We are only in the morning of our glorious destiny. We have all the natural resources and loyal manpower we had back in 1929 and, given a fair chance, we will go forward to greater opportunities, better working conditions, higher wage standards, and a more prosperous and happier America.

The Farm Problem

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

LETTER FROM THE FARMERS' UNION OF NEWAYGO, MICH.

Mr. ENGEL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter which I received from Mrs. Joe Rottier, secretary, Farmers' Union, Local 125, Newaygo, Mich.:

NEWAYGO, MICH., *August 13, 1937.*

ALBERT J. ENGEL,
Washington, D. C.:

I have been instructed by members of Local 125, of the Farmers' Union, to express our appreciation of your efforts in the

farmers' behalf, also the local wants me to ask that you do not support the new bill that revives the old A. A. A., with added severity. As you know the Grange and our own Farmers' Union are strictly opposed to this bill. The Farm Bureau, which supports it, is not a strictly farmers' organization, as in this locality our nearby bankers, merchants, and other business men belong, and we do not see how these can adequately see the farmers' problems from the farmers' standpoint; yet, nevertheless, they are trying to put through legislation which they insist is for the farmers' welfare—or are they?

It would be just as absurd for farmers to think they should originate and support measures which the farmers might think would be good for bankers but would the bankers and others allow it?

As to the soil conservation plan, which seems to many of us, and there are many farmers who, like Mr. Rottier and myself, still think that without interference and with the protection assured all other industries of the Nation, we could still win through, pay our mortgages, raise our families, pay our other obligations, and still be an asset and not a liability, nor a "problem" to the Nation, to say nothing of keeping our own integrity and self-respect intact—to lead up to the real purpose of the revised A. A. A. or regimentation, they say—those who accepted it—that—

1. It was "easy money." Something for nothing, no strings attached. So why not take it? Blindly they fail to see that the final objective of this is control of their production—really bossing of their own business by the Government.

2. If the Government wishes to "give" them something, why, they'll take it. No questions asked on their part.

3. They figure that eventually they must help pay the bill (though they are blindly hoping they won't), so grab what you can while the grabbing's good.

But to a man they don't want the A. A. A. In fact, most of them say it would never be tolerated by American farmers—though to whom they attach this blind faith to I'm sure I don't know, seeing as how they have accepted money and have allowed their acceptance of money to be used as an indirect personal vote for the control of production by the administration, which used them to convince Congressmen and Senators that farmers really wanted this legislation. On the contrary, every means is used to get us to accept these plans, to say nothing of the great amount of money spent to endeavor to get us to accept the plan. Personally, we have never entered into any contract with the Government and never had a dollar of this money, yet every little while we receive letters through our county agent's office telling us how much we could get provided we complied with certain conditions. "Earn" it, they say. We believe in earning our money our own way, no strings attached.

Our local has discussed this new bill many times. They wish to have me send you their conclusions, which are:

1. They do not want the new A. A. A., which they believe tends toward regimentation.

2. They do not want production limited. They feel that it is not overproduction in the United States we have to fear, but rather the importation of foreign-produced farm products, produced by cheap foreign labor, to sell in competition with our own products, which cost more to produce, as our living standards are higher, that would lower prices. Not overproduction.

3. We feel that cost of production should be assured us, which, after all, all other industries have the power to compel. The farmer's is the only business which allows anyone and everyone else to set his prices for him, regardless of the cost of producing. No one can go on for many years without some profits, and taking all losses; not indefinitely, anyway.

4. The privilege of getting money as cheaply as other industries do. If the power to coin and regulate the value of money were returned to Congress from the hands of private individuals or corporations, as the Constitution specifically states. And I have often wondered why this seems so difficult to do, since the power is vested there.

To sum up briefly, we believe we could manage nicely if we were let alone and were assured of these things:

1. Limitation of importations of foreign farm products.

2. Cost of production for the farmers' products produced and consumed in this country.

3. Frazier-Lemke refinancing bill.

4. Taking the power to coin money and regulate its value from the hands of private individuals or corporations and returning it to Congress.

We also feel that the administration of the provisions of the A. A. A. would make for injustice in that there is no appeal as in a regular court of law, from the verdict of personal appointees of the administration; that special privileges for special farmers or corporations would result; that the requirements of keeping accounts and making endless reports would be an annoyance to the farmer; and that the farmers would virtually be throwing away the thing for which our ancestors fought and which our country was founded—freedom in speech and action, and the privilege of running our own business and our own lives in our own way. We may make mistakes but it has yet to be proved that individuals high in the executive and administrative offices of the Nation have never done so; at any rate, we ask for the freedom to commit our own mistakes anyway.

Sincerely yours,

LAURA ROTTIER,
Secretary, Farmers Union, Local 125,
Newaygo, Mich.

Tax Loopholes and Loopholes That Trickle

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 17, 1937

Mr. DIRKSEN. Mr. Speaker, on August 16, after a discussion that was not only perfunctory, but which meandered into the most irrelevant byways, the House passed a bill which is designed to plug tax loopholes and prevent tax avoidances through such devices as domestic and foreign personal holding companies, deductions, and trusts. While the Treasury Department is about it, perhaps they might give closer attention to a loophole through which Federal taxes are trickling. I refer to the taxes that are lost as a result of the continued operations of the bootleggers.

Perhaps there is some excuse for not being able to apprehend all of the bootleggers in obscure and inaccessible sections of the country, but is there any excuse for bootleg operations within the very shadow of the Treasury Building itself? The morning press reports that United States marshals are at this moment rounding up 33 men who constitute one of the largest bootleg rings that has flourished in this country. It is alleged that for more than 2 years they have been operating a bootleg still and flooding the Nation's Capital with corn and rye whisky and raw alcohol estimated at 1,000 gallons per week. Here, then, is a single illicit distilling ring that has been defrauding the Federal Government of $200,000 a year in liquor taxes. Assuming that other illicit distillers are operating with equal impunity in different sections of the country, the amount of taxes lost to the Federal Treasury must be substantial, indeed.

Not only does this matter involve a loss of taxes, but it is a confession that the Federal Government is not affording proper protection to legitimate distillers who pay their taxes and operate their plants under the unusually strict and meticulous regulations of the Federal Alcohol Administration.

To those devotees of prohibition who like to assemble facts and figures to prove that repeal is a failure, here is an answer to some of their allegations. Repeal is not a failure. The only failure thus far lies with the Federal enforcing authorities who have failed to dry up the sources of rot-gut alcohol.

There Should Be No Discrimination in Assigning Earned Income to Charity

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 17, 1937

LETTER FROM HON. HAMILTON FISH, OF NEW YORK

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me to the Secretary of the Treasury:

JULY 30, 1937.

HON. HENRY MORGENTHAU, JR.,
Secretary of the Treasury, Washington, D. C.

DEAR MR. SECRETARY: In reply to the letter sent to me in your absence by Under Secretary Magill, I have no desire to prolong the controversy in view of the fact that the Treasury Department and the Bureau of Internal Revenue have decided that contracts made to speak on regular weekly radio broadcasts extending over a considerable period of time do not require that the sum earned be reported as part of one's gross income, and that the earnings may be assigned direct to third persons and for charitable purposes.

I find myself totally unable to understand the basis for such a decision, and the establishment of such a precedent, in view of the

Internal Revenue Bureau ruling: "Where remuneration for services is to be paid to a third party, the receipt of the income by the third party is held to be constructive receipt by the person performing the services."

In an opinion, Justice Oliver Wendell Holmes, of the United States Supreme Court held, in Lucas against Earl: "There is no doubt that the tax could not be escaped by anticipatory arrangements and contracts, however skillfully devised to prevent the salary, when paid, from vesting even for a second in the man who earned it. That seems to us the import of the statute before us, and we think that no distinction can be taken according to the motives leading to the arrangement by which the fruits are attributed to a different tree from that on which they grew."

The contention of the Treasury Department that Mrs. Roosevelt's contract to make regular weekly speeches over the radio is the same as occasional benefit performances is neither sound nor tenable. For example, in a recent all-star baseball game played at Washington the players donated their time and services, the proceeds being given to a charitable organization. In this case the players did not have any control of the funds, nor was any sum mentioned as to the value of their appearances. In the radio broadcasts a stipulated sum was agreed upon in the contract, and part of the money was assigned to charity and part to the promoters and other individuals. It does not seem to me that the Bureau of Internal Revenue would wish the public to understand that a portion of one's income may be assigned to charity and another portion under the same contract be assigned to individuals for services who cannot be classed as organized charity.

No one has questioned Mrs. Roosevelt's motives; but if this advisory opinion of Mr. Jackson is to stand, then it establishes a precedent that may open up an extensive loophole for tax-free donations to charity. I cannot see why this does not establish a precedent which would entitle Mr. Alfred Sloan, chairman of the General Motors Corporation, or any other corporation executive who presumably has a large income from the securities of that corporation, to give his entire salary of $100,000 and upwards to charity by assigning it direct to some educational institution or charitable organization and thereby avoid reporting it for income-tax purposes. If Mr. Sloan and numerous other rich men did this it would mean the loss of millions of dollars a year to the Treasury. I am unable to understand how the Treasury or anyone else can make fine distinctions as to the charitable motives of those who contribute their earned income to charity.

My only interest in this matter is to see rich and poor, influential and lowly, men and women are given the same consideration in regard to advisory opinion on prospective or consummated transactions. I would like to advise my constituents that they may hereafter devote 1 day a week of their regular earned income to a charitable purpose, and that it would not be necessary to report it as gross income. This would be highly beneficial to charitable organizations, but I am afraid would serve as a loophole particularly for economic royalists to evade payment of 60 percent in taxes on gifts they desire to make to charity.

Very truly yours,

HAMILTON FISH.

Representative Henry Elbert Stubbs

MEMORIAL ADDRESS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY ELBERT STUBBS, late a Representative from California

Mr. GEARHART. Mr. Speaker, to me our colleague the late HENRY ELBERT STUBBS was indeed a friend.

As I, in Memory's flight, relive those days of my apprenticeship in this honorable body, vividly do I recall those occasions, not few, when he, greater in experience, sensing the predicament into which my unawareness had so often plunged me, full of sympathy in my embarrassment, without ostentation or display, appeared at my side to offer advice when I, beset with doubt, needed counsel, to offer guidance when my craving therefor was greatest.

I never knew a more sympathetic friend. It seemed to be a part of his very being, a strange ability to sense in others the need for help, to divine the yearning for sympathy among those who were pressed and by those who were heavily laden.

And in the dispensing of it none was made to feel an intrusion or was ever made conscious of intereference. His approach was always so gentle and his ways were always so kindly.

Indeed he was one who walked with his God, ever dispensing kindness, helpfulness, and good cheer. I never knew a finer man nor had a better friend. All those who had the good fortune to have known him will join with me in this simple tribute.

Starvation Wages, Unreasonable Hours, and Child Labor Must Go

EXTENSION OF REMARKS

OF

HON. EDWARD W. CURLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. CURLEY. Mr. Speaker, as a member of the Labor Committee of the House of Representatives, I beg to inform my colleagues in the House we have a sacred pledge to keep before adjournment to the millions of our ill-nourished, ill-clad, and ill-housed American citizens and their families dependent upon them. We members of the Democratic majority were elected on a platform last November which pledged a policy of humane treatment of this serious social problem affecting the economic structure of the Nation. With this worthy object in mind, the administration recommended constructive legislation to the Congress of the United States which would tend to strengthen the weakened morale of the handcuffed workers who contsitute the forgotten men and women of America today. This large group of our people are the exploited type so specifically requiring the protection of the strong arm of Uncle Sam. The Black-Connery fair standards of labor bill was approved by the Senate. The Labor Committee of the House held a long series of tedious public hearings and executive sessions since the early part of June, under the skillful guidance of the chairman, Hon. William Connery, Jr., who died suddenly while in the midst of the battle fighting for the passage of his bill to help labor. The gentle lady from New Jersey, Hon. MARY NORTON, succeeded to the chairmanship of the Labor Committee and diligently continued the battle for labor day after day for 3 weeks, until she finally, with the cooperation of her committee, submitted a favorable report of the Black-Connery bill to the House for final action thereon.

THE DEMOCRATIC PLATFORM, 1936

We hold this truth to be self-evident * * * that the test of a representative government is its ability to promote the safety and happiness of the people.

We hold this truth to be self-evident * * * that this 3-year recovery in all the basic values of life and the reestablishment of the American way of living has been brought about by humanizing the policies of the Federal Government as they affect the personal, financial, industrial, and agricultural well-being of the American people.

We hold this truth to be self-evident * * * that government in a modern civilization has certain inescapable obligations to its citizens, among which are:

1. Protection of the family and the home.
2. Establishment of a democracy of opportunity for all the people.
3. Aid to those overtaken by disaster.

THE DEMOCRATIC ADMINISTRATION KEEPS FAITH

The latest report of statistics on the rehabilitation of over 2,000,000 home owners of America, and the rescue of distressed among them still in progress by the Government, is an outstanding public achievement in its spread of the American way of social development. The opening of the door to equal opportunity to all, and not the few, as provided in the Constitution of the United States, by the Roosevelt New Deal administration, permitted the rays of enlightened modern thought to penetrate to the forgotten men and women and children, by means of humane social welfare legislation to safeguard their rights under the law. Those

overtaken by disaster received practical attention and financial aid from the Government immediately. Business was aided by the Government when it was paralyzed by financial loss. Banks were placed in sound financial condition under the protective arm of the Government. All phases of our economic life in America were recognized in the constant motive of the Government to restore recovery.

MISERY VERSUS HAPPINESS

In human affairs we can see plainly that there are forces which make for peace, happiness, and contentment; and there are at the same time other forces, also, that make for misery and suffering. The latter type thrive on privation and poverty. But in the former, progress, under the New Deal, is forging ahead by correcting the appalling social crime of widespread unemployment, and unfair substandard labor conditions existing among the workers of America. The apostles of gloom, who fail to see any redeeming trait in President Roosevelt's constitutional right to prove to the Nation, that Government under the New Deal is the actual servant, and not a dictator or master of the people, need have no fear of a failure of this administration, in removing the chronic ulcer of unfair standards of labor from the body politic.

CHEER LEADERS NEEDED

Refreshing cheer leaders are sponsoring this new effort to eliminate unemployment and abolish poverty in the country everywhere. The problems of the mass of workers migrating to large urban centers require deep study and solution. The experimental stage in President Roosevelt's recovery program has passed. Theories have advanced from the abstract to the concrete stage. The patient has been removed from the operating room, but still requires clinical treatment while convalescing. The Black-Connery Fair Standards of Labor Act is presented to the Congress as a necessary essential clinical treatment, which should appeal to those sincere in seeing the patient recover normal health completely. It is a well-known great political truth that "the welfare of all the people is the first duty and the highest aim of statesmen."

SPONSORS OF FAIR LABOR STANDARDS BILL FACE ITS ENEMIES

In all my public experience of over 20 years I have never received such an avalanche of mail and telegrams from selfish, prejudiced interests containing invidious attacks as received by me on the Black-Connery bill. Notwithstanding the concerted propaganda directed through subsidized channels at first, and later, by wide publicity purchased at tremendous expense, to poison the minds of the public and the minds of Members of Congress, the true friends of the shackled workers of America are still battling for a fair and square deal for the underpaid exploited masses of our people. Though the critics of the wage and hour bill have sounded the death knell of this humane, statesmanlike legislation, it has only been "scotched" and, just like Banquo's ghost, it will come back to plague them.

CONSTITUTION NOT A STRAIT JACKET BUT—

Meant to serve all the people in all sections of our great Nation. There are critics who challenge the constitutionality of the Black-Connery bill. They allege it violates States' rights. The most of the critics using this specious contention fail to apply the truth in the attempt to reach a logical conclusion. My humble layman's opinion is that the bill is legal and constitutional and based on the existing public record of past precedent, which I used as a premise to work from in the reasoning process leading to my own humble conclusions.

THE COMMERCE CLAUSE OF THE CONSTITUTION

In the year 1824 the Supreme Court of the United States defined the meaning of the commerce clause of the Constitution of the United States, in the celebrated case of Gibbons against Ogden in the steamboat-monopoly litigation. The case had its origin, according to Franklyn Waltman, in Robert Fulton's development of the steamboat. In anticipation of the perfection of that invention, the State of New York created and granted monopolies for use of steam in its rivers. Such a monopolistic grant was given to Robert Fulton and Chancelor Robert Livingston. In order to navigate the Hudson River or any other New York waterways in vessels propelled by steam, it was necessary to obtain a license, on payment of a fee, from the holders of the monopoly. Daniel Webster, William Wirt, and David B. Ogden represented Gibbons and Thomas Addis Emmet and Thomas Oakley represented Ogden and the monopoly. It seemed Gibbons operated boats from New Jersey and attempted to carry passengers to and from New York. Ogden, who held a license from Fulton and Livingston, sued to enjoin Gibbons. The New York courts granted the injunction and Gibbons sought refuge in the Supreme Court of the United States, contending that Congress had jurisdiction over commerce among States and that the New York monopoly was an obstacle and burden on interstate commerce.

JOHN MARSHALL RENDERS LIBERAL INTERPRETATION

In the decision rendered and read by Judge Marshall, the Court undertook for the first time to define the meaning of the term "commerce" as used in the Constitution. Thus Judge Marshall asserted that "commerce undoubtedly is traffic, but it is something more; it is intercourse."

COMMERCIAL INTERCOURSE BETWEEN THE NATIONS

Judge Marshall continued:

It has, we believe, been universally admitted that these words comprehend every species of commercial intercourse between the United States and foreign nations. No sort of trade can be carried on between this country and any other to which this power does not extend. It has been truly said that commerce, as the word is used in the Constitution, is a unit, every part of which is indicated by the term. If this be the admitted meaning of the word in its application to foreign nations it must carry the same meaning throughout the sentence, and remains a unit, unless there be some plain intelligible cause which alters it. The subject to which the power is next applied is to commerce, "among the several States." The word "among" means intermingled with. A thing which is among others is intermingled with them. Commerce among the States cannot stop at the external boundary line of each State, but may be introduced into the interior. It is not intended to say that these words comprehend that commerce, which is completely internal, which is carried on between man and man in a State, or between different parts of the same State, and which does not extend to or affect other States. Such a power would be inconvenient and is certainly unnecessary. Comprehensive as the word "among" is, it may very properly be restricted to that commerce which concerns more States than one. The phrase is not one which would probably have been selected to indicate the completely interior traffic of a State, because it is not an apt phrase for that purpose; and the enumeration of the particular classes of commerce to which the power was extended would not have been made had the intention been to extend the power to every description.

The enumeration presupposes something not enumerated, and that something, if we regard the language or the subject of the sentence, must be the exclusively internal commerce of a State. The genius and character of the whole Government seem to be, that its action is to be applied to all external concerns of the Nation, and to those internal concerns which affect States generally; but not to those which are completely within a particular State, which do not affect other States, and with which it is not necessary to interfere, for the purpose of executing some of the general powers of the Government. The completely internal commerce of the State, then, may be considered as reserved for the State itself. What is this power?

JUDGE MARSHALL DEFINES POWER

It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution. These are expressed in plain terms, and do not affect the questions which arise in this case, or which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of power as are found in the Constitution of the United States.

The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are, in this as in many other instances, as that, for example, of declaring war, the sole restraints on which they have relied, to secure them from its abuse. They are the restraints on which the people must often rely solely, in all representative governments.

Judge Marshall also held that:

Under the clause of the Constitution providing for national supremacy any State law which conflicts with an otherwise constitutional act of Congress must yield to it.

The foregoing decision of the Supreme Court of the United States in the earlier days evidently was the guiding star which finally led to the recent decision of the Court with respect to labor relations of employer, employee, and intrastate and interstate commerce. These important decisions rendered by the highest legal tribunal in the Nation, command the profound respect of our American people for the institutions of our American system of democratic Government. So that in my humble opinion the constitutionality of the Black-Connery bill to provide a decent minimum wage and establish a reasonable number of working hours per week is clearly proven. In order to strength this belief it might be interesting to the critics to read the decision of the Court declaring the Wagner Labor Relations Act constitutional.

SUPREME COURT UPHOLDS WAGNER LABOR RELATIONS ACT CONSTITUTIONALITY, MONDAY, APRIL 12, 1937

Specifically, the act requires collective bargaining between workers and their employers. Respondents in the five cases decided—the Associated Press, the Jones & Laughlin Steel Corporation, the Washington, Virginia & Maryland Coach Co., the Fruehauf Trailer Co., and the Friedman-Harry Marks Co.—argued through their attorneys that:

Since they were not engaged in interstate commerce the Wagner Act did not apply to their employee-employer relations.

But Chief Justice Charles E. Hughes of the Supreme Court of the United States, on behalf of the majority of five, made the history-making declaration, reminiscent of the days of John Marshall, that though production is a local matter, various aspects may have such an effect on interstate commerce as to be subject to Federal control. The Chief Justice said:

Although activities may be intrastate in character when separately considered, if they have such a close and substantial relation to interstate commerce that their control is essential or appropriate to protect that commerce from burdens and obstructions, Congress cannot be denied the power to exercise that control.

WAGNER SUPREME COURT DECISION LABOR VICTORY

Public sentiment indicated delight at this great victory for labor. It was the view of many that it was the most nationalistic interpretation given the commerce clause of the Constitution of the United States in 100 years. This decision will forever occupy a prominent place in American history. Frank Waltman, the noted writer and commentator, said:

Behind the Supreme Court decisions of last Monday upholding the constitutionality of the Wagner Labor Relations Act lie 150 years of political and legal controversy concerning the scope of Federal power over commerce * * * a controversy which even preceded the adoption of the Constitution. The Court's new majority is giving Marshall's conception to the commerce clause of the Constitution. Specifically they were thinking of Marshall's historic opinion of *Gibbons* v. *Ogden* in the steamboat monopoly case. Albert J. Beveridge, biographer of the great Marshall, of that decision said:

"It has done more to knit the American people into an indivisible Nation than any one force in our history, excepting only war." Charles Warren, the noted historian of the Supreme Court, has declared that "Marshall's opinion was the emancipation proclamation of American commerce." The fact that the Supreme Court in this decision upheld the authority of Congress and the National Labor Relations Board to require manufacturers who draw a substantial part of their materials from across State lines and sell in other States a substantial part of their production to submit to collective bargaining is important. Indeed, paragraphing Warren's words, "this opinion might be called the emancipation proclamation of American labor." The interstate commerce clause of the Constitution has provoked more argument and discussion than almost any other sentence in that famous document. John Marshall, great believer in a strong Federal Government, gave the clause a broad, nationalistic interpretation in the 1824 case of *Gibbons* v. *Ogden*, involving a steamboat monopoly on the Hudson River. Justices after Marshall gradually narrowed the interpretation of the commerce clause, giving less power to the Federal Government and more to the States. Chief Justice Hughes led the Court back to the original Marshall reasoning when he declared that the labor relations of the Jones & Laughlin Steel Corporation affected interstate commerce and thus were subject to regulation by the National Government.

EMANCIPATION OF AMERICAN LABOR ARRIVES

The decision of the Supreme Court of the United States declaring the Wagner National Labor Relations Act constitutional is conceded to be the milestone in social security for labor. As a matter of fact, it is labor's Magna Carta, from which the next step of economic progress for the downtrodden workers of America, is the emancipation of labor through the achievement of economic liberty as well as political liberty, and that objective will come through the Black-Connery fair standards for labor bill.

A NEW BILL OF RIGHTS WILL BE WRITTEN

When a minimum wage and maximum hour, as well as collective bargaining, are assured to the workers, and all substandard-labor conditions in the production of goods in occupations for interstate commerce, and child labor under 16 years of age employed in the production of goods shipped in interstate commerce are prohibited and penalized, then we will have written a new bill of rights for labor in this country. The Black-Connery fair standards for labor bill will do just that if it is adopted. The bill is not perfect, but it is a sound step in the right direction to help the needy; and when we realize the last half a century set the course for many years ahead because of the inventive genius indicated in technological changes in our American economic structure. We have seen the age of machinery enter our life; we have seen manpower yield to horsepower, and the horsepower to steam and electricity. The telegraph and the telephone revolutionized industry and business, and then the radio brought the whole world to the round table, while airways linked the nations of the world.

INDUSTRIAL AGE STEPS IN AND—

Our daily lives have been vastly influenced by the entrance of the industrial age. The concentration of men and women in industry, of money and machinery, was dictated by the invention of the dynamo and the assembly line in the dense congestion of manufacturing plants and industrial cities. That age-old self-reliance of the individual was forced to give way to these technological changes too numerous to mention. When you visualize the networks of steel and concrete highways, which carry the products of remote farms, forests, and mines to the market places of the world, you can realize the vast displacement of labor that took place, without planning for reallocating of labor, in the economic structure to balance it and secure social equilibrium. If private industry failed to recognize their fallacy of increasing profits, through lessening costs of production by the use of machinery, causing a reduction of the number of workers, thereby adding to the number of unemployed and a decrease in the purchasing power of the consumer, then industry must be shown the error of its ways. The Black-Connery bill will be one vehicle to lift low-wage workers to a decent living floor level to a minimum wage and maximum workweek for them. It is a meritorious constructive piece of proposed legislation and deserves the support of all unbiased minds.

THE STARK FACT OF UNEMPLOYMENT REMAINS

In 4 years the Congress has accomplished much in the form of constructive legislation enacted on the recommendation of the President. But the world was not built in a day. We still have many serious problems to face and solve. For instance, there are some 8,000,000 unemployed who should and must be rescued from poverty, with its corollaries of misery, hunger, and sickness. Therefore in pursuance to the provisions of the Democratic platform—

We believe that unemployment is a national problem and that it is an inescapable obligation of our Government to meet it in a national way.

THE PARADOX OF UNEMPLOYMENT IN THE MIDST OF PLENTY

We read of workers in cross sections of the country receiving five or six dollars a week and of being compelled to work 50 to 60 and 80 hours a week to earn that much. Here is some food for thought, for the "feudal barons" of industry and big business who are flooding the mails of the Congressmen, in opposition to the Black-Connery fair standards of labor bill. And who are they? The same old "kings" of

high finance in the boom days of 1929—"By their fruits ye shall know them"—that simon-pure strata of constitutional lawyers and captains of industry who in the days gone by sold and betrayed the economic birthright of hundreds of thousands of bond, stock, and security holders on the altar of selfish greed. Those so-called guardians of the Constitution of the United States now are the same fraternity who forgot all about their legal code of ethics in the past when they sacrificed for a price the human rights of the public at large with impunity. Have you forgotten them? No, indeed, we have not. How could we forget them, while millions of American citizens, who were victims of a powerful special privileged group, are hungry and without clothes or shelter.

HARD-BOILED BIG OR LITTLE BUSINESS ON THE WAY OUT

Callous disregard for the human rights of the mass of undernourished, nerve-shattered workers of America by hard-boiled selfish employers is on the way out. To preserve our democratic institutions, economic and social security for every American citizen is an essential factor. The pathetic belief of opponents to the Black-Connery bill is that if it is enacted into law small-business men will be driven out of business. As a matter of fact the contrary is the truth. How can we have economic stability unless and until our industrial organization, as a whole, is in fair balance? This bill will be a right step in that direction. An awakened public conscience demands the passage of this Black-Connery fair standards of labor bill because it provides for a decent living wage and a shorter workweek for the workers of America. They, the people, are in favor of this humane legislation, because it will balance the unwarranted complicated relations of our American society and our system of democracy on sound basic principles of modern enlightened reasoning. This is a war for equal rights through wise, humane social legislation.

PAST PERFORMANCE OF NEW DEAL A FACTOR

A person's vision must be purged from prejudices before he can fully grasp the truth. And the truth is that the public record of past performance of public service indicates that the United States of America is faced toward sunshine and happiness under President Roosevelt's new and square deal through his policies of humane social programs for economic recovery. This measure of accomplishment is the springboard from which the New Deal Black-Connery minimum-wage and maximum-hour bill soars to a still greater degree of success and economic victory in this war of necessity of salvaging human misery from the slough of despondency and despair.

EQUAL OPPORTUNITY FOR ALL AN AMERICAN TRADITION

The time has arrived for the enemies of the true facts to join friendly hands with the deciples of the constitutional right of every person to equal opportunities, in keeping with American traditions, and to strive for a frank and intelligent recognition of this wonderful opportunity to rehabilitate the mass of distressed workers of America. Let us join together to drive this existing tragic condition or blight out of our American life. The paralysis which handcuffs misery and poverty to 8,000,000 heads of families and registers such a colossal financial loss in purchasing power because they cannot find a job, needs strong poweful social treatment to remove that economic strait jacket. It is my humble judgment that the Black-Connery bill, if enacted into law, will help materially in reaching that human objective. "Good government exists when those who are near are made happy, and those far off are attracted. Go before the people and be laborious in their affairs."

DECENT WAGE AND HOURS THE REMEDY

The essence of any remedy to relieve poverty and distress is a good job at a decent living wage and reasonable maximum hours of labor. President Roosevelt started us off on a straight course ahead in leading the Nation to economic victories. He did not turn corners to look for prosperity and he won't do it now. It is strange that every time human efforts are attempted to jack up the social floor level of the submerged masses of labor suffering from substandard labor conditions we hear an uproar from the economic royalists and their allies among the selfish business groups in industry in opposition. You can easily recognize them: The same crowd of big business that bartered and traded the economic birthright of the States; the right to regulate and control unfair competition in intrastate and interstate commerce.

The American ideal of social justice for all, instead of for any privileged group or class in this Nation, can only be realized by the application of plain homely common sense and sound rational reasoning.

TIME MARCHES ON

Just as certain as time marches on, the rhythmic swing of the pendulum of progressive development of the economic conditions affecting the underprivileged in this country must be and will be advanced. It is said there are seven or eight million unemployed that have not been able to find work. If we multiply these figures by five we have thirty-five or forty million members of their families directly affected. This unemployment ghost is a cancerous growth in the American body politic, which requires a major operation to remove it, if the patient is to recover normal health. President Roosevelt said: "Mistakes and constant repetitions of examples of flagrant stupidity in this crisis can only lead to keeping the door of dark uncertainty wide open." America's face is now definitely turned toward recovery; but we still have this vast army of unemployed, and in dire distress; and it is an appalling factor obstructing complete economic balance. Our President has stimulated the dormant impulse of the people in the direction of light and truth. He recommends the Black-Connery bill as the vehicle to lift the forgotten men submerged in the lowest strata of our American civilization to at least a higher level in keeping with common decency. "That government is best which does most to promote the welfare of the most people." That is the answer to those lacking in social vision. Starvation wages, long hours, and sweatshop conditions must go.

Black-Connery Bill

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, the President of the United States, in a truly great message to the Congress on May 24, 1937, made a stirring plea for action to raise the living standards of the one-third of our population which is ill-nourished, ill-clad, and ill-housed. That you, my fellow legislators, may be reminded of the historic words of our President, I am going to quote a few paragraphs from that document.

At the outset the President declared:

> Today, you and I are pledged to take further steps to reduce the lag in the purchasing power of industrial workers and to strengthen and stabilize the markets for the farmers' products. The two go hand in hand. Each depends for its effectiveness upon the other. Both working simultaneously will open new outlets for productive capital. Our Nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work. A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours.

President Roosevelt outlined his proposal as follows:

> And so to protect the fundamental interests of free labor and a free people we propose that only goods which have been produced under conditions which meet the minimum standards of free labor shall be admitted to interstate commerce. Goods produced under conditions which do not meet rudimentary standards

of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade.

Here you have in a few words the very heart of the bill which was introduced in the Senate by an outstanding liberal, HUGO BLACK, and in the House of Representatives by that fighting champion of the underdog, the late William P. Connery. The Black-Connery bill is a credit to its authors. And I say this, despite some objections which I have to the bill in its present form, and despite my conviction that the bill is only a beginning. As a progressive, I am glad that the Congress is moving along the road indicated by this bill. Whenever and wherever the President and the majority—or any part of the majority—of this House take a liberal step forward, then and there you will find me fighting by your side. But do not take two steps backward for every one step forward. Let us continue to make progress, let us not get tired and lie down or retreat. Let us go forward.

I repeat, the Black-Connery bill, or, as it is also known, the Fair Labor Standards Act, is a tribute to the sincerity and courage of its sponsors. I am for the bill, and for one main reason. This bill establishes a new principle of progress, a fundamental principle, a far-reaching principle for the United States. It declares that the Congress can and will regulate matters which properly belong to it, where the States cannot and will not act. It declares that Congress can and will abolish child labor throughout the United States, and will not wait for backward States. It declares that Congress can and will fix minimum wages and maximum hours for men and women, where States cannot or will not do so. In a word, the powerful arm of the Federal Government is now stretched out to protect those who are being unmercifully exploited and who cannot fight back. The Federal Legislature is now being brought into action to assist State legislatures which are honestly trying to curb the evils of child labor and sweated labor, by compelling employers in every State to comply with decent standards. The Federal Legislature is at long last being brought into the picture to say: These, the worst exploited men and women workers, shall not be driven down below this scale of wages, and they shall not be worked beyond this maximum number of hours. The Congress, the elected representatives of the people, is truly legislating in the interests of the people when it adopts legislation such as the Black-Connery bill, which is aimed to lift the hand of oppression from children and the poorest paid and most harshly driven workers in the land. How can anyone oppose a bill of this character?

What specifically does the Black-Connery bill provide?

First. The act applies only to industries engaged in the production of goods for interstate commerce and directly affecting interstate commerce. It does not affect the purely local intrastate business. Is there any question today that Congress has the power to abolish child labor and to fix minimum wages or maximum hours as contemplated by the machinery of the Black-Connery bill? A majority of the Supreme Court will not declare this bill unconstitutional. Of that I am convinced. If, by any chance, however, a majority of the Supreme Court should take it upon itself to outlaw this act, that majority will not long remain unchanged. Let no one imagine that a majority of the Supreme Court can stop the inevitable trend of forward-looking legislation very long.

Second. The object of the act is to attain as rapidly as possible a minimum wage of 40 cents per hour and a maximum workweek of 40 hours. The labor standards board set up by the act is prohibited from establishing minimum wages above 40 cents an hour or maximum hours below 40 a week. Due provisions are made to protect the earnings and jobs of the workers and the needs of business. Now, suppose a worker gets his wages raised to the highest minimum rate allowed by the act, or 40 cents an hour, and is employed the maximum hours of 40 per week. Then he will make $16 a week for those 40 hours. If he works a total of 45 weeks, he will make 45 times 16, or $720 a year. He gets—let me repeat—$720 as an annual wage. And the opponents of the bill are making a tremendous agitation against giving workers in these United States as little as $720 a year.

Why, a Works Progress Administration study has just declared that $903 a year is necessary for an emergency standard of living during a depression, and $1,261 for any kind of a maintenance standard of living. And those figures are for 1935 prices, when the cost of living was below what it is today. Now, we are in the midst of an economic revival, and we are told that no minimum, no bottom even as low as $720 a year—over $200 below an emergency existence level—should be fixed by Congress. Let us be frank. Those who are opposed to this bill want wages to continue to be below 40 cents an hour. And, my friends, they are today way below 40 cents per hour in altogether too many instances.

Let me cite some of the facts which were brought out in the hearings on this bill. I cannot, of course, give you in the brief time allotted me, even a fraction of the data or statistics presented at our hearings, all of which I participated in, and which took several weeks.

The Women's Bureau of the United States Department of Labor made a series of studies of wages in several States covering 1936. And here are some of the findings. In the State of Arkansas 12 percent of the women engaged in manufacturing earned less than $5 a week, and 55 percent earned less than $10 a week. That was for women. The median wage for all men reported upon in manufacturing was $14.80 per week, and 17 percent of the men employed in manufacturing earned less than $10 per week.

Let me go on. The same Government bureau reports that in Texas in 1936, in the cotton-textile industry, 45 percent of the women earned less than 25 cents per hour. In the manufacture of children's clothing, 58 percent earned less than 25 cents per hour. I do not select these examples from the States of Arkansas and Texas because they are extraordinary. What I have said of these two States I can say of individual plants or certain employers in every State of the Union.

Take sawmills, for an example. In the testimony it was brought out that between May 1935 and 1936, 37 southern establishments had decreased hourly earnings by more than 12 percent.

For the group as a whole, the average decrease was 23 percent in the average hourly rate paid to the workers. The average weekly earnings rose, however, even in those plants that cut their wages, because of the fact that the actual hours worked were increased so markedly. We find that in the mills that cut their wages by more than 12½ percent there was an increase in weekly earnings of from $11.89 to $12.21, which means in effect that although the employees worked 10 hours more per week in May 1936 than they did a year earlier, the extra money that they got for that work at the end of the week was equal to about an hour's pay at the rates of the previous year.

Within this group of 37 plants that cut average hourly earnings by more than 12½ percent, there were eight mills that cut the earnings of their workers by more than 32 percent. The weekly hours were increased from 37 to 47 during the year, and despite the fact that 10 hours of work were added each week, the workers received less for that week's work which was 10 hours longer in 1936 than they did in 1935. The respective averages of the weekly earnings were $11.06 in 1935 for 37 hours and $8.90 in 1936 for 47 hours.

And the pity of it is, my friends, that it is those businesses which cut wages and increase the hours of toil; it is those chiselers and exploiters who get a greater volume of the business in their industries than the fair employers who try to maintain decent wages and hours, as was abundantly proven by the testimony taken at the hearings on this bill.

Thomas L. Stokes, a reliable reporter, made a survey of certain industries paying low wages in the South. His articles were published in the Scripps-Howard papers. The following quotation is characteristic of his findings:

As my survey of southern garment plants has shown, virtually none pays the old N. R. A. minimum of $12, and most pay substantially below that. Some pay as low as $4, $5, and $6 a week. Few pay as high as $9 and $10 a week.

In Kingston, N. C., recently, a shirt manufacturer was convicted of violating the law of that State against working women more than 55 hours a week and working girls under

18 later than 9 p. m. It was brought out at the trial that a 17-year-old girl had worked 69 hours a week for 8 cents an hour; a 15-year-old girl had made $4.93 for 2 weeks of piecework; and a 45-year-old woman had been receiving the handsome wage rate of 8 cents an hour.

I have not the time to continue to present proof of the low wage rates existing today. The opponents of this bill are only too well aware of them. That is one of the main reasons why they are fighting this bill, which would raise those abominably low wages. But there is one thing more which must be said about the low wage rates, and that is in connection with Government expenditures for relief.

The Philadelphia County Relief Board published only 2 months ago a monograph on Grants-in-Aid of Wages, which is a study of the problem of supplementary relief. Do you realize what that means, my friends? Persons on relief were working but they were not earning enough, and so they had to receive aid from relief. The opening paragraph of this study is worth quoting for its significance to the problem of relief:

> From its inception unemployment relief has been confronted with an anomaly. Although the public generally has believed that relief has been extended to the unemployed only, the fact is that employed persons in substantial numbers early became eligible applicables for this hitherto unavailable form of aid.

When we look at the tables contained in this study we discover how serious the problem of supplementary relief really is. In 14 counties of the State of Pennsylvania, of total relief cases on their registers, the proportion of supplementary relief cases varied from 14 percent to 32 percent. In Philadelphia 29 percent of all cases were receiving supplementary relief. Must the public subsidize the employer who pays low wages and forces his workers to apply for additional support from relief? It is high time that the Black-Connery bill was adopted so that workers could earn wages above relief standards.

Mr. Speaker, I realize that there are some people who are weary with relief. But they are not nearly as weary as are the people on relief. The Black-Connery bill is one of the most constructive methods of meeting the problem of relief. In the first place, it helps to raise wages for those who are receiving hourly rates below 40 cents. It adds income and purchasing power to those who are already at work. They will be able to buy more. Hence more must be produced, and more people will have to be put to work. That reduces the number unemployed and on relief.

Again, the Black-Connery bill aims to limit hours to 40 a week. The effect of that will be that employers will have to hire more people. True, employers will try to get more output from those who are retained in the shorter hours worked, but they will still be compelled to put on more workers, as the experience of the N. R. A. showed. When the N. R. A. codes went into effect fixing maximum hours per week, nearly 2,000,000 people were put back to work. In the same way, there is no question that under the Black-Connery bill the reduction of hours to 40 per week will force employers to hire more people and reduce the relief rolls.

Third. The Black-Connery bill will be of assistance in the organization of the unorganized and the promotion of collective bargaining agreements. In the first place, the act applies only to those who are unorganized in the main. The bill is applicable only where collective agreements do not cover a substantial portion of the employees, or where existing facilities for collective bargaining are inadequate or ineffective to accomplish the purposes of the act. In other words, the unions are not superseded by a Government agency. Labor organizations are given a free hand to organize all the workers, those getting below and those receiving above the minimum wages that may be fixed. But where the unions do not or cannot operate then and only then can minimum wages up to 40 cents an hour and maximum hours be established.

In the second place, as a result of the fixing of minimum wages and maximum hours under the act, workers will be stimulated to organize into unions. Those who are receiving above the minimum fixed can only increase their wages by their own efforts; that is, through unions of their own choice. Once the wages of those at the bottom are raised, the workers receiving above the minimum will want to benefit and maintain the differential between themselves and those in lower grades of work. They will be forced to organize, if they are not already members of organized labor, in order to win their demands.

It is a well-known fact that those receiving the lowest wages are not the best prospects for unionization. Improve their living standards, raise their morale and stamina, reduce their hours of toil, and then these submerged workers will feel a new sense of strength and power. Unionism does not grow out of desperation and helplessness. It is rather the weapon of the better paid and highly skilled workers and is resorted to much more slowly by the poorer paid and the more unskilled workers. Under the Black-Connery bill the Government will materially assist labor organizations to reach down to the most exploited workers by developing in them the power of resistance and inspiring in them the desire for further improvements. This they can accomplish only through trade unionism and collective bargaining.

Finally, the bill will be of considerable help in bringing the chiseling employer into line and standardize the conditions of labor throughout the occupation or industry. In this way the advantage of the nonunion employer will be eliminated. One of the greatest handicaps of unions in low-wage occupations and industries is to maintain decent standards in the face of the competition of the unscrupulous and unfair employer. Once he is compelled to pay the same wages as all other employers in the occupation or industry, then the union is in a position not only to maintain its relation with union employers but to expand and cover the entire field. Furthermore, the workers whose wages have been raised are in a position to pay dues and build up a treasury with which to fight for improved conditions.

Fourth. The administration of the act is placed in the hands of a labor standards board of five persons appointed in accordance with the requirements of geographical, industrial, and labor differences. This board will appoint State directors and thus decentralize the administration of the law. Hearings must be held in each case before any minimum wage or maximum hours are fixed. These hearings are to be conducted locally. Advisory committees representing labor, industry, and the public are appointed by the board in every instance. Such advisory committees, after investigation, hearing, and conference with the principal interested parties, must submit a report within such reasonable period as determined by the board. After receipt of such report the board fixes minimum wages and maximum hours. The act will not supersede any State minimum-wage law or maximum-hour law if the conditions provided by the State laws are better than the orders of the labor standards board.

Fifth. The bill provides for the abolition of child labor in the production of goods for interstate commerce. The labor of children is defined to include all those under the age of 16 and also those between 16 and 18 in hazardous occupations. The chief of the Children's Bureau of the Department of Labor will provide by special order for the employment of children under the age of 16 in any occupation in which employment is confined to periods which will not interfere with their schooling and under conditions which will not interfere with their health and well-being.

Sixth. Not all workers engaged in the production of goods for interstate commerce are included under the act. Those who are employed in a bona-fide executive, administrative, professional, or local-retailing capacity, or as outside salesmen are excluded. Seamen and railroad transportation and motor-vehicle employees are also excluded. Those in agriculture are excepted. Persons employed in the taking of fish, sea foods, or sponges are also excluded.

In conclusion, regardless of what happens to the present bill at this session, I am convinced that a minimum-wage and maximum-hour law will be enacted by Congress in the very near future. The abominable conditions which the hearings on this bill revealed must bring action soon. I am

certain that the American people expect Congress to act and act without delay. Above all, my fellow Congressmen, the forgotten workers of this rich land are appealing to us for a small measure of justice, long overdue them. We cannot and must not fail them.

What Method Shall We Use—Force or Reason?

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 17, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, if the question should be asked, What is the best method of dealing with international disputes, whether by the arbitrament of the sword or the arbitration of the council chamber, there would be one reply. For generations, with accelerating speed in our day, we are looking for peaceful methods of settling disputes between nations in order that wars may become unnecessary and judicial process, or something corresponding to it, may be substituted in the solving of problems of war and peace.

There is an analogous case in our internal affairs in the frequent conflict between labor and capital. Shall such disputes be settled by labor wars or by conciliation or arbitration? The same answer holds in this case in our internal disputes as between nations in international disputes. The one and only answer is that a peaceful solution should be sought.

The Labor Relations Board is our latest device for preventing strikes and labor wars and bringing about amicable settlements in industrial conflicts. However, we might as well not have such a Board as to fail to provide funds for it.

It is a "penny-wise, pound-foolish" idea to starve this new agency of industrial peace by limiting too severely its appropriation. It would almost seem that a proposal of a sum less than actually needed is not in the interest of economy, but more likely is supported by design on the part of those who would have the work of this new agency prove ineffective. For every dollar spent on this Labor Relations Board, in my judgment, $100 of possible and probable loss will be prevented by this effective agency. I approve of the amendment offered by the gentleman from Washington [Mr. LEAVY].

Judicial Reform, Not Chaos

EXTENSION OF REMARKS
OF
HON. CHAUNCEY W. REED
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 11, 1937

Mr. REED of Illinois. Mr. Speaker, by its adoption today of the conference report on the bill H. R. 2260, the House of Representatives has written finis (at least for this session of Congress) to the demand of the President for authority to name six additional Justices to the Supreme Court of the United States. Since February 5 when the Executive sent his startling message to Congress, discussion in both the House and Senate of his desire to remake the judicial branch of our Government has occupied a goodly share of their deliberations. One by one, the arguments enumerated by the President in justification for the enactment of his bill which accompanied the message, fell of their own weight and evaporated into thin air. There is no question but that the final disposition of this inopportune and unfortunate proposal meets with the genuine approval of a vast majority of both Houses of Congress. That our judicial system is not perfect, and never will be, is, of course, obvious to every thinking person. Where, however, patent imperfections exist that may be remedied by legislative action, it is clearly the duty of the Congress to provide curative law. This we have done.

By the enactment of H. R. 2518, aged Justices of the Supreme Court may now retire from active service on the bench without the apprehension that the emoluments of their office may some day be discontinued or diminished.

If H. R. 2260, concerning which the conference report was today adopted by the House, is approved, the United States will hereafter be permitted to intervene in suits or proceedings between private litigants where the constitutionality of acts of Congress affecting public interest is drawn in question and in case such act of Congress is, by the trial court, declared invalid as being repugnant to the Constitution, a direct appeal may be perfected to the Supreme Court with the assurance that it will take precedence in that tribunal over all other matters not of a like character.

The enactment of H. R. 2271, which recently passed the House, will enable the district courts to purge themselves of any of their judges who, through bad behavior, have rendered themselves unfit to adorn the ermine and cumbersome trials by impeachment will thereafter be unnecessary.

In the event that H. R. 8046—the Chandler bill—is favorably considered by the Senate and receives Executive approval, we will have a new, concise, and comprehensive bankruptcy act based upon years of study and experience by the foremost authorities on that subject in our land. Its enactment will minimize the maladministration of bankrupt estates and eliminate the evil of exorbitant fees that have been awarded to receivers and attorneys under existing law.

It is significant that these major reforms affecting the judiciary and judicial procedure originated in the House of Representatives many weeks prior to the President's message of February 5, and that they were already on the road to legislative enactment on the day that the Nation was stunned by the pronouncement from the White House that the entire judicial branch of our Government must be made over by the wholesale appointment by him of new judges to replace those who had reached their seventieth birthday.

It is also significant that the mandate of the President for the immediate enactment of his bill in no way arrested or delayed the careful and deliberate consideration of these constructive measures. While the Senate proceeded to consider the essence of the President's message, the House of Representatives went forward with its program of real judicial reform and passed legislation that, if finally enacted into law, should advance the efficacy of our judicial system. The courageous action of the Senate in rejecting in its entirety the President's bill entitles that body to the commendation of liberty-loving people for generations yet to come.

Today the House of Representatives has acted favorably on House Resolution 287, which directs the Committee on the Judiciary to investigate the rules of practice, costs, procedure, jurisdiction (both as to territory and subject matter), organization, operation, and administration of justice in the courts of the United States inferior to the Supreme Court. A similar resolution has already passed the Senate. Such investigation should be productive of much good and is a sensible way to devise remedial legislation for the minimizing of congestion and delay in the Federal courts.

The distinguished gentleman from Texas [Mr. SUMNERS], who, as chairman of the Committee on the Judiciary, piloted through the House to a successful conclusion these constructive measures, must be accorded much of the credit for the attainment at this session of Congress of judicial reform that is as sound as it is practical.

To students of political science the unsuccessful attempt on the part of the Executive to obtain legislative approval of his desire to control a coordinate branch of the Government must have been extremely interesting, emanating, as it did, in the one hundred and fiftieth anniversary year of the adoption of the Constitution. That his effort was rejected

with such universal satisfaction is ample proof that the patriots who met in Philadelphia in 1778 to construct the groundwork of our Government intended to devise a structure that would endure through the generations to come.

Truly, they must have reflected seriously upon the words of the Savior, who spoke of the wise man that "built his house upon a rock: and the rain descended, and the floods came, and the wind blew, and beat upon that house; and it fell not: for it was founded upon a rock."

Mr. Speaker, this session of Congress is rapidly drawing to a close. Within a few weeks, we will have returned to our respective States. Next month most of us will be called upon, probably many times, to discuss with our citizens, the history and development of the Constitution of the United States and the blessings we enjoy because of its guarantee to us of life, liberty, and the pursuit of happiness. Coming, as we will have, from the scene of the most bitter assault upon that document since the days of secession, we may well assure our audiences of our faith in the basic structure of our Republic by using the words of the late President Calvin Coolidge who was asked one day by a man who had written a book in which the character of Gen. George Washington was assailed, what he, the President, thought of his literary efforts. President Coolidge motioned for the author to follow and leading him into one of the south rooms of the White House, he gazed out the window toward that lofty monument erected in honor of the Father of his Country, and laconically observed, "It's still standing."

The Black-Connery Bill

EXTENSION OF REMARKS

OF

HON. WILLIAM J. FITZGERALD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. FITZGERALD. Mr. Speaker, ladies, and gentlemen, in discussing the Black-Connery Fair Labor Standards Act I wish to comment specifically on a few of the labor problems with which this bill is attempting to deal. There are some aspects of these problems which are apt to be overlooked by those who have not had intimate contact with them and who have not observed first hand the deplorable evils which exist.

There are many people in this country who have little understanding of the low economic standards under which a large number of their fellow citizens live. True, during the last 4 years there has been a tremendous awakening of the social consciousness of the people, but there are still many who think of matters relating to employment conditions and labor standards as something to be dealt with by the employers and the workers, but which are not a matter of concern to them. During periods of industrial unrest, such as the recent strikes, however, the whole public is suddenly made conscious that labor problems are of major concern to the whole community. Under such circumstances there is little possibility for the development of sound thinking on labor problems, for it is only human nature that the people will follow their emotional reactions and what they conceive to be their own economic welfare in their thinking and actions.

I regret that the bill under consideration is so long and technical. A simpler and more direct approach would appear desirable. I should prefer a bill that would be easier for both the employers and employees to understand, but the complexity of the subject and the legal issues involved have apparently made that impossible. The problems involved are so many and the labor practices to be corrected are so vicious that it seems a much wiser course to prepare a bill that will assist the workers in getting their rights, even if it is more complicated than we would wish.

In many respects the bill, as amended and reported out by the Labor Committee, is more adequate than the original bill. It now provides for control of industrial homework. The original bill did not provide any restrictions or means for restricting this labor problem which potentially is one of the most vicious of the unfair labor practices. Under proper restrictions industrial homework is both a social and economic asset, but without adequate supervision the unscrupulous employer finds in industrial homework a fertile field for exploiting women, children, and shut-ins. Such employers are likely to be of the fly-by-night kind. They do not establish modern, sanitary, well-lighted factories. They do not have any supervision over the working conditions of the workers. As a result, women and children work long hours and often well into the night to earn the barest existence at the small piece-work rates paid for such work. There have been cases where the employer disappeared without paying even the small amount promised. The employer in the same line of business who maintains a factory, decent working conditions for his workers, pays taxes, and is otherwise an asset to the community is at a great competitive disadvantage in competing with those employers whose production is confined to industrial homework.

This bill does not bar the employment of those persons, who because of physical conditions, are unable to leave their homes, but who find it necessary to work. It will, however, offer protection to them so that they will not have to endure the double burden of physical incapacity and exploitation.

The section dealing with exemptions for the employment of apprentices has been materially strengthened. Here is a problem of national consequence which has had almost no attention. It is universally agreed among employers and labor leaders that the most successful method for producing skilled workers is through actual work under the immediate supervision of a skilled worker. Nevertheless, there has been very little actual apprenticeship in this country during the last 20 years and the situation has been growing worse rather than better. This Congress has recognized that this is a national problem in which the Federal Government should exercise leadership. A bill known as the Fitzgerald bill has been enacted, making the work of the Federal Committee on Apprentice Training, a permanent function of the Department of Labor. That act will enable the Labor Department to develop and recommend adequate standards to protect and develop apprentices. It is particularly desirable that apprenticeship standards by trades be as nearly uniform as possible so that the workers concerned will be capable of holding a job in any section of the country. It was the view of the labor committee that the standards developed in the Labor Department, with the help and advice of those in the trades, should be the standards to be used for the employment of apprentices under the Black-Connery bill. Certainly there could be no advantage in having two sets of standards for the same trades and further, it is better public business to have such apprenticeship standards and exemptions handled by an agency having expert knowledge and wide experience in this specialized field. A further consideration, too, was the fact that not all trades, and not all employers in a particular trade, would be subject to the provisions of the Black-Connery bill, yet standards applicable to apprentices should be the same.

The bill now before us will serve to stimulate proper apprenticeship while at the same time it will prevent the exploitation of child labor. It is my opinion, and I believe that those who have had wide experience with the preparation of skilled workers will agree, that wage incentives are not enough to bring about the kind of apprenticeship system our country needs. It is a problem requiring specialized attention and we, who make the laws, should offer the greatest possible assistance and encouragement to the Department of Labor in carrying on this work.

There have been witnesses before the committee and commentators in the press who have attempted to frighten organized labor leaders into withdrawing support from the Black-Connery fair labor standards bill by suggesting that since the workers' rights were to be taken care of by the Government, there would no longer be need for workers to

join labor unions. That argument does not stand up when one analyzes the language and purposes of this bill. The board which is to administer this law will be authorized to establish minimum wages and maximum hours. It cannot set a minimum wage higher than 40 cents an hour and it cannot set a work week shorter than 40 hours per week. Do these critics actually believe that American workers are going to be satisfied with that? Can they honestly believe that $16 a week, which is the maximum earnings possible for those workers whose standards are set at the highest point within the board's power, not counting possible overtime, is sufficient to rear a family under American living standards? The newspapers for which they write and the advertising departments of our big employers are constantly reminding the workers that they need more money. Americans are not going to be satisfied with subsistence wages, and we all know that. They want to own their own homes, a car, a radio, modern household equipment, have electricity, and educate their children. It seems to me there are plenty of reasons for workers to want to join unions for the purpose of making a better deal with their employers.

The language of the bill itself points out that the variations in hours and wages in interstate industries are so wide that they create unfair competition for employers who wish to pay decent wages and maintain decent working conditions; and that the workers who receive the lowest wages and work the longest hours have been and are now unable to obtain a living wage or decent working hours by individual or collective bargaining with their employers.

To the extent declared in the language of the bill the workers' interests will be cared for by the Government, but there is a further consideration affecting both parties to collective agreements which has not brought out by those witnesses and commentators, who see in the bill a means of lessening the authority and power of the unions.

The right of workers to join a union for the purpose of improving their working conditions and wages has long been recognized by State and National laws, by decisions of State and Federal courts, and by the Supreme Court. All too often this right has been nullified by the ability of the employer to close his plant and move to some other community where the workers had not organized. In other cases, and they are numerous, the workers and management have entered into collective agreements, only to have the benefits of the agreement nullified by other competing establishments paying substandard wages. To the extent that this bill does put a floor under hours and wages, it will act as a stabilizing influence and reinforce collective agreements. In addition, the bill provides that employers and employees are to be encouraged to establish higher wages and shorter hours through collective agreements.

It is a well-known fact that whenever a minimum wage has been established there is a marked tendency on the part of some employers to read the word "maximum" into the word "minimum." One would get the impression from looking at their pay rolls that the law read: "Employers shall not pay more than —— cents an hour." In order to discourage this practice, the bill provides that the minimum wage established by the Board in any State for private industry shall be the minimum wage of the Works Progress Administration. It is not the intention of the framers of this bill to encourage workers to stay on the rolls of the W. P. A. For the sake of economy and for the welfare of the workers themselves, it would be far better to get the W. P. A. workers into private industry, but since that cannot be done until industry is in position to absorb them, it seems a much wiser course for the Government to pay wages equal to the minimum established for private industry, and, to that extent, encourage employers to offer wages in excess of the established minima.

I know that many Members of the House have been besieged with communications and complaints alleging that the enactment of this bill will put the industries in their home districts at a severe competitive disadvantage. No doubt many of these complaints are sincere, since it is probable that many of the complainants have had no opportunity to study the contents of the bill, their source of information being newspapers and radio commentators. The bill, as reported by the Labor Committee, has, I am sure, established ample standards to be used by the Board in determining minimum wages which will protect the competitive welfare of any legitimate business enterprise. As a matter of fact, most of the employers who have been fearful of the effects of this measure will find that in the long run it is a decided advantage for them.

Much of the opposition coming in is either directly from, or indirectly originated by that unscrupulous crowd at which the bill is aimed. These people have no desire to contribute anything to the welfare of the country or the communities in which they operate. Their only thought is to get rich quickly, regardless of the effects of their activities on their employees, competitors, and the community in which they operate. It is not surprising that they make a lot of noise. This group is clever at raising false alarms. They shed great crocodile tears at the unemployment which will occur if they are forced by law to pay a living wage. They talk of the inefficiency of the workers in their particular section and the terrific expense to which they have been put in bringing the workers up to where they can earn $5 or $6 a week. They talk of the employment they have provided in the community, as though they were operating a charitable organization rather than a business. For the most part, the source of a large part of these complaints will be found in the migrating employers. The industrial carpetbaggers who remove their plants to some other section as soon as the employees organize in an effort to bargain for themselves. These migrating employers know about the extent of experience of the workmen to be found in the community to which they move; they know about the freight rates, and they probably know that they will not stay in the new location long. It is not surprising that such employers object strenuously to the fair labor standards bill. Who would expect them to endorse it? It would be just as reasonable to expect a gang of kidnapers to endorse the Lindbergh law.

In making these observations about the migrating type of employer, I do not wish to be misunderstood. I am not criticizing any community for wanting to build up its employment opportunities, but to attempt to do this by encouraging the location of the habitual migrating employer will, I maintain, lead to community distress rather than to prosperity.

Is it not time that those who are interested in developing communities begin looking into the records of the employers they plan to invite to settle amongst them? Is it not time they established some standards looking toward the safeguarding of the people in their own communities and which will serve, in a measure, to safeguard the welfare of the workers in other communities? I am convinced, and I think the other members of the Labor Committee are convinced, that the enactment of the Black-Connery bill will not hinder the establishment of any legitimate business enterprise in any community. I am further convinced that when such a legitimate enterprise is established it will be a far greater asset to the community, for there will be established by law a minimum standard covering employment conditions below which competing employers cannot go.

In our thinking on this question of minimum wages and maximum hours we should bear in mind the fact that in the situation which now exists no business is safe from the undermining influence of the ruthless competitors who care nothing for the economic or social welfare of their employees. There is practically no wage paid in any industry or in any community that is so low but that some competitor is willing and ready to go below it in order to make a few extra dollars.

The problems of which I have spoken are all matters with which I have had close personal experience. I know that it is difficult to realize the full effects of these industrial evils until after the damage has been done.

The Black-Connery bill does not go as far in remedying all labor malpractices as many of us think it should, but it does offer a far better solution than none at all, and for that reason I stand for the bill.

Schwellenbach-Allen Resolution Should Be Passed—A Matter of Justice and Sound Administration

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. VOORHIS. Mr. Speaker, when the appropriation for the W. P. A. was passed by the House it was stated by many members that $1,500,000,000 should be sufficient because large numbers of unemployed people were going back into private industry.

We now have the experience of several months behind us and we find that people laid off by W. P. A. are not, in most cases, finding jobs in private industry but are being transferred from W. P. A. to the relief rolls of counties and States.

This means a great loss to the Nation. It means that people who formerly were paid for work are now paid for idleness. It means a further loss of self-respect, of the abilities and capacities for work which many W. P. A. projects have developed and kept alive.

Hence the Schwellenbach-Allen resolution, which provides that W. P. A. shall take into account, in laying people off, the possibility of their obtaining work in industry; and that lay-offs shall not take place faster than such jobs can be found. This measure is only a matter of justice and wise administration. To economize at the expense of the hope of American families and the nourishment of children is poor economy indeed and unjust to boot.

The need of a Nation-wide complete system of government public employment service is reemphasized by the present situation. Were United States Employment Service expanded to where it should be it could furnish regularly the facts about employment opportunities which would provide the only decent basis for W. P. A. lay-offs.

The Schwellenbach-Allen resolution should be passed before Congress adjourns and steps should speedily be taken for a full voluntary registration of all unemployed people with the United States Employment Service together with a great national effort to bring about the recording of all job opportunities by employers with this same agency.

Government public works employment should expand and contract, not according to congressional guesses, but according to the actual facts of reemployment and disemployment in industry.

Religious and Philosophical Opinions of Candidates for Citizenship

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mrs. O'DAY. Mr. Speaker, I have re-introduced, by request, a bill presented the House originally by the late Representative Anthony Griffin of New York, a Member of Congress from 1918 to 1935. Mr. Griffin, a veteran, died in Washington shortly after the Seventy-fourth Congress convened and is buried in Arlington Cemetery.

The bill provides that "religious or philosophical opinions against war shall not debar aliens, otherwise qualified, from citizenship. Many of you will remember Mr. Griffin discussing this bill on the floor.

His bill does not in any way alter the oath of allegiance required in order to become a citizen. It touches only questions asked preliminary to the first hearing before the Naturalization Board.

The oath of allegiance reads:

I hereby declare, on oath, that I absolutely and entirely renounce and abjure all allegiance and fidelity to any foreign prince, potentate, State, or Sovereignty, and particularly to ———, of whom (which) I have heretofore been a subject (or citizen); that I will support and defend the Constitution and laws of the United States of America against all enemies foreign and domestic; that I will bear true faith and allegiance to the same and that I take this obligation freely without any mental reservation or purpose of evasion; so help me God.

Note that the oath binds the applicant to "support and defend the Constitution." I trust you will agree that there are many ways of supporting and defending other than actually bearing arms. For example, women are not asked to do so and yet no one questions their patriotism or loyalty to our country.

There are many persons who, by reason of their religious or philosophical convictions, are prohibited from actually engaging in conflict. This does not, however, impair their value as citizens or dampen the ardor of their patriotism.

Both the naturalized citizen and the American by virtue of birth are required to support and defend the Constitution. The Griffin bill in no way changes this obligation of the foreign-born citizen. In the event of war, these naturalized citizens would receive the same treatment and have the same standing as native-born citizens who hold the same views. If you will read the bill you will note that it specifically states that such citizens are obligated to fulfill their whole duties as citizens. They are exempted from none of the responsibilities of the native born.

The particular case that prompted Mr. Griffin to introduce this bill was the denial of citizenship papers to a doctor of divinity who came here to lecture at one of our leading universities, and two distinguished foreign women, all three beyond the age of military service. These persons wished to become American citizens because they believed in our principles of government. Because, after intelligent consideration, they found themselves more in harmony with our national ideals than those of their native land.

Citizenship was denied them because their religious and philosophical convictions forbade them bearing arms even in theory. These convictions were brought out when they were questioned and they were barred despite the fact that at the same time some hundreds of would-be citizens below their intellectual level were admitted without question.

Why Pay Taxes?—America's Central Problem Analyzed by David Cushman Coyle

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. VOORHIS. Mr. Speaker, for a quarter of a dollar and a couple of hours time I have obtained more help in thinking through the problem of taxation in America than I have ever gotten anywhere before. I just finished reading David Cushman Coyle's new book, Why Pay Taxes? published by the National Home Library Foundation of Washington, and available to the American people—and, incidentally, to Members of Congress—at the tiny sum of 25 cents.

Dictatorship thrives in an atmosphere of ignorance; democracy can only live if the people are both educated and understanding.

Why Pay Taxes? by David Cushman Coyle is going to do its bit to save democracy in America.

H. G. Wells has said that the future of civilization depends upon the outcome of a race between education and catastrophe. Few will doubt his wisdom in this statement.

Coyle says, in effect, that the future of American democracy depends upon the outcome of a race between sound taxation and catastrophe.

No one likes to pay taxes. But perhaps we will like it better if we know why we are doing it. Some things are precious enough to pay for. To the American one of these is democracy as we have known it.

According to Coyle, the price of continuing democracy is right taxation, first and foremost. He conceives that taxes have two purposes: First, the raising of necessary revenue, and, second, the guiding of social and economic development. Generally speaking, he thinks the second purpose ought to be employed to remove the control of monopoly from the neck of American economic life and to check the present trend toward control of the bulk of our national wealth by a small coterie.

Taxes on intercorporate dividends are an example of the kind of taxes that gladden this economist's heart.

He likes income taxes; says if the taxes are properly levied and the proceeds properly distributed by the Government they will make possible more income instead of less for both taxpayer and Nation. He advocates simplification and an increase in rates. To him, capital gains and inheritances are, after all, income.

He does not like sales taxes, because they retard business and thereby penalize production, and because they shift disproportionate burdens onto the very people to whom more buying power must be given for the common good.

He likes taxes on things men do not create, like ground rents, exploitation of natural resources. He does not like taxes on consumers or on business operations.

He says the tax on undistributed profits is good, because it lets the stockholders decide what to do with their money instead of leaving it up to a few directors to speculate with it. But he thinks there should be an exemption at the bottom of the scale to give the little fellow a chance. By the same token he is for graduated corporation income taxes—to hit monopoly.

When is an unbalanced budget not an unbalanced budget? When is a balanced budget really an unbalanced budget? Coyle answers these questions. He points out that to save money and waste natural or human resources is the way of death.

With unanswerable logic Coyle points out that tax revenues should be largest in times of prosperity—to check booms; and that a deficit should be run in times of depression and unemployment—in order to put more purchasing power in circulation and take less out. Only in times of prosperity, taxes should not be reduced, because a surplus should be accumulated to balance off the deficit of depression years. The great mistake of the twenties was that taxes were reduced when they should not have been reduced.

How big ought the Budget to be? Big enough so that it can offset the effects of booms and depressions. As long as there are unemployment and idle machines the Budget and old-age pensions and the public-works program are not big enough.

Every Member of Congress ought to read this book. So ought every other American. For our future may well depend on the growth of a national realization that great problems are not easily solved and that the payment of sizable income taxes is a small price to pay for continuing democracy, human justice, economic stability, and full production.

The Wagner Labor Relations Act

EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. DUNN. Mr. Speaker, the Wagner Labor Relations Act is a progressive and humanitarian law. Since its enactment it has done a tremendous amount of good for the laboring people of our country. Many managers of the large business establishments in the United States have agreed that this law has not only benefited the laboring people but also those who own and manage many of the large business institutions in the United States. I am in favor of giving the Wagner Labor Relations Board a sufficient appropriation to carry on its constructive work. For the short time this Board has been in existence it has accomplished a great deal. I am always willing to give my utmost support to any legislative measure which, in my opinion, will benefit the laboring people of our country. I am mighty glad to have had the opportunity of helping to create the Wagner Labor Relations Act.

An Open Letter to John L. Lewis

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

AN OPEN LETTER TO JOHN L. LEWIS AS IN THE AUGUST 28 ISSUE OF LIBERTY MAGAZINE

Mr. HOFFMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter from Liberty for August 28, 1937:

AN OPEN LETTER TO JOHN L. LEWIS—A SUDDEN MEMBER OF THE C. I. O. ASKS HIS LEADER SOME QUESTIONS

(By Reuben Maury)

DEAR JOHN: We have never met, but I feel entitled to call you John because I find myself a member of your C. I. O. When the Supreme Court held the Wagner Act constitutional it looked to me as if any wage earner who could had better join a labor union. So I joined the American Newspaper Guild, which was then affiliated with the A. F. of L.—and suddenly the guild's national convention, deftly shepherded by our national president Heywood Broun, voted to affiliate with the C. I. O.

Where do you plan, John, to take the hundreds of thousands who are joining our C. I. O. via our assorted organizing committees? It has been said publicly, without denials or lawsuits on your behalf, that your favorite organizers and tacticians are Communists, avowedly or in spirit. Do these Communists get dumped over the side pretty soon? At this writing you have made no observable move toward giving them the "heave ho."

Myself, I don't believe you are plotting a Soviet America; but I wonder if you realize how many millions of Americans do. In their eyes, John, you are a "red" menace. Now, if I feel sure of anything, it is that the American people will not let communism get to first base in this country in our time. Consequently the evidences of this widespread belief and fear concerning you call up visions of American Fascist youths on the march; of a lot of working people shot down; of believers in democracy suffering and rotting in concentration camps. It happened in Germany, John, and in Italy. And the American mass temperament is much more like the German or Italian than like the Russian.

In other words, the odds are heavily in favor of fascism here if things ever come to a showdown between communism and fascism.

Can't you please say something pretty soon, John—something definite—to the effect that you are not seeking to overthrow American democracy? That what you are after mainly is to bring about a repetition in this country of the trade-unions' rise to power—power with responsibility—in Great Britain?

A good many of the "lunatic fringe" have joined our C. I. O., as happens to every new movement. They feel they have a license from it to say and do anything that pops into their "screwy" heads. The things said and done by some of your purported lieutenants in the General Motors strike didn't help our C. I. O. one little bit.

Do you intend, John—or don't you—to cast off the "reds" and the nuts as fast as you can, and step up the leavening of common sense—of liberals with common sense—in the C. I. O. leadership?

What is your conception of industrial organization as applied to newspapers? And of loyalty to our C. I. O. in case a reporter runs into facts unfavorable to it, or an editorial writer conscientiously forms some opinion adverse to it? These questions are important. The American people have gotten by up to now as well as they have largely because they have had the world's freest press.

In your old United Mine Workers days, I gather, your idea about coal miners who disapproved of your policies was to have them slapped down. If we newspaper C. I. O.-ers don't give the C. I. O. the best of it in everything, do we get slapped down? Do I, for example, for writing this open letter to you?

The A. F. of L. has always refused to hook up with a political party or to form its own. The American Labor Party, now being

built up, is understood to be allied with the C. I. O., and it is predicted that this party will put up a candidate for President in 1940 and will expect all C. I. O.-ers to vote for him. Do you really think that this is smart, John, or that Bill Green, of the A. F. of L., is such a fool? Like politicians, political parties win national elections by promising large helpings of pie. The Labor Party, to win, will have to promise more than either the Democrats or the Republicans and make its promises sound convincing. And yet most of our voters are habituated to believing Democratic or Republican promises. How many can shift over in one campaign to believing Labor Party promises?

There is now absolutely no sign of a big enough depression before 1940 to work a near miracle for a new, unfamiliar third party.

And supposing the American Labor Party doesn't win in 1940, John, where will you and our C. I. O. be then?

I think it would be nice, too, if you would tell the world what you consider the limits of your one-big-union idea to be. Suppose sometime the textile workers, all enrolled in the C. I. O., decide to strike for pay raises, work-time cuts, or something. Are we C. I. O.-ers who are not in textiles to go out on strike to help them? Go out when we have no grievance against our own bosses and can't know whether the textile strike is justified?

My impression is that you don't propose to go that far, but you haven't said publicly, up to time this is written, what your policy is.

I do hope you have given ample thought to the fact that every boss has only so much money, so much opportunity to make more, and so much patience. Forget that fact, John, or fail to impress it on us C. I. O.-ers, and the whole system which you hope to milk for our economic advancement may die on your hands.

And how about good old human nature in collision with the one-big-union idea? In every industry there are intraplant scorns and dislikes among the different departments and branches. They are based on a very deep-rooted human instinct—pride in one's own special skill. The more complex the industry the more of them you will find in it—and they will prove to be centrifugal forces tending to rip your one-big-union scheme wide open.

I don't attempt any suggestion as to how you can counteract this fact of life in the C. I. O. But I do want to suggest as urgently as can be that the C. I. O. is a big boy now and had better begin acting like one.

Sincerely yours,

REUBEN MAURY,
American Newspaper Guild, Card No. 3–7123.

Tax Evasion

EXTENSION OF REMARKS
OF
HON. KENT E. KELLER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

RADIO ADDRESS OF HON. W. D. McFARLANE, OF TEXAS, AUGUST 16, 1937

Mr. KELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio last night by the gentleman from Texas [Mr. McFARLANE]:

First I desire to thank the Columbia Broadcasting System for their facilities that make possible this broadcast. I spoke this afternoon in the House and pointed out the most important loopholes existing in our Federal income-tax laws.

For the benefit of those of you who have not followed the work of the Tax Evasion and Avoidance Committee, let me point out that this committee was appointed under a resolution passed by Congress after the President, on June 1 this year, sent a special message to Congress urging the tax committees of the Congress to do what they had always had the right to do, but had failed to do, which was to take the tax loopholes out of the law that they had largely placed in the law.

The President in his message June 1 said:

"The Secretary of the Treasury has given me a report of a preliminary study of income-tax returns for the calendar year 1936. This report reveals efforts at avoidance and evasion of tax liability so widespread and so amazing both in their boldness and their ingenuity that further action without delay seems imperative."

The President further pointed out that all loopholes are contrary to the spirit of the law. He said:

"All are alike in that they are definitely contrary to the spirit of the law. All are alike in that they represent a determined effort on the part of those who use them to dodge the payment of taxes which Congress based on ability to pay. All are alike in that failure to pay results in shifting the tax load to the shoulders of others less able to pay, and in mulcting the Treasury of the Government's just due."

TAX EVASIONS; ARE THEY ALL LEGAL?

The hearings before the Joint Committee on Tax Evasion and Avoidance brought to light a mass of information showing the legal tricks and antics which the wealthy citizens of the country employ in an attempt to beat the Federal income tax. Apparently there is no kind of a trick which they will not use, if they have the faintest reason to believe that they can get by with it. What the men and women who have to work for a living cannot understand is why these men of wealth can evade the tax laws so easily.

THE POOR PAY TAXES, WHILE THE RICH DODGE THEIRS

The farmer may work in the hot sun all summer and wade through the mud and snow during the autumn and winter, only to find that he has more debts than he had the year before. But when the time comes he has to pay his taxes. There is no way for him to beat the tax collector. He must pay. Throughout the year he must also pay taxes on the clothes he buys, on the gasoline he uses, and on the other necessities of life.

In this respect the farmer is in the same boat with the other workers of the Nation. There may be sickness in the family, few clothes to wear—in fact, he may have no job and no income—and yet this is no ground for relief from paying taxes. His own house, everything he owns in this world, may be sold for taxes. For the poor man there is no escape. He is the one who knows, as no one else does, that taxes, like death, are certain, whether he works on a farm, in the factory, behind the counter in a grocery store, at a filling station, or whether he has no job.

Now, with the man of wealth, who enjoys the luxury of tax evasion, the tax laws contain provisions aimed to tax him, but instead of paying what the law intended he should pay he employs a lawyer with a bag of tricks which he claims entitle him to escape the tax. And it may be noted that the testimony before the investigating committee shows that these tricks are working with much success.

This is the situation: The poor man pays, the wealthy escape. Why is that? The poor men of this country are entitled to know the answer.

TREASURY EXPERTS BLAME CONGRESS

The Treasury experts would have us believe that it is because of the way Congress wrote the laws. They would have us believe that Congress, and Congress alone, is to blame for allowing the wealthy citizens to escape tax. That is a serious charge. It cannot go unchallenged. I do not propose that it shall.

In answering the Treasury officials I want it understood that I am in favor of making every change in the tax laws which will improve them. I have long insisted upon that, and the Members of the House know that to be true. But I do not intend to sit silent when so-called Treasury experts testify that ridiculous tricks and devices are permitted under our tax laws. These so-called experts cannot cover up their own inefficiency or ignorance, or both, by pointing a finger at Congress. Yet that is exactly what they have tried to do.

Throughout the hearings before the investigating committee, no matter how ridiculous the tricks were, no matter how fully those tricks plundered the purposes and intent of Congress, no matter how shocking these schemes were to the conscience and good judgment of the people of this country, the so-called Treasury experts kept singing their song that it's all legal. The newspapers took up the refrain and throughout this country the main theme in every report of the investigation was that such and such persons had escaped from paying thousands of dollars in taxes but "it's all legal."

PRESIDENT'S TAX MESSAGE SCARES TAX DODGERS

In this nefarious attempt to defeat the actions of Congress no one was more surprised at the attitude of the Treasury officials than the tax dodgers themselves. Knowing the aims and ideals of the President and of this Congress they expected a fight to the last ditch. When the President delivered his tax message to Congress, the tax dodgers saw their fancy tricks and schemes going out the window—the jig was up. They were panicky. The President was on the job, and it appeared to the tax dodgers that at last the Treasury Department would have to arouse itself from its sleeping sickness. Administrative methods installed during the Mellon regime and continued down to the present time were on the brink of destruction. That is, it so appeared to the tax dodgers when they read the President's tax message.

TREASURY EXPERTS WHITEWASH TAX DODGERS

Then came the great surprise. Day after day schemes and tricks to evade the tax laws were unfolded before the investigating committee. The names and addresses of the guilty parties were given and published before the world. But, and here is the important point, day after day the newspapers carried the headlines assuring the persons named that the Treasury officials said, "it's all legal."

What a relief this was to the tax dodgers. They had envisioned a militant administration of the tax laws. They were afraid the tax laws were to be enforced and that they would have to pay. Instead the Treasury officials surrendered without a fight. They deserted their leader. They joined hands with the tax dodgers and with greater vigor than the tax evaders began stamping upon the laws of Congress. Out of the Treasury flies the Treasury officials brought forth case after case of trickery to defeat the laws of Congress. And throughout the investigation these officials solemnly insisted that such trickery was legal. Case after

case appeared in which the Treasury had made no attempt to collect the tax which Congress intended should be paid. What a big build-up to an awful let-down this must have been to the President. How can he expect to prevent the evasion of taxes when the Treasury officials forsake his ideals and the laws of Congress to pin ribbons on the coats of tax evaders? How can he secure a fair administration of the tax laws when the Treasury officials scotch him and run out to save the men of tricks, schemes, and devices? Where has the Treasury Department been since this administration took office on March 4, 1933? Where is the New Deal in administering the tax laws of this country?

According to reports, the tax-evading business is flourishing now as never before. The men who before did not dare to flaunt the tax laws as enacted by Congress are rushing in to claim the benefits of the schemes which the Treasury has advertised as legal. Those who have been abiding by the tax laws as written by Congress now want the benefit of the loopholes opened by the Treasury officials. This situation was described in the magazine Business Week on July 17, 1937, as follows:

"Tax-dodging blast backfired."

"Hurry-up case to head off publication of names in the tax-dodging expose has been very gratifying to Treasury heads, but the silver cloud has a very dark lining. It looks as though two or three tax dodgers are about to spring up where only one held out on Uncle Sam before. Tax lawyers report a land-office business with clients who are just waking up to a lot of legal deductions they never took advantage of before."

Why didn't these individuals claim the deductions before? The answer is that there is nothing in the tax laws to allow such fictitious deductions and these persons knew it. Now that the Treasury officials have expended upon the laws and have announced to the whole wide world that trickery and device will be recognized by that Department as a successful means for evading the tax, the persons who knew that Congress never intended that such devices should be permitted, the persons who now see how willingly the Treasury will ignore the laws of Congress, the persons who never before suspected they could get by, these persons are now claiming deductions, allowed only by Treasury officials.

THE REMEDY—GET PERSONNEL THAT WILL ENFORCE THE LAW

In short, the first step toward eliminating the tax loopholes is to turn our attention to the Treasury Department and what it is doing. If the testimony of Treasury officials before the investigating committee is a gage as to what is going on in that department, the outstanding loophole in our tax laws is the Treasury Department.

Now we come to the tax bill presented by the experts and submitted to this session of Congress. For more than 10 years we have been investigating and discovering these different loopholes and waiting for the time when some real effective action would be taken. To us who have been waiting for this time the new tax bill is a big disappointment. It is only a "drop in the bucket." It does not even touch some of the biggest loopholes known to exist for more than 20 years. The drafting experts have incorporated provisions to cover only a few of the loopholes pointed out by the President in his message of June 1, 1937, and the ones covered are by no means the larger ones. In disregard to the President's message, the experts have given no attention to the different loopholes which have been the subject of study by the Treasury Department for many years, applied to the passage of the act of 1934; more than 3½ years ago a subcommittee of the Committee of Ways and Means investigated tax evasion and submitted a number of recommendations for tightening up the loopholes in the tax laws.

Some of the changes recommended by this committee were enacted into law, but most of them were not, especially the ones which would be most effective in securing additional revenues. The primary reason for not making these changes in the tax laws back in 1934 was that they were opposed by the Treasury Department with the promise that the Department would draft better provisions. Repeatedly the Treasury Department stated that it was then working upon substitute provisions which would be completed as soon as possible.

Despite this promise on the part of the Treasury Department in 1934 the loopholes then pointed out by the committee of Congress have never been closed and there is nothing in the present bill pertaining to them in the slightest degree.

More than this, there is nothing in the new bill to cover the various loopholes which have long been known to exist and which have been pointed out by authorities and students in taxation matters for many years.

In order to show what little will be accomplished by the new loophole tax bill now before Congress, I shall briefly summarize the amount of additional revenue which might be obtained if careful consideration were given to all of the means of tax evasion which are common, everyday knowledge to each person who is at all familiar with Federal tax matters. It has been estimated that if the Treasury Department pursued more evasion matters in administering the tax laws, approximately $790,000,000 could be collected in additional revenues, without any changes in our tax laws. Ninety million dollars of this is due to evasion of liquor taxes, it has been estimated by J. H. Choate, Jr., director of the Federal Alcohol Control Administration, in an article in the New York Times, April 29, 1934, that with regard to the tax on distilled spirits, "the Government is losing more in taxes than it gets."

Approximately $200,000,000 is annually lost on account of tax-exempt bonds. Loopholes by the Treasury experts actually written into the Revenue Act of 1936 are estimated to amount to $165,000,000 annually. It is also estimated that the changes recommended by a subcommittee in 1934, and which were never made, due to the opposition of the Treasury Department, are costing the Government annually $161,000,000. In addition to this, when the Revenue Act of 1934 was in preparation, I appeared before both committees in Congress and pointed out loopholes which are estimated to cost the Government $268,000,000 annually in tax evasions. Though I submitted amendments to correct these loopholes, no such legislation has been enacted.

Lastly the loopholes pointed out by the President in his message of June 1, 1937, which had been ignored in writing the new tax bill, are estimated to permit an annual evasion of $162,000,000. In other words, the total known loopholes now known to exist may easily amount to approximately $1,700,000,000.

As opposed to this enormous loss of revenue by reason of inefficiency in tax administration and in failure to enact proper legislation to stop the loopholes long known to exist, the present tax-loophole bill now before Congress proposes legislation which at the most is estimated to result in only about $40,000,000 annually. In other words, the present tax-loophole bill proposes to do about one-fortieth of the job. That is to say, at the present rate we are going, if the Treasury Department each year brings in a bill which will raise as much additional revenue as the loophole now before Congress it will take 40 years to catch up with all of the tax dodgers.

The President in commenting upon the seriousness of the situation of the many loopholes pointed by Mr. Morgenthau, he made the picture when he said:

"We are trying harder than ever before to relieve suffering and want, to protect the weak, to curb avarice, to prevent booms and depressions, and to balance the Budget. Taxation necessary to these ends is the foundation of sound governmental finance. When our legitimate revenues are attacked, the whole structure of our Government is attacked. 'Clever little schemes' are not admirable when they undermine the foundation of society.

"The three great branches of the Government have a joint concern in this situation. First, it is the duty of the Congress to remove new loopholes devised by attorneys for clients willing to take an unethical advantage of society and their own Government. Second, it is the duty of the executive branch of the Government to collect taxes, to investigate fully all questionable cases, to prosecute where wrong has been done, and to make recommendations for closing loopholes. Third, it is the duty of the courts to give full consideration to the intent of the Congress in passing tax laws and to give full consideration to all evidence which points to an objective of evasion on the part of the taxpayer.

"Very definitely the issue immediately before us is the single one relating to the evasion or unethical avoidance of existing laws. That should be kept clearly in mind by the Congress and the public." * * *

"In this immediate problem the decency of American morals is involved. The example of successful tax dodging by a minority of very rich individuals breeds efforts by other people to dodge other laws as well as tax laws." * * *

"I am confident that the Congress will wish to enact legislation at this session specifically and exclusively aimed at making the present tax structure evasion proof."

The American taxpayers have a right to demand a square deal in taxation and that the tax burden be paid fairly and equally by all alike, based upon their ability to pay.

In order to bring about this result the loopholes above referred to should all be removed and the Mellon regime should be ousted from the Revenue Department. This result will not be brought about until you personally make your wishes known to your Congressman and your Senators. Let me urge you to contact them at once and urge that all tax loopholes be eliminated and not just the pitiful few contained in the present bill now pending.

You may have a copy of this speech upon request.

Mr. Snell Stings Again

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE OF AUGUST 17, 1937

Mr. HOFFMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune:

[From the New York Herald Tribune of Aug. 17, 1937]

MR. SNELL STINGS AGAIN

No one has ever likened the amiable and somewhat portly minority leader of the House, Representative BERTRAND H. SNELL,

to a mosquito. But he has shown all the tantalizing persistence of one in connection with the Democratic campaign book scandal. Repeatedly he returned to his quarry, and each time managed to leave a bitter sting. Not even the fact that he is a Republican and that Republicans have been ignored in Washington these last few years minimizes the annoying nature of his activities. When first he flew to the attack, charging the President with complicity in the campaign-book scandal because he had signed his autograph to 2,500 copies, a White House secretary let it be known that Mr. Roosevelt had no idea what he had been signing. When later Mr. SNELL appealed to the Attorney General, that gentleman replied with condescending evasiveness calculated to put Mr. SNELL in his place.

But Mr. SNELL refused to "stay put." No matter how many screens the administration drew about itself, the buzzing hum of Mr. SNELL was soon heard and his sharp proboscis plunged deeply into the New Deal cuticle. His final attack, in the form of a resolution calling on the Speaker of the House to appoint a committee of five members to investigate the matter, was accompanied by a formidable list of exhibits. That his resolution would be defeated was certain. Why should the Democrats vote to authorize an investigation of evidence that shows clearly that the campaign-book scheme was nothing but a form of political blackmail?

Mr. SNELL stressed the fact that this is the first time in American history that the national committee of a party has had the effrontery to inveigle the President of the United States into such a piece of political chicanery. This is undoubtedly true. But the entire scheme would have been just as vicious and unlawful if Mr. Roosevelt had not been a party to it. It was a slick trick to evade the Corrupt Practices Act. If, as Mr. Roosevelt's secretariat still would have the Nation believe, the President did not know what he was doing when he signed the books, it is a pity that he did not see his way clear to urge that an investigation be held. Failure to do so leaves the inescapable conclusion that there was much to hide and that Mr. Roosevelt knew it.

Thomas Jefferson in Pennsylvania

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

ADDRESS OF DR. EDWARD DUMBAULD, OF THE DEPARTMENT OF JUSTICE

Mr. SNYDER of Pennsylvania. Mr. Speaker, yesterday I asked unanimous consent to extend my remarks in the RECORD, including an address delivered by Dr. Edward Dumbauld, of the Department of Justice, on Thomas Jefferson in Pennsylvania. The splendid presentation of Dr. Dumbauld was delivered before the Pennsylvania Society of Washington, D. C., and is such that no comment is necessary.

Dr. Dumbauld's address is as follows:

Of the three outstanding achievements which Jefferson wished to be chronicled on his tombstone, the first was his authorship of the Declaration of Independence. That memorable task was performed on Pennsylvania soil. A book has been written about the house in which Jefferson lived at the time he was drafting that immortal document.

Desirous also of being remembered by posterity as author of the statute of Virginia for religious freedom, it was only natural that Jefferson should recognize that it was "the laws of Pennsylvania, which set us the first example of the wholesome and happy effects of religious freedom", and should speak of "Pennsylvania, the cradle of toleration and freedom of religion." Likewise he recorded with satisfaction the view that "Pennsylvania rejected a proposition to make the belief in God a necessary qualification for office."

And although he took pride in being father of the University of Virginia, Jefferson sent his own grandson to Pennsylvania to complete his education because "there are particular branches of science which are not so advantageously taught anywhere else in the United States as in Philadelphia."

In a letter of benevolent admonition to the young man Jefferson said: "Look steadily to the pursuits which have carried you to Philadelphia; be very select in the society you attach yourself to; avoid taverns, drinkers, smokers, idlers, and dissipated persons generally, for it is with such that broils and contensions arise, and you will find your path more easy and tranquil." In similar strain he wrote to the mother of Jack Eppes, who later married Jefferson's younger daughter, Polly: "As soon as I am fixed in Philadelphia I shall be in hopes of receiving Jack. Load him, on his departure, with charges not to give his heart to any object he will find there. I know no such useless bauble in a house as a girl of mere city education. She would finish by fixing him there and ruining him." Because of analogous reasons, doubtless, the prudent parent, though desirous of taking Polly with him to Philadelphia for a time, declared that "I would not choose to have her there after 14 years of age."

Jefferson himself first viewed Philadelphia in 1766 as a young man of 23. He had come to be inoculated against smallpox by the celebrated Dr. Shippen. In 1775 and 1776, as a Member of the Continental Congress, Jefferson made trips to Philadelphia, on two occasions following a route which took him as far west as Lancaster. Between 1782 and 1784, when he had returned to public life after the death of his wife, these visits were renewed. In 1790, as Secretary of State in the administration of George Washington, Jefferson was in Philadelphia en route to and from New York, then the Capital of the Nation. In the fall of that year the seat of government was transferred to Philadelphia, and until he returned to private life in 1794 the Sage of Monticello there transacted his official business as head of the Department of State. In the winter of 1793 Congress met in Germantown, the city of Philadelphia having been ravaged by an epidemic of yellow fever. A book has been published containing the letters written by Jefferson during his stay at Germantown. Momentous matters were at issue then. While France and England warred, American neutrality was at stake, and the foundations of this Government's foreign policy were established, and the law of nations was enriched by notable state papers penned by Jefferson.

During his term as Vice President, from 1797 to 1800, in the administration of John Adams, Jefferson was once more a familiar figure in Philadelphia. It was during this period, immediately preceding his election to the Presidency in 1800, that Jefferson suffered most acutely by reason of the fact that political antagonisms were allowed to embitter personal relations and social intercourse, although at no time, apparently, did Jefferson particularly enjoy living in Philadelphia.

"Party animosities here", he wrote, "have raised a wall of separation between those who differ in political sentiments. They must love misery indeed who would rather at the sight of an honest man feel the torment of hatred and aversion than the benign spasms of benevolence and esteem." One historian states that, "There is a tradition to this day in Philadelphia that so strongly ran the class feeling against Jefferson that Logan, Thomas, and Rittenhouse were his only social equals who did not exclude him from the hospitality of their homes.

To some extent Jefferson may have been himself to blame for the fact that Philadelphians found him an uncongenial companion. In later years, imparting paternal admonition to a shy daughter, he declared: "From 1793 to 1797 I remained closely at home, saw none but those who came there, and at length became very sensible of the ill effect it had on my own mind, and of its direct and irresistible tendency to render me unfit for society and uneasy when necessarily engaged in it. I felt enough of the effect of withdrawing from the world then to see that it led to an antisocial and misanthropic state of mind, which severely punishes him who gives in to it; and it will be a lesson I never shall forget as to myself."

Nevertheless Jefferson deplores as ridiculous the fact that "Men who have been intimate all their lives, cross the streets to avoid meeting, and turn their heads another way, lest they should be obliged to touch their hats." He longed for something "to relieve the dreariness of this scene, where not one single occurrence is calculated to produce pleasing sensations." There was no public business upon which the energies of Congress might be usefully employed, Jefferson complained; "Nor are we relieved by the pleasures of society here; for, partly from bankruptcies, partly from party dissensions, society is torn up by the roots. I envy those who stay at home enjoying the society of their friendly neighbors." Unburdening himself to his family, the unhappy Virginian exclaimed: "I never was more homesick or heartsick. The life of this place is peculiarly hateful to me, and nothing but a sense of duty and respect to the public could keep me here a moment."

Again he wrote: "There is really no business which ought to keep us a fortnight. I am therefore looking forward with anticipation of the joy of seeing you again ere long, and tasting true happiness in the midst of my family. My absence from you teaches me how essential your society is to my happiness. Politics are such a torment that I would advise every one I love not to mix with them. I have changed my circle here according to my wish, abandoning the rich, and declining their dinners and parties, and associating entirely with the class of science, of whom there is a valuable society here. Still my wish is to be in the midst of our own families at home."

Jefferson had been chosen on January 6, 1797, as president of the American Philosophical Society to succeed Rittenhouse. In accepting the honor, he professed as his sole qualification for the post "an ardent desire to see knowledge so disseminated through the mass of mankind that it may at last reach the extremes of society, beggars, and kings." He held this office until 1814, although after his removal from Philadelphia he could not concern himself so actively with the functioning of the organization.

Likewise in the evenings of 1798–99 Jefferson enjoyed delightful conversations with Dr. Benjamin Rush, in which "the Christian

religion was sometimes our topic" and which "served as an anodyne to the afflictions of the crisis through which our country was then laboring."

On the whole, Jefferson did not find life in Philadelphia very pleasant. As Claude Bowers has pictured it: "Under these conditions he dropped out of the social life of the Capital. In the evenings he consulted with his political associates; during the day he presented a calm, unruffled complacency to his enemies in the Senate over whom he presided with scrupulous impartiality. Driven from society, he found consolation in the little rooms of the Philosophical Society, among the relics of his friends Rittenhouse and Franklin."

Moreover, although there is no evidence that he himself ever traveled any farther west than Lancaster, it must not be supposed that Jefferson was unacquainted with the people and the problems of western Pennsylvania. When Secretary of State his attention was drawn to the region later famed for the Whisky Rebellion by the occurrence of certain irregular "proceedings against the laws for raising a revenue on distilled spirits." Jefferson was "sincerely sorry that such proceedings have taken place", and expressed the hope that President Washington's proclamation might result "either in an amendment of the law, if it needs it, or in their conviction that it is right." On another occasion questions were referred to him regarding the sale to Pennsylvania of lands belonging to the United States situated on Lake Erie.

During Jefferson's term as Governor of Virginia in 1781 arrangements were made to determine by celestial observation the boundary between Virginia and Pennsylvania. The Rev. James Madison of William and Mary College and the Rev. Robert Andrews were appointed commissioners on the part of Virginia. One set of observers was to be stationed at Philadelphia, another at Pittsburgh. Adequate instruments could be provided by Pennsylvania at the former spot, but Jefferson was very insistent that William and Mary College lend their timepiece for use at Fort Pitt, under Bishop Madison's supervision, "for a purpose important to the public interest and in no small degree to geographical science." Apparently successful in this request, Jefferson advised the president of Pennsylvania that: "We will send to the westward the most necessary instruments which we suppose to be a good timepiece and a transit instrument and hope it will be convenient for you to furnish what may be necessary at the eastern end." Unfortunately, operations were interrupted by the movement of enemy troops * * * and had to be postponed. The Monongalia County surveyor was instructed by the chief executive of Virginia: "It having become impracticable to settle the boundary between this State and Pennsylvania by astronomical observations during the present season, it is referred by mutual consent till the next year. In the meantime it is agreed that Mason and Dixon's line shall be extended 23 miles with a surveyor's compass, only in the usual manner, marking the trees very slightly.

"I am, therefore, to desire you to undertake to do this in connection with such person as shall be appointed by His Excellency President Reid, and report your work to the Executive." Ultimately, it seems the work was performed by a renowned Philadelphia astronomer. "The continuation of Mason and Dixon's line and the meridian from its termination to the Ohio, was done by Mr. Rittenhouse and others. * * * What has been done by Rittenhouse can be better done by no one."

During Jefferson's Presidency, on March 29, 1806, he signed the act providing for construction of the National Pike, a highway to connect the newly admitted State of Ohio with the Atlantic seaboard. At the close of that year commissioners appointed to designate a route made their report; not until April 9, 1807, did Pennsylvania give its assent to the project, as required by the act of Congress. Even then the Pennsylvania Legislature appended a proviso urging that the route recommended by the commissioners be changed so as to pass through Uniontown and Washington, the county seats of Fayette and Washington Counties.

After considering the question whether the road should be built through Uniontown, or through Brownsville as originally proposed by the commissioners, Jefferson wrote to Secretary of the Treasury Gallatin, himself a resident of western Pennsylvania, that "We should consider the question of whether the road should pass through Uniontown, as now decided affirmatively, and I referred to the commissioners to reconsider the question whether it should also pass through Brownsville, and decide it according to their judgment." After the inclusion of both Uniontown and Brownsville, it had to be determined whether the route should pass through Washington or Wheeling. Here again both towns were ultimately included. In another letter to Gallatin during the course of this business Jefferson complained of the conduct of the Pennsylvania Legislature in seeking to dictate "the direction of a road made at the national expense and for national purposes", and threatened, if need be, to adopt a route "which shall not enter the State of Pennsylvania" at all.

Moreover, Jefferson was duly mindful of Pennsylvania's political importance. Frequently in need of a "clue" when "confounded in the labyrinth of politics of Pennsylvania", Jefferson was constantly on the alert to keep from being involved in or taking sides in the "jumble of subdivision" resulting from the political "schisms" of the State.

In a letter prepared, but not sent * * * in reply to an address of the ward committee of Philadelphia on the subject of removal from office, Jefferson asserted the impropriety of petitions, intended to influence his exercise of the appointive power, emanating from groups not recognized by the Constitution. He was desirous, however, of obtaining the advice and opinions of individuals respecting such matters. Proceeding to state his approval of the policy of the Governor of Pennsylvania in making removals, he said: "I dare say, too, that the extensive removals from office in Pennsylvania may have contributed to the great conversion which has been manifested among its citizens. But I respect them too much to believe it has been the exclusive or even the principal motive."

On another occasion he declared: "The spirit of 1776 is not dead. It has only been slumbering. The body of the American people * * * have been the dupes of artful maneuvers and made for a moment to be willing instruments in forging chains for themselves. But time and truth have dissipated the delusion and opened their eyes. * * * Pennsylvania, Jersey, and New York are coming majestically round to the true principles." In the electoral college, said Jefferson: "Pennsylvania really spoke in a voice of thunder."

The stability of the Nation, Jefferson believed, was assured if the two historic Commonwealths stood side by side. "It has ever been my creed that the continuance of our Union depends entirely on Pennsylvania and Virginia; if they hold together, nothing north or south will fly off."

There is much wisdom in his admonition to Madison: "Let us cultivate Pennsylvania and we need not fear the universe * * *."

Intolerance Obstructs Human Progress

EXTENSION OF REMARKS

OF

HON. MATTHEW A. DUNN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1937

Mr. DUNN. Mr. Speaker, like many other Congressmen, I have received letters from Rabbi Wise, of New York, and other prominent Hebrews concerning the persecution of the Hebrews in Poland, Germany, and elsewhere.

I wish to state that I am opposed to the persecution of the poor Hebrews no matter where they may reside, in fact, I am opposed to the persecution of the poor Polish, poor Germans, and the poor people of every other nationality, color, and creed. The poor of every country in the world are being persecuted by the privileged few who own and control the natural resources of the earth. In every country where there are slum districts, sweatshops, and child labor the people of that country are, in my opinion, being persecuted. People who enslave their fellow men can be found in every country in the world, and they are among every nationality. If the clergymen of every denomination would preach the brotherhood of man instead of preaching to their congregation that their particular religion is the true and only religion and that their religion was established by the great God of the Universe and that all other religions are but the creation of man, it would undoubtedly banish from the world many of the causes which produce religious, national, and race hatred.

I do not want to be misunderstood. I am not condemning all clergymen. I know that there have been ministers of the Jewish, Catholic, Protestant—and ministers of every other religious denomination, who have made, and are today making, big sacrifices for the welfare of mankind. Let us wipe out this religious, national, and race hatred which, to a large degree, is responsible for wars, economic depressions, and other terrible social calamities. I believe that if we would teach the people of the world that there is but one nationality and one religion, and that religion and nationality is humanity, wars and economic depressions would end. The aged and the physically handicapped would receive adequate pensions; every person who is able to work would have a job which would pay an adequate wage; poorhouses, slum districts, and prisons would be abolished and in their places hospitals, schools, playgrounds, parks, and other necessary projects which would promote the welfare of mankind would be erected. Floods, dust storms, droughts, diseases, and other calamities and catastrophes which have caused mankind a tremendous amount of unnecessary suffering would, to a large extent, be brought under control.

We who have political power should not hesitate a moment to sponsor and support legislation which will make conditions better for all of the people on the earth. No man or woman ever became famous without the assistance of someone else and that assistance which was given frequently came from the poorest of the poor. We Members of Congress could not have become Congressmen had we not received the votes of the poor coal miner, ditch digger, factory worker, the woman who washes and scrubs for a livelihood, and others.

If the Representatives in the United States Congress and the representatives in the legislative bodies in every other nation in the world would legislate in behalf of the masses as well as they do for the privileged few, undoubtedly a great deal more human progress would be made.

The Happy Side of Harlan

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

ARTICLE BY IRENE JUNO, FROM THE MAY–JUNE ISSUE OF NATIONAL YOUNG DEMOCRAT

Mr. HOFFMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article from the National Young Democrat:

[From the National Young Democrat for May–June 1937]

THE HAPPY SIDE OF HARLAN

(By Irene Juno)

I came to Harlan to get a story. A rip-roaring yarn about blood and murder, intrigue and intimidation. I wanted to talk to the widely publicized "American peons" of 1937 and to knock at the gun-guarded doors of the barons of the bituminous fields. I wanted to hear the whiz of the bullets and see the speeding cars that left death and destruction in their wake * * * to smell first hand the stench of a community ruled by "thugs" and gunmen whose law was the deputy sheriff and whose God was coal.

Undaunted by the admonition that a woman was not safe on the streets of Harlan, I came. And Saturday night, a few hours after my arrival, I borrowed a car and toured the mining camps, looking for deputy sheriffs and their victims. Up one road, down another. Brookside, Verda, Evarts, Black Mountain, Shields, Louellen, Lena Rue, Mary Helen, Crummies Creek, Koppers Coal, and Creech. Everywhere it was the same picture. Doors stood hospitably open at the modest home of the miner. Inside one could see a family, reading, playing cards * * * many small children romping and tumbling. Electric lights burned on many porches * * * young folks in porch swings greeted gay groups that strolled along the highway * * * couples boldly held hands, ignoring the white spotlight of approaching headlights. Here and there a group of stores, a well-lighted cafe or a movie * * * 7, 8, 9, 10 o'clock. The doors closed. The lights went out. The mining camps in Harlan County had gone to sleep.

Eleven o'clock. Harlan City. A typical small town on Saturday night. Hundreds of shoppers and a holiday spirit * * * a prosperous community spending money and liking it. Crowded busses, automobiles, and traffic jams. The information via the local grapevine that more than 6,000 persons had visited Harlan that day. That 11 busses made trips 14 hours a day to and from the outlying sections. Midnight. Twelve hours in Harlan and I had found no murders, no gunplay, or undercurrent of plotting and intrigue. Mr. and Mrs. Harlan County were enjoying a Saturday night spending spree * * * even as you and I. Something was wrong. Somewhere I had picked up the wrong key to this mysterious human cross-word puzzle. So I threw my original story overboard and started an "investigation" of Harlan County on the ground floor.

Day after day I popped in and out of mining camps. I frankly interviewed the miners, visited the families in their homes, went to the movies with the young folks and played games with the children. I bought food and checked prices at the company stores and took a chance on a car to find out just how that raffle business was conducted. I unexpectedly peered into records, noted figures, and asked questions. And I was never slapped down or answered evasively. I rode to different camps with pay rolls made up with Uncle Sam's cash, thousands of dollars of United States money, and stood behind the counters while miners drew wages for 2 weeks. Sometimes the pay was $125, or even $150. Again it was lower, depending on the man—how much he had drawn ahead during the 2 weeks and how actively he had worked at his job. They are admittedly the best paid men in the coal fields—less than 16,000 men drawing more than $850,000 every 2 weeks. I investigated hospitalization, scrip, education and recreation, along with intimidation, deputy-sheriff control, and the human element of Harlan County.

Harlan County is a series of prosperous little valleys nestling in the foothills of the Cumberland Mountains in southeastern Kentucky. The principal industries are mining, lumber, and agriculture, and the 70,000 people who make up the population are for the most part descendants of the pioneer settlers of this country. Many can trace their ancestory back to the legendary Daniel Boone and other historical figures. There are five incorporated cities in the county—Benham, Cumberland, Evarts, Harlan, and Lynch. Harlan is the county seat and lists about 8,000 inhabitants. One hundred and sixty miles of paved roads connect the towns and the 40 or so mining camps, while 3 broad highways lead to adjoining States and counties.

The county issued bonds to finance the building of county roads, concrete bridges, public buildings, and civic projects. The bonds are redeemable at par or above and the local banks will take all that are offered. But they say it is seldom that a Harlan County bond appears. The banks are in excellent condition and the accounts are growing by leaps and bounds, with the miner playing no small part in the savings department. In fact, there is a miner, Jake Crabtree, who has, by saving over a period of some 17 years, accumulated the very tidy sum of $17,000 and was able to lend money to his "boss" when the mine was in need of financial assistance.

"No, sir", said Jake; "I never took any flyer in high finance. The most I ever got on my money was 5 percent that Mr. Whitfield paid me when he made the loan. And I wish he would borrow some more", he added. But the thrifty Jake is the exception rather than the rule when it comes to saving money around a mining camp.

The moral tone of Harlan County is religious. Some 200 churches dot its countryside and are well filled each Sunday. The keynote of the congregation is youth, which takes an active part in the church calendar of events. Baptist holds the largest membership throughout the county, and other denominations include Episcopal, Presbyterian, Methodist, Catholic, and the Church of God. The ministers are well-paid, plain-spoken, community-mingling men and are much respected by the citizens.

Harlan has modest as well as imposing residences. They are surrounded by neat lawns and small rock gardens and enclosed by ornamental fences of wood, wire, or composition. There are sidewalks, "stop and go" lights, parking lots, and traffic problems. There are chain stores, 5-and-10-cent stores, beauty shops, specialty shops, and a brand new up-to-the-minute hotel. Harlan County has a number of American Legion posts and her quota of gold-star and war mothers. There is an active Kiwanis Club, a representative D. A. R. chapter, and a very large Masonic order. Boy Scouts and Girl Scouts have large camps and town quarters. There are ladies' aid societies, sewing circles, bridge clubs, and dancing schools. Also an attractive country club with an excellent golf course.

Harlan, strategically located on two main highways, has much to offer the tourist. In the heart of the Cumberland Park area it abounds with historic spots, high, entrancing waterfalls, and is rich in vegetation. Many well-paved roads wind through mountains, restful in their deep-green, silent beauty. Its seclusion provides rest and relaxation and it is so easily accessible that once known for its natural charm it should prove to be a popular tourist rendezvous.

Probably no county in Kentucky has made such rapid progress in education in the last 10 years as Harlan; and this ambitious little county holds second place in attendance as related to school census, according to State educational reports. The school strength is well over 23,000 and there are eight grade A public high schools. There are elementary schools in practically every camp.

Many of the 325 teachers hold M. A. degrees, and most of them are college graduates. It is the boast of Harlan County that its teachers are the highest-paid county school teachers in the State. The new high school at Benham is easily the finest of the educational units and is considered one of the best in the State. It is the gift of the company on whose ground it stands and is equipped with the best in lighting, heating, and atmosphere-changing systems. There are playgrounds, showers, a gym, an auditorium and recreation hall, and a library with 3,000 books and a full-time librarian. The two most popular subjects in a comprehensive curriculum are home economics, taught from a practical home standpoint, and physical education—and the teams bring home the bacon in the form of trophies from competitive meets.

John A. Dotson is school superintendent and he reports that 49 percent of his graduates, and practically that percentage from the other seven high schools, go to college, and hundreds of the alumni now hold prominent positions throughout the country. Harlan has a splendid new high school, and many camps and towns are erecting new buildings which will be ready for the fall term.

HOSPITALIZATION

Hospitalization is the master prop which keeps a mining camp functioning, and in Harlan County one finds this service developed to the maximum with expenses to the participant scaled to the minimum, or in words of two syllables, each miner pays his hospitalization fee directly to his company. If single, the usual fee is $1 per month. A family man pays $2. This fee entitles him to, an ambulance to the hospital, a bed in the ward (wards are 2, 4, and 6-bed units), the operation, the surgeon's fee, the anesthetic, all medicines, transfusions when necessary, special medicinal injections, general floor duty of the nurses, and the patient may stay until he is satisfied he is cured, or at least fully able to leave the hospital. If a specialist is necessary the miner pays that fee, as he does for a special nurse or a private room. Half the expense of the latter is assumed by the attending physician.

The dependents in the family are entitled to exactly the same service. Major operations and obstetrics, childish ills, and operations—all are included for the very small monthly hospitalization fee.

The entire amount collected is turned over each month to the doctor by the company which employs him, and the doctor assumes all responsibility for the future welfare of his patients. He must provide the best of medicine, the finest of surgical equipment, and a competent hospital staff. The records of hospital fees and the amounts paid the doctors are matters of public record in company books.

The hospitals are open to the public for inspection and are members of the American Medical Association. There is probably no other place in the United States where hospitalization is as complete and effective as in Harlan County. And to a man the miners have approved the plan. They know they have a good thing and willingly support it.

There are hospital units at Lynch, Benham, and Black Mountain, which are equipped for all emergencies and have their own staff. These hospitals are each maintained by the company which it services. The 30-odd other mines each employ a doctor who maintains a first-aid station and attendant at each mine. Operative cases are brought to the Harlan General Hospital, located in Harlan Township. This is a 3-story, red-brick structure of recent construction. It has a 65-bed capacity of 19 private rooms and 4 wards. A separate unit cares for the colored patients. Thirty doctors, 8 graduate nurses, 6 practical nurses of more than 2 years' experience, and 14 reserve staff nurses for special duty make up the staff. There is a large, light, fully equipped operating room, an X-ray room, laboratory, emergency room, a sterilizing room, and a diet kitchen for the preparation of special foods.

For those who are injured there is also the Kentucky compensation law which enables the company to give the miner added money, and it is a good old Harlan custom to take up a little collection for a man who is temporarily laid up in the hospital.

SCRIP

After weeks of survey I can tackle the ticklish topic of scrip. Frankly, scrip is to the miner what a checking account is to the business or professional man, and to his wife what a charge account is to Mrs. United States. If there is a difference it is the fact that the miner does not pay a tax for the use of scrip and the man who uses a checking account does. His wife has the advantage of cash prices in return for her scrip. Mrs. United States pays a little carrying charge for her charge account, in the form of slightly higher prices which cover bookkeeping and similar extras.

Mr. and Mrs. Miner buy the best of everything—radios, cars, electric refrigeration and washing machines, house furnishings, clothes, and luxuries. They work hard and they live well. So frequently they find it necessary to ask for an advance before the pay day arrives.

Mr. or Mrs. or one of the children presents a small pink card at the cashier's window.

"I want $3 worth of scrip." Just like that.

The cashier asks the bookkeeper the status of the account, learns that the miner has money coming to him, and then he promptly places a white card taken from company files with the pink card, puts them together in a machine, stamps the date and the amount on the cards at the same time, hands the pink card to the scrip applicant, returns the white card to the files, and the transaction of drawing scrip is over. The amounts have to tally—the miner knows his scrip status by looking at the pink card, and the office records tally with his.

On pay day the amount due the miner is paid in cash. And here is another much-mooted subject: "Cut through." It is as easy for the miner to say "Cut it through" as it is for you or me to say "Charge it."

All "cut-through" transactions are recorded and the regular monthly items usually include only such small cuts as hospitalization, group insurance, school fee, which amounts to 20 cents a month, and 5 cents burial-fund fee. When miners occupy company houses or have electric lights, that bill is "cut through", and, contrary to popular opinion, it's the miner who gets the "gravy." His salary is clear. If he has worked and made $125 in 2 weeks and his actual deductions amount to $50, he receives the entire balance in cash. No deductions are made for the favor of issuing scrip. No percentage is charged on a company scrip transaction.

Just as Uncle Sam covers his circulation currency with a gold deposit, so does a company cover its scrip issue with cash. Scrip is in denominations of 5 cents, 10 cents, 25 cents, 50 cents, and $1, is marked with the company name, and is redeemable upon demand. A miner is privileged to "cut through" any financial transaction he may wish which is covered by his salary. The company keeps his books and records the deal, and does not charge for this service. This is also a 100-percent custom in the mining camps of Harlan.

I wish I could tell you about Lynch, in Harlan County, with its 12,000 population and its imposing tipple, said to be the largest in the world * * * of the modern facilities for the protection and comfort of its well-paid, well-satisfied employees * * * of the paved streets and the smart cars * * * the long two-story hotel whose clubby beauty is enhanced by the green of the hillside timber * * * I'd like to describe the quaint churches, the magnificent high school employing only college graduates as teachers, the cosmopolitan company-owned store, and that monument to service—the great hospital, built of natural gray stone and second to none in point of equipment and staff, under the direction of the eminent physician and surgeon, Dr. Carlisle R. Petty, but space does not permit of my enthusiasm.

I have talked with operators and miners and have attended what is known as a union meeting and I think I have the key to what was once a mysterious puzzle. Through association I have learned to trust and admire these loyal, sincere, diligent people of Harlan—to respect their rights and principles and appreciate their rugged individualism. I have come to recognize and understand the faith and courtesy that they accord a stranger who settles down in their midst and "tends his own affairs." They want to be "let alone." Some say it in other words but the chant of harassed Harlan are the three little words, "Let us alone."

They are sterling citizens, imbued with the integrity and tradition of the mountain folks of the eighteenth century, enjoying the prosperity of the peak year of 1929 and faced with the labor problems of 1937. What the coming year has in store for Harlan it is hard to say. But I will venture the prophecy—take it or let it alone: They will welcome an honest gesture of cooperation or coordination, but will fight to the finish unfair, dishonest tactics, intimidation or bribery in business or professional relations.

I WAS BORN IN HARLAN

I was born in Harlan County.
My first glimpse of God's great canopy of blue came to me in the hills of Harlan.
I walked my first step.
I laughed my first laugh.
I cried my first cry in Harlan.
I learned to play marbles on the precious clay of Harlan County.
And I rubbed my knees in her soil and it dug into the fiber of my being.

I spent my youth in Harlan County.
It was here I learned to sing my first hymn.
It was here I sat on the first stiff bench in a house of worship.
It was here that I swam in the crystal waters of our mountain streams.
And here I carved my willow branch and caught my worms to fish in the water of Harlan.
It was here that I donned my first long pair of trousers and threw out my chest and walked abroad on the streets in that promise of manhood which comes to every adolescent.

I fell in love in Harlan.
It was here in Harlan under the soft spell of that moon where we sat for hours, my sweetheart and I, and listened to the poetry and the song that came to us from the laughing waters in words of so much more meaning than my poor tongue could give them.
It was here in Harlan County that I pledged myself and she pledged herself and hand in hand we looked together over the mountains toward that eternity that is life together.

I married my wife in Harlan.
In the spring when the honeysuckle was about us and the roses were sweet on the air and the grass was green on the hills and the trees about us spread their protection.
It was here in Harlan that we stood side by side at the little church and gave our vows.
It was here in Harlan that we carved our first little home.
It was here that I carried her, a bride, across her first doorstep and here that she greeted me when I came home from my work.

My babies were born in Harlan.
In this quiet valley, hemmed in by the sheltering hills, she indeed walked the valley and gave to me those little bundles of love and life that I have watched over after play on the ground of Harlan.
It was here that I have seen them toddle as I must have toddled: Learned to walk as I must have learned to walk.

I lived my life in Harlan.
Friends of my childhood and my youth time around me.
I would feel strange to go beyond these hills to seek fairer pastures.
Like David who wrote the Psalms, I cannot help but feel that in Harlan I can lay me down beside the still waters and that I can sleep in green pastures and that surely there is joy in the land and that kindness and goodness must follow it forever.

Williams College Men in Congress, the Cabinet, and the Presidency

EXTENSION OF REMARKS

OF

HON. EDWARD A. KENNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. KENNEY. Mr. Speaker, Williams College, founded in 1793 by Ephraim Williams, in the valley of the Berkshire Hills in Williamstown, Mass., is noted for her traditions, her prestige and ideals.

Early in the nineteenth century her sons imbued with the spirit of Williams had already made her influence felt in the life of the Nation and the Government.

In her contribution to the country, Williams College, among other things, has given to the Federal Government a President of the United States, 3 graduate alumni and 1 nongraduate alumnus as Cabinet officers, 50 graduate alumni who have served as United States Senators or Representatives, 26 nongraduate alumni who were United States Senators or Representatives, and 2 graduate alumni who are now Members of Congress.

The roster contains the names of many well-known and distinguished public servants, and since these names have never been compiled, it seems fitting and timely that this now be done.

Mr. Speaker, there follows a list of Williams College men who have served in the Presidency, the Cabinet, and the Halls of Congress of the United States:

PRESIDENT OF THE UNITED STATES

GRADUATE OF WILLIAMS COLLEGE

Garfield, James Abram. Twentieth President of the United States, March 4–September 19, 1881, respectively. July 2, 1881, he was shot in a railway station in Washington while on his way to attend the commencement exercises of Williams College. He died from his wound at Elberon, N. J., on September 19, 1881. Graduate, class of 1856. M. A., LL. D., 1872. Born, Orange, Ohio. Home, Hiram, Ohio, and Mentor, Ohio.

CABINET OFFICERS

GRADUATES OF WILLIAMS COLLEGE

Ballinger, Richard Achilles. Secretary of the Interior, 1909–11. Graduate, class of 1884. LL. D., 1909. Born, Boonesboro, Iowa. Appointed from the State of Washington.

Colby, Bainbridge. Secretary of State, 1920–21. Graduate, class of 1890. Born, St. Louis, Mo. Appointed from New York.

Garfield, James Rudolph. Secretary of the Interior, 1907–9. Son of President Garfield. Graduate, class of 1885. Born, Hiram, Ohio. Appointed from Ohio.

NONGRADUATE ALUMNI OF WILLIAMS COLLEGE

Spencer, John Canfield. Secretary of War, 1841–43. Secretary of the Treasury 1843–44. Nongraduate, class of 1806. Born, Hudson, N. Y. Appointed from New York.

CONGRESS

GRADUATES OF WILLIAMS COLLEGE WHO SERVED IN CONGRESS

Allen, Elisha Hunt, Representative from Maine (Mar. 4, 1841–Mar. 3, 1843). Graduate, class of 1823. Born, New Salem, Mass.; home, Bangor, Maine.

Ashley, Chester, Senator from Arkansas (Nov. 8, 1844–Apr. 29, 1848). Graduate, class of 1813. Born, Westfield, Mass.; home, Little Rock, Ark.

Barnard, Daniel Dewey, Representative from New York (Mar. 4, 1827–Mar. 3, 1829; Mar. 4, 1839–Mar. 3, 1845). Graduate, class of 1818. Born, Sheffield, Mass.; home, Rochester, N. Y., and Albany, N. Y.

Betts, Samuel Rossiter, Representative from New York (Mar. 4, 1815–Mar. 3, 1817). Graduate, class of 1806; LL. D. 1830. Born, Richmond, Mass.; home, Newburgh, N. Y.

Bigelow, Lewis, Representative from Massachusetts (Mar. 4, 1821–Mar. 3, 1823). Graduate, class of 1803. Born, Petersham, Mass.; home, Petersham, Mass.

Birdseye, Victory, Representative from New York (Mar. 4, 1815–Mar. 3, 1817; Mar. 4, 1841–Mar. 3, 1843). Graduate, class of 1804. Born, Cornwall, N. Y.; home, Pompey Hill, N. Y.

Blair, Bernard, Representative from New York (Mar. 4, 1841–Mar. 3, 1843). Graduate, class of 1825. Honorary M. A., 1855. Born, Williamstown, Mass.; home, Salem, N. Y.

Bridges, Samuel Augustus, Representative from Pennsylvania (Mar. 6, 1848–Mar. 3, 1849; Mar. 4, 1853–Mar. 3, 1855; Mar. 4, 1877–Mar. 3, 1879). Graduate, class of 1826. LL. D., 1876. Born, Colchester, Conn. Home, Allentown, Pa.

Chapin, Alfred Clark, Representative from New York (Nov. 3, 1891–Nov. 16, 1892). Graduate, class of 1869. LL. D., 1909. Born, South Hadley, Mass. Home, Brooklyn, N. Y.

Childs, Timothy, Representative from New York (Mar. 4, 1829–Mar. 3, 1831; Mar. 4, 1835–Mar. 3, 1839; Mar. 4, 1841–Mar. 3, 1843). Graduate, class of 1811. Born, Pittsfield, Mass. Home, Rochester, N. Y.

Clark, Horace Francis, Representative from New York (Mar. 4, 1857–Mar. 3, 1861). Graduate, class of 1833. LL. D., 1868. Born, Southbury, Conn. Home, New York, N. Y.

Clark, John Chamberlain, Representative from New York (Mar. 4, 1827–Mar. 3, 1829; Mar. 4, 1837–Mar. 3, 1843). Graduate, class of 1811. Born, Pittsfield, Mass. Home, Bainbridge, N. Y.

Dixon, James, Representative and Senator from Connecticut (Mar. 4, 1845–Mar. 3, 1849; Mar. 4, 1857–Mar. 3, 1869, respectively). Graduate, class of 1834. Born, Enfield, Conn. Home, Hartford, Conn.

Driscol, Michael Edward, Representative from New York (Mar. 4, 1899–Mar. 3, 1913). Graduate, class of 1877. Honorary M. A., 1897. Born, Syracuse, N. Y. Home, Syracuse, N. Y.

Field, David Dudley, Representative from New York (Jan. 11–Mar. 3, 1877). Graduate, class of 1825. M. A., LL. D., 1855. Born, Haddam, Conn. Home, New York, N. Y.

Garfield, James Abram, Representative from Ohio, President of the United States (Mar. 4, 1863–Nov. 8, 1880; Mar. 4–Sept. 19, 1881, respectively). Graduate, class of 1856. M. A., LL. D., 1872. Born, Orange, Ohio Home, Hiram, Ohio, and Mentor, Ohio.

Gest, William Harrison. Representative from Illinois. (Mar. 4, 1887–Mar. 3, 1891.) Graduate, class of 1860. Born, Jacksonville, Ill. Home, Rock Island, Ill.

Green, Byram. Representative from New York. (Mar. 4, 1843–Mar. 3, 1845.) Graduate, class of 1808. Born, East Windsor, Mass. Home, Sodus, N. Y.

Hackley, Aaron, Jr. Representative from New York. (Mar. 4, 1819–Mar. 3, 1821.) Graduate, class of 1805. Born, Wallingford, Conn. Home, Herkimer, N. Y.

Hall, Osee Matson. Representative from Minnesota. (Mar. 4, 1891–Mar. 3, 1895.) Graduate, class of 1868. Born, Conneaut, Ohio. Home, Red Wing, Minn.

Hayden, Moses. Representative from New York. (Mar. 4, 1823–Mar. 3, 1827.) Graduate, class of 1804. Born near Westfield, Mass. Home, York, N. Y.

Hazeltine, Abner. Representative from New York. (Mar. 4, 1833–Mar. 3, 1837.) Graduate, class of 1815. Born, Wardsboro, Vt. Home, Jamestown, N. Y.

Hitchcock, Phineas Warren. Delegate and Senator from Nebraska. (Mar. 4, 1865–Mar. 1, 1867; Mar. 4, 1871–Mar. 3, 1877, respectively.) Graduate, class of 1855. Born, New Lebanon, N. Y. Home, Omaha, Nebr.

Howard, Jacob Merritt, Representative and Senator from Michigan (Mar. 4, 1841–Mar. 3, 1843; Jan. 17, 1862–Mar. 3, 1871, respectively). Graduate, class of 1830. LL. D., 1866. Born, Shaftsbury, Vt. Home, Detroit, Mich.

Ingalls, John James, Senator from Kansas (Mar. 4, 1873–Mar. 3, 1891). President pro tempore of the United States Senate, February 25, 1887–February 19, 1891. Graduate, class of 1855. LL. D., 1884. Born, Middleton, Mass. Home, Atchison, Kans.

Jacobs, Ferris, Jr., Representative from New York (Mar. 4, 1881–Mar. 3, 1883). Graduate, class of 1856. Born, Delhi, N. Y. Home, Delhi, N. Y.

Knox, Samuel, Representative from Missouri (June 10, 1864–Mar. 3, 1865). Graduate, class of 1836. Born, Blandford, Mass. Home, St. Louis, Mo.

Laflin, Addison H., Representative from New York (Mar. 4, 1865–Mar. 3, 1871). Graduate, class of 1843. Born, Lee, Mass. Home, Herkimer, N. Y.

McClellan, Robert, Representative from New York (Mar. 4, 1837–Mar. 3, 1839; Mar. 4, 1841–Mar. 3, 1843). Graduate, class of 1825. M. A. Born, Livingston, N. Y. Home, Middleburg, N. Y., and Hudson, N. Y.

Martindale, Henry Clinton: Representative from New York (Mar. 4, 1823–Mar. 3, 1831; Mar. 4, 1833–Mar. 3, 1835). Graduate, class of 1800. Born, Berkshire, Mass. Home, Sandy Hill, N. Y.

Millard, Stephen Columbus: Representative from New York (Mar. 4, 1883–Mar. 3, 1887). Graduate, class of 1865. M. A. Born, Stamford, Vt. Home, Binghamton, N. Y.

Mills, Elijah Hunt: Representative and Senator from Massachusetts (Mar. 4, 1815–Mar. 3, 1819; June 12, 1820–Mar. 3, 1827, respectively). Graduate, class of 1797. LL. D., 1827. Born, Chesterfield, Mass. Home, Northampton, Mass.

Noble, David Addison: Representative from Michigan (Mar. 4, 1853–Mar. 3, 1855). Graduate, class of 1825. Born, Williamstown, Mass. Home, Monroe, Mich.

Norton, Jesse Olds: Representative from Illinois (Mar. 4, 1853–Mar. 3, 1857; Mar. 4, 1863–Mar. 3, 1865). Graduate, class of 1835. M. A. Born, Bennington, Vt. Home, Joliet, Ill.

Olin, Abraham Baldwin: Representative from New York (Mar. 4, 1857–Mar. 3, 1863). Graduate, class of 1835. M. A., LL. D., 1865. Born, Shaftsbury, Vt. Home, Troy, N. Y.

Perkins, Bishop. Representative from New York (Mar. 4, 1853–Mar. 3, 1855). Graduate, class of 1807. Born, Decket, Mass. Home, Ogdensburg, N. Y.

Pierson, Job. Representative from New York (Mar. 4, 1831–Mar. 3, 1835). Graduate, class of 1811; M. A. Born, East Hampton, N. Y. Home, Schaghticoke, N. Y.

Porter, James. Representative from New York (Mar. 4, 1817–Mar. 3, 1819). Graduate, class of 1810; honorary M. A., 1827. Born, Williamstown, Mass. Home, Skaneateles, N. Y.

Read, Almon Heath. Representative from Pennsylvania (Mar. 18, 1842–June 3, 1844). Graduate, class of 1811. Born, Shelburne, Vt. Home, Montrose, Pa.

Rogers, Edward. Representative from New York (Mar. 4, 1839–Mar. 3, 1841). Graduate, class of 1809. Born, Cornwall, Conn. Home, Madison, N. Y.

Seymour, Henry William. Representative from Michigan (Feb. 14, 1888–March 3, 1889). Graduate, class of 1855. Born, Brockport, N. Y. Home, Sault Ste. Marie, Mich.

Sloane, Jonathan. Representative from Ohio (Mar. 4, 1833–Mar. 3, 1837). Graduate, class of 1812. Born, Pelham, Mass. Home, Ravenna, Ohio.

Smith, Horace Boardman. Representative from New York (Mar. 4, 1871–Mar. 3, 1875). Graduate, class of 1847; M. A. Born, Whittingham, Vt. Home, Elmira, N. Y.

Southwick, George Newell, Representative from New York. (Mar. 4, 1895–Mar. 3, 1899; Mar. 4, 1901–Mar. 3, 1911.) Graduate. Class of 1884. Born, Albany, N. Y. Home, Albany, N. Y.

Stone, Charles Warren, Representative from Pennsylvania. (Nov. 4, 1890–Mar. 3, 1899.) Graduate. Class of 1863. Born, Groton, Mass. Home, Warren, Pa.

Strong, Solomon, Representative from Massachusetts. (Mar. 4, 1815–Mar. 3, 1819.) Graduate. Class of 1798. Born, Amherst, Mass. Home, Westminster, Mass.

Ten Eyck, Egbert, Representative from New York. (Mar. 4, 1823–Dec. 15, 1825.) Graduate. Class of 1799. Born, Schodack, N. Y. Home, Watertown, N. Y.

Townsend, Martin Ingham, Representative from New York. (Mar. 4, 1875–Mar. 3, 1879.) Graduate. Class of 1833. M. A., LL. D., 1866. Born, Hancock, Mass. Home, Troy, N. Y.

Vinton, Samuel Finley, Representative from Ohio. (Mar. 4, 1823–Mar. 3, 1837; Mar. 4, 1843–Mar. 3, 1851.) Graduate. Class of 1814. Born, South Hadley, Mass. Home, Gallipolis, Ohio.

Wing, Austin Eli, Delegate from Michigan. (Mar. 4, 1825–Mar. 3, 1829; Mar. 4, 1831–Mar. 3, 1833.) Graduate. Class of 1814. M. A. Born, Conway, Mass. Home, Detroit, Mich.

NONGRADUATE ALUMNI OF WILLIAMS COLLEGE WHO SERVED IN CONGRESS

Adams, John, Representative from New York (Mar. 4, 1833–Mar. 3, 1835). Nongraduate, class of 1804. Honorary M. A. 1821. Born, Durham, N. Y. Home, Catskill, N. Y.

Boyden, Nathaniel, Representative from North Carolina (Mar. 4, 1847–Mar. 3, 1849; July 13, 1868–Mar. 3, 1869). Nongraduate, class of 1821. Born, Conway, Mass. Home, Salisbury, N. C.

Davis, Horace, Representative from California (Mar. 4, 1877–Mar. 3, 1881). Nongraduate, class of 1848. Born, Worcester, Mass. Home, San Francisco, Cal.

Dearborn, Henry Alexander Scammell, Representative from Massachusetts (Mar. 4, 1831–Mar. 3, 1833). Nongraduate, class of 1804. Born, Exeter, N. H. Home, Brookline, Mass.

Dickinson, Rudolphus, Representative from Ohio (Mar. 4, 1847–Mar. 20, 1849). Nongraduate, class of 1821. Born, Hatfield, Mass. Home, Low, Ohio.

Dixon, Nathan Fellows, Senator from Rhode Island (Mar. 4, 1839–Jan. 29, 1842). Nongraduate, class of 1799. Born, Plainfield, Conn. Home, Westerly, R. I.

Dwinell, Justin, Representative from New York (Mar. 4, 1823–Mar. 3, 1825). Nongraduate, class of 1808. Born, Shaftsbury, Vt. Home, Cazenovia, N. Y.

Fowler, Orin, Representative from Massachusetts (Mar. 4, 1849–Sept. 3, 1852). Nongraduate, class of 1815. Born, Lebanon, Conn. Home, Fall River, Mass.

Grosvenor, Thomas Peabody, Representative from New York (Jan. 29, 1813–Mar. 3, 1817). Nongraduate, class of 1800. Born, Pomfret, Conn. Home, Hudson, N. Y.

Gurley, Henry Hosford, Representative from Louisiana (Mar. 4, 1823–Mar. 3, 1831). Nongraduate, class of 1809. Born, Lebanon, Conn. Home, Baton Rouge, La.

Hornbeck, John Westbrook, Representative from Pennsylvania (Mar. 4, 1847–Jan. 16, 1848). Nongraduate, class of 1827. Born, Montague, N. J. Home, Allentown, Pa.

Lawrence, George Pelton, Representative from Massachusetts (Nov. 2, 1897–Mar. 3, 1913). Nongraduate, class of 1880; honorary M. A., 1899. Born, Adams, Mass. Home, North Adams, Mass.

Leavenworth, Elias Warner, Representative from New York (Mar. 4, 1875–Mar. 3, 1877). Nongraduate, class of 1823. Born, Canaan, N. Y. Home, Syracuse, N. Y.

Otis, John Grant, Representative from Kansas (Mar. 4, 1891–Mar. 3, 1893). Nongraduate, class of 1860. Born, Danby, Vt. Home, Topeka, Kans.

Palmer, John, Represenatative from New York (Mar. 4, 1817–Mar. 3, 1819; Mar. 4, 1837–Mar. 3, 1839). Nongraduate, class of 1807. Born, Hoosick, N. Y. Home, Plattsburg, N. Y.

Potter, Orlando Brunson. Representative from New York (Mar. 4, 1883–Mar. 3, 1885). Nongraduate. Class of 1847. Honorary M. A., 1867; LL. D., 1889. Born, Charlemont, Mass. Home, New York, N. Y.

Sill, Thomas Hale. Representative from Pennsylvania (Mar. 14, 1826–Mar. 3, 1827; Mar. 4, 1829–Mar. 3, 1831). Nongraduate. Class of 1801. Born, Windsor, Conn. Home, Erie, Pa.

Spencer, John Canfield. Representative from New York (Mar. 4, 1817–Mar. 3, 1819). Nongraduate. Class of 1806. Born, Hudson, N. Y. Home, Canandaigua, N. Y.

Steele, John Benedict. Representative from New York (Mar. 4, 1861–Mar. 3, 1865). Nongraduate. Class of 1838. Honorary M. A., 1863. Born, Delhi, N. Y. Home, Kingston, N. Y.

Tallmadge, Nathaniel Pitcher. Senator from New York (Mar. 4, 1833–June 17, 1844). Nongraduate. Class of 1814. Born, Chatham, N. Y. Home, Poughkeepsie, N. Y.

Upson, Christopher Columbus. Representative from Texas (Apr. 15, 1879–Mar. 3, 1883). Nongraduate. Class of 1852. Born near Syracuse, N. Y. Home, San Antonio, Tex.

Walker, Gilbert Carlton. Representative from Virginia. (Mar. 4, 1875–Mar. 3, 1879.) Nongraduate. Class of 1854. Born, South Gibson, Pa. Home, Richmond, Va.

Williams, Seward Henry. Representative from Ohio. (Mar. 4, 1915–Mar. 3, 1917.) Nongraduate. Class of 1893. Born, Amsterdam, N. Y. Home, Lorain, Ohio.

Williamson, William Durkee, Representative from Maine. (Mar. 4, 1821–Mar. 3, 1823.) Nongraduate. Class of 1804. Born, Canterbury, Conn. Home, Bangor, Maine.

Woodcock, David. Representative from New York. (Mar. 4, 1821–Mar. 3, 1823; Mar. 4, 1827–Mar. 3, 1829.) Nongraduate. Class of 1807. Honorary M. A., 1830. Born, Williamstown, Mass. Home, Ithaca, N. Y.

Yancey, William Lowndes. Representative from Alabama. (Dec. 2, 1844, to Sept. 1, 1846.) Nongraduate. Class of 1833. Born, Falls of the Ogeechee, Ga. Home, Wetumpka, Ala.

GRADUATES OF WILLIAMS COLLEGE NOW SERVING IN CONGRESS

CLUETT, E. HAROLD. Representative from New York. (Jan. 3, 1937.) Graduate. Class of 1896. Born, Troy, N. Y. Home, Troy, N. Y.

KENNEY, EDWARD A. Representative from New Jersey. (Mar. 4, 1933–Jan. 2, 1935; Jan. 3, 1935–Jan. 2, 1937; Jan. 3, 1937—.) Graduate. Class of 1906. Born, Clinton, Mass. Home, Cliffside Park, N. J.

Shall the Air Trust Still Be in Control?

EXTENSION OF REMARKS

OF

HON. EDWARD A. KENNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. KENNEY. Mr. Speaker, the Air Trust, although contrary in both principle and policy to our new ideals, still thrives.

I venture to say that in no other country in the world could a small group of men maintain their control of such an important division of the Government as the Army and Navy Air Services, after repeated investigations have found the existence of unlawful and harmful practices in those services, and after the Congress has repeatedly taken legislative action to remedy those evils.

It is most unlikely that any other nation would be as tolerant of continued subjection of its most important means of national defense to war profiteers, who even today are continuing to reap fortunes at the expense of an adequate and satisfactory Air Service. Recent experience both in Europe and Asia indicates beyond any doubt that the Air Service in modern warfare is probably the most important single branch of the service, and that no army, however powerful, can hope to defend its shores without the protection of a strong air corps. Yet this country continues to permit the same evils which existed during the last war to continue, and takes no action to remedy a glaring evil which has been condemned time and time again by the Congress.

Every other nation in the world has accorded its pioneer designers, inventors, and airplane builders some recognition, and our own patent laws are allegedly designed for that very purpose. In the United States, however, we face the dismal fact that no pioneer, however accomplished, no inventor, however important, can receive recognition or, in fact, even so much justice as payment for his actual outlays. It is little wonder that our country is falling far behind in the development of aircraft, when those persons whose minds are the source of new inventions and designs meet nothing but discouragement from official sources.

From the records before me, I charge that both the patent laws and the procurement laws of this land are openly flouted with impunity by the 20-year-old Aircraft Trust. The close grip held by the Air Trust upon the aviation industry in the United States is indicated by the fact that the charges I now make have been repeatedly substantiated by congressional investigations but nothing effective has ever been done to remedy them. It is alarming indeed to note that even after a committee of the House had found

that the Procurement Act of 1926 was being repeatedly violated and that inefficient and obsolete planes were and still are being delivered to the Army as a result, Congress has taken no effective action to stop such wholesale violation.

In 1925 a select committee of the House of Representatives of the Sixty-eighth Congress built up a record of six volumes against the Air Trust and its improper monopoly of Army and Navy contracts for the manufacture and delivery of aircraft. Subsequently the Joint Military and Naval Affairs Committee of the Congress made an extensive investigation of their own and after holding hearings for many weeks, formulated the present Aircraft Procurement Act, the act of July 2, 1926. The unanimously adopted conference reports nos. 1395 and 1396 of the Sixty-ninth Congress, gave eloquent testimony both to the realization of the committee that abuses existed which required drastic laws, and that the Congress had determined to correct those abuses by a new procurement act.

I shall quote a portion of the report of the joint committee approving the act:

> The committee has realized the unsatisfactory conditions affecting the status of the Army and Navy aeronautical equipment and has long been desirous of effecting much-needed improvements in the method of procuring aircraft and components thereof. With that object in view, the committee has, for many weeks past, been working earnestly on the problem in collaboration with the Secretary of War and the Secretary of the Navy and the various bureaus and offices concerned, and the bill herewith, H. R. 19472, as introduced on the 27th of May, is the result of such collaborative effort.

Almost 8 years later James V. Martin, one of the pioneer aircraft builders and fliers who has never been connected with the Air Trust but has battled it since its inception, appeared before the House Military Affairs Committee and made and substantiated charges that the procurement law for aircraft was being ignored, that contracts were being let by collusion, and that the Aircraft Procurement Act was being violated at every hand. He charged that the very agencies which were supposed to represent the Government as scientific bodies to encourage invention were, in fact, acting as the agencies of the Air Trust. He specifically named the National Advisory Committee for Aeronautics as being in fact the agency of the Air Trust rather than the agency of the United States Government, and declared that the efforts of Congress to bring about reform through the Procurement Act of July 2, 1926, had been a failure.

The charges of Mr. Martin were widely published throughout the country, and although the aircraft industry gave out press notices ridiculing and discrediting the charges of the man who made them, the House of Representatives nevertheless appropriated $30,000 for the expense of an investigation of the charges. That investigation was made but, for some reason which has never been fully explained, it was conducted in secret and the record has never been printed.

A comparison of the above-mentioned conference report of 1926 explaining the purposes of the Procurement Act with the report of the committee in 1934 which investigated the operation of that act shows just what has happened to the much-hoped-for reform of the air services. It should be noted in passing, that the evils in the air services have been present as long as there has been an air service, and as early as 1918 the present Chief Justice of the United States, Charles Evans Hughes, recommended far-reaching reforms and extensive investigation into the air service—reforms and investigations which were never carried through to their conclusion.

Again quoting the unanimously adopted conference report which explained the purposes of the Procurement Act, we find:

> The bill authorizes the Secretary of War and the Secretary of the Navy to stimulate and encourage inventive genius by holding competitions in the designing of aircraft—every reasonable provision is made for unrestricted competition and for procurement in such a way as to avoid favoritism or undue preference and to prevent the exclusion of deserving workers and inventors whose talents may prove of value to the country.

How are these purposes working out in actual practice? To what extent has the procurement bill actually encouraged inventive genius in this country? How has the device of "unrestricted competition" worked in the hands of the air trust and those cooperating with it?

The answers can be found in Report No. 2060 of the House of Representatives, Seventy-third Congress, second session, where the Committee on Military Affairs reported as follows:

> Despite the provisions of the Air Corps Act of 1926 and the interpretations thereof by the Judge Advocate General the evidence discloses deliberate, willful, and intentional violations of law by the Chief of the Air Corps, aided and abetted by his assistants in charge of procurement.
>
> As a result of continued violations of the Air Corps Act of 1926 and various subterfuges which were begun immediately following the passage of the act and continually used by the Procurement Division of the Air Corps, to evade the clear intent and purpose of the act in regard to the procurement of aircraft in quantity, there has developed a pernicious, unlawful system detrimental to the progress of the Air Corps of the United States and to the adequacy of our national air defense. This system has resulted in favoritism and discrimination, which section 3709 of the Revised Statutes and section 10 (t) of the Air Corps Act sought to eradicate by prescribing competitive bidding in the Army Air Corps.
>
> The methods by which those in charge of the Air Corps were able to continue to violate the law and to impose upon the country their ideas of administering the Air Corps despite the explicit language of the statute was the simple means of flouting the law repeatedly with impunity.

In view of the increasing appropriations which the Congress is called upon to make for aircraft, and the increasing importance of air defense for this Nation, a most thorough investigation should be made at once to discover and expose—and this time to correct—the long-standing abuses to which our Air Service has been subjected.

Among other things, the Military Affairs Committee found, over 3 years ago, that inefficient and obsolete planes were being delivered to the United States Army and were being paid for by United States Government funds. The unsuccessful attempt of the Army Air Corps to fly the mails with Army planes several years ago should have indicated clearly enough that those planes were hopelessly inefficient and that they would have been totally unable to defend this Nation against efficient foreign aircraft. Yet this Congress seems content to do nothing about it.

The honorable Member, Mr. WILLIAM D. MCFARLANE, of Texas, on April 30 last, delivered a masterly address in this House entitled "The Air Trust Still In Control." He is a member of the Naval Affairs Committee of this House and is in a position to know that the evils pointed out by the above-mentioned report, No. 2060, are just as applicable to the Navy as it is to the Army.

I am informed that since the passage of the Procurement Act of July 2, 1926, American inventors have been more active than ever in seeking and obtaining patents upon improvements for aircraft. Yet, so completely has the Air Trust dominated the National Advisory Committee for Aeronautics, the only Government agency which passes upon Government reward to inventors, that although over 15,000 designs and inventions have been submitted by inventors, not a single award has been made to an inventor who is not connected with some member of the Air Trust. In the past year not a single favorable recommendation has been made, although over 2,049 inventions and designs have been submitted for consideration. This certainly is not in keeping with the intention of the Procurement Act of July 2, 1926, which, as the conference report clearly indicates, was intended to encourage independent inventors.

That bill authorizes the Secretaries of War and Navy to stimulate and encourage inventive genius by holding competition in the designing of aircraft in such a manner that designers not financially and mechanically equipped may still have some incentive in the form of suitable reward. The act further provides for the creation of the aeronautic patent and design board, with authority to consider and evaluate such designs and patents as are submitted to it and to compensate the designers for aircraft features which the War and Navy Departments have felt obliged to use in the interests of national defense.

All of these provisions of the act have in effect been nullified by the Air Trust, which has continued to have its paid agents and attorneys sit as members of the National Advisory

Committee for Aeronautics in judgment upon the patents of independent inventors. It is no wonder that independents have not been encouraged by the National Advisory Committee when those independents might be in a position to demand royalties of the employers of the members of that Committee.

One of the members of that Committee served 10 days in the District of Columbia jail for contempt of the United States Senate when he refused to disclose information concerning his clients in connection with the investigation concerning the air-mail contracts. Yet that man continues as a member of a national committee which is supposed to pass upon the merit of designs and inventions submitted by the competitors of those very clients!

This preliminary statement should convince the House that it is high time we took steps to ascertain the extent of this conspiracy against our national defense. As a first step, I urge that this House require the printing of all hearings before the House Military Affairs Committee which form a basis for the Report No. 2060 of the Seventy-third Congress, second session.

Work of the National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, August 18 (legislative day of Monday, Aug. 16), 1937

EXCERPT FROM BUSINESS WEEK

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an extract from the magazine Business Week, which is devoted exclusively to business interests and is read primarily by business people of the country. It gives the record of what the National Labor Relations Board have done up to May of this year and makes a very favorable comment upon their industry and upon their record generally. I ask that the extract be printed in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

[From Business Week of July 24, 1937]

What the National Labor Relations Board has done

	Total cases	Workers involved	Cases closed	Withdrawn by petitioner	Closed by agreement of parties	Dismissed before formal action	Closed, various other ways	Strikes: Handled	Strikes: Averted	Strikes: Settled	Elections
3 months to Jan. 1, 1936	466	122,940	175	55	86	30	9	33	21	17	11
1936											
January	110	20,346	84	21	39	20	4	14	4	9	6
February	66	5,424	55	11	35	6	3	5	8		2
March	90	19,300	80	27	30	19	4	18	3	10	3
April	142	11,646	93	22	46	22	3	10	9	7	3
May	108	26,460	98	28	50	14	5	32	4	13	1
June	86	34,739	95	38	44	6	6	13	3	11	6
July	74	31,936	85	34	33	9	9	24	8	15	2
August	112	8,565	65	33	22	9	1	6	14	2	1
September	150	9,214	62	18	33	7	4	15	4	14	21
October	147	27,335	167	54	80	14	19	69	3	62	2
November	88	309,187	78	14	40	18	6	25	5	18	16
December	128	18,986	142	47	62	24	9	44	3	15	9
1937											
January	110	24,744	118	25	78	14	1	34	10	31	3
February	195	74,870	123	37	64	17	5	31	2	16	5
March	239	49,616	143	25	91	25	1	46	61	40	7
April [1]	477	159,251	216	57	129	22	6	49	23	35	29
May [1]	1,064	319,572	447	56	328	48	15	107	51	103	74
Total, 20 months	3,852	1,274,131	[2] 2,379	602	1,290	324	[2] 163	580	236	423	201

[1] Post-validation period.
[2] Includes 53 cease-and-desist orders.
Source: National Labor Relations Board.

THE BOARD GOES TO WORK

Before the Supreme Court's decision the Wagner Act was just a sign in labor's back yard: "Beware of the dog." For 18 months only the timid paid much attention to it. But on April 12 the Court let out of the doghouse a very convincing animal and the National Labor Relations Board went to work in earnest. Look at the figures for May. Total cases rise vertically more than 200 percent. Comparable increases show in other columns. Strike cases doubled as labor felt bolder. But strikes settled increased 400 percent, as did strikes averted, because the Board did a creditable arbitration job, and because industry very often met labor at or beyond the midway. This May bulge in N. L. R. B. activity is no mere spurt, the Board says. Case figures are running steadily higher.

Agriculture's Long-Term Prosperity Depends on the Expansion of Her Foreign Markets—Trade Agreements Have Done Much for American Farmers

EXTENSION OF REMARKS

OF

HON. FRED BIERMANN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. BIERMANN. Mr. Speaker, partisan politicians and others continue to make studied attempts to incite farmers against the trade-agreements program. These professional "viewers with alarm" have seized upon increased agricultural imports in the hope of discrediting the trade-agreements program in the minds of farmers. They usually point to an increase of agricultural imports without indicating in any way that a very large proportion consists of tropical products not produced in the United States in any circumstances, and name a number of products on which rates of duty have not been reduced in trade agreements or otherwise. As an illustration of the tactics employed, there appeared in the Appendix of the CONGRESSIONAL RECORD for August 16 a table showing imports of 28 agricultural products, with the allegation that the increased imports resulted from trade agreements. As a matter of record duties have been lowered on only four of the items so listed. Of the reductions on these four items—cattle, cream, cheese and potatoes—may I point out that reductions in duty made on cattle are carefully restricted to a maximum quantity equivalent to less than 1 percent of domestic production?

A reduction in the duty on cream is limited to a quantity equivalent to approximately one-tenth of 1 percent of our annual domestic production of milk. A reduction made in the duty on potatoes applies only to certified seed potatoes and is limited to a maximum of 750,000 bushels, a quantity equivalent to 5.5 percent of our average domestic production of seed potatoes between 1930 and 1935. This reduction was made for the special benefit of potato farmers. While moderate reductions were granted on cheese in several trade agreements, total imports during 1936 were 22 percent smaller than they averaged in the years from 1926 to 1930, and only 8 percent larger than in 1932. None of the other 24 items on the list were affected by reductions made in any trade agreement, yet we are told that increases in imports of these are all the result of New Deal reciprocal trade agreements.

FARMERS NEED FOREIGN MARKETS

In reality, the reopening of markets, foreign and domestic, for American agriculture is of paramount importance to farmers. Since agriculture is dependent upon exports to a larger extent than is industry, the collapse of foreign markets after the stupid Hawley-Smoot tariff of 1930 was particularly disastrous to the farmers of this country. The need for the restoration of export markets makes the trade-agreements program of correspondingly greater importance to them.

FARM EXPORTS BEFORE HAWLEY-SMOOT TARIFF

I need not remind you that before the depression—from 1926 to 1930—American farmers were exporting almost two-thirds of their cotton, more than one-third of their tobacco,

almost one-third of their lard, and almost one-fifth of their wheat. The acreage devoted to our four major export crops amounted to 60 percent of the total crop acreage of the country, and the prices commanded by these agricultural commodities were determined by conditions in world markets and by the percent of these crops marketed abroad. When export markets dwindled after 1930, prices of these commodities fell more than did those of farm products as a whole.

Moreover, the prices of all agricultural commodities are closely interrelated. When in consequence of world market conditions, prices of products on an export basis declined more than agricultural prices in general, American consumers tended to shift their consumption to the cheaper commodities, and American farmers tended to shift their acreage from export crops to products sold only in the domestic market. The result was that the price decline of commodities on an export basis dragged down the prices of other agricultural commodities and the whole of American agriculture suffered by the loss of foreign markets.

With the prices of more than half of our agricultural production determined by world markets and the prices of other agricultural products indirectly influenced by them, it is unrealistic and misleading to divert the attention of farmers from the major problem of restoring export markets to the relatively minor problem of meeting limited and temporary competition from imports of farm products. American agriculture has long had almost complete possession of the domestic market for those products which can be grown in this country in sufficient quantities and without too great cost, and during the depression agricultural imports, always relatively small, dropped to microscopic proportions. If the exclusion of even the smallest trace of imports is so important to agricultural prosperity, why was it that prices sank so low during the heyday of the Smoot-Hawley regime?

AGRICULTURE IS ON AN EXPORT BASIS

Dealing exclusively with the import side of the agricultural problem cannot help the American farmer. What is vital to him is not the exclusion of relatively small imports, but the restoration of the foreign markets which formerly absorbed a large part of his agricultural production. Excluding the few competitive or semicompetitive agricultural imports that normally trickle into the country cannot solve the problem, for the simple reason that, when they are completely excluded, there is still bound to be a vast acreage of farm land producing, or ready to produce, crops in excess of domestic requirements. The United States, agriculturally speaking, is on a distinct net export basis.

It cannot be too strongly emphasized that one of the main purposes of the reciprocal trade agreements program is to aid agriculture by reopening foreign markets. This purpose has been consistently and successfully adhered to. In spite of the trend toward economic nationalism and self-sufficiency in foreign countries, expressed in extreme policies of protection for agriculture, tariff and tax reductions and the liberalization of import quotas have been obtained on American agricultural commodities which comprised about one-third of our 1929 agricultural exports to the 16 countries with which agreements have been signed. In addition, these countries have either bound on their free list or bound the existing rates of duties on agricultural products constituting almost another third of imports. Thus items which make up some 60 percent of the value of the total agricultural exports to these countries are favorably affected by these agreements.

MANY BENEFITS FOR AMERICAN AGRICULTURE

Literally hundreds of concessions have been obtained in favor of agricultural products in the trade agreements thus far concluded. For example, Canada alone reduced import duties on about 125 agricultural and horticultural products. These items involved in 1929–30 about $50,000,000 in trade with that country. The duty reductions made by Canada on American agricultural products in general ranged between one-third and one-half of the rates formerly in effect. Cuba made concessions on some 75 tariff items in the agricultural field. For example, on lard, for which Cuba was once our third-ranking outlet, it agreed to a reduction from a rate equivalent to 9.8 cents per pound to 2.3 cents per pound in the first year of the agreement and to a further gradual reduction to 1.5 cents to be reached in the third year. Five countries have granted concessions on wheat; seven countries have given concessions on wheat flour. Six countries have agreed to continue their present favorable treatment of imports of American raw cotton. Concessions of direct benefit to American tobacco growers and manufacturers have been obtained in eight agreements.

Because of the short crops occasioned by the 1934 and 1936 droughts and the rise of American prices above world levels, farmers have not been able thus far to avail themselves of increased opportunities to supply foreign markets to anything like the extent that they would in normal crop years. As crops return to more normal levels, however, the advantages gained for American agriculture through the trade-agreements program will become increasingly evident. For the first time in several years wheat is beginning to move into export channels in substantial amounts. While it has been difficult to get many concessions in the particular case of wheat, increased foreign purchasing power and increased prosperity at home to which the trade-agreements program has contributed, must inevitably mean better outlets for wheat, both at home and abroad, than would otherwise have existed. Similarly, the prospect of a record cotton crop is bringing home the urgent need for a foreign-trade program designed to reopen and keep open markets for surplus agricultural products.

To show that the agricultural concessions have not been merely paper advantages, the following illustrations may be cited to indicate the benefits that may be expected from concessions secured in trade agreements.

INCREASED FARM EXPORTS

In the first year of the trade agreement with Cuba, Cuba purchased from the United States 994,000 bushels of potatoes, compared with purchases of 239,000 bushels in the preceding 12-month period. Cuban purchases of flour increased from 817,000 to 973,000 barrels during this period, while Cuban purchases of lard increased from 17,000,000 to 33,000,000 pounds. During the first 6 months of 1937 our exports of lard to Cuba were larger than during the entire year preceding the Cuban trade agreement. In the first year of the Canadian agreement, exports of pork to Canada amounted to 2,817,000 pounds, compared with 413,000 pounds in the preceding year, this despite the fact that total exports of pork, because of domestic factors, decreased sharply during this period. Exports of tomatoes to Canada increased from 5,744,000 to 15,483,000 pounds between 1935 and 1936, and exports of grapes from 19,271,000 to 25,014,000 pounds. Exports to Switzerland of milled rice in the first year of the agreement with that country rose to 22,896 metric quintals from 8,727 metric quintals in the preceding 12-month period. Exports of canned fruit to Belgium in 1936 amounted to 14,456 metric quintals, compared with 9,733 metric quintals in 1935.

There have been improvements in the factors affecting foreign markets for American agriculture, but we need to negotiate additional trade agreements with countries which have been large purchasers of agricultural products.

Beneficial as they have been, direct concessions obtained for agricultural exports do not tell the full story of the benefits accruing to the American farmer. The trade-agreements program, by encouraging trade with foreign countries, is reacting favorably upon American agricultural exports even where no concessions are obtained. For example, in most countries cotton is admitted either free of duty or subject to a very low rate. The regaining of foreign markets for American cotton, therefore, is more a problem of opening clogged trade channels in general rather than of gaining specific concessions for cotton.

INDUSTRIAL EXPORTS HELP FARM PRICES

Furthermore, direct concessions obtained for agriculture do not take into account the gains from better markets at home which follow the increased employment and wages

resulting from increased industrial exports. Insofar as the widening circle of trade agreements contributes to the revival of American industrial exports and of urban purchasing power, the effect is inevitably reflected in increased farm income. Consumer expenditures for meats, poultry, and dairy products fluctuate in close relationship to variations in the income of our nonfarm population. The cash income of American farms is equivalent from year to year to an amount slightly less than the size of the factory pay rolls of the country. It is evident, therefore, that any increase in industrial employment arising out of larger exports of manufactures will benefit the farmer through a better home market for the commodities he produces.

FARM INCOME INCREASES

An examination of farm income shows that the national farm income has been increasing at nearly a billion dollars a year since 1933. It is estimated that the cash farm income for 1937 will be in the vicinity of $10,000,000,000. It was $3,500,000,000 for the first 6 months of this year. Some of the factors bringing about this increased farm income are of short-time nature, high farm prices having followed drought shortages in many instances. The problem today is to convert short-time gains into long-time gains. The administration has taken several steps in this direction. The trade-agreements program is an important one of these.

Since opponents of the trade-agreements program are attempting to obscure the actual and potential importance of the trade agreements to American agriculture, let us examine the important situation in some detail.

Because agricultural imports have been larger during the past 2 or 3 years than they were during the depression, farmers are being led to believe not only that these increased imports are highly injurious but that they are due in large measure to the trade-agreements program.

IMPORTS OF CORN

For example, the farmers are told that millions of bushels of Argentine corn have come in this year, and an attempt is made to make them believe that the trade-agreements program is responsible—despite the fact that there is no trade agreement with Argentina and despite the fact that imports of corn are subject to the same duty of 25 cents a bushel to which they were subject prior to the initiation of the trade-agreements program. No mention is made of the fact that severe drought conditions reduced the 1934 and 1936 corn crops by more than 40 percent as compared with the average annual crop harvested from 1928 to 1932. No mention is made either of the fact that stocks of corn this spring were the smallest for any spring in the 12 years for which we have records, or of the fact that many farmers have strongly urged that the tariff on corn be removed entirely during the emergency to meet the shortage of feed grains. We hear nothing concerning the fact that corn this spring commanded the highest price since the World War period. And we hear nothing of the fact that corn imports, seemingly large in themselves, are still exceedingly small compared to domestic corn production. Were imports to continue to enter at the same rate for the remainder of the current crop year as they have during the first half, they would still amount to only about 3.3 percent of the average crop for the 1928–32 period and to only 8 percent of the amount by which the 1936 corn crop fell short of the 1928–32 average.

IMPORTS OF MEAT AND LIVESTOCK

Or consider, for example, imports of meats and live cattle. Meat imports, taken as a whole, have increased considerably from the low level of 1932. The 1936 total, however, was no larger than it was in 1929, and was equivalent to only some 2 percent of the total domestic production of meats in 1936. Moreover, when we deduct exports of meat products from imports, net imports amounted to less than one-half of 1 percent of domestic meat production in 1936. For the first 4 months of 1937, contrary to the impression that propagandists have tried to create, total imports of meat, including cattle, on a dressed-weight basis, were no larger than in the same period of 1936, larger imports of pork and of live cattle being offset by reduced imports of canned meats. Incidentally, before we become too excited about imports of Polish hams, we should remember that in general Europe produces a smaller quantity of hog products than is needed for European consumption, and that while increased hog production has reduced Europe's need for imported pork and high prices in this country are temporarily bringing fancy Polish hams to our shores, it is unlikely that pork-product exports from European countries will ever become a threat to United States farmers.

The direct cause of the increase in meat imports since 1932 and 1933 has been the greater rise in prices of meats and livestock in this country than in foreign countries. Improved consumer buying power and decreased marketings of hogs and of the better grades of cattle following the 1934 and 1936 droughts are responsible for these price increases. Prices of meat animals received by farmers have more than doubled since 1933, cash farm income from meat animals in 1936 was the largest for any year since 1930, and a further increase has occurred in the early months of 1937. Beside these domestic factors influencing prices, the effect of imports of meat animals and meat products is negligible. Even had we shut out all imports of meats and cattle during 1936 and the early part of 1937, the effect upon the general level of livestock prices would have been too small to be measured.

And so we could go down the list of agricultural imports which have been so widely and unfavorably publicized by opponents of the trade-agreements program and show that they have not been a deterrent factor in the rehabilitation of agriculture.

An examination of the concessions granted on agricultural products shows their number to be small in comparison with the number of concessions granted on manufactured products and small also in comparison with the number of concessions obtained from foreign countries on farm products. Many of the concessions granted on agricultural products are not directly competitive with American farm products, and not a few are on items of which farmers are the purchasers. Examples of these are seed potatoes and certain forage-crop seeds. The concessions granted on the more competitive agricultural products are generally moderate and, in most cases, accompanied by strict limitations on the quantities to be admitted at the reduced rates or on the seasons during which the reduced rates apply. It cannot be too strongly emphasized that concessions in our tariff rates are given only after detailed study and weighing of the probable effects of proposed reductions upon domestic producers.

THE VITAL PROBLEM

What is vital to the American farmer is not the exclusion of the relatively small farm imports that are coming in at the present time in response to the increased demand incidental to economic recovery or in response to the high prices caused by temporary domestic shortages. The vital problem for American agriculture is the reopening of foreign markets. No group has more to gain from the success of the trade-agreements program than American farmers.

United States-Philippine Affairs

EXTENSION OF REMARKS

OF

HON. QUINTIN PAREDES

RESIDENT COMMISSIONER FROM THE PHILIPPINE ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. PAREDES. Mr. Speaker, with deep regret I am leaving Washington before the adjournment of Congress in order that I, as a member of the Joint Preparatory Committee on Philippine Affairs, appointed by President Roosevelt and President Quezon, shall be able to attend the hearings scheduled in Manila. My fellow members of the committee, headed by Ambassador John Van A. MacMurray, arrived in Manila last Saturday.

This committee, composed of United States and Philippine experts, was set up to study trade relations between your country and mine and to recommend a program for the adjustment of Philippine national economy in preparation for the termination of preferential trade relations between the United States and the Philippines at the earliest practicable date consistent with affording the Philippines a reasonable opportunity to adjust their national economy.

Completion of the committee's report is expected before the end of 1937. It will be available for congressional consideration next winter. I trust that Congress will give the report the importance that it deserves.

Mr. Speaker, as I am about to complete my second session in the House, I cannot get away from here without expressing a few words of my appreciation of the kindness, friendliness, and sportsmanship extended to me by Members of Congress. A year ago last February I presented my credentials as the first Resident Commissioner from the Commonwealth of the Philippines. I was a total stranger but soon the splendid American trait of making the newcomer feel comfortable gave me confidence to get around among the Members of Congress and talk with them about United States-Philippine problems.

I have nothing but thanks for all the many courtesies extended to me here. I appreciate the privilege of having served with you in this I consider the greatest legislative body in the world. It is a great distinction, Mr. Speaker, to have the privilege of the floor of this House, which is composed of the ablest men from all parts of this great country and its Territories.

Also I would like to take this opportunity to correct the wrong impression made by certain remarks inserted in the CONGRESSIONAL RECORD. First, when the President of the Philippines, Manuel Luis Quezon, proposed that the date of Philippine independence be advanced from July 4, 1946, to 1938 or 1939, his proposal was branded as "an illustration of the instability of President Quezon's leadership which should certainly place the representatives of the American people on guard with reference to all Philippine matters."

The gentleman who made that observation was evidently unaware of the career of President Quezon, who also for many years served in this body. All his life President Quezon has advocated immediate, complete, and absolute independence. On that issue, Mr. Speaker, I vouch that he has been consistent.

Only Congress can change the date of Philippine independence. President Quezon merely assumed the privilege of making a proposal. I am sure that he will not do anything that would violate the letter or spirit of the Philippine Independence Act.

President Quezon's leadership has been tried in many a crisis. We in the Philippines have found him to be a sincere and resourceful leader. Our faith in him is greater than ever.

Secondly, editorials from a frivolous Filipino publication were inserted in the CONGRESSIONAL RECORD by the same gentleman who had been vigorously criticizing President Quezon. From one editorial the gentleman got the wrong impression that "the wealth of the Resident Commissioner may have some influence on Members of Congress in dealing with Philippine legislation."

For sometime now there has been appearing in the Philippine press reports that a certain rich man will succeed me as Resident Commissioner in Washington. The ability and character of this Filipino citizen was attacked unfairly in that editorial which was inserted in the CONGRESSIONAL RECORD.

I do not know whether or not this rich Filipino will succeed me. That is not important. What I want to convey to this body, however, is that this gentleman is thoroughly fit to serve here. He is a man of extraordinary ability and sterling character. He is comparatively young and has a great career ahead of him as he has had a great career as businessman and industrialist behind him.

He is one of the richest men in the Philippines, to be sure, but since when have men successful in making money honestly become unfit for public office? I know that the substantial Members of Congress are among the ablest public servants. I am sure that Mr. Joaquin M. Elizalde, if appointed Resident Commissioner, will perform his duties here ably and with dignity.

Mr. Speaker, once more I say good-bye, and I hope that every Member of Congress will have the pleasant vacation that he deserves. No laborer under the sizzling Philippine sun has worked harder than the Congressmen here this summer.

Benefits Under the Erosion Conservation Act

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. MARTIN of Massachusetts. Mr. Speaker, the disbursement of public moneys through the Erosion Conservation Act, under the A. A. A., is of interest to all. The figures indicating the extent to which each State profited are as follows:

	Farm population	Total benefits	Per-capita benefits
North Dakota	397,294	$21,708,559.69	$54.86
South Dakota	390,205	16,348,525.36	41.89
Montana	204,594	7,236,334.70	35.37
Iowa	997,906	28,876,353.58	28.93
Kansas	707,196	19,743,014.01	27.91
Nebraska	585,701	16,053,701.35	27.40
Minnesota	895,349	18,858,678.35	21.06
New Mexico	158,631	3,158,484.39	19.91
Colorado	282,837	5,455,598.74	19.29
Wyoming	75,152	1,366,915.56	18.18
Illinois	999,249	17,397,012.17	17.31
Texas	2,352,272	38,242,684.89	16.25
Idaho	188,365	2,981,895.55	15.83
Oklahoma	1,024,090	15,234,118.25	14.87
Wisconsin	881,054	12,351,596.00	14.01
Indiana	813,607	11,096,417.12	13.64
Missouri	1,114,484	13,664,111.29	12.27
Arizona	98,995	1,190,544.24	12.03
Nevada	16,441	179,797.80	10.93
Utah	115,713	1,234,587.60	10.67
Ohio	1,013,229	10,355,978.82	10.22
Kentucky	1,176,534	11,698,491.84	9.94
Arkansas	1,119,464	11,078,720.17	9.18
Michigan	782,394	7,589,229.17	9.70
Louisiana	830,656	8,059,099.16	9.70
Oregon	223,667	2,087,715.98	9.33
South Carolina	916,471	8,253,557.07	9.00
Mississippi	1,358,843	12,044,652.63	8.86
Georgia	1,418,514	12,390,486.97	8.74
Washington	304,737	2,654,175.85	8.71
Alabama	1,340,277	11,648,823.55	8.69
North Carolina	1,599,918	12,932,333.06	8.08
Tennessee	1,215,452	9,066,180.97	7.45
Delaware	46,530	343,288.00	7.37
California	620,506	4,448,359.69	7.17
Maryland	237,456	1,502,835.99	6.34
Florida	278,981	1,588,026.93	5.69
New York	719,929	3,229,486.72	4.48
Connecticut	96,770	412,887.21	4.26
Virginia	950,757	3,517,093.90	3.69
Pennsylvania	856,694	3,122,755.28	3.64
Vermont	112,904	344,928.45	3.05
New Jersey	131,006	377,397.71	2.88
Maine	170,995	404,919.64	2.36
New Hampshire	62,850	124,484.74	1.98
Massachusetts	123,255	244,831.38	1.98
West Virginia	449,114	759,477.73	1.69
Rhode Island	16,477	16,464.09	.99

The Winning Lesson in the 1936 National Safety Lesson Contest

REMARKS

OF

HON. THOMAS S. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. McMILLAN. Mr. Speaker, under leave granted to me to extend my remarks, I desire to insert in the RECORD the

winning lesson in the 1936 national safety lesson contest conducted under the auspices of the Highway Education Board of which the Honorable Thomas H. McDonald, Chief of the Bureau of Public Roads, is chairman. This lesson was submitted by Miss Sue L. Miles, one of my constituents, and a beloved teacher for many years in the public schools of Summerville, S. C. This lesson won for Miss Miles national honors in the eleventh of a series of similar contests conducted annually by the Highway Education Board among elementary school teachers of the Nation. In this contest, as in previous ones, the Highway Education Board had the able and enthusiastic cooperation of school officials throughout the country. The best lesson from each school was submitted to the superintendent of public instruction, who in turn submitted to the Highway Education Board the best lesson from each of the respective States in the Union.

The committee of judges named by the Board to review these papers consisted of Dr. Sidney B. Hall, State superintendent of public instruction, Richmond, Va.; Mr. W. W. Mack, chief engineer of the Delaware State department in Dover; and Dr. Edgar C. Higbie, president of Wilson Teachers College, Washington, D. C. These gentlemen are all recognized educators and traffic experts, and Miss Miles has been signally honored in being selected as the winner of the contest out of a total of approximately 35,000 teachers who participated.

The constant increasing problem of safety on our streets and highways is becoming more and more one of national importance. The Highway Education Board, as a result of this national contest engaged in annually by the elementary school teachers of the country, is rendering a great service to the people of our Nation, young and old.

As a Member of Congress representing the First District of South Carolina, in which the city of Summerville is located, and having Miss Miles as one of my constituents, I take this opportunity of congratulating her upon the award which she has merited and the honor she has brought to the State of South Carolina.

Miss Miles' lesson is as follows:

A LESSON ON HIGHWAY SAFETY FOR THE CHILDREN OF MY COMMUNITY

(By Miss Sue L. Miles, Summerville, S. C.)

My school is located in a small town of 2,500 inhabitants. We have our traffic problems, however.

We live in a health resort and tourist town, situated 22 miles from our State's metropolis and chief seaport. It has been estimated that as many as 50,000 persons visit our town in the spring to see our famous gardens.

Three State highways and a railroad pass through. We have 9 miles of hard-surfaced roads within our town limits. From these roads and highways numerous unpaved roads branch in every direction developing points of acute danger.

We have no signal lights nor traffic policemen.

We have no streetcars, but a constant stream of automobiles and trucks fill our streets and highways.

The children must be trained to be ever watchful of ever present dangers. When I read that 36,100 persons were killed and 895,280 were injured in 1935, I felt that this was a dreadful thing, but when a little child in my own school, a precious, bright little girl of 7, was killed by a truck, I said in the words of one of our great insurance companies, "This murder on the highway must stop."

I felt the urge to make each little child for whom I, as teacher, was responsible, develop as far as possible habits of safety.

The death of their little schoolmate was very sad and shocking to them. How did this terrible thing happen? How could it have been prevented? These two questions formed an excellent beginning for my lesson.

I worked out my plan thus:

An imaginary journey from each home to the school.

Rules to make drivers more careful.

Rules to make children more careful.

A scrapbook to emphasize safety, made by each child.

All rules involving danger dramatized.

A visit to each neighborhood to estimate its dangers.

My plan was to teach each child, as an individual, to make each one feel personally responsible for himself and for others.

First I secured a map of the town. My classroom being 25 by 30 feet afforded ample space for what I wished to do.

The movable desks were pushed aside and the map of the town was drawn on the floor with white chalk. The children enjoyed assisting in drawing the map.

I teach 60 fourth-grade children in 2 groups of 30 each. The average age of these children is 10. We could comfortably arrange ourselves around this map, which we did.

We then marked on the map all places which were of special danger.

To illustrate:

Wherever one had to cross a highway.

Where a highway or street crosses a railroad.

At intersections of highways or streets.

Where side streets came into highways.

Standing around the map, I called all who lived in a certain designated part of the town to group themselves together and we took an imaginary walk over this map from home to the schoolhouse, talking of the possible dangers and the necessary precautions. Each group in turn took the fancied journey.

We then arranged and made a number of posters which could be put up at the danger points, namely:

"STOP! WAIT! WATCH!

"Is it safe to go on?

"Better wait 5 minutes here than 5 weeks in a hospital.

"He was killed here—only 10 years old."

I then discussed with the children what they thought could be done to help stop accidents. Together we developed a set of rules for drivers and a set for children.

First we talked about the drivers' responsibility, because drivers cause so much sorrow and trouble. In a few years many of these children will be driving cars and trucks.

We developed these rules for drivers:

A driver must be able to stop his car promptly; he should have good brakes at all times.

A driver must not exceed the speed limit.

A driver must obey the highway signs.

A driver must look out for pedestrians, particularly children, everywhere.

A driver must do everything possible to avoid hitting persons who are walking.

If every driver would keep all of these laws we felt sure there would be fewer accidents.

We then agreed on these rules for children:

Always walk on the sidewalk, never in the middle of the street.

If you are crossing a street and cars are coming suddenly from both sides so that you feel confused, stand still.

If you must walk on a highway, walk on the left side, facing traffic.

If you are crossing a street with your little brother and he runs back to pick up his pencils, run back after him. Keep together as much as possible.

If you are crossing a street with a group of children, keep together; don't scatter.

Never cross streets except at corners.

Keep from between parked cars.

Never play in the streets.

Never skate in the streets

Always carry your skates until you reach the skating zone.

When you ride a bicycle keep to the right side of the street; never ride in the middle.

Never zigzag in the streets on your bicycle.

Never hold on to any moving car.

When riding a bicycle stop at crossings just as if you were driving a car.

Never run from behind a parked car or bus without looking both ways.

Walk, do not run, across streets.

If your ball rolls into the street, stop and look both ways before going after it.

If children will keep all of these rules there will be fewer accidents.

The next step in our lesson was to dramatize all of these rules. The children took the parts of cars, trucks, busses, pedestrians, emphasizing and thinking of all emergencies pertaining to our community.

Our activity then materialized into a desire to make these rules a permanent possession by putting them in the form of scrapbooks, or record books, as we called them.

To carry out my plan to make this an individual lesson for forming personal safety habits, I suggested that each child make a book.

Sixty books were made.

The books were illustrated by pictures cut from magazines and papers. Those who could do so made original drawings. For example:

The picture of a garage with a car parked in front and under the picture these words: "Please see that my brakes work perfectly."

Again a child running after a ball in front of an approaching automobile.

A third, a curved road with one car passing another.

The number of pictures brought and the originality of arrangement was most gratifying.

One boy who showed considerable interest brought to me a picture of a little child with wings. He asked how it could be used in a safety illustration. I told him to think out some way for himself. He later brought this. He had drawn a picture of a road on which he had placed an automobile. Some distance in front of the car was this little figure with wings. Under this he had printed these words:

"Drivers must look out for children. To its mother, every child looks like an angel."

Daily reports were made of any infringement of the rules, which were observed from the closing of school until the following day, when reports were made.

No newspaper stories were accepted. My idea was to apply these rules to our community; make it a personal matter.

In talking about grown-ups, no names were used; they merely said, "I saw a lady", etc.

However, in cases of children, they were permitted to call names, as for instance, "I saw Tom's little sister playing in the street", or "I saw John cross the street before he got to the corner." We called this helping each other to remember.

As the discussions continued it did help.

The members of the class were anxious not to be seen breaking the rules which they had made.

When the books were completed the mothers were inivted to come to class and see what the children had done about safety.

In a further effort to impress this great lesson on my pupils, I went to the different parts of the town to met the children living in each vicinity to discover the dangers to which they were exposed and to impress upon them the things to be remembered for safety.

Great interest was shown by each neighborhood. All the small brothers and sisters and many mothers came out to join us.

After thus going over the entire town I felt that many adults and children, in addition to my 60 pupils, had been made to realize the great importance of forming safety habits.

Individual training had been my purpose. I pray that each little mind has been so impressed with the sense of personal responsibility, that he will never be maimed or maim another, that he will never kill nor be killed, but live and let live by practicing safety at all times.

Benedict Arnold?

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. STACK. Mr. Speaker, despite the fact that I received the enclosed letter from you prior to the last election regarding your observation of me as a Congressman during the Seventy-fourth session:

JASPER, ALA., *October 16, 1936.*

Hon. MICHAEL J. STACK,
Member of Congress,
House Office Building, Washington, D. C.

MY DEAR FRIEND: I am so deeply interested in your return to Congress both personally and officially that I write this to express the hope that the voters of your district will give you a very handsome majority on November 3.

By your service in the House you have fully earned this endorsement of your record. I have had constant opportunity as majority leader and as Speaker to observe the fidelity and ability with which you have attended to all of the duties of your office, especially in connection with your attendance at all sessions and the long hours that you work in your office in behalf of your constituents, and of your weekly returns to your district to keep in close contact with the needs of your constituents. If I were in your place, I would be content to rest my claims for reelection upon my record since a Member of the House. That record is not vulnerable and justifies the continued confidence of the people of your district.

Wishing you the greatest success, I am,
Sincerely, your friend,

W. B. BANKHEAD.

And despite the fact that the electorate of my district sent me back to Congress with the largest majority a Democrat ever got out of the Sixth District of Pennsylvania, the quondam home of Republicanism and Toryism, my standing as a Democrat and as a Congressman has been attacked by the subcontractor, John B. Kelly, masquerading as the Democratic leader of Philadelphia County, when in the Philadelphia Evening Ledger of August 11, 1937, he dubbed me a "Benedict Arnold" in the Democratic ranks.

Why did the "Apollo" of the Penn A. C. give me such an epithet? The answer to this question will require explanation at some length.

On September 14, 1937, in Philadelphia County there will be held a primary election to nominate candidates in both major parties for some sixty-odd offices, including Register of Wills, City Treasurer, City Controller, Coroner, 15 Judges, 4 Magistrates, and some thirty-odd Constables. The purpose of this primary, which will cost the taxpayers of Philadelphia approximately $1,000,000, is for the electorate in each major party to nominate candidates to represent them in the general election in November, when the real battle between the Democrats and the Republicans is held.

In other words, the purpose of the primary is to give the people in each party their right to freely choose whom they want to represent them in the general election.

Mat Quay, Boies Penrose, Jim McNichol, and Bill Vare, who controlled the destinies of the Republican Party for many years in Pennsylvania, did not want any free choice of the people but instead met behind closed doors in sunny Florida or in the balmy air and sea breezes of Ventnor and made a slate of candidates which were handed to the electorate to vote on or not vote at all.

As a Democrat, I well remember myself resenting this method of procedure, but until the New Deal came into being we had to take it and like it. Now with movements sweeping the country, uncanny in their strength because of the fact that the public as a whole are sick and tired of gag rule and gang rule and the manipulation of city, State, and National legislation by a handful of rubber-stamp leaders, who take orders from the higher-ups, we, too, in Philadelphia County resent the contractor-controlled so-called Democratic leadership of Philadelphia County foisting on us a hand-picked slate of candidates, who, if elected, will owe their allegiance to the bosses and Mr. John Q. Public will be their second consideration.

As a Congressman, the servant of the people, I have tried to do my duty as my conscience directed in Washington. I like the work as a Congressman and would have hoped to serve my district for many years did I feel that the people of Philadelphia had real representative government. Because of this conviction—that they have no representative government—I have taken advantage of my inalienable right to file for the office of Register of Wills of Philadelphia County on the Democratic ticket this coming primary, September 14.

Jack Kelly did not like this, and because of that has resorted to calling me names. Does he think I am a Benedict Arnold of the Democratic Party because I will not go along with his candidates for row offices—Dr. John F. McCloskey, Dr. Robert C. White, Dr. Luther A. Harr, and Charles H. Hersch?

Certainly my record as a public servant, to say the least, is as good as Dr. McCloskey's.

The so-called Stack candidate for Treasurer, Michael Saxe, has a wonderful war record, is a lawyer, and his host of friends know that he cannot be bossed by the owner of the Philadelphia Record as his opponent, Luther A. Harr, present secretary of banking for Pennsylvania and financial writer for the Philadelphia Record, is and will be bossed.

Thomas J. Turner, a certified public accountant, can certainly handle the duties of the City Controller's office as well as Dr. White can, who was a Republican when he was catapulted into the office when Controller Wilson became mayor.

I will leave it to the electorate of Philadelphia to judge who would make a better Coroner, Dr. Settembre F. Mammerella, an outstanding physician of Italian extraction in South Philadelphia, or Charles H. Hersch, the incumbent, who happens to live only a few blocks from Dr. White.

The so-called Stack candidates are representative candidates. They are all professional men and come from every section of the city and are highly respected in their individual communities.

It would be well for the voters of Philadelphia to bear in mind September 14—that they should have men who owe their first allegiance to them and not to political bosses.

Does Jack Kelly think that the Judges and Magistrates running on the so-called Stack ticket should not be nominated at the Democratic primaries merely because he did not put his imprimatur on them—that is to say, because he did not slate them?

Does Jack Kelly think I am a Benedict Arnold because of my 100-percent labor and veteran record?

Does he think I am a Benedict Arnold because I did not O. K. his stooge, Harry R. Halloran, to be the director of the

W. P. A. in Philadelphia, as I knew Halloran was going to make a political football out of the W. P. A., which he is now doing, instead of taking care of the destitute and needy who are out of work through no fault of theirs?

Does Jack Kelly think I am a Benedict Arnold because I am 100 percent behind the Schwellenbach-Allen resolution—that no W. P. A. employee should be laid off until private industry can give him or her a job?

Well, if it be treason to be that kind of a Congressman and a Democrat, Jack, then I am willing to let the voters decide September 14.

Nine-Foot Mississippi River Channel

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 18 (legislative day of Monday, Aug. 16), 1937

ARTICLE FROM THE MINNEAPOLIS JOURNAL

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Minneapolis Journal of July 18, on the value of a 9-foot channel in the Mississippi River.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Journal of July 18, 1937]

LACK OF UPPER HARBOR PLACES CITY AT GREAT COMMERCIAL DISADVANTAGE—NINE-FOOT CHANNEL HERE WOULD HELP TO ERASE INEQUALITIES ON RATES

(By Ned Brunson Harris, Washington Correspondent of the Journal)

WASHINGTON, July 17.—Minneapolis' spirited fight for the upper harbor is just one more battle in the long struggle Minnesota and the Northwest has waged for 30 years to give its area economic equality.

The entire story of the Northwest battle for a place in the economic sun has never been told in its entirety and perhaps never can be told. It is as interesting perhaps as the story of nations which have fought for outlets to the sea, of the fight of Poland at Versailles, where it split Germany and established the Polish Corridor in order to obtain a seaport.

For many years the Northwest and the Mississippi Valley suffered its geographic and economic inequalities silently as it continued to prosper despite them. Land was cheap and plentiful and populations were growing. The nations of the world stood ready to accept what the "breadbasket of the world" produced. Slowly conditions changed. The Panama Canal was built. Freight rates, already high, were increased. River transportation, which had furnished something of a competitor to rail monopoly, almost vanished. After the World War the farm markets were nearly cut off as tariff barriers were erected, with unfavorable trade balances resulting, and soon farm prices tobogganed. All of these factors caused producers to give more and more thought to transportation costs and development of water routes.

NORTHWEST AT DISADVANTAGE

When the Panama Canal was completed the people of the Northwest, little realizing what this was going to mean to them, cheered it as a great accomplishment of their Government. Few realized its completion left their area a landlocked empire at a serious disadvantage with other sections of the Nation. But farmers soon realized what it meant. For instance, cornmeal from the Midwest points to New York by rail cost two and one-half times as much as shipments of the same product from California to New York via the Panama Canal. Minnesota manufacturers, struggling on a competitive market, soon discovered they operated against unnatural conditions. Canned goods went from San Francisco to New York through the Canal for little more than half the cost of getting products from here to the eastern markets.

In 1935, when the Government shipped wheat from Washington and Oregon to Chicago to relieve the drought-stricken areas of the Northwest, it was discovered it was much cheaper to send the wheat through the Panama Canal to New York then by the Erie Canal and Great Lakes to Chicago, a distance of 6,500 miles, rather than 1,500 miles overland by rail.

Next, the Northwest and the Mississippi Valley were injured seriously when freight rates were increased materially from 1922 to 1925.

COASTS REAP BENEFITS

The Mississippi Valley, including its tributaries, penetrates the Nation's best fields of production, containing 98 percent of the iron ore of the country, a majority of its known petroleum resources, and 82 percent of its coal deposits. It produces 70 percent of the Nation's agricultural products and 68 percent of exportable products in normal times. The Mississippi Valley is an empire larger than the combined areas of a number of European countries, an industrial and agricultural giant suffering from creeping paralysis.

In 10 years the area has lost 17 Members in Congress while the east and west coast has gained 25. Minnesota alone in the last 10 years has lost 400 of its industries.

Gradually the cry for cheaper transportation on the waterways grew from a small noise made by the unimpressive group in 1907 to a loud voice of thousands. For many years advocates of cheaper transportation had watched Germany canalize its rivers and had studied the results. They also remember the years when the Mississippi and Ohio Rivers teemed with traffic.

Originally the cities and villages were founded on the rivers because boats furnished the only form of transportation and contact with the outside world. Even after the railroads arrived, river transportation flourished. Some railroad men of vision, such as James J. Hill, saw the need and future of waterways as a mode of transportation. However, river transportation became almost extinct because of competitive rate policies of the railroads, lack of terminal facilities, inadequate and slow boats, and poor and shifting channels.

RIVER TRAFFIC DROPS

In 1908 President Theodore Roosevelt urged the development of the waterways and appointed a commission to investigate the question, but the river traffic continued to drop. But, shortly after America entered the World War, it was discovered that the strain on the railroads was too heavy and the Government temporarily set up a barge line to relieve the rails of the heavy freight traffic. This revived interest in the waterways and led later to the formation of the Inland Waterways Corporation.

Although the Mississippi River transportation system had a struggle for its life during the decadent period, it never entirely succumbed. Some privately owned boats continued to operate. In 1917, under pressure of war needs, four barges loaded with farm implements at Moline were towed up the Mississippi to Minneapolis. The trip was hailed with enthusiasm.

Finally E. H. Hobe, Norwegian consul, pioneered in a barge line company which was headed by J. S. Brodie and they operated a number of barges on the river and continued to maintain interest in waterway transportation. In 1925 a group of Twin City businessmen, headed by C. C. Webber, Minneapolis, and William Hamm, St. Paul, organized the Mississippi Barge Line Co. and soon were operating a fleet of barges on the upper Mississippi. In 1928 the Upper Mississippi Barge Line Co.'s fleet of towboats and barges, which had been operated on lease to the Inland Waterways Corporation, a Government agency, was taken over by the latter and operated by the Government.

NOTE NEED FOR CHANNEL

For a number of years the Government through the operation of dredges had attempted to maintain a 6-foot channel, but when these businessmen attempted to operate their barge line, they soon realized how wasteful the system was. It was necessary to keep the dredges operating almost constantly because the channels would fill up and often boats had to operate with half a load. They soon realized that a 9-foot canalized channel would give them a self-cleansing stream and enable them to use larger, faster, and heavier-loaded boats. A survey showed that a 9-foot channel would handle 50 times as much traffic as a 6-foot channel.

Building of a 9-foot channel was too great for private capital and supporters reasoned the Government, which had injured one great section of the country by construction of the Panama Canal, built at public expense, owed the section a restoration of its former position by the building of a 9-foot channel. They determined then to seek governmental aid and turned to Senator HENRIK SHIPSTEAD to support their cause.

When Senator SHIPSTEAD ran for the Senate in 1922, he had pointed out what increased freight rates meant to the people of the Northwest and he had vigorously opposed the Esch-Cummings Transportation Act in his campaign. After making a study of the 9-foot channel question, he decided it would be a tremendous asset to the people of the Northwest, and would aid the producer, worker, and consumer. He launched what has turned out to be a hard, vigorous, and unyielding 15-year battle for the 9-foot channel in the Mississippi. It was an uphill fight against great odds, the greatest being apathy and lack of understanding. He carried the fight through 3 administrations, through 10 sessions of Congress, and scores of committee meetings. Often it seemed the cause was lost.

In 1927 he succeeded in getting President Coolidge to agree to an appropriation of $2,000,000 for a Federal barge line and in 1930 he was able to obtain adoption by Congress of the 9-foot channel, and $7,500,000 was authorized for it. When the relief bill was up in 1933, he moved the limitation be lifted on the authorization and went to see President Roosevelt, obtaining $10,000,000 from the fund with which to begin work. Later, $13,000,000 was obtained from the same fund to carry on the

work of the 9-foot channel. Last fall, for the first time, the balance to bring about completion of the channel was put into the Budget.

ST. PAUL GETS JUMP

During the time the 9-foot channel was being pushed to completion many cities were improving their harbors and their terminal facilities. St. Paul, for instance, has one of the finest harbors on the Mississippi and is ready to use the river as soon as the deep channel is completed. While Minneapolis has some harbor facilities below the Washington Bridge, the origin of most of the heavy traffic is above the bridge. This natural harbor is not available to barges because of St. Anthony Falls. Senator SHIPSTEAD has urged Minneapolis to avail itself of the advantage of the 9-foot channel when completed by having the proper harbor facilities. He has arranged for many hearings in Washington and Minneapolis, where Army engineers, city engineers, experts of the Upper Mississippi Waterway Association, and farmers have given testimony. Some interests, however, opposed the projects at hearings. But, now that the waterway is assured, it appears there is unity in Minneapolis. With united efforts, there is hope for harbor facilities for Minneapolis.

Realizing what a delay will mean to the shippers of Minneapolis and what advantage will be given competitors elsewhere, Representative DEWEY JOHNSON, Minneapolis, has been making a vigorous fight in Washington for the upper harbor. He and Senator SHIPSTEAD are obtaining a report from the engineers and will continue to press the fight through this and the next Congress.

Banking Conditions in Maryland

EXTENSION OF REMARKS

OF

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Wednesday, August 18 (legislative day of Monday, Aug. 16), 1937

ARTICLE FROM THE BALTIMORE SUN

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have a short article, which recently appeared in the Baltimore Sun, inserted in the RECORD. This article summarizes in a very interesting way the very gratifying progress which has been made in Maryland during the last year by our national banking institutions.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of Aug. 11, 1937]

MARYLAND BANKS MAKE SHARP GAINS—RESOURCES OF STATE AND MUTUAL SAVINGS INSTITUTIONS UP $24,692,544 IN YEAR—DEPOSITS AND INVESTMENTS ALSO SHOW STRIKING INCREASES

Total resources of the 124 State banks and trust companies of Maryland, and their branches, have risen $15,490,390 during the past year, and since the beginning of the current year have increased $4,922,543, according to an anaylsis prepared by State Bank Commissioner Warren F. Sterling, on the basis of condition statements filed as of June 30.

Aggregate resources of the State institutions on that date were $330,311,460.74.

In addition the State had 12 mutual savings banks which on June 30 had aggregate combined resources of $248,021,830.21, an increase of $9,202,154 since June 30, 1936, and a gain of $5,893,417 since the close of 1936.

BIG GAIN IN DEPOSITS

The 124 State banks and trust companies had a gain of $14,020,386 in total deposits from June 30, 1936, to June 30, 1937, and a gain of $6,621,098 from December 31, 1936, to June 30.

Deposits in the 12 mutual savings institutions increased $7,125,990 in the year and $4,547,993 for the half year of 1937.

Aggregate combined demand deposits of the State banks and trust companies June 30 amounted to $137,912,775.89; time deposits as evidenced by savings passbooks were $92,593,974.71; other time deposits, $10,778,642.93; United States Government and postal savings deposits, $5,498,765.41, and State, county, and municipal deposits, $14,892,038.46.

Aggregate combined investments of the banks and trust companies were $7,597,999 higher on June 30 than on the same date a year ago and $4,148,201 higher than at the end of 1936. Loans, including mortgages and judgments, were $9,865,150 higher for the year and $9,790,741 higher than on December 31 last. This item of earnings assets increased $1,486,022 between April 2, 1937, and June 30.

GOVERNMENT HOLDINGS

The State banks and trust companies on June 30 held $71,299,065.41 of United States Government direct and fully guaranteed obligations and $12,386,937.21 of State, county, and municipal obligations. Other bonds, notes, and debentures in their portfolios aggregated $35,676,989.21.

Cash on hand was $873,669 lower June 30 than on the same date a year ago, and $9,951,498 lower than at the close of 1936.

Figures for the mutual savings banks disclose that the combined deposits of these institutions at the end of June were $221,187,472.64, an increase of $7,125,990 since June 30, 1936, and $45,547,993 since December 31, 1936.

The investments of the mutual savings institutions rose $18,568,733 in the year, and $14,039,964 since last December 31. Loans, includings, mortgages, and judgments, expanded $3,664,112 from June 30, 1936, and $393,790 since December 31. Holdings of stocks, bonds, and securities of the savings banks on June 30 aggregated $178,929,027.97.

Cash in the hands of the savings banks went down steadily as investments expanded, contracting $5,276,783 from June 30, 1936, to June 30, 1937, and $7,741,688 after December 31 last.

Tribal Estates and Tribal Affairs of Choctaws and Chickasaws

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. CARTWRIGHT. Mr. Speaker, since I first came to Congress, in 1927, I have represented a district comprising practically the entire Choctaw Nation and a large part of the Chickasaw Nation.

It extends from the Canadian River on the north to the Red River on the south and from the Arkansas line on the east to far into the "short grass" country on the west, and includes the Oklahoma counties of Pittsburg, Latimer, Le Flore, Pushmataha, McCurtain, Choctaw, Bryan, Atoka, Marshall, Love, and Carter.

No district in the United States has a larger area of Indian lands, and few, if any, have within their borders a larger Indian citizenship.

Because of the relations which I sustain to the Choctaw and Chickasaw Indian citizens, as their Representative in Congress, I have made an earnest effort to inform myself upon the problems that so deeply concern them in their relations to the United States Government; and in doing so I have approached these problems with a sympathy and understanding that no fair-minded man could escape, and with an earnest wish to be of real service to my Indian constituents.

Scarcely a day passes that I do not receive inquiries, by letter and otherwise, for information as to the present status of the tribal estates of the Choctaws and Chickasaws, which are in process of administration and division under treaties and laws.

Some say, "Why is the settlement of our affairs being delayed?"; and others say, "Why is our remaining tribal property not disposed of, and why are our moneys not paid out per capita?"

This statement is made for the purpose of giving definite and specific answers to these inquiries, based upon official records of the United States Government, and to set out, for the information of all, what has been done, and how it has been done, in the administration and division of these tribal estates. This will, then, be followed by definite and specific information as to the present status of that part of the tribal estates which our enrolled Indian citizens still own and which is not disposed of.

PER-CAPITA PAYMENT

I am well aware that many of our Indian citizens are in need and distress, and that they are more interested in the per-capita payment of moneys than anything else; and the primary purpose of this statement is to make plain to them

why it is and how it is that no moneys are available for per-capita payments at this time.

I can well understand their anxiety and their right to receive reliable information on these matters, and I shall hope that the information herein contained will forever set at rest the misrepresentations that have been made through ignorance or design, and that have brought about widespread misunderstanding and unrest.

TRIBAL ESTATES

The heirs of an estate are, at all times, entitled to have an accounting. The wards of a guardian are, at all times, likewise entitled to an accounting.

In this instance the enrolled members of the Choctaw and Chickasaw Nations are the heirs of the tribal estates and the wards of their guardian, the United States Government; and this statement of mine is, no more and no less, taken from the official records of the United States Government and may be accepted by our Indian citizens as a report of their guardian upon the administration and division of the tribal estates and upon the present status of what remains of such tribal estates.

THE ATOKA AGREEMENT

Here is another reason this information is so necessary at this time:

Nearly 40 years have elapsed since the administration and division of the tribal estates began under the Atoka agreement of June 28, 1898, and the supplementary agreement of July 1, 1902.

Those Indian citizens who were active and mature at that time are well aware of what was done and how. However, many of them have gone to the Great Beyond, and their places have been taken by a new and younger generation.

It would be difficult to confuse and mislead those who were on the firing line when the agreements of 1898 and 1902 were made, but it is comparatively easy for ignorant and designing persons to mislead and confuse our younger Indian citizens who received their distributive shares of lands and moneys when they were children, and who have no personal recollection of enjoying the same, since, in many instances, their lands and moneys were dissipated through the dishonesty of guardians and the machinations of the so-called grafters; and that is the other and additional reason why this statement is so necessary at this time.

All of these things happened many years before I came to Congress, and no one would say that I have any responsibility for what happened in those times.

I can only give you the facts, as reflected by the record of the United States, as to what has been done in former years, and pledge to the Indian people my continued best efforts to conserve and protect the remainder of their tribal estates, and to bring about sales at fair prices just as rapidly as can be done.

CHOCTAW-CHICKASAW HISTORY

The history of the Choctaw and Chickasaw Indians, from earliest times down to that era ushered in by the agreements of 1898 and 1902 is so rich in drama and tragedy that I cannot refrain from preceding the statistical portion of this statement with a brief review of that period. Therefore, this statement will comprise two divisions:

First. Historical events leading up to the agreements of 1898 and 1902; and

Second. What has been done, and how, under the agreements of 1898 and 1902, and later acts of Congress, in the administration and division of the tribal estates, and the present status of that part of such tribal estates which the enrolled citizens of the Choctaw and Chickasaw Nations still own and which have not been disposed of.

HISTORICAL EVENTS LEADING UP TO THE AGREEMENTS OF 1898 AND 1902

More than 100 years ago, the Choctaws and Chickasaws occupied a large area of country east of the Mississippi River, largely within the present State of Mississippi, and partly within the States of Alabama and Tennessee.

History fails to record just when they first began to occupy these lands, but it is conclusively established that these Indians were always peaceable, lived upon friendly terms with the whites with whom they came in contact, and differed wholly from the hostile and warlike Indian tribes in other parts of the country.

They entered into treaties of peace and friendship with the United States in the early years of its existence; and no one then had any reason to doubt that their enjoyment of the lands which they occupied would ever be disturbed.

However, the tides of the white man's civilization move westward. They were soon surrounded by these forces, and many white people moved in among them.

Pressure for their lands, for white settlement, grew stronger, and it soon became apparent that they would no longer be able to withstand the pressure of these forces.

DRIVEN WESTWARD

The record of what was done, and how, to drive the Choctaw and Chickasaw Indians from their eastern homes to the new lands west of the Mississippi reflects no credit upon the United States and its official representatives.

It is sufficient to say that the plans and purposes of the United States Government were accomplished; and the sum total of these negotiations, as reflected in the Treaties of 1820, 1825, 1830, 1837, and 1855, was that the Choctaw and Chickasaw Indians, in exchange for their eastern lands, were given title to a vast tract of western lands, comprising some 25,000,000 acres, and extending from the Canadian River on the north, to the Red River on the south, and from the western boundary of the Territory of Arkansas on the east to a western boundary defined by a line running from the source of Canadian River to the source of Red River.

This grant was accompanied by two solemn treaty guaranties by the United States:

First. That the Choctaw and Chickasaw Indians should have a fee-simple title to these lands, evidenced by a patent to be executed by the President (which patent was duly executed and delivered on March 23, 1842); and

Second. That the Choctaw and Chickasaw Indians might occupy these lands and organize and operate their tribal government, and that they would never thereafter be disturbed or interfered with in the enjoyment of their lands and governments.

Accepting these treaty guaranties in good faith, the Choctaws and Chickasaws moved westward along the "trail of tears", leaving behind them their homes, the graves of their loved ones, and everything that bound them, by the deepest and most sacred ties of memories and traditions, extending back far beyond the reach and record of the white man's history.

BLOODY TRAIL

When the order came to move from east to west, to comply with the commands of the United States and to make way for the new State of Mississippi, they obeyed without complaint. The trails which they followed through the wilderness were stained with blood, and sprinkled with the tears of men, women, and children, and the true story of the horrors and hardships which they endured, during that tragic period, will never be fully told.

Upon their arrival in the western country, the Choctaws and Chickasaws occupied the lands and organized their tribal governments, patterned after the governments of the surrounding States.

It may be said that they had principal chiefs and governors, councils and legislatures, courts and judges, schools, and all the other elements of well-organized and well-managed governments.

They developed their lands into farms, ranches, and towns. The whole structure of their civilization, as evidenced by churches and schools, and by sending many of their young people to institutions of higher education in other States, was the subject of favorable comment throughout the United States.

As showing the completeness of their standards of civilization, it is only necessary to say what everyone knows who is familiar with the correct history of that region, and that is the Choctaws and Chickasaws have furnished, from among their membership, lawyers, doctors, ministers, bankers, and

statesmen, who have taken rank among the highest, both in the State of Oklahoma and in the United States.

Some three generations passed. The Choctaw and Chickasaw Indians were happy and contented in the occupancy of their lands and in the operation of their tribal government.

OKLAHOMA OPENED TO SETTLEMENT

It never occurred to them that the end of this period of happiness and contentment was rapidly approaching.

Then the second blow fell.

The white man's civilization had continued to travel westward. The States of Oklahoma, Texas, Missouri, Kansas, and Colorado were settled up.

Many white people from the surrounding States have moved into the Indian country and were permitted to improve and cultivate lands under contracts with kindly Indian landlords. These people, together with others in the surrounding States, began to agitate for opening the Indian country to settlement.

Thus, in some three generations the Indians found themselves confronted with exactly the same problems that drove them from Mississippi into the western wilderness.

The United States heard these demands and yielded.

By the act of Congress of March 3, 1893, the Commission to the Five Civilized Tribes—the Dawes Commission—was created and directed to proceed to the Indian Territory and to enter into agreements with the tribes for the allotment of their lands and the abolition of their tribal governments in preparation for Oklahoma statehood.

The Indians were shocked and amazed. They said to the representatives of the United States:

> The United States solemnly agreed that we would never again be disturbed or interfered with in the enjoyment of our lands and homes and in the operation of our tribal government. We have no interest in the organization of the proposed State of Oklahoma. We only want to be let alone.

Thus matters stood from 1893 to 1898, a period of some 5 years. The pressure grew stronger and became so strong that it could no longer be withstood. In 1898 the first agreement was made, and in 1902 the second and final agreement was made. It was under these agreements that they agreed with the United States that they would accept the allotment of their lands in severalty; that the town sites, unallotted or surplus lands, and all other common property would be sold; and that their moneys would be paid out per capita.

This brings me to the second division of this statement, which is:

> What has been done, and how, under the agreements of 1898 and 1902, and later acts of Congress, in the administration and division of the tribal estates; and the present status of that part of such tribal estates which the Choctaws and Chickasaws still own, and which has not been disposed of.

It has been stated in the foregoing that the Choctaw and Chickasaw Nations had conveyed to them, by patent and by fee-simple title, some 25,000,000 acres of western lands in exchange for their lands east of the Mississippi River, in the States of Mississippi, Alabama, and Tennessee.

DISPOSITION OF WESTERN LANDS

What became of these lands, and how were they disposed of, and what remains to be disposed of?

Under article 9 of the treaty of 1855, they relinquished to the United States the title to some 6,589,440 acres of land lying west of the one hundredth degree of west longitude, to enable the United States to "make good" in its boundary treaty with the Kingdom of Spain.

Then, under the same article of the same treaty, they leased to the United States, for the settlement of friendly Indians thereon, their common lands lying between the ninety-eighth and the one hundredth meridian of west longitude, comprising some 7,713,620 acres, and later known as the leased district.

Then, under article 10 of the same treaty, the United States paid the Choctaws and Chickasaws the sum of $800,000 for such relinquishment and lease.

LEASED DISTRICT

Then, under article 3 of the treaty of 1866, the Choctaws and Chickasaws ceded to the United States the title to the leased district lands for a consideration of $300,000, to be paid only if and when they adopted their freedmen, and gave each of them 40 acres of land.

It has always been contended by the Indians that the leased district lands were never intended to be ceded, and that the consideration was never paid, and that it was grossly inadequate. However, it has been held by the Supreme Court of the United States, in the case of *Choctaw and Chickasaw Nations* v. *United States and the Wichita and Affiliated Bands of Indians* (179 U. S. 494–552), that the lands were ceded and that the title passed from the Indians to the United States.

The Indians have always, since that time, contended for fair compensation for these lands, and they now have pending in the United States Court of Claims a proceeding—No. 17641, Congressional—wherein the court is asked to report its findings and conclusions to Congress.

That is another story, and will be further referred to later on in this statement.

OTHER LANDS

So having disposed of the far-western lands and the leased district lands under the treaties of 1855 an 1866, the inquiry is as to just what lands did the Choctaw and Chickasaw Nations own when the agreements of 1898 and 1902 were made, which were subject to allotment, sale, or disposition otherwise under those agreements?

The answer is that they owned the lands included in the Choctaw and Chickasaw Nations proper, comprising some 11,338,935 acres.

HOW DISPOSED OF

Since these lands comprised the entire tribal estates which the Choctaws and Chickasaws owned (with the exception of some trust or invested funds in the United States Treasury, arising under former treaties, and which will be referred to later) the next inquiry is: How were these lands disposed of?

The greater portion of them were disposed of by allotments to the enrolled citizens of the Nations.

THERE WERE 27,103 ON OFFICIAL ROLLS

The official rolls of the Choctaw and Chickasaw Nations show that there were 20,799 Choctaws, and 6,304 Chickasaws (making a total of 27,103) who were enrolled, and who were entitled to full and equal distributive shares in the allotment of the lands and in the per-capita payments of moneys.

What did each enrolled citizen receive in the allotment of lands?

Each of the 27,103 enrolled Choctaw and Chickasaw citizens (whether man, woman, or child) received an allotment of land equal in value to 320 acres of average land.

All received allotments of equal value, according to the appraised value of the lands; and some received allotments of 160 acres of high-grade lands; and some received a larger acreage of lower-grade lands; and some received allotments of as much as 4,000 acres of the lowest-grade lands. In addition, all Choctaw and Chickasaw freedmen were given allotments equal to 40 acres of average lands.

WHAT LANDS WERE LEFT OVER AFTER ALLOTMENTS WERE MADE?

The balance of the lands not allotted were designated as surplus, or unallotted lands, and then there were the town sites, the lands reserved for schools and other public buildings, churches, cemeteries, railroad rights-of-way and station grounds, and the segregated coal and asphalt lands of something over 400,000 acres.

This accounts for every acre of the entire tribal estates of the Choctaws and Chickasaws.

HOW WERE THESE LANDS, LEFT OVER AFTER ALLOTMENT, DISPOSED OF?

The surplus, or unallotted lands, and the town sites were sold under the agreements of 1898 and 1902.

The railroads were required to pay for their rights-of-way and station grounds, under various acts of Congress.

The surface of the segregated coal and asphalt lands was sold under the act of Congress of 1912.

Approximately 100,000 acres of the best of the coal deposits were sold under the act of Congress of 1918.

WHAT MONEYS WERE RECEIVED FROM THESE SALES AND FROM OTHER SOURCES?

The official report of the Comptroller General of the United States to the Secretary of the Interior, and dated June 29, 1929, states:

During the period from June 28, 1898, to June 30, 1929, the sum of $34,470,650.27 was collected by the United States in connection with the disposition and management of the common property of the Choctaw and Chickasaw Nations.

Thus it will be seen that the total of all moneys from all sources from 1898 to 1929 was $34,470,650.27.

This total sum of money arose from the sale of the surplus or unallotted lands, the town sites, the railroad rights-of-way and station grounds, the surface of the coal and asphalt lands, and the coal deposits. It also includes moneys from other sources, such as coal and asphalt royalties, under mining leases, and other miscellaneous revenues.

WHAT BECAME OF THESE MONEYS?

The official report of the Secretary of the Interior to the Attorney General of the United States dated June 2, 1933, shows that per-capita payments of moneys to enrolled members of the Choctaw and Chickasaw Nations began in 1904, and the last payment was made to the Choctaws in 1929; and that during this time each enrolled member of the Choctaw Nation has received in per-capita payments of moneys the sum of $1,070, and each member of the Chickasaw Nation has received $1,075.

MORE THAN $29,000,000 IN PER-CAPITA PAYMENTS

Thus it will be seen that the 27,103 enrolled Choctaws and Chickasaws have received in excess of $29,000,000 in actual per-capita payments of moneys.

Taking the $29,000,000 from the total of $34,470,650.27, there is left the sum of $5,470,650 to be accounted for.

Here is what became of that balance, and also here is what became of the trust or investment funds of about $2,000,000, arising under former treaties, and which the United States held in trust for the Choctaws and Chickasaws, when it began to administer and divide the tribal estates under the agreements of 1898 and 1902.

TRIBAL SCHOOLS

Under the act of Congress of April 26, 1906, the Secretary of the Interior was empowered to take possession of and to operate the tribal schools, using tribal moneys for that purpose.

The tribal schools were operated in that manner from 1906 to 1932, a period of more than 25 years.

There was expended each year of tribal moneys approximately $300,000. The total sum thus expended out of tribal moneys for this period of 25 years was approximately $7,500,000.

Thus, it may be plainly seen what became of the balance of the $5,470,650 and also what became of the trust or investment funds of the Choctaws and Chickasaws.

NO MONEY FOR PER-CAPITA PAYMENT NOW

This also accounts for the fact that no per-capita payments of moneys have been made in recent years and also accounts for the fact that there are no moneys on hand at this time for that purpose.

An examination of the records and accounts of the Choctaws and Chickasaws at this time shows that the Choctaws have on deposit in the Treasury of the United States less than $100,000, and the Chickasaws have less than $30,000.

Notwithstanding the protests of the chief executives of Choctaw and Chickasaw Nations the Secretary of the Interior continued to operate the so-called tribal schools and to use tribal moneys therefor until long after the State of Oklahoma had provided a public-school system and until long after there were any enrolled members of the tribes of school age. It was not until 1932 that he ceased to use tribal moneys for that purpose.

It is contended that the use of tribal moneys for pupils who were not enrolled members of the tribes was illegal, and the Choctaw and Chickasaw Nations have suits in the United States Court of Claims for the recovery of more than $2,000,000 of these moneys.

WHAT PROPERTIES ARE STILL OWNED; AND PRESENT STATUS?

The answer is that they still own some scattered tracts of the surplus or unallotted lands.

They also own some scattered tracts of the surface of the coal and asphalt lands, which were not sold, under the act of 1912, but were reserved for mining operations and since abandoned.

The tracts of land are in various parts of the Choctaw and Chickasaw Nations, and some of them have potential oil and gas values.

It may be that, with the oil and gas development now going on, some of these tracts may have tremendous values.

They also own that part of the coal and asphalt deposits which were not sold under the act of 1918.

As stated, the total of the coal and asphalt lands reserved under the agreement of 1902 was in excess of 400,000 acres. About 100,000 acres were sold at good prices, under the act of 1918, immediately after the war when there was a demand for coal.

The coal deposits remaining unsold is something over 300,000 acres.

NO DEMAND FOR COAL

Is it not too well known to require any argument that there is no demand for coal deposits at this time?

Because of the competition of oil and gas it is well known that the mining of coal in Oklahoma has declined to almost the vanishing point.

I do not mean to say that these coal deposits are not valuable. They are of great value, as shown by the appraisements made in former years; but the fact remains that, for the reasons stated, they cannot be sold, at this time for anything like their actual value. If not sold they can be held; and who knows but what, at some time in the future, they may be sold for values beyond what any of us now dream of, and that time will demonstrate the wisdom of not sacrificing them for nominal values at this time.

I HAVE DONE WHAT I COULD

I have, year after year, introduced bills in Congress for the purchase of these coal deposits, by the United States, at a fair value, and have done everything in my power to bring this about, but without success.

As showing what I have done to facilitate the sales of these properties, I introduced and had passed an act of Congress (Public, No. 475, 73d Cong.) permitting sales of the coal properties in small tracts, to accommodate the needs and demands of those now operating coal mines.

This act has resulted in the sales of many tracts, at good prices, and will result in the sales of many more, from time to time.

I am aware that there are those among the Choctaws and Chickasaws who are constantly demanding the sale of the coal deposits, in order that money may be made available for per-capita payments.

If these critics know of, or can devise, any plan for the sale of the coal deposits at fair prices, I, along with the great body of Choctaw and Chickasaw citizens, will arise and call them blessed.

RESERVATION OF OIL AND GAS

It affords me much pleasure to be able to report the passage of H. R. 8027, which is identical with S. 2851.

The Choctaws and Chickasaws still own a considerable acreage of lands which were left over after allotments, and which have not yet been sold. They are scattered throughout the two nations.

As we all know, practically the whole area of the two nations is potential oil and gas country.

The Indians wish to reserve the oil and gas rights in these lands, in future sales.

Under existing laws, this could not be done, as the Secretary of the Interior can only sell and convey the full title.

This situation was presented to the Interior Department by the Governors and the attorneys, and a bill was drawn empowering the Secretary of the Interior to reserve the oil and gas rights in all future sales of these lands.

I gave this bill my hearty support, and it was passed in the closing days of this session of Congress.

I was able to contact some Members who have been hostile to Indian legislation, and they were prevailed upon to not only not object to the bill, but to give it their support.

This bill meets the wishes of the Choctaws and Chickasaws, as expressed in meetings throughout the two nations, and all of the members of the two tribes will now be able to share equally in whatever oil and gas values that may attach to these lands.

BEWARE OF MISREPRESENTATIONS

So, in the foregoing, I have made a full and frank statement of what has been done, and how, under the agreements of 1898 and 1902 in the administration and division of the tribal estates of the Choctaws and Chickasaws, and also a statement of the present status of the properties which they still own and which have not been disposed of.

This statement is supported by the official records of the United States and is made for the information and benefit of those Choctaw and Chickasaw citizens who have not had the opportunity to learn the exact facts regarding their tribal estates.

If there are those who, through ignorance or design, would take advantage of the need and distress of our Indian people by trying to arouse their prejudice or resentment against their Indian officials or their Representatives in Congress, I would say that I have endeavored in this statement to so clearly set out the actual facts that they will be fully and completely answered.

PLAIN FACTS

It has been made plain that there are now no moneys available for per-capita payments, and it has also been made plain that there are no remaining properties that can be sold in the near future for any large sums of money.

These are the facts, and I cannot and will not misrepresent them, and I have deemed it to be my solemn and sacred duty, as your Representative in Congress, to paint the picture as it is and not as we wish it to be.

I am well aware that these properties have tremendous potential values, but the facts are that they cannot be sold at this time for sufficient moneys to make substantial per-capita payments.

I shall at all times remain on guard in the service of the Choctaw and Chickasaw Indian people, and my best efforts will be exercised in conserving and protecting what they still own and in devising plans for sale at fair prices when that can be brought about.

SUITS AND PROCEEDINGS IN THE UNITED STATES COURT OF CLAIMS

I shall now briefly discuss that phase of the affairs of the Choctaws and Chickasaws which presents a much brighter and more hopeful prospect for the recovery and collection of moneys which, if recovered and collected, will be available for per-capita payments, so sorely needed and so earnestly desired.

I refer to the suits and proceedings in the United States Court of Claims against the United States.

Under the Jurisdictional Act of Congress of June 7, 1924, the Choctaws and Chickasaws have filed many suits for the recovery of several millions of dollars for the violation of treaties and laws by the United States.

In 1931 I introduced and secured passage of an act of Congress empowering the Court of Claims to render judgment upon the leased district claim, but this act was vetoed by President Hoover.

We then passed a resolution by Senator THOMAS referring the claim to the Court of Claims, under section 151 of the Judicial Code, for findings of facts and conclusions to Congress, and this case is no. 17641, congressional.

I cannot in this statement set out the full history and contentions in each of these cases.

It is sufficient to say that the leased district claim is for compensation at the rate of $1.25 per acre for more than 5,000,000 acres of land.

The other suits comprise the school cases, wherein the Choctaws and Chickasaws contend that the United States has expended illegally more than $2,000,000 of tribal moneys for the education of persons who are not enrolled members of the tribes; the general accounting cases, involving several million dollars; and several other cases involving considerable sums of money.

Let me say that I, together with the other Members of the Oklahoma delegation in Congress, have given the tribal officials and the special attorneys in charge of these cases, every assistance at our command.

DELAYS

It is true that there have been some considerable delays in bringing these cases to a final conclusion.

Many have inquired: "Why these delays?"

Here is the answer.

When these cases were first filed, the United States was called upon for a full and complete accounting, showing the receipts of all moneys belonging to the Indians and the sources; and all disbursements, and for what purposes.

The United States then refused to plead further, or to cooperate in any way until it had completed the accounting reports.

The facts are that the accounting reports were not finished and filed until 1934, notwithstanding the efforts of the tribal officials, the attorneys, and the entire Oklahoma delegation in Congress to exert all the pressure at our command for the early completion of these reports.

Then when the accounting reports were filed in 1934 the special attorneys proceeded with all possible speed to force a speedy trial of the cases by the preparation and filing of briefs and otherwise, feeling that the period of delay was over.

GRATUITY OFFSETS

What then happened to further delay the cases?

Immediately after the argument and submission of the Leased District case, in May 1936, the Court of Claims entered its order permitting the United States to set up so-called gratuity offsets.

Nothing further could be done until another report was made by the General Accounting Office upon that subject.

That report is now in, and the United States has set up the sum of $5,724,587.63, which is the total sum of money claimed to have been spent by the United States in the administration and division of the tribal estates.

It contends that these moneys be allowed as gratuity offsets against any judgments which the Indians might secure.

In the Leased District case, if the Indians get judgment on 5,224,346 acres of land, at $1.25 per acre, and the United States gets an offset judgment for $5,724,587.63, it will be readily seen that there would not be much left for the Indians.

Of course, these same so-called gratuity offsets will be set up in the other cases.

Under these conditions, what could the tribal officials and the special attorneys do except to appeal to Congress for a definition and clarification of so-called gratuities, urging that their treaty guaranties, against any claim or charge for these moneys be respected.

That is exactly what they have done, and in all my years of congressional service, I have never seen finer teamwork, and a more earnest and determined effort made, in any cause, than they have made in this Congress to accomplish that end.

This tremendous fight has been made by the principal chief of the Choctaw Nation, the governor of the Chickasaw Nation, and the attorneys, and they have had my hearty support, and that of the entire Oklahoma delegation.

In this they may succeed, and they may not, but their efforts should command the admiration and commendation of every Choctaw and Chickasaw citizen.

If they do not succeed in getting relief from gratuities at the hands of Congress, they will have to defend against them in the courts, in the final trial of the cases.

In this, they may succeed and they may not, but the Choctaws and Chickasaws may be assured that they will use every power at their command to overcome in the courts, the monstrous injustice attempted to be perpetrated upon the Indians, by the Department of Justice and the General Accounting Office in setting up as gratuity offsets, the moneys which the treaties and agreements guaranteed would never be claimed or charged against them.

AMENDED PETITIONS IN SUITS

Another condition arose which not only caused delay but threatened the very life of several of the most important suits of the tribes.

In their general accounting cases the attorneys could only file general petitions, demanding an accounting by the Government, and expected to file amended petitions when the accounting was made.

These general petitions were filed within time, but the General Accounting Office reports were not prepared and filed until 1934, which was 4 years after the time expired for filing petitions.

Amended petitions based upon these reports were filed, but in the Seminole case (L–52) the Supreme Court of the United States held that the amended petitions could not be considered, notwithstanding the delays of the Government. Unless Congress granted relief, these suits would surely be lost by the tribes.

The governors and the attorneys came on to Washington and sought relief by Congress.

I introduced their bill, H. R. 4407, in the House, and a like bill, S. 1379, was introduced by Senator THOMAS of Oklahoma in the Senate.

I am happy to be able to report that this bill has been passed and approved by the President, and it saves the lives, no more and no less, of these very important suits of the Choctaws and Chickasaws; and they can and will now be tried out upon their merits, and will not be dismissed upon technicalities.

It should be understood that these cases are being handled by special attorneys, under contingent contracts.

They are paid nothing whatsoever out of the moneys of the tribes. Unless they secure judgments, and appropriations by Congress to pay the judgments, they get no fees or compensations whatsoever; and then only what is allowed by the court and the Secretary of the Interior, out of the moneys recovered.

CONCLUSION

I have endeavored to cover the whole subject of the administration and division of the tribal estates of the Choctaws and Chickasaws, and the problems that remain to be solved, temperately, fairly, and courageously.

If I have done so, I will feel that I have rendered a real service to my Indian constituents, as their Representative in Congress; and, in doing so I have been moved by no motive except a desire to render that character and quality of public service demanded by the high office which I hold.

May I, as a final word, counsel the members of the Choctaw and Chickasaw Nations to make an earnest and honest effort to understand the true facts regarding their tribal affairs and tribal estates, and to turn a deaf ear to those, if there be any such, who would foment strife among them by misrepresenting the true facts, or by questioning the motives of those who are trying their best to serve the best interests of the Indian people, whether Indian officials or Representatives in Congress?

Much has been done, and much yet remains to be done, in the protection and conservation of your tribal estates, and in all of this, I pledge myself, at all times and under all circumstances, to serve your best interests, in the matters referred to in this statement, as well as in all other matters that concern your welfare and well-being.

Degrading Political Practices

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

RADIO ADDRESS OF HON. ROY O. WOODRUFF, OF MICHIGAN, WEDNESDAY, AUGUST 18, 1937

Mr. WOODRUFF. Mr. Speaker, under permission to extend my remarks, I submit the following address delivered by me over the Columbia Broadcasting System:

A situation exists today which challenges the attention of every good citizen. It is a condition that is rapidly undermining all decency in government, for which the Roosevelt administration is directly responsible. It is setting at naught those provisions of law designed to protect and assure the orderly processes of representative government from being utterly degraded into a traffic of forced political tribute. An all-powerful bureaucracy is peddling in the public market places the favors of this political administration.

For weeks the press of America has been filled with indignant editorials bitterly condemning this condition. For weeks the President of the United States, the Attorney General, the Postmaster General, the Congress have been on notice that there exists overwhelming and conclusive evidence that the Corrupt Practices Act is being violated by the Democratic National Committee under the direction of its chairman, Postmaster General James A. Farley. But nothing has been done by any of these officials or by the Congress to end the shocking practice.

For weeks it has been known that by a system of shameful coercion, corporations and corporation officials have been and are being bludgeoned into forced tribute to the coffers of the Democratic national campaign chest. This system has been carried on with a cynical and contemptuous indifference to all political ethics, morals, or decency, and in an incredible defiance of public opinion.

Aroused to action by the lavish use of funds in political campaigns and of contributions to the war chests of candidates for the Presidency and the House and Senate, the Congress enacted what is known as the Federal Corrupt Practices Act.

The spirit and the letter of that act are perfectly clear. One cardinal purpose of the act is to prevent contributions, directly or indirectly, by corporations to political campaigns, because such corporations have actual or potential business relations with the Government. The act specifically prohibits political committees or individuals from receiving such contributions.

It is a shocking fact that for many months the Democratic National Committee, through authorized agents, has been peddling about over the country the signature of the President of the United States written on a sheet of paper beneath an etching of the White House and inserted in copies of obsolete and worthless Democratic convention souvenir books containing the program of the Democratic national convention, held in Philadelphia over a year ago. Copies of these books were forced upon unwilling corporation officials at prices varying from $100 up to as much as $1,000 a copy.

An examination of the public records of the Clerk of the House of Representatives discloses that hundreds of these forced subscriptions have been reported as political contributions by corporations to the Democratic National Committee.

When this condition of affairs was called to the attention of the Honorable BERTRAND H. SNELL, leader of the Republican minority in the House, he performed a laudable public duty by introducing a resolution for the investigation of the practice.

The White House recognized the seriousness of the charges and one of the President's secretaries made the amazing statement to representatives of the press that the President did not know for what purposes his autograph was to be used when he was asked to sign his name on 2,500 sheets of paper.

Despite the fact that it was revealed weeks ago that the signature of the President for the first time in history had been prostituted to this cheap, outrageous, and probably criminal purpose, no action to date has been taken by any member of the administration.

The President's failure to act promptly in rebuking this indecent use of his signature and demanding that the moneys collected be returned to the contributors, can be explained only on the ground that he must have expected his Attorney General to do his duty, and that he must have properly expected his Postmaster General, Mr. Farley, who is chairman of the Democratic National Committee, to at once take appropriate action to stop this unconscionable sale of Presidential signatures and to forthwith return the funds thus far collected by these illegal means.

In the absence of any action by anybody in the administration to end this disgraceful state of affairs, Representative SNELL laid the matter before the House Rules Committee, asking a rule

under which his resolution for an investigation could be brought to the floor of the House for action by the Members.

To that Rules Committee was presented an overwhelming mass of documentary evidence sustaining the charges which had been made.

Evidence was submitted showing the sale of advertising space in the Democratic Register, 1937, at $700 a page, to corporations and individuals doing business with various agencies of the Federal Government. This book is sponsored by the Democratic National Congressional Committee.

Insofar as either of these political enterprises has brought in campaign funds from corporations, it has clearly violated both the letter and the spirit of the Federal Corrupt Practices Act.

Letters of solicitation from Democratic National Committee headquarters introduced in evidence baldly state, in part, that, "The sale of the book enables us to legally accept corporation checks, and this is the way all of the companies who are assisting us are handling these expenditures."

It was pointed out to the committee that revenues from the Campaign Book of 1936, including the President's autographed edition, total to date more than $1,000,000.

Evidence is at hand of sales talks recorded by dictaphone in a New York office last October in which illegal pressures were brought to bear upon a citizen having business before one of the Federal agencies. The implication was that the purchase of the President's autographed edition might facilitate that citizen's routine business in Washington.

Another piece of evidence was an original rate card and solicitors' sheet covering the Democratic Register, 1937, containing a paragraph which reads, "Twenty-five thousand copies of the Register will be distributed to the heads of the central and field purchasing offices of the world's greatest buyer. Why not devote a page to your company's interests and be amply represented before the men who run the Nation?" Other evidence in the form of a sworn affidavit disclosed that a long-established and entirely reputable attorney and businessman in Colorado Springs, Colo., was threatened, intimidated, and coerced in the most brazen manner, and his business assailed by a Government agency after he refused to buy $500 worth of The Democratic Book of 1936.

Still other evidence showed that the Manufacturers' Association of Bridgeport, Conn., had warned its members against the high-pressure sales methods of the Democratic National Committee agents selling space in the Democratic Register, 1937, and branded the whole procedure as a racket.

There was presented to the Rules Committee a letter sent to Senator ARTHUR H. VANDENBERG, under date of June 28, 1937, from a businessman who suffered threats, coercion, and intimidation at the hands of a solicitor for the Democratic Register. Attached to that letter was a copy of the letter of solicitation addressed to this same businessman in which attention was called to, "The administration's vast construction program, which is definitely increasing individual business of those organizations recognized by industry and governmental departments."

Newspapers widely carried an account of a subscription of $1,000 for the President's edition of The Democratic Book of 1936 by a colored real estate-operator in San Antonio, Tex., at a time when friends of the purchaser were suing in Washington for a pardon at the hands of the President. The purchaser at the time of his $1,000 subscription to this book allegedly was serving a sentence in Leavenworth, Kans., for income-tax evasion. Apparently he had not used one of the now famous tax loopholes which the administration has so widely publicized.

Many instances were shown in which solicitors called prospective victims of this racket by long distance telephone and told these corporation officials that they were "talking from Mr. Farley's office." Other evidence showed that every radio station in the country was invited to contribute $250 to the Democratic book fund, with the threat implied that the station's license might be revoked.

Represenative J. WILL TAYLOR of Tennessee delivered an address in the House on June 28 last outlining the mobilization of W. P. A. contractors in the book sales campaign throughout Tennessee.

You will recall that just the other day Robert S. Young, head of the new Van Sweringen railroad holding company, testified before a Senate committee of having been solicited for and having purchased $15,000 worth of the President's edition shortly before he was to appear before the special Wheeler committee investigating railroad financing. Mr. Young testified that under the circumstances of the moment he "would have taken soap wrappers if they had offered them to me." The enormity of this act so aroused Senator BURTON K. WHEELER, Democrat, of Montana, that he denounced this solicitation and called upon the Democratic National Committee to renounce publicly this method of raising funds.

Time does not permit me to refer to other evidence showing that in many cases the books were not even delivered and delivery was not expected to be made, either by the contributor or the high-pressure salesman representing the Democratic National Committee.

In all American history no political committee, other than Mr. Farley's Democratic National Committee, has ever demonstrated such a cynical disregard of political morals and ethics, such a contempt for law, and such disregard for public opinion as to attempt such a device as the camouflaged sale of a book autographed by the President of the United States. The whole proceeding is manifestly unlawful, vicious, and demoralizing.

It is astounding that solicitors for the Democratic National Committee would dare go to the limits they have of actually pointing to President Roosevelt's signature as evidence that the contributor was "making an investment in administration good will."

These book sales have demonstrated that not only has a new low level been reached in political coercion, intimidation, and extortion.

It must be recognized by every thinking citizen that this action of the Democratic National Committee, under the direction of its chairman, the Postmaster General of the United States, creates a condition which, if tolerated, will mean that there is no limit to the amounts of forced tribute which can and will be wrung from helpless and beleaguered businessmen and industrialists. They could be blackjacked into contributing $10,000,000 just as they have $1,000,000.

The whole procedure is incredibly bold, disgusting, outrageous, and dangerous. It becomes apparent that no responsible official of the administration is willing to do his duty in upholding the law and to put a stop to these nefarious schemes. The Rules Committee of the House not only refused to permit an investigation, but one of its Democratic members referred to the demand for an investigation as just a big joke.

It remains for an aroused public opinion in this country to put a stop to this sort of thing. Otherwise the citizens of this Nation may well expect to witness other campaigns by these predatory politicians to sell administration favors and to parcel out the taxpayers' money on a basis of a division of the loot between the contributors, the Democratic National Committee, and its horde of high-powered salesmen.

In conclusion, my friends, let me say that no man can escape the conviction that this condition constitutes a black blotch not only upon the record of the new dealers who have so loudly and so long proclaimed themselves as political purists but it is a dark page in the history of this country.

I have no doubt that every right-thinking citizen without regard to party, race, or creed will condemn this nefarious practice of law evasion and industrial extortion as dangerous, un-American, and vicious.

Slum Clearance

EXTENSION OF REMARKS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. BEITER. Mr. Speaker, I am glad of this opportunity to say a word in behalf of the Wagner-Steagall slum-clearance bill. It seems to me that the original measure drafted by our New York Senator, Hon. ROBERT F. WAGNER, was more acceptable; but if we are unable to secure approval of the bill in its original form then, of course, I shall go along with the present amended measure. However, I do want to bring out that the amendment proposed by the House committee requiring communities to contribute 15 percent of the cost will result in the abandonment of slum-clearance plans in many municipalities. The Senate bill required a local contribution of only 5 percent. Many cities having a crying need for slum-clearance projects will be unable financially to participate in the program if the sponsor's share remains at 15 percent of the cost. I hope the House membership will see fit to retain the Senate's figures on this item.

Another change involves the apportionment of funds by States. The Senate bill prohibited the expenditure in any one State of more than 20 percent of the funds provided for in the bill. The House committee has changed this figure to 10 percent. In other words, the bill carries an appropriation of $500,000,000 in Federal loans over a 3-year period and while under Senate provision New York State, the largest in the Union, could participate in the program to the amount of $100,000,000 during the 3-year period in question, under the terms of the House bill my State or any State, for that matter, can participate only to the sum of $50,000,000. I use New York State as an example because it is my home State and because it probably has more large industrial cities and therefore more need for slum clearance projects than any other State. As a representative of the State's second largest city I feel very much concerned on this subject. The Municipal Housing Authority of Buffalo,

created in 1934, has made a complete and very detailed report on the need for slum-clearance projects and recommended application to the Federal Government for $10,000,000 for this purpose. Thus it can be seen that the $50,000,000 will not go very far in a State the size of New York where so many large cities will apply for Federal aid in eliminating slum conditions. Again, I am of the opinion that the Senate provision is more acceptable.

It has never been more true than now that private enterprise cannot build low-cost housing projects for the low-income groups at a price they can afford to pay if the usual return is expected on the investment. The Government alone can solve the problem of housing the underprivileged. Slums will continue to exist so long as they continue to be occupied. To eliminate slum conditions one must tear them down and remove them altogether. There is general agreement that this form of Federal aid is necessary and important.

I hope that the bill will receive prompt and unanimous approval and that the difference between the measure reported by the Senate and that reported to the House may be ironed out so that the individual States can be assured of sufficient funds to carry out their slum-clearance programs and that the individual municipalities will not be required to carry too heavy a burden in regard to the cost.

United States Housing Act of 1937

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. SMITH of Washington. Mr. Speaker, the passage of this legislation to aid in providing better housing for the underprivileged men, women, and children of the Nation will constitute one of the greatest achievements of this administration. When we provide modern, decent, sanitary homes for the people of America, we save America. I have actively supported this bill because of its transcendent merit on a broad, sociological basis, but also on account of its beneficial effect on the lumber and shingle industry—the main source of employment in my congressional district—and its vast benefit to the workers in the building trades, the lumber, plywood, shingle, and other allied industries, and to manufacturers generally.

I have received the following letters from Hon. Stewart McDonald, Administrator of the Federal Housing Administration; and Mr. Spencer D. Baldwin, chairman of the legislative committee of the National Retail Lumber Dealers Association, Washington, D. C.:

FEDERAL HOUSING ADMINISTRATION,
Washington, August 4, 1937.

The Honorable MARTIN F. SMITH,
House of Representatives.

MY DEAR MR. SMITH: Thank you for your letter of August 3.

I am entirely in sympathy with the objectives sought by the Wagner-Steagall housing bill and believe that you will be interested in having the enclosed copy of my statement endorsing it before the Senate committee which conducted hearings on the bill several months ago.

Unfortunately, I do not have a written statement of my comments before the Banking and Currency Committee of the House in hearings yesterday. However, they are substantially the same as those before the Senate committee.

Very truly yours,

STEWART MCDONALD, *Administrator.*

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION,
Washington, D. C., August 4, 1937.

Hon. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

DEAR MR. SMITH: Permit me to acknowledge and thank you most cordially for your letter of August 3, asking our opinion on the proposed Wagner-Steagall housing bill.

I am attaching hereto a copy of a letter which has been sent to members of the House Banking and Currency Committee. We are now attempting to arrange a time to appear at the hearing before the House Banking and Currency Committee, so that we may express our thoughts on the matter.

From our experience in the past, with the exception of the Federal Housing Act, the attempts in Federal housing have been a complete failure and an expensive experiment to the Government. They have caused confusion in the building industry and uncertainty in the minds of prospects that we have had for homes. If we must have a slum-clearance bill, it should be strictly a slum-clearance bill, confined through mandatory provisions to the lowest-income group.

I thank you very much for inviting my opinion on this legislation, and I assure you that we will remember the wonderful assistance you gave us at the time the National Housing Act was under consideration, and also your subsequent assistance on all matters pertaining to housing. You have always been in full accord with the views of the building industry, and we want you to know that we appreciate it.

Yours very truly,

SPENCER D. BALDWIN,
Chairman, Legislative Committee.

Mr. Speaker, I was one of a small group of House Members who called upon President Roosevelt in the spring of 1934 and started the movement for the enactment by Congress of the original Federal Housing Act. Our group which conferred at the White House with the President consisted of the late Mr. Duffey, of Ohio; Mr. Sweeney, of Ohio; Mr. Healey, of Massachusetts; Mr. Mead, of New York; and myself; and we also conferred with Hon. Jesse Jones, Chairman of the Reconstruction Finance Corporation, and other officials of the Federal Government. I consider that the legislation which was subsequently introduced and sponsored by the Banking and Currency Committee and passed by the House and Senate and approved by the President, has justified all the anticipations as to benefits to workers and manufacturers expressed by Mr. Spencer D. Baldwin, president at the time, of the National Retail Lumber Dealers' Association, Washington, D. C., bearing date of June 18, 1934, and reading as follows:

NATIONAL RETAIL LUMBER DEALERS' ASSOCIATION,
Washington, D. C., June 18, 1934.

MY DEAR CONGRESSMAN SMITH: On behalf of this organization and the Western Retail Lumbermen's Association, we desire to thank you for the excellent and effective work you did in cooperation with these and other national organizations, including the American Federation of Labor, in the early stages and through to the finish to secure the enactment of the National Housing Act.

Your assistance in promoting a congressional delegation to call upon the President of the United States and the manner in which the problems of the building industry and labor were presented was instrumental in securing his active interest. It is significant that on the day you called upon him, March 20, he issued the Executive order to prepare a complete program for legislative action.

Your willingness at all times and the unselfish manner with which you cooperated certainly merits the approval and support of all who are affected by this legislation.

With kindest personal regards and best wishes for your continued success, I remain,

Very sincerely yours,

SPENCER D. BALDWIN, *President.*

John L. Lewis Versus Samuel Gompers or the C. I. O. Versus the A. F. of L.

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. MASON. Mr. Speaker and Members of Congress, we have been hearing a great deal during the past few years about "economic royalists." This phrase has become a term of reproach. It is a phrase that has caught the imagination of millions of our people, yet not one of all those millions can define the phrase. I dare say there is not a single Member of Congress that can properly define it; define it

so that it will exclude all those industrial leaders that are not within the meaning of the words and at the same time include all those industrial leaders that should come within the meaning. I confess I cannot do it; neither have I found anyone that can.

The phrase "economic royalists" is an apt phrase, a phrase that is beautifully indefinite, wonderfully vague; a phrase that has successfully indicted a whole group or class of people, yet it is applicable to only a small percent of the class it has indicted. It is a bull-baiting phrase, a class-hatred phrase, a rabble-rousing phrase.

We all know that our economic royalists have not prevented us from reaching the highest standard of living as a people the world has ever known. Perhaps, in view of the accepted meaning of the phrase, we should say our economic royalists have very graciously permitted us to enjoy a higher standard of living than any other people in the world, which, of course, reduces the phrase to an absurdity.

Now, what about labor royalists? Why say they are the greatest menace to organized labor that we have today? Well, a labor royalist, in the language of the street, is a labor racketeer, and the outstanding example in my mind is John L. Lewis. His record as a labor leader is a record of ruthlessness and recklessness. His policy has always been "rule or ruin." As head of the United Mine Workers of America, his leadership resulted in almost wrecking that organization a few years ago, one of the strongest single labor unions in America at that time. As a result of his leadership this organization broke up into warring factions, resulting in riots, bloodshed, and violent deaths among union men themselves. We know something about that in Illinois. Mr. Lewis now proposes to break up and destroy the American Federation of Labor, the organization that the grand old man of labor, Samuel Gompers, created and built up. Lewis prates about democratic government, yet refuses himself to abide by majority rule when it goes against him. He has succeeded in weaning away from the American Federation of Labor one-third of its 3,000,000 members, and has thereby divided labor into two hostile camps, not realizing that the saying, "United we stand, divided we fall", applies particularly and especially to labor. Enemies within are much more dangerous than enemies without.

If John L. Lewis and his lieutenants in the C. I. O. would go to the fountain head of the trade-union movement, they would get a new baptism of the real religion of labor as preached and exemplified by Sam Gompers. I recommend that they refresh their minds by reading Gompers' autobiography entitled "Seventy Years of Life and Labor." There they would find that the one-big-union idea is not a new idea by any means; they would find that four separate and distinct labor movements were started during the 1890's, all based upon the same idea as the C. I. O. They would learn that Gompers advised against them and that the only thing they accomplished was to mess things up for the A. F. of L. and make Gompers' task more difficult—exactly what the C. I. O. seems to be doing today.

These four rival labor movements were:

A. The National Railway Union, started in 1893, Eugene V. Debs as president; a union to include all railway workers of every class, one union to supplant the engineers' union, the firemen's union, the conductors' union, and so forth. Gompers was asked to sponsor it and invited to be its president. He turned it down, however, and advised against it. The National Railway Union died a natural death during the ill-advised Pullman strike that it precipitated.

B. A year or so later the Socialist labor movement, under the leadership of Daniel De Leon, tried to disrupt the A. F. of L. by organizing the Socialist Trade and Labor Alliance, whose slogan was, "The Trade-Union is Obsolete." It also died after a few years.

C. About the same time the Western Federation of Miners became dissatisfied with the leadership of the A. F. of L. and withdrew its affiliation, to organize the Western Labor Union, thereby breaking the ranks of labor along regional lines. It went the way of the others.

D. The Western Labor Union was followed by the organization of the International Workers of the World, headed by Haywood. This became known as the I. W. W., which, because of the tactics used, became a term of reproach.

So you can see that the C. I. O. is not a new thing. It has been tried before. It is a radical departure from the tried and tested principles of the A. F. of L., principles forged through years of struggle. It seeks to arrive more speedily at its objectives. It is impatient with the steady progress of the A. F. of L., and wants to take a short cut. It is revolutionary instead of evolutionary.

An explanation of the difference between the set-up of the A. F. of L. and the set-up of the C. I. O. will throw some light upon the labor situation today. The A. F. of L., as its name implies, is a federation of independent, autonomous national and international trade unions, an organization patterned after the set-up of the Federal Government. The separate units, the trade unions, can be likened to the States, each independent and autonomous in its own sphere, but federated for mutual help and protection.

The C. I. O., on the other hand, is a plan to organize labor into national industrial unions with strong centralized control in the hands of one man. In essence, the C. I. O. is the Fascist form of government transplanted to the field of labor. It has even imported foreign methods of technique to obtain its ends. If it is successful, it will supplant the A. F. of L., ultimately do away with trade unions, and John L. Lewis will be established as the Mussolini of American labor.

At this point I want to quote some excerpts from the autobiography of Gompers; excerpts that reveal his labor philosophy, his method of organization, and his attitude toward the industrial leaders of his day, that we now unthinkingly call economic royalists. I wish to show by contrast, if I can, the difference between Mr. Lewis and the great labor leader, Mr. Gompers.

CONTRAST NO. 1

The following is Gompers' statement upon political affiliations:

> I have refused to let the labor movement be annexed by a political party, and have refused to lead them into a policy from which it would take decades to recover. Labor endorses issues, not parties.

Contrast this stand of Gompers with the stand of Lewis today. Contrast Gompers' statement with the present-day cry of Lewis:

> Mr. President, I helped you in your fight. I gave $500,000 to your campaign fund. I helped elect you. Now I expect you to help me in my fight against these same economic royalists.

CONTRAST NO. 2

The National Civic Federation is an excellent illustration of the difference in methods of the two men. Gompers helped to organize and became the first vice president of the National Civic Federation, of which Mark Hanna was the first president. Its purpose was the encouragement of collective bargaining. It was an organization that embraced the outstanding leaders among three groups—employers, employees, and the public.

The public group was headed by such men as ex-President Grover Cleveland, Archbishop Ireland, Cornelius N. Bliss, Oscar S. Straus, and others.

The employers' group was headed by such men as Marcus A. Hanna, Charles M. Schwab, and others.

The labor group was headed by such men as Samuel Gompers, John Mitchell, Frank P. Sargent, and others.

The National Civic Federation had what was called a division of conciliation and mediation. Its statement of purposes, as drawn up by Gompers, is very enlightening. It reads:

> To do whatever may seem best to promote industrial peace and prosperity; to be helpful in establishing rightful relations between employers and workers; by its good offices to endeavor to obviate

and prevent strikes and lockouts; to aid in renewing industrial relations where a rupture has occurred.

I ask in all sincerity—can you picture by any stretch of the imagination John L. Lewis helping to organize, belonging to, or cooperating with such a group as this? I cannot, because the only policy Lewis seems to know is a rule or ruin policy; the only approach, an application of force.

CONTRAST NO. 2

Gompers' labor program is expressed as follows:

It has been one of my fondest ambitions that the A. F. of L. should gather into the fold all national labor organizations, but I have never been willing to sacrifice fundamental principles for mere growth. During my entire course I have never attempted to compel anyone to yield to my judgment, much less to my conclusions.

Contrast this principle of Gompers with the present attitude of John L. Lewis.

I have quoted these excerpts from the life and statements of Gompers because I believe they show very plainly by contrast the difference between a real labor leader and Mr. Lewis. I close with the following beautiful eulogy of Mr. Gompers, written by his devoted secretary, Florence Calvert Thorne:

But the soul of Samuel Gompers lives in its potent influence on national life and customs. It lives in the daily lives of millions of Americans, in the higher standards of life and work generally prevailing; in the higher concept of duty which man owes to those with whom he works and for whom he works; in our enriched understanding of human justice; in an understanding of the finer effects of democracy in daily life; in the realization that human brotherhood is after all a thoroughly practical ideal and the only lasting basis for human relations.

His permanent record is written in the book of life, and his death disclosed the magnitude of his work. The quality of his long leadership appeared again and again in his absolute banishment of personal concern in decisions of policy. Neither friend nor self influenced these decisions, and in death his thought was only for that, through which he realized his religion—the labor movement.

One-third of Our People Ill-Housed—Let's Change It!

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, how frequently today we have heard quoted, or reference made to, our President's significant words in his inaugural address: "I see one-third of a Nation ill-housed, ill-clad, ill-nourished." The present occupant of the White House is rightfully known as the greatest humanitarian of our country in this generation. Even though some may question his methods, we do not doubt his motives. One of the greatest of the New Deal objectives is to remedy the disgraceful and pitiable condition described by his inaugural words. The housing bill we are today considering is the first concrete proposal to change that condition in part.

The gentleman from New York [Mr. FISH] refers to this measure as "the 3 percent" bill, implying, I presume, not that the interest rate involved is 3 percent, but that only 3 percent of those in need of better housing will be benefited by its provisions. If I have correctly surmised his meaning, I trust that he is wrong in his percentage estimate. However, assuming that only that small portion of our ill-housed citizens shall be immediately benefited, nevertheless, I feel that such an objection is as illogical as was the opposition raised yesterday against the farm-tenancy $20,000,000 appropriation.

A ladder is not climbed by a single rung. Rome was not built in a day. We cannot remedy an ancient evil of great magnitude, whether it be farm tenancy or city slums, by a single act of legislation, no matter what our appropriation might be. A beginning must be made in any good work, and I regard the beginning made yesterday as a logical and wise attack upon the evils of farm tenancy and the appropriation of a half billion dollars today as an attack upon the disgraceful slums of our cities.

In that remarkable song by Kathrine Lee Bates, America, the Beautiful, we read and sometimes we sing these prayerful words "Thine alabaster cities shine, undimmed by human tears." That was Kathrine Lee Bates' dream and hope for American cities. What will be necessary for a realization of such a prayer? Of course, its realization includes much more than mere physical elements. It means that our cities must have the highest degree of business management, the skill of statecraft, and the best that good social arrangement can achieve, all resting upon the physical bases of public health, safety, sanitation, comfort, and well-being of our citizens. The occupants of the mansion on the hill are not safe when disease and squalor prevail among occupants in miserable hovels in the low places. This bill not only looks into how the other half lives but aims deliberately to make it possible for the other half to live in comparative decency.

For years I have often observed and taken pride in what may be seen in most American urban communities—a comparatively decent, modern school building, housing all the children of the community by day and serving as a recreational center and cultural meeting place for parents and children by night. However, the school often stands in marked contrast to the homes of the patrons. Some of these nearby houses may be modern, but most of them are hovels, many being unfit for decent human habitation.

I feel that a people's ideals may be gaged by the physical emphasis represented in their building program. To the ancient Egyptians the after-life was all important. Therefore, they built magnificent tombs and spent more of their energy and resources on preserving their bodies for the hereafter than on the living present. Their dwellings were quite temporary. The polytheistic Greeks built for the benefit of their gods and goddesses. Their temples were beautiful, constituting their pride and joy in every community. Most of the dwelling houses in Athens, even in the age of Pericles, were miserable hovels. We Americans are socially minded. The pride of our communities may be the schoolhouses, or possibly the city hall, or the churches.

However, we Americans are family minded, home minded, also, as well as community minded. We have taught that the dwelling place of each citizen should be a home instead of a mere house. Certainly it should be a place in which to live instead of a merely a place in which to eat and sleep. Physical conditions and qualities of that dwelling place rank next in importance to the close-knit organization of the family in those spiritual ties constituting the sanctity of the home. In my judgment, this bill will make it possible for people with small incomes to be housed as free citizens should be housed. What America most needs today is not a 5-cent cigar but the most decent dwelling places for our families that modern science and engineering knowledge can afford commensurate with the lower incomes.

Mr. Speaker, I had much rather see some program worked out whereby individual or private home ownership would be encouraged rather than the arrangement included in this measure. However, I see no way of obtaining that, so I turn to support this bill as next best thing that appears feasible. Supplementing this generous and appropriate move on the part of the Government, I would reduce the rate of interest from 5 percent to 3½ percent on our present home owners' loan contracts and others to be made, and thus afford corresponding benefits to a class of citizens just above the class to be benefited by this act. While there is much about the economics of this measure I do not fully understand, I cannot but feel that the Government is doing a wise thing by extending its credit and its financial assistance in this material way to give us better homes for the poorer class of our population.

Americans Should Get Out of the Far East

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1937

Mr. VOORHIS. Mr. Speaker, the time for America and Americans to withdraw from the Far East is now.

Newspaper stories of how some Americans have been thrilled by watching the war between China and Japan are not encouraging but tragically foolish.

For years far-sighted people have been pointing out that we had everything to lose and nothing to gain by maintaining marines and establishments of various kinds in the Far East.

Every day the present situation continues we are risking serious consequences.

The neutrality law should be invoked, and Americans in China at least given their choice between accepting safe convoy home or remaining at their own risk.

Glover Cary and Voris Gregory

MEMORIAL ADDRESS

OF

HON. EDWARD W. CREAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of GLOVER CARY and VORIS GREGORY, late Representatives from Kentucky

Mr. CREAL. Mr. Speaker, it rarely occurs that two experienced, able, and courageous Members of this body from the same State, and adjoining districts, are called by death within a few weeks apart. Hon. VORIS GREGORY, of the First Kentucky District, and Hon. GLOVER CARY, of the Second District, would have both been returned to the House had they lived. Mr. GREGORY, with nomination equivalent to election, was renominated and died before November. Mr. CARY was reelected in November and died before January.

Their long experience here, accompanied with their usual industry and faithful service rendered them valuable Members of this body. It was my privilege to succeed Mr. GREGORY on the Judiciary Committee and to learn of the high esteem in which he was held. Mr. CARY and I had long traveled in parallel roads with similar steps in advancement and similar ambitions. As county attorney, Commonwealth attorney, president of the Commonwealth Attorney Association, legislative committee for reform in legal procedure, we had held the same positions and our work brought us often together as coworkers. Then he came to Congress and I looked with pleasure on his achievements and ability as disclosed from the RECORD and the press.

When my able predecessor and friend Hon. Cap R. Carden died in office 2 years ago, it was GREGORY and CARY who gave to the press their views that I would or should succeed him.

Glover and I drove home in the winter of 1935 to be caught in the deep snow on the way back. Shortly thereafter he became a frequent inmate of the hospital, finally developing pneumonia the effect of which produced his death. On that 3-day snow drive back he talked much of the arduous task of the work of a Member of Congress. He lamented the lack of appreciation of friends and public for individual and public services rendered, of the unfairness of having to run every 2 years and the expense and energy having to be diverted from problems worked on for the public good, of the ingratitude of beneficiaries of efforts of Members. One statement in particular which I well remember to the effect that it seemed that the harder one worked and the more one did the less thanks they got for it.

This may be true to some extent with all, but the services rendered here by VORHIS GREGORY and GLOVER CARY will have long and lasting effects for good whether or not seen or appreciated by their constituents at the time.

Of all mankind personal faults, if any, die with them but the good they do lives always.

In western Kentucky, on the problems of life, in party council and on the hustings the familiar voices of GREGORY and CARY are stilled but their works live after them and their spirit absorbed by others goes marching on. Their love for their fellowmen remembered by their constituents is a monument that will last as long as the grassy mounds over their places of rest.

Violence by Vigilante, Labor, Police Is Uncivilized—Violence of All Kinds Should Be Opposed by All Groups of Society

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

MOB, LYNCH SPIRIT, AND LAW AND ORDER

Mr. MAVERICK. Mr. Speaker, in the last few months we have seen the rise of vigilantism—that is, the mob and lynch spirit—all over the United States of America. Many excuses have been given for it, such as nazism, the C. I. O., communism, and other "isms" which are supposed to be so bad that they justify the overthrow of the orderly processes of law and the Constitution, by so-called better elements of society who are fighting for law and order and the protection of life and property.

This week, the American Institute of Public Opinion, known as Dr. Gallup's Poll, says:

> Vigilante organizations which have sprung up recently in strike areas, seeking in some instances to take the law into their own hands, are disapproved by an overwhelming majority of voters in a new Nation-wide poll just completed by the American Institute of Public Opinion.

The article goes on to show that the institute had reported that the voters, particularly the middle class, were growing weary and frightened by strikes and labor violence. And adds that "the voters may not like labor violence but they do not want the vigilantes, either."

AMERICA DISAPPROVES OF VIGILANTES 76 PERCENT TO 24 PERCENT

Then it shows that the following question has been asked:

> Do you approve of citizen groups, called vigilantes, which have sprung up recently in strike areas?

And the answers are compiled as follows:

	Percent
Yes	24
No	76

One of the striking features of the poll by sections shows that the Pacific coast is less opposed to vigilantism and mob action than any other portion of the country. On the Pacific coast 34 percent favor the so-called citizen groups, or vigilantes, and next comes the South, with 31 percent.

The table of the United States of America with reference to this subject and which was compiled by Dr. Gallup is as follows:

Favor citizen groups

	Percent	
	Yes	No
New England	22	78
Middle Atlantic	22	78
East Central	22	78
West Central	28	72
South	31	69
Rocky Mountain	19	81
Pacific Coast	34	66

Mr. Speaker, I oppose violence by any group of our society, whether it is by the police, vigilantes, or by labor. Also, even where legal force is necessary in defending property and life, I believe that no greater force should be used than is necessary for such protection or defense.

For instance, the killing of 10 strikers by the police in Chicago is justified by some because there is alleged to have been some threats from the strikers, and the police had heard that the strikers intended to use violence. Insofar as violence is concerned the Chicago crowd appeared to be good-natured, and most of them were smiling just before the police attacked and killed 10 of them. There was testimony that someone in the crowd threw a missile—note, a missile, and no shot was fired—from the back of the crowd, and then the police proceeded to beat and kill them. Some were killed after the people had been knocked to the ground.

Concerning this the La Follette committee report as follows:

We are of the opinion that the sole objective of the marchers was to picket in mass at the plant gate.

Also—

We find that the provocation for the police assault did not go beyond abusive language and the throwing of isolated missiles from the rear ranks of the marchers. * * * From all the evidence we think it plain that the force employed by the police was far in excess of that which the occasion required. Its use must be ascribed either to gross inefficiency in the performance of police duty or a deliberate effort to intimidate the strikers.

The report concludes:

We conclude that the consequences of the Memorial Day encounter were clearly avoidable by the police. The action of the responsible authorities in setting the seal of their approval upon the conduct of the police not only fails to put responsibility where responsibility properly belongs but will invite the repetition of similar incidents in the future.

In making reference to the vigilante spirit in various parts of the Union I am not excepting my own State. Recently a man was tarred and feathered in Dallas, Tex.; and from the press are reports of police violence in my own district of San Antonio, Tex., and in other portions.

TWO CLASSES OF VIOLENCE—POLICE AND VIGILANTE

I wish to make certain points, and for that purpose will divide present-day violence into two classes: First, police; and second, vigilante.

Concerning the police violence in Chicago and elsewhere, the State and city officials involved seemed to have attempted explanation of extreme violence on the part of the police because some violence was necessary. Because of isolated missiles, or minor disorder, the police are not justified in wholesale killings.

It seems to me that public officials in this country should not justify excessive violence by the police, and killings, but should condemn it as much as anyone. The only way this matter can be understood and eventually settled is to show that the police probably did suffer provocation, but that they used little or no restraint, stepped far beyond the necessities of the situation and far beyond decent responsibility.

MAYORS, HIGH OFFICIALS, ARM VIGILANTES

Now, in reference to vigilante violence, we find even the mayor of a town arming the vigilantes; we find in another city, steel companies and citizens' committees adding to the police, arms, munitions and vigilantes, which destroys the police and causes them to be mere bands of vigilantes.

American officials—governors, mayors, sheriffs, peace officers—should neither permit officers of the law to be degraded to the level of the vigilantes, nor should they allow vigilantes to independently operate in defiance of the law. In the recent mobbing of a citizen in Dallas, Tex., the American Civil Liberties Union wired the Governor of Texas, James V. Allred, who happened to be out of the city. Upon his return, however, he took the only legal and constitutional action proper to do and courageously offered a $500 reward and sent public safety commission investigators to the spot at once.

WIRE OF GOVERNOR OF TEXAS ON TARRING AND FEATHERING

His wire to the American Civil Liberties Union was as follows:

Upon my return from Mexico City I find your telegram with reference to the tarring and feathering of Herbert Harris at Dallas. I have posted a $500 reward for information leading to the arrest and conviction of each of the persons responsible for this dastardly attack. I have requested the public safety commission to send additional investigators to Dallas, and issued a strong statement to the press this morning that we are not going to tolerate such things in Texas, and that if the local authorities can't handle it we will. I hope this action will show some results.

JAMES V. ALLRED,
Governor of Texas.

Mr. Speaker, I have heard people use the phrase "law and order" as though they were really defending it, when, as a matter of fact, they were breaking down order and destroying the law of this country. In a civilized country we cannot approve of violence of any kind.

Federal Housing Projects

EXTENSION OF REMARKS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. HOPE. Mr. Speaker, everyone is in sympathy with the idea of abolishing slums and bringing about better housing conditions in slum areas. It is, however, a most difficult problem. For the last 4½ years this administration, through various agencies, has expended vast sums of money in the way of experimental programs in low-cost housing. I do not think it is any exaggeration to say that up to date these projects on the whole have been failures or worse. They have resulted in the expenditure of many millions of dollars without accomplishing anything. Up to date, the Federal Government has obligated more than $275,000,000 in the way of experiments in these projects. A review of what has been done presents an appalling picture of waste and inefficiency. The legislation under consideration today provides a definite approach to the housing problem, but nevertheless it is bound to be a failure also unless entirely different policies are followed than have been followed up to date by governmental agencies concerned with housing.

The fundamental difficulty in all of the attempts which have been made is that while these housing projects were supposed to take care of people in the low-income class, yet the projects were started on a scale of costs so high that they could not possibly qualify as low-income dwellings, even had they been constructed without waste and inefficiency. There are some who have defended these projects on the ground that they were experimental. It is difficult, however, to excuse the waste, inefficiency, and extravagance which have been present in the construction of these projects on that ground. After all, building houses in this country is no experiment. We have been doing it for 300

years. It is not a social problem or one to be carried out by social theorists. Rather it is a practical engineering and mechanical problem, which ought to be handled by practical men. Up to date, however, the housing program of the New Deal has been entirely in the hands of social theorists. Their intentions have, no doubt, been good, but the results have been terrible.

In most of these projects, notwithstanding the fact that the only excuse for their existence was the need for low-cost housing, the expenditures have been all out of reason with that theory. This has been particularly true in those projects constructed by the Resettlement Administration. In the Sioux Falls, S. Dak., project the cost has been in excess of $20,000 per family unit and in the New Jersey homesteads project it has been $14,700. The average cost of all rural resettlement projects has been approximately $6,800. This does not include the suburban resettlement projects near Washington, Cincinnati, and Milwaukee, where the cost per family dwelling unit averages $8,500. The cost of projects sponsored by the Housing Division of the Public Works Administration is somewhat less, but is still entirely too high to be classified as low-cost housing.

I have not time this afternoon to discuss in any detail more than one of these projects. I do want to call attention to what has been done at Arthurdale, W. Va. This project has received a great deal of public attention and has become rather well known because of the interest taken in it by Mrs. Roosevelt. As a matter of fact it was originally begun on her initiative. The funds which were used on this project were allocations from relief funds which Congress appropriated to relieve human suffering during the depression. The project is a typical example of New Deal planning. In the beginning it was planned to build camp houses at a cost of $1,000 each. Accordingly, 50 such houses were purchased through the E. F. Hodgson Co. of Boston for $48,600. So far so good, but to put these houses into condition the budget of the Division of Subsistence Homesteads shows that an additional $175,495 had to be spent. What was intended to be a $1,000 house turned out to be on July 1, 1934, a $4,500 house. Notwithstanding the extra expenditure, the houses as remodeled and altered were not even equivalent to standard construction. Practically all the cellars leaked, daylight could be seen through the roofs, none of the houses had water spouts or guttering, and in many of them the roofs leaked.

However, this total of $224,095 spent on the first 50 houses was only a part of the cost. In addition there was spent in connection with these homesteads $17,620 for wells, $12,128 for barns, $10,846 for land and $125,409 for surveys and clearage, making a grant total of $390,098 or an average cost for each of these incomplete and understandard houses of $8,000 without considering administration and development expenses. As a matter of fact, when all the expenditures are included on the first 50 houses, the Division of Subsistence Homesteads had already paid out $601,095, or an average of $12,000 each.

More than 2 years have elapsed since the homesteaders moved into these houses, yet none of them have been told what they will have to pay per month or per year to buy these homesteads. Payments are now being made on a rental basis of $6 per month—$72 per year. Even taking the cost figures at $8,000 instead of $12,000, that is less than 1 percent of the amount of money invested; yet $6 a month is no doubt all these people can afford to pay.

Why should they be living in $8,000 or $12,000 houses, however, when the average American who will have to pay the cost of this and other extravagant projects lives in a house costing less than $4,000?

Now, let us see who lives in these houses. Originally they were intended for stranded coal miners who had no outside means of support and who were to be taught a new trade in factories that were to be built on the project. At present the rules require all applicants to have an outside job before being eligible for one of these homesteads, and the result has been that the miners have not been helped, while a constable, a carpenter, and a manager of a factory have recently moved into these houses.

Not only do these extravagant expenditures indicate a shameful waste of the taxpayers' money, but apparently some of the expenditures are questionable from the standpoint of legality. In one case a man was put to work as a historian in order that he might collect a bill for $450 which the General Accounting Office had disallowed. The prevailing scale for a historian, I understand, is $10 a day; however, Mr. Arthur, the creditor in question, worked 10 days but was paid $270. He then submitted an additional bill for $180, but the records do not disclose in what manner that was paid.

At one time Miss Nancy Cook, a business associate of Mrs. Roosevelt, held a position as supervisor of this project at a salary of $5,100 a year. In addition, Miss Elsie Ripley Clapp, another associate of Mrs. Roosevelt, was employed as a teacher. However, the school appears to have been a failure, and it is now stated that the State will take over the school next year and that the Government has agreed to pay $6,000 annually as school tax for the homesteaders.

As I have already stated, the Arthurdale project is only one of many Government failures in the low-cost housing field. These projects are supposed to be the result of New Deal planning. If this is planning then Heaven save us from any more of it. Up to date the history of all these housing efforts is a story of mismanagement and incompetence. It is the result of placing the building program in the hands of social theorists instead of experienced architects, craftsmen, and mechanics. It has been a costly experience, but perhaps we can stand it if we are able to profit by the lessons which it has taught. We ought to profit by that experience in inaugurating this proposed housing program. We ought to insist that it be sound, that it be placed in the hands of men of practical experience instead of those who want to make the world over at the taxpayers' expense. We have had experience enough along that line. We ought to make sure in this bill that this is going to be a real low-cost-housing program. I am in favor of the most stringent provisions which we could insert in that regard. There is a real housing problem. I do not object to governmental assistance in working out its solution. If we are to accomplish anything, however, it will have to follow an entirely different plan than has been in effect up to date.

Low-Cost Housing Facts

EXTENSION OF REMARKS

OF

HON. ALFRED N. PHILLIPS, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1937

Mr. PHILLIPS. Mr. Speaker, under leave to extend my remarks, I append the following re Fairfield Court, Stamford, Conn., low-cost housing project, one of the 51 demonstration projects now in the United States in various stages of construction. Fairfield Court is a P. W. A. project; 45 percent of the cost of this project was an outright grant, 55 percent—the balance—being amortized over a period of years at low interest rate.

Fairfield Court

Cost of land		$67,264.00
Survey		400.00
Engineering and architectural services		31,198.16
Construction:		
Foundation	$36,786.44	
Superstructure	650,360.51	
Refrigerators	8,769.42	
Ranges	4,785.90	
Window shades and brackets	1,260.60	
		701,962.87
Landscaping		13,790.00
Total		814,615.03

In addition to the above, there have been certain administration expenses such as salaries of those connected with the supervision of the construction activities.

The project contains 499 rentable rooms, divided into 18 two-room, 72 three-room, 33 four-room, and 23 five-room, a total of 146 apartments. There is a social room. There are three playgrounds within the Government property limits.

The rents for these apartments range approximately $22 a month for two rooms, $27 for three rooms, $32.50 for four rooms, and $36.40 for five rooms. All of these figures include utility charges. There will be no gas used, everything is electric; electric refrigerators, electric ranges, and, of course, electric lights. When the above rents are paid by the tenants there are no additional charges. They are furnished with an ample supply of hot water and heat. Laundry facilities and drying rooms are furnished in the basements of the larger buildings for the use of all the tenants.

As to the question of minimum and maximum annual incomes, please note below the following tabulated figures:

Size of apartment	Number of persons permitted	Income required	
		Minimum	Maximum
2 rooms	2	$722	$1,410
3 rooms	2	782	1,770
Do	3	940	1,770
4 rooms	3	1,006	2,082
Do	4	1,147	2,082
Do	5	1,272	2,082
5 rooms	4	1,194	2,334
Do	5	1,319	2,334
Do	6	1,451	2,334
Do	7	1,582	2,334

An examination of the above cost figures would indicate that exclusive of land, but including such items as architectural and engineering services, refrigerators, ranges, landscaping, and so forth, the project runs approximately $1,500 per room.

In my district it is felt that the $1,000 a room limitation is bad. By this I mean that where labor and material prices are high in the large cities and in cities such as Stamford immediately contiguous to, and a part of, a large metropolitan area this cost simply could not be maintained. In other places where labor and material is low, $1,000 a room would probably work. In instances where a 5-room apartment is required and a $4,000 maximum unit cost is permitted, then the unit room cost becomes $800. The nearer this price per room can be set to $1,500 the better it will be for the larger and more congested centers. Certainly a $4,000 unit cost would do away with 5-room apartments.

As to the need for these projects in Stamford, without any intensive effort being made to secure registrations, they have totaled about 800 and there are only 146 apartments available.

Further detail of estimated project cost less land

	Amount	Per room cost
Foundations [1]	$36,790	$72.55
Superstructure [1]	685,371	1,373.75
Architects fees, etc	32,124	64.65
Landscaping	15,170	30.40
Administration	2,500	5.00
Management capital	11,242	22.50
Refrigerators [1]	8,769	17.60
Ranges [1]	4,993	10.25
Shades and bracket supports [1]	1,260	2.50
Miscellaneous contingencies	1,400	2.80
Total	799,619	1,602.00

[1] Estimated.

499 rooms—146 units average 3.42 rooms per unit:

Total estimated project cost per room	$1,738
Land cost per room	136
Estimated project cost less land, per room	1,602
Estimated building-construction cost per room (including foundations, superstructures, refrigerators, ranges, shades, and equipment)	1,477

Rents:

Average rent	$5.82
Utilities	2.95
Total rental per room	8.77

	Units		Average	Maximum yearly income
2-room units	18	$22.00–$23.50	$22.54	$1,320–$1,410
3-room units	72	27.00– 29.50	27.94	1,620– 1,770
4-room units	33	32.50– 34.70	33.22	1,950– 2,082
5-room units	23	36.40– 38.90	37.71	2,184– 2,334
Total	146			

Per month

Average gross rent, including heat, hot water, light, refrigerators, cooking	$30.00
Average cost of utilities	7.70
Balance	22.30
Average rents paid in substandard dwellings in Stamford, Conn	22.50

I also append data regarding costs of room construction in all housing projects in the United States recently constructed or under construction.

Low-cost-housing developments in various parts of the United States

COMPLETED PROJECTS

City	Name	Rooms	Cost
Atlanta, Ga	Techwood Homes	2,124	$1,027
Do	University Homes	2,343	961
Atlantic City, N. J	Stanley S. Holmes Village	928	1,371
Buffalo, N. Y	Kenfield	2,756	1,581
Charleston, S. C	Meeting Street Manor (white)	709	1,793
Do	Cooper River Court (colored)		
Cleveland, Ohio	Cedar-Central Apartments	2,296	1,221
Do	Outhwaite Homes	2,166	1,295
Columbia, S. C	University Terrace	415	1,508
Dallas, Tex	Cedar Springs Place	598	1,615
Indianapolis, Ind	Lockefield Garden Apartments	2,538	1,131
Jacksonville, Fla	Durkeeville	701	1,301
Miami, Fla	Liberty Square	860	1,066
Milwaukee, Wis	Parklawn	2,018	1,197
Montgomery, Ala	Riverside Heights	324	1,210
Do	Wm. B. Paterson Courts	524	872
New York City, N. Y	Harlem River Houses	1,940	1,377
Oklahoma City, Okla	Will Rogers Courts	1,252	1,563
Stamford, Conn	Fairfield Court	499	1,601

PROJECTS UNDER CONSTRUCTION

Birmingham, Ala	H 2002	1,588	$1,300
Boston, Mass	H 3302	3,860	1,534
Cambridge, Mass	H 8501	1,172	1,359
Camden, N. J	H 6002	1,852	1,666
Chicago, Ill	H 1401	2,501	1,715
Do	H 1405	1,070	1,534
Do	H 1406	3,254	1,621
Do	H 1408	1,733	1,659
Cincinnati, Ohio	H 1801	3,362	1,615
Cleveland, Ohio	H 1003	2,311	1,418
Detroit, Mich	H 1201	2,360	1,588
Do	H 1205	2,827	1,532
Enid, Okla	H 5401	311	1,695
Evansville, Ind	H 3801	563	1,334
Lackawanna, N. Y	H 6202	1,126	1,368
Lexington, Ky	H 5103	947	1,756
Louisville, Ky	H 2502	797	1,543
Do	H 2503	407	1,668
Memphis, Tenn	H 3401	2,004	1,466
Do	H 3403	1,574	1,727
Minneapolis, Minn	H 4201	1,708	1,810
Nashville, Tenn	H 2101	1,045	1,691
Do	H 2102	1,261	1,369
New York City, N. Y	H 1301	5,688	1,686
Omaha, Nebr	H 2001	1,114	1,480
Philadelphia, Pa	H 3001-C	999	1,951
Schenectady, N. Y	H 5801	717	1,781
Toledo, Ohio	H 2601	907	1,749
Washington, D. C	H 1706-A	903	1,948
Wayne, Pa	H 9001	168	1,774

Average cost per room—completed projects	$1,290
Average cost per room—projects under construction	[1] 1,587

[1] Estimated.

Cost does not include land.

I am enthusiastically in favor of the United States Government embarking upon this housing enterprise. I feel that through this people will be made better and happier and thus whole communities will benefit thereby.

Low-Cost Housing

EXTENSION OF REMARKS
OF
HON. PETER J. DeMUTH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 18, 1937

Mr. DeMUTH. Mr. Speaker and ladies and gentlemen of the House, I offer this amendment in order to make a well-rounded and balanced housing program. By means of this amendment we will develop a more content and better citizenry by making home ownership possible for many of those now ill-housed. It will provide more work and more income for labor per dollar expended than is provided under the main part of this bill. It will benefit a much larger number than those now ill-housed.

Under this amendment the beneficiaries of this act will receive more value for their money because no money will go to excessive land costs; no money will be lost to labor by paying excessive costs for buildings that should be condemned by local authorities as unsafe, unsanitary, and unfit for human occupancy. It will retard cashing in of old properties by land speculators at the expense of the unfortunate people we aim to help.

By means of this amendment the individual will be on guard in order that his interests are protected in receiving a good home without waste, inefficiency, and lost motion. This "honest to goodness" low-cost housing by competition will force the owners of the dilapidated buildings to raze them at no cost to our Government. If these buildings are structurally sound it will force their owners to modernize them by installing necessary sanitary improvements. At the same time it will force the reduction of rents particularly for those tenants in the lower rent brackets.

There are thousands of vacant lots in every American city both large and small that will be utilized if local authorities do not penalize or fine a working man for giving employment by building a dwelling to house his own family. Those who have read Henry George's Progress and Poverty can well understand the basic faults and weaknesses underlying our present housing difficulties.

Where Is the Pure Food and Drug Bill?

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 18, 1937

Mr. DIRKSEN. Mr. Speaker, early in 1936, the Senate passed the Copeland Pure Food, Drug, and Cosmetics bill, designed to prevent and punish the adulteration and misbranding of foods, drugs, cosmetics, and devices. It was intended to tighten the provisions of the ancient and archaic Pure Food and Drug Act of 1906. The bill came to the House in the closing hours of the second session of the Seventy-fourth Congress and went by the board as the result of a controversy over the Federal agency that should have jurisdiction of certain enforcement features of the bill.

On March 8, 1937, the Senate once more addressed itself to pure food and drug legislation and again passed the Copeland bill. On March 10, 1937, the measure was referred to the House Committee on Interstate and Foreign Commerce. Thus it will soon be 5 months that this bill has languished in committee. On many occasions I have called the committee to ascertain what action was being taken, because the consumers, the housewives, the retailers, wholesalers, and manufacturers in the field of foods, drugs, and cosmetics in Illinois were interested. To date no action appears to have been taken. Once more adjournment is upon us and the first session of the Seventy-fifth Congress is about to become a part of the dreamless past without enacting a pure food and drug bill. It would be interesting to hear an explanation of why so important a measure should be permitted to molder in committee for 5 long months without action.

A. Piatt Andrew

MEMORIAL ADDRESS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. A. PIATT ANDREW, late a Representative from Massachusetts

Mr. CLASON. Mr. Speaker, although it was not my good fortune to know personally the late Honorable A. PIATT ANDREW, his outstanding qualities were familiar to me, as they were to every citizen of Massachusetts. That Commonwealth sustained a real loss of the leadership and personality of this distinguished Member from Gloucester when he passed away more than a year ago. A. PIATT ANDREW was known throughout Massachusetts for his service to this Nation in war and in peace. As an expert economist, he was called in 1908 by the National Monetary Commission to assist it in its studies of foreign banking systems and in its subsequent recommendations which led to the passage of the Federal Reserve Act. President Taft, recognizing his ability, a short time later named him Director of the Mint, and still later Assistant Secretary of the Treasury, which offices he filled with distinction. For his work in organizing American volunteer ambulance units for service in France during the early days of the World War, and for his service as a major and as a lieutenant colonel in the American Army when we entered the conflict, he was decorated with the Croix de Guerre and the Legion of Honor by the French and with the Distinguished Service Cross by the United States. In Congress, where he represented his district for 15 years prior to his untimely death on June 3, 1936, Colonel ANDREW established himself as worthy of rank with the long line of distinguished men Massachusetts has given to the Nation for the framing of its laws. His human qualities were likewise well known even to those who did not know him personally. He was possessed of an abundance of good will for his fellow men, a kindly and friendly nature, and a noble spirit of helpfulness for those in need. Massachusetts mourns indeed his passing.

Theodore A. Peyser

MEMORIAL ADDRESS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 18, 1937

On the life, character, and public service of Hon. THEODORE A. PEYSER, late a Representative from New York

Mr. BEITER. Mr. Speaker, I wish to pay tribute to the memory of my late colleague and good friend, THEODORE A. PEYSER, whose untimely death occurred on August 8.

Mr. PEYSER was born in Charles Town, W. Va., in 1873 and resided there until 1902, when he came to New York to enter the insurance business. His introduction to politics came early in life when he was appointed to serve as a page boy in the West Virginia State Legislature at the age of 11. In

1932 he was elected to Congress from the Seventeenth District of New York, commonly known as the silk-stocking district, and was reelected to the Seventy-fourth and Seventy-fifth Congresses. During his short period of service he showed at all times a great interest in the affairs of the Nation, and the Wagner-Peyser Act, which set up a Nation-wide system of Federal-State employment bureaus, is the most noteworthy measure which he sponsored.

At the time of his death he was a member of the Committee on Interstate and Foreign Commerce, and until his illness took a keen interest in the business before the committee.

My association with Mr. PEYSER here in Congress, although all too brief, was long enough to convince me of his splendid character and his value to the State of New York. He was a most able lawmaker and evidenced at all times an exceptional devotion to duty. He was a man of high principles and ideals and enjoyed by his conduct the respect and confidence of his colleagues.

We all mourn the untimely passing of THEODORE A. PEYSER and extend to his family our heartfelt sympathy.

Tax Evasion

EXTENSION OF REMARKS
OF
HON. ELBERT D. THOMAS
OF UTAH
IN THE SENATE OF THE UNITED STATES
Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

STATEMENT OF THE NEW YORK SUN, INC.

Mr. THOMAS of Utah. Mr. President, at the request of interested parties, I ask unanimous consent to have inserted in the Appendix of the RECORD a statement of The New York Sun, Inc., July 16, 1937, in answer to a charge of tax evasion.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In a statement of the Treasury Department relative to The New York Sun, Inc., read to and filed with the Joint Committee on Tax Evasion and Avoidance, by Roswell C. Magill, Undersecretary of the Treasury, on July 13, 1937, which statement was in reply to one made by A. Harding Paul, attorney for The New York Sun, Inc., to the committee on July 9, 1937, the following language appears:

"The Treasury Department is at a loss to understand the meaning of Mr. Paul's assertion that 'you will find that because The New York Sun, Inc., was incorporated and because of the provisions of section 351, the Government of the United States got probably $50,000 more taxes than it would have received had The New York Sun, Inc., not been in existence.' To compute the amounts of taxes saved by the Dewart family because of the existence of The New York Sun, Inc., would under the present circumstances be extremely difficult."

It is submitted that no difficulty will be encountered in determining the amount of taxes which would have been payable had The New York Sun, Inc., not been in existence during the years 1934 to 1936, inclusive, during which years section 351 of the Revenue Acts of 1934 and 1936 was on the statute books. If such determination is made it will reveal that instead of this corporation considered in connection with the family of William T. Dewart avoiding taxes, as charged by the Treasury, there has actually been paid more income taxes than has been necessary. All that is required to make such determination is to assume that instead of forming The New York Sun, Inc., Mr. Dewart, when he purchased The Sun from the Metropolitan Museum of Art in 1926, simply had caused the Sun Printing & Publishing Association, which owned and published the said newspaper, to have obtained an amendment to its charter authorizing issuance of $3,000,000 first preferred stock, $2,000,000 second preferred stock and 100,000 shares of common stock and then to have had such company assume the bond and note liabilities which were assumed on its formation by The New York Sun, Inc. (The stock of the New York Herald Co., publisher of the Telegram, was purchased by Mr. Dewart as part of the same transaction with the Metropolitan Museum of Art in 1926 and was transferred with the stock of the Sun Printing & Publishing Association to The New York Sun, Inc., for the stock and other obligations of The New York Sun, Inc., referred to in the Treasury's statement. The Telegram was sold prior to 1934, the proceeds of the sale being used to retire some of the obligations of the corporation. Complete details of the organization of The New York Sun, Inc., are set forth in a book entitled "The Story of The Sun", chap. XIV.)

If, in 1926, Mr. Dewart had reorganized the Sun Printing & Publishing Association, as set forth above, instead of creating the New York Sun, Inc., he, members of his family, and the employees who purchased or received stock in the new company would have, during the years 1934 to 1936, inclusive, held the same proportion of stock interests in the Sun Printing & Publishing Association, an operating company, which they held in The New York Sun, Inc., defined by section 351 of the Revenue Acts of 1934 and 1936 as a personal holding company. The New York Sun, Inc., would not then have been in existence, and all of its income (and losses) would have been income (and losses) of the Sun Printing & Publishing Association.

It will be recalled that when The New York Sun, Inc., was formed there was no section 351 (the personal holding company statute) and that consolidated returns were provided for by the revenue laws. It made no difference in the matter of Federal taxes that the stock of the Sun Printing & Publishing Association was held by The New York Sun, Inc., because consolidated returns of the two companies could be and, until abolished by the Revenue Act of 1934 were, filed. Insofar as Federal income taxes are concerned, therefore, it made no difference prior to 1934 whether there was one or two companies involved in the publication of the Sun. From 1934 to date, however, there is a vital difference in taxes, since interest deductions of The New York Sun, Inc., cannot be consolidated in one tax return with operating income of the Sun Printing & Publishing Association.

There is attached hereto a schedule marked "Exhibit 1", which shows the individual and combined net incomes for the two companies for the years 1934 to 1936, inclusive, eliminating intercompany items. The schedule shows that for each of the years 1934 to 1936, inclusive, there was a taxable net loss (normal tax) to The New York Sun, Inc., and a taxable net profit (normal tax) to the Sun Printing & Publishing Association. The schedule also shows the taxes which would have been paid on the total income, assuming the nonformation of The New York Sun, Inc. A comparison of such taxes with those actually paid by the two companies and a statement of the annual dividends paid and the bond retirements made each year are also included. (Upon consideration of the case as a whole, including the dividend restriction contracts, it is clear that no liability under section 102 would have been incurred had there been but one company. In this connection the record is that the Treasury Department has never suggested such a liability against the Sun Printing & Publishing Association or, until the present time, against any other company controlled by Mr. and Mrs. Dewart. However, recently, since the hearings before this committee started, a deficiency against the Frank A. Munsey Co., on the basis of a violation of section 102 for the year 1934, has been asserted by the Bureau of Internal Revenue. It will be strenuously resisted and perhaps only the courts will settle the issue.)

As a result of the calculations made upon the assumption of the nonexistence of The New York Sun, Inc., exhibit 1 shows that the Government would have received for the years 1934 to 1936, inclusive, $65,941.80 less taxes.

The reason the taxes which would have been derived by the Government from the business of publishing The Sun would have been so much less had there been no personal holding company (The New York Sun, Inc.) is due to the fact that the interest paid upon the bonds issued to the Metropolitan Museum of Art by The New York Sun, Inc., would have been payable by The Sun Printing & Publishing Association, which company would have derived full benefit for the interest paid as a deduction from gross income in determining its net income subject to normal taxes. On the other hand, The New York Sun, Inc., which received its entire income from dividends, obtained no such tax benefit by reason of paying interest upon its bonds. The amount of the interest payable each year upon such bonded indebtedness is as follows: 1934, $174,872.90; 1935, $163,831.25; 1936, $138,659.72.

On the first page of the Treasury Department's statement of July 13 the following language appears:

"The corporation (The New York Sun, Inc.) claimed and was allowed deductions upon these returns (personal holding company forms 1120–H) on account of the 20-percent deduction and debt-retirement deduction provisions of section 351 of the Revenue Acts of 1934 and 1936. If these deductions had not been authorized by the statute, The New York Sun, Inc., would have been required to pay an additional amount of tax in the aggregate for the 3 years of $27,499.47."

The deductions referred to are those authorized by section 351 (b) (2) A and B, which Congress determined should be allowed in order that a proper tax should be computed and paid by personal holding companies. Every personal holding company in the same circumstances was treated uniformly. It is because The New York Sun, Inc., together with over 4,500 similar holding companies which filed personal-holding-company returns for 1936 (as stated by Commissioner of Internal Revenue Guy T. Helvering, in his speech before this committee), filed its return upon the exact basis prescribed by the statute and made deductions therein as permitted by law that this company and its principal stockholders were publicly listed by the Treasury Department as tax avoiders.

The Commissioner, as recorded at page 172, volume 1, of the record of public hearings of this committee, made prior to submitting

the name of The New York Sun, Inc., together with certain other companies, the following statement:

"I now wish to show the committee, in a general way, how the various deductions provisions of section 351 have been used to avoid taxes, and to describe in more detail how these provisions are used for that purpose."

The Commissioner stated that his Bureau had analyzed 1,300 (personal holding company) tax returns filed under the 1936 act, which were a portion of a total of 4,516 returns from personal holding companies on file for that year at that time. He introduced for the record exhibits A, B, C, and D and listed, on exhibits B and C, The New York Sun, Inc. There was also filed in connection with these exhibits table no. II, which listed the principal owners of some of the personal holding companies, including as owners of The New York Sun, Inc., the name of William T. Dewart and wife. The New York Sun, Inc., and Mr. and Mrs. William T. Dewart were thereby listed by the Treasury Department before this committee and the country as tax evaders or avoiders. The New York Sun, Inc., could not have filed its holding company tax return (form 1120–H) on any other basis than as filed for the years 1934 to 1936, inclusive, and still have complied with section 351, and the company and its stockholders properly resented and still resent the imputation of the Treasury Department of the United States that, in taking the deductions referred to which were legally allowed to it, it is a tax avoider of the type suggested by the President of the United States in his message to Congress which prompted the formation of this joint committee, and which were characterized in the letter of the Secretary of the Treasury to the President of the United States as "highly immoral avoidance" and amounting to "moral frauds."

The New York Sun, Inc., wishes it to be understood by the committee and the Treasury Department that had it not been for the deductions permitted by section 351 (b) (2) A and B of the Revenue Acts of 1934 and 1936, viz, the 20 percent and the bond retirement deduction provisions, the New York Sun, Inc., would not have continued in existence after the passage of the Revenue Act of 1934, and the Government would have then received approximately $65,000 less taxes than it has received. Due to excessive taxes the stockholders of the company may yet vote to merge or consolidate The New York Sun, Inc., and the Sun Printing & Publishing Association and thus reduce the annual exactions demanded. This they can do under the present revenue laws, and this they could have done in 1934 under the laws then existing without incurring any taxes or other penalties whatsoever because of such merger or consolidation. The stockholders will without question vote for merger or consolidation if the deductions permitted by section 351 are eliminated or if the rate of tax imposed by such section is increased. In such event the Government will succeed in the case of such taxpayers at least in bringing about a reduction of the revenues collectible instead of plugging a loophole. The fact that such step has not been previously taken is a complete denial that the New York Sun, Inc., has manifested in its dealings with the Government a purpose to evade or avoid taxes.

In the light of the analysis shown in exhibit 1, the statement to this committee made by Mr. Paul, to the effect that the Government received approximately $50,000 more taxes than it would have received but for section 351 and the existence of The New York Sun, Inc., was extremely conservative.

In its July 13 statement the Treasury Department suggests that because of the use of the debt retirement and 20-percent deduction provisions authorized by section 351, the C. W. H. Corporation (a personal holding company whose stock was entirely owned by Mr. Dewart during 1934) saved taxes for such year in the sum of $15,869.64. If this additional tax of $15,869.64 is deducted from the $65,941.80 extra taxes paid by reason of the existence of The New York Sun, Inc., the Government is still approximately $50,000 ahead in its revenues. Accordingly, there would seem to be no basis and there would seem never to have existed any basis for the Treasury Department to charge tax evasion or avoidance on the part of Mr. and Mrs. Dewart, members of the Dewart family or on the part of the 350 stockholder employees of The New York Sun, Inc., by virtue of the creation or operation of The New York Sun, Inc.

In its statement the Treasury Department analyzes the stock holdings of The New York Sun, Inc., and concludes that the Dewart family owned at December 31, 1936, 54 1/10 percent of the value of the outstanding stock. The Department bases its valuation upon the net worth of the company as taken from a balance sheet as of December 31, 1936. The statement is made that the percentage of 54 1/10 percent was arrived at without ascribing any special value which might inhere in the Dewart voting control. In Mr. Paul's statement to the committee of July 9, he said that the Dewart family owned less than 50 percent in value of the outstanding stock of The New York Sun, Inc. The Treasury based its valuation upon a balance sheet or book record which included large arbitrary write-ups, while Mr. Paul's statement takes into consideration as can best be determined the real value of the stock which is believed to be the proper test under section 351 (b) (1) B. It is significant in this connection that in arriving at the value of the shares of stock owned by the Dewart family, Mr. Paul ascribed a value of $100 per share to the 8-percent first preferred stock, owned almost entirely by employees of the Sun.

In its statement the Treasury Department also points to an alleged tax avoidance of $21,780.65, said to be ascribable to Mr. Dewart for 1934 by virtue of the existence of the C. W. H. Corporation. The Treasury seems to have discovered no difficulties in assuming the nonexistence of the C. W. H. Corporation for the purpose of suggesting tax avoidance. But it professes a disability to assume the nonexistence of The New York Sun, Inc., no doubt because on such assumption the large amount of extra and unnecessary taxes actually paid would be revealed. By assuming the nonexistence of the C. W. H. Corporation, the Treasury Department computes the tax based upon the combined net incomes of Mr. Dewart and his holding company for the year 1934, and arrives at the conclusion that Mr. Dewart avoided the payment of $21,780.65. Assuming, for the purpose of argument, such a computation to be proper and assuming further a similar computation for the years 1934 to 1936, inclusive, the additional taxes payable by Mr. Dewart and his family would, if deducted from the $65,941.80 extra taxes paid by virtue of the existence of The New York Sun, Inc., still leave many thousands of dollars of taxes in the Treasury of the United States which would not be there had the taxpayers been as tax conscious as the Treasury thinks and adopted a tax savings program.

In the latter part of its statement the Treasury suggests that an attempted tax saving should not be overlooked as a result of the transfer from the C. W. H. Corporation in the latter part of 1934 of 9,209 shares of the Munsey Trust Co. stock to the Frank A. Munsey Co., an operating company. This statement is not understood, and since the nature of the attempted tax savings is not specified, nothing need be said in rebuttal except to deny that the purpose of the transfer of the said stock was to remove the C. W. H. Corporation from the personal holding-company class as defined by section 351. However, had this been the sole motive for the transfer, it is believed that the Treasury should commend rather than criticize the action, since Mr. Dewart thus removed the C. W. H. Corporation from that class of corporations (personal holding companies), which the Treasury has held up to this committee as a proper subject for ridicule and censure. The Treasury's witnesses have branded the personal holding company as a malignant type of tax-evasion device and will apparently recommend legislation to eliminate it entirely or greatly increase its taxes. Since, as in the case of The New York Sun, Inc., they are frequently holders of stock in operating companies, the resulting mergers will doubtless, instead of producing more revenue as the Treasury thinks, actually bring about tax savings to the stockholders of the combined companies.

In conclusion, The New York Sun, Inc., respectfully submits, as said by its attorney in his statement of July 9, that its stockholders or employees have done nothing "illegal, unethical, immoral, or questionable" with reference to their taxes, and their names ought not to have been presented to the committee by the Treasury Department as being evaders or avoiders of any proper obligation to the Government. In the best light that can be thrown on the Treasury's action, it has made a mistake in introducing in these proceedings the name of The New York Sun, Inc. As shown by the above analysis, the United States Government has received more taxes in the aggregate than would have been payable had the taxpayers involved, prompted by the reasonably human motive of a desire to avoid taxes, arranged their affairs so as to have paid the least amount possible.

THE NEW YORK SUN, INC.,
By A. B. GAUNT,
Assistant Secretary.

Exhibit 1

Net taxable income of (based on returns)	1934	1935	1936	Total
The New York Sun, Inc.	[1] $157,119.20	[1] $152,809.21	[1 2] $123,962.08	
The Sun Printing & Publishing Association	498,381.86	307,509.21	491,909.67	
Combined total	341,262.66	154,700.00	367,847.59	
Tax on combined net income	46,923.62	21,271.25	[2] 61,206.91	$129,401.78
Tax paid	68,527.51	42,282.52	84,533.55	195,343.58
Additional tax received by the Treasury Department	21,603.89	21,011.27	23,326.64	65,941.80
Dividends paid on 8 percent first preferred stock	140,469.04	143,823.51	149,148.67	
Taxes as above	46,923.62	21,271.25	61,206.91	
Total	187,392.66	165,094.76	210,355.58	
Combined income as above	341,262.66	154,700.00	367,847.59	
Disbursements	187,392.66	165,094.76	210,355.58	
Balance	153,870.00	[1] 10,394.76	157,492.01	
Bonds retired	300,000.00	300,000.00	300,000.00	
Payments in excess of income	146,130.00	310,394.76	142,507.99	

[1] Red figures.

[2] After eliminating intercompany dividend, but before 85-percent credit for other dividends received.

[3] Normal tax	$51,758.29
Surtax on undistributed profits (gives effect to contract restricting dividend payments)	9,448.62
Total	61,206.91

Who Are the "Lord Macaulays"?

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

EDITORIAL IN THE PHILADELPHIA INQUIRER, AUGUST 19, 1937

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix an editorial from the Philadelphia Inquirer of August 19, 1937, entitled "Who Are the 'Lord Macaulays'?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Thursday morning, Aug. 19, 1937]

Every true American who heard or read President Roosevelt's address at the Roanoke Island exercises commemorating the three hundred and fiftieth anniversary of the birth of Virginia Dare, first English child born in the New World, will applaud his reaffirmed determination to improve the lot of the underprivileged and his rededication to the principles of democracy.

No citizen of this country, whatever his political affiliation and whether or not he approves all of the policies of the national administration, can properly dispute the soundness of the President's renewed demands that economic and social justice be extended to those who have been denied opportunity for advancement and a measure of material abundance which would make their lives happier and more fruitful.

All Americans, also, must be deeply thankful for Mr. Roosevelt's strong declaration in support of majority rule and allegiance to democratic ideals. It is reassuring to hear from the Chief Executive that "my anchor is democracy—and more democracy." So long as this Nation holds fast to the great fundamentals of liberty and justice in which it was cradled and by means of which it has grown to heroic stature, it cannot go far astray.

There may reasonably be, however, some confusion in the public mind concerning certain phases of the President's speech yesterday. His long quotation from Macaulay's famous letter warning of what appeared to him to be perils inherent in a pure democracy served a useful purpose in showing that the famous English historian was woefully short-sighted when he undertook to prophesy.

But it is one thing to cite the error of a British critic who looked at America with eyes long accustomed to the social landscape of England and it is quite another to assail as "American Lord Macaulays" certain mysterious persons or groups in the United States of today.

Who are these "American Lord Macaulays" whom the President so berates? "They tell you", Mr. Roosevelt says, "that America drifts toward the Scylla of dictatorship on the one hand and the Charybdis of anarchy on the other." But who are "they"? Again, "they love to intone praise of liberty, to mouth phrases about the sanctity of our Constitution—but in their hearts they distrust majority rule." Who are "they"? And once more, "they seek to substitute their own will for that of the majority, for they would serve their own interest above the general welfare." Who are "they"?

Are "they" the "economic royalists" and the "princes of privilege" of an earlier period of this administration? Are "they" the Democratic Senators who defeated the President's proposal to pack the Supreme Court? Are "they" the congressional groups, chiefly Democratic, which have failed to push to enactment important programs sought by the administration?

Whoever "they" are, it is virtually impossible at this time to perceive a "privileged minority" seeking "to change the American form of government." The President's vigorous attack on what will appear to many thoughtful persons to be mists and shadows cannot be other than perplexing.

More to the point is the Executive's quotation showing that Macaulay's ideal government placed "supreme power * * * in the hands of a class, numerous, indeed, but select; of an educated class, of a class which is, and knows itself to be, deeply interested in the security of property and the maintenance of order."

Class distinctions should have no meaning whatever in a democracy. Yet only within the last 3 or 4 years class consciousness in America has appeared to be nurtured not by the people but by the national administration. Nor is a true democracy interested in "the security of property" if this means the precedence of property rights over human rights. Nonetheless, any owner of a two-story house or a used automobile has a valid concern for the security of whatever property he has.

The President may be, as he insists, "as strongly in favor of the security of property and the maintaining of order as Lord Macaulay or the American Lord Macaulays who thunder today." Certainly it may be believed that his intentions are sound. But during the great industrial disputes of some weeks ago the opportunity to take an unmistakable stand for the maintenance of law and order "knocked at the President's door"—and he turned aside.

Strongly reassuring, however, is Mr. Roosevelt's flat statement, "I seek no change in the form of American government." It is particularly encouraging because of the fact that if his program for revising the Supreme Court had been adopted the form of American government unquestionably would have undergone a change. The foundations of constitutional rule would have been undermined and the way prepared for strange new experiments in autocracy.

Americans who love their country and are earnestly concerned for its welfare and eager for the opportunity to live and work in tranquillity may well hope that the President will not permit himself to be unduly perturbed over visionary "Lord Macaulays" of the present. He is Chief Magistrate of the world's greatest and most successful democracy. In the maintenance of its historic ideals, in devotion to its traditional principles, he has the most glorious opportunity for service that can be granted to any human being.

Employment

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

STATEMENT CONCERNING THE NUMBER OF PERSONS IN EMPLOYMENT

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of facts concerning employment of persons in the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Approximately 8,800,000 more persons were employed in regular nonagricultural industries in May 1937 than in March 1933, the low point of the depression. The total of those employed, 34,722,000, compares with 35,377,000 in March 1929, but while the estimate is only 655,000 below that for the predepression period, this does not mean that employment has been reduced to within 655,000 of the 1929 level. A very considerable increase in the number of employables has taken place during the past 8 years, due to normal population growth.

Those now employed in industry, covering the fields of manufacturing, mining, construction, transportation, and public utilities number 14,592,000; those in distribution and service, covering trade, finance, service, and miscellaneous industries, government, education, and professional services, number 12,800,000; those classified as proprietors and self-employed number 4,245,000; and the casual workers are listed as 3,085,000. Weekly pay rolls in manufacturing industries alone were $132,178,000 greater in June last than they were in March 1933.

Wage earners have also made significant gains through Federal and State legislation since 1933. Under the Social Security Act all the States, the District of Columbia, Alaska, and Hawaii have enacted statutes in accordance with the unemployment compensation provisions of the measure and thus nearly 21,000,000 of our workers are assured of some protection against the hazards of unemployment.

It was estimated in July that about 1,500,000 old people and over 440,000 dependent children and 38,000 blind persons received cash allowances amounting to over $32,000,000 from Federal, State, and local funds.

For old-age benefits the only section of the act to be administered exclusively by the Federal Government, over 29,000,000 registrations for account numbers have been received from workers. This is the insurance against old age and is self-sustaining on the basis of contributions by employers and workers.

The National Labor Relations Act, defining the right of self-organization of industrial workers for the purpose of collective bargaining and providing methods by which the Government can safeguard that legal right is another important measure in the interest of wage earners and a step toward the achievement of just and harmonious relations in industry.

The Wagner-Peyser Act set up the reorganized United States Employment Service in the Department of Labor, and in the 4 years the Service has been in operation it made approximately 20,250,000 job placements. Of these 5,500,000 were in private employment and over 14,500,000 in prevailing wage nonrelief public work and in work which was essentially of relief character.

The fiscal year just ended has shown a marked increase in the volume of placements in private employment. During the first 6 months of the present calendar year private placements have been more than double those for the same months of 1936. For the first time in the history of the Employment Service, in the last 4 of these months, the number of private jobs filled materially exceeded the combined volume of both public placements and relief placements.

The Walsh-Healey Government Contracts Act, the Railway Labor Act, the Railroad Retirement Act, the amended prevailing wage law, the act regulating interference with picketing, the Merchant Marine Act, and the resolution authorizing investigation of industrial espionage were all of prime importance to Americans who have to work for their living.

An apprentice training program has been adopted to uphold mechanics' standards of skill and to permit the thorough training of apprentices where needed and under proper safeguards instead of flooding the labor market with thousands of half-trained helpers.

Annual meetings of representatives of the different State Governors have been held under the auspices of the United States Department of Labor at the request of the States so as to bring about cooperation for a desirable program of State legislation in the interests of wage earners.

Federal Housing Legislation

EXTENSION OF REMARKS
OF
HON. ROYAL S. COPELAND
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

STATEMENT BY MERWIN K. HART, OF THE NEW YORK STATE ECONOMIC COUNCIL

Mr. COPELAND. Mr. President, an expert on the subject suggests an amendment to the Housing Act and has formulated his reason. It is printed in the Herald Tribune, and I ask that the Senate may have the benefit of his views by the insertion of a letter in the Appendix of the RECORD. It is from the pen of Merwin K. Hart, of the New York State Economic Council.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Thursday, Aug. 12, 1937]

HOUSING UNDER THE WAGNER BILL

TO THE NEW YORK HERALD TRIBUNE:

Some Government aid to the housing of some of the people is a necessity.

Whatever aid is given must be furnished by the rest of us out of what we can save after paying for our own housing.

Therefore, while the housing must be good, it must be built at lowest possible cost.

But, unless the Byrd amendment sticks and unless still further economies are provided, the Wagner bill will give a housing cost greater than new housing today costs for the average of all families in America.

Hence, the Wagner bill should not be passed unless low-cost housing is assured for the greatest number of families.

What is the evidence to support the above?

Cost of construction, due largely to artificial restriction, has been notoriously high. Here in New York City volume of construction was falling long before 1929. By 1933 and 1934 it was less than 10 percent of the peak volume of the 1920's. No other industry reached such a low point. Revival of construction brought volume, even in early 1937, to only 50 percent of the 1920's peak. Because of still higher wages and material costs, and economic uncertainty, construction permits have been falling since March.

Several years ago the Federal Government allotted $150,000,000 for housing construction. By aid of this, in one way or another, several projects were built in Greater New York. The Harlem project of 574 apartments, now nearing completion, cost about $7,500 a family, including land. The Williamsburg project, to house 2,150 families, has cost $8,000. Some projects have cost less. Some Resettlement projects have cost much more.

Now, while the Government has been spending the taxpayers' money with so liberal a hand on these public projects, let us note the cost of similar private construction. The Building Trades Employers' Association (in its periodical News and Opinion of Mar. 10, 1937) gives an analysis of New York City building-permit figures of the United States Department of Labor. This shows that during 1936 residential buildings (one-family, two-family, and multifamily houses) were built in the five boroughs of Greater New York to house 33,296 families. The average estimated cost of them all, not including land, was about $3,600. For one-family houses the cost varied from $3,441 in Queens to $5,533 in the Bronx. The cost of multifamily buildings (that is, the usual apartment house) varied from $2,833 in Queens to $4,300 in Manhattan. I am told that the cost of land may be figured at from $400 or $500 to $1,000 to $1,200 a family—and in a few cases somewhat more.

A partial check on this may be obtained by ascertaining at what price one-family housing is being offered for sale. In a New York Sunday paper of August 8 we find varied offerings of new low-priced homes. One agency offers single five-room homes of solid brick, stone and steel, with bathroom, heated garage and other improvements in the Borough of Queens for $4,290. The terms are $900 down and the balance at $34 a month for 20 years—and this includes interest, insurance, and taxes. I have inspected some of these houses and they are of excellent quality. Other homes are offered at slightly higher prices.

It would seem then that much of the public housing recently built has been costing 50 to 100 percent more than privately built housing. What are the reasons?

An important factor is the restrictions imposed by labor unions—restrictions intended to increase the wages and improve the status of the building-trades workers, but the actual effect of which is to reduce the yearly wages of all but the most fortunate, and to keep the rest of them out of employment altogether.

Chief among these restrictions is, of course, the prevailing rate of wages laws—State and Federal laws that require, in effect, the payment of union scales of wages on public works. They alone have probably increased cost from 20 to 25 percent. While all public work has been done at these fanciful hourly wages (which Mr. Robert Moses said prevail nowhere except with the Government), thousands of homes have been built in Westchester, Nassau, and Queens Counties by workers, including union members, at wages about half the union rates.

Other factors that swell the cost of Government-aided housing are jurisdictional disputes between trade unions; ridiculously high standards of specification; lack of coordination between specification authorities and inspection authorities; building upon only 25 to 35 percent of the land; undue amount of red tape in every phase of the work, which discourages contractors from bidding except at prices that include all unforeseen contingencies; the tendency to make each job a social experiment rather than a practical building job.

Of course, I know the ardent friends of Government housing will insist they are trying to raise the standard of housing—they are not satisfied with old standards. But whatever the standard, it is vital to keep the cost down. And the Wagner bill (except for the Byrd amendment) completely ignores cost—assumes it is of no importance—specifically provides that the prevailing rate of wages and other artificial restrictions shall be in full force. Thus a high cost would be certain.

* * * * * * *

This leads to the nub of the matter. The plea for better housing is based on the fact that the expected tenants are poor—they are unable to house themselves. We talk of Government aid—but the Government is nothing but the tax collector. It is the rest of us that pay.

And passing by the relatively few rich who we assume can easily stand their share of the cost of whatever is done, let us consider the great mass of the people who will be paying for this. They are represented by the man or woman with a small savings account—with a little life insurance. He either owns his own home, perhaps only partly paid for, or else he rents his house or apartment. He pays all the rent himself. And in most cases what he owns or what he rents is not nearly so good as what it is now proposed he be required to furnish free to people less thrifty than himself.

This does not make sense. It is unjust to the self-supporting individual.

There are three other aspects. One is the effect on existing real estate of the Government building high-cost housing, and then making a gift to the tenants of a large part of the rent. This puts the Government into unfair competition with the owners of existing property—property which pays taxes the community needs.

The second aspect is even more important. We are now in the fifth year of our economic recovery. Yet with a public debt of $55,000,000,000 ($2,500,000,000 of which was added by the Federal Government during the last year alone), and with an additional $250,000,000 added during July alone, we have placed a heavy mortgage on the future. We have been requiring the next generation to pay for a part at least of the good things we are enjoying today—and in addition, of course, they will have to pay for their own good things.

The Twentieth Century Fund says we should retire our Federal debts at the rate of one billion a year, in good times and bad. To do this we must revolutionize our present spending. The greatest method to economize is not to undertake fresh expenditure—not to enter into any new field; or, if it is necessary (as probably is the case in this matter of housing) to go into a new field, to do it with the most rigid economy.

In the third place, the Wagner bill solemnly recites that private industry is unable to build housing for low-income families. It does not say that most of the cause is the hindrance thrown

in the way by Government—such as the prevailing rate of wage. Government never had to tell the motor companies how to make good automobiles for low-income groups. The Government could have taken the $8,000 it put into each of the 2,150 Williamsburg apartments and could have purchased from private builders in Queens a modern five-room house (with heated garage) and would have had nearly $4,000 left over. In other words, it could have housed nearly twice as many families with the same money.

I submit that the Wagner housing bill ought not to pass unless all restrictions that raise the cost are eliminated and unless a provision something like the following be included:

It is hereby declared to be a vital national policy that the housing to be built under the act must and shall be built at the lowest possible cost, in order to prevent an impossible burden to the taxpayer, and to insure the maximum amount of housing to those it is intended to benefit; and to that end no money shall be loaned or granted by the Housing Authority, except in a State where the prevailing rate-of-wages law and all other restrictive statutes and regulations are suspended, and until that State has likewise declared through its law-making body that low-cost construction is a vital part of its policy.

Without such a provision the Wagner bill would open up a new door to almost limitless spending and waste of the people's money—and few families would get the needed housing.

MERWIN K. HART,
President, New York State Economic Council, Inc.
NEW YORK, *August 10, 1937.*

The Dairymen Ignored

EXTENSION OF REMARKS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

REMARKS OF HON. FRANCIS D. CULKIN, OF NEW YORK, AT BOONVILLE FAIR, AUGUST 6, 1937

Mr. CULKIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address recently delivered by me:

Fellow citizens, the invitation to speak to you today, reinforced by an eloquent letter from your president, Mr. Claud Musser, of the Boonville Herald, gave me an opportunity to escape from the tropical heat of Washington and breathe again the bracing air of the north country. Needless to say, I welcome this opportunity to come here and tell you dairymen what is going on at the seat of government. It is true there was an element of challenge in the proposition, for exactly 1 year ago today, Mr. Wallace, the Secretary of Agriculture, gave you the administration's viewpoint in what was intended to be a conciliatory and vote-making speech.

THE DAIRYMAN IGNORED

I do not deny to Secretary Wallace the attributes of personal charm and political integrity, but I make bold to state that under his auspices the grievous situation of the dairyman has been, in fact, aggravated, while the situation of the corn, wheat, cotton, and tobacco farmer has been greatly improved. The administration has, under Mr. Wallace's direction, paid out of the Treasury more than two billion dollars to place the favored types of farmer more on a parity with industry.

I do not quarrel with that procedure. In fact, I voted for the legislation on the theory that the prosperity of the farmer goes hand in hand with the prosperity of the industrial worker and our people nationally. I do quarrel with the proposition of Secretary Wallace which led him to take an active part in denying to the dairyman legislation which would have improved his economic condition.

The Secretary of Agriculture, and when I speak of him I include the distinguished occupant of the White House, knew full well that the dairyman, East and West, was facing an economic crisis by reason of low prices for his product, due to exploitation by the middleman and his own lack of organization. They knew that you dairymen had not worn a path to the Treasury, in common with some of the other farm groups, and had not been on the firing line clamoring for Government aid. They knew the dairy farmer, during the depression and down to the present day when recovery is well advanced, was tied to the soil like the Russian serf; they knew that the dairyman's land was being sold for taxes and while he is making a necessary contribution to the health of the people, the dairyman finds himself without sufficient return from his increasing labor to live in comfort, free from the stress of poverty.

In his speech of a year ago, the Secretary referred touchingly to the "welfare of the farmers and workers across the Canadian border and across the seas." His efforts for foreign farmers has made them more prosperous than they have been since the Great War. He told you at that time that the high price of feed was a blessing. He told you that you were back to noticeable profits in 1935 and 1936. All of this must have sounded strange and tragic to you of the north country whose backs were to the wall, with your mortgages growing bigger and your taxes remaining unpaid.

SOME LEGISLATIVE HISTORY

I do not desire to give my remarks a partisan tinge, but I will recount for you the history of our efforts in Congress to give the dairy group parity with industry, and how our every effort was thwarted and beaten by the administration's policies. In 1935, impatient with the administration's treatment of the dairyman, a nonpartisan steering committee was formed in the House, composed of 75 Representatives, all from dairying States. We effected an organization and presented a program to the administration and legislative leadership of the majority.

Permit me to briefly recount to you the scope of the legislation which we endeavored to write and the manhandling it received from Secretary Wallace and the administration leadership. After the A. A. A. had been declared unconstitutional by the United States Supreme Court, the administration presented the legislation which is now on the books, the Soil Conservation Act. We endeavored to write in that law a provision to protect dairymen by requiring that any land taken out of production or other basic crops should not be used for pasture or forage to increase production of dairy products. The request seemed to be a modest one, inasmuch as farmers on lands so retired were to receive benefit payments in excess of five hundred million dollars a year.

The history of the A. A. A. shows that much of the land retired under that act, 35,000,000 acres, had been used for dairying, particularly in the South. The records show that there had been an increase of dairy cows in the South of three and one-half million under the New Deal auspices. We thought that those in receipt of farm benefits should not "have their cake and eat it, too", and that the dairyman, who by the nature of his farming actually did conserve the soil, should not receive this New Deal barrage of competition. The leadership in the House of Representatives, then and now, is from the South, and they, aided and abetted by Secretary Wallace and the rest of the administration forces, turned their batteries upon the amendment and defeated it. Today, the dairyman is getting deadly competition from the cotton, tobacco, and corn grower. That is the first count in the indictment.

THEY SOLD THE DAIRYMAN ACROSS THE LAKES

We sought to obtain an amendment to the Reciprocal Trade Agreement Act to provide no further reduction be permitted in the tariff structure on dairy products, and also that such agreements should be ratified by the Senate of the United States. In his speech here a year ago, Secretary Wallace eulogized the trade agreement with Canada which gives the Canadian farmer a reduction of 2 cents a pound on Cheddar cheese. Under this trade agreement Canada was also given a quota on cream and cattle. In treaties with France, Switzerland, and the Netherlands the duty on dairy products has been lowered from 20 to 35 percent, although production costs in these countries are less than half of what they are in America. The result has been that while the price of other farm products has been greatly increased, the price on dairy products remains static or depressed despite the greatly increased cost of production which has fallen upon the shoulders of the dairymen. Importation of dairy products amounted to more than $16,000,000 in 1936. The Democratic leadership of the Ways and Means Committee of the House refused to give us a hearing on this proposition, despite the fact every other nation with whom treaties have been made, whether European, South American, or otherwise, requires the ratification of the treaties by their legislative assemblies.

We sought to obtain appropriations for the eradication of bovine tuberculosis and Bang's disease. The Democratic-controlled House committee, although they had voted $2,000,000,000 for the wheat, corn, and cotton farmer, refused to give us adequate appropriations for that purpose. We sought an additional $11,000,000 and were given three and one-half after a protracted and savage struggle.

SANITARY PRODUCTION

We sought extension of the Lenroot-Taber Act, which prohibits the importation of cream and milk into the United States, to all dairy products unless such products have been produced by dairy herds under official tests for bovine tuberculosis. More than $300,000,000 have been spent in continental United States by State and Federal Governments for eradication of bovine tuberculosis. The farmer, himself, receives only nominal reimbursement for the loss of his cow and sometimes his whole herd, and has contributed more than $100,000,000 to the purpose of insuring sanitary production of his milk. I know of no other country in the world, except New Zealand, where such regulations are enforced. The American span of life has been extended 10 years, and it has been said by reliable authority that this is largely due to the sanitary production of dairy products. Despite these facts, the administration-controlled committee of the House on agriculture refused to even give us a hearing, on the grounds

it would be violating principles laid down in the trade agreements. To add insult to injury, the State Department wrote into these treaties the provision that we could not impose sanitary regulations without the consent of other nations, none of whom had made more than the first approach toward disease eradication and the production of dairy production by sanitary means. The dairyman is still being sold across the Lakes and over the seas by the internationalists in charge of this program.

We sought to obtain an additional excise tax on foreign fats and oils. The chairman of the Democratic Ways and Means Committee refused to even give us a hearing on this proposition.

THE INVASION OF OLEO

The last count in the indictment revolves around an added 5-cent tax on oleomargarine manufactured in the United States. The proposition did not even reach the hearing stage in the Agriculture Committee, as the cotton-oil group, who were, of course, interested in butter substitutes, were in command. We vainly called the administration's attention to the fact that while only $5,000,000 worth of cottonseed products went into the manufacture of vegetable margarine, the dairyman of the North and East was buying $40,000,000 worth of cottonseed byproducts as food for cattle. In prosperous years the purchase by the dairyman amounted to $100,000,000 a year. We vainly called attention to the fact that the profits from the sale of butter substitutes went largely to the Philippines or to the "packer kings." We called attention to the finding of the American Federation of Labor, the largest body of consumers in America, that the use of butter substitutes was injurious to childhood and particularly harmful to eyesight. We called attention to the fact that while butter substitutes were synthetic, counterfeit food lacking in vitamins necessary to sustain life, they were also destroying the market for dairy products. We called attention to our little neighbor, Canada, with 10,000,000 people in comparative modest circumstances, which had abolished the manufacture and sale of butter substitutes. I myself introduced a bill patterned after the Canadian measure. These protests were all in vain. They conceded the justice of our demands in the interests of the dairyman and public health, but under the political lash and the urge of loyalty refused to give us the relief asked. The opposition to our program went further. The Margarine Institute, financed by the "packer kings", caused to be introduced a bill that dignified oleomargarine by giving it a statutory name and abolished most of the present taxes on the nefarious product. The measures we proposed all died aborning, slaughtered in the House, always at the behest and command of the Department of Agriculture and Secretary Wallace.

So I have come to believe that under the present administration the case of the dairyman will not be aided or advanced. The fact is that those of us who represent dairying districts have spent much of our time in preventing the administration from imposing unfriendly and evil legislation on the dairyman.

I say this advisedly, because our approach on the question was always nonpartisan and specific. We had in our ranks the Progressives of Wisconsin, the Farmer-Laborites from Minnesota, the solid Republican delegation from the North, and some splendid Democrats from the East and West. We exhausted every parliamentary strategy, but the die was cast against us. So far as legislative achievement in behalf of the dairyman is concerned the results have been negative. It is true that we have kept your cause alive and prevented the unsympathetic administration at Washington from destroying the dairy industry.

ORGANIZATION NECESSARY

The situation being as it is, the dairyman must turn to other procedure in order to remedy his condition. The course I am going to suggest is obviously sound. It is taking a leaf from the book of the distributors and nimble middleman. It is embraced in one word, "Organize!" Organize to the last man. Organize until it hurts. You must give up your ancient individualism and join up with the cooperatives or other organizations. I know there are two schools of thought in New York State on the proposition and, so far as I am concerned, I care not which vehicle you ride in if you but present a united front to the enemy. Do not be too tenacious of your own views on organization. The evil condition of the dairyman has been due, in considerable part, to his unwillingness to join forces with existing organizations. Dairymen have been too prone to see the mote in the other fellow's eye, and sometimes have hived with their oppressors when the price of milk temporarily was a little higher. There are honest, sincere, and able men in all groups. Seek them out and join forces with them. Put away your phobias and hates and make a common stand against the oppressor. It was the Napoleonic conception to divide the enemy in two and then destroy each part in turn. The distributors in the past have taken a leaf from the book of Napoleon and you have been destroyed piecemeal. In the present hour of your distress I hope you can see the logic of my suggestions.

Labor in the industrial field has forged ahead of the farmer. Labor is in a fair way now to obtain decent return for its skill and toil under the collective-bargaining principles. That is sound national procedure and applies to the dairyman. If you but organize under loyal, able, and honest leadership, you will come into your own and obtain a just and living price for your product. There are plenty of profits in the dairying game and the consuming public is paying adequate prices. The trouble is that the dairyman is not receiving his share of the returns. The great combinations of capital, including the Borden Co. and the Dairy Products Corporation, hold you in the hollow of their hands.

Let me give you one example of the vast profits which have accrued to distributors in one milkshed. In House Document 94 of the Seventy-fifth Congress the Federal Trade Commission reports that the National Dairy Products Corporation paid $12,000,000 for $9,000,000 worth of assets of the Wills, Jones Milk Co., Philadelphia, Pa. In 5 years this concern paid $12,000,000 in net cash dividends. During this period the farmers in this milkshed were not obtaining a living price for their product.

These profits were obtained in part in the Connecticut and Philadelphia milksheds by what the Federal Trade Commission mildly calls "underpayments to producers." I stigmatize this procedure by its correct name when I call it grand larceny. On page 6 of House Document 152 of the Seventy-fourth Congress it appears that the dairy farmers of the Philadelphia area "lost in excess of $530,000 in 1934 by reason of underpayments by distributors for grade A milk." In other words, the distributors in that milk area stole that amount from the bankrupt producers. In both the Connecticut and Philadelphia milksheds some distributors were found who made milk from combinations of cream, water, skim, or condensed milk and sold it as grade A, thus depressing the price of the genuine article and selling a fraudulent article for use by infants of those localities. This practice went on in 1931, 1932, 1933, and 1934, the last year the books were examined. In the first 6 months of 1933, in the Philadelphia area, the excess of bottle-milk sales over basic purchases amounted to more than four and one-half million quarts, divided between milk bought as cream and sold as bottled milk and milk bought as manufacturing milk and sold as bottled milk.

There were many more millions of quarts of milk sold as class 1 along retail routes which were paid for at class 3 prices. In St. Louis, Mo., two local distributors sold two and one-half million quarts of milk, paid for at surplus-milk prices and sold for bottled milk. The Federal Trade Commission says it is reasonable to suppose that the amount of milk sold as grade A and paid for at class 3 prices was even larger. You should know that the Federal Trade Commission has only made a partial investigation of these grand larcenies from the producers in the Connecticut, Philadelphia, and St. Louis milksheds, and has made none at all in New York's milkshed. I am advised by the Commission that they have but scratched the surface. It is my belief that this code of larceny which rules the Bordens and the National Dairies in the other milksheds is in operation in this State.

The distributors and the lobbyists have fought an audit in New York State successfully until now. Their obvious alarm in this connection leads me to believe that where there is so much smoke there must be some fire. Personally, I wish to characterize this performance, which I believe is national in scope and includes New York State, as the most despicable form of grand larceny that has ever come to my notice. The penal codes of these States cover it, and why in God's name some of these thieves who have been caught red-handed are not in jail is more than I can understand. If a man steals a loaf of bread for his hungry family, the law is rigorous in its exactions. These gentry seem to be able to steal millions of quarts of milk and escape punishment. I mention these facts to emphasize the necessity for a real sea-going audit of these accounts of the books of the distributors in this State. I repeat that, East and West, these malefactors are bound together by hoops of steel, and it is a fair inference that what they do in Connecticut and Philadelphia, these same outfits are doing in New York.

NATIONAL MONOPOLY

There is another phase of the marketing condition which must be cured. I charged in the Congress recently that the dairymen, nationally, were in the grip of a savage, unrestrained monopoly which reaches practically into every part of continental America. The monopoly exists here in New York State with all the primitive procedure which characterized the heyday of the Standard Oil Co. It is a corrupt, venal, and criminal conspiracy against the well-being of you dairymen. It is composed of the National Dairy Products Corporation, which acts in collaboration with the Borden Co., and sometimes through the agency of their own company unions. In that speech I called attention to the criminal price-fixing performance which went on at Plymouth, Wis., which profoundly affects the price of all milk products in America. There the price of cheese is fixed by the satellites of the "packer kings", Swift & Co., Armour & Co., and the National Dairy Products Corporation and the Borden Co. The Federal Trade Commission made findings on the proposition and I have demanded that the Commission and the Attorney General bring these criminals to justice.

Other Congressmen, notably Representative BERNARD J. GEHRMANN, of Wisconsin, a Progressive, and Representative WALTER M. PIERCE, of Oregon, a Democrat, both excellent technicians in this field, have followed up with speeches making requests similar to mine. Your own distinguished Congressman, Dr. DOUGLAS, wished me to tell you that he was with you tooth and nail in the fight for economic justice. We are expecting results, and I make no hesitancy in saying that if we don't get them, there will be blood on the administrative moon.

MAKE A COMPLETE AUDIT

A law was passed during the last session of the New York State Legislature providing an audit of dealers' books. That was excel-

lent legislation, and if honestly conducted, an examination should develop facts and findings which would stop the oppressors in their tracks. The new commissioner of markets, Mr. Noyes, is an excellent man, honest and incorruptible. I hope and believe he has the fighting heart. I am advised the machinery of this law is in his hands, and I suggest that he, in collaboration with the Federal Trade Commission, should set zealous and unpurchasable accountants promptly at work to make a real and not synthetic audit of the books of these companies. Let the audit go to every phase of their disbursements. Not only the disbursements of the company itself, but its officers who have obtained large sums for illegal purposes from the treasury of the companies. Find out who has been the beneficiary of loans and gifts, and whether any public officer, past or present, has basked in the sunshine of their favor. Find out what college professors, if any, are on their pay roll. Find out how much they give the Democrats in the State and Nation, and, for good measure, find out how much they gave to the Republican Party. Obtain and publish the names of political lawyers and the amount of fees paid to them, and for what. Most important of all, find out if this is true, as charged, that they are now disbursing money for controlling the bargaining agency set up by the Rogers-Allen Act. The Federal Trade Commission and the new commissioner of agriculture of this State can—and by a thorough audit—bring these exploiters, who are destroying you dairymen, to their knees. [Applause.]

GOVERNOR LEHMAN'S PART

I make bold to call upon Governor Lehman to take a hand in this situation. He was present at the birth of National Dairies, which organization is now fast moving toward a complete control of the very lives and destinies of millions of men, women, and children. The Governor must know that the lives of you dairymen and the very life of the north country is at stake in this issue. The Governor must know that if you are finally driven to abandon your farms, business and the community life in these areas will perish. The Governor is a humanitarian, and he knows that a host of Americans are being destroyed because of a savage, corrupt monopoly, engineered largely by the very forces he set in motion. Let him speak in thunder tones to these corruptionists and oppressors, and I am sure they will heed his words.

The Governor knows that when the Rogers-Allen Act and the McElroy-Young Act were sent to his desk by the legislature he chose the Rogers-Allen Act as the instrumentality to bring justice to the dairymen. He knows that it is now charged openly that the distributors are murdering this act in its bed through the medium of illegal and coercive actions. Is the Governor of this great State going to stand passively by while the law is being flouted? I, for one, do not believe it.

Although a Republican, I have admired the Governor's record and his courageous stand on public questions. His magnificent service in the garment strike is one of the epics in the history of labor. He took the economic chains off the garment workers, who were being exploited. Let him now take the chains off the dairyman and "curb these cruel devils of their will" by compelling these monopolists to live within the law.

There can be no shirkers or camp followers in this fight. Any man or group, ostensibly on the side of the dairyman, who is really serving the milk monopolists is, to my mind, "full of rottenness and dead man's bones." You can rely on us at Washington to energize the Federal agencies in this matter. They are now in the saddle on the proposition. With the State authorities militantly fighting on the side of law and economic decency, and you dairymen standing together, the day of your economic redemption will speedily arrive.

In conclusion, let me state that I am enlisted for the duration of this war and will battle unceasingly to bring you economic justice. [Applause.]

Effect of Act of March 1, 1937, On Eligibility of Members of Congress

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, August 19, 1937

ARTICLE IN THE RECORDER, SAN FRANCISCO LEGAL PUBLICATION

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a very able and interesting article appearing in the Recorder, a legal publication of San Francisco, Calif., concerning the effect of the Retirement Act of March 1, 1937, as to the question of increasing the emoluments of the office of Supreme Court Justices and also as to the question of the creation of a new office because of that act.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the San Francisco Recorder, Aug. 16 and 17, 1937]

DID THE ACT OF CONGRESS OF MARCH 1, 1937, "CREATE" OR DID IT "INCREASE" THE "EMOLUMENTS" OF ANY OFFICE WITHIN THE MEANING OF SECTION 6 OF ARTICLE I OF THE CONSTITUTION, SO AS TO RENDER MEMBERS OF THE PRESENT CONGRESS, WHICH ENACTED THAT ACT, INELIGIBLE DURING THEIR CURRENT TERMS FOR APPOINTMENT AS JUSTICES OF THE SUPREME COURT?

(By Andrew F. Burke, of the San Francisco Bar)

By act of March 1, 1937, Congress extended to Justices of the Supreme Court the privilege theretofore granted to Federal judges, other than Justices of the Supreme Court, viz, to "retire" from active service (without "resigning" their offices), with the right to receive, during the balance of their lives, the compensation which they were receiving at retirement.

A question has arisen whether any Member of the present Congress, which enacted the act of March 1, 1937, will, during his current term of office, be eligible to appointment as Justice of the Supreme Court in view of section 6, of article I, of the Constitution, which reads, in part, as follows:

"No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created, or the emoluments whereof shall have been increased during such time; * * *"

Two grounds are asserted against the eligibility of Members of the present Congress during their present terms. They are:

(1) That the act of March 1, 1937, increased the "emoluments" of the office of Justice of the Supreme Court, in providing for a retirement allowance for retired Justices; and

(2) That the act of March 1, 1937, in providing for the appointment of a so-called "successor" to a retiring Justice of the Supreme Court "created" a new office, inasmuch as a retiring Justice does not vacate (but, on the contrary, continues in) his office, so that his so-called "successor" is not a successor at all, inasmuch as he does not fill a vacancy in an old office, the office of the retiring Justice, but in fact fills a new office.

It is to be noted that the ineligibility thus asserted against Members of the present Congress will not extend beyond their current terms. The constitutional ineligibility exists only during the term which the Member of Congress was holding at the time of the enactment of the act which "created" the new office or "increased the emoluments" of an old office. It was so held by the Attorney General in an opinion respecting the eligibility of Senator William S. Kenyon of Iowa during a succeeding term for appointment to the office of circuit judge created during a preceding term of the Senator. (33 Opinions of Attorneys General, p. 88.)

The facts were that on February 19, 1919, while Senator Kenyon was serving as United States Senator from Iowa, the salaries of circuit judges were increased by act of Congress. The then current term of Senator Kenyon expired on March 4, 1919. In 1918 Senator Kenyon was reelected, however, and his new term began on March 4, 1919. On January 31, 1922, he was appointed a circuit judge in the eighth circuit. The salary of the office was increased in one term and the appointment of Senator Kenyon took place in the next term.

Reference to the history of Congressional allowances to judges, consequent upon (1) resignation and (2) retirement (without resignation) is pertinent

Since April 10, 1869 (16 Stats. 45), all Federal judges, including Justices of the Supreme Court, have had the right to an allowance for life upon resigning from office. When the Judicial Code was adopted on March 3, 1911, the provision for an allowance to a resigning judge was incorporated as section 260. By act approved February 25, 1919 (40 Stats. 1157), section 260 was amended so as to provide for the retirement (as distinguished from resignation) of Federal judges other than Justices of the Supreme Court, and for a retiring allowance to such retiring judges for the balance of their lives, in an amount equal to the salary received by them at the date of retirement.

The reason for the amendment so as to provide for retirement and a retirement allowance as distinguished from a resignation with attendant allowance is clear. There is a vital distinction between a resignation of a judge or other officer, and his retirement. By resignation, an officer ceases to be such; by retirement his status as such officer continues, but he is relieved from the active duties of the office.

See "Army" (5 Cor. Jur., pp. 313–315).

Also *Booth* v. *United States*, 291 U. S. 339 (1934), later dealt with.

This distinction between resignation and retirement is all important, because different consequences ensue. For example, section 1 of article III of the Constitution provides, among other things, as follows:

"The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation, which shall not be diminished during their continuance in office."

By reason of this provision, the Congress has no power to decrease the compensation of a Federal judge while he remains in office, even to the extent of imposing an income tax thereon (*Evans* v. *Gore*, 253 U. S. 245). If, however, by resignation, the "continuance in office" of a judge ceases, the Congress has power to reduce any statutory allowance made to him to attend upon his resignation. This happened in the case of Mr. Justice Holmes, who resigned his office of Justice of the Supreme Court. (There was no provision at the time for retirement.) The Congress also has power to levy an income tax upon the allowance of a resigned judge, no constitutional provision forbidding it.

On the other hand, in retiring a judge does not lose his status as judge, but continues to hold the same "during good behavior" (i. e., during life) and hence his retiring allowance cannot be diminished by the Congress (either by direct diminution or by levy of an income tax thereon) in view of the constitutional provision quoted above (*Evans* v. *Gore, supra; Booth* v. *United States, supra*).

The Booth case involved an act of Congress which had attempted to decrease the retiring allowance of retired Federal judges. Judge Booth, circuit judge, and Judge Amidon, district judge, who had retired under the above-mentioned act of February 25, 1919 (but had not resigned), brought suit to recover the amounts of which they had been deprived by the act of Congress. The judges claimed that, despite their "retirement", they still held office as circuit judge and district judge, respectively, and that the above-quoted provision of section 1 of article III forbade decrease of their compensation. The Supreme Court, in a unanimous decision, upheld the contention of the judges (*Booth* v. *United States, supra*), and decided that neither of the judges by retiring (without resigning) had vacated his office or ceased to be a judge, and, in consequence, the compensation of each judge was protected against diminution by section 1 of article III of the Constitution above quoted, and that the statute which had attempted to decrease their salaries was unconstitutional.

The Court drew the distinction between a "retirement" and a "resignation" and pointed out the consequence of each, respectively, to be as above stated.

It follows that the Members of the present Congress are ineligible to appointment to the Supreme Court during their current terms.

The situation may be summarized as follows:

1. The "office" to which the appointment will be made, as occasioned by the retirement of Mr. Justice Van Devanter, was "created" by the present Congress; and

2. The "emoluments" of the office which the appointee will fill have been "increased" by the present Congress.

The reasons for these conclusions may be briefly put:

(a) Under *Booth* v. *United States* (291 U. S. 339) a Justice who "retires" (without resigning) does not vacate his office as Justice, but continues to hold the same. His retirement merely relieves him from active service as a condition to receiving the compensation of the office. This being true, the appointee to "succeed" the retired Justice will in no true sense be a successor of the retiring Justice, but rather the holder of an additional office. For example, the so-called successor of Mr. Justice Van Devanter will be a tenth Justice of the Supreme Court. He will be in active service, whereas Mr. Justice Van Devanter (still holding the office of Justice of the Supreme Court) will not be in active service.

(b) The act of March 1, 1937, annexed to the office of Justice of the Supreme Court (by whomsoever held) a new right or advantage which did not exist before, namely, a right to retire at the age of 70, subject to the conditions of the statute, and to receive full salary thereafter, without the obligation of rendering any service. This exemption from service, as a condition to receiving salary, is an "emolument" of the office, as much so as an increase in the fixed compensation during service would be. The retiring allowance itself is part of the compensation of the retiring Justice.

"* * * pension and retiring allowances are part of the compensation of public officials" (*Schefflin* v. *Berry*, 216 N. Y. S. 367, 374, per Judge [now Senator] WAGNER).

The newly created retirement allowance, therefore, is increased compensation to the Justices of the Supreme Court. Thus, in a twofold aspect, the "emoluments" of the office of Justice of the Supreme Court were "increased" by the act of March 1, 1937, (1) by the grant of an exemption from service as a condition to receiving compensation, and (2) by a grant of salary (without any longer service) which would, necessarily, be additional salary for past services.

These increased "emoluments" will be enjoyed by Mr. Justice Van Devanter when his retirement becomes effective, because he has availed himself of the statute. But they are an incident of the office of every other member of the Court, to be enjoyed by them if and when they avail themselves of the statute, which is wholly optional with them.

[N. B.—Since June 6, 1932, the compensation of all Federal judges taking office after that date is subject to deduction for income tax, and it is expressly provided that the acts fixing their compensation are amended accordingly.]

Raid on Textile Industry in Massachusetts

EXTENSION OF REMARKS
OF
HON. JOHN P. HIGGINS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

SOME OBSERVATIONS OF THE CONTRIBUTION OF MASSACHUSETTS DURING PERIOD OF NATIONAL STRESS—REASONS FOR SOUTH'S OPPOSITION TO WAGE AND HOUR BILL

Mr. HIGGINS. Mr. Speaker, industry in Massachusetts accounts for roughly 85 percent of the wealth-producing activity of the State. The objective of Massachusetts, like every other State in the Union, is to maintain conditions which are favorable to the location and profitable for operation of industry so that a favorable trend in industrial activity will continue to be recorded. Massachusetts asks no more from the Federal Government in the nature of assistance than is required to protect the industrial and social life of our State. She is a pioneer among States for better hours and better wages for workers. She caused to be enacted the original industrial accident law which served as a model for every other State in the Union. She completed an exhaustive unemployment insurance study over a generation ago and, prior to the passage of the Social Security Act, was paying the highest old-age pension rate in the country. She enacted the minimum-wage law almost a quarter of a century ago and has reduced by legislation on several occasions hours of labor in industry. Massachusetts blazed the way many years ago in these and many other laws which were enacted for the economic and social benefit of the average man living and working within our State.

On many occasions during my membership in Congress I have heard the people of Massachusetts referred to as "too provincial", and, in reply, all I need say is that if provincialism is a devotion to the ideas and customs which aim to improve the position of our fellow man and a profound regard for American institutions, then we in Massachusetts must plead guilty, for from the time of the birth of these United States we in Massachusetts regarded the State as a sovereign State and our duty as one to maintain our government without Federal aid and make such contributions to our national life that would reflect credit upon the citizens of our State. The fact that the people have followed this fundamental belief is best illustrated in the table enumerated below, in which I set forth the percentage of contributions that the Federal Government has made to the States during the period of depression to provide works relief for the citizens of the respective States. Note, if you will, that the six New England States have been aided the least of any States in the Union by the Federal Government for relief purposes.

Federal Government percent contributed to States

South Carolina	98.0
Louisiana	96.9
North Carolina	96.8
Arkansas	96.5
New Mexico	96.5
Mississippi	96.2
Florida	95.2
Alabama	94.6
Georgia	94.7
Tennessee	93.4
Wyoming	91.2
Virginia	90.2
South Dakota	89.9

Montana	88.7
Nevada	88.6
West Virginia	88.5
Oklahoma	86.8
Kentucky	86.8
North Dakota	86.3
Arizona	85.2
Colorado	84.5
Idaho	84.1
Washington	81.7
Oregon	79.4
Texas	78.9
Utah	78.9
Ohio	77.7
Missouri	77.3
Nebraska	76.8
Minnesota	76.4
Illinois	75.4
Michigan	73.5
District of Columbia	73.3
Kansas	73.0
Wisconsin	72.5
Maryland	72.5
Pennsylvania	70.9
New Jersey	68.4
California	67.2
Indiana	64.6
Iowa	57.8
Vermont	56.6
New York	53.0
Massachusetts	52.4
Maine	50.0
New Hampshire	44.7
Connecticut	43.9
Delaware	40.5
Rhode Island	39.4

If the people of our State were provincial, could they view in any more charitable light the fact that billions of dollars have been given for relief by the Federal Government to sections of the country other than Massachusetts and New England? This is particularly true in light of the records of the internal revenue, 1935, which reveal that Massachusetts stands number 10 in internal-revenue receipts. An analysis of the following table and a comparison with the foregoing table will indicate to my colleagues that the States to whom the Federal Government contributed least to solve their relief problems are the leaders in internal-revenue collections, which provide, in turn, for the maintenance and support of our National Government:

Internal-revenue collections by States

1. New York	$815,893,348.17
2. Pennsylvania	327,613,348.80
3. Illinois	316,322,038.42
4. North Carolina	300,012,035.66
5. Michigan	217,301,451.33
6. Ohio	214,456,349.24
7. California	200,882,958.10
8. Virginia	161,782,158.82
9. New Jersey	157,385,266.80
10. Massachusetts	121,515,019.99

LOSS OF TEXTILE INDUSTRY

Historically Massachusetts continued to maintain its supremacy in the textile industry until 1919, at which time it commenced to lose its competitive advantage in this field. For over 10 years, from 1909 to 1919, Massachusetts employed about 27 percent of all the cotton-textile wage earners in the country and produced about 25 percent of all the cotton goods. In 1933 Massachusetts employed less than 12 percent of the wage earners and accounted for only 11 percent of the value of cotton goods. When a condition such as this appears we must look for the reason, and the competition of cheap labor in Southern States is the reason. The South has been hungry for industry during the past 15 years in order to bring purchasing power into their communities and to absorb a surplus of labor caused by the conditions among the tenant-farmer class, to whom $6 a week from a cotton mill is more than they have seen for a long time. Lack of adequate labor laws to protect the worker and the absence of union organizations aimed to improve the position of the worker caused the industry to migrate south.

If low wages and the exploitation of the men and women of the South are what the movement set out to accomplish, then it has succeeded admirably, for the findings of the investigators who have made surveys of the southern textile industries have been appalling and I submit for reference a very enlightening article by Thomas Stokes of the Scripps-Howard Newspapers, entitled "Carpetbaggers of Industry", in order to support my statements that sweatshops, exploitation of labor, and economic and social misery prevail in many of these southern centers. The following table would indicate the success that the South has had in its appeal to this industry. In 1920, Massachusetts, with 224 cotton mills, was number 1 with almost 24 percent of the total cotton products produced in the country, while in 1933 she has 103 mills and was fourth in production and only produced 11 percent of the cotton textiles. Correspondingly there was a reduction in the number of wage earners in this industry over the period described and, obviously, a reduction in the wages received.

Value of cotton products

1920	
Massachusetts (224)	$317,601,000
North Carolina (343)	190,989,000
South Carolina (154)	146,495,000
Rhode Island (127)	114,227,000
Georgia (125)	104,983,000
1933	
North Carolina (289)	189,000,000
South Carolina (145)	162,000,000
Georgia (125)	126,301,000
Massachusetts (103)	98,603,000
Alabama (75)	66,939,000

The advantage that southern mills have over cotton mills in other parts of the country, as described above, is recognized in the South and, to the everlasting credit of the press of that section of the country, they are ever and always on guard to advise those who represent southern constituencies that the South has advantage and that it is their problem to protect that advantage. As far as the capital which fled to the South is concerned, it is my opinion that they will eventually find themselves up against conditions far worse than those from which they sought to escape. The only solution to a uniform condition in the industry is the enactment of a wage and hour bill pending before Congress. This legislation is essential to protect American labor whether we live in the South, North, East or West, against a low standard of wages. The present-day South affords an excellent opportunity for a "chiseling" manufacturer to exploit the men and women of that region, because the aim of the South is to secure industry, pay rolls, and purchasing power to fill the gap left vacant by tenant farmers. A Federal wage and hour law is the only hope to cure labor conditions such as have been so often described and which are having evil effects upon the social standards of the other parts of the country.

Law must step in where management has failed and give the laboring classes in the mills of the South a decent living wage. A few excerpts of editorials from leading southern newspapers will best illustrate the manner in which they holler to high heaven when an attempt is made to enact a uniform wage and hour bill.

The Constitution, Atlanta, Ga., August 1:

It is fundamentally unfair to the South that it (wage and hour bill) makes no allowance for sectional differentials and, if rigidly enforced, would make possible compulsory labor costs for the southern manufacturer equal to those of his northern or eastern competitor.

Richmond News-Leader, August 2, 1937:

The South wants a better wage standard—but those who risk the ruin of regional industries by approving a wage scale without differentials may be destroying industrial jobs.

Dallas Morning News, July 12, 1937:

This law (wages and hours) would handicap industrial development in the South and would run counter to everything that Secretary Hull is trying to do under the reciprocal trade treaty program.

Mobile (Ala.) Register:

The revised Black-Connery wage and hour bill, as has been emphasized before, does not provide for mandatory geographical wage differentials. The Black-Connery bill, which is being ardently supported by certain citizens in the East and North, should be defeated.

Pensacola News-Journal, July 4, 1937:

The chief objection to the bill is that it would wipe out the differentials between working and living conditions in the South.

The South strenuously objects to eliminating wage differentials and establishing a standard minimum wage for all parts of the country. The reason is obviously that the section has been a haven for manufacturers of textiles who pay impoverishing wages to the labor of the South. It is amazing that the leading newspapers of the section subscribe to a continuance of this practice. The irony of the argument of the leading Georgia newspaper, the Constitution, in the editorial of August 1, in commenting upon the provisions in the wage and hour bill to set up a board to administer the act, is as follows:

It cannot, of course, be presumed that the administrative board or any of its agents would use those powers corruptly, but the law would give it full scope to practice injustice if it desired. It is not right to place such power in the hands of any governmental group or bureau.

I am wondering if anyone heard the voice of the Constitution when relief legislation was passed that placed in the hands of an individual, Harry Hopkins, for administration, close on to $8,000,000,000 over a period of 4 years. I wonder if they were prone to comment then on the unchecked power in the hands of this individual or did the conscience of the editor of that newspaper deem it inexpedient to comment in view of the fact that Georgia was to receive 94.7 percent of its relief costs from the Federal Government.

We cannot, as President Roosevelt has already said, "achieve lasting prosperity or political stability in this country so long as one-third of our people earn less than a decent living and many millions are unable to find work in private industry and business." This problem is a national problem and not a sectional one and one can readily understand that it would be almost impossible to pass uniform legislation in the States to cure this evil. Many businessmen have in late years become aware of the fact that wages and hours are a matter for Federal control. The prosperity of industry depends upon the buying power of the people. For that reason we should have a direct interest in any problem which increases wages and that, in turn, increases buying power.

The Mariners' Museum, Newport News, Va.

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. BLAND. Mr. Speaker, on April 27, 1937, King George VI officiated at the opening of the National Maritime Museum at Greenwich, England. Present were the Queen, Princess Elizabeth, the First Lord of the Admiralty, and many other notables. At this ceremony King George stated that the qualities of Drake, Nelson, and Franklin are as real today as ever in the past, and that it was well to recall the exploits of men such as these so that the vital part British seamen had played in history might never be forgotten.

Though younger, nevertheless our Nation has a splendid maritime history, and it is equally important that the part American seamen have played should likewise never be forgotten. There are many treasures to be preserved, an eventful past to be recalled, and a brilliant record to serve as an inspiration to the future. We do not have in this country a national maritime museum, but it is with pride we record that we do possess a nautical treasure house of surprising proportions which is international in scope.

In Warwick County, Va., near the city of Newport News, the Mariners' Museum is located. At this splendid museum the student of maritime matters will find a vast collection of material, diversified, comprehensive, and unique. The Mariners' Museum was founded in the year 1930 by Archer M. Huntington, and its purpose as declared in its charter was to establish and maintain on the Virginia Peninsula, a museum and library pertaining to nautical subjects, things, and interests, and otherwise to advance learning, the arts and sciences relating to or bearing on watercraft, the marine, and marine navigation, and incident to the whole to develop and maintain a lake and park within the bounds of which those foregoing purposes might be accomplished.

This statement of its intentions shows that the museum was created not merely for the purpose of exhibiting interesting objects or marine curios but that primarily its character is educational. Soon after the issuance of the charter, a tract of some 900 acres, bordering the James River on the north and located 6 miles above the shipbuilding city of Newport News, was selected for the site.

SITE OF MUSEUM WELL SELECTED

The selection was a happy one for within a few miles of the site have occurred some of the most momentous events in the history of the world. Nearby is Jamestown, the location of the first permanent English settlement in the New World. In May 1607 the British settlers sailed up the river whose waters wash these shores. They came in three small vessels, the *Susan Constant*, of 100 tons burden and commanded by Capt. Christopher Newport; the *Goodspeed*, of 40 tons, Capt. Bartholomew Gosnold; and the *Discovery*, of only 20 tons, Capt. John Ratcliffe.

The great river that they traversed first bore the name of Powhatan, after the Indian emperor, but this was changed to James in honor of the English king. Here began the foreign commerce of this great Nation which has now attained huge proportions.

It was well said by Rear Admiral Wat Tyler Cluverius in an address at the Yorktown Sesquicentennial in 1931 that at the Capes of the Chesapeake, with their historic background of achievement in every epoch of our national life, have generations of men-of-war's men learned their lessons of naval science; that here in the Great War the American fleet rode in instant readiness to speed to the assistance of our Allies; that through these waters American soldiers passed to take their places in the trenches of France.

The nearby waters of Hampton Roads have likewise witnessed events of great importance and in the early days of the colony marauding Spaniards, Dutchmen, and pirates were repulsed. The battle off the Chesapeake Capes on September 5, 1781, between the French and English fleets, with the victorious seige of Yorktown, assured the independence of the Colonies and the establishment of a new nation. Later came the *Monitor* and the Confederate *Virginia* (formerly the United States frigate *Merrimac*) to engage in their epochal contest which changed the entire course of naval warfare.

Shipbuilding itself has seen over 300 unbroken years in this region. We are told that while the first step in shipbuilding in the Colonies began in 1607 with the construction of the little 30-ton ship *Virginia* on the banks of the Kennebec River in what is now the State of Maine, there followed soon after the construction of another vessel at Jamestown, which was used in local traffic on the James. From

that day to this ships have been built on this river, and near its mouth the yards and docks of the Newport News Shipbuilding & Dry Dock Co. equal any in the world.

TOPOGRAPHY OF SITE

The property acquired by the museum was bisected by a tidal estuary called Waters Creek after an early settler. As the bordering land was cleared foundations were laid for a massive stone dam, which was to impound its waters to form the lake specifically planned in the museum charter. The lake now covers approximately 165 acres of former marshland and has been named Lake Maury in honor of Matthew Fontaine Maury, the celebrated Virginia oceanographer, lieutenant in the United States Navy, author, and later commodore in the Confederate States Navy. His valuble publications and scientific research won for him the title of "Pathfinder of the Seas", and it is interesting to note that his writings in the Southern Literary Messenger were instrumental in effecting great reforms in the United States Navy, and that they contributed to the founding of the United States Naval Academy at Annapolis.

The northerly end of the museum property was converted into a natural game preserve and deer park, and the lake itself was soon to become a haven for migratory waterfowl. Walking and bridle paths were laid out bordering the lakeside, and although many varieties of indigenous trees, shrubs, and herbs were planted on the grounds, the visitor is left for the most part with the impression of unchanged natural beauty.

BUILDINGS AND SCULPTURE

A service building was erected near the westerly bank of the lake and the collections of various kinds began. Pessimists predicted that all objects worth preserving were in museums, but the work of the Mariners' Museum has steadily progressed until today, slightly more than 7 years from its founding, the museum ranks high among similar institutions throughout the world.

The original service building has been twice enlarged and now forms a spacious unit facing a driveway and enclosing a large central courtyard behind.

On a rising knoll near the dam and surrounded by tall Virginia pines has been placed an imposing statuary group, Taming the Wild, designed by Anna Hyatt Huntington. Several other noteworthy pieces of sculpture by Mrs. Huntington are in the museum park.

COLLECTIONS

Since no limitations on the scope of the Mariners' Museum were prescribed in the charter, it has been decided in making the collections to preserve an exceptionally broad outlook. An Eskimo kayak or a Chinese sampan is now as much at home in the museum as a Virginia-built dugout. Although the collections are by no means complete and will probably never be so—for to complete this undertaking would be the confession of failure—no particular period or locality has been stressed to the exclusion of others. Every attempt has been and will be made to keep the museum abreast of the times by the exhibition of contemporary material relating to maritime affairs.

To describe the exhibits in somewhat more detail, it may be said that on the exterior walls of the buildings are assembled a noteworthy collection of ships' anchors. Some of these are of considerable antiquity, and several barnacle-encrusted specimens from the West Indies may in former times have belonged to vessels trading the Spanish Main.

In front of the building are a pair of enormous ancient and handsome bronze cannon which originally guarded a Cuban fortress. Flanking the entrance hall are two sliding bronze doors with nautical designs in high relief. In the main display room figureheads are mounted on pilasters, while in the center is placed an enormous carved eagle with a 16-foot wing spread. Originally adorning the U. S. steam frigate *Lancaster*, this specimen is representative of the finest workmanship of the master carver John Haley Bellamy.

Perhaps the most arresting single exhibit in the main hall is a 50-foot Portuguese fishing boat. This gargantuan craft was placed in the center of the proposed new exhibit hall and the walls were built around it. Also located in this room are oil paintings and water colors of vessels, naval engagements, whaling, and other nautical scenes, from the brushes of the world's finest marine artists. These pictures range from Dutch seventeenth-century pieces through the British and French masters down to our leading contemporaries.

In floor cases are many objects connected with seafaring, such as navigational instruments, marine pottery, and china ware, sea shells, fishhooks, whalers, decorative "scrimshaw" work, and other examples of sailors' handicrafts and folk arts. One collection of considerable interest consists of objects recovered in 1935 from British warships sunk in the York River at the siege of Yorktown in 1781. Cannon once actually upon these ships but buried in the mud for a century and a half may now be seen. Bottles with coloring variegated by chemical action during their long submersion at the bottom of the river, lines and wood from the ships, cannon balls, and other relics have been recovered.

Occupying an honored position in this hall one finds a collection of builders' half-models, over two dozen of which are those of George Steers, the famous designer of the even more famous yacht *America*. Large-scale models produced in the museum's own model shop are on exhibition in the main hall. These are made to the scale of one-fourth inch to the foot and appear complete in every detail. The larger part of these are of vessels which have been built at the plant of the Newport News Shipbuilding & Dry Dock Co., but there are also splendid models of the famous *Virginia* (*Merrimac*) and *Monitor* and many others. Everything used in the construction of the museum's models from hulls and castings down to the small blocks and belaying pins is made here. Near the front entrance are placed striking working models of steamship machinery. These include the model of a reciprocating engine and a geared turbine, both made by the Newport News Shipbuilding & Dry Dock Co., and also a fine Scotch boiler model made and presented by the Todd Shipbuilding Corporation. The museum maintains complete photographic equipment and the records of its exhibits contain a photograph of every object on display in the museum.

Leading from the main exhibit hall are smaller rooms, each with specialized groups of exhibits. The whaling industry is represented in the center display room by lances, try-pots, a Beetle whaleboat complete with gear, and a set of davits from the bark *Wanderer*, the last of New Bedford's whalers. Cases contain ships' lanterns, sounding apparatus, firearms, telescopes, and the like. In another gallery are articles largely connected with the shipbuilding trades. Early ship-carpenters' tools, sailmakers', smiths', and riggers' implements are represented and the primitive Polynesian canoe builder's stone adz may be compared with a modern pneumatic hammer.

Around the walls of these galleries hang countless old prints of vessels, naval engagements, and other marine scenes. Particularly to be noted is the large assembly of prints of ports and harbors of the world. An index chart of harbor prints is maintained from which the visitor may ascertain if the collection includes a print of any desired place and the location of this print either on the walls or in the metal filing cabinets.

A wing devoted to the library adjoins the exhibition galleries. Primarily concerned with marine subjects, it contains to date almost 20,000 books, both old and new, as well as files of periodicals, manuscripts, logs, charts, and similar works. The librarian's office and the book bindery are beyond the reading room and visitors are accorded every consideration on the part of the library staff in research problems.

Housed in arcades flanking the open courtyard is perhaps the most noteworthy collection of actual small craft in existence. The Mariners' Museum is fortunate in that it

has space into which to expand, and no type of vessel need be refused admittance. Some of the larger boats are moored off the museum boathouse on an arm of Lake Maury. Here one can see in absolutely untouched condition, a Greek sponge sloop just in from the Gulf of Mexico, a Chesapeake Bay sailing canoe; and other craft.

All articles on display are full labeled and exhibited in a most attractive and careful manner. The function of the Mariners' Museum is not alone the preservation of interesting exhibits, but it also serves as an educational institution whose influence is already being felt through its published contributions. Several monographs have been issued and others planned on a variety of subjects ranging from a history of the land on which the buildings stand to a complete history of the truly indigenous Chesapeake Bay craft, the dugout log canoe.

A permanent staff of caretakers, librarians, model makers, and research workers is maintained at the museum. In addition, many game wardens and other workers look after the game and maintain the grounds and park.

It is fitting in these days, when Great Britain is taking just pride in the opening of her maritime museum, that our people should take cognizance of a similar institution in our United States. This institution our people may visit freely, and here they may acquaint or revive their interest in maritime education.

All students at our nautical schools, every midshipman at the Naval Academy, and every cadet at the Coast Guard Academy should spend a part of his school term in learning some of the valuable lessons which only these exhibits and this environment can teach.

The museum is open every day of the year without admission charge. During the past year it was visited by well over 50,000 persons, representing every State in the Union, the Territories, and many foreign countries. It is a valuable storehouse for things of the past, but it transcends the mere record of things of antiquity and carries on with the present. Its concept is broad, its growth constant, and it is and will continue to be a source of justifiable pride to the people of Virginia and of the United States.

The Postmaster's Opportunity for Service

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

ADDRESS BY HON. JAMES A. FARLEY AT FAYETTEVILLE, N. C., AUGUST 17, 1937

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the Postmaster's Opportunity for Service, delivered by Hon. James A. Farley on Tuesday, August 17, at Fayetteville, N. C., at the annual convention of the postmasters of the States of North and South Carolina.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I always welcome an opportunity to talk with postal people and enjoy contacting the postmasters, supervisors, clerks, carriers, railway postal clerks, and rural carriers. It gives me an opportunity to get first-hand information from you who carry on this great business day in and day out. Your viewpoint is of great value to us in the Department and helps us in formulating our policies. At the same time these meetings enable me to keep you more directly informed concerning our plans and the progress we are making in the solution of many perplexing problems.

Today I am especially pleased to meet with this fine group of postmasters from North Carolina and South Carolina. It is through you that we carry out our administrative policies. It is through you that we present to the public our messages of service. It is through you, and by you, that we operate this vast business. It is, therefore, obvious that the efficiency of the service, the welfare of the employees, and the economical and business-like conduct of the service is dependent in a large degree on your capacity as business executives—your honesty, your sincerity of purpose, your willingness to help us, to help the patrons, and to help the employees. I can say to you in all frankness that a great majority of the postmasters are living up to the high standards set for them by the Department, and I would be most ungrateful if I failed to acknowledge publicly my appreciation. I do thank you most sincerely for your splendid cooperation. You should not feel, however, that we have reached, or as a matter of fact even nearly approached, a state of perfection in the Postal Service that would justify a relaxation of our efforts to improve. Eternal vigilance is required if we are to meet our obligations to business and to the citizens generally. It is along these general lines that I want to talk with you today.

At the outset all of us should bear in mind that we are the servants of the public. Great care is exercised in the selection of our officials and in the selection of our personnel. You can be justly proud of the appointment you hold. It is an honor you should cherish. At the same time you should feel quite humble and thankful to your fellow citizens and to your Government for the opportunity you have been given to serve them. By the faithful performance of your duties you justify the confidence reposed in you.

Your first duty as postmaster is to see that the mails are safeguarded; that dispatches and deliveries are prompt and regular; that schedules of service are such as to meet the ordinary requirements of your community. Regularity is most important. The Department insists on performance based on rigid schedules. The public has a right to expect punctual and uniform deliveries. Of course there are occasional delays due to unforeseen transportation difficulties caused by storms and wrecks, but those interruptions are relatively few, and under such conditions the public is most tolerant.

On the other hand, there is no excuse for irregular and tardy service when caused by indifference or lack of interest on the part of the postmaster or the postal employees. It seems to me that most difficulties in the maintenance of the service can be overcome if the postmaster is on the job. Sometimes this requires personal sacrifice on your part and in some instances long hours under most trying conditions. You are amply rewarded, however, in the knowledge that you have done a good job for your fellow citizens and for the Department. Regardless of the size of your office, be it large or small, the postmaster's first consideration must be punctual and efficient service. You will have no difficulty in securing the full cooperation of the employees in accomplishing this if you display the proper leadership.

Next in importance is courtesy. There is an old saying that courtesy, kindness, and thoughtfulness always have their reward. The need for politeness is more pronounced in the post office than in most other public service. It is fundamental and an important part of what we term efficiency. If a patron of a private business is rebuffed or treated with scant consideration he can retaliate by withholding his patronage from the offender. Such is not the case with us. To a large extent we enjoy a monopoly—at least insofar as the transmission of letters is concerned. Therefore, the patron is compelled to bring his business to us regardless of his wishes in the matter. The fact that we alone can render this service, which is so necessary to all, should make us feel all the more our responsibility for its faithful performance. I do not want postmasters and postal employees to be servile, neither do I want them to be condescending in their attitude toward the public. By all means I do not want them to become ridiculous in their efforts to be polite and courteous.

I do not think that the patron is always right. Many times a disappointed and complaining customer is entirely in the wrong. The annoying incident of which he complains may be due to his own negligence or to the negligence of others outside the Postal Service. However, you should be patient and polite. Hear him out, then tactfully explain the requirements. Express your regrets over the annoying incident and in most cases the complainant will become a friend of the Postal Service. On the other hand if the Service is at fault due to carelessness of an employee, admit the error. Be entirely frank about it. Take immediate steps to prevent a recurrence. Apologize for the error and you will have made another friend for the Postal Service.

Cultivate a quiet, courteous manner in all your dealings with the public and the employees. Encourage those around you and under your supervision to do likewise. Be firm when occasion demands but never harsh. Urge the window clerks and others contacting the public to acquire the habit of saying quickly but quietly, "May I help you?" and "Thank you." Then observe what generous returns your office gets in good will from the patrons. Good manners also require that those serving the public be careful of their personal appearance. See to it that you and your staff meet that requirement. In all your official conduct simply treat others as you would like to be treated.

Courtesy and efficiency also go hand in hand in the dispatch of your correspondence with the public and with the Department. All correspondence should be answered promptly. A simple, clear, understandable form of expression should be used. Letters should be prepared carefully and neatly. Often the person receiving your letter has no other means of judging you. Your letters speak for

the Service and for you. See that they are truly representative. You may be sure that you will promote the best interest of the Service if you keep before you always the necessity for courtesy.

Next in importance I would say is the welfare of the employees. I am greatly interested in that. You should be, and I am quite sure you are. It has often been said that the post office renders a personal service to everyone in our country. That is true, and for that reason our employees should have every consideration in the matter of working conditions and hours of employment, in order that they may reflect in the performance of this personal service the policies of a progressive government.

President Roosevelt has proven the wisdom of offering greater opportunity to the man who works. His policies are exemplified to a greater degree in the Postal Service than in any other public or private establishment. I have believed for a long time that good wages and good working conditions are essential to good business. I had that in mind when I approved the 40-hour-week law for postal employees, and directed that it be generously applied. It has been in operation now for almost 2 years and I have had no cause to regret the action.

While it is true that certain local service conditions do not lend themselves readily to the shorter workweek, this being more apparent in the City Delivery Service than in other branches, the obstacles are not insurmountable and in due time they will be overcome. Every progressive social movement has encountered similar obstacles. I am more than pleased to say, however, that there has been no lack of cooperation in working out the shorter week for employees. The carriers, clerks, supervisors, and the postmasters have given their best efforts to the Department in the solution of this all-important problem.

The outstanding feature of the shorter workweek in the Postal Service is that its benefits are granted without a reduction in pay. It provided more jobs, which was one of the accomplishments I had in mind when it was approved. I am convinced that when the accounts of the Department are summed up for the past fiscal year it will be shown that we have practically made up by increased business and by increased efficiency the cost of this shorter workweek. I am, indeed, proud of that accomplishment and am thankful to my departmental staff in Washington, to the inspectors, to the postmasters and supervisors, and to each and every employee who showed their appreciation by cooperating to such an amazing degree. All this, done with no curtailment in the service, offers further proof that good wages and good working conditions are really good for business.

Also, with reference to the welfare of the employees, I think all postmasters know by this time, but it will bear repetition, that I have followed a policy of straight, fair dealing with the employees. Of course, we can do no bargaining with any group regarding rates of pay, as the rates are fixed by Congress and the President. We do, however, receive the employees and their representatives. They present their requests and grievances in a businesslike way. We have a free and open discussion with them and after considering all the elements involved we make our decisions. The officials of the Department and the officers of the organization do not always agree. It would be strange indeed if they did.

The frank discussions of the employees' problems are helpful and we have not had, to my knowledge, a single instance where bad feeling was shown in these discussions. This is to the credit of all concerned. Postmasters will find it most helpful if they follow this practice with their local groups. You do not surrender one iota of your authority when you receive representatives of postal organizations for a proper discussion of their grievances. Some of the grievances presented are probably imaginary or greatly exaggerated. But even in those cases it is better to hear them.

Try to settle your local problems at home. By doing so you will render a real service to the administrative staff in Washington. By all means bring to our attention the things we should know, particularly matters relating to policy, and ask for help from us when you feel you need it. But in the main, run the post office within the scope of the Department's regulations and within the limits of your authorized allowances as you would run your own business. In every proper action you can be assured of our wholehearted support. Use good judgment and common sense and we will back you to the limit.

Just at this time I find it necessary to urgently request all postmasters to use common sense in making expenditures for both personal services and supplies. I want no misunderstanding about this. The service is to be maintained at its present standard of efficiency. There are to be no curtailments of necessary service but great caution must be exercised in the consideration of extensions and in taking on new activities. The President has directed that postal expenditures, as well as other Government expenditures, be held to the minimum consistent with adequate and efficient service. No one need have fear of payless furloughs, reduction in pay, or dismissal of employees. There is no emergency existing that would either justify or require such a course of action. I can assure you that the postal service is in a good, healthy condition. We are too busy to even think of reductions in personnel. I wish you would carry that message to the workers in your office. I do not want them harassed by the fear of losing their jobs or part of their pay.

I also want to urge upon you and through you upon all employees the need for your cooperation and their cooperation in carrying out our definite policy for what I shall term an era of constructive economy in the postal service. As our business continues to increase all postmasters must look into the procedure followed in their offices. Take up existing waste or slack before requesting authority to employ additional help or provide additional facilities. The allowances heretofore made by all departmental bureaus have been considered quite liberal and, insofar as we know, sufficient to provide good service. In a great majority of the post offices there is no unusual fluctuation in business, the increases being normal and steady. It seems to me that in such offices there is no justification for expenditures at greater rates than are provided by the allowances already made—the normal increase in business having been considered in making the allowances. In other offices, particularly in the larger cities where there is a noticeable increase in business, the Department is required to scrutinize even more closely than in the past all requests for additional funds. Where necessary the bureaus of the Department will send inspectors to your offices to inquire into such requests.

Right here I feel I should express to the postmasters and to the inspectors my appreciation for the fine cooperation that is existing between the investigating force of the Department and the postmasters. Postmasters who are really interested in the service and have the proper viewpoint should have no difficulty with the inspection service. The inspectors have a definite duty to perform. They are advised as to departmental policies and in making their investigations and recommendations they must conform to those policies. Where a difference of opinion exists the postmaster has a perfect right and should express his opinion fully and frankly to the inspector, and if necessary to the inspector in charge, and to the assistant postmasters general. I mention this for the purpose of further encouraging the cooperation between the field forces and the Department, which is so necessary to our success.

Under ordinary conditions I would not talk to you in the middle of August about Christmas and the handling of the holiday mails, but these are not ordinary times. There is every reason to believe that Christmas business this year will be extremely heavy, which should of necessity require huge expenditures from the various appropriations. In view of the fact that within a very few weeks the postmasters will be sending along their estimates for Christmas help, additional trucks and equipment, and the railway-mail supervisors will be planning their expansion for the holidays, I feel it is timely to say to everyone all along the line that I shall personally appreciate more careful planning and better organization than we have ever had in the past. You did a fine job last year but you can improve upon it if you try. Let's get together and have a real demonstration of teamwork during this Christmas holiday season. Start your conferences and preparations for the holidays a little earlier. Be sure to make careful selection of those employed for temporary work. Profit by past experience. Keep the mail moving. Don't let the mail pile up at any point or be delayed. Seek and carefully consider the suggestions of your experienced workers. Cooperate with the officials of the Department and follow their instructions. By doing this you and I can show our appreciation to a great President, Franklin D. Roosevelt, who has done so much for the people of America, and particularly for those of us in the Postal Service.

Economic Views of Senator Byrd

EXTENSION OF REMARKS

OF

HON. CARTER GLASS

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

ARTICLE BY GEORGE CREEL, AUGUST 21, 1937

Mr. GLASS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article by George Creel, published in Colliers' magazine of August 21, 1937, relative to the economic views of the junior Senator from Virginia [Mr. BYRD].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BYRD SONG

As a usual thing, Senator HARRY BYRD, of Virginia, is the last word in placidity. His wind-burned face, as round and rubescent as one of his own winesaps, fairly radiates peace and good will. These latter days, however, find him wild of eye, stertorous as to breathing, and a bit foam-flecked about the lips. Strangely enough, the cause of his distemper is something that would fill the average Senator with gratitude and delight. Out of a clear sky, and

utterly without solicitation, Dr. Rex Tugwell and his pixies plucked $1,520,000 from the Treasury and dumped it down in the Old Dominion for the rehabilitation of mountaineers.

A truly Tugwellian project! A full 250 families were to be removed from the rocky fastnesses of the Blue Ridge to more fertile valleys where each would be given 10 to 30 acres and a fine house all fitted up with electric gadgets, central heating, modern plumbing and the latest thing in refrigerators. So quietly did the little elves of the Resettlement Administration do their work that the Shenandoah Homesteads were well under way before the sound of sawing and hammering came to the ears of Senator BYRD. At first the Tugwellians were confident that he had come to praise, but even as they waited modestly a bellow of rage shattered their tympanums and uprooted trees for miles around. Instead of being grateful for the golden drip from the Federal honey barrel, he berated them as wastrels and talked at length of extravagance and sinful waste.

"And it was." Seated at his desk, Senator BYRD was barely visible behind a mass of documents collected during the course of his economy drive. "Each of the 52 units already completed will show a cost of $8,000. Why, for that amount they could have bought a good farm with three times the acreage and a group of fine buildings. And listen to this", he demanded, pawing feverishly through the pile. "Here's how the Resettlement Administration expects the homesteader to pay out. A cash return of $118 from 2 acres of tomatoes; $96 from a half acre of berries; garden truck, $75; eggs, butter, hogs, etc., $84; sale of homemade furniture, $30; corn, $12; and clover hay, $24. And $200 that the man is supposed to earn by hiring himself out.

"Fantastic figures, of course, but let's not dispute them. Granted that he sells his products at the prices, and that a mountain man can find a hundred days of outside work in the valleys, what would his income be? Just $639! When the estimate of $441 for operating expenses is deducted, and $194.40 taken off for repayment of his rehabilitation loan, what will he have left at the end of the year? Exactly $3.60. And as the amortization rate is only 1 percent, and that on a unit value of only $4,500, it would take the poor devils a century to pay off.

"Shenandoah Homesteads, however, are marvels of economy compared to some other R. A. projects." Taking a sudden plunge, the Senator came up with papers in both hands. "Out in Ohio the unit cost of the Scioto Resettlement, as authorized in March 1936 was $10,845 for 160 families; the Osage Resettlement in Missouri averaged $10,945 a unit by Government figures, and for Wabash Farms in Indiana, $11,440. At Greenbelt, near Washington, $14,000,000 has been spent, at a cost of $16,182 for each of 880 units. But the Jersey Homestead Project at Hightstown, N. J., was where love of beauty and elegance had freest rein. After deducting $127,136 for a garment factory and $193,000 for a concrete slab plant, the 200 units each have a cost exceeding $18,000. No wonder Senator MCKELLAR keeps moaning that he wishes he could afford as fine a home as some of those he's seen on R. A. projects."

There is nothing theoretical about HARRY BYRD's interest in economy, and what he knows about thrift wasn't learned from books. Today he is one of the largest individual orchardists in the country, shipping 600,000 bushels a year, yet when he started out on his own at the age of 15 he had little more than the shirt on his back. Pulling a bankrupt country paper out of the hole, first leasing and then buying apple orchards, he sweated and saved every penny that ever came to him. After watching him through the years the Virginians made him Governor in 1926, feeling that the Old Dominion could do with a few lessons in frugality.

VIRGINIA'S VANISHING DEFICIT

HARRY BYRD did not disappoint. What he found on taking office was a welter of some 100 boards, bureaus, and commissions, independent of one another and of the Governor, and financed by 48 special funds outside of and in addition to the State treasury. By the time he got through with his reorganization there were only 14 general departments, 11 directly responsible to the Governor. A tax code simplified the laws and cut the number of statutes in half; a new accounting system saved thousands; useless offices were abolished; centralized purchasing cut costs; the short ballot gave the electorate a chance to vote intelligently, an ancient constitution was modernized by amendments, and as a result of these reforms, along with a rigid pay-as-you-go policy, Virginia was not only able to add millions to the appropriations for roads and schools, but ended up by converting an estimated deficit of $1,368,000 into a surplus of $2,596,181 in a single biennium. And at the end of the Byrd term, the State's debt had been lessened by more than $4,000,000.

A splendid record, to be sure, and one that brought the Governors of other States to Virginia for purposes of study, but hardly good training for the New Deal. Coming to Washington as a Senator in March 1933 HARRY BYRD felt his eyes bug out as he saw expenditures leap from millions to billions, and watched young theorists chant the chorus, "Easy come, easy go." He stood it manfully enough during the depression years, but when 1936 dawned, with deficits increasing despite an admitted recovery, the Virginian could contain himself no longer. Springing forward into the very center of New Deal traffic he lifted a warning hand, and, although alphabetical cars have been running over him with painful regularity, his economy cry has never once ceased shrilling.

"To use the urban sneer, maybe I am just an apple knocker, but I can't help being dismayed by these figures." Spreading a batch of sheets before him Senator BYRD tapped at them with his pencil. "During the last 4 years the Federal Government has spent $14,000 every minute of every day, including Sundays, and added $7,000 each minute to the public debt. To get the full meaning of our public debt people ought to think of it in terms of their own State. On the basis of wealth, for example, Virginia's direct share in the repayment of that debt will be $800,000,000, or an average of $8,000,000 for each county.

"My remedy? Why, the establishment of a pay-as-you-go policy, of course. Balance the Budget! Look facts in the face and quit playing the ostrich. If it is decided to keep on spending at the same rate, then raise the money by taxes. That's the honest way and it's also the economical way. When I was Governor of Virginia individuals and groups used to come in every day with elaborate plans for raiding the treasury.

"'Fine', I'd say. 'Now let's sit down and figure out a tax that will take care of it.' And that would be the last I'd hear of them; and in the case of the Federal Government it isn't as if we would be called upon to stint a single useful activity. Certain obvious economies will permit us to discharge every proper obligation and perhaps even permit a reduction in taxes. Hundreds of millions can be saved by the abolition of demonstrably useless agencies, and the consolidation of boards, bureaus, and commissions that now clutter up the landscape, duplicating, conflicting, and squandering.

"Here's the proof." Like a magician with his white rabbits, Senator BYRD produced another sheaf of papers. "In Washington alone we have 50 Federal agency legal divisions, 34 agencies concerned with lending Government funds, 16 handling wildlife conservation, 10 dealing with Government construction, 9 with credit and finance, 3 insuring deposits and loans, 126 Federal agency libraries, 104 information and publication offices, and a full dozen agencies concerned with home and community planning.

"That's not half of it." Heaving a heavy sigh, the Senator turned to other sheets. "At present there are some 835,000 employees on the pay roll of the executive branch alone, but instead of cutting down we have been adding new ones at the rate of a hundred a day. The number of telephones in Federal agencies in Washington alone has jumped from 17,142 to 32,882, and frequently they call up San Francisco and Seattle when a postal card would do. We spend millions each year on new construction, and yet our annual rent bill today is around $25,000,000.

PUBLICITY COMES HIGH

"Until I began to investigate I had the idea that the tremendous expansion in governmental activities was confined largely to Washington. Not at all. Not at all. In every State in the Union there is a miniature Federal Government, regional directors, State directors, district directors, and all housed in style. In the last 4 years we have built 664 new Federal buildings outside Washington at a cost of $239,000,000, and yet today we are leasing more than 12,000, twice as many as in 1933. Out in the country we lease or own space equivalent to 52 Empire State Buildings.

"Now let's change from building to bunk." The pause of a minute while the Senator shucked his linen coat. "It is provided that no money shall be used for the compensation of publicity men unless specifically appropriated for that purpose. This statute is flouted by virtually every department of Government. According to a survey made by the Brookings Institution, there are upwards of 300 writing press agents right here in Washington alone, all drawing salaries ranging upward to $5,000 a year. Even this doesn't tell the full story, for some agencies, notably the W. P. A., failed to answer the questionnaire. But it has been learned definitely that the pay roll for publicity runs about $500,000 a year.

"And how they do spend money!" From the Byrd mouth issued a series of despairing clucks. "In 3 months they got out 4,794 releases with a total of more than 7,000,000 copies. Exclusive of the huge mailing list in the Government Printing Office, the Brookings people found 3,000 other mailing lists in Washington with 2,280,000 names. There is a record of 15,000,000 feet of motion-picture film in 76 Government agencies, and 533 films are available for free distribution. That R. A. feature, The Plough That Broke the Plains, cost $40,000. All of which is just an indication of what's going on, for they cover up so skillfully that it's almost impossible to get all the facts.

REORGANIZATION AND CONSOLIDATION

"What's simpler or more important than a survey that will determine just what agencies and what employees are necessary? Not next year or the year after, but now." The tone of the Senator's voice left no doubt that he had strong feelings on the matter. "The President knows that something has got to be done. What he proposes is reorganization first and then cutting and pruning. I believe that the abolition and consolidation of Federal agencies should be coincident with reorganization, and economy the main objective.

"I have already introduced a bill providing for the consolidation of the Home Owners' Loan Corporation, the Federal Housing Administration, the Federal Home Loan Bank Board, and the R. F. C. Mortgage Co. into the Federal Home Credit Administration. The Brookings Institution estimates that this should effect a saving

of nearly $25,000,000 a year without the sacrifice of efficiency. Another of my bills is for the abolition of the R. F. C. itself, and the transfer of its powers and duties to the Treasury. A third bill would allow the elimination of a great departmental accounting division and strengthen the independent Federal accounting system.

"Of course, I've just started into reorganization proposals for economy", he explained apologetically. "Getting the facts and preparing the bills is a lot more work than you might think. Our hydroelectric development, as an example, is another thing that's scattered all over the place. We have a Federal Power Commission, a National Power Policy Committee, power divisions in the P. W. A., the R. E. A., and the E. H. F. A., besides people making power studies in the Federal Trade Commission. Why not a single body? The Brookings Institution indicates economy and greater efficiency would result from better coordination among the Federal law-enforcement agencies.

"If I keep my health and strength," and Senator BYRD flicked his husky build with an approving eye, "I mean to resist any and every attempt to give emergency bodies a permanent status until need has been proved and every possibility of economy explored. I have the highest regard for the work of the Civilian Conservation Corps, but the annual cost of keeping each of the 300,000 youngsters is $1,200, about twice the income of the average American. That is why I was one Senator who voted against making the C. C. C. a permanent establishment.

"Take the proposal to create a new department of social welfare. I can't view it as anything but recognition of emergency spending as a continuing obligation. There is also the possibility of making permanent the status of thousands of persons whose employment was assumed to be temporary. Relief, as a matter of course, would slide into the department of social welfare without question, and yet I know of no Federal activity more in need of questioning. The chiselers are still with us. Many who are on the rolls do not deserve to be there. I would empty the Treasury to keep Americans from being hungry or cold, but by the same token no one undeserving of relief should be permitted to sap funds appropriated for the needy.

"Unfortunately, the problem is difficult of approach, for the minute anyone tries to talk common sense the sob sisters scream charges of inhumanity. For 4 years we have been spending without any census of the unemployed, and today we are still going it blind. There are, however, certain significant facts that we do know. The Secretary of Labor announced recently that we had 8,241,000 more employees in nonagricultural industries in March 1937 than we had in 1933. Wouldn't this seem to argue that there should be some diminution in the relief load? Yet we will spend as much for relief in the year beginning July 1, 1937, as it cost us in the year 1933–34, when conditions were much worse.

MAKE RELIEF A LOCAL PROBLEM

"What is my idea about relief?" Senator BYRD cocked a quizzical eye. "Well, if you meant that question to be embarrassing, you're doomed to disappointment, for I'm already on record. I've said before, and I say now, that relief should be administered locally, for the people of the several communities are best informed as to the need of their neighbors. And the Federal Government should not contribute more than 60 percent of the total expense. As nothing else, that will have a sobering effect and lead to the solution of a problem that is now being continued and coddled.

"Have I any other suggestions?" The orchardist's teeth showed white against the weather-reddened face. "There", he said, tossing a document across the desk, "is something I'm pushing pretty hard. It's a bill to cure the evil of tax-free securities and tax-free jobholders. According to the best estimates, the amount of tax-free securities in the country—local, State, and national—runs around $60,000,000,000. And the burden of that tax exemption is borne by all the rest of us who haven't the money to buy tax-free bonds. And as you know, Federal employees are exempted from State taxation and State employees from Federal taxation.

"As a Senator", he smiled, "I belong to the privileged-salary class, but I've never liked it, and I like it now less than ever before when I see the load that the people of the United States are staggering under. Equalization of taxes", and the declaration was emphatic, "is the very first principle of equality in government. There should be no tax-free classes and no tax-free employees. All should be compelled to contribute in proportion to their wealth and income.

"Where do I think I'm going?" Senator BYRD shook his head, "I can't say, yet. Maybe nowhere. Everybody believes in economy but only for the other fellow. Everybody is opposed to all special privileges except his own. But, luckily enough, I'm not a nervous or impatient type. Right up to the last ditch you'll find me plugging away at these bills and others, and talking on economy in all of the unwalled towns.

"And now, if you please", he finished, getting to his feet, "a slight request of my own. Don't write me down as an Old Scrooge or a common scold. I'm not indicting Federal employees as a whole. Washington has many very efficient officials. Housecleaning, however, doesn't jeopardize any person who is doing a job that needs to be done and doing it well. And let me also admit that in the trial and stress of the emergency years, a certain amount of waste, confusion, duplication, and overlapping was inescapable. But now that the crisis is past, there can be no excuse for a continuation of these evils."

Must Give Accounting

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. KNUTSON. Mr. Speaker, the first session of the Seventy-fifth Congress will soon pass into history. The galloping hounds of waste will depart from the land of squandermania and go back home to get a taste of real life among their constituents.

The leaders of the Congress who promised a balanced Budget in 1937 and a surplus of $1,135,607,943 for the fiscal year 1938 have seen their best laid plans cast to the winds as a jittery majority heaped appropriation on top of appropriation, to run up the national debt to an all-time high of more than $37,000,000,000.

Before the Members tune up their bugles and sound off for a triumphal parade around their districts, let me warn them that the people back home are commencing to ask: "Where are we going to get the money to pay for all this wasteful spending that has taken place?" "Where, oh where, are we going to get the money to continue all these new agencies this Congress has set up?" "Where, oh where, are we going to find the means to succor ourselves when the next great depression comes, if we by foolish and wasteful policies continue the war against recovery and make poverty a national institution?"

I am not apprehensive for the future of America, but I am apprehensive for the leadership that has blindly followed the dictates of the brain trusters, a dictatorship which has led us into new fields of social experimentation and which has operated to set up in the Nation an extensive bureaucracy which in the final analysis approaches state socialism.

The billions we have spent are gone beyond recall. The results accomplished seem feeble indeed, when compared with what actual good might have been accomplished had the Federal spending been directed and confined solely to useful or usable projects.

The great natural wealth of our country, the reservoir of natural resources, has come down to us through the years practically a gift for the use of humanity. The mobile wealth of the Nation is created by the application of labor to these, our country's resources.

And it is by the wise application of labor to our natural resources that we rise or fall as a people. It is by this application of labor to our resources that we achieve either progress or poverty. With more than 8,000,000 of our people presently unemployed and more than three and one-half million others depending on public aid or employment for the very means of existence, it should be apparent to every thinking person that there is something radically wrong with the instrumentalities of production in America.

Mr. Speaker, in the fiscal year just closed, it is estimated the total new wealth produced by all the workingmen and farmers of the country amounted to approximately $71,000,000,000.

Our national debt of $37,000,000,000 has become an important factor in the national economy because of every dollar produced today, approximately 20 cents goes for the maintenance of organized government. This factor, together with the interest and carrying charges on the public debt is becoming a burden, which will either entirely revamp or crush civilization.

Mr. Speaker, economists have determined that our annual production of consumer goods must be increased to a minimum of $80,000,000,000 a year to adequately care for all our people according to the present standards of living.

May I inquire, sir, does the leadership of the Democratic Party propose to extend the frontiers of social progress, by a continuation and extension of their present policies of limiting production, and regulating and regimenting labor, or do they see the folly of their ways and propose to put the Nation back to work producing more food, more clothing and more shelter for our own people.

Mr. Speaker, there never has been a time since the establishment of the Republic when there have occurred so many inconsistencies in the various agencies of the Federal Government.

The Department of State, headed by the internationally minded gentleman from Tennessee, is busy negotiating reciprocal-trade agreements which invite the nations of the world to sell their goods here. These agreements so far have operated to wipe out our trade balance with the countries of the world, and today the United States has become a purchasing nation to the tune of nearly $200,000,000. Now, what does this mean to the men on the farms and in the factories of America?

It means just this: The American farmer, by these reciprocal-trade agreements, has been placed in competition with the coolie labor of the Far East and the peons of the South American republics. It means, and none can deny it, the American workman has been put in competition with the skilled workman of England, Germany, France, Czechoslovakia, and other countries. Our unfavorable trade balance cannot be laughed off. The department and variety stores of the country are filled with products of foreign manufacture and our own factories remain closed. By admitting these foreign goods on a reciprocal basis in exchange for the products of our soil we are in fact feeding and tooling up the workmen of the world for competition with the workmen of our own country.

To top the asininity of the whole scheme, we now undertake by the spending of additional millions to restore the American merchant marine.

To attempt to restore our merchant marine for the benefit of American traders is a gesture comparable with an attempt to reach the moon with a stepladder. Foreign traders have already monopolized the greater part of our domestic markets and foreign ships will always be able to carry foreign merchandise cheaper than we can. This is but one of the many inconsistencies to be found in the plans to bring prosperity to the "forgotten man."

Besides the State Department we have the inconsistencies of the Department of Agriculture to deal with. This Department has just finished up distributing $400,000,000 to the farmers of the country to encourage them to produce less in order to have more. This money, like most New Deal largess, was cut off in huge chunks for some of the farmers of the country, but the majority of them, as well as the thousands of tenant farmers and sharecroppers, can see the joke of this conservation movement when they received their checks.

As recently as this morning I have been informed of a farmer in Missouri, who on receiving a check for 20 cents as his share in the conservation settlement, wrote to a St. Louis newspaper asking them to "kindly find out where this money is going, and why." Undoubtedly the money is going again this year to the same people who received the big share of the money last year. Big checks have again been sent to the Delta Pine & Land Co., a British corporation, of which Oscar Johnston, former finance director of A. A. A., is manager, for soil conservation on their plantation in Bolivar County, Miss. Big checks have again been sent to Gaddis Farms in Mississippi. Knowledge of these checks for thousands of dollars going to corporation farmers will bring little of comfort or consolation to the tenant farmer or the sharecropper who receives less than a dollar from the bountiful hands of the new dealers.

And so, while we are breaking down our tariff walls to encourage foreign trade, we are subsidizing our own people to limit production.

While all these strange and inconsistent things are taking place, the Department of the Interior is rebuilding America for a new social life. They are going in for the education and amusement of the Nation as a short cut to the more abundant life.

What, with the construction of a $350,000 hotel at Mount McKinley, Alaska, and an overseas highway from Miami to Key West, Fla., and thousands of golf courses, swimming pools, and recreation centers, more can an individual ask to complete the dream of an easy and indolent existence with just a little Federal aid for groceries?

Under the auspices of Mr. Ickes' P. W. A. and Mr. Hopkins' W. P. A. the country has been transformed into a loafer's paradise. For many the incentive to idleness is far greater and more attractive than the incentive to work. The P. W. A. and the W. P. A. have become so firmly intrenched in the political system that all efforts to disband either of them in the next 10 years will meet the stiffest resistance of any problem Congress has ever been forced to meet.

The incentive to work has been gradually removed by the patronizing hand of government. The trend toward bureaucracy aggravates this condition. Only time can unfold the mysteries which lie ahead. Only time can heal the scars which a thoughtless Government has inflicted upon itself.

Mr. Speaker, in closing may I say, the millions of unemployed in the Nation present a tragic spectacle deserving of more than casual study.

Each unemployed individual, each member of an unemployed family presents a social problem different from any other, but collectively the picture is much the same.

For the unemployed man, nature offers neither shelter nor subsistence. The survival of the fittest demands that man fight for his existence. In the social scale, the unemployed individual becomes an economic cipher, almost an outcast. If the Government does not rise to its opportunity to deal intelligently with these people, sooner or later they will either be forced to fight for their existence or die. Old folks, able-bodied men and women, even little children will go to bed tonight in America hungry.

Mr. Speaker, there is a way to save these people and our Nation from destruction. That way is not the way of the New Deal. That way is the one pointed out by common sense and past performance. Many of our people are sunk deep in the valley of despair. Their initiative and self-reliance has been crushed by the weight of a vicious commercial structure imposed on our economic system. For many of our citizens, self-respect nears the vanishing point. They struggle along the border lines of pauperhood, accepting what they can get in the way of relief.

The New Deal has sought to render aid by attacking the problems from the social side, but entirely ignoring the commercial and economic factors. Our first duty to the country is to begin the rehabilitation of all our unemployed. At most this is but a 60-day job.

To return these our people to usefulness in society, we must return them to the broad plains of opportunity, where, protected from exploitation, they may be encouraged to produce for themselves and for each other sufficient of the actual necessities of life—food, clothing, and shelter—to again become self-sustaining members of society.

This can all be accomplished, not by doles, not by emergency aid of the kind usually extended to a drowning man, but through a carefully planned program which will insure to each individual the full measure of the wealth and services he produces.

This does not by any means envision the end of the profit system, but would limit the extent to which profit taking on the labors of others might be extended by any single individual or group of individuals. The program in practice calls for immediate increased production of food, clothing, and housing, with all profits from these items at least tem-

porarily eliminated. The plan calls for a leveling off of wages, so that the products of one man's labor may in fact be exchanged for a comparable amount of another man's skill.

The problem, Mr. Speaker, is truly a large one that confronts the American people. It can be solved by producing more and having more. This can be done by putting more people to work in industry and more people to work helping themselves, instead of wasting their time and the Nation's resources on foolish and whimsical projects like the mosquito chase in New York last winter and other projects I have heretofore mentioned.

Application of Neutrality Laws to Far Eastern Situation

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

STATEMENT OF SENATORS NYE, BONE, AND CLARK ON APPLICATION OF NEUTRALITY LAW TO FAR EASTERN SITUATION

Mr. NYE. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD a statement jointly issued by the Senator from Washington [Mr. BONE], the Senator from Missouri [Mr. CLARK], and myself on yesterday, and also an editorial appearing in the Washington Star of August 16 by Constantine Brown.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

The results of the application of the neutrality law to the Far East, it has recently been predicted in some quarters, would work to the detriment of this country and favor Japan at the expense of China.

It is important that there should be no misunderstanding about the purpose or effects of the present law.

1. It should be clearly understood that the purpose of the stay-out-of-war law is to prevent any President from being forced by the necessity of choosing sides, and, as far as it is in the power of this Government, to starve wars. By applying automatically a policy adopted in advance this Government escapes all charge of favoritism. If the occasion arises in which the people of the country want to take sides—which means readiness to go to war—the necessary steps should be taken by Congress. The neutrality law prevents any commitment by the Executive to either side until Congress has expressed the will of the people.

2. The existing legislation will have, in the present instance, an adverse effect on both parties to the war. With or without this law on the books Japan is able to blockade China and to prevent shipments of arms and other contraband from reaching China. That military fact was not changed by our law. This law prevents arms from going to both sides. China, which can be blockaded as soon as Japan cares to do so, would not get the arms through the blockade whether this law was on the books or not. Under the law, however, neither side will be able to get arms from us.

Under blockade China could not import arms or contraband from the United States or elsewhere. The neutrality law, by preventing loans to all belligerents, will make the trading position of Japan, so far as the United States is concerned, more nearly on a level with that of China.

Those who feel the policy of this country should be such as to react unfavorably on Japan can place her in a less advantageous position than she will be under the neutrality law only by a declaration of an economic or military war on Japan alone. But the power to commit the Nation to war is the greatest power in the world. The neutrality law keeps it where the Constitution put it—in the hands of Congress.

3. The statement has been made that cargoes of arms and war materials now on the high seas would become "illegal" as soon as the neutrality law is invoked. This is incorrect. First, the law does not go into effect until the date of the President's proclamation; second, the President's discretionary power is confined to insisting that cargoes of war materials, once he has listed them, should be sent entirely at the risk of the purchaser, and that they should not go into war zones in American ships.

4. The statement has been made that there is no danger of the involvement of the United States in the far eastern situation because it differs radically from the European situation. It is as dangerous for American ships to run cargoes of arms or of war materials through a Japanese blockade as through any other. The moment the Japanese impose a blockade and declare a war zone on the high seas, as England and Germany did in 1914, it will be plain that the present law prevents the sinking of American ships carrying munitions and contraband by keeping them out of the danger zones. Those who see no danger to the United States of involvement in the far eastern conflict if the neutrality law were not applied can base their position only on the hazard that Japan will not blockade China. This is a slight reed to lean upon.

5. The statement has been made that the President is estopped, because of the law, from doing valuable things to reestablish peace and protect American citizens in China. The Japanese aggression in northern China has been threatened for some years. It has been demonstrated for some weeks. Now that the fighting has actually started for the possession of northern China, it is hard to believe that any action—short of economic, which could finally become military, war on the part of the United States—would hold Japan back. It has been demonstrated ever since 1931 that the Japanese Army's whole political position in Japan would have to be weakened before it could be restrained from aggression in northern China. There has been no move on the part of the great powers to make the world economic adjustments which would have weakened the Army's position. Whether or not the imposition of sanctions by the signatories to the Nine Power Pact and the Pact of Paris would force it to yield, there is no ground for believing the powers willing to undertake a line of action which would seriously endanger their position in Europe.

The protection of American life in China cannot be adversely influenced by the neutrality law. No nation would be any less cautious about giving the United States necessitous grounds to wage war against her.

6. It has been suggested that the invoking of the neutrality law would disturb the peace machinery in the Far East. It is an unpleasant but hard fact that there is no peace machinery in the Far East or elsewhere which can be disturbed. Machinery which would function effectively for economic adjustment has not been created. Ever since Great Britain refused to follow our administration's lead and impose oil sanctions against Italy in 1935–36, the idea of effective economic embargoes has been dead. Neither Great Britain nor France desired to follow our lead in 1931–32 and restrain Japan from its conquest of Manchuria. Neither of them has shown any interest in doing it this time.

There is no objection to calling the nine powers into consultation, but the only effective power behind consultation is economic or military war. Since an economic war may rapidly become a military war, this is a subject for Congress to consider. Application of the neutrality law does not prevent Congress from taking any action it desires.

Analysis of the assumptions underlying the claim that the United States would be better off without the stay-out-of-war legislation indicates their error. This one thing should be added: The State Department had a choice in 1936 between the present law and a proposed one which actually would have prevented American industrialists from supplying Japan with great quantities of war materials. This was a bill (S. 3478) which would have held trade with warring nations down to normal. Since China cannot import anything through a blockade, the bill would have hurt Japan far more than China. Faced with this choice, the administration gave no support to the bill limiting war trade to normal. It preferred the kind of bill it now has to that one. If it wishes to have the other kind of bill, limiting all trade, it is perfectly free to ask for it, and would doubtless be able to have Congress pass it. Spokesmen for the uncontrolled power of the Executive in foreign affairs have no right to blame Congress for a bill which does not go as far as they believe it should to hamper Japanese aggression. The bill which went further did not receive the Executive's support.

The munitions interests whose profits the stay-out-of-war legislation seriously affects, and those who wish us to act as policemen for the world, oppose the neutrality law. The passage of that law had the overwhelming support of the people for the very reason that it protected the country against war for the sake of profits for a few individuals, and prevented the Government from forcing the country into the role of world policeman.

[From the Washington Evening Star, Aug. 16, 1937]

THIS CHANGING WORLD—NEUTRALITY ACT USE MAY HURT JAPAN MORE THAN CHINA IN CONFLICT

(By Constantine Brown)

If President Roosevelt decides to proclaim a state of war exists between China and Japan the greatest burden of its restrictions may fall at first upon China, but if he goes further and invokes the power given him in section 2 of the act to forbid American ships from carrying a number of war materials, which he has yet to designate, Japan is going to suffer more than China.

Simple invocation of the neutrality act will bring into effect an embargo on exportation of arms, ammunition, and implements of war to either belligerent. In order for Japan to feel the weight of the act the President must issue a supplementary proclamation listing the articles which American ships must not carry to enemy countries or to neutral countries for transshipment.

The Chinese have only a few arsenals. They are buying abroad the finished product: Tanks, airplanes, guns, and rifles. These

they can obtain from any European country. They may not get the best, but still they will obtain serviceable war materials.

Germany, France, Great Britain, and other countries engaged at the present moment in a vast rearmament program are like fashionable ladies. Last year's hats and dresses are no good. Tanks, airplanes, and machine guns manufactured 2 or 3 years ago are considered by military experts obsolete, these nations are delighted to find a purchaser for their second-hand armaments which otherwise would be used as scrap iron.

Thus Chiang Kai-Shek, if he has enough cash money, can find many good buys on the bargain counters of the European armament markets.

Japan, with up-to-date arsenals and a vast industry, is manufacturing all the war material she needs. She buys abroad scrap iron, tungsten, ore, cotton, and other raw materials necessary for the manufacture of arms and ammunitions. The United States is her principal shopping center, not only because of its proximity, but also because we have enough raw materials for our armament program and a lot to spare.

Consequently, if the American market is closed to her, she will find it difficult to find raw materials in Europe. England, for instance, has started a house-to-house campaign for scrap iron. Farmers are told to look around their fields to see whether they could not find some old plough shares or other such things. Not only will they help the country, but they would be paid a fair price.

Germany and Italy have forbidden altogether the exportation of any kind of material which can be used for the manufacture of armaments. Sweden and Norway have sold their production of ores, copper, and timber for about 10 years in advance. The world markets have little raw material available for Japan. Consequently the enforcement of the neutrality law will hurt Japan much more than it will hurt China.

The American high officials in Shanghai will have a hard time to induce the citizens who own business in that city to get out and save their lives. The instinct of property seems stronger than the instinct of self-preservation.

This writer witnessed in 1922 a disaster almost similar to that of Shanghai, when Smyrna was set on fire. The American destroyers anchored in the harbor were ready to take on board the American citizens who wished to leave the city until order was reestablished. Many of them, the owners of business houses, refused to obey the orders issued by the high commissioner, Admiral Mark Bristol. They preferred to linger around the destroyed warehouses and face death from machine guns and hand grenades rather than seek safety in Constantinople and Athens.

Instead of welcoming the facilities placed at their disposal by the Government, many of the businessmen were cursing out the "chicken-hearted Washington officials" who, in their opinion, should have sent a more imposing force to Smyrna and ordered the Turks to keep out of that town.

The American authorities in Shanghai are likely to encounter the same problems now, with the difference that much larger capitals are invested in that metropolis of the East.

Military experts are false prophets these days; but until they are proved to be so, one might take their opinions for what they are worth.

They believe that Japan has bitten more than it can chew in China.

The Tokyo Government thought that Chiang Kai-shek would make many gestures and indulge in bombastic war talk, but wouldn't move his German-trained divisions against the Japanese forces. It is for this reason that comparatively small forces have been sent over to the mainland, and it is also for this reason that once more the Japanese have repeated the 1932 mistake of trying to take Shanghai with bluejackets.

Now the Imperial Government seems faced with a campaign on three fronts—in Northern China, in Shanghai, and against Nanking. This means that the Tokyo Government will have to engage all its available forces against Chiang's forces, bolstered by the inefficient yet numerous troops of the various war lords, who generally side with the victorious party. If Chiang has only a couple of victories, Manchukuo and Northern China will join forces with him to get rid of the Japanese domination.

John Theodore Buckbee

MEMORIAL ADDRESS
OF
HON. RALPH E. CHURCH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN THEODORE BUCKBEE, late a Representative from Illinois

Mr. CHURCH. Mr. Speaker, there are occasions when silence is more eloquent than words. There are occasions when we cannot express what is in our hearts. Such an occasion is this. I have not the command of language to express my feelings today on the passing of my distinguished colleague and dear friend JOHN T. BUCKBEE.

The Nation has lost a real statesman. We mourn him as a man who understood our national problems. We will miss his advice. The State of Illinois has lost a great leader. We mourn him as a man who has made a great contribution to the interest of the people of my State.

Mr. Speaker, I have lost a friend. I will never forget him, and I can say no more. I feel this loss too deeply.

His life was gentle; and the elements
So mix'd in him, that Nature might stand up,
And say to all the world, "This was a man!"

The Proposed New Federal Seed Act

EXTENSION OF REMARKS
OF
HON. HARRY B. COFFEE
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

Mr. COFFEE of Nebraska. Mr. Speaker, I have just introduced H. R. 8288, a bill to regulate interstate and foreign commerce in certain seeds; to prevent misbranding, false advertising, and adulteration of certain seeds to require certain standards with respect to origin, adaptability, purity, and germination of certain seeds, and for other purposes. Recognizing the need for such legislation, I am offering this measure at this time so that it can be considered by Members of Congress, the seed trade, farm organizations, and others who are interested in the subject to the end that the Committee on Agriculture may hold hearings on the measure at the next session of Congress to perfect the bill. It is my desire to have full hearings and to revise, if necessary, any of the provisions in order to obtain a sound and workable seed law that can be enforced.

The present Federal Seed Act and Federal policies resting upon it have failed in spite of administrative efforts to protect farmers from tremendous annual losses due to the planting of inferior seed and the uncontrolled distribution of seed containing noxious weed seeds.

Authoritative official information indicates that large quantities of impure seed, of low germination, of sweet clover, rye grass, crested wheat grass, and other crops, not included in the present act, are imported annually into the United States, causing great losses to farmers who buy this seed.

Large quantities of seed of alfalfa, soybeans, and other crops move in interstate commerce into regions to which the seed is not adapted. Under present trade conditions much unadapted seed is sold to growers who do not know that the seed is unadapted, and in many cases are misled into believing that it is adapted.

Available official information indicates that large quantities of chaff, immature seed, dead seed, and weed seed, commonly termed screenings and scalpings, are used in preparing the cheap brands of seed. Such material should not be sold as seed. Unfortunately, the least prosperous farmers, as a class, buy most of this seed, and their less fortunate condition is further aggravated due to the unsatisfactory crops resulting.

Experience in court since the passage of the present Federal Seed Act in 1925 indicates the inadequacy of the present act. The many cases of apparent violation that have been tried in court have resulted in an unusually high percentage of decisions adverse to the Government.

Many instances have occurred of the misrepresentation of southern-grown alfalfa seed as northern-grown seed. Farmers located in the Corn Belt and Northern States who buy this seed find that it will not produce a crop, and great losses result. There have been many cases also of the sale of large

amounts of northern-grown soybean seed in southern regions, the seed often being represented as southern-grown, causing great losses to southern farmers. H. R. 8288 aims to require that a statement of origin of seed accompany interstate shipments. In the alfalfa-seed producing States of the Northwest, including my own State of Nebraska, the interests of alfalfa-seed growers suffer great injury when unadapted alfalfa seed from the Southwest is shipped northward for reshipment to Corn Belt and northern consuming areas as adapted seed.

Many millions of pounds of screenings, scalpings, and chaffs, removed in the processing of seed, are recombined to form cheaper grades of seed and sold annually. Usually the less fortunate farmers buy the greater part of this cheap seed, and these farmers and tenants, who can least afford a crop failure, are the ones who are most seriously injured each year by the distribution of low-grade, weedy, and unadapted seed.

Scalpings, screenings, chaffs, and dead seed are imported often in large quantities into this country. There is no excuse whatsoever to permit the importation of material that will not grow or that carries seed of noxious weeds for sale to American farmers. This bill aims to protect our farmers against such exploitation. Our present law does not adequately control the importation into this country of noxious weed seeds or the distribution in interstate commerce of seed containing noxious weeds. These weeds when entrenched on our farms greatly increase production costs, reduce crop yields, injure quality of crops, and depreciate land values. The spread of noxious weeds threatens profitable agriculture not only on individual farms but in entire counties. This bill aims to prevent the importation and distribution in interstate commerce of noxious weed seeds.

The American Seed Trade Association have sent me a copy of their recommendations pertaining to the improvement of our Federal Seed Act. They agree in regard to the need of a better act and in regard to the inclusion in the act of a clause requiring the labeling of seed in interstate commerce. Under the present act, labeling is not required, and chaffs, weed seed, dead seed, and other unfit material are often shipped across State lines with impunity. The American Seed Trade Association, which represent the better elements of the seed trade, fully recognize the need of protecting the legitimate dealers from the unscrupulous dealers who misrepresent variety, blend their seed with chaff, dirt, and weed seed for profit to themselves, though farmers who buy this cheap seed suffer tenfold losses and even one-hundredfold losses where noxious weed seeds are carried to their farms in the cheaper brands of seed.

The development in the distribution of seed by farmer cooperatives encouraged by the American Farm Bureau, the National Grange, Farmers' Union, and other farmer cooperative groups, has made sound progress in spite of the competition of dealers who misrepresent the variety and quality of seed, blend their seed with adulterants, and sell seed without regard to its proper adaptation. A safe haven is found in the usual disclaimer clause such as, "We give no warranty, express or implied, as to description, quality, productiveness, or any other matter, of any seeds we sell and will not be in any way responsible for the crop."

The members of the Federated Seed Service, composed of farm-bureau cooperatives of Michigan, Indiana, Ohio, and other States; the Grange League Federation of New York; the Eastern States Cooperatives; the Southern States Cooperatives; and the Illinois Agricultural Association, have built their seed services on a basis of a direct guaranty as to adaptation and quality of seed. In 32 States, including my State of Nebraska, seed growers' crop-improvement associations produce seed certified by State agencies as to variety and quality of alfalfa seed, clover seed, seed grains, and seed of many other crops.

These Federal and State supported farmer seed grower associations are rendering an excellent service and should be further encouraged by the proper control of unfair competition. Many excellent seedsmen also conform to these principles. It appears reasonable and not impossible to completely harmonize the laws and policies of the Government with those of the seed cooperatives and reputable seed dealers on a basis of service to the farmer and to the public. The Federal Seed Act aims to lessen the unfair competition that now exists in the commercial distribution of seed that is detrimental to fair, competitive seed distribution.

In my estimation, an adequate Federal seed act is of national importance to everyone who is interested in the prosperity of our farmers and in our national prosperity. The public will approve of a sound effort by Congress to prevent the exploitation of nearly one-fifth of our farmers each year by the sale of unfit seed, which, under our present law, is often misrepresented to the purchaser as good seed. The Federal seed bill that I am placing before you is of basic importance also in determining the ultimate success of our agricultural conservation program and involves our Federal efforts to aid farmers by the extension of seed loans.

Our Nation has dallied too long with conflicting interests that want no seed legislation or who wish legislation that will protect the few who make money from seed by exploiting the farmer. The majority of the seed trade and farmers are jointly interested in putting the seed business on a service basis, with just profits to all. I, therefore, commend this bill to the attention of Congress with the hope that it will be considered as of vital importance to the Nation's welfare and will receive early and favorable action at the next session of Congress.

Address of the President of the United States

EXTENSION OF REMARKS

OF

HON. LINDSAY C. WARREN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

ADDRESS OF THE PRESIDENT AT ROANOKE ISLAND

Mr. WARREN. Mr. Speaker, I ask unanimous consent to insert in the RECORD the speech made by the President of the United States at Fort Raleigh, Roanoke Island, N. C., on August 18, 1937, at the exercises commemorating the three hundred and fiftieth anniversary of the birth of Virginia Dare, the first child of English parentage to be born on the American Continent. The address is as follows:

Until recent years history was taught as a series of facts and dates. Today we are beginning to look more closely into the events which preceded those great social and economic and political changes which have deeply affected the known history of the world.

For example, most of us older people learned of Columbus' voyages, of how America came to be named—and we jumped from there in our North American history to the founding of Jamestown and of Plymouth—1492 to 1607 with mere passing reference to Roanoke and perhaps to the voyage of Verazzano.

It has always been a pet theory of mine that many other voyages of exploration and of trade took place in that century along our American shores. We know that during the same period the Spaniards established great colonies throughout the West Indies, at Panama and other points in Central America, and extended their cities, their religious institutions, and even their universities to both the east and west coasts of South America. It is unbelievable that white men did not come scores of times to what is today the Atlantic seaboard of the United States. Some day perhaps a closer search of the records of the seafaring towns of Britain and France and Flanders and Holland and Scandinavia will rediscover discoverers. Perhaps even it is not too much to hope that documents in the Old Country and excavations in the New may throw some further light, however dim, on the fate of the "Lost Colony" and Roanoke and Virginia Dare.

If we are to understand the full significance of the early explorations and the early settlements, if we are to understand the kind of world upon which Virginia Dare opened her eyes on that faraway August day in 1587, we must ask why western Europe came to the New World.

It was in part because the era was an era of restless action. Under the Renaissance men experienced great awakenings; they were fired with restless energy to burst the narrow bounds of the medieval conception of the universe; to fare forth on voyages of exploration and conquest.

Many of those who sailed in immense discomfort, in tiny ships, across the Atlantic, were adventurers, some of them seeking riches, some seeking fame, some impelled by the mere spirit of unrest. But most of them—the men, the women, and the children—came hither seeking something very different, seeking an opportunity which they could not find in their homes of the Old World.

We hear of the gentlemen of title, who, on occasion, came to the Colonies, and we hear of the gentlemen of wealth who helped to fit out the expeditions. But it is a simple fact which cannot too often be stressed that an overwhelming majority of those who came to the Colonies from England and Scotland and Ireland and Wales and France and Holland and Sweden belonged to what our British cousins would, even today, call the lower middle classes. The opportunity they sought was something they did not have at home—opportunity freely to exercise their own chosen form of religion, opportunity to get into an environment where there were no classes, opportunity to escape from a system which still contained most of the elements of feudalism.

This is not in derogation of those pioneers. It is rather in praise of them. They had the courage, physically and mentally, by deed and word, to seek better things, to try to capture ideals and hopes forbidden to them by the laws and rulers of their own home lands.

It is well, too, that we bear in mind that in all the pioneer settlements, democracy and not feudalism was the rule. The men had to take their turn standing guard at the stockade raised against the Indians. The women had to take their turn husking corn stored for the winter supply of the community. Rules of conduct had to be established to keep private greed or personal misconduct in check. I fear very much that if certain modern Americans, who protest loudly their devotion to American ideals, were suddenly to be given a comprehensive view of the earliest American colonists and their methods of life and government, they would promptly label them Socialists. They would forget that in these pioneer settlements were all the germs of the later American Constitution.

They would forget, too, that although in the days that intervened between Roanoke and Jamestown and Plymouth, and the time of the American Revolution itself, practical democracy was carried on in the lives of the inhabitants of nearly every community in the Thirteen Colonies. It is true that as commerce developed in the seaboard cities, and as a few great landed estates were set up here and there, a school of thought parallel with the same school of though in England made great headway.

It was this policy which came into the open in the Constitutional Convention of 1787; for in that Convention there were some who wanted a king, there were some who wanted to create titles, and there were many, like Alexander Hamilton, who sincerely believed that suffrage and the right to hold office should be confined to persons of property and persons of education. We know, however, that although this school persisted, with the assistance of the newspapers of the day, during the first three national administrations, it was eliminated for many years at least under the leadership of President Thomas Jefferson and his successors. His was the first great battle for the preservation of democracy. His was the first great victory for democracy.

In the half century that followed there was constant war between those who, like Andrew Jackson, believed in a democracy conducted by and for a complete cross-section of the population, and those who, like the directors of the Bank of the United States and their friends in the United States Senate, believed in the conduct of government by a self-perpetuating group at the top of the ladder. That this was the clear line of demarcation—the fundamental difference of opinion in regard to American institutions—is proved by an amazingly interesting letter which Lord Macaulay wrote in 1857 to an American friend.

This friend of his had written a book about Thomas Jefferson. Macaulay said, "You are surprised to learn that I have not a high opinion of Mr. Jefferson and I am surprised at your surprise. I am certain that I never wrote a line and that I have never * * * uttered a word indicating an opinion that the supreme authority in a state ought to be entrusted to the majority of citizens told by the head; in other words, to the poorest and most ignorant part of society." Macaulay, in other words, was opposed to what we call popular government.

He went on to say, "I have long been convinced that institutions purely democratic must sooner or later destroy liberty or civilization, or both."

Then, speaking of England, he says, "I have not the smallest doubt that, if we had a purely democratic government here, the effect would be the same. * * * You may think that your country (speaking of America) enjoys an exception from these evils. * * * I am of a very different opinion. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land your laboring population will be far more at ease than the laboring population of the Old World, and while that is the case the Jeffersonian policy may continue to exist without causing any fatal calamity. But the time will come when New England will be as thickly peopled as old England. Wages will be as low and will fluctuate as much with you as with us. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams hundreds of thousands of artisans will assuredly be sometimes out of work. Then your institutions will be fairly brought to the test. Distress everywhere makes the laborer mutinous and discontented and inclines him to listen with eagerness to agitators who tell him that it is a monstrous iniquity that one man should have a million while another cannot get a full meal." And then Macaulay goes on to tell his American friend how they handled such situations in England. He says, "In bad years there is plenty of grumbling here, and sometimes a little rioting, but it matters little. For here the sufferers are not the rulers. The supreme power is in the hands of a class, numerous indeed, but select * * * an educated class * * * a class which is, and knows itself to be, deeply interested in the security of property and the maintenance of order. Accordingly the malcontents are firmly yet gently restrained. The bad time is got over without robbing the wealthy to relieve the indigent. The springs of national prosperity soon begin to flow again * * * and all is tranquillity and cheerfulness."

Almost, methinks, I am reading not from Macaulay but from a resolution of the United States Chamber of Commerce, the Liberty League, the National Association of Manufacturers, or the editorials written at the behest of some well-known newspaper proprietors.

Like these gentlemen of 1937, Macaulay in 1857 painted this gloomy picture of the future of the United States: "I cannot help foreboding the worst. It is quite plain that your Government will never be able to restrain a distressed and discontented majority * * *. The day will come when * * * a multitude of people, none of whom has had more than half a breakfast or expects to have more than half a dinner, will choose a legislature * * *. On one side is a statesman preaching patience, respect for vested rights * * *. On the other is a demagogue ranting about the tyranny of capitalists * * * and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest folks are in want of necessaries * * *. I seriously apprehend that you will, in some season of adversity * * * do things which will prevent prosperity from returning; that you will act like people who should in a year of scarcity devour all the seed corn and thus make the next year a year, not of scarcity but of absolute famine * * *. There is nothing to stop you. Your Constitution is all sail and no anchor * * *. Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be * * * laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth."

That, my friends, with all due respect to Lord Macaulay, is an excellent representation of the cries of alarm which rise today from the throats of American Lord Macaulays. They tell you that America drifts toward the Scylla of dictatorship on the one hand, or the Charybdis of anarchy on the other. Their anchor for the salvation of the Ship of State is Macaulay's anchor: "Supreme power * * * in the hands of a class, numerous indeed, but select; of an educated class, of a class which is, and knows itself to be, deeply interested in the security of property and the maintenance of order."

Mine is a different anchor. They do not believe in democracy—I do. My anchor is democracy—and more democracy. And, my friends, I am of the firm belief that the Nation, by an overwhelming majority, supports my opposition to the vesting of supreme power in the hands of any class, numerous but select.

It is of interest to read Macaulay's letter with care—for I find in it no reference to the improving of the living conditions of the poor, to the encouragement of better homes or greater wages, or steadier work. I find no reference to the averting of panics, no words for the encouragement of the farmer—nothing at all, in fact, except the suggestion that "malcontents are firmly but gently restrained" * * * in the interest of the "security of property and the maintenance of order."

I conceive it to be true that I am just as strongly in favor of the security of property and the maintenance of order as Lord Macaulay, or as the American Lord Macaulays who thunder today. And in this the American people are with me, too. But we cannot go along with the Tory insistence that salvation lies in the vesting of power in the hands of a select class, and that if America does not come to that system, America will perish.

Macaulay condemned the American scheme of government based on popular majority. In this country 80 years later his successors do not yet dare openly to condemn the American form of government by popular majority, for they profess adherence to the form while at the same time their every act shows their opposition to the very fundamentals of democracy. They love to intone praise of liberty, to mouth phrases about the sanctity of our Constitution, but in their hearts they distrust majority rule because an enlightened majority will not tolerate the abuses which a privileged minority would seek to foist upon the people as a whole.

Since the determination of this minority is to substitute their will for that of the majority, would it not be more honest for them, instead of using the Constitution as a cloak to hide their real designs, to come out frankly and say: "We agree with Macaulay that the American form of government will lead to disaster and therefore we seek a change in the American form of government as laid down by the founding fathers"?

They seek to substitute their own will for that of the majority, for they would serve their own interest above the general welfare. They reject the principle of the greater good for the greater number, which is the cornerstone of democratic government.

Under democratic government the poorest are no longer necessarily the most ignorant part of society. I agree with the saying of one of our famous statesmen who devoted himself to the principle of majority rule: "I respect the aristocracy of learning; I deplore the plutocracy of wealth; but thank God for the democracy of the heart."

I seek no change in the form of American Government. Majority rule must be preserved as the safeguard of both liberty and civilization.

Under it property can be secure; under it abuses can end; under it order can be maintained—and all of this for the simple, cogent reason that to the average of our citizenship can be brought a life of greater opportunity, of greater security, of greater happiness.

Those worthy hopes led the father and mother of Virginia Dare and the fathers and mothers from any nations through many centuries to seek new life in the New World. Pioneering it was called in the olden days; pioneering it still is—pioneering for the preservation of our fundamental institutions against the ceaseless attack of those who have no faith in democracy. Fortitude and courage on our part succeed the fortitude and courage of those who planted a colony on this island in the days of good Queen Bess.

The Freemason as Citizen

EXTENSION OF REMARKS

OF

HON. SAMUEL B. PETTENGILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. PETTENGILL. Mr. Speaker, last May I was honored with the invitation to address the Grand Lodge of the Free and Accepted Masons of the State of Indiana at its one hundred and twentieth annual meeting held at Indianapolis.

As I spoke on May 26, the one hundred and fiftieth anniversary of the convening of the Constitutional Convention at Philadelphia in 1787, I chose as my subject "The Freemason as Citizen", with special reference to George Washington, the presiding officer of that Convention.

I belong to several fraternal orders, and it has been my happy privilege to observe that they all teach the virtues of the good citizen. In doing so they make a contribution to the success of popular government and the enduring quality of our institutions which it is difficult indeed to overestimate.

The address follows:

I considered myself fortunate when I received the kind invitation extended by you through Brother Swintz to address this one hundred and twentieth session of the Grand Lodge of Freemasons of Indiana. The fortune which I attribute to myself comes from the fact that it gives me this opportunity to return from the hurly-burly in the Nation's Capitol and meet and receive the inspiration which comes from meeting the masters of the blue lodges of Indiana. I do not know of any body of men who could be assembled within this State to whom I would more willingly entrust the determination of any question vital to myself or to my country.

I am happy to have the opportunity to speak to you on the subject of the Freemason as a citizen and as a member of the civil government under which he lives. Certainly not in our lifetime have the duties and responsibilities of citizenship come closer to our hearts than they have in these recent years.

There is not a line in the teaching of Freemasonry which does not make its individual member a better citizen. At the very threshold of Masonry one is reminded of his inescapable obligation to that Grand Master of the Universe who is the Author of life and of all opportunity for happiness. Certainly this is the very foundation stone of good citizenship. We rely too much upon government and not enough upon the quality of the men and women who make up government. Too many expect to build good walls without good brick. It is a vain hope. No civilization can arise nor republic long endure except its individual members have that profound regard for what is right and just which comes from an acknowledgment of their relationship with Almighty God.

"Except the Lord build the house, they labor in vain that build it; and except the Lord keep the city, the watchman waketh but in vain."

In the second place Masonry teaches the individual brother to pull his own oar in the boat; to be industrious, temperate, frugal, self-supporting, self-reliant, so that neither he nor his family shall be a burden upon society. No nation can become prosperous unless its individual citizens prosper in their own personal affairs. Honey cannot be gathered unless the individual bee is diligent in its quest. Masonry views with a just reproach the drone in human society.

From the relationship between the individual and God, and the individual in relationship to himself and his family, Masonry proceeds to teach the individual to play his full part as a member of the community in which he lives, to be faithful to his civic responsibilities and loyal to the institutions of his country.

It is upon this latter point that I wish particularly to dwell. Masonry teaches us to remove not the ancient landmarks. It teaches us to pay just regard to the accumulated wisdom and experience of wise and prudent men who have gone before us. The wisdom they learned and the landmarks they erected are now under attack. These landmarks are free government and free enterprise. And it is an astonishing thing that there are large elements of our population who would ignorantly reestablish here in America the same tyrannies which they and their fathers fled from Europe to escape. They use the great words of "progress" and "liberalism" to attack American institutions. This is a false progress and a false liberalism. I assert—with all history, ancient and modern, to sustain me—that a movement away from constitutional government toward personal or one-man rule is not progress, but a retrogression; is not liberalism, but toryism. Let us not be deceived by high-sounding labels or by wolves wearing the fleeces of sheep.

We have met on a day which I trust none of us will ever forget. It was 150 years ago today in the city of Philadelphia that George Washington called to order the first meeting of the Convention whose labors in 1787 resulted in the Constitution of the United States.

The average person thinks of George Washington chiefly in two capacities as our greatest American. He remembers him as Commander in Chief of the Armies of the Revolution in their struggle against one-man government in the person of George III. He thinks of Washington in connection with Valley Forge and Trenton and the crossing of the Delaware, and the 7 years of hardship and heroism which constituted the travail of a free people struggling to be born. He remembers that when that struggle was over George Washington received a sword from Frederick the Great of Prussia with these words inscribed thereon:

"From the oldest soldier in Europe to the greatest soldier in the world."

And then the average American thinks of George Washington as the first President of this Republic, a man whose service to his country made him not only the first choice for that great office, but the only choice of the electoral college which elected him—an honor that has come to no other American.

But there is a third capacity in which Washington served his time and hour which in my judgment is not less important than his service as Commander in Chief and as President. I mean his service as President of the Constitutional Convention of 1787. Except for that service his later service as President would not have taken place and his first service as Commander in Chief would have been a sacrifice in vain.

There would have been no Constitution without George Washington. Many times during the long months of its session the Convention was on the point of breaking up. Delegates from different States returned home in disgust. Of the 55 who originally assembled only 42 were present when the Constitution was finally agreed upon and of the 42, 3 even then failed to sign. After the instrument was written and submitted to the citizens for ratification it again ran a bitter gauntlet. In 5 of the 13 States in the constitutional ratification conventions, a change of 10 votes or less would have defeated the Constitution; in 2 States a change of 2 votes would have rejected it. But behind the scenes all the time was Washington at work—by letter, by messenger, by personal conferences, during a period of 2 years, constantly urging the adoption of the Constitution.

One can say therefore without any doubt as to his accuracy of statement that except for the prestige and moral authority and confidence in George Washington there would have been no constitutional Government; there would have been no Constitution, no solution of conflicting Government authority between the Central Government and the States, no restriction upon the abuse of power by public officials, no protection to the rights of individuals and minorities; and without these things the country would undoubtedly have drifted back to the one-man tyranny from which they had made such sacrifice to free themselves.

On this one hundred fiftieth anniversary of the beginning of constitutional government in America, I invite you to reflect upon what it has meant to five generations of Americans and what we hope it may mean to countless generations yet to come.

One hundred and fifty years ago this month, in a time that tried men's souls, 55 men gathered in Philadelphia. The result of their deliberation was the Constitution of the United States. When signed, Gouverneur Morris said:

"The whole human race will be affected by the proceedings of this convention."

Never was prophecy better justified by time. For down to 1917, when Russians established the dictatorship of the proletariat in place of the dictatorship of the Romanoffs, a period of 130 years, there was scarcely a movement on this planet that was not toward democracy and freedom from concentrated authority. Our Constitution became the model of the world. In the States of

our Union, in the countries of Latin America, in the Provinces of Canada, in New Zealand, in Australia, in South Africa, and elsewhere, not less than 400 constitutions were patterned by freedom-loving men upon the basic concepts of our own Magna Carta—first, the distribution rather than the concentration of power; and, second, that the individual, because created by God, and in His image, has dignities, and rights as a human soul which are beyond the powers of princes or the might of majorities.

But in 1917 the tide turned. From that time to this hour, except for the short-lived German Republic, there has scarcely been a movement on this planet that has not been away from democracy toward the concentration of power, and in favor of the doctrine that the individual has no rights which the State is bound to respect. Wearied and wasted by war, but with old loyalties dissolved by the disillusionment of mass murder, the house of want invades the house of have and demands bread even at the price of liberty.

Across the Atlantic the lamp of liberty has gone out in three-fourths of Europe. The swing toward the center daily gathers momentum. New barbarians march on ancient Romes and, in the name of security, place Caesar's blood-rusted crown upon the fevered heads of those who call themselves the saviors of the people.

Within a short distance of the place where the Prisoner of Chillon once appealed from tyranny to God, machine guns and concentration camps do the debating when political arguments arise. And while the blood purge of June 1934 was on, a new messiah shouts, "During these 24 hours I am the supreme court."

Idealism is chained to Caesar's chariot, and the long thoughts of youth are poured and crystallized in the patterns of power, the idolatry of authority. Freedom to choose one's occupation, to move from country to city, or the reverse, is at an end. Government by debate, by discussion, by conciliation and toleration is trodden under the iron hoofs of the man on horseback.

Even England, the "mother of democracies", sees her authority challenged and her prestige weakened in the Mediterranean, in India, and hence throughout the world. And in that "tight little island" it was only 14 years ago when powerful groups appealed not to the franchise of free government but to the brute force of a nation-wide strike as their method to obtain a redress of grievances, a method repeated successfully this past year in France.

Democracy abroad and here is proclaimed a "rotten corpse"; liberalism is spat upon; the authority of religion is spurned; the sanctity of private contract and public treaty is held for naught; the temple of international law, painfully built during five centuries of time, is overthrown; and all those immemorial decencies between man and the state—trial by jury, the independence of the courts, habeas corpus, the civil above the military power, freedom of petition, of election, of speech, of press, of assembly, of worship, of the education of one's children, government by law and not by men, government which derives its "just powers from the consent of the governed", the restraint against spoliation and confiscation, the assurance that if a man may sow he may also reap, the one driving force (other than the lash of the slave) which makes wealth to accumulate and the arts and sciences to flourish—all these precious things are tossed into the sewer as the synthetic parade follows the modern imperator, who rattles his crimsoned sword and scans dark horizons for more worlds to conquer.

Here in America, worshippers of the state (not the States) grow in number. Bearing a banner with that strange device, "special privileges for all", they come to Washington seeking alms. Members of church, labor, business, youth, and women's organizations are sponsoring the surrender of human destiny to politicians idealized as demigods.

In this background the present conflict over the Supreme Court is but an incident. Gettysburg, Verdun, Saratoga were each the turning point of a great struggle, but they were but the struggle itself.

The world-wide struggle today is constitutional government against majority or personal government; deliberation against emotionalism; the distribution of power against its concentration; States' rights against Federal empire; free enterprise against governmentally owned or regulated monopoly; democracy against fascism or communism; the human soul against the totalitarian state.

Granting the possibility although not the certainty of a greater efficiency in the concentration of power, our fathers nevertheless thought that the dangers of the abuse of concentrated power overbalanced its theoretical good. They refused to put all their eggs or liberties in one basket. They listened to the shrewd advice of Benjamin Franklin, "Don't pay too much for your candle."

Their feeling in this matter was admirably expressed by that great liberal Justice Brandeis in one of his powerful opinions when he said that the separation of power in the Constitution was not to promote efficiency, "not to avoid friction, but by means of the inevitable friction incident to the distribution of governmental power among the three departments to save the people from autocracy."

It was the price to be paid for liberty. Our fathers were too wise to believe that they could secure the blessings of liberty for nothing.

That is the essential issue of the present controversy. Our constitutional system will stand or fall as the independence of the Supreme Court is or is not maintained—for as stated in The Federalist, quoting from Montesquieu, "there is no liberty if the power of judging be not separated from the legislative and Executive powers."

Despite the travail under which they suffered; despite the enormous prestige and moral authority of the President of the Constitutional Convention, General Washington, our fathers would not have adopted the Constitution, so jealous were they of the abuse of power by the central Government, if they had not been assured again and again by Madison, Jay, Hamilton, Marshall, and many others in The Federalist papers and in the State ratification conventions that "the courts were designed to be an intermediate body between the people and the legislature, in order, among other things to keep the latter within the limits assigned to their authority" (No. 78—The Federalist).

It will not do to say that the opponents of the pending bill are Tories and reactionaries. The distribution of power and an independent court to prevent the abuse of power is not a Tory doctrine. It is a liberal doctrine written in 1776 and 1787 by liberals. It is no less a liberal doctrine today. If it is saved today, it will be saved by the same kind of men who created it.

But the motives of individuals have little place in the discussion. We are considering profound and permanent change in our institutions, the greatest since 1787. If the change is a bad one to make, the good intentions of the proponents will not prevent a bad result. A boat moored to the dock may be set adrift by men meaning no harm. But if the ship is carried against the rocks, the harm is done though no harm was meant.

We know a strong tide is running out in the channel. It is world-wide. It is running away from democracy and toward absolutism and personal government and one-man rule. Shall we, who love our children and consider their happiness 5, 10, or 20 years from now, slip our moorings and venture out in that tide without weighing every consequence? Shall we go thoughtlessly, blind to warnings which can be read around the world?

On May 1 Adolf Hitler made a speech. I quote briefly from that speech as reported in the New York Times:

"I will not tolerate that the German people's authority shall be menaced from any quarter. That holds good above all for the churches * * *. If they attempt to arrogate to themselves through actions, pronouncements, or encyclicals rights that belong to the state * * * we will drive them back * * *. Nor will we tolerate criticism of the state's morals. We propose to accept full responsibility for the morals of the state and its people.

"First of all, we made a start with the Nation's youth. There are still among us old fogies who are no longer good for anything. * * * But this does not disturb us. We will take away their children. These we will train and educate to become new Germans. We will not permit them to lapse into the old way of thinking but will give them thorough training.

"We will take them when they are 10 years old and bring them up in the spirit of the community until they are 18.

"They shall not escape us. They will join the party, the storm troops or other formations, or go into factories and offices. Later on they will do 2 years of military service—who shall say that such training will not produce a nation?"

And then Herr Hitler goes on:

"I understand perfectly that everything in human life takes time. When men have been educated in class narrowness and divided by religious prejudices into Protestant, Catholic, and Confessional Churches, when they fight one another in 45 separate parties—who can take care of all that in 4 years? It cannot be attended to at once. However, we are determined to finish up with these things and we will never surrender."

When we consider the start, let us also consider the "finish up."

That is one-man government in a great nation today after its people surrendered their bill of rights of the Weimar Constitution under the plea of national crisis and emergency. Children taken from their fathers and mothers; labor forbidden to strike; the control of morals taken over from the churches by the state; only one political party tolerated; the independence of the courts destroyed, no German judge daring to dispense justice against the will of the boss; the radio seized by the state and the newspapers told every morning by the Minister of Enlightenment and Propaganda what they shall print and what they shall not print. In 4 years they have gone this far.

Do we want to go down this road here in America? Do we want to even start to go down this road?

That is Germany today. Is her long struggle for freedom lost forever—or will there be new revolutions like those of 1848 which gave us Carl Schurz and Pulitzer and many another who came to America to escape in their lifetime what is the fate of their descendants of today?

That is Germany without a constitution or independent courts. How much better off is it now than the Germany under the Hohenzollerns?

It is worse off. One hundred and fifty years ago in a suburb of Berlin a miller ran his mill. He was no doubt a poor and humble man. Frederick the Great came along and told him he would have to move his mill. The miller replied, "Sire, there are judges in Berlin." That is one of the great stories of Germany. It could not be told today. Today the miller, the butcher, the baker, and the candlestick maker have no rights which the state is bound to respect.

This is not progress. It is not liberalism. It is a movement backward. And it takes mankind even farther back than those

conditions which caused the Pilgrim and the Cavalier to seek asylum from oppression. Let me give proof of that.

Only 7 years after Columbus discovered the new world, Louis XII, of France, in his edict of 1499, concerning high courts of justice, ordained that the law should always be followed in spite of royal orders, which, as the edict says, importunity may have wrung from the monarch.

And Frederick II, of Prussia, in a letter to the supreme court of his Kingdom, enjoined its membership to be faithful to their oaths and to do justice in spite of royal demand.

When an American citizen goes into an American courtroom and files his bill of complaint against his own Government, city, county, State, or Nation, and asserts to the judge upon the bench that either the legislature or the Executive are attempting to deprive him of rights guaranteed to him by a Constitution written by his forebears; when he stands there and makes such a claim, you are witnessing a miracle of government. Centuries of struggle, mountains of treasure, and oceans of blood alone made it possible.

Strange it is that the citizen dares to make such a claim; strange that lawyers dare to represent him; strange that he can use the State to summon his own witnesses; but the miracle of it all is that as he stands there he has not the slightest doubt that he is going to receive a fair trial before an honest judge whose salary is paid by the other party to the suit! That is one of the greatest dramas in all history.

"All we know of freedom, all we use or know,
This our fathers bought for us long and long ago;
Ancient right, unnoticed as the breath we draw,
Leave to live by no man's leave, underneath the law;
Lance, and torch, and tumult, steel and gray goose wing,
Wrenched them inch, and ell, and all, slowly from the king."

That is the trouble today. We have enjoyed these rights so long, our free courts have protected those rights so well, that we take them for granted.

The assault on our institutions now being made is the greatest challenge you men have ever had. For in the way you accept it and grapple with it, will depend not only the independence of the judiciary, not only the survival of free enterprise, not only those priceless legacies of democracy to hand down to your boys and girls which you received from your fathers or fled from Europe to secure, but also the survival of the greatest dream that the free spirit of man has ever had.

To lose liberty, if that be our fate, in a gallant struggle only because of the weight of numbers or the fate of circumstance, is an event which the historian will record with profound sorrow. But the saddest monument that the future could erect to the memory of our vanished liberty would be that it was lost by men who had the opportunity and the strength to save it, but would not.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. HARRY L. HAINES
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, of Tennessee, late Speaker of the House of Representatives

Mr. HAINES. Mr. Speaker, I wish that I might find words to sufficiently express my sorrow at the passing of our great Speaker of the House, Hon. JOSEPH W. BYRNS, of Tennessee. When I first came to Washington in 1930, in the early days of the Seventy-first Congress, while not a Member of that Congress, I did, however, visit the House that I was soon to serve in as a Representative from the Twenty-second Congressional District of Pennsylvania, and one of the first men it was my privilege to meet was our late Speaker, Mr. BYRNS. I shall never forget his kindness to me, his advice, his help in getting me started in my work, and his solicitude for my success. I shall always remember his admonition to me to "be a doer, rather than a man of many words on the floor" and to be interested in the people I represent, serving them and being interested in things that are to their advantage, for in doing this I would be making a contribution not only to them but to all of our people.

Speaker BYRNS never did an unkind act during the years of service I have had the honor to give my people, and I can pay him no greater tribute than to say that in his passing the Nation lost a great servant in the public good. I shall always want to remember him as a personal friend and one that would go the extra mile for those who deserved his aid. I am certain that the kind of material he sent on ahead to that city eternal was of a character that erected for him a mansion most glorious, and it is my hope that all of us who still remain will follow in his example by living good, clean lives, giving unselfish service in our day. I have that faith in God to believe that some day we shall meet again.

Union Dues Deductions and Pay of Miners in West Virginia

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

ARTICLE FROM THE WHEELING (W. VA.) INTELLIGENCER

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Wheeling (W. Va.) Intelligencer, of the issue of Saturday, August 14, 1937, relating to the pay of miners and deductions therefrom for union dues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wheeling Intelligencer of Aug. 14, 1937]

HOLT HEARS OF ENORMOUS UNION DUES DEDUCTIONS—UNION TAKES $6.10 ASSESSMENT FOR 8 DAYS' MINE WORK

(By Charles Brooks Smith)

WASHINGTON, August 13.—A coal miner from the northern panhandle of West Virginia came to the Capitol today on an unusual errand.

His errand was to see Senator RUSH D. HOLT and show his wage slip for a period of 2 weeks. He worked 10 days. It was an itemized slip, showing deductions. It showed that the gross amount due him was $65.93. Deductions brought it down to $22.25. One of the deductions made was—"union dues, $6.10."

This particular item was the reason for his visit to Senator HOLT and the cause of his complaint. It was too much; it was out of proportion with his earnings. His case, he said, was typical. HOLT was interested and sympathetic, but said he could not do anything about it.

The coal miner, foreign-born, was above the average in intelligence. He said he was aware that Senator HOLT could not help him, and all other miners who felt as he does, but he wanted HOLT to know the situation. The miners in his locality were guardedly talking about the heavy tax levied on them for dues and special assessments.

They complained a great deal, he said, of their union being made to finance President Roosevelt's campaign for reelection and to finance the operation of the Committee for Industrial Organization. The United Mine Workers, through its president, John L. Lewis, was made to contribute $500,000 to reelect Mr. Roosevelt. The last report of the Farley committee, filed with the Clerk of the House of Representatives, disclosed that the committee had a debt of $50,000 which it owed to U. M. W. It was a loan.

U. M. W. FINANCING C. I. O.

What it has cost the U. M. W. to finance the operations of the C. I. O. there are no figures available to tell. Unquestionably it is a considerable sum. Another heavy drain on the union's exchequer was the purchase for $275,000 of the University Club's property in downtown Washington. It is being improved at an estimated cost of $150,000.

The visiting miner expressed himself on the absurdity of money being taken from the pay envelopes of coal miners to unionize the highest-paid workers in industry, the workers in the automotive industry and in steel. In May the average wage of bituminous coal miners was $22.20 a week; the average in the steel industry was $36.50. Auto workers 89½ cents an hour.

Over 100,000 miners worked in West Virginia last year. U. M. W. executives claim 500,000 membership. Dues and assessments are checked off by employers each pay day, every 2 weeks, under the agreement of operators and U. M. W. officials. It is a big income, sure and certain, for the union, but there is no law requiring union executives to make a public accounting.

The public, nevertheless, has recently displayed proof of taking account of the union's big income and the manner of its spending, to the extent of its ability—which is limited to a curious interest. Financing political parties and a revolutionary labor movement,

itself as much political as it is economic, which are outside of U. M. W. affairs per se, are responsible.

When Senator HOLT's miner visitor departed, he left behind the wage slip he brought along with him. It bears his name. Obviously, it would do him no good to reveal it here.

SUBJECT LIVING ONE

The subject of relationship between a coal miner's wages and what is deducted from them for union dues and assessments apparently is becoming a live one among the miners in West Virginia. The people of the State generally will, in due time, exhibit an offside interest, no doubt.

Report of a study made of the annual earnings of bituminous-coal miners in 1935, which follows, should prove timely, as well as enlightening.

The gross annual earnings of all bituminous-coal employees combined during 1935 averaged $915 before making deductions for expenses, such as purchase of tools, explosives, rental of safety lamps and other equipment, for which miners must pay out of their own pockets. Those who had employment throughout the entire year 1935 earned $1,145 on the average. Nearly four out of every five miners had employment for 9 months or more during the year, and averaged approximately $1,045 during 1935.

Miners are generally paid on a semimonthly basis. Workers receiving wages in each of the 24 semimonthly pay periods are considered to have worked throughout the entire year. The actual hours worked in half-month pay-roll periods, however, may vary considerably. For example, an employee may average 7 hours per day for 4 full days a week during the fall and winter and only 3 to 4 half days a week during the spring and summer months. Earnings which workers may have received during the year from another employer in the coal-mining industry or from an employer outside the industry, are included in the estimates.

TWO-THIRDS EARN $1,000

Nearly two-thirds of the bituminous workers who received pay in each of the 24 semimonthly payroll periods in 1935 earned more than $1,000. Most of these workers earned less than $1,400 and only a few averaged as much as $1,800 per year. About one out of every six miners earned less than $800, despite the fact that he received some pay regularly throughout the year.

Forty percent of all bituminous coal miners earned less than $800 per year, irrespective of the length of their employment, and 60 percent averaged less than $1,000. About one out of every eight had a gross annual income of $1,400 or more. Out of every 1,000 workers in the industry who received pay at some time or other during 1935—216 earned less than $600; 175 earned $600 and under $800; 218 earned $800 and under $1,000; 171 earned $1,000 and under $1,200; 99 earned $1,200 and under $1,400; 80 earned $1,400 and under $1,800; 41 earned $1,800 and over.

Underground bituminous coal employees, engaged in digging, loading, and conveying the mined coal to the surface and in various maintenance operations, make up the bulk of employees who received some pay at each pay period throughout the year, averaged approximately $1,135 in 1935. The average for all underground employees, regardless of the amount of their employment during the year, was $905.

About one-eighth of the total number of workers employed at underground mines have surface or outdoor jobs. The average annual gross earnings of the regular workers in this group amounted to $1,180 in 1935, compared with the average of $960 for all outside workers, regardless of the amount of work they had during the year. The slightly higher earnings of outside employees compared with inside workers is due largely to the somewhat greater regularity of their employment.

THREE STATES

Earnings in major coal fields: About 60 percent of the bituminous-coal miners in the United States work in the three States of West Virginia, Pennsylvania, and Illinois. These three States produced 63 percent of all the bituminous coal mined in the country in 1935.

Miners employed the year around in West Virginia received the highest average annual earnings in 1935. They averaged $1,135, compared with $1,125 in Pennsylvania and $1,090 in Illinois. Sixty-eight percent of the miners included in the Pennsylvania sample worked some time in each pay-roll period during the year, as against 55 percent in West Virginia and 39 percent in Illinois.

The average yearly wage income of all bituminous-coal employees, regardless of the amount of work they obtained during the year, amounted to $935 in West Virginia, $980 in Pennsylvania, and $945 in Illinois.

Out of every 1,000 bituminous-coal miners employed in each of these 3 States in 1935, 361 averaged less than $800 per year in West Virginia, 304 in Pennsylvania, and 332 in Illinois.

These figures will be helpful to anyone interested in finding an approximately sound answer to the question raised by the visit of Pete Antonio (which isn't his name) to the office of Senator RUSH D. HOLT.

Are union dues of coal miners cruelly high for their low average annual earnings?

Status of National Lottery Bill, H. R. 4

EXTENSION OF REMARKS

OF

HON. EDWARD A. KENNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. KENNEY. Mr. Speaker, the national lottery bill, H. R. 4, is very much alive as the first session of the Seventy-fifth Congress draws to a close.

The majority of our people want a national lottery and a majority of the Members of Congress know of that want of our people.

The bill, H. R. 4, is before the Committee on Ways and Means and it has been referred to a subcommittee which may hold hearings in the early part of the second session of the Seventy-fifth Congress.

Meanwhile 54 Members of the House of Representatives have signed petition no. 15 on the Speaker's desk to hasten a vote on the bill. More than a hundred other Members have expressed themselves in favor of the purposes of the bill.

Recognizing the efficacy of a national lottery, Associates for National Tax Relief, incorporated under the laws of the District of Columbia for the purpose of relieving the national tax burden, and of which Col. J. Miller Kenyon is chairman, recently issued an open letter which is significant of the thought of the day.

With permission of the House, Mr. Speaker, I include the letter which follows:

ASSOCIATES FOR NATIONAL TAX RELIEF, INC.,
Washington, D. C.

WHY LOSE?

One thousand millions of dollars ($1,000,000,000) annually through uncontrolled, organized, and illegal numbers, policy, and gambling rackets and foreign country lotteries.

We must understand each other at the start. If gambling could be wiped out, we would be for it. Two well-known certainties are taxes and death, but the fundamental principle of the American people gives them the right to at least regulate taxation by legislation under the Constitution.

The depression and economic conditions, together with social change, have necessitated large Federal expenditures, resulting in onerous taxation. Against this public protest is mounting, and the demand for tax relief has become insistent.

We are not against taxation. That method of raising revenue is essential if government is to function. But we insist that every means be resorted to for new sources of revenue for tax relief of the people.

The National Government now has a debt of over $36,000,000,000, with an annual interest payment of about $1,000,000,000. With expenditures rising annually, this debt will remain unpaid for many generations unless some other means than increased taxation is resorted to.

We propose, therefore, that the people be given opportunity to exercise their right under the Constitution, through Congress, to pass a law creating a Federal lottery commission to establish a Federal lottery.

Our Government owes a duty to the individual to tap new sources of revenue when legislating greater expenditures.

The Colonies, the Revolutionary Government, and our Government under the Constitution financed public expenditures by means of lotteries.

The Constitution of the United States is the greatest document struck off by man at one time. The remarkable men who framed that document believed in the financial system of the lottery as an easy system of voluntary taxation.

Such lotteries were an aid to the several governments—local and Federal—as late as 1861, when the Thirty-seventh Congress was in session.

In 1768 George Washington sponsored a lottery to build a mountain road, and tickets were issued over his signature.

The early improvements of the District of Columbia for building, establishing, and endowing public schools, for building a penitentiary, and for building a town house or city hall in Washington were financed by a lottery, and the ordinance authorizing it was approved by President Monroe April 5, 1817.

The prizes in this lottery to the successful adventurers, it is interesting to note, were as follows: One prize of $40,000; 1 prize of $15,000; 2 prizes of $10,000; 2 prizes of $5,000; 100 prizes of $1,000; 20 prizes of $500; 10 prizes of $100; 3,000 prizes of $13.

This system of voluntary taxation was not new to our forefathers, as practically all nations used this means of financing; and the great majority of the nations of the world use it to this day.

Under the supervision of the Government, lotteries were successful in all respects, but when lotteries became private enterprises and were no longer operated for public profit, this was the beginning of big-time racketeering. Today we have eight men, in a large city, indicted leaders of a one-hundred-million-dollar-a-year policy racket. The statesmen responsible for the Constitution and the Monroe Doctrine did not divert the funds of an adventurous people to private racketeers and to foreign countries.

The 1932 Post Office report, based upon the number of lottery tickets confiscated under the postal laws, estimates that $500,000,000 yearly was prevented from going to foreign countries.

The 1935 Post Office report shows 10 dealers in sweepstakes arrested who sold more than $26,000,000 worth of such tickets, all of which were spurious.

Thus, one billion dollars annually which you might have in the Federal Treasury to relieve your tax burdens is "gone with the wind", whereas a Federal lottery would provide $1,000,000,000 of revenue annually from a new source, provide employment to hundreds of honest, patriotic Americans, permit the adventurer to buy an honest ticket at the post office money-order window, giving him a reasonable opportunity to win and the satisfaction of contributing to the welfare of his Government cheerfully.

WHY NOT WIN?

At least $500,000,000 could be divided among the States, the District of Columbia, and the Territories. In addition, there would be a distribution of more than $500,000,000 in prize money. You are not getting these benefits. Congress has the power to pass a law for a Federal lottery. Write your Senator and Congressman.

ASSOCIATES FOR NATIONAL TAX RELIEF,
GEORGE EMERSON, *Secretary-Director.*

Franklin W. Fort

EXTENSION OF REMARKS
OF
HON. WILLIAM M. WHITTINGTON
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

Mr. WHITTINGTON. Mr. Speaker, I join the many friends of the late Franklin W. Fort, of New Jersey, in honoring his memory.

Mr. Fort and I began our congressional terms with the convening of the Sixty-ninth Congress. He served with signal and conspicuous ability as a Member of the Sixty-ninth, Seventieth, and Seventy-first Congresses.

While of opposite political faiths, early in our congressional terms, we were brought together because of our mutual interest in the agricultural problem. The district that I represent is one of the largest cotton-producing districts in the United States. My constituency is largely rural and through the years I have devoted much time to the study of agricultural questions and to the solution of agricultural problems.

While representing a city constituency and, therefore, while representing the consumers as distinguished from the producers of agricultural products, Mr. Fort recognized that primarily and fundamentally manufacturers and consumers could not prosper unless agricultural producers received an adequate return for their crops.

From different angles but in an effort to contribute to the solution of the agricultural problem, Mr. Fort and I were drawn together in a common purpose.

Franklin W. Fort was well born. He had inherited from his distinguished father not only a good name but an honorable heritage.

My departed friend was well trained and broadly informed in the science of government. He was always an enthusiastic advocate of any cause he espoused. He had both convictions and the courage of his convictions. He was one of the outstanding Members of the House of Representatives for three terms and one of the outstanding statesmen of his generation.

Franklin W. Fort was a courageous patriot. He loved his country; he was jealous of the good name of the Republic; he rendered conspicuous service in both war and peace. His untimely death in the full maturity of his powers on June 20, 1937, was a distinct loss not only to the State of New Jersey but to the United States.

Was Albert Gallatin the Founder of the Ways and Means Committee of the House of Representatives?

EXTENSION OF REMARKS
OF
HON. ALBERT J. ENGEL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

Mr. ENGEL. Mr. Speaker, on April 30, 1937, the Committee on the Library reported out Senate Joint Resolution 56, providing for the erection of a pedestal for the Albert Gallatin statue in Washington, D. C. In the committee report occurs the following statement:

It will be recalled that when a Member of the House of Representatives Gallatin organized the Ways and Means Committee in order that Congress should cooperate with the Treasury.

I have no intention of detracting from any honor due Albert Gallatin. However, in the interest of accuracy and to correct the record, I submit the following:

Albert Gallatin was born in Geneva, Switzerland; on January 29, 1761, and was baptized Abraham Alfonse Albert Gallatin. In 1786 he took the oath of allegiance and fidelity to Virginia. He was elected to represent Fayette County in the Legislature of Pennsylvania in 1790, 1791, and 1792. On February 28, 1793, he was chosen Senator from Pennsylvania, took his seat in the United States Senate on December 2, 1793, and was unseated on February 28, 1794. On December 7, 1795, he took his seat in the Fourth Congress, and on May 14, 1801, he was appointed Secretary of the Treasury, where he served with distinction for some years.

One of his biographers, Henry Adams, on page 158, said:

The only material for his biography is in the annals of Congress and in his speeches with the replies they invoked.

He was rather profuse about his own work in his own writings, and one cannot but be impressed with the fact that he was somewhat of an egotist. He never failed to speak of his own accomplishments. Had he considered himself the father of the Ways and Means Committee he would have said so.

Mr. Adams in his biography quoted Mr. Gallatin's personal memoranda, as follows:

My first step was to have a standing committee of ways and means appointed. That this should not have been sooner done proves the existing bias in favor of increasing as far as possible the power of the executive branch. The next thing was to demonstrate that the expenditure had till then exceeded the income; the remedy proposed was economy.

This statement was made in 1795, when he first took his seat in Congress.

John Austin Stevens in his Biography of Albert Gallatin, on page 106, uses the following language:

His first measure was the appointment of a standing committee of finance to superintend the general operations of this nature—an efficient aid to the Treasury when there is accord between the

administration and the House; an annoying censor when the latter is in opposition. This was the beginning of the Ways and Means Committee, which soon became, and has since continued to be, the most important committee in the House. To it were to be referred all reports from the Treasury Department, all propositions relating to revenue, and it was to report on the state of the public debt, revenue, and expenditures. (This occurred on Dec. 15, 1795.)

This is the only place where I can find any statement made where anyone claimed that Mr. Gallatin was the father of the Ways and Means Committee. The records show that this statement is absolutely erroneous. In going through the annals of Congress at the beginning of the first session of the First Congress, we find the following record. On July 24, 1789, 6 years before Mr. Gallatin took his seat in Congress and the year before he was elected to the Pennsylvania Legislature, on page 670 we find the following record in the Annals of Congress:

COMMITTEE OF WAYS AND MEANS

Mr. FITZSIMONS. The finances of America have frequently been mentioned in this House as being very inadequate to the demands. I have even been of a different opinion and do believe that the funds of this country, if properly drawn into operation, will be equal to every claim. The estimate of supplies necessary for the current year appears very great from a report on your table, and which report has found its way into the public newspapers. I said, on a former occasion, and I repeat it now, notwithstanding what is set forth in the estimate, that a revenue of $3,000,000 in specie will enable us to provide every supply necessary to support the Government and pay the interest and installments on the foreign and domestic debt. If we wish to have more particular information on these points, we ought to appoint a Committee of Ways and Means, to whom, among other things, the estimate of supplies may be referred, and this ought to be done speedily, if we mean to do it this session.

Mr. GERRY said the estimate reported by a committee was as accurate as possible. From this it appeared that $8,000,000 would be necessary for the support of government, for the interest and installments becoming due, and for the arrearages already due. He remarked that we had been already dunned on this subject by foreigners, and that Congress would have to make provision for their payment. If $3,000,000 were employed to this use it would only be carrying the arrearages into another year; but, as they must be paid at last, he recommended making an immediate exertion, as a better way of giving satisfaction than procrastination would be. He thought it best to lay the real situation of this country before the House and not endeavor to make things appear better than they really are.

With respect to the publication of the estimate in the papers, he knew nothing about it; he admitted that it was such a one as ought not to be published by order of Congress. He approved of the idea of appointing a Committee of Ways and Means, if it were only to ascertain what part of the interest on the debt should be paid, and what of the principal extinguished within the current year from the funds already provided.

Mr. Fitzsimons did not mean to reflect upon the committee who had reported the estimate in anything he had said, but he thought if of such a nature as to require it to be referred to a Committee of Ways and Means. He observed that the arrearages were due by several of the States on the former requisitions of Congress, and if these were paid up the great demand might be satisfied. He doubted whether the whole arrearages of interest on the domestic debt would be expected to be provided for at the first session of Congress; but he was certain that, in a little time, the Government would be able to discharge all these incumbrances and to pay the interest on their debt with such a degree of punctuality as would give satisfaction to every individual creditor.

A Committee of Ways and Means was then appointed, consisting of Messrs. Fitzsimons, Vining, Livermore, Cadwalader, Lawrence, Wadsworth, Jackson, Smith of Maryland, Smith of South Carolina, and Madison, to whom it was referred to consider the report of a committee appointed to prepare an estimate of supplies requisite for the services of the United States for the current year, and to report thereon.

The House then adjourned.

This was actually the beginning of the Ways and Means Committee of the House. Thomas Fitzsimons was a Representative from Pennsylvania.

In the Annals of Congress, volume 5, page 151, December 17, 1795, first session, Fourth Congress, 6 years later, we find the following record:

The next resolution taken up was that inquiry ought to be made whether further means should be provided to reinforce the existing operations for the discharge of the public debt. Mr. Gallatin gave in a long amendment. Its object was to appoint a committee to superintend the general operations of finance. "No subject", Mr. Gallatin said, "more required a system, and great advantage would be derived from it." The motion was seconded by Mr. Findley. The resolution was withdrawn.

Page 154:

Mr. Gallatin himself, on further consideration, thought his resolution not sufficiently digested for acting upon. He desired postponement until Monday next.

December 18, 1795, page 158:

Mr. Gallatin tabled his resolution.

Monday, December 21, 1795, page 159:

Mr. Gallatin called up his resolution for the appointment of a standing Committee of Ways and Means. This motion was agreed to and a committee of 14 appointed.

Annals of Congress, volume 7, page 671, December 4, 1797, first session, Fifth Congress:

A petition from sundry citizens complaining of being aggrieved by the act laying a duty upon stills and praying relief; Mr. Claiborne thought the petition best to go to the Committee on Ways and Means, but on being informed no such committee was at present in existence and Mr. Harrison wishing the subject to go to a select committee, he consented. Mr. John Nicholas from Virginia moved that a Committee on Ways and Means be appointed and was appointed.

Annals of Congress, volume 6, page 1668, Friday, December 16, 1796, second session, Fourth Congress:

A standing Committee of Ways and Means was appointed on motion of Mr. Gallatin.

Annals of Congress, volume 7, page 298, June 10, 1797, first session, Fifth Congress:

A Committee on Ways and Means was appointed on motion of Mr. William Blount of Tennessee.

Sixth Congress: No Ways and Means Committee appointed.

Annals of Congress, volume 11, page 311, December 7, 1801, first session, Seventh Congress:

Resolved, That a standing Committee on Ways and Means be appointed whose duties it shall be to take into consideration all of such reports of the Treasury Department and all such propositions relative to revenue as may be referred to by the House, to inquire into the state of the public debt, of the revenue and of the expenditures, and to report from time to time their opinion thereon. (Nine members.)

Annals of Congress, volume 13, page 371, October 13, 1803, first session, Eighth Congress:

Standing committees appointed, including Ways and Means Committee.

This gives the complete record up to 1803 of the founding of the Ways and Means Committee. It shows absolutely that Thomas Fitzsimons, of Pennsylvania, and not Albert Gallatin, was the first to suggest the Ways and Means Committee; that the Ways and Means Committee was organized in the House of Representatives 6 years before Albert Gallatin was a Member of the House.

Mr. Gallatin was a great character in American history, and I have no desire to detract from any of the work he did. However, I do feel that the record should be corrected.

The Far Eastern Situation

EXTENSION OF REMARKS

OF

HON. EDWARD C. EICHER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. EICHER. Mr. Speaker, we believe that the overwhelming sentiment of this country is for keeping out of the conflict in the Far East. Congress enacted the neutrality legislation after careful study of World War experience as a protection against policies which would involve us in just such a conflict as is going on in China today. For reasons apparently based not on considerations of our own protection but of the effect of our policy on other countries, the neutrality legislation has not as yet been applied. We have every confidence that the President will in the immediate

future carry out the mandate of that law and stop feeding the war which means destruction of thousands of lives in the Orient and the danger of war to all the world.

Congress should not adjourn until every possible action has been taken to protect this country against being involved in the Far Eastern situation.

The effect of the neutrality law, so far as the nations involved in the conflict are concerned, will be to make their situation more nearly equal. Japan can at any time blockade China and prevent it from obtaining munitions from this country. The neutrality law would also prevent Japan from obtaining munitions, and by preventing loans would make the purchase of raw materials more difficult.

The law does not go as far as it should in providing control over the sale of war materials. We believe that it should be strengthened in this respect.

John Luecke, Robert G. Allen, Caroline O'Day, Herman P. Kopplemann, Knute Hill, John M. Coffee, Ed V. Izac, Jerry Voorhis, Alfred N. Phillips, Jr., C. Arthur Anderson, Harry Sauthoff, Francis Case, Thomas R. Amlie, Louis Ludlow, Henry C. Luckey, Hamilton Fish, Fred L. Crawford, Harold Knutson, W. P. Lambertson, Henry Teigan, R. T. Buckler, Frank W. Fries, Martin F. Smith, John T. Bernard, Edward C. Eicher.

Civil Liberties of the People in Danger

EXTENSION OF REMARKS

OF

HON. JOHN T. BERNARD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

THE GROWING VIGILANTE MOVEMENT THREATENS THE EXISTENCE OF ALL UNIONS

Mr. BERNARD. Mr. Speaker, under leave to extend my remarks in the RECORD I insert my speech before Conference for Protection of Civil Rights, Flint, Mich., Aug. 14, 1937:

Friends, recently I have spoken to many groups of workers in different parts of the country. Everywhere—in Connecticut, in New York, in Cleveland, and in my own State of Minnesota—I found that there was one sure way of getting the applause every speaker desires. The applause was not for myself or my oratory. It was for you—the workers of Michigan. Since some of you may be planning a speaking tour, I will tell you my secret. These are the magic names that will bring any workers' audience to its feet cheering: Flint! Lansing! Monroe! Ironwood! Detroit! Your great struggles of the last year are acclaimed wherever progressive people struggle for their own rights as citizens.

THE BLACK LEGION BEHIND BLACKLIST

Mass-production methods were born here in Michigan. And here the open shop built one of its strongest fortresses. The open shop which bears the sign: "Closed to union workers" within the fortress were the arsenals of machine guns, munitions, tear gas. Armed guards and deputies patrolled the gate. Spies worked beside honest workers on the belt. The banks, the newspapers, the stores, were company outposts. The blacklist and the Black Legion pulled together.

What chance had unions in Michigan? The fortress seemed impregnable, the rule of tyranny secure. But your courage and your discipline made history in Michigan. The open shop is open now to union men. Workers on the assembly line wear the proud badge of citizenship—a union button. The unions grow strong. They are recognized. They sign contracts. Not only the auto union; lumber and steel. Small shops and factories are union, too. Laundry workers, canners, five-and-dime girls, march along. The unions came to Michigan, and they came to stay.

It is well to remember these victories of the past year when we talk about the tasks that face this conference. You suffered and sacrificed for these victories. You mean to hold them safe. This conference is proof of your determination.

VIGILANTES JEOPARDIZE CIVIL LIBERTY

What has been won must be defended. The danger is real, the enemy ready to attack. The growing vigilante movement threatens all unions, craft or industrial, young or established. It threatens the drive to organize the still unorganized millions. It threatens the civil liberties of workers, farmers, and the middle class.

Vigilantism is not new to America. But it has entered a new phase. At Johnstown, Pa., it appears as a Nation-wide citizen's committee, better organized, better financed, and more menacing than ever before.

At Johnstown the vigilante poses as a "friend of labor." I have met such "friends of labor" before in Congress. They showed their friendship by attacking the sit-down strikes, voting against relief, and slandering the National Labor Relations Board.

CITIZEN'S NATIONAL COMMITTEE LOVES SCABS

As a friend of labor, the Citizen's National Committee can't condemn all unions. It just condemns the C. I. O. and the A. F. of L. for organizing and striking. It condemns unions that increase their membership or fight for workers' rights. But a dead union is a good union—to the citizen's committee.

As a "friend of labor" the Citizen's National Committee can't condemn all strikes. It just condemns sit-downs, steel strikes, and picketing, and strikes that win. But a lost strike is a good strike—to the citizen's committee.

A friend of labor can't condemn all workers. The Citizen's National Committee just damns "reds", foreign-born workers, Negroes, Jews, Catholics, strikers, and workers who join a union. But a pure Aryan scab is a good worker—to the committee.

The citizen's committee hates violence. Not all violence. Not boss violence. Not police violence that murdered 10 in Chicago. Not the violence that killed two in upper Michigan, two in Masillon, two in Alcoa, Tenn. Not Tom Girdler's violence, nor Henry Ford's. The citizen's committee doesn't hate real violence. It hates a violence that doesn't exist outside of vigilante propaganda—"workers' violence." Against this wholly imaginary and invented violence the Citizen's National Committee marshals its real guns, its real clubs, its "home guard", its terrorist gangs.

What is back of all this nonsense? What does "vigilantism" mean? Take a look at Johnstown, read the Johnstown resolution, and you have the answer.

VIGILANTISM IS ANTILABOR

Vigilantism is antiunion and antilabor. That means all unions and all labor. Vigilantism is anti-Roosevelt and antidemocracy. It is the Liberty League hiding behind false whiskers.

But why the whiskers? Because the Liberty League remembers the beating it took last November. It remembers the forward march of labor, with millions of unorganized workers falling into step. It dare not declare itself openly.

The Liberty League hides behind "liberal" Senators like WHEELER and BORAH in the Court fight. It hides behind the middle class at Johnstown. It is a ventriloquist, speaking through a dummy.

At Johnstown the dummy is well supplied with patriotic phrases. America! The Constitution! Sweet land of liberty!

If big business and the Liberty League talked about "the right to work" we should laugh in their faces, and they know it. The right to work! Who denied that right to 20,000,000 jobless in the depth of the depression? Who denies it to 10,000,000 jobless today? But the dummy committee at Johnstown can talk about the "right to work" and hope that some people will be fooled.

The dummy squeaks and uses every trick to break our ranks. Who knows the splitting tricks? Not the shopkeepers and ministers, the "public" gathered at Johnstown. But big business knows them. Girdler, Ford, Morgan, the Du Ponts, and the Rockefellers know how to divide and rule. They are the ventriloquists. They make the dummy at Johnstown raise the old issues of white supremacy, anti-Semitism, religious prejudice. They set farmer against worker and white collar against shirt sleeve.

Who foots the bill for Johnstown? Not the mortgage-ridden farmers, the small storekeepers, and clerks worried about the high cost of living, not the scabs or the jobless who want to go back to work. The bill is too big for the little people. But spending money to break unions is an old story with big business. Remington-Rand, Chrysler, and General Motors have just reported to the Securities and Exchange Commission that they spent a total of $2,000,000 to fight the organization of workers in their plants. Johnstown has its war chest, and it need not stint.

What is the answer to Johnstown? It is this: Build the unions. Organize the unorganized.

CITIZEN'S COMMITTEE MAKES PHONEY PROMISES

The answer to Johnstown is the answer to the threat of fascism in America. The citizen's committee is not fascism, because it hasn't won power. Its phoney promises, its patriotic phrases, its splitting tactics, its use of the middle class, its appeal for lynch law are all Fascist methods. It's big money backing the Fascist. Its goal is Fascist. But the citizen's committee will not reach its goal. It won't happen here. American trade unions take up the cry of Spanish workers and tell the Citizen's National Committee: No Passaran.

UNIONS FIGHT FASCISM

Unions are the international enemy of international fascism. Trade unions mean democracy, higher wages, shorter hours, peace, and progress. Fascism means tyranny, hunger, misery, and war. Every new union member, every signed union contract, every wage increase is a blow at the citizen's committee and at American Fascists.

Organization of the unorganized, organization of the unemployed, these are the first steps to defeating vigilantism. But with organization must go unity. A split labor movement is only half a labor movement. Without trade-union unity we are lost. Is unity possible in the American labor movement today? I believe it is. This conference shows that American workers can join together in the face of a common enemy.

The enemy, whatever its financial quarrels and competitive interests, is solid against us, against all unions. Our disunity is its greatest hope, and it will try to widen the breach between craft and industrial workers. But we shall try harder to heal that breach. John L. Lewis has already pointed the way: Industrial organization for the unorganized and the mass-production industries; craft unions for those already established in craft unions; friendship and cooperation between union locals everywhere. A. F. of L. and C. I. O. locals have already practiced cooperation in Buffalo, New Jersey, New York City, Detroit, the steel areas, and many other places. The rank and file everywhere understands the need for unity. Out of this conference must go a stronger plea for united resistance to the vigilante movement—and that means unity in the trade unions.

Organization and unity. Two big tasks. But even this is not enough to lick the citizen's committee. We cannot win the battle if we fight it in the factories alone. We must fight also at the polls and in the political arena. The current Kelly-Nash political machine did Tom Girdler's dirty work in Chicago. Governor Hoffman is no help to the organization drive in New Jersey. And what about you Michigan people? You picked a pretty good Governor—but look what you sent to Congress! Senator VANDENBERG—and his death-sentence amendments to the Wagner Act. Representative CLARE HOFFMAN!

MICHIGAN ANSWERS HOFFMAN

I don't want to be too hard on Michigan. You showed how to answer vigilantism with political action when you defeated the antilabor "little" Wagner Act passed by your legislature. But there was a close shave. You had better elect your own men to the State legislature next time.

Not only better men, but progressive legislation is needed to defeat fascism and the vigilante movement. Relief for the unemployed. Hitler offered uniforms and bread to the cold and hungry unemployed of Germany and they became his storm troopers. W. P. A. jobs and relief are antifascist measures. The Schwellenbach-Allen bill is good anti-Johnstown medicine.

Better housing means fewer boys to grow into gangsterism and become strikebreakers or hoodlums. Better labor laws mean stronger unions. Don't forget the farmers. The citizen's committee have their eyes on the farmers. But if you support the farmers' demands for relief, crop loans, lower mortgage rates, and a fair share of the national income you will win the farmers to our side.

The Supreme Court fight isn't over yet, either. Tell that to the Citizen's National Committee. Tell them we aren't licked yet. We are going to get the legislation we need, the New Deal we voted for. The Supreme Court, it is said, has "reformed itself." We shall see. What matters to us is progress, through the democratic expression of our will in Congress.

It's a big job beating a vigilante movement because it means beating big business and reaction on all fronts. We have to organize and build the trade unions. We have to close our ranks and win trade-union unity. We have to elect our own men to office and watch them after they're elected. We have to know good legislation from bad. And even then we're not through.

WORKERS, FARMERS, AND MIDDLE CLASS AGAINST BIG BUSINESS

There's one more thing we must do to answer the Johnstown committee. We have to get our story before the public—that "public" which plays the dummy at Johnstown. Who is the public anyway? It's you and me—the workers. It's the farmers. And it's the middle class. Does this public really belong, body and soul, to big business? Does every man and woman in it see eye to eye with Tom Girdler? Of course not. The public is open to argument. It's up to us to argue.

The middle class suffers from high prices, high taxes, and high utility rates. It's up to us to get into that fight, shoulder to shoulder with the middle class. We can offer our organized strength and our leadership. If we lead the way in the struggle against high rents and high food prices, that's the best argument we've got.

The same way with the farmers. Let a trade union lead a penny mortgage sale, or a farmer's relief demonstration, and there will be no more embattled farmers at Hershey or anywhere else.

We have to talk as well as act, if we are to put our case before the middle class and the farmers. The radio and the press are not altogether closed to us—yet. We must find a way to speak to the public—to tell them what unions mean, what vigilantism means, above all, to tell them who is responsible for violence in labor disputes.

A few weeks ago I spoke on the radio, my first national hook-up. I spoke about the C. I. O. That speech taught me a great lesson. I talked about the Mohawk Valley plan—the great strike-breaking formula invented by James Rand and his associates during the Remington-Rand strike. At the end of my speech I offered to send a copy of the plan to anyone who would write for it. The number of responses amazed me. Many of them were workers. Sure, they were interested. But many requests came from middle-class people—people who had never heard the truth before, who didn't know there was any reason to doubt that workers are always and everywhere responsible for violence. These people were honestly curious—they wanted to find out the truth. They opened my eyes to the great need and great opportunity for education. I know this conference will find a way to spread the truth across America. Thank God the American people are already seeing the truth. According to a report that I received yesterday a new institute of public-opinion poll shows widespread disapproval of vigilantism. The result of this poll will be published throughout the country tomorrow. It will be in the Detroit News, and it will show a 3-to-1 vote against vigilantes.

The investigation of the Senate Civil Liberties Committee has shown us how much our civil rights need defense. Johnston sounded a new call to even more violent attacks on all we cherish. Everything that matters is at stake—our jobs, our organizations, our bread, our freedom. Democracy and peace are at stake.

LABOR MUST ANSWER THE VIGILANTES

Let the vigilantes hear the answer of all who love peace and democracy; let them hear the answer of American labor shouting from every mine, mill, field, and factory: We are awake! We are on guard! We are united and strong! No vigilantes wanted! Fascism shall not happen here!

Railroad Retirement Act

EXTENSION OF REMARKS

OF

HON. ROBERT CROSSER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

ADDRESS OF CHARLES M. HAY, SPECIAL ASSISTANT ATTORNEY GENERAL, AUGUST 18, 1937

Mr. CROSSER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Mr. Hay, who as Special Assistant Attorney General, defended the Railroad Retirement Act of 1935 in the Supreme Court of the District of Columbia, and as attorney for the Railway Labor Executives Association, assisted in drafting and presenting the Railroad Retirement Act passed by this Congress.

RAILROAD RETIREMENT ACT

Pensions for aged workers are demanded by the conscience and public opinion of this progressive age. This demand finds support in considerations of humanity, sound social policy, business efficiency, and the need for enlarged employment opportunities for younger men.

The Railroad Retirement Act is the outgrowth of that demand on the part of the railroad workers of America.

HISTORY OF ACT

The first law of this character, enacted in 1934, was resisted by the railroads and declared unconstitutional by the Supreme Court. The second act, passed in 1935, was likewise resisted by the railroads and attacked in the courts. The present act, passed by this Congress with only one dissenting vote and promptly signed by the President, is accepted by the railroads, who have agreed not to attack it in the courts.

PURPOSE OF ACT

The act provides for a national statutory retirement system applicable to all the railroads of the country under which pensions or annuities are to be paid to railroad workers who retire on account of age or disability. The payments are to be made out of the Treasury of the United States.

TAX ACT

In order to replenish the Treasury on account of these demands, Congress passed a tax act, laying taxes upon both railroads and workers, measured by prescribed percentages of the pay rolls. The tax act was likewise agreed to by the railroads and the workers. This is perhaps the first case on record of "taxation by consent of the taxpayers." The consent of railroad workers to bear one-half of the burden of a national pension system which supplants the voluntary systems set up by the railroads, to which the workers contributed nothing, speaks eloquently of the workers' belief in the justice and soundness of the national system, and of the workers' sense of fairness.

PERSONS ELIGIBLE

Under the Railroad Retirement Act, pensions or annuities are to be paid to employees who retire at age 65; or at age 60, with 30 years of service; or at age 60 if totally and permanently disabled, regardless of their years of service; or at any age when totally and permanently disabled and with 30 years of service.

RETIREMENT NOT COMPULSORY

Retirement is not compulsory, nor was it so under the original act of 1935. The reason for this may be stated in one word—cost. Compulsory retirement at age 65 would increase the cost 60 percent. Furthermore, it would work a great hardship upon the men in the low-wage brackets whose pensions would be below a subsistence level.

AMOUNT OF ANNUITY

The amount of the annuity is determined by multiplying the years of service by a fixed percentage of the average monthly compensation—but no wages in excess of $300 per month are included.

YEARS OF SERVICE INCLUDED

To make up the years of service, work on all carriers subject to title I of the Interstate Commerce Act is counted. Under the original act of 1935, the maximum number of years which could be included was 30 and the maximum annuity, $120. Under the new act all service after January 1, 1937, is counted until age 65. The maximum annuity may, therefore, exceed $120 or even $150 per month. The limitation of $120 applies under the new law only to persons whose service period includes service rendered prior to January 1, 1937.

PRIOR AND SUBSEQUENT SERVICE

The enactment date of the 1935 law was August 29, 1935. All persons who were in the service or in employment relation—that is, on furlough or leave of absence on that date—or who are in the service after that date, may qualify for annuities on reaching the required age or meeting the other conditions mentioned; and in computing their years of service, service rendered prior to January 1, 1937, as well as subsequent thereto, is included up to a total of 30 years. Persons not in the service or in employment relation on August 29, 1935, but who enter later, may qualify for a pension, but their years of service will include only subsequent service.

DISABLED PERSONS

Under the new law a person who was, on August 29, 1935, absent on account of disability and unable thereafter to return to service may receive an annuity based upon his prior service. This provision will enable some 8,000 disabled men who were not qualified for annuities under the original act of 1935 now to qualify and receive their annuities.

PERSONS LEAVING SERVICE

A person in the service on or after August 29, 1935, may leave the service at any time, and on reaching retirement age receive an annuity based upon his years of railroad service. In order to qualify for a pension at that time he must relinquish the particular employment in which he may be engaged, just as the man who continues in railroad service until he reaches retirement age must relinquish his employment.

ANNUITANTS MAY WORK

A person granted an annuity may engage in any kind of employment thereafter and continue to enjoy his annuity except railroad work or work for the particular employer by whom he was employed at the time he qualified for an annuity.

JOINT SURVIVOR ANNUITY

Under this system a railroad worker may not only acquire an annuity for himself but for his widow also. He may elect to take a reduced annuity during his life, with provision for the payment of an annuity after his death to his widow for her life.

DEATH BENEFIT

The new law provides for a death benefit of 4 percent of the aggregate compensation paid after January 1, 1937, less any amount paid as annuity to an employee or his widow. This is equivalent to the assessed tax with 3 percent interest. It makes certain that every dollar paid in taxes will come back to an employee either in the form of an annuity for himself or widow or as a death benefit to his survivors. This improves the original law of 1935, which made no death-benefit provision for the survivors of employees who die before reaching retirement age. Since the annual toll of such persons is 15,000, it can be definitely said that this one improvement alone would justify the time and effort expended in perfecting the railroad-retirement system.

CARRIER PENSIONERS

The new law transfers the pensioners heretofore in the private pension systems of the carriers to the Government roll. This removes a just complaint of the railroads against being taxed to support a national system while making payments under their own pension plans. It serves the pensioners also by restoring their pensions to the amounts originally allowed by the railroads and making certain their payment in such amounts in the future.

RETIREMENT SYSTEM NOW ESTABLISHED

The railroad retirement system which I have thus briefly outlined is now set up, established, and operating under competent direction. Under it, pensions and annuities are now being paid to 65,000 persons. Applications are being filed at the rate of 8,000 per month. It is estimated that by the end of this year 100,000 persons will be on the rolls. The administrative tasks are heavy but the Retirement Board is competent and is exerting every effort to dispose of all cases fairly and promptly.

The retirement system is established not only in fact but in law. Attack upon it is improbable because of its acceptance by the railroads as well as the workers. That it would be held constitutional, if attacked, may be confidently asserted upon the authority of the social-security case which involved the same legal principles.

LONG FIGHT OVER

So the long fight for a national railroad pension system is over. To its successful ending numerous persons have contributed and deserve commendation. On behalf of the railroad workers of America, may I express their deep gratitude to Congressman CROSSER and Senator WAGNER who sponsored the retirement bills; to the Members of Congress who supported it, and to our beloved President who signed it.

The laws of 1934 and 1935 laid the foundations for the improved structure which we now have.

The final agreement on this great national policy was negotiated by a committee representing the workers appointed by the Railway Labor Executives Association and consisting of George M. Harrison, chairman, E. J. Manion, J. A. Phillips, B. M. Jewel, and J. J. Delaney, and a committee representing the railroads of which J. J. Pelley was chairman and Judge R. V. Fletcher, counsel. These committees worked with fidelity to the particular interests they represented, with fairness to all interests involved and with patriotic regard for their country's welfare. Of their work in bringing about an agreement upon this great national policy, the Senate Committee on Interstate and Foreign Commerce said, "This is industrial statesmanship at its best." Such statesmanship, if emulated in other industries, will bring lasting industrial peace to our country.

The retirement system as established will not be found perfect, of course, but Murray W. Latimer, Chairman of the Railroad Retirement Board and the country's outstanding authority on industrial pensions, has said that the new law sets up the best industrial-pension system in the world. As the years go by, it will bring security and comfort to countless thousands of aged and disabled workers, promote the employment of younger men, give greater efficiency to railroad transportation, and contribute to the industrial peace and general welfare of all the people.

Coming Across for Mr. Farley

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

EDITORIAL FROM THE CHICAGO TRIBUNE OF TUESDAY, AUGUST 17, 1937

Mr. HOFFMAN. Mr. Speaker, under permission granted to extend my remarks I insert herein the following editorial in the Chicago Tribune of Tuesday, August 17, 1937:

BERTRAND H. SNELL, Republican leader in the House of Representatives, asked for an investigation of Mr. Farley's book-selling campaign, and the House Rules Committee to which he submitted his evidence turned him down. Our own Mr. SABATH said it was just a joke. Other opinion is that the Democrats on the committee found the matter altogether too hot to handle.

Mr. SNELL also had asked the Attorney General, Mr. Cummings, to do his duty in enforcing the Corrupt Practices Act. Mr. Cummings said that he hadn't been given any evidence of corrupt practices. Mr. SNELL has now given Mr. Cummings the affidavits ignored by the House Rules Committee.

Mr. Cummings, if he cares to look over the material submitted to him, will find the statement made by M. H. Porter, of the Democratic National Committee, that the sale of the book "enables us to legally accept corporation checks, and this is the way all the companies that are assisting us are handling these expenditures." The Federal Corrupt Practices Act defines the word "contribution" as a "gift, subscription, loan, advance, or deposit of money or anything of value."

Mr. Farley had Mr. Roosevelt write his name in a number of what is known as the "De Luxe President's edition of the Democratic Book of 1936, leather bound and autographed by the President, at $250 per copy." The Democratic campaign managers, who are trying to clear up their deficit, persuaded corporations that they could dodge the Corrupt Practices Act by buying the book, and told them why they should do so.

The law is directed against the corporations, the rather practical theory being that if they gave their money to elect officials they would expect to get something back, and that something a thing they shouldn't have.

At the take-off it is apparent that Mr. Farley and his committee thought they had found a hole in the act and that they could reach their hands through it into the corporations' bank accounts. Mr. Farley, his helpers on the committee, and his solicitors are caught persuading or forcing corporations to take

chances with the law. They say in effect that they could not take checks for $250 and upward as gifts or contributions, but if the corporations will pay $10,000 or $20,000 for a certain number of autographed books for which no publisher would ask more than $2—or $5 with autograph—they will be held in the highest esteem by the governing party and they will not have violated the law.

Mr. Cummings may think that he as an official in the administration which has been accused of compelling the violation of the Corrupt Practices Act could not with propriety undertake an investigation. He can be urged to avoid this embarrassment, if it should prove to be one to his own way of thinking, by appointing a special investigator of national standing—say Thomas E. Dewey of New York—and providing him with the means of making a thorough investigation.

An administration ought not to be indifferent to the confession, in fact to the persuasive declaration, that a clever way has been found to avoid a Federal statute. Mr. Farley is a member of the Cabinet. He is involved in an attempt to wriggle through a Federal law intended to protect the Government itself from the wiles of corporations which might seek to influence it. That alone would require an investigation, but the graver charge is that agents of the committee endeavoring to persuade corporation heads to break the law have made promises and threats involving the administration of public affairs.

If Mr. Cummings follows the example of the House Rules Committee he will have to close his eyes to evidence which his conscience as Attorney General would tell him could not be ignored.

Un-American Activities

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. DICKSTEIN. Mr. Speaker, the German Minister of Propaganda now openly admits that the German Government is not only campaigning and spreading propaganda in England—for which the British Government has made a quick disposition—but is doing the same here in the United States and elsewhere.

The British Government has found a way, after a complete and thorough investigation, of ridding its country of 500 or more Nazi newspaper men and other Nazis connected with and active in the Nazi spy network. The exposure of this incident infuriated the entire public of Great Britain.

If I could only expose the material that I have in my possession, I am sure it would shock and rock the American people to learn how little we have paid attention to the un-American activities of foreign and subversive groups in the United States.

What Great Britain did is one of the ways that we could deal with nazi-ism which at present is concentrating upon exportation and establishment in all English-speaking countries, even more so here in the United States than in Great Britain. There is no doubt that such similar organizations, with connections directly to Berlin, the Embassy, and the various German consular officers exist and function in this country.

After my calling your attention to the twenty-first Nazi camp, "Nordland", at Andover, N. J., I also informed you of the activities at Camp Hindenburg, near Grafton, 20 miles north of Milwaukee, Wis., which includes territorially a membership of Chicago, Ill.; Racine, Sheboygan, Kenosha, and Milwaukee, Wis.; and also South Bend and Hammond, Ind.

Another menace is creeping up on us—the St. Louis group of the Nazi Volksbund, which has expanded in recent months and acquired a meeting house at 2960 Oregon Avenue, in St. Louis, and a summer camp near the Meramec River, just off the Lemay Ferry Road. A ceremony on April 8 included a parade of uniformed storm troopers carrying the swastika banner under the leadership of Anton Kessler. The camp goes under the name of "Deutsch-Horst."

Thus, the sublimest of comedy: One has to know that after having given the Hitler salute with outstretched arm, having blared three "heils", the uniformed storm troopers lined up in double file and self-consciously carrying the flag of a foreign country marched down what is called the Government drive.

The camp and clubhouse are flooded with publications imported from Germany, the most prominent of which is Der Auslanddeutsche, which is the publication of the Central Bureau of Germans in foreign countries, whom the Nazi regime claims and registers for the return to Germany for active military service.

Who is Anton Kessler? Kessler came into the United States as a 15-year old boy in 1910. According to records of the United States district court, he is an alien. He took out his first citizenship papers in October 1936.

Kessler refuses to disclose the names of other leaders of the Volksbund because some of them are working in Jewish establishments and he fears they would lose their jobs once their rabid anti-Semitism would become known to their employers. Kessler's neglect in filing his intention of becoming an American citizen in more than 25 years and his present association of leader of an un-American organization should be sufficient for drastic and exemplary action.

I want to make public a further list of Nazi agitators who have been very active in St. Louis in the spreading of propaganda and in trying to build up the foreign Nazi National Social Party of Germany in our country in lieu of our democratic form of government. These men should be subpenaed and investigated as to financial help, drilling, goose stepping, and swearing allegiance to Hitler irrespective of the fact that some have taken an oath of allegiance to the United States.

NAZI PROPAGANDISTS IN ST. LOUIS

1. John R. Gewinner, 3010 Shenandoah Avenue, retired meat packer, finances the bund.
2. Gustave Aschauer, 1102 Dolman Street, president of the German Singing Societies, an employee of the post office in St. Louis.
3. Anton Kessler, 4541 Chouteau Avenue, storm troop leader.
4. Johann Bertsch, 3512 Halliday Street, research chemist with the Monsanto Chemical Co.
5. Emil Frei, 3934 South Grand Avenue.
6. Christoph Haak, 3641 Flad Avenue.
7. H. A. Homeyer, 3818 Botanical Avenue.
8. Walter Luetteke, 903 Locust Street, employed by the North German Lloyd.
9. R. W. Pommer, 3225 Longfellow Avenue.
10. Willy Schubert, 3930 DeTonty Avenue.
11. Dr. C. Bark (Mrs.), 3438 Russel Boulevard.
12. Dr. G. A. Bertsch, 3512 Halliday Street.
13. Dr. I. Mueller, 5550 Bartmer Street.
14. H. Riesenberg, 3655 Castleman Avenue.
15. George Voges, 3805 Cleveland Avenue.
16. Mason, no address, employed by the German consulate.
17. Christian Muetze, 1703 South Grand Avenue.

This, Mr. Speaker, is the twenty-third camp. I have one more that I have not listed as yet, and I have information that these camps, before the year is up, will number an even 30.

In recent newspaper accounts it has been practically admitted that the Third Reich recognizes the "bund", which is the American Nazi Party under the leadership of Fritz Kuhn. The "bund" is based upon the same philosophy of hate, intolerance, bigotry, and dictatorship which is being practiced in Germany. Are we, Mr. Speaker, ladies, and gentlemen of the House going to accept this?

I am leaving this to the American people, and all I can say is that this Congress will be held responsible if it fails to do something to rid our country of this ever-growing menace.

Anniversary of the Birth of Virginia Dare

EXTENSION OF REMARKS
OF
HON. LINDSAY C. WARREN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

MESSAGE FROM HON. ANTHONY EDEN, OF GREAT BRITAIN

Mr. WARREN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a message received through the British Ambassador from Hon. Anthony Eden, the Secretary of State for Foreign Affairs to the Government of Great Britain, which was read by me just prior to the speech of the President at Fort Raleigh, Roanoke Island, N. C., on August 18, 1937, on the occasion of the three hundred and fiftieth anniversary of the birth of Virginia Dare.

The celebration of this event cannot fail to stir the heart of every Englishman, on whom it impresses vividly the realization of the part that his forefathers played in the foundation of this great country. It is on occasions such as this that we appreciate more keenly than ever the ties of friendship that exist between the English-speaking countries of the world. We share the pride of Americans in thinking of the little band of pioneers, among whom was the mother of Virginia Dare, who so bravely tried to establish themselves in the new land. Though the efforts of the early settlers were at first unsuccessful, the spirit of enterprise which led finally to the building up of the United States of America could not be quenched. It is a spirit that has been conspicuous throughout the history of the development of the American people, and we are proud to think of the part that men of English race have played in its kindling.

I feel it is an honor to be able to join with you in paying homage to the memory of these pioneers, and in particular to the memory of Virginia Dare, the first child born to them, and baptized by them on Roanoke Island.

Class Hatred Rampant

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

Mr. FISH. Mr. Speaker, President Roosevelt in his speech at Roanoke, N. C., was again up to his old tricks of spreading class hatred by setting up straw men to attack and knock down. The members of the chambers of commerce throughout the United States are just as loyal to our free institutions as the President, and in my opinion probably more so.

The President's speech was a smoke screen to offset the charges made by the foes of the President, that he is attempting to set up a collectivist or totalitarian state in place of our free institutions and representative and constitutional government. The members of the chambers of commerce, Republicans and Democrats alike, have an unquestioned right to challenge the sincerity of the President's criticism of them on his record of undermining our three separate and independent departments of government through his attempts to dictate to both the Congress and the Supreme Court and set up a one-man government.

Instead of returning the powers given to him in the emergency by the Congress and restoring representative government, the President is continually asking for more. It is not only the members of the chambers of commerce who deplore the trend toward a fascist or authoritarian state, but even Gen. Hugh Johnson, a former appointee of the President, says: "It cannot go on unless we have in fact changed our form of government to a beneficent despotism." He also said "It is for Congress to make the laws and for the President to execute them. If the same authority makes and also executes the law you have two-thirds of a tyranny."

The President's statement charging business groups with being against popular government and majority rule is sheer hypocrisy, and an attempt to cover up his repeated efforts to usurp the powers of the Congress and the Supreme Court and to concentrate all powers in his own hands. If the President is sincere, he would immediately restore to Congress the powers granted in the emergency and thereby restore representative and constitutional government and the normal course of our American system of government, which he claims to defend. His attempt to denounce a few business groups ignores the fact that there are many Democratic leaders who have recently expressed their fear of the dictatorial trend of the administration.

Our Postal Service

EXTENSION OF REMARKS
OF
HON. DAVID D. TERRY
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 19, 1937

ADDRESS BY HON. DAVID D. TERRY OF ARKANSAS, AT POSTMASTERS' CONVENTION, LITTLE ROCK, ARK.

Mr. TERRY. Mr. Speaker, under permission to extend my remarks, I include an address delivered by me at the annual convention of the Arkansas State Branch, National League of District Postmasters, held in Little Rock, Ark., June 2, 1937:

Mr. Chairman, ladies, and gentlemen, I appreciate very much the invitation extended me by the Arkansas Branch of the National League of District Postmasters to speak here today.

This is a great and useful organization, with its 17,000 members scattered over the United States and with branches in every State in the Union. The term "District" is applied by the Post Office Department to designate post offices of the third and fourth classes, of which offices there are more than 40,000 in the United States. These postmasters are actual postal workers, having no civil-service employees, and they are required to handle all phases of the postal work in their respective positions.

You men and women are fellow workers in a great business organization—the United States Post Office Department. It may be of interest to trace briefly the development of the Postal Service. We are all familiar with this Service. Nearly every citizen is in contact with it daily. It has contributed very largely to our growth and development as a Nation. It goes back into and is a part of the early history of our country. It had its origin in colonial times before the birth of our country as one of the independent nations of the earth. As early as 1639 a postmaster was appointed at Boston. The first post road was established in 1672, and by 1691 steps were taken for a unified postal service for all the colonies under a Postmaster General appointed by the British Crown. In the years before the Revolution, the system was gradually extended and improved. At the time of Washington's inauguration there were post offices in 75 towns, and the mails were carried by post riders over 1,781 miles of post roads, consisting of one principal road along the Atlantic seaboard, with a number of laterals serving the interior towns. At the time of Washington's death in 1799 there were 3,000 post offices in the United States, with nearly 50,000 miles of post roads. In the span of 148 years the Postal Service has grown from a department consisting of a Postmaster General and nine clerks to a Nation-wide organization of nearly a quarter of a million persons. We now have approximately 45,000 post offices, and the revenue amounts to over a half billion dollars annually.

Recognizing the value of the Postal Service, and realizing that it must of necessity be interstate in character, the framers of our Constitution, when they met in Philadelphia in the spring and summer of 1787, incorporated in that now much-discussed document a delegation of power to the National Congress "to establish post offices and post roads."

When the founding fathers penned these words, not by the wildest flight of their imagination could they have realized the magnitude of the institution that in the course of the years would grow out of them. Even with the rapid development and progress that had been made in the colonial days and the days before the adoption of the Constitution, post offices were few and far apart, and post roads meant the rough highways in the more thickly populated centers, and the trails and stump-strewn roads that led through the forests to the more sparsely settled communities.

From a very small beginning the Post Office Department has grown and expanded with the growth and expansion of the Nation until now it is the greatest business organization in the world, carrying the mails to every home and hamlet in this broad country of ours and to lands beyond the seas.

The Post Office Department has kept pace with the progress of the years, and the recital of the growth of the Postal Service is a history of the growth and improvement in the methods and means of transportation. From the days of the early mail carrier who went on foot, and later the post rider, on down through the years, we recall the pony express, the stage coach with its lurid tales of hold-ups and sudden death, the keel-boat with brawny pioneers manning its oars, the steamboat on our rivers, and the steamship on the ocean lanes, the railway mail coach, and continuing on down to the present with air mail service extending from one end of the country to the other, and spanning the broad reaches of the Pacific and Atlantic to Hawaii, China, and the East, to the West Indies and to Central and South America.

The Postal Service is on the job night and day, summer and winter, in fair weather and foul, 24 hours a day, 12 months in the year. It is the bearer of tidings of job and sorrow, of sickness and health, of birth and death. It is the true disciple of democracy. It enters alike the portals of the rich and the poor, the high and the low.

In spite of the charges that are generally made by the political party which happens to be on the outs, that the Post Office Department is run by politics, it is in truth the most efficiently run organization in the country. In no other institution does one get as much for so small a price. The slogan, "The mails go through", is the watchword of the Department, and in spite of fire and flood, wind and wave, the mails do go through. A couple of days after the tragic disaster that overtook the airship *Hindenburg* at Lakehurst I noticed that mail carried by that ill-fated liner of the sky had been promptly delivered at its destination. Before Lindbergh made his historic flight to Paris he was engaged in the business of carrying the mail for his Uncle Sam. Pilots, although suffering from serious injury in disasters to their mail-carrying airplanes, have been known to walk for miles to speed the mail on its way. When one places a stamp on a letter and drops it in the mail box he may feel certain that the person for whom it is intended will receive it if it is at all humanly possible.

Not only does the Post Office Department carry our mails but it is more and more called upon to extend its strong and helping hand in aiding the Government and our citizens. When the bonus was distributed the Post Office Department was called upon, and it did a fine job easily and smoothly. This was one of the largest and most difficult tasks ever to confront any organization, public or private. Within the space of a few weeks last summer the Post Office Department completed the delivery, certification, and payment of approximately $1,000,000,000 to more than 2,000,000 veterans throughout the country. When the social-security program was being set up last fall the Department was again called upon, and it performed a great service to the country in obtaining certain required information from every employer and employee in the United States. Not content with its regular tasks of handling the mails and putting over special programs like the bonus payment and the social-security set-up, the Post Office Department also acts as a savings bank for us. In 1911 the Postal Savings System was established, and the post office today is the depository of over $1,200,000,000 for over 2,000,000 people.

Why is this organization so efficient? Why has it set such a high standard of uniform excellence and thoroughness? Without "throwing off" on today's distinguished guests of honor, I venture to say that it is because of the excellent men and women in the ranks—the department heads, the postmasters, city and village, rural- and star-route carriers, office clerks, regular and substitute, and all the other unsung heroes of Uncle Sam's Post Office Department. Political parties may come and go, rise and fall, but the great Postal Service of the United States marches on, increasing in service and efficiency with the passing years.

Why are you gathered here today? You are here to discuss ways and means of improving the Service and of bettering the conditions under which you work. As I stated in the outset, there are 40,000 district postmasters in the United States, 17,000 of whom are affiliated with the National League of District Postmasters, leaving 23,000 nonmembers. In Arkansas there are 1,135 district postmasters, of whom only 425 are members of this organization, leaving 710 who have not seen fit to join the league.

My friends, this is a day of organization; it is a day of cooperation and union to attain desired ends. It is an old but true axiom that "In union there is strength." You men and women have joined this organization and have paid your dues, and have spent not only your time but your money in promoting and advancing those things which you believe are not only for your good but also for the good of the Service.

It does not seem fair to me that, of the 1,135 district postmasters in Arkansas, 435 of you who belong to the league should bear the brunt and carry the load for the 700 who have not joined. They get the benefit of your work and effort, time, and money without contributing anything for sharing in the benefits of your efforts. Only through organization can you postmasters hope for better conditions. Without organization your voice would be as that of one crying in the wilderness without avail. How could you individually and without your organization hope to accomplish those things for which you stand? The National League of District Postmasters has been fighting your battles for more than 30 years, your first national convention having been held in St. Louis, Mo., in October 1904, and thereafter annually throughout the intervening years in the various cities of the country.

You men and women are now carrying on the work which was started by the pioneers in the organization. Throughout the years you have fought only for those things which you felt were just and which you believed were for the benefit not only of yourselves but of the public generally. The league certainly deserves your wholehearted support, and also the support of that vast number of third- and fourth-class postmasters who receive the benefits of the league, and who should show their appreciation by joining up with you. The national officers of your organization in Washington are doing a good job, and you should back them up. The more members you have the stronger will be your voice in Washington, and the more attention will you receive from the legislators, who it is said always have a listening ear to the ground; in fact, it has been intimated that Congressmen perform the miraculous feat of keeping both ears to the ground at the same time.

One of the main objectives of the league is to place all postmasters under the strict provisions of the civil service. I agree with you in your position; and since going to Congress I have consistently voted in favor of that principle. The civil service protects and assures a man in his job during good behavior and so long as he shall be competent in the performance of his duties. I believe in the civil service, and think that it should be extended wherever practicable to all branches of our Government, both State and national. I believe that it is the most nearly perfect method of administering the Government. Of course, it is not perfect, and abuses have crept in, but it certainly tends to a better business administration than the selection of employees through political pull and influence, and the wholesale dismissal of competent employees with the change of every administration.

In your respective communities you men and women represent your Government; and although you may not realize it, your Government is judged and appraised by the standards you set. You are picked men and women and your communities look up to you, and you should by your lives and conduct be worthy of your positions. You should take your full share and do your full part in those things which redound to the benefit of your community.

As you well know, we have all been going through some very hard times since the great depression started. We have come a long way since those first dark days of that tragic era. But we have a great deal farther to go before we are entirely out of the shadow of that period and into the sunshine of a new day of greater opportunity for all our people. We cannot go back to those days of unrestrained high finance and special privilege for the few at the expense of the many; we must go forward with a sincere desire in our hearts to lend our strength and whatever small measure of talent we may have to assist in bringing to the ordinary average citizen in the days to come a fuller measure of peace, happiness, and contentment.

Nathan L. Bachman

MEMORIAL ADDRESS

OF

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. NATHAN L. BACHMAN, late a Senator from Tennessee

Mr. TAYLOR of Tennessee. Mr. Speaker, I am glad to avail myself of the privilege just granted to pay my respects to the memory and my tribute to the life and character of the late Senator NATHAN L. BACHMAN. When apprised of his death on the evening of the 23d of last April, I gave to the press the following statement:

I am greatly shocked and deeply grieved to learn of the death of the distinguished junior Senator from Tennessee. Senator BACHMAN and I had been personal friends long before he came to Washington, and after he came to the Senate hardly a week went by that I did not go over to the Senate Chamber and visit with him and enjoy his jokes, of which he always had an inexhaustible repertoire, and of which he was a recognized past master. He was perhaps the greatest raconteur that has graced the Senate body since the days of the illustrious inimitable Robert Love Taylor. His homely philosophy was well known to his colleagues who daily

gathered about him in the cloak room to be regaled by his plain and fancy yarn spinning. Tennessee never produced a more generous and sympathetic soul than "NATH" BACHMAN.

He possessed a personal vivacity which, combined with a gracious simplicity and superb common sense, gave charm to his rare personality and endeared him to all with whom he came in contact. Senator BACHMAN constantly radiated sunshine and good fellowship, and I doubt if any man in public life ever had fewer personal enemies.

He will be greatly missed by his colleagues in Washington as well as by a legion of friends and admirers in Tennessee.

While he and I differed in our political alinement, we were intimate friends, and I feel a deep sense of personal loss in his untimely passing.

Mr. Speaker, I doubt if there is much that I might add to the sentiment which I expressed on the occasion of Senator BACHMAN'S death. "NATH" BACHMAN was indeed a philosopher. He recognized the forces of nature and knew the futility of human resistance to the power of the infinite. He was not a timid soul, and yet he was as gentle and sympathetic as a woman. He was chivalrous to a superlative degree, and his love for Dixie and the Commonwealth he honored—the Volunteer State—was an emotion and a fetish which was present with him always.

Mr. Speaker, while "NATH" BACHMAN did not engage to any great extent in the forensic contests in the Senate forum, he performed a service there which was of equal or greater value to his State and country. He was recognized by his colleagues on both sides of the aisle as a safe and sagacious counselor, and they freely and frequently consulted him as to wisdom of legislative proposals.

No man who ever occupied a seat in the United States Senate was more cordial and democratic in his relations with his colleagues and fellow men than was "NATH" BACHMAN. He had no airs. He made no pretenses, and he was absolutely free of affectation. He was frank, open, and aboveboard in his dealings with his fellow man.

If "NATH" BACHMAN had a fault it was his predominant penchant for fox hunting. Like Gov. Alf Taylor, "Old Limber" Senator BACHMAN would make most any sacrifice to engage in a fox-hunting expedition, and he could entertain and convulse his friends for hours recounting his experiences with the hounds. He loved dogs, and he would resent the mistreatment of his own or someone else's canine with the same fervor that he would resent an insult to a friend.

He was endowed with an extraordinary quantity and quality of "horse sense", and, after all, there is no sense that is superior.

Mr. Speaker, "NATH" BACHMAN belonged to a type that unfortunately is rapidly passing. It will be a long time, I fear, before we shall look upon his like again.

James P. Buchanan

MEMORIAL ADDRESS
OF
HON. FRITZ G. LANHAM
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. LANHAM. Mr. Speaker, in the passing of our beloved colleague, the Honorable JAMES P. BUCHANAN, Texas has lost a most eminent citizen, whom it delighted to honor, and the Nation has been deprived of the valuable services of one who for years has been outstanding in his work in our legislative halls. Through long years of faithful and efficient attention to the duties of his office, he was possessed of that experience and knowledge and judgment which mark the real statesman.

In public and in private he spoke and followed his conscientious convictions, and was true to the sound principles of government established by the fathers. Political considerations never diminished his zeal when his opinions were in the minority, and he stood boldly at all times for what he conceived to be right. He was a stanch advocate of economy in government, and in his capacity as chairman of the Committee on Appropriations did not hesitate to admonish the Congress and the country of the folly of extravagant expenditure. His counsel was always predicated upon an accurate appraisal of facts. Few men have exhibited in the Congress broader information of our governmental affairs and none has excelled in courage and unremitting toil this distinguished public servant from the Lone Star State.

And yet, with all his firmness, he was a genial friend and companion, ready at all times to be of assistance in every proper way to his colleagues in the House of Representatives. To each he was known familiarly as "Buck", a fact indicative of the friendly regard of all.

There is no body more fair or accurate in its appraisal of men than the House of Representatives. It is slow in forming its judgment, but, when formed, that judgment is almost invariably correct. It is never predicated upon wealth or worldly status, but is based solely upon the ability, integrity, industry, and judgment of the individual Member. By this strict and impartial standard of worth, JAMES P. BUCHANAN measured up to the full dignity of great and faithful public service. His record will remain as an inspiration and a benediction. It is doubtful if any greater good could come to our country than to have always in its service many men of the high type and ability of this genial and lamented friend and colleague.

The Late Representative Benjamin K. Focht

MEMORIAL ADDRESS
OF
HON. JOSEPH GRAY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. BENJAMIN K. FOCHT, late a Representative from Pennsylvania

Mr. GRAY of Pennsylvania. Mr. Speaker, during the course of this first session of the Seventy-fifth Congress, the hand of death has removed from our midst one of our colleagues of Pennsylvania, the Honorable BENJAMIN K. FOCHT.

Mr. FOCHT had represented the Eighteenth Congressional District of our State at intervals since the Sixty-first Congress.

No one complains of his departure, but all who knew him regret that it had to be. He had given much of his time to the legislative service of our State and Nation. He was a distinguished and able Member of this House, a strong party man, it is true, but not a blind and obdurate partisan. In his public service to State and country, he gave that measure of devotion which characterizes the careers of all honest public servants.

Mr. FOCHT was loyal to the principles of the Republican Party as he conceived them. But he had a larger loyalty—a loyalty to himself. Stanch in his political faith, he never permitted his conscience to be farmed out to the machinery of party. He was open-minded and faithful in the discharge of his public duties. In later years he was pleased at times to recall interesting incidents and anecdotes about his service and at such times was delightfully entertaining and instructive to those of a younger generation.

Though my personal acquaintance with him did not extend far back into the past, a few years of friendship gave me a sincere respect for his high attainments, and a deep regard for his public and private character.

In his passing, Mr. Speaker, the Congress of the United States has been deprived of a superior gentleman, a worthy public servant, a splendid legislator. He commanded the respect of all; and he has earned the reward of a good and faithful servant.

Conditions Affecting Organized Labor

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Friday, August 20, 1937

LETTER FROM A. F. WHITNEY AND EDITORIAL FROM THE CLEVELAND PRESS

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter from Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, concerning certain conditions in the country which he discusses in the letter; also an editorial from the Cleveland Press.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,
Cleveland, Ohio, August 7, 1937.

The Honorable ALBEN W. BARKLEY,
United States Senator, Senate Office Building,
Washington, D. C.

MY DEAR SIR: I am writing to you about a matter which I regard as of serious importance to the country. You are familiar with the vicious and unwarranted attacks made upon organized labor in the Congress of the United States. The corporate-minded press of this Nation naturally uses these attacks for the purposes of attempting to build a public opinion prejudiced against the American labor movement. When men like Congressman CLARE E. HOFFMAN, of Michigan, openly boast that they will assemble strike-breaking private arsenal and private army to march against workers in this country, it seems to me that lovers of democracy and friends of workingmen must no longer remain silent.

I have been following the press and the CONGRESSIONAL RECORD and I note with regret that there have been few in the Congress who have stood up and courageously defended labor against the unjust attacks of such labor baiters as Congressmen HOFFMAN, Cox, and some others. I am glad to recognize that labor has been ably defended by such statesmen as Congressmen MAURY MAVERICK, of Texas; JERRY O'CONNELL, of Montana; BYRON C. SCOTT, of California; and some others. However, there are a host of Senators and Congressmen who have had the loyal support of labor but who have remained silent. Labor has spent generously of its time and energy in defending their reputations and their public records. I think it is fair to say that many today are in Congress who would not be there had it not been for labor's energetic support. Do you not feel that labor has a right to expect your vigorous defense of its reputation when villainous and false attacks are made against it for the purpose of publicly discrediting those who have defended you? It is not sufficient merely to support bills favored by labor. The labor movement should be defended against these malicious attacks upon the integrity of these lawful organizations that are generally recognized as a bulwark of democracy, a necessary part of our social body, and a protection against that Fascist dictatorship by finance and industry which nearly wrecked the Nation prior to March 1933. We must ever realize the awful alternative if the labor movement is crushed, as it has been in Italy and Germany.

Recently Wall Street proselytists held a conference with farmers in Ames, Iowa, the primary purpose of which was to persuade farmers that industrial labor is the farmers' enemy. Yet such labor baiters accuse the President of the United States and organized labor of attempting to stir up class hatred. A Nation-wide strike-breaking agency under the hypocritical name of the Citizens National Committee has recently been formed. If this is a true citizens' committee, why is it that leaders of legitimate labor organizations were not included among the more than 5,000 who received invitations to their convention held at Johnstown, Pa., July 15, 1937? This group would not even recognize a workers' representative as being an American citizen. It was this group that cheered wildly when God was thanked for giving us a Tom Girdler and President Roosevelt was called a Communist.

The bigotry and hypocrisy that is prevalent in the Nation today is a threat to the peace and security of our form of government. When President Roosevelt received his impressive victory on November 3, 1936, many of those who had fought him declared that the American people had spoken, and it was now the duty of all good Americans to comply with the people's mandate. But today the President is being attacked viciously even by a few who have heretofore masqueraded as liberals and progressives and who have won their public positions by stanch defense of the President's principles. The President is now required to appeal to Congress to carry out the objectives for which the people have so overwhelmingly voted. The next time the American people go to the polls they will record effective resentment for the double-crossing a few are giving the people's mandate of 1936.

Effort is being made to taint the President's victory at the polls by reference to the fact that more than half a million workingmen in one labor organization contributed less than an average of $1 each, while a few wealthy individuals contributed millions of dollars to the discredited Landon and Hamilton campaign. Is it not time for the friends of labor in Congress to speak out when effort is being made to discredit labor's democratic right to support, financially and otherwise, candidates for public office, while historically the wealthy of our Nation have contributed heavily to both major political parties? For years workingmen were denied the freedom enjoyed by other citizens of belonging to any lawful organization of their choice. Now that labor has won a measure of legal protection for this freedom, effort is being made to destroy not only this just right of freemen but also to destroy their right to engage in the democratic processes of freemen.

This brings me to another consideration. The campaign for destruction of labor unions is now being carried on under the capricious slogan of making labor unions "legally responsible", thus giving the false implication that they are now irresponsible. The bigoted haters of labor are vaingloriously contending that a stricter accounting of all moneys received and expended by workingmen's organizations should be required. The Brotherhood of Railroad Trainmen spends thousands of dollars yearly in printing detailed reports setting forth every penny that is received and expended. Other labor organizations do likewise. Cases of misuse of union funds are so rare that American industrialists and financiers should blush with shame to mention them in the light of their reputations as trustees of other people's money.

Now that labor unions have won a belated legal status, the extraordinary proposal to compel incorporation of labor unions is being solemnly presented to the country. Why this discrimination against organizations of workingmen? Why compel any group to incorporate? If the Fascist philosophy of compulsory incorporation is desirable, then why not compel all organizations, including the manufacturers' associations, chambers of commerce, Rotary clubs, the Liberty League, the citizens' committees, the vigilante committees, and the "Jeffersonian Democrats" to incorporate?

Primarily, incorporation serves the purpose of enabling individuals to pool funds for profit-making while escaping personal responsibility. Recently it has been used by the wealthy as a means to avoid income taxes. Labor unions have no yachts to incorporate. Organized labor and its leaders have no desire to avoid just and lawful social responsibilities in search of selfish profits. It is most hypocritical and ironical to compel labor unions to incorporate under a theory of making them more "responsible." No responsibility not now prevalent will be achieved by compulsory incorporation of labor unions. Labor unions and their leaders are today, and always have been, subject to the same laws, criminal and civil, as other individuals and other bodies of citizens.

Those who refuse to comply with laws and public opinion which have decreed that workers shall have the right to organize and bargain collectively are trying to destroy labor unions by another Fascist philosophy of compulsory licensing of all labor unions. A dictionary definition of the word "license" is as follows:

"Authority or liberty given to do or forbear an act; an expression of consent; an allowable deviation from an established rule; a written or printed certificate of a legal permit or license to do anything that would be otherwise unlawful or forbidden."

Thus it may be observed that those who would compel workers to obtain a license in order to exercise the natural freedom and just right to belong to their class organizations, really have the concept that fundamentally workers, as distinguished from other groups of citizens, are not free to belong to whatever lawful organizations they may desire to associate themselves with. The very concept of licensing labor organizations is born out of the Fascist philosophy that workingmen should not be free to organize.

In such manner and by such false appeals to public passions and prejudices instead of reason the rights of free workingmen are being attacked. Even the friends of labor refer to "the labor problem", which suggests that labor is at fault. The real "problem" of modern society is that selfish, tyrannical employer who not only refuses to recognize the lawful rights of workingmen, but who brazenly defies workers to organize, while these despotic employers proudly contribute stockholders' money to the manufacturers' associations, chambers of commerce, "committees to save the Constitution," "citizens committees," etc. The responsibility for industrial strife is clearly revealed when we consider that most of the recent strikes have been called for the purpose of obtaining recognition of workers' organizations, which recognition the law requires, public opinion favors, and simple justice demands.

How long would the public press be considerate and the American people tolerant of a labor leader who would be so fickle, so trifling, and so defiant of law and public opinion as to contend that a law which requires employers to recognize unions and bargain collectively with them does not require the consummation of a fundamental purpose of collective bargaining—a signed agreement between the parties? Yet steel magnates indulge in such toying with the law, and murder is committed in pursuance of this unlawful principle, as was the case in south Chicago on Memorial Day of this year. So long as employers doggedly refuse to settle disputes by

peaceful negotiation and the execution of lawful contracts they must assume full responsibility for strife, for such employers have chosen anarchy in place of peaceful settlement by written agreement, which latter procedure is the essence of government and order in the relationships between men.

In Cleveland, Ohio, on July 12, 1937, five guards of the Republic Steel Corporation were arrested in an automobile displaying a phoney license plate, bearing guns, ammunition, and gas pipes. Notwithstanding this red-handed capture of company vandals, the Cleveland police refused to place even so moderate a charge as that of operating an automobile with an illegal license plate. (I attach hereto copy of an editorial appearing in the Cleveland Press under date of July 14, 1937.)

Does not such bigotry and injustice as is now being perpetrated against the working men and women of America inspire you to raise your voice against those vandals and murderers of industry who purposefully commit crime with the knowledge that a favorable press and a gullible public will charge labor unions with the crimes of industry? It is high time the American public was being told the truth about the tyranny of financial and industrial despots. Will you raise your voice in effective protest? I am not asking that any public official be partial toward labor or any other group or groups of responsible and respectable citizens. I am only requesting that conscientious public servants show their resentment of this campaign of slander and falsity against labor by counteracting it with a campaign of truth and decency which will expose those who condone murder and other unlawful efforts to destroy workers' moral and legal rights to organize. I shall appreciate hearing from you.

Sincerely yours,

A. F. WHITNEY, *President.*

[Editorial from the Cleveland (Ohio) Press of July 14, 1937]

UNPUNISHED

Any ordinary citizen found touring the streets in an automobile carrying phony license plates and an assortment of deadly weapons would speedily find himself in trouble with the police.

But what would be a serious offense for any one of us does not bring even a word of censure to five members of Republic Steel's police force caught in precisely such circumstances.

Instead, four of the five are released and the fifth is being held in connection with some entirely different offense. That no concealed-weapons charges were placed against these men is understandable, for numerous court decisions have been handed down to the effect that prosecution is impossible unless the weapon was actually found on a man's person. It is an absurd interpretation, of course; for a thug can reach a weapon in a compartment of his car just as readily as he can in a shoulder holster. But he can't be prosecuted if he sticks the gun under a seat or in the side pocket of his car.

The failure to prosecute anyone, however, for putting on a false license plate for the express purpose of preventing identification seems to us an entirely different matter. Yet we find Capt. John E. Savage, head of the vandal squad, taking this sympathetic view:

"He seemed perfectly sincere and I don't blame him in the least. We won't prosecute simply because the license plates did not match."

But suppose one of the five had shot someone or run down a pedestrian and fled the scene. How, then, could the guilty be identified? They couldn't have been identified, of course; and that's what makes the police attitude in this case so completely mystifying.

Neutrality

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

ARTICLE IN THE WASHINGTON POST, AUGUST 13, 1937, AND IN THE NEW YORK HERALD TRIBUNE, AUGUST 16, 1937

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the RECORD two articles on the subject of neutrality, one from the Washington Post of August 13, 1937, and the other from the New York Herald Tribune of August 16, 1937.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Washington Post, Aug. 13, 1937]

WHAT PRICE NEUTRALITY?

Several Americans have already been killed in the hell which has been let loose at Shanghai. And it is altogether probable that more of our citizens may be slaughtered in the course of the large-scale hostilities now foreshadowed in China. This emphasizes the fact that our mandatory neutrality policy must now confront its first large-scale test, and that in an area and under circumstances for which the legislation was not designed.

The act, approved on May 1, is clear and precise in its wording. It provides that "Whenever the President shall find that there exists a state of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to 'perform' a number of ordinarily legitimate commercial operations."

Obviously, a state of war does now exist between Japan and China. As much was tacitly affirmed by Secretary Hull when he said yesterday that he has made "most earnest" representations to both belligerents not to use Shanghai as a "theater of operations." And should the President fail in the mandate laid upon him to proclaim the evident fact of hostilities, it will probably mean that he fears the neutrality law is not worth the paper on which it is written.

As the Post has consistently pointed out, this is all too likely to prove the case, whether the administration invokes the law or tries to dodge the responsibility laid upon it in the matter. But since the Neutrality Act is on the statute books, its general undesirability becomes a secondary issue. Unless prompt action is taken to repeal the law, its cumbersome machinery must now be set in operation. No other course on the part of the administration would be honorable, or even legal.

Public interest, of course, will concentrate on the operation of the much-discussed "cash-and-carry" provision. If this salient part of the act is invoked, it will be illegal to ship any commodities to either Japan or China "until all right, title, and interest therein shall have been transferred" to foreign ownership. This promises to play havoc with our trans-Pacific trade, to say nothing of Philippine and Hawaiian commerce, to which the legislation is also applicable. But the time to think about that was before the passage of the law.

Application of certain parts of the Neutrality Act would be viewed by the American public with equanimity. With the President's proclamation it would automatically become an offense, punishable by 5 years imprisonment, for any citizen of the United States to travel on any Japanese or Chinese steamer, except in accordance with special regulations to be prescribed. This promises to make a very large dent in the profits of Japanese shipping companies. On the whole, however, invocation of the neutrality law would work much more to the detriment of China than of Japan, since the latter has command of the seas.

It is, of course, absurd that we should have hundreds of American troops stationed in the war zone—at Tientsin, Peiping, and Shanghai—at a time when it becomes obligatory for us to interfere with normal commerce in order to avoid entanglement. A single bomb among our Marines in Shanghai would create far more complications than the "cash-and-carry" provision will ever avert. But this anomaly should have been thought of before the President signed the law.

Moreover, it is outrageous to the conscience of the American people that our Government, with its splendid record of fair dealing with China, should now be forced to make no distinction between the Japanese militarists and the innocent victims of their aggression. None with a spark of manhood can take pride in a hands-off policy which favors the bully and indirectly encourages a ruthless oppression of the weak and helpless. That is not playing the role of good neighbor. It is enacting the coward's part.

But all that, too, should have been in the mind of Congress when it passed, and of the President when he signed, the neutrality act. The outstanding fact now is that "a state of war exists" between Japan and China, obviously calling for recognition of that fact by President Roosevelt. For if this is not war which now rages in the Far East, then words have ceased to have any meaning.

[From New York Herald Tribune, Aug. 16, 1937]

NEUTRALITY

The severe limitations and incalculable possibilities of the so-called Neutrality Act are now brilliantly demonstrated by the dilemma which it has unexpectedly prepared for the President in the Far East. When war occurs the act obligates him to proclaim the fact, and nobody—certainly not the nerve-shattered residents of Shanghai—can have much doubt that what is now going on in China is war. But if the President proclaims it, what happens?

Loans and the export of actual munitions would be automatically embargoed—which would not greatly affect the situation, since Japan buys few, if any, munitions as such in the United States, and China in any event could hardly get them past the Japanese Navy. American citizens would also be debarred from traveling on Japanese ships—which would be a source of irritation to the Japanese. The diplomatic effects would be considerably more damaging to them. An American finding that Japan had gone to war would not only convict her by implication of violation of the Nine Power Treaty but would strike a serious blow at all existing treaty rights which she holds from China.

In the Shanghai International Settlement it would precipitate the appalling confusions and dangers already latent in the legal position. Once we declared Japan a belligerent, it would be our

neutral duty to expel her ships and troops from the neutral ground of the International Settlement; but since we would scarcely attempt that task alone, the net result would be more or less to authorize the Chinese to carry the war into the settlement whenever they liked. Up to this point the act would have done nothing practical toward keeping us out of war; it would have tended to penalize the Japanese and so increase Japanese-American animosity, and would only have intensified the one serious possible cause of an American involvement in the fighting—which is the casual or incidental destruction of American life and property now in China.

But once he had proclaimed a war to exist, the President would immediately come under pressure to continue and apply the nonmandatory cash-and-carry feature of the act to the exports of such military raw materials as cotton, scrap, oil, and so on. The pressure might be greater because this would seem still further to penalize Japan by denying her such materials, except as she paid cash and carried them away in non-American bottoms. Actually, it would probably have the opposite effect, by making it doubly impossible for China to secure anything from us, while offering no important difficulty to a Japan well provided with her own ships and money. In the case of a long-drawn-out guerrilla struggle it might become a hindrance to the Japanese, but whether in that event its real effect would be to isolate us from the struggle or involve us more deeply in its complications is a matter of considerable doubt.

The truth is that the Neutrality Act (which was written with another European war almost exclusively in mind) is largely irrelevant to the actual situation with which China confronts us. It can be of only the slightest effect in preserving us from participation in a Sino-Japanese conflict (and the danger that we would participate is of the remotest sort) but is well calculated to get both our diplomacy and our nationals on the scene into the maximum amount of immediate trouble. It is an example of the fact that the act itself, if of use at all, is useful only as an instrument to be applied or not in accordance with circumstances. Under these circumstances Senator PITTMAN does well to hesitate and the President may well do likewise. It is a case for temporizing with practical difficulties, not for creating incalculable theoretical ones.

Safety in Air

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

ARTICLE AND EDITORIAL FROM THE WASHINGTON HERALD

Mr. TRUMAN. Mr. President, I ask unanimous consent to have inserted in the RECORD an article and an editorial appearing in this morning's Washington Herald relating to Senate bill 2, dealing with safety of air transportation.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Herald of Aug. 20, 1937]

WHEELER TO FIGHT FOR I. C. C. AIR BILL—DECLARES SAFETY DEMANDS AVIATION BE TAKEN OUT OF POLITICS

Senator BURTON K. WHEELER, of Montana, chairman of the powerful Senate Interstate Commerce Committee, yesterday vowed a fight to the finish to take air safety out of politics, and make it the responsibility of the nonpolitical Interstate Commerce Commission.

Undismayed by sharp tactics in the Senate which delayed consideration of a bill providing for Interstate Commerce Commission regulation of air lines, Senator WHEELER declared he would press the fight through the remainder of this session and into the next session of Congress for the enactment of that bill and its companion safety bill.

VOTE BLOCKED

The bill now under consideration in the Senate, blocked when "post-road minded" Senator MCKELLAR, of Tennessee, prevented its coming to a vote on Tuesday, would place the air lines, like the railroads, under the Commerce Commission.

The companion bill, which Senator WHEELER vigorously championed last night, would remove control of air safety from the Department of Commerce, and make it the responsibility of a specially formed air-safety bureau in the Interstate Commerce Commission.

POLITICAL FOOTBALL

"The need for placing air safety beyond the reach of bungling political control is pressing", Senator WHEELER declared.

"We have got to take responsibility for the safety of human lives in the air away from a bureau that is a perpetual political football, and place it where it will be administered as it should be.

"It's time the United States Government stopped playing politics with human lives, and provided for the kind of regulation that will make air travel what it should be—one of the safest ways of getting from one place to another that mankind has ever known."

ACTION NEEDED

The immediate need for action, Senator WHEELER said, is attested by a record of death only a few days old—the crash of an Eastern Air liner at Daytona, Fla., with the loss of four lives.

"No one seems to have been to blame for that accident", Senator WHEELER said, "but someone must have been."

"I read that a power line strung near the landing field where the crash occurred was responsible for the accident. It should have been someone's business to see that such a hazard could not be placed where it could so easily cause a tragedy.

I. C. C. PERMIT

"For instance, if you want to put a gasoline tank, or something of that nature, near a railway line, you have to get permission from the Interstate Commerce Commission to do it, and the Commission sees that every possible precaution against accident is taken."

"Sloppy enforcement" of air regulations, vacillating policies, and "punch pulling" have characterized the Department of Commerce administration of the broad policies laid down by Congress under the Air Safety Act of 1926, the legislation under which the safety regulation of the air-transport industry is still carried on, Senator WHEELER charged.

"But what can you expect when the entire administration of the Department changes every time the national administration changes?" the Senator said.

FOUR-YEAR CHANGES

"Certainly we cannot look for continuity of policy, nor for broad experience in the matter of establishing and enforcing safety regulation from a bureau in which the personnel undergoes drastic changes every 4 years."

Senator WHEELER accused Bureau administrators of "pulling their punches" to avoid offending the air lines, because it is to the air lines they must look for jobs when the shifting fortunes of politics terminate their connection with the Bureau.

"Key men in the Air Commerce Division of the Department of Commerce seem to come from the industry, stay with the Government for 2, 3, or 4 years, then go back to the air-transport industry again.

CAREER MEN

"Can we expect of such men that they will be as judicial in enforcing safety regulations, as thorough in their inspections, as unswerving in their duty, as men whose careers lie in the Government service?

"We have only to look at the record of the Interstate Commerce Commission in enforcing safety regulations on the railroads to see what can be done.

"Before the Commission took hold of the railroads, men and women were afraid to ride on them, they had such a record in the public mind for horrible accidents. But under Commission control, the accident trend was steadily downward, until railroad safety is taken for granted today.

LIVES AT STAKE

"The airline pilots, who fly the industry's airplanes and who are personally responsible for the safety in the air of their passengers and cargoes, have appeared several times and publicly pleaded for the speedy removal of air safety from politics.

"These men are familiar with the safety story of the railroads—and what they want is to see air travel put on the same basis. Their lives, after all, are at stake.

"The public, as represented by chambers of commerce and other organizations, is on record as favoring the bill, because the regulation of air commerce by the Interstate Commerce Commission furnishes the public with a protection which does not now exist."

PLEDGES FLIGHT

Every effort will be made, Senator WHEELER said, to force a vote on the bill this session, and failing that, to pass it early in the next session.

"We are going to arouse the Senate over this thing", he concluded. "This is no question of political policy, or of dollars and cents. It is a question of human lives."

MR. WHEELER'S STAND BOON TO AVIATION

For a good many years now special interests have been describing commercial aviation as an "infant industry", in need of constant political nursing if it could be expected to achieve sturdy proportions.

Judging from the record-breaking volume of passenger service attained in the past 4 months, it is an extraordinarily powerful baby.

As a matter of fact, the traveling public and the leaders of the industry know commercial aviation is no longer, if indeed it ever was, in need of coddling and meddling. They want it, therefore, regulated as a common carrier in interstate commerce, both in the interests of safety and business stability.

To achieve these purposes, Senator PAT MCCARRAN, of Nevada, has before Congress two bills (S. 2 and S. 1760) providing that rates of fare and safety of operation by commercial air lines shall be fixed by the Interstate Commerce Commission, a nonpolitical body with the highest of reputations for impartiality and skill

Due to obstructionist tactics on the part of Senator KENNETH D. MCKELLAR, of Tennessee, the first of these bills has been temporarily withdrawn from the calendar. The second, responsibility for the advancement of which lies with Senator ROYAL S. COPELAND, of New York, is in what may be called a state of coma.

There is one ray of hope for safety and stability.

Senator BURTON K. WHEELER, of Montana, announced himself yesterday for passage of both measures.

Pointing out that aviation, controlled by the Bureau of Air Commerce and the Post Office Department, is constantly subjected to political harassment, Mr. WHEELER declared both air-line operators and pilots want freedom from such a burden.

"The public", he concluded, "wants the bills because the regulation of air commerce by the Interstate Commerce Commission offers protection to the public, which does not now exist."

That just about sums up the situation.

It was extremely heartening to know that a powerful fighter of Mr. WHEELER's character has joined the demand for aviation reform. He has a record for getting what he goes after, and political bushwhackers fear him.

He and they may be sure that the traveling public back the transfer of aviation to the Interstate Commerce Commission to the limit and that there will be no rest for anybody until the transfer is made.

Financial Methods of Vermont

EXTENSION OF REMARKS
OF
HON. ERNEST W. GIBSON
OF VERMONT
IN THE SENATE OF THE UNITED STATES
Friday, August 20, 1937

STATEMENT BY THE GOVERNOR OF VERMONT

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD a newspaper article with reference to an official statement issued by the Governor of Vermont as to the indebtedness and financial methods of the State of Vermont.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE INDEBTEDNESS REDUCED $2,646,816 IN 6 YEARS—SLICED $623,502 SINCE YEAR AGO—PRESENT NET DEBT $7,667,006, COMPARED TO $10,313,823 IN 1931—HEAVY PAYMENTS MADE IN LAST DAYS OF JUNE REDUCED CASH ON HAND

MONTPELIER, July 23.—Gov. George D. Aiken reported yesterday that the State debt has been reduced $2,646,816.94 since a peak level reached in 1931. He stated that an official audit of the books of State Treasurer Thomas H. Cave revealed that on July 1 of this year the State had a net debt of $7,667,006.28, compared with $10,313,823.22 in 1931.

The audit showed a bonded debt of $7,843,031.90, temporary obligations of $80,000, and appropriation liabilities of $1,430,058.13. The cash balance was $1,686,083.75.

Compared with the figures in last year's report of the State treasurer, the State debt has been reduced $623,502.17 in 1 year. The net debt last year was $8,290,508.45.

Although there was an increase over last year in the amount of cash on hand, the total was reduced by heavy drains on Treasury funds during the last days of the fiscal year. In compliance with a request of Governor Aiken, department heads called in all their bills and paid them off, with the result that the treasurer's office disbursed nearly $250,000 on the last day of the fiscal year for bills which might ordinarily have been held over until the current fiscal year.

The Governor said: "Provision has been made for future annual reduction of $627,000 in the bonded debt and indications are that the State budget is amply balanced for the current biennial period. After the flood of 1927 the State borrowed $8,500,000 with which to repair damages; otherwise there would be practically no debt today. The steady reduction in our liabilities has been made possible by the fact that our budget is planned so as to keep current expenses well below the amount of probable income."

The bonded debt of the State includes the war bonds of 1919, the refunding bonds of 1936, and flood bonds, which represent the major item. Temporary obligations include only an $80,000 advance to the Lake Champlain Bridge Commission, authorized in a compact between Vermont and New York ratified in 1927.

Appropriation liabilities include unexpended balances of legislative appropriations carried forward to the current fiscal year. These totaled $1,430,058.13 at the end of the fiscal year.

Alien Control

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Friday, August 20, 1937

LETTER FROM W. F. KNOUSE

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD an article from the Washington Post of Sunday, May 23, 1937, by the pen of Mr. W. F. Knouse, of Takoma Park, Md., entitled "Alien Control", relating to that all-important subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 23, 1937]

ALIEN CONTROL—POST LETTER ANSWERED BY OPPONENT OF PENDING BILL

A correspondent in the Post of May 16 asserts that the highly objectionable "authority for the conferment of permanent residence status upon temporarily admitted aliens" is not to be found in the present pending Dies-Kerr-Coolidge bill. The House report accompanying the new Dies-Kerr-Coolidge bill, H. R. 6391, states and the bill provides (both drafted in the Department of Labor): "This section (9) is designed to permit to remain in the United States aliens under a permanent residential status * * * now in the country under a temporary status", etc. While the major discretion in section 2 is limited not only numerically as in section 9, but also as to time, the hope is that by "limitations" Congress will recognize "the soundness" of the proposals that an administration of men should be substituted for the existing administration of definite written laws. Once limited "personal" and autocratic administration in alien deportation and immigration restriction matters is recognized by Congress, Department of Labor officials frankly admitted last year they would press for the expansion of those limited discretions.

It seems amazing that one with Mr. Snyder's experience as clerk of the House Immigration Committee and Chairman JOHNSON's right-hand man for years should not realize this plan, admitted to Senator REYNOLDS, Congressman STARNES, and others last June, when this very Dies-Kerr-Coolidge bill draft was submitted to them as a "compromise" in order "to get the camel's nose through the door."

If the proponents of hardship relief by the Kerr-Coolidge device, which could be made to wreck existing inadequate immigration restriction and alien deportation statutes, and from which—as Mr. Snyder points out for the first time—there would not even be a habeas corpus appeal to the courts, would devote one iota of the time and money they have devoted to forcing this un-American, autocratic solution through Congress, on pushing or even permitting private bills for the relief of really meritorious hardship cases to progress, there would not now be banked up as "stayed" thousands of cases in the Department of Labor. These are being used as the prime reason for the Kerr-Coolidge bill's enactment. Kerr-Coolidge proponents in Congress are even objecting to the consideration of private bills for the relief of meritorious deportation hardship cases, but every Congressman who has objected to their consideration, so far, is known to have either voted for the O'Day House resolution on August 23, 1935, or to be for the pending Dies-Kerr-Coolidge bill.

The pending Dies-Kerr-Coolidge bill should be defeated, because it is un-American in substituting a government of persons for a government of laws. It would necessarily result in a vacillating immigration and deportation policy, and in more favoritism and tyranny, and suspicions of graft and corruption than ever before. Also, the enactment of such a bill would further increase the present profitable immigration and alien deportation law practice and make deportation depend principally upon political pull and the alien's friends' influence and financial ability to employ an expensive immigration lawyer, instead of upon the merits of his case.

It would be a very simple matter to compel the Secretary of Labor to report all these hardship cases to Congress for action, instead of piling them up in the Department, behind her demand for more discretions to nullify the existing law. When she readmitted deported "wild eyed" anarchists like Emma Goldman and other radicals like Willi Musuenberg, Henri Barbussee et al., to enter our country, she demonstrated that Congress should be now considering a bill to cut down her present discretions to nullify the existing inadequate law.

Let Congress pass a law compelling the Secretary of Labor to report genuine hardship cases, with all the pertinent facts. Then it will be a very simple matter for Congress, after it has the facts

and the report has been made available to the public a reasonable time, to grant the relief by simple joint resolution. Every session of Congress more than a thousand private bills pass granting similar relief in other fields.

W. F. KNOUSE.

TAKOMA PARK, MD.

Work of the National Labor Relations Board

EXTENSION OF REMARKS
OF
HON. DAVID I. WALSH
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Friday, August 20, 1937

STATEMENT BY THE NATIONAL LABOR RELATIONS BOARD

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by the National Labor Relations Board, setting forth the activities of the Board during the first 6 months of 1937.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The year 1936 saw an appreciable increase in activity of the National Labor Relations Board, the quasi-judicial body charged with administering the National Labor Relations Act, yet preliminary figures indicate that the great increase in the work of the Board took place during the first 6 months of this year, particularly following validation of the act on April 12, by the United States Supreme Court. The accompanying tables numbered one to six are a statistical summary of the disposition of cases received under the National Labor Relations Act. This narrative is confined largely to figures for the first 6 months of 1937.

In January 1937 the Board received a total of 110 new cases involving 24,744 workers. By the end of April this total had increased more than four times to 477 cases involving 159,051 workers. By June the work of the Board had increased to nearly 12 times the January level, with 1,284 cases involving 369,856 workers. This tremendous increase in the activity of the Board reflects, in part, a belief on the part both of employees and employers in a growing opportunity for the adjustment of industrial disputes by orderly administrative process under the National Labor Relations Act.

Despite this large influx of cases to the Board and the fact that the staff has been literally overwhelmed with the volume of work before it, an impressive record of closing cases has been made. There are two types of cases which come before the Board in its work of stabilizing labor relations in the industries which fall within the jurisdiction of the act. One type, complaint cases, involve alleged violation by employers of the act. The other type concerns representation, or elections to determine representatives of the employees' own choosing.

The Board and its 21 regional offices conducted three elections, involving 34 workers, in January of this year. By April the total had increased to 29 elections, involving 19,447 workers. The number of elections conducted increased to 108 cases, involving 59,477 workers, in June. During this month alone a daily average of approximately 2,000 workers voted by secret ballot in elections held under Board auspices to choose their own representatives. Outstanding recent elections included those at the Jones & Laughlin steel plant, terminating a strike involving about 26,000 workers; the Packard Motor Car plant, involving 14,000 workers; the New York shoe elections, involving 97 companies; and the current elections among the unlicensed personnel on seagoing vessels operated by some 80 steamship companies out of eastern and Gulf ports, which it is believed will go far toward settling what at times appeared a rather hopeless situation. Following Board elections conducted in the Jones & Laughlin and Packard plants, officials of these companies entered into exclusive bargaining contracts with the unions involved, and the president of each company complimented Board officials on the conduct of the elections.

An impressive feature of the Board's activities during 1936, and particularly during the first 6 months of 1937, is found in the settlement of cases by agreements between employers and unions involved in controversies. Again using January as a month for comparison, 78 cases, involving 6,693 workers, were closed by agreement between the parties in that month. In April 131 cases, involving 40,141 workers, were closed by agreement; and in June the total reached 468 cases, involving 107,705 workers. Thus, during the month of June nearly as many cases were closed by agreements as were received in all categories during the month of April. It might be pointed out here that promptness in initial stages of labor disputes is an important element in securing agreements between employers and unions.

In addition to the cases settled by agreement, an increasing number of cases were withdrawn by petitioning unions in June of this year. Such withdrawals amounted to 139 cases, involving 16,783 workers. The Board dismissed 57 cases, involving 12,975 workers, during June, either for lack of jurisdiction or because the merits of the case did not warrant action. A total of 671 cases involving 142,465 workers were closed by agreement, withdrawal, dismissal, compliance, or otherwise during June. This was roughly six times the volume of cases closed in January. Despite this increase in the number of cases closed, the number of cases pending has increased sharply.

The soundness of the theory upon which the act is based is demonstrated by an examination of the figures relating to cases involving threatened or actual strikes which have been received by the Board. In January of this year, a total of 44 cases, involving 5,701 workers, affected by threatened or actual strikes came before the Board. Threatened strikes were averted in 10 of these cases, involving 3,562 workers, and 31 actual strikes were settled involving 1,412 workers. The total number of strike cases handled increased to 211 cases, involving 70,714 workers in June.

Of this June total 100 strikes were settled, involving 26,891 workers, while an additional 70 threatened strikes were averted, involving 34,331 workers. For the entire half year a total of 625 strikes or threatened strike cases were handled, involving 148,694 workers. Of this number, 325 actual strikes were settled under Board auspices involving 77,887 workers, and 217 threatened cases averted involving 53,196 workers. Thus the Board is assuming a more important role in the field of obviating strikes which obstruct interstate commerce.

One of the outstanding developments noted in cases coming before the Board is the growing tendency for disputants to use the mechanism of stipulations to avoid expensive and long drawn-out legal processes. Stipulations are entered into at hearings before the Board's trial examiners whereby a company may admit allegations set forth in a Board complaint, agree to the issuance of a cease-and-desist order, and reinstate any discharged employees involved, while union representatives agree to withdraw all charges against the company upon certification of compliance with the provisions of the stipulations. Recent examples of this action are found in the cases of Dickson Jenkins Manufacturing Co., Inc., and United Garment Workers of America, Local Union No. 181; Caloric Gas Stove Works & Topton Foundry Co., Inc., and International Molders Union of North America, Local 114; Lukens Steel Co. and Amalgamated Association of Iron, Steel & Tin Workers; Southern Lumber Co. and United Brotherhood of Carpenters & Joiners, Sawmill Workers Union, No. 2645; Aponaugh Mills and Textile Workers Local Union, No. 20850.

It may not be amiss at this point to refer briefly to the Board's legal record.

The Board's orders have been substantially or fully upheld in 16 out of 17 cases heard by the courts and fully decided on the merits thus far under the procedure of the statute, after hearings by the Board, including two cases decided by consent decree.[1] In the 16 cases won by the Board the courts ordered reinstatement of 459 employees, 214 with back pay.

In not a single case have the Board's fact findings been reversed in whole. The Board's findings of fact were modified in only one case, as to three of the employees involved, but were affirmed as to four others in the same case and the company required to bargain collectively with the complaining labor organization (*Agwilines, Inc.* v. *N. L. R. B.*, Dec. 22, 1936 (C. C. A. 5th)). In all five of the cases upholding the constitutionality of the Wagner Act in April 1937, the Supreme Court also found that the Board's findings as to unfair labor practices were supported by substantial evidence. Since the Supreme Court decisions, there have been eight rulings by circuit courts of appeals. Of these, four affirmed the Board's orders in whole, three affirmed Board orders subject to modification as to certain aspects of the affirmative relief granted; one set aside the Board's orders in whole, on an issue of law depending upon facts arising subsequent to the Board's original decision *N. L. R. B.* v. *New Jersey Ferry Co.*, June 18, 1937 (C. C. A. 3d).

In no cases have the Board's orders been set aside because of constitutional or other defects in the Board's procedure. In the Jones & Laughlin case the Supreme Court said of the statute:

"The procedural provisions of the act are assailed. But these provisions, as we construe them, do not offend against the constitutional requirements governing the creation and action of administrative bodies (see *Interstate Commerce Commission* v. *Louisville & Nashville R. Co.*, 227 U. S. 88, 91). The act establishes standards to which the Board must conform. There must be complaint, notice, and hearing. The Board must receive evidence and make findings. The findings as to the facts are to be conclusive, but only if supported by evidence. The order of the Board is subject to review by the designated court, and only when sustained by the court may the order be enforced. Upon that review all questions of the jurisdiction of the Board and the regularity of its proceedings and all questions of constitutional right or statutory authority are open to examination by the court.

[1] In two cases not included, the circuit courts set aside the Board's orders largely or wholly on constitutional grounds prior to the Supreme Court's decisions in April upholding the Wagner Act. *Foster Bros. Mfg. Co.* v. *N. L. R. B.*, Oct. 6, 1936 (C. C. A. 4th); *N. L. R. B.* v. *Mackay Radio & Telegraph Co.*, Jan. 11, 1937 (C. C. A. 9th). In the Foster case the Board's subsequent application for rehearing was denied; in the Mackay case a rehearing was prayed for and granted, the case was recently reargued, and is now awaiting decision.

We construe the procedural provisions as affording adequate opportunity to secure judicial protection against arbitrary action in accordance with the well-settled rules applicable to administrative agencies set up by Congress to aid in the enforcement of valid legislation."

Fifteen cases are now on file with various circuit courts, brought by the Board for enforcement or by the employer involved for reviews. The Board contemplates authorizing additional enforcement proceedings in other instances where it orders have not been complied with.

In addition to the foregoing decisions on final orders to cease and desist, the courts throughout the country have established the Board's right to proceed with hearings and elections free from injunctions, except in the first circuit. The Board recently petitioned the United States Supreme Court to review the adverse decision of this circuit on the injunction question.

TABLE 1.—*Strikes averted and strike cases handled under the National Labor Relations Act, October 1935 through Dec. 31, 1936*

Year and month	Total strikes averted and actual		Averted strikes		Actual strikes							
					Total handled		Settled		Transferred		Otherwise closed	
	Cases	Workers involved	Cases	Workers involved	Cases	Workers involved	Cases	Workers involved	Cases	Workers involved	Cases	Workers involved
1935—October	19	3,792	9	2,198	10	1,594	3	390			7	1,204
November	20	8,898	6	6,508	14	2,390	9	1,734	2	218	3	438
December	15	3,590	6	1,784	9	1,806	5	1,119	1	200	3	487
1936—January	18	2,728	4	935	14	1,793	9	1,007	1	225	4	561
February	13	1,218	8	298	5	920			1	250	4	670
March	21	2,025	3	679	18	1,346	10	569	2	285	6	492
April	19	3,204	9	2,361	10	843	7	638	1	30	2	175
May	36	5,406	4	519	32	4,887	18	1,307	5	3,139	9	441
June	21	2,443	3	645	18	1,798	11	1,080	2	450	5	268
July	32	31,070	8	5,050	24	26,020	15	10,068	2	13,944	7	2,008
August	20	1,051	14	256	6	795	2	375			4	420
September	19	3,380	4	300	15	3,080	14	2,986			1	94
October	72	5,719	3	1,550	69	4,169	62	2,472	1	652	6	1,045
November	30	3,637	5	1,460	25	2,177	18	1,300			7	877
December	47	6,109	3	294	44	5,815	15	3,478	2	450	27	1,887
Total	402	84,270	89	24,837	313	59,433	198	28,523	20	19,843	95	11,076

TABLE 2.—*Number of elections and number of workers involved in elections conducted under the National Labor Relations Act October 1935 through Dec. 31, 1936*

Year and month	Cases	Workers
1935—October	2	636
November	2	1,254
December	7	2,319
1936—January	6	1,172
February	2	101
March	3	273
April	3	424
May	1	683
June	6	628
July	2	376
August	1	634
September	21	727
October	2	71
November	16	1,765
December	9	10,479
Total	83	21,542

TABLE 3.—*Preliminary data; threatened strikes averted and strike cases handled under the National Labor Relations Act, Jan. 1, 1937, through June 30, 1937, by months*

Month and year	Total strikes averted and strikes handled		Strikes averted		Strikes handled		Strikes settled	
	Cases	Workers	Cases	Workers	Cases	Workers	Cases	Workers
January 1937	44	5,701	10	3,5[illegible]	34	2,139	31	1,412
February 1937	33	8,028	2	1,6[illegible]	31	6,360	16	3,634
March 1937	107	24,459	61	5,0[illegible]9	46	19,380	40	18,792
April 1937	72	16,780	23	3,847	49	12,933	35	9,289
May 1937	158	23,012	51	4,709	107	18,303	[illegible]03	17,869
June 1937	211	70,714	70	34,331	141	36,383	100	26,891
Total	625	148,694	217	53,196	408	95,498	325	77,887

TABLE 4.—*Preliminary data—Total cases received, cases closed by regional offices, and cases closed by agreement under the National Labor Relations Act, Jan. 1, 1937, through June 30, 1937, by months*

Month and year	Total cases received		Cases closed [1]		Closed by agreement	
	Cases	Workers	Cases	Workers	Cases	Workers
January 1937	110	24,744	117	11,762	78	6,693
February 1937	195	74,870	120	15,135	64	8,852
March 1937	239	49,187	136	24,413	91	21,844
April 1937	477	159,051	210	47,847	131	40,141
May 1937	1,064	315,772	435	113,056	328	98,534
June 1937	1,284	369,856	658	136,743	468	107,705
Total	3,369	993,480	1,676	348,956	1,160	283,769

[1] Includes only cases closed by regional offices and excluding cases forwarded to the Board.

TABLE 5.—*Preliminary data; elections held and workers involved in elections held under the National Labor Relations Act Jan. 1, 1937, through June 30, 1937, by months*

Year and month	Cases	Workers
1937—January	3	34
February	5	3,645
March	7	5,816
April	29	19,447
May	74	54,392
June	108	59,477
Total	226	142,811

Work of the United States Maritime Commission

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

STATEMENT OF THE UNITED STATES MARITIME COMMISSION

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement relative to the work of the United States Maritime Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A new program to revitalize and modernize the American merchant marine was inaugurated with the appointment last April of the permanent United States Maritime Commission of five members to administer the Merchant Marine Act, 1936. The permanent Commission, which is headed by Mr. Joseph P. Kennedy, succeeded a temporary three-man commission which was named in September 1936 and had been chiefly occupied in the meantime with the work of assimilating the old Merchant Fleet Corporation and Shipping Board Bureau of the Department of Commerce, which were transferred to the Commission by the act, and also in initiating preliminary studies and surveys in preparation for the application of the new law to the maritime industry.

The first task of major importance confronting the permanent Commission was involved in the termination of the foreign ocean-mail contracts, with their disguised subsidies, and in extending Government assistance to American shipping openly and frankly through the operating subsidies provided in the statute as a substitute for the mail subsidies. This old system of Government aid to encourage the development of a merchant marine, providing for the payment of subsidies to American steamship operators under the guise of payments for carrying the mail, had not only

been found utterly unsatisfactory but it was thoroughly discredited by successive investigations of the Senate and Post Office Department, which disclosed widespread and varied abuses on the part of shipowners, by which Government funds intended for the upbuilding of the merchant marine were being diverted to other purposes, and were destroying the whole program. Actuated by these disclosures, a disgusted Congress enacted the Merchant Marine Act, which was designed to strip Government aid to shipping of all subterfuge and secrecy and place it on an open and forthright basis.

The act provided for the termination of the old ocean-mail contracts, some of which had until 1943 to run, on June 30, 1937. There were 43 of these contracts which were held by 28 steamship companies. If these contracts had remained in effect until their expiration date, they would have required a Government expenditure of over $52,000,000. By reason of their cancelation contractors asserted claims against the Government aggregating $73,000,000.

Although the permanent Commission when it took office had only a little more than 2 months in which to negotiate the settlement of the ocean-mail contracts and to devise a program for administering the new operating differential subsidies, the Commission accomplished this tremendous task with efficiency and dispatch, effecting within that time settlements with 24 companies holding 33 of the foreign ocean-mail contracts at a net cost to the Government of less than $935,000. At the same time the Commission negotiated temporary operating differential subsidy contracts with 16 steamship companies covering 22 of the old ocean-mail routes, the whole transition from the outlawed ocean-mail subsidies to the new form of subsidy being made without causing a single interruption in service.

The Commission purposely negotiated the operating differential subsidy agreements for a temporary period of 6 months from July 1, 1937. The Merchant Marine Act represents the first attempt to scientifically approach the problem of subsidizing shipping, and the Commission desired, among other things, to study the results of an experimental period before making the long-term contracts provided by the statute. As they now stand, the operating subsidy agreements will cost the Government for the 6-month period ending January 1, 1938, approximately $4,600,000, whereas payments under the ocean-mail contracts in the same time would have aggregated about $7,600,000. Thus, the Commission effected a saving of $3,000,000 for the Government. It is estimated that the new subsidy will cost the Government about 60 percent of the previous mail pay, although this is a minimum estimate and subject to revision on the basis of actual operating results. The Commission is sanguine that if operating conditions in the industry continue to improve, this estimate will be considerably lower. In granting the new subsidies, the Commission has adhered strictly to the requirements of financial responsibility on the part of subsidy applicants, and in some cases, has required a fiscal house-cleaning as a condition to Government assistance.

The permanent Commission found, when it took office, that the American merchant marine consisted of a slow and aging fleet of vessels, most of which were built during the wartime program and which, considering 20 years to be the economic life of a ship, would be obsolete by 1942. Not a single cargo vessel for operation in our foreign commerce had been constructed in 15 years and, while some 33 ships, chiefly of the combination cabin and cargo type, had been built under the terms of the ocean-mail contracts, the number fell far short of meeting the needs of an adequate replacement program. It was plain that if the country was to have a first-class merchant marine which could compete successfully with modern and fast foreign-flag fleets, it virtually must build a new one. Consequently the Commission immediately called on all steamship lines receiving Government subsidies to formulate a long-range rebuilding program, and at the same time it drafted a tentative program to meet immediate replacement needs. To completely rehabilitate the merchant marine, Commission experts have estimated that 300 or more ships will be required, and a rehabilitation program, if followed by an orderly replacement program, can be accomplished over the period of the next 5 years by the expenditure of about $100,000,000 a year, and will give the Nation a merchant marine of which it can be proud.

While the new ships are imperatively needed, the Commission is not undertaking a frenzied building program. Quite the contrary. Mindful of its responsibilities, the Commission is proceeding practically and sensibly by first initiating an intensive economic survey of the entire shipping problem in which all of its aspects will be carefully examined and considered. This is the first time such a comprehensive survey of shipping has ever been made. Meanwhile, the plans for building the new ships have been deferred until the completion of this survey which is expected by October 1. At that time, the Commission will decide in the light of the facts developed by its studies whether or not it is justified in going ahead with its program.

From a regulatory standpoint, the Maritime Commission functions in the shipping industry much the same as the Interstate Commerce Commission functions in its sphere, and the Merchant Marine Act indirectly increased its activities in this respect, particularly with reference to the control it may exercise over steamship conferences. For example, section 810 provides that it shall be unlawful for any contractor receiving an operating differential subsidy to continue as a party of or to conform to any agreement with another carrier or carriers or to engage in any practice in concert with another carrier or carriers by water which is unjustly discriminatory or unfair to any other citizen of the United States who operates a common carrier by water exclusively employing vessels registered under the laws of the United States on an established trade route from and to a United States port. For the purpose of insuring compliance with this section a more careful investigation is being made of agreements filed for approval under section 15 of the Shipping Act, 1916, and of the practices of carriers under existing agreements.

In order to give shippers and carriers the greatest practicable benefits under the regulatory powers, the Commission has expedited, consistent with the ability of parties to prepare their cases, its consideration of complaints by setting cases for hearing at the earliest practicable date and by announcing its decisions with as little delay as possible. Also, with the same object in view the Maritime Commission and the Interstate Commerce Commission have entered into a cooperative working arrangement under which each Commission notifies the other of cases in which they have a mutual interest. The arrangement covers situations where rail and water rates are related in any way or where rail and water competition is involved, and may be illustrated by a case handled during the early summer, in which changes were made in the strictly port-to-port rates between Gulf and Atlantic ports, filed with the Maritime Commission, and in proportional port-to-port rates between the same ports and in joint rail and water rates based thereon, filed with the Interstate Commerce Commission. A joint hearing was held, presided over by an examiner from each Commission, and later oral argument was held jointly before both Commissions. While there was free discussion and interchange of information between the two bodies, each Commission, of course, reached its own independent conclusions.

Work of the Federal Trade Commission

EXTENSION OF REMARKS

OF

HON. WILLIAM H. DIETERICH

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

STATEMENT BY THE FEDERAL TRADE COMMISSION

Mr. DIETERICH. Mr. President, I ask unanimous consent to have printed in the RECORD a statement as to the work of the Federal Trade Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Among the Federal agencies which have made important contributions to the general welfare during the present administration is the Federal Trade Commission. The Commission's service and the need for its continued vigilance were recognized by the President in an address delivered July 12, last, when he laid the cornerstone for the new home of that Commission being erected on Constitution Avenue.

In that address the President said that the Commission's "record of accomplishments in the interest of fair competition * * * warrants that this body shall have a habitation adequate to its needs and in keeping with the importance of the tasks which it has accomplished and will continue to perform in the protection of American trade." The President added that the "dangers to the country growing out of unfair methods of competition still exist" and make the work of the Commission of vital importance in the country's economic life.

The Federal Trade Commission is one of the older of the important independent agencies of the general Government. It administers its organic act, approved September 26, 1914; and also has jurisdiction over section 2 of the Clayton Act as amended by the Robinson-Patman Act, approved June 19, 1936, declaring unlawful certain forms of price discrimination in the interest of restoration of equality of opportunity in business without penalizing service and efficiency; also sections 3, 7, and 8 of the Clayton Act, which make unlawful tying and exclusive-dealing contracts, agreements, or understandings, corporate acquisitions of stock in competing companies, and interlocking directorates; and also administers the Webb-Pomerene Export Trade Act, aimed at the promotion of foreign trade by permitting the organization of export-trade associations engaged exclusively in the export business.

In addition, the Commission is an important investigating agency, empowered to conduct such investigations as the Congress or the President may direct, the Attorney General may request, or as it, upon its own initiative, may deem necessary in the public interest.

In its work of preventing unfair methods of competition, and in aiding in the prevention of monopoly, the Commission, during

the 4 years and 1 month between July 1, 1933, and July 31, 1937, had before it for consideration, a total of 11,266 cases arising under its jurisdiction. Of this number, 8,764 were disposed of during that period, leaving 1,502 pending as of July 31, last.

During this same period, the Commission issued 1,085 complaints alleging unlawful practices, and a total of 712 orders to cease and desist. It disposed of 22 other such complaints by permitting respondents to stipulate to cease and desist from the unlawful practices charged in the complaints.

Also, during this period, the Commission disposed of 1,288 false or misleading advertising cases by negotiating stipulations in which advertisers stipulated to cease and desist from advertising practices held to constitute unfair methods of competition. By employing this stipulation procedure in this large number of cases, the Commission saved much time and expense that otherwise would have been expended in bringing these cases to trial under formal procedure.

Incidentally, the Commission's record in the courts on those of its cases which have been appealed, has been remarkable successful, and is indicative of the exercise of care and thoroughness in its work. Between July 1, 1933, and July 31, 1937, the courts reviewed 51 Commission cases on appeal. The Commission was sustained in all save one of these cases, and its lone reversal was by a 5-to-4 decision by the Supreme Court. Incidentally, this is the only instance in which that Court has reversed the Commission in more than 6 years.

Recently the Commission has been especially active in endeavoring to protect the public from price-fixing conspiracies and the increased cost to consumers of essential commodities which invariably results from price fixing. Among those whom the Commission has proceeded against were most of the producers of viscose rayon yarn in the country, who were charged with conspiring to fix prices and curtail production of rayon yarn. The Commission recently entered a cease-and-desist order in this case.

Other orders have involved combinations and conspiracies to fix prices and suppress competition in many commodities of everyday use, such as automobile parts and accessories, foodstuffs, electric cable and wire, tinplate, textile fabrics, clothing, furniture, lumber, metal windows, school supplies, industrial rivets, turbine generators and condensers, water-gate valves, hydrants, and fittings, and many other commodities. Some of these cases resulted from investigations made of certain industries, members of which had submitted identical bids to prospective purchasers, including the Federal Government, and many State governments and municipalities.

One complaint now pending is against substantially all of the cement manufacturers of the country, charging a combination to maintain identical delivered prices, in part through use of a common basing-point system, and alleged to result in higher prices on this tremendously important building material, particularly in the construction of roads, bridges, dams, and buildings.

At present much of the Commission's work has to do with cases arising under the Robinson-Patman amendment to section 2 of the Clayton Act, approved June 19, 1936. Up to July 31 last the Commission had issued 24 formal complaints involving charges of violation of that act. Of this number, five had been disposed of, two by orders to cease and desist, and three by dismissal, one of the latter for the reason that the respondent corporation, following institution of Commission proceedings, surrendered its charter and went out of business, obviously terminating the practices with which it had been charged. However, these formal actions constitute but a part of the service the Commission has performed under that act, and takes no account of the general compliance with the provisions of the act on the part of hundreds of business enterprises, brought about through correspondence and conferences with members of the Commission's staff. Thus a better understanding of the requirements of the act was brought about on the part of businessmen generally, terminating many price-discrimination practices which were tending to destroy competition.

In furtherance of its work of preventing unfair methods of competition, the Commission has sponsored many trade-practice conferences, at which members of an industry assemble and agree upon the elimination of unfair-trade practices, injurious to the industries or business enterprises affected, and which often constitute violations of law. These are voluntary movements by and within the enterprises and industries concerned, for the improvement of business morals. Enforcement of fair-trade-practice rules not only protect honest businessmen from the sharp practices of unscrupulous competitors, but also result in great benefit to the consuming public.

During the period between July 1, 1933, and July 31, 1937, the Commission sponsored 43 trade-practice conferences, with fair-trade-practice rules promulgated for 27 of the industries and businesses concerned. The industries and lines of business for which these 43 trade-practice conferences were conducted had a total capitalization of more than $4,600,000,000, with total annual sales volume exceeding $4,400,000,000, and employed 590,000 workers. Applications for 27 other trade-practice conferences are now pending before the Commission.

Highly important in the work which the Commission has performed has been the investigations it has conducted. Some of them have been of great importance, notably its investigation of electric and gas utilities. To the report, with recommendations, which the Commission made to the Congress at the finish of that inquiry, together with disclosures made while it was in progress, were due in part important legislation, including the Holding Companies Act and the act creating the Securities and Exchange Commission. Moreover, this inquiry stimulated many State regulatory bodies to rate actions, resulting in reductions which are saving electric-power consumers of the Nation hundreds of millions of dollars.

Thirteen investigations were on the Commission's calendar of work on July 1, 1933, or have been placed thereon since that date. Of these inquiries, all but two have been completed, and one of the two is substantially finished. These investigations were: Electric and gas utilities, chain stores, salaries of corporation officers, price bases, gasoline prices, steel code, steel code as amended, textiles, milk investigation, agricultural income, steel sheet piling, petroleum decree, farm machinery.

All of these investigations have been finished excepting agricultural income, which report has been filed, with conclusions and recommendations, but to which a short supplement soon will be filed. The farm machinery investigation is due to be completed within the next year.

As a result of the Commission's chain-stores inquiry, the Robinson-Patman Act was enacted, aimed at the prevention of price discrimination and preferential treatment of preferred customers over their competitors.

The corporation-salaries inquiry, directed by a Senate resolution, developed the extent to which officers and directors of corporations listed on the New York Stock Exchange were profiting from salaries and bonuses, which in many cases were exorbitantly high.

The gasoline inquiry was made by direction of Senate resolution to determine the reason for an advance in the prices of gasoline.

The steel-code inquiry was made by direction of Senate resolution to disclose practices of the steel industry under its code, particularly with respect to price fixing.

The steel code, as amended, inquiry was instituted pursuant to an Executive order, to make a study of the multiple basing-point system established under the amended steel code.

The milk inquiry, directed by a House concurrent resolution, required the Commission to examine and report the facts with respect to the sale and distribution of milk and dairy products. The Commission's report and recommendations are now before the Congress.

The textile investigation, directed by Executive order, directed the Commission to make an inquiry into the textile industries to furnish a basis for determining whether wage increases, or reduction in hours, could be sustained under prevailing economic conditions. This was a factual study, no recommendations being called for.

Agricultural-income investigation, made under authority of Senate joint resolution, was ordered to determine the extent of the decline in agricultural income in recent years, in comparison with the movement of income of corporations handling or processing principal farm products. Report and recommendations for legislation have been filed with the Congress.

Steel sheet-piling inquiry, made by direction of the President. The investigation disclosed evidence of collusive bidding on Government projects.

The petroleum-decree inquiry was made at the request of the Attorney General, to determine whether a decree imposed on certain oil companies on the Pacific coast by a Federal court, is being observed. Report filed with the Attorney General.

Inquiry ordered by the Senate to investigate and report on prices of farm machinery and profits of manufacturers and distributors thereof. This inquiry is now under way.

Price bases, an inquiry conducted by the Commission on its own initiative to disclose the methods and effects of price-basing systems as used in the steel and other important industries.

Federal Power Commission and Its Work

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

STATEMENT BY HON. LEWIS B. SCHWELLENBACH OF WASHINGTON

Mr. SCHWELLENBACH. Mr. President, in order that there may be available in concise form information concerning the activities and accomplishments of the Federal Power Commission under this administration, I have prepared the following statement, which I ask to be incorporated in the Appendix of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE FEDERAL POWER COMMISSION AND ITS WORK, 1933–37

Given authority over the movement of electric energy in interstate commerce in addition to its previous jurisdiction over power projects on public lands and navigable streams, conducting Nation-wide surveys of electric rates, power resources, and demands, cooperating with State commissions and Federal agencies in regulation of electric utilities and protection of consumers and investors, the Federal Power Commission has rendered notable public service.

Four years ago neither Government nor industry had any survey comprehensive and authentic enough to determine the Nation's power requirements, future markets and demands, and how they can be most economically and advantageously supplied. By direction of the President in Executive Order No. 6251, issued August 19, 1933, the Federal Power Commission conducted our first survey of "the water resources of the United States as they relate to the conservation, development, control, and utilization of water power, of the relation of water power to other industries and to interstate and foreign commerce, and of the transmission of electric energy in the United States and its distribution to consumers."

Striking facts were revealed by this national power survey. One was the need of larger generating capacity. Early in 1935 the Commission estimated that, upon the resumption of normal industrial activity, power demands would require the addition of at least 4,000,000 kilowatts, equal to the capacity of 50 large generating plants, costing $300,000,000. Forecasts of annual demands have been far exceeded. Production in 1936 totaled 113,602,196,000 kilowatt-hours, and for the 12 months ending July 30, 1937, reached 117,568,000,000 kilowatt-hours.

Centralization of power production had proceeded so far, this survey showed, that 73 percent of the energy generated for public use was produced in only 223 generating plants. While there were 3,550 electric systems—1,620 privately owned and 1,930 municipal—approximately 90 percent of the electrical business was transacted by only 107 large systems. Four groups, it was reported, controlled almost one-third of the industry, and nine groups controlled 49.7 percent, practically one-half of the national production and sale of electrical energy. These conditions increased the demand for regulation of holding companies which led to the passage of the Public Utility Act of 1935, title II of which comprised the new Federal Power Act, giving the Commission authority over the interstate transmission of electric energy, and the wholesale rates and security issues of companies engaged in such interstate commerce.

Surveying the country's undeveloped power resources, the Commission reported 1,883 sites which, if fully developed, might have an installed capacity of 52,628,900 kilowatts, capable of producing annually 275,683,000,000 kilowatt-hours.

In compliance with the President's order and a Senate resolution, No. 80, Seventy-third Congress, first session, the Commission made an extended study of the cost of electric distribution, which was embodied in power series no. 3. Railway electrification was reported in the fourth publication, The Use of Electric Power in Transportation. Two large utility maps were published, one showing the service areas of the principal electric utility systems; the other the principal generating plants and transmission lines.

Electric rates throughout the country had never been officially compiled. Consumers and regulatory commissions alike had no dependable data for comparisons. By direction of the Congress, in Public Resolution No. 18, Seventy-third Congress (S. J. Res. 74), approved April 14, 1934, the Federal Power Commission conducted the first Nation-wide electric-rate survey ever made in America, reporting the actual bills paid by consumers of all classes in every State, city, and town in the Union. This aided materially in the numerous rate reductions in all parts of the country which saved hundreds of millions of dollars to consumers.

Fifty-five reports were made by this survey. These reports were in such demand that the total published reached nearly 200,000 copies. Residential rates in cities of 50,000 or more population were reported early in 1935. This was followed by 48 separate reports, 1 for each State, of domestic and residential rates in communities of all sizes.

Other reports presented Average Typical Residential Bills, Rates for Electric Service to Commercial and Industrial Customers, Comparative Rates of Publicly and Privately Owned Utilities, State Commission Jurisdiction and Regulation of Electric Rates and Service, Electric Rate Uniformity, and Rural Electric Service. In addition, there was compiled and published a glossary of important power and rate terms.

SPECIAL STUDIES AND INVESTIGATIONS MADE

Pursuant to Senate Resolution 75 (1932–33), the Commission prepared a report for the Senate showing the salary schedules of executive officers and directors of public-utility corporations engaged in the transportation of electric energy and of other corporations under Federal license.

In response to Senate Resolution 123, approved March 1, 1935, the Commission made an investigation of restraining orders and injunctions issued by courts against municipal and other publicly owned electric-light and power plants, the cost of proceedings, and the loss to the public therefrom. Transmitted to the Senate on February 29, 1936, this report showed a total of 278 petitions for such orders and injunctions against 195 public authorities. Delays incident thereto totaled 289 years 8 months 22 days. Direct expenses totaled $376,233, not including expenses estimated at $1,000,000 by the city of Los Angeles; and indirect expenses were estimated at $11,920,207. Of the 278 petitions, 52 were granted, 153 denied or dismissed, and 65 were pending as of the date of the data, December 1, 1935.

By direction of the President, the Commission made a detailed study of distribution areas, prospective markets, rates, and other elements involved as a basis for the determination of wholesale rates for the electric energy to be generated at Bonneville. A special report was also made on prospective power markets and probable revenues of the proposed Clark Hill project on the Savannah River near Augusta, Ga.

In determining the feasibility of hydroelectric power development in connection with navigation and flood control, Army engineers were assisted in their survey of several important projects, including Denison, the Pensacola project in Oklahoma, and Fort Peck.

To assure an abundant supply of electric energy throughout the United States with the utmost economy, section 202 (a) of the Federal Power Act empowers and directs the Commission to divide the country into regional districts for the voluntary interconnection of facilities for the generation, transmission, and sale of electric energy. A map and order tentatively outlining such districts were sent to all State commissions and other interested parties for their views, comments, and suggestions, which are now being considered.

By invitation of State commissions, the Federal Commission is assisting in investigations looking to the possibilities of more complete interconnection and coordination of electric facilities in Kentucky, Wisconsin, and Oklahoma.

RATE, POWER, AND OTHER REPORTS MADE AND IN PREPARATION

For months the Commission has been engaged in what is, in effect, another Nation-wide survey of electric rates. Rate changes and trends over a period of 12 years are analyzed in a report recently published, and rates in effect January 1, 1937, are now being compiled and analyzed. These will be published in 48 separate State reports, one for each State in the Union, covering commercial and industrial rates in the larger cities and towns, and domestic and residential rates in the approximately 20,000 communities of 250 or more population in the United States.

Production of electricity for public use in the United States is now reported monthly and periodically by the Commission. Statistics have been collected and a report is being prepared on the power requirements of electrochemical and electrometallurgical industries.

CORPORATE STRUCTURES SIMPLIFIED—INTERLOCKING DIRECTORATES ENDED

Corporate structures have been simplified, unnecessary corporations eliminated, millions in interest saved, and charges reduced by various companies under the provisions of the Federal Power Act prohibiting interlocking directorates and requiring Commission approval of mergers, sales, and security issues. One company eliminated 30 unnecessary corporations. Elimination of improper interlocking relations has resulted in a much stronger local control of operating companies. In one large system 185 interlocking directorates or positions have been eliminated by the companies concerned. Thirty-two proposed mergers have been considered and applications made for approval of security issues aggregating more than $185,000,000.

During the last 4 years 203 applications for licenses have been received—103 for generating projects, 100 for transmission lines—and 153 licenses and permits were issued or authorized covering ultimate capacity of 2,766,000 horsepower. The Commission has collected from licenses $2,458,340. The more than 700 active projects before the Commission, including those granted and pending, represent over 4,000,000 installed horsepower and estimated ultimate installation of more than 12,000,000 horsepower.

Consistently adhering to the principle of actual legitimate cost as the basis from which net investment is figured, the Commission has also acted in accord with the President's declaration favoring prudent investment as a basis for regulation. Every effort has been made to end the abuses of holding-company control, and to free operating companies from excessive charges made and burdens imposed by holding and service companies.

"Squatting" on power sites by promoters or power companies for speculative or obstructive purposes has been prevented by requiring applicants to show good faith, and denying unreasonable extensions of time for construction.

COOPERATION WITH AND AID TO STATE COMMISSIONS

A detailed plan providing for closer cooperation of Federal and State regulatory bodies and better utilization of their facilities has been adopted, outlining the procedure governing joint conferences, joint hearings, or special boards which may consider matters of mutual interest.

Regional offices were established in five cities—New York, Chicago, Atlanta, Denver, and San Francisco—expediting the Commission's field work and enabling it to render more effective service to State commissions and other local officials. States can be and are being aided materially under the provisions of the Federal Power Act in regulating utilities, preventing undue charges by holding or service companies, and securing reasonable rates.

Thus the Commission has been engaged for months in a study of the service charges made by subsidiaries in the Associated Gas & Electric Co. group, cooperating with the Pennsylvania commis-

sion and as an aid to that State in its local rate regulation. The investigation has been temporarily suspended by the United States circuit court of appeals in Philadelphia.

The Commission has proceeded vigorously in protection of Federal rights on navigable and nonnavigable streams encroached upon by hydroelectric projects. The most notable proceeding is that instituted by the Commission shortly over 2 years ago against the Applachian Electric Power Co., which is undertaking to construct without a Federal license a large hydroelectric project at Radford, Va., on New River, an interstate stream flowing through North Carolina, Virginia, and West Virginia. This case is still pending in the United States District Court for the Western District of Virginia.

UNIFORM SYSTEM OF ACCOUNTS FOR ELECTRIC UTILITIES

Nation-wide uniformity in the rules and regulations governing accounts of public utilities has been brought distinctly nearer by the uniform system of accounts prescribed for public utilities and licensees subject to the provisions of the Federal Power Act, effective January 1, 1937. Twenty State regulatory agencies have adopted this basic system and others are planning to adopt it in the near future.

A list of units of electric property for use in connection with this accounting system was adopted on January 13, 1937. In July 1937, agreement was reached among representatives of State and Federal agencies on a form of annual report applicable to electric utilities, comprising a large number of financial, statistical, and other schedules. Regulations governing the presentation of records by public utilities and licensees have been prepared in tentative form and are now being considered.

There are under the jurisdiction of the Commission, requiring accounting supervision, licensed projects having an aggregate claimed or estimated cost of approximately $675,000,000. During the past fiscal year an examination and review of the plant accounts of the Niagara Falls Power Co. and its predecessor companies was completed at Buffalo, N. Y., with a view to determining the original cost of its electric plant in operation and under construction as of the date of license therefor. The amount involved is approximately $45,000,000. Field audits were completed of three projects involving $88,000,000; and such audits are in progress on six projects aggregating more than $52,000,000.

Progress in power production and use in the past 4 years has been amazing. More than 26,000,000 American families, farms, firms, and factories now have electric service, an increase of 2,250,000 since 1932. Nearly 2,000,000 more homes are enjoying this comfort and convenience, and there are now more than 21,000,000 residential consumers. Over 200,000 new farm customers have been added, and the total number of farms electrified will this year pass the million mark. Output of electricity for public use, as reported by the Federal Power Commission, increased from 83,153,083,000 kilowatt-hours in 1932 to 113,602,196,000 kilowatt-hours in 1936, a rise of more than 36 percent during the 4-year period.

Accomplishments of Works Progress Administration

EXTENSION OF REMARKS

OF

HON. J. HAMILTON LEWIS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

STATEMENT BY THE WORKS PROGRESS ADMINISTRATION

Mr. LEWIS. Mr. President, I ask unanimous consent to have printed in the RECORD in accordance with the usual custom a statement under the heading "Accomplishments of the Works Progress Administration in 2 Years of Operation", which, I understand, has been prepared by officers of that Administration.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ACCOMPLISHMENTS OF THE WORKS PROGRESS ADMINISTRATION IN 2 YEARS OF OPERATIONS

Two years ago, in August 1935, a majority of the States were busy setting up the organization necessary to carry out that program of work relief represented by the Works Progress Administration. This new agency of Government represented the evolution of a more effective security for both individual and national welfare in times of enforced idleness.

Accomplishments in these eventful years have shown so swift an advance and such substantial returns as to command the interest of progressive nations throughout the world. A brief review of what has been done is sufficient to indicate the vast benefits it has brought to millions of needy workers who were out of a job, to the Nation as a whole and, perhaps, to thoughtful people everywhere who may consider the part of government in correcting diseases of the econmic system.

The record of W. P. A. is expressed in terms of its progress, first, in providing a security income for needy and employable persons through jobs that maintain their skill and their morale; second, in producing from their services public improvements and services of value to the whole Nation.

In August 1935, during that period of transition in which the Federal Emergency Relief Administration was still a major factor, the infant W. P. A. organization was employing only an approximate 250,000. By November of that year, however, the W. P. A. program was well under way and its project workers numbered between 2,000,000 and 2,500,000. December saw the completion of the change whereby the Federal Government undertook to employ the needy and employable, with the States and local governments caring generally for the unemployable. By the last week in February 1936 W. P. A. employment had risen to a speak of 3,035,852, the highest on record.

At this time more than $70,000,000 was going into the pay envelopes of project workers every half month. The semimonthly earnings of these people from our relief rolls had amounted to more than $60,000,000 ever since mid-December of 1935.

As this wage was sufficient only to buy immediate necessities, it went directly and wholly into the country's normal channels of trade, stimulating every line of private industry while enabling impoverished families and individuals to know once more the happiness found in an earned income. Each worker was assigned to that type of work for which he was best fitted, in a widely diverse program that gave opportunity for the exercise and development of individual skill.

Although employment remained at approximately 3,000,000 through mid-March, a marked decline came with the expansion of opportunities for private employment in the spring. The reduction from the peak figure amounted to nearly 500,000 by the last of April and exceeded 750,000 by the end of July 1936.

At this stage of the program, a survey showed more than 90,000 work projects, with an estimated cost of $1,460,000,000, had been selected for operation by the Works Progress Administration through April 15. Nearly four-fifths of these operations were construction work, and improvements of highways, roads, and streets accounted for nearly one-third of the total value of projects. The expansion of public recreational facilities, the building or repair of schools and other structures or community use and the development or replacement of outworn sewer systems were other major types of projects. White-collar workers also were employed in numerous public services, including the distinctive contribution to American cultural life made by the Federal arts projects.

Such emergencies as the drought in the Great Plains area a year ago are reflected in the record of the Works Progress Administration, which has been prompt to meet even such unforeseen demands and give employment to the victims on useful projects.

On September 15 of last year, when employment on W. P. A. projects again was rising as a result of the drought, a physical inventory of improvements already completed illustrated the immense return on its investment in work relief realized by the Nation, apart from other advantages of this system over the unremunerative dole.

Briefly, this inventory showed:

More than 25,000 miles of new highways and streets, with repair of approximately 117,500 miles. These improvements were supplemented by construction or improvement of more than 20,000 bridges and approximately 4,500 miles of sidewalks and paths.

New public buildings numbering 4,140, with repairs or improvements on 12,255. (These included 1,099 new educational buildings and 7,176 improved.)

Public recreational facilities including 1,415 new athletic fields and playgrounds, 425 parks and fairgrounds, 248 swimming pools. More than 1,500 existing athletic fields and playgrounds and 1,000 parks and fairgrounds were improved.

Sanitary and storm sewers totaling 3,357 miles in length had been constructed, drainage ditches, new or improved, serving more than 9,200 square miles were listed as completed.

Storage dams, chiefly in drought areas, with a combined impoundage of a million acre-feet of water, were ready for use.

These are only a few of the major types of physical accomplishments that were shown in the inventory last September. As this accounting does not include projects on which work was still under way at that time, it does not show the full measure of improvements.

By the end of 1936, 121,240 such projects had been placed in operation, involving an estimated cost of $3,528,860,089, of which $463,781,248 was covered by funds pledged by local sponsors. In general, there had been little change in the types of projects, construction work representing nearly four-fifths of the total.

Since October, when emergency drought employment reached its peak, the rolls of project workers had been declining. The number, during the last week of December, stood at 2,192,409.

During 1937 there has been a marked increase in the amount of sponsors' contributions, rising approximately from 13 to 16 percent, and a continued decline in administrative and nonrelief costs. Administration is now limited to 5 percent of expenditures, but actually has been below that since the early stages of the program. Nonrelief labor, now at the lowest point in the history of the program, is down to 3.2 percent.

During the last week of February this year, just 12 months after the all-time high of more than 3,000,000, W. P. A. employment was down to 2,145,562. By the last week in June it was 1,821,151, and in mid-July the number was 1,656,533 (approximately the average number that can be carried under the $1,500,000,000 appropriation for the current fiscal year).

Almost 136,000 projects had been placed in operation by the end of the first quarter of this year, and the objectives—useful work for needy unemployed—remain unchanged. The record of accomplishments is the best evidence that work relief has proved a sound asset to the social and economic life of the Nation.

Convention of Young Democratic Clubs

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

ADDRESS BY MR. JAMES ROOSEVELT BEFORE THE CONVENTION OF YOUNG DEMOCRATIC CLUBS

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a timely and instructive address delivered by Mr. James Roosevelt, Secretary to the President, before the National Convention of Young Democratic Clubs of America, at Indianapolis, Ind., on August 20, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

To take part in this the fourth national convention of the Young Democratic Clubs of America is a particular privilege. It gives me a chance to greet again many old friends who were present at the first convention held at Kansas City in 1932. It gives us all a chance to greet new friends who testify to the growth and vitality of the Young Democratic Clubs; and nothing is more stimulating than to review our part in great victories behind us and to lay our plans for even greater ones ahead.

Every reassembling of an organization like ours, however, demands a reexamination of the common interest that binds us together.

All around us today we see enthusiasm, confidence, and energy; and the smoothness of the arrangements for this convention well demonstrates efficiency. But what are we banded together for?

Every honest one of us must continually ask himself, "Does our organization perform a real and unique function, or does it only duplicate work that could be better done in other ways"? For our American horror of waste will not permit us to feel comfortable if there is duplication of effort in political activity any more than in government administration.

Can we justify the expenditure of energy that goes into the maintenance of the Young Democratic Clubs of America?

If the Young Democratic Clubs function solely as a tutoring school for young people interested in politics who seek glory by holding office in an organization of national scope, then they are not worthy of sustained effort. If they are merely vocational-training units for those who seek public office only in hope of more rapid personal advance through public life rather than private personal activity, then these clubs should deservedly peter out and be forgotten.

But if the Young Democratic Clubs are a real rallying point for younger people who know and who believe in the principles which have made the Democratic Party what it is today—a party supported by the most widely diversified but the most justifiedly unified groups that have ever rallied to a political standard in our country—then this organization has a real reason for existence, because it has a real purpose to accomplish.

I believe that is your purpose.

I believe you offer opportunity to young men and women who would devote their lives to a career in government dominated only by the desire to contribute a needed talent in governmental efficiency to the welfare of their fellow citizens. I believe you provide machinery by which those who believe in the principles of the party are given practical help in bringing to the old and new voters alike the story of what the Democratic Party is trying to do. I believe you will supply the party with wave after wave and generation after generation of voters and workers and candidates fit to fill positions of public trust.

If in these clubs we do these jobs and do them well—do them with enthusiasm born of conviction—then this national organization of the Young Democratic Clubs of America has a justified and vital place in our national political life. Then it cannot be said of us that we are simply an aggregation of ambitious persons who seek only to improve our personal positions. Then we can and will prove a maturity and sincerity of purpose by what we do rather than by what we say we are going to do.

And so as keynoter for this convention, I ask these questions: What are the principles of this party of long history which this organization of our new generation is pledged to carry forward? What are the policies which have kept rallied to the banner of our party more Americans than any other party has ever attracted?

First and foremost, it seems to me that the Democratic Party of today is a party which sees and serves the Nation as a whole. It is not a conglomeration of special interests sticking together for mutual back-scratching, like the Republican Party when in power. It is not a temporary alliance of unrelated regional discontents like many a so-called liberal movement in the past.

And furthermore, it sees and serves that whole Nation in the light of modern times—of 1937 not of 1837. It respects the political traditions of the past, but does not try to deny the obvious facts of the present. It has adapted government to changes which modern physical science has brought to civilization within our geographical boundaries—to the speed of the airplane, the wonders of electricity, and wizardy of telephone and radio. It has adopted for public life standards which all intelligent men and women have long recognized for their private and business lives.

It has brought to the diversified elements of our population as never before the realization of their community of interests and the need for their essential unity. It has had the economic common sense to know that national income for all purposes grows only in proportion as money circulates and only in proportion as more purchasing power makes more business transactions and greater circulation possible. And it has had the political imagination to perceive that all honest, average men and women, willing to live and let live—whether they are wage earners in the North and East, cotton farmers in the South, wheat farmers and lumbermen and miners in the West—have a common interest in protecting the kind of a humane world in which they want to live against exploitation by a few special interests with over-developed acquisitive instincts. That is why we are not afraid of those who prophesy that our party will break up because of divergent interests—sectional or economic. We are sure it will not break up because it is the natural rallying point of the plain people who see these days with clearer eyes how they have to buy from and sell to each other, how they live only by serving one another, how they must profit together if they are to profit at all.

Perhaps never before as at this very hour has the Democratic Party indicated its grasp of the needs of the Nation as a whole.

On the one hand its leadership supports with all its vigor wage and hour legislation because greater purchasing power for the working man in any section of the country means more money to buy agricultural products in every section of the country. The families of steel workers in Gary and in Birmingham alike will wear more Mississippi and Georgia cotton and Texas wool, will eat more Montana wheat, Iowa bacon, and Kansas beef if they have better wages with which to buy.

This is not sectional antisouthern legislation. It is national legislation in the truest sense. I have always liked the realism of the newest and youngest member of the Supreme Court of the United States, Mr. Justice Hugo L. Black. In introducing this legislation in the Senate he said, "Ever since the War between the States, the South has been economically a colony rather than a partner in these United States. While the South has furnished goods for the Nation's markets, it has not been able to provide the markets it ought to provide for the Nation's goods."

And on the other hand, the leadership of the Democratic Party of today supports legislation to ensure stable farm prices, because greater purchasing power for the farmer means more shoes from Massachusetts, more automobiles from Michigan, more electrical appliances from Indiana used and enjoyed on the farms.

In other words, the leadership of your party recognizes the interdependence of each portion of the country and believe and works for an ever-growing national income based upon this theory.

It is a consequence of that truly national and modern outlook of the Democratic Party that it recognizes as its only special interest the personal welfare of every American man, woman, and child wherever he or she may live. It consistently practices its own preaching that democracy can function only where there is a substantial equality of opportunity. We are happy that the Democratic Party of today has reached its present unprecedented leadership, has won its present great popular majority. It has done so because it alone has recognized that socalled democratic government is a mockery so long as it does not make available to a large proportion of our fellow citizens, wherever they live, the minimum requirements of a decent way of life.

Most simply stated the downfall of the Republican Party in this country was due to its devotion to a special interest—the special interest of the people at the top. It was good Republican economics and political science that prosperity for those on top would filter down to the vast multitudes at the bottom through the graciousness and benevolence of Lord and Lady Bountifuls among those whom Alexander Hamilton called "the wise, the rich, and the good." But they never stooped so low as to inquire whether that prosperity was filtering down in fact, and as a whole, their party became callous and indifferent to the kind of life which a vast majority of American citizens were forced to live.

It is perhaps easy for us to crow at three successive victories, each more overwhelming than the last, which have reduced the Republican Party to a rear guard of skeletons. But the moribund condition of the Republican Party is a warning written in bright

colors for us ever to see and remember. That warning should lash us ever forward to a constantly broadening view of what is the national welfare.

What else does the Democratic Party of today stand for?

It stands for the belief that a government of the people should do its every deed and perform its every act in the open and public view. We believe in "open covenants openly arrived at" in home as well as foreign affairs. This has been the frankest administration Washington has ever known. There has been no hiding behind White House spokesmen, no subtle closing of doors to the press or any other form of legitimate public inquiry.

With a problem as vast as ours it is impossible that there should not be isolated and individual cases of maladministration or personal blundering. But although we have been compelled to spend more money than any other administration that ever went before us, we can, as a party, take pride in the fact that there have been no favored cliques, no side doors, no little green houses, no little black bags, and no Teapot Dome.

Remembering the vastness of the sums it has been the responsibility of your Government to administer, brings us to another point—that our party alone has had the essential faith in democratic government to be able to prove that democracy can get done efficiently and energetically the things that modern people demand government should get done for them. It came into office with a mandate to rescue a Government and a country whose machinery had completely broken down and whose morale had almost broken down. In almost every heart there was despair. And in almost every corner there was doubt whether democratic government could any longer get things done fast enough in the ever-complicating modern world.

Perhaps there has been no more dramatic situation in the history of our country than on that night of March 4, 1933, when the Democratic administration took over from its predecessor a Nation economically demoralized and almost spiritually bankrupt as well.

But what dictatorship ever took hold of such a vast situation as effectively as did our scorned democracy?

Four short years later look at our pay rolls, car loadings, farm prices, power output—all the symbols of our prosperity. It is hard to retain even a prudent appreciation of the desperate days behind us.

In 4 short months your party transformed a pseudo democracy that couldn't work into a real democracy that did work.

In 4 short years it has not only pulled the country out of the slough of despond but actually has rebuilt it on a higher and firmer ground than it occupied in the lush days of 1929 itself.

That rebuilding of a nation didn't come from magic rabbits popping from magic hats. It came from the redirection, given by common-sense governmental policy, to that constant willingness of the great majority of our people to work hard and play the game with each other. That is our greatest national asset. The difference between our people in March 1933 and in August 1937 is a difference in direction only—in direction by government—and our party can be everlastingly proud that it proved its faith that there is a way to give our people that direction without asking them to surrender their democracy as the price of security.

Over a hundred years ago our ancestors had repudiated the Federalist notion of government by those who chose to call themselves "the wise, the rich, and the good." The democracy of Jefferson and Jackson sounded the death knell of such oligarchic ideas.

The self-satisfied Federalists had been led by Hamilton—a man who, with all his admitted talents, thought of the people as "a great beast." And they have their counterparts in our day who still seek to foist their undemocratic practices and ideals upon the unsuspecting by using the sheep's clothing of a so-called rugged individualism.

But the party of Jefferson, Jackson, and Woodrow Wilson will repel these insidious attacks in whatever modern forms they may appear. We know from sad experience that as a practical matter there are but two available choices in American government. One alternative is big business—big-lawyer, Hamiltonian plutocracy, that cleverly assumes the forms of semidemocratic government, even as it perverts and corrupts. Abroad that would be called fascism inevitably preparing the way for its successor, communism.

The other alternative is what the Democratic Party of today has furnished—a democracy unafraid that it will cease to be a democracy if it is modern and efficient—geared to work in the interests of the many, in the interests of the average, self-respecting, independent American citizen.

The American people have chosen this second alternative in no uncertain terms. Let us do our share in the task of making certain they have no regret.

That means continued effort. For the wise direction of the energies of a people is not over for us, as indeed it will never be over for any government in the modern world. To have started the machinery running again is not sufficient. We must try to improve it so that it will be as foolproof as possible. We must try to check and tame by human foresight that economic cycle which not long ago was viewed as the automatic producer of inevitable waves of heartbreaking depression for all and mad prosperity for a few—destroying democracy both on the upswing and the down.

The fact that the Democratic Party believes that a democracy is not compelled to be fatalistic about the economic cycle any more than about yellow fever or the bubonic plague is proof of the party's youthful outlook and another reason why youth should rally to it.

One secret of vitality and of the effectiveness of the Democratic Party of today has been the fact remarked upon by friend and foe alike, that our's is a young man's and a young woman's party. It has done much to advance the cause of the younger men and women; it has welcomed them to positions of greater importance than any party has ever done in the past. And, in return, they have given the party their own courage and the optimism to accomplish the seemingly impossible. Just as it is young men and women who have overcome seemingly insuperable obstacles in the field of science and invention, it is young men and women who can overcome seemingly insuperable obstacles in the social adventure of government.

It was a party with deep roots in a fine tradition, with young courage, young energy, and young brains that moved mountains in the last 4 years. It will move forward and prove in the future, as it has in the past, that figurative mountains can be moved by a resourceful democracy.

In these days of struggle and slaughter in many parts of the world, the domestic program of our Government sweeps like a gale of cool, fresh wind through the heated and fetid corridors of world statesmanship. The picture of other nations gives us additional reason to support the policy of the Democratic Party of today to keep out of other nations' troubles while their respect for us grows as we attain our principal goals at home.

It has well been said that the wars of the past were old men's wars but young men's battles. We have lent our strength and encouragement to forthright and honest international cooperation. But we have kept out of foreign trouble and will continue to keep out of such troubles so that our energies may not be devoted to the futile tasks of killing and destruction, but to the constructive activity of building a better and more peaceful Nation.

It is our job to make good in this country the promise of tomorrow's world. But building a better nation is not blowing a dream castle from soap bubbles. It is the hardest work man does. To make progress in our generation will take all the devotion and energy of the thousands you delegates represent, coordinated and given direction through this organization, fitted to our hand if we have the will and the wit to use it. The rest of the sessions of this convention—the actual building of a program on which the future of the Young Democratic Clubs of America can be securely built—will be the test of our practical ability to cooperate to attain ends on which we all agree.

And it will be a test for the continuance of the clubs themselves, because no chain is stronger than its weakest link and the party cannot afford to rely seriously upon us unless we can prove ourselves strong and competent in combined effort. This organization of the Young Democratic Clubs is the machinery through which the party hopes to make its young blood most effective. Right ahead of us, in the struggle of ideas that is going on in the political world today as never before, the value of our party to the individual citizens of this country and of ourselves to our party is being put to proof. For the country, for the party, for ourselves, we cannot fail that test.

Billions Out and Billions Back

EXTENSION OF REMARKS

OF

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

ARTICLE BY HON. JESSE JONES

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the pen of Hon. Jesse Jones, Chairman of the Reconstruction Finance Corporation, entitled "Billions Out and Billions Back." The article was published in the Saturday Evening Post of the issue July 31, 1937.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of July 31, 1937]

BILLIONS OUT AND BILLIONS BACK

(By Jesse Jones)

As the inaugural parade was passing the offices of the Reconstruction Finance Corporation on March 4, 1933, we were receiving telegrams every few minutes telling us that all banks in one State after another were being closed by order of the Governor of the State. During the 30-day period ending March 3, 1933, 23 States

had declared bank holidays or restricted the withdrawal of deposits, and on March 4, governors of the remaining States took similar action, temporarily completing the suspension of our entire banking activities. With the exception of certain historic events in connection with war, there has been no more crucial period in our history than the few weeks preceding and immediately following the inauguration of President Roosevelt.

March 4 was on a Saturday, and at 1 a. m. Monday, March 6, President Roosevelt by proclamation declared the Nation-wide banking holiday. In the parlance of football, time out was necessary to determine the next move—to reconstruct the lines. Three days later Congress passed the Bank Conservation Act, giving the President emergency powers and authorizing the R. F. C. to buy preferred stock in banks. The Federal Reserve and the Treasury were given increased authority. On March 12 President Roosevelt addressed the American people over the radio, explaining the steps which had been taken to reopen and aid the banks.

A FINANCIAL SALVAGE JOB

No more comforting message was ever received by a nation of distressed and anxious people. The President stated, in effect, that the purpose was to reopen and support the sound banks, and to make others sound through reorganization, explaining particularly the steps taken to provide them with an ample supply of currency to meet all legitimate demands. Closing all banks through executive authority, even for a short period, was a drastic move, but this procedure was much better than for them to continue closing through the withdrawal of deposits on a first-come, first-served basis. Too much of that had already been allowed.

The decline in values, and especially market values, had placed bankers and supervising bank authorities in a predicament where it was difficult for them to determine what their responsibilities were, whether to close banks or to keep them open. The bank moratorium solved their problem, and to their great relief, since acceptance of deposits by insolvent banks is generally a criminal offense.

During this period there was little rest or sleep for the officials and personnel of banks, clearing houses, Federal Reserve banks, the Federal Reserve Board, State banking departments, the Comptroller's Office, the R. F. C. and the Treasury.

The method of determining which banks were sound enough to be allowed to reopen was left largely to the Federal Reserve banks, the Comptroller of the Currency, and State banking authorities, which, in turn, necessarily had to rely upon the latest information available to them from bank examiners. In so short a time and in such a feverish period mistakes were inevitable, and many banks were allowed to reopen that were not sound. After they had been reopened it was up to their directors and the R. F. C. to make them sound. The President's statement to the country gave the people confidence and bank failures ceased.

Repairing the banks proved to be a bigger job than it first appeared. Federal deposit insurance, insuring each deposit up to $2,500, was to become effective January 1, 1934, under the temporary fund of the Federal Deposit Insurance Corporation. The act provided that only solvent banks could be insured, and as we approached the deadline, January 1, 1934, administration officials became alarmed at the possibility of another bank debacle due to the great number of banks which would be unable to qualify for insurance. This made necessary an almost superhuman effort by the R. F. C. and F. D. I. C. with the cooperation of the Federal Reserve and the Treasury. Deposits in national banks and Federal Reserve member State banks were automatically insured, but the banks had to be licensed by the Secretary of the Treasury. Nonmember State banks had to be examined by the F. D. I. C., and the examination of 8,000 banks in a few months' time by a newly formed organization was a herculean task. The insured amount of each deposit was later increased to $5,000.

By the middle of December we had a fair estimate of the picture. We had pursued the policy of saving banks through the injection of R. F. C. capital where the sound assets of the bank, even though frozen, appeared to approximate the deposits and other debts of the bank. But even with this liberal formula, 939 banks could not be made to qualify for deposit insurance. These were carefully listed with the amount of new capital necessary in each bank. To enable the Federal Deposit Insurance Corporation to insure these, the R. F. C. agreed to see that the required capital was obtained. Time was needed to get as much local capital as possible, the R. F. C. furnishing the balance.

Based upon prevailing values, 4,000 of the 14,000 banks which were allowed to reopen after the banking holiday were found to be impaired. These 4,000 had deposits aggregating $8,000,000,000. It was a question of hurriedly estimating values at a time when one man's guess was as good as another's, but, with R. F. C. assistance, practically all of them came through all right. It is fortunate that they were allowed to reopen, since the country could hardly have stood more bank failures.

HYPODERMICS FOR INDUSTRY

I have stated before that due to recovery, to bank earnings, and to new private capital injected into these banks, there will be no ultimate net loss to the Government from our bank-repair work.

After banks and other financial institutions had been repaired, including the establishment of credit facilities for farmers and farm products, and the public-works program was well under way, the next perplexing problem was how best to aid crippled industry.

This we undertook by allowing industries to organize community mortgage companies through which to borrow. Later Congress authorized the R. F. C. and the Federal Reserve banks to lend directly to industry. At the same time we were given authority to make loans to the mining industry, not for the purpose of prospecting but to provide money for equipment, and so on, for mining ores already discovered. We were also authorized to lend to school districts to pay teachers' back salaries due prior to June 1, 1934, where the district was able to give satisfactory security. Applications for industrial loans have been most difficult to appraise. Almost all of those applying have had long periods of unprofitable operations. Many of them have not been able to keep their plants in repair or replace old equipment so as to compete effectively in their respective fields. We have authorized $176,853,000 in direct loans to industry to 2,286 borrowers; 119 of these borrowers have had two or more loans. After getting loans, 39 industrial borrowers have failed. Of the $176,853,000 authorized, $57,100,000 has been withdrawn or canceled, due in many cases to the applicants' being able to obtain the desired credit from banks.

We have authorized 117 mining loans, aggregating $10,643,500, $2,000,000 of which was to one applicant who later obtained the money elsewhere and withdrew his application. Of these loans, $2,189,500 has been disbursed and $637,694 has already been repaid.

The security requirements in the law authorizing loans to pay teachers' salaries due prior to June 1, 1934, were such that the only school district to qualify for a loan was the Chicago Board of Education. This school authority owns very valuable business property in the Loop district of Chicago.

When the State of Illinois was organized in 1818 the United States Government ceded to the State certain public lands on the condition that one section of such lands in each township should be held in trust for educational purposes. One of these sections turned out to be the heart of Chicago, but it required an act of the State legislature to enable the school authority to mortgage the property, and then it was allowed to borrow only from an agency of the United States Government.

None of our big cities got so far in arrears in their tax collections as Chicago, and, as a result, the 15,000 teachers in its public schools were almost a year behind in getting their salaries.

This naturally caused great distress and unrest. In addition, Chicago's finances were not in the best of shape. We lent the Chicago Board of Education $22,300,000, secured by valuable business property, appraised at $38,000,000, and sold the loan to Chicago banks within a few months at a very substantial profit. The loan enabled the payment of all back salaries due 15,000 teachers and greatly improved conditions generally in Chicago, including its finances and credit.

MONEY TO THE STATES

In July 1932 Congress authorized the R. F. C. to make advances to States for relief. Under this authority we advanced to States a total of $280,025,518 after it had been established in each case to the satisfaction of our board that relief within the State was necessary in the amount allotted. The law provided that the money be paid to the Governor of the State upon his receipt. No other evidence of such advances was required by law. The Federal Government had not yet reached the point of direct appropriations for relief, and this was the opening wedge.

The act provides that the corporation would be reimbursed for such advances by deductions from regular apportionments made from future Federal authorizations in aid of the States for the construction of highways and rural post roads, but, by an act of Congress, approved June 1934, the provision for reimbursement was canceled, leaving no provision for repaying the corporation; so, in effect, these advances became grants. We advanced cities and counties $19,959,481, the balance of the $300,000,000 authorized for relief in the 1932 act, taking their securities at 3 percent. Of this amount, $16,882,788 has been collected.

In making allotments under this authorization, our Board required that, as far as practicable, the States match dollars with Federal funds. This brought about some interesting tilts between applying Governors and members of our Board. Notable among these were several with fiery Governor Pinchot, of Pennsylvania, who repeatedly insisted that his State, the second richest in the Union, was not in a position to do what members of our Board felt it could and should do. We made large allocations to Pennsylvania—$34,929,875; the second largest to any State—but the State legislature matched our dollars by appropriating State funds for relief.

SELF-LIQUIDATING LOANS

Our largest allocations to a State for relief were to Illinois, $43,191,721, due in large measure to the aggravated unemployment situation in and about Chicago. In addition to the above, both the State of Illinois and Cook County, which embraces Chicago, voted substantial amounts in bonds and taxes for relief purposes, as did many other States and municipalities. Illinois and Pennsylvania got $78,121,596, or more than one-fourth of our entire $280,025,518 advanced to States for relief prior to June 1, 1933, when Harry Hopkins took over direct Federal relief.

In the July 1932 amendment to our act we were given authority to make loans to public bodies for self-liquidating projects. These will run about $375,000,000, and include $13,000,000 for construction of the railroad and highway bridge across the Mississippi at New Orleans; $2,800,000 for building the Niagara Frontier bridges near Buffalo; $2,285,000 for construction of the Rip Van Winkle Bridge across the Hudson; $5,050,000 for improvement of Jones Beach on Long Island; $3,200,000 for Saratoga Springs Spa in New York State; $72,000,000 for construction of the Oakland

Bay Bridge at San Francisco; and approximately $207,000,000 authorized to the metropolitan water district for carrying water from the Colorado River in Arizona to Los Angeles and 12 other cities in southern California, a distance of 240 miles. This is a very large and important project, exceeding the combined costs of Boulder Dam and the present authorized construction of the Grand Coulee Dam on the Columbia River in the State of Washington, and equals almost one-half the cost of the Panama Canal. It will be completed in 1939 and should insure southern California an ample water supply for all time. The metropolitan water district includes all of Los Angeles and 12 other smaller cities. The bonds will be general obligations of the district, payable from taxation on all the property in the district, without limitation of rate or amount. Practically all our self-liquidating loans are worth a premium, and less than 1 percent of the entire amount is delinquent. We have sold and collected $54,835,411.30 at a premium over cost of $1,559,725.67.

Because of the lack of mortgage money available on fair terms and in reasonable relation to values, we suggested to Congress in 1934 that we be authorized to invest in the capital stock of mortgage companies. We had in mind the establishment of a normal mortgage market by replacing some of the mortgage companies that had failed; by making mortgage money available on a basis that would be of real assistance in helping borrowers to save their properties; and by providing mortgage money for new construction.

Congress gave us this authority to the extent of $100,000,000, but we were unable to obtain private cooperation in establishing such companies. For that reason we organized the R. F. C. Mortgage Co., the entire capital stock of which is owned by the R. F. C. The purpose of this company is not to compete with banks and insurance companies in lending upon real estate but to make loans in aid of reorganizations and to help worthy borrowers meet their maturing obligations when they cannot otherwise obtain funds on fair terms. Also we make loans to enable the liquidation in an orderly manner of debts due closed banks and other institutions which in turn owe the R. F. C., and to aid in the construction of new buildings for which there is an economic need. Frequently after a loan is approved by the R. F. C. Mortgage Co. the borrower is able to get his money on satisfactory terms from private sources, which is exactly what we hope to accomplish.

THE MORTGAGE VENTURE

Because of reluctance by banks, insurance companies, and other investors to buy mortgages insured by the Federal Housing Administration, notwithstanding that they are guaranteed by the Government, and to encourage new home building, we buy and sell Federal Housing Administration insured mortgages on new homes. We do this through the Reconstruction Finance Corporation Mortgage Co., which has bought and contracted to buy $36,500,000 of these loans. To date, approximately $6,000,000 have been sold. The comptroller of the State of New York, Morris Tremaine, who has an enviable record in handling the finances of the State of New York for 10 years, recently agreed to buy all Federal Housing Administration insured mortgages that we held against new homes in New York State. He is buying these mortgages for investment of some of the trust-fund accounts of the State of New York, at a premium over par and accrued interest. Our regular mortgage-company loans are made on urban income-producing property, and $3,500,000 of these has been sold to insurance companies and other institutions at a premium.

The Corporation, under special authorization from Congress, from time to time has made loans for flood, earthquake, or other catastrophe damages during the years 1933 to 1936, inclusive. After the recent floods that caused damaging overflows in the Ohio and other river valleys, Congress created the Disaster Loan Corporation, with no requirement as to security, and empowered it to make loans to those suffering disaster losses during 1937. The Reconstruction Finance Corporation was directed to furnish the Disaster Loan Corporation with capital up to $20,000,000 and appoint officers and agents to manage the corporation.

The Disaster Loan Corporation began functioning immediately, establishing agencies in practically all the cities and towns that had experienced serious losses in the recent flood. To carry out the spirit of the act, each community was asked to set up a voluntary loan committee of its own citizens to pass upon applications and recommend loans. Neighbors should be the best judges of who is entitled to this character of relief loan. At this writing, approximately 5,500 loans aggregating more than $5,200,000 have been authorized.

BALANCE SHEET

The smallest of these loans has been $27.50 to a blacksmith in Tennessee to repair his forge and replace damaged stock and equipment. Several loans ranging from $35 to $50 have been made for the purpose of repairing floors and ceilings in dwellings and replacing furniture destroyed by the flood. These borrowers were told they could get such small amounts from the American Red Cross, but they preferred to handle it on a loan basis and pay the money back; for this they deserve great credit.

The Reconstruction Finance Corporation Mortgage Co. has agreed to lend to home owners up to 80 percent, and on rental property up to 70 percent, of the cost of new homes built on high land to replace those destroyed by the recent floods, the mortgages to be amortized over a period of 20 years at 4-percent interest. The Federal Housing Administration will insure the loans. The Works Progress Administration has agreed to assist the cities and towns in street, sewer, drainage, and clean-up work.

Including $2,795,788,515 allocated to other governmental agencies and for relief by direction of Congress, our total authorizations to May 1, 1937, were $11,566,097,810.39, of which $9,172,403,590.61 had been disbursed.

The allocations by direction of Congress, in which R. F. C. directors had no option, include $1,780,025,518 for direct relief; $124,741,000 for the capital stock of the home-loan banks; $200,000,000 for capital stock of the Home Owners' Loan Corporation; $145,000,000 to the Farm Loan Commissioner for crop loans; $55,000,000 for the capital of the Federal Farm Mortgage Corporation; $115,000,000 to the Secretary of Agriculture for crop loans; $44,500,000 for capital of the regional agricultural credit corporations; $40,500,000 to the Governor of Farm Credit Administration for a revolving fund to capitalize the Production Credit Corporations; $97,000,000 for capital stock of the Commodity Credit Corporation; $100,000,000 to the Farm Loan Commissioner for loans to joint-stock land banks; $50,000,000 to the Federal Housing Administrator; $16,376,000 for operating expenses of the regional agricultural credit corporations; and $5,000,000 capital stock of Disaster Loan Corporation.

Aside from these allocations by Congress, the R. F. C., as of May 1, 1937, had authorized 35,018 loans and investments, aggregating $8,750,334,813.50. Of these loans and investment authorizations, 29,235, aggregating $6,461,118,373.34, had been disbursed, and $4,591,619,933.06, or about 71 percent, had been repaid. The foregoing includes $264,087,280.49 to 379 borrowers who were placed in receivership or liquidation after the loans and investments were made. Of these loans and investments, 17,541 have been entirely repaid.

GOLD AND SILVER DEALS

The Commodity Credit Corporation, which we count as one borrower, had made 1,881,357 separate loans to farmers up to May 1, 1937. Likewise, the RFC Mortgage Co., which we count as one borrower, had authorized 11,919 loans, aggregating $143,322,632.72. Of these loans, 6,994, aggregating $53,288,487.95, had been disbursed.

In 1933 we lent $2,803,000 to American exporters upon the security of the notes of the Amtorg Trading Corporation, a New York corporation, the capital stock of which is owned by the Union of Soviet Socialist Republics. The Amtorg notes were endorsed by the State bank of the Union of Soviet Socialist Republics and the proceeds used to finance the purchase of cotton in this country. These loans have been entirely repaid.

In 1933 we authorized a loan of $50,000,000 to the National Government of the Republic of China for the purchase of cotton, wheat, and flour in this country for consumption in China. The loan was secured by the pledge of certain import and local taxes in China. Every installment of both principal and interest has been promptly met.

The Export-Import Bank of Washington was created in February 1934, pursuant to an Executive order of the President. The R. F. C. owns $20,000,000 and has authorized the purchase of an additional $25,000,000 of its preferred stock. The bank's $1,000,000 common stock is held by the Secretaries of State and of Commerce. It was paid from funds provided by the N. I. R. A.

The R. F. C. also subscribed $2,500,000 for the preferred stock of the Second Export-Import Bank, of Washington, D. C., which was created pursuant to Executive order in March 1934, principally to extend certain credits to Cuba. The loans and commitments of this bank were subsequently transferred to the Export-Import Bank of Washington, the preferred stock owned by R. F. C. was retired and the $250,000 common capital furnished from funds made available by the N. I. R. A. returned to the Treasury.

The Export-Import Bank was originally formed to facilitate trade with the Soviet Union, but its operations have since been extended for the benefit of trade with all other countries. The bank has operated principally:

By extending credits of 90 days, or longer when necessary, in connection with the export of agricultural products, especially cotton and tobacco, where such facilities were not available through private financial institutions;

By extending credit directly to American firms for the export of industrial products, particularly heavy machinery and railroad equipment, generally on terms approaching those available to foreign competitors and running usually from 1 to 5 years, the bank in some cases agreeing to assume part of the risk without recourse to manufacturer or exporter; and

By making loans to American exporters whose working capital has been reduced because of the failure of foreign governments to provide their own nationals with sufficient exchange to permit them to meet their dollar obligations, the advances being made against the guaranty of the foreign government or a responsible foreign bank, or both, with recourse for the full amount against the American exporter.

The authorizations of the export-import banks, including the purchase of silver for Cuba, total $120,534,528, of which $40,799,462 has been disbursed. Of the amount disbursed, $21,463,242 has been repaid.

At the request of the Cuban Government, the export-import bank has, from time to time since March 1934 bought silver in this country for the account of the Cuban Government and had the same minted into pesos.

The latter part of 1933 and prior to the reduction of the gold content of the dollar, the R. F. C. sold its non-interest-bearing notes, accepting payments in gold at varying prices ranging from

$31.82 per ounce to $34.06 per ounce. It acquired, in this manner, 4,114,020 ounces of gold at a cost of $134,400,950, of which 83,756 ounces were sold abroad at a profit of $174,824. The balance was sold to the United States Treasury at its net cost to the corporation, or $9,068,083 less than its value at $35 an ounce.

Our loan commitments include $16,000,000 to the Rural Electrification Administration, an agency established by Congress to make loans to facilitate and encourage the introduction of electric service into rural districts, and $5,000,000 to the Electric Home and Farm Authority, a Government agency, the purpose of which is to aid in the distribution and sale of time- and labor-saving electrical equipment in homes and on farms at low cost. As the Authority has been able to obtain funds on satisfactory terms in the ordinary banking channels, it has not yet been necessary for the R. F. C. to disburse any part of this commitment, and only $1,000,000 has been disbursed to the Rural Electrification Administration.

Politics or partisanship has played no improper part in the administration of the Corporation and, generally speaking, the directors, about evenly divided politically, have composed their views very well about matters before them for consideration. However, the policy of the Corporation since its organization has been to cooperate with the administration charged with the responsibility of dealing with conditions that caused the Corporation to be created.

When I became chairman, we amended our bylaws, giving any two directors authority to make loans, regardless of their politics. The executive committee of the board has power to transact business between meetings, although all its actions and all loans are ratified by board action. The membership of the executive committee is interchangeable and often is composed of all Democrats or all Republicans.

THE MEN BEHIND THE LOANS

Notwithstanding this amity of spirit and cooperation, there have, naturally, been instances of rather wide difference of opinion in the board. This was particularly true the first year, and could easily have been due to the fact that we were all more or less on edge, and that none of us had realized the extent to which the Government would be forced to go in aid of its citizens. Our records would disclose very few dissenting votes in the board since reorganized under the Roosevelt administration. We operate upon the principle that if any director can give a valid reason why a loan should not be made—that is, a loan the Corporation is authorized to make—it is not made. Once in a great while, a director may cast a dissenting vote, or be recorded as not voting, but usually we act unanimously.

The directors of the R. F. C. have endeavored at all times to be helpful in meeting such emergencies as have arisen that they properly could meet under authority granted by Congress but have been mindful that they are authorized to make loans "fully and adequately" secured. When, in 1934, Congress authorized the Corporation to make loans directly to industry, it provided that such loans be "adequately" secured, omitting the "fully." This provision was later changed to read that such loans be so secured as "reasonably to assure repayment." Realizing the plight of many industries, Congress endeavored to use a little more liberal language in prescribing security, but the line of demarcation between adequate security and security that will reasonably assure repayment is so dim as to be almost indistinguishable.

A GENEROUS CREDITOR

We are often importuned by applicants and their sponsors to make loans which, in the opinion of our Board, the applicant has no reasonable hope of being able to repay, or loans of a character we feel that the Government should not make. Most of such applicants are honest in their belief that they are entitled to a loan, and it is not always easy for them to understand that the use to which the loan is to be applied does not comply with what our directors feel to be the purpose of Congress in creating the Corporation, or that the security offered is not, in our opinion, sufficient.

Although many bankers object seriously to R. F. C. lending, a few of these and some others have been diligent in trying to unload some of their slow or frozen loans on the R. F. C. by crowding or threatening the borrowers.

We try to be a generous creditor and have taken a long-range view of values, in the knowledge that the Government does not need to liquidate its loans hurriedly, and in the conviction that the American people will pay their debts if given an opportunity. Naturally, in so large an operation, we shall suffer some losses, but it is our expectation that there will be no ultimate net loss. Upon the average, our interest rates receivable are approximately 1 percent per annum more than the cost of the money to the Corporation, and yet we pay the Treasury more interest than it pays for 3- to 10-year money. From our interest received we have paid the Treasury $191,246,887 interest, have paid all of our operating expenses, and accumulated an operating surplus, to May 1, 1937, of $161,137,993.83, which will be more than enough to cover all losses on loans and investments in which our directors had discretion.

Of this surplus, $127,912,663.08 has already been collected. Therefore the loans and investments made on the responsibility of our directors, except for the unforeseen, will not result in any loss to the taxpayer. In our regular operations, excluding allocations to other governmental agencies and for relief, our payments to the Treasury in 1936 exceeded money borrowed by $617,000,000.

To carry on the Corporation's varied activities has required constant vigilance and cooperation, not only of its directors but of the thousands of capable and loyal men and women serving it. The advisory loan committees throughout the country who serve without pay have been most helpful, and I feel perfectly sure that, with rare exceptions, everyone who has served the Corporation, whether in the capacity of a director, a member of its advisory committees, or of its legal and executive force, has done so with fidelity.

The broad scope of the R. F. C. has given those who have had the privilege of serving it unusual opportunities to develop and prepare themselves to fill important places in private business or in Government agencies. It has been something of a training school in many fields—law, engineering, accounting, examining, finance, bank management, etc.

The R. F. C. was created by act of Congress on January 22, 1932, and given succession for a period of 10 years, but authority to lend for only 1 year from January 22, 1932. The President, however, was given authority to extend its power to make loans for another year. Accordingly, on December 8, 1932, President Hoover by proclamation extended the lending power of the corporation to January 22, 1934. On January 20, 1934, Congress authorized the corporation to continue its functions to February 1, 1935. On January 31, 1935, the corporation's functions were continued by Congress for 2 years to February 1, 1937. On January 26, 1937, its functions were again continued by Congress to June 30, 1939. Since the enactment of the R. F. C. Act, there have been 47 laws, 2 proclamations, and 1 Executive order which have increased, limited, or reduced its powers and functions or otherwise affected the R. F. C.

Such assistance as the R. F. C. has rendered in aid of recovery is due to the unfailing confidence and support given it by the President and the Congress, and to the untiring efforts of the three thousand-odd men and women throughout the country who have composed its personnel. It has been my privilege, as chairman of the Board since 1933 to furnish leadership to the Corporation, and no man ever had more loyal support from directors of equal authority and from an organization; and notwithstanding any personal sacrifice of whatever nature, I am glad to have been invited by two Presidents to serve my country in a period that has tried the very souls of men.

World Peace

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, AUGUST 18, 1937

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the able Senator from Pennsylvania [Mr. DAVIS] before the State convention of the American Legion of Pennsylvania at York, Pa., August 18, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

YORK

The American people have made good because we have kept free from the domination of extremists and crackpots. The man with but one idea in his head on a single-track mind, even though he may have the very best of intentions, is a public menace. The best way to reform America is to give it a chance to grow. The sure way to impede progress is to attempt to impose one single narrow formula of action on all of our people. American liberty consists now as in the past in the right to be ourselves, to think for ourselves, to do our own planning, and determine our own destiny. The American Legion is typical of this free spirit which has made America a great Nation, for here in your organization are gathered together men of all degrees and circumstances of life. Your success has come because you have allowed them individual expression in the true American way.

The extremes of social philosophy today are represented in communism and fascism. The Communist proposes that the proletariat shall dominate society on the basis of class warfare. The Fascist proposes that a few plutocrats shall use the government for their own exclusive purposes. The chief difference between these two groups is the personnel of those who seek to gain an unfair advantage at the expense of society as a whole. But in my judgment, America should never fall into the hands of any small minority of any sect, class, race, or clique. Long ago George Washington warned the Nation against the dangers of factionalism. This country belongs to all the people and must be kept safe for all of them. Communism and fascism are alike in that they would both use methods of intolerance to destroy freedom of speech, freedom of press, freedom of organization, and freedom

of worship. This is not speculation on my part for we know that wherever these radical groups have gained control in the world they have overthrown republican principles of government and the rights of the majority have been sacrificed to the caprice of the privileged few. I am no more in favor of giving unearned privileges to one group of people than to another. The best way for America to go is to keep to the middle of the road. If our Nation is to hold this position which has given her such great prosperity and glory in the past, each of us as individuals must be firm in our maintenance of these principles. This is no day to give special privilege to the extremist, whether he come from one class or another. We need men of judicial temperament to lead our labor, industrial, and Government organizations, men who have proven their worth through the fires of practical experience, men who will not tamper with the constitutional rights of the American people, no matter whether they be in labor unions, industrial corporations, or in the halls of government.

Radicalism in America is the road to war. A study of the personnel of radical leadership will quickly show any fair-minded person that this leadership has alien connections and in many cases confesses an alien allegiance. Today Europe is torn in the death-throes of conflicting radical opinions. The fires of hate ablaze in Spain represent the war between Communists and Fascists. If we allow America to be linked with either of these, we shall become embroiled in war, for today Europe trembles on the brink of war. We in America, who love peace, must be prepared to uphold the cause of liberty which gives us peace. The horrors of war and the last scars of battle are still fresh in the minds of Legionnaires. I need not tell you about the carnage of battle, for you know this plague as well as I. But a new generation has grown up in this country since the World War, a generation which needs to be instructed that pacifist and antiwar strikes are not a sufficient guarantee of peace. Today we can truly be grateful that we are not like China, a nation loving peace but involved continually in war, because she has no sure defense. Today we realize as never before the awful cruelty of shedding human blood. We must do all in our power to keep free from the scourge of war. From the bottom of my heart I say that America wants peace.

We have known for some time the preparations which Europe is making for war. We have seen news reels and newspaper pictures showing the bombing planes, the gas masks prepared for civilian populations, and the great fortifications which have been constructed. Only last fall I was over in England and there, as throughout all Europe, the factories are humming night and day turning out war materials. Those countries are buying up the scrap iron of America to turn it into armaments. The junk dealers of America are doing business on a big scale. Old automobiles, which are ordinarily unwanted for any purpose, are being sought out eagerly and sent abroad where they are melted down and turned into ammunition for the next war, which comes each day closer. While our eyes were turned to Spain and Europe, war has broken out fiercely in Shanghai and our own nationals are compelled to flee for their lives. Already American blood has been spilled on the streets of Shanghai. England has voted a military program of $7,000,000,000 for the next few years, and is gearing herself for a mighty conflict. Russia, Germany, and Italy, likewise, are girding for war. Who shall say that a general war does not seem probable?

In the face of this situation how many of us would now desire to have the United States linked with this tragic situation as a member of the League of Nations? Among the last words spoken by Premier Baldwin just before his retirement from the English cabinet was his declaration that the League was too weak to safeguard the peace. For a long time many of us who have followed the activities of the League have realized that it has been corroded from within by the selfishness of its members. It has paraded peace while it kindled the flames of war in the heart. The many overtures which have been made to the United States in various forms have been refused because we have taken the advice of George Washington seriously to keep free from entangling foreign alliances. I can remember when my position regarding the League of Nations was extremely unpopular. But what sound-minded patriotic American is publicly calling for our membership in that League today? But had we followed the advice of the friends of the League we would today be embroiled in the rivalry of international jealousy and subject to a foreign call to arms. How many mothers in America would now vote to send their sons to fight on foreign soil? How many fathers would cheer their boys bound on battleships for either Spain or China? I hope no one professing to be an officer of the United States, either here or in the Orient, will assume to make any arrangements with any foreign country that pledges our forces to come to the aid of any land abroad for the preservation of its possessions somewhere else in the world.

Only 10 years ago the Kellogg Peace Pact was the talk of the world. Many declared that war had been outlawed forever. This pact prescribed the dream that we should have peace by simply notifying all nations to join with us in our wish for peace. I see that our honorable Secretary of State has lately addressed communications to the different nations of the world asking their cooperation in a similar enterprise. I wish peace with all my heart but as a lover of peace I deplore any attempt which may be made to link this country with nations now preparing to cut each others' throats. We shall not bring peace by going with those who make war.

I am informed there are at the present time in Chinese waters 39 American vessels of war, whose total cost or total value to the United States is probably in excess of the approximately $200,000,000 of investments we have in China. When it comes to a question of involvement of the United States in war it seems to me the withdrawal of the American Navy should proceed as rapidly as possible, providing transportation home for the 3,000 American citizens now in that sector. Either we must now prepare to fight to defend our citizens and our property in the uttermost parts of the world by force, which will inevitably involve us in a succession of foreign wars, or we should make our Nation responsible for the safety of American men and dollars solely within our own territorial limits. If we begin a war in a foreign land for the maintenance of American rights, we would be called upon to fight it through to the finish. Such a war would involve us in a general world war. I am not for such a war. As for myself, I should much prefer that the United States shall keep herself free from foreign wars or the continual threat of foreign wars. We stand to lose some trade that way, but the loss to our Nation under such a plan would be fractionally insignificant as compared to the appalling waste of men and money which war entails.

While other nations prepare to go to war we may well be thankful that the United States continues her long friendship with our neighbor to the north. The citizens of this country take as much genuine delight in the quintuplets who recently celebrated their third birthday as though they had come to bless some good family in York, Pa. Our good will for our neighbor to the north and our neighbors to the south increases. This session of Congress I introduced a bill in the Senate calling for the joining together of all the nations of the Western Hemisphere in celebration of the four hundred and fiftieth anniversary of the discovery of America by Columbus in the year 1942. This should be an occasion for the development of the true spirit of peace and good will.

I wish to say firmly that I am not one of those who believe the cause of peace hopeless. Not at all. I believe, however, that the best hope for peace in the world is the United States of America. And I would say that the next time the nations of the world prepare to set up a city of peace, a center of international good will, they do not overlook some quiet, peace-loving American city, among quiet, peace-loving Americans.

Two fundamentally opposite ideals of government are set against each other in the world today. The one in which we as Americans believe is that the state and its officials should be the servants of the people, expressing their needs and doing their will. The other idea, represented in the dictatorships of Europe, is that the people shall be the servants of the state and the officials who control it. As patriotic Americans, we must maintain our own system of government in peace and the liberties purchased by our fathers and by the noble men of the American Legion at such awful cost. We want no dictators in America.

Of one thing we may be sure: If we lose our respect for the fundamental law of the land and the fundamental institutions of our Government, we shall have no respect for the ordinary regular decencies which men must observe if life is to be at all tolerable. Disrespect for the fundamental law of our land breeds contempt for the ordinary principles which men follow in order to prevent utter chaos and confusion. Let us think a long time before we trample under foot the charter of our liberties. Let us beware lest we forget the sacrifices made at Germantown, Gettysburg, and Chateau Thierry for the maintenance of our common rights. Let us hold fast to the spirit of the founding fathers who gave us the great document, the one hundred and fiftieth anniversary of which we celebrate this year, the guaranty of liberty under law, the Constitution of the United States.

The Cotton Industry

EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

RADIO ADDRESS BY HON. TOM CONNALLY, OF TEXAS, ON AUGUST 19, 1937

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the cotton industry delivered by the Senator from Texas [Mr. CONNALLY] over the Columbia Broadcasting System, August 19, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I thank the Columbia Broadcasting System for the privilege of speaking over its facilities with respect to the important matter of the cotton industry. This great export crop is now being

marketed. A rather critical situation as to the price of the principal crop of the South now exists.

Cotton is one of the chief exports of the United States. American cotton has for three-quarters of a century been of great importance to the export trade of the United States. It is not important to the South alone. It is important to the business and industry of the whole Nation. When the South receives a fair price for cotton it is spent for the products of factories and industries in all parts of the United States. It is, therefore, of the highest importance that the producers of cotton receive a fair and just price for the great southern crop.

The price of cotton being fixed in a world-free market, where cotton from other sections of the world competes, cannot be aided effectively by a protective tariff. The cotton farmer, however, pays the protective-tariff duty on articles which he consumes—on what he wears, shoes and clothes—on the implements with which he farms, and on practically the whole range of the things which he and his family consume.

Since the cotton farmer can receive no benefit from the tariff and is at the same time burdened with a tariff on articles which he must buy, it is only just and fair that he receive some compensation or benefit payment or bounty to partially, at least, offset tariff burdens which have been placed upon him by law of the Federal Government.

Having in mind the justice of such a remedy, Congressman MARVIN JONES, chairman of the Committee on Agriculture in the House, and the Junior Senator from Texas, Mr. CONNALLY, who is now speaking to you, in the Senate, sponsored an amendment to the Agricultural Adjustment Act, which was finally adopted and became section 32 of that act. The amendment provided that 30 percent of all revenues from tariff duties should be set aside by the Secretary of the Treasury each year in a special fund and that such funds should be available to the Secretary of Agriculture to pay farm benefits in the form of price adjustments on agricultural commodities. The primary motive behind the amendment was to aid cotton. For the year 1936, 30 percent of customs duties amounted to $125,000,000, a portion of which was allocated for benefit payments to other agricultural crops. There is now in this fund approximately $105,000,000.

In 1935, through the operation of the 12-cent loan on cotton a vast amount of cotton had been accumulated under the Government loan. A vast surplus was piling up. The market for American cotton was being taken from it by foreign producers of cotton. A demand for continuance and extension of the 12-cent loan was instantly made.

A group of southern Senators, including the late Senator Joseph T. Robinson, Senator Ellison D. Smith, of South Carolina, Senator Pat Harrison, of Mississippi, Senator Black, of Alabama, Senator James F. Byrnes, of South Carolina, and the junior Senator from Texas, Mr. Connally, who is now speaking to you, proposed to President Roosevelt on August 26, 1935, a plan which was by the President adopted and put into execution. It became known as the 1935 plan. It provided that the Commodity Credit Corporation should make a 10-cent per pound loan on basis Middling ⅞-inch cotton to those who desired such a loan. On the other hand it provided that in case the producer desired to sell his cotton, the Department of Agriculture would pay to the seller the difference between the actual sales price on the day of sale and 12 cents per pound for basis Middling ⅞-inch staple. This plan worked admirably. It resulted in placing millions of bales of cotton into the market. The farmer got 12 cents for his cotton. The price rose and in some cases went above 12 cents. In such cases the Government, of course, had no loss. It had no outlay.

Recently, because of the high estimate of the Department of Agriculture that America would produce 15,000,000 bales of cotton in 1937, the price of cotton quickly declined below a fair and just level.

Under section 32 of existing law, the President has power to use the special fund for making price adjustment on cotton. With this in mind, on August 11, 1937, I introduced a resolution in the Senate providing that the Secretary of Agriculture should pay to each producer of cotton for 1937 a benefit payment or bounty of 2½ cents per pound. This resolution was favorably reported to the Senate by the Committee on Agriculture with an amendment, however, providing for the adoption at this time of the 1935 plan, to wit, a 10-cent loan to the farmer on his cotton or, in the case of a sale of such cotton, the payment to the farmer of the difference between the sales price and 12 cents per pound; conditioned, however, upon compliance by the farmer with the 1938 Agricultural Act, which it is expected Congress will pass early in January of 1938.

The resolution has not yet passed the Senate because President Roosevelt and Secretary of Agriculture Wallace have expressed their agreement with the plan in principle and are now working out a method to put it in effect. All of the details have not been worked out. There is some question as to whether the loan will be in the amount of 10 cents or in the amount of 9 cents. In any event, within the next few days, President Roosevelt will adopt and proclaim by Executive order a plan to help the price of cotton substantially as it was done in 1935. Such action will be of great service to the cotton farmer. It will be of service to the entire business and commerce of the United States. It is a matter of simple justice that the cotton producer who bears the burdens of the protective tariff should have some benefit payment to him as an off-set to the tribute which the tariff law exacts of him.

President Roosevelt has demonstrated that he is a friend of the farmer. His action now in adopting the plan suggested by southern Senators in 1935 and reembodied in the joint resolution which I had the honor to introduce in the Senate again justifies the understanding of President Roosevelt of the agricultural problem and his willingness to render agriculture a real service.

Dedication of the Battle Monuments in France

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

DEDICATORY ADDRESS BY HON. ERNEST W. GIBSON, OF VERMONT, AT VIERSTRAAT, BELGIUM

Mr. AUSTIN. Mr. President, under the permission granted on August 18, on request of the Senator from Kentucky [Mr. BARKLEY], that the members of the committee appointed to attend the dedication of the battle monuments in France might have printed in the RECORD addresses delivered by them, I present and ask to have printed in the RECORD an address delivered by my colleague [Mr. GIBSON] at Vierstraat, Belgium, on August 8, 1937.

The address was ordered to be printed in the RECORD, as follows:

We are told in a glowing word picture, and we know that one of the first sights to greet the traveler who comes to the New World by way of New York is the Statue of Liberty, holding aloft the torch to enlighten the whole world. This gift of the French people is an inspiring symbol of the mission of America on the stage of human events.

On the shores of Massachusetts and near where the Pilgrims landed in their quest for liberty, is another statue—that of a figure in human form with arm upraised in salute to God. That is the Statue of Faith. Faith in liberty has been our guide during the life of the Nation. It is our guide today in a troubled and distracted world. It should be the guide to point the course of all nations.

The thought was expressed in another way by the fitting words of the commander of the American Expeditionary Forces, addressed to the officers of the First Division: "We come from a young and aggressive nation that for 150 years has stood before the world as the champion of the sacred principles of human liberty. We now return to Europe, the home of our ancestors, to help to defend those same principles on European soil."

So we came from overseas, the flower of American manhood and the genius of military and business ability, and made our sacrifices that liberty might live and move the hearts of men and nations.

We return today to dedicate memorials in honor of those who made these sacrifices. We have erected monuments and created cemeteries as shrines in memory of those who served during the World War. They are being dedicated in grateful remembrance and to the achievements and sacrifices of Americans on foreign soil. We are keeping faith with our dead with whom we, the living, have a rendezvous here on these battlefields. America always keeps faith.

We did not seek pay for our sacrifices. We asked no reward. We fought for principles. Our service was unselfish. We demanded no indemnity. We asked for no territory. We actually refused it, let all the world remember. Peoples and nations will recall our example long after this generation has passed.

We did not secure our liberty single-handed and unaided. Love of freedom is common to all people. The people of many countries of Europe came to our aid. France came as a nation; loaned us money and secured credits; sent to our aid her ablest military and naval commanders, and sent her army and navy. Great statesmen of England proclaimed the justice of our cause. Other nations joined. The movement for freedom became world-wide and knew not the boundaries of states.

In the supreme conflict of civilization, while America was making ready, the Allied armies stood in the way of the advancing enemy. America came, and the Stars and Stripes, the tricolor of France, and the emblems of other nations joined in the common cause of liberty along far-flung battle fronts. We stand here today on the hallowed soil of Belgium under the shadow of Mount Kemmel.

Some day we will come to appraise truly the help of the Belgian people in the defense of civilization. So we are here to dedicate

this memorial, and at the same time to acknowledge our debt to all peoples who helped us to gain our liberty, the greatest goal ever attained by human progress.

Near here is the battlefield of Ypres, scene of one of the fiercest struggles of the World War; hundreds of thousands gave up their lives for the faith that was in them. They threw the torch to us to carry forward. At the same time they cry out for "Peace, peace." They ask the nations of Europe, the nations of Asia, and all the nations of the world to compose their differences through the medium of agreements and not to submit again to the futility and devastating folly of war. The peoples of the nations of the world want no more war. Their statesmen will do well to heed their wishes and turn definitely away from the sordid materialistic influences that breed war.

So we solemnly dedicate this monument where the Twenty-seventh and Thirtieth American Divisions so well served the cause of liberty, and exhibited so perfectly the American spirit. We dedicate it to the spirit of the armies of the Allies, we dedicate it to the spirit of liberty. We dedicate it in fond memory of the thousands who sleep here.

From Vierstraat let the plea of America go forth to all the world for peace now and forevermore.

Caucus—Newspaper Statement That Was Not Made

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. MAVERICK. Mr. Speaker, the following statement, attributed to me, appears in the Washington Post of this morning, Friday, August 20, concerning the Democratic caucus of the night before:

I'm sick and disgusted with the whole situation. This party is pledged to this great reform. I'm not going back to my section and brag about the Democratic Party. I'm sick and tired of the whole Democratic Party.

I did not make the above statement.

Dedication of Chapel in Flanders Field, Belgium

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

ADDRESS OF HON. F. RYAN DUFFY, OF WISCONSIN, AT DEDICATION OF CHAPEL IN FLANDERS FIELD, AMERICAN CEMETERY, NEAR WAEREGHEM, BELGIUM

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered August 8, 1937, by the junior Senator from Wisconsin [Mr. DUFFY] at the dedication of the chapel in Flanders Field American Cemetery, Belgium.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

When the average citizen of the United States recalls to mind the bitter, tragic sacrifices and sufferings of American soldiers during the World War there bursts into memory the words "In Flanders' fields."

It matters not that only a few of our soldiers fell here as compared with the terrific losses of the Meuse-Argonne, the St. Mihiel, and other battle fronts. In the hearts and the minds of our people Flanders field and its blood-red poppies are symbolical of the supreme sacrifices made by American soldiers in the World War.

Here on the soil of their own country brave soldiers of Belgium fought side by side and shoulder to shoulder with their brave comrades from France, Great Britain, and the United States of America. Each soldier played his heroic part in that gigantic struggle.

By comparison with most of her neighbors, Belgium is a small country, but her desperate, heroic fight against a powerful invader excited the greatest admiration in the United States. While the cause of each of the Allied countries during the World War was regarded with very sympathetic and hopeful interest by our people, yet the plight of Belgium was perhaps the closest to our hearts. And every appeal, whether it was to help feed hungry children or to assist in the restoration of her great library, has always been met with a most generous response.

At the time that our country was drawn into the war we had only a very small Army. It has since been regarded almost as a miracle that within a year and a half we could have transported to France and Belgium more than 2,000,000 men—equipped and trained fighting men—and in addition had as many more in training back home. This tremendous program could not have been accomplished without the whole-hearted and enthusiastic support of the American people. Of course, our people despise and abhor war to the very depths of our souls. I sincerely doubt if American armies will ever again fight across the seas—but, nevertheless, in 1917 and 1918 our people were convinced that the very continuance of democratic theories of government were seriously threatened and that our kind of civilization was in jeopardy. Their hope in entering the conflict was that they might assist in bringing about enduring peace.

But in retrospect comes once again the realization of the futility of war. It has very rarely solved permanently any great question. If the boys who are buried out here could sit up in their graves and speak to us today, it would be to give voice to the agonizing question—"Cannot some other means be found to settle international disputes?"

To paraphrase the statement of President Roosevelt given just a week ago—neither Belgium nor the United States sought or seeks conquest; neither had nor has imperial designs; both desire to live in peace with all nations. With the leadership of our two Nations inspired by such ideals—surely a world-wide public consciousness can be aroused which will in a large measure in the future banish wars as a means of solution of international problems.

And so today we meet on Flanders Field to do honor to the gallant soldiers who fought and died in this area. This part of the front became known throughout the world as a result of the flaming challenge of Col. John McCrae in his famous poem—"In Flanders' Fields." There have been several responses which have been composed—as Mrs. Michael puts it:

"Oh, you who sleep in Flanders' fields
Sleep sweet—to rise anew!
We caught the torch you threw
And holding high, we keep the faith
With all who died."

So I am sure that it is the heart impulse of all good people to lend their earnest efforts that we may not break faith with those who died.

"Fear not that ye have died for naught,
We'll teach the lesson that ye wrought
In Flanders' fields."

And now it is my high honor as a representative of the American Government and the American people to dedicate this chapel. The inscription is exceedingly appropriate. It reads, "This chapel has been erected by the United States of America in memory of her soldiers who fought and died in Belgium during the World War. These graves are the permanent and visible symbol of the heroic devotion with which they gave their lives to the common cause of humanity."

In my representative capacity I do now dedicate this chapel to the glory of God and in grateful remembrance of our honored dead who gave their lives in the service of their country. May the blessing of the eternal God rests upon this chapel to the end that it may be a place of rest and comfort to those who mourn. And may those who lie here buried, in the mercy of God rest in peace.

Antilynching Bill

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. KITCHENS. Mr. Speaker, the title of this bill says, "To assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching." The title might further have added the crimes of theft, robbery, mayhem, murder, or other criminal offenses.

The Constitution and its amendments guarantee to every citizen equal protection of the laws. This means—and the Supreme Court has often decided—that no State may pass a law that discriminates as to any citizen. It is not contended that any law of any State discriminates against any

citizen. If so, such a law is unconstitutional, and the courts will not uphold it.

If a citizen be robbed and the culprit, for some reason, be not punished, if this proposed law be constitutional, then the Congress may legislate on the subject so as to give equal protection. This will have the effect of abolishing State courts so far as crime is concerned. If, for any reason, the robbed person be not compensated for the goods stolen or they not be restored to him, he has not received equal protection of the law. The Congress, therefore, could legislate and take away from our State courts jurisdiction of civil matters on a pretext of giving equal protection. Can it be, as claimed, that Congress can guarantee by legislation that every man in every way in a State shall have the equal protection of the law? If such contention be true in one case, then true in all.

This bill usurps the judicial functions of courts. It arbitrarily defines a "mob or riotous assemblage" as being possible only when three or more act in concert and a person be killed or injured while in the custody of a peace officer. It purposely excludes and protects other mobs which may go down our streets and avenues and with machine guns rob, kill, and slaughter innocent children, women, and men. The proponents of this bill are not concerned with such barbaric outrages, and protection of people against mobs of gangsters, highjackers, and racketeers.

Our Supreme Court has wrestled with the phrase in the Constitution "due process of law" and as to its meaning. The adherents of this bill in their wisdom now undertake to relieve the courts of their judicial functions in respect to interpretation of terms and provisions of Constitution. They judicially define in this act what "due process of law" in the Constitution is and is not. Can it be that Congress has the judicial functions of interpreting and defining phrases and terms of Constitution for the courts of this country? There will be no further need for courts if a Congress can construe, limit, and interpret the Constitution.

This bill further usurps the authority, sovereignty, and rights of States. It destroys local self-government in the States. It authorizes the Federal Government, through its courts and marshals, to seize the officers and employees of any State, or of any subdivision of that State, send them to the penitentiary for as long as 5 years, and fine each as much as $5,000. It enables the Federal courts to deprive the people of a county or parish of their duly elected officers and employees.

The bill further enables Federal Government, through its district attorneys, to sue counties or States, pay from public funds the expenses thereof, and collect as much as $10,000 for the injured person or persons, or those entitled to the decedent's assets, in the State wherein death may occur. It gives no protection to children, mothers, wives, or estates of decedents, injured or killed by mobs of gangsters, highjackers, or racketeers. The proponents of this bill shed no tears, nor show any interest, for innocent victims of such mobs who are denied equal protection of the law and of benefits of this bill.

Where a scoundrel has been guilty of rape, and, in the fury of an outraged citizenry, he be injured or killed, while in the custody of a peace officer, then the innocent county or counties, and people thereof, are to be penalized in damages for the benefit of the estate or next kin of such rapist. No thought is given to the estates or families of innocent victims of a mob of hijackers, racketeers, or gangsters, so this bill discriminates and violates the equal-protection provision of the Constitution.

Under this legislation, all the public property of a county, including courthouse, jail, and public records, may be levied upon by Federal courts and sold at public auction to pay damages to the injured person, heirs, or estate. If this be insufficient, the Federal courts then may cause to be levied upon all inhabitants of the county a special tax for payment of the damages. Any officer of the county, or other person disobeying or failing to comply with any law or order of court, is punishable as for contempt and to any other penalty provided by law.

It will be noted that, under this bill, "all counties are liable if and when the person injured or put to death is transported from one county to another, however innocent of wrongdoing any county, its people, or officers may be."

The first bill of this nature was introduced by former Congressman Dyer of Missouri in 1922. Mr. Dyer returned to his home, upon adjournment of Congress, filled with pride for his effort. He ran for reelection to Congress. Out of gratitude, possibly, a colored gentleman ran against him in a Republican primary and defeated him. I have heard of poetic justice, but this may better be termed poetic injustice. The evil effects of the pending measure, if passed and held constitutional, will be much more far reaching than its sponsors now give thought.

If we have no States, no right of local self-government, under our Constitution, then we have no States. Edmund Burke said, "You cannot indict a whole people." This legislation virtually so authorizes. It is not conducive to peace and good order, for it authorizes Federal courts to send their district attorneys and marshals to a county, seize its judges, sheriffs, and prosecuting attorneys, confine them in jails, convict them of assumed felonies of which they knew nothing, and levy fines of thousands of dollars upon innocent citizens and their counties. It is not conducive to peace and good order for the Federal Government, its marshals and officers, to sell county courthouses, public records, and jails, and thereby enable them to be removed, torn down, or destroyed.

It will be a sad day for this Nation when the Federal Government usurps the right, under an act of Congress, to send its marshals and soldiers into a State or local subdivision on a punitive expedition of this nature to avenge a local crime by arresting local officers.

The proponent of this bill, Mr. GAVAGAN, of New York, in his argument for same, appealed to the divine law, which says, "Thou shall not kill." I, for one, will need some proof of his selection, as the mouthpiece of divinity, to advocate or enforce in my section of the country the divine law, or even to lecture the people of my section on the laws of man.

When an earthquake occurs in California, injures and kills many people, and destroys millions of dollars worth of property, why not let the earth be adjusted according to laws of God Almighty? No; there are those who would indict the Creator of the universe, throw him into jail by Federal courts, then tax and penalize all people of that section in order to prevent earthquakes. If a typhoon strikes the Florida coast and likewise injures and kills hundreds of people, destroys millions of dollars worth of property, this same element that sees faults in others and none in themselves would essay to indict God Almighty and cause the people of Florida to be indicted and penalized in damages so as to prevent typhoons. No; you cannot indict the Creator of the universe. You cannot indict a whole people. You cannot, by law, change the law of Nature. You cannot make people good by law, threats, insults, intolerance, persecution, or punishment, but only by sympathy, help, consideration, cooperation, education, culture, and resulting public opinion.

Anyone is densely ignorant who does not realize and know the peaceful and law-abiding citizens of the South and all over this Nation are opposed to mobs, injuring, or killing anyone, whether in the hands of a peace officer or in the clutches or disfavor of a mob of gangsters, racketeers, or hijackers.

The record and statistics show that lynching in the South is decreasing rapidly. The people there are peace-loving people. They detest all crime, but are capable of correcting and adjusting their own local matters, and are making a sincere, successful, and honest effort to do so.

There are only two races in the South. In other sections there are more. The white race is the predominating race, and to the end of time will predominate and dominate regardless. It has made considerable progress, notwithstanding

the educational, financial, and social burdens imposed without friendly help or sympathy from some other sections.

It was only through the bulwark of the Supreme Court of the United States that the South after the Civil War was permitted to be resurrected or rebuilt. It never was reconstructed. We cannot, with bills like this, forget the so-called Reconstruction Acts and Enforcement Acts. We cannot forget Federal soldiers, agents, marshals, and carpetbaggers going about to browbeat, humiliate, disfranchise, and persecute further the remnant of an impoverished people in their sorrow and desolation. We, therefore, seriously suspect anything of a similar nature which may now be proposed and used to deprive them of local self-government. We seriously suspect any proposal that discriminates between mobs of gangsters in one section of the country and mobs in other sections of the country. We cannot understand why statesmen do not rave and legislate for the equal protection, the same protection, for the innocent victims and their families, where mobs of racketeers, hijackers, and gangsters operate.

There are more important subjects and more pressing problems deserving the attention of Congress today. This Government has already assumed about all the obligations, so far as interference with local affairs is concerned, that it ought to assume. Governments, like men, endure only so long as public opinion based upon education, intelligence, and impartial justice wills them to stand. When questions of race, religion, and morality, directly or indirectly, are raised in a body of men and women, supposed to be Representatives of all the people, and become the subject of discriminatory legislation, then the same becomes sectional, partisan and objectionable.

I submit that this bill is unjust, unfair, discriminatory, an attempted usurpation of powers of judiciary, abolition of powers of States, of the people, and unconstitutional. I further submit that it is presented with a political tinge to excite and arouse passions of colored people, many of whom are migrating from the South because of economic conditions and for no other reason. I, furthermore, submit that it unduly arouses the kindly feeling, tender and sympathetic hearts of those who are uninformed and ignorant of the real situation. The apparent beneficent intentions behind the bill are too utopian to be realized by an act of Congress before the millenium comes. The bill should be defeated.

The Despised "Economic Royalists", Rather Than John L. Lewis or His Associates, Create the Jobs and Meet the Pay Roll

---

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

TALK BY HON. CLARE E. HOFFMAN, OF MICHIGAN, AT FLINT, MICH., ON JULY 30, 1937

Mr. HOFFMAN. Mr. Speaker, under permission granted to extend my remarks, I insert herein a talk given by me at Flint, Mich., on July 30, 1937:

Facts are stubborn and persistent things. A willful disregard of them never aids in the solution of any problem.

The statements and the preachments of agitators and racketeers, and even of those honestly mistaken, to the contrary, it, nevertheless, remains true that those who toil today in America are beyond comparison in the purchasing power of the wage paid them, the most fortunate in all the world. They enjoy as necessities things innumerable which in other lands are luxuries beyond the dream of the highest paid workers. Ford's daily wage, and doubtless the same is true in the motor industry generally, in terms of purchasing power, is equivalent to a month's wages paid by Stalin to the Soviet workers.

The daily pay roll of the Ford Motor Co. in the Detroit area alone is sufficient to cover a day's wages of 2,200,000 industrial workers in Russia.

The average monthly wage of the workers of Moscow for 1936 was 100 rubles, enough to buy a pair of cheap shoes or a suit of clothes of very poor quality, or sufficient black bread and butter to keep an average family alive.

The purchasing power of the Moscow worker's monthly earnings is considerably below Ford's daily wage of $7.26.

Many women make as little a month as the equivalent of 2 hour's wages in Ford's plant.

Yet, there are those like the Reuthers, who have come to your city and to other cities, who sent back word when they were in Russia: "Fight for a Soviet America", who would destroy men like Ford, Sloan, Knudsen, Mott, Chrysler, and an unnamed host of others who for years have enabled our workers to live in a land of plenty, where all may express their views and worship the God of their choice.

And what would these men bring to your city and to the workers of your community? I speak not now for the industrialist, nor to him, for he can take care of himself. My thought is of the worker; of those earnest, law-abiding, honest men and women who own, or aspire to own, their homes; who have, or wish to have, families; who pray to the great God of all that their children may receive an education, may own their homes, and may rear their children in the land of plenty, in a land where liberty prevails, where man has the right to work.

And I ask these workers of Flint and of Detroit and Pontiac and of the other cities of our State and Nation, What has John L. Lewis and the C. I. O. brought to you? Not for me is it to make answer. Answer for yourselves, for you know the facts and your answer will be true. But let me ask you this: Did not those who worked in General Motors suffer a direct wage loss of approximately $1,000,000 a day for 44 days? Did not the stockholders of General Motors sustain a loss of something like $22,000,000? Is it not true that for the year the worker in General Motors will receive on an average of from three to four hundred dollars less for his year's work than he did for 1936?

Let the housewives of the workers answer me this: Is your husband today any better off financially or in any other way because of the coming of the C. I. O.? Tell me and tell the editors of your papers just what you have gained and what you have lost because of Lewis and those who came with him and drove you from your jobs. How many payments on home, automobile, furniture, life insurance, etc., have been delayed or today remain unpaid because of the activities of the C. I. O.? Count the costs and set them over against the gains to you personally and see how you stand.

The C. I. O. claims 40,000 members in Flint. That, at $2 a membership, is $80,000. At $1 a month, it means $40,000 a month which have been taken from your wages. How much money has John L. Lewis, who rides in his 12-cylinder Cadillac with a liveried chauffeur, who owns a mansion in Alexandria and who, with his aides, puts up at the best hotels, taken from you housewives and the wage which you might have used for your family's needs?

And in the end what is it that these men would do? They would force all into the C. I. O. so that, for the first time in the history of our country, labor becomes a commodity to be sold, not in the open market, but by a dictator, John L. Lewis, to the so-called capitalists of industry, who would sit across the table and bargain with him for your labor; who would sell you, the toils of your hands, the sweat of your brows, and the aches and pains of your back, as coal or iron, or automobiles are sold.

And how long would it be before some corrupt labor leader bargained away your right to toil, would be selling you out and making a deal whereby he receives a compensation for not calling a strike, for not pressing a demand?

Think these things over in the quiet of your home and then determine for yourselves whether you would rather live under the conditions which prevail in Russia, Germany, Italy, and Spain, or whether you would rather live in this land of ours where, until this time, the worker has been free to seek employment where he would, to accept employment where he could find it, and where never before has he been driven from the job which he has secured. Think it over, for in control at Washington there is an administration which would establish a dictator, destroy private industry, and for political support sell labor into bondage.

That this administration intentionally or otherwise would establish a dictatorship is no longer open to argument.

This is a statement of fact and not of argument.

Using the depression that followed 1929, and from which all nations of the world were beginning to recover, as an excuse, the President demanded of, and received from, Congress arbitrary powers to put into effect Executive orders making rules and regulations affecting the conduct of business and regulating the private life of the individual.

There was no precedent for this grant of power. Other depressions as deep and as widespread had occurred in the history of our country and each had been overcome by the thrift and the high endeavor of our citizens and without encroachment by the Executive upon either legislative or judicial power.

In addition to the grant of almost unlimited, arbitrary power, Congress abdicated another function, that of appropriating money, and granted to the President unheard-of billions of dollars to be spent at the whim of subordinates, for it was a physical and mental impossibility for him or any other individual to grasp more than a broad general outline of the manner in which the

money was to be spent. As a result, much was wasted; other great sums were used to purchase votes. Let me digress to quote Democratic Senator GLASS, who on June 24 said:

"The last election was carried by people who were getting favors from the Government, people who were subsidized by the Government, people who were on relief rolls, and people who were sanctioning the invasion of private property and its occupation, as is being done now."

For more than 4 years the President's authority was unquestioned; his will supreme; his experiments unchallenged, except by three decisions of the Supreme Court which came too late to affect his program.

Yet we learn from his own words uttered on January 20, 1937, that, notwithstanding the return of prosperity, about which he said so much during the campaign of 1936, one-third of our people were ill-clothed, ill-housed, and ill-nourished. A more terrific indictment of an administration and its lack of capacity and leadership it would be difficult to frame.

Not content with having seduced Congress, unheralded and with shocking force came his announcement of his attempt to rape the Supreme Court and to rob our people of the security won through 8 long years of heart-breaking privation and strife by our Revolutionary forefathers, maintained and preserved in the bloody battles of the Civil War. All were to be swept aside that we might try here the experiment that brought disaster and revolution to four of the countries of the Old World.

This desire to seize the judicial power, to deprive the citizens of the protection of the Constitution was thwarted because, and only because, an aroused public sentiment was reflected in Senate and House at the Nation's Capital.

The attempt was stayed for a moment, but only for a moment. About this be not deceived. The battle is still being waged and there is no lessening of the purpose to deprive you of the protection guaranteed by the Constitution of the right to the decision of an impartial judiciary tribunal.

The frontal attack upon Court and Constitution has been stayed, but the flank and undercover attacks for the same purpose are being driven home with all the power of the President.

There is the wage and hour bill, which was devised to place in the hands of a commission the impossible task of fixing a minimum wage and maximum hour for practically all employees; supposedly the wage was to be just and fair, not only to the worker and to the employer but in such an amount which could be paid by the consumer, who, after all, determines not only whether goods shall be manufactured and sold but who in the end fixes the amount to be paid to labor, as well as the profit or loss to be received or borne by employers.

The fact that each year many business enterprises fail, that factories close their doors, is proof to any man that even those engaged in industry, and many of them with practical experience, sometimes form erroneous judgments as to the cost of production which can be passed on to the ultimate consumer.

If those with years of practical business experience in their own particular industry are unable to prevent financial failure in many instances, how can any commission even expect to originate a formula for the varied industries in which they have had no experience and of which they have no knowledge except through hearsay? The experiment is doomed to failure, to bring ruin to innumerable small industries and businesses and to lessen the number of available jobs.

The President's reorganization plan is but an attempt to destroy the power of Congress and, in a measure, the power of the Supreme Court. The primary purpose is, as everyone knows, to vest in the Executive additional power and authority. The result will be the establishment of the President as a dictator.

It is an attempt to bring within the Executive's grasp, duties responsibilities, and discretionary powers now vested in Congress, various departments, and commissions of the Government acting under authority of Congress. One illustration will suffice: The duties and powers of the I. C. C. would be transferred to a politically appointed board under control of the President.

There are several other attacks being made to change our form of government, which are likewise designed to destroy private industry.

Everyone with practical experience realizes that the wage and hour bill will go a long way to bring all business and industry under control of the Executive, through the commissions and subordinate officers appointed to administer it.

The Wagner Act, the avowed purpose of which was to lessen strife between employer and employee, because of its unfairness and the vast authority granted to the N. L. R. B. or assumed by it, has demonstrated that it but creates and increases the ills it was supposed to prevent.

Ten million, eight hundred fifty-one thousand days' work were lost because of strikes in the first 4 months of this year, while but 5,665,000 days' work were lost because of strikes during the 4-year period of 1928, 1929, 1930, and 1931.

June of 1937 alone brought a loss of 4,500,000 days' work because of strikes and today 345 strikes are pending.

The Wagner Act, as we all know, prescribed unfair labor practices on the part of the employer; it mentioned none which may be committed by labor.

The act provided remedies for the workers, none for the man who furnished the jobs; it fixes penalties to be imposed upon the giver of jobs; the workers cannot be penalized under its terms. Aside from the Board itself, the worker alone has authority to call for an election. The giver of jobs cannot ask for one, to determine with whom he shall deal if collective bargaining is the object.

The enforcing agent of this law sends out its investigators, biased and prejudiced, to see only those things the Board desires to see; to hear only those things the Board desires to hear, both to be reported as evidence; calling as witnesses, those investigators who, through the spy system so roundly denounced by the Senate Civil Liberties Committee, have found the things the Board desired to be found, the Board through its attorney, by leading and suggestive questions, spreads on the record the evidence necessary to accomplish its purpose, which is to condemn the employer. It sits in judgment and passes upon the credibility of its own witnesses, bases its conclusions upon the evidence which it has directed be brought forward and, like the judicial slot machine that it is, in return for the charge which it has made and dropped into its own hopper, out of the spout comes its decisions in accordance with its predetermined purposes.

The N. L. R. B. conducts neither a judicial hearing nor an impartial investigation. In Detroit there is now pending one of these so-called hearings, or investigations, and the man who presides, I think, had his prototype in the witch burners of old and his hearings stage a good imitation of the old torture chamber. His hearings indicate that he has neither decency nor charity in his conduct. He is insulting, ignorant, and sees with but one eye. He hears not at all and he opens his mouth but to vilify and insult decent, law-abiding citizens. He has no regard for the rules of evidence, evidently because he knows nothing of them. He neither forms nor announces an honest judicial opinion, because, beyond question, it would be in conflict with his own.

He and others like him seek the destruction of private industry. He and those of his ilk under the supervision of the N. L. R. B. would, as Lewis' mouthpieces and doing his will, wipe out of existence, if they failed to bow the head and bend the knee, such men as Ford, Sloan, Mott, Knudsen, and Chrysler, and when they have destroyed them and the great industries which they have created and maintained, who then would issue or cash a worker's pay check? Would it be Franklin D. Roosevelt, Madam Perkins, Frank Murphy, Governor Earle, or would it be John L. Lewis? The record of none of these demonstrates his ability to render any part of the service to humanity which all of these gentleman I have named and many others have demonstrated their ability to give. Yet he, and the N. L. R. B., and God save us from its activities, are agencies of the United States Government.

A more arbitrary, unfair, vicious, liberty-destroying tribunal, it would be difficult to create, but LA FOLLETTE, of Wisconsin apparently has succeeded with his Senate Civil Liberties Committee.

This inquisition, which is a monstrosity, was conceived at a meeting of the Cosmos Club by some 15 persons, among whom were Senator LA FOLLETTE and John L. Lewis. So conceived, it was given birth and life by the Senate.

Its announced purpose was to protect the civil liberties of those unable to protect themselves. It destroys civil liberties by protecting those who drive men from their work.

From the time of its birth down to the present moment, this bastard child of a Communist mother and a politically ambitious father has well served the purpose of La Follette to vent his spleen against those who have provided jobs for the workers; to force into the C. I. O. those independent workers who are inclined to refuse to pay tribute to Lewis.

Perhaps the latest and the most flagrant exhibition of the shyster methods and the disreputable, dishonest, and corrupt procedure of this committee was its failure to spread upon the record the true happenings at Chicago when John L. Lewis's organizers sent 10 of their dupes to their death, knowing, as he must have known, that the operator who had taken motion pictures of this Chicago riot had pictures showing that the battle grew out of an assault upon the police by strikers with clubs, stones, and broken bottles. La Follette deliberately, maliciously, and viciously failed to spread these facts upon the record.

Charged with the duty of bringing out the truth, the whole truth, and nothing but the truth, he showed but a part and that which reflected upon the police force of the city of Chicago. La Follette, to serve his political friends, made a disreputable assault upon the forces of law and order.

God grant that some day he may be called upon to solve a like problem as that then faced by the Chicago police. His judgment may thereafter be more charitable.

Fraudulently, he concealed the truth; he covered up the fact that the police were acting in self-defense, that the riot and violence was brought about by the Communist-led strikers, who had their first-aid station established before the strikers began their fourth march upon the police lines which were protecting men who desired to work and save themselves from the relief rolls.

LA FOLLETTE has spent thousands of dollars to bring to light and condemn the acts of those corporations which have employed spies to gain information as to the activities of those who would destroy their businesses, forgetting that the Government itself not only employs spies, undercover investigators, but taps telephone and telegraph wires and has been charged with opening private mail.

He ignores the fact that Government agents, his own included, were spying upon the activities of the Johnstown Law and Order League, an organization formed to protect the rights of men who

desired to work, truly a civil right utterly ignored by LA FOLLETTE and his committee. His committee has established a new record for hypocrisy and deceit.

Words have not been coined which would accurately describe the depravity to which this LA FOLLETTE has descended in his effort to aid his Communist bedfellow, Lewis, and to hamper industry.

Of the more than 20,000,000 days of lost work so far this year, at least 15,000,000 can be charged to the Wagner Act and to LA FOLLETTE activities.

The Senate Civil Liberties Committee and the N. L. R. B. acting together have made life a hell on earth for one industry after another. It has been the most effective recruiting agent of the C. I. O.

The pirates of old were kid-gloved, honest merchantmen when their activities are compared with the activities of the N. L. R. B. and S. C. L. C.

The Labor Board assumes, when there is no legal authority so to do, to tell an employer that he shall sign a contract with an irresponsible organization; it claims the authority to punish a corporation because it moves its place of business from one locality to another; it orders the rehiring of discharged employees and decrees the payments to compensate them for the loss incurred through discharge; it orders the employer to reemploy individuals, and this no matter how incompetent such employee may have been, if the Board, in its prejudice, determines the discharge was due to union activities.

In many other ways it assumes it has the ability and power to successfully determine how great industries shall be operated, when, as a matter of fact, its ignorance of the conditions is so great and its bias and prejudice so evident that its actions and decisions would be ridiculous were the results not so tragic.

With a gift of more than a half million dollars to the New Deal campaign fund and a loan of fifty thousand to the Democratic National Committee, Lewis and his C. I. O. bargained for, and, as subsequent events have disclosed, purchased the aid of the President and his administration in their efforts to control industry.

If all that Lewis bought and obtained by his contribution and loan was the support of a great political party, reprehensible as that might be, we might well sustain the loss. Unfortunately the C. I. O. obtained not only the political backing of the President, the Department of Labor, the Post Office Department, and the Welfare Administration, but it also secured the inactivity of the Department of Justice and the law-enforcing agencies of our country.

For the first time in the history of our country a President has willfully and repeatedly disregarded the provisions of our statutes (5299 Rev. Stat.) which makes it his duty to use the armed forces of the Nation to put down insurrection. For the first time in the history of our land the President has called for and has received the aid of the Governors of at least two States, Michigan and Pennsylvania, the first in defying the orders of our courts, the second in using the armed forces of the State to drive men from their lawful tasks.

Workers, as well as property owners, should be glad and they should never forget that in this circuit presided Judge Gadola, who had, in the face of opposition, the strength of which cannot be realized by those who do not live in Flint, the courage to declare from the bench that not only should property rights, but the right of the worker to his job, be maintained. Judge Gadola demonstrated that he was a real friend of labor. Murphy proved to all except the most biased that he lacked the courage to fight for the liberty of the citizens, that he would betray labor into the hands of the racketeer, and force the honest worker to submit to the will of the Communist agitator and organizer, and as to the truth of this last statement, there can be no question.

One of the Detroit papers in an editorial criticized me because I said in substance that, much as we might deplore violence, violence on the part of the C. I. O. and the sit-down strikers would force those who desired to work and those who wished to preserve their property and their homes to insist that officers of the law enforce the law and that, if this failed, then home owners and job holders would be compelled to defend themselves by lawful violence, if necessary, against the unlawful violence of the "sit-downers" and the invaders of our cities and State. My hope is that the gentleman who wrote that editorial will never have a group of strikers or "sit-downers" walk into either his office or his home, for if he does, he will be one of the first to swallow his own words, his own editorial, arise in what strength he may possess and do his utmost, as would every American man of courage, to protect and defend himself and those near and dear to him.

From the wholesale disregard of his campaign and platform promises, the President has progressed to the willful disregard of the terms of his oath of office and the laws of the land and he and his subordinates have given and are giving aid and comfort to those who would overthrow our form of government, destroy our industrial institutions, deprive the worker of his right to toil.

There are in this country some 6,000,000 workers who owe allegiance to some form of union. Of more than 50,000,000 workers, 44,000,000 are unrepresented, and of the 6,000,000 perhaps half are under the self-asserted leadership of Lewis. They cannot lay down the conditions under which industry, which creates and gives millions of the workers employment, shall operate.

Lawlessness and violence has been, and is, their method of imposing the will of this small minority upon the overwhelming majority.

This procedure must end. The opportunity was afforded the Governor of Michigan at the beginning of our strike here at Flint. He chose to disregard it and to stamp with his approval the violence of the lawless, to condemn the lawful efforts of the decent, law-abiding citizen to maintain his rights. The Governor of Michigan has himself said:

"Communists deliberately created disorders in the Lansing labor holiday, the Consumers Power Co. strike, and in some phases of the sit-downs. They not only sought disorders but they sought bloodshed. They wanted bloodshed, and they sought to draw us into a fight."

Governor Murphy, instead of accepting the challenge and declaring, as did our forefathers, that we had "millions for defense but not one cent for tribute"; instead of following the course adopted by those who defied King George; instead of alining himself with the decent, law-abiding citizens who wanted to work, violated his oath of office, ignored the laws of our State, the guaranties of State and Federal Constitutions, ran up the white flag, and advertised, not only to the Nation but to the world, that Michigan not only would not protect property rights but that it would not protect the worker in his right to toil. The statement of the Governor that he desired to avoid bloodshed—and we all desire to avoid violence and bloodshed—was but the man of straw behind which he hid in his effort to aid the Communists.

His course of action but postponed the day of reckoning. He demonstrated nothing, except the truth of the old, old principle that "might does not make right", and that compromise with fundamental principles of right and wrong, in the end, but brings disaster. He not only cost the workers of the State and the property owners of the State millions of dollars by his action, but he dealt labor itself a blow from which it will be years in recovering.

This morning's paper brings us the news that Governor Murphy has vetoed the so-called labor law enacted by the State legislature and that he intends to insist that unions be permitted in case of strikes to bring in their members from outside the State to enforce their demands upon you. In substance, what he says is that if a strike is called, for example, by a minority of the C. I. O. in any industry in Flint, that minority is at liberty to call upon invaders from other cities and other States, provided they belong to the same union, and those men may lawfully come here and drive your workers from their jobs and keep them from their places of employment. The result, outside of the destruction of machinery within the plant, would be little if any different from the condition which prevailed during sit-down strikes.

Labor unions are as necessary today as was a union of the Colonies in 1775 and 1776.

But, as in those days, the union must be one of, by, and for those workers who seek justice. The labor union of today must be organized by the workers, fostered by the workers and serve the purpose of the workers, rather than the purposes of the professional organizers and racketeers.

With power granted to the unions must be imposed responsibility. Unions must adopt as their motto and scrupulously follow a policy of fair dealing, principles of right and of justice, avoidance of persecution, of intimidation and coercion.

After all, it is the despised "economic royalists", rather than John L. Lewis or his associates, who create the jobs, who meet the pay roll.

In my judgment, we can all serve the cause of labor, of ourselves, and of our country by encouraging and promoting the formation of real, representative industrial unions, and preserving the existence of those we now have, like the American Federation of Labor, which has so well served the need of labor.

With this accomplished, we have gone a long, long way on the road toward securing for those who work not only a betterment of their conditions, which today are far superior to those prevailing for workers anywhere in the whole wide world, but we have as well promoted the cause of industry as industry and the welfare of the people at large.

God hasten the day when bias and prejudice be laid aside and the representatives of all classes can meet on a common footing and, guided by the thought that charity is the greatest of all virtues, proceed to a lasting solution of our industrial difficulties.

Labor, Ethics, and John L. Lewis

EXTENSION OF REMARKS

OF

HON. CHARLES R. ECKERT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. ECKERT. Mr. Speaker, the labor program of the Federal administration is in keeping with the spirit of the New Deal. All legislative enactments of the Seventy-third and subsequent Congresses, in relation to the national economy, are designed to improve the economic condition of the American people. The economic crisis that gripped the country at the time the present administration

came into power demanded quick and heroic action. The legislation enacted was improvised to meet a dire emergency. As the emergency is receding, the New Deal program may very properly be scrutinized, with the object in mind of detecting possible defects and proposing changes wherever necessary in order to bring the entire program in line with sound economics and fundamental principles of democracy. For it must be borne in mind that America was set up to secure to all its citizens the inalienable rights of life, liberty, and the pursuit of happiness. Therefore, any New Deal legislation now in force, or hereafter enacted, must stand the acid test of good law and sound economics.

Blackstone declared that permanent legislation, in order that it may have force and validity, must be in harmony with ethics or natural law. This is the foundation of all sound legislation. It is said that Nature abhors a vacuum, and with equal assurance it may be said that Nature resents assaults upon the majesty of natural law.

Hooker, while contemplating the order of the universe, in a moment of ecstasy cried out:

> Law—her seat is the bosom of God; her voice the harmony of the world. All things in Heaven and earth do her homage, the least as receiving her care and the greatest as not exempt from her power.

Wherever man delves into the mysteries of Nature there is found the universality of immutable law. A noted student of modern medical science recently was moved to observe that—

> The sum of all folly and the foundation of all corruption is rebellion against the laws and regulations of Nature.

The National Assembly of France 150 years ago, in a similar vein, discoursing upon the excesses and misfortunes of the French people, declared:

> Ignorance, neglect, or contempt of human rights are the sole causes of public misfortune and corruption of government.

And so, whether in the field of medicine, sociology, or other branches of science, there is found eternal, immutable law. This fact must be borne in mind by statesmen and lawmakers.

The Department of Justice Building, in the Capital City of the Nation, carries this inscription:

> Justice is founded in the rights bestowed by Nature upon man. Liberty is maintained in security of justice.

When it is remembered that America's first claim to greatness lies in the fact that she was established as the land of the free, and also remind ourselves that liberty is maintained only where justice is secure, and that justice rests upon the rights of man, bestowed by Nature, it is clear that the attainment and preservation of the gifts of Nature to man must be the statesman's and the lawmaker's primary and deepest concern. Therefore any civil enactments that violate the elemental rights of man bestowed by Nature are unsound and have no place in the governmental structure of a free people. All New Deal legislation ought to be subjected to the acid test of ethics and natural law. For a social structure that is to endure must be true to justice and liberty. In this light and spirit the labor program of the New Deal ought to be scrutinized and considered. The fixing of arbitrary standards of hours and wages is fraught with difficulty, due to conflict with natural economic law.

But until the conditions in our economic order that breed and foster monopolies are removed, the enactment of legislation designed to establish minimum wages and maximum hours, abolish the curse of child labor and the iniquity of sweatshops and other immoral conditions is inevitable. But this is not enough. Regulation at best is a mere palliative. It will not cure the disease. The root causes of poverty and unemployment must be eradicated. This involves a program based upon sound economic principles, and labor leaders and statesmen are apt to go astray unless they are grounded in the principles of sound economics.

As the labor problem revolves around the wage question, a simple lesson in elementary economics may be of interest. G. Frank Kelly, a distinguished citizen and noted economist, of Scottdale, Pa., discusses the wage question in these words:

To know the nature of wage is to know that to fix them by statute is an economic impossibility. A man's wage is what he produces, not the amount of his pay. If he produces nothing he has no wage. No man is entitled to a minimum, living, or maximum wage, other than what he produces. If a man made a wheelbarrow—that is his wage. If 100 men in a factory, each doing equal work, made 100 barrows, a barrow is still the wage of each, if equal or unequal, each wage is its owner's product. The entrepreneur's wage is his part in production, be it $1 or $100 per day. Economically there is no such thing as profit; all produce is somebody's wage.

But that those may make barrows, thousands of others must toil—produce. The farmer must produce food; others must produce all the personal needs of the barrowmakers and the needs of those who supply them. It is an endless chain—plant and equipment, transportation, housing, food supply, all factors in producing wheelbarrows. The doctor adds to production by keeping men fit, the preacher, poet, and philosopher by maintaining morale. Railroad president and paddy each earns his wage. The total world produce of any year constitutes the total wage of human exertion, mental and physical, white collar and overalls, for that year, and each man's wage is his share in that production.

Capital takes nothing from labor but produces and is entitled to its own increment. To take from labor and capital its increment, its part in production, is robbery. Just as a man with a hoe (capital) produces more and is better off than with his hands alone, so it is with every form of capital, including machines. Capital takes nothing from, but aids labor. How, then, can a statute fix wages when every wage is a fixed entity, the amount of the individual's production? The trouble is we operate under an economic system by which labor and capital are robbed; neither gets what it produces. That capital and labor are natural allies and complements is shown by the fact that when wages are high, interest—return from capital—is high, and vice versa; labor and capital prosper or suffer together. Human enactments in violation of natural law can result only in disaster.

Henry George in Progress and Poverty shows where and how capital and labor are robbed, who gets the increment earned by labor and capital, and how to establish ourselves so that every worker will get his own produce, his economic wage, and every item of capital its own increment. He shows how every man may have unlimited opportunity of employment with obligation to no man for a job. Unemployment and its concomitants, poverty and economic slavery, are results of economic error.

True, Mr. Kelly's discussion is academic and, as such, contains no proposal for immediate relief of labor's woes. But in the light of Mr. Kelly's sound reasoning and the logical and conclusive demonstration of the problem by Henry George in his monumental work Progress and Poverty, is it not the part of wisdom to frame pending legislation, in relation not only to the labor problem but to the national economy generally, so that infractions of the rights and liberties of the people will be removed as rapidly as progress along the path of sound economics and true democracy will warrant? Our first concern ought to be, not to set up an artificial Utopia, but, to clear the way for the establishment and development of a society founded upon liberty and justice.

Inasmuch as the labor problem is of peculiar concern to the wage worker, under leave to extend my remarks, I include a copy of a letter addressed to John L. Lewis, in which an effort is made to point out the way labor must travel in order to gain its rights and freedom.

JULY 14, 1937.

MR. JOHN L. LEWIS,
Washington, D. C.

MY DEAR MR. LEWIS: It seems to be written in the stars that those who are influential in the labor movement are targets for abuse, ridicule, and misrepresentation. There is no dart too poisonous, no lie too vicious, no punishment too cruel for their traducers. And it also seems to be written in the stars that "If the blind lead the blind, both shall fall into the ditch." Hence the task of directing the movements of the toilers in their struggle for better things is both unpleasant and difficult. On the one hand, calumny and abuse; on the other, tribulation and danger.

And so it is with extreme pleasure that I listened last evening to your discourse on the present labor situation. Poise and restraint and good common sense characterized your every utterance. This is reassuring and full of promise. It is an indication that at last labor leaders are seeking not only unionization of labor but social reforms that will open the way for the establishment of a social order based on the principles of freedom and justice, of equal rights for all, special privileges for none. If these ideals are to be achieved, then those who are charged with the responsibility of leadership must confine their activities strictly within the limits of the ethics of the social problem. It is only by doing so that the movement can gain the moral sanction of mankind and thus achieve its coveted goal.

This fact has been emphasized time and again throughout labor's bitter struggle. On this point no one has been more outspoken than Henry George. In 1894, in a speech delivered at a Cooper Union labor meeting called to protest the sending of Federal troops to Chicago in the railroad strike of that year, he said:

"Let me tell you what I have told you many times before. It is something I must tell you or I would be dishonest. This whole great organized labor movement is on a wrong line—a line on which no large and permanent success can possibly be won. Trade unions, with their necessary weapon, the strike, have accomplished something and may accomplish something, but it is very little and at a great cost. The necessary endeavor of the strike to induce or to compel others to stop work is, in its nature, war and, furthermore, it is a war that must necessarily deny a fundamental principle of personal liberty—the right of every man to work when, where, for whom, and for what he pleases. Those who denounce labor organizations and their works use this moral principle against you. Stated alone, it is their strength and your weakness.

"But above the wrongs which strikes involve, there is a deeper, wider wrong, which must be recognized and asserted if the labor movement is to obtain the moral strength that is its due. It is the great denial of liberty to work which provokes these small denials of liberty to work. It is the shutting up by monopolization of the natural God-given opportunities for work that compels men to struggle and fight for the opportunity to work, as though the very chance of employment were a prize and a boon.

"The key to the labor question is the land question. The giant of monopolies is the monopoly of land. That which no man made; that which the Almighty Father gives us; that which must be used in all production; that which is the first material essential of life itself, must be made free to all."

There can be no blinking the facts. Labor and labor leaders must constantly be conscious of their moral responsibility. To employ tactics that violate the moral rights of any of the parties concerned will expose the movement to devastating attacks. The right of every man to work when, where, for whom, and for what he pleases, as George points out, is a fundamental right that cannot be violated with impunity.

Likewise, it is a fundamental principle of sound morals that the sanctity of rightful private property must be respected. Therefore when striking workers, in the prosecution of a strike, feel called upon to violate the personal liberty of the individual to work and the rights of owners of private property, the cause of labor is due to suffer irreparable loss. Such violations of fundamental rights are seized upon by the foes of labor and exploited to discredit the movement. The emissaries of privilege and those whose god is gold are ever alert to take advantage of the mistakes of labor and labor leaders.

Under present economic conditions it may be a far cry to implore strikers to observe religiously the rights of the owners of private property and man's natural right to work. Strikers and labor leaders may feel that under certain circumstances this is impossible. Yet the personal liberty of the individual and the sanctity of private property are of the very essence of right and justice, and so it behooves strikers and labor leaders alike to observe the ethics of the labor problem. They must learn to think of the problem not so much in terms of strikes as in its deeper meaning.

The equities are all on the side of labor. The stars in their courses are in league with right and justice. This is the strength of labor. If labor leaders will but hold aloft the standard of eternal truth, all right-feeling and right-thinking men will rally to their support.

It is regrettable that the labor problem in its aspects as to poverty and unemployment and the equitable distribution of wealth does not command that degree of penetrating study and analysis at the hands of labor leaders that its importance merits. There is too much loose thinking concerning this all-important problem. If that were not so, how could the problem of unemployment and poverty so long remain? Almost half a century has elapsed since the great railroad strike of 1894. Labor and labor leaders, before and since, have been milling and mulling about, but to little or no avail. Today, labor is the victim of exploitation the same as in the years gone by. This is understandable only upon the theory that there is neither intelligent action nor study in relation to the labor problem. A copybook proverb reminds us that "The recognition of one's own ignorance is the forerunner of knowledge."

This applies with equal force to the cause of labor. Labor is bound to fail in its struggle for freedom and justice as long as it remains ignorant of the root cause of its miseries and wrongs. As yet labor has no intelligent conception of the cause of its woes and troubles. Henry George—than whom there is none who had a greater insight and fundamental understanding of the labor problem—depicts the stupidity of labor in one of his noted books in these allegorical words:

"Near the window by which I write, a great bull is tethered by a ring in his nose. Grazing round and round, he has wound his rope about the stake until now he stands a close prisoner, tantalized by rich grass he cannot reach, unable even to toss his head to rid him of the flies that cluster on his shoulders. Now and again he struggles vainly, and then, after pitiful bellowings, relapses into silent misery.

"'This bull, a very type of massive strength, who, because he has not wit enough to see how he might be free, suffers want in sight of plenty, and is helplessly preyed upon by weaker creatures, seems to me no unfit emblem of the working masses."

The truth of the word picture of the condition of the laboring masses is brought home to everyone who stops to think. Be it said, however, to the credit of labor, that in this respect it is no worse than the supposedly wise and learned. By way of illustration, let it be known that Thomas Huxley, the great English scientist, while contemplating the unhappy lot of the working masses of the world, cried out in despair:

"I do not hesitate to express the opinion that if there is no hope of a large improvement of the condition of the greater part of the human family with the advance of progress, I should hail the advent of some kindly comet which would sweep the whole affair away as a desirable consummation."

A few years ago Dr. Nicholas Murray Butler, president of Columbia University, asked this searching question:

"Why is it that with all the progress which the world is making in so many directions—science, letters, fine arts, every form of industry, commerce, transportation—why is it that there still exists so much want, so much of all that, which, for lack of a better name, may be summed up under the word 'poverty'?"

And King Edward VIII, on a visit to Glasgow, after inspecting the slums of that great industrial city and the *Queen Mary* as she was about to embark on her maiden voyage across the Atlantic, made this timely observation:

"How can you reconcile a world that can produce such a mighty ship as the *Queen Mary* to the slums that we have just visited?"

These incidents, coupled with the many fantastic proposals of educators, lawmakers, and statesmen as to remedies for the economic ills of society, indicate the confusion and bewilderment concerning this most important of all problems. It is quite true that movements and plans are sponsored by earnest men and women in the hope of solving the puzzling problem of poverty. Today, labor leaders and governments are feverishly engaged in efforts to find a remedy. Both labor leaders and governments are seeking to improve the economic conditions of the working people. They are anxious that labor receive a larger share of the national income; that the fruits of their toil be more fairly shared; that their condition be improved.

Much confusion, however, prevails as to methods. The thought is common that, due to our highly mechanized and technical methods of production, there must be a high degree of governmental control of industry, especially in relation to wages, hours of work, prices, unfair trade practices, etc. In the very nature of things, such programs involve labor and industry in a mesh of rules and regulations, restrictions, and bureaucratic control that are extremely irritating and well-nigh intolerable. Perhaps a measure of supervision of labor and working conditions under our modern intensive industrial methods may be helpful. But before relying upon legislative regulations, might it not be the part of wisdom for labor and labor leaders to intelligently analyze the economic problem in the hope of discovering a solution that would be free from the irritation and annoyance incident to Government regulation?

Tom L. Johnson, a noted industrialist and former Member of Congress from Cleveland Ohio, in discussing the economic problems of his time, had occasion to say:

"The evils of which there is such loud complaint (unfair trade practices, hard times, etc.) are due to the restrictions created and the special privileges granted by law. And the true remedy will be found in removing the restrictions and in abolishing the special privileges."

The problem today is the same as in Johnson's day, and therefore there is much in his observation for labor leaders to think about. The prosperity of labor depends upon production. In turn production depends upon amiable relations between labor and capital, free and divorced from unwise restrictions and unjust burdens. Labor and capital must have a free field in which to function, and that implies that the first and primary factor in production—namely, land—must be accessible to these two factors on terms of equity and justice.

This being a necessary condition of maximum production, is it not foolish to impose conditions that harrass and impede the full and free activity of industry? Restrictions that interfere with the free and uninterrupted activities of labor and capital result in smaller output. Do not the demands of labor for regulation, in the face of these facts, simply confirm the truth of the simile herein related and reveal its stupidity comparable to that of the bull?

Labor's true destiny is freedom, and its leaders must be wise enough to direct its movements so as to remove whatever obstacles are in the way and to prevent further obstacles from being put in the way of labor's true destiny. Today labor and capital are in an unconscionable war, destroying each other's power and usefulness in a stupid attempt to improve their relative positions. This is the height of folly. There is no natural basis for strife between capital and labor. The efficiency of labor and capital to produce wealth is possible only by working together in the spirit of comradeship and cooperation. Any interference with the orderly relation that naturally exists between capital and labor impedes and hinders the productive process, reduces the output, and therefore diminishes the earnings of labor.

Labor produces its own wage fund. When this fact is borne in mind, it becomes clear that every reduction in earnings, in the

final settlement of the account and the distribution of the products among the three factors in production, namely, land, labor, and capital, it (labor) must bear its share of the loss.

It is quite true that labor is illy paid and robbed of a large share of the fruits of its toil. But the capital employed in the productive process and used by labor is not the robber. On the contrary, capital, in common with labor, is filched by the same robber. Would it not be more to the point to hunt, run down, and destroy, if possible, the robber responsible for the injustice and wrong that labor suffers? It is only by doing this that labor can ever hope to enjoy the full fruits of its toil and those natural and God-given rights for which humanity has struggled from time immemorial.

Who is the robber? Obviously the restrictions created and the special privileges granted by law, as pointed out by Tom Johnson. They are the culprits. Until the craft of legal exploitation is destroyed, no matter how diligent labor may be in its efforts of organization, striking, picketing, and all the rest, it will continue to be despoiled and robbed.

By way of illustrating the truth of the foregoing and the assertion of Henry George that the great workshop which the Almighty Father gave to the children of men must be opened up to all on equal terms. Please observe an interesting fact in American history. The founding fathers, presumably for good and sufficient reasons, located the seat of government of the infant Republic in a little village on the banks of the Potomac. At the time the District of Columbia was set apart as the seat of the Federal Government, it was an unimproved tract of land, with few attractions, little value, and scarcely any inhabitants.

The selection of this tract of land as the seat of government of a growing and promising Nation, however, gave the 10 square miles of land in the District of Columbia unusual prominence and importance. Not only the eyes of the youthful Nation, but the eyes of the world, were directed toward the little plot of land on the Potomac, and from that early and inauspicious beginning to the present day, it has been growing in wealth, beauty, population, importance, interest, and, most of all, as a profitable camping ground for land monopolists.

The increase in population and the city's magnificent development have been accompanied by a social phenomenon that labor leaders and statesmen cannot afford to overlook if they expect their efforts in behalf of labor reform and social justice to bear fruit. When it is recalled that those 10 square miles of land in the District of Columbia at the inception of the Government were practically valueless, and then note the difference in value of the same 10 square miles due solely to the labor and activities of the people and the services rendered by Government, one begins to get a glimpse of the social phenomenon responsible for the fabulous increase in the value of the 10 square miles of land in the District of Columbia and the relation of the labor problem to the land question.

What are the facts concerning the land and the labor question of the District of Columbia?

First. The District contains 10 square miles, or 64,000 acres.

Second. At the time of the organization of the Government, the District was uninhabited and the land had little or no value.

Third. Today the District has a population of 600,000 and the 64,000 acres of land have a value of more than $1,000,000,000, or substantially $20,000 an acre.

Fourth. The land value of the District is a social value due to the presence and social activities of the people and services rendered by Government.

Fifth. The profits annually arising from the land values in the District of Columbia are upward of $50,000,000 annually.

Sixth. The profits thus arising are appropriated by the landowners of the District and constitute a ransom exacted from every worker in the District.

Bearing these facts in mind, what, may we ask, are the moral implications of the problem and the effect upon the workers? Is it not clear that the land value and the profits arising therefrom are due to the presence and activities of the people and the services rendered by Government and therefore, as was observed by Ramsay Macdonald, former Prime Minister of England, that

"These profits, being ground rent, are a toll, not a payment for services. By it social values are transferred from social pools into private pockets, and it becomes the means of vast economic exploitation. Rent is obviously a common resource. Differences in fertility and value of site must be equalized by rent, but it ought to go to a common fund and be spent in the common interest."

The failure on the part of labor leaders and lawmakers to observe the phenomenon manifested in the increase of the value of land with the increase of population and the administration of orderly government is responsible for the slow and unsatisfactory progress of the labor movement. The aim of the labor leaders is to improve the condition of the working masses by increasing their purchasing power. This is a laudable ambition. We cannot have prosperity unless the buying power of the working people will be increased. But the mere increase of wages without protection from the exactions of monopoly will not increase their buying power.

Suppose that, in the District of Columbia by act of Congress, the wages and salaries of all Federal employees and public officials were increased 100 percent. Who would ultimately reap the benefits? Obviously the monopolists, of which the larger group is the landowner.

Now suppose it were possible, by virtue of favorable labor legislation and every device of organized labor, that the wages of the workers throughout the Nation would likewise be increased 100 percent. Would labor enjoy the increase? Obviously not. The increased wages would be absorbed by the extra demands of the monopolists, and the last estate of labor would be no better than the first.

Is that not the fate of labor today? Increasing wages is always followed by increase in rent and other monopoly exactions. Labor leaders and well-meaning statesmen should not deceive themselves. As long as land monopoly and other major monopolies continue to thrive and flourish by the exercise of the exploiting power that is inherent in monopolies, labor will remain illy paid and poverty continue to stalk through the land.

Restriction and special privilege are the twin evils that strangle industry and oppress and rob labor. For relief and escape, why not hearken to the voice of Nature and Nature's God?

"There are certain natural laws governing our national life. If we would govern our lives according to these laws, we would abolish poverty and secure prosperity and peace for all."

Thus wrote Filangieri more than 100 years ago in a treatise on The Science of Legislation.

All that labor and labor leaders need for the achievement of their ends is justice, and justice is the natural law. Let us bear in mind that natural law can be trusted, where attempts to order the world by human legislation are bound to go astray.

Labor has been exploited from the beginning of time. The primary and fundamental reason of the unhappy lot of labor is due to the fact that our economic system is saturated with legal privilege. Privilege is the mother of monopoly, and monopoly is the instrument by which the few exploit the many. As long as monopoly remains in private hands, labor will be exploited in spite of the organization or unionization of labor, or governmental control of industry.

There are many monopolies, but the major ones may be listed as follows:

Land monopolies, public-utility monopolies, money and credit monopolies, and patent monopolies.

It is estimated that the tribute exacted by those who control these major monopolies amounts to more than one-third of the national income. Inasmuch as the struggle of labor leaders is to increase the buying power of those who toil, is it not clear that if the exactions of these major monopolies were abolished the purchasing power of the laboring masses would be increased many billions of dollars annually?

The exploitation of the privileged few can be abolished by the simple process of shifting the incidence of taxation from the products of labor and industry to privilege. This is the simple, natural, and efficient way. It is eminently right and just. It meets every demand of good morals. It is in accord with sound economics. It is in harmony with the natural order. It would remove the regulatory irritations and vexations from labor and industry. It would free both labor and industry from the ever-increasing burden of unjust taxation. It would promote peace and concord between capital and labor. And for the first time in all history, labor would enjoy its rightful place in the industrial world and receive its full rewards.

The grip of monopoly upon the economic life of the people is a deadly cancer. This deadly disease cannot be removed by the methods now generally employed and suggested either by labor leaders or governments. Its roots and tentacles are too deeply rooted in the very element upon which life, liberty, and the pursuit of happiness depends. That element is land. As Henry George pointed out in his Cooper Union speech almost 50 years ago, the land must be made free to all.

What is involved in the land question?

First. Land is the basis of all production. There can be no work, no human activity of any kind without access to land.

Second. Land is the factor in production that measures with scientific exactitude the share of production that belongs to society.

Third. To permit the share of production that properly and rightfully belongs to society to be appropriated by private individuals or corporations unbalances the natural economic equilibrium.

Fourth. The disturbance of the economic equilibrium is responsible for the concentration of the wealth in the hands of the few and the consequent unemployment and poverty.

Fifth. Land is the element in the productive process which, when free and accessible to all on equal terms, together with the abolition of all other monopolies in private hands, will regulate, naturally and normally, labor and industry, and establish social justice in the Nation.

This is the great truth that labor and labor leaders must recognize. The lot of the workers cannot be permanently improved as long as the iniquity of private monopolies and special privileges remain wherewith the favored few lay their heavy hands of toil and tribute upon labor. Unless the power of monopoly that holds in its grasp the economic life of the people is destroyed and the rights of the people to their natural God-given inheritance restored, there can be no permanent solution of the labor problem.

The struggle for social justice has been weary and bitter and no doubt will continue so for many years to come. And therefore every right-feeling person is in sympathy with the present efforts of the labor leaders to improve, even if only temporarily, the condition of labor. But labor leaders must not be content with temporary advances. They must plan a long range program—a program that will include the fundamental reforms herein suggested and bring about the abolition of legal privilege in private hands.

Such a program will encounter bitter and stubborn opposition on the part of the beneficiaries of privilege. But this fact makes it all the more important that labor leaders find their bearings. The working masses need, and have a right to expect, intelligent direction on the part of their leaders.

"Social reforms", said Henry George, "are not secured by noise and shouting, by complaints and denunciation, by the formation of parties or the making of revolutions, but by the awakening of thought, by the progress of ideas. Until there is correct thinking, there cannot be right action, and when there is correct thinking, right action will follow."

And so let it be repeated, that labor leaders must be sure of their ground. They must have wisdom and understanding.

"Wisdom is the principal thing; therefore get wisdom. And with all thy getting, get understanding."

With kindest personal regards, I am,

Very sincerely yours,

CHARLES R. ECKERT.

The Federal Trade Commission

EXTENSION OF REMARKS
OF
HON. GEORGE B. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. KELLY of New York. Mr. Speaker, on June 28 last the gentleman from New York [Mr. CULKIN] made a speech on the floor of this House in which he referred to the recent Federal Trade Commission report on the sale and distribution of milk and milk products in the New York milkshed—House Document No. 95, Seventy-fifth Congress, first session.

The gentleman's speech served to bring to our attention the nature of the operations of Nation-wide distributors of milk and milk products to which subject a considerable portion of the Commission's report was devoted. The gentleman repeated some of the basic facts reported by the Commission. These facts showed a tendency toward monopoly through the large number of acquisitions of the businesses of individuals, firms, or corporations engaged in all branches of the dairy industry. The report showed that since 1923, the National Dairy Products Corporation had so acquired 358 businesses and Borden 200. If I rightly interpret his position it is that the Commission, after correctly reporting the facts, did not proceed under existing law to deal with aspects of monopoly or restraint of trade which its report discusses. For this reason the gentleman's remarks have been regarded in many quarters as a criticism of the Federal Trade Commission, and it is this aspect of the matter to which I shall address myself.

In the first place, and as the gentleman himself points out, enforcement of the antitrust and antimonopoly statutes is vested primarily not in the Federal Trade Commission, which is essentially a fact-finding body, but rather in the Department of Justice. It is entirely possible that the Commission may have felt that its province ended with the detailed report of the facts relative to the operations of the two largest national milk distributors, namely, National Dairies and Borden. Having made this detailed report to the Congress, and Congress having printed the report as a public document, the Commission's responsibility under the Kopplemann resolution ended.

The Commission itself has pointed out that prosecution or other enforcement steps may be attended with some difficulty owing to the fact that the Congress itself has not yet written into the antitrust and antimonopoly laws the provisions which the Federal Trade Commission has previously recommended. And it is the opinion of the Commission that these recommendations would strengthen these statutes and enable the law enforcement agencies of the Federal Government to deal with this very real evil effectively.

As my colleague has doubtless observed, the report renews the Commission's previous recommendations that both section 5 of the Commission's act and section 7 of the Clayton Act be amended. On this point, the New York Milk report says—

9. Attention has been called to the fact that companies engaged in large-scale distribution of milk in many markets, and in processing and manufacturing, numerous milk products have been built up through the acquisition and consolidation of established business concerns, many of which were competitors. Methods of acquiring competing companies have sometimes been such that it is doubtful if they violated the antitrust laws. This is especially true where assets were acquired originally or where capital stock was acquired and used to complete a transfer of the assets to the acquiring company before corrective action could be taken under section 7 of the Clayton Act.

The reports also disclose trade practices which may amount to unfair methods of competition. However, such practices usually occurred in local transactions and, although in some instances they may have affected interstate commerce, probably do not constitute unfair methods of competition in commerce within the meaning of section 5 of the Federal Trade Commission Act.

Conditions existing in the milk industry like those in other industries emphasize the necessity for amending section 7 of the Clayton Act along the lines heretofore recommended by the Commission.

A study of some other of the earlier reports of the Federal Trade Commission shows that in one of them, the final report on the Commission's chain-store investigations based on a large number of separate reports made by the Commission to the Seventy-second, Seventy-third, and Seventy-fourth Congresses, the Commission recommended amendments to sections 7 and 11 of the Clayton Act and also to section 5 of the Federal Trade Commission Act. This was a report to Congress in response to a congressional resolution. Nevertheless the suggested legislation has not been enacted.

As the Commission stated in its annual report for the fiscal year ended June 30, 1935, with respect to amendments to the Clayton Act:

Section 7 now prohibits acquisition by one corporation engaged in commerce of stock in a competing corporation so engaged where the effect may be to substantially lessen competition between such corporations. If the section is to accomplish the general purpose of preventing monopoly, it should be amended to prohibit acquisition of assets, not only indirectly through use of stock unlawfully acquired but also direct acquisition of assets independently of stock acquisition. The Commission, therefore, recommends that both the direct and indirect acquisition of assets be prohibited where the effects are the same as those already prohibited by the section. Such amendments would also call for an amendment of section 11 to make the procedural remedy as broad as the things prohibited.

It is not my purpose, however, at this time to argue the question of whether or not existing laws are adequate to deal with the conditions disclosed. Suffice it to say that the Commission has publicly disclosed those conditions to the Congress and to the Department of Justice.

The gentleman's remarks are also critical to a certain extent of the thoroughness with which the report was made.

As the report shows, however, it did not pretend to be a thorough report on all phases of the dairy industry in the New York milkshed, but confined itself to the New York metropolitan sales area, and more particularly to the operations of the two large national distributors, National Dairies and Borden's, and the largest producer cooperative, the Dairymen's League Cooperative Association, Inc.

The Federal Trade Commission did not completely investigate the New York milkshed. It only investigated three large units in the metropolitan market. And it specifically called attention to this fact in its report.

Here is a quotation in this connection taken from the last New York milkshed report (p. 6):

Although it is one of the most important milk markets in the country, due to lack of available funds it was not possible for the Commission to make a detailed investigation of conditions in the New York milkshed.

And again on page 7 of the same report:

There was no opportunity to investigate the details of the operations of the milk dealers in New York City.

In view of these comments in the New York milk report, how can anyone criticize the Commission for not making a complete investigation of the New York milkshed? I cannot speak with knowledge of any other milkshed, but

I can speak with considerable knowledge of our own milkshed because the senate committee of the New York State Legislature, of which I was chairman for two terms, handled all of the legislation for the Department of Agriculture for the State of New York.

We now have 60,000 dairy farmers in the New York milkshed working together in a joint bargaining association and only because the Federal Trade Commission did a real job which resulted in a real contribution to dairy farmer cooperatives.

I, for one, have nothing but commendation for the Federal Trade Commission and their work in investigating the milk industry. Above all, we must not lose sight of the fact that their effort resulted in a contribution to dairy farmers and their cooperatives.

My home is in Rochester—one of the largest cities in the State of New York. Rochester is not only a large industrial community but is a large agricultural trading point as well. It lies in the heart of one of the finest agricultural sections of the United States. It is a most productive dairy section and the scene not so long ago of a bitter milk producers' war.

Prior to my election to this body I had the pleasure of representing the people of the city of Rochester and Monroe County in the upper house of the New York State Legislature. I served two years as chairman of the New York State senate committee on agriculture.

As you gentlemen know, New York State is one of the largest dairy-producing areas in the world. The milk question has been a serious one in our State for some years past. We have had our share of investigations, some of them productive of great good and others which might better not have been made.

During my chairmanship of the New York State senate committee on agriculture, I came in close contact with all of the well-known farm leaders and particularly with the leaders of the dairy farmers' cooperative group. They are a group of men with great problems which I believe they are trying to solve honestly.

New York State had the first State Milk Control Act, and this act was the outgrowth of a rather bad series of milk strikes, one of which took place near the city of Rochester and Monroe County. This strike was so violent that a large number of State troopers were employed in keeping order. Hence when I talk about dairy farmers I am talking on a subject with which I am somewhat familiar.

In criticizing the Federal Trade Commission let us not overlook the fact that a vast amount of good came from the report. Unfortunately it does not get into the newspapers. For instance, at the last session of the Legislature of the State of New York a colleague of mine, Senator George F. Rogers, of Rochester, N. Y., introduced a bill embodying a new State milk-control act. It subsequently received a majority vote in both houses and was signed by Governor Lehman. It was publicly praised by Governor Lehman when he approved it. He termed it a "producer law." I believe it is a step in the right direction. Time alone will show how it works.

I have talked with a number of dairy farmer leaders in the State of New York and they have told me that this new Rogers-Allen law could not have been passed had there been no Federal Trade Commission investigation in the New York milkshed. For the first time dairy farmers had an opportunity to get a bird's-eye picture of the general milk problem and they obtained this picture from an unimpeachable source—the Federal Trade Commission. Farmers' organizations have printed this report at their own expense and sent it all over the milkshed. Many things were brought out in that report which heretofore had not seen the light of day. It set dairy farmers thinking as they never did before.

This new New York State Milk Control Act makes it possible for producers and their associations to get together and bargain collectively for a producer price at which the farmers shall sell their milk. Dealers are likewise permitted to form into bargaining associations for the purpose of negotiating with producer groups for producer prices. Both of these groups are permitted, under law, to jointly bargain together for a producer price for their milk. However, both of these groups are specifically prevented from fixing consumers' prices.

Prior to the Federal Trade Commission report there was no unity among many of the dairy-farmer groups in my State. Since that report and since the passage of the Rogers-Allen law, dairy farmers and their cooperatives are more nearly united in New York State than they have been at any time in their history. This condition is a direct result of the Federal Trade Commission investigation of the New York milkshed.

I have talked at some length with some of the leaders in this movement and they have told me that the Federal Trade Commission report made a lasting contribution to the dairy-farmers cooperative movement.

And so far as the gentleman's criticism that the report is sketchy is concerned, the Commission itself pointed out that it was not given sufficient funds to make a detailed investigation of the whole shed. If you stop to realize that the Federal Trade Commission itself had to set a time limit for the investigation because of the ridiculously low appropriation they received for the work, and if you stop further to realize that they pointed this out in their report, certainly not much criticism can be heaped on them for their lack of effort. If the report is sketchy, it is simply because the Congress did not make available to the Federal Trade Commission sufficient funds to do as thorough a job as it would otherwise have done.

And although the members of the Commission do not need any defense personally, I should like to say that I serve on one of the important House committees that have to do with the affairs of that Commission, and I know it is a sincere, hard-working group of men. No one can truthfully charge the Federal Trade Commission with being under the shadow of politics. The Commission has been particularly free from politics, and no one knows that better than the public.

There is always great danger in hasty legislation. On the basis of past performance we may be sure that the Commission will do everything it can do under the law to see that law violators are brought to task. Their long record covering many years of administration under both political parties is the best answer to any charge of political maneuvering.

If it were possible to take a vote of all the dairy-farmer groups, particularly the cooperative groups, in order to find out their sentiment toward the Commission, it would be found that they are overwhelmingly friendly toward it.

In their final report on the milk situation, which came to this House under date of January 4 of this year, the Commission made 10 or more important recommendations. Obviously it takes time to digest these recommendations and to decide how best to amend present laws or write new ones. It is a bit early yet to say what should be done in the present situation. My own feeling is that the Federal Trade Commission in due time will send to the Congress its recommendations for further legislation.

It is all very well week after week and month after month to refer matters to the Federal Trade Commission for their investigation. However, if we give them no further increase in personnel and no further increase in their budget, they are not going to be able to go on with the vast duties assigned to them.

I probably was in error when I took the address of the gentleman from New York as a rebuke of the Commission, but I thought, after reading the address a couple of times, that it might appear to some as if the inference was that no good had come out of any of the Commission's work.

It is unfortunate that such a successful piece of work as the New York milk investigation does not command closer attention on the part of some of the Members of this House. No one can read it or any of the other reports on milk, without feeling that dairy-farmer cooperatives have a friend in the Federal Trade Commission and this friendship was strengthened by the recent reports. The Commission unequivocally stated in its final milk report that as a whole dairy-farmer cooperatives "have greatly improved conditions in dairy farming and have probably obtained without such organizations."

New York State now has the largest dairy-farmer cooperative bargaining association in the world. It has over 60,000 members in one central sales agency group. It is dealing with the largest dealer bargaining association in the world. Before the passage of our Rogers-Allen law everybody in our State expected a bitter milk producers' war this month.

The ground work for this new law was laid in the Federal Trade Commission report on the New York milkshed, and for this contribution the Commission deserves a full measure of credit.

A Bank of the United States

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. LEMKE. Mr. Speaker, during the 1933 special session of Congress I introduced a bill creating the bank of the United States. I reintroduced it in every Congress since and it is now pending before Congress. This bill is modeled after the bill that established the Bank of North Dakota, of which bill I was the author. I shall not here discuss the remarkable success of that bank, except to say that it is the only bank owned, operated, and controlled by a sovereign State. It has made and saved millions of dollars for the State and its people. Every State in the Union ought to have a similar bank.

This bill has now been before Congress for five sessions or about 5 years. Each time it was referred to the Banking and Currency Committee and there chloroformed and lulled to sleep. This committee has degenerated into a mere clearinghouse for the Executive. It has not granted or held any hearings on this bill, which is designed to have Congress again coin and issue the money and regulate its value. This in spite of the fact that the establishment of a new monetary system is now the most important issue before Congress and the American people.

The fault is not alone with the Banking and Currency Committee. It is with Congress as a whole. Congress is no longer an independent branch of our Government. It is temporarily under the control of the executive branch—the President. The President, through the appointive power, is in absolute control of the Federal Reserve System, the system imported from Europe. No President will surrender this control. There is no use of further deceiving the public. Congress has largely surrendered its legislative power to the Chief Executive at the expense of the people. This in violation of its constitutional duties. The President, the Secretary of the Treasury, and the Board of Governors of the Federal Reserve System now write the banking laws of the Nation, and Congress ratifies them.

The executive branch and the Board of Governors—it makes no difference who happens to be President—are altogether too closely connected with the money changers. They are too close to Wall Street. Congress must divorce itself from the executive branch and again assume and use its legislative powers. It must again write the Nation's laws. It must again become responsive to the will of the majority of the people. This, I am sure, the Nation will demand when it once fully realizes what has happened.

When the bill creating the bank of the United States becomes a law it will give the Nation a banking system owned, operated, and controlled by our Government in its sovereign and governmental capacity. It will give to the people of this Nation at all times a sufficient currency—a medium of exchange so that the energies of all the able-bodied men and women can and will be utilized in the creation of new wealth. It will give us the abundant life rather than poverty by scarcity, produced by the wanton destruction and ignorant curtailment of the productions of wealth, through the insanity of official Washington.

Under the provisions of this bill the policy of the bank will be in charge of a board of control, consisting of 48 members, 1 from each State elected by the electors of that State the same as Members of Congress. It will take the control of the money and credit out of the hands of one State—out of the hands of Wall Street—and place it in the hands of all the States, in the hands of the sovereign people, where it belongs. The board of control will appoint an executive committee and a manager and other officers to operate the bank on behalf of the Nation.

Under this bill, the Government will issue $5,000,000,000 of currency, to be known as "United States money", to the bank as its capital and revolving fund. Such notes will be full legal tender for all public and private debts. They will be secured by the full faith and credit of all the resources of this Nation. They will be secured by the gold and silver now in the United States Treasury or buried by it in subterranean vaults. They will be secured by the gold and silver in the hands of private individuals or corporations or that may hereafter be mined or produced. In fact, it will be real money based upon wealth and not upon debts. It will be backed by all the people, with all the wealth and all the property of this Nation. It will be constitutional money, issued by the authority of Congress.

This bank will transfer funds to the credit of the Treasury of the United States for public works and public expenditures as directed from time to time by acts of Congress. Thus it will put the United States upon a cash basis. It will use the money and the credit, that belongs to us all, for the benefit of us all in place of giving it away to a few individuals and borrowing it back again by issuing tax-exempt interest-bearing bonds. It will end the tax-exempt interest-bearing bond issuing racket once and for all. It will save the Federal Government and the State governments and the political subdivisions, billions of dollars of interest. It will prevent unemployment, give employment assurance and will establish permanent prosperity.

This bank will make loans to any State or Territory of the United States, or to any political subdivision thereof, for public improvements up to 30 percent of the assessed valuation of the property of any such State, Territory, or political subdivision. It will give preference to States, Territories, or political subdivisions whenever and wherever there is unemployment or where the wage scale for common labor falls below a living annual wage. It will enable us to establish an American standard of living for all of our citizens.

This bank will make loans to the Farm Credit Administration, secured by farm-loan bonds, issued for the purpose of making farm loans or refinancing and scaling down existing farm debts. It will make loans to the Home Owners' Loan Corporation secured by home-loan bonds issued for the purpose of making loans on homes or refinancing and scaling down existing loans on homes. It will use the money and credit of this Nation to save our homes and not to wreck them. It will stop mortgage foreclosures and will stop the cruel, brutal, and inhuman eviction of men, women, and children.

These loans to States, Territories, and political subdivisions, and to the farmers and city home owners, will be made at a service charge not to exceed 1 percent per annum. If in the past and in the present it has been and is proper to give the money and credit of this Nation to a few large and international bankers at seven-tenths of one cent per bill, then how much more intelligent it will be to use it to protect the homes of this Nation and to forever abolish unemployment by employment assurance—to forever abolish poverty and slums.

When this bill becomes a law the Bank of the United States will also make loans to all the local banks and trust companies of this Nation, under uniform rules and on equal terms. It will make loans to the small banks on the same terms and on the same conditions as it will to the large

banks. It will give equality of treatment to all the States and to all the cities and towns throughout the Nation. Through the local banks and its own agents and through the postal-savings banks, this bank will provide the people of this Nation at all times with sufficient money to transact their business.

This bank will not be allowed to deal in foreign exchange, or in foreign money or securities. Nor will it be allowed to make any loans to foreign governments, foreign banks, or foreign corporations. It will be prohibited from joining the fraternity of international bankers. It will stay at home and mind its own business. It will deal with Americans and will not be affected with an inferior foreign complex. It will be a thorough believer in America self-maintained and self-contained. The Bank of the United States will be the instrument through which the Congress of the United States will coin and issue the money and regulate the value thereof; not for the benefit of the select few, but for all of us.

This bill provides that all the funds belonging to the Government of the United States or to any department thereof—except gold coin, gold bullion, and silver bullion, now held in the Treasury of the United States and postal-savings funds—shall be deposited in the Bank of the United States. It provides that the bank shall receive deposits from any State or Territory of the United States or any political subdivision thereof, and that it shall receive deposits from any bank or corporation or from any citizen or resident of the United States.

All such funds may be deposited in any branch or agency established by the Bank of the United States or in any postal-savings bank. They may be deposited to the credit of the Bank of the United States in any approved State or National bank, under uniform rules and regulations. All such deposits will be fully and completely guaranteed by the Government. The Bank of the United States will be the sole depository of all surplus funds and excess reserves of all Federal and national banks and banking institutions, under the jurisdiction of the United States.

Money should never be hoarded. It should be kept in constant circulation so as to perform its proper function as a medium of exchange. This can only be accomplished by a Government bank—a bank owned, operated, and controlled by the people in their sovereign capacity—a bank in which all deposits are guaranteed 100 percent.

This bill provides that the bank, using its capital and other available funds as a revolving fund, shall take up the $36,000,000,000 of outstanding tax-exempt interest-bearing bonds and certificates of indebtedness. In other words, this bank, by using the money and credit that belongs to us all, will take up the Government's outstanding interest-bearing obligations and henceforth transact the Nation's business with cash. Our Government will no longer be compelled to pay interest on its own money and credit. It will be freed from self-imposed bondage. Thomas Edison said, "If our Nation can issue a dollar bond it can issue a dollar bill."

By using the money and credit of this Nation for the benefit of all the people, the people will soon be able to pay up the $300,000,000,000 of public and private debts and save $15,000,000,000 each year in interest. There will then be no further need of going into debt or buying on the installment plan, which has been the curse of this Nation—a human wrecking machine. We will then be able to go on a cash basis and devote our energies to producing and distributing wealth rather than to paying interest and debts. We will no longer be obliged to mortgage our own future or that of our children and grandchildren to a money and credit monopoly in order to continue to pay interest and debts.

This bill provides that the bank shall control and regulate the money and credit of this Nation and that it shall at all times provide the public with sufficient money—with a sufficient medium of exchange—to carry on the Nation's business. It provides that the executive committee shall regulate and stabilize the purchasing power of the dollar—that it shall stabilize the value of money. It will furnish us with a constant medium of exchange with a uniform purchasing power. It will prevent violent fluctuation of prices and the repetition of the wholesale destruction of property values.

This bill makes it the duty of the executive committee to ascertain and determine the average value and buying power of the dollar over a period of years. It will do this by an analysis of the wholesale market prices in the principal markets of the Nation of not less than 500 or more than 800 commercial commodities. This average value and price will be declared to be the general normal price level of such commodities and the value or buying power of the dollar.

This bank will be patriotic and educated in the doctrine that charity begins at home. It will not involve us in another foreign war on the false pretense that we will make the world safe for democracy. It will not finance any other nation to destroy and slaughter other and its own people. It will not become embroiled with other nations because of foreign loans. It will help to develop our own energies and resources on a cash basis. It will be national and not international. It will not be interested in foreign politics or in the political aggrandizement of foreign nations. It will rid us of international finance and of international intrigue.

If this bill becomes a law, it will not be necessary for this Government ever again to issue tax-exempt interest-bearing bonds in order to borrow back its own credit. It will save the Nation billions of dollars in interest and will save the revenues the Government now loses on tax-exempt bonds. It will enable States, counties, school districts, cities, and towns to refund their bonded indebtedness at a service charge at less than 1 percent in place of 5-, 6-, and 7-percent interest. It will get the Federal Government, State governments, and various political subdivisions out of debt. It will meet the requirements of the Constitution of the United States, "The Congress shall have power * * * to coin money and regulate the value thereof."

I am aware that some bankers will again yell "inflation" and "debasing the currency." I know that many people—labor leaders and farm leaders, small businessmen and ministers of the Gospel, who ought to know better—will parrotlike repeat those words. Some of these are on the pay roll of the money changers, others are sincere but lack the capacity of thinking straight. They believe in following the beaten path—the path of least thinking. They believe in letting bad enough alone.

We have debased our money and credit with some $300,000,000,000 of public and private debts. We have debased it by inflating it with $36,000,000,000 of Federal bonds and $58,000,000,000 State and municipal bonds—all interest-bearing and tax-exempt. We have debased it so that we have to pay the taxes for the multimillionaire, because he bought tax-exempt bonds. We have debased it so that the common laborer, the farmer, and the small business and professional man and woman has to pay for the education of the multimillionaire's children in public schools, because he has invested all his money in tax-exempt, interest-bearing bonds. We have debased it to the extent that millions, who once were proud home owners, have lost them. We have debased it to the extent that millions have lost their businesses and millions more their jobs.

But just now we are more concerned with getting this Nation and the people of this Nation out of debt. More concerned with reestablishing our people in their homes and in creating wealth than in wrecking homes and destroying wealth. We are more concerned with having the money and credit of this Nation controlled and regulated by the Government for the use of all than having it given to a few individuals and parasites. We are more concerned with giving the youth of this Nation an opportunity—an opportunity to build homes for themselves and enter professional and industrial life.

When the Bank of the United States is established, it will bring about the greatest prosperity we have ever seen. Millions will be taken from the dole system. Unemployment and starvation will cease. Enforced idleness of millions of men and women will disappear and we will hear

no more of overproduction. Consumption will again be normal and the industrial life of the Nation will return. The farmers will pay their bankers, their merchants, their lawyers, and their doctors, and they in turn will pay their bills and all will again start to repair and improve their homes.

There will be employment assurance at a living annual wage rather than unemployment insurance. Our people will live in homes free and clear of encumbrances and on an American standard rather than in subsistence homesteads on a subsistence wage or a subsistence loan. They will perform useful labor creating wealth rather than welshing on W. P. A. projects. There will be enough money, enough purchasing power, in circulation so that we can again completely utilize the Nation's energies and fulfill the Nation's demands. The money and credit will be used for the good of mankind and not for the destruction of home, farm, and factory.

Activities of Reconstruction Finance Corporation

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

STATEMENT OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. McADOO. Mr. President, of all the independent agencies of the Government none has made such a conspicuously successful record as has the Reconstruction Finance Corporation under the direction of HON. Jesse H. Jones. I ask unanimous consent to have printed in the RECORD a statement of the activities of the Reconstruction Finance Corporation from March 4, 1933, through August 10, 1937.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ACTIVITIES OF THE RECONSTRUCTION FINANCE CORPORATION, MARCH 4, 1933, THROUGH AUGUST 10, 1937

LOANS TO AND INVESTMENTS IN CAPITAL OF BANKS AND TRUST COMPANIES

To enable open banks to meet the demands of their depositors and continue their normal functions, loans aggregating $248,046,589.67 were authorized to 1,257 open institutions.

Loans in the amount of $916,020,618.57 were authorized for distribution to depositors in closed banks to 1,771 institutions on applications submitted through regular channels of the Corporation and $284,322,734.75 to 1,434 institutions on applications submitted through the Deposit Liquidation Board, which was established by the President October 15, 1933, in order to expedite the release of funds to depositors and effect a more orderly liquidation of closed-bank assets.

It is estimated that approximately 20,000,000 depositors were benefited by the closed-bank loans.

In the program of bank rehabilitation, the Corporation, under the authority granted it in the act approved March 9, 1933, authorized a total of $1,320,079,569.41, segregated as follows:

The purchase of preferred stock in 4,171 banks, amounting to $861,937,384.

Loans on preferred stock of 272 banks, amounting to $23,322,755.

The purchase of capital notes and debentures in 2,891 State banks in the amount of $434,819,430.41.

LOANS TO BUILDING AND LOAN ASSOCIATIONS

By act approved June 14, 1933, authority was extended the Corporation to include loans to receivers or liquidating agents of building and loan associations to make available funds to pay liquidating dividends to depositors and creditors. Pursuant to this authority, $25,141,957.84 was authorized for this purpose. In addition, $14,148,645.74 was authorized to building and loan associations to enable them to meet withdrawals of shareholders and depositors and to continue their normal functions without resorting to foreclosure on homes of borrowers.

LOANS TO AND INVESTMENT IN THE CAPITAL OF MORTGAGE-LOAN COMPANIES

To assist in the reestablishment of a normal mortgage market the Reconstruction Finance Corporation Act was amended by act approved January 31, 1935, authorizing the Corporation to subscribe for nonassessable capital stock of mortgage-loan companies. Authorizations for such stock aggregate $36,750,000, including $25,000,000 of the stock of the R. F. C. Mortgage Co., which makes first-mortgage loans for refinancing purposes on urban income-producing property where there is genuine distress and money is not available from other sources. The company also makes loans to aid in construction of new buildings where there is a sound economic need therefor. In addition, it purchases F. H. A. insured mortgages on newly constructed homes from mortgagees approved by Federal Housing Administration.

Loans aggregating $156,810,541.82 have been approved by the company, segregated as follows:

Refinancing in cases of distress	$63,177,193.54
Construction of new buildings	39,428,350.00
On mortgage bonds and certificates	12,605.00
For purchase of F. H. A. insured mortgages	54,192,393.28

Three hundred and seventy-one million two hundred and ninety-three thousand eight hundred and seventy-nine dollars and twenty-one cents was authorized by the Reconstruction Finance Corporation to 150 mortgage-loan companies to enable them to continue their functions without foreclosing property of mortgagors.

LOANS TO AND INVESTMENT IN THE CAPITAL OF INSURANCE COMPANIES

The Corporation, under the act approved June 10, 1933, assisted in strengthening the capital structure of 10 insurance companies, authorizing subscriptions for or loans on their stock in the amount of $34,375,000.

Ten million four hundred and thirty-one thousand nine hundred and twenty-six dollars and sixty-two cents was authorized to 56 insurance companies under section 5 of the original act, which enabled them to meet claims and hold assets which otherwise might have had to be sold at a sacrifice.

AGRICULTURE

Loan authorizations and allocations directed by Congress in the amount of $2,386,198,705.14 have been made to aid agriculture, as follows:

Sec. 5, R. F. C. Act:	
Federal land banks	$370,636,000.00
Joint-stock land banks	18,164,750.00
Federal intermediate credit banks	9,250,000.00
Agricultural credit corporations (including regional agricultural credit corporations)	134,579,519.69
Livestock credit corporations	1,045,525.03
Emergency Relief and Construction Act of 1932:	
Sec. 201 (c), title II: To finance the export of cotton, wheat, and flour to China, cotton to Russia, and tobacco to Spain	53,370,955.22
Sec. 201 (d), title II: To finance the carrying and orderly marketing of—	
(a) Cotton, corn, turpentine, and rosin through Commodity Credit Corporation	1,307,108,664.99
(b) Rice, cottonseed, sugar, coffee originating in Puerto Rico, and other commodities through other borrowers	35,043,290.21
Commodity Credit Corporation has made 1,630,892 loans aggregating $407,835,539.51 to cotton growers; loans aggregating $51,415,841.82 to the 1933 and 1934 Cotton Producers Pool; 223,788 loans aggregating $134,418,857.94 to growers of corn; and 8,922 loans aggregating $7,229,790.71 to producers of rosin and turpentine.	
Sec. 5, Agricultural Adjustment Act approved May 12, 1933, as amended:	
To Secretary of Agriculture to acquire cotton ($3,300,000 disbursed)	23,500,000.00
Allocations by direction of Congress to other governmental agencies	433,500,000.00

LOANS TO RAILROADS

Three hundred twenty-one million, thirty-nine thousand, two hundred sixty-four dollars and sixty-five cents was authorized to 46 railroads pursuant to section 5 of the Reconstruction Finance Corporation Act, as amended. These loans protected institutional investments, financed capital expenditures, relieved unemployment, preserved credit of railroads, and made funds available from private financial institutions at lower interest rates.

SELF-LIQUIDATING LOANS

Pursuant to section 201 (a), title II, of the Emergency Relief and Construction Act of 1932, approved July 21, 1932, loans were authorized to 97 borrowers in amount of $219,176,480.92. The authority to make new loans was transferred to the Federal Emergency Administration of Public Works on June 26, 1933. These loans have been an important stimulus to employment, not only in the construction work itself but in the concerns that furnished the materials.

PURCHASE OF SECURITIES FROM FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

Under the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1935, the purchase of 1,682 issues of marketable

securities was authorized in the principal amount of $601,558,921.47, of which $500,224,921.47 was purchased; $414,363,631.47 of these purchases were sold or collected at a premium over cost to the Corporation of $12,094,228.97.

LOANS TO AID INDUSTRIAL AND COMMERCIAL BUSINESSES

The object of these loans is to maintain and increase employment through the extension of credit when such is not available at banks. Under sections 5 and 5 (d) of the Reconstruction Finance Corporation Act, as amended, $184,292,881.62 was authorized to 2,271 borrowers, local banks participating in a number of these loans.

LOANS TO DRAINAGE, LEVEE, AND IRRIGATION DISTRICTS

To assist drainage, levee, and irrigation districts in property rehabilitation and reducing and refinancing their outstanding indebtedness, $136,529,172 (of which $17,702,564.44 has been canceled) was authorized under Emergency Farm Mortgage Act of 1933, approved May 12, 1933, as amended, to 619 borrowers, resulting in a reduction of interest rates from 6½ and 6 percent to 4 percent, debts of the district an average of 53.82 percent, and annual tax and water charges 75 percent.

LOANS TO PUBLIC-SCHOOL AUTHORITIES

By act of Congress approved June 19, 1934, the Corporation was authorized to make loans to public-school districts or other public-school authorities for the payment of teachers' salaries due prior to June 1, 1934. By act approved August 24, 1935, the Corporation was authorized to make loans to or for the benefit of tax-supported public-school districts or other authorities to enable them to reduce and refinance outstanding indebtedness or obligations incurred prior to August 24, 1935, in financing the construction, operation, and maintenance of public-school facilities.

Pursuant to these acts the Corporation authorized loans to 27 borrowers aggregating $24,506,800, including an authorization of $22,500,000 to the Board of Education of the City of Chicago for the payment of teachers' salaries, under the act approved June 19, 1934, and authorizations aggregating $2,006,800 pursuant to the act approved August 24, 1935.

CATASTROPHE LOANS

Authorizations were made to 685 borrowers in amount of $16,899,420.95 for the rehabilitation, reconstruction, and replacement of property damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1933, 1934, 1935, or 1936, under section 201 (a) (6), title II, of the Emergency Relief and Construction Act of 1932, as amended, and the act approved April 13, 1934, as amended.

By act approved February 11, 1937, as amended, the Disaster Loan Corporation was created and empowered to make loans made necessary by floods or other catastrophes of the year 1936 or 1937. Its capital stock is subscribed for by the Reconstruction Finance Corporation. Loans aggregating $7,563,275.86 have been authorized to 6,782 borrowers.

MINING LOANS

Under section 14 of the act approved June 19, 1934, as amended, credit has been extended to many miners engaged in the business of mining, milling, or smelting of ores, and for the development of ore bodies. Loans have been authorized in the amount of $10,844,500 to 114 borrowers.

LOANS TO STATE FUNDS CREATED TO INSURE DEPOSITS OF PUBLIC MONEYS

Section 5 of the Reconstruction Finance Corporation Act, as amended, authorizes the Corporation to make loans to any fund created by any State for the purpose of insuring repayment of deposits of public moneys of such State, or any of its political subdivisions, in banks or other depositories. Under this section loans were authorized totaling $13,087,715.88, which immediately made available funds tied up in closed banks needed by local governments to pay employees and meet other obligations without awaiting liquidation of the banks.

LOANS TO RURAL ELECTRIFICATION ADMINISTRATION

Forty-six million five hundred thousand dollars has been authorized to the Rural Electrification Administration pursuant to the Rural Electrification Act of 1936.

In addition to loan and investment authorizations, the Corporation authorized, by direction of Congress, allocations to other governmental agencies and for direct relief, $2,203,532,378.39.

SUMMARY

Authorizations for period:	
Loans and investments	$6,794,931,840.51
Allocations to other governmental agencies and for relief	2,203,532,378.39
Total	8,998,464,218.90
Total authorizations:	
Loans and investments	8,990,247,068.45
Allocations to other governmental agencies and for relief	2,800,247,853.19
Total	11,790,494,921.64
Repayments of loans and investments:	
During period	4,400,641,229.67
Total	4,769,684,667.11

Total interest and dividends, collected and accrued during the operation of the Corporation, have exceeded by $169,838,827.18 expenses, including interest paid and accrued on notes held by the Treasury and others (but not including $23,566,899.86 interest on money borrowed for advances to other governmental agencies and for relief).

A Memorial Is Only as Valuable as the Popular Respect It Inspires—Conceived to Deceive, and Bottomed on Fraud and Corruption, the Jefferson National Expansion Memorial in St. Louis Has Lost the Respect of All but Its Promoters

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. LAMBERTSON. Mr. Speaker, in the closing hours of the first session of the Seventy-fifth Congress I refer for the eleventh time this year to one of the most outrageous raids ever attempted on the Federal Treasury, the allocation of $6,750,000 of relief money by Executive order for the benefit of the real-estate promoters of St. Louis, that they may proceed with an unholy and iniquitous scheme to tear down and destroy 37 blocks of business property as the site for a proposed $30,000,000 memorial to Thomas Jefferson.

This Jefferson Memorial scheme in St. Louis was conceived to deceive; it is bottomed on fraud and corruption, and no one dares to step forward and defend it in the Halls of Congress. A great editorial writer speaking of the proposed Thomas Jefferson Memorial that we are going to erect here in Washington some day, said: "A memorial, it is time to realize, is only as valuable as the popular respect it inspires."

In the 10 previous addresses I have presented on this Jefferson Memorial in St. Louis, I have thoroughly debunked and exposed this scheme for what it is—a huge real-estate promotion—engineered for the benefit of certain interested parties, who have spared no expense in misrepresenting the proposal, both to the people of St. Louis and the Members of Congress, from whom they incidentally received only the limited authority to plan a memorial, but not to build one with public funds.

Mr. Speaker, whatever there may have been of good in the early plans for this memorial to Jefferson and the pioneers of the West, whatever there may have been in the deeds of these builders of America to inspire respect, is found to be sadly lacking in the actions of the memorial promoters, for by their silence, and their willingness to accept the benefits of money which comes to this project tainted with fraud and corruption, they have sacrificed the respect of the people of this country for the integrity of either the memorial or its backers.

By the willingness to accept money wrung from the taxpayers of St. Louis by fraud, and by their willingness to accept money intended for the relief of human suffering and hunger from the Federal Government for the purchase of this property in St. Louis, they have sacrificed the respect of this Congress and the Nation. To allow this memorial to be built with money appropriated by this Congress for work relief, but diverted to the use of the real-estate promoters, will inspire no respect in this Congress.

This is a problem Congress will have to face some day. In the next session it will become increasingly important, for, as sure as the days roll around, there will come that certain day when this Congress will be called to make an accounting for the trust that has been imposed with them.

The $4,800,000,000 appropriated by Congress in the Emergency Relief Appropriation Act of 1935 was not intended for the building of useless memorials, neither was it intended to be used for the preservation of fake historic sites. The Members of this Congress, both Senators and Representatives, who allowed their names and pictures to be placed in an expensive book describing the plans for this me-

morial, I feel sure, are the men who will want to withdraw from any association with a project of such questionable nature as this St. Louis memorial has turned out to be. These gentlemen and others who let their patriotism and respect for the pioneers of our country allow themselves to be associated with the planning of the memorial will be among the first to disclaim the fraud, the corruption, and the questionable methods which have been used in promoting this whole mess and dropping this illegitimate conception at the doors of Congress.

The resolution I have introduced for an investigation languishes in the Rules Committee. My appearances before the chairman and the Speaker were ineffective and unrewarded. I can only predict that those who try to block an investigation next year will do so only in the face of one of the greatest national publicity campaigns ever attempted, to expose this proposal to the people of America.

Andrew Jackson Montague

MEMORIAL ADDRESS

OF

HON. PATRICK H. DREWRY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. DREWRY of Virginia. Mr. Speaker, when I took my seat in the House of Representatives the delegation from Virginia was composed of 10 Members; now, only 1 of those 10, Hon. S. OTIS BLAND, remains in Congress besides myself. As the youngest man at that time on the delegation, I felt deeply gratified at receiving the friendship and the sympathetic assistance and advice of these distinguished sons of Virginia. Political life does not permit many close friendships, and yet I believe that I felt as close to these Representatives from Virginia who had preceded me as any friends whom I ever had. Hal Flood, Tom Harrison, Jim Woods, Ned Holland, Rorer James, Walton Moore, Otis Bland, Governor Montague, and Bascom Slemp—all, without exception, stood ready to assist me in the proper representation of my district.

Governor MONTAGUE, the subject of these remarks, is the last to go, he having passed away on January 24, 1937. Representing the district adjoining mine there were many matters of mutual interest, and he seemed to take great pleasure in advising and assisting me in my political service in behalf of my constituency. I shall ever feel deeply grateful to him for his wise counsel and kindly heart which aided me much in my work. Before giving a brief sketch of his activities in behalf of his beloved State and Nation, I feel, Mr. Speaker, that I wish to make this personal reference.

ANDREW JACKSON MONTAGUE was born near Lynchburg, Va., on October 3, 1862, although the home of his ancestors for generations had been in eastern Virginia. Receiving a preparatory education, he graduated from Richmond College, in Virginia, when he was 20 years of age, and then graduated from the University of Virginia, in the department of law, 3 years later. He was admitted to the bar in 1885 and commenced practice in Danville, Va. He immediately received recognition for his brilliant talents in legal practice, but from the beginning he was attracted to public service. Thinking that it was the duty of every citizen to take interest in the affairs of his Government, he willingly gave himself to political activities, and President Cleveland appointed him attorney for the western district of Virginia in 1893, and he served with distinction in this capacity for 5 years.

In 1898 there were many questions of grave importance to the people of the State that were before them for consideration. He threw himself into discussions of these issues with great vigor and ability and was elected attorney general of the State of Virginia in 1898, and served until 1902. In that period the constitutional convention assembled, and as a result of its labors a new constitution was given to the State. So well did he serve the people of the State in his active participation in all the new issues arising out of the matters brought before the State convention, and so thorough were his qualifications for high office that he was elected Governor of Virginia for 4 years, from 1902 to 1906. After his term as Governor had expired he received many honors, both State and National. He was active in the councils of his party, being a delegate at large to the Democratic National Convention at St. Louis in 1904; he represented the United States as American delegate to the Conference of American Republics in 1906.

Receiving an offer as head of the Richmond College Law School, he served 3 years in this position and then resumed the practice of law in Richmond, Va. Again, in this period, he was a delegate to the International Conference on Maritime Law at Brussels. After he had been elected to Congress, he still kept his interest in international affairs, and was vice president of the American group of the Interparliamentary Union and participated in its sessions from year to year. In this field he received recognition and much praise for his work, and held the office of president of the American Peace Society and the American Society for International Conciliation, and was trustee of the Carnegie Endowment for International Peace.

In 1912 he was elected as a Democrat from the Richmond, Va., district to the Sixty-third Congress, and took his seat at the first session of the Sixty-third Congress on April 7, 1913, and served his district, State, and Nation until the time of his death in this position.

The brief résumé of his services does not more than call attention to his energy and his activity in political affairs. Such services afforded a man of Governor MONTAGUE's type and temperament a great opportunity for achieving distinction, and he did achieve distinction in many fields.

I believe it would be conceded that while Mr. MONTAGUE, with great energy and splendid judgment, accomplished fine results in the national and international fields, yet his work as Governor of Virginia stands out. As said above, he came at a time when there had to be put into effect the provisions of a new constitution, and the legislature of the State sat for nearly 2 years in their effort to make the statutes conform to the new constitution. It was a tremendous task, but he controlled the work of the legislature with his recommendations and suggestions, many of which were followed and put into effect, and went through this trying period with great honor to himself. He built up in Virginia a State government which has been looked upon as a model and which has been so satisfactory to the people of the State that there has not been held since that time another constitutional convention. Working under the basic law established by said convention, Governor MONTAGUE started the State forward to prosperity. He became especially interested in the educational system of the State and took a prominent part in promoting a system of public instruction which has meant better schools and a better-educated and happier people.

Of fine presence and attractive and pleasing personality and vigorous mind, he built up in the various campaigns in which he participated a reputation as one of the orators of the State—a State which has always looked upon oratory as evidence of great ability. The announcement that the "Red Fox of Middlesex", as he was familiarly called, would address the voters of the State was always sufficient to bring out a large crowd to hear him, and he was known far and wide for his eloquence. However, even these qualifications, important though they are, and the honors that he won significant as a tribute to his ability, paled into insignificance when compared with the friendships which he made. He was essentially a kind-hearted man; he loved people and liked to have them love him. With gracious kindliness and warm-heartedly he cultivated the friendships of many who never lost for him the affection which he had aroused in them for himself, and he could

go to his reward contented, knowing that he still lived in the hearts of his fellow men.

Need for a National Labor Policy and for the Enactment of Uniform Wage and Hour Legislation

EXTENSION OF REMARKS

OF

HON. MICHAEL J. BRADLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. BRADLEY. Mr. Speaker, developments in our economic and industrial systems make it imperative that the Congress of the United States take immediate action which will prevent exploitation of the worker in those areas where local government has failed to provide for his protection. If sweatshops are to be outlawed in this country, and if the underprivileged are to be given the opportunities which are rightfully theirs, it must be through national laws which will apply to all sections of our country. The predatory greed of the selfish and short-sighted captains of industry is not limited or curtailed by geography. Indeed, it has been their policy to escape responsibility and to continue exploitation of the worker by moving their plants from those communities which have, through the enactment of legislation or through the efforts of the worker in successfully organizing for the purpose of insuring living wages, curbed their lust for unreasonable profits, to other localities where the worker does not have the benefit of either organization or of laws, which are intended to secure for him an adequate wage and to prevent exorbitant profits.

In the final analysis, this situation can only react to the disadvantage of all the people of America. For if some States are negligent with respect to their duty, the people of the States which have enacted progressive labor laws will ultimately be compelled to employ retaliatory measures as a matter of self-protection.

In view of this situation which seems to be generally recognized, and with a recollection of the campaign pledges of the Democratic Party, it is difficult to understand how anyone can logically contend that the passage of the Black-Connery wage and hour bill is not an absolute necessity, and over and above that, a matter of simple justice, and something which the American electorate has the right to expect, in view of the solemn pledges of our party and the overwhelming mandate of the people in November of 1936. Those who seek to scuttle or retard this legislation accept the role of "hatchet men" for the American Liberty League and for the Tory old guard. It is easy to understand the attitude of those Republicans, whose tactics have prevented the bill from coming before this House during the present session. Their party has never shown any genuine interest in the welfare of the American wage earner; on the contrary, it has consistently served the giant corporations, which have exploited the American public; but it is impossible to comprehend or justify similar tactics on the part of Democrats, who, by such methods, seek to prevent the overwhelming majority of the members of their own party from carrying out the solemn commitments made to the American voter and who are sincere in their desire to pass this liberal measure. Such tactics can only be condemned because they indicate an effort to negative everything the Democratic Party stands for.

Mr. Speaker, under unanimous consent previously received, I extend my remarks by the inclusion of the following editorial from the Philadelphia Record of August 6 of this year, which gives a graphic picture of certain incidents which have recently come under the scrutiny of our Government:

WHO'S DRIVING WHAT FROM WHERE?

Announcement that the legislative committee studying industrial taxation in Pennsylvania has started its work has served as a take-off point for our conservative connoisseurs of the crying towel.

Lathering themselves with simulated indignation they cry that high taxation is driving industry from this State.

The same cry they raised 3 months ago, and which was exploded at the time, by figures which showed that more industries had moved into Pennsylvania than had moved out, and that the incoming industries employed many more men than those which had left.

But some did leave.

And the Record is anxious indeed that the legislative committee investigate and find out why.

The evidence shows that of the few concerns which left, nearly all of them hosiery mills, four moved to Georgia, two to Virginia, one each to North and South Carolina, Alabama, and Tennessee. On a dozen pairs of stockings the labor differential between Philadelphia and the South averages from 50 cents to $1. Multiply this by thousands of pairs, and we think the story behind the moving is obvious.

But, as we say, we are anxious for the committee to investigate. And to help them we submit an illuminating story of one of those firms which moved out of Pennsylvania.

It is the Vortex Hosiery Mills, formerly located at Weissport, Pa. The Vortex Mills moved to Mississippi. What happened then was revealed at a hearing on July 8, when officials of the American Federation of Hosiery Workers showed:

That a $24,537 W. P. A. appropriation was used to build a free mill for the Vortex outfit—only it was called the Agricultural High School and Junior College of Mississippi, and supposedly was a "vocational training school."

"Instructors" in this "college" turned out to be the Vortex concern's foreman.

Forty-one persons, registered as students, were working in the mill, ostensibly being "trained"—for the munificent wage of 10 cents an hour (compared with the union scale in Weissport of $23 to $55 weekly).

All this was revealed at the W. P. A. hearing.

And this week W. P. A. officials announced that the Agricultural High School and Junior College of Mississippi has been ordered to return at once the $24,537 obtained from the Government.

Charming picture, isn't it?

And this is one of those industries which, our Tory friends say, has been "driven out of Pennsylvania."

Do Pennsylvania taxes enter into the picture?

Not with "students", at 10 cents an hour, competing with and undermining the standard of living in Pennsylvania and most other American States.

Competition, of course, isn't the word. It's chiseling of the most sordid sort

But the crowning touch is that obtaining of Federal funds, for a "school", to give this outfit a free factory.

It seems to us that if all these facts are established, W P. A. should not be content to demand the return of its money but should go further and institute fraud charges against all concerned in what appears to be one of the most nauseous steal of latter-day industrial history.

Yes; we commend these facts to our legislative committee investigating taxes and industry.

For this is one of the firms which moved out; and, if this is the way it operates, Pennsylvania can't afford to have it move back.

We want industry in this State. We don't want slavery.

William P. Connery, Jr.

MEMORIAL ADDRESS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from Massachusetts

Mr. SHANLEY. Mr. Speaker and my colleagues, Matthew Arnold, with that characteristic delicacy of thought and feeling which dominate his poetry, once said of another great, strong moral character, words that might well apply to our beloved New England colleague.

"Oh strong soul, by what shore
Tarriest thou now? for that force
Surely has not been left vain.
Somewhere surely afar
In the sounding labor house vast
Of being is practised that strength
Zealous, beneficient, firm!
Still like a trumpet dost rouse
Those who with half-open eyes
Tread the borderland dim
Twixt vice and virtue: revivest,
This way thy work.
This was thy life upon earth."

Those of us who had the privilege of enjoying the lovable personality of BILLY CONNERY will read the profoundest of eulogies in that poem—for that was Billy. Still with us is the unforgettable picture of his appearance in the center aisle of the House of Representatives where he has rushed to seek recognition of the Chairman, his right hand aloft as he addresses the Chair, the whole House welcomes his entry and in eager expectancy awaits his words. Even partisan political foes recognized in him the fairest of colleagues and the best of friends.

He was a living example of the grand old name of gentleman. William Butler Yeats, the Irish delineator of Celtic character, said:

For the good are always the merry
Save by an evil chance * * *

And Billy was always merry and always good, and those were the qualities that made him so keen in all he did—keen in effort, in study, in song, and in sparkling conversation, and in devotion to his work and friends.

Why Not a Public Relations Clinic for the Liquor Industry?

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. DIRKSEN. Mr. Speaker, in 1916, just 21 years ago, the National Prohibition Party polled 220,506 votes. This was but 1.19 percent of the total vote in that national election. The Nation grinned at its feeble attempt to make this country dry and solemnly concluded that the United States would remain forever wet.

Four years later the United States was legally dry. It embarked upon an arid experiment that was "noble in purpose" but not very impressive in practice. That "noble experiment" spawned a crop of rackets that are still with us.

Unthinking persons ascribe our sudden transformation from a wet to a dry country to the emotionalism of war. Such persons fail to profit by the facts.

They fail to remember, or do not know, that as early as 1914 nine States were dry. They fail to realize that in 1917, before we entered the World War, 18 additional States became dry. They fail to appreciate that before January of 1920, when the eighteenth amendment became operative, six additional States switched to the dry column. They fail to realize that on the day the eighteenth amendment became effective 33 States were dry.

The war did not invoke a drought upon this country. The war was but the moving force which brought about an amendment which was but a capstone to a long and unbroken series of prohibition victories.

This Nation was treated to 14 years of prohibition as the result of a cumulative moral force which was generated as the result of the abuses which then existed in the production, sale, and use of alcoholic beverages. This is a patent fact. It is readily discernible to anyone who will correctly interpret our history.

Today we are witnessing a repetition of history. Through local option about 700 communities have gone dry. These communities are dry by a vote of the people in those communities. They are dry through the votes of people who solemnly vowed that they had enough of the "noble experiment." They are dry as a result of the determination on the part of some of our citizenry to do without the privilege of alcoholic beverages rather than indulge the abuse of such beverages by some of their neighbors.

Believe it or not, but even as we complacently assert that the United States will never again revert to prohibition, the country is piecemeal going dry. The ardent and unrelenting advocates of prohibition, fortified with ample funds, are hastening the day. Perhaps only after it happens will we be sufficiently aroused from our smug complacency to inquire how it happened.

If this Nation returns to prohibition it will in large measure be the result of forces from within rather than from without the liquor industry. Even as it happened a quarter of a century ago, so it may happen again that abuses will stir the reform consciousness of the people.

The liquor industry is equipped with able attorneys to steer it through the tangled maze of Federal, State, and local laws, regulations, and restrictions. It has skilled production experts to give it maximum efficiency. It is provided with high-powered sales executives to market its product. It has skillful advertising men to carry their appeal to the people. It has an abundance of associations and institutes to coordinate activities within the industry. Its wholesale distributors have associations to standardize trade practices and stabilize distribution. The exclusive package-liquor stores are organized to secure cooperation in the hours of sale and the conduct of the retail business. Tavern owners are organized to meet undue restrictions by cities, counties, and States. Service men, waiters, and bartenders are organized to bargain collectively and secure decent working conditions. Every branch of the industry is organized for some purpose or against some purpose. Yet all might some day be foreclosed in their jobs, their businesses, and their far-flung investments because the public welfare has been forgotten or at least but slightly emphasized.

All this sounds surpassing strange perhaps from one who has authorized a number of bills in Congress to relax the liquor laws and bring a greater degree of liberality. Yet it is not so strange. Abuses in the alcoholic beverage industry spring not from laws or lack of laws but from the conduct of those who are the stewards and guardians of this immense industry. To say that more law or less law has anything to do with the proper conduct of any branch of the alcoholic beverage industry would require a confession that the eighteenth amendment was a success. The world knows that we had plenty of laws and regulations to attempt its enforcement.

A city ordinance may prohibit the sale of liquor to minors but that does not stop the sale of liquor to minors. Only a strict and decent regard for the spirit and the letter of such an ordinance by the man behind the counter can make such a provision effective. A midnight-closing law on Saturday night may be designed to usher folks home at a reasonable hour so that they might attend church on Sunday, but such a law does not thwart drinking after midnight. It only transfers it to some other spot. In any case of abuse or violation, it is not the existence or nonexistence of a law that brings it about and thus brings the liquor industry into disrepute, but the spirit and the mental approach of the person who has a responsibility in the decent, orderly, and decorous operation of any branch of the liquor industry, whether it be the humblest tavern or the largest distillery.

And that brings me to the point in these observations. Since every branch of the liquor industry has been so thoroughly organized, why not establish an institute of public relations, the sole and only purpose and function of which would be to develop a friendly and sympathetic relationship with the citizens of this country. The people are, after all, the court of last resort who can condemn the liquor industry to death or make it enduring. Such an institute could serve a variety of useful purposes. It could serve as a clearing house for accurate facts to meet the reproaches that are so frequenty leveled against the industry. It could at various times sample sentiment in different localities and learn first hand in what manner the conduct of the various aspects of the industry might be improved. It could set up standards of ethical conduct for retailers, wholesalers, and producers, and by vigorous organization and incentive bring about the attainment of such standards. It could cooperate with cities, counties, and States to bring about a healthy and scrupulous regard for public sentiment. It could make a painstaking analysis of communities that have, through local option, turned their backs on repeal, and divine the real reason for such action.

It could awaken a lively sense of responsibility among those who are engaged in the various branches of the industry and make them realize how much is at stake. It could examine into the abuses that stimulate the crusading zeal of people who are not normally hostile to the liquor industry and recommend the remedy for such abuses.

This seems like a huge undertaking. It is a huge undertaking. But it is a worth-while undertaking. The huge investments in the liquor industry—in trucks and stores, in bottle factories and distilleries, in label factories and rectifying houses, in cooperage plants and warehouses—are all eloquent of how much is at stake. The vast number of jobs that were created when prohibition was repealed indicates how much is at stake. All these exist by the sufferance of the people of this land. The people have given the privilege and the people can take it away. What better investment could the entire industry make today than to establish a clinic where its relationship to the public and its place in public esteem may be carefully and constantly subjected to conscientious scrutiny from within and the evils corrected when the first symptoms become manifest?

Randolph Perkins

MEMORIAL ADDRESS
OF
HON. EDWARD A. KENNEY
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey.

Mr. KENNEY. Mr. Speaker, the Honorable RANDOLPH PERKINS, for many years, was the Representative in the House of Representatives of the old Sixth Congressional District of New Jersey. That district, before the apportionment of 1930, included the counties of Sussex and Warren, part of Passaic, and the whole of Bergen, where he resided in Woodcliff Lake.

In 1930 the State of New Jersey became entitled to 2 additional United States Representatives, so that instead of 12 the State legislature carved out 14 congressional districts. Representative PERKINS was elected in 1932 to represent the new Seventh District, which comprised the counties of Hunterdon, Sussex, Warren, part of Passaic, and the westerly section of Bergen.

The easterly part of Bergen County with the municipalities of Guttenberg and North Bergen in Hudson County formed the new Ninth Congressional District of New Jersey. As his people of the Seventh District honored him, following the example of the populace of the old Sixth District, so the good people of the new Ninth District bestowed upon me the honor of representing them in the Halls of Congress. Residing in Cliffside Park, in the eastern part of Bergen County, I shared with Congressman PERKINS common problems, tasks, and responsibilities.

Always shall I remember very pleasantly his cordial greeting at the opening of the special session of the Seventy-third Congress, together with his sincere words of advice and encouragement. Perplexing days were ahead, and although we did not always see eye to eye, yet he was to be admired for his convictions and the courage of them.

Congressman PERKINS had already rendered a service to the country which was appraised highly by the Members of the House of Representatives and approved repeatedly by his constituents through his election for five consecutive terms as a Member of the House.

But the mettle of the man proved itself when, in January 1934, the House of Representatives was considering the bill to protect the currency of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes, and the Honorable RANDOLPH PERKINS, who was then the ranking minority member of the Committee on Coinage, Weights, and Measures, rising upon the floor of the House declared forcibly and with convincing emphasis that he intended, in voting for the bill, to follow the President of the United States, Franklin D. Roosevelt.

To his great credit his words may here be quoted, in part:

Mr. PERKINS. Mr. Speaker, we must not think that this is a partisan question. It has nothing to do with partisan politics. I am for the rule and I am for the bill. [Applause.]

I am for this bill because it is a step on the road to the stabilization of our money. I am for it because it puts within the control of the Federal Government, absolutely, the monetary base, namely, gold. I am for it because it establishes a stabilization fund whereby our dollar in foreign exchange can be stabilized.

Of course, there are many views on this subject. If you sit in a committee dealing with the subject of money and remain there long enough to hear all the experts, your mental condition is that of one who is at sea, adrift, in a fog without compass or chart, and who feels like singing Lead, Kindly Light. [Laughter and applause.]

There are just as many experts as there are people; and if you try to follow any school, you soon become so befogged yourself that you are like the judge who said he could decide in favor of the plaintiff when he heard his case, but, having heard the defendant's case, he did not know how to decide.

But we know a few fundamental things. We know, first, that we want the dollar stabilized as nearly as it can be under present conditions. This bill unquestionably leads in that direction. We need at least some guidance in that direction at the present time. There is no unanimity of opinion among the experts. In fact, there is nothing but diversity and division of thought and resultant confusion, and for my part I intend to follow the President of the United States at the present time rather than attempt to reconcile all the varying different schools of monetary thought. [Applause.]

Besides being a valuable member of the Committee on Coinage, Weights, and Measures, RANDOLPH PERKINS, while a Representative in Congress, served as the ranking minority member on the Committee on the Judiciary, and was also a member of the Committee on Patents and the Committee on Elections No. 3.

The death of Congressman PERKINS came as a thunderbolt from the sky. His colleagues knew him as did his people at home as a man of strong physique, robust and sturdy, and having unusual mental attainments as a result of energetic study and application. The mechanism of his body failed when it was not at all suspected, his vigor falling prey to the rigor of his tasks.

RANDOLPH PERKINS had the distinction, before the beginning of his congressional work, of presiding as the mayor of Westfield, Union County, N. J., and of serving as a member of the New Jersey State Legislature.

At one time Representative PERKINS was my Congressman. He was devoted to Mrs. Perkins and his children and faithful always to his people. For many years he was the sole United States Representative from Bergen County. There, as throughout his district, as well as at the National Capital, he was known and respected as having eminently sound understanding and judgment and honorable and irreproachable motives and purposes as a legislator and as a man.

House Joint Resolution 478

EXTENSION OF REMARKS
OF
HON. R. P. HILL
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. HILL of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to call the attention of the Members to House Joint Resolution 478, introduced by me. I will review not only the express purposes of the bill, but the history and reasons behind this proposed legislation with particular emphasis on the manner in which it affects Oklahoma.

House Joint Resolution proposes to authorize the Committee on Indian Affairs or a subcommittee thereof to hold

hearings to determine alleged loss of revenue sustained by certain States due to exemption from taxation of Indian lands and oil and gas and other minerals from such lands, and prescribes the duties of the committee and authorizes it to determine the amount of the loss sustained.

The bill also provides that the expense of collecting this evidence must be borne by the State interested. We have approached the problem in this manner after careful study and I believe Congress will see the justice of this claim when the facts are presented. Our first step is merely an authorization to determine these facts, and this at no expense to the Government.

Restricted Indian lands have been a burden for the several States ever since the Government made its treaties with the Indian tribes and assigned lands to them. Oklahoma has carried the heaviest burden of any State.

When Andrew Jackson was President he decided to move all of the Indians under Federal guardianship into a central territory in order to remove as much of this burden as possible from the then-existing States of the Union. What is now Oklahoma was the territory chosen. Indians were removed from Florida, North and South Carolina, Georgia, Mississippi, Missouri, Kansas, Texas, Arkansas, and many other States into this new territory. Thus we find a great majority of our Indian population residing in Oklahoma and owning lands restricted from all taxation.

Under the Constitution of the United States each Territory, when admitted into the Union as a State, is entitled to be admitted upon an equal basis with the original thirteen States. It enjoys all the sovereign rights not delegated to the Federal Government. The right of taxation, being essential to the survival of government, is a right which cannot be surrendered by a sovereign State without such State thereby surrendering a power which deprives it of equality with the Thirteen Original States. If, then, in order to achieve statehood, the Territory of Oklahoma and Indian Territory were admitted to statehood on the condition that the new State would, by accepting the terms of the Enabling Act, surrender the power of taxation as to property belonging to citizens of the State (including Indians), then such surrender was involuntary and the result of duress.

But in presenting Oklahoma's right to be reimbursed for the deprivation of the power of taxation of over practically half of the real estate within the State, a large amount of personal property and a great percent of the oil and gas and other minerals produced from restricted Indian lands, including the seven-eighths working interest belonging to the oil corporations or the white unrestricted oil and gas operator, we will assume that the Indian properties and the oil and gas produced therefrom by lessees were rightfully exempt from State taxation, and that that question is no longer open for debate. Assuming for the sake of Oklahoma's claim that such properties within the State of Oklahoma were legally exempted by Congress, and that the decisions of the courts in holding the oil and gas produced from such lands also exempt, and the income of oil and gas operators produced from restricted Indian lands is likewise exempt, it follows that a higher tax must necessarily be levied by the State and its political subdivisions against the other real estate and personal properties within the State for the support of the State and local governments.

It has been assumed by authorities familiar with ad valorem taxation in Oklahoma that the property owners of the State have sustained a loss of approximately $100,000,000 by the increased taxes required to make up for the lack of taxes from the exempt Indian lands and the oil and gas from restricted Indian lands.

It is strongly maintained by high authority that any surrender on the part of a State of its power of taxation, either directly or indirectly, is void. There are many cases from the Supreme Court of the United States holding void provisions of State constitutions accepting certain paragraphs of the enabling acts of Congress, whereby such States were admitted into the Union as being an effort to surrender certain sovereign powers which the State could not surrender; and the power of taxation is one of them. Reference here may be made to the agreement on the part of the State of Oklahoma to leave the capital at Guthrie for a definite period of time, which agreement was repudiated, and the Court sustained the removal at an earlier period on the ground that the right to locate the capital where the citizens of a State wanted the same was strictly a sovereign right inherent in the people of the State and could not be surrendered; and any agreement seeking to do so was null and void.

So, then, as before stated, even granting that the Government of the United States was within its right in requiring the State of Oklahoma to forego the right of taxation as aforesaid, the fact remains that the burden has rested upon the remaining taxable property of the State. The restricted Indian has always been a ward of the Federal Government, and not that of the State of Oklahoma. The obligation to provide government to the Indian rests wholly upon the United States and not upon the taxpayers of one State. If the Federal Government, through its policy of protecting the property of the Indian from sale for taxes, saw fit to exempt it from taxation, and to require the State of Oklahoma to agree not to tax it as a condition of obtaining statehood, it is nonetheless the obligation and duty of the General Government to compensate the State by reimbursing it for the increased taxes necessarily exacted from its citizens to afford protection of government to the Indian along with other citizens. Outside of a per-capita payment made by the Federal Government of 10 cents per day for each Indian pupil attending non-Indian schools, all of the expenses of government, highways, the facilities of the courts, the recording offices, and the general police protection of the State is paid for by direct taxation upon the taxable property of the State. It is obvious that if one-half of the property of a given township is exempt from taxation in order to raise a prescribed amount of money the tax on the other half of the property would be doubled. So it is unnecessary to pursue further the question of whether or not there has been a direct loss to the taxpayers and a burden upon the taxable property of the State of Oklahoma due to the nontaxability of the class of property above referred to.

The next question about which we may be concerned is the power of Congress to make an appropriation to a State where there is no legal obligation, or, in other words, where there exists no enforceable claim in favor of the State and against the Government which will be recognized in the jurisdiction of the Court of Claims.

There is no restriction to be found in the Federal Constitution against the General Government making an appropriation to a State for any public purpose which in the discretion of Congress justified the appropriations. As an example, we may cite the fact that when Oklahoma was admitted to Statehood there existed school lands in the western half of the State: Sections 16 and 36 out of each township. There were no such school lands in the eastern half of the State. Congress voluntarily appropriated to the State of Oklahoma to the use of the common school fund of the State, $5,000,000, as a pure donation in order that the eastern half of the State might have a school fund at that time thought to be commensurate with the value of the school lands on the western side of the State. There was no obligation on the part of the Federal Government to make such appropriation, but it was only by the grace of Congress that the appropriation was made. The power of Congress to appropriate money for public purposes is plenary, and no such restriction is imposed upon Congress by the Federal Constitution as upon the States by their constitutional inhibitions against appropriations of money. Large appropriations have been made by the Federal Government to fund private enterprises having a color of public benefit; such as the steamship companies for the purpose of fostering trade; to railroad companies for the purpose of facilitating development of the country, and innumerable instances could be cited where Congress has made similar appropriations of money from the General Treasury. A recognition of the

fact by Congress that Oklahoma was deprived of one of its sovereign rights enjoyed by the Thirteen Original States in being forced to surrender its right of taxation over practically half the real estate within the State and more than half the oil and gas produced from within the State for a period of 25 years is an adequate basis for a valid appropriation.

A resolution should be introduced in Congress authorizing a special committee or other agency selected by Congress, to determine with as close approximation as practicable the amount of money loss sustained on account of the exemption of Indian properties and the oil and gas therefrom. When this amount is determined, a direct appropriation should be asked from Congress to reimburse the State. In this respect it may be noted that the $5,000,000 appropriation by Congress, hereinabove referred to, was made to the State of Oklahoma "to be used for the common schools", and if Congress could appropriate that money and designate its use, it would appear by analogy that the money could be appropriated to the State to be distributed to the school districts and used to retire all bonded indebtedness and leave a handsome residue for the permanent school fund.

While as hereinbefore stated, it is not the purpose of this brief to undertake to demonstrate the unsoundness of the opinions of the Supreme Court of the United States in holding the restricted lands of the Indians nontaxable and in holding the oil and gas and other minerals belonging to oil lessees nontaxable, and in holding that the net income tax of the State of Oklahoma could not be applied to net income derived from operations by an oil lessee of restricted Indian lands, but in order to show the remoteness of the actual burden which such tax would have laid upon the arm of the Government, we call attention to a few points which, in our judgment, adds to the moral obligation of the Government to reimburse the State of Oklahoma.

The act of Congress, 38 Statutes 267, under which the State of Oklahoma came into the Union, first, denied to the State constitutional equality with the other States; second, diminished the sovereign power to levy a uniform land tax and taxes on personal property; third, conferred upon Indian citizens privileges and immunities not enjoyed by the other citizens of the State; fourth, denied to the other citizens of the State the equal protection of the laws; and fifth, relieved Indian citizens of their proportionate part of the burden of State government, due to the fact that the act of admission denied to the proposed new State the power to tax as other lands are taxed the lands owned in fee simple by former members of disbanded Indian tribes after they had been clothed with all the rights and bound by all the duties and obligations of citizens of a State.

At the time the tax exemption was pledged, the lands in question were not—

(1) Lands belonging to the United States;

(2) Lands held in trust by the United States for the benefit of Indian tribes; nor

(3) As Indian Reservations;

but the lands were owned by the Indians in fee simple under formal deeds from the United States, having been purchased for a valuable consideration; the legal title was in the Indian tribes for the benefit of the members of the tribes as tenants in common. The United States had no property right in the land and, therefore, Congress was without power to grant a property right in the form of a tax exemption, which is a property right. At the time the tax exemption was in force Congress already had—

(1) Surrendered its plenary powers to legislate for the Indian tribes;

(2) Consented to the partition of the common estate by allotment to individual owners;

(3) Disbanded the tribal courts and nullified the tribal laws; and

(4) Conferred citizenship upon the Indians.

The Indians were no longer a distinct people with a tribal organization and looking to the United States for local government, but they looked to and were dependent upon the State of Oklahoma. A distinguished Indian citizen, with tax-free lands, at that time sat in the United States Senate. Two other Indians represented Oklahoma in the House of Representatives, and another was Governor of the State. One of the most distinguished members of the Oklahoma bar, Hon. John T. Leahy, and for many years attorney for the Osage Nation, was an Indian.

The Indians paid a valuable consideration, not to the State but to the United States, for the tax exemption, due to the fact that the United States, in exchange procured a release from treaty obligations by which the Government was pledged to preserve the tribal government to the Indians and their descendants forever, at the national public expense, with a guaranty that the Indian Territory should never be incorporated into any State without the consent of the Indians. This obligation was recognized by Congress in section 16 of the act of March 3, 1893 (27 Stat. 612), and by act of Congress stood pledged to purchase the entire Indian Territory, comprising 19,785,781 acres, in the event the Indians refused to allot their lands and to become citizens of the State which Congress desired to erect.

The tax exemption, in other words, was purchased from the National Government, and was not purchased from the State of Oklahoma. The National Government was paid for the tax exemption but Oklahoma has borne the brunt of it. Oklahoma is not bound by the acceptance of the terms of the act of admission to statehood in those matters which impinge upon or diminish the sovereign power of the State to levy and collect taxes on the lands of the State belonging to citizens, for the reason that Congress by an act of admission is without power to deny a State any of its sovereign power, which under the Constitution is reserved to the States, and each State is entitled to be admitted upon an equal footing with the original Thirteen States. This principle of law was thoroughly discussed and laid down in what is known as the Capital Removal case (*Coyle* v. *Oklahoma*, 221 U. S. 559). The enabling act in solemn terms prescribed that the capital should remain at Guthrie for a given number of years, which provision was fully accepted by the State of Oklahoma in the adoption of the Constitution. Immediately thereafter the provision was repudiated by the State on the ground that it was an impingement of the sovereign power of a State to locate its own institutions wherever it pleased. The Supreme Court of the United States sustained the State's contention, and held this provision of the enabling act void as an unlawful effort to deprive a sovereign State of its admission into the Union upon an equal footing with the Thirteen Original States. The power to tax is a power of much more importance and to a much greater extent involving the sovereign power of a State than that of the location of some State institution, because the existence of the State itself depends upon the power of taxation.

It may be stated by some that acquiescence on the part of the State of Oklahoma might be urged in the way of estoppel against the State at this time asking relief. The State, like a complete sovereign, is not bound by any statute of limitations. By interpretation, the ancient Latin maxim to the effect that "Time stops not the king" is applied to States when a statute of limitations is involved. So, as a legal proposition, if the State had a legal cause of action, it would not be estopped by time and, therefore, should not be estopped from urging a moral obligation and receiving indemnity therefor. The United States has not suffered by the delay, and is in as good a situation as it would have been had it been required to make payment each year as the taxes were exacted. Hardship on the debtor is never considered as a defense to a just suit by a creditor. It would have been interesting to know just what the remedy or relief the Government could have enforced against the State. Since the State has voluntarily afforded all of these facilities and at the expense of its taxpayers for a period of 25 years, the Government certainly is in no position to complain at the State's asking to be indemnified in part.

This is a case where in the minds of many good lawyers a suit in equity could be brought directly in the United States Supreme Court, after having had a resolution of

Congress giving its consent for the Government to be sued—which is usually a formal matter where a case of action is seriously asserted—but, in my opinion, a better way is to first establish the amount, then have a direct appropriation bill introduced based purely on an acknowledgment of an obligation of the National Government to the State of Oklahoma expressed in the act. Of course, as hereinbefore stated, the appropriation bill could first be introduced naming an arbitrary amount "or so much thereof as may be necessary", and the act itself setting up a method for determining the amount. The additional amount of the appropriation then would lapse into the general revenue fund as other appropriations where the exact amount is not ascertainable at the time of the passage of the bill. It would be a much safer proceeding, however, to first establish with approximate accuracy the amount, because Members of Congress would not vote for an appropriation bill of this character unless they knew not only the amount required but the exact manner and method in which the obligation was incurred. It is amazing when you talk to even Members of Congress and the United States Senators outside of Oklahoma how little is known of conditions touching the above subject matter. The general impression is that the entire expense of education and all of the expense of the protection of government and police protection is afforded Indian citizens by the National Government, and that the State of Oklahoma has never suffered on that account.

Some are under the impression that the $5,000,000 appropriation made to the State of Oklahoma at the time of statehood was in payment of this obligation. It had nothing to do with the question here presented, but was an appropriation to offset sections 13 and 36, school lands, which had long before statehood been set apart in the Territory of Oklahoma. There being no school lands in the eastern half of the State set apart, Congress thought to offset the value of the lands by an appropriation for school purposes.

This brief along these lines could be carried to great length and it could be demonstrated that outside of the slender threat of the tax burdening the arm of the Federal Government in administering the fortune of the Indian, no basis in logic or reason ever existed for the tax exemption. The logical situation may be expressed more potently by this mere statement:

To hold that the net income of an individual oil lessee exempt from the income tax of the State of Oklahoma would burden the arm of the Government when that income upon which the tax rested was an after-affair and a clear net profit to the lessee which he was under no obligation to reinvest in the development of the lease but could use it to take a trip to Europe if he was so disposed.

The act appointing the Dawes Commission empowered the Commissioners to enter into negotiations with the Five Tribes, as stated in the act, "with a view to such adjustment, upon the basis of justice and equity, as may, with the consent of such nations or tribes of Indians, be requisite or suitable to enable the creation of a State." See section 16. But the Commission, acting beyond the scope of its authority, appeared to ignore the aforesaid principles of justice and equity in that the Commission restriction, provided that the oil and gas produced from Indian lands, particularly that of the Osage and the Five Civilized Tribes, should be subject to the gross production and other forms of tax, the same as that produced from non-Indian lands.

In 1925 the National Tax Conference, sitting at St. Louis, passed the following resolution:

CONFERENCE OF THE NATIONAL TAX ASSOCIATION, SEVENTEENTH ANNUAL CONFERENCE, SITTING AT ST. LOUIS, MO., 1925

Resolution by C. W. King, Commissioner from Oklahoma

Whereas in all the States of the Union wherein any of the Indian tribes reside, whose properties are under the control or supervision of the Department of Interior of the Federal Government, the courts of last resort have ruled that not only the property of such Indians is immune from State taxation, but that all mineral products and oil and gas belonging to unrestricted lessees of such Indians' properties are likewise immune from taxation; and

Whereas it is a matter of common knowledge that the price paid the Indian for leases on such properties is not affected by the question of taxation; and

Whereas the Indian derives no benefit from such immunity, but on the other hand hardship and inequality on the remainder of the taxpaying public is endured; and

Whereas the development of some of the newer States is being retarded by large areas of its most valuable property thus enjoying freedom from taxation: Now, therefore, be it

Resolved by the Conference of the National Tax Association, in its seventeenth annual assembly, That it is the sense of said conference that the Congress of the United States, at the next session thereof, should pass a law subjecting such property in the hands of unrestricted lessees of said Indians to State taxation.

In 1928, "the next session of Congress" passed the following act:

"CHAPTER 517. An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes and for other purposes.

"SEC. 3. That all minerals, including oil and gas, produced on or after April 26, 1931, from restricted allotted lands of members of the Five Civilized Tribes in Oklahoma, or from inherited restricted lands of full-blood Indian heirs or devisees of such lands, shall be subject to all State and Federal taxes of every kind and character the same as those produced from lands owned by other citizens of the State of Oklahoma; and the Secretary of the Interior is hereby authorized and directed to cause to be paid, from the individual Indian funds held under the supervision and control and belonging to the Indian owners of the lands, the tax or taxes so assessed against the royalty interest of the respective Indian owners in such oil, gas, and other mineral production.

"Approved May 10, 1928."

This act resulted in the collection of several millions of dollars in taxes theretofore exempt to the oil-producing companies, most of which said companies enjoying such immunity or exemption being foreign corporations with their principal office in New York or other point outside Oklahoma.

In pursuance of the agreement by which the United States guaranteed that they should for a period, hold lands free from taxation, the Indians divided their lands, their tribal courts and the legislatures were dissolved, and they became citizens of the State entitled, under the Constitution, to all immunities enjoyed by other citizens and to no greater privileges than other citizens enjoyed. By the act under which Oklahoma was admitted into the Union "on an equality with the other States" (34 Stats. 267), Congress sought to diminish the sovereignty of Oklahoma by denying the State the right to tax citizens of Indian blood, upon property title to which never belonged to the United States, but to whom the United States had promised tax exemption solely at the expense of the proposed new State, in satisfaction of such national obligation.

After admission, Oklahoma never voluntarily relinquished its right to tax, as other lands are taxed, the lands owned by citizens of Indian blood in fee simple; the State levied such tax which was questioned by injunction; the Supreme Court of Oklahoma upheld State's sovereign right to tax such lands but on appeal, the Supreme Court of the United States (*Choate* v. *Trapp*, 224 U. S. 665) sustained the injunction on the ground that the tax exemption was a property right which Congress had the power to bestow.

It, therefore, appears obvious and clear that the State of Oklahoma has been deprived of a sovereign constitutional right to tax her citizens for State purposes on lands within the State owned in fee simple by citizens of the State; that the act of Congress exempting the lands is nothing short of a usurpation of authority not conferred by the Constitution, and particularly the exemption of the oil corporation and individual operator's working interest of seven-eighths from the oil and gas gross-production tax, and from the net-income tax. Assuming, for the sake of argument, that Congress was right in demanding the exemption, that the courts were right in upholding the same, it cannot be argued that the people owning the taxable property within the State would alone suffer the burden of such magnanimity on the part of the Federal Government.

It has been said in some decisions that if the oil company knew that it would have to pay taxes on an Indian lease it would not have paid the Indian so much for same. This is such a far-fetched fiction as to not constitute a sound

basis for a judicial finding, for the simple reason that everybody in Oklahoma and every other oil field knows that the only controlling consideration for the purchase of an oil and gas lease is the expectancy for oil. The matter of whether a given lease is taxable or nontaxable is never even gone into in considering the purchase price. The lease is more often than otherwise purchased by an oil scout, who knows nothing of the situation in reference to taxation. There is no difference whatsoever in the amount of money received by the Indian lessor from a restricted lease from that received by his neighbor who has leased an unrestricted tract. If the members of the Constitutional Convention or the people of Oklahoma in adopting it had realized they were contracting away the right to tax oil and gas and income therefrom, those provisions of the enabling act would never have been accepted. No one ever dreamed that the tax exemption would be carried to the extent of exempting the oil and gas of the oil companies and the unrestricted individual oil lessees from the payment of the gross-production tax on their part of the production.

A proceeding in the nature of an accounting before a subcommittee of Congress, or other designated agency, should be conducted for the purpose of ascertaining the amount of detriment the State has sustained. This should then be followed by an adequate appropriation.

Legislative Activities

REMARKS

OF

HON. ALFRED N. PHILLIPS, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

LETTER TO JUDGE WILLIAM A. KELLY, AUGUST 20, 1937

Mr. PHILLIPS. Mr. Speaker, under leave granted me I hereby insert the following letter in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 20, 1937.

Judge WILLIAM A. KELLY,
1 Atlantic Street, Stamford, Conn.

MY DEAR JUDGE KELLY: In answer to your wire of this morning, I take pleasure in sending you herewith copies of some of the more important bills I was privileged to introduce in the House of Representatives during the present session of Congress. These bills are as follows:

H. R. 2002. A bill in furtherance of the neutrality policy of the United States. Referred to the Committee on Immigration and Naturalization January 6, 1937. This measure if enacted into law will expatriate citizens who offer themselves for service in foreign wars. We should not concern ourselves with the quarrels of other countries. There is great danger in involving this country in another foreign conflict if we permit our citizens to serve abroad.

H. R. 2697. A bill concerning the deportation of aliens. Referred to the Committee on Immigration and Naturalization January 12, 1937. The measure provides that no alien who committed an offense prior to entering this country shall be deported if he has lived in this country 5 years or more and has behaved as a man of good moral character. It does not apply to any alien who is a fugitive from justice and for whose return a demand has been duly made upon the proper authorities.

H. R. 5133. A bill making Armistice Day a national legal holiday. Referred to the Committee on the Judiciary February 25, 1937.

H. R. 5857, a bill establishing labor courts. Referred to the Committee on the Judiciary March 23, 1937. This measure sets up a labor court where all disputes between employer and employee may be arbitrated. It divides the country into judicial districts and makes provision for the appointment of judges and all necessary court officers. It prohibits the arbitrary discharge of an employee after he has served the same employer 10 years or more unless he shall have had an opportunity to present his side of the case. Insubordination, drunkenness during working hours, incompetence, conviction for a felony, and financial difficulty of the employer shall be the only defenses to a complaint filed by an employee.

H. R. 5936, a bill providing for safety doors on motorbusses. Referred to the Committee on Interstate and Foreign Commerce March 25, 1937. This measure compels owners of motor vehicles or motorbusses used in interstate transportation of passengers for hire to provide at least two safety or emergency doors on each side of the vehicle or bus. It also provides for the installation of at least four releases to open such doors, and arrangements must be made to permit evacuation of all passengers within 1 minute's time.

H. R. 6076. A bill to prevent the pollution of the navigable waters of the United States, and for other purposes. Referred to the Committee on Rivers and Harbors April 1, 1937. This measure is a companion to bill introduced in the United States Senate by Senator AUGUSTINE LONERGAN, of Connecticut, changed slightly in some of its provisions. It recognizes the National Resources Committee established in 1935 as a permanent institution with powers to end pollution of all navigable waters of the United States. It coordinates the activities of the several States, encourages enactment of uniform laws, encourages compacts between the several States, makes studies, surveys, and experiments as may be deemed necessary, arranges for loans for construction of sewage-disposal plant, garbage- and rubbish-disposal plants or works for treatment of trade wastes, and other necessary functions to adequately serve the purpose of the bill.

H. R. 6183. A bill preventing the deportation of political refugees. Referred to the Committee on Immigration and Naturalization April 6, 1937. This measure provides that no political refugee shall be deported if it endangers his or her life or limb. The bill does not protect aliens who are fugitives from justice and for whose return a proper demand has been made, nor does it include an alien who has committed a felony while in this country.

H. R. 6356. A bill to correct unfair gas- and electric-rate schedules. Referred to the Committee on the Post Office and Post Roads, April 13, 1937. This measure prohibits the use of the United States mails to gas and electric companies in sending bills to customers when rates are determined by consideration of number of rooms, cubic contents of rooms, net floor area of buildings or the number of electrical appliances used in building.

H. R. 6739. A bill establishing a United States Crime Liquidation Bureau. Referred to the Committee on the Judiciary, April 28, 1937. The Crime Liquidation Bureau provided for under the terms of this measure shall be under the general direction of the Attorney General and shall be part of the Department of Justice. It authorizes the establishment of liquidation bureaus in the various judicial districts of the United States for the purpose of coordinating crime apprehension methods.

H. R. 6796. A bill to protect purchasers of hats. Referred to the Committee on Interstate and Foreign Commerce, April 30, 1937. This measure makes mandatory the stamping, marking, branding, and labeling, to set forth the material of their manufacture, of all fur felt and wool hats. If made in the United States this mark also should appear on the label. Imported hats shall be marked, plainly, and legibly, showing the country of their origin.

H. R. 7002. A bill to limit the practice of disbarred lawyers. Referred to the Committee on the Judiciary May 12, 1937. This measure prevents a lawyer practicing before any Federal court or Federal department who has been disbarred or suspended from practicing law before any State court—this during period of such disbarment or suspension.

H. R. 7053. A bill to create a committee to investigate and report on the condition of our coast defenses. Referred to the Committee on Rules May 14, 1937. This measure authorizes the appointment of a commission of 10 members, 5 Representatives and 5 Senators, to investigate the coast defenses of the United States and report back their findings on or before February 1, 1938.

H. R. 7647. A substitute bill for H. R. 2002, to further the neutrality policy of the United States. Referred to the Committee on Immigration and Naturalization June 23, 1937. Reported favorably with amendments to the House of Representatives July 26, 1937. On House Calendar.

House Joint Resolution 429. A joint resolution to require officers and employees of the United States to take an oath to support the Constitution of the United States. Referred to the Committee on the Judiciary June 24, 1937.

H. R. 8168. A bill to amend the Judicial Code and provide for an additional district judge in Connecticut. Referred to the Committee on the Judiciary August 5, 1937. This measure provides for the appointment of a district judge to preside over the western judicial district of Connecticut—Fairfield County.

H. R. 8169. A bill to amend the Judicial Code and provide for additional judicial facilities in Connecticut. Referred to the Committee on the Judiciary August 5, 1937. This measure divides the State of Connecticut into two judicial districts, eastern and western. The western district comprises Fairfield County in its entirety and stipulates that terms of the district court shall be held in Norwalk on the fourth Tuesday in April and at Stamford on the fourth Tuesday in October.

As you know, I was appointed to serve on the Naval Affairs Committee of the House and have been active in the affairs of this committee, serving meanwhile on subcommittees on aeronautics, discipline, and health, Marine Corps, and personnel of the Naval Affairs Committee.

Chairman CARL VINSON, of Georgia, appointed me as a member of a special committee to investigate oil-shale reserves under dis-

cussion in a pending bill; and also to a special committee to investigate eye examinations given midshipmen at the Naval Academy. It is interesting to note that out of the 18 bills of major importance discussed by the Naval Affairs Committee 14 passed both Houses of Congress, were signed by the President, and are now public law. One measure failed of passage and the remaining three are still on the House Calendar awaiting legislative action. This, I believe, is one of the best committee records in Congress.

As a member of this committee I was also privileged to introduce the following bills:

S. 1133. An amending act to extend commissary privileges to widows of officers and enlisted men of the Navy, Marine Corps, and Coast Guard and also to officers of the Foreign Service of the United States at foreign stations. Referred to Committee on Naval Affairs February 25, 1937; reported to the House of Representatives March 29; passed by both House and Senate and made Public Law No. 29, Seventy-fifth Congress, approved April 14, 1937. This measure gives widows of these service men benefits enjoyed by them when their husbands were living.

H. J. Res. 336. A joint resolution for the appointment of a joint committee of the Senate and House of Representatives to investigate the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. Referred to the Committee on Rules April 22, 1937. This measure authorizes the appointment of a committee of 10, 5 Members of the House and 5 of the Senate to investigate pay schedules and report back findings to their respective Houses.

H. R. 6603. A bill for the relief of certain officers of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War. Referred to the Committee on Naval Affairs April 22, 1937. This measure advances officers of the Navy and Marine Corps a grade upon retirement for physical disability if they have been commended for their performance of duty in actual combat with the enemy during the period of the World War.

It is obviously impossible to set forth in this letter all of the activities engaged in during the present session, but I know you will be interested to learn of my advocacy of the wage and hour bill, at the moment bottled up in the Rules Committee, and my active support of the Wagner-Steagall low-cost housing bill, which passed the House by a substantial margin last evening. If brought before the House for legislative action, the wage and hour bill will, in my opinion, pass by an overwhelming margin and many of us are exerting every effort in an endeavor to force it out of the Rules Committee and on to the floor of the House for action at the present session of Congress. I know of no good reason why action should be withheld on this important measure. I feel we should stay here indefinitely, if necessary, and write this regulatory measure into law.

During the present session I voted favorably on the following measures of major importance:

Bill prohibiting export of arms, ammunition, and implements of war to Spain.
Reciprocal-trade agreement.
All administration appropriation bills.
Jones emergency crop loan bill.
The Guffey-Vinson coal bill.
The neutrality resolution giving the President power to impose arms embargoes on warring nations.
The measure giving World War veterans the privilege of renewing for 5 years expiring term-insurance contracts.
The Gavagan antilynching bill.
Bill extending Civilian Conservation Corps activities for 2 years.
The $1,500,000,000 relief appropriation bill.
Voted to override the President's veto of the veterans' war-risk insurance bill extending the measure for a period of 5 additional years.
Dies deportation bill.
One hundred and ninety-four million dollar omnibus appropriation bill for flood control, rivers and harbors, and nonmilitary functions of the War Department.
Railroad retirement pension bill.
Farm-tenancy measure.
Bill extending 3½-percent interest rates on farm land-bank loans and reducing interest rates on land bank commissioner's loans from 5 percent to 4 percent.
House joint resolution to provide funds for C. C. C. activities and the Railroad Pension Board.
Bill to regulate transportation and sale of natural gas in interstate commerce.
Bill establishing a national cancer institute.
Bonneville Dam project.
Court reform and judicial procedural bill.
Income-tax loophole bill.
Wagner-Steagall housing bill.
Bill to recommit *Jenks* v. *Roy*, disputed-election contest.

I wish to take this opportunity to add that without the able help and cooperation of my secretary, Mr. Vincent Callahan, all of these accomplishments could not have been possible.

Appreciating the interest of the people of Fairfield County in my work here, and with kindest personal regards,

Very sincerely,

ALFRED N. PHILLIPS, Jr.

P. S.—In the consideration of farm legislation resolution on the floor of the House late this afternoon, I raised my voice, strongly urging that when Congress reconvenes in January it place the wage and hour bill in a preferred position so that it may be acted upon without delay. Failing action at the present session, the matter of wage and hour legislation should, in my opinion, be the first order of business when Congress meets again in January. I have introduced a resolution making a congressional declaration of this intention.—A. N. P., Jr.

The Civil Service

EXTENSION OF REMARKS
OF
HON. SAMUEL B. PETTENGILL
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. PETTENGILL. Mr. Speaker, on at least three occasions President Roosevelt has urged Congress to protect the civil service. He has made particular reference to the administration of the newly created boards, commissions, and so forth.

In 1933 and 1934 while the emergency was on and it was necessary to act quickly there was a respectable argument that in the creation of new agencies of Government the personnel be exempted from the civil service. The conditions then prevailing no longer exist. There is no emergency today that requires the emasculation of the civil service. If the Government is to continue to go into the multitudinous activities of 130,000,000 people the question of administration becomes of primary importance especially when the handling of huge sums of money are involved.

The Housing bill, S. 1685, calls for the expenditure of hundreds of millions of dollars. Depending largely upon its administration, this bill is capable of being a great benefit in the elimination of slums or degenerating into a huge "pork barrel."

There is nothing of an emergency character about this bill. It provides for the creation of a United States Housing Authority, a body corporate of perpetual duration. In any event, it looks forward to the next 60 years with respect to payment and repayment of the sums of money authorized to be appropriated.

Nevertheless, despite the fact that this involves a huge expenditure of public funds, despite the fact that it is permanent and not emergency legislation, the bill as reported by the House Banking and Currency Committee contains the provision which has become usual and customary the last 4 years—that the selection of personnel, down to stenographers and filing clerks, as well as fixing their compensation, shall be exempt from the provisions of the civil-service laws.

In the debate on this bill, the gentleman from Georgia [Mr. RAMSPECK], chairman of the House Committee on the Civil Service, was choked off from presenting his views with reference to this provision.

On a motion to recommit to bring this bill under the civil service, under roll call 147, the motion was defeated 221 to 140. This means that not over 50 Democrats in the House voted for the civil service in the administration of this gigantic program.

I shall support the President on this matter of civil service. I am convinced, however, that nothing substantial will be done in the matter unless he takes and maintains a determined stand. It seems to me the time has come when that stand must be taken.

If the administration of the Housing Act is not to be under civil service, then I cannot conceive of any good reason why we should preserve the civil service in any branch of government. Before we plunge headlong into any more ventures in the expenditure of hundreds of millions of dollars, or in the control of the activities of 130,000,000 people, it seems to me that we should first decide, and decide definitely, how these agencies are going to be administered; that we should adopt a program either for the "spoils" system or the civil service and stick to it.

Floyd B. Olson

EXTENSION OF REMARKS
OF
HON. DEWEY W. JOHNSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. JOHNSON of Minnesota. Mr. Speaker, Sunday, August 22, 1937, marks 1 year to the day when Floyd Bjornstjäerne Olson joined the great majority. This day will be marked by memorial services all over the State of Minnesota in memory of Minnesota's great twenty-second Governor, who passed away at the time that he seemed to be heading for the Presidency of the United States.

It does not seem like a year, or a month, or a week, or even a day since the time I saw him last; saw him in the full vigor of manhood, when he was the outstanding leader of the progressive attitude in government. He was so virile, so intelligent, and so dominant in his viewpoints and action that he simply lives on within the fullness of the meaning of the lines of James Whitcomb Riley's poem, "He is not dead, he has simply gone away." But even though that for which he lived and fought is not dead, but lives on after him and gives him immortality among men, yet his absence gives one a feeling of loss for which there is no compensation. By his absence one is denied the privilege of counseling with him and hearing that jovial laugh which seemed to be the answer and solution for the most difficult of problems.

I will also be a little sad that his dominant personality was largely limited to the State of Minnesota, and that the people of the Nation were denied the privilege of knowing him as a national leader of men. Here in Congress as a new Member, I found that he was already well known in Washington and highly regarded, and as one man said to me, "When Floyd went on the United States lost a great future President." He had the great faculty of fighting on issues without the injection of personalities. He saw problems in terms of facts and solved them from that viewpoint. His opponents in politics today voice his praise with as full a voice as his friends. There can be no truer test of statesmanship.

The youth of the Nation also lost a leader, because Floyd B. Olson was yet a young man, who, early in life had learned the wisdom of the sages and applied that wisdom to present problems with the tremendous force that youth alone knows. His battle for youth and for a chance for the young men and women of America to have a place in life was well known to the youth groups in this country. Youth also knew a year ago that they had lost a friend.

As Governor of Minnesota he was absolutely fearless and fought for right and justice as he saw it. His vetoes of certain special-privilege bills brought down on him the denunciation of those interested. His opposition to onerous taxation, such as the sales tax, marked him as standing alone amongst the Governors of the 48 States. His oratory vied with that of the greatest of the ages. He was a typical American contributor to democracy who knew not the silver spoon as a child.

He rose from poverty and obscurity to become the first Farmer-Labor Governor of Minnesota. He was born November 13, 1891, of Scandinavian immigrant parentage and after 6 years in the Governor's chair, with certainty of election to the United States Senate as his next step upward, he was not yet 45 years old when he died. Freight handler, lumberjack, salesman, harvest hand, and newsboy as a youth. In 1915 he was graduated from Northwestern College of Law with highest honors and was admitted to the bar of the State of Minnesota. In 1918 he married Ada Krejci, to which union one child was born, Patricia, now 15 years old. From 1920 to 1930 he served as county attorney of Hennepin County and the State-wide publicity ensuing from his graft prosecutions elevated him to the Governor's chair in 1931.

In 1931 I began to know Floyd B. Olson better as I was then a member of the House of Representatives from the Thirty-first District in Minneapolis and for two regular sessions and one special session I had the privilege of fighting for some of the legislation which he desired. I found him a man easy to work with because he would take the time to explain his position. Never would he leave much to the imagination and in his treatment of the legislature he was always fair and had the genuine respect, admiration, and even love of the members. Certainly, he waged open warfare on some members, but it was never personal and always on the issue involved; and it was noticeable that at his funeral, held at the Civic Auditorium in Minneapolis, at which funeral 150,000 persons were in attendance, that nearly all of his bitter political opponents were there. This was a great demonstration of the fact that if you believe in a principle and fight for it men will respect you for your views and for your positive assertion of those views. Gov. Philip La Follette paid the following tribute to Gov. Floyd B. Olson at this service when he said, "In a period when thoughtful citizens recognized the need for a genuine political alinement in America he led a new political party to success in Minnesota. As Governor of this State he secured the enactment of legislation and administered his highest office so that he leaves a record of outstanding constructive achievement."

> The outstanding qualities of this vivid personality were the depths of his economic and political convictions and his boundless courage. No matter how bitter the battle, how formidable the enemy, he never retreated. He weathered adversity with his head held high, and not an enemy in Minnesota ever saw the back of Floyd Olson.
>
> With vision Floyd Olson saw and understood the times in which he lived. His deepest desire was to find the answer to our needs.

Continuing, Governor La Follette quoted Edwin Markham in Lincoln, the Man of the People, as follows:

> And when he fell
> He went down as when a lordly cedar, green with boughs,
> Goes down with a great shout upon the hills,
> And leaves a lonesome place against the sky.

Numbered among the vast army of Olson's friends was Franklin Delano Roosevelt, President of the United States. Many was the time during the troubled years from 1933 on that Floyd B. Olson went to Washington for conferences with President Roosevelt. The other day the President spoke at Roanoke Island and uttered a few words which sounded so much like the philosophy of Floyd B. Olson that I cannot resist referring to them now. The President said on Wednesday, August 18:

> Mine is a different anchor. They do not believe in democracy. I do. My anchor is democracy—and more democracy.

That was also the formula of Floyd B. Olson for democratic self-government. Democracy, more democracy, and even more democracy.

I do not fear for democracy, and the reason I do not fear is that any nation who can produce a Floyd B. Olson will never dash itself upon the rock of dictatorship. Let us build our Government upon the proposition that the common man is fit to govern and that no government is safe unless it is as Lincoln said, "A Government of the people, by the people, for the people".

In closing, under an act of Congress, passed in 1866, each State is allowed to contribute two statues of leading citizens to be placed in the United States Capitol. Minnesota is one of the few States that has not yet completely accepted the invitation of the United States Government. One statue stands here alone, Henry Mower Rice, born 1817, died 1894, pioneer, delegate for Minnesota Territory, United States Commissioner in making Indian treaties and one of the first Senators from the State of Minnesota. Let Minnesota now accept the invitation of the Congress of the United States and the President by erecting a statue to the memory of Floyd B. Olson and place it in the Capitol of the United States where he will be together with other famous Americans who dedicated their lives to the cause of democratic government in this country.

In a democracy such as ours there is no room for differentiation upon the basis of race, creed, or color. There is no room for sectionalism, there is no room for bigoted partisanship, chicanery, or charlatanism where the principles of democracy are involved. Democracy is the tie that binds and is exemplified by the personages of Washington, Jefferson, Clay, Lincoln, Webster, Livington, and those many others that have contributed to the progress and development of real democracy in the United States. They have not died in the strict sense of the word, they have merely gone away. They live today in spirit. Floyd B. Olson has gone to join them.

What Is Past Is Prologue—Study the Past

EXTENSION OF REMARKS

OF

HON. CHAUNCEY W. REED

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. REED of Illinois. Mr. Speaker, some Members of this Congress are advocating the call of a special session in November of this year regardless of the fact that Congress will again meet in January in regular session. Whether a special session would be advantageous either to the Nation or to the administration in power is a debatable question.

Hon. James G. Blaine in his work, Twenty Years in Congress, published in 1884, gives his idea of the beneficial (?) results of special sessions of Congress. He says: "It was remembered that all the woes of the elder Adams' administration, all the intrigues which the choleric President fancied that Hamilton was carrying on against him in connection with our French difficulties, had their origin in the extra session of May 1797. It was remembered also that the unpopularity which attached to the Presidency of Mr. Madison was connected with the two extra sessions which his timid administration was perhaps too ready to assemble. So deeply was hostility to extra sessions implanted in the minds of political leaders by the misfortunes of Adams and Madison that another was not called for a quarter of a century. In September 1837, Mr. Van Buren inaugurated the illfortune of his administration by assembling Congress 3 months in advance of its regular session. John Tyler in turn never recovered from the dissensions and disasters of the extra session of May 1841—though it was precipitated upon him by a call issued by President Harrison.

Democrats will recall that as the result of the special session of the Fifty-third Congress called by President Cleveland the silver-purchasing clause was repealed and the Democratic party thereby split to such an extent that their nominee was hopelessly beaten at the next election and William McKinley succeeded to the White House.

They will also remember that it was shortly after the special session of the Sixty-fifth Congress was convened by President Wilson that the United States was plunged into the most-terrible war of all history and that under the same President it was at the special session of the Sixty-sixth Congress that the control of both the Senate and the House of Representatives passed to the Republicans.

Republicans will recall the two disastrous special sessions of the Sixty-first and Sixty-second Congresses called by President Taft wherein the Payne-Aldrich Tariff Bill and Canadian reciprocity furnished issues that eventually tore the Republican party in twain and resulted in the election of Woodrow Wilson in 1912. They will also have little difficulty in calling to mind that Teapot Dome received its first front pages in the newspapers as the result of the special session of the Sixty-sixth Congress under President Harding and that it was during the special session of the Seventy-first Congress under President Hoover that the world-wide depression descended upon America with the result that the party in power was swept out of control at the succeeding election in 1932.

Is history about to repeat itself?

Civil Service and the Federal Housing Bill

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. REES of Kansas. Mr. Speaker, I did not get to speak on the civil-service amendment to the Federal housing bill yesterday, and therefore, under permission given me by unanimous consent of the House, I want to call attention to the housing bill which the House passed with only a few hours' consideration.

This bill, according to its sponsors, provides for an appropriation of $500,000,000 to be expended during the next 3 years, and for further appropriations thereafter for a period of several years, from the United States Treasury, to be used in the building of homes at an approximate expense of $5,000 per unit. These funds are to be loaned over a period of 60 years, to bear 3-percent interest. The homes are to be leased at a rental that shall be as low as possible in keeping with the amount of the investment to families receiving an income of approximately $700 per year.

The bill, after all, is intended as a low-rent measure, and it is hoped it will relieve the congested situation that exists in our largest cities, where living conditions are unsafe, insanitary, and unsatisfactory.

According to Representative FISH, of New York, it will provide homes for approximately 2 percent of the citizens in his city who are in need of a decent place in which to live. The slum question in cities is one that is almost a disgrace and no one is opposed to doing what should be done in an effort to provide decent living quarters for people who are unable to pay the rental and expense required in living in sanitary and comfortable homes.

The experience of the Federal Government during the past few years, in an attempt to build homes for people at lower rentals, has, it appears, been rather unsatisfactory. We hope this measure will do the things that its sponsors claim for it.

The question to which I want to direct your attention at this point is that yesterday the House, without giving the question fair and reasonable debate, refused to adopt the amendment which provided that the hundreds of Government employees who are going to come under this new organization will be under civil service. It seems strange that the Members of this House should place themselves in such an inconsistent position. Here is a new organization, with a set-up providing for attorneys, advisors, clerks, stenographers, and other employees, who will be doing the same kind of work as is being done in other departments of the Government under civil service, but who will secure their appointments by reason of the recommendations of their friends and political associates. They will not be required to take any particular examinations in order to secure these jobs. In other words, the employees under this new set-up will secure their positions largely through political patronage.

I have always believed in a civil-service merit system, and believe that we have more efficiency and better government by reason of the application of civil service. The system is not perfect, but that is not an excuse. If it is not as good as it should be, then we should improve it. I think the House took a backward step yesterday, first, in not permitting the question of civil service to be discussed in connection with this bill; and, furthermore, in refusing to permit the civil-service amendment to be adopted. This is not a political question. Both political parties have endorsed the

civil-service merit system. I do not want to be too critical but it is my opinion, from the way this House has treated the civil-service question during the present session, that its majority does not seem to want a fair, constructive civil-service merit system applied to the employment of individuals who are working for this Government.

California's Labor and Capital Appreciate Program of the Bureau of the Comptroller of the Currency

EXTENSION OF REMARKS
OF
HON. HARRY R. SHEPPARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. SHEPPARD. Mr. Speaker and Members of Congress, I feel that it is indeed proper at this time to briefly comment on the record and achievement of a Government bureau whose record is so outstanding in practical accomplishment to the entire Nation that it is most assuredly deserving of a word of praise from every citizen of this country regardless of race, color, creed, or political affiliations. The bureau to which I refer is administered by the Comptroller of the Currency, J. F. T. O'Connor.

Although the program of this Bureau has reacted to the benefit of every community in America in a like manner, I shall confine my remarks to the results of its efforts in my own State of California.

Not one of us can forget the dark days surrounding the so-called banking holiday of 1933. Hunger, panic, and fear were most evident. Labor and capital alike suddenly realized that savings, small and large, were temporarily frozen, if not lost forever.

In my own State of California 32 national banks had been thrown into receivership previous to the banking holiday. With the close of the holiday 11 more national banks were added, making a total of 43 national bank receiverships, with total deposits at the time of failure amounting to $63,696,931.

Labor, small business, and old people represented the majority of these depositors. In the majority of their minds was a tragic thought. We have lost our life's savings.

According to our law, upon the shoulders of the Comptroller of the Currency and his staff fell the responsibility of general supervision of national banks in operation and the administration, through receivers, of national banks which had failed. The record of this Bureau speaks for itself.

In California during the 4 years which have elapsed since the banking holiday, 18 of these receiverships have been completely liquidated, with the following results:

Out of the total deposits at failure in these 18 closed receiverships, amounting to $24,026,141, there has been repaid to depositors the sum of $23,903,780. This represents an average percentage of total deposits paid of 99.49 percent, which means that depositors on an average in these 18 trusts lost only about one-half of 1 percent of their deposits. In other words, out of every dollar collected by the receivers in these trusts, depositors received 99½ cents.

As of this date there remains in active receivership 25 banks. Our records show that the total deposits at failure of these 25 banks amounted to $39,670,790. Of this amount there has been repaid a total of $32,496,386, or an average percentage of 81.92 percent. Our receivers estimate that there will be additional recoveries to depositors of approximately $3,100,000, which means estimated additional dividends of an average percentage of approximately 8 percent. It is estimated that the average return in percentage to depositors by the time the trusts are finally liquidated will be 90 percent or more.

Of the above 25 banks, which remain in active receivership, four are in my district, which comprises the counties of Orange, Riverside, and San Bernardino. You will be interested to note that out of the total deposits at time of failure in these four banks, amounting to $2,072,644, there has been paid $1,904,395, or an average percentage of 91.88 percent, and, furthermore, that the receivers estimate additional recoveries to depositors in these four banks of approximately 8 percent.

Some statistics on the active national-bank situation in California might also be interesting to you. As of June 30, 1933, the consclidated figures for all national banks in California showed that 135 banks had deposits of $1,774,880,000. As of June 30, 1937—4 years later—105 banks had deposits of $2,752,905,000. This means that although there are 30 less national banks in existence in California now than in 1933, the deposits of such banks in the State are 55.10 percent greater than they were in 1933.

As a matter of fact, Mr. Speaker, I might call your attention to the fact that since the inauguration of Federal deposit insurance and the exercise of other safeguards which the administration has drawn around banking, there have been only seven national bank failures in the entire country and none of these seven were in California.

In passing, I should like to mention a word in reference to the pioneer work of the Comptroller of the Currency in connection with our splendid Federal Deposit Insurance Corporation. Under the provisions of the Banking Act of 1933, the Comptroller of the Currency was named an ex-officio member of that Corporation.

During the interim between the passage of the law and the organization of the Board, he laid the foundation for the organization of the Corporation in view of the fact that it would be necessary to examine over 8,000 State institutions before January 1, 1934.

In addition to these tremendous responsibilities, the Comptroller of the Currency was appointed to act on the Deposit Liquidation Board and the Reconstruction Finance Corporation. He is required by law to report directly to Congress annually and to recommend to Congress amendments to the national banking laws.

I am certain that the entire Nation appreciates the tireless efforts of this Bureau, and in expressing my personal appreciation of the record of the Comptroller of the Currency, a fellow Californian, and his staff in the State of California, I feel that I express the true and honest reaction of every citizen of our great Commonwealth.

Mr. Speaker and Members of Congress, I thank you.

Potomac River Development

EXTENSION OF REMARKS
OF
HON. ROSS A. COLLINS
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. COLLINS. Mr. Speaker, of all the important matters it considers each session, none that Congress undertakes more deeply concerns the people of the United States than the development of rivers and harbors.

I feel safe in saying that every Member of the House and Senate has an intense interest in the development of our great national asset, the streams and shorelines of America, and the amounts of money authorized and appropriated each year for this work stands in evidence that national policy favors continuance of the work.

For more than 125 years the United States Army Engineering Corps has carried on the river and harbor work with the highest degree of technical skill and honest efficiency. The people of the United States have supreme confidence in the Army engineers and intend to see them carry on the great public works of river and harbor development unhampered.

But, Mr. Speaker, at this time I want to call attention to a situation which ought to interest the Members of Congress as much as any river and harbor program in their own home districts.

I refer to the status of the water front in Washington, D. C.

As it is today, the District of Columbia water front is a disgrace. I will not attempt to describe it in detail, for every Member of Congress knows what it looks like and the record shows that Congress has done its part toward remedying this awful condition.

On June 3, 1932, the Rivers and Harbors Committee of the House of Representatives requested the Board of Engineers for Rivers and Harbors to review the previous reports on the Potomac River and the Washington, D. C., Channel and formulate a plan for proper development.

A report was duly made and the Rivers and Harbors Act of August 30, 1935, included authorization for a District of Columbia water-front project with the following characteristics:

First. A yacht harbor, with berthing space for about 286 boats.

Second. Two wharves for the municipal activities of the District.

Third. Three wharves for the existing transportation lines and general service.

Fourth. Construction of bulkhead walls.

Fifth. Removal of old, dilapidated structures now being used.

The estimate of the total cost was fixed in 1933 at $1,650,000, to be expended over an 8-year period, with the District of Columbia contributing $389,000 for the municipal wharves.

According to the Annual Report of the Chief of Engineers, United States Army, for 1936, the entire commercial water front of the District is owned by the Government. The Chief of Engineers says that of the 30 wharves now in daily use, only 4 can be classed as modern. In 1916 the District expended $236,360 for a municipal fish wharf and harbor police wharf, which are today inadequate for existing commerce.

Now, a lot of money has gone into the development of the waterways of the United States. On the Potomac River a controlling depth of 18.4 feet was developed by the engineers all the way from the Chesapeake Bay to Georgetown. In a few months this channel will be 21 feet deep, and capable of accommodating boats of drafts which carry 80 percent of the world's water-borne commerce.

It is obvious to every Member of Congress that this fine channel cannot be properly utilized unless adequate wharves are available at the end of the journey. It is obvious that Washington does not have adequate wharves and that Congress, in authorizing their construction, wants the capital to have them.

For the fiscal year 1938, the Congress turned over to the Chief of Engineers more than $234,000,000 to be spent mostly at his own discretion in carrying out the authorized programs for rivers and harbors work.

The Chief of Engineers in his own report for 1936 pointed out that "the sum of $285,000 can be profitably expended (on the District of Columbia waterfront) during the fiscal year 1938 in construction of parts of yacht units 1, 2, and 4."

In other words, last fall when that report was being written, the Chief of Engineers clearly intimated he was going to start work on the District program in this current fiscal year.

Now, Mr. Speaker, the good people of Washington, D. C., depend upon us in Congress to look after them. And they have let us know they want this rivers and harbors development for commercial and municipal purposes, and for the purpose of improving the appearance of the Potomac River.

They are willing to pay their share of the cost, according to the usual formula Congress lays down in these things. Their share of the expense begins with the third year of construction, and as chairman of the subcommittee handling District appropriations I feel safe in saying there will be no opposition in the committee or from the people of Washington to the appropriation necessary.

What I cannot understand, Mr. Speaker, is why the Chief of Engineers has not started this Washington water front development.

It is a thing Congress has authorized and for which adequate money has been appropriated. The people of Washington will put up their share when the time comes.

I call on the Chief of Engineers to start this important project at once.

A. Piatt Andrew

MEMORIAL ADDRESS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. A. PIATT ANDREW, late a Representative from Massachusetts

Mr. McCORMACK. Mr. Speaker, the angel of death once again visited the Halls of Congress on June 3, 1936, to take from our midst another Member of the House, our late colleague, Hon. A. PIATT ANDREW, Representative from the Sixth Congressional District of Massachusetts.

In the passing of Congressman ANDREW the House of Representatives lost one of its ablest and most brilliant members. His life has been one of devotion and service to his people and his country. His scholarly attainments, his experience, and his training prepared him well for the legislative work which he had chosen for his career. Because of his wide experience and fine education he was well equipped to handle the difficult national problems which confronted him, both in the committees of which he was a member and on the floor of the House.

A. PIATT ANDREW was born at La Porte, Ind., February 12, 1873. After a preparatory education he entered Princeton University and in 1893 received an A. B. degree from that institution, which in 1923 honored him with an A. M. degree. Following his graduation from Princeton University he studied abroad at the Universities of Halle, Berlin, and Paris. Returning to this country, he continued his education at Harvard University, and in 1900 completed a course of studies which entitled him to a doctor's degree of philosophy. From 1900 to 1909 he served as an instructor and assistant professor of economics at Harvard University. In this position he brought to the youth of Harvard the benefits of his splendid education and his impartial and tolerant views. He became recognized as an authority on monetary matters and his expert knowledge on this subject brought him national prominence and recognition. In 1909 he was appointed Director of the Mint, which position he held until his appointment as Assistant Secretary of the Treasury in 1910.

At the outbreak of the World War A. PIATT ANDREW joined the French Army and served with the forces of that nation until the United States entered the war in 1917, when he joined the first contingent of United States soldiers which came to France. He was appointed commanding major of the United States National Army in September 1917 and became lieutenant colonel in September 1918. He was awarded the Croix de Guerre and named Chevalier de la Legion d'Honneur by the French Government for the distinguished service and aid he rendered the French nation while serving in the armies of France. In 1919 the United States Government conferred upon him the Distinguished Service Medal for his valuable and courageous work while serving in the military forces of the United States. He had been chosen as an officer of the Legion of Honor (France) and the Order of Leopold (Belgium). The war record of A. PIATT ANDREW is a record of honorable service, of which he and the people of the United States can be justly proud. Highly honored by

the two nations with which he served and promoted to the rank of lieutenant colonel in the United States Army evidences the character, valor, courage, and industry of our late colleague.

He was first elected to Congress in September of 1921 to fill an unexpired term in the Sixty-seventh Congress. From that time on he served continuously in that honorable body until his death. This 15 years of continuous service was devoted to the people of his district and the welfare of his Nation. His reelections are the best possible proof of the love and esteem with which he was held by the people of his district. He served them with the same courage and ability which characterized his service on the battlefields of France and won for him distinguished honors. He was ever ready to join in any movement for the advancement of Massachusetts, New England, and the United States.

His long and honorable career as a loyal citizen, a courageous soldier, and outstanding public servant has ended. He dedicated his life to the service of his country. The constructive and humane character of the service rendered by my late colleague and friend during his life is an inspiration and example to all.

Observations on a Bill From the District Committee to Provide Shorter Hours for Firemen and Policemen of the District of Columbia

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. COLLINS. Mr. Speaker, H. R. 7710, entitled "A bill to provide shorter hours of duty for members of the fire department of the District of Columbia", proposes to grant to officers and members of that department 2 days off per week instead of the 1 day off per week as now provided by law, and also proposes to grant a compensating day off for each legal holiday upon which a fireman is required to work.

To place the provisions of the bill in operation (relating only to the fire department) would require an increase of approximately 207 men in the fire department and additional funds for their uniforms and equipment.

It is estimated that the cost during the first year would be approximately $413,000, and this would increase about $20,000 each year for the first 5 years as privates become entitled to longevity promotions in salary, making an ultimate increase of about $500,000.

If the provisions of this bill were enacted so as to permit 2 days off per week for firemen, the same privileges should be granted the police department. To grant 2 days off per week instead of 1 to the police department, and to grant a compensating day for each legal holiday upon which a policeman is required to work, would cost in the neighborhood of $1,000,000 per year. Considered together, both policemen and firemen, the additional cost to the District of Columbia by the enactment of legislation of this character extended to both departments would represent a total additional cost to the District of somewhere around $1,500,000.

The Commissioners have reported adversely upon H. R. 7710, as the legislation is believed by them to be unwise. The bill has been submitted to the Bureau of the Budget and the Acting Director of that Bureau has advised the Commissioners that there is no objection on the part of the Bureau to the position taken by the Commissioners in connection with this matter.

Following is information showing the privileges and benefits received by policemen and firemen employed by the District of Columbia:

1. Policemen and firemen are allowed 1 day off in 7 with pay.

2. Policemen and firemen are allowed 26 days annual leave each calendar year, exclusive of Sundays and holidays. They may accumulate this annual leave until it totals not exceeding 60 days.

3. Policemen and firemen may receive 30 days sick leave with pay, as against 15 days sick leave granted Federal and District Government employees.

4. Policemen and firemen who become temporarily disabled by injury received or disease contracted in the actual discharge of duty are entitled to indefinite extended sick leave with pay. They are also entitled during such injury or illness, or illness due to any cause, to free medical services by members of the Board of Police and Fire Surgeons. They are further entitled to hospital treatment, nursing service, and medical or surgical services at the expense of the District of Columbia.

5. Policemen and firemen who become permanently disabled from injury received or disease contracted in the line of duty, or having served not less than 25 years and having reached the age of 55 years shall for any cause become so permanently disabled as to incapacitate them for the performance of duty, may be retired by the Commissioners on a pension of one-half the pay received at the time of retirement.

Policemen and firemen who have reached the age of 60 years may, in the discretion of the Commissioners, be retired and become entitled to receive the pension mentioned in the preceding paragraph.

6. In the case of the death of any member of the police department or the fire department before or after retirement from the service, leaving a widow or a child or children under 16 years of age, the widow shall be entitled to receive relief from the District of Columbia in an amount not exceeding $60 per month and each child under the age of 16 years an amount not exceeding $10 per month.

7. The Commissioners are authorized to pay a sum not exceeding $75 in any one case to defray the funeral expenses of any member of the police department or the fire department dying while in the service thereof.

8. Policemen and firemen on the retired pay roll are entitled upon application to receive increases in pensions when increases in salaries are authorized by Congress for members of the police and fire departments.

9. Policemen and firemen receive free uniforms from the District of Columbia.

10. The major and superintendent of police, and the chief engineer of the fire department may be retired with a pension of $4,000 a year; the assistant superintendents of police and the deputy chief engineers of the fire department, at a pension of $2,500 per year; inspectors in the police department and battalion chiefs in the fire department, at a pension of $2,250 per year; captains in the police department at $1,800, and captains in the fire department at $1,500 per year; lieutenants in the police department at $1,525, and in the fire department at $1,420 per year.

Privates in the police department and in the fire department are initially appointed at $1,900 per year, and receive an increase of $100 per year until they reach a maximum salary of $2,400 per year. On retirement, privates in the police department and the fire department, and in practically every case retirement is after the maximum salary has been reached, receive a pension of $1,200 a year.

The cost of the policemen and firemen's relief or pension fund has increased from $150,000 in the fiscal year 1920 to $1,025,000 in the fiscal year 1938. Of this latter amount about $200,000 is contributed by a deduction of 3½ percent of the pay of policemen and firemen, while the deficit of about $800,000 a year in the policemen and firemen's pension fund is made good by using that amount of the general revenues of the District derived from taxes, privileges, and so forth. The law provides that it shall be the duty of the Commissioners to direct the collector of taxes, and it shall

be the duty of the collector to pay into the Treasury, out of the general revenues of the District of Columbia collected by him, such sums as may be necessary from time to time to meet deficiencies in the payment of policemen and firemen's pensions.

11. Members of the United States Park Police and members of the White House Police force also are entitled to pension and other privileges in like manner as members of the Metropolitan Police force and members of the fire department. Should the provisions of H. R. 7710, proposed now to apply only to firemen, be also extended to members of the Metropolitan Police force, it is strongly probable that a further extension would be made to include members of the United States Park Police force (who are paid their salaries and other expenses from appropriations of the District of Columbia), and members of the White House Police force.

This does not take into consideration members of the Capitol Police force, who, however, receive their pay from moneys of the Federal Government.

Establishment of Civil Service Administration and Extension of Merit System and Classification Act

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. MEAD. Mr. Speaker, under leave to extend my remarks I am taking the opportunity of inserting herewith a copy of the report accompanying the bill (H. R. 8277) to establish a Civil Service Administration, to extend the merit system, to extend the Classification Act of 1923, and for other purposes, which is a measure to effect the reorganization of the Civil Service Commission. The report contains a most comprehensive explanation of the bill, together with a great deal of factual information bearing upon the general subject of the civil service.

The House Committee on Government Organization, together with those who have assisted in the preparation of this particular bill, have collaborated in presenting a measure which, in my judgment, merits the earnest consideration of the Members of the Congress.

The Select Committee on Government Organization, to whom was referred the bill (H. R. 8277) to establish a Civil Service Administration, to extend the merit system, to extend the Classification Act of 1923, and for other purposes, having considered the same, report it back to the House without amendment and recommended that the bill do pass.

GENERAL STATEMENT

The purposes of this bill are (1) to reorganize and improve the administration of the civil-service laws, (2) to provide for the extension of the classified civil service, and (3) to authorize the extension of the Classification Act of 1923, as amended.

Titles I and II of the bill provide for the rorganization of the civil-service administration by the abolition of the existing commission of three members, and the creation in its place of a single Administrator and a Civil Service Board of seven members. An improved and strengthened central personnel administration is essential if the classified civil service is to be extended to the employees who are now outside of the service. Effective and efficient administration requires a sing'e executive head of this important managerial function under the general direction of the Chief Executive.

The Civil Service Commission was set up over 50 years ago, and at that time only about 15,000 employees were placed within the classified civil service. The number has now reached more than 500,000 civil-service employees, and there are about 300,000 employees outside of the classified civil service. It is well known that the board form of organization is unsuited to large administrative tasks. It is almost always slow, cumbersome, and inefficient when utilized for administrative functions. Its members serve for relatively short terms. The Civil Service Commission has been no exception to this rule. It is not suited to provide the constructive leadership, initiative, and vigorous administration needed in the central personnel agency of the Government. While many notable advances have been made in civil-service administration in the Government since the creation of the Civil Service Commission 50 years ago, it is increasingly being recognized that a more effective organization is needed. The protective features of the existing system will not be weakened by providing for more efficient and vigorous administration through a single responsible executive. The greatest stumbling block to the advancement of civil service in this country has been inefficient administration; the greatest step forward is to be achieved through the improvement of administration.

The central civil-service agency, like the Bureau of the Budget with its single head, is a managerial agency of the Chief Executive. As the Civil Service Commission is organized at present, however, it is difficult if not impossible for the President to exercise effectively the direction and leadership in bringing about more effective personnel management. The board form of organization is as equally unsuited for personnel administration as it would be for budgetary administration.

There has been a general trend in this country away from the board form of organization for civil-service administration. While all of the older laws provided for civil-service commissions, the recent State laws and municipal charters have more commonly provided for a single administrator in charge of the administration of civil service. The need for a single civil-service administrator in the Federal service has been recognized and widely advocated for a number of years. It was recommended by President Hoover in 1932, and was strongly supported by the then president of the Civil Service Commission.

In addition to the creation of a single Civil Service Administrator appointed by the President by and with the advice of the Senate, and serving for an indefinite term, the bill creates also a Civil Service Board of seven members, which will exercise important investigatory and advisory authority. This Board will serve as the "watchdog" of the merit system. To it will be drawn representatives of business, industry, labor, education, and other walks of life interested in the promotion of an efficient civil service. It will meet the need for an independent citizen agency charged with the duty of recommending broad policies, of making investigations into civil-service practices and methods, and of safeguarding the integrity of the system by bringing to the attention of the President, of the Congress, and of the people conditions or abuses demanding correction. This Board, though charged with no administrative duties, will play a large part in the development and improvement of the civil service.

Title III of the bill provides for the extension of the classified civil service by vesting in the President authority to cover into the classified civil service offices and positions now outside such service, except those which are filled by appointment by the President with the confirmation of the Senate.

The Government of the United States employs over 1,000,000 men and women. The extent of the classified civil service in the executive branch of the Government at the end of 1936 is indicated in the following table:

Distribution of employees in the executive branch according to method of appointment, Dec. 31, 1936

	Number of employees	Under classified civil service	Not under classified civil service
Regular establishments	717,621	506,512	211,109
New and emergency agencies	113,474	8,726	94,748
Total	821,095	515,238	305,857
Percentage		60.2	39.8

Source: U. S. Civil Service Commission.

It should be noted, however, that of the employees outside of the classified civil-service system, approximately 35,000 are under a merit system set-up within the agency such as that of the Foreign Service, the Public Health Service, the Tennessee Valley Authority, and the Home Owners' Loan Corporation.

During the last 4 years there has been a great awakening of public interest in the improvement of the Government service. Not only the leaders of the country, but the people as well have come to see more clearly that good and effective government, as well as efficient and economical government must rest in the last analysis upon a highly competent public service.

This renewed interest in efficient civil service is shown particularly in the active work of national and local civic organizations, the establishment of "career training" courses here in Washington and at the leading universities, and the publication of important and scientific studies of Government personnel problems. There has never been as much public sentiment as there is now for the improvement of the public service.

An interesting illustration of this is found in the Nation-wide poll conducted in March 1936 by the American Institute of Public Opinion, the accuracy of whose polls has been repeatedly noted. The question whether the classified civil service should be extended to all except the highest offices and positions was submitted without argument to carefully selected "ordinary" citizens

in all parts of the country. The result was an 88 percent vote for civil-service extension. It is significant that virtually no other question submitted in the past 2 years to a national poll has been accorded a higher affirmative vote.

This Nation-wide demand for better government personnel has already resulted in important new legislation in some 10 States during the legislative sessions this year. Five States (Arkansas, Connecticut, Maine, Michigan, and Tennessee) adopted civil-service laws for the first time. This is the largest number of States taking action of this sort in any one year in our history, and is a further indication of the attitude of public opinion at the present time.

These new State laws follow in the main the principles embodied in H. R. 8277. In every case the emphasis is placed upon constructive personnel administration and upon the close relationship of personnel administration to general administration, and not upon the negative aspects of civil-service administration as in the past. In each of these new State laws the administrative activities are placed under a "personnel director" instead of a board. The principle of extending civil service to all except the higher posts is recognized in each of these laws.

The time has come to extend the classified civil service in the Federal Government to the great majority of positions now outside of the service. The new and emergency agencies created since 1932 were necessarily exempted from the classified civil service. It was not possible at the time of their creation to determine how long their activities would be continued, and it would have been unwise to place them within the classified civil service at the outset. The situation is now changed. Positions in activities which are to be continued should be brought within the classified civil service without further delay.

The bill provides that incumbents of offices or positions covered into the classified civil service by the President under the authority of the bill will acquire a classified civil-service status only upon recommendation by the head of the agency concerned, certification by such head that they have served with merit for a prescribed period, and upon taking a noncompetitive examination given by the Civil Service Administrator. Your committee would regard it as unwise to blanket employees into the classified civil service without some test of their fitness. On the other hand, your committee believes that it would be unfair and unwise to require employees who have loyally served the Government to take an open competitive examination. Furthermore, this would place an impossible burden upon the Civil Service Administration and also would disrupt the service by reason of the loss of many employees who, though experienced and satisfactory, would be displaced by inexperienced persons with higher ratings.

It is the opinion of your committee that the provisions of this bill will provide the machinery for a real career service in the Government. It will offer an opportunity to the rank and file of Government employees to advance through promotion to high positions of honor and distinction. This step is essential to the building up of a great civil service.

Title IV provides for the extension of the Classification Act of 1923, as amended, by authorizing the President to extend the provisions of that act to offices and positions not now subject to its provisions. This action, which has been long delayed, will provide for the uniform application of definite salary standards and the more careful budgeting of personnel services.

ANALYSIS OF THE BILL

Section 1 designates the short title of the bill.

TITLE I. THE CIVIL SERVICE ADMINISTRATION

Section 2 establishes the Civil Service Administration, at the head of which will be a Civil Service Administrator, appointed by the President, by and with the advice and consent of the Senate.

Subsection (b) of this section creates an office of Deputy Civil Service Administrator. The incumbent of this office will be appointed by the Administrator and will act as Administrator in the absence of the Administrator.

Section 3 abolishes the United States Civil Service Commission and transfers to the Civil Service Administrator all of the functions of such Commission.

Subsection (b) of this section provides that the provisions of the bill shall supplement, and not supersede, the provisions of the present civil-service laws which vest functions relating to the administration of the civil service in the President, except as such provisions may be directly in conflict therewith. A proviso is added to this subsection which declares that the President is not authorized to cover offices, positions, or the incumbents thereof into the classified civil service, or remove offices or positions from such service, except as provided in this bill.

Section 4 vests in the Civil Service Administrator certain functions in addition to those transferred to him from the Civil Service Commission. In general, the section authorizes the Administrator to prepare and effect plans for the development of a career service in the Federal Government, to cooperate with and assist the agencies of the Federal Government in the development of personnel standards, practices, and policies, and to study such standards, practices, and policies in other governmental jurisdictions and cooperate with such jurisdictions in the adoption and development of merit systems.

This section also authorizes the Administrator to consult with experts on personnel administration and reimburse such experts for their expenses in connection with such consultation, and to make certain other expenditures.

Section 5 contains general administrative provisions which authorize the Civil Service Administrator to delegate his functions to officers and employees of the Civil Service Administration, to supervise the clerical and other work of the Civil Service Board established by section 201 of the bill upon request of the Board, to furnish such Board with clerical and other services by assignment from the Civil Service Administration, and to adopt an official seal for the Civil Service Administration.

TITLE II. THE CIVIL SERVICE BOARD

Section 201 establishes in the Civil Service Administration a Civil Service Board composed of seven members.

Section 202 provides that the members of the Civil Service Board shall be appointed by the President with the confirmation of the Senate and authorizes the President to designate a chairman and a vice chairman of the Board.

Section 203 prescribes the terms of office of the members of the Civil Service Board.

Section 204 provides that the members of the Civil Service Board shall be reimbursed for their subsistence and other expenses at the rate of $50 per day for time spent in attending and traveling to and from meetings of the Board, plus the actual cost of transportation, with a proviso added that no member shall receive more than $1,500 per annum, exclusive of transportation.

Subsections (b) and (c) of this section prescribe the rules governing the time and conduct of meetings of the Civil Service Board.

Section 205 prescribes the functions of the Civil Service Board In general, the Board is to "oversee" the administration of the civil-service laws, act in an advisory capacity in matters affecting personnel administration in the Federal Government and make reports and recommendations to the President and the Congress looking to the improvement of personnel administration.

This section also authorizes the Civil Service Board to propose to the President plans and procedures dealing with Federal employment problems.

This section likewise authorizes the President or the head of any executive department or independent agency, subject to regulations prescribed by the President, to appoint special boards to consider employment problems and such boards are required to report their findings thereon to the appointing officers.

Section 206 authorizes the Chairman of the Civil Service Board to adopt an official seal for such Board.

TITLE III. EXTENSION OF CIVIL-SERVICE LAWS

Section 301 grants to the President a continuing authority to cover offices or positions into, or except them from, the classified civil service whenever he finds that good administration will be facilitated thereby. Offices and positions filled by appointment by the President with the confirmation of the Senate are exempted from the President's power under this section.

Section 302 provides that the incumbent of an office or position which is covered into the classified civil service under title III of the bill will acquire a classified civil-service status only upon (1) recommendation by the head of the agency concerned within 1 year after the covering in of the office or position; (2) certification by such head that the incumbent has served with merit for a prescribed period; and (3) passing a noncompetitive examination prescribed by the Civil Service Administrator. All three of these requirements must be met.

Section 303 provides that the provisions of title III of the bill shall be applicable to existing offices and positions and the incumbents thereof, and shall also be applicable to offices, positions, and incumbents created, authorized, or appointed under this bill or any subsequent act unless the Congress specifically provides otherwise.

TITLE IV. EXTENSION OF CLASSIFICATION ACT

Section 401 authorizes the President, subject to the limitations prescribed by subsections (b), (c), and (d) of the section, whenever he deems it necessary to the more efficient operation of the Government, to extend, by Executive order, the provisions of the Classification Act of 1923, as amended, to any office or position in the agencies of the Government not now subject to that act. It is further provided that, when directed to do so by the President, the Civil Service Administrator shall make investigations and recommendations to the President on such matters prior to action by the President.

Subsection (b) of this section provides that whenever the President, upon report and recommendation by the Civil Service Administrator, finds that any offices or positions to which the Classification Act, as amended and extended, is applicable, may not reasonably be allocated to any of the existing classification services prescribed in the Classification Act, he may by Executive order prescribe such additional classification services as he deems necessary, and describe and fix the compensation of the grades of such services within the limits of the Classification Act and as nearly as may be in accord with the existing grades which involve comparable offices or positions.

Subsection (c) of this section authorizes the President to prescribe compensation in excess of the rates prescribed in the Classification Act for offices or positions under that act, as amended and extended, by establishing schedules of differentials not exceeding 25 percent of the minimum rate of compensation of the grade applicable to the offices or positions involved, whenever he finds, upon report and recommendation by the Civil Service Administrator, that the compensation schedules of the Classification Act are inadequate for such offices or positions. The authority under this section is expressly confined to offices and positions located at remote stations, or those which involve

unusual physical hardship, or hazards, or have similar characteristics. Also the Civil Service Administrator is authorized to take these special characteristics into consideration in allocating a class of offices or positions to a service and grade under the Classification Act, in which event no differential may be set up.

Subsection (d) excepts from the powers granted to the President by this section certain classes of offices and positions. These exceptions consist largely of offices and positions, the compensation of which is now expressly fixed by laws other than the Classification Act.

Section 402 authorizes the President, after investigation by the Civil Service Administrator, to except certain offices and positions from the provisions of the Classification Act. This authority is limited to offices and positions having certain characteristics designated by the bill which tend to prevent a practicable application to them of the provisions of the Classification Act.

Section 403 provides that offices and positions to which the provisions of the Classification Act are extended under this title of the bill shall be allocated to a service and grade under the Classification Act in accordance with section 4 of that act and with a uniform procedure to be prescribed by the Civil Service Administrator. It is further provided that the initial compensation of the incumbents of such offices and positions shall be fixed in accordance with section 6 of the Classification Act, unless the incumbent is receiving compensation in excess of the maximum rate prescribed for the grade of his office or position, in which event no change will be made in his existing compensation as long as he occupies that office or position, but when it becomes vacant the compensation applicable thereto will be adjusted to accord with the Classification Act.

Section 404 declares that nothing in the act shall be deemed to prevent the promotion of an officer or employee.

TITLE V. MISCELLANEOUS PROVISIONS

Section 501 authorizes the President, the Civil Service Administrator, and the Civil Service Board to prescribe such rules and regulations as may be necessary to enable them to exercise their respective functions.

Section 502 provides for the transfer of the personnel and property of the Civil Service Commission to the Civil Service Administrator, and prescribes the conditions under which personnel so transferred may acquire a classified civil-service status.

Section 503 provides for the transfer to the Civil Service Administration of such portions of the unexpended balances of appropriations available for the Civil Service Commission, as the President shall deem necessary. Unexpended balances of such appropriations, not so transferred, are required to be impounded and returned to the Treasury.

Section 504 is a saving provision with respect to existing laws, rules, regulations, and similar matters pertaining to the Civil Service Commission.

Section 505 is a saving provision with respect to proceedings, investigations, and similar matters pending in the Civil Service Commission.

Section 506 is a saving provision with respect to suits or actions pending by or against officers or employees of the Civil Service Commission.

Section 507 authorizes the President and the heads of the executive departments, the Director of the Bureau of the Budget, the Civil Service Administrator, and the Civil Service Board to employ experts and consultants for the purpose of consultation, investigation, and research in connection with the exercise of the functions of their respective offices.

Section 508 contains the definitions of certain terms as used in the bill, namely, "agency", "independent agency", "temporary agency", "managerial agency", "federally owned and controlled corporation", and "functions." These definitions, particularly that of the term "agency", govern the scope of the operation of many important provisions of the bill.

Section 509 authorizes such appropriations as may be necessary to carry out the provisions of the bill.

Section 510 contains a separability clause.

Section 511 provides that the provisions of the act shall become effective 90 days after its enactment.

Wage and Hour Legislation

EXTENSION OF REMARKS
OF
HON. GEORGE D. O'BRIEN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. O'BRIEN of Michigan. Mr. Speaker, it is a proper function of government to exert its authority to protect the weak. Children under 16 years and persons working over 40 hours a week and earning no more than 40 cents an hour are surely entitled to the protection of government.

Every employer who is trying to pay a fair wage will be benefited by not having to compete with those who exploit the labor of children and defraud the workers of a just wage.

The method proposed in the Black-Connery bill is in pursuance of the power of Congress to regulate commerce between the States. Products which pass in interstate commerce and employments within the States which furnish competition with interstate commerce are the basis of the proposed legislation.

The Black-Connery bill invites a reversal of the 5-to-4 Supreme Court decision in the case of *Hammer* v. *Dagenhart* whereby the original Child Labor Act was held unconstitutional. That the *Hammer* v. *Dagenhart* decision should now be reversed, is justified by the actions of the Supreme Court in upholding the Washington State minimum-wage statute in the face of the contrary decision in *Adkins* v. *Children's Hospital* and in affirming the National Labor Relations Act in the Jones and Laughlin case in spite of the inconsistent opinion in the previous case of *Carter* v. *Carter Coal Co.*

Sale of Scrap Iron Abroad

EXTENSION OF REMARKS
OF
HON. FRANCIS T. MALONEY
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

LETTERS AND TELEGRAMS

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD certain correspondence between a manufacturer of my State and a Member of the House of Representatives. The manufacturer complains that he has been unfairly dealt with as the result of something that has heretofore appeared in the RECORD, and maintains that he has no opportunity of correcting the situation except in this way. I am not familiar with the details surrounding the matter, but I feel, in justice to the man and because of the claim which is made, that the correspondence ought to appear in the RECORD.

The PRESIDENT pro tempore. Is there objection?

Mr. CONNALLY. Mr. President, is there not some danger of infringing the privileges of the other body? However, the Senator from Connecticut is the judge of that and I shall not object.

Mr. MALONEY. I discussed the matter with the Democratic leader before I asked unanimous consent, and he did not feel that I was in any way trespassing upon the rights or infringing upon the privileges of a Member of the House.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

THE BRIDGEPORT METAL GOODS MANUFACTURING CO.,
Bridgeport, Conn., August 18, 1937.

Hon. FRANCIS MALONEY,
United States Senate, Washington, D. C.

DEAR SENATOR MALONEY: We have been placed in a most embarrassing position through Representative DICKSTEIN listing in the CONGRESSIONAL RECORD the name of a certain "Charles Jaeger" being president of Bridgeport Metal Goods and purchasing agent for scrap iron for Germany and leader of the Bund at Bridgeport.

This is entirely erroneous but it had wide publicity and is causing us an untold amount of trouble.

We wrote to Representative DICKSTEIN on August 2 and received no reply, whereupon we wired on August 6 and received a reply from him but have never received any letter nor any advice that action had been taken withdrawing the statement.

We are enclosing copies of this correspondence and think possibly you can have one of your secretaries or someone who could handle the matter take this up and see what can be done. Needless to say, the fact that he claims the CONGRESSIONAL RECORD named Bridgeport Metal Goods but not Bridgeport Metal Goods Manufacturing Co. does not relieve us in the least, and you can readily imagine the feelings our anti-Nazi customers have toward us in view of the publicity.

Assuring you that anything you can do in this matter will be deeply appreciated, we are,

Yours very truly,

THE BRIDGEPORT METAL GOODS MANUFACTURING CO.,
I. L. FERRIS, *Vice President.*

AUGUST 2, 1937.

Hon. SAMUEL DICKSTEIN,
Representative from the Twelfth Congressional District of the State of New York, Office Building of House of Representatives, Washington, D. C.

DEAR SIR: It has appeared in many newspapers that you caused to be inserted in the CONGRESSIONAL RECORD the names of "Leaders and Nazi Agitators" who are active in Connecticut, and were quoted throughout the country as listing among them "Charles Jaeger, president of the Bridgeport Metal Goods and purchasing agent for scrap iron for Germany, leader of the Bund at Bridgeport."

Our company is the only firm or corporation carrying on business in Bridgeport or in Connecticut under a name which is at all similar to "Bridgeport Metal Goods."

No one by the name of Charles Jaeger, or by any name like it, has ever been connected with this company in any capacity. We have no knowledge whatever of the man. No one in this company is interested in or has any connection with the Nazi movement.

Very clearly, a mistake has been made which will prejudice us in the minds of many people.

Will you kindly correct the mistake by reading into the CONGRESSIONAL RECORD a withdrawal of your previous statement so far as it purports to involve the Bridgeport Metal Goods Co.?

We shall greatly appreciate your favor in the matter.

Very truly yours,

_____,
President of the Bridgeport Metal Goods Co.

P. S.—It would interest us considerably to receive information from you as to the sources of information which caused you to include our company's name in this matter.

AUGUST 6, 1937.

Hon. SAMUEL DICKSTEIN,
Office Building of House of Representatives, Washington, D. C.:

Have received no reply to our letter of August 2, and will appreciate immediate action, as we are placed in most embarrassing position by publicity. Please wire reply.

THE BRIDGEPORT METAL GOODS MFG. CO.

NEW YORK CITY, N. Y., *August 6, 1937.*

BRIDGEPORT METAL GOODS MFG. CO.,
Bridgeport, Conn.:

CONGRESSIONAL RECORD names Bridgeport Metal Goods and not Bridgeport Metal Goods Manufacturing Co. Sorry you were placed in embarrassing position.

RICHARD ROLLINS,
Secretary to Congressman Samuel Dickstein.

AUGUST 18, 1937.

Hon. SAMUEL DICKSTEIN,
Representative from the Twelfth Congressional District of the State of New York, Office Building of the House of Representatives, Washington, D. C.

DEAR SIR: We have your telegrams of August 6, but you make no mention that you have taken steps to withdraw the name of Bridgeport Metal Goods Manufacturing Co. from the CONGRESSIONAL RECORD, nor have you ever replied to our letter other than the telegram which we find we received from you after telegraphing asking for an answer.

Your action has caused us the greatest embarrassment and loss of business and we feel that the least you can do is to set matters right.

We will, therefore, look to you to give us a full explanation and to meet our requests to withdraw our name.

Yours very truly,

THE BRIDGEPORT METAL GOODS MANUFACTURING CO.
I. L. FERRIS, *Vice President.*

Flood Control

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

STATEMENT BY GOVERNOR AIKEN, OF VERMONT

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an Associated Press dispatch published in the Washington Post of August 10, 1937, relating to a statement by Gov. George D. Aiken, of Vermont, on a proposed interstate flood-control compact for the Connecticut River.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Aug. 21, 1937]

AIKEN ATTACKS NEW DEAL ON FLOOD CONTROL—VERMONT GOVERNOR SAYS ROOSEVELT WOULD USURP STATE RIGHTS

PLYMOUTH, VT., August 8.—Gov. George D. Aiken today charged the Federal Government, in a policy he said was shown on a proposed interstate flood-control compact for the Connecticut River, seeks to dominate the "people of every State through the control of every dollar's worth of national resources within those States."

At the same time, addressing 150 persons at the fourth annual pilgrimage to the birthplace of Calvin Coolidge, Aiken, a Republican, recalled Coolidge's administration and assailed the present administration's budgetary policies.

FOUR STATES CONCERNED

A change in the compact would have to be sent back for approval of the four legislatures concerned.

In a letter to Gov. Wilbur L. Cross, of Connecticut, President Roosevelt stated late last week that water resources of the Nation are "matters • • • properly the subject of Federal legislation" and the "Federal Government should preserve inviolate its plenary power with respect to them."

Aiken referred to the resolution offered in the Senate Friday as one "said to be favored by the Federal administration."

"It authorizes", he continued, "the four New England States to enter into a so-called flood-control compact provided all reservoir sites and all power and storage rights connected with any development shall be transferred to the Federal Government.

"It provides that if Massachusetts and Connecticut desire to enter into such compact without Vermont and New Hampshire the War Department be authorized to take from Vermont and New Hampshire without their consent any dam sites on tributaries of the Connecticut within those States.

PREPOSTEROUS SCHEME

"This scheme seems so preposterous that to seriously consider the possibility of its adoption may seem absurd to many. Yet let me say that it is a source of very real danger.

"Let me say again, that since the introduction of the administration plan for the States of the Connecticut Valley, it is plainly evident that we are not faced with a question of flood control or power control but are confronted by a plan to insure to the Federal Government the domination of the people of every State through the control of every dollar's worth of natural resources within those States."

The Governor referred to Coolidge's service as President as "an administration of economic and moral soundness."

"Yet", he continued, "in only a few short years since this great American left the White House a tremendous change has taken place.

"We never expected to see the day when personal initiative and self-reliance would be regarded in high governmental circles as a crime against society."

Convention of Young Democratic Clubs

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ADDRESS BY HON. JAMES A. FARLEY

Mr. MINTON. Mr. President, at this propitious moment I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the Honorable James A. Farley at the third biennial convention of the Young Democratic Clubs of America, at Cadle Tabernacle, Indianapolis, Ind., August 20, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I know it has been the usual custom of speakers on such occasions as this to advise the young people that they must prepare to take over the burden of political and governmental activity. On them will before many years devolve the duty of keeping the United States of America a free, contented, and prosperous country.

This is, of course, self-evident. But it is not all of the story. I give you notice that your task does not lie wholly in the

future; that you must assume the burden here and now. Unless you and organizations similar to yours plow the field and sow the seed, it is going to be a hard job for the Nation to harvest a crop of contentment and prosperity later on.

The work of progress is no part-time effort. Every advance in popular government has been obtained by the closest attention and the most vigilant watchfulness. It has been the tendency of every generation to start enthusiastically to better conditions and improve welfare legislation. When that generation has been fortunate it has added another brick to the edifice of progress and then been prone to regard its task as completed. The reactionary element, on the contrary, never ceases its efforts to keep things as they are or to return things where they were. When, despite these activities, a forward step has been taken, their strategy has been to nullify that forward step. And it must be confessed that the apostles of the creed that holds everything new as subversive and everything old as beneficent, have frequently been successful. They may not have won out in the long run, but they have been responsible for obstacles that have delayed social improvement almost from the beginning of our history.

So I am asking my young friends at this convention not to go to sleep on the job. I am asking them not to regard what has been accomplished as either permanent or finished. Rather should they solidify the gains that have been made and lay the groundwork for what remains to be done.

In other words, they must not be satisfied with the theory that when it comes their turn to man the executive, legislative, and judicial departments, they will make this country what it ought to be. Let me give this word of warning—that if they neglect the present, the day they hope for may never arrive. It is no mere coincidence that today finds all the mouthpieces of conservatism massed against the aims and processes of the New Deal. It is no accident that the Liberty League, pretending to be inactive, is doing a lot of subterranean work to balk the measures that our President has advocated, and is advocating. It is no unpremeditated development that every newspaper that is tied in with the privilege interests is seeking to undermine the people's faith in the administration, which has lifted this country of ours out of the pit of depression to the highway of hope and renewed prosperity.

It did not happen without planning that the solid Republican old guard in the Senate and House of Representatives is lined up to obstruct the passage of the laws that are absolutely necessary if the course of recovery is to continue. Really, it seems to me that the Republicans are the only Members of the opposition group that have even a half-way decent excuse for their attitude. They are politicians. Naturally, they are seeking a return to the power from which they were expelled by the votes of 27,000,000 American citizens. They know that in the present temper of the country they have no chance, and the only possible way in which they can advance their cause is to make the people believe that Franklin D. Roosevelt is on the wrong track. That behind his stupendous efforts which have been so successful for the betterment of conditions lies some sinister motive.

They cannot dispute that business which was prostrate when he came to the White House is now back on a plane where a dividend is not a strange phenomenon and where people again have adequate income. They cannot contradict industrial statistics that tell of millions of workers reemployed, of banks solvent and busy, of mills and factories, cold and silent a few years back, that are now pouring out their products to a population which is once more able to buy and to pay for what it buys. As a consequence, they are driven to vague prophecies of disaster and absurd charges that the President, who has kept his head through the worst industrial crisis this Nation has ever known, is now capable of monumental blunders that threaten the security of our American institutions. They are undertaking to convert our people to a belief that whatever the administration does is wrong.

No small part of their campaign is to convey the impression that the President no longer enjoys the confidence of the country despite the circumstance that every by-election or other test of public sentiment shows that the President is as strong in the affections of his countrymen as he was when 46 out of 48 States voted for him and by that vote, told him that they were with him and to go ahead with his program.

It is from these hostile sources that proceeds the talk of a rift in the Democratic Party, of a rebellion in our ranks, and disloyalty in our councils. Every time a Member of a National Legislature differs from the President on some detail, it is hailed as new evidence of the disintegration of our party. It is pure politics and nothing but politics, and to my mind, and I believe to your mind, it is stupid politics. We had a lot of it, of course, in the last campaign. Perhaps you all remember the straw votes hailed by the opposition and foretelling the election of Governor Landon to the Presidency. Doubtless you have not forgotten how the names of the few Democrats who deserted their party were paraded across the political stage of every Republican rally. Think back on the innumerable editorials in the G. O. P. newspapers. It was pointed out how vast sections of the Democratic army were following these leaders out of the fold. And then recall to your minds how flat and silly all these things appeared on election day. The opposition clamor of industrial collapse and Democratic demoralization are no more valid today than they were in the 1936 campaign. There is no more substance to the scarecrows and to the phantoms that are being invoked by our political foes in 1937 than there was in 1936. Our country is well along on the upgrade. There are no threatening clouds, either industrially or politically, in sight. We are doing pretty well. Our national income as unfailingly told by our income-tax reports is almost back to normal, unemployment is decreasing steadily, new enterprises are being undertaken everywhere. The record of investments shows that the American spirit of enterprise, which was dormant through the depression years, is again active.

There is this difference between our prosperity now and the hectic period of the big stock boom. Then the group that had piled up big fortunes were making huge profits, but the rest of us had a small share in the money making. Today prosperity is general. My attention was called the other day to the circumstance that the average worker was finding in his pay envelope a third more than he had 5 years ago. In other words, the man who was making about $800 a year in 1933 is now making $1,200 a year. When you multiply this gain by the additional millions of operatives who have been put to work since the present administration came to Washington, you get a staggering total of increased purchasing power among the masses. Really the difference between a prosperous and a poverty-stricken time is merely a question of this purchasing power. If the people have money to buy, the industrial establishments are able to sell, and this means more people at work, more money for merchants, more clerks in the stores, and so on, all through the whole great commercial circle. The farmers of our country today are receiving for their products $4,000,000,000 more than they received in the bad years. That, of course, means more farm machinery bought, more new automobiles and tractors, better clothes for the farmer and his wife, more of their children in schools and colleges. Better income of the farmers is reflected in the bigger sales in every branch of industry.

But, say these assailants of the Democratic administration, the Budget isn't balanced. Now, nobody that I know questions the advisability and the necessity of getting the expenses of Government within the range of the income of the Government and that will come about in a very much shorter time than most people think. But there is another side to this question. Who is there among you or among your friends who has suffered the least inconvenience, to say nothing of damage, because the Budget has not been balanced? How has it interfered with returning prosperity? Do you know anybody whose wages are less because of the Budget situation? Do you know any business that has suffered because of the Treasury figures? They say that our children and our children's children will have to pay for it. We can only judge the future by the past. At various times in our national history we have had to increase the national debt enormously, and yet, within a relatively few years, the Government's income caught up with the Government's outgo, and that particular worry vanished without anybody being hurt. So it will be within the next few years.

Are the men and women of today paying for the huge war debt that was piled up 20 years ago? Are any of us conscious of despair or distress because the Government of that period was obliged to borrow an appalling amount of money? The boys and girls of the Young Democrats' organization need have no dread that they will be crushed by taxes because of the money spent in public works or in direct relief. Those expenditures represent an investment on which our renewed prosperity are the dividends. That money saved us from industrial chaos and perhaps from political collapse. Because of those huge funds distributed in a thousand ways we escaped the riots and perhaps the revolution that afflicted other countries. We came through the panic without social disturbance. Other nations were plunged into communism or dictatorship. It seems to me that the circumstance that the United States, alone among the great nations of the world, is not trembling at the imminence of war, is the best evidence that the Roosevelt administration has done its work wisely, sanely, and successfully.

You young people have made a brilliant start. Your organization is the right arm of the Democratic Party, for on you we must depend to consolidate and continue what this administration will have accomplished. It will be your job to see to it that there is no backward step, and that future administrations keep the torch of real democracy burning. Some of you doubtless will compose those administrations of the time to come. New problems will confront you. We can no more forecast what those problems will be than the founders of this Republic were able to tell more than a century ago what changes the world would be subject to today.

There are, however, the basic principles that have kept our party alive while other parties have been born, have flourished, and have died. So you have a general chart that will guide your actions even though we cannot at this time tell in detail what must be done.

When you, my young colleagues and comrades, assume the responsibility of directing the affairs of the dominant party, I beg of you that you never lose track of the fact that the best government is the best politics. Organization is a great element in winning elections; party loyalty is a cardinal principle. But above these things in perpetuating party success is to give the people service. No campaign expedient, no bit of party strategy compares in importance with an inflexible resolution that any Democratic administration must be kept straight, clean, and efficient. A party remains in office no longer than it deserves to be honored, no longer than it makes public duty its goal and progress its objective.

The makers of the Constitution of the United States composed a document that has lived and enjoyed the admiration of the world for 150 years. That document had no thought of a nation extending from ocean to ocean and if it had visualized the future greatness, it could not have conceived that a single day's flight would compass the journeys that it took months to make when our country was young. Its neighbors were the governments of the Old World—England, Spain, and France, and Portugal, and Holland, with Russia to the north of us—and our political ancestors had to reckon not only on the domestic complications of taming a continent, but with the complications that wars thousands of leagues away from us across the ocean involved. Even then more than half of the world was entirely outside of their calculations. China was a romantic mystery. Japan was a hermit kingdom, which not by the wildest stretch of the imagination could affect our infant Republic. The whole Pacific Ocean was beyond our sphere. And yet, the men who framed the Constitution that was to be the basis of our liberties and foundation of our Government, produced a document that has sufficed through all the shifting of a changing world. The reason the Constitution of the United States has lived and functioned is because the men who wrote it realized that new conditions must arise and provided the methods by which new conditions could be met. The finest thing about the charter of our liberties is that it was a flexible composition. If it had not been, it would have been archaic and unworkable within 20 years. It will be no small part of your responsibility to keep it up to date. You will meet the same opposition that we of today are meeting from that section of our population which would consider it as an unvarying collection of rules that must be interpreted by the letter and not by the spirit of its word.

Your party has been the guardian of that Constitution. It has kept it alive when other parties have sought to make a sacred mummy of it.

Always when you politicians and statesmen of the future will be striving to keep our Government, a government of all the people, a guardian of the rights of all Americans, you will face the opposition of the Tories of tomorrow, inflexible in their determination to hold onto their privileges, regardless of how those privileges may trespass upon the rights of the ordinary citizen.

After all, government must keep in view the axiom of the greatest good for the greatest number. No democratic system can contemplate favors for one group to the detriment of other groups. There must be preserved opportunities for all, so that each may have the advantages that come with superior skill and enterprise. That is true individualism, but it does not mean that the man of strong mind and ruthless purpose can have his way to the prejudice of others any more than it means that the physically powerful may oppress and exploit those less gifted.

You are fortunate, and the country is fortunate, that the organization of Young Democrats came at a period so fraught with consequence, so important in our history as are the events of today. We may well feel that the depression, with all its hardships, was not an unmixed evil. For out of the necessities that arose from our economic predicament, have come measures that will insure happiness and economic health. When everything is going well, people are likely to be content with what they have and to forget that no matter how prosperous the country is, there is bound to be a residue of distress that must be taken care of. When our President first faced the problem of caring for those whose livelihood had been destroyed by the economic catastrophe, he said that no American would be permitted to starve. That was a new principle in government. Now it is a commonplace. It is accepted everywhere that the function of government is not merely to say what can be done and what cannot be done, but also to make it certain that there are no longer forgotten men, women, and children in our great Commonwealth.

You are fortunate, I repeat, that your enterprise had its development during the candidacy and administration of Franklin D. Roosevelt. He has shown our country and has shown the world that wrongs can be righted and that prosperity can be salvaged even under the worst conditions. That there is no problem of government that cannot be solved if the administration in power has the wisdom to see what ought to be done and the courage to do it. There is an example in this that you people will recognize when it comes your turn to run the ship of state and keep it on a true course.

The Young Democrats' organization has made a brilliant start. Its influence is Nation-wide. Let me congratulate it on the attention it has given to the women among its membership. The women voters have had no small part in bringing about Democratic control of our national policies. They were among the first to learn that for their own sakes, and more particularly for their children's sake, it was necessary to have a government that would put a stop to the monopoly of opportunity that characterized the ancient regime. So I ask the young men of this body to cherish and encourage their women colleagues; to give them full part in their councils, and to listen to their advice, for in no minor degree does the continued success of our party and the welfare of our country depend on these future American mothers.

In the time to come, the criticisms that have been heaped on this Democratic administration will assume their true proportions. The critics will be revealed in all their cheapness and sordid partisanship. Of course, the tremendous task that President Roosevelt faced on the advent to the White House was not accomplished without errors and mistakes. What do they amount to in the face of the tremendous total of the happiness and contentment of our people?

Every great President at every crisis of our Nation's affairs was subjected to just such a barrage of abuse, such a misrepresentation of motives as have characterized the assaults on today's incumbent in the White House. Yet who remembers the strictures and libels on Washington, Jefferson, Jackson, or Lincoln? So will history deal with the present administration when enough time has elapsed to give a true perspective of its deeds and actions.

In Franklin D. Roosevelt America found a real leader. A chief who was not to be turned from his mission of civic and economic betterment by any influence. He has been guided by his splendid sense of justice; by his accurate perception of what was best for the whole people. He had the skill to plan a program as effective as it was unprecedented; the courage to venture on untrodden paths and the fortitude to keep at it, in the face of every hurdle intrenched privilege could put in his way. He is doing a marvelous work, and all of us may be proud that we have been with him in as fine an example of statesmanship and patriotism as any President ever undertook and carried out.

Roosevelt Ideas

EXTENSION OF REMARKS

OF

HON. DENNIS CHAVEZ

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ARTICLE FROM THE WASHINGTON STAR

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in this evening's Washington Star entitled "Farley Predicts Roosevelt Ideas Will Be Carried On."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of Aug. 21, 1937]

FARLEY PREDICTS ROOSEVELT IDEAS WILL BE CARRIED ON—POSTMASTER GENERAL SKIRTS THIRD TERM QUESTION, BUT PROPHESIES THAT NEXT DEMOCRATIC CANDIDATE, WHOEVER HE MAY BE, WILL BE NEW DEALER—DENYING PARTY SPLIT BY SUPREME COURT DISSENSION OR ROOSEVELT POPULARITY DIMINISHED, HE VIEWS CROP LEGISLATION AS GREATEST CURRENT NATIONAL NEED

(By Lucy Salamanca)

Postmaster General James A. Farley stated to the writer that the Roosevelt program and Roosevelt policies assuredly will be carried out by the next Democratic candidate for the Presidency, "whoever he may be."

Skirting that "third term" question for as many times, I was permitted to make one observation publicly, at least, with regard to it. With a twinkle in his eye, Mr. Farley remarked, "Who'd want that job for 12 years?" Which was, I was reminded, Mr. Farley, and not Mr. Roosevelt, speaking.

"Labor difficulties", commented the Postmaster General, "will present no permanent difficulties, due to the fact that this Nation, as a nation of home owners, cannot afford to remain long in an unsettled condition resulting from labor disturbances." No real "split" has occurred in the Democratic ranks "over the Supreme Court or any other question", and the greatest need of the country today is for crop legislation were some of the other opinions advanced during the interview.

The Postmaster General also discussed the present political strength of the Democratic Party, stating that it would "gain governorships in New Jersey, Maryland, and California and would certainly lose none in other States." To which Mr. Farley added, "If Roosevelt were to be up for reelection tomorrow he would be swept in by 48 States. I have been all over the country very recently, and the sentiment of the people is as strongly Roosevelt as ever."

Mr. Farley spoke freely of the historical significance of the times and expressed the belief that the Nation could never return to the conditions that prevailed when Roosevelt first took over the Presidency. While he would not comment upon the possibility of Mr. Roosevelt's succeeding himself in 1940, he declared there would be nothing but advances made in the liberal program of the President.

"While the Democratic Party has always been liberal, Roosevelt ushered in an era of liberalism that sets him as far ahead of his times as Jefferson was ahead of his, and the next candidate will

adhere to a program of liberalism that will carry out the Roosevelt principles, whoever that candidate may be", Mr. Farley stated.

Asked if he considered the dissension over the Supreme Court question indicated a permanent "split" in Democratic ranks, Farley said: "There has never been a 'split' over that or any other question. List the Senators who dissented on the Court question and, naming them, consider if they represent the political opinion of their States. If you boil the dissension down, I think you will find it has been a matter of personal opinion or sectional, but individual decisions have not been representative of the politics of the States themselves. There have been straws in the wind to indicate clearly where the people stand. From one end of the country to the other I have found their sentiment to be with the President."

When asked if he attached any "political significance" to present labor troubles, Mr. Farley asked quickly, "What do you mean by 'political significance'? There have always been labor troubles, more or less, particularly on the tide of prosperity, and I dare say they have always been more or less exaggerated. Nearly everything we fear or make an undue fuss over in this life doesn't happen. And I think that is true of these present disturbances. We are reading a great deal into them that probably will never happen. These things straighten themselves out, given a little time. This is especially true in this country. While I haven't the statistics at hand, I believe we own more homes, as a nation, than any other country on the face of the earth. That means that there are payments to be met regularly and the ordinary daily obligations of living to be kept up with. Such obligations will not permit us to indulge in lengthy labor rows or to engage in long-drawn-out labor controversies. There are too many home owners in this country for us to stand in fear of permanent unrest."

In the opinion of the Postmaster General, it is "essential" for Congress to pass crop legislation. "That should be done immediately", he stated, "to insure our continuing prosperity. I do not know if it will be taken care of at this session or not, nor if the President will call a special session of Congress for the purpose. But I believe it to be essential for our national welfare that agriculture be taken care of at once."

The second important question before the Nation, in the opinion of Mr. Farley, is unemployment.

"While there has been definite improvement in conditions of unemployment", he said, "there is great need for reducing unemployment still more. In my opinion, it is of vital importance to cooperate with industrialists to the end that unemployment may be wiped out. This cooperation with industry I see as one of the most important steps to a permanent prosperity and national readjustment to the employment situation."

Mr. Farley believes the country is denfiitely "on its feet again."

"But no matter how outstanding the man may be who is destined to follow after Mr. Roosevelt", he said, "it is going to be a tough assignment. I doubt if we have ever had a more unusual public figure in this country, nor a man capable of such prodigious accomplishment as the President. In addition to this, his personal appeal is very strong. The people of this country trust him and they like him. He is so unique historically that the next President is bound to suffer by comparison, no matter how good a President he may be."

This quality of "making people like him" is apparent to a marked degree in Farley himself. One senses at once that here is a man who likes people, and, liking them, knows how to get next to them. For one thing, his offices in the beautiful new Post Office Building express this particular facet of his personality.

Magnificent they are, indeed—paneled in dark woods and furnished with all the elegance and dignity that befits the quarters of a member of the Cabinet. But there is a difference in these offices and the suites that accommodate other members of the President's Cabinet. Whereas the others present a highly impersonal front to the visitor and are almost awe-inspiring in their dignity and aloofness, Farley's equally imposing suite is imbued with an informality and personal spirit that bespeaks the very human traits of its occupant.

The anteroom, for example, that separates his private offices from the reception hall, is as unashamedly intimate as a political convention hall. This is due, of course, to the informal and inscribed photographs that cover the walls. Photographs, cartoons, and drawings of political personalities and events are here displayed, an index to the manifold activities and friendships of the Postmaster General. There are a number of exceptionally interesting "shots" of members of the President's family and of Mr. Farley's own. The inscriptions furnish interesting reading for anyone with some moments to wait in the anteroom.

Similarly Mr. Farley has not permitted the grandeur of the paneled walls, walnut furniture, red leather, and luxurious rugs and crystal chandeliers chosen by a nation as the setting for its Postmaster General to overshadow or obliterate the personality of the man in office. Here, atop an impressive mantelpiece of satiny woods, stands an amusing little metal Democratic donkey, flanked by two clever and undignified political cartoons. These three personal notes do more to transform that room than all the decorators of the Nation combined could do to invest it with grandeur.

This same subtle distinction between being "a member of the Cabinet" and being James Farley, head of a good, sturdy American family and friend to thousands the length and breadth of the land, is evident in the very attire of the genial Postmaster General. Whereas the writer would find it very difficult, if not impossible, to describe the haberdashery of other members of the Cabinet interviewed recently, she recalls without difficulty the subdued red necktie on Mr. Farley's tan shirt and the matching red handkerchief tucked into the pocket of his brown coat. The reason for this is, no doubt, that the man is so definitely a personality that his individuality dominates his official capacity. One is conscious of the one before the other. Because of the unique position he has held in the President's confidence and in the political picture generally, it is probably true that this particular member of the Cabinet will always be Jim Farley first in the minds of the people everywhere and Postmaster General second.

That is not to say that his official duties are secondary by any means. As a matter of fact, there is probably no member of the official family who works more tirelessly or thoroughly at the job than James Farley. He apologized at the start of our interview for the untidy state of his desk, observing that while he generally kept it clear of his work, he had just returned from an extensive trip and was consequently deluged with a great variety of matters calling for immediate attention. Papers, letters, documents of all sorts lay strewn across the shining surface of that desk, and all of them represented work in hand. His correspondence is prodigious, his department answering thousands upon thousands of letters coming from all parts of the country.

The Postmaster General differs, officially, in another respect from the other members of the Presidential Cabinet. He is in more direct touch with citizens everywhere than they. That is to say his work brings him into direct personal contact with Americans all over the country and there is a decidedly personal note to their inquiries and requests. Again it is a decidedly personal note to their inquiries and requests. Again it is the difference between writing "Dear Mr. Postmaster General" or "Dear Mr. Farley." Not a few of them, we suspect, begin "Dear Jim."

Be that as it may, it is a fact that Mr. Farley knows personally people in every section of the country. Moreover, on return visits he can call them by name, so dependable is his memory for faces and other details of association. These are all factors that swell his correspondence. Another is the fact that not a few of the thousands who helped put Mr. Roosevelt into office look upon Jim Farley as a sort of "open sesame" to Presidential doors. They write, and act, in many instances as if his were the magic touch necessary for the advancement of their own personal interests. His ability to make friends and capacity for meeting people have thus threatened, more than once, to clutter up official correspondence.

As Postmaster General Mr. Farley has traveled from coast to coast, dedicating post offices, making speeches, and otherwise performing duties in connection with his office. He has a grasp of conditions in his own department at which employees long in the service never cease to marvel.

To a marked degree the Postmaster General leaves with one an impression of sincerity. Entirely lacking in what may be termed "pose", completely unconscious of any special dignity of office, Mr. Farley commands immediate respect for his forthrightness, his disarming frankness, and the conviction of sincerity he radiates. Moreover, he establishes at once a mutual confidence based on the assurance, unspoken certainly, that he trusts your judgment, your discretion, your sense of fair play. He discusses unreservedly his own views on any and all matters about which one questions him, without undue caution or those unflattering reservations of speech characteristic of smaller men. His only admonition is: "You'll be careful about that, won't you?" or "You won't quote this, will you?" And as a tribute to his understanding of human nature, no interviewer, I am certain, ever took advantage of his frankness.

Also Help Those Helping Themselves—Distressed Home Owners and Interest

---

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. WHITE of Ohio. Mr. Speaker, in Toledo, Ohio, Mrs. Mary J. Daly has lived in a home built by her father at 565 Norwood Avenue since 1868—that is 69 years. She is a lady 72 years of age.

This summer the home was sold at sheriff's sale. Now she is facing the prospect of being moved, along with a semi-invalid daughter, to the street.

She wants to continue as a tenant in the place that has been her home for almost seven decades. She has offered to rent the quarters in which she lives. Her income is meager, but it is sufficient to pay rent, unless the rate is heartlessly boosted by a conscienceless owner.

The new owner of the old Daly home has refused the rental offer, conforming to a self-imposed regulation that the mortgagee cannot be accepted as a renter following foreclosure and sale of mortgaged property.

It is a case that stirs deepest sentiments. However, I am attempting to leave out all trace of emotionalism and merely outline the plain facts, which make an eloquent appeal in terms of common sense, without added trimmings.

Now, then, who is this hard-bitted owner? Is it some economic royalist, some Lord Macaulay, or some prince of privilege?

Ironically enough, the landlord in this eviction case is the United States Government—the Home Owners' Loan Corporation—the agency pledged to protect the underprivileged.

In 1933 the H. O. L. C. rushed to the aid of distressed home owners with quick and easy mortgage loans.

Now it evicts a 72-year-old mother from her home and will not even rent to her the quarters she has lived in more than half a century. I protest against this action in the most vigorous terms at my command.

To outline the complete picture relating to H. O. L. C. conditions right now, I know of no better presentation than was contained in a newspaper editorial I read a few days ago. The credit for the theme of this expression belongs to the Toledo Blade. The figures I have corrected to July 31.

Before adjournment Congress should take some action to lighten the load on home owners who have borrowed from the H. O. L. C.

This bill is not on the administration's "desirable" list and consequently is in danger of being buried in committee. In view of the foreclosures which are piling up each month, however, it should not be permitted to drift until next January. This is the type of legislation that should be given consideration in the closing days of the session rather than new experiments of far-reaching scope which have not been studied carefully and cannot be in the present rush to clean up the calendar and go home.

As of March 31, 1937, there were 74,385 foreclosures of H. O. L. C. mortgages. On July 31 this figure had risen to 105,986, involving $410,000,000. The Home Loan Bank Board has estimated that at the end of the current fiscal year, mortgages totaling $600,000,000, or 20 percent of the total, will be in default.

The H. O. L. C. act was passed to help people retain their homes, not to make Uncle Sam the number one landlord. Foreclosures are doubtless unavoidable in a certain number of cases, but they should be ordered only as a last resort. Not only from the social aspects of the problem, but from the financial as well, the Government would be far better off receiving a lower rate of interest from good citizens clinging to their homes than taking over the properties and finding tenants for only 55 percent—which has been the experience to date.

The bill now before the House would reduce the interest rate on H. O. L. C. mortgages to 3½ percent and extend the monthly installment payments over a period of 25 years instead of 15 or 10. The effect would be to reduce the monthly payments per $1,000 from $7.92 to $5.01. The H. O. L. C. would still have a margin of almost 1 percent on its loans and the lower rate would enable many of the more worthy families to keep their homes.

As a member of the committee to which this bill has been assigned, I want to say that I think it should not be buried; that it should be favorably reported.

A few weeks ago Congress reduced the interest on Federal land-bank loans to 3½ percent. Why should not the same thing be done on H. O. L. C. loans?

Congress has just passed the housing bill. It is supposed to provide homes for slum dwellers, involving a large portion of expense that is borne in no way by those people. Many other forms of Government aid involve outright gifts of money.

These H. O. L. C. people are paying in a substantial way for the benefits they receive. It seems to me that when the Government is spending millions of dollars for outright gifts, the least it can do for interest-paying, distressed home owners, is to make a reasonable reduction in that interest charge as a means of helping them keep their homes and also meet the obligation of their debt.

Monday Holiday Bill

EXTENSION OF REMARKS
OF
HON. FRANK HANCOCK
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. HANCOCK of North Carolina. Mr. Speaker, the Monday holiday bill, H. H. 7349, which I introduced in Congress about 3 months ago, is designed primarily to bring about a measure of control over the occurrence of our holidays so that we might derive from them the maximum of benefit and enjoyment. The bill will govern at the start the observance of holidays in the District of Columbia, but the President of the United States is authorized to call upon the Governors of the various States so that it may be made effective throughout the Nation. Under its present terms it might be extended to apply to all Federal employees throughout the United States.

The bill is patterned after the plan now in effect in many other civilized countries—England being a notable example—where all holidays, with one or two exceptions, are arranged to fall on Monday. The plan enables the working people particularly to take advantage of the normal week-end pause, add to it, and thereby to soak up, so to speak, batches of lounging, outdooring, sleep, travel, or whatever they happen to enjoy. It has been said that English holidaying is tacitly dedicated to the idea that a true holiday, like a true love affair, must have some length, some durability, to it, else it is likely to end before it is well begun. Why we Americans have not adopted this highly civilized notion of the Monday holiday seems almost an unanswerable mystery. We let the calendar control our holidays in such a way that they fall like chance fruit from the calendar tree, with the result that their full recreative value is not realized. When we do get a day off—say, a midweek Memorial Day—we frantically attempt to crowd too much into too short a time, the result being frequently feverish, exhaustive, and unsatisfactory. Now, in contrast to this hectic scurrying, consider the singular blessed Labor Day week end, which always includes a Monday. On this holiday we can spend at least two evenings in the comfortable certainty that we will not have to get up early the next morning, and we know that we will have at least two mornings when we can take our time with a full, free day ahead.

We should not forget that holidays are and always have been movable at the will of the people who, after all, created them. To paraphrase scripture—holidays exist for man, not man for holidays. We have ample historical precedent to know that the calendar itself is neither immutable nor exempt from change. Under our present system, when a legal holiday falls on Sunday it is customary to transfer its observance to Monday.

Now, to attain our goal of a long week end, with its benison of relaxation and playtime for everyone, all that we need to do is declare that when certain holidays fall on any day other than Monday we shall take a full day off the following Monday. In other words, we shall be intelligently planning our holidays where they will do us the most good. The bill which I have introduced proposes to carry out this

idea and makes only three exceptions—Christmas, New Year's Day, and Inauguration Day, the latter occurring but once in 4 years. There would be no change in the observance of these three holidays.

Some may ask, But why Monday? Well, Saturday is already a full holiday for some and a half holiday for most of our working people. By fixing Monday, everyone will get at least a 2-day respite and many would find themselves with a full 3 days of pleasuring, freedom, or recuperation. In the words of Mr. Henry Morton Robinson, if these are not the most substantial forms of riches that human beings can acquire, then the whole movement toward the larger leisure is based on fallacy.

It is my reasoned judgment that in the observance of our holidays we should no longer bow to that irresponsible autocrat, the calendar, which only seldom is gracious enough to toss us a serviceable Monday but oftener strands us in the middle of the week.

We all know that the legislative stamp of approval on the Monday holiday bill can be quite simply obtained. The steps required to enact the law are no more complicated or difficult than the daylight savings laws which are passed by our assemblies every year. As in my bill, the Federal Government can declare a legal holiday only in the District of Columbia, the Territories, and in its own offices everywhere. Therefore, we shall need a Federal holiday law and also similar State laws. Such laws, like the bill in question, would declare in essence that the Monday following certain holidays—rather than the holiday itself—shall have public observance. I am confident that upon careful analysis of the purposes and consequences of this plan it will recommend itself to us as a significant advance in the civilized management of American life.

Far Eastern Situation

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

RADIO INTERVIEW OF HON. GERALD P. NYE, OF NORTH DAKOTA, ON AUGUST 20, 1937

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the far eastern situation delivered by the Senator from North Dakota [Mr. NYE] last evening.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. TROUT. Senator NYE, you have publicly stated that you feel the neutrality law should be applied in the far eastern situation. Certain reasons and arguments have been offered for not applying it—for instance, that it would favor Japan. I should like very much to hear what you have to say on this point.

Senator NYE. I can see no ground for holding that the law would favor Japan; but before I go into that, I should like to state very definitely that the purpose of the neutrality legislation was to keep this country out of war. The question of whether its application in any given instance would work to the greater disadvantage of one belligerent or another has nothing to do with this main purpose. By adopting a policy in advance and doing everything possible to make its application automatic Congress protected the Government against any charges of unfriendliness in putting the law into effect.

As a matter of fact, the application of the law to China and Japan would make the position of those countries more nearly equal. China can, at any moment that Japan wishes to establish a blockade, be cut off from munitions and all other supplies The neutrality law would at least prevent Japan from getting munitions in this country, and by prohibiting loans will make it more difficult for her to obtain war materials.

Mr. TROUT. It has also been suggested—although the idea seems to me to contradict the earlier argument—that Japan would regard enforcement of the neutrality law as an unfriendly act. Do you see anything in this suggestion?

Senator NYE. I have just said there can be no charge of unfriendliness in regard to a policy adopted in advance if it is automatically applied. The longer the delay in its application, the more open this Government is to the charge that it is attempting to weight the scales one way or another.

Mr. TROUT. I noticed in the press this morning that correspondents who have been in touch with the State Department feel that that Department's reason for hesitating to apply neutrality to the Far East is that we are committed by old agreements to do our part in preventing any alteration or the status of privileges of foreigners in China. Do you think, Senator, this position can be justified?

Senator NYE. I emphatically do not. It indicates to my mind a real danger that the State Department has not fully grasped the fact that Congress intended when it passed the neutrality law to bring about what policy changes were necessary to protect the American people against foreign wars. I earnestly believe that any government which fails to make protection of the American people against foreign war the determining purpose in all its policies will find retribution at the hands of the people.

But these untenable arguments are no more than shabby excuses for the administration's failure to carry out the mandate of Congress and invoke the neutrality law. The only reason so far advanced in which it is possible to take any stock is that of Secretary Roper, who was quoted in the press of yesterday as saying that if we stopped trade with Japan and China, those nations would transfer their purchases to other countries, and would then be reluctant to resume dealings with this one. When I read that statement I seemed to remember something that the President said in 1936 in a preelection speech. I looked it up and here are his words which have turned out to be good prophecy. They come in his famous peace talk at Chautauqua: "Nevertheless—and I speak from a long experience—the effective maintenance of American neutrality depends today, as in the past, on the wisdom and determination of whoever at the moment occupy the offices of President and Secretary of State.

"It is clear that our present policy and the measures passed by the Congress would in the event of a war on some other continent reduce war profits which would otherwise accrue to American citizens. * * * If war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fools' gold—would attempt to break down or evade our neutrality.

"They would tell you—and, unfortunately, their views would get wide publicity—that if they could produce and ship this and that and the other article to belligerent nations the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world. To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace.

"If we face the choice of profits or peace, the Nation will answer—must answer—'We choose peace.' It is the duty of all of us to encourage such a body of public opinion in this country that the answer will be clear and for all practical purposes unanimous."

Those were the President's words, and Secretary Roper's statement proves how true they were; but the important thing is that Secretary Roper is a responsible member of the President's Cabinet, that he must have heard Cabinet discussions of the far eastern situation, and that neither the President nor the Secretary of State has made any statement denying that the arguments he advances are the ones that are determining our policy.

Not only are such statements not denied, but Congress and the American people are being kept in the dark as to what policy this Government does intend to follow. The quickest way to clarify it for our people and for the world is to invoke the neutrality law. Today's attack on the flagship *Augusta* emphasizes the imperative importance of determining now what our policy is and not leaving it to be determined by some such agitating incident.

Mr. TROUT. I understand, Senator, that the State Department feels there has been no widespread expression from the people in regard to what our policy ought to be. In the face of the overwhelming popular demand for the neutrality law, can you explain this?

Senator NYE. It is my opinion that the people have taken it for granted that, having expressed their will in the neutrality legislation, that law will be carried out. Furthermore, as the President, himself, said in his speech which I quoted, no government is justified in leaving the country without guidance on matters which so vitally concern it. The President's words were, you may remember, "It is the duty of all of us to encourage such a body of public opinion in this country", on the matter of a choice between peace and profits, "that the answer will be clear and for all practical purposes unanimous."

Mr. TROUT. May I ask, Senator NYE, whether you, yourself, feel that the law will be applied?

Senator NYE. To say that I do not believe so would be to say that I think the President will refuse to carry out a clear mandate of Congress, and I know of nothing in his record or character to lead to such a belief. Difficult as it is to explain the delay, I have every confidence the law will be applied.

In August 1935 Congress refused to adjourn until the neutrality legislation was passed. In passing the law, our belief was that an announcement by this country that it intended to starve wars would act as a deterrent to war. If the law is to have this effect it must be applied in every instance and applied promptly.

Mr. TROUT. At least one important paper this morning definitely charged that the administration was not going to apply the law, that it had in fact gone down with the wind.

Senator NYE. Such a charge, to my mind, was irresponsible and unfounded. What is true, however, is that failure to apply the law has left the way open for the press to start an anti-Japanese agitation which may have very serious consequences, though I believe that earlier experiences when the press has encouraged a war spirit and created a war situation, finally costing many thousands of American lives, has taught the American people to take what it reads in its morning headlines calmly and to think for itself. I particularly regretted to see the Washington Post, looked upon as a responsible and dignified paper, raising the same old war-guilt cry against Japan that was raised against Germany, and that the world now knows was unjustified. When the press calls upon us, as the Post does, to "stop Japan", there is no way to carry out that phrase, so easy to write while you sit in a comfortable editorial chair, except to send thousands of our young men to die on the other side of the Pacific. If it is a question of war with Japan, then that is a question for Congress to decide. It would be a question which the people themselves would have the right and power to decide if the war-referendum amendment, introduced in the House by Representative LUDLOW, and which I, myself, introduced in the Senate, had received the backing of the administration.

Mr. TROUT. Do you believe that this referendum measure you speak of has a chance of being passed at the next session?

Senator NYE. I have no doubt whatever that it will be. Already more than 180 of the necessary 218 Members of the House have signed a petition which will get it out of committee, and the present Japanese situation will unquestionably lead to a popular demand for its passage and ratification. In the meantime, the people should give the Government no excuse for saying that they have failed to hear from the people on this question of keeping out of war in the Far East.

Mr. TROUT. Thank you very much, Senator NYE.

Library of Congress and Its Legislative Reference Service Are Rendering Commendable Service to Congress

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. CRAWFORD. Mr. Speaker, on this, the adjournment day of the first session of the Seventy-fifth Congress, I believe it is fitting to make some mention and commendation of the invaluable service that has been rendered Congress by the Library of Congress.

Without a doubt Members of Congress have made greater use of the library, particularly the legislative reference service, during the session just ending than in any other session of Congress since the founding of the Library. I have used the services of the Library innumerable times during the last three sessions, and I have always received prompt and courteous assistance in each instance. I am sure most of the Members have had a similar experience.

Many debates and speeches of this session will go down in history alongside those of other intriguing days in the Government of the Nation. Speeches in Congress of the last 8 months are replete with excerpts and quotations taken from the records of men of the past. Many of these came from books and documents in the Library of Congress.

In the pressing days of legislation being shoved through at top speed and under pressure and at a time when the Nation is becoming more and more conscious of the effects of national legislation upon it, there comes a great need for a means of ready research facilities for Members of Congress with penetrating minds who desire to be fully acquainted with pending legislation before casting their vote upon it.

Statements of Macaulay have recently been dusted off and used in a speech that is still a magnet for comments, both good and bad, so I, too, would venture to quote a Macaulay statement, though this one is not intended to stir emotions but merely to cite a truth. He said:

> Men are never so likely to settle a question rightly as when they discuss it freely.

The wisdom of these words has been demonstrated at least once in this session of Congress.

NONPARTISAN AND UNBIASED

Free and intelligent discussion is dependent to a great extent upon research. Nonpartisan and unbiased, the Legislative Reference Service of the Library of Congress has become an important adjunct to Members of Congress.

Although this Service began a struggling infancy over 20 years ago, it was not until it entered into its majority years that it began to function as its original sponsors in Congress hoped it should. Yet it appears Members of Congress are just beginning to appreciate and take advantage of this service available to them. I believe considerable credit for transforming this Service from its swaddling cloth and knee britches era into the facilities of a man's-size job of serving Congress are due to the energy and sincerity and untiring efforts of Dr. George J. Schulz, Director of the Legislative Reference Service.

I need only to refer to the increased demands made upon the Legislative Reference Service to show that more and more we are relying upon that organization for facts and information. In 2 years the inquiries made of this division headed by Dr. Schulz have increased 100 percent. In the fiscal year which just closed the Service answered 4,793 inquiries. This averages approximately nine calls from each Member of the House and Senate. These inquiries have been handled efficiently despite a decreased force of workers and without additional appropriations.

Dr. Schulz and his 35 assistants might well be called the research G-men of Congress, who confine their sleuthing to hunting facts and figures and their field of activities to books, documents, newspapers, and magazines of today or yesterday or a decade or a century ago, or to the dusty shelves of the archives. They are concerned with research in economics, political and social science, history, and law. Demands are made on them by Members of Congress for information on finance, taxation, economics, constitutional history, and a wide variety of other subjects.

Probably no other department of the Government is subjected to so much pressure from Members of Congress who often make their demands for information an hour before they are scheduled to deliver the speech for which they desire the material sought or even during the debate on the floor of the House.

Another job assigned to the Legislative Reference Service by Congress and which I know many Members find of great value in their offices was that of preparing a Digest of Public General Bills. This publication began during the final session of the Seventy-fourth Congress and 11 volumes were published. There will probably be nine volumes this year, eight having already been distributed to the Members. With scores and sometimes hundreds of letters reaching our desks on many days and involving many inquiries on legislation, we are able to tell at a glance the nature of the measure referred to by checking with this Digest of General Bills. In this service bills of general public interest are briefly analyzed currently.

The Legislative Reference Service has also taken upon itself additional work from time to time by engaging in research and preparation of manuscripts on subjects of currently great importance and general public interest.

An example of this occurred when the Supreme Court issue burst into flame and spread the length and breadth

of the land. During the months of February and March of this year the Legislative Reference Service responded to more than 300 inquiries relating in some way to the President's message on the subject. The Service immediately set about to prepare a document which will soon be released under Senate Document No. 91 and entitled Creation of the Federal Judiciary. This document is based partly on the Constitutional Convention of 1787 and will contain a vast amount of information on the subject with which it deals.

We also recall that fine document prepared last year by the Legislative Reference Service on Provisions of Federal Law Held Unconstitutional by the Supreme Court, and published by the Government Printing Office. This document has received much praise in both Houses. Then more recently Dr. Schulz and his associates have prepared a monograph relating to the creation of the Senate and known as Senate Document No. 45.

All of these services rendered by the Legislative Reference Service command the attention of every Member of this body. I sincerely hope that those of my colleagues who have not yet availed themselves of the facilities of this division, will make themselves acquainted with Dr. Schulz upon your return here next January and become familiar with what his division can do in aiding to participate in Macaulay's views on free discussion and consequently give our Nation better legislation.

James P. Buchanan

MEMORIAL ADDRESS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. MANSFIELD. Mr. Speaker, perhaps no other Member of Congress had held the acquaintanceship of the late JAMES P. BUCHANAN for a longer period than it had been my privilege to enjoy. We were neighbors, representing adjoining districts having mutual interests, and composed of the same types of sturdy citizenship. That which was good for the Ninth District was also good for the Tenth District. Seldom, if ever, did we cast votes in conflict.

I recall him as a young lawyer struggling along the pathway that later led to unusual success and prominence in his profession. He was county attorney of his county about the time I held a like position in my home county. I recall him as district attorney of his judicial district, and as a member of the State legislature. I attended State conventions with him long before he came to Congress and served on the same committees with him. Whenever it was his duty or privilege to serve, he exercised the same good judgment and ability that distinguished his career in Congress. The late Senator Joseph W. Bailey once told me, in a good-humored vein, that "Buck" had more good common sense for his looks than any man he had ever known. The circumstances under which that statement was spoken made it a compliment that anyone could be proud of.

Mr. BUCHANAN was first elected to Congress at a special election in 1913 to fill the vacancy caused by the resignation of Hon. A. S. Burleson, who had been appointed Postmaster General by President Wilson. This was in the Sixty-third Congress, and we have two other distinguished Texans serving who came here in the beginning of that Congress. I refer to the Honorable SAM RAYBURN, now our distinguished majority leader, and Hon. HATTON W. SUMNERS, the able chairman of the Committee on the Judiciary. Mr. BUCHANAN served for many years on the Committee on Appropriations, and when the late Joseph W. Byrns became Speaker Mr. BUCHANAN was advanced to the chairmanship of the committee, a committee which in many respects is the most powerful and important in Congress. Under his leadership, while many billions were necessarily appropriated to relieve the country from the effects of the great depression, his good judgment and guiding hand steered the financial ship of state along the channels that saved the taxpayers many other billions. While ever watchful of the purse strings, he did not hesitate to provide money necessary for the benefit of the country or relief of humanity.

Mr. BUCHANAN and myself were always the most intimate of friends, and on many occasions I sought and acted upon his good judgment and advice. I will give one instance of his friendship toward me. When the Texas Legislature was wrangling over the almost insurmountable difficulties of redistricting the State, bills were reported and probably passed one branch of the legislature which placed Mr. BUCHANAN and myself in the same district. He prepared a statement to be given out in the event of the final passage of such an act in which he said that under no circumstances would he be a candidate for reelection, and that he would actively support me against any candidate who might announce. This illustrated his type of manhood. He would not hesitate to sacrifice himself for a friend. His extreme modesty, though a virtue possessed by but few, was perhaps his greatest drawback in dealing with the public. Rather than appear as "blowing his own horn", he preferred that his good deeds go unheralded and, in many instances, unknown except to those who had intimate acquaintance with his record. In his passing, his State and Nation have sustained a loss they can ill afford to bear.

Letter to Gold Star Mothers

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

LETTER TO THE AMERICAN GOLD STAR MOTHERS

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I insert below a letter to the American Gold Star Mothers:

WASHINGTON, D. C., *August 20, 1937.*

To the American Gold Star Mothers:

Please accept my heartfelt thanks for the basket of beautiful flowers which you sent me on yesterday as an expression of gratitude for my services in connection with the passage of H. R. 6384, known as the Gold Star Mothers bill.

You could not have sent a more touching or appropriate gift. Every flower, every petal, every leaf to me represents the life of one of those noble boys who made the supreme sacrifice in the World War.

These flowers are fitting reminders of that beautiful and patriotic courage with which the mothers of those sons responded to the call of their country and smilingly braved the excruciating ordeal of cheering onward with unquestioning devotion the sons they were never to see again.

I want you to know, I want every Gold Star Mother and dependent father who lost a son in that conflict to know that it was a pleasure to every member of the Veterans' Committee to assist in bringing about the passage of this meritorious legislation which insures that no mother or father of a World War veteran who made the supreme sacrifice in that war will ever be forced to seek the bread lines or the relief rolls, so long as the country these boys served is able to care for them.

President Roosevelt was kind enough to send me the pen with which he signed this bill, and I am taking the liberty of presenting it to you to be preserved as a memento and a reminder of the Nation's gratitude for the sacrifices you have made and the services you rendered in laying such glorious tributes upon the alter of your country.

May you spend the remainder of your lives in the enjoyment of that quiet and ideal peace they fought so valiantly to restore and preserve, cheered by their memories and conscious of having rendered your country the greatest possible service; and may God bless you and keep you is the earnest prayer of every member of this committee, expressed through their chairman, and

Your sincere friend,

J. E. RANKIN,
Chairman, Committee on World War Veterans' Legislation.

Enforcement of Immigration Laws

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

STATEMENT BY JAMES H. PATTEN

Mr. REYNOLDS. Mr. President, on July 27 I had printed in the RECORD the part of an enlightening statement by Mr. James H. Patten, with reference to the work done by the consuls of the State Department and the jurisdiction of the Department of Labor in enforcing our immigration laws under the 1924 quota-restriction law. I am informed that the hearings on the four immigration bills introduced in the House by Representative JOE STARNES, of Alabama, and in the Senate by myself, on which that statement was made May 26, will probably not be printed. As the remaining revised portion of Mr. Patten's statement is a very interesting analysis and comparative study of H. R. 6391, now in the Senate Committee on Immigration and likely to be considered by the Senate next session, and the Starnes-Reynolds bills, most of whose provisions are bound to be pressed in connection with any consideration of the House bill, I ask unanimous consent to have the remainder of Mr. Patten's statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PART OF STATEMENT BY MR. JAMES H. PATTEN BEFORE THE HOUSE COMMITTEE ON IMMIGRATION AND NATURALIZATION, MAY 26, 1937

Mr. PATTEN. The memberships for which I speak are not opposed to extending mercy in really meritorious deportation hardship cases to deserving aliens. They are in favor of it, but they want only really meritorious hardship cases relieved and clemency extended only to deserving aliens, and then only after the facts have been publicly developed. They are opposed to it being done behind closed doors or by bills that have not been carefully considered in committee and deliberately passed by Congress.

There are bound to be border-line hardship cases that ought to be relieved, and there always will be, but they ought not to be relieved by setting up a dictator who could deport or not deport, legalize or not legalize, illegal alien entries, past, present, and future, and who could even change the admissions of nonimmigrant and nonquota aliens, like visitors, students, embassy employees, and tourists, into quota-immigrant admissions for permanent residence, as was provided in the original Kerr-Coolidge bill. The original Kerr-Coolidge bill provided for such as and if she "finds in the public interest" and thinks the aliens "of good character" and "finds" the alien has been here 10 years or the alien has found some near relative; that is, married some American woman, for instance. Change the law as you will, so long as there is any law there always will be occasional meritorious cases——

The CHAIRMAN pro tempore (interposing). The admission of these was only allowed in the event they could go back and qualify under the quotas and get in here. Why send them back when they could go there and get the visa and turn around and come back here?

Mr. PATTEN. Every one of them not only broke their promises but also broke the law. When an alien enters "nonimmigrant" or "nonquota", as a visitor or a student, it is on the express condition and on his definite promise that he is not relinquishing his foreign residence, is not seeking admission for permanent residence here, and will not change his temporary admission status. According to the rules of the Department of Labor, temporary entrants have to come from an "unrelinquished residence abroad" and they must promise and swear that all they are coming for is a temporary purpose and on a temporary mission, and that as soon as that temporary mission is consummated they will depart from the United States and will not do anything to change that temporary-admission status while here.

The CHAIRMAN pro tempore. The temporary admissions are extended from time to time. The bill never contemplated that anybody would be allowed to come in here who had violated the law.

Mr. PATTEN. It would be an evasion of the law if they were let in as nonimmigrant visitors or nonquota embassy employees and then permitted to stay permanently as quota immigrants "for permanent residence", and they would be breaking their promises as well as the law if they did so.

The CHAIRMAN pro tempore. Suppose they came as a visitor and stayed 6 months and then could go back and get their visa and return legally and be admitted here legally. What is the use of sending them back?

Mr. PATTEN. It would be an inducement and incitement to law evasion and law breaking not to make them go back. Every alien abroad wanting to get in could easily resort to such a law-evasion device and make quota restriction and the 1924 law a farce and nullity. Such a law would be an invitation to aliens to evade our laws. It would be unfair to the law-observing aliens. We have enough law evaders in this country without importing any more. It would be using the "humane" exception in the law to nullify the whole law, the very declared object and purpose of the proponents of the Kerr-Coolidge bill relatives relief devices at their conferences as far back as 1926.

The memberships I represent are opposed to H. R. 6391, introduced in the House on the afternoon of April 14th and favorably reported by this committee the next forenoon, before even printed copies were available to the public and which contained new matter like section 9 not to be found in any previous bill on which any hearing had been held and on which hearings ought to be held to identify the object and purpose of the section and to identify the aliens to be allowed to remain in the United States contrary to law. H. R. 6391 is substantially the compromise draft submitted to Congressman STARNES and Senator REYNOLDS last June, when it became perfectly clear the pending Kerr-Coolidge bill could not pass either branch of Congress.

The CHAIRMAN pro tempore. Who submitted that?

Mr. PATTEN. Commissioner MacCormack. There were others present at the conference.

The CHAIRMAN pro tempore. I never heard of it before.

Mr. PATTEN. It was common report at that time.

At the conference with the Senator and Congressman, the late Commissioner of Immigration finally admitted that the Department would not be satisfied with any such limited discretionary authority as this draft contained and expected if Congress once admitted the soundness thereof, to press Congress until all the three major and four minor autocratic discretions in the original Kerr-Coolidge bills were gotton, on the logical ground that if such discretions for 4 years, and as to 8,000 are good, they must be good for all time, and for any number of aliens. It is also a fact, I am sure, that the Senator and Congressman were assured that if they would sponsor the compromise, it would remove departmental opposition to, but not get open support for, their bills, even alien-registration bills.

The memberships I represent prefer the Reynolds-Starnes deportation bill, H. R. 4353 (S. 1365) to H. R. 6391, principally because the Reynolds-Starnes bill has, in section 1, seven instead of only the four additional deportable classes of alien lawbreakers in 6391, and does not contain any of the discretionary authority in 6391 to nullify the law.

Mr. TAYLOR. Is that the Dies bill you refer to?

Mr. PATTEN. Yes. H. R. 4353 has far stronger language than the Dies bill 6391. And further, H. R. 4353 (S. 1365) does not have the objectionable discretions H. R. 6391 has in sections 2 and 9. Why, section 2 of H. R. 6391 makes even the deportation of future moral-turpitude criminals discretionary with the Secretary as well as alien smugglers and gunmen provided for in section 1 of the bill. H. R. 4353 contains rational, fair, and just provisions for the relief of real hardship cases by compelling the Secretary of Labor to report such cases to Congress annually for action, instead of piling them up in the Department of Labor as "stayed", back of her demand for more discretionary authority, and for the very authority, she is now exercising, and asking for in the Kerr-Coolidge bills.

H. R. 6391 could be made into a fair bill by amending sections 1 and 2, and striking out all of section 9, which is a sort of a "pig in a poke", indefinite, blanket authority to admit 100 aliens who got into this country more easily, as either nonimmigrants or nonquota aliens, by representing they came for a temporary purpose, did not relinquish their foreign residences, and promised they would depart as soon as their temporary missions were consummated.

If these 100 aliens section 9 gives authority to allow to remain here, as stated in the House report accompanying the bill, are a well-defined and well-known group of very desirable additions to the cultural, industrial, and scientific fraction of our population, they ought to be identified, and the facts and reasons for such special legislation made known, and then admitted by congressional action after public hearings, as were the White Russians and others.

To confer any such indefinite, wide, blanket authority like this on an administrative official is bad legislative practice, a bad

precedent, and would be a bad law. The very limitations in time and number compromise and impeach these two legislative proposals in sections 2 and 9 of H. R. 6391, and are admissions confessing such autocratic discretions are bad. Under section 9 anarchists, persons ineligible to citizenship, prostitutes, or any other aliens could be allowed to stay in the United States.

If H. R. 6391 is to pass, the word "hereafter", in line 10, page 1, should be stricken out unless you want to make the United States an alien criminal resort, legalization of illegal alien entries in section 7 limited to aliens who have American wives or children, and section 9 should not only be stricken out but section 2 should be amended by striking out the words "may permit to remain in the United States", in lines 10 and 11, on page 3, and there should be substituted therefor something like the following: "Shall report annually to Congress and make available to the public in annual report or otherwise not later than January 15 each year the name of and all the facts about"; and the contents of paragraph (b) of the section should be stricken out and there should be inserted therefor some such paragraph as the following: "(b) Any alien so reported for whom Congress shall fail, at the session to which his name has been so reported by the Secretary of Labor, to enact relief legislation, shall be deported in accordance with law within 60 days of adjournment."

Some such formula for the relief of so-called hardship cases is American. To allow the Secretary of Labor or any other administrative officer or committee, composed of political officials, to autocratically nullify the law is bound to result in a fluctuating policy varying from alien coddling to alien baiting, and make a bad situation worse for both the alien and America.

On the other hand, the existing method of relief by private bills depends too much upon the alien's political pull or his friends' influence, or their knowledge of the ropes down here, and available funds.

Congress has extended relief repeatedly and quickly. In 1930 a special law, couched in general terms, was enacted as Public Law No. 499 of the Seventy-first Congress, that admitted the Ulrich woman, who had been convicted repeatedly of shoplifting in Germany. Last year Rosa Piar was admitted legally, Private Law 425, Seventy-fourth Congress, although she had committed perjury, deliberately impersonating an American citizen in order to avoid waiting her quota turn, and had later entered the United States illegally.

This year a bill for the relief of an alien was gotten through Congress within 3 months, canceling deportation proceedings, although the alien admitted he had done time for a moral turpitude crime in Italy. I do not find the bill H. R. 4451 on the legislative calendar of this committee, printed March 29, although the House Calendar shows that the bill H. R. 4451 was introduced on February 4, reported by this committee February 17, passed by the House March 2, passed by the Senate, after committee report, May 3, and is now Private Law 79, reaching the White House during the President's recent vacation absence, but getting signed within the required 10 legislative days.

The number 79 of that private law shows that Congress already this session has extended mercy in 78 other instances for something or other. The alien involved admitted at the deportation and habeas corpus proceedings that he had committed a crime in Italy in 1917, and seems, if current reports are true, to have perjured himself at the time, and to have been guilty of having committed still another moral turpitude crime in Italy in 1923, to have done which he must have subsequently entered the United States illegally. Conflicting statements as to the facts in this case show the need of a fact-finding formula.

The CHAIRMAN pro tempore. I would like to see a splendid, constructive act to meet the situation and accomplish not only the deportation of those who ought to be taken away but to prevent other people from coming in here. I say that unqualifiedly and my every act is in favor of that. You complain about discretion being vested in somebody in the Department of Labor.

Mr. PATTEN. I complain about the discretion in the Department of State just the same as I do about the Department of Labor, although I approve what the consuls have done.

The CHAIRMAN pro tempore. And you suggested to us, and it was accepted by the members of this committee, that probably the best thing to do would be to let these matters come before this committee. How would you like the law to be administered?

Mr. PATTEN. I still think Congress should control our immigration and deportation policies. I have just quoted amendments to H. R. 6391 that I think would bring about the proper solution of these hardship cases and provide a formula that is fair and just, and that would result in a uniform policy and even-handed justice.

The ease and dispatch with which the alien got relief in H. R. 4451 has been publicized in the press around New York by his lawyer, and seems unfair to other aliens who have had their bills and petitions pending all these months and even years, nearly 4,000 such cases having accumulated in the Department of Labor the past 4 years.

If the relief remedy just suggested had been law, and the Secretary of Labor had to report annually all hardship cases, instead of back-logging them behind her demand for more Kerr-Coolidge bill autocratic authority, to favor those she alone thinks of good character, and in the public interest to favor, such favoritism as in H. R. 4451 would not have been possible, and each and every hardship case would have been before Congress for action without regard to alleged political pull, an immigration lawyer's influence, friends at court, or other handicaps and advantages, or accidental breaks—complaints expressed in recent letters to me, enclosing the newspaper clippings about this case. * * *

The CHAIRMAN pro tempore. When you say that these things are being kept up there, backlogged up there——

Mr. PATTEN (interposing). They are being kept undeported, contrary to law, back of a demand for autocratic authority to enforce or not enforce the law as she finds in the public interest, and not as Congress and the law directs and says. Why should Congress have to go or send?

The Secretary should report all about all these alien lawbreakers she has favored by allowing to remain in our country. If you will permit me, that is just why I suggest the facts about these favored alien lawbreakers be sent to Congress annually so that you will not have to run after and ferret out the facts, and that there may be less difference of opinion as to the facts and as to whether there has been favoritism, undue political influence, and even graft.

Such favoritism as shown in this case to this alien, who got his bill, H. R. 4451, through this Congress in 3 months, and that is now Private Law No. 79, would not have been possible, if there were some such law as I suggest, and each and every hardship case, as well as his, would have been before Congress for action, without regard to political pull, a paid lawyer, certain friends at court, and other handicaps and advantages, or accidental breaks, that are charged in letters I have, enclosing clippings about this case, which has been publicized in papers around New York City to the point of commercialization by a White Plains' immigration lawyer with alleged political pull and congressional influence.

I have no particular interest in the cancelation of the deportation proceedings in the case of the alien Branchicelli. Let me repeat, I think meritorious cases ought to be relieved, but not by some person behind closed doors, or by private bills that may get the breaks or have behind them political pull, friends who "know the ropes", or have plenty of funds, and an immigration lawyer, who at once advertises his wares in news articles upon the passage of the law, as has been done in this instance.

I cite this particular instance and this particular bill getting through Congress within 3 months after it was introduced as evidence of favoritism, to this alien. I cite it also as proof relief can be gotten from Congress speedily. There are nearly four thousand "hardship" deportation cases in the Department still hanging fire and many bills that were introduced long before this bill was introduced are still in this committee and not through Congress. I think we need a formula that is just and fair to all. I say it is favoritism for Congress to do what was done for this particular alien and not to do anything for all the other applicants for relief. I say it is shameful an immigration lawyer is publicizing it and using it commercially.

Mr. SPARKMAN. Mr. Patten, I notice you criticize discretion being given and you criticize private bills. I am at a loss to understand just what you propose. You say you do not oppose the relief cases, those that are good cases, being taken care of, but I have not learned as yet how you propose to take care of them.

Mr. PATTEN. Perhaps, I did not make myself clear. I do not oppose relief in meritorious hardship cases by omnibus, private-bill legislation, or joint resolution at all after a development of the facts. Let me finish this case and I will then try to make clear what I mean.

One week ago Monday, I heard a Congressman telephoning Department of State officials for the facts about this Mamaroneck cobbler. All I have to say is that if Congress, from which I heard, at that time had had before it a report from the Secretary of Labor and another report from consuls of the Department of State, with all the pertinent facts about the alien, either H. R. 4451 would not have passed or it would have been amended to include another conviction in Italy in 1923.

Mrs. O'DAY. Are you sure of that?

Mr. PATTEN. I heard Congressman STARNES telephoning the Department of State and he said Department officials said the record showed another conviction in Italy in 1923.

Mrs. O'DAY. He received a Crown pardon after he had been here.

Mr. PATTEN. He received a Crown pardon in 1921, when he said he would come to America. That is the record, and it has been so stated even by his lawyer in newspaper articles I have.

Mr. TAYLOR. What was his second crime?

Mr. PATTEN. Larceny in 1923.

Mrs. O'DAY. Where?

Mr. PATTEN. In Italy. He swore in the deportation proceedings he had not been out of this country since he entered the United States in 1921. Department of State officials told Congressman STARNES the records show he was convicted in Italy in 1923 of another moral turpitude crime there then. If he was, he must have left the United States and reentered illegally. Anyway, it seems he has been twice convicted in Italy. I understand the Department of Labor has a record of only one legal entry, and that was previous to 1923. I do not care anything about this particular case. The point I am trying to make is that if the Secretary of Labor and the Secretary of State were required to report all hardship cases annually to Congress with all the pertinent facts, as well as their reasons for mercy, deserving

aliens could be very easily relieved by Congress in real meritorious deportation cases even by joint resolution. There would not be the difference of opinion and the fight that developed in the House against the omnibus bill 2 weeks ago yesterday over the facts about the aliens involved. Today there is a difference of opinion as to what the facts are and as to whether there are really any hardship in some of the cases covered by that bill. With the facts before you, these hardship cases could be settled right and without all these ugly rumors of favoritism, immigration lawyers' claims, and the like. Does that answer your question?

Mr. SPARKMAN. Yes.

Mr. PATTEN. If you would require the Secretary of Labor, instead of banking these cases in the Department, as she has banked nearly 4,000 of them back of her Kerr-Coolidge bills, and compelling you, if you want to find out about one of them, to go down to her office and ferret out the facts—you do not have the time to go on many more errands to departments, I assume—but, if she were required to make an annual report of all hardship cases by the 15th of January, and the Department of State had to report what its consuls knew or could find out about the personal history in these cases, I do not believe it would take very many hours for Congress to extend relief in meritorious hardship cases to deserving aliens.

Mr. REES. As I understand it, you are not finding fault in particular with either the State Department or with the Labor Department as to how they have handled the discretionary matters?

Mr. PATTEN. Well, to be perfectly frank, I like what the State Department has done and do not like what the Department of Labor has done. I think there is some law for the former but absolutely none for staying the deportation of over 3,000 alien lawbreakers for 4 years. Existing law expressly directs the Secretary of Labor to take into custody and deport these alien lawbreakers. She has taken them into custody and then turned them loose instead of deporting them, and some of them are so lost in the crowd they never will be recaptured. The fact that she seeks authority in her Kerr-Coolidge bills to turn them loose shows she knows she does not have the authority she is now exercising.

Mr. REES. Now, then, what you want to do is to not place discretionary powers with either the State Department or the Department of Labor, but you want to provide a measure by which all of the so-called hardship cases will be brought before this committee by a report from the Department of Labor. That is all there is to it, is it not?

Mr. PATTEN. Compel her to make a report annually, and the Department of State in conjunction, so that Congress can have the facts before instead of after she has acted as provided in H. R. 6391.

The CHAIRMAN pro tempore. Supposing we agreed to that; we get them down here when we pass on these individual cases; suppose we write that part of the Starnes bill into the Dies bill; would not the sum total of the bill go a long ways toward being a wonderful piece of legislative action?

Mr. PATTEN. Absolutely; the Starnes-Reynolds part of the bill would be wonderful, and the more wonderful the more of most of the Starnes-Reynolds bills that are incorporated in H. R. 6391.

The CHAIRMAN pro tempore. If we will take that out of the Starnes bill and write it into the Dies bill, will we not have made a long stride forward toward taking care of the situation?

Mr. PATTEN. Far better than no legislation. The four additional deportable classes added by the Dies bill are desirable if the word "hereafter" is stricken out of the first class in section 1, narcotic addicts are added to the third class and "for gain" is stricken out of the fourth class, and if "(3)" is stricken out of line 8, page 3, which makes the deportation of moral-turpitude criminals, alien smugglers, and even gunmen whose deportation is provided for in section 1, discretionary with the Secretary of Labor.

The CHAIRMAN pro tempore (interposing). We all agree about the deportable classes.

Mr. PATTEN. But section 2 of 6391 makes their deportation, except narcotic convicts, discretionary, and only "hereafter" criminals are thereby considered a menace to us, which strikes me as grotesque. The Dies bill (H. R. 6391) is the same draft given to Senator RUSSELL last February, except it contains the blanket discretion in section 9 and does not have a 50-percent cut in quotas. As reported it would allow far more alien lawbreakers to remain in our country than any really restrictionist Secretary of Labor could possibly deport under it.

Mr. SPARKMAN. If that provision were written into the Dies bill it would destroy a great part of the Dies bill, would it not?

Mr. PATTEN. Absolutely. The real object of the real proponents of relatives-relief legislation is to thereby scuttle existing law.

Mr. SPARKMAN. It would take out all the discretionary part?

Mr. PATTEN. It would destroy the thing the Department of Labor really wants. Before the Rules Committee 2 years ago, Congressman SMITH, a member of that committee, asked Commissioner MacCormack if the Department would permit a division of the Kerr-Coolidge bill into deportation law strengthening sections and additional deportable classes, to which there were no real objection, and the objectionable discretions, and the Commissioner said, "No." His answer amounted to saying, "We want those strengthening provisions in the same bill to get the discretions through."

The CHAIRMAN pro tempore. You do not complain at all about the most violent discretion that is in the law now. You make no complaint about that, the discretion as to where an alien is picked up and convicted of a crime in this country and where the judge has discretion to say whether or not he should be deported. You do not object to that?

Mr. PATTEN. Of course not, when it comes to administrative law it is a different thing from the judicial function. These aliens are here as a privilege. They are mere guests in our home.

The CHAIRMAN pro tempore. The judge could leave the most violent criminal in this country.

Mr. PATTEN. Well, cut it out then.

The CHAIRMAN pro tempore. You do not complain about that?

Mr. PATTEN. For nearly an hour I have been complaining about allowing alien criminals to remain in the United States, at this hearing, and at previous hearings of this committee I have complained. I complain as much of a judge doing it as the Secretary of Labor doing it.

The CHAIRMAN pro tempore. You have not said anything about that.

Mr. PATTEN. I might have, if you gave me the time. I have not gotten through with the present Secretary of Labor doing it yet.

Mr. SPARKMAN. It would seem there would be a difference in the discretion being lodged in an officer of the court and an administrative officer.

Mr. PATTEN. Absolutely. The Chairman pro tempore knows the difference between a judicial and an administrative function just as well as you and I, Congressman SPARKMAN.

The CHAIRMAN pro tempore. So far as doing justice to the situation, there is not any distinction there. If the judge wants to be corrupt he can keep the worst criminal in the country we can conceive of, and if the Department of Labor wants to be corrupt they can let come in and stay in here the worst criminals you ever heard of.

Mr. PATTEN. I would not give administrative discretion just for that very reason of possible abuse of so much authority. I believe in our tripartite form of government, with its separate coordinate legislative, executive, and judicial divisions of authority.

Mr. TAYLOR. Getting back to the case you cite, it is apparent that the report from the Labor Department does not contain a record of the second conviction.

Mr. PATTEN. I do not know. It should. The State Department has that information.

If H. R. 6391 is to pass, it does seem it ought not only to be amended, as I have suggested, but it ought to be amended to stop family separations, division of families abroad by merely requiring a family visa and ought to contain additional restrictive legislation, and the additional classes of deportables in the Starnes-Reynolds bill that would deport the 20,000 habitual alien criminals the Department of Labor spokesmen have so often called attention to in their advocacy of the previous Kerr-Coolidge bills. The only way to deport alien lawbreakers and law evaders is to deport them. We have enough native born and particularly enough second generation lawbreakers to contend with without importing or allowing any alien criminals "to remain in the United States."

Last year 190,899 aliens of all classes entered the United States legally, compared with 179,721 for 1935, showing a 7-percent increase in alien admissions.

During the past 6 years over 1,100,000 aliens of all classes have entered the United States legally and been counted officially as entering by Department of Labor officials. Nobody knows how many entered illegally, but in view of the hundreds of high-powered automobiles and the large number of speed boats, and even airplanes, and smuggled and smugglers caught red-handed by our inadequate patrol I think one is justified, as some do, in estimating that perhaps as many more entered illegally; that as many are smuggled in as are legally counted in.

According to a statement made by spokesmen for the Department of Labor before the House Subcommittee on Appropriations this year, in an effort to get a 50-percent increase in the personnel and to get bigger appropriations, and when anything but the "vanishing alien" and the alien being "as extinct as the wild buffalo" view was expressed by Department spokesmen, it was dramatically and picturesquely told how "quite serious" the situation is with 46,152,918 border crossings, "795,333 alien seamen were examined * * *."

The CHAIRMAN pro tempore. There were many duplicate examinations of the same seamen who return every few weeks.

Mr. PATTEN. They tell you that here. In doing so, Department spokesmen unduly "puff their goods", which is antirestriction here before this committee but more aliens, more money, and more men before the Appropriations Committee.

I quoted their exact words (see p. 112, House Appropriations Subcommittee hearings, 1937), when anything but aliens "vanishing" and becoming "extinct as the wild buffalo" was pictured. There is just as much need of more restrictive and stronger alien deportation laws as there is of larger appropriations, a larger force, and a consequent more efficient enforcement of the law.

The CHAIRMAN pro tempore. Alien admissions; they do not all come in for permanent residence.

Mr. PATTEN. If you give the discretion to allow a visitor and tourist to remain permanently—and that is what the Kerr-Coolidge bill would do—you convert nonquota admissions into quota admissions for permanent residence. It seems to me that you ought to be looking at the number of aliens coming in, regardless of how many the steamships report "emigrate." The Quota Act

of 1924 makes two main classes—immigrants and nonimmigrants. There are all sorts of other and minor classifications made by the Department statisticians. There is a constant stream of almost 200,000 aliens of all classes pouring into our country. That is too many for depression times.

The CHAIRMAN pro tempore. Most of them came from the Western Hemisphere, where there was no quota.

Mr. PATTEN. No. They were pretty well scattered from all over the world.

Mr. PALMISANO. Do you think, in view of the trouble we had in the depression here, it would be advisable to cut off entirely all immigration in order to protect our own?

Mr. PATTEN. I do not see any reason why we should import another alien job hunter or relief seeker. We certainly have enough unemployed in the 9,000,000 we have and the millions on our relief rolls.

Mr. PALMISANO. Then you feel that it is all right for us to put up a Chinese wall?

Mr. PATTEN. We have a Chinese wall erected by Congress in 1882, of course. We do not allow any Chinese coolies to come here. We have had an African wall also since 1808 erected by our Constitution in 1789.

Mr. PALMISANO. Do you think it would be advisable for this committee to recommend a bill prohibiting for the next 10 or 15 years any one from coming in from any country?

Mr. PATTEN. I did not say that.

Mr. PALMISANO. Well, I ask you the question whether or not you think it would be advisable.

Mr. PATTEN. I would not want our returning citizens to be debarred, of course not. Congress could not constitutionally debar them. Our citizens have a perfect right to come back.

Mr. PALMISANO. Why can we not keep all aliens from coming here?

Mr. PATTEN. We can, if we want to.

Mr. PALMISANO. Do you think it would be advisable for this committee to recommend a bill prohibiting for the next 10 or 15 years any one from coming in from any country?

Mr. PATTEN. I do, insofar as they are job or relief seekers. I do not think we need them.

Mr. PALMISANO. How are you going to find out whether they are job seekers?

Mr. PATTEN. If they lie about it and perjure themselves we can easily deport them afterward if we want to.

According to the printed hearings, the Appropriations subcommittee was told this year by Department of Labor spokesmen of a shortage of help in practically every district in the service, and that even Members of Congress are requesting new immigration ports of entry to take care of the alien influx.

With returning prosperity and the consequent relaxation of consuls refusing visas to aliens likely to become public charges, the half million a year aliens that came before the depression, under existing quota-restriction laws, and that has amounted during the past 12 years of quota restriction to over 4,000,000 aliens, will resume, unless something is done to further restrict immigration, and it will be even greater unless the law is better enforced and more humanity is shown for America and Americans. In 1930 over 100,000 nonpreference aliens entered, every one a job hunter. Practically all of them had no near relative here. If the words "but not to exceed a total of 20 percent of said quota" were inserted after (2) in paragraph (3) of subdivision (a) of section 6 of the 1924 quota law, at least those 100,000 additional job seekers would be excluded annually, with returning prosperity and no near relative to anyone here except, possibly, a few husbands since 1932 and adult children, who could be excepted, would be excluded.

We have, according to the last census, the last official statistics we have, over 14,000,000 foreign-born, the largest number in our history, over 6,000,000 aliens—about the largest number in our history—and a foreign-stock population of over 40,000,000 persons—also the largest in our history—composed of about 40 different nationalities, speaking almost as many different languages, and entertaining almost as many different foreign economic, political, and social notions and philosophies.

And we have right now about 9,000,000 unemployed. Our relief rolls are crowded. In short, we have all the dependants, delinquents, and defectives of our own, as well as unemployed, that we can comfortably care for, without importing another one from abroad.

There is constantly this stream of nearly 200,000 aliens pouring into our country annually during the depression years that will increase to almost the half million it was before the depression unless Congress does something to check it.

It does not relieve the effects of the demand of all those hundreds of thousands of newcomers for jobs and relief, or for dependency upon us or the effect on foreign-born already here to classify the annual alien arrivals as nonimmigrant, nonquota, and even "statistical aliens", for the nonimmigrant, such as the embassy employee, as well as the statistical and every other alien, often stay and take a job, just as does the student admitted nonquota and all the rest of the nonquota aliens often do get "lost in the crowd"; and if illegally or unlawfully here, you know that when the census enumerator comes around or the relief dispenser shows up they are not so dumb as to be unduly in evidence or to reveal their lawbreaking.

No other country permits any such alien influx or alien presence as we do. In fact, no other country of consequence will even tolerate aliens holding down jobs that the native or naturalized could do. Most countries require permits to work, and our good neighbor on the south even drastically forbids the employment of aliens and will not even allow our train crews to enter her territory, although we allow hers to enter ours.

Even our musicians, when they play abroad, are required to get permits and to pay a native musician to sit idly and listen to their music.

Last year over 9,000 alien lawbreakers were deported, and as many more allowed to depart voluntarily, and meanwhile several thousand alien lawbreakers had their deportations stayed, and their "unrelinquished residence" here run into the 7-year period requisite under the seventh proviso of section 3 of the 1917 law for the Secretary of Labor to readmit them.

There is in the report of the House committee accompanying House bill 6391 favorable reference to the discredited so-called Wickersham report on law observance and law enforcement that has a direct bearing and about which I would like, in closing, to say a few words. The quotation is based on the recommendation of a Baltimore lawyer and quoted as if there were no dissenting opinion.

His recommendation and his report, on which it is based, were characterized, as the whole ridiculous Wickersham report ought to be, in dissenting opinions as "a necessarily incomplete study of a relatively small portion of the deportation cases" and an "over-emphasis and over-inference of abuse, where a full knowledge of the facts is needed to justify such a recommendation", and as trying to make law administration by the Executive judicial, the administrative and judicial functions being clearly confused by the Baltimore lawyer, because deportation is not punishment for crime, but the return of an alien to his homeland, as a rule, where he ought to have his best refuge, or perhaps get what is coming to him in some instances.

What Mr. Oppenheimer, the lawyer, recommended was the substitution of an elaborate judicial department, with all its accompanying expenses, delays, growth of technicalities, opportunities for frustration, and attendant corps of professional immigration lawyers that such would necessarily entail, merely for us to get rid of a guest or guests who have abused our hospitality and privilege.

And that right in the face of his admitting the necessity for prompt deportation to protect us from being, in the language of the report, "inundated by defective, diseased, delinquent, and incorrigible persons, as well as to adequately discourage border jumpers and stowaways and the industry of smuggling aliens at our borders."

In closing, let me thank you for the privilege of being heard and your courtesy, and say in brief that the memberships for whom I speak have a very clear notion that alien deportation, immigration restriction, law enforcement, unemployment, relief, and other such questions involving aliens should be solved by Congress for the benefit of America and Americans, for our native born and naturalized, and for the alien legally admitted and domiciled here, and that whatever is done should be done to protect our workingmen, their standards and wages, our social and living conditions, and our economic and social and political structure instead of for the benefit of any foreign land or foreigner.

Safety of Life At Sea

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

EDITORIAL FROM THE NEW YORK POST

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York Post of Monday, August 16, 1937.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of Aug. 16, 1937]

WHAT PRICE HUMAN LIFE, DR. COPELAND?

Senator ROYAL S. COPELAND prides himself on being a physician. For a physician, he certainly holds human life cheap.

The 134 lives lost on the *Morro Castle*, the 45 lives lost on the *Mohawk*, seem to mean very little to Dr. COPELAND.

On March 16, 1935, the Senate adopted a resolution by Senator WAGNER directing the Senate Commerce Committee to investigate both disasters and to make recommendations for the future. Senator COPELAND, as chairman of the committee, immediately appointed himself chairman of the subcommittee to conduct the investigation. He thereby shouldered responsibility for it.

How has he performed his duty?

Shamefully.

The Copeland subcommittee has just released its final report, but it can hardly be said that the report was released to the public.

Although the Senate desired a full airing of the issues involved, Senator COPELAND chose the midst of the fight over the wage and hour bill cotton loans and the Court to give out the report.

Contrary to the usual custom, no summary or copies were given to the press, Senator COPELAND picked the worst possible time to release the report. Five minutes after the Black nomination, with the Senate in an uproar and the press galleries emptied, COPELAND rose and asked permission to put the final report on the *Morro Castle* and the *Mohawk* investigation in the CONGRESSIONAL RECORD. The report was left on the clerk's desk and the Associated Press man assigned to look over the material on that desk found it there later in the day.

The result was what Senator COPELAND—an old hand at politics and publicity—might have expected.

The wires were clogged with stories on the Black nomination. A few paragraphs were sent out by the Associated Press.

It is hard to escape the suspicion that Senator COPELAND, who plasters the press galleries with releases when he wants publicity, sought deliberately to attract as little attention as possible to his report.

This final report was on labor conditions and the part they play in sea safety. And this is what the headlines said: "Hits sea 'hiring halls.' COPELAND files bill to bar union grip on employment."

"Senate safety-at-sea investigators", the short Associated Press dispatch began, "recommended today that Congress outlaw the 'hiring halls' through which maritime unions control the selection of ship personnel."

Thus Senator COPELAND took advantage of his position as head of the investigation to help shipping interests strike a blow at the unions rather than to protect the traveling public from the dangers created by bad labor conditions on our ships.

A minority report by Howard S. Cullman, given to the newspapers on Saturday, shows how uninterested Senator COPELAND really was in getting at the facts.

Mr. Cullman says that despite the broad investigation asked by the Senate resolution and the facilities and power made available by the resolution, "no investigation was made * * * no testimony taken * * * the maritime personnel problem has been viewed from the ivory tower of the committee room. No more disturbing influences have been permitted to penetrate this sanctuary than an occasional caller from the Bureau of Marine Inspection, the Treasury Department, or the Navy. The committee's minutes are a record of academic discussions, mainly devoted to trivia of procedure or regulations."

Mr. Cullen says that the provision which could be used against union hiring halls appears in the majority report despite the fact that it was voted down and stricken out by a vote at a meeting of the committee on May 6.

The Senate wanted investigation particularly into the Bureau of Marine Inspection and Navigation, but Mr. Cullman's minority report says: "The [majority] report refers many controversial questions, such as the remission of fines, back to the very Government departments in which these problems originated, departments which the committee was specifically instructed to criticize freely. This is also true in the committee's discussion of the Bureau of Marine Inspection and Navigation."

So dies the *Morro Castle-Mohawk* investigation, and so the ground is laid for new marine disasters.

Senator COPELAND has neglected his duty and must share the guilt.

The Farmers' Income and T. V. A.

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ADDRESS BY DAVID E. LILIENTHAL, DIRECTOR, TENNESSEE VALLEY AUTHORITY, BEFORE INSTITUTE OF RURAL AFFAIRS, VIRGINIA POLYTECHNIC INSTITUTE, BLACKSBURG, VA., JULY 28, 1937

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of The Farmers' Income and T. V. A., delivered by David E. Lilienthal, Director of the Tennessee Valley Authority, before the Institute of Rural Affairs, Virginia Polytechnic Institute, Blacksburg, Va., July 28, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is one thing the farmers of America have never lacked, and that is advice. I recall as a boy in a Middle Western town that almost everyone in town knew just what the farmer needed and had no hesitation in advising him on every subject. I remember how puzzled I was that our neighbor, who was in the lumber business, knew so much more about how to run a farm than a farmer did; at least he furnished a great deal of advice on that subject to the farmers round about. I used to wonder what he would do if the shoe were on the other foot, and the farmer would come into his office and tell him what was wrong with the way he ran his business, and even tell him the right way to raise his children. Later on I learned that what had puzzled me as a boy was not confined to our town, but was a sort of national habit among city folk. When farmers were having such a hard time making a living in the early twenties, you could go almost any place and hear townspeople say that the trouble was that the farmers ran around too much in their automobiles; that if they would stay at home, and keep their children at home, and work on the farm instead of running around so much, they would be all right, etc.

Let us hope that the time is coming when there will be less of that superior and foolish attitude among townspeople toward the farmer and his problems. There will and must come slowly perhaps, a better sense of understanding and kinship between farm and town. More and more we must come to realize that it is not advise the farmer needs; that his problems go to the root of the intricate economic life of the Nation; that all of us—farmers and townspeople and city workers alike—are part of a single fabric, so closely interwoven that it is difficult to tell one thread from another, and impossible to say that one part is more or less important than another.

The economic problem of the farmer and the worker in the cities and of the businessman is a problem common to all groups. That problem is how to increase the Nation's income; and then, having increased that income, how to insure the permanence of democratic institutions by seeing to it that that income is fairly and equitably distributed. There is only one way that I know of that a nation can increase its income, and that is by producing more goods and services. A good many other ways have been tried, but unless you produce more wealth there is not going to be an increase in income.

What I want to talk to you about today is what T. V. A. has been trying to do, in cooperation with many agencies and institutions with which you are familiar, the result of which will be an increase in the income of farmers.

Now, of course, the act that created the T. V. A. does not say, in so many words, that the Tennessee Valley Authority is directed to bring about an increase in the income of farmers. But that is one consequence of the Authority's program, if the directions of Congress are successfully carried out. And that is what I want to talk to you about today—the ways in which the Tennessee Valley Authority has gone about this job of seeking to increase and stabilize the income of farmers. I need hardly add that this work of the Tennessee Valley Authority is not confined to the valley States nor to the farmers of the valley, for the T. V. A. was designed as an experimental proving ground for the Nation, with a national point of view, financed by the Nation's funds, with the results available to the whole country.

Before discussing in detail how the T. V. A. has attacked this problem of increasing farm income we ought to review together, at least in a general way, the outlines of the whole program. The entire T. V. A. program is, of course, far broader than the problem of farm income. You know that first of all we are directed to control the water in the streams of the entire watershed. That means the building of structures—huge dams in the rivers to control floods and to provide, even in dry seasons, a 9-foot channel for navigation in the 640 miles from Knoxville to Paducah.

By these dams we control water after it gets into the rivers. But part of the job is to control the water before it reaches the rivers, to control the water where it falls—on the land. Obviously that is a job that must be done by the farmers themselves. Only the farmers on the land, aided by the technical facilities of State and National Governments, can meet that problem. If we are going to keep the reservoirs that these dams create from filling up with silt washed off the land, it will have to be through the assistance of the farmers.

Another phase of the program is also well known to you—the production and distribution of electric power. These dams serve the purpose of storing water in flood season and releasing it in dry season; they can be so used to serve a further purpose of producing electricity. For when stored water is released, when it falls, power is produced. That is inevitable; there is no choice about it. The only question is whether the power in that falling water should be allowed to go to waste, or whether it should be harnessed and put to work. Congress said it should not be wasted; that it should be turned into electricity and then distributed widely and cheaply.

And finally there is that part of the program that relates to the experimental production of plant food—of fertilizer.

Here you have, in summary form, the four principal phases of the T. V. A. program: First, the control of water in the streams;

second, the control of water on the land to prevent soil erosion, the filling of reservoirs, and similar wasteful results; third, as a necessary incident to water control, the production of power; and, fourth, the production of improved and cheaper forms of plant food and their testing and adaptation to actual farm use.

Coming back now to the discussion of farm income and how T. V. A.'s program affects, and is affected, by it. You can see that the general program that I have just summarized is concerned with the income of farmers in several ways: First, take the matter of T. V. A.'s obligation with respect to production and testing of plant food. We were under a congressional mandate, to quote the words of the statute, "to improve, increase, and cheapen production of fertilizer and fertilizer ingredients, utilizing the wartime plants at Muscle Shoals."

The kind of fertilizer and fertilizer ingredients to be improved, increased, and cheapened were not designated. Our first problem, therefore, was to find out what elements of plant food it was most important to develop. Should it be nitrate? We had before us the findings of the Department of Agriculture, land-grant colleges, and other agencies and individuals "that the average farmer could best maintain the nitrogen content of his soil by growing the nitrogen-fixing legumes alternately with other crops, or even between strips of other crop plants on sloping hillsides. If he used the legume as a between season cover * * * he could at the same time protect his soil against erosion. These multiple uses make the legume the cheapest of nitrate producers." Without going into the careful process of reasoning and of technical study, Dr. H. A. Morgan, after extended conference with leaders in this field and Government agencies and universities, recommended, and the Board concluded, that the plant at Muscle Shoals should be applied to the production of the essential element of phosphate and phosphatic plant food.

But merely to cheapen the manufacturing cost of such phosphatic fertilizer would have been futile, and this the statute recognized. In section 5 of the T. V. A. Act the Board is directed, among other things, to "* * * arrange for large-scale practical use of the new forms of fertilizers under conditions permitting an accurate measure of the economic return they produce, and the * * * introduction of * * * such products in cooperation with practical farmers so as to obtain information as to * * * best methods of their use."

Thoughtful farmers and their technical agencies knew that the economic use of these fertilizers required widespread changes in the management of farm land, including increased acreages of small grain and grass cover crops with matted root structures. They knew that to bring about this change in the region's agriculture is not only a technical problem but, more important, a question of farm management. That is to say, it is a question of the farmer's income and his use of that income. The change, the adjustment of farm management, must be such as will increase the net income of farmers, or the change cannot be effected under a democracy. What we have in mind by this comment will be made clearer in the discussion to which we will come in a moment, of income and its relation to the water-control program of the Authority.

Then, too, there is the part that the electricity program plays in the increase of farm income. Superficially, electricity might seem to be merely an expense in the farmer's budget. But there is another aspect concerned with the use of electricity on the farm and in local industry—as a means of increasing (and not diminishing) the farmer's income.

REFRIGERATION AND THE FARMER'S INCOME—THE "WALK-IN" COOLER

There is time today to cite but one illustration. One of the most important uses of electricity in a rural community is for refrigeration, both as a new source of income and as a means to conserve commodities for home use. This sometimes helps just as much as increased cash. There is one county in the South I know of which raises and exports 5,000 lambs each year, and yet the farmers of that county consume almost no lamb or mutton. Refrigeration can change this. Refrigeration might save several million dollars' worth of meat each year from hogs slaughtered on the farms of the Southeastern States and now lost due to sudden changes in weather after slaughter.

A successful southern farmer writes: "This winter has been a shining example of the difficulties of saving farm meat in the Cotton Belt. We have had no hog-killing weather whatever."

The University of Tennessee Agricultural Experiment Station and the Tennessee Valley Authority have together developed a low-cost community refrigerator which can be installed at some central point and used by about 12 families. The engineering experiment station has published a bulletin describing this cooler in such detail that intelligent rural carpenters and mechanics can make it themselves and, with the dealer's advice, install the purchased machinery. Thus the knowledge of the developments carried out by the experiment stations and the Tennessee Valley Authority are made available for use by the people. Loans have been obtainable under proper safeguards from the Rural Electrification Administration to finance electrical equipment of this type.

A number of such "walk-in cooler" units are now being demonstrated in various parts of the Tennessee Valley under the direction of State extension services and vocational education teachers. These units have found use in storing fresh beef and fresh mutton for home use, in addition to storing pork during the period in which it is being cured. Results on test operations indicate a gain of $40 a year per member family—an excellent return on an investment of about $60 each. As an aid to marketing, one cooler is being used for keeping night milk cool for morning delivery; a quantity of grapes stored in a second unit increased in market value 10 times. In order to meet individual farm, as well as community needs, additional types of refrigerator units are being designed, constructed, and demonstrated.

Much attention has been given to improvements and refinements in refrigeration machinery for urban business and for the city dweller, but only recently have mechanical and specialized refrigeration engineers begun to attack such problems as the above—the development of simple rugged refrigeration equipment suited to the needs of the rural area.

I cite this as an illustration of how our duties with respect to electric power develop means of increasing the net cash income of farmers.

FARMERS' INCOME AND SOIL CONSERVATION

In the plant food program and in the electric program it is evident that increase in income is a definite part of the Authority's job. And so it is, too, in another phase of the program, that relating to water control on the land. Or to put it in another way, the problem of the control of soil erosion. Nowadays almost everyone realizes that we cannot long endure the continued drain of loss of soil. And the farmers and their agencies have long known that the conservation of soil requires changes in farm practice. In spite of mountains of valuable technical bulletins and all the energy and eloquence that has been expended on this subject, the fact remains that billions of tons of water each year will go right on lashing away at the land, washing much of it into the rivers, into the reservoirs, and the sea, unless the farmers somehow are able to change their cropping system and manage their land so as to reduce this terrific loss of soil.

In the last analysis, if we are to save our soil, it must be done by the farmer on his land. But you cannot expect the farmer, hard pressed as he is, to change his method of farming unless under the method that conserves and protects the soil his income is as great or greater than it was under the soil-destroying method. The farmer must meet his bills and educate his family from the products of his land. It hurts him to see the land impaired as much as it does anyone, but he cannot live if the change in his method of farming further reduces his already slim income. That is the nub of the problem. That is why the T. V. A., in its effort to help the farmer control water on the land, as directed by Congress, was forced to face this problem of farm income.

Low farm income has prevented the farmer from following agricultural practices which most farmers knew would conserve the land. Low income is a symptom of an economic set-up which has relied almost exclusively on the production of raw materials. Outgoing commodities—cotton, corn, wheat, timber—have had to be sold at low world-market prices, and the goods needed for living—clothes, farm machinery, fertilizer, automobiles—are purchased from industrial and commercial regions. Little "labor value" is added to the commodity which is shipped from the raw-products area by its own people. On the other hand, they must pay for a comparatively large "labor value" in the manufactured goods they buy. To get a cheap automobile, for instance, a timberland owner must exchange about 250 tons of pulpwood. Thus, people in a "raw materials" region must supply large quantities of raw products; and one result is a too rapid use of their resources—mineral, forest, and soil. The actual situation in some of our cut-over timber regions is a warning that other "economic deserts" will follow exhaustion of resources.

LOCAL PROCESSING OF FARM PRODUCTS AS A MEANS OF INCREASING FARMERS' INCOME

In a region such as the Southeast which has until recently been largely agricultural, and is still primarily agricultural, the starting point must be the application of science, engineering skill, and labor to the processing of the region's raw materials, and particularly its farm raw materials. Applied research concerning the practical uses of the region's resources is thus vital and should be carried on concurrently with the general studies of the natural resources themselves.

Able economists have shown that adequate income to enable agriculture to carry the cost of a soil-conserving land management cannot come from agriculture alone. They have shown that for two solid generations there has been a large decrease in the percentage of our population that could earn a living in agriculture, and that the future undoubtedly requires the continued expansion of employment opportunities in industry and services.

The National Industrial Conference Board, for instance, points to the need for industrial income in agricultural regions, saying that the new production will be matched by new markets. Such a program of expanding employment opportunities and income in rural areas, it is evident, depends in large measure upon the successful application of continuous technical research, with land, our fundamental natural resource, always in mind. After nearly 4 years of effort along this line, working closely with the Agricultural and engineering experiment stations of Valley States, the Authority has some specific concrete results to report—results which should encourage everyone who sees the crucial importance of the increase of income among farmers through the processing of farm products.

I need not say to you who know him so well that this whole philosophy, and the measures that the Authority adopted, sprang from the mind and the spirit of my fellow director on the T. V. A.

Board, Dr. Harcourt A. Morgan. Dr. Morgan, as you know, has spent 40 years in the most intense effort in this field. I should like to tell you in some detail what this program, carried on under his direction, has accomplished in a specific and concrete way. There is only time today to describe the efforts to develop new sources of income through the processing of local farm products. In that connection I want to discuss three examples which have a great interest in and of themselves, and which serve to illustrate the possibilities in that direction.

QUICK FREEZING OF FRUITS AND VEGETABLES[1]

About 3 years ago, in connection with studies of some of the raw materials in the Tennessee Valley region which might be processed locally, it was noticed that several strawberry-producing regions had lost important markets on account of the shift in demand from fresh fruit to frozen fruit.

Over 11,000,000 crates of strawberries were delivered to the American market in 1935, most of them in the form of highly perishable fresh fruit. Four Southern States shipped over one-quarter of this amount during about a month's period. The market cannot absorb the product during this short time without a drop in value, and prices fall often below the cost of production. In one State, along in 1935 and again in 1934, over a hundred thousand crates of strawberries remained unharvested due to glutted-market conditions.

Frozen fruits and vegetables had become an established product on the market. In order for the local growers to recover their lost position, it was plainly necessary for them to have access to this new frozen-food market. However, they could only receive benefit from this outlet if the special engineering and economic problems which they had to face were solved.

It was, therefore, decided to determine the feasibility of applying existing freezing processes to the varieties of fruit and vegetables available in the Tennessee Valley and to investigate new processes and markets which could be reached economically. A study was first made of the existing varieties and their suitability for freezing. This work, involving the freezing of some 12,000 pounds of fruit and vegetables, was begun in 1935, in cooperation with one of the agricultural experiment stations. Special attention was given to the industrial market—preserving plants and pie- and ice-cream manufacturers. The local small operator can more easily reach this market than the retail and institutional market because the latter require much larger capital and more extensive distribution facilities.

At the same time a comprehensive market survey was begun covering the principal markets for frozen foods. The agricultural experiment station sent out an investigator, who uncovered valuable information on varieties and quantities of frozen fruit and vegetables desired by consumers, methods of packing, packaging, shipping, and location of principal buyers most economically served from this area. Buyers and plant managers, representing a large fraction of the demand, were visited. The market for frozen commodities was found to be increasing very rapidly. Distributors point out that many sources of supply are needed to insure city consumers against crop failures and shortages in any one area.[2]

It was found that the established cold-packing method of freezing in barrels would not solve the problems of the Tennessee Valley, because many of the growing areas are too far from the established cold-storage plants. Berries, for instance, are best frozen within a few hours after they are picked.

A new process for quick freezing of fruits and vegetables was therefore developed by the T. V. A., in cooperation with the College of Engineering at the University of Tennessee. A small laboratory machine was built and operated in 1936. The process differs from other processes of quick freezing in that the product is frozen very rapidly at a temperature of above 0° F. instead of at the extreme subzero temperatures which are sometimes employed. Users who have tried the product comment on the close resemblance to the original fresh fruit. It was demonstrated that the process itself was technically correct and feasible.

This year a sufficient quantity of frozen product was turned out so that cost records could be obtained under actual operating conditions, in order to demonstrate the economic feasibility of the operation. It was also necessary to determine how arrangements could be worked out with farmers to assure a dependable supply of raw fruit and vegetables of satisfactory quality.

To accomplish these purposes, a larger freezing machine was designed and built. An experimental freezing plant was temporarily established in a vacant building, in the outskirts of Cleveland, Tenn., located centrally in an area which can supply seven different crops, all in demand in frozen form. In this way it was possible to schedule freezing of a series of fruits and vegetables through the season, as they ripen.

For the first operation, strawberries and young berries were purchased from growers in the vicinity. The fruit emerges solidly frozen without sugar in a period of about 6 minutes, and the entire operation requires only about 10 minutes from the time the fruit leaves the crate. Parked by the side of the freezing machine is an experimental refrigerated truck, in the body of which low temperatures are maintained automatically. The frozen fruit, after being placed in the containers, is loaded into the refrigerated truck, and hauled to a nearby cold-storage warehouse. There it may be maintained for periods up to a year or more, or until sold, retaining its substantially fresh characteristics. The products of the experimental operation are sold by the university's engineering experiment station in order to recover part of the cost of the experimental work and to get reliable data concerning the acceptability of the finished product.

Approximately 100,000 pounds of fruit have been processed in this way during the present year. Samples were distributed through ordinary business channels, and the comments of important users indicate that there is a waiting market for a very considerable output of frozen fruits and vegetables from this region.

What does this mean by way of increased farm income? From the farmer's viewpoint freezing should provide a dependable market for these crops at prices which are relatively stable throughout the season. Frozen products have an all-year-round demand. In addition, freezing operations can use fruit which, although of high quality, may be unsuitable for the fresh market because of size or advanced ripeness. Losses from such causes on Tennessee strawberries, for example, have amounted to as much as 20 percent of the crop.

What does this invention contribute to soil conservation? Some of the crops suited to the freezing process, like peas and beans, are legumes which can add nitrogen to the soil. In the case of the strawberry crop the roots remain in the ground the year round, and the practice of mulching with straw helps hold moisture in the soil and prevents erosion. Most important, the relatively high and stable income obtained from a small area of land planted to fruits and vegetables for freezing enables the farmer to release a larger area of lower-income crops, such as corn or cotton, for soil-protecting cover crops.

Several large buyers say that they are anxious to have some private business establish a source of supply which can furnish fruit of the quality which has been turned out under this new process.

PROCESSING OF COTTONSEED

New processing developments give promise of helping the farmer to make readjustments in the one-crop cotton system which has been so destructive of soil and thereby of income. There are in the South some 500 cotton-oil extraction mills, an existing industry of no mean proportion. Their purchases of cottonseed and the methods of marketing the product exert a strong influence on cotton agriculture. The products of this industry are cottonseed linters (the short fiber which adheres to the seed), cottonseed hulls, cottonseed oil, and cottonseed meal. Cotton fiber and oil consist almost entirely of chemical elements (carbon, hydrogen, and oxygen), which are taken from the air and water, and thus their production does not deplete the soil. Cottonseed meal, however, carries also the three major mineral elements contained in commercial fertilizer—phosporus, potash, and particularly nitrogen.

The more cottonseed meal sold outside the Cotton Belt, the greater the annual loss of these plant food elements. Over the South as a whole,[3] the present practice is for a large fraction of it to be marketed outside of the area, the soils of other regions being built up. The southern farmer must buy back the same plant food elements in commercial fertilizer. But what he gets from his cotton crop is not enough to buy back anything like the quantities of plant food elements which he ships out. This export of cottonseed and meal over the last 75 years has been a major cause of the exhaustion of the soil of the Cotton Belt, and in turn of low farm income.

If this meal is fed to livestock, as much as 80 percent of the fertilizer content of the meal may be returned to the soil, rather than being continuously drained from the area by export. It is extremely desirable, therefore, that the meal be distributed locally to the greatest possible extent and that cotton farmers introduce livestock into their farm management plans. Livestock means more grass and pasture—cover crops which control erosion.

The cotton oil extraction industry has encountered difficulties. Hundreds of the small mills have been operating for years at a very low rate of return. For the 8 years from 1927–35 the profit on a ton of cottonseed worth about $36 averaged 17 cents. While much technical research has been applied to the treatment and use of cottonseed oil after extraction, the process and equipment used in mechanical extraction had remained comparatively unchanged for about 50 years. If it is to survive, the small cotton mill must have earnings sufficient to improve its equipment and keep up with the procession of technical advance in the industry. And it is important to the soil of the South that these local mills do survive, so that the fertility of the cottonseed may stay in the area.

A number of the mills have turned to a public research laboratory in one of the engineering experiment stations. By 1935 it had been determined in the laboratory that the cooking operation could be greatly improved. By cooking under pressure, there

[1] For the following description of these technical processes, I am indebted to Mr. J. P. Ferris, Director of the Agricultural Industries Division of the Tennessee Valley Authority, who, with Dr. W. R. Woolrich, former director of that division, R. Brooks Taylor, and George W. Kable, section chiefs, have had immediate responsibility for this work.

[2] An 11-page summary of this market study appeared in Food Industries, May 1937, published by McGraw-Hill.

[3] North Carolina excepted.

resulted an important increase in oil yield, as well as a great improvement in the quality and uniformity of the meal. Since the crude products of cottonseed crushing—oil, meal, meal cake, hulls, and linters—were worth $168,000,000 during a recent year, it will be readily seen that any improvement in the efficiency of the recovery of these commodities or in their quality will be represented by a large saving, much of which should find its way to the farmers.

In order to insure the continued operation of this existing industry, it is essential that the hundreds of small rural oil extraction mills find a solution to their technical difficulties. A small community mill is perhaps in the best postion to exchange cottonseed meal locally for the farmers' cottonseed, or to sell cottonseed meal locally, thus encouraging the introduction of the livestock which is so important for the permanent stabilization of cotton agriculture.

The next problem was to adapt the results of the laboratory development, above referred to, to factory practice. An experimental plant was therefore set up in which there was installed standard oil-mill equipment, except for an entirely new type of cooker. This piece of equipment was designed and built by the T. V. A. Agricultural Industries Division, and embodied the features previously tested in the laboratory. On its campus the university constructed a new building large enough to house the equipment. Several of the cottonseed-oil mills supplied either by gift or loan the necessary items of machinery of standard mill design and size.

The university and the T. V. A. operated this experimental plant continuously for about 5 weeks, buying the raw materials and disposing of the finished products through one of the cooperating cotton-oil mills.

Practical plant executives and chemists cooperated with the University and the T. V. A. in operating the experimental plant. All of the reports from those associated with the industry agree that the results will have a high commercial value—amounting to well over $1 per ton of seed processed at present price levels, or several times the average profit of the past few years. From preliminary reports and comments of representatives of the industry, it appears that the savings to the farmer and to the industry, if the indicated results were generally applied, would approximate several million dollars a year.

Improved processes for the cotton-oil extraction mill, however, will not alone meet the problem. A study is being made of the practices of marketing cottonseed meal in rural areas, in order to determine what factors affect the sale of cottonseed meal locally and how the new process can be used to further this practice. For remember that the local use of the meal is vital if the drain of nitrogen plant food from the Cotton Belt is to stop.

The opinion of the industry concerning this work can be gathered from the following quotations from the May 5, 1937, bulletin of the National Cottonseed Mill Association:

"* * * Valuable research is being carried on * * * which may result in completely revolutionizing some of your manufacturing processes * * *."

"* * * You will agree that the experiments give promise of * * * showing * * * startling and * * * valuable results."

"We know of at least one mill that is installing a cooker of the design used * * *."

We have said that farm income may be directly affected by any improvement in the business position of the oil mills. Of more certain benefit to the farmer, however, is the development of practices by the industry which will encourage the local use of cottonseed meal in the counties of the Cotton Belt. This movement is going ahead rapidly. The June 21, 1937, bulletin of the Cottonseed Crushers' Association of Georgia states that an oil mill at Laurel, Miss., not only markets its entire production of cottonseed meal in its local territory but, in addition, several thousand tons purchased from other oil mills

There is no question in this development of the establishment of a new industry. It is a matter of effective cooperation between public technical research and an established agricultural industry, the operation of which profoundly affect the entire Cotton Belt for better or for worse. It is important that the results of this public research in this field may be turned to account in the interest of the permanent welfare of the region's agriculture and industry.

There is not time today to cite similar work that has been done by T. V. A. and its cooperating agencies in the field of processing of farm products. For example, some very interesting and hopeful results have been developed in connection with soybean processing. The industrial possibilities of the soybean have in recent years become recognized, and in several sections of the country large acreages have been planted. But, like cotton, the soybean is a heavy drain on the soil. The problem of processing the soybean, therefore, is not simply one of finding its richest commercial possibilities, but of utilizing its value in commerce without destroying the soil. I am sure the farmers and their agencies, having before them the example of the exhaustion of the soil of the Cotton Belt, will be concerned that in the industrial use of the soybean the future of the land, and therefore the people of the land, will not be ignored or forgotten.

We have cited these as examples of the contributions that public research laboratories can make in applying science, engineering skill, and labor to the processing of farm raw material. The objective is clear. By this improved technology there may be greater farm income and thereby conservation of our land and of the human beings who live on the land.

Now, of course, there is nothing new about the idea of industrial use of farm products; in fact, probably one-half of America's industry uses farm products in one way or another. But there are dangers in the direction of industrial use of farm products if the industrial viewpoint alone is considered. The research engineer must not only ask: "How much of this crop can be produced per acre?" He must not only ask: "How cheaply can the farm turn this crop over to industry for processing?" The industrial engineer must also ask, as did the engineers engaged by T. V. A. and its cooperating agencies in this work that I have been discussing: "Can this product be produced on a sustained-yield basis, without damage to the land? What will it cost the farmer, in addition to the immediate production cost, to maintain the fertility of the soil?"

Unless these questions are answered, with the land in mind, the industrial use of farm products will probably contribute little to the permanent prosperity of rural life, and may even have a destructive effect. We must soon come to understand that industry has a responsibility to the land and its conservation, not only for the sake of the farmer, but because the prosperity of industry and the perpetuity of national well-being require it.

With the best will in the world, the industrialist alone is in a poor position to find the answers, because they involve an undertaking of the farmer's problems not only as a producer of raw materials, but as a steward of the Nation's land and an understanding of farming as a way of life.

Thus the industrialist needs the cooperation of the public agencies which supplement his own efforts in the development of processing industries for farm products. This is true even for the great mass-production industries which turn to their own excellent research staffs to develop new technical processes for the use of agricultural materials.

Still more is it true of small manufacturing enterprises, few of which can maintain adequate laboratories. Naturally they seek access to the public technical laboratories in their State universities for research assistance and guidance.

Here lies the significance of these developments carried out by T. V. A. working with the colleges and universities. Not only have these experiment stations and the T. V. A. explored in a concrete way the best uses of some of the industrial resources in the States, with the result that rural industrial opportunities of real significance have been found, but the work has been done in relation to land, our fundamental natural resource.

In this matter of cooperating agriculture and industry, there is a vital place for the huge mass-production enterprise exemplified by the paper-pulp industry. But we also greatly need more of a type of local manufacturing that is indigenous—the product of local leadership and brains, local capital, and nearby markets. It should be new industry based largely upon new methods, creating new wealth and new jobs. Great cities need have no fear of this type of business development. No migration of industry is involved.

The particular examples chosen are some of those in which the Tennessee Valley Authority and the engineering laboratories of the valley States have attacked jointly. It will be plain to you that with all the present resources of these laboratories, supplemented by the T. V. A.'s efforts, hardly the surface has been touched. Here is a great opportunity for the research and training activities of the universities and colleges not only in the South but in all the regions of the country.

Seventy-five years ago the Morrill Act was passed, establishing a Nation-wide system of instruction in agriculture and mechanic arts in every State of the Union. It was signed by President Lincoln. The essential companionship of agriculture and industry was thus recognized three-quarters of a century ago.

Since 1862 the agricultural colleges have been studying and developing the best uses of the agricultural resources of each State. As a result, the Hatch Act of 1887, the Adams Act of 1906, the Purnell Act of 1925, and the Bankhead-Jones Act of 1935 have established a national policy of encouragement to the States in this valuable work.

On the other hand, many publicly supported engineering colleges throughout the Nation have largely restricted their research programs to various fields of fundamental science and to problems which were of interest only to special groups. It would seem that only a few have thought of themselves as State agencies to study broadly and comprehensively the best uses of industrial resources in their respective States. Paralleling the work which the agricultural experiment stations have been doing for years in exploring the best uses of agricultural resources, the State engineering experiment stations have an opportunity to assume leadership in developing well-considered research programs in such fields of processing the raw materials of their own States as no single industry can undertake.

Is it too much to expect that before long it will have become a national policy for us as a Nation to assign to engineering colleges, with Federal support and Federal coordination, a responsibility to help in increasing farm income, and in bringing diversification, security, and productiveness to our agricultural regions? The American people demand leadership of their educational institutions at this critical time. Those institutions have a historic opportunity to meet this challenge by applying their facilities of research and training to the problems of their area, their State, and their Nation.

The Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. HEALEY. Mr. Speaker, before the record has been completed for the first session of the Seventy-fifth Congress, I desire to insert in the RECORD the names of those Democratic Members who signed the petition for the caucus on the wage and hour bill.

This list does not include the names of all those who were active in their support of this legislation. Because of the necessity of circulating this petition hurriedly many Members did not have the opportunity of signing it, and there are undoubtedly a number of Members of Congress who would have signed it if contacted.

The petition resulted in the call for a caucus, and it is now a matter of record that 157 of the Democratic Members of the House were present and responded to their names when the roll call was read. While this number did not constitute a quorum and consequently prevented binding caucus action, the group present resolved itself into a meeting of Democratic Members of Congress.

It has now become a matter of common knowledge that the Speaker, the majority leader, and the chairman of the Rules Committee pledged themselves to work for the early enactment of a wage and hour bill at the next session of Congress.

I believe I express the views of all who participated in the meeting in saying that a great moral victory was won for this humane and progressive legislation as a result of this meeting.

When Congress again convenes I am certain that this group of Members will carry on militantly and with renewed vigor the fight for the adoption of this legislation and thus both fulfill a party platform pledge and bring about the achievement of one of the major objectives of the administration.

PETITION FOR DEMOCRATIC CAUCUS

Hon. ROBERT L. DOUGHTON,
Chairman of the Democratic Caucus,
House of Representatives, Washington, D. C.

DEAR MR. DOUGHTON: We, the undersigned Members of the House of Representatives, request you as chairman of the Democratic caucus to call a meeting of the Democratic caucus on or before Thursday, August 19, 1937, to consider all effective means of bringing the so-called wage and hour bill (S. 2475) before the House of Representatives for consideration by that body at the present session of the Seventy-fifth Congress.

Respectfully yours,

Elmer H. Wene, Joe Hendricks, James F. O'Connor, Michael J. Bradley, William J. Fitzgerald, Aime J. Forand, Joseph E. Casey, John P. Higgins, Alfred N. Phillips, Edward W. Curley, Frank E. Hook, W. D. McFarlane, William F. Allen, Andrew J. Transue, Edward A. Kelly, Adolph J. Sabath, R. T. Wood, Monrad C. Wallgren, Joseph A. Dixon, John A. Martin, James H. Gildea, Arthur W. Mitchell, Charles H. Leavy, Anthony A. Fieger, Hugh M. Rigney, Ed V. Izac, Martin F. Smith, Byron N. Scott, Edward C. Eicher, J. B. Shannon, James M. Mead, John M. O'Connell, Charles I. Faddis, James L. Quinn, Kent E. Keller, Edward A. Kenney, Peter J. DeMuth, Nan Wood Honeyman, James J. Lanzetta, George W. Johnson, Emanuel Celler, Sol Bloom, John D. Dingell, Jennings Randolph, Matthew J. Merritt, John M. Coffee, R. M. Duncan, R. L. Ramsay, Warren C. Magnuson, Brooks Fletcher, J. Joseph Smith, David J. Lewis, Frank J. G. Dorsey, J. Harold Flannery, Guy J. Swope, Jerry J. O'Connell, Thomas F. Ford, Charles J. Colden, Otha D. Wearin, John M. Houston, E. W. Patterson, Frank W. Fries, Lewis M. Long, John Luecke, George O'Brien, Alfred E. Beiter, William B. Barry, Caroline O'Day, Thomas C. Hennings, George B. Kelly, John McSweeney, Edward L. O'Neill, W. H. Larrabee, Arthur D. Healey, Robert G. Allen, R. S. McKeough, Fred H. Hildebrandt, Jerry Voorhis, John McCormack, William M. Citron, Maury Maverick, Matthew Dunn, Ira Drew, Knute Hill, John Murdock, Charles Eckert, Herbert Bigelow, Thomas O'Malley, Herman P. Eberharter, James A. O'Leary, James A. Shanley, Herman P. Kopplemann, J. Buell Snyder, Arthur W. Aleshire, Dow W. Harter, Martin L. Sweeney, Henry Ellenbogen, Leon Sacks, James P. McGranery, Francis Walters, Jos. A. Gavagan, Donald L. O'Toole, Robert Crosser.

Benjamin Kurtz Focht

MEMORIAL ADDRESS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. BENJAMIN KURTZ FOCHT, late a Representative from Pennsylvania

Mr. SIMPSON. Mr. Speaker, with the gracious permission of the House, I rise at this point in our crowded proceedings to pay public tribute to the long and faithful public service of a late beloved colleague the Honorable BENJAMIN KURTZ FOCHT, my predecessor from the eighteenth Pennsylvania District. He was a man of uncommon mold, a gentle friend of humanity, a militant advocate of peace, justice, and good order, defender of the law, and ever faithful to his word and trust.

He was elected to Congress 10 times by the people of his district—the best evidence history can offer of a citizen's honorable standing among his neighbors and an unequivocal popular verdict upon his devotion to his public responsibilities. He was acclaimed particularly for his painstaking attention to veterans' legislation, to the whole concept of what since has come to be known popularly as social security, and to the problems of the husbandman of the soil.

The night before Easter Sunday, March 27, 1937, Mr. FOCHT died in Washington. He parted this life as he might well have wished—in the midst of many labors.

BENJAMIN KURTZ FOCHT was born in New Bloomfield, Perry County, Pa., March 12, 1863; the son of Rev. David Henlein Focht, a Lutheran minister, and Susan Brown Focht. After his father had died of an illness contracted while serving as a chaplain with the Union forces, Benjamin at an early age was apprenticed to Mr. J. R. Cornelius, then publishing the Lewisburg Chronicle, of Lewisburg, Union County. Mr. FOCHT until his death continued his work in the newspaper field, having been the owner and publisher for 56 years of the Lewisburg Saturday News. His strong, liberal, and outspoken opinions, eloquently expressed in his editorial policies, made him known throughout Pennsylvania as one of the State's prominent editors.

As a young man, BENJAMIN FOCHT attended Bucknell Academy at Lewisburg, Susquehanna University, and State College. It is interesting to note that in later years, while serving in the legislature at Harrisburg, he greatly increased the scope of the services rendered Pennsylvania and the Nation by his alma mater, State College.

Before he was 30 years of age Mr. FOCHT was honored by his county as a member of the Pennsylvania House of Representatives. He served in Harrisburg for three terms, and in 1901 was advanced to the State senate for a term of 4 years.

While in the legislature Mr. FOCHT was active in securing the first free textbook law for Pennsylvania schools, as well as a law providing for the deportation of all unnaturalized aliens. He was a crusader for better rural roads and an advocate for State ownership of all highway bridges. He also sponsored the bill creating the Pennsylvania State Department of Agriculture.

In 1906 Mr. FOCHT was elected to Congress. He was returned various times thereafter and was serving his tenth term at the time of his death. He represented his district throughout the trying period of the World War, and later served for several years as chairman of the Committee on the District of Columbia.

It was Mr. FOCHT who, in 1915, arose in the House and introduced the first old-age pension bill ever presented here, a measure which provided for the payment of annuities to men and women reaching the age of 65 years without sufficient income to meet their needs. His foresight in this type of legislation was well justified in later years, for the movement he foresaw culminated in 1935 in the adoption of the Nation-wide Social Security Act.

The humanitarian side of Mr. FOCHT's nature as reflected in his pioneering in old-age pension proposals was characteristic of his entire career, both as an editor and as a statesman. As member of a committee investigating State penal and reform institutions while in the legislature he brought about widespread reforms, and at about the same time he introduced legislation providing establishment of the Laurelton State Village for women. He was a courageous crusader, ready to accept the popular verdict, whether favorable to him or not, and always quick to forgive his enemies

Mr. FOCHT was reelected to Congress in 1932 in the face of the Democratic landslide that year and was returned in 1934 and again in 1936, despite another unprecedented Democratic sweep and also notwithstanding the fact that he was ill during the campaign and unable to carry on his usual activity in his own behalf. The large majority he polled last November was a flattering tribute to his worth.

He was suffering at the time from ptomaine poisoning and, although he apparently recovered after some weeks, his health had been impaired. A heart condition developed and it was that ailment which caused his death.

Mr. FOCHT's militant editorial policies prevail today in the newspaper he founded at Lewisburg, with his talented son, Mr. Brown Focht, at the helm of the Saturday News.

Mr. Speaker, BENJAMIN K. FOCHT's shadow will lengthen in history. He embodied the rugged qualities of character and intellect which are the peculiar strength of America. Throughout his entire career he gave generously of his talents and his energies to the welfare of his fellow men. He died with his hand on the wheel and with his eyes still focused upon a bluer horizon ahead.

Wildlife Conservation and Restoration

EXTENSION OF REMARKS

OF

HON. CHARLES D. MILLARD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MILLARD. Mr. Speaker, it is a pleasure to me to give my support to the pending wildlife conservation bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes. As a member of the Select Committee on Conservation of Wildlife Resources, I have had an opportunity to familiarize myself with the urgent need for a constructive and adequately financed restoration program on a national scale. Each report to the Congress filed by our committee has stressed that need. In my opinion the pending bill will enable the States to do what previously many of them have been unable to do because of the lack of funds, and it should likewise give unity and direction to conservation work in the Nation since the bill requires the Department of Agriculture to formulate and promulgate certain standards to be met with respect to the scientific management of land and water areas for conservation purposes.

S. 2670 provides for the joint activity of State and Federal agencies in a continent-wide restoration for all species of wildlife.

Second. The Federal Government will, by the provisions of this bill, set aside funds to be allotted to any or all of the 48 States in the Union which comply with the provisions of this act.

Third. The funds thus set aside by the Federal Government are not additional taxes to be levied against the taxpayer. They are not new taxes at all. The money proposed by this bill for wildlife restoration are the dollars which are now—and have been for some time—collected from special excise taxes on sportsmen's equipment—sporting arms and ammunition. It amounts to about $3,000,000 a year.

Fourth. One of the cardinal principles of conservationists has always been that moneys taken in by Government agencies from wildlife resources, sportsmen's license fees, and so forth, should be spent in the conservation and maintenance of wildlife species. This bill now before Congress applies to the Federal Government this principle, which has long been in successful operation in the States, and provides for its equitable distribution of this revenue to the 48 States in cooperative projects with the Federal Government.

Fifth. Upon the enactment of this measure, money now paid in by taxes on sportsmen's equipment will be spent for wildlife restoration. The process of administration is similar to that parallel necessity to Ameriacn health and happiness, the Federal Highway Aid Act. Each State conservation agency or fish and game commission will, by the provisions of this bill, receive its quota for restoration projects from the Federal Government on the same general plan as Federal highway aid is distributed to State highway commissions. The State and Federal Governments will jointly pay the cost of these wildlife-restoration projects which, when completed, must be maintained as such by the State.

Sixth. There is no dispute over the necessity, workability, effectiveness, or justice of this bill.

The State's quota of allocations under the provisions of this bill is arrived at by allocating (a) one-half in the ratio which the area of each State bears to the total area of all the States and one-half in the ratio which the number of paid hunting-license holders of each State bears to the total number of paid hunting-license holders of all the States.

The provisions of this bill have been endorsed in principle by the General Wildlife Federation, the Izaak Walton League of America, the International Association of Fish and Game Commissioners, the Western Association of Fish and Game Commissioners, the American Wildlife Institute, More Game Birds in America, Inc., New England Fish and Game Conference, the administrators of the conservation departments of 39 States, the General Federation of Women's Clubs, the Garden Clubs of America, and other conservation groups, agencies and individuals throughout the country. It is fundamentally sound and will do for the wildlife of America what the Federal-aid program has done for the highway system of our Nation.

The industrial development of the United States of necessity eliminated the habitat of wildlife from the highly developed industrial areas. That is peculiarly true of the great district I have the honor to represent. The sportsmen of my district who desire good hunting and good fishing must find it elsewhere. They are glad to have this opportunity to make a contribution to a national program, realizing that in helping others they are helping themselves.

I therefore hope the pending bill will be enacted into law.

The Helium Export Bill

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. THOMAS of New Jersey. Mr. Speaker, the helium-export bill which we are debating today has been objected

to by me on two separate occasions when it has come before this House on the Consent Calendar.

I objected to it on the ground that it was a controversial and very important measure, and therefore should not come before us on the Consent Calendar, but should come out on a rule with enough time for debate so that all Members might clearly understand the bill.

Proof of its controversial aspects are the facts that it was reported favorably out of the Military Affairs Committee of the House of Representatives accompanied with a minority report signed by 10 members, and that a similar bill passed in the Senate on a close nonpartisan vote of 37 to 26. Proof of its importance is the fact that the Military Affairs Committee of both Houses devoted many days to extensive public hearings on the bill. After listening to those hearings, discussing the bill with other Members of this House, and outsiders, who, for one reason or another, are seemingly interested in its progress, I am more than ever opposed to its passage.

I will admit that there are some worthy sides to the helium legislation, for none of us can deny that helium gas should be sold both here and in export for medical purposes. Nor can any of us deny the reasonableness of selling it for other commercial purposes in this country. The main objections to the bill, from my point of view, at least, are first the methods by which helium gas is made a monopoly in the United States under this bill and the grave dangers arising from the exportation of it for other than medical purposes.

As to the objections to granting this Government a monopoly in helium, I first wish to say that the testimony before the Military Affairs Committee clearly shows that there have been evidences found in many Western States, notably Texas, Utah, Colorado, and Kansas, that the gas may some day be found in much greater quantities; so if the bill were to become law the Government would control the helium in all of these States, and perhaps in others, regardless of the quantity found, and to the absolute elimination of the possibility of private industry deriving any advantage therefrom. The bill gives the Government the right to acquire whatever helium resources now exist or may be found to hereafter exist. It is already the intention of the Government to acquire the helium resources of the Girdler Corporation, at a specified amount of the taxpayers' money. Yet at the hearings Chief Engineer Roscoe A. Cattell, of the Bureau of Mines, had this to say about the Girdler helium properties. Speaking of the Dexter, Kans., properties, he said:

> I had investigated it and decided that it was not a suitable field for Government operations.

This statement may be found on page 29 of the House hearings. Speaking of the Colorado properties, he said that—

> The gas from Model Dome has about 8 percent of helium in it, but the rock pressure of the gas was only 13 pounds per square inch, whereas our original pressure at Amarillo was 723 pounds per square inch, and now is about 709 pounds per square inch.

Yet the Girdler Corporation claims that these properties stood them on their books at $750,000 and they will probably hold out for at least $600,000.

Of course, if we are to allow the Government to enter the helium field on a broad scale, naturally, we must, in due fairness to existing private helium interests, allow the Government to buy out such private interests at some fair price to both.

There is another point which I would like to bring out in relation to the monopolistic angle, and that is the eventual necessity of the Government having to purchase vast oil fields, many oil and gas wells and other properties not alone devoted to the production of helium, in order to extract enough helium gas to meet an increasing demand for it, if the Government is placed in the helium-selling business, all of which will necessitate enormous expenditures of funds. Surely such a program with its ever-increasing governmental expenditures is not at all necessary at this time. Furthermore, it would be another step in the monopolistic governmental control of general industry, which has been so evident in the present administration.

When the bill was debated in the Senate it was brought out that a memorandum was transmitted to the Senate Committee on Military Affairs by the President of the United States with his recommendation in favor of the bill. Among other things, it stated that it was our duty as a good neighbor to make helium available to foreigners in order to promote international good will, which statement, due to its inconsistency, is definite proof that we should not pass the bill. Certainly, if we export helium to Germany it will have a reverse effect in bringing about good will, for other nations not so friendly to Germany will not look kindly upon it. England, which during the World War was bombed night after night by German dirigibles would not look with pleasure upon our selling helium to Germany which could be used in German dirigibles with which to bomb England even more efficiently than before, were these two nations to go to war again.

I admit, though, that there is some question as to whether lighter-than-air craft will ever be used again as bombers. I will discuss the military angle of the bill, however, when I conclude my present argument as to its good-neighbor policy.

The President, when he submitted his good-neighbor memorandum, surely did not take into consideration the effect the passage of such a bill would have on a nation which was competing with Germany for the South American trade or for some other trade—some nation which is not presently equipped to handle a lighter-than-air merchant or passenger fleet—or does the President expect us to open the floodgates of helium to the world, in which event no board set up in this country could ever control the ultimate destination of helium gas or for what purpose it was to be used?

So I contend that the exportation of it to Germany would have the reverse of a good-neighbor policy. It would, in fact, encourage international jealousies and might bring about adverse trade effects.

And here I would like to propound a question: Would Germany export helium to us if they, instead of the United States, had a monopoly on it? Of course, the mere asking of this question introduces or injects a selfish angle to the argument against the bill's passage. On the other hand, most of us will have to admit that history will generally show us that all nations have almost always followed the custom of selfishly protecting their own people and their own resources. Certainly this has been the hard-and-fast rule since the beginning of the World War. In fact, in the case of the present foreign debts to the United States every nation, except little Finland, which is owing a debt to the United States has absolutely ignored us as a creditor.

As for the possibility of using helium for military purposes in event of a war, Dr. Hugo Eckener himself answered that very clearly when he stated before the Military Affairs Committee that the military significance of dirigibles was of a minor nature for two reasons. The first reason is because no one in Europe has any helium. In other words, Dr. Eckener, probably the greatest authority on lighter-than-air craft in the world and also a lighter-than-air craft military strategist himself, believes, as his words would indicate, that if European nations, including Germany, had helium in any quantity, it would be of tremendous value to them in event of a war.

Mr. Eckener also stated before the Military Affairs Committee:

> That if the gas is removed from the airship and the airship is suspended in the hangar, the gas could be compressed into storage tanks and kept there. If the gas tanks are gastight, the gas would keep indefinitely.

So, I ask, what is there to prevent periodical deflations of small amounts, charge it up to accidental seepage, and then store it away for possible eventual military needs? Furthermore, the gas in one of the large dirigibles will, if deflated and then used in small military observation balloons, inflate about 100 such balloons.

These balloons, or "sausage bags", as we know them, were used to great advantage in the World War. All of us who fought in that war clearly remember how both sides used

them for artillery, observation, and reconnaissance posts. Those were filled with hydrogen gas, however, and burned immediately upon being hit. If they were filled with helium they would only deflate, and therefore could be reused upon being repaired. There is still another use for lighter-than-air craft, and that is in scouting—scouting the coastal waters for submarines—scouting for submarines which convoy ships out of or into a harbor, as was almost always done when our great convoys loaded with our soldiers, approached either England or France during the World War. Certainly, therefore, if helium may be used in our scout or patrol airships, it may be just as satisfactorily used in those of a foreign nation, so is it fair to the other nations of Europe to allow Germany to purchase helium from us, which, in the event of a war between Germany and some European power, could be used in either bombing dirigibles, observation balloons, or scouting blimps?

Naturally, when Dr. Hugo Eckener or any other witness comes before our Military Affairs Committee to give testimony by which it is hoped that we will be influenced to pass a helium export bill, such a witness realizes the danger of giving testimony which might show that helium could or would be used in future wars, so I say that whatever testimony was given by Dr. Eckener or any other exponent of the helium bill on the question of the practicability of helium in war should be greatly discounted.

I have taken up a great deal of your time today in my argument against this bill, so I will now conclude as quickly as possible, but before doing so I would like to inform you of another thing which has come to mind, and that is in relation to one of the backers of the bill in this country. I refer to the American Zeppelin Transport, Inc., which has a close and interesting tie-up with the German Zeppelin Co., the Deutsche Zeppelin Rhederie. Dr. Eckener is associated with both companies, also F. Wiley von Meister, who, I understand, also represents the North German Lloyd, and of whom it is also said is the liaison man for the Nazi Party with certain important American industrial institutions.

I have not a complete list of the American Zeppelin stockholders, but a vice president of the company recently informed me that three well-known international bankers hold about 27 percent of the stock. He, furthermore, could account for about 30 percent more but was exceedingly hazy as to the balance of about 43 percent. In other words, the American Zeppelin Transport Co., Inc., is clearly linked up with the Deutsche Zeppelin Co., which, in turn, is subsidized by the Nazi government. This tie-up in itself should make us very wary before taking final action on the helium export bill.

And this, with the other arguments presented by me here today, should be sufficient grounds to defeat the helium legislation in the House of Representatives. I hope that it will not only be overwhelmingly defeated but that such defeat will be an indication to all of our people to the whole world that we are not going to enter into any more governmental monopolistic ventures, that we are not going to favor one nation or another, and that we do not intend to make war more easy for any nation—certainly to the disadvantage of another.

William P. Connery, Jr.

MEMORIAL ADDRESS

OF

HON. WILLIAM F. ALLEN

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from Massachusetts

Mr. ALLEN of Delaware. Mr. Speaker, it having been my great privilege to serve in the House of Representatives and on the Labor Committee with our late beloved colleague, WILLIAM P. CONNERY, Jr., I want to take occasion to pay tribute to his sterling qualities before this session of Congress passes also into history.

WILLIAM CONNERY was a man loved and respected by all who knew him. Frequently did I seek his advice on labor Committee matters and it was always freely and learnedly given. I know that his helpful suggestions, which were always made with the general welfare of this great country in mind, enabled me to better serve as a member of his committee. He was a man diligent in his business and one who sought by every means at his command to better the condition of the underprivileged.

The Democratic Party, the House of Representatives, and the Nation as a whole, have suffered a loss in the passing of our beloved colleague who will not soon be forgotten.

Tours American Memorial

EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

DEDICATORY ADDRESS BY HON. CHARLES A. EATON, OF NEW JERSEY, AT THE INAUGURATION OF THE TOURS AMERICAN MEMORIAL (INDRE-ET-LOIRE), FRANCE, AUGUST 5, 1937

Mr. EATON. Mr. Speaker, under leave granted me by the House, I insert herewith the address which, as one of the official representatives of our Government and country, I had the honor to deliver on August 5, at the dedication of the memorial to our expeditionary forces in the services of supply, erected by the Battle Monuments Commission at Tours, France:

Here at the headquarters of the services of supply it is fitting that we dedicate today this beautiful memorial in honor of the more than 650,000 members of our American Expeditionary Force, whose labors made possible the heroic achievements of their compatriots at the front.

These were the soldiers of the second line. They constituted the main artery through which the lifeblood of America's united support flowed to sustain the men in the battle lines. In its magnitude and complexity their task was without parallel in the annals of warfare. They were inspired by brilliant, resourceful, and courageous leadership. It is within the truth to say by the masterly coordination of their fourfold divisions of administration, construction, procurement, and distribution they were able to accomplish the impossible. Across 3,000 miles of ocean they transported an incredible mass of supplies sufficient for the wartime needs of more than 2,000,000 men. They built railroads and highways, docks and warehouses. They constructed dams for water supply and intricate systems of electrical communication. They erected factories, and equipped them with modern machinery for fast and efficient production. They carried to the battle lines billions of dollars' worth of ordnance and other fighting equipment. And, to their eternal glory, let it be recorded that nowhere in the accomplishment of their prodigious task is there the slightest stain of dishonor.

Those monumental achievements of our services of supply were much more than a demonstration of the creative and organizing genius of a great people. They, of course, afford impressive evidence of the enormous material resources of the American Republic. But there is a deeper, a more worthy meaning incarnate in this sacrificial outpouring of wealth and wisdom and work. What the men of the services of supply did by their labors, and what the men fighting in the battle lines did was to proclaim to the freedom-loving people of France and to the world that America, was, as it still is, consecrated to the defense and perpetuation of those ideals of liberty and justice which have inspired our people alike in peace and war since the heroic days of Washington and Lafayette.

America did not come to France in 1917 and 1918 for purposes of political or economic imperialism. We demanded no indemnities. We sought no territorial extension of our sovereignty. We came because we believed then, as we believe now, that liberty and justice are the most precious possessions of mankind—the primary source and foundation of all personal and social progress, prosperity, and happiness. Believing this, we were not willing

to see the pole star of human hope and destiny plucked from the sky by the bloody hand of war.

America is free. We want the world to be free. That was the mighty urge which caused the American Government and people to break from their fixed foreign policy of 140 years, and which made it possible for our American-minded General Pershing to salute the image of Lafayette and say, "We are here."

This memorial which we dedicate today stands as a permanent symbol of that will to be free which is alike the hope and glory of France, of America, and of every forward-looking nation in the world. Scattered over your fair land are many such monuments, silent witnesses to the searing baptism of fire through which your people and your Allies have passed in the name and cause of freedom.

I venture to raise the question which challenges today every thoughtful mind. Is it not possible to find some other and more rational instrument than war for the solving of modern international problems? One does not need to be a pacifist, nor to believe in "peace at any price" in order to realize that the conditions of modern life make it practically difficult, if not impossible, to localize the destructive consequences of any major international conflict. The nations and peoples of the whole world are today in continuous, intricate, and inescapable contact. No modern nation can live or die unto itself. While local economic interests, racial prejudices, and differing social philosophies seem to drive the nations apart, they are at the same time being forced closer to each other by the irresistible gravitation of a profound spiritual development which as yet is but dimly apprehended.

In all nations men of good will are feeling their way toward the light. Only a few days ago the noble young King of the Belgians, in a letter to his prime minister, suggested "an investigation into the factors essential for a rational organization of world economy." Our American Government and people are profoundly sympathetic with every effort toward the framing of a workable peace formula which shall finally dispel the hideous concept of war as a necessary instrument of progress for any people.

This memorial which we solemnly dedicate here today symbolizes one eternal, transcendent truth. Back of and beneath the changes and chances of human experience, undergirding all the doings of men and nations, lies immutable moral law. To find and know this law and to submit ourselves to its authority is the supreme wisdom. We have reason to believe and hope that out of the confusion, unrest, hatreds, and fear which hang like a black cloud over the world today there will be born, in God's good time, a new spiritual vision and understanding, so simple, so universal, so compelling in its divine authority as to make a rational system of democracy possible in all lands, and liberty and justice shall become the common ground of all human relationships.

In the spirit of this belief and this hope, in the name and on behalf of the people and Government of the United States I dedicate this memorial to the honor and glory of the brave men who served and suffered here for the holy cause of human liberty.

General Welfare Act Looms As Issue of the Day—Progress On H. R. 4199 Reviewed

EXTENSION OF REMARKS

OF

HON. CHARLES N. CROSBY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21, 1937

Mr. CROSBY. Mr. Speaker, on February 2 of this year I introduced into this Congress H. R. 4199, known as the general welfare act of 1937. The purpose of this bill is to insure economic recovery by providing the aged citizens of the Nation with a buying power that will put all of our unemployed young and middle-aged people to work in private industry and on the idle farms; by giving to all citizens of the United States over the age of 60 who retire from productive industry a substantial Federal annuity based on a pro rata of the proceeds of a 2-percent transaction or gross income tax after the expenses of administration have been deducted.

At first, the bill made little headway as many Members of Congress were prone to look upon it as a "$200 per month" measure that had been previously considered with disfavor by the Seventy-third and Seventy-fourth Congresses. However, as they began to read the bill and had its provisions explained to them, they realized that it was not such a measure at all. It is, in fact, the most conservative pension measure now before Congress since it guarantees no set sum and does not even create a new board or commission to administer it. Other proposals to amend the Social Security Act call for a guaranty of $50 per month or more. These proposals are more radical than H. R. 4199. Under it, the amount of the annuity will not fall below $30 or above $75 or $100 a month, but will rise each month as transactions increase.

Most economists figure that a 2-percent transaction or gross-income tax would bring in enough to pay $60 per month to 8,000,000 old people who would in all likelihood apply for its benefits. This would be but $480,000,000 per month, or $5,760,000,000 per year. This is far different from the $2,000,000,000 per month, or $24,000,000,000 per year that was previously considered as the basis for all discussions at the hearings held on the former bill of this type introduced. Already we spend over $5,760,000,000 per year for relief so that this measure must be considered within the realm of legislative reasoning. The only difference between the present relief system and our program is that at present we are doling out the money to our people instead of retiring the old and giving their jobs to the young and middle-aged.

Today for social-security purposes we tax the wage earners of the Nation—those least able to bear the burden. Taxation should be equitable. It should be based on ability to pay. The transaction tax or gross income tax is equitable because no one pays the tax unless he first gets in his hands the money with which to pay it. There is no tax on idle factories or farms; it is on production to create more production—to create the buying power which is the crying need of the country today. All our economic ills—unemployment, low wages, long hours, old-age misery—are traceable to the lack of buying power of the masses. This measure gives it to them. It is a prosperity measure if there ever was one.

Under it unemployment may be wiped out entirely, the curse of low wages and long working hours may be eliminated, old-age poverty may be averted, the standard of living of the entire South may be raised, thereby providing an immense market for goods; slums may be eliminated.

All these things are possible under this general welfare act.

The Supreme Court of the United States, in its recent decision upholding, by a 7 to 2 decision, the old-age benefits provision of the Social Security Act, pointed the way in this regard when it used the following language—the most significant in my opinion ever uttered by that Court:

> Congress did not improvise a judgment when it found that the award of old-age benefits is conducive to the general welfare.

This is one instance where the Supreme Court leads and the executive and legislative branches of our Government follow:

That we shall ultimately follow this lead of the Supreme Court is clear to me from the events that have taken place here in Congress with reference to this bill, H. R. 4199. In the beginning there was little interest in it. A steering committee of seven was originally appointed, of which I was made chairman. It has now been increased to 40. With the able and energetic assistance of Mr. Arthur L. Johnson who originally came to Washington as the legislative representative of Dr. Francis Townsend, the founder of this movement, our committee took steps to gain favorable support for the General Welfare Act. A letter was addressed to Chairman ROBERT L. DOUGHTON, of the House Ways and Means Committee, asking for a hearing on the bill. There are now 100 signatures to this letter—an unprecedented number. A petition was placed on the Speaker's desk asking that this bill be brought to the floor of the House for open

discussion. This petition now has over 100 signatures. We expect a hearing of the bill next January after the convening of the session. Real progress has therefore been made.

As further evidence of this progress I desire to include in these remarks a resolution adopted unanimously by the general welfare act steering committee on August 17, 1937. This resolution has been signed personally by the entire membership of the steering committee and is as follows:

Whereas there is a very strong sentiment throughout the United States for a substantial old age pension and recovery act; and

Whereas many Representatives have pledged themselves to endeavor to secure the enactment of such a law during the Seventy-fifth Congress; and

Whereas it is our conviction that H. R. 4199, known as the general-welfare act, introduced during the present session of Congress meets such a need.

Now, therefore be it

Resolved, That we, the members of the general welfare act steering committee do unanimously go on record as favoring the policy that will bring relief to the aged and jobs to the young and middle-aged now; that we mutually pledge ourselves to continue our active and militant support of the proposed general-welfare act, H. R. 4199; that we insist on a public hearing on said measure; that we urge all Members of the Seventy-fifth Congress to study carefully its provisions and sign petition no. 12 on the Speaker's desk; and that we are determined to enact H. R. 4199 into law at the conclusion of such hearings or as soon thereafter as possible.

Charles N. Crosby, chairman; Martin F. Smith, Gardner R. Withrow, Jerry J. O'Connell, Warren G. Magnuson, Usher L. Burdick, James F. O'Connor, Michael J. Stack, Anthony A. Fieger, Albert E. Carter, James C. Oliver, Fred H. Hildebrandt, Harry L. Englebright, Lex Green, Martin L. Sweeney, John H. Tolan, Richard J. Welch, A. J. Elliott, Joe Hendricks, Compton I. White, John J. McGrath, Harry R. Sheppard, Knute Hill, Edward W. Patterson, Dewey W. Johnson, Chas. H. Leavy, B. J. Gehrmann, John T. Bernard, John M. Coffee, Walter M. Pierce, Sam Massingale, R. F. Buckler, James W. Mott, Wm. Lemke, Ed. V. Izac, Ira Walton Drew, Michael J. Kirwan, J. Hardin Peterson, Charles Kramer, Clyde H. Smith.

I desire also to include a report of June 19, 1937, which went out over my signature as chairman of the steering committee and pertains to other resolutions adopted by our committee. This reads as follows:

At a meeting on June 8, 1937, the general-welfare act steering committee, consisting of 40 Members of Congress, after carefully weighing the effects of the statements made by Dr. Francis E. Townsend when he appeared before the committee on June 3 and their tendency to jeopardize the passage of the general-welfare act of 1937 (H. R. 4199), voted unanimously to drop the name of Townsend entirely from its title and to recommend to the Townsend clubs of the Nation that they do likewise and organize into general-welfare clubs for the sole purpose of promoting the general-welfare act.

On June 18, 1937, the committee met again, and after hearing from Messrs. J. W. Brinton and Gilmore Young the whole story of what happened at the Chicago headquarters of the Townsend movement, voted unanimously to support the formation of a National General Welfare Federation to coodinate the activities of the general-welfare clubs springing up all over the Nation and weld these clubs into a national federation in order to carry on more effectively the work necessary to be done in the field to secure the enactment of the general-welfare act into law, to maintain a legislative committee at Washington under the chairmanship of Mr. Arthur L. Johnson, and to work in close cooperation with the Members of Congress interested in the passage of this measure.

It was felt by our committee that such a national federation, which is now being organized, will eliminate all personalities and factional fights between individuals which in the past have so hampered, both in and out of Congress, the efforts to secure the enactment of H. R. 4199, and will give the opportunity to all those sincerely interested in aid to the aged as a means of promoting the general welfare to get behind this measure without tying themselves to the banner of any individual, thereby permanently eliminating the factional disputes which in the past have absorbed so much of the time and energy of those who have been working for the principles embodied in H. R. 4199.

It is the hope of our committee that the general public will now feel free to get behind this general-welfare movement and harmoniously work toward the enactment of the legislation which it sponsors on a nonpartisan and nonpolitical basis.

To complete the record, I desire to include two affidavits and a certification by five Congressmen as to what occurred at the steering committee meeting of June 3, 1937, at which time Dr. Townsend abdicated from his position as pension leader and assumed the role of editor-politician. I quote as follows:

AFFIDAVIT OF ARTHUR L. JOHNSON, CHAIRMAN, GENERAL WELFARE ACT LEGISLATIVE COMMITTEE

Arthur L. Johnson, being first duly sworn, deposes and says that he was present as chairman of the general welfare act legislative committee, at a meeting held on June 3, 1937, of the general welfare act steering committee, consisting of 40 Congressmen from all political parties; that said meeting was held in the office of Hon. CHARLES N. CROSBY, chairman of the said steering committee, in room 1030, New House Office Building, Washington, D. C.; that approximately 20 Congressmen, Dr. Francis E. Townsend and one or two others were present at the said meeting; that at said meeting Dr. Townsend was asked by Congressman HARRY R. SHEPPARD, of California, floor leader in the move to get the general-welfare act (H. R. 4199) out of the Ways and Means Committee onto the floor of the House, what his attitude would be toward him (SHEPPARD) at the next election should he decide to vote for the enlargement of the United States Supreme Court and Dr. Townsend replied: "I would fight you as hard as I could"; that Dr. Townsend was then asked by Congressman SHEPPARD: "Doctor, do you consider the Supreme Court issue of more importance to the old people of this country than you do the successful enactment of the general-welfare act (H. R. 4199)?", to which Dr. Townsend replied: "I most certainly do, of far greater importance"; that Congressman CHARLES H. LEAVY, of Washington, then asked Dr. Townsend whether he still intended to adhere to the $200 per month maximum set forth in the bill and the Doctor replied as follows: "Oh, yes, that is absolutely necessary. The best way I can describe that feature to you would be—well, have you men ever seen a wisp of straw tied to a stick in front of a cow's nose that the cow would follow but never reach? Well, this philosophy acts the same way. We must keep the $200 as a part of our goal. It is absolutely necessary that this feature be retained in the bill"; that the Doctor was then asked if he didn't think that the money that was subscribed to his organization by the old people was for the express purpose of the promotion of the general-welfare act and not for expressing his personal legislative desires and the Doctor replied: "I own the Townsend Weekly and I am going to use it as I see fit and not let anybody tell me what to do with it"; that Dr. Townsend was then asked if he intended to keep one Blair Coan on his pay roll, to which the Doctor replied: "No; he is not on my pay roll now. I did employ him as a publicity man on my tour. Right now he is not on the pay roll, but I have an arrangement with him whereby I will pay him a commission for any advertising he turns into the Weekly"; that during said meeting the Doctor did not mention the "ox of tradition" or the Biblical ox and that the Doctor's statement that he did is false.

(Signed) ARTHUR L. JOHNSON.

Subscribed and sworn to before me this 26th day of July, 1937.

[SEAL] TRUMAN WARD,

Notary Public in and for the District of Columbia.

AFFIDAVIT OF CHARLES N. CROSBY, MEMBER OF CONGRESS, CHAIRMAN, GENERAL WELFARE ACT STEERING COMMITTEE

CHARLES N. CROSBY, being first duly sworn, deposes and says that he is a Member of Congress from the Twenty-ninth District of Pennsylvania; that he was present and presided as chairman of the general welfare act steering committee, on June 3, 1937, at the meeting referred to in the above affidavit; that he has read the foregoing affidavit by Arthur L. Johnson, and that the facts therein stated are true in substance, to the best of his recollection.

(Signed) CHARLES N. CROSBY.

Subscribed and sworn to before me this 28th day of July 1937.

[SEAL] TRUMAN WARD,

Notary Public in and for the District of Columbia.

CERTIFICATION BY OTHER CONGRESSMEN PRESENT

We, the undersigned Members of Congress, hereby certify that we were present at the meeting of June 3, 1937, referred to in the above affidavits of Arthur L. Johnson, chairman, general welfare act legislative committee, and Hon. CHARLES N. CROSBY, chairman, general welfare act steering committee; that we have read the foregoing affidavits; and that the facts stated therein are true, in substance, to the best of our recollection.

Harry R. Sheppard, Nineteenth District of California; Jerry J. O'Connell, First District of Montana; Charles H. Leavy, Fifth District of Washington; John M. Coffee, Sixth District of Washington; James C. Oliver, First District of Maine.

From the above-quoted resolutions of June 8 and June 18, it is to be noted that our steering committee felt that Dr. Townsend had made his name a handicap to the passage of

this bill in view of his actions and attitude. We are all, however, in accord that he must be given credit for the idea he gave to the Nation and for making the country pension-conscious. As a symbol, he has done this work well, and I should be the last one to take this credit from him.

A letter was directed to the doctor on June 19, 1937, by Arthur L. Johnson, which summarizes the situation so well from all angles that I am inserting in these remarks that letter, as follows:

DR. FRANCIS E. TOWNSEND,
720 North Michigan Avenue, Chicago, Ill.

DEAR DR. TOWNSEND: When you were last in Washington you expressed to me a desire to retire if your retirement would help to secure the enactment of the general-welfare act into law. At the time I expressed disapproval of the idea. The following afternoon you appeared before the general welfare act steering committee (after I had warned you fully by mail, telegram, and word of mouth as to what would happen if you did not alter your course) and made statements to the effect that you would not cooperate with the Congressmen favoring this bill unless they agreed with you on other issues not relevant thereto, but what is more, would actively oppose them at the next election. You furthermore repudiated the general-welfare act as of secondary importance and used the "wisp of straw" expression, which made it impossible for any Member of Congress from now on to lend his hand to your operations if he values his self-respect. Everyone present, including the writer, quit you almost immediately, the writer quitting the next morning. They had to in order to protect their own reputations. Nor can they ever come back to you again, Doctor.

These facts make it imperative that you follow your own suggestion and retire, Doctor, as otherwise you will be placed in the position of taking money from needy old people to help secure the enactment of a law which neither you nor your representatives can in any way help enact. On the contrary, every move you make to help will hamper instead and may prevent your plan from ever becoming the law of the land.

Under circumstances would it not be well for you to retire now, Doctor, before you utterly destroy the good work you have done and the movement which you have headed? If you carry on, you certainly will have to do so under false representations as you haven't the support of even the Congressmen who are interested in the passage of the measure which you have advocated. Nor can you ever gain their support again after the public statements you made to them.

Yesterday the steering committee called Mr. Gilmour Young and Mr. J. W. Brinton before it, and after hearing their explanations as to what happened at Chicago, voted unanimously to recommend the formation of a National General Welfare Federation to coordinate the activities of the general-welfare clubs springing up all over the county. At this meeting both Mr. Young and Mr. Brinton expressed the desire, concurred in by the writer, to see that you and Mrs. Townsend are taken care of by a pension not to exceed $200 per month for each of you. The suggestion met with favorable response by members of the committee in view of your past services in promulgating your idea and helping to make the Nation pension-minded. No vote was taken as it was felt that this was a problem to be worked out by the new organization the committee recommended to be formed to carry on the fight for the enactment of the general-welfare act.

However, it seems to be the clearly defined policy of those to whom the task will fall of organizing the new set-up recommended by the committee to look with favor upon such a retirement pension to both you and Mrs. Townsend, and we are wondering if, under the circumstances set forth fully in this and my other recent letters to you, it would not be the best for all involved to get together upon some such basis. Of course, payment of the pension would depend upon the success of the new federation, and it would seem to the writer that it would be to your advantage in every way to cooperate with the thousands of Townsendites already working to form the new federation. You have everything to gain and nothing to lose by so doing, as success may bring, in addition to what pension finances of the organization will permit, not to exceed $200 per month each, the successful enactment of your plan into law. It is certain now that you cannot possibly put the plan over. Why then should you stand in the way of an organization that may be able to do so?

You have always found me to be your friend, Doctor. I tried my best to save you from what occurred, as you will realize, if you will recall the weeks of pleading on my part. You will find also that Mr. Young and Mr. Brinton and the others who resigned have been your friends, Doctor. You have been doing them a grave injustice by your attitude and public statements. You will realize this sooner or later. Let us hope that you will not realize it too late to permit the harmonious working out of a means of cooperating toward the achievement of the common end which we seek.

If the writer can be of any service whatsoever in establishing the harmony that should prevail between those seeking a common goal, please feel free to call upon him.

With kindest personal regards to both you and your dear, sweet wife, also to your fine son, Robert, to whom your decision in this matter will mean much in the future, I remain

Very sincerely yours,
ARTHUR L. JOHNSON,
Chairman, General Welfare Act Legislative Committee.

The doctor has so far turned down this offer which would bring to him and his wife the pension he has considered adequate for others. He is now openly fighting our bill, stating in his Townsend Weekly that it is unconstitutional. He is attacking members of the steering committee. He has sent a hired speaker into my district in Pennsylvania. This speaker is being paid out of funds collected from the old people of this country to attack me, as the chairman of the committee pledged to support H. R. 4199, the bill which I introduced. My esteemed colleague from California [Mr. MCGROARTY] made a speech on the floor of the House recently and asked that those who had signed the petition to bring the bill out on the floor to withdraw their names. There were 90 names at that time. Now there are a hundred. Our battle lines have held, therefore, in spite of the attackers, and we are gaining strength every day. The general-welfare movement is now sweeping the Nation and will by January be a very potent factor in our political life. Its growth is shown by a news release of August 18, 1937, which I quote, as follows:

NATIONAL FEDERATION INCORPORATED TO PROMOTE GENERAL WELFARE ACT

Arthur L. Johnson, chairman, general welfare act legislative committee, today announced the filing on July 16 of a certificate of incorporation in the District of Columbia of the General Welfare Federation of America, Inc., a nonprofit corporation, for the sole purpose of enacting into law the general-welfare act of 1937 (H. R. 4199) introduced by Congressman CHARLES N. CROSBY (Democrat), of Pennsylvania, a measure designed to restore prosperity to America by retiring the old folks over 60 and giving them sufficient spending power to employ the young and middle-aged. No amount is guaranteed under the proposed act, Mr. Johnson indicated, the oldsters getting merely what a 2-percent transaction tax or gross-income tax would bring in after the expenses of administration are paid. "It is the most conservative pension measure now before Congress", he stated. "It is, at the same time, the only real recovery measure yet proposed. The reason why I say it is the most conservative pension measure before Congress is that it guarantees absolutely nothing and creates no new administrative agency."

The steering committee recommended by unanimous vote that all Townsend clubs of the Nation follow its lead and change their names to general-welfare clubs. This is being done all over the Nation, Mr. Johnson stated, and the new organization that has now been formed will endeavor to coordinate their activities and center their efforts toward the enactment of this bill, which is now being taken seriously for the first time and has become known as the G. W. A. One hundred Congressmen have signed a request to the Ways and Means Committee of the House that it be given a full hearing, and nearly 100 Congressmen have signed a petition to have it brought to the floor of the House for open discussion.

The new organization is to be governed by a directing board of seven nationally known individuals of unquestioned integrity, Mr. Johnson stated, so as to preclude any racketeering at the expense of the old folks. A drive to secure members from the younger groups is also to be undertaken, he indicated.

It was announced that the temporary acting officers and trustees for organization purposes are to be Thomas E. Boorde (president of the local general-welfare club), president; Peter McEvoy (publicity man), vice president; and Arthur L. Johnson, secretary and treasurer; they being the technical incorporators. National headquarters have been established at 945 Pennsylvania Avenue NW., Washington, D. C.

The new federation, he stated, is to follow the plan of organization on which the American Federation of Labor was built up, with the local clubs affiliating with State general-welfare associations. Such associations have already incorporated in California, Massachusetts, Ohio, New Jersey, Maryland, New York, Washington, Oregon, and other States.

He stated that a weekly general welfare news letter, dedicated entirely to the activities of the general welfare act legislative committee, is being published; this news letter to be the means of communicating with the clubs and coordinating activities.

And so the matter stands today. With adjournment facing us, I desire to urge it upon my colleagues in the House, before they leave for home, to sign petition no. 12, to have this bill, H. R. 4199, the proposed general-welfare act of 1937, brought to the floor of the House for consideration. They will find that their constituents will approve such action on their part and that this bill will become increasingly popular with the Members of Congress as time goes on. It has in it the elements of real recovery based on sound economic principles. When the Member studies its provisions and gains its full import, H. R. 4199 will appeal to his reason and intellect as

the most constructive and well worked out bill for economic recovery and humanitarian progress before Congress today.

Mr. Speaker and colleagues, thank you.

Secretary Hull and World Peace

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ARTICLE BY FRANKLYN WALTMAN REGARDING SECRETARY OF STATE HULL

Mr. LUTHER A. JOHNSON. Mr. Speaker, the record made by Hon. Cordell Hull as Secretary of State has not only challenged the admiration of our own people but of the other governments of the world.

On July 16 he issued a statement on the United States Government's position in regard to world peace, and in a clear, concise manner presented 14 points for world peace.

This communication was transmitted to the nations of the earth, and 58 nations have replied thereto and accepted in principle the 14 points of American foreign policy as a basis for world peace.

It is gratifying to know of the prompt response and the unanimity with which nations agreed with our great Secretary.

Under leave granted I hereby extend my remarks by inserting herewith Secretary Hull's 14 points for world peace and an article by Mr. Franklyn Waltman, of the Washington Post, entitled "Hull Has Made United States Force for World Peace", same being as follows:

SECRETARY OF STATE HULL'S "14 POINTS" FOR WORLD PEACE

(From the July 16 statement by the Secretary of State on the United States Government's position in regard to world peace)

This country constantly and consistently advocates maintenance of peace.

We advocate national and international self-restraint.

We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations.

We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement.

We advocate faithful observance of international agreements.

Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties, when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation.

We believe in respect by all nations for the rights of others and performance by all nations of established obligations.

We stand for revitalizing and strengthening of international law.

We advocate steps toward promotion of economic security and stability the world over.

We advocate lowering or removing of excessive barriers in international trade.

We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment.

We believe in limitation and reduction of armament.

Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries.

We avoid entering into alliances or entangling commitments, but we believe in cooperative effort by peaceful and practicable means in support of the principles hereinbefore stated.

HULL HAS MADE UNITED STATES FORCE FOR WORLD PEACE

(By Franklyn Waltman)

In February 1933, when it became known that President-elect Franklin D. Roosevelt had chosen Cordell Hull to be his Secretary of State, there was general bewilderment. The tall, gentle, but brittle-worded Tennesseean was known nationally for his opposition to high protective tariffs and as an outstanding authority on Federal finances. But why should such a man be selected to direct the foreign affairs of the greatest Nation on earth? Was it not a mistake—did he not belong in the Treasury?

So mused diplomatic, official, and political Washington during the early days of the New Deal. More than 4 years have passed. But no longer is there bewilderment over Secretary of State Cordell Hull. Not only in the last campaign and since was there evidenced an almost unanimous opinion that his appointment was the wisest Cabinet selection President Roosevelt made, but he is hailed throughout the world as one of the most potent forces for international peace and tranquility.

In his quiet, persistent manner, without undertaking to be spectacular, Secretary Hull has maneuvered the United States into a place of great force for world peace. And he has done so without in any way committing this Government to any course of action except the pursuit of peace—without entering any entangling alliances. Indeed, he has operated wholly within the century-and-a-half-old American tradition.

Secretary Hull's efforts reached a high-water mark during the 4 years on July 16, when he laid down 14 points as the basis of American foreign policy and as the foundation on which world peace rested. These 14 points, which may become as historically important as the 14 points with which Woodrow Wilson undertook to bring peace to a war-ridden world, are set forth above.

They speak for themselves. But let it be noted that in this declaration Secretary Hull struck a note of impartiality which announced to the world that the United States no more condones those nations which bear down on their neighbors through unjust treaties than it does the government which undertakes to rectify such pacts or to force an outlet for its pressing population or economic problems through the use of machine guns and bombing planes. His declaration constituted a great moral appeal to the world in behalf of peace.

At Secretary Hull's direction this country's diplomatic representatives in every capital in the world laid the Hull 14 points before the foreign ministers of the government to which they were accredited, with a request that the government express an attitude toward the American statement.

The response, just revealed by the State Department, was amazing. Its importance cannot be overemphasized and its full significance at this time defies accurate appraisal. More than 50 nations have gone on record in support of a basic line of conduct in international relationship, which, as Secretary Hull points out, "is the cornerstone of right dealing between nations and which points the pathway to permanent peace."

The story is not in this explanation but in the verbatim replies of these 50 governments—some uttered through their prime ministers, several, too, with the approval of cabinets and councils of state, but all representing expression of an official viewpoint—which accompany this article.

Such unanimity of viewpoint, such adherence to basic principles for the conduct of international relations in the future may lead within the near future to action on a world-wide front implementing those principles to make them living, effective precepts of intercourse among nations. But even if that bright hope is not to materialize, much already has been achieved. For, as Secretary Hull asserts, the responses to his July 16 declaration "reveals a solidarity of support for a program leading toward restored order."

Dedication of Obear Park

EXTENSION OF REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ADDRESS OF HON. GEORGE J. BATES, OF MASSACHUSETTS, AT THE DEDICATION OF OBEAR PARK, BEVERLY, MASS., JULY 4, 1937

Mr. BATES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at the dedication of Obear Park, Beverly, Mass., on July 4, 1937:

Mr. Chairman and members of the Rial Side Civic Men's Association and friends, I deem it a great privilege to come here today to address the people who are gathered at the dedication of this beautiful park. The history of this site can be traced back to a period shortly after the settlement of this area in which this park is located.

In 1654 the selectmen of Salem granted to Henry Skerry, at one time a town marshal, a grant of land of which much of his

property now known as the park consisted. The history of this park, therefore, brings us back over a period of 283 years and before Beverly was separated from the old town of Salem.

Even in those early days the settlers realized the importance of setting aside areas of land for public use and which would be for all time dedicated to public purposes. The wisdom of that policy can be easily seen today by the use the public makes of such places as Boston Common, Salem Common, Beverly Common, Lynn Common, and other like places which were really the beginning of the public-park system of America. The pleasure and satisfaction which such places afford to the people of our communities is self-evident.

To Mr. Benjamin Obear goes the credit for the privilege the people of Beverly have today in enjoying this piece of land as part of the public park system of the city of Beverly. Some years ago he realized the possibilities of this development, acquired the property in his name, and then at an opportune time the city of Beverly took it over as part of the public domain. For Mr. Obear's foresight he should be complimented.

Today we celebrate and observe the one hundred and sixty-first anniversary of the signing of the Declaration of Independence. This document was the first official act of the colonists separating them from the mother country, and was a repudiation of the system of government under which they then lived. They contended that they were endowed by their Creator with certain unalienable rights; that among these were life, liberty, and the pursuit of happiness; and to secure these rights the Declaration of Independence was adopted. For many years they were the victims of a long train of abuses and usurpations by a tyrannical despot. They lived in a troubled period in which they suffered greatly. Among them were great men. They laid the foundation for this great Government which is now known as the United States of America. Through adversity they knew what liberty really meant.

The people of the world are now at the crossroads. "Government by the people" is rapidly perishing from the earth. Dictatorship and oligarchy are parading in and fast taking its place. No democratic system of government is now secure from the drive that is on to wrest from the people the power to govern themselves.

Today we rejoice in the Declaration of Independence, which gave birth to a new nation, a nation which was dedicated to a great cause—human liberty. Tomorrow in the Senate of the United States marks the beginning of the debate on one of the greatest issues ever brought before Congress in all its history.

The subject for discussion will be the President's proposal to increase the personnel or to enlarge the Supreme Court. It has but one objective and that is to control the Court and make it subservient to the wishes of the Executive and Congress. This kind of a proposition reaches deeply into the fundamental principles of the American system of Government. The question is not a partisan one. It rises above the importance of any political party or political considerations. Democrats, Republicans, Progressives and Farmer-Laborites have taken up the cudgel against it.

I am opposed to this proposal because, in my judgment, it is designed to make a political football out of the Supreme Court of the United States and avoids the orderly process of changing the Constitution by amendment as the Constitution itself provides.

James Madison, one of our former presidents, known as the Father of the Constitution, said at the time of its adoption, "The accumulation of all powers, legislative, executive, and judicial, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny." For what other purpose is the suggestion made to change the Supreme Court if it is not for the purpose of dominating the judiciary and to make it subservient to the executive branch of the Government?

Such a proposal would destroy the independence of the Court and thereby destroy its usefulness to this democratic form of government. It would, indeed, become a political institution and not a court of justice, an administrative puppet to carry out the will of the President, whoever he may be. It points the way to the evasion of the Constitution and establishes a method whereby the people may be deprived of their constitutional rights to pass upon all amendments to the fundamental law of the land.

It stands now before the country acknowledged by its proponents as a plan to force judicial interpretation of the Constitution, a proposal that violates every sacred tradition of American democracy. There is extreme danger in this kind of a proposal. It is quite apparent that the Executive now has control over Congress. He wishes to extend this so as to control the Court. The struggle between democracy and despotism is now going on everywhere throughout the world. Efforts are being made in many lands to encroach upon the rights of the people. Those in authority are reaching out for more power and authority. This Nation is no exception. In this crisis we must not permit ourselves to be cowed into submission. There must be no disregard for noble traditions, no assault on lawful government, no concentration of power in the hand of the Executive—the present one or anyone who follows. History records that such was the rock upon which every republic that ever fell was wrecked.

The Constitution was adopted for the purpose of perpetuating American liberty. It was a new Declaration of Independence which the makers prepared for the approval of the people, a declaration that their hard-won liberties should not perish, but should be made perpetual by joining the hearts and souls of the people of all the States in an indestructible Union. It was indeed a new "Magna Carta of human liberties."

In tracing the development of our country we cannot fail to catch the spirit that triumphed over tyranny and recognize the faith and endurance that were as strong as the everlasting hills. All that is fundamental in government is found in our past and in all things that challenge men's strength and try their souls, our country's history is filled with inspiring examples.

The effect of the work of the settlers and their successors was to decentralize power, to repudiate Old World autocracies, to give us a Government that would stand the test of time and make it a vital force through the centuries, which would put the civil above the military, to exalt religious liberty, and finally to frame a declaration of independence and a National Constitution giving security to the principles of freedom and embodying the hopes harbored by downtrodden humanity through preceding centuries.

So on this anniversary day we pause in gratitude for the gift of the past. In all the contributions to national growth our forebears of this and neighboring communities were foremost. Those who made our past great, realizing that they had established a government of the people, also recognized their individual responsibilities to that Government. Earlier generations, amid all the demands made upon their busy lives, never forgot the duty they owed to the country of which they were a part. Let us therefore assume our individual responsibilities as citizens of this great Republic. Let us not forget what a united citizenship can do for home and country and what havoc some forms of dissension may bring upon us.

We cannot claim for our generation any of the glory of the past centuries, but in our day and generation we can preserve and perpetuate our heritage. On the strong foundation laid for us and with the fruits and riches that labor and sacrifice have placed in our hands, let us prove worthy descendants and successors of the fathers.

Farm Legislation

EXTENSION OF REMARKS

OF

HON. STEPHEN PACE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. PACE. Mr. Speaker, a resolution has been adopted by both the House and Senate declaring it to be the desire and intention of the Congress to consider permanent farm legislation as the first order of business when we return in January for the 1938 session. And it has been agreed that during the recess the committees of the House and Senate on agriculture will hold hearings in the different farm sections of the Nation, in order to make a personal and thorough investigation of present farm practices and needs and discuss with the farmers the important questions involved in drafting a proper farm program.

As a representative from the State of Georgia I am deeply concerned in such legislation in so far as it will affect our cotton crops. To realize a profitable return for his cotton the farmers are entitled to an expansion of the export cotton trade and I hope these committees will report a bill which will contribute toward an increase in the uses and the markets for cotton.

I have given this question considerable investigation and serious study during the present session, and in the hope it will be helpful to the committee and the farmers of the Nation in drafting a permanent program, I desire to call their attention to the following letter which I received from the Assistant Secretary of Agriculture:

AUGUST 6, 1937.

Hon. STEPHEN PACE,
House of Representatives.

DEAR MR. PACE: In your letter of July 2, you asked that the Department comment on an editorial which appeared in the July 2 issue of the Baltimore Sun, dealing with the decline in our share of world trade in cotton. You also asked that we send you information relative to the effects of American cotton policy on the world cotton trade. The questions you have raised are complex and cannot be settled by citing one or two facts.

The editorial in the Baltimore Sun is misleading insofar as it attributes the decline in our share of world trade in cotton wholly to the agricultural-adjustment programs. The basis for the expansion in foreign production of cotton was laid long before the

adoption of the adjustment programs in the United States. This is clearly indicated in the data contained in enclosed photostat of an article which appeared in the annual number of the Cotton Trade Journal for 1937. The expansion in foreign production of cotton cannot be explained merely by reference to the agricultural-adjustment programs. It is necessary to examine the price of coffee in Brazil, the price of wheat in the Argentine, the price of grains and other products in Egypt and India, the industrialization program of Russia, and a number of other factors growing out of the World War and out of international policies of different countries in the decade or more before the advent of the Agricultural Adjustment Administration.

A detailed examination of the foreign acreage and production data indicates that the three countries that have contributed by far the major portion of the increased foreign production are Russia, China, and Brazil, and that the recent expansion began in Russia in 1921, in China in 1926, and Brazil in 1928. The data as to consumption of American cotton in foreign countries since the war indicate fairly clearly that shifts away from American cotton began during the middle 1920's. For example, the post-war peak of American cotton consumption in Great Britain occurred in 1924, in Germany the peak occurred in 1927, in India 1926, and in China 1931. To some extent this decline was offset by an increase of consumption of American cotton in Japan. This general shift from American cotton in the 1920's was retarded by our large loans to foreign countries in that period and the Smoot-Hawley Tariff Act has accelerated this shift since 1930.

It is sometimes argued that the adjustment program in this country brought the price of American cotton on the world market out of line with the price of foreign cotton, and that this militated against the consumption of American cotton. You may be interested to know that in the seasons 1927–28 and 1928–29, the price at Liverpool of Indian cotton, which is by far the outstanding competitor of American cotton, averaged approximately 79.7 percent of the price of American cotton. In those predepression seasons, foreign consumption of American cotton averaged about 8,500,000 bales or approximately 46 percent of all cotton consumed in foreign countries. In the 1935–36 season, the price of Indian cotton was approximately 79.5 percent of American cotton, but the consumption of American cotton was only 32 percent of the consumption of all cotton in foreign countries. During the 1936–37 season the price of Indian cotton was 79.4 percent of the price of American cotton, but the consumption of American cotton abroad was only about 24 percent of the total cotton consumed in foreign countries. In other words, with the price of American cotton in 1935–36 and 1936–37 restored to its usual relationship to the price of foreign cotton, the percentage of American cotton consumed abroad is far below predepression levels. Apparently the reason is not that the price of American cotton is out of line with the price of Indian cotton. Furthermore, it should be remembered that the carry-over of American cotton is still larger than average, and that American cotton is available to the world at world prices.

A very important factor in the recent expansion in foreign-cotton production which has generally been overlooked is the increase in yield per acre. About 45 percent of the increase in foreign-cotton production since 1931 is due to a general increase in yield, and this, of course, was not the result of the agricultural-adjustment program.

The foreign cotton situation and our relation to it cannot be adequately sized up without a comprehensive view of some of the basic factors which have brought about shifts in foreign trade during the post-war decade and during the 1930's. Cotton, as you know, more than any other major agricultural product of this country, is dependent upon the freedom of international trade. Nationalistic policies which stifle export trade injure cotton farmers. Tariffs, embargoes, lack of credit, barter agreements between foreign nations, are all partly to blame for the changed position of the United States in the world cotton market.

The tariff policy of the United States, which almost closed our market to European goods, obliged the European textile industries to obtain their supplies of cotton from new sources. The lesser producing countries which have shown large increases during the past 17 years have devoted greater attention to the cultivation of cotton and have participated more extensively on the international cotton market. Insofar as we fail to import enough goods from foreign countries, we handicap those countries in buying our agricultural products. Lower tariffs would help to restore this market.

In addition to the photostat of the article from the Cotton Trade Journal, we enclose the following tables and charts, which I trust will be helpful to you in your study of the cotton situation:

Tables, 1920–21 to 1936–37: Estimates of cotton production, specified countries; cotton production in foreign countries; estimates of cotton acreage, specified countries; cotton acreage in southern Brazil in relation to Brazilian prices of cotton and coffee; acreage in cotton in India, prices of cotton at Bombay and all commodities in Calcutta; production, carry-over, supply, consumption, and exports of American and all kinds of cotton; cotton-mill consumption, specified growths and specified locations. Charts, 1920–21 to 1936–37: Cotton production in foreign countries; consumption of cotton in selected countries; cotton-mill consumption of all growths, world, foreign countries, and the United States; cotton-mill consumption in foreign countries, all kinds, foreign and American; world supplies of all kinds, American and foreign; growths.

Tables showing consumption of cotton by growths and acreage and production in the 1936–37 season as compared to the 10-year average 1923–32 are included in the attached March and May 1937 issues of the Cotton Situation.

I would call your attention especially to the table which deals with the production of cotton by countries. It is clear from this tabulation that the greater part of the recent expansion began in Russia after 1921, in China in 1926, and in Brazil in 1928. In Russia and China particularly the production of cotton has very little relation to the price of American cotton, and in all other countries the prices of other commodities relative to the price of cotton and the production policies of foreign countries are important factors in the current high level of foreign cotton production.

Another significant fact revealed in these tables and charts is the shift of cotton manufacturing to the Orient, particularly to Japan, and this has naturally stimulated the expansion of production in the Orient. This is a phase of a world cotton situation, which has many ramifications both as to causes and consequences. If the South is to maintain the gains it has made in the past 4 years as a result of the agricultural-adjustment programs and other administration policies, it is necessary to be thoroughly aware of these shifts that are going on in the world cotton trade.

Sincerely yours,

HARRY L. BROWN,
Assistant Secretary.

The farmers of this Nation are entitled to legislation which will place them on an equality with any and every other class, group, or industry, and when we return here in January I expect to devote my energies to that end.

My Report to the People of the Third Congressional District of Washington

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SMITH of Washington. Mr. Speaker, in accordance with the practice I have followed in former sessions during the past 4 years, I desire at this time to briefly review the first session of the Seventy-fifth Congress and my official record and activities.

CONTINUED IMPROVEMENT IN CONDITIONS

During this year still further substantial improvement has been and is being made in labor, industrial, farm, and business conditions in southwest Washington and throughout the Nation. The times are better than they have been for many years, and with the continued support of the people the national administration will press onward with our program in the interest of labor, industry, and agriculture which has proved so constructive and fruitful in beneficial results to all our citizens.

MY PROGRESSIVE VOTING RECORD

In this session I have continued my progressive voting record, of which I am proud. I favored Congress remaining in session until the legislative program was completed, and have voted for the following important measures:

First. The resolution creating a Joint Congressional Committee on Tax Evasion and Avoidance, as recommended by President Roosevelt, to plug up the remaining loopholes in our revenue laws and prevent tax evasion by the wealthy tax dodgers of the country; and H. R. 8234, to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

Second. The Neutrality Act to keep us out of war, continuing and strengthening the stopgap Neutrality Act of 1935 (reenacted in 1936) by a national neutrality policy to be tried out for 2 years; extending the present compulsory ban against furnishing all belligerents in wars between nations or in civil wars, with arms and munitions as defined by the National Munitions Control Board, as well as with loans or credits, and vesting wide discretionary powers with the President.

Third. The bill appropriating $50,000,000 to the Farm Credit Administration—F. C. A.—to be loaned in sums under $400, except in emergency areas, for raising crops and livestock.

Fourth. The bill placing first-, second-, and third-class postmasters under complete civil service. (Passed the House but failed to pass the Senate.)

Fifth. The Work Relief Appropriation bill appropriating $1,500,000,000 to provide relief employment on useful W. P. A. projects.

Sixth. The bill to make the Civilian Conservation Corps (C. C. C.) a permanent agency. (Was amended by Senate to extend for 3 years.)

Seventh. Voted to pass over the President's veto H. R. 5478, permitting war veterans to renew expiring 5-year level-premium term-insurance policies for another 5-year term.

Eighth. Bill guaranteeing for 2 more years bonds of the Federal Housing Administration (F. H. A.), established in 1934. By insuring loans by lending agencies for urban home building and repair (farm building loans by land banks) the F. H. A. has spurred construction (new residential building in 1936 highest since 1930) and created as much as 1 year's work for 2,000,000 men in the building trades, and provided a better market for lumber, shingles, plywood, veneer, and other forest products.

Ninth. The bill extending the excise tax on lumber for 2 years until June 30, 1939, to protect the labor pay rolls in the sawmills and logging camps of southwest Washington against Canadian and other foreign competition.

Tenth. The bill appropriating $14,500,000 for vocational education, to instruct and teach our boys and girls useful trades. (Our people must be trained and educated.—Thomas Jefferson.)

Eleventh. Voted for the House bills to carry into effect the two sections of President Roosevelt's court-reform measure, viz: First, providing for the retirement and pensioning of Supreme Court Justices, and, second, to provide for the appearance on behalf of and appeal by the United States in certain cases involving the constitutionality of acts of Congress and reforms in the lower branches of the Federal judiciary, which were afterward passed by the Senate. The third section, to increase the membership of the Supreme Court from 9 to 15, after pending in the Senate for 5 months was abandoned by the President. His substitute compromise plan was killed—recommitted—by the Senate by a vote of 70 to 20, Democratic majority leader, Senator BARKLEY, heading those who voted in favor of recommitment. Neither proposal ever came before the House for consideration.

Twelfth. The bill to extend the Public Works Administration until July 1, 1939, and to provide loans and grants for numerous pending eligible school and other projects in southwest Washington.

Thirteenth. The Railroad Retirement Act of 1937, establishing a retirement-pension system for the railroad workers of the Nation.

Fourteenth. The farm-tenant bill, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure.

Fifteenth. The omnibus river and harbor bill, containing five projects in southwest Washington and surveys for two new projects.

Sixteenth. Voted to pass over the President's veto H. R. 6763, entitled "An act to extend for 1 additional year the 3½-percent interest rate on certain Federal land-bank loans, to provide a 4-percent interest rate from July 1, 1938–39, and to provide for a 4-percent interest rate on land-bank commissioner's loans for a period of 2 years", to aid the farmers.

Seventeenth. The Spanish War veterans pension bill and Philippine travel-pay bill.

Eighteenth. The World War veterans' widows' and orphans (Gold Star Mothers' pension) bill.

Nineteenth. The low-cost housing bill.

I have signed the discharge petitions on the Frazier-Lemke mortgage refinancing, the home owners' refinancing, cost of production and moratorium on Home Owners' Loan Corporation and Farm Credit Administration foreclosure bills, which relate to agriculture and the homes of the people.

I also signed the discharge petition on the Ludlow amendment to the Constitution for a referendum by the people before the United States enters another war, excepting in case of attack by a foreign nation.

I signed two petitions to call a caucus to keep Congress in session until the legislative program was completed.

LABOR LEGISLATION AND LOW-COST HOUSING

The labor standards (minimum wages and maximum hours) bill did not come before the House for consideration; if it had, I would have actively supported and voted for it, with such amendments as were desired by the workers. I favored Congress remaining in session until its enactment, and now favor it being made one of the very first orders of business in the next session of Congress. During my period of service in Congress I have actively supported and voted for all measures, without a single exception, in the interests of higher wages, shorter hours, and better working conditions for the men who labor, and will continue this policy as long as I am in public life. The prosperity of business, industry, and agriculture depends upon the steady employment, income, and purchasing power of the wage earners and workers of the Nation.

I actively supported and voted for the low-cost housing bill, strongly favored by organized labor, to provide modern, decent, sanitary homes for the under-privileged men, women, and children of the Nation. I have actively supported this bill because of its transcendent merit on a broad sociological basis, but also on account of its beneficial effect on the lumber and shingle industry—important sources of employment in my congressional district—and its vast benefit to the workers in the building trades, the lumber, plywood, shingle, and other allied industries, and to manufacturers generally.

P. W. A. SCHOOL PROJECTS

I cooperated actively in obtaining enactment of the provisions in the Public Works Administration appropriation bill to finance the rebuilding of schools having a fire hazard, and secured final approval and allocation of funds for the following projects in southwest Washington, viz: Cowlitz County—Kalama school project to cost $90,909, grant of $40,909; Silver Lake school project to cost $53,000, grant of $23,850; Toutle school project to cost $82,000, grant of $36,900; Woodland High School addition project to cost $85,000, grant of $38,250; Castle Rock school project to cost $121,206, grant of $54,542; Kelso school gymnasium project to cost $85,000, grant of $38,250. Lewis County—Mossyrock school project to cost $46,000, grant of $20,700; Morton school project to cost $25,000, grant of $11,250. Thurston County—Olympia school project to cost $134,000, grant of $60,300. Clark County—La Center school project to cost $77,000, grant of $34,650. Wahkiakum County—Rosburg school project to cost $52,181, grant of $23,481.

FEDERAL AND POSTAL EMPLOYEES

During this session, as in all former sessions, I have continued to go on record in favor of all social-welfare legislation sought by the postal employees, rural and substitute carriers, and all employees of the Federal Government. I am opposed to any reduction in their pay, in the name of economy, as their compensation is but reasonable. At a time when the Government is properly seeking to enforce higher wages and higher prices in private industry, resulting, however, in higher living costs, Uncle Sam should himself "practice what he preaches."

PROTECTION FOR SHINGLE WORKERS

My bill for a census of the red-cedar shingle industry, to enforce the 25-percent quota limitation in importations pursuant to the reciprocal trade agreement with Canada, section 811 of the Revenue Act of 1936, and the Executive order of President Roosevelt issued March 13, 1937, passed the House

and Senate and was approved by President Roosevelt. This measure will aid in restricting and holding down the importation of shingles from Canada and to that extent protect the jobs and welfare of the men employed in our local shingle industry.

FARM LEGISLATION

I have continued to support all farm legislation in this session of Congress. I favored Congress remaining in session until the enactment of general farm legislation and favored the resolution which makes it the first official order of business in the next session. I favor further efforts by the national administration to stabilize the income of the dairy, poultry, grain, and fruit farmers, and to insure to them a reasonable profit above the cost of production for milk, butterfat, eggs, vegetables, fruit, berries, and grain.

VETERANS' LEGISLATION

As already stated, I voted to pass over the President's veto H. R. 5478, permitting war veterans to renew expiring 5-year level-premium term insurance policies for another 5-year term.

I signed the petition to discharge the Rules Committee to bring before the House for consideration and vote, H. R. 6384, the World War veterans' widows and orphans (Gold Star Mothers' pension) bill, and later actively supported and voted for it when it passed the House.

The House has acted favorably upon H. R. 5331, to restore benefits to World War veterans suffering from paralysis, paresis, or blindness, or who are helpless or bedridden, which I supported.

I also actively supported the bill for the relief of Spanish War veterans who were separated from the service without honor on account of minority or misrepresentation of age, granting to them the same status as World War veterans holding similar discharges and which will render eligible for pensions a comparatively small number of Spanish War veterans who have not been able to have their discharges corrected heretofore. All such veterans of the Spanish American War, including the Philippine Insurrection and Boxer Rebellion, should apply informally by letter to Hon. George E. Brown, Director, Veterans' Claims Service, Veterans' Administration, Washington, D. C., and if they will also write to me, I shall be glad to have favorable action in their behalf expedited as rapidly as possible.

The Committee on Pensions, on which I hold membership, held hearings and reported out favorably H. R. 5030, which provides that a Spanish War veteran who attains the age of 65 years will be placed on the rolls at $60 per month and that a Spanish War veteran who requires the constant aid and attendance of another person will be placed upon the rolls at $100 per month. This bill was passed by the House on July 21, 1937, and I spoke in favor of its passage on the floor of the House, and opposed the "needs clause" amendment which was rejected.

The House also passed the Philippine travel pay bill, H. R. 2904, which I supported and voted for.

GENERAL-WELFARE ACT, H. R. 4199—THE TOWNSEND PLAN

I have continued to serve on the steering committee as in former sessions. Our petition to discharge the Ways and Means Committee from further consideration of the general-welfare act of 1937, H. R. 4199, and bring it before the House for full debate and fair consideration upon its merits and a record roll call vote, has received 100 signatures, and I was one of the first to sign.

We have secured 101 signatures on a petition for hearings before the Ways and Means Committee, and have been assured that such hearings will be held during the next session of Congress. We have made more progress and secured more legislative support than in any previous session of Congress.

PUGET ISLAND BRIDGE PROJECT

During this session of Congress further progress has been made in regard to the Puget Island bridge in Wahkiakum County. For the past 25 years the citizens of Wahkiakum County have sought to secure the construction of a bridge connecting Puget Island and Cathlamet, and since my election to Congress in 1933 I have cooperated with them and introduced and secured the enactment by Congress of the necessary enabling legislation. We have gradually overcome the many legal and financial obstacles standing in the way of this project. Through our efforts it has now been advanced to the point where it is eligible for an allocation of $225,000, the amount of funds required from the Federal Government, whenever allocations are made for this type of public-works projects.

RURAL ELECTRIFICATION

The three first rural electrification projects in the State of Washington for which Federal funds have been allotted are located in southwest Washington. The project at Quinault, Grays Harbor County, will serve 150 customers. Cowlitz County public-utility district no. 1, of Kalama, contemplates 81 miles of lines in Cowlitz County, serving 305 customers; Mason County public-utility district no. 1, to serve 190 customers, which latter project has become involved in litigation. Projects of the type of these will reduce the drudgery of work on the farm and bring the many comforts, conveniences, and pleasures to the farm home which low-cost electricity can supply, and also result in the sale of much electrical equipment and appliances by local merchants and dealers.

H. R. 6049—AID TO THE BLIND

My bill, H. R. 6049, passed the House and Senate and was signed by President Roosevelt. It permits the blind to travel on the railroads and transportation systems of the country accompanied by their "seeing eye" or guide dogs and without paying any extra fare. This legislation of national scope will serve a useful and humanitarian purpose and has received Nation-wide news and editorial comment. The course of the measure through the committees of Congress was featured by the March of Time and was shown in the theaters of the Nation.

H. R. 7230, MONETARY AND BANKING REFORM

I am continuing my policy in this Congress of supporting all legislation designed to restore to Congress the constitutional authority and duty "to coin money and regulate the value thereof" (art. I, sec. 8). I have, therefore, gradly joined with Representative WRIGHT PATMAN, of Texas, and 150 of my colleagues in introducing and sponsoring House Resolution 7230, to have the Federal Government acquire, own, and operate in the interests of the American people, the 12 Federal Reserve banks. This would be the first step in the direction of ultimate Government ownership, control, and operation of the credit and money of the Nation, low-cost interest rates for labor, farming, and legitimate business, and the abolishing of tax-exempt interest-bearing bonds. I have joined with my colleagues in pressing for hearings on our bill and am very hopeful that we will secure full hearings and the enactment into law of this constructive measure in the next session of Congress.

FLOOD CONTROL

Much diking and flood-preventive work has been done in southwest Washington as a result of my bills enacted by Congress, Public Laws Nos. 336, 337, 338, and 339, affecting the Cowlitz, Chehalis, Lewis, and Columbia Rivers, and the Flood Control Act of 1936.

Pending new projects in southwest Washington are the Vancouver Lake area, $738,168; Washougal area, $226,410, in Clark County; Skamokawa Creek, $99,240, in Wahkiakum County; Ilwaco waterfront in Pacific County, $130,782; Lewis River, $195,250, and Cowlitz River, $194,900, in Cowlitz County, subject to regular appropriations and allocations of Government funds from the P. W. A. and W. P. A. and required contributions by local interests.

Numerous other worthy flood-control projects in southwest Washington are being investigated and studied by the United States Army engineers and, by proper continued cooperation between local, county, State, and Federal agencies, will in due time become a reality.

BONNEVILLE DAM

During the past 4 years a great deal of my time has been consumed in initiating and promoting the great Bonneville Dam navigation and hydroelectric power project. I deeply appreciate the many hundreds of kind expressions I have received commending me for my efforts to secure all the possible benefits for southwest Washington to be derived from this project. The legislation enacted by the House and Senate and approved by President Roosevelt carries out the recommendations of President Roosevelt and his Power Policy Committee, which I introduced in the House. It also provides:

The rate schedule may provide for uniform rates or rates uniform throughout prescribed transmission areas.

Of course, the law does not fix rates or establish these areas, this being left to the Administrator to do, subject to the approval of the Federal Power Commission. The communities and industries closest to the project, Clark, Skamania, and Cowlitz Counties, will naturally derive the largest benefits and experience great industrial development as a result of the low rates which will undoubtedly prevail in those areas. However, low cost electric power can and will be generated to meet the needs of other areas in Lewis, Pacific, Wahkiakum, Grays Harbor, Mason, and Thurston Counties as well. It is estimated that the Bonneville project will supply an abundance of low-cost electric power sufficient in quantity to meet all possible market demands for many years to come. I am happy that I have succeeded in my efforts to make Bonneville a two-State project instead of allowing Portland and Oregon to "bottle it up" for their aggrandizement, to serve only one or two big industries in Portland. Every one of the bills in the House and Senate, excepting mine, did not even mention the State of Washington and described and located the project as an Oregon project only. Preferential rights for the local communities, farm cooperatives, and public-utility districts are securely provided for in this legislation.

COLUMBIA NATIONAL FOREST

My bill, H. R. 3866, was reported favorably by the House Committee on Public Lands. I secured its passage by the House. It was later passed by the Senate and approved by the President. This legislation adds certain lands to the Columbia National Forest and its enactment has been sought for many years by the citizens of Clark County and has received the endorsement of the granges and civic organizations.

RIVERS AND HARBORS COMMITTEE AND PROJECTS

The Rivers and Harbors Committee, on which I hold membership, has always been one of the most powerful committees in Congress. However, in this session, the message of President Roosevelt relating to a comprehensive national planning program in regard to navigation, flood control, development of hydroelectric power, soil conservation, reforestation and all natural resources, was referred to the Rivers and Harbors Committee, so that all this legislation will come before our committee, thereby greatly increasing its powers and importance. On account of the numerous harbors and waterways in our section of the State, and our interest in low-cost water transportation for industrial and farm products, the Rivers and Harbors Committee is by far the most important committee in Congress so far as southwest Washington is concerned. The subject matter of the President's seven-point program is also of the utmost importance to southwest Washington.

The omnibus river and harbor bill, which was reported out by our committee and passed during this session, contains the following projects, to wit: The 27-foot channel from Vancouver, Wash., to North Bonneville, Wash., to cost $2,300,000; new Olympia dredging project, to cost $98,000; Vancouver turning-basin project, $22,000; Elokomin River project, to serve Cathlamet and vicinity in Wahkiakum County, $16,000; bill for survey of Knappton River affecting Grays and Deep Rivers; and bill for survey to improve Port of Camas-Washougal.

The sum of $1,400,000 has been appropriated in this session to continue the reconstruction of the Grays Harbor jetties. Funds for Grays Harbor, Willapa Harbor, and Bakers Bay dredging and maintenance have also been appropriated. The sum of $6,500,000 has been appropriated for the completion of the Bonneville Dam.

The north jetty project for the Columbia River, important to Bakers Bay, and which it is hoped will also aid in keeping open a west channel into Bakers Bay, to serve Ilwaco, Long Beach, Seaview, Chinook, at a cost of $750,000, has been authorized by Congress and thus becomes eligible for an appropriation in due course.

Preliminary dredging of the channel between Shelton and Olympia has been done as a basis for further harbor improvements in the future, as soon as additional funds are provided for new projects.

New occasions teach new duties; Time makes ancient good uncouth;
They must upward still, and onward, who would keep abreast of Truth;
Lo, before us gleam our campfires, we ourselves must Pilgrims be,
Launch our Mayflower, and steer boldly through the desperate winter sea,
Nor attempt the future's portal with the past's blood-rusted key.
—*James Russell Lowell.*

Regulation of the Currency

EXTENSION OF REMARKS

OF

HON. R. T. BUCKLER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. BUCKLER of Minnesota. Mr. Speaker, our money and credit control by Wall Street bankers and the gambling on the stock exchanges is intolerable.

Congress ignores the Constitution. It refuses to coin money honestly, refuses to circulate contsitutional money, refuses to regulate the value thereof.

Wall Street bankers are in control and they operate a fraudulent money racket. They inflate tens of thousands of millions of collapsible bunco credit money. By their control of money and credit they rule and control America.

The Supreme Court upheld President Roosevelt in getting rid of our fraudulent, payable-in-gold money contracts. We must now hold in check and minimize contracts, bonds, stocks, securities that are payable in fraudulent credits—in money that does not exist.

The President and the Supreme Court both agree that the "power to regulate the currency we now hold to be superior to the obligation of the bonds." Wall Street bankers now control this power. They have a stranglehold on America's throat. They issue money and are the supreme dictators of our economic welfare. They take money out of circulation and boss our Government economically.

Congress must regulate the currency. This is an all-important function of government. Monopoly control of money and credit money substitutes must be taken away from racketeer bankers and used to benefit all the people.

It is necessary for Congress to regulate and control big bunco bankers and regulate the currency in order to save our democracy. This was the conclusion of the Seventy-third Congress and the decision of the Supreme Court regarding the fraudulent payable-in-gold clauses.

Congress can circulate enough legal-tender dollars to create prosperity for all. It was impossible to use gold dollars because gold does not exist. It is equally impossible to use collapsible credit dollars that are likewise irredeemable.

A privately-owned Federal Reserve money system still permits a small class of racketeers to control and regulate the coinage and value of legal-tender money, in violation of the Constitution which gives this power exclusively to

Congress. And Congress cannot legally mandate this legislative power which the Supreme Court decreed is superior to the sanctity of contracts or "superior to the obligation of the bonds."

The entire system is bound to blow up and collapse if Congress does not correct the fraudulent money methods of unconstitutional money changers and their accomplices.

With irredeemable farm mortgages, farm tenancy and poverty constantly increasing, with many millions of unemployed and their tens of millions of dependents growing constantly poorer, with senseless and futile efforts made to build only a small number of dams and flood-control embankments, also with futile attempts and criminal neglect to control the Fascist dictatorships of automobile and other industrial-money changers who are our undisputed money masters and economic royalists, with all these disastrous conditions growing worse, America's boasted democracy is becoming a fantastic, intolerable sham.

POVERTY PAUPERIZES UNTOLD MILLIONS

The President's Farm Tenancy Committee reports:

Large families living in 2 or 3 rooms * * * undernourished * * * easy prey to the ravages of disease * * * partly naked * * * jobs scarce * * * low living standards * * * poverty, insecurity, abnormal social contacts deaden cultural life.

With a small minority of farmers owning their land without a heavy debt and with a rising tide of landless and land-hungry people, our rural civilization is threatened.

There are 3,000,000 tenant farmers, nearly half our farm population, Secretary Wallace reports. Farm tenancy increases about 40,000 each year.

Many Members of Congress and all well-informed citizens are growing more convinced day by day that Wall Street operators and their banker accomplices clutch America by the throat, control our economic welfare, and cause financial hell and distress.

Let us review the conditions that have prevailed in recent years under the domination of Wall Street's swindlers operating their monopoly banking controls over money and industry.

During the United States Senate investigation Senator BURTON K. WHEELER charged 17 leading banker members of the New York Stock Exchange with fraud in connection with J. P. Morgan's 19 banker partners and the Van Sweringen railroad swindling operations. Senator WHEELER said they were bribe givers and bribe takers in their efforts to unload Alleghany Railroad stock on gullible and innocent investors at $35 per share, selling today for only a few dollars per share.

"Financial burglars and gangsters with loaded guns" is an authoritative description of Wall Street's money hold-up bandits, according to John W. Flynn, noted economist, who helped Senator Fletcher's committee expose billions of dollars of stealing by Wall Street banker thieves, their lawyers, and their accomplices. Flynn said Wall Street is a terrible menace to the Nation, and is only a mechanism for passing out overvalued stocks and bonds to the public—one of the meanest forms of swindling that the world of the gambler has invented.

Among more than 430,000 corporations in 1929, less than 1,000 cooperated in the swindling operations of Wall Street bankers, according to Flynn's disclosures.

Thus only a small fraction of 1 percent of all our corporations are found to be enmeshed among Wall Street's bank-monopoly pirates, who operate their stock-exchange citadel of fraud as an exclusive racket to control and swindle the American people at their own sweet will.

Regarding Wall Street's looting and domination of our money system, Senator WHEELER said:

If we cannot stop these practices, we might just as well stop passing laws and abandon Congress.

Without the manipulation of usurious, interest-bearing bondage bonds and stocks by private money jugglers in control of Congress' "coin money" power, Wall Street's corporations could not rob the public continuously. One way, then, to control the frauds of Wall Street bankers would be for Congress to recall and operate its coin-money power as provided by the Constitution.

An illegal money autocracy now rules America.

Labor, weekly publication of the railroad brotherhoods, recently printed editorially:

Bishop Francis J. McConnell's—one of the great leaders of the Methodist Episcopal Church—challenge to capitalism:

"Capitalism claims that it has all the brains in the country on its side. All right. Then let some of the brains go to work on the problem.

"Otherwise we may wake up some fine morning and find society itself tearing the house down."

Joseph Kennedy, a big-scale Wall Street pool operator, who was Chairman of the Government's Security Exchange Commission, claims that banker gamblers are the biggest inflationists and biggest swindlers.

In the Saturday Evening Post of January 18, 1936, Joe Kennedy said the New York Stock Exchange is a "gambling club, a monopoly"; a "gambling place" dealing with "dice" where insiders look at the customers' "cards"; "records of thousands of swindles"; "reams and reams of stocks and bonds must have been printed on paper that contained 90 percent water, for that is about what these securities contained."

Out of more than two hundred billions of money-changers' inflations in recent years, 90 percent was treated as water and manipulated to rob nearly every citizen with savings in the United States through cooperation of the Federal Reserve System and its thousands of credit-inflating bankers.

Senator Fletcher's committee investigation of Wall Street swindlers reports in volume 17, pages 7923–7929, that 33 of the biggest big bankers in the United States were guilty of pool-operation inflations.

All the biggest American banks and bankers bound themselves, together on a communistic bankers' basis, on a community of interest monopoly basis to destroy and confiscate the property of 90 percent of all the people.

All the big money changers worked in harmony, concert, and cooperation in criminal pool stock-rigging deals with the J. P. Morgan gang of stock-jobbing partners, Rockefeller's Chase National Bank, the George Baker-Jackson Reynolds First National Bank, and other Wall Street banks.

Judge Woolsey, Federal Court of the Southern District of New York, in *United States* v. *Brown* (5 Fed. Supp. 81), November 23, 1933, dealt with pool operations in his exhaustive decision which he traced back to a British case 120 years before as his base. Artificial pool operations were decreed to be criminal. Excerpts of this decree appear at page 8142, CONGRESSIONAL RECORD, May 27, and page 10705, June 24, 1936.

In violation of the coin- and issue-money powers of the Constitution and in violation of our criminal laws, the big bankers of Wall Street became responsible for thousands of millions of the greatest inflations and deflations and the greatest financial crimes of history.

Scores of billions of faked, counterfeit, and collapsible bankable values in worthless stocks and bankers' bonds were unloaded on the public by bunko bankers, criminally.

Congressman ADOLPH SABATH's committee, that has been busy many months investigating the money changers' receivership and protective-committee swindling operations, reports approximately $20,000,000,000 of deflated values juggled by the big banker dealers in, and receivers of, stolen wealth, or wealth confiscated under cloak of the law.

Fraudulent inflation and deflation in the many thousands of millions of dollars have been juggled out of millions of our thrifty citizen investors in first-mortgage bonds. Billions of dollars were thus taken away from innocent investors by crooked money changers and their conniving lawyer accomplices through operation of a fraudulent money system. These rackets robbed 5,000,000 investors.

Another $40,000,000,000 of inflation and deflation was juggled in and out of only two dozen Wall Street stocks by

the big banker money changers and their accomplices. A summary of this particular forty billions of fakers' inflations is given in the House Banking and Currency Committee hearings on the Banking Act of 1935, pages 789 and 790.

Congressman RAYBURN'S committee that investigated electric power holding company racketeers reported over $20,000,000,000 of inflation among power company hijackers.

Senator HIRAM JOHNSON'S committee that investigated foreign-bond swindlers disclosed over $7,000,000,000 of mostly bunco inflation by New York banker racketeers. More than twice this much additional American wealth was dumped into Europe through Wall Street's bankers in the Harding-Coolidge-Hoover boom and repudiated.

Virtually all of the New York Stock Exchange and Curb Exchange stocks and bonds were grossly and criminally inflated many hundreds percent above a fair cash value. They were simultaneously rigged up with the J. D. Rockefeller, J. P. Morgan, George Baker, and other New York and Nation-wide bunco bank stocks, with Sam Insull and other over-the-counter, cats-and-dogs, fraudulently inflated values, to pile up a total of over two hundred billions of wind, water, and air inflation that circulated through all American banking and financial channels. These inflations robbed nearly everybody in the United States and produced over 7 years of misery, depression, and poverty.

Here is evidence of the greatest, most conscienceless, most disastrous and unfathomable gambling ever operated by man. Nature's recent floods, unparalleled though they were, created havoc and harm, distress and misery, to only a mild degree compared to the tens of millions of financially-blasted lives, economically ruined, and the tens of thousands of millions of dollars damage in the confiscation of property and annihilation of the savings of the masses of America's citizens.

Destruction of the public welfare and the general economic well-being of all our citizens the past 10 years have become immeasurable. All as the result of the illegal banking and gambling that is based upon an irredeemable and impossible-to-justify credit system of falsely or fictitiously created bankers' collapsible, fictionary money.

Gold-fraud contracts, based upon an impossible-to-deliver supply of gold, were declared invalid by the Supreme Court 2 years ago.

Credit-fraud contracts, agreements, notes—based upon an impossible-to-deliver supply of legal tender dollars—are almost as impossible to meet and liquidate today as they were during the seven Hoover panic periods, 1929–1933, when over two hundred thousand million dollars of largely fake credit money were deflated to cause a long era of Nation-wide distress and to impoverish tens of millions of America's citizens.

Credit-money manipulations today are fully as confiscatory, fraudulent, illegal, unconstitutional as were the payable-in-gold money and bullion clauses that caused the Supreme Court to nullify the sanctity of contracts upon which our civilization is built. The Supreme Court decreed that "power to regulate the currency which we now hold to be superior to the obligation of the bonds." Contracts were thus overruled and nullified to get rid of a fraudulent gold-basis money system.

Greenbacks, our legal tender, honest, Congress-issued and controlled money, are the primary and governing force in our economic welfare. The functions of legal-tender greenback honest dollars cannot be superseded by any devices, checks, bills of exchange, credits, clearing houses. These expedients grow out of money and could not exist without it.

Interest-bearing United States bonds are a confiscatory substitute for legal-tender greenbacks, and twenty billions of these bonds give unconscionable doles to Wall Street's allied bankers, surreptitiously, to the extent of hundreds of millions of dollars annually. Insurance companies grab rake-offs on another four billions of bonds, and these bondage bonds are all floated through the privately owned Federal Reserve monopoly bankers.

Use of Government greenback fiat money is the one important advance our civilization has made over barter. Credit money was impossible under the barter system and is a corrupt use or exploitation of the money system.

The United States Monetary Commission, United States Senate Reports, 1876, stated:

> Credit depends upon whims and caprices, on abnormal mental conditions of the money-lender, a disease which must be treated psychologically * * *. Credit is the explosive element in business—

Collapsible, manipulated, inflated, and deflated by professional private money lenders who act upon their own initiative, will, and caprice to guide and control our economic welfare.

Honest, Congress-controlled regulation and expansion of the currency, as provided by the Constitution and proposed by the Frazier-Lemke plan and to a lesser degree by the land bank lending 2-percent plan for farmers, is refused to 130 million citizens.

The circulation of scores of billions of bank counterfeiters' collapsible debt and dishonest credit money is still allowed. Frazier-Lemke farm financing requires less than 3 billion honest dollars to expand the currency safely.

Banker tyrants and money dictators who are in private control of the constitutional power to coin money continue to juggle scores of billions of their private, monopoly-issued money to enrich themselves and impoverish the public. The influence of these money tyrants and banker slavemasters killed the Frazier-Lemke bill and was responsible for only 142 patriotic Congressmen voting for the issuance of only 3 billions for farmers. In opposition there were 235 Congressmen who voted in 1936 against the Frazier-Lemke bill. They voted in favor of the money changers and their private coin-money monopoly rackets.

Farm families were denied their rights to save their homes or redeem them from foreclosure.

The provision of a few billion dollars to safely and conservatively finance farm homes, and for other purposes, would be trifling amounts compared to 200 billions of crooked manipulations and inflations reported above. America's big money racketeers object to any honest, Congress-coined constitutional money because this honestly issued money would interfere with the corrupt interest-bearing bondage bond rackets of big bankers.

Fraudulent inflations, tens of billions of bankers' created, fake, collapsible, credit inflations are once more pyramided upon a thin layer of a few billions of honest greenback dollars. Congress permits only a few billion honest dollars to circulate, a wholly insufficient supply to check an increase in misery and destitution and deaths among too many of our economically dispossessed and disfranchised citizens.

The existing tens and tens of thousands of millions of fake credit inflations today, tolerated and promoted by Federal Reserve banking policies, are just as unconscionable and intolerable as were the fraudulent inflations under three Republican Presidents that resulted in the deflation crash of two hundred billions of values in recent years to cause our Nation-wide misery and economic hell.

Regarding the money changers' Government-promoted strangulation policies, and the victims of their frauds, Senator NYE, of North Dakota, and Representative DEWEY W. JOHNSON, of Minnesota, printed startling exposures in the Appendix of the CONGRESSIONAL RECORD, page 134, and the CONGRESSIONAL RECORD of January 26, 1937, page 457.

The words that Abe Lincoln used to accuse the slave masters of labor in Lincoln's time, we find Wall Street's economic slave masters of men today repeat: "You toil and work and earn bread and I'll eat it."

Among tenant farmers and sharecroppers today "one sees human animals, beasts of burden, male and female, distributed over the country, black and sunburned, bound to the

soil, in which they dig and toil with unconquerable stubbornness. If they straighten up they show human features and are people. At night they retire into their hovels where they live scantily. They save others the trouble of sowing, plowing, and harvesting, and hence they should not be in desperate want of the bread they earn.

Bankers' United States interest-bearing bondage bonds tighten our slavery chains. They create vast, dishonest wealth and untold poverty and unemployment.

Refusal to issue sufficient money is a crime. Refusal to permit farm owners, home owners, and all citizens to have the use of Congress coined and issued constitutional money is a double crime. Refusal to return to every farmer and every citizen the wealth he was robbed of during recent deflation periods is worse than a crime.

The big banker swindlers who have illegally used and robbed our citizens are our greatest criminals. They have confiscated most of our national wealth. Their greed has almost destroyed our democracy. Their intolerable money-racket monopolies must not continue.

Big banker money changers and their puppets lie about currency inflation and expansion. They operate a monopoly racket of inflating collapsible credits.

Wall Street's and bunco banker's fraudulent credit inflation, like that built up under Coolidge, Mellon, Hoover, has been rigged up in all financial channels again, I repeat.

Tens of billions of irredeemable fake values have been rigged into the gambling chips, markers, stocks, and bonds by Wall Street's racketeering money swindlers recently.

Du Pont stocks, Liberty League promoted stocks, United States Steel, Bethlehem, Chrysler, General Motors, other motors, Standard Oil, telephone, and other stocks have been pumped with fake inflations month after month.

Inflated deposits run over 27 billions in 5,300 national banks. An increase of 9 billions in 2 years. Ten thousand other banks claim another 24 billions in "deposits."

New York City banks (149) alone report deposits of over $17,000,000,000 (mostly fictitious bank inflation stage money) to help back up Wall Street's fraudulent inflations, December 31, 1936. Deposits of all banks in the Nation were $45,000,000,000.

Inflated—not redeemable in cash—assets of all banks increased from $51,301,908,000 on June 30, 1933, when there were 14,624 banks, to $67,439,746,000 on June 30, 1936, when there were 15,907 banks.

With scores of billions of fraudulent substitutes for money floating around through our banking system and all channels of trade, our farmers, labor organizations, 5,000,000 young people recently out of school, our white-collared workers and others must keep in mind that there are less than $7,000,000,000 dollars of honest Government money in circulation. On June 30, 1937, the amount was only $6,447,132,642. Honest, tax-redeemable dollars in circulation should be more than doubled.

With less than seven billions of real money in actual use, our 16,000 banks claim nearly $70,000,000,000 in assets, more than 10 times the actual money in circulation. Thus the bankers alone claim between sixty and seventy billion dollars of intangible cash-money tokens or speculative and corruptive credit-money values that are not valid for cash, nor redeemable in cash.

Tax-redeemable greenback dollars controlled by Congress are our only 100-percent truly honest dollars.

America's banking system has become an abnormal diseased gambling structure that manipulates and operates business on a basis of collapsible credit and destruction of the general welfare. This is in direct violation of the Constitution which directs Congress "to coin money, fix the value thereof." This power cannot legally be delegated or mandated to private coin-money jugglers and racketeers.

Congress should act now to remedy the situation and return to itself the power and control over our money system.

Tax Evasion

EXTENSION OF REMARKS

OF

HON. W. D. McFARLANE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. McFARLANE. Mr. Speaker, in supplementing my remarks (RECORD, p. 9050) on tax evasions, showing how the Treasury officials whitewashed the tax dodgers and let them escape tax, I briefly pointed out how difficult it is to learn anything concerning the operations of the different divisions of the Internal Revenue Bureau. From the number of comments which I have received upon those remarks, I find that there are many persons besides myself who would like to have more information on the secret way in which the Revenue Department hides its sins of omission and commission.

Annual reports are published by the Commissioner of Internal Revenue and by the Secretary of the Treasury. These reports are noted for the small amount of intelligent information which they contain. If these reports were intelligently prepared they could contain much information of value to the Members of this House and to the people of this country. As it is, when a Member of this House wants information he has to write the Treasury Department and the Department will not give any worth-while information to any Member of this House unless he is a member of the Ways and Means Committee. This refusal of the Treasury to reveal information needed by Members of this House, so that they may more competently enact revenue laws, was described to the Members of this House on June 8 of this year (RECORD, p. 5461):

> Mr. McFARLANE. You have said by your vote that you do not want to hold public hearings so that the public can know who the tax dodgers are and how much they are beating the Government in taxes. Are you willing to go further and say that you, as a Member of Congress, are going to tie your own hands so that you personally cannot have this information and that it will not be available to you? I know that they are going to say to you that this information is available to you if you go to the Committee on Ways and Means and tell them what you want, and if and when they get ready they will let you have it. I tried that, but I did not get the information.
>
> And I have tried the Treasury Department and they refuse Members of Congress information. You all know you have to go through the Ways and Means Committee to get any tax information. If you want any information from the Revenue Department, you must secure it through the Ways and Means Committee. When this committee brought in legislation requesting this power, I and others opposed it, but it was passed and now we see where all this secrecy and concentration of power has gotten us. The President has to turn on heat to close some of the main loopholes accumulating in our tax laws. You are just a Member of Congress, yes; but you are an office boy in many different ways, and if we sit here and continue to tie our hands, how are we going to find out who these tax dodgers are and how are we going to be able to vote intelligently on the question of stopping up the loopholes?

The lack of information in the annual reports of the Commissioner and the Secretary allows the Treasury officials to feed a lot of fake figures to Congress when a revenue bill is pending, all for the purpose of carrying out the purpose of the Treasury and defeating sound action by Congress. This is what occurred in connection with the new tax bill. During the investigation there were many statements that foreigners not living in this country but receiving income from the United States were escaping income tax.

This topic is a matter in which I am very much interested, for I believe that if the foreigners are allowed to draw off the income of this country into their own pockets they should pay for the privilege of sharing in the prosperity of this country. The foreigners who do this are not the poor people of the troubled foreign countries. They are the men

of wealth who are trying to ruin those countries just as the economic royalists have tried to ruin the United States.

In my attempt to learn more about this situation, it occurred to me that the annual reports of the Internal Revenue Bureau should contain information on the amount of taxes which these foreigners are paying to the United States. They have such information as to our own citizens, so why should they not have similar information as to the foreigners.

Then came the big surprise. The reports of our Treasury do not show how much is collected from the foreigners. That is a deep, dark secret. That is information kept within the Treasury. By keeping it a secret the Treasury officials were able to give some incomplete figures to the investigating committee.

In the hearings before the committee charged with investigating tax evasions the Treasury stated—hearings, page 323—that the collections from "all nonresident aliens and all foreign corporations" for the years 1933–35 were as follows:

1933	$5,218,125
1934	5,728,854
1935	5,753,244

The Treasury officials also testified that the collections from foreigners and foreign corporations for the year 1936 were approximately $15,000,000. I challenge the accuracy of these figures. My challenge is this: For the years 1933, 1934, and 1935 income taxes were collected under the Revenue Act of 1932 and the Revenue Act of 1934, while the taxes stated to have been paid for the year 1936 were collected under the Revenue Act of 1936.

In the Revenue Act of 1936 the over-all tax rate on incomes of foreigners was reduced and these foreigners were also given additional exemptions, primarily to permit them to play the New York stock market without paying any income tax on their profits of speculation. Personally, I do not see why anyone should be exempt from paying income tax on profits from stock-market speculations, but the foreigners are. Provisions were inserted in the Revenue Act of 1936 to give them this exemption. On top of this, as just stated, the over-all income-tax rate on foreigners was reduced in the 1936 tax bill. In spite of these reductions given to the foreigners, the Treasury officials appeared before the investigating committee and cited their figures, as shown above, as proof that the 1936 act increased the collections of tax from foreigners.

This is the first time in the history of the country that anyone, except the Mellon crowd, has claimed that additional exemptions and special dispensations from taxes increase the revenue.

And here is the point where the Treasury got themselves further mixed up. After trying to prove that the additional exemptions in the 1936 bill increased the revenues they asked Congress to remove part of the special tax dispensations to the foreigners in order to increase the revenues. So upon the advice of the Treasury Department at one session of Congress we give special tax dispensations to foreigners for the purpose of increasing revenues, and at another session, upon advice of the Treasury, we cut down the special dispensations for the purpose of increasing the revenue.

What is the answer to these mental acrobatics of the Treasury? It is this: No one outside the Treasury really knows how much tax was collected, or could have been collected, from the foreigners before the special tax dispensations were written into the 1936 bill. The annual reports of the Internal Revenue Bureau give no information. No one outside the Treasury knows how many returns were filed by foreigners on the income-tax forms 1040–B and 1040–C. No one outside the Treasury knows how much tax was collected on such returns. In the hearings before the investigating committee the Treasury officials said nothing about the tax which was paid or should have been paid on such returns.

In giving the amount of taxes collected from foreigners for the years 1933–35, the Treasury officials gave no figures to show what amounts, if any, were collected on Forms 1040–B and 1040–C. Why did they not? If they had done so, would the figures have shown the amount of special dispensations allowed foreigners in the 1936 bill? These are questions which I propose shall be answered by the Treasury. These are the questions which would be answered for the benefit of every one if the annual Internal Revenue Bureau reports were prepared for the purpose of revealing information necessary for the Members of this House, instead of playing a game of hide and seek with us and the people we represent.

Before leaving this subject of taxing the foreigners, I want it clearly understood that the exemptions written into the 1936 bill still stand to permit the citizens of other countries to play the New York stock market, without having to pay one red cent in income tax on the stock-market profits made by them. The new tax bill, which we have been considering, did not take away this special exemption. How much is the Government losing each year on account of this special privilege to foreigners playing the stock markets in this country? That is what I want to know. I think the people are entitled to know. I think the Treasury officials should let us in on the secret. I think they should let us know what, if anything, was wrong with the old law which was in effect before this special privilege was written into the laws in 1936. I think they should give us all the information necessary for us to find out how the old law was being administered.

Beginning with the regime of Andrew Mellon, the Treasury Department has been very secretive about refunds which it makes to the wealthy citizens of this country. If the Internal Revenue Bureau wanted the Members of Congress and the people they represent to have full information regarding the operations of that Bureau, the annual reports of that Bureau would contain the complete information on refunds, credits, and abatements of all taxes. Detail information on this subject is not included in such reports at the present time. The Treasury Department merely asks Congress for a blank check of so many millions for refunds and the Treasury makes the refunds without any complete accounting to Congress as to whom the money is paid.

The only report required is a meager one as to the refunds or credits in excess of $75,000. In 1928 Andy Mellon was forced to give information on such refunds or credits. The law passed at that time is still in effect in its unsatisfactory form. It provides:

> No refund or credit of any income, war-profits, excess-profits, estate, or gift tax in excess of $75,000 shall be made after May 29, 1928, until after the expiration of 30 days from the date upon which a report giving the name of the person to whom the refund or credit is to be made, the amount of such refund or credit, and a summary of the facts and the decision of the Commissioner of Internal Revenue is submitted to the Joint Committee on Internal Revenue Taxation. A report to Congress shall be made annually by such committee of such refunds and credits, including the names of all persons and corporations to whom amounts are credited or payments are made, together with the amounts credited or paid to each. (May 29, 1928, 8 a. m., ch. 852, sec. 710, 45 Stat. 882.)

The report required by this statute is slipped to Congress in a quiet way so that it will not attract any special attention. This report is not included in the annual reports published by the Internal Revenue Bureau. The reason for this seems to be that the public might learn what is being done.

Bear this in mind, report of refunds and credits covers only those in excess of $75,000. If a check of $70,000 is handed out, that is kept a secret.

There is nothing in the law requiring the Internal Revenue Bureau to keep a refund of less than $75,000 as a secret, but the Bureau does so. After all, we are only Congressmen elected by the people to make the laws. We are not supposed to know what goes on in the Treasury Department, so Andy Mellon thought, and he seems to have left the idea behind in the Treasury when he retired. A whole book could be written on the ideas which Andy left behind. There is no department in our Government, other than the

courts, which has as many ideas of our Republican predecessors as the Internal Revenue Bureau. It is well known that our Republican brethren pat the tax experts on the back and sing songs of praise for these so-called tax experts. Why? Because these experts were here in the days of Coolidge and Hoover. Our Republican brethren know them better than we do.

It would also be of much assistance to the Members of this House if the reports of the Internal Revenue Bureau contained more detail information regarding the abatements, credits, and reductions of tax liability made by the Bureau, which do not involve any repayment to the taxpayers. In my remarks of August 16 (CONGRESSIONAL RECORD, p. 9050), I showed the enormous amount of revenue which is lost each year due to abatements and reductions. In cases appealed to the Board of Tax Appeals, the reductions made are a matter of record. However, it requires a lot of time for a Member of this House to search the records of the Board of Tax Appeals and to find out why the reduction was made, the amount of the reduction, and the person entitled to the same. All of this information could be easily made available to the Members of this House, if the Internal Revenue Bureau wished us to have it. Many of the reductions in taxes are made within the Bureau, and no one outside that Bureau has any idea of the reasons for such reductions or the persons to whom they are allowed.

This is a pretty loose way of conducting the affairs of our Government. To think that the Internal Revenue Bureau is making reductions amounting to millions of dollars each year, without having to account to anybody for their actions, is appalling. It leads to bad government. It is bad government.

The only check-up on this is the little information we get in a haphazard way from different persons outside the Bureau. It is not uncommon to hear that one partner in a transaction secured a reduction in his tax on such transaction while the other partner did not. No one knows how many cases there are in which discriminations such as this are made. We will never know until the Internal Revenue Bureau is required to give a better accounting of its operations.

Discriminations will continue to be made by the Internal Revenue Bureau unless their actions are made a matter of public record. The President's desire to stop tax evasions will be sabotaged by the swivel-chair artists who first established themselves during the regime of Andy Mellon unless the light of publicity is turned on their operations. Remember this, gentlemen, it is the big boys who get the tax reductions and the refunds, and it is the little ones who pay. Who are these big boys? Why does not the Internal Revenue Bureau tell us? Why does the Bureau hand out such reductions?

Now we come to what I think is a very important point in this tax-evasion business. If a taxpayer gets by with his attempt to beat the tax collector, it is called tax avoidance. If the Internal Revenue Bureau accidentally comes out of its sleeping sickness for a little while and the taxpayer gets caught, it is called tax evasion. According to some of the tax lawyers who try to help taxpayers beat the tax laws, tax avoidance is legal, but tax evasion is illegal. The whole job of robbing the Treasury revolves around this fine distinction between tax avoidance and tax evasion. Actually there is no difference, except a smart lawyer.

Now let us see what the Treasury Department thinks of this subject. On August 9, 1937, Dr. Magill, Under Secretary of the Treasury, testified before the Ways and Means Committee as follows (p. 58):

Mr. MCCORMACK. The result of your investigation showed not so much tax evasion as tax avoidance, did it not?

Dr. MAGILL. There were some cases of evasion, too.

Mr. MCCORMACK. I mean in the main.

Dr. MAGILL. Under these particular topics here, the cases were generally of avoidance rather than of evasion.

Mr. MCCORMACK. The devices used for lowering taxes were mostly avoidance. There is a distinction there, because where evasion is used, it is a deliberate violation of the law.

Dr. MAGILL. That is true. In the matter of tax evasion, you are dealing with fraud.

Mr. MCCORMACK. Tax evasion and tax avoidance have two entirely different meanings.

Dr. MAGILL. Yes, sir; although they come together in the middle.

Mr. MCCORMACK. Evasion is a direct violation of the law, while avoidance is not.

Dr. MAGILL. Do you recall the case of the foreign insurance company that was mentioned before the joint committee? The taxpayers in that case have contended that it was not evasion, but simply avoidance, while the Treasury's point of view is that it is evasion and not avoidance. The taxpayer's proposition was that it disclosed no evidence of fraud, and that, consequently, it was an avoidance. The Treasury's contention is that the facts were not fully disclosed, but that some were held out. Consequently, it takes on a darker color. There are some cases where the law seems to permit an escape from a higher surtax, for example, and they may do legally what Congress did not contemplate should be done.

Mr. MCCORMACK. They contend that it is legal.

Dr. MAGILL. Yes, sir.

Mr. VINSON. My friend from New York [Mr. REED], in expressing his interest in community-property legislation, referred to the fact that the subject has been under consideration by the Ways and Means Committee back in 1933. As I recall it, the hearings to which the gentleman referred were hearings held before a subcommittee appointed for that purpose. If my memory serves me right, the subcommittee made no recommendation. They made no report of their findings. They held hearings for several days, or, perhaps, for weeks, but they made no recommendation to the full committee as to what action should be taken in respect to community property. Of course, I should have stated that that question is left with the joint committee for further consideration.

Dr. MAGILL. That is true. As you know, it is a very knotty one, legally.

After examining this statement, I think you will agree that Dr. Magill is certainly giving more aid and comfort to the tax dodgers than the President had in mind. The prattle of Dr. Magill, which I have quoted, is exactly the sort of thing I had in mind in making my remarks on August 16 (RECORD, p. 9050), when I said that the President's drive against the tax dodgers had been sold down the river by the Treasury Department itself. Such prattle has been coming out of the mouths of tax dodgers and their high-powered lawyers for more than 20 years. It is prattle such as this which flourished under the regime of Andrew Mellon and had the income-tax law hanging on the ropes when this administration came into office. If we are to stop the enormous amount of tax evasion, we must kick this sort of prattle out of the window. We must get back to the President's tax message. That is a remarkable message, gentlemen. The more you read it, the more you will recognize its greatness.

The President sees how flimsy the tricks of the tax dodgers are. I hope we will profit by his wisdom and also see how the Treasury aids and abets tax dodging.

Is Statesmanship a Lost Art?

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. OLIVER. Mr. Speaker and Members of the House, is statesmanship a lost art? If not, why do machines rust out in idleness and human beings suffer hunger and live in fear of poverty in the midst of untold natural resources and amongst the most highly developed technological engineers in the world?

This question deserves a legal answer at the hands of the Congress of the United States.

Instincts, traditions, customs, beliefs, and even superstitions are handed down from generation to generation and finally become an integral part of our mental and social

fiber, and are regarded as basic laws in our economic and social development.

"In the sweat of thy face shalt thou eat bread", says the writer of Genesis, and at a much later day the great Apostle Paul said, "If any would not work, neither should he eat." Such teachings have become so woven into our mental and social fabric that we almost instinctively assume that he who ceases to work ceases to have any rights or equities in the products of work. Yet we have not so completely obliterated our human sense of justice and social relationships as to say that he who is unemployed ceases to have a right to live. Even in the inhumanity of cold-blooded business, instinctively we feel we cannot allow people to starve just because they cannot find employment at a remunerative wage. This feeling, however, is entertained as a duty of charity devolving upon us, rather than an admission of any economic rights to an equity in the products of labor. Herein arises a conflict between duty and rights in the individual consciousness as related to social consciousness. When the individual considers his relationship to society he has two questions thrust upon him, viz, What is my duty? What are my rights? A man may have a granary full of food, and have a right to let his neighbor's children cry with hunger because they have no money to buy, but it certainly is not his duty to let them starve.

When these problems face us we are compelled to ask ourselves as to our rights to use the power machine to produce goods, and let our neighbor and his children starve because we have taken his job away from him with that same machine.

We are in an age when new forces are dispensing with human labor; an age when human labor, interest, dividends, bonuses, and profits produce less and less of the purchasing power of the people in proportion to the production of our farms, factories, mines, and so forth; an age when the equation between consumption and production is constantly widening and the balancing of governmental budgets correspondingly more difficult.

Money is the common denominator in the flow of products of wealth from the producer to the consumer. Money is a medium of exchange and nothing more. Money is either in motion or at rest. In motion it is dynamic. At rest it is static.

Money is either productive, destructive, or neutral. Static money is productive capital. It is fixed in farms, factories, mines, railroads, and so forth, and its use is to produce and transport goods. Dynamic money is money in motion, in circulation in the purchase of goods and services to be consumed, destroyed from day to day. A loaf of bread cannot be eaten but once. It is destroyed; the same with a ton of coal, a suit of clothes, a pair of shoes; these articles cannot be consumed but once. It takes more time in some cases than others. A pair of shoes is not consumed as quickly as a loaf of bread, but they both belong to consumption goods and it requires dynamic money to move them. Neutral money is money hoarded. Insofar as balancing the equation between production and consumption is concerned it is worth nothing to anyone.

We are just beginning to realize that the economics of power production differs widely from the economics of human energy in production. A new economic factor must enter into the solution of the problem or problems thrust upon us by the new economics of power production. This new factor must provide additional purchasing power for all the people and a means by which it can be distributed to all the people.

Just so long as the issuing of money and credit and the regulating the value thereof is in the hands of a private corporation, the end and aim of which is to operate for profit, there is no possible starting point to reach a balancing factor between production and consumption. Power production reverses the whole law of human energy in production of wealth. A single illustration is sufficient to show this change. A tool in the hands of a man greatly increases his efficiency because it greatly increases the energy he may apply in his work. A man's job is to drive piling into the ground to support a structure of some character. It requires a sledge hammer in his hands, without which he would accomplish little. On the other hand, that man exchanges his sledge hammer for a trip hammer operated by electric power and now he drives as much piling in the same length of time as a hundred men could drive with sledge hammers, and all the energy it requires is enough to push a button or throw a switch. The fact is, it is this power production that is making human labor superfluous in the productive world. No overflow into outside markets where labor is needed can put men to work as fast as power production puts them out; the result is a chronic problem of unemployment with which every civilized nation of the world is afflicted. How will this chronic disease of unemployment be cured? There is but one safe remedy; that is, use our potential production plant to capacity and provide for the distribution of the products to all the people.

We spent billions of dollars and sacrificed thousands of human lives to make the world safe for democracy, and now in time of peace we are spending equally as many billion dollars and are driving our Government into ochlocracy. The latter will be the dominating form of government in this Republic before many months unless Congress restores to the people the right to control their own money system and makes provision for the people to live on a level, at least, of health and decency.

Scraps of Steel

EXTENSION OF REMARKS
OF
HON. EDWARD H. REES
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. REES of Kansas. Mr. Speaker, under unanimous consent given me by the House to extend my remarks this afternoon, I want to express my regret that Congress is going to adjourn without giving consideration to the measures that are now pending before it, providing for the limiting of shipments of iron and steel scrap to foreign countries. We understand, of course, that it is not a violation of law to ship or transport munitions to foreign countries that are not at war, and, of course, it is not a violation of law to ship iron or steel scrap or materials which can be made into munitions or implements of war to nations where there are hostilities, or even where war has been declared. In other words, it is not a violation of law to ship scrap steel and iron any time, anywhere, from the United States.

The Neutrality Act that was passed by this Congress provides, among other things, that the President, by Executive order, can prevent the sale of munitions to belligerents who are actually at war; except, however, it does not prevent such nations from coming to the United States and buying such munitions and materials, provided they pay cash for them. But there is nothing in that measure that prohibits the sale or the shipment of steel and scrap iron to belligerent nations. I offered an amendment when this bill was being considered, which would provide that no materials of any kind could be sold and transported to belligerents in time of war. That amendment, however, was given practically no consideration.

I want to direct your particular attention today to a situation that has become not only serious but, in my opinion, is an alarming one. It is the shipment of scrap iron and steel that is being made from this country to foreign countries, and in particular to Japan. The United States has no interest in the war between Japan and China, or between other countries of Europe or Asia, so far as that

is concerned—but we do have a situation that I believe deserves the serious attention of American citizens, and particularly the serious attention of this Congress.

We are informed that during the month of May, this year, there was more scrap steel and iron exported from this country than during the average of the past 10 years. Most of the nations of Europe that are increasing their war munitions and supplies, are buying scrap steel and iron from the United States in unheard of amounts. I just do not believe people realize how much this country is being drained of its steel and iron, and how it is going to affect the supplies of these materials in the United States, within the very near future.

Let me call your attention to some comparative figures: In 1933 we exported 773,000 tons of scrap steel and iron. Japan bought 540,000 tons of that material.

During the first 4 months of this year Japan has bought 605,327 tons of iron and steel scrap. This is more than the entire world purchased 4 years ago.

Great Britain bought over 3,000 tons in January this year. In May she bought more than 30,000 tons of scrap steel.

Germany bought 1,700 tons of scrap steel in January this year. In April she bought almost 7,000 tons. In other words, five times as much scrap steel in April as she did in January.

Italy bought 9,000 tons in January of this year, and then in April, she bought 22,000 tons of iron and steel scrap.

Let me give you these figures in another way. This country exported during the first 6 months of this year a total of 1,295,921 tons of scrap steel and iron. You will observe that in the month of May, this year, we exported 630,671 tons of this material.

I have called your attention to the situation in Japan, and did that for two reasons—in the first place, the situation is extremely tense there at this time, and for the further reason that Japan has been buying most of our scrap steel. I say to you, as Members of Congress, that this is an alarming situation. If we have, or can provide, control over the exporting of scrap steel and scrap iron, we should do it immediately.

At this point I should like to call your attention to another matter which I think is worthy of our consideration. It is the amount of gold that the United States has purchased from Japan, ever since the 1st of March, this year. Do you know that from March 1 to August 1, this year, this country purchased $130,000,000 worth of gold from Japan and paid $35 an ounce for it? We did not pay Japan more for the gold than we would pay anyone else for it, but we did pay more than Japan could have received anywhere else for her gold.

In other words, while we were buying gold from Japan at a high price and at the expense of the Government of the United States, the Scrap Steel Associates of America and those affiliated with them were making millions of dollars in profits on material that is going into Japan to be processed into materials and munitions of war. In view of this situation, I am wondering how we can justify our position as being a leader among the nations of the world in the promotion of peace—when at the same time we are taking such an active part in helping to provide for the manufacture of materials that are to be made directly into implements of war.

I should call your attention to a matter which has previously been discussed by Congressman CRAWFORD, of Michigan, when he told you that the present export of iron and steel scrap to foreign countries does not help the American laborer. The melting of the steel scrap is done in the furnaces of foreign countries, so that the American laborer has nothing to do with the processing of this material.

Now, Mr. Speaker, let me call your attention again to the fact that we have before us a bill by Mr. CRAWFORD, of Michigan, which places the export of scrap steel under the control of the Secretary of Commerce, and the measure provides for a ban on the shipment of these materials to warring nations. I say to you that the most important thing we can do before this Congress adjourns is to give consideration to and pass such measures as will curb and regulate the shipment of iron and steel scrap to foreign countries. It is a disgrace to our country that we should drain our resources and at the same time indirectly assist these foreign nations in building up their armaments and implements of war.

Mr. Speaker, war clouds are hovering over Europe. They are dark, and hanging low in the Far East this afternoon. Let not the United States be guilty of furthering the cause of any of the parties engaged in the conflicts and quarrels across the seas.

What the Seventy-fifth Congress Has Failed to Accomplish and a Discussion of the Rules of the House

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. HILL of Washington. Mr. Speaker, the first session of the Seventy-fifth Congress is about to adjourn. I, for one, cannot share in the satisfaction expressed by some Members in things accomplished. It is true that appropriation and deficiency bills have been passed. But these are routine measures necessary to carry on the Government and carry on projects and plans already authorized by former Congresses. We have also passed the farm tenancy bill, the sugar bill, the housing bill, and other bills more or less essential in their nature.

But what fundamental legislation has been enacted? Has the great financial problem been solved or even approached? The great financiers are still in control of our money system. The Congress of the United States must reassume the function expressly provided in the Constitution, "to coin money and regulate the value thereof", and reassert its right to have complete charge of financial affairs in this country. Until this is done there will be continued chaos in the financial world with resulting depressions. It is the duty of Congress to bring permanent relief in this matter, thereby benefiting the people of the whole United States.

Has the farm problem been solved? It is argued that farm prices are higher than for many years past and, indeed, have reached peak level. But what has been done to permanently stabilize price levels? Absolutely nothing. A few bills by individual Members have been ignored by those in charge of farm legislation and are now languishing in committee because of want of signatures to petitions on the Speaker's desk. Let those who fail to take an interest in this vital question face the wrath of the embattled farmers when this temporary inflation of farm prices subsides. But far more important than the political fate of these Members is the fate of the United States itself, for unless and until the agricultural problem is solved fairly and permanently there can be no worth-while prosperity in this country. The purchasing power of this large and important group must be restored on a permanent basis so that the farmers may become home owners, not tenants, for home owners are the backbone of any government. Whether the cost of production or crop insurance or an ever-normal granary be the solution is immaterial. Let us study and discuss and act. Thus far we have only hesitated.

Has the labor problem been solved? Most of the laborers, like the farmers, are unorganized. Among the organized laborers there are two bitter factions. It is not necessary to enter into that controversy. But what has Congress done for the unorganized laborers—those who possibly most need aid? Absolutely nothing. It is true the Senate has

passed the Black-Connery bill. But where is it? In the Rules Committee, that sanctum sanctorum, where so many of the House measures sleep the last long sleep! And who compose this mighty Rules Committee? Fourteen members who autocratically rule the other 435 Members of this House. Yes, 14 is the number, but 8 constitute a majority.

So 8 rule the 14, and in the last analysis two on that committee can swing the majority for or against a measure. And here let me pay my respects to one member of that committee. For weeks in the early part of the session he was vociferous on the floor of this House, in the cloakroom, and on the radio in his denunciation of the New Deal and the President, especially during the early stages of the court reform controversy. He declared that the President desired—nay, conspired to be a dictator! All that the President actually was trying to do was what other Presidents before him had done and what the Constitution actually provides for. And the President was asking Congress to do this in a constitutional way so as to carry out the wishes of the people of the United States regarding the New Deal as expressed at the polls on November 3, 1936. That is not dictatorship—that is a democratic service in a democracy.

Since the temporary defeat of court reform this gentleman has not made any more pleas for the Constitution and the Government. He has been busy in the role of dictator himself. Listen to this: "Tremendous pressure is being applied to get the Black-Connery bill to the floor of the House. There is no punishment, pressure, or influence that can be brought to bear that will persuade this committee"—he should say, we two dictators—"to grant a rule for its debate." Paraphrasing Cassius, "In the names of all the gods at once, upon what meat doth this our modern Caesar feed, that he becomes so great?" This is ruthless and effective dictatorship! Whether we agree with the Black-Connery bill or not is not the question. The question is, Shall 1 man or 8 men or 14 men on the Rules Committee prevent consideration of a bill, stifle all debate on it, and deny the Members of this House the right to express their opinions and register their votes on this question. Until the labor problem is solved and solved rightly so as to restore the purchasing power of this great group of American citizens, we will continue to have strikes and sweatshops and child labor.

Has old-age security been taken care of in a just manner? I supported the social-security bill which is now the law because it was a step in the right direction. But how inadequate it is! I am impatient to take the next step and the next and the next until the heart of old age shall be permitted to throb not in fear and in dread of the future but in happiness and contentment down the pathway that leads to everlasting rest.

I have mentioned only a very few of necessary measures which would benefit large groups throughout our whole United States and thereby stabilize our prosperity and happiness. A full and free consideration of such measures is imperative on the floor of this House so we may discuss them openly and vote our convictions accordingly.

What are the obstacles to free discussion and vote on bills introduced in this body? Frankly the rules and practices of this House. I readily grant that without rules and regulations any legislative body would be a helpless mob. But when rules and practices bind us hand and foot as we are bound this very day it is a travesty on democracy. A common practice here is to refuse to consider bills introduced by Members unless the chairman permits it. With all deference to the chairmen of the many committees, I call this dictatorship. It is so easy to show favoritism or exercise one's own predilections. It is argued that all bills could not possibly be considered. Then why let them be introduced at all and the Government go to the expense of printing them? Oh, yes; you say that is the privilege of each Member. Is it not the right of every Member as a duly elected Representative of the people of his district to have their wishes and bills considered in the committee and House of which he is a Member?

Then there is the practice of chairmen of committees refusing to report bills out of committee. I was perturbed when the genial and lovable chairman of the Judiciary Committee a few weeks ago made the flat statement on the floor of this House—and was roundly applauded for it—that the bill to increase the membership of the Supreme Court would never be reported from his committee. As much as I highly regard and love this splendid gentleman from Texas, I did not applaud him for that sentiment because I regard it as a species of dictatorship out of place in a democracy. Another little Caesar, clothed in a genial, benevolent, and lovable garb.

Then we have the common practice of insistence by chairmen and leading members of a committee when a bill is brought to the floor of the House that there must be no amendments, there must be no dotting of an "i" or crossing of a "t", no legislation on the floor of the House. With all due respect to the many able chairmen and members of various committees, why this sanctity? Why read the bill at all? Again, when amendments are offered and teller votes demanded or a roll call is on, Members coming into the Chamber not having read the bill nor heard the amendments discussed are met at the door with the admonition "vote with the committee", regardless of the soundness of such a vote or the resulting effect of such a law.

Lastly, we have a rule that when a committee refuses to report a bill the only possible way to force it out of committee is by placing a petition on the Speaker's desk which must be signed by 218 Members while the House is in session. I have always opposed this rule, especially the large number necessary. At the beginning of every session this rule has been adopted. New Members, little understanding the effect of it on bills to be introduced by them or in which they are interested, are cajoled by promises or driven by threats to vote for this rule. Possibly because of my Scandinavian ancestry I have been obstinate in this matter. The people of Norway believe in real democracy.

But in the House of Representatives rules and regulations are adopted at the beginning of a Congress which are undemocratic in their nature and un-American in their results on legislation. They receive support from new Members either because of lack of realization or because of patronage. I fear patronage is the modern golden calf that some Congressmen fall down before and worship.

There are Members who argue that this method of carrying on the business of the House has always been and therefore always must be. My only reply is that I believe in progress and not in the policy of laissez faire. They say that the opposition party did things the same way. My reply is that the voters of the United States sent us down here to change things and we should thank God for that opportunity. One of my best personal friends in the House said to me Monday, "I don't believe in a gag rule—except for myself and my bills." My reply to him is the famous saying of Voltaire:

I do not agree with a word that you say, but I will defend to the death your right to say it.

It is contended that the Congress has not the time to consider all proposed legislation. My reply is that we have frittered away 7 months in doing practically nothing.

There is no valid support for the argument that the House has no time for discussion of proposed legislation. At every session that I have attended there has been ample time for debate and action on a majority of bills introduced. Brief daily sessions and week-end adjournments, of course, make it possible to advance the lame excuse that necessary time is lacking. The real reason is that those in authority—too many chairmen of committees and the Rules Committee—are not in sympathy with much of the legislation proposed. It is a matter of prejudice and not of justice and fairness. This is not democracy. It is dictatorship by a select few. Democracy is where a majority rule. In the House a majority, once having tied its hands, is helpless to function.

Time and again it has been charged, especially in the cloakrooms, by those who themselves used the New Deal as their sole issue in the 1936 campaign, that the administration Court reform bill and its "must bills" prevent consideration of other legislation. What childish arguments. In the first place the President has at all times expressed himself

as heartily in favor of democratic procedure and government. Listen to what he said at Roanoke Island Wednesday:

I seek no change in the form of the American Government. Majority rule must be preserved as the safeguard of both liberty and civilization.

Democracy is just as essential in the House procedure as elsewhere. Secondly, we are our own masters in the House and responsible to no one but ourselves as far as rules, practices, and procedure are concerned. What we need to do is to clean our own house and make it possible for majority rule at all times, not merely at the beginning of the session.

It is with the most friendly feeling, Mr. Speaker, that I have thus addressed the Members of the House. My sole purpose is to urge upon them the actual spirit as well as the letter of democracy. This immediate impotence to legislate in which we find ourselves today—even the leaders acknowledge their inability to force the Black-Connery bill from the Rules Committee—is merely an aggravated form of the common impotence of the House to function in a democratic manner. I am, possibly, still a novice in the field of legislation. But I have certain convictions and shall continue to express them frankly and fearlessly when permitted. Simple and effective laws enacted under simple and effective rules and regulations secure the most beneficial results. To this cause I dedicate my political services of the future as in the past.

Tie-up Between Communistic Party and C. I. O.

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

LETTER FROM THE WORKERS ALLIANCE OF AMERICA

Mr. COX. Mr. Speaker, for the purpose of further evidencing a tie-up between the Communist Party and the C. I. O., I submit a photostatic copy of a "secret" letter from Russell Watson of Philadelphia, addressed to Sam Wiseman of New York.

Russell Watson is secretary of the League for Struggle for Negro Rights, and is a Pennsylvania Communist.

Sam Wiseman was a Communist Party candidate for the New York Assembly in 1936. He is vice president of the Workers Alliance of America, which is a communistic organization. He is also on the national unemployment committee of Browder and Ford, Presidential and Vice Presidential candidates for the Communist Party in 1936.

From this letter it will be seen that the Government, through certain P. W. A. workers are, in part, financing the Communist Party.

WORKERS ALLIANCE OF AMERICA,
1109 Walnut Street, Philadelphia, August 9, 1937.

Mr. SAM WISEMAN,
Workers Alliance of New York,
101 West Twenty-eighth Street, New York, N. Y.

SECRET

DEAR SAM: The preparations for the march are well under way. In addition to the organizations affiliated to the joint committee, we have mobilized the I. W. O., we have circularized the trade unions in the city, and we are visiting the trade unions for contributions and for endorsement of the resolution.

We are mobilizing the party to the extent possible. A party steering committee of five has been set up and meets daily, and we're discussing the progress of the work every day with the office committee of the bureau. The district, however, is in a serious crisis because of the shortage of forces. Practically all of the leading comrades are on vacations or in C. I. O. work, etc.

In addition to that, because of the new election law in Pennsylvania requiring all minority parties to file signatures 30 days before the primary in September, the party has it as its main concentration for the next 2 weeks. The march is therefore receiving secondary consideration. This does not mean, of course, that the party is not mobilizing and will collect quite a bit of money. We have a special decision of the bureau that every party member on W. P. A. should give the day's pay.

Every local on the joint committee has agreed to convince their members to pay the assessment. Reports coming into the office are that everything is moving in all locals. However, only a small sum has come in as yet and this we have used for supplies from the national office and routine expenses. The reason why I asked Max to arrange the $50 loan for a few days from New York was because we must take the last shipment of supplies from Washington sent c. o. d. out of the express office and take care of many essential routine expenses.

About the use of supplies—we have already distributed 30,000 calls. This is above the quota which I set at the conference at New York. In addition to this, we are printing 25,000 leaflets (now in the printers) advertising the march and a mass demonstration for the evening of the 21st at Reyburn Plaza (Philadelphia's Union Square). It is important that the march reach Philadelphia from New York at about 5 p. m. in the afternoon of the 21st. We plan a torch-light demonstration on the plaza and we're getting a permit for the use of same from 6 p. m. till 11 p. m., thereby giving ourselves leeway for the meeting at whatever time we decide. Inform me as to what route the march will arrive in Philadelphia on. We're also pushing out the last 4,500 telegram blanks. We're sending out today, 1,000 registration blanks to the locals, 200 books of certificates for the day's pay.

We have a tag day for next Saturday and Sunday for all unemployed locals. Every local is instructed to set up a stand in some public place, in front of local headquarters, sympathetic shops, houses, etc. At these stands we will register laid-off W. P. A. workers for the march, solicit funds, and distribute calls and leaflets.

I've been in touch with the mayor's office several times today, but to date have not seen "Hiss Sonor." We will have a committee to see the mayor's secretary today, whether he likes it or not, in regards to endorsing resolution and in feeding delegates and supplying means of transportation. We are, however, not depending upon that gentleman, but have committees collecting donations for food and are contacting hotel grocery houses for same.

In regards to housing: We contacted the State office several times, asking them to contact Philips, head of State Federation of Labor, to arrange with Kennedy for use of armories for quarters. Wire from Spencer instructs me to proceed on basis that we will get them. I will appreciate suggestions, criticism, comments, etc., on the steps we are taking.

Comradely yours,

(Sgd.) RUSSELL WATSON.
(Typed) RUSSELL WATSON.

P. S.—Regional council of C. I. O. has endorsed the resolution and sent out letters to their locals urging them to do likewise.

(Note in handwriting.)—Just contacted director C. I. O. He agreed to see the mayor today.

(Initials) R. W.

Envelope containing above had following on face of it: Workers' Alliance, 1109 Walnut Street, Philadelphia. Post-office stamp: Philadelphia, Pa., Aug. 9, 10 p. m., 1937; canceled 3-cent stamp.

Address: Mr. Sam Wiseman, Workers' Alliance of New York, 101 West Twenty-eighth Street, New York, N. Y.

Court Reform

EXTENSION OF REMARKS

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. KELLER. Mr. Speaker, for some time, under a rule of the House, Members have not had an opportunity to address this House except after the business of the day has been completed and when nearly everybody had gone home.

I have not been willing to enter into this competition to address empty benches.

During this period my good friend from Texas, chairman of the Judiciary Committee, delivered an address on the court-reform bill before this body, when everybody was here.

I felt then and have felt ever since that day that that speech should be answered, and unless some other

Member shall anticipate me in that service I shall at the first opportunity at the next session, when as full a membership as heard my friend shall be present answer the contentions of my friend. In doing this I expect to use the same freedom my friend used in his speech. I shall comment not only on the words of that speech, but the implications and acts, or the failure of acts, before as well as after that speech.

Our Permanent Interests

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SHANLEY. Mr. Speaker and my colleagues, I suppose that the grandest struggle in the political annals of mankind was our own agonistic fight for independence. We can, therefore, understand the struggle throughout the ages that has characterized the fight of the people of Israel for a home.

The birth of any nation, especially one that fights through oppressive forces and seeks the sunlight of self-expression, is an epochal event. Most nations have won their battles while resident within the boundaries of their cherished soil, but a nascent empire is now on the way in which the overwhelming majority of its future citizens may well have never seen its shores, let alone tramped its soil. It is a staggering, bewildering challenge to the imagination that the people of Israel, scattered to the four winds, are at last to find their Pole Star right where they left it in Palestine 2,000 years ago, their Eretz Israel.

Today, Mr. Speaker and my colleagues, I am purposing to tell you of my thoughts on the contemplation of the possibility of this devout hope of the ages. Today, also, I hope to point out the purposes and prospects so that in the vacation that is to come we may revert to the problem and feel that our thoughtful efforts may baptize it properly.

It has always seemed a great and merited tribute to the people of Israel that the names of their four greatest heroes should become synonymous of the attributes themselves. When we say Moses, we think of meekness; Solomon connotes wisdom; David brings up valor; and Job patience. Our whole daily philosophy is filled with the lore and outpourings of the Hebraic patriarchs and writers.

Their songs rocked us to sleep and their heroic struggle against the elements and against cruel mankind, enriched our waking hours and stirred our emotions. Their book with Shakespeare's volumes often completed the library of the earliest settlers in America, and in New England especially, this book became the volume of volumes. We all have listened to the tales in Genesis that posited the earliest home of these people in Ur of the Chaldees. We have followed their primitive steps in the rich alluvial plain between the lower Tigris and the lower Euphrates and have sympathized with their ambition to leave the land of Hammurabi and move toward Haran in what is now Mesopotamia only to terminate their trek in Canaan. Then, too, we have suffered in common over the tragic enslavement in Egypt, and the Exodus—have been awed with two decalogues—but always we have understood the ever responsive pulsating hope for a home. At that time, a nation meant a settled, comfortable habitation with springs and wells, vineyards, and gardens—the simple open sesame of a people in whom is deeply entrenched the emphasis on home and family life. I could go on, my colleagues, throughout that rich and inspiring history right down to the Diaspora when the people of Israel were seemingly scattered to the four winds, but that parade of events chronicles deep in pathos, courage, hope, and suffering is your heritage and the heritage of the ages.

But through it all, the unquenchable aspiration for its ancestral home was kept alive by Jewish training, Talmudic lore, and family life. Their literature, their religion, their highest hopes never surrendered the unquestioned birthright of a people—a home. Latterly, it involves the emergence of Zionism, the immensely practical movement back to Palestine.

Their sublime faith, no parallel for which is or has been existent since the Crusades, puzzles the man of the world, proves an enigma to the materialist, and a stumbling block to the politician.

There is an outstanding epochal greatness in their whole movement of Zionism that quickens the emotions and presents a little-understood side of Jewish nature. These giants of Zionism, whose history you, my colleagues, know too well, for they were no "light half-believers of a casual creed." This movement has the paramountcy of principles over interest, idealism beyond realism, the most laudable determination of all contemporary history; for these people were still seeking to go home to the cradles of their fathers, the sacred sands touched by the even more sacred feet of patriarchs—the most hallowed, awe-inspiring spectacle of the ages—so incomprehensible in its transcendental scope that it would take the intellects of Caesar and Napoleon with the lifetime of Methuselah to fathom and unfold for the minds of today.

We who reverence and pay our respect to liberalism—progressive thought—may well pause and ask ourselves the lesson of biblical Israel. Their government, if I may paraphrase a great authority, was a federation held together by no political authority but by unity of faith and race. It was bulwarked and founded not on physical force but by a voluntary covenant. Self-government was the practical idea not only in each tribe but the rule and fair accomplishment in every group of 120 families. They had neither privilege of rank nor inequality before the law.

The spirit of their community detested monarchy so much that it was resisted by Samuel—

> in that momentous protestation and warning which all the kingdoms of Asia and many of the kingdoms of Europe have unceasingly confirmed. Their throne was erected on a compact; and the king was deprived of the right of legislation among a people who recognized no lawgiver but God, whose highest aim in politics was to restore the original purity of the constitution and to make its government conform to the ideal type that was hallowed by the sanctions of heaven.
>
> The inspired men who rose in unfailing succession to prophesy against the usuper and the tyrant constantly proclaimed that the laws which were divine were paramount over sinful rulers, and appealed from the established authorities, from the king, the priests, and the princes of the people to the healing forces that slept in the uncontaminated consciences of the masses. Thus the example of the Hebrew doctrine of national tradition and the doctrine of the higher law; that principle that a constitution grows from a root by process of development and not of essential change.

Let us examine the Bible itself and discover just how hated monarchy was by the Jewish people and leaders in the Book of Samuel 8: 4 we find:

> And then all the elders of Israel gathered themselves together, and came to Samuel unto Ramah.
>
> And said unto him, Behold, thou art old, and thy sons walk not in thy ways: now make us a king to judge us like all the nations.
>
> But this displeased Samuel when they said, Give us a king to judge us, and Samuel prayed to the Lord.

That, briefly, is the debt of the world of liberalism to Israel, let alone the refined and accumulated wisdom of the book that John Adams called the Volume of Inspiration in one of his state papers.

These people of Zionism are the descendants of those Elders of Israel who authored "the book of books", the simple daily annals of common people in their unvarnished joys and sorrow, hopes and ambitions, long buried in oblivion.

No more living exposition of the hope of Israel has ever been given than by the Herculean efforts of Dr. Theodore Herzl, of Vienna, to form, energize, and maintain this same

Zionism—a plan which sought the mobilization of Jewish capital throughout the world for the purchase of the barren territory of Palestine from the Turkish Government.

His trials and tribulations, his far-sighted patience, and enthusiasm form a picture of faith and hope welded together by a practicality that has rarely been equalled—his Zionist Congresses from 1897 to his death, his interviews with the foremost men of power in the world, the inculcation of his spirit into others, and the sublime rejection of alluring alternates place him high in the estimation of world Jewry in all pre-war efforts.

Then came the war and, with it, unthought-of possibilities for small nations, for oppressed peoples, for all the lamp of liberalism had not reached. From it came the Balfour declaration.

Dated November 2, 1917, this famous document is as follows:

His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

This declaration, the most salient and paramount milestone in modern Zionism's progress, became hallowed by the approval of America, accepted by the Allied and associated powers, posited in the treaty with Turkey, incorporated in the British mandate, and solemnly accepted by the high contracting treaty plenipotentiaries of Britain and America by pact on December 3, 1924. American Jewry has been wholeheartedly behind the placement of the mandate in England's hands.

We in America rejoice at the prospect of world Jewry's hopes for a home. Nationalistic aspirations sit close to our thoughts. Hence millions of Americans know how interested the largest Jewish population in the world, which is here in America, are in Palestine by reasons of racial devotion, and tremendous investments, spiritual and financial, in that ideal. The largest Jewish population in the world is in the United States. They are tremendously interested in Zionism by reasons of racial devotion, and tremendous investments, both spiritual and financial. So strong has been the hope of American Jewry in Zionism that during the World War the flower of American manhood of Jewish extraction organized itself, 4,000 strong, to make up the Jewish legion.

President Wilson was strong in his approbation of the declaration of England in the matter of Palestinian aspirations, and even Emir Feisal extended the friendly hand of cooperation as a member of the peace conference.

America has insisted upon the right to be part and parcel of any group that sought to dispose of former Turkish territory, for we were a participant in the war and a contributor to its outcome. Secretary of State Bainbridge Colby uttered to the British Secretary of State in 1920 a sentiment that has been repeatedly adopted by our State Department since then. Not only did the League of Nations recognize our interest but we actually assisted in the mandate itself. Right down to the present administration there has been watchful interest. President Franklin Delano Roosevelt has said:

Jewish achievement in Palestine since the Balfour declaration vindicates the high hope which lay behind the sponsorship of the homeland. The Jewish development in Palestine since the Balfour declaration is not only a tribute to the creative powers of the Jewish people but, by bringing great advancement into the sacred land, has promoted the well-being of all the inhabitants thereof.

I shall personally watch with deep sympathy the progress of Palestine. I extend to your organization my sincerest wishes for continued success and achievement (October 1932).

The interest which I have had and have frequently manifested in the rebuilding of the ancient Jewish homeland is, I am persuaded, an interest which is shared by all who recognize that every people has the inalienable right to life, liberty, and the pursuit of happiness. It is a source of renewed hope and courage, that by international accord and by the moral support of the peoples of the world, men and women of Jewish faith have a right to resettle the land where their faith was born and from which much of our modern civilization has emanated (July 1936).

The American pact is in treaty series no. 728 entitled "Convention between the United States and Great Britain" proclaimed December 5, 1925. Its outstanding provisions follow:

Whereas by the treaty of peace concluded with the allied powers, Turkey renounces all her rights and titles over Palestine. * * *

Whereas the principal allied powers have agreed to entrust the mandate for Palestine to His Britannic Majesty. * * *

Whereas the principal allied powers have also agreed that the mandatory should be responsible for putting into effect the declaration originally made on the 2d of November 1917 by the Government of His Britannic Majesty, and adopted by the said powers, in favor of the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing should be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country; and

Whereas recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in this country. * * *

ARTICLE 2

The mandatory shall be responsible for placing the country under such political, administrative, and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

ARTICLE 3

The mandatory shall, so far as circumstances permit, encourage local autonomy * * *.

ARTICLE 6

The administration of Palestine, while ensuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions and shall encourage, in cooperation with the Jewish agency referred to in article 4, close settlement by Jews on the land, including State lands and waste lands not required for public purposes.

Whereas the United States of America, by participating in the war against Germany, contributed to her defeat and the defeat of her allies, and to the renunciation of the rights and titles of her allies in the territory transferred by them but has not ratified the covenant of the League of Nations embodied in the Treaty of Versailles * * *.

THE FAILURE OF THE ENGLISH MANDATE

Primarily the English in their administratiion of the mandate were face to face with two hostile national communities living side by side with inimical philosophies. Close to a million Arabs with a definite majority over the almost half million Jews found that the tried efforts of restriction of Jewish immigrants and strong-arm methods against Arab outbreaks would not work. Irrespective of the justice of these generalities everyone knows that the two peoples were not progressing in peaceful occupation of their lands. Since the end of the World War five fierce and emphatic outbreaks between these two peoples have occurred. In 1920 there were the Easter riots. In 1924 at Jaffa and in the coastal plain the second series broke out. Similar epidemics of violence were widespread in 1929 with another disturbance in Jaffa in 1933, and the last serious riots on April 19, 1936.

Without going into the various reasons, it is sufficient to say that Jews lost confidence in the sincerity of the British officials. The Arabs viewed each succeeding English investigating commission as a joke. It should be realized that the British employed close to 30,000 troops in Palestine in the last uprisals which started as we said above on April 19, 1936, and continued to October 12. Eight hundred Arabs met their fate. Over 300 Jews were killed.

The British Royal Commissions which have been investigating and investigating ad infinitum and ad nauseum, have not been very enlightening in their methods and results. Their tendency to deal in half shades has obscured the entire issue and brought on the distrust of Arab and Jew alike. As before, the Jews attack the recent Royal Commission's report with the protest that the wishy-washy yielding policy of the English has been nothing but an inducement to the Arab leaders. On the other hand the Arabs view with alarm and anger the increasing population of the Jews and their economical conquest of the land.

As everyone knows, but for the purposes of the RECORD, the Royal Commission's conclusions were:

First. That the existing mandate should be terminated.

Second. That in substitution therefor there should be treaties with independent sovereign Arab and Jewish States, covering roughly two-thirds and one-third, respectively, of Palestine.

Third. The issue of a new permanent mandate to Great Britain for the government of Jerusalem, Bethlehem, and Nazareth, with a corridor from Jerusalem to the sea.

Fourth. Temporary continuation of British administration in Haifa, Acre, and Tiberias.

Fifth. The policy of the Balfour declaration would not apply to this mandated area in fourth.

The recommendations of the Royal Commission have been termed a repudiation of the solemn covenant and all its hallowed implications by David Lloyd George, who calls the report a national home mutilated by the absence of Zion, Bethlehem, or Judea, the holy cities, the temple of their fathers, and the land in which their immortal poets and prophets dwelt and got their inspiration. He stresses the fact that the Jews took the country in a squalid almost loathesome desolation. It was a far cry from the former fertile valleys and plains housing and supporting millions. It had been allowed to deteriorate into poisonous bogs and parched deserts reeking with fever and malaria. The Jews poured out $385,000,000 to perform their magic in the honest productive development of Palestine. The marsh wilderness was drained, reclaimed, and planted. Houses were built—industries set humming, electricity developed, a police system established—all these part of the accomplishment which in his estimation has evoked jealously and hatred on the part of the Arabs.

It must be remembered that prior to the World War there was not a single free Arab nation. Each was being crushed under a foreign master. Today there are four—Iraq, Syria, Egypt, and Arabia are independent and self governing. Had the Allies met defeat these nations would not be in existence. The people of Iraq, Palestine, and Syria fought in the armies of their oppressors, and even the Arabs, who rebelled against Turkey, were but a few thousand horsemen. Arab freedom was won by the help of the British Empire with 450,000 men under General Allenby, occasioning casualties of 146,000, and a billion dollars of cost. The Arabs profited most.

CHANGES IN POPULATION

While there has been no great recent changes in the population of 200,000 Jews in Austria, 900,000 in Rumania, 4,000,000 in the United States, 3,000,000 in Soviet Republic, 3,000,000 in Poland, 500,000 in Germany, 300,000 in England, 400,000 in Hungary, 300,000 in France, and 50,000 in Italy, there has been a remarkable increase in Belgium, Holland, Czechoslovakia, Latvia, Estonia, Lithuania, Bulgaria, Greece, and Palestine.

In Palestine, Jewish numbers have increased from 84,000 to 400,000, while the total number of all races jumped from 757,000 to 1,315,000. The 7-to-1 ratio of Arabs to Jews in 1922 has dropped to 2-to-1 today. Lord Melchett believes that the presence of 3,000,000 Jews in Palestine and the Trans-Jordan would remove forever the possibility of a successful armed rising to destroy the effects of the mandatory policy. Of course, the able English lord wants an eventual formal adherence by Palestine to the constitution of the British Empire. In his belief, immigration must rise by leaps and bounds to obtain the numbers necessary. He believes that success will be on the side of the larger battalions. He would do this by the gradual evacuation of German Jewry over a period of 10 years, and the material diminution of the overcrowded Jewries of eastern Europe with a yearly immigration of 100,000, rising in 15 years to 200,000. Does world Jewry approve of this method? More pertinently, does American Jewry believe in this scheme? Lord Melchett is deeply encouraged by the tremendous improvements made in Jaffa and Tel Aviv, and he believes that Jewish energy and enthusiasm as well as its adaptability can take care of the hundreds of thousands that must be taken in to give an overpowering majority in Palestine and the Trans-Jordan.

Is this the answer or is the one suggested by another Jewish thinker who believes that despite the intensity and fierceness of the struggle between Arabs and Jews, the solution is by means of free and open negotiated agreements, reminiscent of President Wilson's "open covenants openly arrived at." He admits that the present situation is unwholesome as first one side then the other is punished in a see-saw fashion. In his belief there has never been a sincere effort to negotiate in slow, earnest, day by day, methods. Certainly he asserts this has never been the real policy of the English officials whose policy shifted from individuality to individuality, and he even infers that many of them avoided any steps toward real rapprochement between Arabs and Jews because they believed in division and rule. He contends that both Jew and Arab are in Palestine by right and not by sufferance and the mandate's highest purpose is to effect by the grand old principles of accommodation and conciliation, peace and good will.

With Jewish help Arab lands might rise to importance from an economic, political, and cultural point of view, and correlatively Jews might settle hundreds of thousands of persecuted Jews in various Arabian lands. In this give and take, he challenges, is a test of the real heritage of the Jews and which he solemnly believes contains the ultimate solution.

The acceptance of the recommendations of the Royal Commission is another attempted solution. Its head and members were:

Rt. Hon. Earl Peel, G. C. S. I., G. B. E., chairman; Rt. Hon. Sir Horace Rumbold, Bart., G. C. B., G. C. M. G., M. V. O., vice chairman; Sir Laurie Hammond, K. C. S. I., C. B. E.; Sir Morris Carter, C. B. E.; Sir Harold Morris, M. B. E., K. C.; and Prof. Reginald Coupland, C. I. E. Mr. J. M. Martin was secretary.

The purposes and the ambit of that commission's authority, in August 1936, is expressed in these words:

> To ascertain the underlying causes of the disturbances which broke out in Palestine in the middle of April; to inquire into the manner in which the mandate for Palestine is being implemented in relation to the obligations of the mandatory toward the Arabs and the Jews respectively; and to ascertain whether, upon a proper construction of the terms of the mandate, either the Arabs or the Jews have any legitimate grievances on account of the way in which the mandate has been or is being implemented; and, if the commission is satisfied that any such grievances are well founded, to make recommendations for their removal and for the prevention of their recurrence.

The Royal Commission says this decisively that "We believe that not in Palestine only but in all the Middle East the Arabs might profit from the capital and enterprise which the Jews are ready enough to provide." In all fairness it also says that the establishment of the national home has been against the will of the Arabs themselves, but it is necessary to remember that the British felt that enough had been done for the Arabs and that they should make some sacrifices so that the Balfour declaration might be kept along with the other promises.

There is no question that the enterprise and investments of world Jewry in Palestine have caused its Aladdinlike metamorphosis. Duplications of similar magnitude are only possible in the illusions of movie-picture transformations. Western-world progress and ideals dominate the work of the Jews in the Near East on a scale so stupendous and so colossal as to be thaumaturgic and breath-taking. Take the city of Tel Aviv. In 1922 it had a meager 15,000 souls. Living conditions were intolerable and insanitary. Today it is a modern city with a population of 150,000. It has given the lie to the historic charge that the Jews were one-sided because they were not "hewers of wood and drawers of waters." In that city Jews act as policemen, laborers, judges, in short, fill every conceivable occupation. They have become wedded to the philosophy that work upon the soil is a real inspiring connection between man and the earth from which there can be garnered invaluable gains. They

have added this necessary facet to a many-sided genius and thus they cherish the chance to stand upon their own soil as men and women of ordinary flesh and blood.

Tel Aviv, with a splendid beach and surf, center of fairs, mecca of athletic competitions, is modern in every sense, where women may appear on the streets at night without molestation, with modern schools, theaters, culture, movies—yes, even with our western city growth, without plan or reason, yet struggling, vital, wholesome, and forward looking. In addition this new deal for the Near East has proven a stimulus for the lethargic races in the neighborhood. It cannot help but be a vast improvement to the world to have the Near East alert and progressive with increased purchasing power and commercial as well as cultural possibilities.

We should remember that when Europe was thrown back many centuries into a condition scarcely more advanced than that from which the institutions of Solon and Pericles had rescued Athens and her barbaric rulers, who could not write their own names, the faculty of exact analysis and careful observation became dormant for over 5 years, and, as one student says, "the sciences most needful to society—medicine and geometry—fell into decay, until the teachers of the west went to school at the feet of Arabian masters." This may be the resurgence of ancient Arabic culture also. We have seen more startling changes in the transilient reversal of the rough, wild, merciless corsairs of Normandy, the transformed Scandinavians who settled in northern Gaul and followed the wild life of sea rovers and pirates into the polished, most cultured, and chivalrous people in Europe, eager for pilgrimages and crusades. The gains are not all on one side.

THE LOCUS IN QUO

Naturally everyone is interested in the land itself. What of Bethlehem, of Nazareth, the Sea of Galilee, Beersheba, the Trans-Jordan, Gaza, Haifa, Tel Aviv, the Valley of Esdraelon? Who will get the holy places?

Briefly the physical facts of the territory are these:

The Trans-Jordan consists of 16,000 square miles, and Palestine has 10,000 square miles.

Palestine has a rough borderland close to the sea, with over 10 percent cultivation extending north and south for 50 miles, virtually 500 square miles of cultivation. It may be conservatively said to possess 1,000 square miles of such valuable territory if all were pieced together.

As everyone knows, the Royal Commission has proposed that the new Jewish state get but 2,500 square miles to include the greater part of the coastal plain, the Valley of Esdraelon, Galilee, and the upper waters of the Jordan. The mandate will cover 500 square miles around Jerusalem. In the coastal area, to be sure, there is much of the more fertile area, and in the upper reaches of the Jordan around Lake Huleh north of Tiberias there is a reclamation project to recapture needed land, while south of Lake Tiberias the river in its fall of 130 feet gives the chance for the Palestine Electric Corporation with its 18,000 horsepower.

The Palestinian hinterland would go to the Arabs, which would make the Arabian kingdom an area of 23,000 square miles.

The new suggested mandate would include Jerusalem and Bethlehem with a corridor to the sea near Jaffa, and the administration of the seaport of Haifa and other centers of Arab population within the Jewish area for an indefinite period.

The commission has urged that best protection for the minority populations within majority areas of either race should be transference to their own majority community. It is easy to see that the transference of the few Jews, which do not number much over a thousand, would present no obstacle, but the 200,000 or more Arabs to be changed would present a problem to England, who would have the expense and the administration. Then again the 125,000 Jews and 85,000 Arabs in Jerusalem and Haifa under British control might add to the problems of the British.

PALESTINE'S POTENTIALITIES

Palestine, with Syria in the northeast and the Trans-Jordan on the east and Saudi Arabia on the southwest, still has Egypt on the south, with potentialities that have been passed over by the hasty student of foreign affairs. Its future importance is linked with the struggle for air domination and trade supremacy by way of that glamorous means of transportation. The Far East will seem an encroachment on the Near East, so closely connected will be these great undeveloped areas. Palestine will be at the crossroads—Palestine, the outlet of the all-important oil pipe line from Mosul; the beautiful harbor of Haifa can shelter a squadron of cruisers; the necessary stopping place from the Cape to Cairo, leading up to Petrograd or the unopened spaces beyond; the water route from Liverpool to Bombay and all that it means in the Occident; its close proximity to the Suez Canal; the frontier that separates the 100,000,000 Moslems, the countless millions of Hindus, and the untutored tribes beyond the Trans-Jordan.

THE GOLDEN APPLE

In peace and war the imponderables of success may well hinge on the possession of Palestine. In war its strategic importance insofar as the Suez Canal is in point will always bring England into the picture, for Great Britain cannot forget that Palestine is the beginning of the direct motor route to Asia, the future halting place for air travel and the necessary bumper for protection of the canal. Palestine remains the choicest apple in the political orchard of the Hesperides and the fate of the nation of Israel is linked inextricably with these imponderables of the future. The obtainment of a fair solution of this problem becomes a matter of the utmost importance to every nation. Irrespective of rigid adherence to the admonitions of Washington's Farewell Address, our prior commitments in it are such as to necessitate our continued interest and concern in the successful solution of the problem of Palestine.

THE IRRECONCILABLE PLEDGES

We have already pointed out the all-embracing nature of the Balfour declaration. That had been preceded allegedly by the promise of independent statehood to the Arabs in October of 1915, but there were no details as to territorial limits. Then came the seemingly stealthy Sykes-Picot pact of May 1916 which ironically narrowed the limits which had not been set out in the pact of 1915. The Arabs, of course, were ignorant of the agreement, as were the Jews. Add to these the solemnity of the pledge embodied in the mandate to elevate Palestine to statehood eventually and you have the picture of the most baffling course of contradictory covenants in all history.

As an American I am delighted that there is to be a Jewish state, for the pursuit of this remote and ideal goal has captivated my imagination, just as it has evoked in world Jewry a capacity for energy and sacrifice that is most commendable. The old European system never recognized nationalities, let alone the rights of the people. The schemes and machinations of the reigning families cut athwart boundary lines and made international links that despised popular hopes. Fenelon said that a princess carried a monarchy in her wedding dowry, and even in time of war there was no national cause at stake. Certainly there were no efforts to instill patriotic fervor along nationalistic lines. As one historian said:

> The courtesy of the rulers toward each other was proportionate to their contempt for the lower orders. Compliments passed between the commanders of hostile armies; there was no bitterness and no excitement; battles were fought with the pomp and pride of a parade.

Thus the Hapsburgs, the French and Spanish Bourbons, the Hohenzollerns, the Romanoffs, and the Wittelsbachs ruled, and from their philosophy came the partition of Poland, the most pernicious participation by the old order in all history. Edmund Burke said:

> No wise or honest man can approve of that partition or can contemplate it without prognosticating great mischief from it to all countries at some future time.

Under such rulers the emergence of nations was an impossibility, and it took a Napoleon, for reasons of his own, as well as a Bismarck to break up the impasse.

Like all other Members of this House, I am hoping for a peaceful solution of the Palestinian question; but I am convinced that there must be a deep concern on the part of America because of our prior commitments.

Reorganization of Government Departments

EXTENSION OF REMARKS

OF

HON. JOHN TABER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. TABER. Mr. Speaker, last January, under considerable pressure from both sides of the aisle and under a promise from the then chairman of the committee, Mr. Buchanan, that we would have fair and adequate hearings on the bills that would come before the committee and that an effort would be made by the committee to bring in legislation that would show some economy in governmental expenditures, I accepted an appointment upon the Joint Committee on Government Reorganization and upon the Committee on Government Reorganization of the House. I believe that had Mr. Buchanan lived that he would have kept that pledge and that there would have been a sincere attempt to bring about economy and that the bills to be reported would be reported only after fair hearings and fair opportunity to consider the legislation that was to be presented to the committee.

The only actual hearings that the committee has had have been the joint hearings which, on such an important subject as this, contain only 414 pages.

The first bill reported by the committee was the "wedge bill", creating six new administrative assistants to serve as a wedge between the President and his Cabinet and destroy any possible efficiency in the management of the departments of the Government. This was taken up with no hearings beyond a casual statement on the part of the so-called Brownlow committee. It is a totally destructive bill.

The second bill taken up was H. R. 8202, title I of which permitted the President to reorganize the different departments of the Government—with a few outstanding exceptions—and title III of which created the Department of Welfare, which can have assigned to it activities costing as high as $4,000,000,000—one-half the cost of operating the Government in these days—and a department which in no wise would result in any way in efficiency or economy except in consolidated propaganda against the legislative branches of the Government. This bill, in my opinion, will increase the cost of government at least $200,000,000 each year the Department exists. I was willing to accept title I of the bill giving the President authority to abolish certain agencies of the Government, but I do not believe that the President intends to exercise that authority to bring about any efficiency or any economy.

Title III of the bill was totally vicious.

The third measure taken up by the committee was the so-called civil-service bill (H. R. 8277) creating a single head of the Civil Service Commission and abolishing the old nonpartisan Commission which for 50 years has had charge of this activity. On this bill alone, has the committee called in experts and given us any opportunity to consider the bill. Its obvious purpose is not efficiency in administration, but to place the civil service of the Government under absolute political control and exploit it for purely political purposes. I shall, if I am permitted by the House, file a minority report which will point out a few of these defects.

The crowning glory of the committee, however, comes in the reporting of H. R. 8276, a bill to abolish the Comptroller General as an independent auditing agent and to give an opportunity to the dictatorship which now prevails in Washington to go ahead without regard for the laws passed by Congress and regardless of any of the safeguards which a free people have set up to protect themselves from the illegal expenditure of funds. This bill repeals that portion of the budgetary law of 1921 which creates the Comptroller General "independent of the executive departments and under the control and direction of the Comptroller General of the United States." It is the obvious intention that the Comptroller General shall be under the direction and control of a supine Attorney General prepared to render opinions which would permit funds appropriated by the Congress for a specific purpose to be used for any purpose for which the administration might desire, and thus with this subordination of the Comptroller General destroy the specific appropriating power of Congress. Under the original budgetary law, the Comptroller General was made independent by giving him a term of 15 years and making him removable only by a joint resolution of Congress.

To destroy this independence, under H. R. 8276 the Comptroller General's term is made during the pleasure of the President.

It is true that this bill sets up an auditor general for whom some measure of independence is assured by giving him a term of 15 years and providing for his removal only by joint resolution of Congress, but, while the auditor general would have the general power to do the auditing and would be required to report to Congress matters as to which he and the Comptroller General differed, the right to settle accounts and to review any decision of the auditor general is absolutely vested in the Comptroller General who would, as I have said before, be absolutely subservient to the administration and would have the sole power to fix the balances of the governmental agencies.

The object of this bill (H. R. 8276) is obviously to destroy the control over administrative expenses which an independent officer of the Government must exercise if there is going to be any maintenance of liberty in America, if there is to be any respect whatever for the acts of Congress which are passed. Every Member of Congress who supports this bill is abdicating in favor of the dictatorship every vestige of power or influence that he has left after 4 years of usurpation.

The only hope for the liberties of America is in the defeat of this bill.

The bill itself has been reported by the committee without any hearings whatever at which any responsible officer of the Government or any representative of the Comptroller General's office was present for examination by the members of the committee. I demanded this kind of a hearing. I recited the promise that was made me by the late chairman of the committee, Mr. Buchanan. On Wednesday, August 18, I moved that the committee adjourn to Friday, August 20, at 10 a. m.; that a copy of the bill be submitted to the Comptroller General, and that he be present or send a representative of the office to discuss the bill with the committee. The New Deal majority of the committee voted me down. Frankly, I shall deem it my duty to continue to serve on this committee until these bills are disposed of by Congress, but I do not propose to be a party in any way to legislation being brought out on the floor without proper consideration, as is being done with H. R. 8276.

I shall, from time to time, as the opportunity presents itself, try to prevent the passage, especially of this bill, H. R. 8276, designed to destroy any vestige of an independent audit of the expenditure of the funds of the Government and to absolutely destroy and do away with an independent interpretation of the laws which Congress has passed.

I pray that an aroused public sentiment will, after the recess of Congress, restore to our membership some of the courage which formerly characterized membership in the House of Representatives and the Senate of the United States.

Public Power Projects and Power Costs and Investments

EXTENSION OF REMARKS
OF
HON. WALTER M. PIERCE
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. PIERCE. Mr. Speaker, we who have seen the amazing changes which have taken place in the last half century cannot picture other such revolutionary advancements in the immediate future. It is almost impossible for us to conceive of continuation of such marked improvements in methods of living and such victories in conquering the forces of Nature as have appeared in the last half century or even during the last generation.

Unquestionably, use and application of electric energy is the key to outstanding future advancement and achievement in the social and economic fields. Man has received no greater gift than electric energy except perhaps the soil on which he lives. We know of no other method of gathering electricity for beneficial use except the present generating plants, those operated by burning coal, oil, or gas, or by utilizing the forces of falling water. Widespread use of electric energy in the home and factory will add much to comfort, well-being, and prosperity among our people. There is nothing, perhaps, except the automobile, which affords so much gratification in the return for expenditure as generous use of electric current in the home. It is welcome, not alone for convenience and safety but because it lifts burdens from housewives and makes happier surroundings.

LOS ANGELES AS AN EXAMPLE

The most outstanding example of accomplishment by use of cheap electricity is found in Los Angeles, a city without slums, covering a territory of 40 square miles, inhabited today by 2,000,000 people, owning and living in small homes scattered throughout that extensive area, and using electricity just as cheaply in the suburban home as in the congested center. Electric energy is applied in these outlying homes and their neighboring industries for every device that ingenuity has fashioned—for lighting, refrigeration, cooking, air cooling and air heating, for ironing, sweeping the floor, washing the dishes, for pumping, operating elevators, and turning the wheels of industry, as well as for necessary transportation. The manager of the Los Angeles plant, Mr. E. F. Scattergood, is undoubtedly one of the most outstanding electrical engineers in the entire country. He has established such a reputation in the financial world that he has been able to sell bonds for the Bureau of Electricity of the city of Los Angeles without backing other than the future receipts of the electric plant; but so certain is that revenue that the bonds are considered by financial interests to be even better than the general-obligation bonds of the city. It is recognized that general-obligation bonds can be collected only through the courts, by making tax levies; whereas bonds and the interest thereon, secured by electric revenue, are collectible by the simple process of raising the prices of electric energy if expected returns fail to materialize. Rate students have discovered that the cheaper the electricity the greater the consumption and the revenue. This is strikingly and convincingly illustrated by a table which I presented to the House on July 27 showing an average annual consumption rising from 150 to 5,240 kilowatt-hours per meter as prices descended from 11.5 to 0.75 cents per kilowatt-hour, and here reproduced because of its value:

City	Average sale price per kilowatt-hour	Average annual consumption
	Cents	*Kilowatt-hours*
An Arizona city	11.5	150
Do	10.5	300
A Missouri city	8.7	250
National average	4.8	710
Washington, D. C.	3.25	985
Southeastern utilities	3.20	1,050
Portland, Oreg.	2.80	1,110
Tacoma, Wash.	1.68	1,865
Tupelo, Miss.	1.78	1,864
Windsor, Canada	1.60	2,130
Niagara Falls, Canada	1.20	2,150
Ottawa, Canada	.95	3,750
Winnipeg, Canada	.90	4,250
Fort William, Canada	.75	5,240

PUBLIC POWER EXPERIENCE IN EUGENE, OREG.

I have previously cited in speeches in Congress the successful public power experiences in Tacoma, Wash.; Los Angeles; Ontario, Canada; and the T. V. A. I do not wish to close my notes on public power brought together for my colleagues in this Congress without mentioning the very remarkable record of the public power plant at Eugene, Oreg., a town of under 20,000 people. Rates in Eugene are practically at T. V. A. levels. This plant has been operating since 1911. Its plant indebtedness is now only 18 percent of its cash value, and the $760,000 outstanding debt is offset by funds amounting to $637,000 in reserve accounts, all of which are in cash or investments. The strictly operating expenses amount to the low figure of 29 percent of the $466,000 annual gross earnings. Twenty-two percent of the annual gross earnings are set aside for the depreciation fund. It is therefore apparent that Eugene can clear its debt in a very short time. This is another example of the debt-redeeming public power principle which I have been suggesting as a heritage for the next generation.

Remember all of this accomplishment at Eugene was made under extremely low rates. Their electric rates were reduced in 1935 and 1936 and the gross revenues increased, again demonstrating the second electric principle which I have emphasized, namely, that under a debt-redeeming program it is good business to reduce rates. To demonstrate the low level of Eugene's electric rates I am inserting a comprehensive table of comparisons covering the cost of electricity in homes in Oregon and elsewhere. This data is of October 1936.

Comparison of cost of electricity to homes

	15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	500 kilowatt-hours, range and water heating
Eugene	$0.75	$1.00	$1.35	$2.55	[1]$5.83
Corvallis	1.05	1.75	2.56	4.36	7.96
Albany	1.05	1.75	2.56	4.36	7.96
Ashland	1.20	1.70	2.15	3.70	8.70
Salem	1.00	1.38	1.95	3.39	8.09
Medford	1.20	2.00	3.20	6.50	8.03
Klamath Falls	1.20	2.00	3.20	6.50	8.03
McMinnville	1.20	2.00	2.65	3.88	7.63
Bend	1.27	2.12	3.07	4.87	9.17
Marshfield	1.35	2.25	3.60	5.03	8.63
La Grande	1.35	2.25	3.15	5.00	8.75
Baker	1.35	2.25	3.15	5.00	8.75
Astoria	1.27	2.12	3.07	4.87	9.17
Hood River	1.05	1.75	2.72	4.52	8.82
The Dalles	1.05	1.75	2.72	4.52	8.82
Pendleton	1.05	1.75	2.72	4.52	8.82
Portland	1.00	1.38	1.95	3.39	8.09
Tacoma	.68	1.13	1.52	2.12	6.12
Spokane	.83	1.38	2.00	3.80	10.30
Seattle	.83	1.40	2.20	3.40	8.15
San Francisco	1.08	1.53	2.10	4.20	9.95
Los Angeles	.72	1.20	1.81	3.31	8.81
Salt Lake City	1.18	1.88	2.93	4.82	10.45
Denver	.90	1.50	2.40	4.80	16.80
Chicago	1.03	1.51	2.04	3.75	15.15
T. V. A. (Alcorn, Miss.)	1.00	1.00	1.60	3.50	8.25
New York City	1.30	1.80	2.55	5.55	25.55
Jacksonville, Fla.	1.05	1.75	2.80	7.00	12.95

[1] 150 kw.-hr. at Schedule A and 350 kw.-hr. flat rate water heating.

I have previously pointed out in another speech that the store-lighting rate in private utility Portland is 45 to 54 percent higher than in public-power Tacoma. Up to about 650 kilowatt-hour use the Portland rate is double the Eugene rate, and for quantities above 650 kilowatt hours, the Portland rate is 25 to 75 percent higher than the Eugene rate. Portland and Salem commercial rates, within ordinary range of use, are 70 to 100 percent higher than those of Eugene. In the classification of power use, for factories and small industries, Eugene power rates are practically the Tacoma rates. Portland power rates for the average consumer are almost double those of Eugene. Residents of Klamath Falls, Oreg., and of its capital city, Salem, as well as its college city, Corvallis, might well study the electric-power system of its university city, Eugene. Why should people in Klamath Falls pay $6.50 for 100 kilowatt-hours which costs people in Eugene $2.55?

POWER RESOURCES OF THE NORTHWEST AND THEIR USE

No section of the world has been more favored by Nature for the production of electricity than the States of Oregon, Washington, and Idaho. It is probably true that one-half of all the available hydroelectric power of the entire United States is located on streams within the boundaries of the three States named. I take pride in repeating that the Columbia River is the greatest source of unrestricted, marketable hydroelectric energy in the world. Its development is not limited to the projects now being constructed at Bonneville and Grand Coulee, but there are many more possibilities along the Columbia and its tributaries, almost if not quite equally as valuable in quantity and cheapness. It requires no great imagination nor foresight to see a grid system throughout that favored section of our country, similar to the grid system in England, uniting and tying together all the public-power-producing plants in the Northwest. In such a future development there is no place for private power. Private power and public power are like oil and water—they do not mix. As Lincoln said fourscore years ago, "A house divided against itself cannot stand." He did not expect our institutions to fall, but he expected the country to become either all slave or all free territory. So I say I cannot conceive in this future development how we can have partly public and partly private power facilities. I am thoroughly convinced that public ownership for all generating and transmitting electric plants serving the public is the only solution. Each city or power district should handle its own distribution, buying from the public plant the quantity of energy that its people can use.

We should never lose sight of the fact that power plants on the Columbia River, especially the lower river, will have their firm power seriously curtailed during flood season, when the tailraces will not let the water get away from the wheels, and perhaps one-third of the estimated full capacity will be lost during those times. Just at that season the mountain streams are in flood and will produce at their maximum, easily supplementing the loss in the firm power in a plant like Bonneville, thus showing the value of the grid system for the future development of this great and favored region.

Rivalries between cities and sections are to be expected and, unfortunately, seem to be a part of human nature, but they can, and ought to be, fair without being carried to the point of injuring the whole section by preventing the full development of natural resources. The only rivalry, it seems to me, should be the very commendable effort to use the greatest amount of electric energy advantageously.

ZONING AND UNIFORM RATES

The widest possible use of public power may be secured either through zoning systems or rates uniform within a transmission area. A grid system interlacing properly united and connecting lines might be worked out in the future between the power sources of the Northwest. Some of the energy would be developed on the Snake River, part of it on the Columbia, part on the McKenzie, part on the Skagit, and some on other streams. Until that ideal situation develops it is my belief that those at a distance from the generating plant should pay enough for electric energy to take up loss in transmission, which is, under modern systems of construction, a really relatively small item and need not disturb us. The figures are given later under the section on Cost of Power.

ELECTRICITY AND IRRIGATION

There are in the Northwest literally thousands of acres of land that should and can be irrigated from the underlying waters. Only a few years ago we used to say, "You cannot afford to pump water for irrigation", but that is not true today. We are pumping water several hundred feet for irrigating gardens and orchards. If electric energy is cheap enough, water can be successfully pumped for the extensive growing of farm crops. With the irrigation of all lands which can be reached by gravity, together with those acres that may be added from cheap pumping, the farm products of the Northwest can easily be doubled, perhaps not in wheat, but in commodities for which there will be world-wide demand. It is known that the great Harney Plain of Oregon has underlying it a body of fresh water which can be made available through installation of modern, efficient pumping systems. There is no object in increasing production until we create or find markets for our farm products and stabilize prices, but ultimately we shall need all we can produce.

Irrigation is irresistibly attractive to the drought-stricken victims who have migrated into Oregon, Washington, and Idaho during the past 18 months to the extent of 12,000 families, or 60,000 people. It is probable that increased migration will bring other thousands. Some of the lands which they seek have been withheld from development for years because of the short-sighted policy of the private power companies which charged exorbitant rates for electric pumping. Now, with cheap electricity available and great irrigation projects completed, this increased population will become consumers for the increased production of the region.

BEWARE OF REPETITION OF RAILROADS' HISTORY

In planning to protect ourselves during the period of electric development we should ever recall and profit from the history of the railroad contracts entered into by original grantees and promoters, which increased so greatly the initial construction costs. These costs were later read into the rate-making valuations. The Credit Mobilier became one of the major scandals of our political history. The Government made a gift to the railroads of enormous land grants to the extent of 158,000,000 acres, about equal to the combined areas of Oregon, Washington, Illinois, Massachusetts, New Hampshire, and Connecticut. There were further governmental cash subsidies to the extent of around 70 percent of the actual per-mile cost. On top of these enormous gifts from the people, the promoters of the Union Pacific sold bonds to the extent of $27,000 per mile for the identical mileage covered by subsidy and land grant, and, in addition, $36,000 per mile in stock. All of this was supposed to cover a railroad costing between $40,000 and $45,000 per mile. These gifts became the basis of valuation on which the people have been required to pay rates. How like Niagara and the "Washington plan" of the power world!

This scandalous period was followed by the more recent wrecking of the Alton, Erie, New Haven, Van Sweringen, and other systems. All of these steals combined to "up" the rate base of the railroads. Thus was evolved a system of finance described by the late Colonel Bryan as "discreditable to an ordinary highway robber."

The elder La Follette fought for years to correct this evil. His efforts resulted in the Valuation Act which was sabotaged by the Transportation Act of 1920. This 1920 act, furthered by the propaganda of the metropolitan press, the chambers of commerce, and Wall Street, sold the American shipper down the river to the extent of a padded rate base of $7,000,000,000, seven times the assessed valuation of Oregon. This was accomplished through the Rate case, ex-parte 74 of the Interstate Commerce Commission, acting under the authority of the 1920 act. The railroads were guaranteed a fixed return of 6 percent, later reduced to 5¾ percent, on this padded value. In August 1920, ex-parte 74, set the value of the railroads, for rate-making purposes, at 18.9 billion dollars, when the market value of the total listed securities

(real and water) amounted to 11.75 billion dollars. Additions to the capital accounts brought the base value, in the peak period of 1929, to 24 billion dollars. At this peak period, the value of outstanding bonds was 14 billions, of preferred stock 2 billions, and common stock 8 billion dollars. Through congressional action, the water in the railroads was frozen to the extent of about one-third of actual prudent value. The railroads also developed their holding companies first publicized in the Northern Securities case successfully fought by President Theodore Roosevelt.

This railroad financial history is a warning in respect to power securities. The stock gambling evils of the railroads have resulted in excessive losses to innocent investors; high rates and poor service; confusion and lack of coordination; and labor troubles following inadequate pay, resulting from the effort to make labor pay the losses of the game. The present power struggle is really an effort to prevent repetition of the evils of railroad financial history.

UTILITY INVESTMENT

I have cited this railroad history as a reminder to those interested in public power development of what has happened in connection with another utility and may be completely reproduced in the history of power development. It is important that power development should not parallel railroad development in its financial history. It is imperative that through legislation we should prevent "freezing" the water in electric securities so that it may not for all time remain in the rate base valuation. If Congress allows this repetition these falsely based valuations would become a yoke upon our children and our children's children.

I see no difference between the Washington electric rate plan with its millions of public contribution on which the public pays high interest rates and the railroad grants, subsidies, and frauds. We pass laws which permit the issuance of securities against public gifts, like the Niagara power, and then compel the public everlastingly to pay charges based on their own gifts read into the capitalization. When the public recaptures this property it will probably be required to pay for its own gifts to the utilities and other trusts.

The chieftains of the Power Trust claim an industry investment of $13,000,000,000. They are correct when they state that they have securities outstanding in this amount, but any intelligent man knows that there is a vast difference between actual values and outstanding securities. From my own long experience in Oregon, I can cite cases to demonstrate that the actual values are somewhere about 50 percent of the amount of the securities outstanding. So eminent an authority as Chairman Frank R. McNinch of the Federal Power Commission stated in a radio speech that the real value of the industry was only $6,500,000,000. Plainly speaking, there is $6,500,000,000 of inflated value on which the American people are paying electric rates. Think of it, six and one-half times the value of all the assessed property in the State of Oregon.

How does this difference occur? It represents pure fraud. From the Federal Trade Commission's investigation, we know of the actual book write-up of several billions of dollars. Any analysis of plant output and station capacity will show that there is a large amount of unused plant capacity still on the books, but not actually retired. This condition is usually due to physical depreciation or economic uselessness. In other words, they have not redeemed the securities on obsolete plants. Another part of this difference comes from fictitious sales from one company within a group to another. Still another part comes through legal legerdemain; again, from placing property on the books at one figure and retiring it at a lower figure; most usually from setting up a value for rights actually given them free of cost by the people, such as franchises, easements, and water rights.

This means simply that the American people have been robbed of this great amount of $6,500,000,000 and are paying rates on stolen values, in spite of arguments to the contrary. Whenever the utilities get into local controversies they use large amounts of good-will advertising, but carefully avoid telling the truth about actual investment. This advertising is also paid for by the people, as it is all charged into their rates. The people always pay the bills; the promoters secure the benefits.

Any utility excess charge is a direct and reminding monthly tax. The rate studies I have presented to Congress this session have shown that private utility rates are practically double the rates of debt-redeeming public plants. The tables presented by my eminent colleague from Mississippi [Mr. RANKIN] and by myself have shown excess charges beyond yardstick rates to be practically one-half of the total rates collected. All this factual evidence proves that the American people are paying electric rates on an inflated value double the true value. This, in spite of all the regulatory bodies set up by Nation and States.

Now, let us look further into rates as related to investment. In a debt-redeeming public plant, the rates can be cut in half when the indebtedness is paid off. Well-conducted public plants set aside funds to pay off their debts and work toward that end. Private plants write rate bases up instead of down. If these private plants are continued with their present practices, our children and our children's children will be paying four times a fair value for electricity.

It is agreed that electrical use doubles every five to seven and one-half years. Shall we allow these overcharges to increase in an approximate geometrical ratio? This is what will happen if the freezing process continues and new construction undergoes the same treatment.

Mr. Wilkie, of the Commonwealth & Southern, acting as spokesman for the captains of his industry, should realize at the outset that the answer to his questions in a recent article in the Atlantic Monthly might be phrased thus:

The American people will endure such undemocratic and high-handed treatment for a time. They may be slow in action, but they have the ability to solve the problem themselves in spite of barriers erected. The great democratic statesman, Thomas Jefferson, gave us the tenets for a safe and secure democratic Government. One of these principles was that one generation cannot bind a succeeding generation, either individually or collectively. This is what capitalism is now seeking to do, and the most outstanding example is the utility set-up which permits ill-gotten gains to increase in approximately a geometrical ratio.

The liberal thinkers of this generation are calling upon us to stop the enslavement of future generations. The best way to accomplish this is through education. In his wisdom, Thomas Jefferson chiseled in the marble at the University of Virginia, this sentence from Scripture: "Ye shall know the truth and the truth shall make you free."

A REMINDER FROM NIAGARA

The story of the Niagara power steal was as startling as the way the elder Rockefeller laid the foundation for his fortune. It is an acknowledged fact that Rockefeller, when he started business, was able to demand a rate for the transportation of the products of his oil refineries which was far less than his competitors were paying. Then, by hook or crook, he forced the transportation lines to pay to his companies the excess they had been compelled to collect from the unlucky competitors. Who would not have made untold millions if given the opportunity and the desire and disposition to put such methods into practice? The stealing of the water power at Niagara, that immense body of water drained from the Great Lakes to a fall of 365 feet, including the rapids, is an almost unbelievable story. Part of the power belonged to Canada and part to the United States. The Canadians developed their power for the people; on the American side the power was developed for the benefit of the Aluminum Co. of America, a great overshadowing trust. Easy indeed for Andrew Mellon to give to the National Capital paintings said to be worth $50,000,000 of his immense fortune, much of which was gained by taking from the people such natural resources as the water power at Niagara. The cheapest power in the world is sold to industry by Mellon's power company at Niagara. In no sense is it sold to the people, but only to monopolies. The common people, home users and small industries, get no advantage from it. Frequently I have heard it stated on the

floor of this House that power on the American side is as cheap as it is on the Canadian side. Yes, that is true; but all that immense power on the American side is sold to monopolies; it profits nothing to the people. The stealing of the Niagara water power is one of the most brazen thefts of natural resources that has ever taken place in America.

Time only will tell whether the people will ultimately lose the water power of the Tennessee Valley, now being utilized under what we know as the T. V. A. I have my fears that the next generation may find, unless our people are now really alert, that the great effort of Senator NORRIS and his friends in Congress to save that power has been throttled by the schemers of Wall Street, who control the private utilities through the evil set-up of holding companies. Contracts recently made with the Arkansas Light & Power Co. and with the Aluminum Co. of America are not very encouraging to those of us who believe in public ownership of power. The same group of men are laying their plans now to capture the immense resources of the Columbia River and its tributaries being harnessed at Bonneville and Grand Coulee. Of course, they will gladly take all the power at Bonneville, paying for it the low rates made possible through such a project. Then they will install automatic machinery to make aluminum or some similar product, using a minimum amount of human labor.

COST OF POWER

Recent debates in Congress have shown a confusion of understanding as to power costs. This comes about naturally as a result of lack of consideration of the costs incidental to the three different types of business embraced in the modern power set-up. When a single isolated plant existed in a community, it was correct to think of the business as a unit. Today we have the manufacturing end, called generating; the transportation component, called transmission; and the retailing end, called distribution. Consideration of costs in terms of the three components will clear any confusion in regard to them. The general figures which I will insert later in the discussion include all items of cost. Most of the kilowatt-hours are now manufactured either by water power or steam. First-class water power, like that at Niagara, St. Lawrence, Boulder Dam, Bonneville Dam, and Muscle Shoals, can manufacture hydropower from 1.33 to 2.5 mills per kilowatt-hour, with an average of about 2.25 mills. The Aluminum Co. buys Niagara mechanical power for 1.33 mills. Washington, D. C., utility buys Susquehanna hydropower delivered for around 2 mills, and Muscle Shoals produces current for about 1.5 mills. The over-all manufacturing cost at Boulder Dam will be about 2 mills. A small, well-designed hydroplant should deliver power at the switchboard for 4 mills maximum. A proposed hydroplant which produces power costing above 5 mills should be deferred, unless there are special local conditions warranting building, such as providing for short-time peak loads through storage or pondage or high fuel costs. Seattle's hydropower costs around 4 mills, Tacoma's 2.9 mills. When the indebtedness is redeemed on a public hydroplant it can produce power for less than 1 mill.

Steam plants are generally of three types, oil-, gas-, or coal-burning. The oil and gas plants can be built for about 25 percent less than a coal plant with extensive coal handling apparatus. The steam plants in Los Angeles, with oil and gas wells at the boiler fronts, generate current for from 3.75 to 4 mills. Here in Washington, under the low first-cost coal plants, the over-all manufacturing cost is 5 to 5.5 mills. The low-cost coal plant average is about 4.7 mills, and the average of all coal-plant cost would be around 5.7 mills. Cement mills, with waste heat, and no fuel costs, produce current for from 6 to 7.5 mills. There are a few steam plants which use refuse for fuel that can get down to less than 4 mills. A reasonable steam plant manufacturing cost is 25 to 75 percent higher than that of a reasonable hydro plant. The differential between steam and hydro manufacture is 2 or 3 mills per kilowatt-hour in favor of hydro. This is an insignificant item in the average household bill, being about 15 to 30 cents a month, but remember, the advantage is on the side of hydro. The steam and hydro comparative-cost figures which have created such a sensation because recently published by the Government in a publication of the National Resources Commission, entitled "Technological Trends", are not representative figures nor are they supported by contentions of the Government writer. They are merely quoted from utility sources to prove utility contentions. The Government authority responsible for the publication nowhere backs these contentions or supports the quotations.

To large industries, especially electrochemical concerns, a 1- or 2-mill difference in manufacturing cost represents a sizable item. Manufacturing costs of electricity are only about 8 to 10 percent of the national average residential cost. Transmission costs are similar to railroad transportation costs, both being largely controlled by mileage. The War Department figure of about 0.6 mill per kilowatt-hour per hundred miles has never been successfully challenged. Los Angeles ships current from Boulder, 270 miles, at a cost of 1.5 mills. This is only about 3 percent of the national average residential sale price, a small item. It then follows that the large cost item is in distribution.

The national average residential distribution cost included in the sale price is in the neighborhood of 4 cents per kilowatt-hour. Here is where the joker may be found. Residential distribution costs depend on the consumption per meter. If the rates are reduced, the consumption increases and the distribution costs are cut almost in proportion. Low distribution costs are vital to marketing substantial amounts of power. For 600 kilowatt-hours per year residential consumption the average distribution cost in public and private plants is around 2 cents, and for 1,200 kilowatt-hours about 1.5 cents, Tacoma costing less than 1 cent.

To summarize and emphasize, I repeat that there are three items that must enter into the actual cost of electricity, when it gets to the consumer—generation, transmission, and distribution. The generation cost is on an average of about 10 percent of the amount that has been charged to the ultimate consumer; transmission costs vary from practically nothing up to 3 percent of the consumer's charges; the larger share of the actual costs which are included in the consumer's electric light bill is the distribution costs. These technical items may be regulated and controlled by efficiency. Therefore, I say, without reservation, that to make a success of this big electric development now taking place in the Northwest, which will provide generation and transmission through Government plants, the people must own their own distribution systems. Oh, I do not say confiscate the private plants, but take them from their Wall Street holding-company owners at fair valuations. These owners have purposely frightened the investors whose interests lie with public ownership rather than with speculators who have defrauded them in the past. The honest and independent companies will undoubtedly be willing to consider selling to public bodies at fair valuation. In the final settlement, the private utilities should not be allowed to collect large sums by reason of the franchises and other gifts which the people have made to them.

Keep Us Out of It

EXTENSION OF REMARKS

OF

HON. EDWARD A. KENNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. KENNEY. Mr. Speaker, as Congress adjourns an unfortunate and deplorable state of affairs exists in the Orient. The China war zone, particularly in and about Shanghai, is fraught with actual battle and all of the implements of war are being brought into action.

A battleship of the United States has been shelled from the air with resultant loss of a life and injury to many of our service men.

President Roosevelt has very properly, as I believe, left that incident, together with the responsibility for removal of our citizens from the war zone, in the hands of Admiral Yarnell.

Mr. Speaker, we must be kept out of any war entanglement in the Far East. Mr. John Borg, publisher and editor of the Bergen Evening Record, Hackensack, N. J., has expressed the sentiment of my people in clear and unmistakable language in his excellent editorial of yesterday entitled "Keep Us Out of It", and by leave of the House, Mr. Speaker, I here insert its contents:

[From the Bergen Evening Record, Friday, Aug. 20, 1937]

KEEP US OUT OF IT

President Roosevelt, ordering 1,200 additional marines to the China war zone, has apparently decided to delay invoking the Neutrality Act in the Sino-Japanese crisis. His task is to keep us out of a conflict that is not our concern and to maintain, as far as possible, neutrality toward both sides.

The marines now stationed in Shanghai and the reinforcements being moved into the troubled area have only one duty—the evacuation of all United States nationals. Our Government has no right to order its citizens to leave China; it has the duty to afford protection to all those wishing to leave. That is now being done. To persons who for one reason or another decline to leave the war zone, the United States Government owes no further protection. They must assume the same risks as any other foreign noncombatants; if they choose to endanger themselves, it is not the concern of their Government.

The Neutrality Act, discretionary as long as there is no formal declaration of war, presents a paradox in what may be its first major application. Most Americans want to remain neutral, and at the same time it is a fair estimate that 99 percent of them sympathize with the Chinese. But we cannot in one sense remain neutral if the act is invoked. Prohibiting shipment of arms, munitions, and other implements of war would impose a hardship on China. Japan has a well-equipped army and navy; it needs neither guns nor ammunition. China lacks both. If we were to cut off these supplies, the advantage would be all with Japan.

The same thing is true of the cash-and-carry provisions of the act, under which nonembargoed shipments would have to be paid for at the dock and transported on other than American ships. Japan has the money and the ships to pay for and to transport whatever it requires. Control of the seas, as far as this conflict is concerned, is hers.

Thus the best legislation we could adopt to preserve not only our peace but the peace of other nations works out to the advantage of an aggressor nation flouting the rights of a neighbor and violating all that is decent in international relations. And to make the paradox more complete, the unintentional victim of our laws is a friendly nation offering one of the few great undeveloped markets for our exports.

The temptation to withhold application of the act is great. But common sense and not sympathy ought to guide our policy in this crisis. And common sense dictates that no matter who suffers most, our first concern is to keep clear of any entanglements which might involve us in a war that does not concern us and in which we do not want to become involved.

An Open Letter to the American People

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

LETTER BY A GROUP OF MEMBERS OF CONGRESS

Mr. O'CONNELL of Montana. Mr. Speaker, under leave to extend my remarks, I wish to include an open letter to the American people signed by myself and a group of my progressive colleagues, as follows:

AN OPEN LETTER TO THE AMERICAN PEOPLE

The Congress of the United States is adjourning at a critical time. We are going home to a people who, perplexed by life-and-death problems, look to us for help and encouragement; and they are rightfully entitled to expect the Congress and the administration to enact whatever legislation is necessary to enable them to escape destitution and poverty and pursue a decent and prosperous life.

THE VICTORY OF NOVEMBER

On the morning of November 4, 1936, the great mass of the American people believed that they were on the threshold of a new life. With heart and brain they echoed President Roosevelt's pledge on that memorable night in Madison Square Garden, when he warned reaction that we had only just begun to fight for some of the things that would make life less burdensome. "Of course, we will continue to seek to improve working conditions for the workers of America", the President had declared, adding "* * * to reduce hours overlong, to increase wages that spell starvation, to end the labor of children, to wipe out sweatshops. Of course, we will continue every effort to end monopoly in business, to support collective bargaining, to stop unfair competitions, to abolish dishonorable trade practices. For all these we have only just begun to fight."

REACTION REFUSES TO ACCEPT DEFEAT

But reaction refused to accept defeat. Seven months after the election mandate given him by the people, the President of the United States felt constrained to announce that "One-third of our population, the overwhelming majority of which is in agriculture or industry, is ill-nourished, ill-clad, and ill-housed." On the eve of adjournment this great mass of the population and many more are still in the woeful condition so graphically described by the President. Minimum housing legislation has been caricatured. A total of 727,000 people, it was officially announced, will soon be dropped from W. P. A. employment. How serious this situation is will be realized when it is remembered that the recent meeting of the United States Conference of Mayors declared that 75 percent of those laid off will have to apply for relief. And many of those who will be forced to do so will have to ask communities that either have no funds for relief or are not allowed to give relief under their laws. The promise of a really protective wage and hour bill for industrial and agricultural laborers has been mutilated and buried. What wage increases have been won by labor are being eaten away by the rapidly increasing cost of living.

SELFISH GREED EVADES TAXES

Antiprogressive forces have enabled the millionaire and billionaire families of America to avoid bearing their just share of the tax burden. The result is that workers, farmers, professionals, and other middle-class citizens in the lower income brackets must carry a heavily disproportionate tax burden. Though House Progressives succeeded in having an antilynching measure adopted, one-tenth of the population once again must continue an existence under the shadow of the knot, the rope, and the torch because of Senate failure to enact such a law.

VIGILANTES WOULD WRECK WAGNER ACT

Not satisfied with this wrecking work, reaction is determined not only to whittle the Wagner Act but to distort it into its very opposite. Those who are intent upon this goal are the reactionaries who have the brazenness to accuse falsely the labor movement of organized violence. They are the open-shoppers who, intolerant of even the idea of collective bargaining, are directing a national vigilante campaign against the elementary civil rights of the American people. And, as proven by public investigations, these reactionaries not only are assisted by their own spies and gunmen but have the blessing and concrete support of Nazi emissaries. These gentlemen, their corporations and allies threaten American democracy.

FIGHT FOR COURT REFORM MUST GO ON

The fight for court reform is not over. This is true despite the hopes and activities of certain so-called liberals who did the shock-brigade work for those elements who wish to frustrate and nullify the attempts of the representatives of the people to provide sorely-needed economic and social legislation. We feel confident that the American people are not satisfied with a few decisions from a frightened court. We feel that the American people still look to Congress not only for the assurance but for the reality of legislation which will prevent judicial assassination of fundamental reforms.

FARMERS FORGOTTEN

The farm-tenancy problem grows more acute. There still remains the necessity for an effective measure which recognizes the extent of tenancy and allows democratic control of the program by working farmers themselves. The big corporations and wealthy farmers have been provided for. It remains to legislate adequately for the great bulk of the working farmers. In addition we feel that a farm program should be enacted at the next session of Congress which will give farmers an income in excess of their cost of production.

WAR IS RAMPANT

War threatens to engulf the world. What was begun in democratic Spain by an international Fascist conspiracy is being continued in China as an open unprovoked attack by Japanese imperialism. That such developments affect the United States, its resources and interests, and the peace aspirations of the whole people was indicated quite clearly in December of last year by Secretary of State Cordell Hull. "It is now as plain as mathematical truth", said Secretary Hull, speaking in Buenos Aires as the chairman of the American delegation to the Inter-American

Conference for the Maintenance of Peace, "it is now as plain as mathematical truth that each nation in any part of the world is concerned in peace in every part of the world."

AMERICA MUST BRING PEACE

In dedicating a granite column at Montfaucon, France, on August 1 of this year, President Roosevelt's voice, carried 3,500 miles by radio, also stressed the need for democratic nations to work jointly for peace and freedom. The President acknowledged the assistance rendered new-born America at a desperate time. "We, of this country", he said, "have not forgotten nor could we ever forget the aid given us by France in the dark days of the American Revolution." And, recently, the appeal of Secretary Hull to the nations of the world in the interest of the great cause of peace, convince us that the administration has taken a significant step in the right direction. It remains for us progressives, for others in Congress, sincerely desirous of preserving peace, and for the people generally, to so shape our legislative policy that arrogant aggressors and peace-breakers shall at least know that American policy is not a standing invitation to them to do elsewhere what they did in Spain—to do what is now being done in China. In the light of all this, must we not consider that the United States may be next, unless we, as a people and a government, morally strengthen the peace forces of the world?

We are going home. We leave conscious that reaction has struck the people blows which it would be foolhardy to minimize. Nevertheless, we feel encouraged by the fact that the whole labor movement is growing as never before, the House progressives prevented the crippling of the public-serving National Labor Relations Board, that the people are awakening to the danger from a uniting reaction bent on repression and thuggery, and that many millions of Americans still are eager to continue the battle for bread, liberty, health, and prosperity.

WE HAVE JUST BEGUN TO FIGHT

We progressives, as legislators planning for the struggles of the next session of Congress and as liberty-loving citizens, go back to join the people in their fight for a better life. To do otherwise would be to betray them—for we have only just begun to fight.

Representative GERALD J. BOILEAU, Wisconsin.
Representative JOHN T. BERNARD, Minnesota.
Representative JOHN M. COFFEE, Washington.
Representative JERRY J. O'CONNELL, Montana.
Representative HENRY G. TEIGAN, Minnesota.

Let's Stabilize the Price of Cotton Now and Do the Same for Other Crops Later

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker and Members of the House, there is much I wanted to say, had time permitted, on the Woodrum amendment to the third deficiency measure which was before us a little while ago. I refer to the cotton amendment placed in the bill by the Senate and in which the House was asked to concur. On every side of me I heard men from the Corn Belt, men from the Wheat Belt, and men from the industrial centers, demanding to know why this particular amendment was brought in at the eleventh hour and injected into the bill without any possibility of weighing its merits as against the needs of the other staple crops. The gentleman from Texas, the distinguished chairman of the Committee on Agriculture [Mr. JONES], has made an admirable and logical explanation of the vital emergency need of this piecemeal program.

Now, I am in favor, even in the closing hours of the Seventy-fifth Congress, in giving immediate relief to the cotton farmers of America in the face of a falling market for this crop. As Mr. JONES has explained, there is present provision for stabilizing corn and wheat and other staple crops of large domestic consumption, but only that part of the cotton crop domestically consumed is within the provisions of such aid. Since less than half of our cotton products are domestically consumed, this measure is needed now for cotton much more than a similar measure is needed for any other crop.

It certainly spells disaster to farmers when the bounties of nature become a curse as when a huge surplus forces the price below the cost of production. Such a disaster brings distress to all farmers, but not to the same degree. The wheat crop or the corn crop can be and is locally consumed. The southern farmers cannot eat their cotton, nor convert it into meat for home consumption. Therefore it seems to me that abnormally low prices for cotton create greater distress among its producers than is caused by the relatively low prices of the other leading crops to their producers.

Mr. Speaker, I am not satisfied with only a part of much-needed farm legislation at this session and feel that we must meet this program in the very near future. So great is the country's need for agricultural legislation and industrial legislation that the call of a special session of Congress, in my opinion, would be justified to enact it. I should like to see, at the next regular session, or even sooner in a special session, a more nearly complete and adequate schedule of farm legislation to save this great basic industry of our country. At the same time, not with the idea of logrolling or trading but with the idea of a greater degree of justice to all concerned, I should like to see a farm bill and a labor bill considered together and enacted together. These great classes of our citizens seem to be diametrically opposed in their economic interest, but I believe in a spirit of fairness and more mature deliberation it is possible for Congress to legislate in the interest of both and at the same time in the country's interest also.

With this in view, and a hope that not many months shall elapse before we turn our attention to the larger task, I favor the concurrence of the House in the Senate amendment to stabilize the price of cotton.

Progress Without Regimentation

EXTENSION OF REMARKS
OF
HON. HERBERT S. BIGELOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. BIGELOW. Mr. Speaker, is there any way of dealing with the problems of the Nation while avoiding the regimentation that is so distasteful to the American people?

In common with all other countries, especially since the World War, we have been trying, by government interference and control, to bolster up the economic order.

Businessmen complain bitterly of this. We are spawning bureaus. Nobody who comes in contact with these bureaus likes it. We all wish that we might be let alone, that our economic system might be left to run itself.

But the economic system is wrecking itself. Something has to be done. So we pass farm-tenancy bills, and slum-clearance bills, and wage and hour bills, and crop-control bills in a desperate attempt to cope with disorders that leave 40,000,000 of our people in want of goods that we could so easily produce for them.

We admit that these bills that we are passing are sadly inadequate. The evils seem to grow faster than any good that we are doing. We are getting all bogged down with political machinery.

IS THERE A BETTER WAY?

Is there any better way of dealing with our problems? Is it possible that with different treatment we might dispense with this mushroom growth of bureaus and political managers and return to the Jefferson idea that that government is best which governs the least?

As a Member of the Seventy-fifth Congress I have voted for this New Deal legislation, but never with complete confidence. It does seem to me that there is a better way, but if the public does not see it we are helpless. It seems to me that about all we are doing is to try to pull ourselves up by our bootstraps. I will help pull, of course, as long as everybody feels that that is the only way.

But I wish to state what, if the public were so minded, I think ought to be done.

START ON THE MONEY SYSTEM

I would have Congress take over the Federal Reserve System. Use the taxing power to take all inheritances above $100,000, and all incomes above $25,000 a year. Use this wealth as assets of the Government banking system. Issue bank loans against these assets, without interest, and with payments of 2 percent a year on the principal. Extend these loans to tenants who want to buy farms, and the slum dwellers who have the initiative to build their own homes. Also loan the credit to cities and States, for desired public improvements, and to private business. The Government could issue loans against these assets, multiplied five or ten times, as the private banks are permitted to do.

I believe that if we had the mind, the will, and the nerve to go through with such a program, wages would go up automatically, and slums would clear themselves. We would no longer have any use for Harry Hopkins and his W. P. A. Doles would be a thing of the past. The Budget would go into balance. The 40 millions would take their place at the table of the Nation's bounty.

As one Member of Congress, or as one of possibly fifty or a hundred in Congress, who might be willing to go this far, I and the rest of us are powerless. We cannot rush a Nation of 130,000,000 people into new ventures.

But as a citizen of Ohio I am not as helpless as I am as a Member of Congress. For we have the initiative and referendum in Ohio and we can put such a program up to the people for a direct vote.

A PLAN FOR STATE ACTION

Even if Congress would balk at such a proposal, a State might lead the way. I hope that a long dream of mine may yet be realized and that I may yet see the people of my State voting for and establishing such a policy.

I cannot say that I shall have the strength to do it, but this is what I want to do in Ohio. I want to present to a referendum vote a new bill of rights. I want to establish a State bank. To get assets for this bank I would put a tax of several percent a year on that portion of landed holdings throughout the State by as much as they exceed a value of ten or fifteen thousand dollars, exclusive of improvements. I would have the State bank expand these assets and issue credit, without interest, for the State's own citizens to acquire homes and farms, and for public works. These tax revenues and payments on the principal of the loans would make it possible to finance productive enterprises to the limit, and to finance a real old-age pension system, insuring to all citizens over 60 a really decent and adequate retirement income.

WHY TAX THE LAND?

You may ask why tax the land? I wouldn't tax the first ten or fifteen thousand dollars of any person's land. That is all the land that any person should be permitted to own. The land is the gift of God and should be widely shared. It is better to have many small owners of land than a few large ones, just as it is better to have many independent neighborhood grocers than a few chains.

The Nation can tax inheritances and incomes down drastically. States cannot do that. The owners of such forms of wealth would leave the State. But they can't take their large land holdings out of the State.

If the credit of the State and Nation were taxed and loaned into use, to spread buying power and abolish unemployment, one bad tendency would result. Such a stimulation of general prosperity would send land values sky high. But this extra taxation of the larger holdings would check this tendency. It would prevent the land speculators from getting too big a cut in on the general and abounding prosperity that would be sure to follow.

BIBLE ECONOMICS

The Bible commands us to make every fiftieth year a year of jubilee when debt-ridden and distressed humanity should be unburdened and given a new start. Along essentially the lines that I have suggested, the people of Ohio could establish a year of jubilee. I would like to propose to them a constitutional amendment which would commit the State to nothing less than this policy. The Sermon on the Mount assures us that we shall have all things needful if we will do the will of God.

To hate needless poverty, to suffer in sympathy for the masses of jobless and underpaid people, to believe that they could be emancipated, to work for their emancipation, this is noble, even if you do not want to call it godlike. We need a faith which is both economic and religious. We need an economics which is aflame with religious emotion.

I wish the new militant labor movement in Ohio could be fired with this faith that we could establish a fine republic of labor if we only dared to try.

APPEAL FROM RULERS TO PEOPLE

The rulers of the Nation do not want any such change. We must go to the people. Suppose after 2,000 years the masses of the plain people of a great Commonwealth like Ohio could really believe in that great gospel of the kingdom of heaven on earth. Suppose we could believe in ourselves enough to use our sovereign power to build this kingdom of brotherhood for ourselves and our children here and now.

Well, I keep hoping that we may get this marriage of economic sense and religious fervor. For myself, I feel that I should make every election an appeal to the better angels of our nature, to this faith in the possibility of real justice and brotherhood on this earth.

This fall we are electing in Cincinnati nine councilmen at large. I would like to make even that councilmanic election such a crusade for social justice. I want to find a few candidates who will say that they are for this program that I propose. I hope we may say to the people of Cincinnati this fall "If you believe in this program, if it appeals to your mind and heart, vote for these candidates." We might be surprised at the result. I believe that the masses are hungry for such a message. I believe that the hour has come. The fields are white unto the harvest. Perhaps that Cincinnati election will prove that democracy's hour has struck, that the year of jubilee is near.

The Wage-Hour Bill

EXTENSION OF REMARKS

OF

HON. MICHAEL J. BRADLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

CORRESPONDENCE WITH LABOR ORGANIZATIONS

Mr. BRADLEY: Mr. Speaker, under unanimous consent which I have received, I desire to extend my remarks and include therein correspondence between myself and officials of various labor organizations:

PENNSYLVANIA FEDERATION OF LABOR,
Harrisburg, Pa., May 13, 1937.

Hon. MICHAEL J. BRADLEY,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN BRADLEY: You may be sure your sympathetic position with regard to labor and social legislation is very much appreciated by the Federation of Labor.

Sincerely,

JOHN A. PHILLIPS,
President, Pennsylvania Federation of Labor.

LABOR'S NON-PARTISAN LEAGUE OF PENNSYLVANIA,
Harrisburg, Pa., August 2, 1937.

Hon. MICHAEL J. BRADLEY,
United States Congress, Washington, D. C.

DEAR CONGRESSMAN BRADLEY: It is very fine to have your letter with enclosure, showing your signature to the appeal addressed to your colleagues, and reference to the report in the Philadelphia Record, all showing that you have been striving most intensively to have the wage and hour bill enacted.

The bill went through the Senate by such a good vote that it is to be hoped an entirely sound act will be the result of your efforts.

On behalf of the large numbers who are to be benefited by your splendid stand, it is a real pleasure to offer our gratification and appreciation.

Very truly yours,

P. T. FAGAN,
State Chairman, Labors Non-Partisan League of Pennsylvania.

AMERICAN FEDERATION OF LABOR,
Philadelphia, Pa., August 3, 1937.

Hon. MICHAEL J. BRADLEY,
House of Representatives,
Washington, D. C.

DEAR SIR: I have just read with great interest the story in today's Philadelphia Record of your reply on the floor of the House to Representative HOFFMAN.

Needless to say I enjoyed it.

Enclosed is a marked copy of the new American Federation of Labor organ in this city. I thought this might interest you.

Sincerely yours,

PHILIP B. WAGNER,
Editorial Board, American Federation of Labor News.

LABOR'S NONPARTISAN LEAGUE OF PENNSYLVANIA,
Harrisburg, Pa., August 19, 1937.

Hon. MICHAEL J. BRADLEY,
United States Congress, Washington, D. C.

DEAR CONGRESSMAN BRADLEY: Your vote, voice, and work for the uncut appropriation for the National Labor Relations Board is highly commendable and raises our hopes that the Government will continue exerting itself to harmonize labor relations and stabilize industrial conditions for the benefit of the whole Nation.

Very truly yours,

P. T. FAGAN,
State Chairman, Labor's Nonpartisan League of Pennsylvania.

Kindest personal regards.—P. T. F.

AUGUST 10, 1937.

Hon. WILLIAM GREEN,
President, American Federation of Labor,
A. F. of L. Building, Washington, D. C.

DEAR MR. GREEN: I wish to acknowledge your letter of August 9, conveying to me the attitude of the American Federation of Labor with regard to the pending wage and hour bill as reported by the House Labor Committee.

I assure you it is my intention to support this bill, as I am fundamentally interested in securing the greatest benefits possible for the working people of our country. For the reason that I have maintained a union card as a matter of sentiment, although I have not worked at my craft for over 12 years, I feel that I have a personal interest in legislation of this kind, and am anxious that the best possible bill, from the standpoint of labor, be enacted.

Thanking you very much for writing me, and with kindest regards, I am

Cordially yours,

MICHAEL J. BRADLEY.

James P. Buchanan

MEMORIAL ADDRESS
OF
HON. CLYDE L. GARRETT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

On the life, character, and public service of the late Representative JAMES P. BUCHANAN of Texas

Mr. GARRETT. Mr. Speaker, with the passing of the Hon. JAMES P. BUCHANAN this House lost from its roster a member who had for years labored with all his might for the best interests of this Nation, and on the occasion of his memorial we pause to pay a tribute to him who had done so much, and who had so faithfully lived up to his code of a life of service.

Service is, and it should be, the keystone of every public life. It is well for those in the mart and the commerce of the world to delve and strive for the dollars which are their reward. It was so intended in the formation of our civilization. Those who work can claim the rewards of their labors. JAMES P. BUCHANAN did not work for dollars. He worked for the love of work, for the success which comes from work well done. And his reward is in the life of service which he gave his country, service spent in grubbing among the files of his committee to put the dollars which this Government had taken from its workers in taxes to the best uses and for the most lasting good for its people.

JAMES P. BUCHANAN gave his life in this service. There is no need to extoll his virtues, there is no reward which can be given for those labors, and there is no medal of merit which can ever grace his life which will equal the works which he has done, the service which he has rendered, and the life of sacrifice which he has lived. In the records of that committee, in the archives of this Nation, and in the influence of his rulings he will live through the ages as a man who labored unceasingly, who lived his service, and who died on the field of honor—a soldier of service, living for, honoring, and adorning the halls of those who as the least among us have become amongst those who are great.

John J. McSwain

MEMORIAL ADDRESS
OF
HON. PETE JARMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN J. MCSWAIN, late a Representative from South Carolina

Mr. JARMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following tribute to the memory of our late colleague, JOHN J. MCSWAIN, by Hon. ELLISON D. SMITH, Senator from South Carolina:

I am glad of the opportunity to pay tribute to the memory of my friend, JOHN J. MCSWAIN. He was in every sense a man, not perfect but very human, clean in thought and in his relation to his fellow men, thoroughly faithful to his mental convictions, and was in my estimation among the best Representatives my State has sent to the Congress. Certainly, with these characteristics I was very fond of him, both as a Congressman and as a personal friend.

The Antilynching Bill

EXTENSION OF REMARKS
OF
HON. MICHAEL J. BRADLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

LETTER FROM WALTER WHITE

Mr. BRADLEY. Mr. Speaker, under the unanimous consent which I have received I desire to extend my remarks and include therein the following letter which I have received from Mr. Walter White, secretary of the National Association for the Advancement of Colored People:

NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE,
NEW YORK, *April 20, 1937.*

MY DEAR CONGRESSMAN BRADLEY: The board of directors of the N. A. A. C. P. instructs me to express to you its deep appreciation for your vote for the Gavagan antilynching bill on April 15. We sincerely hope that as the years go by you will be increasingly proud of your handiwork in stamping out this most terrible of American crimes.

Any help or advice that you may be able to give in the effort to secure passage by the Senate will be deeply appreciated.

Ever sincerely,

WALTER WHITE, *Secretary.*

WW: DW
Hon. MICHAEL J. BRADLEY,
House Office Building, Washington, D. C.

P. S.—Enclosed is the first of a series of press releases going to 260 colored newspapers, 404 branches of the N. A. A. C. P., and to organizations cooperating on the anti-lynching bill.—W. W.

James Couzens—Humanitarian

MEMORIAL ADDRESS
OF
HON. ANDREW J. TRANSUE
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

On the life, character, and public service of Hon. JAMES COUZENS, late a Senator from Michigan

Mr. TRANSUE. Mr. Speaker, it is fitting and proper that before this session of the Seventy-fifth Congress is terminated that we of Michigan, who knew the late Senator JAMES COUZENS as a neighbor, friend, industrialist, statesman, and, above all, a great humanitarian, should add our humble voices to the eulogistic paean that is evoked by his name.

Cold and inanimate type is not the proper medium of expression for a true appreciation of Michigan's great Senator, whose memory is enshrined in the hearts of the people he loved and helped. To Senator COUZENS the afflictions of others was an inspiration to do something to make their lives brighter. And today the metaphorical beacon light that best illuminates the memory of Senator COUZENS is the fervent gleam in the eyes of boys and girls whose lives he reclaimed from utter hopefulness.

Have you seen the dull despair of pitiful childish faces doomed to handicapped lives, and have you seen the miraculous transformation in those same faces when hope, that seemed forever banned, returned? In thousands of cases Senator COUZENS was responsible for this almost mystical metamorphosis. His donations, amounting to millions of dollars, for crippled and underprivileged children created an enduring memorial that truly reflects the great love of Senator COUZENS for humanity. He did not need other people's money to bring sunshine into lives destined for the shadows. He gave prodigally of his own vast fortune so that handicapped children might be searched for and found in the cities and villages and on the farms. And after these children were found they were given the benefit of the utmost science and skilled medical and surgical care could provide.

Michigan knew JAMES COUZENS as a great industrialist and an outstanding mayor of dynamic Detroit. The Nation knew Senator COUZENS as a great statesman. And the world knew JIM COUZENS as a really great man who achieved the goal of all greatness by making this world a better world because he had lived.

Activities and Work of Executive Departments

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

STATEMENTS COVERING ACTIVITIES OF VARIOUS GOVERNMENT AGENCIES

Mr. BARKLEY. Mr. President, in accordance with the permission granted me on August 20—CONGRESSIONAL RECORD, page 9451—I offer for insertion in the RECORD, as part of my remarks, a statement covering, respectively, farm income and farm progress, 1932–36, rehabilitation, soil, forests, livestock defense, commodity futures markets, and roads.

The statement follows:

I. INCOME

FARM PROGRESS IN THE UNITED STATES, 1932–36[1]

Farm cash income up 85 percent * * * farm prices up 75 percent * * * forced farm sales cut in half * * * farm wage rates up 75 percent * * * farm real-estate values up 16 percent. Such is the record of agricultural progress in the United States during Roosevelt's first administration, 1932–36.

The attack through adjustment programs on the emergency problem that agriculture faced prior to 1933 went far toward making it possible for the Nation in 1936 to turn its attention to a long-time soil-conservation program.

Because of the situation of the Nation's farmers in the spring of 1933 the major objective of the Agricultural Adjustment Act was to restore farm prices to their pre-war level of purchasing power and thereby to promote national recovery. For this end the program included reduction through production-adjustment programs and other measures of the price-depressing surpluses of major agricultural products that had piled up by early 1933. Increased production of soil-improving and erosion-preventing crops was made possible and was encouraged through measures adopted under the act, but not until the emergency problem was at least partially solved in 1936 could the raising of farm prices and the control of surpluses be subordinated to soil conservation as the paramount objective of the Nation's agricultural program.

AGRICULTURE'S SHARE OF NATIONAL INCOME LARGER

Between 1932 and 1936 agriculture's contribution to the national income rose from 5.7 of the total to an estimated 10.3 percent. Agriculture's contribution in 1936 was very slightly higher than in 1929.

FARM INCOME UP

From its low point of $4,377,000,000 in 1932, cash income from farm production rose steadily, until in 1936 it reached what was then the post-depression peak of approximately $8,100,000,000 including Government payments. This was about 85 percent larger than the 1932 income and was less than one-quarter short of the 1929 standard. Of the 1936 income, Government payments on that year's production accounted for about $400,000,000, or 5 percent, not all of which had been disbursed by the end of the year.

During the first half of 1937 cash income, including Government payments, based on farm marketings, aggregated $3,833,000,000, which was 16 percent more than the corresponding figure for the first half of 1936.

Cash income available for farm family living, after deductions for wages, operating expenses, taxes, and interest, increased even more rapidly during the 4-year span than did cash income as a whole. Cash income available for living from 1932 production was $1,473,000,000. From 1936 production it was $4,475,000,000. This was 204 percent above its 1932 depression low and within 8 percent of its 1929 level.

On this basis, although farm population increased about 838,000 from 1932 to 1936, per-capita cash income available rose from $48 to $141 during this period.

PURCHASING POWER STEPPED UP

The gain in income during this period was somewhat offset by an increase in prices of things farmers buy.

Allowing for an increase of 16 percent in prices farmers pay for commodities and services used in living and production, the purchasing power of cash income from farm production was 60 percent greater in 1936 than in 1932. Allowing for an increase of 13 percent in prices farmers pay for things used in living, the purchasing power of cash income available for living was 169 percent greater in 1936 than in 1932. Prices paid for commodities used in living had not advanced quite as rapidly as prices paid for items used in production.

FARM PRICES MOVE UP

The yearly average price of farm products as a whole increased 75 percent during the 4-year period, rising from 65 percent of the pre-war level to 114 percent. The low point occurred in February and March 1933 when farm prices were only 55 percent of the pre-war level. In July 1937 they averaged 125 percent of that level. These figures do not include rental and benefit payments.

Although prices that farmers pay for the things they buy rose 16 percent from 1932 to 1936, the exchange value per unit of farm products increased from 61 percent of the pre-war level in 1932 to 92 percent in 1936 and to 94 percent in July 1937. In short, farm disparity was lessened by 51 percent during the 1932–36 period, but farm prices were still 8 percent short of the parity goal set forth in the Agricultural Adjustment Act.

[1] Although major emphasis in this paper has been placed on the 1932–36 period, figures for 1937 have been inserted wherever possible.

Price changes on certain important farm commodities are shown in the following table:

Average prices received by United States farmers, 1932, 1936, and July 1937 [1]

Commodity	Unit	1932 (annual)	1936 (annual)[2]	July 15, 1937
Wheat	Bushel	$0.382	$0.997	$1.128
Corn	Bushel	.319	.993	1.181
Oats	Bushel	.157	.442	.425
Barley	Bushel	.221	.80	.644
Rye	Bushel	.281	.805	.81
Buckwheat	Bushel	.434	.794	1.008
Tobacco	Pound	.105	.215	.27
Cotton	Pound	.065	.123	.124
Potatoes	Bushel	0.392	1.113	0.804
Hay (all) loose	Ton	6.17	11.03	9.48
Apples	Bushel	.596	1.01	1.124
Hogs	Hundredweight	3.44	9.13	10.70
Beef cattle	Hundredweight	4.07	6.00	7.46
Veal calves	Hundredweight	5.00	7.58	8.25
Lambs	Hundredweight	4.40	7.62	8.50
Rice (rough, Louisiana)	Bushel	.43	.80	.80
Chickens	Pound	.111	.15	.153
Butter	Pound	.208	.292	.291
Eggs	Dozen	.142	.217	.194
Milk (wholesale)	Hundredweight	1.27	1.86	1.81

[1] Crop year for crops, and calendar year for livestock and products.
[2] Preliminary.

In 1936 when a consumer spent a dollar for 58 selected foods combined the farmer received 44 cents as his share of that dollar, compared to 33 cents in 1932.

PRODUCTION OF AGRICULTURAL PRODUCTS, 1932–36

The volume of all agricultureal production in the United States during the span of adjustment (1933–36) was about 94.5 percent of the average volume produced in the years 1924–29. Total production fell from 100 percent of the 1924–29 average in 1932 to 97 percent of that average in 1933, to 94 percent in 1934, to 92 percent in 1935, and to 95 percent in 1936. In 1934, because of the drought, total production of all crops fell to a post-war low of 70 percent of the 1924–29 average; but this was offset by the unusually large marketings of livestock forced on the market by the drought, which brought the production of livestock and products to a post-war peak of 112 percent of the 1924–29 average.

For various groups of commodities production varied considerably during the 4-year period 1933–36. The 1933–36 average production of grains and cotton and cottonseed was considerably below the 1924–29 average, the drought year 1934 being the low point. Production of fruits, vegetables, and truck crops was above that average. For all crops, production averaged about 80 percent of the 1924–29 level. The 1933–36 production of livestock and livestock products was more than the 1924–29 average by about 6 percent. In the case of meat animals, however, this slaughter was maintained at the expense of inventories. Index numbers for the volume of agricultural production for the different groups of commodities are shown following:

Index numbers of the volume of agricultural production for sale or for consumption in the farm home, 1919–36 [1]

[1924–29=100]

Year	Grains	Fruits and vegetables	Truck crops	Cotton and cottonseed	All crops	Meat animals	Dairy products	Poultry products	All livestock and livestock products	Total
1929	93	94	113	99	97	101	106	106	104	101
1932	85	101	113	86	90	106	110	105	107	100
1933	61	99	105	86	82	108	110	106	109	97
1934	44	111	110	64	70	117	110	102	112	94
1935	71	115	134	71	86	86	110	99	98	92
1936 [2]	55	101	141	83	81	103	110	102	106	95

[1] These index numbers are based on estimates of production of farm products for sale or for consumption in the farm home. Products fed to livestock, used for seed or in other forms of production, are not included. Calendar-year production of livestock and livestock products is compared with crop production of the same year. Each group index as well as the total is obtained by multiplying the yearly quantities by a 1924–29 average farm price received by producers for each of the commodities, and the sum of these yearly values at average prices, divided by the corresponding average sum for the period 1924–29 taken as 100. The commodities included in constructing the index contributed about 93 percent of the gross income from agricultural production during the years 1924–29. The commodities included in each group are: Grains—wheat, corn, oats, barley, rye, buckwheat, flaxseed, rice, grain sorghum; fruits and vegetables—grapes, apples, apricots, peaches, pears, cranberries, figs, grapefruit, oranges, lemons, olives, potatoes, sweetpotatoes, dry edible beans; truck crops—asparagus, snap beans, beets, cabbage, cantaloups, carrots, cauliflower, celery, cucumbers, eggplant, lettuce, onions, peas, peppers, spinach, strawberries, tomatoes, watermelons; cotton and cottonseed; all crops include tobacco and hay in addition to all previous items; meat animals—cattle, calves, sheep, lambs, hogs; dairy products—milk total production less milk fed to calves; poultry products—chickens and eggs; all livestock and livestock products include wool in addition to the livestock and livestock products mentioned; the total index is the combined index of all crops and all livestock and livestock products.
[2] Preliminary.

Estimates indicate that the number of hogs, including pigs on farms, decreased from 62,127,000 on January 1, 1933, to 39,004,000 on January 1, 1935, and recovered to 42,774,000 by January 1, 1937. The number of cattle and calves, which was 70,214,000 on January 1, 1933, increased to 74,262,000 on January 1, 1934, and declined to 66,676,000 by January 1, 1937.

SURPLUSES WHITTLED DOWN

With this lessened production, due mainly to the record-breaking 1934 drought and the adjustment programs, some of the agricultural surpluses were reduced or eliminated.

The primary problem before American farmers in early 1933 was the reduction of these surpluses, which were weighing down farm prices. Much of the general improvement in the agricultural situation since then has been made possible because these surpluses were reduced.

By the beginning of the crop year on July 1, 1937, the wheat carry-over had been reduced from 375,500,000 bushels on July 1, 1932 (and from the all-time high of 377,900,000 bushels on July 1, 1933), to 103,300,000 bushels, not far from "normal." By August 1, 1937, the world carry-over of American cotton had fallen to, roughly, 6,000,000 bales, whereas in 1932 it had stood at 12,960,000 bales. By October 1, 1936, the corn carry-over had declined to 178,100,000 bushels. As measured by the 7 years preceding 1933, some 186,700,000 bushels would have been about average. At the beginning of the 1933–34 crop season it had been 386,100,000 bushels. The number of hogs had declined by about 19,400,000 head.

FARM REAL ESTATE VALUES ON THE UPTURN

By 1937 the renewed earning power of the farm, as measured by increased farm income, had reflected itself in an upturn in farm real estate values. The total estimated value of all farm land and buildings had climbed back to $35,355,000,000 from its 1933 low of $30,725,000,000.

For the country as a whole, the decline in farm real estate values had come to an end in the year ending March 1933. At that time the estimated value per acre was 73 percent of the 1912–14 average. By the year ending March 1937, it had risen to 85 percent of that pre-war average.

Forced farm sales through foreclosure and other causes declined, during the same period, from 54.1 per 1,000 farms in the year ended March 1933, to 26.2 per 1,000 farms for the year ended March 1936. Voluntary sales and trades of farms during the same period rose from 16.8 to 24.0 per 1,000 farms. Comparable figures for March 1937 are not yet available.

Farmer bankruptcies for the year ending June 30, 1936, fell to 3,642, the lowest since 1922. This figure compares with 5,917 for the fiscal year ending June 1933.

IMPROVED FARM SITUATION EXTENDS TO WAGE EARNERS

The generally improved agricultural situation had extended itself by 1936 to wages paid hired farm larbor.

In 1932 farm wage rates as a whole were 86 percent of the 1910–14 average. In 1933, they sank to 80 percent of that average. For 1936, however, they rose to 107 percent of pre-war. On July 1, 1937, the figure stood at 123 percent of the 1910–14 average.

THE 1934 DROUGHT EMERGENCY

While the reduction in cotton and tobacco carry-overs has been largely due to the adjustment programs, the heavy reduction in wheat, corn, and other grains in 1934 and the reduction in livestock numbers—a necessary accompaniment of the reduction in food grains and pasture—was largely due to the drought.

The first problem in agricultural adjustment was that of surpluses. The second was the drought and the shortages which it brought. The number of cattle on farms when the drought appeared was the highest in more than two decades. The drought cut the supplies of water, feed, and forage supplies far below the need of these cattle, and producers were forced either to sell their stock without regard to the effect on prices or to let them die of thirst and starvation.

The Government purchased 12,240,262 head of cattle, sheep, and goats at a cost of $119,256,056. Because of starvation and thirst, approximately 3,950,000 of these animals were unfit for food purposes and were condemned. The remaining animals were given to the Federal Surplus Relief Corporation for slaughter largely for distribution to those on relief. From them were obtained approximately 766,598,000 pounds of beef and veal of all kinds, 20,741,700 pounds of mutton, and 195,000 pounds of goat meat. Hides and skins from these animals were saved and utilized wherever possible.

These livestock purchases relieved commercial channels of the pressure by the distressed stock and alleviated the glutting, which would have forced prices still lower. Furthermore, as a result of this measure, farmers whose cattle would otherwise have died on the range had money for which to rebuild their herds on a better basis, many of the inferior animals having been culled out.

When in the early summer of 1934 it became apparent that for the 1935 seedlings there would be an acute deficiency of adapted varieties of seed wheat, oats, barley, and flax in the drought areas, the Agricultural Adjustment Administration began a seed-purchase program with a $25,000,000 allocation from emergency funds. Adapted varieties of seed were purchased and prepared for distribution during the 1935 planting season. Expenditures for seed grain, in 20 States and in Canada, totaled $16,841,960.63 through December 31, 1935.

Sales were made for cash to farmers who were able to purchase, and seed was transferred to the Federal Emergency Relief Administration to be used in relief.

The livestock- and seed-purchase programs were only part of the relief brought to the drought-stricken farmers by the Agricultural Adjustment Administration. The benefit payments due them under the wheat and corn-hog programs were calculated on production during a previous base period, rather than on the current year's production, and consequently served as a form of crop-income insurance. Rental and benefit payments in the 23 States in the drought area totaled $786,593,652.63 at the close of 1935.

THE DROUGHT OF 1936

As of September 1, 1936, more than 1,000 counties in 23 States had been officially designated as being within the emergency drought area.

Efforts were made in this and other portions of the afflicted area to cushion the effect of the disaster. (1) Work relief was extended through the Works Progress Administration. (2) Loans were made by the Resettlement Administration, in addition to those made by other governmental lending agencies. (3) An emergency livestock-purchase program was inaugurated on August 3 under which drought cattle were processed under Government contract and the meat distributed to those on relief by the Federal Surplus Commodities Corporation through State relief agencies. (4) A seed-grain-purchase program was put under way. The Farm Credit Administration agreed to advance not more than $10,000,000 for the purchase of from seven to nine million bushels of small grains adapted for growing in the drought area. These seeds were stored until spring and then sold to farmers in the drought regions. (5) Carlot shipments of feed and food were sent into the afflicted area at Government expense. In most instances the commodities were obtained by the Commodities Purchase Section of the A. A. A. in connection with the removal of surpluses of these commodities from the hands of growers and distributors. (6) Modifications were made in the soil conservation program to increase the production of food, feed emergency forage crops, and to enable payments to farmers who failed to grow soil-conserving crops through no fault of their own. (7) Payments to farmers in the drought area under the Soil Conservation and Domestic Allotment Act provide a measure of crop-income insurance to farmers, as the rental and benefit payments did in the drought of 1934.

SOIL CONSERVATION UNDER AGRICULTURAL ADJUSTMENT PROGRAMS

Two factors contributed to better soil use during the adjustment years 1933–35. One factor was increased farm income and prices which eased the pressure that had forced farmers to mine their soil. Farm prices moved toward a level high enough to allow farmers to use farming methods that would maintain soil fertility, preserve their capital investment, and in the long run maintain their incomes at better levels.

The other factor in the trend toward better soil uses was encouragement given farmers by the production-adjustment programs to shift from their plowed crops to feeding crops that improve fertility and provide a cover protection against erosion. For, while increasing farm prices was the primary purpose of the adjustment programs and control of production and elimination of surpluses the means employed by them, in operation they were also designed to encourage and require more careful use of land.

In 1934 a total of 35,767,899 acres rented to the Secretary of Agriculture—about one-tenth of the Nation's total cultivated acreage—was shifted out of the production of corn, wheat, cotton, and tobacco. In 1935, production on approximately 31,000,000 acres was thus shifted. Most of this acreage was put to uses that tended to conserve and maintain its productivity. Only an insignificant percentage was allowed to lie idle.

RESULTS OF THE 1936 AGRICULTURAL CONSERVATION PROGRAM

In the agricultural conservation program for 1936 American farmers have had, for the first time, the economic support and protection of the Federal Government in a cooperative attack on the problem of soil erosion and soil depletion on the privately owned farm lands of the country. Since the turn of the century Federal and State agencies have done research and educational work on this problem. The nature and extent of the problem have been surveyed, and methods of dealing with it have been evolved and taught to farmers.

In 1936, under the provisions of the Agricultural Adjustment Administration programs, farmers received financial help which met part of the cost of adopting tested soil-protecting and soil-conserving practices on their own farms, and were organized to carry out a national program designed to improve and protect the agricultural resources of the whole Nation.

At the end of 1936 only a small percentage of the applications of farmers for payment earned under the 1936 program had been received and checked. Statistical presentation of the accomplishments under the program can be developed only through estimates by the officials of the Agricultural Adjustment Administration, based on the data given in those applications. These data include figures on diversion of acreage from soil-depleting to soil-conserving crops, and on the extent of other soil-protecting and soil-conserving practices that have been carried out by farmers as a direct result of the program.

Sixty-seven percent, or more than 283,000,000 acres, of the total crop land in the United States was covered by applications for grants under the 1936 program.

Approximately 3,000,000 applications for grants, representing perhaps 4,000,000 farmers and based upon more than 4,200,000 work sheets, have been filed under the 1936 program. Since more than one farm operator or owner may sometimes sign a single work sheet or application, or a single operator or owner may sign more than one work sheet and application, neither the number of work sheets nor the number of applications necessarily represents the number of individuals or of farms concerned in the program.

The total acreage diverted from soil-depleting crops amounted to nearly 31,000,000 acres. Not all of this diversion was the direct result of the soil-conservation program. Drought destroyed large acreages of soil-depleting crops. In accordance with sound farm management, farmers replaced these crops where possible with emergency, drought-resistant, soil-conserving crops. The program placed a limit upon the percentage of his soil-depleting acreage which an individual farmer could be paid for diverting. In the drought-stricken area farmers frequently exceeded this percentage for which they were paid, because of the loss of their original plantings and their desire to produce as much feed and forage as possible.

Of the acreage diverted from soil-depleting crops in the United States, 70 percent was diverted from the general soil-depleting base, 29 percent from the cotton base, and 1 percent from the tobacco base.

Soil-building practices were carried out on more than 53,000,000 acres of land in the country as a whole. There were nearly 34,000,000 acres of new seedings of legumes alone or in mixtures and over 7,500,000 acres of green manure crops newly seeded; nearly 2,000,000 acres of pasture were established or improved; over 3,200,000 acres of land received chemical fertilizers; terracing, contour furrowing, protected summer fallow, and other mechanical erosion controls and miscellaneous soil-building practices were put into effect on nearly 7,000,000 acres.

Class I payments were distributed approximately as follows: Sixty-five percent for diversion from the general base, 28 percent for the diversion from the cotton base, 5 percent for diversion from the tobacco base, and less than 1 percent each for diversion of peanut acreage and for participation in the special sugar, rice, and flax phases of the program.

Sixteen percent of the total payments to farmers were for adoption of soil-building practices. Of the acreage on which these practices were carried out 82 percent was put into new seedings of soil-improving crops. These new seedings were made on nearly 43,000,000 acres, of which 78 percent were seeded to legumes alone or in mixtures, 18 percent to green-manure crops, and the remaining 4 percent to grass mixtures designed to establish or improve pasture. Five percent of the land on which payments in connection with soil-building practices were made received applications of lime, superphosphate, or other approved chemical supplements. One percent of the acreage was terraced, and on 8 percent contour furrowing, protected summer fallow, or other mechanical erosion-control practices were carried out.

AGRICULTURE'S CONTRIBUTION TO RECOVERY

The attempt to restore farm income under the Agricultural Adjustment Act had as its primary purpose the improvement of the American farmer's situation. But it was also undertaken in the expectation that improved farm-buying power would be passed on to the industrial areas of the country and there further stimulate national industrial recovery.

The output of factories using nonagricultural raw materials increased from 41 percent of their 1929 volume in 1932 to about 94 percent of their 1929 volume at the end of 1936. The extent to which this was influenced by the stimulus of purchases by farmers is suggested by the following figures:

New automobile registrations in the United States increased from 1,277,000 in 1932 to 1,740,000 in 1933, to 2,293,000 in 1934, and to 3,255,000 in 1935, and to 4,016,000 in 1936. The increase from 1932 to 1936 was 214 percent.

The value of sales by two large mail-order houses, which do a large proportion of their business with farmers, has shown steady increases. The monthly average sales of these firms were: $38,344,000 in 1932; $39,775,000 in 1933; $49,639,000 in 1934; $59,878,000 in 1935; $74,520,000 in 1936.

The value of sales averaged higher in 1936 than in any previous years on records dating back to 1913.

The value of rural retail sales in 1936 for the country as a whole was higher than in any other year since 1929. The 1936 sales value increased 82 percent over that in 1932 and 66 percent in 1933.

Fertilizer-tax tag sales, compiled for 17 Southern and Midwestern States only, indicate increased purchases of fertilizer since 1933. During 1933 the equivalent tons purchased in these 17 States totaled 3,342,855. For 1936, purchases aggregated 4,789,871 equivalent tons, or an increase of 43 percent over 1933.

According to the American Petroleum Institute gasoline consumption in the United States increased from 15,440,919,000 gallons in 1933 to 19,617,163,000 gallons in 1936, an increase of 27 percent.

Sales of new ordinary paid-for life insurance for the country as a whole increased from $6,606,222,000 in 1933 to $7,002,389,000 in 1936, or an increase of 6 percent.

Improved banking conditions are further indications of increased business activity. Monthly statements issued by the Federal Reserve System indicate that debits to individual accounts increased greatly from 1932 to 1936. For 1932 debits in 141 centers throughout the United States totaled $322,365,547,000. By 1936 debits in

these reporting centers stood at $428,605,986,000, or 33 percent above the 1932 figure.

According to the Federal Reserve Board, the Nation's bank deposits climbed to $53,701,000,000 on December 31, 1936. The increase in total deposits was $15,196,000,000, or 39 percent over deposits on December 30, 1933. Deposits with mutual savings banks and member banks of the Federal Reserve System were described as close to the largest volume on record.

The number of all commercial failures dropped steadily and rapidly from 1933 through 1936. From 19,859 in 1933, such failures declined to 11,724 in 1934, to 11,510 in 1935, and to 9,185 in 1936. Commercial failures in 1936, therefore, amounted to only 46 percent of those in 1933.

Other indexes show further improvement. Estimates by the Bureau of Labor Statistics indicate that expenditures for building operations in 358 identical cities throughout the United States aggregated $407,600,000 in 1933, compared with $1,160,700,000 in 1936. This represents an increase of 185 percent.

Employment and pay rolls in manufacturing industries are also on the upturn. The average number of persons employed in these industries jumped from a low of 5,488,000 in 1932 to 7,693,000 in 1936, thereby increasing 40 percent. During the same period, the average weekly pay roll of these industries rose from $94,346,000 to $167,545,000 or 78 percent.

Increased income is reflected in many other ways. Electric refrigerator sales of household models for the country as a whole, as reported by the Edison Electric Institute, advanced from 769,666 in 1932 to 2,079,535 in 1936, an increase of 170 percent.

The number of domestic electric service customers in the United States, including residential and farm services, rose from 20,054,000 on December 31, 1932, to 21,965,000 by the end of 1936, a gain of 10 percent. The following table, based on figures of the Electric Institute and showing the number of farms served by electric light and power companies, reveals similar increases:

Number of farms served

On December 31—	
1932	709,449
1933	713,558
1934	743,954
1935	788,795
1936	915,000

This represents an increase from 1932 to 1936 of 29 percent for the country as a whole. The above figures do not include individual farm-lighting plants.

In a recent study of railroad-freight waybills of carlot shipments of manufactured and industrial commodities originating in 16 industrial northeastern States and delivered by 16 principal railroads to the 32 predominantly agricultural States, shipments were shown to increase from 8,333,958,000 pounds for the year ending June 30, 1933, to 13,342,383,000 pounds in the year ending June 30, 1935. This represents an increase of 60 percent.

Shipments of commodities used by farmers in production increased in this period by 165 percent, from 247,261,000 pounds to 655,806,000 pounds. Included in this group were farm implements and machinery, shipments of which increased by 309 percent, from 71,837,000 pounds to 293,995,000 pounds. Shipments of tractors and parts increased by 303 percent, from 36,490,000 pounds to 147,005,000 pounds. Wire and fencing increased from 126,873,000 pounds to 195,762,000 pounds, or by 54 percent.

Domestic and personal goods used in large quantities by farmers showed an increase of 99 percent. These totaled 636,211,000 pounds in the first year covered by the survey, and 1,264,409,000 pounds in the last year of the survey. Among the commodities which showed substantial increases, ranging up to 260 percent were furniture, including refrigerators and stoves and heaters, carpets and linoleum, electrical appliances, furnaces, plumbers' fittings and fixtures, and clothing.

Increased shipments to the agricultural States were not confined to products used on the farm or in the home. The improved purchasing power of farmers and others was reflected in increased shipments of commodities used in industry and commerce. For this entire commercial and industrial group, shipments totaled 2,772,821,000 pounds in the earlier year and 4,359,296,000 pounds in the later year. Outstanding in this group were steel and iron products, shipments of which increased from 1,027,087,000 pounds to 1,917,281,000 pounds, or by 87 percent. Shipments of electrical, road, refrigerating, and other commercial and industrial machinery increased from 175,094,000 pounds to 259,494,000 pounds, or by 48 percent. Engines of all types increased from 62,596,000 pounds to 141,342,000 pounds, or by 126 percent. A long list of other commodities used in commerce and industry showed similar improvements.

A fourth group, consisting of goods used generally on farms, in homes, and in industry increased from 4,677,665,000 pounds to 7,062,872,000 pounds, or by 51 percent. The largest item listed in this group was gasoline and petroleum products, shipments of which increased from 1,457,926,000 pounds to 1,983,795,000 pounds, or by 36 percent. Automobiles and their parts and accessories bulked next largest, increasing from 862,060,000 pounds to 2,037,483,000 pounds, or by 136 percent. Shipments of motor trucks, of which about 27 percent are used by farmers, according to the Bureau of the Census, increased from 16,872,000 pounds to 34,491,000 pounds, or by 104 percent. Shipments of batteries increased by 47 percent, from 53,335,000 pounds to 78,632,000 pounds. Some other products in this general group were paper and paper products, which increased from 566,250,000 pounds to 713,034,000 pounds, or 26 percent; glass and glassware from 188,358,000 pounds to 259,275,000 pounds, or 38 percent; and tin and products from 355,950,000 pounds to 430,568,000 pounds, or 21 percent.

Some individual items in the survey showed decreases, but these were more than offset by the items which showed increases, so that the general average was substantially higher in the 2 years after the recovery program began.

The significant fact brought out is that increase of purchasing power in an area that is largely agricultural has a direct effect on business activity and employment in regions heavily industrialized. The increased farm purchasing power provided a stimulus which was transmitted from those regions to the States where industry is centered.

II. Rehabilitation

The Resettlement Administration's program of rehabilitation and better land use grew out of a condition first recognized by the New Deal. That was the fact that the lower third of our farm population, measured according to income, were growing steadily poorer, and by their unprofitable farming operations were causing a great waste of the Nation's land and economic resources.

The remarkable scientific advances in agriculture developed by the Department's technical experts during past years have been of little value to this poorer element among the farmers. They could afford neither to study nor apply the scientific principles of modern agriculture. Instead of progressing with other farmers toward bigger crop yields and better standards of living, the lower third of the farm population were sinking deeper into poverty and dependence upon outside support.

One of the facts which made this startling situation most clear was the presence of more than 1,000,000 farm families on relief rolls during the depression—families who lived on the land and yet could make so little that they had to go on relief.

This fact was investigated and further facts were uncovered that declared the need for a basic program of rehabilitation among the poorer farm citizens. For example, it was learned that almost 1,000,000 farm families had total yearly incomes of less than $400, including the products they used at home. Field surveys undertaken by the Department have brought to light the fact that about 600,000 farm families are living on land so poorly suited to crop cultivation that they cannot hope to make a living from it. Others were struggling along under impossible debt burdens from which existing public credit agencies could not free them.

Under those conditions these distressed citizens were a burden to the Nation. They were encouraging soil erosion and the destruction of land resources, as has been dramatized by the dust storms which still engulf the Great Plains. They paid little in taxes, and yet often required costly services, such as roads and schools, that must be supplied by the States and counties. Their increasing poverty portended heavier relief and welfare costs in poor rural areas which have already swallowed up huge sums of public money.

To meet this increasingly bad situation, the Resettlement Administration has carried out a threefold program of reconstruction. It has undertaken a rural-rehabilitation program, which has brought small loans and grants and the best technical guidance possible to hundreds of thousands of farm families faced with dispossession and failure. Through the submarginal-land program it has bought more than 9,000,000 acres of land unsuited to farming and developed it for constructive uses as forests, cattle ranges, wildlife preserves, and recreation areas. Finally, it has made a beginning in helping capable farm families, who could turn to no other source of help, in purchasing or renting good farms under good tenure arrangements whereby they could attain the security and satisfactory standard of living previously denied them. Together these three activities are stopping the downward trend among the poorer element of our agricultural people and bringing them, too, into the forward march toward greater security and well-being that American farmers as a whole now see before them.

"Rehabilitating" a farmer means placing him in a position where he can stand on his own feet. Approximately 300,000 families have been helped toward this end by the Resettlement Administration. A total of more than $150,000,000 has been made available to farmers in small loans of about $350 each, with which they could purchase needed fertilizer, tools, seeds, work animals, and other farm requisites. These loans have been made for 2 to 5 years, depending upon the client's ability to repay. In addition, each farmer has been helped by a farm-management expert to work out the best method of operating his land, not only to produce better crops but to save the soil and supply good food for the family and feed for the livestock. The success of this program is best indicated by the satisfactory rate at which clients are now repaying their loans to the Government.

Shortly after the Resettlement Administration got under way with its program of farm help the United States was visited with a series of droughts and floods that have hardly been paralleled in our history. Thousands of farm families saw all their resources burned up in drought or swept away by floodwaters. The Resettlement Administration was called upon to help the victims of these and other disasters. Grants have been extended to families who had no means of becoming rehabilitated during the current crop year. Approximately $50,000,000 has been given to more than 466,000 farm families in this way to provide for their human subsistence.

Another form of assistance which the Resettlement Administration has brought to distressed farm families has been the debt-adjustment program, whereby farm loans of excessive proportions have been scaled down by the voluntary agreement of debtors and creditors. Utilizing the services of volunteer committees in each county, the Resettlement Administration has scaled down debts amounting to $195,000,000 for approximately 60,000 farm families. The debts have been decreased on an average of 25 percent through this work.

Unwise land use has been responsible for a great deal of the poverty on American farms, and has aggravated the disastrous effects of drouths and floods. Consequently, the Resettlement Administration has charted a course of improved land use for years to come, and has carried out an immediate program aiming at the more constructive use of land in the most seriously impoverished farming regions.

The submarginal land, purchased in 206 projects located throughout the United States, has been removed from cultivation, and on its forests and cattle ranges, public recreation areas and wildlife refuges have been developed. Establishments of well managed grazing areas in the Great Plains region in this manner has provided new and valuable economic assets for surrounding farmers and stockmen. New forests form the basis of future employment. Fees from grazing areas, sale of timber, fees for hunting and fishing, and for the use of recreational facilities will constitute new sources of income from these lands. Areas once impoverished and idle, are now serving valuable public purposes.

More than 55,000 workers from relief rolls have been employed in developing these projects. They have reforested 71,000 acres of land with 71,000,000 trees; improved the timber on some 380,000 acres; and built roads, artificial lakes, ditches, water reservoirs, and hundreds of other improvements.

Finally, the Resettlement Administration has helped families living on sterile acres of land to find homes on good land. This program of resettlement has been carried out in two ways. One way has been to establish families on individual farmsteads throughout existing farm areas. Here the settlers will operate farms typical of others in the district best adapted to the land on which they have been established. Seventy-one such projects have been established.

Another type of resettlement project consists of a group of farms formed by breaking up a large tract of land into one-family units. If such groups of farms are large enough, they frequently have their own school and other public facilities. Developments of this sort frequently offer an opportunity for better social organization. Some such projects involve a combination of part-time farming with seasonal work in industries.

A small but important aspect of the Resettlement Administration's work has presaged a larger program by the Department of Agriculture. During the past year 1,000 tenant farmers have been helped to buy farms of their own. Recent enactment of the Bankhead-Jones Farm Tenant Act indicates the wish of Congress to proceed further along this line of bringing greater security to the American farmer.

III. Soil

The past half decade has seen an abrupt and deeply significant change in this country's attitude toward its land. Without reproach or recrimination, it is now quite generally agreed that American land policies in the past were essentially policies which encouraged soil exploitation.

With abundant land, an open frontier, and a relatively small population, the dominant theory during the period of westward migration seemed to be that the best way to increase agricultural production and create national wealth, was to get lands into private ownership as quickly as possible. Various administrations encouraged private acquisition of land through homestead laws, land grants, grazing privileges, favors to transportation companies, lenient taxation, irrigation grants, and other similar devices.

Few administrations looked forward to the closing of the frontier, and few saw any cause for alarm at the soil exploitation which followed when the pressure of increased populations forced agriculture to abandon extensive operations and entrench behind intensive cultivation. Soil erosion impoverished and ruined productive croplands then, as it does now, yet there appears to have been little worry, governmental or otherwise, over the inevitable problem of washed-out farms and gully-riddled fields. There were more good farms out West, easily available under the Nation's cheap-land policy.

In 1933, however, the present administration made a sharp break with this complacent attitude of unconcern for the land. For the first time, it recognized the responsibility of the Federal Government for the conservation of basic soil resources, and created a governmental mechanism for the discharge of this responsibility.

In the beginning this mechanism took the form of the Soil Erosion Service under the Department of the Interior. Using emergency relief funds as an avenue of relief employment, the Erosion Service put into effect an extensive operations program throughout the country.

Due to increased public interest in agricultural problems, and because soil erosion had come to be recognized as the greatest menace to permanent agricultural land use, the Soil Erosion Service, after approximately 18 months of activity, was transferred in March 1935 to the Department of Agriculture, which for several years had been conducting research into the erosion problem at 10 erosion experiment stations. It was this research activity, coupled with factual information gathered by the Soil Erosion Service, which removed all doubt of the seriousness of the problem, and which led to the ultimate establishment of a permanent soil-conservation agency.

On April 27, 1935, President Roosevelt formally approved an act of the Seventy-fourth Congress which declared it to be the "policy of Congress to provide permanently for the control and prevention of soil erosion * * *", and authorized the Secretary of Agriculture to establish an agency to be known as the Soil Conservation Service to effectuate this policy. The act further authorized the Secretary to utilize existing facilities in the formation of the new service. Consequently, the Soil Erosion Service became the Soil Conservation Service with permanent status as a regular bureau of the Department of Agriculture.

The necessity for this legislation was urgent. Accelerated or man-made soil erosion, induced by years of land exploitation and reckless waste, was an immediate problem, threatening the very future of American agriculture. In 1935 it was conservatively estimated that erosion had already impoverished and ruined more than 50,000,000 acres of once-productive cropland for further agricultural use. Another 50,000,000 acres were considered to be in a condition almost as serious, and still another 100,000,000 in grave danger of similar depletion.

Broadly stated the original objectives of the Soil Conservation Service were: (1) To conduct research into the nature of erosion and develop and improve practical preventive measures; (2) to put practical control measures into actual use in carefully selected regions where typical erosion problems existed, so as to demonstrate their effectiveness to the largest possible number of land users; and (3) to obtain the widespread adoption of practical soil- and water-conservation practices.

Practical preventive measures have been developed which can be adapted to varying conditions of soils and climate; such measures are being demonstrated in 45 States through the medium of 175 erosion-control demonstration projects, as well as on lands surrounding some 450 C. C. C. camps in all parts of the country, and they are gradually being adopted spontaneously by land users in all parts of the country. In the short span of 4 years the Nation has become conscious of a critical land condition that developed virtually unnoticed over a period of more than a century and a half.

As the national program developed, however, it became more and more obvious that no single agency could assume full responsibility for solution of the problem. There was an acute need for greater understanding of the part which individual farmers, farmer organizations, and public and private agencies would have to play in the conservation of national soil resources. The Federal and State Governments, having certain fundamental responsibilities for soil defense, also faced certain limitations in the actual application of conservation measures to the land.

This need for a broader program was outlined by President Roosevelt in February of this year when he transmitted to Governors of the several States, with an explanation of its provisions and a request for favorable consideration, the so-called Standard State Soil Conservation Districts Act, prepared by the Department of Agriculture at the request of a number of States as a model for State legislation.

In his letter to the Governors the President said in part:

"The dust storms and floods of the last few years have underscored the importance of programs to control soil erosion. * * * To supplement the Federal programs, and safeguard their results, State legislation is needed. * * * The conduct of isolated demonstration projects cannot control erosion adequately. * * * Such work can only point the way. * * * Legislation is imperative to enable farmers to take the necessary cooperative action."

In response to this clear-cut appeal for active State and local cooperation, 22 States passed legislation closely patterned after the Standard Districts Act, which opened the way for the most comprehensive attack ever launched against the erosion problem.

In general, the act provides a mechanism by which farmers in a typical land-use area may organize a soil-conservation district whenever a majority of land occupiers in the district vote in favor. When organized, the district, as a governmental subdivision of the State, has the power to conduct research into soil erosion, to establish demonstration projects, to carry out preventive and control measures, to enter into contracts with farmers in the district and give them financial and other assistance, to buy lands for retirement or for other purposes, to make loans and gifts of machinery, seeds, and equipment, and to recommend land-use plans for soil conservation.

In addition, the district has the power to formulate and through the State courts to enforce land-use regulations. Such regulations, however, cannot go into effect until after they have been approved at a general referendum.

Passage of soil-conservation legislation by these 22 States is expected to result in three highly significant developments: First, it provides land users and occupiers in these States with a democratic approach to their own local problem; second, it fulfills the Secretary of Agriculture's requirement that States adopt soil-conservation legislation as a prerequisite to continued Federal assistance in soil-conservation work; and third, it provides a mechanism for closer cooperation between State, Federal, and local agencies in the conservation of soil resources.

The role of the Soil Conservation Service, therefore, has expanded beyond that of introducing and applying conservation measures within limited areas for the purpose of demonstration, to that of providing leadership, technical advice and assistance

to legally organized groups of farmers seeking such aid out of their own concern for their land.

During the past 4 years the national movement toward wiser soil husbandry has gained tremendous momentum. Evidence of a real trend away from old theories of exploitation and complete disregard for the land can be seen about wherever you go. In addition to the conservation measures visible on lands within the boundaries of demonstration projects, and lands near C. C. C. camps, an increased number of farmers outside of such areas are adopting conservation measures voluntarily as a result of the demonstration program.

IV. Forests

ACQUISITION OF LAND FOR NATIONAL-FOREST PURPOSES

Early in President Roosevelt's first administration a new impulse and purpose was given to the program of acquisition of lands for national-forest purposes, which had been initiated by the act of March 1, 1911, and enlarged by the act of June 7, 1924, but had made relatively slow progress up to March 1, 1933. The number of States in which such work was conducted was increased from 20 to 30, plus Puerto Rico; the number of formally authorized purchase units from 42 to 85; the acreage of lands approved for purchase from 4,727,680 acres to 16,105,204 acres, a gain of 11,377,524 acres, of which about 10,750,000 acres will finally prove to be purchasable. In terms of acreage approved for purchase, the progress made in the 46 months from March 4, 1933, to December 31, 1936, was two and one-half times as great as that made during the preceding 22 years.

While the enlarged program was founded on the basic principles of the acts of March 1, 1911, and June 7, 1924, namely, streamflow protection and timber production, it was motivated by additional social and economic considerations, such as the provision of new opportunities for constructive employment to communities stranded by earlier destructive exploitation of natural resources or the preservation of the economic life of communities by Federal acquisition and conservative management of such related timber resources as remained available.

All this was made possible by allotments totaling a net of $45,943,500 made by the President. In addition to the numerous permanent benefits arising out of the program, the expenditure of these funds was an appreciable factor in alleviating the financial depression, as the funds quickly were placed in circulation by the payment of outstanding obligations, including large payments to counties of delinquent taxes on the lands, by the meeting of pay rolls, plant betterment and in other ways. In the then prevailing circumstances, the lands purchased by the United States, while definite capital assets, were so frozen as to make liquidations impossible other than through Federal purchase. The consequent release of funds distinctly relieved many communities whose credit facilities otherwise would have been inadequate.

The land purchases during the 46-month period involved 18,898 separate transactions, some representing as little as 20 or 40 acres, others many thousands of acres. No one class of landowners exclusively benefited by the program. Lands were acquired from four broad classes: First, owners of occupied or abandoned farms not suited to profitable farming, consisting in part of submarginal fields and pastures and in part of timbered or cut-over forest lands; second, other persons owning and holding small areas of timbered or cut-over lands without means of giving them proper protection or management; third, large timber-operating companies unprepared or unwilling to permanently manage the lands on a sustained yield basis; and fourth, States or counties to which lands had reverted through tax delinquency and which were unprepared or unwilling to assume responsibility for the permanent management of such lands as forest properties. All purchases were by voluntary agreement, condemnation being employed only as a means to quiet title and with the assistance of the owners of record.

Under Federal management the acquired lands will be restored to optimum conditions of forest cover to meet one or several of the following requirements of public interest: (a) Production of timber to meet the industrial and economic needs of the Nation; (b) stabilization of stream flow to prevent torrential run-off and consequent flood damage; (c) limitation of soil erosion, to minimize destruction of the social values of lands and the sedimentation of productive lands, reservoirs, and navigable channels; (d) creation of optimum conditions for the propagation and perpetuation of adequate supplies of wild animals, birds, and fish; and (e) provision to the people of the United States of needed facilities for wholesome forms of outdoor recreation.

FOREST COMMUNITIES

Two forest communities have been established in cooperation with the Resettlement Administration to determine the feasibility of developing groups of part-time farms involving the resettlement of seasonal and part-time forest workers from submarginal farms in or adjacent to national forests. These projects consist of small farm units complete with modern improvements. The Drummond project adjacent to the Chequamegon National Forest in Wisconsin consists of thirty-two 20-acre farmsteads, the Sublimity project adjacent to the Cumberland National Forest in Kentucky consists of 66 farmsteads of varying size.

These two projects were built by the Forest Service under the provisions of the Emergency Relief Acts of 1935-36 by delegation of authority and with funds provided by the Resettlement Administration.

NATIONAL FOREST REFORESTATION AND TIMBER SALES

The planting activity in the national forests was expanded as new nurseries were established and came into production, from about 25,000 acres in the calendar year 1932 to 223,000 acres in 1936. This expansion was chiefly in the Lake States and in the South.

The use of national-forest timber increased steadily as the depression passed. The cut in timber sales increased from 389,000,000 board feet in the fiscal year 1933 to 814,000,000 board feet in the fiscal year 1936. The trend is still upward.

INCREASED RECREATIONAL USE OF THE NATIONAL FORESTS

The construction and improvements of roads and trails in the national forests has resulted in a great increase in the use of the recreational resource by the general public. The number of people seeking the national-forest type of recreation increased from 36,000,000 in 1932 to 72,000,000 in 1936. Progress toward meeting the constantly increasing demand for necessary facilities to take care of these visitors, such as suitable and sanitary campgrounds equipped with proper fireplaces, tables, benches, shelters, water supply, and toilets has been made; to a large extent through the use of emergency funds. The improved campgrounds in the national forests increased from 1,800 in 1932 to 3,900 in 1936.

In cooperation with the Bureau of Fisheries some 6,000 miles of streams in the national forests were surveyed by trained biologists. The results of these surveys, which included the availability and character of the food supply, as well as physical stream data, have been used as a basis of planning the development of the fishing resource. This is the first time in the history of the Forest Service that such studies have been consummated on such a scale.

In accordance with plans based on these surveys, the following projects were completed through the use of 550,000 man-days of labor employed through the use of emergency funds; 8,634 fish rearing ponds; 6,800 miles of stream-improvement work; 200,000,000 fish planted in the improved streams.

A. A. A. RANGE CONSERVATION PROGRAM

Under the authority of section 8 of the Soil Conservation and Domestic Allotment Act of February 29, 1936 (Public, No. 461, 74th Cong.) the Western Division of the Agricultural Adjustment Administration offered a range-conservation program to livestock operators in the 13 States of the Western Division and requested the Forest Service, on account of its experience in the administration and conservation of range lands, to establish restorative grazing capacities on ranching units applying for benefit payments under the act, and to recommend for approval of county committees range-conservation practices which would rehabilitate and restore depleted range lands. The Forest Service, under this cooperative understanding, examined, established grazing capacity, and recommended range-conservation practices on 56,330,000 acres of range land in 1936.

WESTERN RANGE SURVEY

Under this project, for the first time in the history of public range administration, all usable range-survey data on present condition and potential use of western range lands is being assembled, analyzed, and interpreted for the use of all agencies, both State and Federal, in their various range programs. This is a cooperative undertaking by these agencies, but responsibility for leadership on the project has been assigned to the Forest Service by the Secretary of Agriculture.

UNIFORM RANGE SURVEY METHODS

At the suggestion of the Forest Service, the various agencies responsible for conducting range surveys met in conference with a representative from each of the agencies and developed and agreed upon uniform instructions for handling such surveys. These new instructions are essentially the same as those heretofore in use by the Forest Service with minor modifications to meet the requirements of the several agencies. They are now in use by all agencies conducting range surveys in the West.

SURVEY OF DISTRIBUTION OF GRAZING PRIVILEGES

In 1935 the Forest Service undertook a survey of economic and other problems involving the allocation of national-forest grazing privileges. The survey was initiated on a representative National Forest in each of the six western regions and has now been completed to the point where the findings may be considered in the light of their relationship to past and future grazing policies.

One of the most perplexing problems in national-forest administration is that which has to do with the distribution of the range resources in those localities where the demand exceeds the supply. For a great many years there has been a growing realization of the need for additional information on which to base the determination of policy on such questions as land dependency, commensurability, protective and maximum limits, permittee qualifications, and other problems of importance in range management and range administration. In some instances administrative action under existing policies has carried the implication of arbitrary action, and local range administrators have felt the need for information which would serve as a tangible measurement of the various factors that decide for or against an applicant for range privileges. It was with these thoughts in mind primarily that the study was initiated.

NATIONAL FOREST ASSOCIATIONS AND ADVISORY BOARDS

During the past 4 years the Forest Service has devoted additional time and energy to encouragement and support of cooperative

neighborhood livestock associations. Planwise arrangements have been worked out, allowing for the attendance of local Forest officers at all annual meetings of these organizations. Under these arrangements the local Forest officers now have an opportunity at least once each year to sit down with individual permittees for a discussion of individual problems. Without doubt present arrangements represent just about the closest approach possible to a cooperative form of range management and range administration.

Annual meetings are usually held just prior to the opening date of the grazing season so that every detail of the cooperative plan may be worked out for the coming year. Attendance at the meetings closely approaches 100 percent, which makes it possible for every permittee to have a clear understanding of plans and arrangements for the range on which he runs his stock. Practically every worth-while accomplishment, from the standpoint of range conservation, has been obtained through this medium of cooperative effort. Misunderstandings between permittees and the Forest Service have been kept to a minimum and appeals from established permittees are exceedingly rare.

An outstanding feature of national forest cooperative associations is the fact that the advisory boards serve without pay and are not reimbursed for travel expenses to and from meetings. National forest permittees, therefore, attend these meetings wholly without cost to the Federal Government.

PRAIRIE PLAINS TREE-PLANTING PROJECT (SO-CALLED SHELTERBELT PROJECT)

This project was established by Executive Order No. 6793, dated July 11, 1934, and the first funds thereunder were allocated by the President on August 17 of that year. The project was for the purpose of planting tree shelterbelts to conserve moisture and prevent wind erosion in the prairie agricultural region of low precipitation, and to make the plains country a more desirable place to live in. Planting has been carried out in a zone lying approximately along the one hundredth meridian and extending from Canada to the panhandle of Texas.

Since initiation of the project, some 45,000,000 trees have been planted covering 2,573 miles of strip and 47,600 acres. Despite the recent unprecedented and extreme drought conditions, and difficulties formerly attending individual efforts in tree establishment in this region, approximately 55 percent of all trees planted have survived, and many plantings have made remarkable growth. The influence of the plantings will extend to many times the actual acreage planted. Tree establishment on suitable soil and prevention of wind erosion by tree shelterbelts have definitely been proven to be feasible.

The project has been carried forward to date on emergency funds and has so far provided some 43,000 man-months of relief employment.

THE CONSERVATION CODE AND PRIVATE FORESTRY

Under the National Industrial Recovery Act the President by Executive order on August 19, 1933, established the Code of Fair Competition for the Lumber and Timber Products Industries. Article X, the conservation article, provided for a conference called by the Secretary of Agriculture and the development of rules of forest practice for cuttings on private land. For the effectuation of these rules, the Forest Service assigned a number of technical men to this code work, to work with operators and with foresters employed by the industry associations.

After termination of the codes, the Chief of the Forest Service created a Division of Private Forestry to retain the progress made under the code and to carry forward the development of better practices and forest management on private lands. Limited in scope through lack of funds, this work has nevertheless produced extensive analyses of a number of timber operators and holdings, and aroused interest in and consideration of sustained production and better management on the part of many owners or operators.

The recent tremendous development of pulp mills in the South is a serious threat to the future of its timberlands and forest-dependent population, unless good forest management and integrated utilization (including use of thinnings and tops, culls, and worked-out turpentine trees) is practiced. The pulp and paper industry never developed rules of forest practice under the code. The Forest Service, however, has recently taken steps that led to the development of four sectional divisions of the southern pulp mills and the development, with representatives of the mills, of rules of forest practice in each division that are to be used by these mills and their pulpwood contractors. These rules are primarily designed to prevent serious bad practices and denudation on all forest areas involved, and are considered an important step toward ultimate good forest management on millions of acres of southern forest land.

NAVAL STORES CONSERVATION PROGRAM

In July 1936 a naval stores conservation program was approved by the Secretary under authority of the Soil Conservation and Domestic Allotment Act. The program was developed and administered in the field by the Forest Service with the approval of the Agricultural Adjustment Administration. Beginning, as it did, in midseason, the 1936 program did not permit the requirement of high standards of conservation practices, but it did permit retirement from operation of small-sized and other less-profitable trees up to 25 percent of an operator's total and called-for fire protection. The current (1937) program provides for conservative practices in chipping the trees and specifies the minimum sizes to be worked with one and two faces. Supervision and inspection of each operation in the program is carried on by technical employees of the Forest Service. Industry committees act in an advisory capacity.

FOREST RESEARCH

The greatly expanded program of acquisition of forest lands has resulted in a material increase in the demand for technical information on which to base intelligent and sound policies for the protection, improvement, and administration of the national forests. Many new problems have had to be solved. Emergency agencies have drawn heavily on the technical information available. However, many of the questions had no ready answers. To meet in part this increased burden and in order to supply more promptly the very much needed technical information, limited allotments of emergency funds have been made to supplement research now under way in this field.

EMERGENCY CONSERVATION WORK

The Forest Service, under the general jurisdiction of the Director, Emergency Conservation Work, and as authorized in Public Act 5, Seventy-third Congress, approved March 31, 1934, furnished 522,205 man-years of employment.

The employment furnished was very beneficial in protecting and developing those natural resources of the Nation, the responsibility for which is vested in the Forest Service. Incidental to the employment furnished, young men between 18 and 24 years of age were rehabilitated and their families given financial aid. Some of the more important physical accomplishments consist of the construction of 65,535 miles of truck trails, 11,604 miles of trails, 33,625 bridges, 44,990 miles of telephone lines, 2,425,406 acres of forest stand improvement, 5,307,385 man-days of fire-control work, 94,317 miles of fire-hazard reduction, 12,801,648 acres of insect-pest and tree-disease control, 1,258,055 man-days on nurseries, and the reforestation of 821,859 acres.

EMERGENCY-RELIEF WORK

The Forest Service furnished 64,631 man-years of employment under various emergency programs, exclusive of the Emergency Conservation Work. This employment was furnished during the following periods:

C. W. A.: November 27, 1933, through April 27, 1934.
F. E. R. A.: May 1, 1934, through March 31, 1936.
N. I. R. A.: August 1, 1933, through March 31, 1936.
E. R. A. (1935): June 19, 1935, through December 31, 1936.
E. R. A. (1936): July 1, 1936, through December 31, 1936.

Various projects were included under the Emergency Relief Acts of 1935 and 1936, including Federal, W. P. A. State, National Youth Administration, and Resettlement projects. The 64,631 man-years of employment also include 1,895 man-years of employment furnished transient workers and 1,511 man-years of employment for the Puerto Rico Reconstruction Administration.

The employment furnished was very beneficial in protecting and developing those natural resources of the Nation in the national forests, the responsibility for which is vested in the Forest Service. Some of the more important accomplishments consist of the construction of 7,209 miles of truck trails;, 4,117 miles of trails, 648 bridges, 7,336 miles of telephone lines, 424,890 acres of forest stand improvement, 144,299 man-days of fire-control work, 4,884 miles of fire-hazard reduction, 1,501,087 acres of insect-pest and tree-disease control, 310,945 man-days on nurseries and the reforestation of 102,670 acres.

GENERAL

In general terms the progress made in the national forests from March 4, 1933, to December 1, 1936, in truck-trail construction, was 4 times greater than in the preceding 10 years; in the treatment of areas for insect and disease control was 13 times greater than in the preceding 10 years; in telephone-line construction was 3 times greater than in the preceding 10 years; and in reforestation the area planted was 8 times greater than in the preceding 10 years.

V. WILDLIFE

Up to July 1, 1933, the Biological Survey had under its jurisdiction 108 refuges situated in 31 States and containing a total of 7,573,314 acres. Of these, 88 refuges, containing 7,180,140 acres, had been established by Executive order during the preceding 29 years on public land or on land that had previously been acquired for some other primary use by the Federal Government. With few exceptions the utility of such refuges for the conservation of wildlife was not of the highest order. During that period prior to July 1, 1933, there had been acquired by purchase under the provisions of the Bear River Migratory Bird Refuge, Upper Mississippi Wildlife and Fish Refuge, the Migratory Bird Conservation Act, and by several other incidental small appropriations, a total of 231,324 acres in 16 refuges, situated in 14 States.

Since July 1, 1933, 137 refuges have been acquired by Executive order and by purchase and perpetual easements in 34 States and containing 5,595,768 acres. Of this total area, 4,037,470 acres were taken by Executive order, much of which was situated in 17 refuges in 10 States in the western reaches of the United States and embrace areas on which heretofore the dominant use has been grazing of livestock, which use was a serious hazard to the remnants of big game that had been driven back onto these areas through the years with constantly increasing pressure growing out of the more intensive use for grazing on the public domain.

Since July 1, 1933, there have been acquired by purchase 1,558,298 acres of land situated in 67 refuges in 30 States. Most of the refuges thus acquired are primarily valuable as sanctuaries

for migratory waterfowl, although some of the lands purchased were intermingled with lands taken by Executive orders, and the refuges so acquired were selected primarily with the end in view of providing ideal nesting grounds for ducks and geese and sanctuaries for them in their fall and spring migrations from the northern limits of the United States to their wintering grounds on the coast of the Gulf of Mexico and the South Atlantic borderlands.

These areas also provide protection for many other varieties of wildlife, including fur bearers, fishes, and other aquatic species. In addition, the development of these tracts produces benefits of very considerable importance to the regions wherein they are located through their effectiveness in maintaining water reservoirs, raising water tables, and in lessening the effect of drought and flood.

VI. Plant Defense

Beginning in 1933 and continuing until the present time, the Department has advanced its plant-pest control and eradication programs in cooperation with Federal efforts to give work to the unemployed and needy. These programs have given employment to as many as 27,725 men at the peak and an average of about 16,000. Projects for plant-pest control and eradication, which have been carried on for a number of years under regular appropriations, have been expended, with the result that they are now in most cases several years ahead of what they would have been at the average annual rate of progress during the period 1927-32, inclusive. The projects which have been thus advanced and expanded include white-pine blister rust control, barberry eradication, gypsy-moth control, citrus-canker eradication, and phony-peach control.

Meantime plant-pest problems have developed due to the discovery of new insects or plant diseases or through the building up to outbreak proportions of native pests. These are illustrated by such things as the Dutch elm disease, which was first discovered in this country in 1930 and in serious concentration in 1933; peach mosaic, first discovered in this country in 1931 and since found in serious proportions in a number of States; the white-fringed weevil (or beetle), first discovered in this country affecting portions of two Southern States in 1936; and native insects which have during recent years assumed alarming proportions, such as grasshoppers, chinch bugs, and Mormon crickets.

WHITE-PINE BLISTER RUST

Blister rust is a fungus disease which attacks white-pine trees and is particularly destructive to young stands of these trees. The blister rust cannot spread from pine to pine, since one of its essential stages develops on the currant and gooseberry plants, which commonly grow in and around pine forests. Accordingly, stands of white pine in which the currant and gooseberry bushes have been destroyed are protected against infection. The method of control of this serious disease is, therefore, one of eradication of currant and gooseberry bushes, which serve as alternate hosts of this disease.

This work has been carried on in about 30 States; in fact, in all the States in which white pines form an important part of the forest cover.

The huge area involved in this work, particularly in the extensive western white- and sugar-pine stands, made it necessary to devote a large percentage of regular appropriation funds, prior to the inception of the relief programs, to surveys to determine the extent and location of pines and alternate host growth, as well as the degree of infection of white-pine blister rust in and throughout the area.

The relief-program funds, beginning with the N. I. R. A. program, have permitted the conversion of this survey work into a greatly expanded and urgently necessary control activity. Under the N. I. R. A. program 119,000,000 ribes—that is, currant and gooseberry bushes—were destroyed on 2,758,000 acres of land. The E. C. W. funds have accounted for the destruction of more than 227,000,000 ribes on nearly 3,200,000 acres of control area, and funds of the Emergency Relief Appropriation Acts of 1935, 1936, and 1937 have been spent in the destruction of some 235,000,000 ribes plants on over 5,000,000 acres of forest land. This work was performed by about 20,000 individuals who have been engaged in white pine blister rust work for each of the past three summers, of which number from six to twelve thousand in different years were enrollees in the Civilian Conservation Corps.

The entire program, under the stimulus of relief funds, has resulted in advancing the work by at least 10 years and has played an important part in saving this forest resource for the benefit of the American public and in preventing the white pines, which are of great economic importance, from being destroyed by blister rust.

This project has received $10,363,264 of emergency funds.

BARBERRY ERADICATION

The black-stem rust of grain during epidemic years results in losses that at times have exceeded 100,000,000 bushels in a single season. Since 1918 the Department has been cooperating with the northern grain-growing States in an attempt to destroy all of the barberry plants in that area.

Grain rust, which can spread from field to field during the growing season, is unable to survive winters in the Northern States or to attack the new grain crops without the presence of barberry bushes. Relief labor employed under allotments from the emergency-relief appropriation acts destroyed about 575,000 such barberries in 17 States in the fiscal year 1935, 33,100,000 in 1936, and 91,000,000 in the fiscal year ending June 30, 1937.

About 2,500 individuals were engaged during the summer of 1935 on this work, $4,000 during the summer of 1936, and at the present time 2,000 are under employment on the project.

This work, associated with the Department's long-time program of the breeding of rust-resisting varieties of grain, promises eventually to bring under control the heretofore ever-present scourge of rust in the wheat, oats, barley, and rye fields of the northern United States.

This project received $4,781,750 of emergency funds.

GYPSY MOTH

This insect, a severe defoliator of the forest, shade, and ornamental trees, is abundant in the New England States where it was accidentally liberated in 1902. A French entomologist had imported some gypsy moths to cross with native silkworms in the hope of breeding a stronger, more productive silkworm. The entomologist publicized the escape of his collection, but before much was done about it the insect became strongly entrenched in this country in New England and the Department has bent its efforts to keeping it bottled up in this area.

To effect this purpose, the Department has established a barrier zone, 240 miles long and about 25 miles wide extending from the Canadian border at Lake Champlain down the Connecticut River Valley to Long Island Sound. The aim is to keep the gypsy moth from crossing this barrier zone westward into New York State and thence into the rest of the United States.

There is one isolated infestation located in Pennsylvania where diligent control work, directed toward eventual eradication, is being done.

The gypsy moth lends itself to control in the egg and larval or caterpillar stages.

The nonflying female lays her eggs in a conspicuous cluster on trees, rock walls, debris, etc. Crews of men scout for and creosote these egg clusters. The creosote kills the eggs. The eggs which escape treatment hatch in June and for a month the caterpillars feed on surrounding foliage. During this stage, crews crush the caterpillars caught beneath burlap bands which are placed around trees in heavily infested areas, but the most effective work done during this season is accomplished by spraying the foliage of the infested area with poison lead arsenic solution. The caterpillars feed on the poisoned leaves of the treated growth and are killed.

Since June 1935 there has been allocated to this project $7,522,765 of emergency funds. This money, plus the regular appropriation funds, has enabled the Department to do a very effective control job over a much greater area than would have been possible under normal conduct of the work with regular funds.

CITRUS CANKER

Citrus canker is a bacterial disease of citrus, and it is probably the most insidious menace ever to threaten the important citrus industry of this country.

It has been known to exist in the United States for more than 20 years, and has been apparently eradicated by an intensive cooperative Federal-State eradication program conducted prior to 1935, except in certain areas of Texas and Louisiana where the citrus industry is of limited commercial importance.

The only known method of combating this disease is to remove and destroy infected trees. Under the emergency campaign it was possible to extend the program by accomplishing the removal of escaped and abandoned citrus trees.

Over 18,000,000 escaped, worthless, and abandoned citrus trees have been removed from more than 11,000 properties in Texas, Louisiana, Alabama, and Mississippi. Recently this activity has been expanded to include both inspection and tree removal in areas of Florida where citrus trifoliata plants had become established.

For several years prior to 1935 the limited amount of regular funds available for the conduct of citrus-canker work restricted the activity to inspection for the disease in nurseries, orchards and plantings, inspection of escaped trees in the immediate area adjacent thereto, and removal of infected trees which were located by scouting.

Since 1935 the availability of relief funds has made possible the thorough scouting of the Gulf coast area of the affected States and the eradication of the large number of citrus trees above referred to.

The expanded program resulted in the location and destruction of a considerable number of theretofore unknown and dangerous centers of infection which were breeding places and dissemination points of canker. While such infections persisted, they constituted a distinct menace to the citrus industry of this country, which is one of the most important agricultural industries of several Southern and Western States.

The use of emergency funds has marked the difference between eradication at an early date and a prolonged program conducted under limited regular appropriations which was inadequate to complete eradication and insufficient to hold the disease in abeyance. The value of the accelerated program under emergency funds is definitely indicated by the fact that from August 1935 to October 1936, 36 points of infection were discovered and eradicated, whereas under regular appropriation work only 35 such areas were located in the previous 13 years.

The project received $391,142 of emergency funds.

PHONY PEACH

Phony peach is a virus disease of the peach tree. It is known to exist in 15 States and is especially severe in the extensive commercial peach areas centering around Georgia. The disease has existed in this country for more than 50 years. The only known method of control is by eradication of the infected tree.

Since the inception of the emergency program, the Department for the first time has had sufficient funds to conduct an eradication campaign on an adequate scale. Prior to 1935 the field activities were limited primarily to intensive inspection of nurseries and their environs and inspection of the more important peach orchards and the areas in their immediate vicinity by scouting for the disease.

With allotments of emergency funds it became possible to place this work on an eradication rather than on a local control basis. The Department was enabled by the use of relief funds to—

(a) Thoroughly scout much more extensive area;
(b) Remove escaped seedling peach trees; and
(c) Remove abandoned peach trees.

This eradication activity eliminated a dangerous reservoir of the phony-peach disease, which, if allowed to remain, would have constituted a serious menace to this important agricultural industry; thus the primary objective is being accomplished.

Of great significance is the fact that these eradicated trees were also potential hosts for insect pests and plant diseases, which attack peach as well as other fruit trees. For this reason the elimination of such trees has been of added value to the fruit industry.

The accelerated pace of this project made possible by relief fund allocations not only greatly advanced the progress of the work, but really converted the phony-peach program from a local control to a general eradication project.

Since the inception of the relief program in 1935, over 61,000,000 escaped and abandoned peach trees have been removed and destroyed. Of this number, 54,000,000 are classified as escapes, and 6,500,000 as abandoned and worthless orchard trees. More than 158,000 of these trees were infected with the phony-peach disease.

The peach industry, once a flourishing and important agricultural business of the South, was in a demoralized condition due to the ravages of the phony-peach disease. The increased control and eradication work, made possible by the allotments of relief funds, has revived the industry and gives rise to well-founded hopes that it will rapidly regain its former economic status.

This project received $1,511,623 of emergency funds.

PEACH MOSAIC

Peach mosaic is the newest and apparently one of the most serious of the virus diseases of peach. It was first identified in Brownwood, Tex., in 1931. In 1934 it was reported in Colorado, and since that time it has been found in the commercial peach areas of the States of Utah, California, Arizona, and New Mexico.

Colorado began a State eradication program early in 1935. In August of the same calendar year, the first Federal emergency appropriation was secured to further this program and to make surveys in other States. Additional allotments of emergency funds thereafter permitted the extension of the eradication program to the States now known to be infected.

During the progress of this activity, nearly 36,000 mosaic-infected trees were found, which number is included in the 120,000 infected or abandoned and worthless trees that have been removed. All diseased trees in Colorado and Utah were removed at the time of discovery. Many of those found in the other States have been removed, and the eradication work is still in progress.

The effectiveness of the program is illustrated by the results obtained in Colorado where, through the use of emergency funds, there have been marked reductions each year in the number of diseased trees found. The work has resulted in a stimulation of Colorado's peach industry, which was threatened with extinction. There are now more peach trees in commercial plantings in the affected area in that State than existed prior to the eradication campaign. This is concrete evidence of the confidence peach growers have in the program.

This project received $276,578 of emergency funds.

DUTCH ELM DISEASE

The Dutch elm disease fatally attacks the elm, a shade tree of importance in every State in the Union, and a source of considerable lumber value. The elms of New England and the Atlantic Seaboard States are particularly prized and valuable. This introduced fungus disease is especially severe in a comparatively small area included within a radius of 70 miles of New York Harbor. The major diseased area referred to embraces portions of New York, New Jersey, and Connecticut. There have been several isolated outbreaks in various States, but these have been promptly suppressed.

The swift and killing spread of Dutch elm disease compares with the ravages of the chestnut blight. Undeterred, the disease would wipe out the elms of this country. There is no known method of curing a diseased tree or of immunizing an elm against attack. The control method used is to locate and destroy diseased elms. Thus the insect vectors of the disease, elm beetles, will be unable to transmit the disease from tree to tree.

The disease was disovered in this country in 1930, and was traced to shipments of diseased veneer elm logs imported from Europe in 1925. The ports of entry of these logs were checked, and scouting of their environs and the routes of shipment of the imported logs revealed the presence of the disease in the localities where work is now being done.

Since June 1935 there has been allotted to the Department $10,110,995 of emergency funds for Dutch elm disease eradication work.

With regular funds alone it would have been impossible to experiment and devise control methods worked out with the aid of Emergency Relief allocations. There had been little, if any, control work done in Europe and the only example set by such countries as France and England was one of submission to the inevitable sacrifice of the elm. Under the well-financed program conducted since 1935, new and highly efficient methods of scouting and eradication, as well as facilitating laboratory identification technique, have been evolved and applied.

Some of these methods involve the use of the autogiro for scouting. The results obtained from these aerial surveys are very encouraging in that they permit a wider area to be covered at greatly reduced cost, and success in locating trees showing symptoms of the disease is even greater than that experienced by ground crew scouts. The necessity for climbing smaller trees has been eliminated through the use of an extensible pole pruner invented by workers on the project.

Chain saws mounted on tractors and driven by compressed air have greatly speeded the actual eradication work in the field. A method of killing trees in place by the use of chemicals has been a substantial contribution to the eradication campaign. This method is not only cheap, quick, and effective, but has the added virtue of saving the timber for the landowners' use as lumber or fuel.

The laboratory technicians have invented several ingenious devices for sterilizing and loading petri dishes used for culturing the thousands of specimens submitted to them.

With the aid of these emergency funds, the Dutch elm disease work has been and is being so accelerated and so thoroughly done that there is very encouraging likelihood that the American elm will be spared the fate which has befallen the fine old elm stands of England and France, where no real control measures have been applied and where consequently the elms are fast disappearing.

This project has received $10,110,995 of Emergency funds.

GRASSHOPPERS

Beginning in 1930, a severe and general drought afflicted practically the entire Great Plains and intermountain regions of the United States. Since dry, hot weather is ideal for grasshopper emergence and survival, this resulted in an almost unprecedented outbreak of grasshoppers, which has spread in 1933 to include at least 17 States. Although losses to crop from grasshopper invasions aggregating at least $96,000,000 had occurred during the period from 1930 to 1932, inclusive, and numerous appeals for aid had been made to the Federal Government, no action looking toward relief of this situation was taken until 1934.

As the losses reported from grasshopper attack continued to mount in 1933, when they were estimated at $58,000,000, a survey was conducted by the Federal Department of Agriculture in the fall of 1933 and this showed that a least 15,000,000 acres of cultivated crops would have to be poisoned if disaster from grasshopper invasion was to be averted. As it was evident that the individual States could not meet this emergency unassisted, the situation was made known to the President and to Congress, who responded by appropriating the sum of $2,354,893 for the purchase of poisoned bait to be distributed free of charge by the Federal Department of Agriculture to the States involved. As a result of this action, 78,360 tons of poison bait were made available for combating the pest. The results of the ensuing control campaign were signally successful, and it is estimated that crops to the value of $50,000,000 were saved, although the actual results were somewhat obscured in some States by the losses sustained from drought.

As a result of the great campaign and temporary weather conditions unfavorable to grasshopper conditions in 1935, there was a lull in the great outbreak, during which the balance of the appropriation of the previous year was expended to aid in grasshopper control where needed.

In 1936, the drought continued and grasshopper populations increased to a dangerous degree. Congress again came to the rescue in June of that year with an appropriation of $250,000 which was used with excellent effect in some 18 States.

At the end of the crop year of 1936, conditions had become so serious as again to cause great alarm. The Federal grasshopper survey in the fall of that year indicated that at least 22 States were seriously infested with grasshoppers and that at least 84,705 tons of grasshopper bait would be required to control the pest if cultivated crops were to be saved from destruction. The President recommended to Congress that an authorization of $2,000,000 be made for the control of incipient or emergency outbreaks of insect pests or plant diseases including grasshoppers, Mormon crickets, and chinch bugs. Such an authorization was passed and under it an appropriation of $1,000,000 was made which was used to provide grasshopper bait materials and transport them to the various States for application. On July 17 the President approved a subsequent appropriation of $1,000,000 and as this action was taken about the time the funds were becoming exhausted, it permitted the work to be continued.

The spring of 1937 was most favorable for the development of grasshoppers and, although two additional States were then added

to the infested list, making 24 in all, excellent results are being generally reported and there is every reason to believe that this campaign will result in enormous savings of crops, many of which will be the first good crops grown for several years in States previously afflicted both with drought and grasshoppers.

The second appropriation of $1,000,000 made under the $2,000,000 authorization previously mentioned is being used to complete the grasshopper campaign and for some limited work on control of Mormon crickets. Likewise, a small allotment of these funds has been made available for suppressive efforts against a newly discovered insect occurring on the Alabama-Florida State line.

WHITE-FRINGED BEETLE

During 1936 there were sent to the Department in Washington for identification two insects collected near the Florida-Alabama State line. These proved to be specimens of an insect not previously known to occur in this country which has been given the name of the white-fringed beetle. By the time the identity of these specimens was known the adult beetles had disappeared and further investigation therefore was deferred. The infestation in this country so far as is now known involves approximately 35 square miles, and at the time the adults appeared this season the availability of these emergency funds made it possible to promptly get under way with suppressive efforts directed at the immediate reduction of the population of the insect and efforts to prevent its spread. Inspectors of the Department are engaged in making a farm-to-farm survey to learn the limits of the infestation, supervising suppressive measures, including digging of trench barriers around infested fields to prevent spread, and hand picking of the adult weevils.

CHINCH BUG CONTROL

The chinch bug is considered as one of the most dangerous hazards of corn growing throughout the Corn Belt States. There had been numerous disastrous outbreaks of the pest in this region in the past and the annual loss to corn from its ravages throughout the country was estimated at $25,000,000. In the summer of 1933 it became obvious that chinch bugs had become so numerous in the Corn Belt States that a major disaster to the corn crop was impending. Up to that time, in the presence of such emergencies the Federal Government had never taken any action to aid in the direct control of this pest. Technical advice had been furnished infested States but no funds had previously been appropriated for chinch bug control.

From figures compiled by the Department, it was estimated that in order to prevent a major disaster to corn from chinch bugs the sum of $1,000,000 would be required for the purchase and distribution of repellents, principally of high grade creosote, to be used in barrier traps. Recognizing the gravity of this emergency, the Administration approved and Congress appropriated that sum which became available on June 8, 1934. As the bugs were already beginning to move into the corn, very quick and vigorous action was required to purchase the required materials and transport them to the points of distribution in time to repel the major invasion. In spite of this and other difficulties, this objective was accomplished and within a period of less than 30 days no less than 5,935,057 gallons of creosote had been purchased and distributed throughout 10 States. Some losses were sustained due to the late beginning of the campaign but, in the main, the bugs were defeated and the crops saved.

In this campaign it is estimated that by the timely expenditure of $970,000 of the $1,000,000 appropriated, some 33,984,320 bushels of corn valued at $16,719,660 were saved from destruction by the chinch-bug pest.

At the end of the growing year of 1934 a survey of chinch-bug conditions conducted by the Department indicated that large numbers of bugs had entered hibernation, and upon its recommendation Congress appropriated $2,000,000 for control purposes in 1935. In the spring of that year, however, weather conditions unfavorable to chinch-bug development intervened, and anticipated general damage from this pest was abated. For this reason only $60,000 of this appropriation was expended, and the balance, $1,940,000, was returned to the Treasury.

MORMON CRICKET

The so-called Mormon cricket is a large, purplish-brown insect that inhabits the mountain valleys of the Rocky Mountain region. It gained its name by attacking the crops of the Mormon settlers of the Salt Lake Valley in 1848, when a great flock of gulls descended on the insects and devoured them, thus saving the settlers from disaster and possible starvation. A monument commemorating this event stands on the public square in Salt Lake City.

The insect is wingless and travels in great bands or armies crawling or hopping along the ground at the rate of several miles a day. The method of control consists of dusting with a poison mixture of sodium arsenite and lime. Since 1920, damage from this pest has been increasing in the Mountain States, becoming serious in Routt and Moffat Counties, and in 1926 causing the loss of crops aggregating $125,000 in Lake and Sanders Counties, Mont. Since then the pest continued to disperse widely, causing serious loss to ranchers often located in remote valleys where insecticidal materials and apparatus for applying them were not readily obtainable. These bands of crickets frequently originated on public domain from which they invaded the fields of neighboring ranches. Although frequent appeals were made to the Department for aid in control at this earlier time, with the exception of a limited control campaign conducted in Routt and Moffat Counties in Colorado in 1929, no Federal funds were provided for control until 1935.

At the end of the growing season of 1934, a survey conducted under the auspices of the Department indicated that seven States—viz, Washington, Idaho, Nevada, Utah, Montana, Wyoming, and Colorado—were seriously infested and it was estimated that a total of 83,810 acres would require treatment by dusting in the spring of 1935 at a cost of $118,428. This information transmitted to the States concerned resulted in some of them applying for E. C. W. and W. P. A. aid. Several States—viz, Nevada, Montana, and Idaho—received such aid and conducted control campaigns supervised by the respective States, but this did not serve to reduce the general infestation.

In the fall of 1936 a conference of State and Federal officials was called at Pocatello, Idaho, to decide upon concerted action to obtain control of the cricket hordes throughout the entire area of infestation. As a result the Department recommended the granting of $300,000 for control of the Mormon cricket in 1937 to be expended under its supervision. This request was complied with by the Administration making available on March 19, 1937, the sum of $300,000 from W. P. A. funds to be expended under the supervision of the Department. An additional amount of $19,000 was subsequently allotted for administration of the field project. Under the terms of this allocation, the Federal Government agreed to provide supervision and labor to treat infested areas and the States and counties were required to provide materials, equipment, and transportation of materials and men engaged in the actual warfare. By this plan, the following States were allotted funds: Montana, Wyoming, Colorado, Utah, Oregon, Washington, California, Idaho, and Nevada. The last three of these States failed to avail themselves of this privilege. As the first W. P. A. funds provided expired on June 30 and the work was not yet finished, an additional allotment of $350,250 was made July 1, 1937, and the work is being carried on with this money. Although this project is not yet completed, all reports of progress received from the States concerned indicate that it has resulted in the almost complete protection of crops and it is hoped that the general infestation will be permanently much reduced.

This project received $775,250 of emergency funds.

VII. LIVESTOCK DEFENSE

New legislation and funds provided since 1933 have enabled the livestock industry of the United States to make impressive progress toward eradicating two costly enemies of livestock—tuberculosis and Bang's disease (contagious abortion). The campaign against bovine tuberculosis has progressed to a point thought impossible a few years ago; the campaign against Bang's disease, begun in 1934, has already reached 18,000,000 head of cattle.

BANG'S DISEASE

Funds provided in the Jones-Connally cattle bill, together with the La Follette amendment, made it possible for the Department to take up cooperative Bang's disease elimination work among cattle. The foundation work in this project had already been established to some extent because of the action taken by the State livestock sanitary officials. This Department has for many years conducted research work in connection with this problem, and some work has also been done in the field in connection with the elimination of this disease in herds of cattle. The Department had an organization in existence which could supervise this project in connection with the work of tuberculosis eradication among cattle; therefore, in 3 months it was possible to conduct a large volume of this work in the field. There was a great demand for the work at that time on the part of the owners of cattle. Future appropriations from Congress have made it possible to continue the activity, for which there has been a continued demand on the part of the cattle owners.

From 650,000 to 750,000 agglutination blood tests have been made per month in connection with the testing of cattle for this disease, and the number of reactors has been about 30,000 per month. During the 36 months in which this activity has been in progress tests have been made in 1,314,187 herds of cattle, containing 18,013,636 head. These totals include retests. The number of reactors was 1,235,978, most of which have been eliminated from the herds, and the owners have received the salvage plus the Federal indemnity, which now averages about $26.50 per head. The maximum Federal payment for grade cattle is $25, and for purebreds $50. There are under supervision in this project approximately 700,000 herds, containing about 7,800,000 cattle. In 3 States more than 50 percent of the cattle are under supervision; in 7 States the percentage is from 25 to 50; in 17 States, from 10 to 25; and in 21 States less than 10.

Considerable interest has been manifested by the State legislatures during the last year or two, and they have made appropriations. The total for the present fiscal year is about $1,250,000. Part of this money is used for operating expenses and part for indemnity. There are 11 States which are now in a position to make some payment to the owners for cattle which are eliminated in the Bang's-disease project. Federal appropriations are available this year for this project in the sum of about $12,600,000. The total funds for operating expenses and indemnity during the 36-month period were about $39,000,000.

This disease is found to exist to a very great extent in some localities, especially around the larger cities, where it is necessary to restock herds of dairy cattle from time to time. In the outlying sections this disease does not exist to a high degree; in fact, it is less than 5 percent in very many counties. In these sections the work is taken up under what is termed an "area basis", meaning that the agglutination blood test is applied to all cattle over

6 months of age, except steers, located in the county. As far as the Federal Government is concerned all of this work is on a voluntary basis, but in States where the area plan is in effect, there are State requirements making it necessary for the owners to have their cattle tested. Thus far there has been very little objection; in fact, the owners are usually very much in favor of this plan of operation. Among the States that are conducting a considerable amount of this work are Maryland, Pennsylvania, Virginia, West Virginia, Kentucky, Arkansas, Louisiana, and Oklahoma. Provisions are being made to extend this feature of the work in many other States, including North Carolina, Georgia, and Wisconsin.

TUBERCULOSIS

Cooperative tuberculosis-eradication work among livestock, particularly cattle, has been conducted by this Department since 1917, and when the Jones-Connally cattle-bill funds became available to increase the volume of this work, it was possible to enlarge the program to a very great extent within a very short time. Most of this work was conducted on the area basis, and almost all the States were in a position to enforce the necessary regulations. Tuberculin testing of cattle was greatly increased.

The total number of tests made in the fiscal year 1934 was about 15,000,000; in 1935, about 25,000,000; in 1936, about 22,000,000; and in 1937, about 13,750,000. The total number of reactors removed from the herds for the fiscal year 1934 was about 232,000, whereas in 1935 it was 376,000. There has been a rapid reduction in the number of diseased cattle eliminated in this project, which is indicated by the fact that in the fiscal year 1936 the number of reactors was 165,000, and in 1937, about 94,000.

In connection with the tuberculosis eradication among cattle, it has been the plan to designate counties as modified accredited areas when the degree of infection of bovine tuberculosis is less than one-half of 1 percent, as determined by the tuberculin testing of the cattle. When the Jones-Connally funds became available in the summer of 1934, there were 14 States in which all the counties were in such a classification. Since that time 30 additional States have been placed in that status, leaving only 4 States in which there are any counties where bovine tuberculosis exists to more than one-half of 1 percent. The remaining States are New Jersey, New York, South Dakota, and California. In New Jersey and New York it will be possible to complete the work in the remaining counties within a very short time, and arrangements have been made to proceed with the work in the States of South Dakota and California, where there are a number of counties not yet in the modified accredited area.

In addition to the initial tuberculin testing of cattle, it is necessary to conduct a certain amount of retesting in order to locate and remove any remaining infection. This, of course, requires the testing of a large number of cattle each year. The funds in the Jones-Connally cattle bill and the La Follette amendment were provided to the extent of about $2,500,000 in the last fiscal year, and during the 2 previous fiscal years the total amount was about $21,500,000. These funds were used for operating expenses and indemnity. The States during the 3-year period expended for the work approximately the same amount.

TABLE 1.—*Total tuberculin tests (including retests) of cattle, with reactors, by States, under cooperative tuberculosis-eradication plan, fiscal years 1917–36*

State	Herds tested	Cattle tested	Reactors found	Percent reactors
Alabama	326,047	1,988,204	4,062	0.2
Arizona	49,426	754,264	9,358	1.2
Arkansas	259,233	1,443,273	1,284	.09
California	152,451	3,760,178	204,845	5.4
Colorado	72,465	1,348,260	11,781	.9
Connecticut	122,114	1,680,515	80,889	4.8
Delaware	45,645	483,651	19,162	4.0
District of Columbia	1,948	17,213	124	.7
Florida	79,727	1,458,641	5,683	.4
Georgia	261,384	1,678,047	3,853	.2
Idaho	85,639	1,165,585	5,371	.5
Illinois	1,241,999	13,302,505	274,100	2.1
Indiana	419,581	3,778,252	34,401	.9
Iowa	902,610	15,928,940	284,794	1.8
Kansas	221,069	2,843,254	20,599	.7
Kentucky	229,613	1,361,660	7,342	.5
Louisiana	182,409	2,191,599	12,711	.6
Maine	148,554	1,195,045	8,869	.7
Maryland	214,274	2,274,722	69,094	3.0
Massachusetts	170,119	1,829,897	129,621	7.1
Michigan	815,893	7,131,395	70,611	1.0
Minnesota	671,844	12,503,396	158,684	1.3
Mississippi	287,827	1,794,168	3,085	.2
Missouri	365,775	3,320,912	10,498	.3
Montana	91,700	1,925,423	8,726	.5
Nebraska	381,551	6,585,667	50,723	.8
Nevada	16,581	336,916	2,480	.7
New Hampshire	133,927	1,439,404	40,867	2.8
New Jersey	132,134	1,598,721	76,180	4.8
New Mexico	41,996	451,446	1,790	.4
New York	1,174,224	15,902,457	905,435	5.7
North Carolina	280,485	992,387	4,258	.4
North Dakota	179,101	3,498,192	28,889	.8
Ohio	870,499	6,792,852	102,719	1.5
Oklahoma	313,323	3,620,336	10,907	.3
Oregon	259,390	2,030,940	15,686	.8
Pennsylvania	905,310	8,168,659	297,479	3.6
Rhode Island	17,204	229,624	21,886	9.5

TABLE 1.—*Total tuberculin tests (including retests) of cattle, with reactors, by States, under cooperative tuberculosis-eradication plan, fiscal years 1917–36*—Continued

State	Herds tested	Cattle tested	Reactors found	Percent reactors
South Carolina	138,639	509,078	1,694	0.3
South Dakota	148,207	3,049,025	40,439	1.3
Tennessee	299,009	1,729,347	4,323	.2
Texas	580,891	4,945,144	9,169	.2
Utah	162,455	946,431	7,185	.8
Vermont	169,913	3,299,957	127,184	3.9
Virginia	258,324	1,735,999	17,106	1.0
Washington	264,847	2,645,207	40,868	1.5
West Virginia	173,565	982,400	6,117	.6
Wisconsin	820,271	15,212,696	194,103	1.3
Wyoming	34,004	756,837	3,166	.4
Hawaii	5,459	163,788	2,760	1.7
Alaska	467	4,756	75	1.6
Puerto Rico	5,063	156,613	2,114	1.3
Indian schools, estimated	10	413	27	6.5
P. B. in United States, estimated	300	4,486	157	3.5
Interstate	318,130	3,406,854	12,664	.4
Total	15,522,685	178,445,721	3,468,057	1.9

TABLE 2.—*Annual results of tuberculin testing of cattle in the United States under the cooperative tuberculosis-eradication plan, 1917–36*

Fiscal year	Cattle tested	Reactors	
		Number	Percent
1917	20,101	645	3.2
1918	134,143	6,544	4.9
1919	329,878	13,528	4.1
1920	700,670	28,709	4.1
1921	1,366,358	53,768	3.9
1922	2,384,236	82,569	3.5
1923	3,460,849	113,844	3.3
1924	5,312,364	171,559	3.2
1925	7,000,028	214,491	3.1
1926	8,650,780	323,084	3.7
1927	9,700,176	285,361	2.9
1928	11,281,490	262,113	2.3
1929	11,683,720	206,764	1.8
1930	12,845,871	216,932	1.7
1931	13,782,273	203,778	1.5
1932	13,443,557	254,785	1.9
1933	13,073,894	255,096	2.0
1934	15,119,763	232,368	1.5
1935	25,237,542	376,623	1.5
1936	22,918,038	165,496	.7
Total	178,445,721	3,468,057	1.9

TABLE 3.—*Number of accredited herds, 1918–36*

End of fiscal year	Accredited	
	Herds	Cattle
1918	204	6,945
1919	782	19,021
1920	3,370	82,986
1921	8,201	193,620
1922	16,216	363,902
1923	28,526	615,156
1924	48,273	920,370
1925	72,383	1,275,063
1926	96,392	1,577,087
1927	130,476	1,885,072
1928	169,356	2,265,938
1929	170,995	2,280,043
1930	182,858	2,646,686
1931	156,599	2,619,261
1932	174,648	2,863,434
1933	194,349	3,172,575
1934	225,809	3,366,553
1935	238,937	3,514,242
1936	256,056	3,746,955

TABLE 4.—*Comparative record of reactors slaughtered*

Fiscal year	Number of reactors slaughtered	Condemned as unfit for food		Sterilized	
		Number	Percent	Number	Percent
1923	107,250	12,758	11.9	1,547	1.4
1927	289,662	27,627	9.5	2,706	.9
1930	215,524	16,286	7.6	3,242	1.5
1931	213,829	14,331	6.7	2,571	1.2
1932	244,973	20,858	8.6	4,026	1.6
1933	267,142	21,837	8.2	5,979	2.2
1934	237,102	20,772	8.8	5,684	2.4
1935	367,368	30,893	8.4	7,378	2.0
1936	168,273	13,380	8.3	1,968	1.2

TABLE 5.—*Record of tuberculin testing cooperative tuberculosis eradication work, fiscal year 1936*

State	Herds tested	Cattle tested	Reactors found	Percent reactors	Infected premises
Alabama	97,060	491,412	758	0.2	86
Arizona	3,262	116,065	139	.1	64
Arkansas	3,361	29,057	104	.4	29
California	73,508	1,370,892	73,436	5.4	10,280
Colorado	4,164	97,439	420	.4	56
Connecticut	17,709	203,052	3,453	1.7	1,023
Delaware	4,243	42,561	291	.7	145
District of Columbia	12	786	0	.0	0
Florida	1,373	59,137	170	.3	49
Georgia	30,806	255,490	34	.01	5
Idaho	4,789	47,217	109	.2	80
Illinois	103,231	1,166,364	4,271	.4	2,239
Indiana	15,867	206,608	610	.3	200
Iowa	69,114	1,303,906	6,415	.5	2,279
Kansas	3,912	57,869	284	.5	130
Kentucky	4,077	69,933	77	.1	39
Louisiana	114,615	1,168,998	1,307	.1	107
Maine	8,432	70,880	87	.1	55
Maryland	23,006	218,107	1,190	.5	619
Massachusetts	28,835	250,827	1,355	.5	632
Michigan	56,719	474,967	772	.2	298
Minnesota	41,863	625,707	1,714	.3	668
Mississippi	126,697	755,178	996	.1	209
Missouri	1,444	29,883	194	.6	52
Montana	10,924	262,910	256	.1	35
Nebraska	99,349	2,390,550	10,898	.5	3,567
Nevada	1,836	46,409	74	.2	25
New Hampshire	15,452	133,528	280	.2	166
New Jersey	18,413	223,531	1,620	.7	773
New Mexico	1,869	29,802	43	.1	27
New York	140,739	2,068,783	20,183	1.0	4,587
North Carolina	1,828	30,334	15	.05	11
North Dakota	3,954	81,420	616	.8	330
Ohio	89,095	441,382	892	.2	455
Oklahoma	69,501	867,823	1,401	.2	256
Oregon	11,560	88,175	600	.7	369
Pennsylvania	88,459	768,482	6,577	.9	2,036
Rhode Island	4,469	39,646	1,925	4.9	521
South Carolina	5,871	32,146	2	.006	1
South Dakota	72,718	1,494,665	12,750	.9	4,337
Tennessee	21,842	110,852	178	.2	18
Texas	324,763	2,397,064	854	.04	159
Utah	9,044	41,269	160	.4	136
Vermont	18,335	323,469	1,655	.5	438
Virginia	3,324	68,818	274	.4	107
Washington	30,589	282,797	1,440	.5	516
West Virginia	4,495	40,039	58	.1	43
Wisconsin	50,506	972,611	1,928	.2	646
Wyoming	4,228	122,984	306	.2	22
Hawaii	464	17,084	70	.4	26
Puerto Rico	4,549	125,404	1,383	1.1	348
Interstate	28,289	303,726	872	.3	
Total	1,944,624	22,918,038	165,496	.7	39,189

TABLE 6.—*Status of tuberculosis-eradication work, Oct. 1, 1936*

State	Total once-tested-free		Total accredited		Total under supervision	
	Herds	Cattle	Herds	Cattle	Herds	Cattle
Alabama	270,875	1,140,134	197	14,054	271,072	1,154,188
Arizona	12,236	178,324	6	1,407	12,593	192,845
Arkansas	365,224	1,662,685	3	324	365,227	1,663,009
California	94,224	849,485	44	3,943	137,765	1,445,564
Colorado	60,611	1,093,678	21	1,645	60,846	1,129,043
Connecticut	4,811	23,610	14,637	150,458	20,867	193,055
Delaware	5,426	17,072	2,296	33,885	7,767	51,626
District of Columbia	45	250	2	574	47	824
Florida	39,809	419,140	77	6,723	45,842	431,271
Georgia	241,751	1,155,790	21	1,940	241,772	1,157,730
Idaho	51,157	592,733	31	1,706	51,270	714,000
Illinois	231,523	1,820,342	5,756	174,865	241,749	2,036,613
Indiana	182,541	1,166,531	1,419	32,516	187,397	1,241,059
Iowa	169,600	2,529,600	737	23,226	196,660	2,850,000
Kansas	170,358	1,922,881	608	22,792	171,026	2,016,644
Kentucky	163,647	851,157	24	1,364	163,687	852,557
Louisiana	148,770	1,474,464	7	794	148,794	1,478,081
Maine	43,219	226,442	546	11,899	43,817	238,761
Maryland	29,307	83,279	14,480	181,978	51,961	301,257
Massachusetts	12,629	87,137	11,818	146,375	25,109	207,666
Michigan	206,897	1,770,762	64	4,003	207,087	1,775,124
Minnesota	200,761	3,418,136	953	23,801	202,259	3,452,588
Mississippi	260,164	1,650,562	14	1,339	260,232	1,653,062
Missouri	239,705	2,635,756	180	9,121	237,593	2,841,460
Montana	72,274	1,117,495	100	6,268	72,706	1,156,494
Nebraska	128,900	2,548,120	32	3,104	131,988	2,718,651
Nevada	3,417	325,011	6	299	3,441	326,140
New Hampshire	278	933	17,525	154,824	17,821	156,093
New Jersey	2,892	21,212	16,398	167,207	19,492	196,268
New Mexico	22,104	250,953	9	2,084	25,450	258,393
New York	21,050	359,508	124,225	1,440,336	146,833	1,837,146
North Carolina	256,305	671,130	328	12,316	256,633	683,446
North Dakota	77,330	1,325,545	5,172	106,339	89,900	1,608,810
Ohio	260,750	1,923,675	407	10,075	261,463	1,935,583
Oklahoma	276,338	2,942,833	76	5,744	276,417	2,950,199
Oregon	125,097	932,687	1,582	63,098	126,697	995,817
Pennsylvania	143,632	766,168	8,404	146,066	180,306	1,424,219

TABLE 6.—*Status of tuberculosis-eradication work, Oct. 1, 1936*—Continued

State	Total once-tested-free		Total accredited		Total under supervision	
	Herds	Cattle	Herds	Cattle	Herds	Cattle
Rhode Island	2,195	12,930	1,289	13,262	3,913	29,277
South Carolina	70,304	222,789	78	5,714	70,382	228,747
South Dakota	94,801	1,872,857	295	8,703	106,043	2,097,122
Tennessee	294,780	1,409,587	26	1,898	294,817	1,412,100
Texas	492,242	3,312,176	132	9,989	535,915	4,602,892
Utah	44,648	338,984	127	4,497	47,058	354,829
Vermont	7,400	127,351	16,381	269,475	23,904	412,534
Virginia	198,414	712,771	609	57,393	199,291	780,256
Washington	72,526	631,004	47	2,424	76,475	679,000
West Virginia	113,984	617,779	580	14,236	114,590	622,378
Wisconsin	185,395	3,133,023	9,169	253,831	194,715	3,390,724
Wyoming	17,601	491,543	5	579	19,082	503,011
Hawaii	350	11,600			350	11,600
Puerto Rico	715	15,220	180	9,552	6,254	120,015
Total	6,191,012	52,834,831	257,121	3,620,045	6,654,375	60,569,771

TABLE 7.—*Annual record of infected premises, 1922–36*

Fiscal year	Herds tested	Premises found to be infected	
		Number	Percent
1922	195,220	13,103	11.2
1923	296,138	31,523	10.6
1924	455,034	51,289	11.3
1925	607,345	70,204	11.6
1926	774,728	93,277	12.0
1927	871,561	84,197	10.1
1928	1,048,277	91,484	9.1
1929	1,030,679	69,881	7.1
1930	1,102,423	65,689	6.1
1931	1,162,414	68,344	6.0
1932	1,139,119	60,414	5.4
1933	1,110,306	57,647	5.3
1934	1,283,914	59,675	4.8
1935	2,378,668	90,329	3.9
1936	1,944,624	39,189	2.0
Total	15,400,450	946,245	6.1

TABLE 8.—*Status of area work, 1922–36*

Fiscal year	Counties working or accredited at end of year	Cattle tested under area plan	Counties completing one or more tests (accumulative)	Counties in modified accredited area
1922	169	662,027	31	
1923	198	1,765,187	82	
1924	317	3,446,501	158	38
1925	590	4,991,502	194	89
1926	756	6,661,732	329	198
1927	953	7,177,385	510	347
1928	1,119	8,691,646	678	527
1929	1,201	8,830,087	879	740
1930	1,413	9,892,521	1,077	976
1931	1,578	10,695,870	1,287	1,223
1932	1,747	10,312,131	1,486	1,443
1933	1,922	10,093,368	1,668	1,626
1934	2,076	12,293,506	1,856	1,815
1935	2,747	22,521,240	2,481	2,428
1936	3,058	20,725,023	2,962	2,921
1937	[1] 3,073	[1] 2,775,659	[2] 2,989	[2] 2,953

[1] To Oct. 1, 1936. [2] To Nov. 1, 1936.

TABLE 9.—*Modified accredited areas, by States, Nov. 1, 1936*

[Listed according to order of accreditation and percentage of modified accredited counties]

State	Total counties in State	Modified accredited counties	
		Number	Percent
North Carolina	100	100	100.0
Maine	16	16	100.0
Michigan	83	83	100.0
Indiana	92	92	100.0
District of Columbia	1	1	100.0
Wisconsin	71	71	100.0
Ohio	88	88	100.0
North Dakota	53	53	100.0
Idaho	44	44	100.0
Nevada	17	17	100.0

TABLE 9.—*Modified accredited areas, by States, Nov. 1, 1936*—Con.

State	Total counties in State	Modified accredited counties	
		Number	Percent
New Hampshire	10	10	100.0
Utah	29	29	100.0
Kentucky	120	120	100.0
West Virginia	55	55	100.0
Washington	39	39	100.0
Illinois	102	102	100.0
Virginia	100	100	100.0
Oregon	36	36	100.0
Minnesota	87	87	100.0
Kansas	105	105	100.0
Florida	67	67	100.0
Missouri	114	114	100.0
Arkansas	75	75	100.0
New Mexico	31	31	100.0
Colorado	63	63	100.0
Wyoming	23	23	100.0
Tennessee	95	95	100.0
South Carolina	46	46	100.0
Massachusetts	14	14	100.0
Louisiana	64	64	100.0
Georgia	159	159	100.0
Alabama	67	67	100.0
Iowa	99	99	100.0
Montana	56	56	100.0
Oklahoma	77	77	100.0
Delaware	3	3	100.0
Arizona	14	14	100.0
Mississippi	82	82	100.0
Texas	254	254	100.0
Connecticut	8	8	100.0
Nebraska	93	93	100.0
Rhode Island	5	5	100.0
Vermont	14	14	100.0
California	58	8	13.8
Maryland	23	15	65.2
New Jersey	21	[1] 12	57.1
New York	62	36	58.1
Pennsylvania	67	64	95.5
South Dakota	69	37	53.6
Puerto Rico	77	10	13.0
Total	3,148	2,953	93.8

[1] Not including part of 2 counties.

TABLE 10.—*Losses of cattle, excepting reactors, due to retentions for tuberculosis (not including parts of carcasses), 1916–36*

[From Federal meat-inspection records]

Fiscal year	Cattle slaughtered, minus reactors (number)	Carcasses retained, minus reactors		Carcasses condemned and sterilized, minus reactors	
		Number	Percent	Number	Percent
1916	7,387,051	173,754	2.35	39,218	0.53
1917	9,276,049	195,488	2.11	49,214	.53
1918	10,912,417	196,917	1.8	46,235	.42
1919	11,212,543	176,250	1.57	42,729	.38
1920	9,666,188	157,016	1.62	39,305	.41
1921	8,137,982	132,068	1.62	33,312	.41
1922	7,795,323	146,945	1.87	34,712	.45
1923	8,934,975	156,738	1.75	41,113	.46
1924	9,049,342	141,595	1.56	39,333	.43
1925	9,595,969	145,612	1.51	40,374	.42
1926	9,817,599	138,505	1.41	41,125	.42
1927	9,810,797	112,924	1.15	31,755	.32
1928	8,837,882	91,856	1.04	25,664	.29
1929	8,120,992	81,276	1.0	21,265	.26
1930	9,119,760	61,192	.75	15,487	.19
1931	8,061,749	50,725	.6	12,430	.15
1932	7,793,878	38,446	.5	9,307	.12
1933	7,554,258	31,971	.4	7,993	.11
1934	9,476,141	34,509	.36	9,329	.10
1935	12,563,474	30,569	.24	8,273	.07
1936	10,215,227	19,076	.19	4,856	.05

TABLE 11.—*Losses of swine due to retentions for tuberculosis, 1921–36*

[From Federal meat-inspection records]

Fiscal year	Swine slaughtered	Carcasses retained		Carcasses sterilized		Carcasses condemned	
		Number	Percent	Number	Percent	Number	Percent
1921	37,702,866	4,653,305	12.4	96,234	2.1	64,830	1.4
1922	39,416,439	5,640,081	14.3	95,809	1.7	70,304	1.2
1923	48,600,069	7,139,925	14.7	113,802	1.6	88,688	1.2
1924	54,416,481	8,293,965	15.2	125,000	1.5	100,110	1.2
1925	48,459,608	7,039,724	14.5	106,328	1.5	86,282	1.2
1926	40,442,730	5,667,093	14.0	81,646	1.4	63,748	1.1

TABLE 11.—*Losses of swine due to retentions for tuberculosis, 1921–36*—Continued

Fiscal year	Swine slaughtered	Carcasses retained		Carcasses sterilized		Carcasses condemned	
		Number	Percent	Number	Percent	Number	Percent
1927	42,650,443	5,778,009	13.5	73,232	1.3	59,656	1.0
1928	48,347,393	5,872,503	12.1	69,756	1.2	55,749	.93
1929	47,163,573	5,408,910	11.5	58,030	1.1	46,624	.86
1930	46,688,860	5,321,352	11.4	53,783	1.0	42,381	.8
1931	44,020,633	5,174,343	11.8	49,549	1.0	38,805	.7
1932	45,852,422	5,222,420	11.4	45,651	.9	37,509	.7
1933	45,698,053	4,820,152	10.5	40,769	.8	35,680	.7
1934	45,773,196	5,102,636	11.14	37,686	.8	40,038	.17
1935	34,413,317	3,714,828	10.79	26,554	.08	26,133	.08
1936	28,506,019	2,925,593	10.26	16,389	.06	15,195	.05

TABLE 12.—*Avian tuberculosis surveys, 1925–36*

Fiscal year	Flocks			Fowls observed (approximate number)
	Observed (number)	Infected with tuberculosis		
		Number	Percent	
1925 (February-June)	75,799	4,690	6.2	5,107,629
1926	157,950	9,751	6.2	14,012,923
1927	211,675	11,991	5.7	16,502,841
1928	226,104	15,787	7.0	20,411,067
1929	165,239	10,659	6.4	16,763,703
1930	177,156	11,779	6.6	18,931,451
1931	186,966	9,347	5.0	21,174,707
1932	196,670	7,287	3.7	19,576,397
1933	168,286	5,999	3.6	15,741,474
1934	149,915	3,468	2.3	13,951,019
1935	345,382	7,508	2.2	25,749,046
1936	237,449	5,982	2.5	17,313,246
Total	2,298,591	104,248	4.5	205,235,503

TABLE 13.—*Avian tuberculosis-eradication work, in cooperation with various States, fiscal year 1936*

[Results of inspections of poultry by veterinarians assigned to the avian project]

State	Inspections		Clinically affected		Reactors to tuberculin tests		Total number flocks under supervision
	Flocks	Fowls	Flocks	Fowls [1]	Flocks	Fowls	
Ala	259	111,253	16	544	44	120	
Ind	3,535	462,283	632	104,663	140	1,695	8,645
Iowa	1,580	246,089	185	14,865	6	123	5,050
Kans	929	14,340	5	144	15	141	2,607
Mich	37,610	3,570,105	432	8,939	0	0	
Minn	749	102,348	202	396	435	1,221	9,461
Mo	557	67,282	42	77	86	269	875
Nebr	1,678	161,042	129	12,174	10	32	1,291
N. Dak	765	49,883	136	9,029	159	572	2,148
Ohio	1,141	265,665	61	10,722	54	666	8,087
S. Dak							2,207
Wis	332	52,759	59	1,060	1	5	11,885
Total	49,135	5,103,049	1,899	162,613	950	4,844	52,256

[1] Represents all birds in flocks, both infected and healthy.

TABLE 14.—*Annual average indemnities, appraisals, and salvage, 1919–36*

Fiscal year	Percent of cattle purebred	Average appraisal	Average salvage	Average State indemnity	Average Federal indemnity
1919	44	$131.03	$41.38	$42.72	$22.35
1920	32	179.18	34.68	51.08	28.88
1921	35	150.15	22.88	54.24	27.15
1922	28	109.83	17.66	36.26	23.54
1923	25	97.62	17.96	33.17	21.15
1924	16	82.94	17.37	27.72	18.42
1925	12	76.03	20.33	22.66	17.11
1926	10	85.70	24.92	25.98	14.89
1927	9	96.97	31.34	27.55	16.66
1928	9	112.59	40.58	29.04	18.98
1929	9	127.28	47.22	33.42	21.70
1930	7	136.11	41.47	40.08	26.44
1931	8	111.32	24.00	38.58	25.92
1932	6	75.16	13.72	30.62	18.96
1933	5	58.34	11.03	24.64	14.85
1934	4	54.80	11.45	21.41	13.80
1935	4	57.55	15.19	15.87	18.70
1936	4	77.66	26.50	10.18	22.44

Table 15.—Biennial surveys of bovine tuberculosis in United States, 1922–36—Percent of cattle tuberculous

Year ended June 30—	
1922	4.0
1924	3.3
1926	2.8
1928	2.0
1930	1.7
1932	1.4
1934	1.1
1935	.6
1936	.5

TABLE 16.—*Cattle tested for interstate movement, 1921–36*

BY BUREAU VETERINARIANS

Fiscal year	Cattle tested	Reactors	
		Number	Percent
1921	36,208	675	1.9
1922	35,485	653	1.8
1923	37,801	601	1.6
1924	41,419	661	1.6
1925	48,360	873	1.8
1926	72,860	1,513	2.0
1927	58,526	991	1.7
1928	50,263	768	1.5
1929	45,497	537	1.2
1930	41,299	263	.6
1931	28,543	148	.5
1932	39,159	87	.2
1933	32,817	45	.1
1934	26,528	60	.2
1935	76,804	179	.2
1936	38,351	54	.1

BY APPROVED VETERINARIANS [1]

1921	242,708	3,999	1.2
1922	149,548	2,777	1.9
1923	200,636	2,447	1.2
1924	235,970	2,223	.9
1925	279,199	2,278	.8
1926	355,836	2,433	.7
1927	382,432	2,219	.6
1928	404,947	2,025	.5
1929	419,377	1,538	.4
1930	297,313	1,132	.4
1931	221,105	492	.2
1932	227,083	500	.2
1933	176,721	520	.3
1934	204,243	155	.1
1935	370,471	330	.09
1936	265,375	818	.3

[1] An approved veterinarian is one approved by State and Federal officials and is permitted to test cattle for interstate shipment.

VIII. COMMODITY FUTURES MARKETS

The enactment of the Commodity Exchange Act on June 15, 1936, marked a long step forward in supervision by the Government of trading in commodity futures. Prior to that time the Federal Government, under the provisions of the Grain Futures Act, had supervised trading in grain futures, but because of the limitations of the law had not been able to take essential remedial measures to correct abuses.

The Commodity Exchange Act placed under the jurisdiction of the Department of Agriculture all trading in futures of the 13 principal agricultural commodities of the United States—wheat, corn, cotton, oats, barley, rye, flaxseed, grain sorghums, rice, butter, eggs, Irish potatoes, and millfeeds. The estimated value of this trading exceeds $25,000,000,000 a year and approximates the value of transactions on all registered stock and bond exchanges in the United States.

The Commodity Exchange Administration now has ample legal authority to correct any abuses which may occur on the commodity exchanges and assure honest dealing and fair play in those important markets. It is the function of that agency of the Department of Agriculture to supervise all future trading in those specified commodities, to designate as contract markets commodity exchanges which have met the requirements prescribed by law, to register futures commission merchants and floor brokers, to limit the size of speculative trades and open commitments, to eliminate fictitious transactions, to prevent manipulation and corners, to eliminate fraud, to prevent misuse of customers funds, to regulate delivery practices and procedure, and to secure and publish information concerning trading in commodity futures.

The Commodity Exchange Administration has expanded its organization substantially both in Washington and in its branch offices. Sixteen commodity exchanges in the United States have been officially designated contract markets authorized to trade in commodity futures. Representatives of the Department sit with the business-conduct committees of the exchanges to insure proper supervision of all transactions. Over 2,000 registration certificates have been issued. Numerous complaints concerning improper transactions have been investigated. Comprehensive regulations have been issued governing all futures transactions, and steps are being taken to assure that customers' funds are properly handled by futures commission merchants.

The rapid improvement in economic conditions during the last few years has resulted in a marked increase in the volume of trading in commodity futures. Reports of the volume of trading on these 16 contract markets covering the first half of 1937 indicate that these transactions for the calendar year 1937 may surpass trading in 1936 by as much as 25 percent, which at the higher price levels would place this business on a par with the highest volume in history.

Vigorous efforts are being made to see that this trade in commodity futures, which is so important to agricultural interests, is conducted without manipulation or fraud on a high ethical plane.

IX. ROADS

Highway improvement has been one of the outstanding measures adopted by the present administration to give employment and at the same time provide urgently needed public improvements from which everyone benefits. The greatly enlarged program has been administered by the Bureau of Public Roads of the Department in cooperation with the State highway departments.

Prior to 1933 Federal aid had been provided at a rate of $125,000,000 per year and had been limited to improvement of the Federal-aid system. The National Recovery Act of 1933 authorized $400,000,000 for highways and greatly broadened the Federal program to include municipal improvements and construction of secondary or farm-to-market roads. Subsequent legislation has brought the total emergency authorizations for general highway work to $800,000,000, and $200,000,000 has been provided for elimination of hazards at grade crossings. Additional sums have been provided for improvement of roads in Federally controlled areas. Federal aid for highways has been provided at a rate of $125,000,000 annually beginning with the fiscal year 1936.

In the 4-year period from July 1, 1933, 88,900 miles of road have been completed—more than 70 miles for each working day. Measured in terms of miles the rate has been 170 percent of that in the preceding 4 years. In terms of service the rate has been even greater because of higher standards of road construction, improvement of multiple lane highways and costly work on main arteries in and near cities. The Federal-aid system has been brought to a much higher degree of improvement and many dangerous curves and grades have been eliminated.

For the first time Federal assistance has been given in the improvement of main routes through cities. Practically every city had serious traffic problems where the main highways brought large volumes of traffic to the city limits and there modern improvements ended. Street widening and surfacing and construction of bypass routes have been costly but there is no large city that has not benefited from such improvements.

Much had been said about the need for secondary or farm-to-market roads, to serve our rural population located back from the main highways, but Federal assistance did not begin until the recovery program was initiated. Approximately 25 percent of the emergency funds for highways has been assigned to secondary roads. The program to date, including roads approved for construction, includes 23,800 miles.

Improvement of extensions of the Federal-aid system through cities and secondary road construction has been made a permanent part of Federal-aid policy.

In the special program for elimination of hazards at grade crossings with $200,000,000 authorized in 1935, 1,152 crossings have been eliminated, 206 crossing structures have been reconstructed, and 217 crossings have been protected by safety devices. The total program, including work done with other Federal funds and current work, makes a total of over 2,700 crossing eliminations. The rate of improvement has been about twice as great as in the preceding 4 years. Many of the most hazardous crossings, and those in the suburbs of cities that caused great delay to traffic, had previously been passed by because of their large cost. Numerous projects of this kind have been included in the program.

Employment has been the principal objective in all of the work done. In the 4-year period the direct employment given on road jobs has amounted to nearly 8,000,000 man-months.

Under authority of legislation enacted during the past 4 years a complete survey is being undertaken of the condition of all rural highways in 44 States, the use made of the highways and how they are financed. For the first time we will have complete maps of all the rural highways for the major portion of the country. The surveys are intended to make it possible to carry on the greatly broadened highway program on a carefully planned and continuing basis.

Farley Testimonial Dinner

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, August 18 (legislative day of Monday, Aug. 16), 1937

PROCEEDINGS AT FARLEY TESTIMONIAL DINNER, FEBRUARY 15, 1937

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the proceedings at the testimonial dinner for the Honorable James A. Farley, which took place at the Mayflower Hotel in Washington on Monday evening, February 15, 1937.

There being no objection, the proceedings were ordered to be printed in the RECORD, as follows:

PROCEEDINGS AT THE TESTIMONIAL DINNER FOR HON. JAMES A. FARLEY, ARRANGED BY A GROUP OF HIS FRIENDS, AT THE MAYFLOWER HOTEL, WASHINGTON, D. C., MONDAY EVENING, FEBRUARY 15, 1937

PROGRAM

Hail to the Chief.....Sidney's Mayflower Orchestra

Radio announcer's introduction.

America.....Miss Helen Jepson
Metropolitan Opera Co.

Toastmaster.....Hon. John Nance Garner
Vice President of the United States

Calling the roll of States.....Hon. Lawrence Wood Robert, Jr.
Secretary, Democratic National Committee

Words of greeting.....Hon. Franklin Delano Roosevelt
President of the United States

Star-Spangled Banner.....Mr. Lawrence Tibbett
Metropolitan Opera Co.

RADIO ANNOUNCER'S INTRODUCTION

Good evening ladies and gentlemen:

The Honorable James A. Farley, Postmaster General of the United States and chairman of the Democratic National Committee, is the guest of honor tonight at a huge banquet attended by his friends. The brilliantly lighted, flag-bedecked ballroom of the Hotel Mayflower in Washington is filled to overflowing with more than 1,800 admirers of the genial chairman, participating in this spontaneous testimonial dinner for the man who has managed the campaign which resulted in Democratic victory at the polls.

The President of the United States and the Vice President of the United States are seated at the small speakers' table along with Jim Farley. Before them at the many tables placed on the ballroom floor are members of the President's Cabinet, Members of Congress, Governors of many of the States, national Democratic committeemen and committeewomen, and others from throughout the United States who have come from near and far to pay their respects to the man they know as Jim.

The Honorable Lawrence Wood Robert, Jr., secretary of the Democratic National Committee and chairman of the dinner committee, will now call the gathering to order and begin the formal program.

Mr. ROBERT. Ladies and gentlemen, Miss Helen Jepson, of the Metropolitan Opera Co., will sing America.

(Audience stands during rendition of solo by noted American soprano.)

Mr. ROBERT. Mr. President, ladies, and gentlemen, I have the honor to introduce the toastmaster of the evening, Hon. John Nance Garner, Vice President of the United States.

The VICE PRESIDENT. Mr. President and all you other Farleyites—I hope you won't take offense at my addressing you as such, because I have been accused of being a Farleyite, and I have been proud of it—we have gathered here for the purpose of paying tribute to a man who is worthy of the tribute. Most of you ladies and gentlemen know something about Mr. Farley and about his ability as a political organizer; but I doubt if there is a single man on the floor, or a lady, who knows quite as much about it as the Chief and myself.

With all due respect to those who have held the high office as chairman of the Democratic National Committee in the past—and some are here tonight—let me say to all, in my observation of 50 years—and I have been observing party organizations that long—that there hasn't been a man in either party during that time who has approached the efficiency of Mr. Farley as an organizer and chairman of the national committee.

We know our time is limited, because we are on the air; but it only takes a minute more, and I want to say one more word about Mr. Farley. He is an honest man. He is honest politically—and that is saying a lot when you say honest politically; for if you are honest politically, you are generally honest every other way.

Now, next on the program is the handsome, genial, and I may call him the beloved secretary of the national committee, Chip Robert, who will call the roll of States as though we were in a convention. We want to see how many from each State are here to honor our chairman, Mr. Farley.

(Roll call by Mr. Robert.)

The VICE PRESIDENT. Ladies and gentlemen, on this program it is my part to recognize certain guests. Down in Georgia 2 or 3 years ago there was a candidate for President on the Democratic ticket. He did not happen to get through, but he was succeeded as Governor of that State by a splendid man. I want him to arise now—the Governor of Georgia, Hon. E. D. Rivers.

Governor RIVERS. Mr. President, Mr. Toastmaster, Mr. Farley, distinguished guests, as Governor of Georgia, the Empire State of the South, the President's other home, and on behalf of southern Democracy, the Democratic Governors of the Southern States from and including Virginia to Texas and Kentucky to Florida, we bring greetings and pay tribute to Hon. James A. Farley, the ablest and most gallant party chairman ever to come on the American scene. For years the party and the country will be paying tribute to Chairman Farley as the greatest organizer, greatest strategist, and greatest prophet the country has ever known. Jim, we of the South love you, we honor you, and we shall ever gratefully remember you.

The VICE PRESIDENT. You know out in Illinois the second greatest city in the United States exists, and the head of that city is one of the most efficient mayors in the United States. What he did in the interest of the Democratic organization and the success of the party in Illinois cannot be described tonight. His name is Kelly, and I thank God for the name of Ireland. I would like to have Mr. Kelly, mayor of Chicago, say a word to this audience.

Mayor KELLY. Mr. President, Mr. Vice President, Postmaster General Farley, and distinguished guests, the Democratic mayors of the major cities of the Nation are grateful to Postmaster General Farley, who led the successful campaign for the administration pledged to meet the distressing problems of relief facing the industrial sections of the country. I welcome this opportunity to pay tribute and acknowledge our debt to President Roosevelt. Under his administration policies were established which brought this country out of chaos. Our hats are off to that great General Farley, who developed the teamwork which led the party to victory.

The VICE PRESIDENT. Ladies and gentlemen, it affords me real keen pleasure to present to you the next gentleman who will speak to you. I undertake to say to this audience that there isn't a more substantial citizen, one who is more capable of serving in an executive capacity than the red-headed Governor of Michigan. Ladies and gentlemen, he has done a job, if I may use that term, in the last 2 weeks, incomparable with that of any Governor in the bounds of this Republic in the last quarter of a century. In a strike he has brought about peace that does him credit and our country credit. I want to present the Governor of Michigan.

Governor MURPHY. Mr. President, Mr. Vice President, Jim Farley, ladies, and gentlemen, the people of the sturdy and progressive Midwestern States gratefully acknowledge and heartily thank Jim Farley for his loyal, able, and effective leadership.

The VICE PRESIDENT. Ladies and gentlemen, Pennsylvania may be toward the last, but it is not the least. The second political State in the Union, it remained in the wilderness for 75 years, and then the Democratic Party discovered America, and from that rank of nobility the State of Pennsylvania once again came back under the tents of the righteous. I want to present to you one of the men principally responsible for that change in sentiment in Pennsylvania, the Governor of Pennsylvania.

Governor EARLE. Mr. President, Mr. Vice President, Jim Farley, fellow Democrats, I have the privilege tonight to speak for the Eastern States and the New England States. Since I am given about as much time as it took to count the votes of Vermont and Maine, I simply want to say that it is a great pleasure for us to do honor to a great strategist, a great field marshal, under the greatest leadership of our times. Fellow Democrats, I have just received a telephone message from Harrisburg. As you know for the first time in 92 years the Democrats control by two-thirds majority both the house and senate in Pennsylvania. By a practically unanimous vote, the Democratic caucuses of the general assembly tonight in Harrisburg approved the President's measure to reform the Federal judiciary. We will receive within an hour the message that by an overwhelming vote the President's message to reform the Federal judiciary was approved.

The VICE PRESIDENT. Ladies and gentlemen, may I add just a word before I call on the next performer. I want to congratulate

again the people from all over the United States for making this trip to Washington to honor Mr. Farley. It is true that he has done a wonderful job, probably the greatest of any chairman in the history of our country; at least in a half century. But I want you to remember one thing—that he had mighty good materials. I want you to observe that I use the plural when I say materials. It means over here (pointing to the President)—and here (pointing to himself). I want to present to you Miss Mary Dewson, vice chairman of the Democratic national committee.

Miss DEWSON. Jim, if I had not asked for the opportunity to tell you how the women feel about you, I should not have dared to go back to headquarters tomorrow, or any other day. Jim, we have a great deal in our hearts that we feel for you. I am not going to say all that we feel either, because we haven't time—only 30 seconds—so I am going to say it in one word, and that word is that we think you are grand. More than that, James, we say it with a flower (pins flower on Mr. Farley) and we tell you how much we like you with a kiss. [Applause and laughter as Miss Dewson kisses Mr. Farley.]

The VICE PRESIDENT. Ladies and gentlemen, to wind up my duty here tonight, I have one other function to perform; that is to present to you our friend, our leader—the President of the United States.

(The President receives a tremendous ovation as he arises.)

The PRESIDENT. Mr. Vice President, Jim Farley, I'm not going to say fellow Democrats, I'm going to say fellow Americans, because in this gathering are represented those whom the voters of the United States, and all the States in the Union, have called upon to take part in to a great degree in the government of all the people of the country, no matter where they may be, and so I say, fellow Americans.

I wish I could go down the line; I wish I could talk about a lot of you in a very personal way, because there are not many who are here tonight that can go back further than I do. Jack Garner has me beaten by 10 years. Very few others took an active part in the Government of this country prior to the Democratic victory of 1912. And yet, those of you who are older and those of you who are younger have read history—certainly the history of the last half century of the country—and in reading that history, I take it that there are few people—I might say no people—who in the affairs of party government—and after all for 140 years out of our 150 years, our Government has been run on the principle of two great parties—there is no one in all that time who has a greater importance in the government of this country from the point of view of a responsible party government than Jim Farley.

But this dinner to Jim Farley is, on the part of all of us, a very personal affair. It is not one of those official banquets with a formal list of formal speakers talking on formal subjects into the small hours of the morning. It is not a political gathering, nor a party gathering, nor a victory gathering for that matter, nor even a gathering to hatch some mysterious plot or pull of a coup d'etat.

The only label appropriate for the occasion is a very simple one which, with my permission, the cartoonists may copy—"Jim Farley and his friends." Many of us have known him through the years. Some of you have been associated with him for only a short time—all of us, old and young alike, have a common regard, a common affection for Jim; an affection that transcends formality because it's based on the man himself.

History has recorded, and will continue to record, a great many interesting facts about Jim. In due time history will talk out loud about his younger days of public service to his town on the Hudson River and his county and his State. History will talk about his organizing of campaigns in State and Nation. It will speak of his fine service as a member of the Cabinet of the United States—as administrator of an important department of the Federal Government.

It may even add his name to the distinguished list of major prophets. Some of us old people remember 1896. Even as the name of William Jennings Bryan stood for, even as the name of the great commoner sometimes suggests, the arithmetic of 16 to 1, even so perhaps the name of Jim Farley will suggest the more modern arithmetic of 46 to 2.

But when history is written, after all of us have passed from the scene, there will be something more important than the mere chronicle of success in public office. In the book of history there are going to be other things written. Loyalty will be written there—that loyalty to friends that results in loyalty from friends.

Honor and decency will be written there—the honor and decency that have done much to raise the standards of public service in the American Nation. Good temper will be written there—the kind of good temper that is based on a sense of perspective, a sense of humor, and a sense of forgiveness. In all my years of association with Jim Farley I have never once heard him utter one mean syllable about any human being. And I have never heard him suggest revenge or reprisal—except once—and that was when, after a particularly vicious and mean attack that was made on him personally, Jim went to this long extent and said to me: "Governor" (he always called me Governor). He said, "Governor, that fellow's mother ought to spank him."

On a certain Saturday before a certain first Tuesday after the first Monday in November, in speaking to the workers at headquarters—I'm glad that so many of them are here tonight—I praised Jim for the way he had taken things on the chin and had come up smiling every time. That means one more thing—it means courage, and there's not a man in the United States who has a more deep-seated, thoroughgoing courage than he.

Back of it all ultimate history will analyze the cause of human action and the causes of human qualities. That ultimate history will, I think, agree with my analysis when I say that Jim Farley is not just a Democrat with a big "D", he's a Democrat in the sense that he has faith in his fellow man. He likes to believe, and he does believe, that men and women in every part of our country are fundamentally decent, fundamentally honest, and if they are given a chance through Democratic processes, their decisions will be fundamentally sound. Because of this belief he has made in a short span of life, for he's only a child, and I know that he's going to make through all the years to come a definite contribution to the success of the Democratic processes of American institutions.

Jim wouldn't like it if I were to say we love him for the enemies he has made, because Jim doesn't think in terms of human enmity; but I could tell him that we love him for the friends that he has made. Men, women, and children, regardless of party—men, women, and children in every community of every one of our 48 States, including Maine and Vermont.

I know that you join with me in wishing him health and happiness through all the years to come, health and happiness to my friend and your friend, a faithful servant of the people of our Republic, Jim Farley.

I'm not going to ask in this family gathering that Jim make a speech to us. I am going to ask Jim just to say a word to his friends and mine. [Applause.]

Mr. FARLEY. Mr. President, Mr. Vice President, Mrs. Roosevelt, and my friends, may I first express to Chip Robert and the committee that arranged this delightful affair my most sincere and grateful thanks. I appreciate more than I can tell you the way many of you inconvenienced yourselves in traveling such great distances to be here tonight—for that I shall always be grateful. I'm grateful to Mollie Dewson and to the women who worked with us at headquarters, because that victory for which I was given so much credit would never have been possible but for the loyal support given by Mollie and the thousands of women who assisted her.

In this gathering, too, I want to say a kind word about Charlie Michelson, who hasn't a thing to do with this speech. Charlie is my friend and has been my friend, and no one in headquarters contributed more than he did to the splendid result.

I want you to know that I do not consider this event as a tribute to me personally; I am merely being used as a symbol to give you an opportunity to express to the 27,000,000 men and women in this country your appreciation for what they did that made possible the retention of our great President in office.

Mr. President, from the first time that I became associated with you, you have always been an inspiration to me. Whatever I did, whatever I accomplished, if anything, was due entirely to the fact that you permitted me to be associated with you. You encouraged me in every way possible. It has been a great privilege for me to have enjoyed your confidence. I have endeavored by my actions to have warranted it. And you can be assured that while there is a breath of life in me I will endavor to assist you to the extent of my ability so that I may always enjoy your confidence and your good will. [Applause.]

Mr. ROBERT. Mr. Lawrence Tibbett, of the Metropolitan Opera Co., will conclude the evening's program by singing The Star-Spangled Banner.

(The audience stands as Mr. Tibbett sings national anthem.)

New Epoch in the Labor Movement

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, ON AUGUST 24, 1937

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD, pursuant to the authority granted to the Senator from Kentucky [Mr. BARKLEY] on his motion a day or so ago, a speech to be delivered on August 24 over the radio by the junior Senator from Pennsylvania [Mr. GUFFEY].

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

In any great and powerful movement which involves hundreds of thousands of persons, which strikes at the evils of our present economic system, and consequently touches practically every home in America, there is a tendency to lose sight of fundamentals in the excitement of activity.

For that reason I should like to consider the broader aspects of this new era of liberalism and discuss this new epoch in the labor movement and, if possible, to measure some achievements in the light of their true values.

The labor movement in the United States was given new life in the last few years because labor found expression for its power in backing the New Deal. The best administration ever to be placed in Washington can only be a medium through which the will of the majority is expressed.

Despite the horrified and high-sounding blurbs from reactionary elements and Tory-newspapers, I sincerely believe the Nation still wants fulfillment of the platform for which it so overwhelmingly voted last November; and one of the planks of that platform was the right to self-organization by the working men and women without interference from employers.

Because of the soundness of its policy and its ability to meet the new thinking, the Committee for Industrial Organization moved to quick success on all fronts.

The A. F. of L. also is experiencing a fine upsurge in activity, with a large increase in membership, which it so richly deserves. But because my remarks are also specifically concerned with the steel workers' organizing committee and its remarkable achievements in unionizing in 1 year a hitherto antiunion industry, more emphasis will naturally be placed on the C. I. O., the parent organization of the S. W. O. C.

Industrial unionism has proved a definite success in industrial America. Its record of some 18 months' activity would seem to justify the conclusions that it is the answer to organization of the mass-production industries.

The fact that in about 18 months the principle of industrial unionism, as exemplified by the C. I. O., has organized more than 3,000,000 persons and the fact that the C. I. O. itself has grown to where some 27 national and international unions comprise it, is the best answer to the soundness—yes; the best retort to its critics who like to prate about "responsibility"—of its program.

The astounding success explains the whys and wherefores of the present highly financed propaganda campaign against the C. I. O. and the labor movement in general. The aim is to sway mass psychology by emotional appeals to prejudice.

Logic and facts are disregarded or defied. The ridiculous red-baiting charges, scurrilous and easily disproved, are the lowest form of such propaganda.

A shade more subtle, and much more expensive, are the full-page advertisements such as are now being run in daily papers by alleged citizens' committees, repeating in more refined language the same kind of charges and slogans. Millions of dollars have been spent by big corporations in the recent past for this type of propaganda.

So the fear grows in reactionary circles that if advancing labor unionism is not stopped now it will be too late. The resistance of the steel independents to signing a contract takes on all the hopelessness of a last-ditch stand.

The immediate objectives of the antiunion campaign are, of course, strikebreaking in character. Big money has been put behind it because its sponsors hope to save money through the destruction of unionism and a correspondingly smaller wage bill.

The organization methods which accompany the strikebreaking propaganda are the "back to work" movements, the vigilante committees, and the improper influencing of authorities to use violence against strikers.

All observers of current "back to work" movements in steel have commented on their highly organized character. High-pressure propaganda has been coordinated with visits to workers' homes, leaflet distribution, full-page advertisements, threats from vigilantes, and mobilization of police and troops. The highest-paid publicity firms have been engaged to promote these movements in Johnstown and a dozen other cities and many indications point to national coordination of the whole campaign.

Let me cite a specific and recent example of the workings of the concerted campaign against unionism. Recently the National Labor Relations Board began hearings on complaints against Republic Steel Corporation.

On the opening day the chief of police of Massillon, Ohio, took the witness stand and testified under oath that Republic Steel had supplied city police with guns and ammunition; that such guns and ammunition had been stored at a country club near Massillon; that pressure exerted by Republic Steel caused him to appoint certain Republic Steel employees, hand-picked by foremen, as special police. And then came an attack on the picket line at Massillon and two strikers were killed.

I venture the assertion that not 10 percent of the people listening to this address had a chance to learn all the facts in that most horrible example of how industry controls some municipal authorities. But what do you suppose would have been the reaction of the public opinion forming organs if the situation had been reversed?

Let's assume that the chief of police of Massillon had taken the witness stand and testified that the steel union had supplied him with guns and ammunition; that such guns and ammunition had been stored in a workingmen's club; that the union, through pressure, had "forced" him to put its members on the police force. And then suppose two officials or Republic Steel had been killed. I leave the rest to your imagination.

And let me contrast the deliberate "playing down" of news favorable to the labor movement with the treatment given to the attacks on the National Labor Relations Board and the Wagner Labor Act. Even the so-called liberal press are commenting editorially against the law and the Board.

I make reference to these things only to help clear the air of the extraneous matters which are tending to hide the fundamental policies of the C. I. O.

It seems to me that the present antiunion campaign is simply the same element which about a year ago was preparing to launch its preelection attacks on President Roosevelt; the same element which shouted with all its might that the Social Security Act would rob the workmen by taking money out of their pay envelopes; the same element which predicted dire consequences to our homes and churches if Mr. Roosevelt were reelected. It is only another way of saying that the grass will grow in the streets.

While weighing the current antiunion attacks in light of their real worth, I think labor must be cautioned to be alert to counterattack. The gains labor has made must be preserved.

Let nobody ever convince you that the underlying fundamental of labor unions is anything but this.

The average worker, in order to protect in industry his rights and dignity as a man, must have a system to make him equal to the company. This means organization of the workers, whereby experts can be hired who know the labor market. The laws, the condition of the industry, who are skillful in bargaining and not overawed by big executives.

There is a new era coming in labor-capital relationship. The people of America are demanding it. Many industrialists are realizing that fact and are meeting this new trend in the right spirit; that is, by dealing with and making contracts with the union of their workmen.

I cite particularly the far-seeing statesmanship of Mr. Myron Taylor, chairman of the board of United States Steel Corporation, who last March made history in negotiating a contract with the Steel Workers' Organizing Committee.

I also cite the attitude of Mr. H. E. Lewis, chairman of the board of Jones & Laughlin Steel Corporation, who invoked the Wagner Labor Relations Act in cooperation with the S. W. O. C. to bring about an election and then immediately signed a contract when the S. W. O. C. proved it was in the majority.

Mr. Henry Roemer, president of Pittsburgh Steel Co., did likewise—cooperated in a consent election and then signed a contract. The attitude of Mr. Henry D. Scott, vice president in charge of operations of Wheeling Steel Corporation, is further evidence of this new labor-capital relationship.

The same thing might be said of the officials of the 375 steel manufacturing, processing, and fabricating firms which have signed contracts with the S. W. O. C. I prefer to believe that the officials of those concerns know as much about proper management in the steel industry as do Tom Girdler, of Republic Steel, or Frank Purnell, of Youngstown Sheet & Tube, or any of the others who are fighting union organizations.

Incidentally, I wish to call attention to a rather significant fact in the progress of the campaign to organize the steel industry.

On June 10 this year I stood up on the floor of the United States Senate and showed why there were steel strikes.

The issue then was the refusal of certain companies to sign contracts with the union of their workmen. The issue is exactly the same today.

But the point I wish to make is that at that time there were 140 steel companies under contract. Today there are 375. In the period of the strike up to today, therefore, 235 steel companies have signed contracts, as compared with the 140 in the period from May 1936 to the latter part of March 1937.

But if we are to believe the "industrial economic royalists" of the steel industry all the officers of these 375 steel companies who have signed contracts are out of step.

For my part I do not believe it. I believe that industrialists who are reflecting the attitude as expressed by the people of this Nation last November are the real and truly honest leaders. They are in step with the times. The rest will be forced by the undefeatable power of public opinion to do likewise.

Highway Safety

EXTENSION OF REMARKS

OF

HON. JOHN M. COSTELLO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. COSTELLO. Mr. Speaker, frequently the Congress is called upon to enact legislation to regulate and control the operation of motor vehicles upon the many highways of the

Nation in order that genuine highway safety may become a reality instead of just a fond hope. That legislation is incapable of accomplishing this very worth-while goal is only too readily conceded. Yet nothing seems to be done to bring an end to the needless killing of humanity throughout the Nation. Although legislation may be helpless of itself to cure this national evil, yet it does seem possible to eliminate, or if not eliminate, at least reduce to a minimum, the number of fatalities which occur annually in this country.

Recently in the District of Columbia the police organized a coordinated drive to bring about the enforcement of traffic regulations and to put into effect definite control efforts. Although many traffic violations appear to be but petty offenses to the ordinary individual, yet they lead to the countless accidents which occur throughout the Nation each year. In a determined effort to put an end to these petty offenses, the police of the District have been making an effective drive on all such traffic violators. The value of such a drive should not be lightly considered, especially when one recalls a similar drive which was placed in effect scarcely more than a year ago. During a 10-day period during which the drive was in effect in the city of Washington not a single fatality occurred in the city.

This outstanding achievement can be repeated not only here in the District, but equally well and with the same lifesaving success in every city, county, and State in the Nation. It merely requires the will and determination of the police officers of the Nation to demand of the motoring public a strict compliance with the safety requirements of the laws that have already been enacted in the various States. It is essentially a local problem, to be handled locally and not through national legislation. As an evidence of the effectiveness of campaigns for law enforcement one need only turn to the recent experiments made in the State of New Jersey, which conclusively proved that the usual toll of highway fatalities is a needless and wanton evil that can be cured.

The sheriff of Middlesex County, in New Jersey, Sheriff F. Herdman Harding, recently organized a 10-car patrol to cooperate with the regular officers of his staff. Throughout the county these patrol cars joined with the local and State officers in an effort to check all traffic violations and issue summonses in flagrant cases. It was a campaign of education more than an effort to augment the number of traffic citations issued. The motorist was warned of his every traffic violation and also informed of the seriousness and danger of such violations. As a result of this drive instituted by Sheriff Harding immediate results were obtained. The first week end found Middlesex County without a single fatality, and that in spite of the fact that it was in the middle of the summer traffic and at a time when the entire State of New Jersey was witnessing a tremendous increase in the number of fatalities each month.

On the week end just previous to this drive Sheriff Harding was brought to a realization of the seriousness of the situation by reason of four fatalities. During the Memorial Day week end his county had seen a toll of eight lives snuffed out by needless traffic accidents. By means of Sheriff Harding's intensive drive, his county was suddenly freed of all fatalities, not on just a single week end but on successive week ends. If fatalities can be eliminated in Middlesex County simply by means of a determined effort on the part of the sheriff and his officers, the same thing can be accomplished throughout the Nation by means of similar drives—drives destined to educate the motorist, not to punish him.

Throughout this drive Sheriff Harding emphasized the need for education of the motoring public, focusing attention upon the careless traffic infringements, reckless driving of motor vehicles, and the useless and needless speeding of so many motorists. A courteous warning by the arresting officer was followed later by a post-card reminder of the fact that careless motoring leads to highway killings, setting forth the number of needless deaths occurring in the State of New Jersey. In a majority of cases, such a warning, followed by the post-card reminder, was sufficient to make the ordinary motorist conscious of his responsibility while traveling along the highways of the State. By thus keeping the motoring public alive to the need for reasonable care and ordinary precaution, highway accidents were tremendously reduced and deaths well-nigh eliminated. If New Jersey can accomplish this, if Middlesex County can maintain death-free highways on the week ends, then other counties would do well to follow the example of Sheriff Harding and make their counties equally safe for those who travel.

Some years ago in my own State of California it was the custom for the police officers to hide themselves on side streets and establish speed traps to catch the speeding motorist. That such a policy was ineffective was soon shown upon the advent of Raymond Cato in charge of the State police. Under his direction all officers were ordered to remain on the highways in plain sight, traveling along with the traffic, and thus serving as a constant reminder to all of the need for caution. The number of arrests was in no way reduced, but the quality of driving was greatly improved. Most motorists require only the urge to obey the traffic regulations, as they are not in any sense criminals, but merely careless and even thoughtless in their traffic violations. The intent to kill is not present in the motor murderer, yet his killing is just as effective as though it had been premeditated. In some cases the fatality is entirely unavoidable, yet these cases are comparatively few and are excusable. But by far the vast majority of killings and injuries can be avoided if only reasonable precautions were taken while driving upon the highways. The motoring public needs to be educated to the seriousness of the situation confronting the Nation; each motorist needs to be trained to shoulder his responsibility to others upon the highway; thus only can motoring fatalities be reduced to a minimum and the endless toll of traffic injuries be cut down to reasonable proportions. Thus only can our highways be made safe for business and pleasure travel and motoring be made a pleasure rather than a constant strain each time one ventures forth.

It is to be hoped that the experiment of Sheriff Harding may be repeated in other counties throughout the Nation, and that when this experiment has become a regular program in every State the annual highway deaths may no longer exceed the battlefield killings of the World War, as has been the case for a number of years recently. I trust that my few remarks on this subject may aid in publicizing the excellent results obtained by Sheriff Harding in one county of the Nation, and by this means may help to call to the attention of others a sound and practical means of solving the greatest evil of our machine age. Whether it be in State or National meeting, police officers at their conventions would do well to study the Harding method of highway safety and to urge the adoption of the same plan for use in their own counties. If only a few deaths were eliminated the program would more than pay for itself; and if all deaths were eliminated, as has been the case in Middlesex County on successive week ends, then there would not be a cost, but rather a great saving—a saving of life and property, a saving not to be measured in mere dollars. Sheriff Harding is to be congratulated upon having had the initiative and the energy to attempt to solve the worst problem confronting the Nation, but even more so upon having attained an effective solution—one that others can use and without added expense to any community. It merely requires the courtesy and alertness of the highway patrols throughout the Nation, educating and training the motorists to be traffic conscious and to shoulder their responsibility to their fellow men when driving upon the public highway. May the Harding plan soon become the national plan, and may motor murder be a problem of the past.

Rural Electrification

EXTENSION OF REMARKS
OF
HON. WALTER M. PIERCE
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. PIERCE. Mr. Speaker, there is one point of the power problem on which the majority of Members of Congress are in agreement, and that is the necessity of placing electricity at the disposal of the largest numbers of those engaged in agriculture and the inhabitants of the smaller cities and towns. What electricity can do on the farm and for farm life has been eloquently described by many of my colleagues, and my contribution at this time will be helpful suggestions directed toward the practical accomplishment of the objectives of rural electrification.

The statistics of the Department of Agriculture tell us that there are 6,813,000 farms in the United States. The number of electrified farms at the present time is in the neighborhood of 850,000, which would leave approximately 6,000,000 farms without electric service. The published statistics as to the number of farms served include commercial establishments, which now line highways in rural territory, and the nonfarming population on the fringes of communities. For this reason I feel that my estimate of farms electrically connected is close to the fact. In the State of Oregon there are 65,000 farms with 45,000 unserved. In the State of Washington there are 84,000 farms, with 42,000 without electricity. The number of farms served electrically in California is high; out of a total of 150,000 California farms, 95,000 have electricity.

The advance in rural electrification abroad is far greater than in the United States. Belgium, Holland, and Switzerland are almost 100 percent electrified. A large percentage of the rural communities in France and Italy also have service. In Germany 90 percent of the farms are connected with electric lines. In Japan, also, 90 percent of all homes are connected. The rural population of these countries is more concentrated than in the United States, but the standards of living in our country far excel those in the countries I have enumerated. In this high standard of living the American farmer should share, and he should enjoy the increasing comfort and prosperity that is attendant on electric service.

REASONS FOR SMALL AMOUNT OF RURAL ELECTRIFICATION

Conditions which give us these statistical figures have not just happened. There is cause for our low comparative showing. It devolves upon students of the rural electrification problem to find all the causes and to remove them. The most apparent cause is the existence of barriers which have prevented the full extension of rural electrification. Let me now point out these barriers. They are excessive line-construction costs; piecemeal line construction; a changing and weak rural policy on the part of the private utilities; skimming the cream of the business and refusing to handle the rest; high monthly minimum charges and high rate schedules, together with high follow-up steps in the electric rate; the use of complex rate schedules; defeatist tactics on the part of the private utilities; and the high cost of electric appliances. All of these barriers tend in the direction of curtailing kilowatt-hour consumption, which, in turn, as a part of a vicious circle, makes high rates. Our unenviable record can be charged to the leaders of the private-utility industry. The existence of these barriers cannot be successfully challenged. Rural electrification, due to its much lower density, does not afford the profits that urban electrification does afford, and, therefore, these utility captains kept out of the field that could not be easily exploited and controlled.

RURAL ELECTRIFICATION ACT

The intent of the framers of the Rural Electrification Act was to set up a governmental lending agency whose objective would be the extension of electrification to the unserved rural areas which might be most economically reached. This agency, as we all know, is the Rural Electrification Administration, and it is given a 10-year program in this act. The purpose of the R. E. A. is to extend electric lines to the maximum number of farms. It is not a donating agency but rather is a composite of an educational, financing, engineering, and cooperating institution. The success of the R. E. A. Act depends on the individual farmer, the farm group, the farm organizations, the States and their subdivisions, and the agencies of the Federal Government working together. It was not the intention that R. E. A. should work alone in order to bring the benefits of abundant, cheap electricity to the farm. R. E. A. is a nonprofit, noncommercial governmental agency predicated on the right of neighboring farm groups to cooperate to supply themselves with a service necessary for well-being. R. E. A. lends money for new construction, and also advises on finance, engineering, and legal procedure. Each cooperative group can supply its own engineers, technicians, and lawyers, but each step in the procedure must have R. E. A. approval.

For the first fiscal year of its operation, ending June 30, 1937, $50,000,000 was available for the program. For each of the 9 succeeding fiscal years there is a $40,000,000 authorization requiring appropriations by Congress. Fifty percent of the annual total is to be made available or appropriated and allotted among the several States on the basis of the number of unelectrified farms in each State in its proportionate relation to the total number of farms unserved in the United States. On this basis Oregon's allotted share is $173,000 annually. The share of the State of Washington is $747,000.

Under the act the remaining 50 percent of these annual sums shall be available for loans within the States to be effectively employed according to the judgment of the Administrator, in order more nearly to accomplish the purposes of the act. There is a reservation, however, which prevents more than 10 percent of the allotted annual sums being employed in any one State.

Under the act loans for electric service may be made "to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, districts, and cooperatives, nonprofit or limited-dividend associations." At all times the Administrator is directed to give preference to States, Territories, political subdivisions thereof, public-utility districts, and cooperatives. Under the act loan aid can be given to finance the wiring of homes and farms in rural areas and the installation of electrical and plumbing appliances and equipment. Appliance financing can be had through the Government's Electric Farm and Home Agency.

POLICIES OF THE RURAL ELECTRIFICATION ADMINISTRATION

R. E. A. was originally a part of the program established by President Roosevelt's Executive order under the Relief Appropriation Act of 1935, and was set up as an independent agency. The President's Executive order was extended and recognized by Congress through the Rural Electrification Act approved May 20, 1936.

It is the policy of the R. E. A. not to make loans to individuals but to agencies which are, or can establish themselves as legal identities. It is the policy also to have the agencies own and operate the lines they construct. As a security for the loan, a lien on the line is given by the farm group. It is, therefore, obvious that it is impossible to handle rural electrification on an individual basis. Under such safeguards R. E. A. will lend the agency building the rural lines the entire building cost of those lines. All rural projects must be projected on the debt-redeeming plan. Liens or mortgages are given 20 years for repayment at the current rate of governmental interest during the period of the loan. This interest rate at present is about 2.88 percent. The electric line, and

the revenues therefrom, in the final analysis is the Government's security for the loan. The set-up is made so that there will be no personal liability attached to any individual member of a farm group. R. E. A. does not require any farm property to be mortgaged nor does it require any farm member of a rural agency to be personally liable for any of the debts of the farm organization or other members of the group. It should be strictly understood that the only individual obligation incurred under the R. E. A. plan is the payment of the monthly electrical bills. R. E. A. has no rigid standards and can have none if the full objective of the act is to be reached. Each new construction project is set up on a self-contained basis. Such a project, to be economically successful, should cover a fairly compact area and should include at the very least 50 miles of lines and have at least 150 consumers. Where smaller mileage and fewer customers are involved individual attention will be given by R. E. A. just the same as for the larger set-ups, but smaller mileage groups must, of necessity, depend on extension of existing facilities. It is the policy of R. E. A. to include the skim milk with the cream.

COOPERATIVES AND DISTRICTS

The rural public-power district or the rural cooperative affords the best type of organizations for handling rural electrification. This type of agency is well known in the Pecific Northwest. The Bone bill in Washington and the Grange amendment in Oregon were proposed to provide for extension of electrification to rural areas. The Bone bill was defeated in 1926, but it is interesting to note that in 1930 a bill more definitely a public-power bill was adopted. In Oregon the Grange district-power amendment was adopted in 1930 and enabling legislation was passed the following year. Therefore in these two States definite laws are on the statute books making it possible to organize public-power districts. Organization in Washington has progressed so rapidly that three-quarters of the State's population is now in public-power districts.

In Oregon the district organization has been much slower than in the State of Washington, due to the propaganda and the resistance of the private utilities. Cooperatives can function even where public-power districts are allowed by law. It is not necessary for any farm group to incorporate before an R. E. A. loan is approved. Everyone interested in rural electrification should bear in mind that, under the R. E. A. Act, cooperatives and public agencies are given preference in loans. The legal division of the R. E. A. is ready at all times to furnish any farm groups in any State with the necessary legal information to attain their objective. Farm groups are not required to make service contracts before the granting of any loan. R. E. A. must have reasonable assurance that there will be sufficient revenue to provide the expenses of operation and the expense in connection with the loan repayment to the Government. The farm group, in addition, may secure from R. E. A. long-term financing for wiring and equipping farms, but they are not required to do this contingent on securing such a loan. In some States cooperative electric associations are not subject to the jurisdiction of the State utility regulatory commissions. However, from the experience in the last year it can be definitely stated that farm organizations should have no difficulty with these State commissions.

The mortgagee agency must always be responsible for the efficient operation and maintenance of the electric facilities. In the cases of small groups, plans can be made whereby the agency supplying the wholesale current may operate and maintain these lines.

CUSTOMERS' PREMISES

The policy of the R. E. A. is to finance the wiring of the farms and installation of plumbing and electric appliances. It is significant in this connection to note that 85 percent of the farms in America are without house-piped water while 60 percent of the farms have automobiles. The object of this provision of the R. E. A. Act was to remove another barrier to widespread rural use of electricity. No wiring or plumbing loans are made directly to individuals. Loans can be secured on a group basis in order to take advantage of the savings incidental to large-scale buying. R. E. A. will assist cooperative groups to secure appliance loans through the Electric Farm and Home Authority.

RURAL AIDS

The State agricultural colleges are making a real and sincere effort to extend rural electrification; also many State utility commissions and numerous State farm organizations are cooperating with the R. E. A. program to assist the farmers in securing electric service. R. E. A. has no State or regional offices; therefore any farm group desiring to secure the benefits of this act should work through the Grange, the Farm Bureau, Farmers' Union, the State agricultural colleges, the State commissions, and the county and State governmental agencies. The R. E. A. organization here in Washington stands ready at all times to answer inquiries of every nature and to assist in legal and engineering matters incident to establishing a set-up.

The intent of the R. E. A. Act is to furnish service on a net-cost basis. Any organization borrowing from R. E. A. must provide sufficient revenue to cover the interest and the amortization of the loan, and in addition such amounts as are necessary to cover taxes, liability insurance, operation, and maintenance expenses of the system, and a reserve to take care of extraordinary items such as storm or sleet damage, and line and service extensions.

WHAT R. E. A. HAS DONE

R. E. A. had approved, through June 1937, allotments for 310 rural projects totaling $59,000,000. Of this approved amount, $57,000,000 is intended to be used for line construction, $1,900,000 for cooperative generating plants, and about $100,000 for home wiring and plumbing installation. Construction contracts have been executed for $45,000,000 of this approved total. Projects totaling $32,000,000 are in process of construction. Through the calendar year 1936, 83,397 rural customers were contracted on projected lines; 7.7 percent of these customers were on lines to be constructed by private nonprofit organizations. Only 4.3 percent of the customers receiving service through R. E. A. loans were on private utility lines. Practically 84 percent of these customers were on lines owned by cooperatives and public power plants, either municipal, district, or State. To serve these 83,397 rural consumers required 22,374 miles of rural lines, averaging 3.72 customers per mile of line. The cost was $24,045,129. If we exclude generating plants and home-wiring costs, we will find that this cost averages about $1,000 per mile of line, which includes transformers for 3.72 consumers per mile. The construction cost has been $288 per consumer. These R. E. A. figures represent allotments, not expenditures, as all allocated money has not been advanced.

R. E. A. has approved three cooperative loans in Oregon, namely, Lane, Clatsop, and Umatilla. Another project involving a $100,000 loan to a private utility is being held in abeyance at the request of a rural cooperative pending hearings to determine whether the private utility is obstructing progress of a possible competing cooperative.

The Lane cooperative loan was granted on a basis of $98,000 for distribution and $10,000 for a portable Diesel plant to be temporarily used pending delivery of Bonneville current. It is reported that during the development period of this cooperative a private power company raided the territory, connecting close to 50 percent of the original signers.

RURAL SUGGESTIONS

Before any power district or cooperative can make headway their leaders must first know the past barriers and what is needed to break these down. No farm plan should be accepted which would perpetuate these past unsound policies which have been responsible for slow progress and high rates. Farm leaders should advise group members not to sign up with private utilities which are trying to promote offset or spite lines until the true status has been determined by public hearings. Fair procedure is all that we have a right to ask, as the objective is to secure the maximum benefits to the farm. The private utilities in the past have hindered rural electrification and neglected the farmer. Now, when the farm population has an opportunity to help themselves through R. E. A., they should not

be misled by false propaganda. The private utilities can secure their own funds through Wall Street, so therefore Government money at 2.88 percent should not be preempted or used to injure sincere cooperative promotions.

In the initial planning the set-up should be made on the basis of securing 75 to 80 percent of the potential available customers. No project should be initiated which cannot be made sustaining. Any agency should plan for service to an agricultural section as a whole, rather than benefits for a few customers who might be taken on from time to time through line extensions. A successful project should be based on a thoroughgoing preliminary survey made through the cooperation of the farm organizations and Federal, State, and county agencies. One of the most outstanding examples of such a survey is that promoted by the Grange and the Farm Bureau in Seneca County, N. Y. Information on this survey is available to any organizing cooperative and can be secured by the farm organizations.

Rural territory should be planned on an area basis rather than on a line-extension basis, in order that the less dense sections can secure electricity at reasonable cost without becoming a handicap to consumers located in the denser areas. The old Adirondack, N. Y., plan was an example of poor line-extension policy. This plan required monthly minimum charges of $24 per mile of line and produced only four consumers per mile or $6 per month per consumer. This plan provided costs so high that consumers could not be attracted, and thus widespread utilization was defeated.

SOUND PRINCIPLES

The experiences of the New York State Power Authority have shown that the following principles are essential to a successful rural project. I have modified the New York experiences in order to make them general.

(1) Rural electrification should be projected on the broad business base of an income-producing service. The home comforts, though necessary, can be treated as byproducts of the plan.

(2) Electrification should be by areas so that every farm economically reached can be connected and that no lean territory remains.

(3) Initially, monthly minimum bills should be between $3 and $3.50, with a gradual reduction to $2.

(4) The rates for farm motors and appliances used on any rural line must be low enough to promote fullest use of home and farm equipment, even though the initial rate for lighting may be higher. This insures increase in consumption and lowering of cost to all. These follow-up rates should be around 1 to 1.5 cents in regions of high-cost steam or Diesel plants. In the Pacific Northwest, the region of cheap hydro-power, these follow-up rates can be within the range of 0.5 to 0.8 cent per kilowatt-hour. Under the Ontario plan, the follow-up rate is 0.68 cent per kilowatt-hour, and in the T. V. A. 0.4 cent.

(5) Line construction costs should be reduced to the lowest point consistent with lowest over-all annual cost of operation. Formerly rural lines with three or four customers per mile cost $1,500 to $2,000 per mile to build. These costs have been reduced to $1,000 or less. Line costs on the Pacific slope are about the lowest in the country. Forty-six percent of the entire cost of a rural line is represented by lumber and labor costs. The Pacific Northwest has a bounteous supply of the best pole timber known to man. Under the W. P. A. Act recently passing this Congress relief labor is available for help in rural line construction, depending on the cooperation of the State administrators. In the early days railway construction west of the Mississippi was made possible and accelerated by the use of cheaper construction, utilizing native materials, such as wooden bridges in the place of steel bridges. These initial railway lines would not have been possible were it not for such a policy. Therefore in lean rural territory we must forget orthodox designs.

(6) A proper rate policy will make it possible after a goodly part of the amortization period has passed and plant paid for to reduce the permanent rates to city levels.

(7) Make low-price, satisfactory appliances available on easy terms over a 4- or 5-year period.

T. V. A. AND ONTARIO RATE PLANS

In the T. V. A. the rural resale rate is the same as the city rate, plus 1 cent per kilowatt-hour amortization charge to cover the additional cost of rural lines compared with city lines. This amortization charge is limited only to the first 100 kilowatt-hours used per month. At the end of the amortization period the rural rate becomes equal and uniform with the city rate.

The plan of the Ontario, Canada, hydro is based on "sale at cost." Laws have been placed on the statute books prohibiting any charge over 6 cents for the first step of the rate, comprising 30 kilowatt-hours, in any rural district. As amortization proceeds in Ontario, the rates are automatically reduced. The Ontario rate plan is based on a two-part rate structure which includes a service charge of $1 per month plus the cost of current consumed. The Ontario type of rate structure has not found favor with the American public, but, nevertheless, it produces a low bill and, in fact, there is very little difference in the actual bills between the T. V. A. and Ontario.

RURAL RATES

There are two general classes of rural rates of interest to farmers and farm leaders contemplating rural electrification, namely, the wholesale rate from the generating plant or transmission line and the retail rate charged the individual consumer. The wholesale rates will determine the success of the project as a whole, and advice on this point can be secured from R. E. A. In the Pacific Northwest the availability of Bonneville power simplifies greatly the wholesale problem. The question is frequently asked: What will be the retail rates inasmuch as any rural plan must be placed on a net-cost basis? There can be no hard and fast rules laid down for such rural rates, as rural conditions vary. However, I am presenting herewith a table showing rates elsewhere, which may serve as a yardstick and for information.

Comparative electric rates, residential and rural

Community	Kilowatt-hours per month					
	25	40	60	100	300	500
Eugene, Oreg. (residential)	$1.00	$1.35	$1.75	$2.55	$5.15	$5.83
Tacoma, Wash. (residential)	1.13	1.52	1.72	2.12	4.12	6.12
T. V. A. (residential)	.75	1.20	1.70	2.50	5.50	6.90
T. V. A. (rural)			2.30	3.50	6.50	7.90
Ontario (residential)	.75	1.02	1.54	1.74	3.02	3.92
Ontario (rural)			2.89	3.61	5.86	6.21
Winnepeg (residential)	.75	1.20	1.80	3.00	4.38	6.18
Portland, Oreg. (residential)	1.38	1.95	2.55	3.39	6.99	8.09
Average, United States, 1935	1.63	2.40	3.35	4.53	10.39	14.40

There are certain items in addition to actual costs which enter into the sale price of electricity. The opportunity for lowering light and power bills for the consumer lies in the elimination of the nonessential costs such as profit and superprofit due to manipulation, watered securities, competition, and use of funds for political corruption.

THE VISION

A few years ago there was shown upon the American screen a moving picture called Disraeli. In one of the scenes in the House of Commons a colloquy takes place between Gladstone and the Prime Minister Disraeli. Gladstone shaking a finger at Disraeli says, "Would you, Premier of England, take good English gold and with it buy shares in a ditch dug through the shifting sands?" Disraeli replying to the eloquent Englishman said, "Can't you catch the vision? Indeed, I would take good English gold and buy a ditch through shifting sands if it will make England mistress of the seas, and I believe the buying of the Suez shares will make England mistress of the seas. Can't you catch the vision of English ships sailing the seven seas, really and truly mistress of the seas?" So I say to my doubting friends, "Can't you catch the vision of the

future of our beloved Northwest in the electric age which is just dawning? Can't you, my dear friends, forget your bickerings, your jealousies, and enter wholeheartedly into a plan which will carry out the vision of our President?" The President has caught the vision and laid the foundation by the developments on the Columbia River at Bonneville and Grand Coulee, building for himself a great monument which will endure.

The Progressive Bloc in Congress and What It Hopes to Accomplish

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

RADIO ADDRESS OF HON. JERRY J. O'CONNELL, OF MONTANA, FRIDAY, AUGUST 20, 1937

Mr. O'CONNELL. Mr. Speaker, under leave to extend my remarks, I wish to include an address which I made over a National Broadcasting Co. network, Friday, August 20, 1937:

My fellow citizens of the radio audience, in a few hours the first session of the Seventy-fifth Congress of the United States will become history. That session of the Seventy-fifth Congress will adjourn in one of the most critical periods of the United States and will adjourn at a time when it should not do so. This Congress came into being with the mandate of the American people as registered on November 3 of last year ringing in their ears; this Congress came into being with the fighting message of the President of the United States delivered in his Madison Square Garden speech on the Saturday evening preceding election to inspire it; this Congress came into being with a clearer mandate than any other assembly in our history; yet no Congress had so much to do and accomplished less; yet no Congress in my memory has ever disappointed the people of this country more than this one.

REACTION HAS PREVAILED

Yes; the forces of reaction, the forces of entrenched wealth, of organized greed, of special privilege have won an immense but what we feel is a temporary victory in the session of the Congress which is about to close.

A program in behalf of the laboring people of this country—the wage and hour bill with its provision of minimum wages and maximum hours—with its provisions to abolish child labor and sweatshop conditions has been scuttled in the Rules Committee of the House of Representatives by the Tory Democrats of the South and the reactionary Republicans.

THE FARMER IS BETRAYED

A farm program has not been devised. A farm program has not even been presented, and American agriculture faces one of its greatest crises without any legislative help from the Congress of the United States.

W. P. A. CURTAILMENT A TRAGEDY

The unemployed people of this country—those people working on the W. P. A., those unfortunates who are on relief—have been sold down the river. The curtailment of the W. P. A. program is a tragedy and a crime, because it has thrown 700,000 workers out into the streets—maybe to starve; maybe to die—with no hope of employment, with all of them wondering where they are going to go; wondering where they are going to eat; wondering where, my friends, they are even going to sleep.

The American Negro was promised—the American Negro expected—that he was to be protected from lawless gangs; that he was to be protected against lynching by mobs taking the law into their own hands. Today, although the House of Representatives passed an antilynching bill and a splendid one, the Senate of the United States has refused to consider that bill in this session. Thus the American Negro finds himself still in the shadow of the whip, the rope, and the torch.

Nothing has been done about taxation except to plug a few loopholes, and organized wealth still evades its just share of the tax burden in this country.

A housing program is being enacted and probably will be enacted by tomorrow night, but it is wholly inadequate. It has been emasculated and restricted almost to the point of uselessness for slum clearance and housing projects for those who live in the dark, dirty, disease-infested slums of the large metropolitan areas of the United States.

NEUTRALITY IS NOT NEUTRALITY

Congress enacted a so-called neutrality policy, which is actually a policy of unneutrality. It is a disgrace to the American people. As a matter of fact, as it has been applied in Spain, has put us on the side of the war dogs of Europe—Hitler and Mussolini—against the friendly and democratically elected Government of Spain, and will probably force us to take a position advantageous to aggressive Japanese imperialism.

OLD PEOPLE DENIED SECURITY

The aged people of this country who were promised some real security, who were promised not the mere pittance of $30 a month, or less, upon which they now gradually starve, have been denied security. They still have just as much as ever, the inability to meet their doctor bills, the inability to meet high rent, their inability to pay prices for food and clothing, which are increasing alarmingly.

TORIES SCUTTLE COURT REFORM

Last and most important of all, the President's proposal and program to reform the Supreme Court and the judiciary of the United States has been scuttled and defeated by the Tory Democrats and Republicans and by fake Liberty League Liberals in the Senate of the United States.

Too long has the Supreme Court of the United States been the sanctimonious citadel of reaction in this country; too long has the Supreme Court been the protector of the overlords of industry in this Nation; too long has the Supreme Court been the protector of the wealthy, the entrenched greed, and the special privilege seekers of this Nation! The fight for Court reform must go on! Yes, my friends, while the President of the United States has been betrayed by the Tories within his own ranks, while the people of this country, the American laborer, the American farmer, the American small businessman, has been betrayed by those whom they sent here to represent them, while all this has been going on, a small band of men, a small group of Liberals and Progressives in the Congress of the United States have been fighting for all these things, fighting for what the American people demand, a program dedicated to civil rights and civil liberty, a program providing for political and economic freedom for the great masses of this Nation.

THE LIBERAL BLOC FIGHTS FOR PEOPLE

We have fought to reform the Supreme Court of the United States. We have fought to guarantee minimum wages and shorter hours for labor, to abolish child labor, to put an end to sweatshops. We have fought for a general farm program, for the stabilization of farm prices, for the guaranty of a fair income above the cost of production for the American farmer. We have fought for American peace, for world peace, and for a real neutrality program; we have fought, my friends, for an adequate old-age pension; we have denounced the curtailment of the W. P. A. and the relief program.

We have denounced the Chicago Memorial Day massacre and the cold-blooded murder of strikers in the steel area; we have pledged eternal war on the so-called vigilante or law-and-order committees; we have fought to protect the American Negro from lawless groups in the South and other parts of the country; we have fought to shift the burden of taxation from the small workingman and the small businessman to the entrenched wealth of those who have been evading and avoiding their real share of the tax burden. We have fought for an adequate housing program. We have fought to secure those objectives the American people demanded when they gave their mandate on November 3, 1936, and for which President Roosevelt said he had just begun to fight in Madison Square Garden on the Saturday night before election.

BATTLE MUST BE CARRIED TO PEOPLE

Our little liberal bloc consists of about 100 men—included, among many others, are COFFEE of Washington; BERNARD, of Minnesota; MAVERICK, of Texas; TEIGAN, of Minnesota; BOILEAU, of Wisconsin; VOORHIS, of California; LEAVY, of Washington; and ALLEN of Pennsylvania, and a few other liberal leaders in the Congress of the United States. Some are Democrats, some Farmer-Laborites, some Progressives, one or two are Republicans, but we are all fighting for the same cause. We expect in the intervening period before the convening of the next Congress to carry our fight to the people of the United States; we expect to carry that fight to the people in the 1938 congressional election and battle for these issues against those "red-baiting, breast-beating, labor-hating Tories" in the Senate and in the House of Representatives.

LABOR AND AGRICULTURE MUST BE SERVED

We expect in the next Congress to fight for the program urged by the President in the White House, to fight for a program for the people—we expect to fight for a real, adequate wage and hour bill, for the absolute abolition of child labor and sweatshops, for an absolute, full, complete appropriation for the National Labor Relations Board—that the right of collective bargaining in the United States may be secure.

We expect to provide a real farm program for American agriculture, a program that will guarantee them a fair income above the cost of production, that will stabilize farm prices—that will protect and insure their crops from drought and devastation.

WORK MUST BE PROVIDED FOR ALL

To the unemployed of this country, to those people who have been dropped from the W. P. A., to those people who are not getting adequate relief, we members of the liberal bloc pledge our fight, our spirit, and our energy to enact the Schwellenbach-Allen resolution into law which will provide that no W. P. A. employee shall be dropped from the rolls until he has been absolutely absorbed by private industry; to fight for an increased appropriation for the W. P. A., and more adequate, less red-tape relief for those entitled to it.

And more than that, we promise to the unemployed to present to the Congress of the United States a program of unemployment relief to guarantee to every worker the right to work when he desires to do so. We promise those who believe that America must never again go to war, we will fight for an embargo on the shipment of munitions and materials of war, not only in times of war but when it should be—in time of peace. We promise to fight for the adoption of the Ludlow resolution that will give to the American people the right to vote and decide by national referendum when America shall enter war. We shall urge that the American Government take an aggressive step in foreign policy by demanding that Hitler, Mussolini, and the Japanese do not violate all the treaties that have been signed, that they cannot violate the nine power pact—that they must stop this aggression and invasion and bring peace to the world!

ENACT GENERAL WELFARE ACT

We pledge the aged of this country that we will give them real security by fighting to enact into law at the next session of the Congress the General Welfare Act of 1937.

We promise the American Negro that we will strive to enact into law the Wagner-Gavagan antilynching bill so that the American Negro may be freed from the threat of lynching wherever it exists.

We propose, too, a health program for the people of the United States, a social-health program to be extended to those to whom it is now denied.

And, last but most important of all, we promise to continue to fight under the leadership of the President of the United States, as we know he is continuing to fight, for a reformation of the Supreme Court of the United States. Heartened by his appointment of Senator Black, that great progressive and liberal from the South, heartened by the fact that we know further vacancies will be filled by great Liberals and Progressives in this country, we will battle for a permanent solution that will absolutely remove from the Supreme Court of the United States its power to veto acts of Congress, a right which is not theirs, a right which it has usurped, a right neither provided by the law or the Constitution of the United States.

THE BATTLE HAS JUST BEGUN

For these things my friends, the Liberals and the Progressives in the Congress of the United States will fight as they never fought before—will join the President of the United States in his great crusade, will join him in these intervening months when he carries his battle to the people—we will go back to you, fight with you shoulder to shoulder for the political and economic emancipation of the great masses of the American people.

Moderation Should Govern in the Upbuilding of the Merchant Marine and in All Other Matters

---

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. LUDLOW. Mr. Speaker, I am glad that in the final adjustment of the finances to support the Maritime Commission, as contained in the conference report on third deficiency bill, now before the House, I was successful, with the assistance of economy-minded associates, in securing a reduction of $35,000,000 in the authorization for construction of ships for charter under the Merchant Marine Act.

Even in these times of unparalleled spending a saving of $35,000,000 is a considerable item toward the goal of an ultimately balanced Budget. A distinguished statesman once said that the only way to resume specie payments is to resume, and by the same token the only way to reduce governmental expenditures is to reduce them. Somewhere along the line there must be a starting point in the direction of economy if we are to get back to safe and sound ground where tongue and buckle of Government revenues and expenditures will meet.

The history of the item for the Maritime Commission carried in this bill is interesting. It was proposed in the estimates sent up to Congress that the stupendous sum of $256,440,000, or over a quarter of a billion dollars, should be made available for the construction of 95 ships for the merchant marine. The items comprising this staggering sum were as follows: Direct appropriation $10,000,000; cash on hand, $69,000,000; authorizations, $150,000,000; sum to be derived in first payments from ship purchasers under section V of the act, $27,440,000; total, $256,440,000. Prior to the consideration of these items by our subcommittee in executive session Chairman Joseph P. Kennedy, Chairman of the Maritime Commission, withdrew his request for a direct appropriation of $10,000,000.

"I never gave up $10,000,000 as easily in my life", he remarked with a smile.

This still left the paralyzing sum of $246,440,000 which Congress was requested to make available to the merchant marine in one bill.

Think of it! It seems only a few years, as time flies, when the party then in power was berated from one end of the country to the other for its responsibility for a "billion dollar Congress." Yet in this one authorization of money for just one of the many and varied activities of the Government it was proposed to make available approximately a quarter of a billion dollars as a stake for Mr. Kennedy in building up a subsidized merchant marine.

I read in the Washington Post the other day that the total estimated value of all of the Government buildings in the city of Washington is $228,000,000. If that estimate is correct, then it was proposed in this one bill to spend on the merchant marine from money raised by taxation $18,440,000 more than the total value of all the magnificent Government buildings of all kinds in the District of Columbia, including the great Capitol Building, where this Congress is now in session.

Believing that such an enormous authorization for new-ship construction was entirely beyond reason, especially when there was no assurance that ships could be successfully chartered after being built, I first proposed a reduction of $109,000,000 in the authorization, and I think I violate no confidence when I say that this motion failed by a tie vote in the committee.

If it had been adopted, we would have proceeded with the construction of 43 ships to be sold on orders to private operators but would not have ventured upon the dubious policy of building 52 other ships which, if they cannot be chartered, will either rot at the piers of our rivers and bays or, heaven forbid, will force the United States Government into the field of ship operation in competition with private operators. In the House I moved an amendment to reduce the authorization $75,000,000, and that amendment was adopted. When the bill reached the Senate, that body threw out the House amendment and restored the original amount, which sent the controversy into conference.

After a stubborn fight in conference an agreement was reached on a reduction of $35,000,000 in the authorization for ship construction, which, while not as large as it should be, is nevertheless a sizable saving.

Nobody could possibly have a higher regard for Chairman Kennedy, of the Maritime Commission, than I have. As a businessman and as an organizer he is a rare genius. If the President had searched the country with a fine-tooth comb he could not have found a better man to take charge of the merchant marine. But, like many geniuses, he is a thirty-third degree enthusiast, and out of his wonderful mind there has burgeoned a merchant marine program that belies all moderation and staggers the imagination. This program seems to be based on the philosophy that everything connected with the merchant marine has to be done in 1 day; that there will be no future in which to work out the difficult and tremendously intricate problems of the merchant marine in a logical and orderly manner.

Why not approach this subject in a little more moderate way until we can develop information from experience as to whether the program is going to work? Surely no patriotic American wants a large fleet of merchant ships constructed, only to see them tied up in our rivers and inlets and rot at their piers.

The merchant-marine program that has been evolved is oriented around a personality—the unusual personality of Mr. Kennedy. Suppose he should die or suppose he should become discouraged over strikes or other obstacles and resign and suppose that then an incompetent should take his

place, with all the vast amount of money provided in this bill as a stake to play with? Where would the waste ever end?

In this matter, as in many others of similar character that are constantly arising in our rapidly evolving and kaleidoscopic governmental trends, a counsel of moderation is a counsel of wisdom. We need to get our feet down to earth and to keep them there.

Hon. Warren Joseph Duffey

EXTENSION OF REMARKS

OF

HON. JOHN F. HUNTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

MEMORIAL ADDRESS BY HON. ROBERT J. BULKLEY, OF OHIO, IN THE SENATE OF THE UNITED STATES

Mr. HUNTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following memorial address of Hon. ROBERT J. BULKLEY, of Ohio, in the Senate of the United States on the life, character, and public service on Hon. WARREN JOSEPH DUFFEY, late a Representative from Ohio:

Mr. President, when WARREN JOSEPH DUFFEY, Representative in Congress from the Ninth District of Ohio, died on July 7, 1936, the State lost one of its most distinguished citizens and the district an able legislator.

A substantial foundation of public service eminently qualified him for his place in the high legislative councils of the Nation. He attended the Toledo schools, was graduated from St. John's University at Toledo and the University of Michigan at Ann Arbor, and began the practice of law in Toledo. His sense of civic responsibility caused him to seek and to be elected to a seat on the Toledo City Council.

He further pursued his legislative career by election to the Ohio House of Representatives. In 1932 he saw an opportunity to serve a distressed Nation in its Congress, and the people of his district honored him because they had found him an able and brilliant lawmaker. In 1934 he was elected overwhelmingly to a second term.

When he came to Washington in 1933 to serve his first term in the Congress he early began to show the ability and sincerity of purpose that won him the affection and the respect of his colleagues. An attorney of ability and accomplishment, he was selected to serve on the important Judiciary Committee of the House of Representatives. His legal talents peculiarly fitted him for the work of this committee and he became one of its most valuable members.

Mr. DUFFEY had a great heart. His personality, friendliness, loyalty, and dependability endeared him to all. Everyone counted him as a friend, and he in turn, lovable soul that he was, wrapped this mantle of friendship about his sturdy shoulders, always ready to be of assistance to his people and always anxious to aid in the rehabilitation of the downtrodden.

Our heartfelt sympathy goes out to his widow, Mrs. Marie Duffey, and her family, for Mr. DUFFEY was a devoted husband and father.

The Halls of Congress will miss the genial presence and voice of WARREN JOSEPH DUFFEY, but his memory will live.

Our Monetary Problem Analyzed

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ARTICLE BY THORWALD SIEGFRIED, OF LOS ANGELES, CALIF.

Mr. VOORHIS. Mr. Speaker, under leave to extend my remarks, I have asked consent to include the following paper on the problem of money and banking by Mr. Thorwald Siegfried, of Los Angeles, Calif.:

A NECESSARY ADDITION TO THE BANKING ACT OF 1935

1. SOUND EFFECTIVENESS WANTED

The purpose of the Banking Act of 1935, as stated in its title, is "to provide for the sound, effective, and uninterrupted operation of the banking system." This raises the questions whether it contains new and apt provisions therefor, and, if so, what they are. What does it propose as means to avoid the unsound, ineffective discontinuity that has heretofore afflicted banking and the country?

No one will claim, at this late day, that the mere fiat of the act can insure the accomplishment of its purposes; that result will depend upon its conformity to the simple requirements of arithmetic, the facts of commerce, and the principle of justice and equity. We shall examine it in this light.

2. INSURANCE INHERENTLY INEFFECTIVE

Deposit insurance would not be needed if the deposits were sound, were fully self-liquidating; and, if they are not, no insurance can supply the deficiency. That is true no matter whether every bank is owned by different persons or all banks are owned by the same persons or by the Government itself. Business or governments that substitute speculation, exploitation, and promotion for addition, subtraction, and multiplication run short courses to catastrophe.

Insurance may stop leaks in the economic roof but it cannot stand in lieu of the rafters, framework, and foundation that support it. Nothing short of inherent economic stability, in the separate transactions whereby banks extend credit to business, can build up a permanent integrity in the banking structure as a whole. Lack of elemental specific gravity, in myriads of small deals, caused the collapse; failure to repair the defect will invite a repetition.

3. CREDIT CRITERION LACKING

The act neither instructs the banker nor defines for him what sort of credit he may honor for deposit in a checking account or how much of it he may accept.

History records that bankers generally did not know, neither by instinct nor by occult communication, nor by any other means, what credits were sound.

Reason denies that credit may be safely honored or issued at random or for nothing.

4. WHOSE BILLS WILL BE PAID?

It is impossible that bankers will ever find any class of men to whom checking credit may be extended safely without limit or question. The soundness of their credit depends not alone on the personal character of the borrowers but also, and mainly, upon what their business is and how it is conducted. Their business morality, largely a matter of arithmetic, is the criterion, and the act should, and can, lay down a procedure by adherence to which bankers will protect themselves and in the result their customers as well.

5. FINANCE AND COMMERCE

The act goes on the assumption that loans will be made only to those who can and will repay. If the borrowers have Government bonds for collateral, or have other general credit of recognized standing, the answer is comparatively simple. Such loans are financial, as distinguished from commercial, in character. Admittedly the whole banking function has become more financial and less commercial, due to the practices we shall here describe. That is primarily what is now wrong with it. That is what plays so large a part in frustrating the normal business activity of the country. If commercial paper be but one-eighth of all securities now held by banks, that fact shows how far we have drifted away from sound practice. The restoration of commerce depends on finding rules that will invite and promote the rapid and permanent enlargement of that remnant of a capable industrial economy.

Finance is adequately safeguarded now; if it can endure more, its managers will assiduously seek it from Congress. We therefore turn to the needs of commerce, of which finance is a result and an outgrowth, and without which finance would wither and die.

The choice between using financial credit or sound commercial credit as the base upon which check money shall be credited is the choice between a restricted, caste-ruled, traditional method of facilitating production, exchange, and consumption, and one marked by that freedom of initiative under some measure of competitive equality that made our Nation really great.

6. COMMERCIAL COLLAPSE AND RESUMPTION

The Federal Reserve Act (sec. 14, par. 4) directs the Federal Reserve Board to fix discount rates "with a view of accommodating commerce and business." Something more than a discount rate is needed, and that not only for accommodation but for protection, extension, and resumption.

Financial standing, general credit, is the left-over surplus of previous commercial business; it is a derivative, of which commerce is the primary. The collapse of commerce is what spreads hunger, crime, degradation, despair. It is only by the resumption of legitimate commerce where it has suspended that we shall be able to solve present economic problems. That will require the rectification of erroneous bank practices as to commercial loans—practices that have helped the down swing or initiated it.

7. CASH INADEQUATE

There is not enough, and can never be enough, cash—metal and paper money—to carry on normal business in the United States.

Credit is indispensable, commercial credit, the active primary, of which financial credit is the passive secondary. The $5,000,000,000 of cash in circulation, used for convenience as pocket money and till money, are mere tokens representing hundreds of billions of short-term credits issued from day to day. Of the latter there were $50,000,000,000 in daily use in 1929, with an aggregate bank-deposit record of nine hundred and thirty-five billions. The replacement of paper money now in use takes an output of 4 tons of new money each day, from the Bureau of Printing and Engraving, in bills ranging from $1 to $10,000 each, with about 500 bills to each pound.

8. ONE UNIT OF ACCOUNT VERSUS DISPARATE "DOLLARS"

It is axiomatic that the first need of a sound, efficient, and continuous banking system is a unit of account, a datum, a common point of reference, through which values that are not directly comparable may be related, equated, and exchanged. The assumption that the dollar is such a single unit is an egregious fallacy. We had gold dollars but we did not use them; we used credit—credit dollars that were similar to each other so long as they all were units of costs incurred in production and distribution of goods. When the practice of monetizing prices came into vogue there were as many and various dollars as there were industries so financed—different from one another in proportion as the prices they embodied contained different ratios of anticipated profits. Thus, we had radio dollars, automobile dollars, accessory dollars, furniture dollars, and farm dollars, that differ from one another in their economic content more than do francs, marks, shillings, and quarters. The tragic inequalities that follow the use of these unequal factors, disguised under the one name "dollar", are similar in kind but greater in degree than those that would flow from an international decree or bank custom requiring all foreign currencies to be honored as equivalent to one another.

9. CREDIT FOR WHAT?

The Banking Act of 1935 should answer that ultimate question of sound banking and safe business: "For what may credit dollars be issued in commercial transactions?"

10. PRICES CANNOT EXCEED TOTAL COSTS

The first qualification of a bank loan is the assurance of being repaid to the bank that grants it, and that puts before us the inquiry: "Up to what limits may repayment be expected?" Taking business as a whole, the answer is surprisingly simple: "The total real costs paid out in production and distribution constitute nearly the whole of consumer buying power; that amount, but no more, may be collected in the retail market as the sales price of goods." Aggregate prices, in other words, cannot exceed aggregate costs.

To illustrate: If we may imagine this country bare of goods last night, imagine everybody working today making and distributing new goods to be sold tomorrow, today's pay rolls amounting to $100,000,000, and the finished goods ready to sell tomorrow morning, how much can be received tomorrow for the goods made today? The answer is, $100,000,000—and not a dollar more. If an extra dollar is saved from yesterday, then yesterday was short; if anticipated from the future, by installment sales, then the future will feel the lack.

11. LOSSES BALANCE PROFITS

Among the various articles made and sold, better goods will make profits while poorer ones will suffer losses. If 10 percent of the goods make 9-percent profits, the other 90 percent will have to suffer 1-percent loss to make up the deficit. If in the first instance all wages were $2, in the second in 10 percent of the industries wages could rise 9 percent to $2.17, while in 90 percent they must be reduced 1 percent to $1.98; but all may continue in business.

The same simple answer may be given for each individual business seeking commercial checking credit. "If otherwise creditable, what should be the limit of its loans?" Answer: "Its real costs, its pay rolls, and the pay rolls in its raw materials." If it is among the 10 percent making 9-percent profit, it will have a surplus. If it suffers 1-percent loss, it will have to make up the deficit to the bank and trim its pay rolls to avoid repetition of the loss. In either case, there is a reasonable basis for the expectation of repayment.

12. MONETIZING ANTICIPATED PROFITS

The human mind being what it is, seeking what it thinks is its advantage rather than equity, pursuing its interests rather than principle, serving itself rather than the whole, it is not surprising that bankers and businessmen regarded as harmless the convenient practice of monetizing prices (rather than costs) by authorizing the issue of checks in advance for whatever prices seemed certain of ultimate receipt. Thus, in the illustration, no banker would authorize checks today for the 9-percent profit to be earned tomorrow by the better 10 percent of the goods made today because of the uncertainty tomorrow as to the amount of the profit and as to the identity of the lucky favorites of a capricious market. After tomorrow's sale, however, he might feel safe—and as a matter of history did feel safe—in honoring for deposit the documents representing the prices of the goods being sold. Thus, he would authorize the advance issue of checks for 9 percent additional ($900,000) on $10,000,000 worth of better goods.

13. HISTORIC CUMULATIVE INFLATION

This $900,000 and other issues like it, approximating a total of $10,000,000,000 in 1929 and somewhat smaller amounts in the years before, were the financial alcohol that sent banking and commerce on a disgraceful economic spree.

If these inflationary sums were spent for goods, they tended to raise all prices, despite lowered costs of production; they shifted the demand for goods abnormally toward luxuries; they acted in all respects as a definite, progressive, cumulative inflation of the volume of money and a degradation of the nominal unit of account, the dollar; finally, they exempted poorer goods from the just mathematical necessity of suffering losses to balance the profits made by better goods. By converting business into a "racket" they dignified "rackets" as businesses.

14. SHORTAGE OF BUYING POWER

If these sums were not spent for goods—as the fact came to be, ultimately—they were accumulated as debt, and that part of the goods which they could have bought found no buyers and had to be shot away, sold in distress, sunk in the ocean, or given away to foreigners. Subject to many minor qualifications that do not alter the main fact, we can find in them an accurate explanation for the unpaid residue of about $232,000,000,000 of public and private debt. It amounts to about 20 percent of the aggregate national income for the 21 years from 1909 to 1929, inclusive, which was $1,168,000,000,000. That income was financed mainly by the issue of checks against the deposit of documents that represented the prices, rather than the costs, of marketable goods.

15. PROMISES CONDITIONED BY NECESSITY

Drafts drawn on consignee, trade acceptances, invoices, installment contracts, all speak in terms of the selling prices of the goods. In each case somebody's hopeful promise to pay, based on some other promise to pay still more, came to be the thing that was turned into money; arithmetic, logic, costs were irrelevant. Still every such promise was, in fact, conditional. Only if certain routines were followed could the promises be fulfilled—and these routines of issue and redemption were rendered impossible in the degree that anticipated profits were monetized at the point of production of the goods.

16. CONSERVATIVE BANKING

Thirty years ago a manufacturer, having in hand a merchant's promise to pay $10,000 for goods that had cost him $8,000 to produce, would have been congratulated by his banker on making a good sale to a responsible buyer. When it came to borrowing against the paper, the banker's defense was the inevitable question: "That's fine, John; but how much do you have to have?" John had it all listed; after exhausting his ready cash, he still lacked, for pay rolls, material bills, losses, etc. (probably without including anything for himself, the boss), a total of $6,385.75, and ultimately he got authority to draw checks for $6,385.75, and not a nickel more. He waited for the rest of his $10,000 until the goods were sold at retail, and then got dollars as sound and conservative in origin as were those issued by his own checks. The banker erred on the side of conservatism. He might have lent $8,000, the costs, as safely as $6,385.75.

17. PRICE ANALYSIS

Perhaps most lay persons, some bankers, and a few businessmen have as vague notion about the difference between costs and prices as did the English college professor who did not quite know whether the name was spelled O-h-i-o or I-o-w-a; the mileage between them meant nothing to him. Prices are divisible into the following seven major groups; price dollars embody all of these factors; cost dollars embody some of them, but not others:

1. Cost of raw materials or semifinished goods, or the replacement cost of the same. This item may be distributed, in turn, under the seven classes (including wages) here listed.
2. Wages for direct and indirect labor costs.
3. Wages for administration and superintendence, including executive salaries up to $10,000 a year each.
4. Factory burden, depreciation, depletion, obsolescence, and amortization charges, according to the particular accounting formula in use.
5. Advertising, selling, accounting, banking, and collection costs and losses.
6. Cartage, transportation, and warehousing.
7. Profits.

18. THE BASIS OF MONETIZATION

The banking question, with respect to the foregoing seven items, is not whether they are proper or just but which of them shall be converted into check money—monetized at the point of production of the goods. Item 7 is clearly ineligible because of its deferred, speculative, and uncertain character. Item 7—profits—may be also a constituent of item 1—raw materials—and is there subject to the same disqualification as a basis for monetization. Item 4 is highly questionable, except where it shows up on the pay rolls. Items 1 (raw materials), 5, and 6 may consist largely of pay rolls, as items 2 and 3 do altogether. The pay roll is therefore a practicable, adequate, and equitable basis for testing the amount of credit which should be honored for deposit by an otherwise creditable commercial borrower. Converting pay rolls into check money (using cash as tokens for pocket-and-till money, as now) would substitute one commodity-cost-credit dollar in lieu of the various commodity-price dollars that have circulated side by side as though they were economically at par with one another.

19. SOUNDER AND LARGER ISSUES

Although costs are less than prices and the amount of credit to be honored in each case is therefore less, a large increase in total issues of commercial check money can be forecast when rested upon the sound basis of costs. More transactions, each

of them sounder than before, will swell the now flabby channels with the lifeblood of trade.

These simple truths have waited until this time for acceptance—and even for tolerance and recognition—because of the fixed habit of thought among economists, bankers, and legislators of seeing the economic problem in vague, vast, telescopic views. It cannot be understood thereby. Monetary masses take on the characteristics of the units out of which they are composed. A billion dollars of "wild money" in the speculative market presents a force beyond control, whereas a thousand dollars of "wild money" in each of a million transactions can be understood and barred at its source. The problem is unitary, specific, microscopic; it is not a question of how many dollars, but of what sort of dollars—qualitative rather than quantitative. The abundance of dollars we formerly had as a people attested the partial rightness of the practices out of which they grew; their present scarcity results from a fractional error in those same practices, an error that, through repetition, has accumulated a barrier which must be recognized and removed before progress and reconstruction can be assured.

20. AFFECTS ALL LIVING

No single economic, social, or moral question has escaped the influence of commodity price money that is based in part on speculative factors. Its presence lends a slight emphasis in favor of the elements of speculation, exploitation, and racketeering at every step in human affairs. The number, variety, and subtlety of the theories that attempt to justify oversight of the Golden Rule in business is proof of a basic error. Rectification by the use of cost dollars will have a beneficial effect on all human relations. Intricacies in application at once suggest themselves, but may be safely disregarded until they can be investigated separately at leisure and under operative conditions. The disintegrating tendencies of price units will give way, step by step, to the integrating, combining trends of sound, just cost dollars.

21. FIVE PROCESSES OF INTEGRATION

(a) These new-old dollars issued for pay rolls will mean the same to a farmer, to a radio manufacturer, to a stock broker; actual economic parity will exist among them.

(b) All commercial money will appear, in the first step after its original issue, in the hands of producers and distributors of goods; professional service and parasitic occupations can acquire it, secondarily, only from them.

(c) Consumer buying power will exist in the amount necessary to pay all prices, and require all credits issued for the production of the goods, the two items being equal, as shown in the hundred-million-dollar illustration used in paragraph 10 above.

(d) Profits on good goods will be offset by losses on poorer ones, compelling the latter to reduce costs and prices, improve quality, or go out of business, which is the real spur to industrial improvement.

(e) Profits thus earned will be real, competitively justified in a fair market—less in amount but sounder in character—evidencing a service to the community rather than its exploitation.

22. THE FARMERS' DOLLARS

In 1926 the writer sent to Members of Congress a four-page leaflet entitled "The Farmers' Dollars" that compared the ability of farmers to buy automobiles with that of automobile makers to buy farm products, both using checks authorized by the same bank on account of the prices of two shipments, one of wheat and the other of automobiles. The inclusion of manufacturing profits in urban dollars, typified by the checks of the automobile maker, was identified as the operative cause of the steady decline of farmer stability, and, similarly, of all handicraft industries.

23. A PLAN TO END "PLANNING"

In December 1931 and January 1932 the writer sent to Members of Congress, including all members of both Committees on Banking and Currency, and to the committees as such, a book wherein the farm leaflet mentioned above appears as appendix A (pp. 114–117). This book offered a plan to abolish "planning" or centralized control by that class of supermen whose very existence has become more and more hypothetical. Its title, "The Siegfried Plan for Better Times", proposing "an honest exchange of values by the issue of a sound money."

24. THE SOUND-MONEY BILL FOR GOLDEN-RULE MONEY

On pages 27 and 28 the book sets forth the text of a proposed act of Congress, hereby again offered as an addition to the Banking Act of 1935, forbidding by tax or by prohibition any bank or banker from extending credit, in the first instance, on any document representing manufactured goods, or the value of them, in excess of the wages spent in making them (the wages in raw materials being similarly financed), providing means for ascertaining the creditable amounts in such cases, and authorizing the subsequent negotiation of such paper without further formality.

25. ENACTMENT THEN

The enactment at that time of the sound-money bill, establishing in practice what deserves to be called golden-rule money, the embodiment of economic equity, would have prevented the tremendous shocks then and now inflicted upon the weakened economic structure by the further and daily monetization, as "dollars", of the cost-plus-profits of vast quantities of highly useful and desirable commodities, among which automobiles are first; it would also have begun the circulation of units of integration (cost dollars) before disintegrating factors had completely run their courses; it would have permitted the transition from chaos to order without shock or detriment to any interest or occupation; it would have permitted the continuation of exactly the same system that was in use prior to 1929, minus only the monetization of anticipated profits; and would have resulted, in the course of 15 or 20 years, in the complete supersession of all money resting on speculative bases and in the elimination of all debts by tender and payment.

26. ENACTMENT NOW

Whether the enactment of such a provision, as a part of the Banking Act of 1935, without additional provisions, would have the same or similar results, needs consideration in the light of changes that have occurred in financial and commercial alinements, flowing from the activities of the National Credit Corporation, organized in October 1931, and of its direct and collateral successors. In particular, if debt maturities are now greater and if the demands for payment are now more insistent than in 1931, despite bankruptcies, outlawing, refinancing, and compositions, then the tendency of debtors to apply new and sound issues of commercial credit to the service of these debts (instead of buying goods with them), might require a further safeguard, through earmarking the check issues so that the ultimate holder would be obliged to use them to buy goods, the production of which caused them, and other checks like them, to be issued. Thus the checks would remove from the market the same quantities of goods they supplied to it, whether taken by workers, or by their creditors to whom payments may have been made.

27. REPETITION OR ALTERATION

However useful the Banking Act of 1935 may be in other respects, its present provisions nowhere identify or correct the causes of unbalance between producers and consumers, debtors and creditors. That state of disequilibrium arose from a monetary error, the monetization of anticipated profits, a practice that is illogical, unnecessary, inequitable, and destructive. It inheres in the custom of authorizing new checks to be issued for more than commodity costs as an advance of credit. It is therefore respectfully urged that this definite, observable, fundamental error should be prohibited, to the immediate and permanent benefit of all persons.

Respectfully submitted.

THORWALD SIEGFRIED.

Constitution Day—September 17

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, when you feel the tang of autumn air and see the goldenrod in bloom, are you reminded that school days are here again? Are we, as national lawmakers, concerned that schoolhouse doors all over this broad land are about to swing open, or have already swung open, to admit millions of pupils to another year of study? These young learners have been called from a brief summer vacation to another period of serious work in becoming better citizens of the Republic. They and their teachers no doubt, after a rest, come with renewed energy to their task. Some of the Members of Congress who have taught school, as I very well know, feel a pang of regret that they are not a part of that great army of teachers and learners assembling at the opening of this new school year.

According to the traditional practice of our schools, Friday afternoon is frequently given over to school programs. I am recommending that this procedure be started early this year, especially for Friday, the 17th of September. That is Constitution Day and should be celebrated annually as a national holiday. Pupils in our public schools are always glad for a holiday, and no doubt have often regretted that our well established national holiday, the Fourth of July, comes in the middle of the summer vacation. Probably they would vote to change the national holiday, if we could have only one, from the 4th of July to the 17th of September, mainly because the 17th of September is more likely to fall upon a school day. However, teachers and lawmakers have a more significant reason for emphasizing the autumn date.

On September 17, 1937, it will be exactly 150 years since the completion of the remarkable document which is the basic law of our land. After nearly 4 months of effort in

the summer of 1787, Washington and the convention of notable men, over which he presided, finished their work and gave the original document to our country. This is one of our great state papers, and, in the judgment of many, it is the greatest of them all. In commemorating the founding of our Constitution, Congress has set up a commission known as the Sesquicentennial Commission to stimulate interest this year in celebrating a century and a half of our country's history under its beneficial influence.

ONE HUNDRED FIFTIETH ANNIVERSARY

Congressman SOL BLOOM, directing the affairs of the Commission, has planned elaborate Nation-wide attention, not only on the 17th of September but for a period of more than a year following. Through Mr. BLOOM, teachers may procure suggestions and materials for this study. It is in conjunction with this Commission that I am calling upon my teacher friends, especially in the State of Arizona, but throughout the Nation as well, to make a special point of some fitting observance of Constitution Day on the 17th of this September.

A display of facsimiles of these two great documents, the Declaration of Independence and the Constitution of the United States, if available, would be one of the appropriate things to do. I do earnestly hope that many schools will be supplied with facsimiles of these documents, obtainable from the Sesquicentennial Commission. The artistic portrait entitled "We the People" to be found on the cover of BLOOM'S Story of the Constitution is the work of a distinguished American artist, Howard Chandler Christy.

Perhaps many schools have copies of this painting. It is worthy to decorate the walls of any American schoolroom, at any time, and all the time. If a program of observance is held, portraits of some of the framers of the Constitution, George Washington or others, should be displayed, and some of the memorable statements of these men might well be read or recited. A patriotic and resourceful teacher will think of innumerable ways to remind pupils of the significance of Constitution Day.

Mr. Speaker, having spent all my life in educational efforts, I confess a continuing interest in the work of our schools, and especially in the emphasis placed upon the teaching of our history and the study of our Government. With your permission, in connection with the splendid work of the Sesquicentennial Commission, established by this great national lawmaking body, I would like to follow this introductory statement by a little study of our National Constitution not so much for the benefit of the Members of Congress as for the helpfulness of my friends in the teaching profession and the youthful spirits guided by them in American classrooms.

With this idea in mind, I want to show the significance of Constitution Day and the merit in its proper observance. I have a feeling that a knowledge of our basic law and an appreciation of the struggles which brought it into being will prove valuable in the making of our citizens now in their formative years. For that matter, consideration of our Government's greatest law by pupils in the schools, or more mature study by adult citizens, or philosophic reflections of distinguished jurists, all contribute in varying degrees to the molding of the American spirit.

Our National Constitution Is Our Greatest Book of Rules

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, I venture a guess that reference has been made to the Constitution of the United States more frequently in the first session of the Seventy-fifth Congress than in any Congress since the Civil War. We seem to be Constitution-conscious now, and more especially so during the last few months. I need not go into an explanation as to the reason for this, but am merely observing the fact. Now, there is something rather appropriate about it, since we are celebrating the one hundred and fiftieth anniversary of the founding of the Constitution. Why should we today study or commemorate the Constitution of the United States?

The answer to that question is that this brief document is the most powerful and significant thing in the civic life of our people. It constitutes the rules of the game under which 130,000,000 American citizens operate in their daily lives. After a manner, it is comparable to, but, of course, superior to, the book of rules by which any great game of sport is conducted. Since the great civic game of a rich and powerful nation is vastly more important to a greater number of individuals than the rules of any physical game, the wisdom of these rules as well as the proper observance of them is a matter of happiness or despair to millions of our citizens. These rules may be a matter of life or death to some of our citizens. What could be more meaningful to any American, other than his eternal salvation?

All of us profess great respect and many of us profess reverence for the Constitution because it is the great national book of rules. Some of our citizens regard it as of Divine origin, and they are inclined to give it a degree of veneration bordering on worship. Some citizens feel that it lacks perfection in its present form and does not deal justly by all of our people. In times past some very notable men have made such complaint of the Constitution and thereby focused attention upon it, bringing about a change so that a greater degree of justice might result. The chief purposes of our Constitution aim to unite our people for defense and for the maximum degree of prosperity and justice. This is explained in the six phrases found in the preamble. Each of those phrases epitomizes a notable phase of the history of our people. If the rules do not accomplish that which they should accomplish, then, of course, they should be changed, and that is why the Constitution itself makes provision for amendments and change.

Naturally citizens are selfish, looking out first of all for their own interests. Naturally the interests of one class conflict with the interests of another class. The ideal thing is to provide for the greatest good to the greatest number; and, if that can be discovered, the rules of the game of national living should be shaped or changed to bring it about. This sounds easy, but it is indeed very difficult to write the rules or modify them so as to benefit the greatest number without working an injury to a few. That is why some citizens are so very jealous of the Constitution and so furiously inclined to oppose any change if they are favored by it as it is, or fight for changes if they think they are discriminated against by existing provisions.

VITAL INTEREST IN THE RULES

It is a curious thing that men get angry and fight each other over matters that pertain to eternal life. It would seem that Christians, having the same objectives, should live together in peace and harmony. Just the same, they do differ and fall out violently over matters of church doctrine. Now, it should be understood that citizens in our country can and do differ just about as much over matters of political doctrine and economic doctrine as they do over religious doctrine. All of this is unfortunate, but with human nature as it is, I do not know how it can be avoided.

One question of great importance is: Does our Constitution, as a national book of rules, provide for the best possible plan by which our people shall live and work? It is a very old plan and that in itself gives it merit, unless perchance it is entirely too old to suit our present-day purposes. This set of rules was made by the best men of our country 150 years ago. They were well-to-do citizens and very wise in the things that pertained to human nature and to their day. They did not regard the Constitution as perfect, nor

did they think that it would last 150 years. The old philosopher, Dr. Benjamin Franklin, predicted at the time that, while it was the best that they would form, he did not think it would last 100 years. Apparently, the fathers builded better than Dr. Franklin knew.

The Constitution has been changed by 21 formal amendments and in other ways so that it is not a dead thing, but a living law, keeping well abreast of the changing conditions in America. Perhaps it has not been changed enough, and that is a point of discussion and controversy at this very moment. However, 130,000,000 Americans are subject to it today and hundreds of millions of other Americans during the last century and a half have had their lives influenced by this great book of rules so that it deserves our study.

It is a matter of vital concern to us that the rules be the best that our country can have and, being such, that they be generally observed that all citizens may benefit under them. Consider what chaos would exist if there were no recognized rules for our sports and games. Now, multiply that a thousandfold and it will be seen how much greater chaos would prevail if there were no recognized and respected political rules for the American people. That is the respect in which this great set of rules deserves our highest appreciation.

Weather in Washington

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend remarks, I wish to call attention to the following quotation from Noel Coward's book, Present Indicative. It describes so well the climatic conditions in Washington under which we have been working during this long and arduous session. Mr. Coward writes:

> In later years I have traveled extensively. I have sweated through the Red Sea with a following wind and a sky like burnished steel. I have sweated through steamy tropical forests and across arid burning deserts, but never yet, in any equatorial hell, have I sweated as I sweated in Washington in September 1925. The city felt as though it were dying. There was no breeze, no air, not even much sun. Just a dull haze of breathless discomfort through which the noble buildings could be discerned, gasping like nude old gentlemen in a steam room. The pavements felt like gray nougat and the least exertion soaked one to the skin.

The General Farm Situation

EXTENSION OF REMARKS
OF
HON. WALL DOXEY
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. DOXEY. Mr. Speaker and my friends, as a member of the House Committee on Agriculture, it will be my purpose to make a few observations in regard to the general farm situation with special reference to cotton.

We all know that this Democratic administration has done more for agriculture and the farmers generally than any other administration in the history of this Nation.

We are all familiar with the chaos that reigned in March 1933, not only with reference to agriculture but with reference to all activities.

When this administration came into power the legislative responsibility in regard to agriculture rested primarily with the House and the Senate Committees on Agriculture. These committees went to work and presented the Congress a program with which we are all more or less familiar.

The Agricultural Adjustment Act became a law on May 12, 1933, and immediately the executive department of the Government began to administer it. We all know the herculean task with which we were at that time confronted.

The A. A. A. needs no defense at my hands. I was one who deeply regretted that it was declared unconstitutional by the Supreme Court, and I so expressed myself on the floor of the House. Its benefits to agriculture were manifold.

At the same time there were other agricultural plans in the making for we all realized that no one piece of legislation could adequately meet the situation.

Our House Committee on Agriculture fashioned, proposed, and presented to the House a financial structure designed to aid agriculture. That was the first time in the history of this country that there was any separate, distinct, and independent financial aid set up by our Government for the sole purpose of helping agriculture.

FARM CREDIT

The Farm Credit Administration has been a success and time will not permit me to detail its great benefits. It is still in operation and at this session of Congress this worthwhile and important agency has been greatly strengthened by legislation recently enacted.

As the result of legislation drafted by the House Committee on Agriculture and passed by this Congress over the President's veto, the farmers are now procuring loans on farm mortgages at the lowest rate of interest in the history of this country. The farmers have also been greatly benefited by seed loans and other such acts of Congress designed to help them in an emergency.

SOIL CONSERVATION

When the A. A. A. was declared unconstitutional the House Committee on Agriculture did not sulk in its tent nor did it lose hope.

We immediately fashioned, drafted, and presented to Congress the present soil-conservation program. This measure was enacted into a law February 29, 1936, and authorized an annual appropriation of $500,000,000 for the benefit of the farmers.

I feel that I can state without fear of successful contradiction that this soil-conservation program has been a most worth-while one and has been not only a great benefit to the farmers of this country but the object lessons it has taught with reference to conserving our soil and natural resources have been of inestimable value and pointed the way to the farmers of this country that it is necessary to take care of and properly treat our lands in order to insure the best returns.

In my judgment there is no way to completely place agriculture on a parity with industry by any one piece of legislation. It is necessary to formulate a general program and work toward that end, which will necessarily require a long period of time. We all agree that agriculture has been neglected for, lo, these many years, while industry has been protected by legislation ever since the enactment of the first tariff law.

In order to evenly balance the scales much yet remains to be done, and whether that will ever be accomplished only time will tell. It is much easier said than done. Flag waving, propaganda, demagoguery, false promises, rash statements, and unsound policies will not constructively contribute toward placing agriculture on a parity with industry. We must sow the proper seed in order to reap the right kind of harvest.

I have not the time here to enumerate and elaborate upon the many benefits that have come to agriculture since this administration first took office but we all know that agriculture has not received its full share of benefits as compared with industry.

It is very gratifying to me, however, to know that there is a feeling in Congress among those who represent industry, realized from experience, that if agriculture is not helped, industry cannot prosper.

It is not idle words to say that the prosperity of agriculture is the fundamental basis of all our prosperity and I, as one coming from an agricultural State and representing an agricultural district and having served for a great number of years on the House Committee on Agriculture, realize that there is a feeling and strong sentiment among my colleagues here who come from the cities and represent great industrial districts, to cooperate with those of us from agricultural sections, and I here and now want to express my deep appreciation for their efforts in enabling us to cooperate with them and I trust they will continue to cooperate with us as we endeavor to carry on toward the goal that has not yet been reached.

We have come a long way since 1933 when we had 5-cent cotton, 30-cent wheat, and 20-cent corn, and other agricultural commodity prices in proportion.

Nobody will have the temerity to say that this administration has not worked and inaugurated plans and been a lifesaver to agriculture, but we are still faced with serious problems that demand our attention and efforts.

GENERAL FARM PROBLEM AND CROP CONTROL

Many factors enter into the agricultural picture. This year Nature has smiled upon us. We have had good seasons, the farmers have worked assiduously and we are faced with bumper crops. A recent Government estimate of 15,593,000 bales of cotton for this year naturally caused cotton to decline in price, although this year's crop was an expensive crop to make.

We have worked down to a reasonable surplus, as we all know the carry-over of cotton now is less than it has been for many years.

The world conditions and the demands for our cotton are problems that I will not attempt to discuss here.

We all know cotton is an export commodity and time will not permit me to even outline what this country is faced with in reference to our export trade. The operation of the tariff laws are well known to us all, especially as to its withering effect on cotton in our foreign trade.

I have all along been against any program for agriculture that put into operation absolute compulsion production control and placed a penalty on the farmer for raising agricultural commodities.

However, from all present indications, it appears that some form of compulsion control of agricultural commodities will have to be put into effect. That seems to be the thought of most of the farm groups and those in authority. However, if it becomes absolutely necessary to include that in the general farm legislation, I am going to do my very best and lend my efforts to make the compulsion control production feature as painless and practical as possible. It is a serious step for agriculture.

I am against penalties, and I feel that we should no more control and destroy production than we should destroy distribution by compulsion.

We have passed legislation in regard to marketing our agricultural commodities, but it does not seem we have made much progress in this regard.

I hope we can work out a program whereby both production and distribution can become so related as to stabilize farm prices without destroying either. I trust we will not have to resort to control of production by compulsion.

However, this Congress, the first session of the Seventy-fifth Congress, has given special attention to the cotton situation that has developed within the past few weeks. This cotton-price decline is serious.

Our House Committee on Agriculture has worked night and day in an effort to stabilize cotton prices at a figure that will mean prosperity instead of absolute despair to our cotton farmers. The President and the entire administration have shown a wonderful spirit of cooperation in this regard.

Many conferences have been held and final agreements have been reached wherein the top ceiling for Middling cotton this year has been agreed upon at a 12-cent figure, and although many of us wanted, and did our best to get, the low-ceiling figure at 10 cents, it looks now as though the low-ceiling figure will be placed at 9 cents per pound, seven-eighths Middling cotton.

I trust and hope that the trade will pay more than 9 cents for Middling cotton, yet that remains to be seen. However, we have provided loans at that figure on this year's crop and a subsidy to the cotton producer, insuring a 12-cent top-ceiling figure, the subsidy not to exceed 3 cents per pound.

The conference report on the third deficiency appropriation bill carried an appropriation of $65,000,000 to be used and expended for price-adjustment payments with respect to the 1937 cotton crop. It carried the proviso that the adjustment payment should be paid to those who comply with the provisions of the 1938 agricultural-adjustment program contemplated to be enacted into law at the next session of Congress.

I am deeply grateful that we have been able to accomplish what we have, not only for agriculture in general, but especially for the cotton farmer of the South. However, these results cannot be obtained overnight. Such accomplishments take constant, sincere, and unfaltering effort on the part of those who are especially interested in these problems. Plans, programs, and constructive legislation cannot be brought into being and enacted into law under whip and spur nor without careful and serious study and consideration.

At this session of Congress we have been faced with many unusual conditions and circumstances. We have endeavored to work out our problems as best we could, in many instances, laboring under difficulties.

We have not accomplished some things that we wish we had accomplished, but looking back over the general situation, I am deeply impressed with the thought that we have obtained results to show for our efforts. As was so clearly and convincingly shown in the speech made by MARVIN JONES, the distinguished chairman of our House Committee on Agriculture, on the floor of the House on August 11, 1937, we have been about our Master's business and the RECORD certainly shows worth-while results.

FARM TENANT ACT

Of course, we all realize that the farm-tenant bill that some of us worked so hard and long on and were successful in getting passed by Congress this session is just a step in the right direction.

We were not able at this session of Congress to procure a sufficient appropriation to put this legislation into effect on a broad scale. In fact, the appropriation is so small that it will merely permit an experiment in this line, but I feel that if the experiment works satisfactorily, Congress will in the future provide sufficient and adequate funds to carry on the principles of the farm-tenant bill in a way that will in days to come cast this farm-tenant bill as one of the real constructive pieces of legislation passed by this Congress in the interest of agriculture.

This, like other legislation, will have to prove its worth before we can make it permanent and secure sufficient money to carry out the broad and general purposes of the act.

NEW FARM BILL

We have endeavored to attack the problems confronting agriculture from many sides, and although in some instances we may have just scratched the surface, yet we have set a goal to which we are marching, I trust, surely, steadily, and practically.

Proper resolutions have already been passed by this Congress authorizing both the House and the Senate Agricultural Committees to consider, prepare, and write a general farm bill during the recess of Congress this year and present the same to the next session of Congress.

I am sure I know the sentiments of the membership of the House Committee on Agriculture and speak for them when I say we intend to tackle this job in a serious, solemn, and effective manner. It is a job so big that it is going to take our combined efforts and the cooperation of the farmers and the farm leadership of this country to work out a program that can be put into practical effect and be financed

in a sound and economical way that will give to the farmer the benefits that he has reason to expect he will obtain.

To my mind, this is no time to engage in glittering generalities, personalities, or unreasonable statements and propositions, for we are not contemplating a temporary plan but hope for a permanent and long-range general farm program—one that will have stability, practicability, and reasonability. Legislation that will stand the test cannot be written and enacted except in the line of experience, knowledge, fairness, and study.

The legislation pertaining to agriculture that has been written by our committee and enacted into law during this administration, to my mind, demonstrates that the only safe, sound, and proper course to pursue toward accomplishing the desired purpose is to make haste slowly, and that is one of the main reasons that our House Committee on Agriculture did not report a general farm bill at this session of Congress.

We did not have the time to give it the thought and consideration that we felt was necessary to build well and wisely a structure for agriculture that would withstand the attacks and onslaughts that we know have always followed and always will follow any piece of general farm legislation.

As has been so aptly said by the chairman of our House Committee on Agriculture, we are trying to "grow oaks and not morning glories."

With it all we have got to bear in mind that at all times we have got to consider what any program will cost this Government and the effect it will have on the Federal Treasury.

Regardless of what we think agriculture is entitled to or what we would like to do for agriculture, it has been thoroughly demonstrated in the past, and will certainly be proven in the future, that we cannot expect Congress to make appropriations for the benefit of agriculture in amounts that are staggering as a whole without the help of Members of Congress from the cities and industrial areas.

In other words in order to procure an adequate appropriation for agriculture we have got to have the help of our colleagues from nonagricultural sections of our country, and in order to do this we have got to show them that we are considerate, reasonable, and bottomed on a sound foundation, economically and otherwise.

There has been a general understanding between our President and the Members of Congress that the general farm program with reference to farm price stabilization will be the first order of business at the next session of Congress.

The cotton growers are temporarily protected from price collapse this year, but it is necessary for us not only to think but to act, either at a special session or at the next regular session, with reference to the farm program for the coming year and years to come.

The general farm program that will be finally worked out by the Committees on Agriculture of Congress and be presented for the consideration of the entire membership of Congress just as soon as the Agriculture Committees have fashioned it and approved it will in all probability include:

First. Storage of surplus reserves under an "ever-normal" granary system.

Second. Control of surpluses above granary or carry-over needs.

Third. Insurance against crop losses from droughts and other natural causes.

Fourth. Continuance of the present soil-conservation program.

Fifth. Price-pegging loans and subsidy payments.

Sixth. Research laboratories to find new uses for farm products.

Seventh. Lower freight rates on farm products.

Most of these proposals are already included in a general farm bill that has been given a great deal of thought and attention by our House Committee on Agriculture, known as the Jones bill. Yet we have not had time to make an exhaustive study of these various proposals. Many of them are new proposals, far reaching, and will require a great deal of thought to work out the details in a practical and reasonable way.

Our committee hopes that when we resume our hearings on this general farm bill we will be able to go into all of these matters thoroughly and get the best thought and suggestions from the farm leaders and organizations throughout the country, and when we finally draft and agree on a general farm bill we trust it will be one that will produce worth-while results and receive the approval of Congress and the President.

There are a number of additional features that I would like to see included in the proposed general farm bill which I have discussed with some of my colleagues, but as yet they have not been agreed upon.

COTTON-POOL CERTIFICATES

For instance, I feel that the cotton farmer who holds cotton-pool certificates is entitled to the profits made in handling the cotton pool, which amounts to about $1,800,000, and I hope that a provision will be incorporated in the general farm bill to take care of this situation.

COTTON CLASSIFICATION

I further hope that there will be included in the proposed general farm bill a provision for the classification of agricultural products, such as cottonseed. I introduced a bill along this line on January 5, 1937—H. R. 254.

We now have the Smith-Doxey Cotton Classification Act—Public Law No. 28—and I hope that the Secretary of Agriculture has sufficient funds to put the provisions of this act into operation this year. It may be that this particular legislation will need some strengthening and broadening.

FARM FORESTRY

I also feel that the farm-forestry bill, known as the Norris-Doxey bill, that we enacted at this session of Congress—Public, No. 95—but for which we have not yet been able to procure an adequate appropriation, should in general terms be included in a general farm bill, for forestry is a part and parcel of the general farm program.

I regret exceedingly that we failed to procure an appropriation to carry out the provisions of this Norris-Doxey bill at this session of Congress.

I thoroughly appreciate the fact that when this Norris-Doxey farm-forestry bill was enacted, the agricultural appropriation bill was already pointed up and agreed upon, and it could not be included in that bill.

We hoped to get it in the deficiency appropriation bill, but the argument was made that only emergency programs should be taken care of under the third deficiency appropriation bill, and the House Committee on Appropriations did not consider the farm-forestry bill of a sufficient emergency nature to justify an appropriation at this time and, therefore, no appropriation was included in this deficiency appropriation bill to carry out the program outlined in the Norris-Doxey bill.

COTTON GINNERS

I would also like to see the cotton ginners paid at least 25 cents per bale for the cotton they ginned under the provisions of the Bankhead Act for the crop season 1934–35, as provided for in a bill I introduced in Congress on January 6, 1937—House Resolution 2016, and with regard to which I was never able to get a favorable report from the Department nor the committee, although the cotton ginners were paid two and one-half million dollars for the cotton they ginned in the crop season 1935–36 as the result of the bill I introduced in this regard on March 5, 1935—House Resolution 6424.

RESEARCH LABORATORY

For many years, those of us from the deep cotton South have been interested in getting the Federal Government to establish research laboratories dealing with cotton and endeavoring to ascertain new uses for cotton and its by-products.

We have succeeded in enacting legislation to a certain extent along this line, as provided in the Jones-Bankhead Act, Public, No. 182, of June 29, 1935, but on account of limited appropriation nothing specific or definite has been done by the Government in this regard up to this time.

On July 15, 1937, Senator BILBO introduced in the Senate, Senate bill 2789, and the Senate passed this bill on July 23, 1937. The bill was then referred to the House Committee on Agriculture and was favorably reported out by the House Committee on Agriculture on August 16, 1937, and placed on the House Calendar on August 16, 1937. By the special written request I made, it was also placed on the House Consent Calendar on August 16, 1937.

I prepared and filed the House Committee on Agriculture report, No. 1570, on this bill, which is as follows:

The Committee on Agriculture, to whom was referred the bill (S. 2789) to provide for the establishment and maintenance of a regional research laboratory for the development of industrial uses for agricultural products; the first unit to be devoted to the development of industrial uses for cotton and cotton products; additional units to be provided for the study of other crops as additional funds are provided, having considered the same, report thereon with a recommendation that it do pass.

The House Committee on Agriculture has for many years been interested in various projects for development of new uses for the products of the farm and feels that the passage of this bill will be another step in the program they have long favored. At various times this committee has sponsored legislation whereby sums were made available for research purposes, particularly in developing new uses and new markets for cotton.

In the Seventy-fourth Congress there was enacted the Bankhead-Jones Act, which, among other things, provided for the establishment by the Secretary of Agriculture of laboratories and facilities for research in the major agricultural regions at places selected by the Secretary and the prosecution of research at such laboratories. Under the limitations of that act, the Department has been setting up a program of research, and it is believed that S. 2789 will augment the work now being done.

The purpose of this bill is to provide for the establishment and maintenance of a regional research laboratory in one of the Southern States for the purpose of developing industrial uses of agricultural products.

Under the provisions of the bill the Secretary of Agriculture is authorized and directed to establish and maintain the regional research laboratory within one of the following Southern States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

The Secretary is also instructed to conduct such research and experiments, investigations, and demonstrations with respect to the chemical, physical, and physiological properties and utilization and preservation of cotton and its byproducts, including cottonseed, cottonseed meal, etc.

The bill proposes to make available to the public the results of its research along these lines so as to increase the use of such commodity.

As this bill was only introduced in the Senate on July 15, 1937, the Department of Agriculture has not had an opportunity yet to present its report to the committee. However, the President of the United States wrote a letter to the author of the bill saying that the bill would meet with his approval if amended so as to provide for the State in which the laboratory is to be located to pay a certain part of the cost of the project. The bill has been amended as suggested by the President. A copy of the President's letter is as follows:

THE WHITE HOUSE,
Washington, July 6, 1937.

Hon. THEODORE G. BILBO,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have given careful consideration to the matter of the establishment and operation of a regional research laboratory for the development of new uses of southern agricultural products, as proposed by the bill which you have introduced in the Senate (S. 2140) and as explained in your letter to me of June 10, 1937.

I consider the aims and purposes of the project highly meritorious and would be willing to favor the Federal Government doing its part to further them. I do not feel, however, that this part should consist of financing the project wholly at the expense of the Government. It would seem that since the matter is of such importance to the Southern States, particularly those in the Cotton Belt, that the States concerned should be willing to cooperate to the extent of furnishing the necessary buildings and grounds, leaving to the Government the cost of furnishing the necessary equipment and the conduct of research activities.

In order not to impose too great a burden at this time, when the financial situation of the Government and of the States concerned is not as favorable as might be desired, I would suggest that the project might be initiated by providing for the establishment and operation during the fiscal year 1939 of but one unit of the proposed research laboratory, to be devoted to the South's principal agricultural product—the cotton plant—including the utilization of the raw cotton, stalks, seed, burrs, etc. I am advised that the cost of such a unit would be approximately $250,000 for building and grounds and $250,000 for equipment and operation the first year, and that thereafter the cost of operation would be about $250,000 a year. It is my thought that, as the financial situation improves so as to justify such action, additional building units might be provided from time to time and research activities undertaken with respect to other major agricultural products of the Southern States.

If you should see fit to redraft your bill to set forth a plan along the lines above suggested, I should be glad to give it my approval.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

After the testimony given by the Department of Agriculture representatives, the House committee felt that, although the Secretary of Agriculture has the authority under Public, No. 182, of the Seventy-fourth Congress, to establish research laboratories, the proposed legislation (S. 2789) is supplemental, and decided to report it out favorably because of the fact that it requires the State where the laboratory is to be located to make contribution not only of the site but also of a sum not in excess of $250,000.

The committee felt that reporting this bill out favorably would show the further intention and earnest desire of Congress to have laboratories established throughout the country for the purpose of ascertaining new uses for various agricultural commodities.

The new general farm bill, introduced by the chairman of the House Committee on Agriculture, Hon. MARVIN JONES, and now pending before the committee, provides in section 18 of the proposed measure for "the establishment, equipment, maintenance, and administrative expenses of laboratories and other research facilities for the research into and development of new, scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products therefor."

This new farm bill provides that of the sums made available under the act, not to exceed $10,000,000 thereof for each fiscal year shall be utilized by the Secretary of Agriculture for the establishment and maintenance of regional research laboratories.

It is the definite opinion of the House Committee on Agriculture that when the general farm bill is finally written and reported by the committee it should contain a provision for the establishment of regional research laboratories throughout the country to ascertain new uses for agricultural commodities.

It was further brought out in the hearings of the House Committee on Agriculture that similar bills had been introduced along this line not only by the chairman of the House Committee on Agriculture but also by other Members of Congress, and the House committee had before it at this time H. R. 8160, a bill introduced by Representative WILLIAM M. COLMER, of Mississippi, which is identical in language to Senator BILBO's bill (S. 2789).

The House Committee on Agriculture reports favorably S. 2789 for the reason that this bill was passed by the Senate on July 26, 1937, and recommends that the bill do pass.

The entire Mississippi delegation made every effort possible to get this laboratory bill before the House for a final vote at this session of Congress.

However, it being the closing week of the first session of the Seventy-fifth Congress, such bills as the tax bill, the housing bill, and the deficiency appropriation bill had the right-of-way and there was no way to get this laboratory bill up before adjournment, as we had agreed to adjourn anyhow by Saturday night, August 21, 1937.

Therefore there was no way to bring this laboratory bill up in the House for consideration in the rush of the closing days of this session unless the bill was reached on the calendar or the Speaker would recognize someone to suspend the rules and pass the bill.

I took this matter up with Speaker BANKHEAD and he assured me of his interest in the measure and told me that if an opportunity presented itself he would recognize me to suspend the rules and bring the laboratory bill up for consideration by the House, and in that way it would come before the House for a vote.

Under suspension of the rules it requires two-thirds vote of the membership of the House to pass a bill. Therefore the Speaker when I first approached him on the matter told me that it would be impossible to recognize me to suspend the rules of the House on this bill until after the bills that had the right-of-way were disposed of and after the conference reports that were then not acted upon had also been disposed of.

There were a number of conference reports at that time that had not been agreed on. One of them was the report of the sugar conference, of which I was a member, and on which we had worked several days before we reached an agreement and submitted the conferees' report to the House on August 19; it was agreed on by the House on August 20, as was the conference report on the flood-control bill.

Then the conference reports on the housing bill and the third deficiency appropriation bill were yet to be acted on,

and they were not acted on until the last day of this session, Saturday, August 21.

In the meantime, on Friday, August 20, we had a night session and the Private Calendar was called and the Consent Calendar was called. S. 2789 was reached on the call of the Consent Calendar on Friday night, August 20, 1937, but it was objected to as shown by the CONGRESSIONAL RECORD of Friday, August 20, 1937, page 9542.

Saturday morning I had a conference with the Speaker of the House, and we went over the proposed legislative program for the day, which was the last day of the session.

He said if it were possible and an opportunity presented itself, he would endeavor to recognize me to suspend the rules, as that was the only avenue left for the consideration of this laboratory bill at this particular session of Congress, as we had already agreed on a sine-die adjournment resolution.

When the conference report on the deficiency appropriation bill was reported Saturday afternoon, August 21, there developed a fight and a real battle on the amendment known as the Byrnes amendment, which provided $65,000,000 to be expended for the price-adjustment payment to producers with respect to the 1937 cotton crop. We carried this amendment after a hard fight and a close vote.

In conference with the Speaker immediately thereafter, he said that on account of the vote we had just had in regard to cotton, he thought it would be unwise to recognize me to suspend the rules to consider a bill that deals directly with cotton, and the further fact that the laboratory bill could in nowise be considered as an emergency measure, and that it would take a two-thirds vote in order to pass it.

I talked with a number of my colleagues, and they understood the situation and agreed that the Speaker was right, and therefore we were unable to get this particular bill before the House for a final vote before final adjournment of this session of Congress.

However, we hope that, either by special legislation or by general legislation included in the general farm bill, a research laboratory will be established in the South sometime in the near future to carry out the purposes set forth in S. 2789.

CONCLUSION

It is just everyday common sense—"horse sense", as some of us would say—that if cotton prices are to be stabilized and the cotton farmer is to receive a fair and reasonable price, one even approaching parity price, for the cotton he raises, more cotton must be used and consumed both at home and abroad.

It is our responsibility to legislate; it is the farmer's responsibility to cooperate.

The farmer's business is the greatest business in the world, and his problem is one of the most difficult to solve.

Overproduction and underconsumption build up huge carry-overs, and large surpluses are bound to depress the market in any agricultural commodity, or anything else for that matter. That is the immutable law of the ages.

I have advocated benefit payments to farmers and an attractive farm program so as to insure voluntary cooperation on the part of the farmer in order to limit production and prevent an abnormal surplus. That has left it entirely up to the farmer himself to so regulate his business as to obtain a fair return for his labor and investment. If that voluntary program does not work successfully in limiting production and controlling surpluses whereby the farmer receives a fair price for his commodity, it is not because we have not tried it.

That is the underlying philosophy of the present Soil Conservation Act.

I have been strong for this present program, but if it does not work, no doubt some other program will be tried.

As I see it, it is the farmer's problem and it is in his hands, and what Congress does when it begins to consider the new farm bill will be done in the light of past experiences governed by world-wide conditions.

This will be especially true with reference to crops like cotton and wheat, known as the export crops.

I trust it will not be found necessary to enact a law that will be production control by rigid compulsion, providing for quotas, heavy penalties, and other things incident to a program of compulsion control by the Federal Government of agricultural commodities raised by the farmer.

As I view it in the light of a permanent, long-range program for agriculture, an absolute Federal compulsion production control program enacted into law would mean a sad day in the long run for agriculture.

We must not live just in the present but look to the future.

Appeal to Patriots

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. LUDLOW. Mr. Speaker, to all American men and women who love their country I want to make this appeal to save it from foreign wars. There is one constructive, effective way in which they can do it. But they must do it quickly.

CONGRESS DECIDES NATION'S FATE IN JANUARY

I feel certain that soon after Congress meets again in January 1938 the House of Representatives will vote for or against wars abroad. The vote will be on the proposed constitutional amendment (H. J. Res. 199) introduced in the House by myself. Able and patriotic Congressmen numbering 185 have already indicated their support of it. It needs a two-thirds vote—290—to pass the House. After that it will need the votes of 64 Senators. Then it will go to the people, and the legislatures in 36 States will have to ratify it before it becomes law.

The vote in the House of Representatives in January will determine the fate of the Nation for years to come. Your Congressman will vote for it if you are interested enough to tell him that the people want it.

THE PARENTS OF GROWING BOYS MUST NOT BE HELPLESS TO WARD OFF DEATH

This resolution (H. J. Res. 199) gives the parents of boys of soldier age a chance to say whether or not their boys are to die abroad, and young men who will have to fight the war a chance to vote for or against it. It provides for a referendum of all the voters in the Nation before a war abroad can be declared. This resolution gives the parents of boys who might be doomed to death a chance to vote "yes" or "no" on whether America's boys are to be drafted to die in China or be gassed to death in France. When this amendment to the Constitution has been passed, the mothers and fathers of America will no longer have to send their sons out to die if by accident some ship is sunk in distant seas. They will no longer be helpless when the propaganda campaign for war starts.

MAKING DEMOCRACY A FACT

American citizens can vote about taxes, about services, about school buildings; they can elect their constables and dog catchers; but at the present they cannot vote about the most important things in the world—the death of their children and the future character of the Nation. This resolution gives them the right to vote on the important matters as well as on the less important ones. It makes democracy a fact as well as a theory.

NO OTHER LAW CAN KEEP US OUT OF FOREIGN WARS

Able Congressmen and Senators have tried to keep us out of foreign wars. They have passed neutrality laws. These may help greatly, but they are not enough.

Other Members of Congress have tried to keep us out of war by threatening to tax some of the war profits. Others believe Government production of all munitions would keep the munitions companies from dirty work abroad. But even the sponsors of these bills do not think that will keep us out of foreign wars.

The only way to stay out of foreign wars is for the people to have the opportunity to vote on whether or not they want to get in. This resolution gives them that opportunity. Congressmen from 41 States who believe in democracy are for this resolution already.

Are the people in your State interested in actual democracy and peace? They should let their elected Representatives in Congress know of their interest at once.

AMERICA AND ANOTHER WORLD WAR

People who love America should know what may happen to this Nation of ours if we get into another war. A great post-war depression? Of course. A great loss of life from the bombing of our transports by airplanes? Of course. A ghastly army of men gassed to death or ruined for life? Of course. Loans of fifty billions to other nations at war, never to be repaid? Of course. Horrible face-grinding taxes and poverty after the war? Of course. Thousands of new millionaires? Of course. Scores of thousands of ruined homes? Of course. Another money mad, moralless jazz age with many persons drinking to forget? Of course.

But more even than all this is the dangerous threat that our America will no longer be a free country after another foreign war. During the war a military dictatorship. Here and in every other nation. The threat of a great post-war panic and depression—far, far worse than 1932—and the danger that the military dictatorship will not be removed, even in peacetime.

Both those who think America should tie herself to the European nations and those who think she should not, agree on that danger. For these students and writers who believe in closer relations with Europe, Hamilton Fish Armstrong says that it is improbable that after another war the nations that are now democratic will be able to stay that way. For these students and writers who think America should be very cautious about tying herself closer to the European nations, Stephen Raushenbush says that it will be impossible for any warring nation to suffer the shock of another major war and post-war depression and stay entirely democratic and free.

A vote for this resolution is a vote for the free Nation our forefathers made. This is an appeal to patriotic men and women who want the United States to stay free and democratic and at peace.

AMERICANS ON AMERICAN SOIL

This is the time for all Americans to keep their feet on the ground—on American soil. In 1917 it was 4 months after the declaration of war before we had 10,000 men landed in France. It was 12 months before we had enough men there to fight. No nation can invade America. When we join a foreign war it is always a matter of sending our troops abroad, across the seas. A referendum taking 4 days or 7 days will not make any difference in the sending of our troops abroad. There will be no fatal delay in getting them overseas if the people do vote for war. Four days—or seven—are a short time to give the American people a chance to vote. The headache of post-war debts, taxes, and depressions will last many hundred times 7 days.

DEFENSE: NOT ATTACK

Congress does not have to hold this referendum if an American colony or Territory has been invaded or attacked. This referendum applies only to wars about American ships going into war zones to make war profits and getting bombed and sunk there and war causes of that kind. It allows the Nation to defend itself automatically, but not to attack until the people have voted "yes." The resolution I propose does not interfere in any way or in any degree with adequate national defense.

CONGRESS HAS NO MANDATE ON WAR

At present a President is free to quarrel with other nations without considering the desire of the people to stay out of war. We must look at the long view of this matter. In the years ahead we may have Presidents who believe in close entanglements in European politics and economic affairs. We may even have Presidents who prefer postponing a depression by a war than taking the depression while they are in office. They should be told in advance that the patriotic people of America will have the final say about sending their sons to fight abroad.

When a President creates a war situation he asks Congress to declare the war. But Congress has no mandate from the people to vote yes or no. The Congressmen and Senators are elected on other issues—taxes, court reform, farm, or labor legislation. They have no mandate from the people on the question of war or peace.

This bill asks the people directly for a mandate on the question of attacking another nation.

Congressmen are party members. When a President, the leader of a party, asks for the support of the members of that party, it is almost political suicide for any member of his party to oppose him. On such an important matter, with due respect for the American blood to be shed, the final decision on war should not be left in the hands of men who have not been instructed by their constituents on the subject. It should go directly to the people themselves.

At present there is no democracy in foreign affairs. There is autocracy. One man makes a situation and faces Congress with an accomplished fact. The whole power of the National Government can be used against any Congressman who opposes foreign wars. That is not democracy. This bill would make democracy possible. It would put the ultimate power in the hands of the people, where that power belongs.

WHAT YOU CAN DO

You can ask your Congressman and Senators, at once before January, to join the distinguished Congressmen, veterans of the World War, who are fighting for this bill. It is known as the Ludlow war referendum, House Joint Resolution 199, and scores of fine men of all parties are fighting for it, liberals and conservatives. Among the war veterans in Congress who have signed a petition to bring this resolution before the House for a vote are Representatives Brewster, of Maine; Fish, of New York; Houston, of Kansas; Izac, of California; Lanzetta, of New York; Boileau, of Wisconsin; Case of South Dakota; Maverick, of Texas; Patman, of Texas; McFarlane, of Texas; Scrugham, of Nevada; Biermann, of Iowa; Bernard, of Minnesota; Dirksen, of Illinois; Gearhart, of California; Hook, of Michigan; Kloeb, of Ohio; Massingale, of Oklahoma; Michener, of Michigan; O'Connell of Rhode Island; Oliver, of Maine; Thomas of Texas; Poage, of Texas; McSweeney, of Ohio; Zimmerman, of Missouri; Stack, of Pennsylvania; Griswold, of Indiana; Rankin, of Mississippi, chairman of the World War Veterans' Legislation Committee of the House; and many others. These men know the meaning of the word "war."

FOR LOVE OF AMERICA, ACT NOW

You can get your war veterans to endorse this bill. You can get your church, your service club, your union, your lodge to endorse it. You can send a copy of each endorsement to your Congressman, another to each of your two Senators, another to me. A national war-referendum committee is being formed to carry on the fight.

There is little time before January, when this resolution probably will be voted on. I plead with patriotic citizens who want peace and democracy not to be indifferent to the fate of America and America's sons. You have between now and January to get 290 Congressmen and 64 Senators to keep America out of foreign wars.

For love of America, act now.

Informal Opinions of the Federal Trade Commission on Questions Relating to the Robinson-Patman Act

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1937

LETTER FROM W. A. AYERS, CHAIRMAN OF THE FEDERAL TRADE COMMISSION, WITH ACCOMPANYING PAPERS

Mr. PATMAN. Mr. Speaker, permission having heretofore been granted, I am inserting herewith a letter from the Federal Trade Commission and informal opinions of the Commission in 64 cases which have come before them and which have been disposed of.

The letter from the Chairman of the Commission, Mr. Ayers, should be read closely before giving consideration to the cases discussed.

JULY 23, 1937.

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The Commission, responsive to your request of July 12, 1937, directed the compilation of material facts relating to the disposition of certain cases arising under the Robinson-Patman Act. Such information is set forth in separate sheets enclosed herewith. However, the Commission desires to emphasize that in such a brief summary of the facts, it is not possible always to indicate material facts and circumstances which might have affected the decisions of the Commission. Should you desire to more fully acquaint yourself with particular cases, the Commission will be pleased to render you every assistance.

Under the Commission's procedure, anyone may bring to its attention an alleged violation of any of the laws in which the Commission has jurisdiction. Preferably, such information should be in writing, and should contain a clear statement of the facts. This information is kept confidential. This is known as an informal complaint and is referred to a member of the Chief Examiner's Division for an independent investigation of the material facts. It is important to know that in this type of investigation, the party complained against is also interviewed and given an opporunity to make explanation regarding his alleged violation of law.

If upon the facts disclosed by the Commission's investigation, it appears there is reasonable grounds to believe that the law is being violated, the Commission issues a formal complaint setting forth in detail the charges involved in the case. The respondent named in the complaint is given a reasonable time in which to make answer. If he denies the charges contained in the complaint, evidence is taken both for the Government and respondent before a trial examiner who, like a master in chancery, makes a report to the Commission on the evidence taken in the case. Thereafter, briefs may be filed and the case orally argued before the Commission before decision. Generally speaking, the procedure is very similar to that ordinarily followed in the courts. If the Commission finds that the law has been violated, it issues an order requiring the respondent to cease and desist from the illegal practices. If the respondent still believes that he is not guilty of a law violation, he has the right to appeal to his local circuit court of appeals, where the Commission's order is reviewed, and which court may either sustain, modify, or void the Commission's order. There is a further appeal by certiorari to the United States Supreme Court, and in many important cases the Supreme Court has reviewed such decisions.

As stated in your letter, the Commission has undertaken to assist those who are affected by the Robinson-Patman Act, and in this connection members of the Commission and its staff have held conferences with hundreds of individuals seeking an understanding of the act as it affects their business. Additionally, many thousands of responsive letters have been prepared in response to inquiries. The Commission can advise you with assurance that as a result of such efforts large numbers of businessmen and in several instances whole industries have revised their practices to comply with the letter and spirit of the act. Particularly has this occurred in the food, drug, paint, calendar, and canning industries.

You are at liberty to make such use of the information contained herein as you desire.

Cordially yours,

W. A. AYRES, *Chairman.*

Section involved: 2 (a)—Price discrimination.
Commodity: Cigarettes.
Facts: A wholesaler was charged with selling popular brands of cigarettes at discriminatory prices in that a few preferred customers paid 1 cent per carton less than other customers. The investigational file indicates that the wholesaler complained against did sell out of stock at a price 1 cent per carton higher than the price for drop shipments. A similar practice was followed by several competing wholesalers, some of whom sold drop shipments at even lower prices than the wholesaler charged. The inquiry did not show the existence of any unjustified discriminations among customers and did develop the fact that competitors were selling at comparable and lower prices. Hence the file was closed.

Alleged violation of: Sections 2 (e) and 3—Price discrimination and selling below cost.
Commodity: Radio tubes.
Charge: Sales below cost of manufacture to eliminate competitors and discrimination in services and facilities.
Facts: The facts were not developed because preliminary inquiries disclosed private litigation in which the party charged was being sued for $15,000,000 triple damages under the Robinson-Patman Act, which suit involved the same issues. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Candy (chocolate bars).
Facts: Prior to January 1, 1937, the party charged sold at prices ranging from 64 cents to 54 cents per carton, but as of January 1, 1937, it abandoned said schedule of differing prices, and since that time has maintained a price of 65 cents, less 10-percent advertising allowance, to all customers, except that 1¼ cents per carton is allowed on carload shipments. Carload extra discount amounts to $50 on an $8,000 purchase. The carload price differential apparently can be justified in the particular circumstances on the basis of the lower cost of selling and shipping in carload lots. However, there were no carlot sales during the entire year of 1936. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Sanitary napkins.
Facts: Discrimination in discounts between customers who bought direct and customers who bought through factors was alleged. During the Commission's investigation the manufacturer adopted new selling plans.

Direct purchasers were allowed a 10-percent display allowance, a 5-percent trade discount, and a 1-percent cash discount. The minimum direct shipment was 100 pounds. Wholesale factors received from the company 14½-percent, 3-percent, and a 1-percent cash discount. Purchasers from factors pay the same price as direct purchasers, receive the 10-percent display allowance direct from the company, and get a cash discount, generally 2 percent, from the factor. Denial of the trade discount is explicable by the costs of indirect selling to small accounts. The evidence does not establish injury to competition by the difference of about three-fourths of a cent in the retailer's buying price which results from this difference in discount. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Bread.
Facts: Party charged with selling two loaves of bread for price of one in local competitive areas in two States and not doing so in other areas. The evidence shows that practice complained of was begun to meet competitive practices of other bakers and was discontinued when such practices stopped. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Bread.
Facts: A baking company was charged with giving 1 loaf of bread free with the purchase of 10 loaves or more in local territories in two States where complainant is a competitor but not in other areas. It denied engaging in said practice, and no evidence was available to the contrary.

Section involved: 2 (a)—Price discrimination.
Commodity: Bread.
Facts: For a period of 8 days in June 1936 a baker engaged in the practice of giving two cup cakes free with every purchase of a loaf of bread in local communities in two States but did not follow this practice in other portions of its sales territory.
Reasons for closing: The baker engaged in the above practice in order to meet competition, and discontinued it while some other competitors were still giving premiums.

Section involved: Very general charges involving Clayton Act and Federal Trade Commission Act.
Commodity: Pie crust.
Facts: A baker introduced a new pie crust in competitive area where complainant was selling his trade-named brand of pie crust. Evidence shows that no unfair practices or price discriminations were indulged in. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Advertising rates in trade journals.
Facts: Publishers were charged with quoting proportionally higher rates for less than a full page of advertising space than

for a full page. The act condemns price discriminations "between different purchasers of commodities." The evidence disclosed no resultant injury by reason of the rate differentials.

The file was closed because the sale of advertising space in the circumstances in this case does not involve the sale of a "commodity" within the meaning of the act.

Section involved: 2 (a)—Price discrimination.
Commodity: Beet sugar.

Facts: A refiner was charged with selling beet sugar to retailers in one city at $5.08 and in another city 65 miles distant at $5.03. It claimed competitive conditions in the latter city account for the small differential, and no evidence to the contrary was obtainable. As between customers in each of the cities named there was no price discrimination. For these reasons, and because of an apparent lack of interstate commerce, the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Hardware (augur bits).

Facts: Mail-order firm was charged with selling bits to consumers at 10 cents each, a price declared to be unreasonably low and fixed with the purpose and intent of eliminating a manufacturer of bits who sells to retail competitors of the mail-order firm; and with buying such bits at a discriminatory price. Competition between the mail-order firm and retail customers of complainant was responsible for the price cutting. The evidence negatived the idea that the 10-cent price was fixed by the mail-order firm with the purpose and intent of eliminating competition. A revision of the price schedules of the manufacturer from whom the mail-order house purchases its first quality bits has been made, so that no differential not based on lower costs of handling and shipping is presently offered. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Confections (chocolate bars).

Facts: Quantity discounts complained of were applied to aggregate net purchases made during a period of 6 months. They were on a graduated scale, ranging from 1 percent on purchases of $2,500 to 5 percent on purchases of $37,500 and over. Evidence disclosed that these discounts were effective for a period of only 10 days. Subsequently, all customers paid the same base price less a promotive discount of 5 percent, which was given to all, and a quantity discount of 2 percent on carload or truckload purchases.

The file was closed because the 2-percent differential to carload or truckload buyers is justified by the difference in cost of selling, handling, and shipping carload and less-than-carload shipments.

Section involved: 2 (a)—Price discrimination and selling below cost.
Commodity: Trouser buttons.

Facts: The complainant alleged that a jobber of buttons entered into a contract with a large chain store organization selling trousers, under which the latter required all trouser manufacturers whose products it bought to buy the buttons used in those products from the jobber, in consideration of which the latter agreed to pay the said chain store organization 5 percent on all purchases thus made. In addition, it was alleged that the jobber sold buttons below cost.

The investigation disclosed that such a contract was entered into on May 12, 1936, the same to be in effect until the end of that year. Although not shown on the face of the contract, there was an understanding between the chain store company and the jobber that the latter would pay the former 5 percent on all orders of buttons purchased under the contract. On July 21, 1936, shortly after the passage of the Robinson-Patman Act, the chain store company canceled the aforementioned contract, and there is no evidence that the jobber paid the 5 percent under the agreement after the passage of the act. The charge that the jobber sold buttons below cost was contrary to the information disclosed by the investigation.

The facts in this case did not substantiate the complaint and the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Roofing materials.

Facts: It was charged that a manufacturer sold certain roofing materials pursuant to an invitation for bids issued by the United States Treasury Department at a price 10 percent below the price at which any manufacturer would sell the same grade of materials to the complaining dealer.

This matter was closed because the Attorney General of the United States has held that the act is not applicable to contracts with agencies of the Federal Government for supplies.

Section involved: 2 (a)—Price discrimination.
Commodity: Grapefruit juice.

Facts: It was charged that a canner sold grapefruit juice at discriminatory prices. The file was closed because the investigation showed that there were no significant differences in the prices at which the company made sales in any particular area, and that competition was not affected by the slight differences which were found.

Section involved: 2 (a)—Price discrimination.
Commodity: Ladies' handbags.

Facts: A number of handbag manufacturers acceded to the demand of a department store for an 8-percent discount from their respective list prices instead of the customary 3-percent discount at which they sold to other customers. Sales to the said department store by all manufacturers involved, except one, were intrastate. Although figures showing complete analyses of costs were not available, there was much to indicate that, through economies in materials, styling, and selling, the single manufacturer making interstate sales to the department store in question effected savings in such sales which were commensurate with the discount differential.

Under the circumstances the file was closed because there were not sufficient indications that the differential was unlawful to justify the unusual expenditure of time and money which would have been necessary fully to determine whether or not there had been an unjustified price discrimination.

Section involved: 2 (a)—Price discrimination.
Commodity: Ladies' handbags.

Facts: The complainant alleged that a copartnership buying organization representing a large number of department stores in various parts of the United States had selected three manufacturers as "preferred sources" and confined to them the placement of its orders for handbags, and in return had demanded and obtained lower prices than were accorded other customers of such manufacturers. It was further alleged that the buying organization obtained a 2-percent cumulative discount or rebate on its purchases for each 6 months' period.

The record discloses that subsequent to the passage of the Robinson-Patman Act, one manufacturer of handbags did grant certain clients of the buying organization a price of $7.25 per dozen for bags which apparently were sold to other customers at $7.50 per dozen. It was ascertained, however, that the merchandise in question was not, in fact, of the same grade and quality as the regular $7.50 merchandise. It appeared to contain bags of various grades and qualities, particularly with respect to market values.

With respect to the alleged 2-percent rebate, it was found that the buying organization had once had such an arrangement with two handbag manufacturers, but the same were canceled by the manufacturers as of the date of the passage of the Robinson-Patman Act.

The Commission's investigation failed to produce evidence sufficient to support the complaint and, in addition, the copartnership buying organization was dissolved in December 1936. Hence the file was closed.

Section involved: 2 (d)—Allegedly not making allowances available to competing customers on proportionally equal terms.
Commodity: Drugs.

Facts: Certain chain drug stores were receiving $25 a month from a manufacturer for advertising and display of the product. Such allowance was not available to competing customers. The manufacturer canceled the contract. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Groceries.

Facts: Retail grocers complained that three manufacturers had induced jobbers in the same State to put into effect two price lists, one for cash and carry and the other for delivered merchandise and that retailers who could not use cash-and-carry service were thereby handicapped.

The investigation disclosed that two of the manufacturers, after a formal survey of jobber opinion, did prepare the jobber resale price lists.

Since the transactions were local and did not involve interstate commerce the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Milk.

Facts: Three large dairy companies submitted identical bids for the sale of milk to a quartermaster supply officer of a certain United States Army Post at prices higher than those charged commercial firms and institutions located in the territory adjacent to the said army post. Since the milk was produced, sold, and consumed within a single State, the file was closed for lack of jurisdiction.

Section involved: 2 (a)—Price discrimination and selling below cost.
Commodity: Tobacco products.

Facts: It was charged that a wholesaler-retailer of tobacco products sold at varying prices to different customers at wholesale and at equally low prices at retail; and that an unrelated retail chain store concern sold tobacco products in the same trading area as loss leaders. In sales to other retailers the wholesaler-retailer sold cigarettes at the manufacturer's list price less 9 percent and on other tobacco products the price was list less 7 percent. Apparently the retail chain was meeting competition in the prices at which it sold.

The file was closed because the practices complained of did not involve interstate commerce.

Section involved: 2 (a)—Price discrimination.
Commodity: Ladies' handbags.
Facts: It was charged that a purchasing syndicate representing several large department store organizations demanded and received discriminatory prices from manufacturers of ladies' handbags. The investigation disclosed that the syndicate's purchases of handbags since the passage of the act were at prices in line with prices generally paid by other purchasers of the items in question.
The file was closed because the facts did not substantiate the complaint.

Section involved: 2 (a)—Price discrimination.
Commodity: Ladies' handbags.
Facts: It was charged that a cooperative buying organization for several department stores scattered throughout the United States induced and knowingly received discriminatory prices from a number of handbag manufacturers. The investigation disclosed that handbag manufacturers from whom the cooperative purchasing organization bought had not granted any price preference to it or otherwise accorded it more favorable terms than other customers since the passage of the act.
The file was closed because the facts did not substantiate the complaint.

Section involved: 2 (a)—Price discrimination.
Commodity: Medicine (laxative).
Facts: A manufacturer which had sold to all customers at the same price regardless of trade status or quantities revised its sales policy, establishing functional and quantity discounts. Under the new plan, wholesalers who purchased quantities of $100 or more received a discount 2½ percent greater than those who purchased in quantities of less than $100, and quantity discounts were based upon individual orders. The commodity was subject to deterioration through long storage. Customers who had formerly purchased relatively small amounts were not permitted to purchase in quantities of $100 or more in order to take advantage of the higher discount because the manufacturer felt that such quantities were more than those customers could sell before the products were injured by deterioration. It was felt that the sale of deteriorated merchandise to the public would seriously injure the business of the manufacturer.
Investigation disclosed that the discount terms and quantity limits were applied uniformly to all wholesale customers. Cost data submitted indicated that the quantity differential was justifiable on the basis of differences in the cost of selling and delivering. The manufacturer also granted discounts to retail customers on a graduated schedule based on quantities. Similar justification and uniform application of these discounts was shown.
The file was closed because the discount differentials did not result in injury to competition and apparently were justified by differences in cost; and because the manufacturer's refusal to sell in larger quantities than a customer could dispose of before the merchandise deteriorated was a reasonable measure for the protection of the public and of its business and goodwill.

Section involved: 2 (a)—Price discrimination.
Commodity: Drugs, tooth paste, shaving cream, etc.
Facts: In September 1936 a large chain drug-store organization submitted to approximately 20 manufacturers a contract providing, among other things, that the chain-store company would advertise the manufacturer's products in show cases, on counters, and in store windows of its various branches, and in consideration of this service the manufacturer would make monthly payments to the chain-store company, the amount of such payments to be based upon the volume of sales in the store rendering the service. The contract also provided that the agreement would in no wise be connected with purchases made by the chain-store company from the manufacturer, and that any payment made would be considered fair and reasonable for the services rendered. It further provided that such payment would not constitute a discount, rebate, or allowance of any kind.
None of the contracts were signed by the companies to which they were submitted. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Drugs, tooth paste, shaving cream, etc.
Facts: A large chain-store organization is engaged in soliciting small amounts of money from manufacturers and others from whom purchases are made for illustrating the sellers' products on the chain store's listing sheets which it furnishes to each of its store managers. These listings contain the name and address of the seller, a description of his merchandise, prices, etc. If the seller agrees to "share" the expense of listing his merchandise, illustrations of his goods are shown on the listing sheets and he is billed for the approximate actual cost of the illustrations, usually a nominal amount averaging about $3. If he refuses, his products are included in the listing sheets but without any illustrations.
The use of listing sheets by the chain-store company enables the seller to furnish a price list only to the head office of the chain-store company instead of to each of the company's individual stores, thereby resulting in a substantial saving to the seller.
Reasons for closing: The policy of requesting sellers to share the cost of listing their goods does not result in price discrimination. Contributions made by sellers who participate constitute payments for services or facilities rendered by the chain-store organization.

Section involved: 2 (a)—Price discrimination.
Commodity: Bread.
Facts: For a period of about 2 months, beginning in the latter part of October 1936, certain wholesale baking concerns sold 19-ounce loaves of bread to retailers at 8 cents per loaf in certain cities of a Midwestern State and at 6 cents per loaf in other cities of the same State. The bread of each was produced in a State adjoining the one mentioned above and was distributed through sale from trucks which operate daily over established routes.
The reduction in certain cities from the regular price of 8 cents per loaf to 6 cents per loaf was made to meet price reductions by local bakeries in one city and spread to other cities because of competition due to the overlapping sales territories of the various bakers. Restoration of previous prices began in outlying cities, was hastened by a prosecuting attorney who threatened to institute criminal proceedings under a State law, and was completed when the local bakeries which had initiated the reduction raised their prices. Since the discriminations were to meet competition and have been terminated, partly by the action of local authorities, the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Fruits and vegetables.
Facts: A wholesaler of fruits, vegetables, and other merchandise was charged with unlawful price discrimination and with selling below cost, which lessened competition.
The investigation completely disproved the selling-below-cost charge. With respect to the price-discrimination charge, the evidence disclosed that the wholesaler had entered into contracts with the members of an association of retail grocers, under which, for certain merchandising cooperation, a "service payment" of 4 percent was allowed members on certain merchandise, not including fruits and vegetables. No sales are made by the wholesaler outside of the State in which he is located; in fact, the business is confined to a comparatively small town and the nearby trading area. In view of the absence of interstate commerce the file was closed.

Section involved: 2 (a) and 2 (c)—Price discrimination, illegal brokerage payments, and selling below cost for purpose of eliminating competition.
Commodity: Groceries.
Facts: It is charged that two companies, both of which are engaged in the wholesale and retail grocery business, regularly sell a number of nationally advertised grocery items to retail grocery stores at 3 percent above actual or replacement cost, said to be unreasonably low prices, and inferentially alleged such prices were made possible by advantages received—possibly brokerage payments.
The record discloses that all sales made in 1936 by the wholesale department of one of the companies complained of were on the basis of actual or replacement cost plus 3 percent. Most of the items were sold at prices sufficiently high to cover the initial cost and operating expenses. The other company complained of likewise usually made sales through its wholesale department at actual or replacement cost plus 3 percent, but occasionally sold at lower prices than the first company. The evidence indicates that these companies do not discriminate in the prices at which groceries are sold through their wholesale departments. No evidence of illegal brokerage payments was developed, but both companies have obtained groceries at lower net delivered prices than their competitors through fraudulent claims for freight allowances.
The file was closed because one of the companies was not engaged in interstate commerce at all, and the unfair practices of the other company did not involve interstate commerce.

Section involved: 2 (a)—Price discrimination.
Commodity: Medicine.
Facts: Since 1912 a manufacturing druggist has used a profit-sharing plan which is open to all retail druggists in good standing. Under this plan all retail druggists who wish to participate become stockholding customers of the above manufacturer through buying $30 worth of the manufacturer's products and signing an agreement which specifies that they will push these products and will sell the same only at retail over their counters. Violation of the agreement automatically forfeits all buying privileges thereunder. On the initial order and on all subsequent orders the stockholding customer receives a 40-percent discount from list prices, whereas nonparticipating wholesalers receive 10 percent plus a 5-percent cash discount and nonparticipating retailers receive only 6 percent off the list prices and 4 percent additional for cash payment in 10 days.
Except during the depression years, stockholding customers have received an additional benefit in the form of an 8-percent dividend on their stock. Prior to the Robinson-Patman Act these dividends were paid in merchandise instead of cash and were not subject to the 40-percent discount from list prices. The complainant, a stockholding customer, complains that the failure to

compute the value of merchandise received as dividends at 40 percent off the list prices in effect reduces such dividends by as much as 50 percent. The 1936 dividend, however, was paid in cash.

In sales of nearly $60,000 a month about $100 worth is sold to retailers who were nonstockholders, apparently for an occasional purchase of an item specifically demanded by some customer. Although sales to wholesalers were made, the company's policy is to sell to retailers as much as possible.

Reasons for closing: The above plan is open to all retail customers and is used by all to whom trade in the products concerned is significant. Hence it has not to any noticeable degree unfavorably affected competition or injured competitors of the company using the plan or competitors of its customers.

Section involved: 2 (a)—Price discrimination.
Commodity: Ladies' handbags.

Facts: A large chain shoe-store organization, through a subsidiary which functions as a jobber of handbags, demanded and received from various handbag manufacturers a concession of 5 percent and in some cases 7 percent from the prices usually charged retail stores for the type of merchandise purchased by the above chain-store organization. However, the handbags sold to this company are not like the handbags sold to other customers of the manufacturers who supply this chain-store organization. The bags purchased by the latter bear the chain store's private brand or trade-mark and are specially designed to match the shoes which it sells.

Reasons for closing: The manufacturers supplying handbags to the chain-store company do not sell bags of like grade and quality to their other customers.

Section involved: 2 (a)—Price discrimination.
Commodity: Beverage sirup.

Facts: A distributor is charged with selling a sirup concentrate to bottlers at a price substantially lower than that charged to jobbers who supply the soda-fountain operators. The price to jobbers is about 29 percent higher than to bottlers. The distributor claims that the price differential is occasioned by the difference in cost of servicing the two groups. The record indicates that the net revenue to the distributor from sales to jobbers who service fountains is $0.00809 per gallon less than that from bottlers, and that there is no substantial competition between the two buying groups. Because of the exceedingly small discrimination and absence of injury to competition the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Cardboard folding egg boxes.

Facts: It was charged that a manufacturer discriminated in price among competing customers. The record indicates that one purchaser, taking advantage of a notice of price increase from $3.20, purchased large quantities prior to the rise. The other purchasers continued to buy for current sales in a rising market which, at the time of complaint, was $4.85.

There was no evidence of price discrimination, the ability to resell at the lower price being based on purchases at former lower prices which were available to all customers; hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Deodorant blocks.

Facts: The complainant and the company against which charges were made are engaged in the manufacture and sale of deodorant blocks, and the latter is charged with unlawful price discrimination in sales to its customers.

In only one trading area were sales made in interstate commerce to competing customers, and during a 4-months' period (November 1936–February 1937) only five such sales were made in that area. The maximum price difference involved in those sales was $2.25 per gross—the actual prices being from $8.25 to $11 per gross. Due to the small number of sales involved in interstate commerce and the absence of satisfactory evidence of an injurious effect on competition, the file was closed.

Charge: Violation of 2 (a) in that certain retail drug chains were allowed 15 percent, the jobbers' discount, which smaller retailers were not granted.
Commodity: Liniment.

Facts: The facts were as alleged. However, the sales complained of were all within the State of manufacture. Since the transactions were not in interstate commerce, the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Legume cultures.

Facts: The party charged with violating the act owns and operates a small laboratory in which are grown jelly cultures for inoculation of leguminous seeds. He sells to wholesalers, retailers, cooperative buyers, county agents, and consumers. The price to wholesalers is 16 cents a bushel, to retailers, cooperative buyers, and county agents, 30 cents, and to consumers, 50 cents. Wholesalers often sell to consumers in competition with retailers. Not a single sale has been made in interstate commerce since the effective date of the Robinson-Patman Act, and only an occasional sale in interstate commerce was made prior to that time; hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Radio tubes.

Facts: A manufacturer was charged by a retailer with selling radio tubes to certain large retailers at distributors' prices with resultant injury to competition among retailers.

The investigation disclosed that the manufacturer sold radio tubes to all customers at the same price and included among its numerous customers were 10 retailers. There being no price discrimination the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Millinery.

Facts: It was charged that a hat-manufacturing concern was selling hats to one large customer for about 5 percent less than to other customers, and that it was selling to two subsidiary jobbers at prices which enabled these subsidiaries to undersell other jobbers.

The manufacturer contended that merchandise sold to the large customer was of lower grade than that sold to other customers in that it consisted of assortments containing slow-moving styles, small sizes, less-expensive trimmings, and dyes which are less expensive to apply. The evidence available supported this contention.

The subsidiary concerns and the manufacturing concern are merely different corporate names for the same family, and the subsidiaries obtain most of their hats from the manufacturing concern. They differ from jobbers in that they do not carry hats from a wide variety of sources and do not push the latest styles, regardless of who manufactured them. This manufacturer and other manufacturers in the trade sell direct to retailers, in competition with jobbers, both under the name of the manufacturing company and under other names. The introduction of an additional firm name into the process does not introduce an additional element of competition, nor does it conceal the existence of this competition.

For these reasons the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Cultures for inoculation of leguminous plants.

Facts: Price discrimination charged is due to sale of cultures by the manufacturer thereof at price range of 14 to 20 cents per bushel. The evidence discloses that most interstate sales were made at 15 cents, one wholesaler paid 14 cents, and a few sales to four other wholesalers were made at 16 cents. Sales to mail-order houses were made at 20 cents. In no case were different prices made to wholesalers doing business in the same community. No injury is traceable to the price discriminations. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Tobacco.

Facts: A charge was made that tobacco manufacturers had adopted a discount to large buyers discriminating against members of a cooperative buying group. Further inquiry developed the basis of the charge to be a refusal by certain manufacturers to sell directly to such members.

The Commission's somewhat recent general investigation of the tobacco industry, covering the sales policies of all major tobacco manufacturers, disclosed that each manufacturer selects his customers after taking into consideration the number of distributors he already has and the credit responsibility and general business methods of each would-be customer. No evidence of cooperation or collusion by the tobacco manufacturers in the selection of customers could be found, nor of such selection resulting in restraint of trade or a substantial effect on competition. In view of the foregoing, the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Prepared beverage.

Facts: A manufacturer was charged with discriminating in price in favor of a retail drug chain. The complainant was of such opinion because the chain was selling the product cheaper than the small retailer could purchase it. Upon investigation it was found that the manufacturer was not discriminating in price. The chain was using the product as a loss leader, retailing it over the counter at less than invoice cost. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Road equipment machinery (road graders).

Facts: Manufacturer was charged with unlawful price discrimination in that it sold its machinery to the Federal Government, and in one instance to a State highway commission at prices substantially lower than those charged other customers. On December 28, 1936, the Attorney General of the United States submitted an opinion to the Secretary of War, holding that the Clayton Act as amended by the Robinson-Patman Act is not applicable to purchases made by the Federal Government. With respect to the

one sale made to the State highway commission, the evidence does not show injury to competition within the meaning of the act. For the foregoing reasons the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Food products (canned peas and corn).
Facts: A wholesale grocer was charged with price discrimination between its retail-store customers in that a retail subsidiary was charged a lower price for certain brands of peas and corn than other retail customers; and with responsibility for the subsidiary's use of these brands as loss leaders. The evidence disclosed that the favored customer is located in a competitive area where the wholesaler has no other customer, and that the price differential probably reflects savings in cost. Furthermore, the principal competitors of said retailer, several of the large chain grocery companies, are buying the brands of food products here involved direct from the packer, at the packer's uniform carload price, which is 4 percent less than that paid by the said retail subsidiary. The wholesale grocer contends that these chains initiated the price reductions—a matter about which the evidence is not conclusive. For the foregoing reasons the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Bakers' yeast.
Facts: Complainant charged that a manufacturer was selling bakers' yeast in a metropolitan trading area at discriminatory prices. At the start the Commission's investigation disclosed that the manufacturer was negotiating for the sale of its business, which sale was soon thereafter consummated. Under the terms of said sale the manufacturer agreed not to again enter the yeast business for a period of 2 years; hence this file was closed. The practices of the successor corporation are under investigation by the Commission in another proceeding.

Section involved: 2 (c)—Payment of brokerage.
Commodity: Chinaware.
Facts: Complainant for many years purchased chinaware direct from an English manufacturer. During 1923 the manufacturer appointed an exclusive sales agent for the United States and thereafter paid said agent a brokerage on all sales made in the United States, including those to complainant. The evidence shows that the exclusive sales agent carries a large warehouse stock of the chinaware here involved and employs salesmen who travel throughout the United States selling said product to department stores and other retail accounts. The English manufacturer paid the brokerage complained of to the exclusive sales agent for actual services rendered and no buyer had any interest whatever in the exclusive sales agency, hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Crude oil.
Facts: The substance of the charge here is that several concerns are engaged in a conspiracy to monopolize the production and refining of crude oil in a limited area by means which include (1) making contracts for the purchase of crude oil in this area at prices above the posted field price, and subsequently raising the posted price substantially; and (2) selling crude oil from this area to certain users at prices below the posted field prices in order to create a demand which will reduce the supply available for independents. Applicant filed an identical complaint with the Department of Justice, which now has the matter under investigation. Hence the Commission's file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Dairy products (cream).
Facts: A creamery company engaged in the manufacture and sale of butter and ice cream is charged with paying 32 cents for cream at a named town when the regular market price therefor in the same general area was 26 to 30 cents, to the injury of other cream buyers, including the complainant. The buying complained of lasted only during the months of May and June 1936. The condition was purely local and temporary. Furthermore, price discriminations in buying prices are not denounced by the act. For the reasons stated, the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Food products (peas).
Facts: A retail chain grocery company notified the Commission that it was selling canned peas at less than cost to meet the competition of another retail chain grocery company on the same items. A preliminary inquiry determined that the second chain had made a large purchase on an advantageous market several months in advance of the purchases being sold below cost by the first chain and was selling at a close profit margin to reduce its stock. There was no evidence of discrimination or injury to competition, and the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Sugar.
Facts: This complaint was initiated by the Federal Trade Commission as a result of disclosures growing out of its investigation of the milk industry. The transactions upon which the Commission based its preliminary inquiry occurred during 1935. Evidence in the record shows that the preferences given during 1935 and up to June 1936 were eliminated from and after the effective date of the Robinson-Patman Act. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Tobacco products.
Facts: A small wholesaler doing an intrastate business (one interstate customer) in tobacco products sold popular brands of cigarettes at differing prices, the range of differences amounting to $0.013 per carton.
The record indicates the differentials were based upon differing costs in selling and handling, hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Cigars, cigarettes, tobacco products.
Facts: Charge of discrimination between customers and selling below cost on the part of a wholesaler. Evidence showed a small discrimination between customers based on differing sales methods; that there was no injury to competition; and that sales were confined to six city blocks from its store and entirely within one State. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Wooden ice-cream spoons, sticks, etc.
Facts: The maximum quantity discounts were given to chain national dairy products companies and to their subsidiaries, whether or not they bought in the quantities to which the maximum discounts were applicable in purchases by others.
After discount prices were as high as or higher than those of competing products. Effect of the discounts upon costs and profits of buyers in the sale of dairy products was very small.
In November 1936 all special discounts were abandoned, and quantity discounts made equally applicable to all.
For these reasons the file was closed.

Section involved: 2 (c)—Payment of brokerage.
Commodity: Fruit and vegetable brokerage business.
Facts: A seller's agent is compensated in the form of seller's brokerage fees. Over 90 percent of sales are made to a certain wholesaler. The agent was formerly a partner in the wholesale company, but sold out in 1934, and since that time has had no connection with said company.
The books, records, and numerous interviews failed to support charges that proposed company was in fact controlled by or in control of the wholesale company or was transmitting brokerage fees to said wholesale company, or was not a bona-fide brokerage house. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Automobile batteries.
Facts: Complaint by a small battery manufacturer that large and small manufacturers were discriminating in selling to chain stores and mail-order houses. A preliminary inquiry adduced no information which would indicate such discriminations, and the complainant, admitting the charge not to be well-founded, subsequently requested the Commission not to proceed further. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Golf equipment.
Facts: A manufacturer was charged with selling golf equipment at retail through a bogus independent retail store at less than the customary wholesale price for the purpose of coercing a retailer to stock his equipment. Investigation showed that the owners of the retail store had been employed as salesmen by the manufacturer, but that the manufacturer neither owned nor controlled the store nor granted it discriminatory prices. Moreover, the business of the manufacturer was taken over by a new company under new ownership in November 1936, subsequent to the alleged discrimination. Hence the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Tobacco products; groceries.
Facts: Party charged is a desk-wholesaler; i. e., he maintains no warehouse, but buys commodities from manufacturers, the latter shipping directly to the retailers. Goods are billed by the desk-wholesaler at wholesale cost. A market information service is also rendered. Customers are under contract with the desk-wholesaler by which they pay one-half of 1 percent on their gross sales of all commodities for his services. Complaint is made that thus the retailers secure goods at one-half of 1 percent above wholesaler's cost in violation of the act.
The file was closed because the manufacturers involved give this wholesaler no preference in price; he sells to all his customers at the same price, and consequently no discrimination in price occurred.

Section involved: 2 (a)—Price discrimination.
Commodity: Tile.
Facts: Company charged is one of a group of manufacturers alleged to have discriminated in prices on glazed tile as between tile contractors and tile wholesalers.
The file was closed because the investigation disclosed that the company had not discriminated in prices between different classes of purchasers.

Section involved: 2 (a)—Price discrimination.
Commodity: Tile.
Facts: Company charged is one of a group of manufacturers alleged to have discriminated in prices on glazed tile as between tile contractors and tile wholesalers.
The file was closed because the company had not manufactured tile for several years and had not discriminated in prices between different classes of purchasers.

Section involved: 2 (a)—Price discrimination.
Commodity: Tile.
Facts: Company charged is one of a group of manufacturers alleged to have discriminated in prices on glazed tile as between tile contractors and tile wholesalers.
The file was closed because the investigation disclosed that the company had not discriminated in prices between different classes of purchasers.

Section involved: 2 (a)—Price discrimination.
Commodity: Tile.
Facts: Company charged is one of a group of manufacturers alleged to have discriminated in prices on glazed tile as between tile contractors and tile wholesalers.
The file was closed because the investigation disclosed that the company had not discriminated in prices between different classes of purchasers.

Section involved: 2 (a)—Price discrimination.
Commodity: Gasoline.
Facts: The operator of a gasoline station complained that a number of oil companies sell ethyl and regular gasoline (but not third-grade gasoline) to 100-percent accounts (those handling one company's gasoline exclusively) at 4 cents per gallon under the published retail prices, and to those known as split accounts (handling more than one company's gasoline) at 3 cents under said listed price. The selling plan complained of is used by a number of oil companies as well as those named by complainant, and these companies are being investigated. The transactions of this particular proposed respondent, however, are in intrastate commerce exclusively. Hence the file has been closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Machines used for retreading automobile tires.
Facts: Concern charged sells its machines to two classes of buyers, automobile service-station operators and distributors who buy for resale. Eighty percent of its production is sold direct to the service-station operators at list price less 5 percent. The distributors are allowed uniform discounts which vary on different items of equipment from 10 to 30 percent, except as to two discarded models now practically off the market, on which discounts to different distributors range from 33⅓ to 35 percent. The basis of the application for complaint is the price differential between service-station operators (consumers) and the distributors who buy for resale. The distributors and the service-station operators are not competitors, and there is no evidence that, by virtue of the distributors' discounts service-station operators who buy from distributors obtain an advantage over those who do not. Hence the functional discount does not affect competition. In view of the foregoing, the file was closed.

Section involved: 2 (a)—Price discrimination.
Commodity: Automobile tires.
Facts: It was charged that tire manufacturers sold tires to the employees of so-called national accounts at the same prices as to these national accounts, and often at lower prices than those paid by independent dealers.
In making national account or fleet owner contracts, it is the practice to insert a proviso that the tires are to be used only on cars owned by the purchaser and manufacturers seek to obtain observance of such contracts. Sales, if any, to employees by employers were intrastate transactions. Hence the file was closed.

Section involved: 2 (d)—Payments for services.
Commodity: Roll tissue paper.
Facts: A manufacturer was allowing, for advertising and promotion of its product, to certain large grocery chains approximately 8 percent, to smaller chains much less, and to certain customers 1 percent or nothing. When challenged, the manufacturer promptly revised its contracts so that 4 percent was available to all, thus the largest customer instead of receiving $163,500 on the same annual volume of sales will now receive $81,195; hence the file was closed.

The Food, Drug, and Cosmestic Bill

EXTENSION OF REMARKS
OF
HON. CLARENCE F. LEA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. LEA. Mr. Speaker, for 4 years legislation has been pending in Congress to amend our food and drug laws. For various reasons, not necessary to discuss, the bills offered for this purpose have failed to be enacted into law.

Some months ago, a subcommittee of the House Interstate and Foreign Commerce Committee was appointed for the consideration and preparation of a bill to present to the House, with a view of enacting needed food and drug legislation. The subcommittee consisted of nine members, as follows: CLARENCE F. LEA, chairman; VIRGIL CHAPMAN, WILLIAM P. COLE, JR., SAMUEL B. PETTENGILL, EDWARD A. KENNEY, HERRON PEARSON, CARL E. MAPES, B. CARROLL REECE, CHARLES A. HALLECK.

The subcommittee took Senate 5, of which Senator COPELAND, of New York, is the author, and H. R. 300, of which Mr. CHAPMAN, of Kentucky, is the author, as a basis for its consideration. This subcommittee has made its unanimous report to the main committee and the text of the bill proposed is presented herewith as a revised substitute for the Copeland bill, which passed the Senate on March 8, 1937.

We believe the proposed legislation, if enacted, will provide effective control over the adulteration, misbranding, and interstate marketing of foods, drugs, devices, and cosmetics. We believe also that the business interests and consumers of the country will find this proposed legislation a decided improvement over the existing law.

This bill will come before the Interstate and Foreign Commerce Committee of the House in the early days of the next session of Congress. It is not expected to hold hearings on this bill, but every opportunity will be afforded for interested parties to present constructive criticism, with a view of improving the legislation before it is finally recommended to the House by our committee.

Text of proposed food, drug, and cosmetic bill (known as Committee Print No. 3, Aug. 19, 1937) as recommended by the subcommittee of the Committee on Interstate and Foreign Commerce of the House:

CHAPTER I—SHORT TITLE

SECTION 1. This act may be cited as the Federal Food, Drug, and Cosmetic Act.

CHAPTER II—DEFINITIONS

SECTION 201. For the purposes of this act—

(a) The term "Territory" means any Territory or possession of the United States, including the District of Columbia and excluding the Canal Zone.

(b) The term "interstate commerce" means (1) commerce between any State or Territory and any place outside thereof, and (2) commerce within the District of Columbia or within any other Territory not organized with a legislative body.

(c) The term "Department" means the Department of Agriculture of the United States.

(d) The term "Secretary" means the Secretary of Agriculture.

(e) The term "person" includes individual, partnership, corporation, and association.

(f) The term "food" means (1) articles used for food or drink for man or other animals, (2) chewing gum, and (3) articles used for components of any such article.

(g) The term "drug" means (1) articles recognized in the official United States Pharmacopœia, official Homœopathic Pharmacopœia of the United States, or official National Formulary, or any supplement to any of them; and (2) articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (3) articles (other than food) intended to affect the structure or any function of the body of man or other animals; and (4) articles intended for use as a component of any article specified in clause (1), (2), or (3); but does not include devices or their components, parts, or accessories.

(h) The term "device" (except when used in par. (n) of this section and in secs. 403 (f), 502 (c), and 602 (c)) means instruments, apparatus, and contrivances, including their parts and

accessories, intended (1) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or (2) to affect the structure or any function of the body of man or other animals.

(i) The term "cosmetic" means (1) articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance, and (2) articles intended for use as a component of any such articles; except that such term shall not include soap.

(j) The term "official compendium" means the official United States Pharmacopœia, official Homœopathic Pharmacopœia of the United States, official National Formulary, or any supplement to any of them.

(k) The term "label" means a display of written, printed, or graphic matter upon the immediate container of any article; and a requirement made by or under authority of this act that any word, statement, or other information appear on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of such article, or is easily legible through the outside container or wrapper.

(l) The term "immediate container" does not include package liners.

(m) The term "labeling" means, with respect to any article, all labels and other written, printed, or graphic matter (1) upon such article or any of its containers or wrappers, or (2) accompanying such article.

(n) If an article is alleged to be misbranded because the labeling is misleading, then in determining whether the labeling is misleading there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the article to which the labeling relates; but if, at the time of the commission of the prohibited act with respect to the article alleged to be misbranded, there exists a substantial difference of opinion, among experts qualified by scientific training and experience, as to the truth of a representation, the labeling shall not be considered misleading on account of such representation if it states clearly and prominently the fact of such difference of opinion. Nothing in this paragraph shall be construed as requiring the making of such statement as to difference of opinion; and failure to so state the fact of such difference of opinion shall not relieve the Government of the burden of establishing the misleading character of the representation.

(o) The representation of a drug, in its labeling, as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body.

Chapter III—Prohibited Acts and Penalties

Prohibited Acts

Section 301. The following acts and the causing thereof are hereby prohibited:

(a) The introduction or delivery for introduction into interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded.

(b) The adulteration or misbranding of any food, drug, device, or cosmetic in interstate commerce.

(c) The receipt in interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof in the original unbroken package for pay or otherwise.

(d) The introduction or delivery for introduction into interstate commerce of any food in violation of section 404.

(e) The refusal to permit access to or copying of any record as required by section 703.

(f) The refusal to permit entry or inspection as authorized by section 704.

(g) The manufacture within any Territory of any food, drug, device, or cosmetic that is adulterated or misbranded.

(h) The giving of a guaranty or undertaking referred to in section 303 (c) (2), which guaranty or undertaking is false, except by a person who relied upon a guaranty or undertaking to the same effect signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the food, drug, device, or cosmetic; or the giving of a guaranty or undertaking referred to in section 303 (c) (3), which guaranty or undertaking is false.

(i) Forging, counterfeiting, simulating, or falsely representing, or without proper authority using, any mark, stamp, tag, label, or other identification device authorized or required by regulations promulgated under the provisions of section 404 or under the provisions of section 406 (b), 504, or 604.

(j) The using by any person to his own advantage, or revealing, other than to the Secretary or officers or employees of the Department, or to the courts when relevant in any judicial proceeding under this act, any information acquired under authority of section 404 or 704 concerning any method or process which as a trade secret is entitled to protection.

(k) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to, a food, drug, device, or cosmetic, if such act is done while such article is held for sale after shipment in interstate commerce and results in such article being misbranded.

Injunction Proceedings

Sec. 302. (a) In order to avoid multiplicity of criminal prosecutions or libel for condemnation proceedings under this act, the district courts of the United States and the United States courts of the Territories shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 381), to restrain violations of section 301 (a) to (d), inclusive.

(b) In case of violation of an injunction or restraining order issued under this section, which also constitutes a violation of this act, trial shall be by the court, or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of section 22 of such act of October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 387).

Penalties

Sec. 303 (a) Any person who violates any of the provisions of section 301 (a) to (k), inclusive, shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than 1 year, or a fine of not more than $1,000, or both such imprisonment and fine; but if the violation is committed after a conviction of such person under this section has become final such person shall be subject to imprisonment for not more than 3 years, or a fine of not more than $10,000, or both such imprisonment and fine.

(b) Notwithstanding the provisions of subsection (a) of this section, in case of a violation of any of the provisions of section 301 (a) to (k), inclusive, with intent to defraud or mislead, the penalty shall be imprisonment for not more than 3 years, or a fine of not more than $10,000, or both such imprisonment and fine.

(c) No person shall be subject to the penalties of subsection (a) of this section, (1) for having received in interstate commerce any article and delivered it or proffered delivery of it as received, if such delivery or proffer was made in good faith, unless he refuses to furnish on request of an officer or employee duly designated by the Secretary the name and address of the person from whom he purchased or received such article and copies of all documents, if any there be, pertaining to the delivery of the article to him; or (2) for having violated section 301 (a) or (d), if he establishes a guaranty or undertaking signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the article, to the effect, in case of an alleged violation of section 301 (a), that such article is not adulterated or misbranded, within the meaning of this Act, designating this Act, or to the effect, in case of an alleged violation of section 301 (d), that such article is not an article which may not, under the provisions of section 404, be introduced into interstate commerce; or (3) for having violated section 301 (a), where the violation exists because the article is adulterated by reason of containing a coal-tar color not from a batch certified in accordance with regulations promulgated by the Secretary under this Act, if such person establishes a guaranty or undertaking signed by, and containing the name and address of, the manufacturer of the coal-tar color, to the effect that such color was from a batch certified in accordance with the applicable regulations promulgated by the Secretary under this Act.

Seizure

Sec. 304. (a) Any article of food, drug, device, or cosmetic that is adulterated or misbranded when introduced into or while in interstate commerce, or which may not, under the provisions of section 404, be introduced into interstate commerce, shall be liable to be proceeded against while in interstate commerce, or at any time thereafter, on libel of information and condemned in any district court of the United States within the jurisdiction of which the article is found: *Provided, however*, That no libel for condemnation shall be instituted under this Act, for any alleged misbranding if there is pending in any court a libel for condemnation proceeding under this Act based upon the same alleged misbranding, and not more than one such proceeding shall be instituted if no such proceeding is so pending, except that such limitations shall not apply (1) when such misbranding has been the basis of a prior judgment in favor of the United States, in a criminal, injunction, or libel for condemnation proceeding under this Act, or (2) when the Secretary has probable cause to believe that the misbranded article is dangerous to health or that the labeling of the misbranded article is, in a material respect, false, misleading, or fraudulent; and in any case where the number of libel for condemnation proceedings is limited as above provided the proceeding pending or instituted shall, on application of the claimant, seasonably made, be removed for trial to any district in a State contiguous to the State of the claimant's principal place of business, such district to be agreed upon by stipulation between the parties, or, in case of failure to so stipulate within a reasonable time, to be designated by the court to which the application was made.

(b) The article shall be liable to seizure by process pursuant to the libel, and the procedure in cases under this section shall conform, as nearly as may be, to the procedure in admiralty; except that on demand of either party any issue of fact joined in any such case shall be tried by jury. When libel for condemnation proceedings under this section, involving the same

claimant and the same issues of adulteration or misbranding, are pending in two or more jurisdictions, such pending proceedings, upon application of the claimant seasonably made to the court of one such jurisdiction, may be consolidated for trial by order of such court and tried in (1) any district selected by the claimant, where one of such proceedings is pending; or (2) a district in a State contiguous to the State of the claimant's principal place of business, such district to be agreed upon by stipulation between the parties, or, in case of failure to so stipulate within a reasonable time, to be designated by the court to which such application was made. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of the cases covered thereby.

(c) The court at any time after seizure up to a reasonable time before trial shall by order allow any party to a condemnation proceeding, his attorney or agent, to obtain a representative sample of the article seized, and as regards fresh fruits or fresh vegetables, a true copy of the analysis on which the proceeding is based and the identifying marks or numbers, if any, of the packages from which the samples analyzed were obtained.

(d) Any food, drug, device, or cosmetic condemned under this section shall, after entry of the decree, be disposed of by destruction or sale as the court may, in accordance with the provisions of this section, direct; and the proceeds thereof, if sold less the legal costs and charges, shall be paid into the Treasury of the United States; but such article shall not be sold under such decree contrary to the provisions of this act or the laws of the jurisdiction in which sold: *Provided*, That after entry of the decree and upon the payment of the costs of such proceedings and the execution of a good and sufficient bond conditioned that such article shall not be sold or disposed of contrary to the provisions of this act or the laws of any State or Territory in which sold, the court may by order direct that such article be delivered to the owner thereof to be destroyed or brought into compliance with the provisions of this act under the supervision of an officer or employee duly designated by the Secretary, and the expenses of such supervision shall be paid by the party obtaining release of the article under bond. Any article condemned by reason of its being an article which may not, under section 404, be introduced into interstate commerce, shall be disposed of by destruction.

(e) When a decree of condemnation is entered against the article, court costs and fees, and storage and other proper expenses, shall be awarded against the person, if any, intervening as claimant of the article.

(f) In the case of removal for trial of any case as provided by subsection (a) or (b)—

(1) The clerk of the court from which removal is made shall promptly transmit to the court in which the case is to be tried all records in the case necessary in order that such court may exercise jurisdiction.

(2) The court to which such case was removed shall have the powers and be subject to the duties, for purposes of such case, which the court from which removal was made would have had, or to which such court would have been subject, if such case had not been removed.

HEARING BEFORE REPORT OF CRIMINAL VIOLATION

SEC. 305. Before any violation of this act is reported to any United States attorney for institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given appropriate notice and an opportunity to present his views, either orally or in writing, with regard to such contemplated proceeding.

REPORT OF MINOR VIOLATIONS

SEC. 306. Nothing in this act shall be construed as requiring the Secretary to report for prosecution, or for the institution of libel or injunction proceedings, minor violations of this act whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

PROCEEDINGS IN NAME OF UNITED STATES; PROVISION AS TO SUBPENAS

SEC. 307. All such proceedings for the enforcement, or to restrain violations, of this act shall be by and in the name of the United States. Notwithstanding the provisions of section 876 of the Revised Statutes, subpenas for witnesses who are required to attend a court of the United States, in any district, may run into any other district in any such proceeding.

CHAPTER IV—FOOD

DEFINITIONS AND STANDARDS FOR FOOD

SECTION 401. Whenever in the judgment of the Secretary such action will promote honesty and fair dealing in the interest of consumers, he shall promulgate regulations fixing and establishing for any food or class of food a reasonable definition and standard of identity, a reasonable standard of quality, and/or reasonable standards of fill of container: *Provided*, That no standard of quality shall be established for fresh fruits or fresh vegetables and no definition and standard of identity shall be established for fresh apples, fresh pears, or dried fruits. In prescribing any standard of fill of container, the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material. In the prescribing of any standard of quality for any canned fruit or canned vegetable, consideration shall be given and due allowance made for the differing characteristics of the several varieties of such fruit or vegetable. In prescribing a definition and standard of identity for any food or class of food in which optional ingredients are permitted, the Secretary shall, for the purpose of promoting honesty and fair dealing in the interest of consumers, designate the optional ingredients which shall be named on the label. Any definition and standard of identity prescribed by the Secretary for citrus fruit shall relate only to maturity and to the effects of freezing.

ADULTERATED FOOD

SEC. 402. A food shall be deemed to be adulterated—

(a) (1) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such food shall not be considered adulterated under this clause if the quantity of such substance in such food does not ordinarily render it injurious to health; or (2) if it bears or contains any added poisonous or added deleterious substance which may render it injurious to health, or which is unsafe within the meaning of section 406; or (3) if it consists in whole or in part of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for food; or (4) if it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health; or (5) if it is, in whole or in part, the product of a diseased animal or of an animal which has died otherwise than by slaughter; or (6) if its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(b) (1) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or (2) if any substance has been substituted wholly or in part therefor; or (3) if damage or inferiority has been concealed in any manner; or (4) if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

(c) If it bears or contains a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 406: *Provided*, That this paragraph shall not apply to citrus fruit bearing or containing a coal-tar color if application for listing of such color has been made under this act and such application has not been acted on by the Secretary, if such color was commonly used prior to the enactment of this act for the purpose of coloring citrus fruit.

(d) If it is confectionery or ice cream, and it bears or contains any alcohol, resinous glaze, or nonnutritive article or substance except harmless coloring, harmless flavoring, natural gum, and pectin: *Provided*, That this paragraph shall not apply to any confectionery or ice cream by reason of its containing less than one-half of 1 percent by volume of alcohol derived solely from the use of flavoring extracts, or to any chewing gum by reason of its containing harmless nonnutritive masticatory substances.

MISBRANDED FOOD

SEC. 403. A food shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If it is offered for sale under the name of another food.

(c) If it is an imitation of another food, unless its label bears, in type of uniform size and prominence, the word "imitation" and, immediately thereafter, the name of the food imitated.

(d) If its container is so made, formed, or filled as to be misleading.

(e) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(f) If any word, statement, or other information required by or under authority of this act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(g) If it purports to be or is represented as a food for which a definition and standard of identity has been prescribed by regulations as provided by section 401, (1) unless it conforms to such definition and standard, and (2) its label bears the name of the food specified in the definition and standard, and, insofar as may be required by such regulations, the common names of optional ingredients (other than spices, flavoring, and coloring) present in such food.

(h) If it purports to be or is represented as—

(1) A food for which a standard of quality has been prescribed by regulations as provided by section 401, and its quality falls below such standard, unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard; or

(2) a food for which a standard or standards of fill of container have been prescribed by regulations as provided by section 401, and it falls below the standard of fill of container applicable thereto, unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard.

(i) If it is not subject to the provisions of paragraph (g) of this section unless its label bears (1) the common or usual name of the food, if any there be, and (2) in case it is fabricated from two or more ingredients, the common or usual name of each such ingredient; except that spices, flavorings, and colorings, other than those sold as such, may be designated as spices, flavorings, and colorings without naming each: *Provided*, That, to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, or results in deception or unfair competition, exemptions shall be established by regulations promulgated by the Secretary. Such clause (2) shall not apply to any proprietary food the ingredients of which have been fully and correctly disclosed to the Secretary, if compliance with such clause would give to competitors information they could not otherwise obtain.

(j) If it purports to be or is represented for special dietary uses, unless its label bears such information concerning its vitamin, mineral, and other dietary properties as the Secretary determines to be, and by regulations prescribes as, necessary in order fully to inform purchasers as to its value for such uses.

(k) If it bears or contains any artificial flavoring, artificial coloring, or chemical preservative, unless it bears labeling stating that fact: *Provided*, That to the extent that compliance with the requirements of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary. The provisions of this paragraph with respect to artificial coloring shall not apply in the case of butter, cheese, or ice cream.

(l) If it is a distilled liquor, or if it is a beverage containing any distilled liquor, unless its label states (1) the percentage by volume of alcohol therein; (2) in case it contains two or more alcoholic beverages, the percentage by volume of each distilled liquor present and whether the original source or sources from which each is derived is grain, sugarcane, or other raw material; (3) in case of any kind of whisky stored in wood, or any mixture of whiskies of which one or more has been stored in wood, the length of time, if any, each such whisky has been so stored, and the percentage by volume of each such whisky in such mixture; and (4) in the case of any mixture of any kind of whisky or whiskies with neutral spirits, the length of time, if any, each such whisky has been stored in wood, the percentage by volume of each such whisky, and the percentage by volume of neutral spirits: *Provided*, That the provisions of this paragraph shall not apply insofar as they impose any requirement imposed by or under authority of the Federal Alcohol Administration Act.

(m) If it purports to be whisky, or if it is represented as "whisky" or "whiskey" (with or without qualifying words) and it contains alcohol derived from any source other than grain.

EMERGENCY PERMIT CONTROL

SEC. 404. (a) Whenever the Secretary finds after investigation that the distribution in interstate commerce of any class of food may, by reason of contamination with micro-organisms during the manufacture, processing, or packing thereof in any locality, be injurious to health, and that such injurious nature cannot be adequately determined after such articles have entered interstate commerce, he then, and in such case only, shall promulgate regulations providing for the issuance, to manufacturers, processors, or packers of such class of food in such locality, of permits to which shall be attached such conditions governing the manufacture, processing, or packing of such class of food, for such temporary period of time, as may be necessary to protect the public health; and after the effective date of such regulations, and during such temporary period, no person shall introduce or deliver for introduction into interstate commerce any such food, manufactured, processed, or packed by any such manufacturer, processor, or packer unless such manufacturer, processor, or packer holds a permit issued by the Secretary as provided by such regulations.

(b) The Secretary is authorized to suspend immediately upon notice any permit issued under authority of this section if it is found that any of the conditions of the permit have been violated. The holder of a permit so suspended shall be privileged at any time to apply for the reinstatement of such permit, and the Secretary shall immediately after prompt hearing and an inspection of the establishment, reinstate such permit if it is found that adequate measures have been taken to comply with and maintain the conditions of the permit, as originally issued or as amended.

(c) Any officer or employee duly designated by the Secretary shall have access to any factory or establishment, the operator of which holds a permit from the Secretary, for the purpose of ascertaining whether or not the conditions of the permit are being complied with, and denial of access for such inspection shall be ground for suspension of the permit until such access is freely given by the operator.

REGULATIONS MAKING EXEMPTIONS

SEC. 405. The Secretary shall promulgate regulations exempting from any labeling requirement of this act (1) small open containers of fresh fruits and fresh vegetables and (2) food which is, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such food is not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

TOLERANCES FOR POISONOUS INGREDIENTS IN FOOD AND CERTIFICATION OF COAL-TAR COLORS FOR FOOD

SEC. 406. (a) Any poisonous or deleterious substance added to any food, except where such substance is required in the production thereof or cannot be avoided by good manufacturing practice shall be deemed to be unsafe for purposes of the application of clause (2) of section 402 (a); but when such substance is so required or cannot be so avoided, the Secretary shall promulgate regulations limiting the quantity therein or thereon to such extent as he finds necessary for the protection of public health, and any quantity exceeding the limits so fixed shall also be deemed to be unsafe for purposes of the application of clause (2) of section 402 (a). While such a regulation is in effect limiting the quantity of any such substance in the case of any food, such food shall not, by reason of bearing or containing any added amount of such substance, be considered to be adulterated within the meaning of clause (1) of section 402 (a). In determining the quantity of such added substance to be tolerated in or on different articles of food the Secretary shall take into account the extent to which the use of such substance is required or cannot be avoided in the production of each such article, and the other ways in which the consumer may be affected by the same or other poisonous or deleterious substances.

(b) The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in food and for the certification of batches of such colors, with or without harmless diluents.

CHAPTER V—DRUGS AND DEVICES

ADULTERATED DRUGS AND DEVICES

SECTION 501. A drug or device shall be deemed to be adulterated—

(a) (1) If it consists in whole or in part of any filthy, putrid, or decomposed substance; or (2) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (3) if it is a drug and its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health; or (4) if it is a drug and it bears or contains, for purposes of coloring only, a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 504.

(b) If it purports to be or is represented as a drug the name of which is recognized in an official compendium, and its strength differs from, or its quality or purity falls below, the standard set forth in such compendium. Such determination as to strength, quality, or purity shall be made in accordance with the tests or methods of assay set forth in such compendium, except that whenever tests or methods of assay have not been prescribed in such compendium, or such tests or methods of assay as are prescribed are, in the judgment of the Secretary, insufficient for the making of such determination, the Secretary shall bring such fact to the attention of the appropriate body charged with the revision of such compendium, and if such body fails within a reasonable time to prescribe tests or methods of assay which, in the judgment of the Secretary, are sufficient for purposes of this paragraph, then the Secretary shall promulgate regulations prescribing appropriate tests or methods of assay in accordance with which such determination as to strength, quality, or purity shall be made. No drug defined in an official compendium shall be deemed to be adulterated under this paragraph because it differs from the standard of strength therefor set forth in such compendium, if its difference in strength from such standard is plainly stated on its label. Whenever a drug is recognized in both the United States Pharmacopœia and the Homœopathic Pharmacopœia of the United States it shall be subject to the requirements of the United States Pharmacopœia unless it is labeled and offered for sale as a homœopathic drug, in which case it shall be subject to the provisions of the Homœopathic Pharmacopœia of the United States and not to those of the United States Pharmacopœia.

(c) If it is not subject to the provisions of paragraph (b) of this section and its identity or strength differs from, or its purity or quality falls below, that which it purports or is represented to possess.

(d) If it is a drug and any substance has been (1) mixed or packed therewith so as to reduce its quality or strength or (2) substituted wholly or in part therefor.

(e) If it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

MISBRANDED DRUGS AND DEVICES

SEC. 502. A drug or device shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(d) If it is for use by man and contains any quantity of alpha eucaine, barbituric acid, beta-eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, sulphon-methane, or any substance chemically derived therefrom, which derivative has been by the Secretary, after investigation, found to be and by

regulations designated as, habit forming, and its label fails to bear the name and quantity or proportion of such substance or derivative and in juxtaposition therewith the statement "Warning—May be habit forming."

(e) If it is a drug and is not designated solely by a name recognized in an official compendium and its label fails to bear (1) the common or usual name of the drug, if such there be; or (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient, including the quantity, kind, and proportion of any alcohol: *Provided*, That to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary. Such clause (2) shall not (except the requirements as to alcohol) apply to any drug the ingredients of which are fully and correctly disclosed to the Secretary.

(f) Unless its labeling bears (1) adequate directions for use; and (2) such warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in such manner and form, as the Secretary finds necessary for the protection of users and by regulations prescribes: *Provided*, That where any requirement of clause (1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Secretary shall promulgate regulations exempting such drug or device from such requirement.

(g) If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed therein. Whenever a drug is recognized in both the United States Pharmacopœia and the Homœopathic Pharmacopœia of the United States, it shall be subject to the requirements of the United States Pharmacopœia with respect to packaging and labeling unless it is labeled and offered for sale as a homœopathic drug, in which case it shall be subject to the provisions of the Homœopathic Pharmacopœia of the United States, and not to those of the United States Pharmacopœia.

(h) If it has been found by the Secretary to be a drug liable to deterioration, unless it is packaged in such form and manner, and its label bears a statement of such precautions, as the Secretary shall by regulations require as necessary for the protection of the public health. No such regulation shall be established for any drug recognized in an official compendium until the Secretary shall have informed the appropriate body charged with the revision of such compendium of the need for such packaging or labeling requirements and such body shall have failed within a reasonable time to prescribe such requirements.

(j) (1) If it is a drug and its container is so made, formed, or filled as to be misleading; or (2) if it is an imitation of another drug; or (3) if it is offered for sale under the name of another drug.

EXEMPTIONS IN CASE OF DRUGS AND DEVICES

SEC. 503. (a) The Secretary is hereby directed to promulgate regulations exempting from any labeling or packaging requirement of this act drugs and devices which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such drugs and devices are not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

(b) A drug dispensed on a written prescription signed by a physician, dentist, or veterinarian (except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail), shall if—

(1) such physician, dentist, or veterinarian is licensed by law to administer such drug, and

(2) such drug bears a label containing the name and place of business of the dispenser, the serial number and date of such prescription, and the name of such physician, dentist, or veterinarian,

be exempt from the requirements of section 502 (b) and (e), and (in case such prescription is marked by the writer thereof as not refillable or its refilling is prohibited by law) of section 502 (d).

CERTIFICATION OF COAL-TAR COLORS FOR DRUGS

SEC. 504. The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in drugs for purposes of coloring only and for the certification of batches of such colors, with or without harmless diluents.

CHAPTER VI—COSMETICS

ADULTERATED COSMETICS

SECTION 601. A cosmetic shall be deemed to be adulterated—

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to users under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual: *Provided*, That this provision shall not apply to coal-tar hair dye, the label of which bears the following legend conspicuously displayed thereon: "Caution—This product contains ingredients which may cause skin irritation on certain individuals and a preliminary test according to accompanying directions should first be made. This product must not be used for dyeing the eyelashes or eyebrows; to do so may cause blindness." For the purposes of this paragraph and paragraph (e) the term "hair dye" shall not include eyelash dyes or eyebrow dyes.

(b) If it consists in whole or in part of any filthy, putrid, or decomposed substance.

(c) If it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

(d) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(e) If it is not a hair dye and it bears or contains a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 604.

MISBRANDED COSMETICS

SEC. 602. A cosmetic shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required by or under authority of this act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(d) If its container is so made, formed, or filled as to be misleading.

REGULATIONS MAKING EXEMPTIONS

SEC. 603. The Secretary shall promulgate regulations exempting from any labeling requirement of this act cosmetics which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such cosmetics are not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

CERTIFICATION OF COAL-TAR COLORS FOR COSMETICS

SEC. 604. The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in cosmetics and for the certification of batches of such colors, with or without harmless diluents.

CHAPTER VII—GENERAL ADMINISTRATIVE PROVISIONS

REGULATIONS AND HEARINGS

SECTION 701. (a) The authority to promulgate regulations for the efficient enforcement of this act, except as otherwise provided in this section, is hereby vested in the Secretary.

(b) The Secretary of the Treasury and the Secretary of Agriculture shall jointly prescribe regulations for the efficient enforcement of the provisions of section 801, except as otherwise provided therein. Such regulations shall be promulgated in such manner and take effect at such time, after due notice, as the Secretary of Agriculture shall determine.

(c) Hearings authorized or required by this act shall be conducted by the Secretary or such officer or employee as he may designate for the purpose.

(d) The definitions and standards of identity promulgated in accordance with the provisions of this act shall be effective for the purposes of the enforcement of this act, notwithstanding such definitions and standards as may be contained in other laws of the United States and regulations promulgated thereunder.

(e) Before promulgating any regulation contemplated by section 401; 403 (j); 404 (a); 406 (a) or (b); 501 (b); 502 (d), (f), exclusive of the proviso contained therein, or (h); 504; or 604, the Secretary shall give appropriate notice of the proposal and of the time and place for a public hearing to be held thereon not less than 30 days after the date of such notice. The regulation so promulgated shall become effective on a date fixed by the Secretary, which date shall not be prior to 90 days after its promulgation. Such regulation may be amended or repealed in the same manner as is provided for its adoption; except that (1) in the case of a regulation amending or repealing any such regulation the Secretary, to such extent as he deems necessary in order to prevent undue hardship, may disregard the foregoing provisions regarding notice, hearing, or the time of taking effect of regulations, and (2) public hearing on regulations under section 404 (a) may be held within a reasonable time after notice thereof, and the Secretary may fix the effective date of such regulations at any reasonable time after promulgation thereof. An interested industry may request the Secretary to promulgate under this subsection a new regulation or to amend or repeal any regulation so promulgated, in which event the Secretary shall, if in his judgment sufficient reason appears for so doing, take such action.

(f) Whenever the Secretary, acting under the provisions of subsection (e), promulgates, amends, or repeals any regulation or decides not to promulgate, amend, or repeal a regulation, he shall publish a complete statement of the facts upon which he relied in support of his action or decision not to act. A true copy of such statement shall be admissible in any proceeding arising under this act.

EXAMINATIONS AND INVESTIGATIONS

SEC. 702. (a) The Secretary is authorized to conduct examinations and investigations for the purposes of this act through

officers and employees of the Department or through any health, food, or drug officer or employee of any State, Territory, or political subdivision thereof, duly commissioned by the Secretary as an officer of the Department. In the case of food packed in a Territory the Secretary shall attempt to make inspection of such food at the first point of entry within the United States when, in his opinion and with due regard to the enforcement of all the provisions of this act, the facilities at his disposal will permit of such inspection. For the purposes of this subsection the term "United States" means the States and the District of Columbia.

(b) Where a sample of a food, drug, or cosmetic is collected for analysis under this act the Secretary shall, upon request, provide a part of such official sample for examination or analysis by any person named on the label of the article, or the owner thereof, or his attorney or agent; except that the Secretary is authorized, by regulations, to make such reasonable exceptions from, and impose such reasonable terms and conditions relating to, the operation of this subsection as he finds necessary for the proper administration of the provisions of this act.

(c) For purposes of enforcement of this act, records of any department or independent establishment in the executive branch of the Government shall be open to inspection by any official of the Department of Agriculture duly authorized by the Secretary to make such inspection.

RECORDS OF INTERSTATE SHIPMENT

SEC. 703. For the purpose of enforcing the provisions of this act, carriers engaged in interstate commerce, and persons receiving food, drugs, devices, or cosmetics in interstate commerce or holding such articles so received, shall, upon the request of an officer or employee duly designated by the Secretary, permit such officer or employee, at reasonable times, to have access to and to copy all records showing the movement in interstate commerce of any food, drug, device, or cosmetic, or the holding thereof during or after such movement, and the quantity, shipper, and consignee thereof; and it shall be unlawful for any such carrier or person to fail to permit such access to and copying of any such record so requested when such request is accompanied by a statement in writing specifying the nature or kind of food, drug, device, or cosmetic to which such request relates: *Provided*, That evidence obtained under this section shall not be used in a criminal prosecution of the person from whom obtained: *Provided further*, That carriers shall not be subject to the other provisions of this act by reason of their receipt, carriage, holding, or delivery of food, drugs, devices, or cosmetics in the usual course of business as carriers.

FACTORY INSPECTION

SEC. 704. For purposes of enforcement of this act, officers or employees duly designated by the Secretary, after first making request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or are held after such introduction, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein.

PUBLICITY

SEC. 705. (a) The Secretary shall cause to be published from time to time reports summarizing all judgments, decrees, and court orders which have been rendered under this act, including the nature of the charge and the disposition thereof.

(b) The Secretary may also cause to be disseminated information regarding food, drugs, devices, or cosmetics in situations involving, in the opinion of the Secretary, imminent danger to health or gross deception of the consumer. Nothing in this section shall be construed to prohibit the Secretary from collecting, reporting, and illustrating the results of the investigations of the Department.

COST OF CERTIFICATION OF COAL-TAR COLORS

SEC. 706. The admitting to listing and certification of coal-tar colors, in accordance with regulations prescribed under this act, shall be performed only upon payment of such fees, which shall be specified in such regulations, as may be necessary to provide, maintain, and equip an adequate service for such purposes.

CHAPTER VIII—IMPORTS AND EXPORTS

SECTION 801. (a) The Secretary of the Treasury shall deliver to the Secretary of Agriculture, upon his request, samples of food, drugs, devices, and cosmetics which are being imported or offered for import into the United States, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture and have the right to introduce testimony. If it appears from the examination of such samples or otherwise that (1) such article has been manufactured, processed, or packed under insanitary conditions, or (2) such article is forbidden or restricted in sale in the country in which it was produced or from which it was exported, or (3) such article is adulterated or misbranded, then such article shall be refused admission. This paragraph shall not be construed to prohibit the admission of narcotic drugs the importation of which is permitted under section 2 of the act of May 26, 1922, as amended (U. S. C., 1934 edition, title 21, sec. 173).

(b) The Secretary of the Treasury shall refuse delivery to the consignee and shall cause the destruction of any such article refused admission, unless such article is exported by the consignee within 3 months from the date of notice of such refusal, under such regulations as the Secretary of the Treasury may prescribe: *Provided*, That the Secretary of the Treasury may deliver to the consignee any such article pending examination and decision in the matter on execution of a bond as liquidated damages for the amount of the full invoice value thereof together with the duty thereon and on refusing for any cause to return such article or any part thereof to the custody of the Secretary of the Treasury when demanded for the purpose of excluding it from the country or for any other purpose, such consignee shall forfeit the full amount of the bond as liquidated damages.

(c) All charges for storage, cartage, and labor on any article which is refused admission or delivery shall be paid by the owner or consignee and in default of such payment shall constitute a lien against any future importations made by such owner or consignee.

(d) A food, drug, device, or cosmetic intended for export shall not be deemed to be adulterated or misbranded under this act if it (1) accords to the specifications of the foreign purchaser, (2) is not in conflict with the laws of the country to which it is intended for export, and (3) is labeled on the outside of the shipping package to show that it is intended for export. But if such article is sold or offered for sale in domestic commerce, this subsection shall not exempt it from any of the provisions of this act.

CHAPTER IX—MISCELLANEOUS

SEPARABILITY CLAUSE

SECTION 901. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

CHAPTER X—EFFECTIVE DATE AND REPEALS

SECTION 1001. (a) This act shall take effect 12 months after the date of its enactment. The Federal Food and Drugs Act of June 30, 1906, as amended (U. S. C., 1934 edition, title 21, secs. 1–15), shall remain in force until such effective date, and, except as otherwise provided in this subsection, is hereby repealed effective upon such date: *Provided*, That the provisions of section 701 shall become effective on the enactment of this act, and thereafter the Secretary is authorized hereby to (1) conduct hearings and to promulgate regulations which shall become effective on or after the effective date of this act as the Secretary shall direct, and (2) designate prior to the effective date of this act food having common or usual names and exempt such food from the requirements of clause (2) of section 403 (i) for a reasonable time to permit the formulation, promulgation, and effective application of definitions and standards of identity therefor as provided by section 401: *Provided further*, That the act of March 4, 1923 (U. S. C., 1934 edition, title 21, sec. 6; 42 Stat. 1500, ch. 268), defining butter and providing a standard therefor, and the provisions of the act of July 24, 1919 (U. S. C., 1934 edition, title 21, sec. 10; 41 Stat. 271, ch. 26), defining wrapped meats as in package form, shall remain in force and effect and be applicable to the provisions of this act: *And provided further*, That the amendment to the Food and Drugs Act, section 10A, approved August 27, 1935 (U. S. C., 1934 edition, Sup. II, title 21, sec. 14a), shall remain in force and effect and be applicable to the provisions of this act.

(b) The provisions of this act shall not be held to modify or repeal any of the existing laws of the United States except as provided by subsection (a) of this section.

(c) Meats and meat food products shall be exempt from the provisions of this act to the extent of the application or the extension thereto of the Meat Inspection Act, approved March 4, 1907, as amended (U. S. C., 1934 edition, title 21, secs. 71–91; 34 Stat. 1260 et seq.).

Veterans Who Know the Meaning of War Are for Ludlow War Referendum

---

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. LUDLOW. Mr. Speaker, it is a significant fact that the first line of supporters of my proposed constitutional amendment which is intended to prevent our boys from being sent into foreign wars until the people have a chance to vote on the proposal in a national referendum is made up of veterans who have fought in foreign wars.

They know what it is to be torn away from home and hurled into the hell of a foreign conflict.

They can see no justice in forcing American boys to be sent thousands of miles from home to fight men whose language

they do not speak and to give up their lives in the settlement of quarrels of alien origin.

At least they want to know that before this can be done the people of America can have the right to express themselves in a fairly conducted national referendum, the women having equal voting rights with men. And why should not women have a right to vote on such a vital proposition? They go down into the shadow of the valley of death to bring our boys into the world. Why should not they have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict, perhaps to be blown to bits by bombs rained from the skies, maybe to be strangled by poison gas, possibly to die agonizing deaths from disease germs hellishly spawned in foreign laboratories?

It is a significant fact that nearly all of the veterans in the House of Representatives who saw foreign war service have signed the discharge petition to bring my war referendum resolution before the House for debate and a vote. They know the meaning of the word "war." It is significant, also, that the American War Mothers unanimously approved my resolution. They furnished the "cannon fodder" in the last war. In their statement they say with great pathos that they do not want the women of the future ever to have to undergo the agony that has been their lot.

CHICAGO AMERICAN LEGION POST APPROVES

There is a world of meaning in the further fact that veterans' organizations are swinging into line for House Joint Resolution 199, the war-referendum resolution I have introduced. Union Labor Post, No. 745, of the American Legion, meeting at Chicago August 13, adopted and promulgated the following views:

Resolved, That this post herewith endorses House Joint Resolution 199, known as the Ludlow war referendum, proposing an amendment to the Constitution of the United States to provide for a referendum on war, except in the event of an invasion of the United States or its Territories and an attack upon its citizens; and herewith petition the Illinois convention of the American Legion to give its support to House Joint Resolution 199; and be it further

Resolved, That this post petition the Illinois convention of the American Legion to submit this resolution to the national convention of the American Legion meeting in New York City in 1937 in the hope that that convention will concur in our action.

OREGON VETERANS SWING INTO LINE

The Second Oregon Reunion Association, at its annual reunion in Laurelhurst Park, Portland, on August 15, adopted stirring resolutions urging the enactment of my war referendum peace amendment. This association is composed of veterans of the Spanish-American War and the Philippine Insurrection.

Col. Percy Willis, president, and Judge Richard Deich, secretary, of the association, have written to me to advise me of the action taken by these veterans.

"I might say", writes Colonel Willis, "that our veteran organization, together with numerous other Spanish War veterans and their families and friends, totaling over 1,000 people, unanimously endorsed these resolutions, and we wish you the sincerest success in the passage of your bill."

The resolutions adopted at the Portland meeting of veterans follow:

Whereas war is the most important of any undertaking in which a nation can become engaged, since the prosperity and even the lives of its citizens are in great peril in time of war, and the very existence of the state is in danger and liable to change as a result of war; and

Whereas the American people love their country and its free institutions founded upon the Constitution of the United States, and will defend it with the last drop of their blood from invasion by a foreign foe, yet they bitterly oppose the conscription of their sons for war service on foreign soil; and

Whereas our people, who furnish the soldiers who suffer and die in war and who pay the taxes to defray the costs of war, are justly entitled to have something to say as to whether or not war should be declared; and

Whereas it is unfair to leave the momentous question of peace or war to the decision of the Members of Congress, as is now provided in the Constitution of the United States, but this great question should be decided by a referendum vote of all the people of the United States. Members of Congress are subjected to great pressure and even intimidation by propaganda for war and should not be permitted to decide such a momentous question; and

Whereas the American people are thoroughly disgusted with the action of their allies of the World War who refuse to pay their just debts to the United States, thus displaying unparalleled ingratitude to a great people who denied themselves in order to raise huge sums of money to lend to these allies to save them from destruction in a great world conflict; and

Whereas an amendment to the Constitution of the United States has been proposed by Hon. LOUIS LUDLOW, of Indiana, which provides that "except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum"; and

Whereas we believe that this amendment will effect the needed change in the Constitution of the United States and result in giving to the people, where it belongs, the final decision for peace or war: Therefore be it

Resolved by the Veterans of the Second Oregon Volunteer Infantry Reunion Association of the Spanish-American War and Philippine Insurrection, at their annual reunion in Laurelhurst Park, Portland, Oreg., August 15, 1937, That we heartily approve and endorse this proposed amendment and request its adoption at the earliest practicable date.

Resolved further, That we request all the Senators and Representatives in Congress from Oregon to work for the passage of this amendment and to vote for it; that we request the press of the State of Oregon to use their powerful influence with the people of Oregon, so that they will demand the enactment of the amendment.

Resolved further, That copies of these resolutions be sent to the President of the United States, the Vice President, to each of the Senators and Representatives in Congress from Oregon, and to the leading newspapers of Oregon with request for publication.

Peace and Neutrality

EXTENSION OF REMARKS
OF
HON. JOHN F. DOCKWEILER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. DOCKWEILER. Mr. Speaker, it is my firm belief that the most important duty of a present-day Congressman is to bend his best efforts toward securing for the people of this great country continued peace and tranquillity. While we should all be concerned with the subject of the maintenance of peace among our fellow human beings in other nations and among other peoples, nevertheless our first and foremost duty as Members of the Congress of the United States of America is the doing of those things which will establish and forever preserve, as best we know how, the internal peace, safety, and comfort of our own people who enjoy our own citizenship. In the past 5 years, ever since the advent of the Roosevelt administration on March 4, 1933, to the present day, Congress has busied itself with the formulation of laws to correct the abuses in the field of finance, to encourage commerce, to alleviate some of the untoward conditions in industry, and to find a correct method of solving the problems of the farmers. I shall not recount in this address the several Federal statutes that have become law during this administration in an attempt to correct the errors and mistakes of the past and to encourage and reestablish on a sound footing these most important phases of American life.

But, Mr. Speaker, what will it profit us if business and finance again finds itself in a prosperous condition, if the free flow of commerce, international and internal, is again resumed to its full capacity, if the relationship of employer and employee resumes a peaceful and tranquil course, and the farmer again finds a full and complete market at home and abroad at fair and profitable returns to himself, if in the end our fair country should again, for some reason or other which, of course, it is impossible to prophesy at this time, would be plunged and embroiled in another war or world conflict? So you see, Mr. Speaker, continued peace so far as our own people are concerned, is something most devoutly to be wished. For these reasons, I repeat that the first and foremost duty of a Congressman is to study this phase of human relationship more than any other and to

do those things which will produce this much desired end, and every day of my life as a public servant, exercising my official duties at home and in Washington and while taking part in the debates for the formulation of laws affecting the whole people, the beacon light that serves as my most important guide is the ever-present question of "national peace." Why is it that we pay more attention to this subject matter now than ever before? Let us not forget that slightly less than 20 years has transpired since the memorable night of November 11, 1918, when the armistice was signed by the Central and Allied Powers. Let us not forget that while the great Woodrow Wilson, then President of the United States, acted as our representative in the formulation of the Treaty of Versailles, which treaty was redundant in its reiteration of the establishment of world peace. that despite these assertions, and despite the general tendency of our Nation to serve as the guardian of peace among men, yet our own historical record belies all these things because this Nation has been engaged in warfare since its beginning on an average of once in every 23 years.

The Treasury of the United States no more than finds itself almost relieved of the heavy burden of paying for pensions, veterans' benefits, and the cost of hospitalization of a previous war than again it finds itself loaded up with these same kinds of obligations for another war. The Treasury records show that we are still paying pensions to widows of the soldiers of the War of 1812, and necessarily we are still paying pensions and giving benefits to the veterans of the Mexican War, the Civil War, the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion in China, and of course the last war, to such an extent that in this fiscal year there was appropriated to the Veterans' Administration almost $1,000,000,000 for all these purposes, representing almost one-quarter of the ordinary expenditures of Government during normal years.

I rise, Mr. Speaker, on this occasion, to express my thoughts, and I think I express the sentiments of a majority of the American people, when I say, that within a few years we will again round out another period of 23 years (which has been this Nation's average for being embroiled in the catastrophe of war) and with the well-known European and far Eastern conditions existing today that the American people will not tolerate the Congress of the United States consenting again to implicate its people in warfare except in the event of an invasion of the United States or its Territorial possessions.

Permit me to say that the Congress has not been entirely indolent or unmindful of its duty to further the cause of peace. During my term in Congress there have been enacted into law several neutrality acts, and from experience each one improving upon the other. The last neutrality act voted for by myself and a majority of Congress is generally known as the Neutrality Act of 1937, a joint resolution on the part of the Senate and the House, signed by the President, providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, munitions, and implements of war by vessels of the United States for the use of belligerent states and for the registration and licensing of persons engaged in the business of manufacturing, exporting or importing arms, munitions, or importing arms, munitions, or implements of war; and restricting travel by American citizens on belligerent ships during war. This Neutrality Act of 1937 even forbids the export of other articles and materials that may be used for war purposes. It forbids financial transactions on the part of our international bankers and to solicit or receive moneys or loans to aid belligerents in the conduct of war. It creates a National Munitions Control Board. In other words, this Neutrality Act attempts by force and penalty of United States statute to establish and maintain absolute neutrality on the part of American manufacturing interests, on the part of American commercial interests, and on the part of each and every individual citizen of the United States.

Mr. Speaker, I was never more happy in the performance of my official duties as a Congressman from the Sixteenth District of California than I was to support this Neutrality Act of 1937, which I think all good citizens will agree is a vast improvement upon the previous neutrality acts, and particularly the Neutrality Act approved August 1, 1935. By this drastic measure we have changed the course and direction of old-established international law on the subject of neutrality. Once upon a time it was contended on the part of nations not belligerents that such nations had the right and privilege to use their neutral ships to transport arms, munitions, and implements of war, and other basic materials of belligerent nations. We have declared it to be a national policy that we do not wish to exercise this right, and that no belligerent nation can expect from us any help whatsoever so long as it is engaged in warfare. We have left it up to the President, however, whoever he may be, by proclamation to declare that a state of war exists, and from that moment on the full force and effect of the Neutrality Act which I have above referred to comes into play. It is my firm belief that no other world conflict can be sustained for any great length of time without the aid and procurement of American finances, of the products of American manufacturers or the products of the American farmers, and we hope that since we have taken this position other nations will think twice and pause before they engage in any warfare, or at least in any protracted warfare.

There are other good measures up before the congressional committees that I think should be made law before many more months transpire, such measures as we have before the Committee on Military Affairs of both the House and the Senate, that give to the President or any special board that he might select on the occasion—which God forbid—of our becoming embroiled in any conflict, to draft not only the manpower of this Nation, but the commercial, manufacturing, and farming interests of this Nation, all to the end of effectuating a speedy conclusion of any such engagement. It is the common belief, which I share most strongly, that some of the most important factors which converged to impel our entrance into the last war—which is the war of recent memory to all of us—was the fact of our international bankers having loaned hundreds of millions of dollars to the Allied powers, of manufacturers having extended credit and delivered hundreds of millions of dollars' worth of goods and implements of war, and also that our farmers had extended credit to the extent of delivering wheat, corn, and foodstuffs to the belligerent nations. From the fund of this and other experiences we have successively drafted several neutrality acts and eventually concluded in the enactment of the Neutrality Act of 1937 which I have just explained. In addition to such measures as I have referred to, there is pending before Congress and before one of its committees a joint resolution commonly known as the peace amendment to the Constitution, introduced by my fellow colleague, Congressman LOUIS LUDLOW, of Indiana.

If this amendment were adopted its effect would be that Congress, when it deems a national crisis to exist, may by concurrent resolution refer the amendment to the citizens of the States, the question to be voted on being "Shall the United States declare war on ———?", and whenever war is so declared the President shall immediately conscript and take over for use by the Government all public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for war purposes at a rate not in excess of 4 percent per annum based on tax values assessed in the year preceding the war. Of course, this proposed peace amendment in the form of a joint resolution, has one exception, that in the event of the invasion of the United States or its Territorial possessions, Congress shall retain the authority to declare war but only in that emergency. Since this peace amendment was not acted upon by the committee in this first session of the Seventy-fifth Congress, a number

of us Congressmen have signed a petition on the Speaker's desk to dismiss the committee from further consideration of the proposed amendment and under the rules we requested that the amendment be considered by the House of Representatives. It is my belief that in the next session of Congress commencing next January this amendment will takes its place on the House Calendar and will be given every opportunity for debate and consideration. So you see in the past few years the Congressmen have not been unmindful of taking advantage of these years of peace that have been granted to us by a divine providence and we are using every human effort to pass such laws that will spare us and our mothers and the coming generations the unnecessary sacrifice of blood and the exhaustion of our financial and national resources.

Mr. Speaker, I believe it might be a blessing in disguise that the several billion dollars owing to this Nation, representing money loaned to the Allied belligerents to conduct the World War, have not been paid. I do not mean to be understood as saying that these debts should not be paid because, with President Coolidge, I repeat that these nations hired this money and should pay it back and that it is a just debt. But since these hard-earned American dollars have not been repaid by the Allied Powers, saving and excepting the annual payments of principal and interest on the part of little Finland, we of Congress, during my time here in Washington, have passed the Federal statute commonly known as the "Johnson Act", introduced by California's HIRAM JOHNSON, which I voted for, which in effect forbids the lending of any money on the part of private or public institutions in this country during peacetime or wartime to any country that is in default on its wartime debts, and I may assert that all of the countries that borrowed from us, excepting Finland, are at present and have been for several years past in default of payments of principal and interest on these debts to the United States. After all, a people cannot conduct war without the wherewithal to buy the things necessary to prosecute that war, and since the United States stands in the very happy position of owning almost one-half of the monetary world's gold, and of owning and possessing such great natural deposits of coal, of copper, or iron and of oil, and the things that are so essential to the conduct of warfare, I repeat again, that I cannot see how any nation can conduct a protracted war with its neighbors without the aid of the United States, and since we forbid that aid by law and by statute these foreign countries would have to go it alone and, under the circumstances, if we cannot by treaty and by pacts secure agreements for international peace, we might compel it by the circumstance of their economic necessities.

Of course, it must be thoroughly understood on the part of every American that in order for this country to assert its neutrality policy and live up to the letter of the law 100 percent it is necessary more than ever before that we must have the show of force behind our policy so declared. How effective do you suppose a country could be in its assertion that it will not sell vital materials for war if it were not able to defend itself against the usurpation or the deliberate taking of such materials on the part of belligerents? What good would it do for us to say, "You cannot have oil; you cannot have gold and iron and our manufactured products, our wheat, and our corn" unless in the same breath we can say, "If you attempt to take them by force and come to our ports with your ships and land a foraging party to carry these things away, we will assert our position through force of arms." Therefore it has been necessary during the Roosevelt administration, while it inaugurated and approved new bills for the purpose of keeping peace in the family of nations, to at the same time amplify and supplement our Army and Navy and our air forces, if for no other reason than to stand ready to assert and defend our policy of neutrality. All of us are witnessing the tragedies that are passing across the stage of human life at this moment, the tragedy of the aggression of the Imperial Government of Japan upon an ineffective and impotent China; the tragedies of the imposition of dictatorships upon other helpless peoples; the regeneration of old racial hatreds between nations of continental Europe; the upbuilding of war machines which the leaders of these countries openly declare are being built up for a world conflict. Never before have your Congressmen been more impressed that their first and foremost duty is to do those things in peacetime which will conserve the peace of our Nation and the tranquillity of our people. Every American is entitled to these assurances of security. I am a Member of Congress and shall bend every effort to accomplish this thing for them, and I can say frankly that I believe many of my colleagues, by and large, entertain the same point of view as I entertain on this most important question. I conclude, Mr. Speaker, by congratulating the Roosevelt administration, its leaders, and the Congress that has been elected in the past three congressional elections to support that administration for their untiring efforts in doing the things which we believe will set up this country as an exemplar for the cause of peace. In the meantime we must exert eternal vigilance. We must participate as best we can in all conferences the object of which is to serve the holy cause of peace, and I want the people of my district and my State and the Nation to know that I stand ready, willing, and able at all times to aid in this cause and to fight the fight for peace.

Bank Examinations—Let the Record Speak for Itself Whether the Statement There Is Duplication Is Correct

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. COCHRAN. Mr. Speaker, when the bill extending the power to the President to reorganize Government agencies was under consideration, I made a statement on the floor with reference to examination of banks. On August 14 I received a letter from the Honorable J. F. T. O'Connor, Comptroller of the Currency, in which he takes issue with my statement, characterizing it as a misstatement.

It has always been my policy to be most careful in presenting an argument to Members of the House not to mislead them by making a statement that is not based upon facts. I would rather not obtain the objective sought than to mislead Members of the House. While my statement was probably made in the heat of an argument, nevertheless, I felt then, and I feel now, that I was in possession of facts obtained from reports that have been issued, testimony before congressional committees, including the hearings before the Joint Committee on Reorganization, that warranted me in saying what I did. I think it only fair to Mr. O'Connor in replying to his statement that I place his letter in the RECORD. It follows:

THE COMPTROLLER OF THE CURRENCY,
Washington, August 14, 1937.

Hon. JOHN J. COCHRAN,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Knowing how careful you are with all of your statements and your effort to always be accurate, may I call your attention to a misstatement made in your speech on the floor of the House of Representatives on August 13, page 11355. I quote from the RECORD:

"Mr. COCHRAN. I may say to my colleague from Ohio that at the present time you have four different organizations of the Government examining your national banks; first, the Federal Deposit Insurance Corporation; second, the Federal Reserve System; third, the Comptroller of the Currency; and fourth, the Reconstruction Finance Corporation, whenever it has any dealings with the banks, and, as we all know, the Reconstruction Finance Corporation owns a great deal of the stock of some of the banks in this country today."

You will be interested to know that no one enters a national bank for the purpose of examining except a representative from the office of the Comptroller of the Currency. In instances where the Reconstruction Finance Corporation purchases stock in a national bank, they become, in a sense, partners in the enterprise; and when a contract is made, the bank may or may not permit

agencies of the R. F. C. to examine certain stocks. This, of course, would be true under any circumstance and is not considered a duplication. The law also states that with the consent of the Comptroller of the Currency, the Federal Deposit Insurance Corporation may make an investigation of a national bank. This is for the purpose of making a loan, perfecting a merger, and always there has never been any objection from the bank interested in the transaction.

The Federal Reserve System makes no examination of national banks. It never has. There is, therefore, no duplication and only one agency of the Federal Government has the power under the statute to examine a national bank, that being the office of the Comptroller of the Currency. The only duplication that exists at the present time, is the duplication of examinations in State banks which are members of the Federal Deposit Insurance Corporation. The State authorities examine State banks and in addition to this, the Federal Deposit Insurance Corporation examines State banks.

Cordially yours,

J. F. T. O'CONNOR,
Comptroller.

Since the receipt of this letter I have re-examined the matter with the result that I am convinced that my statements which are quoted by Mr. O'Connor were essentially correct.

I have taken the trouble to consult with officials in each of these activities with the result that I am assured by them that the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Reconstruction Finance Corporation each maintains an examining staff of considerable size and examines banks and that this examination while not exactly along the same line is in addition to that made by the representatives of the Comptroller of the Currency.

In the limited time available during debates in the House of Representatives it is not possible to go into detail as thoroughly as might sometimes be desirable. Ordinarily what I found time to say on the occasion alluded to would be sufficient to carry the thought I intended but, in view of Mr. O'Connor's attitude, and for emphasis of my statements, I make the following addition.

The examination which Mr. O'Connor admits is prosecuted by the examiners under him extends to all national banks. The examination made by the other agencies mentioned in my statement are supplementary to and in addition to those made under his direction. These agencies also examine State banks which Mr. O'Connor's office does not.

The Board of Governors of the Federal Reserve System is charged, under the law, with various duties among which are: The determination and review of rates of interest charged by the Federal Reserve banks; the supervision of security-lending operations of member banks; the fixing of maximum rates that they may pay on time and safety deposits; the fixing and enforcement of margin requirements on loans by member banks for the purchase of securities; the prevention of violation of the antitrust laws relating to banks, banking associations, and trust companies which includes the prevention of interlocking directorates and officers.

The Board procures examinations to be made of particular banks, including national banks, whenever the information procurable from other sources, such as the Comptroller of the Currency, does not satisfy the Board.

Every Federal Reserve bank may, with the approval of the Federal Reserve agent or Board of Governors, be subject to special examination (U. S. C., 1934 ed., title 12, sec. 483).

So much for the issue between Mr. O'Conner and myself as to examinations within the Federal Reserve System. He says none are made. I assert that they are made and frequently. I believe that any interested person may easily decide who is correct by making inquiry of the banks themselves. I repeat the examinations might not be exactly the same, but they are examinations.

In his letter Mr. O'Connor admits that the Federal Deposit Insurance Corporation "with the consent of the Comptroller of the Currency * * * may make an investigation of a national bank." This is a confession without an avoidance and is contrary to his broad statement "only one agency of the Federal Government has the power under the statute to examine a national bank, that being the office of the Comptroller of the Currency."

I submit this portion of the issue on the record that Mr. O'Connor makes, and invite attention to the following citation (U. S. C., 1934 ed., title 12, sec. 264 (k) (2)) which specifically provides for examinations by the Federal Deposit Insurance Corporation with the consent of the Comptroller.

The admissions in his letter which I have quoted are likewise sufficient to show that my statement with reference to examinations made by the Reconstruction Finance Corporation is correct. That these examinations include a large number of national banks is attested by two circumstances. First, one of the largest items in the portfolio of the Reconstruction Finance Corporation is preferred stock in national banks which, as Mr. O'Connor suggests, makes the Reconstruction Finance Corporation "in a sense, partners in the enterprise" permitted by contract to make the examinations to which I have alluded. Second, the Reconstruction Finance Corporation maintains a staff of considerable size to make these examinations. Probably it has not been as active in this respect in recent months as it was when it was buying the preferred stock. One thing is certain this Corporation can examine banks in which it is interested without permission from the Comptroller of the Currency.

If I deemed it expedient to do so, I could detail here several statutory duties which are laid upon the Federal Deposit Insurance Corporation and the Reconstruction Finance Corporation out of which grow the examinations that they make. It does not appear to be necessary to do so in view of the fact that Mr. O'Connor's letter admits that these two activities do conduct examinations of national banks. When these corporations are charged by law to perform certain functions it can easily be seen that they must make examinations. Probably some will call it investigations.

So confident am I that my statement which Mr. O'Connor criticizes was true in all essentials that I am forced to wonder why he not only sent his letter to me but transmitted copies to many other Members of Congress. If Mr. O'Connor had not touched on this subject in a hearing before the Committee on Banking and Currency of the Senate when the Banking Act of 1935 was under consideration and expressed himself then in regard to consolidating the various examining divisions, although I admit he insisted then there was no duplication, I would feel his reason was a desire to confuse the issue as to whether or not the President should be given the power to reorganize the executive branch of the Government by transferring functions. I hope that there was some other reason which I have not discovered, because I stand, and at the time I made my statements, I was standing with the President in believing that he should have this power. Whether or not he proposes to do so I do not know, but if there is duplication of effort then in the interest of economy why should not the President provide examination of banks of all classes be conducted by one agency and let other agencies, if interested, be furnished with a report of the examination?

Bird & Son Have No Just Complaint Against Federal Trade Commission Despite Their Statements to Newspapers

---

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. PATMAN. Mr. Speaker, much has appeared in the public press recently about what it cost Bird & Son to defend the complaint which was filed against them by the Federal Trade Commission. The Federal Trade Commission after hearing all the facts exonerated Bird & Son. It now appears that Bird & Son were responsible because of their failure to make all the true facts clear. Further, Bird

& Son had prepared a price schedule which would cause certain retailers to pay as high as $4.85 net for certain rugs which were to be sold to mail-order houses in less than carload shipments for $3.82. Although the price schedule had been announced it was not adhered to. Probably the Commission rendered a great service to the independent retailers after all.

The following letter from the Chairman of the Federal Trade Commission, Mr. W. A. Ayres, is self-explanatory:

AUGUST 11, 1937.

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Receipt is acknowledged of your letter dated August 7, 1937, with regard to certain publicity being given to a statement in which Bird & Son, Inc., are reported to have asserted that the Federal Trade Commission caused them to spend over $100,000 defending themselves against a charge that was unfounded.

The record is clear that Bird & Son, and its subsidiary, the Bird Floor Covering Sales Corporation, and Montgomery Ward & Co., by their attorneys repeatedly asserted that had the Commission been furnished all of the facts in the first instance they did not believe a formal complaint would have issued.

In a brief for these companies on motions to dismiss the complaint, filed with the Commission after the taking of testimony, on February 11, 1937, these attorneys reviewed the preliminary negotiations leading up to the issuance of the complaint, during which time certain material entitled "Data relating to prices made by Bird Floor Covering Sales Corporation to Montgomery Ward & Co. for the fall season, 1936", was submitted by Mr. H. Eugene Sawyer, Jr., president of Bird Floor Covering Sales Corporation, and in closing stated as follows:

"Mr. Sawyer must have failed to make the whole picture clear and to emphasize or develop the change of policy which is now known in detail. Counsel for Bird had no part in the matter until the complaint had been served. Counsel for the Commission drew the conclusion that the whole schedule had behind it actual sales, that it pictured a merchandising policy actively pursued in all respects by Bird. The schedule was reproduced verbatim in the complaint. We respectively submit that this mutual misunderstanding resulted in a complaint which probably would not have been issued had Mr. Sawyer made the true facts clear. These facts have now been established by the evidence produced before the examiner."

The schedule as submitted by Mr. Sawyer indicated prices made to retailers were as high as $4.85 net for certain rugs which were sold to mail-order houses in less-than-carload shipments for $3.82. At the trial it transpired that while this was submitted to the Commission as representing prices at which the goods were sold, the Sales Corporation did not adhere to such prices.

The statute places upon the seller the burden of proving that differentials in prices are justified by savings. Prior to the issuance of the complaint and after several weeks in which to submit justification of price differentials, Bird Sales Corporation presented a statement intended to justify 6.6 percent of the differential and stated:

"We are not at this time in a position to state what savings accrue from the warehousing and distributing functions which Montgomery Ward & Co. perform * * *. What these savings amount to is problematical, but in our opinion the differential now granted Montgomery Ward & Co. is fully justified * * *."

The Commission has before it a statement given the press by Mr. Philip R. Allen, chairman of the board of the company who, after deploring what he considers lack of publicity regarding the dismissal of the charge against Bird & Son, Inc., states:

"Our counsel, Warner, Stackpole & Bradlee, of Boston, tell me that the Commission has handled the case with propriety and eminent fairness, under the law."

The Commission appreciates your interest in this matter and desires to be of assistance wherever possible.

Sincerely yours,

W. A. AYRES, *Chairman.*

The Wagner-Steagall Housing Bill

EXTENSION OF REMARKS
OF
HON. CHARLES J. COLDEN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. COLDEN. Mr. Speaker, I supported the Wagner-Steagall housing bill with some reservations. I heartily support the idea that slum clearance is a necessary step in order to protect the health and the welfare of a great many citizens. The need of housing is one of the big problems of the country. Since slums are limited to the large cities, it is necessarily a problem of these cities. The assistance of the Federal Government is undoubtedly necessary because of the limited finance, tax restrictions, and the lack of State laws and city ordinances to meet this problem.

My main objection to this present bill is that it has a tendency to promote tenancy and to make it a fixed policy of our great cities. To provide for a permanent tenancy of a large number of our citizens appears to me to be rather un-American and the adoption of an Old World principle. Real Americanism should encourage home ownership instead of home tenancy. A broader plan that would encourage the development of the ownership of homes to a greater extent, applicable to city and country, would, in my opinion, be a far better solution of this problem. If the legalistic machinery were provided so that municipalities, counties, and both political and private agencies could remove these people from the congested areas of these great cities and place them in modern homes on small acre tracts, this would be a far better solution.

If the people in the tenements of the big cities could be provided with a small tract of land and a comfortable home where they would have an opportunity for fruit trees and a garden, and perhaps chickens and rabbits and a few pigs, it would enable them to provide a considerable part of their food. It would give them employment during their idle days. It would give them fresh air and sunshine that they are now denied. If they were permitted to buy these homes on a long term of years at a low rate of interest such as is provided in this bill, many of them would become home owners instead of becoming permanent tenants.

While this bill will contribute to the comfort and welfare of the people in the slum areas, in my opinion their whole situation would be greatly improved by an enactment that would provide not only for rentals but for ownership of garden homes in the suburbs. And millions in smaller cities and towns would avail themselves of such an opportunity.

It seems to me, Mr. Speaker, that better housing is of such widespread need that this measure will only be a drop in the bucket. It occurs to me that we have vast financial resources in the banks of this country that might be tapped in order to meet this pressing problem. Billions of deposits in the savings accounts and the savings banks are available. This bill should be followed by a measure to give the banks of this country an opportunity to make long-time loans at a low rate of interest. A Government policy of insurance to protect these loans would make them secure. They would offer a sound investment for the public through these banks. It would not be necessary to make these loans for such a long period as 60 years if the payments were made easy and the rate of interest at 3¼ or 4 percent. Millions of Americans would avail themselves of such an opportunity. They would transform themselves from tenants to ownership of homes. And permit me to remind my colleagues of a view that is generally recognized—that ownership of homes in both city and country is the foundation of the security of our country and the best guaranty of its future.

Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. BLAND. Mr. Speaker, I find it impossible to express my admiration for ANDREW JACKSON MONTAGUE, and my sorrow that he is no longer with us. I knew him for many years. He was my friend, true and tried. My affection was

formed for him in the early years of my life, and that affection never waned or wavered. When I was first nominated to represent the First Congressional District of Virginia in Congress, his telegram was one of the first to reach me. When I was elected he was the first to welcome me here. When I was sworn in as a Member of the Sixty-fifth Congress, on July 3, 1918, he presented me to take the oath of office. When in the present Congress he qualified for the last time he was too weak to attend the services here, and I shall always cherish the recollection that, by authority of the Speaker and the House, I was permitted to administer that last oath to my dear friend.

We knew Mr. MONTAGUE as "Governor", and I shall refer to him by that title. He would cherish remembrance by that title, for in the prime of life, young, handsome, brilliant, and aggressive, he adorned that office and gave it a new dignity.

Governor MONTAGUE came of the old school. He was to the manner born. He was true to the finest traditions of his beloved State. He honored her and Virginia honored him.

Governor MONTAGUE was born on the 3d day of October, 1862, in Campbell County, Va. His parents were Robert Latane Montague and Gay Eubank. He was descended from Peter Montague, the emigrant to Virginia, who was the son of Peter Montague, of Boveney Parish, in Buckinghamshire, and Eleanor Allen, his wife.

The emigrant, Peter Montague, was 18 years old when he came to Virginia in 1621, and in 1625 he was living on Jamestown Island, in the employment of Capt. Samuel Mathews. Subsequently he moved to Nansemond County, Va., and later located in Middlesex County, Va., where he attained distinction, serving as a justice of the peace and as a burgess in the Virginia Assembly.

Robert Latane Montague, father of Governor MONTAGUE, was one of the most popular and best known men in Virginia. He studied law at the College of William and Mary under one of Virginia's greatest teachers of law, Nathaniel Beverley Tucker. Many times he served as Presidential elector on the Democratic ticket, was Commonwealth's attorney of Middlesex County, Va., for many years, and was made Lieutenant Governor of Virginia in 1860, leading the ticket by 5,000 votes. He served as a member and presiding officer of the Secession Convention of 1861, was a member of the executive council, and became a conspicuous member of the Confederate Congress. After the war in 1872 he was elected member of the House of Delegates for Middlesex County, though the county was largely Republican. In 1875 he was elected judge of the Eighth Judicial Circuit of Virginia, where he served until his death on March 2, 1880.

When it is remembered that he was a fine debater, brilliant orator, upright judge, and possessed of unbounded popularity to the day of his death with old and young, the keen intellect, forensic ability, wonderful grace, peculiar charm, and fine personality of Governor MONTAGUE are easy to understand.

Governor MONTAGUE was educated in the private schools by private tutors in Middlesex County. He attended the grammar school of the college of William and Mary for 1 year, and in 1882 graduated in several of the academic schools of Richmond College. He achieved much distinction at the school as an orator and debater. From 1882 to 1884 he taught as a private tutor, and in the summer of 1884 commenced the study of law under Prof. John B. Minor at the University of Virginia. The following session he took the regular course, and in June 1885 he graduated in law with the degree of Bachelor of Laws. He began the practice of law in October of that year in Danville, Va.

His political life began early. He participated in many campaigns, and in 1893 President Cleveland appointed him United States attorney for the western district of Virginia. He served as United States district attorney from 1894 to January 1, 1898. In 1897 he was elected attorney general for Virginia and served for 4 years until January 1, 1902, when he entered upon the duties of the office of Governor of Virginia, to which he was elected in 1901. He served as Governor for 4 years and 1 month from January 1, 1902, the additional month having resulted from the action of the constitutional convention which concluded its sessions during his term of office.

From the time of his retirement from the office of Governor of Virginia until his election to Congress in 1912, he served with distinction in many official capacities. He was delegate to the Third Conference of American Republics at Rio de Janeiro in 1906 and delegate to the Third International Conference on Maritime Law at Brussels in 1909 and 1910. He served as dean of the law school of Richmond College from 1906 to 1909. He was a member of the council and executive committee of the American Institute of Law.

Governor MONTAGUE was interested in the subject of international peace and devoted time and thought to the furtherance of peace. He served as president of the American Society for Judicial Settlement of International Disputes for the year 1917, was president of the American Peace Society for the years 1920 to 1924, and was president of the American Group of the Interparliamentary Union from 1930 to 1935. He served as trustee of Carnegie Institute, Washington, and of the Carnegie Endowment for International Peace in 1910.

Governor MONTAGUE held the degree of doctor of laws, Brown University, 1903, and doctor of laws, University of Pennsylvania, 1923.

Governor MONTAGUE believed in democracy and that the people should rule. His fight for the office of Governor of Virginia in 1901 was a bold fight against the convention system of making nominations and for the primary system. When he was elected Governor the constitutional convention was in session. On June 27, 1902, he proclaimed the new constitution of Virginia, and immediately called the General Assembly of Virginia into session to bring the statute law of the State into conformity with the new constitution. Many months were devoted by the general assembly to this work; in fact, the session was so prolonged that it became known as the "long parliament." The guiding spirit in these deliberations and in this work was the brilliant Governor who directed its labors.

Governor MONTAGUE was in great demand in his own State and throughout the Nation in all political campaigns. He participated in many battles for the Democratic Party in the State and Nation, and also served as delegate at large to the Democratic national convention at St. Louis in 1904.

Mr. MONTAGUE's term of office as Governor was characterized by diligence to duty and efficiency in service. Squires, in his work on the Governor of Virginia entitled "Through Centuries Three", says that with MONTAGUE a new generation took the helm, and that he was the first of seven "business Governors" who have since ruled Virginia. At this time it may be said he was the first of nine business Governors who have since ruled Virginia. He awakened public interest in public education, improved highways, and pure elections. During Governor MONTAGUE's term of office there was enacted the Jamestown tercentennial bill for the celebration of the three hundredth anniversary of the establishment at Jamestown of the first permanent English settlement in the New World.

In 1912, in the same general election in which President Wilson was elected for his first term, Governor MONTAGUE was elected a Representative in the House of Representatives of the United States to represent the Third Congressional District of Virginia, generally known as the Richmond district. Congress was called in extra session by President Wilson, and when that Congress was organized Governor MONTAGUE was assigned to the Committee on Interstate and Foreign Commerce. This was an unusual distinction, and was in recognition of his superior qualifications and ability. He was not required to serve the usual apprenticeship on minor committees but was assigned immediately to one of the most powerful and important committees of the House. He served on this committee for many years until, at his own request, he was transferred to another equally important committee,

the Committee on the Judiciary. Here he served until his death, when he stood next to the chairman.

As a member of the Committee on Interstate and Foreign Commerce, Governor MONTAGUE had a large part in drafting and securing the passage of some of the most important and far-reaching laws of that period, some of which are still in effect. These laws included the act creating the Federal Trade Commission, the act providing for the retirement of superannuated employees of the United States Coast Guard and pensioning of members injured in the service, the Trading With the Enemy Act, the so-called Adamson 8-hour law, and the original law providing war-risk insurance allotments and allowances to the dependents of soldiers and sailors of the World War.

As a member of the Committee on the Judiciary, Governor MONTAGUE was prominent in securing the passage of the Longshoremen's Compensation Act, was one of a special committee of five to make thorough study of the National Bankruptcy Act, which resulted in the enactment of many important amendments, and was appointed by the House of Representatives to prosecute charges of impeachment against a Federal district judge in the United States Senate, which culminated in the resignation of that official. He was active in other impeachment proceedings, including the Mellon and Fenning cases. The so-called Lindbergh antikidnaping bill, when under consideration, was practically redrafted in the House to embrace amendments sponsored by him to make the proposed law more effective. He introduced and secured the passage of an important measure, endorsed by the American Bar Association, known as the Declaratory Judgment Act, which makes for economy and expedition in judicial procedure, and took an active part in perfecting and securing the passage of 15 anticrime bills recommended by the administration.

Governor MONTAGUE actively participated in all of the important matters under the consideration of the two important committees on which he served while he was a member of those two committees. Though the duties of these committees were exacting and onerous, he did not overlook the interests of his district which elected him to Congress. A brief but necessarily incomplete statement of measures sponsored and supported and results secured by him is illuminating. Governor MONTAGUE rendered valuable service in securing the location of the Federal Reserve Bank at Richmond, obtained appropriations for establishing of post-office buildings and for the improvement of the rivers and harbors in his district, secured the establishment of many Federal projects, introduced and secured the passage of legislation to establish the Seven Days' Battlefield Park near Richmond and to make it a national park, was prominently identified with the law establishing the Colonial National Monument at Yorktown, Williamsburg, and Jamestown, and introduced and secured the passage of a bill providing an additional judge for the eastern district of Virginia. One of his last services was to secure an appropriation for Federal participation in the celebration in Hanover County, Va., of the bicentennial of the birth of Patrick Henry.

Governor MONTAGUE was seriously considered for appointment in the Cabinet of President Wilson and several times for appointment on the Federal bench.

Governor MONTAGUE was a man of great modesty, rare personal charm, superior mental culture, and well read in the law, political economy, and sociology. He was an eloquent orator and brilliant conversationalist. He was resourceful in debate and always courteous and dignified. He was learned in the lore of his own State, true to her finest traditions, zealous in her interest, and untiring in her behalf. He was an incorruptible public servant. He was married on December 11, 1889, to Elizabeth Lynne Hoskins, of Middlesex County, whose gracious hospitality and devoted zeal greatly contributed to his success. Three children were born of this union, all of whom survived him. They are Mrs. Moore, wife of Col. Charles Beaty Moore, United States Army, now retired; Mrs. Nunnally, wife of Lt. William J. Nunnally, United States Navy, now retired; and Robert Latane Montague, major, United States Marine Corps.

Governor MONTAGUE died at Urbanna, Middlesex County, Va., on January 24, 1937. He was laid to rest on the 26th day of January in the cemetery of Christ Church in Middlesex County. He sleeps in the soil he loved with an abiding love.

Mr. Speaker, when my dear friend concluded his memorial address on the life and services of his friend and my predecessor, Hon. William Atkinson Jones, he used words which express more eloquently than any language I can use my sentiments as applicable to my dear friend whose loss I mourn. I now adopt these words as my own:

> He was indeed the "full grain in the ear", ripe and hanging lightly to be plucked by the Hand Divine. With courage and hope he quietly met the end, and at this hour I pay my homage to the memory of a true patriot, a great public servant, a noble and high-minded man, Virginia's loyal son, America's dauntless defender, and my dear friend.

The Rules of Our Political Game—How They Once Were and How They Have Come To Be

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker, we often refer to the Constitution of the United States as a "rule book" for the operation of our Government. Utilizing that figure further, I would like to indicate something of the political rules of Great Britain against which our fathers rebelled in the days of the American Revolution; and show in what respects they changed the rules on setting up a new government for this country. Much that we have in our Government, many of the provisions in our Constitution, can be explained only by observing what previously existed under the sway of the mother country and why it was unsatisfactory.

Our colonial fathers were proud of the fact that they were Englishmen, but in course of time, they came to complain of the English rule because it was not of their making, nor did it suit them. It was even contrary to their interests and sense of justice. England was a monarchy, which was not so objectionable in itself, excepting that it had become by 1775 an arbitrary and oppressive government. The King of England is charged with many acts of misgovernment by Thomas Jefferson in the Declaration of Independence. It is interesting to note that every complaint registered by Jefferson in that great document foreshadows a change in the political rules which Americans desired for themselves. Accordingly, the earlier set of rules by the mother country was rejected and another set was given to us by the founding fathers.

Let us observe some of these outstanding changes. The basic idea in the English scheme of government was the divine right of the King to rule his subjects, and, as a result, there grew up the idea that the King could do no wrong. Directly opposite to this is the American idea of government as expressed in the Declaration of Independence, "Governments derive their just power from the consent of the governed", or, as we later Americans would say, "from the authority of the governed." Another prominent fact of the English rule at that time was the control of the masses by the classes. Our fathers rejected that idea and made an exactly opposite announcement that "all men are created equal" and have a right to participate in the powers and benefits of government. In a third respect the founders of our Government saw fit to put down in black and white what they regarded as the Constitution of the country, whereas the English had not done so at that time, nor have they done so yet. Our fathers felt that, to avoid misunderstanding and misrule, the Constitution should be, as nearly

as it is possible for it to be, expressed in written form in order that all may read and know it.

When any great number of persons have been living under a given set of political rules, but come to feel that those rules are not right, or best, they may change the rules peaceably or quarrel among themselves as to the nature of the changes. Happy are the people who can change political rules peaceably. It's the almost universal record of history that such political changes involve serious quarrels, such as civil war and revolution. Even when rules become oppressive, many individuals are prone to get along under them in order to avoid trouble. As Thomas Jefferson says, "mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed."

When Americans felt forced to change the British set of rules, it was necessary for them to fight the mother country and to risk their lives in doing so. As wise men, knowing that the new set of rules which they were establishing would sometime become insufficient, they made provision for amendment. It is to be hoped that our rules as expressed in the Constitution may prove adequate, but subjected to proper changes when these changes are imperative. It goes without saying that they should be changed with as much thought and wisdom as they were originally formulated.

NEW RULES REVERSE THE OLD

By reading the Declaration of Independence, in which Jefferson accuses the English King of oppression, we discover the exact rules of the old political game to which Americans most objected. We also note that later, in establishing a new set of rules, those very objections were overcome by reversing the situation. For instance, Americans put more of the ruling authority in the lawmaking branch of government than in the executive branch; and in order to do this, they carefully separated the legislative branch from the executive branch and also established an independent judicial branch. All this was done to preserve individual rights and liberties. This, by the way, is another prominent feature of our set of rules as contrasted with the British rules as they existed in 1775—Americans divided government into three great spheres or branches, whereas the English scheme had previously centered governmental power in one person, the King.

Jefferson complained that the King had vetoed laws necessary and wholesome for the public good. In contrast to that, in making a new rule book, revolutionary Americans gave only a very limited veto power to our Chief Executive—the President. Jefferson complained that the King had dissolved legislative bodies repeatedly for maintaining the people's rights. In contrast to that, we have not given our Executive the power to dissolve the lawmaking body. Again, Jefferson declared, in the Declaration of Independence, that the King often called legislative bodies to meet at inconvenient places, distant from the public depositories, all with a view of fatiguing lawmakers into compliance with his demands. Our fathers certainly changed that rule by arranging a definite place, as, for instance, in this city of Washington, in this massive building, where Congress, the lawmaking body of America, convenes annually regardless of the wishes of the Executive.

I might go on at some length to show how the former British rules of political control permitted the King to appoint officials to "eat out the substance of his American subjects", and how the King made judges dependent upon his will alone for the tenure of their office and the amount of their salaries, and how the King attempted to make the military powers superior to the civil power, and many other things which Americans regarded as oppressive. Therefore, when the fathers prepared the American Constitution, changing the rules and reversing the procedure, they provided that no official positions should be created except by the authority of the people's representatives; that judges should be as independent as human beings may rightfully be, and that the civil power shall always be superior to the military power.

This only briefly hints at a few of the changes in the rule book which came about as a part of the American Revolution. From mention of these we get the idea that our present rules of political action for America are far superior to the rules which formerly governed America as a part of the British Empire. This is not to say that the rules established in 1787 are altogether perfect, nor that they will suffice for us for all time to come. We merely take pride in them, are grateful for them and value them at their true worth.

I Challenge Legislative Dictatorship

EXTENSION OF REMARKS

OF

HON. CHARLES J. COLDEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. COLDEN. Mr. Speaker, on various occasions some, not very many I am glad to say, of my colleagues have made serious insinuations against our President, Franklin D. Roosevelt, and his program. Sometimes in private, in the lobbies and the cloak rooms and on the floor, Members have criticized the President and have repeated innuendoes made by the minority concerning the President's program. Section 3 of article 2 of the Constitution states—

> He shall from time to time give to the Congress information on the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient.

This section of the Constitution of the United States gives the President, without any question of a doubt, the authority which he has exercised on various occasions. So it is ridiculous for Members to criticize the President because he has submitted his recommendations to Congress.

Not only is Franklin D. Roosevelt the President of the United States, but he is the leader of his party. When the fortunes of the Democratic Party were at a low ebb, he revived the party, and he rejuvenated it with living causes and vigorous principles. He is the greatest militant crusader since the days of William J. Bryan. Today the Democratic Party, by the leadership of Roosevelt, has been restored to the virility of the days of Andrew Jackson and Thomas Jefferson.

I have heard men who profess to be leading Democrats insinuate that we are directed toward bankruptcy and dictatorship. How often have we heard these words? A thousand times from the lips of the Liberty Leaguers, the curbed lords of industry, by defeated Tories, by bitter partisans, and by disappointed reactionaries. And I cannot leave the floor of this House without registering my protest at these false assumptions by men who claim to be Democrats. I challenge the party loyalty and the patriotic purposes of any Democrat who turns aside from the militant leadership of Franklin D. Roosevelt and who compromises with those who threaten and slander and traduce the exponents of the New Deal.

Mr. Speaker, I am deeply disappointed at the failure of this House to consider the program for wages and hours, and judicial reform, submitted by our President. It seems to me that the chairman of the Judiciary Committee went far beyond the scope of his duties when he refused to hold hearings or to consider the President's recommendations.

The Judiciary Committee owed it to the President and to the leader of the Democratic Party, as a matter of courtesy and as a matter of party duty, to give careful consideration to this proposal. To refuse to consider this important measure is assuming a legislative dictatorship. It is a sort of fascism foreign to American traditions and American institutions. It is a defiance of democratic processes of government. Whatever may have been the honest convictions of the members of the committee, I believe that hearings should have been held and, without agreement, the bill should have

been reported from the committee to the House without recommendation. Such action would have shown at least some degree of courtesy to the President, and the committee would have discharged, at least in part, its duty to the House and to the people of this country. The flaunting of the President was unparliamentary, arbitrary, unnecessary, and ruthless. It was a contribution to disappointment, antagonism, and strife within the party.

Mr. Speaker, neither the Democratic Party nor any other party has ever won a single battle worth while or the confidence of the people by the policy of inaction, indifference, avoidance, and evasion. The great leaders of the Democratic Party have never been afraid to fight. No victory has ever been won over hunger, over poverty, over greed, over monopoly, and predatory wealth without a strenuous battle. To sit down and do nothing will not only result in great disappointment to the people, but will finally result in the relegation of the Democratic Party to the graveyard of dead issues. There is only one way for the Democratic Party to maintain its prestige in this Nation, and that is to go forward in the battle against special privilege and make this country and its Constitution what it was intended to be—"a government of the people, for the people, and by the people."

The Session Ends

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SNELL. Mr. Speaker, when the gavel fell Saturday we reached the end of the greatest do-nothing session of Congress in the last half century. Notwithstanding overwhelming majorities in both Houses, and all the flamboyant promises of the last campaign, the Democratic Party did not enact a single major piece of constructive legislation for the improvement of the national economic situation. For the moment, representative government in the United States has broken down.

The first session of the Seventy-fifth Congress appropriated in excess of $10,000,000,000, more than twice the annual average of appropriations in the decade prior to 1933.

The national debt has been increased to more than $37,000,000,000, the highest in our history.

During the first 6 weeks of the current fiscal year the Federal Government spent hundreds of millions more than during the corresponding weeks of the previous year.

During the entire session this year the administration did not make one effective move to balance the Budget.

Inflationary Government spending has steadily increased living costs in every direction.

No move has been made to create permanent jobs for the unemployed.

Not even a gesture has been made toward improvement of the social-security system, as promised by both parties last year.

An administration dedicated to spoils has continued to undermine the civil-service merit system to create jobs for the party faithful.

Both Congress and the administration have refused to investigate and expose the most shocking political scandal of our times—the bold and flagrant highjacking of corporations, in direct violation of the Federal Corrupt Practices Act, through the sale of the President's autographed edition of the Democratic Book of 1936.

Nothing has been attempted toward squeezing the political plunder out of the administration of Federal relief.

Nothing has been done to reestablish the due processes of constitutional government by the withdrawal of so-called emergency powers of the President. Instead, many of these powers have been renewed and extended to buttress the New Deal against its own fabulous blunders and illusions.

Nothing has been done to promote the constructive progress of American agriculture. Instead the House passed a resolution in the last days of the chaotic session extending sincere sympathy to the farmer and making more promises.

Nothing has been attempted toward correction of our extravagant gold-purchasing policy, which hobbles the economy not only of the United States but of the entire world.

With the Democratic Party a house divided against itself, where shall the people turn?

The only way this country ever can get back on the track of sound progress and prosperity is to elect a Republican President and give him a majority in both Houses of Congress.

My Work and Accomplishments in the First Session of the Seventy-fifth Congress

EXTENSION OF REMARKS

OF

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

EXTRACTS FROM SPEECH DELIVERED BY THE HONORABLE ARTHUR W. MITCHELL, OF ILLINOIS, TO THE NATIONAL ALLIANCE OF POSTAL EMPLOYEES' CONVENTION IN PHILADELPHIA, AUGUST 18, 1937

Mr. MITCHELL of Illinois. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following extracts from a speech I delivered to the National Alliance of Postal Employees' Convention in Philadelphia, Pa., August 18, 1937:

Mr. Chairman and members of the National Alliance of Postal Employees assembled in convention, I assure you that I feel highly honored in being invited by your president and by many other outstanding men in your organization to address you on this occasion. For 3 years I have served as a member of the Committee on the Post Office and Post Roads. We have had close connection with and constant communications from, the members of your organization. It has been a genuine pleasure to know you and to have your cooperation and suggestions from time to time. You have asked me on this occasion to give you a brief synopsis of my work in the Congress. It is with a degree of hesitancy and modesty that I attempt to do this. I wish to say, however, at the outset that it would be far more satisfactory to me to address you on some other subject; but I realize the importance of the work that I am attempting to do in the Congress of the United States today and I shall endeavor to tell you in as brief a manner as possible some of the things I have done and some of the things which I have attempted to do which are still pending and which I hope to do in the second session of the Seventy-fifth Congress.

BILLS INTRODUCED

The following comprise the bills introduced in the first session of the Seventy-fifth Congress:

H. R. 2249. This is a bill to abolish the use of photographs as a means of identification of applicants in the United States civil service. The enactment of the bill will go a long way in wiping out segregation in the civil service. At present many Negro applicants are not called for service simply because many prejudiced appointing officers refuse to do so after looking at the applicant's photograph and determining that such applicant is colored.

H. R. 2250. This is a bill to create an Industrial Commission on Negro Affairs. When enacted, this bill will bring into being a United States governmental agency with all the power and privileges incident thereto, to look after the interest, welfare, and rights of colored citizens. This Commission will do on a national scale for the Negro what many agencies interested in the Negro's well being are trying to do on a small scale. It will work in cooperation with States and State Governments, and for the first time since emancipation, there will be a definite, legal, Government directed agency interested in the Negro.

H. R. 2251. This is the antilynching bill, and seeks to punish the crime of lynching by making it a Federal offense. It also awards money damages to the victims of lynchings. This bill was reported favorably by the House Judiciary Committee after hearings lasting all day. These hearings were the first ever held on

an anti-lynching bill by a Negro Congressman. The anti-lynching bill has already passed the House.

H. R. 3691. This is a bill to force appointing officers in the Civil Service to appoint the persons making the highest grade to the first vacancy occurring, with the second vacancy going to the second highest, and so on down the list. At present, the appointing officers have a discretion in making appointments and may make a selection of any one of the three highest. This leaves room for discrimination, and in many instances there have been gross discriminations and persons were passed over for no other reason than that they were colored. And this has been legally possible in view of the discretion granted appointing officers to select any one of three.

H. R. 3692. This is a companion bill to H. R. 3691, and while it permits the appointing officer to specify the sex desired in filling a vacancy, it also requires that he specify the sex desired in writing. This provision was inserted to prevent an officer from desiring one sex and then changing the designation in order to keep from appointing a colored applicant. The bill provides that once a designation is made, it may not thereafter be changed without the consent of the person then entitled to fill the position.

ACADEMY ACTIVITIES

During the first session of the Seventy-fifth Congress, many young men were designated to attend the Naval Academy at Annapolis. They are James Lee Johnson, Jr., James Daniel Fowler, William Thomas Carney, Gilbert Lipscomb Reed, Robert Freeman, James Gilbride, George Joseph Trivers.

Likewise, during this session many young men were designated to attend the Military Academy at West Point. They are Emory Joseph Jordan, Laurence Oliver Clark, Carl M. A. Carr, Michael Francis Aliotta, James Daniel Fowler, David Brown, Charles Hambrick, Euwart Lee Davenport, Beverly Klein Cole, Phelps Asbury Walker, Wilson Reed, George Aubrey Johnston, Winsley Armstrong, Robert M. Jones, Frederick E. Byrd, Welford T. Hill, Charles H. Hunter.

Fowler is now at West Point and doing well. In spite of the fact that Johnson was railroaded out of the Academy and Trivers did not have the desire to remain there, I have renewed my determination to see to it that a colored midshipman is accepted at Annapolis and remains there until he graduates.

* * * * * * *

GENERAL ACTIVITIES

During this first session of the Seventy-fifth Congress I have made many addresses in various parts of the country. This includes speeches at Cincinnati, Ohio; Columbus, Ohio; Gary, Ind.; Chicago, Ill.; Camden, N. J.; Philadelphia, Pa.; Hot Springs, Ark.; Little Rock, Ark.; Indianapolis, Ind.; and other points.

I have likewise spoken over the radio several times, and probably one of the best speeches ever delivered over the radio at any time was my speech on the antilynching bill, which was made April 5.

Among the outstanding achievements during my congressional career has been the softening and removing of prejudices which had previously been in the minds of the lawmakers. This was accomplished by the manner in which I conducted my office and by the high type of statesmanship displayed on all matters in and out of Congress. My intelligent approach and wise and careful handling of the affairs of my office provoked the following statement from Congressman HATTON W. SUMNERS during the debate on antilynching:

"This man MITCHELL, who comes from Chicago, is a colored man, but a colored statesman. And if MITCHELL holds himself throughout the years as he is today, his head on his shoulders and his feet on the ground, he stands a chance to be recognized by the historian of the future as the greatest statesman his race has produced in a century."

During this session of Congress many people have been placed in remunerative positions directly through my efforts in their behalf. These include the following:

Two clerks in the distributing office of the Department of Agriculture.

Robert Taylor, second ward, employed in Doorkeeper's Division of House of Representatives.

William J. Jones, 4158 Cottage Grove Avenue, second ward, employed as messenger in Treasury Department, Chicago.

Stewart A. Betts, Jr., 3832 Calumet Avenue, second ward, employed in Doorkeeper's Division of House of Representatives.

John H. Landers, second ward, foreman in Chicago post office.

Arthur J. Devereaux, eleventh ward, superintendent of Station C of the Chicago post office. (Promoted.)

Wilbur Bournique, 3505 Indiana Avenue, second ward, special delivery messenger in Chicago post office.

Mrs. Lily B. McClain, promoted to special clerk in post office with increase of salary.

Frank Crispo, 3232 Princeton Avenue, eleventh ward, special delivery messenger in Chicago post office.

Theodore Young, second ward, Doorkeeper's Division of House of Representatives.

To this list there were additional appointments to clerkships and to carrier positions in the post office, as follows:

First ward, 5; second ward, 27; eleventh ward, 13; and fourth ward, 9.

I know that I have been severely censured from time to time by members of my own race who have not understood my motives, or if they understood them, have willfully misrepresented them. A few days ago when the name of Senator Hugo L. Black was presented to the Senate as an Associate Justice of the Supreme Court of the United States, I sent him the following telegram:

AUGUST 13, 1937.

Senator HUGO L. BLACK,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I send this word as an expression of satisfaction and enthusiastic approval of your appointment as Associate Justice of the Supreme Court of the United States. As a fellow Alabamian I am somewhat familiar with your work in that State. I regard you as being truly progressive. Your attitude toward my people for the most part has been one of genuine friendliness. I predict that your record on the Supreme Bench will be a continuation of the wonderful record you have made in and out of Congress. I rejoice in your appointment.

ARTHUR W. MITCHELL, M. C.

I sent this, first, because I believe that Senator Black is a genuine, honest-to-goodness New Dealer. I believe that he is interested in justice for underprivileged people. I know that his record as a prosecutor and lawyer in Birmingham, Ala., my home, toward my people has been one of friendliness. I believe he will make a great Justice, and because of this opinion I have endorsed him. For this I have already been severely censured by some members of my race. There are those who say that if a white man comes from the South he is essentially an enemy of the Negroes. I know this is not true, for many of the best friends I have today are men and women of the white race who were born and reared in the South—a large number of them still reside in the South. It is no more fair for you to say that because a white man is from the South he is an enemy to the Negro than it is to say because you are a Negro you are worthless as an American citizen. Both statements are viciously false, and no man who wishes to be fair will take either position. I thank God that there is no prejudice in my heart against any man because of his color or otherwise. I have made many appointments to West Point and Annapolis without regard to color. Other Congressmen may draw the color line, but I have not done it; and no man, however bitter in his criticisms, will cause me to descend from the high stand which I have taken, namely, that of being absolutely fair to all men, paying no attention to their race or their color.

In conclusion, I wish to say that I shall continue as long as I am a Member of Congress to do my full duty by my constituents and by the American people without fear or favor. Wishing this convention continued success in the fine work you are doing and again thanking you for the opportunity of appearing before you on this occasion and assuring you that I shall continue to be deeply interested in your welfare, I bid you God's speed in your work.

Our Political Book of Rules for the Nation Was Formulated by Able Men

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker, the boys and girls in our country, as well as some older folk, who take a keen interest in our national sports are anxious to know who made the rules for our great games, or by whom the rules are changed periodically. This holds for football, baseball, or any of the well-known sports. Let it be known that Knute Rockne had anything to do with the formulation of football rules and such rules are readily approved. Let it be known that Babe Ruth has anything to do with the writing of a new set of rules for baseball, and by common consent such rules are approved. We seem to agree that well-known experts in any great game, or in the knowledge of a game, are expected to be most competent in preparing or changing the rules of that game. Does this not also apply to the great game of practical politics, by which we in the Government and all American citizens generally must be guided?

In following still further my figure of speech contrasting the Constitution of the United States with a book of rules, I would like to point out that some of the greatest statesmen and experts in matters of human government known to this country had a part in the formulation of our greatest set of

rules. The meeting at which this was done was, of course, the Constitutional Convention held at Philadelphia from May 25 to September 17, 1787. The outstanding authorities to whom I refer are such men as George Washington, James Madison, Benjamin Franklin, Alexander Hamilton, James Wilson, Roger Sherman, and Gouverneur Morris. Recognizing the ability of such men, in political matters, we may rest assured of the quality of work which they did in planning at that time the form of our future government.

EACH LEADER ESPECIALLY FITTED

Washington was very appropriately selected as President of the Convention, which framed the Constitution. By the critics he is not regarded as a statesman of the first order. He was not a lawyer; he was not a philosophic student of political institutions; nor was he familiar with the history of constitutional government. Nevertheless, he was a practical statesman of a high order. He was a great executive, and that required keen insight into human nature and the practicability of things. His judgment of men and measures was almost unerring. Without being able to formulate governmental plans in detail so well as some of the other members of the Convention, his analytical mind could discern the merits and demerits of any proposal and determine whether it was good or bad, whether it would work or fail. Such was the man chosen to preside over the meeting that wrote our greatest national book of rules. Of course, there were other reasons why it was appropriate that he should be chosen to preside over the Constitutional Convention.

James Madison was a scholarly man and well versed in the history of political institutions. He knew his constitutional government and was informed on every political scheme that had ever been tried out at any time or any place on a sufficiently large scale to merit the historian's attention. Time after time during the 4 months of this historic meeting proposals of constitutional provisions were made, and James Madison spoke for or against them accordingly as his judgment dictated and his knowledge of the past warranted. He was the thoughtful student in this Convention. So significant was his part in the formulation of the great document that he is generally known as the "Father of the Constitution." In passing, we might remark that he let posterity know about the actual work of drafting our basic law through a careful record which he kept of the proceedings of the Convention.

Old Dr. Franklin was a sage even among these elder statesmen of that era and brought to their deliberation a ripeness of judgment and a maturity of philosophy which gave dignity and strength to the work when completed. Of course, Franklin's aid was partly due to the world-wide recognition which he then had, for there was not a living man in the world better known in 1787 than Benjamin Franklin of Philadelphia. His sense of humor and kindly spirit tempered the outburst of passion which the debates aroused and fanned into flame on more than one occasion. On such occasions the old philosopher saved the day with humor and good sense when the other members were about to break up in anger and go home without completing their task. Franklin epitomized the culture and practical virtues of his generation and represented in his own person the wisdom of that period. Surely anything which Franklin has helped to draft will be as nearly perfect for a scheme of human government as earthly creatures can devise.

From the pivotal State of New York came the youthful Alexander Hamilton, brilliant and masterful, but not always congenial, nor likeable. His contribution toward the formulation of this set of rules for our nation was a notable one and highly intellectual. In our day, we would call him a "brain truster", but contrary to some modern brain trusters, he was very conservative. Having been born in poverty, he did the very human thing of worshipping at the shrine of wealth. How to make secure the owners of property in their property rights was of much more concern to Hamilton than how to increase the average intelligence or raise to a higher level the well-being of the masses of our people. He left an indelible imprint upon our political rules.

James Wilson, a scholarly lawyer from Virginia, applied his legal learning to good effect in the drafting of the Constitution. Roger Sherman, as well as Madison, Hamilton, and Pinckney, offered compromises when the delegates to the convention were in a quandary of what to do, and at cross purposes. Gouverneur Morris, of Pennsylvania, put the completed document in its final form by submitting their resolutions in writing. In that sense, then, he wrote the Constitution, being thus responsible for the final wording of the instrument.

It is doubtful whether any political assemblage in all human history had so large a proportion of really great men as did the Constitutional Convention of 1787 at Philadelphia. The document which they drafted and presented as a set of rules for our new Nation ought accordingly to be held in very high esteem, and so it is. My personal feeling is that these sagacious men did a splendid job and deserve our highest respect and praise for what they accomplished. Perhaps the remarkable history of America and its growth during 150 years from an infant republic to the high place it now occupies among the family of nations is due to the quality of the set of rules which Washington and his companions formulated for us. Surely the 17th of September, on which they completed this task, ought to be regarded as our national holiday. I am particularly calling upon all teachers and pupils throughout the country to commemorate this great event by appropriate programs of celebration.

Unemployment Census Should Be Conducted by Letter Carriers—Tabulation of Results Ought to Be Undertaken in Each Locality so That Quick Returns are Assured

---

EXTENSION OF REMARKS

OF

HON. WILLIAM R. THOM

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

LETTER TO HON. HARRY L. HOPKINS

Mr. THOM. Mr. Speaker, in view of the enactment of a law by the Congress for an unemployment census, I am urging that the postal employees of the country be utilized in this work, and that each locality tabulate the results so that quick returns may be obtained. This is in line with suggestions I made in a letter under date of June 12, last, and which letter is herewith reproduced:

JUNE 12, 1937.

Hon. HARRY L. HOPKINS,
Administrator, Works Progress Administration,
Washington, D. C.

MY DEAR MR. HOPKINS: May I give you the benefit of my views on an important phase of the relief problem?

This administration—and I believe this includes yourself—has been opposed to an unemployment census.

The debate of the other day in the House of Representatives on the work-relief bill revealed, especially on the part of the rural Members of the House of Representatives, a distinct feeling that there is no substantial unemployment in the country—and that, if there is, it is almost wholly voluntary, and that most of the beneficiaries of the relief program are just a lot of racketeers. Many well-meaning persons outside of the House of Representatives think the same thing, and this sentiment is growing.

There is one way to dissipate that idea, and that is by a census of the unemployed.

I make this suggestion:

During the registration of workers for the old-age pension benefits I was impressed with the businesslike way in which the job was done by the postal employees. While visiting post offices where registration was in progress the postmaster at Minerva, Ohio, a town of 3,000, told me his two or more letter carriers at the time of

the registration for old-age benefits decided, upon their own initiative, to make a population census of the town. They did so in a spirit of inquiry to satisfy themselves as to what proportion of the population was gainfully employed.

From this I conceived the idea that somehow we ought to be able to use the letter carriers of the country in an unemployment census. They are trained men, each assigned to a route that he knows thoroughly, and in the ordinary town the carrier could sit down at his desk and write the names of the unemployed on his route from his general knowledge. Therefore I can't get rid of the idea that these carriers ought to fit into a census-taking job. I might add that their routes are not large, so that coverage for census purposes would not require a great amount of time.

Other countries use their civil employees in such undertakings. I recall that while in London I learned that the population census in that city is conducted by the police department. Householders are instructed to be in their homes between certain fixed hours on a particular Sunday in order that they may be properly counted when the policeman in that district arrives. In Turkey the school teachers make the census. Undoubtedly their education fits them to do this work intelligently.

My recollection is that you have expressed yourself against the door-to-door census, the results of which would not be known for 6 months or a year afterward, and I join with you in this criticism. But the plan I have under consideration would obviate these defects to a large extent.

Supposing in industrial cities of the country a letter carrier would leave at each home after inquiry enough sheets for self-registration of the unemployed. A week later he would call for the sheets, which in the meantime had been filled out by the unemployed. Local committees could use the radio to explain the questions and encourage attention to the task.

When the sheets were gathered, the tabulation should be undertaken by the local employment office, assisted perhaps by persons who serve as election officials in the community. If there is no unemployment office in the town, election officials could be enlisted.

If a census of this sort were properly organized, each town could make a final report in a week.

Moreover, the interest aroused would stimulate local people to begin thinking about what to do about their local problem of unemployed. At the present time most of them simply complain and offer nothing constructive about solution of the problem.

I talked with several influential officials of the Post Office Department, who say that, while they are not anxious for the job, they could undertake it just as successfully as they delivered bonus money to World War veterans, distributed and collected N. R. A. agreements, and registered workers for old-age pensions. Why not try out this plan in one city?

In conclusion let me say that public sentiment is all confused about relief. Many don't believe that while production increases the number of employees used is less than with equal production a few years ago. The rural people, never without work on their farms, think that the cities are filled with idlers. This kind of wide and growing sentiment you will have to counteract if the unemployment problem is to have continued attention and not be overshadowed as something that doesn't matter.

May I add that frequent guesswork about the figures of unemployment serves further to befuddle the public mind. Not only that, but as a Member of Congress I feel that most, if not all, of the estimates on unemployment are simply wild shots in the air. I am rather weary of reading the figures that are bandied about, and which, in my opinion, have no real basis so far as actual facts are concerned.

With kindest regards, I am,

Very truly yours,

WILLIAM R. THOM.

Some of the Rules of the American Political Game Which Were in Dispute

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker, in carrying out our illustration of the National Constitution as a political rule book for America, I would like now to mention some of these rules which were not easily agreed upon and accordingly not satisfactory to everybody. Political rules are unlike the rules of a game in at least one respect. The rules of a sports game may be arbitrarily established one way or another, just so they are sensible provisions, and then it is the duty of the players to conduct a game according to these rules. In the great game of government, various classes of citizens have their own ideas as to what best suits their purposes and conduces to their happiness, and, naturally, they wish to shape the rules to that end. The meeting at Philadelphia in the summer of 1787 had some very stormy sessions because of such disagreement. Throughout our history there has also been much controversy between groups of citizens and sections of this country as to how the rules should be.

TWOFOLD DIVISION OF POWER

This is a vast country today, but it was also vast in 1787, when we consider the slow means of transportation then existing. A great question which puzzled the Constitution makers was this: "Shall the laws which govern America be made by one legislative body at a National Capital, or shall most of the laws which govern Americans be made by State lawmaking bodies at the various State capitals, or shall some of the general laws be made by one central body, such as Congress and still others be made by State legislatures for local application within the various States?" That was a difficult matter to arrange, but the last suggestion prevailed. The rules were fixed so that in this country we have a central lawmaking body, called Congress, to pass laws to apply to all American citizens, leaving a large proportion of laws to be enacted by the various State legislatures, to apply only to citizens within those respective States. That arrangement has given us a dual, or two-part, scheme of government, which is quite distinctive, and, we think, on the whole, beneficial for America.

SEPARATION OF POWERS

Another phase of the Constitution making which was a matter of dispute was whether all governmental powers should be lodged in one person or department of government, or divided into three or more great departments. The latter idea was adopted, and, accordingly, we have what is called the "separation of powers", dividing all powers of the central government quite logically into the law-making department, the law-enforcing department, and the law-interpreting department. A famous French writer by the name of Montesquieu had declared that this was the best way to arrange an ideal government in order to keep any one part of the government from becoming oppressive and that in this way the liberty of the citizens would be best protected. So it came about that we have it as a political rule that all general laws are enacted by Congress, their meaning determined by the courts, and their administration entrusted to the President and his subordinates.

Another matter of great concern to the planners of our Government was how to protect the citizens in their personal rights and liberties, for it is well known fact of human nature that all governmental officials tend to become tyrannical and oppressive. To make sure on this point, the founders of our Government, having announced what were the great human rights to be guarded as enumerated in the Declaration of Independence, attempted to fix the supreme law so that they would be adequately safeguarded. The liberty of each citizen and his right to acquire and hold private property and to be free in the exercise of his conscience and his worship, are some of the rights most closely preserved.

RIGHTS AND LIBERTIES SAFEGUARDED

Now, there are some acts of government which are very oppressive and ought never to be permitted, so our book of rules forbids such things. For instance, the Constitution says: "No bill of attainder or ex-post-facto law shall be passed." These are two kinds of legislation that are very unfair and, accordingly, forbidden. A bill of attainder is a legislative act condemning a citizen for a crime without giving him a judicial trial. An ex-post-facto law is, among other things, one which reaches back in point of time and makes a deed, which may have been permissible at the time it was done, unlawful and punishable. The unfairness of such a thing is apparent on the face of it, and that is why these rules of the game as it used to be played in ancient times are not permitted in America.

That great right of every American—to get and hold property rightfully acquired—is not only recognized but

closely guarded. It seems that we always have rich folk and poor folk, but there are always more of the poor folk than of the well-to-do. If government should always represent entirely the wishes of the majority, which in general it should do, the majority of poor folk might demand too much, or all, of the wealth of the few rich folk. Therefore, the Constitution endeavored to fix some rules that will protect well-to-do citizens in the enjoyment of their property. Most of these provisions have to do with money and debt. For instance, our rule book says that nothing but gold or silver may be made a legal tender in the payment of debt. In order that poor folk may not jump their obligations, our great book of rules says no State shall pass any law impairing the obligation of contract. That, of course, was to prevent the canceling of promissory notes or nullifying other evidence of debt.

After the Constitution was finished on September 17, 1787, and adopted within a year or so thereafter, a demand was made immediately for some additions. Accordingly, 10 amendments were quickly adopted further safeguarding the rights and liberties of our citizens. This collection—the first 10 amendments—is usually spoken of as the Bill of Rights. It is here that we find protection of the citizen's freedom of worship, freedom of speech, freedom of the press, and the right peaceably to assemble and to petition the Government to remedy wrongs. Granting that it is necessary to change our great political rules from time to time as conditions change, nevertheless, we Americans feel that we have in this Constitution the best political rule book our people could have. We know of none better for our purpose.

Better Understanding Foundation

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. CELLER. Mr. Speaker, may I bring to your attention a movement of vital importance to the people of the United States? I refer to the recent incorporation in the State of New York of the Better Understanding Foundation, Inc., an educational and philanthropic movement organized by Americans of national repute to discover the causes of intolerance and prejudice between racial and religious groups. This foundation eschews plain propaganda based, as is so often the case with groups of this character, upon its own special group of prejudices and biases. Its prime effort is to inaugurate studies in institutions of secondary and high learning and to support these studies by the endowment through public subscription of scholarships, fellowships, professorships, and research funds. The results of these studies through the years will be made available by publication and conferences to the press and general public.

I draw attention to this foundation for the reason that there is a vital need in our democracy of understanding between all the diverse elements that make up our country, a better understanding that will make for harmony between groups, without which our political system will fail. But fail it will never so long as each struggling element strives not to destroy its neighbors, but, rather, to act with them in the development of political and cultural forces which can withstand the assaults, foreign and domestic, of ideas alien to our ancient heritage. The basic principle of our American system, the American way, is the inalienable right of each citizen to full development so long as such development does not militate against the general good.

In the midst of so much current international antagonism and so much and so varied strife in the United States, it is encouraging to witness the emergence of a foundation dedicated to the promotion of better understanding among all peoples. The purposes of the foundation as announced by Mr. William W. Lundell, executive director of the Better Understanding Foundation, Inc., whose offices are at 48 West Forty-eighth Street, in the city of New York, are as follows:

To invite and seek information about the problems of intolerance and misunderstanding confronting individuals and groups everywhere in the United States.

To coordinate local interfaith movements for educational and civic action.

To introduce into the curriculum of secondary schools, colleges, and universities the study and pursuit of intergroup relations—better understanding.

To conduct permanent and occasional extra-curricular seminars and conferences in colleges, with better understanding as the theme.

To promote the practice of better understanding in secondary schools and in institutions of higher learning by studies of racial background by friendly athletic competition and games and by diverse scholastic contests.

To interpret to each other the character and habits of various groups not included in formal educational institutions.

To engage in definite projects for the general social welfare of Catholics, Jews, Protestants, and other groups.

To cooperate with other national social-welfare and good-will movements.

To distribute news of better-understanding projects of general-reader interest and to render it attractive to publications of all types.

The present board of directors, of which I have the honor to be a member, includes Dean Alfange, attorney, author of The Supreme Court and the National Will; Joseph H. Biben, publisher of The American Hebrew and a chain of newspapers; Ford C. Frick, president of the National League of Professional Baseball Clubs; Frank E. Gannett, publisher of the Gannett newspapers; Dr. Charles T. Loram; Jeremiah T. Mahoney, former supreme court justice, State of New York; James N. Rosenberg, attorney and Jewish philanthropist; Lowell Thomas, author and radio commentator; Charles H. Tuttle, former United States district attorney; and Samuel Untermyer.

I have the honor at this time to present the statements of several members of the board of directors of the foundation, all of whom have a wide knowledge of the problems that confront our people. Mr. James N. Rosenberg, prominent attorney and philanthropist, says as follows:

Playing on prejudices, patrioteers, and purveyors of class hatred have beguiled whole nations overseas into throwing liberty overboard. Too late Protestants and Catholics of Germany, its science, art, letters, labor, industry, have learned that persecutions of Jews were only a prelude, and that by joining in such persecutions all groups chose their own doom. This menace today confronts all democracies. "Words are triggers of action", said Judge Learned Hand. "Every idea is an incitement", Justice Holmes once remarked. Press, film, radio have so enlarged the reach of words that democracy must be more than ever vigilant of its liberties; must more energetically than ever guard against the demagogue's calumny of minorities. This is not for the sake of minorities but for the saving of democracy itself.

Examine your own status. We are all members of minorities; if not today's then yesterday's or tomorrow's. * * * This holds good whether we are Democrats or Republicans * * * whether Baptist, Methodist, Seventh Day Adventist, Catholic, or Jew. Whether we are lawyers or laborers, capitalists or coal miners, Yankees or southerners, members of the C. I. O. or the Liberty League, none of us are free from the menace of group defamation. What is the way to meet that menace? By suppressive laws? I doubt it. Two weeks in jail or a fine of a hundred dollars can magnify a mischief maker into a martyr. It is in truth and better understanding of American democracy that we find the true antidote to the demagogue's poison.

The men and women who came to these shores left lands where they were of oppressed minorities, built a house of freedom on foundations of religious liberty, freedom of speech and press, of security to all individuals and minorities against persecution. Let those foundations slip, the house of liberty itself will crumble. Freedom is a prerogative whose sinews and muscles wither away if not exercised. It behooves free men and women, tireless men and women of good will, wisdom, courage, to do battle for democracy. Education and truth are our weapons. So can best be accomplished that better understanding among all Americans which is the watchword of liberty. This requires work, study, practical, factual study of problems of group relations, whether racial, religious, economic, social, or political. Such studies, it is heartening to note, are becoming matters for attention in our leading universities. This should be encouraged by all believers in American principles.

Hon. Jeremiah T. Mahoney, former justice of the supreme court of the State of New York, president of the Amateur

Athletic Union of the United States, and valiant champion of the rights of all people, expressed himself in these words:

The rising tide of intolerance and the emergence of prejudiced pressure groups make essential the organization of some instrument to combat this intolerance. This we shall seek to do by a program of education.

Mr. Joseph H. Biben, publisher of the American Hebrew and a chain of newspapers, said:

It is symptomatic of the onward march of Christian-Jewish friendship that the Better Understanding Foundation, the launching of which has been widely hailed in the press of late, now comes into being. Prominent figures like Charles H. Tuttle, Samuel Untermyer, Father Joseph Moody, James N. Rosenberg, and Congressman Emanuel Celler are lending the weight of their influence and active participation to this forward step in Christian-Jewish relations.

I am happy to note that, far from competing with other good-will bodies, the Better Understanding Foundation aims to set the pace in a more fundamental approach to the problem of intergroup misunderstandings and the eradication of prejudices. I have long followed with admiration the pioneering endeavors in this cause, notably the early strivings of the American Hebrew, from which has grown a Nation-wide movement calculated to avert and check among Americans of all faiths those pernicious tendencies which are the bane of much of the rest of the world.

Under our democracy it is possible, to a far greater extent than elsewhere, to get at the bottom of man-made antagonisms, of racial and religious blind spots. Even the sinister and insidious influence of imported hatreds—from Germany, Poland, Rumania, and other benighted lands—cannot stay the sincere efforts of American Christians and Jews to understand and appreciate each other on a basis of fair play. Yet the barriers are many. It is to the basic handicap among these that the Better Understanding Foundation happily addresses itself. It intends to foster, in collaboration with public-spirited educators, the practical teaching in secondary and other schools of that which is humanly most essential for Christians and Jews to know concerning one another. Dry-as-dust technical text books do not at present embrace any such knowledge or activities.

A beginning must be made in that direction, and it is gratifying to see that the Better Understanding Foundation has made it its initial goal to accomplish this very imperative task. In this and in other undertakings there is room for close cooperation with existing good-will organizations.

The press of the country has also hailed this new foundation both in news columns and editorially. The New York Times of July 16, 1937, had this to say:

Former Supreme Court Justice Jeremiah T. Mahoney, president of the Amateur Athletic Union, announced yesterday the incorporation in Albany of a national organization formed by prominent Protestants, Catholics, and Jews to promote better understanding among racial and creedal groups.

The new organization, to be known as the Better Understanding Foundation, will concentrate its activities among university, college, and high school students with a view to cultivating a scientific approach to the problem of the relations between races and creeds.

PROGRAM DRAFTERS NAMED

William W. Lundell has been appointed executive director of the foundation, which has established headquarters at 48 West Forty-eighth Street. Mr. Lundell will work in cooperation with Dr. Charles T. Loram, professor of education and director of graduate studies in the department of race relations at Yale University, in working out the details of the foundation's program.

"The rising tide of intolerance and the emergence of prejudiced pressure groups make essential the organization of some instrument to combat this intolerance", Mr. Mahoney said. "This we shall seek to do by a program of education."

Mr. Lundell explained:

"Unlike the work of other organizations to promote racial and religious harmony, the new foundation plans to carry the study of the problems of better understanding directly to college, university, and high school students.

"This will be done through the endowment of professorships in race relations, scholarships, and the introduction into the curriculum of formal educational institutions of the study of intergroup relations."

Mr. Lundell announced that a membership drive and general educational campaign would be started immediately.

PURPOSES ARE OUTLINED

The purposes of the Better Understanding Foundation, as detailed in Mr. Mahoney's announcement, are:

"To invite and seek information about the problems of intolerance and misunderstanding confronting individuals and groups everywhere in the United States.

"To coordinate local interfaith movements for educational and civic action.

"To introduce into the curriculum of secondary schools, colleges, and universities the study and pursuit of intergroup relations—better understanding.

"To conduct permanent and occasional extra-curricular seminars and conferences in colleges with better understanding as the theme.

"To promote the practice of better understanding in secondary schools and in institutions of higher learning by studies of racial background, by friendly athletic competition and games, and by diverse scholastic contests.

"To interpret to each other the character and habits of various groups not included in formal educational institutions.

"To engage in definite projects for the general social welfare of Catholics, Jews, Protestants, and other groups.

"To cooperate with other national social-welfare and good-will movements.

"To distribute news of better understanding projects of general reader interest and to render it attractive to publications of all types."

The Brooklyn Daily Eagle of July 19, 1937, said editorially as follows:

With so much of bias and intolerance rife in other quarters of the world, the announcement by former Supreme Court Justice Jeremiah T. Mahoney of the incorporation in Albany of a national organization of prominent Protestants, Catholics, and Jews for the purpose of promoting a better understanding among racial groups and those of different creeds comes at a particularly opportune time. The organization is to be known as the Better Understanding Foundation and it has chosen as its special field of activities university, college, and high-school students, the specific object being to engender a scientific approach to the problem of the relations between races and creeds.

One of the chief purposes will be "to invite and seek information about the problems of intolerance and misunderstanding confronting individuals and groups everywhere in the United States." In short, it seeks to combat and eradicate every form of intolerance by study, cooperation, and social-welfare projects. That it will be welcomed in institutions of learning and by society in general there can be no doubt. Its broad-minded and generous purposes are in striking contrast just now to announcements of a special summer course for history teachers in Nazi schools in Germany who are instructed to impress upon the children in their classes "the age-long struggle between the Jew and the German." The need for better understanding was never greater in all parts of the world than now.

The American Hebrew, leading journal of Jewish news and opinion, speaks of the foundation in these words:

We greet with satisfaction the launching last week of the Better Understanding Foundation, which is designed to be, in the words of Jeremiah T. Mahoney, "an instrument to combat prejudiced pressure groups and intolerance by a program of education." It is gratifying that a militantly enlightened movement of this kind finds sponsorship among eminent Protestants, Catholics, and Jews at a time when interfaith concord and mutuality are sorely needed throughout the Nation. Existing good-will groups may well hail this new comrade-in-arms in a cause of vital moment to all Americans.

It is significant of the vision and determination of those whose inspiration has begotten this project that the Better Understanding Foundation aims "to carry the study of the problems of better understanding directly to college, university, and high-school students."

Therein lie the root and core of the problem. The foundation has embarked on a far-reaching and noble venture—a new path on the way to human understanding, in the hewing of which there is room for every true American.

The Paterson (N. J.) News and dozens of other newspapers have spoken in the same commendatory vein.

Dr. Ralph Page, professor of social science at Bucknell University, writes as follows:

It is with sincere pleasure that I extend my congratulations and good wishes to the founders and promoters of the Foundation for Better Understanding.

In my estimation, the people of the United States are rapidly approaching an era of interracial, international, and industrial conflict, more serious than any similar period in our history. In the interest of social harmony, an organization which is designed to counteract this movement is most valuable.

In order to prevent these group conflicts, it appears obvious that it is necessary to understand the forces which cause them to arise. An understanding of this nature requires detailed and scientific research as well as numerous case studies.

Even then the task of promoting better understanding is only partially complete. It is necessary that the information obtained by research be made available to the public. This educational process should operate simultaneously on the academic and non-academic levels. A system of exchange professorships and the establishment in certain educational institutions of courses of study dealing with problems of this nature would go far toward preparing a group of leaders who would mold the public opinion of the future. At the same time, current public opinion should not be ignored. Public forums and intergroup conferences would help to promote mutual understanding between these groups.

As I understand it, all of these activities fall within the scope of this organization. Because I am so thoroughly convinced of the significance of the movement I am happy to commend it.

This organization, the Better Understanding Foundation, invites your cooperation and is designed to serve you and to support all movements and organizations which deplore the divisive forces that threaten to break up our American pattern and which are striving and will strive zealously for the promotion of good will among all our citizens to the end that our way of living shall be more liberal, more harmonious, and more happy.

My Report Regarding My Efforts and Activities in the House of Representatives During My First Session of Congress

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. O'CONNOR of Montana. Mr. Speaker, to the end that Members of the House and others may know of my activities during my first session in the Congress of the United States, I am herewith submitting a résumé of the same.

First of all, I hereby express my feeling of deep appreciation to all of the Members of the House, including those on both sides of the aisle, for the many courtesies and kindnesses extended to me during my initial work in Congress. Each and all of the Members, regardless of politics, always unselfishly cooperated with me to secure the passage of measures in the interest and for the benefit of my people of Montana. Such cooperation is indeed deeply appreciated by me, as I fully realize the futility of individual effort in such a large body of men and women. Accordingly I shall always feel greatly indebted and obligated to the Members of the House, regardless of party.

Bills introduced by me for the benefit of constituents are as follows:

H. R. 2254, providing for the suspension of annual assessment work on mining claims for the year 1937.

H. R. 3228, providing for accommodations for the United States district court in the new Federal building at Glasgow, Mont.

H. R. 3354, for the relief of the Great Northern Railway Co. This provides for the repayment to the railway company of $1,298.50 in satisfaction of its claim against the United States for a refund of construction charges on a grant of land in the Sun River irrigation project, which the company proposed to construct, and which was never built.

H. R. 3355, for the relief of Maurice J. O'Leary, to correct his military record.

H. R. 4003, granting jurisdiction to the Court of Claims to hear claims of the Assiniboine Indians.

H. R. 4709, to credit the Crow Indian tribal funds with amounts expended on irrigation works on the Crow Indian Reservation.

H. J. Res. 177, to amend the act of July 3, 1926, conferring jurisdiction on the Court of Claims to hear and examine claims of the Crow Indians.

H. R. 4795, providing for the holding of terms of the United States district court at Livingston and Miles City.

H. R. 4949, authorizing the Court of Claims to hear and determine claims in which the Arapahoe and Cheyenne Indians have an interest.

H. R. 4950, to credit certain Indian tribes with sums heretofore expended from tribal funds on irrigation works.

H. R. 5172, requiring concurrence of two-thirds of the members of the Supreme Court of the United States before an act may be declared unconstitutional. I will press the bill for action at the next session of Congress.

H. R. 6496, providing for the construction of a bridge across the Missouri River at or near Poplar, Mont.

H. J. Res. 330, providing that the Plains shelterbelt shall be known as the "Morton Shelterbelt" in honor of J. Sterling Morton, the founder of Arbor Day.

H. R. 6924, providing for the appropriation of $50,000 for school buildings at Wolf Point.

H. R. 6930, authorizing an investigation of the Yellowstone River in Montana by the Bureau of Reclamation for the purpose of irrigation, flood control, power, and other purposes.

H. R. 7021, validating and confirming certain mineral patents issued for lands situated in Township 5 South, Range 15 East, in the State of Montana.

H. R. 7204, to amend section 2 of the act providing for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes.

H. R. 7205, relating to the conveyance of restricted land on the Crow Reservation in the State of Montana.

H. R. 7223, for the relief of Dan Yancey. This bill provides for the payment of $2,000 to Mr. Yancey for the forfeiture of a lease of certain lands in Yellowstone National Park and the destruction of certain buildings on said lands.

H. R. 7407, providing that the unexpended balance of an appropriation of $100,000 for school buildings for both white and Indian children in Glacier County, Mont., be made available for school buildings in rural communities in district no. 9, as well as other school districts within said county. (Later an item was incorporated in the Interior appropriation bill providing for the use of the balance of the appropriation of $100,000 in the same manner as provided for in the bill, thus obviating the necessity for special legislation.)

H. R. 7649, relating to certain lands within the Crow Indian Reservation. This bill provides for amending the boundaries of the Crow Reservation, so that the city of Hardin will be outside the bounds of the reservation.

H. R. 8286, for the relief of Mr. and Mrs. Aaron Noah Baker, whose son lost his life in July 1936, fighting a forest fire in the Little Rockies, while employed by the Geological Survey.

Of the above bills, the following have become laws, through the passage by both Houses of Congress of the House bill, or the companion Senate bill, which I put through the House, viz:

H. R. 2254, providing for the suspension of annual assessment work on mining claims.

H. R. 3328, providing for accommodations for United States district court at Glasgow.

H. R. 3354, for the relief of the Great Northern Railway Co.

H. R. 4795, providing for the holding of terms of United States district court at Livingston and Miles City.

H. R. 6496, providing for the construction of a bridge across the Missouri River at or near Poplar.

H. R. 7021, validating mineral patents for lands in township 5 south, range 15 east.

I also secured action by the House on S. 1216, providing for the creation of Morrison Cave Park by the transfer of lands by the Secretary of the Interior to the State of Montana, and S. 2774, authorizing the Secretary of the Interior to relinquish lands on the Blackfeet Indian Reservation, acquired by the United States for reclamation purposes and situated within the reservation, to the Blackfeet Tribe of Indians. I also secured passage by the House of private bills for the relief of Josephine Scott, Lillian Glinn, James O. Cook, and Alban C. Sipe, which had previously passed the Senate.

I have taken an active interest in and supported all bills relating to farm legislation, irrigation, and reclamation, which in any way affect the interests of the people of my district. I voted for the bill providing for an appropriation of $2,000,000 for insect control. A very serious devastation of grasshoppers and Mormon crickets in Montana made a liberal appropriation imperative for the State. Out of the above amount Montana received $322,250 for the control of Mormon crickets and bait to the value of $76,000 for the eradication of grasshoppers.

When the Committee on Appropriations of the House was considering the agricultural appropriation bill I appeared before the committee and urged, as strongly as possible, an increase of $10,000 in the range investigation item for studies of artificial reseeding on range lands by the Northern Rocky Mountain Forest and Range Experiment Station. This is an important problem in Montana. An enormous acreage of once good range land in eastern Montana was plowed in an effort to develop it as farming land. Many of these farms have been altogether abandoned, together with an even greater area of forest, and other range lands have been denuded or badly deteriorated through overgrazing and fire, thus presenting a serious problem. The rehabilitation of this land for use by range livestock on a profitable basis is essential to the future prosperity of the region. Artificial reseeding with suitable forage plants would greatly speed restoration. The appropriation of $10,000 asked for this purpose was included in the agricultural appropriation bill. I was also successful in having restored an appropriation of $40,578 for the Division of Dry Land Agriculture of the Bureau of Plant Industry. The Bureau of the Budget eliminated this appropriation, by which the two dry land farm field stations at Huntley and Moccasin were dispensed with. These two stations were established some 30 years ago and have done very valuable work. The committee restored this item and the bill as passed carried the requested appropriation of $40,578. I also assisted in having the appropriation for wool marketing studies increased from $26,652 to $50,000, which studies are of great importance to the wool men of Montana.

I voted for and assisted in the passage of the following important measures:

(1) The work-relief bill, appropriating $1,500,000,000 for relief purposes and employment on necessary W. P. A. projects.

(2) The bill extending the Civilian Conservation Corps for 3 years.

(3) The bill extending the Public Works Administration until July 1, 1939. I have been very active in getting approval of public works projects and have conferred frequently with the President and the officials of this Department in regard to Montana projects.

(4) The Farm Tenant Act, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure. I will also support the Federal crop-insurance bill when it comes before the House, as I feel that the farmer's problem is the most pressing one before Congress and the country at the present time, and that we will never have real prosperity until the farmer is placed on an equal footing with every other producer.

(5) I voted to pass over the President's veto a bill permitting World War veterans to renew expiring 5-year level premium term policies for another period of 5 years.

(6) The bill appropriating $50,000,000 to the Farm Credit Administration to be loaned in sums under $400, except in emergency areas, for raising crops and livestock.

(7) The resolution creating a Joint Congressional Committee on Tax Evasion and Avoidance, as recommended by the President, and the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

(8) I also made a personal plea before the Committee on Appropriations for an appropriation of $14,483,000 to carry out the provisions of the bill providing for the promotion of vocational education. The continuation of this program means a great deal to the people of Montana. Forty high schools in the farming districts and all of the large cities provide vocational training. If this appropriation had not been made, 14,000 boys in Montana would have been deprived of this important and necessary training.

(9) Voted for the Railroad Retirement Act of 1937, establishing a retirement pension system for railroad workers of the United States. I am a strong supporter of all bills for the betterment of the conditions of labor.

(10) I voted for the Neutrality Act to keep us out of war. I have worked and voted consistently to maintain a strict neutrality on the part of this country, and stated on the floor of the House that I will never vote to send any of our boys across the water to fight in any offensive combat in behalf of any foreign nation.

(11) I voted to pass over the President's veto H. R. 6763, which is entitled "An act to extend for 1 additional year the 3½-percent interest rate on certain Federal land-bank loans, to provide a 4-percent interest rate from July 1, 1938, to June 30, 1939, and to provide for a 4-percent interest rate on Land Bank Commissioner's loans for a period of 2 years." This bill is in the interest of the farmer.

(12) Voted for the Spanish veterans' pension bill and Philippine travel pay bill, which has been pending in Congress for many years.

(13) Voted for what is known as the Gold Star Mothers' pension bill.

(14) Voted for the bill to protect the consumers of sugar and the domestic sugar producers.

(15) Voted for the low-cost-housing bill.

(16) Voted for a reorganization bill creating a Department of Welfare.

I took an active part in trying to get the general-welfare bill, providing for old-age security, before the House for consideration. I signed a petition to take it from the committee and bring it up for action by the House.

Some time ago I joined a group and assisted in drafting and introducing a bill providing for Government ownership of all Federal Reserve banks.

It was impossible to get action by the House on the fair-labor standards bill, providing for maximum hours and minimum wages of labor, but it will be brought up for consideration soon after Congress reconvenes; and when it is I shall support and vote for it.

I am also in favor of an amendment which has been introduced with regard to the payment of old-age pensions to Indians. I will vote for this bill when it is brought up in the House. As a member of the Committee on Indians Affairs, legislation relating to the welfare of the Indians of Montana has been of special concern.

Another matter to which I have given constant attention is the subject of irrigation and reclamation for Montana and legislation affecting these matters. I am a member of the Committee on Irrigation and Reclamation of the House, and as such have attended all meetings of the committee and worked for and supported bills extending further relief to water users on reclamation projects and Indian irrigation projects. One bill of special importance provides for the creation of "a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects." When this bill was before the Committee on Irrigation and Reclamation of the House, I secured the adoption of an amendment providing for the appointment, by the Secretary of the Interior, of men with actual irrigation experience. The bill provides for the appointment of a commission of three and my amendment includes farmers. The bill passed the House with this amendment, which was concurred in by the Senate, and the bill has been signed by the President.

I am also deeply interested in the matter of small reservoirs, as I believe this will solve the drought situation better than any other means known. The small reservoirs will conserve the surplus water in rainy seasons and thus be available for the dry seasons. I have discussed this matter with the department officials concerned, who are in favor of the program, and it is expected that shortly funds will be allotted for the construction of small reservoirs in various parts of the State. I have worked for and supported all legislation which will in any manner help the farmer.

As a member of the Public Lands Committee I have taken an active interest in all public-land matters affecting Montana. One bill of special importance to the State which I supported provides for a further extension of prospecting permits under the Oil Leasing Act until December 31, 1939. This bill has passed both the House and Senate, and is now before the President for his approval.

Another bill passed just before adjournment, and which is now awaiting the President's approval, is S. 1375, providing for the punishment of persons transporting stolen animals in interstate commerce. This bill is of especial interest to Montana stock growers, many of whom wrote me about it. I assisted vigorously in getting it acted on in the House in the closing hours of the session.

I have worked for appropriations for good roads and have assisted in the passage of all administration measures and all legislation of a progressive character.

I helped to work out the plan and secured funds for the construction of the Buffalo Rapids project, the Tongue River project, and the Lodge Grass-Little Horn Dam on the Crow Reservation. I appeared before the Committee on Appropriations at the time the Interior appropriation bill was being considered, and made a strong appeal for an appropriation of $200,000 for the commencement of work on the Lodge Grass-Little Horn Dam. This amendment was finally adopted and incorporated in the bill, and the money for the work will be available shortly. Already over $2,000,000 have been spent on this project, canals and laterals having been constructed, but no storage dam was built. The storage reservoir will complete the system, and more than 30,000 acres of irrigable land will be under water.

I also endeavored to have incorporated in the Interior appropriation bill an amendment appropriating $400,000 for the construction of the Saco Divide unit of the Milk River irrigation project. If this project could be constructed it would be of great assistance to the farmers in the northeastern section of the State. It was impossible to secure the adoption of this amendment, however, but efforts are now being made to get an appropriation from some other source, the work to be done by people on relief. If we are successful in securing the funds, the project can be constructed, or at least commenced, before cold weather. I have given a great deal of time and had many conferences with department officials regarding this project.

During the hearings on the third deficiency bill, which was passed just before adjournment, I appeared before the Committee on Appropriations and asked for an appropriation for the Frazer-Wolf Point pumping-plant project on the Fort Peck Indian Reservation, in the sum of $100,000, and $50,000 for a resurvey of the Poplar River project. These two items were struck out of the Interior appropriation bill. Though they were not put in the deficiency bill by the House, the Senate passed the bill appropriating $100,000 for the Fort Peck project and I succeeded in having it retained in the bill.

Among other items carried in the Interior appropriation bill were $10,000 for the improvement of the water system at Crow Agency; $30,000 for the Birney day school; $28,000 for the Tongue River Hospital; $40,000 for the Blackfeet Hospital; $26,400 for the Fort Peck Hospital; $34,000 for the Crow Agency Hospital; and $30,000 for the Fort Belknap Hospital; $300,000 were appropriated for the continuation of construction of the Sun River reclamation project, and $12,000 for construction charges on the Fort Belknap irrigation system; also $30,000 for remodeling and repairing school buildings at the Blackfeet Agency.

I have appeared frequently before all of the departments having to do with matters and projects in which Montana, and particularly the residents of my district, which comprises more than two-thirds of the entire State, are interested, and am constantly in touch with the departments, looking after legislation and other matters in which my people are concerned. I have on several occasions conferred personally with the President in regard to some matter of particular importance to my constituents, and he has always given me a most cordial and sympathetic hearing.

In April of last year there was considerable agitation due to the prospective lowering of the price of copper. Since the wages of miners and other employees engaged in the mining and refining of copper are based on the price of the metal, the lowering of the price would have had a serious effect on the people of Montana. I immedately took the matter up with the President, sending him data in my possession showing the hardship which would be inflicted upon the mining industry in Montana if copper were lowered in price to 8 or 9 cents. The President at once asked me to come to the White House to discuss the matter, which I did. Fortunately for the miners no further reduction of the price of copper has been made.

Havre municipal gas-distribution system: Some time ago the city of Havre applied for a loan and grant from the Public Works Administration for the purpose of constructing a municipally owned and operated natural gas-distribution system within the city of Havre, and for supply lines thereto. The P. W. A. later approved the application, the loan and grant to be made as soon as the city of Havre submitted proof that there was a sufficient supply of gas to provide for the operation and maintenance of the system, and for the payment of the interest and principal charges on the loan. Owing to delays, due to causes over which the city had no control, it was necessary to ask an extension of time in order to comply with the terms of the contract. The citizens of Havre asked my assistance in securing an extension. I took the matter up personally with the Public Works Administration and the Secretary of the Interior, and as a result of several conferences an extension was granted until October 30. There is some indication that by that time the city will be able to meet the terms of the contract with the Government, and Havre may have, within the near future, a municipally owned gas-distribution system, which will be of great benefit to its citizens.

Another matter of special concern has been the development of hydroelectric power at the Fort Peck Dam in northeastern Montana. The Senate passed a bill, introduced by Senator Wheeler, authorizing the War Department to install equipment at Fort Peck for the purpose of generating electrical power. The power, when developed, will be delivered to an administrator to be appointed by the Secretary of the Interior, and distributed over the State of Montana, with a view to encouraging the widest possible diversified use of electric energy. Owing to the serious drought which has prevailed for the past several years, there is a lack of power in Montana. The supply is not sufficient at this time to supply the demand, and the Montana Power Co. which provides most of the power used, has been obliged to import power from the State of Washington in order to supply the amount contracted for. If electric power could be developed at Fort Peck shortages such as those referred to would not again occur.

Although the bill did not pass the Senate until August 6, I was able to get a special meeting of the Committee on Rivers and Harbors to consider the bill and grant a hearing on it. This was had promptly and on August 11 the bill was reported out by the House committee. I hoped to get favorable action on it before adjournment, but owing to the crowded condition of the calendars it was impossible to do so. However, it will be considered promptly upon the reconvening of Congress, and I look for its immediate passage at that time.

As is well known, owing to the lack of power in Montana during the past few months, mining and smelting activities in the cities of Anaconda, Butte, East Helena, and Great Falls have been curtailed to a large extent and many men thrown out of employment.

It is my ambition and hope that, out of the Fort Peck power development and other contemplated power-development possibilities, electrical power may be placed in the home of every farmer in Montana, so that he and his family may have the same comforts that are enjoyed by residents of the urban centers.

I have taken occasion to speak in the House several times since I have been a Member on matters in which my people of Montana had an interest. Early in the session, in a speech wherein I defended the administration and asked my

fellow Members to stand behind the President in his efforts to bring about recovery, I referred to the President's message to Congress and his statement that he would like to see the "Supreme Court give a more intelligent recognition to our needs as a nation." I feel that there would not then be discord between the legislative and the judicial branches of the Government. I also stated that it is the right of Congress to legislate for the benefit and welfare of the people, that the Constitution is not designed as a strait jacket, and that conditions are such at the present time as to require a cohesive and unanimous move on the part of all branches of the Government.

A few days later I made a speech when the subject of further appropriations for relief was under discussion. At that time I said I was confident the President meant what he said when he stated that no hungry person in this country was going to be allowed to go unfed. I feel sure the President is going to carry out this pledge to the people of America, as he is with the common people of the country—heart and soul—just as we all are. I also stated I have confidence in the representatives of the President, who have this enormous problem to deal with.

I also later spoke on the neutrality legislation, and on the livestock industry, with particular reference to the importation of cattle from Canada to the United States.

When the naval appropriation bill was under consideration I introduced an amendment cutting out of the bill $15,179,000 for the cost of construction of two new battleships this year, the ultimate cost of each being over $60,000,000.

I made several speeches in favor of farm legislation. I spoke in favor of the Farm Tenancy Act, the Federal crop insurance bill, and the necessity of general farm legislation before adjournment. With reference to crop insurance, I stated that it is a protection against drought. It means much to the cities adjacent to the drought area in Montana, it means stable agriculture and stable buying power, and a lessening of the load of relief. Crop insurance offers protection against scarcity, but it is not intended to meet the problem of surplus. President Roosevelt and Secretary Wallace have emphasized the urgency of the problem.

A few days before adjournment I spoke regarding the necessity of general farm legislation before adjournment. I pointed out to the Members that we had been in session for 8 months and had little to show for our work in the way of farm legislation. I think the New Deal legislation has been the salvation of millions of farmers, and Congress should make provision for the passage of farm legislation in advance of next year's crop so the farmers may know where they stand.

When the various appropriation bills in which Montana is particularly interested were before the House for consideration, I spoke in favor of and advocated the adoption of each and every item dealing with these problems. These included, among other things, irrigation and reclamation, public-land matters, and Indian matters. I also spoke in favor of the flood-control bill, insisting that it should be broad enough to include a resurvey of the Yellowstone River. I was assured by the chairman that the bill would cover this matter. When the bill for the suspension of annual assessment work on mining claims was before the House for consideration there was some objection to it. I spoke in favor of the bill and succeeded in getting it passed by the House.

I signed discharge petitions on the Frazier-Lemke mortgage refinancing, reducing the rate of interest on loans from the Home Owners' Loan Corporation, Farm Credit Administration, foreclosure, and the cost-of-production bills. All of these had to do with farmers and home owners.

I also signed the petition on the Ludlow amendment to the Constitution, providing for a referendum by the people before the United States enters another war, except in the case of an attack by a foreign nation.

Hon. William P. Connery, Jr.

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 15, 1937

Mr. McCORMACK. Mr. Speaker, the sudden and untimely death of Congressman WILLIAM P. CONNERY, Jr., came as a shock to his colleagues in Congress who had learned to admire him with a deep affection and to profundly respect him for the fine character of the public service that he had rendered.

In his death his countless friends throughout the Nation experienced a sense of personal loss. Veteran and labor organizations lost an unwearying and powerful advocate. His colleagues in Congress have lost a true and steadfast friend. "BILLY" CONNERY was a personal friend of mine for many years. It was my privilege to have served in Congress with him since 1929, when we became intimately associated as Members of Congress from Massachusetts, and that friendship continued and grew down through the years until his death. Words cannot express my feelings of sorrow in the loss of my very dear friend and late colleague, "BILLY" CONNERY.

So much has been said and written of this distinguished citizen of Massachusetts, whose public service is part of the history of the Commonwealth and of the Nation, that it remains for us to speak only of our own relations with him. A Member of Congress from 1922, he was diligent in attendance, active in interest and debate, judicious in counsel. He will be long remembered for his personal traits, his friendly and kindly manner, the sunny temperament, the broad humanity, the good will toward all men that made him familiarly known and beloved by all with whom he came in contact, and his love of his family.

Here in Congress, as elsewhere, acquaintance with him ripened into friendship, and friendship into an affection that will remain a living memory in the hearts of all those who came within the cheering and uplifting influence of his high character and cordial fellowship.

He was first elected to Congress in 1922 from the Seventh Congressional District of Massachusetts. Thereafter he was reelected to each successive Congress. A veteran himself, having served for 19 months in France, taking part in all major operations with the One Hundred and First Infantry of the Yankee Division, he became a champion of the cause of the veterans. He was one of the leaders in the fight for the payment of the veterans' bonus, which ended in success only a year before his death.

The late Congressman CONNERY became chairman of the important Labor Committee of the House of Representatives, on which he had served since 1923. As chairman of this committee, he sponsored legislation aimed to improve the social and economic conditions of his fellow men. Representing one of the most densely populated industrial centers of the country, he was most interested in the welfare of the workingmen and women of the entire Nation. He was recognized as one of the outstanding leaders in the interest of social security and progressive legislation. As cosponsor with Senator ROBERT F. WAGNER, of New York, of the National Labor Relations Act, he became a national figure. This bill, for which he labored long, will forever stand as a monument to his service in Congress. His familiarity with the problems of the workingmen and women, his sincere efforts to improve their conditions through legislation, and his energetic efforts in Congress to secure the enactment of such legislation has enshrined him in the hearts of the American people. He also fought for the passage of legislation that would improve the position of all our people.

Only 48 years old, his death came at a time when his career was in the ascendancy. Greater glory and success was assured him in the future. Thus, with distinct suddenness, a career of ability, worth, and usefulness has ended. "BILLY" CONNERY has passed on to a better life. His death brings a sadness to all of us. His attractive and pleasing personality, his friendly spirit, and forceful and energetic individuality will be greatly missed by his legion of friends, among whom I was proud, and considered it a distinct honor to be included.

Puerto Rico—Review of Legislation in Congress

EXTENSION OF REMARKS
OF
HON. SANTIAGO IGLESIAS
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. IGLESIAS. Mr. Speaker, history has proclaimed that the landing of Gen. Nelson A. Miles' United States Army troops in Puerto Rico July 25, 1898, was a happy event for the people of the island, who rejoiced when they saw and were convinced that the reactionary, monarchic domination of Spain had been terminated. The people at large felt that they were free under the new republic regime.

After 38 years of wonderful progress in government, civil liberties, social legislation, culture, sanitation, agriculture, and industry, some interests from the island and the mainland have initiated a campaign of sinister propaganda against Puerto Rico with the purpose of creating discord against our people and American institutions in the island.

It was inevitable that the economic structure of Puerto Rico was organized at the beginning on the basis of absentee ownership and capital. As everywhere, the finances in sugar, fruit, tobacco, all were controlled in a great part by absentee ownership, and, naturally, the consequence was that a very important percentage of the return to capital and management in those years when there was a return emigrated from the island to the mainland and European countries. Without the outside capital development of our resources and industries would have been much slower, because there was little local capital available. This condition is similar to that which existed in the earlier history of the mainland, and which exists in many sections of the mainland today; namely, that many areas are deficient in invested capital, and, as capital is brought into such areas from the outside, a large share of the returns to capital and management, when there are returns, leaves the local areas. These are purely social and economic problems of both Puerto Rico and many areas of the mainland, and will be solved through the future accumulation of capital locally. They cannot be solved by emotional ideas and sentiments of an anti-American nature.

Some writers say that the "masses are represented by no one", but no one can justify such a statement. Puerto Rico is an organized Territory of the United States, founded on a democratic constitution formulated by the Congress of the United States. In the 1936 elections, the Coalition, which includes the Labor Party, cast 298,059 votes for the Resident Commissioner, while the opposition, the Liberal Party, polled 254,470, thus giving the Resident Commissioner a majority of 46,563. Of the 39 members comprising the lower house of the legislature, 26 were elected by the Coalition Parties as compared with 13 elected by the Liberal Party. For the senate membership, the Coalition elected 14 as compared with 5 for the Liberals. The legislature of the island was elected by the people and entrusted to maintain our loyalty and preserve our American institutions to the United States. Labor has a substantial representation in the administrative affairs of the insular government, very properly representing the aspirations and ideals of the masses of workers of Puerto Rico.

Few of our "illustrados" have a really clear understanding of just where the people of Puerto Rico stand or where they are heading, and it is only natural that visiting writers, even if they also be economists and sociologists, are certain to obtain an inadequate picture of affairs in the island.

Right now, as I am setting down my opinions, there probably is another misguided writer somewhere finishing up a sensational article; we seem to have one about every 4 weeks. If this author runs true to form, he will repeat the statement that "Puerto Rico now faces the worst economic crisis in its history", although I have read almost the same story from other communities in the mainland. The writer is sure to emphasize, without referring to the progress made in Puerto Rico, that the people live there in abject poverty and to be aghast at the lack of sanitary facilities. And, in the same way, is it likely that he will point to a high rate of illiteracy and deplore the fact that only about half the children can attend school.

The article probably will repeat the well-worn charge that small farmers are being driven off their lands and include the alarming statement that the independence movement is becoming very serious. The writer is certain to review all instances of occasional disorder and violence on the island and give the gloomy impression that neither life nor property are safe in Puerto Rico. In fact, all social and economic and political disorders created by world-wide conditions will be cast against our people.

As the island's official representative in the United States Congress, these misleading and unfair statements annoy me greatly. Not even the more accurate and unbiased comments which sometimes crowd their way into print can offset the untrue picture which has been placed before the public to the discredit of the island. Dr. Nicholas Murray Butler, president of Columbia University, who has been to the island and is close to its problems by virtue of the splendid support his institution gives to our School of Tropical Medicine, has not found it necessary to condemn Puerto Rico. If a fair-minded and well-informed scientist like Dr. Butler says good things about us, there must be some grounds for them.

Our present Governor, Maj. Gen. Blanton Winship, finds favorable things to say about the island, and he is a continental American without a bias for or against Puerto Rico. Other reputable people speak well of Puerto Rico, but there are not enough people like them who are thoroughly familiar with our problems and our purposes.

I think that I am qualified to speak about Puerto Rico, inasmuch as I was a grown man at the time of the American occupation in 1898 and have lived there ever since, except for the 5 years I have spent in Washington as the island's Resident Commissioner. Having been in public life all that time as a leader of labor and a member of the insular legislature, I have been close to Puerto Rico's problems and have been required to become well-informed.

Puerto Rico does have its problems—serious problems—there is no doubt about that. The status of the island now is by no means satisfactory; but, on the other hand it is by no means as critical or hopeless as many writers picture it. Their chief error lies in their lack of standards by which to judge what they see and hear. Compared to some of your fine mainland cities—alongside the Gold Coast in Chicago or Westchester in New York State—Puerto Rico does make a rather sad showing physically and socially. Compared with the slums of New York and conditions we hear about among tenant farmers in the South, Puerto Rico has not much to be ashamed of but too many of the writers do not think about that.

To judge Puerto Rico fairly it is essential that present-day conditions be compared, first, with the conditions which prevailed in the past and, second, with present-day conditions in other nearby tropical areas. On these bases, our island can hold its head pretty high, as I shall try to establish.

First of all, we must consider the background of the island, for only in that way can we judge its progress, which, after all, has a strong bearing on its future. Remember that Puerto Rico spent four centuries—400 years—as a colony of Spain, and was largely neglected during all that time. Spain, like any other world power of that era, was interested in colonies as a source of wealth. Peru and Mexico were just that. They furnished gold and silver and various needed commodities. Puerto Rico, on the other hand, was not even self-supporting. It had no precious metals and no other resources than its soil; consequently the Spanish Government paid slight attention to the island and did little to develop it either agriculturally or industrially. As a result living standards were wretched; there was little capital; literacy was low; and education was the privilege of few. In comparison with its Caribbean and Latin-American neighbors at that time, Puerto Rico was backward and underdeveloped.

As soon as the island became a part of the United States in 1898, and particularly since the Puerto Rican people became citizens of the United States, unprecedented progress has been made along almost every conceivable line. To believe that statement, one must have lived on the island in the old days. Humble as their circumstances may seem today, the working classes now are immeasurably better off in every way.

Take labor conditions, for example. Some of the writers now claim that the present-day laborer's plight in agriculture and in some industries is miserable. That may be true, but we have to look below the surface. It is true that many of the laboring class in the country live in crudely built homes with a minimum of furniture and conveniences; that they are destitute. It is true that the dollar wages today are much lower than we would like to see them, but they are about three times as high as in 1898, and are increasing steadily with the help of the labor organizations there. In addition, we have in Puerto Rico, and strictly enforce, a child-labor law, a model workman's compensation law, and an 8-hour day both in the mills and in the fields. Collective bargaining has been practiced between labor and capital for some years and works successfully. Our strikes are settled more quickly and peacefully than before, often with the aid of arbitration.

As to unemployment, the oft-quoted charge that 80 percent of our people are on relief is absurd. There are no official data on unemployment, but 30 percent would be the average. We always have had a serious unemployment problem and will continue to have one until new sources of employment can be created, but we are not in quite such bad shape as some people have stated. Actually labor conditions in Puerto Rico are superior in certain respects to those prevailing in some poorer sections of the 48 States, and have improved greatly since the American occupation. I can speak on this subject with some knowledge, because I was one of the first labor-union organizers. Indeed, I was put in jail just before the Spanish-American War broke out, sentenced for daring to propose that laborers be given the right to strike and to bargain collectively. I was in jail when General Miles and his troops landed on the island and was released and became an interpreter of the American ideals. Today those rights for which we had to fight and to suffer are enjoyed by every laboring man in Puerto Rico.

Wages for agricultural laborers are relatively low, but they are higher than those prevailing in many of the independent countries in the Caribbean area and in Central America. Wages in our sugar industry are higher than the rates paid in most of the other sugar-producing areas of those nations where workers have been denied the privilege of organization. In short, we have made many advances that we rightly can be proud of.

Next let us consider the matter of malnutrition which most of the writers emphasize. No one is starving in Puerto Rico, and plain and modest as the average laborer's diet may be, it is superior to what he enjoyed in 1900 and earlier. We know that because there is more food consumed per person on the island than there was 38 years ago. Local food production has increased at about the same rate as the population in that period of years, according to official Census Bureau figures, but purchases of food from the outside—almost entirely from the farmers in continental United States—have increased sixfold while the population has merely doubled.

Not only is there more food to eat, but the average diet is better balanced than it formerly was. Puerto Rico buys and consumes each year much more of the important nontropical foods such as meat, lard, wheat flour, butter, and milk than any of the neighboring tropical countries. The average diet, to be sure, is not what it might be; there are many cases of malnutrition in our island, just as there are in some sections of the States, but there has been much improvement in the average diet and there will continue to be. The Puerto Rican people can purchase the additional foods only because they have a higher buying power than the people of various other countries in that vicinity.

Many of the writers who attempt to solve Puerto Rico's problems seize on the well-exploited idea that we would be better off if we stopped growing sugar and tobacco for sale outside the island and used all the lands to grow foods for local consumption. That sounds fine to anyone who does not know Puerto Rico, but it just cannot be done in such a way. In the first place, some of the foods we now buy from the States cannot be produced successfully in Puerto Rico. It is impossible to raise wheat there and get anything approaching a satisfactory yield, and we now consume 425,000 barrels of wheat flour each year. Rice yields are far too low even on our best lands, and the same is true of various other crops. Indeed, the limited wages paid to labor in the sugar industry, which is our principal crop and main source of income, will buy more than twice as much food as could be grown on all the sugar lands.

In addition, some of our outstanding scientists—and we have many of them—have determined that, if we discontinued growing sugar and tobacco except to fill local needs and used all the useful agricultural lands on the island to grow food, we could produce only enough to feed the present population very poorly on a minimum diet, far below what the average person wants today in Puerto Rico.

Next we come to clothing. Almost without exception, the visiting writer complains that many of the people in the country are barefooted and that some of the young children wear no clothing at all. That is all very true, but once again we must ask: What would the situation be if the island lost the opportunity to sell its products in the States?

An insular committee made a survey about 40 years ago and reported that only one person in five owned a pair of shoes. Today, 9 out of 10 people own shoes. In 1936 alone, the island bought nearly 3,000,000 pairs of American-made shoes, more than 1½ pairs for each of the 1,800,000 people in Puerto Rico. From authentic sources we learn that the percentage of people owning and wearing shoes is higher in Puerto Rico than in any of the Caribbean countries, some of which were much further developed economically and socially than was our island at the turn of the century.

As for clothing, our people all wear clothes, except a few of the very young citizens, and our women dress fully as modestly, if not more so, than some of the feminine sex in the States. Furthermore, their clothes for the most part come from the States, and the styles are the same as prevail on the mainland, or perhaps a few months behind. It is true that our women do not wear furs, but the climate makes furs both unnecessary and uncomfortable. In San Juan, our capital and leading city, the temperature has never been below 62 degrees (and never above 90 degrees).

There is a shortage of household possessions in many homes. The average workingman's dwelling is plainly and sometimes meagerly furnished, but as buying power has increased, that condition has improved. We have bought from the States, in the last 10 years, more than 20,000 refrigerators, 20,000 enameled lavatories, 124,000 metal beds,

15,000 mattresses, 4,000,000 chairs, and millions of other everyday articles which add to the comfort of the people. We could use considerably more of these necessities, but the point is that we already have a great many, far more than we used to possess.

The picture as to education also has been greatly distorted. Against the charges that literacy is low and many of the children cannot attend school, I will make the unqualified statement that Puerto Rico has made more progress in public-school education in the last 38 years than any country ever has made in a similar period of time. That statement can be proved statistically.

For example, when Puerto Rico first became a part of the United States there was only one building on the island which had been built to serve as a government school; today there are more than 2,000 school buildings, many of them made from concrete and fine euough to do credit to any rural community in the States. In 1898 fewer than 23,000 children were in school, the total budget for education was only $130,000, and the investment in school property was negligible. At the present time, however, we have more than $11,000,000 invested in school buildings and equipment, more than 255,000 children attend school, and the insular and municipal governments spend in excess of $6,000,000 annually on public education.

Present-day expenditures for schools exceed the insular government's total expenditures back in 1898. Then the government spent only about $3,500,000 for all purposes, and much of that sum went for the upkeep of the army and the church. Speaking in general terms, we have expanded our educational program about tenfold in the 38 years, and the quality of the instruction has kept pace with the growth in facilities and enrollments.

Our record in combating illiteracy is equally commendable if one keeps the past in mind when evaluating the situation. In 1898 only 20.4 percent of the people 10 years old and over in Puerto Rico could read and write, but at present approximately 67 percent, or two-thirds, of the people classify as literate. The showing is less favorable than in any of the States, but represents an improvement of more than 300 percent. Moreover, if I may say so without appearing to reflect on other countries, Puerto Rico has a higher percentage of its population in school, a higher rate of literacy, and spends more per pupil on education than any of its Caribbean neighbors for which figures are available.

If our writers could take the time to seek out these figures, they would be less likely to throw up their hands when they learn that only about half the Island's children can attend school. That situation exists because the facilities have not yet been expanded sufficiently to accommodate the remainder. It seems fair to assume, however, that the progress so far is a good guaranty that continued improvement will be effected in the future. After all, we have done pretty well in the short space of less than 40 years.

We also see printed frequently the complaint that not enough of the Puerto Rican people can speak English. I must agree with that charge, but once more there is excellent progress to point to. Remembering that the educational system had to be built up gradually and that only a part of the young people are able to attend school, rapid progress has been difficult. A recent census conducted on the island showed that, of the people over 10 years of age, 23 percent speak the English language. Everyone, of course, speaks Spanish, which was the language of the island for 400 years. In the cities and towns, however, the percentage increases to 37 percent, and in San Juan, the largest city, 43 percent of the people have learned the new tongue.

By way of contrast, the number so gifted in 1910 was less than 4 percent. So here again we have been getting somewhere, and our plight is not quite so serious as our critics allege. Even this modest improvement has come hard, because there were many obstacles in the way. In the first place, our teachers, most of whom are native-born Puerto Ricans, are not always skilled in the use of the English language themselves, and naturally their instruction has not always been of the best. Some teachers have been brought into the island from the mainland United States, but there never have been more than about 200 of them there in any one year, and the total number of teachers exceed 5,500 at the present time.

Moreover, it must be borne in mind that many of the children who have learned English in school have had little or no occasion to use that tongue after completing their educations. In many instances, their parents spoke only Spanish, so that the new language could not be used at home.

Definite efforts are now under way to speed up the teaching of English. More English-speaking teachers are to be brought down from the States, the radio is being used rather extensively, and new textbooks are being introduced. We hope to retain the finer elements of our Spanish culture, but are determined, for many good reasons, to do everything possible to bring our people still closer to the rest of the United States, and adopting the English language more generally is one of the best ways to accomplish that goal.

Our writing friends have been especially lax in their discussion of our sanitary facilities. Many of the homes are, to be sure, completely lacking in what we may call indoor plumbing. At the end of the Spanish regime, however, conditions were deplorable. There was just one city with a sewage system, only eight communities were equipped with water systems, and not one had any facilities for water purification. Now 38 cities have modern methods of sewage disposal, 68 have public water systems, and many have means for purifying the water. Steady progress has been made and is certain to continue in the future.

Our death rate has been reduced more than one-third in the last 38 years, making the island a healthier place to live. And, believe it or not, we even have been criticized for that accomplishment. The reduction in the death rate, without a corresponding change in the rate of births, has contributed to the increase in population, with the result that we are adding about 35,000 or more new people each year to an already overcrowded little island. Some of the individuals who write about us state that we should have left the death rate alone, and thus have prevented the population growth. That, however, is not the American way of life, and not the Puerto Rican way. We intend to continue our progressive improvements in sanitation, and to find some other means for dealing with the population problem.

Probably this is as good a point as any at which to take up the charge that laborers in Puerto Rico are oppressed. I wish to flatly contradict that charge. Our laborers of both sexes and others in the island enjoy freedom of speech and of the press, trial by jury, freedom of religious belief, and all the other privileges of American citizenship. We do not vote in national elections, but we have a true democracy in which we elect our own legislature and many other public officials. The right to vote is used by both sexes.

Wages are comparatively low, as I have mentioned, but in other ways the laboring class is enjoying conditions which are far better than under the old Spanish rule. Some of our workers receive some facilities to live from their employers, together with lands on which to grow food to supplement their incomes. Free medical and hospital services are available in certain instances. We have no Utopia, that is true, but there is no oppression.

One very common charge is to the effect that the small farmers and landowners are being driven out and that the land is being concentrated into a few hands. That is easily answered by official figures. There were in Puerto Rico in 1935, according to official census figures, 52,790 individual farms; in 1920 there were 41,708 farms. The number of independent sugarcane growers in 1929 was 4,719; according to a recent census there were 6,620 cane growers in 1935. Actually, then, the number of small farmers seems to be increasing rather than diminishing.

Prior to 1920 there was some concentration of lands during the period when efficient, large-scale sugar production was getting under way. But for the most part the present large holdings represent a consolidation of already existing large holdings rather than a concentration of small farms. The huge increase since 1898 in the island's income from the sale of sugar and other products to the outside world, and the resulting benefits therefrom in the form of higher wages and increased employment, fully justify the large-scale operation in the opinion of most authorities.

Turning to a different field, what about law and order? I find that many of my acquaintances in the States believe Puerto Rico to be a hotheaded and unruly island. They have been misled by the ample reports of a few unfortunate incidents occurring in recent years. I am well-informed on this subject, because I was a principal in one of the events.

A misguided fanatic fired several shots at me while I was campaigning for my second term in Congress in the fall of 1936 and inflicted a flesh wound in my arm. Our chief of police was shot down in 1935, and a regrettable incident resulting in some loss of life occurred in the spring of 1937 in a parade at Ponce. It all sounds bad, to be sure, but those are not common occurrences.

Actually, Puerto Rico is law abiding and peaceful, on the whole. We never have a kidnapping; there has been only one pay-roll robbery in recent years; and gangsters are unknown. There is a normal amount of petty crime, and we have a small group of radicals who want to upset the state of affairs, but those are insignificant factors in the overall situation.

The last of the misleading pictures so often placed before the public is the statement that Puerto Rico is a burden to the United States, that the Federal Government has poured millions of dollars into the island. Now, let us look at the facts. The United States has been generous with our island, especially during the last few years, but this is another relative matter. Actually, reliable Government figures show that during the last 3 years Puerto Rico has had less Government assistance per capita than any of the 48 States, except Virginia, and that it has not participated at all in several of the most important relief funds. Indeed, some of the States have had four and five times as much financial assistance from the Government as Puerto Rico has received, on a per-capita basis.

In this same connection, we frequently are reminded that Puerto Rico pays no taxes into the Federal Treasury; that it collects income taxes and customs duties and retains them for its own uses. That also is true, but remember that 15 of the States receive back from the Federal Treasury a greater excess over their payments into the Treasury than the Government spends in Puerto Rico, income taxes and customs collections included. No one will contend that Puerto Rico has not been treated generously, but our island is by no means the greatest source of expense to the Government in Washington.

Moreover, the comparison just stated does not take into consideration the income and other taxes which continental Americans doing business in Puerto Rico pay into the Federal Treasury, nor the duties collected by the United States on goods imported from abroad which ultimately are purchased by the island.

As for Puerto Rico being a burden to the Union, the farmers in the States hardly can agree with that charge. For Puerto Rico is the largest single buyer of American-grown rice, buying 10 times as much as all foreign countries together; it is the second-best customer for meat products and the third largest buyer of lard. It ranks second as a customer of potato and fruit growers, and second as a buyer of wheat flour and both tobacco and cotton manufactures. The island buys more dried beans and peas from farmers in the States than are sold to all foreign nations combined. It is the sixth best customer of the States for all goods combined, spending $86,350,000 last year for goods produced or manufactured here. No, we are hardly a burden.

This is not the whole story of Puerto Rico; there are many other important facts to be considered.

BILLS AND RESOLUTIONS INTRODUCED IN THE SEVENTY-FIFTH CONGRESS, FIRST SESSION, BY RESIDENT COMMISSIONER SANTIAGO IGLESIAS (AND OTHER MEMBERS OF CONGRESS) DIRECTLY AFFECTING PUERTO RICO, THEIR STATUS, AND A MEMORANDUM OF ACTIVITIES IN BEHALF OF THE WELFARE OF THE PEOPLE OF PUERTO RICO

H. R. 1480, to create a department of public welfare in Puerto. (Reorganization of the Federal Government contemplates establishing department of public welfare, so this bill has excellent chance of enactment next session.)

H. R. 1481, to exempt persons traveling between Puerto Rico and continental United States from payment of a stamp tax on steamship tickets. (Passed House Aug. 21; the Senate passed Aug. 21.)

H. R. 1482, to undertake fish culture in Puerto Rico. Unfavorably recommended by the Bureau of the Budget. Will insist again to have it favorably recommended.

H. R. 1483, to amend section 38, organic act, Public Service Commission. (No action.)

H. R. 1485, to increase membership of Supreme Court of Puerto Rico. (Passed House Aug. 16; Senator BURKE introduced resolution calling for an investigation Aug. 19.) A committee of five Senators will go to Puerto Rico soon.

H. R. 1486, to amend section 30, organic act, appointment of legislators in case of resignation or death. (Passed over without prejudice Aug. 2, because the bill violates the principle of democratic government in that the legislature shall at all times be independent of the Executive as stated by the objectors.)

H. R. 1992, to incorporate the Territory of Puerto Rico. (No action.)

H. R. 3034, to authorize survey and examination of Fajardo Harbor. (Passed House July 1; passed Senate Aug. 6; included in rivers and harbors bill, H. R. 7051.)

H. R. 4006, to authorize survey and examination of Jobos Harbor. (Passed House July 1; Senate Aug. 5; included in rivers and harbors bill, H. R. 7051.)

H. R. 4275, to extend citizenship to certain persons born in Puerto Rico. (Passed House Aug. 2; to be studied in the Senate for next session.)

H. R. 5692, survey and examination of Guayanilla Harbor. (Passed House July 1; passed Senate Aug. 5; included in river and harbor bill, H. R. 7051.)

H. R. 5899, to extend the Irrigation Act to Puerto Rico. (In view of certain objections by the Department of the Interior, another bill will have to be drafted.)

H. R. 6054, transfer Catano Rear Range Light Reservation. (Approved Aug. 17, Public Law No. 313.)

H. R. 6524, to extend titles V and VI of the Social Security Act to Puerto Rico. (Favorably recommended by Departments of Labor, the Interior, Treasury, and Social Security Board. Pending in Ways and Means Committee.) This bill will be considered with others next session.

H. R. 6747, to increase the borrowing margin of Mayaguez. (Passed House Aug. 2; the Senate, Aug. 18.)

H. R. 7908, to extend section 21, Bankhead-Jones Act to Puerto Rico. (Passed House Aug. 21; the Senate, Aug. 21.)

H. R. 7823, transfer of Guanica Lighthouse Reservation. (Approved Aug. 17; Public Law No. 315.)

H. R. 5702, for the relief of Maria Miro Menendez. (No action.)

H. R. 8075, for the relief of Julio Santiago. (No action.)

H. R. 7693, transfer of San Juan Military Reservation to Puerto Rico. (No action.)

H. R. 8213, transfer land for Federal building under jurisdiction of Treasury Department. (All objections to this transfer withdrawn.) Will be considered next session.

H. J. Res. 73, authorizing issuance special stamp for Puerto Rico. (Department ordered issuance such stamp this fall.)

S. 1973, transfer land for insane asylum, San Juan. (Approved May 26; Public Law No. 116.)

S. 2531, transfer "Escambron tract" to Puerto Rico. (Passed Senate June 14.)

H. R. 7051, river and harbor bill, includes following: San Juan Harbor (Committee Doc. 42), Arecibo Harbor (Committee Doc. 43), Guayanes Harbor (House Doc. 243), Jobos Harbor, survey and examination; Fajardo Harbor, survey and examination; Guayanilla Harbor, survey and examination. (Passed House and Senate July 1 and Aug. 5.)

H. R. 7667, sugar legislation. (Strenuous and bitter fight to eliminate discriminatory features of bill against Puerto Rico. (Passed House and Senate Aug. 6, Aug. 13, conference.)

H. R. 7554, Farm Credit Act of 1937, includes Puerto Rico. (No action.)

H. R. 4728, Cooperative Farm Forestry Act, extended to States and Territories; annual appropriation $2,500,000. (Approved May 16. Public Law No. 95.)

H. R. 6767, to promote research in treatment of cancer, extended to Puerto Rico. (No action.)
H. R. 6972, to construct and improve airports in States and possessions. (No action.)
H. R. 5033, United States Housing Act of 1937 (S. 1685 passed Senate Aug. 6, provisions extended to Puerto Rico.) Passed House August 21.
H. R. 1545, to provide for loans to farmers for crop production. (Approved Jan. 29, Public Law No. 3, includes Puerto Rico.)
H. R. 6958, appropriation for Department of the Interior. (For vocational rehabilitation in Puerto Rico, $125,000.) Has other items of interest to Puerto Rico.
H. R. 3629, to establish engineering experiment stations at the land-grant colleges, extended to Puerto Rico. (No action.)
H. R. 5803, to provide for more efficient tax-supported free public-school systems, includes Puerto Rico. (No action.)
H. J. Res. 361, Emergency Relief Appropriation Act of 1937. (Approved June 29. Public Resolution 47. Includes Puerto Rico.)
H. R. 5811, to provide $30,000,000,000 to furnish employment and to end poverty in the United States and its possessions. (No action.)
H. R. 242, appropriation for $750,000,000 to provide work relief, extended to Puerto Rico. (No action.)
S. 1986, to extend the term of incumbency of the Federal district judge of Puerto Rico to 10 years. (Passed Senate June 28.)
S. 419, appropriation for public education, extended to Puerto Rico. (Reported Mar. 19.)
S. 2475, Fair Labor Standards Act of 1937 (wage-hour bill). (Passed Senate July 22. H. R. 7200. Includes Puerto Rico.)

The foregoing list of bills and laws, the provisions of which extend to Puerto Rico since my reelection last November, is by no means complete. It does, however, cover the most important legislation affecting the island.

The following is a list of the title of most interesting remarks inserted in the CONGRESSIONAL RECORD by me, and the dates:

April 9, 1937. Why Puerto Rico Does Not Want Independence.
April 21, 1937. Statements Regarding the Administration in Puerto Rico. (Includes resolution by the board of trustees of the University of Puerto Rico and a statement by the Speaker of the House.)
April 27, 1937. Extending Reclamation Act to Puerto Rico.
May 3, 1937. Address delivered April 27 by Governor Winship before the National Rivers and Harbors Congress.
May 21, 1937. Extension of titles V and VI of the Social Security Act to Puerto Rico.
June 9, 1937. Agricultural Legislation as it Affects Puerto Rico.
July 8, 1937. Puerto Rico Talks Back. (Re sugar legislation.)

PUERTO RICO'S COMMITTEE REPRESENTATION

Was elected to serve as a member on the following committees: Insular Affairs, Agriculture, Labor, Territories.

Mass Purchase Power Needed

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MEAD. Mr. Speaker, the most pressing problem confronting American business is not how to increase production or output. The problem is how to market, how to sell that which we are capable of producing.

Even in 1929 the total production of America's factories, farms, mines, and service industries was at least 20 percent below maximum capacity, according to Brookings Institution and other like authorities.

As a Nation, we begin to realize that quantity or mass production is possible only when there exists mass purchase power. Millions of purchasers are required when millions of machines are employed.

Larger power plants, mass-production methods, and more efficient machinery increase our capacity to produce. Shorter hours and higher wages will enhance our capacity to consume. It will increase employment and add to leisure-time periods, which means greater consumption.

Our foreign trade, while not negligible, is but a minor part of our national economy. Our market is right here within our own borders. For illustration, New York State in prosperous times offers a better market for our goods than all of South America.

If the employer could visualize the marketable potentialities of the wage earners—if he could realize the fact that his employees are his customers—then wages based on social justice and work periods commensurate with social needs would prompt his decisions.

In order to obtain an adequate standard of living our people need a large increase in all kinds of goods and services. We have the machines, the manpower, the raw materials, the capital. We are balked by the stubborn fact that millions of our families do not have enough money to buy what they need.

The failure of our economic system to operate to full capacity was not due to the fact that the people did not want to purchase the goods and services but for the reason that they lacked purchasing power. They need money. Work opportunities should approximately balance with available workers.

This is the objective of the Labor Standards Act. It is also the aim of the labor movement.

That mass buying power is the principal tonic for our economic ills can be seen by the effects of large expenditures made during the past 20 years.

During the war period we loaned ten billions to foreign governments, most of which went for purchases here in the United States, and that, with our own wartime spending, produced prosperity. Consumption then ran ahead of production.

After the World War, and up until 1930, we loaned, through private sources, to foreign nations a sum approximating $10,000,000,000. These loans were in most part spent in the United States, and contributed to the balance in production and distribution which maintained prosperity. Mass spending contributed to a balanced economy.

Since President Hoover issued his first moratorium proclamation postponing war debts, we have curtailed loans to foreign governments from both public and private sources, and this method of maintaining balance has been eliminated.

Since curtailment of loans to foreign governments we developed vast surpluses of goods which resulted in closing plants, increasing unemployment, and drastically reducing farm income. Our abundant supply of goods choked our markets, starved our people.

In 1932, for illustration, farm income dropped to its record low of $1,857,000,000. This was nearly ten billion under the farm income of 1919.

In 1933, a temporary flurry in industrial activity was caused, the added buying power resulting from N. R. A.'s work program.

Again, after the bonus payment to the veterans, business indicated the healthful conditions resulting from increase in mass purchase power.

These were only temporary manifestations, but they disclosed the source of our troubles.

The Economy Act of 1932, and again of 1933, accelerated the spiral of deflation, and only when the Government instituted its spending program did business give signs of returning health.

The Nation gave balance to our economy by spending when private enterprise, without markets, was forced to economize. When business is good we can balance our Nation's Budget. When it is bad or worse we must balance our people's budget. That is economic balance.

Our production is now racing upward to 1929 levels, but it will soon be stopped in its tracks unless our power to consume is increased. Mass purchase power is needed.

Labor has made a splendid contribution in this connection, but the Government by exercising adequate social control

must effect and retain a reasonable balance between our capacity to produce and our ability to consume.

Private enterprise, actuated by the profit motive, has accomplished an excellent job of increasing our productivity. Public enterprise must see the value of increasing mass consumption.

This reduces the Government problem for the present to one of buoying up of capacity to consume.

America's capacity to consume has tremendous possibilities. A continuance of substandard living conditions in a country with such boundless resources as the United States would result in unnecessary suffering for our Nation's poor, and eventually in another economic crises with its serious consequences to rich and poor alike.

The wage and hour bill will prove of inestimable value in this connection.

The balance we need is a balance between labor, agriculture, and industry on an upward scale. We have experienced it on a descending scale.

We have seen unbalanced output result in such large surpluses as to impoverish large numbers of our people and to destroy much-needed purchasing power.

We must, as a nation and as employers, wage earners, and farmers, give thought to the proper means of providing rational balance in our economy for the future.

The principle of balance is not simple, but much can be done that was neglected in the past to improve conditions.

There is no short cut to economic well-being. The promotion and maintenance of national prosperity demand that we observe the principle of balance in our economic relations.

This means many balances, such as a balance between production and consumption, between work opportunities and available wage earners, between wages and living costs, between increasing productive efficiency and rising wage trends, and finally by striking a balance between the receipts and expenditures of government.

A balanced Budget, to have virtue, must contribute to our national balance; otherwise it is without virtue. In this matter the Government differs from private enterprise, for the one spends when the other is forced to economize.

The failure of our economic system was not due to the fact that our people would not buy. It was because they did not have the means to buy.

If 19,000,000 families receiving less than $2,500 in 1929—some of them much less—had been increased to $2,500, which is none too much for an average American family, the United States would have had to increase its production by over $15,000,000,000.

That increase may have given us a better balance, and, who knows, we may have missed the depression.

We know infinitely more about how to produce in this country than we do about how to sell that which we produce.

Latest figures tell us that production is rapidly outstripping consumption. This must not happen if we are to miss another crisis.

In 1936 consumer buying did not keep pace with production. By January 1937 production was 89 percent of normal, consumer buying only 79 percent of normal. (These figures from the Federal Reserve Bank of New York.)

Quantity production is possible only where there are millions of people capable to buy. As we build greater plants, invent more powerful machinery, adopt more efficient methods of production, we must find more and more purchasers. There are millions to be found in these United States.

In this connection an article by Stuart Chase in Harper's of February 1935 is substantiating:

America's Capacity to Produce—Brookings report—issued in the summer of 1934. American production could not have been expanded by more than 19 percent in the year 1929.

National Survey of Potential Product Capacity, financed by the Federal Government, released the summary of a report prepared by 60 technicians over a 7-month period. Its conclusions indicated that the total flow of goods and services, valued at over $90,000,000,000 in 1929, might have been expanded to $135,000,000,000 without technical difficulty had the existing plant been operated at approximate capacity. One hundred and thirty-five billions of consumers' goods and services evenly distributed would have been sufficient to give each family the equivalent of about $4,400 a year. This means a possible increase of some 45 percent, or more than twice the margin of the Brookings report.

Which estimate is more nearly accurate? The two, however, cannot be compared accurately, as their approach to the question is different. The Brookings report is asking simply how much unattained capacity was latent in our actual situation and not how much we could have produced in some different situation of which we have more or less knowledge or for which we entertain more or less rosy dreams. Business as usual is thus the admitted base. The national survey, on the other hand, takes no account of contemporary financial or market conditions. Its frame of reference is serviceability, not vendibility.

Again, mass production requires mass purchase power, so as to permit of mass consumption.

America's present resources under proper direction and with proper management are sufficient to double the living standards of our people.

This can be accomplished effectively by starting at the very heart and center of our problem. By so doing we reduce poverty, raise living standards, insure reasonable security to millions of our people, and at the same time safeguard and perpetuate the present capitalistic system as well as our parliamentary form of government.

Applied in a practical manner it means higher wages, shorter hours, steady employment, reasonable profits, and a better balance in our Nation's economy.

Labor encouraged in its bargaining efforts; agriculture given stability and balance through an effective farm program; and a Labor Standards Act which will raise wages and reduce work periods among our lower income wage earners, is the Nation's hope.

Bernhard M. Jacobsen

MEMORIAL ADDRESS

OF

HON. JOHN O'CONNOR

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. BERNHARD M. JACOBSEN, late a Representative from Iowa

Mr. O'CONNOR of New York. Mr. Speaker, on this day when we pay our respect to those of our colleagues in both Houses of Congress who have passed away during the last year, I desire to say a personal word about a friend, the Honorable BERNHARD MARTIN JACOBSEN, a Representative from the Second District of the State of Iowa.

When this distinguished gentleman was first elected to the Seventy-second Congress, he took an office near mine on the fourth floor of the Old House Office Building.

By reason of this proximity, I came to know him intimately and learned to have a real affection for him.

His background before coming to Congress well fitted him for the responsibilities of his public service. His long experience in business and banking and as postmaster of his home city of Clinton, gave him that foundation necessary to a determination of the many problems which confronted us in that Congress.

He was a man of the people with a thorough comprehension of their problems. His approach to their solution in a real homely fashion was an asset. His courage was outstanding. He knew the needs of the farmer and the toiler in the cities, and never had an instinct of a selfish nature. He served his people well.

It was always interesting to gage his patriotism. No man ever loved his country more. His type is one of the great assets of America.

His son, the Honorable WILLIAM S. JACOBSEN has succeeded him. Already he gives every promise of possessing all those worth-while attributes of his distinguished father.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. J. JOSEPH SMITH
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from Massachusetts

Mr. SMITH of Connecticut. Mr. Speaker, ours is a less cheerful world with BILLY CONNERY gone from it and our ranks have lost a valient spirit.

His memory can derive no new luster from words of mine, nor does the record he left need the benefit of any interpretation; mine is a tribute of reverence to a beloved colleague, sorely missed.

His career was one of consistent devotion to the ideal of basic Americanism, that creed which holds that equal opportunity is to be claimed as a birthright. It was in pursuing the fulfillment of this traditional American purpose that our late loved colleague wrote his record of patriotism. The American worker had in BILLY CONNERY a trusted envoy at the Nation's Capital, vigilant in defense of rights perhaps too long denied.

His colleagues here, notwithstanding differences in economic or social opinions, held him in an almost unique affection. His gay spirit, his disarming friendliness won for him a universal tribute of fellowship.

The loss of his sunny presence and of his good counsel in our deliberations is a misfortune to which we will not easily become reconciled.

Speaker Byrns

MEMORIAL ADDRESS
OF
HON. JOHN O'CONNOR
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. O'CONNOR of New York. Mr. Speaker, 1 year ago the House of Representatives was shocked to hear of the sudden death of its beloved Speaker, the Honorable JOSEPH W. BYRNS, of Tennessee. The occasion will long be remembered by many of us because of its suddenness and its consequences.

Long before JOE BYRNS became Speaker—yes; long before he became majority leader, and even years before he became chairman of the Appropriations Committee—he had ingratiated his character and personality into the hearts of all of his colleagues of every party. No ordinary man can do this. Mere personality alone will not do it. A pleasant smile or a slap on the back are not sufficient. To these pleasantries must be added ability, industry, and strength of character. JOE BYRNS possessed all of those attributes. That is why he was so universally loved and respected by all of his colleagues, and that is why his passing was so unexceptionally moving.

In all the positions of responsibility which he held for so many years, his industry was outstanding. His friends knew he was sacrificing his health for his duty as he saw it. Few do that. Some men and women are so constituted conscientiously, however, that they cannot restrain themselves from self-sacrifice, despite medical advice, and even to the extent of the great loss that entails upon their family.

Such a man was JOE BYRNS. The greatest loss devolved upon his lovely wife and his upstanding son. We, his colleagues, have lost a beloved friend.

Warren J. Duffey

MEMORIAL ADDRESS
OF
HON. ROBERT CROSSER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WARREN J. DUFFEY, late a Representative from Ohio

Mr. CROSSER. Mr. Speaker and Members of the House of Representatives, in the prime of manhood our beloved colleague WARREN J. DUFFEY, of Toledo, Ohio, was taken from our midst. Mr. DUFFEY was a comparatively young man, having been born on January 24, 1886, at Toledo, Ohio. In his early life he manifested commendable ambition in his effort to procure an education. He received the degrees of bachelor of arts, master of arts, and bachelor of laws before beginning his business career. After his graduation and admission to the bar he achieved success in the practice of his profession in his home city of Toledo. Mr. DUFFEY, early in his career, had been a member of the State Legislature of Ohio, of the city council of Toledo, and was elected as a Member of the Seventy-third Congress and was reelected to the Seventy-fourth Congress.

Instinctively Mr. DUFFEY was attracted to those who are truly entitled to be called genuine, which is the greatest compliment which can be paid to any man. He was popular with his colleagues and with those with whom he came in contact everywhere. Mr. DUFFEY was a true friend to those in whom he believed. Much could be said as to his attainments, but no reference to his ability and attainments, great as these were, could equal in importance WARREN DUFFEY'S greatness of heart. WARREN DUFFEY truly loved his fellow man, and his service as a public man was consequently always for what he believed to be in the interest of the cause of right. The cause of civilization was advanced by WARREN DUFFEY having lived.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. JOHN O'CONNOR
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from Massachusetts

Mr. O'CONNOR of New York. Mr. Speaker, during the 14 years I have served in this House no sadder news ever came to me than that the Honorable WILLIAM P. CONNERY, Jr., a Representative from the Commonwealth of Massachusetts, had died. Particularly was it distressing to me because for a few hours before he died, I was in receipt of the news of his precarious condition and aided in communicating with his family.

During those hours when his life hung in the balance many a prayer was uttered by those of his colleagues who were aware of his condition—fervent supplications that he would not be taken away from us.

We loved BILL CONNERY. That is the simplest and most complete way to express it. Nothing less could be said. Any more would be superfluous.

Few men in this House of Representatives have ever so commanded the respect and affection of his colleagues as he did. It was not his personality alone. While that was outstanding and brightened every corner where he went, he was respected for his industry and his sincerity of purpose. He never made an enemy, because he credited his opponents with the same earnestness and the same good faith which he put into every cause he advocated. When the issue was decided he bore no malice toward anyone who contended against his views, but he greeted them with the same cheery smile as before and went on to his next endeavor.

Few men in public life can compare with BILL CONNERY in industry, loyalty, or enthusiasm for the causes he championed. He concentrated his efforts, it might be said, to assure justice, recognition, and a "more abundant life" for the veterans of our wars, and for every toiling man, woman, and child in our Nation. To a great extent he was most successful, due to his untiring energy and his enthusiastic sincerity. No one ever doubted that his heart was in every cause he championed. Day and night he gave himself to these works, neglectful of his own health. Few men do that.

To have known BILL CONNERY, to have served with him in this great legislative body, to have been with him in social gatherings was a privilege and a beautiful opportunity we shall never forget.

Total of Appropriations, Seventy-fifth Congress, First Session

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. CANNON of Missouri. Mr. Speaker, as acting chairman of the Committee on Appropriations of the House of Representatives, it becomes my responsibility to present a review of the work of the past session so far as the appropriation of public money is concerned.

A mere statement of the aggregate of all appropriations made during a session of Congress, including in that aggregate those appropriations which are of a permanent nature and continue automatically without annual review by Congress, is often misunderstood and sometimes misleading to those who do not have some familiarity with the fiscal operations of our Government. A statement of the total of all appropriations made at a single session of Congress shows the responsibility of that session for authority to expend public money as reflected through those appropriations. It includes all appropriations of the session, whether chargeable against the general revenues, postal revenues, trust-fund receipts, or otherwise. It includes appropriations covering the fiscal year ending June 30, 1938, as well as appropriations to supplement those previously made for the fiscal year ended on June 30, 1937, and for prior fiscal years. As our expenditures and revenues are compared on a 12-month fiscal-year basis extending from July 1 of one calendar year to June 30 of the next, there should be no confusion of the total appropriations made during a single session of Congress with our estimated or actual expenditures during a single fiscal year. Therefore the total of appropriations for any session of Congress and the expenditures for any given fiscal year are vastly different sets of figures that need careful analysis in their relative usage in order to avoid confusion and misunderstanding.

The appropriations made during a single session of Congress will result in expenditures distributed over 3, and often more than 3, fiscal years, though their primary effect is upon the new fiscal year, in this case the fiscal year which began on July 1 last and ends on June 30 next. A part of those appropriations are chargeable to the postal revenues and to trust-fund receipts which do not enter into Treasury statements comparing revenues and expenditures except as there may be a deficit or surplus in the postal revenues. Also a mere listing of the appropriations by the acts in which the sums are carried conveys little information as to the broad general purposes for which the sums have been appropriated.

TOTAL AT THIS SESSION FOR ALL FISCAL YEARS

In order that the appropriations made during the session just closed may be set forth in the clearest manner possible, I shall insert at this point a statement showing the total for the session, segregated by the fiscal years for which the amounts have been granted as well as an arrangement by general purposes to indicate the major objects for which the money is provided. The figures are preliminary and subject to adjustment and do not include appropriations which have been made in private relief acts, which usually do not exceed a million dollars a session:

Classification according to major purposes and by fiscal years of appropriations made during the Seventy-fifth Congress, first session

Purpose	Fiscal year 1936 and prior years, judgments and audited claims	Fiscal year 1937	Fiscal year 1938	Total
Relief and work relief		$789,000,000.00	$1,500,000,000.00	$2,289,000,000.00
Civilian Conservation Corps		95,000,000.00	350,000,000.00	445,000,000.00
General Public Works		1,000,000.00	462,562,811.94	[1] 463,562,811.94
Social Security Act			774,281,000.00	[2] 774,281,000.00
Veterans' Administration		1,000,295.57	585,832,000.00	586,832,295.57
National defense:				
Navy		370,550.49	516,543,308.00	516,913,858.49
Military Establishment			415,263,154.00	415,263,154.00
Total, national defense		370,550.49	931,806,462.00	932,177,012.49
Postal Service and Post Office Department (chargeable to postal revenues)	482,686.31	15,661,023.85	784,748,053.00	800,891,763.16
Assistance to agriculture		57,100,000.00	[3] 601,629,724.00	[3] 658,729,724.00
Interest on public debt			860,000,000.00	860,000,000.00
Public debt retirement from ordinary receipts			582,515,000.00	582,515,000.00
Trust-fund appropriations, including the portion of District of Columbia appropriations chargeable to District revenues	34,634.67	482,161.61	172,473,242.00	172,990,038.28
Refunds, customs, and internal revenue			61,000,000.00	61,000,000.00
Federal employees' retirement funds, Government share			73,255,000.00	73,255,000.00
Railroad employees' retirement account			99,880,000.00	99,880,000.00

[1] Exclusive of public works for the Army and Navy.
[2] Includes $500,000,000 for the old-age reserve account.
[3] In addition to this sum there is reappropriated and made available from previous appropriations a total of $175,874,000.

Classification according to major purposes and by fiscal years of appropriations made during the Seventy-fifth Congress, first session— Continued

Purpose	Fiscal year 1936 and prior years, judgments and audited claims	Fiscal year 1937	Fiscal year 1938	Total
All other activities of Government, including educational and other grants, etc		$14,956,247.68	$536,138,871.97	$551,095,119.65
Incurred expenses for all agencies, including judgments and audited claims, except postal and trust funds	$4,386,127.48			4,386,127.48
Total, including postal and trust fund appropriations	4,903,448.46	974,570,279.20	8,376,122,164.91	[4] 9,355,595,892.57
Less trust fund appropriations payable from trust fund receipts and that part ($755,000,000 for 1938) of postal appropriations payable from postal revenues	34,634.67	482,161.61	927,473,242.00	927,990,038.28
Total, excluding postal and trust fund appropriations	4,868,813.79	974,088,117.59	7,448,648,922.91	[4] 8,427,605,854.29

[4] Exclusive of private relief acts.

It will be noted from the foregoing table, after deducting the trust-fund appropriations chargeable against trust-fund receipts and that part of the cost of the Postal Service estimated to be met by postal revenues, that there is the following resultant total for the session segregated by the fiscal years for which the appropriations were made:

Fiscal year beginning July 1, 1937, and ending June 30, 1938	$7,448,648,922.91
Fiscal year beginning July 1, 1936, and ended on June 30, 1937	974,088,117.59
Fiscal years prior to July 1, 1936, including judgments and audited claims	4,868,813.79
Total for session	8,427,605,854.29

APPROPRIATIONS AT THIS SESSION FOR THE FISCAL YEAR WHICH ENDED JUNE 30, 1937

The sum of $974,088,117.59 appropriated at the past session for the fiscal year 1937 (which began July 1, 1936, and ended June 30, 1937) consists of three major amounts practically all of which were expended before the session adjourned. These three sums are $789,000,000 for relief and work relief, $95,000,000 for the Civilian Conservation Corps, and $50,000,000 for crop-production loans for the 1937 crop year.

The item of $789,000,000 for relief and work relief covered the period from February to July of 1937, and was necessary to supplement the appropriation made during the previous Congress to furnish employment for workers pending their absorption by private industry.

The $50,000,000 for crop-production loans is an appropriation following the custom of long standing of making these funds available to farmers to finance seed, fertilizer, and other operations for their farming activities, to be repaid when the crops are sold. The repayment of these loans has been made in gratifying proportions over a long period of years.

Aside from the crop-production loan appropriation, these other appropriations for the fiscal year 1937 at the past session of approximately $900,000,000 may be regarded as of a nonrecurring nature, as they arose under special and extraordinary circumstances which are not likely to recur.

APPROPRIATIONS AT THIS SESSION FOR THE FISCAL YEAR WHICH ENDS JUNE 30, 1938

The significant part of the appropriations made at the past session are those for the new fiscal year, which began on July 1, 1937, and will end on June 30, 1938. Eliminating from the amount of such appropriations the trust-fund appropriations, met from trust receipts, and the part of postal appropriations capable of being met from the postal revenues, there remains a total for all other purposes of $7,448,648,922.91. To obtain a real basis of comparison of the appropriations for the fiscal year 1938, they should be contrasted with the appropriations for like purposes for the fiscal year 1937.

The following table, prepared to set forth the general purposes of the appropriations, shows those for the fiscal year 1938 as contrasted with those for the fiscal year 1937—including in the latter total the appropriations made for that year at the first session of the present Congress and those for that year made at the second session of the Seventy-fourth Congress:

Statement comparing appropriations for the fiscal year ending June 30, 1938 (made at the 75th Cong., 1st sess.), with those for the fiscal year ended June 30, 1937 (made at the 74th Cong., 2d sess., and the 75th Cong., 1st sess.)

Purpose	Fiscal year 1937	Fiscal year 1938	Increase (+) or decrease (−), 1938 compared with 1937
Relief and work relief	$2,214,000,000.00	$1,500,000,000.00	−$714,000,000.00
Civilian Conservation Corps	403,000,000.00	350,000,000.00	−53,000,000.00
General public works	[1] 366,410,000.00	[1] 462,562,811.94	+96,152,811.94
Social Security Act	[2] 475,253,410.00	[3] 774,281,000.00	+299,027,590.00
Veterans' Administration	594,727,295.57	585,832,000.00	−8,895,295.57
National defense:			
Navy	528,473,082.49	516,543,308.00	−11,929,774.49
Military Establishment	388,244,859.00	415,263,154.00	+27,018,295.00
Total, national defense	916,717,941.49	931,806,462.00	+15,088,520.51
Postal Service and Post Office Department (chargeable to postal revenues)	[4] 796,245,612.85	784,748,053.00	−11,497,559.85
Assistance to agriculture	[5] 733,766,823.04	[6] 601,629,724.00	[7] −132,137,099.04
Interest on public debt	835,000,000.00	860,000,000.00	+25,000,000.00
Public-debt retirement from ordinary receipts	574,263,650.00	582,515,000.00	+8,251,350.00
Trust-fund appropriations payable from trust-fund receipts, including the portion of District of Columbia appropriations chargeable to District of Columbia revenues	170,884,765.61	172,473,242.00	+1,588,476.39
Refunds, customs, and internal revenue	24,500,000.00	61,000,000.00	+36,500,000.00
Federal employees' retirement funds, Government share	46,735,300.00	73,255,000.00	+26,519,700.00

[1] Exclusive of public works for the Army and Navy.
[2] Includes $265,000,000 for the old-age reserve account.
[3] Includes $500,000,000 for the old-age reserve account.
[4] Contains $26,500,000 for merchant marine subsidy, an item eliminated from postal appropriations for the fiscal year 1938.
[5] In addition to this sum there was reappropriated and made available from previous appropriations a total of $51,364,000.
[6] In addition to this sum there is reappropriated and made available from previous appropriations a total of $175,874,000.
[7] Considering the reappropriations available for the fiscal years 1937 and 1938, this decrease between total amounts available for commitment drops to $7,627,099.04.

Statement comparing appropriations for the fiscal year ending June 30, 1938 (made at the 75th Cong., 1st sess.), with those for the fiscal year ended June 30, 1937 (made at the 74th Cong., 2d sess., and the 75th Cong., 1st sess.)—Continued

Purpose	Fiscal year 1937	Fiscal year 1938	Increase (+) or decrease (−), 1938 compared with 1937
Railroad employees' retirement fund	$46,620,000.00	$99,880,000.00	+$53,260,000.00
All other activities of Government, including educational and other grants, etc	494,139,138.14	536,138,871.97	+41,999,733.83
Total, including postal and trust fund appropriations	[1] 8,692,263,936.70	[1] 8,376,122,164.91	−316,141,771.79
Less trust fund appropriations payable from trust fund receipts and that part ($715,000,000 for 1937 and $755,000,000 for 1938) of postal appropriations payable from postal revenues	885,884,765.61	927,473,242.00	+41,588,476.39
Total, excluding postal and trust funds	7,806,379,171.09	7,448,648,922.91	−357,730,248.18

[1] Exclusive of amounts in private relief acts.

The foregoing table shows a total of appropriations for the fiscal year 1937, excluding trust-fund appropriations and that part of the postal appropriations met by postal revenues, of $7,806,379,171.09, and this sum contrasted with the like appropriations for the fiscal year 1938 of $7,448,648,922.91 shows a decrease for 1938 under 1937 of $357,730,248.18. This sum is a net decrease resulting from increases and reductions as set forth in the foregoing table which are discussed in the following paragraphs. In connection with this comparison of 1937 with 1938 it should be stated that the 1938 appropriations will be subject to such additions as may be necessary during the coming session to provide supplemental and deficiency amounts for that fiscal year to cover contingencies that could not be foreseen when these sums were granted or to carry into effect new legislation not enacted in time to be included in such amount.

The appropriation for relief and work relief for the fiscal year 1938 is $1,500,000,000 as contrasted with a total for that purpose for the fiscal year 1937 of $2,214,000,000, a decrease of $714,000,000. This is a reduction of slightly more than 32 percent and is gratifying evidence of the restoration of large numbers of workers to private employment resulting from the recovery which has taken place under the policies of this administration to restore and improve the condition of agriculture and commerce, and to restore and improve our general economic and financial welfare. In connection with the appropriation of $1,500,000,000 for relief and work relief for this fiscal year there has been written by Congress into the relief act, which the President approved, a provision that such an amount should constitute the total amount that will be furnished by the Federal Government during the present fiscal year for general relief purposes and that the fund should be administered in such a manner as to accomplish that requirement.

The appropriation of $1,500,000,000 for the fiscal year 1938 for relief and work relief constitutes approximately 20 percent of the total appropriations made during this past session for the fiscal year 1938. Such a proportion, in my opinion, is higher than the Federal Government should be called upon to bear in the future; and with the reduction of approximately one-third that has taken place since last year, I hope that it will be possible at the coming session to accomplish a further decrease in this fund through the return of workers to private employment and the assumption by the States and local communities of more of the relief burden.

Attention should also be directed in this connection to the fact that this sum of $1,500,000,000 is not all that the Federal Government is contributing through its appropriations for the next fiscal year to the furnishing of employment. The appropriation of $350,000,000 for the Civilian Conservation Corps, the sum of $462,562,811.94 for general public works, the appropriation under the Navy of $130,000,000 for construction and equipment of naval vessels, and various other amounts distributed throughout the many agencies of the Government will furnish work for large numbers. In addition to all of this employment there will be a considerable amount that will result from the extension for 2 years of the authority and funds of the Public Works Administration.

Appropriations for general public works show a net increase from $366,410,000 to $462,562,811.94, or in the sum of $96,152,811.94. The following tabulation shows the amounts for each fiscal year:

	Fiscal year 1937	Fiscal year 1938	Increase (+) or decrease (−), 1938 compared with 1937
Tennessee Valley Authority	$39,900,000	$40,166,270.00	+$266,270.00
Federal-aid roads, forest roads and highways, and grade crossing elimination	68,000,000	180,000,000.00	+112,000,000.00
Public buildings, Procurement Division	65,550,000	35,432,065.94	−30,117,934.06
Rivers and harbors and flood control	121,750,000	142,322,101.00	+20,572,101.00
Reclamation Service	54,610,000	40,350,000.00	−14,260,000.00
Public works, National Park Service and Indian Service	10,000,000	17,816,775.00	+7,816,775.00
Rio Grande River, flood control, rectification, and diversion	3,800,000	3,025,000.00	−775,000.00
Penal institutions	2,550,000	1,430,000.00	−1,120,000.00
Miscellaneous	250,000	2,020,000.00	+1,770,000.00
Total	366,410,000	462,562,811.94	+96,152,811.94

The appropriation for the Civilian Conservation Corps shows a decrease from $403,000,000 for the fiscal year 1937 to $350,000,000 for the fiscal year 1938, or by the sum of $53,000,000. The life of this emergency activity expired at the past session of Congress. So well has it served its purpose and so beneficial has been its influence through the work performed and upon the young men who have been enrolled in the corps that almost unanimous public opinion supported its extension for a further period of 3 years from July 1, 1937. The decrease in the amount appropriated is accounted for by a reduction in the enrollment of the corps from its former strength during the past fiscal year of approximately 365,000 and the maintenance of an average of 2,000 camps to 315,000 and the maintenance of an average of approximately 1,600 camps.

The amount for carrying out the new Social Security Act in the fiscal year 1938 shows an increase of $299,027,590 over the corresponding appropriations for the fiscal year 1937. A comparison of the aggregate for this purpose for each of the fiscal years is necessary for fuller explanation. The following is a separation of the two amounts:

	1937	1938	Increase
Grants to States and administrative expenses	$210,253,410	$274,281,000	$64,027,590
Old-age reserve account	265,000,000	500,000,000	235,000,000
Total	475,253,410	774,281,000	299,027,590

The amounts for grants to States are due and payable under the law to the States depending upon the numbers of persons qualifying under a State law which has Federal approval. The Federal share in each class of grants is fixed by the law, and the matter of appropriations is more or less automatic and uncontrollable either legislatively or administratively once a State has accepted the Federal Government's invitation of participation.

The old-age reserve account is a fund in the United States Treasury invested in Federal securities and being accumulated on a 3-percent reserve basis for the payment of old-age benefits, the first of which will not start until 1942. In connection with the accumulation of this fund, an amount equal to the annual increment that is to be appropriated to the fund is collected from taxes levied under the act upon the benefiting employees and the employers. The increase in the annual amount of this fund is destined, under the provisions of the act, to be accompanied each year by a corresponding increase in the amount of such taxes collected for that year.

The increase in the Military Establishment from $388,244,859 to $415,263,154, or by $27,018,295, is occasioned by the policy adopted by Congress at the first session of the Seventy-fourth Congress of increasing the enlisted strength of the Army from 118,750 to 165,000 men. The personnel for the fiscal year 1938 is increased under this policy to an average during the year of 162,000 against an average in the past year of 156,000. In addition to this increase, additional sums were needed to cover the advance in costs of subsistence, to replace depleted clothing stocks, and to replace deteriorated ammunition. Increased personnel in the National Guard and Organized Reserves and additional equipment for those organizations as well as enlarged amounts for the Army Air Corps—principally for construction and land procurement—contribute to the increased military outlay.

While the Postal Service shows an apparent decrease of $11,497,559.85, the situation actually reveals an increase. The appropriation for the fiscal year 1937 of $796,245,612.85 contains an item of $26,500,000 for merchant marine subsidy which for the fiscal year 1938 is transferred to and defrayed from funds of the United States Maritime Commission. Deducting this amount from the 1937 total, leaves the figure for that year at $769,745,612.85 and this sum compared with the appropriations granted that Service for 1938 of $784,748,053, shows an increase for 1938 of $15,002,440.15. This added amount results from the enlargement of postal business directly traceable to improved conditions in the country. The postal revenues for the fiscal year 1937 are approximately $715,000,000 while those for the present fiscal year of 1938 are estimated at $755,000,000. The relationship of postal expenditures and revenue is on a commendable basis. Eliminating from the expenditures for 1938 those items which under the law are properly excluded as nonpostal charges, the purely postal operations for 1938 will show a small surplus.

The outlay for the fiscal year 1938 for assistance to agriculture is a substantial part of the Budget for that year. While on their face the appropriations show an apparent decrease from $733,766,823.04 for the fiscal year 1937 to $601,629,724 for the fiscal year 1938, a decrease of $132,137,099.04, there is actually only a slight decrease for 1938 under 1937. Taking into consideration the funds reappropriated from previous appropriations and made available in the fiscal years 1937 and 1938, there will have been made available for assistance to agriculture for commitment in the fiscal year 1938 a total of $777,503,724 and in the fiscal year 1937 a total of $785,130,823.04, or a decrease of $7,627,099.04.

The importance of agriculture in our national economy is deserving of this attention in bringing to the farmer a better proportion of the national income and in adopting measures to prevent the further loss and deterioration of our soil. The achievements of the administration of President Roosevelt in rendering aid to agriculture have been outstanding not only through the direct appropriations that have been made by Congress, but through the extension of facilities of credit, the lowering of interest rates, and the allotments that have been made from emergency funds for drought relief, rehabilitation, resettlement, and other purposes. The Congress just adjourned has committed itself to further assistance to agriculture at the coming session.

The amount for interest on the public debt shows an increase from $835,000,000 to $860,000,000. This additional increment is accounted for by the increase in the debt arising because of expenditures on account of relief and recovery and on account of the adjusted-compensation payments (soldiers' bonus). While this sum is a large interest charge, it is less by approximately $200,000,000 than the interest charge in the fiscal year 1923, when the public debt was considerably less than today. When this interest on the debt is challenged as a burden upon business and recovery it is well to remember that it is less of a current burden than was a smaller debt in the fiscal year 1923. This difference is due to the successful refinancing of the debt structure at lower interest rates by the Treasury Department.

The public debt at this time is approximately $37,000,000,000. The expenditures which caused the increase in the debt during the present administration were the salvation of our Nation. Had it not been for the results obtained from the vast sums that have been expended for furnishing employment to destitute and discouraged people, the saving of homes and farms, the stabilization of our financial institutions, the rescue of agriculture and commerce, the preservation of our systems of transportation, and the multiple methods of assistance that the Federal Government extended during this dark period, we would still be in the slough of despair that existed when President Roosevelt took office. When this debt is criticized it should be recalled that some of it was caused by the payment of the soldiers' bonus and some by loans and investments in capital stock and other securities that represent recoverable assets upon which there will be a return. These assets of a recoverable nature exceed $4,500,000,000. In addition to these there has been a vast amount of construction of a permanent nature—public buildings of all kinds, irrigation projects, power development, water and sewer systems, and public works of every category of an enduring character. While the increase in the debt is large, the price paid for the restoration of the happiness and prosperity of 130,000,000 people and the preservation of a great nation has been relatively small in comparison with our national wealth.

Appropriations for refunding customs duties and internal-revenue taxes illegally or erroneously collected increased from $24,500,000 to $61,000,000. Of this additional amount, $15,000,000 is occasioned by the act which permits the refunding of certain classes of processing taxes. The figure of $61,000,000 is a comparatively unimportant refund when we consider that tax collections from customs and internal revenue in a single year exceed $6,000,000,000.

The contributions of the Government to the funds for the retirement of Federal workers rise from $46,735,300 to $73,235,000, an increase of $26,519,700. These funds are all on a cooperative contributory basis by the Government and the employees, the deductions from the pay of Federal employees in no instance being less than 3½ percent of the salary. The large appropriation for the fiscal year 1938 is being made to put into the civil-service retirement and disability fund the required increment of the share which the Federal Government assumed when the system was inaugurated, but which it has not fully met by appropriation. The granting of the larger sum represents an obligation which the Government assumed toward this fund, and the making of the appropriation is in discharge of that obligation and the placing of the fund on a sound actuarial basis.

The appropriation of $99,880,000 for retirement of employees of carriers (railroad retirement account) is a new item in the 1938 appropriations, although an item of $46,620,000 was carried in the 1937 appropriations for similar annuity payments. Under laws passed at the session just closed, annuities of a larger group of railroad employees will be paid by the Federal Government. While this appears as an added charge, there will accompany the setting up of this fund and its investment for the payment of these annuities the payment of taxes into the General Treasury by railroad employees and the railroads in sufficient amounts to offset the appropriations that will be required annually for the fund.

The general classification in the foregoing table of comparison of "All other activities of Government, including educational and other grants, and so forth", includes every object of appropriation for each of the 2 fiscal years not specifically set forth in one of the special classes of general purposes. It covers the entire range of Government activity—legislative, executive, and judicial—not otherwise set forth. Considering the ramifications of our Government, it is not a relatively large amount. For the fiscal year 1937 all of these activities have an appropriated total of $494,139,138.14. The corresponding figures for the fiscal year 1938 is $536,138,871.97, an increase of $41,999,733.83. While there are increases and decreases within this total, two outstanding increases occur, namely, an increase of $11,483,000 for vocational education and $30,000,000 for loans for rural electrification, which has not heretofore appeared in the annual appropriations as a separate entity.

COMPARISON OF APPROPRIATIONS AND BUDGET ESTIMATES

The action of the Congress on the Budget estimates submitted by the Executive in the annual Budget in January last and in supplemental and deficiency estimates transmitted during the session has resulted in a net decrease in these Budget estimates of $122,347,466.25. This is a net figure after giving consideration to technical decreases in Budget estimates resulting from the granting of reappropriations in several instances in place of the direct appropriations requested in the Budget estimates. Only one appropriation bill exceeds the total requested in the Budget estimates for that bill and the amount for each of the executive departments is less, with two exceptions, than the sum called for by the Budget estimates for that department.

The following table shows the gross appropriations during the session for all fiscal years and compares such amounts with the Budget estimates for the bills in which appropriations were carried:

Comparison of Budget estimates and appropriations, Seventy-fifth Congress, first session

Act	Appropriations, Seventy-fifth Congress, first session.	Budget estimates, Seventy-fifth Congress, first session.	Reduction in Budget estimates effected by substituting reappropriations for direct appropriations requested in Budget estimates	Net decreases in Budget estimates compared with appropriations, decrease (−) or increase (+)
REGULAR ACTS				
Department of Agriculture and Farm Credit Administration	$630,381,208.00	$733,384,290.00	$100,000,000.00	−$3,003,082.00
District of Columbia	45,915,641.00	46,605,605.00		−689,964.00
Independent offices	957,738,963.00	973,310,963.00		−15,572,000.00
Interior	132,732,499.85	124,463,604.85		+8,268,895.00
Legislative	24,085,736.78	25,135,017.00		−1,049,280.22
Military Establishment	415,263,154.00	416,486,461.00	517,850.00	−705,457.00
Navy	516,258,808.00	563,925,709.00	10,000,000.00	−37,666,901.00
State, Justice, Commerce, and Labor	126,127,387.00	128,826,167.40		−2,698,780.40
State	18,584,080.00	19,548,248.40		−964,168.40
Justice	40,882,565.00	42,159,689.00		−1,277,124.00
Commerce	43,032,242.00	42,966,630.00		+65,612.00
Labor	23,628,500.00	24,151,600.00		−523,100.00
Treasury and Post Office	1,503,441,943.00	1,515,996,218.00		−12,554,275.00
Treasury	719,182,390.00	730,251,740.00		−11,069,350.00
Post Office	784,259,553.00	785,744,478.00		−1,484,925.00
War Department, civil functions	194,536,063.00	194,575,544.00		−39,481.00
Total, regular annual acts	4,546,481,403.63	4,722,709,579.25	110,517,850.00	−122,347,466.25
DEFICIENCY ACTS				
First Deficiency	948,975,868.89	950,468,368.89		−1,492,500.00
Second Deficiency	81,737,540.14	100,539,288.03		−18,801,747.89
Third Deficiency	87,622,634.91	124,336,887.65		−36,714,252.74
Emergency Relief	1,500,000,000.00	1,500,000,000.00		
Total, deficiency acts and relief act	2,618,336,043.94	2,675,344,544.57		−57,008,500.63
MISCELLANEOUS ACTS				
Sundry public resolutions (no amount included for private relief acts)	472,271,660.00	471,900,300.00		+371,360.00
PERMANENT APPROPRIATIONS				
As estimated in the 1938 Budget	1,718,506,785.00	1,718,506,785.00		
Total, including postal and trust funds	[1] 9,355,595,892.57	9,588,461,208.82	110,517,850.00	−122,347,466.25
Less trust-fund appropriations chargeable to trust-fund receipts (including District of Columbia funds), and that part of postal appropriations payable from postal revenues	927,990,038.28	933,020,085.17		−5,030,046.89
Total, excluding postal and trust funds	8,427,605,854.29	8,655,441,123.65	110,517,850.00	−117,317,419.36

[1] Exclusive of any amounts in private relief acts.

THE BUDGET SITUATION

Due to the necessity for relief and recovery expenditures and the borrowing of huge sums to finance the restoration of economic and financial stability, which so happily has been returned to our people, deficits have occurred in our expenditures in past fiscal years. The outlook for the future has greatly improved.

It is my hope that the Budget for the fiscal year 1938 can be brought into balance excepting for debt retirement. The passage of the revenue act to plug loopholes in our tax structure and prevent the evasion of the payment of just taxation will add to our revenues and the economy methods instituted by the President whereby each of the Government agencies is compelled to set up a reserve of not less than 10 percent in such funds as are susceptible of administrative control should produce a favorable impression upon the relationship of our revenues and expenditures for the current year. During the past session I introduced a bill to give the President this authority. Investigation developed that such action could be instituted by the President through existing authority, and it has been put into effect. Our Budget for the fiscal year to end June 30, 1939, upon which action will be taken at the next session, not only should be in balance, but that balance should include a substantial amount for public-debt retirement.

The Heart and Soul of the Constitution

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. BLOOM. Mr. Speaker, in discussing the Constitution of the United States I wish to consider it from a new angle. We all agree that as a legal document it establishes a successful system of government. Its precision and brevity are admirable. Millions of words have been devoted to its governmental principles. Great jurists have interpreted the meaning of the Constitution in almost all its parts. As a frame of government it has stood the test of time, war, and depression. It is based on truth, and like truth, it laughs at the assaults of time.

But what I should like to discuss tonight is the heart and soul of the Constitution—its qualities that spring from the human heart and not merely from the human intellect.

Unless the Constitution satisfies the aspirations of the heart, unless it feeds the human soul, unless it stirs our emotions, it cannot be regarded as a complete expression of the American spirit.

Why was the Constitution formed? Who were its framers? What was the emergency before them? What did they aim to accomplish?

In a nutshell, the Constitution was formed for the purpose of perpetuating American liberty by uniting the States in a firm Union. All other aims were subordinate to the safeguarding of the liberty that had been won by the Revolution. It was evident after the Revolution that American liberty would be lost unless the States banded themselves together to preserve it.

If you and I believe that life comes from God and that the Creator endows man with the right of liberty when He breathes life into him, we must agree that the framers of the Constitution were obeying the will of God when they sought a way to perpetuate liberty.

Life and the right to enjoy liberty come from God. The guaranty of the right to enjoy liberty, the power to maintain liberty, must come from the human heart and soul. The Constitution is this guaranty. It enables the American people to exercise their power to maintain their liberty against foreign attack or internal dissension.

The signers of the Declaration of Independence pledged their lives to liberty. Their hearts directed their hands when they sent forth this declaration of war for freedom.

The framers of the Constitution were no less in earnest. They saw the light of liberty dying in America as the States quarreled and threatened to disband. It was a new Declaration of Independence which the Constitution makers prepared for the approval of the people—a declaration that their hard-won liberty should not perish, but should be made perpetual by joining the hearts and souls of the people of all the States in an indestructible Union.

These framers of the Constitution were chosen by their States to meet together. They were soldiers, planters, lawyers, physicians, merchants, and judges. Some of them were rich and others were poor. One of them, a luminous star in the human firmament, had been a penniless printer. Another, Roger Sherman, who, with Robert Morris, had the honor of signing the Declaration of Independence, the Articles of Confederation, and the Constitution, had been a poor shoemaker who studied at night to become a lawyer. The university which fitted George Washington to preside over this body of men was the stern school of war.

Being human, these delegates had human failings. They were devoted to State and local interests. Those from large States were bent upon exercising the strength of large States. Those from small States shrank from a Union that might make them the pawns of greater States. The commercial North and the agricultural South had clashing interests. All the States had been disappointed by the failure of such central government as was exercised under the Articles of Confederation. They were suspicious of any proposal for a national government. They feared it would swallow the States and the liberties of the people, or be just another failure like the Confederation.

After many jarring sessions, in which misunderstandings, jealousies, and selfish sectional interest bore down their efforts to agree, the delegates were almost in despair. Their hearts cried out for union, but their minds seemed to be overwhelmed. At this crisis the venerable Benjamin Franklin suggested that they call upon Providence to give them guidance, that their appeal to the Almighty Father might soften their temper, and, drawing strength by relying upon Divine aid, they might go forward together in common sympathy. What their hearts desired their minds discovered. They found a way to make American liberty forever secure.

We have all read the Constitution. We all know, at least in a general way, how it fulfills the people's will by uniting the States. But have we analyzed the Constitution, to search out its heart and soul? I maintain that, next to the Bible, that Holy Book by which men live and die, the most precious expression of the human soul is the Constitution. In the Bible, man finds solace, refreshment, and instruction in the most secret and sacred relations of the soul—its relation to God.

In the Constitution we find solace and security in the next most important thing in life—our liberty. Every word in the Constitution serves to safeguard us in our life, liberty, and pursuit of happiness. Every American, as he studies the marvelous framework of the Constitution, can say with truth and pride: "This was made for me. It is my fortress. When danger threatens my life or liberty I can take safe refuge in the Constitution. Into that fortress neither President nor Congress nor armies nor mobs can enter and take away my life or liberty."

You may ask me where in the Constitution is there any language that throbs with a human heartbeat? Where is the soul of the Constitution? My answer is: In every paragraph. All its parts are mighty links that bind the people in an unbreakable chain of union—a chain so beautifully wrought that it reminds us of the mystical golden chain which the poet saw binding earth to God's footstool.

Let us consider the preamble to the Constitution. We do not know from whose brain it came, but we know that it sounds the heartbeat of the framers. It is the majestic voice of the people, giving expression to their soul's desire.

"We the people of the United States, in order to form a more perfect Union." For what purpose? To make our liberties secure. For how long? So long as humanity wanders through the wilderness of time. For whom? For every man, woman, and child under the American flag.

"Establish justice." What is justice but a guardian of liberty? My rights and immunities made secure against tyranny Your rights safeguarded against my wrong-doing. Your widow and your child protected when you are gone. Can there be a higher aspiration of the soul than to establish justice? Justice is an attribute of the Almighty Himself, for He said, "I, the Lord thy God, am a just God."

"Insure domestic tranquillity." The people longed for harmony. The framers of the Constitution saw that a central government would bring the States into common accord on all national questions, while removing other vexatious causes of disagreement. The very fact of equality of States was a guarantee of domestic tranquillity. But the Constitution also provided a means whereby the Government could protect the people against disturbances of public order and private security. The great charter thereby insured domestic order and peace, both among the States and among the people.

"Provide for the common defense." It was well understood that the separated States were not strong enough to ward off foreign aggression. Divided, they invited invasion

and conquest, even from second-rate foreign powers. United, they constituted a nation capable of defending itself in every part. The framers, therefore, clothed the common Government with power to make war and peace, to raise armies and navies, to use the State militia for common defense, to build arsenals and navy yards. All that a mighty nation can do to defend its people and territory the United States of America can do; and even in its infancy the United States became a powerful Nation through union of the States. The protection provided by the Constitution is the protection which a wise father provides for his family. This Nation is like a strong fort defended by armed men. And far out at sea, prepared to meet and destroy any assailant, the United States Navy rides the waves in unwearied and vigilant patrol.

"Promote the general welfare." This provision has a far wider sweep than latter-day commentators accord to it. They seem to think that the Government has limited powers in promoting the general welfare. They speak of relief of unemployment, flood control, and drought control as examples of provision for the general welfare. Those objects may come within the scope of the Government's general-welfare powers, it is true, but those powers extend far beyond that point. The general welfare is promoted by the unification of the States. They are thus enabled to pool their resources and concentrate their energies. An example of promotion of the general welfare is the establishment of the postal system. Another example is provision for uniform coinage and currency. Still another is the consolidation of defense forces, of which I have just spoken. Indeed, the promotion of the general welfare by unification of the States is manifest in nearly every paragraph of the Constitution.

And, finally, the preamble declares that the Constitution is established to "secure the blessings of liberty to ourselves and our posterity." Who are we but the posterity of the great souls who wrought for our perpetual liberty? Can you agree that the forefathers of America were selfish and heartless men when this proof is given that 150 years ago they were thinking of us, their posterity and heirs? Are we of this day equally foresighted? Do we give thought to our posterity that will live 150 years from now? If we are ready to pledge our lives, our fortunes, and our sacred honor for our distant posterity, we are worthy of the forefathers who did that much for us.

Summed up, the preamble declares that our forefathers sought Union, Justice, Tranquillity, Safety, Welfare, and Liberty. These are the virtues enjoined upon mankind by their Heavenly Father. He who seeks justice is blest with the benediction of God. It is God's wish that mankind should be free. In securing their liberty the people obey God's will.

We hear it said that the Constitution is faulty because it does not invoke the name of the Deity. I hold that it does more than lean upon divine strength. It strives to do God's will on earth as it is done in heaven. Not a line, not a word in the Constitution is in conflict with the Divine will. On the contrary, every word and every declaration breathes an ardent desire to pattern the American Nation in accordance with God's holy will.

Can an atheist become President of the United States? I maintain that the spirit of the Constitution forbids it. The Constitution prescribes an oath or affirmation which the President must take in order to qualify for his office. This oath or affirmation in its essence is a covenant with the people which the President pledges himself to keep with the help of Almighty God.

All officers of the United States and of the States, all judges and defenders of the Union, must bind themselves to support the Constitution. Whether given by oath or affirmation, this pledge is essentially an appeal for Divine help in keeping inviolate a sacred obligation.

Upon all the coins of the United States appears the inscription "In God we trust." Every word of the Constitution breathes this trust in God. Read the preamble again and again. Give wings to your thought, so that you may poise like an eagle over time and the universe, and you will find within those words all the most ardent hopes of the human heart, the holiest aspirations of the human soul.

That this Nation is established upon the rock of God's favor and protection will be proved, we devoutly believe, by its indestructibility. Time does not wear down nor eat away the eternal truths of the Constitution. War cannot overturn the temple of our liberty so long as American sons are worthy of their forefathers. Instead of fading with age, the glory of the Constitution takes on new splendor with the passing of the centuries. The faith of the forefathers gave them strength to plan for the ages. May we, with equal faith, guard our birthright and hand it down to our posterity as their most precious heirloom—liberty, "the immediate jewel of the soul."

The Seventy-fifth Congress

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. RAYBURN. Mr. Speaker, just before the House of Representatives adjourned sine die I made a statement to the House. I said:

As a preface to what I want to say in defense of the House of Representatives of the Seventy-fifth Congress against all enemies, foreign and domestic, that this has been one of the working Congresses in which I have served, and that when anybody says that this has been a sit-down Congress, that it has not worked, and has not enacted a great program of legislation, they are either ignorant of the facts or they want to distort them.

Heretofore these critics of the President and his administration and the Congresses that have worked with him for the recovery of the country have been saying that Congress did too much; that it was subservient to the President. These people, who are now critics of the administration and of the Congress, have been critics of the administration and the Congress ever since President Roosevelt came into office.

It shall be my purpose this evening to give you in a very abbreviated form—as time will not permit its being done otherwise—some of the major acts of the Congress just closed, and I shall put into the CONGRESSIONAL RECORD a more extended statement of all of the acts of the Congress.

I might say that the following 10 enactments have been made in the interest of and for the promotion of agriculture:

First. Extending the operation of the present Soil Conservation Act to 1942.

Second. Agricultural Marketing Agreement Act. This probably affects more farm products, in value, than any other measure that has been passed.

Third. Farm Tenant Act.

Fourth. Reduction of interest of land-bank loans.

Fifth. Perishable Agricultural Commodities Act.

Sixth. Great Plains Drought Act.

Seventh. Farm Credit Act of 1937.

Eighth. Crop loans for 1937.

Ninth. Cotton classification.

Tenth. Extension of Commodity Credit Corporation.

The Reconstruction Finance Corporation has been extended for 2 years. No one can challenge the great work that the Reconstruction Finance Corporation has done and is now doing and will do. When that act was extended, the Commodity Credit Corporation was extended with it, which gives the President the authority to make loans to stabilize and peg the prices of all agricultural commodities. Sixty-two million dollars was voted by the Senate and the House on last Saturday to make certain that the downward trend of cotton prices would be stopped. There is enough money and enough law now to provide for the crops of 1937.

The House passed a reorganization bill giving the President authority to reorganize in the interest of efficiency and economy in the governmental departments.

A bill providing for the retirement and pension of railway employees.

Legislation to stabilize our sugar industry at home and in our possessions of Hawaii, Puerto Rico, and the Virgin Islands, and Cuba as well.

The court reorganization bill, in which it was provided that the Attorney General may intervene in any suit where an act of Congress is challenged.

A general river and harbor bill to carry out the intent of Congress with reference to the improvement of rivers and harbors.

A general Neutrality Act that we hope may be used in both peace and war to bring about better understanding and promote the peace of the world.

The Guffey-Vinson coal bill, that we hope is in such form and such type that it will run the gamut of the Supreme Court and will bring about peace in that great industry.

The Wagner-Steagall Housing Act for slum clearance and to bring about better housing conditions throughout the United States.

The so-called tax-loophole bill, providing for the closing of loopholes where many had taken advantage of the laxity of the law and were escaping taxes in large sums.

The Miller-Tydings bill that will help States enforce their laws and, in our opinion, be in the interest of trade and commerce.

A public building program providing for the spending of $70,000,000 over a period of 3 years, which in itself will bring much employment.

A bill to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

A bill to extend for a period of 2 years the guaranty of the United States of debentures issued by the Federal Housing Administrator.

A bill to amend the Federal Housing Act, greatly increasing the scope of its worth-while activities.

A bill to prevent the exportation of arms, ammunition, and implements of war from the United States to Spain.

A bill to provide for the retirement of Justices of the Supreme Court of the United States.

A bill to extend the period during which direct obligations of the United States may be used as collateral security for Federal Reserve notes.

A bill to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

A bill to create a Farmers' Home Corporation.

A bill for the regulation of petroleum and its products.

A bill for Grand Coulee Dam in the Columbia Basin.

A bill providing for the regulation and fixing of tolls in the Panama Canal Zone on the Panama Canal.

A bill providing for the taking of a census of employment, unemployment, and occupations.

The Rankin bill, commonly known as the Gold Star Mothers bill.

A bill to extend the time for purchase and distribution of surplus agricultural commodities for relief purposes.

The Pettengill bill, known as the long-and-short-haul bill, which affects each person and every business in the land, has been passed.

I submit this is an impressive array of accomplishments.

There is a day known as Calendar Wednesday, upon which day the committees are called. On these Wednesdays each committee in the Congress has been called to report legislation three times. I believe that I may safely say that this is a record in 7½ months in the call of the calendar that is equal to any 4 years in the past. The Private Calendar, upon which bills in which Members and their constituents are vitally interested, has been called through on the first Tuesday in each month. In other words, more committees and more individual Members have had a chance in this session of Congress to have bills in which they were individually interested considered than at any session since I have been a Member of the House of Representatives.

It is the intention of the next session of Congress to carry through both the House and the Senate a general reorganization program for all departments of the Government.

Also, it is the purpose to revise generally and simplify the tax laws of the country.

A wage and hour bill has passed the Senate and has been reported by the House committee, and it is the hope that a wage and hour bill will be enacted in the early part of the next session of Congress.

We have been promised by Mr. JONES, chairman of the Committee on Agriculture of the House, and by Senator SMITH, chairman of the Committee on Agriculture of the Senate, that general, permanent farm legislation will be ready for the next session of Congress, which will be in time to cover crop control for the year 1938, as no crops will be in the ground before the first of February, with the exception of winter wheat, and under present world conditions wheat does not present a problem.

Much has been said about the bad temper of the Congress. I speak for the House of Representatives and say to you in all candor that I have never seen a long session of Congress come to an end when there was as little display of bad temper as there was at the close of this session. You will see in the press and you will hear from the stump during the coming months of the split between the President and the Congress; that the President has lost his leadership over Congress, and that Congress is in a bad humor with the President. Speaking for the House of Representatives, I deny these statements and repel the insinuation.

I am glad that this vacation time has come in order that we may go back and feel the pulse of the people in our districts and our States. I do not believe that the President has lost the friendly sympathy of the Congress, and I feel certain that the overwhelming majority of the American people still look to him for leadership. In my opinion, during the 4½ years of this administration more has been done for the farmer, the laborer, and for legitimate industry than in any other 4½ years in the memory of anyone now living—and this is not a reflection on other great administrations. It is simply stating the cold fact that the head of this administration and those who work with him have done a great job of relief and recovery. Farm prices are higher; laborers are better paid; industry is more prosperous.

I close as I began by saying that our leader has accomplished this great program with the sympathetic cooperation of the Members of the Congress, that he is a working President, and that the Congress has been a working Congress.

Postal Progress

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

RADIO ADDRESS TO BE DELIVERED BY POSTMASTER GENERAL FARLEY ON AUGUST 25, 1937

Mr. McKELLAR. Mr. President, under permission granted me on August 20 (CONGRESSIONAL RECORD, p. 9419), I asked to have printed in the RECORD a radio address to be delivered by Hon. James A. Farley on August 25, on the subject Postal Progress.

The address referred to is as follows:

I am indebted to the Columbia Broadcasting Co. for this opportunity to report to the people of the United States upon the status and progress of their Postal Service.

From time to time the administration of the Service is criticized by some and commended by others. We endeavor to receive the criticisms in good spirit and profit from any of them which may be constructive, and we are encouraged when the Service is commended.

Regardless of brickbats and regardless of bouquets, a constant and determined effort is being made to provide the best possible service at the least possible cost.

The United States Postal Service is the largest and most important single business enterprise to be found anywhere in the world, and is generally regarded as one of the most efficiently administered of all business enterprises, either public or private.

There are more than a quarter of a million men and women regularly engaged in handling the mails, and they are organized into the various divisions of the Service so as to insure that all mail moves from sender to recipient in the most expeditious way. A major share of the credit for the efficiency of the system must go to these capable, conscientious, and loyal officials and employees.

The most important divisions of the Service are those concerned with the collection, the distribution, the transportation, and the delivery of the mails, but in and between these major divisions are numerous collateral units which are essential to the coordination and proper functioning of the Service.

Early in this administration improvements were made in the departmental accounting system which enables us to know month by month our income and expenditures. Prior to these improvements it was from 3 to 4 months after the end of each quarter of the year when we had official information on income and expenditures.

The Post Office Department finished the fiscal year 1931 with a net postal deficit in round numbers of more than $98,000,000; the fiscal year 1932 ended with a net postal deficit of more than $152,000,000; and there was a net postal deficit in the fiscal year 1933 of more than $50,000,000. The deficit for 1933 was incurred notwithstanding that at the beginning of that year the postage rate on all first-class mail matter was raised from 2 to 3 cents, which increased the revenues of the Department approximately $75,000,000. The present administration assumed office in March 1933, 4 months before the end of that fiscal year and too late to exercise any marked effect on the finances of the Department for that year.

The fiscal year 1934 was the first full year of operation under this administration. At the beginning of this year the postage rate on local first-class matter was reduced from 3 to 2 cents. This reduction resulted in an annual loss of more than $20,000,000 in revenue. With postal receipts for the year $900,000 below the receipts for the previous year the Department showed a net postal surplus of more than $12,000,000.

The fiscal year 1935 was ended with a net postal surplus of approximately $5,000,000.

Although the 40-hour-week law and the transfer of the custody of post-office buildings from the Treasury Department to the Post Office Department brought an increase in expenditures of $60,000,000 during the fiscal year 1936, we ended the year with a net postal deficit of less than $17,000,000.

For the fiscal year 1937 another net postal surplus is indicated.

Some hair-splitting critics have pointed out that while surpluses were shown for the fiscal years 1934 and 1935, the Department drew substantial sums from the Treasury to meet expenses in those years. In this connection, let me remind you that large sums were also drawn from the Treasury during the fiscal years 1931, 1932, and 1933, and that these sums, like those drawn from the Treasury during the fiscal years of this administration, were to cover the cost of services rendered by the Department under law free or at less than cost, or to pay aviation and merchant-marine subsidies which the law required to be paid through the Post Office Department.

It was after taking credit for such so-called nonpostal items that the previous administration showed deficits ranging from $50,000,000 to $152,000,000 a year, and it was after taking credit for such items that this administration has showed annual surpluses, with the exception of the fiscal year 1936, when the 40-hour-week law and the transfer of the custody of post-office buildings from the Treasury Department added $60,000,000 a year to the Department's expenses.

Congress has provided free use of the mails for the various Departments and agencies of the Government, for Members of Congress, and has extended to newspapers free use of the mails for delivery of their papers in the county of publication. Also, the law extends free use of the mails to certain matter for the blind, and preferential rates to newspapers and periodicals.

These free and below-cost services, together with the losses in handling second-, third-, and fourth-class mail, result in an aggregate annual loss of more than $150,000,000.

For the fiscal year 1936 there was an excess of cost over revenue of $90,000,000 for second-class mail, $23,000,000 for third-class mail, and $18,000,000 for fourth-class mail. The itemized cost-ascertainment figures for 1937 are not yet available, but approximately the same ratio of cost over revenue will be shown.

There are about 26,000 newspapers and other publications enjoying the low rates accorded second-class matter. Although their mailings, which amount to more than 1,200,000,000 pounds a year, comprise almost one-fourth of the total weight of all the mails, the postage derived therefrom, amounting to less than $21,000,000 annually, is approximately but one-thirtieth of the total postage collected. This entails a loss of more than $90,000,000 a year which must, of course, be made up by higher postage charges on other classes of mail than would otherwise be necessary, or from funds raised by general taxation.

From time to time we receive demands for the restoration of 2-cent letter postage. As long as the Department is incurring such heavy losses on some classes of mail, the 2-cent rate cannot be restored without a loss in revenue to the Department of at least $75,000,000 a year, and such loss would have to be made up by the Treasury from general tax receipts.

By stimulating interest in stamp collecting the sale of stamps to collectors, through the Philatelic Agency at the Department in Washington, has increased from $300,000 to $2,000,000 annually.

Early in this administration it was discovered that, due to the falling off in mail volume because of the depression, the Department was paying for more space on railway postal cars than was needed. A Nation-wide survey was made and the car space was reduced to meet requirements, which effected a saving of several million dollars.

Approximately one-quarter of a million dollars has been saved during the last 2 years by the discontinuance of railway post-office service on small branch-line railroads where the type of train service had been changed from passenger service to mixed passenger and freight, and where the trains, in many instances, did not average more than 10 or 15 miles an hour over their routes. Star routes, served by automobiles and trucks averaging 25 miles an hour, were substituted and they provide a more satisfactory service to the public at a greatly reduced cost.

Notwithstanding the number of star routes thus established, the cost of operating all the star-route service was $3,400,000 less in 1937 than in 1933.

Today our air-mail service—both domestic and foreign—are in the highest state of efficiency in their history. Contractors are employing the finest and safest planes and multimotored equipment is operated on every route.

In the fiscal year 1937, two and one-half times as much air mail was transported as in 1932 and the cost to the taxpayers in 1937 was approximately $7,000,000 less than it was in 1932.

In 1932, when the Department was paying to the contractors nearly $20,000,000 for air-mail service, the postage revenue for air mail was only about $6,000,000, while for the last fiscal year, when the contractors were paid less than $13,000,000, the domestic air-mail revenues were more than $12,000,000. This 100 percent increase in air-mail revenues was achieved notwithstanding the postage rate in 1932 was 8 cents an ounce, and since 1934 has been only 6 cents an ounce.

In the fiscal year 1932, 160 cities had air-mail service, while at the present time more than 200 cities are being served.

In 1932 there were 26,745 route-miles in the domestic air-mail system, while today there are 31,900 miles.

Our foreign air-mail system has been expanded from 19,000 route-miles in 1932 to 30,000 route-miles in 1937. The cost of the foreign air-mail service in 1932 was approximately $7,000,000 a year, and the cost for 1937, although 11,000 route-miles have been added, was less than $8,000,000.

The receipts from the foreign air-mail services in 1932 were approximately $2,000,000, while receipts for 1937 were approximately $4,000,000.

During this administration the trans-Pacific air-mail service, from San Francisco to Hong Kong, China, has been installed, as has interisland service in Hawaii. Arrangements have about been perfected for adding hundreds of additional miles of air-mail service in Alaska, and in the near future we will have trans-Atlantic air-mail service between the United States and Europe.

Foreign air-mail service in South and Central America has also been greatly expanded, including service to Bolivia and Paraguay, which were the only countries in Central and South America not theretofore served. This system also provides service from the United States to Canada, Mexico, Cuba, Jamaica, Nassau, Puerto Rico, Haiti, and the principal islands in the Windward and Leeward groups.

The ship-subsidy mail contracts were handled by the Post Office Department until October 28, 1936, when they were turned over to the Maritime Commission; but during the 3½ years they were managed by this administration a saving of over $4,000,000 was effected. Since these contracts were transferred to the Maritime Commission, the Post Office Department has reduced the ocean-mail poundage rates, thereby eliminating all subsidies from mail pay and achieving an annual saving of approximately $2,000,000.

Since March 4, 1933, 6,910 rural free-delivery routes have been consolidated, at an annual saving of nearly $8,000,000. The routes thus consolidated were short and over improved roads.

Although the number of routes and the cost of operation of these routes has been reduced, the service has been expanded since March 4, 1933, to include more than 11,000 additional route-miles. This was done through the establishment of new routes and the extension of existing routes, which have provided rural-mail service to approximately 232,000 additional persons.

During the past 3 years Congress has provided funds for about 1,100 new post-office buildings. Eight hundred and forty-six of these buildings have been completed or are in course of construction, and it is anticipated that the remaining projects will be under contract within a short time. Every State, Territory, and insular possession shares in this building program.

The cost of the motor-vehicle service, which transfers mail between post offices, railroad stations, airports, and other transfer points, was approximately three and one-quarter million dollars less in 1937 than it was in 1932.

Besides its particular functions of collecting, distributing, transporting, and delivering mail, various other services are performed by the Department. It maintains a Postal Savings System, deposits in which increased $80,000,000 from 1933 to 1937. It conducts a money-order service for the transfer of money for its patrons from one point to another. It insures and registers valuable mail. It is a sales agency of the Treasury Department for United States savings bonds. It was the agency through which the Government handled the payment of the veterans' bonus. It was the agency through which the Social Security Board registered more than twenty-nine millions of workers and aged persons throughout the country.

The Post Office Department is one of the principal Government agencies through which protection is given to the public against frauds and swindlers. During this administration many indecent publications and thousands of lottery and prize schemes have been excluded from the mails.

Through its highly efficient inspection service the Department maintains a constant check on the business and service of every one of the 45,000 post offices, and runs down those who violate the postal laws and regulations by robbing the mails or using the mails in schemes to defraud.

I think it will be generally conceded by both those in the Postal Service and those who have knowledge of its operations that the morale of postal employees is higher now than at any time in the history of the Postal Service.

With the facts and figures here submitted I feel justified in asserting that they offer conclusive proof that during the past 4½ years many improvements have been made in the Postal Service, and that it has been administered so as to provide a maximum amount of service at a minimum cost.

The Post Office Department has always been a reliable barometer of fluctuating business conditions throughout the country. The steady general increase in postal receipts since 1934 attests the effectiveness of the policies of the Roosevelt administration to combat the depression and clearly demonstrates that the measures which have been provided to assist commerce and industry, to aid the farmer, and to improve the condition of the industrial worker, have brought the country out of the depression and a long way on the road to recovery.

The New Deal and the Past Session

EXTENSION OF REMARKS

OF

HON. J. HAMILTON LEWIS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

RADIO ADDRESS OF HON. THEODORE FRANCIS GREEN, OF RHODE ISLAND, TO BE DELIVERED ON AUGUST 23, 1937

Mr. LEWIS. Mr. President, 2 days after the close of the present session of Congress the junior Senator from Rhode Island [Mr. GREEN] is to make an address upon the subject of the New Deal and the Past Session. He requests through me that he be allowed to have his speech printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, let me briefly summarize the more important measures enacted. First on the list I would place the Wagner housing bill, which marks the most determined effort to date to provide Federal assistance to local communities in the fight to eradicate slums and provide decent housing for the poor. Probably next comes the tax-loophole bill, designed to increase our revenues by outlawing various kinds of legal contrivances which have been resorted to by some wealthy persons unwilling to contribute their fair share toward the expenses of government. A new Guffey Coal Act was passed to stabilize the bituminous coal industry. The life of the C. C. C. was extended, as were the powers of various other Government organizations. The power to make international trade agreements—agreements which have vastly increased the sales of American products abroad—was among these. By the appropriation of a billion and a half dollars further provision was made for furnishing useful work to the unemployed. A start was made toward the solution of the farm-tenancy problem. Most of the other enactments of the session were of relatively minor consequence. How far the record was affected by the untimely death of the majority leader, Joseph T. Robinson, we cannot tell, but his far-seeing, intelligent, and spirited leadership, combined with his great personal popularity, had been counted on to achieve much in carrying out the chosen program.

Among the outstanding omissions of the session was the nonpassage of the wage and hour bill, a measure that is still pending in the House after approval in the Senate by a 4-to-1 vote. It is for those responsible for this omission to explain satisfactorily to the country why the bill was not permitted even to be voted on in the lower House of Congress.

No final action was taken on the establishment of regional planning agencies like the T. V. A. or on any phase of the President's proposals for the reorganization of the executive branch of the Federal Government. As is too well known to require extended comment now, the Supreme Court bill has been shelved, at least for the time being. Yet the full discussion which attended this proposal was of distinct value. After the measure was first proposed by the President the Supreme Court overruled its earlier decisions on minimum-wage legislation so that such statutes are now constitutional; and the Court also upheld the validity of the Wagner Labor Relations Act and of the Social Security Act, contrary to the expectations of many in the light of previous decisions. The constitutional outlook for other similar legislation, therefore, is considerably brighter than it was when the President made his proposal. More than that, an act of some value was passed relating to the power of the lower Federal courts to hold acts of Congress unconstitutional. And, finally, the President has at last made his first appointment to the Supreme Court. Justice Black is 27 years younger than his predecessor, has an impressive record of fighting progressivism, and in the opinion of an overwhelming majority of the Senate was well worthy of confirmation.

The record of the past session, however, should be reviewed in the light of the people's just expectations. So I ask you to turn back to the eve of the last election and to recall just what it was that 46 States and 27,000,000 people voted for, for it is against that background that you should judge the legislative record which I have just summarized. Let us turn to the President's Madison Square Garden speech, delivered on the Saturday night before that election.

You will recall that he said:

"Of course, we will continue to seek to improve working conditions for the workers of America—to reduce hours overlong, to increase wages that spell starvation, to end the labor of children, to wipe out sweatshops. Of course, we will continue every effort to end monopoly in business, to support collective bargaining, to stop unfair competition, to abolish dishonorable trade practices. For all these we have only just begun to fight."

You will also recall that he went on to speak of efforts in behalf of the farmers and ways of helping them, and in behalf of the underprivileged and ways of helping them, concluding with the challenging words "For these things, too, and for others like them we have only just begun to fight."

It would seem that a good many of the Senators and Representatives who were swept into office on the surge of popular feeling that brought victory at that election are now willing to postpone, perhaps indefinitely, the fight of which the President spoke, or at least to let him fight on without their support. Certainly the record of this past session is a pretty slim one to present to the people as the fruit of the greatest popular victory in our time, a victory so overwhelming that one must go back over a century to Monroe's second term to find its equal. That was the third successive victory on the issue of the New Deal, an issue that has won larger majorities each time it has come before the people.

The people will naturally ask "Why so lean a harvest from soil that promised such abundant fertility?" In answering this question I want it understood that I am speaking for myself alone, and not for any other individual or any organization.

One thing, of course, is quite clear, and that is that the results of the session cannot be attributed to the Republican opposition. There has in fact been no Republican opposition to speak of. During most of the debates of the session, the Republicans sat silent. They realized fully that, as the result of long years of Republican administration, the people had come to fear the Republican label to such an extent that Republican opposition was the best endorsement that a measure could have.

No, the opposition came mostly from those of the President's own party. It seems to me that those opponents may be put into four groups.

In the first I would put those opponents who ran on the same platform with the President and were pledged to support it and him, but who did not do so and have given no excuses for not doing so. To those I would point out that the same obligation rests on them as on the President. He is conscious of that obligation and is seeking diligently to discharge it. They should be equally conscious of it, and should seek to discharge it with equal diligence. It is not only a question of loyalty to the President, their leader. It is even more a question of loyalty to the voters who elected them. Indeed, even if the President were not anxious to carry out his pledge to the people, it would still be the duty of the Senators and Representatives to carry out their pledge to the people—the same pledge as his.

In the second group are those opponents who admit that they were pledged to support the platform and President, but who make excuses for not doing so. They are the "Yes-but" group. "Yes; I favor the principle, but I am opposed to this particular plan." "Yes; I believe in a minimum wage, but this bill is unworkable." "Yes; I promised to support the President, but I can't go along with him on this, though I have nothing better to propose." In substance and effect a "Yes-but" man is a "No" man.

In the third group are those opponents who ran on a platform of their own, and were pledged to support only "old line" Democracy, or what is sometimes erroneously, in my opinion, called "Jeffersonian Democracy." An "old-line" Democrat is one who was a Democrat in the years when Democrats were in such a hopeless minority in Congress that about all they could do was to extend their remarks in the RECORD and be voted down, like the Republicans today. Personally I do not care to return to those days of old-line Democracy, those days of 1920 and 1924, and 1928 when our party, besides being in a minority, was little more than a collection of sectional discontents and unrelated local traditions, without any national basis for existence.

In the fourth group are those opponents who had been progressives, and, regardless of platform, were elected on the supposition that they would remain progresive. It has always seemed very strange to me that while a man can live down almost everything else that recalls his youth, it is practically impossible for a person who was once called "a progressive" to lose that label, no matter how conservative or reactionary he subsequently becomes, or how much his sympathies and his arteries harden as he grows older. There ought to be some device for assuring the voters that a man will not continue to wear the progressive label after he has ceased to vote for progressive measures.

I do not attempt to assign the opposition Democrats to these four groups, nor do I impugn their motives. I am simply pointing out the groups into which they seem naturally to fall.

It was assumed before and after the last election that what bound all Democrats together and made them at last a national party was their common allegiance to the principles of the New Deal. If that is not so, what is there to bind them together? If the Democrats are not to be counted on to carry these principles into effect, who can be counted on? The people believe in these principles. They have said so again and again. They mean that they shall be enacted into law and administered sympathetically. And they will elect as their agents to do this Senators and Representatives who will and can get this done. For on these principles depends the welfare—material, physical, intellectual, and spiritual—of tens of millions of Americans who unaided will not have food to eat, clothes to wear, or a place to lay their heads.

The New Deal—that series of objectives so courageously proclaimed from time to time and last restated in the Madison Square Garden speech from which I quoted—is greater than any particular men or any particular measures. It is not a passing whim. It is an insistent desire on the part of the people who do not propose to take "no" for an answer. It is a powerful popular movement, the like of which this country has not seen since the pulsating surge of pioneer Jacksonian Democracy over a century ago. The New Deal has transformed the Democratic Party from a collection of unrelated sectional antagonisms into a cohesive national party whose bases are Nation-wide, whose aims are Nation-wide, and whose vision is Nation-wide.

I am hopeful that when the Members of this Congress once more have an opportunity to feel the sentiment of the country by seeing their constituents face to face, they, the "Literary Digesters" of 1937, will realize that the sentiment of this country has not changed appreciably since last November; and with that realization they will return to Washington to take up their duties, so that with their help we, the Democratic Members of Congress, may go forward at the next session to achieve the aims for which we were elected. Then the final record of the Seventy-fifth Congress will be one of substantial and far-reaching achievement.

Address by Mr. James Roosevelt Before Carolina Political Union

---

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, August 20, 1937

ADDRESS OF MR. JAMES ROOSEVELT, SECRETARY TO THE PRESIDENT, BEFORE THE CAROLINA POLITICAL UNION, UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL, N. C.

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address delivered by Mr. James Roosevelt, secretary to the President, before the Carolina Political Union, University of North Carolina, Chapel Hill, N. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am, of course, proud to be invited to speak before this conference of distinguished social scientists, but I am also humbly amused at my own temerity. I feel as if I were a very young lieutenant with the colossal experience of a few hours, holding a few hours of trench, who has come to advise the general staff at headquarters how to plan operations for the whole theater of war. I should be listening to you, for you can tell me far more about my trench than I can tell you about the whole battle; and I very much need and want to listen to you.

My short apprenticeship in government has taught me the ever-increasing reliance that those on the firing line must place upon the social scientist. The economic system under which we live grows more and more complicated. The people consequently make increased demands upon government to do for the individual what the individual can no longer do for himself. If government is to meet these demands wisely, if it is to yield only to those demands to which it ought to yield, if it is to reject those demands it should reject, those in charge of government must increasingly be guided by the accumulated wisdom and dispassionate thinking of social scientists.

For the best of men in active government must be, as President Lowell, of Harvard, has said, brokers of other men's ideas. Their task is the human art of sensing the spirit and the needs of the times. But no one man or group of men engrossed in that task can have the time to work out the specific ways and means of meeting all those needs. The actual details of government are too intricate; the economic system is too complicated. There must be a division of labor. The government executive must, therefore, have experts on tap, in and out of government, to provide him the best of contemporary thought and experience.

The idea that such executive must be his own economist and his own lawyer is really absurd. His task is a difficult one—to be able to judge other people's ideas, to appraise the value of those ideas, their political acceptability and feasibility. He is asked not to be original but to be constructive, to be able to choose among current ideas, and to know how to fight to gain the acceptance of the best of these in the market place. If he can do all these things, he need not be embarrassed that he calls on social scientists to tell him what things are worth fighting for.

Dispassionate search for truth, painstaking development of new ideas before they are ripe for political action, persistent search for the causes of social and economic events—these are your tasks. You must be more concerned with the ascertainment of the truth than with its acceptance by the country. You must hew to the line and let the chips fall where they may. The social scientist is expected to be careful to test his every judgment to be sure that reason is not defeated by passion or knowledge shaded by prejudice.

In periods of profound economic change there are likely to be serious differences of opinion. Some people will protest every change, fearing that change will destroy the hard-won gains of successive generations. Others will clamor for any change, often mistaking change for progress. In such periods there is danger that men bent upon the realization of their own ideas or upon the furtherance of the interests of their own groups may forget their common interest and surrender their most precious heritage for a pot of porridge.

In such periods of transition the social scientist has a very important role to play. He cannot, of course, be deaf to the grave social, economic, and political problems which agitate his fellow men. But he can canvass and explore these problems without passion and without prejudice. It is not the task of the social scientist to persuade men to accept what is good or to reject what is bad; it is his task to inform men who wish to be informed, to seek the causes which occasion differences among men, and to present the methods to remove those causes and eliminate those differences.

When I ask that the social scientist be dispassionate, I am not suggesting an end to criticism of government. At a time when men in despair are abandoning the hard-won rights to govern themselves and placing their destinies in the hands of irresponsible dictatorships, it is timely that warnings should be sounded against the surrender of rights which once lost are not easily regained. But I do say that the problems of a modern democracy are not illuminated by the shouting of slogans. We must be furnished ways as well as warnings. It is just as important that we learn how to make a modern democracy function as it is that we refrain from treading the primrose path. Despair is much more of a menace to freedom in the modern world than misguided zeal.

And in the modern world it is becoming more and more important that government function smoothly if civilization is going to function at all.

Recently I have been reading the speeches delivered by the world's most eminent social scientists at the tercentenary of Harvard University. I was struck by the fact that nearly every speaker expressed the same view—that it was inevitable that government should play an increasingly active role in the control and direction of economic enterprise. As Prof. Wesley Mitchell, of Columbia, said:

"* * * the indications seem to be fairly clear that in the long run men will try increasingly to use the power and resources of their governments to solve their economic problems even in those nations that escape social revolutions."

Now, if government is so destined to assume such new tasks, it seems desperately important that intelligent men should have a better reason for being for or against a concrete proposal than

because someone calls it communistic, fascistic, or laissez-faire. Professor Mitchell has put it this way:

"• • • It is not the business of the social sciences to say what is good and what bad. • • • Nor should anyone expect a demonstration that private enterprise always begets one set of results, that governmental planning always begets a different set, and that as citizens we have merely to choose which of the two sets we prefer. The problem is not so simple as that. • • • Our choice does not lie between two sharply contrasted systems, private enterprise and governmental regulation; the real choices that we shall be making more or less deliberately are choices among the indefinitely numerous possible mixtures of private enterprise and governmental regulation, as applied to this, that, or the other type of activity, under different conditions of time and place. Hence the common attack of the social sciences upon this problem should air not at finding a solution, but at finding methods by which communities can carry on intelligently the process of working out the endless series of detailed solutions with which they must keep experimenting."

Back in the front line where I try to work at day-to-day concerns of government, that's what we hope the social scientists will give us—we do not ask ultimate solutions, for those are impossible in a changing world. But we are always looking for practical methods of attack on ever-changing problems. In that front line we have to move like infantry, step by step. With any combination of ability and material at hand, we have to take out obstacle after obstacle that is terribly real on the ground even though it looked like comparatively nothing in the bird's-eye picture of the philosopher who flies above the battle.

We just can't use dogmatic theories like the old-fashioned philosophical systems which hope to be the complete and final answer to everything at once. The American people would be wise enough—even if their public servants were not—to know that such complete theories never work—that a final answer to everything is the answer to nothing at all. We don't want a so-called theory of the state—but we do want all the help you can give us, for instance, on the ways to find jobs for the unemployed as the process of balancing the Budget urges them off relief rolls, on ways to educate both capital and labor in meeting industrial conditions changing with ever-gaining speed.

That new speed with which things are now always changing is the most fundamental factor in modern government. After all, rules of government are only intended to arrange for fair play under the conditions existing when the rules were made. When those conditions change the rules have to change, just as in sport the rules of fair play have to be modified by handicaps and otherwise to meet the changing habits and practices of the players. And rules of government that make for fair play in a pioneer agrarian community do not necessarily make for fair play in a highly industrialized nation.

For that reason it has always seemed to me that under modern circumstances we were a most fortunate Nation because of our ingrained tradition of political pragmatism—of constant willingness to change the rules. Our temperament jibes with the modern necessity of eternal awareness of change. Unlike some European peoples we are too practical to get ourselves so in love with any particular "ism" that we will fight each other to the death over it.

We have been like the New England farmer meeting the problem of his growing family. First he had a simple, square farmhouse. Then as the family grew he added ell after ell built of whatever materials were most cheaply available, added on in whatever direction meant the least labor to get the necessary space. Whether it hung together as an architectural unit wasn't important if it hung together as a home that the family could live in with room for everybody and peace for all.

For more than 200 years the American people have been adding to their use of government in just about the same way. The result is that we've patched together all kinds and styles of governmental architecture, higgly-piggly.

That may give the shivers to a social scientist with an overtidy mind. He may always be wanting to move things around to make the pattern of the building a little more artistic, just as there are people whose fingers always itch to move stars in the sky into a straight line. But it is a sound instinct of most of us that we don't care what the architectural pattern may be so long as the net result is a livable home with room for everyone's decent aspirations and peace for all.

This free trade in governmental ideas and methods has accorded with our very practical conception of what government is for and how it is to be used. Lincoln summed up that conception for us when he said: "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well, for themselves in their separate and individual capacities."

However else we have talked and written in our history classes and textbooks, that has been what we have really done. We have never looked on government as a thing apart—as a power over our people. We have always regarded it as a power of the people, as a democratic expression of organized self-help, like a frontier husking bee. And in the years since we've become a nation we haven't hesitated to build many an ell on to our house of government just as fast as our problem-children were born.

At first, before those problem-children were born, our house could be so simple that we made romantic generalizations about the beauty of its simplicity. In 1787 most people lived on farms and produced the food which they ate and the clothes which they wore. It took 19 persons to work on the land to produce food sufficient to support one person living in a town or city. And so Jefferson could say—generalizing about the conditions under which he himself lived—that "that government is best which governs least", because then most men produced for themselves the things they needed and were not wholly dependent upon their ability to sell to others the things they grew or made.

Today specialization and a subdivision of labor have greatly increased man's capacity to produce, but they have also greatly increased man's interdependence upon his fellow men. Today the same 19 persons working on the land produce enough to support 56 persons living in the cities plus 10 persons abroad. But few farmers make their own clothes or even grow all of the food which they eat. In 1787 there were few masters who had more than a score of men working for and with them, and these they knew personally and to them felt a personal obligation. Today the great employers of men as impersonal corporations directed by men who have no personal acquaintance with the tens of thousands over whom they wield the power of economic life and death.

I've always agreed with Jefferson because I'm sure that when he said "that government which governs least" he meant "which governs as little as it has to." But today that necessary little is a lot. The smooth working of an economic system which makes the welfare of farmers depend upon the welfare of urban workers, and the welfare of powerful industrialists depend upon the welfare of farmers necessarily demands rules of government more intricate and complex than the simple rules which sufficed when every Adam delved and every Eve spun.

As a matter of fact, Americans have always been generous to themselves in deciding what was the least they could get along with in the form of organized self-help through government. The colonists were more than ready to say "there ought to be a law" when they wanted something law could give them.

Civilization on this continent began under the strictest planned economy—fixed by law When the Pilgrims put in their first difficult winter on Massachusetts Bay, they, like the settlers of the Virginia Company under Capt. John Smith, lived in what was practically a communal society.

The Virginia "dynasty", who wrote the Declaration of Independence and drafted the Constitution, were perhaps the most single-minded believers in liberty who have ever lived upon this earth. Yet the tobacco industry of Virginia, the backbone of economic security for the Commonwealth, was regulated to the last detail by law. Statutes minutely covered the operation of public warehouses, fixed the pay of tobacco pickers, set grades and standards for tobacco, determined the kind of casks in which it was exported.

The Tobacco Statute of Jefferson's Virginia in 1782 had 47 sections and covered 41 pages, even establishing the rates to be charged by the warehouses. Pennsylvania passed laws regulating the prices of virtually all commodities. Other early statutes even went to the limit of requiring the registration of chimney sweeps—the "little pants pressers" of those days—and fixing their fees for one funnel or two funnels. Truly, by comparison, a modern bill for economic regulation, such as the wage and hour bill now in Congress, is a model of simplicity and restraint.

When the new Nation began its long westward trek the movement was a community proposition. The pioneers could not have existed without the ever-present help of the Federal Government. The Federal Army, especially its cavalry detachments, was the very lifeblood of the old West. It performed a hundred functions. The Seventh Cavalry is still an integral part of the legends and ballads of western campfires. Without the early Army posts, early post roads, the Pony Express riders, the lavishly subsidized railroads, there would have been no civilization of the frontier.

Time makes all prosaic. The Federal Government after a few short years was no longer a symbol for adventure. Instead it became the symbol of protection, of cooperation, and help. The pioneer-minded West did not resist that help. Instead it wisely sought that help. We have always considered our farmers as typical of our democracy and the truest exponents of the democratic use of government. Were the western farmers afraid to use government?

If I may again quote Professor Mitchell:

"• • • 'Rugged individualism' flourished upon the frontier. Laws were of slight help to the trapper and the squatter; they wanted little from the Government.

"But the farmers who followed soon began demanding that the Government aid them in getting facilities for shipping their produce to market. When these facilities had been provided they demanded that government regulate railroad rates; that government provide cheap money; later that government make grants to improve roads, set up land banks, subsidize exports of surplus produce, extend protective duties to agriculture, and so on. When we tell the story of American prosperity we stress the westward expansion as one of the brightest episodes and celebrate the sturdy enterprise of the pioneers that made it possible. But when we study the record in detail we find the conquerors of the continent full of complaints concerning their economic plight, and insistent with the full force of their rugged personalities that government come to their aid."

And it was that intelligent insistence on self-help through the effective instrumentality of government which not only made the West but has made, and in the past few years saved, American agriculture and the land on which it depends.

Overall, the depression made us add many ells to our house of government. When it seemed as if no one could do anything for himself the least government possible became more government than we had ever before known.

Whole areas of activity, hitherto sacred from what was called the blighting hand of government, became a government responsibility. In some cases it was because the highly vaunted efficiency of private enterprise had brought the threat of bankruptcy to the operators of that enterprise themselves. In other cases, as in the operation of the securities business, that highly vaunted efficiency had been efficient only in creating danger for the people as a whole. Banker, businessman, railroad executive, and investor came not only to expect but demand help from the scorned government.

And government delivered. It not only became the guarantor of the accumulated debts of the business and financial system, it went ahead to re-create the activity of the system by taking first risks on new business when private capital dared not venture. And it took upon itself the duties of a rear guard by taking the last risks too—the risks of caring for those left helpless and insecure after the system had no further use for them.

I always like to think of the building of the San Francisco-Oakland Bridge as the type of a newly discovered use of government in starting ventures too great for the courage of private enterprise to take the first risk. For many years men have talked about such a bridge. They saw the great collateral advantages from its building—the new business, the new values it would permanently create by shortening the line of communication between great cities. But to string $70,000,000 across 7 miles of water was more than the biggest bankers dared to venture despite the proven soundness of the project.

Government was enough bigger to take the risk. And today California has that bridge—built with unparalleled economy, by the way—because the Government was willing to go first.

As an example of taking the last risks, I think of the legislation now more than 2 years old providing for old-age pensions, unemployment compensation, and the whole sweep of the State and Federal Social Security Acts, assuming the care of those normal casualties of the insecurity of our business system who can be protected only by the organized effort of the whole community acting through Government.

There has been much superficial criticism of these new Government activities. But Government's success or failure has not been measured by comparison with the success or failure of those private agencies which have previously done the same work. Too often the American people overlook the fact that Government has attempted no services to business, or regulation of business, until private agencies have proved themselves incapable or unwilling to do the job. Government starts late in this field—always on a salvage basis. To succeed even half well under these circumstances seems to me sufficient proof of the initiative and intelligence of your public servants.

The record speaks for itself. Government has taken over and made good where business by its own motion admittedly has failed. There is faith today in the American banking system because the Federal Government has provided for the guaranty of bank deposits. Many businesses are prospering because the Federal Government financed them in a period when no one else either would or could. Many railroads show better income statements than in past years not only because Government refinanced them, but because the judgment of the I. C. C. that lower rates would bring higher profits was better than the judgment of their own directors.

We ought to think about that record when we hear today's talk about the interference of Government with business. Five years ago business demanded that Government come to its aid. Government gave that aid—I think rightly. But if Government has a legitimate function in helping business, part of that function ought to be to make sure that business does not repeat the same mistakes that drove it to the protection and help of Government 5 years ago. I do not believe it is the function of Government to let business go its way haphazardly, to let it create chaos and panic and then have to step in to save it. In times of stress businessmen do not insist that they should go their own way without help. Therefore, I think they must and should accept gracefully Government regulation which may cut down the amount of help they may eventually need.

The long depression and Government's mastery of it has shown clearly the intimacy between Government and the welfare of the individual. They have revealed that Government is not something outside of and antagonistic to a democratic society, but is the natural agent and expression of that society—to be used and made efficient, not to be shunned and scorned as inherently incapable.

Protests against what is called the "principle" of Government interference with business always makes me think of the fundamental mistakes we long ago made in this country when Government did not take a vigorous leadership in guiding the relations of capital and labor.

The realization of past mistakes isn't a substitute for a method of settling our present labor difficulties. But today's situation, I am sure, cannot be intelligently appraised except against a background of conscious exclusion of Government from the field of labor relations, successfully carried out over the last 30 years with the help of the courts by those representing the philosophy that Government should not interfere with matters of business.

During all those years a movement for collective bargaining has obviously been in the making. In England, Government let it come and took control of it. Intelligent political science would have required that during all those years Government experience with the movement should likewise have been growing in our country—in the insulated chambers of the States or even through tentative Federal statutes. On the contrary, the success of those who wanted to keep government out of business in the labor field has produced a situation where we meet full-grown difficulties in establishing collective bargaining with hardly any previous Government experience.

When labor unions first came into existence, for instance, they were treated as criminal conspiracies to obstruct the right of the individual employer to select his own servants upon terms satisfactory to him. Even after the law recognized the right of workers to associate for their own protection, it continued to recognize the right of an employer to fire a worker for joining a labor union.

The commission appointed by President Cleveland to investigate the causes of the Pullman strike in 1894 reported that the practice of employers to exact contracts from their workers not to join labor unions and to discharge workers for joining labor unions was one of the chief causes of labor unrest. In 1898, therefore, Congress passed a law forbidding the railroads to use these yellow-dog contracts and forbidding the discharge of railroad employees because of their union affiliations. Those who opposed the law denounced it as socialistic, as an interference with the employers' liberty to contract as they pleased. But those who favored it argued that it was necessary to protect the workers' liberty to contract as they pleased; that there could not be liberty of contract without some measure of equality in bargaining power between the employers and the employees.

Here was an issue that could not be intelligently resolved by slogan, but only by the penetrating study of social and economic consequences. But in 1908, when that act of Congress came before the Supreme Court, that Court rejected the views of dispassionate investigators and social scientists and held the act unconstitutional on the ground that it violated the employers' liberty of contract. For years that closed the door to the Federal Government. And again in 1914 that Court held that the States no more than the Federal Government had the power to prevent an employer from discriminating as he pleased against union workers. Two years later the Supreme Court went further and said that lower courts must prevent, by injunction, labor unions from peacefully soliciting members among workers who had been obliged to sign such contracts in order to get their jobs.

Such decisions encouraged the belief that it was industry's constitutional right to refuse to deal with labor unions. Many employers themselves organized to protect that supposed constitutional right. They gave liberally of their substance to propagandize the so-called American plan, and insisted that it was not only their constitutional right to bargain individually with their workers, but it was un-American to do otherwise. Some powerful employers, as the present La Follette committee's investigations have shown, engaged detectives and spies to ferret out union members; and if unionism none the less made headway, these employers did not hesitate to use strikebreaking thugs against their own workers. They fought the natural growth of unionism within their plants and at the same time complained and protested about the interference of so-called outside agitators and trouble makers. If there be objection to unionization by the use of so-called outside organizers, it is well to remember that industry by discouraging and fighting against this natural growth of unionism within its plants has done much to render the outside organizers indispensable to the development of any effective collective bargaining.

However sincere they may be, industrialists who have for years fought any and all forms of independent unionism cannot expect the workers to accept their warnings against cooperating with national labor organizations as being prompted solely by the industrialists' solicitude for their workers. It may be that in a democracy even the workers should have a right to make their own mistakes.

The net result of that bad start is that we have lost costly and critical years in the long and difficult process of developing orderly, responsible industrial relationships because the courts were persuaded that legislative initiative in this field was unjustified Government interference with business. Thirty years after the beginning of the union movement we have still not established those relationships which are the indispensable mechanisms for handling modern labor problems.

This is not merely a concern of industry on one side and labor on the other. After all, there is a third party to this great struggle, the general public, upon whose support both capital and labor must depend. It is important for labor as well as capital to remember that, if any group or class presses its demands beyond what the public as a whole regards as the bounds of fairness or reason, there is danger that the community may reject the just as well as the unjust demands of that group or class. A civilized community will insist that both labor and capital respect its law.

But if respect for law and order is to be maintained, the law must reflect the community's insistence upon justice for all and not the demands of any one class or group. Under the present administration the Government has moved to see to it that the law does reflect such equal justice. It has given labor the right to collective bargaining to balance the financial power of great corporations. These efforts may be seriously impaired by excessive labor disturbances which have been visible in different sections of the country. Labor, which was extremely patient when Government was insensitive to its needs, must not lose its self-restraint when Government has demonstrated its awareness

of labor's just demands. Discipline and integrity and a sense of the general welfare must be characteristics of all social organizations.

I am in no position to disregard my own exhortation to you and provide a complete solution for the industrial problem. There is no such solution—there are only a multitude of adjustments to be worked out now, when they might have been worked out during the 30 years behind us. The evils wrought by 30 years of bad law and bad industrial relations cannot be rectified over night. And while industrial unrest continues and capital and labor spar for position, inevitable incidents arise. But we must take care not to mistake those incidents for the problem itself. Until collective bargaining becomes accepted in practice by American industry as it has now belatedly become accepted in law by the courts, there is bound to be labor unrest.

In the process there is sure to be some difficulty between labor and industry and between different groups of organized labor. The transition period at best is certain to be painful. It is bound to give us doubts as to the traditional boundaries of State and National power. But it is a period in which the methods of the social scientists are certain to be of more help to the country and to all parties to the struggle—than the whipped-up passionate partisanship which is now stalking the country.

Although social scientists should not condone excesses either on the part of labor or capital, it is their task to find the causes of social unrest; and they must not yield, like so many of their contemporaries, to hysteria over incidents, however lamentable or unjustifiable in themselves, which will occur so long as that unrest continues. It is for the social scientists to remind us that we cannot indict whole sections of the community, but that we must remove the causes which set groups against groups and class against class.

When entire sections of the community no longer have the same standard of right and wrong, it is high time that we bestir ourselves to find out why, because no democracy can long endure in a community which does not cherish common standards of justice. In a democracy men accommodate their demands to the demands of others; there must always be a large measure of give and take in the adjustment of human relations in a free society. A civilized democracy demands patience and self-restraint from all its citizens.

In the clash of partisan politics we may expect that every movement for the extension of governmental power will be justified by its advocates as a necessary measure of social control and will be condemned by its opponents as "Communist" or "Fascist." But the social scientist will brush aside these partisan labels and examine with care the social and economic consequences of alternative courses of governmental action or nonaction. The social scientist will seek to learn, as Lincoln sought to learn, whether what it is proposed that the Government should do may best be done by the Government or by the people themselves in their separate and individual capacities. If he does a good job in making that decision, the people and their leaders will willingly heed and honor him.

Our Agricultural Surpluses—A Proposed Remedy

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

A STATEMENT BY SENATOR W. G. McADOO, OF CALIFORNIA, IN A HEARING BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY OF THE SENATE, HON. GUY M. GILLETTE, CHAIRMAN, AUGUST 19, 1937

Mr. McADOO. Mr. President, I ask unanimous consent for leave to extend my remarks in the Appendix of the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

Senator McADOO. I wish to disclaim, before I start, being the author of this bill. Congressman EICHER is its author, and I think he has collaborated with our former colleague, Senator Brookhart, on the measure.

Senator GILLETTE. Well, you stand in loco parentis.

Mr. BROOKHART. Senator McADOO is the author of your original surplus-control bill, which is a valuable contribution to this subject.

Senator McADOO. It is an honor to have been permitted to offer this bill in the Senate. I am not going to address myself to the technicalities or the mechanics of the bill, because I haven't had time to give it the thought which would enable me to do that intelligently.

I want to preface my remarks by saying that I am one of the undiscovered or forgotten agriculturists of the country. I speak of this background because I want you to understand my interest in agriculture.

I happen to have been brought up on a farm in Georgia, in the path of General Sherman's famous march to the sea. My father was a distinguished lawyer, but the devastation and wreck of that great section reduced him and everybody to a state of extreme poverty. It was with great difficulty that we found means of existence. So I know something about poverty and the farm.

The conditions of that day would not be applicable at all to the methods employed now in farming, but the experience of that time, in extreme form, certainly gives me a knowledge of some of the farmer's difficulties. It has implanted in me a deep and abiding sympathy for the farmer in his troubles.

It has generally been assumed that my experience has been in the line of law and finance altogether, and, while that is true to a large extent, it has not prevented me from continuing my interest in agriculture and the study of some of its problems. I cannot qualify as an expert. I can only give you a crude idea which occurred to me some years ago, and which I think, if enacted into legislation in an effective way, will go far toward solving one of our greatest problems, that is, the handling of the exportable farm surpluses.

The idea is briefly this: Cotton and wheat and corn are three of our great staple products. Cotton is perhaps the most difficult problem of the three, because we consume of a normal crop in this country, as I recall the figures, about 45 percent of the production, and we rely on export for the remaining 55 percent. Wheat; if we have an 850,000,000-bushel crop, we consume about 75 percent of it.

Are those figures approximately correct?

Mr. BROOKHART. We consume a little bigger percentage now.

Senator McADOO. In any event, we have a considerable and important surplus which affects the price of the home-consumed portion of the crop.

The same applies to corn.

Now, I have read a good deal about the efforts which have been made heretofore to control these surpluses through a government organized corporation with money from the Treasury and then attempting to market it in an orderly way.

I never had any confidence in that procedure, because it is obvious if the Government goes into the markets to buy up the estimated surplus, it will result only in putting up prices, perhaps for the time being, to a very high level, and then the Government finds on its hands a large part of the crops which it had bought and for which it had paid such high prices that it could liquidate only at a figure which would involve a very great loss to the Treasury.

It is a clumsy process, and I don't believe it could possibly be made to work. I am not going to discuss the debenture plan, because while that has certain merits, it never appealed to me as being a proper solution of the problem. I think we have to engage in a cooperative effort between the farmer and the Government to accomplish what we want.

I predicate my plan upon the fundamental proposition that the home market should be reserved exclusively for the American farmer, and that in order to assure to him that market absolutely our tariff laws should, if necessary, be increased from time to time to the point where he will not meet with any foreign competition in wheat or cotton or corn.

In consideration of that protection the farmer should be willing to cooperate with the Government in such a way that his surplus of these commodities can be controlled in his interest and in the public interest. The public necessarily is a big factor in this plan. It must not be disregarded, because if you give the farmer an absolute monopoly of the home market, and the price is put up to a point where he can get a profit on his entire crop through the domestic consumption, you are imposing upon every consumer in the country an indirect form of tax for the benefit of the farmer. I don't object to that at all, but because we do that, the farmer must make a concession, in the public interest, about the surplus crops.

Let me illustrate the idea that is in my mind in a practical way: Let us assume that we have a 12,000,000-bale crop of cotton. Let us assume that we consume in the home market, say, 6,000,000 bales. That is 50 percent. We have a 6,000,000-bale surplus of cotton. The only way we can get rid of that is by exporting it.

Under present conditions, we are faced annually with a surplus which we have to sell, generally, through the Liverpool market. The Liverpool market, in other words, fixes the price of cotton throughout the world. At least, that was so when I made an investigation of the situation some years ago, and I think it is so today.

Mr. BROOKHART. It is yet.

Senator McADOO. The effect, therefore, is that the Liverpool market, a foreign market, in England, determines the price that the farmer gets in this country for his domestic production, as well as the price for the surplus he has got to sell in the world markets.

In the Democratic platform of 1932 at Chicago I was responsible for the sentence which you will find in that platform, which pledged the party to—

"The enactment of every constitutional measure that will enable the farmers to receive for their staple farm commodities prices in excess of cost."

I quote this from memory.

We ought to regard this as committing the party to exactly what it means, viz, that we would enact every constitutional measure

which would enable the farmer to receive for his staple crops a price in excess of cost of production.

Coming back to the illustration of cotton. With a 12,000,000-bale crop and 6,000,000 bales consumed in the domestic market, we have 6,000,000 bales for export. The world price for that cotton—and we are having more competition in foreign production of cotton than we have ever had before—the price for that cotton in the world market in competition with the rest of the world, controls the domestic price here, and the result is that the farmer is forced to receive a price less than the cost of production, possibly, which is exactly what this plank in the platform was designed to remedy.

All cotton has to go to the gin. When the farmer takes the cotton to the gin (assuming he has 100 bales of cotton), he is told by the ginner that he can receive for 50 percent of his crop, or 50 bales of that cotton, a price which will give him the cost of producing the entire 100 bales and a reasonable profit besides, provided he leaves 50 bales, the surplus, with the Government to handle as it sees fit.

Let us see what that means. If the farmer was paid 30 cents a pound for 50 bales, that would be the equivalent of 15 cents a pound for 100 bales, and in consideration of his being given that much, 30 cents per pound for the 50 bales, he would be required to leave the remaining 50 bales, which represents the surplus, with a corporation which would be organized under Government control and managed by Government representatives, which would give him a negotiable warehouse receipt for it, and this warehouse receipt would provide that the corporation would be and is authorized to sell that cotton from time to time and at such price or prices as the corporation sees fit, and to account, upon the liquidation of the cotton, to the holder of that warehouse receipt for whatever was realized from the sale.

The farmer would sign that receipt to confirm the terms upon which this cotton would be held by the corporation.

Senator GILLETTE. Just let me interrupt you there, Senator.

Senator MCADOO. Yes.

Senator GILLETTE. You say sell this portion of the cotton from time to time as they see fit. Sell where?

Senator MCADOO. Not in the domestic market, of course, so that it would come in competition with the domestically consumed cotton. The corporation could dispose of it in the home market under my plan to processors only at a price and under agreement with such processors that would enable them to fabricate it and sell the fabricated products in the markets of the world—the foreign markets only.

Senator GILLETTE. Just let me interrupt you there, Senator. How could that be equitably done? If the Government has this surplus or this corporation has the surplus, and you own textile mills in Georgia and I own textile mills in Massachusetts, and I have been compelled to buy my raw product at a price level that is established for the domestically consumed, if this corporation is going to sell to you for fabrication and processing in your mills this surplus at any figure they can get for it, if it is under what I have paid, how is that going to affect me?

Senator MCADOO. You will have the same privilege of buying cotton that any other processor has for export trade only.

Senator GILLETTE. I thought we were speaking of using it for processing in the manufacture of textiles in this country?

Senator MCADOO. But I say, only for export.

Senator GILLETTE. Oh, to export the finished products?

Senator MCADOO. Yes; only for export of the finished products.

Senator GILLETTE. I see.

Senator MCADOO. The farmer would be absolutely protected on the home consumption. He will have received for his cotton, let us say, 30 cents per pound, which would give him cost and a profit upon 100 bales of cotton he has produced, 50 percent being used for home consumption and salable in this country only. Nobody is going to sell that cotton for export because it will be too high. Now, for the surplus cotton of 50 bales: Assuming, Mr. Chairman, you are a cotton textile manufacturer and I was representing this Government corporation and said to you, "How much cotton can you use and at what price to fabricate and sell in the foreign market, in the open markets of the world?"

Suppose you should say, "Well, if I can get cotton at 3 cents a pound, I can fabricate it in the United States and meet any competition in the markets of the world."

Now, it would be fair to sell you the cotton at 3 cents a pound to fabricate for export because, instead of depending wholly upon the foreign markets to buy our raw product, we would manufacture it in our textile mills in this country, which of course would have to be enlarged to take care of this new foreign trade.

If we could dominate the foreign market, which I think we undoubtedly can, if we could furnish to our processors cotton at a very low price, we would promptly build up such an enlarged textile-manufacturing industry in this country that we would not only be able to fabricate this surplus product and get the foreign trade but we would also furnish an immense amount of employment to our own people who now can get no employment so far as the surplus cotton is concerned. Moreover, under the present system, the surplus is a load on the market and a depressing influence, a depressing influence on the price of cotton in the domestic market.

If you get it under control by these means, you do not have to put up a dollar of Treasury money, and you may make use of the surplus cotton in such a way as to benefit the general public.

I am not going into all the ramifications of the benefits that would be derived from building in this country a textile-manufacturing industry, which in my judgment could dominate the markets of the world if we had sense enough to do it. The same method can be applied to the wheat and corn surplus in this country.

The general public might say, "Well, you are going to make the cost of all textile to the domestic consumer very great if we have to pay 30 cents a pound for cotton."

When you analyze that, you will find that the raw cotton which is used in these fabrics does not constitute 100 percent of the cost by any means. It is, of course, a large factor, but when we had 30-cent cotton in this country the underwear and the towels you use and all the fabricated stuff did not show anything like the relative increase in the price of the finished product. Why? Because the raw cotton is only a percentage of the cost.

Let us take wheat. As I recall the figures I gave in a speech I made some years ago in Texas, when wheat was selling at $2 a bushel, bread was selling at about 8½ cents a pound.

I state these figures subject to correction.

Senator GILLETTE. Certainly.

Senator MCADOO. I am not sure about the figures. I have not refreshed my mind about them for a long time. But the price of bread remained practically the same, no matter what the price of wheat was in the open market; and it was also the same as to textiles, although not in the same measure as with wheat and bread.

I asked one of our big manufacturers a few days ago what he thought of this plan. We discussed it a short time. He was one of the large textile manufacturers in the South. He said he was tremendously impressed by it; that it had in it the germ of a wonderful achievement. He wanted me to elaborate the plan for him, give him more data, and I said, "You can get much better than I can."

Mr. BROOKHART. We submitted this plan to a Cabinet committee and the representatives of the southern textile manufacturers were there, and they stood by that thing and said right away they were willing to pay 32 cents a pound if the home market was protected and everybody had to pay the same price.

Senator MCADOO. He said to me about this export trade that, with a rough mental calculation, if he could get cotton at 6 or 7 cents a pound, he believed he could compete successfully with any other country in the world in the production of textiles. He said, "Of course, if we could get it a little cheaper than that, we could do a great deal better. But", he said, "how can you do that?"

I explained this plan to him and he said he was very much impressed with it, because if the farmers could cooperate—and there is no reason why they should not, because all the warehouse cotton would be velvet to them—whatever they would get for the surplus would be that much in addition to what they had already received in the form of cost of production and a profit on the entire crop for what was sold in the domestic market.

Now we come down to this point: How are we going to assure them this price? Why, the Secretary of Agriculture can determine each year—he can make a fairly accurate estimate, as he does now—of the probable crop of cotton. He could then announce that such a percentage of that cotton would be for home consumption and such a percentage for export. That would be the basis upon which the producer would get cost and a profit for the domestic consumption and the corporation would issue its warehouse receipts for the exportable surplus.

The Secretary of Agriculture would announce at the same time the minimum price at which cotton could be sold for domestic consumption, and that minimum price would be sufficient, as I said before, to give the farmer cost plus a reasonable profit for his entire product. The farmer could well afford, in those circumstances, protected in that way, to put at the disposal of this governmental agency the surplus he would have on his hands.

That surplus might be used in many ways by this corporation to protect us, to protect our interests as a people. Aside from the fabrication in the United States for the export trade, with 6,000,000 bales of raw cotton under control, we might tremendously influence the price of cotton throughout the world, so that if we did not fabricate all of it for export we might be able to sell a large part of it in the foreign market at a considerable profit instead of having it slaughtered as now in those foreign markets.

I think that some plan of this sort is feasible. I am not going to discuss the constitutionality of it. I think it can be worked out constitutionally.

Senator GILLETTE. I understand, Senator, that Congressman EICHER is going to offer a statement here discussing the constitutional basis.

Senator MCADOO. All right. It is my personal opinion that it can be constitutionally done.

What I have said about cotton, which I have used as a basis for illustration, will apply equally to wheat and corn and to any other staple products which have exportable surpluses. They can all be controlled. One of the very important things about this plan is that it does not take money out of the Treasury. We do not have to call upon the Treasury to finance big market operations or engage in speculations in which great losses may be sustained by the taxpayer. It gives a control of the surpluses to a Government corporation which will be operating in the public interest all the time. It will give, as well, Secretary Wallace's "ever-normal granary."

If legislation that would put this plan into effect could be gotten through in time to affect next year's crops, it would be a great boon to the American farmer, and I think it would be a great boon to the American people because the increased cost of the textiles they use would, in my opinion, be infinitesimal as compared to the general benefit the farmer and the consumer would receive.

If we can finally solve this very pressing problem of farm surpluses, it will be to the benefit of the people as a whole. I am

absolutely opposed to any attempt to buy our exportable surpluses. It cannot be done successfully. I think these surpluses can be controlled successfully by some such plan as I offer here, and that it can be worked out to the good of the country.

Senator GILLETTE. Just before you go, Senator, I want, for the sake of the record, to see if I have got it clearly, and also for Senator ELLENDER's benefit, to recapitulate the points you have made as I have understood them.

That is, that the Secretary of Agriculture, through the proper machinery, shall set up, as determined in the bill, the amount of the crop to be used for domestic consumption, and the price that will insure the producer for that portion of the crop his cost of production on the whole crop, plus a reasonable profit; that this governmentally set up corporation takes charge of the surplus——

Senator MCADOO (interposing). And pays nothing for it.

Senator GILLETTE. Pays nothing at the marketing point; that the corporation disposes of that in a foreign market if the opportunity presents itself, and you also present the thought that by making this available to domestic processors, this surplus, at a greatly reduced figure, if necessary, will enable them to fabricate the goods, to process the goods, and go a long way toward capturing the foreign markets for those goods, as well as furnishing additional employment for the local people.

Senator MCADOO. Who would be employed if we could build up a big foreign trade by fabricating in our own country this raw product, as against trying to sell it in the open markets of the world?

In that connection let me say that the processor should be compelled to enter into an agreement with the corporation that permits him to have the raw cotton or wheat, or whatever it is, at such advantageous prices, that he will sell the fabricated product from that particular commodity in foreign markets only.

Senator GILLETTE. It would be barred from the home market?

Senator MCADOO. It would be barred from the home market.

Senator GILLETTE. And anything realized out of this surplus you say will be velvet to the producer, because he is already assured of his profit.

Senator MCADOO. Yes; and will be distributed, of course, to the holders of these negotiable warehouse receipts upon liquidation.

Senator GILLETTE. And as I further understood your statement, you minimize the additional cost to the general public of the processed goods from this raw material, dividing it up in the terms of percentage in the making of a shirt, or a loaf of bread, so that the amount will be so small as compared to the advantages of the increased price, the increased purchasing power, and the building up of employment—is that it?

Senator MCADOO. Yes. You see, a fabricated shirt, such as you have on, represents only a relatively small percent of raw cotton; the larger item of labor, capital investment, maintenance of plant, obsolescence, and all those things which enter into the cost of production, represent a larger percentage. The raw product, therefore, even at a higher price, does not in anything like the same degree increase the cost of the finished product. The same labor and other fixed charges are there anyway.

Senator GILLETTE. The next point I think you made was that to preserve this domestic market for the domestically consumed portion it will be necessary to have a tariff program go along in connection with it to protect the attractive market made here by the enhanced price from the foreign usurper.

Senator MCADOO. Either through the tariff or other means, but the tariff would be the simplest means, in my opinion. Sufficient protective duty to give absolutely to our own people command of the home market must be granted.

Senator GILLETTE. There are just two questions I would like to have your comment on with reference to that. Of course, the matter of disposing of the surplus in foreign markets runs into the field of the so-called dumping. It also invades the field of the reciprocity trading. Of course, if we sell at any price in the world market, we have got to take something in return. How are we going to be handicapped by our attempt to build up foreign trade, or how are we going to handicap this corporation in their efforts to dispose of the raw material in foreign markets in the face of those treaties?

Senator MCADOO. Those factors will have to be considered. I don't think those treaties are universal——

Senator GILLETTE. Oh, no.

Senator MCADOO. It may handicap the corporation in certain markets, but we can readjust those treaties from time to time. We have the right to do that. This can be worked out gradually, of course, and the conditions in the different countries will have to be taken into consideration.

We could sell in certain open markets of the world without a doubt, which are not affected by reciprocal-trade agreements with us, or which have favorable tariff laws, or which have no allotments, and so forth, that will interfere with their getting what they need for their own people at a low price.

As I say, those factors are indeterminate now, and have to be worked out as we go along. We have to trust our own people to find a market for their goods. Otherwise they won't buy the cotton at the low price for that purpose.

Senator ELLENDER. Do you have to go now, Senator?

Senator MCADOO. Yes; I am sorry, but I do. I have a meeting of the Banking and Currency Committee, for which I am 10 minutes late now.

Senator ELLENDER. I had some questions I would have liked to ask you.

Senator GILLETTE. We will have him back some day. We thank you, Senator.

Senator MCADOO. Thank you, Mr. Chairman.

Virginia Dare Celebration

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ADDRESS BY DR. FRANK P. GRAHAM

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD the scholarly address delivered by Dr. Frank P. Graham, president of the University of North Carolina, on the occasion of the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare, at Fort Raleigh, Roanoke Island, N. C., August 18, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Amid the immemorial drama of island and sound, forest and sand dune, ocean and sky, the people of this little island welcome the people of this great continent to join in the commemoration of the beginning of English colonization in the New World. The chronicles to be unrolled before us have come from the poetic pen of Paul Green, dramatic with human struggles and historic situations, vivid with the color and spirit of the Elizabethan age, and beautiful with the old English folk music rendered by the organ and the singers from the Westminister School.

This folk play is put on by the people of Roanoke Island as a community venture in creative cooperation joined in by the Federal Theater, music, and art projects of the W. P. A., the C. C. C., the Roanoke Island Historical and Memorial Associations, the State Historical Commission, the Elizabethan Players of Manteo, and the Playmakers of the University of North Carolina. This local-State-Federal cooperation renews the historic origins of the Federal Republic and advances the promise of the freedom and democracy, the vigor and variety of the American Commonwealth of States.

North Carolina, in which Roanoke Island is pocketed by sand bars and sounds, is a fit place for the celebration of great beginnings. It is a representative original American State of significant origins. In western North Carolina rise the highest peaks in eastern America, the highest peaks of the oldest mountain system in the Western Hemisphere. North Carolina was the first British colony to instruct her delegates to declare for national independence at Philadelphia. She is the mother Commonwealth of the first State university to open its doors in America. In these several ways the birthplace of the highest peaks of the oldest mountain system, of British imperial colonization, of American independence, and of the university of the people, this old State is yet the youthful birthplace of aviation for the present transformation of our modern world.

Across this sound and atop yon Kill Devil Hill stands the national monument to the Wright brothers, the pioneer explorers of the skies. From the monument shines a beacon light, signaling to land and sea the hill from which was made the first successful flight in an airplane which now joins by air the Old World and the New to which Raleigh's men came long ago by sea.

On this little island to which they came was built the first English home, the first English chapel, was born and was baptized the first English child in the New World. Earlier English explorers had landed on bleak North American shores. English seadogs had raided the Spanish main and had captured rich treasure fleets in many western seas. For a long time the English, too, with constant illusion looked for the northwest passage and the southwest gold. Nevertheless, it was on Roanoke Island, in what is now North Carolina, that the English people first came ashore to build a home, till the soil, establish a rival base of commerce and power, and lay the foundations of an overseas empire. In the pageantry of these first events, historic figures live again tonight: Queen Elizabeth; Essex; Amadas; Barlowe; Lane; Grenville; Drake; John White, his daughter Eleanor, mother of Virginia Dare; seamen; soldiers; farmers; mechanics; and mothers of men—the stuff of whom empires are made. We shall have glimpses in these woods of Manteo and Wanchese, of the Indians, their folkways, and dealings with the English as the beginning of the wilderness influence which was to cut its frontier lines deep into the character and ways of the American people. Running through the story of the Lost Colony are overtones of legend, mystery, tragedy, and the deep silence of the forest unbroken save by the syllables upon a tree.

Back of it all we see in England, towering across the seas and centuries, the majestic figure of Sir Walter Raleigh, courtier, statesman, historian, poet, soldier, seaman, who was not to see the promised land but was to become the founder of English America. He sank a personal fortune in his American failures, but his unbroken courage and unfailing faith caught the imagination of the English people and stirred their corporate will to build the overseas

dominions. The failure and lessons of Fort Raleigh made straighter the way to Jamestown and Plymouth Rock. Roanoke Island, upon which Raleigh stumbled, became Britain's stepping stone to empire. In the first colony planted here were the seeds of the old empire and the new republic. The men, women, and children lost on Roanoke Island rose from the dead all the way from Maine to Florida. Facing West to the wilderness with axes, muskets, Bibles, and chartered liberty in their hands and history, they crossed mountains, rivers, prairies, plains, deserts, and mountains again to another sea. They cleared forests, tilled the earth, exploited its mines and resources, built churches, schools, roads, canals, railways, factories, libraries, hospitals, cities, and States, making America to the pattern of their haphazard but relentless wills. Looking toward some such time as this in his unconscious immortality, Sir Walter Raleigh, in the midst of his failures and some years before there was to fall upon his neck the axe, which, he jested, was a sharp medicine that would cure all diseases, said simply, "I shall live to see it an English nation."

In his spirit which rose above failure and depression, the seagoing, kindly folk of Roanoke Island present this community play commemorating the beginning of England in America and America in the world, a musical pageant-drama telling the stirring human story of how a handful of the fisher folk of Devon, from the English island outpost of European civilization, made Roanoke Island the first, but tragic, outpost of Anglo-American civilization. The people of this continent now move to join the people of the island in a national commemoration of this long-neglected shrine of our American civilization, to which now richly contribute all the races, religions, and cultures of the world.

In this anniversary year the people of America hear across the continent and the centuries the voices of Roanoke, with its sufferings and struggles, frustration and hope; the voice of Virginia Dare, in whose swaddling clothes were wrapped the hopes and fears of the first Colony, that first child conceived in England and born in America, symbol of the old home and the generations to come; the voice of Sir Walter Raleigh and the unconquorable aspiration of the human spirit to project a dream beyond the frontiers of the hour.

On this three hundred and fiftieth anniversary of the birthday of Virginia Dare we hear above the world's tumult tonight the voices of Roanoke, Raleigh, and Roosevelt, himself undaunted by uncharted seas, a dreamer and voyager toward a new world. After stormy years he has brought us ashore to the frontiers of an economic wilderness for whose social mastery the new pioneers blaze intellectual and spiritual trails toward the America of their dreams, dreams as old as Roanoke and as young as youth in the schools and colleges who bring fresh hope to the American scene. In his coming we celebrate nationally the coming of the first Colony. In his life and leadership, victorious over personal calamity and national depression, we give ourselves personally and nationally to the ever-fresh hopes and dreams with which came, 350 years ago, the men and mothers of Roanoke to build a new and fairer world.

Guglielmo Marconi

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. DICKSTEIN. Mr. Speaker, on August 17 I introduced House Joint Resolution 488, authorizing the erection of a memorial to the late Guglielmo Marconi. It is most fitting that this worldly figure—one who has done so much for safety at sea and for the world at large—to be honored in the city of Washington.

Although an Italian subject, I nevertheless think that he was a citizen of the world, and upon that basis I feel that the American people owe him a debt of gratitude.

There is now being formed in New York City a committee of prominent citizens, headed by Generoso Pope, who is an outstanding citizen of Italian birth, to aid in the bringing about of this memorial.

I cannot illustrate or glorify this Italian subject better than by quoting an editorial written by Generoso Pope, which appeared in the Il Progresso Italo-Americano and Corriere D'America newspapers:

[Translation of editorial which appeared in Il Progresso Italo-Americano and Corriere D'America, July 21, 1937]

RADIO'S MAGICIAN

Italy is in mourning. The whole world is in mourning due to the unexpected death of Marconi.

The most luminous genius of the last 50 years has gone with him; the trans-Atlantic Marconian radiotelegraphy was the most beneficial and greatest invention of our age for its great importance to humanity in general and to the world of navigation in particular.

We speak of his life and work in other sections of our newspaper. Here we just want to reaffirm the immense gratitude that the world owes to the famous man from Bologna; here we just want to signify the seriousness of our loss, because at 63 Marconi was still searching for new useful applications in the vast field of radiology, and we could have looked forward to new wonders.

It is comforting to think that his coworkers and his disciples—as his faithful friend, Luigi Soresi, said yesterday—will be able to advance and continue on the road left open by the master in the study of the micro waves, upon which Marconi had concentrated during the last few years, confident of success due to his experiments conducted on his yacht *Elettra*, his studio and floating laboratory.

He was born and raised during a gray period of Italian history. Obliged to emigrate in order to find supporters for his first experiments, Marconi became, at the end of 1900, the idol of the Italians, who were immensely proud of him. Il Duce had made him president of the young Academy of Italy, which acquired instant prestige by its association with Marconian glory. He was put at the head of the academy for scientific research, and had given stupendous results in various fields in the last few years, with a great deal of profit for national economy.

Few, like Marconi, felt the pride of the Italian national character and the charm of our history rich in dates and glorious names. And for this Il Duce, whom he saw as an energetic restorater, had him as an active and enthusiastic collaborator, until the last day of his immature end.

December 14 of every year we will remember him and celebrate his first victory—December 14, 1901—which stupefied the world, especially the world of unbelievers, who until the night before, had scoffed and mocked and made ironic remarks which they later were ashamed of. After his death, "Marconi Day" has assumed more significance. That of the gratitude of the peoples, which does not die and that consecrates to eternity the glory of those who, like Guglielmo Marconi, have genially and usefully served science and humanity all their lives.

GENEROSO POPE.

Mr. Speaker, I hope that Congress will pass this resolution so that the intent and purpose may be carried out, with no cost to the Government, as a tribute of the many fine Americans who are willing to contribute, and who are contributing moneys for the perpetuation of his memory.

Address by Postmaster General Farley in Rhode Island

EXTENSION OF REMARKS

OF

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Thursday, August 19 (legislative day of Monday, Aug. 16), 1937

ADDRESS OF HON. JAMES A. FARLEY, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE, AT A MEETING OF THE YOUNG MEN'S DEMOCRATIC LEAGUE OF RHODE ISLAND AT ROCKY POINT, R. I., TO BE DELIVERED ON AUGUST 29, 1937

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address to be delivered by the Postmaster General, Hon. James A. Farley, in Rhode Island on August 29.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, it has been my privilege to visit Rhode Island on several occasions during the past few years, but I can't recall any more pleasant occasion than the one we are attending here today. This is truly a great Democratic gathering—great not alone in size but in the spirit of those who are meeting here to proclaim anew their faith and confidence in the Democratic Party.

The State of Rhode Island has always been friendly soil for the growth of principles and policies intended to promote the ideals of popular government. From the time of its earliest beginnings, and long before such ideas were accepted in the rest of the world, this State was a happy haven for men and women who suffered persecution elsewhere because their views and opinions were distasteful to the ruling powers. In the years since then, it is a fact that Rhode Island has never departed from the high standards of its colonial days.

It is only natural that a State with such a history would be vitally concerned over the present-day effort to make government responsive to the conditions which exist in twentieth-century America. The world has seen amazing changes from those far-off pioneering days when the hardy colonials asked nothing more than an opportunity to wrest a living from the soil, and the right to rule their own lives and to worship God according to their own conscience.

Life today is not as simple as it was then, and consequently, as the business of living has become more complex, so, too, has the business of government. It is easy enough to say that if the Government would only keep hands off the Nation would flourish and prosper, but you and I know that it isn't so. The one great task of government today is just the same as it always has been—and that is to protect the rights of the majority against the encroachments and tyrannies of those who seek to advance their own interests at the expense of their neighbors.

A continuous struggle has been waged during the past 5 years by the administration at Washington to restore the Nation's economic balance and to break the stranglehold which powerful combines of wealth had fastened upon the Nation's commercial and economic life. The Roosevelt administration has sponsored agricultural bills to protect the farmers against exploiters and speculators, and it has tried in every reasonable way to promote security of employment and decent wage standards for working men and women. In keeping with the same policy the administration has also fathered a Federal housing program which should prove a tremendous aid in eliminating that hated eyesore of modern society—the city slum.

The objectives of the program which I have just enumerated should receive the wholehearted endorsement of every citizen of good intent beneath the flag. The Nation should thrill at the sight of a President who has courageously set about the task of abolishing those subnormal conditions of wages, employment, and housing which constitute a black page in the history of industrial life. I am happy to say that the overwhelming majority of our fellow citizens are enthusiastically behind the Chief Executive and anxious for the success of his program.

But I do not close my eyes to the fact that powerful minority groups are opposing his program with uncompromising bitterness. You know the identity of those groups, and you know also that they always oppose any legislation designed to improve the lot of the workingman. They vent their anger upon the President, but what really angers them 'is the fact that for the first time the average man and woman is being given a voice in the conduct of government. They talk a lot about the Constitution, but did you ever notice that they never become concerned about the Constitutioin until something is being done to help the workers and the toilers?

The fact is that democracy is stronger today in this land than it ever was before, because government has again been restored to the hands of the majority.

You will remember that only 6 years ago millions of Americans, depressed by the apparent incapacity of our Government to grapple with the crisis that threatened our civilization were despairing of democratic institutions; but today not only in America, but throughout the world, millions are rejoicing in the vindication of democracy, justified by the brilliant constructive achievements of the Roosevelt administration.

Show me a man any place in the world today who truly believes in democracy, in liberty, in liberalism, and in human rights, and I will show you a man who is standing at salute before the great President of the United States.

And yet in 1931 there was nothing wrong with the machinery of democracy. The trouble was that too many parts of it had been permitted to rust in disuse, and too many parts of it had not been cleaned in years.

It was not democracy that was at fault; it was the operators of the machinery. Democracy had not failed the people, but the mechanicians had betrayed democracy.

For many years democratic institutions were being wrecked by the blunders of those in authority—and they were being wrecked before our very eyes.

And so, as you recall, 6 years ago the atmosphere reeked with skepticism regarding the future of our American institutions. The greatest of the financiers were frankly in despair and were preparing for the collapse of the capitalistic system. The greatest of the industrialists were wondering what other form of government might save the economic structure of the state.

If the financiers and the great industrialists had lost faith in the capacity of democratic institutions, what was the feeling of the masses?

For years they had seen privilege tightening its strangle hold on opportunity.

They saw wealth with increasing velocity concentrating in the hands of a favored few with the seeming inevitability of the law of gravitation.

They heard the hammer of auctioneers knocking down millions of farm homesteads and the farmers caught in the grip of a system they could not master, being reduced to the status of Old World serfdom.

They saw the workers in factory, foundry, and mine threatened anew with the loss of their right to collective bargaining, and of all the rights they had won through generations of the battling of their organizations.

They saw banking institutions being converted into mere houses of convenience for speculative gambling on the market and refusing their obligations to legitimate business enterprise.

They saw organized society ignoring its obligations to humanity, with men, who had toiled at forge and spindle through all their lives, being turned out in old age to starve without a pension; with the workers tortured from month to month with the possibility of unemployment and with nothing done to offer them security.

They saw these things, and 6 years ago millions of them were saying: "So this is the fruit of democracy!"

Because democracy was not living up to the promises of insincere leaders who were rendering mere lip service to the principle, millions of the masses in town and country were concluding that democracy did not work because democracy was unworkable.

Never in our history has our country been so near the verge of revolution as on the day that Franklin D. Roosevelt took the oath of office in the spring of 1933.

Now, there are two kinds of revolutions. One is settled by violence, and one by reason. One is determined by bullets, and the other by ballots. And up to now all our revolutions have been waged and won within our governmental plan and in a democratic way. That was the kind of revolution that Jefferson carried on and won in 1800, and that was the kind that Jackson carried on and won in 1832.

Now, Thomas Jefferson once said that it would be a good thing to have a revolution in every generation. And what did he mean? He merely meant that because conditions change, the mechanism of government must be readjusted from time to time to meet the new condition, and he meant that every generation would do well to take an inventory of the lapses and the blunders of its predecessors and correct them peacefully and in a democratic way.

Well, we have been accumulating blunders for several generations until they affected every phase of our social, economic, and political life. These blunders were not unavoidable. They served the momentary greed of powerful elements; and because these elements were powerful, they refused to admit the blunders but continued to prate about the glories of democracy and the blessings of robust individualism.

And then the elements that were profiting on these injustices presented a solid front against the destruction of any one of them. They formed a holding company for the continued exploitation of the public.

If the people had been betrayed by those they trusted with political power, the abuses that cried to heaven for reform would have been removed gradually, one by one.

From early manhood Franklin D. Roosevelt, animated by a passionate sense of public service, had meditated on this problem of the perils to American institutions, to American ideals, and American democracy. He knew that we had delayed so long the correction of abuses that piecemeal reforms would no longer serve. And when the crash came in 1929, threatening the complete destruction of our economic, social, and political systems, he knew there could be no salvation for any one of them without sweeping reforms reaching into every phase of our national life.

Do you remember the great speech he made during his campaign of 1932, when he said that evils had so permeated our entire life that reforms in every phase of our national existence alone would serve to save us; that farming, banking, industry, commerce were so bound in a common fate by our complex civilization that to touch one without reference to the other would work mischief; and that all reforms must be made from a common blueprint conceived for the ultimate good of every industry and class?

The significance of that declaration of faith was not fully appreciated by the press or public at the time, and so much has happened since that it may have been forgotten now. But I venture the prediction that that speech will become one of the great source documents in the history of our times.

No one could have foreseen the full import of that speech without foreseeing the bitter battles he has waged and the scurrilous abuse that the beneficiaries of privilege would heap upon him, for that speech was the preface of the revolution by ballot through which we are passing now.

And when he took office he had his mind made up. It did not just happen that everyone at first agreed that every move he made was wise. It had been carefully thought out. The times demanded instant, drastic, unprecedented action—but he had not made the times. The times had been made by the almost criminal inertia and neglect of three Republican administrations. It was absolute necessity, not preference, that forced him to apply whip and spur and push forward with the most tremendous and far-reaching program that ever had emanated from Executive authority in the Nation's history. Because the years of neglect on the part of leaders who had failed to act had brought the Nation to the verge of ruin, Franklin D. Roosevelt was fighting against time to restore the people's confidence in democratic institutions—fighting against time to save the Nation from collapse.

And yet we heard the complaint that Roosevelt has moved too rapidly and that he has undertaken too much.

There are two types that have been alarmed by the thoroughness and rapidity of his action. One is that which resents the withdrawal of its special privilege to exploit the Nation under the protection of the law. The other is the timid and the ultraconservative who shudder at any change.

It is easy to understand the grievance of the first type, but it is difficult to understand the continued opposition of the second. Because even the timid and the ultraconservative should be impressed by the advance of prosperity and the revival of confidence under the policies we are now pursuing.

It would be unnecessary to enumerate the notable achievements of the first administration of Franklin D. Roosevelt. Most of these

great reforms have been impressed indelibly on the memory of the people by the bitterness of the battle that we had to wage against the forces of reaction.

But long as is the list and great as is the record, all that we have now achieved inevitably is lost unless we press forward to the completion of the task on which Roosevelt set out 4 years ago.

We have reached the stage where we cannot stand still; we go forward or we go backward. There is not one general feature of the comprehensive plan of Roosevelt that is not essential to the whole. And having, with bitter fighting, advanced to within sight of the last defenses of the antisocial forces that were undermining democratic institutions, we move forward to the taking of the last defenses of the enemy, armed and munitioned with the most overwhelming mandate of the people in the history of the Republic.

Many battles have been won, but the victory is not yet complete. Though the Liberty League has abandoned its fortress, its sponsors, scattering like guerillas to the hills, are busy with their sniping.

Let us make up our minds that as long as President Roosevelt pushes forward relentlessly in the supreme struggle to protect the workingman, the farmer, and the businessman against economic insecurity he will be ruthlessly assailed by the same elements that have always opposed him.

His foes complain that some of the President's measures will prevent the return of the "good old days." That, at any rate, is the purpose of them. The "good old days" of privilege, mounted and with whip and spur, the "good old days" of the economic exploitation of the people under the protection of the police, the "good old days" of swollen fortunes and starving children, the "good old days" of famine in the midst of granaries groaning with grain, the "good old days" of rotten securities and no protection against their sale—these "good old days" passed to the blackest pages of American history in the blackest panic that we have ever known.

They who look forward to a return to the same social and economic system that collapsed of its own rottenness in October 1929 are living in a fool's paradise. The world has turned a page in the human story. The entire world is entering on a new phase. In many nations no semblance of the old remains; in our own land some features of the old life are forever gone; but under the leadership of Roosevelt we propose to hold on to all the old that was good by ending all the old that was bad.

Thus and thus only can we preserve our constitutional Government.

Thus and thus only can human rights be preserved.

Thus and thus only can democratic liberties be maintained.

No one President before has ever been confronted with as many and as great and as dangerous problems as those that Roosevelt faced 4 years ago. And everyone knows that.

And no President ever has faced his problems with greater courage, foresight, and clearer vision than Franklin D. Roosevelt.

No President ever found us so deep in the dark valley of despair; and none ever has raised us so speedily and to the heights of confidence and hope again.

One might suppose in the light of the undisputed record that however much some might disapprove of some feature of his measures, his services to the Nation, in the darkest hour it has ever known, might protect him against the scurrility of the gutter—but it has not.

But then that is not surprising to one who reads his history; for I challenge you to name a political leader from Jefferson to Roosevelt who served the commonweal and battled for the average man who has not been subjected to the insane hatred of those whose privilege to exploit the people has been taken away.

Frustrated greed carries more poison in its sack than any serpent that crawls upon the ground.

But our great leader is loved by millions of his fellow countrymen because he holds aloft the banner of justice and fair-dealing for all. With the mandate of 46 of the 48 States of the Union in his hand, he will fight the battle and will keep the faith without the compromising of a single pledge.

Low Wages and Long Hours in the Railroad Industry—Black-Connery Bill Should Be Enacted Now

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, during the joint hearings before the Committee on Education and Labor of the Senate and the Committee on Labor of the House on the Black-Connery bill, providing for the establishment of national minimum wages and maximum hours, some very illuminating figures were presented on the extent of low wages and long hours in the railroad industry. The statistics were taken from the Interstate Commerce Commission and the Federal Coordinator of Railroads. They were presented at the joint hearings by Mr. L. E. Keller, an official of the Brotherhood of Maintenance of Way Employees, whose statement appears on page 1149 of the joint hearings.

The testimony presented at the hearings shows that some men receive wages below 15 cents an hour. These are maintenance-of-way and other employees who do not come under the provisions of the Hours of Service Act applying to other railroad employees. In the case of some small railroads, trackmen are paid as little as 10 cents an hour, or $1 a day for a 10-hour day. Such wages and hours are indefensible.

The conditions with respect to irregularity of employment are outrageous. In some cases regular section men are employed only 2, 3, and 4 days a week. They do not know from one day to another whether or not they will have a job or how much work they will be asked to do. Yet the railroads which employ the regular men on such an irregular basis often hire extra or seasonal forces and work them 10 hours a day and 7 days a week.

These low wages and long hours furnish a dark picture of conditions pertaining to workers in the lower-wage groups of the railroad industry.

Railroad workers who come under the Hours of Service Act, which embraces employees actually and directly engaged in connection with the movement of trains, are exempt from the Black-Connery bill. However, all other railroad employees are covered by the bill.

At the hearings on the bill a detailed statement was submitted showing the low wages existing in a substantial number of railroads. Included in this statement is information as to the minimum and maximum wages paid to section and extra gang men on 98 railroads located in all parts of the United States.

Minimum and maximum rates of pay for section and extra gang men and hours of work per week

Road	Class	Days per week	Rates of pay	
			Minimum	Maximum
			Cents	*Cents*
Alabama Great Southern	Section men	1 40	25	35
	Extra gangmen	1 50	25	35
Ann Arbor	Section men	6	35½	40
	Extra gangmen	6	(1)	(1)
Atlantic & Yadkin	Section men	5	26	28
	Extra gangmen			
Atlantic Coast Line	Section men	6	$1.70	21¼
	Extra gangmen	6	$1.70	21¼
Bessemer & Lake Erie	Section men	6	48	
	Extra gangmen	6	48	
Boston & Albany	Section men	5	40	44
	Extra gangmen	5	40	44
Burlington	Section men	6	33⅓	38
	Extra gangmen	6	22½	22½
Carolina & Northwestern	Section men	5	20	23
	Extra gangmen			
Central of Georgia	Section men	5–6	21	27
	Extra gangmen	5	21	25
Chesapeake & Ohio	Section men	5	35	40
	Extra gangmen	5	35	40
Central R. R. of New Jersey	Section men	4–5	40	43
	Extra gangmen	4–5	40	43
Chicago & Illinois Midland	Section men	6	39	
	Extra gangmen	6	35	
Chicago & Northwestern	Section men	6	37	41
	Extra gangmen	6	30	30
Chicago & Western Indiana	Section men	6	40	40
	Extra gangmen	6	40	40
Chicago Great Western	Section men	6	35	38
	Extra gangmen	6	32½	
Chicago, Indianapolis & Louisville	Section men	6	39	
	Extra gangmen	6	39	
Chicago, Milwaukee, St. Paul & Pacific	Section men	6	30	39
	Extra gangmen	6	30	30
Chicago River & Indiana	Section men	5	41	44
	Extra gangmen	5	41	44
Chicago, Rock Island & Gulf	Section men	5–6	27	38
	Extra gangmen	6		27 83
Chicago, Rock Island & Pacific	Section men	5–6	27	38
	Extra gangmen	6	27	38
Chicago, St. Paul, Minneapolis & Omaha	Section men	6	37	41
	Extra gangmen	6	30	30
Chicago South Shore & South Bend	Section men	6	40	42
	Extra gangmen	6	40	40

[1] Hours. [2] Rate on territory where employed.

Minimum and maximum rates of pay for section and extra gang men and hours of work per week—Continued

Road	Class	Days per week	Rates of pay	
			Minimum	Maximum
			Cents	*Cents*
Cincinnati, New Orleans & Texas Pacific.	Section men	[1] 40	25	35
	Extra gangmen	[1] 50	25	35
Cleveland, Cincinnati, Chicago & St. Louis.	Section men	5	38	41
	Extra gangmen	5		33
C. & S. (see p. 9)				
Clinchfield	Section men	5	28	38
	Extra gangmen			
Columbus & Greenville	Section men	6	23	25
	Extra gangmen	6	23	25
Danville & Western	Section men	5	25	25
	Extra gangmen			
Delaware, Lackawanna & Western	Section men	6	40	40
	Extra gangmen	6	40	40
D. & S. L. (see p. 9)				
D. & R. G. W. (see p. 9)				
Duluth, South Shore & Atlantic	Section men	6	32	40
	Extra gangmen	6		32
Elgin, Joliet & Eastern	Section men	6	40	40
	Extra gangmen	6	40	40
Erie	Section men	7	35	40
	Extra gangmen	7	35	40
Florida East Coast	Section men	5-6	20	20
F. W. & D. C. (see p. 9)	Extra gangmen	6	20	20
Great Northern	Section men	6	37	41
	Extra gangmen	6	35	35
Georgia, Southern & Florida	Section men	5	22	27
	Extra gangmen	5	22	27
Green Bay & Western	Section men	6	39¾	
	Extra gangmen	6	41	
Gulf & Ship Island	Section men	6	23	23
	Extra gangmen	6	23	23
Gulf Coast Lines	Section men	6	25	28½
	Extra gangmen	6	17½	17½
Gulf, Mobile & Northern	Section men	6	24	25
	Extra gangmen	6	25	25
High Point, Randleman, Asheboro & Southern.	Section men	5	25	25
	Extra gangmen			
Houston Belt & Terminal	Section men	6	28	28
	Extra gangmen			
Illinois Central	Section men	5-6	25	38
	Extra gangmen	6	25	36
International-Great Northern	Section men	6	25	28½
	Extra gangmen	6	17½	17½
Illinois Terminal	Section men	6		35
	Extra gangmen			
Indian Harbor Belt	Section men	5	41	44
	Extra gangmen	5	41	44
Louisville & Nashville	Section men	5-6	28	39
	Extra gangmen	5-6	27	38
Maine Central	Section men	5	37	41
	Extra gangmen	5	37	41
Michigan Central	Section men	5	41	46
	Extra gangmen	5	41	44
Minneapolis & St. Louis	Section men	6	35	40
	Extra gangmen	6	35	35
Minneapolis, St. Paul & Sault Ste. Marie.	Section men	6	32	41
	Extra gangmen	6		32
Minnesota Transfer	Section men	6	40	41
	Extra gangmen			
Missouri-Illinois	Section men	6	32	32
	Extra gangmen	6	22½	22½
Missouri-Kansas-Texas	Section men	[1] 48	26	40
	Extra gangmen	[1] 48	26	40
Missouri-Pacific Lines	Section men	6	25	39
	Extra gangmen	6	17½	22½
Missouri Pacific Southern Lines: Gulf Coast Lines, I-GN, S. A. U. & G.	Section men	6	25	28½
	Extra gangmen	6	17½	17½
Mobile & Ohio	Section men	6	24	37
	Extra gangmen	6	26	37
Nashville, Chattanooga & St. Louis	Section men	4-6	30¼	31½
	Extra gangmen	6	28	28
New Orleans & Northeastern	Section men	5	25	
	Extra gangmen	5	27	
New York Central	Section men	5	41	44
	Extra gangmen	5	41	44
New Orleans Terminal	Section men	5	25	
	Extra gangmen	5	27	
New York, New Haven & Hartford	Section men	5	40	40
	Extra gangmen	5	40	40
Norfolk & Western	Section men	5	37	40
	Extra gangmen	5	37	40
Norfolk Southern	Section men	6	19	21-22
	Extra gangmen	6	19	
Northern Alabama	Section men	5	23	42
	Extra gangmen	5	23	30
Northern Pacific	Section men	6	35	41
	Extra gangmen	6	35	39
Oregon, California & Eastern	Section men	6	40	41
	Extra gangmen			
Nickel Plate	Section men	5	40	40
	Extra gangmen	5	40	40
Pennsylvania	Section men	5	34	43
	Extra gangmen	5	34	43
Pittsburgh & Lake Erie	Section men	[2]	[2]	[2]
	Extra gangmen	[2]	[2]	[2]
Pittsburgh & Shawmut	Section men	5	40	
	Extra gangmen			

[1] Hours. [2] About the same as New York Central.

Minimum and maximum rates of pay for section and extra gang men and hours of work per week—Continued

Road	Class	Days per week	Rates of pay	
			Minimum	Maximum
			Cents	*Cents*
Portland Terminal	Section men	5	37	41
	Extra gangmen	5	37	41
Pittsburgh & West Virginia	Section men	6	40	45
	Extra gangmen			
Reading	Section men	4-6	38-40	43-45
	Extra gangmen	6	40	43
Rutland	Section men	4	39½	39½
	Extra gangmen	6	39½	39½
San Antonio, Uvalde & Gulf	Section men	6	25	28½
	Extra gangmen	6	17½	17½
St. Louis-San Francisco	Section men	6	28	38
	Extra gangmen	6		25
Seaboard Air Line	Section men	6		22
	Extra gangmen	6		25
Pere Marquette	Section men	5	38	45
	Extra gangmen	6	38	40
Port Terminal of Houston	Section men	6	27¾	27¾
St. Louis Southwestern	Section men	6	29	30
	Extra gangmen	6	32	33
Southern Railway	Section men	5	23	42
	Extra gangmen	5	23	39
Southern Pacific (Atlantic lines)	Section men	6	25	29
	Extra gangmen	6	25	29
Spokane, Coeur d'Alene & Palouse	Section men	6	39	39
	Extra gangmen	6	35	35
Spokane, Portland & Seattle	Section men	6	37	41
	Extra gangmen	6	35	41
State University	Section men	5	26	26
	Extra gangmen			
Tennessee Central	Section men	6	29	31
	Extra gangmen	6	28	28
Tennessee Railroad	Section men	2-3-4-5		25
	Extra gangmen	2-3-4-5		25
Terminal R. R. Association of St. Louis.	Section men	6	39	41
	Extra gangmen	6	39	41
Texas & Pacific	Section men	6	27¾	31
	Extra gangmen	6	31	31
Union Pacific	Section men	6	35	38
	Extra gangmen	6	35	38
Wabash	Section men	6	37	45
	Extra gangmen	6	37	45
Wheeling & Lake Erie	Section men	6	44	44
	Extra gangmen	6	44	44
Wichita Valley	Section men	6	28	30½
	Extra gangmen	6	28	30½
Yadkin	Section men	5	25	25
	Extra gangmen			
Yazoo & Mississippi Valley	Section men	6	25	28
	Extra gangmen	6	25	28
Colorado & Southern	Section men	6	35	35
	Extra gangmen	6	35	35
Denver & Rio Grande Western	Section men	6	35	35
	Extra gangmen	6-7	25	25
Denver & Salt Lake	Section men	6	30	30
	Extra gangmen	6-7	25	25
Fort Worth & Denver City	Section men	6	28	30½
	Extra gangmen	6	28	30½

CHICAGO, *June 8, 1937.*

Mr. Speaker, the Black-Connery bill in all probability will not be enacted at this session. A majority of the members of the Rules Committee refuse to permit it to come before the House. Its failure at this session will not preclude its being one of the first orders of business in the next session. This bill provides for relief of the underprivileged workers of America. It aims to lift their wages and reduce their hours by a practical method through administration by a board authorized to be appointed by the President. It also carries a provision for the abolition of child labor. The bill should be enacted at this session. I am heartily in favor of it.

Dairy Producer Cooperatives

EXTENSION OF REMARKS

OF

HON. HERMAN P. KOPPLEMANN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. KOPPLEMANN. Mr. Speaker, in the fall of 1934 the Federal Trade Commission, acting under congressional authority as was provided in a concurrent resolution sponsored by me, began its investigation into the dairy industry.

The investigation covered the important milksheds of the Nation. The Federal Trade Commission performed its task thoroughly and impartially. It procured for Congress a picture of the national dairy situation. Their findings confirmed the conditions which gave rise to the demand for the investigation. Several recommendations were proposed for remedial legislation.

After a thorough study of these recommendations, which study was made with the cooperation of the Department of Agriculture and the Federal Trade Commission, I offered to Congress my bill, H. R. 8311, which authorizes cooperative associations of producers of milk and milk products to organize and become members of milk producers' bargaining agencies for the more effective marketing of their products, as well as for other purposes. I invite the attention of every Member of the Congress to the Trade Commission's investigation report and my bill. In one way or another milk and its products affect every man, woman, and child in the Nation.

My interest in agricultural problems has always been very keen, both because of the agricultural importance of the district I represent and because I fully recognize that agriculture and industry complement each other in the American economic sphere, that unless those who are dependent upon agriculture for a living are prosperous those dependent upon industry cannot be prosperous, that problems and difficulties which obstruct our agricultural progress are bound to make their influence felt upon industry and industry's employees.

The history of the sorry plight of the farmers, which brought about the Federal Trade Commission's investigation, is well remembered. The abuses, the violation of ethical dealings, all resulting in the suppression of the little dairy farmer, are well known. The Commission's probe has had a somewhat remedial effect already. The guilty ones, realizing that the Federal Government is watching them, have made some effort to play fair with the milk producers, but this effort is not nearly sufficient in extent, nor can we depend upon its permanency.

The continued cooperation and protection of the Federal Government is necessary for the stabilization of the dairy industry and for the protection of the dairy farmers against the few dairy combines which have obtained control over the dairy industry.

As I said before, the bill I have introduced is the result of the Federal Trade Commission's investigation, which extended over a period of more than 2 years. It is the result of constant study since the Federal Trade Commission submitted its report to Congress of conferences with dairy producers.

In some States, steps have been taken by the milk-control board and by the dairy commissioners for State action. In New York State the assembly passed an act known as the Rogers-Allen law. This law, written and passed after the Federal Trade Commission had completed its milk investigation, is obviously designed to correct some of the evils which the Commission pointed out.

Ever so often some incident occurs, however, which brings home again the necessity of the protection of the Federal Government to the dairy farmer. For instance, last June the National Dairies, which controls the distribution of milk in Connecticut, threatened Connecticut farmer producers that they would import cheap milk from New York State unless the Connecticut farmers would agree to accept less money for their milk. The dealers were demanding a wider spread. It did not occur to them that importing cheaper milk from New York State would demoralize the Connecticut milk industry. As a result of that threat Connecticut milk producers are receiving less for their milk. They were forced to accept a reduction in their price.

All the various problems which are besetting the dairy industry have been given close study. We debated and debated just how to meet these difficulties. We discussed the advisability of interstate compacts, of marketing agreements, the question of health regulations, haulage regulations, and, last but not least, the effect on consumers' prices.

The ideal I seek is a price to the farmer which will enable him to obtain a fair profit for his labor, a price to the consumer which will permit of a sufficient consumption of milk, particularly by low-income families, and a fair profit to the distributors and dealers. This ideal can be attained by cooperation.

The natural question is, "What is to be done? How can these problems be solved?"

I believe that the most effective solution lies in the furthering of producer-cooperatives. Hence my bill (H. R. 8311), which definitely aims to encourage and foster milk producers' cooperative agencies.

So far as the producers of milk are concerned, the Federal Trade Commission investigation shows beyond any question of doubt that farmer-owned and farmer-controlled cooperative marketing associations are the only real long-time solution to the dairy farmers' problems. If the investigation discloses one outstanding fact, it is that unless dairy farmers are organized into large, strong, well-financed, farmer-owned, and farmer-controlled cooperative marketing associations they cannot deal with the myriad problems of the market place.

It may be true that one type of cooperative will best fit one type of market while another form will better fit another market. Nevertheless, the only true cooperative that is a real insurance policy for dairy farmers is one that has the legal right to do anything its competing distributors can do.

Throughout its investigation the Federal Trade Commission paid particular attention to the operations of milk-producer cooperative associations. Among its recommendations was one that such milk-producer cooperative association be encouraged by:

First. Permitting and encouraging milk-producer cooperative associations to organize into milk-producer bargaining agencies, so that they may be better enabled to protect themselves and to market their products at a better return to themselves; and by

Second. Giving them the protection of the Federal Trade Commission wherever any milk dealer or distributor attempts to interfere or meddle with such cooperative or bargaining agency; and by

Third. Requiring reports of milk distributors and dealers as to the amount of milk purchased and sold, and the price paid the milk producer for the same, and the price charged the consumer—so that a factual picture can be established—which shows whether the milk producer is receiving the price he should for his milk products and whether the consumer is paying a higher price for his milk products than he should.

Such milk producer cooperative association should have sufficient country outlets to handle at least a reasonable portion of its members' milk. It should have sufficient marketing facilities to have an outlet for that portion of its members' milk handled at its country receiving stations. Thus the cooperative will be able to furnish its members an outlet for their milk; and, second, it will cause dealers to proceed very cautiously in breaking with the association and in attempting to negotiate for an independent supply of milk.

I would rather have 50,000 individual merchants or farmers cooperating with each other for their mutual advancement, developing through their own initiative and resourcefulness in their individual fields, than to have these 50,000 merge into groups and then merge into one—losing their identity. That ultimate merger may result in a gigantic industrial or agricultural octopus, but with its formation something will be lost to the essential character of America and American institutions.

This is a Nation of States united, speaking a common language, having a common goal. This is a Nation of individuals, who must feel within themselves, the need of mutual protection through mutual cooperation, just as our States feel the need of mutual protection through mutual cooperation, ultimately gaining their strength from the federation of States.

The time has come when this Government of individuals must extend its protecting hand to those individuals within its midst who wish to retain their individuality. The dairy

farmer is one of these. To help him continue we must embark on a program which will enable him to continue not as a cog in a gigantic dairy enterprise, but as a dairy farmer.

Before I go on, you probably will wonder why the independent milk farmer cannot be left to make his own negotiations with the distributor dealers. That may have been possible years ago, but of late, everything in American commerce seems to incline toward bigness.

The last part of the twenties developed mergers of every description. It was then that the chain store came into its fullest operation. The independent per se, has today, I am afraid, little chance for existence against the combine competition facing him in his own field. He has neither the resources nor the money, nor the protection, to enable him to weather the kind of competition he has to encounter. He must join his resources to the resources of other independents, and at the same time retain his individuality.

I do not want to see the individuals in American business, whether they are individual milk producers, or individual produce or commodity growers, or individual clothing merchants, or individual manufacturers, factories, lose out. American agriculture and commerce, to my mind, cannot afford to sacrifice that certain ruggedness of character, borne of the initiative which can be inspired only in a man who is recognized as his own boss.

To lose this individuality means that we will lose the most important human element in the past and future development of American enterprise, agricultural and industrial and mercantile alike.

For the cooperative associations we have a basis in law. There already exists the Capper-Volstead law of 1922, which authorizes farmers to organize cooperative associations. There is the Cooperative Marketing Act of 1926. There are the 1937 amendments to the Agricultural Adjustment Act.

To return for a moment to the Capper-Volstead Act, part of its language provides that—

> * * * Such associations may have marketing agencies in common, and such associations and their members may make the necessary contracts and agree to effect such purposes: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof, as such producers, and conform to one or both of the following requirements:
>
> First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or
>
> Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum. And in any case the following:
>
> Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

This language makes it clear that Congress not only intended that farmers should form into bargaining associations, but that they should go further and directly engage in the marketing of their own products. The intent is unmistakably clear.

As far back as the Clayton Act (U. S. C., title 15, sec. 509), approved October 15, 1914, we find that Congress took a position with regard to farmers' cooperatives. Section 6 of that act says:

> Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purpose of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

If we read these two Federal statutes together, we find that they say, in effect, that farmers should have the legal right to band themselves together for the purpose of marketing their products, and that if they wish to contract jointly together to accomplish their legitimate purposes that they will not be looked upon as an ordinary corporate enterprise—always providing, of course, that their structure conforms to these acts.

In 1926 Congress took an additional step in placing on the Federal statute books the Cooperative Marketing Act of 1926 (U. S. C., title 7, sec. 455). This law authorizes the Secretary of Agriculture to investigate, assemble, analyze, and disseminate various kinds of information peculiar to cooperatives, such as their accounting systems, financial structures, and so forth—always upon petition from the cooperatives—and to otherwise make it possible for cooperatives to strengthen themselves by a constant and mutual exchange of information.

These three basic laws, the Clayton Act, the Capper-Volstead Act, and the Cooperative Marketing Act, taken together, conclusively show that Congress deliberately recognized cooperative institutions as distinct, peculiar, legal entities, and that nothing should be done to hamper, restrain, restrict, bind, or otherwise make it impossible for groups of farmers to form themselves into organizations to market their products.

Hence, it follows that as far as dairy farmer cooperative marketing associations are concerned we already have a strong, well-built, legal foundation on which to erect a solid, permanent cooperative structure.

With the bill I propose I hope that dairy farmers becoming members of a cooperative group will be able to enjoy bargaining associations which may be set up in their several regional markets, and thus cooperatively correct conditions which exist today, conditions which make the producing and marketing of their products most difficult for the dairy farmers acting independently.

The Rogers-Allen law recently enacted in New York State empowers producers and distributors to set up bargaining associations, and these associations may contract with each other for a price to be paid producers for their milk. Likewise, the commissioner of agriculture of the State can issue an order upon receiving a petition from 35 percent of the producers delivering to any regional market.

Might not such a Federal law be enacted to protect interstate markets? True, under the Capper-Volstead Act producers can form organizations and make contracts with one another. And under the new A. A. A. amendments the Secretary of Agriculture is empowered to enter interstate markets for the purpose of effecting marketing agreements. But this is not enough. There should be a Federal statute empowering the Commission to file a complaint against any milk distributor which attempts to prevent dairy farmers from organizing or operating their own associations by any means whatsoever.

Dairy-farmer associations with only one outlet, such as those criticized in the Commission's report, should be denied any Federal privileges under this act unless they become a member of some central sales agency—cooperative—or took the necessary steps to become a true cooperative.

Further than this, such a Federal law should make it possible for milk-producer groups to set up regional Federal markets, properly approved by the Secretary of Agriculture; and upon proper petition from a group of producers delivering to such a market, the Secretary could be empowered to hold hearings on the proposed price agreements, and, if deemed necessary, to approve them after such hearings.

Not only should farmers' cooperatives enjoy the protection they now enjoy on antitrust acts, but they should receive an additional protection in the form of a protection on any agreements a central cooperative sales agency might make with a distributor bargaining sales agency, providing, of course, the agreement applied solely to producer prices and that it did not unduly enhance consumer prices. In other words, the dairy farmers must adopt as their slogan, "United we stand; divided we fall."

Cooperatives have worked out well in certain European countries and I think they could operate beneficially here. In any event, I certainly consider it a most worth-while experiment. The efforts to form various cooperatives thus far have been helpful. Continued experience will show us just wherein the regulations and laws governing cooperatives should be strengthened or changed.

In its report on the dairy investigation the Federal Trade Commission constantly refers to "a true cooperative." There is no true cooperative in this country, but I believe we have the ingredients to produce one. The dairy farmers

are willing to try anything which will enable them to continue. My bill would give Federal sanction to the producer-dairy cooperative effort and protection against interference from large distributors. I think, that with the support of the Federal Government, in time there will be true dairy cooperatives in this country, cooperatives which will enable the individual dairy farmers to operate at a profit, and which in their ultimate effect will permit of fairer consumer prices.

Certain definite requirements would be made of a true dairy cooperative. For instance, it would have to:

First. Sell to more than one dealer or to any other agency directly or indirectly controlled by that dealer or any of its subsidiaries.

Second. Have a written dealer contract which conforms to some definite standard, such as:

(a) The right to audit the dealers' books, either directly or by outside certified public accountants.

(b) The right to demand that the dealer be a 100-percent purchaser of the cooperative.

Third. Have a written producer contract under which the asosciation could—

(a) Have the sole authority to sell all of the milk of all of its members.

(b) Designate where the milk is to be delivered, not giving dealers the right to swap various producer supplies.

(c) Provide for deductions from the producers' milk checks for expenses and capital funds.

Dealers should be made to stop forming company cooperatives which they can direct at will. It is all very well to say that producers should refuse to join such dealer cooperatives. The fact remains that if a group of producers only have one outlet for their milk they are pretty apt to follow the wishes of that dealer.

The Commission has all kinds of evidence of this being done—producers being notified that they could either do certain things the dealer required or stop delivering their milk to the dealer's plant. If no other dealer or cooperative plant is available, what can the producer do but follow the dictates of the dealer? Federal legislation should specifically prohibit such practices, and should open up some avenue of appeal to such producers where they would have their day in court.

Under the new A. A. A. amendments nothing can be done except on the initiation of the Secretary. The right to promulgate marketing agreements rests with him, and solely with him. Producers can veto such agreements upon a certain vote, but they cannot initiate any such agreements. Likewise, the Secretary can issue orders fixing producer prices in the various interstate markets, with the producer having the right to veto such orders. However, this is approaching the problem from the wrong point of view.

Producer groups should have the legal right to organize, bargain collectively for a price to be paid for their products, sell them at this agreed-upon price, and unless it is contrary to public policy, this agreed-upon price should become the producer price for the market involved.

I offer my bill as an amendment to the Cooperative Marketing Act of 1926 because I think its provisions proper to the interest of that act. The Cooperative Marketing Act of 1926 is part of the basic agricultural law of the land. Later on, if it is deemed advisable, my amendment could be extended to include other agricultural products.

My bill would answer the various recommendations offered by the Federal Trade Commission as a result of its dairy investigation. My amendment would round out Federal legislation concerning cooperative associations. It would answer the defect in the Capper-Volstead Act so far as the voting in cooperative associations is concerned. The Capper-Volstead Act provides one vote to one member, but it does not specifically prohibit voting by proxy. My bill definitely requires that all votes be in person. My bill would specifically require all cooperatives to expressly provide in their charters for the leasing, acquiring, and operation of such plants and equipment as may be necessary to process and handle the milk produced by its members.

Mr. Speaker, I urge all the Members of this House to read my bill, and give thought to our national milk problem while they are at home during the recess. There is not one of them to whom the problem of milk is not a vital one. It concerns all their constituents in some way or other. Moreover, I believe the majority of them have dairy farmers in their districts who would profit by Federal action.

I welcome the suggestions of the Members of this House. I will especially appreciate it if during the recess they will discuss the problems of the dairy industry in their own districts and let me have the benefit of the information they gather. All I want is that this problem be solved, and as effectively as we know how.

Fishing Industry of Great Lakes Threatened—House Joint Resolution 424 Provides for Investigation—Immediate Action Necessary

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, for years we have been faced with a critical condition because of the diminishing of the fish supply of the Great Lakes. In recent years some types of fish have vanished entirely from the Great Lakes. According to the United States Bureau of Fisheries 12 species of fish in the Great Lakes have been exterminated or are seriously threatened. It is in recognition of this situation that Congressman JOHN LUECKE, of Michigan, has introduced House Joint Resolution 424.

The importance of the fishing industry of the Great Lakes is indicated by the fact that of some 150,000,000 pounds of fresh-water fish produced commercially in this country each year, more than 90,000,000 pounds, or about 65 percent of the total, come from the waters of the Great Lakes. This does not include the millions of fish taken by anglers each year for their own use, nor does it include the 30,000,000 pounds of fish caught annually by Canadian fishermen.

All of the commercial production of certain species of fish come from the Great Lakes. This includes such species as the whitefish, lake trout, wall-eyed pike, yellow perch, blue pike, sauger, chubs, cisco, lake herring ,and suckers. If we wish to continue to have these fish for our table it is necessary that we protect the only source of supply, the Great Lakes. This we have not done. And the principal reason why this fish supply has not been protected and conserved is that there is divided control of regulations. Fishing in the Great Lakes is not under the jurisdiction of the Federal Government but is administered by eight States fronting the Great Lakes—New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota—and by the Province of Ontario, Canada.

This divided control has been the greatest obstacle in the movement for conservation of the Great Lakes fish supply. Each State has enacted its own regulations, and the States have failed to cooperate in enacting uniform laws to protect the fishing industry and conserve this natural resource.

Attempts have been made to establish uniform regulations by means of international agreements between the States and Canada, but invariably the agreements have been violated by one of the States.

The effect of the lack of uniform regulations is illustrated in a statement prepared by Dr. John Van Oosten, an investigator for the Bureau of Fisheries. Dr. Van Oosten states:

Divided control has prevented the enactment of proper regulations not only on Lake Erie but also on the other Great Lakes, and

has in many instances created conditions of unfair competition and discrimination between the fishermen of different States and of the two nations involved. For example, in the fall of 1935 Michigan was required by law to enforce a closed season on the chubs of Lake Huron, thus compelling the Michigan chub fishermen to discontinue their operations for a period of 6 weeks. The Canadian fishermen, however, were not subjected to a closed season and continued to take the fish protected by Michigan laws. Michigan fishermen may not market whitefish under 2 pounds (18½ inches), lake trout under 1½ pounds (18½ inches), perch under 9 inches, wall-eyed pike under 16½ inches, but the Wisconsin fishermen may sell these fish at any size when taken in gill nets and at minimum sizes of 13, 12, 7, and 13 inches, respectively, when taken in impounding nets. Michigan fishermen must protect the immature baby fish, but their competing neighbors from Wisconsin may place these released fish on the market. Such discriminating variations in the laws of the different States and of the two countries occur also with respect to the size of mesh in the nets and with respect to other regulations.

Mr. Speaker, nearly all commercially important species of fish migrate back and forth in the waters of a lake without regard to State or international boundaries. There it is apparent that unless the States and countries having jurisdiction over the international or interstate bodies of water agree on uniform regulations, the fish cannot survive. It is useless for one State or nation to enforce strict regulations with reference to the taking of fish and then have the fisheries exploited in another State where there are no regulations or the regulations are less stringent. There is a definite need for Federal action in order to bring about uniform regulations between the States.

The waters of Green Bay and Lake Michigan afford for the commercial fishermen of my congressional district an opportunity for carrying on their enterprise. It is important to them that the fish supply of the Great Lakes be protected from extermination. On former occasions these fishermen have asked the cooperation of the Federal Government in effecting better regulation.

In order to form a basis for Federal action, Congressman LUECKE's resolution directs the United States Bureau of Fisheries to conduct a complete investigation and survey of the fisheries and the fishing industry of the Great Lakes with a view to determining the condition and prospects of such fisheries and industry, their relation to and effects on the Nation's food supply, and the most appropriate methods of promoting and conserving such fisheries and protecting the industry in the public interest. The Bureau of Fisheries would be required to make a report to the Congress on the results of its investigation, together with recommendations for legislation or other Federal action. This resolution should be reported to the House by the Committee on Merchant Marine and Fisheries. It is a needed step in the movement to conserve and protect the fish supply of the Great Lakes.

Housing—Slum-Clearance Bill

EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

Mr. MICHENER. Mr. Speaker, this bill creates in the Department of the Interior another commission or bureau which is to be a "body corporate of perpetual duration, to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States." Just another commission, when the country is demanding a reduction of these agencies.

The bill, as it passed the Senate, was a slum-clearance bill pure and simple. The bill which we are today considering has been modified and enlarged so that in reality it might be called a general housing bill. It is so indefinite in its terms and so uncertain in its language that members of the committee have stated on the floor that not even members of the committee are able to understand it or to explain it. It has been before the committee for 10 days and came out into the light on Monday, and this is Wednesday. Therefore Members of the House not on the committee can hardly be expected to have a very definite understanding of all of its terms.

It is contemplated, however, that the law will function in two ways to assist in the eradication of slum dwellings.

First, loans will be made by the United States housing authority to local agencies.

Second, grants will be made by the housing authority to local agencies.

In this short discussion I shall pay no attention to the provision providing for grants because, as stated by one of the members of the committee in the debate, the terms and conditions controlling the loan feature of the bill are vastly more favorable to the local community. Therefore there is no probability of these local communities availing themselves of the opportunity provided under the Federal-grant clause.

Under the loan provisions of the bill $500,000,000 would be made available—$100,000,000 for the first year, $200,000,000 for the second year, and $200,000,000 for the third year—the measure in its financial provisions being intended to cover a 3-year program.

In addition, $26,000,000 would be appropriated for the first year of the program, $1,000,000 of which would constitute the capital stock of the housing authority. The balance of this appropriation would be available for administration purposes, for grants, or for other authorized purposes. Government tax-free bonds are to be issued in the amount of $500,000,000, while the $26,000,000 is to be appropriated out of the Treasury, the same as any other running expense of the Government. As a matter of fact, there is no difference at this time, because there is no money in the Treasury. The Government is spending about two dollars for every dollar that is taken in. Consequently, when any appropriation of this kind is made, it just means borrowing that much more money and issuing Government tax-free bonds for the amount. If these bonds are ever redeemed, future generations must be the paymasters.

If this legislation becomes a law and is effective, we are embarking upon a program that will necessitate the spending of billions of dollars; in fact, the amount is entirely speculative. The chairman says this is the first step, while the gentleman from North Carolina [Mr. HANCOCK], a member of the committee, and always reliable, has told us in debate that the ultimate expenditure under this bill may be as much as $90,000,000,000.

We are advised that in 1936 there were 6,000,000 nonfarm tenant families in the United States whose annual incomes were less than $1,000. Of this group but 22 percent, or 1,300,000 families, had annual incomes between $700 and $1,000.

Under the provisions of this bill it is only intended to help or give assistance to that group whose incomes range between $700 and $1,000 per year. Understand me, I mean just that. All those families having annual incomes of less than $700 a year can in no way benefit from the low-cost housing provisions of this measure. The same is true of those families having incomes of $1,000 or more. Concisely speaking, the loan provision of this proposed law can only affect 11 percent of all nonfarm tenant families. In other words, this means that 4,800,000 families whose incomes are less than $700 a year are excluded. No provision whatever is made for assistance to this lowest income group. It is a well-known fact that the worst part of our slum areas in the largest cities are occupied by this lowest income group, and it is difficult to understand how the root of the slum evil is to be affected when we pass legislation extending aid only to the more fortunate families now living in low-cost rental properties. For my part, this bill is

class legislation, because it singles out a certain group of our people and gives them advantages at the taxpayers' expense not accorded to other groups more entitled to relief and who must of necessity be worse off financially in order to be excluded.

This bill not only discriminates against certain groups of our citizens in favor of other groups, but it also extends any advantages under the law to aliens—those who are not citizens. So that an alien living in our midst, who does not think enough of our country to become a citizen, is singled out and provided with a home at Government expense, which is not obtainable by good, everyday American citizens, simply because they do not happen to have as much income as the alien. The people of my section of the country will be bitterly opposed to any such provision. Nevertheless, that will be the law.

We are all much interested in knowing how extensive the relief provided for in this bill is. That should not be difficult when we remember that it is a slum-clearance bill. I represent the Second Congressional District of Michigan. There is no territory in this congressional district where the slum-clearance provisions of this bill will be of assistance. In fact, it is generally conceded in the debate and stated by the committee that the number of cities throughout the United States to be benefited is somewhere between 6 and 10. Therefore, at the most, this bill attempts to provide some relief for 10 of the largest cities in the country. In my judgment, not to exceed six cities will receive this relief—and I want to be liberal in my estimate. There is no question but what slum conditions are bad in New York City and some of the other cities, but I feel that New York City should make some effort toward self-help rather than to appeal to the Federal Government to solve all its local problems. Mayor LaGuardia, of New York, of course, is very much for this bill, and we who served with him in Congress fully appreciate his philosophy. I believe that if he had his way there would be very few rights or responsibilities left to States and local communities. I am opposed to this centralization, regimentation, or socialization, call it what you will.

In no place in the bill is there a word of encouragement for the home owner. There is not a line in the bill providing any help to any citizen desiring to build a detached house. Apartment houses only are here contemplated. These slum settlements are not to be broken up. They are to be kept intact, and housed in modern luxury. Apartment houses may be necessary in many instances, but surely the Federal Government should not be a party to bringing about the day in this land of homes where the dream of "A nice little cottage built for three—Molly and I and the baby" is no longer possible of realization by any group of our people. We pride ourselves on the fact that home ownership makes good citizens; that the family unit is the cornerstone of American solidarity. It seems to me that less tenement houses and more cottages are what we need, if we want to break up the evil effects of concentrated crime and slum activities in our great cities.

The House bill provided for these new tenement homes but did not provide for the razing of the old slum tenements. This provision has been modified to some extent in the conference report, so that the old slum houses may or may not be demolished, at the discretion of the housing authority. What benefit is to be gained by building new tenements for a selected few, if the dregs of the slums are to be permitted to remain in the old quarters? I realize that those families having incomes below $700, as above stated, must live somewhere. Now at this time they cannot afford to live elsewhere than in these slum tenements. After the enactment of this law, their condition will in nowise be improved. They must live somewhere. Therefore, they will continue to live where they were or under equally insanitary and deplorable conditions, because they do not have an income of $700.

And what kind of apartment is it that this bill contemplates providing for a part of these slum dwellers? Listen. These apartments are to cost not more than $1,000 a room for 4-room apartments in cities having a population of less than 500,000, and in any larger cities the cost is to be not more than $1,250 per room, or $5,000 for the 4-room apartment. This is exclusive of the cost of the land. The Federal Government is going to loan 90 percent of this cost to the local agency to provide these new homes for these fortunate individuals—and all this at Government expense.

In the financial set-up provided in the bill the contract with the local agency is to extend over a period of 60 years, during which period the Government is to receive 3-percent interest from the local agency on the amount loaned. Strange as it may seem, a member of the committee who has had time to analyze the bill tells us in debate that no provision is made for the repayment of the principal to the Government. Now, that does not seem reasonable, but nevertheless it seems to be the fact. But listen to this: In addition, the bill provides that there shall be appropriated annually out of the Treasury of the United States during this 60-year period the sum of not to exceed 3½ percent of the amount originally loaned by the housing authority for the acquisition and construction of the project. During the debate one member of the committee gave a practical illustration which, in substance, was as follows:

A local housing agency borrows $1,000,000 from the United States housing authority to build one of these low-rent housing projects. The housing authority provides the money on a basis of 60 years at 3 percent annual interest. Therefore the interest to be paid by the local agency to the housing authority would be $30,000 per year. In addition, the United States housing authority also contracts to subsidize the project up to 3½ percent per annum, which would be $35,000 a year. This requires but little arithmetic to show that on a $1,000,000 project the local housing agency agrees to pay the Federal housing authority, which is declared to be "an instrumentality of the United States Government", and which is therefore the United States Government, $30,000 interest, and at the same time the United States Government will pay to the local housing agency $35,000 subsidy. In short, we loan the money for 60 years at 3 percent. We then agree to pay the interest on the loan and, in addition, to make a $5,000 contribution for the good of the cause. I might state that there will be few apartment houses of the million-dollar type constructed, but this ratio will obtain, whatever the cost. No wonder that not a single representative of the Treasury Department appeared before the committee during the hearings to justify the financial soundness of this set-up.

During the last few years we have had the Resettlement Administration and several other Federal emergency agencies dealing with housing and homes in one form or another. We have witnessed our Government bundling up whole families of distressed citizens and carting them off to Alaska and establishing them in the Matanuska Valley, a place where even the Eskimos cannot thrive without Uncle Sam's assistance. This thing was a failure, as all practical persons knew that it would be. We have also witnessed the building of Tugwell Town a short distance from the city of Washington, where homes have been constructed at Government expense for low-income families, these homes costing the Government on the average more than $16,000 per home. Now, it is impossible to find anybody to live in them who can pay a rent on even a 2-percent interest rate on the investment. The Tugwells are just finding out that the low-income worker cannot support a $16,000 home. And we must not forget the West Virginia project and many others throughout the country, not one of which has been successful, although millions of dollars have been wasted. We overlook much of this because the projects were experiments, but the day of this emergency technique in passing permanent legislation has gone. While I fully appreciate the necessity of better housing conditions in our great cities, I cannot subscribe to such an ill-advised and ill-constructed measure as this so-called housing act. To me it is another one of those iridescent dreams of some of these idealistic reformers and planners. They are imbued with an idealistic objective but have no practical notion as to how the objective may be obtained. Where the money is coming from is of little concern to them.

I do not feel that I am justified in voting to take money from the taxpayers to build $4,000 or $5,000 apartments for a comparatively few people in the congested districts in our great cities when a large percentage of the homes of the taxpayers in my own district cost no such amount. There is a difference between necessities and luxuries. The people in the rural districts and in the smaller towns are not today supplied with all the modern conveniences of the model home. Yet they work, struggle, sacrifice, and plan to pay for that little dwelling which means home to them. They earned it. They own it. It is theirs. This bill taxes this thrifty home owner, who is willing to put up with inconveniences, and who still has left enough of the spirit of the American pioneer to want to own his own home and to be a real part of this great Government. Why should these thrifty home owners be so penalized?

Under existing law the Federal land banks charge the farmer 3½-percent and 4-percent interest on money borrowed. The bill continuing these low rates was passed over the President's veto. He wanted a higher rate for the farmer. The Home Owners' Loan Corporation charges the distressed home owner 5 percent on money borrowed. That is not all. The farmer cannot borrow from the Federal land bank, nor can the home owner borrow from the Home Owners' Loan Corporation unless he has a sufficient equity in his home. And that is not all. Every dollar of the amount loaned to the farmer and the home owner must be repaid with interest or the Government forecloses. Under these circumstances do not ask me to vote for this bill, where in the final analysis the principal advanced will never be repaid, where the Government pays the interest and, in addition, a subsidy to the local agency for maintaining the project.

I only wish that it were possible for all of our citizens to have the finest homes imaginable, and I want to help, but some consideration must be given to the taxpaying public if our Government is to continue. Constant appropriations and living beyond our means not only invites but insures national bankruptcy. We are told that the emergency is past, that prosperity is again with us. The Congress made some slight reduction in the appropriation for relief of the unemployed this year. The appropriation made was the amount asked for by the President and, in my judgment, it is amply sufficient if the Federal Government is ever going to cease being Santa Claus. However, we have just witnessed another march of the unemployed on Washington. Thousands of people—largely from these same large cities—concentrate upon the Federal Government with all kinds of demands. Pressure groups are with us, but if we are ever to get out of this mess we must have courage to resist.

It is not a question of what we would like to do, but it is a question of what we can do. A year ago the Congress was talking about a possible $36,000,000,000 national debt. It was hoped that this staggering amount would not be reached. Today the national debt is more than $37,900,000,000, and it is just a matter of time before that debt is $40,000,000,000. Indeed, these are trying days, and for one, I cannot subscribe to further unnecessary Federal expenditures at this time.

A Case of Blind Staggers

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SNELL. Mr. Speaker, this session of Congress, which began auspiciously, will today pass into history with few to mourn its passing. For 8 long, weary months it dawdled and delayed; and then, in the torrid heat of the "dog days", when weak and worn out by its own futile efforts, tried in its dying agony to put through some remnants of a belated program. But even this last-minute gesture sputtered and flickered out, and the record is made and the book of empty pages closed.

With 433 of a total membership of 531 in both Houses of Congress, and with overwhelming Democratic majorities in the Senate and the House, this mountain of political potential strength has labored feebly and brought forth a very small mouse. The people who placed this huge Democratic majority in power had reason to believe that it could by sheer force of numbers redeem its pledges, enact its program, end its task promptly, and adjourn early. But those hopes were shattered and the people now behold an impotent Congress and fruitless results. One thing, however, it has done; one thing which is characteristic of every Congress under this New Deal administration. It has increased expenditures over last year by a billion and a quarter dollars, skyrocketing the Budget instead of bringing it within the revenues, as promised. Reckless, wanton, and wasteful have been the enormous amounts appropriated and the additional millions authorized. The President's pleas for economy fell on deaf ears, and well they might when they had the example of the President himself paying lip service to economy and condoning increased expenditures. Their policy has been to make a gesture at saving while piling up more appropriations, a policy of saving at the spigot and wasting at the bung.

In this and in other prominent respects the President and Congress made promises to the ear only to break them to the hope. We have witnessed here in the last few days of this dying Congress certain Democratic Members decrying the failures of their party, failure to pass farm legislation, failure to pass labor legislation, and other major bills on the President's belated program. And we have heard them "thunder in the index", threatening to delay, adjournment and then succumb meekly and supinely to the inevitable policy of do nothing.

While I sympathize deeply with my Democratic friends for the predicament in which they find themselves, I cannot in justice lay the blame altogether at their door for the ineptitude and bungling of the last 8 months. Because I am confident that, left to their own devices, their work would have been accomplished long since had it not been for the monkey wrench thrown into the machinery by President Roosevelt when, without notice, he thrust the Supreme Court packing issue to the front and delayed until midsummer his "must" program of legislation.

As we all know, the Supreme Court issue held the boards to the exclusion of all else except the regular appropriation bills, and even some of those bills were delayed in passage beyond the deadline of June 30. For weeks and months both the Senate and the House frittered away valuable time—the Court-packing bill blocking the way of other important questions. Precious time could have been utilized in deliberate discussion of bills which later crowded for disposition after the Senate had disposed of the Court-packing bill.

At least 5 long months were utterly wasted except for purely routine matters. During the last campaign, on the eve of the election, the President made certain definite promises, among which the proposed packing of the Supreme Court was not mentioned. Those promises, to quote the President himself, were as follows:

> Of course, we will continue to seek to improve working conditions for the workers of America—to reduce hours overlong, to increase wages that spell starvation and the labor of children, to wipe out sweatshops. Of course, we will continue every effort to end monopoly in business, to support collective bargaining, to stop unfair competition, to abolish dishonorable trade practices. For all these we have only just begun to fight.

That was the clear and definite promise. Nothing said about the Supreme Court. And the President persisted in his Court-packing scheme even after the Supreme Court had rendered liberal decisions upholding the Wagner Labor Relations Act, the Washington State Minimum Wage Act, and the Federal Social Security Act. It was not until midsummer, when heat had become oppressive, that the President

sent to Congress the greater part of his proposed program of legislation.

Briefly stated, this program consisted of Federal controls over minimum wages and maximum hours in industry; a revival of the A. A. A. production and marketing controls, guaranteeing to farmers a definite portion of the national income and to city people stable food prices; level the development of power resources along the lines of the T. V. A. with seven regional planning authorities; the framework of a national housing and slum-clearance program; and revision of the tax laws for the redistribution of the national income.

This was an ambitious program and far reaching in its implications, still further increasing the President's powers over the life of the people; and while we may question its wisdom and feasibility, those who agree with it were led to believe that it would meet a better fate.

The neutrality law enacted early in the session, placing in the President's discretion restrictions upon the exportation of war materials, is now shown to be, in the light of the conflict raging in the Orient, ineffective.

The reorganization of the executive departments and independent establishments, ushered into Congress with much eclat, has had approval only in parts by the House of Representatives, and the whole plan is still awaiting serious consideration in the other body. Intended to effect economies, its partial enactment will certainly make for additional expenditures—a new and powerful department of public welfare. If created as proposed already by the House, it will fasten upon our system agencies of a permanent nature which in their inception were intended to be temporary and for the period of the depression only. I refer to the W. P. A. and the Relief Administration of Harry Hopkins. That gentleman testified before the Appropriations Committee that he believed those agencies would be and ought to be made permanent.

Other instrumentalities which were intended to be for the period of the depression only have been among the few things accomplished at this session of Congress, extended notwithstanding our Democratic friends' boast that the New Deal has ended the depression and recaptured prosperity. They have extended the lending powers of the Reconstruction Finance Corporation. They have extended the emergency powers given to the President to control the Nation's currency. They have extended the $500,000,000 in nuisance taxes. Another extension to which no objection was made was that of the Civilian Conservation Corps.

It is yet too soon to sum up definitely the enormous appropriations of this session of Congress. They can only be approximated. This was done a few days ago by that distinguished and intrepid statesman, the Senator from Virginia [Mr. GLASS], chairman of the Senate Committee on Appropriations. In a tabular statement submitted by him and placed in the RECORD of August 19, on page 9299, he shows that, by taking into account the deduction of the appropriations to pay the soldiers' adjusted compensation, the appropriations made during this session are in excess of the appropriations of last year by $1,290,089,620.41.

From another distinguished Democratic source, the gentleman from Indiana [Mr. PETTENGILL], we heard only on yesterday the alarm he sounded over reckless expenditures of this session. He said:

> We have gone into the red $100,000,000 more since the 1st of last July than we had for the same period a year ago. We are going into the red now at the rate of $4,500 a minute in the eighth year of consecutive deficit of this Government. The public debt exceeds $37,000,000,000 at this time and is still increasing nearly $5,000 a minute. If the President will show an inflexible position to bring the Budget into actual balance, he is going to have full support from me now and during the next session of Congress.

If my distinguished friend places any hope in the President showing an "inflexible position" to bring the Budget into actual balance, I apprehend, in the light of past experiences, he will be disappointed. He then goes on to say:

> It is time to stop spending these millions of dollars on paternalism and state socialism. We must begin to live on our income; disaster threatens if we do not. We cannot expect our children to pay for running their Government and ours besides.

Those are wise words, but I fear they will not be heeded. The cost of government is mounting higher and higher. There seems to be an utter disregard of where the money is coming from or where it is going so long as the Government's credit holds out upon which to borrow from a tax-ridden people with bonds now choking bank portfolios to the breaking point.

Mr. Speaker, our Democratic friends are about to go back home to the people and render an accounting. I do not envy their task as they wend their way homeward empty handed. This session of Congress was afflicted throughout with blind staggers.

James Couzens

MEMORIAL ADDRESS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES COUZENS, late a Senator from Michigan

Mr. MICHENER. Mr. Speaker, since its birth, the United States has been heralded throughout the world as the land of opportunity. The late Senator JAMES COUZENS best typifies the truth of that acclaim. Born in Canada of humble parentage, he came to this country in his youth, here to seek fame and fortune. We first find him as a car checker in the railroad yards in Detroit. Then he is bookkeeper and office man in a large retail coal establishment. He never changed positions in commercial life except when that change was a promotion. Endowed with an unusual amount of native ability, he was possessed of tireless energy. The length of the work day was immaterial to Senator COUZENS. The objective was the completion of the task. His career commenced in the "horse and buggy" days, and with his unquestioned integrity and indomitable courage it seemed providential that he should by chance be brought into contact with Henry Ford in the formation of the original Ford Motor Car Co. Mr. Ford, the mechanical wizard and business genius, found in JAMES COUZENS the man who, as general manager of the Ford Motor Car Co., was to create a world-wide industrial domain, second to none in history.

I first became acquainted with Senator COUZENS when he was with the Ford Co. He was always recognized as a painstaking, considerate, efficient, yet at times an arbitrary industrialist. He always charted his own course. He always had an objective. He asked no quarter from his competitors and he gave no quarter. He was progressive in his instincts, yet he could not be accused of being radical. To his foresight, his intuition, and his determination much of his success was due. At that time in life, as measured by the calendar, when most successful men are getting started financially, JAMES COUZENS found himself many times a millionaire. Millions of dollars did not spoil him. I have heard him say on more than one occasion that he had more money than any one man should have, and that he had no desire or ambition to accumulate greater wealth.

Having reached this pinnacle in the industrial and financial world, he withdrew from all commercial activity and devoted the remainder of his life to public service. He was in no sense a politician. He succeeded politically not because of his affability and those qualities usually found in the make-up of men in public life but in spite of the lack of these attributes. He never forgot the days of his struggle. He always was considerate of and was the friend of those less fortunate. As mayor of the great city of Detroit, he brought business to political administration. The common people—their desires, necessities, and comforts—were

his greatest concern. As a public official, Senator COUZENS always had the enthusiastic support of what is commonly designated as the laboring man. He accepted public office as a public trust and assumed the responsibilities accordingly. It is perfectly natural that so positive a character ofttimes encountered obstacles. He was headstrong and determined, difficult of persuasion and, consequently, had enemies. But who is the man who succeeds in dealing with the public who is not so blessed? His conception of the duties of a United States Senator was different than that generally accepted by many holding that distinguished office. He abhorred patronage disputes and would have none of them. He often expressed himself as believing that his duties in the Senate were entirely legislative, and that he should not intercede with the executive departments in an endeavor to secure position, favor, or patronage for his constituents. All in all, he was a unique figure in modern political life, and his power and prestige were Nation-wide, and rightfully so.

Others have spoken of his charities. Therefore I will not dwell upon this important part of this great man's life. Suffice it to say that, as exemplified in the children's trust fund which he set up, he did not provide a material monument for himself, but he did provide for the spending of millions of dollars for the benefit of humanity, and he made sure that the trust fund and accretions should be spent in a given manner over a given period of years. He felt that conditions change and that he could see far enough into the future to make wise disposition of his benevolence. He hoped to live long enough to be able to personally appraise the wisdom of this venture to make happy, healthy children and better citizens.

Many often disagreed with Senator COUZENS in the course he pursued as a Member of the Senate, yet all admired his sincerity and the boldness of the man. It can be truly said that in his passing a good man has gone to his reward, and that his State and his Nation will miss his generous, self-sacrificing and valuable service. Thousands called him friend. Millions will call him benefactor.

Danger of Another Collapse

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. LEMKE. Mr. Speaker, I prefer to address the House this afternoon not as a Republican, not as a Democrat, but as a Lincoln-Jeffersonian nonpartisan. I recognize no partisanship in laws. We liberals in the House have voted for measures regardless of who introduced them. After a Member is elected he is no longer a partisan. He is a Representative and lawmaker—not for Republicans or Democrats but for all the people in his district and for all the people in this Nation, be they Democrats, Republicans, Socialists, nonpartisans, or even Communists. He represents them all, regardless of religious or political creeds or beliefs.

I repeat that there is no difference between the conservative Republicans on one side of the aisle and the conservative Democrats on the other side. They both still believe in standing still—in letting bad enough alone, thankful that it is not worse. On the other hand, I also know there is no difference between the Farmer-Laborites, the progressive Republicans, and the progressive Democrats. They look forward and in the distance see the dawn of a new and better day. They would rather take 130,000,000 men, women, and children one step up along the highways and byways of civilization than a few greedy individuals a million miles. They believe in saving the homes of this Nation—in perpetuating the individual family life—they believe in the democracy of the fireside and in representative government.

There is danger of another collapse—the Government is still trying to get prosperity by borrowing—by issuing billions more of tax-exempt interest-bearing bonds. By the end of this year, it is said, this Nation's debt will be some $36,000,000,000. The average interest on this huge sum will be about 3 percent, which amounts to $1,080,000,000 per annum. This is the national debt. It does not include that of States, counties, cities, and other political subdivisions. These States, counties, cities, and other political subdivisions, as well as individuals, have all stretched their credit to the limit.

This Nation is bankrupt; every State in this Union is bankrupt; the people of the United States, as a whole, are bankrupt. The public and private debts of this Nation, which are evidenced by bonds, mortgages, notes, or other written instruments, amount to about $250,000,000,000, and it is estimated that there is about $50,000,000,000 of which there is no record, making in all about $300,000,000,000 of public and private debts. The total physical cash value of all the property in the United States is now estimated at about $250,000,000,000. That is more than it would bring if sold at public auction. In this we do not include debts or the evidence of debts, such as bonds, mortgages, and so forth. These are not physical property. They will have to be paid out of the physical property. How are we going to pay $300,000,000,000 with only $250,000,000,000? It cannot be done unless we first put more money into actual circulation—not by doubling it in the hands of a few, but by putting it into circulation among the people. Let Wall Street call that debasing the currency and make the most of it. We are more concerned with not debasing American manhood and womanhood.

At 5 percent the interest on this vast indebtedness amounts to $15,000,000,000 annually, or over $115 a year for every man, woman, and child. The amount of money in actual circulation in this country is about $2,000,000,000—by that I do not mean money lost or destroyed, hoarded, or in foreign countries. Therefore, in order to pay the interest on our public and private debts, each dollar in actual circulation—in actual use—will have to be used as a revolving fund and be paid over seven and one-half times a year.

Yet in spite of this vast indebtedness, in spite of these dizzy, incomprehensible figures, millions of our people are forced to seek a position on the Federal pay roll or on a disguised dole system. There is not enough money among the people to enable them to employ and utilize the energy of these men and women in necessary and useful work; there is a money famine. We have made beggars out of a once proud people. States, counties, cities, school districts, and other quasi-public institutions are all asking for help from the Federal Government. Some of these are offering so-called frozen assets as security for loans, forgetting that these assets are no longer frozen but have long since evaporated. There is danger of a collapse, and a collapse means devastation and destruction.

What, then, caused this condition? It was caused by the monopolization not of the wealth of this country, but of the medium of exchange—the monopolization in the hands of a few financial monarchs of the money of the country, the unit of exchange. This was brought about by skillful manipulation of the currency, by a monopolizing tariff, by gambling in stocks and bonds and the necessities of life. It was brought about, first, by virtually doubling the money in circulation through the Federal Reserve banks during the war and then by cruel, brutal, and inhuman deflation, by virtually cutting in two the money in circulation.

May we ask what is money? What is its purpose and its function? Money is not gold; it is not silver. Money as such has no intrinsic value; it is a unit of exchange, a measure of values, a common denominator with which we measure the comparative values of commodities; it is a yardstick with which we measure the comparative values of the things produced by the energy of a people. Money is made by law;

demonetize gold today and remonetize silver and gold would be worth less than silver.

We have heard a great deal about real money and bank money—credit money. It may be well for us to find out just what credit money—bank money—is as compared with real money. In plain words credit money or bank money is just hot air; it is make-believe money that does not exist. Bank or credit money is a condition in which all the banks of this Nation have on deposit, as they had on June 30 this year, $51,586,123,000 and only $784,586,000 of actual money with which to pay the $51,586,123,000. How could they pay $65 with only $1? That is why we had the bank holiday. The difference between $51,586,123,000 on deposit and $784,586,000 of actual money in the banks is credit money or bank money. In other words, bank money or credit money is imaginary money on which the banks draw interest. The trouble with us is that we have too much bank or credit money and not enough real money.

What we need is enough actual money in actual circulation to do the Nation's business and less imaginary bank money or credit money.

To loosen this strangle hold upon our people we propose as a remedy the Frazier-Lemke bill. This bill provides that the United States Government shall refinance existing farm indebtedness at 3 percent per year, the interest rate to be 1½ percent and the balance of each payment to be applied on the principal on the amortization plan, not by issuing bonds, but by issuing Federal Reserve notes secured by the best securities on earth—first mortgages on farm lands; better security than gold or silver, because you cannot eat gold or silver, but you can eat the products that grow on the farms; therefore your life depends upon the farms. These farms are the best security on the face of the earth. If our Government has enough intelligence to do this, it will make a profit of $6,345,000,000 at 1½-percent interest in 47 years, the time required for amortization of the farm indebtedness.

Our Government now prints Federal Reserve notes and gives them to the Federal Reserve banks at seven-tenths of 1 cent per bill—the cost of printing. It makes no difference whether that bill is a $1 bill or a $1,000 bill—or whether they keep it for 1 year of for 20 years—all they ever pay your Uncle Sam for it is seven-tenths of 1 cent per bill. The amount of all the paper money given by the Government to the banks amounted on June 30 last to over $5,000,000,000, of which amount $4,495,210,935 were Federal Reserve notes.

After your Government had given all this money to these bankers it found it necessary to borrow back some of the money that it gave away. It had to sell bonds. The amount of these bonds, together with certificates of indebtedness, on June 30 last amounted to over $36,000,000,000, and will be, it is claimed, some $38,000,000,000 by the end of the year. These bonds bear interest on an average of about 3 percent and are tax-exempt. In other words, these bankers used the $5,000,000,000 paper money which your Government gave them as a revolving fund with which they bought the $36,000,000,000 tax-exempt, 3-percent interest-bearing bonds and certificates of indebtedness.

These bankers not only now have the $36,000,000,000 tax-exempt, interest-bearing bonds and certificates but they also have the $5,000,000,000 of paper money which your Government gave them and which they used as a revolving fund to buy these bonds. At this time the Government is borrowing about a billion dollars a month. It prints tax-exempt, interest-bearing bonds to that amount and hands these over to these bankers, and in return the bankers hand to the Government deposit slips. No money is exchanged; the whole thing is merely a bookkeeping transaction. The banks draw interest on the bonds, but the Government draws no interest on the deposit slips. The Government checks on these deposit slips, and the persons who receive the checks redeposit them in the banks. The Government, of course, is short-changed. If the banks need more money as a revolving fund they take these bonds and put them up as security for more Federal Reserve notes.

Congress passed and the President approved Public Law No. 9 on March 1, 1937, extending to June 30, 1939, the privilege to the Federal Reserve banks of buying tax-exempt, interest-bearing bonds and then putting them up with the Federal Reserve Board and receiving Federal Reserve notes—money—for seven-tenths of 1 cent per bill—the cost of printing. There is no limitation—the sky is the limit. In other words, the Government farms out the right to have money issued to the banks and they agree to buy tax-exempt, interest-bearing bonds with money that the Government gives them for nothing. In that way the Government can continue to borrow on the one hand by issuing tax-exempt, interest-bearing bonds for the bankers at the expense of the taxpayer, and on the other hand, print the money for these banks until the whole credit structure of this Nation will fall.

There was great confusion and resentment on the floor of the House of Representatives when the party leaders of both parties brought this bill up for consideration. The majority of the Members then seemed determined to stop this vicious practice of issuing money and giving it to the banks for nothing and then borrowing it back again by issuing interest-bearing, tax-exempt bonds. Three years ago this same extension was passed, after some maneuvering, by the House with only 38 dissenting votes. This year after considerable debate the House proved that it is beginning to understand this ridiculous situation by casting 104 dissenting votes against the further extension of this privilege of manipulating the Nation's credit for the benefit of the privately owned Federal Reserve banks.

To one unfamiliar with how laws are made it would seem as it did to Alice in Wonderland, where things seem real but are not. No voice was heard about fiat money, soft money, nor yet about debasing the currency. The dying shadows of a past civilization, slaves of a dying monetary system, won a temporary victory. The bill which pays tribute to the bankers for doing that which it is clearly the duty of the Government to do was passed. We have this consolation, however, that there will be an end to dreamland. It may take another election or two, but ultimately the public wrongs will be righted and the people will triumph.

If our Government can print paper money for the bankers, why can it not do it for the farmers? Why not do it for agriculture? Why not issue Federal Reserve notes secured by better security than the bankers put up, secured by the farms of this Nation? Why not do the reasonable thing, the intelligent thing, the only thing, and pass the Frazier-Lemke bill? When this bill becomes a law it will reduce a farmer's indebtedness by three-fifths in 47 years because of the lower rate of interest, and in addition the Government will make a net profit of $6,345,000,000. On a $10,000 loan the farmer will save $24,000 in interest in 47 years and the Government will make $1,100 net profit. What does that mean to your business and professional men and women? It means that this farmer will spend that $24,000 at home, that he will buy the things that he is so much in need of, and that the wheels of progress will start moving. We will have stopped making beggars of a once proud people. There will be no further need of a disguised dole system, of tax-exempt interest-bearing bonds.

The Frazier-Lemke refinance bill is the only real money which we will have in the United States of America which has something back of it besides the debts of the Government of the United States and hot air. Why do we take these Federal Reserve bills? Is there anything back of them besides hot air and the debts of the Government of the United States? There is not; and I defy any man or woman to make a contrary statement. Oh, it may be said that there is a gold certificate back of it or some gold, but you get the gold and I will put you in jail for having unlawful gold in your possession. The so-called gold certificates are just a meaningless camouflage. You might just as well sink the gold beneath the ocean waves and issue a good certificate against it. It will do you just as much good.

Why do we take this money, the Federal Reserve notes? We take it—and I wish I had more of it—because back of it is the full faith and credit of all the men and women of the

United States. That is what makes it money. Back of it are the finest and most splendid up-to-date men with inventive genius; back of it are the world's most beautiful women, with industry, and with intelligence, and the unborn babies for generations to come. That is what makes money and that is the reason we take these Federal Reserve notes.

Now, let us take up the Frazier-Lemke money for a moment. That money will have a first mortgage back of it on the homes of America, upon the homes of agriculture, upon the homes of those industrious people who feed and clothe you and me. A former member of the Federal Reserve bank stated that is the safest and best security in the world. He stated, in fact, he did not understand why Congress ever passed the original Federal Reserve Act without making agriculture and real estate the basis of currency.

I say to you that the Frazier-Lemke bill, if passed, will put $3,000,000,000 of real money of the United States, for the first time in the history of this Nation, on a 100-percent security basis, with something back of it. It will have agriculture and in addition it will have the human beings, the 32,000,000 men, women, and children who live on the farms, back of it. You may cry "inflation", but the Frazier-Lemke refinance bill is the only bill that will put honest-to-God money in circulation, money which will be supported by real estate in addition to the full faith and credit of all the people of the United States of America.

Some Members seem to feel that the Federal land bank, which is supposed to serve the farmers, should pay 3 percent for Federal Reserve notes when the Federal Reserve bank, which serves the banks and businessmen of the Nation, gets the same Federal Reserve notes for absolutely nothing save the cost of printing—seven-tenths of 1 cent per bill. These banks now have approximately $5,000,000,000 of these Federal Reserve notes. We are willing to be discriminated against and pay 1½ percent interest for that which the banking fraternity gets for nothing through the Federal Reserve bank, but there is a limit to this discrimination business, and the banking fraternity had better take notice and not arouse the public too much.

What does the Frazier-Lemke bill provide? It gives for the first time in the history of this Nation to the Federal land banks and to the Farm Credit Administration only part of the privileges that have been given to the banking fraternity for years under the Federal Reserve bank. They can put up hot air; they can put up debts, if you please, and get money; but under the Frazier-Lemke refinance bill we put up honest-to-God security—first mortgages on farms.

This bill is right in line with the President's monetary policy. The mere seizing of the monetary gold of this Nation by the Government and increasing its value by lowering the gold content in the dollar, while it will make several billion dollars profit for the Government, will not in itself help agriculture or industry unless the medium of exchange—the amount of money in circulation—is also increased. Making gold dearer and thereby making money that is in our possession—silver and paper—cheaper will not expand the currency, but on the contrary, contract it.

Congress must supply the next step—the Frazier-Lemke Refinance Act. When Congress passes that, then there will be issued and put into circulation among the people several billion dollars of new money, Federal Reserve notes. It will again give purchasing power to the people. The farmer will pay his banker, his merchant, his lawyer, and his doctor, and they in turn will pay their bills, and all will start in again repairing and improving their homes. Unemployment and starvation will cease. The enforced idleness of millions of men and women will disappear, and we will hear no more of overproduction. Consumption will again be normal; real prosperity will return.

The bill has the official endorsement of the National Farmers' Union; it has the official endorsement of some State farm bureaus and other farm organizations, and of many farm bureau and Grange locals throughout the Nation. It has the approval of 95 percent of the farmers of this Nation; it has the approval of every intelligent banker, business and professional man and woman. Thirty-two State legislatures have asked Congress to pass this bill. They are: Arizona, Arkansas, California, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Washington, Wisconsin, and Wyoming. It has the approval of the lower house of the State Legislature of New York, the President's own State, as well as that of Alabama, Delaware, Pennsylvania, and the Territory of Hawaii. Surely no Member of Congress from these States is justified in ignoring the mandate from his State.

Why, then, does Congress not pass this bill? Is it because Wall Street is still closer to Congress than are the people of the United States? The people have been sleeping at the switch. They expect Congress to do something for them and generally wake up to find that it did something to them. This is the people's fault. They neglect Congress, while the international bankers are on the job with their lobbyists and false propaganda. This Government is the people's. The responsibility rests upon their shoulders. They elect all the Representatives and one-third of the Senators in Congress every 2 years. They can and ought to make their representatives responsive to their will.

They have a right to demand that Congress pass the Frazier-Lemke refinance bill; they have a right to ask their Congressmen to sign the petition at the Speaker's desk, which now has 130 signatures, to bring this bill out on the floor for discussion and passage. Congress must give this Nation the Frazier-Lemke Refinance Act. It must refinance the farmers. It must give us an intelligent expansion of the currency—not in the hands of a few but in the hands of the people. We cannot borrow ourselves out of indebtedness. An aroused and enlightened public opinion will compel Congress to pass this bill eventually. Why not now?

House Restaurant Employees

EXTENSION OF REMARKS

OF

HON. JOSEPH B. SHANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SHANNON. Mr. Speaker, in support of House Resolution 322, "To adjust the pay of employees of the House Restaurant", introduced by me on August 13, 1937, I wish to submit the following statement of facts: The salaries paid to employees in the House Restaurant, as compared to the salaries paid to similar employees in the Senate Restaurant, are as follows:

	House restaurant (per month)	Senate restaurant (per month)
Head waiter	$75	$125
Full-time waiters and bus boys	35	65
Half-time waiters and bus boys	20	45
Kitchen men	35	50

In the Senate restaurant there are also two captains employed, the first captain receiving $110 per month and the second captain $100 per month. No captains are employed in the House restaurant.

From their meager salaries the half-time waiters and bus boys employed in the House restaurant are docked 67 cents for every Saturday that the House does not meet, and I am told they were even docked for the Fourth of July.

All waiters, bus boys, and kitchen boys go off the pay roll immediately upon the adjournment of Congress each year. When adjournment comes early in the season they can

sometimes find other employment, but this year it will be extremely difficult for them to do so due to the fact that all places at the seashores and other summer resorts have already been filled.

Whenever a guest at the House restaurant fails, through negligence or otherwise, to pay a check, the waiter who served him is fined $2.50. I am told that these fines frequently amount to from $5 to $10 per month per waiter, which sums are deducted from their pay.

Of course, the checks that are not turned in may represent only a 10-cent coca-cola, or a 40-cent lunch; yet the waiter is arbitrarily fined $2.50 per check lost. On one occasion a man from Kentucky absent-mindedly walked out with his check in his pocket, and the waiter who served him was fined $2.50. Later, being a true Kentucky gentleman, he mailed in the check together with 60 cents, which it amounted to. Fortunately for the waiter in this case, the $2.50 he had been fined was refunded.

I say the Members of this House should declare a general amnesty, and these severe penalties wrongfully assessed against the waiters should be returned to them.

Back in 1933, when there was a general economy wave and all Government salaries were reduced, the salaries of the men employed in the House restaurant were also cut. The full-time waiters and bus boys, who were then receiving $45 per month, were cut to $35, and other salaries were proportionately slashed. Then a year later, when the cut was restored to all Government employees, the waiters hoped that they, too, would be restored to their former pay, but the reduction is still in force today.

The treatment of the employees in the House restaurant recalls to my mind the testimony brought out in the hearings before the Commission on Industrial Relations in the spring of 1915 concerning the Pullman porters.

Mr. Robert Todd Lincoln, then president of the Pullman Co., was a witness before the Commission and was being questioned by Mr. Frank P. Walsh. The questions and answers, as I remember them, were about as follows:

Question. Your name is Robert Todd Lincoln?
Answer. Yes, sir.
Question. You are the son of the man referred to as the "Great Emancipator"?
Answer. Yes.
Question. You have as employees of your company many members of the Negro race?
Answer. Yes, sir.
Question. You employ them on a monthly basis?
Answer. Yes.
Question. And what is that monthly wage?
Answer. Twenty-five dollars.
Question. There is some opportunity for advancement in that pay, is there not, Mr. Lincoln?
Answer. Oh, yes, sir. They get an increase of $1.50 per month.
Question. After what length of service?
Answer. After 25 years' service.

A member of the Commission then remarked that he presumed that service must be continuous and without demerits before the increase would be granted.

Mr. Walsh also asked Mr. Lincoln whether it was his view that his father had freed the Negroes so that they might work for the Pullman Co.

Mr. Lincoln defended the pay of the Pullman porters on the ground that they received tips over and above their salaries. Mr. Walsh then asked if it would be agreeable to Mr. Lincoln if the Pullman Co. revised his compensation so that only a small part would be fixed and the balance dependent upon gratuities, to which question Mr. Lincoln replied that such an arrangement would hardly be satisfactory to him.

This testimony, brought out before the Commission on Industrial Relations, so humiliated Mr. Lincoln that shortly thereafter he raised the pay of the porters in his employ. Then 3 years later, when the Government took over the management of the railroads as a wartime emergency measure, the wages of all railroad employees were reviewed, and the board of review granted a further substantial increase to the porters, bringing their pay up to $60 per month, and it has never been less since that time. Hence it took one war to free the Negroes, and it took another war to give many of them a living wage.

In fairness to the Members of the House, I am sure only a very few of them know anything whatever concerning the salaries paid to the employees in the House restaurant. It was just recently that I was apprised of the facts, and I make haste to call them to the attention of the House, so that some action may be taken to rectify the wrong done to these faithful men who daily serve us.

In the past the Government always set what was considered a fair standard of wages and hours. In this case the Senate standard and not the House standard can be pointed to with pride by those fighting for better conditions of labor.

Let us at least bring the pay of the House restaurant employees up to a par with the wages paid in the Senate restaurant, and let us make it retroactive to January 1, 1937. Surely that is not too much to ask for these loyal men.

The Cotton Problem

EXTENSION OF REMARKS
OF
HON. WILLIAM R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. POAGE. Mr. Speaker, as a Representative from the great State of Texas, whose 6,000,000 people are predominantly farmers, and whose great crop is cotton, I was intensely interested in the action of the House this afternoon in expressly authorizing the use of $65,000,000 each year for the next 2 years of tariff revenues for the stabilization of cotton prices. Cotton is the very lifeblood of my people's economic being. When the price of cotton falls to the disastrous figures of a few years ago, my people face not hard times but real destitution.

Today more than half the people of the Eleventh Texas District are looking to the 1937 cotton crop as their only source of funds for the year to come. On their ability to sell this crop for a reasonable price will depend their ability to buy food, and clothes, and shoes, and all of the things that our people need to buy and the people of other sections need to sell.

A price of 12 cents, which we hope this bill will assure to those who join the next year's program, is not a high price; it does not approach parity; it but corresponds with about 40 cents per bushel for corn or 75 cents for wheat. It does mean that our people will not go into the winter hungry. All other farm commodities are much nearer parity price now than is cotton. By parity price I mean that price for farm commodities which the Roosevelt administration has recognized and recommended as an adequate price for those farm products that will provide a living wage for the farmer. Now, why are the prices of other farm commodities nearer to this worthy objective of the President than is the price of cotton? It is due primarily to the fact that corn and wheat are commodities consumed principally behind the tariff walls of our borders, whereas 60 percent of our cotton crop is normally sold on the world market, which is unprotected and over which no government can exercise a price control. The representatives of other sections cannot realize the seriousness of our problem. If they could, I cannot believe that we would find Representatives from the industrial cities and from the Corn and Wheat Belts of the Northwest protesting against this action. The price of cotton cannot drop below the cost of production without bringing disaster and distress to the whole Nation. We cannot expect a sound national prosperity until all sections realize that the whole Nation is interested in seeing the South grow a reasonable crop of cotton and sell it at a reasonable price.

Cotton has for generations provided the medium of exchange with which this Nation has balanced its foreign trade. We have paid for foreign wines, cut glass, diamonds, dyes, ships, and machinery with cotton. No other crop enters so largely into our national economy. We cannot destroy our cotton exports without the most severe readjustments all over America. We cannot let the price of cotton drop as it did in 1932 without bringing both ruin to a third of this land and economic paralysis to the remainder.

The action taken this afternoon was but the culmination of a series of efforts that we southern Members have been making to save our people this year. We recognize the importance of passing a general farm bill outlining a permanent farm policy, but we also realize that such a bill must be a good bill, that it must be a fair bill, that it must be a workable bill, and that it must be a bill that will stand the test of practicability in actual operation and in law. There is no purpose in passing a bill simply to be able to say "we passed a farm bill." In the past there has been altogether too much legislation of that kind on other subjects.

I think the President realizes the importance of doing the thing right. I was one of the original committee that called on the President nearly a month ago to ask him to help with this year's crop. He said then, and we all agree, that we should, as soon as possible, work out a permanent farm bill. He did not tell us, as has been reported, that he approved any bill that has been presented. Instead he expressly stated that we would have to work out the details.

I am not a member of the Agricultural Committee. I do not know just why that committee has been unable to agree on a bill. I do know that the committee worked long and faithfully. This committee has this year brought out bills to extend the Soil Conservation Act, to reorganize the Farm Credit Administration, to extend the low interest rate on farm loans, to control the sugar industry, to help tenants to become home owners, and so forth. They are now faced with a total disagreement among the farmers of the Nation as to what should be done. We must remember that they have to consider the wheat, corn, and truck farmer, as well as the cotton farmer, and if they do not please a majority of all groups they cannot pass their legislation. They have a hard job, and the abuse and vilification that have recently been heaped on their heads get the farmer nothing, but simply make the solution of the problem the more difficult.

Realizing these difficulties, the President told us to get assurances that general farm legislation would be the first order of business next session. We have secured this assurance, both through the pledge of the responsible leaders of both Houses and by the passage of a concurrent resolution on yesterday so expressing the purpose of Congress. In this undertaking we have only the opposition of those dissatisfied advocates of the Black-Connery wage and hour bill, who desire prior consideration for their measure.

I suggested to the President that we adopt a loan and parity payment similar to the 1935 loan provisions—making a loan of, say, between 10 cents—or the sale price of their cotton if it were more than 10 cents—and 12 cents, or a maximum subsidy of 2 cents per pound. If the loans are not above the market price, there will be no pegging of prices and no interference with our export business on account of ruinous carry-overs. Much of our present trouble is due to the former accumulation by the Government of large stocks of cotton that are still going on to the market. To avoid this the direct loans must be lower than most of our people are asking. The difference can be paid to all cooperators in the form of a supplemental payment next summer in an amount equal to the difference between whatever is determined to be a fair market price and the price the cotton actually brings. In this way the Government would buy no cotton until the price dropped below 10 cents, but all cooperators would get a better price for their crop, and we would thereby reward all who helped reduce the size of the crop.

I think the President, after consulting with the Secretary of Agriculture, has about decided to make a 9-cent loan and to pay a parity of not to exceed 3 cents. While I fear that the psychology of a 9-cent loan is bad and may have the effect of bringing the price of cotton still further down, it will allow cotton to move freely in the trade and will prevent the building up of surpluses. The cooperating farmers will ultimately get just as much money this way as they would with the 10-cent loan and 2-cent parity payment, which I urged, but it will probably cost the Government more money. I therefore joined other southern Members in signing a petition to the President to make a 10-cent loan.

On the other hand, if we were to make direct loans of the full parity value of cotton, which is said at this time to be about 17 cents, we would, of course, peg the price at that point; and while we might expect to ultimately sell enough cotton to supply the American market, we could never expect to sell any cotton abroad until the world price reached 17 cents. A world price of 17 cents for cotton is much to be desired, but extremely unlikely. This would mean that we would build up a great surplus carry-over which would probably ruin even the American market and would inevitably result in an effort to reduce American production to equal American consumption. It is evident that if we are willing to abandon all our export trade we can raise the price of the American-consumed part of our crop, but to do so we will have to give up something between fifteen and twenty million acres of cotton each year and about one-half our normal production. This will also mean that we must support on the relief rolls several million families that have been engaged in producing and handling this export cotton. If we are going to attempt this, it seems to me that we should give consideration to a system under which we will absolutely control production for domestic consumption and back it up with the guaranty of full parity price for that part of the crop and still allow unlimited production for export on the unprotected world market. At least the domestic part of the crop would bring as much money under such a plan as the whole crop will under a pegged-price system, and while the export crop might not be profitable to the growers, no one would be required to grow any cotton in excess of his domestic allotment if he did not want to; and if he did, as some always will, he would give employment to American workingmen. We cannot solve the cotton problem without considering the relief and the labor problems, and all of these problems must be taken into consideration in any permanent farm bill.

In short, the permanent farm bill must provide assurance of a full parity price for all of our cotton used in America—this is the only part of the crop over which we can exercise any price control. Any lower price will spell ruin not only for the South but for those who sell their goods in the South as well. It must in addition enable the South to keep enough acres in cotton to employ our farm laborers and to furnish the medium of exchange for the goods America buys abroad.

To reduce our acreage further would unnecessarily result in an increased relief load on the Nation; local distress on the part of those thrown out of employment, disruption of foreign trade, and finally a transfer of southern lands into crops competitive with those of the northern dairy and livestock regions.

These reforms cannot be accomplished by pegging the price of cotton above the world price. This will only build up a great surplus that will break the market, destroy foreign markets, and finally force such drastic reductions in American acreage as to throw millions of people on relief.

In my opinion, a base loan with a sliding scale of adjustment payments after the fashion of the 1935 arrangement is the best plan for the immediate problem. I think the action of the House this afternoon assures some form of this program. I trust the President will not delay in putting the plan into effect. I have sought to impress on him and on the Secretary of Agriculture the vital importance of immediate action. Cotton is now moving all over the South. Our northern friends cannot realize how important it is that

we have no delay, in order that the farmers who raise the cotton get the benefit of this plan.

While it does not solve the cotton problem, it is a welcome relief in a period of distress. Looking toward the future, the Seventy-fifth Congress has not ceased its labors simply because of a formal adjournment. In the meantime, MARVIN JONES, a great Texan and a great statesman, and his committee have been instructed by the House to continue their work. I know they will be doing their best to work out a bill that will do justice to all sections of the Nation, and that will go just as far as it is possible to go toward righting the wrongs that have been done to agriculture by the tariff through all these generations. It was this same committee and this same Texas chairman that put through the bill to start the tenant home-ownership program, and to provide the money for this program after the appropriations committee had decided against it. They were the men who worked out the plan of extending lower interest rates to borrowers from the Federal farm land bank and it was they who made possible the passage of this bill over the veto. They realize, Mr. Speaker, that the whole farm problem is tied up with the tariff problem. They realize that the evil effects of the tariff must be counteracted if the farmer is to ever prosper. They realize that the tariff burden bears hardest on those crops that enter most largely into world markets. They realize that cotton is the greatest of our export crops. They realize, however, as many of our people do not, that any plan to really help the cotton farmer must in the long run receive the support of the rest of the Nation. I am willing to trust these men under the leadership of my friend, Hon. MARVIN JONES, of Amarillo, Tex., to give their best efforts to working out a sound and workable permanent farm plan.

To What Extent Civil Service?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker, as a Member of Congress new this session, I am pondering a great question of public policy as to what extent Government employees should be placed under civil service. As a college instructor and a professional man I have long held the academic view that civil service, embodying the merit system, was a corrective of the evils of the spoils system. I came to Congress with the inclination to favor extending the civil-service system wherever possible, not merely because our party platform and President are committed to it but because it seemed to me that it was the logical thing to do. However, as a Member of the House in the first session of the Seventy-fifth Congress, I have not always followed out my original intent.

On January 28 a bill was before the House of Representatives to place all postmasters under civil service. I listened with keen interest to the debate and voted for the passage of that bill. Some of my best friends in the House took me to task for that vote.

One colleague said: "Do you think that a better postmaster can be selected by an examination than you could select by your best judgment? Do you want a bunch of drones in the post office down your way entrenched for life and thumbing their noses at you politically throughout your district?"

My reply was: "So far as I know, every postmaster in the State of Arizona is satisfactory and of high quality. I am sure they have been carefully selected by examinations or by my predecessors. There is not one of them that I would want to remove."

My views on that subject are the same today. I am glad that the postmasters have now been put under civil service by Executive order, even though the bill which the House passed did not become a law. It seems to me that an old, well-established agency of the Government, such as the Post Office Department, should very properly be placed under civil service, even though the same logic may not apply to newer agencies. I am aware of the important part played by the postmaster in every community. He is a central figure, the ever-present representative of the Federal Government, and his qualifications ought to fit him to fill his station with dignity and honor as well as efficiency. The question is: Under what system are we apt to get that type of postmaster?

Certainly I would like to see postmasters and most other Federal employees outside the realm of politics. Personally I would like to see the governmental service made one in which deserving and competent persons might be secure in their tenure, and that they might thereby be induced to make a career in such work. Federal employment exists for the benefit of the public service, and not public service for the benefit of job hunters.

My sincere leaning is, therefore, in favor of the examination system and the civil-service program generally, but I find a strong feeling to the contrary in the House. This strong feeling cannot be adequately explained by such expressions as spoils, politics, and so forth. I find that many Members of this body feel that the public service is not benefited by a system permitting clever but immature persons who can pass a high examination to get into the public service, where they have a life tenure and can show such indifferences as they please toward their job.

Security of tenure is a good thing for a Federal employee or any governmental employee, so long as it is accompanied by conscientious and efficient work. It becomes a bad thing if it leads to haughty arrogance, disregard of public duty, and loafing on the job. I would like to say to my friends in Federal employment under civil service that my sympathies are with them in their efforts to better their conditions. It is superfluous for me to suggest that better pay and greater security must be accompanied by faithful performance of duties and obligations to the employer—the public.

Arizona Is Uncle Sam's Sun Parlor

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker, a bill, H. R. 8214, was introduced by myself to authorize the enlargement of the veterans' facility at Tucson, Ariz., by an addition of at least 200 beds and further to air-condition the quarters. This provision has the backing of the Army officials and the Veterans' Administration and, to my own personal knowledge, is badly needed. It is true that this hospital at Tucson is comparatively new and that the hospital at Prescott has lately been enlarged; but even so, they are not adequate for present needs. At all times there is a waiting list. At least 500 were turned away from Tucson last year.

Let me call attention to the fact that there are now 22,000 ex-service men in Arizona, which is more than five times the number of men furnished to the World War by Arizona. Of this number, nearly 18,000 are there for health reasons. I have found that one of the greatest public duties which I have as the sole Congressman from Arizona is giving attention to questions and problems of ex-service men. Knowing

that such would be the case, I have in my office one who is thoroughly familiar with the law and the procedure affecting veterans, and who, having had experience with these problems for a number of years, is especially competent to take care of such matters for me. Feeling as I do that the Government's obligation to its wartime defenders is more than a mere money obligation, I am especially anxious to do everything possible for the health and comfort of disabled or sick ex-service men.

Arizona is most admirably suited as a home for such veterans whether they be well or sick. I am pleased to note that doctors in the military service and outside the service recognize the influence of the climate of Arizona and send their patients there or advise them to go there. In answer to an inquiry, the Journal of the American Medical Association of March 13, 1937, said:

* * * The climate conditions of Tucson, Ariz., are as good as can be found anywhere in the world.

The fact that the Government has already established two big hospitals, one at Prescott and one at Tucson, indicates the Government's attitude toward this land of sunshine in central and southern Arizona.

The fact that some great fraternal organizations and great religious bodies, such as the Elks, the Masons, the Methodist Church, and still others, have hospitals, homes, or sanitariums, not for local use only but for taking care of patients or patrons from all parts of the Nation, is a tribute to the Arizona climate. The special edition of the magazine Tucson for July 1937, which all Members of the House have probably received, on page 3 has an illuminating article on the Elks' Hospital in Tucson, Ariz. Gen. John J. Pershing spends his winters in Tucson. The fact that the Mayo brothers have purchased residences at Tucson after spending several winters there, and that world-wide travelers pronounce its climate unsurpassed any place, all combine to make it evident that Arizona is recognized as the sunshine parlor of the Nation. In other words, it is a great, natural, national sanitarium that no section of the country can surpass and few can equal in that respect.

Arizona has as large a percentage of sunshine as any State of the Union although it is closely rivaled by its sister State on the east. Arizona has such a remarkable topography that all ranges of climate from tropical to frigid may be found therein. If one travels from Yuma, at the mouth of the Gila River less than 200 feet above sea level where the climate is tropical, to the top of San Francisco Mountains near Flagstaff, one traverses the whole range of vegetation changes from the Equator to the North Pole. As a health area it is equally beneficial for those who want to get well or keep well.

The State of Arizona is divided nearly equally into three parts by a diagonal range of mountains running from northwest to southeast. This cuts the State up into three geographic areas. In the northeastern corner we have a high plateau, about 6,000 feet above sea level. Diagonally through the central part of the State are the mountain ranges, and in the southwestern portion we have the low river plains with sunny skies and little moisture. These river plains have been called deserts, and such they were until the hydraulic engineers and the irrigation farmers turned them into the most productive areas in our country. Our unfailing crops can produce food for any population.

It is in the southwestern part that we have the vegetable garden of the State, and in the northeastern part is the scenic roof garden of Arizona. Up north, it is the land of sun and snow; down south, it is the land of sun and health, and all over, the most invigorating, health-giving climate in the United States of America. So, Mr. Speaker, I favor the passage of this bill, not only to furnish needed facilities at this one hospital, but I favor any action on the part of the Government that will send more of our ex-service men into Arizona to regain their health and later to become substantial citizens of that new State as so many have done before them.

The Seventy-fifth Congress

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

ARTICLE BY DAVID LAWRENCE

Mr. SNELL. Mr. Speaker, the following article written by David Lawrence is such a perfect and concise summing up of the work of the first session of the Seventy-fifth Congress, I desire to have it printed in the RECORD under my permission to extend my remarks:

THIS SESSION HELD WORST IN 50 YEARS—NOTHING CONSTRUCTIVE ACCOMPLISHED IN 7 MONTHS

(By David Lawrence)

President Roosevelt's "smoke-screen" speech in North Carolina—an attempt to divert attention from the national job march—will not blot out the fact that the session of Congress about to adjourn this week constitutes the most tragic failure in 50 years.

At a time when the Democratic Party possessed an overwhelming majority of both Houses, having won an election by carrying 46 out of 48 States, with full responsibility to improve the lot of the unemployed and the fortunes of the employed, the Roosevelt administration and the Congress cannot justly claim a single major achievement in the whole 7 months which could remotely be construed as assisting economic recovery.

In fact, the Congress has wasted valuable time which should have been used to make a real start on the problems of recovery, as well as on the prevention of a worse panic than 1929 due to excessive Government borrowing. Here are the sins of omission of the present Congress:

1. Nothing has been done to get jobs, permanent jobs, for the poor people now on W. P. A. rolls. Their march on Washington is justified to the extent that it proves the administration wants to cut the W. P. A. workers loose without providing conditions that will permit private business to employ them.

2. Nothing has been done to cut down the public debt. It is close to $37,000,000,000—a record high of all times.

INDICTMENTS LISTED

3. Nothing has been done to cut down expenses. Though this is supposed to be a "recovery" year the Government already in the first 6 weeks of the new fiscal year, which began on July 1 last, has spent more than $1,000,000,000, which compares with $770,000,000 for the same 6 weeks last year.

4. Nothing has been done to overhaul the tax structure and make the tax rates more productive and equitable.

5. Nothing has been done to make the Securities and Exchange Act workable so that capital markets can really be operated to stimulate production.

6. Nothing has been done to count the unemployed or to classify them properly so a real start could be made on job placement.

7. Nothing has been done to set up an efficient, incorruptible, honest, and nonpolitical system of distributing relief payments.

8. Nothing has been done to regain for the cotton farmer of the South the world markets lost through New Deal short-sightedness.

9. Nothing has been done to amend the one-sided Wagner Act so freedom to work might again be protected by the arm of Government against the lawlessness of irresponsible groups and the arbitrariness of Government tribunals.

10. Nothing has been done to keep down the cost of articles which the farmer buys.

11. Nothing has been done to bring down the cost of living for the city family.

LIP SERVICE TO HOUSING

12. Nothing has been done to relieve small businesses of the strait jacket imposed on them by the so-called undistributed surplus tax which has proved a "dud" so far as producing revenue is concerned.

13. Nothing has been done to help the cause of the Negro, whose votes were so blatantly gathered in by the Democrats last fall; and, while Congress could at least have adopted a resolution condemnatory of lynching and could have strengthened the statutes calling for Federal intervention when local processes of law and order break down, as they did in Michigan in the sit-down strikes, the Congress chose instead to ignore the fact that the Federal Constitution guarantees the citizen the right to life, liberty, and the pursuit of happiness.

14. Nothing has been done to bring about the much-needed coordination of Federal, State, and local tax-collecting agencies.

15. Nothing has been done to use the vast hoard of gold buried in Kentucky as a basis for a revived world system of credits, so as to start the flow of international trade in earnest.

16. Nothing has been done to get the legislative powers of appropriation out of the hands of the Executive and back into the hands of the Congress, where they belong.

17. Nothing has been done to render unnecessary the artificial "pump priming" use of public funds, so that economic recovery could be put on a sound and permanent basis.

18. Nothing, indeed, has been done to improve the condition of the one-third of our population who, the President keeps saying, are "ill-clad, ill-nourished, and ill-housed"; that is, nothing has been done except to talk about it.

CONGRESS HAD AMPLE CHANCE

This is the record. What did Congress do? It passed a few minor bills providing for some new experiments in money spending, and the rest of the time the whole session was monopolized by Mr. Roosevelt's ill-timed, ill-conceived, and ill-considered proposals to do away with the process of amending the Constitution in the regular way.

Congress had a chance to improve on social-security legislation and to iron out the unworkable features of other hastily passed measures of previous sessions. Congress had a chance to encourage the American economic system. But the President did not will it so.

As long as there is a free press these acts will be exposed to the view of the citizens, and it remains to be seen how long "smoke screen" speeches and shifting of blame can fool the independent voters, who hold the balance of power in the American electorate.

The Seventy-fifth Congress

EXTENSION OF REMARKS

OF

HON. EDWARD A. KELLY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. KELLY of Illinois. Mr. Speaker, in the closing days of the first session of the Seventy-fifth Congress many newspaper articles, editorials, and magazines have published throughout our Nation that this session of Congress went on a sit-down strike and was not a working Congress.

Is it the same old group that has formulated a new attack on the administration, knowing that the membership of the House must be elected next year, and if by means of vicious attacks on Members of Congress they will be successful in defeating Members and will gain a substantial amount of seats in order that they might curtail constructive legislation? This method is nothing new in the history of our country.

History repeats itself; when legislation is enacted for the people and the general welfare of the Republic benefits by it, there are those who, when they cannot dictate the policy, seek to destroy the principle of legislation by the well-organized forces they control through propaganda. We belong to that age when vilifying remarks are in order, that those who cast them may gain their objective.

We read in many a newspaper article that Roosevelt is a Socialist, or a crackpot, or a dictator, or whatnot. But let us glance into the past and familiarize ourselves with some of the remarks cast upon other great Presidents during their tenure of office, and we find similar remarks made against those same gentlemen who tried to preserve this Union for the masses.

We find Jefferson encountering difficult problems while in office, and those who did not agree with his policies sought to destroy his principles, yet Jefferson's name lives, while those of his critics have been forgotten.

Abraham Lincoln experienced the same situation; one only has to refer to Greeley's Articles on Lincoln, while Baldwin always referred to the President as the "bloodhound" of Illinois. The late Theodore Roosevelt was referred to as a lunatic, classed worse than a Socialist, stating if he had his way we would all do business with glass pockets. These remarks were quoted by the elder J. P. Morgan, and the tone of his remarks merely sum up the hatred which "big business" generally had for the "trust buster." On Roosevelt's part, his sentiments reached their peak the day he shook his fist in Morgan's face at a Gridiron Club dinner. Yet all the feeling against all of the great Presidents in the past, who sought to preserve the Union by their acknowledgment of the will of the people, were but a ripple in comparison with the present hatred against Franklin D. Roosevelt, perpetrated by those who cannot dictate their policies over the wishes of the people. It is now, as well as before the last election, common gossip at luncheon parties, over dinner tables, and in gatherings to stir up a sort of hatred for the President and his administration. What is the reason for this consuming hatred which transcends the vastly increased profits to "big business" and the rich? The answer to the question is of tremendous importance in facing the facts, the incredible, amazing fact that most of these people seem to have no realization of the present plight of the world. Yet the fundamental cleavage, it would seem, lies deeper still. It harks back to the fact that before Roosevelt took office the rich were losing not only money but also public confidence and power; and while they are regaining the money they are not regaining either the public confidence or the power.

Now while the country has largely recovered, and while industry and its tycoons have regained much of the money they lost, they have not recaptured their prestige and see no early chance of doing so.

A glance at the history of previous depressions will indicate that it is tremendously important, for in each previous depression it was the rich and powerful, the "best people", who got the credit for rescuing the country—never the Federal Government.

In the panic of Cleveland's administration the elder Morgan not only dictated to Cleveland right in the White House but the run on the Treasury's gold reserve was not stopped until Morgan and a syndicate of powerful financiers went to the Government's rescue—with handsome profit to themselves. And likewise in 1907, in that great panic when the first Roosevelt was in office, it was Morgan again that "rescued the country" and not Theodore Roosevelt. "During those days Morgan was undisputed monarch. Indeed, in all save name, he was dictator of the United States. The Government itself did his bidding without question. Morgan rose to the emergency magnificently, joyfully."

Nor is it to be said that Morgan did not perform heroic services; with conditions as they were, he undoubtedly saved the country in the only way it could have been saved within the rules of the economic game which were in force then. But the big point is that the credit went not only to Morgan but to the entire stratum of society he represented. Every moocher on Park Avenue and every "substantial citizen" patted himself on the back for patriotic service.

The big leaders of private enterprise had plenty of opportunity to perform the rescue act in the depression from which we are emerging. Where Cleveland and Theodore Roosevelt accepted the "big business" rescue parties with a certain reluctance, Hoover invited them to take over from the first hours of the slump. He summoned to Washington not one magic name but hundreds; and it should not be forgotten they possessed the Nation's confidence until they had fallen down on the job time and again.

The result was that for the first time in American history Government effected the economic rescue of the country. For the first time the "politicians" at whom businessmen are so ready to sneer not only made good but in a short time.

The Roosevelt administration is disparaged with the cry that recovery would have come about anyhow. But the "tories" know in their hearts that it did not come, not a sign of it, until Hoover went out and Roosevelt went in. They know that recovery did not begin until Roosevelt discarded, one at a time, all the empty panaceas the opposition had prescribed—until he had jettisoned their precious gold standard; buttressed the banks with the deposit insurance that Hoover scorned; stabilized the stock market with a measure of honest regulation—to revive industry and obtain for the laborers and farmers the right to earn a decent living as an American citizen, and, by a series of legislative enactments, succeeded in dissipating and destroying those dark clouds of

fear and uncertainty which engulfed the citizens of our Nation.

In short, where Cleveland and Theodore Roosevelt, Wilson, and others finally had come to terms with the "interests", this man Roosevelt, whom some call a traitor to their own wealthy class, dared not only to hold the whip hand but use it.

Therefore, Mr. Speaker, in our National Government our party has restored prosperity, taken care of our citizens during adversity and depression, and has at least recognized the will of the people under the courageous leadership of Franklin D. Roosevelt.

Therefore, when you have accepted a man as one of your heroes, it is enough to study him in what you are able to see of him with your own eyes. If you do that, you are like the captain of a ship who judges an iceberg by what he is able to notice of it above the water line. If he knows his job, he will instinctively visualize the hidden part that lies beneath the waves and he will take his measures accordingly.

Appropriations of the Last Three Congresses

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. TABER. Mr. Speaker, the following tables show the regular appropriations of the last three Congresses for different purposes in parallel columns as near as I can set them up.

The appropriations made at the session of Congress which is now about to close equals $10,252,892,556.60, including all reappropriations and permanent appropriations. In addition to these appropriations, there were contract authorizations aggregating upward of $250,000,000. The worst part of the present situation is that practically all of the funds appropriated in this session of Congress will have been spent by the 30th of June 1938. There will be very little of these items carried over unspent, as has been the case in the past. In other words, with the single exception of about $2,500,000,000 of relief funds, there is absolutely nothing that has not been made a regular activity of the Government. The comparative table showing appropriations for the last three sessions follow:

TABLE I

Title	1st sess., 74th Cong.	2d sess., 74th Cong.	1st sess., 75th Cong.
Agriculture	$125,157,983.14	$195,565,606.00	$933,783,873.00
District of Columbia	40,547,115.00	43,500,000.00	47,760,641.00
Independent offices	777,501,956.20	2,934,751,000.00	1,170,770,677.00
Interior	61,220,928.00	116,425,195.00	187,464,006.07
Legislative	20,746,760.00	23,314,428.00	24,153,536.78
Navy	458,684,379.00	526,546,532.00	527,829,458.00
State, Justice, Commerce, and Labor	98,561,895.00	115,012,400.00	127,357,877.00
Treasury-Post Office	903,635,678.00	992,524,892.00	2,971,846,413.00
War Department	401,998,170.00	527,446,844.00	612,329,767.00
First deficiency	112,633,830.42	368,234,000.00	948,975,868.89
Second deficiency	272,901,233.50	2,675,397,537.96	99,737,540.14
Emergency relief	4,880,000,000.00		1,974,000,000.00
Interior deficiency		35,000.00	
Subtotal	8,153,589,928.06	8,563,753,434.96	
Public acts	102,161,741.47		
Public resolutions	2,635,098.00		472,271,660.00
Private acts	1,268,332.68		
Rural Electrification Administration		50,000,000.00	
Miscellaneous		10,000,000.00	
Subtotal	8,259,655,100.21	8,623,753,434.96	
Permanent appropriation	2,200,101,127.00	1,505,957,086.82	(1)
Third deficiency			154,611,238.72
Total	10,459,756,227.21	10,129,710,521.78	10,252,892,556.60

[1] Permanent appropriations for this year included under the department for which they are appropriated.

These figures are absolutely correct from the standpoint of the items that I have given. I have not had available certain private acts, which I would estimate at approximately $4,000,000.

The reappropriations included in the first session of the Seventy-fifth Congress will aggregate approximately $700,000,000. For this session I have included the permanent appropriations with the regular, and that will result in quite a considerable change over last year's figures. The permanent appropriations were all shown in my statement in the CONGRESSIONAL RECORD of Tuesday, August 17, 1937, at pages 9144–9145.

If we are to continue to do such things, and these are only individual instances of which there are thousands, as this Congress did, there is never going to be any way out financially for this Government. On Friday, the 20th of August, a bill was passed by the House to provide for the purchase by the Government of a quantity of reindeer, a slaughterhouse, and a refrigerating plant in Alaska, belonging to the Lomen Co., which was in the reindeer business in Alaska in 1914, and which has never been successful. In other words, the Government puts up $2,000,000 to bail out a defunct and failing enterprise. On Saturday we appropriated $2,005,000 out of relief funds for the purpose of buying a forest addition to the Yosemite National Park, to bail out a defunct lumber company which owed San Francisco banks. This was a sample of the type of legislation that we had all through the session.

The appropriations for the session just closing run $123,000,000 more than the previous session. They indicate expenditures in all of approximately $10,000,000,000 for the fiscal year 1938, which ends on June 30 next—way beyond anything which has occurred before. They indicate a deficit of anywhere between $3,000,000,000 and $4,000,000,000, and an increase in the national debt of at least $3,000,000,000.

The following is a table showing the appropriations which have been made over each of the last eight sessions of Congress:

TABLE II

Seventy-first Congress, third session	$4,983,250,949.98
Seventy-second Congress, first session	4,627,440,936.33
Seventy-second Congress, second session, and Seventy-third Congress, first session	8,791,396,777.10
Seventy-third Congress, third session	11,534,376,618.23
Seventy-fourth Congress, first session	10,459,756,227.21
Seventy-fourth Congress, second session	10,129,710,521.78
Seventy-fifth Congress, first session	10,252,892,556.60

They indicate that the object has always been to have bigger and better appropriations in order that the national debt may be increased and the tax burden of the people be increased.

Each year we have been told that it was absolutely unnecessary for this country to increase taxes, and yet every year since the Roosevelt administration began there has been a bill increasing taxes substantially. No taxes have been started and abandoned after they were started. We are promised in the tax bill that is to be considered at the next session, in November or in January, another increase which will raise $200,000,000 or $300,000,000; but with the spending program that has been inaugurated, our Government cannot balance its Budget with a tax bill that will raise only from $50,000,000 to $300,000,000. It will require practically $3,000,000,000 of additional revenue to bring about that result if the spending program is to be continued.

I submit a table, such as I have previously submitted in other years, indicating the net national debt with the other liabilities which the Government must meet because of guaranties. The net national debt this year is $38,590,293,658.98. The gross debt as of June 30, 1937, was $36,424,000,000, and, including the guaranties, the gross debt was practically $42,000,000,000.

TABLE III

	June 30, 1931	June 30, 1932	June 30, 1933	June 30, 1934	June 30, 1935	June 30, 1936	June 30, 1937
Receipts	$3,103,764,828.41	$1,976,545,842.44	$2,015,731,288.63	$3,115,554,049.53	$3,800,467,201.96	$4,115,956,615.13	$5,293,840,236.87
Expenditures	3,987,434,521.50	4,813,922,598.90	3,804,425,295.16	7,105,050,084.95	7,375,825,165.57	10,584,732,693.35	9,118,399,223.31
Net deficit	883,669,693.09	2,837,376,756.46	1,788,694,006.53	3,989,496,035.42	3,575,357,963.61	6,468,776,078.22	3,824,558,986.44
Public debt, net	16,329,337,508.29	19,099,805,265.96	21,676,467,339.54	24,471,219,174.32	26,859,547,085.06	31,007,033,289.77	33,871,139,824.98
Net bonus liability	2,273,258,361.00	2,085,241,462.00	1,912,958,398.00	1,817,432,136.00	1,733,784,342.00		
Farm loan guaranty				311,634,200.00	1,225,603,300.00	1,427,735,070.00	1,446,004,209.00
Home loan guaranty				1,039,002,540.00	2,660,677,012.00	3,062,104,810.00	3,020,112,997.00
Reconstruction Finance Corporation						253,552,205.00	253,036,628.00
Total	18,602,595,869.29	21,155,046,727.96	23,589,425,737.54	27,639,288,050.32	32,479,611,739.06	35,840,428,374.77	38,590,293,658.98

The following table gives the number of employees in the Federal Government beginning June 30, 1930. The last available date that I have is May 31, 1937. These figures indicate a steady increase in employees. I understand that the number now exceeds 845,000. This indicates an increase since the Roosevelt administration came into power of 275,000.

TABLE IV

1930	560,456
1931	571,368
1932	570,000
1933	577,170
1934	680,181
1935	751,269
1936	810,418
1937 (May 31, 1937)	840,159

Since the 4th of March 1933 there has been spent by the Roosevelt administration the enormous sum of about $35,000,000,000 to this date—in about 4 years.

A real red-blooded American who wants to see his country continue as the land of the free and the home of the brave cannot fail to see the handwriting on the wall if the Roosevelt administration and its spending program continue.

My Experiences in the First Session of the Seventy-Fifth Congress Both Educational and Pleasant

EXTENSION OF REMARKS

OF

HON. WILLIAM F. ALLEN

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. ALLEN of Delaware. Mr. Speaker, as the first session of the Seventy-fifth Congress draws to a close I want to express my regret at parting company, even for a little while, with the splendid friends I have made since coming to the House of Representatives last January.

Serving in this great body as the sole Representative from Delaware has been a great educational experience. The close association I have had with men who are outstanding in the affairs of the Nation has meant much to me.

I have at all times endeavored to advance the interests of my constituents and the interests of the Nation as a whole.

It has been a pleasure to wholeheartedly support all legislation sponsored by our great President, Franklin Delano Roosevelt, as I promised my constituents I would do if elected to Congress. I am satisfied that great benefit will result to the Nation from the legislation passed at this session. I have nothing but thanks for the splendid cooperation given me by our United States Senator, Hon. JAMES H. HUGHES, who has so willingly and so gladly assisted me and cooperated with me in all matters pertaining to the State of Delaware.

Never in my life have I experienced more cordial and friendly treatment at the hands of any group than I have at the hands of the leaders of our great party in the House. I wish for them and for each Member of the House a most pleasant vacation, and I am looking forward with pleasure to the opportunity of resuming cordial relations with each and every one of them when our next session convenes.

Has Repeal Failed? Results Prove Conclusively It Has Not. The Course of Wisdom Now Would Be to Protect the Youth, Perfect Control Systems, and Strictly and Impartially Enforce the Laws

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. COCHRAN. Mr. Speaker, 3½ years ago the eighteenth amendment was repealed by a popular majority, in the 38 States in which referenda were held, of 9,777,956 votes. Up to that time that was the greatest popular majority ever recorded on any proposition submitted to the electorate.

Notwithstanding the fact that the eighteenth amendment was thus overwhelmingly repudiated as a costly and tragic failure, the country is again being flooded with propaganda for its reenactment. A score of professional prohibition organizations are vigorously soliciting campaign contributions from an emotional public to support their political and propaganda campaigns. Their slogan is: "Repeal has failed; prohibition must be reenacted."

It is a curious psychological phenomenon of our national life that certain emotional elements of our people are gluttons for propaganda punishment and will support liberally any cause that promises large rewards that never can be realized. For more than a hundred years they have been giving millions of dollars to professional prohibitionists who have promised them to enact legislation that would produce a total abstinence millennium. Every known form of prohibition has been given a thorough trial. Not one ever made any substantial contribution toward national sobriety.

The recrudescence of prohibition propaganda is undoubtedly due to the profits it pays to its advocates, and to the mistakes made, since repeal, by Federal, State, and local governments and the alcoholic beverage industries.

Such financial records of the professional prohibition organizations as have been exposed by Senate investigating committees indicate that they collected from the public and spent $150,000,000 in their campaigns to adopt and prevent the repeal of the eighteenth amendment. Some advocates of prohibition had annual incomes of $35,000.

The desire of Federal, State, and local governments to raise revenue out of the alcoholic-beverage industries, to aid in meeting their extraordinary depression needs, and their neglect to administer the laws and regulations for social betterment, are undoubtedly responsible for this renewal of the demand for new prohibition laws. Lax administration of laws and regulations—particularly with respect to issuing licenses and permits to individuals and corporations who

never should have had them—has resulted in abuses in some places that are offensive to good citizenship.

I do not hold the alcoholic-beverage industries blameless. Some brewers and some distillers have been accused of practices which they should have known would bring about another demand for their destruction by prohibition legislation. That class deserves criticism.

With the experiences of 14 years of prohibition fresh in their minds, they should have been the first to comply with and to demand the rigid enforcement of all the laws and regulations passed for the protection of society. If they had done this from the beginning, repeal would now be such a demonstrated success, as compared with prohibition, that there never could have been any excuse for the reenactment of prohibitory laws.

Those of us who fought energetically and those who I may say courageously risked their political futures for the repeal of the eighteenth amendment, had hoped that the three classifications of government would enact sound alcoholic-beverage control legislation, and, with the cooperation of the brewers, distillers, and vintners, enforce it so wisely that intemperance would be reduced to an irreducible minimum and the prohibition problem would be permanently settled.

I represent a district the boundaries of which are located entirely within the limits of the city of St. Louis, and, of course, I was not one of that class I refer to as having courageously risked their political future in advocating the repeal of the eighteenth amendment, but since repeal I have been subject to some criticism from those who do not fully realize the situation because I have advocated more strict enforcement of local, State, and Federal liquor laws.

In my honest opinion nothing will do more to incite the people of the country and cause them to join up with prohibition forces than the failure of enforcement authorities to protect the youth of this country by seeing to it that the young men and young women of the Nation are prevented from securing intoxicating liquors.

The Capitol of the Nation is situated in the District of Columbia, and the Congress of the United States is charged with the responsibility of enacting the laws which govern in the District. As a Member of Congress, I have made every effort to provide for proper enforcement in Washington. A year ago a movement was launched to secure the passage of legislation that would have permitted the sale of hard liquor in Washington on Sunday starting at noon. The District Commissioners announced hearings would be held on the proposal. Few Members of Congress were in Washington at the time. I took it upon myself to file a vigorous protest with the Commissioners, and I am pleased to say the proposed legislation died in the borning.

Just recently I assisted in defeating a bill that would have permitted hard liquor to be sold at counters not only to men but also to women.

What better weapons could you place in the hands of those in favor of prohibition than for Congress to enact such legislation?

Thousands of residents of my city derive their living for themselves and families through their employment by some of the greatest breweries in the world. I am not only thinking of temperance but I am also thinking of the positions of these thousands of men.

Other nations, notably England, Norway, Sweden, Denmark, and the Canadian Provinces, have practically solved the so-called alcohol problem by wise legislation and the cooperation of the alcoholic beverage industries. In England the brewers own and operate the public houses. They maintain an organization to reduce their number and improve their quality. During the past 20 years convictions for drunkenness in England and Wales have been reduced by more than two-thirds. The same thing has been true in a large measure in the other countries I have named. While intemperance in these countries was being almost eliminated, it increased enormously in the United States and Finland under prohibition. I would oppose the plan for the manufacturers to own or operate retail establishments, no matter how successful they have been abroad.

The claim is made that repeal of the eighteenth amendment was a mistake.

But has repeal failed? Are social conditions, under repeal, such as would justify a return to prohibition which has always failed? In order to get the true facts I have gone to the official records of the 10 great beer-producing and consuming States to determine, as far as these records would shed light on the problem, the exact social conditions that now prevail. I have compared the repeal records with those of certain prohibition years.

The States whose records I have compiled are Illinois, Indiana, Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. They produce 90 percent or more of all the beer consumed in the United States. The average per-capita consumption of beer in these States in 1935—the last year for which records are available—was 15.63 gallons as compared with an average preprohibition per-capita consumption of 20 gallons. The average per-capita consumption of distilled liquors in these 10 States was 0.78 of a gallon in 1935 as compared with a preprohibition average of 1.44.

These records prove that there is much less drinking of alcoholic liquors than in the preprohibition period. We have no adequate record of consumption during the prohibition era. Consequently we have no way of making a comparison of drinking under prohibition with consumption since repeal. But we do have social data which will accurately reflect the conditions of these respective periods.

These 10 States have nearly 50 percent of the entire population of the country. Repeal records, as compared with prohibition, show that there has been a sharp decline in—

(1) Deaths and death rates from alcoholism.

(2) Arrests for drunkenness.

(3) Arrests of women and young people for drunkenness.

(4) Arrests for drunken driving.

(5) Revocations of drivers' licenses for intoxication in those States having drivers-license laws for the comparative periods.

(6) In practically all major crimes, especially homicide.

There is no more reliable barometer of the drinking habits of the Nation than the United States Census Bureau records of deaths and death rates from alcoholism.

A comparison of the average number of deaths from alcoholism in these 10 States, from 1926 to 1932, prohibition, with 1933, 1934, and 1935, beer and repeal, shows:

Prohibition, 2,401.

Beer, repeal, 1,675.

On this record, the accuracy of which cannot be challenged, there were 43 percent more deaths from alcoholism in these States during prohibition than since modification and repeal.

The average death rate from alcoholism per 100,000 of population in these 10 States was—

Prohibition	3.6
Beer, repeal	2.4

Exactly 50 percent more under prohibition than since beer and repeal.

The Census Bureau does not have complete records of deaths from alcoholism in all States during the prohibition period, for the reason that not all States were in the registration area until 1933.

The average alcoholism death rate in the States that were in the registration area from 1926 to 1930 was 3.8 per 100,000 of population, as compared with 2.7 for all the States in 1933–35. The highest number of deaths from alcoholism ever recorded by the Census Bureau was 4,627 in 1928, prohibition, with no reports being included from Nevada, New Mexico, South Dakota, and Texas. With all the States reporting in 1935, there were 3,334 deaths from alcoholism, for a rate of 2.6 per 100,000 of population.

With the single exception of 1932, that was the lowest death rate from alcoholism since 1922, the third year of national prohibition.

The Census Bureau records of deaths and death rates from alcoholism tell their own story of much-improved social conditions.

I shall now examine police records of arrests for drunkenness and drunken driving to determine whether these records corroborate Census Bureau reports of social betterment.

I have been able to get the police records of 190 cities in these 10 States of arrests for drunkenness from 1928 to 1935. The combined population of the 190 cities is 26,428,518—more than 50 per cent of the entire population.

In 1928, under prohibition, there were 345,862 arrests for drunkenness in these 190 cities.

In 1929 arrests increased to 350,368.

In 1935, under repeal, there were 271,362 arrests for drunkenness in these same 190 cities.

In 5 prohibition years, 1928–32, the police in these cities made 1,644,375 arrests for drunkenness, an average of 328,875.

In the 3 beer and repeal years the average was 293,283. In the prohibition period there was an average of 10.8 percent more arrests for drunkenness than in the beer and repeal period.

The 1935 record of arrests for drunkenness was the lowest of any year.

That record speaks for itself.

Within a short time after repeal professional prohibition organizations and some safety councils launched furious propaganda campaigns that drunken driving had greatly increased and was becoming a serious threat to safety on the highways.

I do not recall that any of these organizations ever uttered a single warning against the menace of the drunken driver during prohibition. My impression is that they rather studiously tried to convey the impression that there was no such a thing as drunken driving in the dry era. I agree with the sentiment that the intoxicated driver of an automobile is a menace to public safety and should be severely punished—not fined, but put in jail.

What I shall say on this subject is not to be construed as in any sense defending or condoning the drunken driver. I have made a careful inquiry to determine whether there has been more or less drunken driving since legal beer and repeal.

I have complete police records of arrests for drunken driving in 157 cities—combined population, 24,900,171—from 1928 to 1935.

These records show the arrests of 12,973 drunken drivers in 1928, during prohibition, and 10,896 in 1935, during repeal.

Average arrests for drunken driving during the 5 prohibition years, 11,421.

In the 3 beer and repeal years, 9,758.

In this group of 10 States there are two that have complete records of revocations of drivers' licenses for intoxication, New York and New Jersey:

Average revocations, 1928–32:	
New York	2,428
New Jersey	1,922
Total	4,350
Average revocations, 1933–35:	
New York	1,715
New Jersey	1,325
Total	3,040

Forty-three percent more under prohibition.

In the face of such a record we have prohibition and safety organizations advocating reenactment of prohibition laws as a remedy for drunken driving.

It is true that there has been an increase in deaths from automobile accidents since modification and repeal of the prohibition laws. But it is also true that there has been a great increase in automobile travel and the potential speed of all motorcars.

When all the factors entering into the automobile-accident problem are taken into consideration it will be found that the highways are now safer than at any other time. The National Safety Council, which has sponsored much of the drunken-driving propaganda, reports that the 1936 death rate from automobile accidents per 10,000,000 gallons of gasoline consumption was the lowest on record. That means that on the basis of actual motor-vehicle mileage in 1936 there were fewer fatal accidents than in any other year for which records are available. I shall analyze the records in a moment.

It is a significant fact in the automobile-accident problem that in 1933, the year of legal beer and repeal, the horsepower of all automobiles was increased by more than 100 percent. The increase in the low-priced cars was 140 percent. Cars were also streamlined for the first time. This combination of streamlining and high power and other improvements now makes it possible to travel with greater comfort at 60 to 80 miles an hour than at 30 to 40 miles an hour before these changes were made.

We have from the United States Bureau of Roads and the United States Census Bureau a complete record of gasoline consumption and deaths from primary automobile accidents in these 10 States from 1926 down to 1935. From these records I have computed the death rates per 10,000,000 gallons of gasoline for each year. I have also brought the computation down to include 1936 on reports of deaths from automobile accidents by State boards of health. The 1936 figures are not, however, strictly comparable with those of other years for the reason that some State health departments include in their reports other than primary automobile accidents.

Prohibition:	*Percent*
1926	22.9
1927	23.2
1928	22.2
1929	20.7
1930	21.1
1931	20.2
1932	18.8
Average	21.3
Beer and repeal:	
1933	19.9
1934	19.6
1935	18.8
1936	18.9
Average	19.3

On the basis of miles traveled, notwithstanding the greatly higher speeds, deaths from automobile accidents are going down instead of up.

I present the picture more graphically in the following tabulation:

PROHIBITION

1926: 1 death for each 6,550,000 miles of motor-vehicle travel.

1927: 1 death for each 6,465,517 miles of motor-vehicle travel.

1928: 1 death for each 6,756,756 miles of motor-vehicle travel.

1929: 1 death for each 7,241,545 miles of motor-vehicle travel.

1930: 1 death for each 7,109,004 miles of motor-vehicle travel.

1931: 1 death for each 7,425,723 miles of motor-vehicle travel.

1932: 1 death for each 7,978,723 miles of motor-vehicle travel.

BEER AND REPEAL

1933: 1 death for each 7,537,688 miles of motor-vehicle travel.

1934: 1 death for each 7,653,061 miles of motor-vehicle travel.

1935: 1 death for each 7,978,723 miles of motor-vehicle travel.

1936: 1 death for each 7,936,507 miles of motor-vehicle travel.

Average, 1926–32, prohibition, 1 death for each 7,042,252 miles of motor-vehicle travel;

1933–36, beer and repeal, 1 death for each 7,772,000 miles of motor-vehicle travel.

To pursue the illustration further, we are starting out two drivers on imaginary trips around the world at the Equator, each to drive until he is killed or kills someone else in an accident. Each will drive 400 miles a day. The one will drive the 30 to 40 miles an hour car of 8 or 10 years ago. The other, the modern high-speed car. The first will drive under the conditions that prevailed during prohibition. The other, under conditions of today. How long will each drive before meeting his fate?

The prohibition driver will be killed, or kill someone else, on his two hundred and eighty-first trip around the world, in the forty-seventh year of continuous driving.

The repeal driver will have his fatal accident on his three hundred and eleventh trip around the world after 53 years of continuous driving.

In either event the chances are about 50 to 50 that the person killed would be a pedestrian and that it would be the pedestrian's fault.

I have discussed this accident question somewhat fully because it is being used as the chief prohibition argument. The records show that in 1936, 3,000 more persons were killed and three times as many temporarily and permanently disabled in home accidents than in automobile accidents. The country becomes hysterical over the automobile-accident problem but ignores the more serious home-accident situation.

The Accident Prevention Conference of the United States Department of Commerce, in a report dated February 19, 1936, said:

> The outstanding cause of these deaths (from automobile accidents) is high speed * * *. It is only fair to state that there is no evidence pointing to drunken driving being materially on the increase.

The reports on the causes of automobile accidents of the different States show that more than 93 percent of all fatalities are caused by normal, sober drivers, principally on straight-ahead highways. It is the normal and inattentive driver—not the drunken driver—who is the real menace to public safety on the highways.

But we are also told by the drys that there has been a big increase in crime since repeal. What do the records say? I have the complete 17-year homicide record for Illinois. Here it is:

Seventeen-year homicide record for Illinois

Year	Murders	Rate per 100,000
PROHIBITION		
1920	480	7.4
1921	582	8.8
1922	655	9.8
1923	634	9.3
1924	721	10.5
1925	770	10.9
1926	751	10.4
1927	756	10.4
1928	778	10.5
1929	674	8.9
1930	805	10.5
1931	797	10.3
1932	759	9.7
BEER AND REPEAL		
1933	832	10.7
1934	739	9.3
1935	545	6.9
1936	501	6.4

It will be noted that the homicide rate of 6.4 per 100,000 of population in 1936 was the lowest of any year of the 17-year period.

I now compare the Census Bureau homicide record for these 10 States:

Year	Illinois	Indiana	Michigan	Minnesota	Missouri	New Jersey	New York	Ohio	Pennsylvania	Wisconsin	Total
1920	480	138	205	74	268	134	478	402	493	44	2,716
1921	582	189	182	106	346	168	517	473	564	60	3,177
1922	655	171	171	88	391	157	528	435	538	48	3,182
1923	634	185	250	70	423	179	469	472	634	61	3,377
1924	721	223	297	79	457	172	596	422	571	50	3,588
1925	770	204	320	95	429	185	571	502	570	63	3,709
1926	751	181	461	56	405	166	546	546	525	73	3,710
1927	756	200	372	65	375	162	635	550	557	73	3,745
1928	778	222	327	71	397	175	616	531	543	61	3,721
1929	674	224	392	56	351	180	660	543	500	66	3,646
1930	801	207	324	97	410	223	712	616	491	91	3,972
1931	809	215	295	76	405	204	821	602	479	105	4,011
1932	759	223	271	76	410	218	763	543	469	83	3,865
BEER AND REPEAL											
1933	841	188	240	90	451	211	746	548	418	55	3,788
1934	772	242	195	88	444	170	632	513	387	71	3,514
1935	564	150	198	67	376	182	600	477	366	41	3,021
RATES PER 100,000 POPULATION											
											Average rate
1920	7.3	4.7	5.5	3.1	7.8	4.2	4.6	6.9	5.6	1.7	5.1
1921	8.7	6.4	4.7	4.4	10.1	5.1	4.8	7.9	6.4	2.2	6.0
1922	9.7	5.7	4.3	3.6	11.3	4.7	4.8	7.3	6.0	1.8	5.9
1923	9.2	6.1	6.1	2.9	12.2	5.2	4.2	7.8	7.0	2.2	6.2
1924	10.3	7.3	7.1	3.2	13.0	4.9	5.3	6.9	6.3	1.8	6.6
1925	10.8	6.6	7.4	3.8	12.2	5.1	4.9	8.1	6.2	2.3	6.7
1926	10.4	5.8	10.4	2.2	11.4	4.5	4.6	8.6	5.6	2.6	6.6
1927	10.3	6.3	8.2	2.6	10.5	4.3	5.3	8.6	5.9	2.6	6.4
1928	10.5	7.0	7.0	2.8	11.1	4.5	5.0	8.2	5.7	2.1	6.3
1929	8.9	7.0	8.2	2.2	9.7	4.5	5.3	8.3	5.2	2.3	6.1
1930	10.5	6.4	6.7	3.8	11.2	5.5	5.6	9.3	5.1	3.1	6.7
1931	10.5	6.5	6.2	2.9	10.9	5.0	6.5	9.0	4.9	3.6	6.6
1932	9.8	6.7	5.7	2.9	10.9	5.2	6.0	8.1	4.8	2.8	6.2
BEER AND REPEAL											
1933	10.8	5.6	5.1	3.5	11.8	5.0	5.8	8.2	4.2	1.9	6.1
1934	9.9	7.1	4.2	3.4	11.5	4.0	4.9	7.7	3.9	2.4	5.9
1935	7.2	4.4	4.2	2.6	9.6	4.2	4.7	7.1	3.6	1.4	4.9

This homicide record shows how the crime of murder increased regularly throughout the prohibition period, and how it began declining with legalization of beer and repeal. It will be observed that the homicide rate of 4.9 per 100,000 population in 1935 was the lowest of any year in this 16-year period. Preliminary reports indicate that the homicide record took another big drop in 1936. In 5 years, from 1931 to 1935, the number of homicides in these 10 States dropped from 4,011 to 3,021—a total of 990. The rate dropped from 6.6 to 4.9, 34 percent.

The gang wars of the prohibition era, which resulted in wholesale homicide in some particular instances, have largely disappeared as the result of repeal. Although these 10 States have approximately 50 percent of the entire population of the country, they account for but approximately 30 percent of the homicides. The 1935 average of 4.9 per 100,000 population may be compared with the rate of 24.8 in Florida, 22 in Georgia, 24.6 in Mississippi, and 20.5 in Tennessee.

The United States Census Bureau has discontinued its reports on divorces. There has been but one recent survey of this subject. Prof. Ernest R. Mowrer of the Northwestern University, Chicago, has made a study of a 7-year divorce record of Cook County, Ill. He reports that in 1929, prohibition, drunkenness was a ground for divorce in 737 cases, and in 1935, repeal, in 432 cases. In 1929 drunkenness was the cause of divorce in 8.2 percent of all cases, and in 1935, in 4.7 percent of the total. Adultery as grounds for divorce dropped from 407 cases in 1929 to 103 in 1935.

Delegates to the convention of the World W. C. T. U., recently held in Washington, heard reports that deaths in maternity cases were increasing since repeal. The National W. C. T. U. executive committee said in resolutions that the use of alcoholic beverages is one of the largest contributing causes to the spreading of syphilis and other social diseases and is also a contributing cause to the increasing number of deaths from tuberculosis.

Here is what the latest United States Census Bureau records say on this subject:

SYPHILIS

Year	Prohibition		Year	Beer and repeal	
	Deaths	Rate		Deaths	Rate
1928	16,826	14.7	1934	11,726	9.3
1929	16,188	13.9	1935	11,590	9.1

MATERNITY CASES

1930	15,165	12.8	1933	12,885	10.2
1931	14,239	11.9	1934	12,859	10.2
1932	13,293	11.1	1935	12,544	9.8

TUBERCULOSIS

1930	84,741	71.5	1933	74,842	59.5
1931	81,393	68.1	1934	71,609	56.6
1932	75,509	62.8	1935	70,080	55.0

Death rates from syphilis reduced from 14.7 in 1928 to 9.1 in 1935, death rates in maternity cases reduced from 12.8 in 1930 to 9.8 in 1935, and death rates from tuberculosis reduced from 71.5 in 1930 to 55 in 1935.

I have taken the records of the Federal, State, and local governments relating to all the social factors of the alcohol problem and have shown by these records that there has been decided betterment since legal beer and repeal as compared with the prohibition era.

Specifically:

Deaths and death rates from alcoholism have gone down.

Arrests for drunkenness have decreased.

Arrests for drunken driving have dropped.

Revocations of drivers' licenses for intoxication have declined.

Homicides and homicide rates have been reduced.

Drunkenness as grounds for divorce shows a decline of 50 percent.

On the basis of motor-vehicle mileage, the streets and highways are safer than ever before.

Deaths and death rates from syphilis, childbirth, and tuberculosis have all declined sharply.

On all the social factors entering into the problem there are positive benefits since legal beer and repeal. On the basis of such a record, repeal is not a failure. It is working out successfully. With better administration to control laws we may expect continued improvement. On the record of social improvements there is no justification for a renewed demand for prohibition.

Now, let us examine the economic benefits:

Since legalization of beer, April 7, 1933, up to and including May 1937, the Federal Government had collected $1,759,537,879.77 in revenues on alcoholic beverages.

Exact figures on revenues collected by State and local governments are not available, but they aggregate more than a billion dollars.

These revenue figures show that the three classifications of government—Federal, State, and municipal and local—have taken the major profits of the legalized alcoholic-beverage industries.

Much of the State and local revenues have been used to finance public schools, old-age pensions, and public relief. All the money collected from these industries has been used for the legitimate and useful ends of government.

Under prohibition all the profits of an illegal industry were taken by criminals and used to finance crime.

The 10 States which I have been considering in this analysis, in the fiscal years of 1934, 1935, and 1936, paid $862,349,603.83 in alcoholic-beverage revenues into the Federal Treasury. The fiscal year of 1937 has ended, but the revenue record for the year is not yet available. It will amount to more than $400,000,000. Consequently the beverage industries of these 10 States have contributed more than $1,250,000,000 to the support of the Federal Government since they were legalized.

I have been unable to get a complete record of State and municipal revenues collected in these 10 States. For the fiscal years of 1934, 1935, and 1936 the State governments collected $385,517,227.42 in beverage taxes of various kinds. Municipal governments collected at least $300,000,000 more. The three classifications of government in these 10 States have benefited to the extent of approximately $2,000,000,000 from alcoholic-beverage taxes of all kinds.

All social data from these 10 States indicate that there must have been a greater consumption of illegal liquor under prohibition than of legal liquor since repeal. Otherwise how could deaths and death rates from alcoholism, arrests for drunkenness and drunken driving, and revocations of motor-vehicle drivers' licenses for intoxication have been higher during prohibtion than since repeal?

Since criminals took all the profits of the illegal industry which produced these social conditions, it is evident that their profits from an illegal industry must have been greater than the combined profits collected by the governments and the legal industries since repeal.

Surely it will not be contended by any rational person that it is better for criminals to take the profits of an illegal industry and use them to finance crime than for governments to take the major profits and use them for the benefit of orderly society under proper official supervision.

The reopening of the breweries, wineries, and distilleries following modification and repeal resulted in making substantial contributions to national recovery. When the breweries reopened in April 1933 the country was in serious economic and financial plight. Banks were closed. Industry was paralyzed. The heads of great industrial and financial organizations were making beaten paths to Washington for financial aid to avoid disaster. The breweries, which had been wrecked by more than 13 years of national prohibition, refinanced themselves without borrowing a dollar from the Government and created the first new employment for more than 3 years. They began immediately turning a stream of revenue into the Federal and State treasuries and, moreover, gave employment to much idle capital and labor.

Taking the country as a whole, employment was provided by the legalized industries in manufacture, in the production of supplies, and in the wholesale and retail trade for approximately 1,250,000 persons. Huge quantities of grain for brewing and distilling were purchased at premium prices, thus giving a boost to agriculture, which at that time was prostrate. The 10 great beer States have used more than 8,826,000,000 pounds of grain and other farm products—equivalent to more than 275,000,000 bushels of malt.

Immediately after the grain buyers for the legalized industries appeared in the markets agriculture began an upward swing. The beverage industries consume approximately 10 percent of the marketable grain crop of the country. It was this 10 percent of grain sold abroad, at prices foreigners would pay, that demoralized prices of the entire domestic market. Successive Secretaries of Agriculture have reported that the only practical method of maintaining farm stability was to reduce the surpluses that have gone into foreign markets. The absorption of a large part of the surplus by the legal beverage industries has unquestionably been a highly beneficial factor in the farm-improvement situation.

Since the legal industries began operation farm income has increased more than $6,500,000,000 a year and farm values have increased more than $10,000,000,000. The prices of all farm grains, selling at less than 25 cents a bushel in 1932, are, and have been most of the time since repeal, well above a dollar a bushel.

I have compiled a very complete set of tables of the social, economic, and industrial benefits of repeal in the 10 States which I have used in this discussion. I am including these tables in my remarks; all are compiled from official sources.

This record completely disproves the theory that prohibition offers any solution of the beverage-alcohol problem that compares favorably with legalized regulation and control.

On every factor entering into the problem the record proves the superiority of repeal over prohibition. In the face of such a record, the professional prohibitionists have little excuse for their renewed demands for the reenactment of the eighteenth amendment. After nearly 14 years of fair, exhaustive, and costly trial, the people rejected prohibition by a great majority as a complete failure. The record shows that repeal is working to the greater benefit of society as a whole. The course of wisdom now would be to protect the youth of the country, perfect control systems, and to strictly and impartially enforce the laws. Such a course would increase and perpetuate the demonstrated benefits of repeal over prohibition as a solution of the age-old controversy over the beverage-alcohol question.

STATISTICAL TABLES

The following tables, showing in detail the deaths and death rates from alcoholism, arrests for drunkenness and drunken driving, deaths and death rates from automobile accidents, motor-vehicle registrations and gasoline consumption, Federal and State revenues, pay rolls and employment in the alcoholic-beverage industries, tell an interesting and convincing statistical story of the very pronounced social and economic benefits of legal beer and repeal. They are all from official sources.

Deaths and death rates from alcoholism

[U. S. Census Bureau; rates per 100,000 of population]

	Prohibition							Beer and repeal			
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	[1] 1936
Illinois:											
Deaths	336	409	368	240	188	180	130	134	135	93	123
Rate	4.7	5.6	4.9	3.2	2.5	2.3	1.7	1.7	1.7	1.2	1.5
Indiana:											
Deaths	57	65	77	82	72	76	54	60	74	61	118
Rate	1.8	2.1	2.4	2.5	2.2	2.5	1.6	1.8	2.2	1.8	3.4
Michigan:											
Deaths	211	199	150	147	97	101	73	68	79	65	75
Rate	4.8	4.4	3.4	3.1	2.0	2.1	1.5	1.4	1.7	1.4	1.5
Minnesota:											
Deaths	106	83	99	77	75	101	60	74	68	57	92
Rates	4.2	3.3	3.9	3.0	2.9	3.9	2.3	2.8	2.6	2.2	3.5
Missouri:											
Deaths	113	110	139	108	117	92	74	56	77	79	----------
Rate	3.2	3.1	3.9	3.0	3.2	2.5	2.0	1.5	2.0	2.0	----------
New Jersey:											
Deaths	171	165	158	153	177	132	113	99	105	86	123
Rate	4.6	4.3	4.1	3.8	4.4	3.2	2.7	2.4	2.5	2.0	2.8
New York:											
Deaths	788	840	866	817	801	821	579	635	564	534	421
Rate	6.7	7.0	7.1	6.6	6.4	6.5	4.5	5.0	4.4	4.1	3.2
Ohio:											
Deaths	225	216	299	276	258	253	198	185	239	218	----------
Rate	3.6	3.4	4.6	4.2	3.9	3.8	3.0	2.8	3.6	3.4	----------
Pennsylvania:											
Deaths	481	545	526	464	402	344	282	265	320	299	361
Rate	5.2	5.8	5.6	4.9	4.2	3.5	2.9	2.7	3.2	3.0	3.6
Wisconsin:											
Deaths	91	98	99	118	106	99	87	98	80	69	79
Rate	3.2	3.4	3.4	4.0	3.6	3.4	3.0	3.4	2.8	2.4	2.7
Total deaths	2,579	2,730	2,789	2,482	2,296	2,179	1,652	1,694	1,741	1,561	----------
Average rate	4.2	4.2	4.3	3.8	3.5	3.3	2.5	2.5	2.6	2.3	----------

[1] Preliminary State reports, incomplete.

NOTE.—In number of deaths and death rates the 1935 record is the lowest of any year in this 11-year period.

Arrests for drunkenness, 1928–35

States	Number of cities	Population	1928	1929	1930	1931	1932	1933	1934	1935
Illinois	6	3,739,423	80,795	91,357	100,058	72,304	64,538	60,538	60,993	57,391
Indiana	11	399,738	4,612	3,766	3,468	2,839	2,411	2,785	2,930	3,738
Michigan	23	2,635,258	41,059	40,377	35,461	34,482	31,380	32,578	37,228	35,389
Minnesota	8	912,775	13,109	12,153	13,824	13,191	12,366	15,213	16,975	15,975
Missouri	2	836,044	12,136	12,040	12,473	11,167	11,664	11,870	8,816	8,973
New Jersey	19	1,429,657	6,829	7,034	5,936	5,802	5,432	5,668	5,159	4,237
New York	49	9,456,918	38,466	35,808	35,952	34,940	28,912	20,898	33,493	28,834
Ohio	36	3,307,423	62,930	63,695	57,497	58,895	50,606	55,263	61,011	36,870
Pennsylvania	13	2,567,769	70,753	65,567	65,240	68,452	59,869	64,206	74,466	67,257
Wisconsin	23	1,142,504	15,173	18,571	17,609	17,334	14,053	14,153	14,185	12,678
Total	190	26,428,518	345,862	350,368	347,518	319,396	281,231	293,231	315,256	271,362
Average (prohibition, 1928–32)										328,875
Average (beer and repeal, 1933–35)										293,285

10.8 percent decrease under beer and repeal.

Arrests for drunken driving, 1928–35

States	Number of cities	Population	1928	1929	1930	1931	1932	1933	1934	1935
Illinois	6	3,739,432	1,519	1,339	1,431	1,202	879	835	938	990
Indiana	10	366,538	389	313	322	358	206	231	256	321
Michigan	19	2,526,203	2,869	2,338	2,033	1,904	1,360	1,205	1,824	1,674
Minnesota	7	907,454	611	613	805	948	657	505	804	882
Missouri	1	830,300	708	680	640	360	226	214	156	613
New Jersey	16	1,378,416	440	497	416	391	319	338	381	319
New York	42	9,045,032	2,438	2,296	2,312	2,045	1,460	1,283	1,562	1,784
Ohio	27	2,732,505	1,881	1,632	1,257	1,110	907	944	1,300	1,446
Pennsylvania	9	2,300,555	999	1,144	1,621	1,832	1,385	1,493	2,154	1,917
Wisconsin	20	1,073,736	1,149	1,227	1,433	1,242	943	909	1,048	950
Total	157	24,900,171	12,973	12,129	12,270	11,392	8,343	7,957	10,423	10,896

Average (prohibition, 1928–32) 11,428
Average (beer and repeal, 1933–35) 9,751
14.5 percent decrease under beer and repeal.

Deaths and death rates from automobile accidents (U. S. Census Bureau) 1926–36 [1]

	Prohibition							Beer and repeal			
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Illinois:											
Deaths	1,338	1,512	1,743	1,685	1,945	2,049	1,831	1,943	2,288	2,037	2,328
Death rate	18.6	20.6	23.4	22.3	25.4	26.5	23.6	24.8	29.1	26.0	29.5
Indiana:											
Deaths	547	665	784	807	965	1,023	845	979	1,144	1,056	1,349
Death rate	17.5	21.1	24.6	29.7	31.4	37.3	31.1	34.5	37.2	35.2	38.7
Michigan:											
Deaths	1,112	1,226	1,247	1,411	1,384	1,407	1,143	1,196	1,416	1,573	1,913
Death rate	25.2	28.0	26.9	29.7	28.4	28.5	22.9	23.7	30.0	33.2	37.7
Minnesota:											
Deaths	326	369	435	505	561	622	486	525	624	585	654
Death rate	13.0	14.7	17.2	19.8	21.8	25.5	20.5	22.4	25.6	24.1	24.8
Missouri:											
Deaths	493	517	625	651	739	844	690	770	944	910	926
Death rate	13.9	14.5	17.4	18.0	20.3	23.1	18.9	21.0	25.7	23.0	23.4
New Jersey:											
Deaths	792	973	1,015	1,209	1,211	1,229	1,105	1,147	1,186	1,156	1,084
Death rate	21.3	25.6	26.1	30.4	29.8	29.9	26.6	27.4	27.9	26.9	25.0
New York:											
Deaths	2,178	2,384	2,554	2,977	3,048	3,077	2,813	2,784	2,903	2,783	2,641
Death rate	18.5	19.8	20.9	24.0	24.1	24.1	21.9	21.5	22.2	21.9	19.8
Ohio:											
Deaths	1,317	1,494	1,708	1,990	2,019	1,970	1,822	1,829	2,119	2,161	2,132
Death rate	20.8	23.3	26.3	30.2	30.2	29.3	27.0	26.9	31.9	32.2	29.7
Pennsylvania:											
Deaths	1,734	1,860	1,882	2,159	2,422	2,412	2,043	2,190	2,439	2,295	2,358
Death rate	21.0	21.4	19.9	22.6	25.1	24.9	21.0	22.4	24.8	22.9	23.3
Wisconsin:											
Deaths	384	511	620	612	712	731	634	627	687	762	714
Death rate	13.6	17.9	21.5	21.0	24.2	24.7	21.0	21.0	23.7	26.2	24.5
Total	10,221	11,511	12,613	14,096	15,006	15,384	13,402	13,990	15,750	15,318	16,099
Average rate	18.3	20.6	22.4	22.5	26.0	27.3	23.4	24.5	27.8	27.1	27.6

[1] Reports from 1926 to 1935 are from the vital statistics compiled by the U. S. Census Bureau. These statistics are from the Bureau's classification of "primary" accidents that is, accidents in which automobiles alone are involved. The Bureau also makes up another table classified as "Automobile accidents from all causes." This table includes collisions with railroad trains, streetcars, and motorcycle accidents.

The Bureau does not consider the death-rate statistics on "All automobile accidents" accurate until 1930. The 1936 records used in this table are furnished by the courtesy of State health departments. In most instances the figures are for "All automobile accidents," which are somewhat higher than "Primary accidents."

Motor vehicle registrations, 1926–35

	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Illinois	1,370,503	1,438,985	1,504,359	1,615,068	1,638,260	1,612,770	1,493,498	1,463,050	1,456,241	1,525,817	1,659,750
Indiana	772,326	813,367	823,806	866,715	875,763	862,672	796,815	770,071	803,271	850,650	905,088
Michigan	1,118,785	1,154,773	1,249,221	1,395,102	1,328,209	1,230,980	1,134,808	1,077,209	1,148,953	1,239,431	1,373,676
Minnesota	630,285	646,682	673,573	730,399	732,972	720,401	683,397	679,243	697,672	726,993	783,627
Missouri	654,554	682,419	712,965	786,680	761,600	752,805	717,460	698,362	739,813	766,369	809,615
New Jersey	651,415	712,396	758,430	832,332	852,850	869,867	857,850	845,734	864,641	888,292	943,412
New York	1,815,434	1,937,918	2,083,942	2,263,259	2,307,730	2,297,249	2,241,930	2,240,757	2,269,355	2,330,962	2,458,542
Ohio	1,480,246	1,570,734	1,649,699	1,766,614	1,759,363	1,710,625	1,589,524	1,554,314	1,613,265	1,712,051	1,777,048
Pennsylvania	1,455,184	1,554,915	1,642,207	1,733,283	1,753,521	1,741,942	1,664,021	1,635,019	1,681,202	1,745,401	1,918,116
Wisconsin	662,282	698,289	742,135	793,502	782,562	754,249	694,652	670,797	709,359	754,037	835,178
Total	10,611,014	11,210,478	11,840,337	12,752,974	12,792,830	12,553,560	11,873,955	11,634,556	11,983,772	12,540,003	13,459,052

NOTE.—Increase, 1936 over 1935 =7.49 percent.

Gasoline consumption (Bureau of Public Roads), 1926–35

[Gallons]

	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Illinois	[1] 650,000,000	609,975,466	[2] 712,841,273	[1] 845,000,000	915,747,319	968,856,165	958,468,356	927,767,039	1,025,751,000	1,069,242,000	1,123,332,000
Indiana	299,058,025	337,769,317	372,584,968	410,936,759	428,968,653	450,863,830	418,489,040	407,080,056	465,638,000	504,867,000	525,909,000
Michigan	504,088,814	551,144,507	611,161,335	710,300,302	722,462,626	727,744,907	681,044,263	648,615,259	735,596,000	809,472,000	871,512,000
Minnesota	240,234,382	258,743,986	288,404,998	338,631,771	345,303,709	369,005,304	333,351,913	333,828,560	405,012,000	429,486,000	404,426,000
Missouri	283,057,270	316,549,141	347,411,433	384,033,575	431,958,060	460,328,204	447,484,670	454,056,751	490,507,000	512,654,000	548,211,000
New Jersey	[1] 255,000,000	204,142,900	422,346,478	498,063,808	546,685,108	570,821,076	553,914,175	546,579,541	567,899,000	621,681,000	657,986,000
New York	[1] 720,000,000	[1] 920,000,000	[1] 1,000,000,000	[1] 1,283,000,000	1,438,582,716	1,527,203,055	1,485,127,929	1,444,837,830	1,501,463,000	1,537,475,000	1,619,128,000
Ohio	662,863,296	752,028,064	829,523,293	910,154,885	927,036,272	983,201,323	856,729,484	838,020,083	1,254,786,000	1,014,925,000	1,078,255,000
Pennsylvania	588,379,021	691,562,015	733,268,795	1,047,914,175	928,842,534	1,081,755,912	1,009,663,827	1,024,637,243	1,136,343,000	1,171,439,000	1,227,225,000
Wisconsin	290,490,262	301,355,684	342,810,563	374,251,957	415,742,027	431,504,707	373,710,495	379,235,644	431,513,000	442,436,000	452,509,000
Total	4,463,171,070	4,943,271,080	5,660,353,136	6,802,287,232	7,101,329,024	7,571,284,483	7,117,984,152	6,996,658,006	8,017,505,000	8,113,027,000	8,508,461,000

[1] Estimated.

[2] 11 months estimated.

NOTE.—Increase, 1936 over 1935=10.46 percent.

Federal revenues, 1934, 1935, 1936 (beer, wine, and distilled liquors)

	1936	1935	1934	Total
Illinois	$75,464,236.95	$61,978,828.13	$27,286,363.89	$164,729,428.87
Indiana	40,182,146.40	32,761,975.58	10,296,369.26	83,240,491.24
Michigan	17,711,568.15	15,312,373.28	10,197,724.97	43,221,666.40
Minnesota	12,333,398.59	10,226,193.22	7,838,934.98	29,373,010.68
Missouri	14,798,943.14	12,561,969.47	9,945,627.71	37,306,570.32
New Jersey	26,861,008.24	18,584,563.18	10,711,150.26	56,156,721.68
New York	56,521,302.87	51,880,206.53	42,756,579.31	151,157,988.71
Ohio	30,982,438.95	24,470,820.07	12,890,076.25	68,343,335.27
Pennsylvania	64,952,266.75	51,843,392.87	39,106,351.73	155,902,011.35
Wisconsin	27,631,114.60	23,478,561.44	21,808,703.17	72,918,379.21
Total	367,438,424.64	303,098,913.77	192,837,881.53	862,349,603.83

State revenues

	1936	1935	1934	1933	Total
Illinois	$10,935,011.64	$8,578,751.58	$6,972,244.75	$1,967,931.64	$28,453,939.61
Indiana	7,029,208.91	5,674,506.37	3,857,115.59	2,164,016.18	18,724,937.05
Michigan	9,815,958.72	8,835,863.06	7,680,428.54		26,332,250.32
Minnesota	4,193,704.10	3,412,960.16	2,815,877.74		10,422,542.00
Missouri	5,347,789.93	4,713,770.53	2,614,131.07	348,321.79	13,024,013.32
New Jersey	12,772,509.05	11,101,157.63	4,714,661.46	1,281,030.43	29,869,358.57
New York	36,878,429.92	38,102,767.80	31,254,372.72	17,365,721.36	123,601,291.80
Ohio	26,304,801.71	14,909,864.91	11,654,386.79		52,929,053.41
Pennsylvania	31,308,587.14	20,393,079.69	14,793,951.76		66,495,618.59
Wisconsin	6,084,207.85	4,834,798.23	3,672,623.82	1,072,592.85	15,664,222.75
Total	150,670,298.97	120,617,519.96	90,029,794.24	24,199,614.25	385,517,227.42

Biennial census of manufactures, 1935, malt liquors—Summary by States

	Number of establishments	Salaried officers and employees	Wage earners (average for the year)	Salaries	Wages	Cost of materials, containers, fuel, and electric energy	Value of products
Illinois	61	632	2,863	$1,693,116	$4,277,656	$11,088,324	$28,092,722
Indiana	16	204	1,464	522,856	1,901,681	4,567,657	14,554,088
Michigan	44	464	2,568	1,281,183	4,168,333	9,441,508	26,469,326
Minnesota	24	380	1,581	1,079,448	2,048,163	5,304,370	18,236,810
Missouri	19	514	2,101	1,375,374	3,273,992	6,206,574	22,611,177
New Jersey	15	262	1,540	794,335	2,855,866	7,313,152	22,401,063
New York	69	1,460	5,993	4,026,878	10,885,447	25,408,206	77,523,981
Ohio	50	571	2,847	1,427,416	4,082,442	8,898,644	24,398,139
Pennsylvania	101	973	4,506	2,512,308	7,513,528	15,595,261	46,865,126
Wisconsin	88	920	3,796	2,088,114	5,258,067	13,549,802	44,007,605
Total	487	6,400	29,259	16,801,728	46,294,915	107,462,958	325,150,037

Combined wholesale and retail distribution of beer, wine, and liquors

[From the 1935 United States business census reports]

	Number	Sales	Proprietors	Employees	Pay rolls	Operating expenses including pay rolls
Illinois	20,020	$271,343,000	20,432	47,072	$32,815,000	$78,833,000
Indiana	6,396	59,989,000	6,726	13,611	7,421,000	18,666,000
Michigan	10,209	123,002,000	10,509	28,049	17,016,000	36,837,000
Minnesota	7,285	97,496,000	7,446	17,718	11,336,000	30,127,000
Missouri	8,443	94,655,000	8,651	21,054	13,937,000	30,083,000
New Jersey	11,182	149,726,000	10,979	25,437	20,428,000	52,307,000
New York	31,305	833,470,000	29,785	129,617	114,323,000	291,966,000
Ohio	14,666	195,609,000	14,541	40,410	25,166,000	56,857,000
Pennsylvania	21,468	279,583,000	21,061	52,823	33,237,000	81,288,000
Wisconsin	12,102	108,492,000	12,324	16,985	9,988,000	27,851,000
Total	143,076	2,213,365,000	142,454	392,776	285,667,000	704,815,000

ARRESTS OF WOMEN FOR DRUNKENNESS—1928–35

Since repeal there has been much idle talk that women are drinking a great deal more than during prohibition. Police records do not bear out such charges. In fact, there is so little drunkenness among women that many police departments do not keep separate records of intoxicated women. The chiefs of police of the 190 cities that supplied a record of arrests for drunkenness were also asked for a separate record of arrests of women for drunkenness. Here is the complete record supplied by these departments. It shows more women arrested for drunkenness in 1928, prohibition, than in any other year of this 8-year period. It should be remembered that during prohibition much of the drinking was done in the homes with consequent less exposure to arrest:

	1928	1929	1930	1931	1932	1933	1934	1935
Illinois (1 city)	28	20	15	12	25	12	10	8
Indiana (5 cities)	42	30	44	41	56	49	64	53
Michigan (9 cities)	897	813	337	459	391	896	852	942
Minnesota (4 cities)	378	376	389	410	427	495	511	586
Missouri (1 city)	1,728	1,534	1,425	1,396	1,419	1,520	1,042	1,184
New Jersey (6 cities)	32	38	26	24	43	27	37	37
New York (33 cities)	1,590	1,358	1,227	1,337	1,154	1,195	1,281	1,128
Ohio (9 cities)	409	402	346	437	392	501	532	474
Pennsylvania (8 cities)	393	351	356	359	313	270	340	280
Wisconsin (8 cities)	387	491	524	575	517	509	546	520
Total	5,634	5,113	4,699	5,050	4,742	5,174	5,215	5,204

In the entire State of New York the commissioner of correction reported the arrest of 2,714 women for drunkenness in 1930; 2,478 in 1935. Total arrests for drunkenness, New York, 1930, 52,863; 1935, 46,336.

YOUNG PERSONS, 21 AND UNDER, ARRESTED FOR DRUNKENNESS

The libel against women has been repeated even more viciously against youth. The police departments of the 190 cities were asked also to supply the records of arrests of persons 21 years and under for drunkenness. The record shows that in 1935 there were fewer young people arrested than in any other year of the 8-year period, except in 1929. Here is the complete record supplied by the police departments:

	1928	1929	1930	1931	1932	1933	1934	1935
Indiana (5 cities)	48	25	48	33	37	38	42	40
Michigan (9 cities)	103	108	81	96	85	95	125	124
Minnesota (2 cities)	624	464	564	576	609	679	609	468
New Jersey (2 cities)	8	1	3	5	2	2	7	3
New York (18 cities)	442	474	451	446	390	327	364	312
Ohio (7 cities)	143	148	184	217	209	232	282	287
Pennsylvania (4 cities)	59	33	57	38	83	52	55	63
Wisconsin (7 cities)	66	83	54	67	51	50	37	59
Total	1,493	1,336	1,442	1,478	1,466	1,475	1,521	1,356

ARRESTS FOR DRUNKENNESS AND DRUNKEN DRIVING IN CHICAGO AND DETROIT

In these two cities it is possible to give complete police records of arrests for drunkenness and drunken driving in a preprohibition period, the entire prohibition period, and the beer and repeal period. The statistics show that in both cities arrests for drunken driving and drunkenness were much higher during certain prohibition years than either before prohibition or since repeal. The Chicago statistics here quoted are for disorderly conduct, which includes drunkenness. Not all these arrests are attributable to drunkenness, but they accurately reflect public conduct throughout the entire period.

	Chicago		Detroit	
	Drunkenness	Drunken driving	Drunkenness	Drunken driving
Preprohibition:				
1914	52,823	----------	9,904	----------
1915	54,400	----------	11,444	----------
1916	49,942	155	15,725	----------
1917	54,821	178	17,327	----------
1918	49,949	222	13,469	18
1919	35,086	282	7,030	781
Prohibiton:				
1920	32,352	532	6,599	610
1921	47,762	823	7,220	874
1922	64,853	1,511	10,098	930
1923	75,800	1,260	12,977	1,030
1924	86,072	1,523	13,717	1,070
1925	92,871	1,622	16,296	1,174
1926	92,960	1,739	16,516	1,182
1927	85,307	1,947	23,003	969
1928	74,802	1,266	28,904	1,128
1929	87,399	1,120	28,319	783
1930	96,626	1,281	25,549	659
1931	69,584	1,104	26,469	624
1932	62,465	741	24,118	374
Beer and repeal:				
1933	58,048	659	24,188	287
1934	57,941	695	25,285	694
1935	54,127	735	24,161	706
Averages:				
Preprohibition	49,504	209	12,483	400
Prohibition	74,527	1,267	[1] 18,080	877
Beer and repeal	56,705	696	24,413	493

[1] Average last 5 years, prohibition period, 26,672.

Big Gains Shown in Farm Imports—Shipments Into the United States Increase Over Two Hundred Millions During Fiscal Year of 1937

EXTENSION OF REMARKS

OF

HON. LLOYD THURSTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. THURSTON. Mr. Speaker, a recent release to the press by the Bureau of Agricultural Economics states that the United States purchased foreign farm products, classed as competitive—that which we can produce at home—valued at $782,662,000 in the year ending July 1, 1937. For the previous 12 months the United States purchased such competitive farm products from foreign countries valued at $578,961,000. Therefore we bought farm products which we could have raised, valued at $203,701,000 more, from abroad this year than last year.

It is true that one-half of our foreign imports are noncompetitive, such as crude rubber, spices, hemp, and other tropical products. None of these figures include products which we cannot, or do not, raise.

The competitive farm products which we import consist mainly of grain, meat, livestock, sugar, wool, hides, leather, poultry, eggs, and dairy products. To put the case more briefly and clearly, in the last 2 years we purchased $1,361,623,000 worth of agricultural products from abroad which we could have raised on our own farms. These results also mean that many thousand of our farmers were deprived of employment because of the free-trade, low-tariff policies of the present administration. The reciprocal-trade agreements sponsored by Roosevelt, reducing reasonable duties upon foreign products, have greatly increased imports raised on cheap land and tilled by cheap labor. Foreign-produced farm products not only appeared in our markets in much greater volume within the last 2 years but the same governmental agency, the Bureau of Agricultural Economics, reports that our exports of farm products to foreign nations were $732,839,000 the last fiscal year—June 30, 1936, to June 30, 1937—whereas we sold $766,548,000 the previous year, a falling off of $33,709,000. In an endeavor to curtail farm imports, on June 11, 1937, while a tax measure was being debated in the House of Representatives, I offered an amendment to increase duties 25 percent on imported farm products. All Republican Members supported the amendment and all Democrats, except two Members from the East, opposed the amendment. My proposal was defeated.

With greatly increasing imports of farm products and diminishing exports, a critical chapter is now being written in American farm history.

On several prior occasions I have made remarks in the House of Representatives calling attention to the unfavorable trend in this respect, which has now unhappily come to pass, but the President and his principal foreign-trade advisors continue to tell the country about the wonderful results that will accrue to our people if we will continue the present reciprocal-trade agreements and negotiate similar agreements with other nations. The cold, practical question we face is: How long can the American farmer be expected to turn over to the world the market which rightly belongs to him and yet compete with virgin land and low wages?

The gentlemen in charge of our foreign trade still fly high in the beautiful clouds of theories and theatricals. They do not have time to, or are fearful of, examining the reports from our customs officials to get the real facts. What a wonderful thing it would be for our country, and especially for our unemployed, if our Government, in its commercial intercourse with foreign nations, could have a few practical, clear-thinking officials to assist in guiding this overlooked and neglected branch of our Government. In other words, if we could have some hard-headed businessmen, who are interested in preserving our markets instead of giving them away, one of the most important subjects now being considered in the country could be partly solved; that is, the employment of our people.

Are we not in the position of the gentleman of color who had been arraigned in court for a serious offense? The judge stated that on account of the seriousness of the charge he felt warranted in providing two lawyers for the defendant. The darkey spoke up, and said, "Judge, if it don't make any difference to you, I would like to trade one of them lawyers for a good witness." If the American employer and employee could go the colored man one better, and arrange to trade several of our so-called foreign-trade experts for a few good businessmen, I believe they would unanimously endorse such an exchange.

In years gone by the State Department only had jurisdiction over foreign affairs. The officials in charge of this Department were the very last word on official etiquette and pink teas. It was never intended to place any phase of business under the supervision of these very worthy but highly impractical persons. If the United States is to reclaim her own markets, and then make any substantial endeavor to expand our foreign trade, we will necessarily be obliged to restore the tariff making to the Congress, which is elected by the people; and also to place the actual functions of officials in direct charge of our foreign trade in the hands of men with more business experience and less diplomatic training.

The foregoing presents some authentic facts in regard to our foreign trade in agriculture. An equally unfavorable situation affecting industry has arisen, so that there will be a balance of trade against the United States for the current calendar year, of visible and invisible trade, amounting to several hundred million dollars. But what is a few hundred million dollars among internationalists—if the United States pays the bill?

American trade is now taking a toboggan slide. Shall we stop the slide or coast on to a complete collapse?

Retirement of Employees of Carriers

EXTENSION OF REMARKS

OF

HON. EDWARD A. KELLY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. KELLY of Illinois. Mr. Speaker, being a member of the Interstate and Foreign Commerce Committee that has had the pleasure on several occasions of voting out of the committee a bill to provide a retirement system for employees of carriers subject to the Interstate Commerce Act, under the able leadership of the Honorable ROBERT CROSSER, of Cleveland, Ohio, who has gallantly led the fight for these employees, we were successful in passing legislation on three different occasions—the first act in 1934 that was invalidated by the Supreme Court. Upon the convening of Congress in 1935 another bill was passed, which, in my judgment, would have been upheld by the Court.

Early in 1937 a desire was expressed by railroad officials, railroad employees, and officials of the Government that this long-drawn-out controversial conflict might be settled in a way satisfactory to all.

A committee representing the Railway Labor Executive Association and a committee representing the railway officials, with full consideration of one another and by great care and patience, were successful in overcoming many of the controversies which had existed between them. When they reached an agreement and accomplished their desired want, they then informed Congress of their agreements, with the result of the introducing of H. R. 7519.

It being referred to the Interstate and Foreign Commerce Committee, they endeavored to report a bill which would remove all matters of dissatisfaction on the part of officials of the railroads and of the employees who would benefit under this act. And the committee under careful consideration reported this bill to the House, recommending its passage.

Those subject to this act as employees are sleeping-car companies, rail carriers subject to the Interstate Commerce Act, express companies, companies controlled by one or more of the employers in transportation business or in railway service, and certain other railroad and labor organizations having less than 4,000 employees, which are also treated as employers in this bill. The employees that are entitled to an annuity are employees in the service of an employer under this act. The relationship is one where the employee is subject to the direction and continued authority of the employer. An added and important feature of the bill is a provision making those in "employment relation" subject to benefits under this bill. It provides for those actually working in the service of the employer, and those who are not actually working but who are absent or are temporarily laid off on account of business conditions or sickness or disability or those who are under furlough. These persons might be entitled to a pension at 65 years of age, or at 60 years of age without 30 years of service in case of permanent and total disability, or after 30 years of service.

These provisions cover the cases of those employees who were disabled on the enactment date, which is August 29, 1935.

Annuities are based on an employment relation on the enactment date, on an age of 65 years or over, and on a voluntary surrender of the employment on which the annuity is based.

This bill passed the House of Representatives by the overwhelming vote of 361 to 1, which expressed the thoughts in the minds of the Members in passing this much-needed legislation, and particularly to those employees that have remained faithful to their employers in the turmoil of labor conditions prevailing today.

The action of management and men in the railroad industry comes as an assurance of what can be accomplished when both parties are willing to sit in conference and thrash out their differences; it shows the spirit of cooperation that is indeed gratifying—to realize that the results have been attained without leaving that feeling of discontentment that often ensues out of agreements of this kind.

The membership of the House should be congratulated for passing legislation of this kind; for in passing this bill it feels its responsibility to help those who, through the long years of labor have faithfully served their employers, that it at least provides a sense of security for old age that will create a satisfied state of mind upon the part of the workers.

Mr. Speaker, I am happy that I had an opportunity to support legislation of this kind.

William Voris Gregory

MEMORIAL ADDRESS

OF

HON. FRED M. VINSON

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM VORIS GREGORY, late a Representative from Kentucky

Mr. FRED M. VINSON. Mr. Speaker, I would speak to the memory of my friend, the Honorable WILLIAM VORIS GREGORY, late a Representative from the First Congressional District of Kentucky.

He came the same road to the House of Representatives that had been followed by many great Kentuckians who preceded him—the road of law and politics. VORIS GREGORY was first elected to represent the First District of Kentucky in 1926. He was reelected to this office five consecutive times and nominated for his sixth term—nomination in his district was the equivalent to election.

VORIS GREGORY had prepared himself to represent this great district in Congress. He had a splendid educational background, both in the arts and in law. He had held public office in his home county and had made an outstanding success as a lawyer before the great war President, Woodrow Wilson, named him as the United States district attorney for the western district of Kentucky, which office he filled with eminent success for 8 years. Thereafter his legal experience broadened and he was recognized as one of the outstanding lawyers of the Kentucky bar.

VORIS GREGORY, as most of us do, had a genuine pride in representing his great constituency. Regardless of what views jokesters, cartoonists, or short-minded critics may

have of our legislative body, it is an honor and a distinction for the people of a congressional district to select you to represent them—to be their mouthpiece in the Federal lawmaking body. Not only did he have the natural pride of being such a representative, but he was particularly proud of the fact that his two immediate predecessors were great Kentuckians. His immediate predecessor was Hon. ALBEN W. BARKLEY, now Senator from Kentucky and at present the majority leader in the Senate; and BARKLEY was immediately preceded by the Honorable Ollie M. James, spokesman for President Wilson in the Senate—two great Kentuckians.

VORIS GREGORY, as I have said, had established for himself an outstanding position at the bar of his State when he was elected to Congress. I was a member of this body when he came. I knew the longing he had for an assignment to the Committee on the Judiciary, but the flood-control work was of such paramount importance to him and his district that he took an exclusive assignment on that committee. He did most splendid work upon it.

He was one of the two Kentucky Democrats who stemmed the current in 1928 and was returned to the House. Upon my return, in the elections of 1930, VORIS GREGORY made known again to me his desire to go upon the great Judiciary Committee of the House. As a member of the committee on committees, it was a pleasure for me to present his name for this assignment, and he was elected by an outstanding vote. He served for 3 terms upon this committee and had reached a high position upon it—only two persons outranking him. During his services upon this committee there were many momentous questions with which they had to deal.

VORIS GREGORY never shirked a duty or responsibility that came his way. He was essentially the jurist. He was earnest, conscientious, sober-minded, desirous of doing justice to his fellowman.

VORIS GREGORY was well liked by his colleagues here. He was respected and beloved by his folks at home. The tribute of respect paid him by his friends in the last sad rites were marked with deep affection and reverence. To say that he will be missed is the use of a trite expression. He was a leader of men. He has left his imprint in the life of his people, the jurisprudence of his State, and in the lawmaking body of the Nation. He held high the banner of his people which he had so proudly received from his illustrious predecessors, and methinks that VORIS smiled when his people placed that banner in the capable hands of his young brother, whom he loved so well.

A Proposed Federal Housing Development Act—H. R. 8310

EXTENSION OF REMARKS

OF

HON. THOMAS R. AMLIE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. AMLIE. Mr. Speaker, a few years ago I was shocked to hear Dr. Charles A. Beard, the dean of American historians, in the course of a lecture assert that the United States was the worst-housed modern nation in the world. Since that time I have discussed the matter with many authorities on housing, and find that they are in complete agreement with Dr. Beard's statement.

PRESENT INADEQUACY OF HOUSING IN THE UNITED STATES

In Senate Report No. 933, Seventy-fifth Congress, first session, which was made by the Committee on Education and Labor in submitting the Wagner housing bill to the United States Senate for consideration, an estimate is given of our housing situation. I offer as part of my remarks a table from this report:

TABLE 1.—*Additional dwellings needed, 1937–50*[1]

THE IMMEDIATE NEED, TO MAKE UP ARREARS	
Quantitative shortage:	
Total estimated "families",[2] 1937	33,300,000
5-percent allowance for vacancies	1,753,000
Total dwellings needed, 1937, to meet 1930 family occupancy standards	35,053,000
Total estimated dwellings, 1937 (1930 dwellings, plus 800,000 new since then, minus 300,000 demolished)	32,656,000
The quantitative dwelling shortage in 1937	2,397,000
Qualitative shortage, replacement needs: Existing dwellings absolutely unfit for further habitation, which should be condemned and demolished immediately, at 10 percent	3,266,000
Total immediate housing needs, to replace the worst slums and establish standards of family occupancy as of 1930	5,663,000
NORMAL NEEDS, 1937–50	
Quantitative, to house additional families:	
Net increase in "families",[2] 1937–50	6,070,000
5-percent allowance for vacancies	319,000
Additional dwellings needed, 1937–50, to maintain family occupancy standards as of 1930	6,389,000
Qualitative, for obsolescence: Dwellings which will have to be replaced due to normal obsolescence, at about 1 percent per year	4,245,000
Normal housing needs, 1937–50	10,634,000
Total additional dwellings needed, between now and 1950, to meet minimum physical standards and maintain family occupancy standards as of 1930	16,297,000

[1] Estimate made by Catherine Bauer, executive secretary, Labor Housing Conference, and Coleman Woodbury, director, National Association of Housing Officials.

[2] This definition of "family" includes a normal amount of doubling up, as in 1930. An allowance has been made for the marriages, still deferred from depression days, which will take place after 1937.

THE WAGNER HOUSING ACT

The Wagner Housing Act, which was passed during the closing days of this session of Congress, is designed to provide decent housing for that part of the population which can enjoy decent housing only if it is paid for by the Government. This measure contemplates the spending of $500,000,000 over a period of 3 years for the construction of dwelling units which in ordinary communities are to cost not more than $4,000 per unit or $1,000 per room, while in cities of population above 500,000 this cost may go up to $5,000 per unit or $1,250 per room.

In the main we may expect that the money to be expended under the Wagner Housing Act will be spent for construction work in larger cities for slum-clearance purposes. I have been interested in the subject of adequate housing for many years, but I have purposely delayed the introduction of the Federal Housing Development Act until the Wagner bill should have been enacted into law. The two measures are completely different in purpose and in operation, and any discussion of this proposal while the Wagner bill was pending would have served only to confuse the issues.

In the first place, it should be noted that from an ideological viewpoint the Wagner Act is much more radical than this bill. The Wagner Act proposes to aid that part of the population that cannot have decent housing under capitalism without Government subsidy. To the extent that a subsidy is provided the Government, is, of course, venturing into socialism in the field of housing. But this fact has aroused no real opposition to the Wagner bill, because the people who will be aided are below the point where they can be exploited by the real-estate interests. The provision of adequate housing for this group does not, therefore, compete with the bankers, money lenders, realtors, and other vested interests in the housing field.

A measure, however, that proposes to give the great majority of the American people an opportunity to get capital for home-construction purposes at actual cost will arouse

the bitterest opposition of the banking and money-lending fraternity. Moreover, we ought not to overlook the fact that while the liberals in Congress supported the Wagner bill enthusiastically, the measure was not passed because of the liberals, but as a result of trading between blocs. During the last few days of the session the Members from the cotton States, in return for some $65,000,000 aid for the cotton interests, have permitted the Wagner bill to pass.

SUBSIDY NOT THE FUNDAMENTAL SOLUTION OF THE HOUSING PROBLEM

But regardless of the motives or the trading that made the passage of the Wagner bill possible, it represent a great forward step in the housing field. It should be noted, however, that the expenditure of $500,000,000 during the next 3 years will permit the erection of only 100,000 dwellings in present slum areas, and that if this rate of construction is carried on for 12 years the total will number only slightly over 400,000.

But if the American people are unwilling adequately to feed or clothe the economically underprivileged part of the population, it does not seem reasonable to believe that they will continue on a long-term program that contemplates that these same people shall be adequately housed. Certainly this conclusion is justified by the experience of European countries in this field. In a study of European housing policies and practices by Fisher and Ratcliff, published last winter by the Federal Housing Administration, the following summary of this aspect is given:

Subsidies to stimulate house production have been generally abandoned. The present emphasis is on improvement of housing conditions by other means than outright subsidies, and the most widely adopted form of assistance is the extension of Government credit.

HOUSING BY THE WEALTHY

We have in the United States a large number of wealthy people who can be counted upon to build a considerable number of good homes during the next 12 years. While the number of families with incomes over $5,000 were in excess of 2,250,000 in 1929, that number dropped to 650,000 in 1933. It is quite reasonable to suppose that the number of families in this income group during the next 12 years will vary between one and two million. The particular families in the group will shift, of course, but the tendency of the group is to maintain a fixed status. Even if we were to assume that each family in this income group would build a new house during the next 12 years, which is not true, the number of these new houses would probably not greatly exceed one million.

BUILDING BY WEALTHY AND UNDER SUBSIDY LESS THAN TENTH OF NEED

It seems reasonable, therefore, to conclude that whether it is homebuilding by the wealthy, who are not hampered by present cost considerations, or slum-clearance housing under the Wagner Housing Act, not more than 10 percent of the 16,000,000 new dwellings needed will come from either source. Of the 90 percent thus remaining, 20 to 30 percent represents housing that can be furnished only if the operation of the Wagner Act is extended through greatly increased appropriations. Construction of the remaining 60 percent or more, or a minimum of 10,000,000 dwellings, must be initiated and carried through by that large part of the population receiving incomes ranging from $1,500 to $5,000.

At the top of this large middle group are families that quite probably will build new homes during the next decade. At the bottom are families that with even greater probability will find the venture just beyond their budgets. Some at the top will decide against building; some at the bottom will manage to build some sort of dwelling. But no family in this group will be able to build the type of home it should have, a home reasonably equivalent on a more modest scale to the homes of the wealthiest families, unless it spends more of its income on housing than is good budget practice. The barrier of high capital cost, which is closely related to the risks inherent in prevailing real-estate development practices, will certainly prevent the construction of more than a minor fraction of the 10,000,000 or more homes needed by these families during the next 12 years.

MIDDLE GROUP LEFT TO WOLVES

But for this great middle group the Government is doing virtually nothing, because any attempt on the part of the Government to aid this group would immediately arouse the opposition of all the bankers, money lenders, speculative builders, and real-estate promoters in the United States. It is a curious commentary on the nature of political pressure that it is possible to set up a program of housing for the lowest income group, contemplating an 85-percent subsidy by the Federal Government and a 15-percent subsidy by the local governments—a program that is clearly socialistic—without arousing business opposition, so long as the housing is definitely restricted to the lowest income groups. On the other hand, a program to aid the middle income groups by lending capital at cost, without a subsidy of any kind—a program that is fundamentally a business proposition—is certain to draw raking fire from the business interests of the home-financing field and probably will be denounced as socialistic.

SUBMERGED GROUP NO LONGER GOOD PLUCKING

The obvious reason for this has been pointed out, namely, that the economically submerged group that will occupy the subsidized houses is no longer profitable game for the vested interests in the real-estate field. They are past the possibility of profitable exploitation. Besides, the slum areas in which they are forced to live constitute a menace to the health of the community as a whole, a menace that business grudgingly recognizes the Government is justified in eradicating. Little opposition is aroused, provided the slums are torn down and are replaced by the cheapest kind of housing at Government expense. The improvement that is expected will probably not materialize under the Wagner Act in its present form, because with a limitation of $4,000 or $5,000 per dwelling, the structures that will be erected in urban centers will no doubt appear rather shabby at the end of 15 or 20 years.

GOVERNMENT AID IN HOUSING FOR MIDDLE INCOME GROUPS

Let us examine what the average citizen is up against when he decides to build a home. The Federal Housing Administration was set up a few years ago in an optimistic effort to help this average citizen and has insured about $600,000,000 of loans to home builders. Reports of the great accomplishments of this organization come frequently to the desks of Members of Congress from Mr. Stewart McDonald, the Administrator.

The F. H. A. has done as much for the average middle-class home builder as can be done without conflicting with the interests of the bankers, money lenders, real-estate promoters, and so forth. The individual is not lent money but is merely aided in securing a loan from some local bank, at 5-percent interest. The United States Treasury now has outstanding obligations of about $37,000,000,000, and for this amount is paying an average interest rate of 2.57 percent. In other words, the F. H. A. helps the banks to get twice as high a return for their money as they could secure if they bought Government bonds.

The banker is given a guaranty through insurance of his principal by the F. H. A. For this insurance the borrower pays, in addition to the 5-percent rate, a fixed charge of one-half of 1 percent. As this rate applies to the full face amount of the loan until it is completely repaid, this charge amounts to 1 percent. There is also a service charge of one-half of 1 percent on the unpaid balance. The basic interest rate thus becomes 6½ percent, and to this are added local charges of one kind or another in line with the local methods of robbing individual home builders. The F. H. A. is merely an instrument set up to insure the home builder's paying about twice as much as he would under any properly organized home-financing system.

F. H. A. LARGE-SCALE HOUSING SABOTAGED

It is significant that the large-scale Housing Division of the Federal Housing Administration has been completely unable to carry out its objectives. Announcing itself ready

to guarantee loans up to 80 percent of the cost, not to exceed $1,000,000 each, of large-scale housing projects, the F. H. A. favorably considered about 100 such projects. Although 43 of these are still reported as active by the F. H. A., only 13 have been constructed or begun. Building interests were eager to take advantage of this opportunity, but the bankers were universally reluctant to lend money for the construction of an improved type of housing on a scale large enough as substantially to affect the—to them profitable—housing shortage.

It is noteworthy that of the 13 projects for which funds were obtained, 3 are located in or near Washington, D. C., where rents are so high that bankers may well feel their outstanding loans on home mortgages will not be significantly affected by a few such projects.

Because appraisals are high under the F. H. A. it is probable that losses on these loans will also be high and that the 1-percent guaranty fund will not prove to be excessive. The F. H. A. has been a boon to speculative builders, who have been able to build homes in undesirable areas, get all their money and profit out of the transaction, and leave some so-called home owners to pay extortionate and unwarranted interest rates, guaranty charges, service charges, and so forth.

The ultimate result will be disastrous as far as the home builder is concerned, although admittedly the F. H. A. is the best institution that could bet set up to assist home builders and at the same time maintain the excessive charges that have been established by the vested interests in the housing field over a long period of years.

The time has come when the Government could, with complete propriety, proceed to do something for that large number of people comprised of the better-paid workers, average farmers, and small professional and business men and their families, who, while earning enough to maintain a moderate standard of living, do not earn enough to pay the unwarranted subsidy that they are expected and required to pay if they are to enjoy the kind of housing that people in their position enjoy in the more progressive European countries.

HOUSING CAPITAL AT COST UNDER GENERAL WELFARE CLAUSE

While I was an enthusiastic supporter of the Wagner housing bill, under which the Government will subsidize housing for the lowest-income groups, I also feel that the Government is justified in trying to assist that great portion of the population which includes the better-paid wage earner, the average farmer, and the average small business or professional man and their families, not by giving them a subsidy but by taking steps to protect them from the extortionate demands of the fraternity with which they must deal if they are interested in better housing. The Government in the past has felt that it was proper to aid infant industries, to develop a merchant marine, rail and air transportation, and other projects too numerous to mention. The same line of reasoning could with complete propriety be applied to the field of housing for people in the middle-income brackets, not in order to help these people but to promote the general welfare of the country as a whole.

STIMULUS NEEDED BY CONSTRUCTION INDUSTRIES

Economists would agree that the thing most sorely needed at the present time is expenditures in the capital-goods industries. During the 1920's something over $6,000,000,000 a year was spent by the American people for new factories, new machinery, equipment, buildings, roads, and so forth. At the present time and for the past 6 or 7 years the average that has been spent for these purposes has been less than $500,000,000 per year. In other words, while during 1937 we have approximately equaled the industrial activity of 1929, in the construction field we have fallen down very seriously. As a matter of fact, we can never have anything approaching conditions once regarded as normal until construction and the heavy industries again get back to the levels of 1929.

While during the first half of 1937 production was slightly above the levels of 1929, this increased production has been accomplished with the employment of far fewer workers than were employed in 1929. It has been estimated in a Government study, Unemployment and Increasing Productivity, that if we were to have in industry today the same number of annual man-hours of employment as in 1929, we should produce 20 percent more manufactured goods than we did in that year. As a matter of fact, even if we operated our manufacturing plants and farms at full capacity, we should still have between four and five million employable people unemployed. The logical place to expect these people to find employment is in the industries that are lagging so badly behind—the heavy industries. Only in the field of construction, whether in the building of factories, of regional T. V. A.'s, of public works, or of private urban and rural residences, can we reasonably hope to absorb a substantial number of the unemployed. The most logical field is that of residential construction and of the industries supplying its materials, because there is a crying need for the immediate construction of 6,000,000 city and farm homes, and there will, in the course of the next 12 years, be an equally urgent demand for the construction of an additional 10,000,000 homes.

CONSTRUCTION BY OWNERS—SUBSIDY IMPOSSIBLE

If these homes were to be constructed entirely with Government funds, as, for instance, under the Wagner Act, the situation would be impossible. Sixteen million homes would undoubtedly cost in excess of $100,000,000,000 to build, but fortunately it is not necessary, in order to secure this construction during the next 12 years, for the Government to spend more than a small part of this sum. If people are merely assisted to get capital at what it is really worth, they will build their own homes. But they cannot do so and pay the banking and money-lending fraternity more than twice the cost of capital justified by prevailing economic conditions.

From the standpoint of economic activity it makes no difference whether $10,000 is spent by W. P. A. workers digging with picks and shovels in the frozen ground or whether this same money is spent by a private citizen in the construction of a home. In either event approximately 80 percent or more of the total money spent will go to labor. The principal difference will be that on the W. P. A. project the cost will eventually have to be paid by taxation, while the home builder will probably be well able to afford the cost of building his own home, provided he can get the necessary capital at cost.

LOANS UP TO $10,000 PER DWELLING UNIT

While this bill contemplates loans up to $10,000 per dwelling unit, it is not anticipated that the average home will begin to approximate this cost. This amount has been set, however, to emphasize the fact that Government credit at cost to home builders is neither subsidy, charity, nor a gift. The citizen who builds a $10,000 home provides employment. Fully 80 percent of the total cost will go to labor, directly or indirectly, in the course of spending. Moreover, a well-built home is an asset to the community and Nation. A well-built home will more than pay for itself in usefulness over many years. Besides, why should we worry about a man's living in a good home provided he can pay the true cost and the upkeep? During the past 8 years the man-hours wasted as a result of the depression and unemployment, if properly utilized, would have built twenty or thirty million $10,000 homes. We have borne the cost, but we do not have the homes to show for it.

INTEREST—WITHOUT FUNNY-MONEY NOTIONS

When we discuss interest we are discussing a price—the price of loan capital, the price of money. Because interest is a price, it is wholly logical to speak of cheap or dear money according as interest rates are low or high. A discussion of interest, especially in Congress, and by one who comes from the agricultural Midwest, must therefore arouse suspicion that another screwball monetary crank, another

funny-money faddist, has the floor. I want to disclaim any kinship with these gentry. When the great precursors of today's monetary cranks were preaching their gospel in the land, we had, particularly in "Sockless Jerry" Simpson, men thinking in terms that were fundamentally American and that were an expression of protest against the economic exploitation of the raw-material producing sections of the country for the benefit of the rapidly developing industrial and financial sections. Their puny present-day followers have abandoned all fundamental considerations, all basic attempts to deal with our economic society, and have retained only the intoxicating mumbo-jumbo of monetary theories which, without their proper framework, are misleading, silly, and a great waste of time. Any approach to the problem must consider the nature of the economic system with which we are dealing.

STUBBORNNESS OF THE INTEREST RATE

The rate of interest, like all prices, is determined by the supply coming into the market and the demand felt in the market, and in turn itself affects the volume of supply and the volume of demand. When there is a heavy demand for loan capital, for money, there is a tendency for interest rates to rise. When the demand slackens off or the supply increases, interest rates tend to moderate.

It is commonly overlooked that the phrase "supply and demand" is merely shorthand, and that we must look behind these symbols of the economists to see what determines the volume of supply and of demand coming onto the market. The price that prevails in the market reacts, of course, upon both supply and demand, but there are less obvious factors as well. And in the case of interest the factors determining the supply of loan capital are of peculiar subtlety and significance.

Theoretically the rate of interest may fluctuate widely. Even if we eliminate the extreme rates to be found in the speculative money market, where day-to-day loans are sometimes almost costless and at other times bear per-annum rates of several thousand percent, a considerable theoretical range remains.

Capital may be scarce and each unit be very productive, or it may be plentiful and an additional unit of little consequence. Theoretically the former circumstances would force interest rates very high—possibly to 30 or 40 percent or higher—and the latter circumstances would result in a rate very close to zero.

In practice, while stiff rates are very common, low rates are almost never encountered, except in Government financing. Interest rates on mortgage and commercial loans seem to hit a floor of some sort that prevents their going very low, even when there is a surplus of funds seeking investment.

THE IMPORTANCE OF CAPITAL ON THE FRONTIER

When this country was opened up there was a great scarcity of capital goods and interest rates were high. A good plow, a wagon, or a machine for manufacturing was so much more productive than bare hands or crude home-made instruments that farmers and businessmen were able to pay high interest rates out of the increased product that they were able to obtain. The rich lands of the West were so productive that farmers were able to pay high interest rates on farm mortgages. And this condition continued for decades, for as soon as one section of the country became settled up and further exploitation paid returns at a lower rate than formerly, the frontier was pushed further west and the old story was repeated. The result was that the American people experienced high interest rates so long, either as borrowers in a new country or as Eastern lenders to frontiersmen, that we came to regard relatively high rates as part of the order of nature. Most of us continue in this attitude today.

By relatively high rates today I mean rates of 5 to 7 percent. To many of us 6 percent seems a very reasonable rate and 5 percent a rate for the finest security. The only important segment of our population that has revolted against the burden such rates impose in times of business stagnation has been the farmers. Typically, however, they have clamored for more money at the prevailing rate rather than for a lowered price of money, although the latter would, of course, tend to evoke the creation of more money by the banks as the demand for loans increased.

In the early days our frontier, moving steadily westward, and our foreign trade provided opportunities for capital investment that outstripped our domestic savings. We were forced to borrow from the old countries of Europe, and American industry operated with a relative scarcity of capital that kept the price of loan capital, the rate of interest, relatively high.

CAPITAL NOW NECESSARILY LESS PROFITABLE TO USE—YET ITS PRICE REMAINS HIGH

Today we are the creditor Nation, and Europe is our debtor. Today we seek investments to absorb the great volume of savings the American people as a whole can make. But today the frontier is gone and foreign trade not only is no longer the rich field it once was but today it can be conducted only by the sacrifice of sectional interests too substantial to be ignored. Capital goods have become so abundant that new loan capital cannot profitably be used at the old price. Unless that price is reduced, many a businessman cannot afford to borrow, many a farmer cannot borrow, and many a would-be home builder cannot borrow. Those who do borrow, borrow less than they would at lower interest rates. The consequence is that industry does not operate at full capacity, that 20 percent of our workers can find no employment, and that our national standard of living is kept far below what it might easily be.

Why, we must ask, do interest rates remain high? Why, with the reduced profitability of using new capital goods—which means a reduced demand—and with the unequaled ability of our banking system to lend funds for capital purposes—a vast increase of supply—why, with all this, is the price of money not forced down by the action of supply and demand?

For answer, we must recall the complexity of the forces so conveniently summarized in this phrase, and we must examine the prevailing attitude toward the rate of interest taken by those who supply loan capital, the bankers and money lenders generally. We shall find that it is much like our attitude toward the price of a cup of coffee, which is always 5 cents whether coffee bean is costly or cheap. Or like our attitude toward the price of a daily newspaper, which remains the same despite changes in the size of the edition, in the cost of newsprint, and in the volume of advertising carried.

While our attitude toward the rate of interest is very similar to our attitude toward the price of coffee and of newspapers, it is vastly more significant. For while coffee and newspapers are relatively minor items in consumption budgets, loan capital, under the capitalist system, is the most important item in the budget of production.

INTEREST TODAY A CREATURE OF HABIT

John Maynard Keynes, probably the most brilliant and able economist now living, makes clear the significance of the rate of interest as largely a psychological phenomenon. Once lenders had first to be active savers, had to reduce their current consumption—had, in short, to do without—in order that the production of capital goods might be possible. They required to be well paid for this sacrifice, although the doctrine of thrift as a godlike virtue probably kept the price lower than it otherwise would have been. As we have seen, the efficiency of capital goods was such that a good price could be paid and was paid.

Today saving does not entail this sacrifice on the part of the lender. True, what is saved is not spent for consumption goods. But a very large part of current saving is done

by corporations. It is done as a matter of course and typically precedes the determination of dividends. The consumption that is reduced, the sacrifice that is made, is that of workers, who might be paid higher wages, or of stockholders of moderate incomes, who might be paid higher dividends. It is not the consumption of the directors and officers, of the men who made the decision to save, for their bonuses are carefully taken out first. These workers and these stockholders never see the funds they "save", for the corporation never turns them over; the savings are made without the knowledge of the parties whose consumption is affected and without any sacrifice on the part of those whose decision determines the savings.

TRADITION AND INERTIA—TWIN BARRIERS TO ECONOMIC PROGRESS

Nevertheless, the rate of interest—once doubly justified by the efficiency of new capital additions and by the sacrifice entailed in the accumulation of savings—continues to prevail at its old level, despite the vanishing of the justification of high rates. Lenders and bankers continue to regard 6 percent as about the rate they should receive, and borrowers—silenced by the mystery of banking—share in the feeling that somehow the natural price for money is not far from 6 percent.

In consequence, if the best rate that can be obtained in the market is much below 6 percent, bankers will decline to lend. They will prefer to restrict the market supply of loan capital to a relatively small amount which can be lent at 6 percent or so, rather than to lend a greater amount at a lower unit price. In this policy the tradition of the banker is reinforced by the inertia resulting from the peculiarities of our modern system of banking, which make it impossible for one bank of the system to maintain a loan policy that is out of line with that of the other banks with which its customers deal.

Economic expansion under the capitalist system continues only so long as the rate of interest is no greater than the prospective profitability of using new capital. If the profitability of new capital falls below the rate of interest, expansion will cease until some new technological improvement or brightening of market prospects again raises it or until the rate of interest is lowered. While we can expect marvelous advances of mechanization in many fields, it is now certain that for the country as a whole—in fact, for the world as a whole—any new additions of capital goods must be made without any such rate of profitability as once prevailed. Without a reduction of interest rates, a very large part of our economic system must operate at less than capacity, and 20 percent or more of our workers must go without work.

"A CIVILIZED RATE OF INTEREST IS 2 PERCENT"

While it has been said that "a civilized rate of interest is 2 percent", it is clear that we cannot speedily revise prevailing notions as to what is a proper rate of interest. And the factor of risk, which cannot be wholly eliminated, must always keep the rate of interest from falling as low as otherwise it theoretically might. The only feasible method of bringing down the rate of interest is through the use of funds borrowed at the Government's no-risk rate, which for long-term loans is today about 2¾ percent.

The Federal Housing Development Act proposes that the Government shall step into the construction field, which has lagged behind all others in recovery and which bears an especially heavy handicap of costly capital due to the risks involved, and break the present deadlock. This it can do by lending at its own capital cost, plus a margin to cover administrative cost, if at the same time it takes appropriate steps to correct the factors responsible for the risk now prevailing.

HIGH RISK IN RESIDENTIAL CONSTRUCTION—CAUSE OF HIGH RATES, OR EFFECT

The field of construction and of residential construction in particular is especially handicapped. Many factors operate to keep modern housing from attaining the level of efficiency that should prevail, and no one solution will suffice. But there is one very important factor which can be affected by a sound Government program, such as is proposed by this measure.

Objection will be made to the lending of funds at the Government rate, the argument being that residential loans involve considerable risks and that the prevailing high rates on home mortgages are justified by these risks.

It is essential to note that one very important reason for losses on home mortgages is the high rate of interest that is charged. To a very significant extent, the risk is caused by the rates, not the high rates by the risk. In Sweden it has been found that a rate of 3¼ percent has permitted all home owners borrowing at that rate to pay off in full. There are no losses whatsoever. Without question, if a rate of 6 percent prevailed there, a substantial loss factor would result unless lending were so carefully restricted as to render the program insignificant.

SPECULATIVE DEVELOPMENT MUST YIELD TO COMMUNITY PLANNING

But it is not enough to reduce the rate of interest, for fundamentally it has much justification. Unplanned community development, with virtually no community control, has resulted in slum areas and deteriorating or blighted areas which have destroyed large parts of the investment represented by housing in or near them. So long as this type of development continues there will remain great risk in the financing of homes.

It is, therefore, necessary to require that low-cost financing be accompanied by careful planning to eliminate such risks. This can be done by any community that desires to protect itself from blight, and unless reasonably effective measures are so taken this bill does not contemplate that loans shall be made. If such measures are taken, it is virtually certain that the low rate of interest will prove justified. In Sweden, home owners borrow at one-fourth to one-half of 1 percent above the Government's own bond rate, and this margin adequately covers all administrative costs. As has been explained, there are no losses. In this country, with a vastly larger area to be administered, with a greater variety of local conditions to be dealt with, with higher professional salaries prevailing, this small margin would probably not be adequate, but one of one-half of 1 percent, as provided in this bill, should suffice.

ADMINISTRATIVE COSTS MIGHT BE ABSORBED BY GOVERNMENT

To my mind, an excellent argument could be made for the Government's absorbing all administrative costs, as the lower rate thereby made possible would doubtless substantially encourage home construction, while it is probable that we shall continue for some years to have a million white-collar workers, who might better be employed in such administrative work than on various boondoggling projects.

LIFE OF DWELLING AND PERIOD OF LOAN—BOTH MUST BE LENGTHENED

There is another factor that must not be overlooked. Not only do present development practices tend to keep risks and rates high, but the danger of blight and the jerry-built character of much of our speculative construction make a short amortization period necessary on home loans. Whereas today 15 to 20 years is a normal period for a home-mortgage loan, there is no reason why, if a residential development is well planned and well constructed, its use value should not continue for twice or three times as long as present mortgage policies contemplate. It is encouraging that longer terms are beginning to be used, but for a real change on this point we must accompany the lengthening of the term of loans with intelligent community planning, so that the longer terms may safely be applied to housing of all prices, not merely to that of the finer residential developments.

A clear understanding of the importance of the rate of interest and of the period of amortization is conveyed by a table, which I offer at this point as part of my remarks, showing the amount of a housing loan that can be carried with equal annual payments of $240, at rates of interest varying from 7 percent to 3½ percent, and under amortization periods ranging from 20 to 40 years:

TABLE 2.—*Housing loans which equal annual payments of $240 will support at varying interest rates and periods of amortization* [1]

Rate	Period (years)	Principal of loan
3½ percent	40	$5,100
	30	4,400
	20	3,400
4 percent	40	4,800
	30	4,100
	20	3,200
4½ percent	40	4,400
	30	3,900
	20	3,100
5 percent	40	4,100
	30	3,750
	20	3,000
5½ percent	40	3,900
	30	3,500
	20	2,900
6 percent	40	3,600
	30	3,300
	20	2,800
6½ percent	40	3,400
	30	3,100
	20	2,700
7 percent	40	3,200
	30	3,000
	20	2,500

[1] Adapted from Economic Factors Related to Residential Building, by Lowell J. Chawner, Annals of the American Academy of Political and Social Science, March 1937.

It will be noted from this table that an annual payment of $240 will support twice as great a loan at 3½ percent amortized over 40 years as at 7 percent amortized over only 20 years. Even at 5 percent, so long as the term is restricted to the unnecessarily short time of 20 years, the loan that can be carried at $240 a year is only three-fifths as large as one bearing the reasonable rate of 3½ percent and amortized over the longer period.

FEDERAL HOUSING DEVELOPMENT ACT

The Federal Housing Development Act contemplates the creation of a new Government agency, the Federal housing development corporation. This corporation would be administered by an administrator and two directors, appointed by the President by and with the advice and consent of the Senate. The corporation would be authorized to issue and sell bonds, fully guaranteed by the United States as to both principal and interest, to obtain funds to carry out the purposes of the act. The total amount of bonds thus authorized would be $5,000,000,000, but not more than $1,000,000,000 could be issued in any fiscal year.

This, of course, is only a part of the amount that would have to be made available if the problem of urban and rural housing were to be adequately handled. However, due to the newness of the practices that will have to be initiated and the necessity of carefully working out efficient methods of administration of the new program, I believe this is about as much as we could hope to use efficiently during the next 5 years.

MAJOR OBJECTIVES

The program that the Federal Housing Development Corporation would initiate and administer with the funds obtained from the sale of these bonds would be designed to accomplish two major objectives. One is the extension of credit to urban and rural home builders to enable them to construct the homes they cannot afford to build at the current mortgage rates of interest. The other is to lend funds to local governmental agencies, including States, counties, municipalities, and their instrumentalities, to assist them in acquiring land to be used for residential and related purposes under planned rather than speculative development.

A third purpose is to aid the development of new and more efficient techniques in the field of housing construction, to the end that more houses may be built better and more cheaply than has hitherto been possible.

Implicit in the entire program, however, and justifying its application to the single field of residential construction, is the purpose of stimulating business activity and reducing unemployment in the construction industry, which has suffered most and is recovering least rapidly from the economic depression.

SAFEGUARDS AGAINST BLIGHT AND SPECULATION

In the making of loans the corporation would be guided by definitely stated general standards. These have the common objective of insuring that the housing constructed with the corporation's funds shall be well built, shall be well planned with view to the logical use of the land on which it is situated, and shall be protected in all ways from the danger of blight.

Provision is made also to insure that the low-cost capital made available under this act shall not be used for speculative purposes. This is accomplished by reserving to the corporation the right, under certain stated conditions, to increase the interest rate on the unpaid balance of any loan to 3 percent above the going Federal rate or to call the loan forthwith.

CONSIDERATION OF ANNUAL EARNINGS IN BUILDING TRADES IS ESSENTIAL

Provisions to protect labor standards are included. These have been modeled upon those of the Wagner Housing Act, but with one important addition. The prevailing-wage provision is modified to permit the corporation to approve any feasible arrangement whereby, at hours not exceeding 40 in any workweek, a guaranty of annual earnings at least 10 percent in excess of the average annual earnings found to prevail locally in his profession or trade is made to every worker covered by the arrangement.

Mr. Speaker, I do not know how soon we may expect to see labor policies designed with a view to annual earnings rather than hourly rates, but the change must come sometime. Unless such a change is made we shall not overcome the obstacle that high hourly rates—which, in the construction industry, are today earned, on the average, only about 115 days out of every year—place in the way of expansion of employment and of production. The provision of the Federal Housing Development Act is designed to permit a Government agency for the first time to endeavor to work out a wages policy on this sound basis. It is intended to promote construction activity and to increase earnings in the building trades.

EXPERIMENTATION IN TECHNIQUE VITAL FOR HOUSING

There is included in the bill section 7 (a), which provides that the corporation may engage in research studies, experimentation, and experimental construction, and may publish and disseminate information pertinent to various aspects of housing. In the book, Housing America, by the editors of Fortune, which appeared in 1932, the statement is made that a $20,000 house costs $40,000, while a $5,000 automobile sells for $2,000. The principal reason for the lack of progress in giving the purchaser value for his money in the housing field is that there has been very little improvement in the technique of construction of individual houses since 1700. This is not because inventors have not been active. As a matter of fact, literally hundreds of new types of construction, revolutionary in character, are floating around in the intellectual atmosphere of the engineering world, but it will take a great deal of experimental effort to bring them down to earth and determine their value. Private contractors cannot afford to do this because in the main they are working with limited capital, and there is the further fact that if they did discover some new and radically improved method of construction they would not be able to control it. It would belong to the industry.

There is no other field in which experimentation would yield such great social benefits as in the field of housing. Only the Government, however, can provide the laboratories for carrying out this type of experimentation. A section providing for such experimentation was included in the original Wagner housing bill, but was stricken out by the House committee. When the bill came before the House, I endeavored vainly to have this section put back in the measure. It has been included in the Federal Housing Development Act, and, while it would not call for any great expenditures of money, it is one of the most important provisions of the bill.

LOANS TO INDIVIDUALS, TO HOUSING AGENCIES, AND TO LOCAL GOVERNMENTS

While the bill provides for loans to individual consumers who wish to build individual homes on sites of their own choosing, it is not the primary purpose of this measure to encourage this type of home construction and ownership except in rural areas. An equity of 20 percent of the total cost is required of the owners for this type of financing.

On the other hand, the corporation will lend money to housing agencies up to 90 percent of the construction cost of approved housing projects. Both single-dwelling and multiple-unit types are, of course, contemplated. To communitites, for the acquisition of land, the corporation will lend up to such point as is deemed safe by the administrator. All loans will be secured by first mortgages upon the property in question.

STOCKHOLM CONTROLS CITY'S DEVELOPMENT

It is the purpose in writing this act to get away from the present type of urban and suburban development, which is highly speculative and unsafe. In European countries, where notable success has been achieved in the field of rehousing the people, this is the plan that has invariably been adopted. In the city of Stockholm, which leads in European housing, the city itself owns practically all land adjacent to the city for a distance ranging from 2½ to 8½ miles from the center of the city. The municipally owned area of 20,000 acres is about five times the size of the laid-out parts of the inner city and has been acquired during the past generation at a total cost of about $6,000,000, or about $300 an acre. As a result of this municipal policy, the future development of the city does not depend upon the interest of real-estate speculators and subdividers. The city itself determines the manner in which it is to grow. Certain areas are marked out for industrial and commercial purposes, others for residential purposes, taking into consideration the needs of these residential communities for utility services, transportation, schools, and all other pertinent factors. It is possible for a community to take into account all the elements that must be considered in order to develop a community property for residential purposes. In this way every precaution is taken against the chance that the area may become blighted for such purposes. For this reason, interest rates can be kept low, for the loss factor diminishes to zero.

THE AVERAGE MAN: IN STOCKHOLM, SWEDEN

Compare for a moment the situation that obtains in the city of Stockholm with that which obtains in the average American city as far as the man of moderate means is concerned. In Stockholm he can become a part of a contemplated residential development that is based on logical and planned use of the land. He may be a member of a housing cooperative or he may build his own home on land leased from the city, the 60-year lease being renewable. He knows that the development will go through in its entirety because the entire community is behind it. He knows that if the plans call for 500 residences, these dwellings will be built, that roads will be constructed and sewers, water, and gas mains, and other services provided, that transportation will be taken care of, that adequate schools will be provided for his children. He knows, further, that the adjoining areas, which are owned by the city, will not be used for industrial or other purposes that would destroy the residential character of the development where he has purchased a home. Under such circumstances, the possibility of loss due to blight is eliminated.

* * * AND IN MIDDLETOWN, U. S. A.

But consider the problem of the average American citizen living in an average American city who has a growing family and wishes to get out into the suburbs, where he will be free from congestion, traffic, and other factors that make his city home an undesirable dwelling place. He wishes to build in one of the new suburbs. First of all, he must deal with a salesman, who is dependent upon his commissions for his living, who does not know the essential facts, and who by the very nature of things must misrepresent in order to sell. Even if he does not believe a word the salesman tells him, he still does not know how far he can depend upon the good faith of the subdivider. Will the subdivider really see the project through? If he is acting in good faith, does he have the financial resources to see it through? Is there any assurance that enough people will build in the community so that decent schools, utility services, and other public improvements will be provided? May not some of the adjoining area be converted to some industrial use that will destroy the residential character of the property as bought? The whole thing is a gamble from start to finish, with the cards stacked against the purchaser.

A person need only go into any suburban area and see the number of half-completed and abandoned subdivisions to know that the risk is all against the home buyer. And still he must pay three or four prices for the lot that he hopefully buys. As a matter of fact, the losses resulting from this type of promotion and construction have been so appalling that they more than justify the high interest rates that prevail for all types of residential construction.

THE RIGHT TO ADEQUATE MODERN HOUSING

Yet the average man has some right in matters of this kind, although they have never been recognized in this country. Here it has been the constitutional right of the promoter and the subdivider to speculate that has received first consideration. But judging from the failures that have overtaken the subdividers during the depression, it is a question whether any real hardship would be worked on them if a universal system of land acquisition and development by individual communities were undertaken in this country along the Swedish pattern.

The Federal Housing Development Act, Mr. Speaker, is an attempt to deal, adequately and intelligently, with one of our most pressing social and economic problems. As a permanent measure, its continued operation would provide improved housing for about half of our people, would furnish a tremendous and sustained impetus to business activity in our most depressed industries, and would put many hundreds of thousands of the unemployed back to work.

This bill contains the promise of the sort of housing that the average American family ought today to enjoy, but which it cannot enjoy unless the Government adopts a low-cost lending program. It contains a promise well within the capacity of the country to fulfill. And, given the capacity, this promise is one which considerations both of ordinary justice and of broad public policy require the Government to fulfill.

The Potato Crop

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

ADDRESS OF HON. RALPH O. BREWSTER, OF MAINE, BEFORE AROOSTOOK COUNTY FARM BUREAU AT PRESQUE ISLE, MAINE, ON TUESDAY, AUGUST 10, 1937

Mr. BREWSTER. Mr. Speaker, under permission to extend my remarks, I include an address delivered by me before Aroostook County Farm Bureau at Presque Isle, Maine, on Tuesday, August 10, 1937:

The potato growers of Maine are again threatened with disaster by a 400,000,000-bushel crop. Again America suffers not because we have too little but because we have too much.

Three hundred and fifty million bushels is now about as much as we normally consume. Maine is the last to market. That means that Maine's 50,000,000-bushel crop may find the market in substantial measure gone.

The Government has been making herculean efforts to sustain the market in the early States but the situation is far simpler as they grow less than 20 percent of the yearly crop.

When the late potatoes arrive this fall the problem will rapidly become acute. Maine farmers know all too well from bitter experience in recent years the effect upon the potato market of a surplus of twenty-five to fifty million bushels. They have seen potatoes go to 50 cents a barrel or lower and they have seen millions of bushels rotting upon the ground.

Washington also has been getting potato conscious in recent years. No longer are potatoes the "forgotten crop." The great gain of the Warren Act still stands in its declaration that potatoes are a basic commodity. This means that potatoes are now receiving attention in any consideration of the farm problem commensurate with their importance as the fourth food crop of the United States.

The authorities in Washington are fully alive to the situation and are now developing under existing law a program for potatoes that it is hoped will meet with the approval of both the administration and the growers.

Obviously, there must be diversion and elimination of lower-grade potatoes if disaster is to be avoided. Nor is the Government in a position to carry the entire burden of this program. Everyone must cooperate if the crisis of 3 years ago is not to come again.

My discussions in Washington have persuaded me that those charged with responsibility for potatoes are fully awake to the problem and are bending every effort for its equitable solution.

They must count upon the wholehearted cooperation of producers in Maine and elsewhere if the program is to succeed.

Diversion of 15 to 20 percent of this tremendous prospective crop is essential if prices are to be anything like normal. That means in Maine approximately seven to ten million bushels. It is on this basis the problem is being considered.

The Government may be prepared to assist in the diversion of substantial quantities of Maine potatoes if the growers are ready to cooperate by eliminating from normal distribution some portion of the lower grades.

Sympathetic consideration of any Government proposals along those lines is to be very earnestly desired.

As your Representative in Washington, it is my endeavor to keep in as close touch as possible with the prospective trends and to keep you fully advised and in a position to receive consideration. The final decisions in many instances must rest with you after full consideration of all the facts.

The long-term program for agriculture is still in process of formulation. Potatoes are to have their place in the agricultural sun.

From the standpoint of a down-East Yankee, the most practicable and the most permanent method of control of agricultural surpluses must rest finally in governmental acquisition of control of substantial areas of less productive land. With such a program Aroostook and eastern Maine may confidently continue as one of the greatest agricultural areas to be found in the entire United States.

My Report to the People of the Seventeenth Congressional District of Texas

EXTENSION OF REMARKS

OF

HON. CLYDE L. GARRETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. GARRETT. Mr. Speaker, with the experiences of the year behind me, it is with gratitude that I am now addressing the Members of this House. One year ago today I was ending my race for membership in this body. In the heat and dust of a Texas drought a hard-fought campaign was winding to a close, and it was with pleasure that I approached the verdict of my people. The plea which I had made for a chance to be their Representative was heard by them with evident pleasure, for they sent me here by an overwhelming vote as their Representative in Congress.

It is now my pleasure to make my first report of my activities in their behalf. I am not ashamed of their needs nor am I ashamed of any of their pleas, and above all it is with pride that I present my record of work done in their behalf. Our section of the great State of Texas has been hard hit by the droughts of the past. By overdevelopment and large bond issues, many of the people there are badly overtaxed, and with a large surplus population there is and has been a tremendous relief load. I bring these things before you that you may know some of the problems which have faced our people and which problems have been the cause of many of the pleas with which we, as Congressmen, have been faced.

I am not ashamed of a single vote which I have cast, nor of a single position which I have taken. I voted and I took my stand on the major issues of this Congress with the firm conviction that the people of the Seventeenth District were entitled to that kind of representation, and if any of them had been here in my place—and multitudes of them are as capable of this duty as your present speaker—I believe they would have taken the same action under the same circumstances and with the same pleas ringing in their ears.

There has been a continued improvement, however, in the conditions of the country this past year. The people as a general rule are better off financially, and thus part of the load has been lifted from the agencies of this Government which have had to bear the burden of food and care of those needy. With a bumper crop, which is reported to be assured in a large part of my district, and with continued improvement in general conditions, I hope that within a short time many of their problems can and will be solved in that manner which will cause all of us to rejoice.

In this session I have introduced several private bills but have not been the author of any major legislation. I have not striven to father a national act for the reason that I was content to sit at the feet of the great and experienced leaders of the Nation and learn from them the intricacies of the work and methods of procedure. With the abundance of resolutions presented and the amount of legislation asked there has been much to do and many problems attacked. Regardless of the fact that I was not here as a crusader against any group of people, Communists, "reds", or what not, nor any particular or pet idea, I have found that there were many worthy measures to be studied and many interests of the people of my district to protect or uphold. These things I have striven to do in the votes which I have cast and talks which I have made.

The grind has been a long one, but I was willing to remain here until the work was done, had the leaders seen fit to do so, and if circumstances require the calling of a special session in the fall or early winter, it will be my pleasure to be here on the job ready to do my part.

Under the rules and practices of the House, no bill introduced by a Member can be fully and freely discussed unless and until such bill has been reported out of the committee to which it has been referred. In the event a committee does not report a bill out, the only way whereby it can be brought out on the floor of the House for discussion is for 218, a majority of the Members, to sign a petition requesting that it be done. I have signed several such petitions, to which I shall refer later.

FARM LEGISLATION

H. R. 6763, entitled "An act to extend for 1 additional year the 3½-percent interest rate on Federal land bank loans, to provide a 4-percent interest rate from July 1, 1938–39, and to provide for a 4-percent interest rate on Land Bank Commissioners' loans for a period of 2 years", to aid farmers was passed by Congress and vetoed by the President. I voted for the measure the first time and also voted to override the veto.

I voted for the bill appropriating $50,000,000 to the Farm Credit Administration, which is to be loaned in sums of $400 or under, except in emergency cases, for raising crops and livestock.

With a committee of eight from our cotton-producing States, I had the honor and privilege of calling upon our President to discuss with him the seriousness of the danger facing our cotton farmers by reason of the fast decline of the price of cotton and urged that some immediate action be taken to remedy the situation. A few days later I was happy to have the opportunity of voting for an appropriation of $65,000,000 for price-adjustment payments to cotton producers and which it is hoped will have the desired effect.

Facing a problem of farm tenancy as we do and with ever-increasing numbers of homes being lost to their owners, I did not hesitate to work for and vote and support the farm tenant bill. I had profoundly hoped that Congress could see fit to make a much larger appropriation for this purpose than it did. In my candid opinion, we should not have begun on less than $50,000,000, while the appropriation for the first year was only $10,000,000. I am hopeful that this program can be expanded and enlarged to the fullest to take care of those who are deserving, anxious, and willing to make sacrifices to own their own homes.

It is my feeling that Congress should remain in session until general farm legislation is passed and as an evidence of this feeling I signed a petition to call a caucus which would have for its purpose keeping Congress in session until farm legislation was passed.

VETERANS' LEGISLATION

House Resolution No. 5331, which provides for the restoration of the benefits to World War veterans suffering from paralysis, paresis, blindness, or who are bedridden, which passed the House, received my hearty support.

I supported also House Resolution No. 5030, which provides that a Spanish War veteran who attains the age of 65 years will be placed on the roll at $60 per month and that a Spanish War veteran who requires the constant aid and attendance of another person will be placed upon the rolls at $100 per month. This bill passed the House, but I am advised was never reached by the Senate before adjournment of Congress.

I signed the petition to bring before the House for consideration and vote H. R. 6384, being generally referred to as "Gold Star Mothers' pension" and materially affecting World War veterans, widows, and orphans. Finally this bill was brought on the floor of the House and passed. Being deeply interested in the provisions of this bill, and also a member of the committee handling same, I actively supported it.

With an overwhelming majority of the Members of Congress, I voted to pass over the President's veto H. R. 5473, which permits war veterans to renew expiring 5-year-level-premium term insurance policies for another 5-year period.

P. W. A.

Knowing that many cities and school districts over the country had made application for loans and grants through the P. W. A. for many worth-while and badly needed projects, I strongly supported the bill making appropriation of funds for these purposes. At the time applications for funds for these projects were made the sponsors were assured either a loan or a grant through P. W. A. would be made. Many sponsors either voted bonds or issued warrants—in numerous instances they had sold them—for the purpose of carrying out their part of the contract. I maintain that there is a moral if not a legal obligation on the part of the Federal Government to proceed to carry out its agreements. I have been successful, or at least instrumental, I think, in securing the approval of many of these projects and hope to be able to have all approved in my district which meet all the requirements.

TAX EVASION

I supported the resolution which creates a Joint Congressional Committee on Tax Evasion and Avoidance for the purpose of plugging up the remaining loopholes in our revenue laws and the prevention of tax evasion by the wealthy tax dodgers of the country, as recommended by President Roosevelt, and House bill 8234, which provides revenue, tax equalization, and the prevention of tax evasion and avoidance, and so forth.

C. C. C. CAMPS

I was heartily in favor of and supported the bill to continue for a period of 3 years the Civilian Conservation Corps; I favored this bill for the opportunities it afforded many young men to get training in work they would later have to do in life, for the educational features which it would afford, and for the discipline which the camps can and do afford. I think the young men of our land need and deserve these opportunities; therefore I worked and voted for this legislation.

RELIEF AND W. P. A.

Knowing the large number and the great needs of the unemployed, and knowing also of the many pending and contemplated worth-while projects—many of which were of a permanent nature—I voted for the work-relief appropriation bill, which appropriated $1,500,000,000—this being the amount proposed by our President—to provide work and relief for the needy of this country. Feeling that it was to the best interest of my people, I supported the attempt which was made to earmark several hundred millions of this money for the building of roads from the farm homes to their markets and for the control of floods. It being the opinion of many of our leaders that these funds should not be earmarked, the proposal failed, but I am still of the opinion that it should have been done to assure our people of the things they need and to let those in our part of the country in need of work have that opportunity to build something useful for themselves and their neighbors.

FEDERAL HOUSING

I supported the bill which guaranteed 2 more years of bonds for the Federal Housing Administration established in 1934. The assurance of loans by lending agencies for urban home building and repair—farm-building loans to be made by land banks—the F. H. A. has spurred construction—new residential building in 1936 highest since 1930—and created work for 1 year for 2,000,000 men in building trades, and provided a better market for veneer, plywood, shingles, lumber, and other forest products.

FEDERAL JUDICIARY

I favored and supported the House bills which provided for the enactment of the first two sections of President Roosevelt's court-reform measure, viz, first provision providing for the retirement and pensioning of Supreme Court Justices, and, second, to provide for the appearance on behalf of, and appeal by, the United States in certain cases involving the constitutionality of acts of Congress and reforms in the lower branches of the Federal judiciary, which was later passed by the Senate.

VOCATIONAL EDUCATION

In view of the fact that hundreds of communities in Texas were unable to carry on agricultural home-economics and industrial-education programs, due to the lack of funds, there was no hesitancy in my mind about voting for the appropriation for the sum of $14,500,000 to be used for vocational education—to be used to teach our boys and girls something useful to do in their later lives and to give them a wider range of life and a greater opportunity to become thrifty, useful, and worth-while citizens.

FLOOD CONTROL

I voted for the omnibus river and harbor bill. Two streams affected by this bill being in my district, the Leon and Brazos Rivers, I felt that the development of these two important streams, which touch in some way practically every county in my district, should be done in the best and fastest way. I believe that with their development and their use our people would be better able to control floods and to handle their conservation problems, and that they would face other needed flood-control problems with much more equanimity with these projects developed as they should be. Furthermore, this program, if and when carried out, would make possible extensive irrigation in many counties.

LOW-COST HOUSE AND SLUM-CLEARANCE BILL

I voted against the Wagner housing bill. I fully realize that the slum-clearance question in our large and congested cities is a national question and should be of deep concern to every citizen; however, I felt that it was probably unwise at this time to appropriate and expend $500,000,000 for the purpose of constructing housing units at a cost of in excess of $5,000 each. Under the provisions of the bill, as passed, cities of less than fifty or a hundred thousand population will not be eligible for loans and grants. It has been estimated

that only about 10 or 15 cities in the United States will be able to qualify for funds under the slum clearance and low-cost housing. It is my sincere hope that this legislation and program may accomplish every purpose designed and expected by its proponents.

HEALTH

I supported many health measures, one in which I was particularly interested being a bill introduced by Congressman MAVERICK, of Texas, which called for an appropriation for the purchase of radium for treating and research work in connection with treatment of cancer. Four hundred thousand dollars was appropriated for this purpose.

NEUTRALITY

I supported the Neutrality Act to keep us out of war and a national neutrality policy to be tried out for 2 years which will continue and strengthen the stopgap Neutrality Act of 1935—reenacted in 1936; the extension of the present compulsory ban against furnishing all belligerents in wars between nations or in civil wars with arms and munitions as defined by the National Munitions Control Board, together with loans or credits, and the vesting of wide discretionary powers with our President.

I signed the petition in connection with the Ludlow amendment, which provides for a constitutional amendment which would permit our people to vote on whether or not the United States would enter another war, excepting in case of attack by a foreign nation. I felt that the mothers and fathers who are compelled to furnish the boys who fight our wars should have a voice in this matter rather than those who expect profit from them financially.

I signed a petition which calls for the consideration of legislation which proposes to make it unlawful to ship arms or implements of war to foreign countries in time of peace as well as in times of war.

PENSIONS

In view of the fact that hundreds of the very best people in my district are of the firm conviction that the General Welfare Act has much merit and, if enacted into law, would not only provide adequate pensions for our old people but would aid materially in solving our unemployment problems, I signed a petition which would permit this measure to be brought on the floor of the House, where it could be fully and freely discussed both pro and con.

Referring to old-age pensions, it will be recalled that during my campaign I advocated "an adequate and liberal old-age pension." I am still convinced that our old people, who have meant so much in the development and growth of this country, are not being cared for in the way of pensions as they so richly deserve. To the end that they may be more adequately taken care of, I have joined with other interested Congressmen in an effort to secure an amendment to our present law which would require the Federal Government to pay $2 to where the State pays one. This, in my State, would provide for the payment of $45 per month to each pensioner if the State would pay the maximum, which it is well able to do. The proposed legislation just mentioned has, along with much other, been sidetracked for other measures which the administration considered of far more importance.

I did not, however, sign petition no. 17, calling for the consideration of a bill which, if passed, would have provided me with $1,800 annually as additional clerk hire. However, I fully realize that many Congressmen need the added amount.

OIL LEGISLATION

All legislation which was designed to stimulate and stabilize the oil industry and protect the operators and producers received my hearty support, the most outstanding and helpful legislation being, in my opinion, the Connally Hot Oil Act, which provides that all oil produced in violation of State laws should not be shipped in interstate commerce. This legislation is very important to the oil industry in Texas, and our operators were deeply interested in and strongly urged its passage.

HOME OWNERS' LOAN CORPORATION

In view of the fact that thousands of borrowers from the Home Owners' Loan Corporation will lose their homes by reason of their inability to meet their payments, I have felt for some time that the law governing the operation of the H. O. L. C. should be so amended that these distressed borrowers could be afforded immediate relief and protection to the end that they may save their homes. Having this feeling, I became a co-sponsor of a bill which, if passed, would not only lower the rate of interest from 5 percent to 3½ percent, but would also extend the period of time in which the loans could be paid. In the event it cannot be conclusively shown that the passage of this legislation will create a large deficit which would have to be absorbed by the Treasury and eventually paid by our people through taxes, by all means, I feel this bill should be passed. Congress has taken steps to assist the farmer in holding the interest rate down on his loans, now I feel we should endeavor to help the city and rural home owners. Certainly, we should all be interested in saving the homes of these borrowers and prevent the Government from going into the real-estate business and, at the same time, sustaining a great loss financially.

ANTILYNCHING BILL

The antilynching bill did not receive my support. Among many of the absurd and ridiculous provisions of this bill, it provided that gangsters and racketeers were exempt. It also provided that if any officer or employee of a county or city who were charged with the duty of protecting a person from lynching, shall neglect, refuse, or fail to protect such person from lynching that he shall be guilty of a felony and upon conviction shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years or by both fine and imprisonment; furthermore, the bill provided that the city or county shall be responsible for any lynching occurring within its territorial jurisdiction and also for those occurring out of its jurisdiction which follows upon the seizure and abduction of the victim within its territorial jurisdiction, the city or county being subject to a fine of $10,000. This amount, of course, would have to be paid by the taxpayers and the Federal Government would pass upon the question as to whether or not an officer had been diligent.

RAILROAD RETIREMENT ACT

The Railroad Retirement Act received my support. This legislation provides for a pension for retiring railroad workers at no cost whatever to the Federal Government other than the administration cost of the act, the pension itself being contributed by both the employee and employer.

A Suggestion to Members of Congress in Their Dealings With Hungry Constituents

EXTENSION OF REMARKS

OF

HON. THOMAS R. AMLIE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. AMLIE. Mr. Speaker, the probabilities are that Congress will adjourn within a day or two and that the Members will return to their districts, not to meet here again until the next regular session in January. During the next 4 months I am sure that the inadequacy of relief appropriations will be brought home to them by their constituents, who, with the coming of winter, will find themselves in dire need, unable to secure work or relief.

I know that when this happens the great majority of these gentlemen will be deeply distressed, particularly when they recall that it is as a result of their own activities that adequate relief funds will not be available. I should like to

remind these Members that all the proposals to raise the relief appropriation from one and one-half billion dollars to any larger amount were defeated in the House, without a roll call, by at least 4 to 1. The greatest support was secured for the so-called Boileau resolution, sponsored by the Workers' Alliance. On a teller vote this amendment was defeated, 196 to 51. On a number of other proposals to increase the amount the vote was even more decisive. The record of these proceedings is to be found in the CONGRESSIONAL RECORD for May 21, pages 4924 and 4925.

The bill was further considered in the House on May 25. On that day various efforts were made to earmark the one and one-half billion dollars so as to allocate approximately $500,000,000 for P. W. A. projects, road construction, flood control, and other projects, worthy in themselves, but which would have reduced the amount available for relief from the already inadequate one and one-half billion dollars to one billion dollars.

It will be noted that in the Committee of the Whole, where no roll calls are taken, 172 favored decreasing the amount available for W. P. A. by $300,000,000 to be set aside for P. W. A. projects, and only 48 opposed it (CONGRESSIONAL RECORD, p. 5024). It is rather significant that out of 435 Members, so long as there were no roll calls, there were only 51 who favored increasing the amount available for relief; on the other hand, when it was proposed to reduce that amount by a third by earmarking proposals, only about 50 Members stood out against it. That is to say, the 85 percent or more of the House membership who were opposed to increasing the appropriation were also in favor of reducing it by a third.

President Roosevelt's pressure on recalcitrant Democrats saved, by a narrow margin, the one and one-half billion dollars that he asked for relief. It should be noted, however, that about 92 percent of the Republicans opposed the one-and-one-half-billion-dollar appropriation because it was too liberal, and some 85 percent of the Democrats took the same stand when the matter was considered without roll call, although most of them later went on record as favoring it.

I know that the Members of this House are honest men and women, and that when their destitute constituents call upon them between now and next January, they will not tell these unfortunate people that they tried to do anything for them. Being men and women of honesty and integrity, they will not pretend that they were for more adequate relief. And, being thoroughly honest, 9 out of 10 Republicans and 4 out of 5 Democrats will be further compelled to tell these hungry unfortunates that if they had had their way the inadequate relief available would have been even less.

This situation will be very trying to the great majority of the membership of the House, since they are not only honorable but humane. I should like to make a suggestion to them which may prove helpful.

About 5 years ago we had what was known as the veterans' bonus march on Washington. About 150 ex-service men came here from my district, among them a young man who had come to this country from Norway. He had served in the American Army during the war and had been unemployed for a long time when he came here with the bonus marchers. He told me that during the preceding winter, in a large industrial city in my district, he had suffered great hardship, that he had been unable to secure either work or relief of any kind, that a friendly property owner had permitted him to sleep in the attic of an unused building, that during the night he would go to the back doors of restaurants and beg for food; or, failing that, he would try to pick scraps out of garbage cans. He told me that it was very hard to get enough food in that way and that very often he would stay in bed all day to conserve his energy, because even though he was weak from hunger he found it hard to overcome his pride and beg. He told me that finally every time he fell asleep he would dream of being at a banquet table eating wonderful food. He said that it was a very pleasant sensation, but that as a boy he had heard that people starving experienced the same sensations. As a result, whenever he began to dream these dreams, he would become alarmed, muster what strength he had, and get out and beg for food. When this young man got his bonus he promptly returned to Norway.

It may be some consolation to Members whose legislative records make it necessary for people to starve in this rich country to realize that in the final stages of starvation, all the experiences are not as unpleasant as might have been supposed. A young man dreaming of eating at a banquet table must find the experience very pleasant, even though it is only a dream.

This morning I noticed, in the Philadelphia Record for August 20, that a man had been found in Oklahoma City who was in the last stages of starvation. He had kept a diary, telling how it felt to starve to death. The diary revealed that he had gone for 41 days without food, sending what money he could to his family. Physicians who examined him said that he would probably not live. When he collapsed in a downtown building and was taken to a hospital, he did not remember who he was, where his family was, that he had kept a diary, or much of anything else. Presumably, in the last stages of starvation Nature takes a hand and, by upsetting the mental balance, limits the individual's capacity for suffering. Some of the entries in the diary, however, bear out the experience of the bonus marcher from my district.

August 4. I believe that awful desire to eat has finally left me.
August 6. Desire to eat today not so strong.
August 7. Thirty days have I fasted. Have saved $15 I can send to the folks. Can't remember where, but I have money for them. I must remember where.
August 8. Dreamed I was home last night, at my own table. I was eating. I was eating.
August 11. I was home last night and ate six pieces of cherry pie before I awakened.
August 12. Home again last night eating supper. Bit into a raw onion and woke up.
August 14. Am home every night to eat. With breath still moving in my lungs, I wish the last day were here.
August 15. I watched people eat today. Strange, but it did no longer make me wild.
August 17. "And he was 40 days and 40 nights without anything to eat and afterward hungered." I think so. I am amazed that after 40 days and 40 nights with nothing but water that I am able to be up and around.
August 18. I am so weak. • • •

I have purposely omitted some of the more harrowing details of this man's experience, as I do not wish to distress my colleagues unduly. Since 85 percent of the Members of this House have refused to increase the total amount available for relief, and, when there has been no roll call, have actually sought to cut the present allowance, I know that they, being honorable men and women, will not pretend to their destitute and hungry constituents that their record has been other than it actually was. But I know, too, that they are humane, and that they would like to dismiss their constituents with a word of encouragement and cheer. They can, with complete propriety, remind these unfortunate people that it is possible to live for 40 days on nothing but water, and that the last days of starvation are accompanied by pleasant dreams of food, and that probably their capacity to suffer will be limited by mental impairment.

Why Place Ourselves at the Mercy of a Possible Enemy?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MURDOCK of Arizona. Mr. Speaker, the House Committee on Military Affairs, having had before it H. R. 1608, considered the proposition of buying strategic war

materials, such as manganese and tungsten, from nations abroad, possibly with a view of crediting the purchase of the same on war debts which the producing nations owe the United States. In view of the fact that great quantities of these minerals are to be found in the United States, it seems to me very unwise as a national policy for us to depend very long upon our supply from abroad either in war or in peace. It is utterly fallacious to think of acquiring these minerals as part payment on war debts because most of our supply comes from those nations which either do not owe us any war debts or, owing something, never intend to pay what they owe.

Not only should we be able to produce these war materials, but we should be producing these very necessary metals from our own mines for the use of our own industry. Manganese is known as the backbone of the steel industry. Modern, high-grade, high-speed steels require the use of manganese or tungsten as alloys. In this steel age it is folly for the greatest manufacturing nation on earth to depend upon some other nation for so vital an element as manganese and tungsten in the manufacture of steel products. If the mines of these important minerals have not yet been developed in this country, their immediate development would be, in my judgment, the first essential step in our military preparation for national defense and also the first necessary step in maintaining our industrial supremacy.

We are told that manganese in this country is of low grade as found throughout the West. It is also pointed out that the long railroad haul from the Rocky Mountain region to our steel-manufacturing centers costs more than the long ocean haul from abroad. It is further suggested that the cost of production in this country of usable manganese is prohibitive as compared with the cost of foreign manganese. Assuming that this has been the true picture of the situation in the past, and even at the present moment, I do not feel that it must always remain so nor is likely to remain so. It is too vital a matter for our Nation both in peace and in war to leave our own supply of these materials undeveloped. It has recently become known that we have a vast supply. It only depends upon our ingenuity and energy to make the needed development at an opportune time before it becomes too late to do so in the event of a war. We had an unfortunate experience in that regard during the World War.

Three factors have lately come about to change the former picture in regard to these metals. For instance, a new electrolytic process for converting low-grade manganese ores into usable form has very recently been perfected. Again, inexhaustible supplies of manganese have been found within easy reach of the cheap power from Boulder Dam. I refer to the deposit at Artillery Peak in Mohave County, Ariz. In the third place, this heretofore inaccessible region is soon to be opened up by several new means of transportation.

Artillery Peak is within 25 miles of the Colorado River and within equal distance of a high-tension power line from Boulder Dam. Cheap power is now easily available for development on the spot. With the new electric process, and very cheap power, a private corporation with some encouragement from the Government could easily develop in that heretofore inaccessible region, the greatest manganese mine in the world. Just recently, the combined Federal and State road-making agencies have favorably considered Highway 93, running from Phoenix, Ariz., to Boulder Dam by way of Kingman, Ariz. This highway will pass within a few miles of Artillery Peak and will furnish good highway transportation into and out of that new country.

Mr. Speaker, it seems to me the poorest kind of public policy, except for the immediate present, to think of our buying abroad any of these materials which it seems may now be feasibly produced within our own country at reasonable prices. Therefore, I want to voice my protest against the Faddis bill as originally drawn, and express approval of the amendments striking out the word "shall" on page 2, lines 4 and 11 and 16, and inserting in the bill in lieu thereof the word "may." As thus amended, the bill meets my approval for immediate enactment for a limited time, with the understanding that most of its provisions will soon be unnecessary because of our internal development.

The Industrial Expansion Act

EXTENSION OF REMARKS
OF
HON. THOMAS R. AMLIE
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. AMLIE. Mr. Speaker, on June 1, 1937, Congressmen ALLEN of Pennsylvania, MAVERICK, of Texas, VOORHIS, of California, and I introduced in the House of Representatives the Industrial Expansion Act. This measure was prepared with a great deal of painstaking effort on the part of the Members who introduced it. While Gen. Hugh S. Johnson, in his syndicated column, has intimated a shrewd suspicion that the bill originated with the President's "brain trust", his opinion is without foundation.

Properly speaking, a measure of this kind is not the work of any one man. Ideologically it stems from the writings of the late Thorstein Veblen. More specifically, it goes back directly to the findings of several recent surveys made to determine the productive capacity of the United States, particularly the National Survey of Potential Product Capacity, under the direction of Harold Loeb, and financed by Federal funds, and the studies of the Brookings Institution, America's Capacity to Produce and America's Capacity to Consume. The findings of the National Survey were set forth at length in a speech by BYRON SCOTT, of California, CONGRESSIONAL RECORD for July 1, 1935, page 10577.

"A. A. A. IN REVERSE"

As a direct outcome of this survey, Dr. Mordecai Ezekiel, economic adviser to the Secretary of Agriculture, Mr. Henry Wallace, wrote a book entitled "$2,500 a Year." In this volume, Dr. Ezekiel offered a tangible plan by which the great productive capacity of the country, disclosed by the N. S. P. P. C. and the Brookings studies, might be released and the benefits made available to the people of the country as a whole. It was Dr. Ezekiel's thesis that if the Government could set up instruments such as the A. A. A. in order to achieve artificial scarcity, the same instruments might be used to achieve optimum production. If a processing tax could be imposed on the value added to the goods by the manufacturing process, and the proceeds of such a tax used to pay the raw-material producers for cutting down their production, why could not the same processing tax be used to induce them to increase production? In this volume, Dr. Ezekiel proceeded to show how the specific instruments used in the crop-control plans might be used throughout industry as a whole to step up production enough to give all the American people a high standard of living.

POWER TO REGULATE INTERSTATE COMMERCE INVOKED

Unfortunately, however, this book was published just when the Supreme Court held the A. A. A. unconstitutional. As a result, the plan did not receive the attention it merited. Only when the Supreme Court upheld the constitutionality of the National Labor Relations Act did it become apparent that what Dr. Ezekiel had proposed to do under the general-welfare clause could be done just as well under the power to regulate interstate commerce. The Industrial Expansion Act, therefore, while based essentially upon the Ezekiel proposal as outlined in his book, rests not upon the constitutional power upon which he based his plan but rather on the power of Congress to regulate interstate commerce, which as construed by the Court in the National Labor Relations Act decision is amply broad to legalize the provisions of the Industrial Expansion Act.

The formulation of this act stems more directly from a resolution adopted by the State convention of the Commonwealth Federation of New York, held on April 17, favoring a measure that would enact into law the plan outlined by Dr. Ezekiel. The sponsors of this bill have worked assiduously for several months prior to its introduction to put the bill into its present form.

TAXING POWER USED TO STEP UP PRODUCTION

The central theory of the bill is that if the power of the Government can be invoked to reduce production, as in the case of corn, wheat, and cotton, the same instrument can be used to step up production all along the line. That is to say, why cannot a 25-percent tax be imposed on the value added to goods by processing in the principal or essential industries? To the units that cooperate in stepping up production, keeping down prices, and meeting certain labor requirements regarding hours and wages, this processing tax will be refunded. It is recognized that this use of the processing tax is purely an instrument of coercion. It is the teeth that were put into the A. A. A. and that were left out of the N. R. A.

ONLY ESSENTIAL INDUSTRIES AFFECTED

To begin with, the processing tax would not be levied on any industry until a comprehensive plan had been worked out for all the essential industries. The units within the industry would first be given the opportunity to set up their own code; if they failed to do this, and the industry were essential, the Government would have the power to set up a code. No units would be compelled to come in, except and insofar as a refunding of the processing tax would persuade it to do so. Moreover, it is not the intention, under this plan, to bring all industry within the operation of the plan. It is the feeling of the authors that this was a mistake under the N. R. A., and that in the operation of this act only the industries actually necessary to the operation of a Nation-wide plan should be affected.

NATIONAL INCOME INCREASED FROM $65,000,000,000 TO $95,000,000,000

If industry is stepped up all along the line, it should be possible to increase our present national income of $65,000,000,000 a year to $95,000,000,000 a year. The individual manufacturer, therefore, would be just as safe in turning out 95 units as he is today in turning out 65. There would be the same chance of disposing of his product at a profit, for the simple reason that the national income would be stepped up proportionately. But the Government depends not only upon the coercive pressure of the processing tax, but also upon governmental cooperation with all manufacturing units that are willing to come in under the general plan. The industrial expansion authority, for instance, would have the power to enter into contracts with all manufacturers by which it would take over at cost a certain percentage of the total output, should it prove to be unsalable. Since we have 3,000,000 farm families who produce only one-eighth of the total agricultural output entering the market, and since we would still have four or five million unemployed, the Government would obviously have no difficulty in disposing of any surpluses that it might be obliged to take over by virtue of its contracts with the various manufacturers. It is certain, moreover, that, however great the cost of such a general plan of guaranty might be, it would be relatively small compared to the present cost of administering relief.

INDUSTRY, EVEN AT CAPACITY, CANNOT REABSORB UNEMPLOYED

The plan recognizes further that, even were we to achieve full production throughout industry as a whole, we should still have four or five million people who would not be reemployed—this because of the technological advances of the past 7 years. It is frankly recognized that these people will probably never find employment again, except in a long-term public program of rehousing and construction.

HOUSING AND PUBLIC WORKS TO TAKE UP SLACK

While the Authority has the power to assist and enter into contracts with producers in the construction field, it is recognized that this problem cannot be successfully carried out by any agency other than the Government itself. The employment of four or five million people in construction, over a period of 20 years, necessarily calls for long-range Government planning. Moreover, if the four or five million people still unemployed are to be used effectively in a Public Works program, it is necessary that they be restrained. Only the Government itself can enter upon an educational program so monumental.

This, briefly, is a summary of the machinery provided by the Industrial Expansion Act, and the economic analysis and theory upon which it is based. Since the actual provisions of the bill have been discussed at length in the remarks of Congressmen VOORHIS and ALLEN, I shall not further discuss this phase of the bill.

UNCORKING THE HORN OF PLENTY

I wish, rather, to devote my remarks to that rather large group of American citizens who can see the anomaly of actual poverty in the midst of potential abundance; who realize the great productive capacity of the United States, measured in terms of natural resources, modern factories, a highly perfected technique of production, and a highly skilled and industrious citizenry; who, envisioning the possibilities of production in a country where artificial shackles have been removed, have also been moved by the injustice done to large sections of the people in denying them access to the Nation's raw materials and machinery of production.

I know that these people do not need to be persuaded that our objective is a desirable one. They are already persuaded. Their concern, however, as well as ours, is to find the method by which this goal may best be reached.

SOCIAL OWNERSHIP THE SOLUTION?

We are all, of course, familiar with the various approaches to this problem. First and foremost come the adherents of that school of thought which believes that the natural resources and means of production upon which the welfare of society depends ought to be owned and operated by society itself.

On the one hand are the Socialists, who have believed that it was possible to achieve this goal by gradual extension of the field of political ownership to the taking over of utilities, natural resources, and essential factories after properly compensating the owners therefor. But it has become perfectly clear that the 4 percent of the people who own 80 percent of the Nation's wealth are thoroughly opposed to any plan of this kind, and that they will use their wealth in any way they find effective to defeat it. Consequently most Socialists, observing their frustration here and their failure abroad, have concluded that this program, while it is thoroughly logical and ethical, is nonetheless politically impossible.

On the other hand are the true Marxists, who believe that this change in the ownership of the means of production can come about only as a result of a violent revolution, overturning the present capitalist class, and the setting up of a dictatorship of the proletariat on the part of the masses, through which instruments the classless society will finally be achieved.

NEITHER SOCIALISM NOR COMMUNISM FEASIBLE HERE

But it has always seemed to me that there was little justification for any hope in such a program in the United States. I have written extensively on the subject, and have as a result been condemned at considerable length in the official publications of the Communist Party in this country. I have long been convinced that the American people will never regain that equality of opportunity that has been an American heritage by the traditional program of either the Socialists or the Communists. On the other hand, I am equally sure that the old order of laissez-faire and rugged individualism will never again work satisfactorily. I am convinced that the American people will regain the equality of opportunity of which they dream only when American industry is operating at full capacity.

EXPANSION OF PRODUCTION THE LAST FRONTIER

In the field, between 65 and 95 percent of capacity operation is, in my opinion, to be found the frontier which alone can

reestablish the equality of opportunity in which we all believe. It is my firm conviction that only through such a plan as that proposed in the Industrial Expansion Act is it possible to move in the direction of capacity production, a high standard of living, and equality of opportunity. I believe that in any other direction lies the certainty of failure—failure that will set in operation forces of retrogression rather than progress.

WHAT POLITICAL COURSE SHALL THE PROGRESSIVES TAKE?

The question that I wish to discuss with those who agree as to the desirability of our objective is what political course we shall decide upon. As I see it, there are certain factors which make a certain decision imperative.

The key to the whole political situation, I believe, is to be found in the fact that fully 20 percent of the American people are outside the economic system in which the rest of us live and play an active part. When the depression began I did not believe that the economic system could be stabilized with the large number of people that would be permanently unemployed. But this stabilization has taken place, despite the fact that no place has been found for most of the people who were unemployed and outside the economic system 4 or 5 years ago. This 20 percent includes some 3,000,000 farm families, who produce only one-eighth of the total agricultural produce entering the market, and some 8,000,000 unemployed people and their dependents. These people not only have been outside the economic system for 8 years but from every indication they will be permanently outside. The future holds little hope for them. Had they been born a generation or two earlier, they might have found opportunity in the traditional American sense. It is their tragedy that they were born too late.

IGNORED BY "OLD DEAL", UNAIDED BY "NEW"

I am calling attention to this part of the population, not alone because an injustice has been done them, but because it seems to me they hold a key position in any political strategy that may be decided upon by progressive and forward-looking citizens. The program of the New Deal has offered them nothing whatsoever outside of the doles and pittances that have fallen to them in the form of relief and W. P. A.

The A. A. A., the Soil Conservation Act, the Farm Credit Administration, and so forth, have distinctly benefited those three and a quarter million farm families that produce seven-eighths of all the agricultural produce entering the market, but they do not touch the other 3,000,000.

The workman who has a job might gain further benefits through section 7 (a) of the N. I. R. A., or through the National Labor Relations Act. These measures, however, have been of little advantage to those who have been unemployed for 8 years and who have become a group of economic untouchables, the pariahs of the profit system.

This 20 percent of our population was completely overlooked by the "old deal", and in the main they are overlooked by the various farm and labor organizations that profess to speak for the farmers and workers of this country. One of the most terrific indictments that can be uttered against the short-sightedness of organized labor lies in its complete indifference to the plight of the unemployed. During the past few years, when relief appropriation bills have been up before Congress, no labor organization, local or national, has urged me, through its legislative representatives or otherwise, to support more adequate proposals for the unemployed. Other Members of Congress have had the same experience.

GERMANY'S EXPERIENCE A LESSON

There is, as I see it, a deadly parallel between what is happening in the United States today and what happened in Germany in the decade preceding Hitler's rise to power. During this period three friends of mine visited Germany, and because of their backgrounds came into intimate contact with certain large, and at that time important, groups of the German people.

FRIEND NO. 1

This man, because of his pioneering in certain fields of labor relations in this country, had the opportunity during a 6-month stay in Germany to meet many of the most important leaders of the Social Democratic Party. When he returned in the spring of 1933 he told me that he, as an outsider, seeing the desperate need for action by the Government—that is, the Social Democratic Party—had warned some of these leaders that they must act before it was too late, because Hitler might very readily come into power if they failed. But they had the situation figured out statistically. Hitler could not possibly, with his antilabor policy, win over a majority of the German voters. They were positive that very few of the unemployed would support Hitler, because after all they belonged in the main to the working class, they had a working-class psychology, and it was inconceivable that they would turn against their friends and join an avowed enemy of labor. These unemployed people, however, regardless of class background, had become desperate and demanded action. They listened uncritically to the promises of Hitler, and concluded that it would probably be all right to give him a chance.

FRIEND NO. 2

This was a young man recently graduated from college, who as an undergraduate had been in close touch with the various youth movements of the world. In Germany he met many of the young Communists and some of the Communist spokesmen. He told me that they were hopefully watching the rapid liquidation of the status of that large number of people who had formerly belonged to the middle class. They were confident that as these people were forced into the ranks of the unemployed proletariat they would join with their equally unfortunate comrades to give the Communists the needed mass support for a successful class revolt. But these dispossessed members of the middle class did not join the Communists. They joined Hitler.

FRIEND NO. 3

This was a woman who, with her husband, had played a long and distinguished role in the history of the American Socialist Party before and during the World War. While in Germany she naturally had entry into Social Democratic circles. They pointed with pride to what they were doing for labor—aiding in unionization, shorter hours, better working conditions, unemployment insurance, old-age pensions, workmen's compensation, industrial housing, municipal ownership, and so forth. But as she viewed all this progress she could not shake from her mind the disturbing conditions of that large part of the population that had formerly belonged to the middle class and who were now being forced into the ranks of the economic outcasts. What was being done for them, and what plans did they have for their future? The invariable answer was, "Aber das ist nicht unsere sache."

"BUT THAT IS NOT OUR PROBLEM"

This is the answer that would be given by almost any farm or labor leader in the United States today. The average farm audience does not care to hear about the problems of business of the workers. They want to know how they can get cost of production for their crops, and they regard anything else as extraneous. Since a disastrous export market lessens the price of the local crop, obviously the most sensible suggestion is to reduce production to the level of the effective domestic demand, thereby reducing labor and increasing income. And if the A. A. A. and Soil Conservation Act can reduce agricultural output to the amount for which there is an effective demand, laboring men are wondering why labor cannot be made artificially scarce by limiting the number of hours per week that any man can work. Important labor leaders are offering this as an ultimate solution for the problems of the workingman.

But it is only too clear that the majority of the people who are gainfully employed in industry are not in favor of the

Black-Connery wage and hour bill. The workingmen themselves are not unlike the farmers and the businessmen. When the N. R. A. was enacted into law 4 years ago businessmen as a whole were in favor of it. They had just gone through 2 or 3 years of chaotic deflation, and the smaller units in all the industries were in imminent danger of liquidation. As a matter of fact, had the depression gone on for a few years more, only the largest and best financed units in the various industries could have survived.

AMERICA WANTS REGIMENTATION WHILE IT IS SICK

American businessmen have always opposed regimentation, but they were willing and glad to be regimented when the alternative was between survival and liquidation. But after the downward spiral of deflation had been halted and things began to move up again, businessmen, large and small, immediately began to clamor for the removal of all restrictions and regulations imposed upon them by the N. R. A. They also demanded, with equal vigor, the cessation of all Government spending, although, as everyone knows, it was Government spending and the increases in purchasing power started by the N. R. A. that made possible the present boom. It has been suggested that business was like a sick man. The first signs of recovery were noted when the patient began to throw things at the doctor.

The American farmer was likewise glad to be regimented in the direction of scarcity in 1932 and 1933, when the gross farm income was down to $5,000,000,000 or $6,000,000,000 a year, but now that it is back to $9,000,000,000 they would like to be able to raise as much wheat, corn, and cotton as possible without artificial restrictions.

REGIMENTATION DESIRABLE AS A HEALTH MEASURE

The hearings before the House Labor Committee on the wage and hour bill have largely consisted of requests by various labor organizations that the workers whom they represent be not included in the provisions of the bill, although they favor the limitation of hours and maintenance of wages as a matter of principle. In short, now that industry has picked up, the workingmen want to work as long and earn as much as possible. Although we are nearing another adjournment, there is already talk of a special session of Congress to consider crop control and wages and hours. If there is to be a special session, is it not high time that thought be given to the possibility of Government regulation to achieve optimum production rather than production restricted to the limit of effective demand—that is, the people's purchasing power?

THE FEDERAL GOVERNMENT AND THE ECONOMIC OUTCASTS

The political leaders in the Hoover administration felt that the Government could not constitutionally concern itself with the problems of the individual. Relief, old-age pension, unemployment insurance, and so forth, were purely matters for the States and the local communities. This position was thoroughly repudiated in the national election of 1932. When the New Deal came into power in 1933 the effort to ride through the depression, letting contraction and bankruptcy run their course, was definitely abandoned not only for the big banks, railroads, and insurance companies but for the country as a whole. Loans through the Reconstruction Finance Corporation were increased from $2,000,000,000 to $9,000,000,000. The banks of the country were thawed out by having the Federal Government refinance one and one-half billion dollars of bad farm loans and $3,000,000,000 of frozen mortgages on homes and city property. Billions more were spent in other ways to aid business; and with all this spending it was easy for the President to secure other billions for relief.

At first the F. E. R. A. was set up. As a result of Federal grants to the States the average relief was increased from $8 per month per family under Hoover to $30 per month in September 1934.

W. P. A. ESTABLISHED

But as a result of the N. R. A. and the free use of Government credit to prime the pump of industry, business was getting back to normal. There was a growing feeling that the emergency was over. Why, then, should people be given $30 a month while they were idle? Public support began to drop away. Five months later, in the middle of winter, the average relief per family had dropped to only $25 a month. The administration knew that public sentiment would not support relief at even this level, and the W. P. A., with an average security wage of $50 a month, was proposed. President Roosevelt believed that the Federal Government could provide W. P. A. jobs for the employables who were in need if the States and communities would take care of the needy unemployables. But public opinion would not support him even in this proposal. The plan was never carried out. A large portion of the needy unemployed could not get W. P. A. jobs even though they were certified. Gradually public sentiment began to turn against what was felt to be not the most efficient use of the labor employed or the money spent.

People, on the whole, felt that it would be better to spend money for public buildings and other permanent improvements rather than on W. P. A. projects. They did not understand that public works had been ruled out because businessmen, knowing that every dollar spent to put up public buildings would entail 5 to 10 percent more the next year for upkeep, opposed any permanent public improvements except roads and sewers.

AVERAGE MAN DISLIKES BOONDOGGLING

The average man believes that the unemployed ought to be made to work for any relief that they get, and is opposed to boondoggling projects. He does not understand that W. P. A. projects are what they are because of the opposition of businessmen to any public-works program involving future operating costs and higher taxes. But regardless of what we may think of relief or W. P. A. as a solution for the plight of the unemployed, it is clear that public opinion will support neither. The final answer to this question came in the House of Representatives when the President's $1,500,000,000 relief bill was being considered. In the Commitee of the Whole, where there is no roll call, the members voted 3 to 1 to earmark appropriations in a manner that would have cut the amount available for W. P. A. from $1,500,000,000 to $1,000,000,000. The President thereupon conferred with the leaders of this revolt, and, on roll call, was able by his political influence to save an appropriation that is sure to prove grossly inadequate.

THOSE INSIDE WILL NOT SUPPORT THOSE OUTSIDE EITHER BY TAXATION OR PRODUCTION FOR USE

The liberals of the country might as well realize that the 80 percent of the people who have a place within the system, whether as owners and profit takers, or merely as poorly paid farmers and workers, and who produce the $65,000,000,000 that makes up our national annual income, are not willing to take care of the 20 percent who are outside. The argument that purchasing power given to these people would make greater prosperity possible has never had any great persuasive force with the average man. If he has a place within the system, he feels that he is contributing to the Nation's total income, and that the unemployed man is not. In an emergency he was willing to admit that he owed some obligation as his brother's keeper, but the plain truth of the matter is that he will not assume this role permanently. The weakness of the relief program lies in the ethical nature of its hold on the people within the economic system. Political realism should teach us that this is not enough.

It is high time that the people of this country who are interested in the plight of that "one-third of our people who are ill-fed, ill-clothed, and ill-housed" abandon a course that politically serves merely to drive a wedge between the 20 percent who are outside and the 80 percent inside. Such a policy paves the way for the ultimate liquidation of the minority group. I am as guilty of this error as anyone. Since the fall of 1933 I have consistently advocated a program of production for use for the unemployed. Competent surveys have shown that the people on relief could have been given a standard of living 40 percent higher at a cost of less than half what was actually paid for relief if they had been permitted to contribute their own labor to their own support. I felt that businessmen would

ultimately prefer this to paying the cost of relief or W. P. A. in increased taxes. I was naive. It never occurred to me that businessmen would decide to neither feed them nor permit them to feed themselves. The business community has simply decided that it will not carry the tax load, nor will it further permit the Government to set up an economic system for the unemployed that would, as they see it, compete with the private economic system.

Moreover, the people who are employed in private business share their employers' point of view. If their employers have to pay higher taxes, they are naturally less able to pay higher wages. If a self-help system is set up for the unemployed and this system competes in any way with their employers, this, as they see it, will limit the ability of their employers to pay them higher wages. They share their employer's objection to anything that looks like self-help for the unemployed. In advocating production for use for the unemployed, I find that I have been guilty of advocating a plan that, from a political standpoint, would merely serve to drive a wedge between the 20 percent outside and the 80 percent inside, just as the advocates of relief and W. P. A. have done.

The time has come when the various groups and individuals who are seeking to improve the lot of the "one-third of our people who are ill-fed, ill-clad, and ill-housed", must get behind a program that will have a chance to divide politically, not the people outside from the people inside, but rather the one-fifth who now own and control the United States and all that is in it, from the unemployed, those who are employed at low wages, and those who earn the barest subsistence on the Nation's farms—in short, the 80 percent of the people who, whether inside or outside the system, are unable to enjoy even a modest standard of living.

So far as the traditional Socialist program is concerned, no one can question its thoroughly logical approach; but socialism has always left in the hands of the enemy those psychological instruments that are so well designed to take care of every form of psychological lag. It is needless to argue the point, since the voters have already given their answer in the past two Presidential elections.

The Communist program is based on certain assumptions that are not applicable to this country. The question, therefore, is whether there is some program, outside of socialism and communism, which will solve the problem and at the same time appeal to the great majority of the citizens of the United States. The sponsors of the Industrial Expansion Act believe that this measure provides a program that can now secure this support. Briefly, these are the reasons for our optimism.

REGIMENTATION NOW A FAMILIAR TOOL

If the Industrial Expansion Act had been proposed in 1932, it would have been premature. The people of the country, despite the chaos then prevailing, would have cried out against this attempt at industrial regimentation. The farmers were with difficulty persuaded to accept the A. A. A., which merely permitted them to reduce their output to the level of the effective domestic demand. As a matter of fact, farm leaders had been advocating this kind of program for many years. The A. A. A. gave the farmers the kind of scarcity they were interested in.

Even while Hoover was in the White House, the United States Chamber of Commerce had advocated a plan similar to the N. R. A., except, of course, that it did not include section 7 (a), giving labor the right to organize. American business was already on record as favoring self-rule for business; that is to say, granting business the right to ignore the Sherman antitrust law, permitting them to form trade associations, restrict output, maintain prices, eliminate competitive practices that absorbed profits, and so forth. In short, American businessmen were not averse to regimentation if it increased their profits.

Just now there is considerable pressure upon Congress to enact the Black-Connery bill, which is designed to make labor a scarce commodity, by limiting the number of hours of work per week that a workingman can sell. Laboring men are, of course, anxious to work as long and earn as much as possible, and their support of the bill is, therefore, a bit half-hearted, but it might be said that the philosophy of scarcity for labor embodied in the Black-Connery bill comes as close to expressing the demands of labor as any proposal that has been advanced. Many intelligent labor leaders are not enthusiastic over the bill, because they know that to the extent that hours are cut and wages maintained the cost of labor is increased, and an inducement provided for the replacement of men by machines.

Now the American people have become accustomed to new symbols. The farmers are willing to accept regimentation if it is their kind of regimentation. Businessmen are willing to accept their kind of regimentation, although with more enthusiasm in periods of depression than boom. The workmen also believe in regimentation if it will make of labor a scarce commodity.

SCARCITY MONGERING A FALSE HOPE

But with the acceptance of these symbols which, in the final analysis, means state control, the conviction is growing that our problems will be solved not by scarcity mongering but by enabling industry to operate at maximum capacity. The Industrial Expansion Act merely takes the instruments of regimentation that the New Deal has sold to the American people to further scarcity, and used them to achieve abundance. It does not, like other liberal or radical programs, try to introduce to the American people a completely new set of symbols. It seeks to utilize the old symbols that the people have already accepted. The Industrial Expansion Act is merely New Dealism put on the track headed for abundance rather than scarcity. It recognizes, of course, that many of the old liberals are horrified by any proposal that would give the Government the power contemplated in this bill. These peple apparently feel that we have recaptured business as usual and can repeat the history of the past 50 years. They do not realize that, while our present prosperity looks natural, it is largely due to some sixteen or twenty billion of New Deal spending and that, as a matter of fact, the next depression is now being staved off only by the confidence of the American people that the Government would spend us out of it as it did last time plus—what is much more important—the stimulating economic effect of the next world war.

A DREARY ALTERNATIVE

There is every reason to believe that this intensive preparation for war throughout the world will inevitably result in another world war more far-reaching than the last one. It is to be assumed that we will continue to benefit from war trade insofar, at least, as foreigners own American securities that can be conscripted by their respective governments, sold, and converted into purchasing power here. Eventually, however, we shall come to the end of that type of purchasing power, and we shall then be faced with the problem that faced us in 1916 and 1917—having to terminate a profitable foreign trade and face a severe depression at home, or work the people up to a war psychology, enter the war, and continue to supply our allies with the raw materials and munitions of war, financed by the sale of war bonds to our own citizens.

WAR DEVOURS WAR-BORNE PROSPERITY

If we are to avert the catastrophic effects of terminating profitable war trade, it will be only as a result of setting up a system under which American industry can operate at full capacity, not to wage a war which devours the prosperity it creates but to turn out for all the American people the goods and services that they need and want in their ordinary, normal, peace-time pursuits.

FASCISM THE REFUGE OF THE DISPOSSESSED

There is, to my mind, no greater stupidity to be found in the United States today than the assumption by many so-called national liberal leaders "that we have recaptured normal prosperity and business as usual." It seems to me, in the first place, that they are forgetting that our present prosperity is due to Government spending and intensive

world-wide preparations for war, which by the very nature of things are not permanent, and, moreover, if it were possible to go on indefinitely as we are doing, running a deficit of two or three billion a year for relief purposes, we cannot assume that the 20 percent of the people outside the economic system will remain politically impotent and economically helpless. If the so-called liberals are to continue to support a policy that contemplates the permanent exclusion of these people, 20 percent of our people will be given no real alternative, from an economic standpoint, than to join a Fascist movement, which is certain to develop in this country under intense economic stress and strain just as it has in other countries. I am disgusted to find the so-called nationally known liberal leaders taking the initiative in the fight against what they term Roosevelt's attempt to concentrate power in the hands of the Executive.

BLUEPRINT FOR FASCISM

If these same liberals would only take the trouble to determine what the real program of their real foes is, they would find that it is the War Department's mobilization plan. This plan is now before Congress in the form of the Hill-Sheppard bill, H. R. 6704. The preamble of the bill declares that its purpose is "To prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace." The bill itself, however, simply sets up the machinery for a military dictatorship of the same kind that prevails in Italy and Germany. The military group would be given complete power over business of every kind, over industry, over labor, and over the citizenry of America. No power exercised by Hitler and Mussolini would be withheld by this act from the military clique in this country.

The extent to which this bill is being supported may be gathered from the fact that such a nationally representative organization as the American Legion has gone on record in its national convention for the Hill-Sheppard bill. During the present session of Congress I have received letters from many American Legion posts in my district urging me to support this measure. The members of the local posts may have been misled, but certainly the national leaders of the American Legion have not. They know perfectly well what they are doing.

LIBERALS FRONTING FOR REACTIONARIES

In other words, the realistic conservatives and reactionaries have a program. The 4 percent of the people who own 80 percent of the country's wealth propose to run things as they please, without let or hindrance from the President, the National Government, or anyone else. They know that as long as the present construction of the Constitution by the Supreme Court is not changed, they, as owners of the 80 percent of the Nation's wealth, are in a position to dictate the terms and conditions under which it can be used. It is their intention that there shall be no compromise of any kind with organized labor or with any other group which seeks to question their autocratic power. And when the people, in sheer desperation, will no longer stand for this autocratic control over their lives and economic well-being, the owners of four-fifths of the Nation's wealth will then propose to set up a military dictatorship along the lines that now prevail in Italy. Anyone who is not utterly naive should be able to see that this is the situation. Yet these well-meaning but stupid liberals allow themselves to be fooled into leading the fight against the President's Supreme Court plan.

When the next depression strikes, the Government will have to assume a degree of control heretofore unknown in this country. When that time comes, the key to the whole situation will be the power of the Federal Government. The power of the Federal Government may either be turned over to a reactionary military clique—and in no country is the military more reactionary than in the United States—or it may be exercised by a democratically controlled administration that will seek to use its power over industry to improve the living conditions of the people as a whole.

To many liberals thinking in terms of an ultimate and logical solution, the Industrial Expansion Act is far from satisfactory. To them I should like to point out that the real reason for the common man's refusal to take seriously the proposals of the Socialist Party or any other progressive group offering a logical system is that he does not trust any group to operate American industry as efficiently as its present owners are doing. If the Government could step up production from $65,000,000,000 to $95,000,000,000 a year, this doubt would be effectively removed. It is certain that if this were once done, the American people would never again stand for operation of the productive machine at less than capacity.

PROFIT SYSTEM NOT ABOLISHED—YET

Many purists will object that this plan does not socialize the meanings of production, that private ownership of the means of production and the taking of the lion's share in the form of profits will still exist. That is true. Under the Industrial Expansion Act it is contemplated that 10 percent of the increase in production will go to the owners of American industry in the form of profits. But, in the final analysis, when enough support has been built up to put the Industrial Expansion Act into operation the American people will understand that any income in the form of wages or profits that cannot be spent for consumers' goods by the recipient, and for which there is no need for capital-goods purposes, must be taken over and converted into the channels of consumption through the instrument of taxation.

Under the provisions of the Industrial Expansion Act the Federal Government will contract with industry to maintain the price level and to buy unsalable surpluses. The Government, therefore, assumes the factor of risk. The manufacturer or entrepreneur will cease to be the risk taker. In the meantime production will be stepped up to limits approaching maximum capacity. The needs of the people will be taken care of and they, in their own good time, can determine how long society shall continue to pay an owning class for the performance of a function that has been relinquished to the Government.

Slum Eradication and Housing

EXTENSION OF REMARKS

OF

HON. EDWARD A. KELLY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. KELLY of Illinois. Mr. Speaker, in consideration of S. 1685, a bill to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States housing authority, and for other purposes, I wholeheartedly give my sincere support. When our country was enjoying the peak of prosperity housing experts informed us that millions of our people in the land of wealth were living in homes unfit for human habitation and, instead of a remedy for this situation in order that it might improve, conditions of living for these unfortunates were continually getting worse. Since the building boom that prevailed prior to 1929 stopped, as well as all other means of employment, thousands of homes in slum districts have been demolished, with the result that countless millions of people are without proper housing facilities. The bill recognizes the fact that homes for our citizens in the low-income brackets will not and cannot be built by private enterprise; therefore, if those citizens are to be housed in better living quarters, such a program must be assisted by the Federal Government. The problem of those citizens who are unable to provide themselves with better housing condi-

tions, through no fault of their own, people who do not and cannot earn enough by honest labor and effort on their part, who must live in insanitary buildings, the raising of their children in these environments has made the housing problem a national problem.

The administration, under the guidance of President Roosevelt, has sought to remedy this terrible housing condition prevailing throughout our country through the Reconstruction Finance Corporation, the establishing of the Home Owners' Loan Corporation, the Federal Housing Administration, the Public Works Administration, and the Subsistence Homesteads Corporation—they have all been designed to help solve this mighty question of proper housing. They not only afford to the furnishing of homes for those who are able to pay for the cost of same, but also to the furnishing of homes for those who are unable to finance the full cost of their homes.

The Reconstruction Finance Corporation has loaned millions of dollars to limited-profit corporations at low interest rates for the construction of homes.

The Federal Housing Administration has insured loans for repairs and the modernization of almost a million and a half of homes in our country, and has insured mortgages for new building, and refinancing old homes to the amount of $500,000,000; it also is insuring mortgages at the rate of 1,500 per week for low-cost housing, which in turn helps the building industry and those who rely on building of homes for employment.

The Home Owners' Loan Corporation has saved from foreclosure hundreds of thousands of homes in this Nation despite the criticism of those who could not comply with the laws governing the Corporation, and those who lost their homes through foreclosure proceedings which are less than 9 percent throughout the Nation.

These agencies have helped to solve our home problem; however, they have been unable to solve the problem to provide homes for the lowest-income classes—that is with incomes in the brackets below $1,200 per annum. This bill attempts to solve the problem of furnishing homes for that class of our citizens whose income will not permit them to pay for the cost of furnishing homes in decent quarters.

In many cases two or more families occupy these old homes unfit for habitation; this bill will afford better living quarters for those unfortunate citizens.

This bill not only helps to provide better living quarters to those people whose incomes are in the low brackets, but also will help the unemployment situation especially in the larger cities of the Nation where these conditions prevail, so, therefore, it will help the employment situation as well.

It will help also the lowering of death rates from tuberculosis which is always found among our citizens that live in slum quarters. It will afford these people a new environment of life, especially among the children that now practically live in the state of crime they are not responsible for, but laid at their door from infancy up to the time they are ready to go out into the world.

This bill will also decentralize the housing activities of the Federal Government by putting up to local housing authorities the task of working out their own housing problems with the aid of the Federal Government.

The sum provided for in this bill is $500,000,000 for loans during the period of 3 years. The money is to be raised on the part of the Federal Government by the sale of United States bonds issued by the United States housing authority, said bonds to be guaranteed as to principal and interest by the United States Government. These loans are to be repaid in full with interest at not less than the going Federal rate of interest, plus one-half of 1 percent, and no loan is to be made in excess of 85 percent of the cost of the project, thereby requiring the local community of housing authority to stand 15 percent of the total cost of the housing project where there is no grant. The loans are to be secured by a first lien on the revenues of the projects of the local agencies and also by a pledge of the annual contribution to be paid to such agencies by the United States housing authority in the way of annual contributions.

Mr. Speaker, during the dark days of the past, when minds were depressed, people were in the state of fear in the 48 States of the Union and out of that fear new life has been born, new environments are assured, and a better understanding for one another. Every State in the Union is now interested and concerned in the welfare of the citizens of our country. I am happy to lend my support in this great measure of a humanitarian aspect.

Churches of Washington

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. CARTWRIGHT. Mr. Speaker, although the chief interest in the city of Washington centers in and about its Government buildings, still the city possesses a large number of churches of magnificent proportion and historical interest.

The origin of the city of Washington was due to causes directly connected with the government of the new-born country created by the Declaration of Independence of 1776. Thus from its very beginning the Capital of the United States was identified with interests and influences, associations and traditions of the General Government, and in a way which makes its history stand absolutely unique in the annals of all national capitals.

When the Congress of the United States determined in 1791 that the Federal City, as it was then called, should be the future Capital of the United States, President Washington employed Major l'Enfant, a French architect, to lay out the plan of the city, and, among other buildings, there was to be a great church on a selected site not far from the city hall. Major l'Enfant's words are as follows:

> A church (should be erected) for national purposes, such as public prayer, thanksgiving, funeral orations, etc.; and be assigned to the special use of no particular denomination or sect, but be equally open to all. It will likewise be a shelter for such monuments as were voted by the last Continental Congress for the heroes who fell in the cause of liberty.

But, of course, the erection of such a church was found impossible in a land where church and state are irrevocably separated; and, therefore, nothing was or could be done in this direction. The idea was therefore abandoned and the chosen site was afterward appropriated to the erection of the Patent Office.

About that same time Mr. Joseph Nourse was appointed by President Washington as first Registrar of the Treasury. He was not only one of the first civil officers of the Government and the personal friend of the Father of our Country, but a deeply religious man. Like some of the old Hebrew patriarchs, he was wont to find a sanctuary of God in the hill overlooking the city, and to retire for seclusion and communion with God under the gothic arches of the wood on Mount Alban, where he lived. It was his constant prayer—so runs the tradition which has been handed down—that at some future day a church should be built on this selfsame hill which should stand as a witness for Jesus Christ and His Gospel.

WASHINGTON CATHEDRAL

Little did he then realize the way in which this prayer was to be answered, for the site is now the location of the Cathedral of St. Peter and St. Paul, known as Washington Cathedral and Mount St. Alban's Cathedral.

This vast structure ranks, even in its present unfinished state, among the great ecclesiastical structures of the country. Situated on a magnificent site, 400 feet above the Potomac, its towering silhouette dominates the entire northwestern section of the city. After 30 years of construction the

cathedral is not half completed; yet the strength and power of the whole are already manifest.

Commanding an almost unrivaled view of Washington, Mount St. Albans—a tract of some 67 acres—affords a superb setting for the catherdal. The cathedral close, containing the bishop's house, a memorial library, and a number of schools and other buildings connected with the cathedral, is beautifully landscaped.

Following the precedent established in Westminster Abbey, many of the Nation's illustrious dead will be entombed in the cathedral. In the beautiful crypt Chapel of Bethlehem a marble slab in the center of the chapel floor marks the burial vault of Woodrow Wilson, Admiral Dewey and his wife, and others. The cenotaphs of Admiral Dewey and President Wilson are placed in deep wall niches in the north and south chapel aisles; they are partially screened by wrought-iron grilles. Above the tomb of President Wilson are a beautiful wood canopy and three historic flags—the President's flags presented at his inaugurations in 1913 and 1917, and the flag carried by the first American troops to march through London in 1917.

ST. JOHN'S EPISCOPAL CHURCH

Another interesting and historical church is St. John's Episcopal Church. Standing at Sixteenth and H Streets, directly across Lafayette Square from the White House, St. John's is preeminently the church of the Presidents. A faded entry in the minutes of the vestry states that on December 7, 1816, a committee was formed to wait on the President of the United States (James Madison) and offer him a pew in this church without his being obliged to purchase same. Madison chose pew 54, but insisted on paying the customary annual rental. The next five Presidents in succession—Monroe, Adams, Jackson, Van Buren, and Harrison—occupied this pew during their terms of office, and since then, by tradition, pew 54 has been set aside for Presidents of the United States. Franklin D. Roosevelt paid homage to the tradition by spending a few minutes in prayer here on his two inauguration days.

St. John's Church has played its part in our Presidential annals in other ways. James Madison's vivacious Quaker wife, Dolly, was baptized and confirmed an Episcopalian in this church. Presidents William Henry Harrison and Taylor were buried from it. Pew 54 is now being used by Mrs. William Howard Taft and Mrs. Woodrow Wilson.

NEW YORK AVENUE PRESBYTERIAN CHURCH

On a small triangular plot of ground formed by the intersection of New York Avenue and H Street is the historic New York Avenue Presbyterian Church. This is another church of the Presidents—its history so interwoven with that of the city and the Nation, that as a matter of tradition successive Presidents have worshiped there and have contributed to its support. In the social growth of the Capital this church has always taken an important part. The graceful Lincoln Memorial Tower of the church thrusts its lofty steeple above the maze of business structures that surround it, making the edifice one of the outstanding landmarks of downtown Washington.

John Quincy Adams was a member of this church, and from its pulpit delivered the memorable Farewell to Lafayette just before that Revolutionary hero returned to France in 1825. Andrew Jackson was another Presidential communicant. President William Henry Harrison frequently attended services here. President Pierce was a devout communicant, attending services twice on Sundays, and once made his Sunday-school class his guests at the White House. Among other worshipers from the White House were Presidents Buchanan, Johnson, Fillmore, Cleveland, and Theodore Roosevelt.

It is as the "Lincoln Church", however, that the New York Avenue Church has its permanent place in American history. Lincoln's pew in the main body of the church is left as he last attended it, and is visited by thousands annually. He had a custom of sitting alone in a side room during prayer meetings. This has been converted into a small reception room and a chapel used for weddings and christenings.

FRIENDS QUAKER CHURCH

The meeting house of the Friends, where President Hoover attended, is one of the more pleasing minor works of architecture of the city.

Enclosed by a low stone wall and wrought-iron fence on the upper level of a steeply sloping lot, the building commands a wide view of the avenue which it faces. The broad, open terraces along the main east front are approached at either side by a flagstone walk and rustic steps. Iron gates at the two side streets afford access to these walks. On the upper terrace, framed by a delicate fringe of boxwood, magnolias, and creeping myrtle, the visitor may pause at a quaint sundial which bears the inscription, "I mind the light; dost thou?"

The building is of rough quarrystone with a slate roof. The stone wall around it, the broad terrace, flagstone walk, and rustic steps contribute as much to its charm as do the carefully designed details of the building itself.

THE NATIONAL CITY CHRISTIAN CHURCH

President Garfield was a Christian minister, and that denomination has a fine new church building in Washington. The National City Christian Church, on Thomas Circle, Fourteenth Street and Massachusetts Avenue NW., designed by John Russell Pope, architect of the Scottish Rite Temple, the Pharmaceutical Building, and the Archives Building, exhibits the same broad and distinguished treatment of classic forms which characterizes these buildings. It was erected in 1930, at a cost of $1,200,000, with donations contributed by the membership at large of the Church of the Disciples of Christ. In design the building recalls the work of Inigo Jones, combined with rich simplicity characteristic of many of our early churches.

The most impressive feature of the exterior is the well-proportioned tower. Rising above the gabled pediment of the portico, it culminates in a beautiful lanterned cupola surmounted by a gilded weather vane. The lower portion of the tower, in the form of a belfry, is adorned with Ionic columns, entablature, and finely molded classic urns. A long flight of steps accents the imposing effect of the portico.

The church is the main unit of a proposed building group which will include a parish house, facilities for religious education, administrative offices, social rooms, and a small chapel.

BAPTIST CHURCHES

The modern, white limestone edifice of the Immanual Baptist Church at Sixteenth Street and Columbia Road NW. was constructed as a national memorial church. One of the triad of churches at this intersection, its distinctive architectural feature is a massive, round-corner tower, whose classic silhouette is derivative of late seventeenth century English examples.

The interior of the tower forms a circular chancel in one side of the hexagonal auditorium, while the remaining portion of the structure contains the usual offices of the church. The main entrance is set in the lateral facade fronting Sixteenth Street, and is crowned by a classic balustrade, behind which the low dome of the auditorium is visible.

Although the congregation was organized in 1906, the church grew to have a national aspect when the northern and southern Baptist conventions decided to unite in the building of a national memorial to religious liberty, to be occupied by Immanuel's congregation. The membership of the church is about 1,000.

Another church of this denomination is the Calvary Baptist, which President Harding attended. When in the city, I attend the Metropolitan Baptist. Dr. John Compton Ball has been its pastor for over 35 years, and it has the largest men's Bible class in the city of Washington.

METHODIST HEADQUARTERS AND MOUNT VERNON PLACE CHURCH

The Methodists maintain their national headquarters in Washington in what is known as the Methodist Building, in

the shadow of the Capitol. The late Senator Joe Robinson was a member of that church and died in the Methodist Building.

Perhaps the most outstanding among the many Methodist churches in Washington is the national church of southern Methodism, at the junction of Massachusetts, K, and Ninth Streets, the Mount Vernon Place Church. It was built in 1917, replacing a previous building erected by the church during the War between the States.

The present building, a little crowded in its triangular site, is built of white marble in the neoclassic style. The structure cost $500,000, most of which was raised by southern Methodists throughout the communion. The principal feature of the church is the hexastyle Roman doric portico of the main entrance, high above Ninth Street, reached by a long flight of stairs, at the base of which is an attractive terrace. An alternate entrance faces Massachusetts Avenue and is in the same style.

The congregation developed in 1869 out of a small group of churches and missions on various sites established in the period from 1851 to 1863 to promulgate the doctrines of the southern branch of the church following the schism arising from the slavery question. From the Civil War period to the present the Mount Vernon Place Church has continued as the mother church of southern Methodism in Washington, establishing missions which in time become self-supporting churches. Today the church has the largest membership of any Methodist Church in the city, and the choir is one of the best-known musical organizations in Washington.

While I am a member of the Baptist Church and my father is a country Baptist preacher, I am also particularly interested in the Methodist Church, because Peter Cartwright, a great-great uncle of mine, was a pioneer Methodist preacher and an early political rival of Abraham Lincoln.

There are many other churches within the city which are worthy of notice since almost every denomination has established a memorial church in Washington, but time does not permit a description of each edifice.

OLD CHRIST CHURCH IN ALEXANDRIA

Across the Potomac from Washington, in the city of Alexandria, Va., stands the old Christ Church. At a meeting of the vestry of Fairfax Parish, held on January 1, 1767, it was decided to build a new church in Alexandria. Plans for a new building were submitted by James Wren, reputed to be a descendant of Sir Christopher Wren, architect of St. Paul's Cathedral, London. This building was to be of brick and roofed with shingles of juniper, since replaced by slate.

Soon after the completion of Christ Church the vestry ordered a number of the pews to be sold. Of the first 10 pews sold, George Washington bought pew no. 5, now no. 59, for the sum of £36 10s., the highest price paid for any of the 10 sold.

On April 25, 1785, George Washington and other prominent laymen of Fairfax Parish met in Alexandria and signed a contract binding themselves, their heirs, executors, and administrators, and assigns to pay annually to the minister and vestry the sum of £5 for each pew assigned to them. George Washington's well-known signature is appended to this original contract, which is still preserved in the old minute book of the parish vestry.

On April 12, 1804, George Washington Parke Custis, adopted son of George Washington, presented to Christ Church the family Bible of General Washington used at Mount Vernon. This Bible is still in possession of Christ Church and is one of its treasured relics.

Within the church on the east wall are placed two memorial tablets to George Washington and Robert E. Lee. It is but a step farther to the pews once occupied by these two great men, whose lives were so closely connected with the old church where Washington in his manhood worshiped and where Lee from boyhood attended and was confirmed.

A visit to the many churches in and about Washington is inspiring, because their historical backgrounds bring forcibly to one's attention the great force which their religious influence had upon the leaders of our country and, consequently, upon our national development.

Water Conservation

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. LEMKE. Mr. Speaker, for the second time during this session of Congress I wish to call the attention of my colleagues to the condition prevailing in North Dakota and throughout the Midwest, a condition which challenges the ingenuity of man if we are to prevent the coming of a desert in an area which has in the past produced some of our most prolific crops. Many farmers in my State have already left their farms and homes in despair, seeking to carve out an existence in our now over-crowded cities or other farming sections of our Nation.

At this time, when the Nation is aroused, when it has become thoroughly water-conscious and is contemplating the appalling human and property losses occasioned by last year's flood, I wish to again call the attention of Congress to House bill 4269, a bill that I have introduced in this session of Congress to take the place of a similar bill which I had introduced in the last session. This bill provides for a practical solution of our ever-occurring flood problems. It at the same time conserves and makes use of the unappropriated waters for the people of this Nation—these waters that are now wasted and permitted to run to the ocean, leaving destruction and misery in their wake.

This bill has for its object and purpose not only the prevention of the destruction of millions of dollars' worth of property, together with human lives, by uncontrolled waters, but also the prevention of drought and the restoration of water levels in the "dust bowl." Few Members of Congress perhaps realize that our loss in crops, livestock, and other property caused by drought is many times greater than that occasioned by recent floods. For every million dollars' worth of property lost by floods at least fifty million has been lost in recent years by drought.

This bill provides—

That for the purpose of impounding, storing, conserving, and making use of the unappropriated waters falling or emanating within the United States, and to provide for navigability of streams within the United States, constructing canals for transportation purposes, preventing floods, restoring ground water and water levels, lessening soil erosion, aiding in forestation of cut-over and other uncultivable lands, water for irrigation, creating opportunities for home building and industrial development, developing electricity for light and power, and furnishing employment to the unemployed, there is hereby created a Commission to be known as the Water Conservation and Flood Control Commission, hereinafter referred to as the Commission, which Commission shall be deemed legally organized and created on the date that this act goes into effect.

This Commission is not composed of new members, does not, in fact, create a new bureau for political favorites, but makes use of the heads of existing departments of Government who have been and are already, in one way or another, connected with water conservation or flood control.

The bill provides that—

The Commission shall be composed of the Secretary of the Interior, the Secretary of Agriculture, the Secretary of War, the Secretary of Labor, the Attorney General, the Chairman of the Federal Power Commission, the Chairman of the Tennessee Valley Authority, the President of the Electric Home and Farm Authority, the Administrator of the Rural Electrification Administration. The Secretary of the Interior shall be chairman, and the Secretary of Labor secretary of the Commission. The members of the Commission as such shall receive no additional salaries. They shall, however, be reimbursed for actual expenses incurred by them in the performance of the duties vested in the Commission by this act. The Commission shall direct the exercise of all the powers of the Commission, and a majority shall constitute a quorum.

As we have already seen, this bill provides for the impounding near their source of the unused and uncontrolled floodwaters coming from the mountain slopes and emanating in the interior of the United States in such a way as to

prevent drought by supplying humidity to the atmosphere and causing rains in the "dust bowl", and at the same time providing water storage and preventing disastrous floods in the lower Mississippi Valley and in other valleys. This at a low cost and on a permanent basis. While furnishing flood protection, so necessary during the occasions of unusually high waters, the project outlined in this bill is one which will make use of these waters and serve many other important purposes and pay rich dividends 365 days in the year.

Only those who live in the central part of the United States know that the great American desert is on its way, unless some action is taken to remedy the condition there. Few people know to what extent ground waters and water supplies have disappeared between the Continental Divide and the Mississippi River. Do you know that in the last 5 years about one-fourth of the livestock in these regions was either sold or died of thirst and starvation because of a lack of water and moisture? Do you know that in some instances farmers hauled water 10, 20, and 30 miles for household use and for livestock? Do you know that thousands of cattle, horses, and sheep died because they ate the dust-covered grass; that human beings not only choked in dust storms, but died because they inhaled dust?

In every State west of the Mississippi and east of the Continental Divide ground waters and water levels have fallen from 10 to 48 feet since 1878. At that time Devils Lake, located in my State, was 35 feet deep and covered over 135 square miles. It was 60 miles long, with a steamboat running from Devils Lake to Minnewaukan, two county-seat towns many miles apart. Today it is less than 6 feet deep and covers less than 6 square miles.

The people and the State of North Dakota have for years asked the Federal Government to construct a dam at Big Bend in the Missouri River near Garrison, N. Dak., and divert into Devils Lake the floodwaters which now find their way into the Atlantic Ocean with devastating destruction at times along the lower Mississippi Valley.

Just why projects of less value and less importance should always receive preference over the more worthy ones is, of course, a question that we may attribute to human shortcomings and understandings. It is perhaps because projects that require Federal aid generally also require a considerable sum of money, and it seems that Government officials always have shied and always will shy at large sums, and that the real meritorious projects are generally overlooked and millions of dollars spent on so-called lesser projects—or should we say "pork barrel" projects?

Early records and reports of Indians, trappers, and settlers show there was an abundance of water supply, with many lakes of fresh water, flowing springs and streams, and an abundance of game, fish, and wildlife. During the past two or more decades the drying up of lakes, the disappearance of springs, and diminishing flow and run-off of rivers, and the lowering of ground-water levels have caused an increasingly alarming situation, with many cities facing the problem of obtaining an adequate water supply.

What I said about the lakes, sloughs, ponds, and water holes is equally true of the small streams. Nearly all of these have either gone completely dry or flow only for a few weeks in the springtime. Even the larger streams, such as the Yellowstone, the Missouri, the Red, and the James Rivers, have decreased in volume. These streams used to flow the entire year, but now they are filled for only a short period during the spring when the snow melts, and after that either become dry or so low that a person can wade across them at almost any point. In the last few years I have seen farmers attempt to raise vegetables in the bed of the James River; the attempt was unsuccessful because there was not enough moisture in the river bed.

What I have said about ground waters and water supply between the Rocky Mountains and the Mississippi River is equally true between the western slope of the Rocky Mountains and the Pacific Ocean. Here, too, ground waters and water levels have fallen some 18 feet or more within recent years. The same condition exists in many States east of the Mississippi River. In fact, thousands of lakes, streams, sloughs, ponds, swamps, and water holes in the interior of the United States have disappeared within the last 75 years. The Nation is actually going dry in spite of our spring floods.

I have presented these facts to show you that this is a national, not a local issue. It is a serious and an alarming situation. It concerns every State and the very life and welfare of this Nation. The floods and the drought have become a national catastrophe. The regret is that we should permit the water that during the summer months is so badly needed to go not only to waste, but to allow it to destroy millions upon millions of dollars' worth of property, and in addition, human life. We should have long ago harnessed this water for human use at its source where it is needed in place of letting it go on a rampage year after year.

The reason for the recent floods is that by cultivation and drainage we have destroyed the natural reservoirs and water basins, as well as the grass and timber that held its mad rush to the ocean in check. In other words, the water caused by recent rains and melting snow rushed unchecked over the frozen ground into the smaller streams and then discharged into the main streams. If there had been thousands of dams, reservoirs, and catch basins distributed in the flood regions, the surplus waters would then have been caught and stored for use and the floods prevented.

So, also, the reason for the gradual decrease of the water supply and droughts in the larger part of the interior of this Nation is due to the destruction, by cultivation and by the cutting of timber, of the natural water basins and reservoirs and by draining the small lakes, sloughs, ponds, and swamps so as to increase the number of acres in cultivation and thus removing the grass and other vegetation that retains the moisture caused by summer rains and winter snows. In addition to this, our road construction in the level Prairie States, with a large ditch on each side, and paralleling one another a mile apart and running east and west, north and south, drained all the surrounding lands into the nearby rivers and streams, that carried it finally into the larger rivers, and which in turn ultimately carried it into the ocean.

We drained the lakes to get more land under cultivation, and now, because of drought and lack of moisture, crops refuse to grow even in the lake bottoms. This was shortsightedness, but the human race is generaly short-sighted. The tragedy of all this is fully realized when we learn that in many cases the farmers are still paying special assessments for the drainage ditches that are now being dammed in order to conserve the water by creating artificial lakes and water basins.

Over half of our States have been listed as being in the drought area. It is high time for us to awaken. The cause of this drought, as we have already seen, is due largely to overcultivation, overgrazing, and the drainage of lakes and water basins, and road construction in the Great Plains States. Those of us who grew up in these States know that some 50 years ago there were hundreds of lakes, rivers, creeks, and coulees, with an abundance of water everywhere the year round, while today most of these sources of water for stock and subsoil moisture have gone dry and are being farmed and cultivated. Many of these lakes and water basins were drained by State and county governments in order to increase the cultivable land.

This damage was done not deliberately but because of ignorance of the final result, of the final accounting, so that today water conservation is one of the most important problems confronting this Nation, ranking in importance over reforestation or forestation, because without water there can be no forest or vegetable life and, in the long run, no animal life.

Billions of tons of the soil and fertility of these drought-stricken States have been picked up by the winds and carried across the continent. This because there was no humidity, no moisture, either in the air or in the particles of soil. Truly a calamity has befallen these States and this Nation that we cannot as yet fully comprehend—a condition that will not only become permanent, but worse, unless the water

tables are restored. Surely a disaster of this magnitude challenges the ingenuity and patriotism of our people. There is no question but that when once we realize the cause of this catastrophe we will and can fully meet it. The American spirit of determination and progress will be equal to the occasion. The deserts will grow smaller and not larger. We will face the issue and not run away from it.

In all of these Plains States, and, in fact, in every State in the Union, Nature has provided us with thousands of watersheds and storage basins, which at a very small expense could be turned into thousands of lakes, ponds, and reservoirs by building earthen dams at the proper places so as to catch the water during rains and melting snows. This water, as we have already seen, is now permitted to wander away to the ocean, where it serves no useful purpose. More than that, in its mad rush to the ocean it occasions at times great property losses through floods, thus not only leaving the interior where it is needed by plant and animal life but destroying millions of dollars' worth of property and human life in the great river valleys where it is not needed or wanted.

This is both a national and a State problem. The future welfare of both depends upon a proper solution. The Federal and State Governments must cooperate. They must both become water-minded. The larger projects, on the large, principal rivers, must be financed and carried on by the Federal Government. The Federal Government must dam these rivers and must divert some of these waters into the fast-disappearing lakes. The smaller projects, such as putting in small dams to impound the waters in natural watersheds and basins and distributing the water from the large rivers to the smaller streams, creeks, and coulees, must be, and can be, successfully performed by the States in cooperation with the Federal Government.

Section 20 of the bill reads as follows:

The Commission is further directed, in carrying out the provisions of this act, to cooperate with States, counties, municipalities, farmers, farm organizations, and landowners in the construction of dams, ditches, canals, lakes, ponds, water holes, reservoirs, runways, spillways, docks, and locks, and to do all things reasonably necessary and convenient in carrying out the provisions of this act. It shall cooperate and coordinate its work with all other agencies of Government engaged in similar work, and especially with all other agencies or provisions of law enacted for the purposes of controlling and preventing floods and soil erosion.

When this bill becomes a law the youth of this Nation will be given an opportunity. They will have an opportunity to build homes and pursue agriculture on irrigated lands as well as to enter into industrial fields. Millions will be taken from the dole system. It will give a new frontier to our national aims. It will utilize and save the waters of the Nation where they are needed for irrigation, navigation, and other purposes and add millions and billions to our national wealth. It will harness the rivers and streams at their sources and use them for the good of humanity, rather than to allow them to destroy millions of dollars' worth of property and many lives each year.

Section 14 of the bill provides:

The Commission may also establish homesteads by erecting houses and other necessary buildings on lands belonging to the Government and to be irrigated, such homesteads to be used exclusively for agricultural purposes and not to exceed 80 acres each. Such homesteads shall be sold on long terms and at a low rate of interest to heads of families who have lost their farms through drought, mortgage foreclosure, or indebtedness, or to tenants or to heads of families who are out of employment and desire to engage in agriculture and furnish the Commission with reasonable evidence of their ability to make good and who have no other means of providing a home or livelihood for their families.

In conclusion may I state that this bill provides for a standing appropriation of $500,000,000 each year. We now appropriate a billion dollars for the Army and Navy for national defense. Yet the greatest defense to this Nation will be the conservation and the proper use of the waters that fall within the interior. Our most valuable natural possession is water, because of the lack of water, of humidity, and moisture the great American desert is on its way. Prompt action is necessary. Water conservation and flood control must be carried on on a national scope. We must put in 500,000 lakes, reservoirs, and water basins in the interior of the United States.

By putting in these lakes, water basins, and reservoirs we will restore the ground waters. Trees and vegetation will again become abundant. These in turn will take the ground waters and transmit them in the form of vapor into the air, causing humidity. The humidity will finally get together in the form of raindrops and return to the earth, but to go up again through vapor and again and again to be returned to the earth to further stimulate vegetation growth. The Dust Bowl will be a thing of the past, and man will have restored to Nature that which he unwittingly took away. Congress must act without delay in order to save this great food-producing region with its thousands of farm homes.

Department of State Under Secretary Cordell Hull

EXTENSION OF REMARKS
OF
HON. J. BURRWOOD DALY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. DALY. Mr. Speaker, since the advent of the present administration much criticism has been made of the executive departments of the Government. It was frequently acrimonious; a great deal of it was inspired by partisanship; but little or none of it had any foundation in fact.

There is one department, however, against which not one word of hostile criticism has been uttered, and I think for the very good reason that none could be made about it or its work, and that is the Department of State. I am confident that if the magnificent accomplishments of this Department were better known, this Chamber would ring with encomiums of praise. May I refer briefly to but a few of them:

TREATIES AND CONVENTIONS BETWEEN THE UNITED STATES AND OTHER COUNTRIES NEGOTIATED, SIGNED, SUBMITTED TO THE SENATE, RATIFIED OR PROCLAIMED SINCE MARCH 4, 1933

(1) Claims convention between the United States and Panama. Proclaimed March 30, 1933.

(2) Transit of alcoholic liquors through the territory of the Canal Zone: Convention between the United States and Panama. Proclaimed April 7, 1933.

(3) Friendship, commerce, and consular rights: Treaty between the United States and Poland. Proclaimed July 10, 1933.

(4) Narcotic drugs: Convention and protocol of signature between the United States and other powers. Proclaimed July 10, 1933.

(5) Rectification of the Rio Grande: Convention between the United States and Mexico. Proclaimed November 13, 1933.

(6) Friendship, commerce, and consular rights: Declaration by which the Free City of Danzig becomes a contracting party to the treaty of June 15, 1931, between the United States and Poland. Effective March 24, 1934.

(7) Relations: Treaty between the United States and Cuba. Proclaimed June 9, 1934.

(8) Telecommunication: Convention between the United States and other powers. Proclaimed June 27, 1934.

(9) Friendship, commerce, and consular rights: Treaty between the United States and Finland. Proclaimed August 10, 1934.

(10) Load lines: Convention between the United States and the Dominion of Canada. Proclaimed August 11, 1934.

(11) Extradition: Supplementary treaty between the United States and Sweden. Proclaimed August 11, 1934.

(12) Extradition: Supplementary treaty between the United States and Finland. Proclaimed August 13, 1934.

(13) Extradition: Treaty between the United States and Turkey. Proclaimed August 18, 1934.

(14) Extradition: Supplementary treaty between the United States and Austria. Proclaimed September 10, 1934.

(15) International Labor Organization: Membership of the United States of America; proclamation by the President of the United States September 10, 1934.

(16) Nationality of women: Convention between the United States and other American republics. Proclaimed October 11, 1934.

(17) International air transportation: Convention and additional protocol between the United States and other powers. Proclaimed October 29, 1934.

(18) Revision of the General Act of Berlin of February 26, 1885, and the General Act and Declaration of Brussels of July 2, 1890: Convention between the United States and other powers. Proclaimed November 3, 1934.

(19) En-bloc settlement of special claims: Convention between the United States and Mexico. Proclaimed December 22, 1934.

(20) Extradition: Supplementary treaty between the United States and Lithuania. Proclaimed January 9, 1935.

(21) Regulation of whaling: Convention between the United States of America and other powers. Proclaimed January 16, 1935.

(22) Rights and duties of State: Convention between the United States and other American Republics. Proclaimed January 18, 1935.

(23) Extradition: Convention between the United States and other American republics. Proclaimed January 25, 1935.

(24) Further extending the duration of the General Claims Commission: Convention between the United States and Mexico. Proclaimed February 1, 1935.

(25) Extradition: Supplementary treaty between the United States and Latvia. Proclaimed April 10, 1935.

(26) Double taxation: Convention and protocol between the United States and France. Proclaimed April 16, 1935.

(27) Inter-American arbitration: Treaty between the United States and other American republics, and protocol of progressive arbitration. Proclaimed April 16, 1935.

(28) Inter-American conciliation: Additional protocol to the Convention of January 5, 1929, between the United States and other American republics. Proclaimed May 8, 1935.

(29) Extradition: Supplementary treaty between the United States and Estonia. Proclaimed May 9, 1935.

(30) Extradition: Supplementary treaty between the United States and Switzerland. Proclaimed May 17, 1935.

(31) Exemption from military service of persons having dual nationality: Convention between the United States and Sweden. Proclaimed May 20, 1935.

(32) Extradition: Supplementary convention between the United States and San Marino. Proclaimed July 2, 1935.

(33) Naturalization: Treaty between the United States and Albania. Proclaimed July 29, 1935.

(34) Establishment of tribunal to decide questions of indemnity and future regime, arising from operations of smelter at Trail, British Columbia: Convention between the United States and Canada. Proclaimed August 7, 1935.

(35) Extradition: Supplementary treaty between the United States and Bulgaria. Proclaimed August 19, 1935.

(36) Extradition: Supplementary treaty between the United States and Czechoslovakia. Proclaimed August 30, 1935.

(37) Extradition: Declaration by which the Free City of Danzig becomes a contracting party to the treaty of November 22, 1927, between the United States and Poland. Effective September 6, 1935.

(38) Terminating parts of article VII of the treaty of friendship, commerce, and consular rights of December 8, 1923: Agreement between the United States and Germany. Proclaimed October 25, 1935.

(39) Nonapplication of most-favored-nation clause in respect of certain multilateral economic conventions: Agreement between the United States and other powers. Proclaimed October 25, 1935.

(40) Protection of artistic and scientific institutions and historic monuments: Treaty between the United States and the other American republics. Proclaimed October 25, 1935.

(41) Extradition: Supplementary Convention between the United States and Belgium. Proclaimed October 25, 1935.

(42) Sanitary aerial navigation: Convention between the United States and other powers. Proclaimed October 25, 1935.

(43) Extradition: Treaty between the United States and Albania. Proclaimed November 19, 1935.

(44) International Institute of Agriculture: Protocol between the United States and other powers amending the International Convention of June 7, 1905. Proclaimed January 24, 1936.

(45) Extradition: Supplementary treaty between the United States and Luxemburg. Proclaimed March 5, 1936.

(46) Assistance to and salvage of vessels in territorial waters: Treaty between the United States and Mexico. Proclaimed March 10, 1936.

(47) Antiwar—nonaggression and conciliation: Treaty between the United States and other American republics. Proclaimed March 11, 1936.

(48) Extradition: Treaty between the United States and Iraq. Proclaimed April 28, 1936.

(49) Extradition: Supplemental treaty between the United States and Poland. Proclaimed May 9, 1936.

(50) Extradition: Supplementary convention between the United States and France. Proclaimed September 11, 1936.

(51) Safety of life at sea: Convention, with regulations, between the United States and other powers. Proclaimed September 30, 1936.

(52) Extradition: Supplementary convention between the United States and Denmark. Proclaimed October 7, 1936.

(53) Protection of migratory birds and game mammals: Convention between the United States and Mexico. Proclaimed March 15, 1937.

(54) Military obligations in certain cases of double nationality: Protocol between the United States and other powers, and procès-verbal of deposit of ratifications and accessions. Proclaimed April 26, 1937.

(55) Recovery and return of stolen or embezzled motor vehicles, trailers, airplanes, or component parts of any of them: Convention between the United States and Mexico. Proclaimed June 24, 1937.

(56) Extradition: Treaty between the United States and Liechtenstein. Proclaimed July 8, 1937.

(57) Extradition: Supplementary treaty between the United States and Rumania. Proclaimed July 30, 1937.

(58) Preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea: Convention between the United States and Canada. Proclaimed August 4, 1937.

(59) Sockeye salmon fisheries in the Fraser River: Convention between the United States and Canada. Proclaimed August 4, 1937.

(60) Limitation of naval armament: Treaty between the United States and other powers. Proclaimed August 6, 1937.

(61) Income taxation: Convention between the United States and Canada. Proclaimed August 16, 1937.

(62) Establishment: Treaty between the United States and Greece. Signed November 21, 1936; ratified by the President July 23, 1937.

(63) Bills of lading: Convention between the United States and other powers. Concluded August 25, 1924; signed on behalf of the United States June 23, 1925; ratification deposited June 26, 1937.

(64) Load line: Amendment of annex II (6) (a) of the international convention, signed July 5, 1930; proposed by the British Government October 22, 1936; ratified by the President June 16, 1937; ratification deposited.

(65) Safety of life at sea: Amendment to the international convention for promoting. Signed May 31, 1929; proposed by the British Government December 31, 1930; ratified by the President June 9, 1937; ratification deposited.

(66) Boundary, terminating article VIII of the treaty (Gadsden Treaty) of December 30, 1853: Treaty between the United States and Mexico. Signed April 13, 1937; ratified by the President July 15, 1937.

(67) Peace, maintenance, preservation, and reestablishment of: Convention between the United States and other American republics. Signed December 23, 1936; ratified by the President July 15, 1937.

(68) Nonintervention, additional protocol between the United States and other American Republics. Signed December 23, 1936; ratified by the President July 15, 1937.

(69) Controversies: Convention between the United States and other American republics. Signed December 23, 1936; ratification deposited July 29, 1937.

(70) Good offices and mediation: Treaty between the United States and other American republics. Signed December 23, 1936; ratification deposited July 29, 1937.

(71) Treaties: Convention to coordinate, extend, and assure the fulfillment of existing convention between the United States and other American republics. Signed December 23, 1936; ratified by the President July 15, 1937.

(72) Highway, Pan American: Convention between the United States and other American republics. Signed December 23, 1936; ratification deposited July 29, 1937.

(73) Cultural relations: Convention between the United States and other American republics. Signed December 23, 1936; ratification deposited July 29, 1937.

(74) Exhibitions, artistic: Convention between the United States and other American republics. Signed December 23, 1936; ratification deposited July 29, 1937.

(75) Whaling: Agreement between the United States and other powers. Signed June 8, 1937; ratified by the President August 13, 1937.

(76) Copyright: Convention between the United States and other powers. Signed June 2, 1928. Submitted to the Senate February 19, 1934.

(77) Traffic in women of full age: Convention between the United States and other powers. Signed October 11, 1933. Submitted to the Senate March 18, 1935.

(78) Sanitary convention between the United States and Argentina. Signed May 24, 1935. Submitted to the Senate June 5, 1935.

(79) Economic statistics. Convention and protocol between the United States and other powers. Signed December 14, 1928. Submitted to the Senate July 3, 1935.

(80) General treaty between the United States and Panama. Signed March 2, 1936. Submitted to the Senate March 9, 1936.

(81) Radio communications: Convention between the United States and Panama. Signed March 2, 1936. Submitted to the Senate March 9, 1936.

(82) Naval radio stations, transfer to Panama: Convention between the United States and Panama. Signed March 2, 1936. Submitted to the Senate March 9, 1936.

(83) Trans-Isthmian highway: Convention between the United States and Panama. Signed March 2, 1936. Submitted to the Senate March 9, 1936.

(84) Property—tenure, and disposition of real and personal: Convention between the United States and Great Britain and Northern Ireland, Australia, and New Zealand. Signed May 27, 1936. Submitted to the Senate June 5, 1936.

(85) Collisions, liability of vessels: Convention between the United States and other powers. Signed September 23, 1910. Submitted to the Senate April 29, 1937.

(86) Sugar—production and marketing of: Agreement between the United States and other powers. Signed May 6, 1937. Submitted to the Senate June 28, 1937.

(87) Films of an educational character: Convention for facilitating the international circulation of. Concluded at Geneva October 11, 1933. Signed on behalf of the United States April 10, 1934.

(88) Capitulations abolition of, in Egypt: Convention between the United States and other powers. Signed at Montreux May 8, 1937.

EXECUTIVE AGREEMENTS BETWEEN THE UNITED STATES OF AMERICA AND OTHER COUNTRIES SIGNED SINCE MARCH 4, 1933

(1) Interpretation of article 7 of the consular convention concluded February 23, 1853: Agreement between the United States and France. Signed February 23 and March 4, 1933.

(2) Haitianization of the Garde, withdrawal of military forces from Haiti, and financial arrangement: Between the United States and Haiti. Signed August 7, 1933.

(3) Air navigation: Arrangement between the United States and Sweden. Signed September 8 and 9, 1933.

(4) Pilot licenses to operate civil aircraft: Arrangement between the United States and Sweden. Signed September 8 and 9, 1933.

(5) Reciprocal recognition of certificates of airworthiness for imported aircraft: Arrangement between the United States and Sweden. Signed September 8 and 9, 1933.

(6) Air navigation: Arrangement between the United States and Norway. Signed October 16, 1933.

(7) Pilot licenses to operate civil aircraft: Arrangement between the United States and Norway. Signed October 16, 1933.

(8) Reciprocal recognition of certificates of airworthiness for imported aircraft: Arrangement between the United States and Norway. Signed October 16, 1933.

(9) Diplomatic and consular representation, juridical protection, commerce and navigation: Provisional agreement between the United States and the Kingdom of Saudi Arabia. Signed November 7, 1933.

(10) Air navigation: Arrangement between the United States and the Union of South Africa. Signed March 17 and September 20, 1933.

(11) Pilot licenses to operate civil aircraft: Arrangement between the United States and the Union of South Africa. Signed March 17 and September 20, 1933.

(12) Relief from double income tax on shipping profits: Arrangement between the United States and the Irish Free State. Signed August 24, 1933, and January 9, 1934.

(13) General claims: Protocol between the United States and Mexico, and exchange of notes. Protocol signed at Mexico City, April 24, 1934; notes signed at Washington, February 1, 1935.

(14) Air navigation: Arrangement between the United States and Denmark. Signed March 12 and 24, 1934.

(15) Pilot licenses to operate civil aircraft: Arrangement between the United States and Denmark. Signed March 14 and 24, 1934.

(16) Reciprocal recognition of certificates of airworthiness for imported aircraft: Arrangement between the United States and Denmark. Signed March 12 and 24, 1934.

(17) Radio communications between private experimental stations and between amateur stations: Arrangement between the United States and the Dominion of Canada continuing the arrangement effected by exchange of notes signed October 2, 1928, December 29, 1928, and January 12, 1929. Signed April 23 and May 2 and 4, 1934.

(18) Silver: Memorandum of agreement between the United States of America, Australia, Canada, China, India, Mexico, Peru, and Spain, with supplementary undertakings. Signed July 22, 24, and 26, 1933.

(19) Military mission: Agreement between the United States and Brazil, and supplementary agreement. Agreement signed May 10, 1934; supplementary agreement signed July 21 and 23, 1934.

(20) Radio communications between amateur stations on behalf of third parties: Arrangement between the United States and Peru. Signed February 16 and May 23, 1934.

(21) Reciprocal trade: Agreement between the United States and Cuba, and exchange of notes. Signed August 24, 1934.

(22) Withdrawal of military forces from Haiti: Agreement between the United States and Haiti modifying the agreement of August 7, 1933. Signed July 24, 1934.

(23) Reciprocal recognition of certificates of airworthiness for imported aircraft: Arrangement between the United States and Great Britain. Signed September 11 and 17, 1934.

(24) Registration of treaties and other international agreements of the United States with the secretariat of the League of Nations: Arrangement effected by exchange of notes between the acting legal adviser of the secretariat of the League of Nations and the American consul at Geneva. Signed January 22 and 23, 1934.

(25) Mutual recognition of ship-measurement certificates: Agreement between the United States and Poland. Signed January 17, March 14, and April 22, 1930, and October 5, 1934.

(26) Radio communications between amateur stations on behalf of third parties: Arrangement between the United States and Chile. Signed August 2 and 17, 1934.

(27) Claims: Agreement between the United States and Turkey. Signed October 25, 1934.

(28) Commercial relations: Agreement between the United States and Czechoslovakia amending the commercial agreement of October 29, 1923, as prolonged by the agreement of December 5, 1924. Signed March 29, 1935.

(29) Reciprocal trade: Agreement between the United States and the Belgo-Luxemburg Economic Union. Signed February 27, 1935.

(30) Air navigation: Arrangement between the United States and Great Britain. Signed March 28 and April 5, 1935.

(31) Pilot licenses to operate civil aircraft: Arrangement between the United States and Great Britain. Signed March 28 and April 5, 1935.

(32) Reciprocal trade: Agreement between the United States and Haiti. Signed March 28, 1935.

(33) Reciprocal trade: Agreement between the United States and Sweden. Signed May 25, 1935.

(34) Statistics of causes of death: Agreement between the United States and others powers, and protocol of signature. Signed June 19, 1934.

(35) Commercial relations: Agreement between the United States and the Union of Soviet Socialist Republics. Signed July 13, 1935.

(36) Reciprocal trade: Agreement and supplementary agreement between the United States and Brazil, and exchange of notes. Agreement signed at Washington, February 2, 1935; supplementary agreement signed at Rio de Janeiro, April 17, 1935.

(37) Execution of letters rogatory: Exchange of notes between the United States and the Union of Soviet Socialist Republics. Signed November 22, 1935.

(38) Military mission: Supplementary agreements between the United States and Brazil. Signed June 20 and October 29, 1935, and November 9 and December 16 and 19, 1935.

(39) Reciprocal trade: Agreement between the United States and Honduras. Signed December 18, 1935.

(40) Relief from double income tax on shipping profits: Arrangement between the United States and Belgium. Signed January 28, 1936.

(41) Friendship and diplomatic and consular representation: Provisional agreement between the United States and the Kingdom of Afghanistan. Signed March 26, 1936.

(42) Reciprocal trade: Agreement between the United States and Colombia. Signed September 13, 1935.

(43) Reciprocal trade: Agreement between the United States and Switzerland. Signed January 9, 1936.

(44) Reciprocal trade: Agreement between the United States and the Dominion of Canada. Signed November 15, 1935.

(45) Reciprocal trade: Agreement between the United States and Guatemala. Signed April 24, 1936.

(46) Most-favored-nation treatment in customs matters: Provisional commercial agreement between the United States and Ecuador. Signed June 12, 1936.

(47) Naval mission: Agreement between the United States and Brazil. Signed May 27, 1936.

(48) Reciprocal trade: Agreement between the United States and Nicaragua. Signed March 11, 1936.

(49) Commercial relations: Agreement between the United States and the Union of Soviet Socialist Republics, continuing in force until July 13, 1937, the agreement of July 13, 1935. Signed July 11, 1936.

(50) Reciprocal trade: Agreement between the United States and Finland. Signed May 18, 1936.

(51) Military mission: Agreement between the United States and Brazil. Signed November 12, 1936.

(52) Suppression of customs frauds: Agreement between the United States and France. Signed December 10 and 12, 1936.

(53) Reciprocal trade: Agreement between the United States and El Salvador. Signed February 19, 1937.

(54) Consular visits to penal institutions: Exchange of notes between the United States and Canada July 29 and September 19, 1935.

(55) Reduction of visa fees: Agreement between the United States and China. Signed April 9, 1935.

(56) Visa: Agreement between the United States and Egypt. Signed October 16 and 21, 1933.

(57) Visa: Agreement between the United States and Ecuador. Signed July 4, 1935.

(58) Rights of American educational, religious, and philanthropic institutions in Syria and the Lebanon: Exchange of notes between the United States and France. Signed February 18, 1937.

(59) Reciprocal trade: Agreement between the United States and France. Signed May 6, 1936; provisionally effective June 15, 1936.

(60) Reduction of passport visa fees for nonimmigrants: Exchange of notes between the United States and Great Britain. Signed March 12, 1937.

(61) Visa: Agreement between the United States and Hungary. Signed April 6 and 21, 1936.

(62) Visa: Agreement between the United States and the Irish Free State. Signed March 23, 1937.

(63) Free entry of American trade commissioners: Agreements between the United States and the Netherlands. Signed July 2 and November 10, 1936.

(64) Visa: Agreement between the United States and Venezuela. Effective January 18, 1937.

(65) Reciprocal exemption of vessels from readmeasurement: Agreement between the United States and Panama. Signed August 17, 1937.

(66) Reciprocal trade: Agreement between the United States and Costa Rica. Signed November 28, 1936.

(67) Exchange of official publications between the United States and Peru. Signed October 16 and 20, 1936.

(68) Perpetual leaseholds: Agreement between the United States and Japan. Signed March 25, 1937.

(69) Commercial Relations: Agreement between the United States and the Union of Soviet Socialist Republics. Signed August 4, 1937.

May I call particular attention to the statement issued by the Honorable Cordell Hull, Secretary of State, under date of July 16, 1937, and sent for their consideration to all the nations of the world? It is as follows:

STATEMENT BY THE SECRETARY OF STATE

I have been receiving from many sources inquiries and suggestions arising out of disturbed situations in various parts of the world.

Unquestionably there are in a number of regions tensions and strains which on their face involve only countries that are near neighbors but which in ultimate analysis are of inevitable concern to the whole world. Any situation in which armed hostilities are in progress or are threatened is a situation wherein rights and interests of all nations either are or may be seriously affected. There can be no serious hostilities anywhere in the world which will not one way or another affect interests or rights or obligations of this country. I therefore feel warranted in making—in fact, I feel it a duty to make—a statement of this Government's position in regard to international problems and situations with respect to which this country feels deep concern.

This country constantly and consistently advocates maintenance of peace. We advocate national and international self-restraint. We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal

affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement. We advocate faithful observance of international agreements. Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties, when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation. We believe in respect by all nations for the rights of others and performance by all nations of established obligations. We stand for revitalizing and strengthening of international law. We advocate steps toward promotion of economic security and stability the world over. We advocate lowering or removing of excessive barriers in international trade. We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment. We believe in limitation and reduction of armament. Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries. We avoid entering into alliances or entangling commitments but we believe in cooperative effort by peaceful and practicable means in support of the principles hereinbefore stated.

In this statement the Secretary of State has enunciated the principles and policies advocated by the Government of the United States in its domestic and international relations, and which, if universally adopted, would establish and maintain peace throughout the world. The following nations have expressed themselves as being in hearty and absolute accord with it: Albania, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Colombia, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Estonia, France, Great Britain, Germany, Guatemala, Haiti, Honduras, Hungary, Italy, Latvia, Luxemburg, The Netherlands, New Zealand, Nicaragua, Paraguay, Peru, Portugal, South Africa, Sweden, Switzerland, Turkey, Uruguay, Union of Soviet Socialist Republics, and Venezuela.

Mr. Speaker, even a casual examination of the work done by the Department of State would disclose the tact, diplomacy, and good American horse sense that has been exercised. Many trade agreements have been made that have greatly benefited the business of the country. Disputes that might have led to serious consequences have been settled equitably and fairly, but never to the detriment of the United States. The rights of American citizens and the rights of the country abroad have been fully protected. Treaties have been negotiated that have secured the friendship and confidence of many nations. Many dangerous pitfalls have been diplomatically avoided. Friendly relations have been established with foreign powers that have accrued to the advantage of the United States and the spirit of the good neighbor has constantly been manifested.

That peace instead of war, with all its attending horrors, still prevails throughout most of the civilized world today is, in my judgment, due to the ability, brilliancy, diplomacy, and tact of the distinguished Secretary of State. For many years he served as a Member of this House and later in the Senate, and left a record of accomplishment that has never been surpassed in either Chamber.

When the history of this Nation is written, upon its brightest pages will be recorded the accomplishments of the greatest Secretary of State this country has known. I congratulate the State of Tennessee, who gave to the Nation the great scholar, the able and distinguished diplomat, and I congratulate my country on having had the services of the brilliant statesman and gentleman, the Honorable Cordell Hull.

Farm Tenancy

EXTENSION OF REMARKS

OF

HON. CLYDE L. GARRETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. GARRETT. Mr. Speaker, no legislation has been considered by Congress which, in my opinion, is of such vital importance to our country in general and our agricultural sections in particular as the farm-tenancy legislation, which has for its purpose the assisting of worthy and deserving farmers in purchasing and owning their farms. I realize the farm-tenancy problem is a large and complex one. It is a humanitarian measure and of grave and far-reaching significance. It will require, and must receive—if it is ever successfully solved—the most earnest and thoughtful consideration of the Federal Government. Naturally, this bill will have to be amended from time to time to cure its ills. The results of the deliberations in connection with this legislation, in my opinion, will go down throughout the ages as a forward step which will never cease to act for the good of our country and fulfillment of human hope—two of the goals of all good government. Our farm-tenancy problem began to become serious some 50 years ago, at which time only 20 percent of our farmers were tenants, while at present it is estimated that more than 70 percent are tenants. In my own State of Texas, according to the 1935 United States farm census, 57 percent of the farmers are tenants, and there is a much larger percentage in many other agricultural States. I am glad that Congress at last has come to realize the absolute necessity of and how tremendously important it is that such legislation as this should be enacted. I am most happy to have an opportunity to support it.

I am not only deeply concerned in the farm-tenancy legislation but I am also greatly interested in any legislation which will help all farmers. Naturally, I would be as I was born and reared on a farm—my forefathers were farmers—and the district which I am honored to humbly represent is largely agricultural. I firmly believe that Congress in the beginning of its program to aid the tenant farmer in owning a farm should also give much thoughtful consideration to sound and legitimate ways and means whereby our present farm and home owners may not lose their farms and homes. From thirty-five to forty thousand farm owners become tenants annually. During the last 4 years 27 out of 100 farm owners lost their farms. This was due to no fault of their own but brought about principally by reasons over which they had no control. The fact that the farmers have been compelled to pay high taxes, high rates of interest, and forced to sell their products far below the cost of production has made it nearly impossible for him to maintain and operate his farm at a profit. In passing legislation for the benefit of every other class, group, or industry Congress should see to it that the American farmer and his interests are duly protected and properly safeguarded. I have no serious complaint concerning the method of operation provided for in this farm-tenancy bill. I am glad to note that it is proposed in the bill that the program is to be handled and administered by a county set-up in each county comprised of its own citizens. I desire to express the sincere hope that our Secretary of Agriculture will see to it that not only good citizens but men of practical experience, sound judgment, and discretion be appointed. Certainly the program will never succeed if an attempt is made to administer it through young and inexperienced men taken out of some office in Washington, who are neither interested in nor familiar with the needs of our rural people.

As stated, I am not particularly dissatisfied with the bill only as it relates to the amount to be expended in this program, the amount appropriated being $10,000,000 for the first year, $25,000,000 for the second year, and $50,000,000 for the third. Either amount is, in my opinion, only a drop in the bucket; however, it is a step—probably I should say a mere gesture—in the right direction. It is estimated that the amount to be appropriated for the first year will make it possible to purchase but one or two farms in each county. I had hoped that Congress would appropriate at least $50,000,000 for this program for the first year. It has been argued here that in launching a new program we should feel our way and proceed very cautiously and moderately. I am in hearty accord with those who hold these views. However, when Congress is being called upon to expend $500,000,000 on a program of slum clearance and low housing cost—which is a new undertaking—and which evidently Congress will do, it occurs to me that their argument is inconsistent. Since during this session Congress

has appropriated something like $600,000,000 for the Navy, $400,000,000 for the Army, agreed to spend $7,000,000 for additional lands for parks, $5,000,000 to complete one national highway in one State, and $1,500,000,000 for relief, to say nothing of many millions for other purposes, it does seem to me that we could have begun this farm tenant program, which is of such vital and tremendous importance to our 2,800,000 tenant farmers and our people generally, on a larger and broader scale.

In this bill which we refer to as the farm tenant measure we are touching on the basic problem of all human relations. We are facing one of the age-old problems and are trying for its ultimate solution. Wars have been fought, nations have fallen or risen on their handling of the problem, and fortunes made or lost as the values of our land rose or fell. Land is the most cherished heritage of the human race, the basic part of our civilization, and the ownership of a part of it has been the goal of the vast majority of the people who have ever lived upon the face of the earth. It is the precious jewel in man's heritage, a diadem in the crown of a nation's glory and an anchor that ties a people to the most cherished and noblest of their sentiments. Our land, our home, our heritage, our faith in all that is good is tied around that plot of mother earth that we call our own—my land.

The world has seen many great mass movements of mankind. Onward to the west and south marched the hordes of the Teutons to destroy the Roman Empire and build newer and greater ones. Across the Atlantic for four centuries men have moved to that new land that was found in the setting sun. Across these United States for 150 years in a ceaseless movement men have surged one step behind another until that Pacific shore has been reached. Now, with all the frontiers conquered, we cry for more land. The Anglo-Saxon and the Teuton have been peculiarly a land-loving people, and across the face of the earth they have ranged in seeking for that land which spells peace and prosperity.

With the loss of the available public lands and the greed that man has for more and more land there has come in this land of ours the growth of a system which is rapidly making peons out of a large section of our people. This trend must be stopped and this is the purpose of this bill. We want our people to be home owners, home users, and home lovers. The only way this can be done is to give those of that tenant class who want to own a home—and what man does not—on terms which will meet the cost of its acquirement and assure him the comfort and ease that he merits in later years for the efforts which he has made.

Speculation will not do this. The robber policy of draining the soil of all its fertility will not solve the problem. Nor will an outright gift of the land ease the pangs except for a few short years. There is only one solution—make it a home which a man will be proud to work for, a home which will be safe and secure for him as long as he and his shall live, a place where in safety and comfort he put his faith, his trust, and his abiding endeavors.

The laws of land ownership have been the puzzle of the ages. Just how it can be done so that the home will be safe has been one of man's enduring problems. To my mind there is only one way by which it can be done. The law of descent has its merits and is founded on the experience of the race. But to go from father to son with the perpetuation of the name and family ownership will not work in a country such as ours. All our people are not farm-land-minded, and the son may not desire to succeed the father as the tiller of the soil.

To place the ownership in the State would make peons of all land lovers, while the system of landlord and tenant that we now have is pauperizing the citizenship, destroying the richness of the soil, and embittering those who work the acres.

In consideration of the problem we have before us, I want at this time to make a few observations. This is the first time which this problem has ever confronted this Nation in its present form. We have had our land problem in the past, but it has been a problem of getting rid of them and not of providing additional lands for a people which has never had a land hunger before.

It is not my purpose to delve into the statistics of those who have no home nor of those who want one at this time when the Government is being besieged by a land-hungry people for more and better farms.

We have largely wasted our heritage in the past. Soil erosion and waste has impoverished our farms to a large extent; and now that the problem is acute, we are facing it. Can it be, with this age-old problem confronting us, we have finally become a grown-up nation with the problems which have ever been before the old-settled countries of the earth?

This problem is as old as civilization. It was the hunger for land that drove the children of Adam through the earth. It was the call to a new land which Abraham heard. It was the call to a better land which sent the children of Israel to Egypt and the call to free land which took them out of Egypt. It was the land hunger of the Germanic tribes which disrupted the Roman Empire, and the call of a virgin land brought the hordes of land-impoverished peoples across the Atlantic to this virgin wilderness.

In the discussions of this problem this Congress has heard many and various solutions propounded. But the problem that we face as a nation is whether we want to see the end of the independent farmer. Unless we do something to preserve the farm for a home—a home for the independent man who owns and tills his own acres and has the pride in them which his forbears took in their soil—we must be willing to reckon with one of two courses. One of them is the gradual loss of all land to large concerns who will farm it with machinery, and those concerns can and will either be the Federal Government or the large loan companies which now have such a bulk of mortgages on the lands of this country. The other will be the development of a foreign land-owning class which will farm the soil with the new peasantry which is now being formed, and by them I refer to the tenant farm class, poor in this world's goods and poorer in spirit, homeless, and largely wanderers over the soil, shiftless in some instances, and unwilling to rebuild an impoverished soil for an absentee landlord.

The thing we have started here this session can either grow into something useful or it can develop into a Gargantuan monster which will swallow up the Government of this people in a whirlpool of debts. If we let it grow into that monster of bureaucracy which is hinted in many of the sections of this bill we will have a boss over every farm and a boss of the bosses here in Washington. This must not be permitted. If we want it to be useful, we can start it off on the right road with just a little of that effort which it takes for any great program to succeed. We cannot do the job which is before us this year, next year, or the next. It is going to take a century to do the job right.

Today in many of the talks made the problem of the sale of an equity in the land has been presented. The first thing to consider, in my opinion, is this: How will the farmer get that equity? He is going to have to have something before he can sell. He is going to need some means of assuring him of that equity when he signs the mortgage and the deed of trust. I am going to tell you how he can get and keep the equity and pay the bill all at the same time.

First let me paint another picture. Down there in that small farm home which we have been talking about there is someone else besides the man. There is a woman—usually the stronger and most ambitious of the two. Around her skirts are some clinging children. She has gone through the valley of death to bring them into the world. Their burdens are her burdens and their life is the center of her life. She is one whom we want to protect as well as the equity in that farm home for the father of the family. He works in the field. She holds the home together. Her work is never done. She feeds and provides the clothing for that family, and in most instances her influence is the factor which will send the man out to make the purchase, into the fields and byways to buy and sell his produce and labor for its payment. She will watch the pennies that they may grow into dollars to meet the interest and the principal. She will be the one

who will think of the painting and papering, the repair of the buildings, and to pay the taxes and insurance when due.

Let us give her a break. Let us fix this act where she will have a major part in the title to that land for her own weal and the protection of her children. It can be done with a homestead act governing this land, bought and paid for by the Federal Government and sold to this farmer, which will protect the wife and mother from the waste or misdeeds of that father and from any loan shark who may threaten her interest.

As I said before, she will be the one who will do most of the thinking about the payments and she is entitled to most of the protection.

For the past 4 or 5 years this Congress has tried to solve the problems of the farmer by giving him a fixed income in some manner. It cannot be done, for the rains will fall and the sun will shine, and as they vary so will the income vary. It comes from his land. From the land it must be paid. From the land it must be delved and back on the land it must go. There is but one source for the payments to come from and that is the land. Then let us fix it so that a certain percent of his crop will meet the payments.

Let him go into the markets, sell those crops the most advantageous way that he can, and turn over to the collecting agency of the Government the money which belongs to it. Down in the Agriculture Department we have men who know what the land will do. We have men who can read the records of the past. We have the records of past performances of every farm in this country. Take those records, figure out the past earning power of this farm for the past 10 years. From that you can tell what the land will pay. Set the price in the product of the soil at that figure and let the farmer have the land. Then when his crop makes bountifully he will make the Government a big payment, when drought and storms destroy his earnings he will not have to go to the loan shark nor to a bureau of the Government for help. Let him pay for the land, as he will desire to do, with the sweat of his brow and the produce of the earth. There is nothing new about this. It has been done before and it can be worked out. Give him 30 years to 40 years to pay as you have started to do. Let one-fourth of the money crop go into the payment of the debt and watch those boys go after their farm. Then to add to the incentive, take those Agriculture Department figures and when he shows that by fertilization and soil conservation he has improved the land instead of destroying it, give him a shorter term in which to acquire ownership and you will see the greatest soil-conservation program ever worked. They will show the experts new tricks, for they will have something worth working toward.

Make this the perpetual homestead of the family. Make it the unit around which father and mother and the children will rally and, like the Jews of old, the home and the land will become the instincts of the people and there on the soil, often worn and destroyed, we will rear a new people with their hopes and ambitions, their spirits and their faith centered in the homes they have built, the lives they have created, and the joys they have gained.

Black-Connery Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. SMITH of Virginia. Mr. Speaker, consideration of the Black-Connery wage and hour bill—S. 2475—has been postponed until the second session of the Seventy-fifth Congress because of the refusal of the majority of the membership of the Rules Committee of the House to grant a rule for its consideration in the closing days of this session. This action of certain members of the Rules Committee has been severely criticized in certain quarters. Fair-minded people may honestly differ as to whether the Rules Committee should grant a rule for the consideration of this bill, at any time, or under any pressure, but I am confident that any fair-minded person who still entertains a lingering hope that the House of Representatives is a deliberative body will be forced to agree that a bill of such far-reaching consequences, affecting, as it undoubtedly will, every phase of our business and economic structure, in every quarter of our vast country, could not in the hectic and confused closing days of the session receive the deliberate and considered judgment of the membership of the House that it deserves. Having given considerable thought and study to the bill from the time it was reported from the Labor Committee I hope the House will not consider it presumptious of me to present some explanations of the terms of the measure, as I interpret it, and point out some of its many defects and inequalities and seek to demonstrate the inherent evils that will flow from such a wide and unprecedented delegation of authority to the board set up by the bill to govern the lives and activities of our people.

I do this not in the expectation of influencing the vote of any Members on the measure but because it is well known that in the closing days of the session Members are so occupied and rushed that very few Members had the opportunity to give deliberate study to a measure of such wide potentialities. I hope that in the intervening months before the next session that those Members of the House who, like myself, hold no particular brief for either labor or industry, may give deliberate and careful thought to the consequences that may flow to their own people in any and every walk of life from the enactment of this legislation. It has been said in responsible quarters that those who opposed the Black-Connery bill "would have a lot of explaining to do to their constituents." Perhaps so, but I venture the prediction that the Member who votes for this bill will never satisfactorily explain to the constituent who will have to appeal to a board in Washington, hat in hand, to permit him to continue his normal activities or to permit him to continue to earn a livelihood in the sweat of his brow. Those Members who, like myself, are fortunate enough to represent an intelligent and fair-minded electorate, need have no fear of being able to explain. One would think that the recent and bitter lessons of the operation of the mild N. R. A. would be sufficient explanation and justification in itself. I make no apologies for my stand on the Rules Committee, and merely submit these observations in the hope that it may in a small measure assist in awakening the country to the inherent evils of the proposal. I make it without bitterness and without criticism of the lofty motives of those who favor the legislation. But there is a homely saying that "the road to hell is paved with good intentions." Let us at least give deliberate and thoughtful consideration to the language and the implications of this measure and see whether the good intentions back of it will in practical operation work good or evil on our people.

There has been a great deal said about sectionalism in connection with the Black-Connery bill—that it would discriminate against one section and in favor of another. I do not base my objections upon that ground. I think it has potentialities of immeasurable injury to labor and to industry in every section of the country. If we are going to enact wage and hour legislation, let us do so after mature deliberation and after consideration of all methods that may be proposed and after carefully measuring both the good and evil that may flow. Do not let us adopt this measure blindly merely because someone has labeled it a wage and hour bill, nor merely because something was said about wages and hours in the Democratic platform of 1936. I assure you, as I will later point out, that the Black-Connery bill by no means meets the pledge of the party platform.

Let us look at the Black-Connery bill itself as reported by the House Labor Committee, take it apart, examine its provisions, and see just how much of the "life, liberty, and pursuit of happiness" of our people is committed to a bureaucratic board given almost unlimited powers to fix or not to

fix hours and wages; to fix hours and wages at one figure in one community and at a different figure in a competing community; to fix them at one figure in a business employing 10 men and at a different figure in a competing business employing 100 men; to fix them at one figure in a business that has taken advantage of labor-saving devices, and fix them at the same figure for a competing concern that has chosen not to use labor-saving devices; to fix general uniform wages and hours all over the country in a single industry that would inevitably drive thousands of small concerns entirely out of business. It will be said that the board would not do those things. I freely grant the good intentions of everyone connected with the measure but in determining the feasibility of legislation Congress must be governed not by anybody's good intentions, but by the language contained within the four corners of the bill itself.

Notwithstanding anybody's good intentions, I contend that this country is too big, the activities of our people are too varied and the character and kind of business carried on, even in the same line, too different for either labor or industry to rest comfortably in a strait jacket of the dimensions laid out in the Black-Connery bill. Now, let us see.

In the first place, everybody knows that the worst sweatshop conditions or unfair labor conditions prevail in those industries where labor is employed on piece-work basis. There is nothing in this bill that prohibits the employment of labor by piece-work methods or that even mentions, or, in the remotest degree, purports to or seeks to remedy this situation. I confidently predict that if this bill is enacted, many of those who have heretofore indulged in unfair labor practices, and desire to continue, will immediately resort to the employment of labor through piece-work methods that will completely evade the provisions of this law, and leave nothing for it to operate upon except those bona-fide and honest small businesses, of which there are millions in the country, that pay the best wages that the business can afford, and where peace and harmony prevail between employer and employees. I invite every Member who is to have the responsibility of voting on this measure to turn over in his own mind from his own personal knowledge and experience the examples and illustrations of what may and undoubtedly will happen in his own community in connection with miscellaneous businesses, large or small, when this measure gets into full operation. You will be astounded at the things that can and doubtless will happen to wage earners and small-business men who will necessarily fall into classifications made by the board and whose situations were never contemplated or considered by the board in making its rulings.

For instance, the bill undertakes to exempt farmers, it further undertakes to exempt certain specified seasonal work in connection with the saving of perishable crops, and yet it does not exempt such work as grain thrashing or hay baling, and other like occupations which in most sections of our country are done by independent contractors. Will it be easy to explain to your farmer constituents that you have voted for a law that may compel them to pay 40 cents an hour to laborers engaged in thrashing his grain and baling his hay?

Take the dairyman, one of the largest industries in the country. The bill seeks to exempt him, but it does not exempt the man who hauls his milk to market. If the milk haulers in the rural districts must pay 40 cents an hour and work a 40-hour week, the dairy farmer will, of course, pay the difference in the price of hauling his milk. Will the Member who votes for this bill find it easy to explain to his dairy-farm constituents why he voted for a bill that raised the price of hauling milk a cent or two per gallon?

Take the dairy farm again. The bill exempts employees in any plant in which milk products are received, processed, or manufactured if such plant is operated by a cooperative association. In one dairy community there may be a cooperative. In the adjoining dairy community the farmers may depend on a dairy plant that is not a cooperative, and to which the provisions of the bill will apply. The difference in the cost of labor between the cooperative plant and the independent plant in the adjoining community would, of course, be reflected in the prices paid to the farmer for his milk in the latter area. I much prefer that some other Member should have the task of explaining his vote to a farmer who, through no fault of his own, has not the advantage of a milk cooperative processing plant.

I have in mind a slate quarry in a farming community. It affords employment that supports about 200 families, and where the wage scale is in direct competition with the farm industry in that community. The texture of this slate is of such a character that it must be cut by hand, and therefore employs much more labor per unit of production than its competitors in other sections where machinery can be used. A uniform wage scale for labor in slate quarries would automatically put this concern out of business. I would not relish the task of explaining my vote for this bill to the 200 families whose means of livelihood are taken away.

Subsection 4 of section 9 authorizes the board to—

> Classify employers, employees, and employment within the occupation to which such order relates according to localities, the population of communities in which such employment occurs, the number of employees employed, the nature and volume of the goods produced and such other differentiating circumstances as the board finds necessary or appropriate to accomplish the purposes of such order.

No one can successfully deny that this provision gives the board the power to fix one rate of wages and hours in a community of 10,000 population and to fix a different rate in an adjoining competing community of 1,000 population.

No one can successfully deny that this gives the board the power to fix one rate of wages and hours where the number of employees is 1,000 and on a different rate of wages and hours in a competing business where the number of employees is 100. No one can successfully deny the power of the board to fix one rate of wages and hours in a business with a certain volume of production and an entirely different rate of wages and hours in a competing business with a lesser volume of production. What Member would care to explain to their constituents who happen to come on the short end of any of those regulations the humanitarian motives which actuated him in voting for such a measure? The foregoing illustrations could be multiplied by the hundred. The human mind is incapable of conceiving all of the various and sundry discriminatory conditions that will undoubtedly arise, notwithstanding the good faith and good intentions of any board that may be selected to administer the law. We ought not to deliberately place in the hands of any board, no matter how fair-minded or well-intentioned it may be, the almost unlimited delegated authority over the lives and activities of our citizens that are inherent in the very language of this bill.

Again I invite attention to section 8–A:

> Whenever the Board shall determine that any substandard labor condition exists in the production of goods in one State and that such goods compete to a substantial extent in that State with other goods produced in another State and sold or transported in interstate commerce, in the production of which such substandard labor conditions does not exist, the Board shall make an order requiring the elimination of such substandard labor condition and the maintenance of the appropriate fair labor standard in the production of goods which so compete.

Obviously, this means that if a small concern in your community is producing a product with local labor with all raw material locally produced and all of the products sold in the State in which produced, a rival concern operating in another State on a larger scale, so as to make their unit cost smaller, could complain to the board and obtain an order requiring the smaller local concern to conform to the wage and hour standard of the bill. This in turn might so increase the cost of the smaller competitor as to put him out of business. I can conceive of no more adroit method of promoting monopoly under the guise of a philanthropic crusade.

It is well known that in the final days of committee consideration of the bill certain important amendments were obtained. Among them is section 5–B, as follows:

> A labor-standard order establishing minimum wages or maximum work week for any occupation shall be made only if the Board finds that collective-bargaining agreements in respect to such minimum wages or maximum hours do not cover a sub-

stantial portion of the employees in such occupation, or that existing facilities for collective bargaining in such occupation, or that existing facilities for collective bargaining in such occupation are inadequate or ineffective to accomplish the purposes of this act.

This amendment exempts organized labor from the provisions of the bill. One might wonder why, if the bill is bad for organized labor, it should be good for unorganized labor. I hope that in future discussions of the measure someone will give a better explanation than occurs to me.

Another of these amendments which requires careful analysis is section 5–D:

The minimum wages and maximum work week established by collective-bargaining agreements in any occupation shall be prima facie evidence of the appropriate minimum workweek to be established by the Board for like work done under substantially like conditions.

While the bill purports to delegate the power to fix wages and hours to a responsible Government board created by the act, the real effect of this short and subtle amendment is to redelegate the authority to fix wages and hours to the labor organizations. The amendment clearly provides that "in any occupation" wherever collective bargaining has fixed wages and hours in that occupation, even though it may be in just a small section of the country, that the wages and hours so fixed by organized labor shall be, prima facie, the wages and hours scale in that occupation all over the whole of the United States. In all of the widespread delegation of power that has been proposed I do not believe that anyone has heretofore conceived the idea of delegating or having Congress delegate to organized labor the power to fix wages and hours. Nor do I believe that thoughtful Members of Congress can ever give their consent to such a departure.

No one denies the desirability of constitutional legislation to cure sweatshop or unfair labor practices. On the other hand, no thoughtful person will knowingly vote for a bill containing inherent potentialities of immeasurable injury to the country merely because it carries the inviting label of wage and hour legislation. There are some of us who believe that this subject can be approached from an angle of local self-government, with a due regard for the preservation of the remaining fragments of States' rights. Naturally, all fair-minded persons will concede that if there is an approach to this question through State control that that method is at least entitled to fair consideration before it is thrown into the discard. Those of us who believe that the method of State control of wages and hours is feasible, and will operate without inflicting upon our people the hardships inherent in the Black-Connery bill, believe that both philosophies of handling the problem should be given fair consideration before we decide finally which route to take. Certainly those who framed the Democratic platform of 1936 entertained that view. We are told that the platform committed us to the Black-Connery bill. The platform did no such thing. On the contrary, it committed the Democratic Party to joint State and Federal control of wages and hours. To demonstrate this it is only necessary to quote from the language of the platform itself, to wit:

We know that drought, dust storms, floods, minimum wages, maximum hours, child labor and working conditions in industry, monopolistic and unfair business practices cannot be adequately handled exclusively by 48 separate State legislatures, 48 separate State administrations, and 48 separate State courts. Transactions and activities which inevitably overflow State boundaries call for both State and Federal treatment. We have sought and will continue to seek to meet these problems through legislation within the Constitution.

Make no mistake about it. We have reached that point in the formation of our future policy of economic development where we must determine once and for all whether we will continue the normal functions of State government contemplated by the Constitution or whether we will take the other method of centralized control of local concerns in the Federal Government. There are two distinct lines of thought on the subject. I respect the opinion of those Members who believe that this subject cannot be controlled adequately by the States. On the contrary, I entertain the opinion that as a practical, common-sense proposition, it cannot be adequately controlled either by the State or by the National Government; but I am firmly convinced that in the long range that there can be more nearly adequate control with less irritation to our citizens, by the method of State control, implemented and aided by the Federal Government, than that attempted by centralized national control. This seems to me to have been so recently and vividly and painfully illustrated by the operation of the N. R. A. as to be hardly worthy of further argument. May I now present to you, my colleagues, and solicit your earnest consideration of the alternative proposal of meeting the wage and hour problem through the method of State control, implemented and aided by Federal legislation, as advocated and pledged by the Democratic platform of 1936, above quoted?

It is no new theory, it is a mere extension of the existing law, a further step along the road taken by Congress in the enactment of the Ashurst-Sumner Act, a normal development of the policy already adopted by Congress. This act deals with the control of shipment of prison-made goods in interstate commerce. It provides that whenever it is unlawful by the law of any State for prison-made goods to be sold in that State in competition with goods made by free labor, that it is then unlawful to bring prison-made goods into such State through interstate commerce. The constitutionality of the act was tested in the recent case of the Kentucky Whip & Collar Co. against Illinois Central Railroad Co. The Supreme Court held the act constitutional and valid and thus laid down the rule that whenever a State declares a valid policy with respect to commerce within its bounds, thereupon the Federal Government may step in and lend its assistance and protection to that State in enforcing its law against the importation of goods manufactured in violation of the State laws.

Following closely upon this decision was the decision of the Supreme Court upholding the constitutionality of the Washington State minimum wages and hours law, fixing minimum wages and hours. The effect of these two decisions has been to lay down a broad path which Congress may follow in the enactment of legislation to supplement State laws with respect to minimum wages and hours, child labor, prison-made goods, and sundry other problems which we have been seeking to remedy through measures of doubtful constitutionality. There are those who believe that local self-government and the preservation of the rights reserved to the States in the Federal Constitution presents a more feasible and satisfactory approach to these problems. This way seems the simplest and most productive of permanent satisfactory results. The treatment of such a subject as wages and hours must necessarily be of an experimental character. To follow the method already successfully tried through the enactment of the Ashurst-Sumner Act seems such a simple solution of the problem, so far as the concern of the Federal Government goes, that it might at least be given a trial before we embark upon a proposal such as the Black-Connery Act, so provocative of discrimination, dissatisfaction, and a multitude of evil consequences.

To follow the route of the Ashurst-Sumner Act it would only be necessary for Congress to pass a bill making it unlawful to ship in interstate commerce into any State that has a minimum wage and hour law, goods manufactured in another State under standards below those required in the State into which shipped. Congress might even go further and prescribe certain standards and provide that the Federal law should not extend its protecting arm to those States whose hour and wage laws do not conform to the Federal standard. Under this method each State would be the judge of its own standards under penalty for those States that do not enact appropriate legislation that they would not receive protection from the Federal law. Natural competitive conditions would undoubtedly hasten the enactment of State laws to conform to the Federal Act. Under this method there would be no gigantic Federal bureau policing every wage earner and business concern in the country. Complaints and discriminations would be adjusted locally in the State in which they occurred and our citizens would look to their local State authorities for the correction

of their grievances without being required to petition a Federal bureau in Washington. As a Nation, we have prospered and grown stupendously in the period of 150 years of our existence under the system of government conceived by the framers of our Constitution. In the brief agony of the late depression we should not forget all that we have learned and profited in the 150 years of our existence. Let us not abandon the system of State government, at least, until we have explored its possibilities. In the treatment of a great subject, such as the fixing of wages and hours, to move too hastily inevitably means to move mistakenly and if we do that it means that the whole ground must be gone over again. Let us move cautiously step by step and give public opinion and public support an opportunity to progress hand in hand with the development of the law. That objections will occur to this proposal is inevitable. There will be objections and necessary readjustments to any bill proposed, but you may make sure that this method will be much less irritating to your constituents and give them a much greater voice in the management of their own private affairs than can ever be done through any such proposal as the Black-Connery Act.

Shortly after the decision in the Kentucky Whip and Collar case sustaining the constitutionality of the Ashurst-Sumner Act, I introduced in the House the bill known as H. R. 4746, entitled: "A bill to prohibit the interstate transportation of goods, wares, and merchandise in certain cases." The bill is now pending in the Judiciary Committee of the House and partial hearings have been held on it. I invite the serious and thoughtful attention of the Members of the House to this alternative method of procedure in the hope that when we reconvene, both methods of procedure, namely: The Black-Connery Act and the extension of the Ashurst-Sumner Act, may be given full and fair consideration before either method is adopted.

The Finns in American Colonial History

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. HOOK. Mr. Speaker, the House has under consideration, through Senate Joint Resolution 135, an amendment to a previous act of the Congress which would extend to the Government and the people of Finland an invitation to participate in the three hundredth anniversary celebration of the founding of New Sweden, the first permanent white settlement on the banks of the Delaware River. For my part I cannot imagine why this invitation, heretofore extended to the Government of Sweden, was not originally drafted to include the Government of Finland. Ascribed to an oversight, the Senate was quick to correct the deficiency. Today, on the eve of adjournment, we have the opportunity of joining with the Senate in passing this resolution authorizing and instructing the President to invite the Government of Finland to join with the Government of Sweden as our guests for this commemorative festivity. I hope the resolution will pass unanimously.

The year 1638, when the first Swedish-Finnish colony was established in the New World, was just 138 years previous to the signing of the Declaration of Independence, and, if we were to add 138 years to that eventful date, it would bring us down to our own modern 1914. As far back before the Revolutionary War as we are after it—this gives us a better picture of the sweep of the years since that eventful day nearly 300 years ago when these colonists of Sweden and Finland first landed on our shores.

In considering this colonial project, we must, of course, realize that Sweden as a nation was helped to its position of dominance in the affairs of Europe by the strength and virility of the people of its domain. Finland, then a grand duchy of Sweden, as over 150 years later a grand duchy of Russia, gave of her money and her people to the glory of Swedish arms. At one period of her history, in one of the destructive wars that militant Sweden was engaged in, Finland gave up one-third of her male population. Seventeenth century historians bear witness to the valor and fortitude of the Finns.

According to our best historical authorities, this colonial enterprise of the Kingdom of Sweden, which encompassed the territory of Finland as a grand duchy, grew out of a proposal made to Gustavus Adolphus, illustrious ruler of the Swedes, by William Usselinx, a Netherlander, just about the time that the Pilgrim fathers were setting out from English shores for the wilderness of Cape Cod. The idea took, and the New Sweden company was organized on the 1st of May 1627, and the stock lists were opened to all Europe. The King himself pledged $400,000. The city of Wiipuri in modern Finland—Wiborg in Hanseatic League days—was a participant.

Men of every rank were solicited—

Says the American historian, Bancroft—

and it was resolved to invite colonists from all the nations of Europe. Other nations employed slaves in their colonies, and slaves cost a great deal, labor with reluctance, and soon perish from hard usage, so the Swedish appeal declared for a free colony, saying, "Surely we shall gain more by a free people with wives and children." To the Scandinavian imagination, hope painted the New World as a paradise.

In the spring of 1638 the first ship from the Swedish Kingdom, the *Kalmar Nyckel*, arrived at the mouth of the Delaware River. It sailed up the river to the point where the city of Wilmington, Del., is now located. At the natural stone pier, still in existence and known as The Rocks, the small band of pioneers disembarked and thus began the effort which was destined to become the first permanent settlemen in the Delaware River Valley.

The land upon which the colonists laid the foundations of a new pioneer Commonwealth in North America was purchased from friendly Indians. It extended as far up as the Schuylkill River, where Philadelphia, the cradle of our liberties, is now situated. Later additions to the territory of the new Sweden colony extended its boundaries so as ultimately to bring within its limits nearly all of present-day Delaware and sections of New Jersey and Maryland as well. Independence Hall itself stands on land that was one time a part of the colony, and in Wilmington the Holy Trinity Church—not to mention other churches in other places—harks back to these doughty pioneers of New Sweden.

In common with Virginia and the Massachusetts and other seventeenth-century colonies in North America, New Sweden on the Delaware resulted from the activities of a trading company. Both money and leadership for the enterprise came from the Finnish part of the Kingdom as well as from Sweden proper. Admiral Klaus Fleming, one of the leading members of the Finnish nobility, became associated with the New Sweden Co., and from the first was in charge of its affairs. His directorship of the company was cut short by his death in 1644. According to Dr. Amandus Johnson, the leading authority on this phase of American colonial history, "the company and colony lost their best friend and most enthusiastic promoter" when Fleming was killed in battle against the Danes.

The Finnish contribution to the population of New Sweden was likewise conspicuous.

While we do not as yet have altogether satisfactory statistics regarding the number of Finns in New Sweden, proof positive and final exists showing that they constituted an important element in the population of the colony. Of the 12 separate expeditions sent to the colony between 1638 and 1656, the records often clearly separated the Finnish settlers from the Swedish. The last expedition, which arrived on the Delaware in March 1656, numbered 105 persons. Of these 92 were listed as Finns. At the time of the arrival of this group the persons, presumably adults who included

the Finns already in New Sweden, in the colony numbered some 240. As late as 1664 a group of 140 Finns were reported to have arrived in Amsterdam, Holland, on their way to New Sweden. A conservative estimate, therefore, places the Finns at from one-third to one-half of the pioneers of the Delaware River Valley.

To review further the progress of the colonial effort of the Swedes and Finns, which, incidentally was but a scant 30 years after Jamestown had first been settled by the English, and but 15 years after the first Dutchmen had settled on Manhattan Island and founded New Amsterdam, we find the national jealousies of old Europe being transferred to the unsettled shores of the New World.

As Bancroft says:

The fame of Swedish arms protected the Swedish flag in the New World; and while Banner and Torstenson were humbling Austria and Denmark, the Dutch did not at first proceed beyond a protest. Meantime, tidings of the loveliness of the country had been borne to Scandinavia, and the peasantry of Sweden and of Finland longed to exchange their farms in Europe for homes on the Delaware. At the last considerable expedition there were more than a hundred families eager to embark for the land of promise, and unable to obtain a passage on the crowded vessels. * * * Philadelphia, like Delaware, traces its lineage to the Swedes, who had planted a suburb of Philadelphia before William Penn became its proprietary. * * * The Swedes and Dutch were left to contend for the Delaware. In the vicinity of the river the Swedish company was more powerful than its rival; but the province of New Netherlands was tenfold more populous than New Sweden.

And then the inevitable happened. A revival of Swedish aggression in the Delaware finally aroused the Dutch to action. In 1654 one-legged Peter Stuyvesant, who himself had arrived in New Amsterdam but in 1647, led a force of more than 600 men into the Delaware. Bancroft chronicles that—

One fort after another surrendered, and to Rysingh, the Swedish governor, honorable terms were conceded; the colonists were promised quiet possession of their estates; and jurisdiction of the Dutch was established.

Such was the end of New Sweden—

Comments Bancroft—

the colony that connects our country with Gustavus Adolphus and the nations that dwell on the Gulf of Bothnia.

But although the Swedes had control of their colony for but 16 years the population remained. For more than a hundred years there was a direct contact between the Swedes and their church authorities in Sweden. These settlers—Swedes and Finns alike—retained their identity—linguistic, religious, cultural—but ultimately they merged with the blood stream of American nationality. Intermixture of Swedes and Finns and the anglicization of the language of both had proceeded apace by the time the Fathers of this country created a new nation on this continent.

By that time a few descendants of the Delaware colonists had risen to positions sufficiently conspicuous to bring them into participation in the French and Indian and Revolutionary wars as signers of the Declaration of Independence, and later as signers of the Constitution of the United States. The majority lived the lives of hard-working pioneers and made their contributions to the development of American institutions and ideals in that anynomous manner which ever characterizes the life and endeavors of the common man who was then, as he is today, the real foundation of all that we hold dear and worthwhile in this glorious country.

As Bancroft, our own American historian, summarizes it—

The descendants of the colonists, in the course of generations, widely scattered and blended with emigrants of other lineage, constituted, perhaps more than one part in two hundred of the population of our country in the early part of the nineteenth century. At the surrender they did not much exceed 700 souls. As Protestants, they shared the religious impulse of the age. They reverenced the bonds of family and the purity of morals; their children, under every disadvantage of teachers and Swedish books, were well instructed. With the natives they preserved peace. The love for their mother country and an abiding sentiment of loyality toward its sovereign continued to distinguish them; at Stockholm they remained for a century the objects of a distinterested and generous regard; in the New World, a part of their descendants still preserve their altar and their dwellings around the graves of their fathers.

But let me return to the Finns. As we all know, there is one thing that Finland and the Finns have particularly impressed upon the consciousness of the American people. It is the integrity that they have kept with themselves throughout their entire history—the integrity they have kept with the world, and with this country in particular. Finland is the only nation that has fairly and promptly paid its debt to the United States. The citizens of the Finnish Republic have in these trying years, which might well be called an era of default and dishonesty in international commitments, followed a policy of honest dealing which excites the admiration of all who value the sanctity of contractual obligations.

In thus abundantly illustrating this all too rare policy of honest debtor, the Finns of today have only given relief to qualities that we find among the Finns along the Delaware centuries ago. Honesty, fair dealing, and hard work were characteristics of the Delaware Finns in the 1600's. We learn from a history of the New Sweden colony, published in 1702, that in a settlement named Finland, which was in the vicinity of present-day Chester, Pa., the Finns lived without fortifications, in peace with the Indians. Together with the Swedes they founded the first towns, built the first schools and roads, established the first law courts, and constructed the first churches in the Delaware Valley, and in doing so made important and lasting contributions to American civilization.

We who are celebrating this year the one hundred and fiftieth anniversary of the Constitution of the United States are likely to forget that just as the fathers of the Constitution wrought mightily, a century and a half ago, to lay the foundations of the independent United States, so these pioneers of the Delaware, some 150 years before the momentous Philadelphia Constitutional Convention, wrought mightily to carve organized civilized communities out of the wilderness.

The work of the fathers is being commemorated this year; the achievements of the Delaware settlers will be commemorated next year, in 1938.

It is my sincere hope that the Delaware Tercentenary, in which the Finns of Finland and our own citizens of Finnish antecedents will participate, will assume proportions commensurate with the importance of the seventeenth century founders of the colony.

Let the tercentenary be celebrated in a manner that will clearly impress the American people with the fact that, according to history, the Finns were one of four nations that helped to settle the Original Thirteen States of the Union, the other three being the English, the Dutch, and the Swedes.

General Accounting Office

EXTENSION OF REMARKS

OF

HON. FRED M. VINSON

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. FRED M. VINSON. Mr. Speaker, the Select Committee on Government Organization favorably reported H. R. 8726, which amends the Budget and Accounting Act of 1921, and establishes the office of Auditor General of the United States.

This is one of the measures which resulted from the message of the President of the United States, and considerable hearings which were held before the Joint Congressional Committee on the Reorganization of Government Departments, which hearings, of course, are available.

The bill in question is the result of a very serious study of the objectives sought in strengthening the present law relative to the original intention of Congress in the enactment of the Budget and Accounting Act of 1921.

We do not feel that the General Accounting Office should be abolished or that it should be placed in the Treasury or in the Bureau of the Budget as has been suggested. Furthermore, we feel that Congress is entitled to have an independent audit of the receipts and expenditures of the executive branch of the Government by an agent responsible to it and it alone. We bring into being the Auditor General, a legislative agent for this purpose.

We herewith set forth a general statement and a more specific analysis of H. R. 8276. We would appreciate any criticism or suggestions relative to this proposed legislation. We feel that it will carry out the purpose of the original act; that it will eliminate duplication of effort under the present system; that it will annually save much money and secure for Congress for the first time the real picture of the work of the executive branch of the Government.

The purpose of H. R. 8276 is to strengthen the Budget and Accounting Act, 1921, by amending it so as to carry out what your committee believes to have been the original intention of the Congress in enacting that act, namely, to provide the Congress with an independent audit of the receipts and expenditures of the Government by an agent directly responsible to the Congress. As will be recalled, that act vested in a single agency, to wit, the General Accounting Office, the functions of settling and adjusting accounts and claims and rendering advance decisions involving the expenditure of public funds, as well as the function of criticizing such settlements and adjustments, and reporting its criticisms to the Congress. The purpose of this bill is to segregate the functions of settlement and adjustment under one officer, and the functions of reviewing and criticizing such settlements and adjustments and reporting thereon to the Congress in another officer, and thus provide the Congress with an independent audit.

Some have suggested that this objective should be accomplished by abolishing the General Accounting Office and transferring to the Treasury Department or the Bureau of the Budget the functions now exercised by the General Accounting Office of settling and adjusting accounts and claims and rendering advance decisions involving the expenditure of public funds, and by establishing an independent auditing office to make and furnish the Congress with an independent audit of the settlements and adjustments made by the Treasury Department or the Bureau of the Budget.

After careful consideration, your committee has reached the conclusion that it would be unwise to vest such functions in the Treasury Department, which is a large spending agency, or in the Bureau of the Budget, which would then have the approval of estimates of appropriations and the control of expenditures. Your committee is of the opinion that such functions should continue to be exercised by a nonspending independent agency, such as the General Accounting Officer, and that the desired objective can be accomplished without disturbing the functions of the General Accounting Office.

Accordingly, the plan of this bill is to leave in the General Accounting Office the functions now exercised by it with respect to the settlement and adjustment of accounts and claims and the rendition of advance decisions involving the expenditure of public funds. However, the Comptroller General hereafter will serve without term and be subject to removal by the President.

To furnish the Congress with an independent audit of receipts and expenditures by an officer other than the one who settles and adjusts accounts and claims and renders advance decisions involving expenditures, the bill provides that there shall be in the General Accounting Office an Auditor General of the United States who shall be an agent of the Congress and shall exercise the functions of his office without direction from any other officer. The Auditor General will be appointed by the President, with the confirmation of the Senate, but can be removed only by a joint resolution of the Congress, or by impeachment. He will hold office for a period of 15 years.

The failure to provide the Congress with information concerning the fiscal transactions of the Government through an independent audit of receipts and expenditures was the principal criticism of the former system which led the Congress to reorganize the auditing and accounting functions of the United States in the Budget and Accounting Act, 1921. Much good has been accomplished by that act. However, the committees of Congress considering that act believed that they were setting up a system under which the auditing officer, the Comptroller General, being independent of the executive branch of the Government, would report to them any irregular, illegal, or improper expenditure of, or failure to account for, public funds. It is well known that this has not resulted. The reason has been that under the Budget and Accounting Act the Comptroller General, the auditing officer, was vested also with executive control functions, namely, the settlement and adjustment of accounts and claims and the rendition of advance decisions involving the expenditure of public funds. Under this arrangement the Comptroller General was placed in the anomalous position of being required to settle and adjust accounts and claims and then to report to the Congress his criticism of his own settlements and adjustments.

Obviously, the officer authorized to exercise the functions of settling and adjusting accounts and claims and rendering advance decisions involving the expenditure of public funds should not be permitted to audit his own settlements and adjustments. Under such an arrangement it is impossible for the Congress to obtain an independent audit of the settlement and adjustment of accounts and claims. The present situation is corrected by H. R. 8276.

Your committee respectfully submits that the plan embodied in this bill will not only provide the Congress for the first time with an independent audit of the receipts and expenditures of the Government and at the same time preserve the powers of the General Accounting Office, with respect to the settlement and adjustment of accounts and claims and the rendition of advance decisions, but will also eliminate duplicity, simplify the auditing and accounting machinery of the Government, and expedite the settlement and adjustment of accounts and claims. The Comptroller General will continue to operate in the future exactly as he has in the past, that is, he will continue to render advance decisions and settle and adjust all accounts and claims. Similarly the departments and establishments and all accountable officers of the Government will continue to furnish him in the future with their accounts exactly as they have in the past.

Under the suggested plan the new Office of the Auditor General will be decentralized and the Auditor General will conduct an audit of all expenditures of the United States immediately following payment and before settlement and adjustment by the General Accounting Office, when, under existing law, payments are made prior to settlement and adjustment. Representatives of the Auditor General will be stationed next door to each of the disbursing offices in the field, and the disbursing officers will be required under the bill to transmit daily to such representatives copies of all checks, pay rolls, vouchers, and other supporting documents. The Auditor General, through his representatives, will be required to audit such expenditures promptly and notify the disbursing officers and the departments or establishments concerned, and the Comptroller General of any exceptions taken by him to expenditures made by the disbursing officers.

Under existing law, which is not disturbed by this bill, the disbursing officer will thereafter in due course—that is, quarterly—transmit his accounts to the proper department or establishment in Washington, which will then administratively examine such accounts and transmit them to the General Accounting Office for settlement and adjustment. The findings of the Auditor General with respect to expenditures involved in such accounts will be binding upon the General Accounting Office in the settlement and adjustment of such accounts unless such findings are inconsistent with an advance decision rendered by the Comptroller General involving expenditures, or the disbursing officer or the head of the department or establishment concerned requests the General Accounting Office to review such findings, or the Comptroller General deems it to be in the public interest to review such

findings. These provisions making the findings of the Auditor General conclusive upon the General Accounting Office in certain cases will eliminate the necessity of an audit by the General Accounting Office in such cases.

The bill then requires the Comptroller General to furnish to the Auditor General copies of all certificates of settlement issued by him, and makes it the duty of the Auditor General to report to the Congress any disagreement by the Auditor General with such settlement and adjustment by the General Accounting Office.

Upon the receipt of such reports the Speaker of the House and the President of the Senate are required to refer the reports to the appropriate committees of Congress having jurisdiction over the subject matter of such reports. Such committees are authorized to hold public hearings in connection with such reports and to request the Auditor General, or such of his assistants as he may designate, to sit with the committees in an advisory capacity. The committees may also request the attendance of the officers of the Government who authorize or make expenditures for the purpose of interrogating them regarding any irregularity reported by the Auditor General. Likewise, the committees are authorized to subpena outside witnesses, together with pertinent documents and records.

The collecting officers of the Government will not be required to submit their accounts to the representatives of the General Auditing Office in the District of Columbia or elsewhere. In fact, the collecting officers will submit no accounts whatsoever to the auditing officers, but will continue in the future, under existing law, as they have in the past, to submit their accounts monthly to the proper department or establishment in Washington for administrative examination and transmission to the General Accounting Office for settlement and adjustment. The Auditor General will make his audit of such accounts when he reviews the settlements and adjustments of such accounts made by the General Accounting Office. Similarly, when payments are made after settlement and adjustment, the audit of such payments will be made after settlement and adjustment.

The bill requires the Auditor General to make annually to the Congress not later than March 1 of each year an audit report covering the receipts and expenditures of the previous fiscal year. This will be the kind of report which a large private corporation secures annually from an auditor. It will show the balance sheet of the Government, and will contain a review of any illegal or improper expenditures or financial practices. No such report has ever been made to the Congress, though the debates on the Budget and Accounting Act 16 years ago indicate clearly that it was the purpose of the Congress to secure such reports. This bill will carry out the clear intent of the Congress when the Budget and Accounting Act was passed.

The bill also requires the Auditor General to investigate all matters relating to the receipt and expenditure of public funds and the acquisition, transfer, and use of property of the United States, and to report any unlawful or improvident dealing with such funds or property to the Congress. The Auditor General is also required in such reports to make recommendations looking to greater efficiency or economy in administration. The results of such investigations and the proposed recommendations will be of inestimable value to the Congress in making appropriations.

History indicates that under the former system, prior to 1921, if any department or establishment challenged the jurisdiction of the Comptroller of the Treasury to decide a particular matter, the Comptroller sought the advice of the Attorney General as to whether he or the department or establishment concerned had jurisdiction to decide the matter. The Budget and Accounting Act, 1921, made no provision for determining the jurisdiction of the Comptroller General in auditing and accounting matters. As a result, since the establishment of that office, there has been a constant conflict between the departments or establishments and the Comptroller General as to his jurisdiction. This conflict of jurisdiction has principally revolved around the question whether the Comptroller General is authorized in the settlement and adjustment of accounts and claims to determine the availability of appropriations and to revise the action of other officers of the Government under statutes vesting in and imposing upon them power to make findings of fact or decisions in matters arising in their departments or establishments.

In order to avoid such conflicts in the future, your committee has included in this bill a provision which expressly provides that the Comptroller General shall determine the availability of appropriations but shall not have the authority to revise the action of other officers of the Government under statutes vesting in them the power to make findings of fact or decisions in matters arising in their departments or establishments.

Your committee has also included a provision which authorizes the Attorney General, upon the request of the Comptroller General or the department or establishment concerned, to determine the jurisdiction of the Comptroller General or such department or establishment to decide a particular matter. His opinion on such question of jurisdiction is made final and conclusive upon the Comptroller General and all departments and establishments. Your committee desires to emphasize, however, that the Attorney General's authority will be limited to the question of jurisdiction. He will not be authorized to inquire into the facts or consider the merits in any particular case. Having determined that the Congress has authorized the Comptroller General or the department or establishment concerned to decide the particular matter, his authority ceases and the Comptroller General or such department or establishment will consider and decide the merits of the case independently of the Attorney General.

The bill vests in the Secretary of the Treasury authority to supervise and prescribe accounting forms and procedures and the administrative examination of fiscal officers' accounts, as well as the titles and symbols by which appropriations shall be designated. It is essential that the Secretary of the Treasury, as the chief fiscal officer of the Government charged with the responsibility of providing funds at all times to meet the operating expenses of the Government, shall have adequate means of obtaining information from the several departments and establishments with respect to receipts and expenditures. This information can be made available to him only if he is vested with authority to require that effective and uniform accounting systems be maintained in the departments and establishments of the Government. The bill leaves in the Comptroller General, on the other hand, the authority to prescribe the form and manner in which accounts shall be submitted to the General Accounting Office for settlement and adjustment.

The bill eliminates the office of Assistant Comptroller General and does not provide for an Assistant Auditor General. The Comptroller General and the Auditor General, however, are each authorized to designate one of their assistants to act in their absence.

Your committee is of the opinion that the plan embodied in this bill accomplishes the objectives set forth in the President's message of January 12, 1937, relating to the reorganization of the auditing and accounting functions of the Government, while retaining and strengthening all of the protective features of the present system.

ANALYSIS OF THE BILL

Section 1 amends section 301 of the Budget and Accounting Act, 1921, by striking out the provision that the General Accounting Office shall be independent of the executive departments. This provision has been construed to make that office independent of the executive branch of the Government, and consequently its elimination is necessary in order to make that office an executive establishment. This section also strikes out the provision of section 301 to the effect that the General Accounting Office shall be "under the control and direction of the Comptroller General", and provides in lieu thereof that the Comptroller General shall be the head of that office. This change is necessary to make it

clear that the office of the Auditor General will not be under the control and direction of the Comptroller General.

Section 2 amends section 302 of the Budget and Accounting Act, 1921, so as to eliminate the provisions of the latter section which create and prescribe the functions of the office of Assistant Comptroller General. In lieu thereof the amendment authorizes the Comptroller General to designate one of his assistants to act as Comptroller General in his absence.

Section 3 repeals section 303 of the Budget and Accounting Act, 1921, which provides that the Comptroller General and Assistant Comptroller General shall hold office for 15 years, and may be removed from office only by joint resolution of the Congress for certain specified causes, or by impeachment. The repeal of this section makes the Comptroller General subject to removal from office by the President.

Section 4 adds two new subsections to section 304 of the Budget and Accounting Act, 1921.

Subsection (c) clarifies the jurisdiction of the General Accounting Office by providing that the functions of settling and adjusting public accounts and claims, vested in that office, shall include the power to determine the availability of appropriations, and that such functions shall not include the power to revise the action of other officers under statutes vesting in the latter power to make findings of fact or decisions in matters arising in their departments or establishments.

Subsection (d) vests in the Attorney General the function of rendering opinions as to the jurisdiction of the General Accounting Office in the settlement and adjustment of accounts and claims, when requested to do so by the Comptroller General or the head of the department or establishment concerned, not later than 60 days after receipt of notice of the settlement and adjustment of any such account or claim. Such opinions are made conclusive upon the General Accounting Office and all departments and establishments.

As previously pointed out, the purpose of these amendments is to prevent and provide machinery for the settlement of disputes concerning the jurisdiction of the General Accounting Office.

Section 5 authorizes the Secretary of the Treasury to supervise, and prescribe accounting forms and procedures, and the administrative examination of fiscal officers' accounts. The section also authorizes the Comptroller General to prescribe the form and manner in which accounts shall be submitted to the General Accounting Office for settlement and adjustment.

Section 6 adds a new title, title IV, to the Budget and Accounting Act, 1921. The provisions of this title are as follows:

Section 401 of the new title provides that there shall be in the General Accounting Office an Auditor General of the United States, who shall be an agent of the Congress and exercise his functions without direction from any other officer. The Auditor General is made the head of the Audit Division of the General Accounting Office, and the name of the Audit Division is changed to the Office of the Auditor General.

The section also provides that the Auditor General shall designate one of his assistants to act as Auditor General in his absence.

Section 402 of the new title provides that the Auditor General shall hold office for 15 years, and may be removed only by joint resolution of Congress for certain specified causes, or by impeachment. It is also provided that an Auditor General shall be retired from office when he attains the age of 70 years.

Section 403 of the new title requires the accountable officers of the Government to transmit daily their accounts of disbursements to the Auditor General and requires the Auditor General to make an audit promptly of all expenditures prior to settlement and adjustment by the General Accounting Office. The findings made by the Auditor General in such audit are required to be transmitted to the officers concerned and the Comptroller General, and the section makes such findings final and conclusive upon the General Accounting Office in the settlement and adjustment of the accounts containing such expenditures, unless first, such findings are not in accord with an advance decision of the Comptroller General involving the expenditure of public funds, and second, a review of such findings is made under subsection (d) of this section.

Subsection (d) authorizes the General Accounting Office in the settlement and adjustment of accounts to review the findings made by the Auditor General with respect to any expenditures involved in such accounts, when a request for a review is made by the disbursing officer, or the department or establishment concerned, within 60 days after receipt of the findings of the Auditor General, or when the Comptroller General deems it to be in the public interest that such a review be made.

Section 404 of the new title requires the Comptroller General to furnish to the Auditor General copies of all certificates of settlement issued by the General Accounting Office, and all advance decisions rendered by the Comptroller General, and directs the Auditor General to examine such certificates of settlement and advance decisions, and report to the Congress all accounts and claims which he deems have been improperly settled and adjusted by the General Accounting Office and all advance decisions of the Comptroller General which he deems are not in accordance with law. However, this section makes it unneecssary for the Auditor General to furnish such reports where he has previously submitted a report involving a similar question. This bill eliminates the submission of many unnecessary reports to the Congress.

Section 405 of the new title requires the Auditor General to make various investigations and reports.

Thus, subsection (a) of this section requires him to investigate matters relating to the receipt and expenditure of public funds and the acquisition, transfer, and use of property of the United States, and to report promptly to the Congress all cases in which he finds there has been any unauthorized or improvident dealings with such funds or property. The Auditor General is also required in such reports to make recommendations designed to increase efficiency and economy in the administration of the Government.

Subsection (b) requires the Auditor General to render to Congress an annual report concerning his audit of the receipts and expenditures. This report will contain a statement as to the financial condition of the Government and will review unauthorized and improvident expenditures.

Subsection (c) requires the Auditor General to make such investigations as may be requested by either House of Congress or by any committee of either House having jurisdiction over expenditures, appropriations, or revenues.

Section 406 of the new title provides that the reports of the Auditor General shall be referred to the appropriate committees of the Senate and the House. This section vests in such committees authority to hold public hearings in connection with their consideration of the reports of the Auditor General and to request the Auditor General to sit with such committee in an advisory capacity. Such committees are also authorized to request officers of the Government who authorize or make expenditures, to attend such hearings, and to testify relative to any irregularities set out in the Auditor General's reports. The committees are given the power to subpena other witnesses and require the production of documents and records.

Section 407 of the new title authorizes the Auditor General to examine any documents or records of the departments and establishments of the Government to the extent that such examination is necessary in the exercise of the Auditor General's functions. This authority, however, does not apply in the case of expenditures made under existing laws which prohibit or limit review of such expenditures by the accounting offices of the Government.

Section 408 of the new title contains general administrative provisions which authorize the Auditor General to appoint, in accordance with the civil-service laws, officers and employees, to delegate any of his functions to officers and

employees of the office of the Auditor General, to adopt an official seal for the office of the Auditor General, and to prescribe such regulations as may be necessary to enable him to exercise his functions.

Section 409 of the new title provides that the Auditor General and the office of the Auditor General shall exercise only those functions vested in the Auditor General by the new title. This section also provides that the Auditor General is not authorized to revise the settlements and adjustments of the General Accounting Office or the advance decisions rendered by the Comptroller General, or, except as provided in section 403 (c), to direct the manner in which the General Accounting Office or the Comptroller General shall exercise any of their functions.

Section 410 of the new title provides for the transfer to the office of the Auditor General of such personnel of the General Accounting Office employed in connection with the functions now exercised by it through the Audit Division, as the President may deem necessary to carry out the functions of the Auditor General. This section also transfers to the office of the Auditor General such of the appropriations available to the General Accounting Office for the exercise of the functions performed through the Audit Division as the President may deem necessary. These transfers are made for the reason that much of the work heretofore performed by the Audit Division will be performed by the office of the Auditor General.

The section further provides that the personnel transferred under this section will acquire a civil-service status only upon recommendation by the Auditor General to the Civil Service Commission, certification by him to such Commission that such personnel have served with merit for at least 6 months prior to the transfer of such personnel, and upon passing noncompetitive examinations prescribed by the Civil Service Commission.

Section 7 authorizes such appropriations as may be necessary to carry out the provisions of the bill.

Section 8 provides that the provisions of the bill shall become effective 60 days after its enactment.

The Trade-Agreements Program

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. BARKLEY. Mr. President, the objective of the trade-agreements program is the recapturing of old and the development of new foreign markets for American agriculture and industry. This vitally important objective is being sought in the only practicable way—that is, by the reciprocal lowering of excessive trade barriers. Nevertheless, unscrupulous opponents of the program, who would be the last to say that no effort should be made to restore our export trade, seek to turn the American farmer against the administration's trade-recovery program by pointing out increases in imports, particularly of agricultural products, and by saying or strongly implying that all such increases are the result of the trade agreements. Farmers and others who have been exposed to the propaganda of these opponents are naturally surprised to learn of the fact that there has been absolutely no duty reduction on corn from Argentina, the principal source of corn imports, and that no trade agreement with that country has been signed or is even under negotiation. They are surprised to learn that there has been no duty reduction whatever on wheat, and that imports of canned meats are still obliged to hurdle the Hawley-Smoot tariff. After what they have been told about imports of Polish hams, their surprise upon learning that no trade agreement with Poland has been concluded and that no duty reduction has been made on imports of canned or any other kind of ham or pork is understandable.

These same opponents of the trade-agreements program try to create alarm over the fact that agricultural imports as a whole have been increasing. They do not hesitate to claim that these increased imports have been highly injurious to the American farmer. They point with palsied fingers to the fact that agricultural imports for the year ending June 30, 1937, reached the value of $1,539,239,000. They do not mention that while these imports are considerably larger than they were during the depression years, they are smaller than they were during any year between 1922 and 1930. They studiously refrain from mentioning the fact that a large part of the increase is accounted for by imports classified as agricultural but in reality in no way competitive with the products of the American farm—such as rubber, cacao beans, coffee, raw silk, and so forth. They refrain from mentioning the obvious fact that many of the increases in imports of agricultural products of the sort grown on American farms have been due to domestic shortages caused by the severe 1934 and 1936 droughts, and that they came in over the full duties provided for in the Smoot-Hawley Tariff Act. And, of course, they do not mention that national farm income has been increasing by nearly a billion dollars each year since 1933, and that for the year 1937 it is likely to be somewhere between the levels of farm income in 1929 and 1930.

When the Trade Agreements Act was passed, some 3 years ago, international trade had declined to a fraction of its former size. Export markets for American agricultural and industrial products had collapsed. Agriculture, having been dependent upon export markets to a larger extent than industry, found this collapse particularly disastrous. The great shrinkage, both of our own trade and that of other countries, was an important factor in the economic depressions here and abroad. As one country after another sought to insulate itself from the worst effects of the world depression, they succeeded merely in aggravating the situation. With a view to protecting domestic industries and domestic currencies, drastic and ever-tightening restrictions were placed in the way of imports, which are other countries' exports, until world trade was bound down by shackles of a variety and to an extent unparalleled in modern peacetime. In terms of resultant unemployment and human distress throughout the world, this collapse of world trade represented a major phase of the depression.

In the face of this situation the restoration of foreign trade became a vital necessity. But the damage could not be as easily or quickly undone as it had been done. The raising of trade barriers was, for the most part, an unilateral process; their lowering could not be accomplished by the same unilateral means without danger of economic dislocation. In embarking upon the trade-agreements program 3 years ago, this country undertook the reopening of the clogged channels of its foreign trade by the comparatively difficult but safe process of negotiating reciprocal-trade agreements providing for the mutual lowering of some of the extreme obstacles which had been put in the way of trade between this and other countries.

In the light of the difficulties faced, we have cause for satisfaction in the progress made and in the results achieved thus far by the trade-agreements program. Mutually advantageous agreements have been concluded with 16 countries—Cuba, Belgium, Haiti, Sweden, Brazil, Canada, the Netherlands, Switzerland, Honduras, Colombia, France, Guatemala, Nicaragua, Finland, Costa Rica, and El Salvador. While many important countries remain to be added, the list of countries with which agreements have been negotiated includes some of the major commercial countries of the world; it includes Canada, our second-best customer; and it includes countries which are among our chief sources of industrial raw materials and tropical foodstuffs.

The effect of the trade agreements thus far negotiated show them to be an important factor in our program of domestic recovery. These agreements also constitute a heartening demonstration that international cooperation

and enlightened self-interest are not only compatible but essential to each other.

During the 12 months ending June 1937 the total value of our foreign trade—imports and exports—was 24.8 percent greater than during the 12 months ending June 1936, increasing by over a billion dollars. Exports increased by some $424,000,000, or 17.6 percent; imports by some $722,000,000, or 32.6 percent.

It would be easy to attach undue significance to trade agreements in explaining these increases both in imports and in exports. Actually, as we all know, other and temporarily more powerful forces have been at work influencing the flow of trade in both directions. The chief significance of the trade agreements is not that they furnish the main explanation of recent trade trends for our foreign trade as a whole but that they represent a gradual reduction of excessive barriers to trade and the creation of an ever-widening basis for sound and stable trade expansion.

Nevertheless, in view of the unceasing efforts in some quarters to make it appear that the agreements thus far negotiated have accomplished much toward fostering imports, but little or nothing toward encouraging exports, further examination of the figures shows results which are at least suggestive. To the 14 countries with which trade agreements were in effect during all or over half of the 12 months ending June 1937 our exports increased by 28.8 percent over those for the same period of 1935–36, whereas our exports to all other countries increased by only 11.8 percent. Considering also the fact that in almost every instance the United States has obtained an increased share of the total imports of the trade-agreement countries and the further fact that the imports into such countries from the United States of concession items have, in general, increased more rapidly than imports of nonconcession items, there seems little reason to doubt that the concessions obtained for our products have on the whole been highly significant so far as concerns our exports to those countries with which we have thus far concluded agreements.

Turning to the import side, the figures are also interesting. From the trade-agreement countries imports during the 12 months ending June 1937 increased by 29.7 percent over those during the 12 months ending June 1936; from all other countries by 34.6 percent. These figures do not, of course, mean that the tariff reductions which we have granted to foreign countries in exchange for corresponding reductions of their barriers against our exports have not been a factor favorable to increased imports of the products concerned. On the contrary, it is to be supposed that they have; just as the concessions we have received from other countries have fostered our exports to such countries. Whether the agreements have tended to foster imports more than exports, or the reverse, nobody can tell. What these figures do emphasize is the fact, already noted, that other and more powerful factors have been operating and that trade agreements are distinctly not the major explanation of the increased imports.

Examination of the products with respect to which there were large increases in imports clearly discloses that the two major factors explaining the general increase were the revival of business activity and the 1936 drought. A mere listing of the more striking of these items is sufficient to tell the story. Whether due to increased quantities or higher prices, or both, imports of raw wool and mohair increased in value over the corresponding 12 months ending June 1936 by $53,000,000; crude rubber by $80,000,000; corn, $32,000,000; cacao beans, $25,000,000; furs and their manufactures, $21,000,000; newsprint paper, $21,000,000; precious stones and imitations, $21,000,000; tin, $17,000,000; coffee, $13,000,000; flaxseed, $18,000,000; and raw silk, $17,000,000. These 11 items alone account for almost half the increase in imports. Some of them have been on the free list for many years; on none has the duty been reduced in any trade agreement.

With respect to the agricultural products, the trade statistics indicate that most of the increases in imports other than of strictly noncompetitive products like rubber, coffee, and so forth, are accounted for by domestic shortages brought about by the drought, with economic recovery and increased demand a secondary factor. The total increase of $204,000,000 in imports of the principal so-called competitive agricultural products in the 12-month period, July 1936 to June 1937, as compared with a year earlier, includes increases aggregating $139,000,000 in imports of hides and skins, raw wool, raw cotton, barley, barley malt, corn, wheat, certain feed concentrates—bran, shorts, oil cake, and so forth—and flaxseed. For the most part imports of these products are complementary to domestic production or are competitive only in a special or restricted sense. On none of these items has the duty been reduced in any trade agreement—an exception of no practical significance is the reduction applicable to Cuban corn only. Imports of most of them have been strongly influenced by the drought.

Consciously or unconsciously closing their minds against the really significant fact that our international trade as a whole is on the upgrade, opponents of our foreign-trade policy point to the fact that imports have increased more than exports, and attempt to revive the eighteenth century notion that a so-called unfavorable trade balance is against the national interest under any and all conditions. Such criticisms of our foreign-trade figures are based upon the palpably mistaken idea that imports, which we consume and enjoy, are uniformly bad, whereas exports, which foreigners consume and enjoy, are uniformly good. Such criticisms also ignore the fact that the creditor position of the United States today implies a smaller commodity export balance, if not an actual import balance, and they ignore, further, the fact that it is the increased volume of foreign trade, both imports and exports, that is of paramount importance, rather than the fact that the volume of exports happens to be slightly larger or slightly smaller than that of imports.

Every economic group and every section of the country has a stake in the trade-agreements program.

It is a familiar fact that the major branches of agriculture, with the exception of the dairy industry, are geared to produce exportable surpluses. The acreage devoted to five major crops in the years preceding 1930 amounted to some 60 percent of the total crop acreage of the country. The prices commanded by these export crops are determined largely by conditions in the world market and by the percentages marketed abroad. Moreover, because of the shifting which takes place between the various branches of agricultural production in response to changing price relations, our entire agricultural price structure for domestic as well as export commodities is affected by the volume of exports. If these facts are kept firmly in mind, agricultural imports, which have been used so much as a foil by propagandists against the trade-agreements program, shrink into insignificance. Looking at the problem of agricultural markets from the import side only cannot help the farmer, for what is vital to him is not the exclusion of relatively small and sporadic imports but the restoration of the foreign markets which formerly absorbed a large part of his production.

To this goal the trade-agreements program is making a substantial contribution. Despite the emphasis placed by foreign countries upon the importance of self-sufficiency for major agricultural commodities, tariff and tax reductions and the liberalization of import quotas have been obtained on agricultural commodities which in 1929 comprised about one-third of our agricultural exports to the 16 countries with which agreements have been signed. In addition these countries have either bound on their free lists or bound existing rates of duty on agricultural products constituting almost another third of their agricultural imports from the United States. Thus items which make up some 60 percent of our total agricultural exports to these countries are favorably affected by these agreements. Because of the domestic crop shortages occasioned by the 1934 and 1936 droughts and the consequent boosting of American prices above world prices, farmers have been unable thus far to take full advantage of the easier access to foreign markets offered as a result of the trade-agreements program. As crops return to more normal levels, however, the concessions obtained on behalf of American agriculture will become more fully effective.

The policy of reciprocal-trade agreements necessarily involves the granting of concessions on our part in return for the concessions granted us. It has been charged in connection with this phase of the trade-agreements program that the concessions granted have been largely at the expense of farmers for the benefit of industrial exports. As a matter of record, by far the largest number of duty reductions actually made in trade agreements have been on items outside the agricultural schedule of the tariff. But the entire question of the relative advantages gained by agriculture and industry is irrelevant. The difficult years of the depression have emphasized the fact that all economic groups, agricultural and industrial, are interdependent, and that the advantages of our group, in the long run, are inextricably bound up with the advantages of every other group. Concessions gained for manufactured export products are of direct benefit to the industrial groups concerned; indirectly they are of benefit to agriculture. Insofar as the widening group of trade agreements is contributing to the revival of American industrial exports and of employment in our cities, the effect is inevitably transmitted to our farms. Consumer expenditures for meats, poultry, dairy products, and other agricultural products have been found to follow closely variations in the income of more farm groups, and the cash income of American farmers is equivalent from year to year to an amount slightly less than the size of the factory pay rolls of the country.

Thus the farmers should share with industrialists and workers satisfaction in the concessions on behalf of American industry obtained in trade agreements concluded thus far. Among important groups of industrial products on which concessions have been obtained are iron and steel semimanufactures, automotive products, electrical apparatus, industrial, agricultural, and business machinery, rubber products, paints and allied products, hides and leather products, textiles, and various American specialty products.

Reductions of our Hawley-Smoot rates have been made only after detailed study of the probable effects of such reductions on domestic producers. The moderate reductions made after the careful weighing of these considerations leave our tariff rates high enough to afford reasonable protection to American producers in their home market. The rising levels of prices and prosperity, in which the very industries affected by concessions are sharing, furnish evidence of the fact that the concessions granted are not to the economic detriment of the country. Special interests have tried to convince workers that employment and high wages are dependent upon high tariffs and the shutting out of imports. Actually the high wages of American labor generally are made possible by factors other than high tariff, and the payment of higher wages does not, therefore, always imply the need for still higher tariffs. The significant factor in measuring competition is not comparative wage rates but comparative costs per unit of output. American wage rates are high because natural resources, modern machinery, acquired skilled workers, abundant capital and efficient management make American workers proportionately more productive than those of other countries, making possible high wage rates and at the same time low labor costs per unit of output. Ever-expanding domestic and foreign markets provide opportunity for the effective application of these typical American advantages, while excessive protectionism, by reducing trade, serves only to restrain their application and to reduce employment. These fundamental factors were too frequently lost sight of in the recent debates on the labor standards bill.

Opposition to even moderate tariff reductions frequently may be traced to the failure to recognize these basic factors. For example, objections have been voiced to the recent commercial agreement with the U. S. S. R. because the extension of nondiscriminatory treatment will permit coal from Soviet Russia to enter upon the same terms as coal from other countries. Hasty critics of the agreement apparently overlooked or failed to appreciate the significance of the undertaking of the Soviet Government to restrict imports of coal to 400,000 tons during the 12 months covered by the agreement, a figure slightly below that of coal imports from the Soviet Union in 1936. These critics also overlooked the fact that during the 10 years ended in 1936 United States exports of anthracite coal amounted to $199,000,000, while imports amounted only to about $32,000,000; that for the year 1936 alone exports were valued at $13,775,000 and imports at only $3,575,000; and that American labor, therefore, produces for export several times as much anthracite as is imported. These facts indicate that anthracite producers and miners have much more to gain from an expansion of their foreign markets than they have to lose from relatively small imports, and that they have a direct stake in the success of the trade-agreement program.

We have cause for satisfaction with the progress being made by the reciprocal trade agreements program. In a world of exaggerated economic nationalism the United States is demonstrating that the way to economic prosperity at home is not through fear-inspired efforts or self-sufficiency but through more abundant foreign trade. The response to the program is an indication that the tendency toward economic self-sufficiency, so disastrously attempted by our own and other nations in recent years, is being arrested; and, as efforts at self-sufficiency are abated, as international trade increases and economic distress diminishes, one of the important causes of war disappears. The trade-agreements program is therefore of vital importance, not only because it promotes prosperity but because progress in this direction is essential to the preservation of world peace. In the words of our Secretary of State:

> There is no more dangerous cause of war than economic distress and no more potent factor in creating such distress than stagnation and paralysis in the field of international commerce. In the years which lie immediately ahead an adequate revival of international trade will be the most powerful single force for easing political tensions and averting the danger of war. * * *

Reorganization of Government Departments

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. COCHRAN. Mr. Speaker, on page 2294 of the Appendix of the RECORD of August 21 appears a statement of my colleague from New York, Hon. JOHN TABER, which contains matter which I, as chairman of the Select Committee of the House on Government Organization, propose to answer fully and frankly in order that those interested in the problem of reorganization may have the whole picture before them to study before the Congress resumes consideration of the legislation now pending.

He asserts that a promise was made to him by Mr. Buchanan, who, until his untimely death soon after the committee was created, was its chairman. This asserted promise was to the effect that "we would have fair and adequate hearings on the bills that would come before the committee, and that an effort would be made by the committee to bring in legislation that would show some economy in governmental expenditures."

I have been a member of the committee since its inception and was well acquainted with Mr. Buchanan's plans for the committee. I have no doubt that he would have, if he had lived, insisted upon fairness in all respects, and that the committee take no action until it was thoroughly conversant with the subjects legislated upon and the nature and effect of the proposed legislation. For this reason I have no difficulty in accepting Mr. TABER'S statement that a promise was made that this would be done. The difference between Mr. TABER and me lies in the fact that he intimates that the committee later practiced unfairness and failed to give proper consideration.

One of the first acts of Chairman Buchanan was to secure the services of Mr. Clark C. Wren, an excellent lawyer

of long experience and study of governmental affairs, in every way competent to share as consultant and adviser of the committee. One of Mr. Buchanan's last acts before he went to the hospital, where he was to die, was to direct Mr. Wren to make an analysis of a draft of a bill which had been prepared by the President's Committee on Administrative Management as an agenda for discussion at the coming meetings of the Joint Committee on Government Organization. Mr. Wren submitted an excellent report, a copy of which went to every member of the joint committee, including Mr. TABER, and many of us found its criticisms and suggestions most helpful for use in the 13 hearings of the joint committee which ensued. A copy of the transcript of these hearings has for many days been obtainable in printed form. The joint committee called before it not only the members of the President's committee but representatives of the Brookings Institution, which institution had previously been employed by the Select Committees on Reorganization of the Senate and House appointed by the Seventy-fourth Congress to study and report upon the whole question of reorganization.

Mr. TABER took an active and serviceable part in the examination of the members of the President's committee and of the Brookings Institution, and I venture to assert that all of the ramifications of the proposals of the President's committee were fully explored and adequately analyzed before the joint committee.

None of the joint committee hearings was open to the public. From the beginning Mr. Buchanan opposed open hearings, and, after he was taken from us, being appointed by Speaker BANKHEAD to succeed Mr. Buchanan as chairman, I followed his lead and on every occasion when the question arose in the joint committee I spoke for the House committee in opposition. In this I was supported throughout by a majority of the members of the House committee. I can recall no demand from any member for open hearings on the part of the House committee or any subcommittee thereof.

I do not understand Mr. TABER's complaint to refer to open hearings. He appears to be dissatisfied because he thinks the House committee reported three of its bills without calling in what he denominates "experts", and because, although he admits experts were heard on one bill, he thinks the committee reported it without sufficient consideration. Let me review as briefly as possible exactly what the committee did.

Shortly after the joint committee had completed its hearings the House committee met and resolved to divide the organization problem into four parts. It authorized its chairman to appoint four subcommittees and to assign to each, for consideration, one of these parts. The following subcommittees were organized:

To consider whether or not the President should be given power to transfer, consolidate, coordinate, and so forth, functions and agencies and to abolish those found to be unnecessary, and whether or not new executive departments should be created: Representative LINDSAY C. WARREN, chairman; Representative JOHN J. COCHRAN; Representative FRED M. VINSON; Representative FRANK C. KNIFFIN; Representative HARRY P. BEAM; and Representative JOHN TABER.

To consider matters affecting the Civil Service: Representative JAMES M. MEAD, chairman; Representative JOHN J. COCHRAN; Representative J. W. ROBINSON; Representative HARRY P. BEAM; and Representative JOHN TABER.

To consider matters affecting the General Accounting Office: Representative FRED M. VINSON, chairman; Representative JOHN J. COCHRAN; Representative LINDSAY C. WARREN; Representative J. W. ROBINSON; Representative JAMES M. MEAD; Representative FRANK C. KNIFFIN; and Representative CHARLES L. GIFFORD.

To consider giving the President additional assistance: Representative J. W. ROBINSON, chairman; Representative FRANK C. KNIFFIN; Representative HARRY P. BEAM; Representative JOHN J. COCHRAN; and Representative CHARLES L. GIFFORD.

It will be noted that each member of the whole committee served on at least two of the subcommittees; as chairman of the full committee, I served on all of the subcommittees.

The members of these committees have, because of their experience in Congress and investigations heretofore, such a familiarity with the organization of the executive branch of the Government that many of them might well be termed experts. Particularly is this true with reference to Mr. TABER. If there is one man who is a member of the minority who understands the workings of the Government agencies, Mr. TABER is that man, and I cannot conceive that any hearings that might be held would add to the knowledge he already possesses as to the activities of the various agencies. For years he has been a member of the Appropriations Committee, during which he has studied the whole executive branch of the Government.

Throughout the year there has been available, not only to Mr. TABER but to all of the members of the committee, many books in the Congressional Library containing transcripts of hearings held by various congressional committees upon the subject of reorganization. It would merely be a duplication to attempt additional hearings where the subject matter has already been fully explored.

Mr. Wren is familiar with the great mass of literature to which I allude and was always available to any member of the committee to give him any information that was at hand or to search out additional information on any point. That he was abundantly capable I have no hesitancy in asserting, and I am sure that even Mr. TABER will agree with this. Our committee has an office in the House Office Building. A telephone message was all that was necessary to secure any information desired.

Mr. TABER calls H. R. 7730 "the wedge bill", and he speaks of it as if it gave the President something entirely new. It does nothing of the sort. For years our Presidents have had the right to employ and define the duties of additional assistants within the moneys appropriated for his office. This bill makes no appropriation. Before a single man can be employed under the bill, the President must go to Mr. TABER's Committee on Appropriations to procure the money. Without the bill, however, he could not pay them more than the salaries provided for in the Classification Act. Under the bill, if money is appropriated they can be paid not more than $10,000 per annum. So that in considering the proposal embodied in the bill all that the committee had to determine was whether or not they believed Congress should permit the President to, from time to time, ask for a sufficient appropriation to permit him to employ not to exceed six administrative assistants to be paid at the rate determined by him, but not above $10,000 per annum.

Mr. TABER says this bill was taken up with no hearings beyond a casual statement on the part of the so-called Brownlow committee, and he thinks that we should have had hearings. The question arises, Whom would we have called in? The President had already informed Congress in his message approving his committee's report that he desired these six assistants. There was nobody anywhere on earth any more competent to advise the committee on this question than its own members.

I am a little surprised that Mr. TABER voices opposition to this bill. He is too sensible a man not to realize that when heavy duties, such as those which ordinarily rest upon the shoulders of the President of this great country, are increased to the extent that has occurred in the past few years, he needs these additional people, and Mr. TABER is too good a businessman not to realize that when an important executive in any business reports that he needs assistance in order to perform his duties, common sense dictates that, in the interest of the economy of good management, the assistance be given him.

No precipitous action was taken on this bill. Mr. ROBINSON, the chairman of the subcommittee where it originated, assembled for the benefit of his subcommittee, all pertinent information. He had Mr. Wren prepare three different drafts of the proposed legislation and make an analysis thereof. All of this material was placed before the subcommittee and every member thereof took a lively interest in the discussions that ensued of the various points that were raised, including that one from which Mr. TABER derives

his term "wedge bill." The subcommittee, by a majority vote, reported the bill favorably to the full committee in the form finally presented to and passed by the House. Discussion proceeded in the full committee, and the result thereof was the favorable report on the bill. What could have been more fair than these proceedings?

H. R. 8202, which gives the President power to reorganize the various agencies and establishes the Department of Welfare does not meet Mr. TABER's condemnation in its entirety. He says that he was willing to give the President the authority contained in its title I. He was hardly in a position to say anything else because he voted to give Mr. Hoover more power to reorganize, transfer, abolish, and so forth, than H. R. 8202 gives President Roosevelt. However, I thank him for this exception to his otherwise all-inclusive condemnation of the committee's work.

His vicious attack on title III, which establishes the department of welfare, amounts to a contention that the whole is greater than the sum of its parts. He asserts that if title III is enacted, the department of welfare can have assigned to it activities which, to use his own figures, now cost $4,000,000,000 per annum, and that the new department, so long as it exists, will, in his opinion, increase the cost of government at least $200,000,000. I am sure Mr. TABER can never justify his figures, although it is upon them that he bases his assertion that "title III of the bill was totally vicious."

If any charge of precipitous action can apply to the proceedings of the committee, it would be with reference to this bill, because the subcommittee under Mr. WARREN, who had charge of the matter, met on the same day and at practically the same time as the whole committee. This was occasioned by the fact that members of the subcommittee of which Mr. MEAD was chairman had assembled at the same place where Mr. WARREN assembled his committee. Full opportunity for discussion was, however, given and indulged in. There was no reason to call anybody before the committee to consider title I of the bill, because the proposal was to give the President less power than had already been given him in 1933 to reorganize the agencies. The draft of the bill expressly excepted from that power all regulatory agencies and others which it seemed proper to except. Mr. TABER did not suggest further exceptions nor disagree with those made. There was practically no opposition to title I of the bill. Title II of the bill merely amends a section of the Budget and Accounting Act so as to make certain that independent regulatory commissions or boards come within the terms of that act, and there was no opposition to this title. Mr. TABER voiced his opposition to title III, and the points he now raises were fully discussed, but neither he nor anyone else proposed that experts or any other persons be called before the committee with reference to any particular part of the bill. Indeed, it is difficult to understand how experts could have been found to tell the committee anything more than it already knew, because every member of the committee was of the opinion that the executive branch needs reorganization and that some place must be found in which to put the independent agencies that are purely executive in character. The sole question was whether or not we should have a department of welfare, and this was one for Congress to determine under its responsibilities to the voters.

Every member of the committee was well aware that a great many of the existing agencies were opposed to any legislation which would permit a disturbance of their present status. I fear no successful contradiction of my statement that if Mr. TABER or anyone else will examine the sources of the criticisms that have arisen with reference to H. R. 8202 and other bills prepared by this committee, he will find that they originate with officials of the various governmental agencies who, regardless of the cost to the taxpayers, desire that their set-ups be left alone. For instance, I have photostatic copies of letters which were sent out by the various forestry associations a few days after the President's message on reorganization was published. Meetings were held in Washington to oppose any action on the part of the Committees on Government Organization which would permit a change of the present set-up with reference to forestry although, as I pointed out in my remarks when the bill was under consideration, 14 separate Government agencies are now handling forest lands. Since the passage of this bill by the House and since the Senate bill on reorganization was reported out, additional letters have been distributed which indicate that further meetings will be held to create pressure upon Senators to prevent the enactment of legislation which would in any way permit the disturbance of the present administration affecting forest lands.

We specifically excepted the Interstate Commerce Commission from the powers given the President to transfer functions, and so forth. Not satisfied with this, letters are being received from the practitioners before the Interstate Commerce Commission clearly indicating that they are the result of propaganda originating among governmental officials, insisting that the Interstate Commerce Commission be exempted entirely, and the Commission be permitted to select its own personnel. They want no one, not even the civil service, to have a voice.

Mr. TABER should investigate the sources of this kind of propaganda. If he does do so, I predict that he will no longer be deceived by it.

H. R. 8277, the purpose of which is to extend the merit system and the Classification Act, meets a very mild opposition at Mr. TABER's hands. With respect to this bill he admits that the subcommittee and the full committee called in what he termed "experts", and afforded an opportunity for consideration of the bill. In my opinion it is an excellent bill which will receive the approval of Congress. In the interest of brevity, I refrain from saying more.

To H. R. 8276 is accorded the crowning glory of the committee by Mr. TABER. It is a bill dealing with the General Accounting Office. It is true that neither the committee of the House nor its subcommittee on this question had before them any persons that presently have to do with accounting and settlement of claims. It is also true that Mr. TABER proposed postponement of the consideration of this bill and that representatives of the General Accounting Office be brought before the committee, and this proposal was voted down. No good reason appeared to the majority members of the committee for hearing representatives of the General Accounting Office. The bill proposed to discontinue the office of the Assistant Comptroller General, who is now Acting Comptroller General, and the committee could well assume that he would not approve of the proposal. It was not proposed to materially change any of the duties now performed by the personnel of the General Accounting Office. They were to be transferred in part to the General Auditing Office that the bill provided for and the balance were to be left in the General Accounting Office.

Mr. TABER had abundant opportunity to express, and did express to the committee, his views with reference to this bill. The bill had, however, been prepared after long study on the part of the chairman of the subcommittee having the matter in charge, who consulted at length with other members of his committee and received the advice and assistance of the consultant and adviser. It does not represent the views of the President's Committee on Administrative Management, because they believed, with the approval of the President, that the General Accounting Office should be entirely abolished and all of its duties and functions placed under the Secretary of the Treasury. Nor does the bill represent the views of the Brookings Institution, who contend that the powers of the Comptroller General and the General Accounting Office should be increased. The bill is somewhat of a compromise between these two extremes. It is true, as Mr. TABER suggests, that the Comptroller General, the head of the General Accounting Office, is made entirely subordinate to the President and subject to his removal in exactly the same manner that any other executive officer appointed by the President is removed.

This section of the bill reverts to the idea that prevailed prior to the passage of the Budget and Accounting Act in 1921. In those days the Comptroller and six auditors had almost exactly the powers that were, by the Budget and Accounting Act, vested in the Comptroller General. The

President could remove any or all of them, but he could not dictate their decisions. No more can the President dictate the decisions of the Comptroller General and the General Accounting Office as provided for in the bill which Mr. TABER criticizes. I repel Mr. TABER's suggestion that the bill will destroy the proper control of administrative expenses. That control, including the power to preaudit and to settle claims and accounts, is left in the Comptroller General. The bill provides, however, that the auditor general created by it shall be entirely independent of the President and any other governmental official. As an agent of Congress the auditor general will scrutinize everything that is done in the Government with reference to finances and will be charged with the duty of promptly reporting to Congress anything he finds to be wrong. His reports will be in the hands of the committees of Congress when they come to consider appropriations and other bills affecting the executive departments and agencies. This should be of great assistance to Congress.

At the present time these committees are largely in the dark concerning the particulars of what is going on in the executive branch. They are practically forced to accept the recommendations of the officials who administer the various departments and agencies and of the Bureau of the Budget. By the enactment of this act it will be assured that sufficient information will be coming to or procurable by congressional committees to enable them to greatly reduce the expense of Government, and particularly enable the Appropriations Committees to intelligently scrutinize and reduce the estimates that are submitted to the Congress from year to year.

Mr. TABER expresses concern as to the provisions of this bill that will give the Attorney General power to render opinions. He thinks that the intention of these provisions is that the Comptroller General shall be under the direction and control of a supine Attorney General prepared to render opinions which would permit funds appropriated by the Congress for a specific purpose to be used for any purpose for which the administration might desire, and so forth. The provisions in the bill with reference to the Attorney General are found in section 4 (d). It does not give the Attorney General any such power as Mr. TABER contends. The provision will only permit the Attorney General to render opinions as to the jurisdiction and authority of the General Accounting Office in connection with the settlement and adjustment of any account or claim. Since the present law, supplemented by H. R. 8276, clearly defines the jurisdiction and authority of the General Accounting Office, there will be few, if any, occasions for the exercise of the power given to the Attorney General. Such occasions can only arise in border-line cases. If, however, such a contingency as Mr. TABER appears to fear should come to pass, the bill provides so that the Auditor General will promptly report the matter to Congress for remedial or corrective action. I hope that Mr. TABER will by that time have seen the error of his ways and participate in the remedial action which the proponents of this bill expect Congress to take when anything of the sort that Mr. TABER now fears occurs.

Mr. TABER's attitude is at variance with that of some of the outstanding antiadministration newspapers in the United States, including the Washington Post and the Washington Herald, which have carried leading editorials which commend the committee for its efforts.

Mr. TABER's attack, although not intended to be so—of that I am sure—is subject to a construction which would make it a condemnation of the members of the House Select Committee on Government Reorganization. My colleagues on this committee have established a reputation not only for intelligence, industry, and a conscientious attention to duty, but also for the courage to do what he believes to be right in spite of either public clamor or political pressure. His expressed hope that an aroused public sentiment will, after the recess of Congress, restore to our membership some of the courage which formerly characterized membership in the House of Representatives and the Senate of the United States does not apply to any one of them to the slightest extent.

They had the courage to say "no" to the recommendations approved by the Chief Executive in the following respects: They denied him power to disturb the regulatory agencies and other activities of the Government, which they thought should not be disturbed. They provided for an extension of the civil service, but in radically different terms than those recommended by the President's committee and approved by him. They refused to abolish the office of Comptroller General and the General Accounting Office and to adopt many proposals recommended by the President's committee with respect to the accounting system of the Government. On the other hand, they refused to yield to propaganda opposing measures which they believed should be enacted. On the whole each and every member has, in my opinion, and I believe this will be the opinion of the public generally, given unsparingly of his talents, efforts, and his time to the tasks before the committee, and they richly merit approbation rather than the condemnation that comes from one of their members.

As chairman of the committee, I am going to call the roll and gladly include as deserving of what I have just said the two members of the committee who come from the minority party. It needs but to mention the names of the men on this committee to refute the charge of lack of courage that has been made. This roll of my associates, which I insist is a roll of honor, reads: LINDSAY C. WARREN, of North Carolina; FRED M. VINSON, of Kentucky; J. W. ROBINSON, of Utah; JAMES M. MEAD, of New York; FRANK C. KNIFFIN, of Ohio; HARRY P. BEAM, of Illinois; JOHN TABER, of New York; and CHARLES L. GIFFORD, of Massachusetts.

Although not a Member of Congress, I think it is due to him to add to this roll of honor the name of the consultant and adviser, Mr. Clark C. Wren, of Texas, whose services have been invaluable.

Efforts to reorganize the Government began at a very early date, as I shall show presently in a historical review, and have continued almost constantly to the present time. History does not record an instance where a committee of Congress dealing with government organization has accomplished any more, in the length of time consumed by the work of the committee concerning whom I speak as its chairman, than has this committee. It has thoroughly investigated all phases of the question and has definitely determined what it believes to be the best method to be pursued. This was only done after analyzing earlier methods and taking lessons from the past. It has reduced its considerations to four bills all favorably reported, two of which have been adopted by the House, and two, I predict, will be adopted as soon as the opportunity for their consideration occurs. I would be the last to claim that these bills are perfect, but I do assert that they approach as nearly to perfection as can be accomplished in legislative matters.

HISTORICAL OUTLINE

Almost coincident with the establishment of the Federal Government there began official inquiries into the conduct of business in the executive department. The desire to bring about economy in the expenditure of money was, almost uniformly, the moving impulse; but there is manifested in many of these efforts a purpose to rearrange in order to bring about economy of effort and improve administrative efficiency. Following the adoption of the Federal Constitution it appears to have been the idea of Alexander Hamilton, who perhaps had the greatest influence in the matter, that activities having the same general purpose should be grouped together. The first executive agency, created under the Hamiltonian plan in 1789, was the Department of Foreign Affairs, afterwards called the Department of State. In the same year the War and Treasury Departments were created, so that the President's Cabinet originally consisted of the Secretaries of State, War, and the Treasury. The Attorney General was the legal adviser to the President and the department heads. In 1798 the Navy Department was created.

The Fifth Congress, of the year last mentioned, investigated by committee action the possible changes in the methods of distributing public moneys appropriated for each department of the Government (American State Papers, Fi-

nance: vol. I, p. 590). This committee criticized the fact that expenditures for supplies for the War and Navy Departments were under the manangement of the Treasury, and characterized this arrangement as creating "a divided and, consequently, an imperfect responsibility and an incomplete interfering agency." It was also noted that the performance of these duties prevented the Secretary of the Treasury "from applying himself, with proper effect, to the peculiar objects of his own" Department.

In 1822 a select committee of the Seventeenth Congress reported as to "whether any part of the public expenditure can be retrenched without detriment to the public service" (Ib., vol. III, p. 800). It expressed apprehension lest the public revenues be insufficient to meet annual costs then estimated to be slightly under $15,000,000, and to, at the same time, create and keep up a sinking fund to pay off the public debt, which was then estimated at about ninety-three and a half million dollars. This committee concluded that, without retrenchment, this could not be done unless resort was had to a system of internal, direct, and indirect taxation, which was not recommended. It was suggested, as a proposal for retrenchment, that the justness of claims against the United States be decided "in a judicial way"; that all forts and other military defenses be built by soldiers rather than by contractors; and that "negligence on the part of officers engaged in the settlement and collection of public moneys" be prevented.

Six years later, in 1828, another select committee of the House, made a comprehensive investigation under a resolution seeking to learn "What retrenchment can be made with safety to the public interest", and so forth. This report instances a difficulty which will perhaps be encountered whenever retrenchment is attempted. The committee noted that "Each of the secretaries of the executive departments conceives that neither the number nor the salaries received by the officers and clerks in their respective offices can be diminished with safety to the public interest", with which opinion the committee felt "great difficulty in concurring" and opined that "without the cordial aid of the Executive no effective scheme of retrenchment can be instituted", and it found that "it was impossible", because of the attitude of the heads of the departments, "for the committee to ascertain by their own examination the amount of labor done by each clerk in the several offices", and that this prevented the committee "proposing any specific reduction in the number of clerks in the several offices, because they were apprehensive, without the concurrence of opinion and cooperation of each Department, they might cut off some useful branch of the public service in aiming at the excision of some unnecessary one." The report of the committee indicated also its belief that suggestions of retrenchment are generally regarded by those whom they were to affect as parsimony and "All parsimony is of a quality approaching to unkindness, as every reform must operate as a sort of punishment."

A select committee of the House that had been appointed in June 1841, worked on its problems 11 months (Rept. 741, 27th Cong., 2d sess., U. S. Reports, vol. 4, serial no. 410). Its mission, briefly stated, was to examine the executive departments to determine whether a reduction in the personnel of the civil list was possible either by rearrangement of duties or otherwise. After much correspondence and extended hearings, it made a few definite recommendations which are not important enough to recount, but the following from the committee's report is worth quoting:

> The committee soon found that, without a total abandonment of their other representative duties, it would be impossible during the present session to examine all the departments in a satisfactory manner. * * * The public interest demands a rigid and more general investigation. * * * Economy does not consist in withholding supplies which the public safety demands, but in limiting the appropriation of public money to proper objects, and in insuring that it is disbursed with fidelity.

It is interesting to note that at the time this committee reported it estimated the whole force connected with the several departments at the seat of Government at from 550 to 600 persons. These were within the four departments then existent, namely, State, Treasury, War, Navy, and the postal establishment, which latter, however, did not become an executive department until 1872.

While the last-mentioned committee was functioning, a Committee on Public Expenditures of the same session of the House (U. S. House Repts., vol. 2, serial no. 408) submitted a report pointing out a number of what they deemed to be excessive and improvident expenditures, but remarked "it would be utterly impossible for a committee of this House within the short time daily allowed to them to make a detailed examination."

The Interior Department was established in 1849 to have jurisdiction over all strictly domestic affairs which were within the scope of Federal activity. To it were transferred from the four existing departments activities affecting patents, public buildings, pensions, activities relating to public lands, and those relating to Indians.

The Department of Justice was created in 1870, and the Attorney General was made its head.

In 1875 a select committee of the Senate, appointed to examine the several branches of the civil service, which called itself the "Committee on Reorganization of Departments", reported, slightly more than a year after its organization, by merely submitting a mass of correspondence between it and the heads of departments. (44th Cong., 1st sess., S. Rept. 289, serial no. 1667, U. S. Senate Repts., vol. 1.)

On March 15, 1882, the Senate Committee on Appropriations reported on a resolution which passed October 26, 1881, directing it to "investigate the accounts of the expenditures of the several appropriations", and so forth. (47th Cong., 1st sess., S. Rept. 265, serial no. 2005.) Having examined the Treasury Department, the committee said:

> When this was completed it was found impossible for the committee to enter upon an investigation of the accounts of the other executive departments without entirely abandoning all other duties.

After a year of work, it having been appointed in March 1887, the Cockrell committee, headed by Senator Cockrell, who happened to be a Senator from my own State, a select committee of the Senate, presented in March 1888 (50th Cong., 1st sess., S. Rept. 507, serial no. 2521) a report making a number of constructive suggestions as a result of its inquiry into the methods of business and work in the executive departments and into the causes of delays said to exist in some of these departments. This committee found occasion to say:

> Your committee only regret that time and physical endurance did not permit them to make their work as thorough and complete as they desired, and caused them to omit many investigations and inquiries in regard to the condition and methods of business in various bureaus of the departments which they desired to make.

The Department of Agriculture had been set up in 1862 as an independent establishment with a Commissioner of Agriculture at its head. It was given the status of an executive department in 1889.

During the 1880's several independent establishments, such as the Civil Service Commission and the Interstate Commerce Commission, were created.

To carry on the work begun by the Cockrell committee, the Fifty-third Congress, in March 1893, appointed a joint commission, and in September 1893 received its first report. Subsequently, in December 1893 and February 1894, additional reports were filed by this Commission, which was composed of three Members of the Senate, and three of the House (27 Stat. L. 681). It was required to report during the Fifty-third Congress the result of its examination into the executive departments, and so forth (U. S. House Repts., vol. 2, 53d Cong., serial no. 3158). It is to be identified in common parlance as the Dockery Commission. Among the experts whose services it engaged were Messrs. Haskins and Sells, who have attained, if they did not have it then, a national reputation in their field of work. Congressman Dockery likewise was from my State, Missouri, and later became Missouri's Governor.

This Commission's reports list 8 executive departments and 12 "other governmental establishments" which were the subject of its investigations. Among these was the Department of Labor, which has since become an executive department. This Department originally was constituted in 1903 as the Department of Commerce and Labor, and nine bureaus attached to the State, Treasury, and Interior Departments were transferred to its jurisdiction.

This Commission approached its problems by attempting to search out incident by incident the existent evils. First it prepared a comprehensive table showing the executive departments and the several bureaus and offices thereof and other Government establishments at the National Capital with a reference to the laws creating them and prescribing their authority and functions. These tables showed the compensation paid to the personnel who were not within the classified service, but whose compensation exceeded $1,800 per annum. While these tables were being prepared the Commission and its experts were collecting from the heads of the executive departments and other governmental establishments data as to the number and title of offices and bureaus and divisions thereof, the number of persons authorized to be employed therein, their sex and their ages, the number of years each had enjoyed such employment, and similar information.

A study of the reports of the Dockery Commission indicates that in their prosecution of each step of their task they discovered deficiencies either in organization or otherwise, but they refrained from attempting any wholesale reorganization of the executive branch of the Government. On the contrary the attempt appears to have been to investigate thoroughly the important deficiencies and submit a proposed remedy for each, separately, to the heads of the departments, bureaus, or activities concerned, and secure, where possible, their concurrence before submitting the matter to Congress. In this way the Commission discovered and corrected a large number of items and were able to report that they had put into effect corrective measures which saved $607,591 per annum, and, in addition, had proposed either to Congress or to the heads of departments reforms which would save very nearly $500,000.

It was in 1903 that the Department of Commerce was created.

In 1905 President Theodore Roosevelt, without congressional direction and with meager financial aid from Congress, appointed a committee headed by C. H. Keep, then Assistant Secretary of the Treasury, "to investigate the business methods and practices of the executive departments and to report plans for their improvement." It suggested many reforms which were capable of accomplishment by Executive order, and some of these were so accomplished. It made recommendations which required congressional action, and these were submitted to Congress with the President's approval, but were, in large measure, ignored by Congress.

In 1910 President Taft appointed what was known as the President's Commission on Economy and Efficiency, and at his request Congress appropriated, in all, $130,000 for the support of the effort (Sundry Civil Appropriation Act, approved June 25, 1910, ibid., approved Mar. 4, 1911, and appropriation act approved Aug. 24, 1912). By Presidential order there was added to this Commission a board of referees, composed of Government officials, and a board of consulting experts, composed of accountants. The Commission functioned through the fiscal years July 1, 1910, to June 30, 1913. Its program comprehended studies involving the problem of the National Budget, problems of organization, problems of personnel, problems of financial procedure, and problems of business practice and procedure. Almost without exception its many recommendations were transmitted to Congress with Presidential approval, but they were acted upon only in comparatively small number and Congress declined to continue this Commission longer. Perhaps the most important result of the activity of this Commission was the establishment of efficiency ratings under the United States Bureau of Efficiency, which was, at first, part of the Civil Service Commission and, later, September 28, 1916, became a separate bureau and which was subsequently, in 1932, abolished by act of Congress.

At President Wilson's request, Congress, in 1918, passed the Overman Act, giving the President authority "to coordinate and consolidate executive bureaus, agencies, and offices * * * in the interest of economy and the more efficient operation of the Government." The President's authority was restricted to "matters relating to the conduct of the present war", and was limited so as to expire 6 months after the end of the war. The act further provided that upon its termination all agencies or activities affected by the President's orders should revert to their former status. The changes ordered by President Wilson under this authority are not of importance now, most of them involving changes in the War Department.

The Sixty-sixth Congress, by Public Resolution No. 54, of December 17, 1920, authorized the creation of a Joint Committee on Reorganization composed of three Members of the Senate and three of the House. By Public Resolution No. 1, Sixty-seventh Congress, approved May 5, 1921, President Harding was authorized to "appoint a representaive of the Executive to cooperate with the joint committee." He appointed Walter F. Brown. In many respects the duties assigned to this committee were similar to those assigned to the present Committees on Government Organization, but this committee was enjoined to go further and propose regroupings "so that each executive department shall embrace only services having close working relations with each other and ministering directly to the primary purpose for which the same are maintained." This committee was dominated by Mr. Brown and it submitted to President Harding, in 1922, a general reorganization plan, which, after modification in the President's Cabinet, was returned to Congress in 1923 for hearings by the Joint Committee on Reorganization, which were held in 1924. The plan was vigorously opposed by Cabinet members and other officials, although it had been endorsed by the President. Its most striking features were a consolidation of the War and Navy Departments and the creation of a new department to be called the "department of education and welfare." It was proposed to transfer the Public Health Service, the Bureau of Education, the Bureau of Pensions, the Veterans' Bureau, and the Federal Board for Vocational Education, and other agencies to the proposed department of education and welfare. It was also proposed that the Bureau of Mines and the Patent Office, then in the Interior Department, and the Lake Survey Office and the Waterways Service, then in the War Department, should go to the Department of Commerce. It was proposed to separate the Interior Department into two subdivisions—one to have jurisdiction of the administration of the public domain and the other to administer public works. The Bureau of Roads was to be taken from the Department of Agriculture and the Supervising Architect's Office from the Treasury Department and be placed in the Interior Department. A centralized purchasing agency, the bureau of purchase and supplies, was to be created to exist on an independent basis and act for the several executive departments. All nonmilitary activities were to be taken from the War Department and form a part of the Public Works Division of the Interior Department. The Coast Guard was to leave the Treasury Department and go to the Navy Department, and all welfare activities were to be collected in the proposed department of education and welfare.

President Coolidge urged Congress to enact the reorganization bill, which was based upon the Brown committee report, but when this effort failed, President Coolidge utilized the authority of the act of 1903 creating the Department of Commerce and Labor to make two of the changes contemplated in the Brown committee plan. He, in 1925, transferred the Patent Office and the Bureau of Mines from the Interior Department to the Department of Commerce.

Almost immediately after his inauguration President Hoover appointed departmental and interdepartmental committees to study reorganization projects, as a result of which Congress, in 1930, approved the consolidation of the Pension Bureau, the Veterans' Bureau, and the National Soldiers' Home into a

Veterans' Administration. I was a member of the committee that considered this legislation and supported it. It was under President Hoover that the Prohibition Enforcement Unit was transferred from the Treasury Department to the Department of Justice.

In 1932 a special economy committee was appointed by the House to consider the whole subject of administrative reorganization, and within 2 months it submitted a report suggesting a few changes and recommending that the President be given wide powers "in order to deal with the problem expeditiously." I was also a member of this special committee that sat night and day for 2 months.

The Economy Act approved June 30, 1932, authorized the President to reorganize governmental agencies not created by statute, but subjected this power to a veto by either House of Congress within 60 days after the Executive order effecting the change had been filed by the President. This act provided for consolidation of several merchant-marine bureaus in the Department of Commerce, for reorganization of the United States Shipping Board, and the abolition of the Personnel Classification Board. Under the authority given him by this Economy Act, President Hoover, early in December 1932, submitted to Congress a series of Executive orders which he stated would group the existing 58 agencies in "logical and orderly relation to each other as determined by their major functions and purposes."

These orders provided for the creation of a Division of Public Works and a Division of Education, Health, and Recreation to be within the Interior Department. They transferred the Bureau of Reclamation and the Geological Survey to the new Division of Public Works, which was also to take jurisdiction over the Supervising Architect's Office then in the Treasury Department, the nonmilitary construction activities of the War Department, the Bureau of Public Roads then in the Department of Agriculture, and the Government Fuel Yards and the Bureau of Mines that were then in the Department of Commerce. Also the orders provided that the General Supply Committee, then in the Treasury Department, and the duties and powers of the Commission of Fine Arts and of the National Park and Planning Commission and of various other similar agencies were to go to the Division of Public Works. The Division of Education, Health, and Recreation was to take from the Interior Department the Office of Education, the Bureau of Indian Affairs, and the National Park Service and from the Treasury Department the Public Health Service and from the Department of Commerce the Division of Vital Statistics. The Department of Agriculture was to establish a Division of Land Utilization to take over the General Land Office from the Department of the Interior and several bureaus and activities from the Department of Agriculture. In the Department of Commerce a Merchant Marine Division was to be organized to take over the Inland Waterways Corporation from the War Department, the Hydrographic Office and the Naval Observatory from the Navy Department, as well as other bureaus and activities. Several other transfers and some abolitions were made by the proposed orders, but enough have been mentioned here to show the general nature of President Hoover's proposals which were disapproved on January 19, 1933.

The germ of the idea incorporated in the Economy Act of 1932 is to be found in the provision (39 Stat. L. 1122) which authorizes the President to abolish duplications which he finds to exist after they are reported to him by the Bureau of Efficiency, but no such broad delegation of power had ever been given to the President in order to reorganize the executive branch. In 1933 a rider to the Treasury-Post Office appropriation bill amended the Economy Act last mentioned so as to give the Chief Executive a very wide power to reorganize Federal agencies, and President Roosevelt appointed a committee consisting of Secretary of Commerce Roper, Lewis W. Douglas, and Swager Shirley to advise him in the utilization of this power. An order issued on March 27, 1933, abolished the Federal Farm Loan Bureau in the Treasury Department and the Crop Production and Seed Loan Offices in the Department of Agriculture. The functions of these agencies were transferred to a new Farm Credit Administration. By a prior order of May 25 the Board of Indian Commissioners was abolished.

President Roosevelt, by order, transferred the functions of the United States Shipping Board to the Department of Commerce and the functions of the Federal Board of Vocational Education to the Interior Department. He abolished the Federal Employee Stabilization Board, the National Screw Thread Commission, the Federal Granary Service, and several other agencies, most of whose functions went to the Interior Department, in which was created an office of National Parks, Buildings, and Reservations to take over the functions of the abolished Office of National Capital Buildings and Public Parks and several other similar agencies. The Bureaus of Immigration and Naturalization were consolidated into an Immigration and Naturalization Service within the Department of Labor, and the Bureaus of Internal Revenue and of Industrial Alcohol were consolidated into a Division of Internal Revenue in the Treasury Department. The procurement of supplies for all Government agencies was consolidated in a Procurement Division in the Treasury Department. In his message of June 10, 1933, President Roosevelt informed Congress that—

> Many other changes are in contemplation, and I have selected only those which I believe should be put into effect as quickly as possible. These additional changes I do not feel it right to submit until the next regular session of Congress.

During the period 1932 to date a number of other important changes have been made in the vast group of administrative and quasi-administrative agencies. This was accomplished in most part by Executive order, in some part by acts of Congress, and in a few instances by decisions of the courts. Thirty-five abolitions occurred. Sixteen mergers took place, which resulted in abolition of functions, and some 72 important changes, in addition to many minor ones, were made to attain convenience and better efficiency, but which did not result in abolition. A considerable number of new agencies were created.

The number now existent of governmental activities is and will continue to be controversial, the count always depending on how far down the organizational chart one goes in identifying the establishment to be counted. The President's Committee on Administrative Management lists 133 existent as of January 1, 1937. This list is to be found beginning at page 190 of the print entitled "Hearings Before the Joint Committee on Government Organization", and so forth. This count does not include many set-ups which appear in the United States Government Manual but includes a number which do not so appear. Neither breaks down organizations like Federal Housing Administration or Social Security Board or Reconstruction Finance Corporation into the many regional, district, or State subdivisions, which are fully manned and operate, to a great extent, as separate units. All that can be said on this score is that the departments and other major agencies when so broken down will show a list numerically very large, which can be greatly reduced by the exercise of the powers which it is proposed to give the President under H. R. 8202.

The President's efforts to reorganize under the act of 1933 were interrupted by the great activities incident to the economic depression and the authority given him under the amendments above mentioned to the Economy Act expired by the terms of the act within 2 years.

On January 9, 1936, Senator BYRD introduced a resolution providing for the formation of a select committee of the Senate, composed of five members, to be authorized to make a full and complete study of all of the activities of the executive department "with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplicity, efficiency, and economy, any of such agencies should be coordinated with other agencies or abolished", and so forth, and the Senate established such a committee, which is still functioning under the chairmanship of Senator BYRD.

On March 20, 1936, President Roosevelt addressed letters to the Vice President and to the Speaker of the House, stating, among other things:

> Last October I began holding some conversations with interested and informed persons concerning what appeared to me as a necessity for making a careful study of the organization of the executive branch of the Government.

He noted that the Senate had already "established a special committee to consider certain aspects of this same problem", and he requested that both Houses of Congress create special committees to—

> Cooperate with me and with a committee which I shall name in making this study in order that duplication of effort in the task of research may be avoided and to the end that it may be as fruitful as possible.

The House acted promptly in response to this request, and on April 29, 1936, passed a resolution authorizing the creation of a special committee of five. The Speaker appointed the following committee: Representative J. P. Buchanan, chairman, and Representatives John J. Cochran, Prentice M. Brown, Frederick Lehlbach, and James W. Wadsworth as its other members. The first meeting of this committee was held on May 18, 1936, as a result of which it was arranged that the committee would, in collaboration with the similar committee appointed in the Senate, employ the Brookings Institution to prepare and submit to both the select committee of the Senate and the select committee of the House "reports with recommendations (together with the reasons for such recommendations) in the interest of simplification, efficiency, and economy in the organization of the executive branch of the Government, including definite findings as to whether the activities of any executive agency conflict with or overlap the activities of any other executive agency and whether any of such agencies should be coordinated with other agencies or abolished or the personnel thereof reduced."

At the time this arrangement was made it was contemplated that Brookings Institution would submit progress reports on the first day of every month, commencing not later than September 1, 1936, and a final report not later than January 1, 1937.

The select committee of the House thus appointed expired by operation of law on December 31, 1936. During most of its existence its members were compelled, because of the elections in 1936, to remain away from Washington. For this reason and the further reason that the committee was awaiting reports from Brookings Institution, it was not practicable for the committee to attempt any work earlier than September 1, 1936. It so transpired, however, that by the last-mentioned date it was evident that Brookings Institution would not be able to progress far enough in its investigations to make anything like a workable report prior to the time when the select committee of the House would expire. At this juncture Chairman BUCHANAN, acting with the consent of the members of his committee, arranged to have Mr. Clark C. Wren proceed from his home in Texas to Washington to make studies independently of those being made by the Brookings Institution but, as nearly as possible, in collaboration with that institution and with the committee which the President had appointed to make studies and report to him.

Mr. Wren presented an excellent report, with several supplements, from one of which I have borrowed freely in drafting this historical outline. He discussed the problem of organization in all its ramifications and intimated that the best course might be to invest in the Chief Executive the necessary power to accomplish the needed reforms. He suggested that no attempt at wholesale reorganization be made by Congress and cautioned that hasty action to remedy apparent ills might turn out to be only palliatives for symptoms of a deep-seated disease and leave the patient worse off than before. His recommendation was that, if Congress should attempt the task, permanent committees of both Houses be created, properly equipped for careful investigation, and empowered to report privileged bills designed to effect, instance by instance, the reforms found to be needed. The committee followed his recommendations in its report and submitted the legislation necessary to accomplish them.

Before the committee's report reached consideration in the House, however, there came to it the President's message of January 12, 1937, transmitting his committee's report. Thus was the immediate congressional problem changed from one involving the method of reorganization by Congress to one involving the question as to whether or not the President should be given all or any part of the powers his committee recommended. Consideration of the changed problem did not call for permanent committees. Recognizing this, Congress created the Committees on Government Organization that now exist. Since my election to the Sixty-ninth Congress I have been a member of standing and select committees of the House dealing with reorganization measures. I submit the record will show that no committee ever accomplished more within such a short period of time as has the present House Select Committee on Reorganization. Two of our bills have passed the House without an amendment being added; two others have been reported and are ready for consideration in January. If the four bills are enacted into law, I predict the President will reorganize the executive branch of the Government. This will not only increase efficiency and simplify procedure, but likewise bring about economies that will save the taxpayers untold millions of dollars.

Proposed Amendment to the National Firearms Act

EXTENSION OF REMARKS

OF

HON. DAVID J. LEWIS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. LEWIS of Maryland. Mr. Speaker, I have introduced a bill to amend the National Firearms Act by extending its provisions to revolvers and pistols of caliber .32 or over.

This small firearm or pistol bill is intended to effectuate in part the recommendations made by the Attorney General that traffic in firearms should be placed under appropriate supervision. Would the American people protect, if they could, 250,000 persons from death by firearms in the next 20 years? That is the number of lives sacrificed here to firearms in the last 20 years reported. Of these, 106,000 were murders, and the others deaths by accident and suicide through the use of firearms. We have lost twice as many lives in the United States to firearms during the last 20 years as we lost in the World War.

Our homicide or murder record runs eight times the British in terms of our population. Of the murders committed here, 72 percent are due to firearms, while in Great Britain the percentage is only 10½. The story runs the same for Canada. On a population comparison we have nearly seven times the number of murders, Canada's record being 172 in the year 1932 to our 11,016. The percentage of murders to the population has been on the increase in the United States. In one period, from 1916 to 1920, it increased from 5 per 100,000 of population to 9, and later percentages are even worse. The city of Chicago alone shows twice as many murders as England and Wales combined.

While penalizing executions for homicide run 1 in 18 in Great Britain, they sum up only 1 in 79 here. The statistics for other countries like Australia, Holland, Germany, Sweden, even Cuba, show a similar unfavorable comparison for the United States. A most significant fact disclosed in a canvass of the subject is that in the United States we have no registration control of the small-firearm traffic, while in these other countries, including Canada, such registration control is employed. The effect in Australia, for example, is to reduce the firearm percentage of murders to 17 percent.

The bill I have presented would impose a registration tax of $1 on the transfer of every pistol or revolver of the caliber of .32 or over, which would cover the costs of registra-

tion by the possessor. It does not apply to large firearms like rifles or shotguns which are not carried concealed on the person. If we are required to register our automobiles to protect the public, then why not our pistols?

All of the States, so far as I know, have laws against the carrying of weapons if concealed on the person. When they are carried openly, as on a belt, the possible victim will have some notice and chance of escape. But these State laws are almost uniformly ignored. The purpose of this bill is to assist the States in the administration of their concealed-weapons laws.

Pioneers—Past and Present

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

CENTENNIALS INSPIRE PROGRESS

Mr. BREWSTER. Mr. Speaker, the centennial of Ashland serves as a happy augury of many centennials that will shortly follow in Aroostook County. It serves also as a happy example of what it is possible for these occasions to mean in the progress of a community or a State.

Ashland was settled 2 years before Aroostook became a county.

AROOSTOOK CENTENNIAL

In the previous decade the population of Aroostook had trebled and the final impetus in its rapid development curiously enough was given by the Aroostook war and the courageous spirits that were attracted to this frontier by the episodes that led up to our last flurry with our neighbors to the north.

DISTRIBUTING SURPLUS CASH

The "war" was finally precipitated by the arrest by the British of Ebenezer Greeley who was sent to take the United States census at Madawaska and "to distribute among them their share of the surplus money in the Treasury of the United States."

This is another reminder that times have changed.

AROOSTOOK WAR

The British arrested Greeley on the ground that he was trying to bribe the citizens along the St. John River to become inhabitants of the United States. This was a distinctly curious charge from a Government which had driven the ancestors of these same settlers out of Acadia less than 75 years before.

MILITARY AND AROOSTOOK ROADS

The Military Road and the Aroostook Road had been built, or were in process, and these opened Aroostook to the pioneer. The first 60 miles of the latter road was built from Molunkus north through the wilderness at a cost of $60,000, or $1,000 a mile, which is an interesting contrast to the cost of modern roads running to $60,000 for a single mile. Its sometimes devious route was apparently determined by the determination of Massachusetts that the road should open up Massachusetts' townships rather than those of Maine.

Evidently pork-barrel politicians are not a modern discovery.

AROOSTOOK AT 2 CENTS AN ACRE

One of the most interesting episodes in Aroostook history is to be found in the offer of Massachusetts to sell 8,000,000 acres of northern Maine to the State of Maine for $189,000 or 2 cents an acre. And Maine spurned the proposition. Yet Maine a few years later was ready to go to war for this same territory.

SWORDS INTO PLOWSHARES

Here was exemplified the beating of swords into plowshares. The great impetus to Aroostook development came from the adventurous spirits who were attracted by the row and remained here with a plow.

Their presence was a guaranty that they possessed courage and initiative and a virility that distinguished them even in America in the early days of the last century when America, in large measure, was still the land of the pioneer.

The pageantry of this week has happily symbolized the spirit of Aroostook and furnishes an inspiring example of what it is possible to do—not alone in many of your neighboring communities as their birthdays also arrive but in Aroostook as a whole year after next, when its centennial shall be observed.

THE FUTURE OF AROOSTOOK

Aroostook may make its bow not alone as one of the agricultural marvels of the entire United States with very few counties that exceed it in the annual value of its agricultural crops but also as a county whose recreational possibilities are literally unscratched.

Today a plane from Washington or New York may land one in the heart of Aroostook County in 5 hours after a breath-taking flight along the lovely New England coast and over 100 miles of green-clad wilderness glistening with a hundred lakes and guarded by Katahdin, like a sentinel of a century ago.

RECREATION PAYS

This means that Aroostook may entertain thousands upon thousands of visitors with typical down-East hospitality and yet lose none of its ancient charm because of the vast expanse of the Aroostook domain.

Hiram Ricker was wont to estimate that Maine could entertain 15,000,000 visitors without jostling at all. That would mean an annual revenue of more than a billion dollars instead of the hundred million we now receive. And in that expansion which lurks around the corner Aroostook must play a very important part.

Remember that those who come here to enjoy our scenery and our climate are ready to pay well for the privilege and leave the scenery and climate all here when they go away.

Certainly any Yankee trader can appreciate the advantages of a deal of that character which leaves us all our merchandise to sell over again another year.

America is going out of doors, and nowhere is there more of loveliness to be found than up here in northern Maine, which we may profitably learn to share with our neighbors to the south.

Calvin Coolidge during his administration of 7 years only created one new agency of government and that was the Commission on Out-of-Door Life.

PIONEERS—YESTERDAY AND TODAY

The hardships of the pioneers we can but dimly guess. They, with their own hands, converted these forests into farms.

Now, with all these broad and teeming and fertile acres, we are inundated with their productivity. Disaster threatens not from lack of the necessities of life but from the overabundance of their supply.

A FRANKENSTEIN

The paradox of want in the midst of plenty cannot indefinitely go on. The same pioneering spirit that conquered this country and all its natural obstacles is not going to surrender to a Frankenstein of our own creation in the prodigality with which farm and factory turn out the good things of this life.

To produce was the urge of the century now past. To make two blades of grass or two bushels of potatoes grow where one grew before was then the goal.

To distribute justly the products of our collective toil is obviously the challenge of the century in which we are privileged to play a part.

TAXATION VERSUS REGIMENTATION

Private enterprise and individual initiative may still continue if we recognize the obligation of a Christian civilization to provide adequately for those who are in need, and particularly the old, by such a system of taxation as shall share the privilege of supporting the Government according to their capacity to pay and supply the necessities of others who are legitimately in want.

Lacking such an equitable solution of the economic challenge of this present day, regimentation is the inevitable answer, whether it come in communistic or Fascist form.

America will not indefinitely tolerate the paralysis of a productive mechanism which has made it the envy of the earth.

AMERICA'S GOLDEN AGE

Everyone in the not distant future must be ready to take sides and go forward in the struggle to make America tomorrow a better land in which to live.

This is our obligation to the pioneers of other days who gave us this rich heritage. When we contemplate from the pinnacle of the present the magnitude of their achievement, we shall be unworthy of their kinship if we think that we can fail. America is entering, not leaving, its golden age.

What the People Did Not Expect

EXTENSION OF REMARKS

OF

HON. LEON SACKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SACKS. Mr. Speaker, ladies and gentlemen of the House, it is with mingled feelings of reluctance and regret that I am constrained to rise in the closing hours of the session to make these observations.

When I was elected a Member of this honorable body last November, and more particularly when I arrived in Washington last January to take my seat in the Halls of this House, wherein abides the greatest deliberative body in the world, I could not help but feel the presence of that cloak of past greatness which enshrouds its walls, and I realized that here offered opportunity for a legislator to give the greatest service that one could render to his district, his city, his State, and the Nation.

I was still flushed with the results of the recent victory of the Democratic Party at the polls, led by that great humanitarian and leader of men and women, Franklin D. Roosevelt. To my mind, the 1936 election was a mandate by the people not alone to the great leader in the White House but also to the Representatives and Senators elected with him to carry on and wage battle against insidious special groups and to continue our ship of state along the lines outlined in what is known as the New Deal. For, in my opinion, the men and women who dwell in the great industrial cities, together with their agricultural brethren, voiced their approval of this program by their overwhelming majority at the polls for the leader of the New Deal Democratic Party.

Instead of developing a harmonious and concerted course of action, certain Members of this Congress immediately set in motion a plan to scuttle and sabotage this program. Every known method of obstructionism that could possibly be used was brought into play by this minority.

Democratic representative government, as viewed in a deliberative body, was stultified. Instead of proceeding with the enactment of a program for the benefit of our Nation and for the continuance of recovery in this country under the New Deal, this group departed on a course designed to inculcate into the minds of the American people a green-eyed dragon of destruction—a hate for the President of the United States.

For weeks on the floor of this House I have observed certain groups attempting to infuse throughout the Nation a feeling of panic and fear for the safety of our democratic institutions of government.

Instead of remembering the needs and necessities of our farm groups, our labor groups, our businessmen, and the general welfare of the country, these individuals continued to instill, through the medium of the CONGRESSIONAL RECORD, into the souls of the people this false economic philosophy which, in the last analysis, is merely a camouflage to prevent a continuance of the New Deal.

To me this sort of philosophy is merely a display of hysteria by partisans attempting to swing public sentiment to their cause against the purposes of the New Deal by means of fear psychology.

False principles, either political or economical, may be the basis of a temporary victory by this group, but over the span of time only the sound thought and policies of our great leader and President will prevail.

With this analysis of the present situation, let us look at the record. This group of conservative Democrats, who were glad to ride to victory on the coattails of our President, found themselves, under the rules of the House, in a strategical position. The seniority rule gave to them control of important committees, and especially control of the Committee on Rules. This committee is purely an administrative policy committee; it has no other function.

But in order to carry out the program of hate against the President the Rules Committee set themselves up as a superlegislative committee, greater than both Houses of Congress, the President of the United States, and, I might add, even overshadowed the functions of the Supreme Court.

Instead of formulating a policy for the House to follow, this committee set about to determine what bills should be given to the House for consideration, thereby making the House of Representatives an adjunct of the Rules Committee instead of acting in its true purpose—that of the servant of the House.

In this manner these 14 men on the Rules Committee took upon themselves the unwarranted authority of deciding what bills the membership of the House, the direct representatives of the people of the Nation, should or should not take up for consideration and passage.

Mr. Speaker, encouraged by the confidence placed in our party by the American people at the polls last November, I was happy in the thought that as a new Member of the House, in my limited way, I would be a factor in the work of carrying out the New Deal recovery program.

The tremendous support accorded our great leader, President Roosevelt, by the people, the overwhelming majority given him in both branches of the National Legislature was sufficient notice to me that his policies had the approval of the American electorate, farmer and laborer alike, and the program laid down by him should be translated into law by the Congress.

He submitted to Congress a program which had my wholehearted endorsement. This program included the celebrated Supreme Court reformation, a wage-hour bill, a farm bill, a Government department reorganization bill, and many others, all designed to carry out the general import of the recovery program.

The failure to enact this program in toto is squarely upon the shoulders of Congress, and I cannot help but remember, in passing, how disappointed I am with the failure of Congress to do its duty. Instead of enacting the program laid out by the President, these conservative Democrats used this great body as a vehicle for disseminating their poison gas against the President and the New Deal. For months they did nothing but use their strategical position to prevent the enactment of the President's program for the reformation of the Supreme Court. Through parliamentary technicalities they scuttled the hour and wage legislation so badly needed to remove sweatshops, child labor, long hours, and insufficient pay from the shoulders of those less able to protect themselves—the working men and women of this country; and in their haste to do this they forgot about their own constituents—the farmers.

They mutilated the housing bill which would have raised the standard of living of those in the low-income brackets who are unable to help themselves; and they refused to carry out the pledge of the leader of our party, when he said that it shall be the purpose of this administration to raise the standard of the one-third of the population of this country who are ill-housed.

By devious means they attempted to scuttle the W. P. A. and the relief program, and thereby break another pledge that no man, woman, or child in this country shall starve, in order to follow the golden calf set up as their god, the upper or privileged moneyed class of this country.

It was my pleasure, as I felt it to be my bounden duty, to support the President in all of these problems. It would be well, let me observe, before the next session of Congress, that the people of the Nation should instruct these Representatives to become truly the representatives of their people and not the servants of any special interest groups.

When I was a candidate for office last November, under the leadership of our President, I adopted as my program a platform which was based 100 percent upon the personal pronouncements of Franklin D. Roosevelt. In 1936 I went forward with Roosevelt, and I will continue, so long as I am in office, to go forward with this great leader in the White House, regardless of circumstances. I fervently pray that by the time we meet again those members of our party who have strayed from the path will have repented and will accept and follow the leadership of the greatest President, in my opinion, the United States of America has ever known.

Activities and Appropriations for Flood Control

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1937

ADDRESS BY HON. J. BUELL SNYDER, OF PENNSYLVANIA, BEFORE THE WESTERN PENNSYLVANIA FLOOD-CONTROL COMMITTEE IN PITTSBURGH, AUGUST 10, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, under leave to extend my remarks, I include the following address I delivered before the western Pennsylvania flood-control committee in Pittsburgh, August 10, 1937:

No more appropriate place in the United States could be selected to celebrate the beginning of a flood-control program than Pittsburgh. Perhaps no district in the Nation has suffered more during the last half century from floods than the upper Ohio Valley district—hence it is most fitting that we gather here this evening under these auspices.

For 30 years I have been reading in the Pittsburgh, Johnstown, and other papers in the district that a flood-control plan or program was being formulated to protect the cities and towns in this district. But up to this time it has been talk, and more talk, but no wherewithal to build flood-control projects.

It is different tonight. We are enthusiastic and buoyed up over the fact that we now have available not only a 5- or 6-year program but enough millions that we can cease talking and put to work men and machinery and actually build the dams and flood-control projects, and thus give protection in all the years to come to the great industries and educational center of Pittsburgh.

The floods of 1936 and 1937 in the Ohio River and its tributaries demonstrates conclusively the decrease in national wealth which may be expected from similar floods in the future.

The recent flood of record in the Ohio River demonstrates conclusively the decrease in national worth which may be expected from similar floods in the future. Direct damages are conservatively estimated at more than $1,000,000,000. More than 700,000 people were driven from their homes under conditions of dire stress and heart-rending anguish. Main highways and railway lines were severed; communications were disrupted. All business and industrial activities in the valley were at a complete standstill for a period of several weeks.

The relief activities of the Federal Government, augmented by the contribution of the American people to the Red Cross, required the expenditures of sums in the neighborhood of $40,000,000, exclusive of millions of dollars required for rehabilitation. The flood was truly a national disaster which justifies the expenditure of whatever may be necessary for preventive measures for the future.

On the contrary, this flood was carried through the lower Mississippi River without damage as the result of protective structures provided in the lower valley since the flood of 1927. The expenditures of the Federal Government since that date, aggregating about $275,000,000, have been more than offset by the damages prevented during this one flood.

Congress, in the River and Harbor Act of 1927, authorized the Army engineers to undertake comprehensive surveys of some 200 streams throughout the United States in the combined interest of flood control, navigation, irrigation, and the development of hydroelectric power. These surveys, undertaken at a cost of approximately $12,000,000 over a period of 7 years, have made available for the consideration of Congress considered plans for flood control in our major streams. The Army engineers are now engaged in the preparation of a comprehensive program for the Ohio Valley which must be carried out for the protection of that great industrial region.

Their studies have given consideration to more than 80 reservoir sites, selected at the most promising locations for flood-control reservoirs. This reservoir system, at a cost of several hundred million dollars, would provide material protection for the tributary streams, and in addition would reduce flood heights on the main river. However, even this vast system will reduce the flood stages at Paducah, Ky., by only about 2 feet. It will lower heights at Pittsburgh by about 6 feet, at Cincinnati by about 7 feet, and by reduced amounts as we proceed downstream. It must be augmented by walls and dikes for the more densely settled areas of population located along the main river to eliminate the necessity for people leaving their homes during flood stages, and to eliminate the damages now sustained. Channel ratification to include the enlargement of the channel in restricted sections, and the elimination of bends must also be considered. A final plan must include those measures which guarantee protection at the lowest possible cost.

The records of Congress from the earliest days of our country indicate a continued and growing interest in flood control. Henry Clay, Abraham Lincoln, Thomas H. Benton, and John C. Calhoun participated in flood-control debates, and as early as 1847 attended conventions advocating flood control by the Federal Government. Nevertheless public interest and public demand did not crystallize sufficiently until 1936 to obtain an enunciation of Federal policy.

Congress, in the Flood Control Act of June 22, 1936, declared it to be the policy of the Federal Government to participate in the construction of flood-control works, wherever economically justified or necessary for the protection of lives and property. It authorized the construction of flood-control projects, having an estimated cost of $315,000,000, located in 31 States.

It recognized the local benefits which result from these projects, and established as a condition to their construction the furnishing of rights-of-way free of cost to the United States and the acceptance of responsibility for damages during construction and for the maintenance and improvement of the completed structures by the local people. Many proponents of flood control believe that the interstate nature of the work demands that all costs be borne by the Federal Government, but I think the safe and economical way to proceed with this flood-control set-up is to have a 6- to 10-year program and the States to participate in the contribution. The present Federal law is in keeping with the spirit that should dominate, and States like Pennsylvania, New York, and Oklahoma find that their laws that they have enacted to dovetail into the Federal laws governing the financing of flood control are generally fair and equitable.

The Flood Control Act of 1936 was adopted too late in the session to permit an appropriation being made for application thereto. The annual nonmilitary bill, known as the civil-functions bill, which was signed by President Roosevelt on July 19, 1937, and is now a law, contains funds which may be applied to these projects. Some think that the amount set forth in this bill is not sufficient—$52,500,000—but this amount, coupled with the amount that Mr. Hopkins contemplates spending on flood-control projects of various types, which he says will not be less than $45,000,000, is believed to be adequate for the time being.

In a little more than 6 months the House will be back in session, and if there is additional money needed for flood-control work, the first deficiency bill of 1938 can take care of it.

President Roosevelt is to be congratulated on the broad, comprehensive, and far-reaching flood-control program he is shaping and applying for the Nation.

Industrial Expansion Act

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. ALLEN of Pennsylvania. Mr. Speaker, on June 1 Representatives AMLIE, of Wisconsin, MAVERICK, of Texas, VOORHIS, of California, and I jointly introduced in this House a measure known as the Industrial Expansion Act. This measure is the outgrowth of a great deal of painstaking work and innumerable conferences between the Members who introduced it. We not only contributed to it our own ideas but on many points we sought the assistance and advice of economists and political scientists who think in terms

of society as a living, expanding organism. To the best of our ability we framed a measure in line with modern technological and economic developments and in harmony with human instincts. Because this is a new approach and a new departure in legislation, a prologue to the discussion of the bill seems pertinent.

Not even in a despotism, and much less in a democracy, can any legislation be long enforced which runs contrary to and violates primary human instincts. These instincts are: Self-preservation, which includes all that has to do with access to and mastery over the physical necessities of life; race preservation, which embraces mating, reproduction, and the rearing of offspring; and the instinct to push ever outward the horizons of knowledge, which include exploration, experimentation, education, and modern science. These primal instincts are far older than man-made laws and stronger than any sort of police powers. They are so deeply buried in the inner core of being that no religion has ever been able to dominate them, no legislation has been crafty or drastic enough to turn many for any length of time from life's destined way, and no dictator or tyrant has ever been able to seize enough power to bend and shape these instincts of the people to his will.

Laws and courts may for a time and to some degree hamper the free expression of primal instincts, and keep on our statute books dead laws that have become foreign substances in the body politic, because they were framed by men with no real knowledge of human psychology, and enacted by lawyers, whose training has been in dealing with dead things embalmed in fixed codes, and who know little of the live, dynamic drives of human behavior.

As true as that throughout the ages men have always been dominated by these common instincts, is also the fact that all men in all of human history have been gripped by one common fear—the fear of scarcity. Self cannot be preserved, the race cannot be propagated, and intellectual horizons cannot be extended if scarcity denies access to means of life; so scarcity has always been the common enemy and abundance has always been the dream of all mankind.

The lash that has driven man every step of that long, weary, blood-washed march of social evolution has been his longing to escape scarcity and want, and to achieve plenty and security. It has been the urge back of every migration since Cain traveled to the land of Nod to find himself a wife and a home, down to the last wheezing flivver loaded with Dust Bowl refugees headed for California. It was this fear and this hunger that led our savage ancestors to face the terrors of the unknown. It was this fear and this dream that led our ancestors across Asia, across Europe, across the Atlantic, and across America to the Pacific, which is the end of the trail for western migration.

It was the fear of scarcity and the hunger for abundance that made man a tool-using animal, and drove him along that path all the way from a stone lashed by a tendon to the shinbone of an animal or an enemy down to the last turbine placed at Boulder Dam. It was this fear and this dream that illumined the brain and guided the hand of every inventor who has added to our heritage of machinery.

It was this fear and this hunger that made man the most adaptable of all animals, and gave him the power to shape environments to his needs.

The grim struggle to push want a little further into the background and bring plenty just a little nearer has driven man mad with the lust for power. It has sent him out to kill and be killed by men whose fears were his fears and whose dreams were his dreams.

The fear of want and the hunger for plenty fuse into one unconquerable human drive, and in its baser forms it is a terrible thing. It has been the breeder of all the wars and all the crimes that have ever blackened the earth, but in the final judgment its virtues will outweigh its sins; its achievements will stand forth as the dynamic force and the never-fading light that has led man up from the pits of savagery to the highest type of civilization the race has ever known.

Not in our own country alone but in the whole civilized world, men and nations are stumbling and staggering about in the wreckage of an economic system that is changing. Scarcity is gone. Modern science and mass production methods have routed it, and a scarcity system falls when the driving force of scarcity is no more. Frantic with fear because we see that the old verities are no longer valid, we slash at our equally fear-crazed neighbors in wars, strikes, mob madness, vigilantes who would be the law, and moribund courts who would use dead laws to turn back the march of progress, and violate the primary instincts of men. Hunger and want, still-born hopes, and wasted opportunities result because we try to revitalize a system of scarcity that is gone.

There are very real threats that efforts to retreat into the past may plunge our civilization into another period of Dark Ages, and that the social gains of centuries may be lost. This danger comes, not from progress, but from the inability of lawmakers, educators, jurists, industrialists, and bankers to see that the age-old dream of abundance is a reality; that modern science and machinery have made the production of the necessities of life easy, thus harmonizing for the first time the primal urges with production possibilities, and taking life out of the brute struggle for existence and making it an orderly, decent process.

The old fear and scarcity are only ghosts of a dead past; the new order of abundance is here. It is ready to serve us when education, industry, legislation, and jurisprudence no longer use their forces to drag men back to a system of scarcity that is gone.

I appeal to you rulers of life—industrial, political, intellectual, and spiritual. I remind you that men have battled for thousands of years for bread for their mates, for their young, for opportunity. They are trained and conditioned to that battle, and they know how to fight. If we continue the attempt to force artificial scarcity on them in this world of plenty, we will have such a fight on our hands as this world has never seen.

THE INDUSTRIAL EXPANSION ACT

The Industrial Expansion Act, now presented for your consideration and action, is the first legislative measure ever offered in the Congress of the United States that gives due consideration to the technological developments which make an anachronism of an economic system based on scarcity. It is a measure which seeks to make possible by legal, constitutional methods the full utilization of all our machinery and manpower to increase production to a point where it will assure to all our people the comforts of life. It seeks to keep step with technological progress, rather than to turn back the march of time to an artifically created scarcity.

This measure is designed to effect greater production of goods and services by putting all available manpower and machinery to work, and greater consumption of goods and services by providing the necessary purchasing power through productive employment at living wages of those now disemployed.

ABUNDANCE NO LONGER A DREAM

Abject fear of scarcity is no longer sane, nor do we need to speculate and guess what our productive capacity might be. Two recent surveys answer for all practical purposes our questions as to what the United States could produce if it used fully its productive possibilities.

The Brookings Institution, in its study called America's Capacity to Produce, stated—and the findings have not been questioned—that additional goods and services to the extent of many billions of dollars could have been provided during 1929, our all-time high in production, if our machinery and our disemployed labor had been used to capacity. In our best year we were using our industrial and agricultural plants at only 81 percent of their capacity, and technological disemployment was a serious problem.

The National Survey of Potential Product Capacity was set up in 1934 by the Federal Government under the Civil Works Administration to study this problem. Federal funds were used, but the study was not made by relief workers. Thirteen experts were employed, chosen from the best of our engineers, sociologists, and economists.

This study, summed up by Harold Loeb and his associates in the Chart of Plenty, indicates that the United States could, by using more fully and intelligently all of our productive facilities, add to what was produced in 1929 approximately $40,000,000,000 worth of goods and services.

THE POSSIBILITIES FOR PLENTY

To be on safe ground we may discount the finding of the Brookings Institution and the Chart of Plenty one-half or one-fourth, yet the fuller and saner use of our capacity to produce would transform the very nature of our social order. Additional goods and services worth twenty to thirty billions of dollars, if divided annually between the disemployed in wages and salaries, would make poverty as extinct as the black plagues which scourged whole nations and laid waste to cities before modern hygiene, sanitation, and medical science routed ignorance and superstition.

The bill which we present is designed essentially to make it possible for the one-third of our population ill-fed, ill-clad, and ill-housed to make full use of our productive capacity. It deals with the simple, primary needs of life; foodstuffs, milk, vegetables, meat, and fruit, our daily bread with butter and jam on it, which we can produce in super-abundance, and the lack of which makes so large a part of our people ill-fed. It deals with clothing which our farmers, textile mills, and garment factories could turn out in ample quantities if we could only think and act in terms of plenty. It deals with housing, the pestholes of modern society—slums, rural and urban—with miles of modern, comfortable, well-equipped, sanitary, and beautiful homes which our architects and builders are so capable of producing. It deals with travel passenger-miles which lack of opportunity to provide has bankrupted railroads, and made of automobile manufacturing a hazardous occupation. It deals with medical care, education, recreation, music, art, and drama, necessary services which during the depression have been beyond the reach of great masses of our people. The Industrial Expansion Act seeks but to implement and make possible of achievement what every normal human being wants—an end to poverty, penury, pauperdom—the slow starvation of body, brain, and soul, for it recognizes that there are no physical factors preventing the creation of the requisites for decent living in generous quantities by self-supporting, self-respecting American citizens.

PARIAHS OUTSIDE OUR ECONOMIC SYSTEM

This bill may seem revolutionary in that it deals with abundance and seeks to make it available to our whole people rather than attempting to restrict production to niggardly, penurious quantities that can be sold at a profit in a market of shrinking purchasing power. But we have reached a point where life itself is in a state of revolution. We are faced by a situation unprecedented in human history. We have perfected machinery and techniques capable of producing food, shelter, and clothing in ample quantities. Yet, to quote the President, one-third of our population lives below the penury line and fully 20 percent are economic outcasts, social lepers, unclean with the disease of poverty, pariahs outside the pale. They are the mortgaged and tenant farmers tilling poor soil with poorer equipment whom society does not need. They are the workers whom modern labor-saving machinery has replaced, the technologically disemployed whom industry no longer needs. They are the surplus professional and "white collar" workers whose highly skilled services are as much a drug on the market as labor's brawn. They are the workers past 40, whom industry rejects, and the young born 20 years too late, whom industry ignores. They are the W. P. A. workers and the relief clients whose starvation doles we recently voted to cut, and who now disturb us with their frantic protests that to drop them from relief rolls means slow starvation.

We have had 4 years of experience to prove that mere relief is not the answer. Whether we slash it to a billion and a half or boost it to three or four billions of dollars per year, it is only a faulty makeshift. We whose job it is to legislate for our country's welfare should acquire some ability to think realistically. We might just as well face the fact that the 80 percent of our people who have a place inside the economic system, whether as owners and profit takers or as poorly paid farmers and wage workers, who produced the $70,000,000,000 of our national income, are not willing to permanently support the 20 percent outside the system. We may pile the burden of supporting the disemployed on the producers for a time, but political realism should teach us that tax-supported relief for those forced to be drones in industry is not enough to meet the problems either of the low-wage brackets where income must be supplemented by charity or of the outcasts outside the pale.

A NEW MENACE IN THE OFFING

President Roosevelt's National Resources Committee very recently published a report which presents another view of the challenge of the machine age. This Committee's work is the first effort of our Federal Government to scientifically chart not only existing production possibilities but the potentialities and social portents of inventions and technological processes now being developed. It forces us to consider that an ounce of foresight is better than a ton of hindsight in making the necessary human adjustments to modern machinery. It deals at length with the social portents of the cotton-picking machine, which might throw seven to nine million southern cotton producers out of employment and dump them into an already overcrowded labor market in the industrial sections of the North and East. It calls our attention to the profound social changes and threats to the existing order of air conditioning, photoelectric cell, plastics, fabrics made from cellulose, synthetic rubber, prefabricated houses, television, trailers, synthetic gasoline, and tray agriculture. These are not wild dreams of visionary inventors; they are accomplished facts; and we will be forced to deal with their impact on our social problems in the very near future.

WE CLING TO ARTIFICIAL SCARCITY

With one-fifth of our population outside the economic system, with the insistent challenge of technological disemployment, present and potential, every legislative measure that has been enacted by the Congress of the United States during the past 7 years of depression has had for its purpose the creation of artificial scarcity through curtailment of production.

In agriculture the A. A. A. has paid half a billion dollars to farmers in a single year to take 50,000,000 acres of land out of production. We have taxed the bread of the whole people to pay farmers to produce less bread, when one-third of our people were ill fed. The net income of part of the farmers might have been slightly increased, but the lower strata have been ruthlessly liquidated—crushed down into tenantry, and to subsistence so far below necessity level that malnutrition and actual starvation sap the lives of both urban and rural population.

The N. R. A. set up trade agreements for industry that had the tendency to restrict output. Scarcity prevailed, living costs outran income in the lower brackets, but corporation profits soared and the stock markets boomed. We are now considering legislation which, on the theory that if business and agriculture are to be wrapped in the swaddling clothes of artificial scarcity, then Government is duty bound to help those who have nothing but labor to sell to make that a scarce article. The now sadly emasculated Black-Connery wages-and-hours bill is an effort in this direction. But I wonder if it is a sane and adequate answer to the problem of what we are going to do with the 20 percent of our people who are outside the economic system? To me it seems that, having no job and no hours of labor, hence no wages, it does not apply to them.

Prosperity, transient and unstable as it may prove to be, is returning to industry, but without the help of the outcasts. Business is on the upgrade, but with little if any increase in general employment. Production is speeding up, but it must increase at least 20 percent more with no additional labor-saving machinery installed to bring the disemployed within sight of jobs. Unfortunately a man 20 percent removed from the means of life is just as hungry and desperate as if it were 50 or 100 percent.

The mighty upsurge of labor organization means little or nothing to the workers outside the system. Having no jobs and no hope of getting them, the most forward-looking and up-to-date forms of trades unionism leaves them out in the cold.

As honest legislators we must face the plight of the "ill-fed, ill-clad, ill-housed" and the untouchables outside the system. We must abandon the course that politically drives a wedge between those on the outside of life and those of us who are so fortunate as to have places inside. The policy of striving for artificial scarcity is dangerous. Every remedial measure we have proposed and enacted has but driven deeper the dividing forces between the Haves and the Have-Nots. None of us are blind to the dangers of both communism and fascism. Our danger and their tragedy lies in the fact that the long, bitter years of doles and disemployment have warped the vision of their victims until they include with the Haves, who are their enemies and oppressors, all who have jobs and means of livelihood. We are facing what we should have recognized long ago—the grim reality that men robbed of hope cannot think or act constructively, that denied power to create they will destroy, denied the opportunity to climb out of the abyss of poverty they will eventually drag us down with them.

The old political slogans no longer suffice. Gone is the old dogma of the class struggle—it is not class against class now—but outcast against insider. Gone is our beloved ideal of the solidarity of labor. No solidarity is possible between those who can work and those who cannot. Our old formulas fail, our old approach to social problems have no validity under new conditions. We must create new ones in harmony with the new world of technological progress in which we live.

THE PATH TO RUIN

That 20 percent of our population outside the economic system is a matter of deep concern to those of us who value democracy. More than one great nation in the past has trod the path to ruin and passed from this earth by the conflicts resulting from the attempt to segregate a once free people into a subject, outcast group. We hear much of recovery, but those of us who reject any recovery which separates us into castes fear that this recovery may be like previous ones, an industrial boom that in the end collapses into a deeper depression. No recovery that includes only a portion of the people in its benefits can last. In the United States such recovery cannot be tolerated; it is contrary to every tradition of this Nation and violates the primal instincts of man.

Any thinking person knows that neither the sort of business recovery we are now enjoying nor congressional oratory will put the disemployed to work. You may be only politely bored with our insistence that we legislate for industrial expansion that will find jobs for all of our working people; but when the next depression arrives, which is as inevitable as that the sun will rise tomorrow morning, what may sound like visionary Utopianism to you now will have a different aspect.

Every avenue of publicity has resounded to the appeals that business should be allowed to absorb the unemployed into private jobs. You all have vivid memories of what the pressure groups of the chambers of commerce did in demanding that W. P. A. rolls be cut; but has any chamber of commerce, or any organized group of private employers, come forward with jobs for those cut off the relief rolls? Certain pressure groups have shouted for "economy and reduction of relief costs", but honest businessmen have told us over and over again that without Federal help private business simply cannot absorb the disemployed. The Federal Government has been for several years heroically "priming the pump" with little effect. We might try getting rid of the obsolete old pitcher pump that needs continual priming and install a modern one that will work.

The only sort of an economic pump that will work when it is needed and without constant subsidy priming is increased production and assured distribution. Already the broad lines of this new machine have been suggested in the N. R. A. and the A. A. A. However, both attempt to reduce our thirst by restriction of production down to the level of what the wages paid in a depression could buy.

NOT LESS, BUT MORE

Our new pump, which we are trying to sell you, is an industrial expansion act to increase production and give jobs to the disemployed by private industry, with governmental assistance to industry and protection to workers and consumers.

The industrial expansion act which we present to you sets up machinery to bring about voluntary agreements in the major industries to provide:

(a) For the inclusion in all agreements of provisions against any rise in price, except in a few sweated industries, where prices must be raised somewhat in order to make possible the payment of living wages.

(b) For coordinated increase of output, planned according to national needs.

(c) For an equitable division of the new purchasing power resulting from increased production.

(d) Industry will be protected against loss if it cooperates in the plan by a system of purchase agreements covering possible unsold surpluses.

(e) Labor will be protected because wages must be increased under the plan; because prices will be prevented from rising; and because it will have equal representation with capital on every industry authority.

In order to secure the cooperation of industry in carrying out a national plan calling for capacity operation, the Federal Government will depend primarily upon a processing tax similar to that used in the A. A. A. It is contemplated that a processing tax of 25 percent of the value added to goods by the manufacturer will be charged on all manufacturing operations covered by the act. However, if a unit cooperates with the Government in the matter of wages, output, and other conditions, all but 1 percent of this amount will be refunded. But in order to secure cooperation with the Government depends not only upon the imposition of a tax but also proposes to enter into agreements with all cooperating units by which the Government will take over at cost a certain proportion of the total output that proves to be unsalable.

It is not expected that the Government will incur any great loss by so doing, if as a result of achieving full production all along the line national income is stepped up from seventy to one hundred billion dollars a year. The manufacturer will be just as safe in turning out 100 units as he is now in turning out 70, because the people will be assured of the requisite purchasing power to purchase them.

It is still recognized, however, that with the advance that has taken place in technique during the past 10 years, even if we were to achieve full production we should still have three or four million people unemployed. The industrial expansion act contemplates that the services of these people will be utilized in a long-term, far-reaching housing project. As far as possible, private builders will be encouraged and assisted in providing employment for these people. It is further recognized, however, that in order to rehouse America the Government itself will have to assume responsibility for the main part of a long-term rehousing program. This feature of the bill is the balance wheel that will absorb any slack that may develop in the operation of the act. It should be noted that this act does not contemplate the socialization of industry, but it does contemplate the degree of cooperation from the Federal Government that is necessary to operate American industry at full capacity and give all of the American people a high standard of living.

For a further explanation of the working of the act I should like to refer you to a speech made by Congressman VOORHIS, one of the coauthors of the act, which appeared in the CONGRESSIONAL RECORD of June 23, 1937.

In conclusion, I should like to state that we are not attempting some utterly new departure in the field of legislation. We are merely trying to do what the New Deal started out to do in 1933. Even the methods that we are using are the methods that the New Deal has already sold to the American people. The only difference, if any, is that we are seeking to use these methods in order to achieve abun-

dance rather than artificial scarcity. It is our opinion that the American people are ready for a program of this kind. They were probably not ready for it 4 years ago, but a great deal of fundamental educational work has been accomplished by the New Deal since its inception.

We know that human folk ways do not change overnight, and that it is always dangerous to attempt too drastic changes without a preliminary period of education. We feel that the necessary trial and error methods have gone far enough; that events have proven that the system of artificial scarcity may hobble along until the next depression, but that artificial scarcity in a world of potential plenty is just plain dumb.

We have framed this act to make a reality of the dream of plenty glimpsed by Veblen 30 years ago, dramatized by Loeb and his associates in The Chart of Plenty, and brought down to earth by Ezekiel, who has proven beyond successful contradiction that if the machinery set up by the A. A. A. and the N. R. A. were used to secure full production instead of restricted output, a minimum in goods and services equal to what $2,500 a year will now buy, would be available for every family in the United States.

We know we are suffering poverty because we are not producing enough wealth to give all of our people a comfortable standard of living, and that the reason poverty is so widespread and disastrous is that artificial scarcity, engendered by class legislation and reactionary decisions of the Supreme Court, has been forced on an era of technological abundance. We know that if our present national production of approximately $70,000,000,000 annually were divided equally among all of us we would all be living in penury. But if the established machinery of the A. A. A. and the N. R. A. are framed into law by the Industrial Expansion Act; if they are used to boost production to whatever point is necessary to provide American standards of living for all our people, no one would be robbed of what he now has, and nothing would be taken from those now living on a scale above the average.

One-third of our people ill-fed, ill-clad, and ill-housed, and one-fifth of our people economic outcasts outside the pale is a challenge to us, to our democracy, and to the eternal principles of human brotherhood which we Representatives of the people dare not ignore.

American Merchant Marine

EXTENSION OF REMARKS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. BLAND. Mr. Speaker, the action of the Senate and of the conferees in providing an authorization of $115,000,000 in the third deficiency bill for construction of merchant ships is gratifying to all friends of the American merchant marine. My views on the program for construction of ships proposed by Chairman Kennedy, of the United States Maritime Commission, were expressed in my letter of July 27, 1937, to the members of the subcommittee having charge of this deficiency bill. As I said then, it is my solemn conviction that unless affirmative action of this kind is taken at once the flag of the United States on merchant ships will disappear again from the seas; American seamen will be deprived of employment; American shipyards will be out of work; building of merchant ships will become a lost art in the United States; business organizations built up through long and trying years at an enormous expense will be destroyed; trade connections for American-flag ships will be severed; the stabilizing influence of American ships on ocean-freight rates will be lost; the trade advantage of American carriers for American goods will be surrendered for the disadvantage and danger of transportation only in foreign bottoms operated by foreign competitors interested primarily in promoting the trade of their nationals to the detriment of American commerce; freight rates will be increased sufficient to compensate foreign competitors for losses previously sustained through American competition; the national defense will be imperiled through the lack of auxiliaries for the Navy in time of emergency; American farmers, merchants, manufacturers, and other shippers will be again subject to loss and disaster such as they sustained at the time of the Boer War and the World War, when foreign ships serving American commerce were recalled by their respective governments for their own national purposes and left the American shippers without bottoms to carry their goods; the foreign commerce of the United States will be again at the mercy of foreign competitors whose policies this Nation cannot control; and our foreign commerce will be subject again to the whims, caprices, and discriminations of those competitors without any voice on our part.

I said then that, for my part, I was unwilling that the billions already spent to build up American trade and an American merchant marine should be wholly lost, the experience gained should be thrown into the discard, the American Government should confess itself impotent in the face of difficulties, and one of its oldest and most essential industries should be faced again with extinction.

It is reassuring that the Congress has responded to the call for immediate action.

When the Merchant Marine Act, 1936, was reported in June 1935 by the House Committee on Merchant Marine and Fisheries, the report of the committee presented an analysis of documented vessels of 2,000 gross tons and over, excluding those on the Great Lakes, as of January 1, 1935. There were shown to be listed 1,530 vessels of 8,867,000 gross tons. The break-down was as follows:

COMBINATION PASSENGER AND CARGO VESSELS

A break-down by types showed 183 vessels of 1,521,000 tons of the combination passenger-and-cargo class. Of this total, 67 percent at that time were over 10 years old, 26 percent were from 11 to 15 years old, and over 12 percent were from 16 to 20 years old. Twenty-eight percent were over 20 years old.

Six of these combination passenger-and-cargo vessels, aggregating 102,093 tons, were Government owned, and all were over 20 years old; 129, of 1,142,000 tons, were privately owned and operated in the foreign trade, two-thirds being over 10 years old. Nearly 30 percent were 11 to 15 years old; 24 percent were over 20 years old; 48, of 277,000 tons, were privately owned and operated in the domestic trade, and of these, 67 percent were over 10 years old and over 46 percent were over 20 years old.

CARGO VESSELS

One thousand and four vessels, of 4,955,000 tons, were of the cargo class, nearly 99 percent of which were over 10 years old. Of this class, 588 vessels, of 2,869,000 tons, or 58 percent of the total, were between 16 and 20 years old.

Four hundred and thirty-two vessels, of 1,850,000 tons, were privately owned and operated in the domestic trade. Nearly 99 percent of these were over 10 years old, 32 percent were 11 to 15 years old, 52 percent were 16 to 20 years old, and 15 percent were over 20 years old.

Two hundred and ninety-six vessels, of 1,550,000 tons, of the cargo class, were privately owned and operated in the foreign trade, of which 98 percent were more than 10 years old, over 44 percent were 11 to 15 years old, and 52 percent were 16 to 20 years old.

TANKERS

Three hundred and forty-three vessels, of 2,390,000 tons, were tankers, nearly 90 percent of which were more than 10 years old. Over one-half of the tonnage was from 11 to 15 years old and 32 percent were from 16 to 20 years old.

Data prepared by the Department of Commerce showed that as of January 1, 1935, vessels of 2,000 gross tons and over normally employed in the carriage of goods and passengers engaged in international trade, excluding the Great Lakes, gave the United States third place, the relative position of the different countries being: Great Britain, Japan,

United States, Germany, France, Italy, Netherlands, and Norway.

In speed the United States was fourth, the relative positions being: Great Britain, Germany, Japan, United States, France, Netherlands, Italy, and Norway.

In gross tonnage of vessels of 10 years and over the United States was last, the relative standing of the nations being: Great Britain, Germany, Japan, Italy, Netherlands, Norway, France, and United States.

CONSTRUCTION

In the report submitted by the committee in support of the Merchant Marine Act, 1936, it was shown that during the period from 1922 to 1928 no vessels were built in American yards for overseas foreign service; that under the 1928 act 31 new vessels were built for ocean-mail service and 42 reconditioned; that in the last 5 years before the date of the report, June 20, 1935, in the construction of freighters the United States had built 4, while Great Britain was building 295, and for the previous 5 years while we were constructing 4 in American yards, Great Britain had built 558.

It was shown that during the post-war period, from 1922 to 1933, about 16,500,000 tons of ocean-going ships of 2,000 gross tons and upward were constructed throughout the world, of which the United States contributed less than 7 percent.

GRAVITY OF SITUATION

When that report was submitted—that is, over 2 years ago—the gravity of the situation was pointed out in the light of the fact that the useful life of a ship is 20 years. It was shown then that our merchant marine at that time operating in the foreign trade of slightly less than 3,000,000 tons included 224 vessels of 1,400,000 tons purchased from the United States Government. It was stated that there was a high percentage of old and obsolete vessels in that number, and that of the 3,000,000 tons there were about 1,900,000 tons having contracts for carrying mail; that is, subsidized vessels. It was there stated that at the end of 7 years 86 percent in number and 77 percent in tonnage of the vessels operating on ocean-mail routes would have become 20 years old. It was then stated that unless something was done quickly we would be reduced to our pre-war position, when we had 81 vessels of less than 500,000 tons operating on our regular services, at which time we carried less than 10 percent of our commerce in American ships.

It was shown in that report that for the quarter ending March 31, 1935, the total of ship construction throughout the world was 1,269,534 tons, with the United States as eleventh on the list, having 1.46 percent of this construction, and being exceeded by Great Britain, Germany, France, Sweden, Japan, Denmark, the Netherlands, Italy, Spain, and Norway. At that time the tonnage under contract for construction in the United States consisted of two tankers aggregating 16,800 tons. Other tonnage under construction consisted of four vessels averaging 418 tons each, while there was not one ocean-going vessel built in the United States for either the domestic or foreign trade for the carriage of goods or passengers.

Reference is made to that report because the findings submitted to Congress when the Merchant Marine Act, 1936, was first reported painted the picture portrayed so graphically by Chairman Kennedy over 2 years later in his testimony before the Committee on Appropriations. The American people should take pride in the masterly grasp which Chairman Kennedy and the Commission have over the situation and the enthusiastic and intelligent way in which they are bringing order out of chaos. The testimony of Chairman Kennedy should be in the hands of every advocate of an American merchant marine and should be studied by every businessman.

On May 18 of this year I was privileged to make a Maritime Day speech in Savannah, Ga., and a summary of those remarks reviewing merchant-marine legislation and the status of our merchant marine at that time may be interesting now. May 22, 1819, marked for ocean transportation the dawn of a new day, for on that day the ship *Savannah*, propelled in part by steam, left Savannah, Ga., for Europe. The practicability of using steam power to propel vessels was demonstrated by Robert Fulton in 1807, and the use of steamboats on rivers and bays became general during the succeeding decade. Then an adventurous spirit determined to experiment with steam on the ocean, and 118 years ago the packet *Savannah*, equipped with an auxiliary steam engine, commenced its voyage across the ocean, making the trip to Liverpool in 27 days. The beginning had been made. There followed in 1833 the *Royal William* from Quebec to London, the first vessel to cross the ocean entirely under steam power, and in 1837 the launching at Bristol, England, of the first seagoing steamer built expressly for trans-Atlantic service.

The tragedy of it all is that even yet the place of our Nation has not been firmly established upon the seas. Others have taken the place that should be ours. The message of America's need must be carried to the people of the Nation. The fight must go on, and it must be made by men who are impelled only by patriotism and zeal, who realize the tragedy of the past, who know the dangers of the present, and who are undaunted by the obstacles of the future.

DISCRIMINATING DUTIES

The place of our Nation on the sea was at one time a proud one. Our Nation at an early date provided a policy of protection for our merchant marine. The first Federal tariff law, the act of 1789, invoked the principle of discriminating duties. It provided that imports in American vessels should receive a discount of 10 percent below the general import duties, and in 1794 the law was so changed that imports in foreign vessels were required to pay an increase of 10 percent above the normal tariffs. The effect of the statute was the same. This form of protection continued until 1815.

The benefits of the mercantile policy, then established, gave maximum protection to shipping engaged in the trade between the United States and the Orient. It imposed an import duty ranging from 6 to 20 cents per pound on tea imported directly from India to China in American bottoms, while a duty of 15 to 45 cents per pound was imposed on tea imported into the United States in foreign vessels. All other oriental products imported in foreign vessels were required to pay a duty of 12½ percent ad valorem, which was nearly double the rate levied on imports delivered in American vessels. Similar provisions were incorporated in various laws enacted up to 1830. However, shipping protection did not consist entirely of discriminating import duties. The early tariff laws aided American shipping by imposing discriminating tonnage charges against foreign vessels. The act of July 20, 1789, provided that the tonnage tax on vessels built and owned in the United States and on foreign-built vessels owned by American citizens, on and after May 29, 1789, should be 6 cents; on vessels thereafter constructed in the United States, but partly or wholly owned by foreigners, 30 cents; on all other vessels, 50 cents; and an act passed in 1804 levied a light-money tax of 50 cents per ton on foreign vessels, the rate being advanced to $150 a ton in 1812.

The year 1815 saw a modification by Congress in the law, and it was declared that the discriminating duties in favor of American ships should no longer apply in the direct trade between the United States and those foreign countries that agreed to discontinue all discriminating duties against American vessels. The policy of discriminating duties was wholly abandoned in 1828, when Congress provided that it should no longer apply in either the direct or indirect trade of the United States. After 1815 and 1828 reciprocity treaties were negotiated with most maritime countries, and the clauses of later tariff acts providing for a discrimination of 10 percent against vessels of foreign countries that made discrimination in favor of their national shipping were of no practical importance.

There followed a period in which the interest in promotion of domestic trade and industry was paramount. The idea existed that the American merchant marine could shift for itself. Economic conditions were more favorable than later, but the relative proportion of the foreign trade carried in American vessels fell from over 80 percent in 1800 to 66.5 percent in 1860, even though the aggregate registered

tonnage in the foreign trade increased from 824,000 gross tons in 1815 to 2,497,000 tons in 1861.

SUBSIDIES

Subsidies followed. By the act of March 3, 1845, mail subsidies were granted. Under that law subsidies totaling $14,500,000 were paid, and there resulted the construction of several large steamships and the establishment of a number of important lines. The largest sums were paid to the Collins Line, but smaller sums were paid for the establishment of lines of mail steamers to operate to Bremen, Havre, Habana, and Aspinwall—now Colon. Subsidies were paid to the Pacific Mail Steamship Co. for an Oregon service connecting at Panama with the line from New York and making stops at San Diego, Monterey, and San Francisco.

These subsidies continued until the subsidy policy was abandoned, and the American merchant marine continued its decline.

The policy was revived in 1865, and some small contract mail payments were authorized between that date and 1873, when the policy was again abandoned. The last of these contracts expired in 1877. It was during that period that the Pacific Mail Steamship Co. received contracts for a monthly service to Japan and China and for a service to the Hawaiian Islands. Another contract was made with a steamship line for a monthly service between Philadelphia and Rio de Janeiro.

MAIL-CONTRACT PAY

In an effort to aid the American merchant marine, the Mail Contract Act of 1891 was enacted. Some six or seven steamship lines received mail payments in excess of the amounts they would have received without these mail contracts, but the amounts received were too small to stimulate the growth of an American merchant marine.

This period was one of internal development, and little positive effort was made to develop the American merchant marine by a consistent policy. The result was continued decline, with foreign ships securing the greater part of the general ocean-carrying trade of the world that had been carried formerly in American bottoms until foreign ships became the carriers of nine-tenths of the foreign commerce of the United States.

By the act of March 3, 1917, the Mail Contract Act of 1891 was supplemented, and the Postmaster General was authorized to contract for the operation of fast mail ships between the United States and Great Britain and to pay them at rates not exceeding $8 per mile for each outward voyage. The vessels operating under such contracts were to have a gross tonnage of at least 35,000 and a speed of not less than 30 knots. This law accomplished nothing.

An effort was made in the Tariff Act of October 3, 1931, to restore the old policy of discriminating duties in the interest of the American merchant marine. A discount of 5 percent was allowed on such goods, wares, and merchandise as should be imported in vessels admitted to registration under the laws of the United States, but it was provided that nothing in that subsection should be so construed as to abrogate or in any manner impair or affect the provisions of any treaty concluded between the United States and any foreign nation. As the United States had entered into treaties with most of the maritime countries of the world not to levy discriminating duties, this provision of the act was never enforced.

SHIPPING ACT OF 1916

The Boer War and the World War demonstrated the need for American ships. The foreign ships carrying American goods were withdrawn for domestic purposes. Goods for export were congested at the terminals. Freight rates soared. Cotton declined, though foreign purchasers were clamoring to buy. The losses to the American farmer were astounding. The Shipping Act of September 7, 1916, followed as an emergency measure. This act laid the foundation for our present policies. It was the result of an investigation conducted by the Committee on Merchant Marine and Fisheries of the House of Representatives in 1912.

Under the Shipping Act of 1916 the President was authorized, at his discretion, as an emergency measure, to requisition, construct, or purchase vessels and to operate them. The President was to function through a Shipping Board, which was authorized to form—

> One or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States.

The Emergency Fleet Corporation was incorporated and the task began of creating and operating ships while the United States was at war. When the armistice came an elaborate program was in progress, and though the progress was curtailed where possible, the United States acquired possession of a fleet of more than 12,000,000 gross tons, consisting mostly of standardized and hastily constructed freight ships of about 12 knots speed. Some of these freight ships were purchased by shipping companies and the limited number of higher-grade combination freight and passenger ships were sold.

Then the Congress and the Shipping Board decided to establish freight lines from the major ports of the United States to different parts of the world. The Emergency Fleet Corporation was changed to the Merchant Fleet Corporation, and that Corporation was charged with the operation of some of the lines, while most of the ships were operated through operating companies under agreements that were changed from time to time, but which protected the operating companies from losses. Gradually, under the terms of the act of 1920, supplemented by the act of 1928, the larger part of these vessels were sold, but the United States had to pay operating costs amounting at times to something like $40,000,000 a year. These costs were no more nor less than subsidies, yet the American people gained in the end, even though the fleet had cost in all $3,500,000,000. In 1924 world conditions resulted in a withdrawal of foreign ships from our trade. These wartime ships were thrown into service, and the testimony before the Merchant Marine Committee showed that those ships had saved the American farmers of the Middle West $600,000,000 by reason of their ability to transport their grain at the most opportune time. Again, in 1926, similar conditions arose and were met in the same way.

It was testified that the rates on commerce actually carried from 1922 to 1931, freight rates plus passenger rates, aggregated about $900,000,000 annually, and the transportation by an American merchant marine of approximately one-third of that commerce retained in the United States around $300,000,000 that otherwise would have gone abroad.

Moreover, the American people have been protected from overwhelming freight rates. In the report of a select committee in 1924 it was said:

> In fact, had it not been for the American merchant marine at the close of the World War the United States would probably have paid out in increased ocean-freight rates alone more than the total cost of the Government fleet. It was the Shipping Board which brought about, through the control of its tonnage, constant reductions in ocean-freight rates which inured to the benefit of American producers, industries, and shippers. This tremendously important fact cannot and should not be overlooked in estimating what the American merchant marine is worth to the American people. The Government-owned fleet has, in fact, been a valuable asset rather than a millstone about the necks of the American people, as some would have the Nation believe.

SHIPPING ACT OF 1920

The Shipping Act of 1920 affirmatively declared that it is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best-equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States; and it was thereby declared to be the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of such a merchant marine; and, insofar as might not be inconsistent with the express provisions of that act, the United States Shipping Board should, in the disposition of vessels and shipping property.

in the making of rules and regulations, and in the administration of the shipping laws, keep always in view this purpose and object as the primary end to be attained.

All subsequent acts have redeclared or reaffirmed this fundamental policy.

There were two important provisions of the act of 1920 that would have aided materially the American merchant marine if they had been found capable of enforcement. These two provisions were sections 28 and 34.

By section 28 interstate-commerce carriers were prohibited from charging lower inland rates on exports and imports than upon domestic rates unless the exports and imports were transported on the ocean in American vessels, but this section was not to be enforced at ports where the Shipping Board was of the opinion that American shipping was not able to serve commerce adequately. This section has never been enforced. Inquiries as to possible enforcement have raised many questions between ports of possible retaliations, diversions of business, and of general handicaps possibly detrimental to foreign commerce more than equal to the benefits to American shipping.

By section 34 the President was authorized and directed to notify foreign governments of the termination of the provisions of treaties "which restrict the right of the United States to impose discriminating customs duties on imports entering the United States in foreign vessels." President Wilson and his successors have insisted that to carry out this provision would cause the United States to violate its treaties. President Wilson was also of the opinion that the power to negotiate treaties or amendments to treaties is vested in the President by the United States and that he is not, in the exercise of his discretion, subject to the orders of Congress. It is important to inquire, however, if a similar mandate of Congress for the cancelation or modification of treaties in connection with the La Follette Seamen's Act was not observed.

Relief will not be possible under these or similar provisions of law for many years to come, if at all.

MERCHANT MARINE ACT OF 1928

In 1928 enormous sums were being paid for the operating losses on routes maintained to various ports of the world, the fleet was growing old, and the time was inevitable when the United States would again be without an American merchant marine. Efforts to provide a subsidy in the meantime had failed and recourse was had to the use of mail payments. Provisions were made to encourage new construction. There was need for passenger liners and combination passenger-cargo liners, because the wartime construction program was directed to the building of cargo vessels. Even with these cargo vessels the fleet was becoming obsolete particularly with regard to speed when compared with more modern foreign vessels of improved designs in hull and machinery.

Under this act liberal provisions were made as to mail pay, the available loan fund was increased from $125,000,000 to $250,000,000, and rates of interest on loans for the construction and reconditioning of vessels was lowered to the nearest one-eighth of 1 percent on any Government obligation issued subsequent to April 6, 1917, and outstanding at the time the loan was made excepting postal-savings bonds. Three-quarters of the cost of the vessel could be borrowed and repaid at any time within 20 years.

Owing to a construction given the interest provision which was not intended by the Congress, some loans were made at abnormally low rates which resulted in the amendment in 1931 of the interest provision so as to prescribe 5¼ percent for loans upon vessels in the coastwise trade or inactive and 3½ percent upon vessels employed in foreign trade.

As a result of the 1928 act, 43 new vessels were constructed, consisting of 448,275 tons, on which authorized loans were made of $116,384,753. In addition, 42 vessels were reconditioned, with a gross tonnage of 279,983, and authorized loans of $13,322,793. Of these vessels, 22 were combination, 19 were freighters, and 1 was a tanker. The figures are taken from Shipping Board report of September 1934.

The Senate investigation into ocean-mail contracts disclosed practices which were not contemplated by the act, and which showed that large sums of money designed for public benefit were being diverted to private gain. A change became inevitable.

On March 4, 1935, President Roosevelt presented to the Congress the issue of whether or not the United States should have an adequate American merchant marine.

For himself the President answered in the affirmative. He said:

> To me there are three reasons for answering the question in the affirmative:
>
> The first is that in time of peace subsidies granted by other nations, shipping combines, and other restrictive or rebating methods may well be used to the detriment of American shippers. The maintenance of fair competition alone calls for American-flag ships of sufficient tonnage to carry a reasonable portion of our foreign commerce.
>
> Second. In the event of a major war in which the United States is not involved our commerce, in the absence of an adequate merchant marine, might find itself seriously crippled because of its inability to secure bottoms for neutral peaceful foreign trade.
>
> Third. In the event of war in which the United States itself might be engaged American-flag ships are obviously needed for naval auxiliaries, and also for the maintenance and commercial intercourse with other nations. We should remember lessons learned in the last war.

MERCHANT MARINE ACT OF 1936

As a result of the President's message, the Merchant Marine Act, 1936, has been passed, and a new United States Maritime Commission is administering that law and seeking to retain our flag on the seas. That act contains a declaration of policy substantially the same as the declaration in the acts of 1920 and 1928. Again, we are at the crossroads.

AMERICAN MERCHANT MARINE MUST BE PRESERVED

What we need in this country is a recrudescence of the ship-mindedness which prevailed throughout the land in the first half of our national life.

In 1933 Congress recognized this fact and sought to reawaken public interest in the merchant marine by passing a joint resolution authorizing and requesting the President to issue annually a proclamation calling upon the people of the United States to observe May 22 each year as National Maritime Day. This day was selected to commemorate the sailing of the *Savannah*, the first vessel equipped with steam propulsion to cross the Atlantic.

The example set by the *Savannah* 118 years ago in opening a new chapter in ocean transportation should inspire us to renewed efforts in the rehabilitation of the American merchant marine.

As I have endeavored to show, we have striven frequently to retrieve our position upon the seas. Some of these efforts have been costly, and while the cost of these endeavors may have been disproportionate to the results achieved, owing to the stupendous size and emergency nature of the initial undertaking, yet certain definite progress has been made. This progress is reflected by the nearly 2,800,000 tons of ships which are maintaining regular service in our foreign-carrying trade.

Compare this position with the humiliating one we occupied in 1914. In that year the American flag, once a familiar sight upon the seas, had all but vanished. Only a half million tons of vessels were operated in regular services in the foreign commerce of the United States. We have now improved, but there is still much to be done. Among the six principal maritime countries we rank third in tonnage of ships, fifth in tonnage of vessels having speeds of 12 knots or more, and at the foot of the list in modern tonnage. Excluding the tonnage built under the 1928 act, there is not a single ship in our foreign-trade fleet that is less than 15 years old today, and by 1942 all of these will have reached the age of 20 years or more. These figures disclose the deplorably weak position we occupy among the principal maritime countries.

Where do we stand in the matter of the larger and faster merchant vessels built during the last 10 years? Among

the 18 vessels of nearly three-quarters of a million tons, ranging in sizes from 25,000 to 80,000 tons each, there is not one American ship.

The largest American merchant vessels constructed in the United States during this period were the *Manhattan* and her sister ship, the *Washington*, of somewhat less than 25,000 tons each.

Is there any good reason why the United States should not have larger ships more nearly comparable with those of our competitors, and especially since most of the passenger traffic of these vessels originates in this country? Surely it is not because we lack the skill, the facilities, or the money. It may interest you to know that we did design and build in this country two vessels comparable in power and greater in speed than any of the superliners built by our competitors, and that we placed them in service before any of the superliners were completed. I refer to the U. S. aircraft carrier *Lexington* and her sister ship, the *Saratoga*.

Had we exhibited the same aggressive spirit shown by the *Savannah* in pioneering her way across the North Atlantic, we would have maintained American prestige by building our share of ships of the types and sizes built abroad during the past 10 years. The popularity of the two largest American ships in the North Atlantic and the other ships built under the Merchant Marine Act, 1928, demonstrates that modern American ships can and will attract a proper share of the traffic.

Not only are we in a weak position with the larger passenger ships, but our status in cargo ships is deplorable. No ships of this important type have been built in the United States within the past 15 years for operation in the overseas foreign trade, and these are the ships that comprise the larger portion of our foreign trade fleet. They have an average speed of only 10 knots—the speed of tramps and not liners—while the cargo vessels of our foreign competitors have speeds up to 18 knots, with even higher speeds contemplated. Is it any wonder we are unable to meet foreign competition under such conditions?

It is imperative that we correct these conditions, and to that end we should begin building ships without further delay. Of the approximately 2,800,000 tons of our foreign-trade fleet, 85 percent will become 20 years old within the next 5 years. Not only are such obsolete ships costly to operate, but they fail to attract the proper kind and amount of traffic.

We recognize the need for aiding our shipping in the foreign trade so as to place American shipowners and operators on a parity with their foreign competitors in capital and operating costs, but financial assistance from the Government will not enable American shipowners to operate profitably unless American ships are on a parity with or superior to the ships of their competitors. The obsolescence factor, and not the higher capital and operating costs, constitutes the chief handicap of the American shipowner today.

I have given you but a brief outline of our shipping situation. It is sufficient, however, to show some of the difficulties confronting the new Maritime Commission, which was created since we last celebrated National Maritime Day.

The Commission has rapidly cleared the decks for action.

The ocean-mail contracts have been terminated and arrangements made for carrying on under the new direct form of aid. We must realize the importance of guarding against any interruption in American-flag services which are now operating on essential trade routes.

It has taken many years and large expenditures of public funds to partially recover the position we once occupied in the foreign carrying trade and to build up the confidence of the shipping and traveling public in the dependability and permanence of American-flag services. We cannot afford to destroy this confidence by any interruption of service on essential trade routes. In order to assure stability and permanence, the first requisite is continuity of service. Therefore, our efforts must be in the direction of holding and further strengthening our present position by guarding against any interruptions and by rapid substitution of modern vessels for the many obsolete ships operating in nearly all of our services.

During the course of my remarks I have referred to the large public expenditures in the building and developing of our merchant marine. These expenditures were brought about by the failure of most of our citizens to recognize, in the half-century prior to 1914, that an American merchant marine was necessary to meet our economic, commercial, and military requirements. The vital role it plays in our national life has been demonstrated time and again since the outbreak of the World War. Why not heed the lessons of the past? As President Roosevelt said:

> We should remember the lessons learned in the last war.

We have learned since 1914 that America can never afford to be without a strong and prosperous merchant marine. It is necessary in our economic and commercial life and indispensable in the military defense of the Nation. Let me emphasize the point right here that in time of national peril a navy is only as strong as its merchant marine.

These thoughts are as old as the Republic itself. Our outstanding statesmen, during our entire national existence, have time and again pointed out the need for a strong American merchant marine.

Among the many statesmen who have expressed such views was our first President, who very definitely pointed out in a message to Congress the wisdom of maintaining our own merchant marine. Nearly a century and a half later President Franklin D. Roosevelt delivered a message to Congress in which he also advocated a strong American merchant marine "in keeping with our national pride and national needs."

Before closing let me recount some of the benefits to be derived by supporting a strong American merchant marine.

First. The investment which is required to be made by the Government in the support of our merchant marine is a safe, sound, and profitable one. Take, for example, the sum paid out last year under the ocean-mail-contract system, which amounted, roughly, to $28,000,000. Had we replaced our ships at a normal rate last year, the benefits accruing to American labor in industries contributing to the building of such ships and to labor employed in their operation and maintenance would have amounted to approximately twice that sum.

The possession of our own merchant marine would also prove advantageous in the development and expansion of our foreign commerce. It insures American farmers, manufacturers, merchants, and travelers of regular, frequent, and dependable service at reasonable rates to the world's markets, and equal opportunity in such markets for the sale of their products.

Passenger and freight earnings of such American ships are a contributing factor in the conservation of national wealth. In addition to these economic and commercial advantages, the possession of a modern and adequate merchant marine makes available to the Navy ships suitable for naval auxiliary use.

American exporters, importers, and passengers are protected against unreasonable and exorbitant rates possible through combinations of foreign owners. Discriminations against American business in the interest of foreign competitors are prevented.

In conclusion, may I add that it is my fond hope that on the occasion of our next celebration of National Maritime Day the rehabilitation of our merchant marine will be in progress.

I wish to stress the need for the rapid modernization of our merchant fleet. What could be more appropriate than to have the celebration of National Maritime Day next year include one or more launchings of the first ships of a fleet to which America can again point with pride—ships necessary in time of tranquillity; ships indispensable in time of peril; ships of our own which America can never again afford to be without.

Put Our Inland Waterways to Work—Bill to Extend Government Credit to Mortgages for Construction and Reconditioning Obsolete Vessels Will Bring This About

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. COCHRAN. Mr. Speaker, on July 30, 1937, I introduced a bill, H. R. 8080, which provides for the insurance of mortgage-securing loans for the construction or reconditioning of floating property used for commercial purposes on inland waterways, such as rivers, lakes, bays, and sounds, and also for floating property engaged in the coastwise trade.

My interest in this matter dates back to visits from people from my section of the country who came here with a view of trying to get some assistance from the Government for the purpose of constructing watercraft for operation on the Mississippi River and its tributaries. About 2 months ago I learned that the Maritime Commission did not intend to render any assistance, or could not under the law, for vessels operating on inland waterways. I took the matter up with our legislative drafting service and requested that a bill be prepared for me, the basis of which should be the present set-up of guaranteeing mortgages in the Federal Housing Administration.

The bill is not perfect and must be amended, but it is a foundation upon which a law can be written. It will be of extreme benefit to the people of this country because in the end it will mean use of our waterways and safe transportation for our people, which, I regret to say, my investigation discloses we do not have now, and it will also help the unemployment situation.

We have spent hundreds of millions of dollars, if not billions of dollars, improving our waterways for navigation purposes and what have we operating on these waterways? The best evidence of the situation that confronts the country now, in my opinion, is the testimony before the Committee on Appropriations of the House, when the Department of Commerce appropriation bill was up this year, given by Hon. Joseph Weaver, who was the head of the Inspection Service. You will find in that testimony that Mr. Weaver stated over half of the vessels and craft now being used on inland waterways is over 20 years old; in fact, 531 of some 900 vessels, or whatever you might want to term them, are at least 20 years old, some over 30 years in operation.

When the people came here from St. Louis I tried in every way to get them recognition. I personally went to the Reconstruction Finance Corporation and saw Mr. Jones. That corporation absolutely refused to offer any assistance whatsoever. They have no place to go now for help.

The Comptroller of the Currency has told me personally that his office would not approve of long-term collateral such as would be necessary to finance floating property. In other words, no Government organization nor any bank or trust company will advance money for the construction of floating properties for a period in excess of 2 years, while national banks under the jurisdiction of the Comptroller could not advance the money at all.

We have this situation confronting us in my own section. The Mississippi River will shortly have a 9-foot channel from the Twin Cities to the Gulf. That has cost the people of this country a tremendous amount of money, and my viewpoint is that we either should use the rivers or we should stop appropriating money to make them navigable.

What does my bill provide? My bill provides that where responsible parties apply to the Maritime Commission and they have 25 percent of the cost of either reconditioning an old or constructing a new vessel, if the Commission finds that they would be warranted in doing so, taking into consideration, not only public convenience and necessity but also whether the project is feasible from a financial standpoint, it can guarantee a mortgage up to 75 percent.

How does this work now in the Housing Commission? The best evidence is information I have received in the form of a report from the Federal Housing Commission, which is as follows:

The Federal Housing Administration, established 3 years ago to encourage improvement in housing standards and conditions and to create a sound system of home financing, is now paying the major portion of its own expenses.

Eventually it should be entirely self-sustaining and operate without cost to the Government.

Moreover, the Federal Housing Administration does not lend or make grants of Federal funds, although it has done a gross business of nearly $1,800,000,000. It simply insures loans made by private lending institutions for home financing.

When application is made to the Federal Housing Administration for mortgage insurance, an appraisal fee is charged at the rate of $3 per thousand of the value of the proposed mortgage. The Federal Housing Administration appraisal system goes much further than appraisals as we have known them in the past. It takes into account all elements of risk, including the character of the neighborhood, the quality of the home structure, and the buyer's ability to pay. It is designed to safeguard both the buyer and the lender against the pitfalls which contributed so heavily to the real-estate collapse of the early thirties.

When the mortgage is approved by the Federal Housing Administration underwriters, an annual insurance premium of one-half of 1 percent of the original face value of the mortgage is collected. If a buyer defaults and the mortgage is foreclosed, the mortgagee may turn the property over to the Federal Housing Administrator and receive in guaranteed debentures, bearing 3-percent interest, an amount equal to the outstanding balance of the mortgage.

Properties thus turned over to the Administrator may be sold by him, or rented or within his discretion held for a more favorable market. Proceeds of such sales may be used to retire debentures or they may be turned into the mutual mortgage insurance fund against which losses resulting from foreclosure are chargeable.

This mutual mortgage-insurance fund now exceeds $19,000,000. Of this amount, $10,000,000 was supplied by Congress as an original revolving fund and the remainder has been accumulated through appraisal fees, mortgage-insurance premiums, and reinvestment of funds.

Of the 220,000 properties on which mortgages have been accepted for insurance, only 31 have been turned over to the Administrator after foreclosure. Of these, 15 are being held by the Administrator awaiting sale. The other 16 have been sold. Debentures outstanding total less than $100,000, and the net loss chargeable against the fund to date is under $5,000.

From appraisal fees, mortgage-insurance premiums, and interest on reinvested funds, the Federal Housing Administration now has an income of more than $6,000,000 annually. This will increase as the volume of mortgage insurance grows.

It is now proposed to use $5,000,000 of this income during the current fiscal year to defray the expenses of the Administration's 66 insuring offices located throughout the United States, leaving a substantial reserve to be added to the mutual mortgage insurance fund to meet possible losses.

In other words, this bill, as far as providing money out of the Treasury is concerned, is not a subsidy in any way. It is a subsidy from the standpoint that the Government might lend assistance in using the credit of the Government to guarantee the mortgage to the extent of 75 percent of the cost of the vessel that is to be constructed or reconditioned, but no money is advanced by the Government. In other words, it will not be a charge on the taxpayers.

I introduced this bill the day after the *City of Baltimore* was destroyed by fire in Chesapeake Bay. I have been advised by the owners of this ship that while they have made every effort to secure a loan to either purchase or construct a new ship, they have been unable to secure the money. I am further informed that they have 25 percent of the cost of a new ship, and if such a law as this were in operation, they could immediately start the construction of a new ship, because they could prove without doubt that the operation of the ship is feasible from a financial standpoint, as they have been conducting an overnight service between Baltimore and Norfolk for many years.

A hearing was held by the Committee on Merchant Marine and Fisheries on my bill on August 10 and August 17. Many outstanding men, engaged for years in the water transportation business, appeared before the committee and endorsed

the measure. They cited in detail their experience in trying to secure money to recondition their old vessels and construct new ones. They established beyond question the need for a law such as I have suggested.

In Business Week of August 7, an article appeared saying that the people in my section of the country are opposed to this bill, and it indicates that the privately owned barge line there is opposed to it. We have a privately owned barge line on the Mississippi River, and I want to commend the people of St. Louis, who used their own money to build barges and tugboats and are making use of the river. But I am not representing this barge line; I am representing the people as a whole, and I do not think that this barge line has a right to indicate, because they are opposed to a bill of this character, that the people of my section of the country are opposed to it.

Former Representative Cleveland A. Newton appeared before the committee as the general counsel of the Mississippi Valley Association Merchant Marine Committee, and said while they had not polled their membership entirely, they strongly favored private enterprise on our rivers. This bill in no way provides for Government ownership of the vessels, but its purpose is to assist the privately owned operators. I am just as much opposed to the Government competing with private business as any Member of Congress. There must be some other objection advanced as this objection is not sound.

Representatives of all labor organizations appeared and endorsed the bill.

Mr. Alfred P. Thom, Jr., assistant to the general counsel, Association of American Railroads, appeared, not to oppose the bill, but to suggest an amendment. Mr. Thom said in part:

> For years we have adopted the position that the public is entitled to have, and should have, the most efficient system of transportation that it is possible to create, including all available agencies, and to use each agency in the manner and to the extent that it is economically justified.

Mr. Thom suggested an amendment providing that whenever an application was filed, public notice should be given and hearings granted upon the request of any interested party.

That is entirely agreeable to me, and I commend the Association of American Railroads for its attitude, but I think I have an amendment which would meet with general approval. The amendment I proposed to the committee would be to take section 605, subsection (c), of the present Maritime Act, and insert it in the bill in lieu of other language which would control the approval of applications. That language follows:

> (c) No contract shall be made under this title with respect to a vessel to be operated on a service, route, or line served by citizens of the United States which would be in addition to the existing service, or services, unless the Commission shall determine after proper hearing of all parties that the service already provided by vessels of United States registry in such service, route, or line is inadequate, and that in the accomplishment of the purposes and policy of this act additional vessels should be operated thereon; and no contract shall be made with respect to a vessel operated or to be operated in a service, route, or line served by two or more citizens of the United States with vessels of United States registry, if the Commission shall determine the effect of such a contract would be to give undue advantage or be unduly prejudicial, as between citizens of the United States, in the operation of vessels in competitive services, routes, or lines, unless following public hearing, due notice of which shall be given to each line serving the route, the Commission shall find that it is necessary to enter into such contract in order to provide adequate service by vessels of United States registry. The Commission, in determining for the purposes of this section whether services are competitive, shall take into consideration the type, size, and speed of the vessels employed, whether passenger or cargo, or combination passenger and cargo, vessels, the ports or ranges between which they run, the character of cargo carried, and such other facts as it may deem proper.

This language will absolutely protect the present operators and no one would be able to get a loan unless business absolutely justified the operation of additional vessels.

Hon. Joseph B. Weaver, whose testimony I referred to in my statement before the committee, appeared as a witness and discussed the matter at length, strongly endorsing the bill. His testimony was very interesting and to the point. He said in part:

> In the first place, the class of ships we are talking about in this bill handle about 200,000,000 of our passengers, or 80 percent of the people who travel by water are covered by the class of ships included in this bill.
>
> Now, referring to the strictly inland-water carriers, passenger service, they have a total number of vessels of 944, and of that number, 413 are of wood construction; the balance have steel hulls and a very few of them have steel superstructures.
>
> As to the ages of those vessels, of those under 5 years there are 52; between 5 and 10 years, 125; between 10 and 15 years, 108; between 15 and 20 years, 63; over 20 years, 591.
>
> The distribution of the vessels is as follows: East coast, 460; midwest rivers, 140; Great Lakes, 110; Gulf, 10; west coast, 200.
>
> That was the situation at the time this survey was made.
>
> Briefly, if this bill is enacted, I concur in the statement of Congressman COCHRAN that it will not cost the Government anything. The spread of employment throughout the country, both in construction of ships and in the operation of ships, will give jobs to many; also, in the shipbuilding business, if we go into a large shipbuilding program, there are not enough trained mechanics, and this would offer a means of training them throughout the country.
>
> The CHAIRMAN. In other words, this work would be done to a considerable extent in the smaller marine construction plants?
>
> Mr. WEAVER. Yes; this work would be largely done on the rivers and inland waters. And particularly in view of the fact that welding is coming into general use, I think this work will be spread all over the country, everywhere.
>
> The safety feature, of course, we are all familiar with.
>
> The CHAIRMAN. But it is a fact, is it not, Mr. Weaver, that the construction of ships or vessels of any kind usually creates a demand for supplies that are furnished in practically all of the States of the Union?
>
> Mr. WEAVER. Its effect goes everywhere.
>
> The CHAIRMAN. And in construction about 85 percent of the cost is labor, as I recall?
>
> Mr. WEAVER. I think, in the ultimate analysis, 80 percent of the money spent for building a ship goes into labor. And that, of course, is spread everywhere.
>
> Mr. O'LEARY. How much additional work, in your opinion, would be created by this legislation?
>
> Mr. WEAVER. I think approximately $100,000,000 worth of work would be started quite soon.
>
> One of the reasons steamship lines are unable to replace their equipment is the fact that had they amortized their old ships, due to the increase in the cost of vessels, there would not be funds available at the moment to replace their equipment, and they have to go out and get outside money. For example, some tankers were constructed in 1910 for around $85 a dead-weight ton. At the present moment the price ranges between $140 and $165 per dead-weight ton, so that there is not enough money in the depreciation reserve to replace those ships at the present time.
>
> The CHAIRMAN. May I ask, have you considered the benefit to unemployment, the spread of work? And I will ask you also to discuss the element of national defense entering into the construction of these ships, or the existence of ships of this kind.
>
> Mr. WEAVER. In the first place, there will be a great deal of work afforded to the steel mills, where the raw materials come from, and the manufacturers of Diesel engines, because a large number of these ships will be Diesel-powered. Then at the assembly yards where the vessels are built I think there will be an increase of tonnage and not only in replacement which will give more employment to personnel. The men trained in many of these services on the lakes, bays, and sounds are just the kind of men who make very good seamen. I think from that standpoint and the wide spread of this industry all over the United States, in every section, it is going to do a great job in increasing employment.
>
> Another thing: In the smaller communities, for example, along the Ohio River, there are many places where they now build small vessels—for instance, Dravo at Pittsburgh builds small vessels—and it gets our interior citizens more familiar with water problems and water transportation.
>
> The CHAIRMAN. Are any of these vessels, the construction of which is contemplated, susceptible for use for naval auxiliaries or in aid to the Navy?
>
> Mr. WEAVER. I think a great many of them would be useful for mine sweepers. We took just a boat as the *City of Baltimore*, two of them, in fact, and put in fresh-water tanks and did some other things to make them seaworthy, and they were used to transport troops from Calais to Dover. I think it would have a great effect in case of war, because the vessels would be new, and if they are built under the regulations which the Bureau has established they will be properly subdivided, in addition to being fireproof, so that the damage from being torpedoed, or gunfire, would not be as serious and would not sink the vessel as quickly as it would the ones that now exist.
>
> The CHAIRMAN. Is it not a fact that during the war a large number of fishing vessels, trawlers, and menhaden vessels were taken over by the Government for mine-laying or mine-sweeping purposes?
>
> Mr. WEAVER. Yes, sir; a great many of them were. A great many tugs were taken over for various purposes; and, if you will note,

this bill would permit the guaranteeing of mortgages on tugs, towboats, barges, and fishing vessels wherever the project was sound.

The following is a copy of the testimony of Mr. Weaver before the House Appropriations Committee on Department of Commerce appropriation bill for 1938:

MEMORANDUM RELATIVE TO PASSENGER VESSELS PLYING ON INLAND WATERS OF THE UNITED STATES

It is recommended that consideration be given to the setting aside of a construction fund from $150,000,000 to $200,000,000 for the purpose of lending to operators of this class of vessel sufficient moneys to enable them to reconstruct or build new tonnage.

The arguments for the lending of these funds may be briefly summarized as follows:

1. It would be possible to select operators of such responsibility that it would reasonably assure the self-liquidation of these loans.

2. A building and reconstruction program as contemplated would widely distribute the moneys involved over many sections of the United States and would assist many small communities and small shipyards in furnishing employment.

3. If the equipment of these operators were modernized by the building of efficient units, particularly designed for the specific service, the industries as a whole would be placed on a better basis and undoubtedly our inland waterways would be more fully utilized.

4. Most of the vessels in these services are lacking in proper subdivision, stability in damaged condition, and are of the most inflammable type of construction. The replacing of these vessels by modern fireproof ships would make passenger transportation infinitely more safe than at present.

5. The replacing of our excursion steamers with properly constructed fireproof vessels would remove one of the greatest concentrated hazards that we have on our inland waterways.

The following is a brief summary of the condition of our fleet:

Grand total of passenger vessels over 50 gross tons plying on rivers, harbors, bays, and sounds of the United States	944
Wood	413
Steel	531
Total	944
Under 5 years old	52
5 to 10	125
10 to 15	108
15 to 20	68
Over 20 years old	591
Total	944
East coast	484
Midwest rivers	140
Great Lakes	110
Gulf	10
West coast (including Alaska and Hawaii)	200
Total	944
Gross tonnage	740,841

All of the foregoing indicate that the vessels of the industry are to a large extent so old that the industry is not on a modernized basis. It is a fact that old vessels are not efficient and not attractive to the traveling public. They lack toilet facilities, bathrooms, and the restaurant or hotel features are almost universally unsatisfactory.

Vessels of wood construction cannot be made fireproof, therefore, such vessels must be replaced with steel hulls and fireproof superstructures.

It is a certainty that vessels over 20 years of age are obsolete from all standpoints, and that only in exceptional cases can vessels of this age be reconstructed to secure a satisfactory result. The majority of these vessels should be scrapped and replaced with new construction.

It must be assumed that at least 70 percent of the vessels between 10 and 20 years of age are unfit for reconstruction. These will probably have to be replaced with new tonnage properly designed.

It is also safe to assume that of the remaining vessels at least one-half should be reconstructed.

In general, it is believed that the traveling public can be induced to use our water transportation system if the equipment is modernized. At the present time, when good roads are prevalent, it is necessary to offer to the traveling public transportation services so attractive that some of the patronage may be diverted from the automobile. It has been developed that transportation of automobiles on passenger steamers without charge on certain routes has materially increased the traffic.

It is therefore believed that a general reconstruction program will be of great assistance to this industry by increasing the efficiency of the units, by providing equipment designed for special services, and by eliminating any apprehension of the traveling public as to the safety of the vessels.

Many of the ferries throughout our country are old vessels and are of inflammable construction. The replacing of these vessels with modern equipment would greatly increase net operating revenue.

New rules and regulations which have just been promulgated by the Board of Supervising Inspectors will require almost complete rebuilding of this class of vessel to secure proper buoyancy and eliminate fire risks. It is feared that only a few of the operators have sufficient resources to do this work, and if these rules are enforced as they should be, we are facing a rather serious curtailment of this class of facility.

Referring again to excursion steamers, which are almost universally of the type which would sink rapidly in event of collision, and would likewise burn with great rapidity in the event fire got beyond control, it is felt that sooner or later we may look for a recurrence of the *Slocum* disaster, in which there were 800 lives lost. Particular attention is drawn to the fact that this accident occurred in or near Hell Gate, N. Y., where the density of the traffic is heavy and where it is possible to concentrate fire boats, tugs, and other craft for the assistance of stricken vessels. Had this accident occurred in a more remote location, it is probable the loss of life would have been terrific.

Many of these vessels are permitted to carry over 3,000 passengers.

The bill was endorsed in telegrams and letters by operators of vessels throughout the country, as well as boards of trade and chambers of commerce. I feel confident that when the bill is perfected in January it will be unanimously endorsed. If the Government can advance money to shipowners whose vessels go to foreign countries, how can there be any objection to a law where the credit of the Government will be back of a mortgage that insurance companies and financial institutions other than banks will be eager to accept?

The Work of the Ways and Means Committee During the "Do-Nothing" Session

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

THE "DO-NOTHING" SESSION

Mr. TREADWAY. Mr. Speaker, never in all my experience as a Member of the House, extending over a quarter of a century, have I seen the equal of the present "do-nothing" session in the way of lack of accomplishments. We have been here now for nearly 8 months—much longer than usual—yet we have very little to show for the time we have put in. It is clear that the Democratic leadership has broken down.

One nationally known news commentator stated that the first session of the Seventy-fifth Congress constituted "the most tragic failure in 50 years", and added that the administration and the Congress "cannot justly claim a single major achievement" in the way of legislation to assist economic recovery. An able Washington commentator gave it as his opinion that the past session "comes to as colorless and drab an end as any in the memory of man now living", adding that if it goes down in history, "it will not be because of its accomplishments" but "because of the things it did not do."

The session was slow in getting under way, due to the inaugural ceremonies on January 20, which launched the present occupant of the White House upon his second and last term. Congress simply marked time until after the inauguration, as the Democratic leaders were awaiting their orders, which they expected would be laid down in the President's inaugural message. However, it developed that the message contained nothing in the way of a constructive program, and the Democratic majority still did not know which way to turn.

On February 5 the President sent to Congress a surprise message which threw a bombshell into the legislative machinery and completely overshadowed the pressing issues of the day. It constituted the high light of the session. I

refer, of course, to his message seeking authority to "pack" the Supreme Court by the appointment of six additional Justices who could be counted on to uphold the legislation passed in response to his demands, regardless of any doubts, however reasonable, as to its constitutionality.

The President's Court proposal was an attack on the very foundation of our Government. It would have completely destroyed the independence of the judiciary and upset our constitutional system of checks and balances by giving the President personal control over the Court of last resort. By virtue of the dominance which he already exercises over the legislative branch, this virtually would have meant the centralization of all governmental powers in the White House.

The country was not long in awaking to the dangers involved in this bold scheme. The masses of the people were aroused as only fundamental issues can arouse them. Opposition came from every section of the country, from persons in all walks of life, of all races and creeds, and of all political parties. Many of the President's staunchest supporters stamped themselves as statesmen of the first rank by putting country above party and doing all in their power to save our constitutional system from threatened destruction.

The adverse report of the Senate Judiciary Committee on the Supreme Court bill, which was signed by seven of the Democratic members and all three of the Republican members, completely blasted every argument advanced by the President in support of his plan, and pointed to the threat to constitutional government which it involved.

As a result of the overwhelming opposition of the people, the adverse report of the Senate Judiciary Committee, as well as certain events which swayed lukewarm supporters of the plan to the ranks of the opposition—namely, the Supreme Court's decisions upholding the Social Security and Labor Relations Acts, the resignation of Mr. Justice Van Devanter, and the death of the Senate majority leader—the Supreme Court bill never came to a vote in the other body. It was quietly embalmed by recommital to the Senate Judiciary Committee and a substitute bill was passed which provided for certain reforms in judicial procedure in the lower Federal courts.

With the President's Supreme Court plan out of the way, the legislative situation was somewhat cleared, although there still was no program of action. It was not until the President laid down his "must list" of legislation which he desired enacted that Congress got down to work and pointed toward adjournment. These must measures were, first, wage and hour legislation; second, a farm-surplus control bill; third, a housing bill; fourth, the sugar-control bill; and, fifth, a bill to plug existing loopholes in the tax law. Only the last three of these measures were enacted. The wage and hour legislation struck a snag in the House Rules Committee, where it was impossible for the administration to secure sufficient votes to report out a rule for its consideration, and action on the farm bill was postponed until next session.

WORK OF WAYS AND MEANS COMMITTEE

It is now my purpose to discuss briefly the work of the Ways and Means Committee during the present session. The same epithet, "do nothing", which I have applied to the present session of Congress can also be applied to the Ways and Means Committee, at least up to the time it considered the tax bill. In 8 months we have accomplished very little. The situation is absolutely unprecedented in my 20 years' service on the committee. Of course, it can probably be shown that we considered a large number of bills, but they were mostly very minor in importance. Even the bills which might be called major legislation were mostly extension resolutions, such as those to extend the Reciprocal Tariff Act and the nuisance taxes. The bill to regulate the bituminous-coal industry, which was reported and passed early in the session, was simply a revival of a bill which the committee reported out at the last session and which failed of action in the Senate due to adjournment. Likewise the revised Railroad Retirement Act that was considered took the place of the act already on the statute books and only modified it in minor details. The Customs Administrative Act and the bill to discourage tax avoidance were simply amendatory of existing law. Virtually the only new bill which came under the heading of major legislation was the bill to regulate traffic in the narcotic drug known as marihuana. I shall refer briefly to each of these measures.

EXTENSION OF RECIPROCAL TARIFF ACT

The Committee on Ways and Means sat with folded hands until January 21, the day after inauguration, when it began hearings on the resolution to extend the Reciprocal Tariff Act for a further period of 3 years.

This measure was vigorously opposed by the Republican minority when it was originally enacted in 1934. Our criticisms of the proposal at that time have been amply borne out as a result of the first 3 years' operation of the act. Hence we were fully justified in opposing the extension measure. In addition to challenging the validity of the statute in granting the Executive the discretionary power to reduce tariff duties under trade treaties with foreign countries we said that it was simply an ingenious method for piecemeal destruction of the protection afforded American agriculture, industry, and labor by the 1930 Tariff Act. We further said that the export trade we might gain as a result of the proposed trade treaties would not offset the increased imports which would result, which would displace the products of American farms and factories.

Some 16 trade treaties have been entered into to date, under which the duties on a long list of agricultural and manufactured products have been reduced without reference to the difference in foreign and domestic production costs. The concessions which have been granted by us to treaty countries have been gratuitously extended to all other countries of the world save two—Germany and Australia. Let us see what has happened as a result of the administration's foreign-trade and tariff policies:

Since 1934, when the Reciprocal Tariff Act became effective, through 1936, our exports to foreign countries increased from $2,133,000,000 to $2,456,000,000, or by 15 percent. The administration contends that a large part of this increase is due to the trade treaties that have been entered into. Of course, it is not possible to tell how much of an increase would have resulted if the trade-treaty legislation had not been passed. Our trade with nontreaty countries also showed a healthy increase. But suffice it to say that in the 2-year period prior to the enactment of the Reciprocal Tariff Act our exports increased $1,611,000,000 to $2,133,000,000, or by nearly one-third.

Now, let us compare the increase in imports under the operation of the trade treaties. As distinguished from the increase in exports, the increase in imports may be attributed more largely to the trade treaties by reason of the fact that practically the whole world gets the benefit of the duty reductions made by us thereunder, whereas our exports are benefited only by the concessions from the 16 treaty countries.

Here are the figures on the increase in imports since the trade-treaty legislation went into effect: From 1934 to 1936 our imports increased from $1,655,000,000 to $2,422,000,000, or by 46 percent. This, of course, is to be compared with the 15-percent increase in exports in the same period.

Whereas prior to the trade-treaty legislation our exports were increasing faster than our imports, the situation was reversed after the act came into operation. The fact that from 1934 to 1936 our exports increased only $323,000,000, as compared with a $767,000,000 increase in imports, conclusively shows that these trade treaties have resulted to the detriment of this country, and that we are giving up much more of the domestic market than we are gaining of the foreign market.

As a consequence of the accelerated increase in imports, and the diminished increase in exports, our country has shifted from an export nation to an import nation. In 1934 we had a favorable balance of trade of $478,000,000. By

1935 it had declined to $235,000,000. Last year the excess of exports over imports was only $34,000,000. But mark this: In the first 6 months of 1937 we actually had an adverse balance of trade, or excess of imports over exports, amounting to $147,000,000. This is the first time in nearly half a century that we have had an unfavorable balance of trade. If any greater proof is needed of the fact that the trade treaty program is selling this country "down the river", I do not know where to find it.

It is probably true that some isolated cases may be found where certain American industries engaged in the export trade may have benefited by reason of these trade treaties, but their small gain is completely overshadowed by the great loss to other industries. The American farmer was supposed to be one of the chief beneficiaries of the trade-treaty legislation, but I note that, according to official figures published by the Department of Agriculture, farm exports declined 5 percent in value and 10 percent in quantity last year while farm imports were increasing 18 percent. This makes clear the point which I have just stated.

The danger that lies in the administration's tariff policy is at once apparent when we consider the legislation that has been passed in the last few years, and which is likely to be passed, which has and will have the effect of increasing domestic production costs. The Social Security Act and the wage and hour bill are two measures of this character. When we increase production costs at home, we increase at the same time the cost advantage which the foreign producer already has and we thereby make it necessary to raise, rather than reduce, existing tariffs. The obvious conflict between our internal and foreign trade policies is suicidal. We cannot hope to successfully improve conditions here at home, or even maintain our present American living standards, unless the Republican principle of protection is restored to its full vigor.

BITUMINOUS COAL ACT

The next important measure to be taken up by the committee was the bill to set up a "little N. R. A." for the bituminous-coal industry. This bill took the place of a previous measure of the same general character which was invalidated by the Supreme Court, and was practically identical with the substitute measure which passed the House in the closing days of the previous session only to fail of action in the Senate.

The principal difference between the new measure and the invalidated act was in the omission of the provisions relating to wages and hours, which the Court had specifically held unconstitutional. The Court did not decide upon the validity of the price-fixing provisions but stated that nothing in its decision should be construed as indicating that these provisions, if separately enacted, could be sustained.

That is precisely what the revised bituminous-coal bill did. It revived the monopolistic price-fixing provisions of the invalidated act. A bituminous coal board of seven members was set up to regulate the industry in accordance with a code set forth in the act. The coal industry was given a working majority on the commission by reason of the provisions requiring two members to be former coal operators and two to be former coal-mine workers. Minimum prices are to be proposed by the bituminous-coal industry, subject to approval by the industry-controlled board, and recalcitrant coal operators are forced to submit to the code provisions, including the minimum prices, under penalty of a 19½-percent tax for failure to comply.

I was very much opposed to this bill, both in its original and revised form, because I felt, as stated in the minority views which I submitted with several of my Republican colleagues, that it was "unwholesome and not in accord with our American system of government to give special interests the monopolistic power to fix their own minimum prices which the public will be required to pay." The bill, however, was passed by both the House and Senate and approved by the President and is now the law of the land. I predict that its passage will be a signal for other special interests to seek similar price-fixing authority from the Government.

REGULATION OF TRAFFIC IN MARIHUANA

The next important bill to be considered by the committee was the measure to regulate traffic in marihuana, a habit-forming drug which is obtained from domestic hemp. This drug is widely used, especially among the younger element, in the form of crudely prepared cigarettes. Its influence is as deleterious as cocaine, heroin, and similar narcotics, and the testimony before the committee indicated that under its spell many serious crimes had been committed. I was glad to give my support to the bill as proposed by the Treasury Department, which sought to regulate and control the use of this drug in much the same way that the use of other drugs is regulated under the Harrison Narcotic Act.

EXTENSION OF NUISANCE TAXES

For the third time the present administration has extended the so-called nuisance taxes in violation of the pledge made to the American people when they were first imposed in 1932 that they would be allowed to expire at the end of 2 years. Over the protest of every Republican member of the committee, a resolution to continue these taxes until 1939 was reported out early in June. It passed the House by a party vote, and became a law shortly before the nuisance taxes would have expired on June 30.

These taxes constitute a burden of $650,000,000 annually on the people at large. They include the tax on moving-picture tickets, on gasoline, cosmetics and toilet articles, radios, mechanical refrigerators, matches, chewing gum, automobiles and accessories, cameras, sporting goods, furs, and many other things.

My views on this extension resolution are briefly set forth in the minority report which I signed along with my Republican colleagues on the committee. Following are some excerpts from those minority views:

These so-called "nuisance taxes" are all consumption taxes, which fall most heavily on the poor and those least able to pay. They are also discriminatory in that they apply to only certain selected items.

The fact should not be overlooked that the 3-cent rate on first-class postage, which is continued by the pending joint resolution, constitutes a tax to the extent that the revenues therefrom exceed the cost of carrying this class of mail. In the current fiscal year this "tax" on the American people is estimated to amount to $122,000,000.

* * * * * * *

The principal basis of our objection to the extension resolution is that we are absolutely opposed to the enactment of any new taxes, or the continuance of any of the nuisance taxes, until the administration has first made an honest and sincere effort to reduce expenditures by the elimination of extravagance and waste. * * * We repeat that we are in favor of a balanced Budget, but we feel that in the interest of the already overburdened taxpayers, especially those of small means, it should be balanced by reducing expenditures and not wholly by taxation.

AMENDMENT OF RAILROAD RETIREMENT ACT

In 1935 Congress passed two separate acts to take the place of the original Railroad Retirement Act which was invalidated by the Supreme Court. One of these acts set up the benefits that would be paid, and the other levied the necessary taxes on railroads and their employees to pay the benefits provided.

This revised retirement law was also challenged in the courts, and the United States Court for the District of Columbia granted an injunction restraining the collection of the tax. In the meantime, however, the railroads and their employees got together with representatives of the Railroad Retirement Board and devised a substitute measure which was satisfactory to all. Upon condition that this compromise bill be enacted into law, the railroads agreed to withdraw their injunction suit against the existing act.

In June the Ways and Means Committee reported out the compromise tax measure, which substituted for the flat tax of 3½ percent on both the railroads and their employees a graduated tax running from 2¾ percent during 1937, 1938, and 1939, and increasing by one-fourth of 1 percent every 3 years until the maximum of 3¾ percent on each is reached in 1949 and subsequent years. Revisions were also made in the companion measure which provided the retirement benefits, which was considered by the Committee on Interstate and Foreign Commerce. I was glad to give my support to both these bills.

CUSTOMS ADMINISTRATIVE BILL

At the request of the Treasury Department, a majority of the committee reported out the customs administrative bill, which revises a large part of the administrative provisions of the Tariff Act of 1930.

The bill contains some good features and a few bad features. The bad features, in my opinion, are those sections breaking down the present requirements relative to the marking of imported articles with the country of origin and nullifying the right of American producers to protest the rate of duty being assessed against imported merchandise where they deem a higher rate to be required by law.

By reason of these two provisions this measure may properly be termed an "importers' bill." It certainly is not in the interest of American agriculture, industry, and labor. Rather it "greases the skids" so that foreign goods may flow into our markets more readily and more easily. While it changes no rates of duty, it does destroy the effect of the two provisions of law to which I have referred, which were set up for the benefit and protection of American producers and consumers.

The administration apparently is not satisfied with having flooded the home market with foreign imports under the trade treaties that have been negotiated. This measure further encourages imports without in any way benefiting our export trade. Although it has passed the House, I am glad to say that action on it came in the closing hours of the session, when it was too late for the Senate to give the bill consideration. Of course, it still retains its legislative status and may possibly be given consideration by the Senate at the next session.

REVENUE BILL OF 1937

The last major piece of legislation to be given consideration by the Ways and Means Committee was the revenue bill of 1937, which was passed in response to the President's message on tax evasion and avoidance.

I have only recently expressed my views in favor of this measure insofar as it went, and there is no need to say much more in reference to it.

No one could very well take a stand in favor of tax dodging. It was no surprise, therefore, that the bill passed the House without a single dissenting vote.

In supporting the bill I did so with a full realization that it was only a partial remedy for tax avoidance. It failed to cover several well-known tax loopholes, including the greatest one of all—tax-exempt securities. It is idle to try to catch the tax dodger by making it unprofitable for him to continue to operate a personal holding company when he can take his money and put it in tax-exempt securities and not pay a red cent of taxes to State or Nation.

One notorious method of tax avoidance to which I have called attention for years is the system of law which prevails in the eight so-called community-property States, in which each spouse is deemed to be the owner of one-half the income and property of the other. This enables a man living in one of those 8 States to split up his income with his wife and thereby come under lower brackets of the surtax, resulting in a saving of as much as 43 percent of his taxes, as compared with what he would have to pay the Federal Government if he lived in one of the 40 States which do not have this system of community property. This method of tax avoidance results in a gross discrimination against citizens living in the great majority of the States, and causes them to pay a higher tax than they would otherwise have to pay if the citizens of these eight States paid their proper share of the Federal tax burden.

The President, in his message on tax avoidance, called attention to this condition and recommended that action be taken to equalize the tax burden among all the 48 States. Consideration of the subject was deferred, however, until next session along with certain other items of a controversial nature.

COMMITTEE FAILED TO TAKE UP AMENDMENTS TO UNDISTRIBUTED PROFITS TAX

Although there was ample time to do so, I was very much disappointed that the committee failed to take up the question of amending the undistributed profits tax during the present session. It will be recalled that when this measure was under consideration last year the Republican minority on the committee filed opposing views, in which we pointed out that the proposed tax was unsound in principle and that it would discourage the accumulation of necessary reserves, restrict business rehabilitation and expansion, hamper the growth of small enterprises, oppress businesses burdened with debt and in a weakened financial condition, and otherwise interfere with sound business management. We further stated that we were certain that the Democratic majority were "whipped" into acceptance of this iniquitous and unsound measure "against their better judgment."

It now turns out that the act was just as bad as we had painted it, if not somewhat worse. Such eminent administration leaders as Hon. Jesse Jones, Chairman of the Reconstruction Finance Corporation, and Hon. Joseph Kennedy, former Chairman of the Securities and Exchange Commission, have candidly admitted that the act is bad in principle and ought to be drastically amended. Members of Congress are beginning to hear from businessmen, who are demanding that the act be changed to avoid the consequences which the Republican minority on the Ways and Means Committee pointed out when the bill was under consideration. Even the chairman of the Ways and Means Committee, in a speech before the North Carolina Merchants Association on June 7, 1937, was forced to concede that a number of drastic amendments ought to be made.

I am glad to note in the speech just referred to these words:

> Careful studies are being made on these and other possible reforms, and we are hopeful that an equitable solution can be worked out to take care of these problems in the near future.

There is no reason why the Ways and Means Committee should not have taken some action along these lines at the present session. I discussed the need for action in a speech last April. If relief does not come soon it will be too late to do any good in some cases. In my opinion, the drastic amendment of the undistributed-profits tax ought to be the first order of business before the Ways and Means Committee at the next session.

COMMITTEE ALSO FAILED TO ACT ON AMENDMENTS TO SOCIAL SECURITY ACT

Toward the close of the previous session the Social Security Board submitted to the Ways and Means Committee a number of proposed amendments to the act upon which it desired action. However, due in part to the lack of time, but mostly to a private squabble between the Democratic members of the committee and the members of the Board over patronage, no action was taken.

Early in the present session the Board resubmitted its recommendations to the committee, but the chairman carried them around in his pocket during the entire session, and they were not even made known to the minority members. Whether this was due to a continuance of the differences between the majority members of the committee and the Board I do not know, but certainly it was not due to lack of opportunity to act upon them.

The Social Security Act is now a settled national policy. It has been upheld in the courts. But it must be admitted by all that it was passed in haste and is in need of many perfecting amendments, particularly as regards the huge reserve fund that is being built up, which some day will aggregate $50,000,000,000.

Early in the session the Republican members of the committee attempted to have a hearing scheduled on proposed amendments to the old-age pension provisions of the act,

including substitutes therefor, but the majority members of the committee refused to fix a time for such hearings. Numerous bills of this character were pending before the committee, and the Republican members took the position that those who introduced them, as well as people throughout the country who desired to testify in support of them, should not be denied an opportunity to be heard.

THE BUDGETARY SITUATION

Mr. Speaker, ever since the present occupant of the White House was first a candidate for President in 1932 he has been making promises to balance the Budget, which never have been fulfilled.

In the campaign of 1932 he said he would balance the Budget by drastically reducing expenditures. Instead he drastically increased expenditures the first year he was in office from around five billions annually to seven billions. The result was that in the fiscal year ending June 30, 1934, we had a deficit of $3,989,000,000, or nearly a billion greater than the year before, in spite of a billion-dollar increase in tax receipts.

In his economy message of March 10, 1933, the President said that there was—

> Reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures.

I have already shown that at the end of the fiscal year 1934 there was a staggering deficit.

In his Budget message in January 1934 the President realized he would not be able to make good on the promise he had previously made, so he postponed Budget balancing 2 years, saying that the Government—

> Should plan to bring its 1936 expenditures, including recovery and relief, within the revenues expected in the fiscal year 1936.

It was well the President postponed the date for a balanced Budget 2 years, because the fiscal year 1935 closed with a deficit of $3,575,000,000 in spite of an increase in receipts of approximately $700,000,000.

Even before the fiscal year 1936 rolled around the President again realized that he would not be able to make good on his promise. In his Budget message of January 1935 he said that—

> We have not yet reached a point at which a complete balance of the Budget is possible.

It will be recalled that the fiscal year 1936 closed with an unprecedented peacetime deficit of $4,764,000,000, despite an increase in receipts of some $300,000,000.

In his Budget message of January 1936 the President refrained from making any definite statement on Budget balancing. He simply said:

> We approach a balance of the National Budget.

Again it was well that the President made no definite commitment because the fiscal year 1937 closed with a deficit of $2,811,000,000, in spite of a billion-dollar increase in receipts over the previous year.

Now we come to the President's Budget statements made during the present session. In January, in presenting his Budget message, he said:

> The 1938 Budget is in balance.

That was welcome news to those of us who have been waiting for several years to have the President make good on his promise to accomplish this much-to-be-desired result. But, alas, 3½ months after making this statement, he sent to Congress another message in which he estimated a net deficit of $418,000,000 in the fiscal year ending June 30, 1938, in spite of an estimated increase in receipts over the previous year amounting to $1,600,000,000.

Mr. Speaker, only 52 days of the fiscal year 1938 have passed, and during that time I find, according to the daily statement of the Treasury for August 21, that we already have a deficit of $331,000,000, or approximately 80 percent of the total estimated by the President for the entire year. If the present rate of spending keeps up, the 1938 deficit will more than likely be in the neighborhood of $2,500,000,000. Again the President will have failed to make good on his estimates and promises.

There is no mystery whatever about the President's failure to balance the Budget. Of course, we naturally wonder, when we see the tax load increased year by year, why we do not reach the point where expenditures will balance receipts. But if we will just look at the Budget figures we will soon see where the trouble lies.

Here are the receipts for the fiscal years 1932 to 1937, and the estimated receipts for 1938:

Receipts

Fiscal year—	
1932	$2,005,725,437.14
1933	2,079,696,741.76
1934	3,115,554,049.53
1935	3,800,467,201.96
1936	4,115,956,615.13
1937	5,293,840,236.87
1938 (estimated)	6,906,000,000.00

It will be seen from these figures that receipts by the end of the current fiscal year will have increased nearly five billions over 1933 and some two billions over the expenditures for that year, as shown in the following table, which also covers the period from 1932 to 1938:

Expenditures

Fiscal year—	
1932	$5,153,644,894.68
1933	5,142,953,626.61
1934	7,105,050,084.95
1935	7,375,825,165.57
1936	8,879,798,257.61
1937	8,105,158,547.47
1938 (estimated)	7,324,000,000.00

The estimate for expenditures in 1938 is that submitted by the President in his message to Congress of last April. It does not take into consideration all appropriations made by Congress since that time, which will raise the total considerably.

In examining the figures on expenditures we find that the President, instead of reducing expenditures 25 percent below the 1932 and 1933 amounts, as promised, has increased them by two to three billions of dollars, or from 40 to 60 percent. That is why the rising tax bill which the people of the Nation are forced to pay does not balance the extravagant expenditures made by the present administration. Trying to balance the Budget under these circumstances is as hopeless as a dog trying to catch its tail. It illustrates what I have repeatedly said, that we must reduce expenditures if we ever expect to have a balanced Budget without at the same time imposing a tax load so great that it would absolutely crush the people and make it unprofitable to carry on business.

If the President had carried out his promise to reduce expenditures by 25 percent below the 1933 figure we would now have a large surplus in the Treasury and be paying off the national debt at the rate of about $2,000,000,000 a year instead of adding to the debt at the rate of three or four billions annually.

Of course, I realize that with all the demands now being made on the Government we probably can never go back to the days when our expenditures were less than five billions. But even at the five-billion figure we still would be raising more taxes than we need to carry on the Government.

Mr. Speaker, I do not expect to see a balanced budget as long as the present spendthrift administration is in office. I sincerely hope I am mistaken; but if the past is any indication of the future, nothing could be more certain than that this happy event will not occur in that time. At any rate, even should the President succeed in balancing the Budget sometime between now and when he is replaced by a Republican President in 1941, his administration will have the blackest fiscal record in the peacetime history of any nation on earth.

In the first 4 fiscal years under the present administration we have had a series of deficits which aggregated

more than $15,000,000,000. The public debt has been increased from approximately twenty-one billions on March 3, 1933, to a present total of thirty-seven billions, or eleven billions in excess of the wartime peak. It is still on the increase, and the end is not yet in sight.

This raises the question of who is going to pay this colossal sum. The great masses of the people have been led to believe that they should have no worries concerning the expenditure of public money or the size of the national debt because, after all, "the wealthy are going to pay the bill." Of course, that is just plain poppycock. To prove this I need only cite the statement of the Democratic chairman of the Ways and Means Committee [Mr. DOUGHTON] which was made in the course of the speech to which I have previously referred. Here is what Mr. DOUGHTON says on this question:

> In recent years there has been considerable comment regarding "soak the rich" taxes. It is true that in our income and estate taxes the rates in the top brackets are high. Because of this the impression has been created and accentuated by those whose ends it will serve—

Meaning, apparently, the New Deal spendthrifts—

> that the ultra wealthy are paying the greater part of our taxes. This is far from true.

Then the gentleman from North Carolina goes on to say:

> Even if it were desired to lay the bulk of the tax burden upon their shoulders, it would be impossible to carry out such a plan for the fact is that there is not enough income from wealth in the top brackets alone to provide the necessary revenue even if it were all taken in taxes.

Note that: That even if all the income of the wealthy were taken, there still would not be enough. I continue with the quotation:

> It is obvious that the great middle class of American citizens is now bearing, and must continue to bear, the bulk of the tax burden.

Mark well those words: That the great middle class is now bearing, and must continue to bear, the bulk of the tax burden. That is what I have been preaching all along, and I am glad to know that the leading Democratic spokesman in the House on tax matters agrees with me. I would like to publish his words from the housetops, so that all may know that they have a direct interest in the amount of money their Government spends and in the amount it goes into the red. When the people at large come to realize that they are going to have to pay the bill for the New Deal's extravagance they will soon put an end to it.

CONCLUSION

Mr. Speaker, the events that have transpired during the present session of Congress demonstrate conclusively to my mind that the New Deal is losing the confidence and support of the people, including members of the President's own party in Congress. When an administration loses the support of its own partisans then it must be pretty clear that there is something wrong with it. Gradually the truth about what has been going on and where we are headed is unfolding. As Lincoln once said:

> I have faith in the people. Let them know the truth and the country is safe.

Industrial Expansion

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. VOORHIS. Mr. Speaker, Americans are all in the same boat. Either we will reach the coast of some fair land together or we will none of us reach it. Our national problem must be solved and none can run away from it.

The current battles against the slums and disease have brought home to us the fact that no groups among the population are safe so long as any group is allowed to live in misery. If the blight of unemployment falls on 8,000,000 families, it means less income not only for them but for the Nation as a whole. This is true for two reasons: First, because unemployed people produce no wealth and the Nation loses that much wealth which might have been produced; and second, because unemployed people have no buying power and hence other people can get less work and less wages.

Americans pride themselves on their resourcefulness. They have always done so. They have always solved their problems reasonably well when they went at them hard enough. The job of getting worth-while things done in the United States would, therefore, seem to be largely a job of persuading people of the desperate seriousness of a condition and of pointing out convincingly a way in which that condition can be changed.

MODERN CAUSE OF POVERTY

Most Americans are poor today. They do not need to be, but they are. Even in 1929, 40 percent of our families had incomes of less than $1,500. This was true in spite of the fact that in that year, according to the Report of the National Survey of Potential Product Capacity, $135,000,000,000 worth of goods and services could easily have been produced to meet America's need. It was true in spite of the fact that, according to the Brookings Institution report, none of our industries were working at more than 80-percent capacity in 1929.

And then came the depression!

During the years 1929 to 1933 the American people threw away somewhere between $200,000,000,000 and $287,000,000,000 worth of wealth—or failed to produce it when they could have produced it, which is the same thing. Had our power to produce been used at reasonable fullness in those years we would have produced somewhere between $125,000,000,000 and $138,000,000,000 of wealth each year, according to various authorities. Instead we produced only ninety-three billions in 1932 and seventy-six billions in 1933.

This is our great problem—the problem of nonproduction. Unemployment is the first result of it, and scarcity and poverty are the second and third. Idle machines, half-tilled fields, idle men who want to work, and needy families.

NEEDED CLOTHING, COTTON, AND RELIEF

For example, let us take the case of clothing. In 1929 we could have produced and our people needed to use about twice the quantity of clothing that actually was produced. This conclusion is reached by the National Survey of Potential Product Capacity after exhaustive and careful research.

One of our great problems in the United States is that of profitable disposal of the cotton crop. The most obvious answer to this problem is the production of more clothing for our own people. This cannot be effected, however, unless it can be demonstrated that additional buying power, properly distributed, will be in the hands of all the people. Hence the production of the clothing we need depends in turn on increased production and employment in housing, glass making, printing, and other industries. And the Industrial Expansion Act—to be described later—provides, therefore, for coordinated increase of production in all major industries.

Thoughtful people cannot help realizing that it is utterly unjust to pile all the burdens of the coming of the machine age, and our inability to adjust rapidly to it, upon the 20 percent of the people who are unemployed. That is exactly what we would be doing if we discontinued the W. P. A., the C. C. C. and other Government works programs. These programs are a recognition of the right of men and women to earn a living. Both have done an excellent job within the limits set for them. Both can and should be improved. But they cannot be regarded as America's answer to the unemployment problem.

Certainly that answer is not direct relief. We tried that, and the result was disastrous, economically and socially. A constructive Government-works program we should always have. But it is not a complete answer to the problem.

One thing that has been suggested and which is economically sound is to put the unemployed to work producing for their own needs. This, however, arouses bitter opposition (much of it based on misconceptions) and involves a tremendous governmental undertaking. Unless something of this sort is done, the expense of W. P. A., or something like it, must continue, for even the most optimistic among us dare not predict that we will ever have less than five or six million unemployed even at the height of the kind of prosperity which is possible under present circumstances.

Now, coming back to clothing and cotton again. We may say with perfect accuracy that because we do not clothe our children in America (nor, of course, our men and women, either) we are forced to subsidize our cotton farmers or see them ruined, and we are forced to continue a great program of Government work relief. And the other side of it is that if we determined the volume of our clothing production on need for clothing instead of on the present severely restricted ability of the people to buy it, and then saw to it that buying power with which to purchase the clothing was created by other production, then by clothing our people we could solve the problem of cotton and end the relief problem all at once.

Why, then do not we do it?

Why do we do exactly the opposite of the sensible thing?

Briefly, the reason seems to be that Americans have learned to think almost exclusively in terms of the welfare and dollar income of the individual producers, and seldom, if ever, think in terms of the welfare of all producers or of the people as consumers.

THE NATURE OF MANKIND

But we should not and need not despair. These things cannot continue. Our refusal to feed and clothe and house our children must give way to forces that have moved mankind through the centuries. These forces have their roots in the stuff of life itself. They are held in leash now only by lack of understanding on the part of the people.

To give that understanding is the task of leadership today.

Not even in a despotism, and much less in a democracy, can any legislation be long enforced which runs contrary to and violates primary human instincts. These instincts are self-preservation, which includes all that has to do with access to and mastery over the physical necessities of life; race preservation, which embraces mating, reproduction, and the rearing of offspring; and the instinct to push ever outward the horizons of knowledge, which include exploration, experimentation, education, and modern science. These primal instincts are far older than man-made laws and stronger than any sort of police powers. They are so deeply buried in the inner core of being that no religion has ever been able to dominate them, no legislation has been crafty or drastic enough to turn many for any length of time from life's destined way, and no dictator or tyrant has ever been able to seize enough power to bend and shape these instincts of the people to his will.

Quite as true as the fact that throughout all the ages mankind has been dominated and motivated by the inner core of primal instincts—self-preservation, race continuation, and the extension of intellectual horizons—is the fact that it has also been gripped by one common fear shared by all men, the fear of scarcity. Self cannot be preserved, the race cannot be propagated, and horizons cannot be extended if scarcity denies access to the necessities of life. So all down the ages scarcity has been the demon that lay in wait to devour man, and abundance has been the dream that lured him on.

Back of every step in that long, weary, blood-washed march of social evolution has been the driving force of mankind's longing to escape want and scarcity and achieve plenty and security. It has been the driving force back of every migration since the day Cain traveled over to the land of Nod to find himself a wife and a new home down to the last wheezing flivver carrying a Dust Bowl refugees to the Pacific coast. It led our savage ancestors to face the terrors of the unknown to find better hunting and fishing to provide more and better food, skins for clothing, and caves for shelter. It was the fear of scarcity and the hunger for plenty that herded the flocks and furled the tents and spread the sails of nomads and adventurers until they scattered all over the earth. It was this fear and this dream that led our ancestors across Asia, across Europe, across the Atlantic, across America to the shores of the Pacific, which is the end of the trail for western migration.

It was the deadly fear of want and the insatiable hunger for some measure of abundance and security that made man a tool-using animal. It has driven him forward along that way of life from a stone tied with a tendon thong to the shinbone of a wild animal or a dead enemy to be used as a club all the way down to the turning on of the turbines at Norris Dam. It has been this fear and this dream that has illuminated brains and guided the hands of all the inventors who have added to our heritage of machinery.

It was the fear of want and the hunger for abundance that has made man the most unconquerable and adaptable of all animals and given him the power to bend and shape environment to his needs. This fear and this hunger sent him forth to freeze in the Arctic Circle, to stew in the Tropics, to bake in the desert, and to muck in the swamp, to scale mountains, and burrow like moles in the bowels of the earth. They spurred him on to endure stress and strain, hardships and privations, to live in misery, die in agony, and scatter his bleaching bones to the four winds.

THE PROBLEM IS ONE OF UNDERSTANDING

No one will question the accuracy of these pictures of the struggles of mankind. The main problem in America, therefore, becomes one of waking up the American people, of all groups and classes, to a full realization that they are permitting themselves and their children to be in want by deliberate neglect, and that the sane, sensible governmental action which they are failing to take today is action so essential to the very preservation of life itself, that to neglect it much longer may well be to invite the slow destruction of our civilization, if not of our race. And the task of leadership, again, is to see to it that when this awakening takes place it results in constructive action and a strengthening of democracy.

Certain it is that the only reason we permit this practice of refusal to produce—or nonproduction—to go on is because we do not recognize the disastrous effect of what we are doing. It does not, unfortunately, sound ridiculous to us to say what obviously is true, namely, that we are today permitting production to be limited to the amount of goods that can be exchanged for money by the producer. But let us analyze this practice and see what it leads to, for it is at the root of our trouble.

HOW AND WHY PRODUCTION IS RESTRICTED

Manufacturers, processors, and other producers turn out goods today only when they believe that people with dollars are ready to buy them. And people only receive dollars by receiving wages or some other return from previous production. In no other way is real purchasing power created. The dollars themselves, of course, are not wealth. But they rule our lives. When small amounts of purchasing power are distributed, therefore, either because of small production or because a few people keep an inordinately large share of the purchasing power, we find our producers reducing production to meet what is called "effective demand." But clearly, for the people as a whole, what is needed under such circumstances is to increase production and improve the distribution of the income from it, which in turn would make more production possible.

But each individual producer sees a different picture. He believes that if his particular product can be made scarce and its price kept high, then he will get more dollars and be better off. If other producers do not do what he is doing, if they go on producing plenteously, as our farmers have done for so long, then this producer who restricts his output will be right in thinking that he or his corporation will benefit from short production and high prices.

If, however, all other producers follow suit and also reduce and raise prices, the advantage to the first producer is more than canceled and the only result is an impoverishment of the Nation.

In the second place, each individual producer is also an employer, and as such he largely controls the payment of wages. And wages make up 80 percent of all the buying power of the Nation with which the products of all employers are to be bought. Clearly it is to the advantage of employers generally if good wages are paid by all industry. But it seems to be to the advantage of the individual employer to cut wages wherever possible so his particular costs will be reduced. Otherwise, if competition is severe, he may be forced out of business. Thus the advantage of the individual producer and employer is to reduce his production, keep his prices high, and cut his costs by cutting wages. But the welfare of all society demands that just the opposite be done in all these cases.

Why have we made these terrible blunders? Because we have learned to think only in terms of dollars or token wealth, not in terms of real wealth, and because, as has been said, we look at our whole economic problem through the eyes of the individual producer instead of the eyes of producers as a whole, or consumers as a whole, or society as a whole.

EVEN THE GOVERNMENT HAS ENCOURAGED SCARCITY

The present problem is made the more severe because, apparently, we as a Nation have adopted the policy of encouraging scarcity which benefits the individual producer at the expense of the balance of society, instead of the policy of encouraging full production, for which, as has been described, the very nature of man cries out. Notable exceptions to this national policy are the Federal power policy—T. V. A.—the conservation program, and the attempts to prevent monopoly in those industries where real competition exists.

Few of us realize the roots of this problem or how far we have gone along this course. To quote Harold Loeb in the Report of the National Survey of Potential Product Capacity:

> What is not recognized, at least generally, is that contemporary business practice has been employing ways and means of arresting the free play of price. This has been occurring to an increasing extent for quite 100 years in the sphere of heavy and monopolistic industry. In 1932 the United States Government, recognizing the unfairness of permitting certain branches of industry to restrict production in order to maintain prices, while other branches, in particular, agriculture, were still subject to the full effects of the free and open market, intervened to correct the injustice. A Government agency made it possible for nearly all industry, through associations, to restrict production and thereby to control price, and another agency, by direct Government intervention, performed the same service for the farmers. Consequently the free play of price, at least in a downward direction, was arrested in practically all the leading branches of trade. This would seem to mean that the American people had established a device for artificially perpetuating the differential between buying power and product capacity for stabilizing, in other words, inflexible prices, limited profits, and general poverty.

HERE WE NEED TO USE OUR GOVERNMENT'S POWER

If the power of the State could be used to restrict production, why could it not be used to increase production?

Here indeed is a place for the use of the power of our Government. That power through all the ages has found its noblest expression in protecting the common, general interest of all the people. And the use of the power of the Government has been especially necessary in cases where the interest of special groups or individuals has been exerted contrary to the general welfare. And it has been most essential of all for governmental power to be exerted in the face of problems which individuals and special interests have been powerless to cope with. American producers are today caught in a vicious circle of nonproduction from which none can escape unless all escape. Clearly, all cannot escape without the aid and guidance of our Government.

This failure to produce in the face of poverty and need is a new problem. In past ages men have struggled against want, but they have at least struggled. Never before have they welcomed it, sought it, embraced it. No wonder great and terrible consequences have flowed from such unnatural action. No wonder millions are unemployed, millions more baffled, deeply worried, and disturbed. Something, clearly, must be done.

RESPONSIBILITY OF OWNERSHIP

There is no suggestion here that private property be done away with. There is, however, not only a suggestion but an insistent demand that the ownership of means of production must carry with it not merely the privilege of making profits but the responsibility for filling the Nation's need for goods and services. Every businessman, if he stops to think, knows that he himself desires to produce at capacity. Most of them would do so if it could be done without risk of bankruptcy. One or two of them cannot do it alone.

It is proposed, therefore, that our Government, in the name of all the people, say to each major industry: "You are expected to produce up to the limit of the people's needs, and in return for your so doing your Government will see to it that all other major industries do likewise, and that you are reasonably assured of a fair-profit market."

THE INDUSTRIAL EXPANSION ACT AND THE CRIME OF NONPRODUCTION

The industrial-expansion act is the first legislative measure ever introduced in Congress which frankly faces the fact that our main central problem is to end the crime of nonproduction. This crime is chargeable to no individual, unless it be the great monopolies which by freezing high prices started the vicious circle of scarcity on its way, but it is a crime nevertheless against needy and defenseless Americans. This act sees in the machine age a great opportunity, a great challenge, and a great danger. It seeks to put the new wine of technology into the new bottles of abundance. For unless that is done the old bottles of scarcity will surely burst.

ADJUSTMENT UP, NOT DOWN

Two wrongs cannot make a right; neither can five or six. The whole trouble starts because in many of our industries monopoly control exists to such an extent that the output of goods and services from those industries can be controlled and made scarce and the prices charged for them maintained at artificially high levels. This makes the Nation poorer and also takes purchasing power away from other industries. Forgetting that purchasing power is not really money but consists of wealth produced, we then have tried, in justice to the farmer, to enable him, too, to make his product scarce so he, too, could raise his prices. In relation to the unsound and harmful practices of industry this was comparatively a just move. But again the Nation as a whole became poorer. Human labor was then seen to be suffering lower and lower wages because it was "too plentiful." So hours were shortened and the W. P. A. started. These were just moves, but in part they were undertaken to make labor scarcer. And all this at a time when millions of Americans cried out for food and clothing and decent homes. The real solution for both the farmer and the worker is to have industry produce as abundantly as the farmer has done in the past.

Our present distribution of income is unjust and must be changed. Efforts to do this are all to the good. But be it said once and for all that fairer distribution of an artificial scarcity, fairer distribution of a decreasing or a standardized national income will not solve our problem by itself. Only full production can give us purchasing power. Only full production can give us food and clothing and shelter in sufficient quantity so that our people's needs will be satisfied. And only increased production will put our people back to work. We must have the increased production to make possible the increased wages which alone, in turn, can maintain a market for the goods which industry must put out in order to employ our unemployed people. The vicious circle must be broken, the downward spiral stopped.

THE CONCRETE PROPOSAL

This can only be done by the use of the power of our Government. That this is possible is proven by the fact that

the power of our Government has already been used to induce a scarcity. If this could be done, then obviously it is possible to change the direction in which Government power is to be directed and use it to induce increased production.

The Industrial Expansion Act presents these ideas in legislative form. It provides for the determination of the actual consumer needs for the products of our major industries. On the basis of these findings agreements are to be brought about among the producers in these industries which will provide for increased production up to the limit of consumer needs. Until a sufficient number of such agreements have been negotiated to insure a general increase in production none of them will be put into effect.

Such an increase in production will mean also new income to industry and the creation of new purchasing power. The act provides that this new purchasing power be divided as follows: Not more than 10 percent to increased profit and income to capital and management, and 90 percent to either increased wages or decreased prices, or a combination of the two. In other words, the new purchasing power, represented by new production, will be so distributed that it will support continuously the high level of production contemplated in the act. The means of enforcement is a processing tax of 25 percent on the value added to the product through manufacture, 95 percent of which tax is refundable to all units of industry which cooperate in this national effort by increasing their production and entering into the agreements described above. In addition to this, certain guaranties would be given by the Government to cooperating industries for the purchase of unsalable surpluses.

ECONOMIC SENSE

In a word, the Industrial Expansion Act proposes to reverse the present process of bringing about artificial scarcity and to base production upon human need instead of upon the ability of producers to extract a given money price from consumers. The act rests upon the economically sound thesis that production begets purchasing power instead of purchasing begetting production. It further rests upon the equally sound thesis that the way to make our producers prosperous is not by enabling them to limit production and raise prices, but by inducing them through agreements to make their money by selling a larger volume at a reduced price. This is clearly the only industrial method that accords with the machine age.

WHEN?

When will this Industrial Expansion Act be passed? When will America attack directly her great problem, namely, nonproduction of the wealth her people need? Probably not at once. Probably first our plan must run the gauntlet of ridicule and of bitter attack from the privileged and the uninformed. Perhaps as long as a measure of prosperity holds up we have little chance to persuade a majority of the Nation to go forward to economic sanity. But this proposal cannot be forgotten or brushed aside. It is too fundamental for that. Like the "shotgun in the corner" it may wait until once again our bubble begins to burst. And when that time comes, and proud men once again forget their pride and come to Uncle Sam begging him to save them, perhaps then all groups of Americans can be brought to understand the necessity of clear thinking and determined action. For then, like people all in the same lifeboat on the high seas, Americans will be ready to pull together for their common safety and welfare.

THE TASK OF LEADERSHIP

And always we may depend upon that deep native instinct of man, the instinct for self-preservation, for security, for plenty. It will assert itself. Our faith is that, given determined and wise leadership, and a concrete, sane proposal, this urge of our fellow countrymen will express itself in such a constructive manner as the Industrial Expansion Act instead of in futile and destructive efforts such as have destroyed democracy in so many of the nations of the world.

Claims Against the United States and the House Committee on Claims

EXTENSION OF REMARKS

OF

HON. AMBROSE J. KENNEDY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. KENNEDY of Maryland. Mr. Speaker, ladies and gentlemen of the House, for sometime it has been my purpose to address you relative to claims generally against the Government, and as handled by the House Committee on Claims, of which I have the honor to be the chairman. Not caring to consume valuable time during the closing days of the present session, I decided to extend my remarks in the RECORD, as herein set forth.

As you are doubtless aware, there exists no remedy for damages against the United States resulting from a tort; that is, personal injury, property damage, or death, inflicted by the Government's agents within the performance of their duties, except through special act of Congress. That situation, as I understand, is the result of a legal maxim, "The sovereign can do no wrong", having its origin with His Majesty's Bench, and thereafter handed down, from generation to generation, both in Britain and in this country, to deprive a citizen of the right to assert a claim against his Government by institution of suit in a court of law. No sound reasoning has ever been advanced to support the maxim, and I cannot believe the people and Government of this country, who so advocate and protect the citizen's individual rights and liberties, favor its existence. This view is especially enhanced by the great number of claims settled through congressional enactment in recent years. The maxim is, however, very much in existence today, consequently a citizen may justly be entitled to redress from the Government; but his one avenue for obtaining relief is maintained by the Congress and opened to him at the pleasure of that august body.

As illustrative of the fact that the Congress could not well defend the system which it does nevertheless tolerate, I call attention to the Court of Claims of the United States which it created and invested with the right to adjudicate claims against the Government founded upon a contract and in some other instances, but not those sounding in tort. In addition the statute books include several laws permitting the settlement of personal-injury and property-damage claims to a very limited amount, usually $500 for personal injury and $1,000 for property damage. Such claims are determined by the executive departments and offices of the Government and certified to the Congress for appropriation, as a general rule, and the payment of others is authorized from funds annually appropriated. But, as I have stated, the most important indication that there is no defense to the maxim is the volume of claims, covering a multitude of sins, so to speak, settled by the Congress with the enactment of special legislation.

This brings me, then, to a discussion of the functions and duties of the Committee on Claims, distinguished by the fact that it was created in 1794, the third oldest committee of the House, and is today disposing of the largest number of claims in its history. The records show that during the past 15 years, covering 7 complete Congresses and including the session just concluded, approximately 13,675 claim bills have been referred to the committee. That figure gives some idea of the volume of proposed relief that must have been sent to the committee during the entire period of its existence. The present Congress, with a total of 1,798 bills for the first session, fares well to exceed the greatest previous total for any Congress. Keeping in mind that each bill embodies a distinct case for relief, ranging over a wide and

diverse field of subjects, it would be quite simple for the committee to express its regret that consideration of the business referred to it appeared an insurmountable task, and let it go at that, or, as an alternative, select a few highly meritorious cases and favorably report them.

But—and I am proud to report this—through a good deal of industry by its members and clerks alike, and by vastly improved procedure, the committee was able, during the Seventy-fourth Congress, to consider 1,118 cases, of which it favorably reported 937 and enacted into law 585. That last figure is nearly double the greatest number of bills enacted by the committee at any previous Congress during its entire history. Continuing this excellent record, of the 1,798 bills now before it, at the close of the first session, Seventy-fifth Congress, the committee has disposed of 862 cases, 554 receiving favorable reports and about 370 being enacted into law. With continued effort, it seems the results at the close of this Congress will top the record established at the last.

Other considerations enter into the committee's attainments of recent years. Important among these are the comprehensive reports submitted with every bill favorably considered. Briefly, they contain a recitation of the purpose of the proposed legislation, the facts supporting it, the position of the Government department or office involved, and the committee's views respecting the claim's validity. A great deal of time is necessary for their proper preparation, but the resulting benefits are very apparent. Then, too, the multifarious nature of the bills within its jurisdiction has made it desirable that the committee establish and adhere to a policy as regards each individual type. For example, in a motor-vehicle accident case there is often a conflict in the evidence as presented in behalf of the claimant and as adduced by the Government. In such cases, which, incidentally, comprise the bulk of the bills, the committee endeavors to sift the evidence for the material points and facts and then establish or disallow the claim on the basis of a preponderance thereof. In all such cases common-sense rules of the road and State traffic regulations, if material, are taken into consideration. Again, in a bond-forfeiture case, where a refund is sought, the committee will not favorably consider the bill simply because the claimant feels the Government has enriched itself to the value of his bond. So many of our citizens are imbued with the idea that the Government, because it is such, should always emerge the loser. The committee entertains no such idea, and every claim, irrespective of its nature, must be supported by facts and sound argument in its favor if its settlement is expected. Therefore, when the refund of the value of a bond is sought, the record must usually show that the alien or defendant, as the case may be, was subsequently produced through the bondsman's effort or expense, thus constituting a substantial compliance with the terms of the bond.

Another important consideration is the greatly improved procedure now prevailing with respect to the House Private Calendar. For years this calendar was called under a one-objection rule, whereby reservation of objection could be entered by a Member for the ostensible purpose of stating or seeking information regarding the particular bill. The author or other Member interested in the bill would then attempt an explanation, and, unless the regular order was demanded, this discussion generally developed at great length. Upon objection being insisted upon, the bill was passed over, remained on the calendar, and was scheduled for another calling, when additional objections would require its defeat. On the face of it, this rule appears reasonable; but as a matter of actual practice, discouraging results ensued. The rule definitely provided time for consideration of the Private Calendar, which time was usually ignored. Finally, when the calendar was called for consideration and objection was entered to a bill, the sponsor would offer an argument in its favor, and the discussion would probably grow to such proportions that as much as 20 or 25 minutes were consumed in considering a single bill. As a consequence, Members would in a short time become weary of the proceedings and either adjourn or proceed to other business. Also, by the power to reserve an objection, the discussions frequently concerned everything but the bill under consideration, and this parliamentary maneuver was sometimes used by Members for subjects which they were otherwise unsuccessful in obtaining time to discuss. It was not an uncommon thing for consideration of a private bill, through the process just stated, to develop into a discussion of questions highly political and of national import. An excellent opportunity was provided also for several individual Members who for many sessions had constituted themselves unofficial "Treasury watchdogs", and who frequently killed a bill and at the same time expounded upon their savings to the Government; this without reference to the merits of the claim. Furthermore, instead of saving the Government anything, such tactics utilized space in the RECORD and caused the defeat of a bill for that Congress, with the result that it would simply be presented, considered, and again recommended in a subsequent session, and the additional cost of its handling, of which printing alone is a major item, was unnecessarily incurred. As for the second call of the calendar, none was ever had. In fact, so many uncalled-for delays were encountered that numerous bills were reported and never afforded a first consideration. At the close of the Seventy-third Congress approximately 535 bills were still pending on the Private Calendar.

With the advent of the Seventy-fourth Congress, correction of this system was, for the first time, earnestly undertaken. The result is the present clause 6 of House rule XXIV, drafted under the able direction of the present chairman of the Rules Committee, Hon. JOHN J. O'CONNOR of New York, by which the Private Calendar is now considered. Briefly, the rule requires two objections to any bill, permits no debate whatever, and provides that a bill objected to shall be recommitted to the committee from which it was reported, after which it may be included in an omnibus bill and again brought before the House. Omnibus bills comprise bills previously objected to, are read for amendment and any item may be stricken, are debatable, and upon final passage are dissolved into the original bills. The rule directs the Speaker to call the Private Calendar on the first Tuesday of every month for bills unobjected to, and authorizes him to call omnibus bills for consideration on the third Tuesday of every month. As an illustration of the speed now possible in considering the Private Calendar as respects bills unobjected to, in the session just ended, over 700 bills were considered during eight calendar calls which consumed less than 12 hours of House time. Bills objected to are reconsidered by the Committee on Claims at a hearing with both proponents and opponents thereof present. The committee then determines whether it will include the bills in an omnibus bill for further House consideration. Through this practice many objections are cured in committee, and several bills have been altogether defeated. That the system employed under the new rule is highly beneficial seems apparent, and, needless to say, no Member is thereby deprived of his right to oppose a bill.

While discussing the Private Calendar, I cannot refrain from taking this opportunity to commend those Members appointed on both sides of the House to investigate the business on the calendar. These Members perform a thankless but important function for the House, and the Committee on Claims, although disagreeing with them on the merits of some few bills, is appreciative of the cooperation they have given it as well as the reasonableness with which they have undertaken their job.

Lastly, the committee's success in disposing of so many claims in recent years can be attributed to its industrious membership and clerk hire. Frankly, with knowledge of the many duties a Member of Congress is called upon to perform, I could not blame him for spurning membership on the Committee on Claims. During the past three sessions committee members have had from 5 to 10 bills referred to them nearly once a week for examination and report to the full committee, which has met about once a week during that period, disposing of an average of 25 bills per

meeting. This fact makes it essential that meetings of the full committee should be executive, and Members are accordingly advised to discuss their bills with or present witnesses or proof to the individual subcommittees. In addition to the preparation of reports, the clerk to the committee must find time to index, docket, and compile files on each bill; to correspond with the authors of the bills, who receive advice of all action taken on their bills by the committee; to secure or request from the Government departments and offices involved their reports on the bills; to examine and prepare files for reference to subcommittee, which action is taken, incidentally, only when complete information is at hand; and to otherwise endeavor to alleviate the congestion resulting from the tremendous number of bills referred to the committee. It is obvious that they have no time for unnecessary discussions or questions concerning the bills.

I desire to call attention of the Members specifically to the committee's policy that no consideration will be given to any bill unless the same is requested and proper supporting proof is placed on file. It is wholly impossible to consider all the bills for which action has been requested and proof has been filed, consequently the committee cannot, as a matter of course, take those bills up which have apparently been introduced and then forgotten. Every effort will continue to be made to afford the largest possible number of claims proper consideration within the time allotted by each session.

I cannot too highly commend the members of the Committee on Claims, both those now serving and those who served during the Seventy-fourth Congress. They, too, perform a thankless job and have given much of their time and effort to do so. I for one very much appreciate the courtesy and cooperation they have shown me. The record fully demonstrates that they are hard and conscientious workers.

I think it desirous to include in these remarks, for the benefit of Members who have bills pending before the committee or contemplate the presentation of others, something of the policies, jurisdiction, and rules of the committee. The jurisdiction of the committee extends to bills seeking damages for personal injury, property damage, or death, inflicted by agents of the United States; to bills seeking the refund of the value of a bond forfeited in an alien or criminal proceeding; to bills authorizing other monetary refunds from the Treasury of the United States; to claims founded upon a contract with the Government where equitable redress alone is sought, such as additional work or labor performed under the contract; to bills authorizing the adjustment and settlement of accounts of fiscal officers of the Government, or to cancel charges against such officers; to bills waiving the limitations of time in section 15 to 20, both inclusive, of the Employees' Compensation Act of September 7, 1916, which limitations provide in part for the filing of claims within 1 year after date of injury; to bills conferring jurisdiction upon the Court of Claims or a United States district court to hear, determine, and render judgment upon claims arising both from tort and contract; and to bills involving sundry other subjects where equity and justice demand the relief.

On the other hand, the committee does not consider numerous types of claims excluded by its rules, hereafter set forth, nor has it any jurisdiction over war claims, which are those of individuals or corporations arising from any of the wars in which the United States has been engaged. Similarly it had no jurisdiction over bills to grant, increase, or restore pensions for disability or death arising from wars in which the United States has been engaged, including veterans' compensation and war-risk insurance claims; nor has it jurisdiction over bills extending to a claimant the benefits of the civil-service laws, or waiving the limitations of time for filing claims under the Emergency Officers' Retirement Act, or conferring an honorable discharge upon dishonorably discharged members of the armed forces of the United States. Moreover, the committee does not entertain bills awarding Government employees or their dependents benefits greater than those provided by the Employees' Compensation Act, or bills which would grant compensation to such persons, or in any manner interfere with the provisions and administration of that act. It does not entertain bills involving matter for which settlement is already provided, either through the Government departments or offices or the courts. In conclusion, particular attention is invited to the committee rules immediately following:

RULES OF THE COMMITTEE ON CLAIMS

1. The meetings of the committee shall be held on Friday of each week at 10:30 a. m. unless otherwise ordered by the chairman.

2. All meetings of the committee shall be executive except on the order of the chairman or a majority of the members present.

3. A quorum of the committee shall consist of nine members.

4. No consideration will be given to any bill until request is made by the author or sponsor thereof, who shall file proper evidence in its support, nor until the report of the Government department or office has been secured. The clerk of the committee will secure said report upon request.

5. After the file is complete, the chairman shall decide when and to what subcommittee the bills will be referred. Unless otherwise ordered by the chairman, one member shall constitute a subcommittee.

6. No bill shall be considered by the full committee until it has been referred to and reported, either favorably, adversely, or without recommendation, by a subcommittee.

7. The clerk of the committee is authorized to re-refer bills which are not within the jurisdiction of the committee, as defined by the House rules and the decisions of the committee.

8. The chairman of the committee is authorized to report favorably bills appropriating less than $100, when such bills are recommended for enactment by the Government department or office involved.

9. The chairman is authorized to report favorably bills favorably reported in the preceding Congress by the committee: *Provided, however,* That if it shall appear to the chairman that a favorable report is not warranted, the bill shall be referred to a subcommittee for further consideration.

10. The committee shall not consider:

(a) Any claim which accrued prior to January 1, 1926, unless said claim was favorably reported during the Seventy-fourth Congress or the first session of the Seventy-fifth Congress. This rule may be waived only upon order of two-thirds of the entire committee, present and voting.

(b) Any claim previously adversely reported or rejected by the committee, except upon presentation of new or additional evidence disclosing a material change in the facts which, in the opinion of the chairman, is sufficient to warrant reopening the case.

(c) Any claim filed with the Employees' Compensation Commission, considered on its merits, and disallowed, or any bill awarding or increasing compensation to an employee or his dependent, or otherwise interfering with the provisions and compensation prescribed by the act of September 7, 1916, as amended. This rule may be waived only upon order of two-thirds of the entire committee, present and voting.

(d) Any claim for compensation, pension, or gratuity by a member of the armed forces, or the reserves, or by his dependent, which persons are all covered and treated as a class by the general statutes.

(e) Any claim for injuries or damage resulting, either to a member or to third persons, from the service or activities of the National Guard maintained within the several States, except the District of Columbia National Guard.

(f) Any claim over which another tribunal, court, or department has jurisdiction, while such jurisdiction is not exhausted.

(g) Any claim approved by the Congress and vetoed by the President, except upon a material change in the facts or evidence that administration disapproval has been withdrawn.

Attitude of the East Toward the West—The East as Parent, the West as Child—What Does This Mean Today in the Development of the Far West?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, on May 14 of this session, when the Interior Department appropriation bill was before the House, and the subject of western reclamation was being considered, Mr. PLUMLEY, of Vermont, attempted

to rule out on a point of order an appropriation of $650,000 for the Salt River project in Arizona. Mr. LAMBERTSON, of Kansas also voiced opposition to this same appropriation. Were those two gentlemen showing the right attitude in that case toward the legislation before us? Was their action at that time in line with the best public policy? I certainly did not think so then, and do not think so now.

If I had been a Member of Congress at the time the appropriation was being considered for the Passamaquoddy project, and I, as a Congressman from a desert country, had voted against the appropriation, or attempted to defeat it on the ground of economy, or for some other reason, would that have been in line with wise public policy? If I had been in Congress from the State of Illinois in 1856 and had opposed Senator Stephen A. Douglas in his attempt to develop a Commonwealth in Kansas, would that stand have been good public policy. The answer is an emphatic "No!" in both cases. I feel quite strongly that there should be an equally emphatic "No!" in regard to the case referred to as of the 14th of last May.

Mr. Speaker, throughout the history of our Nation the most remarkable and significant thing about this Nation's development has been its growth toward the West. The United States of America has been the world's greatest and most successful colonizing power. In speaking thus I refer to the "Old Thirteen"—that is, the Thirteen Original States—as the "Mother Country", and I regard all of the 35 other States now in the Union as "colonies" or political children. The area of the 48 States within the continental confines of our country is 10 times the area of the original 13.

SUCCESSFUL "COLONIZATION"

Why has the United States of America been so successful as a colonizing Nation? It is because of the wise and statesmanlike policy of this Government. It is because of the generous attitude of the "mother" toward the "children." This American attitude and statesmanlike policy is in sharp contrast to the attitude of England as a mother country toward her former 13 children on the American shore. It is a significant fact that our Revolutionary forefathers had such an unhappy experience as children of England while they were colonies of Great Britain that the very word "colony" came to be distasteful to them. Accordingly, they called their political dependents in the West not colonies but territories, for they did not want to apply a term of reproach to their own political offspring west of the Allegheny Mountains. Therefore these 35 political children have become 35 great new States in the course of years, added to the original 13, making one united family of 48 Commonwealths.

This liberal colonial policy practiced by our Original Thirteen States, comprising the United States, was first evidenced by the wise ordinance of 1787. This legislation by an early American Congress guaranteed the equality of rights of the prospective new Commonwealths on a par with the old original States. This same wise colonial policy, or fair and generous treatment, became fixed in the Constitution of the United States when it was drafted in 1787, and the carrying out of that policy continuously by the American Congress has resulted in making our country great and prosperous—a shining example of the most successful colonial policy of modern times.

Back in 1787 there were a few timid souls on our Atlantic seaboard who feared the great undeveloped West with its limitless possibilities. Such men counseled restriction and ungenerously wished to monopolize political power in the East. Fortunately for the future of America, such men were few and of little weight in national councils. The more generous and statesmanlike views prevailed, and the great West—meaning at that time the Ohio and Mississippi Valleys—became the land of opportunity. The sons of the crowded eastern communities turned their faces toward the west, built up new houses there, being assured political privileges such as they had enjoyed in their old homes.

A CONTRAST WITH GREEK COLONIES

A student of history is somehow reminded of the parallel between older and newer related communities in America and older and newer related communities in ancient Greece. For instance, Virginia is the mother of Kentucky, Kentucky the mother of Missouri, and Missouri the mother of several newer communities in the far Southwest. Just so in Greece, Athens was the mother of Corinth, and Corinth had children farther west in the Mediterranean Basin. We recall the close ties of kinship and friendship existing between Athens and Corinth. It was the relation of mother and daughter. Each was proud of the other, although there were no pecuniary benefits, such as taxes or tribute, exchanged between them. In the Creek world the relation between mother city and daughter city was something like the relation today between England and Canada or England and Australia.

It may be said that my figure of speech is not a happy one; it may be that in the human family the parent risks all and gives all to the offspring without thought of selfishness or hope of return, but that in political organizations such as States there can be no such generosity or altruistic motives. My contention is that even there it is not a one-sided contribution between a mother community and a daughter community; there is a tie that is more than mere pride and loyalty, and that tie is a substantial pecuniary one. In our own country each new community in the West builded by the pioneers who left the East, and by contributions of wealth as well as brains, became an economic asset to the whole Nation; thus any contributions which Eastern States have made to the building of new western communities have been in the nature of a wise national investment.

THE WEST TODAY IS FARTHER WEST

Mr. Speaker, new States founded west of the Allegheny Mountains by the assistance of the Commonwealths on the Atlantic seaboard returned more than filial devotion in return for the aid given them. They offered economic freedom and political opportunity to the overcrowded population of the older States and in a very substantial way added materially to the total wealth and the military and economic strength of the whole country. A century or so ago the following was an appropriate song, voicing individual hope for tens of thousands of energetic citizens in our eastern States:

> To the West, to the West, to the land of the free,
> Where the Father of Waters rolls down to the sea,
> Where a man is a man if he's willing to toil,
> And the humblest may gather the fruit of the soil.

A similar situation between the East and the West exists today, with slightly different factors involved. In this generation it is the Rocky Mountain area constituting the undeveloped West. Our last geographic frontier is today the basin of the Colorado River. Politically, new States have been founded there; but industrially those States are still in their infancy. Until now this great western highland region has been chiefly valuable to the Nation as a whole through the exploitation of its easily reached natural wealth—first its store of pelts and then its mineral resources. These extractive industries took untold wealth out of that section to enrich eastern capital without much consideration for permanent investments to make the extractive industry perpetual in that region.

To make up for that lack, the great West now calls upon the Federal Government for funds, credit, and engineering skill to wall up its numerous rivers and festoon them along the mountains' sides and harness the turbulent streams for power before using their waters ultimately to transform deserts. The transformation of the District of Columbia from its primitive condition in 1800 to its urban condition today is no more remarkable than the possible transformation of the Rocky Mountain area to make it suitable for the home of man. It will take capital and brains and genuine statesmanship and a generation or so of time to accomplish these results. It can be accomplished, however, by following out the ideas of Major Powell, Senator Newlands, and Theodore Roosevelt. It is to be hoped that the present generation of statesmen and scientists will build even better than the former generation dreamed.

MODERN DAUGHTERS REQUIRE MORE, WORTH MORE

It is, then, no mere figure to speak of the original States as the mother country and the newer States as daughters, for they fortunately have had exactly just that relationship. Accordingly, there should be and has been a paternal interest on the part of one, and a filial attitude on the part of the other. Now, my State of Arizona is the youngest of the family of States. On account of adverse natural conditions and fierce Indian tribes, this remarkable country was the very last portion of our whole country to be tamed and to come under Anglo-American domination. Arizona is a land of superlatives, with highest mountains, deepest canyons, greatest physical attractions, and so forth. By the same token, that marvelous country challenges the ingenuity of man to the utmost, and calls for the greatest energy and ability of engineers. Yet no part of our country makes greater returns on the investment than does the State of Arizona. Of this I want to speak later, using the Roosevelt Dam and the Salt River project as illustrations.

While there have been and are great possibilities for our citizens in that remarkable region, an individual playing a lone hand, especially in farming, has been almost certain of failure in the past. Throughout the history of Arizona, we have seen the need of outside aid in her development. For illustration, we might refer to the aid which churches in older communities have given their brethren in Arizona and with most gratifying results. All of the outstanding religious groups or denominations now prominent in Arizona have received substantial contributions, both material and spiritual, from the mother church in older and more developed parts of the country, and the results have justified the effort. The same is true in hospitalization and the furnishing of health facilities. As I pointed out a few days ago, several great national fraternal orders have established hospitals and sanitariums to aid their brothers in Arizona and now find that these institutions welcome their membership to the land of sunshine and health from all parts of the country. The United States Government, acting on this same cooperative principle, has established veterans' hospitals in my State and now five times more veterans live in this healthful area than Arizona furnished soldiers to the wars. In other words, whether it be a church, a fraternal organization, or a military department making an investment in Arizona, the returns are always beyond the expectations. I mention this State because I am more familiar with it, but the same may be said of other western States.

The same thing applies to governmental investments in reclaiming desert land out there. It was the spending of Government money on the deserts of Arizona that was objected to by the gentleman from Vermont and the gentleman from Kansas, to which I referred in beginning a while ago. Evidently these gentlemen do not think it wise policy to spend money on reclamation in Arizona or any place out West. Let me indicate briefly what other statesmen before us have done in that regard and with what results, using the Salt River project as an illustration.

OUTSIDE AID NEEDED IN ARIZONA

In the south central part of Arizona lies the arable portion of the Salt River Valley. This is an old river plain, level as a floor, some dozen miles in width and about 20 miles in length, containing about 400,000 acres of land capable of being watered by gravity irrigation. For 4 decades prior to 1906 pioneer farmers as individuals, or in little groups, attempted some small scale projects along that river. Their efforts were rather successful, everything considered, and yet the results were pathetic. These courageous farmers threw brush diversion dams across the streams and took out a few inches of water to irrigate their little patches of land. By dint of hard effort they pushed back the desert fringe and kept the realm of the rattlesnake and the cactus at bay in spite of their continued encroachment on the farms. Sometimes floods came and washed out their diversion dams, and then followed a period of death-dealing droughts, so that those very acres which had been cultivated fields witnessed the return of the desert. The history of such western agriculture prior to 1902 is written in blood and tears.

The story is much the same for all western valleys, with this difference, that the Salt River Valley was the first and most successful project under the new, large-scale development fostered by a wise national policy after 1902. Up to the present moment this garden spot in Arizona is the premier reclamation area of our country. Conditions in this valley were from the beginning predictive of the greatest degree of success. All the factors of a reclamation project were combined here—a great watershed as a catchment area, several good dam sites in box canyons, ample reservoir storage space, and a soil down stream as fertile as the valley of the Nile. Over all this is an ideal climate with a superabundance of sunshine and heat to force into production all kinds of crops during a 12 months growing season each year.

SOME WHO PIONEERED

With these facts the early pioneers were familiar. When Charles Trumbull Hayden, father of the present junior Arizona Senator, climbed a small mountain in the midst of this valley sixty-odd years ago, and cast his eye over the beautiful surrounding country, he had a vision of what was to be. Straightway he established a mill to process the grain that would be grown there in increasing quantities. That man was a prophet of the West as it is today.

When W. J. Murphy staked a fortune and years of effort in constructing the Arizona Canal along the foot of Camelback Mountain, he not only made possible such communities as Scottsdale, Glendale, and Peoria, but he predicted by his efforts the magnificent Salt River Valley project of today. As a lover of trees, he hauled water and carried it in buckets with his own hands to make possible the shady avenue along Central Street in North Phoenix.

After Dwight B. Heard had come to Phoenix, either to die or to get well, he not only regained his health and renewed energy, but he expended that abounding energy in the development of the community, partly through bringing its merits to the attention of easterners and those high in authority. This philanthropic businessman was one of the more recent empire builders. While all of these men just mentioned worked locally, they also considered governmental aid absolutely necessary for the completion of their great task.

Fortunately, through the efforts of such prominent individuals and the inherent merits of the district, hard-headed Army engineers recommended that the first great effort of the United States Government in its reclamation venture be directed to the development of the Salt River Valley in Arizona. A look at this valley today around Phoenix reveals an astonishing growth. While it was thought in 1903 that as much as 200,000 acres might eventually be cultivated with water from this project, less than 100,000 acres was being tilled at that time. Twice the acres contemplated for the project, or nearly 400,000, have actually been brought under cultivation by it. In other words, within a third of a century about four times the acres have been brought into production by the same water supply through Government aid in financing as private enterprise had been able to cultivate along that river previously in the same length of time.

ACCOMPLISHMENT GREATER THAN EXPECTATION

But these figures do not begin to tell the whole story. Besides the thousands of farms producing crops annually averaging $83 per acre, this development is the economic foundation for 12 cities and towns, with a total population of 155,000 people virtually dependent upon it. Within the economic influence of this project are 86 schools, 70 churches, and 8 banks, with 20,000 depositors and total deposits in 1936 amounting to $58,000,000. In 1936 the per-acre crop value of this project averaged $84.93, which is very nearly the top for irrigation projects generally.

The United States Government has invested $12,000,000 in this project, and private capital has been invested to the

extent of $18,000,000. To date $9,000,000 have been paid back to the Government, and the project has never defaulted in any of its payments. As a byproduct of this irrigation project, hydroelectric power is produced by the eight power plants operated by the association, which power has a ready market in the cities and nearby mining districts. The farming area is highly electrified at reasonable rates. Very few rural communities are so well served with electricity. In the light of all these facts can it be questioned that this investment was a wise national policy?

And now, Mr. Speaker, this project itself is not completed. I have used this one project only as an illustration. Greater things still may be done if the policy inaugurated by earlier statesmen is carried out in future years. Vast industrial development is within the realm of possibility and probability in that almost untouched southwestern country when the inexhaustible mineral resources and cheap power and abundance of agricultural production are linked together to support a dense population in the near future. This is our Nation's present-day opportunity to develop the West not merely in an altruistic, paternal fashion but with inevitable returns in national dividends and a greater sum total of national prosperity, wealth, and economic strength.

First Session of Seventy-fifth Congress

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 19, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, in consultation with the other Members of the House, we have been summarizing the constructive activities of the first session of the Seventy-fifth Congress.

Contrary to what the critics of the administration have been saying, the Seventy-fifth Congress has not only been a constructive Congress, but has contributed to the Nation such stabilizing laws that will enable the various avenues of the Government to continue on the road to still greater happiness and prosperity for the Nation.

I find that President Roosevelt is more popular back in the district today than he was last year at this time. I find that this administration has met with the approval of 99 percent of those who supported it last year, and with the approval of many who did not support it. I find that the same bunch of propagandists that were at work last year at this time, are at work now trying to tear down the administration and Congress. This same bunch of critics have been at work ever since Roosevelt was elected, condemning everything that he has done for the farmer, the laborer, and the little businessman. They have their various agencies and henchmen in each congressional district, constantly sowing seeds of propaganda against measures that would permanently aid and assist the farmer, the laborer, and the little businessman. It is the same old story. They had the reins of Government in their hands as long as the Republican Party was in the White House and controlled the Congress, and now that the Government has been taken away from Wall Street and its kind, and moved back to Washington, they have been and ever will be, finding fault with the administration's program and with the people who support the program.

This group of critics, through the press and other channels, for months have been trying to tell the people of the Nation that the Democratic Members of Congress were divided into two groups. They have been trying to tell you that certain Democratic groups were against the administration's program in this respect and that respect.

In other words, they have been trying to tell you that Congress is not like it used to be under the leadership of the Republican leader, Joe Cannon, when at that time it would have been just as well to have had Joe Cannon and one Congressman from every Republican State as to have had over 435. Under Cannon we had a pure form of rubber-stamp Congress.

The present Democratic Members of Congress are just as loyal to the administration as they were 2 years ago or 4 years ago. That was proven in that every time an administrative measure came to the floor of the House it was passed. Of course, different Members of Congress expressed their views on it, and that shows that there is more democracy than there was back in the days of Joe Cannon.

The laboring men of this country like the Seventy-fifth Congress. The farmers of this country like the Seventy-fifth Congress. The little businessmen of the Nation like the Seventy-fifth Congress. Most of the big businessmen of this country like the Seventy-fifth Congress. All of the big businessmen, who are looking forward to the years to come, are in sympathy with the activities of the Seventy-fifth Congress.

Why, this administration has done more for the farmers to put them on their feet in a permanent way than the administrations prior to this time in 50 years. Here are just a few of the outstanding enactments that Congress put across at the last session to help the farmers:

(1) Extension of Commodity Credit Corporation.
(2) Cotton classification.
(3) Crop loans for 1937.
(4) Farm Credit Act of 1937.
(5) Great Plains Drought Act.
(6) Perishable Agricultural Commodities Act.
(7) Reduction of interest of land-bank loans.
(8) Farm Tenant Act.
(9) Agricultural Marketing Agreement Act. This probably effects more farm products, in value, than any other measure that has been passed.
(10) Extending the operation of the present Soil Conservation Act to 1942.

The House passed the President's reorganization program bill in the interest of efficiency and economy. This will enable the President to reorganize the various Government departments and cut down expenditures.

Among the other acts passed in behalf of Government betterment and all concerned are:

The Railroad Retirement Act, which provides for the pensioning of railroad employees.

An act to stabilize our sugar industry at home and in our possessions.

A court-reorganization bill, enabling the Attorney General to intervene in any suit where an act of Congress is challenged.

A general river and harbor bill.

A general Neutrality Act.

The Bituminous Coal Stabilization Act. This act is a measure that revamped the original Guffey-Snyder Coal Act which was declared unconstitutional, and is now known as the Guffey-Vinson Act.

The Wagner Housing Act for slum clearance.

The so-called Loophole Act, which will enable the Government to trap those interests that have formerly taken advantage of the laxity of the tax laws.

A public-building program.

An act amending the Federal Housing Act which increases the scope of its activities.

An act to prevent the exportation of arms, ammunition, and implements of war.

An act to create a Farmers' Home Corporation.

An act for the regulation of petroleum and its products.

An act regulating and fixing tolls in the Panama Canal Zone.

An act providing for the taking of a census of employment, unemployment, and occupations.

A gold star mothers' bill.

An act to extend the time for purchase and distribution of surplus agricultural commodities for relief purposes.

A Flood Control Act, making an appropriation of $105,000,000 available for the building of flood-control walls and dams to protect life and property in the United States.

Of course, there were many hundreds of other acts passed that will make for betterment in the field in which they operate.

The Wagner-Connery wage and hour bill now pending will undoubtedly be passed during the first weeks of the second session of the Seventy-fifth Congress. The fact that it was not passed at the first session is no evidence that the Democratic Members of Congress were opposed to this form of legislation. It was merely that it is a measure that some Members felt should have more study, so that when it was finally passed it would be in a form that would be for the best interests of all groups concerned. Naturally the opponents of the Wage and Hour Act wanted Congress to pass it with a lot of deficiencies and loopholes in it so they could find fault with it when it was a law. But the masses have confidence in the administration and know that this bill will pass just as soon as it is perfected.

Bernhard Martin Jacobsen

MEMORIAL ADDRESS

OF

HON. LLOYD THURSTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. BERNHARD MARTIN JACOBSEN, late a Representative from Iowa

Mr. THURSTON. Mr. Speaker, under the privilege granted to extend my remarks in the RECORD, I wish to pay my respects to a highly esteemed citizen of the State of Iowa, the late Representative JACOBSEN.

It has been said that the true measure of a man is the number of friends he was able to accumulate. If such a rule is accepted, BENNIE JACOBSEN, as he was affectionately addressed by his friends, would measure in stature among the great. He always had a sincere greeting, a cordial word, for his friend or colleague.

Then, do we not too frequently accord high praise or standing to the austere, to those who carry a garb of silence? Is a genial nature, one who is not afraid to smile or laugh, to have his capability undervalued, just because he showed that he was human? On mature deliberation we know that such shallow reasoning cannot be accepted. Friendship is measured through service to one's country and community, and, yes, to the great or the humble as they pass by.

Congressman JACOBSEN made the first break in the opposition delegation for many years from the State of Iowa, and although he believed in the main tenets of his party, he was not partisan in or out of the Halls of Congress. He unselfishly and capably served his time as a citizen, as a public official.

At the time of his death Mr. JACOBSEN was serving as a member of the Committee on Appropriations of the House of Representatives, one of the most important assignments which can come to a Member. The duties of the members of this committee are tedious and exacting, and Mr. JACOBSEN was scrupulous in discharging his official responsibilities.

It was with deep sorrow that the colleagues of Mr. JACOBSEN, from his beloved State of Iowa, learned of his departure from this life. Because of his pleasing personality he was a friend to and a friend of each Member of the House. Well may his devoted wife, the members of his family, and his close friends highly revere and lovingly respect his memory.

Train-Limit Legislation

EXTENSION OF REMARKS

OF

HON. CLARENCE F. LEA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. LEA. Mr. Speaker, during the recent session of Congress the able Senator from Nevada [Mr. MCCARRAN] introduced and secured the passage in the Senate of a bill known as S. 69, which, if enacted into law, would make it unlawful for a carrier subject to the Interstate Commerce Act to operate a train of more than 70 freight or other cars exclusive of a caboose. An exception is made in case of mechanical failures on the line.

During the last decade there has been a very marked increase in the length of freight trains and a consequent increase in the weight of locomotives and track equipment to carry these heavier loads.

In recent years it has been earnestly urged that lengthy trains, in many cases exceeding 100 cars, constitute an undue hazard to the operating personnel and to the public.

The bill as it passed the Senate has been referred to the Interstate and Foreign Commerce Committee of the House. Shortly before adjournment that committee decided to hold hearings on this bill in January. It will be the purpose of the committee to carefully consider the facts presented for and against this measure.

It would appear that the authority to limit train lengths could properly be brought within the regulatory powers of the Federal Government. While the Government should not impose merely managerial authority over the operation of railroads, it is desirable for it to exercise such control as is necessary to insure proper service and afford safety to operating personnel and the public.

Manifestly the question of what length trains can be operated with proper regard to safety of employees and the public depends upon a number of factors, including the condition of the track, the grades, curves, safety equipment, the signal systems between the head and rear of the train, the brakes, speed, coupling equipment, visibility, and climatic conditions.

The proposed law that would definitely fix the limit on train lengths, regardless of the variable factors that determine what length of train may be operated with safety, is arbitrary and seems to fail to provide that degree of regulation that safety, with due regard to proper operation, would require.

Under some conditions of operation 70 cars might be decidedly too many; under other conditions, possibly a larger number could be properly operated with safety and advantage to the public. Proper regulation would seem to require control of train lengths with due regard to all these variable conditions which determine the proper length of the train that can be usefully and safely operated.

This situation has suggested the advisability of considering whether or not the Senate bill should not be so amended as to confer upon the Interstate Commerce Commission regulatory power, to be exercised either upon complaint or upon its own initiative, to prescribe the maximum limit of train lengths. The Commission could be authorized, after proper hearings, to adopt regulations controlling train lengths according to the conditions that materially affect safety.

Our committee will endeavor to go into all important phases of this bill and amendments that may be proposed. We hope to recommend legislation to the House that will provide for necessary safety of employees and the public and with due regard for the proper operation of trains, so far as length is concerned. Safety must be provided for, and apparently that can be done without unduly interfering with efficient and economic train service.

John J. McSwain

MEMORIAL ADDRESS
OF
HON. J. JOSEPH SMITH
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN J. MCSWAIN, late a Representative from South Carolina

Mr. SMITH of Connecticut. Mr. Speaker, I count it one of the most valued experiences of my service in Congress that I was privileged to have the friendship of Hon. JOHN J. MCSWAIN, of South Carolina, late chairman of the House Committee on Military Affairs, and I know that my own estimate of the man is shared by all of us who served with him on that committee, knowing him as a great statesman and a great gentleman.

A tireless worker, he spent himself unselfishly in the public service. His approach to the problems of peace and preparedness was realistic. Himself a veteran of two wars, it could not be said of him that he was an academic pacifist. Yet there have been few more earnest advocates of a national program to safeguard our people from war and its evils.

He gave much thoughtful consideration to the causes of war, and he held that one means of insuring peace was to abolish incentives to engage in warfare. He understood as well as any student of these things the forces which can influence a nation and draw its people to the brink of conflict. He knew the waves of unsound impulse which can distract sound minds and seduce them with the lure of wartime boom profits.

It was a chief point in his program that the war-profit incentive could and should be removed by legislation. He was a leader in Congress in developing such law, and to him must be given credit for important pioneering to that end. Due largely to his work, there is a growing protest against the attitude that war may be regarded as an attractive opportunity for extraordinary business activity.

JOHN J. MCSWAIN, as chairman of the Military Affairs Committee, had an expert knowledge of all phases of the work and organization of our armed services. He was notably a man of patriotism, and, with rare good sense, he knew that the country must be well defended. Thus the maintenance of proper defenses was one of his chief concerns.

His services could not be measured; the loss of his talents will long be felt.

But over and above all these things, Mr. Speaker, we who were close to him miss his generous friendship. His kindness, his sincere consideration for the opinions and the convenience of his associates, his fine personal integrity—all these attributes were those which we unerringly identify with one who is properly styled a true gentleman.

William D. Thomas

MEMORIAL ADDRESS
OF
HON. BERT LORD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM D. THOMAS, late a Representative from New York

Mr. LORD. Mr. Speaker, wise men of old studied their surroundings—their neighbors, the birds in the air, and the beasts in the field. They meditated upon what they saw and later recorded in a single sentence the fruit of their observation, study, and experience. These writings, today recorded as Proverbs in the Book of Books, give men counsel, comfort, and advice.

Surely these venerable savants of the Bible must have meditated and observed a character such as we so recently saw in the late Representative WILLIAM D. THOMAS, of the Twenty-ninth District of New York, when they wrote in Proverbs:

A friend loveth at all times, and a brother is born for adversity.

It was but 15 months ago Members of this House were saddened at the loss of a true friend and brother when the Master of men saw fit to bring to a close the earthly mission of WILL THOMAS, as most of us knew him, but his memory still lingers with us here as we think of his abiding affection, sympathy, and benevolence.

Having been previously associated with Representative THOMAS in the New York Legislature before we became colleagues in this House, I am probably more familiar than any other Member with his love for those with whom he came in contact and with the fact that he was a true brother in times of adversity. Words of kindness and sympathy expressed by Members of this House and recorded in the RECORD of recent months testify that it was of a life typified by WILL THOMAS that is again written in Proverbs:

Ointment and perfume rejoice the heart; so doth the sweetness of a man's friend by hearty counsel.

A party line was never drawn too tightly nor a wall of difference on a controversial issue too high to cut off the friendship of Representative THOMAS from his colleagues. His friendship knew no bounds of north or south, no rich or poor, no Democrat or Republican. Yet he was true to his party, to the principles instilled in him by Christian parents, and to the district he represented. In more than two decades of public service not a trace of demagoguery will be found in his record. His public utterances were few; but, truly, actions speak louder than words, and he will be remembered for what he did rather than for what he said.

Starting public life as a town clerk in Hoosick Falls, his friends recognized in him the qualities of brotherly love, an understanding of the problems of mankind, of efficiency, energy, and common sense, all for which we later knew him. They gladly supported him in the various promotions that followed.

My first acquaintance with him came in the New York Legislature 20 years ago. The honors bestowed upon him never once changed him. He remained a friend and a brother and always desired that those he served should think of him as their servant, ready and anxious to abide by their will. I know of nothing more appropriate in this respect as applying to his desire to serve than an epigram of James Russell Lowell, which reads:

In life's small things be resolute and great
To keep thy muscle trained; know'st though when Fate
Thy measure takes, or when she'll say to thee,
"I find thee worthy; do this deed for me?"

Mute testimony of deeds done by Representative THOMAS to make the load a little lighter for many of his constituents in the Twenty-ninth District stand as evidence that he tried at all times to keep himself available to those he served lest they should find need to call upon him. Even when he became stricken he did not let this service cease, but with the aid of his faithful wife he carried on his work from his hospital bed until his physicians deemed the strain too great. It may be said of him that he kept his muscle trained to the end to serve his people. As quoted from the Iliad of Homer:

He held his seat—a friend of the human race.

About 2 years prior to his passing, Representative THOMAS participated in a memorial service by paying tribute to the memory of one of his deceased New York colleagues. WILL THOMAS practiced what he preached, and I know of a no

more fitting manner in which to describe his character than using the very words which he on that occasion used in describing the character of a colleague. He said:

Not what you get
But what you give;
Not what you say
But how you live,
Giving the world
The love it needs,
Living a life
Of noble deeds.

Not whence you came
But whither bound;
Not what you have
But whether found
Strong for the right,
The good, the true—
These are the things
Worth while to you.

That was the doctrine, the platform, the principle, and the life of Representative WILLIAM D. THOMAS.

William V. Gregory

MEMORIAL ADDRESS
OF
HON. JOHN O'CONNOR
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. WILLIAM V. GREGORY, late a Representative from Kentucky

Mr. O'CONNOR of New York. Mr. Speaker, among the score of colleagues of both Houses of Congress whom we mourn today, I do want to say a few words about my good friend, the Honorable WILLIAM VORIS GREGORY, a Representative from the First Congressional District of the State of Kentucky.

In four Congresses he served with me, and I came to know him well and affectionately.

As an exceptional lawyer, with judicial experience, he entered the Seventieth Congress well equipped for the important service here which he so well rendered.

As a member of the Democratic Steering Committee of the House of Representatives I came to know him best. He was the secretary of that important party group, and no Member of the House on the majority side was ever more earnest or enthusiastic toward carrying out the pledges and program of his party for the benefit of his great State and the Nation.

Industrious, intelligent, and conscientious, he was an outstandingly valuable Member of this body. No one who knew him could escape his individuality and his ability. We shall miss him, but fortunately he has been succeeded in the House by his brother, the Honorable NOBLE J. GREGORY. Already he gives promise of carrying on his brother's outstanding attributes. The family strain should stand him in good stead.

Hon. Park Trammell

MEMORIAL ADDRESS
OF
HON. J. HARDIN PETERSON
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. PARK TRAMMELL, late a Senator from Florida

Mr. PETERSON of Florida. Mr. Speaker, ladies and gentlemen of the House, the late Senator PARK TRAMMELL, of Florida, was familiarly and affectionately known to many thousands of people as "PARK." Having lived in his home town since I was a small boy, I had had the pleasure of his personal friendship for a number of years, and had had the opportunity to see how his home people greeted him when he came back, and in my mind's eye can now see him on the corner with crowds around him shaking his hand. His knowledge of the names and problems of his constituency was remarkable. In this life he did not accumulate much of this world's goods but he did accumulate the personal friendship and lasting affection of many thousands of people in all walks of life.

His career in public life was an example of a poor boy who by hard work had gradually reached one of the most important positions in the life of the Nation. It was a record of victorious campaigns—city official, mayor of his home town of Lakeland, State representative, State senator, attorney general, Governor of the State of Florida, and United States Senator from Florida—each time the people spoke it was to give a majority of the votes to PARK TRAMMELL. His death came as a shock to his friends. He had finally reached the chairmanship of the important Committee on Naval Affairs. He had rapidly developed in leadership.

When the wires announced his death many people throughout the Nation mourned, but the grief felt by his home people was a personal grief. They mourned the fact that they had lost a Senator who occupied an important position in the Nation, but greater than that was the grief at the passing of PARK TRAMMELL. He was a champion of the cause of the workingman. He had been instrumental in getting section 41 of the Farm Credit Act passed in the Senate, which had brought great relief to the citrus industry of our State. He had been active in carrying on the important naval program, and was engaged in this hard work at the time of his death. I can enumerate in detail his public service, but that is so well known and has been referred to by others in the Senate and the House, I had felt that I had rather speak somewhat in a personal vein. He was kind to me when I came as a newcomer in the House. He cooperated with me in the problems affecting the district. He was never too busy to see me.

PARK TRAMMELL had gone through many campaigns. Strong men in the State had run against him. Out of all these campaigns he came undefeated and unscathed—his character, his honesty, his integrity unquestioned. Better than any words that I might say, the tribute that was paid to him in the funeral services in Lakeland by people of all classes who came from far and near showed the love and respect of his home folks, and the honest assertion of a farmer friend after the funeral, with tears coursing down his cheek, stated, "We are going to miss Park", and that was reechoed in the hearts of many thousands. The Nation and Florida had lost a Senator. His friends had not only lost a Senator; they had lost Park, but his memory will long survive. His was a record of faithful, honest public service.

A. Piatt Andrew

MEMORIAL ADDRESS
OF
HON. RICHARD B. WIGGLESWORTH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. A. PIATT ANDREW, late a Representative from Massachusetts

Mr. WIGGLESWORTH. Mr. Speaker, the death of our colleague, Hon. A. PIATT ANDREW, of Massachusetts, has brought to a close a career of unusual distinction and has

deprived both State and Nation of a public servant endowed with unusual gifts and unusual capacity.

Almost 30 years ago, after a period of study and teaching in the field of economics at Harvard University, Colonel ANDREW accepted a position as expert assistant and editor of publications with the National Monetary Commission, created by Congress with a view to the elimination or mitigation of future financial panics and affording the basis for legislation subsequently enacted creating the Federal Reserve System. This position he held for about 3 years. He served also as Director of the Mint from 1909 to 1910, and as Assistant Secretary of the Treasury from 1910 to 1912.

When the World War broke out in Europe, Colonel ANDREW took an active interest in the cause of the Allies, devoting himself to the organization of the American ambulance service, which cooperated first with the French Army and later with the American Army. After the entrance of America into the war he was commissioned major, and subsequently lieutenant colonel in the American Army, serving in France continuously for 4½ years during the war and being cited by both the French and American Armies. He never forgot the interests of his World War comrades, taking an active part in the organization of the American Legion and serving as commander of his post in Gloucester and as vice commander for the Department of Massachusetts.

Colonel ANDREW was elected to Congress from the Sixth District of Massachusetts in 1921. He served as a Member of Congress for 15 years, being reelected to each succeeding Congress and developing such confidence in his district that in 1934, despite conditions prevailing generally at the time, he was reelected without opposition. His ability was universally recognized by his colleagues in Congress, where he served with distinction as a member of the House Committee on Naval Affairs.

Scholar, soldier, statesman—there was also much of the idealist, much of the mystic, much of the appreciation of the artistic in his outlook. It was my privilege to know him as a friend, not only during our years of association in Congress but for many years before that time. If you should visit Gloucester, Mass., today—his native city—you would find much to commemorate his interest in his fellow citizens. You would see the striking statue of Jeanne d'Arc, a war memorial to departed comrades, for which he was largely responsible. You would hear the carillon bells which he helped to secure for the old church nearby. You would find on the water's edge, filled with souvenirs of his service at home and abroad, the unique home which he loved and in which he spent many happy days during the latter part of his life.

He will long be remembered by those whom he served.

Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. NORMAN R. HAMILTON
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. HAMILTON. Mr. Speaker, as a labor of love I desire to pay a brief tribute to my friend, ANDREW JACKSON MONTAGUE, who has recently passed to the Great Beyond.

Governor MONTAGUE, as he was affectionately called by the people of Virginia, was one of Virginia's most noble sons. He was descended from the Cavaliers who colonized Virginia 300 years ago. He inherited their courtesy, courage, and daring that made him always seek higher things for the advancement and progress of his beloved State. His career from the beginning was one of steady progress and success.

ANDREW JACKSON MONTAGUE was born in Virginia October 3, 1862, and spent his boyhood on his father's plantation in Middlesex County, Va., and to his own Saluda in Middlesex in his last days he returned to seek quietude and rest, and there amid pleasant surroundings and happy remembrances came his peaceful end and his promotion to a higher life.

Governor MONTAGUE was graduated from Richmond (Va.) College in 1882, and from the law department of the University of Virginia in 1885. From the beginning his career was one of high emprise and success. The standard he marked out for himself was faith, fitness, courage, and devotion to his State and country. After leaving the university he began the practice of law at Danville, Va. From the start his success was phenomenal. In 1893 he was appointed by President Cleveland United States attorney for the western district of Virginia, and served for 5 years. In 1898 he was elected attorney general of Virginia for 4 years, and filled the office with such satisfaction to the people that he was at the end of his term elected Governor of Virginia.

ANDREW JACKSON MONTAGUE'S advance in public life and in the affections of the people was constant and advancing. During the 4 years he served as Governor the State government was made more efficient and progressive and the many improvements he inaugurated have been still further advanced. The public-school system and higher institutions of learning made a needed progress for the good of all. As a lawyer his prestige was high and he won deserved success. Active in State politics, he frequently was elected delegate to Democratic national conventions.

In 1906 he was a delegate to the Third Conference of American Republics at Rio de Janeiro. In 1896, dean of the Richmond College of Law; delegate to the Third International Conference on Maritime Law at Brussels. In 1912 he was elected from the Richmond district to Congress and served until his death on January 24, 1937.

His career in Congress was marked by the same fidelity and usefulness that was a part of his life. During his service in Congress he was vice president of the Interparliamentary Union and participated in its sessions at Stockholm, Vienna, Copenhagen, Berne, Washington, Paris, and Berlin. He was president of the American Peace Society and the American Society for International Conciliation; trustee, Carnegie Endowment for International Peace; member of the council and executive committee of the American Institute of Law. Everything he did was well done. He was faithful to every public trust and was Virginia's loved and favorite son. He has left his record high on the scroll of fame and he will be long remembered. His place in the hearts of the people is secure.

If in his last hours he could have spoken, he would have said in his calm way:

Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea,

But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the boundless deep
Turns again home.

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark;

For tho' from out our bourne of Time and Place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crost the bar.

Glover H. Cary

MEMORIAL ADDRESS
OF
HON. FRED M. VINSON
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. GLOVER H. CARY, late a Representative from Kentucky

Mr. FRED M. VINSON. Mr. Speaker, I desire to pay tribute to one of Kentucky's most beloved sons, the Honorable GLOVER H. CARY, four times elected as a representative of his people in the Second Congressional District, who died on December 5, 1936, in Christ Hospital, Cincinnati, Ohio, after an extended illness.

We had known GLOVER CARY for more than 20 years. The first time we met him it seemed that we had known him for a long time—he was just that kind. His early days were typical of other Kentucky small-town boys. He received his education in the public schools, took his college work at Centre College, Danville, Ky., his post-graduate work was in law and politics. As a lawyer he met with immediate success. In the field of politics he never suffered major defeat. He made a splendid record as the county attorney and representative in the State legislature of his home county. He served with eminent success as the Commonwealth attorney in a very splendid district. He stepped from the latter office to a seat in Congress in the elections of 1930. He represented his people as their Representative in Congress continuously to the date of his death.

We first knew GLOVER CARY when he was a representative in the Legislature of Kentucky. We were personally acquainted with him as he served his people as county attorney and Commonwealth attorney. We served with him as a Member of this body. He was an outstanding personality. He had the background that permitted him to achieve stature in this body. He was sincere, conscientious, and untiring in his efforts here—he had the purpose to represent and serve his people. He was a man of splendid ability and possessed of one of the most pleasing personalities with which we have come in contact. He had a most contagious sense of humor. It is no wonder that the people of his district loved him. GLOVER CARY was one of the most popular Members in the House of Representatives. No sooner was he here than this body, as critical as it is, recognized his ability and was charmed with his genial personality. He made marked strides in the House. His first session here saw him elected to a major committee—the Post Office and Post Roads—and his work here was most splendid. In his second term he was elevated to a position on the powerful Committee on Appropriations and immediately was made chairman of one of their great subcommittees. His work in the House was an outstanding success.

GLOVER CARY and I were drawn to each other in our very first meeting. It may be because we had attended the same school. It may be because we early understood each other. We saw him stricken; it was a gradual undermining of a splendid physical structure. We visited him in the hospital. We went with him to the grave on the hill that overlooked the town where he was born—the town which he loved so well.

GLOVER CARY was one of God's noblemen. He was a son of Kentucky of whom we all could be proud. He was a gentleman possessed of every characteristic necessary to make one. He was an able lawyer, an outstanding Representative of his people—always fair and honest of purpose—playing the game of life as it should be played.

When he died not only did his family suffer a great loss but his community, his district, and Kentucky lost a great citizen; Members of Congress have lost a most genial companion and able compatriot. We, and the Kentucky delegation, have lost one of our best friends and finest fellows.

Duncan U. Fletcher

MEMORIAL ADDRESS
OF
HON. J. HARDIN PETERSON
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. DUNCAN U. FLETCHER, late a Senator from Florida

Mr. PETERSON of Florida. Mr. Speaker, ladies and gentlemen of the House, many tributes have been paid to the Honorable DUNCAN U. FLETCHER, late a Senator from Florida. His public service has been referred to in detail by others. His long service in the Senate had placed him in a strategic position as chairman of important committees and as ranking Democrat. Many important laws bear his name, laws covering a variety of subjects. His study of rural credits made him an authority on that subject, and the Nation and his own State profited greatly by this help to the farmers. Important New Deal banking legislation, the regulation of the stock-exchange practices, the Securities Commission, bank-guaranty legislation, and much similar legislation were the result of untiring effort on his part.

He had been my personal friend for a number of years. Senator FLETCHER moved my admission to the bar of the Supreme Court of the United States. My friend and classmate, Hon. W. L. Hill, served as his secretary. When I came to Washington he went out of his way to be helpful to me.

Senator FLETCHER was a big man and occupied positions of national importance that took a great portion of his time; yet notwithstanding the fact that he was a world-wide figure, he took the time to see his constituents and to look after even some of the smaller matters of his State. He has written definitely a record of public service not alone in the annals of the Nation but in the heart of the people of his State.

Many demands are made upon a Senator, and ofttimes the people back home do not realize the limit upon a Senator's time. On one occasion we had an important project affecting my district, and the people had asked him to go with me to one of the departments. When the time came to go it was snowing. I was fearful for his physical welfare, but out into the snow he went with me to that department. Notwithstanding the great number of matters which he was handling, he surprised me on a number of occasions by picking out clearly the facts which I had given him in conversation weeks previously on the matters affecting the district. After the Senate recessed, when you would expect one of his age to be completely worn out, I have known him to see person after person in interviews late in the evening. He was a hard worker and interested in his work. He reflected honor upon the State he represented. His influence was world-wide, yet with all this importance he was human, and he remembered his friends—and these were many. His loss will be felt. We grieve at his passing.

Nothing can cover his high fame but Heaven,
No pyramids set off his memories,
But the eternal substance of his greatness to which I leave him.

Hon. John Theodore Buckbee

MEMORIAL ADDRESS
OF
HON. EDWARD A. KELLY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOHN THEODORE BUCKBEE, late a Representative from Illinois

Mr. KELLY of Illinois. Mr. Speaker, in the death of the Honorable JOHN THEODORE BUCKBEE, late Representative in

Congress from the Twelfth Congressional District of Illinois, this House lost one of its most beloved Members.

JOHN BUCKBEE to those who knew and loved him lent further luster to his family name. Many times honored by the voters, he, nevertheless, remained a plain, everyday American, never once permitting himself to feel that he had been lifted out from among the people he so devotedly loved. Always he was one of them. He was democratic, friendly, and always approachable.

It is doubtful if in recent years there has been in this House a Member more universally loved. Never surrendering his convictions, he was always tolerant of the views of the other man, and differences of opinion never separated him from a friend. Big of heart, of mind, and of body, he looked for bigness rather than for littleness in folks and, looking for it, found it.

When, after months of illness of which he never complained, he passed on to that better land, the people of his home town, and of his district, and of the great State of Illinois, who had been highly honored by his devotion to his duties as their late Representative, have in turn done honor to his memory and do indicate the great love and admiration they have for a man of his type.

Hon. Benjamin Kurtz Focht

MEMORIAL ADDRESS
OF
HON. J. BUELL SNYDER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of the late Representative BENJAMIN K. FOCHT, of Pennsylvania

Mr. SNYDER of Pennsylvania. Mr. Speaker, I am glad to have been afforded this opportunity to say a few words regarding the life and services of the late Honorable BENJAMIN KURTZ FOCHT.

It was, indeed, an honor and privilege to have known him. My acquaintance with him developed into a friendship which I cherish very much. He was a most loyal man. I will always recall the hearty reception I received at his hands when I first came to the Halls of Congress. He really meant his reception. It was not a veneer-coated reception as we sometimes receive.

Mr. FOCHT was deeply interested in the business of Congress. He was always striving to serve his constituency and his Nation. He never hesitated once he was convinced that a certain procedure was the proper thing for all of the people. He was a Christian gentleman, conscientious and sincere in all his doings.

Sometimes he was like many of us in that he was not always understood. However, I use the Canadian Craftsman's poem in closing, which will prompt us to better understand the late BENJAMIN KURTZ FOCHT, and perhaps aid us in our efforts to understand other people and have other people understand us.

NOT UNDERSTOOD

[From the Canadian Craftsman]

Not understood. We move along asunder,
Our paths grow wider as the seasons creep
Along the years; we marvel and we wonder
Why life is life? And then we fall asleep,
Not understood.

Not understood. We gather false impressions,
And hug them closer as the years go by,
Till virtues often seem to us transgressions;
And thus men rise and fall, and live and die,
Not understood.

Not understood. Poor souls with stunted vision
Oft measure giants by the narrow gage;
The poisoned shafts of falsehood and derision
Are oft impelled 'gainst those who mold the age,
Not understood.

Not understood. The secret springs of action,
Which lie beneath the surface and the show,
Are disregarded: with self-satisfaction
We judge our neighbors, and they often go,
Not understood.

Not understood. How trifles often change us!
The thoughtless sentence or the fancied slight
Destroy long years of friendship and estrange us,
And on our souls there falls a freezing blight,
Not understood.

Not understood. How many breasts are aching
For lack of sympathy! Ah! day by day,
How many cheerless lonely hearts are breaking!
How many noble spirits pass away,
Not understood.

O God, that men would see a little clearer;
Or judge less harshly where they cannot see!
O God, that men would draw a little nearer
To one another! They'd be nearer Thee,
And understood.

—*Thomas Bracken.*

James P. Buchanan

MEMORIAL ADDRESS
OF
HON. ALBERT THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. THOMAS of Texas. Mr. Speaker, with the passing of Congressman JAMES P. BUCHANAN, the country as a whole suffered a distinct loss. Beloved and respected by all his colleagues, he was acknowledged as a real leader in Congress. Texas lost a statesman of whom she was justly proud. Congressman BUCHANAN was my good friend, and I am grateful to have had the privilege of knowing him.

Hon. A. J. Montague

MEMORIAL ADDRESS
OF
HON. HATTON W. SUMNERS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. SUMNERS of Texas. Mr. Speaker, I sustained the deep personal loss of a dear friend when Governor MONTAGUE, of Virginia, died. We entered Congress together in 1913 and for many years sat side by side at the table of the Committee on the Judiciary.

His family will cherish the memory of a faithful husband and father. His people have lost a conscientious Representative. The House will miss the charm of his companionship. The Nation is deprived of a wise and scholarly statesman.

From the historical convention of his beloved Virginia came the most profound utterance which has come to us from all the literature of the period of the Revolution: It was this:

That no free government, or the blessings of liberty, can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles.

No higher tribute can be paid than to say that in his public service Governor MONTAGUE recurred to the fundamental principles of his fathers in a time when the very existence of those principles would seem to have been all but forgotten.

Senator Louis Murphy

MEMORIAL ADDRESS
OF
HON. LLOYD THURSTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. LOUIS MURPHY, late a Senator from Iowa

Mr. THURSTON. Mr. Speaker, no words can be uttered or printed which will diminish the personal or the distinguished public record of the late Senator MURPHY, of Iowa. Likewise, little can be said that will add to the esteem and affection with which he is still held in the hearts and minds of the people of his State.

LOUIS MURPHY was not only a practical businessman but he was well adapted to public life. Always courteous and considerate, combined with a genial trait of restraint, he moved in public life without friction or undue ostentation. His capability was equaled by a sense of the modest or real.

While the late Senator spent most of his active business life in a city, yet he was farm-minded. I know that the assertion is frequently made, and often with merit, that Members of Congress are provincial or narrow-minded, and can only see or be interested in measures which affect their locality or their section of the country. LOUIS MURPHY had passed over the bridge of such narrow confines. He not only could but did think and act in terms of broad national interest. In his departure the State and Nation were deprived of the vision, tolerance, and effective legislative services of a true, patriotic American. His genial kindness, his achievements, and his triumphs will always be a precious memory to his family and to a multitude of friends. I count as a valued memory the privilege of having enjoyed his friendship.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, of Tennessee, late Speaker of the House of Representatives

Mr. BOYKIN. Mr. Speaker, in the passing of our beloved friend, JOE BYRNS, the South has lost a favorite son, whose illustrious career has brought honor and glory to his native State of Tennessee and to the Nation to which he rendered such unselfish service.

The devotion to duty, fidelity of purpose, and integrity of character which marked JOSEPH W. BYRNS won him the unstinted admiration of his colleagues on both sides of the House and earned for him the rank of premier statesman of his day.

JOE BYRNS was my friend, kind and helpful in my "freshman" days in the House, always ready to guide and counsel, and a sympathetic confidant. My personal grief over his loss has been made keener by the fact that only a few hours before his sudden passing we were planning a vacation trip together, and he had accepted an invitation to Alabama's Deep Sea Fishing Rodeo, annually held at Dauphin Island, in the Gulf of Mexico.

JOE BYRNS gave his life in the service of his Nation. The strain of his official duties cost us a dear friend, the Nation a noble leader, and the world a great statesman.

Andrew Jackson Montague

MEMORIAL ADDRESS
OF
HON. RICHARD B. WIGGLESWORTH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. ANDREW JACKSON MONTAGUE, late a Representative from Virginia

Mr. WIGGLESWORTH. Mr. Speaker, in the death of our colleague Hon. ANDREW JACKSON MONTAGUE, of Virginia, the Nation has sustained a loss which it can ill afford in these difficult times. His long experience in national problems, his knowledge of the fundamentals of government, and his practical judgment will be greatly missed.

His was a record of public service covering a span of almost 45 years. His was a notable career in the field of government which included service as United States attorney for the western district of Virginia, as attorney general and Governor of the State of Virginia, as a Representative in Congress for 13 successive Congresses from his congressional district in Virginia, and in other positions of national or international importance. His was the wisdom born of actual experience in the field of statesmanship.

Chief executive, legislator, lawyer, author—he was honored not only by the people of his district and his State but by leading universities of the Nation.

It was my privilege shortly after coming to Congress to travel to Europe with Governor MONTAGUE as a member of the American delegation to a meeting of the Interparliamentary Union in Geneva. Ever since then I have had for him both high regard and genuine affection. I shall always value the privilege of association and friendship with our distinguished colleague.

Henry Elbert Stubbs

MEMORIAL ADDRESS
OF
HON. CLARENCE F. LEA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY ELBERT STUBBS, late a Representative from California

Mr. LEA. Mr. Speaker, one of the finest features of service in this House is the opportunity it affords for its friendships and acquaintances. The character of the people of our country is reflected in the men they have chosen to represent them here in this legislative body of the Nation. The Members of Congress are subjected to much criticism, sometimes merited and frequently unmerited. Personal frailties, as well as the weaknesses that inevitably attend public service, always have been and always will be reflected in the membership of this body. I am confident, however, after years of contact with the Members of this House, that there is constantly present here an understanding of governmental affairs, a sense of duty, a responsiveness to popular ideals and hopes, and a loyalty to the fundamentals of our American Government that constitute an essential and reliable foundation for the endurance and advancement of the fundamental purposes of this Republic.

When my mind turns in grateful memory to the particular Member of our California delegation of whom I speak, I am thinking rather of the personal than the governmental relation of our departed colleague.

HENRY ELBERT STUBBS was born near Coleman, in Coleman County, Tex., on the 4th of March 1881.

He acquired his education in Oklahoma, married, and for years followed the ministry. On the 8th of November 1932, being then a resident of Santa Maria in our State, he was elected to represent the Tenth District of California in the Seventy-third Congress. In 1934 he was reelected to the Seventy-fourth Congress, and in 1936 he was reelected to the Seventy-fifth Congress.

For more than 12 years Mr. STUBBS suffered from an incurable malady. After the hope of ultimate recovery had been abandoned, he still carried on his work with a diligence and zeal as if he had a long life before him. He met his colleagues with a cheery smile and friendly greeting that made him welcome everywhere. His years of service in this body were an inspiring example of a Christian life as applied to the practical affairs of men.

Mr. STUBBS was zealously devoted to the interest of the people in his district. He was zealous in behalf of his State and his sense of loyalty to the National Government was deep-seated. He gave much of his time and attention to measures before Congress that directly affected the development and welfare of his section of our State. He never wavered in his efforts to advance these measures, including the Central Valley project which he deemed so vital for the preservation of the homes and farms in his district.

The problem of watersheds, dams, canals, and water supply were by his humane, sympathetic understanding reduced to problems of communities, farms, homes, families, fathers, mothers, and children, and to such causes he gave his heart's interest.

On the 7th day of March 1937, here in the Nation's Capital, Mr. STUBBS passed on to that future which he faced with complacency and confidence.

The colleagues of Mr. STUBBS extend their sympathy to his wife and members of his family. They can find happiness in the memory of one so worthy as a husband and father.

We who knew him can with profit cherish his memory as a true and kind friend, as a useful and faithful colleague, and as a worthy servant of this Republic.

Randolph Perkins

MEMORIAL ADDRESS

OF

HON. FRANK CROWTHER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey

Mr. CROWTHER. Mr. Speaker, it was my privilege to serve in the House with RANDOLPH PERKINS, of New Jersey, during the nearly 16 years of his service. We had served together in the New Jersey State Legislature for two sessions, 1905–07. RANDOLPH PERKINS was a substantial citizen and not easily swayed by emotional appeal. He was a splendid lawyer, a forceful advocate and resourceful in debate. He was a man of action and integrity, and never permitted expediency to supplant principle during his political career. His sudden passing was a shock to his delightful family and to all who knew him. During his long term of service in the Congress he endeared himself to his colleagues not only by his manifest ability as a legislator but by those enduring characteristics of courage and integrity. He has embarked upon the "great adventure", and while we regret his passing we bow to the infinite wisdom of the God of the Universe.

Summary, in Part, of Legislative Enactments of the First Session, Seventy-fifth Congress

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. BARKLEY. Mr. President, under the permission granted me on August 21 (CONGRESSIONAL RECORD, p. 9597), I present for publication in the RECORD a statement prepared by me as to the work of the first session of the Seventy-fifth Congress.

Mr. President, the legislative program which was the objective of the Roosevelt administration has, in a large measure, been enacted in previous sessions of Congress.

In my opinion, the laws enacted under and through the initiative of President Franklin D. Roosevelt will prove to be more beneficial to the Nation as a whole than any program ever enacted in the same or any similar period of time.

Believing in the Jeffersonian principle of the greatest good to the greatest number, which is the essence of democracy, the policies and the performances of the New Deal have had as their object a more equitable adjustment of the benefits of Government among the people.

The laws which have been enacted at this session of Congress may not have been as outstanding or spectacular as some which have been approved in previous sessions. But this recent session which has just adjourned has dealt with a wide variety of subjects of tremendous interest to the people and of undoubted benefit to their industrial, economic, and social welfare. In addition to the laws passed at this session as original enactments, we have reenacted a number of statutes, emergency measures in character, which had demonstrated their value in the past and their necessity in the future.

This session has produced such beneficial enactments as the Disaster Loan Corporation Act, the Guffey Coal Act, the Supreme Court Retirement Act, seed loans to farmers, a new Relief and Public Works Act, the Pittman neutrality law, the extension of agricultural crop loans, the Federal Housing Act, the Farm Credit Act of 1937, and many others, digests of which are as follows:

MONETARY STABILIZATION FUND

(Approved Jan. 23, 1937; Public Law No. 1, 75th Cong.)

The act extends to June 30, 1939, inclusive, the time within which may be exercised the powers relating to the stabilization fund and alteration of the weight of the dollar, established by section 10 of the Gold Reserve Act of 1934. In addition, the act extends to June 30, 1939, inclusive, the powers granted to the President by paragraph (b) (2) of section 43 of the act of May 12, 1933, under which paragraph the metallic content of the dollar may be altered. Both of these powers would have terminated on January 30, 1936, but for the fact that the President extended them for 1 year from that date, pursuant to the authority vested in him by the Gold Reserve Act of 1934.

RECONSTRUCTION FINANCE CORPORATION

(Approved Jan. 26, 1937; Public Law No. 2, 75th Cong.)

The Reconstruction Finance Corporation is authorized to continue to perform until June 30, 1939, all functions which it is authorized to perform under existing law. If the President finds that credit for any class of borrowers is sufficiently available from private sources upon fair terms and rates, he may authorize the directors to cease lending money to such class of borrowers.

SECURITY FOR FEDERAL RESERVE NOTES

(Approved Mar. 1, 1937; Public Law No. 9, 75th Cong.)

The act extends to June 30, 1939, the period during which direct obligations to the United States may be used as collateral security for Federal Reserve notes.

TO REGULATE INTERSTATE COMMERCE IN BITUMINOUS COAL, AND FOR OTHER PURPOSES

(Approved Apr. 26, 1937; Public Law No. 48, 75th Cong.)

The act establishes the National Bituminous Coal Commission of seven members in the Department of the Interior. This Commission has power to make necessary and reasonable rules to carry out the act and is required to make an annual report to the Secretary of the Interior for transmission to the Congress. The Commission is authorized to initiate, promote, and conduct research designed to improve standards and methods used in the mining, preparation, conservation, distribution, and utilization of coal and the discovery of additional uses for coal, and for such purposes has authority to assist educational, governmental, and other research institutions in conducting research in coal, and to do such other acts and things as it deems necessary and proper to promote the use of coal and its derivatives.

The act also establishes in the Department of the Interior an office to be known as the office of the Consumers' Counsel of the National Bituminous Coal Commission. It provides for the appointment by the President of a counsel whose duties shall be to appear in the interest of the consuming public in any proceeding before the Commission and to conduct such independent investigation of matters relative to the coal industry and the administration of this act as he may deem necessary to enable him properly to represent the consuming public in any proceeding before the Commission.

The act imposes an excise tax of 20.5 percent per ton upon sale or disposal of coal except such as is used in the performance of governmental functions. An exemption of all but a 1 percent tax is granted to producers accepting membership in the bituminous coal code.

The organization under the bituminous coal code shall consist of 23 district boards of code members whose members are elected by the producers of coal for a 2-year term, subject to removal by the Commission for cause. The expense of administering the code by the district boards must be borne by the code members of the respective districts, each paying a proportionate share on a tonnage basis. Members of the district boards must serve without a compensation, but may be reimbursed for reasonable expenses.

All code members are required to file with statistical bureaus such statistical data as the Commission may require. Based upon such data, each district board shall, from time to time on its own motion, or when directed by the Commission, propose minimum prices for coal f. o. b. the mine. Throughout the coal-producing sections of the country mining prices shall be equal to the weighted average of the total costs per net ton of the tonnage of the minimum-price area in which the price is to be established. The Commission may approve, disapprove, or modify the proposed price.

When necessary to protect the coal consumer, the Commission may establish maximum prices; provided, that no maximum price shall be established for any mine which will not yield to the mine a fair return on the fair value of the property.

The act defines certain practices as unfair methods of competition and any code member who is convicted of violating the code is subject to stringent penalties.

By section 9 of the act it is declared to be the public policy of the United States that—

Subsection (a):

(1) Employees of producers of coal shall have the right to organize and to bargain collectively with respect to their hours of labor, wages, and working conditions through representatives of their own choosing, without restraint, coercion, or interference on the part of the producers.

(2) No producer shall interfere with, restrain, or coerce employees in the exercise of their said rights, nor discharge or discriminate against any employee for the exercise of such rights.

(3) No employee of any such producer and no one seeking employment with him or it, shall be required as a condition of employment to join any association of employees for collective bargaining in the management of which the producer has any share of direction or control.

(b) No coal (except coal with respect to which no bid is required by law prior to purchase thereof) shall be purchased by the United States, or by any department or agency thereof, produced at any mine where the producer failed at the time of the production of such coal to accord to his or its employees the rights set forth in subsection (a) of this section.

(c) On the complaint of any employee of a producer of coal, or other interested party, the Commission may hold a hearing to determine whether any producer supplying coal for the use of the United States, or any agency thereof, is complying with the provisions of subsection (a) of this section. If the Commission shall find that such producer is not complying with such provisions, it shall certify its findings to the department or agency concerned. Such department or agency shall thereupon declare the contract for the supply of the coal of such producer to be canceled and terminated.

(d) Nothing contained in this act or section shall be construed to repeal or modify the act of March 23, 1932 (ch. 90, 47 Stat. 70), or the act of July 5, 1935 (ch. 372, 49 Stat. 449), known as the National Labor Relations Act, or any other act of Congress regarding labor relations or rights of employees to organize or bargain collectively, or of the act of June 30, 1936 (ch. 881, 49 Stat. 2036).

NEUTRALITY ACT OF 1937

(Approved May 1, 1937; Public Res. 27, 57th Cong.)

The exportation of arms, ammunition, or implements of war from the United States shall be unlawful when the President proclaims there exists a state of war between foreign states. The same shall hold true when the President finds a state of civil strife in a foreign country threatens the peace of the United States. The President shall enumerate the arms, ammunition, and implements of war which shall be prohibited. Raw materials are not included under the title "Arms, ammunition, or implements of war." Penalty for violation is provided, and goods captured in violation of the act shall be delivered to the Secretary of War.

When the President shall find that it is further necessary for the protection of the peace of the United States, he shall issue restrictions on certain additional articles and shall proclaim it unlawful for any American vessel to carry such articles (lake, river, and inland-water transportation excepted under certain conditions). These additional articles named by the President cannot leave the United States until all right, title, and interest therein shall have been transferred to some foreign government, agency, institution, association, partnership, corporation, or national.

Whenever the President by proclamation bans the shipping of munitions, it shall thereafter be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any belligerent state. However, the President may exempt from this ban certain transactions of a character customarily used in normal peacetime commercial dealings. Funds for medical aid or food and clothing to relieve human suffering may be solicited, but subject to the approval of the President.

The act establishes the National Munitions Control Board to carry out the provisions of the Neutrality Act.

Every person engaged in the business of manufacturing, exporting, or importing implements of war shall be registered with the Secretary of State. A registration fee is charged and a license issued. All licenses to trade with belligerent states are revoked when the President bans the sale of implements of war to such states.

American vessels are prohibited from carrying banned arms to belligerent states under penalty of fine or imprisonment, in addition to forfeiting vessel and its cargo to the United States.

Means of preventing the use of American ports as a base for supplies by foreign ships in violation of this act is given the President.

In the interest of neutrality, the President may issue restrictions on the use of American ports by submarines and armed merchant vessels of a foreign state.

When the ban on shipping of implements of war is put into effect it shall thereafter be unlawful for any United States citizen to travel on any vessel of the state or states named in the proclamation. American merchant vessels trading with belligerent states is prohibited.

The act exempts American republics engaged in war against a non-American state or states.

TO AUTHORIZE COOPERATION IN THE DEVELOPMENT OF FARM FORESTRY IN THE STATES AND TERRITORIES

(Approved May 18, 1937; Public Law No. 95, 75th Cong.)

The act authorizes $2,500,000 annually to aid agriculture, increase farm-forest income, conserve water resources, increase employment, and in other ways advance the general welfare and improve living conditions on farms through reforestation and afforestation in the various States and Territories. The Secretary of Agriculture is authorized in cooperation with the land-grant colleges and universities and State forestry agencies to produce or procure and distribute forest trees and shrub planting stock; to make necessary investigations; to advise farmers regarding the establishment, protection, and management of farm forests, and forest and shrub plantations and the harvesting, utilization, and marketing of the products thereof.

TO AMEND THE COMMUNICATIONS ACT

(Approved May 20, 1937; Public Law No. 97, 75th Cong.)

To amend the Communications Act of 1934, approved June 19, 1934, for the purpose of promoting safety of life and property at sea through the use of wire and radio communications, to make more effective the International Convention for the Safety of Life at Sea, 1920, and for other purposes.

Prior to the passage of this act, the law concerning radio and other safety features required on sea-going vessels was embodied in the Ship Act of 1910, amended in 1912, the Communications Act of 1934, the International Telecommunication Convention, and the general radio regulations annexed thereto, of Madrid, 1932; and the International Convention for the Safety of Life at Sea, London, 1929.

All the previous legislation was limited in scope in that the safety provisions requirements did not include all vessels which carry passengers and cargo on the open sea. The present act is an amendment of the Communications Act of 1934, and seeks to replace and modernize previous legislation.

This act forbids all ships of the United States, except cargo ships of less than 1,600 gross tons and passenger ships of less than 500 gross tons, to leave the United States for a voyage on the open sea unless equipped with an efficient radio in charge of a qualified operator. Exceptions are made in cases of ships of war, certain Government ships, and certain foreign vessels.

In addition to the safety provisions concerning radio equipment, such vessels are required to be equipped with direction-finding apparatus of an efficient and capable type. Installation of radio in motor-equipped lifeboats, which are required to be equipped with radio, shall be subject to approval by the Federal Communications Commission, and the Commission shall have additional authority to inspect radio equipment.

Further provisions to enhance the safety of vessels at sea are contained within the act and deal with the dissemination of information between vessels and between vessels at sea and shore stations. Fines and penalties are imposed on owners and masters of vessels who disregard safety requirements.

TO AMEND THE PROVISIONS OF THE PENSION LAWS TO INCLUDE RESERVE OFFICERS AND MEMBERS OF THE ENLISTED RESERVES

(Approved June 23, 1937; Public Law No. 159, 75th Cong.)

The act amends the pension laws to provide pensions for Reserve officers and members of the enlisted Reserves who are disabled in line of duty, such disability not resulting from the person's own misconduct. When a person who is eligible for pension under this act is also eligible for the benefits of Employees' Compensation Act, he shall elect which benefit he shall receive.

RAILROAD RETIREMENT ACT

(Approved June 24, 1937; Public Law No. 162, 75th Cong.)

This act, which amends the Railroad Retirement Act for Employees of Carriers of 1935, represents a retirement agreement worked out between representatives of employees and of the carriers.

An employee is eligible for a retirement annuity upon reaching 65 years of age, or upon reaching 60 years or over when he has completed 30 years of service or has become totally disabled, but the annuity shall be reduced by one-fifteenth for each year under 65 years of age.

The annuity shall be computed by multiplying a person's years of service by the following percentages of his monthly compensation: Two percent of the first $50, 1½ percent of the next $100, and 1 percent of the next $150. Compensation in any month in excess of $300 is disregarded in computing annuities. The monthly compensation shall be the average compensation earned in the calendar months included in the years of service.

Under the act the maximum annuity is $120 if any prior service is included in the years of service. If only subsequent service is included, there is no limit. Minimum annuities are provided for as follows: For persons with 20 years of service who are employees when attaining the age of 65, the minimum is $40; provided that if the monthly compensation is less than $50, the annuity shall be 80 percent of the monthly compensation, except that if the 80 percent is less than $20, the annuity shall be $20, or the same amount as the monthly compensation, whichever is less.

The act empowers an employee to elect to have the value of his annuity apply to the payment of a reduced annuity to him during his life and an annuity after his death to his spouse. There is a provision making a death-benefit payment; this benefit to be a sum equal to 4 percent of an employee's aggregate compensation (not exceeding $300 for any one month) earned after December 31, 1936.

Provision is made for the taking over of pensioners on the private-pension rolls of carriers and the payment of these pensioners from the United States Treasury. The act promises the persons on the private roll that the amount originally promised them will be paid.

The act will be administered by the Railroad Retirement Board, which was set up under the original act. Expenses for administering the act shall be appropriated from the Treasury of the United States.

Part II of the act deals with the continuing of pensions that had been started under the Retirement Act of 1935.

TAX TO RAISE FUNDS FOR RAILROAD RETIREMENT FUND

(Approved June 29, 1937; Public Law No. 174, 75th Cong.)

This act applies to steam railroads and their employees, including associations, bureaus, agencies, and organizations controlled and maintained by the railroads, and railway-labor organizations, national in scope, which have been or may be organized in accordance with the provisions of the Railway Labor Act, as amended.

The act imposes an income tax upon employees' incomes after December 31, 1936. The rate of taxation is 2¾ percent for 1937 and increases to 3¾ percent on income earned after December 31, 1948, and is levied upon such compensation as is not in excess of $300 for any calendar month. This tax will be deducted by the employer from the employees' compensation and shall then be collected from the employer by the Bureau of Internal Revenue.

An equal tax is imposed upon the employer and the receipts are likewise collected by the Bureau of Internal Revenue.

A higher tax is levied upon the income of employee representatives, ranging from 5½ percent in 1937 to 7½ percent after December 31, 1948.

This legislation repeals and replaces the act of August 29, 1935, and is for the purpose of providing a fund with which to carry out the Federal law concerning the retirement of railway employees.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to make such rules and regulations as may be necessary to carry out the provisions of this legislation.

CIVILIAN CONSERVATION CORPS

(Approved June 28, 1937; Public Law No. 163, 75th Cong.)

The act establishes the Civilian Conservation Corps for the purpose of providing employment and vocational training for unemployed youthful citizens of the United States. The act is to continue in force until July 1, 1940.

A director has complete charge of the corps; he is to be assisted by Reserve officers of the Army, Navy, and Marines. A broad outline of the type of employment for the corps is given in the act.

The enrollment is not to exceed 300,000 men at one time, of which not more than 30,000 are to be war veterans. The compensation, besides quarters, subsistence, and clothing, is set at $30 a month, except for leaders and assistant leaders who may receive not more than $45 and $36, respectively.

EXTENDING BENEFIT OF RETIREMENT TO CERTAIN EMPLOYEES IN LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT

(Approved July 13, 1937; Public Law No. 206, 75th Cong.)

The act amends the present Federal civil-service retirement law (act of May 29, 1930) by including all employees in the legislative branch and all officers and employees of any of the courts of the United States who are not entitled to the benefits of any other retirement act and whose tenure of employment is not intermittent nor of uncertain duration.

To be applicable to the act, any employee in the legislative branch who is brought within its scope must give notice in writing—within a definite period—of his or her desire to be eligible to the Secretary of the Senate or to the Clerk of the House of Representatives.

Employees paid by the disbursing officer of the Senate do not make their contributions in the manner set up by the act of May 29, 1930; but, after having served 15 years, a lump sum equal to the amount that would have been withheld from his or her basic salary under the above act, together with interest on such sum computed at the rate of 4 percent per annum compounded, is deposited.

In computing annuitable service, all employment prior to July 1, 1919, as clerk to a Representative, Delegate, or Resident Commissioner shall be recognized as employment in the legislative branch. The act shall take effect on October 1, 1937.

INSECT CONTROL

(Approved Apr. 6, 1937; Public Res. 20, 75th Cong.)

Authorizes an appropriation of $2,000,000 to be immediately available and additional appropriations to replenish the fund to this amount at the beginning of each fiscal year for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs.

(Approved Apr. 27, 1937; Public Res. 26, 75th Cong.)

Appropriates $1,000,000 to carry out the purposes of Public Resolution 20, Seventy-fifth Congress. No part of the appropriation shall be expended in a State unless the State has provided the organization or materials for cooperation. Requires the Secretary of Agriculture to file a detailed report of expenditures with the Clerk of the House and the Secretary of the Senate.

(Approved July 17, 1937; Public Res. 55, 75th Cong.)

Appropriates $1,000,000 to carry out the purposes of Public Resolution 20, Seventy-fifth Congress, under precisely the same conditions as in Public Resolution 26, Seventy-fifth Congress.

TO AMEND THE COMMUNICATIONS ACT OF 1934

(Approved Mar. 29, 1937; Public Law No. 26, 75th Cong.)

The purpose of this legislation was to liberalize the requirements of the Communications Act of 1934 regarding the necessity of radio transmission being carried on by a licensed operator if the station was a licensed station. It was learned that the regulations under the Communications Act were inflicting a hardship upon universities and other organizations conducting research.

This legislation permits the Communications Commission to waive or modify the act of 1934 if by so doing it may serve the public interest, convenience, or necessity. Adequate limitations are placed upon the discretion of the Commission so that the spirit of the Communications Act will not be violated.

BANKHEAD-JONES FARM TENANT ACT

(Approved July 22, 1937; Public Law No. 210, 75th Cong.)

The Secretary of Agriculture is authorized to make loans for purpose of acquiring farms for farm tenants, farm laborers, sharecroppers, and other individuals who obtain or who recently obtained the major portion of their income from farming operations.

To carry out the provisions of the act there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1938, $25,000,000 the following fiscal year, and $50,000,000 each fiscal year thereafter.

The loans are to be repaid within 40 years; the rate of interest is to be 3 percent per annum. The Secretary of Agriculture is to prescribe proper farming practices. Without the consent of the Secretary, no final payment shall be accepted or release of the Secretary's interest be made less than 5 years after the making of the loan.

A county committee, which shall be composed of three farmers residing in the county, shall examine applications of persons desiring loans and examine and appraise farms in the county with respect to purchase of said farms, and the committee shall report its findings to the Secretary of Agriculture.

Title II authorizes the appropriation of funds from existing relief appropriations for rehabilitation loans to individuals for the purchase of livestock, farm equipment, supplies, and other farm needs, for refinancing of indebtedness, and for family subsistence.

Title III gives the Secretary of Agriculture the power to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, and protecting the public lands in general.

The Farmers' Home Corporation is set up to carry out the provisions of title I and title II of the act; the Secretary of Agriculture is given power to delegate the powers and duties given him by the act to the Corporation.

SOIL CONSERVATION ACT

(Approved June 28, 1937; Public Law No. 170, 75th Cong.)

The Soil Conservation and Domestic Allotment Act of 1936 is amended to extend the duration of the act until January 1, 1942.

COTTON CLASSIFICATION

(Approved Apr. 13, 1937; Public Law No. 28, 75th Cong.)

Producers of cotton who are organized to promote the improvement of cotton may apply to the Secretary of Agriture for classification, in accordance with the official cotton standards of the United States, of any cotton produced by them.

The Secretary of Agriculture is also authorized and directed to collect, authenticate, publish, and distribute, by telegraph, radio, mail, or otherwise, timely information concerning marketing conditions for cotton, and to have published and distributed in cotton communities information concerning prices for the various grades and staple lengths of cotton.

The Secretary of Agriculture is authorized to make such rules and regulations as he may deem necessary to effectuate the purposes of this act.

SEED LOANS TO FARMERS

(Approved Jan. 29, 1937; Public Law No. 3, 75th Cong.)

Authorizes $50,000,000 for loans to farmers for crop production and harvesting during the year 1937 by the Farm

Credit Administration. No loans are to be made to one who can secure funds from other sources. First lien upon all crops shall be given as security for the loan.

No loan shall exceed $400. Each loan shall bear interest at 4 percent per annum. The money shall be used only for purposes stated on application of borrower, except upon written consent of the Governor of the Farm Credit Administration.

Provisions for hiring of employees are set out. The facilities of other Government organizations are to be used when feasible.

AGRICULTURAL MARKETING AGREEMENT OF 1937

(Approved June 3, 1937; Public Law No. 137, 75th Cong.)

The act reenacts provisions of the Agricultural Adjustment Act, as amended, not having been intended for the control of the production of agricultural commodities.

The original Agricultural Adjustment Act is amended to indicate that the marketing agreement and order provisions under this act have no connection with, nor have they as their objective, production control.

The act further provides that if the Secretary of Agriculture finds that the national parity price for milk does not adequately reflect the price of feeds, the available supplies of feeds and other economic conditions which affect market supply and demand for milk in the marketing area to which the marketing agreement or order relates. he shall fix such prices as will reflect such factors, insure a sufficient quantity of pure wholesome milk, and be in the public interest. The act gives the Secretary permission to mediate and arbitrate disputes between the cooperatives and the handlers of milk in a particular milk market under certain conditions.

The act rewrites the section dealing with producer referendums in ascertaining whether the issuance of an order is approved or favored by producers.

Interstate and foreign commerce is defined by one section of the act, and another section states that no processing taxes or compensating taxes shall be levied or collected under the agricultural marketing agreement of 1937.

TAX LOOPHOLE REVENUE ACT OF 1937

(Public Law No. 377, 75th Cong.)

The purpose of the act is to overcome practices used to avoid and evade the payment of taxes.

First. The act raises the rates of surtax applicable to the undistributed income and domestic personal holding companies from a rate of 8 to 48 percent to a rate of 65 to 75 percent.

Second. A provision of the act places expenditures made by personal holding companies for operating yachts, country places, and so forth, on an equal basis with individuals with respect to the deductibility of expenses which are personal in nature.

Third. The measure classifies corporations which incorporate "talents"—for example, actors, athletes, and the like—as personal holding companies and subjects them to the applicable surtax.

Fourth. The bill attempts to eliminate the taking of artificial deductions for interest, business expenses, and losses.

Fifth. The act eliminates the $1,000 exemption in regard to income from trusts which permit the accumulation of any portion of the income of the trusts when there is not distributed an equal amount to the net income from the trusts.

Sixth. Under the act a shareholder in a foreign personal holding company would be taxed on his pro-rata share of the company's income whether this income is or is not distributed to him. This provision also requires the filing of data in regard to the foreign personal holding company.

Seventh. The act would require nonresident aliens to pay a tax applicable to Americans with incomes of like size when the nonresident alien's income is in excess of $21,600. There is no change in regard to a nonresident alien's income if he receives less than $21,600.

REFORM OF JUDICIAL PROCEDURE

(Public Law No. 352, 75th Cong.)

The act provides that whenever the constitutionality of any act affecting the public interest is questioned in any court in the United States, even though the United States is not a party, the court having jurisdiction of the suit shall certify such information to the Attorney General, and the court shall permit the United States to intervene and become a party for presentation of evidence and argument upon the constitutionality of such act.

When there is a decision against the constitutionality of an act in the United States court, an appeal may be taken directly to the Supreme Court of the United States. This type of an appeal shall be heard by the Supreme Court at the earliest time possible and shall take precedence over all other matters.

No interlocutory or permanent injunction setting aside, in whole or in part, any act of Congress on the grounds of unconstitutionality shall be granted by any single judge in the district court of the United States. Application for such an injunction must be heard and determined by three judges, of whom one shall be a circuit judge. An appeal may be taken directly to the Supreme Court, and it will take precedence over all matters not of a like character.

Whenever any district judge by reason of disability or absence from his district or the accumulation or urgency of business is unable to speedily perform the work of his district provision is made for the assignment, by the senior circuit judge or the chief justice, of another district judge to assist in discharging the business of the said district.

TO PROHIBIT CERTAIN AGREEMENTS IN FIXING FEES

(Public Law No. 373, 75th Cong.)

To prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings.

To prevent collusion in fixing fees, this act, which is supplementary to the act of August 24, 1937, for the reform of judicial procedure, declares it unlawful for any party in interest in any receivership, bankruptcy, or reorganization proceedings in any United States court to enter into any agreement fixing the amount of the fees or other compensation to be paid to any party in interest or any attorney of any party in interest in such proceeding for services rendered in connection therewith.

The act declares that it shall be unlawful for any judge of any court of the United States to approve the payment of any fees or compensation the amount of which is fixed as the result of any act declared unlawful by the above section.

The act prevents any judge from appointing as receiver or trustee any person related to such judge by consanguinity or affinity within the fourth degree, and imposes a fine of not more than $10,000 or imprisonment of not more than 5 years, or both, upon any person who commits any act declared by this section to be unlawful.

AMENDMENT TO ANTITRUST LAWS

(Approved Aug. 17, 1937; Public Law, No. 314, 75th Cong.)

To provide additional revenue for the District of Columbia, and for other purposes.

Title VIII of this act amended section 1 of the act approved July 2, 1890, which dealt with restraint of trade and monopolies.

This amendment to the antitrust laws permits, under certain prescribed conditions, the execution of contracts or agreements for the resale of commodities at a minimum price; provided, that such commodities must be properly branded or trade-marked with the name of the producer, and must be in free and open competition with commodities of the same general class produced or distributed by others; and provided that such contracts and agreements do not conflict with the statutes of the locality in which the commodities are to be resold.

Such contracts or agreements are forbidden between manufacturers, or between producers, or between wholesalers, or between brokers, or between factors, or between

retailers, or between persons, firms, or corporations in competition with each other.

PERSONNEL OF NAVAL RESERVE OFFICERS

(Approved Aug. 6, 1937; Public Law No. 248, 75th Cong.)

To amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes."

This legislation authorizes an increase in the total personnel of the Naval Reserve Officers' Training Corps from 1,200 to 2,400.

NATIONAL CANCER INSTITUTE

(Approved Aug. 5, 1937; Public Law No. 244, 75th Cong.)

The act establishes a National Cancer Institute in the Public Health Service, and provides an annual appropriation of $700,000 to carry out the purposes of the legislation. An additional appropriation of not to exceed $750,000 is authorized for the purpose of acquiring such building and facilities as may be necessary, the site to be located in or near the District of Columbia.

There is created a National Advisory Cancer Council of six members who are to be appointed by the Surgeon General of the Public Health Service with the approval of the Secretary of the Treasury. The Surgeon General is to be ex-officio chairman of the council. Members of the council shall hold office for not more than 3 years continuously but shall be eligible for reappointment if they have not served as a member of the council at any time within 12 months immediately preceding such reappointment. Each member shall receive $25 per day for time actually devoted to official duties of the council, and shall receive necessary traveling and subsistence expenses while on official business.

The purpose of the legislation is to foster, conduct, and assist research in treatment and prevention of cancer; to aid in coordinating research by various organizations and States; to use and lend radium in treatment of cancer; to provide fellowships so as to attract brilliant students of cancer to the institute; to secure for the institute the advice and consultation services of cancer experts in the United States and abroad; to aid research projects by grants of money; and to make available to properly trained persons, technical instruction in diagnosing and treating cancer.

The Secretary of the Treasury is authorized to accept on behalf of the United States gifts made for study, investigation, or research into the cause, prevention, and methods of diagnosis and treatment of cancer. Donations of $500,000 or more in aid of research under this act are to be acknowledged permanently by the establishment with the institute of suitable memorials to the donors.

TO PROVIDE REVENUE AND FOR OTHER PURPOSES

(Approved June 29, 1937; Public Res. 48, 75th Cong.)

The act continues certain taxes on gasoline, and so forth, and the increased postage rates until June 30, 1939, by amending the Revenue Act of 1932.

EMERGENCY RELIEF APPROPRIATION ACT OF 1937

(Approved June 29, 1937; Public Res. 47, 75th Cong.)

There is appropriated $1,500,000,000, together with unexpended balances from certain former relief appropriations, to be used under the direction of the President to continue relief and work relief in the United States and its Territories.

Of the $1,500,000,000 appropriated there is not to be spent more than (a) $415,000,000 for highways, roads, and streets; (b) $630,000,000 for municipal projects and miscellaneous work projects; (c) $380,000,000 for educational, professional, and self-help, and clerical persons and women's projects; and (d) $75,000,000 for National Youth Administration.

Not more than 5 percent of the amount used may be spent for administration costs, with certain specified exceptions. No Federal construction project shall be undertaken from this appropriation unless sufficient funds are set aside for its completion.

Such sums shall be available to the Resettlement Administration for loans, relief, and rural rehabilitation for needy persons as the President may direct.

No person shall be employed under this act who refuses an offer of private employment which pays as much or more than the work relief, but one who takes such private employment shall be eligible to return to the relief roll if without work later. The rate of pay upon projects under this act shall be at the prevailing rate of pay for similar work in the same locality.

American citizens are to be given preference on the relief rolls. No part of the appropriation shall be used to pay a salary for a person who is a candidate for office, or to pay any person serving as campaign manager or assistant thereto for any such candidate.

Title II of the act continues the Federal Emergency Administration of Public Works until July 1, 1939. The amount the Reconstruction Finance Corporation may have invested at any one time in securities purchased from P. W. A. is increased from $250,000,000 to $400,000,000. The amount of money the P. W. A. Administrator is authorized to use for grants from money realized from the sale of securities is increased from $300,000,000 to $359,000,000. The classes of projects for which funds are available are listed in the act.

TAX EVASION AND AVOIDANCE COMMITTEE

(Approved June 11, 1937; Public Res. 40, 75th Cong.)

A joint congressional committee shall be named, whose duty it shall be to investigate the methods of evasion and avoidance of income, estate, gift, and other forms of taxation. The committee shall report its recommendations as to remedies for the evils disclosed by the investigation not later than February 1, 1938.

NATIONAL GALLERY OF ART

(Approved Mar. 24, 1937; Public Res. 14, 75th Cong.)

Appropriates an area in the Mall to the Smithsonian Institution, which is authorized to permit the A. W. Mellon Educational and Charitable Trust to construct for the Smithsonian Institution a building to be designated as the National Gallery of Art.

Establishes a bureau in the Smithsonian Institution to be directed by a board, the trustees of the National Gallery of Art, for the administration of the gallery. The board shall be composed of the Chief Justice, the Secretary of State, the Secretary of the Treasury, and the Secretary of the Smithsonian Institution, ex-officio, and five general trustees. The first general trustees shall be selected by the Board of Regents of the Smithsonian Institution, subject to removal of the donor. Thereafter successors shall be elected by the general trustees for a term of 10 years.

Provides for acceptance of collection of works of art to be housed in the gallery.

Pledges the United States to provide administrative expenses.

Provides for appointment by the board of a director and other officers.

FOREIGN-TRADE AGREEMENTS

(Approved Mar. 1, 1937; Public Res. 10, 75th Cong.)

The period during which the President may enter into foreign-trade agreements is extended for a further period of 3 years from June 12, 1937.

HEALTH AND SANITATION IN FLOOD AREAS

(Approved Feb. 24, 1937; Public Res. 7, 75th Cong.)

Authorizes the appropriation of funds to the United States Public Health Service for health and sanitation activities in the areas recently stricken by floods. The funds shall not only be used in health services and in the prevention and control of diseases, but shall be used to replace vast supplies depleted in aiding victims of recent floods.

GUARANTY OF FEDERAL HOUSING DEBENTURES

(Approved Feb. 19, 1937; Public Res. 6, 75th Cong.)

The resolution extends for 2 years, to July 1, 1939, the guaranty by the United States of debentures issued by the Federal Housing Administration.

COAST GUARD

(Approved July 30, 1937; Public Law No. 234, 75th Cong.)

An enlistment shall not be complete until the enlisted man has served time, in excess of 1 day, lost on account of unauthorized absence from duty or injury, sickness, or disease resulting from intemperance or other misconduct.

Provides for voluntary extension of enlistment for 1, 2, or 3 years.

Provides for detention of enlisted men beyond terms of enlistment in cases of emergency.

Extends medical, surgical, and dental treatment, and hospitalization to the Coast Guard in the same manner and to the same extent as such benefits are enjoyed by members of the other services.

Extends to Filipinos in the Coast Guard same privileges with respect to naturalization as now enjoyed by Filipinos serving in the Navy, Marine Corps, and Naval Auxiliary Service.

Authorizes award of Distinguished Flying Cross in the aviation branch for heroism or distinguished achievement.

Provides clothing allowance for cadets in the Coast Guard Academy.

Extends to retired Coast Guard officers the privilege of accepting another office to which compensation is attached if elected or appointed by the President with Senate confirmation in the same manner as the privilege is granted to Army and Navy officers.

AUXILIARY VESSELS FOR THE NAVY

(Approved July 30, 1937; Public Law No. 226, 75th Cong.)

Authorizes construction of 36,050 tons of auxiliary vessels at a total cost of not more than $50,000,000. Not less than 50 percent of the vessels shall be constructed in Government navy yards. The President may, however, should the public interest require, have the vessels constructed in Government or private yards notwithstanding the allocation imposed.

Bids for construction on Pacific coast shall have 6 percent differential in their favor.

MARRIAGE CLAUSE

(Approved July 26, 1937; Public Law No. 212, 75th Cong.)

Provides that no one shall be discriminated against in the civil service because of marital status, and repeals all acts inconsistent with this provision.

DEPORTATION OF ALIENS

(Approved May 14, 1937; Public Law No. 79, 75th Cong.)

Provides for deportation of aliens who, in order to obtain a nonquota or preference visa, contract a marriage, which subsequent to entry, is judicially annulled retroactively to date of marriage.

If an immigrant fails to fulfill promises for a marital agreement made to procure entry, he then becomes immediately subject to deportation.

FREE TRANSPORTATION OF "SEEING EYE" DOGS TO ACCOMPANY BLIND PERSONS ON TRAINS

(Approved July 5, 1937; Public Law No. 184, 75th Cong.)

The act grants permission to blind persons to take with them in the passenger or Pullman coaches of trains those dogs (seeing-eye dog) specially trained and educated to guide blind persons.

AUTHORIZES AN INCREASE IN THE ANNUAL APPROPRIATION TO THE LIBRARY OF CONGRESS FOR THE ADULT BLIND

(Approved Apr. 23, 1937; Public Law No. 47, 75th Cong.)

The act authorizes an increase in the annual appropriation to the Library of Congress for the adult blind of $100,000; the money to be expended for sound-reproduction records. The total sum authorized for the Library of Congress to spend annually for the adult blind now totals $275,000.

ADDITIONAL AID FOR THE BLIND

(Public Law No. 339, 75th Cong.)

Amends the act of March 3, 1879, an act to promote the education of the blind, as amended, to provide that in addition to the permanent appropriation of $10,000 made in that act, and appropriations made in supplementary acts, there is authorized to be appropriated annually the sum of $115,000 for the purpose of enabling the American Printing House for the Blind more adequately to provide books and apparatus for the education of the blind, which sum shall be expended in accordance with the requirements of the said act.

TO PROVIDE SPECIAL RATES OF POSTAGE ON MATTER FOR THE BLIND

(Approved Apr. 15, 1937, Public Law No. 37, 75th Cong.)

The act provides that sound-reproduction records and periodicals published in raised letters for the use of the blind may be transmitted in the mails at a postage rate of 1 cent per pound; provided, that the material must not contain advertisements and must be furnished by an organization which is not conducted for private profit.

TO PROVIDE FOR THE PREVENTION OF BLINDNESS IN INFANTS BORN IN THE DISTRICT OF COLUMBIA

(Approved Apr. 27, 1937; Public Law No. 58; 75th Cong.)

A proper solution of silver nitrate to be administered to prevent inflammation of the eyes of new-born children shall be furnished by the health officer of the District of Columbia to physicians, midwives, or other persons in attendance upon any case of childbirth.

If inflammation is present in the eyes of the new-born child, the person in attendance is to report the case to the health officer. The health officer in turn shall issue an order directing the parents of the child to immediately place the child under the care of a registered physician; if the parents are not able to pay for such medical care, the expenses shall be taken care of by the Board of Public Welfare. Only a registered physician shall treat a case of inflammation of the eyes.

BOY SCOUT JAMBOREE

(Approved Apr. 17, 1937; Public Law No. 40, 75th Cong.)

To authorize the Secretary of War to lend War Department equipment for use at the World Jamboree to the Boy Scouts of America; and to authorize the Commissioner of Internal Revenue to remit the tax on steamship tickets; and, further, to authorize the Secretary of State to issue passports to bona-fide Scouts and Scouters without fee for the application or the issuance of said passports.

This legislation authorized the Secretary of War to lend, at his discretion, certain Army equipment to the Boy Scouts of America for use at the world jamboree held in the Netherlands during July and August of 1937. It was expressly stated that no expense was to accrue to the United States because of transportation of such goods, and the Secretary of War was required to obtain a good and sufficient bond for the safe return of the property. It was further provided that the tax on steamship tickets might be waived on tickets held by accredited Boy Scouts attending this jamboree, and that such Boy Scouts might obtain passports without paying the usual fee.

FOR THE PROTECTION OF THE NORTHERN PACIFIC HALIBUT FISHERY

(Approved June 28, 1937; Public Law No. 169, 75th Cong.)

By the terms of the act it is made unlawful for any person other than a national or an inhabitant of the United States to catch, or attempt to catch, halibut in the territorial waters contiguous to the western coast of the United States and the territorial waters contiguous to the southern and western coasts of Alaska. Persons are forbidden to transfer to or to receive upon any vessel of the United States, or to bring to any place within the jurisdiction of the United States, any halibut caught in the convention waters by the use of any vessel of a nation not a party to the convention, or caught in convention waters by any national of the United States or Canada in violation of the convention.

Other provisions of the legislation further define and limit the rights of fisheries in the convention waters. The bill also provides appropriate means for the enforcement of the act and penalties for its violation.

SEAMEN DISCHARGE ACT

(Approved Mar. 24, 1937; Public Law No. 25, 75th Cong.)

The act provides that every seaman upon a merchant seagoing vessel of the United States in excess of 100 gross tons shall be furnished with a continuous discharge book or a certificate of identification. Each discharge book or certificate shall contain the signature of the seaman, a statement of his nationality, age, personal description, photograph, thumbprint, and home address. No seaman may be

employed by any vessel to which the amended section applies unless he exhibits such a certificate or book or unless employed in a foreign port.

Upon discharge of the seaman, certain data shall be entered in such book or appended to such certificate, the vessel, the voyage, the rating of the seaman, and certain other information, but such data shall contain no reference to the character or ability of the seaman.

Duplicate records shall be maintained in the Bureau of Marine Inspection and Navigation in Washington, D. C., but shall not be available for public use or inspection. In the event of loss of such book or certificate, the seaman shall be supplied with a duplicate copy upon payment of the actual cost thereof.

These provisions do not apply to fishing or whaling vessels or to yachts.

Penalties involving fines and imprisonment are provided in the event of violation of the law.

DISTRIBUTION OF PRODUCTS OF FISHING INDUSTRY

(Approved Mar. 5, 1937; Public Law No. 15, 75th Cong.)

The act provides for an appropriation of $2,000,000 for the purpose of enabling the Federal Surplus Commodities Corporation to acquire, during a period of 90 days following the date of enactment, surplus supplies of fish and the products thereof, and to distribute such supplies through Federal, State, and private relief agencies. The distribution thereof may extend beyond the 90-day period of acquisition.

(Approved Apr. 12, 1937; Public Res. 22, 75th Cong.)

This legislation provides for an additional appropriation of $1,000,000 for the acquisition of surplus supplies of fish by the Federal Surplus Commodities Corporation, and its distribution through Federal, State, and private relief agencies in accordance with the provisions of Public Act No. 15, approved March 5, 1937.

HOUSING ACT

(Public Law No. 412, 75th Cong.)

The purpose of the act is to remedy the unsafe and insanitary conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income.

Creates in the Interior Department the United States Housing Authority whose powers shall be vested in a single administrator.

The Authority is authorized to make loans, limited to 90 percent of the cost of the projects, to assist in developing low-rent-housing and slum-clearance projects.

The act empowers the Authority to make annual contributions to public-housing agencies to assist in achieving and maintaining the low-rent character of the housing projects, provided the State, city, county, or other political subdivisions shall contribute in cash, tax remissions, or tax exemptions 20 percent of the annual contributions. Before the Authority can enter a contract to make annual contributions the project must include the elimination of substantially as many slum buildings as new buildings constructed. The Authority may obligate itself immediately for annual contributions of $5,000,000 per annum; after July 1, 1938, this sum may be increased by $7,500,000 per annum; and after July 1, 1939, the annual contributions may be increased by another $7,500,000 per annum.

If the Authority consents, an alternative to the annual contribution plan may be a substituted—the capital-grant plan. The capital grant may in no case exceed 25 percent of the development cost of the project, nor is authority given for capital grants in excess of $30,000,000. No capital grant shall be made unless the State or its political subdivision contributes 20 percent of the cost of the project.

The Authority is authorized to dispose of any low-rent housing project acquired by the Authority by sale or lease of such projects.

The act prohibits the Authority from aiding in any project costing more than $4,000 per family dwelling unit or more than $1,000 per room (excluding land, demolition, and nondwelling facilities), except in cities over 500,000 population where the limit is to be $5,000 per family dwelling unit and $1,250 per room.

The capital stock of $1,000,000 is to be subscribed for by the United States; there is authorized $26,000,000 for the fiscal year ending June 30, 1938. The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise, up to $100,000,000 after enactment; an additional $200,000,000 may be issued after July 1, 1938, and $200,000,000 more after July 1, 1939. The obligations must mature within 60 years and bear an interest rate of not over 4 percent annually.

No annual contributions, grants, or loans shall be made without the approval of the President.

Employees receiving less than $1,980 annually shall be selected from the rolls of the Civil Service Commission, and the Senate shall confirm any person receiving more than $7,500 annually.

DISASTER LOAN CORPORATION

(Approved Feb. 11, 1937; Public Law No. 5, 75th Cong.)

Creates a Disaster Loan Corporation with a capital stock not to exceed $20,000,000, to be subscribed by the Reconstruction Finance Corporation out of the unexpended balance of its 1936 $50,000,000 catastrophe relief fund. The new Corporation shall be managed by officers and agents appointed by the Reconstruction Finance Corporation. It shall make loans with respect to catastrophes occurring in 1937 upon such terms as it shall prescribe.

EXTENSION OF AUTHORITY OF DISASTER LOAN CORPORATION TO INCLUDE DISASTERS IN 1936

(Approved May 28, 1937; Public Res. 34, 75th Cong.)

Amends the Disaster Loan Corporation Act approved February 11, 1937, by making it applicable with respect to floods occurring in 1936 also.

RETIREMENT OF SUPREME COURT JUSTICES

(Approved Mar. 1, 1937; Public Law No. 10, 75th Cong.)

Amends section 260 of the Judicial Code, which authorizes retirement subject to assignment to judicial duty in lieu of resignation of judges other than of the Supreme Court, by similarly authorizing retirement by Justices of the Supreme Court, subject to assignment of such judicial duties by the Chief Justice as they may be willing to undertake.

WORLD WAR VETERANS' BENEFITS

Insurance benefits for disabled veterans and their dependents, gold star mothers and American war mothers included

(Approved Aug. 16, 1937; Public Law No. 304, 75th Cong.)

To liberalize the provisions of existing laws governing the allowance of benefits to World War veterans and their dependents for service-connected disabilities, and for other purposes.

The act increases payments to 2,300 widows and parents of 21,610 deceased veterans.

Gold star mothers and American war mothers are included in the provisions for benefit insurance embodied in section 312, as well as in the provisions for increased rates of death compensation embodied in section 3 of the act.

Section 312 restores to disabled veterans and their dependents insurance benefits granted under prior law, which had been denied by a court ruling holding that, because of their employability, even although necessarily such employment was very restricted and remuneration therefor small, they were no longer totally and permanently disabled for insurance benefits.

This section provides for a statutory rating for insurance purposes to guarantee continuance of insurance to those who have suffered certain specified permanent disabilities by clarifying the law and the intent and purpose of the Congress, and stipulates that such disabilities "shall be deemed total permanent disability for insurance purposes."

The same section also provides that it "shall be deemed to be in effect on and after April 6, 1917", which, in substance, guarantees that disabled veterans who have received insurance benefits since that date and those to whom they may hereafter be granted shall not be deprived of such insurance benefits by the court ruling already referred to.

The rates of death compensation are increased for widows between the ages of 50 and 65 years from $35 to $37.50, and for widows aged 65 years or over from $40 to $45 per month. For orphaned children there is granted: For one child, $20; two children, $33, equally divided; three children, $46, equally divided; and for each additional child, $8 per month.

For dependent parents, the existing rate of $20 for one parent is increased to $45, or where there are two dependent parents the existing rate of $15 is increased to $25 each. Parents are entitled to receive these benefits, even though they are receiving additional benefits from other sources, because under this law the present limitation that aggregate compensation may not exceed $75 per month for widows, children, and dependent parents does not apply in the case of dependent parents.

MUNICIPAL BANKRUPTCY

(Approved Aug. 16, 1937; Public Law No. 302, 75th Cong.)

The act provides for the composition, through proceedings in bankruptcy, of the indebtedness of insolvent taxing agencies such as drainage, levee, water irrigation, sewer, road, school, port, and similar improvement districts, and certain towns, cities, boroughs, and townships.

Compositions are approvable only when the districts or agencies file voluntary proceedings in courts of bankruptcy, accompanied by plans approved by 51 percent of all the creditors of the district or agency, and by evidence of good faith. Each proceeding is subject to ample notice to creditors, thorough hearings, complete investigations, and appeals from interlocutory and final decrees. The plan of composition cannot be confirmed unless accepted in writing by creditors holding at least 66⅔ percent of the aggregate amount of the indebtedness of the petitioning district or taxing agency, and unless the judge is satisfied that the taxing district is authorized by law to carry out the plan, and until a specific finding by the court that the plan of composition is fair, equitable, and for the best interests of the creditors.

The jurisdiction conferred in the act terminates on June 30, 1940. One of the primary purposes of the measure is to enable, under proper safeguards, the rehabilitation and reorganization of those taxing districts and agencies which were in process of rearranging and refinancing their obligations under Public Law 258 of the Seventy-third Congress (48 Stat. 798); however, any insolvent taxing district or agency may apply for composition under the provisions of this act.

FARM CREDIT ACT OF 1937

(Approved Aug. 19, 1937; Public Law No. 353, 75th Cong.)

Makes a number of changes of an administrative character in the Farm Credit Act, the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, and other statutes dealing with farm and agricultural financing and for coordination in administration of the various farm-credit agencies such as the farm land banks, the intermediate credit banks, agricultural credit corporations, and so forth.

Confers upon the Federal Farm Mortgage Corporation powers similar to those vested in the Federal land banks and authorizes the corporation to extend loans whenever such action is justified by conditions.

Broadens the list of eligible purposes for which Federal farm land loans might be made, to include refinancing of indebtedness incurred before January 1, 1937.

Provides for the merger and consolidation of regional agricultural credit corporations.

BONNEVILLE POWER DAM PROJECT

(Approved Aug. 20, 1937; Public Law No. 329, 75th Cong.)

The act provides for the completion, maintenance, and operation of the Bonneville Dam project on the Columbia River at Bonneville, Oreg.-Wash., under the direction of the Secretary of War and the supervision of the Chief of Engineers, subject to certain powers of the Columbia River Administrator—who is named by the Secretary of the Interior—with respect to transmission and distribution of surplus power generated at the project.

Vests the Federal Power Commission with authority to approve and revise rates for the sale of surplus power.

Permits the Secretary of War, at the request of the Administrator, to install additional power units as power consumptive capacity develops.

Allows all surplus power generated at the project to be sold under contracts made with States and their political subdivisions or to individuals or private corporations, with preference provided for contracts with States and other public bodies.

Stipulates that until January 1, 1941, at least 50 percent of the energy which the electric generating facilities at Bonneville are capable of producing shall be reserved for sale to public bodies and cooperatives, and that thereafter, when there is a conflict in application as between public bodies and cooperatives and private agencies, the former would receive the preference.

Contracts for the sale of power could run for a period as long as 20 years, including renewals. Contracts with public agencies could provide for delivery of power at wholesale for resale or direct consumption. Private persons or agencies other than privately owned public utilities would not be permitted to resell electricity to a private utility.

Contracts would provide for equitable adjustment of rates at least once in every 5 years, and in the case of private utilities would be cancelable on 5 years' notice in writing. Rate schedules would be adjusted with the view of promoting the widest possible use of electric current, keeping in mind the recovery, production, and distribution costs, including amortization and interest charges over a reasonable period of years.

Provides that receipts from the Bonneville project shall be covered into the Treasury, and authorizes an appropriation to create a fund of $500,000 for the use of the administration to meet emergency expenses and insure continuous operation.

Places supervision of litigation in connection with the project in the hands of the Attorney General, who selects the attorney to handle such matters.

UNEMPLOYMENT CENSUS

(Public Law No. 409, 75th Cong.)

The act provides that the President shall cause to be taken on or before April 1, 1938, a census of partial and total unemployment and occupations, and including such related information as shall be deemed in the public interest, in the 48 States, the District of Columbia, and the Territories of Hawaii and Alaska. The census shall furnish information concerning the numbers, classes, and geographical distribution of persons in the United States partially employed and unemployed and their dependents and income, and concerning industries and occupations of partially employed and unemployed persons, to aid in the formulation of a program for reemployment, social security, and unemployment relief for the people of the United States.

FLOOD PROTECTION FOR OHIO AND OTHER RIVER BASINS

(Public Law No. 406, 75th Cong.)

The act authorizes levees, flood walls, and drainage structures in the Ohio River Basin, as recommended in the report of the Chief of Engineers in House Committee on Flood Control Document No. 1, Seventy-fifth Congress, first session; the projects to be selected by the Chief of Engineers, with the approval of the Secretary of War, at a cost not to exceed $24,877,000. Funds appropriated to carry out the Flood Control Act of 1936 may be used for plant, material, supervisory, and skilled services necessary in the execution of the projects authorized, and relief labor may be furnished under the Emergency Relief Appropriation Act of 1937. Under the provisions of the Barkley amendment, which applies only to cities and towns in the Ohio River Valley, the President may, in his discretion, waive the requirements as to local cooperation by any city or town named in this act by not to exceed 50 percent of the estimated costs of lands, easements, and rights-of-way.

The Secretary of War is authorized, where authorizations and appropriations have been made, to utilize not exceeding $300,000 per year and $25,000 per single stream in removing debris and accumulated snags and in clearing navigable streams in the interest of flood control.

Authorizes the Secretary of Agriculture to cause preliminary examinations and surveys to be made for run-off and water-flow retardation and soil-erosion prevention on the watersheds.

The act amends section 3 of the Flood Control Act of 1936 by adding to the policies already declared the additional policy that State and local cooperation with work of the Department of Agriculture on watersheds may be required as a condition to the extension of Federal benefits to land not owned by the United States.

The act amends section 6 of the 1936 Flood Control Act to authorize the Department of War and the Department of Agriculture to make preliminary examinations and surveys on a number of additional streams.

The act authorizes a change in the plans for flood control on the Yazoo River, authorizes the construction of a flood-control project on the Willamette River, authorizes the substitution of new flood-control plans at Johnstown, Pa., if necessary, and authorizes the construction of flood walls and levees to protect Memphis, Tenn.

CONSERVATION IN ARID AND SEMIARID AREAS: THROUGH WATER STORAGE AND UTILIZATION—CARRIES OUT RECOMMENDATION OF PRESIDENT'S GREAT PLAINS COMMITTEE

(Public Law No. 399, 75th Cong.)

To promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes.

Enacted pursuant to the President's message of February 10, 1937, transmitting report of the Great Plains Committee, entitled "The Future of the Great Plains." It was one of the major recommendations of this committee that suitable water conservation and utilization facilities should be provided.

The bill authorizes the Secretary of Agriculture to assist in providing within the arid and semiarid areas, commonly known as the Dust Bowl of the United States, facilities for water storage or utilization, including ponds, reservoirs, wells, check dams, pumping installations, and similar facilities. These are to be located where they will promote proper utilization of lands, and the bill expressly provides that "no facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest." The Secretary is authorized to sell or lease such facilities upon such terms and conditions as will advance the purposes of the act, and to require State and local cooperation in the program as a condition of extending benefits under the act to other than Federal lands. These operations are to be financed by such appropriations "as Congress may from time to time determine to be necessary."

CONSTRUCTION OF SMALL-STORAGE RESERVOIRS: TO PREVENT FLOODS AND AID IN DROUGHT PERIODS

(Public Law No. 387, 75th Cong.)

To authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws.

In order to trap and store excess run-off of rainfall at its source so as to prevent floods and to maintain local supplies of water during drought periods, there is authorized to be expended from the reclamation fund of the United States Treasury $500,000 for the construction of small-storage reservoirs within the States subject to the Federal reclamation laws. Expenditure of the fund shall be under the direction of the Secretary of the Interior, and construction of such reservoirs shall be at points designated by him; but no construction shall be undertaken if the estimated cost of the project exceeds $50,000.

RIVERS AND HARBORS ACT

(Public Law No. 392, 75th Cong.)

The act authorizes the construction, repair, and preservation of a large number of public works on rivers and harbors to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with plans recommended in the respective reports designated in the act. Unless otherwise specified hereafter Federal investigations and improvements of rivers, harbors, and other waterways shall be under the jurisdiction of and shall be prosecuted by the War Department under the direction of the Secretary of War and the supervision of the Chief of Engineers. All investigations shall give due consideration to the conservation of wildlife.

The act provides for the transfer of jurisdiction of the improvement of the Central Valley project, California, as authorized in the Rivers and Harbors Act of 1935, from the Secretary of War to the Secretary of the Interior.

The act authorizes and adopts the project known as the Marshall Ford Dam, first stage, Colorado River project, Texas. All contracts and agreements which have been executed in connection with the construction of this project are valid and ratified, and the Secretary of the Interior shall have supervision of the project.

The act provides that more than 100 new surveys be made by the Secretary of War on rivers and harbors throughout the United States and Territories.

Authorization is given the Secretary of War for a survey of the Ohio River and its tributaries with a view to ascertaining the character, sources, and extent of pollutive substances being deposited therein, and to report to Congress the most feasible method of correcting and eliminating the pollution of these streams.

The act abandons the maintenance and operation of the lock and dam at Little Callao Landing, Big Sunflower River, Miss.; also abandons a portion of the Sabine-Neches Waterway, Beaumont, Tex. Provision is carried in the act for the granting of the State of Oregon permission to construct a dam and dike in Willanch slough, Oregon, and the same provision is carried for permission to construct a dam and dike in north slough, Oregon.

SUGAR ACT OF 1937

(Public Law No. 414, 75th Cong.)

The Secretary of Agriculture shall determine the amount of sugar needed to meet requirements of consumers in the continental United States. These determinations shall be based upon the quantity of direct-consumption sugar distributed for consumption and shall make allowances for a deficiency or surplus in inventories. Additional allowances may be made to avoid excessive prices to consumers and in no event shall the supply be less than the quantity sufficient to give consumers a per-capita consumption equal to the 1935–36 average.

Pursuant to these determinations the Secretary shall establish quotas, prorating 55.59 percent of such amount among domestic beet and cane areas, Hawaii, Puerto Rico, and the Virgin Islands. The balance, 44.41 percent, is to be prorated among the Philippine Islands and foreign countries.

For Hawaii and Puerto Rico the Secretary shall also determine the amount of sugar needed and establish quotas for the amounts to be marketed.

Whenever the Secretary finds the allotment of any quota, established pursuant to the act, necessary for orderly and adequate flow of sugar in interstate commerce, after hearings, he shall make allotments to marketers or importers of sugar in the United States, Puerto Rico, and Hawaii.

An appeal from any decision making allotments may be taken to the Court of Appeals for the District of Columbia.

Limitations on that portion of the quotas for Hawaii and Puerto Rico which can be filled by direct-consumption sugar are discontinued in 1940. None of the quota for the Virgin Islands can be filled by direct-consumption sugar. Limitations on direct-consumption sugar from Cuba and the Philippines are established.

The Secretary is authorized to make payments to growers on condition, first, that no child under 14 has been permitted to work on the farm, except a member of the immediate family of a person who owns not less than 40 percent of the crop, and that no child between 14 and 16 has been employed

longer than 8 hours a day; second, that minimum-wage scales, determined by the Secretary after hearings, have been met; third, that acreage limitations have been adhered to; fourth, that a producer who is also a processor has paid or contracted to pay for beets and cane not less than the minimum prices established by the Secretary; and, fifth, that soil-conservation practices have been carried out.

Payments are also authorized for abandonment of acreage and damaged crops.

The base rate of pay shall be 60 cents a hundred pounds. Reduction of the base rate occurs in the case of large producers.

To administer the act the Secretary is authorized to utilize local committees of producers, conservation committees, or the Agricultural Extension Service.

A tax of approximately one-half cent per pound on manufactured sugar, manufactured in the United States, is enacted, as well as an equivalent compensating tax on imported manufactured sugar. The tax shall terminate June 30, 1941.

Export manufactured sugar and manufactured sugar used in production of livestock feed or for the distillation of alcohol are exempt from the tax.

Authorizes an annual appropriation of $55,000,000 for the purposes of the act.

Provides penalties for infractions of the law.

The powers of the Secretary become inoperative December 31, 1940.

AID TO THE STATES IN WILDLIFE-RESTORATION PROJECTS

(Public Law No. 415, 75th Cong.)

To provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

The act provides for the joint activity of State and Federal agencies in a continent-wide restoration of all species of wildlife.

The Federal Government will, by the provisions of the act, set aside funds to be allotted to any or all of the 48 States in the Union which comply with the provisions of the act.

The funds thus set aside by the Federal Government are not additional taxes to be levied against the taxpayer. They are not new taxes at all. The money proposed by this act for wildlife restoration are the dollars which are now (and have been for some time) collected from special excise taxes on sportsmen's equipment—sporting arms and ammunition. It amounts to about $3,000,000 a year.

The law applies to the Federal Government the cardinal principle of conservationists, long in successful operation in the States, that moneys taken in by the Government agencies from wildlife resources, sportsmen's license fees, and so forth, should be spent in the conservation and maintenance of wildlife species, and provides for the equitable distribution of this revenue to the 48 States in cooperative projects with the Federal Government.

Each State conservation agency or fish and game commission will, by the provisions of this bill, receive its quota for restoration projects from the Federal Government on the same general plan as Federal highway aid is distributed to State highway commissions. The State and Federal Governments will jointly pay the cost of these wildlife-restoration projects, which, when completed, must be maintained as such by the State.

CONSERVATION OF HELIUM GAS AND REGULATION OF ITS USES—ITS EXPORTATION AUTHORIZED FOR MEDICINAL, SCIENTIFIC, AND COMMERCIAL—BUT NOT FOR MILITARY—PURPOSES

(Public Law No. 411, 75th Cong.)

An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes.

The act adequately safeguards the United States against the use of exported helium for military purposes, but authorizes both domestic and export sales for operation of commercial lighter-than-air craft and for medicinal, scientific, and commercial uses.

LEGISLATION EXTENDING THE TIME WITHIN WHICH POWERS PREVIOUSLY GRANTED MAY BE EXERCISED

Monetary stabilization fund

(Approved Jan. 23, 1937; Public Law No. 1, 75th Cong.)

The act extends the time to June 30, 1939, within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

Reconstruction Finance Corporation

(Approved Jan. 26, 1937; Public Law No. 2, 75th Cong.)

This act extends the operation of the Reconstruction Finance Corporation until June 30, 1939, but provides that should the President find that any class of borrowers is able to advantageously obtain funds from private sources, the President may authorize the suspension of the lending power as regards that particular class of borrower.

Federal Reserve notes

(Approved Mar. 1, 1937; Public Law No. 9, 75th Cong.)

This legislation extends the period of time during which direct obligations of the United States may be used as collateral security for Federal Reserve notes to June 30, 1939. Adequate safeguards are set up for the protection of such currency.

National Housing Act

(Approved Apr. 22, 1937; Public Law No. 44, 75th Cong.)

The Administrator of the National Housing Act is authorized to continue activities under this act until July 1, 1939, or such earlier date as the President may fix upon his determination that the emergency giving rise to the legislation no longer exists. Total liability incurred by the Administrator shall not exceed $100,000,000.

World War veterans' insurance policies

(President's veto overridden June 1, 1937; Public Law No. 127, 75th Cong.)

This act provides that veterans holding 5-year level-premium term insurance policies may, upon expiration of such policies, renew the insurance for a second or third 5-year period at the rate for the attained age without medical examination.

Petroleum

(Approved June 14, 1937; Public Law No. 45, 75th Cong.)

The act to regulate interstate and foreign commerce in petroleum and its products by prohibiting its shipment in interstate and foreign commerce, if produced in violation of State law, is continued in effect until June 30, 1939.

Homesteads

(Approved June 16, 1937; Public Law No. 154, 75th Cong.)

The act extended the period of time during which final proof may be offered by homestead and desert-land entrymen from December 31, 1935, to December 31, 1936.

Suspension of assessment work on mining claims

(Approved June 24, 1937; Public Law No. 161, 75th Cong.)

During the period of July 1, 1936, to July 1, 1937, the requirement of $100 worth of labor or improvements to be invested each year on each claim was suspended for all claimants entitled to a Federal income-tax exemption for the taxable year 1936. A limitation was placed upon the number of claims owned by a single individual, corporation, or partnership which might be included under this act.

Federal Surplus Commodities Corporation

(Approved June 28, 1937; Public Law No. 165, 75th Cong.)

The time for purchasing and distributing surplus agricultural commodities for relief purposes was extended until June 30, 1939, and the Federal Surplus Commodities Corporation was continued in existence until the same date.

Soil Conservation and Domestic Allotment Act

(Approved June 28, 1937; Public Law No. 170, 75th Cong.)

The Soil Conservation and Domestic Allotment Act of 1936 is amended to extend the duration of the act until January 1, 1942.

Federal Land Bank and Commissioner's Loans

(Public Law No. 209, 75th Cong.)

The House and Senate voted to override the President's veto of this legislation.

This act extends for 1 year the 3½-percent interest rate on certain Federal land-bank loans, and provides that the interest

rate on such loans shall not exceed 4 percent for 1 year following July 1, 1938. It also extends for a 2-year period the 4-percent interest rate on Land Bank Commissioner's loans.

To provide revenue and for other purposes

(Approved June 29, 1937; Public Res. 48, 75th Cong.)

Certain features of the Revenue Act of 1932 are continued in effect until June 30, 1939, resulting in an extension of the tax on gasoline, the postage rates, etc.

Foreign trade agreements

(Approved Mar. 1, 1937; Public Res. 10, 75th Cong.)

The period during which the President may enter into foreign-trade agreements is extended for a further period of 3 years from June 12, 1937.

Federal Housing debentures

(Approved Feb. 19, 1937; Public Res. 6, 75th Cong.)

This act continues for a 2-year period the guaranty by the United States of the debentures issued by the Federal Housing Administrator. Continued until July 1, 1939.

Safety devices for seagoing vessels

(Approved July 5, 1937; Public Res. 51, 75th Cong.)

Public Act No. 712, Seventy-fourth Congress, is amended so as to extend the time limit from July 1, 1937, to October 1, 1937, during which passenger vessels may install certain safety devices required in the aforementioned act of the Seventy-fourth Congress.

Continuing Interstate Oil Compact

(Approved Aug. 10, 1937; Public Res. 57, 75th Cong.)

By this act Congress gives its consent to an extension and renewal for a period of 2 years from September 1, 1937, of the interstate compact to conserve oil and gas, executed in the city of Dallas, Tex., the 16th day of February 1935.

Evidence Placed Before Rules Committee and Attorney General Cummings Asking An Investigation of Sale of Democratic Campaign Books

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. SNELL. Mr. Speaker, the conscience of America is shocked and stunned by the evidence which has been placed in the public record here recently regarding the sale of President Roosevelt's autographed edition of the Democratic Book of 1936.

Several thousand copies of this volume have been sold to corporations at the fabulous price of $250 each in a carefully plotted scheme by the Democratic National Committee to evade the Federal Corrupt Practices Act of 1925. Section 313 of this act expressly and specifically forbids and prohibits contributions by corporations to National or State political committees. In all cases of proved violation the political committee accepting such contributions, directly or indirectly, is equally culpable, under the terms of the act, with the donor or contributor.

The public reports of the Democratic National Committee on file with the Clerk of the House of Representatives show that up to June 1, 1937, revenues from sales of and advertising in the Democratic Book of 1936 and the Democratic Register, 1937, aggregate something more than $1,000,000. About 900 corporations have availed themselves of this device to purchase or attempt to purchase the good will and cordial influence of the Democratic National Committee. Many of these purchasers are known to be in constant business relation with various agencies of the United States Government as bidders on Federal construction projects, as applicants for radio broadcasting licenses, as beneficiaries of Government deposit insurance, or as seekers after periodic renewal of permits, licenses, loans, or leases at the hands of official Washington.

As many of my colleagues in the House will recall, I have been inquiring into various phases of this corruption for some 4 months. Prima-facie material bearing directly upon violation of the Corrupt Practices Act has come to me from six States. Compelling circumstantial evidence indicating a national scheme of bald political racketeering has come to me from a great many States in the Union.

On July 10, 1937, I presented a resolution requesting appointment of a select committee of the House to investigate this whole matter. On August 12 the Rules Committee granted a hearing on my resolution, at which time I submitted 21 exhibits of original evidence in support of a formal inquiry. After receiving this evidence, a synopsis of which is presented below, the Rules Committee, in its right and wisdom, refused to recommend the investigation. The whole matter then was placed before the Attorney General of the United States.

In presenting my resolution of July 10 I said in a formal public statement to the press:

This resolution relates to matters involving, in my judgment, a clear violation of the Federal Corrupt Practices Act.

The information before me names the President of the United States and the Postmaster General as parties to a scheme of evasion perfected and applied through the Democratic National Committee.

Section 313 of the Federal Corrupt Practices Act of 1925 expressly declares it unlawful for "any corporation whatever" to make a contribution to any campaign involving presidential electors.

The letter of solicitation from an agent of the Democratic National Committee, which is a part of my resolution, states boldly that the sale of the President's autographed edition enables the Committee "to legally accept corporation checks * * *."

If an inquiry be granted by the House, I shall be prepared to lay before the select committee—

(1) A purported photostatic copy of the sales contract promising delivery of the President's autographed edition at $250 the copy;

(2) A purported photostatic copy of the Democratic National Committee's letter of solicitation;

(3) An affidavit from a businessman who, when he declined to purchase $500 worth of these books, was subjected to various threats and measures of intimidation by officers and agents of the Resettlement Administration;

(4) Other material which has come to me from several States purporting to disclose sales methods and attempted coercion of corporations by agents of the Democratic National Committee;

(5) Circumstantial evidence that lists of corporations doing routine business with various agencies of the United States Government were furnished to the Democratic National Committee as "prospect lists" for the book salesmen;

(6) Evidence that in at least one Federal jurisdiction formal complaint against attempted coercion in the sale of these books was placed before the United States district attorney, with no legal action resulting therefrom;

(7) A list of corporations in at least 15 States which already have made substantial contributions to the Democratic National Committee through this device of evasion.

I am cognizant of the official White House statement of June 9, 1937, that the President did not realize his autograph was to be used for this purpose. Nevertheless, the evidence before me indicates that the chairman of the Democratic National Committee has discovered several ingenious methods of raising campaign funds. Some of these methods, to use the words of the President, as set forth in his message of June 1, on taxation, "have the color of legality; others are on the borderline of legality; others are plainly contrary even to the letter of the law."

Having in mind that "in this immediate problem the decency of American morals is involved", I express full confidence that the President and all the officers of his administration will be happy to give every encouragement to the congressional investigation proposed in my resolution.

At this point I present the complete text of my resolution (H. Res. 273) of July 10, 1937:

Whereas the following is a copy of a letter purported to have been sent to certain persons representing corporations engaged in supplying materials to the Government of the United States and to corporations in general, soliciting subscriptions under contract for the purchase from the Democratic National Committee of a so-called President's Edition of the Democratic Book of 1936 for the purpose of "clearing up" the deficit created by said committee

in the political campaign of 1936 for the election of Presidential electors and Senators and Representatives in Congress, to wit:

DEMOCRATIC NATIONAL COMMITTEE,
LAWRENCE WOOD ROBERT, JR., SECRETARY,
Hotel Biltmore, New York City, 1937.

MY DEAR MR. ———: I took great pleasure in reporting my telephone conversation with you today to Mr. Farley, and I want to assure you that all of us here will deeply appreciate your help at this time in clearing up our deficit.

I am enclosing the contract for your books and would appreciate your signing and forwarding it with your check for $1,000 in the enclosed envelope.

We are using this book as a means of clearing up the deficit, and the President has made his contribution by individually autographing each of the volumes.

The sale of the book enables us to legally accept corporation checks, and this is the way all of the companies who are assisting us are handling these expenditures.

With all good wishes, I am,
Sincerely yours,

(Signed) M. H. PORTER,
Democratic National Committee.

And

Whereas said letter, according to its terms, was accompanied by a printed form of original and duplicate contract for "four copies of the deluxe President's Edition of the Democratic Book of 1936, leather bound and autographed by the President, at $250 per copy", said contract calling for the payment to the Democratic National Committee of $1,000, checks payable to said committee, Hotel Biltmore, New York City, the original and duplicate of said contract to be "accepted and agreed to by the Democratic National Committee" and by the "company" as the other party thereto; and

Whereas section 313 of the Federal Corrupt Practices Act of 1925 provides as follows:

"SEC. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution in connection with any election to any political office, or for any corporation whatever to make a contribution in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section. Every corporation which makes any contribution in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation who consents to any contribution by the corporation in violation of this section shall be fined not more than $1,000, or imprisoned not more than 1 year, or both"; and

Whereas the said Federal Corrupt Practices Act, 1925, section 302, defines the term "contribution" and the term "person" as follows:

"(d) The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution;

"(f) The term 'person' includes an individual, partnership, committee, association, corporation, and any other organization or group of persons": Therefore

Resolved, That a special committee of five Members be appointed by the Speaker to investigate and ascertain all of the facts and circumstances concerning the subject matter of the foregoing letter and contract, to ascertain under whose authority they were prepared and disseminated, to whom they were sent, the names of agents or solicitors employed by the Democratic National Committee in obtaining or attempting to obtain contributions for said book, the names of persons, firms, associations, or corporations subscribing to said contract, the amount subscribed by each, the total amount so subscribed, and whether any such persons, firms, associations, or corporations are engaged or were engaged at the time of signing such contract in supplying the Government of the United States with any articles, supplies, or materials, and whether any means or influence, promise, or threat were used or made and by whom, in obtaining subscriptions to said Democratic Book of 1936; said committee shall also ascertain whether or not the Democratic National Committee treasurer has reported to the Clerk of the House of Representatives, as required by the Federal Corrupt Practices Act, 1925, the amount of contributions received by him in behalf of said committee from each person, company, association, or corporation as party or parties to the said contract, or from any other source for the sale of said book, and to obtain all facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in determining whether or not the spirit as well as the letter of the Federal Corrupt Practices Act, 1925, section 313, above quoted, was violated by either or both parties to the contract for furnishing said book for the purpose of "clearing up the deficit" of said Democratic National Committee created in the campaign of 1936 for the election of Democratic Presidential electors and Senators and Representatives.

That said special committee, or any subcommittee thereof, is authorized to sit and act during the sessions of the House and during the adjournment of Congress, and at any time and place it may deem necessary; and to require by subpena the attendance of witnesses and the production of books, papers, and documents.

The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation authorized by this resolution, shall be held to the penalties as prescribed by law.

No action having been taken on this resolution, and in the face of an insistent demand of indignant public opinion for some emphatic repudiation of these shabby fund-raising methods, I brought the matter to the attention of the Attorney General of the United States, with a suggestion that proper actions be instituted against the agents of the Democratic National Committee. The text of my letter of July 27, 1937, to Attorney General Homer S. Cummings follows:

JULY 27, 1937.

HON. HOMER S. CUMMINGS,
Department of Justice, Washington, D. C.

MY DEAR MR. ATTORNEY GENERAL: The enforcement of the Federal Corrupt Practices Act of 1925 is obviously the duty of the Department of Justice.

There has recently appeared in the public press on several occasions long lists of corporations which have contributed to the Democratic National Committee substantial sums of money through the medium of purchasing, at $250 a copy, the program of the Democratic National Convention held over a year ago at Philadelphia. Books at this price carry the autograph of the President. These corporation contributions to the Democratic National Committee have continued this year and, so far as the record shows, will continue indefinitely.

I think it is fair to assume that the publication of the names of these corporations, together with the amounts of their contributions to the Democratic National Committee, is obviously to be considered public notice to the Department of Justice.

May I inquire whether the Department of Justice has instituted any inquiry as to whether section 313 of the Federal Corrupt Practices Act of 1925 has been violated in this matter?

An examination of the public records of the Clerk of the House of Representatives discloses that several thousand of these contributions have been reported as political contributions by corporations to the Democratic National Committee.

In a news article which appeared in this morning's New York Times (Tuesday, July 27, 1937, p. 1, under the heading "Buyers Fail to Get Democratic Book") it is stated that "about half the books were never delivered"; further, that "The purchasers simply paid for them and let it go at that." Again, "Emphasis was apparently placed by the salesmen on the purchase rather than on the delivery of the books", and "In general, the salesmen of de luxe souvenirs were reported as having presented the opportunity for 'a judicious investment in the goodwill of the administration.'"

This news article in the New York Times would indicate that, on its face, the sale of these books was merely an attempt to cast a guise of legality on a transaction which was patently in violation of law.

May I not also call your attention to the article signed by Mr. Arthur Krock on the editorial page of today's New York Times (July 27, 1937, p. 20–C, under the heading, "In Washington—The Case of the Democratic Convention Books"), which I feel should have the close scrutiny of your Department. Mr. Krock's article also fairly implies that pure subterfuge was attempted to clothe the sale of the souvenir book in question with legality, and he raises the serious point as to the true value of the book in contrast with the sale price exacted of the purchasers.

In my judgment, the evidence which has come to me indicates clearly that the sale of this book is an illegal device to escape the penalties of the Corrupt Practices Act, which expressly forbids contributions by corporations to political committees.

If the sale of this souvenir book be legal, would not the sale of any other political novelty or ornament priced exorbitantly be equally legal?

I have introduced a resolution calling for a congressional inquiry into the matter, but before presenting my evidence to the House committee, I should like to have an expression from yourself as to the legality of this device. I regard the matter as one of national public interest.

Faithfully yours,

BERTRAND H. SNELL (M. C.).

The reply of the Attorney General, under date of July 30, 1937, is in the hands of the Rules Committee, having been offered as Exhibit O in my statement of August 12. Briefly, Mr. Cummings responded that his Department was not authorized to advise the legislative branch on questions of law; but that an inquiry was being made into the matters presented in my letter. At a press conference on Wednesday, August 11, however, the Attorney General indicated informally that the whole matter soon would be forgotten by the Department of Justice. Next day, August 12, the Rules Committee granted a hearing on my resolution of inquiry.

Below is the complete text of my formal synopsis of evidence, as presented on that occasion:

Gentlemen of the Committee on Rules, I lay before the committee voluminous evidence in support of my resolution (H. Res. 273, introduced July 12, 1937), to create a select committee of the House to inquire into the sales methods employed by the Democratic National Committee in the distribution of the Democratic Book of 1936, especially the de luxe edition, autographed by the President of the United States, and sold to some 900 corporations at $250 per copy.

As set forth in the text of my resolution, the acceptance of political contributions from corporations, direct or indirect, constitutes a specific violation of section 313 of the Federal Corrupt Practices Act of 1925.

I also lay before the committee certain evidence touching the sale of the Democratic Register, 1937, and the sale of advertising space therein at $700 per page to corporations and individuals doing business with various agencies of the Federal Government. This book is sponsored by the Democratic National Congressional Committee.

There is also in my material certain evidence relating to the sale of the Proceedings of the Democratic National Convention of 1936, at $5 per copy.

I respectfully submit to this committee that, insofar as either of these political enterprises has brought in campaign funds from corporations it has violated both the letter and the spirit of the Federal Corrupt Practices Act. In this respect all three books are identical before the law, though the sale of the President's personal autograph at the exorbitant price of $250 presents, of course, an incalculably greater shock to public morals.

Exhibit A purports to be a photographic copy of a letter of solicitation from the national headquarters of the Democratic National Committee to a prospective buyer of the President's edition. It reads, in part, "The sale of the book enables us to legally accept corporation checks, and this is the way all of the companies who are assisting us are handling these expenditures."

Exhibit B purports to be a photostatic copy of a contract form covering the prospective sale of four copies of the President's edition for $1,000. Exhibit B comes to me in the form of an enclosure with the covering letter, Exhibit A.

Exhibit C is in official compilation from the records of the Clerk of the House, showing revenues derived by the Democratic National Committee from the sale of the Campaign Book of 1936, plus advertising revenues from corporations. (No reports are yet available on revenues derived by the Democratic National Congressional Committee from advertising sales in the Democratic Register, nor are there yet any reports on revenues from sales of the Proceedings of the Democratic National Convention. All of these figures should be available quickly to this committee, however, upon application to the chairman of the Democratic National Committee.) I point out to this committee that revenues from the Campaign Book of 1936, including the President's autographed edition, total to date more than $1,000,000.

Exhibit D purports to be a printed transcript of a sales talk, as recorded by dictaphone in a New York office last October, in which allegedly illegal pressures were brought to bear upon a citizen (J. Edward Jones) having business before one of the Federal agencies, the implication being that purchase of the President's edition might facilitate the citizen's routine business in Washington. (This material already is in the hands of the United States District Attorney at New York City, where it has been since late October 1936, but no action has resulted to date in response to this citizen's petition for relief from coercion and intimidation.

Exhibit E is an original rate card and solicitor's sheet, covering the Democratic Register, 1937. I call attention particularly to that paragraph which reads: "* * * 25,000 copies of the Register will be distributed to the heads of the central and field purchasing offices of the world's greatest buyer." I also call attention to the italicized paragraph which reads: "Why not devote a page to your company's interests and be amply represented before the men who run the Nation? * * *." Attached to this exhibit is the card of the duly authorized solicitor of the Democratic National Congressional Committee giving the House Office Building, Room 146, as the headquarters of this sales agency.

Exhibit F is a photographic reproduction of the President's edition of the Democratic Book of 1936, showing President Roosevelt's autograph under an etching of the White House. Reports to me are to the effect that 2,500 of these autographed pages were signed by the President before the de-luxe books were bound for delivery.

Exhibit G is the extended affidavit of one Hildreth Frost, a long-established attorney and businessman in Colorado Springs, Colo., setting forth in detail 12 specific counts of intimidation and coercion visited upon his business by the Resettlement Administration after his refusal to buy $500 worth of the Democratic Book of 1936. I may say to this committee that Mr. Frost came to Washington especially to make this affidavit, which concludes on the note that his business "has been grievously injured and damaged by these various acts of political blackmail."

Exhibit H is an original circular letter issued on June 5, 1937, by the Manufacturers' Association of Bridgeport, Conn., warning against the high-pressure sales methods of the gentlemen selling advertising space in the Democratic Register, 1937. This warning concludes: "Your executive board has never looked with favor upon that particular type of racket * * *." A part of this exhibit is a covering letter under date of June 14, 1937, to myself from Mr. Alpheus Winter, manager of the Manufacturers' Association of the City of Bridgeport, Conn., Inc., in which he urges vigorously some effective congressional action to check "this particular method of solicitation."

Exhibit I purports to be a true copy of a letter to Senator ARTHUR H. VANDENBERG under date of June 28, 1937, from a businessman who allegedly suffered threats, coercion, and intimidation at the hands of a solicitor for the Democratic Register. Attached thereto is a purported true copy of a letter of solicitation addressed to this same businessman, in which attention is called to "the administration's vast construction program, which is definitely increasing individual business of those organizations recognized by industry and governmental departments."

Exhibit J is a newspaper account of a subscription of $1,000 for the President's edition of The Democratic Book of 1936, by a Negro real-estate operator in San Antonio, Tex., at a time when friends of the purchaser were suing in Washington for a pardon at the hands of the President of the United States. The purchaser, at the time of his $1,000 subscription to this book, allegedly was serving a sentence in Leavenworth, Kans., for income-tax evasion.

Exhibit K includes certain letters and news items regarding the purchase of $20,000 worth of the President's edition by Mrs. A. J. Drexel Biddle, of Pennsylvania, as of October 8, 1936, some 6 months before her husband was named Ambassador to Poland. This exhibit also includes an anonymous communication from Paris, France, purporting to disclose similar book purchases by other members of the United States Diplomatic Corps.

Exhibit L is an original letter from a New York investment banker relating his personal experience, under date of June 10, 1937, with a solicitor from the Democratic National Committee. I have been unable to identify further the solicitor named, one Mr. Pittman.

Exhibit M is an original letter reporting a long-distance telephone solicitation in Bridgeport, Conn., by a solicitor who said he was talking from Mr. Farley's office. In many cases, according to the mail which has reached my office from all sections of the United States, the book solicitors of the Democratic National Committee frequently opened their sales campaign in a city with a long-distance call from Washington. The salesman introduced himself by name, following with the statement, "I am talking from Mr. Farley's office." I respectfully submit that this committee might properly inquire of the Postmaster General whether such calls actually have been made from his office, or, if made from other telephones, whether the Postmaster General has authorized this use of his name and official position.

Exhibit N is the original letter from a Chicago businessman, under date of June 15, 1937, which communicates the charge "that every radio station in the country was invited to contribute $250 to the Democratic book fund, with the threat implied that the station's license would be revoked." I lay this original communication before this committee with the suggestion that it inquire directly of Mr. Farley whether any such solicitation, direct or indirect, was made of the radio broadcasting stations.

Exhibit O is the original correspondence between myself and the Attorney General of the United States, in which the Attorney General, under date of July 30, 1937, informs me that his Department "is making an inquiry with respect to this matter."

Exhibit P is an original anonymous communication purportedly from a New York City businessman recounting his experience with a solicitor offering the President's autographed edition. He did not purchase this edition. Later he was solicited for advertising in The Democratic Register, 1937. In this connection the letter says: "The representative of this organization (the Democratic National Congressional Committee) stated definitely that if we cooperated with them we could count on the cooperation of the Democratic Party to secure business from the Government."

Exhibit Q is an official record of the remarks of my colleague, Representative J. WILL TAYLOR, of Tennessee, as delivered in the House on June 28, 1937, outlining the alleged mobilization of W. P. A. contractors in the book-sales campaign throughout Tennessee. This account covers solicitation methods in Memphis, Knoxville, and Nashville.

Exhibit R is a newspaper clipping reporting a refund of $250 to a Pennsylvania contractor following his complaint to the Democratic National Committee that his subscription to the President's edition originally had been obtained by coercion, threat, and intimidation.

Exhibit S is a news account of the experience of Robert S. Young, head of the new Van Sweringen holding company, who recently told a Senate committee of having been solicited for and having purchased $15,000 worth of the President's edition shortly before he was to appear before the special Wheeler committee investigating railroad financing. This account reports that Mr. Young, under the circumstances of the moment, "would have taken soap wrappers if they had offered them to me." Senator BURTON K. WHEELER, of Montana, in denouncing this solicitation, has called upon the Democratic National Committee to renounce publicly this method of fund raising.

Exhibit T presents a cross section of news and editorial clippings treating the sale of the President's edition, including editorials, cartoons, Washington comment, and exhaustive news articles tracing the movement of the book-sales campaign during the last 12 months. These clippings, more than 100 in all, reflect a national mood of indignation and remonstrance against the shabby racketeering methods called to play in this fund-raising campaign.

Exhibit U presents a sampling cross-section of letters which have come to my office during the last 2 months, following the first news report concerning the President's edition. Hundreds of such letters have been received, representing practically every State in the Union. Only a representative group of 15 are here presented for the examination of this committee. Many others are available in my files, should the committee desire them.

My prayer to this committee, briefly, is for such action as will end for all time this disgraceful and demoralizing political racketeering in the United States.

The public records in the office of the Clerk of the House show that something more than $1,000,000 already has been gathered in by the Democratic National Committee by these unlawful devices. More than 900 corporations already have contributed illegally.

Evidence from many quarters indicates that threats, intimidation, and coercion are the regular routine sales methods employed by agents of the Democratic National Committee in soliciting individuals and corporations having business before the several departments of the Federal Government. In many cases, these threats amount to bold demands closely approaching, if not actually constituting, political tribute for the privilege of continuing cordial business relations with the Government of the United States.

Under the Federal Corrupt Practices Act of 1925, fines collectable to date for the sale of these books aggregate approximately $18,000,000; yet so far as the public record shows, not a single prosecution has been initiated by the Attorney General.

In all American history, no political committee other than Mr. Farley's Democratic National Committee ever has had the effrontery to even attempt such a device as the camouflaged sale of a book autographed by the President of the United States. The practice is manifestly unlawful, vicious, and demoralizing.

I am cognizant of the official White House statement of June 9, 1937, that the President did not realize his autograph was to be used for this unlawful purpose. Public opinion, as reflected in the evidence I have placed before you gentlemen, most emphatically rejects this specious alibi.

Under our constitutional system the ancient regal doctrine that "the King can do no wrong" never has, and never can, attach to the high office of President of the United States. Under our form of government, the President is at all times amenable to the Constitution and the laws of the land thereunder.

After receiving this material in formal public session the Committee on Rules determined to take no action in the matter. One honorable member of the committee, speaking in behalf of the majority, was reported in the press next morning as having said of the whole proceeding, "It was all just a joke." Whereupon, on August 13, I sent the synopsis of my evidence to the Attorney General, with a covering letter as follows:

AUGUST 13, 1937.

Hon. HOMER S. CUMMINGS,

Department of Justice, Washington, D. C.

MY DEAR MR. ATTORNEY GENERAL: Pursuant to your suggestion of July 30, I submit herewith a synopsis of the evidence which has come to my hand to date touching the illegal collection of political campaign funds from corporations, through the device of "The President's Edition of the Democratic Book of 1936."

The public record of the House of Representatives shows that through this unlawful subterfuge something more than $1,000,000 has been collected by the Democratic National Committee and the Democratic National Congressional Committee to date, most of this sum having come from corporations. As I view it, each such contribution constitutes a specific violation of section 313 of the Federal Corrupt Practices Act of 1925.

All my evidence was submitted formally to the Rules Committee of the House yesterday. Thereafter the committee, in its right and wisdom, determined to deny my petition for a select committee to investigate the whole matter. I note in the press this morning that one honorable member of that committee, speaking in behalf of the majority, said, "It was all just a joke." In my judgment this is no laughing matter, and it cannot be so dismissed by responsible officers of the administration.

In specific response to the suggestion in your letter of July 30, I submit for your consideration the appended synopsis of evidence. Any or all of this material is available in the official archives of the House of Representatives, and if you will be good enough to indicate to me what portions of it would be of interest to you, as a possible basis for legal proceedings, I shall be happy to send the original documents to you.

In addition to the synopsis of evidence, I also enclose herewith a complete true copy of the affidavit of one Hildreth Frost, of Colorado Springs, Colo., who swears and affirms that he has been the victim of 11 specific acts of reprisal at the hands of the Resettlement Administration since his refusal last October to subscribe $500 to the Democratic book sales campaign. Some of the books offered this citizen were represented by the selling agent of the Democratic National Committee to carry the personal autograph of the President of the United States.

I also enclose a purported true transcription of a dictaphone recording of a conversation August 13, 1936, in the New York office of one J. Edward Jones, a citizen of New York State, who at that time had certain important matters pending before the Department of Justice and the Securities and Exchange Commission. As I read this document, Mr. Myles Lasker, at that time a duly accredited agent of the Democratic national committee, offered to enlist the good will and official intervention of the White House in behalf of Mr. Jones in return for a subscription or retainer of $25,000 to be paid to Mr. Lasker by Mr. Jones.

I feel strongly that these are matters of pressing concern to the Nation which merit the earnest and immediate attention of the Department of Justice.

Cordially yours,

BERTRAND H. SNELL.

The Attorney General of the United States has sent for and now has my complete files as placed before the Rules Committee of the House.

Mr. Speaker, such is the record in this unsavory affair. It is clearly a record of actions unlawful on their face, of policies offensive to American standards of political morality. It is a scandalous racket.

Permit me to call the attention of the House particularly to the affidavit of Mr. Hildreth Frost, of Colorado. Here is a hard-working, law-abiding citizen, one who has been well and favorably known in his community for more than 30 years, a mining engineer and lawyer. He came forward voluntarily to give me this affidavit. It details a series of political reprisals which aimed not only to undermine his business but also to destroy his good name and "smear"—and that is the New Deal's own favorite word—to "smear" his professional reputation, all because he refused to buy $500 worth of these books.

Mr. Speaker, is this a land of free men, or have we abandoned our great heritage for a new system of government by crack-down? I do not believe the day yet has come in this country when a citizen must purchase his peace and security by a personal subscription to "the President's edition." I refuse to acknowledge that any free man may be hounded by his Government because his check book is sealed to the autograph salesmen of the Democratic National Committee. Mr. Speaker, I, for one, accept the challenge hurled to all America in this shameful record. I demand an end to government by autograph.

In conclusion, I direct the particular attention of the House also to the stenographic transcript submitted to the Rules Committee as exhibit D. Here is the conversation of one Myles Lasker, at one time radio agent for the First Lady, who boldly offered to enlist the good will of the White House in behalf of a citizen who then had important matters pending before both the Department of Justice and the Securities and Exchange Commission. For his friendly influence and intervention at the White House Mr. Lasker asked a fee of $25,000. The proposal was not accepted. The citizen fought his case to the Supreme Court of the United States and there won a complete vindication.

The White House, in two formal statements to the press, has denied that Mr. Lasker ever sought to influence official policy in this proceeding; but no one has denied that the citizen, Mr. J. Edward Jones, of New York, was solicited 2 months later by a representative of the Democratic National Committee for a $2,500 subscription to The President's Edition. A transcript of that particular sales talk, in October 1936, is also a part of exhibit D.

Mr. Speaker, all of these matters have been discussed in this House, in the Senate, and in the public prints over a period of some 3 months. The Nation has been shocked by the evidence of obvious collusion between the Democratic National Committee and the several departments and agencies of the Federal Government in the sale of these books. But, through it all, we have yet to hear a single word of repudiation from any responsible officer of the administration. We have yet to witness a single public act to maintain the authority of the Federal Corrupt Practices Act. We tune our ears to the Democratic side of the aisle and hope for even a feeble word, but the echo answers, "It is all just a joke."

Mr. Speaker, that is the record—a joke, if you please, sir. But to millions of Americans who still believe in the supremacy and majesty of the law and the nobility of faithful public

service—to these, sir, it is a disheartening and disquieting tragedy.

Mr. Speaker, when rulers mock the law no man is free.

AFFIDAVIT OF HILDRETH FROST

Mr. Speaker, in this connection I present for the record the following excerpts from the affidavit of Hildreth Frost, the complete text of which is now in the hands of the Attorney General:

In October 1936 a representative of the Democratic National Committee, one Mr. Cahill, called at my office in Colorado Springs. * * * Mr. Cahill then said that he was sent by the Democratic National Committee to procure my subscription purchase of $500 worth of the Democratic campaign books—100 copies at $5 a copy. In the first part of the talk two of these books were to be autographed by President Roosevelt. As the talk progressed Mr. Cahill finally agreed that five of the books should be autographed by President Roosevelt.

* * * * * * *

After a long conference, which must have lasted nearly 2 hours, Mr. Cahill said he was not authorized to accept from me less than $250, but finally said that $100 was the absolute minimum. I offered to buy one book for $5, but he would not sell it. He insisted that I should pay $500, or at least $250, which I concluded in my own mind, based on the conversation, meant either a 20-percent or a 10-percent "cut" on the total or gross amount of the abstract business performed for the Resettlement Administration.

At one time in the conversation Mr. Cahill said something about a man ought to be willing to contribute 10 percent of the direct benefits he had received as a result of the policies of the Democratic administration.

Mr. Cahill left my office in a very pleasant spirit, but after reiterating that he was sure I would be very much better off and would profit greatly in future business if I would make such a contribution in appreciation of what the Democratic administration had done for me and would do for me.

Immediately after the Cahill incident trouble began. The first rumbling I heard was 2 or 3 days after this incident. Several days later Mr. Secrest, project attorney for the Resettlement Administration in Denver, came into my office. The conversation started smoothly. He said, to begin with, that when he ordered an abstract he wanted it made and delivered immediately, with no "ifs" or "ands", referring to the fact that the contract called for payment of three-fourths of the price of the abstract at the time of delivery. Mr. Secrest on this occasion, and on following occasions and over the telephone, made a series of threats, not all at any one time. But I made a list of, and separated, these threats as nearly as I could, and they were as follows:

(a) A threat to cancel the abstract company's contract. (This was later done by the Resettlement Administration in Washington.)

(b) A threat to dispute certain items in the bills, especially certain entries in the abstracts which had been made at Mr. Secrest's request. * * *

(c) A threat to hold up the making of vouchers and the sending of them to Washington for payment.

(d) A threat to prevent, or greatly delay, the payment of the vouchers.

(e) A threat to secure the use of W. P. A. funds to set up a competing set of abstract books in Teller County, Colo., to put my abstract company out of business.

(f) A threat that the Resettlement people would put their own agents in the field to make abstracts direct from the Teller County records.

(g) A threat to have the Resettlement Administration and the Department of Justice accept abstracts made by the county clerk and recorder, although the clerk and recorder has no books or up-to-date indexes or transcripts covering the last 20 years from which abstracts could be made. (This arrangement since has been attempted through the Resettlement Administration in Washington and Mr. Owen, the office manager in Denver.)

In addition to the above threats directly relating to the abstract company and the abstract business, the following further threats were made by Mr. Secrest:

(h) With respect to the titles of land which I had submitted for purchase, to find—or to have Mr. Ginsberg, agent for the Department of Justice, find—so many technical objections that the title would never be accepted. At the same time to refuse to release the same. (This related to land in sections 18 and 19, township 11 south, range 69 west, in Teller County, upon which I had granted an option to the Resettlement Administration long prior to the time the question of making abstracts arose.)

(i) To put me to as much expense as possible in respect to this and to another prospective land purchase from myself.

(j) At one point I had been requested to purchase the delinquent taxes on certain lands which the Resettlement Administration desired to secure and where owners had disappeared or were unknown—the idea being that I would reduce these tax purchases to tax deeds, quiet the titles, and then turn the lands over to the Resettlement Administration. This suggestion originally came from officers of the Resettlement Administration, who explained they were not authorized to acquire lands directly by tax purchases. Pursuant to this agreement, I purchased three tax certificates. This evidently came to the knowledge of Secrest, project attorney, subsequent to the Cahill incident. Secrest then threatened to have me called before the United States district attorney and prosecuted. He also threatened that he and Mr. Ginsberg would not approve any titles which I might so secure.

(k) There were certain lands in the area covered by the Resettlement project on which the Resettlement Administration held options where it would be necessary to clear and straighten out the titles. Some of these lands were held by persons who had been clients of mine and who came to me to ascertain what it would cost to clear and quiet the titles. After the Cahill incident, Secrest tried to compel some of these clients to turn over their business to an attorney named Robinson, in Denver, and told me directly, and also evidently told some of my clients, that he (Secrest) and Ginsberg would not approve the transactions if I or my company did the work of quieting the titles.

(l) Mr. Secrest threatened to cause me trouble with respect to certain tax titles involving disputed taxes in an area near Jack Rabbit Lodge, and not in the area of the Resettlement project.

The foregoing threats are those made personally to me or in my presence. Many other threats have been reported to me indirectly by friends in the community. It is quite evident that threats and pressures were also brought to bear on others and, since the Cahill incident, the whole relationship and the whole abstract business has been kept in a constant turmoil.

The threats, of course, and the Cahill story are entirely verbal, but the other matters related herein can be supported by letters and other forms of documentary evidence. A report on this whole series of conversations, threats, and incidents was made by me soon afterward to the Colorado Abstractors Board of Examiners, under which I am licensed to operate my abstract business, and is there a matter of official record. The matter also has been placed before the executive secretary of the American Title Association, who has urged me to request an official inquiry into all these matters by the Congress of the United States.

There is no doubt in my mind that this has been entirely a shake-down, engineered by and through the Democratic National Committee, aided and abetted by the officers named in the Resettlement Administration.

My abstract business has been grievously injured and damaged by these various acts of political blackmail.

This affidavit was signed and sworn in Washington, D. C., July 1, 1937.

Further evidence of this same general character is found in the dictaphone recording of the sales conversation in October 1936 between one John O'Donnell, another book agent of the Democratic National Committee, and J. Edward Jones, described above, in Mr. Jones' New York office. Mr. Jones was solicited for a $2,500 book subscription. He did not come through with an order. But the true nature of the sales campaign is revealed impressively in the transcript of the dictaphone record, which is filed as the first part of exhibit D.

The second part of exhibit D is a similar transcript of a dictaphone recording of an earlier negotiation between this same Mr. Jones and one Col. Myles Lasker. Mr. Lasker represented himself as a person of large influence at the White House and the Department of Justice, and offered for a fee of $25,000 to assist Mr. Jones in having a certain Federal indictment dismissed by the Attorney General. I present below a portion of this conversation of August 13, 1936:

Colonel LASKER. * * * That's what I want him to say. Then I'll go straight to Cummings; and I'll go to a man who is very powerful. He happens to be up here at the Biltmore; Steinberg.

Mr. JONES. Who's that?

Colonel LASKER. Ralph Steinberg.

Mr. JONES. I don't know him. Is he working for the committee?

Colonel LASKER. That's right. And that would probably mean that I would have to give Ralph part of my fee; but Ralph can do lots of things that I can't do. But as far as fixing is concerned, that all means money.

Mr. JONES. Is he connected with Cummings?

Colonel LASKER. He is connected with the Democratic committee, and has nothing to do with Cummings; but he can walk into any one of those Cabinet offices as I can walk into the White House.

Mr. JONES. Yes? Well, then, your plan is first to go to Early?

Colonel LASKER. Yes.

Mr. Speaker, this single transcription makes 19 typed pages of text. I have placed in the RECORD only a brief excerpt, to indicate the methods by which these gentlemen operate. Nothing could offer more eloquent testimony to the close working arrangement which apparently exists between the agents of the Democratic National Committee and the various Federal agencies and officials in Washington.

It is this unwholesome and unsavory alliance between shabby partisan politics and the daily functioning of the Government of the United States that I call scandalous.

It is this corruption of the very functions of government that I call shocking to the public conscience of America.

Work of the Committee on the Post Office and Post Roads, House of Representatives, Seventy-fifth Congress, First Session

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MEAD. Mr. Speaker, under leave to extend my remarks I am inserting a summary of the work of the Committee on the Post Office and Post Roads during this session.

POSTAL BILLS ENACTED INTO LAW

H. R. 77 (by Mr. CANNON of Missouri). For payment of compensation to persons serving as postmaster at third- and fourth-class post offices. (Approved Apr. 22, 1937; Public Law No. 45.)

Allows compensation as postmaster to persons who perform the duties of the office upon the occurrence of a vacancy and pending the appointment of a regular postmaster or the designation of an acting postmaster at any third- or fourth-class post office.

H. R. 1521 (by Mr. HILDEBRANDT). Relative to the classification of bills or statements of account produced by photostatic or mechanical process. (Approved Apr. 27, 1937; Public Law No. 55.)

Classifies bills and statements of account produced by any photographic or mechanical process as first-class mail matter, except when presented for mailing in quantities of 20 or more identical copies.

H. R 1609 (by Mr. HAINES). To credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion. (Public Law No. 385.)

Any fractional part of a year's substitute service will be included with service as a regular laborer, watchman, or messenger in the Postal Service in determining eligibility for promotion to the next higher grade following appointment to a regular position.

H. R. 1972 (by Mr. BURCH). Giving superintendents at classified post-office stations credit for substitutes serving under them. (Public Law No. 386.)

Favorably affects the salaries of post-office station superintendents by counting substitutes and temporary employees in with the regular employees in determining the number of employees at a station for which a superintendent may take credit for salary purposes.

H. R. 2021 (by Mr. LUCKEY of Nebraska). To provide time credits for substitutes in the motor-vehicle service. (Approved Aug. 16, 1937; Public Law No. 297.)

Any fractional part of a year's substitute service will be included with service as a regular clerk, garageman, driver, driver-mechanic, or general mechanic in the motor-vehicle service, in determining eligibility for promotion to the next higher grade following appointment to a regular position.

H. R. 2738 (by Mr. SWEENEY). To extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service. (Approved Aug. 16, 1937; Public Law No. 298.)

Brings watchmen and messengers at first- and second-class post offices (laborers already included) within the provisions of the shorter workweek law of 1935 for postal employees.

H. R. 3112 (by Mr. SHEPPARD). For the relief of Ralph C. Irwin. (Approved Feb. 23, 1937; Private Law No. 2.)

Authorizes the retroactive appointment of village letter carrier Ralph C. Irwin.

H. R. 4286 (by Mr. MEAD). To provide special rates of postage on matter for the blind. (Approved Apr. 15, 1937; Public Law No. 37.)

Permits a special rate of 1 cent a pound or fraction thereof on magazines and periodicals published in raised characters or on sound-reproduction records for the use of the blind, provided they are furnished at cost, and by organizations not conducted for private profit.

H. R. 4402 (by Mr. BULWINKLE). To continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes. (Public Law No. 389.)

Authorizes payment of rent at the rate specified in the lease contract for the 3-year period the post office at Grover, N. C., was in the fourth class.

H. R. 6167 (by Mr. DIMOND). To provide a surcharge on certain air mail carried in Alaska. (Approved Aug. 20, 1937; Public Law No. 327.)

Gives the Postmaster General the authority to fix the rates of postage on Alaskan air mail. The aim of the bill is to provide a dependable and expeditious means of transportation of mail in Alaska and to aid in the development of the resources of the Territory.

H. R. 6341 (by Mr. TAYLOR of South Carolina). To provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service. (Approved Aug. 14, 1937; Public Law No. 292.)

Creates a stenographic grade in the Railway Mail Service.

S. J. Res. 84 (by Senator MCCARRAN). To authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days. (Approved Mar. 2, 1937; Public Resolution No. 11.)

Withheld the awarding of star-route contracts in the first contract section until May 1, 1937, pending the consideration by Congress of the renewal of current contracts.

VETOED MEASURE

The following bill was vetoed by the President:

H. R. 4408 (by Mr. HILDEBRANDT). To provide for the renewal of star-route contracts at 4-year intervals, and for other purposes. (Vetoed June 29, 1937; veto message and bill referred to House Post Office Committee June 30, 1937; revised bill (H. R. 7879) reintroduced and reported to House July 19, 1937; passed House, Aug. 2, 1937.)

HOUSE BILLS PENDING IN THE SENATE AT THE CLOSE OF THE SESSION

The following bills were reported favorably by the House Post Office Committee, passed the House, and were reported favorably in the Senate but not reached before adjournment:

H. R. 6628 (by Mr. MEAD). To permit the further extension of the Air Mail Service. (Passed House June 2, 1937; reported favorably in Senate Aug. 4, 1937.)

Extends the limitations on aggregate air-mail route mileage which may be awarded under the domestic air-mail contract system from 32,000 to 35,000 miles, and the scheduled or flown mileage from 45,000,000 to 52,000,000 airplane-miles.

H. R. 7415 (by Mr. CONNERY). To increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department. (Passed House Aug. 10, 1937; reported favorably in Senate Aug. 20, 1937.)

Authorizes an increase of 5 cents an hour in the pay of charmen and charwomen in the Postal Service.

HOUSE BILLS PENDING IN THE SENATE POST OFFICE COMMITTEE AT THE CLOSE OF THE SESSION

The following bills were reported favorably by the House Post Office Committee, passed the House, and were pending in the Senate Post Office Committee at adjournment:

H. R. 2006 (by Mr. BURCH). To permit certain special-delivery messengers to acquire a classified status through noncompetitive examination. (Passed House Mar. 3, 1937.)

Enables experienced special-delivery messengers to qualify by noncompetitive examination for the position of substitute clerk, carrier, or laborer.

H. R. 2723 (by Mr. PATTERSON). Granting equipment allowance to third-class postmasters. (Passed House Mar. 3, 1937.)

Allows third-class postmasters who furnish their own office equipment 50 percent of the box rents.

H. R. 3149 (by Mr. SWEENEY). For the relief of the postal employees. (Passed House Aug. 2, 1937.)

Gives time credit covering the period of disability to employees injured while on duty, for the purposes of promotion based on length of service.

H. R. 3609 (by Mr. BURCH). To protect the salaries of rural letter carriers who transfer from one rural route to another. (Passed House Mar. 3, 1937.)

Continues the protection afforded by the savings clause of the Salary Reclassification Act of 1934 (prohibiting reductions of more than $180 a year on the short routes) in the event a rural carrier's route is changed.

H. R. 3610 (by Mr. BURCH). To adjust the salaries of rural letter carriers. (Passed House Feb. 15, 1937.)

Provides additional compensation for rural letter carriers serving short, heavy routes.

H. R. 4285 (by Mr. RIGNEY). To increase the salary of letter carriers in the village delivery service. (Passed House Mar. 3, 1937.)

Provides an increase of $150 per annum to each village letter carrier, and an increase of 5 cents an hour for substitutes.

H. R. 5536 (by Mr. GREGORY). Making allowances to letter carriers in lieu of carfare. (Passed House May 17, 1937.)

Permits letter carriers to use their own automobiles in traveling from post offices to the initial delivery point.

H. R. 6383 (by Mr. SWEENEY). To reclassify the salaries of watchmen, messengers, and laborers in the Postal Service, and to prescribe the time credits for service as substitute watchmen, messengers, and laborers, and for other purposes. (Passed House June 2, 1937.)

Establishes an additional salary grade for watchmen, messengers, and laborers at $100 above the present maximum.

H. R. 7448 (by Mr. HAINES). To provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes. (Passed House Aug. 2, 1937.)

Authorizes the Post Office Department to inaugurate experimental operations for the development of pick-up and delivery service, autogiro shuttle service, night flying, blind flying, stratosphere flying, etc.

H. R. 7879 (by Mr. HILDEBRANDT). To provide additional compensation to star-route carriers for necessary increased mileage, and for other purposes. (Passed House Aug. 2, 1937.)

Authorizes the Postmaster General to allow extra pay to star-route carriers for increased travel resulting from road obstructions; and requires that bidders for star-route contracts must be legal residents of the territory served.

BILLS PENDING IN THE HOUSE AT THE CLOSE OF THE SESSION

The following bills were approved by the House Post Office Committee and reported favorably, but remained on the calendars of the House at adjournment:

H. R. 2890 (by Mr. MEAD). Fixing the annual compensation for postmasters of the fourth class. (Reported favorably to House, amended, Aug. 21, 1937.)

Eliminates the present practice of computing salaries of fourth-class postmasters on the basis of cancelations, and substitutes therefor the system used in determining the salaries of first-, second-, and third-class postmasters according to the gross postal receipts of the office.

H. R. 4732 (by Mr. MEAD). To revise the air-mail laws. (Reported favorably to House, amended, May 4, 1937.)

Clarifies and amends certain provisions of the air-mail laws.

S. 2550 and H. R. 8235 (by Senators HAYDEN and DUFFY and Mr. MEAD). To permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes. (S. 2550 passed the Senate Aug. 14, 1937; H. R. 8235 reported favorably to House Aug. 20, 1937.)

For the purpose of permitting the legitimate illustration of United States and foreign postage stamps by liberalizing the laws without endangering the integrity of United States stamps or other securities.

H. R. 7873 (by Mr. MEAD). Providing for the transportation of the mails on certain commercially operated aircraft, and for other purposes. (Reported favorably to House July 19, 1937.)

This bill is designed principally to meet the needs of the trans-Atlantic air-mail service by giving the Post Office Department authority to dispatch our foreign mail at poundage rates where desirable instead of entering into formal contract.

RESOLUTION REPORTED ADVERSELY TO HOUSE AND TABLED

The following resolution was reported adversely to the House and tabled:

H. Res. 233 (by Mr. WHITE). Requesting the Post Office Department to supply the House of Representatives with information concerning stoppage, interference, or denial of delivery in mail service. (Information obtained from Post Office Department, laid before the House, and resolution tabled, June 17, 1937.)

SENATE BILLS PENDING IN THE HOUSE POST OFFICE COMMITTEE AT THE CLOSE OF THE SESSION

The bills listed below passed the Senate and were awaiting action by the House Post Office Committee at adjournment:

S. 585 (by Senator MCKELLAR). Relative to consolidation of rural mail routes. (Passed Senate Apr. 7, 1937.)

Limits consolidations of rural mail routes to those requested by a majority of the boxholders.

S. 832 (by Senator LA FOLLETTE). To amend the act entitled "An act to extend to certain publications the privileges of second-class mail matter as to admission to the mails", approved June 6, 1900. (Passed Senate Feb. 11, 1937.)

Extends the second-class mailing privilege to State departments of conservation.

S. 1138 (by Senator ASHURST). To amend the statutes providing punishment for transmitting threatening communications. (Passed Senate Aug. 14, 1937.)

To penalize the senders of threatening communications, even though they make no extortion demands.

S. 1426 (by Senator MCKELLAR). To protect more effectively the governmental monopoly of the carriage of mail. (Passed Senate Apr. 7, 1937.)

Amends the Private Express Statutes so as to protect the governmental monopoly of the carriage of letters which has been vested in the Post Office Department since the beginning of the Postal Service.

IMPORTANT BILLS RECEIVING THE CONSIDERATION OF THE HOUSE POST OFFICE COMMITTEE

Other important bills not mentioned in the above lists, but which were being considered by the committee prior to adjournment, include those for the reclassification of the employees in the custodial service, granting of longevity pay to all postal employees, overtime, and night-work pay, sick and annual leave for postal substitutes, increased pay for senior substitutes, 8-hour day for village letter carriers, and a number of others, all of which retain their status on the committee's program during the adjournment period.

The Country's Financial Situation

Spending more money than is collected in revenue is not beneficial to the Federal, State, county, or city governments. Suggestions as to how the Budget can be balanced.

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. COCHRAN. Mr. Speaker, as usual, following the close of a session of Congress, the country is given information relative to Government expenditures by the chairman and ranking member of the Appropriations Committee. This year, as in the past, there is a vast difference in the amounts which they say are charged against the Treasury for future expenditures. It is the manner in which the statistics are tabulated that is responsible for the difference in the figures.

It is not my purpose to quote any figures nor to discuss the difference between the amounts quoted by the acting chairman of the Committee on Appropriations, Mr. CANNON, of Missouri, and the ranking Republican member, Mr. TABER, of New York. One thing is certain, regardless which is the most accurate, the amount is astonishing. No matter whether it is eight, nine, or ten billion dollars, it will be hard for the taxpayer to understand why such a tremendous amount of money is necessary to conduct the affairs of our Government. The taxpayer has been squeezed until it has hurt, and he very properly feels that there should be some reduction, especially as we make our way back to normal.

I am one Congressman who has, as the RECORD will show, done everything within my power to assist the President to balance the normal Budget. The President has expressed the desire to balance the normal Budget for the present fiscal year, but I doubt very much if he will succeed unless the revenues, due to the increase in business and the passage of the legislation closing the loopholes in our revenue act, bring in a much larger amount of money to the Treasury than has been anticipated. This failure will be due to new laws, requiring untold millions to administer.

What I now desire to discuss frankly is the question of the future as well as the past. There is no reason, in my opinion, to feel alarmed over the national debt, which increased annually not only during the present administration of President Roosevelt but also the administration of former President Hoover. It is true that the amount is larger than at any time in the history of the country, but it is small in comparison with the wealth of the country. We should make every effort, however, to keep it from mounting. The debt in round figures is around $37,000,000,000, while the wealth of the country is estimated between two hundred and fifty and three hundred billion dollars. It is true that the national debt does not include the outstanding indebtedness of the various States and the subdivisions thereof, the amount of which I am unable to quote. Certainly one who owned property valued at $300,000 would not become greatly alarmed if the indebtedness on that property was but $37,000.

From 1920 to 1936 the national income averaged $70,000,000,000. The highest estimate of our national income was in 1928 when it was $89,000,000,000. In the fiscal year just past the estimate of the national income was $60,000,000,000, and for the present fiscal year it is expected, if business continues to improve, that it will reach $70,000,000,000. In other words, the national debt is approximately one-half of what we expect the national income to be during the present fiscal year. So I say let us not get alarmed over the debt, but we should try now to keep it from increasing, because, of course, it is necessary for us to pay interest on the debt. Today the interest on the national debt exceeds the cost of running the entire Government 30 years ago. We can never default in paying the interest on the national debt, because if we did that would be practically an admission of bankruptcy, and it would seriously affect our credit throughout the world. Our efforts should be directed to holding down the necessary appropriations to the minimum, and I propose to advance a contribution as to how this might be brought about.

First, let me say that I want to make it perfectly plain that I am in part responsible for the increase in the national debt because during the depression I voted for all appropriations which the administration said would be justified in order to help the millions of our citizens who were in distress; honest citizens, able and willing to work, who could not find employment to support themselves and family. I think we were justified in increasing the national debt to meet this unprecedented situation and while we all hope that such a condition will never return, I likewise feel, if by any chance it does, that we would again be justified in increasing the national debt if it is to help those in distress who cannot find work.

What I desire to bring out at the present time is that we are spending too much money aside from that which is being used in the form of relief appropriations. This is due to the enactment of new legislation and to the feeling of various groups that it is the duty of the Government to come to their assistance. We have adopted many new national policies, all of which require large appropriations. The time has arrived when, in my opinion, there must be more cooperation between the executive and the legislative branch of the Government.

Under existing law, we receive annually from the President a budget message advising the Congress of the needs of the Government for the next fiscal year. Of course, there is no constitutional provision by which the Congress must hold the appropriations within the figures submitted by the President. It might be said for the Congress, however, that during the past session, the amount appropriated in the annual appropriation bills was below the figures submitted by the Bureau of the Budget. Mr. CANNON is authority for this statement. If this be so, it will be seen that it is not the Congress overriding the Budget recommendation insofar as the annual appropriation bills are concerned that upsets the effort to balance the Budget; it is the enactment of new legislation authorizing and appropriating money to carry out the purpose of the new legislation that is really responsible for the expenditures of the Government exceeding the revenue collected.

This brings us to the question whether the Congress proposes to continue to enact new laws requiring large expenditures of money without providing ways and means for the collection of additional revenue to meet the required expenditures?

HOW TO REDUCE EXPENDITURES

One way to reduce Government expenditures is by thoroughly reorganizing the executive branch of the Government, the abolishing of useless Government agencies, consolidating others, and coordinating the activities in such a way under a few responsible heads, so that it will be possible for the President as well as the Congress to keep in closer touch with the expenditures of public funds for all purposes.

For 10 years I have been a member of committees that have considered legislation to bring this about. I am thoroughly convinced that it will never be done by the Congress by the enactment of specific legislation. I am likewise thoroughly convinced that the only way it can be done is by the Congress to delegate the power to a courageous President who will do the job. It was for this reason that as chairman of the Select Committee of the House on Reorganization of the Executive Departments I voted for, and supported in speeches, the bill granting this power to President Roosevelt. I feel that he has the courage, as well as the desire, to properly reorganize the Government and that if the Senate will act favorably on the bill which was passed by the House by an overwhelming majority, this will be accomplished. The power we extend to President Roosevelt is not as much power as was given to President Hoover in 1932.

PERMANENT APPROPRIATIONS

There are many laws on the statute books enacted for specific purposes. I am not going to discuss the merits of the laws nor refer to them individually with two exceptions and that will be for the purpose of citing what happens after Congress adopts some new policy or project. Usually without exception these laws can be classed as popular laws in that they are beneficial to individual groups, States, or communities. I recall the period, and it is not far distant, when the question of Federal aid was assailed by both political parties as being unsound except in emergencies. Then came a period when both major political parties were in power during which we added many laws providing for Federal aid.

A few years ago the Committee on Appropriations appointed a subcommittee, which was headed by the late Representative Anthony Griffin, of New York. Representative Edward W. Goss, of Connecticut, was the ranking Republican member of that committee. The duty of this committee was to investigate what was known as permanent appropriations. A permanent appropriation was one that did not appear in the annual appropriation bill, because the law was worded in such a way that at the start of each fiscal year the Treasurer

of the United States was required to credit the amount of money provided in the law to carry out the purpose of that act. The act nor the appropriation was not discussed during the period that the annual appropriation bills were under consideration, nor did the Committee on Appropriations, in holding its hearings, call in the heads of the various agencies administering such laws and question them relative to the manner in which the money was being expended and the necessity for continuing the expenditure. It can be said for that committee that it held hearings for many weeks, reported a bill repealing a number of laws, but they were minor in character and simply scratched the surface. It seems to me it would be a very good idea if the Appropriations Committee at the next session would name another committee, and it might be well to make it a permanent standing subcommittee of the Appropriations Committee, to continue this investigation with a view to making recommendations to the Congress for the repeal of laws which have served their purpose.

FEDERAL AID FOR HIGHWAYS

In order that one might have an idea of just what happens when Congress embarks upon a new project, I am now going to cite one of the most popular laws on the Statute Books today. It is a law which provides for Federal aid to the States in connection with the construction of what are known as Federal-aid highways.

Back in 1914 or 1915, the House created a new committee known as the Committee on Roads. Hon. Dorsey W. Shackelford, of Missouri, was the first chairman of that committee. A bill was reported by that committee and became a law, which started a policy whereby the Government was to contribute 50 percent of the cost of the highway in a State, provided the State contributed an equal amount. The bill further provided that the highway must be built in accordance with specifications that would be adopted by the Bureau of Public Roads. This bill carried an appropriation, not an authorization, of $75,000,000; $5,000,000 to be allocated to the States the first year, $10,000,000 the second year, $15,000,000 the third year, $20,000,000 the fourth year, and $25,000,000 the fifth year.

If one will refer to the speeches at the time the bill was considered in the House and the Senate, he will see that the purpose of the bill was to stimulate States to construct hard-surfaced roads. The appropriation greatly increased year by year, and when the present fiscal year ends June 30, 1938, $2,940,000,000 will have been spent for this purpose. Here we find a law starting out with an appropriation over a 5-year period of $75,000,000 that has cost the taxpayers of the country in 22 years nearly $3,000,000,000, and the end is not in sight.

Practically all the States provided by law or constitutional amendment that the money collected by the State for automobile licenses and gasoline tax was to be used solely for the construction of new highways and maintenance of old highways. Whether or not it was due to the depression or that the States are reducing their program of road construction I do not know, but legally the States diverted in 1936, $169,344,000 from this fund and used it for other purposes. I am informed by the Bureau of Public Roads that this is by no means the entire diversion. The Bureau of Public Roads is endeavoring to find out just how much money has been diverted from the highway fund, but it will require a great deal of research before the entire amount is known. For instance, in Florida the State returned to the counties certain amounts of money which was not used for road construction or maintenance, and the only way that this amount can be learned is by checking the books of each county in the State.

VOCATIONAL-EDUCATION APPROPRIATIONS

This example applies to most all Federal-aid projects. The amount is gradually increased. For instance, it can be cited that the Federal aid for vocational education, which likewise is a very popular law, was doubled in the session of Congress that just closed over the objection of the Bureau of the Budget and the President. In the fiscal year 1936 to 1937 the Congress appropriated $12,400,000 for this purpose. For the present fiscal year, which ends June 30, 1938, the Congress appropriated $23,958,000. This was the result of the passage of what is known as the George-Deen Act in the last session of the Seventy-fourth Congress authorizing an increase in the amount. The Committee on Appropriations recommended an amount in excess of the recommendation of the Bureau of the Budget, but when the bill reached the floor of the House an amendment offered by Mr. DEEN to appropriate the full amount carried by a tremendous majority. There is not a Member of Congress who did not receive dozens of telegrams and letters urging the appropriation of the full amount. This means an increase in the amount to be spent by the States because the money can only be allocated where the States match the Federal contribution 50 percent.

By these two examples it will be shown what happens when the Congress enacts new legislation. New legislation is popular legislation or it never would be enacted in the first instance. Organized minorities are responsible to a great extent for the passage of new legislation of this character. Through the use of propaganda pressure is brought to bear upon the Members of the House and Senate, with the result that the law is finally passed. Many bills are pending at the present time in the Congress for new Federal-aid laws, among which is one to extend aid to the States for educational purposes.

If this bill passes in the form in which it was introduced, it will mean at the outset an appropriation of $100,000,000 a year. What it will mean in the end no one can predict. Many who complain of the Federal Government encroaching upon the powers of the State are bitter in their criticism when State rights are affected will be found, when the roll is called, not only voting for but speaking in behalf of legislation that provides for Federal aid, which at the same time always places in the hands of the Federal Government power over State activities. For instance, certain rules and regulations are laid down under the Federal Highway Act and the Vocational Education Act that must be met by the States before they can share in any of the appropriation.

PROVIDE MONEY TO CARRY OUT LEGISLATION

I have outlined what has happened in the past for the purpose of showing the need for the adoption of some new rule that will prevent the passage of new laws from upsetting the efforts of the President to balance the Budget.

The thought in this direction that I have is that the rules of the House be amended so as to provide that when Congress enacts legislation requiring large expenditures of money that after the legislative committee has perfected the bill it is to be referred to the Committee on Ways and Means for a second title, which must provide a method by which the money will be raised to carry out the provisions of the act. If this was done, Congress would be required to supply the additional revenue for the Treasury Department to meet the additional expenditures and not require the Treasury to borrow the amount, as it does now.

I realize that this will not be easy to accomplish, but, nevertheless, some day, in my opinion, some method of raising the money to carry out the provisions of the new laws that require large sums to administer them will be provided for at the same time the new legislation is enacted.

INEQUALITIES IN PRESENT TAXING SYSTEM

It is evident that the President will insist, and the Congress will respond to his demand, for a revision of our revenue laws. The closing of the loopholes in the present law passed at the close of the last session was an emergency measure to meet a situation whereby many of our richest citizens had evaded payment of certain income taxes through various methods recently exposed.

There are a number of inequalities in our present taxing system that must be corrected, and one of them I called to the attention of the Congress in the present session when I introduced a resolution providing for a constitutional amendment to meet the situation. That would place all citizens of the United States in the same category. I pointed out at the time that there are nearly three and

one-half million people in the United States today who are in the class where they do not pay income taxes either to the State of which they are a legal resident cr to the Government. First, there are over a million Federal employees of all classes. Federal employees and officials from the President down, including Members of Congress, are not required to pay an income tax on their salaries to the State of which they are a legal resident if that State has an income-tax law. They do pay Federal income taxes. There are nearly two and one-half million people employed by States and subdivisions of States who are not required to pay a Federal income tax on their salaries and this includes all from the Governor down. They pay a State income tax. Then again, there is another class, and it is questionable whether this class, the officials and employees of member banks of the Federal Reserve System, are required to pay a State income tax on their salaries. They are required to pay a Federal tax. The situation in reference to the officials and the employees of the banks arises out of the decision of the Social Security Board in which it held that the officials and employees were in the same category as Government employees and were not required to come in under the Federal unemployment compensation law. As a result of that decision I was authoritatively informed that a legal advisor of a large banking association informed the members that they would not be required to pay State income tax on their salaries.

The latest available figures I was able to secure from the Census Bureau of the banking group, which does not include State banks and trust companies members of the Federal Reserve System, shows 127,859 officials and employees whose combined salaries are $236,372,475 upon which, if this ruling stands, are not required to pay State income taxes. As I said, they are required to pay Federal income taxes. This is absolutely unfair to the citizens of this country who are not Federal, State, county, city, or bank employees who are required to pay both Federal and State income taxes. We should all be in the same class and we should all be subject to the tax laws of our Government and our State if our income is sufficient to bring us under the laws. During the present session considerable data has been gathered in reference to my proposed constitutional amendment, and I have the promise of the chairman of the subcommittee of the Judiciary Committee, to which my resolution was referred, that a hearing will be held when Congress reconvenes. This amendment should be submitted to the States at the earliest date possible.

I cannot conceive how any Member of Congress could oppose such an amendment. The sixteenth amendment of the Constitution has been so interpreted by the Supreme Court of the United States as to not require State, county, and city employees to pay Federal income taxes on their salaries. This explains why a constitutional amendment is necessary.

If such an amendment was adopted by the States, it would vastly increase the revenue that we are now collecting under our income-tax laws and would assist to meet Federal expenses as well as assist the States to meet their expenses.

TAX-EXEMPT SECURITIES

Another important question that will soon be either disposed of by the Congress or be submitted to the various States in the form of a constitutional amendment is the taxing of tax-exempt securities. This likewise, if adopted, would greatly increase the revenue.

Then we have the trust funds. The creation of trust funds has caused no little worry to the taxing authorities. Trust funds created prior to the time we had the gift tax and which are still in existence, the money being invested in State and local tax-exempt securities, escape taxation. Income from Liberty bonds are subject to the surtax but not the normal tax. I am advised that the Joint Committee on Taxation will give this question a great deal of study before the recommendations are made to the Ways and Means Committee of the House and Finance Committee of the Senate in the fall.

While of course, taxes should be levied on those best able to pay, no one escapes taxation. Taxes are not absorbed by business, but are handed down. In other words, the manufacturer in selling his article always takes into consideration the amount of taxes he must pay when arriving at a price for that which he manufactures. Then again with many of the States since the depression assessing a sales tax the poor as well as the rich are affected. The consumer in the end pays most of the bill as the taxes that must be paid are reflected in the price of the necessities of life which he or she must buy. Therefore it will be seen all are contributing toward the upkeep of Federal, State, county, and city governments.

In conclusion let me say we all must admit that it is not beneficial to the country when the Federal Government, the various States, and the subdivisions of the States continue to spend more money th .n is collected in revenue. It is a situation that we must meet and the sooner we bring our expenditures within the amount collected in revenue the better it will be for the country as a whole.

Americans Must Be on Guard Against Those Forces and Organizations That Set Up a Fascist State in America

---

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. TEIGAN. Mr. Speaker, the greatest menace to American liberty today is the activities of Fascist and Nazi organizations.

Comparatively few persons realize that fascism is a political system that not merely destroys political democracy but tends toward the complete regimentation of all institutions whether political, economic, social, or religious. In Germany and Italy, where we find the most perfect examples of fascism, every institution based upon democratic principles has been regimented to suit the desires and needs of the dictators in charge.

REGIMENTING ALL INSTITUTIONS

Let us take a look at the situation in Germany where Hitler functions as dictator. In that country with its fine institutions of learning and high industrial development, we have the amazing spectacle of the trades-unions, the cooperative societies, the schools, and the churches being subjected to the rigorous discipline of the Nazi chief.

The churches have not merely been antagonized by the state, which has often been true in other lands, but they are being made to serve the ends of the Nazi philosophy and the Nazi state. The Evangelical (Lutheran) Church has been regimented to a degree that seems unbelievable. Moreover, its religious doctrines have been altered with pagan teachings being substituted for those of Evangelical Christendom. Pastors who have refused to sacrifice their religious convictions have been imprisoned on Hitler's orders.

CATHOLICS AND PROTESTANTS PERSECUTED

What has happened to the Protestant Church has also happened to the Catholic Church. Hitler's lieutenants have arrested Catholic priests by the score and incarcerated them. Freedom of worship for Catholics as well as for Protestants has been reduced to the zero point.

Some time ago the New York Times commented upon Hitler's performance under the caption, Whom the Gods Would Destroy. The editor scored the German dictator in his attempts to complete the regimentation of the religious organizations of his country. The Times editor asks:

Can Hitler be ignorant of or so rash as to disregard the resentment spreading throughout the world among both Catholics and Protestants at the increasing state support of neopaganism within the Reich?

Apparently that is just the situation. Hitler does not appear to understand that he is inviting the powerful opposition of the religious leaders of all denominations by his unjust and vicious attacks upon them and their institutions.

CARDINAL MUNDELEIN EXPOSES NAZI-ISM

No better exposé of the Hitler propaganda has come to my attention than the statement made by Cardinal Mundelein, of Chicago, several weeks ago. The Cardinal said:

Perhaps you will ask how it is that a nation of 60,000,000 people, intelligent people, will submit in fear and servitude to an alien, an Austrian paperhanger, and a poor one at that, I am told, and a few associates like Goebbels and Goering, who dictate every move of the people's lives, and who can, in this age of rising prices and necessary high cost of living, say to an entire nation, "Wages cannot be raised."

Perhaps because it is a country where every second person is a government spy, where armed forces come in and seize private books and papers without court procedure, where the father can no longer discipline his boy for fear the latter will inform on him and land him in prison, where the young, tenderly nurtured girl is torn from the mother's side and sent to labor camps to live with the slatterns of the streets in the dangerous years of changing youth.

AMERICANS MUST BE ON GUARD

I quite agree with Cardinal Mundelein's size-up of Hitler and nazi-ism. From the standpoint of the working class and from that of the churches, the trades-unions, and cooperative organizations, nazi-ism is a complete failure. It does not deserve recognition in the United States and, moreover, it will be well for every liberty-loving American, regardless of race, color, or creed, to be on his guard against organizations such as the American Liberty League, Black Legion, Sentinels of the Republic, Crusaders, and the like, which have for their purpose the setting up of fascism and nazi-ism in the United States.

Philadelphia Co. Indictments

EXTENSION OF REMARKS

OF

HON. THOMAS O'MALLEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. O'MALLEY. Mr. Speaker, on May 19, 1936, the Select Committee of the House to Investigate Real Estate Bondholders' Reorganizations convened in public session in the city of Philadelphia for the purpose of examining into the conduct of the affairs of the Philadelphia Co. for Guaranteeing Mortgages, the Land Title Bank & Trust Co., affiliates of these companies, and other concerns who issued and underwrote millions of dollars of real-estate bonds which later became worthless or nearly worthless, thereby wiping out the investments of thousands of citizens of Philadelphia, Pa., and other States. During the course of the hearings, evidence was developed disclosing the most flagrant disregard of not only the law, but of the principles of honesty and ethical conduct of business both by the officials of these companies and also others financially or otherwise interested in these concerns.

For a complete record of the testimony adduced at our special committee's hearing, I refer you to part 15 of the report of our special committee, pages 157 to 770, and the exhibits recorded therein.

As a result of the untiring efforts of the committee of the House, as well as the employees and special investigators of that committee, recommendations were made to the United States district attorney of the eastern district of Pennsylvania, the late Hon. Charles D. McAvoy, that the evidence produced at the committee hearings and at the investigations conducted by our investigators be submitted to a grand jury for said jury to decide whether criminal conspiracies to defraud existed and if, in fact, they did exist, to assign the guilt to such persons responsible and return indictments in the proper form.

The grand jury, after a thorough and painstaking investigation of all matters connected with the Philadelphia Co. for Guaranteeing Mortgages on the 18th of September, 1936, returned an indictment, no. 7154, listing three counts and setting forth nine overt acts upon the part of Thomas Shallcross, Jr., John Arthur Brown, William H. Lauer, Theodore G. Homan, Eli Kindig, Jr., C. Stevenson Newhall, William Fulton Kurtz, J. Willison Smith, William S. Johnson, John W. Brock, Walter Biddle Saul, and Edward A. G. Porter, charging these persons with unlawful use of the mails and furtherance of a scheme to defraud, and conspiracy to use the mails in a scheme to defraud as defined in section 215, act of March 4, 1909; and section 37, act of March 4, 1909 (35 Stat. 1088). Later, on September 28, 1936, the late Charles D. McAvoy, United States attorney, and Mr. Robert V. Bolger, assistant United States attorney, attested to another indictment in the case of the Bankers' Trust Co. against the same persons, indictment no. 7155, setting forth the violation of the same statutes on the part of these persons.

Now, Mr. Speaker, because the conduct of this entire case from its very inception in the testimony adduced before our special committee in Philadelphia, was vitally connected with the public interest, I, as one member of the committee, followed the course of this case and these indictments with the greatest of interest. Although the indictments were returned in 1936; although thousands of people were affected by the manipulations of the companies in which these defendants participated; and although a grand jury of citizens of the United States believe these persons guilty to the extent that the jury voted the indictments and directed that the question of their guilt or innocence be decided by a jury of their peers in the Federal court, months went by and no trial was held. Shortly before the termination, however, of the first session of the Seventy-fifth Congress, a United States Assistant Attorney General, representing the Department of Justice, appeared before a nonresident judge, Judge Watson, in the district court of Philadelphia, and moved the nolle prosseyui in each case as to each defendant. The court granted the motion and saw fit to extend itself to the point of complimenting the Department of Justice upon its action in requesting the dismissal of these indictments.

Since the dismissal of these indictments I have been the recipient of much inquiry from people of Philadelphia, from owners of defaulted bonds in these companies, and from persons who desired to submit information in which they felt the Congress would be interested and that might throw some light upon the conduct of this matter, which was of unusual and outstanding interest, not only to the people but to your select committee which the House continued a number of times and supplied with taxpayers' funds to investigate and bring about such action on the part of the prosecuting authorities as the indictments brought in the case of the Philadelphia and Bankers Trust Cos.

It is not my purpose to lay before the House only partial information in connection with the conduct of this entire matter, nor is it my purpose to submit to the House any information obtained purely on hearsay. It has been my purpose, and I had hoped to be able to submit to the House and yourself, Mr. Speaker, some material that would, I am sure, raise great question in the minds of the Members of Congress as to the advisability of permitting any longer governmental agencies to bring the dismissal of cases in which the public welfare and the public regard for the integrity of our processes of justice is indissolubly connected. Because of the early closing of the CONGRESSIONAL RECORD as the result of adjournment, complete material that I have requested has not as yet been supplied and the investigation which I have directed has not been concluded. Sufficient data, however, have been obtained to clearly indicate that persons in influential partisan positions, politically, socially, and financially, saw fit from the first inception of the indictments to inject themselves into the conduct of this particular case. Likewise, in a judicial district where

a number of judges were sitting, it is most interesting and raises pertinent questions, when information is submitted by one governmental authority, that all of these judges declined to sit in the case to later have such information contradicted by other official authorities.

Much doubt, suspicion, and questioning in the public mind has been evidenced by the letters and other communications inquiring about the summary disposition of these cases. I hope, Mr. Speaker, shortly to have in my possession such data as I may be able to submit to the House to convince the House of the necessity of a special inquiry into the conduct of this important case toward the end that in the future, when a committee authorized by this House spends thousands of dollars, holds long and tedious hearings, producing such material as causes a grand inquest of the United States to return indictments and recommend trials, that no person and no agency or no influence, political, financial, or personal, may be in a position to set aside the findings of such committees and such grand juries, but that the law shall be so written that any cases affecting the public interest as vitally as the two cases I have discussed will be brought to trial and a jury be allowed to pass upon the guilt or innocence of the parties involved. At this later time I shall submit to be included in the RECORD a complete history of the case together with documents and papers and possibly the testimony of those involved in the case who have been subpenaed and their actions in connection with this case put under scrutiny. In the meantime, Mr. Speaker, I believe it is well to insert here some most unusual excerpts from the various documents presently available in connection with these cases.

As to the accuracy of the grand jury's findings, resulting in the return of the indictments, I append herewith some interesting excerpts from the testimony before our congressional committee by a number of persons named in the indictments to which I have referred. These excerpts are necessarily not complete in themselves, but they indicate the testimony of some of the defendants taken under oath:

The CHAIRMAN. Was that first issue redeemed or paid up before the new issue was placed on the market?

Mr. BORRE. No, it was not; that is what I am coming to. I will ask that question, Mr. Chairman. At the time when this mortgage issue of $1,650,000 guaranteed by the Philadelphia Co. was issued, and in part to the public, was the mortgage of $1,500,000 paid?

Mr. SHALLCROSS. Well, of course, you recall that was before my active connection with the company, but the record shows that the first mortgage of $1,500,000 was not paid, but that $150,000 of the refunding mortgage was sold; afterward repurchased by the company.

Mr. O'MALLEY. So the committee may get this clear, a new first mortgage was issued, only a part of which was guaranteed?

Mr. SHALLCROSS. Yes, sir.

Mr. O'MALLEY. The original first mortgage was not paid up?

Mr. SHALLCROSS. Correct.

Mr. O'MALLEY. When this new first mortgage was issued and sold to the public——

Mr. SHALLCROSS (interposing). Partly sold to the public.

Mr. O'MALLEY. It was selling bonds, ostensibly first-mortgage bonds, which were not first-mortgage bonds because the original first mortgage had not been satisfied?

Mr. SHALLCROSS. That is correct.

Mr. BORRE. One hundred and fifty thousand dollars of this new issue, entitled by you as a refunding issue, was sold to the public?

Mr. SHALLCROSS. I believe it was.

Mr. BORRE. By the Philadelphia Co.?

Mr. SHALLCROSS. Yes, sir.

Mr. BORRE. And at that time did you know as a member of the finance committee that there existed of record the mortgage of $1,500,000?

Mr. SHALLCROSS. I had no knowledge of any part of the transaction excepting the approval of the refunding mortgage of $1,650,000—no knowledge that any part of it had been sold.

Mr. BORRE. I'll show you this specimen mortgage, and you are familiar with real estate, and with the affairs of the company—your company—and I'll ask you to show to the committee, if you will, that these bonds were refunding mortgage bonds. See if it is stamped on there, a refunding mortgage (indicating exhibit 8).

Mr. SHALLCROSS. I don't think so.

Mr. BORRE. It isn't stamped on. I know it. I'm asking you to tell me of your own knowledge is that stamped a straight first-mortgage, 6-percent bond?

Mr. SHALLCROSS. Yes, sir.

Mr. BORRE. The indenture does not mention that it was a refunding mortgage?

Mr. SHALLCROSS. No, sir.

Mr. BORRE. Now, with reference to the $150,000, which was sold to the public, they were at a subsequent date repurchased?

Mr. SHALLCROSS. Yes, sir.

Mr. BORRE. By the Philadelphia Co. and the Land Title & Trust Co.?

Mr. SHALLCROSS. Yes, sir.

Mr. O'MALLEY. Mr. Counsel, I want to ask the witness why were they repurchased.

Mr. SHALLCROSS. When this matter was brought to my attention in 1932 by Mr. Edmonds, who was the chairman of our board, I had been with the company as an official since the beginning and I was very much upset about it.

Mr. O'MALLEY. You weren't alarmed?

Mr. SHALLCROSS. I thought it was a very grave error.

Mr. O'MALLEY. It was a grave legal error if nothing else, was that your opinion?

Mr. SHALLCROSS. Yes, sir; a mistake of policy, at least, although the committee had approved the mortgage of $1,650,000, and that is all that the company had sold, $1,650,000 outstanding—$1,500,000 of the original issue sold, $150,000 second issue, which, in my opinion, was a very grave error, and we had the obligation of the land title to repurchase these bonds that they had put in lieu of cash in the sinking fund. In making settlement with the land title, one of the provisions of the settlement was this $150,000 in bonds, which, in my opinion, were erroneously sold, would be repurchased.

Mr. O'MALLEY. Mr. Witness, isn't it a fact that when you became aware of this situation, that $150,000 worth of refunding bonds had been sold to the public ostensibly as first-mortgage bonds, when they were not; the repurchase was made to avoid any legal complications?

Mr. SHALLCROSS. Well, put it on any ground you want.

Mr. O'MALLEY. I'm not putting it on any ground.

Mr. SHALLCROSS. An error that was remedied.

Mr. O'MALLEY. Did you discuss this repurchase with anybody else at the time it was decided upon? Did the board take it up?

Mr. SHALLCROSS. It was a matter of action by ourselves. It was all done on the advice of counsel.

Mr. O'MALLEY. What did the counsel advise you about the matter?

Mr. SHALLCROSS. It should be repurchased.

Mr. O'MALLEY. Why?

Mr. SHALLCROSS. Mistake to have sold it.

Mr. O'MALLEY. What kind of mistake?

Mr. SHALLCROSS. I don't know.

Mr. O'MALLEY. What did counsel say?

Mr. SHALLCROSS. I don't know.

Mr. O'MALLEY. Don't you know what kind of a mistake it was?

Mr. SHALLCROSS. No.

Mr. O'MALLEY. You were there.

Mr. SHALLCROSS. I don't remember any particular kind of a mistake—a mistake of policy.

Mr. O'MALLEY. What did counsel say was the reason why you should repurchase those bonds?

Mr. SHALLCROSS. I don't know.

Mr. O'MALLEY. You don't recall. Who was the counsel?

Mr. SHALLCROSS. C. J. Hepburn, special counsel for the matter.

* * * * * * *

Mr. DIRKSEN. Would you care to express, as a free opinion, whether or not, in your judgment, sale of first-mortgage bonds in the making of the new first-mortgage indenture, when you realized an unsatisfied mortgage already existed, would constitute a fraud?

Mr. SHALLCROSS. I don't think I ought to answer that question. I am not a lawyer; I don't know.

Mr. DIRKSEN. I am simply asking your opinion.

Mr. SHALLCROSS. My opinion is that it was a grave error that should have been corrected. I insisted it should be corrected. It had nothing whatever to do with the original transaction.

Mr. DIRKSEN. You won't agree that it would, under the laws of almost every jurisdiction in the United States, constitute an overt fraud?

Mr. SHALLCROSS. I'm not going to answer.

* * * * * * * *

Dr. PARKER. And when you found that the R. F. C. wouldn't take your mortgages as collateral, you, Mr. Kurtz, and Mr. Newhall consulted and decided to take mortgages out of that trust fund; right?

Mr. SHALLCROSS. Yes, sir.

Dr. PARKER. Did you consult attorneys whether you could take it out?

Mr. SHALLCROSS. Not necessary; we were dealing with the trustee. The trustee released them.

* * * * * * * *

Mr. SHALLCROSS. The Pennsylvania Co. released $536,000 of the collateral with the understanding we would substitute like collateral.

Dr. PARKER. That was in April 1932?

Mr. SHALLCROSS. Yes, sir.

Mr. DIRKSEN. Was that agreement in writing between the Pennsylvania Co. and the Philadelphia Co.?

Mr. SHALLCROSS. No; the actual release was in writing.

Mr. O'MALLEY. Who authorized it on the Pennsylvania Co.'s part?

Mr. SHALLCROSS. I imagine the president of the company.

Mr. O'MALLEY. And that was who?
Mr. SHALLCROSS. Mr. Newhall.
Mr. DIRKSEN. The Pennsylvania Co. would release arbitrarily without the application from the Philadelphia Co. asking for it?
Mr. SHALLCROSS. It didn't require a formal application and they agreed to release it and put other collateral in.
Dr. PARKER. Did you ever put in collateral?
Mr. SHALLCROSS. We offered collateral and the——

* * * * * * *

Mr. SHALLCROSS. When the collateral was withdrawn from the Pennsylvania Co. we had every reason in the world to believe that this large group of small mortgages which we intended to substitute, and which we had a right to substitute, would meet the requirements. But according to the appraisals they didn't meet the requirements.
Mr. DIRKSEN. But where you are dealing with legal rights, guaranteed in an indenture, what right have you to presume to replace, even for 30 minutes?

* * * * * * *

Mr. MCGINNIS. You testified you had some knowledge about these issues. A man of your experience in the sales department, head of the sales department, would not know from that no. 1539 that it was a second-mortgage issue?
Mr. KINDIG. I did not know at that time it was a second-mortgage issue.
Mr. MCGINNIS. You knew the extent of the first-mortgage issue on the Sylvania?
Mr. KINDIG. Yes, sir.
Mr. MCGINNIS. Whether you did it or not, why did you say "first mortgage"?
Mr. KINDIG. That's what I believed them to be.

* * * * * * *

Mr. O'MALLEY. Mr. Kindig, was it the practice of you and your subordinates in the sales department to send out letters through the mails making statements such as that, without first consulting with anybody as to whether you were making factual statements?
Mr. KINDIG. We never questioned for one moment that the statements were correct when we made them.
Mr. O'MALLEY. You got the information and you based those statements from where?
Mr. KINDIG. From circulars.
Mr. O'MALLEY. Who prepared the circulars?
Mr. KINDIG. Mr. Lauer, the secretary's department.
Mr. O'MALLEY. Those circulars were prepared by Mr. Lauer and Mr. Edmonds, the responsible officers of the company?
Mr. KINDIG. Yes, sir.
Mr. MCGINNIS. Mr. Kindig, I show you photostatic copies of the ledger sheets, taken from the book on the Benjamin Franklin Hotel. I introduce this in evidence. [Entered as exhibit 118.]
Mr. O'MALLEY. What's the purpose of that?
Mr. MCGINNIS. I wish to show sales on the Benjamin Franklin issue when there was default as early as 1926. The sales in 1927 were $26,000; 1928 of $74,000; 1929 of $127,000; 1930 of $75,000; 1931 of $97,500; 1932 of $4,000; while there was default in 1926.
Mr. O'MALLEY. Were those sales accomplished, Mr. Counsel, in the same way these sales were accomplished that you showed by letters?
Mr. MCGINNIS. All sales were made through your office, were they not, Mr. Kindig?
Mr. KINDIG. Not all sales; but most all sales based on correspondence that came to the company would come to my office.

* * * * * * *

Dr. PARKER. And do you know that, as a result of that application on this same property, a mortgage indenture for $225,000 or $25,000 more than the first mortgage was made?
Mr. LAUER. That is correct.
Dr. PARKER. And do you also know, according to the records, that the first mortgage was never satisfied?
Mr. LAUER. Yes, sir.
Dr. PARKER. And it has not yet been satisfied?
Mr. LAUER. No.
Dr. PARKER. And you also know, 5 years later, that you issued another mortgage on the same property for $225,000, a $25,000 increase, and that mortgage was also recorded?
Mr. LAUER. Yes, sir.
Dr. PARKER. As a result of that mortgage, you had bonds issued, labeled across the face "Secured by first mortgage"?
Mr. LAUER. That is right (exhibit 132).
Dr. PARKER. And you sold some of these "first-mortgage" bonds to the sinking fund of this building for which you were acting as trustee?
Mr. LAUER. Only $25,000——
Dr. PARKER. I am not asking you that. Did you sell some of these second-mortgage bonds to Pine Manor sinking fund?
Mr. LAUER. Sold some; $25,000 of bonds were purchased under that new mortgage. Only a total of $225,000 outstanding on the entire property (referring to Chatham Court).

* * * * * * *

Dr. PARKER. Were those certified bonds secured by first mortgage?
Mr. LAUER. Yes, sir.
Dr. PARKER. Was that so, or was that a lie?
Mr. LAUER. It was not so; it was a lie; it was an untruth.
Dr. PARKER. Now, if it wasn't so, it couldn't be, could it?
Mr. LAUER. Refunding mortgage.
Dr. PARKER. Do you see "refunding mortgage" on this paper?
Mr. LAUER. No.
Dr. PARKER. Your mental reservations mean nothing to the public, do they? Is this bond a negotiable instrument?
Mr. LAUER. Yes.
Dr. PARKER. I can sell it to anybody, can't I?
Mr. LAUER. Yes, sir.
Dr. PARKER. And reservations you have in your mind are of no value to the bond if I find a purchaser in due course, are they?
Mr. LAUER. They were——
Dr. PARKER. Answer my question. Is the fact that you follow a mental reservation of value to an outsider?
Mr. LAUER. No, sir.

* * * * * * *

Dr. PARKER. Is this your writing here [indicating exhibit 60]?
Mr. LAUER. No; it isn't my writing.
Dr. PARKER. Is "W. H. L." your initials?
Mr. LAUER. I didn't sign that.
Dr. PARKER. These are not your initials?
Mr. LAUER. No.
Dr. PARKER. Somebody forged your initials?
Mr. LAUER. No.
Dr. PARKER. "W. H. L." is your initials, isn't it?
Mr. LAUER. Yes.
Dr. PARKER. They were not written by you; you are sure of that?
Mr. LAUER. Positive.
Dr. PARKER. You are saying that under oath. And this says: "Do not get legal opinion. W. H. L." Is there anyone else in your firm "W. H. L."?
Mr. LAUER. I told somebody to write that.
Dr. PARKER. Whom did you tell to write that on there?
Mr. LAUER. One of the employees of the company.
Dr. PARKER. Who?
Mr. LAUER. Miss Nevins; and I'll admit it.
Dr. PARKER. You authorized Miss Nevins to write: "Do not get legal opinion"?
Mr. LAUER. Yes.
Dr. PARKER. Why did you authorize it? You felt that it was an illegal mortgage?
Mr. LAUER. I knew the attorneys couldn't give an opinion that it would be legal for trust funds; that we couldn't sell it as legal investments.
Dr. PARKER. You sold it to a sinking-fund trustee—to a trust fund?
Mr. LAUER. We did.
Mr. O'MALLEY. Did I understand you to say the reason you didn't ask the attorneys for an opinion on whether or not it was legal for trust funds was because you knew the attorney couldn't give you that kind of an opinion?

I also, Mr. Speaker, feel that it would be of interest to the Members of the House, many of whom have both on the floor and to me personally seriously questioned the Government's dismissal of these cases, to insert herewith some extracts from indictment no. 7154, especially that part of the indictment which sets forth the overt acts or the instances of violation of the law which the grand jury believed the defendants willfully committed:

1. Said defendants did, on or about the dates specified therein, at Philadelphia, in the eastern district of Pennsylvania and within the jurisdiction of this court, mail and/or cause to be mailed, and place and/or cause to be placed in the Post Office Establishment of the United States for delivery by the United States mails, each and every of the various letters and mailings set forth in the aforesaid counts, to wit: Counts I and II, inclusive, of this indictment.

2. That the said John W. Brock, defendant herein, in furtherance of said scheme and artifice to defraud and in order to carry out the conspiracy devised as aforesaid, did, on or about March 8, 1927, at Philadelphia, in the district aforesaid, deliver to the said Philadelphia Co. 240 $1,000 bonds, series A, of the I. Clarence Pennington issue and that he did deliver and cause to be delivered to the said Philadelphia Co. every 6 months thereafter, namely, on the 1st days of April and October of every year following, 40 of such bonds until and including October 1, 1931.

3. That the said William S. Johnson, defendant herein, in furtherance of said scheme and artifice to defraud and in order to carry out the conspiracy as aforesaid, did, on or about December 1, 1932, at Philadelphia in the district aforesaid, employ or cause to be employed S. K. Phillips & Co., brokers in the city of Philadelphia aforesaid, to repurchase for the said Land Title Co. bonds of the 1922 C. Vernon Turner issue on the Sylvania Hotel by means of the Post Office Establishment of the United States and otherwise.

4. That the said Thomas Shallcross, Jr., John Arthur Brown, C. Stevenson Newhall, and William Fulton Kurtz, defendants herein, in furtherance of said scheme and artifice to defraud and in order to carry out the conspiracy as aforesaid, did, on or about December 31, 1932, at Philadelphia, in the district aforesaid, on behalf of the said Philadelphia Co., enter into an agreement of settlement with the said Land Title Co. for the repurchase of the Land Title Co. of 300 $1,000 bonds of the 1922 C. Vernon Turner issue on the Sylvania Hotel.

5. That the said Walter Biddle Saul and Edward A. G. Porter, defendants herein, in furtherance of said scheme and artifice to

defraud and in order to carry out said felonious conspiracy as aforesaid, did, at divers times during the operation of said conspiracy, aid, abet, counsel, and procure the said defendants in entering into and executing the said agreement of settlement aforementioned in overt act no. 4 of this indictment.

6. That the said Eli Kindig, Jr., William H. Lauer, and Theodore G. Homan, defendants herein, in furtherance of said scheme and artifice to defraud and in order to carry out said felonious conspiracy, did, on divers dates during the operation of said conspiracy and scheme to defraud, at Philadelphia in the district aforesaid, purchase and cause to be purchased on behalf of the said Philadelphia Co. and Land Title Co. bonds of both the Turner and Pennington issues on the said Sylvania Hotel from the holders thereof, namely, the victims herein.

7. That said defendants, in furtherance of said scheme and artifice to defraud and in order to carry out the objects of said felonious conspiracy, did, on or about September 20, 1933, at Philadelphia in the district aforesaid, mail or cause to be mailed, and deliver, or cause to be delivered by means of the Post Office Establishment of the United States, a certain letter addressed to Mrs. Ella H. Fiske, 234 West Chelten Avenue, Germantown, Philadelphia, in manner and form, as follows, to wit:

Samuel K. Phillips & Co., bonds and stocks, Packard Building, Fifteenth and Chestnut Streets

PHILADELPHIA, *September 20, 1933.*

MRS. ELLA H. FISKE,
234 West Chelten Avenue,
Germantown, Philadelphia.

DEAR MRS. FISKE: We acknowledge receipt of your letter enclosing guarantee policy covering $5,000 Hotel Sylvania 6's which we purchased from you at 33 flat, and we enclose herewith check to your order for $1,650 in payment of same.

Thanking you for this business, we are

Very truly yours,

TM (s) SAMUEL K. PHILLIPS & Co.

8. That said defendants, in furtherance of said scheme and artifice to defraud and in order to carry out the objects of said felonious conspiracy, did, on or about January 24, 1934, at Philadelphia, in the district aforesaid, mail or cause to be mailed, and deliver, or cause to be delivered by means of the Post Office Establishment of the United States, certain letters addressed to the bondholders of the $1,500,000 C. Vernon Turner indenture of mortgage on the Sylvania Hotel, more particularly set out in count II of this indictment.

9. That said defendants did perform, cause to be performed, and adopt or cause to be adopted as their acts, all of the acts and transactions constituting said scheme and artifice to defraud, as more particularly set forth in count I of this indictment, the averments of which acts and frauds are herein incorporated by reference, the same as if herein specifically set forth.

It is also most interesting to note that in the motion presented to the Court of the United States of America against Thomas Shallcross, Jr., et al., by the Government, grave doubt was expressed that the defendants might receive a fair trial by a jury. This, if true, would be a serious reflection upon the ability of the American jury system to function impartially in cases involving the derelictions and misconduct of combinations of great wealth.

I quote from the statement of the representative of the Department of Justice in which it is admitted that the cases were of great public concern:

I am not unmindful that there has been and is great interest in these cases. They have attracted much notice in the press. Expressions have been heard, on the one hand, that the indictments were not broad enough, that they did not include many things for which the defendants should be punished, that more and other persons should also have been charged. And on the other hand, that these men were being exposed to prosecution solely because they were bankers, that they were being blamed for the depression, that they could not get a fair trial because the shadow of innocent bondholders would envelop and prejudice the reason of jurors.

Mr. Speaker, I believe, and I am sure my colleagues of the select committee believe as I do, that the duty and responsibility of our committee consisted not only of bringing out the facts in matters of authority of this kind, but in following up that duty to see when such facts were adduced, that clear and complete disposition of cases of this kind should be accomplished. It is the duty of the special committee and every member thereof to ascertain with the help and the support of the House, whether in this matter, because of the powerful interests involved, the important and influential names and personalities injected into this case, justice is to be applied in different measure and different form than is applied to the average and ordinary American citizen when he comes in conflict with the legal processes of the Government of the United States.

It is my hope to submit very shortly to the House a much more complete and exhaustive discussion of the ramifications and everything in connection with the investigation of the Philadelphia Co. for Guaranteeing Mortgages and the other affiliate concerns embraced in the scope of our committee's investigation.

Minnesota Farmer-Labor Party Has Record of Service in Behalf of Farmers and Workers; National Farmer-Labor Party a Necessity

EXTENSION OF REMARKS
OF
HON. HENRY G. TEIGAN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. TEIGAN. Mr. Speaker, many people are saying that this first session of the Seventy-fifth Congress has done little to make history. They have some grounds for their opinion.

The farm-tenant bill as finally enacted is almost useless as a real means for dealing with the problems created by our rapidly developing farm tenancy. The wage and hour bill did not even get onto the floor of the House. The Wagner-Steagall housing bill suffered so badly from House and Senate amendments before it was passed that it will, in the main, fail to accomplish its supposed purpose of aiding our lowest income groups to secure decent housing. The billion and a half dollars relief bill is woefully inadequate to meet the condition of want and unemployment it is supposed to care for, and even this inadequate sum was secured only after bringing to bear upon Congress all the President's influence and forcing a roll call. It has, indeed, been a "do-nothing" session at a very time when the conditions of the country are crying for action.

A HISTORIC CONGRESS

Nevertheless, I do not agree with those who say that this session of Congress has not made history. It has been, in fact, a historic session, because it has clearly demonstrated that we cannot go further without a new party.

Congress this year was a kind of great stage on which was dramatized, for all the people to see, the political issues of today. The issues and the forces on either side became perfectly plain.

Now progressive-minded folks everywhere recognize that what the Nation needs is a new political party—a party representing farmers, workers, professional people, and small-business men—a party whose members will speak for and vote for the democratic masses of America.

It is no longer a question of whether or not we shall have another national party. That we will have one is taken for granted. The real question is, What kind of party will it be?

JUST ANOTHER THIRD PARTY?

Will the new party be just another of America's third-party movements? We have had them before.

In 1912 the progressives rallied their strength around a new platform and a few leaders—mainly one, Theodore Roosevelt. When he returned to his old allies the Bull Moose movement died down. There had never been any mass organization behind it. It was just another of America's third parties.

In 1924 the progressives again rallied around a new platform and a few leaders—most notably of all, "Fighting Bob" La Follette. This new party also failed to plant itself squarely into the organized economic life of our common people, and when the leaders became disorganized the party wafted away.

WILL IT BE A FARMER-LABOR PARTY?

A party like those I have just described is not the organized political expression of the organized economic needs of farmers, workers, small merchants, and professional people. It is rather mainly a machine for rolling up mass support.

The American people hardly have time for another such political adventure.

A farmer-larbor party, on the other hand, is founded upon the organized masses. A farmer-labor party is built by getting organized progressive farm groups, labor unions, cooperatives, liberal organizations, organized unemployed, and political clubs that are composed of workers, farmers, professionals, and small merchants—by getting all these to associate themselves together to give political expression to the economic needs they have in common.

This association or federation of organized economic groups constitutes the organizational base of a farmer-labor party. It is a party organized from the bottom up instead of from the top down.

GROWTH OF FARMER-LABOR PARTIES

In several States and in many communities people are already forming new political parties along the farmer-labor lines that I have just described. As Minnesota's Farmer-Labor Governor, Elmer A. Benson, recently said, these new political parties are the first rays of a bright star that will be on the national horizon by 1940—a national farmer-labor party.

IMPORTANCE OF MINNESOTA'S FARMER-LABOR PARTY

In view of this fact, people throughout the country want to know about the history, organization, and accomplishments of Minnesota's Farmer-Labor Party. It has certainly shown itself to be one third party that carries on, in victory or defeat, whether leaders come or go, whether friends remain or turn false. Its history will have lessons to teach the people who are now organizing a new political party.

This remarkable party began among the farmers of North Dakota, and it is to them we must turn for the beginning of our story.

EXPLOITED FARMERS OF NORTH DAKOTA

Farming on the fertile Dakota prairies should have been the best business in the world. Yet North Dakota farmers a few years ago found it one of the very worst. They toiled without profit, and lived from year to year in a state of economic bankruptcy.

North Dakota's farmers learned what caused this. They did not learn it from books on economics. They learned it, bitterly, as they went about their business, day after day, and year after year.

HOW WERE THEY EXPLOITED?

When the farmer, during seeding or harvest time, went to the bank for a loan, he got it on very hard terms and at high interest rates. In time, he found that the bank was not really owned by his neighbors in North Dakota. He found that it was owned by the same interests that owned the Minneapolis mills or the Northwest railroads. The purpose of these big owners was not to provide temporary capital for the farmer. The purpose was to make a nice profit out of the North Dakota farmer's need for short-term loans.

When the farmer brought his grain to the elevator, he was treated with the same arbitrariness by the elevator managers, who worked for corporations which owned from 10 to a hundred or more of these elevators. The farmer's no. 1 wheat was sometimes arbitrarily graded as no. 4, and there was nothing he could do about it. When he joined with other farmers to establish a cooperative grain elevator, the railroads sabotaged the farmers' elevator by withholding cars.

When the grain reached Minneapolis, it was often charged a switching charge of $1.50 per car, even though the railroads in 90 percent of the cases had no such charge and the $1.50 fee on each car was merely an arbitrary assessment by Minneapolis millers or commission men.

At the terminal points of Minneapolis or Duluth the grain passed through many hands, each helping himself to a rake-off at the expense of the original producer of the grain out in North Dakota. Sometimes the grain was "resold" several times to subsidiaries of the same company, each subsidiary taking a profit of 1 cent per bushel. False dockages and incorrect gradings were made on shipment after shipment. Terminal elevators each year shipped out many more bushels of no. 1 wheat than they had given the farmers credit for on incoming wheat.

WHAT WAS WRONG?

So far as the farmers of North Dakota were concerned it was easy for them to see that the whole system of marketing was one grand piece of machinery for the purpose of making a profit out of their toil. The purpose of the marketing machinery, or system, did not seem to be to transport and process the grain until it reached the consumer. As someone said—

> The farmer raised a bushel and got paid for a peck; the consumer received a peck and paid for a bushel.

Then, as now, certain corporation owners yelled about the sacred rights of property. But they did not mean the farmer's property. That was only something to steal away from him if you could do so legally.

THERE OUGHT TO BE A LAW

Plainly, the farmers of North Dakota were being robbed, and plainly they had a right to call on their Government for protection. In a democracy the citizens have a right to call upon the Government to protect their rights.

A government armed with the proper laws and employing the proper persons to enforce those laws could have protected those farmers.

But the farmers did not own their own Government. Railroads, elevator companies, great milling companies, and banks controlled the whole political machinery of the State.

Under those conditions the State legislature would not pass the necessary laws, and, even if it had, it is doubtful if they could have been enforced.

THE WAY OUT

The only way out for the farmers of North Dakota, then, was to take control of their own government. The question of the hour in North Dakota was, who owned the government, the common people, who were mostly farmers, or the corporations?

This was the political need of the moment, and it grew out of their economic needs. All they lacked was mass organization.

THE NONPARTISAN LEAGUE

Out of this necessity grew the North Dakota farmers' Nonpartisan League. The original organizers included A. C. Townley, a North Dakota farmer, who had been born in Minnesota and bankrupted on a North Dakota farm; Townley's friend, A. E. Bowen; and F. B. Wood, a pioneer in the farmers' equity movement.

In the late winter of 1915 they set out, at first on foot, to organize the farmers of North Dakota for political action, based on their economic needs. Before long they had 10 automobiles, then 20, then more, rolling through the State. Memberships and subscriptions came in, until by 1916 the league had almost 40,000 members.

PROGRAM OF THE LEAGUE

The league's political program was designed to help the North Dakota farmer break out of his economic bondage to the large private corporations. The program called for—

State-owned elevators, mills, stockyards, packing houses, and cold-storage plants.

State inspection of dockage and grading.

Rural credit banks operated at cost.

State hail insurance.

Tax reform: Exemption of farm improvements from taxation.

This program threatened the welfare of the economic royalists who were preying upon the North Dakota farmers, and therefore tons of propaganda were poured into North Dakota, branding the Nonpartisan Leaguers as anarchists, and so forth.

But all to no avail. The league went ahead with its work. It was not, strictly speaking, a political party. It planned to get its work done by endorsing a slate of candidates who ran in the primary elections on either the Democratic or Republican tickets.

POLITICAL VICTORY FOR THE LEAGUE AND ITS PROGRAM

In 1916 the league's slate of candidates won almost to a man, thus giving the league control of the administration and the house of representatives; but not of the State senate, because one-half of these senators had not been up for reelection.

Under these circumstances the league's program was badly blocked in the next session of the legislature, January-February 1917. Nevertheless, the league succeeded in getting important measures passed, including laws compelling railroads to furnish cars to all shippers alike, and to furnish sites for elevators and warehouses along their rights-of-way, and requiring State licensing of all elevators and grain warehouses.

Two years later the league again swept the North Dakota elections and then was able to carry out still more of its program.

I cannot here go into those years, however, because we have already reached the point in our story where the league crossed over into Minnesota and began those activities which led to the development of the present Farmer-Labor Party of Minnesota.

GETTING STARTED IN MINNESOTA

In the summer of 1916 representatives of the North Dakota Nonpartisan League sent organizers into South Dakota, Montana, and Minnesota. By January 1917 Minnesota headquarters had been opened in St. Paul and the name of the organization changed to National Nonpartisan League.

The policy employed among the farmers of North Dakota was also followed among those of Minnesota. Farmers were persuaded to enroll as dues-paying members in a league designed to give them control of the machinery of the two dominant political parties.

The new aspect of the league's policy in Minnesota was the forming of a similar nonpartisan league among industrial workers. This added part of the league's policy finally led to the formation of the Minnesota Farmer-Labor Party.

HOW FARM AND LABOR WERE BROUGHT TOGETHER IN MINNESOTA

As a result of the efforts of the league organizers, notably Mr. Joseph Gilbert, of Minneapolis, the 1917 report of the secretary-treasurer of the State legislative board of railroad brotherhoods in Minnesota included a recommendation that labor should organize to put its own political candidates in the field, and when the State Federation of Labor held its annual convention in Virginia, Minn., in July 1918 it passed a resolution providing for the calling of a political convention.

This labor-political convention met in August of that year, attended by 125 delegates from unions all over the State. It elected a committee to confer with representatives of the Nonpartisan League with a view to putting up a State ticket in the fall.

As a result, the name Farmer-Labor appeared on the ballot in this country for the first time in the Minnesota elections of November 1918. As yet, however, there was no Farmer-Labor Party, but only political cooperation between the Farmers' Nonpartisan League and the delegates of labor unions and railway brotherhoods.

DEVELOPMENT OF POLITICAL COOPERATION BETWEEN FARMERS AND WORKERS

The following summer the convention of the State Federation of Labor, at New Ulm, Minn., voted to set up a nonpartisan league for labor in the cities. As a result, the Working People's Nonpartisan Political League was formed in 1919, with headquarters in Minneapolis. It cooperated with similar farmers' organizations in the campaigns from 1920 to 1922.

BIRTH OF THE FARMER-LABOR PARTY

In September of the following year, 1925, William Mahoney, of St. Paul, who was president of the Working People's Nonpartisan League, and myself, as secretary of the Farmers' Nonpartisan League, together called a State-wide conference, at which it was voted that these two groups should unite to form the Farmer-Labor Federation, stating that "its purpose shall be to unite the members of the farmer and labor organizations into a political federation."

The persons who took part in this conference were not there as individuals, but as delegates of labor unions, farm cooperatives, and affiliated organizations.

In other words, in its very beginning the new party was not regarded by its founders as a group apart from the farmers and workers yet appealing to them for favor and support. It was looked upon as a political instrument and expression of organized economic interests—namely, farmers and workers in their respective economic organizations.

PURPOSE OF THE FARMER-LABOR PARTY

In March 1925, at another convention in St. Paul, the name was changed to Farmer-Labor Association, and a new constitution was adopted, but no essential changes were made in organization. Article 1 of the 1925 constitution declared that the purpose of the association should be—

to unite the members of all farmer, labor, and other kindred organizations, and unorganized elements which support independent political action by economic groups into a political association and to carry on an extensive program of education and organization incidental to participation in the political campaigns of the Farmer-Labor movement.

GROWTH OF THE PARTY

Some idea of the constant growth, along with the fundamental vitality and stability of this movement can be gained from noting the record of the party at the polls.

The year 1922 is a historic year in the history of the party. In that year the Working People's Nonpartisan League and the Farmers' Nonpartisan League agreed to put a Farmer-Labor slate in the primary.

Knud Wefald won as Congressman in Minnesota's Ninth District. HENRIK SHIPSTEAD was elected Senator over Frank B. Kellogg. Magnus Johnson came within 15,000 votes of being elected Minnesota's first Farmer-Labor Governor. Next year, in a special senatorial election, he won with 290,165 votes against his Republican opponent's vote of 195,319.

In the following year, 1924, Floyd B. Olson was the party's nominee for Governor. He was not elected, but throughout the State he had left a remarkable impression.

THE ENDURING STRENGTH OF THE PARTY

There followed several years during which, from the standpoint of election to office, the party did not make notable headway. The remarkable feature of those years, however, was the way in which the party held its basic strength. Soon began another period of march to power for the Farmer-Labor Party.

In 1930, 6 years after his first run, Floyd B. Olson was elected, and enjoyed the distinction of being the first Farmer-Labor Governor in America.

In the 1932 elections, four Farmer-Labor candidates for State administrative offices were elected: Floyd B. Olson, Governor; K. K. Solberg, Lieutenant Governor; Harry H. Peterson, attorney general; Knud Wefald, railroad and warehouse commissioner.

The four Minnesota Congressmen who received the highest number of votes in the 1932 election were Farmer-Labor—Magnus Johnson, Paul Kvale, Henry Arens, and Ernest Lundeen.

Two years later we reelected our Governor and other State officials, and also sent PAUL KVALE, ERNEST LUNDEEN, and R. T. BUCKLER to Congress.

1936

If the Farmer-Labor Party died every time its self-appointed undertakers announced its death, then it would, indeed, be the possessor of more than nine lives. Its death was stastically demonstrated just before the elections in the fall of 1936, but nonetheless it came through the elections with an even larger number of elected candidates than ever before.

The party and its followers elected former United States Senator Elmer A. Benson, Governor; Gottfried Lindsten, lieutenant Governor; Harry H. Peterson, attorney general; C. A.

Halverson, State treasurer; and Hjalmar Petersen, railroad and warehouse commissioner.

It elected DEWEY W. JOHNSON, PAUL J. KVALE, R. T. BUCKLER, JOHN T. BERNARD, and HENRY G. TEIGAN to Congress and ERNEST LUNDEEN to the Senate.

It also won control of the State house of representatives but not of the State senate, because members of that body were not up for reelection.

These successes at the polls were saddened for many of the people in the Farmer-Labor Party by the thought that Gov. Floyd B. Olson, who had been one of the heroes of our earlier legislative struggles and campaigns, had died just as the fall campaign was about to begin.

FARMER-LABOR PRINCIPLES

In spite of hostile legislatures, the Farmer-Labor Party has been able to achieve notable pieces of legislation. Before touching on only a few of these, it is desirable to indicate very briefly two things about the party.

First. The party is designed to be the political instrument and expression of the organized economic needs of the people.

Second. The party is dominated by the philosophy that democratic governments are instruments for securing certain human rights, rather than means to preserve certain special privileges of property.

Farmer-Laborites believe that democratic governments have the task of lessening inequalities and aiding the development of opportunities for the common man's pursuit of life, liberty, and happiness.

What economic needs of the people has the Farmer-Labor Party helped to achieve? What inequalities has it suppressed?

I cannot list here the political record of 6 years. I shall, therefore, indicate only a few of the "high spots" in the legislative history of Minnesota's Farmer-Labor Party.

THE FARMERS' AND WORKERS' TAXES

Farmer-Laborites believe that taxes should be lightened upon the small owner either on the farm or in the city and upon the small income receiver, whether individual or corporation. This means that incomes must bear more taxes, and especially the larger incomes of wealthy individuals and big corporations. This will help to keep money in the pocket of the common man. A few of the Farmer-Labor tax victories in Minnesota are the following:

(1) The occupation tax on iron ore, and the ore-royalties tax. Both of these were fought viciously by the Steel Trust, which is specially interested in Minnesota because it has some of the largest iron mines in the world. Probably $50,000,000 have been saved to the people of the State by these tax laws.

(2) Homestead tax exemption law, which lowers the tax on homesteads and farms by 20 percent and abolishes State levy up to $4,000 full value.

(3) State income tax, a replacement tax based upon ability to pay, designed to lift some of the tax burden from home owners and farm owners and place it upon those individuals and corporations which have large incomes flowing in.

(4) Chain-store tax, designed to lessen the inequality which the individual small merchant suffers in the savage struggle that chain stores wage against him.

(5) Veto of the retail sales tax. The Farmer-Labor Party has carried on a State-wide educational program explaining to the people just how a retail sales tax works and why it weighs heavily upon the small income receiver, be he farmer, worker, or professional, and lightly upon the large income receiver.

EDUCATION AND YOUTH

(1) State aid to schools increased, and aid laws so revised as to give chief support to the hard-hit districts, thus again lessening inequalities of opportunity.

(2) A youth survey, the first of its kind in the country, for the purpose of securing a factual picture of the exact needs among Minnesota's youth and lay the basis for a future youth program.

(3) Adult education. A measure to establish a State adult educational system functioning with local autonomy was passed by the Farmer-Labor controlled legislature, but defeated by the action of the conservative committees in the senate.

FARMS

(1) The first mortgage-moratorium law in the United States, designed especially to save for the farmers their farms and equipment in a time of economic crisis.

(2) Feed and seed loans. When the Farm Credit Administration attempted to force collections without regard to living needs of farm families, Minnesota's Farmer-Labor Governor, Elmer A. Benson, successfully led opposition to the F. C. A. policy.

ORGANIZED LABOR

(1) Refusal to use troops against strikers, upon the grounds that this is only using the machinery of Government to increase the already existing inequality between workers and employers.

(2) Refusal to license such notorious antilabor agencies as the Pinkerton Detective Agency.

RELIEF

Farmer-Labor administrations since 1933 have led the way in this State in forcing conservative State senators to recognize the relief needs of drought-stricken farmers and unemployed city workers.

I do not want to continue this list. I have given enough to show that the existence of a Farmer-Labor Party in Minnesota has meant that the governmental machinery of the State has not been turned over to organized wealth to use for the purpose of supporting exploitation of the common people. Even though the party has never had complete control of the State government, and only once has had a majority in either house, the legislative record is one to be proud of and to give hope for the future.

THE FUTURE

This faithful adherence of Farmer-Labor leaders to the principles of democratic government carried on in the interest of enlightened progressiveness has earned the overwhelming support of many people who have no intention of becoming members of the party.

Furthermore, the eyes of the Nation have now turned toward Minnesota, where a Farmer-Labor Party seems to be the rising hope of saving democracy, because it will block the advance of economic slavery and defend the masses against the attempts of big business to exploit them through the use of governmental machinery.

This is the example and the hope that Minnesota's Farmer-Labor Party offers the Nation as it sits amid the wreckage of this Seventy-fifth Congress in its closing hours.

If we can now build a national Farmer-Labor movement while there is yet time, perhaps the people and their liberties may be saved.

The President, Our Monetary and Banking Systems

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN COLLABORATION WITH

HON. SOUTH TRIMBLE

CLERK OF THE HOUSE OF REPRESENTATIVES

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. SHEPPARD. Mr. Speaker and Members of the House, please accept my thanks for the time allotted me and the privilege of extending my remarks in the RECORD pertaining to two of the most intensely interesting and important questions that confront the country—our monetary and banking system—which transcend all other questions.

I am not going to make an argumentative speech on these propositions. It is my chief object to place in the CONGRESSIONAL RECORD indisputable, historical facts concerning

both subjects so that those who are interested may come to their own conclusions. To intelligently investigate our monetary and banking system it is absolutely imperative that you understand what money is. The liberal definition of money is "a medium of exchange", which is a fact, but it is to some extent misleading, as our greatest mediums of exchange are drafts, notes, and bank checks, which are used to transact 95 percent of our business, which by no stretch of the imagination can be called money. All money is a medium of exchange but, strictly speaking, nothing is real money except that commodity, or commodities, which the Government designates by law and fixes a definite unit of value. After a government has fixed what its money shall be, it then issues different forms of credit money, all of which is directly or indirectly redeemable in the commodity money to which a fixed and stable value has been given. This is done for convenience; it facilitates the transaction of business, just as your wheat, cotton, and other certificates facilitate the buying and selling of these commodities but has no effect on the volume and value of the commodity. There are two kinds of credit money. As to the material out of which they are made, one is made on paper and embraces all forms of Government and bank notes issued from time to time as are authorized by law; the other is token money. Token money is made from some metal that does not enjoy free coinage but is redeemable either directly or indirectly in primary, basic, or commodity money which in this country is only gold. With so much paper or metallic credit money in your possession there is supposed to be that much redemption money to your credit with the Government. It is a check to bearer for commodity money—gold—when presented. We thus see that money primarily is a commodity property, a thing of value possessing an exchange value with all other property.

We should also understand that money is a necessity in civilization. You cannot be a part of civilization without it. Civilization cannot exist without it. To be a part of society money is as necessary to you as air and water is to animal life. You can live longer without money than you can without air and water, but you cannot be a part of civilization; therefore, when a government permits a small class of men who deal in money for profit to dictate its monetary and banking system it may be expected to end in the money dealers owning and controlling practically all the money, thereby controlling credit, inflating and deflating the price of property, labor, and commodities at will.

I will now summarize monetary legislation from the signing of the Declaration of Independence to the present time. Previous to the Declaration of Independence the American colonists used only gold and silver coin as money, principally the Spanish milled silver dollar. We declared our independence on the 4th day of July 1776. Within 60 days after that time, on the 2d day of September 1776, the Continental Congress enacted a law making silver the unit of value and declaring both silver and gold basic money at the ratio of 14½ to 1. The Congress of the Confederation, which succeeded the Continental Congress, changed the ratio to 15¼ to 1 and recognized all foreign coins of gold and silver as legal-tender money. After we had won the Revolution and adopted the Constitution, the Second Congress requested Alexander Hamilton, who was Secretary of the Treasury, to draft a financial bill which would include a provision for the establishment of a mint. Mr. Hamilton drafted the first financial bill and submitted it to Thomas Jefferson. (Excerpt of letter from Thomas Jefferson to Alexander Hamilton, Jan. 1791, Hamilton's Works, vol. 4, p. 96:)

DEAR SIR: I return you the report on the mint, which I have read over with a great deal of satisfaction. I concur with you in thinking that the unit must stand on both metals.

And Mr. Hamilton, in his communication to Congress, relating to our first money bill, said:

To annul the use of either gold or silver as a money is to abridge the quantity of circulating medium and is liable to all the objections which arise from the comparison of the benefits of a full circulation with the evil of a scanty circulation. * * * It seems most advisable not to attach the unit exclusively to either of the metals, because this cannot be done effectually without destroying the office and character of one of them as money and reducing it to the situation of mere merchandise.

Our first financial law, passed by the Second Congress in 1792, made the silver dollar of 371¼ grains the unit of value and provided that gold should be coined at the rate of 15 to 1, which was 24¾ grains to the dollar. It is interesting and illuminating to note the type and character of the men who were at the helm of the Government at that time. George Washington was President; John Adams was Vice President; Thomas Jefferson was Secretary of State; Alexander Hamilton was Secretary of the Treasury; General Knox, who was one of Washington's aides, was Secretary of War; Edmund Randolph, who led the Virginia delegation in the Constitutional Convention, was Attorney General; and Timothy Pickering, who was one of the oustanding generals in the Revolution, was Postmaster General. In the House and Senate were 7 men who signed the Declaration of Independence, 16 men who served in the Continental Congress, 38 men who were members of the Constitutional Convention, and all the others were of the same type and character—men of intelligence, courage, and patriotism.

In 1834 the ratio was changed from 15 to 1 to 16.002 to 1 by reducing the content of the gold dollar to 23.20 grains. The content of the silver dollar, the unit of value, remained unchanged. In 1837 the ratio was changed to 15.988 to 1 by adding 0.02 of a grain to the gold dollar. This ratio is what is known as 16 to 1. This is the present ratio or the relative weight of the two metals. The weight of our dimes, quarters, and halves was originally the pro-rata weight of the dollar, which enabled speculators to export these coins at a profit; therefore, in 1853 we reduced the weight of the dimes, quarters, and halves where they could not be exported and sold as bullion at a profit.

We now come to the demonetization of silver, or its destruction as primary or basic money, popularly known as the "crime of 1873." In 1871, Forty-first Congress, "Pig Iron" Kelley, one of the outstanding Republicans of his day, introduced a bill to codify and amend the laws relative to mints, assay offices, and coinage of the United States. The bill contains 37 pages and 69 sections. It did not become a law but was reintroduced in the next Congress and became a law. Without going into detal pertaining to passage of the bill which demonetized silver, I quote opinions of Members of Congress on the subject, all of which can be found in the CONGRESSIONAL RECORD, as follows:

Mr. Kelley, of Pennsylvania, who was chairman of the Committee on Coinage, Weights, and Measures, which considered the bill and reported it to the House, made the following statement:

In connection with the charge that I advocated the bill which demonetized the standard dollar, I say that, though chairman of the Committee on Coinage, I was as ignorant of the fact that it would demonetize the silver dollar or of its dropping the silver dollar from our system of coins as were those distinguished Senators, Messrs. Blaine and Voorhees, who were then Members of the House, and each of whom a few days since interrogated the other: "Did you know it was dropped when the bill passed?" "No", said Mr. Blaine. "Did you?" "No", said Mr. Voorhees; "I do not think that there were three Members in the House that knew it." I doubt whether Mr. Hooper, who in my absence from the Committee on Coinage and my attendance on the Committee on Ways and Means, managed the bill, knew it. I say this in justice to him. I now ask the Clerk to read two paragraphs from the Globe of May 27, 1872, from which it will be seen that Mr. Hooper gave an assurance to the House that the bill made no change in our coinage.

Senator Allen G. Thurman, of Ohio:

I cannot say what took place in the House, but when the bill was pending in the Senate we thought it was simply a bill to reform the mint, regulate coinage, and fix up one thing and another, and there is not a single man in the Senate, I think, unless a member of the committee from which the bill came, who had the slightest idea that it was even a squint toward demonetization.

Hon. John Morgan Bright, of Tennessee:

It passed by fraud in the House, never having been printed in advance, being a substitute for the printed bill; never having been read at the Clerk's desk, the reading having been dispensed with by an impression that the bill made no material alteration in the coinage laws; it was passed without discussion, debate being cut off by operation of the previous question. It was passed, to my

certain information, under such circumstances that the fraud escaped the attention of some of the most watchful as well as the ablest statesman in Congress at that time. * * * Aye, sir, it was a fraud that smells to heaven. It was a fraud that will stink in the nose of posterity, and for which some persons must give account in the day of retribution.

Hon. William Steele Holman, of Indiana:

I have before me the record of the proceedings of this House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through this House was a colossal swindle. I assert that the measure never had the sanction of this House, and it does not possess the moral force of law. The original bill was simply a bill to organize a bureau of mines and coinage. The bill which finally passed the House, which ultimately became a law, was certainly not read in this House. * * * It was never considered before the House as it was passed. Up to the time the bill came before this House for final passage the measure had simply been one to establish a bureau of mines; I believe I use the term correctly now. It came from the Committee on Coinage, Weights, and Measures. The substitute which finally became a law was never read and is subject to the charge made against it by the gentleman from Missouri [Mr. Bland] that it was passed by the House without a knowledge of its provisions, especially upon that of coinage. I myself asked the question of Mr. Hooper, who stood near where I am now standing, whether it changed the law in regard to coinage. And the answer of Mr. Hooper certainly left the impression upon the whole House that the subject of the coinage was not affected by that bill.

Hon. Joseph G. Cannon:

This legislation was had in the Forty-second Congress, February 12, 1873, by a bill to regulate the mints of the United States, and practically abolished silver as money, by failing to provide for the coinage of the silver dollar. It was not discussed, as shown by the RECORD, and neither Members of Congress nor the people understood the scope of the legislation.

Senator Bogy, of Missouri:

Why the act of 1873, which forbids the coinage of the silver dollar was passed no one at this day can give a good reason.

Hon. Horatio Chapin Burchard, of Illinois:

The Coinage Act of 1873, unaccompanied by any written report upon the subject from any committee, and unknown to the Members of Congress, who without opposition, allowed it to pass under the belief, if not assurance, that it made no alteration in the value of the current coins, changed the unit of value from silver to gold.

General Garfield, of Ohio:

Perhaps I ought to be ashamed to say so, but it is the truth to say that, I at that time, being chairman of the Committee on Appropriations, and having my hands overfull during all that time with work, I never read the bill. I took it upon the faith of a prominent Democrat and a prominent Republican, and I do not know that I voted at all. There was no call of the yeas and nays and nobody opposed that bill that I know of. It was put through as dozens of bills are, as my friend and I know, in Congress, on the faith of the report of the chairman of the committee. Therefore, I tell you, because it is the truth, that I have no knowledge about it.

Senator William Boyd Allison, of Iowa:

But when the secret history of this bill of 1873 comes to be told, it will disclose the fact that the House of Representatives intended to coin both gold and silver, and intended to place both metals upon the French relation instead of on our own, which was the true scientific position with reference to this subject in 1873, but that the bill afterward was doctored, if I may use that term, and I use it in no offensive sense, of course.

Senator James B. Beck, of Kentucky:

It (the bill demonetizing silver) never was understood by either House of Congress. I say that with full knowledge of the facts. No newspaper reporter—and they are the most vigilant men I ever saw in obtaining information—did not discover that it had been done.

Senator Frank Hereford, of West Virginia:

So that I say that beyond the possibility of a doubt—and there is no disputing it—that bill which demonetized silver, as it passed, never was read, never was discussed, and that the chairman of the committee who reported it, who offered the substitute, said to Mr. Holmen, when inquired of, that it did not affect the coinage in any way whatever.

One of the most remarkable and to my mind one of the most fraudulent pieces of legislation this or any other country ever saw.

Hon. William D. Kelley ("Pig Iron" Kelley), of Pennsylvania, who introduced the bill:

All I can say is that the Committee on Coinage, Weights, and Measures, who reported the original bill, were faithful and able, and scanned its provisions closely; that as their organ I reported it; that it contained provision for both the standard silver dollar and the trade dollar. Never having heard until a long time after its enactment into law of the substitution in the Senate of the section which dropped the standard dollar, I profess to know nothing of its history; but I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the standard silver dollar of the United States. I have never found a man who could tell just how it came about or why.

Hon. John G. Carlisle, of Kentucky, who was elected seven times as a Member of Congress from Kentucky, serving from 1877 to May 26, 1890, at which time he resigned to take his seat in the United States Senate, having been elected to succeed James B. Beck; subsequently he resigned his seat in the Senate to become Secretary of the Treasury in President Cleveland's last administration. He was Speaker of the House in the Forty-eighth, Forty-ninth, and Fiftieth Congresses, and has lived in history. He is one of the greatest parliamentarians that ever presided over the House of Representatives.

Excerpt from speech made by Hon. John G. Carlisle:

I know that the world's stock of the precious metals is none too large, and I see no reason to apprehend that it will ever become so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population, commerce, and industry. According to my view of the subject the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age.

The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilences, and famines that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money in the world. With an ample currency an industrious and frugal people will speedily rebuild their works of internal improvement and repair losses of property, but no amount of industry or economy on the part of the people can create money. When the Government creates it or authorizes it the citizen may acquire it, but he can do nothing more.

Our power of legislation over this subject will not be exhausted by the passage of this measure, and we ought not to halt for a single moment in our efforts to complete the work of relief inaugurated by it. The struggle now going on cannot cease, and ought not to cease, until all the industrial interests of the country are fully and finally emancipated from the heartless domination of syndicates, stock exchanges, and other great combinations of money grabbers in this country and in Europe. Let us, if we can do no better, pass bill after bill, embodying in each some one substantial provision for relief, and send them to the Executive for his approval. If he withholds his signature, and we are unable to secure the necessary vote, here or elsewhere, to enact them into laws notwithstanding his veto, let us as a last resort suspend the rules and put them into the general appropriation bills, with the distinct understanding that if the people can get no relief the Government can get no money.

Hon. James G. Blaine, of Maine, elected six times to the United States House of Representatives, and was Speaker of that body in the Forty-first, Forty-second, and Forty-third Congresses; was Republican candidate for President in 1884 and was defeated by Grover Cleveland; was appointed to the United States Senate to fill the vacancy of Senator Lot M. Morrill, and was subsequently elected to that body; was Secretary of State in the Cabinet of Presidents Garfield and Harrison. Senator Blaine was Speaker of the House of Representatives on February 12, 1873, the day silver was demonetized. He heard the debate and signed the bill in his official capacity. Subsequently he was elected to the Senate.

Mr. BLAINE. The discussion on the question of remonetizing silver, Mr. President, has been prolonged, able, and exhaustive. I may not expect to add much to its value, but I promise to add much to its length. I shall endeavor to consider facts rather than theories, to state conclusions rather than arguments:

First. I believe gold and silver coin to be the money of the Constitution, indeed, the money of the American people anterior to the Constitution, which that great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare that either metal should not be money. Congress has therefore, in my judgment, no power to demonetize silver any more than to demonetize gold; no power to demonetize either any more than to demonetize both. In this statement I am but repeating the weighty dictum of the first of constitutional lawyers. "I am certainly of opinion", said Mr. Webster, "that gold and silver, at

rates fixed by Congress, constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this standard." Few persons can be found, I apprehend, who will maintain that Congress possessed the power to demonetize both gold and silver, or that Congress could be justified in prohibiting the coinage of both; and yet in logic and legal construction it would be difficult to show where and why the power of Congress over silver is greater than over gold—greater over either than over the two. If, therefore, silver has been demonetized, I am in favor of remonetizing it. If the coinage has been prohibited, I am in favor of ordering it to be resumed. If it has been restricted, I am in favor of having it enlarged.

The two metals have existed side by side in harmonious, honorable companionship as money, ever since intelligent trade was known among men. It is well-nigh 40 centuries since "Abraham weighed to Ephron the silver which he had named in the audience of the sons of Heth—400 shekels of silver current money with the merchant." Since that time nations have risen and fallen, races have disappeared, dialects and languages have been forgotten, arts have been lost, treasures have perished, continents have been discovered, islands have been sunk in the sea, and through all these ages and through all these changes, silver and gold have reigned supreme, as the representatives of value, as the media of exchange. The dethronement of each has been attempted in turn and sometimes the dethronement of both; but always in vain. And here we are today, deliberating anew over the problem which comes down to us from Abraham's time; the weight of the silver, that shall be "current money with the merchant."

So insidious were the methods of those who drafted the demonetization bill, so cunningly was it worded, that I doubt if today there is one person in a thousand who, unless he has given study to the question, could point out the section or the words used in demonetization.

Those who advocate bimetallism—the use of both gold and silver as basic money—are branded by the subsidized press and college professors who are the paid emissaries of the international bankers, as fools, knaves, cranks, demagogues, repudiators, and so forth. Therefore, in order to disabuse your minds of the truthfulness of these vile names, I am going to make a retrospective tour of the platforms of the two major political parties so that you may see for yourselves exactly how they stood.

The Democratic plank in 1884, Cleveland and Hendricks candidates, was:

We believe in honest money, the gold and silver coinage of the Constitution, and a circulating medium convertible into such money without loss.

The Republican plank, Blaine and Logan candidates, was:

We have always recommended the best money known to the civilized world; and we urge that efforts should be made to unite all commercial nations in the establishment of an international standard, which shall fix for all the relative value of gold and silver coinage.

To show you how much respect Mr. Cleveland had for the Democratic platform plank, his first message to Congress asked for the repeal of the Bland-Allison bill which was the only recognition that silver had.

In 1888 the Democratic platform, Cleveland and Thurman candidates: No financial plank.

The Republican plank, Harrison and Morton candidates, was:

The Republican Party is in favor of the use of both gold and silver as money and condemns the policy of the Democratic administration in its efforts to demonetize silver.

In 1892 the Democratic plank, Cleveland and Stevenson candidates, was:

We denounce the Republican legislation known as the Sherman Act of 1890 as a cowardly makeshift, fraught with the possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country and to the coinage of both gold and silver without discriminating against either metal or charge for mintage; but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value. * * *

The Republican plank, Harrison and Reid candidates, was:

The American people, from tradition and interest, favor bimetallism, and the Republican Party demands the use of both gold and silver as standard money, with such restrictions and under such provisions, to be determined by legislation, as will secure the maintenance of the parity of values of the two metals. * * *

I want to again call your attention to the bimetallic plank—the use of both gold and silver as standard money—upon which Mr. Cleveland was elected. In his first message to Congress he called for the repeal of the Sherman Silver Purchase Act which was more liberal to silver than the Bland-Allison Act which was repealed and passed in its stead.

In 1896 the only difference in the financial plank on the silver question which was a paramount issue was that the Democratic platform, Bryan and Sewell candidates, declared for the free and unlimited coinage of silver at the ratio of 16 to 1, without the aid and consent of any other nation.

The Republican platform, McKinley and Hobart candidates, declared:

We are, therefore, opposed to the free coinage of silver except by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote.

You will note that they were for the free coinage of silver provided we were permitted to do so by European countries or international agreement.

In 1900 the Democratic platform reaffirmed and endorsed the principles of the financial plank in the 1896 platform.

The Republican Party platform went body and soul to the money changers in the following language:

We renew our allegiance to the principle of the gold standard and declare our confidence in the wisdom of the legislation of the Fifty-sixth Congress, by which the parity of all our money and the stability of our currency upon a gold basis has been secured.

In addition to the foregoing references of the platforms of the two great political parties, both advocated gold and silver as basic money. I want to add the names of the few prominent men in the Nation's history who have advocated bimetallism.

In 1890 President McKinley declared on the floor of the House:

I would give it (silver) equal credit and honor with gold; I would make no discrimination; I would utilize both metals as money and discredit neither; I want the double standard.

When Mr. Harrison wrote his letter of acceptance, September 3, 1888, he said:

The resolution of the convention in favor of bimetallism declares, I think, the true and necessary condition of a movement that has upon these lines my cordial adherence and support. I am thoroughly convinced that the free coinage of silver at such a ratio to gold as will maintain the equality in their commercial uses of the two coined dollars would conduce to the prosperity of all the great producing and commercial nations of the world.

Quotation from Mr. Garfield's inaugural address of March 4, 1881:

By the experience of commercial nations in all ages it has been found that gold and silver afford the only safe foundation for a monetary system.

Hon. Daniel Webster's opinion on the Nation's monetary system:

I am certainly of the opinion that gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this standard.

Hon. James G. Blaine, from the floor of the Senate, February 7, 1878:

I believe the struggle now going on in this country and in other countries for a single gold standard would, if successful, produce widespread disaster in the end throughout the commercial world. The destruction of silver as money and establishing gold as the sole unit of value must have a ruinous effect on all forms of property except those investments which yield a fixed return in money.

When specie payments were suspended, about January 1, 1862, both gold and silver coins disappeared from circulation. The place of the subsidiary silver coins was for a time supplied by the use of tickets, due bills, and other forms of private obligations, which were issued by merchants, manufacturers, and others whose business required them to "make change." Congress soon interfered and authorized, first, the use of postage stamps for change; second, a modified form of postage stamp called postal currency, and, finally, fractional paper currency in denominations corresponding to the

subsidiary silver coins. The highest amount authorized was $50,000,000.

When Congress passed an act providing for the resumption of specie payment to take effect in 1879, the country had become thoroughly aroused and informed for the first time of the demonetization of silver; consequently, Congressman BLAND, of Missouri, introduced a bill which was passed, completely remonetizing silver. It went to the Senate and after extended debate a compromise amendment was adopted and known as the Allison amendment, providing for the purchase of "not less than $2,000,000 worth per month nor more than $4,000,000 worth per month and cause the same to be coined monthly as fast as so purchased." That law was in operation until 1890, at which time Senator Sherman, of Ohio, offered a bill repealing the Bland-Allison bill, heretofore referred to, which provided for the purchase of 4,500,000 ounces each month, and in 1893 the Sherman bill was repealed and silver had no further recognition until 1934, when President Roosevelt, by proclamation, fixed the price of 77 cents per ounce for newly mined silver and the purchase of silver on the open market.

For the information of the public who have been influenced by subtle propaganda to look with disdain upon silver as basic money, I am going to append two tables from the report of the United States mint for 1935, which, if carefully analyzed, will enlighten those who have been misled.

Average commercial ratio of silver to gold each calendar year since 1687

Year:	Ratio
1687	14.94
1688	14.94
1689	15.02
1690	15.02
1691	14.98
1692	14.92
1693	14.83
1694	14.87
1695	15.02
1696	15.00
1697	15.20
1698	15.07
1699	14.94
1700	14.81
1701	15.07
1702	15.52
1703	15.17
1704	15.22
1705	15.11
1706	15.27
1707	15.44
1708	15.41
1709	15.31
1710	15.22
1711	15.29
1712	15.31
1713	15.24
1714	15.13
1715	15.11
1716	15.09
1717	15.13
1718	15.11
1719	15.00
1720	15.04
1721	15.05
1722	15.17
1723	15.20
1724	15.11
1725	15.11
1726	15.15
1727	15.24
1728	15.11
1729	14.92
1730	14.81
1731	14.94
1732	15.09
1733	15.13
1734	15.39
1735	15.41
1736	15.18
1737	15.02
1738	14.91
1739	14.91
1740	14.94
1741	14.92
1742	14.85
1743	14.85
1744	14.87
1745	14.98
1746	15.13

Average commercial ratio of silver to gold each calendar year since 1687—Continued

Year:	Ratio
1747	15.26
1748	15.11
1749	14.80
1750	14.55
1751	14.39
1752	14.50
1753	14.54
1754	14.48
1755	14.68
1756	14.94
1757	14.87
1758	14.85
1759	14.15
1760	14.14
1761	14.54
1762	15.27
1763	14.99
1764	14.70
1765	14.83
1766	14.80
1767	14.85
1768	14.80
1769	14.72
1770	14.62
1771	14.66
1772	14.52
1773	14.62
1774	14.62
1775	14.72
1776	14.55
1777	14.54
1778	14.68
1779	14.80
1780	14.72
1781	14.78
1782	14.42
1783	14.48
1784	14.70
1785	14.92
1786	14.96
1787	14.92
1788	14.65
1789	14.75
1790	15.04
1791	15.05
1792	15.17
1793	15.00
1794	15.37
1795	15.55
1796	15.65
1797	15.41
1798	15.59
1799	15.74
1800	15.68
1801	15.46
1802	15.26
1803	15.41
1804	15.41
1805	15.79
1806	15.52
1807	15.43
1808	16.08
1809	15.96
1810	15.77
1811	15.53
1812	16.11
1813	16.25
1814	15.04
1815	15.26
1816	15.28
1817	15.11
1818	15.35
1819	15.53
1820	15.62
1821	15.95
1822	15.80
1823	15.84
1824	15.82
1825	15.70
1826	15.76
1827	15.74
1828	15.78
1829	15.78
1830	15.82
1831	15.72
1832	15.73
1833	15.93
1834	15.73
1835	15.80
1836	15.72
1837	15.83
1838	15.85
1839	15.62
1840	15.62

Average commercial ratio of silver to gold each calendar year since 1687—Continued

Year:	Ratio
1841	15.70
1842	15.87
1843	15.93
1844	15.85
1845	15.92
1846	15.90
1847	15.80
1848	15.85
1849	15.78
1850	15.70
1851	15.46
1852	15.59
1853	15.33
1854	15.33
1855	15.38
1856	15.38
1857	15.27
1858	15.38
1859	15.19
1860	15.29
1861	15.50
1862	15.35
1863	15.37
1864	15.37
1865	15.44
1866	15.43
1867	15.57
1868	15.59
1869	15.60
1870	15.57
1871	15.57
1872	15.63
1873	15.93
1874	16.16
1875	16.64
1876	17.75
1877	17.20
1878	17.92
1879	18.39
1880	18.05
1881	18.25
1882	18.20
1883	18.64
1884	18.61
1885	19.41
1886	20.78
1887	21.10
1888	22.00
1889	22.10
1890	19.75
1891	20.92
1892	23.72
1893	26.49
1894	32.56
1895	31.60
1896	30.59
1897	34.20
1898	35.03
1899	34.36
1900	33.33
1901	34.68
1902	39.15
1903	38.10
1904	35.70
1905	33.87
1906	30.54
1907	31.24
1908	38.64
1909	39.74
1910	38.22
1911	38.33
1912	33.62
1913	34.19
1914	37.37
1915	40.48
1916	30.78
1917	24.61
1918	21.00
1919	18.44
1920	20.28
1921	32.76
1922	30.43
1923	31.69
1924	30.80
1925	29.78
1926	33.11
1927	36.47
1928	35.34
1929	38.78
1930	53.74
1931	71.25
1932	73.29
1933	59.06
1934	72.49
1935	54.74

Bullion value of the silver dollar (371¼ grains of pure silver) at the annual average price of silver each calendar year since 1837

Year:	Value
1837	$1.009
1838	1.003
1839	1.023
1840	1.023
1841	1.018
1842	1.007
1843	1.003
1844	1.008
1845	1.004
1846	1.005
1847	1.011
1848	1.008
1849	1.013
1850	1.018
1851	1.034
1852	1.025
1853	1.042
1854	1.042
1855	1.039
1856	1.039
1857	1.046
1858	1.039
1859	1.052
1860	1.045
1861	1.031
1862	1.041
1863	1.040
1864	1.040
1865	1.035
1866	1.036
1867	1.027
1868	1.025
1869	1.024
1870	1.027
1871	1.025
1872	1.022
1873	1.00368
1874	.98909
1875	.96086
1876	.90039
1877	.92958
1878	.89222
1879	.86928
1880	.88564
1881	.87575
1882	.87833
1883	.85754
1884	.85904
1885	.82379
1886	.76931
1887	.75755
1888	.72683
1889	.72325
1890	.80927
1891	.76416
1892	.67401
1893	.60351
1894	.49097
1895	.50587
1896	.52257
1897	.46745
1898	.45640
1899	.46525
1900	.47958
1901	.46093
1902	.40835
1903	.41960
1904	.44763
1905	.47200
1906	.52353
1907	.51164
1908	.41371
1909	.40231
1910	.41825
1911	.41709
1912	.47543
1913	.46760
1914	.42780
1915	.40135
1916	.53094
1917	.69242
1918	.76142
1919	.86692
1920	.78844
1921	.48801
1922	.52543
1923	.50458
1924	.51906
1925	.53681
1926	.48284
1927	.43833
1928	.45237
1929	.41229

Bullion value of the silver dollar (371¼ grains of pure silver) at the annual average price of silver each calendar year since 1837—Continued

Year:	Value
1930	$0.29751
1931	.22440
1932	.21814
1933	.27068
1934	.37344
1935	.49950

The first table above refers to the commercial ratio of silver to gold from 1687 to 1935, inclusive. You will note that in 1760 the commercial ratio was 14.14. That means that 14.14 ounces of silver, sold on the open market, would buy an ounce of gold. You will also find in the above table of 1808, 1812, and 1813 the ratio of silver to gold was a fraction over 16 to 1. This means over the long stretch of years from 1687 to 1873 there were but three times when a fraction over 16 ounces of silver was required to buy an ounce of gold. Look at the year 1873, when silver was demonetized, and you will find that the commercial ratio was less than 16 to 1. Then begins the downward plunge of silver to 1932 when the commercial ratio reached the peak of 73.29 to 1, which means that in 1873 less than 16 ounces of silver could be sold on the open market, the proceeds of which would purchase 1 ounce of gold, while in 1932 it took the proceeds of 73.29 ounces of silver to buy an ounce of gold.

Let me call your attention to the second table pertaining to the bullion value of silver measured in gold at the ratio of 16 to 1. From the calendar year of 1837, when the present ratio of 16 to 1 was established, up to and including 1873, there was not a single year when silver was not a slight premium over gold. Scan down the table from 1873, when the value of the silver dollar was worth over a dollar measured in gold, until 1932 when the value of bullion in the silver dollar measured in gold was 21.81 of a cent.

FOR THE INFORMATION OF THE PRESENT GENERATION OF AMERICANS

As late as in May 1894 a cable message was sent to the Lord Mayor of London by leading United States Senators of both parties, as follows:

> We desire to express our cordial sympathy with the movement to promote the restoration of silver by international agreement in aid of which we understand a meeting is to be held today under your lordship's presidency. We believe that the free coinage of both gold and silver by international agreement at a fixed ratio would secure to mankind the blessing of a sufficient volume of metallic money, and, what is hardly less important, secure to the world of trade immunity from violent exchange fluctuations.

Whom do you suppose were among the signers of that cablegram? Henry Cabot Lodge, Republican Senator from Massachusetts; W. E. Chandler, Republican, from New Hampshire; Nelson W. Aldrich, Republican, from Rhode Island; Shelby M. Cullom, Republican, from Ohio; W. B. Allison, Republican, from Iowa; Calvin S. Brice, Democrat, from Ohio; S. S. Platt, Republican, from Connecticut; A. P. Gorman, Democrat, from Maryland; John Sherman, Republican, from Ohio, Secretary of the Treasury under Hayes and Secretary of State under McKinley.

Lord Goschen, eminent English monetary authority and director of the Bank of England, said:

> What, it may be asked, will be the value of gold to them (the people of the United States) if they neither require it for internal circulation nor for payment of foreign liabilities, from which, under our hypotheses, they will be comparatively free.
>
> If that mischievous financial policy which has had its origin in the North American Republic during the late war in that country should become indurated down to a fixture there, that Government will furnish its money without cost. It will pay off its debts and be without debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of civilized governments of the world. The brains and wealth of all countries will go to North America. That Government must be destroyed, or it will destroy every monarchy on this globe.—London Times, 1865.

The controversy above referred to, which inspired the interview of Lord Goschen, was the issuing of demand and United States notes by the Government. When the controversy subsided, international bankers affiliated with the Rothschilds, began a concerted campaign in all countries to demonetize silver in order to further reduce the amount of money coined by the various governments, and increase the opportunity of the bankers to furnish a credit money at a profit to themselves.

Right here I want to call your attention to the indisputable fact that there was issued by an act of Congress, at the beginning of the Civil War, $427,768,499 of United States notes, known as greenbacks. Subsequently, $81,087,483 of United States notes were retired leaving $346,681,016 of United States notes which have been in circulation every day since the Civil War and have not cost the Government a penny of interest. To draw a comparison between the interest-bearing, nontaxable bond of the Government and a taxable United States note—Government money—I herewith submit an answer to a letter which is self-explanatory.

HON. SOUTH TRIMBLE, JANUARY 30, 1936.
Clerk of the House of Representatives,
Washington, D. C.

MY DEAR MR. TRIMBLE: Receipt is acknowledged of your letter of January 25, 1936, pertaining to the interest calculation which you requested in an earlier letter.

The amount of interest accruing on $346,681,016 at 5 percent compounded semiannually, from January 1, 1863, to January 1, 1936, is twelve billion four hundred and six million dollars.

Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

The above $346,681,016 represents United States notes—greenbacks—issued during the Civil War when the bankers refused credit to the Government, and was used to pay the soldiers and sailors. These United States notes—greenbacks—have been in constant use ever since, having performed the function of money in every day business transactions, at no cost of interest to the Government. If 5 percent bonds had been issued instead of United States notes the compound interest on said bonds would have been twelve billion four hundred and six million dollars.

The United States notes—greenbacks—depreciated greatly, as measured in gold, after they were issued, for the good and sufficient reason that they were made legal tender for all debts, both public and private, except duties on imports and interest on the public debt. This discrimination by the Government against its own money was the cause of its depreciation.

Government bonds depreciated in the same proportion as United States notes. The Treasury Department shows that the first block of Government bonds, issued during the Civil War, was sold for gold at a discount of $7,358,544.19.

Ricardo says:

> That commodities rise or fall in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible.

John Locke, one of England's greatest thinkers and economists, says:

> The lessening of the quantity of money makes an equal quantity of it exchange for a greater quantity of any other commodity.

John Stuart Mill tells us:

> That an increase of the quantity of money raises prices and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others.

Old Adam Smith (they have called him the father of political economy) said, in substance, this:

> Money measures things and things measure money. Each measure the other by and according to its own abundance, by comparison. If you double the volume of money in circulation, you double the price of everything. By doubling the price you divide the debt because it takes only half as much labor or the products of labor to pay the same debt. If you divide the amount of money in circulation, you divide the price of everything. By dividing the price of everything, you double your debts, for it will take twice as much labor or the products of labor to pay the same debt.

W. J. Bryan said:

> The Federal Reserve bank that should have been the farmers' greatest protection has become his greatest foe. The deflation of the farmer was a crime deliberately committed, not out of

enmity to the farmer but out of indifference to him. Inflation of prices had encouraged him to buy, and then deflation delivered him into the hands of the money lender. The Federal bank can be a blessing or a curse according to its management. If the Wall Street speculators are in control of it they can drain the agricultural districts and keep up a fictitious prosperity among the members of the plunderbund.

While the Federal Reserve bank law is the greatest economic reform achieved in the last half century, if not in our national history, it would be better to repeal it, go back to old conditions and take our chances with individual financiers, than to turn the Federal Reserve bank over to Wall Street and allow its tremendous power to be used for the carrying out of the plans of the Money Trust.

Abraham Lincoln said:

If a government contracted a debt with a certain amount of money in circulation and then contracted the money volume before the debt was paid, it is the most heinous crime a government could commit against the people.

Thomas Jefferson said:

I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a monetary aristocracy that has set the Government at definance. The issuing power should be taken from the banks and restored to the Government and the people, to whom it rightfully belongs.

Edison:

It is a terrible situation when the Government must go into debt and submit to ruinous interest charges at the hands of men who control the fictitious value of gold. If our country can issue bonds it can also issue currency. Both are promises to pay, but one promise fattens the usurer, the other helps the people.

Jefferson:

If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered.

Lincoln:

Money is the creature of law; its creation and original issue should be maintained as an exclusive monopoly of the National Government. The needs of all can best be served by issuing national currency and credit through the operation of a national banking system.

President Andrew Jackson challenged the Wall Streeters of his day with the words—

Gentlemen, I am convinced that you used the funds of the (United States) bank to speculate in the breadstuffs of the country. You are a den of vipers and thieves.

Prof. Irving Fisher, noted Yale University economist:

We must live up to article I of the Constitution, under which Congress is supposed to regulate the value of money.

Senator WILLIAM E. BORAH recently said:

The czars never had such power as the Federal Reserve.

Secretary Carlisle appeared before the House Committee on Appropriations on January 21, 1895, and I quote from the printed report of his testimony before the committee:

Mr. SIBLEY. I would like to ask you (perhaps not entirely connected with the matter under discussion) what objection there could be to having the option of redeeming either in silver or gold lie with the Treasury instead of the noteholder?

Secretary CARLISLE. If that policy had been adopted at the beginning of resumption—and I am not saying this for the purpose of criticizing the action of any of my predecessors, or anybody else—but if the policy of reserving to the Government at the beginning of resumption, the option of redeeming in gold or silver all its paper presented, I believe it would have worked beneficially, and there would have been no trouble growing out of it; but the Secretaries of the Treasury from the beginning of resumption have pursued a policy of redeeming in gold or silver, at the option of the holder of the paper, and if any Secretary had afterward attempted to change that policy and force silver upon a man who wanted gold, or gold upon a man who wanted silver, and especially if he had made the attempt at such a critical period as we have had in the last 2 years, my judgment is it would have been very disastrous.

The above shows that the option to pay in either metal, gold or silver, was with the debtor, but the Government surrendered the option to the creditor. Naturally, the debtor would pay in the cheaper money if it be either gold or silver. This would take the demand off the dearer metal and place it on the cheaper metal, thereby keeping them on a parity. Carlisle's statement before the committee shows the power of the money changers over Secretaries of the Treasury of both parties.

Let me call your attention to the privileges granted the first and second United States Banks—which was the bone of contention for nearly 40 years between our forefathers in the pioneer days of the Government—to those granted our present wonderful, impregnable Federal Reserve Banking System. The charters of the first and second United States Banks prohibited them from purchasing Government bonds or any other obligations of the Government. The law directs the Federal Reserve banks to purchase Government bonds. The charters of the first and second United States Banks limited the maximum amount they could loan the Government to $500,000. The Federal Reserve banks can loan the Government an unlimited amount. The Government subscribed for one-fifth of the stock in both United States Banks and sold their stock in the first bank for a net profit of $671,860, and in addition collected $1,101,720 in dividends. The Government has absolutely no stock in the Federal Reserve bank, as it is owned by private capitalists and run for individual profits.

The bank notes—currency—of the first and second United States banks chartered by the Government, were neither direct nor indirect obligations of the Government. The charter provided only that the Government would receive them in payment of Government obligations, taxes, duties on imports, and so forth. Federal bank notes are the direct obligations of the Government, making them full legal tender in payment of all debts both private and public. The charters of the first and second United States banks did not provide for the deposit of United States funds in said banks. The Federal Reserve bank law provides that all Government funds shall be deposited in Federal Reserve or member banks. The Government did not issue money of any kind or description for the first or second United States banks. The Government furnishes the Federal Reserve System Federal Reserve notes in unlimited quantities on commercial notes, drafts, bills of exchange, and bank acceptances, without interest or cost, except the cost of printing, which is approximately 30 cents on the thousand dollars.

The capital stock, dividends, and surplus of the old United States banks were taxed like any other private bank. The capital stock, dividends, and surplus of the Federal Reserve banks are exempt from Federal, State, city, and county taxation. The bank notes—currency—of the United States banks were received by the Government in payment of all Government dues—duties on imports, taxes, and so forth.

I often wonder what George Washington, Thomas Jefferson, and the other great statesmen of that day who were opposed to the old United States bank, yea, even Alexander Hamilton and his cohorts who were in favor of it, would have to say, if they were reincarnated, in comparing the mild privileges accorded the United States bank with the unlimited privileges accorded the present Federal Reserve banks, a system of legalized robbery devised in the fertile brain of the international bankers. They would stand astounded and abashed.

In 1862, the creditors of the United States, the Bank of England, sent the following circular, known as the famous Hazzard letter, to every bank in New York and New England:

Slavery is likely to be abolished by the war power, and chattel slavery destroyed. This, I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care for the laborer, while the European plan, led on by England, is for capital to control labor by controlling the wages. This can be done by controlling the money. The great debt that capitalists will see to it is made out of the war must be used as a means to control the volume of money. To accomplish this, the bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make the recommendation to Congress. It will not do to allow the greenback, as it is called, to circulate as money any length of time, as we cannot control that.

In this brief statement we find expressed the greed of the international banker. "We do not care about slavery as it now exists", says he, "we know of a better plan—forced slavery, through the control of money." They want the right of issuing national bank notes and Federal Reserve notes. These they can control, for they may call them from circulation and destroy them. Bear in mind, these notes are not money at all, they are merely promissory notes of the bankers belonging to the bankers. Greenbacks are Government money and can be destroyed only by the Government.

In 1872, the ring of bankers in New York sent the following circular to every bank in the United States:

DEAR SIR: It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious press, as will oppose the issuing of greenback paper money, and that you also withhold patronage or favors from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. To repeal the law creating national bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money, and will therefore seriously affect your individual profit as bankers and lenders. See your Congressman at once, and engage him to support our interests that we may control legislation.

The panic of 1893 was a bankers' panic, and in their interest the ring of gambling bankers in New York sent out the following circular to every bank in the United States:

DEAR SIR: The interests of national bankers require immediately financial legislation by Congress. Silver, silver certificates, and Treasury notes must be retired and the national-bank notes upon a gold basis made the only money. This will require the authorization of from $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation. You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a money stringency felt among your patrons, especially among influential businessmen. Advocate an extra session of Congress for the repeal of the purchasing clause of the Sherman law, and act with the other banks of your city in securing a large petition to Congress for its unconditional repeal, per accompanying form. Use personal influence with Congressmen, and particularly let your wishes be known to your Senators. The future life of national banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor of Government legal-tender notes and silver coinage.

BELIEVE IT OR NOT—A FEW ILLUMINATING FACTS DEDUCED FROM THE MONTHLY CIRCULATING STATEMENT OF THE UNITED STATES TREASURY

The statement of July 31 shows that there is $12,445,568,996 of gold bullion in the Treasury—nearly one-half of the monetary gold in the world. Nine hundred and ninety-nine people out of a thousand, if not more, believe that this gold bullion belongs to the Government, but such is not a fact. The July statement of 1937 reports that the total issue of gold certificates is $8,930,274,897, accounted for as follows:

Gold certificates held in the Treasury for the Federal Reserve banks and agents	$6,027,724,348
Gold certificates held by Federal Reserve banks and agents	2,815,457,500
In circulation (has not been turned in, hoarded, etc.)	87,093,049
Total	8,930,274,897

This means in plain English that this much gold belongs to the Federal Reserve banks and is subject to their order, and will be buried in the vault at Fort Knox, Ky., for safekeeping until they call for it.

Deduct the amount of gold certificates which the Treasury holds for Federal Reserve banks and agents, $6,027,724,348, plus the amount held by Federal Reserve banks and agents, $2,815,457,500, less $87,093,049—lost, hoarded, and so forth—and you will readily see that it will leave a balance of $3,515,294,099. This latter amount, $3,515,294,099, represents the profits accruing to the Government as a result of the reduction in weight of the gold dollar. From this amount must be deducted the exchange stabilization fund, which leaves a net amount of inactive gold in the Treasury of $1,214,149,973.

No doubt you will wonder how the Federal Reserve banks acquired possession of all these gold certificates. The answer is simple. The Executive order of May 28, 1933, nationalizing gold, required that all individuals, associations, corporations, partnerships, and banks, with the exception of the Federal Reserve banks, turn in their gold, gold bullion, gold money, and gold certificates, through the medium of the Federal Reserve banks, but permitted the Federal Reserve banks to hold all gold certificates which they acquired by the simple process of exchanging their Federal Reserve notes for same. The Federal Reserve banks paid for the gold coin and gold bullion with Federal Reserve notes. They turned the gold into the Treasury in exchange for gold certificates; therefore, you will see that the gold certificates cost the Federal Reserve banks nothing, as the Government furnished gratis the Federal Reserve notes with which they paid for the gold bullion and gold certificates that had been turned in by the people.

The first Federal Reserve Act provided for the payment to the Government of a franchise tax out of the earnings of the Federal Reserve banks. Under this act and subsequent amendments the banks paid the Government a franchise tax of $149,138,300 from 1914 to 1936. In the meantime, after paying 6 percent interest on the capital stock paid in, they transferred to the surplus funds of the banks $285,652,211 on a combined maximum capital stock of all banks of $130,000,000. However, the Government no longer receives the franchise tax, a beneficent Congress, in the passage of the Banking Act of 1933, having eliminated the provision in the Federal Reserve Act requiring the payment of a franchise tax.

I want to call your attention to an interesting fact which shows that the peak earnings in the history of the Federal Reserve banks, from the beginning to the present date, occurred in the panic year of 1920, when the net earnings on a capital stock of $99,821,000 was $149,294,774. They paid dividends of $5,654,018, transferred to their surplus $82,916,014, and paid to the Government a franchise tax of $60,724,742. The inference is that banks prosper most in depressions, and selfish bankers bring on depressions for the purpose of making greater profits. There has not been a panic, which is a minor depression, or a depression, which is a major panic, since the Civil War that has not been deliberately and systematically brought about by the contraction and expansion of currency and credit.

The July report of the Treasury shows that the total money in circulation on July 31, 1937, as evidenced by the monthly statement of the Treasury, was $6,459,804,383. Federal Reserve notes, which are issued to them at no cost except printing, amount to $4,174,900,080, or, counting Federal Reserve bank notes and national-bank notes amount to $4,474,645,965, which represents approximately 70 percent of the Nation's total money in circulation. All the above issues of notes are loaned into circulation through the medium of the Federal Reserve member banks as compared to 30 percent of our circulating money, such as silver certificates, United States notes, Treasury notes, and silver coins which are paid by the Government directly to the people without interest charges.

After nationalizing gold in 1933 the President, by authority of Congress, revalued gold by increasing its price from $20.67 an ounce to $35 an ounce. This automatically reduced the content of the gold dollar from 23.22 grains to 13.71 grains plus. This revaluation produced a great howl from the shylocks of the country who always want their pound of flesh. And the money changers predicted dire results. However, the change took place and the man on the street did not know it happened, and no complaint was registered from anyone except the shylocks who had written gold dollars of 23.22 in their notes and bonds, which was declared unlawful by the lower courts and sustained by the Supreme Court.

I want to call your attention to the fact that no bonds or obligations from the foundation of the Government, including the billions issued during the Civil War, were made payable in anything except United States money. However, in 1869 the money changers influenced Congress to pass what is known as the Credit Strengthing Act which made bonds payable in coin (gold and silver basic money). In 1873 silver was demonetized as basic money, which had the effect of making all bonds payable in gold. Had the President revalued gold,

by reducing the content of the gold dollar in the same proportion that France reduced the content of her franc, our gold today would be worth $175 an ounce.

We have discussed our basic monetary system at length, and I will now summarize in chronological order the Government's banking system.

Banks are second in importance to our monetary system and are absolutely necessary to commerce, society, and civilization. In one sense of the word an individual money lender or a pawn broker, is a banker, but in the common acceptance of the term, banks are an incorporation without a soul to save or a heart to pity. Webster's definition of a banker is:

> One (either a person or a corporation) who conducts the business of banking; one who, individually, or as a member of a company, keeps an establishment for the deposit or loan of money, or for traffic in money, bills of exchange, etc.

However, banks do not confine themselves to the legitimate function (merchants in money), as defined by Webster. Through their might they have usurped Constitutional powers. That sacred document provides, among other things, that Congress shall have the power to create the Army, Navy, and post-office system, levy taxes and collect them, and shall coin money and regulate the value thereof. Today the Government still operates the Army, Navy, and postal affairs, and levies taxes and collects them, but has delegated the right to coin money and regulate the value thereof (the most important of all its functions under the Constitution) to a private corporation composed of greedy, selfish men who are in the business for personal profits. They are greedy and selfish just as we all are, for God Almighty made all human beings greedy and selfish to a greater or smaller degree. If He had not so constituted us He would have had to provide a guardian to care for us.

The first banking law enacted by Congress was passed February 25, 1791, and established what was known as the first United States bank. It was in no sense of the word a Government bank, but was a private corporation and was given a charter for 20 years. It was so unsatisfactory that Congress refused to renew its charter.

In 1816 the money changers influenced Congress to give a 20-year charter to what was known as the Second United States Bank. They began a fight for the renewal of the charter 5 years before its expiration. By a vote of Congress the charter was renewed, but President Andrew Jackson, a courageous, patriotic statesman, a tribune of the people, vetoed the bill and drove the plutocrats who tried to influence him to sign it, out of the White House and branded them a band of pirates, and that was the last of a Government-chartered bank. President Jackson then went before the country and made his veto of the United States Bank charter an issue and was relected by the people for a second term.

From the year 1836 until the beginning of the Civil War—that horrible catastrophe of fire and carnage that amalgamated the discordant element of the New World into one homogeneous mass—no trace of a bank to usurp the powers of Congress could be found. When the first gun was fired at Fort Sumter, sounding the tocsin of war, the Government was without money, as only gold and silver were recognized as full legal tender, and, being cowards, as usual, in time of trouble, they both went into hiding in the coffers of the bankers. As the Government had to have money to pay the soldiers and sailors and other expenses of war, President Lincoln suspended specie payment and asked Congress for the authority, which was granted, to issue the Government's promise to pay money—currency. Accordingly the first paper money ever issued by the United States was authorized July 17, 1861. The notes issued were called demand notes because they were payable on demand, and a total of $60,000,000 was issued. The act of February 1862 provided for the issue of United States notes—those despised greenbacks—which were substituted for the demand notes. The international plutocrats became alarmed. The Government was financing the war with its own money, backed only by the resources of a stable solvent nation, with all the assets of a great wealthy government behind it, which made every dollar as good as gold. It was then that the money changers brought their unlimited and far-reaching influence on the President and Congress and persuaded them to desist from issuing more greenbacks and give them a charter for a national-bank system, in turn for which the bankers would buy Government bonds with gold, provided they would be permitted to use the bonds for collateral for the issuance of currency, and as a consequence a national-bank charter was granted by Congress February 25, 1863. This act was found to be defective and was superseded by the act of June 3, 1864, entitled "An act to provide a national currency secured by a purchase of United States bonds and to provide for the circulation and redemption thereof." Under this charter the bankers were permitted to have issued them by the Government national-bank notes to 90 percent of the par value of the bonds—ultimately increased to 100 percent—at a nominal cost to them of one-half of 1 percent paid to the Government for printing and service. Under this charter thousands of banks were organized, and from 1864 to 1913 dominated the banking world by controlling the credit of the country through clandestine meetings and secret correspondence.

I think it would be apropos at this time to submit a declaration made by President Wilson, in 1911, while Governor of the State of New Jersey, which is as follows:

> The great monopoly in this country is the money monopoly. So long as that exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men who, even if their actions be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who, necessarily, by every reason of their own limitations, chill and check and destroy economic freedom. This is the greatest question of all; and to this, statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

In the face of this strong pronouncement against the money monopoly, the Congress created the Federal Reserve System, the most powerful and colossal monopoly in this or any other country.

Now we will make some observations of the Federal Reserve Banking System, and to that end I will submit the Democratic platform of 1912:

1912

> Democratic: We oppose the so-called Aldrich bill or the establishment of a central bank; and we believe the people of the country will be largely freed from panics and consequent unemployment and business depression by such a systematic revision of our banking laws as will render temporary relief in localities where such relief is needed, with protection from control or dominion by what is known as the Money Trust.
>
> Banks exist for the accommodation of the public and not for the control of business. All legislation on the subject of banking and currency should have for its purpose the securing of these accommodations on terms of absolute security to the public and of complete protection from the misuse of the power that wealth gives to those who possess it.
>
> We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, National and State, without discrimination as to locality upon approved securities and subject to call by the Government.

In carrying out the provisions of this plank, in December of 1913 the Federal Reserve banking law was enacted.

Four years passed—another Democratic convention was held in 1916. President Wilson was renominated, and I quote the Democratic and Republican financial planks of their respective conventions, and I want to call your special attention, that you may think of it later on, to the last five words of the Democratic plank: "Making a currency panic impossible." In plain English they say to the country that with this Federal Reserve System, which they have established, financial panics cannot happen in the future:

1916

> Democratic: Our archaic banking and currency system, prolific of panic and disaster under Republican administrations—long the refuge of the Money Trust—has been supplanted by the Federal Reserve Act, a true democracy of credit under Government control, already proved a financial bulwark in a world crisis, mobilizing our resources, placing abundant credit at the disposal of legitimate industry, and making a currency panic impossible.

Republican: We favor an effective system of rural credits as opposed to the ineffective law proposed by the present Democratic administration.

Four more years passed on. Another national Democratic convention was held, and I submit the financial plank of the Democratic platform:

1920

Democratic: A review of the record of the Democratic party during the administration of Woodrow Wilson presents a chapter of substantial achievements unsurpassed in the history of the Republic. For 50 years before the advent of this administration periodical convulsions had impeded the industrial progress of the American people and caused inestimable loss and distress. By the enactment of the Federal Reserve Act the old system, which bred panics, was replaced by a new system, which insured confidence. It was an indispensable factor in winning the war and today it is the hope and inspiration of business. Indeed, one vital danger against which the American people should keep constantly on guard is the commitment of this system to partisan enemies who struggled against its adoption and vainly attempted to retain in the hands of speculative bankers a monopoly of the currency credits of the Nation. Already there are well-defined indications of an assault upon the vital principles of the system in the event of Republican success in the elections in November.

If you will carefully read this plank, you will come to the conclusion that the Democrats are becoming a little apprehensive for fear that new engineers will get hold of this system, under which they said financial panics would be impossible.

Another 4 years rolled around. And now read the financial plank of the Democratic platform of 1924:

1924

Democratic: We denounce the recent cruel and unjust contraction of legitimate and necessary credit and currency, which was directly due to the so-called deflation policy of th Republican Party as declared in its national platform of June 1920 and in the speech of acceptance of its candidate for the Presidency. Within 18 months after the election of 1920 this policy resulted in withdrawing bank loans and discounts by over five billions of dollars and in contracting our currency by over fifteen hundred millions of dollars. This contraction bankrupted hundreds of thousands of farmers and stock growers in America and resulted in widespread industrial depression and unemployment. We demand that the Federal Reserve System be so administered as to give stability to industry, commerce, and finance, as was intended by the Democratic Party, which gave the Federal Reserve System to the Nation.

You will see that they charge the new engineers in administering the Federal Reserve System, which they claim would prohibit the money changers and speculators of Wall Street from robbing the people. They charge the new engineers with "withdrawing bank loans and discounts by over $5,000,000,000 and in contracting our currency by over fifteen hundred million dollars", with the result that it "bankrupted hundreds of thousands of farmers and stock growers in America and resulted in widespread industrial depression and unemployment", and they might have added truthfully, according to the report of the Committee of Agriculture, "it reduced the value of farm products from $78,000,000,000 to $53,000,000,000, a clear loss of twenty billion dollars to the farmers of the Nation. This is the banking system that was framed by the International bankers of London and handed to the American Congress through their representatives in America.

Another 4 years roll around, and I submit the financial planks of the two major political parties in 1928:

1928

Democratic: The Federal Reserve System, created and inaugurated under Democratic auspices, is the greatest legislative contribution to constructive business ever adopted. The administration of the System for the advantage of stock-market speculators should cease. It must be administered for the benefit of farmers, wage earners, merchants, manufacturers, and others engaged in constructive business.

Republican: The record of the United States Treasury under Secretary Mellon stands unrivaled and unsurpassed. The finances of the Nation have been managed with sound judgment. The financial policies have yielded immediate and substantial results.

They are very short. The Democrats still stick to it and aver that "the Federal Reserve System is the greatest legislative contribution to constructive business ever adopted"; but they still admit that the new engineers are using the System for the benefit and advantage of stock-market speculators, which should cease. The Republican plank in the 1928 platform, as you will see, is very short and sweet.

For your information I submit the financial planks of the Democratic and Republican platforms adopted by their respective conventions in 1932 and 1936:

1932

Democratic: We advocate a sound currency to be preserved at all hazards and an international monetary conference called on the invitation of our Government to consider the rehabilitation of silver and related questions.

Republican: The Republican Party established and will continue to uphold the gold standard and will oppose any measure which will undermine the Government's credit or impair the integrity of our national currency. Relief by currency inflation is unsound in principle and dishonest in results. The dollar is impregnable in the marts of the world today and must remain so. An ailing body cannot be cured by quack remedies. This is no time to experiment upon the body politic or financial.

1936

Democratic: We approve the objective of a permanently sound currency so stabilized as to prevent the former wide fluctuations in value which injured in turn producers, debtors, and property owners on the one hand and wage earners and creditors on the other, a currency which will permit full utilization of the country's resources. We assert that today we have the soundest currency in the world.

Republican: We will advocate a sound currency to be preserved at all hazards.

The first requisite to a sound and stable currency is a balanced Budget.

We oppose further devaluation of the dollar.

We will restore to the Congress the authority lodged with it by the Constitution to coin money and regulate the value thereof by repealing all the laws delegating this authority to the Executive.

We will cooperate with other countries toward stabilization of currencies as soon as we can do so with due regard for our national interests and as soon as other nations have sufficient stability to justify such action.

I want to call your attention to the first few words of the Democratic platform of 1932:

We advocate a sound currency to be preserved at all hazards.

Then look at the first few words of the Republican platform of 1936:

We advocate a sound currency to be preserved at all hazards.

It looks as if the same man must have had something to do with writing the Democratic platform in 1932 and the Republican platform in 1936. The fact of the business is that the international bankers, by subtle and insidious methods, control both parties on the financial and banking question and they do not know it. The money changers' strategy is to keep the two parties fighting on the tariff, prohibition, little and big Navy, and other comparative, insignificant questions, and contribute to the campaign of both parties, with the tacit understanding that they be permitted to control the financial and banking system of the country. Baron Rothschild, the father of international bankers, once said:

Permit me to control the credit of the country and I care not who makes its laws.

From the foregoing information every fair-minded man must come to the conclusion that the Federal Reserve Banking System brought on the depression of 1920 by contracting the volume of money. About 1922, after the victims of the depression had been buried and forgotten, the bankers running the System began to expand credit, and through the subsidized press painted a glorious picture of the future. The expansion continued until the depression of 1929 broke upon the country like a clap of thunder out of a clear sky. They extended unlimited credit on a bull market and contracted credit on a bear market, when they should have done exactly the reverse in each instance. This has been the method of the money changers who have controlled the credit of the country, through the national and Federal banking systems ever since the Civil War. It was a case of the pitcher going to the well once too often. Drunk with power, they extended credit and encouraged speculation until prices reached the sky, and when the big financial operators had a conference and decided to unload on the public it was like hollering "Fire" in a crowded theater, and they all rushed to get out at once and lost control, like the blind Sampson they pulled the temple down upon themselves.

The official statistics of the Treasury show that in 1929 there were 25,330 banks in operation with $57,910,641,000 on deposit. Every depositor had a right to think that his check would be honored with cash on presentation, when, in fact,

there was only $4,459,000,000 of all kinds of currency, from 1-cent copper pieces to $10,000 bills, in existence. Now, how could the banks cash the depositors' checks? It was a physical impossibility, with a result that more than 10,000 banks closed their doors, with colossal loss to the depositors. This is the direct result of our present banking system.

The Good Book says, "By their fruits ye shall know them"; therefore, it would be fair to judge the Federal Reserve System by this standard.

During the 23 years of its operations commodity prices have fluctuated more than during any comparable period in the country's history. Commercial failures have been more than ever before in a like period in the history of this Nation. Through its manipulations, 3 years prior to 1930, saw the greatest period of stock gambling and speculation in the history of the world. It created hundreds of thousands of stock gamblers, and when the crash came left otherwise reputable citizens insolvent and millions broken in spirit. It piled up an amount of loans through the banking institutions of the Nation that reached the stupendous total of more than $40,000,000,000. Such a condition cannot be found in the financial history of any of the great countries of the world.

It has been the greatest piece of legislation for special privilege that has ever been conceived in the legislative halls of the Nation. During its operation greater combinations of capital have been formed than the country has ever known. The records show that at the peak of the depression 15,000,000 men were walking the highways and byways for work they could not get. Twenty-five million men, women, and children—hungry, ragged, and wretched—were on relief. Ten thousand bank failures, entailing the life savings of millions of people, left in their deadly trail bankrupt States, cities, and counties, farmers and businessmen; and we were told that the Federal Reserve System would insure confidence and make financial panics impossible.

Excerpt from a letter written by Abraham Lincoln to his friend William P. Elkin, November 21, 1864:

> I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless.

True and prophetic warning by the immortal Lincoln. He foresaw "the enslavement of the country to corporations" (National Bank System), "the corruption in high places" (from carpetbag days in the South to the Teapot Dome scandal in the West), "the concentration of wealth in the hands of a few." (Today 5 percent of the people own or control 95 percent of the wealth. This means that 6,500,000—5 percent of 130,000,000 people, total population—control 95 percent of the wealth of the Nation.) Do you doubt it? Well might he, a patriot, "tremble for the safety of his country"—but the people, what are they doing? They are camping on a volcano, refusing to be warned. It is a pity they should be so unmindful of the eruption soon to follow.

I quote from an editorial in the Bankers Magazine in the campaign of 1896, when the financial and banking system of the country was the paramount issue:

> It is not libel on the characteristics and tendencies of the present or any other age to say that such is the inevitable result of the natural laws of financial gravitation. Just as easily and naturally as a moist snowball gathers size by rolling downhill does money gather accretions of interest by steadily descending the gentle declivity of time.

This is equivalent to telling us that on tomorrow morning the rich money lenders must get up a little richer than they were this morning, and that the poor interest payers, as a whole, must get up a little poorer, and that the gulf between opulence and penury must ever continue to widen. To this ever-increasing disparity there must be an end. Shall I turn back to the musty pages of history and depict a picture of the ancient past by guiding you down the desolate valleys of dead Egypt; shall I ask you to march under the broken arches of an almost forgotten Persia; shall I lead you up to the crumbling columns of a once proud Athens; or shall I whisper the sad expressions that come from the chiseled lips of the giant statues that grace the Appian Way to imperial Rome in order that I may convince you that every nation that has fostered the system of making the rich richer and the poor poorer has gone down to an ignominious grave? Is it necessary that I go down into the graveyard of nations and call the long roll of the dead in order that I may convince you that if this Nation continues to tolerate the system of making the rich richer and the poor poorer it will fill a dishonored tomb in the silent city of the dead? No, my countrymen; you are too well informed concerning the causes that have destroyed governments of the past to need any elaboration of this subject from me. You know that this rapid concentration of wealth in the hands of the few, if continued, is as sure to bring dissolution and death to our boasted Republic as the setting sun is sure to bring the night.

In our fantastical moments we often boast of our great civilization, justice, liberty, and material wealth, but civilization, justice, liberty, and material wealth are in no sense synonymous. To be just we must be honest. But no one need be honest to be civilized. Civilization implies culture, refinement, and politeness, and nothing more. The highest civilized man may be the greatest thief. In fact, politeness and even religious pretensions and all that go to make up a high standard of civilization are among the most perfect accomplishments of our great modern thieves. All that is necessary to civilize the thief is to legalize the theft. Civilized thieves are legalized thieves. The methods of robbing have been changed from the brutality of savagery to the polite and refined methods of civilization. In the dark days of savagery, robbery was done by physical force; now it is done by statute, but robbery is the same.

Civilization is not always evidence of liberty; material wealth is not always evidence of prosperity. Civilization may flourish under pauper wages; it may clip coupons, gamble in bread, organize trusts, open banks with prayer, rob depositors, send men to heaven on usurious interest, and dig a veritable hell for the poor. Material wealth may represent the labor of slaves. Granaries and warehouses may burst with the burden of material wealth, and there may be squalor and poverty in their very shadows. Economy that restricts the consumption of material wealth to the necessaries of physical life will destroy art, science, literature, and all other good products of human effort which elevate us above the brute. It is not what we produce that makes us happy but what we consume.

It is often asked why it is that an intelligent people will tolerate such a monstrous system of legalized plundering by special privileges given to bankers, which has already filled the Nation with plutocrats and paupers, millionaires and mendicants.

The answer is simple: Through the powerful influence of international bankers, with headquarters in London, and their American satellites, the American people have been beguiled by insidious, subtle propaganda disseminated through the medium of newspapers, magazines, school textbooks, financial experts, college professors—all subsidized; and every other known way to poison and deceive the people. And their efforts have been preeminently successful.

THE PRESIDENT

Franklin Delano Roosevelt will go down in history as the greatest of all Presidents, not that he was more patriotic or sympathetic than Jackson, Lincoln, and others, but because he was confronted with the most stupendous problem in all the Nation's history.

A real crisis faced him. Fifteen million able-bodied men walking the highways and byways looking for work they could not get. Twenty-five millions of men, women, and children, hungry, ragged, and wretched and many more millions undernourished because they were too proud to receive alms. The Nation was trembling on the verge of revolution—a revolution that was inevitable if relief was not forthcoming immediately. They had grown tired of honeyed words and vague promises. Hope had almost vanished from the human heart. It is axiomatic that no man can be a patriot on an

empty stomach—no country can be free when half of the people are hungry and brawny giants must beg their bread—I care not if Solomon drafts its constitution and Moses makes its laws. As Moses led the children of Israel into the Promised Land, so did our great President lead the great toiling millions of the American people into peace, happiness, and prosperity.

His inaugural address was a masterpiece—a new declaration of independence flung into tryants' faces. It was a second emancipation proclamation—a warning to the pitiless Pharaohs of the present. It was an indignant denial that the masses should toil for the enhancement of the classes. The money power stood appalled, there was consternation among the international bankers, there was weeping and wailing in Wall Street, the operators of the great trust were in agony, the papers that profit by the sale of editorial influence to professional plunderers shrieked forth their displeasure—but to no avail, when he proclaimed in stentorian voice, from the steps of the National Capitol, on the 4th day of March, 1933:

* * * This is preeminently the time to speak the truth, the whole truth, frankly and boldly. * * * This great Nation will endure as it has endured, will revive and will prosper. * * *

* * * Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of the public opinion, rejected by the hearts and minds of men.

* * * Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. * * * These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow men.

* * * and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing. * * *

Restoration calls, however, not for changes in ethics alone. This Nation asks for action, and action now.

The President said, "This Nation asks for action and action now." He gave the Nation action immediately by issuing a drastic proclamation closing every banking institution in the country which automatically closed all the stock exchanges. Had this step been taken in 1930 instead of 1933 it would have saved the people of this country billions of dollars. They say the President has made mistakes. I agree with his critics, he has made mistakes, but they were mistakes of the head and not of the heart. Who does not make mistakes? Do the bankers make mistakes? Do the merchants make mistakes? Do the lawyers make mistakes? Do the doctors make mistakes? Do the farmers make mistakes? Do the great industrialists and manufacturers of the country make mistakes? Do "the butcher, the baker, the candlestick maker" make mistakes? Yes; everyone makes mistakes. The President faced an extreme exigency. He had to bring succor and relief to every State, county, city, village, and countryside in the Nation, and he did a remarkable job. Do not take my word for it, but peruse the pages of the Wall Street Journal, the official organ of the money changers, and the financial pages of our great metropolitan dailies, agricultural papers, and trade journals, and so forth, on the 4th of March 1933 and compare them with the same statistics contained in these publications issued January 20, 1937, the expiration of his first term. The American people were familiar with his wonderful achievements and rendered their verdict, "Well done, thou good and faithful servant", and their verdict was evidenced by the Presidential election of 1936.

Department of Justice Recommendation for Dismissal of Philadelphia Co. Cases Is Commendable

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. WALTER. Mr. Speaker, last month in Philadelphia the Department of Justice recommended the dismissal of two indictments against 12 prominent bankers and lawyers who had been charged with use of the mails to defraud, in connection with the Philadelphia Co. for Guaranteeing Mortgages.

Immediately in some quarters a hue and cry was raised, and two Members of the Congress made remarks on the floor, the general effect of which was that the Department of Justice was not warranted in moving the dismissal of the indictments. At that time I did not know the full details or facts involved in the Government's action, and neither did the Congressmen who spoke on the subject. But I did know something about the cases, and I did know something about the men who moved for the dismissal, the Assistant Attorney General and the United States attorney in Philadelphia. I knew them to be able men, high-minded men, whose motives and integrity had never been questioned. So I replied on the floor of the House to the gentlemen who complained of their action. I said this:

During the course of the discussion of the last bill, as well as the present one, mention was made of the quashing of indictments against officials connected with the Philadelphia Co. for the Guaranteeing of Mortgages.

I do not know whether or not it was intended to reflect on the honesty, ability, or the integrity of the United States attorney or the representative of the Department of Justice who recommended to the court that the cases should be nolle prossed, but I wish to state that I think the nolle prossing of these cases was a great exhibition of courage. It was not an easy thing for these men to subject themselves to the sort of criticism they must have known their action would bring, not only from certain Members of Congress but from the people who suffered losses as the result of the failure of the Philadelphia Co. for the Guaranteeing of Mortgages.

Recently the Philadelphia Record, editorially, commented upon the nolle prossing of these cases. I do not believe anywhere in America is there a more liberal newspaper than the Philadelphia Record, and I do not believe there is another newspaper in the United States that has been more zealous in its efforts to safeguard the interests of the common people and lead any fight for decency in government and its institutions; and when that great newspaper comments, as it did, upon this nolle prossing, I think the criticism that came here today is entirely unwarranted.

For one I wish to take this opportunity of commending the courageous Assistant Attorney General, the Honorable Brien McMahon, and the United States attorney for the eastern district of Pennsylvania, the Honorable J. Cullen Ganey, in seeing that justice was done to the citizens who were indicted for purely technical violations of the laws committed in an endeavor to keep the company going during the chaotic period through which we were passing. They are not persecutors. They, indeed, are representatives of all the people and are entitled to a great deal of credit.

When I made those remarks I had had no time to inquire, but now I may say my confidence was entirely justified. The Department of Justice, in accordance with its established custom in all cases of magnitude and importance, caused an impartial study to be made, solely to determine whether the case was one the Government could win if it were tried. Five different lawyers of ability and standing advised that the evidence would not support the charges. And then the honest and the courageous thing was done—the charges were dismissed.

The Assistant Attorney General reviewed the facts and the law to the Court in taking this action and this is what he said:

There are presently under consideration by Your Honor these indictments. In the course of your study of the indictments you have called upon the United States attorney for a memorandum of certain information not set out in the indictments themselves.

Since the indictments were returned, and continuing beyond the time of arguments on the motions and demurrers, the Government has caused a careful, dispassionate study to be made, and we now believe to provide you with such a memorandum would be a futile thing. We think the duty is upon the Department of Justice to dismiss these cases; and if Your Honor will indulge me, I should like to review the facts and reasons which have led to that conclusion.

The facts underlying indictment no. 7155 are substantially as follows—and, with an exception to which I shall refer, the same situation is true in no. 7154:

On April 15, 1922, the Philadelphia Co. for Guaranteeing Mortgages became trustee under a mortgage of $1,400,000 secured upon the Bankers Trust Building, the bonds of which mortgage it guaranteed as to principal and interest. The mortgage matured in 10 years and carried a provision for the payment of $37,500 on October 15, 1924, and every 6 months thereafter until 1932. This sinking fund was to be used for the purchase of outstanding bonds of the trust, and if they were not available then for the purchase of other bonds guaranteed by the Philadelphia Co. The Land Title Co. issued a title policy covering the mortgage. The building was completed in 1924 and the owner, one Cahan, planned to sell it. To carry out the sale it was necessary to procure a waiver of the sinking-fund provisions. Efforts to procure the waiver failed, and one William R. Nicholson, who was at that time president of both the Philadelphia Co. and the Land Title Co., worked out a plan for settlement by which a new mortgage of $2,400,000, consisting of $1,400,000 of A bonds and $1,000,000 of B bonds, was secured on the property. The A bonds were designed to ultimately take the place of the first trust then existing. The Land Title Co. became the trustee under this mortgage and wrote the title policy which, among other things, guaranteed these A bonds against loss by reason of the outstanding first trust. They were not guaranteed by the Philadelphia Co., and there was no sinking-fund provision.

The sinking-fund payment due October 15, 1924, was not made, and on November 6, 1924, Nicholson, as president of the Land Title Co., wrote to himself, as president of the Philadelphia Co., a letter forwarding thirty-eight $1,000 bonds of the second issue to be placed in the sinking fund. He agreed for the Land Title Co. that they would be repurchased at par at maturity of the first mortgage. He agreed further to forward at 6-month intervals bonds of the same issue in similar amounts. These bonds not being guaranteed did not qualify under the original trust for deposit in the sinking fund. The reason for this action on the part of Nicholson seems apparent. Had the property been foreclosed, the Philadelphia Co. would have been liable on its guarantee and the Land Title Co. would have been liable on its policy of insurance protecting the second-trust bonds against a loss by reason of the outstanding first trust.

Nicholson instructed subordinates in both companies that second-trust bonds in certain amounts should be forwarded and received every 6 months, and at the time of the receivership there were approximately $600,000 in each sinking fund.

Shortly before maturity of the first trust the Philadelphia Co. called upon the Land Title Co. to make good its commitment to repurchase the bonds in the sinking fund. The latter company resisted the demand, saying that it had received no consideration for any such commitment, that Nicholson had no authority to make it, that it had not been known before, and that the company had never ratified the act.

The officers of the two companies then began to negotiate for settlement of the claim, and these negotiations extended over a period of several months. The result was a written agreement whereby the Philadelphia Co. was to surrender the bonds, as well as the title policy, in consideration of the Land Title Co. purchasing from the holders thereof $300,000 of bonds of the first issue and subordinating them to the balance of $1,100,000 outstanding in the hands of the public.

In January 1933 a letter was forwarded to the holders of the bonds requesting an extension of 3 years and stating that the Philadelphia Co. had a commitment to buy $300,000 of the bonds for subordination purposes, but the letter did not state from whom they had the commitment, nor did it notify the bondholders of the existence of the claim their trustee had against the Land Title Co. The Land Title Co. at this time was acquiring the bonds in order to carry out the settlement and paying prices averaging about 30. These purchases were being made without informing people from whom they were buying the bonds of the sinking-fund defaults and of the reason for their purchase.

On January 11, 1933, as a result of conferences among the officers of the companies, receivers were appointed for the Philadelphia Co. The settlement was later repudiated. A new offer was made by the Land Title Co. to pay $200,000 in cash in settlement of the claim against it, the money to be applied to taxes on the property. This offer was reported by the receivers to the court and referred to a special master. He conducted hearings and filed a report. He recommended the payment of $300,000 in cash to be paid direct to the bondholders instead of for taxes. This recommendation was accepted and the receivers, upon the payment being made, assigned to the Land Title Co. a subordinated interest in the first issue of bonds.

With respect to the Sylvania Hotel, involved in indictment no. 7154, there is one important difference, namely, that $150,000 of bonds of the second issue were sold to the public as first-trust bonds and the proceeds used to reimburse the Philadelphia Co. for taxes and interest it had advanced.

Just before the receivership the Land Title Co. and the Philadelphia Co. agreed to repurchase from the public the $150,000 of second-trust bonds outstanding, each company to bear 50 percent of the cost. These bonds, like the others, were repurchased without notice of the existing facts, but at prices considerably in excess of those being paid for the real first-trust bonds. On the day before the receivership the Philadelphia Co. lacked 22 of its agreed quota of 75 bonds, and on that day purchased from the Land Title Co. 22 bonds at par under an arrangement whereby the Land Title Co. would, and it did, reimburse the receivership for the difference between par and the cost to the Land Title Co. of the bonds.

The indictment attacks the settlement negotiations in that they were carried out in violation of a duty which the officers of these companies had to fully inform bondholders of all facts and circumstances which could have affected in any way their investment; that they concealed the truth in the repurchase of bonds and the bondholders were thus deprived of their right intelligently to exercise their own judgment in connection with the sale of bonds and the settlement of the Philadelphia Co.'s claim against the Land Title Co.

The defendants in the case are officers, directors, or attorneys for the Philadelphia Co. and the Land Title Co., and therefore responsibility for the concealment of truth is sought to be brought to them.

It is probably known to Your Honor that the hearings conducted by what came to be known as the Sabath committee disclosed many irregular and, it may be, unlawful practices by the Philadelphia Co., and in order to determine whether anyone connected with the company had offended against a Federal statute a grand jury was impaneled. The Philadelphia Co. was then, and had been for a long time, in receivership. A mass of evidence had been collected and, in order to prevent the running of the statute of limitations against any crime the grand jury might find existed, all the facts available were presented. It was not then possible to examine meticulously the situation as one would do in advance of a trial. The grand jurors voted a true bill against these individuals and it became incumbent upon the Government to frame an indictment to carry out the mandate of the grand jurors. That, to my mind, was done ably and well.

It is the theory of these indictments—and it is the only theory upon which the case could have been brought at all—that there was one scheme, one continuing scheme, to play fast and loose with the bondholders investing in this company; that that scheme began in 1924; that there was then envisioned a plan to do anything that might become necessary in the future to protect the company against the righteous claims of its investors; and that the defendants now before Your Honor attached themselves to and became a part of the unlawful combine to accomplish that end. A careful examination of the case—and a careful and dispassionate examination has been made—makes it reasonable to presume that there was, in fact, an unlawful scheme entered into in 1924 to effectively deprive persons holding bonds on the Sylvania Hotel and Bankers Trust Co. of the sinking funds' rights and privileges; that that scheme was, in fact, successful and such persons were, in fact, deprived of their rights and the fraud was completed; that then, and only then, did it become necessary to conceive the second plan, namely, to correct the wrongs as nearly as they might be corrected and to protect all the creditors of the two companies who were involved; that at the time it became necessary to do that those now under indictment were the officers of the companies and the only persons who could right the wrongs.

It is true that the sinking fund was wrongfully manipulated, second-trust bonds were sold as firsts, bonds were sold at par on properties seriously in default as to principal and interest, guaranty certificates were sold when the financial position of the company was unstable, and delinquent interest was advanced without notifying bondholders that it was being paid by the company instead of the mortgagor, so that they were lulled into a sense of security. The thought is difficult to escape that for many years the business of the Philadelphia Co. was conducted with an impudent disregard of the individual rights of the people whose money it took.

But the man who mishandled the sinking fund is now deceased. The man who sold the second-trust bonds as firsts is also deceased. The statute of limitations would bar action as to those matters anyway. So it would bar action as to sale of bonds in default and advancement of delinquent interest.

And when we search the evidence to find competent, legal proof that the men who stand as defendants before the bar of this court purposefully engaged in the transactions we denounce, that proof is almost wholly lacking. As to those transactions in which they did engage, we cannot look into their minds to determine whether their motives were good or bad. That determination may only be made by a consideration of the circumstances then existing, and they were these:

Nicholson and Bonsall, who were the authors of the letters purporting to create a twelve-hundred-thousand-dollar liability of the Land Title Co., were deceased, and, so far as the proof will show, their conduct with respect to the sinking-fund manipulations did not become known to the present defendants until 1932. At that time the financial condition of the Philadelphia Co. was most serious; the condition of the Land Title Co. hardly less so. Those were days of depression. Banks had failed and were failing in the city of Philadelphia. It is fair, we think, to believe that the defendants at that time in charge of the management of the business of these two companies feared that a suit for $1,200,000 would have caused a run on the Land Title Co., the disastrous result of which can readily be imagined. The officers of both companies, and we think justifiably so, had grave doubts about the legal merits of the claim. Under these conditions and in those trying times they fashioned the second plan, which was to keep

from the general public, and therefore to keep from the owners of the bonds on these properties, the knowledge that the companies' position was unstable and to prevent that fact from becoming known in a trial of the lawsuit which could have been brought.

Honesty and candor in the administration of justice impels us to believe that the conduct of the defendants in the settlement of the disputed claim and the concealment of truth from bondholders was not inconsistent with the hypothesis of innocence. For that reason and for the further reason that proof of two distinct plans would be at variance from the indictment, a trial judge would be compelled to direct a verdict for the defendants.

We realize, of course, that as a matter of law it is not necessary in a mail fraud case that the Government establish monetary loss to investors or monetary gain to defendants. But we know, too, that as a practical matter we must inquire whether there was such a gain and loss. In this case, there was clearly no financial benefit moving directly to the defendants, and had they informed the public of the condition of the sinking funds, the market for the bonds might well have collapsed completely. And so we have the anomalous situation where the buyer of bonds, by withholding the truth, creates a better price for the seller than he could get if the truth became known. Further, the publication of all the facts might well have brought about immediate liquidation of the properties on which the bonds were secured, a result certainly not to have been desired in that day of financial panic.

When it became known to the defendants that $150,000 of Sylvania A bonds had been sold to the public as firsts, it was immediately decided to repurchase them. This was a right thing, not a wrong thing. The actual value of those bonds at that time was less than par. Some were repurchased at face value, some were exchanged at face value, and some were acquired at less than par. Many of them had changed hands in the interim. All of the holders of those bonds actually fared better in the resale than the holders of the real first-trust bonds for which there was a known market. Practically all of them were resold more than 3 years prior to the date of these indictments.

The indictment also charges fraud in the procurement and conduct of the receivership, and one of the indictment letters was written by the receivers, two of whom are defendants here. Our study of the case convinces us that there is no proof that the court was overreached in the course of the receivership.

A better case could not be made as to some defendants than as to others. Some of them did not participate at all, because they were not executives in the true sense, in the negotiation for settlement of the claim or the concealment of facts, and it seems reasonable that all those who did take part were actuated by the common purpose to save their companies. It would be idle to say that those of the defendants who were connected with the companies during the period of the original irregularities which we score should be tried. As pointed out, the statute of limitations bars action on account of those matters, and the Government's evidence, almost entirely documentary, will not sufficiently establish the wrongful participation of these defendants.

These indictments hang by tenuous threads in this, too, that the letters forming the bases of the indictments were written after the sales of bonds had been made. Inasmuch as the gist of the offense is the mailing of letters to effectuate a fraud it is doubtful if these letters could have had that quality.

It is not an easy task for a prosecutor to enter a nolle prosequi in an important case of widespread interest. But when a careful investigation of the facts is made, and all the available evidence is examined and weighed in the light of settled legal principles, there is no alternative if the facts and the law are not sufficient to support a prosecution. The Department of Justice feels that it has a duty to perform in the instant case—an obligation to the Government to refrain from spending the public funds in a fruitless prosecution; and, in fairness to the defendants, to dismiss a charge of criminality when we are convinced that a verdict of guilty could not be obtained.

I am not unmindful that there has been and is great interest in these cases. They have attracted much notice in the press. Expressions have been heard, on the one hand, that the indictments were not broad enough, that they did not include many things for which the defendants should be punished, that more and other persons should also have been charged; and, on the other hand, that these men were being exposed to prosecution solely because they were bankers, that they were being blamed for the depression, that they could not get a fair trial because the shadow of innocent bondholders would envelope and prejudice the reason of jurors.

But the position of the Department of Justice is now what it was when the late Charles D. McAvoy addressed Your Honor at the conclusion of the hearing on the motions which you have been considering. He said then and I say now that if there is a good case against them they should face a jury; if there is not a good case against them they should not face a jury. They should receive the same treatment that any other defendant ought to receive—no more and no less.

I conceive it to be the duty of the Government to represent with equal fairness the rich as well as the poor and to do equal justice under the law. It is a proud duty and it is a proud responsibility.

Believing, as I do, that under the evidence which we would be able to offer in a trial of these cases a jury would not be entitled to convict the defendants, the Government has no more right to try them than it would have a right to set them free in the face of established guilt.

Therefore, and for the reasons I have assigned, I request the approval of the court to enter a nolle prosequi in each case as to each defendant.

The judge commended him, and the Philadelphia Record said editorially:

Foes of the New Deal have sought industriously to build up the false notion that the Department of Justice under the Roosevelt administration is engaged in persecuting people in high places, because they are in high places.

The answer to that hollow charge is found in the motion of Special Assistant Attorney General Brien McMahon for dismissal of indictments against the 12 defendants charged with using the mails to defraud in connection with the collapse of the Philadelphia Co. for Guaranteeing Mortgages.

It was not an easy task for McMahon to make this motion. In the face of widespread and justified protests of investors who lost their savings in that concern it was bound to be an unpopular step in many quarters.

But the Department of Justice is first of all a department of justice. Its duty is prosecution, not persecution. And in the light of the fragility of the case against these defendants, the only honorable course was this move to quash the indictments.

It took courage to do the unpopular thing. Public opinion will respect that courage, and give Assistant Attorney General McMahon credit for facing the facts, playing fair.

As McMahon's petition makes clear, the men responsible for the debacle both are dead. The most that can be said against the other defendants is, that in a period of national panic they sought to bolster the mortgage company as best they could—to stall off a collapse in the hope that time would bring economic rescue. They recognized that failure of the institution would harm not only those connected with it but carry a trail of disaster through other institutions. Had they succeeded, the public would have cheered them. Because the mortgage company was beyond saving, they have been criticized.

That's human. It's a common reaction in all walks of life.

As to the broader question behind the situation, that of mortgage-guaranty racketeering, it remains for the S. E. C. and other New Deal safeguards to make a repetition impossible. The fault in this case as in many others, lay with a system which was basically unsound and which looked sound only through the rose-colored glasses which were fashionable in the lush latter twenties.

These 12 leaders in our community stand vindicated. Finis is written upon the records of a long-standing controversy. And we only hope that these men, and others in posts of high responsibility, will profit by the experiences of this affair by maintaining increased vigilance in rooting out and wiping out any unsound practices which may in the future threaten anew the welfare of this community.

Now, it should be understood that the indictments brought did not encompass all of the activities of the Philadelphia Co. for Guaranteeing Mortgages. They had to do only with the financing of the Sylvania Hotel and the Bankers Trust Building. The Government was restricted to evidence touching upon those matters and those matters only. No matter what may have been done in other respects by those people, and no matter whether they had violated some State law or not, the question before the Department of Justice was: "Had they violated a Federal statute in connection with those two properties only, and had they done so within 3 years prior to the dates of the indictments?"

It was found they had not, and the Government had nerve enough—the right kind of nerve—to say so. They were calmly judicious in the face of hysteria.

It may be, and undoubtedly is, difficult for laymen to understand the restrictions the law imposes upon the prosecution in criminal cases, the safeguards thrown around a defendant. They are many and rigid. The prosecutor must reckon with them and must realize they stand as bulwarks in his path.

No blame can be attached to the officers of the Department of Justice, who recognized that the obstacles confronting them in these cases were insurmountable and who did what was right in their minds. We are better for that kind of men.

Neutrality

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. SHANLEY. Mr. Speaker, in our concern over affairs in Spain and China let us look back at the most momentous

period in American history, when participation in the affairs of Europe or an attempt to decide upon the merits of their wars might have been fatal.

It must be remembered that France made her great, if belated, effort to reestablish her primacy in Europe by her use of the French Revolution and the American alliance. Even in the consummation of the pact of amity, France pursued a watchful-waiting policy and only yielded at the surrender of General Burgoyne's army. Essentially the policy was hatred of England, not so much a love of America, but the defeat resolved all doubts in form of the American Colonies.

Out of the accord came the treaty of amity and commerce which embodied most-favored-nation trading privileges and the maritime principles of the plan of 1776, as well as the recognition of the independence of the United States.

The second pact was a "conditional and defensive alliance" with a provision that should a war materialize between England and France, the United States would fight shoulder to shoulder with her ally, and neither would yield without the consent of the other.

Practically the money which France spent to help us was the death blow to the ancient regime and paved the way for the French Revolution. Practically, also, France did not wish to have us pay our debts, as she might lose her diplomatic hold over us, but when we did astonish her later with payment, she found the gesture a helpful aid in the throes of the revolution.

The French Revolution and all its awful consequences in Europe, so well told by Thomas Carlyle and Edmund Burke, came to America as a shield and protection. It overturned the entire theory of the balance of power in Europe, prostrated the easy-going machinery of absolutism, and caused such consternation that few continental nations had much time to think of the New World. Under its protecting blanket America made phenomenal progress. In the breathing spell we developed a real foreign policy that carried us through the infant days and even today is a salutary reminder of what may happen if emotions get the better of our people and they wish to decide on the merits of other people's quarrels.

Great Britain and France were at war on February 1, 1793. On this side of the ocean an overwhelming sentiment was for France. It is easy to understand this, for France had enabled us to win the War of Independence, and she had just won her own enfranchisement from the crushing despotism of an outworn monarchical system. In addition, we were still united to France as an ally bound to defend the French West Indies in time of war.

In the midst of the all-powerful popular emotional outbursts of sympathy for France, President Washington, backed by Alexander Hamilton and Thomas Jefferson, saw through the chaos and confusion of the moment and decided upon real neutrality. In an epochal proclamation, the President enjoined neutrality upon every citizen. It was virgin ground upon which the new Nation was walking. This type of sincere neutrality was a new concept in the world picture. In the midst of the furor the strong, clear voice of Jefferson cautioned and convinced the President that we should stand by the French treaties and the Minister of France should be received if he came. Jefferson was gambling that France would not insist upon the terms of the alliance. So it proved, as she hoped, a benevolent neutrality would benefit her. Then began that series of events that followed the arrival of Citizen Genet, but complete frustration balked his purposes when President Washington put teeth into the neutrality laws. It was an epochal move.

The basis of that move was pure, unadulterated concern for America—first and foremost. No sentimentality entered into the picture. We must remember that nine-tenths of our trade was with Great Britain, and one-half of that was in British bottoms. We had no navy, and all the high principles of maritime policy that we had voiced were ineffective for the want of sea-surface ability to carry them out. However much we hoped to make free ships free goods through the French treaty, we had no chance to make England follow our wishes. As a matter of fact, England had strong backing from all the principal powers of Europe with the exception of the Scandanavian states, and all had a common motive—hatred of France.

We got the Jay treaty through because of the preoccupations of the British and their respect for our profitable American trade. Expediency and the weakness of our armed forces dictated a prudence that may now seem akin to surrender, but in the passage of time we realize that we were compelled to make these concessions for peace and a chance to grow unmolested by foreign entanglements and intrigue. That treaty saw as a result the efforts of France to influence the American electorate, to cast aside President Washington in a campaign of 1796, a heinous attempt of a foreign government to interfere with the domestic problems of another nation.

On the basis of those experiences Washington formulated his magnificent advice to his countrymen.

From that time until the so-called "era of good feeling" America moved along to such heights that Louis Philippe, when he became King, told Lafayette that "what he had seen in the United States had convinced him that no government can be so good as a republic." He had surveyed the period for which the pregnant seed was sown in the neutrality decision of the Washington administration and the philosophy of the Farewell Address. What a period that was is best expressed in this quotation from a distinguished English historian:

> There was a time in the Presidency of Monroe, about 55 years ago, which men still speak of as "the era of good feeling" when most of the incongruities that had come down from the Stuarts had been reformed and the motives of later division were yet inactive. The causes of Old World trouble—popular ignorance, pauperism, the glaring contrast between rich and poor, religious strife, public debts, standing armies, and war—were almost unknown.

Knowing these things, what answer can there be to the thunderous ponderosity implied in Washington's question to all Americans in all times:

> Why quit our own to stand upon foreign ground? Why by intervention, interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

Can ambitions founded on popular ignorance, stark poverty, religious intolerance, overwhelming discrepancies between rich and poor, huge military machines, have anything in common with our system of representative government? Can the awful lessons of European diplomatic deceit, assassination, and Machiavellian blackguardism offer us a community of interest? Was not Baron DeNolke, Swedish Ambassador to England in 1784, hitting the nail on the head when he told John Adams?—

> I take it for granted that you will have the sense enough to see us in Europe cut each other's throat with a philosophical tranquillity.

Adams supplemented this with a letter in 1809 to this effect:

> Our form of government, inestimable as it is, exposes us more than any other to the insidious intrigues and pestilent influence of foreign nations. Nothing but our inflexible neutrality can preserve us. The public negotiations and secret intrigues of the English and French have been employed for centuries in every court and country of Europe. Look back to the history of Spain, Holland, Germany, Russia, Sweden, Denmark, Prussia, Italy, and Turkey for the last hundred years. How many revolutions have been caused? How many emperors and kings have fallen victims to the alternate triumphs of parties excited by Englishmen or Frenchmen? And can we expect to escape the vigilant attention of politicians so experienced, so keen-sighted, and so rich? If we convince them that our attachment to neutrality is unchangeable, they will let us alone; but as long as a hope remains in either power of seducing us to engage in war on his side and against his enemy, we shall be torn and convulsed by their maneuvers.

Today more than ever we ought to heed these admonitions, for it is easy to get caught in the terrific onslaught of sentiment that can be manufactured for the belligerents in every war. Why, in the outbreak of hostilities between A and B the purposes of B may outshine the noblest aspirations of man, yet soon C and D, autocratic backward nations, may join B, and then C may have as allies a set of the most progressive partners. Then where are we? The answer is simply to take to heart the definition of Prof. Edward

Borchard, of Yale University Law School, which reads as follows:

Neutrality is an old institution, which finds its source in candor, in the obligations to hold the scales even, to remain a friend of both belligerents, to lend support to neither, to avoid passing judgment on the merits of their war. It assures both belligerents that they are dealing with a friend, not a disguised enemy. The belligerents must know who is in the war and who is not. In return for obligations assumed by a neutral, the belligerents undertake to respect his rights as a neutral, including the right to remain out of other people's wars.

This is a cogent reminder of what John Quincy Adams said, that:

Neutrality avoids all consideration of the merits of the contest.

Add to this the will to be neutral—a will which is sustained, above and beyond all temptations, and you have real neutrality. It preserved infant America—it should protect that same robust America now.

If further evidence of Presidential support is wanted for Washington's doctrine, we can cite Jackson, Van Buren, Tyler, Fillmore, Pierce, Lincoln, Johnson, Cleveland, Harding. All are on record with the same thought that Washington fathered.

Abraham Lincoln, second annual message, December 1, 1862:

The Civil War, which has so radically changed for the moment the occupations and habits of the American people, has necessarily disturbed the social condition and affected very deeply the prosperity of the nations with which we have carried on a commerce that has been steadily increasing throughout a period of half a century. It has at the same time excited political ambitions and apprehensions which have produced a profound agitation throughout the civilized world. In this unusual agitation we have forborne from taking part in any controversy between foreign states and between parties or factions in such states. We have attempted no propagandism and acknowledged no revolution. But we have left to every nation the exclusive conduct and management of its own affairs.

Andrew Johnson, fourth annual message, Washington, December 9, 1868:

Conforming my administration to these principles, I have on no occasion lent support or toleration to unlawful expeditions set on foot upon the plea of Republican propagandism or of national extension or aggrandizement. The necessity, however, of repressing such unlawful movements clearly indicates the duty which rests upon us of adapting our legislative action to the new circumstances of a decline of European monarchical power and influence and the increase of American republican ideas, interests, and sympathies.

Grover Cleveland, first annual message, December 8, 1885:

Maintaining as I do the tenets of a line of precedents from Washington's day, which proscribe entangling alliances with foreign states, I do not favor a policy of acquisition of new and distant territory or the incorporation of remote interests with our own.

In the sixth annual message of President James Monroe, December 3, 1822, we find these words:

Sustaining our neutral position and allowing to each party while the war continues equal rights, it is incumbent on the United States to claim of each with vigor the faithful observance of our rights according to the well-known law of nations.

President Andrew Jackson repeated the thought in his third annual message on December 6, 1831:

The pacific and wise policy of our Government kept us in a state of neutrality during the wars that have at different periods since our political existence been carried on by other powers.

President Martin Van Buren in his inaugural address March 4, 1837:

We decline alliances as averse to our peace.

And in his first annual message December 5, 1837, he said:

We have faithfully sustained the foreign policy with which the United States, under the guidance of their first President, took their stand in the family of nations.

President John Tyler, second annual message, December 6, 1842:

Our great desire should be to enter only into rivalry which looks to the general good in the cultivation of the sciences, the enlargement for the exercise of mechanical arts, and the spread of commerce—the great civilizer—to every land and sea. Carefully abstaining from interference in all questions exclusively referring themselves to the political interests of Europe, we may be permitted to hope an equal exemption from the interference of European governments in what relates to the states of the American continent.

While President James K. Polk in his inaugural, March 1845, said:

All alliances having a tendency to jeopardize the welfare and honor of our country or sacrifice any one of the national interests will be studiously avoided.

First annual message, December 2, 1850, of President Millard Fillmore:

We make no wars to prevent, to promote, or to prevent succession to thrones, to maintain any theory of balance of power, or to suppress the actual government which any country chooses to establish for itself * * * to maintain a strict neutrality in foreign wars.

On March 4, 1853, the inaugural address of Franklin Pierce contains these words:

Of the complicated European systems of national policy we have heretofore been independent from their wars, their tumults, and anxieties; we have been, happily, almost entirely exempt.

Again in the inaugural of James Buchanan of March 4, 1857, we listen to the familiar words:

To avoid entangling alliances has been a maxim of our policy since the days of Washington, and its wisdom no one disputes.

Slums and Senate Bill No. 1685

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

LOW- OR HIGH-COST HOUSING?

Mr. WHITE of Ohio. Mr. Speaker, social workers repeatedly assert that private industry is not capable of producing adequate housing within the income of urban slum dwellers. It is normally believed that private industry cannot produce housing that will rent for less than $11 per room per month. It is further asserted that the average family should not expend more than one-fifth of its income for rent, and this means that such dwellings would not be available to those persons with low incomes. It should be remembered that the Brookings Institution estimated that over 21 percent of the families had an income of less than $1,000 per year in 1929 and that 42 percent had an income of less than $1,500. That organization also estimated that 12 percent of the nonfarm families had an income of less than $1,000, and 53 percent earned less than $2,000 per year. The Housing Division of the Public Works Administration estimates that at least 17 percent of the families had in 1934 an income of less than $800 per year. This 17 percent could only afford to pay less than $160 a year for rent. Concerning this group of people the P. W. A. has said:

To supply decent housing conditions to the 17 percent of our total families whose incomes are less than $800 per year and who cannot, under a balanced budget, afford rentals of over approximately $1.50 per room, a complete reorganization is necessary. Housing for this class must be on a permanent relief basis. If they are to be housed, the present conception of a financial policy must be reversed. A 100-percent subsidy must be hypothesized at the outset and rents collected where possible.

During the past 4½ years the administration, through its various agencies, has obligated more than $275,000,000 for the furtherance of an experimental program for the development of a so-called low-cost housing project. One hundred and fifteen million dollars of this is being spent on rural resettlement projects of the Resettlement Administration. In some of these rural resettlement projects the cost per family dwelling unit has been exorbitant. For example, at Sioux Falls, S. Dak., the cost has been in excess of $20,000, and in the case of the New Jersey homesteads projects it has been $14,700. The average cost on all these rural resettlement projects has been about $6,800, and, in addition, the Resettlement Administration is spending about

$30,000,000 on three suburban resettlement projects at Washington, Cincinnati, and Milwaukee. The cost per family dwelling unit on these projects is over $8,500. In addition, the Housing Division of the Public Works Administration has obligated more than $130,000,000 to be spent on 49 low-cost slum-clearance projects in the larger cities. This $130,000,000 will provide 22,664 family dwelling units, and the average cost of these will be approximately $5,650, including those that have been completed, as well as those still under construction. In some cases the cost runs as high as $8,503 per family dwelling unit, Cambridge, and $8,188, Harlem River houses, New York. The average cost per room on these projects is $1,775, and in one instance, Harlem River houses, New York, it is $2,628, including service charges, which are part of the rent under section 2 (1) of the bill.

According to figures presented by Dr. Nathaniel H. Engle, Assistant Director of the Bureau of Foreign and Domestic Commerce, the average cost per room on English low-cost housing projects is only $325, and the standards utilized on these projects in England would be quite acceptable in this country, according to evidence presented by Dr. Engle. (The Annals of Political and Social Science, March 1937, pp. 191–205.)

At any rate, provision for approximately $1,000 per room would allow generous leeway in this country.

In 1936 Congress passed legislation granting a 45-percent subsidy on these low-rent housing projects being constructed by the Public Works Administration. That is, in computing rents 45 percent of the cost of the projects must be written off. Despite this subsidy, the rents on these projects are not within the income of slum dwellers. In the case of Harlem River houses, New York City, the rent is $8.42 per room per month and at Atlantic City the rent is $8.08 per room per month.

In the second session of the Seventy-fourth Congress Senator WAGNER introduced a housing bill which was essentially the same as S. 1685. During that session of Congress the bill passed the Senate but it was never reported out of the House Committee on Banking and Currency. An attempt will be made in this discussion to summarize the essential features of Senator WAGNER's bill as it was reported out of the House Committee on Banking and Currency at the present session of Congress. The bill provides for the creation of a Government corporation to be called the United States Housing Authority. This corporation will be located in the Department of the Interior and subject to the jurisdiction of the Secretary thereof. It is to be headed by an administrator appointed by the President, by and with the advice and consent of the Senate, for a term of 5 years. It is to have all the rights, privileges, and immunities of a Government-owned corporation, including freedom from the control of the General Accounting Office—so far as any grants or loans that it makes are concerned—and exemption from most of the laws regulating the method of execution of Government business. According to the provisions of section 4 (a) of this bill, all of the employees of the authority will be exempt from the operations of the civil-service laws and from the salary provisions of the Classification Act of 1923. Thus the whole body of employees of the authority will be a new field for patronage. The corporation is to be given the authority to make loans and grants to public housing authorities, but not more than 10 percent of such loans and grants can be in any one State. It is to have the power to issue at least $500,000,000 of securities guaranteed both as to principal and interest by the Federal Government.

Most of the low-cost housing construction that will be carried on under this bill will be executed by public housing authorities. These are public corporations organized in a given city, county, or metropolitan district under the laws of the State wherein such locality is situated. As a consequence of the activity of the Federal Emergency Administration of Public Works, at least 29 States have provided for the creation of such public housing authorities.

The provisions of this bill are so complicated that the simplest way to show the way they operate is to take a simple illustration and show how it will be executed. If a housing authority organized in a given city desires to construct a low-cost housing project costing, let us say, by way of example, $1,000,000, it can proceed in either of two ways to finance it. In the first place it can come to the United States Housing Authority and borrow from it 85 percent of the cost of the project at a rate of interest no greater than the going Federal rate of interest which the Government is paying for money that it borrows at the present time on loans for more than 10 years, plus one-half of 1 percent. This loan is to be amortized over a period of 60 years. The average going Federal rate of interest at the present time is 2½ percent. Then the average rate of interest that a local housing authority will have to pay for money borrowed from the Federal Government will be 3 percent. The other 15 percent will have to be given by the municipality or borrowed elsewhere, and most housing authorities would have to pay more than 3 percent for such funds. Thus, of this million dollars $850,000 will be borrowed from the United States Housing Authority and $150,000 will be borrowed from other sources. The charges on the money borrowed from private sources will certainly not be more favorable than 3-percent interest and amortization over 60 years. The total cost of interest and amortization on the $1,000,000 will be $2,167,978. The total cost of the $850,000 borrowed from the United States Housing Authority will be $1,841,000. Of this sum $850,000 will constitute the repayment of principal and $991,000 will be for the payment of interest on the unpaid balances. Thus the annual carrying charges due from the local housing authority to the United States Housing Authority will be $30,812. On the $150,000 secured through private sources the total amortization cost will be $327,000, of which $150,000 represents the repayment of principal and $177,000 the repayment of interest. The annual carrying charge on this loan will be approximately $5,300. Then the total amortization cost of a million dollars, both on the Federal loan and on the local loan will be $2,168,000, and the total annual carrying charges on the loan will be $36,112. Since the United States Housing Authority can lend $500,000,000, and since it can only lend up to 85 percent of the cost of the project, it can finance at any one time approximately $590,000,000 worth of low-cost housing projects.

In addition, the United States Housing Authority can enter into a contract with a local housing authority to pay the local housing authority annual grants to continue for no longer than 60 years to insure that the undertaking will actually be a low-cost housing project. These provisions are contained in section 10 of the act, which reads as follows:

SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute at least 25 percent of the annual contributions herein provided in the form of cash or tax remissions, general or special, or tax exemptions. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent housing project involving the construction of new dwellings, unless arrangements satisfactory to the Authority are made for the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe and insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project.

(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum

equal to the annual yield at the going Federal rate of interest (at the time such contract is made), plus 1 percent upon the development or acquisition cost of the low-rent housing project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency.

(c) In case any contract for annual contributions is made for a period exceeding 20 years, the Authority shall reserve the right to reexamine the status of the low-rent housing project involved at the end of 10 years and every 5 years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding 60 years.

This provision of the bill would permit the United States Housing Authority to make an annual grant for a period not longer than 60 years, the annual payments of which grant could be 75 percent of the yield of the normal Federal rate of interest plus 1 percent as applied to the cost or purchase price of the low-cost housing project. The local authority would have to contribute at least 25 percent of the going rate of interest plus 1 percent as applied to the cost. At the present time the going Federal rate of interest is 2½ percent, and under this provision, on a million-dollar project, the annual payment by the Federal Government to the local housing authority could be $26,250, and over a period of 60 years these payments would amount to a total of $1,575,000. The local authority would have to give each year $8,750, amounting to $525,000 over 60 years. As was previously pointed out, the cost of amortizing this entire million-dollar project at 3 percent interest would be $2,167,978—including both Federal and non-Federal loans. Since the total cost of amortizing the $850,000 borrowed from the Federal Government is $1,841,000, and since the local housing authority received from the Federal Government over 60 years by way of annual grants, $1,575,000, the local government will have to pay to the Federal Government $260,000 beyond the sums received in the form of annual grants. This would amount to approximately $4,500 a year in excess of the money accredited to it by the Federal Government. Of course, in addition, the local housing authority would have to pay the charges on the $150,000 borrowed through other channels. The annual carrying charges on this amount would be about $5,323, making a total annual charge on the local housing authority of $36,130.

Thus the Federal Government will in actuality be giving to the local housing authority 72.7 percent of the cost of the project (principal and interest) and the local housing authority will actually have to pay 24.2 percent of the cost of the project. Thus the tenants will have to pay only $67,978, or 3.1 percent of the cost. The total annual payments by the local housing authority to the Federal Government to amortize this loan will have to be only approximately $266,000 more than the annual grants received from the Federal Government. Thus, this bill actually provides that the United States Housing Authority will make grants to local housing authorities to enable them to pay back to it loans that have been made to them by the United States Housing Authority.

Although section 10 (e) of the bill only authorizes the United States Housing Authority to incur an annual grant of $5,000,000 per year beginning with the fiscal year 1938, $7,500,000 beginning the next fiscal year, and $7,500,000 the year after, the total value of the obligations here authorized is $1,200,000,000 over a period of 60 years. But it should be noted that the Federal Government can only lend 85 percent of the cost of a project and can lend only $500,000,000. Also it should be remembered that the Authority can give only 75 percent of the annual grants given as a rent subsidy. This will greatly reduce the funds that can actually be obligated each year for rent subsidy. It will be quite a bit under $20,000,000; it will be approximately $13,900,000 and over a period of 60 years it will be $839,000,000. It is quite likely that after 1940 the Housing Authority will be authorized to make new additional grants under this section. Thus it is apparent that this provision of the bill will impose a continual obligation on the Federal Government that in the aggregate will assume large proportions.

The second method of extending Federal assistance to low-cost housing projects is through the use of direct, nonrecurring capital grants. Provided that the State or local government creating the local housing authority makes a grant of 25 percent of the cost of the project, the United States Housing Authority can make a capital grant covering 25 percent of the cost of the undertaking and an additional grant of 15 percent can be made from relief funds appropriated by Congress. Section 11 (d) of the bill authorizes capital grants at the rate of $10,000,000 a year for 1938, 1939, and 1940. Thus the total maximum Federal capital grant that can be made under section 11 will be 40 percent of the cost of the project, provided that the local housing authority makes a grant of 25 percent. The balance of the cost of the project—35 percent—can be financed by loans from the United States housing authority, which loan will be at the rate of one-half of 1 percent more than the going rate of Federal interest, that is, a total of 3 percent, and can be amortized over a period of 60 years.

To illustrate the working of this second method of financing let us once again take a million-dollar project. If the Federal Government gives 25 percent from funds authorized under this act and 15 percent from funds authorized for relief, then it will be giving $400,000. The local governing unit will have to contribute 25 percent of $250,000. This will leave $350,000 to be raised by loans. In all probability the local housing authority will borrow this money from the United States housing authority at the going rate of Federal interest plus one-half of 1 percent, and it will amortize the loan over a period of 60 years as permitted under section 9 of this bill. Then the total cost of a million-dollar project financed in this manner will be $1,408,792. Of this sum $758,742 will be the cost of amortizing $350,000 over a period of 60 years at 3 percent interest ($350,000 going for the repayment of capital and $408,792 for the payment of interest on outstanding balances). The remaining $650,000 represents the grants made by the Federal Government and local government unit. Thus in actuality on the project financed in this manner the Federal Government will be giving only 28.4 percent of the total cost of the project; the local grant will represent only 17.7 percent of the cost of the undertaking; and the local housing authority, representing the tenants, will have to pay 53.9 percent of the cost of the project. This is a far different situation than where the project is financed through the use of 60-year annual grants. Where these 60-year annual grants are used, the Federal Government will pay 72.7 percent and the local housing authority will have to contribute 24.2 percent to the cost of the undertaking and the tenants 3.1 percent. It is difficult to see how any local housing authority can be induced to utilize the nonrecurring capital grants that are provided for in section 11 of the act.

Of course, someone might contend that the United States housing authority does not have to use the full period of 60 years for amortization of loans and for the annual grant, and that if it does not use this full period it may be more advantageous to the local housing authority to choose capital grants rather than annual grants. This would be true if the period of amortization is set between 25 and 30 years. For example, if the cost of the loan on a million-dollar project is amortized over a period of 20 years, the local housing authority will have to contribute on the basis of annual grants $819,314, and if it took a capital grant with amortization at 20 years on the 35-percent loan the local housing authority would have to contribute by way of amortization and by way of the 25-percent grant required a total of $720,510. With a period of amortization of 25 years the total contribution of the local housing authority on the basis of annual grants would be $779,447, and on the basis of capital grants it would be $752,494. But with the period of amortization of 30 years the advantage shifts to the utilization of annual grants wherein the total cost to the

local housing authority would be $743,078 as against $785,802 on the basis of a capital grant. The difference is more pronounced in 40 years where the charges on the basis of annual grants would be $680,495 and on the basis of a capital grant $855,673. When the period of repayment is set for 50 years the charges to the local housing authority on the basis of annual grants would be $630,775 and $930,146 where a capital grant is utilized. Thus if the United States housing authority sets the period of amortization at 30 years or more it would appear that no local housing authority would elect to use capital grants, and if the United States housing authority could force the authority to use this method of financing the local housing authority would be discriminated against as compared to those local housing authorities being financed by annual grants.

Section 15 (5) of the bill provides certain limitations as to the cost of constructing each family unit in these low-cost housing projects. The bill provides:

> The authority shall determine, in making loans, grants, or annual contributions for projects hereafter initiated, that in each fiscal year the average family dwelling unit cost (as herein defined) shall not exceed $5,000.

The average family dwelling unit as defined in this section includes all construction other than land and nondwelling facilities. In most low-cost housing projects nondwelling facilities, including auditoriums, recreation facilities, and such often run into large sums, and therefore it does not appear desirable to have excluded them in computing the cost. Further, it should be noted that in the quotation set forth above the average cost is limited to $5,000. This is not a maximum figure. In some units the cost could be above while the cost could be below in others. The provision as contained in the bill passed by the Senate, which limited the cost to $1,000 per room and $4,000 per family dwelling unit, exclusive of land, was much more specific and economical. This provision relative to cost limitations is meaningless as long as section 6 (a) remains in the act, which will exempt all agreements for loans, grants, capital grants, and annual contributions from audit by the General Accounting Office with the power of disallowance. There is no other legal check that can be applied to enforce the provisions of section 15 (5) other than the General Accounting Office. It would seem most desirable not to exempt the creation and limitation of such obligations from the control of the General Accounting Office.

The provisions of section 15 (5) as above quoted will constitute no actual limitation on the United States housing authority and will not cause them to reduce costs below those existing in the Housing Division of the Public Works Administration since the costs of the Housing Division of the Public Works Administration are already less than this figure. This organization has commenced construction on approximately $130,000,000 worth of so-called low-cost housing. The average cost per family unit on these projects is $5,649 including land. In one instance, Cambridge, Mass., the cost was as high as $9,354 per family unit. The average cost of land on these projects is $870 per family unit, which would then leave an average cost, exclusive of land, of $4,779 per family unit, which, of course, is less than an average cost of $5,000 per family unit. The source of these figures is a tabulation presented in the hearings before the Senate Committee on Education and Labor, Seventy-fourth Congress, second session, on S. 4425, pages 36–37, and the hearing before the subcommittee of the Committee on Appropriations, House of Representatives, Seventy-fifth Congress, first session, on the proposed bill to extend until June 30, 1939, the funds and authority of the Public Works Administration, pages 92–94.

The average cost per room on this low-cost housing has been $1,775 and in one case (Harlem River houses, New York) the cost was $2,628. The average cost of land per room was approximately $260. (The source of these figures is the hearings previously referred to.) It will be recalled that earlier in this discussion it was pointed out that the average cost of construction per room in England on Government-subsidized low-cost housing was only $325 and that a distinguished authority contended the standards on such projects would be quite adequate even for American needs. In executing the housing projects under the direction of the Housing Division of the Public Works Administration no effort has actually been made to construct low-cost housing. The projects are constructed on the basis of the same standards that would be used in a private apartment which would rent for no less than $25 or $30 per room. Therefore, it would seem desirable to amend the law so that it would contain specific limitations nearer the figure proposed by the Senate. Of course, it is difficult to construct low-cost housing in this country so long as the administration maintains a policy of trying to keep costs on construction work at as high a level as possible.

Section 20 (a) of this act provides that the United States housing authority can issue a total of $500,000,000 of bonds to be guaranteed by the United States both as to principal and interest. Through the proceeds of the sale of these bonds the housing authority can make loans to local housing authorities which will be repaid through the annual grants provided in section 10. It is also provided that none of the money received as repayments on loans should be used for the making of annual grants or capital grants. Thus the proceeds of the sale of these bonds will constitute a perpetual revolving fund for the financing of low-cost housing and through loaning this money over and over again the United States housing authority can place itself in a position of literally obligating Congress to continue the authorization of annual grants beyond 1940.

Section 21 (c) of the act provides as follows:

> The authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the authority shall be a depository of public money, except receipts from customs.

There is a very good reason for including this provision in the act. The Supreme Court in 1921 upheld the constitutional validity of the Federal land banks established in 1916 because the act creating them authorized their use as Federal depositories. Therefore they were agents of the Federal Government. Probably this provision was incorporated in the act in order to insure its constitutionality in the light of the decision of the Supreme Court in the case of *Smith* v. *The Kansas City Title & Trust Co.* (255 U. S. 180).

In the course of the hearings before the Banking and Currency Committee of the House and before the Senate had taken action on its housing bill, I suggested changes on the original proposal covering six points, as follows:

(1) Require local contributions.
(2) Limit cost per room and per unit.
(3) Eliminate capital grants.
(4) Limit distribution to any one State.
(5) Reduce period of annual contributions.
(6) Eliminate demonstration projects.

Others felt the same way about these features, and four of the points were subsequently written into the Senate bill.

As the bill now comes from the House committee and awaits the final decision of the House upon its various features, it seems to me there are still three very important changes that should be made if the legislation is going to hit the target of slum dwellers, low incomes, and low rentals on any kind of a reasonable basis that can be justified in the eyes of the citizens all over the United States who live in homes that did not cost more than $4,000, who paid for those homes themselves, and who will have to also bear the burden of expense involved in this legislation. These changes, aside from many other hurriedly considered provisions which have been merely glossed over as the bill has been jammed helter-skelter on its way during these closing days of the session, instead of giving it the careful, thoughtful consideration that the subject deserves and requires, are as follows:

(1) Restore the civil service or merit system.
(2) Reestablish definite limits on cost.

(3) Provide for preaudit of expenditures by the Comptroller General.

If I remember correctly, the original draft of the housing bill in this session was introduced about January 25, 1937. Hearings could have been started early in February. In that way every provision of the measure could have been examined and carefully acted upon. Instead, the administration did not see fit to give the bill its green light until a few days ago. The hearings have been hurried through, the committee has not had the required time and opportunity to do its job adequately, and the floor debate is abbreviated by reason of time limits. In short, it is being rushed and jammed through without the adequate consideration that is essential to intelligent handling of legislation. As a result, we will undoubtedly witness a flood of corrections that will have to be made in the coming session—at least, if the bill is to reach its objectives in the proper way. And we should do as much as we can in this limited action today to improve upon this tossed-together handiwork by adopting, at least, these three last-mentioned amendments.

Scrap Feeds War

EXTENSION OF REMARKS

OF

HON. HERMAN P. KOPPLEMANN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. KOPPLEMANN. Mr. Speaker, the junk heap has come into its own. Old bedsprings, kitchen utensils, automobile parts, boilers, pumps, pipes, even old tin cans, long discarded, decomposing in a dump heap, are now being resurrected and carefully stored away. The housewife who used to throw away the odds and ends which cluttered up her home is now receiving money from the junk peddler for them. Train cars, long idle in the yards, are now filled to the brim with junk, waiting for freighters to carry them abroad.

Nothing is being thrown away today. There is a use for it. For war is being made the world over, and war can put junk to good use.

The export market is clamoring for scrap iron and scrap steel. Countries preparing for war need them. Japan and Italy are our best customers.

The rearmament programs of foreign nations have caused a metal shortage. A newspaper reports that metal fittings are even being stolen from empty houses and sold to scrap-iron dealers. That is a new racket.

The United States has endeavored to promote international good will through trade, through cooperation for the abandonment of war. We have enacted a neutrality law to protect ourselves against involvement in foreign wars.

Today there are two trouble spots—Spain and China. Who knows where and when the next outbreak will occur?

But the events of the past few months have shown that neutrality is not the answer so long as we continue to supply belligerently minded nations with the ingredients and the equipment they need for war. We are aiding and abetting them in their war preparations. How, then, can we hope that they will not go to war?

All efforts we may make for neutrality will absolutely be nullified unless we take the more important step of withdrawing all assistance to nations preparing for war. Of what use is it to declare an embargo against the export of arms, ammunition, and implements of war, such an embargo to be effective after war has been declared, if right up to the moment of the declaration of war we are shipping to countries openly getting ready for war the same arms and ammunition, bombers, and planes, tin, copper, wheat, scrap iron, and steel?

That was the concern which prompted me to introduce last April my bill, H. R. 6278, which would license the exportation of scrap steel from this country. My alarm increased the more I studied the situation, and led me to extend the provisions of my bill to include scrap iron, iron ore, pig iron, and finished steel in a new bill, H. R. 7967, which I introduced on July 22.

Since that date undeclared warfare, with all the marks and the suffering, the methods and ravages of declared warfare, has broken out between China and Japan. An American sailor has been killed. Americans caught in the troubled zones have been seriously wounded. American ships have been bombed. American property has been damaged and laid waste to the tune of a loss involving already many millions of dollars.

For all we know, these tragedies have been made possible by shells and implements manufactured from scrap collected in America and sent abroad with the knowledge that very probably and very possibly this would be the result.

A cauldron is seething in the Mediterranean; another in the Pacific. How far they will spread remains to be seen. But the tragic, the shameful fact, is that in the years and months gone by, continuing today, and probably continuing indefinitely unless Congress acts, the materials to prepare and start this trouble have gone forth from all parts of the United States to nations whom we knew were not wanting it entirely for peaceful economic development.

How can we talk peace, want peace, claim we will stand any sacrifice to have peace, and at the same time produce and send abroad the things that destroy peace?

We have reached the situation in this country where the domestic market in scrap iron and steel is so seriously threatened with depletion that, according to certain estimates, within 30 years our supply will be exhausted unless we stop immediately the huge exports of scrap which are leaving this country weekly for consignment to militantly minded nations across the Atlantic and Pacific.

The foreign war market is bringing higher prices for our scrap iron and steel. As a consequence, domestic manufacturers are paying more for what they consume. But who ultimately pays the increased cost? Not the manufacturer, but the consumer, whether he is buying an automobile or whether it is the housewife buying household implements. Actually, the American consumer is being taxed to help foreign nations plan their campaigns of war. Who knows but what the American consumer is being taxed to provide the very ammunition which may come back at us at some future date in a most unpleasant form? The incidents in the Pacific during the last few weeks may well be repeated on a larger scale.

I am primarily interested in this subject because of its war implications. Here we have a formidable threat to peace, a threat which neutrality cannot efface. I do not see how we are going to keep out of war as long as we are making it possible for other nations to amass their instruments of human destruction. The world is making ready for war—a war which by all the signs will be the greatest holocaust in all history. There is in the offing a war which can dwarf the World War into insignificance; and, of all things, the United States, avowedly a nation with a government which has exerted itself to strengthen the bonds of friendship between the nations of the world, fears for its peace, and is encouraging war by supplying the instruments of war.

I do not want the United States to keep aloof from the problems which are besetting the world. We are too important for that. I believe that only through amicable discussion can there be conclusive settlement of differences; that only through cooperation of all the nations will there ever be world peace. But something is wrong. The world does not seem right for this course of action today. Over there the nations, or rather their leaders, seem bent on war. People who do not

want to fight are fighting. The people seem helpless to do anything about it. The American people have no course but to demand neutrality.

I thought that the peace of the American people could best be preserved and protected by neutrality during troublous times. But now I realize that no matter how fast and hard a law we may pass to keep us clear from warfare after it has begun that law will be useless, our efforts made futile, if we continue to feed the fires burning to war. If we make war possible, we can be held as responsible as anyone. We cannot withdraw afterward.

My bill, H. R. 7967, seeking to preserve our domestic supply of metals necessary to warfare, is not the complete answer to the problem but it offers an important contribution to the solution of world peace.

Even if we prohibit the shipment of arms and ammunition to warring countries, if we ship the ingredients from which they can fashion their own implements of war, it is not necessary that we do anything else. No nation can prepare for war, nor wage it long, without scrap iron and steel. They are basic materials required in the manufacture of bombs, hand grenades, ammunition, rifles, shrapnel, artillery, and battleships. These are the instruments which nations need to blow human bodies to fragments, to wreck towns and villages, to make the waters of the seas red with the blood of soldiers and sailors, of young men drafted from commerce, agriculture, and the professions to go to war, who do not know why they are killing each other.

We are depriving ourselves of important commodities in order to send them abroad. Here they would be used for peace. There they are used for war. The important thing is not to keep out of war after it is started. The important thing is to prevent war. We could go a long way toward that prevention if we told the leaders of foreign nations who are restless with the desire to plunge their people into carnage, that we will not help them go to war, that they cannot obtain either the finished product or the ingredients to manufacture instruments for war purposes from this country. We then would take a constructive step toward world peace.

I do not like figures, but they do tell the story. Last year, in 1936, nearly 2,000,000 tons of scrap iron and steel were exported from this country. For the 10-year period, 1923 to 1933, the average yearly export was 287,203 tons, about 14 percent of the amount which was sent last year. Last year's export figures are staggering enough, but this year it is estimated that at least 4,000,000 tons of iron and scrap steel will be exported from this country. Some predict as high as 6,000,000 tons. But—think of it—it is anticipated that exports of scrap for this year alone will equal our total export of scrap for the 11 years, 1923 to 1933, inclusive.

According to the figures which have been given me, the total of scrap we export this year, most of which is going into war preparation, will amount to about 4 percent of our total amount produced and gathered this year. The domestic scrap market can easily be stabilized should we withdraw or restrict that 4 percent from war use. But if war continues, and our exports of scrap increase, we will face great difficulties in the domestic market if we attempt to restrict the amount of scrap shipped abroad.

It seems incredible that so small a part of our scrap industry can inflict so much harm to the world.

Congress must be prepared to act immediately upon convening if we are to give the assurance to our efforts to keep the peace for the American people. This is the test.

Throughout the debates on the neutrality law, this session and previous sessions, we gave due recognition to the threat to neutrality if we permitted an industrial boom in this country because of foreign demand for American products needed to carry on a war. We recognized that the boom had to be prevented. Once started, it would spread like fire fed with oil. It could not be stopped without serious results.

That situation prevails with regard to scrap. There is a boom, brought on by war preparation. But as war continues, and possibly spreads, there is no telling how much more of our scrap will be demanded abroad. We must stop the scrap war boom before it gets out of hand.

The high price of iron and steel scrap has been built up largely by export demand—a demand which is meeting a need, a need which is revolting to every patriotic man, woman, and child. Patriotism lies not in the destruction of our civilization through war, but in the exercise of our energies and ingenuities for peaceful, economic, social, and cultural development.

Bear in mind that when prices for scrap iron and steel are pushed up by demand of foreign nations preparing for war, that the average American citizen pays the bill, whether the steel is used in a frying pan or a locomotive.

It would be a different thing if we depleted our national resources to meet a great national emergency, but we are not doing that. No one is benefiting from these vast exports of iron and scrap steel except the few scrap exporters who are accumulating dollars already tainted with blood. The foreign nations which are making our steel and iron scrap into instruments of war are not benefiting. There has not been a war whose benefits were not greatly wiped out by its destructiveness.

And the irony of the whole thing is that the United States may yet feel sharply these war instruments which are being fashioned from American iron and steel scrap. Who knows but that we already have?

Another economic angle enters this picture. It is the little fellow dealing in iron and steel scrap who is hurt by the high prices prevailing in the domestic market. Every iron foundry, steel foundry, and steel mill is forced to pay higher prices for the scrap needed in daily production. The big concerns which own their own mines for the production of iron ore and operate their own blast furnaces for the production of pig iron are able to cope with the situation. They simply increase the percentage of pig iron used, and decrease the amount of scrap until the price decreases.

The scrap industry in this country is divided on the subject of exportation. I have had letters from practically every section of the country about my bill. Some scrap dealers oppose the bill, claiming that for years they had lost money, and now that they are enjoying such unanticipated profits they complain that I want to take their profit away. One scrap dealer told me that had his brethren in the industry been told a year ago that they would make half the profit they have made in the last 6 months, they would, incredulous, have said it was impossible. I certainly do not want to harm anyone, but I see beyond the end of my nose, and know, as you know, that there is no profit in war.

Can the American people so soon have forgotten the years of 1915, 1916, 1917, and 1918? True, a few profited. They enjoyed the war. But against those few, millions starved, bled, were killed, maimed for life, died of disease. Whole towns and villages were destroyed. Civilization was turned over. That was during the war. What of the years since 1930? Oh, it is all very fresh with us.

I cannot blame a man who wants the most profit from his business. I am a businessman myself. I could not be in Congress if my business were not returning me a profit. But I will not and cannot stand for profits to fill the pockets of those engaged in human slaughter.

That the scrap dealers themselves do not like the situation is evidenced from the action taken by the Institute of Scrap Iron and Steel. An attempt in that body was made to organize to defeat my bill, but the members of the institute were divided. Many said my bill was needed; that nothing should be done to defeat it. That by and large the scrap industry was suffering under the present conditions. Three directors of the institute resigned their positions and resigned from the institute in the discussion which ensued.

If by letters we can judge of the sentiment for legislation, then my letters reveal an overwhelming majority of independent scrap dealers who want this bill passed. Some of them plead the bill from the point of view which interests me most,

namely, the peace of the world. Some of them plead its passage from the point of view which affects men personally the most, to be able to stay in business and operate their business at a reasonable and decent profit. Instance after instance has been told me how small scrap dealers, small foundries, small steel mills are being crushed to the wall because they cannot meet the price competition in the domestic market.

During the World War we found that the normal supply of scrap in this country was barely adequate for our needs. In fact, the scarcity of scrap was a serious concern after 2 years of making munitions. If we continue exporting scrap at the rate that has prevailed during the last few years, we will have an insufficient supply of scrap for national defense in case of emergency.

Note that the licensing provisions of my new bill apply also to finished steel. During the past few weeks, so urgent has been Japan's need for ready equipment, that finished steel exports have increased. Their higher cost means nothing when there is a war to be fought. Japan cannot wait now to fashion her fighting implements from scrap.

Ordinarily the price of finished steel would be prohibitive, and so far as other nations are concerned, they continue to purchase the scrap. With wages in foreign countries considerably below wages here, foreign manufacturers can afford to pay higher prices for steel scrap, manufacture steel and iron in their own countries, and underbid American steel and iron producers in world markets.

I return again and again to the core of the situation covering our increasing exports of scrap, and now finished steel—the encouragement, the assistance, the cooperation that export is giving to war abroad and our involvement in it.

My bill offers only a start. But the start must be made, and that without delay.

The Tragedy of the Anthracite Coal Treaty

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. DITTER. Mr. Speaker, in my great State of Pennsylvania are vast deposits of anthracite coal, the finest coal in the world, worth untold millions in wealth. But it remains locked in the deep recesses of the earth where Mother Nature placed it in past ages for the use and the benefit of mankind.

Time was, Mr. Speaker, when those vast deposits of black diamonds were being industriously worked. Companies operated successfully to bring this wealth from the depths of the earth, and millions of dollars in pay rolls went weekly into the miners' homes. Coal was the source of a substantial and continuing prosperity for my State. The companies profited, the State profited, and, most importantly of all, the men engaged in mining this coal and their wives and children profited. Railroads hauled the coal, and their employees profited. The Nation received benefits. Happy families lived well; comfortable homes dotted those sections; schools were filled with happy, healthy children who were reared, educated, and fitted for the arduous battle of life, all from industry based upon anthracite coal. Doctors, lawyers, commercial establishments, every type of business and profession prospered because of those millions of tons of anthracite coal being brought to the surface from the depths and turned to the account of the welfare and happiness of millions of people.

Then came a change. Gradually a creeping paralysis began to spread over the markets for anthracite coal. They began to shrivel and shrink. Inroads were made by oil and other forms of fuel; electric power began to displace the steam power. A changing civilization was dulling the demand for our product, and the prosperity of the millions of miners and others dependent directly or indirectly upon the business of mining and marketing anthracite began to wane and die too.

Like a people awaiting the spread of a slow but deadly plague, those miners and their families, the mine operators and their families, the railroad employees and their families, the business and professional men and their families all watched helplessly the shrinking of the anthracite-coal market and the dwindling of their own fortunes.

It was such a futile situation, Mr. Speaker. Nothing could be done by these unfortunate millions. They could only await the ever-increasing market limitations and try in their despair to work out some solution for themselves, seek a livelihood in some other work or in some other parts of the country.

Even under those conditions, however, anthracite coal continued to be the mainstay of hundreds of thousands of miners and their families. Life was not what it had been previously in the old, happy days when vast quantities of coal were moving in commerce. Homes were not so comfortable. In fact, many had been overcome by poverty. But the people carried on.

The miners and their wives, brave, determined, and grim, simply denied themselves more and more of the things that made life beautiful and joyous in order that their children stil might have clothes and food and schooling.

In no section of this broad Nation did the depression strike with more deadly effect than in the anthracite mining districts of Pennsylvania. It was an added and paralyzing burden superimposed upon the long, soul-trying blight which had settled down like a black pall over the industry several years before the hard times hit the rest of America.

But, Mr. Speaker, like the brave people they are, those anthracite miners and their wives and children, the railroad employees, the tradesmen, and the professional people simply pulled their belts the tighter, their faces set a bit more grimly, but with their courage undaunted they prepared to weather this new stroke of adversity.

No man or woman in this body could have gone through those anthracite districts as I did and witnessed the poverty—poverty bravely borne but nevertheless dreadful poverty—without feeling a deep and burning sympathy for the courageous miners and their families.

To see those grim, pinched faces, the silent, brooding fathers and mothers, the solemn-eyed children all waiting and wondering how they were to weather this new turn of an adverse fate, was but to feel a great sadness that a condition like this should exist in this great Nation of such marvelous natural resources.

Then came the New Deal, so-called, with its bright promises of better times. On the ears and hearts of those depressed miners and their families, and the millions of others who indirectly rely upon anthracite coal for their livelihood, these promises fell like a benediction. Great hope rose in the hearts of these poverty-stricken people who had so long and so bravely fought adversity. At last the future gave some gleam of promise. New Deal candidates were elected to Congress from those anthracite districts. They promised wonderful things to those hope-hungry miners and their families. "A New Deal", and "Happy Days Are Here Again", was the siren song sung by these candidates while they were campaigning for the votes of the desolated multitudes of people dependent upon anthracite operations for a living.

Then what happened, Mr. Speaker?

On this August 6 the State Department—the New Deal State Department—announced that a reciprocal-trade treaty had been consummated on August 4, two days previously, with Russia, providing for the importation of anthracite coal from Soviet Russia into the United States, which is in

direct and deadly competition with the Pennsylvania anthracite coal in the remnant of the domestic market which remains. Why, sir, it is impossible in cold words adequately to portray the utterly stunning effect of this blow upon the already overburdened, poverty-stricken anthracite miners and the harassed anthracite operators of Pennsylvania.

This treaty between Soviet Russia and the United States is on the most-favored-nation basis and runs for a year. As such it permits the free entry of Russian coal into the United States in defiance of section 601 (a) and (c) (5) of the Revenue Act of 1932.

In the third paragraph, on page 2, of the copy of the treaty as released by the State Department, August 6, provision is made for the Russians to abrogate the treaty in event future litigation requires the United States Government to apply the taxes provided for in the Revenue Act of 1932.

Aside from the treaty the Soviet Union has informed the Government of the United States that Russia will not export more than 400,000 tons of anthracite coal to the United States during the course of the next 12 months. There is, however, nothing actually in the treaty itself that specifies any limitation on the importation of Russian coal into the United States.

According to the State Department's announcement the ultimate aim of this treaty is to bring about the purchase of $40,000,000 worth of American goods in the next year by the Soviet Union. On the basis of trade for the 12 months ending June 15, 1937, a gain of $4,000,000 would have to be shown in Russian purchases in America. Which, in effect, means America must, if this treaty is continued, buy over a long period of years vastly more than $40,000,000 worth of Russian anthracite coal, and Pennsylvania must sell in those years just that much less.

If this treaty is to expire in 1 year, then it is a meaningless gesture insofar as permanent trade with Russia is concerned and imposes upon Pennsylvania anthracite miners penalties and hardships wholly unnecessary and out of all proportion to any possible advantages which could accrue to the Nation as a whole. If, on the other hand, this treaty is only the opening wedge to a permanent policy of reciprocal-trade relations, which Mr. Secretary Hull, of the State Department, insists must become a permanent policy of this Government, then this treaty will be renewed year after year, or will be renewed for a period of years, with these dreadful and increasing penalties laid upon the backs of Pennsylvania anthracite miners and producers. It is inconceivable that such a treaty as this could be consummated with any other object in view than that it will become a permanent policy of this country. This being so let us examine the viciousness of this whole proceeding.

If Russia is purchasing now an average of $36,000,000 worth of American goods a year, then the object of this treaty must be for Russia to sell enough anthracite coal to America to encourage the Soviet Government to purchase $4,000,000 worth of goods each year in excess of the $36,000,000.

The utterly dangerous aspect of this treaty is that if Russia for any reason decreases her normal purchases to $30,000,000 she would expect to sell America $10,000,000 worth of anthracite. If, as in the years 1932–34, Russia felt disposed to buy only $12,000,000 worth of American goods a year, then we would have to give her our anthracite market up to an amount of $28,000,000 a year in order to induce her to increase her purchases to reach the $40,000,000 a year basis. In short, Mr. Speaker, under the terms of this treaty, if it is to be carried out on any such basis, the State Department is deliberately placing the control of the American anthracite market in the hands of the Soviet Russian Government. This view is confirmed by the fact that the treaty itself does not contain any specific limitation as to the amount of anthracite coal Russia may send into this country. If this treaty is to mean at all what it is claimed by the New Deal State Department to mean, the statement that Russia informs us that she will not export more than 400,000 tons of coal in the next year becomes meaningless and the anthracite markets of Pennsylvania are now exposed to being ravaged by the Russian anthracite producers.

Over a period of years this could mean, and probably will mean, that the Pennsylvania anthracite producers and miners can be robbed of uncounted millions by the absorption of the American market by these Russian imports in the next decade.

And now, Mr. Speaker, what is the tragic effect of this treaty, even in the next year, upon these helpless miners and their families and upon the defenseless anthracite operators in my State? What is this stunning blow dealt my people, who have for years fought adverse circumstances with such magnificent courage?

I will tell you, sir. Four hundred thousand tons of Russian anthracite coal displaces 660,000 net tons of production of Pennsylvania anthracite. It destroys the opportunity for my fellow Pennsylvanians engaged in mining anthracite to get in 300,000 man-days of work. The coal being imported from Russia is all high-grade, large-size coal, with no fine content in it.

This importation of Russian coal will result in a loss of pay roll to the anthracite miners of Pennsylvania of approximately $1,980,000 a year. It will result in a loss to anthracite producers of Pennsylvania of approximately $1,145,000 a year. These Russian coal imports will result in an annual loss in revenue to the carrying railroads of $1,544,000; and in addition the Federal Government will lose exactly $800,000 in revenue on the basis of the excise taxes mentioned above—which loss must be made up by the taxpayers of my State and the rest of the Nation. This, Mr. Speaker, amounts to a total annual loss to Pennsylvania and the Nation, resulting from this iniquitous New Deal favored-nation reciprocal trade treaty with Russia, of $5,469,000—almost the whole of which loss comes out of the pockets of Pennsylvania miners and their families, of Pennsylvania anthracite operators, of Pennsylvania railroads, of Pennsylvania business and professional people. And if this treaty is renewed, this staggering annual loss must continue and grow over a long period of years if Russia is going to spend $40,000,000 a year in America.

It may seem to some that 660,000 tons of anthracite coal is not a gigantic quantity. It may seem to some that five and a half million dollars a year in anthracite sales is not a stupendous sum of money. But I say to you, Mr. Speaker, that so depleted has the anthracite market become, so perilously have the revenues been reduced, that every ton of our coal barred from the market is like wringing blood from an already weakened body. Every additional dollar of revenue filched from us by foreign competition takes bread from desperately needy men and women and children. Relatively, the loss of sale of a ton of coal today is more serious to us than that of a hundred tons in other days.

Ah, sir, what would that five and a half million dollars of income mean to those miners of the anthracite fields and their families? How many children would that treasure clothe and send on their happy way to school? How many hungry mouths among the miners and their dependents would that more than $5,000,000 feed? How many weary, despairing fathers and mothers among those poverty-stricken miners would that vast sum of money cheer and relieve?

What a travesty on Mr. Roosevelt's "more abundant life" it is that not one New Deal Representative of the anthracite districts in the Congress has so much as raised his voice to protest this iniquitous treaty which I now bitterly condemn and which I insist ought never to have been entered into and which should be abrogated by this Government.

The American anthracite market is opened to cheap Russian coal in order, so the State Department says, that a little of the money thus picked from the pockets of Pennsylvania miners and Pennsylvania operators and Pennsylvania railroad employees and Pennsylvania business people

may, perhaps, be returned by Russia to the United States. What a fallacious and vicious theory.

Why, Mr. Speaker, is anyone so utterly without common reason as not to know that if the market for that 660,000 tons of coal had been retained for Pennsylvania, if the revenue of $5,469,000 had been put into the pockets of our own Pennsylvania people, every dollar—not some small part of it, but every dollar—would be spent in America, and most of it in my State?

It is too perfectly plain to be denied that if the millions which are to go to Russia under this treaty were kept in Pennsylvania by the sale of our coal in our home market, every dollar of that vast sum would be spent in our own country by our own citizens.

There is not a scintilla of reason or justice in this latest vicious blow deliberately dealt by the New Deal to the anthracite miners and operators of my State. It cannot be justified on any ground whatsover.

Mr. Roosevelt himself promised the miners of my State when he was first inaugurated that "We will do first things first", and in his address before the Democratic National Convention at Chicago he said:

> What do the people of America want more than anything else? In my mind two things: Work, work, with all the moral and spiritual values that go with work. And with work, a reasonable measure of security—security for themselves and for their wives and children. * * *

Aye, Mr. Speaker, a truer word Franklin D. Roosevelt has not spoken. What my fellow citizens in the anthracite fields of Pennsylvania want is work, work, with all the moral and spiritual values that go with work. And with work, a reasonable measure of security—security for themselves and for their wives and children. And they have first right to work and security before we offer these things to far away Russia.

But I ask you, sir, how are the hard-pressed, courageous, but desolate anthracite miners of Pennsylvania to have that work and those moral and spiritual values that go with work, and that reasonable measure of security for themselves and their wives and children when the New Deal administration breaks its promises and summarily, and without consideration for our own people, enters into a treaty which hands to Russian workmen and the wives and children of Russian workmen 300,000 man-days of work each year, while Pennsylvania miners brood in idle poverty? How, I ask, can my fellow citizens in the anthracite fields of Pennsylvania have that reasonable measure of security for themselves and their wives and children when revenues of nearly five and one-half millions of dollars a year are struck from their hands?

If it is more business in America that is wanted, then in all common sense the authracite market should be kept for Pennsylvania coal so that every dollar of the revenues would be spent in the United States, and most of it in my great State. If it is work the New Deal wants to provide, it is only right and just and fair and reasonable that that work should first be given to my fellow citizens in Pennsylvania who want to work and who have the first right to work in supplying the American anthracite market. If it is security and the "more abundant life" the New Deal wants to spread about, it is only right and just and fair that my fellow citizens in the anthracite fields of Pennsylvania, stricken these long years by a depression which began in those coal fields long before the rest of America felt it, should be given the chance for that security and a little of that "more abundant life."

Ah, Mr. Speaker, the words of the New Deal are pleasant words. The sentences are well turned, the phrases are hopeful ones, the promises are bright, but the acts belie the words and strangle hope in the hearts of my fellow citizens in Pennsylvania. How can it be otherwise when, on the mountain of other troubles, the poverty, the hunger, the privation which this depression has builded in the anthracite fields of the Keystone State, is piled this new burden of competition from Russia?

Ah, Mr. Speaker, I could go on to discuss this iniquitous action from various economic and social angles until darkness fell upon this House, and not one single redeeming feature could be shown. Not one iota of justification could be found. Not one sound reason for this treaty which is to rob my fellow Pennsylvanians of millions of dollars could be advanced. This treaty cannot be defended. This action which further oppresses and which, if continued, could complete the ruin of the anthracite industry of my State, the anthracite operators of my State, and the business and professional people of my State, cannot by any false argument be justified. Nor can those New Deal Representatives in this Congress from the anthracite districts defend this iniquitous treaty. It is no wonder they have remained silent. But what a travesty, what a tragic commentary on all those bright and fulsome New Deal promises to the miners of my State and to their wives and children that "happy days are here again", that they were to have "the more abundant life", when now this anthracite coal treaty with Russia is raised as a gaunt spectre of further want and privation before them, while not one of their New Deal Representatives utters a word of protest.

In conclusion, Mr. Speaker, let me say that until this treaty is abrogated, until this policy is abandoned, until we begin to realize that our own suffering citizens are justly more entitled to such work and security as we can provide than our neighbors across the leagues of land and sea; I say, until we begin to realize that not empty words and well-turned phrases but real acts and real results are what count, my stricken fellow citizens in the Pennsylvania anthracite fields must continue unjustly to suffer.

And it shall be my task and that of my fellow Republicans to work for the abrogation of this treaty, for the ending of this policy that snatches the very bread from the mouths of little children in the anthracite fields of Pennsylvania in order to hand it to the Soviet Government.

The Election of Congressman Ellenbogen As Judge Will Bring a Distinguished Public Servant, a Great Lawyer, and a Great Humanitarian to the Court of Common Pleas

---

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. EBERHARTER. Mr. Speaker, I have the privilege of discussing the record of Congressman HENRY ELLENBOGEN, my distinguished colleague from Pennsylvania, and his candidacy for judge of the Court of Common Pleas of Allegheny County.

Mr. ELLENBOGEN was first elected in November 1932 and he is now serving his third term in the Congress of the United States. He is a member of the important Committee on Interstate and Foreign Commerce. The older and the younger Members of Congress, all of us, respect Mr. ELLENBOGEN as one of the hardest-working Congressman, as a man who is devoted to his duties and to his constituents. He is known as an able and courageous representative of the people in the Halls of Congress.

CONGRESSMAN ELLENBOGEN HAS STIMULATED PUBLIC INTEREST IN GOVERNMENT

Good government—government that is responsive to the needs of the people—is possible only when the people take an interest in national problems. Congressman ELLENBOGEN has stimulated and maintained public interest in government through his radio broadcasts and through his frequent and close contact with his constituents.

CONGRESSMEN ELLENBOGEN HAS A RECORD OF ACHIEVEMENT

The record of HENRY ELLENBOGEN in the Congress of the United States is one of achievement and distinguished service. He voted and worked for economic recovery, social security, aid to the home owners, relief for the unemployed, and the abolition of child labor. He was a leader in the fight for the abolition of slums and the construction of low-cost housing and was the sponsor of such legislation. He took a prominent part in obtaining the passage of legislation to protect the consumers of utility services and to obtain for them lower prices for electricity, for gas, for telephone, for water, and for other utility services; he voted and fought for legislation for the middle class; he voted to protect the small merchant against unfair practices of giant monopolies; he voted to assure just treatment of the veterans and he worked and voted unceasingly for flood control for the Pittsburgh district and did so with a great deal of success.

SOCIAL-SECURITY LEGISLATION

He voted and fought for old-age pensions, for unemployment insurance, aid to widowed mothers, dependent children, and to the needy blind. Since his election to Congress he has given of his time, his energy, and his ability to every battle which was fought in Washington to improve the conditions of the American people and to raise their standard of living.

HENRY ELLEBOGEN has distinguished himself by his fight against the abuses of the utility companies. He has been a true champion of the middle class, the home owner, the independent merchant, the white-collar employee, and of the working class.

HOME-LOAN LEGISLATION

Mr. ELLENBOGEN has devoted his efforts to the preservation of home ownership and the construction of low-cost, decent, and sanitary homes—homes full of light, air, and sunshine.

I do not have the time to go into more details. The measures for which Congressman ELLENBOGEN voted and which have brought recovery to this Nation are too many to be enumerated here.

ELLENBOGEN AN INDEPENDENT

He voted for the social and economic legislation proposed by President Roosevelt, but he preserved his independence and acted in accordance with his own conscience. His votes against the gag rules, even at the cost of incurring the displeasure of the leaders of the House of Representatives, are well known to the people of Allegheny County. Congressman ELLENBOGEN adheres to his convictions. He is a man who cannot be dictated to.

The Pittsburgh newspapers in various editorials have recognized and praised the hard work of Mr. Ellenbogen.

CONGRESSMAN ELLENBOGEN IS A CANDIDATE FOR JUDGE

Congressman ELLENBOGEN is now a candidate for election as judge of the Court of Common Pleas of Allegheny County. We believe that his services are needed on that court in order to uphold the laws which have been passed for the benefit of the people of the United States and to deal out even-handed justice to all.

WE NEED NEW JUDGES

During recent months we all have become convinced that it is useless to pass New Deal legislation only to see it set aside or its effectiveness greatly reduced by old-deal judges. What is the use of spending many months, and often years, to obtain the passage of legislation which will benefit the people only to see that legislation wiped out by some judge who does not believe in it or to see the laws interpreted in a way contrary to the spirit in which they were passed?

WE CANNOT HAVE NEW DEAL LAWS UNLESS WE HAVE NEW DEAL JUDGES

The overwhelming victories of the Democratic Party during the past 5 years have made it possible to pass the laws which are necessary to meet the complex factors of our industrial age.

It became necessary to pass laws which will protect the small merchant against unfair practices of giant trusts; to help the middle class; to provide employment opportunities for the workingman, to assure his right of collective bargaining, and to protect him against periods of unemployment through unemployment insurance; to provide for our people in their old age by the payment of old-age pensions and old-age insurance; to protect the investor against stock manipulators; to protect our people against abuses of utility companies, and in particular, utility holding companies; and to take steps to reduce the excessive charges for electric power, for telephone, for gas, for water, and for other utility service.

These and many other laws passed in Washington and Harrisburg for the protection of our people must be interpreted and applied in the courts. It is useless for State legislatures or for Congress to pass laws for the benefit of the people, if these laws will be set aside by the courts or nullified by an interpretation which will be given to them by judges who are not in sympathy with the spirit of these laws.

TO PRESERVE THE GAINS, WE MUST ELECT MEN LIKE CONGRESSMAN ELLENBOGEN AS JUDGES

If we want to preserve the gains which have been made by laws passed during the last 5 years, we must elect judges who are sympathetic to these laws. We must elect men as judges who have the social and humanitarian viewpoint, which inspired the passage of these laws. Congressman ELLENBOGEN is such a man. His election as judge of the Court of Common Pleas of Allegheny County will mean the election of a judge who will bring a social and humanitarian viewpoint to the interpretation of our laws. It will mean the election of a fair-minded man who will interpret the laws in the spirit in which they were passed and who will apply justice evenly and impartially without fear or favor.

BY TRAINING AND EXPERIENCE MR. ELLENBOGEN IS QUALIFIED TO FILL THE OFFICE OF JUDGE

Mr. ELLENBOGEN holds A. B. and LL. B. degrees. He has practiced civil and criminal law for 11 years. He has practiced law in all our courts, local and Federal, including the Supreme Court of Pennsylvania. He is also a member of the bar of the Supreme Court of the United States. He is a member of the Allegheny County Bar Association, the Pennsylvania Bar Association, and the American Bar Association. He is also a member of the national executive board of the Lawyers' Guild.

The courts are a branch of our Government. Justice in them should be administered by and for the people. Congressman ELLENBOGEN comes from the people. He knows the problems of life; he knows the difficulties which the people must face every day; he knows how difficult it is for the average man to make a decent livelihood. His service in Congress and his experience as a lawyer have given him a keen insight into the needs, the trials, and the difficulties of our people.

I HOPE THE PEOPLE WILL ELECT HENRY ELLENBOGEN JUDGE

Congressman ELLENBOGEN will make an ideal judge. His knowledge of life and of the needs of our times will enable him to accurately judge the case before him; his broad social and humanitarian viewpoint will assure the people of a fair and sympathetic judge.

The election of Congressman ELLENBOGEN as a judge of the court of common pleas will bring a distinguished public servant, a great lawyer, and a great humanitarian to the court of common pleas. We need judges like Congressman ELLENBOGEN.

I hope that the people of Allegheny County will elect HENRY ELLENBOGEN as judge of the court of common pleas. This is my recommendation to the people, based on my experience as a lawyer while practicing law in the same courts with Attorney ELLENBOGEN and as a colleague of Congressman ELLENBOGEN in the Congress of the United States.

The $30,000,000 Second St. Louis Jefferson Memorial Is a Dirty Spot on the Magic Carpet of America

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. LAMBERTSON. Mr. Speaker, as this session of Congress draws to an end, I wish it were possible to take all the Members for a quick journey across the continent to view the panorama of beauty which unfolds itself to the eye mile after mile and hour after hour as we travel westward.

Were it possible for us to make this journey together, I feel sure that all the Members would quickly come to a realization that ours is a living, growing, and changing country. We would see new cities building, where man has harnessed our great natural resources. We would realize, also, that our natural resources are still almost untouched, although we have made many mistakes by our neglect and indifference, but we would all come to the conclusion that only man, of all the animals, could be so stupid as to live in poverty and squalor when here within our own domain lies every essential for the support of our people in peace and with plenty. As we would journey from coast to coast viewing the splendor of our land and wondering at the limitless wealth a generous providence has made our portion, we cannot help but liken the pattern that unfolds itself to our eyes to that of a great magic carpet, on which every living thing depends for existence. This magic carpet we call America is thrilling in its grandeur, boundless in its opportunities, and shameful in its inconsistencies. Like all carpets it has its dirty spots. The dirtiest spot on the magic carpet of America is the $30,000,000 Jefferson Memorial they are trying to build in St. Louis. On my journey from Washington to my home in Kansas, I have taken time to stop off in St. Louis and view at first hand this dirty spot. It is a dirty spot on the magic carpet, because this memorial was conceived to deceive, was prompted by fraud, and will wind up, I predict, in disgrace.

The people of St. Louis know that there is no actual need for a monument to Jefferson aside from the beautiful structure they now have, located in Forest Park, a tract of more than 1,200 acres.

The St. Louis citizens know a memorial built on the 37-block river-front site in downtown St. Louis is only a scheme for property owners and real-estate operators to unload their holdings onto the Federal Government or some agency of the Federal Government. The people of St. Louis remember the crooked bond-issue election of September 10, 1935, and even the taxi drivers, the bus men, and the hotel employees hold their nose when you mention "Jefferson Memorial" to them.

The Jefferson Memorial in Forest Park is a magnificent structure of Bedford sandstone, classic in design and wonderfully adapted to the purpose of housing historical exhibits of the Louisiana Purchase days. It also, in late years has come through the indefatigable efforts of the Missouri Historical Society, to be the home of the famous collection of trophies given to Charles Lindbergh after his epoch-making solo flight from New York to Paris, France. Besides the historical objects and records assembled, there is also a statue of Jefferson within the building. What more memorial can be asked for?

But the property owners, the option holders and the real-estate promoters of St. Louis are not satisfied with one memorial to Jefferson. They seek another. And in their zeal for this second memorial they have not hesitated to use methods which to say the least are questionable. They also are perfectly willing to avail themselves of the benefits of fraud, graft, and corruption and are now pressing for an early completion of the memorial, by their insistence on the destruction of all of the buildings on the site which for years has housed the pulsing heart of St. Louis' commerce.

In destroying this business area they are also disrupting the operations of many old, established firms. They are forcing hundreds of small-business men to seek new quarters elsewhere, and in the sum total they are doing more harm to St. Louis and her taxpayers, than all the memorials in the world can do good.

Mr. Speaker, next year we are going to hear more about this Jefferson Memorial in St. Louis. We ought to rub out this dirty spot on the magic carpet of America before it spreads to other localities. It is a vermin that is infective. If we allow the Public Treasury to be drained of millions of dollars for this unnecessary proposal, what right have we later to say "No" to cities like Pittsburgh, Cincinnati, Louisville, Memphis, and New Orleans should they come forward for their chance in the national grab bag? I wish that every Member of Congress could have gone with me to St. Louis. They could see the utter futility of trying to tear down buildings to make a memorial, the use of which is more questionable than the utility. Time marches on—so does the Government deficit. I hope next year we will all get together and do our part in meeting the President's request for a balanced Budget, by putting a stop to this wasteful monstrosity—the Jefferson Memorial in St. Louis.

Unemployment and Housing

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. DICKSTEIN. Mr. Speaker, I arise in support of the bill S. 1685, although I am well aware of its limitations and that it is only a step in the right direction. Later on in my remarks I shall list the objectionable features of the bill, which I am sure will be taken care of by appropriate amendments in due course.

For the time being, however, let us pass the bill in spite of its shortcomings. The bill aptly begins with a declaration of policy, as follows:

> It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment, and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income that are injurious to the health, safety, and morals of the citizens of the Nation.

Our present economic order rests, to a great extent, upon the cornerstone of land values, mortgages, interest, and rents. To attempt to modify this structure in such a way as to improve living conditions for the millions of people who are condemned to live in the slums naturally summons into the discussion, to quote a great thinker on the subject, "all the furies of self-interest."

In the city of New York alone, not to mention our large metropolitan centers, there are more than half a million families living in 66,000 firetrap rookeries which were built in the last century. The continued existence of these homes, if such they may be called, is a blot on our civilization and a standing challenge to our civic leaders who have solved other social ills but so far have been powerless to alter these conditions under which men, women, and children live without human dignity and in a state which is loathesome to every descent instinct.

But to state the problem in its moral terms is not quite sufficient, because essentially the housing question is one which can only be solved in the political and economic arenas.

Such being the case, it immediately becomes the target, and in some cases the football, of the various opposing political and economic groupings which compose our society. In the conflict, housing has suffered at the hands of both its friends and foes. It has been tied to the tail of work relief. It has been sentimentalized by emotional partisans and, God knows, like most new movements it has more than its share of well-meaning cranks and crackpots. It has been attacked by the conservatives as wasteful and destructive of private initiative. To the reactionary it is communistic; to the extreme leftist it is fascistic. But, above all, the housing movement has been under constant fire of those fearful elements who feel that Government housing will lead to the destruction of our present economic set-up. Nothing is further from the truth. And, parenthetically, I should like to add that the experience of several advanced European countries clearly indicates that if government housing is anything, it is enlightened capitalism.

There clearly is nothing socialistic in an intelligent consideration of the housing problem. And, of course, if housing is to be really beneficial to the broad masses of our people it should be on a low-figure basis to enable even the humblest citizen to obtain accommodations fit to live in and fit to bring up a family.

Two key figures are usually mentioned as the basis of low-rental housing. The first is $11 and the second is $6 per room. The first represents the lowest possible rental per room at which private enterprise is able to furnish new homes in our larger metropolitan centers. The second figure represents the rental which the vast mass of our people can afford to pay. Of course, in certain sections of the country where costs are lower this figure, naturally, is also somewhat lower. This is particularly true in the Southern States. But the crux of the housing problem is essentially contained in these two numerals. Reduced to its fundamentals, the problem consists of how to build new developments at a sufficiently low cost which will enable us to reduce rents from $11 to $6. In other words, the process involves taking one-third of our population from miserable, dangerous rookeries and rehousing them in homes where sunshine, space, and air are minimum standards and where crime, disease, and insanity will flourish with less profusion.

But is it true that $6 is the most that our present slum dwellers can afford to pay per room for their homes?

Let us look at some official figures. A real property inventory taken in 1933 by the United States Government in 64 large American cities revealed that one-third of our population paid less than $20 per apartment per month in rent. This is approximately $6 per room. Under such circumstances it is safe to assume that $6 in the overwhelming majority of cases represents the maximum capacity to pay. It goes without saying that if these people could pay more for better accommodations, they would certainly do so. But this is not all. In these same 64 cities it was discovered that two-thirds of the families which were investigated earned less than $1,327 a year. Allowing an average of 20 percent of a family's earnings for rent, we arrive at the figure of $265 a year, or about $6.25 per room per month. From these figures it becomes doubly apparent that $6 by and large is the limit which our working population can afford to pay for rent. In New York City, apartments may be rented in old-law tenements for an average of about $5 per room, but to this figure must be added $1 for heat. Six dollars, then, remains the average rental for one-third of the population.

The proof that private enterprise cannot build new dwellings to rent at less than the $11 figure is contained in the following: Limited dividend housing developments in New York City, such as the Hillside project in the Bronx, Knickerbocker Village in Manhattan, and other similar projects average $11.30 per room per month. These projects received Government assistance in the form of loans at 4 percent interest and are limited as to dividends to 6 percent.

Some confusion exists in the public mind as to the precise nature of these developments, but it must be remembered that, apart from the Government loans, these developments were promoted by private interests, financed by private capital, and are owned and controlled by private real-estate groups. In Knickerbocker Village, for example, rents run as high as $14 per room, and this despite the fact the Federal Government loaned about $8,075,000 at 4 percent. At the Boulevard Gardens project at Woodside, Long Island, despite a Government 4-percent loan, the rents are $12. It must also be remembered that nearly all of them receive assistance from the city in the form of tax exemption so that in reality the average rental which private enterprise must ask is much higher than $11. But the average rental for all limited dividend projects is $11.30, and this with a legal restriction as to the amount of profit to be earned by the owners, for which the city pays in the form of tax exemption on the buildings for all but two developments. In the case of developments built by private enterprise, where profits are unrestricted, the rental per room is far greater.

Under the definition of low-rent housing as it appears in the act this term means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing, as defined in the act, shall be available solely for families whose net income does not exceed four times the rental—including the value or cost to them of heat, light, water, and cooking fuel—of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents such ratio shall not exceed 5 to 1.

The act then continues to define families of low income as families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

The most serious restriction in the act is that providing that no project is to cost more than $4,000 per family dwelling unit or more than $1,000 per room in cities with populations of less than 500,000 or more than $5,000 a family unit or $1,250 a room in cities with populations above that figure. The cost limit of $1,250 a room will work against the low-income populations of at least half a dozen of the large northern cities. To get housing in these cities at this figure under present building costs may, in the opinion of many experts, necessitate some false economies at the expense of fireproofing and durability. Any limitation should have been at least as high as $1,500 a room, and should have been made more flexible. The family unit limitations of $4,000 and $5,000 simply mean, in practice, in connection with the limitations per room, that family units of more than four rooms cannot be built. Such a restriction must operate against the larger-sized low-income families.

I do not also approve of that portion of the bill which provides that no new dwelling may be erected unless the same number of unsafe or insanitary dwellings are demolished. This provision is decidedly too drastic. At the very least, discretion in this matter should have been left to the local housing authorities. As the bill stands, there is no way of protecting the low-income groups against a housing shortage; the bill, by its own terms, can provide no net increase in the amount of low-cost housing available. It is true that there is an alternative providing for compulsory repair or improvement of existing bad housing, but experience has shown that it is very difficult to make such compulsions effective.

But in spite of its shortcomings as aforestated, the act is a tremendous step forward, and I am sure that it will prove a decided boon in the solution of this mooted problem. The bill as it stands does recognize important sound principles. It provides for annual subsidies and not merely for capital grants; it provides for decentralization by giving

local authorities the right to engage in housing, in spite of its restrictive features, it marks a step forward of the first importance. It will contribute a capital sum of $500,000,000 in the next 3 years—in the form of repayable loans against sound assets—to clear the city slums and build decent housing for our low-income city groups.

Wage and Hour Legislation

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. WOLVERTON. Mr. Speaker, the present session of Congress will close today without action by this House on the important wage and hour bill. Although this legislation has been passed by the Senate and a bill favorably reported to the House by the Committee on Labor, yet the Rules Committee of the House has refused to permit the legislation to come before the House for consideration. Notwithstanding the well-understood desire of a large majority of the House membership to act upon this subject of legislation, nevertheless, under the rules of this House, a small committee can and has set at naught the will of the House. The Rules Committee has by its refusal to act prevented enactment of legislation that is generally recognized as necessary if working conditions are to be improved.

Every liberal mind must endorse and applaud the objectives that are sought to be achieved by improving working conditions. Underpaid and overworked men and women and the employment of children in industry create a condition that is not only detrimental to the health and happiness of the individual but likewise it vitally affects the national welfare. To improve working conditions by elimination of child labor, limitation of hours of employment as well as a minimum wage that will be sufficient to provide something beyond the bare necessities of life and provide some of the comforts and pleasures, challenges the active participation and support of all who think in terms of the social well-being of our people and the welfare of the Nation.

Government Printing Worth While

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. MURDOCK of Arizona. Mr. Speaker, numerous times during this session I have heard Members criticize the enormous cost of printing to the Government. This complaint is partly due to a desire to economize in this period calling for economy, and partly, no doubt, to evidence of genuine waste, waste which should be stopped and never permitted at any time. One of my colleagues remarked to me sometime ago that he saw truckloads of Government publications hauled away as waste material without the volumes ever having been opened. If such is the case, I am as anxious as he is to see this evil corrected.

However, I am little inclined to complain of too great a use of the printer's ink, and am very apt to complain of too little use of it. I have been accustomed to judge the efficiency of schools and colleges by the degree to which they use printer's ink, and I am beginning to wonder if the United States Government itself may not be judged somewhat by the same standard. Any printing is too expensive if the thing printed is not worth the printing; it may not at all be called expensive if the thing printed is eminently worth while. Many of the Government publications are eminently worth while.

There has recently come to my attention a publication by the Department of Commerce entitled "Stories of American Industry." This highly informative and scientific treatise, written in the language of "the man on the street", should be found in every schoolroom in the land. I lose no opportunity to tell my teacher friends about it and about other publications. This publication is not a document for free distribution, as it is obtained from the Superintendent of Documents in Washington at a cost of 10 cents per single copy, or $7.50 per hundred in lots of 100 or more. In view of the fact that this charge, no doubt, covers the cost of printing, this and similar publications cannot be the ones referred to by my colleagues.

I favored an appropriation for additional copies of Congressman BLOOM'S The Story of the Constitution. To me it seemed that such money would be well spent for a great educational value. I also favored a limited number of copies for free distribution of the National Resource Board's volume entitled "Technological Trends and National Policy." I believe money is properly spent in printing for free distribution hundreds of pamphlets and farmers' bulletins coming directly from scientific sources to aid the citizen on the farm and the housewife in the home. Therefore I believe that any saving in cost of printing to the Government should come through reducing the size and number of committee hearings and like publications instead of limiting the supply of educational material. Let us use discrimination in our economy.

Sugar Act Should Be Amended to Remove Restrictions Against Hawaii

EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. KING. Mr. Speaker, with further reference to H. R. 7667, the so-called sugar bill, as finally enacted by both Houses of Congress this measure now establishes for the first time in the history of sugar-control legislation the principle for which I have been contending as the Representative of the people of Hawaii insofar as regards production quotas. Its quota provisions place Hawaii on a par with mainland producers as a part of the domestic sugar producing economy. Although the Hawaiian quota is substantially reduced to provide an increased quota for mainland cane-sugar producers, the underlying principles of the quota provisions are fair to Hawaii as an incorporated Territory and an integral part of the United States.

However, the extraneous and extreme limitations on the refining of sugar in Hawaii introduces an industrial restriction in this agricultural measure. Hawaii will have under this law two different forms of quotas applied to its sugar industry; it shares with all other domestic producers a production quota which in the case of Hawaii is a substantial decrease from its maximum production; and secondly, it will in addition be denied the right to process the full amount of this production quota in final marketable form, a provision not applied to any mainland producing area.

For this reason I feel that the measure should not be enacted into law; or if, because of the great need for legislation, it is finally approved, then the provisions placing restrictions on Hawaiian refined sugar, which in effect erect trade barriers between different parts of the Nation, should be removed at the first opportunity.

In expressing to the President my appreciation for his repeated opposition to this discrimination, I wrote the follow-

ing letter, which states the attitude of the people of Hawaii toward this legislation:

AUGUST 24, 1937.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Before leaving Washington I wish to express my very sincere thanks for the stand that you have taken in regard to sugar legislation which discriminates against the Territory of Hawaii, and assure you that the people of Hawaii have been watching the progress of this legislation with the closest attention, and very deeply appreciate your championship of their rights as fellow Americans.

May I express my strong hope that you will see fit to veto the bill as passed by Congress, since it does not correct the injustice to which you have so clearly called attention. It is difficult to compromise a matter of principle, and as this bill does not incorporate the principle of equal treatment which you have urged, it should not be enacted into law. I do not believe the material interests of any part of the sugar industry will be seriously injured if the legislation is reconsidered and a just bill enacted in a reasonable time after Congress again meets.

Again thanking you most sincerely for myself and for the people of Hawaii for your advocacy of our rights, I am,

Very respectfully yours,

S. W. KING.

Since then the President has approved the bill, but accompanied his approval with a strong condemnation of the refining restrictions that were improperly incorporated in this act, devised primarily to aid the sugar producers and not the processors. I can only express the same hope that the President expresses in the last paragraph of his memorandum, that the provisions regarding the refining of sugar will be eliminated long before the date set for their automatic termination. Perhaps, in consideration of the President's views, a bill to that effect may be introduced in the next session of this Congress, in which case I hope that the assurances given the President by Members of both Houses will be carried out, even if in advance of the date contemplated by those who offered such assurances. I quote his memorandum below as the best possible statement of the inequity contained in the proposed permanent form of a sugar-control program.

STATEMENT ACCOMPANYING H. R. 7667

The problem before me raised by the enactment of H. R. 7667—the so-called sugar bill—is that the bill, intended primarily to benefit the many thousands of farmers who produce beets and sugarcane and those who, at the place of production, refine the raw material into sugar, has been seriously impaired in its value by the inclusion of a provision intended to legalize a virtual monopoly in the hands of a small group of seaboard refiners.

I am primarily concerned with the interests of the domestic beet and cane growers and of the cane growers in the islands which are under the American flag and the cane growers of some of our close neighbors, such as Cuba.

So far as all of these growers, domestic and insular, are concerned, the system of quotas provided in the bill is, on the whole, equitable. From this, the most important objective of the bill, I have no reason to disagree.

The sole difficulty relates to a little group of seaboard refiners who, unfortunately, for many years were able to join forces with domestic producers in the maintenance of a continuing and powerful lobby in the National Capitol and elsewhere. This lobby has cost the stockholders of these refining companies millions of dollars and it has been wholly unnecessary so far as protection of the domestic beet and cane producers has been concerned.

It is with great regret, therefore, that I find that the Congress has accorded a status-quo continuation of this seaboard-refinery monopoly for two and a half years to come. The bill in this respect gives only one ray of hope—for it provides that this refining monopoly shall terminate on March 1, 1940, whereas the beet- and cane-producers' quota is extended to December 31, 1940.

Since the passage of the bill I have been given the following assurances by Senators representing the great majority of continental sugar producers:

1. That their primary interest in sugar legislation is to afford protection to the growers of sugar beets and sugarcane in all domestic sugar-producing areas of the United States and when the Sugar Act of 1937 comes up for renewal they will endeavor to deal with the question of refined sugar quotas in a separate measure.

2. That they recognize the fact that Hawaii and Puerto Rico and the Virgin Islands are integral parts of the United States and should not be discriminated against.

3. That when the refined sugar quotas for Hawaii, Puerto Rico, and the Virgin Islands are terminated, they will endeavor to enact legislation providing that minimum labor standards in sugar refineries in these offshore areas shall not be lower than the minimum standards in refineries on the mainland.

4. That in future legislation they will see to it that the American housewife is protected adequately.

I have received similar assurances from responsible leaders of the House of Representatives. In view of these assurances, therefore, I am approving the bill with what amounts to a gentleman's agreement that the unholy alliance between the cane and beet growers on the one hand and the seaboard refining monopoly on the other, has been terminated by the growers. That means that hereafter, the refiner's lobby should expect no help from the domestic growers. That is at least a definite step in the right direction.

I hope that the next session of the Congress will consider repealing or shortening the clause which continues the refining monopoly to March 1, 1940; but even if Congress does not then act, the end of the monopoly is definitely in sight and I sincerely trust that nothing will be done by the domestic growers of beets and cane to perpetuate it. The monopoly costs the American housewife millions of dollars every year and I am just as concerned for her as I am for the farmers themselves.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
September 1, 1937.

Train Dispatchers Endorse Congressman Ellenbogen for Judge of the Court of Common Pleas

EXTENSION OF REMARKS
OF
HON. HENRY ELLENBOGEN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 20, 1937

Mr. ELLENBOGEN. Mr. Speaker, I am a candidate for judge of the court of common pleas.

I have become convinced that it is useless to pass New Deal legislation only to see it nullified or its effectiveness greatly reduced by "old deal" judges. It is useless to pass social security and economic legislation for the benefit of our people unless we have judges who believe in these laws and who will uphold them. It is useless to pass laws for the benefit of our home owners, for the benefit of the middle class, the small merchant, and for the protection of our workingman unless we have judges who believe in these laws and who will sustain them; it is useless to pass social-security laws for our aged, for the widowed mothers and dependent children, for the needy blind and the unemployed unless we have judges who will uphold them; it is useless to pass laws to protect the people against abuses by utility companies in order to obtain lower prices for water, electricity, gas, telephone, and other utility service unless we have fair judges who will uphold these laws; it is useless to pass any of these laws unless we have judges who will uphold them and interpret and apply them in the spirit in which they were passed.

This viewpoint is well expressed in a letter of Mr. Luhrsen, president of the American Train Dispatchers Association, in which he pledges support of my candidacy for judge of the court of common pleas. In his letter Mr. Luhrsen urges the people "to give undivided support to Hon. HENRY ELLENBOGEN in his campaign for election as judge of the court of common pleas."

This great leader of the American Train Dispatchers Association says that:

We owe Mr. ELLENBOGEN every bit of support we can give him. We have learned the lesson that in order to enjoy the new era opening up to the people of our country we must have the right kind of judges. It is futile to fight for New Deal legislation and get it through our legislative halls only to find that smart lawyers can twist this phrase or that phrase and give an old deal judge the small opportunity he seeks to excuse him in nullifying the law or modifying it so as to make it practically useless.

We must have the right kind of judges. I sincerely believe that HENRY ELLENBOGEN is the right kind of a man to make the right kind of a judge, and I will deeply appreciate your doing everything you can to obtain his election.

I have become a candidate for judge because I believe that we must have judges who have a social and humanitarian

viewpoint. I pledge that as a judge I will hand out even-handed justice and administer the laws impartially and fairly. As a judge of the court of common pleas I shall continue to serve the people of Allegheny County as I hope I have served them in the Congress of the United States.

Air-Mail Legislation

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MEAD. Mr. Speaker, under leave to extend my remarks I would like to insert in the RECORD a summary of air-mail bills reported by the Committee on the Post Office and Post Roads this session.

DOMESTIC AIR-MAIL SERVICE

H. R. 4732, to revise the air-mail laws. The bill (H. R. 4732) to revise the air-mail laws was reported to the House May 4, 1937. It does not seek to set up a new method of administering the air-mail services. Its purpose is to clarify the language of certain sections of the Air Mail Act of June 12, 1934, and make certain changes which experience has proved to be desirable so that the air-mail services may be better administered. No revolutionary changes will be effected by the passage of these amendments, but their enactment will enable the Post Office Department to meet conditions which have developed and are developing, and contribute further to the unprecedented growth of air mail and air transportation which has taken place since the enactment of the 1934 law.

The bill defines a "nonmail schedule" as one for which compensation at mileage rates is not authorized by the Post Office Department. A number of the air-mail contractors operate extra passenger and express schedules in addition to their regular contract air-mail schedules, and under existing law the Department can, upon request of the contractor and for his convenience, utilize these noncontract schedules for the carrying of mail. Air mail thus carried is included in the average monthly load transported over the route when the computations are made to determine pay for the carrying of excess poundage over the route. The bill would make it perfectly clear that the bidder to whom a contract is awarded would be required to carry the air mail over the route at the rate of pay which he bid for the full initial period of the contract.

The present law authorizes the Postmaster General to make extensions of air-mail routes under certain conditions. This provision of the law has been construed to limit the extensions of routes from the ends or terminals of such routes and to prohibit such extensions from intermediate points of any route. The pending bill would authorize extensions of not to exceed 250 miles from either the ends or terminals of the routes and also from intermediate points on the routes, and at a rate of pay for such extensions not exceeding the rate of pay fixed for the route extended. Extensions from intermediate points, if allowed, would in many instances enable the Post Office Department to provide service to cities and sections which would not otherwise be served.

The existing law provides that all extensions authorized for any one route may not, at any time, exceed an aggregate of 250 miles. This provision will continue to apply.

The Interstate Commerce Commission is required to furnish to the Postmaster General copies of all reports made by its auditors, examiners, or employees relating to any examination of books, records, accounts, contracts, and so forth, of air-mail contractors. Copies of such reports furnished to the Postmaster General in advance of pay-rate hearings would aid the Post Office Department in preparing its arguments and briefs presented before the Commission in such cases.

Another provision extends the time within which the rates fixed by the Interstate Commerce Commission for the transportation of air mail shall not, in the aggregate, exceed the anticipated air-mail revenues. The date for bringing air-mail transportation costs within the limits of air-mail postage revenues is changed from July 1, 1938, to July 1, 1940. If H. R. 4732 is not passed, the Interstate Commerce Commission will, under existing law, be required to revise the present rates of pay for air-mail contractors so that the aggregate pay to all contractors on and after July 1, 1938, will not exceed the anticipated air-mail postage revenues.

The existing law forbids air-mail contractors to buy, acquire, hold, own, or control, directly or indirectly, any interest in any other partnership, corporation, or business engaged in any phase of the aviation industry, or in turn be owned, bought, acquired, held, or controlled by any other concern interested in any phase of the aviation industry. The law, however, does not specifically provide that no air-mail contractor, itself, may engage in any other phase of the aviation industry than carrying the mail and other air-transport business. H. R. 4732 provides that an air-mail contractor may not "engage directly or indirectly in any phase of the aviation industry except the transportation of mail, passengers and express, the training of personnel, the maintenance and repair of transportation and ground facilities and equipment necessarily incidental to such transportation, and the research and experimental work essential to the proper development of air-transport service." This makes clear just what kind of other business activities an air-mail carrier may engage in, and would eliminate some doubts which now exist with reference to the legality of certain activities of some of the air-mail contractors.

The bill makes clear that the Interstate Commerce Commission is not to consider any application for the establishment of an air-mail line or air-transport service, or to grant any such application on the grounds of public convenience and necessity, or for any other reason. The authority of the Post Office Department to establish air-mail routes is thus clearly defined and under the existing law certificates of public convenience and necessity are not required for nonmail lines. The law does prohibit air-mail contractors from establishing service off of their air-mail routes where such off-line service will compete with the air-mail services or with the routes of other air-mail contractors.

EXPANSION OF THE AIR-MAIL MAP

H. R. 6628, to permit the further extension of the Air Mail Service. This bill (H. R. 6628) passed the House and was reported in the Senate, but was not passed by that body prior to adjournment. It permits an increase of 3,000 route-miles and 7,000,000 airplane-miles annually. This recommendation is necessary because the Air Mail Service has been so developed that the Department is within 10 miles of the present route-mileage limitation set by Congress, and right up to the very limits of the present scheduled or flown mileage authorization. No more extensions, additional schedules, or new routes can be put into operation until Congress authorizes the expansion. Meanwhile a number of our cities will suffer because the Department does not have the right to give them the air-mail service they merit.

EXPERIMENTAL SERVICE

H. R. 7448, to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes. This bill passed the House August 2, 1937, and is awaiting action in the Senate Post Office Committee. It authorizes the Postmaster General to provide experimental lines and services for transporting the mail in order to develop greater safety, higher efficiency, and improved economy of operation. It will permit the development of blind flying as well as pick-up and delivery service, the operation of a stratosphere line, autogyro shuttle service, and so forth, and give service to many additional cities which

are off the regular air-mail routes. The bill requires the Postmaster General to report back to Congress on this matter, and we will then have an opportunity to determine the value of the experiments and the need for permanent legislation.

ALASKAN AIR-MAIL SERVICE

H. R. 6167, to provide a surcharge on certain air mail carried in Alaska. This measure was enacted into law during the session just ended. It contains two amendments. One is for the purpose of making existing law apply to the carriage of mails to and from the Territory of Alaska instead of only to the carriage of mails within the Territory of Alaska. The object of the other amendment to the law is to permit the fixing by way of surcharge by the Postmaster General of rates of postage.

The Department has under consideration the establishment of several additional routes which will materially advance the mails in delivery and over which it is proposed to fix a surcharge on the mail transported. The reasons for the proposed surcharge may be briefly stated as follows:

First. It will provide additional revenue which will partially compensate the Government in providing the more costly means of transportation.

Second. Under the existing law the only contracts that may be awarded must provide for the carriage of all classes of mail at the regular rates of postage which usually results in the plane being filled to capacity. If authority is granted to fix a surcharge, the mails transported may be limited to that class of mails and there will be room in the plane for the carriage of passengers and other traffic, which is very desirable on account of the very limited transportation facilities in the Territory.

Third. By the authorization of airplane service on a regular schedule, it will provide a dependable and expeditious means of transportation, which is greatly needed in Alaska and which doubtless will greatly assist in the development of the resources of the Territory.

FOREIGN AIR MAIL

H. R. 7873, providing for the transportation of the mails on certain commercially operated aircraft, and for other purposes. The bill H. R. 7873 was favorably reported to the House on July 19, 1937, and a hearing was granted by the Rules Committee August 2, 1937. The measure, however, did not reach the floor of the House for consideration before adjournment. Its early consideration, however, is hoped for in the next session, for it is an important piece of legislation.

This bill was introduced at the request of the Post Office Department to provide legislation necessary to establish trans-Atlantic air-mail service which will be operated jointly with foreign countries. While provision is made for the continuance of our present contract system where desirable, the bill enables the Postmaster General to place mail on any outgoing aircraft and to pay for it at poundage rates. This will permit the Department to take advantage of all outbound flights, whether by American or foreign operators, will expedite transportation, and will eliminate the subsidy feature which is inherent in our contract system.

It should be noted that mail may be carried by lighter-than-air craft as well as by heavier-than-air craft under the terms of this measure.

Section by section, the bill provides as follows:

Section 1 authorizes the Postmaster General to place mail on any out-bound commercially operated aircraft not otherwise obligated to carry the mails. Refusal is made unlawful and penalty imposed of denial of clearance.

Section 2 (a) and (b) set out the rates to be paid on a poundage basis, calculations to be based on the shortest distance between the points on the route:

For letters and cards carried by heavier-than-air craft: $1.85 per pound for the first thousand statute miles, or any fraction thereof; and at the rate of $1.85 per pound 1,000 statute miles for greater mileage.

For other articles, including parcel post: $0.50 per pound for the first thousand statute miles, or any fraction thereof; and at the rate of 50 cents per pound per 1,000 statute miles for greater mileage.

For letters and cards carried by lighter-than-air craft: $1 per pound per thousand statute miles, or pro rata thereof for greater or less mileage.

For other articles, including parcel post: $0.27 per pound per thousand statute miles, or pro rata thereof for greater or less mileage.

The rates for lighter-than-air service are made less than the rates for heavier-than-air service for the reason that they are in compensation for a service considered slower than the airplane service, and by a craft capable of carrying a larger volume.

Section 2 (c) is designed to insure fair dealing where there is a joint service operated by the United States and another country. It will permit the Postmaster General to reduce the poundage rates to foreign operators when their government pays our operators less than the rates set out in this bill.

Section 2 (d). This paragraph requires American companies to collect from countries contiguous to the United States (such as Canada) the same rates for mails in the same outbound direction as they are paid by the United States Post Office Department, or have their pay from the United States Post Office Department reduced to the rate accepted from the contiguous country.

The next paragraph states that the determination of the Postmaster General on any questions arising under this legislation shall be final.

Section 3, first paragraph, is to rebut any presumption that a company, after operating for a time, may secure a right to the carrying of mails as against another operator that may institute a service and be able to carry mails to the advantage of the Department.

The second paragraph prohibits poundage-rate operations by airplanes over contract routes as a matter of fairness to our contract operators.

Section 4 authorizes the Postmaster General to fix postal rates for our foreign air-mail service.

Section 5 permits renewal of existing foreign air-mail contracts, for 5-year periods, at not exceeding the rate at the time of renewal, with proper Government safeguards with respect to discontinuance, curtailment, or suspension of service.

The second paragraph provides for establishing new foreign air-mail service under formal contract when deemed desirable. This involves advertising for bids and the issuance of detailed specifications. Only American citizens are eligible to bid.

Both renewals and new contracts must be passed upon by a special committee composed of the Secretary of the Treasury, the Attorney General, the Postmaster General, and the Secretary of Commerce.

Section 6 (a) requires information as to the character of bidding corporations, including evidence of the bidder's responsibility.

Section 6 (b) is for the purpose of determining the interlocking interests of different companies.

Section 7 (a) authorizes the Postmaster General to refuse service by insufficient or unsafe equipment.

Section 7 (b) provides for the furnishing by the Secretary of Commerce of specifications as to the character of equipment to be employed and maintained in the contract service.

Section 8 is designed to prevent individual action by American operators in foreign countries in making arrangements with authorities in those countries respecting operations, lines of routes, or other matters, and then invoking such agreements against the Department where they may affect the administration of our foreign air-mail contracts.

Section 9 (a) clarifies the basis of pay for carrying excess mails on contract routes.

Section 9 (b) requires all flying equipment used in the performance of contract air-mail service to be of United States manufacture, and all other equipment and supplies used in such performance to be of United States manufacture or be

products of the United States. This does not apply in the event of emergencies.

Section 9 (c) authorizes the Postmaster General to prescribe the frequency of service and line of route to accommodate the mails. It also permits the carriage of mails on nonmail schedules or planes at the request of the contractor.

Section 9 (d) provides for increases and changes in service.

Section 10 states that any contract for foreign air-mail service may be terminated by Congress without allowance of any indemnity to the contractor.

Section 11, first paragraph, specifies the manner in which contractors shall keep their books, records, and accounts.

The second paragraph provides for readjustment of contract rates, but specifies that they shall not be readjusted so as to exceed the original contract rates, and that rates for service on any newly established routes shall not be reduced for the first 5 years unless the contractor agrees thereto. This paragraph also provides for surrender of the contract when the operator is not satisfied with any reduction in pay proposed by the Post Office Department, but no new contract covering such route may be awarded at a higher rate of pay.

Section 12 limits the salary which may be paid by a contractor to any officer, director, or regular employee, to a rate not exceeding $25,000 per year for full-time service.

Section 13 pertains to cancelation of contracts for willful neglect, and imposes penalty for unreasonable or unnecessary delay in transporting the mails.

Section 14 prohibits collusion in the making of bids.

Section 15 provides for forfeiture of the contract if an operator violates any provisions of this measure.

Section 16 permits the Department to have domestic mails carried on the part of any United States foreign air-mail routes between the terminus thereof and the boundary of the United States. There may be cases where the terminus of a foreign air-mail route may be inland and it is desired to serve a domestic post office between the United States terminus and the border, and this section would provide for service between the two domestic offices incidental to service to the foreign country.

Section 17 prohibits competing operations between contractors.

Section 18 authorizes the Postmaster General to maintain postal agencies at points on United States foreign air-mail routes in foreign countries or possessions of the United States for the purpose of handling air mails in transit.

Section 19 protects the pay and working conditions of our pilots and copilots.

Section 20 defines certain terms used in the bill.

Section 21 provides that nothing in the bill shall modify or affect the Domestic Air Mail Act of 1934, as amended.

Social Security

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. WOLVERTON. Mr. Speaker, in view of the fact that there is much legislation seeking to improve working and living conditions now pending in this House, and which will be carried over to the next session of Congress, it seems appropriate at this time to emphasize the importance of the social-security decisions of the Supreme Court, rendered during the last few months of this session of Congress, because of the bearing such will have upon future social legislation.

These recent decisions of the Supreme Court upholding the constitutionality of the unemployment and old-age provisions of the Social Security Act constitute the most outstanding decisions in the case of human rights ever delivered by that great Court throughout its entire history.

The decisions immediately and directly beneficially effect the welfare of 26,000,000 of our people and open the way for Federal and State governments to extend social welfare legislation into other fields of human endeavor.

The day upon which these decisions were rendered may well be considered one of the most decisive days in all our history as a nation—a turning point in our national welfare. On that day the Supreme Court made it plain that the Constitution is a living document capable of meeting and answering the challenge of changed economic conditions. It cleared the way and made possible the enactment of a comprehensive program of legislation to promote the general welfare.

It cannot be denied that there has been a growing feeling upon the part of many that the Constitution was incapable of providing the means to combat the economic forces that have brought distress to millions of our people. The noble words and thoughts in the preamble of the Constitution that sought to express the purpose and intent of the framers of the Constitution—"to promote the general welfare"—have been considered by some nothing more than beautiful sentiment, but in accomplishment meaningless and empty phrases. This spirit of discontent was being utilized to destroy the faith and confidence of our people in their American institutions and particularly the Supreme Court.

In this hour of emergency the Supreme Court, recognizing the underlying purpose and intent of the framers of the Constitution, responded to the need of the times, and, by its broad and sympathetic interpretation of the powers delegated to Congress and the States to promote the general welfare has given new life and meaning to the great charter of our liberties and reestablished the faith and confidence of our people. As time goes on there will be an increasing appreciation of the service that has been rendered by the Court in these perilous times, and history will stamp these decisions, including those upholding the Labor Relations Act and minimum-wage law, as outstanding events in the progress of a free people.

The Court has confirmed on a broad and sympathetic basis the right to enact social-welfare legislation and recognized the right, power, and authority of Congress to pass legislation directly affecting and remedying industrial, financial, and agricultural ills. It has opened wide the door for the enactment of legislation to improve the general welfare.

Supreme Court Issue

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. WOLVERTON. Mr. Speaker, in the closing hours of this session of Congress I desire to reiterate and reaffirm my views with respect to the President's proposal to reorganize the Supreme Court of the United States by the appointment of six additional judges.

Within a few days after the proposal had been submitted to Congress I declared my opposition to the plan because of its failure to recognize the fundamental right of the people to pass upon such a drastic change. At that time I issued a statement to the constituency whom I have the honor to represent, reading as follows:

The President's proposal touches one of the most vital institutions of a free people, namely, the judiciary. To maintain its integrity and independence or improve its usefulness should not be considered a partisan or political question.

The question is too important and far reaching to be considered on any other basis than what is for the common welfare. Unfortunately, however, the proposed changes do have a political aspect. It should not be so.

I am distinctly of the opinion that while there is merit in some of the recommendations the President has made with respect to providing ways and means to speed final determination of constitutional questions when raised in litigation, yet it is unwise to adopt any system that makes possible, directly or indirectly, "the packing of the Court", as a means to an end.

The orderly and proper way to effect changes of a fundamental character, in a democracy such as ours, is by constitutional amendment submitted to the people of the several States.

If there be dissatisfaction with the limitations of Federal power as contained in the Constitution, then the orderly and logical method by which the objectives sought might be achieved is not through an attack upon the Court but rather by the submission to the people of the States of a proposed amendment to the Constitution which would, if ratified, confer upon the Federal Government those additional powers which the present critics of the Court are demanding.

The election result, even though overwhelming, does not create a mandate to either the President or Congress in this particular matter now proposed because it was neither an issue in the campaign nor was there any intimation that it might later be proposed or become an issue. Hence, the people should have had opportunity to pass upon it or any other fundamental change in the manner provided by the Constitution.

Short cuts in the attainment of fundamental changes in our Government, made on the pretense of saving time, can never justify the denial to the people of their right to decide for themselves.

Before issuing the above statement I gave the matter my most careful study. During the months that have intervened the Supreme Court issue has completely dominated the thought of the Nation. Much has been said and written for and against the President's proposal. The discussion thus created has afforded a helpful opportunity to give the matter further and additional consideration. As a result of such it is my desire to reaffirm my belief in the principles upon which my original statement was issued and to emphasize again that—

Short cuts in the attainment of fundamental changes in our Government, made on the pretense of saving time, can never justify the denial to the people of their right to decide for themselves.

Farm Legislation

EXTENSION OF REMARKS

OF

HON. EDWARD C. EICHER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

STATEMENT OF HON. EDWARD C. EICHER, OF IOWA, AT HEARINGS ON S. 2732 BEFORE SUBCOMMITTEE OF SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. EICHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement I made before the subcommittee of the Committee on Agriculture and Forestry:

Mr. Chairman, the purpose of my statement is to discuss primarily the constitutional aspects of the McAdoo bill and incidentally the doubts that exist on that score as to all other suggestive Federal approaches to the formulation of a long-term foreign program.

One of the unfortunate misconceptions prevalent in the thought on this subject, both in and out of Congress, is the apparent defeatist attitude as to the possibility of the enactment of any Federal program within the constitutional limitations laid down by the Supreme Court. Repeatedly you hear it said that the Triple A decision has foreclosed any effective and constitutional action. The fact is, however, that as yet no adequate exploration has been made of the powers that are conferred upon Congress by the interstate commerce clause of the Constitution. The bill that is at present sponsored by the American Farm Bureau Federation, it is true, does fly in the face of the Triple A decision, as will any bill that is bottomed upon the principle of production control, and obviously any bill that does not contain the mechanics for effective production control cannot hope to bring results in the maintenance of parity, even though all the resources of the Federal Treasury should be placed behind it.

S. 2732, which is the companion of my bill H. R. 7475, pending in the House, depends entirely for its constitutional virility upon the clause of the Constitution that gives the Congress plenary power to regulate commerce among the States and with foreign nations. It in no way seeks to control production on the farm, but it does seek to control the marketing of farm products that flow through the channels of interstate commerce. It does this by segregating the percentage of production that is required for domestic consumption from the percentage that must find a foreign market. It sets up the machinery for stabilizing the price at which the percentage needed for home consumption can move in interstate commerce and then sets up the supplemental machinery for handling the exportable surplus in the interest of and for the benefit of the producer in such a way as to prevent this surplus from breaking down the orderly domestic distribution of the domestic supply at or above the stabilized price level.

The constitutional power to do this rests upon the decisions of the Supreme Court that may be classified as the "stream or flow of commerce" cases.

Some citations are as follows: *Lemke* v. *Farmers Grain Co.* (258 U. S. 50), *Stafford* v. *Wallace* (258 U. S. 495), *Swift & Co.* v. *United States* (196 U. S. 375), *Chicago Board of Trade* v. *Olsen* (262 U. S. 1), *Tagg Bros. & Moorhead* v. *United States* (280 U. S. 420), *Nebbia* v. *New York* (291 U. S. 502), *Schechter* v. *United States* (295 U. S. 495), *Carter* v. *Carter Coal Co.* (298 U. S. 238). Collective bargaining cases decided April 12, 1937.

In the Schechter case, supra, the "stream or flow of commerce" cases, cited above, were distinguished on the ground that the chicken, that had been the subject of interstate commerce, had come to rest within the State of New York, had become a part of the common mass of property within the State, and that there was no evidence of any intention or course of dealing that would take it outside of the State of New York after processing on its way to an ultimate consumer.

In the collective bargaining cases, supra, the "stream or flow of commerce" cases were cited affirmatively as authority for the holding in that case that a course of dealing in interstate commerce gives Congress the power to legislate to the end of preventing stoppages or interruptions in that commerce.

The foregoing citations make it crystal clear that the Supreme Court as now constituted is committed to the proposition that the bargain and sale which initiates the movement in interstate commerce of any commodity is, ipso facto, interstate commerce, and that the constitutional power to regulate interstate commerce includes, therefore, the power to regulate, in the public interest, the price at which such commodity shall move in interstate commerce.

The foregoing definitive fact, being so thoroughly established as it is, is the solid foundation upon which Congress can erect a legislative program that will effectively control the price-depressing surpluses that prevent the tariff from being effective on farm products, that prevent the American market from being preserved for the American farmer, and so frequently compel the sale by the American farmer of his entire production at a price level that is determined by the lower-living standards and the consequent lower-production costs in the rest of the world.

It is easy of course to criticize and to stress economic and administrative difficulties in the administration of such Federal legislation. I cannot believe, however, that any of them are insoluble in the light of the fact that this approach does provide a sure constitutional foundation for legislative and administrative action. The bill includes a reference to and reliance upon the constitutional power to regulate the value of money in agricultural commodities as being Federal authority to control the marketing of even that small remaining percentage of agricultural production that finds its ultimate consumption within the borders of the same State wherein it is produced. This is an open legal question that, so far as I am aware, has not yet been passed upon definitely by the Supreme Court. However, in its practical marketing effects the control of the marketing of the 80 to 90 percent of all agricultural production, which does move in interstate commerce either in its raw or refined form on its way from the original producer to the ultimate consumer, will from sheer sympathy adequately maintain the minimum price levels of purely intrastate marketings.

The observations of Dr. Black made before this committee, in which he suggests various difficulties in administration, are helpful, of course, in arriving at the legislative form that the committee should adopt in carrying out the fundamental principles that I am advocating as a socially and economically sound and constitutionally acceptable solution of this tremendous problem, but I cannot believe that the Congress or informed public opinion will consider them insurmountable. Obviously we cannot give up the fight for closer equality of agriculture with industry so long as our Department of Agriculture itself continues to present the sort of statistics that appear in its May 1, 1937, issue of the Agricultural Situation, where, for example, it appears that in 1936 the farmers got, per capita, only $182.49 of the national income, whereas all the rest of the population got, per capita, available for a living, $580.75 of the total national income.

Dr. Black virtually concedes that the production control and Treasury subsidy method of obtaining parity for the farmer has gone about as far as it can. This presents a hopeless outlook indeed. Can there remain any doubt, therefore, that the cost-of-production yardstick applied under the interstate commerce power remains the only feasible or possible method of further progress toward actual parity, and isn't such further progress absolutely and utterly essential to the attainment of a sound and lasting national recovery?

I submit further that practically all of the objections raised by Dr. Black were anticipated and cogently answered by Secretary Wallace himself in a book entitled Agricultural Prices that he wrote and published in 1920. The Secretary developed in that book the ratio method for the ascertainment and effectuation of stabilized agricultural prices. Seventeen years ago when his book was written not much thought had been given to the possibility or need for the treatment of the agricultural price problem from a national point of view. His suggestions, therefore, do not go further than to contemplate the adoption of the cost of production or ratio method of agricultural price stabilization through the process of popular education. His deductions are quite convincing, however, and with the consent of the committee I should like to include at this point in my statement a few quotations from this book by Mr. Wallace, written when he was associate editor of Wallace's Farmer and had already attained national recognition as an outstanding agricultural economist and as one of the foremost thinkers in that field:

Page 12: "A study of the hog market for many years reveals the fact that the immediate price-making force is 'supply and demand', and that 'cost of production' has no influence whatever on prices except in the long swings."

Page 13: "There is a strategy to the timing of a determined price drive. All farmers know that such a drive may be expected in the fall of the year."

Page 16: "The question comes, Would it not be in the public interest if, in price making, more emphasis could be placed on cost of production and less on the short-time working of the law of supply and demand?"

Page 20: "Of course, the law of supply and demand never has been repealed, and never will be repealed. Instead of trying to repeal it, we should attempt to secure the best type of price-fixing machinery through which this law may work."

Page 26: "The common man prefers to approach the question of price not from the standpoint of supply and demand but from the standpoint of cost of production."

Page 27: "The fluctuating-price system, which means great profits to a wealthy few, serious losses and wrecked lives for a few, and a bare livelihood for many, is the natural result of the laissez faire policy of the old classical economists. * * * One hundred years of laissez faire policy have demonstrated beyond a doubt that under such a system the wealthy few inevitably become richer, whereas the bulk of the people get just enough to keep them going. * * * The common people and the lofty idealists were greatly elated during 1917 and 1918 at the apparently successful working of fixed prices established more or less in defiance of the speculative or laissez faire price system.

"Those who have given the most thought to price fixing advocate as a guide 'cost of production plus a reasonable profit.' * * * There is a rough-and-ready method of determining cost of production, or just price, as distinguished from laissez faire, or supply-and-demand price. We refer to the ratio method of price determination. * * * We offer ratio method as a method which is probably better adapted to a thoroughly democratized cooperative society than the old-fashioned laissez faire method, which was adapted primarily to a competitive society."

Page 30: "The ratio method of price determination was first publicly recognized in the United States by the Food Administration in November of 1917."

Page 36: "Big business enjoys a speculative profit which comes with fluctuating prices. * * * If the packing business were a monopoly under Government control, stabilized prices under the ratio system might be paid with some degree of satisfaction, provided we assume the governmental authorities have a real insight into market conditions and a thorough understanding of the ratio system of price judgment as related to supply and demand."

Page 37: "What would happen if cost of production were to be paid in the hog market day by day, year in, and year out? By cost of production is meant the 11.5-bushel corn-hog ratio, modified seasonally. * * * If the organization was really powerful enough to enforce the cost-of-production ratio over any period of time, the market risk, which has been a very serious factor in the past, would disappear. * * * The author estimates that as an average of the past 60 years the consuming public has been paying at least 50 cents per hundredweight more than necessary for its hog products."

Page 50: "Applying the ratio method as to crops, we will take as our base the 10-year period from 1897 to 1906. * * * In 1919 Iowa land was worth about $192 per acre, or 384 percent of the assumed 100 percent of the basic 10-year period; man labor without board at harvest time was around $5.20 a day, or 260 percent of base; in like manner corn was 410 percent, oats 280 percent, hay 330 percent, Dun's metals (cost of machinery), 230 percent, Dun's miscellaneous (overhead, etc.) 230 percent. If land is allowed a weighting of 35 percent, man labor 20 percent, corn 15 percent, hay 10 percent, oats 5 percent, Dun's metals 10 percent, and Dun's miscellaneous 5 percent, we arrive at 329 percent as the cost of producing an acre of corn in 1919, as compared with the 100 percent of the basic 10-year period when an acre of corn actually sold for $10. Thus, in 1919 an acre of corn should sell for $32.90. The ratio method gives almost identically the same results as the farm-management method. Both indicate that it cost the average Iowa farmer in 1919 about 80 cents per bushel to produce corn on a basis of December 1 farm values. * * * It is believed that the ratio method of determining cost of corn production will be approximately accurate for the next 50 years."

Page 57: "The fundamental idea of the ratio method is that the price of every product is determined in the long run by the price of some other products or product. The price of hogs is determined in the long run by the price of corn. The price of corn is determined in the long run by the price of land, labor, farm machinery, and horse feed."

Page 61: "In fixing crop prices by ratio it is imaginable that land values would constantly increase and this would increase the price of crops, which again will be reflected back into the land, and so on in never-ending cycle. Economists like to dwell on situations of this kind. They are to a large extent purely imaginary. To stop a vicious rise under the ratio system, a rise which would bring about an overproduction, all that would be necessary would be to very slightly lower the standard rate. In the case of hogs, for example, it might be necessary to lower the ratio from 11.5 bushels to 11.2 bushels. * * * It is only as farmers, consumers, and businessmen become educated to the desirability of prices more nearly approximating cost of production that the ratio system can be used extensively in actual price fixing. When it is so used, there will be less likelihood of overproduction on the one hand and underproduction on the other hand."

Page 71: "If we approach the problem (hog exports) from the standpoint of going after a large trade in hog products with foreign countries, we must put ourselves in position to produce with the utmost economy possible. 'Price' talks in the export business, and we shall export large quantities of hog products whenever we are selling hogs decidedly cheaper than the rest of the world."

Page 73: "For 40 years preceding the war the farmer paid his regular monthly labor a sweated wage, and in effect sold his own labor just as cheaply."

Page 74: "It is only under a system of relatively stable prices that we may expect really effective attention to be given to soil-fertility problems by the bulk of our farmers. The quicker we can get onto a stable price level, the more effectively will the fertility of our soil be conserved. * * * Corn Belt farmers, as an average of a 5-year period, could probably afford to produce both hogs and cattle at lower relative prices than were customary before the war, if only prices were more nearly stable, if they could feel reasonably sure of getting a price more nearly representing production cost. The maintenance of the fertility of our soil is a matter of national concern. In the long run it is of more vital interest to the people of the cities than the farmer. Men engaged in industrial enterprises should do what they can to favor such adjustment of prices as will make it to the advantage of the farmer to keep his land in good heart, because that will make for larger production and more economical production."

Page 76: "It is a commonplace among businessmen that good crops mean good business. * * * Prof. H. L. Moore in his book on Economic Cycles finds between crop yields per acre and pig-iron production a correlation coefficient of 0.72, pig-iron production lagging about a year behind crops. Big crops do mean good business, although they mean prosperity to the farming class chiefly in an indirect way. A small crop generally brings farmers more money than a large crop, but small crops over a period of 2 or 3 years cause business depression and this reacts on farmers. The problem of both businessmen and farmers is to devise some means of giving farmers as a class a financial interest in producing big crops rather than small crops."

Page 106: "By means of corn-hog ratios it is possible to determine with great accuracy month by month the production cost of 100 pounds of hog flesh. The actual price, however, has been quite different from the cost-of-production price, except as an average of long periods of time. * * * If the farmers could arrange with the packers for a price more nearly representing the cost of production or ratio price, it is obvious that the supply of hogs might be considerably steadied. Once farmers realize that neither excessive profits nor excessive losses are to be expected in the hog business they will steady down to producing about the same number of hogs each year, and they will send them to market in uniform stream instead of in irregular spurts."

Page 108: "There must be no prospect of unusual profit or unusual loss in the production of staple products. We are now referring to industries as a whole. It is inevitable, of course, that certain individuals will make great profits and others will incur losses, even in years when the cost of production or ratio price is paid. * * * To give the cost-of-production price broader sway in our price system does not necessarily involve governmental control. The first step is education in price judging."

Page 109: "The great weakness of the present price system is that the men who operate it are concerned chiefly with making the greatest possible profit and not at all with making the law of supply and demand operate smoothly on a price level roughly equivalent to cost of production. The highest purpose of our price system should be to tell producers truthfully what to do in the future, instead of capitalizing a temporary supply and demand situation to the advantage of certain bright speculators. * * * Our whole laissez faire system is full of lies."

Page 110: "Substituting production engineers and statistical economists for businessmen means doing away with the chance of excessive gains and excessive losses. And this is proper, so far as production and trade in staple products is concerned. The only place where the commercial imagination of the old-fashioned risk-taking businessmen has legitimate place is in working with

things which are not staple, such as theaters, luxuries, newspapers, etc."

Page 36: "What makes hour-by-hour and day-by-day prices under laissez faire conditions is not cost of production but that brute force which we call 'supply and demand.' * * * An illustration of the strategy of the hog market is a case in point. A Monday hog market in early March at which season prices are generally rising: Instead of the accustomed 40,000, 60,000 have been received. Owing to car shortage or other reason, eastern shippers are out of the market. Prices decline 15 to 20 cents, perhaps very much more. 'Supply and demand!' say the packers and practical economists. But at that very time everyone may know that the potential demand is very great, and at that very time this wider situation may be taken fully into account by the packers in the prices which they are charging for their products to the retailers. The hog market may have broken 15 to 20 cents, but the lard, ham, and bacon markets may have held steady or even advanced. The packers, in the prices which they pay for live hogs and the prices which they charge for hog products, are governed chiefly by strategic considerations Day by day they change their prices to meet the surface conditions of changing supply-and-demand conditions."

The reading of the foregoing extracts from Secretary Wallace's constructive book, it seems to me, ought to be convincing to any open mind that it is only by the elimination of the speculative factors in price determination of agricultural raw materials that we can hope to accomplish the stabilization of price return to our farming population that is essential to the survival of the great rural independent home-owning class of our citizenship which has helped to make America great, and without which the national balance necessary for national recovery cannot be restored and maintained.

The American consumer does not profit by the low prices for raw materials that the speculative system forces upon the producer. The consumer always pays upon the basis of the high levels of the seasonal fluctuations and it is the speculator and not the producer who, by and large, receives the high-level prices of the seasonal fluctuations. My basic thought is that the most vital requisite is a stabilized return to the producers of our agricultural raw materials, with our ultimate goal the attainment of that equality of price return with industry that agriculture has never had within the history of our Nation. Our pioneering days are over. No new lands and homes remain to be carved out of the wilderness. Our industrial structure has been permitted to grow to much greater heights under the encouragement of Government than our agricultural foundation is able to sustain. The time has come when we must afford governmental support to strengthen the foundation. The protective tariff, the Social Security Act, the Guffey Coal Act, the Railroad Retirement Act, the authority in our regulatory commissions to establish the rates that may be charged to consumers for the services rendered by our public utilities, the proposed wage and hour bill—all these and many more are examples of governmental interference with the "old fashioned laissez faire method" of price determination in the distribution of the products of industry. The farmers as the greatest single consuming class in the Nation are thus compelled by governmental fiat to pay higher prices for the things they need, while at the same time they remain the only large producing contributors to the wealth of our Nation who have no control over the price they shall receive for that contribution.

In a nutshell, all the Government need do under this bill S. 2732 would be to afford agriculture the same selling and bargaining power that industry enjoys. Certainly, if the agricultural producers of the Nation could set up a cooperative selling agency that would be 100 percent effective, there would be created no economic unbalance nor any antisocial freezing or strait jacketing of our price structure. They would merely for the first time in our Nation's history be in a position to bargain collectively for the price they should receive from industry for their contribution to our national wealth. It is this kind of a service, nothing more and nothing less, that the proponents of this bill ask at the hands of their National Government on behalf of the agricultural one-third of our population.

Reorganization of Government Agencies

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1937

Mr. MOSER of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I feel constrained to say that my personal background of experience in the classified civil service of the United States could not have failed to leave some indelible impressions relative to the merit system I once knew as contrasted to the civil service I have been introduced to as a Member of Congress.

The fluency with which my colleagues discussed the measure for a reorganization of Government agencies, H. R. 8202, today, could not have failed to leave the impression that reorganization is necessary. The understanding and approach to the issue is variously contrasted by opinions and experiences.

The structure of various governmental agencies can be likened to a man who starts his household by building—just big enough for two—only to find the home cramped as additions to the family ensue, when the head of the house begins building additions to the original structure, in many instances of the lean-to type. This has the effect of ungainly sight in the form of architecture, and may suffice, but the head of the household ever realizes the lack of organization, before considering reorganizations. This is the structural "lean-to" type of conflicting, duplicating, and overlapping functions of Government, each safeguarded with bureaucratic prejudices and jealousies, we have heard discussed from the floor today, in the maze of our "wonderland of bureaucracy."

Under this system, if our Uncle Sam builds large enough to provide for the future, the present bureaucracy schemes to fill up and take over as expeditiously as possible before someone else encroaches, and a complacent Congress has been too free to yield to the fulsome flatteries and persuasion of these who know how to ply their artifices, as could only be conceived by bureaucracy that is possessed of one obligation, first, last, and all the time, of promoting and perpetuating itself, to the utter prejudice of any other interest and concern.

When a person seeking employment or reinstatement becomes that proficient in his art that the personnel director of the bureau where he is seeking employment finds 15 letters from as many Members of Congress gracing his desk in the morning's mail, wherein each Member claims the applicant as his constituent and recommends and urges the employment by appointment of the applicant to the position he seeks, obviously there is something the matter.

When another efficient "convincer" and "liner-up" of Members of Congress manages to convince 35 Members, the applicant is sufficiently worthy to warrant their recommendations as to the character and residence of the applicant as a constituent—well, the obvious situation multiplies in its complexity.

However, when a man has managed to convince 60 Senators and 48 Congressmen of his worthiness for restoration to a position from which he has been discharged for cause, and the next Congressman solicited penetrates his mantle, waxes indignant, and drives the imposter from his office, and then writes the employment director a letter saying he does not recommend the applicant, and receives a letter of response from the department's head expressing appreciation—that is what the editor says is news.

When people, with no claim on a Member's district for a residence, seeking only to establish one to accomplish the necessary recommendation. When they canvass and say, "If you'll only help get me in there temporary, I'll be on the inside and hear of these positions, spot them, and can then secure a permanent location." When they call on the telephone to inquire into the registration laws for qualification for voting in the Member's district, and then visit the district and State, where, regardless of the law governing legal residence, they make a false affidavit as to legal residence and return with a certificate of registration to push under a Congressman's nose and say, "Now, give me that endorsement for that position I have been seeking." When they come to a Member and avow their fealty to the political party on whose ticket that Member was elected, but who if properly investigated is found to have neither ever registered nor ever voted at all, or in most cases to have cleaved to another political party's philosophy, it is time to listen to the debates as we heard them today and vote for the bill.

There is little wonder that Uncle Sam's family has grown thus prolifically. There is little wonder that his structure—governmental—has developed the "lean-to" type. There

is little wonder that those favored have only one objective, viz, "to get in and spot a permanent", that those "in" have only two objectives, viz, "grade" and "retirement."

Mr. Speaker, in the months I have been here I have not had one to call on me mentioning an ambition to prove efficiency, fitness, or qualification. None have manifested any concern over what character of service is being or can be rendered, only, "What can I get? Can I get any more? How quick can I get it?" and "When do I retire?"

It so happens that in January 1932 I sat in the House gallery with former Congressman Lichtenwalner when former President Hoover's proposal for reorganization was being discussed by former Congressman Shallenberger, of Nebraska. I was wholeheartedly for it. I could not have felt otherwise. Today I hear discussed this proposal by Members who then voted, as it is stated, this same authority to President Hoover. Today I hear it said, this is the same authority voted President Roosevelt in 1933. No explanation of failure to act under the authority previously granted has been either vouchsafed or forthcoming. My theme is regret.

Mr. Speaker, in 1932 I campaigned for a nomination to run for Congress and adopted a platform in opposition to bureaucracy and paternalism. Oh, how I quoted Jackson on paternalism. In 1932 I campaigned zealously for President Roosevelt, whose pronouncements on these subjects were strictly to my liking and fancy.

Governor Roosevelt in Liberty, December 12, 1931, wrote:

THERE WILL BE NO DOLE

Government cannot give this relief by bureaucratic methods, because the human need is a vital personal matter to the man or woman being helped. There will be no dole.

The use of public moneys is safeguarded. Communities must prove that work cannot be found or created and that they have done their utmost to relieve distress before they receive State funds. Individuals must prove that they cannot find work and that they are in distress before they receive food or clothing. Apportionment of funds will be made where the need is greatest, weighing the communities' financial ability and their initiative. These are all temporary relief measures, but their enactment affects far more than the present problems because thereby the responsibilities of the State to its citizens have been reaffirmed.

Liberty, December 26, 1931:

TREACHERY TO THE PEOPLE

Any lack of cooperation with our relief organization just created, any personal or political interference, any waste of funds, I shall consider and treat as in times of war—as treachery to the people.

Liberty, January 9, 1932:

In one county alone there are 246 governmental units. In many places in this and other States the individual citizen is being crushed under as many as 11 layers of government. Eleven sets of officials appropriate public funds, levy taxes, issue bonds—and spend our money. The real insult and injury in the aggregate tax bill lies in the archaic form of local governments. It is a national condition and a human problem. This is the time, if ever, to begin in earnest the reorganization of local governments. Later I will discuss these projects.

Liberty, March 26, 1932:

A great number of our citizens have tragically gone broke as a result of the depression. Yet few of our governmental units are insolvent. This is in the face of governmental inefficiency, waste, and often extravagance, long wrongly accepted as a necessary evil.

There is a wide margin of safety between the time when the credit of a county, town, or village should be imperiled—according to the usual standards of finance—and the moment when credit actually dissolves. We should, however, frankly admit that one reason for this condition in governmental finance is that the power of compulsion is in the hands of government. It can raise taxes; it can create the obligation with the emergency; it can take the law into its own hands because it is the law itself.

History repeats over and over again that government has so acted right up to the point of overthrow and revolution. Nothing of this sort will happen in the United States if we are constantly vigilant to maintain our margin of credit safety.

But we do this every time we fail to balance a governmental budget. Expenditures generally throughout the Nation are as high as they were last year, but revenues have fallen off in many instances as much as 50 percent. An individual or a corporation without a large reserve fund to draw upon would be considered stupidly blind to inevitable bankruptcy unless expenditures were immediately cut down to receipts. Yet the majority of our governmental units prefer to continue every existing function, whether that function is or is not an absolute essential.

This attitude is neither ignorance nor lack of vision. It is willful refusal to simplify the organization of the Government to the point where it may be compared to even the complicated structures of big business. So far, the Federal, State, and especially the local governments have refused to reorganize other than upon the surface.

In previous articles I have pointed out some of the most glaring overorganizations. We must go deep, slashing away useless units, offices, and officials to balance budgets. This will take courage, leadership, and persistence.

Just as we feel determined to have continued peace as a nation, if for no other reason than to justify the sacrifice of our war dead, we must be determined to have balanced budgets in recognition of the suffering, the frustration, and the tragedy of the depression.

Liberty, July 16, 1932:

OUR POLITICAL RACKETEERS

Real honesty on the part of a public official is attained when he really strives to get 100 cents of results out of every taxpayer's dollar. Leadership must educate the public if it expects to get the public response necessary for effective action. Real leadership must drive home the urgency of constant watchfulness at all times—not spasmodically. Leadership must remove partisanship from watchfulness. Leadership must acknowledge that corruption is among men first, last, and all the time, no matter to which political party they belong. Leadership must acknowledge that the party in power is the party with the opportunity to be corrupt. Leadership must re-create a sense of proportion about graft.

In almost every community there are men honest and courageous enough to attack corruption wherever they see it. But their fault and the fault of the press of the Nation is that graft is not large enough to "see" until it has assumed scandalous dimensions.

In communities spending half a million dollars a year a wastage of $100,000 through inefficiency and corruption is not considered a scandal in the eyes of the leaders. But when a great city spends $100,000,000 a year and wastes twenty millions of it annually certain people are in a frenzy. Yet in proportion the wastage is the same in the first community as in the second.

As soon as the people realize that a little graft in a small community is the same as an odious scandal in a large community we will begin to have more honesty and efficiency everywhere.

Liberty, December 10, 1932:

Vastly important to the restoration of the American economic life is a reduction in the cost of government, national, State, and local.

In order to clarify my position on this subject, which during the last days of the campaign the opposition sought to confuse, let me state that a reduction in the operating expenses of Government ought to be brought about by drastic cuts in the bureaucracy that has grown up in Washington. Not only this but many functions now performed by the Federal Government must, in the face of such necessity as we now have before us, be eliminated.

We face the need of deciding not merely what is good to do, but what is indispensable. To this end I shall require as a fundamental duty the loyal and complete cooperation of every appointee over whom I have authority, not only to the end that the running expenses of departments and bureaus may be reduced, but that, where necessary, agencies of administration themselves must be considered.

FRANKLIN D. ROOSEVELT.

Mr. Speaker, a personal knowledge engendered over years of experience, long since had shown me that these very administrative changes enunciated by Governor Roosevelt, were highly essential, and had my most zealous support. The failure of fulfillment has long since been a source of regret. To help now by voting for H. R. 8202 today has been my privilege. With this support, I serve notice, too, of my stalwart opposition to one proposed change as recommended improvidently by the prejudicially advised and counseled Brownlow Committee.

Hon. Henry Ellenbogen

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1937

Mr. ALLEN of Pennsylvania. Mr. Speaker, I have the great privilege of discussing the record of Congressman HENRY ELLENBOGEN, my distinguished colleague from Allegheny County, Pa.

Mr. ELLENBOGEN was first elected in November 1932, and he is now serving his third term in the Congress of the United States. He is a member of the important Committee on Interstate and Foreign Commerce. The older and the young Members of Congress all respect Mr. ELLENBOGEN as one of the hardest working Congressmen and as an able and courageous Representative of the people in the Halls of Congress.

It is a healthy condition of American life that the people are taking a greater interest in their Government than ever before. Good government—government that is responsive to the needs of the people—is possible only when the people take an interest in national problems, when they watch all their elected Representatives, and see to it that only such legislation is enacted as will best serve the people. Congressman ELLENBOGEN has created and maintained public interest in government through his radio broadcasts and through his frequent and close contact with his constituents. The record of Congressman ELLENBOGEN in the Congress of the United States is one of achievement and distinguished service.

He voted and worked for economic recovery, social security, aid to the home owners, relief of the unemployed, and the abolition of child labor. He is the original sponsor and has led the fight for the abolition of slums and the construction of low-cost housing. He took a prominent part in the legislation to protect the consumers of utility service and obtain for them lower prices for electricity, for gas, for telephone, for water, for transportation, and for other utility services; he voted for legislation for the middle class; he voted to protect the small merchant against the unfair practices of giant monopolies; he voted to assure just treatment to the veterans; and he worked and voted for flood control for the Pittsburgh district with a great deal of success.

No battle for old-age pensions and for other forms of social security, no battle for the economic betterment of the people, was fought in Washington since 1932 without the able assistance of my distinguished colleague [Mr. ELLENBOGEN].

He has been a true champion of the middle class, the white-collar employee, and of the working class. The rights of labor and of the average man, as well as the rights of business, have found a protector and champion in him.

HOME-LOAN LEGISLATION

The preservation of home ownership, the protection of the small-home owner, the construction of decent and sanitary homes—homes full of light, air, and sunshine—at low cost have been of especial concern to Congressman ELLENBOGEN. His fight on behalf of the home owner, his bills to make constructive changes in the home-loan laws, and his efforts on behalf of slum clearance are known through the United States.

SOCIAL-SECURITY LAWS

Congressman ELLENBOGEN has been a persistent advocate and fighter for true social security. He voted for old-age pensions, and is now advocating the lowering of the age limit and increase of payments. He voted for the payment of widows' pensions, for aid to dependent children, and for pensions to the needy blind. I do not have the time to go into the detailed record of Mr. ELLENBOGEN. The measures for which he voted and which have brought recovery to this Nation are too numerous to be enumerated here.

He voted for the social and economic legislation proposed by President Roosevelt, but he preserved his independence and acted in accordance with his own conscience whenever he felt that it was necessary. His votes against "gag" rules, even at the cost of incurring the displeasure of the leaders of the House of Representatives, are well known to the people of Allegheny County. Congressman ELLENBOGEN has stood for his convictions. He is a man who cannot be dictated to by anyone.

Mr. ELLENBOGEN distinguished himself by his fight against abuses of utility companies, particularly holding companies, and by his fight to protect the investors in utility stocks and bonds and the consumers of services of utility companies.

The Pittsburgh newspapers in various editorials have recognized and praised the work of Congressman ELLENBOGEN and his character.

Congressman ELLENBOGEN is now a candidate for election as judge of the Court of Common Pleas of Allegheny County. We believe that his services are needed on that court in order to uphold the various laws which have been passed for the benefit of the people of the United States, and to deal out even-handed justice in the courts.

During recent months we all have become convinced that it is useless to pass New Deal legislation only to see it set aside or its effectiveness greatly reduced by "old-deal" judges. What is the use of spending many months and often years to attain the passage of legislation which will benefit the people only to see that legislation wiped out by some judge who does not believe in it, or to see the law interpreted in a way contrary to the spirit in which it was passed?

The overwhelming victors of the Democratic Party during the past 5 years have made it possible to pass the laws which are necessary to meet the complex factors of our industrial aides. It became necessary to pass laws which will protect the small merchant against unfair practices of giant trusts; to help the middle class; to provide employment opportunities for the working man, to assure his right of collective bargaining, and to protect him against periods of unemployment through unemployment insurance; to provide for our people in their old age; to protect the investor against stock manipulators; to protect our people against abuses of utility companies and, in particular, utility holding companies; and to take steps to reduce the excessive charges for electric power, for telephone, for gas, for water, and for other utility service. These and many other laws passed in Washington and Harrisburg for the protection of our people, for the small businessman, the middle class, the white-collar employee, the workingman, the unemployed, and the aged must be interpreted and applied in the courts. It is useless for State legislatures or for Congress to pass laws of benefit to the people if these laws will be set aside by the courts or nullified by the interpretation which will be given them by those who are not in sympathy with the spirit of these laws.

If our people want to preserve the gains which have been made by legislation which was passed for their benefit during the last 5 years, we must elect judges who are sympathetic to these laws. We must elect men who are inspired by the social and humanitarian viewpoint which prompted the passage of those laws. Congressman HENRY ELLENBOGEN is such a man. The election of HENRY ELLENBOGEN as judge of the Court of Common Pleas of Allegheny County will mean the election of a judge who will bring a social and humanitarian viewpoint to the interpretation of our laws. It will mean the election of a fair-minded man who will interpret the laws and apply justice evenly and impartially without fear or favor.

Congressman HENRY ELLENBOGEN has been trained for the position of judge of the court of common pleas. He holds A. B. and LL. B. degrees. He graduated from a great law school in the city of Pittsburgh. He has practiced all branches of civil and criminal law for 11 years. He has practiced in all our courts, local and Federal, and is also a member of the bar and of the Supreme Court of Pennsylvania and of the United States. He is a member of the Allegheny County Bar Association, Pennsylvania State Bar Association, and is a member of the national executive board of the Lawyers' Guild.

The courts are a branch of our Government. Justice in them should be administered by and for the people, and Congressman ELLENBOGEN comes from the people; he is a member of the people. He knows the problems of life; he knows the difficulties which we must face every day; he knows the difficulties of our people to make a livelihood. His service in Congress and his experience as a lawyer have given him a keen insight into the needs, the trials, and difficulties of our people. Being one of them, a man who has

had rare opportunity to deal with people and to know and expound ther needs, Congressman ELLENBOGEN will make an ideal judge. His knowledge of life and of the needs of our time will enable him to accurately judge the case before him; his broad social and humanitarian viewpoint will assure the people of a fair and sympathetic judge.

The election of Congressman ELLENBOGEN as a judge of the court of common pleas will bring a distinguished public servant and a great lawyer to the court of common pleas. It will give to our people a sympathetic and humanitarian judge who knows and understands the people and their lives. We need judges like Congressman ELLENBOGEN. I hope that the people will elect HENRY ELLENBOGEN as judge of the court of common pleas so that the people of Allegheny County can have the benefit of his rare qualifications for judge, and so that he can continue his public service in our court of common pleas.

The Seventy-fifth Congress, First Session

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. MOSER of Pennsylvania. Mr. Speaker, under general leave to extend my remarks in the RECORD, I take occasion to refer to the fact that I can look back over the record of the first session of the Seventy-fifth Congress and note there were 152 roll calls; that I answered to my name on 151 of them, missing only 1 quorum call when by unanimous consent I was temporarily absent from the floor of the House; and that I answered each record vote by the yeas and nays.

A certain daily newspaper has listed me among those of my State as standing overwhelmingly by the President of the United States, recording me as only twice failing to support the President's proposals without naming them. From analysis of the criticism directed at a colleague held not to be thus loyal it would be discerned that these two measures were failure to support the proposal to place the Civilian Conservation Corps under the civil service May 12, and my voting to override the President's veto of H. R. 6793, an act to extend for 1 additional year the 3½-percent interest rate on certain Federal land-bank loans, to provide a 4-percent interest rate on such loans for the period from July 1, 1938, to June 30, 1939, and to provide for a 4-percent interest rate on land-bank commissioner's loans for a period of 2 years.

In connection with the first-mentioned measure, H. R. 6551, under the debate on May 11th I said, in part, this:

> Neither do I yield to anyone in my loyalty and desire and determination to support the President. However, we are constantly told a great many of these measures have the President's endorsement, which I question very much. The President is a human being and subject to the deceit of mankind, as you and I well know. There are a great many people who yield to temptation along the lines of deception. I have particular reference to some of those connected with the administration of the affairs of these camps. I doubt very much, indeed, whether the good that has been claimed will counterbalance the evil, with respect to the knavery and thievery, which is being carried on in connection with the operation of some of these camps, where goods and chattels belonging to the Government of the United States are being peddled on the highways and streets to second-hand clothing stores, traded for liquor, and so forth, to a point where the complaints which come to my office arouse in me every bit of indignation which I possess. That the President and the Government of the United States should be defrauded in this manner is an obligation of equal weight on each Member of Congress under our oaths.

Immediately thereafter the amendment offered by the gentleman from Texas [Mr. LANHAM] was adopted by 224 ayes to 34 noes.

This little invasion of the realm of remarks in debate has since evoked favorable editorial comment, brought to my attention by a colleague, in a publication in the State of Iowa.

Mr. Speaker, as I survey the work of this session of the Congress, in which it has been my first honor to be a Member, I cannot suppress the feeling of regret that so little has been accomplished of definite and permanent benefit to the farmer and the people who labor and toil in the fields, on the farms, and the workshops of industry. It is my satisfaction, however, to have voted for every measure of this partial benefit to this class of citizens from which I spring.

It is not without a feeling of satisfaction, however, that I can say that I voted for and the Congress passed the acts H. R. 7562, the Farm Tenancy Act, and H. R. 6763, the objections of the President notwithstanding, on July 13, 1937.

On July 14 the Farm Credit Administration announced:

> In spite of extension and deferment privileges, farmers voluntarily repaid nearly $100,000,000 of principal on Federal land bank and commissioner loans in the 12 months ending June 1, this year. Governor W. I. Myers also stated that in half the States over 90 percent of loans are in good standing with respect to interest payments. Over 830,000 farmers have land-bank and commissioner loans, representing more than one-third of the total farm-mortgage debt.
>
> Farmers repaid during the period $61,400,000 on the principal of their first mortgage Federal land bank loans although in most cases not required by law to do so; and $34,300,000 of principal on commissioner's first and second mortgages which had only about $4,800,000 of principal maturities during the period. The commissioner's loans were made to assist in refinancing hundreds of thousands of distressed borrowers, and do not require principal payments in the first 3 years of the loan.

On August 28, 1937, the Farm Credit Administration announced:

> They (the farmers) paid off over $106,000,000 of principal in the 12 months ending July 1, 1937, although only a small fraction of that amount was due.

F. F. Hill, Deputy Governor of the Farm Credit Administration, forecasts that under a provision of this recently enacted Farm Credit Act of 1937, "the progress of thousands of farmers this fall in getting out of debt" will be speeded by increased payments of these three types as predicted:

> 1. More loans paid in full.
> 2. More advance payments or lump-sum payments on principal in order to shorten the term of loans and save interest.
> 3. Money deposited with the land bank by borrowers to be credited to future installments as they mature. Thus the farmer is assured of having money to take care of his mortgage debt requirements in years of poor harvests.

Mr. Speaker, may I recall to mind that when Thomas Jefferson was minister to France, he wrote from there to say:

> Those who labor in the earth are the chosen people of God, if ever He had a chosen people, whose breasts He has made His peculiar deposit for substantial and genuine virtue. * * * Corruption of morals in the mass of cultivators is a phenomenon of which no age or nation has furnished an example. * * *

Again, in 1785, writing from his same important duties in France, he wrote:

> Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous; and they are tied to their country and wedded to its liberty and interests by the most lasting bonds. * * *

And now, Mr. Speaker, may I transgress to remind by quoting as follows:

> When you come before us and tell us that we are about to disturb your business interests, we reply that you have disturbed our business interests by your course.
>
> We say to you that you have made the definition of a businessman too limited in its application. The man who is employed for wages is as much a businessman as his employer; the attorney in a country town is as much a businessman as the corporation counsel in a great metropolis; the merchant at the crossroads store is as much a businessman as the merchant of New York; the farmer who goes forth in the morning and toils all day—who begins in the spring and toils all summer—and who by the application of brain and muscle to the natural resources of the country creates wealth, is as much a businessman as the man who goes upon the board of trade and bets upon the price of grain; the miners who go down a thousand feet into the earth, or climb 2,000 feet upon the cliffs, and bring forth from their hiding places the precious metals to be poured into the channels of trade are as much businessmen as the few financial magnates who, in a back room, corner the money of the world. We come to speak for this broader class of businessmen. * * *

Burn down your cities and leave our farms and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country. * * *

Having behind us the producing masses of this Nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: "You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold" (W. J. Bryan, at Chicago, July 8, 1896).

Mr. Speaker, these two reports of the records being made by the borrowing farmers, from the Farm Credit Administration, most assuredly justifies the fine tributes paid them by Thomas Jefferson and William Jennings Bryan, and abundantly warrants the action of the Congress in passing these measures. It, too, justifies the part we will play in enacting additional legislation at the next session of the Seventy-fifth Congress.

That I, springing from this class of people, should have had my small part in it is gratifying. With an abiding faith in this class of citizens I fear no Robespierre. In this land of the free we need not fear a tyrant will spring up from among the people.

Floyd B. Olson

EXTENSION OF REMARKS

OF

HON. R. T. BUCKLER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 21 (legislative day of Friday, Aug. 20), 1937

Mr. BUCKLER of Minnesota. Mr. Speaker, it is most fitting and proper that at this time when we are paying tribute to the memory and life of recently departed Members of the House and of the Senate that we also honor a great leader of my own State of Minnesota, the late Floyd B. Olson, who, but for his untimely death on August 22, 1936, would have now been a Member of the United States Senate. He had been selected by acclamation by a Farmer-Labor convention as its party's candidate for the Senate seat which was being filled by Governor Olson's own appointee, Elmer A. Benson, following the death of Senator Thomas Schall.

That Governor Olson would be elected to the Senate and Senator Benson to the governorship was conceded by most political observers of Minnesota.

But this was not to be, for on August 22, 1936, Floyd Olson, 3-term Governor of Minnesota, died at Rochester, Minn. The Farmer-Labor Party State central committee then selected United States Representative ERNEST LUNDEEN to make the race for the United States Senatorship. Both Benson and LUNDEEN won election by majorities of more than 250,000.

The first anniversary of the death of Governor Olson was observed on Sunday, August 22, by many thousands gathered in the Northrop Auditorium at the University of Minnesota at Minneapolis.

To give an account of this memorial program, to bring you some tributes to Minnesota's courageous and inspiring personality and some glimpses of his life and work, I desire to insert in the RECORD the following several articles printed in the Minnesota (St. Paul) Leader in its issues dated August 21 and 28.

THOUSANDS COMMEMORATE DEATH OF LATE GOVERNOR

The passing of 1 year since the death of the late Gov. Floyd B. Olson was observed by the people of Minnesota Sunday (August 22, 1937) as hundreds of persons visited the grave and several thousands gathered in the afternoon for memorial services at Northrop Auditorium on the University of Minnesota campus.

Tribute to the memory of the Nation's first Farmer-Labor Governor was paid by speakers and in a message from President Roosevelt at the afternoon services, Governor Benson reading the telegram from the White House, as follows:

PRESIDENTIAL MESSAGE

"I would consider it a real privilege to take part in the memorial service to be held on the anniversary of the death of Floyd B. Olson. Unfortunately, it will be impossible for me to be with you. "I do want, however, to have a small part in it. May I request you to include my tribute to the memory of a gallant leader, a distinguished public servant, a hard fighter, and a fast friend."

EULOGISTS

Joining in eulogy were Governor Benson, Guy Stanton Ford, dean of the University Graduate School; D. J. N. Brown, of Moorhead, president of Concordia College; the Reverend John Dunphy and Rabbi Albert I. Gordon, both of Minneopolis. The United Norwegian Singers of Minneapolis, with Joseph Erickson, of Duluth, as soloist, sang choral numbers that interspersed the speaking program.

"Floyd Olson, as Governor, sought to have the force of government used as a means of remedying the miseries and lessening the inequalities of our social order", said Governor Benson.

OLSON'S QUALITIES

"This made him a great humanitarian and a great liberal. But he also saw that these inequalities and miseries were the inescapable results of our system of distributing wealth.

"He recognized that the very system, or process, whereby these inequalities and miseries came into existence must be changed. And this made him a radical, because it meant going to the roots of these problems and seeing that there was something vitally wrong with a system of distributing wealth that deprives human beings of the necessities and luxuries of life simply because those necessities and luxuries are produced in too great abundance", Governor Benson said.

DEAN PRAISES OLSON

Governor Olson's relations with the university were praised by Dean Ford in an address on "The Governor and the University." "Floyd Olson was the first Governor in my 24 years at this university who recognized often and consistently the value of the expert knowledge that resides in the staff at a great university", he said. "He had his own aims to pursue, but he recognized that the university could furnish many State commissions and departments with objectives and unbiased knowledge in many fields as well as in agriculture.

"One year does not remove us far enough away from such a vivid personality to enable us to give him his final rank and place in history. It is long enough, however, to convince friend and foe alike that history will rank him among the goodly number of men who have risen in this State from humble but never-forgotten beginnings to deserve the positions and honors conferred upon them in their own day", Dean Ford said.

FATHER DUNPHY SPEAKS

Father Dunphy in giving the benediction declared, "The spirit of Floyd Olson lives. The clearcut tone of his resonant voice still rings in our ears. The charms of his sweet friendship are fresh in our memories. His many remarkable qualities are not destined to fade but will linger long to urge us to live courageously and well."

"There are those who are the true believers in democracy", said Rabbi Gordon. "They are souls whose love of America and the principles which are American is rooted deeply in the American soil. They too might add their word to the tale that is told concerning Floyd B. Olson. For they knew him as a true believer in the democratic form of government. They saw in him a great defender of the principles of freedom and opportunity for all. They loved and honored Olson because he did not distinguish between races and creeds. He took men for what they were worth. He fought intolerance and bigotry. There was no room in his life for racial hatred and animosity. They revered Floyd B. Olson because he was the foe of vigilantism, because he dispised dictators and dictatorships. Because his life was dedicated to democracy at its finest and noblest, Olson symbolized during his lifetime, even as his memory symbolizes now, the true spirit of America."

CLUBS MAKES PILGRIMAGES

The official oil portrait of the dead Farmer-Labor standard-bearer was on the stage of the auditorium and banked by floral pieces and palms. His favorite song, "The Great White Host" ("Den Store Hvite Flok") by Grieg, was sung in the Norwegian by Joseph Erickson of Duluth, assisted by the United Norwegian Singers under the direction of Frederick Wick.

Earlier in the day a squadron of low-flying airplanes scattered wreaths over the Olson grave at Lakewood Cemetery. It was the Ninth Aerial Squadron of the Minnesota National Guard as it passed through Minneapolis on its return from maneuvers at Camp Ripley.

Many Farmer-Labor ward clubs, labor unions, and liberal groups made pilgrimages to the grave, laying such a profusion of wreaths and sprays that the ground looked like a flower garden of roses and lilies. One of the early pilgrimages was that of the Minneapolis Thirteenth Ward Farmer-Labor Club, of which Governor Olson had been a member. As the Thirteenth Ward Club delegation stood around the grave, Steve Lush, chairman, made a short speech on the need for carrying on what the late Governor stood for.

The memorial observance was arranged by a committee appointed by Governor Benson and headed by J. Earle Lawler, executive secretary of the commission of administration and finance, who was a close personal friend of Governor Olson.

BENSON TRIBUTES TO OLSON

This gathering today is part of that living monument which those thousands are rearing in the memory of Floyd B. Olson. It

is a monument, not in stone or marble, but in the hearts and minds of the people. It is a monument in the form of a growing progressive movement in which we are all marching together, all for one and one for all.

He dared to say that we cannot continue to exist as a democracy with part of our people rich and powerful and a great part of them poverty stricken.

Here was the heart of his political philosophy: Love of the people and devotion to the principle of equality; belief in the superiority of human rights over property rights; the view that government is an instrument to secure, on the one hand, certain human rights, and to block, on the other hand, the development of social inequalities between men.

He called for Federal legislation which would wipe out the inequalities under which the farmer labored and marketed, as compared with railroads whose rates were based on the cost of operating and great corporations whose control of the market protected their prices and rate of profit.

He refused to use troops against strikers, because this only increased the inequality of their position as compared with that of their employers.

Olson did something for youth long before the Federal Government even thought of doing something. He initiated student aid, which enabled young people in colleges and universities to continue their education in spite of the depression.

To him the Supreme Court insured that the Government must remain the means of preserving certain special privileges of property.

He asked that "no man's ambition, and no man's prejudices, and the prejudices of no group" should stand in the way of a united front on behalf of human freedom.

Olson saw that the more basic of these problems could be dealt with only on a national scale. He also believed that the Supreme Court would block all attempts to handle them upon a national scale.

He would have cared greatly to know that men and women were gathered together in his memory as they are here today, and that from the remembrance of him they were drawing understanding and devotion for that cause which he so nobly advanced, the cause of the common man's rise to power and opportunity. This would be the living monument which would mean more to him than all other things in that world of men from which he was so untimely taken.

GLIMPSES OF FLOYD B. OLSON

(By A. I. Harris, editor of the Minnesota Leader)

It is now 1 year since the death of Floyd Olson—the skipper, as he was known to his friends—brought not only sadness but a sense of tragic loss to the liberals of Minnesota and of America.

The writer has often wondered what Olson, alive and in the vigor of health, would have meant to the liberals of this country this past year.

He was vitally interested in Supreme Court reform. He was one of the first to cry out against judicial tyranny.

With Olson as an active ally, Roosevelt's Supreme Court fight might easily have turned out differently. There is no denial that the fight for court reform was handled wretchedly. It lacked not only an intelligent campaign but it lacked effective leadership. Olson could have supplied that leadership.

Vigilante terrorism, especially in the automobile and steel districts, would have found in Olson a resourceful foe in the National Capital. He would have laid the blame at the very doorstep of Henry Ford and the masters of "little steel."

American labor now stands divided at a very time when unity in labor's ranks is most essential. What a campaign for union organization could be carried on with the forces of the A. F. of L. and the C. I. O. united! Olsen very easily may have been the man to bring the heads of these two organizations to their senses.

It is no stretch of the imagination to assert that Olson today would perhaps have been the most talked of man in America next to the President, himself looked upon by liberals as the Presidential candidate of a new political movement. A third party headed by Olson would never have been just another political party but one grounded in principles and ideals, one which had a mission to carry out and a message to give to the American people.

In his address before the 1936 Farmer-Labor convention—the speech in which he took the United States Supreme Court apart in a 2-hour talk which kept the large audience spellbound by his mastery and art—Olson predicted that the Minnesota liberal movement would become the spearhead of a third party which would become a factor on the national stage in 1940 with a Presidential ticket of its own.

"I believe", he said, "that the Minnesota farmer-labor movement is going places. I am willing to join with other groups in the formation of a national third party."

Olson was always interested in youth, and this interest took a practical form. He saw that some of the hardest blows of the depression were falling on youth, and long before the Federal Government was willing to do anything he initiated student aid, a system whereby young people in colleges and universities would be able to continue and complete their education in spite of the depression.

Once Minnesota and Olson showed the way other States and the Federal Government followed, and today we have student aid for high school and college pupils throughout the land.

Sales tax proponents found in him an implacable foe. A sales tax, Olson asserted, is a "tax on poverty."

The reactionaries in the 1935 legislature, as a bait to induce Olson to sign the omnibus tax bill, included increases in inheritances, and corporate excess-tax rates. By so doing, they felt that he would not have the courage to veto the bill.

But Olson vetoed it * * * and it was the reactionaries who did not have the courage to attempt to pass it over his veto. Olson's sales tax veto had profound effect on subsequent campaigns.

The farmer, Olson contended, belonged to the underprivileged and the exploited class the same as the worker.

He insisted that the farmers' problems will never be solved until suitable price legislation is enacted.

"The utility companies", he said in a speech, "the railroads, the telephone companies are allowed rate basis to enable them to make a fair return on their investment. Surely the farmer is entitled to the same protection."

Olson's understanding of human psychology was by no means limited to psychology of the masses. He understood psychology of reactionary legislators as well.

The $5,000,000 relief bill, together with the bill for drought relief for farmers was before the 1935 legislature. Both these bills were jockeyed about by the reactionaries who devised various stalling tactics in an effort to defeat them.

It is perhaps no secret to reveal that Governor Olson was counseled relative to the classic "starved horse, starved cow, and starved pig" farmers' march on the capitol. The three bony animals were placed within a makeshift fence enclosure on the capitol lawn, a sight for sore eyes.

Did it achieve its purpose? Well, the relief bills were passed that same day.

We remember quite well the consternation among certain groups of our population when Olson, appearing before several thousand relief demonstrators before the Capitol, declared: "I will use the National Guard if necessary to conscript wealth before I will permit a single person in Minnesota to die of starvation." This was Olson speaking at his best—and speaking from the heart. It was part of his humanitarian philosophy.

Toward the close of his third term, the Governor was invited to address a meeting of liberals at Madison Square Garden in New York City.

On his arrival in New York he was interviewed by a group of newspapermen—the kind of big-town reporters who are "cynical with knowledge." They tried to put him on the spot by questioning him about the political and economic theories of Karl Marx and their application to American life.

Instead, Olson put them on the spot. "Karl Marx, why, he's a foreigner", Olson replied. "I don't read Karl Marx. I read the Bill of Rights and the Declaration of Independence, and these documents give us liberals plenty of inspiration. They are our guides for the changed economic order we advocate."

Olson's last public address was an appeal for a better way of life and an excoriation of the self-styled 100-percent Americans—a fitting address to close the career of a man who saw in public service only a means to make life richer and nobler.

It was on the occasion of the Swedish midsummer celebrations at Minnehaha Falls on June 26, 1936. He spoke for almost an hour—and when he was through it was necessary to escort him to his car. Only one possessing an indomitable will could possibly have gone through that ordeal.

After relating what the Swedish people have been able to accomplish through their cooperatives, Olson said:

"In my visit in the South I saw an old Apache chieftain. As I looked upon this chief, with his paint and war feathers, I could not help but feel that here indeed was the original 100-percent simon-pure rugged individualist. The Apaches lived by their bows and arrows * * * they were killers—hunters, not of the beast, but of man. They lived by war, and destroyed all humans who crossed their path.

"But there are people in this country who believe in a different philosophy of collective human effort. This philosophy knows no racial barriers. Its goal is a world big enough for all to live in and a human society found on the principle of common good."

What was Olson's principal contribution to the liberal movement of Minnesota?

Many will argue that it was his leadership or his dramatization of the Farmer-Labor appeal which brought support from liberals from all stations in life.

But, important as the above were, the writer is inclined to the belief that his chief contribution was the fact that he gave the party a definite social and economic philosophy.

Before Olson it would have been difficult to definitely classify Farmer-Labor social and economic philosophy. The movement had its origin in the Nonpartisan League, the outgrowth of farmer grievances against grain gamblers and other exploiters. This later was extended to the city worker, as both discovered that they were the victims of the same oppressors. But essentially it was a protest movement.

Under Olson's leadership the party developed a definite economic and social program. He moved the party leftward. Production for use * * * taxation in accordance with ability to pay * * * an economy of plenty and not of scarcity * * * cooperative commonwealth * * * human rights take precedence over property rights. These phrases either originated with Olson or they were greatly advanced by Olson.

They now have become national liberal watchwords. In all likelihood, they will form the basis of a national new party and give Minnesota a right to leadership in that party.

OLSON—1 YEAR LATER

Now that Floyd B. Olson has been gone for over 12 months, it is perhaps easier for us to measure the stature of the man. Last year we were too close to him * * * our grief was too great to stop to consider the quality of the friend and leader who had just left us.

It seemed to many of us as though we were living in a hideous dream—that the skipper was not really gone but had only taken a short trip—that soon we would again hear his hearty laugh, see his winning smile, and listen to the words of wisdom that he spoke.

The loss of Olson was more than a great personal loss; it was a great party loss. Olson himself always believed that the Farmer-Labor Party was destined to greatness * * * that out of the Midwest would come the political movement which would return government to the people and save democracy, not only for America but for the entire world.

Olson hated the regimentation that goes on in factories. He despised the system that makes slums and degrades human beings. He knew that in spite of the machinations of Wall Street, in spite of the financial power of the East that attempted to bleed the West white, we in Minnesota had something. Olson was the man who could have stirred the easterners out of their lethargy. He had the color and the personality to appeal to them. He was just becoming known to them after 6 years as Governor of Minnesota, and in the next 4 years his name would have been as familiar in national affairs as it was in Minnesota.

Yet, with all his gifts, he is gone. He has taken that dark journey from out whose bourn no traveler returns. We who remain must try and continue the work of Floyd Olson. It seemed to us that the thing that grieved the skipper most as he realized his end was near was not that he was dying but that his task was incomplete. There is no question that he could have done a great deal had he lived. If we are to perpetuate his memory, we must continue the work which is so imminently worth doing. He saw not only the suffering of the poor but democracy imperiled and the whole human race headed for destruction unless society changed its course. Let us dedicate ourselves to change that course.

Nathan Lynn Bachman

MEMORIAL ADDRESS
OF
HON. SAM D. McREYNOLDS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. NATHAN LYNN BACHMAN, late a Senator from Tennessee

Mr. McREYNOLDS. Mr. Speaker, to some few men are given the unusual power to mirror the life and age in which they live. Upon canvas and in the journals of their day, with deft strokes of the brush, and in the vernacular of their associates they leave for posterity vibrant living sketches in the kaleidoscopic sweep of history. To some few others are given the power to take the conflicting ingots of public opinion and mold them into the constructive casting of public affairs that guide the onward sweep of progress. Theirs is the task of fusing the extremes of political thought and guiding them through legislative channels to the betterment of humanity. Still fewer men are endowed with the indescribable sensitivity that enables them to live life in its truer and fuller meaning. To them is given the faculty of absorbing and reflecting the glow of human kindness and good feeling, of softening and tempering, of lightening and somehow sweetening the slings and arrows of outrageous fortune.

If it is possible for the personality of one man to contain the ultimate of these three characteristics, then such a man was NATHAN L. BACHMAN, the beloved Senator from Tennessee, whose passing has deprived all those who were privileged to know him of a companionship rare in the pleasure it brought to those who shared it. Though death, as it must to all men, has taken from us his physical presence, NATE BACHMAN lives on forever in memory and his name emblazoned in gold upon the marble tablets of accomplishment stand hallowed for posterity in the annals of America's great sons.

NATHAN LYNN BACHMAN was born in Chattanooga, Hamilton County, Tenn., August 2, 1878. His father, Dr. Jonathan Waverly Bachman, a Presbyterian minister, was the pastor of the First Presbyterian Church in Chattanooga for over 50 years. Exerting a deep influence over the moral traditions of Tennessee, he was known and beloved alike by members of all religious denominations. In 1870, when the yellow fever epidemic swept over southeastern Tennessee taking a terrifying toll of human life, Dr. Bachman and a Catholic priest alone were spared to nurse and administer to the spiritual needs of the people. Fearlessly, untiringly, Dr. Bachman worked through those dark and perilous days tending the needs of all creeds, races, and colors. As the ravages of the disease wore on, the Catholic priest was stricken and succumbed to the deadly fever, and legend has it that Dr. Bachman conducted the funeral services over the last remains of this priest, there being no other priest in the territory at the time.

From his father, NATE BACHMAN inherited his faculty for leadership, his devotion to duty, a warm humanitarian outlook on life, and a democratic attitude that endeared him to humble and exalted alike.

Endowed by birth with such high intellectual and moral characteristics, as a very young man he demonstrated the potentialities of the great national heights he was to reach.

At the age of 19 he answered the call for volunteers at the outbreak of the Spanish-American War. Volunteering in May 1898, he was in training at Fort Oglethorps, Ga., when his mother, Eva D. Bachman, became seriously ill. The only son, Gov. Robert L. Taylor had him withdrawn from service. His mother died on June 9, 1898.

At the outbreak of the World War, NATHAN BACHMAN again attempted to enter the service, but after much argument the council of friends convinced him that he could serve his country best by remaining on the bench as judge of the circuit court of Hamilton County.

He attended the public schools and Baylor Preparatory School for Boys, Chattanooga, Tenn.; Southwestern Presbyterian University, Clarksville, Tenn.; Central University, Danville, Ky.; Washington and Lee University, Lexington, Va.; and University of Chattanooga Law School, Chattanooga, Tenn. He was graduated from the law department of the University of Virginia, Charlottesville, Va., in 1903; was admitted to the bar in 1903 and commenced the practice of law in Chattanooga in the same year.

He sought and won the hand of Pearl McMannen Duke, of the illustrious North Carolina family. They were married January 7, 1904, and Miss Pearl, as she is lovingly known to her intimates, became the charming hostess at their beautiful home surrounded by the soft amethyst slopes of Signal Mountain, overlooking the city of Chattanooga.

A daughter, Martha, was born to the happy couple on October 4, 1904. A most unusually brilliant child, little Martha would delight her father by reading the paper to him at the age of 5. As she grew older there developed between Martha and her father a rare companionship. Almost inseparable, the two shared in the delights of the other. For NATE, no fishing trip, no hunting trip, or other recreational excursion was complete unless his daughter Martha was along. On February 17, 1928, Martha was married to Thomas A. McCoy, a prominent attorney of Asheville, N. C., and on February 18, 1933, NATE was delighted with the news that a granddaughter, Sallie Haliburton McCoy, had been born.

Serving successively as city attorney of Chattanooga from 1906 to 1908, judge of the circuit court of Hamilton County, Tenn., from 1912 to 1918, NATHAN BACHMAN became an associate justice of the Supreme Court of Tennessee in 1918 in which capacity he served until 1924, resigning to seek the nomination for United States Senator in 1924, a three-cornered race in which Lawrence Davis Tyson was nominated. Retiring to private practice, he was appointed by Governor Hill McAllister to the United States Senate on February 28, 1933, to fill the vacancy caused by the resignation of Senator Cordell Hull, our beloved Secretary

of State. He was reelected at the next general election in 1934 by an overwhelming majority to fill the remainder of the term and was reelected for the full 6-year term as United States Senator in 1936 by an even greater majority. He served with distinction in the Senate until April 23, 1937, the date of his death.

Praise, high honors, national and international prestige had little effect on NATHAN BACHMAN. He carried honor and high office with dignity and the highest of purpose, but throughout his life he retained his unusual kinship to the mass of the people. The simplicity of his clothes was a marked characteristic of NATE BACHMAN. With the exception of the most unusual of occasions his dress varied but little. In Washington, in Chattanooga, on foreign trips, and on the floor of the Senate, NATE was usually attired in a dark suit without a vest, a white shirt with turned-down collar, and black string tie. He generally wore a wide brimmed light-colored Stetson hat.

His sparkling and ready wit and his hearty laugh marked him as a man who loved life and the associations it gave him. Wherever he was, whoever he was with, NATE was always at home. He delighted in telling and delighted those who heard, whether they be high dignitary or obscure laborer, the stories of his native mountaineers and likely as not his audience was made up of all shades of the social and economic scales of this Nation. NATE BACHMAN'S home on Signal Mountain and his hotel room in Washington were alike havens of advice and entertainment for all who called regardless of the size of their pocketbook or the cut of their clothes. And thousands were they who sought his counsel and felt the warmth of his friendship.

His funeral, not unlike his fireside during his lifetime, was attended by exalted and obscure alike who came to pay their last respects to the man whom they had known and loved. In keeping with the character of the man, simplicity marked the funeral services.

NATE BACHMAN has fought the good fight and has been called to his fathers. Were the veils of eternity parted for an instant, I can well imagine that there might be disclosed a group of distinguished men. There would be Andrew Jackson telling of his fight for the welfare of the common man. There would be "Marse Henry" Watterson, telling of his experiences as a young journalist in Chattanooga during the Civil War. There would be Whistler recalling the works of art he left for posterity. There would be Will Rogers, spinning his satiric, good-natured yarns, and in the center of this group I can well imagine NATE BACHMAN telling of the people he served and loved in Tennessee. All were men bound by the kinship of greatness, men who lived richly, wisely, and constructively. Men who devoted their lives and varied efforts to the benefit of mankind.

NATE BACHMAN'S remains sleep peacefully in a shaded grove in Forest Hills Cemetery, in Chattanooga, Tenn. Under a kindly Tennessee sky his last resting place is nestled between the soft green mountains, the fertile valleys, and slow winding rivers that were the scenes of many of his happiest hours on earth. On these mountains, in these valleys, along these rivers, he lives on forever in memory among those who were and are his friends.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, of Tennessee, late Speaker of the House of Representatives

Mr. COCHRAN. Mr. Speaker, the death of your distinguished predecessor came as a great shock to me. How could it have been otherwise, when only a few hours previous thereto I had been summoned to his office and was in conference with him. His passing was a personal loss, because back in the Sixty-third Congress, when I came to Washington, I made his acquaintance. From that day on he was my friend and I was his. Some of my close personal friends in the House have never been able to understand why I stubbornly resisted their efforts to secure my support when they sought positions of power in the organization of the House. I told them frankly that my efforts would be directed in behalf of JOE BYRNS, as we all knew him.

It was because of this friendship existing over this long period of years that caused me to openly advocate his interests when he was a candidate, first, for Speaker, then for leader, and later, when he was successfully being elevated to the Speakership. On no occasion had he sought honors that I did not support him.

When I was elected to the Sixty-ninth Congress he called me to his office and the advice he gave me at that time I followed to the best of my ability. Back in 1932, when I was appointed a member of the Select Committee on Reorganization, JOE BYRNS was its chairman. It was back of closed doors that I really had an opportunity to learn why he had been so successful in public life. His knowledge of the workings of our Government was astonishing. He knew the details, the responsibilities, and obligations of Government officials from the Cabinet officers down. At that time he was also chairman of the great Committee on Appropriations. His faithful and efficient service, his persuasive arguments were known not only to the Members of Congress but to the Nation as a whole.

During the period Mr. BYRNS was Speaker he appointed me to two special select committees. First, the Committee to Investigate the American Retail Federation. Shortly thereafter I became ill. He called at the hospital to see me and, although he did not desire me to do so, I resigned as chairman of the committee. When the Select Committee on Reorganization was named in the Seventy-fourth Congress he named me a member of that committee.

His congenial personality brought him real friendship and respect. Not only his State but likewise the Nation mourned his passing.

Henry E. Stubbs

MEMORIAL ADDRESS
OF
HON. JOHN M. COSTELLO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. HENRY E. STUBBS, late a Representative from California

Mr. COSTELLO. Mr. Speaker, we pause today to pay our meed of tribute to the memory of those colleagues who have gone from among us. It is with deep regret that we witness the passing of one of our colleagues whom all had learned to love and respect. In the death of Representative HENRY E. STUBBS not only have the people of his district in California suffered the loss of a valued and an able legislator but the Nation as a whole has been deprived of his sincere counsel and sound thinking. Although others may follow in his footsteps, others may take his place in the Hall of the House of Representatives, yet none can entirely fill the place which he leaves vacant.

The entire life of HENRY E. STUBBS was one devoted to the welfare and service of his fellow men. At no time did he allow his personal interest to supersede his broad human interest. Having consecrated his life to religion, he went forth in his ministry to tend to the spiritual needs of his congregation.

It was in this, his life work, that he developed his kindly smile and gentle, yet firm, handclasp. Here, too, he ac-

quired the attributes of the deep thinker, filled with a profound insight into human nature and sated with that wise philosophy which comes only to him who has his knowledge firmly based upon the belief in immortality and upon the confident assurance that an all-merciful God watches over the affairs of man.

We who watched HENRY STUBBS in his comings and goings are now deprived of his quiet smile and his sympathetic understanding. Never again can we enjoy his sage advice and thoughtful counsel. No longer do we hear his calm voice nor feel his warm handclasp. Taken away from us is his physical presence, but the memory of his good deeds and constructive accomplishments can never die. The recollection of his gentle nature and his kindly manner shall remain an inspiration to us forever.

Even as he so often uttered the tender words of sympathy to the bereaved in ministering to his congregation, the task is now left to others to express that sympathy to the members of his family upon his departure. May they enjoy the consolation which is engendered by the firm belief in a generous and merciful God from which PAT STUBBS himself benefited so richly. May we, who were vouchsafed the privilege of knowing him so intimately in Washington, be encouraged to discharge our duties cheerfully by the recollection of his self-sacrifice to duty and deep devotion to the welfare of his constituents and of his family. A devotion which he was not unmindful of, although suffering the pain and anguish of his last hours on earth.

Truly, HENRY STUBBS practiced the precepts of that Master to whose service his life was dedicated. Such faith, such loyalty, and such untiring self-sacrifice cannot go unrewarded.

James P. Buchanan

MEMORIAL ADDRESS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES P. BUCHANAN, late a Representative from Texas

Mr. COCHRAN. Mr. Speaker, if it be that those who have left us can penetrate death's mysteries and look into earthly hearts and minds to learn our emotions and thoughts, he knows, better than such poor things as words can express, what I now record; but, in order that posterity may be certain that J. P. BUCHANAN, former Representative from Texas, has not been forgotten, it is fitting that the last pages of the CONGRESSIONAL RECORD assert that fact as the earliest pages, by resolution and the words of his friends, asserted his death and his virtues.

For many years I have known him intimately, often aiding him as best I could in his important legislative undertakings. Particularly was this true during the last year of his life when I was a member of his Committee on Reorganization in the Seventy-fourth Congress and of the Select Committee of the House on Government Organization in the present Congress, having had the honor to succeed him in the chairmanship of the last-mentioned committee.

There are many other men in Congress who have attained to greatness and many who are on the road to that high estate. Among them all there is not one who better deserves that distinction.

Without apparent effort J. P. BUCHANAN broke through the stone of partisanship, melted the slimy shale of prejudice and braved the heat of controversy to find and possess that glorious gem that all desire, the love of his contemporaries.

During the session of Congress now ending no days of his colleagues have been so filled that a moment has not come for a pause to realize how much he was being missed, a longing for his willing and industrious help, his sage advice, or his unbounded sympathy. Richer because he lived, our lives will never find recompense for his death.

Randolph Perkins

MEMORIAL ADDRESS
OF
HON. EDWARD J. HART
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. RANDOLPH PERKINS, late a Representative from New Jersey

Mr. HART. Mr. Speaker, in the death of RANDOLPH PERKINS this Congress, this Nation, and the State of New Jersey have suffered a severe loss. And countless Members in and out of the House of Representatives will feel that they have lost an honored friend. Congressman PERKINS was a man of exceptionally strong intellect, as his colleagues in committee work can well attest. It is rare, indeed, that a Member acquires renown in this body because of the work he does in committee. One sensational statement, whether founded in fact or not, whether prompted by malice or excessive zeal, when made by a Member on the floor of the House, will more quickly bring him to the attention of the country than years of conscientious, constructive committee work. And yet we, familiar as we are with the genesis and course of legislation, know that the really effective work performed by Members of the House is done mainly within the committee rooms.

Mr. PERKINS spoke but rarely on the floor. When he did, he consumed very little time. But members of the committees on which he served will attest to the value of his services in analyzing and constructing legislation. Quick of discernment, unerring in his application of logic to any given situation, and backed by an exhaustive knowledge of sound legislative and governmental principles, much of our recent legislation bears the imprint of his careful and judicious attention.

I believe that, as in the case of many other Members of this body, Mr. PERKINS' service here was rendered at financial sacrifice to himself. During nearly all his years as an advocate in the courts he maintained his principal law offices in my own city. When I was but a boy he was one of the best-known lawyers in the northern section of New Jersey, and perhaps it is not incorrect to say that more good lawyers now practicing in the city of Jersey City received their training under RANDOLPH PERKINS than under any other member of the legal profession.

Mr. PERKINS served with distinction in the New Jersey Legislature before coming to the House of Representatives. In both places he was a valuable servant of those who selected him as their representative, faithful to his duties, wise and practical in performing them, an ornament to his profession, a tower of strength to his party, and a delight to his host of friends.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. J. WILLIAM DITTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. DITTER. Mr. Speaker, a little more than a year ago we were shocked to hear of the passing of one whose kindliness had endeared him to all who knew him. I refer to our

friend and colleague, our former distinguished Speaker, the Honorable JOSEPH W. BYRNS.

It is given to but few men to wield an influence such as JOE BYRNS did. His personal charm made this power possible. He was positive, yet gracious. He was serious, yet pleasant. He was stern, yet kindly. He exemplified the strength, the ruggedness, and the courage of individual initiative and ambition. In his passing we have lost a real friend, a lovable spirit; the Nation has lost a worthy son.

THE DEAD DO NOT DIE ONCE

The dead do not die once, but many times,
Long after they are dead. They die
Each time we look to a dark corner,
First murmuring a name, then cry
That there is only darkness there. They die
Each time a footstep echoes in
The well-remembered way—when it is but
The creaking of the stair. They've been
With us at dinner as the light grew dim,
Until we turned to pass the peas,
Or bread. They die again each time we do
A thing and think, "For this will please
Them"—and they are not there! Again with ease
They come each time we see a book
Well-loved, a favorite flower, or a scene
We shared, or when we catch a look
Upon the young child's face that we mistook.
And so throughout the years a sigh—
The dead no not die once, but many times.
Long after they are dead they die.

—M. B. D.

A. Piatt Andrew

MEMORIAL ADDRESS
OF
HON. ROBERT LUCE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. A. PIATT ANDREW, late a Representative from Massachusetts

Mr. LUCE. Mr. Speaker, by the death of A. PIATT ANDREW the House lost one of its most earnest, thoughtful, and capable Members. He brought here unusual training. As a professor he had become well grounded in economics. Then he served as expert assistant and editor of the voluminous publications of the National Monetary Commission, which made the exhaustive study of world finance that led to the Federal Reserve System. For 3 years he was an Assistant Secretary of the Treasury. Intimate knowledge of foreign and military affairs resulted from his four years and a half in France through the World War period, with service in the French army and later that of the United States, in which he was promoted to lieutenant colonel.

In the course of his 15 years in Congress all this experience proved of distinct value, especially in the committee rooms. He did not often take the floor in the House, but when he spoke, his words commanded respect.

His district, comprising a large part of Essex County in Massachusetts, has through many years been notable for its contributions to public life. A. PIATT ANDREW lived up to its high traditions.

Senator James Couzens

MEMORIAL ADDRESS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JAMES COUZENS, late a Senator from Michigan

Mr. RABAUT. Mr. Speaker, the record written in Congress by the late JAMES COUZENS during his 14 years as Senator from Michigan, needs no amplification by me or by any man. It stands solidly on its merits and will stand for always as a striking memento of all that is finest and best in public service.

I am adding my voice to the appreciations of Senator COUZENS because we were associates from the same part of the same State and because all we of Michigan in the Congress are proud that he also was of our State.

Senator COUZENS' conception of public service was at once simple and sternly difficult of fulfillment. He believed that public service means precisely what it says. He believed that a man chosen for public office by the people actually was the servant of the people, pledged to do their bidding and to express their will to the best of his ability.

He did not believe that he or any of his colleagues were elected to serve special groups or minorities. He scorned that false creed because he knew, as all honest Members of this Congress know, that such truckling to special groups invariably leads to bad legislation.

He was a man of indomitable courage and, consequently, he was much in conflict. Yet no matter how turbulent the controversies in which he occasionally engaged in the Senate, no Member, either of his own party or of the opposition, ever questioned his utter honesty of purpose. He fought doggedly, but he fought always for what he thought was right, regardless of the odds or the tremendous pressure that frequently was brought to bear against him.

Senator COUZENS was a strong man among the powerful but an exceedingly gentle man to the weak and oppressed. He was not without enemies, but they were strong and rich enemies. The common people of Michigan and of the Nation were his friends. He loved little children. He gave millions upon millions of dollars for their physical and educational betterment. And he made his benefactions without ever the slightest thought of personal aggrandizement. Indeed this scrupulous man was never more scrupulous than in his constant determination to keep his private charities divorced from his public life.

Michigan and the Nation knew his worth. I am certain that all of us are of one mind that in the death of Senator COUZENS a great statesman, a defender of the weak, a lover of children, and a champion of the right proceeded to his eternal reward.

Housing and Slum Clearance

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

Mr. WOLVERTON. Mr. Speaker, it is gratifying to realize, as this session of Congress draws to a close, that housing legislation to improve living conditions of the underprivileged and provide work for the building trades is to be an accomplished fact at last.

Ever since the present administration came into office promises have been made of an intention to enact a comprehensive program for this purpose. Senator WAGNER, Democrat, of New York, during the past 4 years has fought courageously and untiringly for adequate housing legislation, only, to be denied time after time and year after year.

It is regrettable that after this long delay the measure now agreed upon will hardly begin to accomplish the purpose originally intended. It is so limited as to be not even a good gesture. Consequently, it will be a long time before any considerable slum areas will disappear by reason of its provisions. It is nothing more than an effort to redeem a promise in name only and without affording real comprehensive relief.

Innumerable surveys have shown the deplorable and even disgraceful conditions under which the poor throughout

the Nation are now living—welfare societies, labor organizations, municipal authorities, business men, and outstanding citizens engaged in every kind of civic activity have declared themselves in favor of adequate housing legislation and petitioned that it be enacted.

It is to be hoped that the time will come when the one-third of our population who it is stated are ill-housed will receive the attention their deplorable conditions demand they should have.

The only encouragement to be taken from the passage of the present housing bill, and it is upon this basis that I have given it my support, is the hope that it may be a start, although it is a very poor start toward the elimination of unsightly and unhealthful living quarters that now constitute a national disgrace, and, in their place the substitution of sanitary and healthful homes, with pleasant surroundings, in which those of meager means may properly raise their children.

Until adequate legislation is adopted to accomplish this purpose we have not done our full duty as the richest Nation in the world.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. EDWARD J. HART
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. HART. Mr. Speaker, it would be impossible to describe the deep sense of grief which overwhelmed me when I received the news of the sudden passing of our late beloved Speaker, JOE BYRNS. While it was obvious to us all that for some time he had been working under a severe physical strain, whose effects were clearly shown in his gait and countenance, none of us, I believe, felt any apprehension that the end of his earthly career was close at hand.

My acquaintance with this dearly beloved character ran back almost 20 years. During nearly all of that time, I saw him but rarely and never for very long, but the mellow warmth of his gracious and kindly personality impressed itself upon me in indelible fashion.

But it was not until I became a Member of this great body that I came to a full realization of the full stature, mental, moral, and spiritual, of this rare figure whom we had selected to preside over our deliberations.

JOE BYRNS was a true patriot; he loved and served his country with all his heart. He was a true Christian; he loved his neighbor after the order of the great commandment. His tall Lincolnesque figure will never again adorn this Chamber; the kindness in the depths of his lustrous eyes will never more shine out upon us, welcoming us, encouraging us, but the memory of his friendliness, his helpfulness, his patience, and his leadership can never fade from our heart of hearts.

For some time prior to his lamentable death he had refrained from attendance at social functions. I shall always account it one of the sweetest recollections of my life that his last appearance at any such event outside of his home was at a dinner tendered to me by many of my colleagues in honor of my marriage, about a week before his herculean labors were ended. His speech on that occasion showed forth all the sincerity, beauty, and homely virtue which were part of his great soul.

To this giant among men, rugged yet gentle, earnest yet patient, firm yet tolerant, we can only say in this sad hour of remembrance:

Adieu, and take thy praise with thee to Heaven!

William P. Connery, Jr.

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, August 16, 1937

On the life, character, and public service of Hon. WILLIAM P. CONNERY, JR., late a Representative from Massachusetts

Mr. COCHRAN. Mr. Speaker, it is hard for us to realize that BILLY CONNERY has departed. It is likewise hard for us to comprehend why he should have been taken away in an hour when he was needed most.

BILLY CONNERY and I became personal friends when he arrived in Washington to take up his duties in the Sixty-eighth Congress. I was then employed as a secretary and our offices were adjoining. In the following Congress I was successful in being elected as a Member of the House, and we continued to work side by side for many years. There was not an hour of the day that he was not trying to help some poor unfortunate person. BILLY CONNERY was a self-made man in every sense of the word.

Shortly after coming to Washington he took up the study of law. In his congressional career he specialized in advancing legislation to assist those with whom he served in the World War and labor legislation. He was a member of the Committee on Veterans' Affairs, and he became chairman of the Committee on Labor. We all know the contributions that he made that brought additional benefits to those whose interest he advocated.

Of his personality, it is impossible to describe Billy's personality in words. Regardless of whether one agreed with his views, it had no effect upon their friendship for him.

In the many years I have been in Washington I have known no man who contributed more toward the cause of labor than BILLY CONNERY, and I am sure that some day organized labor will construct a memorial in appreciation of the services that he rendered.

All Members of the House and Senate mourned his passing, as did his many friends not only in the district he so ably represented but throughout the Nation.

Joseph W. Byrns

MEMORIAL ADDRESS
OF
HON. CLAUDE A. FULLER
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1937

On the life, character, and public service of Hon. JOSEPH W. BYRNS, late Speaker of the House of Representatives

Mr. FULLER. Mr. Speaker, others have so well portrayed the early life and accomplishments of the late lamented Honorable JOSEPH W. BYRNS that I will only deal briefly with his latter years. When I came to Congress 9 years ago he was the ranking Democratic member of the Appropriations Committee and was chairman of the Democratic Congressional Committee. In 1931 he became chairman of the Appropriations Committee and was ever known as the watchdog of the Treasury. He knew, to the minutest details, the necessary appropriations required for the various departments. It was while overworking in this capacity that his health became seriously impaired.

He was elected Democratic leader in 1933 and succeeded the Honorable Henry Rainey as Speaker in January 1935. As Speaker he was at his best and had an opportunity to show his real characteristics. Possessed of a friendly disposition and a great admiration for his close associates, he

never missed an opportunity to speak a kind word, give needed advice, and assist in every way possible his colleagues and especially the newer Members. Although gifted as an eloquent Speaker, he never took advantage of his position and his ability to publicly chastise or criticize his colleagues. To them, as to all who knew him well, he was affectionately known and referred to as Joe. Because of his amiable disposition, his friends and colleagues knew they could contact him at any time on matters which affected them and the Nation.

His rugged honesty was never questioned. He was influenced by no impure purpose or personal aggrandizement. He had an eye single to the best interests of his loved ones, his constituency, and the Nation. His private life was clean and his public life without blemish.

The House of Representatives never had a more loved or able Speaker than JOSEPH BYRNS. His colleagues and the Nation were shocked at his untimely death. He died in the harness, and was honored as few have ever been honored. In paying their last respects, President Roosevelt, his Cabinet, and other distinguished Americans accompanied his remains to his home in Nashville. Another train carried the Members of Congress. It was a matter of bestowing honor where honor was justly due. His unassuming manner, his friendly and mild disposition, his wonderful knowledge of governmental affairs, and his readiness to serve, caused him to be loved by all with whom he came in contact. In private and public life nothing ever swayed him from the path of rectitude and honor.

His life was such and his accomplishments so great that it would be well for the young men of the Nation to emulate his career. Although able to walk with kings he never lost the common touch. He loved his fellow men, especially his family, his constituency, and his colleagues. He rose from obscurity, from the humble walks of life to the most honored position in American political life, excelled only by the office of the Presidency. His life demonstrates to the young men of this Nation that through perseverance, honesty, uprightness, and studious endeavor they can rise from the lowest walks of life and round by round reach the uppermost pinnacle on the ladder of honor and fame.

In his death America lost one of its most outstanding statesmen, an eloquent and able champion of the rights and liberties of the masses of the people.